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PROCEEDINGS AND DEBATES OF THE 102d CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Thursday, July 2, 1992*

The House met at 10:30 a.m.

Rev. Ronald C. Willis, Southern Baptist minister, Washington, DC, offered the following prayer:

Our Father, all of us who serve and work here do so with a deep sense of our need for divine guidance and direction. And so we ask that You keep us from demanding of others that which we ourselves would be unwilling to give. Keep us from the pride that leads to self-deceit. Give us the strength to do that which transcends our own temporal concerns. Help us to understand that none of this exists without Your will as the guiding force. And most of all, O Holy Father, forgive us when we fail to recognize how much we depend on Your spirit to lead us in the direction that brings justice and righteousness to all our Nation's people. We pray these things, this day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The gentleman from New Jersey [Mr. ZIMMER] will please come forward and lead the House in the Pledge of Allegiance.

Mr. ZIMMER led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. McCathran, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1598. An act to continue the authorization of appropriations for the East Court of the National Museum of Natural History;

S. 2566. An act to establish partnerships involving Department of Energy laboratories and educational institutions, industry, and other Federal agencies, for purposes of development and application of technologies critical to national security and scientific and technological competitiveness;

S. 2733. An act to improve the regulation of Government-sponsored enterprises;

S. 2827. An act to amend the John F. Kennedy Center Act (20 U.S.C. 76h et seq.) to provide authorization of appropriations for fiscal years 1993 through 1997 for the John F. Kennedy Center for the Performing Arts, and for other purposes;

S. 2910. An act to authorize appropriations for the American Folklife Center for fiscal years 1993, 1994, 1995, 1996, and 1997;

S. 2938. An act to authorize the Architect of the Capitol to acquire certain property; and

S. Con. Res. 129. Concurrent resolution expressing continued support for the Taif Agreement, which brought a negotiated end to the civil war in Lebanon, and for other purposes.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that it will limit 1-minute requests to five on each side.

THE REVEREND RONALD C. WILLIS

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELLUMS. Mr. Speaker, since March 1979, Reverend Willis has served on the staff of the District of Columbia Committee and presently holds the position of senior staff associate. During his tenure on the District of Columbia Committee, he has been the principal staff person for legislation transferring St. Elizabeth's Hospital from Federal control to that of the government of the District of Columbia; the 1989 Omnibus Drug Program, which resulted in an increase of 700 additional police officers for the Metropolitan Police Department, as well as eight additional superior court judges; and most recently, legislation which amended the 1973 District of Columbia Home Rule Act to establish a fair and equitable Federal payment formula for determining the annual Federal payment to the District of Columbia.

Prior to his appointment to the District of Columbia Committee staff, Reverend Willis served as adult supervisor for the Southwest Mental Health Care in San Antonio, TX.

Reverend Willis was ordained in 1967 and served as senior pastor of Golden Gate Baptist Church in Oakland, CA; senior pastor of Immanuel Baptist Church, Bangor, ME; and associate pastor of First Baptist Church of San Antonio, TX, which had a membership of 8,900.

A native Californian, Reverend Willis is married and the father of four children.

IN TRIBUTE OF JUDY ORGANAS

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, the successes of our communities and our country has always relied on the voluntary contributions of individuals who, in times of need, rise above and beyond the call of duty to make a difference in the lives of others. I pause today to pay tribute to one of the true heroes in the northern New Jersey community, Judy Organas of Garfield. She is a shining example to all of us.

Judy serves as a volunteer at St. Joseph's Hospital in Paterson, NJ. Four hours a day, twice a week, Judy donates her time and energy to provide comfort to the children and infants who, for one reason or another, have found themselves in the pediatric wing of the hospital. Many of these infants have been abandoned by their mothers. Many are victims of the scourges of drugs and AIDS.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Whether it be a newborn or an ailing child, Judy is there when the family cannot be or, in some cases, when there is no family. She feeds, changes, and gives tender loving care to all. The sterile surroundings of a hospital bed can be a frightening experience for a child, and Judy's compassion eases their pain and provides healing comfort.

Perhaps the best illustration of Judy's ability to make a difference for the children is her relationship with a 3-year-old boy who lives in the hospital's O'Neill Center, a hospice for children with AIDS. Judy has become a source of constant support for the boy and, when he goes for treatments in the hospital, he has learned to depend on her words and kindness to help him through the difficult times.

To date, Judy has donated over 400 hours to the children and has proven an invaluable resource for St. Joseph's. In fact, she was recently recognized by the hospital as their Volunteer of the Year.

Mr. Speaker, it has been said that you give but little when you give of your possessions. It is when you give of yourself that you truly give. By providing an island of stability in the turbulent storm of pain and suffering, Judy Organas gives her all. I ask my colleagues to join in grateful salute for her heroic service.

UNEMPLOYMENT

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, today, the 24-month-long recession continues to take its toll on the American people.

In June, 470,000 more Americans joined the unemployment line that now stretches to nearly 10 million. The jobless rate has jumped to 7.8 percent—a full percentage point above what it was last fall when we were assured that we were in recovery—and the highest point since March 1984.

From manufacturing to services, from construction to finance, American workers are being tossed off the job, and our economy continues to suffer.

Mr. Speaker, we must reform unemployment insurance to ensure that workers thrown off the job by this recession can count on having a platform from which they may bounce back, not subject to the political winds of the moment.

More, we need the leadership only a President with an agenda that puts the American people first can provide, to get America back on track and growing again.

□ 1040

UNITED STATES FOOD EXPORTS RESTRICTED IN TAIWAN

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, for my export 1-minute today, this Member would like to discuss Taiwan's restricted markets to United States food exports.

A few weeks ago, this Member stood here and spoke of the great potential for United States food exports to Southeast Asia. Unfortunately, to the dismay of our Nation's food processors, this potential has yet to be realized.

Mr. Speaker, there can be no doubt that excessive tariffs and nontariff barriers have limited these markets to U.S. food products. A representative of a Nebraska food processing company returning from a trip to Taiwan describes a market there, where buyers and consumers wish to buy United States food products, but because of an outrageous 40-percent tariff imposed on our products, they cannot afford them. Our U.S. Trade Representatives confirm this firsthand observation in their 1992 "National Trade Estimate Report on Foreign Trade Barriers." They say, and this Member quotes:

> [In Taiwan] excessively high tariffs remain on most agricultural products despite repeated U.S. requests for their removal or reduction. * * * Processed agricultural products often face import duties of up to 40 to 50 percent ad valorem.

Mr. Speaker, while numerous attempts are under way to protect U.S. industries declining in their competitiveness, there is far too little attention focused on those U.S. industries—like food processing—which remain the most competitive in the world. Therefore, this Member urges his colleagues to press the office of our United States Trade Representatives to intensify its ongoing efforts in Taiwan and elsewhere and to reduce these tariff and nontariff barriers for United States food products abroad. We should also demand that Taiwan, with its huge trade and balance of payment surpluses with this country reduce or remove those tariffs.

CALL FOR A REAL PROGRAM TO END THE RECESSION

(Mr. WISE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WISE. Mr. Speaker, they said the recession was ending, but today we see the figures that the unemployment figures have not gone down; they have gone up to 7.8 percent.

What does that mean in human beings? That means 10 million at least unemployed. It does not talk about the millions more that have given up and are not able to look anymore.

At some point, Mr. Speaker, there has to be some accountability. Where is the jobs program from the White House, a real jobs program? Where is the education program, where is the infrastructure program, where is the trade package? It is not there, Mr. Speaker. And each day, each month on this roller coaster recession where sometimes you are up and sometimes you are down we see what the facts are, that people are not first, and that the economy is just dragging along and not improving. And it is time for a change, Mr. Speaker.

It is time to put people first and to design those programs that put people first. The figures tell the story, but they do not tell it all. The people tell the story, and the people say it is time for some real policies to put real people to real work.

GREATEST ARMS REDUCTION IN HISTORY

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, last week a historic agreement was signed by President Bush and Russian President Boris Yeltsin. This agreement, eliminating intercontinental ballistic missiles and reducing by 50 percent submarine-launched missiles, represents the greatest arms reduction in the history of this great Nation and the world. This will have a far-reaching impact on all our lives, one being the half-century-old fear of nuclear war. This marks an enormous achievement for the administration and President Bush deserves credit for his strong leadership in bringing about this agreement. The geopolitical revolution that took place in the former Soviet Union presented the United States with an opportunity to set a new course for world peace for centuries to come. President Bush's leadership ensured that this opportunity would not pass us by.

The news media and others in this country appear to have lost perspective of what is really important to Americans and their families. With this agreement, the realization of world peace is finally at hand. There is nothing more important in the world than peace and George Bush should be commended for his tireless efforts and contributions toward this goal. I congratulate him and hope that other opinion-makers in this country take time to appreciate this outstanding achievement by our President.

SUPPORT MOTOR VOTER

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. LEWIS of Georgia. Mr. Speaker, it has been reported that President Bush will veto S. 250, the National Voter Registration Act, during the July 4 break. This is an important bill—a bill that would expand voter participation in the political process.

But like a thief in the night, the President wants to steal our best hope for the expansion of American democracy. Without public debate, the President intends to sneak a pocket veto past the American people.

Mr. Speaker, the President can show leadership. He can expand democracy here at home by signing the National Voter Registration Act and opening up the political process. But he does not want to do that. Instead, the President wants to stuff the bill in his pocket. Say nothing. Do nothing. Pocket-veto the bill.

We should not let this veto happen in the dark. The American people need to know.

RTC RECEIVERSHIP CERTIFICATES BILL

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, today the gentleman from North Carolina, Mr. ALEX MCMILLAN and I are introducing a bill that would permit the Resolution Trust Corporation to give notes to new depositors in lieu of cash in failing savings and loans. The purpose is to call attention to the fact that Congress has failed to provide additional money to the RTC to close failed thrifts. The result is that some brain-dead institutions continue to collect deposits and pay higher than market rates of interest.

We should have learned that this only serves to dig the hole deeper, a hole that taxpayers will ultimately be asked to fill.

The McMillan bill is a fascinating proposal. This bill will ensure that the hole gets no bigger. Under the gentleman's bill, failed thrifts can be closed immediately, even if the Government does not have the money available to pay off the depositors. Depositors of failed thrifts would receive notes guaranteeing payment of their insured deposits when Congress finally gets around to providing the necessary funding.

This bill is something to think about, Mr. Speaker.

U.S. TRADE POLICY

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Hughes Aircraft laid off 9,000 workers and American steel companies were forced to go to court themselves to stop this dumping of foreign steel below market prices because our Government will do nothing about it.

But now, California, almost bankrupt, is paying out IOU's to their State workers. Mr. Speaker, what is going on?

While Congress gives 13 billion dollars' worth of foreign aid, and is lining up another $12 billion for Russia, Congress is going to give California tax breaks. Give me a break. I think it is time that Congress realizes that our cities are on fire, our country is going bankrupt, and we might pump up our economy by putting some of this cash going to foreign aid to Russia into America.

Think about it.

PRESIDENT'S MORATORIUM ON REGULATION

(Mr. DOOLITTLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLITTLE. Mr. Speaker, overregulation is strangling our economy. I support the President's moratorium on regulation. I think that it has highlighted many of the problems that we face.

But the fact of the matter is we have many regulations in force now that need to be repealed. It has been observed that amendments to the Clean Air and Clean Water Act of 1990 could cost this economy as much as $390 billion.

Let me give an illustration of what we are facing with our small cities and our big cities in California. Under one interpretation of the Clean Water Act amendment, these cities are going to have to build completely redundant drainage systems. Now that we have done such a good job of cleaning up pollution, and I commend that, it so happens that rainwater runoff is the most significant source of water pollution in many of our communities today, and therefore, Rocklin, the city where I reside, is going to have to float a bond issue of several million dollars to build a new drainage system to capture rainwater runoff, and contain it in holding ponds so that the water can evaporate rather than run into the creeks, as is presently the case.

□ 1050

This is a perfect example of regulation gone awry, millions of dollars spent to achieve minuscule improvement in the environment.

We need to revise our regulations and reduce them. I commend the President for instituting the moratorium and giving us a chance to focus on the problems of excessive government regulation.

THE LEGACY OF THE TAILHOOK CONVENTION

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, it was not just 26 military women who were embarrassed, demeaned, and even assaulted in the Tailhook Convention at Las Vegas last year. All military women were assaulted and demeaned and embarrassed and, Mr. Speaker, even more so by extension, all women, military and nonmilitary, were assaulted as those 26 were last year.

That event has cost Navy Secretary Garrett his job. It will cause the lack of promotion of several persons responsible for that, and it will hurt the Navy in a collective sense by reason of the bill soon to be brought up by the gentleman from Pennsylvania.

But that punishment is not enough, Mr. Speaker. In a positive sense, here should be every effort made by this Congress to be sure American women are not subject to sexual assault in the workplace or outside the workplace. That will be the best legacy of the Tailhook Convention.

APPROPRIATION INCREASES CAUSING FINANCIAL COLLAPSE

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, yesterday the House passed a Treasury appropriation bill containing an almost $3 billion increase over last year. This is a 14.5-percent increase in a year that the economy has grown at a rate of between 1 and 2 percent.

We passed a mental health/drug abuse law which has a 46-percent increase over last year.

Now, I want to do everything possible to fight mental illness and drug addiction, but the truth is that if we give every department and agency a 46-percent increase, we will crash economically.

If yesterday was an exception, maybe we would not have a problem, but every week and almost every day we are passing bills authorizing or appropriating huge increases over last year just as if we had surplus cash. We are trying to be all things to all people, and it simply cannot be done.

We have a national debt of $4 trillion. It is strangling our economy. Everyone would be better off if we were not so deeply in debt.

Even worse, we are losing over $1 billion a day on top of this already staggering debt. We will continue to suffer terrible losses until we bring Federal spending under control.

We cannot continue to give every Federal program 10- and 12- and 14- and even 46-percent increases without causing this Nation to collapse financially.

At some point we have to say no. I just hope it is not too late.

FINANCIAL ACCOUNTABILITY AND IMPACT REFORM [FAIR] ACT

(Mr. MORAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MORAN. Mr. Speaker, today marks the beginning of the fiscal year for 46 State and many local governments. These governments have had a grueling year attempting to reconcile declining revenues with new demands on spending that are often imposed by the Federal Government without the corresponding Federal funding. The challenge next year will be no less daunting.

While many of these Federal mandates represent vital public policy objectives, the need for State and local governments to be able to spend local resources on local priorities, however, must also be respected. Only by fully evaluating the economic impact of Federal regulations on State and local governments are policy makers at all levels able to balance priorities for finite resources.

The same is true for the private sector, particularly small businesses. Federal regulation, especially in the areas of worker safety and the environment, is essential. But every dollar spent to comply with additional regulations is a dollar that cannot be spent to produce goods or services or invest in research and development. Clearly there is a need to identify the costs of Federal mandates before they are implemented, so the administration and Congress have the facts they need to make informed decisions.

In response to these concerns, today I am introducing the Financial Accountability and Impact Reform (FAIR) Act of 1992. Like the National Environmental Policy Act, this measure will require Federal agencies to analyze the economic costs of new regulations before they are adopted. And, like the 1974 Budget Reform Act, this measure will require that a bill cannot be considered by the full House or Senate without an analysis of the costs of compliance to State and local governments and to the private sector.

The intent of this legislation is not to impede the legislative or the regulatory process. It is simply to make sure that we as legislators—and the administrators to whom we delegate rulemaking and regulatory responsibility—fully appreciate the financial implications of our decisions before we make them.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MCNULTY). According to the Chair's prior announcement, other 1-minute statements will be taken later in the legislative day.

COMMENDING NASA LANGLEY RESEARCH CENTER ON CELEBRATION OF ITS 75TH ANNIVERSARY

Mr. BROWN. Mr. Speaker, I ask unanimous consent that the Committee on Science, Space, and Technology be discharged from further consideration of the Senate joint resolution (S.J. Res. 324) to commend the NASA Langley Research Center on the celebration of its 75th anniversary on July 17, 1992, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. WALKER. Mr. Speaker, reserving the right to object, I shall not object, but I wanted to give the gentleman from California an opportunity to describe the content of the Senate joint resolution.

I yield to the gentleman from California [Mr. BROWN].

Mr. BROWN. Mr. Speaker, the Science Committee rarely brings commemorative resolutions to the floor, but I rise today to recognize the 75th anniversary of the NASA Langley Research Center, which will occur on July 17, 1992.

Mr. Speaker, NASA's Langley Research Center has a long and distinguished history in aeronautics and space research. Indeed, Langley is the country's first civilian aeronautical research laboratory, established in 1917. Since then, Langley has been at the cutting edge of our national aeronautical and aerospace R&D efforts.

For example, Langley was the beginning site of the first U.S. manned space program, Project Mercury. The Nation's original seven astronauts trained there. In more recent years, Langley has managed such major scientific space missions as the Viking Mission to Mars and the lunar orbiter.

I want to commend the men and women of NASA's Langley Research Center and salute them for their many accomplishments to our Nation over the last 75 years.

Mr. WALKER. Mr. Speaker, further reserving the right to object, I would like to commend our colleague, the gentleman from Virginia [Mr. BATEMAN], who was a leader in pushing this particular resolution in the Congress and brought it to the attention of our committee.

I am glad we are able to get the bill on the floor today.

Langley Research Center does celebrate its 75th anniversary on July 17. It is one of the most honored aerospace facilities in the history not only of this country but the world. It has, in fact, proven to be a major national resource which has had a profound impact on our journey into both air and space.

The people at Langley who work for NASA have invented a lot of new technologies, have provided many practical solutions to aerospace problems, and have developed leaders for the aerospace industry.

So this is an event that deserves recognition.

Mr. BATEMAN. Mr. Speaker, in 1917, the country's first civilian aeronautical research laboratory was established in Hampton, VA. Today, that lab, now called the NASA Langley Research Center, is the U.S. Government's oldest, most prolific, and most honored aerospace facility. This national resource has had a profound impact on man's journey into air and space.

NASA Langley helped establish the foundation and infrastructure for aeronautics and space technology in this country. Researchers at the center helped create the tools and train the scientists, engineers, managers, and leaders who have made aerospace history throughout this century.

NASA Langley supports the Nation by studying the basic problems of flight, selecting certain problems for investigation, and developing solutions through long-term research and test programs. As a result, NASA Langley has had a major influence on nearly every aircraft in service.

In addition, NASA Langley supports research in space technology, advanced space transportation systems, and concepts for large space structures. The first U.S. manned space program—Project Mercury—began at Langley, and Langley was the training site for the original seven astronauts. Later, Langley managed such programs as lunar orbiter, which mapped the surface of the Moon for the Apollo landings, and the Viking mission to Mars. NASA Langley is also a major contributor to national atmospheric research.

Occupying almost 800 acres of Government-owned land, the NASA Langley Research Center is comprised of many facilities unique in the world of aerospace research, five of which have been designated national historic landmarks by the Department of the Interior.

For 75 years, the people at NASA Langley have built new research tools, invented new technologies, provided practical solutions to aerospace problems, and developed leaders for the aerospace industry. The center has consistently been a source of technology that has made aerospace a major factor in commerce and national defense.

The Congress of the United States salutes the NASA Langley Research Center as it celebrates its 75th anniversary July 17, 1992. May it continue expanding the frontiers of flight.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 324

Whereas, in 1917, the first civilian aeronautical research laboratory of the National Advisory Committee for Aeronautics (NACA) was established in Hampton, Virginia;

Whereas such laboratory, now called the NASA Langley Research Center (hereafter referred to in this Resolution as the "Center"), occupies 787 acres of government-owned land;

Whereas the official groundbreaking ceremonies for the Center were held on July 17, 1917;

Whereas the Center is the United States Government's oldest, most prolific and most honored aerospace laboratory;

Whereas the Center supports the Nation by studying the basic problems of flight, selecting certain of those problems for investigation, and following up with practical solutions to such problems through long-term research and test programs;

Whereas the first United States manned space program, Project Mercury, began at the Center in 1958;

Whereas the Center supports investigations and research in space technology and advanced space transportation systems, designs concepts for large space structures, and develops research hardware and conducts experiments in space;

Whereas the Center makes major contributions to national atmospheric research such as developing satellite experiments, modeling the atmosphere and analyzing climate observations;

Whereas from the beginning, people have been the most important resource of the Center with over 3,000 civil servants and over 2,200 contract personnel university researchers and United States Army helicopter research personnel currently working at NASA Langley;

Whereas the Center is comprised of many facilities unique in the world of aerospeace research, five of which have been designated as National Historic Landmarks by the Department of the Interior; and

Whereas the Center is one of the leading aerospace research laboratories in the world and has consistently been a source of technology that has made aerospace a major factor in commerce and national defense; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress does commend the NASA Langley Research Center as it celebrates its 75th anniversary on July 17, 1992, and as it continues expanding the frontiers of flight.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROWN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 324, the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 5504, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1993

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 508 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 508

Resolved, That all points of order against consideration of the bill (H.R. 5504) making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes, for failure to comply with the provisions of clause 7 of rule XXI are waived. During consideration of the bill, all points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived. Points of order under clause 2 of rule XXI against the amendments printed in the report of the Committee on Rules accompanying this resolution are waived. Amendments printed in the report and any amendments thereto shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 508 provides for the consideration of H.R. 5504, the Department of Defense appropriations bill for fiscal year 1993.

The resolution waives all points of order against the bill for failure to comply with clauses 2 and 6 of rule XXI, and waives all points of order for failure to comply with clause 7 of rule XXI. Clause 2 of rule XXI prohibits unauthorized appropriations or legislative provisions in general appropriations bills. These waivers are necessary because authorizing legislation for various programs has not yet been enacted.

In addition, Mr. Speaker, clause 6 of rule XXI prohibits reappropriations in general appropriations bills. The clause 6 waivers are necessary to allow the transfer of unexpended balances from one account to another and the extension of authority to obligate those funds in the new fiscal year.

Clause 7 of rule XXI requires the relevant printed hearings and report to be available for 3 days prior to consideration of a general appropriations bill. The clause 7 waiver is necessary to ensure the expeditious consideration of this appropriations bill.

The resolution also waives points of order under clause 2 of rule XXI against three amendments printed in the report to accompany the resolution. The amendments are two to be offered by Representative DORGAN, and an amendment to be offered by Representative PENNY. Each of the three designated amendments shall be debatable for 20 minutes, with the time equally divided and controlled by the proponent and an opponent.

Mr. Speaker, H.R. 5504 provides appropriations for the Department of Defense for fiscal year 1993. It provides funding for military personnel, operations and maintenance, procurement, and research, development, test and evaluation programs.

We are entering a new era where the United States is the world's only military superpower. Our former adversaries have dismantled their hostile and repressive regimes, and have embarked upon more peaceful pursuits.

At the same time, the world remains a dangerous place. The potential for conflict still exists, as demonstrated by the Iraqi invasion of Kuwait last year, and the United States must remain prepared to protect its vital interests.

Consideration of H.R. 5504 will permit us to debate the appropriate level of funding for our national defense needs, and to determine which programs and activities will best enable us to maintain an adequate level of strength to meet potential threats.

Mr. Speaker, H.R. 5504 addresses two issues that should be of particular interest to this body.

One is funding for the V-22 *Osprey.* This has been, and remains, a contentious issue between the Congress and the Secretary of Defense. We provided funding for the V-22 in fiscal year 1992 totalling $790 million, but the Secretary has refused to spend the money despite the unmistakably clear intent of Congress to proceed with the program. Recently, the General Accounting Office issued an opinion that the Secretary's action constitutes an unreported rescission in violation of the Impoundment Control Act of 1974.

H.R. 5504 establishes a schedule for the release of both the $790 million provided last year, and the $755 million provided this year. It also requires the Department of Defense to provide Congress with a plan and schedule for completing phase II of the V-22 program.

Mr. Speaker, the Congress has approved legislation providing funds for the V-22, legislation that the President has signed into law. It is time that the Secretary end his withholding of duly appropriated funds and proceed forward with the program as directed by Congress.

Another issue of importance addressed by H.R. 5504 is the issue of defense conversion. Because the world and the assessment of the risks to our national security have changed, expenditures for defense will surely decline for the foreseeable future.

Recognizing this, and the resulting impact on military personnel, defense workers, and our economy, H.R. 5504 also provides funding for defense conversion. I am particularly pleased with this initiative, as I joined with House Armed Services Committee Chairman LES ASPIN and House Majority Leader DICK GEPHARDT in crafting the $1 billion defense conversion package that was added to the defense authorization bill and which is now being funded by this appropriations bill.

We have a golden opportunity to stimulate economic growth and help displaced defense workers and military personnel by redirecting money originally planned for defense. It is a time to be creative and a time to be bold. We have seen an unparalleled defense buildup in the last decade and now, as defense spending is decreased, we must find ways to provide new jobs for the thousands of defense workers who will be out of work and the thousands of active duty military who will no longer be needed by our country.

This resolution will enable us to begin the debate on funding for our national defense, as well as how we can begin addressing the needs of defense workers and our economy as defense spending declines. I urge its adoption.

☐ 1100

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. BATEMAN], a distinguished member of the Committee on Armed Services.

Mr. BATEMAN. Mr. Speaker, I thank the gentleman for yielding this time to me.

I rise in support of the rule now under consideration on the Defense Appropriation bill and anticipate certainly supporting it with my vote and hopefully the passage of the bill.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia [Mr. GINGRICH], the distinguished minority whip, since this piece of legislation does impact on the national employment picture.

Mr. GINGRICH. Mr. Speaker, I thank my colleague, the gentleman from New York, for yielding me this time.

I just want to say that I intend to vote for this today. I think it is very important that we move this bill to the conference and that we continue to support national defense.

I commend the gentleman from Pennsylvania [Mr. MURTHA] and the gentleman from Pennsylvania [Mr. MCDADE] for the job they have done in putting together a very good bill; but I do think the continuing decline in defense spending and the number of people that we are going to be laying off from defense industries and laying off from the armed services is a further reminder of why it is important for the House and the Senate to pass a strong economic growth bill and to pass a strong incentive program, such as President Bush has sent up, including the $5,000 first-time homebuyers tax credit and the changes in capital gains which would allow us to encourage investment and encourage jobs.

The unemployment number this morning should be a further reminder that until this Congress passes an economic growth program and gets it signed into law and until we pass stimulus to create jobs, we are going to continue to have Americans unemployed.

We have been saying this now since July of last year on the House Republican side. We have tried on several occasions to pass a signable economic growth and jobs bill. I would just hope that the Democratic leadership, looking at this defense bill, looking at the cuts in defense spending, looking at the layoffs in defense industries, looking at the dismissal of both civilian and military personnel from the Pentagon, will come to realize that we must pass an economic growth and jobs-creating program, and we must help President Bush with that kind of program if, in fact, we are going to put the American people back to work and have the kind of world we want.

So, Mr. Speaker, I thank my colleague very much for yielding this time. I do intend to vote for this, and I do hope that the entire conference will join us in voting; but I do think as a part of this program with a smaller defense system, we must have more economic growth proposals and more stimulus passed into law.

Mr. SOLOMON. Mr. Speaker, the gentleman's points are so well taken.

I know the gentleman from Pennsylvania [Mr. WALKER] has a similar interest, and I yield such time as he may consume to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I, too, want to express a concern as the unemployment rate goes up today that the response that we are beginning to hear from the Congress is that this is an excuse for passing the unemployment compensation bill. It is indeed true that we need to provide help for people who are unemployed because of the recession.

On the other hand, it is not a good thing to simply say that keeping people permanently unemployed is the main action this Congress should take. Our real action ought to be to have an economic growth package that puts people back to work, that assures that there are real jobs out there.

This bill today that we have before us that the gentleman brings to the floor with his rule is a bill where we are beginning to cut back on defense. We are cutting back on defense because the world has changed. That is very true, but we had better then figure out how we are going to employ these people in the future. That demands an economic growth package. It demands a commitment to high technology and science and a lot of the kinds of things that stimulate growth for the future.

I do not see that happening in the Congress. The problem is that we are cutting back on our technology. We are cutting back on our science. We are going to protectionism in trade and thereby jeopardizing our exports. We are doing all the wrong things in the Congress right now in order to produce the jobs of the future. I would hope that begins to turn around.

Mr. SOLOMON. Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, the gentleman again is right on the mark.

Mr. Speaker, that brings me to the point I wanted to make.

Mr. Speaker, I must give my highest commendation to both Chairman MURTHA and ranking member, Mr. MCDADE, of the Appropriations Committee's Subcommittee on Defense for their efforts to bring to the floor a bill that manages—in a responsible manner—the cuts in defense that we will be making as the cold war ends and as we enter a world of new challenges, as the gentleman from Pennsylvania [Mr. WALKER] was speaking about before.

Mr. Speaker, I say "responsible" because, although it cuts the Defense Department appropriation a full 17½ billion—not million, but billion dollars from the funding level now in effect—this bill does it in a way that serves to maintain the strength and vitality of our Armed Forces, while largely working with the President toward the goal of reducing those forces by almost 25 percent by the middle of this decade.

Mr. Speaker, let us be clear about something. With the exception of the spending associated with Operation Desert Shield/Desert Storm, which, incidentally, was defrayed to a large degree with contributions from our allies—1993 will mark the eighth consecutive year, in spite of all we hear out there in the press, of decline in defense spending in real terms. A lot of members on this floor realize that.

Let us not forget, also, that most of the rescissions we approved earlier this year came out of previously appropriated defense funds, $7.1 billion out of a total of $8.2 billion, to be precise.

Now we have before us a rule that allows the Members to offer amendments to strike funding even further. That concerns me a little bit, but as much as I may believe that we need to be cautious in considering such further cuts—for the sake of our men and women in uniform who will be separated from their careers in the service, and for the sake of the men and women in our economy who work in our defense industrial base—I support this rule for giving Members that right. That is fair.

Mr. Speaker, let me take a moment to state my concerns—not about this rule, but about the process by which we are granting rules for debate and amendment, not just on appropriations bills, but on authorizing bills as well.

Lately, we seem to have forgotten that we are here not just to enact legislation on the floor of this House, but to give the Members adequate time to educate themselves on the contents of the legislation being reported by various committees prior to floor debate. That is terribly important.

Quite frankly, the Rules Committee has gotten into the disturbing habit of holding hearings on bills and then reporting rules for their consideration before the Members—and that is 99 percent of the Members of this House—at large have had a chance to study the committee reports, in fact, in some cases, well before such reports are even printed for the use of the Members. Members cannot even see the report. They do not know what is in the bill.

This is not good, Mr. Speaker, and can only lead to the kind of confusion that we saw so recently in the Rules Committee on the Interior appropriations bill, when so many Members appeared before the committee on short notice to express their concerns about its provisions—after which the initial rule reported by the committee was quickly withdrawn once other Members were able to focus their attention on it and the provisions of the bill it covered. That is why the bill was pulled from the floor and does not even appear on the Calendar for next week again.

Mr. Speaker, although this procedure by the Rules Committee is not a violation of the standing rule that calls for a bill and committee report to be available for at least 3 days before debate on the floor, it certainly violates that rule's spirit, in my estimation. And I can only hope that the majority will not continue to engage in such fast-track procedures, which often leave the membership confused—and perhaps even resentful.

Having said all this, Mr. Speaker, I want to return to my main point, which is that I support this rule and expect that its adoption will help us pass this important bill that Chairman MURTHA and ranking member, Mr. MCDADE, have brought to this floor, so that the other body can proceed to its consideration. It is a good piece of legislation and I hope every Member votes for this rule.

□ 1110

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, if I may direct a brief question to the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. MURTHA].

Mr. Chairman, the defense authorization bill passed by the House several weeks ago included $1 billion of defense conversion. That authorization bill, of course, must now go to conference with the other body. It is my understanding that once the House and Senate reach agreement on the authorization bill in conference, and specify exactly how that $1 billion will be spent—that it is the intention of the gentleman from Pennsylvania—it would be his intention in the conference version of his appropriations bill, to track those provisions that would be agreed upon by the Senate and the House in the authorization bill.

Mr. MURTHA. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. I thank the gentleman for yielding.

Mr. Speaker, the gentleman is exactly right. Because we did not know all the details about it when it was originally introduced, we will fund whatever the Committee on Armed Services authorizes.

Mr. FROST. I appreciate that because that is a very important provision that Chairman ASPIN, majority leader GEPHARDT, and I, and a number of other Members worked on, and it is very important that it actually be funded once it is agreed upon by the conferees on the authorization side.

Mr. SOLOMON. Mr. Speaker, this is a good rule and I would ask the Members to vote for it.

Mr. Speaker, I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MCNULTY). The question is on the resolution.

The resolution was agreed to.

The motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 5504) making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes, and that I may be permitted to include tables and other extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1993

Mr. MURTHA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5504) making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania [Mr. MCDADE] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. MURTHA].

The motion was agreed to.

□ 1115

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5504, with Mr. OBERSTAR in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the bill is considered as having been read the first time.

There was no objection.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Pennsylvania [Mr. MURTHA] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. MCDADE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. MURTHA].

Mr. MURTHA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I bring to the House of Representatives the fiscal year 1993 Defense appropriations bill. I'd like to thank all the members of the Defense Subcommittee for the hard work they have performed all year. I'd like to give special thanks to the ranking minority member of the subcommittee, my friend from Pennsylvania [Mr. MCDADE]. I am sad to mention that this is the last time the Defense appropriations bill will be on the floor with the assistance of Congressman DWYER and Congressman AUCOIN. They are both leaving the House and their counsel will be greatly missed.

The Appropriations Committee is recommending to the House a total of $252.7 billion in the new budget authority for fiscal year 1993 for the Defense Department. This figure is $8.6 billion below the budget request and $17.4 billion below the current year funding level. These spending levels do not include funds for the Nuclear Weapons Program of the Department of Energy or for military construction. Those activities are funded in separate appropriations bills.

At this point in the RECORD I will insert a table outlining the committee's recommendations by account:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1992 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1993

Agency and item [1]	Appropriated, 1992 (enacted to date) [2]	Budget estimates, 1993 [3]	Recommended in bill [4]	Bill compared with appropriated, 1992 [5]	Bill compared with budget estimates, 1993 [6]
RECAPITULATION					
Title I—Military Personnel	78,266,327,000	77,080,200,000	76,896,200,000	−1,370,127,000	−184,000,000
Title II—Operation and Maintenance	83,358,581,000	74,832,176,000	71,710,202,000	−11,648,379,000	−3,121,974,000
Title III—Procurement	64,377,809,000	55,764,498,000	53,743,289,000	−10,634,520,000	−2,021,209,000
(By transfer			(1,900,000,000)	(+1,900,000,000)	(+1,900,000,000)
Title IV—Research, Development, Test and Evaluation	39,401,923,000	38,921,203,000	38,795,148,000	−606,775,000	−126,055,000
Title V—Revolving and Management Fund	3,424,200,000	1,123,800,000	16,600,000	−3,407,600,000	−1,107,200,000
Title VI—Other Department of Defense Programs	1,679,198,000	12,716,908,000	11,278,375,000	+9,599,177,000	−1,438,533,000
Title VII—Related agencies	192,919,000	199,551,000	178,900,000	−14,019,000	−20,651,000
Title VIII—Economic Conversion			(1,000,000,000)	(+1,000,000,000)	(+1,000,000,000)
Title IX—General provisions	−486,617,000			+486,617,000	
(By transfer)	(195,000,000)			(−195,000,000)	
(Additional transfer authority, sec. 9006)	(1,500,000,000)	(1,500,000,000)	(2,500,000,000)	(+1,000,000,000)	(1,000,000,000)
Total, Department of Defense	270,214,340,000	260,638,336,000	252,618,714,000	−17,595,626,000	−8,019,622,000
Scorekeeping adjustments	−115,000,000	612,000,000	35,000,000	+150,000,000	−577,000,000
Grand total	270,099,340,000	261,250,336,000	252,653,714,000	−17,445,626,000	−8,596,622,000

This bill is: Below the budget request; below the budget resolution; and below the 602(b) allocation.

DEFICIT REDUCTION

In this bill, and in the recently passed rescission bill, the committee has made an important contribution to deficit reduction. The rescission bill included a total of $7.1 billion of previously appropriated defense funds which were rescinded. The committee has reduced this bill $8.6 billion below the budget request. Thus the recently passed rescission bill and the fiscal year 1993 Defense appropriations bill have made an important contribution to current and outyear deficit reduction.

DEMISE OF THE COLD WAR

The steadfastness and rightness of America's foreign policy and defense posture since the end of World War II have paid dramatic and stunning results in recent years:

The collapse of the Berlin Wall;

The dissolution of the former Soviet Union and its empire.

The emergency of democracy in eastern Europe and in the former Soviet Union.

The stunning defeat of Iraq in its attempt to annex Kuwait.

The dramatic decline in the actual and projected number of nuclear warheads in the strategic arsenals of the United States and the former Soviet Union.

The Congress should be proud of its steadfast support for a strong U.S. military over the decades of the historical struggle between the forces of democracy and its adversaries. Clearly, as America enters victorious into the post cold war era, it is appropriate to significantly downsize the Defense budget and DOD's force structure. What is not appreciated by many, is the significant degree to which that downsizing has either already taken place or is projected to take the place in the outyears.

DECLINE IN DEFENSE SPENDING

Not including the one-time spike upward for Desert Shield/Desert Storm related expenditures, the fiscal year 1993 budget authority for defense represents the eighth consecutive year of decline in defense spending when measured in constant dollars. Also, additional reductions assumed in the outyear projections in defense are quite large:

U.S. military operations will be ended, reduced or placed on standby at 559 overseas installations.

The projected contraction in the force structure, when implemented over the next few years, will result in a force structure at lease 25 percent below the force structure that existed in 1990.

A reduction in the U.S. base structure roughly commensurate with the 25-percent reduction in the force structure either has been announced or will soon be recommended.

The dramatic decline in the procurement budget is shown in the following table:

Budget authority in constant fiscal year 1993 dollars

[In billions of dollars]

Fiscal year:	*Procurement*
	Procurement
1985	127.2
1986	117.7
1987	98.6
1988	94.7
1989	90.5
1990	89.7
1991	76.5
1992	62.5
1993	53.7

The procurement account has declined by almost 60 percent in the past 8 years.

In a few years, the DOD's budget will be a smaller percent of the Federal budget and of the gross domestic product, than it has been since before World War II.

Thus in historical perspective and in perspective of the Nations total wealth, the level of defense spending recommended in this bill is indeed modest.

STRATEGIC NUCLEAR ARSENALS

Based on the recent talks between Presidents Bush and Yeltsin, the combined strategic nuclear warhead arsenal of the United States and Russia are projected to decline to a level of approximately 7,000. This is a reduction of about two-thirds from the current level. The latest proposal for reducing the U.S. arsenal will be embodied in a future treaty proposal which will be submitted to the Senate for ratifications.

In terms of procurement funds in this bill for strategic weapon systems, there basically is $3.5 billion which consists of $2.7 billion for the B-2 bomber and $787 million for procurement of D-5 missile for the Trident submarine. Thus, just over 1 percent of this budget is for procurement of strategic weapon systems. Additionally, it should be noted that the B-2 Stealth bomber is also a weapon system designed for conventional warfare.

Additional funds are included in the military personnel and operation and maintenance accounts for maintaining various strategic systems. As ratified treaties are implemented, these funds are sealed back.

PRIORITIES IN THIS BILL

As the nature of the threat to America's national security changes, we must be perceptive enough and wise enough to invest our resources in the right mix of defense systems and force structure to meet the evolving global situation in an era of greatly reduced defense budgets.

The broad trends in defense budgets of the past few years, and the probable trends of the next few budgets are threefold.

A dramatic reduction in strategic and tactical nuclear warheads;

A significant pullback of the U.S. troops deployed abroad; and

A significant downsizing of the continental U.S. base structure and force structure.

While the world in general is much safer as a result of the past few years, history takes many strange twists and turns. The committee believes that in this era of a downsized military, with a significantly lower presence overseas, the central aspects of readiness include deployability, mobility, sustainability, and lethality. The committee has made funding adjustments to numerous programs to enhance these important aspects of readiness.

HIGHLIGHTS OF COMMITTEE RECOMMENDATIONS

Mr. Chairman, I would like to briefly highlight the committee's recommendation in the major accounts.

ACTIVE MILITARY PERSONNEL

The committee recommends a total of $76,896,200,000 for military personnel, a decrease of $184,000,000 from the budget request.

The committee agrees with the authorized end strength as in the President's budget request but took an additional decrease of 10,000 end strength in both Army and Navy appropriations for a total reduction of 20,000 to be applied to administrative and management positions at departmental and major command headquarters, and not from troops in the field.

Reductions should come from positions in the national capital region, wherever possible.

GUARD AND RESERVE

The committee recommends a total of $9,436,500,000, an increase of $240,000,000 above the budget request for personnel. In addition, the committee recommends a total of $8,284,519,000 which includes funding in the real property maintenance appropriation. This is an increase of $309,400,000 above the budget request for operation and maintenance.

The committee agrees with the authorized end strength for the Marine Corps Reserve, Air Force Reserve, Army National Guard, and added an additional 10,000 end strength above the budget request for both the Army Reserve and Navy Reserve.

OPERATION AND MAINTENANCE

The operation and maintenance appropriation provides the resources necessary to maintain high readiness of our Armed Forces and to enhance the quality of life of our military personnel, their families, and civilian personnel. The committee recommends a total O&M funding level of $71,710,202,000, a decrease of $3,121,974,000 from the budget request.

Although the recommended funding level is significantly lower than the budget request, the committee's actions shall not affect the readiness of our Armed Forces. The reductions are from administrative and management accounts and funds that pay for foreign national employees and repairs and maintenance of overseas facilities.

The committee denied the Department's budget request to transfer $2,000,000,000 of excess cash from the Defense business operations fund [DBOF] to the services' O&M appropriations. Instead, the committee directed the Department to free issue supply items from DBOF to the services in order to reduce DOD's multibillion-dollar excess inventories, and to force the Department to provide the necessary controls and accountability of the cash balances in the Defense business operations fund.

The committee provided an additional $250 million to repair and modernize troop billets, armories, and training facilities.

PROCUREMENT

The committee recommends $53,743,289,000 in new obligational authority and $1,900,000,000 in transfers for procurement items. Major programs funded in the bill include the following:

$406,729,000 for 60 Black Hawk helicopters,

$225,000,000 for 36 AHIP helicopter modifications,

$148,163,000 for 144 Avenger systems,

$449,500,000 for 115 MLRS launchers and 30,000 missiles for the Army and the Marine Corps,

$192,415,000 for 351 ATACMS missiles,

$338,380,000 for Bradley Fighting Vehicle production sustainment and modifications,

$148,532,000 for M109 Paladin howitzer modifications,

$1,175,433,000 for Army ammunition,

$229,548,000 for 6,437 HMMWV vehicles for the Army,

$270,101,000 for 2,212 medium tactical vehicles for the Army, and

$315,370,000 for 961 palletized loading system vehicles for the Army;

$1,720,000,000 for 48 F/A–18 aircraft,

$501,451,000 for 20 CH/MH–53E helicopters,

$123,931,000 for 12 AH–1W Cobra attack helicopters,

$492,264,000 for 24 SH–60B/F ASW helicopters,

$303,474,000 for 12 T–45 TS Goshawk trainer aircraft,

$117,398,000 for seven HH–60H combat search and rescue helicopters,

$786,802,000 for 17 Trident II—D5—missiles,

$404,144,000 for 200 Tomahawk missiles,

$256,783,000 for 330 Standard missiles,

$188,580,000 for 108 MK–48 ADCAP torpedoes,

$2,605,262,000 for three DDG–51 destroyers,

$1,205,000,000 for one LHD–1 amphibious assault ships, and

$801,400,000 for sealift ships for the Navy and Marine Corps;

$2,686,572,000 for four B–2 aircraft,

$683,230,000 for 24 F–16 aircraft,

$2,061,540,000 for six C–17 aircraft,

$310,572,000 for one E–8B—JSTARS—aircraft,

$868,874,000 for 1,115 AMRAAM missiles,

$218,400,000 for 846 HARM missiles, and

$382,169,000 for space boosters for the Air Force.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The committee recommends $38,795,148,000 for the RDT&E title, a reduction of $126,055,000 from the budget request. Specific recommendations of selected programs are as follows:

The committee provided $443,007,000, the budget request, for the Comanche light armed scout helicopter. In addition, the committee added $25,000,000 for Apache upgrades and $8,100,000 for OH–58D upgrades.

The committee provided $408,444,000 for armored systems modernization, a reduction of $35,000,000. In addition, the committee added $31,800,000 for Bradley upgrades and $26,800,000 for M1 live fire testing/fielding. These actions reflect the amount approved by the House of Representatives during consideration of H.R. 5006, the National Defense Authorization Act, 1993.

The committee provided $1,136,589,000, the budget request, for the new model F–18E/F, and $165,583,000, the budget request, for the AX, with no legislative requirements on prototyping as was suggested by the House Armed Services Committee. Also, the committee provided an increase of $50,000,000 to give the Navy the option of developing the F–14 Quickstrike air-to-ground attack version of the aircraft.

The committee provided $150,000,000 in the submarine and combat system development programs to continue development and testing of the SSN–21 *Seawolf*.

The committee provided $193,408,000, an increase of $33,000,000, to ship self-defense, in order to continue and augment the committee initiative to provide advanced protection to Navy surface ships from sea-skimming, antiship cruise missile attacks.

The committee provided $162,473,000, an increase of $127,000,000, to the P–3 modernization program—$90,000,000 for the development of an advanced propulsion system which will be needed for the next model of the aircraft, and $37,000,000 for the further development and testing of the Update IV avionics system.

The committee provided $775,000,000 for the V–22 program to continue construction of production-representative aircraft for testing purposes. This reflects the amount approved by the House of Representatives during consideration of H.R. 5006, the National Defense Authorization Act, 1993.

The committee provided $1,261,384,000, the budget request, for the B–2 advanced technology bomber.

The committee provided $2,024,268,000 for the F–22 advanced tactical fighter, a reduction of $200,000,000. This action reflects the amount approved by the House of Representatives during consideration of H.R. 5006, the National Defense Authorization Act, 1993.

The committee provided $175,489,000, the budget request, for the National Aerospace Plane Technology Program.

The committee provided $210,000,000, the budget request, for the C–17 program.

The committee provided $4,237,500,000 for the strategic defense initiative and theater missile defense programs, and encouraged the Navy to accelerate theater defense applications.

The committee provided $362,957,000 for the Defense Nuclear Agency, a reduction of $47,000,000.

The committee provided $100,000,000 for the high definition military displays technology program, which has potential dual-use spinoffs.

The committee provided an additional $180,000,000 for advanced materials research.

The committee provided an additional $20,000,000 for Sematech.

NAVAL AVIATION

Mr. Chairman, the future of naval aviation has been and continues to be one of the most difficult funding and policy issues we face. Because of the importance of this issue, I would like to take a few minutes to explain this issue to the House.

With the demise of A–12 and the cancellation of F–14 upgrades by DOD, the state of naval aviation is a real problem that we must fix. The House Armed Services Committee made a number of very thoughtful proposals on the A–X and new model F–18E aircraft development programs, which our committee strongly considered. But in the end, we could not agree with them. The committee essentially approved the administration's plan, but with a few strings attached.

Concerning the F–18E/F, the committee approved $1.1 billion as requested. The HASC would have required an extensive prototyping phase, and delayed entry of the program into the engineering/manufacturing development phase until 1996. This would have delayed introduction of the aircraft into the fleet by at least 3 years. Since 90 percent of the avionics and software are unchanged in the new model F–18E/F, and the program requires that the first seven preproduction aircraft fly 55 months of testing time, we agree with the Office of the Secretary of Defense that the program is low to moderate risk. In addition, the Congress did not require such prototyping when the Air Force developed its new model F–15E, which was very successfully used in Iraq. However, the committee cautioned the Navy that our support will remain only as long as technical risks remain low to moderate, and that the cost and schedule commitments made to Congress are kept. Concerning A–X, the HASC suggested accelerating the program and requiring two industry teams to perform the 4-year demonstration/validation phase. Our committee would also like to accelerate A–X, but the Navy's program is already shorter than the Air Force's ATF; we don't want to cause another A–12. We also share the HASC's concern about down-selecting to a single contractor, based only on paper analysis. But, it is not clear whether legislatively requiring two industry teams makes sense: It clearly does if the Navy chooses to build a new aircraft; it clearly does not if the Navy chooses an advanced tactical fighter variant. This is important because the Navy says carrying an extra industry team costs an additional $2 billion. We believe that DOD needs time to conduct its normal acquisition process, because the final strategy and decisions will be made at the Secretary of Defense level. Our committee approved the Navy's budget request of $165 million, but requires OSD to report its A–X decision to Congress 30 days in advance of signing any contracts. This gives Congress time to review DOD's decision next spring, and to introduce legislation next year should that be necessary.

Concerning the F–14, the committee provided $50 million for the Quickstrike package to provide air-to-ground capabilities to the F–14 aircraft. We view this as a low-cost option that the Navy could pursue if it chooses, for retrofit into the existing fleet.

INTELLIGENCE

Mr. Chairman, during the course of the last decade, budgetary resources devoted to the intelligence community have grown in real terms by over 100 percent. Over the same time period, the overall defense budget—excluding the intelligence budget which is contained within the defense budget—grew by only 5 percent in real terms. In addition, the level of intelligence personnel in the National Capital region has grown 70 percent over the same time period.

Accordingly, the committee has recommended reductions to the intelligence budget and has included section 9128 in the general provisions of this act, mandating a reduction of 2 percent to the National Foreign Intelligence Program [NFIP] personnel levels when compared to fiscal year 1992 levels. The committee also directed that the Director of Central Intelligence [DCI] submit a plan to the Committee on Appropriations which details how NFIP personnel levels, including those in the National Capital region, will be reduced by 2 percent a year over the following 5 fiscal years.

The committee believes that reductions to the intelligence budget can be accomplished in a manner which retains a robust capability to address the most crucial security issues which affect the country. The committee is also prepared to work closely with the Defense Department and the intelligence community in this endeavor.

LTV ACQUISITION

The committee bill includes a general provision which prohibits the acquisition of the LTV Aerospace and Defense Co. by the French company Thompson CSF. The provision also prohibits use of funds in the act to further this sale. The committee believes that such an acquisition would not be in the national security interests of the United States. This belief is based in part on the aggressive international marketing of defense hardware and technology by Thompson CSF and by the French Government, generally. For example, Thompson CSF is said to be responsible for selling the sophisticated air defense system to Iraq which our pilots had to counter in Desert Storm.

The committee's concern about the LTV acquisition is supported by a recent study by the Defense Intelligence Agency which concluded that the sale would represent a significant risk to the U.S. technology base. Furthermore, in a recent article, the former head of the French intelligence service is quoted as saying that, "In technological competition, we are competitors, we are not allied." In this time of defense drawdown, it is not prudent to sell our leading edge technological capabilities to foreign countries.

TAILHOOK INCIDENT

As many of you may know, I served over three decades in the Marine Corps including active duty and Reserves. I am very proud of those years of service and I'm proud of the magnificent job the men and women of our Armed Forces have performed in the service of this country over the years. For many years, the Defense Department has been in the forefront in implementing progressive social policies. The Armed Forces are the most thoroughly integrated institution in our society. An aggressive policy of racial equality for members of the armed services was first implemented under President Truman. Also, over the past few decades, the role of women in the armed services has increased dramatically.

Thus it was with particular anger and disgust that I learned of the Tailhook incident last year. I have been equally dismayed by the snail pace of the investigation. The unconscionable behavior of the officers at the Tailhook convention is a severe blight on the reputation of the Navy. An investigation must be aggressively pursued to determine who participated in this illegal and immoral behavior, and all guilty parties appropriately punished.

I have communicated to the Secretary of the Navy and top naval officers in the past on my concerns about sexual harassment in the Navy. This behavior by Navy personnel will simply not be tolerated.

OTHER PROGRAMS

I would like to briefly address some other initiatives we have taken in this bill:

The committee has included $1 billion for economic conversion to assist communities adversely impacted by the significant slowdown in military spending.

We have added funds to the Army Guard and the Air National Guard for the funding of 12 pilot youth programs—6 for urban programs and 6 for the Youth Conservation Corps. The Guard personnel will provide instruction, counseling, and mentoring at these camps.

We have funded a pilot program in the Army Junior ROTC program to enhance the opportunities for minority participants to enter higher education.

The committee has added $109 million above the budget request for medical R&D including:

AIDS research: +$33,000,000.

Breast cancer research: +$25,000,0000.

Bone marrow research: +$31,000,000.

CONCLUSION

In conclusion, this bill is:

Below the budget request;

Below the level for defense in the budget resolution;

Below the level in the 602(b) allocation; and

Makes an important contribution to deficit reduction.

This bill:

Basically funds all major programs requested;

Adds significant funds for the Guard and Reserve;

Continues the steady contraction of the overall force structure and base structure as noted by a funding level $17.4 billion below the current fiscal year;

Reorders priorities somewhat and emphasizes: deployability; mobility; and sustainability.

I urge support for this bill and passage by the House.

I understand Mr. PENNY will offer an amendment later to delete procurement funds for the Trident II—D-5—missile. I will oppose this amendment but, as the threat changes and declines, this issue will have to be reviewed and further evaluated as other programs will have to be reviewed.

Also I understand Mr. UPTON has a concern about the Meals Ready To Eat Program.

It is the intent of the committee to support the budget request to purchase 2.8 million cases of Meals Ready To Eat [MRE]. It is my understanding that the Department could require an annual purchase of 3.1 million cases for future contingencies and humanitarian assistance for worldwide emergencies. I shall certainly support additional purchases of MRE's for these purposes, if required, but the Department is not mandated to make these purchases.

Mr. Chairman, with that I reserve the balance of my time.

Mr. McDADE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am very pleased to rise in support of this bill. It has the usual problems. There are areas of disagreement with the administration, there are areas of disagreement among ourselves, but it is generally a good bill. There is one very major problem, and that is the abortion language that is in it. It would result in a veto. I hope, as we move along to conference, we can remove that and get the bill signed into law.

I have a statement from the administration that supports that approach and says they would like to see it proceed to conference and try to rework some of the numbers. I do not know whether we can get every piece of objectionable language out, but, I certainly want to try.

Mr. Chairman, I want to express my deep gratitude to the gentleman from Pennsylvania [Mr. MURTHA], the chairman of this subcommittee. It has been my privilege to be a Member of this body for 30 years, and I know of no Member in my 30 years' experience who does a more outstanding job to shepherd the welfare of the men and women of the armed services as does my friend from Pennsylvania.

I congratulate him for his work on this bill, and for his work as a Member of the House. He is a credit to all of us. I thank him for his leadership.

I want to say the same about the members of the subcommittee. We have wonderful people who work together. We have a superb staff and they have spent countless hours on this bill.

Let me just say as a Member on this side of the aisle who is charged with this enormous responsibility, that if I were to have my finest wishes come true, I could not ask to have better people to serve with me than the gentleman from Florida [Mr. YOUNG], the gentleman from Ohio [Mr. MILLER], the gentleman from Louisiana [Mr. LIVINGSTON], and the gentleman from California [Mr. LEWIS]. They are true patriots, and they are wonderful people.

Mr. Chairman, this bill reflects a bipartisan effort by the committee, to take yet one more step in the Nation's effort to reshape and downsize our defenses in this time of great change.

In so doing, we have also been able to make a major contribution toward what is clearly our most pressing domestic need—reducing the deficit.

For example, compared to the fiscal 1992 bill, this bill represents a reduction of over $17 billion. Adjusted for inflation this is a 1-year cut of about 10 percent.

We have scrubbed the budget request thoroughly, and as a result we recommended a reduction of more than $8½ billion from the request. And we've come in substantially lower than our 602 allocation in both budget authority and outlays.

In terms of specific issues, I want to stress that we have followed the lead of the House, as expressed last month on the Defense authorization, on major policy questions. This includes the SDI program, the B-2 bomber, and others.

Now, we are hearing that Members may try to revisit some of these issues today. I can only say that these areas have already been debated at length and voted by the House. I see no reason why the membership should have to go through this all over again on this bill and so I would urge restraint here.

Mr. Chairman, I am not completely pleased with all the recommendations we bring forth today, nor is the administration. In some areas we have gone too far in terms of the cuts in this bill.

And I am personally distressed regarding a cleverly crafted amendment, adopted without prior notice in the fill committee, concerning abortion at overseas military facilities. That provision was adopted last month on the authorization; now, here it appears on an appropriations bill, where it does not belong in terms of jurisdiction, let alone substance.

This provision is opposed by many Members, on both sides. But I am a realist, Mr. Chairman, and I realize there is nothing we can do today to change the position of the House on this.

But one thing is certain: if this provision comes back from conference I will oppose the bill, and if it is in a bill sent to the President we will see a veto. No question.

In the end, for this bill to ultimately become law, this provision, along with other areas of concern to the President will have to be corrected.

That is nothing new for us, with the Defense appropriations bill. That has been the case each of the 8 years I've been privileged to manage this bill as it has come to the House.

We need to fix these problems, both on the authorization and here as well, but that will have to wait until conference.

So, Mr. Chairman, with that caveat, I would urge Members, on both sides, to support this bill. Keep the process moving forward, and give your support to a measure which does many, many good things with respect to the Nation's security, and for our young people who serve so resolutely each and every day on the front lines of freedom.

Mr. Chairman, I urge the adoption of the bill, and I yield back the balance of my time.

Mr. MURTHA. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, I rise in very strong support of H.R. 5504 and want to commend the chairman, the gentleman from Pennsylvania [Mr. MURTHA] and the ranking member, the gentleman from Pennsylvania [Mr. McDADE].

Mr. Chairman, I rise in strong support of H.R. 5504, the Defense appropriations bill for fiscal year 1993. I congratulate Chairman MURTHA for his unequivocal leadership and cooperative approach to a very important issue that we face today. I commend the ranking member, Mr. McDADE, as well as all of my colleagues on the Defense Appropriations Subcommittee for bringing to this House, a bill that addresses our national security requirements despite the fiscal constraints and emerging world developments. I also want to thank the staff of the subcommittee for their professional support and the long hours they labored to make this bill possible.

In H.R. 5504, the committee has recommended $252.7 billion in new budget authority, a reduction of $8.6 billion below that of the fiscal year 1993 budget. This is a reduction of $17 billion below that which was appropriated in fiscal year 1992. This represents the eighth consecutive year of decline in Defense spending when measured in constant dollars. The procurement account alone, for defense weapons systems has declined by nearly 60 percent over this period of time. Considering the new world realities and our own budgetary constraints, this is a significant reduction in defense spending, Mr. Chairman, and a significant contribution towards deficit reduction.

Mr. President, 1 year ago this weekend, America celebrated our Independence Day, reaffirming our pride in the military success of Operation Desert Storm. Now, just 1 year later, we have witnessed even more dramatic events in the world. While we are no longer worried about a surprise attack by the former Soviet Union, the world is still a very uncertain place and we are faced with challenges and events that will continue to shape our national security policy for the years to come. While world events almost certainly justify overall reductions in spending, we must continue to maintain our responsibilities and interests around the world. The committee has supported the proposed reductions in defense spending as consistent with our legitimate security requirements. The Department of Defense budget plans to reduce its spending 25 percent after inflation adjustments over the next 5 years, trimming the Nation's defense budget outlays to nearly 3.4 percent of the GNP—the lowest level since before World War II. These moves must be carefully executed so that we maintain a credible military force and not place our security in jeopardy.

And still, more and more people cry for larger defense cuts. There may be some additional cuts that could be taken, as suggested by Congressman ASPIN, and Senator NUNN. This will be particularly true as we strive to achieve a balanced budget and meet pressing domestic needs. But those who call for more rapid draconian cuts are, in my judgment, asking us to retreat from active participation in world events that ultimately could adversely impact our vital security interests. The bill this committee offers today, is a real reduction in defense spending, with the crucial goal to support a smaller overall military; ready, well trained, and equipped, to meet future threats and missions. The transition to a smaller Armed Forces will not be a painless task. The defense industrial base, which for years has produced the kinds of specialized weapons systems that gave us the superior military technology and capability unmatched any where in the world, are being terminated, and shutdown. Domestic and overseas bases continue to close. By the end of this year fiscal year 1992, 300,000 men and women will have left the military service of their country, and over 100,000 civilians will leave military employment. As a result of these reductions, large numbers of employees are being involuntarily separated. Combined with the mandated reductions in military personnel levels, I am very concerned with the amount of people that are being forced into the current economy that is unable to accept them. The committee has supported the need for better requirements to ease these hardships, and that Federal civilian employees be given the same level of attention that is being given to uniformed personnel and private sector contractor employees. In response to these concerns, this bill includes $1 billion for a comprehensive economic conversion program to provide retraining and placement assistance to workers dislocated as a result of defense cuts along with funding innovative technology programs with potential commercial applications that can utilize the skilled personnel no longer needed by the military.

In the past, our Nation has not demobilized as sensibly as needed. We continue to face uncertain threats, that will require new and different strategies and military structures. This past December, we marked the 50th anniversary of Pearl Harbor, Mr. Speaker; Americans still remember the horrible cost of being unprepared. As we reflect back on Desert Storm, time and time again has the observation been made that only because we had nearly 56 months to deploy and supply our forces, were we able to defeat Saddam Hussein. The committee has focused its priorities on maintaining the quality of our troops, their training, readiness, and flexibility. Reaction response time becomes even more important as the world's adversaries become more difficult to detect. We are reducing our forward deployed troops, closing more than 500 overseas bases. Relieving that forward logistics disadvantage is addressed in the committee's support for the vital sealift and airlift assets for necessary for quick response, including the V–22, as well as the prepositioning of equipment and supplies. Combined with quick lift, light and heavy divisions, equipment, and supplies will be transferred to all parts of the world.

Future threats, as well as the budgetary constraints we face, will influence what weapon system capabilities will be required. As we restructure our defensive capabilities, the first priority would be the ability to deliver significant ordnance over long distances with little warning or advanced basing. I remain convinced that 20 B–2's offer revolutionary conventional capabilities for this requirement. As we reexamine our positions in light of the need for smaller contingency forces, the B–2, with smart weapons and worldwide reach, is exactly the kind of weapon we need for the future. Since the beginning of the cold war, we have relied upon the use of nuclear weapons as the deterrence. We learned very early on that nuclear weapons could provide deterrence more effectively than conventional means. Now the world has changed, and containment of the nuclear weapons is becoming a cooperative effort, worldwide. The focus is shifting to one of nonproliferation, arms control, and the deterrence role now becomes one of conventional means. The B–2, in its conventional role, is our greatest source of deterrence.

Efforts for arms control nonproliferation continue to grow. Unrestricted arms sales of weapons and parts can no longer be tolerated. Actions are necessary to prevent unauthorized sales and enact restraints preventing rogue countries from gaining and using the nuclear technological capabilities against others. Dismantlement of such an arsenal is imperative. Funds were previously authorized in support of the Nuclear Threat Reduction Act of 1992, for nonproliferation projects. The committee shares my deep concern with the lack of operational safety of the civilian nuclear reactor facilities in the Republics. We have earmarked $50 million of these funds to implement the Multilateral Nuclear Safety Initiative, which establishes two regional training centers to serve as focal points for operational safety, risk reduction measures for the unsafe nuclear reactors, as well as assists in developing effective safety standards and procedures.

In the health care arena, it has been the goal of this committee to fund health care programs that will improve access to military medical facilities for the military beneficiaries and retirees, while concurrently controlling the high costs for both the beneficiaries and the Government. The members of this committee have vocalized their support of better, more thorough health care for the military, their families, and the uniformed retirees. These people deserve better care, and it has become the consensus that the Department of Defense has not and is not taking care of its own. This committee encourages the expansion of programs such as the CHAMPUS reform initiative, which has shown great promise for delivering quality care nationwide.

The committee recognized the need to identify weapons systems programs that are no longer needed, or can be reviewed and consolidated. The committee has terminated funding for the antisatellite program; there is a reduction of $1.1 billion from the funds requested for the strategic defense initiative; there are reductions to a great number of servicewide classified programs; procurement in general, was reduced 60 percent, and there were also reductions to research and development. As the committee reports, these reductions totaled $8.6 billion, without sacrificing the quality of life for our service men and women, and without sacrificing our superior military readiness and capability.

Finally, the committee recognizes that the environmental cleanup of our defense bases is a growing problem. Serious problems have been documented in the implementation of the defense environmental restoration program that have consistently delayed completion of remedial action and have resulted in wasted expenditures. This committee has reiterated this problem in this bill, and provided $900 million for environmental cleanup activities at our military installations, along with direction to curtail the study activities and accelerate actual remediation. The committee has conveyed its desire to work with the Department to improve this situation, and has endorsed the pilot program for an expedited environmental restoration recently authorized in H.R. 5006.

Mr. WHITTEN. Mr. Chairman, I rise in support of H.R. 5504, the Defense appropriations bill for fiscal year 1993.

I want to congratulate the gentleman from Pennsylvania [Mr. MURTHA], the gentleman from Pennsylvania [Mr. MCDADE], and all my other Appropriations Committee colleagues on the Defense Subcommittee for the great job in putting this bill together. Along with the military construction appropriations bill, this bill provides a large measure of support to our National Guard and Reserve components. These components place a vital role in our national security.

As I have stated before, all of the National Guard and the Reserve components have a tremendous peacetime mission and because they are local, they play a big part in adding to the support of the regular services.

This is not understood by many. Every time the Guard is called up, local areas see their military dollars being spent on something important to the areas—and that feeling carries on to the whole military. We need to continue to provide support to the Guard and Reserve for all of these reasons.

As we continue our unprecedented reductions in our voluntary military, a program is needed to ensure that the transition for our military personnel into the civilian sector be as smooth as possible so that troop reductions do not produce undue hardships on either the personnel being displaced or on those areas of our country where facilities are located.

The Defense Reinvestment for Economic Growth Program could be very important in this regard. We should use this program to give attention to using existing defense resources to restore the condition of our roads, our bridges, our highways, harbors, waterway locks and dams, schools, hospitals, and other public facilities. The need for these facilities has been well documented. Programs developed to provide for this asset investment not only provide employment opportunities which help the economy, but the facilities themselves provide benefits and growth for the Nation as they are put to their intended use. The Defense Reinvestment for Economic Growth Program needs to be developed to phase in with the military build-down and to create productive employment for those crowded out of military production and those who are forced to retire from the military or contractors after devoting their time to the defense of our country.

Mr. Chairman, this bill faces up to the important challenges we face because of the declining level of effort needed to assure our national security. I urge its adoption.

Mr. LOWERY of California. Mr. Chairman, I want to express my support for H.R. 5504, the Department of Defense appropriations bill for fiscal year 1993. This is a fiscally responsible bill that is below the President's request and under the budget allocation.

As produced by the Defense Subcommittee, this legislation provides a good balance in funding for our active duty and reserve personnel; procurement of needed weapons systems for the services; and, investment in new technologies to keep our Armed Forces the best in the world.

While I support the bill, I must express my opposition to a provision that was added in the full Appropriations Committee. This provision would allow military medical facilities overseas to offer abortion services to service personnel and their dependents. I oppose this provision and urge its deletion before passage of the bill.

In conclusion, I want to express my personal thanks to Chairman MURTHA, the ranking minority member, Mr. MCDADE, and Mr. LEWIS, a member of the subcommittee. The chairman, JOE MCDADE and JERRY LEWIS and their staffs worked with me on a number of programs in the bill and I want to thank them for their professionalism and fairness.

This is an excellent bill which will help protect our national security in a cost-effective manner. I support its approval by the House.

Mr. MILLER of Ohio. Mr. Chairman, today we are considering H.R. 5504, the fiscal year 1993 Department of Defense appropriations bill. This bill provides a total of $252.7 billion for the Department of Defense—$17.5 billion less than appropriated for the current fiscal year.

Any time you cut $17,500,000, as this bill does, difficult decisions must be made. I want to express my appreciation to Chairman MURTHA and to JOE MCDADE for their outstanding leadership in guiding the defense appropriations subcommittee through a difficult markup of this bill.

This bill recognizes the fact that the world has changed dramatically—though the threat our Nation faced from the Soviet Union has essentially disappeared, we still live in a world of uncertainty and danger. Yet, the threats we face today differ in significant respects and the reductions being made in defense are, for the most, both proper and necessary.

We are reducing the size of our Armed Forces and reorienting that force to one that will rely less on forward deployments and will instead be based more in the continental United States. I feel strongly that as we draw down our force levels, the amount we expend to bring in new recruits should also be reduced. Over the last 3 years, I have worked to reduce the military recruiting and advertising budgets from $645 million to $505 million—including a $36.8 million cut this year.

There are, however, parts of the bill I do not fully agree with. Funding for the strategic defense initiative has been reduced by over $1 billion below the President's request. I continue to believe that an active ballistic missile defense is needed. Despite agreements to reduce United States and Russian strategic weapons, the threat posed by intercontinental ballistic missiles has not disappeared; and, as the Persian Gulf conflict demonstrated, there is a growing ballistic missile capability in developing nations. For these reasons, I support the administration's request for funding SDI and theater ballistic missile defenses.

I also regret that, during the meeting of the full Appropriations Committee, language was added requiring U.S. military treatment facilities located overseas to provide abortions. The problems with this provision are many—foremost, I feel it is wrong, it is also unnecessary since it has already been added to the defense authorization bill, and it will certainly lead to a veto by the President.

Mr. Chairman, it is my hope that the bill will be improved by the time we have completed a conference with the Senate.

Mr. SMITH of New Jersey. Mr. Chairman, I want to thank the gentleman from Pennsylvania for so skillfully crafting a responsible piece of legislation for consideration by the House today.

I take this moment at this juncture in the debate simply to advise Members that language was added in Committee—over the objections of the chairman and ranking members—to force overseas military hospitals to provide abortion on demand.

It is our deep hope that this harmful, antichild provision be excised in conference. Obviously if that doesn't occur, pro-life Members will be compelled in conscience to vigorously oppose the conference report. Moreover, I am pleased to note that if this bill is presented to the President with any pro-abortion language in it, the President will veto the legislation.

I look forward to supporting a reasonable DOD appropriations bill that reflects today's challenges to the peace and security of Americans and other freedom loving peoples.

Ms. SNOWE. Mr. Chairman, as a Member of Congress and as a woman, I am appalled at the conduct of the Navy in conjunction with the 1991 Tailhook event. Because of the seriousness of this matter I want to express my strong support for the Appropriations Committee's decision to cut 10,000 personnel jobs from the Navy. I commend the committee for its bipartisan recognition of the abominable Tailhook incident that inflicted humiliation and suffering on 26 women—half of whom are Navy officers.

The behavior exhibited at the Tailhook convention was absolutely horrifying. Just as appalling, however, was the failure of the Navy to treat the women's complaints seriously and to respond in a timely fashion. Due to uncooperativeness and stonewalling by the Navy, it has already taken 9 months to conduct a wholly inadequate investigation.

The Federal Government has a responsibility to the Nation to set an example of professionalism and respect between men and women in the workplace. However, the number of U.S. servicemen participating in vulgar behavior and the pervasiveness of its acceptance from the bottom ranks to the upper echelons of the Navy created an atmosphere that allowed such conduct to take place entirely unquestioned.

Let me quote for just a moment from the Naval Inspector General's report on Tailhook:

> The inappropriate sexual behavior in the Navy and Marine Corps squadron and unit sponsored suites at Tailhook '91 had been accepted, tolerated, and condoned over the years, making it now the norm for Tailhook gatherings.

And—

> A common thread running through the overwhelming majority of interviews concerning Tailhook '91 was—"What's the big deal?" Those interviewed had no understanding that the activities in the suites fostered an atmosphere of sexual harassment, and that the actions which occurred in the corridor constituted at a minimum sexual harassment and in many cases criminal sexual assault. That atmosphere condoned, if not encouraged, the gang mentality which eventually led to the sexual assaults * * * There is every indication that nearly all participants made conscious decisions and were aware of their actions.

Members of Congress should know that the Tailhook convention has been similarly problematic in past years, yet as is clearly apparent, the inappropriate behavior was never corrected. Instead, implicit authorization of the behavior allowed for its repetition. But I assure you, this will no longer be the case.

The Appropriations Committee's bipartisan decision to cut 10,000 personnel out of disdain for the Tailhook incident puts teeth into its efforts to ensure that any potential for a repeat of this kind of incident will be stopped dead in its tracks. Whether in the public or private sector, perpetrators of harassment or discrimination must know that they will receive severe repercussions for their actions.

My colleagues, it is not enough that Navy Secretary Garrett resigns. There needs to be a full and complete investigation of this incident which is why Congresswoman PAT SCHROEDER and I, as co-chairs of the congressional caucus for women's issues, wrote a letter to Attorney General Barr to urge an investigation of the Tailhook convention by the Department of Justice. The women involved in this incident must receive justice.

Again, I commend the bipartisan efforts of the committee for sending a strong signal to the Navy that business as usual is unacceptable. From now on, we must assure anyone who participates in the armed services of the United States that they will be treated with dignity and respect regardless of their gender.

Mr. WEISS. Mr. Chairman, I rise in opposition to H.R. 5504, the fiscal year 1993 Defense appropriations bill.

While the nearly $253 billion appropriated by this legislation represents a reduction from the spending of previous years, the Department of Defense continues to be funded at cold war levels that bear little relation to our present international security needs.

There will be much talk about how much is being cut from this year's DOD budget and how much we have cut in recent years but that talk is irrelevant. Spending on the Defense Budget must not be based on what was spent last year, or how much was cut from 2 years ago. It must be based on a determination of the real security needs of our Nation.

If we look at the world in which we now live, we see that our cold war foe of the past five decades is no longer our enemy and is virtually disintegrating before our eyes. If we look inward at our own country we see a crumbling infrastructure, a failing educational system, and a languishing economy. It is clear to me where our threats lie. We must invest in the critical needs here at home and not in a military that faces nonexistent threats abroad.

A look at some of the programs receiving funding illustrates the misplaced priorities of this bill. The B–2 program which was killed by two separate Congresses, which continues to be bedeviled by a search for a mission, and which continues to suffer from disturbing questions about its capabilities, has been revived by this legislation we consider today. Surely, the Congress can find better uses for $4 billion than purchasing four new B–2 bombers.

This bill also appropriates $3.2 billion for the strategic defense initiative. Along with the nearly $1 billion spent on theater missile defense systems this legislation appropriates $4.3 billion for missile defense systems.

The reality that spawned SDI passed. There is no Soviet Union any longer. Furthermore, we are in serious discussions with Russia and the other successor States to reduce existing nuclear arsenals. The results of these efforts can be seen in the arms reduction treaty that emerged from the recent United States-Russian summit.

There also still remains a great many questions about the technical feasibility of SDI. There are serious doubts that the technology required to make this system function are beyond our ability to produce. Yet, even if these technical problems can be solved, the cost of deploying a functioning system would be astronomical. This country simply cannot afford the tens of billions of dollars that would be needed to put into place the strategic defense initiative.

There is one part of this bill, however, that I would like to call attention to, and to commend. The $1 billion appropriated for economic adjustment and conversion represents a significant development. For decades, this country has invested in the development of a powerful military while neglecting critical infrastructure and economic needs. The results of this neglect surround us. Now, however, we are presented with the opportunity to reorient our spending priorities and reinvest in America.

There is much more that we must do to create rational spending priorities and to assist in the conversion of the American economy from a defense to a civilian orientation, but I applaud the Congress for taking this important first step.

When the Congress meets to consider a defense budget it must look at the national security needs of the Nation. Sadly, this budget does not do this. It ignores the real threats and needs of the country while continuing to fund the military at a level comparable to that at the height of the cold war. Mr. Chairman, I must vote no on H.R. 5504.

Mr. ALEXANDER, Mr. Chairman, I rise in support of this bill which provides for the national security needs of our Nation.

This is a sound bill. It responds to current security needs and to anticipated future requirements.

I very much appreciate the work and leadership of the Defense Subcommittee chairman, the gentleman from Pennsylvania [Mr. MURTHA] and the subcommittee ranking minority member, the gentleman from Pennsylvania [Mr. MCDADE]. With the cooperation of the subcommittee members and the support of their able staff they have brought to the House a bill which should be adopted.

As with past defense bills, this one has a broad impact on the Nation's future. First and foremost, it provides for the defense of our Nation and our national interests. Second, through its investments in people, technology, procurement, and operations and maintenance in this country it helps stimulate our national economy.

Historically, we know that technology developed for security purposes commonly has spillover effects on nonmilitary private sector progress. The bottom line is that defense investments regularly benefit Americans working in both defense and nondefense industries.

There is one item in this bill that I particularly want to mention. The provision is section 9108. It prohibits the use of funds provided in the bill from being used to award a contract for purchase of 4-ton dolley jacks if that equipment would be manufactured outside the United States.

At the request of Arkansans working in a manufacturing plant in Jonesboro, I got involved in this issue last year. These are outstanding workers. They make an excellent product. The 4-ton dolley jacks are sold in the private sector and had been sold to military departments.

Suddenly they found their jobs threatened by a decision of the Department of Defense to manipulate U.S. laws in a way to deny the 4-ton dolley jack defense sales to American manufacturers and their workers.

A contract was awarded to an organization in Israel.

The decision did not make sense to Arkansas workers, and it did not make sense to me. Last year, with the help of this subcommittee, the Congress prohibited future such decisions relating to 4-ton dolley jacks.

With the passage of time, concerns of the Congress and the Arkansas workers proved resoundingly responsible. Despite repeated deadline extensions of provisions of the Israeli organizations contract, that group failed to achieve compliance with the first article testing requirements.

In a June 26 letter response to a Freedom of Information Act request, the Department of Army has advised that "The contract has been terminated for default without the first article test report ever having been completed."

The Arkansas workers and I very much appreciate the help that the Congress, and particularly the leadership that the House Appropriations Subcommittee on Defense and its staff have provided on this past contract. And, we thank you for recommending action which would prohibit a repeat of the kind of action that lead to this problem.

I would explain to my constituents that it takes more time to right a wrong in Washington than it does to make a cotton crop in Arkansas.

Again, I urge that the House promptly pass this bill.

Ms. SNOWE. Mr. Chairman, I would like to discuss the fiscal year 1993 funding level for the DDG–51 Aegis Destroyer program. I support funding for four destroyers rather than the three destroyers provided in the committee bill for two fundamental reasons: first, the DDG–51 program is vital to our Nation's security; and second, it is a very successful and cost-effective program.

In our eagerness to cut defense spending, we must not neglect our fundamental security needs. We must recognize that as our naval forces are reduced, the roles and missions assigned to Aegis ships are likely to expand. The technology in these ships will help maintain U.S. maritime superiority around the globe for the next 40 years. And let us not forget how convincingly and dramatically the value of state-of-the-art forces was demonstrated during the Persian Gulf war.

Surface combatants comprise the largest segment of our current and projected naval fleet—150 of the 450 ships in the Defense Department's base force. The *Arleigh Burke* class destroyer will replace several obsolete surface combatant classes in the fleet. In addition, it will do that with greatly expanded capabilities, including the ability to simultaneously perform anti-air, anti-surface, anti-submarine, and strike missions. The efficiency of the Burke class is exactly the kind of direction we need to be going in as we downsize our fleet.

With respect to cost-effectiveness, the lead ship in the DDG–51 program, the USS *Arleigh Burke*, which was manufactured by Bath Iron Works in the State of Maine, was delivered below the Navy's lead ship cost goal.

And just what did the Navy get for that below cost ship? Assistant Navy Secretary Gerald Cann commented that: "The *Arleigh Burke*'s performance during post-delivery tests and trials was spectacular. She completed the most rigorous testing yet undertaken in the Aegis shipbuilding program."

Mr. Chairman, last year Congress and the President supported procurement of five Aegis destroyers. The same number was procured in fiscal year 1990 and in fiscal year 1989. The Navy requested only four ships this year. That is a significant reduction in the program, but a practical one given our budget constraints.

The Appropriations Committee however, chose to fund only three ships. There is no question that dropping from a five-ship procurement in 1 year to a three-ship procurement in the very next year represents an abrupt change. The unavoidable fiscal impact of that abrupt change will be to significantly increase the end costs of this ship program which had heretofore been so cost-effective.

The impact of this abrupt reduction in the destroyer program is likely to be cost increases of at least 10 percent per ship. That unit cost increase on a three-ship procurement would total more than $250 million. If it is the will of this body to reduce the destroyer program, and I hope that it is not, then the sensible and cost-effective way to do it would be to go to a four-ship procurement this year, and to smaller quantities if appropriate in future years.

I wish that the Appropriations Committee had supported the DDG–51 request of the President, supported what our top naval strategists say that we need, and supported the view taken by the Armed Services Committee and the full House when it approved the Defense authorization bill less than 1 month ago. The President, the Navy, and the House all supported funding of four destroyers in fiscal year 1993. It is my strong hope that the final product coming out of conference will include that funding level.

Mr. LEWIS of Florida. Mr. Chairman, I rise in strong support of the full funding of $175 million contained in this bill for the National Aerospace Plane, or NASP Program.

First, I would like to congratulate the chairman of the subcommittee, Mr. MURTHA, and the ranking member, Mr. MCDADE, for their strong support of this program.

Last year, despite defense cutbacks, the United States had a $30 billion trade surplus in aerospace, the largest of any industry. This trade surplus resulted in total economic output of $70 billion and well over 1 million jobs, and is a direct result in investment in aerospace and aviation research in decades past.

NASP is absolutely crucial to maintaining our leadership in this vital area. It has already led to important breakthroughs in materials, propulsion, aerodynamics, and computer fluid dynamics, to mention but a few. These would not have occurred without the NASP, and the likelihood of future breakthroughs will be severely limited if this program is canceled.

There is no doubt the technology for a single-stage-to-orbit, air-breathing vehicle is within reach, as evidenced by the fact that the Japanese, French, British, Germans, and former Soviet Union all have programs. In fact, the Russians recently successfully tested a hypersonic scramjet engine, which is the same type being planned for NASP.

Although the Russian effort brings the exciting possibility of the United States having the opportunity to buy this technology from the Russians, it also raises the disturbing scenario of another nation, such as Japan, acquiring this technology, and overtaking a suddenly dormant U.S. technological effort.

Many of us have supported this program for a significant amount of time, and strongly believe cancellation would deal a severe blow to America's competitiveness, and cause the loss of hundreds of thousands of jobs.

Again, I congratulate the committee, and I urge my colleagues to support the full funding for the National Aerospace Plane which this bill contains.

Mr. FAZIO. Mr. Chairman, I rise in support of H.R. 5504, and I want to commend Chairman MURTHA, our colleague from Pennsylvania Mr. MCDADE, all the subcommittee members, as well as the staff for the outstanding job they have done in putting this bill together.

Mr. Chairman, the Defense Subcommittee has once again brought to this floor a bill that is good to our military personnel, good to our national security, and good to our country. It maintains a strong national defense while also doing its part to address the serious fiscal problems facing our country. H.R. 5504 is $8.5 billion below the President's request. It is $17.5 billion below the current year spending level. And the bill is nearly $4 billion below the level authorized by the budget resolution.

There are particular provisions of the bill which I think are very important to continuing our commitment to improving the quality of life for military families. Chairman MURTHA has been at the forefront in ensuring that military personnel and their families receive the services and support they need. The fiscal year 1993 Defense appropriations bill takes important steps in improving health care services for military families.

First, the committee has insisted that the level of services under CHAMPUS not be reduced. Chairman MURTHA, in particular, has been very adamant in ensuring that CHAMPUS deductibles are not increased, and that negative incentives for CHAMPUS enrollment are not used. Second, the committee has taken steps to expand dental coverage for military dependents. With the cooperation of the Defense Department, this expanded coverage could be in place by as early as April 1993.

I commend highly the gentlemen from Pennsylvania, Chairman MURTHA, for his stalwart support of our military personnel. If for no other reason, this bill deserves our support for the emphasis it has placed on quality of life issues for military personnel.

On a more local level, H.R. 5504 also provides $10 million to purchase the initial outfitting equipment needed to furnish a modern state-of-the-industry plating shop that will be constructed at McClellan Air Force Base in the coming year. The plating shop has received authorization and appropriation in the House-passed versions of the fiscal year 1993 military construction budget. It is important that the outfitting equipment also be funded in the fiscal year 1993 timeframe to ensure that McClellan can fully utilize the new facility as soon as possible.

H.R. 5504 also takes care of the California National Guard by providing $1.2 million in real property maintenance funds for various armory maintenance projects in California. This funding is important to improving Guard facilities throughout the State, such as fixing leaking roofs and repairing electrical damage. The California National Guard continues to play an important role in our national defense as well as in providing critical emergency services most recently demonstrated in the Los Angeles riots and southern California earthquakes.

Mr. Chairman, I also want to discuss briefly a very important issue addressed by this bill, and that issue deals with providing military personnel access to safe abortion services overseas. Since mid-1988, the Department of Defense has prohibited military personnel and their dependents from privately paying for abortions in overseas DOD facilities, even if there are no clinically safe private facilities available in the country in which they are stationed. This policy places in grave danger the life, health, and welfare of millions of American women who are dependent on the military health care system, which was expressly established for the purposes of meeting all the health care needs of DOD personnel overseas. Consequently, the gentleman from Oregon, Mr. AUCOIN, the gentleman from Rhode Island, Mr. MACHTLEY, and I have introduced a provision in the bill which will ensure that women in the military, or female dependents of service personnel stationed overseas, have access to complete reproductive health services.

This provision gives our women in the armed services, as well as female dependents of those serving in the military, access to the quality medical care that they deserve. It does not, however, in any way require the Federal Government to pay for abortions and in no way affects the so-called Hyde amendment, which prohibits the use of DOD funds to pay for abortions except where the life of the mother would be endangered. The AuCoin-Machtley-Fazio provision gives those women who serve our country overseas and rely on the Federal Government for their health care the same rights that the rest of us have, so long as they are willing to pay for them.

In closing, Mr. Chairman, I would just like to express again my strong support for H.R. 5504. I congratulate the committee and its staff for a job well done, and urge my colleagues to support the bill.

Mrs. LLOYD. Mr. Chairman, I rise in support of H.R. 5504, the Department of Defense Appropriations for fiscal year 1993. I also wish to commend the efforts of both the gentlemen from Pennsylvania, Chairman MURTHA and ranking minority member MCDADE. Once again, they have done an outstanding job with an always difficult bill.

I am pleased to see that, for the most part, H.R. 5504 complements the recently passed Department of Defense authorization bill produced by the Armed Services Committee. Both bills take into account the dramatic changes that have taken place over the past few years as well as tightening fiscal restraints.

Mr. Speaker, it is not an easy task sorting through all the important projects in the Department of Defense. Each one has its merits. It becomes an issue of prioritizing according to need and cost, while at the same time enhancing our national security posture. In the new era, we need to get more for less. H.R. 5504 does just that. It falls below both the Budget Committee allocations and the administrations request but never sacrifices our defense readiness or personnel.

There are a host of amendments to H.R. 5504 which would weaken the bill. I urge my colleagues to think carefully about each one before casting your vote. While peace is at hand, unrest does exist in many places throughout the world. Let us not cut haphazardly or foolishly.

I urge adoption of H.R. 5504 in its present form.

Ms. SNOWE. Mr. Chairman, I would like to express my sincere appreciation for the work done by the Subcommittee on Defense Appropriations on a matter of great importance to northern Maine.

Since 1980, the Federal Aviation Administration has identified the need to provide substantially improved radar coverage for the northern Maine region. This vast region—almost as large as the State of Massachusetts—includes five aviation centers, including the Northern Maine Regional Airport in Presque Isle. Fortunately, Loring Air Force Base in Limestone, ME, has been able to offset the radar shortfall, and the region has enjoyed adequate coverage. But Loring will close in 1994, and this closure has serious implications for the future of radar coverage in northern Maine.

To ensure that northern Maine does not lose any coverage when Loring closes, the Maine congressional delegation has requested that the FAA construct a new long-range radar facility for northern Maine. We expect that the FAA will include this item in its fiscal year 1994 budget request, and we have been in contact with the Transportation Appropriations Subcommittee to inform the members of this important project.

Unfortunately, this long-range installation will not be operational for 2 years, leaving at least a 2-year gap in radar coverage between the new installation's operation and Loring's closure. Something must be done in the interim, and this is where the Defense Appropriations Subcommittee and the members of the full committee have been of such great assistance to me and to the people of Maine.

Earlier this year, I contacted the subcommittee with a proposal to keep the radar equipment at Loring in place and operating until the new FAA facility becomes operational. The chairman, the ranking minority member, and their staffs cooperated fully, offering to include report language which directs the Air Force, in association with the FAA, to maintain its radar facilities at Loring so that adequate coverage can be provided to northern Maine during the interim period. The language was subsequently approved by the subcommittee and the full Appropriations Committee.

Inclusion of this report language is the first step toward resolving a very serious problem. Without adequate radar, commercial air service might decline, further hampering economic development in a region that will find the going tough in the wake of Loring's closure. But the Defense Subcommittee and the full committee have acted on a reasonable request to prevent this from happening. And the people of northern Maine are very grateful.

Ms. PELOSI. Mr. Chairman, I strongly support the provision in the Department of Defense [DOD] appropriations bill overturning the 1988 administrative policy prohibiting overseas military medical facilities from offering abortion services to service personnel and their dependents. Women who are overseas in service to their country must be allowed the same rights and health options available to them in the United States.

Mr. Chairman, this week the Supreme Court ruled on Planned Parenthood of Southeastern Pennsylvania versus Casey permitting States to restrict access to abortion services. They held that women are still guaranteed reproductive choice and right to privacy under the Constitution. Yet the Department of Defense, through an administrative policy, not a law, has been able to deny women their right since 1988. Overturning this administrative policy does not, in any way, expand the laws regulating women's reproductive rights; it merely provides women who are overseas with the U.S. Government their constitutional right.

The Supreme Court held that restrictions on abortion services are permitted and lawful unless the restriction places an "undue burden" on the woman. I do not know how anyone can deny that having to travel to another country or even back to the United States to have access to an abortion service is not an undue burden.

I urge my colleagues to support the overturning of this provision and allow all American women their guaranteed right.

Mr. MURTHA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendments printed in House Report 102-647 and any amendments thereto shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent of the amendment.

□ 1120

The Clerk will read.

The Clerk read as follows:

H.R. 5504

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1993, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $23,153,900,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $19,529,200,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $6,113,200,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for oganizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $18,663,400,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 265, 3021, and 3038 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $2,187,700,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $1,679,000,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $349,900,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 265, 8021, and 8038 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $735,200,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 265, 3021, or 3496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $3,293,400,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 265, 8021, or 8496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; and for payments to the Department of Defense Military Retirement Fund; $1,191,300,000.

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $14,437,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; $12,909,166,000: *Provided*, That $450,000 shall be made available only for the 1993 Memorial Day Celebration and $450,000 shall be made available only for the 1993 Capitol Fourth Project.

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $5,005,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; $19,272,649,000 of which $206,600,000 shall be available only for transfer to the United States Coast Guard, of which $142,100,000 shall be available for "Operating Expenses", $18,000,000 shall be available for "Acquisition, Construction, and Improvements", and $46,500,000 shall be available for "Reserve Training": *Provided*, That from the amounts of this appropriation for the alteration, overhaul and repair of naval vessels and aircraft, funds shall be available to acquire the alteration, overhaul and repair by competition between public and private shipyards, Naval Aviation Depots and private companies. The Navy shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private shipyards, Naval Aviation Depots, and private companies. Competitions shall not be subject to section 2461 or 2464 of title 10, United States Code, or to Office of Management and Budget Circular A-76. Naval Aviation Depots may perform manufacturing in order to compete for production contracts: *Provided further*, That funds appropriated or made available in this Act shall be obligated and expended to restore and maintain the facilities, activities and personnel levels, including specifically the medical facilities, activities and personnel levels, at the Memphis Naval Complex, Millington, Tennessee, to the fiscal year 1984 levels: *Provided further*, That of the funds appropriated in this paragraph, $1,001,155,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; $1,431,700,000: *Provided*, That none of the funds appropriated in this paragraph may be used for the conversion of facilities maintenance, utilities, and motor transport functions at Cherry Point Marine Corps Air Station, North Carolina, to performance by private contractor under the procedures and requirements of OMB Circular A-76 until the General Accounting Office completes their audit and validates the decision.

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed $8,912,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; $16,141,190,000: *Provided*, That $15,500,000 shall be used only to operate, maintain and enhance the Tactical Interim CAMS and REMIS Reporting System (TICARRS): *Provided further*, That TICARRS be maintained, with direct maintenance data input, as the supporting system for the F-117A aircraft: *Provided further*, That TICARRS be reestablished, with direct maintenance data input, as the supporting system for all F-15 and F-16 aircraft by no later than 45 days after enactment of this Act: *Provided further*, That of the funds appropriated in this paragraph, $704,056,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; $9,473,310,000, of which not to exceed $25,000,000 may be available for the CINC initiative fund account; and of which not to exceed $16,560,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: *Provided*, That of the funds appropriated by this paragraph, $845,110,000 shall be made available only for the Special Operations Command.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,033,842,000: *Provided*, That of the funds appropriated in this paragraph, $42,623,000 shall not be obligated or expended until authorized by law.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $844,049,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $76,592,000: *Provided*, That of the funds appropriated in this paragraph, $642,000 shall not be obligated or expended until authorized by law.

Operation and Maintenance, Air Force Reserve

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,209,312,000.

Operation and Maintenance, Army National Guard

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $2,218,580,000: *Provided*, That of the funds appropriated in this paragraph, $1,880,000 shall not be obligated or expended until authorized by law.

Operation and Maintenance, Air National Guard

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; $2,535,250,000.

National Board for the Promotion of Rifle Practice, Army

For the necessary expenses and personnel services (other than pay and non-travel-related allowances of members of the Armed Forces of the United States, except for members of the reserve components thereof called or ordered to active duty to provide support for the national matches) in accordance with law, for operation and maintenance of rifle ranges; the instruction of citizens in marksmanship; the promotion of rifle practice; the conduct of the national matches; the sale of ammunition under the authority of title 10, United States Code, sections 4308 and 4311; the travel of rifle teams, military personnel, and individuals attending regional, national, and international competitions; and the payment to competitors at national matches under section 4312 of title 10, United States Code, of subsistence and travel allowances under section 4313 of title 10, United States Code; not to exceed $2,700,000.

Court of Military Appeals, Defense

For salaries and expenses necessary for the United States Court of Military Appeals; $5,900,000, of which not to exceed $2,500 can be used for official representation purposes.

Environmental Restoration, Defense

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense; $901,200,000, to remain available until transferred: *Provided*, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, research and development associated with hazardous wastes and removal of unsafe buildings and debris of the Department of Defense, or for similar purposes (including programs and operations at sites formerly used by the Department of Defense), transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense as the Secretary may designate, to be merged with and to be available for the same purposes and for the same time period as the appropriations of funds to which transferred: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That if an entity to which property is transferred is a State or political subdivision of a State, the United States shall hold harmless, defend and indemnify such entity from and against all claims, demands, losses, damages, liens, liabilities, injuries, deaths, penalties, fines, lawsuits and other proceedings, judgments, awards and costs and expenses arising out of, or in any manner predicated upon, the presence, release or threatened release of any hazardous substance, pollutant or contaminant resulting from the activities of the Department of Defense: *Provided further*, That this provision shall not apply to the presence, release, or threatened release of any hazardous substance, pollutant, or contaminant brought onto the property by or on behalf of any parties other than the United States Government: *Provided further*, That the terms "hazardous substance" shall include petroleum, including crude oil; natural gas, liquified natural gas; and asbestos.

Humanitarian Assistance

For transportation for humanitarian relief for refugees of Afghanistan, acquisition and shipment of transportation assets to assist in the distribution of such relief, and for transportation and distribution of humanitarian and excess nonlethal supplies for worldwide humanitarian relief, as authorized by law; $15,000,000, to remain available for obligation until September 30, 1994: *Provided*, That the Department of Defense shall notify the Committees on Appropriations and Armed Services of the Senate and House of Representatives 15 days prior to the shipment of humanitarian relief which is intended to be transported and distributed to countries not previously authorized by Congress: *Provided further*, That of the funds appropriated in this paragraph, $2,000,000 shall not be obligated or expended until authorized by law.

World University Games

For logistical support and personnel services including initial planning for security needs (other than pay and nontravel related allowances of members of the Armed Forces of the United States, except for members of the reserve components thereof called or ordered to active duty to provide support for the World University Games) provided by any component of the Department of Defense to the World University Games; $6,000,000.

Summer Olympics

For logistical support and personnel services (other than pay and nontravel related allowances of members of the Armed Forces of the United States, except for members of the reserve components thereof called or ordered to active duty to provide support for the 1996 Games of the XXVI Olympiad to be held in Atlanta, Georgia) provided by any component of the Department of Defense to the 1996 Games of the XXVI Olympiad; $2,000,000.

World Cup USA 1994

For logistical support and personnel services (other than pay and nontravel related allowances of members of the Armed Forces of the United States, except for members of the reserve components thereof called or ordered to active duty to provide support for the World Cup USA 1994 Organizing Committee) provided by any component of the Department of Defense to the World Cup USA 1994 Organizing Committee; $9,000,000: *Provided*, That funds appropriated in this paragraph shall not be obligated or expended until authorized by law.

Real Property Maintenance, Defense

For the maintenance of real property of the Department of Defense under this title of this Act, as follows:

Army, $1,056,798,000;
Navy, $878,556,000;
Marine Corps, $237,300,000;
Air Force, $958,176,000;
Defense Agencies, $125,038,000;
Army Reserve, $63,358,000;
Navy Reserve, $63,523,000;
Marine Corps Reserve, $3,408,000;
Air Force Reserve, $38,011,000;
Army National Guard, $105,320,000;
Air National Guard, $93,274,000;

In all: $3,622,762,000, of which $1,965,229,000 shall remain available for obligation until September 30, 1994.

TITLE III

PROCUREMENT

Aircraft Procurement, Army

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,414,659,000, to remain available for obligation until September 30, 1995.

Missile Procurement, Army

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,139,004,000, to remain available for obligation until September 30, 1995: *Provided*, That of the funds appropriated in this paragraph, $55,894,000 shall not be obligated or expended until authorized by law.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $807,989,000, to remain available for obligation until September 30, 1995: *Provided*, That of the funds appropriated in this paragraph, $71,348,000 shall not be obligated or expended until authorized by law.

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,175,433,000, to remain available for obligation until September 30, 1995: *Provided*, That of the funds appropriated in this paragraph, $235,426,000 shall not be obligated or expended until authorized by law.

OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support, and nontracked combat vehicles; the purchase of not to exceed 38 passenger motor vehicles for replacement only; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $3,022,667,000, to remain available for obligation until September 30, 1995.

AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $6,638,127,000, to remain available for obligation until September 30, 1995: *Provided*, That of the funds appropriated in this paragraph, $285,960,000 shall not be obligated or expended until authorized by law.

WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, other ordnance and ammunition, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $3,337,482,000, to remain available for obligation until September 30, 1995.

SHIPBUILDING AND CONVERSION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

Carrier replacement program, $832,200,000;

Refueling overhauls, $37,239,000;

DDG–51 destroyer program, $705,262,000: and an additional amount of $1,900,000,000 to be derived by transfer from the Defense Business Operations Fund;

LHD–1 amphibious assault ship program, $1,205,000,000;

LSD–41 cargo variant ship program, $300,000,000;

MHC coastal mine hunter program, $246,205,000;

AOE combat support ship program, $300,000,000;

Oceanographic ship program, $109,500,000;

Sealift ship program, $801,400,000;

For cost growth on prior years programs, $195,000,000: *Provided*, That notwithstanding any other provision of law or regulation, the Secretary of the Navy is authorized and directed to increase the price of the T–AGS 39 and 40 contract and shall pay to the contractor which built and delivered T–AGS 39 and 40 the amount of $50,000,000. Such payment shall be made upon the contractor's execution of a release discharging the Government, its officers, agents and employees from any additional liability arising under or relating to the contract for T–AGS 39 and 40, and upon the contractor's agreement to dismiss with prejudice the pending action in the United States Claims Court: *Provided further*, That $15,000,000 is available for settlement of claims associated with conversion of T–ACS 7 and T–ACS 8: *Provided further*, That $130,000,000 is available for transfer to the following programs in the amounts specified: 1987/1991 T–AO fleet oiler program, $23,000,000; 1988/1992 T–AO fleet oiler program, $19,000,000; 1988/1992 LSD–41 cargo variant program, $27,000,000; 1990/1994 LSD–41 cargo variant program, $31,000,000; 1991/1995 LSD–41 cargo variant program, $30,000,000;

For craft, outfitting, post delivery, and first destination transportation, $781,425,000;

In all: $5,513,231,000, and $1,900,000,000 to be derived by transfer, to remain available for obligation until September 30, 1997: *Provided*, That additional obligations may be incurred after September 30, 1997, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: *Provided further*, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel: *Provided further*, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards: *Provided further*, That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act.

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed 602 passenger motor vehicles of which 574 shall be for replacement only; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $5,774,446,000, to remain available for obligation until September 30, 1995, of which $61,546,000 shall be available only for the procurement of the AN/SSQ–77B sonobuoy and $9,678,000 shall be available only for sonobuoy support: *Provided*, That of the funds appropriated in this paragraph, $15,570,000 shall not be obligated or expended until authorized by law: *Provided further*, That funds appropriated in this paragraph for procurement of the Enhanced Modular Signal Processor may be obligated for such procurement under a multiyear contract, in accordance with the requirements of section 9013 of this Act.

PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of not to exceed 46 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; $792,128,000, to remain available for obligation until September 30, 1995.

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $9,427,005,000, to remain available for obligation until September 30, 1995.

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $4,327,902,000, to remain available for obligation until September 30, 1995: *Provided*, That not less than $120,000,000 of the funds appropriated in this paragraph shall be made available only for reimbursement of development costs associated with the Solid Rocket Motor Upgrade.

OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 611 passenger motor vehicles of which 425 shall be for replacement only; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $7,640,888,000, to remain available for obligation until September 30, 1995.

NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces; $1,132,150,000, to remain available for obligation until September 30, 1995: *Provided*, That of the funds appropriated in this paragraph, $496,350,000 shall not be obligated or expended until authorized by law.

PROCUREMENT, DEFENSE AGENCIES

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 565 passenger motor vehicles, of which 554 shall be for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $1,575,178,000, of which $709,959,000 shall be available only for the Special Operations Command, to remain available for obligation until September 30, 1995.

DEFENSE PRODUCTION ACT PURCHASES

For purchases or commitments to purchase metals, minerals, or other materials by the Department of Defense pursuant to section 303 of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2093); $25,000,000, to remain available until expended: *Provided*, That none of these funds shall be obligated for any metal, mineral, or material, unless a Presidential determination has been made in accordance with the Defense Production Act: *Provided further*, That the Department of Defense shall notify the Committees on Appropriations of the House of Representatives and the Senate thirty days prior to the release of funds for any metal, mineral, or material not previously approved by Congress: *Provided further*, That funds appropriated in this paragraph shall not be obligated or expended until authorized by law.

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $5,962,532,000, to remain available for obligation until September 30, 1994: *Provided*, That $2,000,000 shall be made available only for the Center for Prostate Disease Research at the Walter Reed Army Institute of Research: *Provided further*, That $3,000,000 shall be made available only for synaptic transmission research: *Provided further*, That of the funds appropriated in this paragraph, $481,399,000 shall not be obligated or expended until authorized by law.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $9,315,969,000, to remain available for obligation until September 30, 1994: *Provided*, That for continued research and development programs at the National Center for Physical Acoustics, centering on ocean acoustics as it applies to advanced antisubmarine warfare acoustics issues with focus on ocean bottom acoustics, seismic coupling, sea-surface and bottom scattering, oceanic ambient noise, underwater sound propagation, bubble related ambient noise, acoustically active surfaces, machinery noise, propagation physics, solid state acoustics, electrorheological fluids, transducer development, ultrasonic sensors, and other such projects as may be agreed upon, $1,000,000 shall be made available, as a grant, to the Mississippi Resource Development Corporation, of which not to exceed $250,000 of such sum may be used to provide such special equipment as may be required for particular projects: *Provided further*, That of the funds appropriated in this paragraph, $193,408,000 is available only for the Ship Self-Defense program which may be obligated only if it (a) has a single program manager who is fully responsible and accountable for its execution as his or her sole duty on a full time basis, (b) finances an at-sea test which includes one or more amphibious assault ships, (c) is certified by the Secretary of Defense to the Armed Services and Appropriations Committees of Congress as being fully funded to meet a fiscal year 1997 initial operational capability date with the goal of providing ship self-defense capability rather than area air defense capability, to include a fully functioning, cooperating, and contributing air link on E-2C and AWACS aircraft, (d) is further certified by the Secretary of Defense that it will be deployed first to those ships which in 1997 will have the least capability to defend themselves from sea-skimming anti-ship cruise missile attack and which have the highest likelihood of being deployed in high threat environments, particularly amphibious ships, (e) is further certified by the Secretary to be under the active formal oversight of one or more officials within the Office of the Secretary of Defense on at least a quarterly basis, (f) includes funding to conduct a rigorous engineering systems analysis leading to a technical architecture which is fully compatible with Army and Air Force theater systems, and (g) incorporates a Quick Reaction Combat Capability which includes ruggedized commercial color Naval Tactical Data System consoles which are competitively procured: *Provided further*, That none of the funds appropriated in this paragraph or in Title IV of Public Law 102–172 may be obligated or expended to develop or purchase equipment for an Aegis destroyer variant (commonly known as "DDV") whose initial operating capability is budgeted to be achieved prior to the initial operating capability of the Ship Self-Defense program, nor to develop sensor or processor capabilities which duplicate in any way those being developed in the Ship Self-Defense program: *Provided further*, That of the funds appropriated in this paragraph, $513,673,000 shall not be obligated or expended until authorized by law.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $13,731,603,000, to remain available for obligation until September 30, 1994: *Provided*, That not less than $2,000,000 of the funds appropriated in this paragraph shall be made available only for continuing the research program on development of coal-based, high thermal stability and endothermic jet fuels, including exploratory studies on direct conversion of coal to thermally stable jet fuels: *Provided further*, That not less than $6,500,000 of the funds appropriated in this paragraph shall be made available only for the Joint Seismic Program administered by the Incorporated Research Institutions for Seismology: *Provided further*, That not less than $45,000,000 of the funds appropriated in this paragraph shall be made available only for the National Center for Manufacturing Sciences (NCMS), of which not less than $5,000,000 is available only for the National Center for Tooling and Precision Components (NCTPC): *Provided further*, That none of the funds appropriated in this paragraph may be used to procure or develop Air Force-unique automatic test equipment other than to adapt the Army's Integrated Family of Test Equipment (IFTE) or Navy's Consolidated Automated Support System (CASS) to meet Air Force requirements: *Provided further*, That of the funds appropriated in this paragraph, $160,300,000 is available only for the Cheyenne Mountain Upgrade program which may be obligated only if the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence has directed the Air Force to conduct a comprehensive overall system architecture for use in the Defense Acquisition Board oversight process and for implementation in contracts for the program: *Provided further*, That not less than $123,852,000 of the funds appropriated in this paragraph shall be made available only for the Space Nuclear Thermal Propulsion Program.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE AGENCIES

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $9,510,354,000, to remain available for obligation until September 30, 1994, of which $274,459,000 shall be available only for the Special Operations Command: *Provided*, That not less than $135,000,000 of the funds appropriated in this paragraph are available only for the Extended Range Interceptor (ERINT) missile: *Provided further*, That not less than $12,000,000 of the funds appropriated in this paragraph shall be available only for an Experimental Program to Stimulate Competitive Research (EPSCOR) in the Department of Defense which shall include all States eligible as of the date of enactment of this Act for the National Science Foundation Experimental Program to Stimulate Competitive Research: *Provided further*, That none of the funds in this paragraph may be obligated for the development of the Superconductive Magnetic Energy Storage system unless its processes, materials, and components are substantially manufactured in the United States.

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Deputy Director of Defense Research and Engineering (Test and Evaluation) in the direction and supervision of developmental test and evaluation, including performance and joint developmental testing and evaluation; and administrative expenses in connection therewith; $261,707,000, to remain available for obligation until September 30, 1994.

OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith; $12,983,000, to remain available for obligation until September 30, 1994.

TITLE V

REVOLVING AND MANAGEMENT FUNDS

DEFENSE BUSINESS OPERATIONS FUND

For the Defense Business Operations Fund; $16,600,000.

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law; $9,302,675,000, of which $9,003,026,000 shall be for Operation and maintenance, of which $92,251,000 shall be for real property maintenance; and $299,649,000, to remain available for obligation until September 30, 1995, shall be for Procurement: *Provided*, That not to exceed $40,000,000 of available funds shall be provided to the Uniformed Services Treatment Facilities program to be used only to fulfill any recoupment action of the Health Care Financing Administration for health care provided to eligible retired Department of Defense beneficiaries over age 65 between October 1, 1986, and December 31, 1989: *Provided further*, That none of the funds available to the Department of Defense shall be obligated or expended to operate, maintain and pay the salaries or expenses of those eight individuals in the immediate Office of the Assistant Secretary of Defense for Health Affairs or the merit pay attorney advisor in the Office of the General Counsel, Personnel and Health Policy, who currently provides advice to the Office of the Assistant Secretary of Defense for Health Affairs: *Provided further*, That the Department shall competitively contract for and begin to test implementation of a mail service pharmacy benefit in fiscal year 1993 in two regions of the United States: *Provided further*, That of the funds appropriated in this Act, $150,000 shall be used only for the implementation of a cooperative program model at Madigan Medical Center for severely behavior disordered students: *Provided further*, That notwithstanding any other provision of law or regulation, there will be no requirement for the Secretary of Defense or any other government official to certify that the CHAMPUS Reform Initiative is the most cost effective method of providing health care in any specific location before it can be implemented: *Provided further*, That notwithstanding any other provision of law, the Department shall competitively award an at-risk contract for managed health care for the National Capital Region with a benefit structure similar to the CHAMPUS Reform Initiative, without infringing upon the Baltimore Uniformed Services Treatment Facility catchment service area: *Provided further*, That not less than $7,500,000 of the funds appropriated in this paragraph shall be made available as a grant only to the Northeast Regional Cancer Institute for programs of major importance to the Department of Defense: *Provided further*, That of the funds appropriated in this paragraph, $213,251,000 shall not be obligated or expended until authorized by law.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986; $494,100,000, of which $246,400,000 shall be for Operation and maintenance, $241,200,000, to remain available until September 30, 1995, shall be for Procurement, and $6,500,000, to remain available until September 30, 1994, shall be for Research, development, test and evaluation.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation; $1,261,900,000: *Provided*, That the funds appropriated by this paragraph shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act: *Provided further*, That $25,500,000 shall be available only for operation and maintenance expenses for five sea-based aerostat systems to provide detection and monitoring support for the United States Coast Guard anti-narcotics operations: *Provided further*, That of the funds appropriated in this paragraph, not less than $7,500,000 shall be available only for the Gulf States Counter-Narcotics Initiative.

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended; $219,700,000, of which $218,900,000 shall be for Operation and maintenance, of which not to exceed $300,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on his certificate of necessity for confidential military purposes; and of which $800,000, to remain available until September 30, 1995, shall be for Procurement.

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $168,900,000.

THE EDWARD R. ROYBAL FOUNDATION

(INCLUDING TRANSFER OF FUNDS)

For payment to the Edward R. Roybal Foundation, a direct and unrestricted grant, including any interest or earnings therefrom, to support educational and public service programs for caregivers, practitioners and educators specializing in applied gerontology; $10,000,000: *Provided*, That, notwithstanding any other provision of law or of this Act, the Secretary of Defense is hereby authorized and directed to make the grant authorized by this section to the Edward R. Roybal Foundation, and such grant shall be transferred to the Foundation by January 1, 1993.

TITLE VIII

DEFENSE REINVESTMENT FOR ECONOMIC GROWTH

Of the funds appropriated in this Act for the Department of Defense for fiscal year 1993, $1,000,000,000 shall remain available until expended only for defense reinvestment programs as authorized by the National Defense Authorization Act for Fiscal Year 1993.

TITLE IX

GENERAL PROVISIONS

SEC. 9001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 9002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: *Provided*, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: *Provided further*, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980.

SEC. 9003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 9004. No more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year: *Provided*, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps, or the National Board for the Promotion of Rifle Practice, Army.

SEC. 9005. During the current fiscal year and hereafter, no part of any appropriation contained in this Act, except for small purchases covered by section 2304(g) of title 10, United States Code, shall be available for the procurement of any article or item of food, clothing, tents, tarpaulins, covers, cotton and other natural fiber products, woven silk or woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, canvas products, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles), or any item of individual equipment manufactured from or containing such fibers, yarns, fabrics, or materials, or specialty metals including stainless steel flatware, or hand or measuring tools, not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Department concerned shall determine that satisfactory quality and sufficient quantity of any articles or items of food, individual equipment, tents, tarpaulins, covers, or clothing or any form of cotton or other natural fiber products, woven silk and woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, canvas products, wool, or specialty metals including stainless steel flatware, grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters, and emergency procurements or procurements of perishable foods by establishments located outside the United States for the personnel attached thereto: *Provided*, That nothing herein shall preclude the procurement of specialty metals or chemical warfare protective clothing produced outside the United States or its possessions when such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or where such procurement is necessary in furtherance of agreements with foreign governments in which both governments agree to remove barriers to purchases of supplies produced in the other country or services performed by sources of the other country, so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act and with section 2457 of title 10, United States Code: *Provided further*, That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions.

(TRANSFER OF FUNDS)

SEC. 9006. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $2,500,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided*, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act.

(TRANSFER OF FUNDS)

SEC. 9007. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided*, That transfers may be made between such funds and the "Foreign Currency Fluctuations, Defense" and "Operation and Maintenance" appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 9008. Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code, may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: *Provided*, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: *Provided further*, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private or municipal services, if provisions are included for the consideration of United States coal as an energy source.

SEC. 9009. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the Committees on Appropriations and Armed Services of the Senate and House of Representatives.

SEC. 9010. No part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress.

SEC. 9011. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services shall be available for payments to physicians and other authorized individual health care providers in excess of the amounts allowed in fiscal year 1992 for similar services, except that: (a) for services for which the Secretary of Defense determines an increase is justified by economic circumstances, the allowable amounts may be increased in accordance with appropriate economic index data similar to that used pursuant to title XVIII of the Social Security Act; and (b) for services the Secretary determines are overpriced based on an analysis similar to that used pursuant to title XVIII of the Social Security Act, the allowable amounts shall be reduced by not more than 15 percent. The Secretary shall solicit public comment prior to promulgating regulations to implement this section.

SEC. 9012. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 1995.

SEC. 9013. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000, or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the Committees on Appropriations and Armed Services of the Senate and House of Representatives have been notified at least thirty days in advance of the proposed contract award: *Provided*, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: *Provided further*, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: *Provided further*, That no multiyear procurement contract can be terminated without 10-day prior notification to the Committees on Appropriations and Armed Services of the House of Representatives and the Senate: *Provided further*, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

(TRANSFER OF FUNDS)

SEC. 9014. None of the funds appropriated in this Act may be made available through transfer, reprogramming, or other means between the Central Intelligence Agency and the Department of Defense for any intelligence or special activity different from that previously justified to the Congress unless the Director of Central Intelligence or the Secretary of Defense has notified the House and Senate Appropriations Committees of the intent to make such funds available for such activity.

SEC. 9015. (a) None of the funds appropriated by this Act shall be available to convert a position in support of the Army Reserve, Air Force Reserve, Army National Guard, and Air National Guard occupied by, or programmed to be occupied by, a (civilian) military technician to a position to be held by a person in an active duty status or active Guard or Reserve status if that conversion would reduce the total number of positions occupied by, or programmed to be occupied by, (civilian) military technicians of the component concerned, below 69,929: *Provided*, That none of the funds appropriated by this Act shall be available to support more than 46,306 positions in support of the Army Reserve, Army National Guard, or Air National Guard occupied by, or programmed to be occupied by, persons in an active Guard or Reserve status: *Provided further*, That none of the funds appropriated by this Act may be used to include (civilian) military technicians in computing civilian personnel ceilings, including statutory or administratively imposed ceilings, on activities in support of the Army Reserve, Air Force Reserve, Army National Guard, or Air National Guard.

(b) None of the funds appropriated by this Act shall be used to include (civilian) military technicians in any administratively imposed freeze on civilian positions.

SEC. 9016. Notwithstanding any other provision of law, governments of Indian tribes shall be treated as State and local governments for the purposes of disposition of real property recommended for closure in the report of the Defense Secretary's Commission on Base Realignments and Closures, December 1988, the report to the President from the Defense Base Closure and Realignment Commission, July 1991, and Public Law 100-526.

SEC. 9017. (a) The provisions of section 115(a)(4) of title 10, United States Code, shall not apply with respect to fiscal year 1993 or with respect to the appropriation of funds for that year.

(b) During fiscal year 1993, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(c) The fiscal year 1994 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1994 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 1994.

SEC. 9018. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 9019. None of the funds appropriated by this Act shall be obligated for the pay of any individual who is initially employed after the date of enactment of this Act as a technician in the administration and training of the Army Reserve and the maintenance and repair of supplies issued to the Army Reserve unless such individual is also a military member of the Army Reserve troop program unit that he or she is employed to support. Those technicians employed by the Army Reserve in areas other than Army Reserve troop program units need only be members of the Selected Reserve.

SEC. 9020. None of the funds available to the Department of Defense may be used for the floating storage of petroleum or petroleum products except in vessels of or belonging to the United States.

SEC. 9021. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported to Congress on September 30 of each year: *Provided*, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99-239: *Provided further*, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

SEC. 9022. Notwithstanding any other provision of law, the Secretaries of the Army and Air Force may authorize the retention in an active status until age sixty of any officer who would otherwise be removed from an active status and who is employed as a National Guard or Reserve technician in a position in which active status in a reserve component of the Army or Air Force is required as a condition of that employment.

SEC. 9023. Funds available for operation and maintenance under this Act may be used in connection with demonstration projects and other activities authorized by section 1092 of title 10, United States Code.

SEC. 9024. (a) None of the funds appropriated by this Act shall be used to make contributions to the Department of Defense Education Benefits Fund pursuant to section 2006(g) of title 10, United States Code, representing the normal cost for future benefits under section 1415(c) of title 38, United States Code, for any member of the armed services who, on or after the date of enactment of this Act—

(1) enlists in the armed services for a period of active duty of less than three years; or

(2) receives an enlistment bonus under section 308a or 308f of title 37, United States Code,

nor shall any amounts representing the normal cost of such future benefits be transferred from the Fund by the Secretary of the Treasury to the Secretary of Veterans Affairs pursuant to section 2006(d) of title 10, United States Code; nor shall the Secretary of Veterans Affairs pay such benefits to any such member: *Provided*, That, in the case of a member covered by clause (1), these limitations shall not apply to members in combat arms skills or to members who enlist in the armed services on or after July 1, 1989, under a program continued or established by the Secretary of Defense in fiscal year 1991 to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense: *Provided further*, That this subsection applies only to active components of the Army.

(b) None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: *Provided*, That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: *Provided further*, That this subsection applies only to active components of the Army.

SEC. 9025. Funds appropriated in this Act shall be available for the payment of not more than 75 percent of the charges of a postsecondary educational institution for the tuition or expenses of an officer in the Ready Reserve of the Army National Guard or Army Reserve for education or training during his off-duty periods, except that no part of the charges may be paid unless the officer agrees to remain a member of the Ready Reserve for at least four years after completion of such training or education.

SEC. 9026. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That this section shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 percent Native American ownership.

SEC. 9027. None of the funds available to the Department of Defense shall be available to award a competitive procurement contract for any round of 120mm mortar ammunition unless such round has successfully passed first article acceptance testing and has a validated level III technical data package which supports such competitive procurement: *Provided*, That none of the funds appropriated in this Act to the Department of the Army may be obligated for procurement of 120mm mortars or 120mm mortar ammunition manufactured outside of the United States.

SEC. 9028. None of the funds appropriated or made available by this Act may be obligated for acquisition of major automated information systems which have not successfully completed oversight reviews required by Defense Department regulations: *Provided*, That none of the funds appropriated or made available by this Act may be obligated on Composite Health Care System acquisition contracts if such contracts would cause the total life cycle cost estimate of $1,600,000,000 expressed in fiscal year 1986 constant dollars to be exceeded.

SEC. 9029. None of the funds provided by this Act may be used to pay the salaries of any person or persons who authorize the transfer of unobligated and deobligated appropriations into the Reserve for Contingencies of the Central Intelligence Agency.

SEC. 9030. Funds appropriated by this Act for construction projects of the Central Intelligence Agency, which are transferred to another Agency for execution, shall remain available until expended.

SEC. 9031. Notwithstanding any other provision of law, the Secretary of the Navy may use funds appropriated to charter ships to be used as auxiliary minesweepers providing that the owner agrees that these ships may be activated as Navy Reserve ships with Navy Reserve crews used in training exercises conducted in accordance with law and policies governing Naval Reserve forces.

SEC. 9032. Notwithstanding any other provision of law, the Department shall competitively award contracts for the geographical expansion of the CHAMPUS Reform Initiative in Florida (which may include Department of Veterans Affairs medical facilities with the concurrence of the Secretary of Veterans Affairs), Washington, Oregon, and the Alexandria, Louisiana (England Air Force Base) region: *Provided*, That none of the funds appropriated, or otherwise made available to the Department of Defense, by this or any other Act of Congress, shall be used to implement or administer a health care delivery management program for Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) eligible beneficiaries in California, Florida, Hawaii, Oregon, Washington, New Orleans and Alexandria, Louisiana (England Air Force Base) region, unless the scope of benefits and program management structure are identical to that provided on October 1, 1991, under the California and Hawaii CHAMPUS Reform Initiative Demonstration Program: *Provided further*, That no funds may be used to implement or otherwise administer a health care delivery management program that restricts access to military treatment facilities or otherwise reduces the health care benefits of eligible beneficiaries who choose not to enroll in that program: *Provided further*, That no provision of this or any other Act shall be interpreted as granting authority under title 41, United States Code, section 253(a)(5) to modify, without soliciting competitive at-risk proposals, contracts with CHAMPUS fiscal intermediaries (FI) for the purpose of giving them more responsibility for implementing or otherwise administering a health care delivery management program: *Provided further*, That Solicitation Number MDA 906–91–R–0002 be amended to conform with this provision of law and shall provide for no less than a six-month transition period: *Provided further*, That the preemption provisions of section 1103(a) of title 10, United States Code, shall apply to contracts entered into pursuant to Solicitation Number MDA 906–91–R–0002 and shall preempt State and local laws and regulations which relate to health insurance or prepaid health care plans.

SEC. 9033. Funds appropriated or made available in this Act shall be obligated and expended to continue to fully utilize the facilities at the United States Army Engineer's Waterways Experiment Station, including the continued availability of the supercomputer capability: *Provided*, That none of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the Armed Services and Appropriations Committees of Congress that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

SEC. 9034. None of the funds provided in this Act shall be available for use by a Military Department to modify an aircraft, weapon, ship or other item of equipment, that the Military Department concerned plans to retire or otherwise dispose of within five years after completion of the modification: *Provided*, That this prohibition shall not apply to safety modifications: *Provided further*, That this prohibition may be waived by the Secretary of a Military Department if the Secretary determines it is in the best national security interest of the country to provide such waiver and so notifies the congressional defense committees in writing.

SEC. 9035. For the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119) and by the Budget Enforcement Act of 1990 (Public Law 101–508), the term program, project, and activity for appropriations contained in this Act shall be defined as the most specific level of budget items identified in the Department of Defense Appropriations Act, 1993, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the Committee of Conference, the related classified annexes, and the P–1 and R–1 budget justification documents as subsequently modified by Congressional action: *Provided*, That the following exception to the above definition shall apply:

For the Military Personnel and the Operation and Maintenance accounts, the term "program, project, and activity" is defined as the appropriations accounts contained in the Department of Defense Appropriations Act: *Provided further*, That at the time the President submits his budget for fiscal year 1994, the Department of Defense shall transmit to the Committees on Appropriations and the Committees on Armed Services of the Senate and the House of Representatives a budget justification document to be known as the "O–1" which shall identify, at the budget activity, activity group, and subactivity group level, the amounts requested by the President to be appropriated to the Department of Defense for operation and maintenance in any budget request, or amended budget request, for fiscal year 1994.

SEC. 9036. Of the funds appropriated to the Army, $230,700,000 shall be available only for the Reserve Component Automation System (RCAS): *Provided*, That none of these funds can be expended—

(1) except as approved by the Chief of the National Guard Bureau;

(2) unless RCAS resource management functions are performed by the National Guard Bureau;

(3) to pay the salary of an RCAS program manager who has not been selected and approved by the Chief of the National Guard Bureau and chartered by the Chief of the National Guard Bureau and the Secretary of the Army;

(4) unless the Program Manager (PM) charter makes the PM accountable to the Chief of the National Guard Bureau and fully defines his authority, responsibility, reporting channels and organizational structure;

(5) to pay the salaries of individuals assigned to the RCAS program management office unless such organization is comprised of personnel chosen jointly by the Chiefs of the National Guard Bureau and the Army Reserve;

(6) to pay contracted costs for the acquisition of RCAS unless RCAS is an integrated system consisting of software, hardware, and communications equipment and unless such contract continues to preclude the use of Government furnished equipment, operating systems, and executive and applications software; and

(7) unless RCAS performs its own classified information processing.

SEC. 9037. None of the funds provided for the Department of Defense in this Act may be obligated or expended for fixed price-type contracts in excess of $10,000,000 for the development of a major system or subsystem unless the Under Secretary of Defense for Acquisition determines, in writing, that program risk has been reduced to the extent that realistic pricing can occur, and that the contract type permits an equitable and sensible allocation of program risk between the contracting parties: *Provided*, That the Under Secretary may not delegate this authority to any persons who hold a position in the Office of the Secretary of Defense below the level of Assistant Secretary of Defense: *Provided further*, That at least thirty days before making a determination under this section the Secretary of Defense will notify the Committees on Appropriations of the Senate and House of Representatives in writing of his intention to authorize such a fixed price-type developmental contract and shall include in the notice an explanation of the reasons for the determination.

SEC. 9038. Monetary limitations on the purchase price of a passenger motor vehicle shall not apply to vehicles purchased for intelligence activities conducted pursuant to Executive Order 12333 or successor orders.

SEC. 9039. Not to exceed $20,000,000 of the funds available to the Department of the Army during the current fiscal year may be used to fund the construction of classified military projects within the Continental United States, including design, architecture, and engineering services.

SEC. 9040. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: *Provided*, That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): *Provided further*, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: *Provided further*, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.

(TRANSFER OF FUNDS)

SEC. 9041. Notwithstanding any other provision of law, the Department of Defense may transfer prior year unobligated balances and funds appropriated in this Act to the operation and maintenance appropriations for the purpose of providing military technician and Department of Defense medical personnel pay and medical programs (including CHAMPUS) the same exemption from sequestration set forth in the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119) and by the Budget Enforcement Act of 1990 (Public Law 101–508) as that granted the other military personnel accounts: *Provided*, That any transfer made pursuant to any use of the authority provided by this provision shall be limited so that the amounts reprogrammed to the operation and maintenance appropriations do not exceed the amounts sequestered under the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119) and by the Budget Enforcement Act of 1990 (Public Law 101–508): *Provided further*, That the authority to make transfers pursuant to this section is in addition to the authority to make transfers under other provisions of this Act: *Provided further*, That the Secretary of Defense may proceed with such transfer after notifying the Appropriations Committees of the House of Representatives and the Senate twenty calendar days in session before any such transfer of funds under this provision.

SEC. 9042. None of the funds available to the Department of the Navy may be used to enter into any contract for the overhaul, repair, or maintenance of any naval vessel homeported on the West Coast of the United States which includes charges for interport differential as an evaluation factor for award.

SEC. 9043. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be available for the reimbursement of any health care provider for inpatient mental health service in excess of thirty days in any year, in the case of a patient nineteen years of age or older, forty-five days in any year in the case of a patient under nineteen years of age, or one hundred and fifty days in any year in the case of inpatient mental health services provided as residential treatment care, or for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: *Provided*, That these limitations do not apply in the case of inpatient mental health services provided under the program for the handicapped under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care: *Provided further*, That the Secretary of Defense (after consulting with the other administering Secretaries) may prescribe separate payment requirements (including deductibles, copayments, and catastrophic limits) for the provision of mental health services to persons covered by this provision or section 1086 of title 10, United States Code. The payment requirements may vary for different categories of covered beneficiaries, by type of mental health service provided, and based on the location of the covered beneficiaries: *Provided further*, That except in the case of an emergency, the Secretary of Defense shall require preadmission authorization before inpatient mental health services may be provided to persons covered by this provision or section 1086 of title 10, United States Code. In the case of the provision of emergency inpatient mental health services, approval for the continuation of such services shall be required within 72 hours after admission.

SEC. 9044. The designs of the Army Comanche Helicopter, the Navy A–X Aircraft, the Air Force Advanced Tactical Fighter, and any variants of these aircraft, must incorporate Joint Integrated Avionics Working Group standard avionics specifications and must fully comply with all DOD regulations requiring the use of the Ada computer programming language no later than 1998: *Provided*, That all new Department of Defense procurements shall separately identify software costs in the work breakdown structure defined by MIL–STD–881 in those instances where software is considered to be a major category of cost.

SEC. 9045. Of the funds appropriated, reimbursable expenses incurred by the Department of Defense on behalf of the Soviet Union or its successor entities in monitoring United States implementation of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range or Shorter-Range Missiles ("INF Treaty"), concluded December 8, 1987, may be treated as orders received and obligation authority for the applicable appropriation, account, or fund increased accordingly. Likewise, any reimbursements received for such costs may be credited to the same appropriation, account, or fund to which the expenses were charged: *Provided*, That reimbursements which are not received within one hundred and eighty days after submission of an appropriate request for payment shall be subject to interest at the current rate established pursuant to section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (59 Stat. 526). Interest shall begin to accrue on the one hundred and eighty-first day following submission of an appropriate request for payment: *Provided further*, That funds appropriated in this Act may be used to reimburse United States military personnel for reasonable costs of subsistence, at rates to be determined by the Secretary of Defense, incurred while accompanying Soviet Inspection Team members or inspection team members of the successor entities of the Soviet Union engaged in activities related to the INF Treaty: *Provided further*, That this provision includes only the in-country period (referred to in the INF Treaty) and is effective whether such duty is performed at, near, or away from an individual's permanent duty station.

SEC. 9046. Funds available in this Act may be used to provide transportation for the next-of-kin of individuals who have been prisoners of war or missing in action from the Vietnam era to an annual meeting in the United States, under such regulations as the Secretary of Defense may prescribe.

SEC. 9047. None of the funds available to the Department of Defense or Navy shall be obligated or expended to (1) implement Automatic Data Processing, Data Processing Installation, Central Design Activity, or Information Technology Facility consolidation plans, or (2) make reductions in force or transfers in personnel, end strengths, billets or missions that affect the Naval Regional Data Automation Center, the Enlisted Personnel Management Center, the Naval Reserve Personnel Center and related missions, functions and commands until sixty legislative days after the Secretary of Defense submits a report, including complete review comments and a certification by the General Accounting Office, to the Committees on Appropriations of the House and Senate justifying any transfer, reductions, or consolidations in terms of (1) addressing the overall mission and operations staffing of all Naval Automatic Data Processing, Information Technology Facility, and Naval personnel functions and all Naval Regional Data Automation Centers, Data Processing Installations, and Central Design Activities for all active and reserve personnel commands and field activities, Data Processing Installations, Central Design Activities, and Automatic Data Processing commands and field activities; and (2) certifying that such reductions, transfers, consolidation plans or new operations: (a) do not duplicate functions presently conducted, do not consolidate or transfer Naval Regional Data Automation Center personnel, workload or functions that are planned for consolidation or transfer in other defense management report plans, do not impact Naval Regional Data Automation Centers that had a positive net operating result, without prior year adjustments, for each of the last three fiscal years, and do not result in the transfer of Naval automatic data processing functions which are inherent to operations of a colocated command; (b) are cost effective from a budgetary standpoint; (c) will not adversely affect the mission, readiness and strategic considerations of the Navy and the Naval Reserve, will not adversely impact on the quality of life and economic benefits of the individual serviceman and dependents, and will not result in the consolidation of Naval Regional Data Automation Centers, Data Processing Installations, Central Design Activities or automatic data processing functions from areas, except the National Capital Region, that are economically depressed and have at least 15 percent of its population with annual incomes at or below the current annual Federal poverty level.

SEC. 9048. No funds appropriated by this Act may be obligated or expended to prepare, or to assist any contractor of the Department of Defense in preparing, any material, report, list, or analysis with respect to the actual or projected economic or employment impact in a particular State or congressional district of an acquisition program for which all research, development, testing and evaluation has not been completed.

SEC. 9049. All obligations incurred in anticipation of the appropriations and authority provided in this Act are hereby ratified and confirmed if otherwise in accordance with the provisions of this Act.

SEC. 9050. None of the funds appropriated by this Act shall be available for a contract for studies, analyses, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines:

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work, or

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 9051. None of the funds available to the Department of Defense in this Act shall be used to demilitarize or dispose of more than 310,784 unserviceable M1 Garand rifles and M1 Carbines.

SEC. 9052. Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be available to pay more than 50 percent of an amount paid to any person under section 308 of title 37, United States Code, in a lump sum.

SEC. 9053. None of the funds appropriated by this Act may be used by the Department of Defense to assign a supervisor's title or grade when the number of people he or she supervises is considered as a basis for this determination: *Provided*, That savings that result from this provision are represented as such in future budget proposals.

SEC. 9054. None of the funds appropriated by this or any other Act with respect to any fiscal year for the Navy may be used to carry out an electromagnetic pulse program in the Chesapeake Bay area in connection with the Electromagnetic Pulse Radiation Environment Simulator for Ships (EMPRESS II) program unless or until the Secretary of Defense certifies to the Congress that conduct of the EMPRESS II program is essential to the national security of the United States and to achieving requisite military capability for United States naval vessels, and that the economic, environmental, and social costs to the United States of conducting the EMPRESS II program in the Chesapeake Bay area are far less than the economic, environmental, and social costs caused by conducting the EMPRESS II program elsewhere.

SEC. 9055. Of the funds appropriated by this Act, no more than $4,000,000 shall be available for the health care demonstration project regarding chiropractic care required by section 632(b) of the Department of Defense Authorization Act, 1985, Public Law 98-525.

SEC. 9056. None of the funds appropriated by this Act may be used to pay health care providers under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) for services determined under the CHAMPUS Peer Review Organization (PRO) Program to be not medically or psychologically necessary. The Secretary of Defense may by regulation adopt any quality and utilization review requirements and procedures in effect for the Peer Review Organization Program under title XVIII of the Social Security Act (Medicare) that the Secretary determines necessary, and may adapt the Medicare requirements and procedures to the circumstances of the CHAMPUS PRO Program as the Secretary determines appropriate.

SEC. 9057. Such sums as may be necessary for fiscal year 1993 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 9058. None of the funds appropriated by this Act shall be available for payments under the Department of Defense contract with the Louisiana State University Medical Center involving the use of cats for Brain Missile Wound Research, and the Department of Defense shall not make payments under such contract from funds obligated prior to the date of the enactment of this Act, except as necessary for costs incurred by the contractor prior to the enactment of this Act, and until thirty legislative days after the final General Accounting Office report on the aforesaid contract is submitted for review to the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That funds necessary for the care of animals covered by this contract are allowed.

SEC. 9059. None of the funds provided in this Act or any other Act shall be available to conduct bone trauma research at the Letterman Army Institute of Research until the Secretary of the Army certifies that the synthetic compound to be used in the experiments is of such a type that its use will result in a significant medical finding, the research has military application, the research will be conducted in accordance with the standards set by an animal care and use committee, and the research does not duplicate research already conducted by a manufacturer or any other research organization.

SEC. 9060. The Secretary of Defense shall include in any base closure and realignment plan submitted to Congress after the date of enactment of this Act, a complete review for the five-year period beginning on October 1, 1992, which shall include expected force structure and levels for such period, expected installation requirements for such period, a budget plan for such period, the cost savings expected to be realized through realignments and closures of military installations during such period, an economics model to identify the critical local economic sectors affected by proposed closures and realignments of military installations and an assessment of the economic impact in each area in which a military installation is to be realigned or closed.

SEC. 9061. No more than $50,000 of the funds appropriated or made available in this Act shall be used for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: *Provided*, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and Senate that such a relocation is required in the best interest of the Government: *Provided further*, That no funds appropriated or made available in this Act shall be used for the relocation into the National Capital Region of the Air Force Office of Medical Support located at Brooks Air Force Base.

SEC. 9062. The Secretary of Defense shall ensure that at least 50 percent of the Joint Service Missile Mission is in place at Letterkenny Army Depot by the time Systems Integration Management Activity and Depot Systems Command are scheduled to relocate to Rock Island Arsenal, Illinois. This provision is in no way intended to affect the move of the 2.5- and 5-ton truck maintenance mission from Letterkenny Army Depot to Tooele Army Depot.

SEC. 9063. None of the funds appropriated in this Act shall be used to produce more than two-thirds of the liquid gas requirements in-house at Andersen Air Force Base on Guam. At least one-third of Andersen Air Force Base's liquid gas requirements shall be met by acquiring liquid gas from commercial sources on Guam.

SEC. 9064. During the current fiscal year, funds appropriated or otherwise available for any Federal agency, the Congress, the judicial branch, or the District of Columbia may be used for the pay, allowances, and benefits of an employee as defined by section 2105 of title 5 or an individual employed by the government of the District of Columbia, permanent or temporary indefinite, who—

(1) is a member of a Reserve component of the armed forces, as described in section 261 of title 10, or the National Guard, as described in section 101 of title 32;

(2) performs, for the purpose of providing military aid to enforce the law or providing assistance to civil authorities in the protection or saving of life or property or prevention of injury—

(A) Federal service under section 331, 332, 333, 3500, or 8500 of title 10, or other provision of law, as applicable, or

(B) full-time military service for his State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory of the United States; and

(3) requests and is granted—

(A) leave under the authority of this section; or

(B) annual leave, which may be granted without regard to the provisions of sections 5519 and 6323(b) of title 5, if such employee is otherwise entitled to such annual leave:

Provided, That any employee who requests leave under subsection (3)(A) for service described in subsection (2) of this section is entitled to such leave, subject to the provisions of this section and of the last sentence of section 6323(b) of title 5, and such leave shall be considered leave under section 6323(b) of title 5.

SEC. 9065. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A-76 if the study being performed exceeds a period of twenty-four months after initiation of such study with respect to a single function activity or forty-eight months after initiation of such study for a multi-function activity.

SEC. 9066. None of the funds appropriated by this Act shall be used to begin closing a military treatment facility unless the Secretary of Defense notifies the Committees on Appropriations of the House of Representatives and the Senate ninety days prior to such action.

SEC. 9067. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 9068. None of the unobligated balances available in the National Defense Stockpile Transaction Fund during the current fiscal year may be obligated or expended to finance any grant or contract to conduct research, development, test and evaluation activities for the development or production of advanced materials, unless amounts for such purposes are specifically appropriated in a subsequent appropriations Act.

SEC. 9069. (a) As stated in section 3(5)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2402(5)(A)), it is the policy of the United States to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any other United States person.

(b)(1) Consistent with the policy referred to in subsection (a), no Department of Defense prime contract in excess of the small purchase threshold, as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)), may be awarded to a foreign person, company, or entity unless that person, company, or entity certifies to the Secretary of Defense that it does not comply with the secondary Arab boycott of Israel.

(2) The Secretary of Defense may waive the prohibition in paragraph (1) in specific instances when the Secretary determines that the waiver is necessary in the national security interests of the United States. Within 15 days after the end of each calendar quarter, the Secretary shall submit to Congress a report identifying each contract for which a waiver was granted under this paragraph during such quarter.

(3) This provision does not apply to contracts for consumable supplies, provisions or services intended to be executed for the support of the United States or of allied forces in a foreign country, nor does it apply to contracts pertaining to any equipment, technology, data, or services for intelligence or classified purposes, or the acquisition or lease thereof by the United States Government in the interests of national security.

SEC. 9070. Notwithstanding any other provision of law, where cost effective, all Department of Defense software shall be written in the programming language Ada, in the absence of special exemption by an official designated by the Secretary of Defense.

SEC. 9071. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7445 of chapter 74 of title 38, United States Code.

SEC. 9072. None of the funds available to the Department of Defense shall be used for the training or utilization of psychologists in the prescription of drugs, except pursuant to the findings and recommendations of the Army Surgeon General's Blue Ribbon Panel as specified in its February and August 1990 meeting minutes.

SEC. 9073. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the military or civilian medical and medical support personnel end strength at a base undergoing a partial closure or realignment, where more than one joint command is located, below the September 30, 1991 level.

SEC. 9074. Of the funds made available in this Act, not less than $10,596,000 shall be available for the Civil Air Patrol, of which $4,471,000 shall be available for Operation and Maintenance.

SEC. 9075. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 815th Tactical Airlift Squadron of the Air Force Reserve, if such action would reduce the WC-130 Weather Reconnaissance mission below the levels funded in this Act.

SEC. 9076. During the current fiscal year, withdrawal credits may be made by the Defense Business Operations Fund to the credit of current applicable appropriations of an activity of the Department of Defense in connection with the acquisition by that activity of supplies that are repairable components which are repairable at a repair depot and that are capitalized into the Defense Business Operations Fund as the result of management changes concerning depot level repairable assets charged to an activity of the Department of Defense which is a customer of the Defense Business Operations Fund that became effective on April 1, 1992.

SEC. 9077. (a) Of the funds for the procurement of supplies or services appropriated by this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase "qualified nonprofit agency for the blind or other severely handicapped" means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O'Day Act (41 U.S.C. 46–48).

SEC. 9078. There is established, under the direction and control of the Attorney General, the National Drug Intelligence Center, whose mission it shall be to coordinate and consolidate drug intelligence from all national security and law enforcement agencies, and produce information regarding the structure, membership, finances, communications, and activities of drug trafficking organizations: *Provided*, That funding for the operation of the National Drug Intelligence Center, including personnel costs associated therewith, shall be provided from the funds appropriated to the Department of Defense for drug interdiction and counter-drug activities: *Provided further*, That of the funds so appropriated for the fiscal year beginning October 1, 1991, $20,000,000 available for the National Drug Intelligence Center may be available to the Secretary of Defense to reimburse the Department of Justice for support provided to the National Drug Intelligence Center: *Provided further*, That section 8083 of the Department of Defense Appropriations Act, 1992 (Public Law 102–172) is amended by striking out "available only for" and inserting "available until expended only for" in lieu thereof.

SEC. 9079. During the current fiscal year, the Navy may provide notice to exercise options under the LEASAT program for the next fiscal year, in accordance with the terms of the Aide Memoire, dated January 5, 1981, as amended by the Aide Memoire dated April 30, 1986, and as implemented in the LEASAT contract.

SEC. 9080. (a) Of the funds appropriated in this Act under the heading Research, Development, Test and Evaluation, Navy, $755,000,000 shall be available until obligated and expended and shall be obligated and expended only for a Phase II Full Scale Engineering Development program for the V-22 aircraft program.

(b) Of the funds made available in Public Law 102–172, under the heading Research, Development, Test and Evaluation, Navy, $790,000,000 shall be available until obligated and expended and shall be obligated and expended only for the V-22 program as further described in subparagraph (c).

(c) Funds described in subparagraphs (a) and (b) of this section shall be obligated as follows:

(1) Not less than $30,000,000 shall be obligated within 30 days of enactment of this Act to continue the existing V-22 Full Scale Engineering Development program;

(2) Not less than $60,000,000 shall be made available to the Navy for obligation within not less than 90 days of enactment of this Act for payment of any government costs to support the V-22 program;

(3) Not less than $1,455,000,000 shall be obligated within 90 days of enactment of this Act to commence a Phase II V-22 Full Scale Engineering Development program which provides not less than six production representative new aircraft which will successfully demonstrate the full operational requirements of the Joint Services Operational Requirement (JSOR) not later than July 1, 1999: *Provided*, That the production representative V-22 aircraft shall be produced on tooling which qualifies production design;

(d) The Secretary of Defense shall provide to the Congress, within 60 days of enactment of this Act, the total funding plan and schedule to complete the definitized Phase II V-22 Full Scale Engineering Development program.

(e) The Secretary of Defense shall include sufficient funds to complete development, manufacture and operational testing of six production representative aircraft produced under the new Phase II V-22 Full Scale Engineering Development Program described above and to procure sufficient V-22 aircraft to meet the operational requirements of the Marine Corps and other services in all Department of Defense future year planning documents and budget estimates.

SEC. 9081. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility's direct budget amount.

SEC. 9082. None of the funds in this Act shall be obligated for the procurement of Multibeam Sonar Mapping Systems not manufactured in the United States: *Provided*, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 9083. None of the funds appropriated in this Act may be used to fill the commander's position at any military medical facility with a health care professional unless the prospective candidate can demonstrate professional administrative skills.

SEC. 9084. Of the funds appropriated by this Act for the Defense Health Program, amounts as necessary shall be available (notwithstanding the last sentence of section 1086(c) of title 10, United States Code) to continue Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) benefits, until age 65, under such section for a former member of a uniformed service who is entitled to retired or retainer pay or equivalent pay, or a dependent of such a member, who becomes eligible for hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) solely on the grounds of physical disability: *Provided*, That expenses under this section shall only be covered to the extent that such expenses are not covered under parts A and B of title XVIII of the Social Security Act and are otherwise covered under CHAMPUS: *Provided further*, That no reimbursement shall be made for services provided prior to October 1, 1991.

SEC. 9085. During the current fiscal year, the Secretary of Defense may accept burdensharing contributions in the form of money from Japan, the Republic of Korea, and the State of Kuwait for the costs of local national employees, supplies, and services of the Department of Defense to be credited to applicable Department of Defense operation and maintenance appropriations available for the salaries and benefits of national employees of Japan, the Republic of Korea, and the State of Kuwait, supplies, and services to be merged with and to be available for the same purposes and time period as those appropriations to which credited: *Provided*, That not later than 30 days after the end of each quarter of the fiscal year, the Secretary of Defense shall submit to the Congress a report of contributions accepted by the Secretary under this provision during the preceding quarter.

SEC. 9086. During the current fiscal year, obligations against the stock funds of the Department of Defense may not be incurred in excess of 70 percent of sales from such stock funds during the current fiscal year: *Provided*, That in determining the amount of obligations against, and sales from the stock funds, obligations and sales for fuel, subsistence, commissary items, retail operations, the cost of operations, and repair of spare parts shall be excluded: *Provided further*, That upon a determination by the Secretary of Defense that such action is critical to the national security of the United States, the Secretary may waive the provisions of this section: *Provided further*, That if the provisions of this section are waived, the Secretary shall immediately notify the Congress of the waiver and the reasons for such a waiver.

SEC. 9087. (a) None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the P-3 squadrons of the Navy Reserve below the levels funded in this Act.

(b) The Secretary of the Navy shall obligate funds appropriated for fiscal years 1991, 1992, and 1993 for modernization of P-3B aircraft of the Navy Reserve on those P-3B aircraft which the Secretary of the Navy intends to keep in the fleet for more than five years: *Provided*, That the provision of section 1437 of the National Defense Authorization Act, 1991 (Public Law 101-510) shall not be considered in, or have any effect on, making any determination whether such aircraft shall be kept in the fleet for more than five years.

SEC. 9088. Notwithstanding section 9003 of this Act, of the $100,000,000 appropriated in section 8105A of the Department of Defense Appropriations Act, 1992 (Public Law 102-172), for payment of claims to United States military and civilian personnel for damages incurred as a result of the volcanic eruption of Mount Pinatubo in the Philippines, $35,000,000 shall remain available for obligation until September 30, 1993.

SEC. 9089. None of the funds appropriated in this Act may be obligated or expended for any contract or grant with a university or other institution of higher learning unless such contract or grant is audited in accordance with the Federal Acquisition Regulation and the Department of Defense Federal Acquisition Regulation Supplement or any other applicable auditing standards and requirements and the institution receiving the contract or grant fully responds to all formal requests for financial information made by responsible Department of Defense officials: *Provided*, That if an institution does not provide an adequate financial response within 12 months, the Secretary of Defense shall terminate that and all other Department of Defense contracts or grants with the institution.

SEC. 9090. (a) Funds appropriated in this Act to finance activities of Department of Defense (DOD) Federally Funded Research and Development Centers (FFRDCs) may not be obligated or expended for an FFRDC if a member of its Board of Directors or Trustees simultaneously serves on the Board of Directors or Trustees of a profit-making company under contract to the Department of Defense unless the FFRDC has a DOD-approved conflict of interest policy for its members.

(b) Funds appropriated in this Act to finance activities of the Department of Defense (DOD) Federally Funded Research and Development Centers (FFRDCs) may not be obligated or expended for an FFRDC until the reports on FFRDCs required by House Report 102-95, Senate Report 102-154, and House Report 102-328 are submitted to the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 9091. None of the funds appropriated in this Act shall be available to comply with, or to implement any provision issued in compliance with, the August 27, 1984 memorandum of the Deputy Secretary of Defense entitled "Debarment from Defense Contracts for Felony Criminal Convictions".

SEC. 9092. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: *Provided*, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: *Provided further*, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: *Provided further*, That these restrictions shall not apply to contracts which are in being as of the date of enactment of this Act.

SEC. 9093. Notwithstanding any other provision of law, no more than fifteen percent of the funds available to the Department of Defense for sealift may be used to acquire, through charter or purchase, ships constructed in foreign shipyards: *Provided*, That ships acquired as provided above shall be necessary to satisfy the shortfalls identified in the Mobility Requirements Study: *Provided further*, That any work required to convert foreign built ships acquired as provided above to United States Coast Guard and American Bureau of Shipping standards, or conversion to a more useful military configuration, must be accomplished in United States domestic shipyards: *Provided further*, That none of the funds shall be used to purchase bridge or machinery control systems, or interior communications equipment, for sealift ships unless the system or equipment is manufactured in the United States or more than half the value in terms of cost has been added in the United States: *Provided further*, That the Secretary of the military department responsible for such procurement of bridge or machinery control systems, or interior communications equipment, may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 9094. For the purposes of this Act, the term "congressional defense committees" means the Committees on Armed Services, the Committees on Appropriations, subcommittees on Defense of the Senate and the House of Representatives.

SEC. 9095. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: *Provided*, That the Secretary shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: *Provided further*, That Office of Management and Budget Circular A-76 shall not apply to competitions conducted under this section.

SEC. 9096. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 1993. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 9097. None of the funds appropriated or made available in this Act or any Act making appropriations for the Department of Defense during the current fiscal year may be obligated for procurement of ball bearings or roller bearings other than in accordance with the provisions of subpart 208.79 of the Defense Federal Acquisition Regulation Supplement (DFARS) as promulgated effective on July 11, 1989.

(TRANSFER OF FUNDS)

SEC. 9098. Notwithstanding any other provision of law, $82,000,000 made available in the fiscal year 1991 Department of Defense Appropriations Act (Public Law 101-511) for "Aircraft Carrier Service Life Extension Program" under the heading "Shipbuilding and Conversion, Navy, 1991/1995" shall be transferred to "Operation and Maintenance, Navy" for a large scale industrial availability, presumed to be 24 months, of the USS JOHN F. KENNEDY at the Philadelphia Naval Shipyard.

SEC. 9099. (a) Within the funds made available to the Air Force under title II of this Act, the Air Force shall use such funds as necessary, but not to exceed $23,270,000, to execute the cleanup of uncontrolled hazardous waste contamination affecting the Sale Parcel at Hamilton Air Force Base, in Novato, in the State of California.

(b) In the event that the purchaser of the Sale Parcel exercises its option to withdraw from the sale as provided in the Agreement and Modification, dated September 25, 1990, between the Department of Defense, the General Services Administration, and the purchaser, the purchaser's deposit of $4,500,000 shall be returned by the General Services Administration and funds eligible for reimbursement under the Agreement and Modification shall come from the funds made available to the Department of Defense by this Act.

(c) The purchase rights under the purchase contract for the Sale Parcel may be assigned to any financially qualified entity, as determined in accordance with existing GSA procedures. The purchaser's withdrawal and reimbursement rights under the Agreement and Modification shall be assigned to any assignee of the purchase rights under the purchase contract for the Sale Parcel (including the purchaser's lenders). The purchaser shall be permitted to purchase the Sale Parcel in stages, and the purchaser's withdrawal and reimbursement rights shall survive pro rata with respect to any portion of the Sale Parcel not purchased.

(d) Notwithstanding any other provision of law, the Air Force shall be reimbursed for expenditures in excess of $15,000,000 in connection with the total clean-up of uncontrolled hazardous waste contamination on the aforementioned Sale Parcel from the proceeds collected upon the closing of the Sale Parcel.

(e) Notwithstanding any other provision of law, the Department of Defense shall convey the Building 442 parcel, the Building 467 parcel, the former P.O.L. storage parcel and the two parcels carved out of the easternmost portion of the Sale Parcel (all of which parcels are contiguous to and surrounded by the Sale Parcel), as well as easements for the location of a temporary flood control levee around portions of the Sale Parcel and such other easements as the Secretary of the Army shall deem appropriate, to the purchaser of the Sale Parcel, without restrictions. The conveyances contemplated by this section shall be for cash and/or interests in real property at least equal in value (as determined by the Secretary of the Army) to the land and interests in real property conveyed by the United States.

(f) The exact acreage and legal description of the property to be conveyed or exchanged under this section shall be determined by surveys that are satisfactory to the Secretary of the Army. The costs of such surveys shall be borne by the purchaser.

SEC. 9100. Notwithstanding any other provision of law, the Secretary of Defense may, when he considers it in the best interest of the United States, cancel any part of an indebtedness, up to $2,500, that is or was owed to the United States by a member or former member of a uniformed service if such indebtedness, as determined by the Secretary, was incurred in connection with Operation Desert Shield/Storm: *Provided*, That the amount of an indebtedness previously paid by a member or former member and cancelled under this section shall be refunded to the member.

(TRANSFER OF FUNDS)

SEC. 9101. During the current fiscal year, not to exceed $60,500,000 of cash balances in the Defense Business Operations Fund shall be transferred to appropriations of the Department of Defense which are available for energy conservation improvement projects under the Department of Defense Energy Conservation Improvement Program: *Provided*, That the authority to make transfers pursuant to this section is in addition to any other transfer authority provided by this Act.

SEC. 9102. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

SEC. 9103. The Secretary of Defense is authorized to provide optional summer school programs in addition to the programs otherwise authorized by the Defense Dependents Education Act of 1978 (Public Law 95-561), and to charge a fee for participation in such optional education programs. Optional summer school program fees shall be made available for use by the Secretary to defray the costs of summer school operations.

SEC. 9104. Unobligated balances of the funds appropriated in the Department of Defense Appropriations Act, 1992 (Public Law 102-172) under the headings "World University Games" and "Summer Olympics" in title II of that Act shall, notwithstanding section 8003 of that Act, remain available for obligation until September 30, 1993.

(TRANSFER OF FUNDS)

SEC. 9105. During the current fiscal year, the Secretary of Defense may transfer such funds as are available in the National Defense Stockpile Transaction Fund to the appropriation "Environmental Restoration, Defense".

SEC. 9106. After December 31, 1992, voluntary separation incentives payable under 10 U.S.C. 1175 may be paid in such amounts as are necessary from the assets of the Voluntary Separation Incentive Fund established by section 1175(h)(1).

(INCLUDING TRANSFER OF FUNDS)

SEC. 9107. Amounts deposited during fiscal years 1992 and 1993 to the special account established under 40 U.S.C. 485(h)(2) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 485(h)(2) (A) and (B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

SEC. 9108. None of the funds available to the Department of Defense in this Act may be used to award a contract for the procurement of four-ton dolly jacks if such equipment is or would be manufactured outside the United States of America and would be procured under any contract, agreement, arrangement, compact or other such instrument for which provisions including price differential provisions of the Buy American Act of 1933, as amended, or any other Federal buy national law was waived: *Provided*, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

(TRANSFER OF FUNDS)

SEC. 9109. The Department of Defense may transfer from amounts appropriated to the Department of Defense for fiscal year 1993 not to exceed $650,000,000 to the appropriate accounts within the Department of Defense for the purposes authorized in the Nuclear Threat Reduction Act of 1992: *Provided*, That obligations made pursuant to the transfer authority provided in section 108 of Public Law 102-229 together with obligations made pursuant to the transfer authority provided in this section shall not exceed a total obligation of $650,000,000: *Provided further*, That the Nuclear Threat Reduction Act of 1992 is hereby amended to authorize up to $50,000,000 of the $650,000,000 in transfer authority to be used for the Multilateral Nuclear Safety Initiative announced in Lisbon, Portugal on May 23, 1992: *Provided further*, That the transfer authority provided in this section shall be in addition to any other transfer authority contained in this Act.

(TRANSFER OF FUNDS)

SEC. 9110. The Secretary of Defense may transfer from amounts appropriated to the Department of Defense for fiscal year 1993 or from balances in working capital funds not to exceed $55,000,000 to the appropriate accounts within the Department of Defense for the purposes authorized in section 109 of Public Law 102-229: *Provided*, That obligations made pursuant to the transfer authority provided in section 109 of Public Law 102-229 together with obligations made pursuant to the transfer authority provided in this section shall not exceed a total obligation of $115,000,000: *Provided further*, That the transfer authority provided in this section shall be in addition to any other transfer authority contained in this Act.

SEC. 9111. (a) None of the funds appropriated or made available in this Act shall be used for the procurement of high purity quartz yarn or fiber, or for any item manufactured from such yarn or fiber or from fused or synthetic quartz rods used to produce high purity quartz yarn or fiber, if such yarn, fiber or rods are not produced in the United States: *Provided*, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

(b) The Secretary of Defense shall ensure that high purity quartz yarn or fiber produced by domestic sources established by previously appropriated funds for the Defense Production Act are tested for qualification for use or incorporation in the production of weapon systems and in weapon development programs. Systems qualification tests associated with qualifying domestically produced high purity quartz yarn or fiber shall be paid by the responsible weapons system program office.

SEC. 9112. In order to maintain an electric furnace capacity in the United States, preference for the purchase of chromite ore and manganese ore authorized for disposal from the National Defense Stockpile shall be given to domestic producers of high carbon ferrochromium and high carbon ferromanganese—

(A) whose primary output during the three preceding years has been ferrochromium or ferromanganese; and

(B) who guarantee to use the chromite and manganese ore for domestic purposes.

SEC. 9113. (a) None of the funds available to the Department of Defense may be used to implement Defense Management Report Decision No. 944, dated December 9, 1991, concerning Conventional Ammunition, or any revision or successor document, or to carry out any implementing instruction for said directive, revision, or successor document, or to implement any other document of any kind pertaining to conventional ammunition which has the objective of financing conventional ammunition out of any funds other than funds appropriated or available for procurement of ammunition.

(b) The fiscal year 1994/1995 budget request for the Department of Defense, as well as all justification material and other documentation supporting the fiscal year 1994/1995 Department of Defense request shall be prepared and submitted to the Congress as if subsection (a) of this provision were effective with regard to fiscal year 1994/1995. Such budget request, budget material, and budget documentation shall be prepared using the practices and policies followed in preparation of the fiscal year 1992/1993 budget.

SEC. 9114. None of the funds available to the Department of Defense may be obligated or expended for an Abrams tank upgrade program that does not first modify 105mm M1 tanks to a 120mm M1A1, or higher, tank configuration.

SEC. 9115. During the current fiscal year, no funds available to the Department of Defense shall be available in connection with any action within the Department of Defense which would support, or could lead directly to, the purchase or acquisition of LTV Aerospace and Defense Company by any foreign person: *Provided*, That, notwithstanding any other provision of law or any agreement to the contrary, no foreign person may purchase or otherwise acquire the LTV Aerospace and Defense Company. For purposes of this section, the term "foreign person" means any foreign organization, corporation, or individual resident in a foreign country, or any domestic or foreign organization, corporation, or individual, that is owned or controlled by the foreign organization, corporation, or individual.

SEC. 9116. During the current fiscal year, none of the funds available to the Department of Defense may be used to procure or acquire handguns or handgun ammunition unless such handguns are the M9 9mm Department of Defense standard handgun or ammunition for such handguns.

SEC. 9117. If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a "Made in America" inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall debar the person from contracting with the Federal Government for a period of not less than three years and not more than five years. For purposes of this section, the term "debar" has the meaning given that term by section 2393(c) of title 10, United States Code.

SEC. 9118. During the current fiscal year, appropriations available to the Department of Defense may be used to reimburse a member of a reserve component of the Armed Forces who is not otherwise entitled to travel and transportation allowances and who occupies transient government housing while performing active duty for training or inactive duty training: *Provided*, That such members may be provided lodging in kind if transient government quarters are unavailable as if the member was entitled to such allowances under subsection (a) of section 404 of title 37, United States Code: *Provided further*, That if lodging in kind is provided, any authorized service charge or cost of such lodging may be paid directly from funds appropriated for operation and maintenance of the reserve component of the member concerned.

SEC. 9119. During the current fiscal year, funds appropriated by this Act may be used for the civilian pay, allowances, and benefits of a National Guard technician who serves on active duty under section 672 (b) or (d) of title 10 (other than active duty during a period of war or national emergency declared by the President or Congress) for participation outside the United States in airlift or refueling operations, and requests and is granted leave under the authority of this section. A technician described in this section may be granted leave without loss of pay, time, or performance or efficiency rating for each day, not to exceed 44 days in a calendar year, of such duty, except that an amount (other than a travel, transportation, or per diem allowance) received by a technician for military service as a member of the National Guard for a period for which the technician is on leave under this section shall be credited against the pay payable with respect to his civilian position for that period. Nothing in this section shall prohibit a technician granted leave under this section who is ordered with his consent to active duty without pay as authorized by 10 U.S.C. 683 from receiving his full civilian pay and benefits.

SEC. 9120. The Secretary of Defense shall enter into negotiations with a uniformed services treatment facility described in section 911(c) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(c)), for the purpose of arranging for the facility to assume operation of the Silas B. Hays Army Community Hospital at Fort Ord, California, in a manner consistent with the managed-care delivery and reimbursement model required under section 718(c) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1587). Upon completion of the negotiations, the Secretary shall consider the hospital to be a satellite facility of the uniformed services treatment facility, as described in section 721(a) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1405), and designate the hospital as a facility of the uniformed services for the purposes of chapter 55 of title 10, United States Code. The Secretary shall complete the negotiations and make the designation not later than September 30, 1993.

SEC. 9121. None of the funds appropriated by this Act or made available to the Department of Defense shall be available to operate, maintain and pay the salaries of the employees assigned or detailed to the Defense Printing Service Management Office.

SEC. 9122. During the current fiscal year, not more than $190,055,000 of the funds appropriated by this Act or available to the Department of Defense shall be available for paying the Administrator of the General Services Administration charges established pursuant to section 210(j) of the Federal Property Administrative Services Act of 1949, as amended, (40 U.S.C. 490(j)) for space and services: *Provided*, That upon a determination by the Secretary of Defense that such action is necessary to meet the needs of the Department of Defense for space and services, upon notification to the Congress, obligations and expenditures in addition to the amount specified in this section may be incurred in appropriations available to the Department of Defense and transfers may be made between working capital funds of the Department of Defense and appropriations for operation and maintenance to the extent necessary for such obligations and expenditures.

SEC. 9123. As of September 1, 1993, none of the funds appropriated by this Act or made available to the Department of Defense shall be available for payment of the compensation of members of the Senior Executive Service assigned to the Department of Defense in excess of 95 percent of such personnel actually assigned to or serving in, the Department of Defense on September 30, 1992: *Provided*, That in making any reduction in the number of such personnel that may be required pursuant to this section the percentage of reductions to career and non-career Executive Service positions shall be applied so that an equal percentage of the reductions to the total number of individuals assigned to such positions on September 30, 1992 shall be equal.

SEC. 9124. During the current fiscal year, supplies, equipment, and material, of a total value not to exceed the amounts specified, shall be issued from the Defense Business Operations Fund, without a requirement for reimbursement, as follows: to the Army, $1,486,000,000; to the Navy, $63,000,000; to the Marine Corps, $39,000,000; and to the Air Force, $448,000,000.

SEC. 9125. None of the funds in this Act shall be used by the Department of Defense or Navy for consolidation of the Naval Biodynamics Laboratory until 90 days after the General Accounting Office has submitted a report to the Committees on Appropriations on the Department of Defense or service plans to consolidate research and development laboratories.

SEC. 9126. The Comptroller General of the United States, in conjunction with the Department of the Navy, shall issue a report no later than July 1, 1992, on the Navy's accounting practices at its nuclear shipyards. The report shall include a detailed review of the Navy's current plan for the handling and disposal of all nuclear materials and radioactively contaminated materials of nuclear powered vessels. The report shall include cost evaluations and projections for the next twenty years based on the current Navy plan.

SEC. 9127. During the current fiscal year, from funds available in this Act, the Director of the Air National Guard shall establish a Command, Control, Communications and Intelligence planning office manned by three full-time Air Guard officers in the rank of O-6, O-5, and O-4: *Provided*, That these officers shall be in addition to the strengths authorized in section 524 of title 10, United States Code.

SEC. 9128. As of September 1, 1993, none of the funds appropriated by this Act shall be available for payment of the compensation of personnel assigned to or serving in the National Foreign Intelligence Program in excess of 98 percent of such personnel actually assigned to or serving in the National Foreign Intelligence Program on September 30, 1992: *Provided*, That in making any reduction in the number of such personnel that may be required pursuant to this section, the percentage of reductions to Senior Intelligence Service positions shall be equal to or exceed the percentage of reductions to non-Senior Intelligence Service positions: *Provided further*, That in making any reduction in the number of such personnel that may be required pursuant to this section, the percentage of reductions to positions in the National Capital Region shall be equal to or exceed the percentage of reductions to positions outside of the National Capital Region.

SEC. 9129. None of the funds appropriated in this Act or made available to the Department of Defense may be used to deposit into the Pentagon Reservation Maintenance Revolving Fund for the purpose of renovation, construction or any other purpose other than the actual and necessary day-to-day operation (including health and safety requirements) of the Pentagon Reservation or for the performance of engineering studies/design for renovation of the existing Pentagon structure. Not later than March 1, 1993, the Secretary of Defense shall submit to the Committees on Armed Services and Appropriations of the House and Senate a report setting forth (1) a revised renovation program for the Pentagon Reservation limited to concerns of health and safety; and (2) a construction schedule with an associated cost estimate based upon normal construction procedures which eliminates additional costs for expediting construction.

SEC. 9130. None of the funds appropriated or otherwise made available in this Act may be used to promulgate or enforce the policy of the Department of Defense enunciated in the memorandum for the Secretaries of the Military Departments that became effective October 1, 1988, prohibiting non-funded abortions in military medical treatment facilities outside the continental United States, or any other policies having the same substance.

Mr. MURTHA (during the reading). Mr. Chairman, I ask unanimous consent that the bill, through page 119, line 2, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Are there any points of order on the bill?

The Chair hears none.

Mr. MURTHA. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto conclude no later than 1:30 p.m. today.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there is a lot happening within the appropriations process which disturbs me, particularly as Congress begins to chip away at the research and development base in this country, the technology base on which we will built the future. This committee has attempted to do its best to see to it that that has not happened.

I have one concern, and it is really not this committee's fault in what comes before us today, but the one concern I have is that there was not money included in this bill for the SP-100 program, the SP-100 being a development program of a nuclear reactor that could be used in space based kinds of applications.

Mr. Chairman, this bill does not include that, but I must say the Defense Department did not ask for the money for it, and that is a disappointment to me because the Defense Department does, in fact, have a memorandum of understanding where it is to work with NASA and the Department of Energy in developing the reactor. So, that is not the committee's problem but it is a loss to the technological base in this country not to fund the SP-100 program.

On the other hand, Mr. Chairman, I will say that this committee does have within the bill several programs that it is funding which are extremely important to the national future. I would in particular to the National Aerospace Plane. This subcommittee is really leading the way in assuring that the National Aerospace Plane stays in place, and let me tell my colleagues what I think the importance of that project is.

This country has provided aeronautical leadership for the world for the last 75 to 100 years. We are the place, of course, where airplanes were developed, but not only that, we have always maintained our edge. We have done that by developing experimental airplanes that have led to the next generation of materials, the next generation of engine technologies, the next generation of aeronautics of one kind or another.

Mr. MURTHA. Mr. Chairman, will the gentleman yield on that point?

Mr. WALKER. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I just want to compliment the gentleman from Pennsylvania [Mr. WALKER] for his support of what I consider one of the most important technologies in this country today. One of the reasons we are ahead in aerospace technology is because of people like the gentleman who have been in the forefront in making sure that the research money is available.

So, Mr. Chairman, I say to the gentleman, that I appreciate the work that you have done in this committee in its entirety. I have supported this position. Even though the funds get tighter, we think this kind of funding is absolutely essential to our national defense.

Mr. WALKER. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. MURTHA] for that leadership because in all honesty in other sectors of the Committee on Appropriations we have not seen that kind of vision and foresight, and this subcommittee literally has led the way on this project and has assured that we keep this kind of program in place. I thank the gentleman for it because I think the Nation in the next century is going to benefit from the kind of leadership that he has shown.

That is also true in another project which this committee is moving toward, and that is called SSTO, and that stands for single-stage-to-orbit technology. This committee is going to permit that kind of technology to go to demonstration.

What does that mean for the future? It may well be that this will provide the technology that will allow us for the first time to do very economical lifts to orbit. We are not certain yet; it is a demonstration program, it is a research project. But if it proves out, this may be the way to space which assures that, not only does it have military applications, which of course this subcommittee is interested in, but it will have civilian applications both for manned space and for lifting loads of economic interest to the country such as communication satellites and that kind of thing.

So, Mr. Chairman, it is a very important technology that this committee has decided to fund.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I just want to say that the gentleman from California [Mr. ROHRABACHER] came to me about the particular technology. We let him read our S&I report, and he came back and asked that we go forward with the project, and in conference we are going to attend to his request because I know that the gentleman and you know more about that program than we do, and we defer to your expertise in that field.

Mr. WALKER. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. MURTHA] for that, and the gentleman from California [Mr. ROHRABACHER] has been in the forefront of that, and I thank the gentleman for working with him.

Finally one area where this committee has moved ahead is in the space nuclear propulsion area in assuring that, as we look towards perhaps deep space applications for manned exploration or other kinds of activities, that we may have, in fact the new generation of space engines based upon nuclear propulsion that would be available to us.

So this subcommittee really has in a very tight money situation seen fit to develop some of the high tech initiatives to drive the station toward the future. For the American people that is much appreciated because our jobs for the future depend upon developing those technological innovations. This committee, I think is moving toward that direction. I thank them, and I certainly am in support of their efforts.

Mr. NATCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, on behalf of our chairman, the gentleman from Mississippi [Mr. WHITTEN], I want to commend this subcommittee on the bill that is now before the committee. The gentleman from Pennsylvania [Mr. MURTHA], the chairman of the committee, the gentleman from Pennsylvania [Mr. MCDADE], the ranking minority member of the subcommittee and every member of this subcommittee, Mr. Chairman, have worked hard to bring this bill before us at this time.

I would like to call attention to the fact that the bill contains, as our chairman has said, $252.7 billion. This is $3.8 billion below the section 602(b) allocation. This is an excellent bill. On this subcommittee we have an excellent staff, Mr. Chairman, just like we do on all 13 of our subcommittees on appropriations.

Mr. Chairman, passage of this bill today will mean that we have passed now in the House 7 of our 13 bills. Ten of our bills have been approved and reported out of the full Committee on Appropriations.

Mr. Chairman, at one time in bringing out the bill that appropriates the funding for Labor, Health and Human Service, and Education, I thought we had established a right good record here in the committee about bringing that bill and passing it in 1 hour and 56 minutes. The chairman of this subcommittee and the ranking member of this subcommittee not too long after that brought this, the largest appropriation bill of the 13 out, and passed it in 1 hour and 10 minutes.

Now think about it, Mr. Chairman. It shows not only that they bring out good bills, but they know what is in the bill, and they know how to pass it.

Mr. Chairman, I sincerely believe as one Member of this Congress that this is a real important bill. As my colleagues know, we have trouble all around the world still, and when we hear people say we ought to go into the defense appropriation bill and cut out another $30 billion or another $40 billion, we ought to keep in mind, Mr. Chairman, that, if we want to remain the strongest country in the world, bills like this one should protect our country. When we bring our bill in here, the one that I am chairman of, we say to the people in this country, "If you take care of the health of your people and educate your children, you continue living in the strongest country in the world."

On behalf of my chairman, the distinguished gentleman from Mississippi [Mr. WHITTEN], I want to thank every member of this subcommittee and their staff for an excellent bill.

□ 1130

Mr. PANETTA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as I have done with other appropriations bills, I want to rise in support of the Department of Defense appropriations bill. This is the seventh of the 13 annual appropriations bills to be considered by the House.

This bill, like the others, comes in below the 602(b) spending subdivisions that were provided. The bill provides $252 billion in discretionary budget authority and $263 billion in discretionary outlays. That is $3.8 billion less than the spending subdivision in 602(b) that was provided for the subcommittee in the budget authority and $3.6 billion below in estimated outlays.

I also want to point out that if we compare it to last year's levels—and I think that is important to do as well—we are looking, in regards to budget authority, to a bill that is $17 billion less than what was provided in budget authority last year and almost $10 billion to $11 billion less with regard to outlays.

That is not easy. We have all understood that the world is changing, and that the cold war is over, but it also represents a challenge to the committees and to all the Members that as we make this transition, we do it in a way that protects our national security and also provides for conversion to take place.

I want to in particular commend the chairman of the Committee on Armed Services, the gentleman from Wisconsin [Mr. ASPIN], and the chairman of this subcommittee, the gentleman from Pennsylvania [Mr. MURTHA], and his ranking member. Both Mr. ASPIN and Mr. MURTHA have been very helpful as we have tried to develop a rational defense path here in terms of savings. This is not an easy challenge. I think all of us understood that when there was a lot of feeling that we were going to have a huge peace dividend that could be spent easily, everybody needed to look at the facts and look at the tough challenges with regard to what kind of defense path we wanted to go in and what kind of efforts needed to be made with regard to conversion as we were facing these transitions. There are jobs involved here, there is an impact upon the economy, and there is an impact on people. That is the reality of dealing with these kinds of very though choices. Yet this subcommittee, as well as the Committee on Armed Services, have done, I think, an outstanding job in confronting these choices that needed to be made.

So I want to commend the subcommittee. I want to commend in particular the gentleman from Pennsylvania [Mr. MURTHA] for what he has done here in terms of investment. There is an economic investment piece here that does provide for help in trying to ease the transition for communities, industry, and personnel in assisting this build-down. It is not easy, but it is a challenge, and hopefully this Congress and this House will face as we approach the future.

[Fact Sheet]

H.R. 5504, Department of Defense Appropriations Bill, Fiscal year 1993 (H. Rept. 102–627)

The House Appropriations Committee reported the Department of Defense Appropriations bill for Fiscal Year 1993 on Monday, June 29, 1992. This bill is scheduled for floor action on Thursday, July 2, subject to the adoption of a rule.

COMPARISON TO THE 602(B) SUBDIVISION

The bill provides $252.5 billion of discretionary budget authority and $263.9 billion of discretionary outlays. This bill is below the discretionary budget authority and outlay subdivisions by $3.8 and $3.6 billion, respectively.

The table below compares the bill's spending with the equivalent breakout of the 602(b) spending defense subdivision:

DISCRETIONARY SPENDING SUBDIVISION

[In millions of dollars]

	DOD appropriations bill	
	Budget authority	Outlays
Discretionary	252,485	263,934
Mandatory[1]	169	169
Total	252,654	264,103
	Appropriations Committee 602(b) subdivision	
	Budget authority	Outlays
Discretionary	252,261	267,486
Mandatory[1]	169	169
Total	256,430	267,655
	Bill over (+)/Under (−) 602(b) subdivision	
	Budget authority	Outlays
Discretionary	−3,776	−3,552
Mandatory[1]	0	0

	Bill over (+)/Under (−) 602(b) subdivision	
	Budget authority	Outlays
Total	−3,776	−3,552

[1] Conforms to Budget Resolution estimates of existing law.

Note.—BA=New budget authority; O=Estimated outlays.

PROGRAM HIGHLIGHTS

The following are the major program highlights for the DOD Appropriations Bill for Fiscal Year 1993, as reported:

[In billions of dollars]

	Budget authority	New outlays
Military personnel	76.9	73.2
Procurement	55.6	9.2
Operations and maintenance	71.7	56.7
Research and development	38.8	20.8

The House Appropriations Committee filed the Committee's subdivision of budget authority and outlays on June 11, 1992. These subdivisions are consistent with the allocation of spending responsibility to House committees contained in House Report 102-529, the conference report to accompany H. Con. Res. 287, Concurrent Resolution on the Budget for Fiscal Year 1993, as adopted by the Congress on May 21, 1992.

Mr. ASPIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like at this point to enter into a colloquy with the distinguished chairman of the Subcommittee on Defense of the Appropriations Committee.

This year, Mr. Chairman, our two committees appear to have taken a rather different approach with respect to the problems of naval aviation. We have taken a position that allows us to make choices about the future of tactical aviation and not make an estimate now that may turn out in the long run to be wrong. In particular, the authorization committee of the House, as approved by the House, has accepted a plan to specify robust prototyping for both the Navy FA-18 E/F and the Navy A-X attack air aircraft.

What is the view of the chairman of the subcommittee of the Appropriations Committee on this matter?

Mr. MURTHA. Mr. Chairman, if the gentleman will yield, I just want the chairman of the Armed Services Committee, the gentleman from Wisconsin [Mr. ASPIN] to know how we have tried to mirror almost everything that he has done in the Committee on Armed Services, and as the gentleman and I have said over and over again, we have worked very closely on the results of our two bills.

In this particular case we felt it was in the best interest of the Defense Department to give them another option, and then we put some money in for the F-14 to make a choice, and hopefully by the time the gentleman goes to conference and make a final decision on what is going to happen, we will be able to consider his action. Our committee, even though it was unanimous in its position on the way we did it, understood why you are trying to give the Navy another option. So we are very considerate of the gentleman's position, and we certainly want to consider what he did when we go to conference.

Mr. ASPIN. Mr. Chairman, I thank the gentleman, and I do want to commend him and commend the members of his committee and our committee in working it out so we are at least united on some of the major issues. I appreciate the assurances that whatever we do in the authorization conference on this very important attack-air matter will be considered by your committee and your conference.

There is one other issue I just wanted to make sure we clear up, and that is this issue of the defense reinvestment. As the Members of the House here know, it was part of the budget resolution that there was $1 billion set aside for defense reimbursement, and what we would like to know is whether you are as committed to the defense reinvestment. The gentleman has a different version in his bill, and so we would just like to know what his views are on that when we go to conference.

Mr. MURTHA. Mr. Chairman, I remember asking the gentleman about the issue when he was on the floor. We like what you did. However when it comes out of conference, and we feel that this is an area of responsibility of the Committee on Armed Services, we are going to cooperate in every way to fund whatever you come out of conference with.

Mr. ASPIN. Mr. Chairman, I appreciate that comment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to say to the chairman that I have been a skeptic on this reinvestment issue until after the work of the Committee on Armed Services, and I think it targets the work of trying to get the workers retrained, and the approach that has been taken answers many of my particular concerns.

I just want to commend the committee. I think the approach here which takes this kind of tack and deals with many of the high-technology issues we are going to face in a more competitive world environment is the right approach, and I think we ought to be supportive of this.

Mr. ASPIN. Mr. Chairman, I appreciate the gentleman's comments, and I appreciate the comments of the gentleman from Pennsylvania [Mr. MURTHA].

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I am happy to yield to the gentleman from California.

Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman for yielding.

I would like to speak in terms of the F-18E/F that the gentleman talked about, and I would like to thank the chairman for being so helpful on the issue.

I would hope that our committee and those Members in the conference, and with the gentleman from Pennsylvania [Mr. MURTHA], were to get off the dime one way or the other, that if we do not fund the F-14, then we need to get on with the F-18E/F, or the delay where we pick up the F-18E/F with an A-X will mean the demise of naval aviation and we will not have the procurement dollars to do that.

My only fear is that, although I do not support the F-18E/F, if we do not support the F-14 throughout, we have got to do something, Mr. Chairman, because otherwise we will kill naval aviation.

Mr. MURTHA. Mr. Chairman, will the gentleman yield further?

Mr. ASPIN. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, I have to say after talking with the gentleman from California and with the gentleman from New York [Mr. HOCHBRUECKNER], we left the third option in. Nobody has more respect for the gentleman's experience as a combat pilot than I do, and combined with the opinions of our engineer, the gentleman from New York [Mr. HOCHBRUECKNER], the gentleman's opinions carried a lot of weight in our committee when we made the decision to add extra money for the F-14.

Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman.

Mr. ASPIN. Mr. Chairman, I thank the gentleman.

Let me just say to all my colleagues here that we do need to move ahead with this air program of the Navy, this naval aircraft program, but I think it is very important that we do it in such a way that it accomplishes two things.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. ASPIN] has expired.

(By unanimous consent, Mr. ASPIN was allowed to proceed for 3 additional minutes.)

Mr. ASPIN. Mr. Chairman, to continue, there are two things we feel are important here. First that the program be affordable. In other words, if we are going to the F-18E/F and the A-X, we ought to make sure that is affordable. It is not at all clear that the Navy's program is affordable.

Second, we want to make sure that if we do have an affordable program, we get the best program. I happen to think we still need a strategic bombing mission that comes off the carriers, but that is at the core of this debate.

So I would just like to commend the gentleman from Pennsylvania [Mr. MURTHA] again for his cooperation on these major issues and for his assurances on these two issues that we are talking about, which is the Navy TECAIR and the reimbursement package.

Mr. Chairman, let me at this point yield to the gentleman from Ohio [Mr. KASICH].

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Mr. KASICH. Mr. Chairman, I would just like to, for a second, associate myself with the remarks of the gentleman from Wisconsin, Chairman ASPIN. What we do not want to find ourselves in is a position where we as a Congress have no choice, that we go forward with the EF because the Navy would like to get that thing cooking so it reaches a point where we cannot make a choice between that or perhaps some other aircraft—like the gentleman from California [Mr. CUNNINGHAM] has suggested—and clearly we are going to go forward with an AX. The question is, what can we afford? We do not want to get ourselves put into a position where we have no choice, too many decisions were made, and we just do not have any choices to make at that point.

So I think we are proceeding—and I must say, on a bipartisan basis—in the Armed Services authorizing committee, we are proceeding in a way in which we can have some prototypes and we can get ourselves in a position where we do not have too many things put on our plate with an inability to make good decisions at a later point in time.

I want to commend also the chairman of the Committee on Appropriations for his incredible working relationship with the authorizers, and the gentleman from Pennsylvania [Mr. MCDADE], as well, and I want to support the gentleman from Wisconsin [Mr. ASPIN], the chairman, in this.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just wanted to rise to say how I, and many others, thank the gentleman from Pennsylvania [Mr. MURTHA] for his incredible leadership during this difficult period we have been going through with the military, on whether or not our service women are going to be considered equal or not.

I think when women were let into the military we went through a long period where a lot of the military did not want them, and so the message was, the culture did not have to change, women had to accept it the way it was. The gentleman from Pennsylvania has been absolutely out front every day of the week saying that is nonsense. He has had a very distinguished military career, and he knows that one can have a distinguished military career and can be part of a strong fighting force, and yet not have to abuse or take on women. That is not part of the code.

Therefore, I must say to the gentleman from Pennsylvania [Mr. MURTHA], he has been a true officer and a gentleman, and he has been a true leader in this area. I really salute him.

This is a time where, with the Voting Rights Act and everything, we have been going through a debate in this country about can anyone represent women but women, can anyone represent African-Americans but African-Americans, can anyone represent Hispanics but Hispanics, and men but men. Let me tell the Members, representative government comes apart if that happens. However, the gentleman from Pennsylvania has done a much better job of representing women than any of the women here could because of his position, and he has listened to them and he has been a very, very important advocate. I think people listen to him even more than us, because they say, "There go those women again," but they are hearing the gentleman from Pennsylvania, and I just want the American men and women to know what a terrific job he has been doing, and representative government is working here. I thank the gentleman from the bottom of my heart.

Mr. MAZZOLI. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I am delighted to yield to the gentleman from Kentucky.

Mr MAZZOLI. Mr. Chairman, I thank the gentlewoman for yielding.

Earlier today, in a 1-minute, I said words to the effect that I want to thank the gentlewoman from Colorado [Mrs. SCHROEDER] for bringing this up, and again, I want to salute the gentleman from Pennsylvania for very sharply defining the issue. It may be what some would call a sort of undifferentiated penalty that he is wreaking, but I think it will have the intended result.

Mrs. SCHROEDER. Absolutely, and I cannot say enough about that, because in this important debate we really know so often we are not heard, and those pleas have been heard and he has been at them.

Mr. MAZZOLI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in very strong support of the bill, and I would like to salute the gentleman. As had been said earlier today and just a moment ago by the gentlewoman from Colorado [Mrs. SCHROEDER], the gentleman from Pennsylvania [Mr. MURTHA] has invoked a very, very stern sanction on the Navy for the failure of its leadership to show leadership, in going to the heart of the indignities that the 26 military women suffered in the Tailhook convention last year in Las Vegas. As I said earlier on the floor, it was not just the 26 military women who were embarrassed and assaulted and demeaned in Las Vegas, it was all military women, and, without much of an extension, it was all women, whether military or nonmilitary.

I thank the gentleman, and I believe in thanking him I do so for all Members of the House, for having very sharply focused on the issue. It may be a fairly random penalty, it may be that there are certain ways to more narrowly target the offenders later in the process, but I think the gentleman's decision to make a very broad-brush approach to a very desperate problem I think is very supportable, and I want to thank him for doing that.

I would also like to thank the gentleman from Pennsylvania [Mr. MURTHA] for his leadership on the overall bill. These are, as has been said earlier, difficult times in Defense, and there is a need to have a person like the gentleman to try to make the judgments as we move from wartime to peacetime.

I would like to thank him for having included in this bill $7.9 million to fund, on a continuing basis, the Advanced Gun Weapons System Technology Program, which is located at the Naval Ordnance Station, which is in Louisville, KY, my district. This, as the gentleman knows, is research to prevent obsolesence in the Navy's gunfire capability. It is also to start development on technologies we would use in the 21st century. It also has the ability, in the more near term and the immediate sense, to improve existing gunfire systems, both the offensive category as well as the defensive category on the various ships.

In the years that I have represented Louisville and represented Naval Ordnance Stations Louisville, I have been very proud of the activities done by both the military and the civilian personnel, the 2,500 men and women who work at Naval Ordnance. And, I want to thank the gentleman for his continuing recognition of their professionalism and of their patriotism in having funded this gun technology program.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to associate myself with the remarks of the previous speaker. Last night, Mr. Chairman, I heard a Member from the other side of the aisle address the subject of Tailhook. I would like to commend him, because in that address during special orders the gentleman spoke to the many men, the hundreds and thousands of men and women of all services that serve honorably in our Armed Forces that were not a portion of the festivities that took place or among the guilty. Unfortunately, they have been tarred and feathered or painted with the same brush that many of the perpetrators did.

I would like to commend Paula Coughlin, who is one of the young ladies. They say she was sexually abused. In my opinion, I would carry it further. I think she was criminally abused, and I think that the perpetrators ought to be found guilty and brought forward. However, I am sorry to see the Secretary of the Navy, Secretary Garrett, resigning. He has been an honorable man, but unfortunately, within the armed services people have taken responsibility for the people underneath them, and Secretary Garrett followed that, although I disagree with it.

I would like to make a public statement that I think that Secretary Garrett has been helpful to both sides of the aisle, supportive of women's rights and of men's rights in the Department of Defense. I would also hope that in the future, I would say, there have been talks about firing entire lines of commands from commanders. How far do we go on this? Do we need to find out who the guilty were? Absolutely. Was Paula Coughlin abused? Even more than abused, the answer is "yes." But I think we need to be very careful that we do not tar and feather honorable people that represent this country and have represented this country faithfully.

Second, I would again laud the members of this subcommittee for their work on the defense appropriations. However, I am not naive enough not to know the liberal leadership of this country, and I would hope that the members of this subcommittee would direct in the amendments, the President has cut 30 percent out of Defense, and I have heard some honorable statements, such as from the gentleman from Kentucky [Mr. Natcher] and so on, but we cannot cut more out of our defense without affecting the rest of the country.

□ 1150

Until we pass the President's jobs bill, the conversion package of the chairman, Les Aspin, will not do any good. We have hundreds of thousands of people being laid off and no jobs. So we need to work to that end.

At the same time, industry is attempting to convert from defense industry. But there is no one in this body, I would think, who would believe that we are not going to be in a conflict within the next 20 years, and we need to prepare for that. The 30 percent cut of the President allows for that and still gives this country the protections that we need.

Please, fight the liberal leadership in trying to cut this even further. Russia has an aircraft called SU-27. It has a missile called Long Burn Alamo which is far superior to even our AMRAAM missile that is coming down the pike. They are stealthing their ships, they are dropping nuclear class submarines, and yes, there is still a threat there.

Can we reduce? Yes, we can, and we are doing that at a rate based on what the real threat is out there and how fast our commercial institutions can transfer over from defense initiatives.

Mr. Chairman, I am in support of this bill, and I thank the gentlemen from Pennsylvania, Mr. Murtha and Mr. McDade, for doing such a fine job. But I do caution this body again, there will be those liberal left-wingers that try to cut the defense of this country, and I will fight them.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Penny: Page 37, after line 10, insert the following caption:

(INCLUDING RESCISSION)

Page 38, after line 10, insert the following: "Of the funds made available under this heading in the Department of Defense Appropriations Act, 1992 (Pub. L. 102-172; 105 Stat. 1150, 1166), $25,000,000 for the Arctic Region Superconducting Center is rescinded."

The CHAIRMAN. Under the rule, the gentleman from Minnesota [Mr. Penny] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Is the gentleman from Alaska opposed to the amendment?

Mr. YOUNG of Alaska. Absolutely opposed, Mr. Chairman.

The CHAIRMAN. The gentleman from Alaska [Mr. Young] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. Penny].

Mr. PENNY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment would rescind a project funded in last year's defense appropriation bill. The project has to do with a supercomputer for the University of Alaska.

This project has not been approved through normal procedures. It has not been authorized by the appropriate committee here in Congress. It is not subject to the peer review process that governs the award of research projects of this nature in most instances. It is not a project that has been deemed a priority by anyone in the scientific community.

It was placed in this bill last year at the request of the Senator from Alaska [Mr. Stevens]. The funding amounts to about $25 million to purchase this supercomputer system. The argument made in favor of the system by its author is that it would support research pertaining to the aurora borealis. The notion is that we can somehow capture or harness the energy of the northern lights, bring that energy down to Earth and provide some useful application thereto.

Again, no one in the scientific community believes this to be an item of importance to America's future, or an item of importance in terms of the scientific benefits that would accrue from such research.

There is also a serious question as to whether we need to spend money for this kind of a supercomputer at this particular university. These supercomputers are to be located at several universities across the country today. They are available broadly and one can make a contractual arrangement to participate in the use of supercomputers at another location. There is little available evidence to demonstrate that such a system needs to be purchased and placed at the University of Alaska.

It should be noted that Citizens Against Government Waste and many other organizations that monitor Federal spending with an eye toward pork barrel spending have identified this project as one of the most egregious examples of pork barrel spending on the books. For that reason, earlier this year I introduced a specific bill to rescind funding for this project.

I appreciate the fact that the Rules Committee made in order an amendment to this bill which would allow us to rescind this project, and I would urge my colleagues to accept the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there is an old saying about being penny wise and dollar foolish. I am going to change that to being penny dumb to dollar wise.

In the first place, this has nothing to do with the aurora borealis or the northern lights. This in fact is an effort to buy supercomputers that will be stationed at the University of Alaska with the support of the State of Alaska of over $5 million.

It is ironic to me that the computers themselves are made in the district of the gentleman from Minnesota, or next to his district in Minnesota. The money to be spent that he is cutting, he is cutting from his State, and I commend him for that. That means that the people that work in Minnesota will be further unemployed. And I do commend him for it and for cutting jobs from his people. It costs no jobs in Alaska. This money is being spent in his State. We are talking about buying computers and putting them in our State, and remember these computers are supercomputers and there are three of them, not just one, three of them to be purchased and put around the United States to study, and especially in the Arctic, the warming effects on this Nation, the effect upon the environment, and what we can study on what has happened in the past, what we can project in the future for the good of mankind. It is for research. Yes, it is at the University of Alaska.

There has been no objection from any of the scientific community. In fact, there has been, contrary to the gentleman's statement, great support from the scientific community for these computers.

It is ironic to me that this computer is not just, as he said, for the aurora borealis. In fact, that has nothing to do with it. It is for the Defense Department. Everybody in the Federal agencies will have access to these computers, and it is just the advanced stage of the computer system. I will be truthful. It probably will be stationed in Washington, DC, and we can study the hot air effects. There is enough of that around here.

But what we are talking about is the Arctic, and the future of America is in the Arctic. It is where our resources are in the fossil fuels, the minerals, and even the food chain. We are the only nation that does not understand that. Russia, the Soviet Union has extensive study going on in the Arctic. We had hopes that the supercomputer could combine with some of their studies. Iceland, Greenland, Canada are all working to study the Arctic. In fact, we have an Arctic Commission now. It has always been the Antarctic.

But the future of this Nation, to protect it from the warming effects—if it is happening—to identify the results and why it is occurring, were to be conducted through this computer, through the University of Alaska. And unfortunately, the gentleman recites, as usual, those who do not do a great deal of studying. It is popular on TV, we are going to cut the pork. And I will say it is Minnesota pork. So I am happy for the gentleman. If he wants to cut jobs out of his State, put his people out of work, not study for the future, not protect this Earth or the so-called environmental damages, not understand where we are going, congratulations, you are an extremely great legislator for doing nothing.

This is a bad amendment, and I will say this amendment will not survive. The committee came out with a good bill, and I expect a good bill to come back to the floor. So the gentleman can have all of the wishes he wants. He can go back to his so-called taxpayers' unions and all of the other groups of people, and he can go out and say look what I have done. And I congratulate him for costing jobs in Minnesota. He has done an exceptionally good job of making his people be out of work.

☐ 1200

Mr. YOUNG of Alaska. Mr. Chairman, I yield back the balance of my time.

Mr. PENNY. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I rise in support of Mr. PENNY's amendment to rescind the $25 million appropriated in fiscal year 1992 for the Arctic region supercomputer at the University of Alaska. This project is a classic example of what happens when a spending project calling for science research bypasses the basic appropriation and authorizing procedures of this House.

It becomes an embarrassment because it was never authorized, not subject to hearings, not competitively awarded, not subject to science peer review. Most of the time, science research projects which have been put thru the customary budget and authorizing procedures will not boomerang to cause this body ridicule and embarrassment.

Sponsors of the project claim the supercomputer would be used to harness the energy of the aurora borealis and bring it to Earth to augment our energy supplies. Because no scientific peer review has been done to evaluate the proposal, however, we do not really know if there is any hope of achieving such a high-minded goal. After being asked to evaluate the project—after the funds had already been appropriated—several respected scientists have said the project is unworkable at best, and wacky at worst. Robert Park of the American Physical Society stated in a letter to Congressman PENNY that:

> The $50 million or so devoted to this program so far supports basic research of such low priority that it had no prospects of funding under any sort of competitive peer review.

He goes on to state that—

> Any process for allocating scientific funds that does not include a serious, competent, and objective evaluation of the quality of the science is going to result in lower-quality science overall. The public should not be asked to support less than the best science available; the substitution of political clout for serious evaluation makes that result inevitable.

I know I have stood on this floor and said it again and again, but I must remind my colleagues that we are in the midst of a terrible budget crisis which is impeding our ability to support national priorities on a variety of fronts, including housing, education, health care, and infrastructure development. We have a $4 trillion national debt and will add a half-trillion in new debt to that figure both this year and next.

It is no longer possible in the face of those staggering numbers that we continue to fund projects which have not been duly reviewed—that have not undergone hearings, peer evaluation, and competitive bidding. There is much talk in this body about the decline in American competitiveness—the Science Committee, on which I sit, just marked up a bill to address the issue. Spending our limited dollars on science projects which have not been duly reviewed and evaluated is completely irresponsible when we so obviously need quality basic research. You get what you pay for and we will have no one to blame but ourselves if we purposely allocate limited research dollars for such pie-in-the-sky projects.

Mike Kinesly recently wrote that there is a bit of hypocrisy in us all. We all hate the deficit in general but specifically we love the Federal largesse which come to our district. Thus, Members of both sides of the aisle cater to this hypocrisy. In fact, at times this body seems to circle our wagons to protect one of our body whose district might suffer the loss of some Federal spending in that district, despite the fact that the spending has no national significance to justify it. Indeed, the other day I was criticized on the floor of this House because I sponsored an amendment to cut spending of a research project which would have benefited a project in my State—and for the same reasons I oppose this research project—it never went through the rigorous budget and appropriations processes of this body. I understand and accept such criticism. But today, with the fiscal crisis facing the Federal Government, all of us, it seems to me, must not try to avoid procedures of this House which are designed, as best we can, to assure the people of this Nation that we shall spend only for programs which have a significant national purpose.

For these reasons, I support the Penny amendment.

Mr. PENNY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I believe the merits of the amendment are well understood, and I would ask for favorable consideration.

The amendment rescinds $25 million earmarked in the fiscal 1992 Defense Appropriations Act for a supercomputer at the University of Alaska.

Background: In the fiscal 1991 Defense authorization bill the Strategic Environmental Research and Development Program [SERDP] was established as a way to apply defense resources to environmental problems. For the most part, SERDP itself was noncontroversial. Funds were to be awarded to worthy researchers to study environmental needs; $25 million was earmarked in the fiscal year 1992 Defense Appropriations Act for a supercomputer center at the University of Alaska, without specific authorization and in violation of agreement among the authorizing and appropriations committees that only competitively awarded grants would be made.

The Senate author of this earmark claimed on the Senate floor that this money would fund research to "harness the power of the aurora borealis [the northern lights] and bring it down to earth." Scientists at the University of Alaska, on the other hand, have publicly stated that harnessing the energy of the northern lights was never an objective of this project. Critics at the Energy Department, NASA, and the Department of Defense have raised many questions about this project that have for the most part gone unanswered.

The science community has called this project a big waste of dollars. The executive director of the American Physical Society, Dr. Robert Park, wrote me in April: "The concept of extracting usable energy from the aurora is totally wacky." Dr. Park went on to say: "The important thing is that this sort of waste is the inevitable consequence of a system that allows funds to be earmarked for research projects in the absence of merit review by qualified and disinterested experts." An employee of the University of Alaska—familiar with the project—wrote "*–*–* I agree with you 100% concerning the lack of need for a supercomputer."

In a cover story in the Washington Post Magazine late last year entitled "Pork In the

Sky," Professor Wong, one of the scientists involved in this research, was quoted as saying "Professor Akaasofu [the Director of Geophysical Institute at the University of Alaska] and myself have never claimed it was a way of taking energy to the ground." Critics in the Defense and Energy Departments and NASA have repeatedly raised serious reservations about the aurora borealis project that have mostly gone unanswered.

While DOD and Energy has negotiated with the University of Alaska to find a more suitable use for these funds, they have yet to award the $25 million grant, and questions remain. And, importantly, the fiscal year 91 Energy and Water Appropriations Act (P.L. 101–514) directs the Energy Department to "in cooperation with the University of Alaska, to determine the capability and type of supercomputing facility for research activity conducted by the Center for Global Change and Arctic Systems Research and Geophysical Institute, with specific reference to auroral energy research." The Director of the Office of Energy Research at DOE just wrote on June 30 that "the results of this report will be used to finalize the grant." Clearly, Alaska is engaged in a process to begin research on the northern lights, despite their own remarks to the contrary.

This is the most egregious example of pork barrel yet to pass through the doors here. It has had many lives, many justifications, and more critics than any single project funded here in a long time. The Washington Post called the project Pork In the Sky and recently, Newsweek labeled this project a prime example of what they called rotten pork.

Citizens Against Government Waste, the Porkbusters Coalitions, the science community, and many in the education community oppose this project.

Mr. Chairman, I yield back the balance of my time.

Mr. MURTHA. Mr. Chairman, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The amendment was agreed to.

Mr. SOLARZ. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask my very good friend, the very distinguished chairman of the committee, one of the great heroes of Desert Storm, the gentleman from Pennsylvania [Mr. MURTHA], to enter into a colloquy.

Mr. Chairman, I recently discovered, as did the gentlewoman from New York [Ms. MOLINARI], who together with me represents the Fort Hamilton Army Base in New York, that the 26th Army Band, which is based there, is scheduled for deactivation. Both of us, and our constituents—indeed, all New Yorkers—are very concerned about this, because this band has become an integral part of our community. It has led parades ranging from the welcome we gave to the returning veterans from Desert Storm to the hostages who came back from Iran in 1981, and given innumerable concerts in the surrounding area. It has greatly enhanced the morale not only of the men and women of our armed services who are based in New York, but also of the patriotic people who live in that neighborhood.

We understand that to keep this band going it would cost only about $50,000 in addition to the salaries that they would in any case be receiving even if the band is deactivated.

My question for the chairman is: Would it be his hope that in this rather substantial budget for the Department of Defense, that they might be able to find the funds to keep this very important military unit and band in operation?

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I am happy to yield to the gentleman from Pennsylvania.

Mr. MURTHA. I thank the gentleman for yielding.

Mr. Chairman, after conversations with the gentleman and in talking to the other members of the subcommittee, the gentleman has convinced us that this is a valuable asset to the Defense Department, and we are going to do everything we can to see that this is funded and that this activity continues.

Mr. SOLARZ. I want to thank the chairman very much, since I know it was in no small measure due to his efforts that Saddam Hussein was ousted from Kuwait, and I am confident that with his support, we will be able to keep the 26th Army Band in Fort Hamilton.

AMENDMENT OFFERED BY MR. IRELAND

Mr. IRELAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. IRELAND: Page 24, line 24 through page 25, line 2, strike out ": and an additional amount of $1,900,000,000 to be derived by transfer from the Defense Business Operations Fund".

Mr. IRELAND. Mr. Chairman, I rise to offer this amendment to deny the use of $1.9 billion in excess defense operations fund cash to purchase two Navy DDG–51 destroyers.

Mr. Chairman, if my amendment is approved, I will offer a second amendment to transfer that $1.9 billion to the Treasury Department to reduce the national debt.

The Pentagon has set up the Defense Business Operations Fund, known as the DBOF, to serve as its own private slush fund to pay for the goodies it wants without having to answer to the Congress or to the public for any of those.

The President has requested the three Navy DDG–51 destroyers, and I want my colleagues to understand that I do support the funding of those destroyers, but it must be done with funds specifically appropriated for that reason, not by using a new Pentagon slush fund.

The Defense Business Operations Fund was created by clever Pentagon bureaucrats to replace the M account that the Congress wisely shut down in 1990.

DBOF acts as a huge umbrella agency within the Department of Defense to sell the various branches goods and services. The military services receive billions of dollars in direct appropriations from Congress each year to make purchases from DBOF. The problem is that there is no cost control exercised over what DBOF decides to charge for its goods and services. DBOF money managers can then jack up the price of goods to generate huge cash surpluses with no audit trail and no accountability.

The revenue generated by DBOF in less than 1 year rivals that of multinational corporations. In fact, in private industry, it would rank as the fifth largest corporation in the world, sales revenues just behind Ford and Exxon. Currently DBOF shows excess funds of at least $2.8 billion. Everyone is trying to tap into it. There are no controls over this money, and I find it very dangerous.

The appropriations bill we are considering today provides $1.9 billion in excess DBOF cash to pay for two of the three destroyers under consideration. DBOF money should not be used to purchase destroyers.

The committee has appropriated $5.5 billion for shipbuilding. We are led to believe that three of these destroyers can be purchased for $682 million when, in fact, they will cost $2.6 billion. This maneuver, in turn, frees up $1.5 billion to buy two amphibious ships that were neither requested by the Pentagon nor authorized by the Congress.

This is the type of maneuver that can happen with every excess dime of DBOF funds. The net effect of the DBOF price fixing is to rob the armed services of money they need for training and battle-readiness.

The cost of defense is inflated to buy the kinds of special-interest items we should have gotten rid of when we left the 1980's and the cold war ended.

As a further example of the DBOF fund, we were recently asked in the authorizing committee to approve a reprogramming of $2.3 billion, using $838 million again from the DBOF account. Fortunately, our chairman, the gentleman from Wisconsin [Mr. ASPIN], has opposed this, and it will likely not happen.

Do not misunderstand me, the President has requested three destroyers, and I am not against funding them.

□ 1210

But their cost should be accounted for out in the open and directly appropriated by the Congress.

I urge my colleagues to vote to deny the use of this $1.9 billion in unaccounted and unauthorized funds. If these funds are indeed excess money the DBOF has managed to rack up, they should be returned to the Treasury to reduce the debt.

Mr. MURTHA. Mr. Chairman, I rise in opposition to the amendment.

Let me just say that I appreciate what the gentleman has said. I know he has been in the forefront in trying to eliminate the M accounts and I appreciate his expertise.

Now, there is no one committee that has paid more attention to these DBOF accounts than we have. As a matter of fact, your Subcommittee on Defense has continually tried to make sure that the amount of money that they use is limited and that the authority they use is limited, because we were concerned about being able to follow where the funds go.

Now, I do not know what the purpose of the gentleman's amendment is, whether he is trying to eliminate these destroyers or whether he is trying to eliminate DBOF, but I will tell you this, we went to the Navy and we talked at great length. We found that the schedule to put an amphibious ship in would fit in much better than putting in the other destroyer.

We have a great concern that if this amendment were to pass, you could for all intents and purposes eliminate the amphibious shipbuilding capability at two shipyards.

To say that this is a DBOF amendment is absolutely inaccurate. This amendment is an amendment to kill several shipyards.

We carefully analyzed this situation. The subcommittee was unanimous in its suggestion of this recommendation to the full House and we think your amendment is a serious mistake.

Mr. Chairman, I would urge the Members to defeat this amendment.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank my colleague for yielding to me.

This is not only an assault on a very weakened part of our industrial base, that is, our shipyards, but also on our very weakened ship construction program. We have cut back drastically from the 600-ship Navy that we felt we needed in the mid-1980's to the point where we have barely what we need to manifest power projection around the world.

This will kill the DDG–51's; also it will put in extremis the LHD and also the ammunition ships in which we are in very short supply.

So the consensus from the Bush administration is that what we have in shipbuilding now meets a very minimal requirement and that we need to fund this construction, and this in fact would have a disastrous effect on it.

Mr. Chairman, I concur in the committee chairman's recommendation.

Mr. IRELAND. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Florida.

Mr. IRELAND. Mr. Chairman, I want to emphasize to the gentleman who knows I regard his work very highly and have in my term in the Congress.

I want to clearly emphasize that there is no intention here to say that we should not build the destroyers. My real concern is the $1.9 billion that was appropriated to the services for other activities utilized by the DBOF. The DBOF generated at least $1.9 billion, if not more, of funds that were not for the purposes of shipbuilding.

What we are doing is running around the barn with money that really belongs to the taxpayers of this country to build these ships. I am all for building the ships. I like the way the gentleman and his committee decide what we ought to do.

My real concern is where this $1.9 billion comes from. It is a slush fund and we all ought to band together to do this.

Mr. MURTHA. Mr. Chairman, I appreciate that. Let me assure the gentleman that we are watching DBOF. I know the gentleman has had an honorable period in Congress and I have the greatest respect for the gentleman.

But Mr. Chairman, I would ask the Members without a prolonged debate here to defeat this amendment, because this really would stop the shipbuilding program for the DDG–51 which the gentleman and I both consider very important.

But the gentleman can be assured that in the future we are going to continue to watch DBOF. We have the same concerns the gentleman does. The gentleman was instrumental in stopping the M account abuses, and we appreciate that. It was a real service to the country.

Mr. IRELAND. Mr. Chairman, will the gentleman yield further?

Mr. MURTHA. I yield to the gentleman from Florida.

Mr. IRELAND. The real question, Mr. Chairman, is how can we justify using DBOF money for shipbuilding or aircraft building or anything else? That was not what it was intended to be.

Mr. MURTHA. Let me say this. The reason for using the money is because it is taxpayers' money, like any other, and we wanted to make the decision in Congress by elected officials, rather than by bureaucrats when we could not follow the trail, so we wanted to make sure that we were the ones making the decisions, rather than them.

Mr. IRELAND. Mr. Chairman, if the gentleman will yield further, the money in DBOF was the money that this Congress appropriated for certain things that go into the list of what the DBOF is supposed to be doing. The DBOF does not have in its charter of activities weapons purchasing.

Mr. MURTHA. Well, we technically took excess cash in DBOF and said spend this excess cash, because we do not want them reprogramming it, we wanted them to spend it for these destroyers. That is what we have done.

Mr. MCDADE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am unalterably opposed to this amendment, and I hope it will be defeated.

As I was saying to my distinguished friend, the gentleman from Pennsylvania, the chairman of the committee, we often scoop up dollars that we can find and appropriate to a more efficient purpose.

For example, my friend, the gentleman from Pennsylvania, the chairman, will recall I think it was in fiscal year 1986 or so where we found over $1 billion in savings from Navy shipbuilding accounts that we identified and used to finance that year's program for the MX out of those scooped-up dollars. We do that all the time. That is one of the functions of the Appropriations Committee. That is undoubtedly somewhat different than the culture that prevails on an authorizing committee, but for efficiency purposes, that is what we do.

Now, I do want to underline, Mr. Chairman, that amendment, should it pass, will stop the construction of all the *Arleigh Burkes* that are in the budget, and there are three of them in here.

It will leave about $700 million, which will not buy one *Arleigh Burke*.

You pass this amendment and 11,000 people walk the streets unemployed in the morning.

This is an amendment that is well-intended by my good friend, but the substantive purposes of it are detrimental to national defense, and I urge its defeat by my colleagues.

Mr. SAXTON. Mr. Chairman, will the gentleman yield?

Mr. MCDADE. I yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Chairman, I would say to my good friend, the gentleman from Florida, I know he does not intend to do this, but in the same 5-minute speech it seems to me the gentleman is saying two things. On the one hand, the gentleman says he supports the construction of three destroyers. On the other hand, the gentleman is saying, "But I'm going to take away the money to pay for them." So the construction will not go forward.

I would like to say to the gentleman that not only does it mean large numbers of unemployed people, but the people who will turn out being unemployed, who will walk away from the production lines of these very highly sophisticated destroyers and the instrumentation inside the destroyers, are not people that you go out on the street and just replace after they have been off the job and gone away.

So what we are saying here is that we understand the gentleman would like to find another way to fund them, and perhaps in conference we can find another way to fund them, but the fact of the matter is that if this line of destroyer production is shut down, both from the standpoint of the shipbuilding industry and from the point of view of the highly technical Aegis system that is contained in these ships, we are going to be shut down, not just for one year, but for a long period of time.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I am delighted to yield to my distinguished friend, the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, I, too, want to rise in opposition to the Ireland amendment.

The gentleman from Pennsylvania has stated it well. We have got a production line in place. If the Ireland amendment passes, it will destroy the DDG–51 program. That is the bottom line. It will cause 11,000 people to be immediately unemployed.

Another thing I want to point out is some people say, "Well, why didn't we fund four DDG–51's?"

The committee in its judgment felt that there was an opportunity to fund an additional LHD, and by doing it this year we saved $400 million in taxpayer money.

So please give the committee a little bit of judgment here. We look at these accounts carefully. There was extra money in the DBOF account and we used it for this program. I think it makes complete sense.

Mr. Chairman, I would urge the House to support the committee.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to my friend, the gentleman from California.

Mr. CUNNINGHAM. Mr. Chairman, I thank my friend, the gentleman from Pennsylvania [Mr. McDADE], for yielding to me.

I am strongly opposed to the Ireland amendment. It not only affects the ships that have been in discussion, but in Desert Storm we had Soviet hulls carrying our equipment.

The A&E program shipbuilding across the board, we have cut shipbuilding along with the help of the Japanese in this country. We used to be the greatest shipbuilder in the world. Now the only shipbuilding industry on the west coast, we have one, and on the east coast it is approaching the same thing.

□ 1220

This amendment would help the Japanese even further destroy our shipbuilding capability.

Mr. Chairman, I am strongly opposed to it.

Mr. IRELAND. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I am happy to yield to the gentleman from Florida.

Mr. IRELAND. I thank the gentleman for yielding.

Mr. Chairman, I want it clearly understood, the idea that this amendment is directed at any particular thing is not what I have generated. That is how this $1.9 billion has been used in this bill. That $1.9 billion could have easily been used for an aircraft purchase or anything else.

The point is that the committee is using $1.9 billion of funds that were appropriated for other purposes that went into the DBOF, that were earned by the DBOF, that were not put in there for weapons purchases.

The point is not these destroyers. We would not have the gentleman from Louisiana [Mr. LIVINGSTON] seeking recognition, or others here, if these funds had gone to the B–2 or something of that nature. The point is, and the very clear point, is not which item the purchase went for here but the point that $1.9 billion should not have been used.

Ms. SNOWE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Florida. This amendment would have the effect of gutting the Navy's *Aegis* destroyer program and severely damaging our Nation's shipbuilding and defense electronics industrial base.

To put this amendment into proper perspective we must look at what the President, the Navy, and this House has said about the DDG–51 *Aegis* destroyer program already this year. President Bush requested funding for four destroyers in 1993. Our top naval strategists say we need four destroyers this year. The House Armed Services Committee supported four destroyers. The full House approved funding for four destroyers just last month in the Defense authorization bill. I was sorry to see that the Appropriations Committee decided to fund only three destroyers. However, the Ireland amendment will have the effect of funding only one destroyer. That is simply a level that is unacceptable in the face of our maritime needs.

We must recognize that as our naval forces are reduced, the roles and missions assigned to *Aegis* ships will expand. The technology in these ships will help maintain U.S. maritime superiority around the globe for the next 40 years. The *Arleigh Burke* class destroyer will replace several obsolete surface combatant classes in the fleet, and it will do so with greatly expanded capabilities. These ships are exactly the kind of direction we need to be going in as we downsize our fleet.

In addition, dropping from a five-destroyer buy in fiscal year 1992 to a one-destroyer buy in fiscal year 1993 will result in severe disruption in the program's stability and in production efficiency. The President, Congress, and the Navy all support a stable and robust destroyer procurement program. If this amendment passes, that program will take years to recover and will end up costing the taxpayers much more.

I urge my colleagues to defeat the Ireland amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. IRELAND].

The amendment was rejected.

Mr. SANDERS. Mr. Chairman, I move to strike the last word.

With all due respect, perhaps let me inject a moment of reality into this debate for the American people.

Mr. Chairman, let us talk a moment today about priorities—about where we want this Nation to go and what we want our future to be. And then let us talk about a Defense Department budget of $252 billion, plus $22 billion more for the military in other appropriations bills.

Five million children go hungry in America, 1 million children sleep out on the streets, and hundreds of thousands lack basic inoculations for diseases that should have been wiped out 20 years ago. We rank first in the industrialized world in terms of childhood poverty, with 20 percent of our kids falling in that category. Hundreds of thousands of bright young people cannot afford to go to college because the Federal Government is not adequating funding student financial aid programs. And today, despite the fact that the cold war is over, that the Soviet Union no longer exists, that the Warsaw Pact no longer exists, this Congress and this President have the unmitigated chutzpah to vote $4 billion for B–2 bombers. In other words, not enough money available to wipe out childhood hunger, not enough money available for college education—but $4 billion is available to build B–2 bombers.

Whenever this country wants to go to war, we hear the patriotic speeches about the need for young men and women to put their lives on the line to serve their country, and if necessary to die for their country. Two years ago, the Congress and the President cut $3.5 billion for veterans' programs, and it is no secret that our VA hospitals are grossly underfunded. And today, this institution and this President have the gall to talk about $3.2 billion more for the absurd star wars program. Three and a half billion dollar cutbacks in programs for our veterans, who have put their lives on the line for this country, and $3.2 billion more for an absurd and useless program which has never been needed.

Two years ago, this Congress and the President cut Medicare programs for our elderly by $43 billion and the President, and many Members of this Congress, want to slash Medicare even more. $43 billion cut from Medicare for the elderly, but today this Congress and this President are talking about spending over $100 billion a year to defend Western Europe and Japan against a nonexistent enemy.

Mr. Chairman, if you have read the latest newspapers, you will have noticed that the number of Americans who believe that the President is doing a good job is down to about 30 percent. Seventy percent of the people think that he's doing a pretty bad job. Now that is a pretty discouraging figure, except when it's compared to the U.S. Congress—an institution which is now approved of by less than 20 percent of the people. In other words, the overwhelming majority of the people believe that the President and the Congress are way out of touch with the needs of ordinary Americans, and that we need fundamental changes in the priorities of this Nation.

Mr. Chairman, the American people are crying out for hope. They want quality education and a national health care system for all of our people. They want decent-paying jobs as we rebuild American industry and produce environmentally sound products. They want decent-paying jobs as we rebuild our crumbling infrastructure and build a modern mass transportation system, decent bridges, decent roads. They want decent-paying jobs, as we put our carpenters and electricians and plumbers back to work building the millions of units of affordable housing that this country desperately needs.

Mr. Chairman, let us stand up today for a new set of priorities for America and let us give hope back to millions of Americans who have lost it. Let us vote "no" on B-2 bombers and "yes" for our children; "no" on star wars and "yes" for our elderly and veterans; "no" on $274 billion for the military and "yes" for millions of decent paying jobs as we rebuild American industry and our crumbling infrastructure. Mr. Chairman, let us defeat this appropriations bill today and begin the process of developing a whole new set of national priorities so that, once again, the American people can believe in their Government.

Mr. HUTTO. Mr. Chairman, I move to strike the requisite number of words, and I rise to engage the distinguished chairman of the Subcommittee on Defense Appropriations of the Committee on Appropriations, the gentleman from Pennsylvania [Mr. MURTHA], in a brief colloquy.

Mr. Chairman, in title II of your bill there are a number of accounts that exceed what was authorized by my subcommittee, and approved by the House. For example, the Navy operation and maintenance account in your bill is $1 billion dollars over what has been authorized. Other unauthorized examples range from an additional $700 million for the Air Force to $9 million for the World Cup Games. While funding for the World Cup Games is a relatively minor amount, it is an issue that the Readiness Subcommittee actively discussed, and specifically rejected, until further information was received by the Department. I believe that providing appropriations for these unauthorized projects, in spite of our concerns and actions, is inappropriate.

Your bill contains language restricting the obligation of these amounts until authorized by law. This lanaguage has been included in past House Defense appropriation bills, and seems to always be deleted in conference. Is this not correct?

Mr. MURTHA. Well, you know, in all these things sometimes it is not brought to your attention and even members of your committee come to us and ask us to put funding in for various projects. We always try to work very closely with the authorization committee after the conference is settled. As you know, we had to get a waiver in the rule in order to get the bill to the floor because none of the items were actually authorized. We work very closely with the authorizing committee to make sure we comply as closely as we can. I cannot speak for the entire subcommittee, but we will certainly do everything we can to comply with whatever the authorizing committee tries to suggest. We will fund—in the end, 98 percent of the programs that are authorized.

Mr. HUTTO. I appreciate very much the gentleman's desire to work with our committee and work on these unauthorized projects.

AMENDMENT OFFERED BY MR. DURBIN

Mr. DURBIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DURBIN: page 37, line 18, strike out "$9,510,354,000" and insert in lieu thereof "$8,810,354,000".

□ 1230

Mr. DURBIN. Mr. Chairman, this amendment seeks to strike $700 million from the $4.3 billion appropriation for the strategic defense initiative, otherwise known as star wars.

I would remind the members of the committee that this program was designed under President Reagan to defend the United States against possible attack from Soviet missiles. We know full well that the Soviet Union, as it was envisioned in those days, no longer exists. President Yeltsin has spoken to this body and to our Nation. He has entered into an historic agreement with the President to reduce the number of strategic warheads aimed at the United States. In other words, we are spending literally billions of dollars to defend against a threat which no longer exists.

Second, the American taxpayers have invested $29 billion into the star wars program to date. At least $8 billion of the $29 billion has been totally wasted. We have put the money into projects which have been cancelled. We have, in fact, given the money away to defense contractors where it could have been spent, as the gentleman from Vermont [Mr. SANDERS] mentioned earlier, for worthwhile projects within the United States to help our economy.

The purpose of this amendment is to cut $700 million more from this project. We know from sources within the Department of Defense that this cut will not jeopardize the future of this program for the real threats against the United States 10 years from now.

I might also say, Mr. Chairman, that in the past several weeks we have heard speech after speech on the floor of the House about the deficit. This is a specific opportunity for Members of this House to cast a vote that will reduce this deficit by $700 million.

Last night the gentleman from Indiana [Mr. BURTON], my friend and colleague, offered an amendment to cut a $15 million parking garage in Newark, NJ. He predicted that unless we took steps like that, we would face, in his words, economic chaos in the United States. I invite my colleague and all of the 89 who supported his amendment to join us today in this amendment for some $700 million in cuts.

I know my colleague from Indiana will be saddened, and may be surprised, to learn that only nine Members who voted to cut the Newark parking garage voted 2 weeks ago to cut $1 million out of star wars. Please take that budget balancing fervor away from parking garages, and put it where it counts. We are talking about $700 million which could be saved here.

Let me also suggest to the gentleman and others who are in the Chamber that I have taken a look at the cosponsors of the balanced budget amendment, only 57 voted to cut $1 million out of the star wars program.

I took a look at the vote 2 days ago to cut agricultural research programs, literally pennies being spent so that we can have the food and fiber our Nation needs, and I was shocked to learn that out of the 129 Members who voted to cut agricultural research, only 19 voted to cut the star wars program.

Mr. Chairman, I say to my colleagues in the House, "If deficit reduction is your goal, here is your vehicle. We can talk about parking garages until we're blue in the face. We could talk about agricultural research until we have nothing further to say. But if you want to cut real money, start here. This is, in fact, pork barrel of the highest magnitude."

Mr. Chairman, I would urge my colleagues to take that head of steam they had in all these other amendments and apply it to a real program with real savings and cut back on this pork barrel in the Pentagon.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I and my colleagues DICK DURBIN and BILL GREEN are offering this amendment to reduce appropriations for Defense agencies' research and development by $700 million. The amendment is intended to reduce the funds for SDI without affecting the appropriation for theater missile defense.

This bill appropriates about $3.3 billion for SDI and another $1 billion for theater missile Defense * * * or a total of $4.3 billion for SDI/TMD in fiscal year 1993. This is nearly a 25 percent increase in funding from last year's House-approved level.

With this amendment we are not trying to argue against the merits of the SDI program in general—although clearly with the end of the cold war, there is no urgency for development of SDI systems. Our amendment allows for SDI/TMD funding of about $3.6 billion in fiscal year 1993—which is $300 million more than what the Congressional Budget Office estimated was necessary in fiscal year 1993 to allow for ABM-compliant, single-site deployment by the year 2003.

What we are arguing with this amendment is the fact that there is no urgency to develop and deploy star wars in this decade, and that we cannot afford to fund SDI at levels proposed by the Pentagon and this bill. According to the Congressional Budget Office, the Pentagon's SDI plan—which calls for deployment of an ABM system by 1997—would require an average of about $8 billion per year between fiscal year 1994 and 1997. Proponents of the Pentagon's SDI plan—many of them supporters of the balanced budget amendment—have not been able to explain to us and the American people how we are going to afford the pricetag of the Pentagon's plan. The fact is * * * we really can't afford this type of accelerated program.

Please support the Penny-Durbin-Green amendment.

Mr. DURBIN. Mr. Chairman, do I have any time remaining?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. DURBIN was allowed to proceed for 1 additional minute.)

Mr. DURBIN. Mr. Chairman, I want to close my comments by saying, "If you voted to cut the Newark parking garage, a $15 million project, come on down. We got $700 million in cuts here. If you voted to cut agricultural research, come on down. We've got $700 million in deficit reduction for you here. If you're a balanced budget amendment warrior who stood up and made speeches about how we have to get serious, come on down. This is where we're making the cuts. And if you're one of those people who believes that the Pentagon should not be exempt from cuts in programs that are no longer necessary, we need your vote today in support of the Penny-Durbin amendment."

Mr. MURTHA. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. DURBIN].

Let me say the vote was already taken on this in the authorization bill. It is clear it failed by a large number. Let us just vote this amendment and get on with the business because I do not think we need to go into great detail. It is clear what the House has already said. I do not think any of the votes have changed.

Mr. Chairman, I oppose the amendment and would ask that we restrain ourselves, as strong as we feel about this, and go forward with the vote.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I just real briefly want to say that I was the author of the cut, a $15 million cut, in Newark's garage last night. The fact of the matter is this bill is $17.4 billion less than in fiscal year 1992. We do not know what is going to happen in the Soviet Union. We do need to be prepared for any eventuality, and I think this would be an unwise cut, and it cannot, in my opinion, be considered pork when we are talking about the defense of this Nation.

Mr. MURTHA. Mr. Chairman, I would ask that the Members cooperate, that we just move it along to a vote.

Mr. WELDON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just want to rise to associate myself with the comments of the committee chairman and the ranking member. I think they have done an outstanding job on this very difficult job of controlling the growth, actually the decrease in funding, for our national defense.

I want to also thank this committee for its leadership in one of the major assets, not just for our military, but for this country in terms of international competition, the V-22 *Osprey*. As I related to both the committee chairman and the ranking member, as well as the acting chairman in the seat, I just returned from a meeting at the Pentagon where Secretary of Defense Dick Cheney has announced that he is, in fact, changing his decision and is now willing to go along with the Congress in continuing the 2-year program that we have established to build the V-22. I say to the gentleman, "That action would not have taken place without your leadership, Mr. Chairman, on the civilian side, without the leadership of Congressman JACK MURTHA who has been a real stalwart in this program, and JOE MCDADE, and all the other Members who are involved with this Appropriations Subcommittee, as well as the Armed Services Committee. On behalf of the 200-plus Members who signed the letter in this body to support this program, I thank all of you. We can now move ahead, and the botton line beneficiaries will be the Marine Corps, the Special Forces, and our civilian technology."

Mr. AUCOIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support the amendment to cut SDI funding.

Mr. Chairman, star wars began in 1983 as a fictional x-ray laser the size of any executive desk." By 1987 it was supposed to protect the American people from all the ICBM's the Soviets could throw at us.

Well, here we are in 1992, and guess what? We have spent almost $30 billion on star wars, and we have not even built R2D2.

The x-ray laser never shot down a fly. It is a complete technical failure.

And Soviet ICBM's are going away while, somehow SDI keeps chugging along. The technology may fail and the requirement may vanish, but SDI is still the biggest single item in the Defense budget, soaking up taxpayer's dollars like a sponge.

Now star wars is supposed to defend us against Third World ICBM's.

But guess what?

The Third World does not have any ICBM's. And it is not likely to get any.

For Qadhafi and his ilk, using an ICBM to deliver a nuke to the United States would be an act of absolute stupidity.

ICBM's are expensive. They are high-technology, harder to build than a nuclear warhead. They tend to not work at first. They are visible and vulnerable; they invite the United States to take them out before they are set up. And if Qadhafi shoots an ICBM at us, he will be sending his calling card, telling us where to retaliate.

No, my friends, if Qadhafi wants to nuke us, the way to do it is to smuggle his weapon in a suitcase in the hold of a ship. That delivery method is cheap. It's reliable, low-technology. And it doesn't advertise its existence or identify its origin.

SDI is an expensive solution to an ICBM threat we don't have. It's irrelevant to the suitcase bomb, the threat we may have. SDI is a budgetary monster without a mission. Let's put it to sleep.

Mr. KYL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Illinois [Mr. DURBIN].

Mr. Chairman, I rise in opposition to the Durbin-Penny amendment which would cut $700 million from the strategic defense initiative [SDI] program—a program which has already been reduced by $1.1 billion.

The Defense Appropriations Subcommittee and the Armed Services Committee arrived at the funding level for strategic defense programs—$3.2 billion—by carefully evaluating the priorities within the defense budget. The sponsors of this amendment have never sat through an Armed Services hearing on the threat of ballistic missiles and yet they assert with confidence that "a $700 million cut will not hurt." Moreover, in a "Dear Colleague" issued today, the sponsors of this amendment argued that "They are not trying to argue against the merits of the SDI program in general." What is the purpose of this amendment? It appears to me to be arbitrary attack on one of the President's highest defense priorities.

I usually join Mr. PENNY in his attempt as a pork buster to cut the fat. However, this time I must strongly disagree with him. I regret that Mr. PENNY has joined Mr. DURBIN on this amendment. I know Mr. PENNY does not desire to gut SDI. The majority of the House does not want to gut SDI. But, the Durbin-Penny amendment will do just that.

The Durbin-Penny amendment also does not recognize the very real future threat from proliferation of ballistic missiles throughout the world. The HASC heard testimony from witnesses both inside and outside the administration which were in agreement that proliferation is a problem. Some critics of the SDI program have chosen to focus only on the direct threat to CONUS and to pretend that the Scud will be the only ballistic missile threat in the future. I believe this approach is naive. Director of Central Intelligence, Robert Gates, stated before this committee that proliferation of ballistic missiles in the Third World is of "grave concern" and his "number one priority."

Further, this amendment does not take into account the positive results accomplished during the recent summit between Presidents Yeltsin and Bush. The Presidents agreed that their two nations should work together with allies and other interested states in developing a concept for a global protection system as part of an overall strategy regarding the proliferation of ballistic missiles and weapons of mass destruction.

The Presidents also agreed to start work without delay to develop the concept for global protection and to explore the potential for sharing early warning information and the potential for cooperation in developing ballistic missile defense capabilities and technologies.

The Durbin-Penny amendment sabotages that effort before it is started. Can't we take yes for an answer?

The Durbin-Penny amendment is behind the times and will severely affect all strategic defense programs. Vote "no" on the Durbin-Penny amendment.

Mr. GREEN of New York. Mr. Chairman, I am pleased to join my colleagues, Representatives PENNY and DURBIN, in offering this amendment to cut $700 million from the strategic defense initiative. Our amendment, while reducing funds for SDI, does not affect funding for theater missile defenses.

H.R. 5504, like the authorization bill approved by the House, provides $4.3 billion for SDI, including $2.1 billion for a limited defense system, and $1.1 billion for theater defenses. Just last year, Congress approved a record high total of $4.15 billion for SDI—a $1 billion increase from the previous year.

In this time of unprecedented budget deficits, the continued increased level of SDI spending makes no sense. And, if one listens to the Pentagon, this level of spending is dangerous from a strategic point of view. Early last month, the Pentagon's top program analyst, Dr. David Chu, said in an internal document that the current SDI plan risks failure by hastily pursuing the development of rocket-powered interceptors and ignoring significant performance tests.

Dr. Chu has recommended that we delay the system's deployment from 1997 until 2003, allowing adequate testing of prototypes. Essentially, Dr. Chu has warned that if we attempt to rush deployment, our system simply will not work. What we are attempting to do with the Penny-Durbin-Green amendment is to slow the program down—to ensure that we have taken the time to do the job right. By accepting the funding cut advocated by the Penny-Durbin-Green amendment, we move the SDI program toward the development of a more effective system that, in the process, saves the American taxpayer substantial money.

In addition to Dr. Chu's concerns, the Congressional Budget Office has estimated that a total SDI level of $3.3 billion for 1993 would be sufficient to deploy one land-based battery of interceptors by the turn of the century.

By accepting a cut of $700 million, the total spending level for SDI is $3.6 billion. This brings us down to a more rational and effective level of spending, and I urge my colleagues to support our amendment.

Mr. BENNETT. Mr. Chairman, I rise today in support of the Penny-Durbin amendment to reduce the level of funding for the strategic defense initiative to $3.6 billion. This seems to me to be an adequate and perhaps generous figure for the program this year.

I would like to address three issues related to the Penny amendment. They are the SDI budget, the schedule for an initial SDI deployment, and the threat of ballistic missile attack.

Let me discuss the budget first. The President submitted an SDI budget of $5.4 billion. This included $4.3 billion for strategic defense research and development and $1.1 billion for R&D on theater missile defense systems. The administration's budget is an outgrowth of last year's Missile Defense Act, which placed the Nation on the path to a rapid deployment of an initial SDI system that would be ground-based and ABM Treaty-complaint. The Missile Defense Act was approved by the Senate after the House had passed its version of the authorization bill and was ultimately included in the final conference report. As a result the House has not really had an opportunity to debate the merits of the Missile Defense Act until now.

The committee-approved SDI funding figure of $4.3 billion includes $3.2 billion for strategic defense and $1.1 billion for theater defense. But, it is important to recognize where the committee made its cuts.

The Defense Appropriations Subcommittee cut the administration request to $4.3 billion by eliminating all funding for the space-based interceptors and trimming the funding for research, support, and futuristic technologies. No funding was cut from the theater missile defense category or from the category that contains most of the money for the accelerated SDI deployment. Both of these categories were fully funded at the administration's requested level.

The Penny amendment of $3.6 billion also fully funds the administration's request for theater defenses, as it should since according to SDIO's own testimony this is the highest missile defense priority facing the nation.

The place where the Penny amendment and the committee position really differ is over how much should be spent in fiscal year 1992 to accelerate the deployment of an initial ground-based ABM system as outlined in the Missile Defense Act. The committee cut very little of the funding required to continue the accelerated deployment schedule. The Penny amendment would cut more of this but it would not preclude deployment of an initial ABM Treaty-compliant SDI system.

In my opinion the crash SDI deployment program outlined in the Missile Defense Act, and essentially funded in the committee bill, does not make sense on fiscal grounds, is contrary to sound acquisition practices, and is not required to meet the projected military threat. Some new documents back up my position.

A new report by the Congressional Budget Office makes it clear that we do not need to spend $4.3 billion on SDI in fiscal year 1993 unless we want an accelerated deployment. CBO states in its report that a level of $3.3 billion in fiscal year 1993 will be sufficient to move SDI research and development forward and allow for the deployment of a fully tested and operationally capable ABM system by the year 2003. The Penny amendment provides even more funding than this.

Fully testing the system before deployment will help keep cost growth down. However, in order to meet the accelerated deployment deadline SDIO will have to forgo much of the usual test program. Mr. Cooper has stated to the Senate Armed Services Committee that to meet a 1997 deployment deadline is "a major challenge with high concurrency and attendant high risk." Concurrency means that testing and production are completed simultaneously rather than in a sequence that allows the problems discovered during the test program to be ironed out before the system enters production. A 1988 report by the Congressional Budget Office on weapon system concurrency pointed out that, on average, high concurrency weapon programs experience cost growth increases of 288 percent.

Let me also add that according to Mr. Cooper's own testimony before the Senate, even if we spend massively to meet an accelerated SDI deployment deadline the Nation will not be protected from ballistic missile attack by 1997 because the initial site will not be fully operational until the year 2000. Even then, because we will have rushed the deployment of the system, it will require extensive and expensive retrofits to improve its capability.

The schedule risk and cost growth imposed by the accelerated SDI deployment schedule is even causing concern within the Department of Defense, as was emphasized in an analysis written by the Secretary of Defense's top weapon watchdog in which he states that the plan "is almost certain to suffer early significant cost growth and schedule slippage" and that pushing ahead with rush deployment of the interceptors and skipping important performance tests risks system failure. The DOD analysis suggests that the goal for an ABM deployment should be the year 2003 because this much time is required to fully test and evaluate the system so we can have high confidence that it will work once deployed.

The Penny amendment would allow us to fund the SDI program at a level that would allow for this necessary testing and deployment of this fully tested system in 2003, if such a system was needed given the status of the threat to our nation.

And, there are two major categories of threat that we need to be concerned with. First, there is the threat of an accidental or unauthorized launch from the former Soviet Union. Second is the development of a long-range ballistic missile by a Third World nation that may be hostile to us.

The threat of an accidental or unauthorized launch of a long-range missile against the United States from the former Soviet Union is of concern, but it is very unlikely as long as the leaders of the Commonwealth of Independent States [CIS] maintain strong control over their arsenals—as they have during the ten months since the coup. Defense Secretary Cheney just last week testified before the Senate Foreign Relations Committee that he saw "no diminution" of control over the long-range nuclear weapons of the CIS. This is a position that has been reiterated by the President and the Director of the CIA as well. In my opinion, there's no need to accelerate deployment to meet this threat.

Regarding the Third World threat, the Director of the CIA, Robert Gates, testified before the Congress earlier this year that beyond China and the CIS, the CIA does not expect new long-range missile threats to the United States to appear for at least another decade. That means not before 2003. The Penny amendment meets this goal.

Mr. Chairman, the fiscal condition of our Nation is too deteriorated to spend more than is necessary on any federally funded program. If we pace our expenditures to the threat, and fully test the SDI system elements, we can make significant yearly savings in the SDI budget. And we will be able to deploy an operationally effective ABM system by 2003 if such a system is needed. This approach makes sense from both a fiscal and security standpoint. This approach is embodied in the Penny amendment. I hope that my colleagues will join me in supporting it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DURBIN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DURBIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 201, noes 217, not voting 16, as follows:

[Roll No. 263]

AYES—201

Abercrombie
Ackerman
Alexander
Andrews (ME)
Anthony
Applegate
Atkins
AuCoin
Beilenson
Bennett
Berman
Blackwell
Boucher
Boxer
Brooks
Brown
Bruce
Bryant
Cardin
Carper
Carr
Clay
Clement
Collins (MI)
Condit
Conyers
Costello
Cox (IL)
DeFazio
DeLauro
Dellums
Derrick
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Duncan
Durbin
Early
Eckart
Edwards (CA)
Engel
Espy
Evans
Ewing
Fawell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Glickman
Gordon
Grandy
Green
Guarini
Hall (OH)
Hall (TX)
Hayes (IL)
Henry
Hertel
Hochbrueckner
Horn
Hughes
Jacobs
Jefferson
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kaptur
Kennedy
Kildee
Kleczka
Klug
Kopetski
Kostmayer
LaFalce
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Luken
Manton
Markey
Marlenee
Matsui
Mavroules
Mazzoli
McDermott
McHugh
McMillen (MD)
Meyers
Mfume
Miller (CA)
Mineta
Mink
Moakley
Moody
Moran
Morella
Mrazek
Murphy
Nagle
Neal (MA)
Neal (NC)
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Pastor
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (MN)
Porter
Poshard
Price
Pursell
Rahall
Ramstad
Rangel
Reed
Ridge
Roe
Rostenkowski
Roth
Roukema
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Scheuer
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shays
Sikorski
Skaggs
Slattery
Slaughter
Solarz
Staggers
Stallings
Stokes
Studds
Swift
Synar
Thomas (CA)
Thomas (WY)
Torres
Torricelli
Towns
Unsoeld
Valentine
Vento
Visclosky
Washington
Waters
Waxman
Weiss
Wheat
Williams
Wise
Wolpe
Wyden
Yates
Yatron

NOES—217

Allard
Allen
Anderson
Andrews (NJ)
Andrews (TX)
Annunzio
Archer
Armey
Aspin
Bacchus
Baker
Barrett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Borski
Brewster
Browder
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Chandler
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Cooper
Coughlin
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeLay
Dickinson
Dicks
Doolittle
Dornan (CA)
Dreier
Dwyer
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Fascell
Fields
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gekas
Geren
Gillmor
Gingrich
Gonzalez
Goodling
Goss
Gradison
Gunderson
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Herger
Hoagland
Hobson
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Johnson (TX)
Kanjorski
Kasich
Kennelly
Kolbe
Kolter
Kyl
Lagomarsino
Lancaster
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Machtley
Martin
Martinez
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
McNulty
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moorhead
Morrison
Murtha
Myers
Natcher
Nichols
Nowak
Ortiz
Oxley
Packard
Parker
Patterson
Paxon
Peterson (FL)
Petri
Pickett
Pickle
Quillen
Ravenel
Ray
Regula
Rhodes
Richardson
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rowland
Roybal
Saxton
Schaefer
Schiff
Schulze
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Sundquist
Swett
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (GA)
Thornton
Traficant
Upton
Vander Jagt
Volkmer
Vucanovich
Walker
Walsh
Weldon
Whitten
Wilson
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—16

Ballenger
Barnard
Bonior
Broomfield
Bustamante
Chapman
Collins (IL)
Cox (CA)
Dymally
Hefner
Lowery (CA)
Savage
Smith (FL)
Stark
Traxler
Weber

☐ 1259

The Clerk announced the following pairs:

On this vote:

Mr. Smith of Florida for, with Mr. Bustamante against.

Mrs. Collins of Illinois for, with Mr. Ballenger against.

Messrs. COUGHLIN, PETRI, COBLE, and SMITH of Texas changed their vote from "aye" to "no."

Messrs. HENRY, MATSUI, and THOMAS of Wyoming changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the report which explains this bill establishes for the first time the intent of the Congress with regard to the recommendation of the 1991 Base Closure and Realignment Commission to close the airfield at MacDill Air Force Base and to relocate the Joint Communications Support Element which is currently based there. The stated intent is for the Department to delay the implementation of that portion of the recommendation and to reconsider that decision as it would affect the needs of the two commands which will remain there when the Air Force relocates its F-16 fighter training wing.

As a member of both the Defense Subcommittee and the House Permanent Select Committee on Intelligence, I am very familiar with the very unique and highly classified elements of the Special Operations Command and the Central Command which are both headquartered at MacDill. So when the Base Closure Commission recommended the closure of the airfield, I knew that facility was essential to the missions of those commands and I began to make a case for retaining the air operations.

Just after Desert Storm and just before he retired as commander in chief of Central Command, I discussed this matter with Gen. Norman Schwarzkopf at his appearance before the Intelligence Committee. He confirmed my assertion that the airfield was essential to his mission.

At a hearing on the needs of the Special Operations Command before the Defense Subcommittee, I asked Gen. Carl Stiner, the commander in chief of the Special Operations Command, if his headquarters could function at a facility that does not have aviation capability? He said "It would be very, very difficult because you have two major headquarters at MacDill and they are going to remain there."

And during a hearing on March 4, of this year, I asked the current commander in chief of the Central Command, Gen. Joseph Hoar, how he felt about keeping the airfield open. He said, "Carl Stiner and I, the commander of the Special Operations Command, signed a joint letter to the chairman asking him to reconsider with respect to keeping the airfield open. We feel that for operational reasons for both commands, it is very important."

He went on to say, "in my judgment, it is very worthwhile to keep that airfield open."

So, Mr. Chairman, with this testimony and with a body of evidence which cannot be discussed in this forum because of its national security classification, the committee has included strong language about its concerns with regard to keeping the MacDill airfield open and retaining the Joint Communications Support Element there in the report which accompanies this bill. I will insert that portion of the report in the RECORD.

MACDILL AIR FORCE BASE AIRFIELD OPERATIONS

MacDill Air Force Base is the home of the Central Command, the Special Operations Command, the Joint Communications Support Element and the Air Force's 56th Tactical Fighter Training wing. The 1991 Base Closure Commission initially recommended the realignment of the fighter training wing and Joint Communications Support Element to other locations and the closure of the airfield, but decided to keep the Base open after becoming convinced it would be far too expensive to relocate Central Command and/or the Special Operations Command. Both the Commander in Chiefs (CINCs) of the Central Command and Special Operations Command have testified before the Committee that the aviation activities at MacDill are critical to their mission and that they have recommended to the Chairman of the Joint Chiefs that the decision to close the airfield be reconsidered.

The Committee has also determined that it would be far too expensive to relocate these two joint commands. In light of the strong testimony from the CINCs that the airfield is essential to their operations the Committee strongly suggests that the Secretary seriously consider options to continue airfield operations to support the missions of CENTCOM and SOCOM, and any other commands or Federal agencies that could be transferred to MacDill AFB area in the future. One such option would be to contract out the airfield operations as a cost effective way to meet CENTCOM and SOCOM requirements. Furthermore, because of the nature of CENTCOM and SOCOM missions, the Department should certainly consider the security risks of deploying CENTCOM and SOCOM units from other than a secure aviation facility. If such an option is feasible, the Committee recommends that funding for the airfield operations and other related costs be included in the budget of the U.S. Special Operations Command.

In view of the testimony before the Committee and the possible unnecessary costs associated with moving ahead with the current plans, the Committee strongly suggests that the Secretary delay all activity associated with closing the airfield and moving the Joint Communications Support Element until after the next Base Closure and Realignment Commission process commences.

While the Committee still questions the advisability of consolidating the F–16 training mission at Luke Air Force Base because of ground encroachment problems which have developed there since the 1991 Base Closure proceedings, nothing in this report should be interpreted as interfering with those plans.

Mr. PICKETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask the distinguished chairman of the subcommittee to engage in a colloquy on the intent of section 9032, which provides that no CHAMPUS fiscal intermediary contract may be modified to require the fiscal intermediary contract to provide support for managed care unless DOD also solicits competitive at-risk proposals.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. PICKETT. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, the gentleman from Virginia [Mr. PICKETT] is absolutely correct. Section 9032 is designed to address only the future delivery of managed care service in the Tidewater and any similar projects elsewhere.

Mr. PICKETT. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I yield to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I know that the Department of Defense has an ongoing relationship with the National Institutes of Health, and it is a cooperation that is vital to the well-being of our armed services. It was actively engaged during Desert Storm and Desert Shield, and the chairman of the committee has been a champion when it comes to women's health in the armed services.

To this end I have fought to provide for some very critical needs and funding for women's health research. I and my colleagues from the women's caucus have fought for $300 million more for breast cancer research, $40 million for osteoporosis research, $75 million for research in cervical and ovarian cancer, some of those neglected areas of research.

It is my understanding that the current levels provided for in this bill would allow the chairman to allocate an additional $500 million to a special DOD account for NIH to help fund these needs in women's health research.

Mr. Chairman, is that correct?

Mr. MURTHA. I would say to the gentlewoman [Ms. OAKAR] who has been in the forefront on these issues, she came to me two days ago, and I certainly agree with her recommendation that this kind of money that is provided for Health and Human Service (HHS) should be used in these areas. I know they have to make their own decisions, but I certainly agree that they need more money in these areas, and the preventive care that these would provide would actually save not only suffering but a lot of money.

Ms. OAKAR. Mr. Chairman, let me thank the gentleman again. I am going to interpret that as a positive answer.

Let me also commend him for not only this issue and for being sensitive about it, but for his efforts to investigate and eliminate sexual harassment and sex-based discrimination in the military. I for one really applaud him for his reaction to the Tailhook incident, and the insensitively of a selective number of the upper echelon and other Navy personnel for ignoring the women who serve this country, who went through the system with their complaints, and somehow now they are being castigated as having something wrong with them because they did not want to be harassed and practically getting raped.

To me it is reminiscent of the way the upper echelon treated Clayton Hardwick, that whole incident, when they blamed a young man and demeaned his reputation for an explosion that we all know was not caused by this dead sailor.

I want to compliment the gentleman. It is not easy to come out right on these issues, and I am glad it came from him.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 43, strike out line 22 and all that follows through line 9 on page 44.

Mr. BURTON of Indiana. Mr. Chairman, I will not make my usual impassioned plea today to cut pork by going into all the sordid details about the budget deficit and the impending economic collapse of the nation if we do not get control of our spending. I think the Members have heard that enough this week. I may bring it up next week again.

Today I want to talk briefly about a project.

Mr. DICKS. Mr. Chairman, will the gentleman yield for a brief comment?

Mr. BURTON of Indiana. I am happy to yield to my colleague, the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I was somewhat surprised that the gentleman would not mention the fact that the Subcommittee on Defense of the Committee on Appropriations has reduced the budget from last year's funding level by $17 billion in budget authority.

Mr. BURTON of Indiana. If the gentleman had been on the floor earlier, he would have heard me say that.

Mr. DICKS. Then I commend the gentleman for his comments.

Mr. BURTON of Indiana. Mr. Chairman, in my view this amendment is one of the most blatant pork barrel projects that we have seen come before this body. This is a $10 million no-strings-attached grant to the Edward R. Roybal Foundation in California. According to this bill, this is an unrestricted grant to support the foundation's educational and public service programs for caregivers, practitioners, and educators specializing in applied gerontology.

I do not know what in the world this has to do with the Defense budget and Defense appropriation bill. The report language says that the grant will provide an educational opportunity for individuals adversely affected by personnel reductions in the Department of Defense and defense-related industries. This is a flimsy excuse for diverting defense money to nondefense purposes. This is a back-door attempt to knock down the firewalls between defense and domestic spending.

On March 31, the House overwhelmingly rejected legislation to break down the firewalls by a vote of 238 to 187. If this foundation needs Federal money, it should apply for money through the existing Federal medical research assistance programs, and not through the Defense appropriation bill. We should not be giving a $10 million no-strings-attached grant to a private foundation. This is pure, unadulterated pork.

This grant has not been authorized by the Committee on Armed Services. In fact, the authorizing provision is contained in this appropriation bill, and this was not requested by the administration.

My colleagues know the fiscal problems this country faces. They know about the deficit. They know about the national debt. They have heard what I have said and others have said about the possibility of a real economic calamity if we do not get control of spending. Here is $10 million to a private foundation that is pure unadulterated pork that does not even belong in the Defense appropriations bill, and I hope my colleagues will vote to take it out.

□ 1310

Mr. MURTHA. Mr. Chairman, I rise in opposition to the amendment.

Let me just say to my colleagues I think we really are talking about a very worthwhile foundation that just happens to be named after one of our distinguished Members.

The foundation would offer application of skills to both traditional and older adult students, target individuals adversely affected by drawdown in military and its related industries, offer a credit certificate program in applied gerontology for caregivers and practitioners undergraduate, graduate, and doctoral candidates, involve a partnership between Cal State and L.A. and the surrounding multiethnic community, and the foundation provides scholarships.

So it helps in many ways people who are getting out of the service. We are spending a billion dollars for economic conversion, and we think this should be a part of that bill, and I would ask that we go forward and defeat this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 218, noes 200, not voting 16, as follows:

[Roll No. 264]

AYES—218

Allard
Allen
Andrews (ME)
Andrews (TX)
Archer
Armey
AuCoin
Baker
Ballenger
Barrett
Barton
Bentley
Bereuter
Bevill
Bilbray
Bliley
Boehlert
Boehner
Boxer
Brewster
Browder
Bruce
Bryant
Bunning
Burton
Callahan
Camp
Carper
Chandler
Coble
Coleman (MO)
Combest
Condit
Cooper
Costello
Cox (CA)
Cox (IL)
Cramer
Crane
Cunningham
Dannemeyer
Davis
DeLay
Derrick
Dickinson
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Durbin
Eckart
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gillmor
Gingrich
Glickman
Goodling
Goss
Gradison
Grandy
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hoagland
Hobson
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Jacobs
James
Jenkins
Johnson (CT)
Johnson (TX)
Johnston
Jones (GA)
Kasich
Klug
Kolbe
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Laughlin
Leach
Lehman (CA)
Lent
Lewis (FL)
Long
Machtley
Marlenee
Martin
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McEwen
McGrath
McHugh
McMillan (NC)
Meyers
Mfume
Michel
Miller (WA)
Molinari
Moody
Moran
Morella
Morrison
Murphy
Neal (NC)
Nichols
Nussle
Orton
Owens (UT)
Oxley
Packard
Patterson
Paxon
Pease
Penny
Petri
Porter
Poshard
Pursell
Quillen
Rahall
Ramstad
Ravenel
Ray
Regula
Rhodes
Ridge
Riggs
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Roth
Roukema
Rowland
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Sikorski
Slattery
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Staggers
Stallings
Stearns
Stenholm
Stump
Sundquist
Swett
Synar
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torricelli
Unsoeld
Upton
Valentine
Vento
Volkmer
Walker
Weber
Weldon
Williams
Wolpe
Wylie
Zeliff
Zimmer

NOES—200

Abercrombie
Ackerman
Alexander
Anderson
Andrews (NJ)
Annunzio
Anthony
Applegate
Aspin
Atkins
Bacchus
Bateman
Beilenson
Bennett
Berman
Bilirakis
Blackwell
Borski
Boucher
Brown
Byron
Campbell (CA)
Cardin
Carr
Chapman
Clay
Clement
Clinger
Coleman (TX)
Collins (MI)
Conyers
Coughlin
Coyne
Darden
de la Garza
DeFazio
DeLauro
Dellums
Dicks
Dingell
Dixon
Donnelly
Dooley
Downey
Dwyer
Early
Edwards (CA)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Green
Hammerschmidt
Hatcher
Hayes (IL)
Hertel
Hochbrueckner
Horn
Horton
Hoyer
Hughes
Ireland
Jefferson
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Lancaster
Lantos
LaRocco
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Luken
Manton
Markey
Matsui
Mavroules
McCloskey
McDade
McDermott
McMillen (MD)
McNulty
Miller (CA)
Miller (OH)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moorhead
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Owens (NY)
Pallone
Panetta
Parker
Payne (NJ)
Payne (VA)
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Price
Rangel
Reed
Richardson
Rinaldo
Roe
Ros-Lehtinen
Rose
Rostenkowski
Roybal
Russo
Sabo
Sanders
Sangmeister
Scheuer
Schroeder
Schumer
Serrano
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Solarz
Stark
Stokes
Studds
Swift
Tallon
Tanner

Taylor (MS)
Thomas (GA)
Thornton
Torres
Towns
Traficant
Vander Jagt
Visclosky
Vucanovich
Walsh
Waters
Waxman
Weiss
Wheat
Whitten
Wilson
Wise
Wolf
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—16

Barnard
Bonior
Brooks
Broomfield
Bustamante
Campbell (CO)
Collins (IL)
Dymally
Hefner
Kolter
Martinez
Pastor
Savage
Smith (FL)
Traxler
Washington

□ 1332

Mrs. KENNELLY, Mr. DIXON, and Mr. BEILENSON changed their vote from "aye" to "no."

Mrs. JOHNSON of Connecticut, Messrs. KOSTMAYER, STALLINGS, SYNAR, SHARP, RIGGS, TORRICELLI, PENNY, MAZZOLI, CONDIT, CRAMER, DAVIS, GEKAS, FISH, and MFUME, Mrs. UNSOELD, Mrs. BOXER, and Mr. BILBRAY changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1330

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PENNY;

Page 24, line 6, strike out "$3,337,482,000" and insert in lieu thereof "$2,550,680,000".

Mr. PENNY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The Chair will advise Members that all debate time has expired.

Mr. PENNY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PENNY. Mr. Chairman, this is one of three bipartisan amendments which I and my colleagues intend to offer dealing with cold war weapon systems which continue to be funded at very high levels. These amendments will save taxpayers a total of $4.1 billion. This is a chance for Members on both sides of the aisle to vote for significant deficit reduction.

This particular amendment, offered by myself and the gentleman from Oregon [Mr. AUCOIN], reduces the Navy weapons procurement account by $787 million—the amount the bill appropriates to procure 17 Trident II, D-5, missiles. As you know, the D-5 missile was developed during the cold war for the Navy as a hard target kill system which could destroy hard targets such as ICBM silos and underground command bunkers in the Soviet Union. The D-5 missile is deployed on the Navy's Trident II submarines.

In February of this year, I introduced legislation to terminate procurement of the D-5 missile after about 275 missiles at the end of fiscal year 1992. Each of these D-5 missiles is capable of carrying 8 nuclear warheads or a total of 2,000 nuclear warheads. With an inventory of 275 D-5 missiles, the Navy could deploy 6 D-5 equipped Trident submarines, with 1,152 warheads, and still have nearly 130 extra D-5 missiles for tests and evaluations.

In February of this year, the Congressional Budget Office reported that just "six D-5 submarines would have more potential to destroy hardened targets than today's entire ballistic missile submarine fleet." With the end of the cold war and the breakup of the Soviet Union, the threat of nuclear war with Russia is extremely remote. In addition, 2 weeks ago, the United States and Russia agreed to sharp reductions in nuclear weapons. The United States is to be limited to 1,728 warheads on strategic submarines, down from the current level of 5,000 warheads. Since the United States already has enough D-5 missiles produced to carry 1,152 nuclear warheads, and since the United States also has an additional 8 trident I, C-4, submarines—deployed with another 1,536 warheads—it seems logical that we do not need to produce any more D-5 missiles.

Before I yield my time, I would like to thank Chairman ASPIN for requesting—on my behalf—that the Congressional Budget Office study the alternatives to continuing with procurement of the D-5 missile. I would also like to thank Chairman MURTHA for already reducing the administration's request for D-5 procurement by four missiles and $200 million. This was an important first step and sends a strong message to the Pentagon that there are implications for the D-5 missile due to the end of the cold war.

I would simply suggest we send an even stronger message to the Pentagon by supporting my amendment and in the process saving the taxpayers this year nearly $787 million.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The amendment was rejected.

AMENDMENT OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KASICH:

Page 119, after line 2, insert the following new section:

SEC. 9131. Amounts appropriated in this Act for operation and maintenance for the Navy (for the payment of severance pay to foreign nationals employed by the Department of Defense in the Republic of the Philippines) shall be reduced by $52,000,000.

Mr. KASICH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. AUCOIN. Reserving the right to object, Mr. Chairman, I do not intend to object, but I would like to have some means by which to know on behalf of the membership, if debate time has been exhausted.

The CHAIRMAN. The Chair will restate the situation.

There are two amendments remaining with time designated under the rule. Those amendments may be offered and debated to the extent provided for in the rule. Other amendments may be offered, but all time for debate has expired. Therefore, other amendments may be offered but not debated.

The gentleman from Oregon has time under a reservation of objection to the unanimous consent of the gentleman from Ohio [Mr. KASICH].

Does the gentleman from Oregon yield under his reservation?

Mr. AUCOIN. Further reserving the right to object, Mr. Chairman, my point is, is it going to be possible for the membership to know when an amendment is offered and somebody asks unanimous consent for the amendment not to be read, and I want to accommodate people who make such a unanimous-consent request. I do not want to object to those things, but is there some way in which the membership can know whether it is an amendment that has been contemplated under the rule?

Second, Mr. Chairman, would it be possible under a unanimous-consent request for Members to at least describe their amendments?

The CHAIRMAN. Unanimous-consent requests may be made. A Member may reserve the right to object and engage in discussion.

Mr. AUCOIN. Mr. Chairman, I have to exercise that option, and in this case I would like to have an explanation of the amendment.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. AUCOIN. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I say to the gentleman, what the Chair has suggested, I have an amendment, and if I ask unanimous consent to be able to explain my amendment in one minute, if nobody objects, it could be done. I would think we would be able to achieve that.

Mr. AUCOIN. Mr. Chairman, I will tell the gentleman, I would not object if that is what other Members have an intent to do, but I would object if there is no such intention.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio [Mr. KASICH].

Mr. DICKS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will continue the reading of the amendment.

The Clerk concluded the reading of the amendment.

Mr. KASICH. Mr. Chairman, I ask unanimous consent that I may have 30 seconds to explain the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KASICH. Mr. Chairman, what the amendment does is to conform the appropriations bill with the authorizing bill that stops the payment of $52 million in severance pay to the Filipinos when they threw us out of their country. We do not think we ought to pay this.

I have checked with the chairman and the ranking member.

Mr. MURTHA. Mr. Chairman, we have no objection to the amendment.

□ 1340

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. KASICH].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DORGAN OF NORTH DAKOTA

Mr. DORGAN of North Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORGAN of North Dakota: Page 119, after line 2, add the following new section:

SEC. 9131. The total amount appropriated to or for the use of the Department of Defense by this Act is reduced by $200,000,000 to reflect savings resulting from the decreased use of consulting services by the Department of Defense. The Secretary of Defense shall allocate the amount reduced in the preceding sentence and not later than March 1, 1993, report to the Senate and the House Committees on Appropriations and Armed Services how this reduction was allocated among the Services and Defense Agencies. *Provided*, That this section does not apply to the reserve components.

Mr. DORGAN of North Dakota (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from North Dakota [Mr. DORGAN] has been printed in the rule, and under the rule, the gentleman from North Dakota is recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Is there a Member opposed?

Mr. McDADE. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. McDADE] will be recognized for 10 minutes.

The Chair recognizes the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, under my time I would like to yield for a colloquy to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. I thank the gentleman for yielding to me, and I would like to engage the chairman of the Subcommittee on Defense Appropriations in a colloquy concerning the strategic environmental research section of the defense appropriations bill.

Mr. Chairman, the Defense Appropriation's Subcommittee has set aside funds for the National Environmental Waste Technology Testing and Evaluation Center to develop and use new technologies to begin the remediation and cleanup of residual waste.

Mr. Chairman, is it your understanding that any contaminated waste samples will be only the low-toxicity waste currently identified at the DOD sites in Montana with environmental problems as well as other contaminated water sites in the State. Furthermore is it your understanding that any contaminated waste samples be only test samples from the 77 DOD sites in Montana to be shipped back to the originator when testing is completed.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. I thank the gentleman for yielding.

Mr. Chairman, that is my understanding.

Mr. WILLIAMS. I thank the gentleman from Pennsylvania for his comments, and I thank the gentleman from North Dakota [Mr. DORGAN] for yielding.

Mr. DORGAN of North Dakota. Mr. Chairman, the amendment that the clerk was reading is an amendment that is rather simple.

Mr. Chairman, I rise today to offer an amendment with my colleagues Mr. PENNY and Mrs. BOXER to cut $500 million from the Defense appropriations bill. This cut in funding for excess secondary defense items such as spare parts, clothing, and medical supplies should be affirmed for many reasons:

DOD sells unneeded secondary inventory for a mere 2 percent of actual value. Taxpayers take a 98-percent loss. In 1990, this wasteful practice cost American taxpayers $10 billion.

According to GAO, defense inventory management is one of 16 government activities that are highly vulnerable to mismanagement, fraud, and abuse. GAO recommends a $5 billion cut this year for spending on unneeded items.

Currently, DOD admits having more than $21 billion in unneeded secondary defense inventory on hand. Nonetheless, it was found last year that DOD ordered an additional $2.5 billion in unneeded secondary stockpiles.

A recent audit found that Army units at 13 divisions had $184 million in spares above their needs. Air Force inventories increased by 110 percent between 1987 and 1990. Meanwhile, buying commands continued purchasing these same items they already had in stock.

DOD's own inspector general has acknowledged that the defense supply system is irresponsible, ordering secondary items far above current needs and wholly unrelated to future needs.

The cold war is over. We must take this opportunity to make responsible cuts in our defense spending in order to cut the towering Federal deficit. This amendment is responsible and carefully crafted to make sensible reductions that will not impair defense readiness. This amendment also carries forward findings from the Democratic Caucus Task Force on Government Waste.

In short, there are good, sound reasons to cut $500 million in spending for excess secondary defense items. Our amendment to H.R. 5504 will give every Member a chance to reinforce the House position on this important matter. This is an excellent opportunity for defense savings that will not impair our national security.

The text of the amendment follows:

Page 119, after line 2, add the following new section:

SEC. 9131. The total amount appropriated to or for the use of the Department of Defense by this Act is reduced by $500,000,000 to reflect savings with respect to secondary excess inventory items of the Department of Defense. The Secretary of Defense shall allocate the amount reduced in the preceding sentence and not later than March 1, 1993, report to the Senate and the House Committees on Appropriations and Armed Services how this reduction was allocated among the Services and Defense Agencies: *Provided*, That this section does not apply to the reserve components.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. DORGAN of North Dakota. I am happy to yield to the gentleman from Pennsylvania.

Mr. MURTHA. I thank the gentleman for yielding.

Mr. Chairman, we have tried to stay on top of this excess inventory. As a matter of fact, we took out $1 billion in rescissions earlier this year. We agree something needs to be taken out of it, so we will agree to the amendment. We think that it may be a little bit too much, but we will adjust it in conference.

So, Mr. Chairman, we accept the amendment.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. I thank the gentleman for yielding.

Mr. Chairman, I also want to express my appreciation to the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. MURTHA] for his work with us on this issue. I know that he feels the level of the cut is deeper than can prudently be accommodated, but we feel quite strongly that the inventories have grown significantly over the last number of years and some reduction in the budget for the coming year is in order and would indicate our willingness to continue to work with the chairman to manage this cut appropriately.

Mr. DORGAN of North Dakota. Mr. Chairman, once again this would cut $500 million.

If we have an affirmative voice vote, I would not expect to call for a record vote on this matter.

I would ask those who rose in opposition if they are determined to use the time? If they determine not to, I would yield back the balance of my time, but I would inquire of the gentleman what his intentions are.

Mr. McDADE. Mr. Chairman, I would urge the gentleman to yield back his time. I have a colleague to whom I need to yield for some comments not directly on point. I know the gentleman is sincere. I do not fully agree, but we expect to accept it on this side.

Mr. DORGAN of North Dakota. Mr. Chairman, I reserve the balance of my time.

Mr. McDADE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Chairman, I will not use the entire amount of time.

I rise to object to the provision in this bill, title IX, section 9115 of the fiscal year 1993 Defense appropriations bill prohibiting funds for the Pentagon to assist in the sale of LTV to Thomson-CSF.

Clearly, while disguised as a limitation on funding, section 9115 constitutes legislation on an appropriations bill and is therefore in violation of clause 2, rule 21 of the House Rules prohibiting such violations of the authorizing committee's jurisdiction.

In this instance the House Armed Services Committee has conducted a series of oversight investigative hearings and is in the process of verifying agency recommendations on the proposed sale of LTV to Thomson-CSF. Accordingly, it clearly is premature and inappropriate at this time for the Defense Appropriations Committee to legislate on this matter before the Armed Services Committee holds its scheduled July 8 conclusory hearings on the proposed bankruptcy purchase transaction. Mr. Chairman, I would move to raise a point of order on section 9115 at this time were such a point of order available to me under the rule bringing this bill to the floor of the House.

As the Rules Committee chose to waive such points of order, I intend to press this matter in the conference and on the conference bill on this issue.

I will not move to strike this section 9115 provision at this time as this issue largely will be mooted by the actions of the House Armed Services Committee having jurisdiction, and by the decision of the President shortly under the Exon-Florio procedures established by the Congress in 1988 for business mergers having national security interests.

Mr. McDADE. Mr. Chairman, we accept the amendment offered by the gentleman from North Dakota [Mr. DORGAN].

Mr. DERRICK. Mr. Chairman, I rise in support of the Dorgan-Boxer-Penny amendment to cut $500 million in funding for costly excess defense inventories.

This amendment would not hamper readiness because the cuts would be targeted specifically at excess inventories of such things as spare parts, clothing, and medical supplies. When I say excess, I'm talking about items the armed services don't even need.

This is an area where GAO has identified incredible amounts of waste over the last 20 years in more than 130 reports. And DOD's own inspector general has acknowledged that the defense supply system orders secondary items far above current needs and entirely unrelated to any future needs.

Some recent findings point out the great need to cut funding for excess inventories:

For instance, though DOD acknowledges having $21 billion in unneeded surpluses on hand, it was found last year that an additional $2.5 billion in useless extra inventories were on order.

A recent audit revealed Army units at 13 divisions had $184 million in spares above their needs; meanwhile, buying commands were purchasing these same parts.

While Air Force inventories were increasing by 110 percent between 1987 and 1990, buying commands continued to purchase spare parts they already had.

Mr. Chairman, this is clearly an area where we can cut without diminishing readiness. I ask my colleagues to vote for the Dorgan-Boxer-Penny amendment and to cut the fat in excess DOD inventories.

Mr. Chairman, I yield back the balance of my time.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. DORGAN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DORGAN OF NORTH DAKOTA

Mr. DORGAN of North Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORGAN of North Dakota: Page 119, after line 2, add the following new section:

SEC. 9131. The total amount appropriated to or for the use of the Department of Defense by this Act is reduced by $500,000,000 to reflect savings with respect to secondary excess inventory items of the Department of Defense. The Secretary of Defense shall allocate the amount reduced in the preceding sentence and not later than March 1, 1993, report to the Senate and the House Committees on Appropriations and Armed Services how this reduction was allocated among the Services and Defense Agencies: *Provided*, That this section does not apply to the reserve components.

Mr. DORGAN of North Dakota (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

The CHAIRMAN. Under the rule, the gentleman from North Dakota [Mr. DORGAN] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Is the gentleman from Pennsylvania [Mr. McDADE] opposed?

Mr. McDADE. I am, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. McDADE] will be recognized for 10 minutes.

The Chair recognizes the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, I yield my self such time as I may consume.

Mr. Chairman, I rise to offer an amendment to cut $200 million in outside consulting fees from accounts in the fiscal year 1993 Defense appropriations bill. Joining me as cosponsors of the amendment are Representatives BOXER, HORN, and PENNY.

Now that the cold war has ended we should seek prudent reductions in defense spending. But even if we still faced a Soviet adversary we would be obliged to make sure that tax dollars for defense programs are spent wisely.

This amendment attempts to restore some sounder management to the troublesome area of contracted advisory and assistance services [CAAS]. This office is responsible for hiring outside consultants for the Department of Defense. These consultants are hired to provide expert advice to the Pentagon on a variety of issues.

Regrettably, studies by the General Accounting Office [GAO], the Defense Department [DOD] inspector general, and the House Government Operations Committee show widespread waste of funds on outside consultants. Let me, therefore, illustrate the reason why a cut of $200 million is needed.

The administration's request for contracting advisory and assistance services [CAAS] or consulting services for fiscal year 1993 is $1.2 billion, a 1 percent increase over last year.

The Department of Defense inspector general has issued a number of reports since 1986 detailing the management problems and waste associated with DOD's reliance on consultants.

For instance, a February 1991 audit concluded that DOD is contracting out services that should be performed in house. DOD has not determined the cost effectiveness of consultant support. While DOD spent between $2.8 and $5 billion in fiscal year 1987 for CAAS work, the DOD IG determined that 37 to 50 percent could have been saved if the work were done in house—in some cases.

An August 1991 IG report for Congresswoman BOXER found that over $26 million could be saved if consultants used for operational test functions alone were brought in house.

An October 1991 IG report found DOD agencies underreporting CAAS expenditures by $20.4 million in fiscal year 1989 and over $19 million in fiscal year 1990. The underreporting was due to unclear, conflicting and inadequate guidance, and improper interpretation of the definition of CAAS.

Congress should not be voting increases in CAAS funding when we don't know the true extent of expenditures and the IG is telling us we could save money by spending less on outside contractors and bringing the work in house.

The Defense appropriators, like the Armed Services authorizers, reduced the administration's request by $45 million. We can do better. Staff has suggested that an additional $200 million can and should be cut.

So, it's evident that even the Pentagon's own inspector general agrees that CAAS needs reform. Unfortunately, DOD's 1993 budget request for CAAS does not reflect the many audit recommendations to spend less on outside consultants and to better manage the use consultants which are hired.

The Department request for $1.2 billion for 1993—an increase over last year's level—makes no sense. I don't think a program that has been singled out for wasteful spending by the GAO should be increased.

The Appropriations Committee has properly cut the Pentagon request by $45 million. However, the weight of evidence from the many reports I cited prompts me and my colleagues to seek an even deeper reduction.

Again, our amendment will cut an additional $200 million above the $45 million reduction made by the committee. We have drafted our amendment so that the Secretary of Defense will have the ability to allocate the reductions among various defense agencies. The Secretary will then report to the Congress by March 1, 1993, on how the reductions were allocated.

This is a sensible amendment. It reduces waste without harming national defense. It does not reduce spending for essential defense activities. It simply implements recommendations of numerous studies which called for reductions in outside consulting fees.

The amendment insists that the Pentagon trim excessive overhead costs. This was a key recommendation in the report of the Democratic Caucus Task Force on Government Waste, "The Challenge of Sound Management."

I urge my colleagues to support the Dorgan-Boxer-Horn-Penny amendment as a prudent step to reduce excess overhead costs in the Department of Defense.

The text of the amendment follows.

Page 119, after line 2, add the following new section:

SEC. 9131. The total amount appropriated to or for the use of the Department of Defense by this Act is reduced by $200,000,000 to reflect savings resulting from the decreased use of consulting services by the Department of Defense. The Secretary of Defense shall allocate the amount reduced in the preceding sentence and not later than March 1, 1993, report to the Senate and the House Committees on Appropriations how this reduction was allocated among the Services and Defense Agencies: *Provided*, That this section does not apply to the reserve components.

Mr. Chairman, I will yield to my friend, the gentleman from Minnesota [Mr. PENNY], and to the gentlewoman from California [Mrs. BOXER]. But before I do that, for purposes of the colloquy, I have been asked to yield to the gentleman from Connecticut [Mr. SHAYS].

Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. I thank the gentleman for yielding to me on an unrelated matter.

Mr. Chairman, on behalf of the gentleman from Massachusetts [Mr. FRANK] and myself, I would like to engage the chairman in a brief colloquy.

Mr. Chairman, on June 3, the House passed an amendment offered by Representative BARNEY FRANK and myself to reduce the overall Defense authorization bill by $3.5 billion, with the savings coming either from decreased troop level expenditures overseas or increased payments on the part of the host nations or a combination of the two. The amendment passed by a vote of 220 to 185, and then was passed again.

I would appreciate the distinguished chairman confirming this understanding and explaining where the reductions were made in the appropriations bill to reflect this amendment.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. SHAYS. I yield to the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. MURTHA].

Mr. MURTHA. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the leadership of the gentleman from Connecticut [Mr. SHAYS] and the gentleman from Massachusetts [Mr. FRANK], which they have taken on this particular issue. There is no question in my mind an awful lot had to be done, and the House agreed with them completely. We want to see a full plan when it comes out of conference. You can be assured we will support it strongly because we think burden sharing is something whose time has come and the United States can no longer bear the burden of protecting the whole world.

So I commend the gentlemen for the work they have done. You can be assured we will act accordingly once you get a plan in place.

Mr. SHAYS. I thank the gentleman and appreciate his good work.

Mr. DORGAN of North Dakota. Mr. Chairman, I thank the gentleman.

□ 1350

Mr. Chairman, I yield to the gentleman from Minnesota who is a coauthor, along with the gentlewoman from California [Mrs. BOXER] and the gentleman from Kansas [Mr. GLICKMAN], of this amendment.

Mr. PENNY. Mr. Chairman, this is clearly an area that needs to be scrubbed. We have identified inspector general studies that have indicated that outside consulting costs 37 to 50 percent more than the same review and analysis done in house. With that differential it seems clear that we should encourage the Department to do more of this without contracting with those outside the Department. This is a $200 million cut in a $1.2 billion expenditure. I think it is reasonable and it is a step in the right direction. I would urge adoption.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I want to point out that this amendment is quite important because it is going after an area, that many reports have told this Congress, is an area where we can really save money.

A February 1991 audit by the DOD inspector general concluded that DOD is contracting out services that should be performed in house, and it further said that 37 to 50 percent could have been saved in this particular arena if the work were done in house.

So, Mr. Chairman, I am very pleased to be part of this amendment. I am glad that the chairman is accepting it.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, it is utterly preposterous for us to be passing a bill today that increases funding for weapons programs that we have absolutely no need for anymore. For 45 years we spent huge amounts to defend ourselves from the dangerous threat emanating from that Communist giant, the former Soviet Union. But now, that enemy has disappeared into the morning mist, and there is absolutely no reason to continue to spend close to $265 billion on defense each year.

It is absurd that from a peak level of roughly $300 billion annually during the frozen climes of the cold war, now that we have entered into the calm serenity of the post-cold-war era, that we haven't had the brains or the will to reduce that bloated military budget by more than 10 percent.

Mr. Chairman, I support the Penny-Frank-Santorum amendment to delete $2.7 billion in procurement funds for the B–2 bomber and the Penny-Durbin-Green amendment to cut $700 million from the SDI program. Rather than throwing these funds away on unproven weapons systems that no longer have a mission, we should invest these funds in urgent domestic needs such as education, health, infrastructure, and environmental protection. At the very least, we should apply some of these precious billion to deficit reduction.

I continue to be amazed, Mr. Chairman, that the Defense Department and the President—and many in this Congress who voted for the balanced budget amendment—want us to build more B–2 bombers in these times of fiscal straits. We already have procured 15 planes, which will cost taxpayers some $34 billion. We have no earthly need for any more.

The mission they were supposed to fulfill—to make a stealthy intrusion into Soviet airspace and to overwhelm Soviet defenses and to bomb Russian cities and military installations back to the Stone Age—has utterly vanished.

Just last month, Mr. Chairman, Russian President Boris Yeltsin stood before us in this Chamber and received our applause when he pledged that Russia would never fight a war against America. He and the President signed a historic arms-control agreement that will cut both nations' nuclear arsenals by more than 50 percent.

That is why I also support cutting $700 million from the SDI program. Not a scientist alive really believes that the star wars will work against ICBM's and is anything other than a fanciful illusion. Here is another program for which there is no longer any urgent mission, certainly not on the order of $3.5 billion appropriated for it in this bill. Now is the time for us to stand up and be counted as voting for commonsense rationality and financial discipline, not just the empty phrases and sterile platitudes that we heard used to justify the balanced budget amendment.

Mr. Chairman, I urge my colleagues to consider how many Head Start slots, college student tuitions, elderly Medicare benefits, and how many of those 38 million folks who are totally excluded from our national health care system that one B-2 bomber, costing from a half a trillion to a trillion dollars, could finance. Or to consider how such a sum could be applied toward reducing our deficit, estimated this year to be more than $350 billion.

It is an assault on reason and rationality to squander our resources on these absurdly unnecessary and irrelevant programs now, when our communities and constituents desperately need all the resources we can possibly muster for their benefit.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield 1 minute to the gentlewoman from Missouri [Ms. HORN], who also is a cosponsor of this amendment.

Ms. HORN. Mr. Chairman, our amendment aims to cut $200 million from contracted services for the Department of Defense. Total of $1.2 billion.

Studies conducted by the GAO and the inspector general's office at the Department of Defense have indicated the need for serious reform of contracted advisory and assistance services. The problems with CAAS can be found in one of these audits completed last August by the inspector general. In this report, the inspector general recommended legislative changes, internal controls, and replacing Services contractors with in-House civilian employees to curtail waste within the CAAS program.

It is these recommendations, along with many others completed by the inspector general on CAAS, that brings me to the floor to reduce funding for this program. Even the President agrees this program contains waste. The 1993 budget states the "DOD inspector general report indicates that under some definitions, CAAS may be underreported by several billion dollars." The GAO and the House Armed Services Committee have urged that tighter management controls be placed over contracted advisory and assistance services.

To highlight some of the money wasted on outside consultants by the Department of Defense, the House Government Operations Committee discovered that the strategic defense initiative office hired a consultant in 1991 for $264,000 to issue a report to Congress on SDI. The committee's investigation found that the consultant's report for 1991 took verbatim many of the paragraphs from the same report this same consultant wrote the year before for about the same price.

The committee also discovered that the strategic defense initiative office paid $1 million to a contractor to help it prepare for a single meeting. That's right, a single meeting. For those of us who have consistently voted against SDI, this type of abuse is especially appalling.

Unfortunately, the Department of Defense's 1993 request for CAAS does not heed these recommendations. The Department request for CAAS is $1.2 billion, which represents a 1-percent increase over last year. I do not think a program that has been singled out for wasteful spending by the GAO, the inspector general of the DOD, and the President of the United States should receive a funding increase.

If the Department of Defense is not willing to make the necessary changes to the CAAS program, then it is incumbent upon Congress to make these changes for the Department. I am pleased the House Armed Services Committee recommended and the Defense appropriations acted to cut $45 million from the Department's request for CAAS, but I believe we can cut more from this program. Our amendment simply reduces the funds for CAAS by $200 million, thus forcing it to follow the inspector general's recommendations.

Mr. DORGAN of North Dakota. Concluding the discussion on this amendment from this side, Mr. Chairman, I neglected to mention on the past amendment on the inventory issues that the gentleman from South Carolina [Mr. DERRICK] played a key role and was a cosponsor.

I also want to say to the gentleman from Pennsylvania [Mr. MCDADE], my friend, and to the chairman, that I understand that it is not pleasant to have a bill come to the floor and have folks suggest additional costs. I recognize that both these gentlemen have done an awfully good job looking in virtually every area for savings and they have achieved a substantial amount of savings in this legislation.

We also appreciate those of our colleagues who have offered this amendment, their consideration of it, and it is not my intention to ask for a recorded vote, assuming that we have an affirmative vote here on the floor of the House, and once again I want to thank both the Chairman and the ranking Member.

Mr. Chairman, I reserve the balance of my time.

Mr. MCDADE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I rise in strong opposition to the amendment of the gentleman from North Dakota [Mr. DORGAN], but I will do so succinctly.

This week a Member from this side, the gentleman from California [Mr. COX], offered an amendment that would have saved hundreds of thousands of dollars from the GAO. These types of consultants and someone at the Rand Corp. could have done the same thing at a cost of 1 one-thousandth of the price, but the other side of the aisle would not cut their own left arm off, and I would say to the gentleman that wants to cut consultant fees, "Let's do it at the expense of the GAO who's 10 times more expensive."

Mr. MCDADE. Mr. Chairman, we are prepared to accept the amendment offered by the gentleman on this side of the aisle, and we yield back the balance of our time.

Mr. DORGAN of North Dakota. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. DORGAN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PENNY: Page 29, line 10, strike out "$9,427,005,000" and insert in lieu thereof "$6,740,433,000".

Mr. PENNY. Mr. Chairman, I ask unanimous consent to proceed for 1 minute to describe the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PENNY. Mr. Chairman, this is an amendment to reduce the Air Force aircraft procurement account by $2.7 billion—the amount that the bill appropriates to purchase four more B-2 bombers.

Members are well aware of the pros and cons of the B-2 bomber as a weapon system—so I will not attempt to address this issue now. The real issue is the fact that the difference between a 15-aircraft B-2 fleet and a 20-aircraft B-2 fleet is $10 billion or about $2 billion per extra B-2 bomber.

For the past 2 years this body has concluded that 15 B-2 bombers was a sufficient number of aircraft considering the end of the cold war and the dissolution of the Soviet Union. This year, some have suggested that we extend the program by five additional aircraft costing an additional $10 billion.

Mr. Chairman, we simply do not have the financial ability to fund these additional four or five B-2 bombers. Our deficit this year will total nearly $350 billion. This deficit is not going to get any better if we do not make the difficult budgetary decisions on the floor of this House—and it certainly won't get any better if we don't make the easy budgetary decisions which my amendment today clearly should be.

I urge Members to vote to take a large step toward a balanced budget. I urge Members to vote for the Penny-Frank amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. DICKS. Mr. Chairman, I ask unanimous consent to respond for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. DICKS. Mr. Chairman, I would just urge my colleagues that this has been a carefully worked out compromise with many of the opponents of the B-2 to end this program at 20 aircraft. That will give us two squadrons of eight. We will not waste a lot of money on unnecessary termination costs.

I think it is an important vote in that the B-2 has extraordinary new conventional capabilities. Do not think of it as a nuclear bomb dropper. It is a conventional weapon that can give us the capabilities of the entire 42 F-117's.

I urge the House to do what it did 2 weeks ago and vote against this amendment.

Mr. BENNETT. Mr. Chairman, I rise today in support of the Penny amendment to cap the B-2 bomber program at 15 aircraft. This has been the House position for the past few years and I believe that given the dramatic changes in the world it makes great sense today.

Let me say that I am supportive of the reorientation of the B-2's role from primarily a nuclear bomber to a conventional bomber. I am also supportive of having a silver-bullet capability with this very capable aircraft similar to that which we have with the F-117. But, as the chairman of the House Armed Services Committee pointed out in the committee's press release after last year's conference ended, "we can get by with 15 planes for a non-nuclear role."

Given the financial problems that our Nation faces, and other higher priority defense needs that I see, I cannot support spending billions more for five additional B-2's, especially as the committee report notes that "there remains substantial uncertainty about the final costs of the B-2 program."

Cost uncertainty and growth have been the hallmarks of the B-2 program to date. Certainly some of this can be attributed to the Congress which cut back yearly purchases, but recent cost growth, especially in the full-scale development program, is related to problems with the aircraft and with its inability to maintain its flight test program. These problems have been documented by the General Accounting Office.

I also have questions about the ability of the aircraft to meet its low observability specifications. We have invested an enormous amount of taxpayer money in the B-2 to date—over $34 billion. We were asked to provide extremely expensive production quality tooling for the preproduction versions of the B-2 because the stealthiness of the aircraft was paramount. We were kept in the black about the progress of the program for years because the stealth technology was so secretive. And yet, now we are being told that the aircraft may not meet its stealth specifications and that we should buy five more at a cost of almost $10 billion additional dollars over the next 6 years.

As I look at the future security environment that is unfolding, I must be honest and say that I think we can better spend our shrinking Federal dollars on more needed defense systems. For example, we need to build more Navy ships, especially aircraft carriers, that will allow this Nation to project its power abroad. At a time when we are cutting back our forces overseas, a strong naval presence is important to show U.S. commitment to various world regions.

I believe that the gentleman from Minnesota [Mr. PENNY] is proposing a good amendment that will not hurt our national security and will help our Nation's financial situation. I support his effort and I hope my colleagues will join me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRANK of Massachusetts. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 173, noes 248, not voting 13, as follows:

[Roll No. 265]

AYES—173

Abercrombie
Ackerman
Andrews (ME)
Anthony
Applegate
Atkins
AuCoin
Bacchus
Beilenson
Bennett
Bereuter
Berman
Blackwell
Boucher
Boxer
Bruce
Cardin
Carr
Clay
Clement
Coble
Collins (MI)
Condit
Conyers
Cox (IL)
Coyne
DeFazio
DeLauro
Dellums
Derrick
Dingell
Donnelly
Dorgan (ND)
Duncan
Durbin
Early
Edwards (CA)
Engel
Evans
Ewing
Fawell
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Gejdenson
Gekas
Gibbons
Gordon
Green
Guarini
Hall (OH)
Hayes (IL)
Henry
Horn
Hughes
Ireland
Jacobs
Jefferson
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kopetski
Kostmayer
LaFalce
Lantos
LaRocco
Leach
Lehman (CA)
Levin (MI)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Markey
Mavroules
Mazzoli
McCloskey
McDermott
McHugh
Mfume
Miller (CA)
Mineta
Mink
Moakley
Moody
Morella
Mrazek
Murphy
Nagle
Neal (MA)
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Pastor
Patterson
Payne (NJ)
Pease
Pelosi
Penny
Petri
Porter
Poshard
Price
Pursell
Rahall
Ramstad
Reed
Ridge
Riggs
Roemer
Roth
Roukema
Russo
Sabo
Sanders
Sangmeister
Santorum
Sawyer
Scheuer
Schiff
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shays
Sikorski
Skaggs
Slaughter
Snowe
Solarz
Staggers
Stallings
Stark
Stokes
Studds
Swett
Synar
Tallon
Towns
Traficant
Unsoeld
Valentine
Vento
Visclosky
Washington
Waxman
Weiss
Wheat
Williams
Wise
Wolpe
Wyden
Yates
Zimmer

NOES—248

Allard
Allen
Anderson
Andrews (NJ)
Andrews (TX)
Annunzio
Archer
Armey
Aspin
Baker
Ballenger
Barrett
Barton
Bateman
Bentley
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Borski
Brewster
Brooks
Browder
Brown
Bryant
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Carper
Chandler
Chapman
Clinger
Coleman (MO)
Coleman (TX)
Combest
Cooper
Costello
Coughlin
Cox (CA)
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeLay
Dickinson
Dicks
Dixon
Dooley
Doolittle
Dornan (CA)
Downey
Dreier
Dwyer
Eckart
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Espy
Fascell
Fazio
Fields
Fish
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Goss
Gradison
Grandy
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
James
Jenkins
Johnson (CT)
Johnson (TX)
Kanjorski
Kaptur
Kasich
Kolbe
Kolter
Kyl
Lagomarsino
Lancaster
Laughlin
Lehman (FL)
Lent
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Luken
Machtley
Manton
Marlenee
Martin
Martinez
Matsui
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morrison
Murtha
Myers
Natcher
Neal (NC)
Nichols
Nowak
Ortiz
Oxley
Packard

Parker
Paxon
Payne (VA)
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Quillen
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Roberts
Roe
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Rowland
Roybal
Sarpalius
Saxton
Schaefer
Schulze
Shaw
Shuster
Sisisky
Skeen
Skelton
Slattery
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Sundquist
Swift
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Upton
Vander Jagt
Volkmer
Vucanovich
Walker
Walsh
Waters
Weber
Weldon
Whitten
Wilson
Wolf
Wylie
Yatron
Young (AK)
Young (FL)
Zeliff

NOT VOTING—13

Alexander
Barnard
Bonior
Broomfield
Bustamante
Campbell (CO)
Collins (IL)
Dymally
Hefner
Rangel
Savage
Smith (FL)
Traxler

☐ 1418

Mrs. MEYERS of Kansas and Mr. COOPER changed their vote from "aye" to "no."

Mr. NAGLE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1420

The CHAIRMAN. Are there other amendments?

If not, the Clerk will read.

The Clerk read as follows:

This Act may be cited as the "Department of Defense Appropriations Act, 1993".

Mr. MURTHA. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, be passed.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GEPHARDT) having assumed the chair, Mr. OBERSTAR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5504) making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. McDADE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 328, noes 94, not voting 12, as follows:

[Roll No. 266]

AYES—328

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Archer
Aspin
Atkins
Bacchus
Baker
Ballenger
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Brewster
Brooks
Browder
Brown
Bruce
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Cardin
Carper
Carr
Chandler
Chapman
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeLauro
DeLay
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Eckart
Edwards (OK)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fazio
Feighan
Fish
Foglietta
Ford (MI)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Horn
Horton
Houghton
Hoyer
Huckaby
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Jones (GA)
Jones (NC)
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Machtley
Manton
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morrison
Mrazek
Murtha
Myers
Natcher
Neal (NC)
Nowak
Oakar
Obey
Olin
Ortiz
Orton
Owens (UT)
Oxley
Panetta
Parker
Pastor
Patterson
Paxon
Payne (VA)
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Porter
Poshard
Price
Quillen
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Schumer
Sharp
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Spence
Spratt
Staggers
Stenholm
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Upton
Valentine
Vander Jagt
Visclosky
Walker
Walsh
Weber
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wylie
Yatron
Young (AK)
Young (FL)

NOES—94

Applegate
Armey
AuCoin
Beilenson
Boxer
Clay
Cox (CA)
Crane
DeFazio
Dellums
Doolittle
Dornan (CA)
Dreier
Early
Emerson
Fawell
Fields
Flake
Ford (TN)
Frank (MA)
Goss
Green
Hancock
Hayes (IL)
Henry
Herger
Hopkins
Hubbard
Hughes
Hyde
Johnston
Jontz
Klug
Kyl
Lagomarsino
Leach
Lewis (GA)
Luken
Markey
Marlenee
McDermott
McEwen
Mfume
Mineta
Moody
Morella
Murphy
Nagle
Neal (MA)
Nichols
Nussle
Oberstar
Olver
Owens (NY)
Packard
Pallone
Payne (NJ)
Pease
Petri
Pursell
Rahall
Ramstad
Rangel
Roberts
Roth
Roukema
Sanders
Savage
Scheuer
Schroeder
Schulze
Sensenbrenner
Serrano
Shays
Sikorski
Solomon
Stallings
Stark
Stearns
Stokes
Studds
Stump
Unsoeld
Vento
Volkmer
Vucanovich
Washington
Waters
Waxman
Weiss
Wyden
Yates
Zeliff
Zimmer

NOT VOTING—12

Barnard
Bonior
Broomfield
Bryant
Bustamante
Campbell (CO)
Collins (IL)
Dymally
Edwards (CA)
Hefner
Smith (FL)
Traxler

☐ 1442

Ms. WATERS and Messrs. KYL, McEWEN, YATES, MARKEY, and LEWIS of Georgia changed their vote from "aye" to "no."

Mr. RINALDO and Mr. CUNNINGHAM changed their vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 5504, DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1993

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 5504, the Clerk be authorized to correct section numbers, punctuation, cross references, and make other necessary technical adjustments.

The SPEAKER pro tempore (Mr. GEPHARDT). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ADJOURNMENT OF THE HOUSE FROM THURSDAY, JULY 2, 1992, TO TUESDAY, JULY 7, 1992, AND FROM JULY 9, 1992, TO TUESDAY, JULY 21, 1992, AND RECESS OR ADJOURNMENT OF THE SENATE FROM JULY 2, 1992, TO JULY 20, 1992

Mr. HOYER. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 343) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 343

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, July 2, 1992, it stands adjourned until noon on Tuesday, July 7, 1992, and that when the House adjourns on the legislative day of Thursday, July 9, 1992, it stands adjourned until noon on Tuesday, July 21, 1992, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, July 2, 1992, in accordance with this resolution, it stand recessed or adjourned until Monday, July 20, 1992, at such time as may be specified by the Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

MAKING IN ORDER ON TODAY CONSIDERATION OF CONFERENCE REPORT ON H.R. 5260, UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1992

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent to call up the conference report on the bill H.R. 5260, for its immediate consideration, that all points of order against the conference report or its consideration be waived, and further that the conference report shall be considered as having been read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. MICHEL. Reserving the right to object, Mr. Speaker, and I shall not, other than reaffirm the understanding between my colleague, the distinguished gentleman from Illinois [Mr. ROSTENKOWSKI] and the gentleman from Peoria, whose word I implicitly trust, but for the benefit of those other Members who want the assurance that since we thought the enterprise zone tax bill would be up first and then unemployment, that we are reversing the order only to accommodate those drafters and the membership in total so that we are not spinning our wheels here.

I certainly would endorse what the chairman has in mind by moving this one first. That was the only reason for having the reservation. Would the gentleman give me that assurance verbally for the rest of the membership?

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. Speaker, we have every intention immediately upon the conclusion of the consideration of this conference report to take that up, if it is ready; however, if it is not, it will be taken up as soon as it is ready.

Mr. MICHEL. And I hope that will be immediately following consideration of this measure.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CONFERENCE REPORT ON H.R. 5260, UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1992

Mr. ROSTENKOWSKI submitted the following conference report and statement on the bill (H.R. 5260), to extend the Emergency Unemployment Compensation Program, to revise the trigger provisions contained in the extended Unemployment Compensation Program, and for other purposes:

CONFERENCE REPORT (H. REPT. 102–650)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5260), to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment compensation program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Unemployment Compensation Amendments of 1992".

TITLE I—EXTENSION OF EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM

SEC. 101. EXTENSION OF PROGRAM.

(a) GENERAL RULE.—Sections 102(f)(1) and 106(a)(2) of the Emergency Unemployment Compensation Act of 1991 (Public Law 102–164, as amended) are each amended by striking "July 4, 1992" and inserting "March 6, 1993".

(b) WEEKS OF BENEFITS AVAILABLE DURING EXTENSION.—Subparagraph (A) of section 102(b)(2) of such Act is amended by striking clause (ii) and the flush paragraph at the end thereof and inserting the following:

"(ii) REDUCTION FOR WEEKS AFTER JUNE 13, 1992.—In the case of weeks beginning after June 13, 1992—

"(I) clause (i) of this subparagraph shall be applied by substituting '26' for '33', and by substituting '20' for '26', and

"(II) subparagraph (A) of paragraph (1) shall be applied by substituting '100 percent' for '130 percent'.

"(iii) REDUCTION FOR WEEKS IN 7-PERCENT PERIOD.—In the case of weeks beginning in a 7-percent period—

"(I) clause (ii) of this subparagraph shall not apply,

"(II) clause (i) of this subparagraph shall be applied by substituting '15' for '33', and by substituting '10' for '26', and

"(III) subparagraph (A) of paragraph (1) shall be applied by substituting '60 percent' for '130 percent'.

"(iv) REDUCTION FOR WEEKS IN 6.8-PERCENT PERIOD.—In the case of weeks beginning in a 6.8-percent period—

"(I) clauses (ii) and (iii) of this subparagraph shall not apply,

"(II) clause (i) of this subparagraph shall be applied by substituting '13' for '33', and by substituting '7' for '26', and

"(III) subparagraph (A) of paragraph (1) shall be applied by substituting '50 percent' for '130 percent'.

"(v) 7-PERCENT PERIOD; 6.8-PERCENT PERIOD.—For purposes of this subparagraph—

"(I) A 7-percent period means a period which begins with the second week after the first week for which the requirements of subclause (II) are met and a 6.8 percent period means a period which begins with the second week after the first week for which the requirements of subclause (III) are met.

"(II) The requirements of this subclause are met for any week if the average rate of total unemployment (seasonally adjusted) for all States for the period consisting of the most recent 2-calendar month period (for which data are published before the close of such week) is at least 6.8 percent, but less than 7 percent.

"(III) The requirements of this subclause are met for any week if the average rate of total unemployment (seasonally adjusted) for all States for the period consisting of the most recent 2-

calendar month period (for which data are published before the close of such week) is less than 6.8 percent.

In no event shall a 7-percent period occur after a 6.8-percent period occurs and a 6.8-percent period, once begun, shall continue in effect for all weeks for which benefits are provided under this Act.

"(vi) LIMITATIONS ON REDUCTIONS.—In the case of an individual who is receiving emergency unemployment compensation for a week preceding the first week for which a reduction applies under clause (ii), (iii), or (iv) of this subparagraph, such reduction shall not apply to such individual for the first week of such reduction or any week thereafter for which the individual meets the eligibility requirements of this Act."

(c) MODIFICATION TO FINAL PHASE-OUT.—Paragraph (2) of section 102(f) of such Act is amended to read as follows:

"(2) TRANSITION.—In the case of an individual who is receiving emergency unemployment compensation for a week prior to or including March 6, 1993, emergency unemployment compensation shall continue to be payable to such individual for any week thereafter for which the individual meets the eligibility requirements of this Act. No compensation shall be payable by reason of the preceding sentence for any week beginning after June 19, 1993."

(d) CONFORMING AMENDMENT.—

(1) Subparagraph (B) of section 102(b)(2) of such Act is amended by striking "subparagraph (A)(ii)" and inserting "clauses (ii), (iii), and (iv) of subparagraph (A)".

(2) Section 101(e) of such Act is amended—

(A) by striking "(e) ELECTION.—Notwithstanding" and inserting:

"(e) ELECTION BY STATES; WEEKS OF BENEFITS DURING PHASE-OUT.—

"(1) ELECTION BY STATES.—Notwithstanding",

(B) by adding at the end of paragraph (1), as redesignated by subparagraph (A), the following new sentence: "The preceding sentence shall not be applicable with respect to any extended compensation period which begins after March 6, 1993, nor shall the special rule in section 203(b)(1)(B) of the Federal-State Extended Unemployment Compensation Act of 1970 (or the similar provision in any State law) operate to preclude the beginning of an extended compensation period after March 6, 1993, because of the ending of an earlier extended compensation period under the preceding sentence.", and

(C) by adding at the end thereof the following new paragraph:

"(2) WEEKS OF BENEFITS DURING PHASE-OUT.—Notwithstanding subsection (b)(1)(B) or any other provision of law, whenever an extended compensation period is beginning in a State (and is not triggered off under paragraph (1)) an individual, who is entitled to extended compensation in the new extended compensation period (whether or not the individual applies therefor) and also has remaining entitlement to emergency unemployment compensation under this Act, shall be entitled to compensation under the program in which the individual's monetary entitlement (as of the beginning of the first week of the extended compensation period) is the greater."

(e) EFFECTIVE DATE.—The amendments made by this section apply to weeks of unemployment beginning after June 13, 1992.

SEC. 102. MODIFICATION TO ELIGIBILITY REQUIREMENTS.

(a) INDIVIDUAL NOT INELIGIBLE BY REASON OF SUBSEQUENT ENTITLEMENT TO REGULAR BENEFITS.—Section 101 of such Act is amended by adding at the end thereof the following new subsection:

"(f) CERTAIN RIGHTS TO REGULAR COMPENSATION DISREGARDED.—If an individual exhausted his rights to regular compensation for any benefit year, such individual's eligibility to receive emergency unemployment compensation under this Act in respect of such benefit year shall be determined without regard to any rights to regular compensation for a subsequent benefit year if such individual does not file a claim for regular compensation for such subsequent benefit year."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to weeks of unemployment beginning after the date of the enactment of this Act.

(2) TRANSITION RULES.—

(A) WAIVER OF RECOVERY OF CERTAIN OVERPAYMENTS.—On and after the date of the enactment of this Act, no repayment of any emergency unemployment compensation shall be required under section 105 of the Emergency Unemployment Compensation Act of 1991 (Public Law 102–164, as amended) if the individual would have been entitled to receive such compensation had the amendment made by subsection (a) applied to all weeks beginning on or before the date of the enactment of this Act.

(B) WAIVER OF RIGHTS TO CERTAIN REGULAR BENEFITS.—If—

(i) before the date of the enactment of this Act, an individual exhausted his rights to regular compensation for any benefit year, and

(ii) after such exhaustion, such individual was not eligible to receive emergency unemployment compensation by reason of being entitled to regular compensation for a subsequent benefit year,

such individual may elect to defer his rights to regular compensation for such subsequent benefit year with respect to weeks beginning after such date of enactment until such individual has exhausted his rights to emergency unemployment compensation in respect of the benefit year referred to in clause (i), and such individual shall be entitled to receive emergency unemployment compensation for such weeks in the same manner as if he had not been entitled to the regular compensation to which the election applies.

SEC. 103. TECHNICAL MODIFICATION FOR REIMBURSABLE EMPLOYERS.

(a) GENERAL RULE.—Subsection (d) of section 104 of the Emergency Unemployment Compensation Act of 1991 (Public Law 102–164, as amended) is amended by striking "as may be necessary" and inserting "as the Secretary estimates to be necessary".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 104. TREATMENT OF PERSIAN GULF CRISIS RESERVISTS.

If—

(1) an individual who was a member of a reserve component of the Armed Forces was called for active duty after August 2, 1990, and before March 1, 1991,

(2) such individual was receiving regular compensation, extended compensation, or a trade readjustment allowance for the week in which he was so called,

(3) such individual served on such active duty for at least 90 consecutive days, and

(4) such individual was entitled to regular compensation on the basis of his services on such active duty, but the weekly benefit amount was less than the benefit amount he received for the week referred to in paragraph (2),

such individual's weekly benefit amount under the Emergency Unemployment Compensation Act of 1991 for any week beginning after the date of the enactment of this Act shall be not less than the benefit amount he received for the week referred to in paragraph (2).

SEC. 105. TREATMENT OF RAILROAD WORKERS.

(a) EXTENSION OF PROGRAM.—

(1) IN GENERAL.—Sections 501(b)(1) and (2) of the Emergency Unemployment Compensation Act of 1991 (Public Law 102–164, as amended) are each amended by striking "July 4, 1992", and inserting "March 6, 1993".

(2) CONFORMING AMENDMENTS.—

(A) Section 501(a) of such Act is amended by striking "July 1992" and inserting "March 1993".

(B) Paragraph (2) of section 501(d) of such Act is amended to read as follows:

"(2) PHASE-OUT.—

"(A) BENEFITS ON OR AFTER JUNE 14, 1992.—Effective on and after June 14, 1992, paragraph (1) of this section shall be applied by substituting '100' for '130' each place it appears, and by substituting '10' for '13' each place it appears.

"(B) REDUCTIONS UNDER EMERGENCY COMPENSATION EXTENSION PROVISIONS.—

"(i) Effective on and after the date on which a reduction in benefits is imposed under section 102(b)(2)(A)(iii), subparagraph (A) of this paragraph and subparagraphs (B) and (C) of paragraph (1) shall not apply and subparagraph (A) of paragraph (1) shall be applied by substituting '50' for '130'.

"(ii) Effective on and after the date on which a reduction in benefits is imposed under section 102(b)(2)(A)(iv), subparagraph (A) of this paragraph and subparagraphs (B) and (C) of paragraph (1) shall not apply and subparagraph (A) of paragraph (1) shall be applied by substituting '35' for '130'.

"(C) LIMITATIONS ON REDUCTIONS.—Notwithstanding subparagraphs (A) and (B), in the case of an individual who is receiving extended benefits under section 2(c) of the Railroad Unemployment Insurance Act for persons with 10 or more but less than 15 years of service, or extended benefits by reason of this section, for any day during a week which precedes a period for which a reduction under this paragraph takes effect, such reduction shall not apply for purposes of determining the amount of benefits payable to such individual for any day thereafter for which the individual meets the eligibility requirements of this section and the Railroad Unemployment Insurance Act."

(b) TERMINATION OF BENEFITS.—Section 501 of the Emergency Unemployment Compensation Act of 1991 (Public Law 102–164, as amended) is amended by adding at the end the following new subsection:

"(e) TERMINATION OF BENEFITS.—In the case of an individual who is receiving extended benefits by reason of this section on March 6, 1993, such benefits shall not continue to be payable to such individual after June 19, 1993."

SEC. 106. EFFECT OF CERTAIN MILITARY SERVICE ON TRADE ADJUSTMENT ASSISTANCE.

(a) TRADE ADJUSTMENT ASSISTANCE.—Paragraph (2) of section 231(a) of the Trade Act of 1974 (19 U.S.C. 2291(a)(2)) is amended—

(1) by striking "or" at the end of subparagraph (B),

(2) by inserting "or" at the end of subparagraph (C),

(3) by inserting immediately after subparagraph (C) the following new subparagraph:

"(D) is on call-up for purposes of active duty in a reserve status in the Armed Forces of the United States, provided such active duty is 'Federal service' as defined in 5 U.S.C. 8521(a)(1),", and

(4) by striking "paragraph (A) or (C), or both," and inserting "subparagraph (A) or (C), or both (and not more than 26 weeks, in the case of weeks described in subparagraph (B) or (D)),".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to weeks beginning after August 1, 1990.

SEC. 107. FINANCING PROVISIONS.

Section 104 of the Emergency Unemployment Compensation Act of 1991 (Public Law 102–164, as amended) is amended by adding at the end thereof the following new subsection:

"(e) Transfer of Funds.—Notwithstanding any other provision of law, the Secretary of the Treasury shall transfer from the general fund of the Treasury (from funds not otherwise appropriated)—

"(1) to the extended unemployment compensation account (as established by section 905 of the Social Security Act) such sums as are necessary to make payments to States under this Act by reason of the amendments made by sections 101 and 102 of the Unemployment Compensation Amendments of 1992, and

"(2) to the employment security administration account (as established by section 901 of the Social Security Act) such sums as may be necessary for purposes of assisting States in meeting administrative costs by reason of the amendments made by sections 101, 102, 201, and 202 of the Unemployment Compensation Amendments of 1992.

There is hereby appropriated from such accounts the sums referred to in the preceding sentence and such sums shall not be required to be repaid."

TITLE II—MODIFICATIONS TO EXTENDED BENEFITS PROGRAM

SEC. 201. MODIFICATION OF TRIGGER PROVISIONS.

(a) In General.—Section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new subsection:

"Alternative Trigger

"(f)(1) Effective with respect to compensation for weeks of unemployment beginning after March 6, 1993, the State may by law provide that for purposes of beginning or ending any extended benefit period under this section—

"(A) there is a State 'on' indicator for a week if—

"(i) the average rate of total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published before the close of such week equals or exceeds 6.5 percent, and

"(ii) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period referred to in clause (i) equals or exceeds 110 percent of such average rate for either (or both) of the corresponding 3-month periods ending in the 2 preceding calendar years; and

"(B) there is a State 'off' indicator for a week if either the requirements of clause (i) or clause (ii) of subparagraph (A) are not satisfied.

Notwithstanding the provision of any State law described in this paragraph, any week for which there would otherwise be a State 'on' indicator shall continue to be such a week and shall not be determined to be a week for which there is a State 'off' indicator.

"(2) For purposes of this subsection, determinations of the rate of total unemployment in any State for any period (and of any seasonal adjustment) shall be made by the Secretary."

(b) Additional Weeks of Benefits Available During Periods of High Unemployment.—Subsection (b) of section 202 of such Act is amended by adding at the end thereof the following new paragraph:

"(3)(A) Effective with respect to weeks beginning in a high unemployment period, paragraph (1) shall be applied by substituting—

"(i) '80 per centum' for '50 per centum' in subparagraph (A),

"(ii) 'twenty' for 'thirteen' in subparagraph (B), and

"(iii) 'forty-six' for 'thirty-nine' in subparagraph (C).

"(B) For purposes of subparagraph (A), the term 'high unemployment period' means any period during which an extended benefit period would be in effect if section 203(f)(1)(A)(i) were applied by substituting '8 percent' for '6.5 percent'."

(c) Conforming Amendment.—Paragraph (2) of section 204(c) of such Act is amended by inserting ", forty-six in any case where section 202(b)(3)(A) applies" after "thirty-nine".

SEC. 202. MODIFICATION OF ELIGIBILITY REQUIREMENTS FOR UNEMPLOYMENT BENEFITS.

(a) Earnings Test.—

(1) In general.—Paragraph (5) of section 202(a) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by striking "which one of the foregoing methods" and inserting "which one or more of the foregoing methods".

(2) Effective date.—

(A) In general.—Notwithstanding any other provision of law, the amendment made by paragraph (1) shall apply for purposes of extended unemployment compensation and emergency unemployment compensation to weeks of unemployment beginning on or after the date of the enactment of this Act.

(B) Waiver of recovery of certain overpayments.—On and after the date of the enactment of this Act, no repayment of any emergency unemployment compensation shall be required under section 105 of the Emergency Unemployment Compensation Act of 1991 (Public Law 102–164, as amended) if the individual would have been entitled to receive such compensation had the amendment made by paragraph (1) applied to all weeks beginning before the date of the enactment of this Act.

(b) Suspension of Certain Eligibility Requirements.—

(1) In general.—Section 202(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(7) Paragraphs (3) and (4) shall not apply to weeks of unemployment beginning after March 6, 1993, and before January 1, 1995, and no provision of State law in conformity with such paragraphs shall apply during such period."

(2) Study.—The Federal Advisory Council established under section 908 of the Social Security Act shall conduct a study of the provisions suspended by the amendment made by paragraph (1). Not later than February 1, 1994, such Council shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, a report of its recommendations on such suspended provisions (including whether such provisions should be repealed or revised).

TITLE III—MODIFICATIONS TO FEDERAL UNEMPLOYMENT TAX

SEC. 301. INFORMATION REQUIRED WITH RESPECT TO TAXATION OF UNEMPLOYMENT BENEFITS.

(a) Information on Unemployment Benefits.—

(1) General rule.—The State agency in each State shall provide to an individual filing a claim for compensation under the State unemployment compensation law a written explanation of the Federal and State income taxation of unemployment benefits and of the requirements to make payments of estimated Federal and State income taxes.

(2) State agency.—For purposes of this subsection, the term "State agency" has the meaning given such term by section 3306(e) of the Internal Revenue Code of 1986.

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1992.

SEC. 302. MAILING OF CERTAIN INFORMATION PERMITTED.

(a) General Rule.—Section 302 of the Social Security Act (42 U.S.C. 502) is amended by adding at the end thereof the following new subsection:

"(c) No portion of the cost of mailing a statement under section 6050B(b) of the Internal Revenue Code of 1986 (relating to unemployment compensation) shall be treated as not being a cost for the proper and efficient administration of the State unemployment compensation law by reason of including with such statement information about the earned income credit provided by section 32 of the Internal Revenue Code of 1986. The preceding sentence shall not apply if the inclusion of such information increases the postage required to mail such statement."

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 303. EXTENSION OF EXISTING TREATMENT OF CERTAIN AGRICULTURAL WORKERS.

(a) General Rule.—Subparagraph (B) of section 3306(c)(1) of the Internal Revenue Code of 1986 is amended by striking "January 1, 1993" and inserting "January 1, 1995".

(b) Report.—Not later than February 1, 1994, the Advisory Council on Unemployment Compensation shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on its recommendations with respect to the treatment of agricultural labor performed by aliens.

SEC. 304. EXTENSION OF PERIOD FOR REPAYMENT OF FEDERAL LOANS TO STATE UNEMPLOYMENT FUNDS.

(a) General Rule.—If the Secretary of Labor determines that a State meets the requirements of subsection (b), paragraph (2) of section 3302(c) of the Internal Revenue Code of 1986 shall be applied with respect to such State for taxable years after 1991—

(1) by substituting "third" for "second" in subparagraph (A)(i),

(2) by substituting "fourth or fifth" for "third or fourth" in subparagraph (B), and

(3) by substituting "sixth" for "fifth" in subparagraph (C).

(b) Requirements.—A State meets the requirements of this subsection if, during calendar year 1992 or 1993, the State amended its unemployment compensation law to increase estimated contributions required under such law by at least 25 percent.

(c) Special Rule.—This section shall not apply to any taxable year after 1994 unless —

(1) such taxable year is in a series of consecutive taxable years as of the beginning of each of which there was a balance referred to in section 3302(c)(2) of such Code, and

(2) such series includes a taxable year beginning in 1992, 1993, or 1994.

TITLE IV—MODIFICATION TO REGULAR STATE UNEMPLOYMENT COMPENSATION PROGRAMS

SEC. 401. TREATMENT OF SHORT-TIME UNEMPLOYMENT COMPENSATION PROGRAMS.

(a) Authorization of Programs.—

(1) Paragraph (4) of section 3304(a) of the Internal Revenue Code of 1986 is amended by striking "and" at the end of subparagraph (C), by inserting "and" at the end of subparagraph (D) and by adding at the end thereof the following new subparagraph:

"(E) amounts may be withdrawn for the payment of short-time compensation under a plan approved by the Secretary of Labor;"

(2) Subsection (f) of section 3306 of such Code is amended by striking "and" at the end of paragraph (2) by striking the period at the end of paragraph (3) and inserting "; and", and by adding at the end thereof the following new paragraph:

"(4) amounts may be withdrawn for the payment of short-time compensation under a plan approved by the Secretary of Labor."

(3) Section 303(a)(5) of the Social Security Act is amended by inserting before "; and" the following ": Provided further, That amounts may be withdrawn for the payment of short-time compensation under a plan approved by the Secretary of Labor".

(b) ASSISTANCE IN IMPLEMENTING PROGRAMS.—In order to assist States in establishing and implementing short-time compensation programs—

(1) the Secretary of Labor (hereinafter in this section referred to as the "Secretary") shall develop model legislative language which may be used by States in developing and enacting short-time compensation programs and shall propose such revisions of such legislative language as may be appropriate, and

(2) the Secretary shall provide technical assistance and guidance in developing, enacting, and implementing such programs.

The initial model legislative language referred to in paragraph (1) shall be developed not later than January 1, 1993.

(c) REPORTS.—

(1) INITIAL REPORT.—Not later than January 1, 1995, the Secretary shall submit to the Congress a report on the implementation of this section. Such report shall include an evaluation of short-time compensation programs and shall contain such recommendations as the Secretary may deem advisable.

(2) SUBSEQUENT REPORTS.—After the submission of the report under paragraph (1), the Secretary shall submit such additional reports on the implementation of short-time compensation programs as the Secretary deems appropriate.

(d) DEFINITIONS.—For purposes of this section—

(1) SHORT-TIME COMPENSATION PROGRAM.—The term "short-time compensation program" means a program under which—

(A) individuals whose workweeks have been reduced by at least 10 percent are eligible for unemployment compensation;

(B) the amount of unemployment compensation payable to any such individual is a pro rata portion of the unemployment compensation which would be payable to the individual if the individual were totally unemployed;

(C) eligible employees are not required to meet the availability for work or work search test requirements while collecting short-time compensation benefits, but are required to be available for their normal workweek;

(D) eligible employees may participate in an employer-sponsored training program to enhance job skills if such program has been approved by the State agency; and

(E) there is a reduction in the number of hours worked by employees in lieu of imposing temporary layoffs.

(2) STATE.—The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

TITLE V—REVENUE PROVISIONS

SEC. 501. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Extension of Phaseout of Personal Exemptions; Corporate Estimated Tax Provisions

SEC. 511. EXTENSION OF PHASEOUT OF PERSONAL EXEMPTIONS.

Subparagraph (E) of section 151(d)(3) (relating to termination of phaseout) is amended by striking "December 31, 1995" and inserting "December 31, 1996".

SEC. 512. CORPORATE ESTIMATED TAX PROVISIONS.

(a) GENERAL RULE.—Subsection (d) of section 6655 (relating to amount of required installments) is amended—

(1) by striking "90 percent" each place it appears in paragraph (1)(B)(i) and inserting "91 percent",

(2) by striking "90 PERCENT" in the heading of paragraph (2) and inserting "91 PERCENT", and

(3) by striking paragraph (3) and inserting the following new paragraph:

"(3) TEMPORARY INCREASE IN AMOUNT OF INSTALLMENT BASED ON CURRENT YEAR TAX.—In the case of any taxable year beginning after June 30, 1992, and before 1997—

"(A) paragraph (1)(B)(i) and subsection (e)(3)(A)(i) shall be applied by substituting '97 percent' for '91 percent' each place it appears, and

"(B) the table contained in subsection (e)(2)(B)(ii) shall be applied by substituting '24.25', '48.50', '72.75', and '97' for '22.75', '45.50', '68.25', and '91.00', respectively."

(b) CONFORMING AMENDMENTS.—

(1) Clause (ii) of section 6655(e)(2)(B) is amended by striking the table contained therein and inserting the following new table:

"In the case of the following required installments:	The applicable percentage is:
1st	22.75
2nd	45.50
3rd	68.25
4th	91.00."

(2) Clause (i) of section 6655(e)(3)(A) is amended by striking "90 percent" and inserting "91 percent".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after June 30, 1992.

Subtitle B—Pension Distributions

SEC. 521. TAXABILITY OF BENEFICIARY OF QUALIFIED PLAN.

(a) IN GENERAL.—So much of section 402 (relating to taxability of beneficiary of employees' trust) as precedes subsection (g) thereof is amended to read as follows:

"SEC. 402. TAXABILITY OF BENEFICIARY OF EMPLOYEES' TRUST.

"(a) TAXABILITY OF BENEFICIARY OF EXEMPT TRUST.—Except as otherwise provided in this section, any amount actually distributed to any distributee by any employees' trust described in section 401(a) which is exempt from tax under section 501(a) shall be taxable to the distributee, in the taxable year of the distributee in which distributed, under section 72 (relating to annuities).

"(b) TAXABILITY OF BENEFICIARY OF NONEXEMPT TRUST.—

"(1) CONTRIBUTIONS.—Contributions to an employees' trust made by an employer during a taxable year of the employer which ends with or within a taxable year of the trust for which the trust is not exempt from tax under section 501(a) shall be included in the gross income of the employee in accordance with section 83 (relating to property transferred in connection with performance of services), except that the value of the employee's interest in the trust shall be substituted for the fair market value of the property for purposes of applying such section.

"(2) DISTRIBUTIONS.—The amount actually distributed or made available to any distributee by any trust described in paragraph (1) shall be taxable to the distributee, in the taxable year in which so distributed or made available, under section 72 (relating to annuities), except that distributions of income of such trust before the annuity starting date (as defined in section 72(c)(4)) shall be included in the gross income of the employee without regard to section 72(e)(5) (relating to amounts not received as annuities).

"(3) GRANTOR TRUSTS.—A beneficiary of any trust described in paragraph (1) shall not be considered the owner of any portion of such trust under subpart E of part I of subchapter J (relating to grantors and others treated as substantial owners).

"(4) FAILURE TO MEET REQUIREMENTS OF SECTION 410(b).—

"(A) HIGHLY COMPENSATED EMPLOYEES.—If 1 of the reasons a trust is not exempt from tax under section 501(a) is the failure of the plan of which it is a part to meet the requirements of section 401(a)(26) or 410(b), then a highly compensated employee shall, in lieu of the amount determined under paragraph (1) or (2) include in gross income for the taxable year with or within which the taxable year of the trust ends an amount equal to the vested accrued benefit of such employee (other than the employee's investment in the contract) as of the close of such taxable year of the trust.

"(B) FAILURE TO MEET COVERAGE TESTS.—If a trust is not exempt from tax under section 501(a) for any taxable year solely because such trust is part of a plan which fails to meet the requirements of section 401(a)(26) or 410(b), paragraphs (1) and (2) shall not apply by reason of such failure to any employee who was not a highly compensated employee during—

"(i) such taxable year, or

"(ii) any preceding period for which service was creditable to such employee under the plan.

"(C) HIGHLY COMPENSATED EMPLOYEE.—For purposes of this paragraph, the term 'highly compensated employee' has the meaning given such term by section 414(q).

"(c) RULES APPLICABLE TO ROLLOVERS FROM EXEMPT TRUSTS.—

"(1) EXCLUSION FROM INCOME.—If—

"(A) any portion of the balance to the credit of an employee in a qualified trust is paid to the employee in an eligible rollover distribution,

"(B) the distributee transfers any portion of the property received in such distribution to an eligible retirement plan, and

"(C) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

"(2) MAXIMUM AMOUNT WHICH MAY BE ROLLED OVER.—In the case of any eligible rollover distribution, the maximum amount transferred to which paragraph (1) applies shall not exceed the portion of such distribution which is includible in gross income (determined without regard to paragraph (1)).

"(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—Paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

"(4) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term 'eligible rollover distribution' means any distribution to an employee of all or any portion of the balance to the credit of the employee in a qualified trust; except that such term shall not include—

"(A) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made—

"(i) for the life (or life expectancy) of the employee or the joint lives (or joint life expectancies) of the employee and the employee's designated beneficiary, or

"(ii) for a specified period of 10 years or more, and

"(B) any distribution to the extent such distribution is required under section 401(a)(9).

"(5) TRANSFER TREATED AS ROLLOVER CONTRIBUTION UNDER SECTION 408.—For purposes of this title, a transfer to an eligible retirement plan described in clause (i) or (ii) of paragraph

(8)(B) resulting in any portion of a distribution being excluded from gross income under paragraph (1) shall be treated as a rollover contribution described in section 408(d)(3).

"(6) SALES OF DISTRIBUTED PROPERTY.—For purposes of this subsection—

"(A) TRANSFER OF PROCEEDS FROM SALE OF DISTRIBUTED PROPERTY TREATED AS TRANSFER OF DISTRIBUTED PROPERTY.—The transfer of an amount equal to any portion of the proceeds from the sale of property received in the distribution shall be treated as the transfer of property received in the distribution.

"(B) PROCEEDS ATTRIBUTABLE TO INCREASE IN VALUE.—The excess of fair market value of property on sale over its fair market value on distribution shall be treated as property received in the distribution.

"(C) DESIGNATION WHERE AMOUNT OF DISTRIBUTION EXCEEDS ROLLOVER CONTRIBUTION.—In any case where part or all of the distribution consists of property other than money—

"(i) the portion of the money or other property which is to be treated as attributable to amounts not included in gross income, and

"(ii) the portion of the money or other property which is to be treated as included in the rollover contribution,

shall be determined on a ratable basis unless the taxpayer designates otherwise. Any designation under this subparagraph for a taxable year shall be made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof). Any such designation, once made, shall be irrevocable.

"(D) NONRECOGNITION OF GAIN OR LOSS.—No gain or loss shall be recognized on any sale described in subparagraph (A) to the extent that an amount equal to the proceeds is transferred pursuant to paragraph (1).

"(7) SPECIAL RULE FOR FROZEN DEPOSITS.—

"(A) IN GENERAL.—The 60-day period described in paragraph (3) shall not—

"(i) include any period during which the amount transferred to the employee is a frozen deposit, or

"(ii) end earlier than 10 days after such amount ceases to be a frozen deposit.

"(B) FROZEN DEPOSITS.—For purposes of this subparagraph, the term 'frozen deposit' means any deposit which may not be withdrawn because of—

"(i) the bankruptcy or insolvency of any financial institution, or

"(ii) any requirement imposed by the State in which such institution is located by reason of the bankruptcy or insolvency (or threat thereof) of 1 or more financial institutions in such State. A deposit shall not be treated as a frozen deposit unless on at least 1 day during the 60-day period described in paragraph (3) (without regard to this paragraph) such deposit is described in the preceding sentence.

"(8) DEFINITIONS.—For purposes of this subsection—

"(A) QUALIFIED TRUST.—The term 'qualified trust' means an employees' trust described in section 401(a) which is exempt from tax under section 501(a).

"(B) ELIGIBLE RETIREMENT PLAN.—The term 'eligible retirement plan' means—

"(i) an individual retirement account described in section 408(a),

"(ii) an individual retirement annuity described in section 408(b) (other than an endowment contract),

"(iii) a qualified trust, and

"(iv) an annuity plan described in section 403(a).

"(9) ROLLOVER WHERE SPOUSE RECEIVES DISTRIBUTION AFTER DEATH OF EMPLOYEE.—If any distribution attributable to an employee is paid to the spouse of the employee after the employee's death, the preceding provisions of this subsection shall apply to such distribution in the same manner as if the spouse were the employee; except that a trust or plan described in clause (iii) or (iv) of paragraph (8)(B) shall not be treated as an eligible retirement plan with respect to such distribution.

"(10) DENIAL OF AVERAGING FOR SUBSEQUENT DISTRIBUTIONS.—If paragraph (1) applies to any distribution paid to any employee, paragraphs (1) and (3) of subsection (d) shall not apply to any distribution (paid after such distribution) of the balance to the credit of the employee under the plan under which the preceding distribution was made (or under any other plan which, under subsection (d)(4)(C), would be aggregated with such plan).

"(d) TAX ON LUMP SUM DISTRIBUTIONS.—

"(1) IMPOSITION OF SEPARATE TAX ON LUMP SUM DISTRIBUTIONS.—

"(A) SEPARATE TAX.—There is hereby imposed a tax (in the amount determined under subparagraph (B)) on a lump sum distribution.

"(B) AMOUNT OF TAX.—The amount of tax imposed by subparagraph (A) for any taxable year is an amount equal to 5 times the tax which would be imposed by subsection (c) of section 1 if the recipient were an individual referred to in such subsection and the taxable income were an amount equal to ⅕ of the excess of—

"(i) the total taxable amount of the lump sum distribution for the taxable year, over

"(ii) the minimum distribution allowance.

"(C) MINIMUM DISTRIBUTION ALLOWANCE.—For purposes of this paragraph, the minimum distribution allowance for any taxable year is an amount equal to—

"(i) the lesser of $10,000 or one-half of the total taxable amount of the lump sum distribution for the taxable year, reduced (but not below zero) by

"(ii) 20 percent of the amount (if any) by which such total taxable amount exceeds $20,000.

"(D) LIABILITY FOR TAX.—The recipient shall be liable for the tax imposed by this paragraph.

"(2) DISTRIBUTIONS OF ANNUITY CONTRACTS.—

"(A) IN GENERAL.—In the case of any recipient of a lump sum distribution for any taxable year, if the distribution (or any part thereof) is an annuity contract, the total taxable amount of the distribution shall be aggregated for purposes of computing the tax imposed by paragraph (1)(A), except that the amount of tax so computed shall be reduced (but not below zero) by that portion of the tax on the aggregate total taxable amount which is attributable to annuity contracts.

"(B) BENEFICIARIES.—For purposes of this paragraph, a beneficiary of a trust to which a lump sum distribution is made shall be treated as the recipient of such distribution if the beneficiary is an employee (including an employee within the meaning of section 401(c)(1)) with respect to the plan under which the distribution is made or if the beneficiary is treated as the owner of such trust for purposes of subpart E of part I of subchapter J.

"(C) ANNUITY CONTRACTS.—For purposes of this paragraph, in the case of the distribution of an annuity contract, the taxable amount of such distribution shall be deemed to be the current actuarial value of the contract, determined on the date of such distribution.

"(D) TRUSTS.—In the case of a lump sum distribution with respect to any individual which is made only to 2 or more trusts, the tax imposed by paragraph (1)(A) shall be computed as if such distribution was made to a single trust, but the liability for such tax shall be apportioned among such trusts according to the relative amounts received by each.

"(E) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this paragraph.

"(3) ALLOWANCE OF DEDUCTION.—The total taxable amount of a lump sum distribution for any taxable year shall be allowed as a deduction from gross income for such taxable year, but only to the extent included in the taxpayer's gross income for such taxable year.

"(4) DEFINITIONS AND SPECIAL RULES.—

"(A) LUMP SUM DISTRIBUTION.—For purposes of this section and section 403, the term 'lump sum distribution' means the distribution or payment within 1 taxable year of the recipient of the balance to the credit of an employee which becomes payable to the recipient—

"(i) on account of the employee's death,

"(ii) after the employee attains age 59½,

"(iii) on account of the employee's separation from the service, or

"(iv) after the employee has become disabled (within the meaning of section 72(m)(7)),

from a trust which forms a part of a plan described in section 401(a) and which is exempt from tax under section 501 or from a plan described in section 403(a). Clause (iii) of this subparagraph shall be applied only with respect to an individual who is an employee without regard to section 401(c)(1), and clause (iv) shall be applied only with respect to an employee within the meaning of section 401(c)(1). A distribution of an annuity contract from a trust or annuity plan referred to in the first sentence of this subparagraph shall be treated as a lump sum distribution. For purposes of this subparagraph, a distribution to 2 or more trusts shall be treated as a distribution to 1 recipient. For purposes of this subsection, the balance to the credit of the employee does not include the accumulated deductible employee contributions under the plan (within the meaning of section 72(o)(5)).

"(B) AVERAGING TO APPLY TO 1 LUMP SUM DISTRIBUTION AFTER AGE 59½.—Paragraph (1) shall apply to a lump sum distribution with respect to an employee under subparagraph (A) only if—

"(i) such amount is received on or after the date on which the employee has attained age 59½, and

"(ii) the taxpayer elects for the taxable year to have all such amounts received during such taxable year so treated.

Not more than 1 election may be made under this subparagraph by any taxpayer with respect to any employee. No election may be made under this subparagraph by any taxpayer other than an individual, an estate, or a trust. In the case of a lump sum distribution made with respect to an employee to 2 or more trusts, the election under this subparagraph shall be made by the personal representative of the taxpayer.

"(C) AGGREGATION OF CERTAIN TRUSTS AND PLANS.—For purposes of determining the balance to the credit of an employee under subparagraph (A)—

"(i) all trusts which are part of a plan shall be treated as a single trust, all pension plans maintained by the employer shall be treated as a single plan, all profit-sharing plans maintained by the employer shall be treated as a single plan, and all stock bonus plans maintained by the employer shall be treated as a single plan, and

"(ii) trusts which are not qualified trusts under section 401(a) and annuity contracts which do not satisfy the requirements of section 404(a)(2) shall not be taken into account.

"(D) TOTAL TAXABLE AMOUNT.—For purposes of this section and section 403, the term 'total taxable amount' means, with respect to a lump sum distribution, the amount of such distribution which exceeds the sum of—

"(i) the amounts considered contributed by the employee (determined by applying section 72(f)), reduced by any amounts previously distributed which were not includible in gross income, and

"(ii) the net unrealized appreciation attributable to that part of the distribution which *consists of the securities of the employer corporation so distributed.*

"(E) COMMUNITY PROPERTY LAWS.—The provisions of this subsection, other than paragraph (3), shall be applied without regard to community property laws.

"(F) MINIMUM PERIOD OF SERVICE.—For purposes of this subsection, no amount distributed to an employee from or under a plan may be treated as a lump sum distribution under subparagraph (A) unless the employee has been a participant in the plan for 5 or more taxable years before the taxable year in which such amounts are distributed.

"(G) AMOUNTS SUBJECT TO PENALTY.—This subsection shall not apply to amounts described in subparagraph (A) of section 72(m)(5) to the extent that section 72(m)(5) applies to such amounts.

"(H) BALANCE TO CREDIT OF EMPLOYEE NOT TO INCLUDE AMOUNTS PAYABLE UNDER QUALIFIED DOMESTIC RELATIONS ORDER.—For purposes of this subsection, the balance to the credit of an employee shall not include any amount payable to an alternate payee under a qualified domestic relations order (within the meaning of section 414(p)).

"(I) TRANSFERS TO COST-OF-LIVING ARRANGEMENT NOT TREATED AS DISTRIBUTION.—For purposes of this subsection, the balance to the credit of an employee under a defined contribution plan shall not include any amount transferred from such defined contribution plan to a qualified cost-of-living arrangement (within the meaning of section 415(k)(2)) under a defined benefit plan.

"(J) LUMP SUM DISTRIBUTIONS OF ALTERNATE PAYEES.—If any distribution or payment of the balance to the credit of an employee would be treated as a lump sum distribution, then, for purposes of this subsection, the payment under a qualified domestic relations order (within the meaning of section 414(p)) of the balance to the credit of an alternate payee who is the spouse or former spouse of the employee shall be treated as a lump sum distribution. For purposes of this subparagraph, the balance to the credit of the alternate payee shall not include any amount payable to the employee.

"(K) TREATMENT OF PORTION NOT ROLLED OVER.—If any portion of a lump sum distribution is transferred in a transfer to which subsection (c) applies, paragraphs (1) and (3) shall not apply with respect to the distribution.

"(L) SECURITIES.—For purposes of this subsection, the terms 'securities' and 'securities of the employer corporation' have the respective meanings provided by subsection (e)(4)(E).

"(5) SPECIAL RULE WHERE PORTIONS OF LUMP SUM DISTRIBUTION ATTRIBUTABLE TO ROLLOVER OF BOND PURCHASED UNDER QUALIFIED BOND PURCHASE PLAN.—If any portion of a lump sum distribution is attributable to a transfer described in section 405(d)(3)(A)(ii) (as in effect before its repeal by the Tax Reform Act of 1984), paragraphs (1) and (3) of this subsection shall not apply to such portion.

"(6) TREATMENT OF POTENTIAL FUTURE VESTING.—

"(A) IN GENERAL.—For purposes of determining whether any distribution which becomes payable to the recipient on account of the employee's separation from service is a lump sum distribution, the balance to the credit of the employee shall be determined without regard to any increase in vesting which may occur if the employee is reemployed by the employer.

"(B) RECAPTURE IN CERTAIN CASES.—If—

"(i) an amount is treated as a lump sum distribution by reason of subparagraph (A),

"(ii) special lump sum treatment applies to such distribution,

"(iii) the employee is subsequently reemployed by the employer, and

"(iv) as a result of services performed after being so reemployed, there is an increase in the employee's vesting for benefits accrued before the separation referred to in subparagraph (A), under regulations prescribed by the Secretary, the tax imposed by this chapter for the taxable year (in which the increase in vesting first occurs) shall be increased by the reduction in tax which resulted from the special lump sum treatment (and any election under paragraph (4)(B) shall not be taken into account for purposes of determining whether the employee may make another election under paragraph (4)(B)).

"(C) SPECIAL LUMP SUM TREATMENT.—For purposes of this paragraph, special lump sum treatment applies to any distribution if any portion of such distribution is taxed under the subsection by reason of an election under paragraph (4)(B).

"(D) VESTING.—For purposes of this paragraph, the term 'vesting' means the portion of the accrued benefits derived from employer contributions to which the participant has a nonforfeitable right.

"(7) COORDINATION WITH FOREIGN TAX CREDIT LIMITATIONS.—Subsections (a), (b), and (c) of section 904 shall be applied separately with respect to any lump sum distribution on which tax is imposed under paragraph (1), and the amount of such distribution shall be treated as the taxable income for purposes of such separate application.

"(e) OTHER RULES APPLICABLE TO EXEMPT TRUSTS.—

"(1) ALTERNATE PAYEES.—

"(A) ALTERNATE PAYEE TREATED AS DISTRIBUTEE.—For purposes of subsection (a) and section 72, an alternate payee who is the spouse or former spouse of the participant shall be treated as the distributee of any distribution or payment made to the alternate payee under a qualified domestic relations order (as defined in section 414(p)).

"(B) ROLLOVERS.—If any amount is paid or distributed to an alternate payee who is the spouse or former spouse of the participant by reason of any qualified domestic relations order (within the meaning of section 414(p)), subsection (c) shall apply to such distribution in the same manner as if such alternate payee were the employee.

"(2) DISTRIBUTIONS BY UNITED STATES TO NONRESIDENT ALIENS.—The amount includible under subsection (a) in the gross income of a nonresident alien with respect to a distribution made by the United States in respect of services performed by an employee of the United States shall not exceed an amount which bears the same ratio to the amount includible in gross income without regard to this paragraph as—

"(A) the aggregate basic pay paid by the United States to such employee for such services, reduced by the amount of such basic pay which was not includible in gross income by reason of being from sources without the United States, bears to

"(B) the aggregate basic pay paid by the United States to such employee for such services.

In the case of distributions under the civil service retirement laws, the term 'basic pay' shall have the meaning provided in section 8331(3) of title 5, United States Code.

"(3) CASH OR DEFERRED ARRANGEMENTS.—For purposes of this title, contributions made by an employer on behalf of an employee to a trust which is a part of a qualified cash or deferred arrangement (as defined in section 401(k)(2)) shall not be treated as distributed or made available to the employee nor as contributions made to the trust by the employee merely because the arrangement includes provisions under which the employee has an election whether the contribution will be made to the trust or received by the employee in cash.

"(4) NET UNREALIZED APPRECIATION.—

"(A) AMOUNTS ATTRIBUTABLE TO EMPLOYEE CONTRIBUTIONS.—For purposes of subsection (a) and section 72, in the case of a distribution other than a lump sum distribution, the amount actually distributed to any distributee from a trust described in subsection (a) shall not include any net unrealized appreciation in securities of the employer corporation attributable to amounts contributed by the employee (other than deductible employee contributions within the meaning of section 72(o)(5)). This subparagraph shall not apply to a distribution to which subsection (c) applies.

"(B) AMOUNTS ATTRIBUTABLE TO EMPLOYER CONTRIBUTIONS.—For purposes of subsection (a) and section 72, in the case of any lump sum distribution which includes securities of the employer corporation, there shall be excluded from gross income the net unrealized appreciation attributable to that part of the distribution which consists of securities of the employer corporation. In accordance with rules prescribed by the Secretary, a taxpayer may elect, on the return of tax on which a lump sum distribution is required to be included, not to have this subparagraph apply to such distribution.

"(C) DETERMINATION OF AMOUNTS AND ADJUSTMENTS.—For purposes of subparagraphs (A) and (B), net unrealized appreciation and the resulting adjustments to basis shall be determined in accordance with regulations prescribed by the Secretary.

"(D) LUMP SUM DISTRIBUTION.—For purposes of this paragraph, the term 'lump sum distribution' has the meaning given such term by subsection (d)(4)(A) (without regard to subsection (d)(4)(F)).

"(E) DEFINITIONS RELATING TO SECURITIES.—For purposes of this paragraph—

"(i) SECURITIES.—The term 'securities' means only shares of stock and bonds or debentures issued by a corporation with interest coupons or in registered form.

"(ii) SECURITIES OF THE EMPLOYER.—The term 'securities of the employer corporation' includes securities of a parent or subsidiary corporation (as defined in subsections (e) and (f) of section 424) of the employer corporation.

"(5) TAXABILITY OF BENEFICIARY OF CERTAIN FOREIGN SITUS TRUSTS.—For purposes of subsections (a), (b), and (c), a stock bonus, pension, or profit-sharing trust which would qualify for exemption from tax under section 501(a) except for the fact that it is a trust created or organized outside the United States shall be treated as if it were a trust exempt from tax under section 501(a).

"(f) WRITTEN EXPLANATION TO RECIPIENTS OF DISTRIBUTIONS ELIGIBLE FOR ROLLOVER TREATMENT.—

"(1) IN GENERAL.—The plan administrator of any plan shall, within a reasonable period of time before making an eligible rollover distribution from an eligible retirement plan, provide a written explanation to the recipient—

"(A) of the provisions under which the recipient may have the distribution directly transferred to another eligible retirement plan,

"(B) of the provision which requires the withholding of tax on the distribution if it is not directly transferred to another eligible retirement plan,

"(C) of the provisions under which the distribution will not be subject to tax if transferred to an eligible retirement plan within 60 days after the date on which the recipient received the distribution, and

"(D) if applicable, of the provisions of subsections (d) and (e) of this section.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) ELIGIBLE ROLLOVER DISTRIBUTION.—The term 'eligible rollover distribution' has the same

meaning as when used in subsection (c) of this section or paragraph (4) of section 403(a).

"(B) ELIGIBLE RETIREMENT PLAN.—The term 'eligible retirement plan' has the meaning given such term by subsection (c)(8)(B)."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 55(c) is amended by striking "section 402(e)" and inserting "section 402(d)".

(2) Paragraph (8) of section 62(a) (relating to certain portion of lump-sum distributions from pension plans taxed under section 402(e)) is amended by striking "402(e)" in the text and heading and inserting "402(d)".

(3) Paragraph (4) of section 72(o) (relating to special rule for treatment of rollover amount) is amended by striking "sections 402(a)(5), 402(a)(7)" and inserting "section 402(c)".

(4) Paragraph (2) of section 219(d) (relating to recontributed amount) is amended by striking "section 402(a)(5), 402(a)(7)" and inserting "section 402(c)".

(5) Paragraph (20) of section 401(a) is amended—

(A) by striking "a qualified total distribution described in section 402(a)(5)(E)(i)(I)" and inserting "1 or more distributions within 1 taxable year to a distributee on account of a termination of the plan of which the trust is a part, or in the case of a profit-sharing or stock bonus plan, a complete discontinuance of contributions under such plan", and

(B) by adding at the end the following new sentence: "For purposes of this paragraph, rules similar to the rules of section 402(a)(6)(B) (as in effect before its repeal by section 211 of the Unemployment Compensation Amendments of 1992) shall apply."

(6) Clause (v) of section 401(a)(28)(B) (relating to coordination with distribution rules) is amended to read as follows:

"(v) COORDINATION WITH DISTRIBUTION RULES.—Any distribution required by this subparagraph shall not be taken into account in determining whether a subsequent distribution is a lump sum distribution under section 402(d)(4)(A) or in determining whether section 402(c)(10) applies."

(7) Subclause (IV) of section 401(k)(2)(B)(i) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(8) Subparagraph (B)(ii) of section 401(k)(10) (relating to distributions that must be lump-sum distributions) is amended—

(A) by striking "section 402(e)(4)" and inserting "section 402(d)(4)", and

(B) by striking "subparagraph (H)" and inserting "subparagraph (F)".

(9) Section 402(g)(1) is amended by striking "subsections (a)(8)" and inserting "subsections (e)(3)".

(10) Section 402(i) is amended by striking "subsection (e)(4)" and inserting "subsection (d)(4)".

(11) Subsection (j) of section 402 is amended by striking "(a)(1) or (e)(4)(J)" and inserting "(e)(4)".

(12)(A) Clause (i) of section 403(a)(4)(A) is amended by inserting "in an eligible rollover distribution (within the meaning of section 402(c)(4))" before the comma at the end thereof.

(B) Subparagraph (B) of section 403(a)(4) is amended to read as follows:

"(B) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (2) through (7) of section 402(c) shall apply for purposes of subparagraph (A)."

(13)(A) Clause (i) of section 403(b)(8)(A) is amended by inserting "in an eligible rollover distribution (within the meaning of section 402(c)(4))" before the comma at the end thereof.

(B) Paragraph (8) of section 403(b) is amended by striking subparagraphs (B), (C), and (D) and inserting the following:

"(B) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (2) through (7) of section 402(c) shall apply for purposes of subparagraph (A)."

(14) Section 406(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is amended by striking "section 402(e)" and inserting "section 402(d)".

(15) Section 407(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is amended by striking "section 402(e)" and inserting "section 402(d)".

(16) Paragraph (1) of section 408(a) is amended by striking "section 402(a)(5), 402(a)(7)" and inserting "section 402(c)".

(17) Clause (ii) of section 408(d)(3)(A) is amended to read as follows:

"(ii) no amount in the account and no part of the value of the annuity is attributable to any source other than a rollover contribution (as defined in section 402) from an employee's trust described in section 401(a) which is exempt from tax under section 501(a) or from an annuity plan described in section 403(a) (and any earnings on such contribution), and the entire amount received (including property and other money) is paid (for the benefit of such individual) into another such trust or annuity plan not later than the 60th day on which the individual receives the payment or the distribution; or".

(18) Subparagraph (B) of section 408(d)(3) (relating to limitations) is amended by striking the second sentence thereof.

(19) Subparagraph (F) of section 408(d)(3) (relating to frozen deposits) is amended by striking "section 402(a)(6)(H)" and inserting "section 402(c)(7)".

(20) Subclause (I) of section 414(n)(5)(C)(iii) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(21) Clause (i) of section 414(q)(7)(B) is amended by striking "402(a)(8)" and inserting "402(e)(3)".

(22) Paragraph (2) of section 414(s) (relating to employer may elect to treat certain deferrals as compensation) is amended by striking "402(a)(8)" and inserting "402(e)(3)".

(23) Subparagraph (A) of section 415(b)(2) (relating to annual benefit in general) is amended by striking "sections 402(a)(5)" and inserting "sections 402(c)".

(24) Subparagraph (B) of section 415(b)(2) (relating to adjustment for certain other forms of benefit) is amended by striking "sections 402(a)(5)" and inserting "sections 402(c)".

(25) Paragraph (2) of section 415(c) (relating to annual addition) is amended by striking "sections 402(a)(5)" and inserting "sections 402(c)".

(26) Subparagraph (B) of section 457(c)(2) is amended by striking "section 402(a)(8)" in clause (i) thereof and inserting "section 402(e)(3)".

(27) Section 691(c) (relating to coordination with section 402(e)) is amended by striking "402(e)" in the text and heading and inserting "402(d)".

(28) Subparagraph (B) of section 871(a)(1) (relating to income other than capital gains) is amended by striking "402(a)(2), 403(a)(2), or".

(29) Paragraph (1) of section 871(b) (relating to imposition of tax) is amended by striking "402(e)(1)" and inserting "402(d)(1)".

(30) Paragraph (1) of section 871(k) is amended by striking "section 402(a)(4)" and inserting "section 402(e)(2)".

(31) Subsection (b) of section 877 (relating to alternative tax) is amended by striking "402(e)(1)" and inserting "402(d)(1)".

(32) Subsection (b) of section 1441 (relating to income items) is amended by striking "402(a)(2), 403(a)(2), or".

(33) Paragraph (5) of section 1441(c) (relating to special items) is amended by striking "402(a)(2), 403(a)(2), or".

(34) Subparagraph (A) of section 3121(v)(1) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(35) Subparagraph (A) of section 3306(r)(1) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(36) Subsection (a) of section 3405 is amended by striking "PENSIONS, ANNUITIES, ETC.—" from the heading thereof and inserting "PERIODIC PAYMENTS.—".

(37) Subsection (b) of section 3405 (relating to nonperiodic distribution) is amended—

(A) by striking "the amount determined under paragraph (2)" from paragraph (1) thereof and inserting "an amount equal to 10 percent of such distribution"; and

(B) by striking paragraph (2) (relating to amount of withholding) and redesignating paragraph (3) as paragraph (2).

(38) Paragraph (4) of section 3405(d) (relating to qualified total distributions) is hereby repealed.

(39) Paragraph (8) of section 3405(d) (relating to maximum amounts withheld) is amended to read as follows:

"(8) MAXIMUM AMOUNT WITHHELD.—The maximum amount to be withheld under this section on any designated distribution shall not exceed the sum of the amount of money and the fair market value of other property (other than securities of the employer corporation) received in the distribution. No amount shall be required to be withheld under this section in the case of any designated distribution which consists only of securities of the employer corporation and cash (not in excess of $200) in lieu of financial shares. For purposes of this paragraph, the term 'securities of the employer corporation' has the meaning given such term by section 402(e)(4)(E)."

(40) Subparagraph (A) of section 3405(d)(13) is amended by striking "(b)(3)" and inserting "(b)(2)".

(41) Subparagraph (A) of section 4973(b)(1) is amended by striking "sections 402(a)(5), 402(a)(7)" and inserting "sections 402(c)".

(42) Paragraph (4) of section 4980A(c) (relating to special rule where taxpayer elects income averaging) is amended by striking "section 402(e)(4)(B)" and inserting "section 402(d)(4)(B)".

(43) Subparagraph (C) of section 7701(j)(1) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(44) Section 411(d)(3) is amended by adding at the end the following new sentence: "For purposes of this paragraph, in the case of the complete discontinuance of contributions under a profit-sharing or stock bonus plan, such plan shall be treated as having terminated on the day on which the plan administrator notifies the Secretary (in accordance with regulations) of the discontinuance."

(d) MODEL EXPLANATION.—The Secretary of the Treasury or his delegate shall develop a model explanation which a plan administrator may provide to a recipient in order to meet the requirements of section 402(f) of the Internal Revenue Code of 1986.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to distributions after December 31, 1992.

(2) SPECIAL RULE FOR PARTIAL DISTRIBUTIONS.—For purposes of section 402(a)(5)(D)(i)(II) of the Internal Revenue Code of 1986 (as in effect before the amendments made by this section), a distribution before January 1, 1993, which is made before or at the same time as a series of periodic payments shall not be treated as one of such series if it is not substantially equal in amount to other payments in such series.

SEC. 522. REQUIREMENT THAT QUALIFIED PLANS INCLUDE OPTIONAL TRUSTEE-TO-TRUSTEE TRANSFERS OF ELIGIBLE ROLLOVER DISTRIBUTIONS.

(a) Optional Transfers.—

(1) Qualified plans.—Subsection (a) of section 401 (relating to requirements for qualification) is amended by inserting after paragraph (30) the following new paragraph:

"(31) Optional direct transfer of eligible rollover distributions.—

"(A) In general.—A trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that if the distributee of any eligible rollover distribution—

"(i) elects to have such distribution paid directly to an eligible retirement plan, and

"(ii) specifies the eligible retirement plan to which such distribution is to be paid (in such form and at such time as the plan administrator may prescribe),

such distribution shall be made in the form of a direct trustee-to-trustee transfer to the eligible retirement plan so specified.

"(B) Limitation.—Subparagraph (A) shall apply only to the extent that the eligible rollover distribution would be includible in gross income if not transferred as provided in subparagraph (A) (determined without regard to sections 402(c) and 403(a)(4)).

"(C) Eligible rollover distribution.—For purposes of this paragraph, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).

"(D) Eligible retirement plan.—For purposes of this paragraph, the term 'eligible retirement plan' has the meaning given such term by section 402(c)(8)(B), except that a qualified trust shall be considered an eligible retirement plan only if it is a defined contribution plan, the terms of which permit the acceptance of rollover distributions."

(2) Employee's annuities.—Paragraph (2) of section 404(a) (relating to employee's annuities) is amended by striking "and (27)" and inserting "(27), and (31)".

(3) Annuities purchased by charities and public schools.—Paragraph (10) of section 403(b) (relating to distribution requirements) is amended by striking "section 401(a)(9)" and inserting "sections 401(a)(9) and 401(a)(31)".

(b) Withholding on Eligible Rollover Distributions Which Are Not Rolled Over.—

(1) In general.—Section 3405 (relating to special rules for pensions, annuities, and certain other deferred income) is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f) and by inserting after subsection (b) the following new subsection:

"(c) Eligible Rollover Distributions.—

"(1) In general.—In the case of any designated distribution which is an eligible rollover distribution—

"(A) subsections (a) and (b) shall not apply, and

"(B) the payor of such distribution shall withhold from such distribution an amount equal to 20 percent of such distribution.

"(2) Exception.—Paragraph (1)(B) shall not apply to any distribution if the distributee elects under section 401(a)(31)(A) to have such distribution paid directly to an eligible retirement plan.

"(3) Eligible rollover distribution.—For purposes of this subsection, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A) (or in the case of an annuity contract under section 403(b), a distribution from such contract described in section 402(f)(2)(A))."

(2) Conforming amendments.—

(A) Section 3405(a)(1) is amended by striking "subsection (d)(2)" and inserting "subsection (e)(2)".

(B) Section 3405(b)(1) is amended by striking "subsection (d)(3)" and inserting "subsection (e)(3)".

(C) Section 3405(d)(1) (as redesignated by paragraph (1)) is amended by striking "subsection (d)(1)" and inserting "subsection (e)(1)".

(D) Sections 3402(o)(6) and 6047(d)(1) are each amended by striking "section 3405(d)(1)" and inserting "section 3405(e)(1)".

(E) Section 6047(d)(1)(A) is amended by striking "section 3405(d)(1)" and inserting "section 3405(d)(3)".

(F) Section 6652(h) is amended by striking "section 3405(d)(10)(B)" and inserting "section 3405(e)(10)(B)".

(c) Exclusion From Income.—

(1) Qualified trusts.—Subsection (e) of section 402 (relating to taxability of beneficiary of employees' trust), as amended by section 521, is amended by adding at the end the following new paragraph:

"(6) Direct trustee-to-trustee transfers.—Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of such transfer."

(2) Employee annuities.—Subsection (a) of section 403 is amended by adding at the end the following new paragraph:

"(5) Direct trustee-to-trustee transfer.—Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of such transfer."

(3) Annuity contracts purchased by charities and public schools.—Section 403(b)(10) is amended by adding at the end the following new sentence: "Any amount transferred in an direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of the transfer."

(d) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to distributions after December 31, 1992.

(2) Transition rule for certain annuity contracts.—If, as of July 1, 1992, a State law prohibits a direct trustee-to-trustee transfer from an annuity contract described in section 403(b) of the Internal Revenue Code of 1986 which was purchased for an employee by an employer which is a State or a political subdivision thereof (or an agency or instrumentality of any 1 or more of either), the amendments made by this section shall not apply to distributions before the earlier of—

(A) 90 days after the first day after July 1, 1992, on which such transfer is allowed under State law, or

(B) January 1, 1994.

SEC. 523. DATE FOR ADOPTION OF PLAN AMENDMENTS.

If any amendment made by this subtitle requires an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after January 1, 1994, if—

(1) during the period after such amendment takes effect and before such first plan year, the plan is operated in accordance with the requirements of such amendment, and

(2) such plan amendment applies retroactively to such period.

Subtitle C—Other Provisions

SEC. 531. MODIFICATIONS TO FEDERAL UNEMPLOYMENT ACCOUNTS.

(a) Modifications to Extended Unemployment Compensation Account.—

(1) Transfers to account.—Paragraph (1) of section 905(b) of the Social Security Act is amended to read as follows—

"(b)(1) Except as provided in paragraph (3), the Secretary of the Treasury shall transfer (as of the close of each month), from the employment security administration account to the extended unemployment compensation account established by subsection (a), an amount determined by him to be equal to the sum of—

"(A) 100 percent of the transfers to the employment security administration account pursuant to section 901(b)(2) during such month on account of liabilities referred to in section 901(b)(1)(B), plus

"(B) 20 percent of the excess of the transfers to such account pursuant to section 901(b)(2) during such month on account of amounts referred to in section 901(b)(1)(A) over the payments during such month from the employment security administration account pursuant to section 901 (b)(3) and (d).

If for any such month the payments referred to in subparagraph (B) exceed the transfers referred to in subparagraph (B), proper adjustments shall be made in the amounts subsequently transferred."

(2) Increase in ceiling.—Subparagraph (B) of section 905(b)(2) of such Act is amended by striking "three-eighths of 1 percent" and inserting "0.5 percent".

(b) Reduction of Ceiling on Federal Unemployment Account.—Paragraph (2) of section 902(a) of such Act is amended by striking "five-eighths of 1 percent" and inserting "0.25 percent".

(c) Borrowing Between Federal Accounts.—Title IX of such Act is amended by adding at the end the following new section:

"BORROWING BETWEEN FEDERAL ACCOUNTS

"Sec. 910. (a) In General.—Whenever the Secretary of the Treasury (after consultation with the Secretary of Labor) determines that—

"(1) the amount in the employment security administration account, Federal unemployment account, or extended unemployment compensation account, is insufficient to meet the anticipated payments from the account,

"(2) such insufficiency may cause such account to borrow from the general fund of the Treasury, and

"(3) the amount in any other such account exceeds the amount necessary to meet the anticipated payments from such other account,

the Secretary shall transfer to the account referred to in paragraph (1) from the account referred to paragraph (3) an amount equal to the insufficiency determined under paragraph (1) (or, if less, the excess determined under paragraph (3)).

"(b) Treatment of Advance.—Any amount transferred under subsection (a)—

"(1) shall be treated as a noninterest-bearing repayable advance, and

"(2) shall not be considered in computing the amount in any account for purposes of the application of sections 901(f)(2), 902(b), and 905(b).

"(c) Repayment.—Whenever the Secretary of the Treasury (after consultation with the Secretary of Labor) determines that the amount in the account to which an advance is made under subsection (a) exceeds the amount necessary to meet the anticipated payments from the account, the Secretary shall transfer from the account to the account from which the advance was made an amount equal to the lesser of the amount so advanced or such excess."

(d) Repeal of Expired Provisions.—

(1) Paragraph (2) of section 901(f) of such Act is amended—

(A) by striking "(A) Except as provided in subparagraph (B), the" and inserting "The", and

(B) by striking subparagraph (B).

(2) Section 901 of such Act is amended by striking subsection (g).

(3) Subsection (g) of section 904 is amended by striking all of such subsection that follows the 1st sentence.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) CHANGES IN CEILING AMOUNTS.—The amendments made by subsection (a)(2) and (b) shall apply to fiscal years beginning after September 30, 1993.

SEC. 532. REQUIREMENT OF DEPOSITS BY FEDERAL AGENCIES FOR UNEMPLOYMENT BENEFITS.

(a) GENERAL RULE.—Subsection (c) of section 8509 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(3) If any Federal agency does not deposit in the Federal Employees Compensation Account any amount before the date 30 days after the date on which the Secretary of Labor has notified such agency that it is required to so deposit such amount, the Secretary of Labor shall notify the Secretary of the Treasury of the failure to make such deposit and the Secretary of the Treasury shall transfer such amount to the Federal Employees Compensation Account from amounts otherwise appropriated to such Federal agency."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to failures outstanding on the date of the enactment of this Act or at any time thereafter.

SEC. 533. REPORT ON ALLOCATION OF ADMINISTRATIVE FUNDS.

Subsection (a) of section 304 of the Emergency Unemployment Compensation Act of 1991 (Public Law 102–164, as amended) is amended by striking "within the 12-month period beginning on the date of the enactment of this Act" and inserting "before December 31, 1994".

SEC. 534. EXTENSION OF COMMISSION ON INTERSTATE CHILD SUPPORT.

(a) IN GENERAL.—Section 126 of the Family Support Act of 1988 (42 U.S.C. 666 note; 102 Stat. 2355) is amended—

(1) in subsection (d)(2), by striking "May" and inserting "August"; and

(2) in subsection (f)(1), by striking "July 1" and inserting "September 30".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on June 30, 1992.

And the Senate agree to the same.

From the Committee on Ways and Means, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
HAROLD FORD,
THOMAS J. DOWNEY,
BARBARA B. KENNELLY,
MICHAEL A. ANDREWS,
GUY VANDER JAGT,
E. CLAY SHAW, Jr.,

As additional conferees from the Committee on Energy and Commerce, for consideration of section 105 of the House bill, and section 104 of the Senate amendment, and modification committed to conference:

JOHN D. DINGELL,
AL SWIFT,
DENNIS E. ECKART,
JIM SLATTERY,
GERRY SIKORSKI,
NORMAN F. LENT,
DON RITTER,
MATTHEW J. RINALDO,

As additional conferees, from the Committee on Government Operations, for consideration of title VI of the House bill, and modifications committed to conference:

JOHN CONYERS,
BARBARA BOXER,
TOM LANTOS,
BOB WISE,
MIKE SYNAR,
Managers on the Part of the House.

LLOYD BENTSEN,
DANIEL PATRICK MOYNIHAN,
MAX BAUCUS,
BOB PACKWOOD,
BOB DOLE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5260) to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment compensation program, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

I. EXTENSION OF EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM

1. EXTENSION OF PROGRAM

Present law.—The Federal Emergency Unemployment Compensation (EUC) program was first enacted in November 1991 and amended most recently in February 1992. Under the amendments enacted in February and before June 14, 1992 the EUC program provides 26 or 33 weeks of benefits for most workers who exhaust their regular State benefits depending on unemployment in their States.

States with adjusted insured unemployment rates (AIURs) of at least 5 percent or total unemployment rates (6-month moving average) of at least 9 percent are eligible to pay 33 weeks of benefits. All other States are eligible to pay 26 weeks of benefits. In determining the adjusted insured unemployment rate, the Secretary of Labor is directed to take into account individuals who have exhausted their rights to regular State compensation during the most recent 3 calendar months for which data are available.

House bill.—This provision extends the EUC program and provides 20 or 26 weeks of benefits from June 14, 1992 or the week beginning after the week in which the bill is enacted, whichever is later, until the earlier of: (1) January 1, 1993; or (2) the month after the month in which the National unemployment rate (3-month moving average) falls below 6.5 percent. When either one of these conditions is met, the program begins a three-month phaseout in which the number of weeks available to new claimants falls to 10 or 13 weeks of benefits. At the end of this phaseout period, regular State program exhaustees cannot file new EUC claims.

Senate amendment.—The schedule of benefits enacted in February (33 weeks for workers in high unemployment States and 26 weeks in all other States) will be continued for so long as the seasonally-adjusted national unemployment rate remains at 7 percent or higher. However, if for two consecutive months the national unemployment rate falls below 7 percent, the number of weeks of benefits will be reduced to 15 and 10. The number of weeks of benefits will be further reduced (to 13 and 7 weeks) if, for two consecutive months the national unemployment rate falls below 6.8 percent. The EUC program expires on March 6, 1993. Workers who exhaust regular State benefits after that date will be ineligible for EUC benefits.

Conference agreement.—The conference agreement follows the Senate amendment except the number of weeks of benefits available initially would be 20 and 26 instead of 26 and 33, respectively.

2. PHASEOUT OF PROGRAM

Present law.—After June 13, 1992, States are eligible to pay 20 or 13 weeks of benefits. Exhaustees of regular State program benefits after July 4, 1992 are not eligible for EUC benefits. Claimants already receiving benefits for the week ending June 13, 1992 may continue on the program as long as there is no break in their receipt of benefits. If they do not receive benefits in a given week after the week ending June 13, 1992, they may receive no more EUC benefits.

House bill.—Claimants receiving EUC benefits during the last week of March 1993 would have three months in which to receive their remaining benefits. They would not be required to claim the benefits for each consecutive week. After this three-month period, the program would end and no more benefits would be paid.

Senate amendment.—Individuals who began receiving EUC benefits on or before March 6 would be entitled to the full number of weeks of benefits for which they were found eligible. They would not be required to claim the benefits for each consecutive week. No benefits would be payable after June 19, 1993.

If for any week beginning after March 6, 1993, an extended benefit period is activated in a State, individuals claiming benefits for such week and any following weeks are eligible to receive benefits under the EUC or extended benefits program, whichever is greater.

Conference agreement.—The conference agreement follows the Senate amendment. Claimants who were disqualified from receiving further EUC benefits because they did not claim benefits in a week between June 13, 1992 and July 5, 1992 would be able to resume receiving EUC benefits they were eligible otherwise.

3. SOURCE OF FUNDS FOR EUC PROGRAM

Present law.—Benefits are fully Federally-funded out of the Extended Unemployment Compensation Account, except for benefits for employees of non-profit and governmental entities, which are paid out of general revenue.

House bill.—Continues present law.

Senate amendment.—The new EUC benefits would be paid out of general revenues. The Secretary of Treasury is required to transfer from the general fund to the extended unemployment account such sums as are necessary to pay these new benefits.

Conference agreement.—The conference agreement follows the Senate amendment, modified to also require a transfer of funds to pay for all administrative costs resulting from the enactment of the bill. For budgetary purposes, these administrative costs are classified as direct spending and not discretionary spending.

4. MODIFICATION TO ELIGIBILITY REQUIREMENTS

Present law.—(a) The eligibility requirements of the Extended Benefits (EB) program are used in the EUC program. Under the EB program, to be eligible an unemployed worker in his base year (the first four of the last five completed calendar quarters in 47 of the 53 State programs) must have either: (1) worked 20 weeks; (2) earned 40 times his weekly benefit amount; or (3) earned 1.5 times his wages in the quarter in his base year in which he earned the most wages (the "high quarter"). The State is required to provide by law which one of the three foregoing methods of measuring employment and earnings will be used for determining eligibility of all claimants.

(b) If EUC claimants' regular State benefit years expire, they must file new claims for regular State benefits even though they have EUC entitlements remaining under the EUC program.

(c) States are required to collect overpayments of EUC benefits, except if the claimant was without fault and such collection would be contrary to equity and good conscience.

House bill.—(a) The provision changes the conditions under which claimants qualify for EUC from those under the Federal-State Extended Benefits (EB) program to the conditions under the regular State programs. If still unemployed, claimants who were ineligible for EUC under the EB requirements can re-apply for benefits payable for weeks of unemployment on or after the date of enactment.

(b) Effective upon enactment, the provision allows EUC claimants who have exhausted their State benefits years while receiving EUC to choose between continuing on EUC or filing a new claim for regular State benefits.

Those claimants who were required to apply for regular State benefits already may go back to EUC benefits as if they had not been required to re-apply for regular State benefits by the EUC program.

(c) Repayment of overpayments, mistakenly made by some States in violation of the EB employment/wage requirements or the requirement that claimants must file for regular benefits again when their regular State benefit year expires, is waived.

Senate amendment.—(a) In determining EUC and EB eligibility, States may use one or more of the three eligibility criteria that are specified in the Federal EB statute, rather than being required to choose one of the three.

Conference agreement.—The conference agreement follows the House bill except for the "20-weeks of work" requirement. It includes the Senate amendment which allows States to use all of the three criteria in determining claimant eligibility.

5. TECHNICAL MODIFICATION FOR REIMBURSABLE EMPLOYERS

Present law.—The EUC program authorizes to be appropriated from the general fund such sums as may be necessary to cover the costs of EUC benefits paid to former employees of nonprofit organizations and State-local governments.

House bill.—The provisions explicitly requires the Secretary of Labor to estimate the amount of benefits paid in each State to former employees of nonprofit organizations and State-local governments that must be charged to the Federal general fund. This would relieve States of the current costly administrative burden of maintaining an accounting of the type of employment on which these benefits were earned.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

6. TREATMENT OF PERSIAN GULF RESERVISTS

Present law.—Reservists receive wage credits under the unemployment compensation program for ex-military personnel if they serve 90 continuous days on active duty.

House bill.—The provision adds a special rule which states that if: (1) an individual was receiving regular State benefits, Extended Benefits, or Trade Readjustment Allowances the week in which he was called to active duty in the military reserves; (2) the individual served in response to the Persian Gulf crisis for at least 90 consecutive days; (3) the individual's regular State benefit year expired after he returned from that service; and (4) the individual received regular State benefits at a reduced weekly benefit amount after he returned from that service compared to what he received before he was ordered to active duty; then the individual shall receive a weekly benefit amount from the EUC program equal to what he received during the week in which he was called to active duty in the military reserves.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

7. EUC FOR CERTAIN RAILROAD WORKERS

Present law.—Workers in the railroad industry are eligible for a separate unemployment compensation program that provides benefits basically equivalent to those provided under the regular State unemployment compensation programs. Under current law, railroad employees with less than 10 years of service in the railroad industry are not eligible for any extended benefits due to a statutory flaw in the trigger mechanism. However, the unemployment legislation enacted previously to provide emergency unemployment benefits to other workers also provided additional weeks of extended benefits for qualifying railroad workers (P.L. 102-164, P.L. 102-182, P.L. 101-244). These special benefits for railroad workers expire July 4, 1992.

House bill.—Eligible railroad workers may continue to receive benefits through the life of the EUC program.

Senate amendment.—Same as House bill.

Conference agreement.—The conference agreement follows the House bill and the Senate agreement.

8. MODIFY WORK SEARCH RULES FOR AREAS OF HIGH UNEMPLOYMENT

Present law.—Federal rules enacted in 1980 to apply to the Extended Benefits program, and which also apply to EUC, require "systematic and sustained" work search by individuals who are receiving extended benefits. As a result of these rules, workers are frequently required to make repeated contacts with employers each week, even in areas where unemployment is very high and there are very few employers.

House bill.—No provision.

Senate amendment.—The Governor of a State would be allowed to waive the Federal work search rules (and apply State rules instead) in an area that the Governor designates as an area of exceptionally high unemployment. The Secretary of Labor would be authorized to issue regulations providing guidelines for determining the circumstances under which waivers could be granted.

Conference agreement.—The conference agreement does not include the Senate provision.

II. MODIFICATIONS TO EXTENDED UNEMPLOYMENT COMPENSATION PROGRAM

Unemployed workers are paid up to 26 weeks of regular unemployment benefits financed by State unemployment taxes on employers. In States with high insured unemployment rates, the Extended Benefits (EB) program pays up to 13 weeks of additional benefits to workers who have exhausted their regular State benefits. The EB program is a joint Federal-State program, half of which is financed by Federal unemployment taxes on employers and half by State unemployment taxes.

1. MODIFICATION OF TRIGGER PROVISIONS

Present law.—Currently, the Federal-State Extended Benefits (EB) program is activated to provide up to 13 weeks of benefits in a State when its insured unemployment rate (13-week moving average) is at least 5 percent and 20 percent higher than the average for the corresponding period in the prior two years, or, at State option, is at least 6 percent. Twelve States have not adopted the 6 percent option.

House bill.—The provision revises the EB trigger so that the 13 weeks of EB is activated in a State when its seasonally adjusted total unemployment rate (TUR) (3-month moving average) is at least 6 percent and 10 percent higher than the TUR for the same 3-month period in the first or second preceding year. In addition, 7 more weeks would be available in States with TURs of at least 8 percent that are 10 percent higher than the TUR for the same 3-month period in the first or second preceding year.

In addition, the Committee report on the bill directs the Advisory Council on Unemployment Compensation to study the efficiency and equity of activating the countercyclical EB program on the basis of State unemployment rates. In particular, the Committee was concerned that out-migration from an economically distressed State might make its unemployment rate so low that the EB program would not activate in the State. On the other hand, the Committee also was concerned that the EB program activate in high unemployment States were unemployed workers might have migrated. The Advisory Council should study whether migration patterns should be factored into the trigger mechanism of the EB program and make recommendations when it submits its first report to Congress.

Effective date: October 1, 1993. In the case of any State legislature which has not been in session for at least 30 days between the date of enactment and October 1, 1993, the provision will not be a requirement of the State law before 30 days after the first day on which the State's legislature is in session on or after October 1, 1993.

Senate amendment.—Effective March 7, 1993, States would have the option of using an additional alternative trigger. Under this option, EB benefits would be paid when: (1) the State seasonally adjusted total unemployment rate (TUR) for the most recent 3 months for which data for all States are published is at least 6.5 percent, and that rate is at least 10 percent higher than the State's TUR for the same 3-month period in the first or second preceding year.

Conference agreement.—The conference agreement follows the Senate amendment except that, at State option, an additional 7 weeks of benefits may be provided in States with total unemployment rates of at least 8 percent and which meet the 110 percent requirement.

2. REPEAL OF SPECIAL ELIGIBILITY REQUIREMENTS

Present law.—In general, States require regular program claimants to be able to work, to be available for work, and to seek suitable work actively. State administrators have flexibility in administering these requirements, however, to take into account special circumstances. For example, a claimant in a rural community with only one large employer is not likely to be required to re-apply for a job with that employer every week.

Under the Extended Benefits program (EB), benefits may not be paid to an individual in any week of unemployment if: (a) he fails to accept an offer of "suitable work" or he fails to apply for suitable work to which he was referred by the State agency; or (b) he fails to actively seek work, unless: (1) he was issued a summons to appear for jury duty before any court of the United States or any State, or (2) he was hospitalized for treatment of any emergency or a life-threatening condition if such exemptions apply to claimants of regular State benefits and the State chooses to apply them to claimants of EB.

If a claimant is ineligible because of either (a) or (b) above, the claimant is disqualified for the week following the week in which the violation occurred and for each subsequent week until he has been employed for at least 4 weeks and earned at least 4 times his weekly benefit amount.

The term "suitable work" means any work within the claimant's capabilities, except that if the individual furnishes evidence that his prospects for obtaining work in his customary occupation within a reasonably short time period are good, the definition of "suitable work" conforms to State law.

EB may not be denied to a claimant for failure to apply for or accept a suitable job if: (a) the gross pay does not exceed the claimant's weekly benefit amount plus any supplemental benefits payable to him; (b) the position was not offered in writing and was not listed with the State employment service; (c) such failure would not result in a denial of regular State benefits as long as other conditions of the EB program are met; or (d) the job pays wages less than the higher of: (1) the Federal minimum wage, or (2) the applicable State or local minimum wage.

The claimant is treated as actively seeking work if: (a) he has engaged in a systematic and sustained effort to obtain work; and (b) he provides tangible evidence to the State agency that he has engaged in such effort.

The State must provide for referring applicants for EB to any suitable work to which these provisions apply.

No provision of State law which terminates a disqualification of a claimant for regular State benefits because of voluntarily leaving a job, being discharged for misconduct, or refusing suitable work applies to the EB program unless such termination is based on subsequent employment.

Under the EB program, to be eligible an unemployed worker in his base year (the first four of the last five completed calendar quarters in 47 of the 53 State programs) must have either: (1) worked 20 weeks; (2) earned 40 times his weekly benefit amount; or (3) earned 1.5 times his wages in the quarter in this base year in which he earned the most wages (the "high quarter"). The State law must provide which one of the three above methods of measuring employment and earnings shall be used.

House bill.—The provision repeals Federal EB qualification, suitable work, job search, and re-employment requirements. States may apply State requirements instead.

Effective date: October 1, 1993. In the case of any State legislature which has not been in session for at least 30 days between the date of enactment and October 1, 1993, the provision will not be a requirement of the State law before 30 days after the first day on which the State's legislature is in session on or after October 1, 1993.

Senate amendment.—The Governor of a State would be allowed to waive the Federal work search rules (and apply State rules instead) in an area that the Governor designates as an area of exceptionally high unemployment. The Secretary of Labor would be authorized to issue regulations providing guidelines for determining the circumstances under which waivers could be granted.

States may use one or more of the three eligibility criteria that are specified in the Federal EB statute, rather than being required to choose one of the three.

Effective date: Date of enactment.

Conference agreement.—The conference agreement follows the Senate amendment which allows States to use one or more of the three criteria in determining claimant eligibility under the "20-weeks of work" requirement. It suspends Federal EB suitable work, job search, and re-employment requirements until January 1, 1995. It requires the Federal Advisory Council on Unemployment Compensation to study and make recommendations to the House Committee on Ways and Means and Senate Committee on Finance with respect to whether the suspended provisions should be repealed or revised (including recommendations as to the nature of any such revisions). The report is due prior to February 1, 1994.

3. INCREASE IN AMOUNT OF FEDERAL REIMBURSEMENT

Present law.—The Federal matching rate under the EB program is 50 percent.

House bill.—The provision increases the Federal matching rate to 75 percent.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

III. MODIFICATIONS TO FEDERAL UNEMPLOYMENT TAX

1. MODIFICATIONS TO FEDERAL UNEMPLOYMENT TAX

Present law.—The Federal Unemployment Tax Act (FUTA) currently imposes a 6.2 percent gross tax rate on the first $7,000 paid annually by covered employers to each employee. Employers in States with programs approved by the Federal government and with no delinquent Federal loans may credit 5.4 percentage points against the 6.2 percent tax rate, making the minimum net tax rate 0.8 percent. Of the 0.8 percent tax rate, 0.6 percentage point is permanent and 0.2 percentage point is a surtax scheduled to expire at the end of 1996.

In order for employers in a State to be eligible for the full 5.4 percentage point credit, a State also must have a State taxable wage base of at least $7,000. If a State had a lower taxable wage base, its employers would lose the benefit of the 5.4 percentage point credit on the excess of the $7,000 over the State taxable wage base. No State has a taxable wage base set lower than $7,000. As of the beginning of 1992, 38 of the 53 State programs had taxable wage bases exceeding $7,000.

House bill.—The bill reduces the 0.8 percent Federal unemployment tax rate to 0.3 percent in 1995 through 1996 and to 0.25 percent in 1997 and thereafter. The $7,000 Federal unemployment taxable wage base increases in 1995 to the average annual covered wage, estimated by the Congressional Budget Office to be $28,200 in 1995. The taxable wage base would change each year thereafter as the estimate of the average annual covered wage changed.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

2. INFORMATION REQUIRED WITH RESPECT TO TAXATION OF UNEMPLOYMENT BENEFITS

Present law.—Under the Tax Reform Act of 1986, all unemployment compensation is subject to Federal personal income taxation.

House bill.—The provision requires States to provide information on the taxation of unemployment compensation and the payment of estimated individual income taxes.

Senate amendment.—Same as House bill except for technical differences.

Conference agreement.—The conference agreement follows the Senate amendment.

3. MAILING OF CERTAIN INFORMATION PERMITTED

Present law.—Office of Management and Budget (OMB) Circular A-87 requires States to share in the cost of postage if they add material to mailings concerning unemployment compensation even if the mailings do not add to the total cost of the postage.

House bill.—The provision would allow States to include information on the Earned Income Credit (EIC) in their Form 1099-G mailings to workers who have received unemployment benefits at no cost as long as the additional information does not increase the postage cost of the mailing.

Senate amendment.—Same as House bill.

Conference Agreement.—The conference agreement follows the House bill and the Senate amendment.

4. EXTENSION OF EXISTING TREATMENT OF CERTAIN AGRICULTURAL WORKERS

Present law.—Agricultural labor performed before January 1, 1993 by an individual who is an alien admitted to the United States to perform agricultural labor under sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act is excluded from coverage under the Federal Unemployment Tax Act.

House bill.—The provision would extend current law for two years until January 1, 1995 and require the Federal Advisory Council on Unemployment Compensation to study the impact of the provision and report to the House Committee on Ways and Means and the Senate Committee on Finance by February 1, 1994.

Senate amendment.—The provision extends the present law treatment of certain Agricultural workers permanently.

Conference agreement.—The conference agreement follows the House bill.

5. EXTENSION OF PERIOD FOR REPAYMENT OF FEDERAL LOANS TO STATE UNEMPLOYMENT FUNDS

Present law.—Employers in States with overdue Federal loans are subject to increases in their Federal unemployment tax rate stemming from automatic decreases in their Federal unemployment tax credit of 5.4 percentage points against the current gross tax rate of 6.2 percent. Interest is charged on loans that are not repaid by the end of the fiscal year in which they are obtained.

States with outstanding unemployment loans from the Federal government must repay them fully by November 10 of the calendar year in which the second consecutive January first passes with the State still having an outstanding loan. This means that the State has about a two- to three-year grace period to repay the loan without penalty taxes, depending on when it obtained the loan. If it does not repay fully by the appropriate November 10, employers in the State are subject to annual credit decreases beginning with the preceding January 1 until the loan is repaid fully. Employers must pay the additional taxes resulting from the credit decrease no later than January 31 of the next calendar year.

The credit reduction is at least 0.3 percentage point per year beginning with the calendar year in which the second consecutive January first passes during which the loan is outstanding. There are two potential additional credit decreases during ensuing calendar years in which a State has an outstanding advance: (1) in the calendar years after the third and fourth consecutive January firsts pass, the employers in the State face a decrease by the amount that 2.7 percent exceeds the State's average tax rate on taxable wages in the calendar year to which the decrease applies; (2) in the calendar years in which the fifth through ninth consecutive January firsts pass, the employers face a decrease equal to the higher of the amount in (1) or the amount that the State's 5-year benefit cost rate exceeds the State's average tax rate on taxable wages in the calendar year to which the decrease applies. The 5-year benefit-cost rate is one-fifth of the unemployment benefits paid in the first 5 of the last 6 completed calendar years preceding the calendar year to which the credit decrease applies divided by taxable wages in the last calendar year.

House bill.—The provision extends by one year the grace period for Federal unemployment penalty taxes on employers in States with overdue unemployment loans from the Federal government if the State amended its unemployment insurance law in 1992 or 1993 to increase estimated revenues by at least 25 percent if the first year after enactment of the State legislation.

Effective date: Date of enactment.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

IV. Modification to Regular State Unemployment Compensation Programs

1. TREATMENT OF SHORT-TIME UNEMPLOYMENT COMPENSATION PROGRAMS

Present law.—All funds withdrawn from the unemployment trust fund of a State must be used solely in payment of unemployment compensation, exclusive of administrative expenses and refunds of erroneously paid sums except: (1) certain authorized disability payments; (2) certain "Reed Act" expenses; (3) authorized health insurance costs; and (4) repayments of overpayments. Short-time compensation is not mentioned explicitly.

A provision enacted in 1982 authorizing such programs has expired. (Short-time compensation programs are programs under which States may pay pro rata benefits to individuals who are working less than full time because their employer has a plan approved by the State agency that provides for a reduction in work hours for employees rather than temporary layoffs.)

House bill.—Clarifies that States may continue to pay short-time compensation.

The provision also requires the Secretary of Labor to develop model State legislation, to update it periodically, to provide technical assistance to the States, and to report to Congress on implementation of short-time compensation.

Senate amendment.—Similar to House bill.

Conference agreement.—The conference agreement follows the House bill and Senate amendment. Also, language is added providing that eligible employees may participate in employer-sponsored training programs to enhance job skills if such programs have been approved by the State agency.

2. BENEFIT INFORMATION REQUIREMENTS

Present law.—No provision.

House bill.—The provision requires employers to give each worker whose employment relationship with the employer is terminated such written information on unemployment insurance eligibility and benefits as is provided by the State agency. Employers must post at places readily accessible to employees such printed statements regarding benefit rights as prescribed by the State agency.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

V. Financing Provisions

1. EXTENSION OF PHASEOUT OF PERSONAL EXEMPTIONS

Present law.—Present law permits a personal exemption deduction from gross income for an individual, the individual's spouse, and each dependent. For 1992, the amount of this deduction is $2,300 for each exemption claimed. This exemption amount is adjusted for inflation. The deduction for personal exemptions is phased out for taxpayers with adjusted gross income (AGI) above a threshold amount (indexed for inflation), which is based on filing status. For 1992, the threshold amounts are $157,900 for married taxpayers filing joint returns, $78,950 for married taxpayers filing separate returns, $131,550 for unmarried taxpayers filing as head of household, and $105,250 for unmarried taxpayers filing as single.

The total amount of exemptions which may be claimed by a taxpayer is reduced by 2 percent for each $2,500 (or portion thereof) by which the taxpayer's AGI exceeds the applicable threshold (the phaseout rate is 4 percent for married taxpayers filing separate returns). Thus, the personal exemptions claimed are phased out over a $122,500 range, beginning at the applicable threshold.

This provision does not apply to taxable years beginning after December 31, 1995.

House bill.—The bill delays the expiration date for the personal exemption phaseout applicable to higher-income individuals for two years. Under this provision, the phaseout of personal exemptions will not apply to taxable years beginning after December 31, 1997.

Effective date: The provision is effective for taxable years beginning in 1996 and 1997.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill with the modification that the expiration of the personal exemption phaseout is delayed for one year. Under the conference agreement, the phaseout of personal exemptions will not apply to taxable years beginning after December 31, 1996.

2. DISALLOWANCE OF DEDUCTION FOR CERTAIN EMPLOYEE REMUNERATION IN EXCESS OF $1,000,000

Present law.—Under present law, a deduction is allowed in computing Federal income tax liability for ordinary and necessary expenses paid or incurred during the taxable year in carrying on a trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered.

House bill.—For purposes of the regular income tax and the alternative minimum tax, the otherwise allowable deduction for compensation with respect to a covered employee is limited to no more than $1 million per year. A covered employee means any employee of the taxpayer who is an officer of the taxpayer, other than an employee-owner of a personal service corporation.

For purposes of the provision, whether an individual is an officer is determined upon the basis of all the facts. The provision does not apply to payments to partners in a partnership because they are not employees. The provision also does not apply to payments to independent contractors.

The deduction limitation generally applies to all remuneration for services, including cash and the cash value of all remuneration (including benefits) paid in a medium other than cash. The limit does not apply to fringe benefits excludable from income under section 132, meals and lodging furnished on the business premises of the employer that are excludable under section 119, or any payment made to, or on behalf of, an employee or beneficiary (1) from or to a qualified pension, profit-sharing, or annuity plan, or (2) under a simplified employee pension (SEP) or tax-sheltered annuity (other than elective deferrals to such a plan or annuity).

The deduction limitation applies at the time the deduction would otherwise be taken, whether or not the remuneration to which the deduction relates is for service performed during the taxable year.

Effective date: The provision is effective for taxable years beginning on or after January 1, 1992.

For taxable years beginning before the date of enactment of the provision, no additional penalty tax is imposed on a corporation with respect to any underpayment of estimated tax to the extent such underpayment was created or increased by the provision.

Senate amendment—No provision.

Conference agreement.—The conference agreement does not include the House bill provision.

3. ROLLOVER AND WITHHOLDING ON NONPERIODIC PENSION DISTRIBUTIONS

Present law.—Distributions from tax-qualified pension plans (sec. 401(a)), qualified annuity plant (sec. 403(a)), and tax-sheltered annuities (sec. 403(b)) generally are included in gross income in the year paid or distributed under the rules relating to the taxation of annuities. A total or partial distribution of the balance to the credit of an employee may, under certain circumstances, be rolled over tax free to another plan or annuity or to an individual retirement account (IRA).

For purposes of the rule denying rollover treatment in the case of certain periodic payments, payments made before, with, or after the commencement of the periodic payments are not treated as part of the series of periodic payments.

Income tax withholding on pension distributions is required unless the payee elects not to have withholding apply. If no election is made, tax is withheld from nonperiodic payments at a 10-percent rate, unless the payments are part of a qualified total distribution, in which case tables published by the Internal Revenue Service are used to determine the withholding rate. A qualified total distribution generally is a payment within one year of the entire interest in a plan.

House bill.—No provision.

Senate amendment.—Under the Senate amendment, any part of the taxable portion of a distribution from a qualified pension or annuity plan or a tax-sheltered annuity (other than a minimum required distribution) can be rolled over tax free to an IRA or another qualified plan or annuity, unless the distribution is one of a series of substantially equal payments made (1) over the life (or joint life expectancies) of the participant and his or her beneficiary, or (2) over a specified period of 10 years or more.

For purposes of the rule denying rollover treatment in the case of certain periodic payments, a single-sum payment that is not substantially equal to the period payments that is made before, with, or after the commencement of the periodic payments is not treated as one of the series of periodic payments. For example, if an employee receives 30 percent of his or her accrued benefit in the form of single-sum distribution upon retirement with the balance payable in annuity form, the amount of the single-sum distribution can be rolled over.

A qualified retirement or annuity plan must permit participants to elect to have any distribution that is eligible for rollover treatment transferred directly to an eligible transferee plan specified by the participant.

Withholding is imposed at a rate of 20 percent on any distribution that is eligible to be rolled over but that is not transferred directly to an eligible transferee plan. Payees cannot elect to forego withholding with respect to such distributions.

Plan amendments required under the provision do not have to be made before the first plan year beginning on or after January 1, 1994, if the plan is operated in accordance with the provision and the amendment applies retroactively.

Effective date: The provision is effective for distributions after December 31, 1992.

Conference agreement.—The conference agreement follows the Senate amendment, with modifications.

The conference agreement provides that the plan administrator must provide a written explanation to a recipient of his or her distribution options (including the direct trustee-to-trustee transfer option) within a reasonable period of time before making an eligible rollover distribution. The Secretary of the Treasury is directed to develop a model notice.

The administrator may require that a recipient electing a direct trustee-to-trustee transfer provide adequate information in a timely manner regarding the eligible retirement plan to which the transfer is to be made. The transferor plan and its administrator will not be subject to penalties or liability because of reasonable reliance on such information provided by a recipient, and is not required to independently verify such information. As under the Senate amendment and present law, a qualified retirement plan is not required to accept a direct trustee-to-trustee transfer.

The direct trustee-to-trustee transfer option is considered a distribution option, so that spousal consent and other similar participant and beneficiary protection rules apply. Because a direct transfer generally is considered a distribution from the transferor plan, rights and options available under the transferor plan need not be preserved under the transferee plan.

The conference agreement clarifies that the explicit exclusion from gross income of amounts transferred in a direct trustee-to-trustee transfer in accordance with the provision is not intended to affect the treatment of direct transfers under other provisions of the Code.

Under the conference agreement, in the case of section 403(b) tax-sheltered annuity plans maintained by State and local governments which are prohibited under State law from making direct trustee-to-trustee transfers, the provisions relating to trustee-to-trustee transfers and withholding do not apply to distributions before the earlier of (1) January 1, 1994, or (2) 90 days after the date on which the State law is amended to permit such transfers.

4. MODIFY ESTIMATED TAX PAYMENT RULES FOR LARGE CORPORATIONS

Present law.—A corporation is subject to an addition to tax for any underpayment of estimated tax. For taxable years beginning in 1993, 1994, 1995, and 1996, a corporation does not have an underpayment of estimated tax if it makes four equal timely estimated tax payments that total at least 95 percent of the tax liability shown on the return for the current taxable year. In addition, a corporation may annualize its taxable income and make estimated tax payments based on 95 percent of the tax liability attributable to such annualized income.

For taxable years beginning in 1992, the 95-percent requirement is a 93-percent requirement; the 95-percent requirement becomes a 90-percent requirement for taxable years beginning in 1997 and thereafter.

House bill.—No provision.

Senate amendment.—For taxable years beginning after June 30, 1992, and before 1997, the bill requires a large corporation to base its estimated tax payments on 96 percent (rather than 93 or 95 percent) of its current year tax liability, whether such liability is determined on an actual or annualized basis. For taxable years beginning after 1996, the bill requires a large corporation to base its estimated tax payments on 91 percent (rather than 90 percent) of its current year tax liability.

The amendment does not change the present-law availability of the 100 percent of last year's liability safe harbor for large or small corporations.

Conference agreement.—The conference agreement follows the Senate amendment with the following modification. For taxable years beginning after June 30, 1992, and before 1997, the conference agreement requires a large corporation to base its estimated tax payments on 97 percent (rather 96 percent as under the Senate amendment) of its current year tax liability, whether such liability is determined on an actual or annualized basis.

5. TAXABLE YEAR ELECTION FOR PARTNERSHIPS, S CORPORATIONS, AND PERSONAL SERVICE CORPORATIONS

Present law.—A partnership is generally required for Federal income tax purposes to use the taxable year that is used by a majority of its partners. An S corporation or a personal service corporation is generally required for Federal income tax purposes to use the calendar year as its taxable year.

A partnership, S corporation, or personal service corporation, however, may elect to use a taxable year other than the required taxable year. In the case of a partnership, S Corporation, or personal service corporation that is adopting a taxable year or changing a taxable year, the taxable year that may be elected generally may not result in a deferral period of more than three months.

House bill.—No provision.

Senate amendment.—A partnership, S corporation, or personal service corporation is allowed to elect any taxable year without regard to the length of the deferral period of the taxable year elected if the annual financial statements (if any) of the entity used for credit purposes or provided to the partners, shareholders, or other proprietors of the entity cover the same period as the taxable year elected.

The provision increases the amount of the required payment that must be made by a partnership or S corporation that elects a taxable year other than the required taxable year (including any partnership or S corporation that has an election in effect on the date of enactment of the provision) and requires an additional required payment for any taxable year that a partnership or S corporation first makes a taxable year election or changes a taxable year election to increase the deferral period.

The provision also increases the minimum distribution requirement that must be satisfied by a personal service corporation that elects a taxable year other than the required taxable year (including a personal service corporation that has an election in effect on the date of enactment of the provision).

Effective date: The provision applies to taxable years beginning after December 31, 1991.

Conference agreement.—The conference agreement does not include the Senate provision.

6. MARKET-TO-MARKET ACCOUNTING METHOD FOR DEALERS IN SECURITIES

Present law.—A taxpayer that is a dealer in securities is required for Federal income tax purposes to maintain an inventory of securities held for sale to customers. A dealer in securities is allowed for Federal income tax purposes to determine (or value) the inventory of securities held for sale based on: (1) the cost of the securities; (2) the lower of the cost or market value of the securities; or (3) the market value of the securities.

For financial accounting purposes, the inventory of securities generally is determined based on market value.

House bill.—No provision.

Senate amendment.—The provision requires certain securities that are held by a dealer in securities to be market to market for Federal income tax purposes.

For these purposes, a dealer in securities is defined as any taxpayer that either (1) regularly purchases securities from, or sells securities to, customers in the ordinary course of a trade or business, or (2) regularly offers to enter into, assume, offset, assign, or otherwise terminate positions in securities with customers in the ordinary course of a trade or business.

A security is defined as: (1) any share of stock in a corporation; (2) any partnership or beneficial ownership interest in a widely held or publicly trade partnership or trust; (3) any note, bond, debenture, or other evidence of indebtedness; (4) any interest rate, currency, or equity notional principal contract; and (5) any evidence of an interest in, or any derivative financial instrument in, a security described in (1) through (4) above or any currency, including any option, forward contract, short position, or any similar financial instrument in such a security or currency.

In addition, a security is defined to include any position if: (1) the position is not a security described in the preceding paragraph; (2) the position is a hedge with respect to a security described in the preceding paragraph; and (3) before the close of the day on which the position was acquired (or entered into or such other time as the Treasury Department may specify in regulations), the position is clearly identified in the dealer's records as a hedge with respect to a security described in the preceding paragraph. A security, however, does not include a contract to which section 1256(a) of the Code applies.

Notwithstanding the definition of security, the mark-to-market rules generally do not apply to: (1) any security that is held for investment: (2) any evidence of indebtedness that is acquired (including originated) by a dealer in the ordinary course of a trade or business of the dealer but only if the evidence of indebtedness is not held for sale; (3) any security acquired by a floor specialist (as defined in section 1236(d)(2) in connection with the floor specialist's duties as a specialist on an exchange, but only if the security is one in which the specialist is registered with the exchange; (4) any security which is a hedge with respect to a security that is not subject to the mark-to-market rules; and (5) any security which is a hedge with respect to a position, right to income, or a liability that is not a security in the hands of the taxpayer.

These exceptions to the mark-to-market rules do not apply unless before the close of the day on which the security is acquired, originated, or entered into (or such other time as the Treasury Department may specify in regulations), the security is clearly identified in the dealer's records as being described in one of the exceptions listed in the preceding paragraph.

Effective date: The provision applies to taxable years ending on or after December 31, 1992. The net amount of the section 481(a) adjustment is taken into account ratably over a 10-taxable year period beginning with the first taxable year ending on or after December 31, 1992, to the extent that such amount does not exceed the net amount of the section 481(a) adjustment that would have been determined had the change in method of accounting occurred for the last taxable year beginning before March 20, 1992.

Conference agreement.—The conference agreement does not include the Senate provision.

7. TAX TREATMENT OF CERTAIN FSLIC FINANCIAL ASSISTANCE

Present law.—A taxpayer may claim a deduction for a loss on the sale or other disposition of property only to the extend that the taxpayer's adjusted basis for the property exceeds the amount realized on the disposition and the loss is not compensated for by insurance or otherwise (sec. 165 of the Code). A similar rule applies for purposes of accounting for bad debts.

A special statutory tax rule, enacted in 1981, excluded from a thrift institution's income financial assistance received from the Federal Savings and Loan Insurance Corporation (FSLIC), and prohibited a reduction in the tax basis of the thrift institution's assets on account of the receipt of the assistance. Under the Technical and Miscellaneous Revenue Act of 1988 (TAMRA), taxpayers generally were required to reduce certain tax attributes by one-half the amount of financial assistance received from the FSLIC pursuant to certain acquisitions of financially troubled thrift institutions occurring after December 31, 1988. These special rules were repealed by FIRREA, but still apply to transactions that occurred before May 10, 1989.

Prior to the enactment of FIRREA, the FSLIC entered into a number of assistance agreements in which it agreed to provide loss protection to acquirers of troubled thrift institutions by compensating them for the difference between the book value and sales proceeds of "covered assets."

As of March 4, 1991, Treasury Department report ("Treasury report") on tax issues relating to the 1988/89 FSLIC transactions concluded that deductions should not be allowed for losses that are reimbursed with exempt FSLIC assistance. The Treasury report states that the Treasury view is expected to be challenged in the courts and recommended that Congress enact clarifying legislation disallowing these deductions.

House bill.—No provision.

Senate amendment.—General rule: Any FSLIC assistance with respect to any loss of principal, capital, or similar amount upon the disposition of an asset would be taken into account as compensation for such loss for purposes of section 165 of the Code. Any FSLIC assistance with respect to any debt would be taken into account for purposes of determining whether such debt is worthless (or the extent to which such debt is worthless) and in determining the amount of any addition to a reserve for bad debts.

Financial assistance to which the FIRREA amendments apply: The proposal would not apply to any financial assistance to which the amendments made by section 1401(a)(3) of FIRREA apply.

No inference: No inference would be intended as to prior law or as to the treatment of any item to which this proposal does not apply.

Conference agreement.—The conference agreement does not include the Senate provision.

8. TRANSFER OF INCOME TAXES ON UNEMPLOYMENT BENEFITS TO UNEMPLOYMENT TRUST FUND

Present law.—Under present law, all unemployment benefits received are included in a taxpayer's gross income. Tax revenues generated by this provision are deposited, along with almost all individual income tax receipts, in the General Fund of the Treasury.

A portion of social security and tier I railroad retirement benefits is includible in gross income. An individual is required to include in gross income the lesser of: (1) 50 percent of the individual's social security or tier I railroad retirement benefits; or (2) 50 percent of the individual's modified adjusted gross income above a specified threshold. Modified adjusted gross income is defined as the sum of 50 percent of the individual's social security or tier I railroad retirement benefits plus otherwise calculated adjusted gross income plus certain tax-exempt interest. The threshold amounts are $32,000 for married taxpayers filing joint returns and $25,000 for unmarried taxpayers.

The Secretary of the Treasury is required to estimate the individual income tax liabilities attributable to the payment of social security and tier I railroad retirement benefits. These proceeds are transferred (credited) quarterly to the Old-Age and Survivors Insurance Trust Fund, the Disability Insurance Trust Fund, or the Railroad Retirement Trust Fund, as appropriate.

House bill.—The bill requires the Secretary of Treasury to estimate the individual income tax liabilities attributable to the receipt of unemployment compensation benefits and transfer the proceeds into the Extended Unemployment Compensation Account of the Unemployment Trust Fund.

Effective date: The provision is effective for all unemployment compensation benefits paid after December 31, 1990.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House bill provision.

9. MODIFICATIONS TO FEDERAL UNEMPLOYMENT ACCOUNTS

Present law.—Ninety percent of Federal unemployment tax revenues flows into the Employment Security Administration Account (ESSA), which funds the administration of the unemployment insurance and employment services. Ten percent flows into the Extended Unemployment Compensation Account (EUCA), which funds the Extended Benefits (EB) and Emergency Unemployment Compensation (EUC) programs. Each account has a ceiling. The excess over the ceiling flows into the Federal Unemployment Account, which provides loans to insolvent State programs. If all three accounts overflow, the excess flows to the State accounts in proportion to their share of total wages paid Nationwide.

House bill.—The provision changes the flow of Federal unemployment tax revenue into the three Federal accounts such that the administration account receives 80 percent and the Extended Unemployment Compensation Account (EUC) receives 20 percent of the annual revenue. Also, it: authorizes interest-free borrowing between accounts; lowers the ceiling in the loan account from 0.625 percent to 0.125 percent of total annual wages; raises the ceiling on the Extended Unemployment Compensation Account (EUC) from 0.375 percent to 0.625 percent of total annual wages; makes the ceiling changes effective in fiscal year 1994; and retains the current law provision that when all three accounts are full, the excess revenue flows back to the States in proportion to their share of total wages Nationwide.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill with technical changes in the operations of the trust fund accounts. The ceiling in the EUCA would be 0.5% and the ceiling in the FUA would be 0.25 percent.

10. REQUIREMENTS OF DEPOSITS BY FEDERAL AGENCIES FOR UNEMPLOYMENT BENEFITS

Present law.—No provision.

House bill.—The provision authorizes the Secretary of Treasury to transfer amounts owed to the Federal Employees Compensation Account from amounts otherwise appropriated to such Federal agency if 30 days have passed wince the date on which the Secretary of Labor notified the agency that it was required to deposit such amount.

Senate amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

11. REPORT ON ALLOCATION OF ADMINISTRATIVE FUNDS

Present law.—The Emergency Unemployment Compensation Act of 1991 authorized a study of the basic method of allocating funds among States for administration of unemployment insurance. The report is due no later than November 17, 1992.

House bill.—The provision changes the due date of the report to December 31, 1994.

Senate amendment.—No provision.

Conference amendment.—No provision.

Conference agreement.—The conference agreement follows the House bill.

VI. BUDGETARY TREATMENT

1. TREATMENT UNDER PAY-AS-YOU-GO PROCEDURES

Present law.—New entitlement spending for benefits from the unemployment trust fund is subject to the pay-as-you-go requirements of the Balanced Budget and Deficit Control Act of 1985, as amended. Spending for administration is treated as discretionary spending, and is subject to the domestic discretionary spending caps in the Budget Act.

House bill.—The provision states that any new budget authority, outlays or receipts under its provisions shall not be considered for any purpose under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not follow the House provision.

2. EXEMPTION FROM SEQUESTRATION

Present law.—The Federal half of Federal-State Extended Benefits is subject to sequestration.

House bill.—The provision exempts Emergency Unemployment Compensation from sequestration. The Federal share of Extended Benefits would continue to be subject to sequestration.

Senate amendment.—No provision.

Conference agreement.—The conference agreement does not include the House provision.

VII. TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

Present law.—Workers certified for Trade Adjustment Assistance must have had at least 26 weeks of adversely affected employment in the 52 weeks preceding their layoff in order to qualify for weekly Trade Readjustment Allowances (i.e., cash benefits extension of unemployment compensation). Up to 7 weeks of inactive military duty or active duty military service for training are among the types of non-employment which qualify toward the 26-week minimum.

House bill.—No provision.

Senate amendment.—The provision designates up to 26 weeks of active duty in reserve status to be "weeks of adversely affected employment" for Trade Readjustment Allowance purpose, effective as of August 1990.

Conference agreement.—The conference agreement follows Senate bill.

VIII. Extended the U.S. Commission on Interstate Child Support

Present law.—The report of the Commission on Interstate Child Support is due on May 1, 1992, and the Commission is scheduled to expire on July 1, 1992.

Conference agreement.—The conference agreement extends the date for the Commission's report to August 1, 1992, and the date of expiration of the Commission to September 30, 1992.

From the Committee on Ways and Means, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
HAROLD FORD,
THOMAS J. DOWNEY,
BARBARA B. KENNELLY,
MICHAEL A. ANDREWS,
GUY VANDER JAGT,
E. CLAY SHAW, JR.,

As additional conferees from the Committee on Energy and Commerce, for consideration of section 105 of the House bill, and section 104 of the Senate amendment, and modifications committed to conference:

JOHN D. DINGELL,
AL SWIFT,
DENNIS E. ECKART,
JIM SLATTERY,
GERRY SIKORSKI,
NORMAN F. LENT,
DON RITTER,
MATTHEW J. RINALDO,

As additional conferees, from the Committee on Government Operations, for consideration of title VI of the House bill, and modifications committed to conference:

JOHN CONYERS,
BARBARA BOXER,
TOM LANTOS,
BOB WISE,
MIKE SYNAR,
Managers on the Part of the House.

LLOYD BENTSEN,
DANIEL PATRICK MOYNIHAN,
MAX BAUCUS,
BOB PACKWOOD,
BOB DOLE,
Managers on the Part of the Senate.

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the previous order of the House, I call up the conference report on the bill (H.R. 5260) to extend the Emergency Unemployment Compensation Program, to revise the trigger provisions contained in the extended unemployment compensation program, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material on the conference report on the bill, H.R. 5260, now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the conference agreement on H.R. 5260, the Unemployment Compensation Amendments of 1992.

This morning, we again received disappointing, but compelling evidence that the recession is not over. The national unemployment rate rose again last month from 7.5 to 7.8 percent. In human terms, unemployment rose by 470,000 individuals last month to nearly 10 million persons, and payroll employment declined by over 100,000 jobs in June.

Given these disturbing economic conditions, I strongly urge the President to sign this conference report. Congress has done its job. If the President does not sign this conference report, the American public will only grow cynical of government and our collective inability to govern. The conference agreement achieves all the major objectives with respect to permanent reform that I believe are appropriate.

I would like now to explain the main features of the conference agreement.

First, the agreement extends the Emergency Unemployment Compensation Program through February 1993. The current emergency program is due to expire this Saturday, July 4.

Second, the agreement permanently reforms the extended benefits program and coordinates these reforms with the phaseout of the Emergency Unemployment Compensation Program next year.

Third, the agreement is fiscally responsible because it is paid for over the 6-year budget period.

Mr. Speaker, most of us support an extension of the Emergency Unemployment Compensation Program through the end of the year, but a few stragglers remain in opposition to permanent reform of the extended benefits program. However, after two temporary extensions of emergency unemployment benefits in the current recession and an urgent need for a third, we all should have gotten the message that something is fundamentally broken in the current system that needs to be permanently fixed.

Let me remind my colleagues of what occurred last year. The House of Representatives passed seven unemployment benefit extension bills, three of which became law. Let us not repeat these political sparring matches. They only add to the public's disgust with legislative gridlock. We should not have to enact three separate, emergency extensions of benefits every time there is a recession. Unemployed Americans and their families deserve better than that.

Mr. Speaker, this conference agreement would spend about $5.4 billion over the next 6 years and is paid for in full with $5.5 billion in revenue. I have today received a letter from Richard Darman, Director of the Office of Management and Budget, which I will include in the RECORD. In this letter, Mr. Darman states that according to the OMB estimates of H.R. 5260, and taking into account available pay-go balances, no sequester would be triggered by the enactment of H.R. 5260. Therefore, he requests that H.R. 5260 not include any direct scorekeeping language or any other type of exemption from the requirements of the Budget Enforcement Act.

Mr. Speaker, the bill is financed by three revenue sources, all of which would improve collections or extend existing provisions of law, not raise new taxes. First, collections of corporate estimated taxes would be accelerated. Second, the current-law phaseout of personal exemptions for upper-income individuals would be extended for 1 year. Third, certain pension plan distributions that are not rolled over directly through a trustee would be subject to withholding. This latter provision was initially contained in the Senate bill, and is included in the conference report at the urging of the Senate conferees.

Mr. Speaker, this conference agreement is a good compromise between the House bill and the Senate amendment. It provides needed benefits to millions of unemployed Americans or extends existing provisions without raising new taxes. In light of the sharp increase in the unemployment rate today, I strongly urge the President and all my colleagues to join me in strong support of this vital legislation.

Mr. Speaker, I include the following letter from Richard Darman:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 2, 1992.

Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is to inform you that, according to our estimates of H.R. 5260, and taking into account available pay-go balances, no sequester would be triggered by enactment of H.R. 5260. Therefore, I respectfully request that H.R. 5260 not include any directed scorekeeping language or any other type of exemption from the requirements of the Budget Enforcement Act.

Thank you.

With best regards.

RICHARD DARMAN,
Director.

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Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have no doubt that today the Congress will pass, and the President will sign into law, this conference report on unemployment compensation.

However, let me for a moment voice some concerns about the conference agreement we are about to adopt. This is the third time within the past year that we will override the current unemployment compensation system to rush emergency benefits to the long-term unemployed. Our past two efforts will cost taxpayers about $7.8 billion. The conference report before us today will add an additional $5.6 billion through the next 5 years. This is all on top of a system that without any of this additional legislation will spend over $26 billion on regular unemployment benefits this year.

I am fully aware that this recession has been very difficult for many who lost their jobs and who still are without work. The unemployment rate for June, announced today, rose to 7.8 percent. While the needs of the unemployed are urgent, I wonder if their prospects would not be better right now if over the last year we would have put as much effort into enacting legislation to create jobs and expand our economy, as we did into financing unemployment benefits. It is nice to give benefits, but each dollar spent on benefits is a dollar taken away from job creation. I strongly believe it is job creation that should be our foremost policy goal for the unemployed.

In addition to extending the Emergency Unemployment Compensation Program this bill reforms the permanent structure of the extended benefits program. This recession has shown us that we need to examine better ways to help the long-term unemployed. I am disappointed, however, that in the name of reform we simply have decided to expand our current system. Republican members of the Ways and Means Committee have urged looking into reforms that would provide greater long-term coverage financed by a delay of initial benefits. I believe reforms of this sort, which do not require tax increases, should be given careful consideration.

Instead, we will adopt today extended benefits changes that simply will make benefits easier to get. The price we pay for this is higher taxes that will steal from economic growth.

Let me make a few comments about the financing provisions of this bill.

The bill extends for 1 year, through 1996, a provision adopted in 1990 that phases out the personal exemptions claimed on a tax return as the income of the taxpayer exceeds certain specified levels. The current-law personal exemption of $2,300 is appropriately factored into the Federal tax calculation in determining a taxpayer's ability to pay tax. The personal exemption should be allowed in full, and to extend this unfortunate mistake of the 1990 Budget Act would simply compound the error made 2 years ago.

I note, with significant concern, that the newly mandated pension withholding provisions, at an increased 20 percent rate, could have the effect of depleting retirement savings. Someone receiving a distribution will be able to do a complete rollover only if they can come up with other cash equal to the amount withheld by the Government. For many that will be difficult, if not impossible. While the withholding tax can be avoided through a trustee-to-trustee transfer, the bill specifically indicates that such transfers need not be made available to taxpayers. Moreover, I believe this new provision—which is, in reality, nothing more than an accounting gimmick to speed up revenues—could cause serious administrative problems for plan administrators, pension participants, and the IRS.

The corporate estimated tax threshold increase is another speedup accounting gimmick. We now will penalize corporations that don't hit a 97 percent target. Let me just remind the Members that a year ago we had a 90 percent target. We then went to 95 percent. Today it's 97 percent. Lest the Members think that there is a logical limit of 100 percent on estimated taxes so that we won't have this issue to worry about much longer, it is my sad duty to say that for individuals the Ways and Means Committee recently adopted a 115 percent safe harbor. When will it end?

I may be a lone voice of dissent on this conference report, but I am highly concerned about the revenue provisions of this bill. We do need a strong policy for the unemployed, but its focus should be to expand employment, something which is not done by raising taxes.

□ 1500

Mr. Speaker, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. DOWNEY], the subcommittee chairman.

Mr. DOWNEY. Mr. Speaker, the President of the United States is going to sign this unemployment bill for two reasons: Unemployment is up, and his popularity is down.

It is unfortunate that we have had to do three extensions of unemployment in 8 months, but this is the most satisfying for the gentleman from Ohio [Mr. PEASE] who is retiring, the gentleman from Michigan [Mr. LEVIN] who has worked on this, along with myself, for the last 3 years.

There are very good reasons beyond just the temporary extension, which is desperately needed, for Members to support this legislation.

Mr. Speaker, the reason we have had to be here is because the trigger mechanisms that currently exist in law do not work. The levels of unemployment in the various States have to be so high as to be unrealistic before the existing trigger mechanisms will trigger extended benefits. That is just a complicated way of saying that, when the law was changed last time in 1981, it was done to make sure that fewer people were eligible for unemployment.

Mr. Speaker, we undo that. We take the measure of the total unemployment rate, which is a far more accurate and realistic measure of unemployment in a State, provide a State option for its triggering, and that will be the future way in which unemployment benefits will be triggered.

The second thing that is important: We also change the mechanism for the extension of benefits. Not only is there a 13-week automatic trigger, but, if unemployment is especially high in a State, it can go as high as 20 weeks so we will not have to in the future recessions, my colleagues, continue to amend and change the law in order to provide the benefits for people who richly need and deserve them.

Second, under existing law there are job search requirements for the first 26 weeks which say, "When you claim eligibility for unemployment, you must meet these requirements, but, when you trigger on for the extended benefits, you need to go through a whole new range of requirements." We eliminate that. We try to make sure that the same job search requirements, which are essentially about dignity for people, people who are on unemployment; the vast majority of them want to work, and they do not want to be simply on unemployment; we have fashioned a realistic requirement for them to look for jobs.

Lastly, Mr. Speaker, we provide in the temporary extension benefits to people like the workers from PanAm who were laid off, or other aerospace workers in Long Island who have been laid off, or all across the country, 20 to 26 additional weeks of benefits. As I said, most people who are unemployed hate being there. They want to work. They do not like showing up at unemployment offices for checks. Their essential dignity is robbed from them when they are out of work, but until there is work we need to provide the resources so that they can pay the rent, feed their families, pay mortgages, if necessary, and keep life and limb together. Without these weeks of unemployment benefits, Mr. Speaker, families would be in very serious trouble.

Our committee, the Committee on Ways and Means, this Congress, has responded to this crisis three times in the last 6 months. I hope and pray this is the last one, but I also, Mr. Speaker, will urge the President to recognize the plight of ordinary Americans as he contemplates signing this legislation. He has been reluctant to do so in the past, especially reluctant because of the permanent changes made here, and I would say to him, Mr. Speaker, "Please, Mr. President, put aside these concerns. Recognize the need in this land. We are approaching the Fourth of July, Independence Day. Let's make sure that a holiday, not just for the people who are working, but also for the people who are looking for work and who need our help."

Mr. ARCHER. Mr. Speaker, I yield 4 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], a respected member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in support of this legislation and commend the President of the United States, George Bush, for being a true ally of the unemployed. President Bush will have, with this bill, signed three bills to provide extended benefits for those who are suffering the consequences of this long downturn. His understanding of their need is keen. But his commitment to their well-being is deep. The $1 billion he vetoed was a billion that provided, yes, new benefits, but no new funding, and our President understood that to give benefits without the means to pay for them is to heap on our children the debt that is going to destroy them if this Congress cannot get hold of itself.

Mr. Speaker, it is only because of the President's pressure that I can now vote yes on a bill that a few short weeks ago I voted no on, because when this bill came before the Congress last time, it was not funded year by year. It increased that deficit that we keep burdening our children with. Yes, it brought some new money in in years four and five, but after it already spent the money on benefits in year one and two. This is a responsible extended benefits bill because it gives the benefits to people who desperately need them, but it pays for those benefits in the years the money is spent, and I am proud to support it for that reason, and I am proud that my President has the courage to veto the unfunded benefit bill of some time ago and to threaten that action to the irresponsible bill that passed this House some weeks ago.

But I am pleased to support this bill for another reason. This bill does not include a feature that was in the bill some weeks ago when it passed the House that would have increased the wage base on which we levied the tax for unemployment compensation. I opposed that feature because areas of the country like my State, Connecticut, and the Northeast, a high cost of living State, and, yes, a higher than average wage State, would have ended up being really socked by that increase in taxable wage base, and it would have put us at yet another disadvantage in competing with States in other regions of the United States.

So, I am delighted that this bill does not include that provision, but I regret that the concept of reform embodied in this bill is extraordinarily narrow and hostile to the anguish that I see people facing every day of their lives out there, those people who have been on extended benefits and who need these benefits extended. They literally begged me to give them the right to withdraw penalty-free savings that they had in their IRAs and their 401(k) plans. Because so many people mid-career are suffering long-term unemployment; they have kids in college, they have mortgage payments, and after a year and a half of unemployment there are no resources; all they were asking was the right to withdraw their own savings penalty free, and the penalties are steep. I regret that I was turned down by my own committee to allow them that courtesy.

I also regret that I was turned down in my effort to gain for them the right to work half-time without it reducing their unemployment benefit stipend. While I understand the States have that right now, we should have forced their hand to allow these people to work part time in an economy that offers very few options for full-time employment that would support a family.

Nonetheless, though this measure is not adequate to the needs of our people, it does meet the critical need to extend benefits without a break. This will assure folks that certainty, and for that reason I support the bill and urge my colleagues to do likewise.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I rise today to express strong support for the conference report on the Unemployment Compensation Amendments of 1992.

The June unemployment statistics for the country were released today: Once again, the situation is not good. Unemployment rose by three-tenths of 1 percent for the second month in a row, bringing the Nation to 7.8 percent unemployment. That is the highest it has been in over 8 years. Nearly 10 million people are looking for work. We lost 117,000 jobs last month, mostly in the construction and manufacturing industries. Mr. Speaker, the recession is not over.

This is not the first time my colleagues and I have come to the floor to state the obvious. In fact, this is the third time in 8 months that we have come here to pass a conference report to provide emergency unemployment compensation. This bill would provide up to 33 weeks of benefits for workers who have exhausted regular State benefits. These are crucial benefits for the long-term unemployed across the country.

But Mr. Speaker, the bill before us is more than just an extension of vital Federal emergency benefits. It also repairs the extended benefit system so that in times of crisis, unemployed workers will not have to wait for Congress and the administration to agree on the problem. Extended benefits will automatically be available to the long-term unemployed when a State comes on tough economic times.

Mr. Speaker, we must help the long-term unemployed workers of America who have fallen victim to the recession. Fixing the Extended Benefit Program permanently is long overdue. I urge my colleagues to support the conference report.

□ 1510

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MCGRATH], a member of the Committee on Ways and Means.

Mr. MCGRATH. Mr. Speaker, I rise in support of the conference report. I would like to congratulate the chairman and subcommittee chairman, as well as the ranking member, for their earnest work in providing us with this conference report which will extend unemployment benefits through March 1993.

Mr. Speaker, let me say that during the debate on this issue in the Committee on Ways and Means, I came up with a revolutionary idea, and that idea was to pay for the extension of these benefits through the fund from which these benefits were intended to be paid for, the unemployment insurance trust fund.

Right now in this bill and other bills that we have passed in the past few months we have been financing these benefits through either the individual side or the corporate side of the tax ledger. It is high time that we start paying for these benefits through the unemployment insurance trust fund as it was meant to be.

I had the temerity to offer a financing mechanism for a temporary extension which would have indexed the wage base from the present day figure of $7,000 over a 5-year period, which would have brought it up to $8,300, which would have completely financed the extension of these benefits. Until and unless we start financing the benefits from the fund which people have participated in all of these years, we will not have done our job.

So while I applaud this temporary extension of extended benefits, let me say our job is not done until we take a look at the whole issue and start financing this issue out of the unemployment insurance trust fund.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in very strong support of this conference report. The gentleman from Illinois [Mr. ROSTENKOWSKI] deserves the credit of this Chamber and this entire body for his really indefatigable efforts in behalf of the unemployed of America. I think he not only stands for their interim benefits and their emergency benefits as embodied in the bill before us, H.R. 5260, but in the more long range effort to create jobs in America.

Mr. Speaker, the gentleman from Illinois [Mr. ROSTENKOWSKI] will have a bill coming up later today, and he has other irons in the fire, which create jobs for people. So I want to salute the gentleman for not only taking care of those who are unemployed, but getting down to the root cause of the problem, to create jobs in America, and in Louisville and Jefferson County, KY.

Mr. Speaker, I rise in strong support of this bill and the work the gentleman from Illinois [Mr. ROSTENKOWSKI] is doing.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. SANTORUM]

Mr. SANTORUM. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to congratulate the gentleman from Illinois [Mr. ROSTENKOWSKI] and the gentleman from Texas [Mr. ARCHER] for working together to solve this. I spoke on this bill the last time it was here and I spoke with more than a little bit of outrage as to what I thought was going to happen, which was just another farce of passing a bill that was not paid for that was going to be delayed at the expense of what I saw as suffering people, especially in my district, which has a very high unemployment rate.

Mr. Speaker, I want to congratulate the gentlemen for putting politics aside and putting the pointing of fingers aside and coming to the floor with a responsible bill that is paid for, that does not again try to throw on future generations the problems of today. We have done that enough in this body.

Mr. Speaker, I want to commend both gentlemen for doing that. I rise in support of the measure.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Speaker, today I rise, first of all, to thank the gentleman from Illinois [Mr. ROSTENKOWSKI] for working so hard and showing the leadership and helping the plight of the American workers.

Mr. Speaker, I also rise to express my support for this conference report, which will extend unemployment benefits to American workers and their families.

The economy sinks deeper and deeper into a slump. Unemployment has reached its highest level in 8 years. And for many unemployed Americans and their families, there is no end in sight.

These are hard-working Americans with families to feed and mortgages to pay. These aren't people who are looking for a handout—they want to work. These Americans desperately need the help of their unemployment checks to keep their families afloat.

However, I am disturbed that this bill doesn't bring help to some categories of unemployed Americans who also need help. For some, July 4, when unemployment runs out for millions, it will not be a day for fireworks. It will be a sad day for family meetings to discuss how to pay the mortgage and how to buy groceries. That's no way to enter this holiday season.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, first I would like to thank the gentleman from Illinois [Mr. ROSTENKOWSKI] for the time and leadership on this issue. As always, the gentleman is right on the mark.

Second, I would like to commend the gentleman from New York [Mr. DOWNEY], the chairman of the Subcommittee on Human Resources, who has fought this issue through the Congress several times now in the last 2 years, and without whose tenacity we would probably not be here today announcing to America and to the unemployed workers that they will have an opportunity to get extended benefits. Chairman DOWNEY deserves much, much credit for this bill.

Mr. Speaker, it was 10 years ago this year that I first introduced a bill to try to reform the unemployment compensation system on a permanent basis so we did not always have to rush in during periods of high unemployment, during a recession, and pass emergency stopgap legislation.

This bill, after 10 years of my efforts, does contain permanent reform and it does contain the opportunity for States to get additional weeks of benefits for their workers without further Federal action.

This is not all that I had hoped for. One seldom does get all one hopes for in this body. But it is a significant step forward in rationalizing our unemployment compensation system and making sure that when States encounter periods of high unemployment, they get the assistance, that is, the workers get the assistance when they need it, not several months after they have already exhausted their benefits.

Mr. Speaker, this is a good conference report, and I urge the House to support it.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Speaker, the gentleman from Ohio [Mr. PEASE] has rightfully paid tribute to our chairman, the gentleman from Illinois [Mr. ROSTENKOWSKI], who has been adamant that we take action.

☐ 1520

He has also paid tribute to the gentleman from New York [Mr. DOWNEY], who deserves the plaudits. He has been equally stubborn and very imaginative.

I would like to pay tribute, however, to one person that the gentleman from Ohio [Mr. PEASE] did not pay tribute to, and that is to the gentleman from Ohio [Mr. PEASE]. For a number of years he has been issuing the clarion call, "Reform the unemployment system, the extended benefits system, before we get into a deep rut." We did not do that. We got into a deep rut. We were not ready. Tens of thousands of people suffered.

A few years ago the gentleman from New York [Mr. DOWNEY], the gentleman from Ohio [Mr. PEASE], and I essentially reintroduced a bill to make permanent changes. Again, nothing happened, and again thousands paid a price.

This bill extends benefits. It also takes a step, an important step, toward permanent change in the extended benefit structure, so in the future hopefully thousands of people, laid off through no fault of their own, will not simply be thrown not only into the streets but onto them without any financial underpinning.

I am proud to rise with the gentleman from Illinois [Mr. ROSTENKOWSKI], the gentleman from New York [Mr. DOWNEY], and the gentleman from Ohio [Mr. PEASE], people who have worked so hard to say at long last there is a breakthrough. At long last there will be some permanent change. At long last we can look the unemployed straight in the eye and say we not only went through the motions but we did something.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. SHAW], a member of the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, once again we find ourselves in a situation of having to extend the unemployment benefits, something that none of us really anticipated we would have to do, unfortunately. When we come out of a recession, the last number to improve, and that is the cruelest number of all, is the unemployment number. I think we need at this point to look and see and recognize what can be accomplished for the greatest good when the two parties, the administration and the Congress, cooperate and Democrats and Republicans can come together in this particular manner.

I want to compliment both George Bush, the gentleman from Texas [Mr. ARCHER], and of course the gentleman from Illinois [Mr. ROSTENKOWSKI] for putting together an earnest bill that they know the President will accept. This is a bill that is finally put in a situation where we are getting out of politics, we are out there trying to help the unemployed, trying to assist them to get back on their feet and to be able to hold their families and their homes together.

I would like to compliment all those involved in being able to work this out. It shows that the greater purpose is to do good and to create better conditions for the people we represent.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. CONYERS], the chairman of the Committee on Government Operations.

Mr. CONYERS. Mr. Speaker, I have to change my remarks now, because we had a protracted struggle with the President, who finally relented and allowed us to provide emergency unemployment compensation to the jobless. I was afraid that the President would deny the desperately needed assistance to the unemployed, and that they would have to answer to the American people. Maybe I am being pessimistic, too pessimistic. I am going to hope now, and urge the President and everybody on this side to tell the President to sign this bill.

We have the highest unemployment in 8 years. Among African-Americans, the unemployment rate in the United States is 14.9 percent. I beg the Members to use their common sense, their excellent skill, Republican Congressmen, and urge President Bush to sign this bill without delay.

Mr. FAZIO. Mr. Speaker, I rise in support of the conference report for H.R. 5260, the Unemployment Compensation Extension and Reform Act.

Unemployment benefits for millions of Americans are scheduled to expire this weekend, and our national unemployment rate has just jumped to 7.8 percent, the highest level in over 8 years. In May, we had 9.5 million American workers looking for jobs but unable to find them, and now they number 10 million. In spite of the fact that we are being told that the economy is slowly improving, our unemployment picture is worse. Millions of graduates of our high schools, colleges, and universities have just entered the job market, adding to those already searching for work. But there just are not enough jobs for the people who want them.

In California, the unemployment rate rose to 9.5 percent in June, up from 8.7 percent in May. Californians have lost 500,000 jobs in the last 2 years, almost a third of the Nation's total. There are about 1 million Californians who want, but cannot find, work.

This bill, Congress' fifth attempt to extend unemployment benefits to out-of-work Americans, will help lighten the burden for millions of American workers who are still unable to find jobs in the midst of this recession. The President blocked our first two attempts but, last fall, we were finally successful in passing a bill that provided an additional 13 or 20 weeks of unemployment compensation benefits to more than 1 million unemployed Americans who had exhausted their benefits since the beginning of the year. Then, in January, we again extended these benefits by another 13 weeks, providing a total of 33 weeks of extended benefits to high unemployment States—like California—and 26 weeks of benefits in other States.

H.R. 5260 will extend the current emergency program and make permanent improvements in the entire extended benefits system. H.R. 5260 will reform the whole process so that we do not have to go through this exercise each time American workers need help. If H.R. 5260 passes, it will be harder for future Presidents to ignore the needs of thousands of American workers by blocking their extended benefits during economic downturns.

I urge my colleagues on both sides of the aisle to support this critical piece of legislation. With so many people out of work, we have a responsibility to act quickly and decisively if we are to give them the assistance they need and deserve.

Mr. STOKES. Mr. Speaker, I rise today in strong support of the conference report to accompany H.R. 5260, the Unemployment Compensation Extension and Reform Act. This legislation is absolutely vital to the millions of American men and women who have become victims of the current recession brought on by a dozen years of Reagan-Bush economic policies. I also want to commend Chairman ROSTENKOWSKI and all the House conferees, who worked long hours to reach agreement with the Senate, and bring this legislation to the floor before the expiration of the current Emergency Benefits Program.

On June 9, when the House first passed this legislation, we had just learned from the Department of Labor that 2.2 million payroll jobs were lost in the United States between June 1990 and January 1992. This number is 32 percent higher than previous administration estimates of job losses in the current recession. In other words, the administration has reported to the American people job loss numbers due to the recession that are one-third lower than the true number of jobs lost in the recession. This report was followed the next day by the Department of Labor's release of the national unemployment figures for the month of May. The unemployment rate in May jumped to 7.5 percent from 7.2 percent in April.

Now, Mr. Speaker, not quite 1 month later, we find that the national unemployment rate, released this morning by the Labor Department, shows another dramatic increase, from 7.5 percent in May to 7.8 percent for the month of June. This is the highest unemployment rate since March 1984, and it represents a full percentage point increase in the last 6 months.

The steadily growing unemployment rate totally invalidates the Bush administration's contention that the recession has ended, that it was a mild recession, and that the economy is now growing. Clearly the recession has been much deeper and more damaging than the President would like to admit, and the dim hope of economic recovery before the November election that President Bush clings to is rapidly fading.

We cannot afford to wait any longer to extend the emergency unemployment benefits program for out-of-work Americans. It is equally as important that we enact permanent changes to the extended benefits program, so as to avoid this charade of repeatedly extending the emergency benefits program every few months because the system is flawed, and simply does not provide the benefits it is designed to provide.

I urge all of my colleagues, on both sides of the aisle, to join in supporting H.R. 5260, and provide our hard-working American men and women the benefits that they need to keep their homes and families together.

Mr. FORD of Michigan. Mr. Speaker, I rise today in strong support of the conference report on H.R. 5260, legislation to extend and reform our Nation's unemployment benefits system.

Today, all across our Nation, millions of Americans are preparing to celebrate the Fourth of July weekend with their families. For many Americans, however, this holiday, like so many before, will hold no reason for celebration, only the continued fear and economic insecurity of an impending expiration of their unemployment benefits.

Mr. Speaker, I wish George Bush understood what unemployed workers and their families in my district have been experiencing. It is obvious he does not. When the President jetted into Michigan last week to host a $1,000 a plate fundraiser, he again criticized this Congress for our country's economic problems and criticized the media for not reporting the great recovery underway in our country. If Mr. Bush had bothered to travel outside his circle of political supporters and fat cat friends, he would have seen the true picture of what is happening in Michigan and in this Nation. The President would have seen people who have worked every day of their lives unable to find even temporary employment and unable to provide for their families. He would have seen single mothers struggling to keep the electricity from being turned off. He would have seen two-income couples trying to make ends meet on one paycheck for yet another month. Most of all he would have seen fear in people's faces—people afraid of their benefits being shut off, afraid of another call from the bill collectors, and afraid most of all that there is no end in sight.

Despite the President's rosy predictions that the economy is getting better, unemployment in the United States rose to 7.8 percent in the month of June, its highest level in 8 years—its highest level since March 1984. The statistics in my State were equally grim. June figures show that the jobless rate in Michigan rose to 8.8 percent—that is, 404,000 people who are still out of work in the face of the Bush recovery.

Mr. Speaker, the President is out of touch. Millions of Americans need our help. I strongly urge my colleagues to support this conference report.

Mr. ARCHER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I have no further requests for time. I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. LANCASTER). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appear to have it.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 396, nays 23, not voting 15, as follows:

[Roll No. 267]

YEAS—396

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barrett
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bunning
Byron
Callahan
Camp
Campbell (CA)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coleman (MO)
Collins (MI)
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Cunningham
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Dornan (CA)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—23

Allard
Allen
Archer
Armey
Barton
Burton
Coble
Combest
Crane
Dannemeyer
DeLay
Doolittle
Dreier
Duncan
Hammerschmidt
Hansen
Hopkins
Long
Nichols
Nussle
Packard
Stump
Valentine

NOT VOTING—15

Barnard
Bateman
Bonior
Broomfield
Bustamante
Campbell (CO)
Coleman (TX)
Collins (IL)
Dymally
Edwards (CA)
Hefner
Smith (FL)
Thomas (GA)
Traxler
Vander Jagt

□ 1546

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BATEMAN. On rollcall 267, I was late getting here as a result of having to go for radiation treatment during the session of the House because of the radiation equipment malfunctioning this morning. Had I been present I would have voted "aye."

REVENUE ACT OF 1992

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11) to amend the Internal Revenue Code of 1986 to provide tax incentives for the establishment of tax enterprise zones, and for other purposes, as amended.

The Clerk read as follows:

H.R. 11

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Revenue Act of 1992".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amedment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; etc.

TITLE I—PROVISIONS RELATING TO DISTRESSED URBAN AND RURAL AREAS

Subtitle A—Urban Tax Enterprise Zones and Rural Development Investment Zones

Sec. 1101. Statement of purpose.

PART I—DESIGNATION AND TAX INCENTIVES

Sec. 1102. Designation and treatment of urban tax enterprise zones and rural development investment zones.
Sec. 1103. Technical and conforming amendments.
Sec. 1104. Effective date.

PART II—REDEVELOPMENT BONDS FOR TAX ENTERPRISE ZONES

Sec. 1111. Special rules for redevelopment bonds providing financing for tax enterprise zones.

PART III—CREDIT FOR CONTRIBUTIONS TO CERTAIN COMMUNITY DEVELOPMENT CORPORATIONS

Sec. 1121. Credit for contributions to certain community development corporations.

PART IV—STUDIES

Sec. 1131. Studies of effectiveness of tax enterprise zone incentives.

Subtitle B—Permanent Extension of Certain Expiring Tax Provisions Primarily Affecting Urban Areas

Sec. 1201. Low-income housing credit.
Sec. 1202. Targeted jobs credit.
Sec. 1203. Qualified mortgage bonds.
Sec. 1204. Qualified small issue bonds.

Subtitle C—Aid to Families With Dependent Children

Sec. 1301. Funding for the JOBS program.
Sec. 1302. Modification of the 20-hour rule.
Sec. 1303. Increase in AFDC resource limit.
Sec. 1304. Treatment of microenterprises under the AFDC program.

Sec. 1305. Treatment of student earnings under the AFDC program.

TITLE II—GROWTH INCENTIVES

Subtitle A—Temporary Extension of Certain Expiring Tax Provisions

Sec. 2001. Research credit.
Sec. 2002. Employer-provided educational assistance.
Sec. 2003. Employer-provided group legal services plans.
Sec. 2004. Excise tax on certain vaccines.
Sec. 2005. Certain transfers to Railroad Retirement Account.
Sec. 2006. Health insurance costs of self-employed individuals.

Subtitle B—Investment in Real Estate

PART I—MODIFICATION OF PASSIVE LOSS RULES

Sec. 2101. Application of passive loss rules to rental real estate activities.

PART II—PROVISIONS RELATING TO REAL ESTATE INVESTMENTS BY PENSION FUNDS

Sec. 2111. Real estate property acquired by a qualified organization.
Sec. 2112. Special rules for investments in partnerships.
Sec. 2113. Title-holding companies permitted to receive small amounts of unrelated business taxable income.
Sec. 2114. Exclusion from unrelated business tax of gains from certain property.
Sec. 2115. Exclusion from unrelated business tax of certain fees and option premiums.
Sec. 2116. Treatment of pension fund investments in real estate investment trusts.

Subtitle C—Modifications to Minimum Tax

Sec. 2201. Temporary repeal of preference for charitable contributions of appreciated property.
Sec. 2202. Elimination of ace depreciation adjustment.

Subtitle D—Repeal of Certain Luxury Excise Taxes; Imposition of Tax on Diesel Fuel Used in Noncommercial Boats

Sec. 2301. Repeal of luxury excise taxes other than on passenger vehicles.
Sec. 2302. Tax on diesel fuel used in noncommercial boats.

Subtitle E—Credit for Portion of Employer Social Security Taxes Paid With Respect to Employee Cash Tips

Sec. 2401. Credit for portion of employer social security taxes paid with respect to employee cash tips.

TITLE III—OFFSETTING REVENUE INCREASES

Subtitle A—General Provisions

Sec. 3001. Mark to market accounting method for securities dealers.
Sec. 3002. Clarification of treatment of certain FSLIC financial assistance.
Sec. 3003. Increase in recovery period for nonresidential real property.
Sec. 3004. Taxation of precontribution gain in case of certain distributions to contributing partner.
Sec. 3005. Elimination of deduction for club membership fees.
Sec. 3006. Extension of top estate and gift tax rates.
Sec. 3007. Modifications to deduction for moving expenses.

Subtitle B—Estimated Tax Provisions

Sec. 3101. Individual estimated tax provisions.
Sec. 3102. Corporate estimated tax provisions.

Subtitle C—Alternative Taxable Years

Sec. 3201. Election of taxable year other than required taxable year.
Sec. 3202. Required payments for entities electing not to have required taxable year.
Sec. 3203. Limitation on certain amounts paid to employee-owners of personal service corporations.
Sec. 3204. Effective date.

TITLE IV—SIMPLIFICATION PROVISIONS

Subtitle A—Provisions Relating to Individuals

Sec. 4101. Simplification of earned income credit.
Sec. 4102. Simplification of rules on rollover of gain on sale of principal residence.
Sec. 4103. De minimis exception to passive loss rules.
Sec. 4104. Payment of tax by credit card.
Sec. 4105. Modifications to election to include child's income on parent's return.
Sec. 4106. Simplified foreign tax credit limitation for individuals.
Sec. 4107. Treatment of personal transactions by individuals under foreign currency rules.
Sec. 4108. Exclusion of combat pay from withholding limited to amount excludable from gross income.
Sec. 4109. Expanded access to simplified income tax returns.
Sec. 4110. Treatment of certain reimbursed expenses of rural mail carriers.
Sec. 4111. Exemption from luxury excise tax for certain equipment installed on passenger vehicles for use by disabled individuals.

Subtitle B—Pension Simplification

PART I—SIMPLIFIED DISTRIBUTION RULES

Sec. 4201. Taxability of beneficiary of qualified plan.
Sec. 4202. Simplified method for taxing annuity distributions under certain employer plans.
Sec. 4203. Requirement that qualified plans include optional trustee-to-trustee transfers of eligible rollover distributions.

PART II—INCREASED ACCESS TO PENSION PLANS

Sec. 4211. Tax exempt organizations eligible under section 401(k).
Sec. 4212. Duties of sponsors of certain prototype plans.

PART III—MISCELLANEOUS SIMPLIFICATION

Sec. 4221. Modification to definition of leased employee.
Sec. 4222. Simplification of nondiscrimination tests applicable under sections 401(k) and 401(m).
Sec. 4223. Definition of highly compensated employee.
Sec. 4224. Modifications of cost-of-living adjustments.
Sec. 4225. Plans covering self-employed individuals.
Sec. 4226. Alternative full-funding limitation.
Sec. 4227. Distributions under rural cooperative plans.
Sec. 4228. Special rules for plans covering pilots.
Sec. 4229. Elimination of special vesting rule for multiemployer plans.
Sec. 4230. Treatment of deferred compensation plans of State and local governments and tax-exempt organizations.
Sec. 4231. Treatment of governmental plans under section 415.
Sec. 4232. Use of excess assets of black lung benefit trusts for health care benefits.
Sec. 4233. Treatment of employer reversions required by contract to be paid to the United States.
Sec. 4234. Continuation health coverage for employees of failed financial institutions.

Subtitle C—Treatment of Large Partnerships

PART I—GENERAL PROVISIONS

Sec. 4301. Simplified flow-through for large partnerships.
Sec. 4302. Simplified audit procedures for large partnerships.
Sec. 4303. Due date for furnishing information to partners of large partnerships.
Sec. 4304. Returns may be required on magnetic media.
Sec. 4305. Effective date.

PART II—PROVISIONS RELATED TO TEFRA PARTNERSHIP PROCEEDINGS

Sec. 4311. Treatment of partnership items in deficiency proceedings.
Sec. 4312. Partnership return to be determinative of audit procedures to be followed.
Sec. 4313. Provisions relating to statute of limitations.
Sec. 4314. Expansion of small partnership exception.
Sec. 4315. Exclusion of partial settlements from 1 year limitation on assessment.
Sec. 4316. Extension of time for filing a request for administrative adjustment.
Sec. 4317. Availability of innocent spouse relief in context of partnership proceedings.
Sec. 4318. Determination of penalties at partnership level.
Sec. 4319. Provisions relating to court jurisdiction, etc.
Sec. 4320. Treatment of premature petitions filed by notice partners or 5-percent groups.
Sec. 4321. Bonds in case of appeals from TEFRA proceeding.
Sec. 4322. Suspension of interest where delay in computational adjustment resulting from TEFRA settlements.

Subtitle D—Foreign Provisions

PART I—SIMPLIFICATION OF TREATMENT OF PASSIVE FOREIGN CORPORATIONS

Sec. 4401. Repeal of foreign personal holding company rules and foreign investment company rules.
Sec. 4402. Replacement for passive foreign investment company rules.
Sec. 4403. Technical and conforming amendments.
Sec. 4404. Effective date.

PART II—TREATMENT OF CONTROLLED FOREIGN CORPORATIONS

Sec. 4411. Gain on certain stock sales by controlled foreign corporations treated as dividends.
Sec. 4412. Authority to prescribe simplified method for applying section 960(b)(2).
Sec. 4413. Miscellaneous modifications to subpart F.
Sec. 4414. Indirect foreign tax credit allowed for certain lower tier companies.

PART III—OTHER PROVISIONS

Sec. 4421. Exchange rate used in translating foreign taxes.

Sec. 4422. Election to use simplified section 904 limitation for alternative minimum tax.
Sec. 4423. Modification of section 1491.
Sec. 4424. Modification of section 367(b).

Subtitle E—Treatment of Intangibles

Sec. 4501. Amortization of goodwill and certain other intangibles.
Sec. 4502. Treatment of certain payments to retired or deceased partner.

Subtitle F—Other Income Tax Provisions

PART I—PROVISIONS RELATING TO SUBCHAPTER S CORPORATIONS

Sec. 4601. Determination of whether corporation has 1 class of stock.
Sec. 4602. Authority to validate certain invalid elections.
Sec. 4603. Treatment of distributions during loss years.
Sec. 4604. Other modifications.

PART II—ACCOUNTING PROVISIONS

Sec. 4611. Modifications to look-back method for long-term contracts.
Sec. 4612. Simplified method for capitalizing certain indirect costs.

PART III—PROVISIONS RELATING TO REGULATED INVESTMENT COMPANIES

Sec. 4621. Repeal of 30-percent gross income limitation.
Sec. 4622. Basis rules for shares in open-end regulated investment companies.
Sec. 4623. Nonrecognition treatment for certain transfers by common trust funds to regulated investment companies.

PART IV—TAX-EXEMPT BOND PROVISIONS

Sec. 4631. Repeal of $100,000 limitation on unspent proceeds under 1-year exception from rebate.
Sec. 4632. Exception from rebate for earnings on bona fide debt service fund under construction bond rules.
Sec. 4633. Aggregation of issues rules not to apply to tax or revenue anticipation bonds.
Sec. 4634. Repeal of disproportionate private business use test.
Sec. 4635. expanded exception from rebate for issuers issuing $10,000,000 or less of bonds.
Sec. 4636. Repeal of debt service-based limitation on investment in certain nonpurpose investments.
Sec. 4637. Repeal of expired provisions.
Sec. 4638. Clarification of investment-type property.
Sec. 4639. Effective dates.

PART V—INSURANCE PROVISIONS

Sec. 4641. Treatment of certain insurance contracts on retired lives.
Sec. 4642. Treatment of modified guaranteed contracts.

PART VI—OTHER PROVISIONS

Sec. 4651. Closing of partnership taxable year with respect to deceased partner, etc.
Sec. 4652. Repeal of special treatment of ownership changes in determining adjusted current earnings.

Subtitle G—Estate And Gift Tax Provisions

Sec. 4701. Clarification of waiver of certain rights of recovery.
Sec. 4702. Adjustments for gifts within 3 years of decedent's death.
Sec. 4703. Clarification of qualified terminable interest rules.
Sec. 4704. Treatment of portions of property under marital deduction.
Sec. 4705. Transitional rule under section 2056a.
Sec. 4706. Opportunity to correct certain failures under section 2032A.

Subtitle H—Excise Tax Simplification

PART I—FUEL TAX PROVISIONS

Sec. 4801. Repeal of certain retail and use taxes.
Sec. 4802. Revision of fuel tax credit and refund procedures.
Sec. 4803. Authority to provide exceptions from information reporting with respect to diesel fuel and aviation fuel.
Sec. 4804. Technical and conforming amendments.
Sec. 4805. Effective date.

PART II—PROVISIONS RELATED TO DISTILLED SPIRITS, WINES, AND BEER

Sec. 4811. Credit or refund for imported bottled distilled spirits returned to distilled spirits plant.
Sec. 4812. Authority to cancel or credit export bonds without submission of records.
Sec. 4813. Repeal of required maintenance of records on premises of distilled spirits plant.
Sec. 4814. Fermented material from any brewery may be received at a distilled spirits plant.
Sec. 4815. Repeal of requirement for wholesale dealers in liquors to post sign.
Sec. 4816. Refund of tax to wine returned to bond not limited to unmerchantable wine.
Sec. 4817. Use of additional ameliorating material in certain wines.
Sec. 4818. Domestically-produced beer may be withdrawn free of tax for use of foreign embassies, legations, etc.
Sec. 4819. Beer may be withdrawn free of tax for destruction.
Sec. 4820. Authority to allow drawback on exported beer without submission of records.
Sec. 4821. Transfer to brewery of beer imported in bulk without payment of tax.

PART III—OTHER EXCISE TAX PROVISIONS

Sec. 4831. Authority to grant exemptions from registration requirements.
Sec. 4832. Repeal of expired provisions.

Subtitle I—Administrative Provisions

PART I—GENERAL PROVISIONS

Sec. 4901. Simplification of employment taxes on domestic services.
Sec. 4902. Special rule for corporate estimated taxes where no liability for preceding year.
Sec. 4903. Certain notices disregarded under provision increasing interest rate on large corporate underpayments.
Sec. 4904. Use of reproductions of returns stored in digital image format.
Sec. 4905. Repeal of authority to disclose whether prospective juror has been audited.
Sec. 4906. Repeal of special audit provisions for subchapter s items.
Sec. 4907. Clarification of statute of limitations.

PART II—TAX COURT PROCEDURES

Sec. 4911. Overpayment determinations of tax court.
Sec. 4912. Awarding of administrative costs.
Sec. 4913. Redetermination of interest pursuant to motion.
Sec. 4914. Application of net worth requirement for awards of litigation costs.

PART III—AUTHORITY FOR CERTAIN COOPERATIVE AGREEMENTS

Sec. 4921. Cooperative agreements with State tax authorities.

TITLE V—TAXPAYER BILL OF RIGHTS 2

Sec. 5000. Short title.

Subtitle A—Taxpayer Advocate

Sec. 5001. Establishment of position of taxpayer advocate within Internal Revenue Service.
Sec. 5002. Expansion of authority to issue taxpayer assistance orders.

Subtitle B—Modifications to Installment Agreement Provisions

Sec. 5101. Notification of reasons for termination or denial of installment agreements.
Sec. 5102. Administrative review of denial of request for, or termination of, installment agreement.
Sec. 5103. Running of failure to pay penalty suspended during period installment agreement in effect.

Subtitle C—Interest

Sec. 5201. Expansion of authority to abate interest.
Sec. 5202. Extension of interest-free period for payment of tax after notice and demand.

Subtitle D—Joint Returns

Sec. 5301. Disclosure of collection activities.
Sec. 5302. Joint return may be made after separate returns without full payment of tax.

Subtitle E—Collection Activities

Sec. 5401. Modifications to lien and levy provisions.
Sec. 5402. Offers-in-compromise.
Sec. 5403. Notification of examination.
Sec. 5404. Increase in limit on recovery of civil damages for unauthorized collection actions.
Sec. 5405. Safeguards relating to designated summons.

Subtitle F—Information Returns

Sec. 5501. Phone number of person providing payee statements required to be shown on such statement.
Sec. 5502. Civil damages for fraudulent filing of information returns.
Sec. 5503. Requirement to verify accuracy of information returns.

Subtitle G—Modifications to Penalty for Failure to Collect and Pay Over Tax

Sec. 5601. Preliminary notice requirement.
Sec. 5602. No penalty if prompt notification of the Secretary.
Sec. 5603. Disclosure of certain information where more than 1 person subject to penalty.
Sec. 5604. Penalties under section 6672.

Subtitle H—Awarding of Costs and Certain Fees

Sec. 5701. Motion for disclosure of information.
Sec. 5702. Increased limit on attorney fees.
Sec. 5703. Failure to agree to extension not taken into account.
Sec. 5704. Internal Revenue Service employees personally liable in certain cases.
Sec. 5705. Effective date.Act.

Subtitle I—Other Provisions

Sec. 5801. Required content of certain notices.
Sec. 5802. Treatment of substitute returns under section 6651.

Sec. 5803. Relief from retroactive application of Treasury Department regulations.
Sec. 5804. Required notice of certain payments.
Sec. 5805. Unauthorized enticement of information disclosure.

Subtitle J—Form Modifications; Studies

Sec. 5900. Definitions.

PART I—FORM MODIFICATIONS

Sec. 5901. Explanation of certain provisions.
Sec. 5902. Improved procedures for notifying service of change of address or name.
Sec. 5903. Rights and responsibilities of divorced individuals.

PART II—STUDIES

Sec. 5911. Pilot program for appeal of enforcement actions.
Sec. 5912. Study on taxpayers with special needs.
Sec. 5913. Reports on taxpayer-rights education program.
Sec. 5914. Biennial reports on misconduct by Internal Revenue Service employees.
Sec. 5915. Study of notices of deficiency.
Sec. 5916. Notice and form accuracy study.
Sec. 5917. Internal Revenue Service employees' suggestions study.

TITLE VI—TECHNICAL CORRECTIONS

Sec. 6100. Coordination with other titles.

Subtitle A—Revenue Provisions

Sec. 6101. Amendments related to Revenue Reconciliation Act of 1990.
Sec. 6102. Miscellaneous provisions.

Subtitle B—Corrections Relating to Social Security, Income Security and Human Resources, and Tariff and Customs

PART I—SOCIAL SECURITY

Sec. 6201. Technical corrections related to OASDI in the Omnibus Budget Reconciliation Act of 1990.

PART II—INCOME SECURITY AND HUMAN RESOURCES

Sec. 6211. Repeal of provision inadvertently included in the Omnibus Budget Reconciliation Act of 1990.
Sec. 6212. Corrections related to the income security and human resources provisions of the Omnibus Budget Reconciliation Act of 1990.
Sec. 6213. Correction related to section 8006 of the Omnibus Budget Reconciliation Act of 1989.
Sec. 6214. Amendment related to section 13101(d)(2) of the Omnibus Budget Reconciliation Act of 1990.

PART III—TARIFF AND CUSTOMS

Sec. 6221. Technical amendments to the Harmonized Tariff Schedule of the United States.
Sec. 6222. Clarification regarding the application of customs user fees.
Sec. 6223. Technical amendments to the Omnibus Trade and Competitiveness Act of 1988.
Sec. 6224. Technical amendment to the Customs and Trade Act of 1990.

TITLE VII—INCOME SECURITY AND RELATED PROGRAMS

Subtitle A—Miscellaneous Improvements in the Old-Age, Survivors, and Disability Insurance Program

Sec. 7001. Short title.
Sec. 7002. Improvement and clarification of provisions prohibiting misuse of symbols, emblems, or names in reference to social security or medicare.
Sec. 7003. Explicit requirements for maintenance of telephone access to local offices of the Social Security Administration.
Sec. 7004. Expansion of State option to exclude service of election officials or election workers from coverage.
Sec. 7005. Treatment of certain noncash remuneration for agricultural labor.
Sec. 7006. Use of social security numbers by States and local governments for jury selection purposes.
Sec. 7007. Authorization for all States to extend coverage to State and local policemen and firemen under existing coverage agreements.
Sec. 7008. Limited exemption for Canadian ministers from certain self-employment tax liability.
Sec. 7009. Exclusion of totalization benefits from the application of the windfall elimination provision.
Sec. 7010. Exclusion of military reservists from application of the government pension offset and windfall elimination provisions.
Sec. 7011. Elimination of rounding distortion in the calculation of the old-age, survivors, and disability insurance contribution and benefit base and the earnings test exempt amounts.
Sec. 7012. Repeal of the facility-of-payment provision.
Sec. 7013. Maximum family benefits in guarantee cases.
Sec. 7014. Authorization for disclosure by the Secretary of Health and Human Services of information for purposes of public or private epidemiological and similar research.

Subtitle B—Human Resources Amendments

PART I—FOSTER CARE AND CHILD WELFARE

Sec. 7101. Permanent extension of foster care independent living program.
Sec. 7102. Foster and adoptive parent training.
Sec. 7103. Child welfare services program reviews.
Sec. 7104. Effect of failure to carry out State plan.

PART II—CHILD SUPPORT ENFORCEMENT

Sec. 7111. Reports to credit bureaus of persons delinquent in child support payments.

PART III—RESEARCH, DEMONSTRATIONS, AND STUDIES

Sec. 7121. Early childhood development projects.
Sec. 7122. Payments to certain private aid programs.
Sec. 7123. Measurement and reporting of welfare dependency.
Sec. 7124. Extension of commission on interstate child support.
Sec. 7125. Extension of national commission on children.
Sec. 7126. Secretarial report on the differences in program rules under the food stamp program, aid to families with dependent children, and medicaid programs.
Sec. 7127. Demonstration of independent living services for young adults.
Sec. 7128. Extension of period for demonstration projects for evaluating model procedures for reviewing child support awards.

PART IV—AID TO FAMILIES WITH DEPENDENT CHILDREN

Sec. 7131. Delay in requirement that outlying areas operate an AFDC-up program.
Sec. 7132. Review of State investment in AFDC program in considering settlement of quality control claims.
Sec. 7133. Disregard of $2,000 of income received in any year by Indians from interests individually held in trust or restricted lands.
Sec. 7134. Encouraging use of transitional child care program.
Sec. 7135. State option to use retrospective budgeting without monthly reporting.
Sec. 7136. Increase in step-parent income disregard.
Sec. 7137. Verification of status of citizens and aliens.

PART V—SUPPLEMENTAL SECURITY INCOME

Sec. 7141. Elimination of obsolete provisions relating to treatment of the earned income tax credit.
Sec. 7142. Redesignation of certain provisions.
Sec. 7143. Prevention of adverse effects on eligibility for, and amount of, SSI benefits when spouse or parent of beneficiary is absent from the household due to active military service.
Sec. 7144. Definition of disability for children under age 18 applied to all individuals under age 18.
Sec. 7145. Exclusion from income of $2,000 of income received in any year by Indians from interests individually held in trust or restricted lands.
Sec. 7146. Valuation of certain in-kind support and maintenance when there is a cost of living adjustment in SSI benefits.
Sec. 7147. Treatment of revocable burial insurance policies.

PART VI—USE OF TAX INFORMATION BY RAILROAD RETIREMENT BOARD

Sec. 7151. Disclosure of information to railroad retirement board.

PART VII—TECHNICAL CORRECTIONS

Sec. 7161. Technical corrections related to the income security and human resources provisions of the omnibus budget reconciliation act of 1990.
Sec. 7162. Technical corrections related to the human resource and income security provisions of omnibus budget reconciliation act of 1989.

Subtitle C—Prohibition of Certain Misleading Practices; Disclosure Requirement

Sec. 7201. Prohibition of misuse of department of treasury names, symbols, etc.
Sec. 7202. Certain organizations required to disclose nonexempt status.
Sec. 7203. Exempt organizations required to provide copy of return.

TITLE VIII—AUTHORIZATION FOR ADDITIONAL ASSISTANCE FOR ENTERPRISE ZONES UNDER VARIOUS PROGRAMS

SUBTITLE A—BLOCK GRANT FUNDING FOR ELIGIBLE PROGRAMS

Sec. 8001. Authorization of appropriations.
Sec. 8002. Allocation of amounts among Tax Enterprise Zones.
Sec. 8003. Use of amounts.

Sec. 8004. Eligible programs.
Sec. 8005. Application for funding.
Sec. 8006. Interagency council.
Sec. 8007. Definitions.
Sec. 8008. Study and report.
Sec. 8009. Regulations.

SUBTITLE B—ADDITIONAL FUNDING UNDER SPECIFIC PROGRAMS

Sec. 8031. United States Attorneys account.
Sec. 8032. Neighborhood Reinvestment Corporation.
Sec. 8033. Minority enterprise business investment companies.

SUBTITLE C—OTHER PROGRAMS

Sec. 8051. Waiver of public services cap under community development block grant program.
Sec. 8052. Loan guarantees for development activities.
Sec. 8053. Establishment of Young Adult Employment Demonstration program.

TITLE IX—APPROPRIATION OF ADDITIONAL ASSISTANCE FOR TAX ENTERPRISE ZONES

Sec. 9001. Appropriation of additional assistance for Tax Enterprise Zones.
Sec. 9002. Program performance reports.
Sec. 9003. Appropriated amounts considered as discretionary spending.

TITLE I—PROVISIONS RELATING TO DISTRESSED URBAN AND RURAL AREAS

Subtitle A—Urban Tax Enterprise Zones and Rural Development Investment Zones

SEC. 1101. STATEMENT OF PURPOSE.

It is the purpose of this subtitle to establish a demonstration program of providing incentives for the creation of tax enterprise zones in order—

(1) to revitalize economically and physically distressed areas, primarily by encouraging the formation of new businesses and the retention and expansion of existing businesses,

(2) to promote meaningful employment for tax enterprise zone residents, and

(3) to encourage individuals to reside in the tax enterprise zones in which they are employed.

PART I—DESIGNATION AND TAX INCENTIVES

SEC. 1102. DESIGNATION AND TREATMENT OF URBAN TAX ENTERPRISE ZONES AND RURAL DEVELOPMENT INVESTMENT ZONES.

(a) IN GENERAL.—Chapter 1 (relating to normal taxes and surtaxes) is amended by inserting after subchapter T the following new subchapter:

"Subchapter U—Designation and Treatment of Tax Enterprise Zones

"Part I. Designation of tax enterprise zones.
"Part II. Incentives for tax enterprise zones.

"PART I—DESIGNATION OF TAX ENTERPRISE ZONES

"Sec. 1391. Designation procedure.
"Sec. 1392. Eligibility and selection criteria.
"Sec. 1393. Definitions and special rules.

"SEC. 1391. DESIGNATION PROCEDURE.

"(a) IN GENERAL.—For purposes of this title, the term 'tax enterprise zone' means any area which is, under this part—

"(1) nominated by 1 or more local governments and the State in which it is located for designation as a tax enterprise zone, and

"(2) designated by—

"(A) the Secretary of Housing and Urban Development in the case of an urban tax enterprise zone, and

"(B) the Secretary of Agriculture, in consultation with the Secretary of Commerce, in the case of a rural development investment zone.

"(b) NUMBER OF DESIGNATIONS.—

"(1) AGGREGATE LIMIT.—The appropriate Secretaries may designate in the aggregate 50 nominated areas as tax enterprise zones under this section, subject to the availability of eligible nominated areas. Not more than 25 urban tax enterprise zones may be designated and not more than 25 rural development investment zones may be designated. At least 1 of the designated rural development investment zones shall be on an Indian reservation. Such designations may be made only during calendar years after 1991 and before 1997.

"(2) ANNUAL LIMITS.—

"(A) URBAN TAX ENTERPRISE ZONES.—The number of urban tax enterprise zones designated under paragraph (1)—

"(i) before 1994 shall not exceed 8,

"(ii) before 1995 shall not exceed 15, and

"(iii) before 1996 shall not exceed 21.

"(B) RURAL DEVELOPMENT INVESTMENT ZONES.—The number of rural development investment zones designated under paragraph (1)—

"(i) before 1994 shall not exceed 8,

"(ii) before 1995 shall not exceed 15, and

"(iii) before 1996 shall not exceed 21.

"(3) ADVANCE DESIGNATIONS PERMITTED.—For purposes of this subchapter, a designation during any calendar year shall be treated as made on January 1 of the following calendar year if the appropriate Secretary, in making such designation, specifies that such designation is effective as of such January 1.

"(c) LIMITATIONS ON DESIGNATIONS.—The appropriate Secretary may not make any designation under subsection (a) unless—

"(1) the local governments and the State in which the nominated area is located have the authority—

"(A) to nominate the area for designation as a tax enterprise zone, and

"(B) to provide assurances satisfactory to the appropriate Secretary that the commitments under section 1392(c) will be fulfilled,

"(2) the local governments and the State in which the nominated area is located—

"(A) have designated a local governmental official with responsibility for making allocations of the enterprise zone limit under section 1396 (relating to deduction for enterprise zone stock), and

"(B) have established procedures to ensure that allocations under section 1396 are made in a manner designed primarily to increase economic activity in the tax enterprise zone over that which would otherwise have occurred,

"(3) a nomination of the area is submitted within a reasonable time before the calendar year for which designation as a tax enterprise zone is sought (or, if later, a reasonable time after the date of the enactment of this subchapter),

"(4) the appropriate Secretary determines that any information furnished is reasonably accurate, and

"(5) the State and local governments certify that no portion of the area nominated is already included in a tax enterprise zone or in an area otherwise nominated to be a tax enterprise zone.

"(d) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(1) IN GENERAL.—Any designation of an area as a tax enterprise zone shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) December 31 of the 15th calendar year following the calendar year in which such date occurs,

"(B) the termination date designated by the State and local governments as provided for in their nomination, or

"(C) the date the appropriate Secretary revokes the designation under paragraph (2).

"(2) REVOCATION OF DESIGNATION.—

"(A) IN GENERAL.—The appropriate Secretary shall revoke the designation of an area as a tax enterprise zone if such Secretary determines that the local government or the State in which it is located—

"(i) has modified the boundaries of the area, or

"(ii) is not complying substantially with the State and local commitments pursuant to section 1392(c).

"(B) APPLICABLE PROCEDURES.—A designation may be revoked by the appropriate Secretary under subparagraph (A) only after a hearing on the record involving officials of the State or local government involved.

"SEC. 1392. ELIGIBILITY AND SELECTION CRITERIA.

"(a) IN GENERAL.—The appropriate Secretary may make a designation of any nominated area under section 1391 only on the basis of the eligibility and selection criteria set forth in this section.

"(b) ELIGIBILITY CRITERIA.—

"(1) URBAN TAX ENTERPRISE ZONES.—A nominated area which is not a rural area shall be eligible for designation under section 1391 only if it meets the following criteria:

"(A) POPULATION.—The nominated area has a population (as determined by the most recent census data available) of not less than 4,000.

"(B) DISTRESS.—The nominated area is one of pervasive poverty, unemployment, and general distress.

"(C) SIZE.—The nominated area—

"(i) does not exceed 20 square miles,

"(ii) has a boundary which is continuous, or consists of not more than 3 noncontiguous parcels within the same metropolitan area,

"(iii) is located entirely within 1 State, and

"(iv) does not include any portion of a central business district (as such term is used for purposes of the most recent Census of Retail Trade).

"(D) UNEMPLOYMENT RATE.—The unemployment rate (as determined by the appropriate available data) is not less than 1.5 times the national unemployment rate.

"(E) POVERTY RATE.—The poverty rate (as determined by the most recent census data available) for not less than 90 percent of the population census tracts (or where not tracted, the equivalent county divisions as defined by the Bureau of the Census for the purposes of defining poverty areas) within the nominated area is not less than 20 percent.

"(F) COURSE OF ACTION.—There has been adopted for the nominated area a course of action which meets the requirements of subsection (c).

"(2) RURAL DEVELOPMENT INVESTMENT ZONES.—A nominated area which is a rural area shall be eligible for designation under section 1391 only if it meets the following criteria:

"(A) POPULATION.—The nominated area has a population (as determined by the most recent census data available) of not less than 1,000.

"(B) DISTRESS.—The nominated area is one of general distress.

"(C) SIZE.—The nominated area—

"(i) does not exceed 10,000 square miles,

"(ii) consists of areas within not more than 4 contiguous counties, "(iii) has a boundary which is continuous, or consists of not more than 3 noncontiguous parcels, and

"(iv) except in the case of nominated areas located in 1 or more Indian reservations, is located entirely within 1 State.

"(D) ADDITIONAL CRITERIA.—Not less than 2 of the following criteria:

"(i) UNEMPLOYMENT RATE.—The criterion set forth in paragraph (1)(D).

"(ii) POVERTY RATE.—The criterion set forth in paragraph (1)(E).

"(iii) JOB LOSS.—The amount of wages attributable to employment in the area, and subject to tax under section 3301 during the preceding calendar year, is not more than 95 percent of such wages during the 5th preceding calendar year.

"(iv) OUT-MIGRATION.—The population of the area decreased (as determined by the most recent census data available) by 10 percent or more between 1980 and 1990.

"(E) COURSE OF ACTION.—There has been adopted for the nominated area a course of action which meets the requirements of subsection (c).

"(c) REQUIRED STATE AND LOCAL COURSE OF ACTION.—

"(1) IN GENERAL.—No nominated area may be designated as a tax enterprise zone unless the local government and the State in which it is located agree in writing that, during any period during which the area is a tax enterprise zone, the governments will follow a specified course of action designed to reduce the various burdens borne by employers or employees in the area.

"(2) COURSE OF ACTION.—The course of action under paragraph (1) may be implemented by both governments and private nongovernmental entities, may not be funded from proceeds of any Federal program (other than discretionary proceeds), and may include—

"(A) the direct provision by the State or local government of property insurance to businesses that are unable to purchase comparable insurance coverage, or that are able to purchase such coverage only at a cost which is significantly higher than the Statewide average cost of such coverage,

"(B) a reduction of tax rates or fees applying within the tax enterprise zone,

"(C) an increase in the level, or efficiency of delivery, of local public services within the tax enterprise zone,

"(D) actions to reduce, remove, simplify, or streamline government paperwork requirements applicable within the tax enterprise zone,

"(E) the involvement in the program by public authorities or private entities, organizations, neighborhood associations, and community groups, particularly those within the nominated area, including a written commitment to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents of the nominated area,

"(F) the giving of special preference to contractors owned and operated by members of any minority,

"(G) the gift (or sale at below fair market value) of surplus land in the tax enterprise zone to neighborhood organizations agreeing to operate a business on the land,

"(H) the establishment of a program under which employers within the tax enterprise zone may purchase health insurance for their employees on a pooled basis,

"(I) the establishment of a program to encourage local financial institutions to satisfy their obligations under the Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.) by making loans to enterprise zone businesses, with emphasis on startup and other small-business concerns (as defined in section 3(a) of the Small Business Act (15 U.S.C. 632(a)),

"(J) the giving of special preference to qualified low-income housing projects located in tax enterprise zones, in the allocation of the State housing credit ceiling applicable under section 42, and

"(K) the giving of special preference to facilities located in tax enterprise zones, in the allocation of the State ceiling on private activity bonds applicable under section 146.

"(3) RECOGNITION OF PAST EFFORTS.—In evaluating courses of action agreed to by any State or local government, the appropriate Secretary shall take into account the past efforts of the State or local government in reducing the various burdens borne by employers and employees in the area involved.

"(4) PROHIBITION OF ASSISTANCE FOR BUSINESS RELOCATIONS.—

"(A) IN GENERAL.—The course of action implemented under paragraph (1) may not include any action to assist any establishment in relocating from 1 area to another area.

"(B) EXCEPTION.—The limitation established in subparagraph (A) shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary if—

"(i) the establishment of the new branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where the existing business entity conducts business operations, and

"(ii) there is no reason to believe that the new branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where the existing business entity conducts business operations.

"(d) SELECTION CRITERIA.—From among the nominated areas eligible for designation under subsection (b) by the appropriate Secretary, such appropriate Secretary shall make designations of tax enterprise zones on the basis of the following factors (each of which is to be given equal weight):

"(1) STATE AND LOCAL CONTRIBUTIONS.—The strength and quality of the contributions which have been promised as part of the course of action relative to the fiscal ability of the nominating State and local governments.

"(2) IMPLEMENTATION OF COURSE OF ACTION.—The effectiveness and enforceability of the guarantees that the course of action will actually be carried out.

"(3) PRIVATE COMMITMENTS.—The level of commitments by private entities of additional resources and contributions to the economy of the nominated area, including the creation of new or expanded business activities.

"(4) AVERAGE RANKINGS.—The average ranking with respect to—

"(A) the criteria set forth in subparagraphs (D) and (E) of subsection (b)(1), in the case of an area which is not a rural area, or

"(B) the 2 criteria set forth in subsection (b)(2)(D) that give the area a higher average ranking, in the case of a rural area.

"(5) REVITALIZATION POTENTIAL.—The potential for the revitalization of the nominated area as a result of zone designation, taking into account particularly the number of jobs to be created and retained.

"SEC. 1393. DEFINITIONS AND SPECIAL RULES.

For purposes of this subchapter—

"(1) URBAN TAX ENTERPRISE ZONE.—The term 'urban tax enterprise zone' means a tax enterprise zone which meets the requirements of section 1392(b)(1).

"(2) RURAL DEVELOPMENT INVESTMENT ZONE.—The term 'rural development investment zone' means a tax enterprise zone which meets the requirements of section 1392(b)(2).

"(3) GOVERNMENTS.—If more than 1 local government seeks to nominate an area as a tax enterprise zone, any reference to, or requirement of, this subchapter shall apply to all such governments.

"(4) LOCAL GOVERNMENT.—The term 'local government' means—

"(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State, and

"(B) any combination of political subdivisions described in subparagraph (A) recognized by the appropriate Secretary.

"(5) NOMINATED AREA.—

"(A) IN GENERAL.—The term 'nominated area' means an area which is nominated by 1 or more local governments and the State in which it is located for designation as a tax enterprise zone under this subchapter.

"(B) INDIAN RESERVATIONS.—In the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be deemed to be both the State and local governments with respect to the area.

"(6) RURAL AREA.—The term 'rural area' means any area which is—

"(A) outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

"(B) determined by the Secretary of Agriculture, after consultation with the Secretary of Commerce, to be a rural area.

"(7) APPROPRIATE SECRETARY.—The term 'appropriate Secretary' means—

"(A) the Secretary of Housing and Urban Development in the case of urban tax enterprise zones, and

"(B) the Secretary of Agriculture in the case of rural development investment zones.

"(8) STATE-CHARTERED DEVELOPMENT CORPORATIONS.—An area shall be treated as nominated by a State and a local government if it is nominated by an economic development corporation chartered by the State.

"PART II—INCENTIVES FOR TAX ENTERPRISE ZONES

"SUBPART A. Enterprise zone employment credit.

"SUBPART B. Investment incentives.

"SUBPART C. Regulations.

"Subpart A—Enterprise Zone Employment Credit

"Sec. 1394. Enterprise zone employment credit.

"Sec. 1395. Other definitions and special rules.

"SEC. 1394. ENTERPRISE ZONE EMPLOYMENT CREDIT.

"(a) AMOUNT OF CREDIT.—For purposes of section 38, the amount of the enterprise zone employment credit determined under this section with respect to any employer for any taxable year is 15 percent of the qualified zone wages paid or incurred during such taxable year.

"(b) QUALIFIED ZONE WAGES.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified zone wages' means any wages paid or incurred by an employer for services performed by an employee while such employee is a qualified zone employee.

"(2) ONLY FIRST $20,000 OF WAGES PER YEAR TAKEN INTO ACCOUNT.—With respect to each qualified zone employee, the amount of qualified zone wages which may be taken into account for the taxable year shall not exceed $20,000.

"(3) COORDINATION WITH TARGETED JOBS CREDIT.—The term 'qualified wages' shall not include wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer if any portion of such wages is taken into account in determining the credit under section 51.

"(c) QUALIFIED ZONE EMPLOYEE.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'qualified zone employee' means, with respect to any period, any employee of an employer if—

"(A) substantially all of the services performed during such period by such employee for such employer are performed within a tax enterprise zone in a trade or business of the employer, and

"(B) the principal place of abode of such employee while performing such services is within such tax enterprise zone.

"(2) CERTAIN INDIVIDUALS NOT ELIGIBLE.—The term 'qualified zone employee' shall not include—

"(A) any individual described in subparagraph (A), (B), or (C) of section 51(i)(1), and

"(B) any 5-percent owner (as defined in section 416(i)(1)(B)).

"(d) EARLY TERMINATION OF EMPLOYMENT BY EMPLOYER.—

"(1) IN GENERAL.—If the employment of any employee is terminated by the taxpayer before the day 1 year after the day on which such employee began work for the employer—

"(A) no wages with respect to such employee shall be taken into account under subsection (a) for the taxable year in which such employment is terminated, and

"(B) the tax under this chapter for the taxable year in which such employment is terminated shall be increased by the aggregate credits (if any) allowed under section 38(a) for prior taxable years by reason of wages taken into account with respect to such employee.

"(2) CARRYBACKS AND CARRYOVERS ADJUSTED.—In the case of any termination of employment to which paragraph (1) applies, the carrybacks and carryovers under section 39 shall be properly adjusted.

"(3) SUBSECTION NOT TO APPLY IN CERTAIN CASES.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to—

"(i) a termination of employment of an employee who voluntarily leaves the employment of the taxpayer,

"(ii) a termination of employment of an individual who before the close of the period referred to in paragraph (1) becomes disabled to perform the services of such employment unless such disability is removed before the close of such period and the taxpayer fails to offer reemployment to such individual, or

"(iii) a termination of employment of an individual if it is determined under the applicable State unemployment compensation law that the termination was due to the misconduct of such individual.

"(B) CHANGES IN FORM OF BUSINESS.—For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated—

"(i) by a transaction to which section 381(a) applies if the employee continues to be employed by the acquiring corporation, or

"(ii) by reason of a mere change in the form of conducting the trade or business of the taxpayer if the employee continues to be employed in such trade or business and the taxpayer retains a substantial interest in such trade or business.

"(4) SPECIAL RULE.—Any increase in tax under paragraph (1) shall not be treated as a tax imposed by this chapter for purposes of—

"(A) determining the amount of any credit allowable under this chapter, and

"(B) determining the amount of the tax imposed by section 55.

"SEC. 1395. OTHER DEFINITIONS AND SPECIAL RULES.

"(a) WAGES.—For purposes of this subpart, the term 'wages' has the same meaning as when used in section 51.

"(b) CONTROLLED GROUPS.—For purposes of this subpart—

"(1) all employers treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single employer for purposes of this subpart, and

"(2) the credit (if any) determined under section 1394 with respect to each such employer shall be its proportionate share of the wages giving rise to such credit.

"(c) CERTAIN OTHER RULES MADE APPLICABLE.—For purposes of this subpart, rules similar to the rules of section 51(k) and subsections (c), (d), and (e) of section 52 shall apply.

"(d) NOTICE OF AVAILABILITY OF ADVANCE PAYMENT OF EARNED INCOME CREDIT.—Each employer shall take reasonable steps to notify all qualified zone employees of the availability to eligible individuals of receiving advanced payments of the credit under section 32 (relating to the earned income credit).

"Subpart B—Investment Incentives

"Sec. 1396. Deduction for purchase of enterprise zone stock.

"Sec. 1397. 50 percent exclusion for gain from new zone investments.

"Sec. 1397A. Nonrecognition of gain from new zone investments.

"Sec. 1397B. Other incentives.

"Sec. 1397C. Enterprise zone business defined.

"SEC. 1396. DEDUCTION FOR PURCHASE OF ENTERPRISE ZONE STOCK.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a deduction an amount equal to the aggregate amount paid in cash by the taxpayer during the taxable year for the purchase of enterprise zone stock.

"(b) LIMITATION.—

"(1) IN GENERAL.—The maximum amount allowed as a deduction under subsection (a) to a taxpayer for the taxable year shall not exceed the lesser of—

"(A) $25,000, or

"(B) the excess of $250,000 over the amount allowed as a deduction under this section to the taxpayer for all prior taxable years.

"(2) EXCESS AMOUNTS.—If the amount otherwise deductible by any person under subsection (a) exceeds the limitation under paragraph (1)(A)—

"(A) the amount of such excess shall be treated as an amount paid to which subsection (a) applies during the next taxable year, and

"(B) the deduction allowed for any taxable year shall be allocated proportionately among the enterprise zone stock purchased by such person on the basis of the respective purchase prices per share.

"(3) AGGREGATION WITH FAMILY MEMBERS.—The taxpayer and members of the taxpayer's family (as defined in section 267(c)(4)) shall be treated as one person for purposes of paragraph (1), and the limitations contained in such paragraph shall be allocated among the taxpayer and such members in accordance with their respective purchases of enterprise zone stock.

"(c) ENTERPRISE ZONE STOCK.—For purposes of this section—

"(1) IN GENERAL.—The term 'enterprise zone stock' means stock of a corporation if—

"(A) such stock is acquired on original issue from the corporation,

"(B) such corporation is, at the time of issue, a qualified enterprise zone issuer, and

"(C) the amount of the issue of which such stock is a part does not exceed the amount of the enterprise zone limit allocated to such issue by the governmental official referred to in section 1391(c)(2).

"(2) PROCEEDS MUST BE INVESTED IN QUALIFIED ENTERPRISE ZONE PROPERTY.—

"(A) IN GENERAL.—Such term shall include such stock only to the extent that the proceeds of such issuance are used by such issuer during the 12-month period beginning on the date of issuance to purchase (as defined in section 179(d)(2)) qualified enterprise zone property.

"(B) QUALIFIED ENTERPRISE ZONE PROPERTY.—For purposes of this section, the term 'qualified enterprise zone property' means property to which section 168 applies—

"(i) the original use of which in a tax enterprise zone commences with the issuer, and

"(ii) substantially all of the use of which is in a tax enterprise zone.

"(3) ENTERPRISE ZONE LIMIT.—

"(A) IN GENERAL.—The enterprise zone limit for any calendar year for each tax enterprise zone is $30,000,000.

"(B) ALLOCATION OF LIMIT.—The enterprise zone limit for any calendar year for any tax enterprise zone may be allocated by the governmental official referred to in section 1391(c)(2) only to stock issued during such calendar year by qualified enterprise zone issuers with respect to such tax enterprise zone.

"(C) RETROACTIVE ALLOCATIONS NOT EFFECTIVE.—No allocation of an enterprise zone limit made after the stock is issued shall be effective.

"(d) QUALIFIED ENTERPRISE ZONE ISSUER.—For purposes of this section, the term 'qualified enterprise zone issuer' means any domestic C corporation if—

"(1) such corporation is an enterprise zone business or, in the case of a new corporation, such corporation is being organized for purposes of being an enterprise zone business,

"(2) such corporation does not have more than one class of stock,

"(3) the sum of—

"(A) the money,

"(B) the aggregate unadjusted bases of property owned by such corporation, and

"(C) the value of property leased to the corporation (as determined under regulations prescribed by the Secretary), does not exceed $5,000,000, and

"(4) more than 20 percent of the total voting power, and 20 percent of the total value, of the stock of such corporation is owned directly by individuals or estates or indirectly by individuals through partnerships or trusts.

The determination under paragraph (3) shall be made as of the time of issuance of the stock in question but shall include amounts received for such stock.

"(e) DISPOSITIONS OF STOCK.—

"(1) BASIS REDUCTION.—For purposes of this title, the basis of any enterprise zone stock shall be reduced by the amount of the deduction allowed under this section with respect to such stock.

"(2) DEDUCTION RECAPTURED AS ORDINARY INCOME.—For purposes of section 1245—

"(A) any stock the basis of which is reduced under paragraph (1) (and any other property the basis of which is determined in whole or in part by reference to the adjusted basis of such stock) shall be treated as section 1245 property, and

"(B) any reduction under paragraph (1) shall be treated as a deduction allowed for depreciation.

If an exchange of any stock described in paragraph (1) qualifies under section 354(a), 355(a), or 356(a), the amount of gain recognized under section 1245 by reason of this paragraph shall not exceed the amount of gain recognized in the exchange (determined without regard to this paragraph).

"(3) CERTAIN EVENTS TREATED AS DISPOSITIONS.—For purposes of determining the amount treated as ordinary income under section 1245 by reason of paragraph (2), paragraph (3) of section 1245(b) (relating to certain tax-free transactions) shall not apply.

"(4) INTEREST CHARGED IF DISPOSITION WITHIN 5 YEARS OF PURCHASE.—

"(A) IN GENERAL.—If—

"(i) a taxpayer disposes of any enterprise zone stock with respect to which a deduction was allowed under subsection (a) (or any other property the basis of which is determined in whole or in part by reference to the adjusted basis of such stock) before the end of the 5-year period beginning on the date such stock was purchased by the taxpayer, and

"(ii) section 1245(a) applies to such disposition by reason of paragraph (2),

then the tax imposed by this chapter for the taxable year in which such disposition occurs shall be increased by the amount determined under subparagraph (B).

"(B) ADDITIONAL AMOUNT.—For purposes of subparagraph (A), the additional amount shall be equal to the amount of interest (determined at the rate applicable under section 6621(a)(2)) that would accrue—

"(i) during the period beginning on the date the stock was purchased by the taxpayer and ending on the date of such disposition by the taxpayer,

"(ii) on an amount equal to the aggregate decrease in tax of the taxpayer resulting from the deduction allowed under this subsection (a) with respect to such stock.

"(C) SPECIAL RULE.—Any increase in tax under subparagraph (A) shall not be treated as a tax imposed by this chapter for purposes of—

"(i) determining the amount of any credit allowable under this chapter, and

"(ii) determining the amount of the tax imposed by section 55.

"(f) DISQUALIFICATION.—

"(1) ISSUER CEASES TO QUALIFY.—If, during the 10-year period beginning on the date enterprise zone stock was purchased by the taxpayer, the issuer of such stock ceases to be a qualified enterprise zone issuer (determined without regard to subsection (d)(3)), then notwithstanding any provision of this subtitle other than paragraph (2), the taxpayer shall be treated for purposes of subsection (e) as disposing of such stock (and any other property the basis of which is determined in whole or in part by reference to the adjusted basis of such stock) during the taxable year during which such cessation occurs at its fair market value as of the 1st day of such taxable year.

"(2) CESSATION OF ENTERPRISE ZONE STATUS NOT TO CAUSE RECAPTURE.—A corporation shall not fail to be treated as a qualified enterprise zone issuer for purposes of paragraph (1) solely by reason of the termination or revocation of a tax enterprise zone designation.

"(g) OTHER SPECIAL RULES.—

"(1) APPLICATION OF LIMITS TO PARTNERSHIPS AND S CORPORATIONS.—In the case of a partnership or an S corporation, the limitations under subsection (b) shall apply at the partner and shareholder level and shall not apply at the partnership or corporation level.

"(2) DEDUCTION NOT ALLOWED TO ESTATES AND TRUSTS.—Estates and trusts shall not be treated as individuals for purposes of this section.

"SEC. 1397. 50 PERCENT EXCLUSION FOR GAIN FROM NEW ZONE INVESTMENTS.

"(a) GENERAL RULE.—In the case of an individual, gross income shall not include 50 percent of any qualified capital gain recognized on the sale or exchange of a qualified zone asset held for more than 5 years.

"(b) QUALIFIED ZONE ASSET.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified zone asset' means—

"(A) any qualified zone stock,

"(B) any qualified zone business property, and

"(C) any qualified zone partnership interest.

"(2) QUALIFIED ZONE STOCK.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified zone stock' means any stock in a domestic corporation if—

"(i) such stock is acquired by the taxpayer on original issue from the corporation solely in exchange for cash,

"(ii) as of the time such stock was issued, such corporation was an enterprise zone business (or, in the case of a new corporation, such corporation was being organized for purposes of being an enterprise zone business), and

"(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as an enterprise zone business.

"(B) EXCLUSION OF STOCK FOR WHICH DEDUCTION UNDER SECTION 1396 ALLOWED.—The term 'qualified zone stock' shall not include any stock the basis of which is reduced under section 1396(e)(1).

"(C) REDEMPTIONS.—The term 'qualified zone stock' shall not include any stock acquired from a corporation which made a substantial stock redemption or distribution (without a bona fide business purpose therefor) in an attempt to avoid the purposes of this section.

"(3) QUALIFIED ZONE BUSINESS PROPERTY.—

"(A) IN GENERAL.—The term 'qualified zone business property' means tangible property if—

"(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after the date on which the designation of the tax enterprise zone took effect,

"(ii) the original use of such property in a tax enterprise zone commences with the taxpayer, and

"(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a tax enterprise zone and in an enterprise zone business of the taxpayer.

"(B) SPECIAL RULE FOR SUBSTANTIAL RENOVATIONS.—In the case of any property which is substantially renovated by the taxpayer, the requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied. For purposes of the preceding sentence, property shall be treated as substantially renovated by the taxpayer if, during any 24-month period beginning after the date on which the designation of the tax enterprise zone took effect, additions to basis with respect to such property in the hands of the taxpayer exceed the greater of (i) an amount equal to the adjusted basis at the beginning of such 24-month period in the hands of the taxpayer, or (ii) $5,000.

"(C) LIMITATION ON LAND.—The term 'qualified zone business property' shall not include land which is not an integral part of a qualified business (as defined in section 1397C(c)).

"(4) QUALIFIED ZONE PARTNERSHIP INTEREST.—The term 'qualified zone partnership interest' means any interest in a partnership if—

"(A) such interest is acquired by the taxpayer from the partnership solely in exchange for cash,

"(B) as of the time such interest was acquired, such partnership was an enterprise zone business (or, in the case of a new partnership, such partnership was being organized for purposes of being an enterprise zone business), and

"(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as an enterprise zone business.

A rule similar to the rule of paragraph (2)(C) shall apply for purposes of this paragraph.

"(5) TREATMENT OF SUBSEQUENT PURCHASERS.—The term 'qualified zone asset' includes any property which would be a qualified zone asset but for paragraph (2)(A)(i), (3)(A)(ii), or (4)(A) in the hands of the taxpayer if such property was a qualified zone asset in the hands of any prior holder.

"(6) 10-YEAR SAFE HARBOR.—If any property ceases to be a qualified zone asset by reason of paragraph (2)(A)(iii), (3)(A)(ii), or (4)(C) after the 10-year period beginning on the date the taxpayer acquired such property, such property shall continue to be treated as meeting the requirements of such paragraph; except that the amount of gain to which subsection (a) applies on any sale or exchange of such property shall not exceed the amount which would be qualified capital gain had such property been sold on the date of such cessation.

"(7) TREATMENT OF ZONE TERMINATIONS.—The termination of any designation of an area as a tax enterprise zone shall be disregarded for purposes of determining whether any property is a qualified zone asset.

"(c) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED CAPITAL GAIN.—Except as otherwise provided in this subsection, the term 'qualified capital gain' means any long-term capital gain.

"(2) CERTAIN GAIN ON REAL PROPERTY NOT QUALIFIED.—The term 'qualified capital gain' shall not include any gain which would be treated as ordinary income under section 1250 if section 1250 applied to all depreciation rather than the additional depreciation.

"(3) GAIN ATTRIBUTABLE TO PERIODS AFTER TERMINATION OF ZONE DESIGNATION NOT QUALIFIED.—The term 'qualified capital gain' shall not include any gain attributable to periods after the termination of any designation of an area as a tax enterprise zone.

"(d) TREATMENT OF PASS-THRU ENTITIES.—

"(1) SALES AND EXCHANGES.—Gain on the sale or exchange of an interest in a pass-thru entity held by the taxpayer (other than an interest in an entity which was an enterprise zone business during substantially all of the period the taxpayer held such interest) for more than 5 years shall be treated as gain described in subsection (a) to the extent such gain is attributable to amounts which would be qualified capital gain on qualified zone assets (determined as if such assets had been sold on the date of the sale or exchange) held by such entity for more than 5 years and throughout the period the taxpayer held such interest. A rule similar to the rule of paragraph (2)(C) shall apply for purposes of the preceding sentence.

“(2) DISTRIBUTIONS.—

“(A) IN GENERAL.—Any amount included in income by reason of holding an interest in a pass-thru entity (other than an entity which was an enterprise zone business during substantially all of the period the taxpayer held the interest to which such inclusion relates) shall be treated as gain described in subsection (a) if such amount meets the requirements of subparagraph (B).

“(B) REQUIREMENTS.—An amount meets the requirements of this subparagraph if—

“(i) such amount is attributable to gain on the sale or exchange by the pass-thru entity of property which is a qualified zone asset in the hands of such entity and which was held by such entity for the period required under subsection (a), and

“(ii) such amount is includible in the gross income of the taxpayer by reason of the holding of an interest in such entity which was held by the taxpayer on the date on which such pass-thru entity acquired such asset and at all times thereafter before the disposition of such asset by such pass-thru entity.

“(C) LIMITATION BASED ON INTEREST ORIGINALLY HELD BY TAXPAYER.—Subparagraph (A) shall not apply to any amount to the extent such amount exceeds the amount to which subparagraph (A) would have applied if such amount were determined by reference to the interest the taxpayer held in the pass-thru entity on the date the qualified zone asset was acquired.

“(3) PASS-THRU ENTITY.—For purposes of this subsection, the term ‘pass-thru entity’ means—

“(A) any partnership,

“(B) any S corporation,

“(C) any regulated investment company, and

“(D) any common trust fund.

“(e) SALES AND EXCHANGES OF INTERESTS IN PARTNERSHIPS AND S CORPORATIONS WHICH ARE QUALIFIED ZONE BUSINESSES.—In the case of the sale or exchange of a interest in a partnership, or of stock in an S Corporation, which was an enterprise zone business during substantially all of the period the taxpayer held such interest or stock) is an enterprise zone business, the amount of qualified capital gain shall be determined without regard to—

“(1) any intangible, and any land, which is not an integral part of any qualified business (as defined in section 1397C(b)), and

“(2) gain attributable to periods before the designation of an area as a tax enterprize zone.

“(f) CERTAIN TAX-FREE AND OTHER TRANSFERS.—For purposes of this section—

“(1) IN GENERAL.—In the case of a transfer of a qualified zone asset to which this subsection applies, the transferee shall be treated as—

“(A) having acquired such asset in the same manner as the transferor, and

“(B) having held such asset during any continuous period immediately preceding the transfer during which it was held (or treated as held under this subsection) by the transferor.

“(2) TRANSFERS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to any transfer—

“(A) by gift,

“(B) at death, or

“(C) from a partnership to a partner thereof of a qualified zone asset with respect to which the requirements of subsection (d)(2) are met at the time of the transfer (without regard to the 5-year holding requirement).

“(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of section 1244(d)(2) shall apply for purposes of this section.

“SEC. 1397A. NONRECOGNITION OF GAIN FROM NEW ZONE INVESTMENTS.

“(a) GENERAL RULE.—At the election of an individual, qualified capital gain (within the meaning of section 1397) from the sale or exchange of a qualified zone asset shall be recognized only to the extent that—

“(1) the amount realized from such sale or exchange, exceeds

“(2) the cost (not heretofore taken into account under this subsection) of any qualified zone asset purchased directly by the taxpayer during the reinvestment period.

“(b) QUALIFIED ZONE ASSET.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified zone asset’ has the meaning given such term by section 1397.

“(2) TIME FOR TESTING.—

“(A) SALES.—In the case of a sale or exchange of property, the determination of whether such property is a qualified zone asset shall be made as of the time of the sale or exchange.

“(B) PURCHASES.—In the case of a purchase of property, the determination of whether such property is a qualified zone asset shall be made as of the time of such purchase.

“(c) OTHER DEFINITIONS.—For purposes of this section—

“(1) REINVESTMENT PERIOD.—The term ‘reinvestment period’ means, with respect to any sale or exchange, the 6-month period beginning on the date of such sale or exchange.

“(2) PURCHASE.—The term ‘purchase’ has the meaning given to such term by section 179(d)(2).

“(d) BUSINESS OR PROPERTY CEASES TO QUALIFY.—

“(1) IN GENERAL.—If, during the 10-year period beginning on the date any qualified zone replacement asset was purchased by the taxpayer, such asset ceases to be a qualified zone asset, notwithstanding any provision of this subtitle other than paragraph (3), the taxpayer shall be treated as disposing of such asset during the taxable year during which such cessation occurs at its fair market value as of the 1st day of such taxable year.

“(2) LIMITATION ON GAIN RECOGNIZED.—The amount of gain recognized pursuant to paragraph (1) with respect to any asset shall not exceed the lesser of—

“(A) the amount of gain which was not recognized under subsection (a) by the reason of the purchase of such asset, or

“(B) the excess of the fair market value referred to in paragraph (1) over the adjusted basis of such asset.

“(3) CESSATION OF ENTERPRISE ZONE STATUS NOT TO CAUSE RECAPTURE.—An asset shall not fail to be treated as a qualified zone asset for purposes of paragraph (1) solely by reason of the termination of a tax enterprise zone designation.

“(4) QUALIFIED ZONE REPLACEMENT ASSET.—For purposes of paragraph (1), the term ‘qualified zone replacement asset’ means any qualified zone asset the purchase of which resulted in the nonrecognition of gain under subsection (a) with respect to any other property.

“(e) BASIS OF QUALIFIED ZONE REPLACEMENT ASSET.—If gain from the sale or exchange of any property is not recognized by reason of subsection (a), such gain shall be applied to reduce (in the order acquired) the basis of any qualified zone replacement asset (as defined in subsection (d)(4)) purchased during the reinvestment period.

“(f) COORDINATION WITH INSTALLMENT METHOD REPORTING.—This section shall not apply to any gain from any installment sale (as defined in section 453(b)) if section 453(a) applies to such sale.

“(g) STATUTE OF LIMITATIONS.—If any gain is realized by the taxpayer on any sale or exchange to which an election under this section applies, then—

“(1) the statutory period for the assessment of any deficiency with respect to such gain shall not expire before the expiration of 3 years from the date the Secretary is notified by the taxpayer (in such manner as the Secretary may by regulations prescribe) of—

“(A) the taxpayer's cost of purchasing any qualified zone replacement asset,

“(B) the taxpayer's intention not to purchase qualified zone replacement asset within the reinvestment period, or

“(C) a failure to make such purchase within the reinvestment period, and

“(2) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any law or rule of law which would otherwise prevent such assessment.

“SEC. 1397B. ADDITIONAL INCENTIVES.

“(a) INCREASE IN EXPENSING UNDER SECTION 179.—In the case of an enterprise zone business—

“(1) IN GENERAL.—Section 179(b)(1) shall be applied by substituting ‘$20,000’ for ‘$10,000’.

“(2) CONTROLLED GROUPS.—If such business is a component member of a controlled group of corporations (as defined in section 179(d)(7)), paragraph (1) shall apply only if all component members of such group are enterprise zone businesses.

“(b) ORDINARY LOSS TREATMENT FOR CERTAIN PROPERTY.—

“(1) IN GENERAL.—Loss on any qualified zone asset (as defined in section 1397(b)) held for more than 2 years (5 years in the case of real property) shall be treated as an ordinary loss.

“(2) REAL PROPERTY.—For purposes of paragraph (1), the term ‘real property’ means any property which is section 1250 property (as defined in section 1250(c)).

“(3) SPECIAL RULES.—

“(A) CERTAIN RULES MADE APPLICABLE.—For purposes of this subsection, rules similar to the following rules shall apply:

“(i) Paragraphs (1), (2), and (3) of section 1244(d).

“(ii) Subsections (b)(6), (c)(3), (d), (e), and (f) of section 1397.

“(B) COORDINATION WITH SECTION 1231.—Losses treated as ordinary losses by reason of this subsection shall not be taken into account in applying section 1231.

“SEC. 1397C. ENTERPRISE ZONE BUSINESS DEFINED.

“(a) IN GENERAL.—For purposes of this subpart, the term ‘enterprise zone business’ means—

“(1) any qualified business entity, and

“(2) any qualified proprietorship.

“(b) QUALIFIED BUSINESS ENTITY.—For purposes of this section, the term ‘qualified business entity’ means, with respect to any taxable year, any corporation or partnership if for such year—

“(1)(A) every trade or business of such entity is the active conduct of a qualified business within a tax enterprise zone, and

"(B) at least 80 percent of the total gross income of such entity is derived from the active conduct of such business,

"(2) substantially all of the use of the tangible property of such entity (whether owned or leased) is within a tax enterprise zone,

"(3) substantially all of the services performed for such entity by its employees are performed in a tax enterprise zone,

"(4) at least one-third of its employees are residents of a tax enterprise zone, and

"(5) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to—

"(A) collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, or

"(B) nonqualified financial property.

"(c) QUALIFIED PROPRIETORSHIP.—For purposes of this section, the term 'qualified proprietorship' means, with respect to any taxable year, any qualified business carried on by an individual as a proprietorship if for such year—

"(1) at least 80 percent of the total gross income of such individual from such business is derived from the active conduct of such business in a tax enterprise zone,

"(2) substantially all of the use of the tangible property of such individual in such business (whether owned or leased) is within a tax enterprise zone,

"(3) substantially all of the services performed for such individual in such business by employees of such business are performed in a tax enterprise zone,

"(4) at least 1/3 of such employees are residents of a tax enterprise zone, and

"(5) less than 5 percent of the average of the aggregate unadjusted bases of the property of such individual which is used in such business is attributable to—

"(A) collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, or

"(B) nonqualified financial property.

"(d) QUALIFIED BUSINESS.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'qualified business' means any trade or business.

"(2) RENTAL OF REAL PROPERTY.—The rental of real property located in a tax enterprise zone shall be treated as a qualified business if and only if—

"(A) in the case of real property which is not residential rental property (as defined in section 168(e)(2)), the lessee is an enterprise zone business, or

"(B) in the case of residential rental property (as so defined)—

"(i) such property was originally placed in service after the date the tax enterprise zone was designated, or

"(ii) such property is rehabilitated after such date in a rehabilitation which meets requirements based on the principles of section 42(e)(3).

"(3) RENTAL OF TANGIBLE PERSONAL PROPERTY.—The rental of tangible personal property shall be treated as a qualified business if and only if substantially all of the rental of such property is by enterprise zone businesses or by residents of a tax enterprise zone.

"(4) TREATMENT OF BUSINESS HOLDING INTANGIBLES.—The term 'qualified business' shall not include any trade or business consisting predominantly of the development or holding of intangibles for sale or license.

"(e) NONQUALIFIED FINANCIAL PROPERTY.—For purposes of this section, the term 'nonqualified financial property' means debt, stock, partnership interests, options, futures contracts, forward contracts, warrants, notional principal contracts, annuities, and other similar property specified in regulations; except that such term shall not include—

"(1) reasonable amounts of working capital held in cash, cash equivalents, or debt instruments with a term of 18 months or less, or

"(2) debt instruments described in section 1221(4).

"Subpart C—Regulations

"Sec. 1397C. Regulations.

"SEC. 1397C. REGULATIONS.

"The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this part, including—

"(1) regulations limiting the benefit of this part in circumstances where such benefits, in combination with benefits provided under other Federal programs, would result in an activity being 100 percent or more subsidized by the Federal Government,

"(2) regulations preventing abuse of the provisions of this part, and

"(3) regulations dealing with inadvertent failures of entities to be qualified zone businesses."

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 is amended by inserting after the item relating to subchapter T the following new item:

"Subchapter U. Designation and treatment of tax enterprise zones."

SEC. 1103. TECHNICAL AND CONFORMING AMENDMENTS.

(a) ENTERPRISE ZONE EMPLOYMENT CREDIT PART OF GENERAL BUSINESS CREDIT.—

(1) Subsection (b) of section 38 (relating to current year business credit) is amended by striking "plus" at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting ", plus", and by adding at the end the following new paragraph:

"(8) the enterprise zone employment credit determined under section 1394(a)."

(2) Subsection (d) of section 39 is amended by adding at the end thereof the following new paragraph:

"(3) NO CARRYBACK OF SECTION 1394 CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the enterprise zone employment credit determined under section 1394 may be carried to a taxable year ending before the date of the enactment of section 1394."

(b) NONITEMIZERS ALLOWED DEDUCTION FOR ENTERPRISE ZONE STOCK.—Subsection (a) of section 62 is amended by adding at the end thereof the following new paragraph:

"(14) ENTERPRISE ZONE STOCK.—The deduction allowed by section 1396."

(c) DENIAL OF DEDUCTION FOR PORTION OF WAGES EQUAL TO ENTERPRISE ZONE EMPLOYMENT CREDIT.—

(1) Subsection (a) of section 280C (relating to rule for targeted jobs credit) is amended—

(A) by striking "the amount of the credit determined for the taxable year under section 51(a)" and inserting "the sum of the credits determined for the taxable year under sections 51(a) and 1394(a)", and

(B) by striking "TARGETED JOBS CREDIT" in the subsection heading and inserting "EMPLOYMENT CREDITS".

(2) Subsection (c) of section 196 (relating to deduction for certain unused business credits) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by adding at the end the following new paragraph:

"(6) the enterprise zone employment credit determined under section 1394(a)."

(d) OTHER AMENDMENTS.—

(1)(A) Section 172(d)(2) (relating to modifications with respect to net operating loss deduction) is amended to read as follows:

"(2) CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation—

"(A) the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includable on account of gains from sales or exchanges of capital assets; and

"(B) the exclusion provided by section 1397 shall not be allowed."

(B) Subparagraph (B) of section 172(d)(4) is amended by inserting ", (2)(B)," after "paragraph (1)".

(2) Subsection (c) of section 381 (relating to carryovers in certain corporate acquisitions) is amended by adding at the end the following new paragraph:

"(26) ENTERPRISE ZONE PROVISIONS.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and subchapter U, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of subchapter U in respect of the distributor or transferor corporation."

(3) Paragraph (4) of section 642(c) is amended to read as follows:

"(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1397(a), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1397. In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income)."

(4) Paragraph (3) of section 643(a) is amended by adding at the end thereof the following new sentence: "The exclusion under section 1397 shall not be taken into account."

(5) Paragraph (4) of section 691(c) is amended by striking "1201, and 1211" and inserting "1201, 1397, and 1211".

(6) The second sentence of paragraph (2) of section 871(a) is amended by inserting "such gains and losses shall be determined without regard to section 1397 and" after "except that".

(7) Paragraph (1) of section 1371(d) (relating to coordination with investment credit recapture) is amended by inserting before the period at the end the following "and for purposes of sections 1394(d)(3)".

(8) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking "and" at the end of paragraph (23), by striking the period at the end of paragraph (24) and inserting a semicolon, and by adding at the end thereof the following new paragraphs:

"(25) in the case of stock with respect to which a deduction was allowed under section 1396(a), to the extent provided in section 1396(e); and

"(26) in the case of property the acquisition of which resulted under section 1397A in the nonrecognition of any part of the gain realized on the sale or exchange of other property, to the extent provided in section 1397A(e)."

(9) Section 1223 (relating to holding period of property) is amended by redesignating paragraph (15) as paragraph (16) and by inserting after paragraph (14) the following new paragraph:

"(15) In determining the period for which the taxpayer has held property the acquisition of which resulted under section 1397A in the nonrecognition of any part of the gain realized on the sale or exchange of any qualified zone asset (as defined in section 1397A(b)), there shall be included the period for which such asset had been held as of the date of such sale or exchange."

SEC. 1104. EFFECTIVE DATE.

(a) General Rule.—The amendments made by this part shall take effect on the date of the enactment of this Act.

(b) Requirement for Rules.—Not later than 4 months after the date of the enactment of this Act, the appropriate Secretaries shall issue rules—

(1) establishing the procedures for nominating areas for designation as tax enterprise zones,

(2) establishing a method for comparing the factors listed in section 1392(d) of the Internal Revenue Code of 1986 (as added by this part), and

(3) establishing recordkeeping requirements necessary or appropriate to assist the studies required by part IV.

PART II—REDEVELOPMENT BONDS FOR TAX ENTERPRISE ZONES

SEC. 1111. SPECIAL RULES FOR REDEVELOPMENT BONDS PROVIDING FINANCING FOR TAX ENTERPRISE ZONES.

(a) In General.—Subsection (c) of section 144 (relating to qualified redevelopment bonds) is amended by adding at the end thereof the following new paragraph:

"(9) Special rules for tax enterprise zones.—For purposes of this subsection, in the case of bonds issued during the 60-month period beginning on the date a tax enterprise zone is designated—

"(A) Treatment as designated blighted area.—Such tax enterprise zone shall be treated as a designated blighted area during such 60-month period (or, if shorter, the period such designation is in effect). Any area designated by reason of the preceding sentence shall not be taken into account in applying paragraph (4)(C).

"(B) Security for bonds.—The requirements of paragraph (2)(B) shall be treated as met with respect to a financed area that is within a tax enterprise zone if the general purpose governmental unit guarantees the payment of principal and interest on the issue either directly or through insurance, a letter of credit, or a similar agreement but only if the cost thereof is financed other than with proceeds of any tax-exempt private activity bond or earnings on such proceeds.

"(C) Expansion of redevelopment purposes.—

"(i) In general.—The term 'redevelopment purposes' includes the making of loans to any enterprise zone business (as defined in section 1397B) for—

"(I) the acquisition of land within the tax enterprise zone for use in such business, or

"(II) the acquisition, construction, reconstruction, or improvement by such business of land, or property of a character subject to the allowance for depreciation, for use in such business.

"(ii) $2,500,000 limitation.—Clause (i) shall apply to loans made to any enterprise zone business only if the aggregate principal amount of such loans (whether or not financed by the same issue) does not exceed $2,500,000. For purposes of the preceding sentence, all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as 1 person.

"(iii) Loans must be made within 18 months after bonds issued; repayments must be used for redemptions.—Clause (i) shall apply only to loans—

"(I) made during the 18-month period beginning on the date of issuance of the issue financing such loan,

"(II) repayments of principal on which are used not later than the close of the 1st semiannual period beginning after the date the repayment is received to redeem bonds which are part of such issue, and

"(III) the effective rate of interest on which does not exceed the yield on the issue by more than 0.125 percentage points.

In determining the effective rate of interest for purposes of subclause (III), there shall be taken into account all fees, charges, and other amounts (other than amounts for any credit report) borne by the borrower which are attributable to the loan or the bond issue.

"(iv) Housing loans excluded.—Clause (i) shall not apply to any loan to be used directly or indirectly to provide residential real property.

"(v) Coordination with restrictions on use of proceeds.—Paragraphs (6) and (8) shall apply notwithstanding clause (i); except that in applying paragraph (6), subsection (a)(8) shall be treated as not including a reference to a facility the primary purpose of which is retail food services.

"(D) Issuer to designate amount of issue to be used for loans.—Subparagraph (C) shall not apply with respect to any issue unless the issuer designates before the date of issuance the amount of the proceeds of such issue which is to be used for loans to which subparagraph (C)(i) applies. If such amount exceeds the principal amount of loans to which subparagraph (C)(i) applies, an amount of proceeds equal to such excess shall be used not later than the close of the 1st semiannual period beginning after the close of the 18-month period referred to in subparagraph (C)(iii) to redeem bonds which are part of such issue.

"(E) De minimis redemptions not required.—Subparagraphs (C)(iii) and (D) shall not be construed to require amounts of less than $250,000 to be used to redeem bonds. The Secretary may by regulation treat related issues as 1 issue for purposes of the preceding sentence.

"(F) Penalty.—

"(i) In general.—In the case of property with respect to which financing was provided under this paragraph, if at any time during the 10-period beginning on the date such financing was provided—

"(I) such property ceases to be in used in an enterprise zone business (as defined in section 1397B), or

"(I) substantially all of the use of such property ceases to be in a tax enterprise zone,

there is hereby imposed on the trade or business to which such financing was provided a penalty equal to 1.25 percent of so much of the face amount of all financing provided (whether or not from the same issue and whether or not such issue is outstanding) before such cessation to the trade or business using such property.

"(ii) No penalty by reason of zone termination.—No penalty shall be imposed under clause (i) solely by reason of the termination or revocation of a tax enterprise zone designation.

"(iii) Exception for bankruptcy.—Clause (i) shall not apply to any cessation resulting from bankruptcy."

(b) Volume Cap Only Charged With 50 Percent of Tax Enterprise Zone Redevelopment Bonds.—Subsection (g) of section 146 is amended by striking "and" at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting ", and", and by adding at the end thereof the following new paragraph:

"(5) 50 percent of any qualified redevelopment bond issued—

"(A) as part of an issue 95 percent or more of the net proceeds of which are to be used for 1 or more redevelopment purposes (as defined in section 144(c)) in a tax enterprise zone, and

"(B) during the 60-month period beginning on the date of the designation of such zone."

(c) Penalties for Loans Made to Businesses That Cease To Be Enterprise Zone Businesses, Etc.—Subsection (b) of section 150 is amended by adding at the end thereof the following new paragraph:

"(6) Enterprise zone redevelopment bonds.—In the case of any financing provided by an issue the interest on which is exempt from tax by reason of section 144(c)(9)—

"(A) In general.—No deduction shall be allowed under this chapter for interest on such financing which accrues during the period beginning on the first day of the calendar year which includes the date on which—

"(i) the trade or business to which the financing was provided ceases to be an enterprise zone business (as defined in section 1397B), or

"(ii) substantially all of the use of the property (determined in accordance with subchapter U) with respect to which the financing was provided ceases to be in a tax enterprise zone.

The preceding sentence shall not apply solely by reason of the termination or revocation of a tax enterprise zone designation.

"(B) Exception for bankruptcy.—This paragraph shall not apply to any cessation resulting from bankruptcy."

PART III—CREDIT FOR CONTRIBUTIONS TO CERTAIN COMMUNITY DEVELOPMENT CORPORATIONS

SEC. 1121. CREDIT FOR CONTRIBUTIONS TO CERTAIN COMMUNITY DEVELOPMENT CORPORATIONS.

(a) In General.—For purposes of section 38 of the Internal Revenue Code of 1986, the current year business credit shall include the credit determined under this section.

(b) Determination of Credit.—The credit determined under this section for each taxable year in the credit period with respect to any qualified CDC contribution made by the taxpayer is an amount equal to 5 percent of such contribution.

(c) Credit Period.—For purposes of this section, the credit period with respect to any qualified CDC contribution is the period of 10 taxable years beginning with the taxable year during which such contribution was made.

(d) Qualified CDC Contribution.—For purposes of this section—

(1) In general.—The term "qualified CDC contribution" means any transfer of cash—

(A) which is made to a selected community development corporation during the 5-year period beginning on the date such corporation was selected for purposes of this section,

(B) the amount of which is available for use by such corporation for at least 10 years,

(C) which is to be used by such corporation for qualified low-income assistance within its operational area, and

(D) which is designated by such corporation for purposes of this section.

(2) Limitations on amount designated.—The aggregate amount of contributions to a selected community development corpora-

tion which may be designated by such corporation shall not exceed $2,000,000.

(e) SELECTED COMMUNITY DEVELOPMENT CORPORATIONS.—

(1) IN GENERAL.—For purposes of this section, the term "selected community development corporation" means any corporation—

(A) which is described in section 501(c)(3) of such Code and exempt from tax under section 501(a) of such Code,

(B) the principal purposes of which include promoting employment of, and business opportunities for, low-income individuals who are residents of the operational area, and

(C) which is selected by the Secretary of Housing and Urban Development for purposes of this section.

(2) ONLY 10 CORPORATIONS MAY BE SELECTED.—

(A) IN GENERAL.—The Secretary of Housing and Urban Development may select 10 corporations for purposes of this section, subject to the availability of eligible corporations. Such selections may be made only before January 1, 1994. At least 4 of the operational areas of the corporations selected must be rural areas (as defined by 1393(6) of such Code).

(B) PRIORITY OF DESIGNATIONS.—In selecting corporations for purposes of this section, such Secretary shall give priority to corporations with a demonstrated record of performance in administering community development programs which target at least 75 percent of the jobs emanating from their investment funds to low income or unemployed individuals.

(3) OPERATIONAL AREAS MUST HAVE CERTAIN CHARACTERISTICS.—A corporation may be selected for purposes of this section only if its operational area meets the following criteria:

(A) The area meets the size requirements under paragraph (1)(C) or (2)(C) of section 1391(b) which would apply if such area were to be designated as a tax enterprise zone.

(B) The unemployment rate (as determined by the appropriate available data) is not less than the national unemployment rate.

(C) The median family income of residents of such area does not exceed 80 percent of the median gross income of residents of the jurisdiction of the local government which includes such area.

(f) QUALIFIED LOW-INCOME ASSISTANCE.—For purposes of this section, the term "qualified low-income assistance" means assistance—

(1) which is designed to provide employment of, and business opportunities for, low-income individuals who are residents of the operational area of the community development corporation, and

(2) which is approved by the Secretary of Housing and Urban Development.

PART IV—STUDIES

SEC. 1131. STUDIES OF EFFECTIVENESS OF TAX ENTERPRISE ZONE INCENTIVES.

(a) IN GENERAL.—The Secretary of the Treasury and the Comptroller General shall each conduct studies of the effectiveness of the incentives provided by this subtitle in achieving the purposes of this subtitle in tax enterprise zones.

(b) REPORTS.—The Secretary of the Treasury and the Comptroller General shall each submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

(1) not later than July 1, 1997, an interim report setting forth the findings as a result of such studies, and

(2) not later than July 1, 2002, a final report setting forth the findings as a result of such studies.

Subtitle B—Permanent Extension of Certain Expiring Tax Provisions Primarily Affecting Urban Areas

SEC. 1201. LOW-INCOME HOUSING CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Section 42 (relating to low-income housing credit) is amended by striking subsection (o).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to periods after June 30, 1992.

(b) ELECTION TO DETERMINE RENT LIMITATION BASED ON NUMBER OF BEDROOMS.—In the case of a building to which the amendments made by section 7108(e)(1) of the Revenue Reconciliation Act of 1989 did not apply, the taxpayer may elect to have such amendments apply to such building but only with respect to tenants first occupying any unit in the building after the date of the election. Such an election may be made only during the 180 day period beginning on the date of the enactment of this Act, and, once made, shall be irrevocable.

SEC. 1202. TARGETED JOBS CREDIT.

(a) IN GENERAL.—Subsection (c) of section 51 (relating to amount of targeted jobs credit) is amended by striking paragraph (4).

(b) RESTORATION OF CREDIT FOR ECONOMICALLY DISADVANTAGED YOUTH WHO HAVE NOT ATTAINED AGE 25.—Subparagraph (B) of section 51(d)(3) is amended by striking "age 23" and inserting "age 25".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after June 30, 1992.

SEC. 1203. QUALIFIED MORTGAGE BONDS.

(a) IN GENERAL.—Paragraph (1) of section 143(a) (defining qualified mortgage bond) is amended to read as follows:

"(1) QUALIFIED MORTGAGE BOND DEFINED.—For purposes of this title, the term 'qualified mortgage bond' means a bond which is issued as part of a qualified mortgage issue."

(b) MORTGAGE CREDIT CERTIFICATES.—Section 25 is amended by striking subsection (h) and by redesignating subsection (i) as subsection (h).

(c) TREATMENT OF RESALE PRICE CONTROL AND SUBSIDY LIEN PROGRAMS.—Subsection (k) of section 143 is amended by adding at the end thereof the following new paragraph:

"(10) TREATMENT OF RESALE PRICE CONTROL AND SUBSIDY LIEN PROGRAMS.—

"(A) IN GENERAL.—In the case of a residence which is located in a high housing cost area (as defined in section 143(f)(5)), the interest of a governmental unit in such residence by reason of financing provided under any qualified program shall not be taken into account under this section (other than subsection (m)), and the acquisition cost of the residence which is taken into account under subsection (e) shall be such cost reduced by the amount of such financing.

"(B) QUALIFIED PROGRAM.—For purposes of subparagraph (A), the term 'qualified program' means any governmental program providing mortgage loans (other than 1st mortgage loans)—

"(i) which restricts (throughout the 9-year period beginning on the date the financing is provided) the resale of the residence to a purchaser qualifying under this section and to a price determined by an index that reflects less than the full amount of any appreciation in the residence's value, or

"(ii) which provides for deferred or reduced interest payments on such financing and grants the governmental unit a share in the appreciation of the residence,

but only if such financing is not provided directly or indirectly through the use of any tax-exempt private activity bond."

(d) FINANCING ALLOWED FOR CONTRACT FOR DEED AGREEMENTS.—

(1) IN GENERAL.—Paragraph (2) of section 143(d) (relating to exceptions to 3-year requirement) is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by adding "and" at the end of subparagraph (B), and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) financing with respect to land described in subsection (i)(1)(C) and the construction of any residence thereon."

(2) EXCEPTION TO NEW MORTGAGE REQUIREMENT.—Paragraph (1) of section 143(i) (relating to mortgages must be new mortgages) is amended by adding at the end thereof the following new subparagraph:

"(C) EXCEPTION FOR CERTAIN CONTRACT FOR DEED AGREEMENTS.—

"(i) IN GENERAL.—In the case of land possessed under a contract for deed by a mortgagor—

"(I) whose principal residence (within the meaning of section 1034) is located on such land, and

"(II) whose family income (as defined in subsection (f)(2)) is not more than 50 percent of applicable median family income (as defined in subsection (f)(3)),

the contract for deed shall not be treated as an existing mortgage for purposes of subparagraph (A).

"(ii) CONTRACT FOR DEED DEFINED.—For purposes of this subparagraph, the term 'contract for deed' means a seller-financed contract for the conveyance of land under which—

"(I) legal title does not pass to the purchaser until the consideration under the contract is fully paid to the seller, and

"(II) the seller's remedy for nonpayment is forfeiture rather than judicial or nonjudicial foreclosure."

(3) ACQUISITION COST INCLUDES COST OF LAND.—Clause (iii) of section 143(k)(3)(B) is amended by inserting "(other than land described in subsection (i)(1)(C)(i))" after "cost of land".

(e) EFFECTIVE DATES.—

(1) BONDS.—The amendment made by subsection (a) shall apply to bonds issued after June 30, 1992.

(2) CERTIFICATES.—The amendment made by subsection (b) shall apply to elections for periods after June 30, 1992.

(3) PROGRAMS.—The amendment made by subsection (c) shall apply to qualified mortgage bonds issued and mortgage credit certificates provided on or after the date of the enactment of this Act.

(4) CONTRACT FOR DEED AGREEMENTS.—The amendments made by subsection (d) shall apply to loans originated after the date of the enactment of this Act.

SEC. 1204. QUALIFIED SMALL ISSUE BONDS.

(a) IN GENERAL.—Subparagraph (B) of section 144(a)(12) is amended to read as follows:

"(B) BONDS ISSUED TO FINANCE MANUFACTURING FACILITIES AND FARM PROPERTY.—Subparagraph (A) shall not apply to any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide—

"(i) any manufacturing facility, or

"(ii) any land or property in accordance with section 147(c)(2)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to bonds issued after June 30, 1992.

Subtitle C—Aid to Families With Dependent Children

SEC. 1301. FUNDING FOR THE JOBS PROGRAM.

(a) CARRYOVER OF UNUSED JOBS FUNDS THAT WERE AVAILABLE FOR FISCAL YEAR 1991.—Section 403 of the Social Security Act (42 U.S.C. 603) is amended by adding at the end the following:

"(o)(1) Each State with a plan approved under part F may apply to the Secretary for a payment under this subsection.

"(2) The Secretary shall make a payment under this subsection to any State which applies therefor and enters into a contract with the Secretary under which the State makes a commitment to—

"(A) use the amount so paid to carry out the program under part F;

"(B) incur obligations to expend the amount, within 1 year after the date of the enactment of this subsection; and

"(C) expend the amount in accordance with such obligations, within 2 years after such date of enactment.

"(3) The amount of the payment to any State under this subsection shall bear the same ratio to $100,000,000 as the expenditures of the State to carry out the program under part F for fiscal year 1991 bears to the aggregate expenditures of all States to carry out such program for fiscal year 1991.

"(4) $100,000,000 of the unobligated funds that were available for payments under subsection (l) for fiscal year 1991 shall be available for payments under this subsection.".

(b) ENHANCED MATCH FOR FISCAL YEAR 1993.—Section 403(l) of such Act (42 U.S.C. 603(l)) is amended—

(1) in paragraph (1)(A)—

(A) in clause (i), by striking "and";

(B) in clause (ii)—

(i) by inserting "(and, for fiscal year 1993, do not exceed such expenditures in the fiscal year 1991)" after "clause (i)"; and

(ii) by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(iii) with respect to so much of such expenditures in fiscal year 1993 as exceed such expenditures in the fiscal year 1991, 90 percent."; and

(2) in paragraph (2)(A), by adding at the end the following: "This subparagraph shall not apply to expenditures in fiscal year 1993.".

(c) CARRYOVER OF UNUSED JOBS FUNDS THAT WERE AVAILABLE FOR FISCAL YEARS 1992 AND 1993.—Section 403(k)(2) of such Act (42 U.S.C. 603(k)(2)) is amended—

(1) in subparagraph (B), by striking the period and inserting ", plus"; and

(2) by adding at the end the following:

"(C) for fiscal year 1993, the amount that bears the same ratio to 50 percent of the unobligated funds that were available for payments under subsection (l) for fiscal year 1992 as the expenditures of the State to carry out the program under part F for fiscal year 1991 bears to the aggregate expenditures of all States to carry out such programs for fiscal year 1991, plus

"(D) for fiscal year 1994, the amount that bears the same ratio to 100 percent of the unobligated funds that were available for payments under subsection (l) for fiscal year 1993 as the expenditures of the State to carry out the program under part F for fiscal year 1991 bears to the aggregate expenditures of all States to carry out such programs for fiscal year 1991.".

(d) INCREASE IN IN-KIND STATE EXPENDITURES ACCEPTED FOR THE JOBS PROGRAM.—

(1) IN GENERAL.—Section 403(l)(1)(B) of such Act (42 U.S.C. 603(l)(1)(B)) is amended by inserting "an amount equal to 125 percent of" before "the amount".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to expenditures on or after October 1, 1992.

SEC. 1302. MODIFICATION OF THE 20-HOUR RULE.

Section 403(l)(3)(D) of the Social Security Act (42 U.S.C. 603(l)(3)(D)) is amended—

(1) by inserting "(i)" after "(D)";

(2) by inserting ", and, at the option of the State, in accordance with the requirements of clause (ii) or (iii) (but not both) which the State may apply in a uniform manner or on a case-by-case basis" before the period; and

(3) by adding at the end the following:

"(ii) For purposes of this paragraph, each hour of classroom instruction of an individual who is satisfactorily participating in educational activities shall be considered 2 hours of participation in the program under part F.

"(iii)(I) For purposes of this paragraph, an individual shall be determined to have participated in the program under part F if the individual is enrolled full-time, and is making satisfactory progress, in full-time educational activities under the program.

"(II) For purposes of subclause (I), an individual shall be treated as enrolled in educational activities on a full-time basis if and only if the individual is enrolled for a sufficient number of credit hours for the educational institution involved to regard the individual as a full-time student.

"(III) For purposes of subclause (I), an individual shall be treated as making satisfactory progress in educational activities if and only if the individual is maintaining a grade point average which of not less than the minimum required by the educational institution involved, within the time frames specified by the educational institution.".

SEC. 1303. INCREASE IN AFDC RESOURCE LIMIT.

(a) INCREASE IN RESOURCE LIMIT.—Section 402(a)(7)(B) of the Social Security Act (42 U.S.C. 602(a)(7)(B)) is amended—

(1) by striking "or (iv)" and inserting "(iv)"; and

(2) by inserting ", or (v) at the option of the State, in the case of a family receiving aid under the plan (and a family not receiving such aid but which received such aid in at least 1 of the preceding 4 months or became ineligible for such aid during the preceding 12 months because of excessive earnings), resources the combined value of which is not less than $1,000 and not more than $10,000, which have been retained to improve the education, training, or employability (including self-employment) of a member of the family, or for the purchase or rental of a home for the family, but excluding any resource (or interest therein) owned by a family member within the preceding 12 months, which was disposed of for less than fair market value for the purpose of establishing eligibility for such aid, unless the family demonstrates that the exclusive purpose of the disposition was other than becoming or remaining eligible for such aid" before the semicolon.

(b) REPORT TO THE CONGRESS.—Within 3 months after the date of the enactment of this section, the Secretary of Health and Human Services shall submit to the Congress a report on—

(1) the need to revise the limitation, established in regulations pursuant to section 402(a)(7)(B)(i) of the Social Security Act, on the value of a family automobile required to be disregarded by a State in determining the eligibility of the family for aid to families with dependent children under the State plan approved under part A of title IV of such Act; and

(2) the extent to which such a revision would increase the employability of recipients of such aid.

(c) COORDINATION WITH OTHER FEDERAL MEANS-TESTED PROGRAMS.—The Secretary of Health and Human Services shall, to the maximum extent possible, coordinate any revision of the regulatory limitation described in subsection (b)(1) with other Federal programs which provide benefits based on the means of the beneficiary.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 1992.

SEC. 1304. TREATMENT OF MICROENTERPRISES UNDER THE AFDC PROGRAM.

(a) STATE PLAN REQUIREMENTS.—Section 402(a) of the Social Security Act (42 U.S.C. 602(a)) is amended—

(1) by striking "and" at the end of paragraph (44);

(2) by striking the period at the end of paragraph (45) and inserting "; and"; and

(3) by inserting after paragraph (45) the following:

"(46) provide that the State agency—

"(A)(i) must not include as a resource of the family of which a child referred to in paragraph (7)(A) is a member, for purposes of paragraph (7)(B), the first $10,000 of the net worth (assets reduced by liabilities with respect thereto) of all microenterprises (as defined in section 406(i)(1)) owned, in whole or in part, by the child or by a relative or other individual referred to in paragraph (7)(A); and

"(ii) must take into consideration as earned income of the family of which the child is a member, only the net profits (as defined in section 406(i)(2)) of such microenterprises; and

"(B) must ensure that caseworkers are able to properly advise recipients of aid under the State plan of the option of microenterprise as a legitimate route towards self-sufficiency, and that caseworkers encourage recipients of such aid who are interested in starting a microenterprise to participate in a program designed to assist them in such effort.".

(b) DEFINITIONS.—Section 406 of such Act (42 U.S.C. 606) is amended by adding at the end the following:

"(i)(1) The term 'microenterprise' means a commercial enterprise which has 5 or fewer employees, 1 or more of whom owns the enterprise.

"(2) The term 'net profits' means, with respect to a microenterprise, the gross receipts of the business, minus—

"(A) amounts paid as principal or interest on a loan to the microenterprise;

"(B) transportation expenses;

"(C) inventory costs;

"(D) amounts expended to purchase capital equipment;

"(E) cash retained by the microenterprise for future use by the business;

"(F) taxes paid by reason of the business;

"(G) if the business is covered under a policy of insurance against loss—

"(i) the premiums paid for such insurance; and

"(ii) the losses incurred by the business that are not reimbursed by the insurer solely by reason of the existence of a deductible with respect to the insurance policy;

"(H) the reasonable costs of obtaining 1 motor vehicle necessary for the conduct of the business; and

"(I) the other expenses of the business.".

(c) INCLUSION OF MICROENTERPRISE TRAINING AND ACTIVITIES IN THE JOBS PROGRAM.—

(1) In General.—Section 482(d)(1) of such Act (42 U.S.C. 682(d)(1)) is amended adding at the end the following:

"(C) The services and activities referred to in subparagraph (A)—

"(i) in the case that at least 3 percent of the adult recipients of aid under the State plan approved under part A (as of the close of the immediately preceding fiscal year) elect to participate in microenterprise activities, shall include programs described in paragraph (4); or

"(ii) in the case that not more than 3 percent of the adult recipients of such aid elect to participate in microenterprise activities, may include programs described in paragraph (4).".

(2) Microenterprise Programs.—Section 482(d) of such Act (42 U.S.C. 682(d)) is amended by adding at the end the following:

"(4) The programs described in this paragraph are programs of public and private organizations, agencies, and other entities (including nonprofit and for-profit entities) to enable such entities to facilitate economic development by—

"(A) providing technical assistance, advice, and business support services (including assistance, advice, and support relating to business planning, financing, marketing, and other microenterprise development activities) to owners of microenterprises and persons developing microenterprises; and

"(B) providing general support (such as peer support and self-esteem programs) to owners of microenterprises and persons developing microenterprises.".

(d) Adjustment of Performance Standards for Microenterprises To Take Account of Time Required for Their Establishment.—Section 487(a)(2) of such Act (42 U.S.C. 687(a)(2)) is amended by inserting "shall be adjusted with respect to microenterprises to reflect the time required to establish, and develop a stable income from, such an enterprise as part of a plan to move toward economic self-sufficiency," after "dependency,".

(e) Study To Identify Administrative Barriers to Development of Microenterprises Among Interested AFDC Recipients.—The Secretary of Health and Human Services shall conduct a study to identify the administrative and bureaucratic barriers that impede the development of microenterprises by recipients of aid to families with dependent children under the State plans approved under part A of title IV of the Social Security Act who desire to move toward self-sufficiency, and, not later than 1 year after the date of the enactment of this section, shall report the results of the study to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(f) Effective Date.—The amendments made by this section shall apply to payments under part A of title IV of the Social Security Act for calendar quarters beginning on or after October 1, 1992.

SEC. 1305. TREATMENT OF STUDENT EARNINGS UNDER THE AFDC PROGRAM.

(a) Exemption From Resources of Exempt Earnings of a Child.—Section 402(a)(7)(B) of the Social Security Act (42 U.S.C. 602(a)(7)(B)), as amended by section 1303(a) of this Act, is amended—

(1) by striking "or" at the end of clause (iv); and

(2) by inserting ", or (vi) the earned income of any child to the extent disregarded under paragraph (8)" before the semicolon.

(b) Exempt Earnings of a Child To Be Disregarded in Determining Whether Family Income Exceeds Need Standard.—Section 402(a)(18) of such Act (42 U.S.C. 602(a)(18)) is amended by striking "paragraph (8)(A)(v) or 8(A)(viii)" and inserting "clause (i), (v), or (viii) of paragraph (8)(A)".

(c) Disregard of Earnings of Students and Income of Dependent Child From a JTPA Program.—Section 402(a)(8)(A) of such Act (42 U.S.C. 602(a)(8)(A)) is amended—

(1) in clause (i), by inserting "(including a child (whether or not married) who has not attained the age of 20 years)" after "dependent child"; and

(2) in clause (v)—

(A) by striking "may" and inserting "shall";

(B) by inserting "(including any child (whether or not married) who has not attained the age of 20 years)" after "dependent child"; and

(C) by striking "time (not to exceed six months with respect to earned income)" and inserting "time,".

(d) Effective Date.—The amendments made by this section shall take effect on October 1, 1992.

TITLE II—GROWTH INCENTIVES

Subtitle A—Temporary Extension of Certain Expiring Tax Provisions

SEC. 2001. RESEARCH CREDIT.

(a) In General.—Subsection (h) of section 41 (relating to credit for increasing research activities) is amended—

(1) by striking "June 30, 1992" and inserting "December 31, 1993", and

(2) by striking "July 1, 1992" and inserting "January 1, 1994".

(b) Conforming Amendment.—Subparagraph (D) of section 28(b)(1) is amended by striking "June 30, 1992" and inserting "December 31, 1993".

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after June 30, 1992.

SEC. 2002. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) In General.—Subsection (d) of section 127 (relating to educational assistance programs) is amended by striking "June 30, 1992" and inserting "December 31, 1993".

(b) Conforming Amendment.—Paragraph (2) of section 103(a) of the Tax Extension Act of 1991 is hereby repealed.

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after June 30, 1992.

SEC. 2003. EMPLOYER-PROVIDED GROUP LEGAL SERVICES PLANS.

(a) In General.—Subsection (e) of section 120 (relating to amounts received under qualified group legal services plans) is amended by striking "June 30, 1992" and inserting "December 31, 1993".

(b) Conforming Amendment.—Paragraph (2) of section 104(a) of the Tax Extension Act of 1991 is hereby repealed.

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after June 30, 1992.

SEC. 2004. EXCISE TAX ON CERTAIN VACCINES.

(a) Tax.—Paragraphs (2) and (3) of section 4131(c) (relating to tax on certain vaccines) are each amended by striking "1992" each place it appears and inserting "1994".

(b) Trust Fund.—Paragraph (1) of section 9510(c) (relating to expenditures from Vaccine Injury Compensation Trust Fund) is amended by striking "1992" and inserting "1994".

(c) Study.—The Secretary of the Treasury, in consultation with the Secretary of Health and Human Services, shall conduct a study of—

(1) the estimated amount that will be paid from the Vaccine Injury Compensation Trust Fund with respect to vaccines administered after September 30, 1988, and before October 1, 1994,

(2) the rates of vaccine-related injury or death with respect to the various types of such vaccines,

(3) new vaccines and immunization practices being developed or used for which amounts may be paid from such Trust Fund,

(4) whether additional vaccines should be included in the vaccine injury compensation program, and

(5) the appropriate treatment of vaccines produced by State governmental entities.

The report of such study shall be submitted not later than January 1, 1994, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SEC. 2005. CERTAIN TRANSFERS TO RAILROAD RETIREMENT ACCOUNT.

Subsection (c)(1)(A) of section 224 of the Railroad Retirement Solvency Act of 1983 (relating to section 72(r) revenue increase transferred to certain railroad accounts) is amended by striking "with respect to benefits received before October 1, 1992".

SEC. 2006. HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) In General.—Paragraph (6) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended by striking "June 30, 1992" and inserting "December 31, 1992".

(b) Conforming Amendment.—Paragraph (2) of section 110(a) of the Tax Extension Act of 1991 is hereby repealed.

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after June 30, 1992.

Subtitle B—Investment in Real Estate

PART I—MODIFICATION OF PASSIVE LOSS RULES

SEC. 2101. APPLICATION OF PASSIVE LOSS RULES TO RENTAL REAL ESTATE ACTIVITIES.

(a) Rental Real Estate Activities of Persons in Real Property Business Not Automatically Treated as Passive Activities.—Subsection (c) of section 469 (defining passive activity) is amended by adding at the end thereof the following new paragraph:

"(7) Special rules for taxpayers in real property business.—

"(A) In general.—If this paragraph applies to any taxpayer for a taxable year—

"(i) paragraph (2) shall not apply to any rental real estate activity of such taxpayer for such taxable year, and

"(ii) this section shall be applied as if each interest of the taxpayer in rental real estate were a separate activity.

Notwithstanding clause (ii), a taxpayer may elect to treat all interests in rental real estate as one activity. Nothing in the preceding provisions of this subparagraph shall be construed as affecting the determination of whether the taxpayer materially participates with respect to any interest in a limited partnership as a limited partner.

"(B) Taxpayers to whom paragraph applies.—This paragraph shall apply to a taxpayer for a taxable year if more than one-half of the personal services performed in trades or businesses by the taxpayer during such taxable year are performed in real property trades or businesses in which the taxpayer materially participates.

"(C) Real property trade or business.—For purposes of this paragraph, the term 'real property trade or business' means any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business.

"(D) SPECIAL RULES FOR SUBPARAGRAPH (B).—

"(i) CLOSELY HELD C CORPORATIONS.—In the case of a closely held C corporation, the requirements of subparagraph (B) shall be treated as met for any taxable year if more than 50 percent of the gross receipts of such corporation for such taxable year are derived from real property trades or businesses in which the corporation materially participates.

"(ii) PERSONAL SERVICES AS AN EMPLOYEE.—For purposes of subparagraph (B), personal services performed as an employee shall not be treated as performed in real property trades or businesses. The preceding sentence shall not apply if such employee is a 5-percent owner (as defined in section 416(i)(1)(B)) in the employer."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 469(c) is amended by striking "The" and inserting "Except as provided in paragraph (7), the".

(2) Clause (iv) of section 469(i)(3)(E) is amended by inserting "or any loss allowable by reason of subsection (c)(7)" after "loss"

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

PART II—PROVISIONS RELATING TO REAL ESTATE INVESTMENTS BY PENSION FUNDS

SEC. 2111. REAL ESTATE PROPERTY ACQUIRED BY A QUALIFIED ORGANIZATION.

(a) MODIFICATIONS OF EXCEPTIONS.—Paragraph (9) of section 514(c) (relating to real property acquired by a qualified organization) is amended by adding at the end thereof the following new subparagraphs:

"(G) SPECIAL RULES FOR PURPOSES OF THE EXCEPTIONS.—Except as otherwise provided by regulations—

"(i) SMALL LEASES DISREGARDED.—For purposes of clauses (iii) and (iv) of subparagraph (B), a lease to a person described in such clause (iii) or (iv) shall be disregarded if no more than 25 percent of the leasable floor space in a building is covered by the lease and if the lease is on commercially reasonable terms.

"(ii) COMMERCIALLY REASONABLE FINANCING.—Clause (v) of subparagraph (B) shall not apply if the financing is on commercially reasonable terms.

"(H) QUALIFYING SALES BY FINANCIAL INSTITUTIONS.—

"(i) IN GENERAL.—In the case of a qualifying sale by a financial institution, except as provided in regulations, clauses (i) and (ii) of subparagraph (B) shall not apply with respect to financing provided by such institution for such sale.

"(ii) QUALIFYING SALE.—For purposes of this clause, there is a qualifying sale by a financial institution where—

"(I) a qualified organization acquires property described in clause (iii) from a financial institution and the property is not a capital asset in the hands of the financial institution,

"(II) the stated principal amount of the financing provided by the financial institution does not exceed the amount of the outstanding indebtedness (including accrued but unpaid interest) of the financial institution with respect to the property described in clause (iii) immediately before the acquisition referred to in clause (iii) or (v), whichever is applicable, and

"(III) the value (determined as of the time of the sale) of the amount pursuant to the financing that is determined by reference to the revenue, income, or profits derived from the property does not exceed 30 percent of the value of the property (determined as of such time).

"(iii) PROPERTY TO WHICH SUBPARAGRAPH APPLIES.—Property is described in this clause if such property is foreclosure property, or is real property which—

"(I) was acquired by the qualified organization from a financial institution which is in conservatorship or receivership, or from the conservator or receiver of such an institution, and

"(II) was held by the financial institution at the time it entered into conservatorship or receivership.

"(iv) FINANCIAL INSTITUTION.—For purposes of this subparagraph, the term 'financial institution' means—

"(I) any financial institution described in section 581 or 591(a),

"(II) any other corporation which is a direct or indirect subsidiary of an institution referred to in subclause (I) but only if, by virtue of being affiliated with such institution, such other corporation is subject to supervision and examination by a Federal or State agency which regulates institutions referred to in subclause (I), and

"(III) any person acting as a conservator or receiver of an entity referred to in subclause (I) or (II).

"(v) FORECLOSURE PROPERTY.—For purposes of this subparagraph, the term 'foreclosure property' means any real property acquired by the financial institution as the result of having bid on such property at foreclosure, or by operation of an agreement or process of law, after there was a default (or a default was imminent) on indebtedness which such property secured."

(b) CONFORMING AMENDMENT.—Paragraph (9) of section 514(c) is amended—

(1) by adding the following new sentence at the end of subparagraph (A): "For purposes of this paragraph, an interest in a mortgage shall in no event be treated as real property.", and

(2) by striking the last sentence of subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to acquisitions on or after June 25, 1992.

SEC. 2112. SPECIAL RULES FOR INVESTMENTS IN PARTNERSHIPS.

(a) MODIFICATION TO ANTI-ABUSE RULES.—Paragraph (9) of section 514(c) (as amended by section 2211) is amended by adding at the end thereof the following new subparagraph:

"(J) PARTNERSHIPS NOT INVOLVING TAX AVOIDANCE.—

"(i) DE MINIMIS RULE FOR CERTAIN LARGE PARTNERSHIPS.—The provisions of subparagraph (B) shall not apply to an investment in a partnership having at least 250 partners if—

"(I) interests in such partnership were offered for sale in an offering registered with the Securities and Exchange Commission,

"(II) at least 50 percent of each class of interests in such partnership is owned by individuals who are not disqualified persons, and

"(III) the principal purpose of partnership allocations is not tax avoidance.

The Secretary may disregard inadvertent failures to meet the requirements of subclause (II).

"(ii) DISQUALIFIED PERSONS.—For purposes of this subparagraph, the term 'disqualified person' means any person described in clause (iii) or (iv) of subparagraph (B) and any person who is not a United States person."

(b) REPEAL OF SPECIAL TREATMENT OF PUBLICLY TRADED PARTNERSHIPS.—Subsection (c) of section 512 is amended—

(1) by striking paragraph (2),

(2) by redesignating paragraph (3) as paragraph (2), and

(3) by striking "paragraph (1) or (2)" in paragraph (2) (as so redesignated) and inserting "paragraph (1)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership interests acquired on or after June 25, 1992.

SEC. 2113. TITLE-HOLDING COMPANIES PERMITTED TO RECEIVE SMALL AMOUNTS OF UNRELATED BUSINESS TAXABLE INCOME.

(a) GENERAL RULE.—Paragraph (25) of section 501(c) is amended by adding at the end thereof the following new subparagraph:

"(G)(i) An organization shall not be treated as failing to be described in this paragraph merely by reason of the receipt of any income which is incidentally derived from the holding of real property.

"(ii) Clause (i) shall not apply if the amount of gross income described in such clause exceeds 10 percent of the organization's gross income for the taxable year unless the organization establishes to the satisfaction of the Secretary that the receipt of gross income described in clause (i) in excess of such limitation was inadvertent and reasonable steps are being taken to correct the circumstances giving rise to such income."

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 501(c) is amended by adding at the end thereof the following new sentence: "Rules similar to the rules of subparagraph (G) of paragraph (25) shall apply for purposes of this paragraph."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 2114. EXCLUSION FROM UNRELATED BUSINESS TAX OF GAINS FROM CERTAIN PROPERTY.

(a) GENERAL RULE.—Subsection (b) of section 512 (relating to modifications) is amended by adding at the end thereof the following new paragraph:

"(16)(A) Notwithstanding paragraph (5)(B), there shall be excluded all gains or losses from the sale, exchange, or other disposition of any real property described in subparagraph (B) if—

"(i) such property was acquired by the organization from—

"(I) a financial institution described in section 581 or 591(a) which is in conservatorship or receivership, or

"(II) the conservator or receiver of such an institution,

"(ii) such property is designated by the organization within the 6-month period beginning on the date of its acquisition as property held for sale, except that not more than one-third (by value determined as of such date) of property acquired in a single transaction may be so designated,

"(iii) such sale, exchange, or disposition occurs before the later of—

"(I) the date which is 30 months after the date of the acquisition of such property, or

"(II) the date specified by the Secretary in order to assure an orderly disposition of property held by persons described in subparagraph (A), and

"(iv) while such property was held by the organization, such property was not substantially improved or renovated and there were no significant development activities with respect to such property.

"(B) Property is described in this subparagraph if it is real property which—

"(i) was held by the financial institution at the time it entered into conservatorship or receivership, or

"(ii) was foreclosure property (as defined in section 514(c)(9)(H)(v)) which secured indebtedness held by the financial institution at such time.

For purposes of this subparagraph, real property includes an interest in a mortgage."

(b) Effective Date.—The amendment made by subsection (a) shall apply to property acquired on or after June 25, 1992.

SEC. 2115. EXCLUSION FROM UNRELATED BUSINESS TAX OF CERTAIN FEES AND OPTION PREMIUMS.

(a) Loan Commitment Fees.—Paragraph (1) of section 512(b) (relating to modifications) is amended by inserting "amounts received or accrued as consideration for entering into agreements to make loans," before "and annuities".

(b) Option Premiums.—The second sentence of section 512(b)(5) is amended by inserting "or real property" before the period.

(c) Effective Date.—The amendments made by this section shall apply to amounts received on or after June 25, 1992.

SEC. 2116. TREATMENT OF PENSION FUND INVESTMENTS IN REAL ESTATE INVESTMENT TRUSTS.

(a) General Rule.—Subsection (h) of section 856 (relating to closely held determinations) is amended by adding at the end thereof the following new paragraph:

"(3) Treatment of trusts described in section 401(a).—

"(A) Look-thru treatment.—

"(i) In general.—Except as provided in clause (ii), in determining whether the stock ownership requirement of section 542(a)(2) is met for purposes of paragraph (1)(A), any stock held by a qualified trust shall be treated as held directly by its beneficiaries in proportion to their actuarial interests in such trust and shall not be treated as held by such trust.

"(ii) Certain related trusts not eligible.—Clause (i) shall not apply to any qualified trust if one or more disqualified persons (as defined in section 4975(e)(2), without regard to subparagraphs (B) and (I) thereof) with respect to such qualified trust hold in the aggregate 5 percent or more in value of the interests in the real estate investment trust and such real estate investment trust has accumulated earnings and profits attributable to any period for which it did not qualify as a real estate investment trust.

"(B) Coordination with personal holding company rules.—If any entity qualifies as a real estate investment trust for any taxable year by reason of subparagraph (A), such entity shall not be treated as a personal holding company for such taxable year for purposes of part II of subchapter G of this chapter.

"(C) Treatment for purposes of unrelated business tax.—If any qualified trust holds more than 10 percent (by value) of the interests in any pension-held REIT at any time during a taxable year, the trust shall be treated as having for such taxable year gross income from an unrelated trade or business in an amount which bears the same ratio to the aggregate dividends paid (or treated as paid) by the REIT to the trust for the taxable year of the REIT with or within which the taxable year of the trust ends (the 'REIT year') as—

"(i) the gross income of the REIT for the REIT year from unrelated trades or businesses (determined as if the REIT were a qualified trust), bears to

"(ii) the gross income of the REIT for the REIT year.

This subparagraph shall apply only if the ratio determined under the preceding sentence is at least 5 percent.

"(D) Pension-held REIT.—The purposes of subparagraph (C)—

"(i) In general.—A real estate investment trust is a pension-held REIT if such trust would not have qualified as a real estate investment trust but for the provisions of this paragraph and if such trust is predominantly held by qualified trusts.

"(ii) Predominantly held.—For purposes of clause (i), a real estate investment trust is predominantly held by qualified trusts if—

"(I) at least 1 qualified trust holds more than 25 percent (by value) of the interests in such real estate investment trust, or

"(II) 1 or more qualified trusts (each of whom owns more than 10 percent by value of the interests in such real estate investment trust) hold in the aggregate more than 50 percent (by value) of the interests in such real estate investment trust.

"(E) Qualified trust.—For purposes of this paragraph, the term 'qualified trust' means any trust described in section 401(a) and exempt from tax under section 501(a)."

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 1991.

Subtitle C—Modifications to Minimum Tax

SEC. 2201. TEMPORARY REPEAL OF PREFERENCE FOR CHARITABLE CONTRIBUTIONS OF APPRECIATED PROPERTY.

(a) Temporary Repeal.—

(1) In general.—Paragraph (6) of section 57(a) is amended by adding at the end thereof the following new subparagraph:

"(C) Appplication of paragraph.—This paragraph shall not apply to any contribution made after December 31, 1991, and before January 1, 1994."

(2) Conforming amendment.—Subparagraph (B) of section 57(a)(6) is amended by striking the last sentence.

(3) Effective date.—The amendments made by this subsection shall apply to taxable years ending after December 31, 1991.

(b) Advance Determination of Value of Charitable Gifts.—

(1) In general.—The Secretary of the Treasury or his delegate shall develop a procedure under which taxpayers may elect to seek an agreement with the Secretary as to the value of tangible personal property prior to the donation of such property to a qualifying charitable organization if the time limits for the donation and other conditions contained in the agreement are satisfied.

(2) Report.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the development of the procedure referred to in paragraph (1), including the setting of possible threshold amounts for claimed value (and the payment of fees) by a taxpayer in order to seek agreement under the procedure, possible limitations on applying the procedure only to items with significant artistic or cultural value, and recommendations for legislative action needed to implement the proposed procedure.

(c) Study of Sponsorship Payments.—

(1) In general.—The Secretary of the Treasury or his delegate shall conduct a study of the tax treatment of sponsorship payments received by tax-exempt organizations from corporations and other sponsors in connection with athletic and other events, including the ramifications of Announcement 92–15, 1992—5 I.R.B. 51.

(2) Report.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the results of the study under paragraph (1).

SEC. 2202. ELIMINATION OF ACE DEPRECIATION ADJUSTMENT.

(a) In General.—Clause (i) of section 56(g)(4)(A) (relating to depreciation adjustments for computing adjusted current earnings) is amended by adding at the end the following new sentence: "The preceding sentence shall not apply to property placed in service in a taxable year beginning after the date of the enactment of the Revenue Act of 1992, and the depreciation deduction with respect to such property shall be determined under the rules of subsection (a)(1)(A)."

(b) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to property placed in service in taxable years beginning after the date of the enactment of this Act.

(2) Coordination with transitional rules.—The amendments made by this section shall not apply to any property to which paragraph (1) of section 56(a) of the Internal Revenue Code of 1986 does not apply by reason of subparagraph (C)(i) of such paragraph (1).

Subtitle D—Repeal of Certain Luxury Excise Taxes; Imposition of Tax on Diesel Fuel Used in Noncommercial Boats

SEC. 2301. REPEAL OF LUXURY EXCISE TAXES OTHER THAN ON PASSENGER VEHICLES.

(a) In General.—Subchapter A of chapter 31 (relating to retail excise taxes) is amended to read as follows:

"Subchapter A—Luxury Passenger Automobiles

"Sec. 4001. Imposition of tax.
"Sec. 4002. 1st retail sale; uses, etc. treated as sales; determination of price.
"Sec. 4003. Special rules.

"SEC. 4001. IMPOSITION OF TAX.

"(a) Imposition of Tax.—There is hereby imposed on the 1st retail sale of any passenger vehicle a tax equal to 10 percent of the price for which so sold to the extent such price exceeds $30,000.

"(b) Passenger Vehicle.—

"(1) In general.—For purposes of this subchapter, the term 'passenger vehicle' means any 4-wheeled vehicle—

"(A) which is manufactured primarily for use on public streets, roads, and highways, and

"(B) which is rated at 6,000 pounds unloaded gross vehicle weight or less.

"(2) Special rules.—

"(A) Trucks and vans.—In the case of a truck or van, paragraph (1)(B) shall be applied by substituting 'gross vehicle weight' for 'unloaded gross vehicle weight'.

"(B) Limousines.—In the case of a limousine, paragraph (1) shall be applied without regard to subparagraph (B) thereof.

"(c) Exceptions for Taxicabs, Etc.—The tax imposed by this section shall not apply to the sale of any passenger vehicle for use by the purchaser exclusively in the active conduct of a trade or business of transporting persons or property for compensation or hire.

"(d) Exemption for Law Enforcement Uses, Etc.—No tax shall be imposed by this section on the sale of any passenger vehicle—

"(1) to the Federal Government, or a State or local government, for use exclusively in police, firefighting, search and rescue, or other law enforcement or public safety activities, or in public works activities, or

"(2) to any person for use exclusively in providing emergency medical services.

"(e) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of any calendar year after 1991, the $30,000 amount in subsection (a) and section 4003(a) shall be increased by an amount equal to—

"(A) $30,000, multiplied by

"(B) the cost-of-living adjustment under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 1990' for 'calendar year 1989' in subparagraph (B) thereof.

"(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100 (or, if such amount is a multiple of $50 and not of $100, such amount shall be rounded to the next highest multiple of $100).

"(f) TERMINATION.—The tax imposed by this section shall not apply to any sale or use after December 31, 1999.

"SEC. 4002. 1ST RETAIL SALE; USES, ETC. TREATED AS SALES; DETERMINATION OF PRICE.

"(a) 1ST RETAIL SALE.—For purposes of this subchapter, the term '1st retail sale' means the 1st sale, for a purpose other than resale, after manufacture, production, or importation.

"(b) USE TREATED AS SALE.—

"(1) IN GENERAL.—If any person uses a passenger vehicle (including any use after importation) before the 1st retail sale of such vehicle, then such person shall be liable for tax under this subchapter in the same manner as if such vehicle were sold at retail by him.

"(2) EXEMPTION FOR FURTHER MANUFACTURE.—Paragraph (1) shall not apply to use of a vehicle as material in the manufacture or production of, or as a component part of, another vehicle taxable under this subchapter to be manufactured or produced by him.

"(3) EXEMPTION FOR DEMONSTRATION USE.—Paragraph (1) shall not apply to any use of a passenger vehicle as a demonstrator for a potential customer while the potential customer is in the vehicle.

"(4) EXCEPTION FOR USE AFTER IMPORTATION OF CERTAIN VEHICLES.—Paragraph (1) shall not apply to the use of a vehicle after importation if the user or importer establishes to the satisfaction of the Secretary that the 1st use of the vehicle occurred before January 1, 1991, outside the United States.

"(5) COMPUTATION OF TAX.—In the case of any person made liable for tax by paragraph (1), the tax shall be computed on the price at which similar vehicles are sold at retail in the ordinary course of trade, as determined by the Secretary.

"(c) LEASES CONSIDERED AS SALES.—For purposes of this subchapter—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the lease of a vehicle (including any renewal or any extension of a lease or any subsequent lease of such vehicle) by any person shall be considered a sale of such vehicle at retail.

"(2) SPECIAL RULES FOR LONG-TERM LEASES.—

"(A) TAX NOT IMPOSED ON SALE FOR LEASING IN A QUALIFIED LEASE.—The sale of a passenger vehicle to a person engaged in a passenger vehicle leasing or rental trade or business for leasing by such person in a long-term lease shall not be treated as the 1st retail sale of such vehicle.

"(B) LONG-TERM LEASE.—For purposes of subparagraph (A), the term 'long-term lease' means any long-term lease (as defined in section 4052).

"(C) SPECIAL RULES.—In the case of a long-term lease of a vehicle which is treated as the 1st retail sale of such vehicle—

"(i) DETERMINATION OF PRICE.—The tax under this subchapter shall be computed on the lowest price for which the vehicle is sold by retailers in the ordinary course of trade.

"(ii) PAYMENT OF TAX.—Rules similar to the rules of section 4217(e)(2) shall apply.

"(iii) NO TAX WHERE EXEMPT USE BY LESSEE.—No tax shall be imposed on any lease payment under a long-term lease if the lessee's use of the vehicle under such lease is an exempt use (as defined in section 4003(b)) of such vehicle.

"(d) DETERMINATION OF PRICE.—

"(1) IN GENERAL.—In determining price for purposes of this subchapter—

"(A) there shall be included any charge incident to placing the article in condition ready for use,

"(B) there shall be excluded—

"(i) the amount of the tax imposed by this subchapter,

"(ii) if stated as a separate charge, the amount of any retail sales tax imposed by any State or political subdivision thereof or the District of Columbia, whether the liability for such tax is imposed on the vendor or vendee, and

"(iii) the value of any component of such article if—

"(I) such component is furnished by the 1st user of such article, and

"(II) such component has been used before such furnishing, and

"(C) the price shall be determined without regard to any trade-in.

"(2) OTHER RULES.—Rules similar to the rules of paragraphs (2) and (4) of section 4052(b) shall apply for purposes of this subchapter.

"SEC. 4003. SPECIAL RULES.

"(a) SEPARATE PURCHASE OF VEHICLE AND PARTS AND ACCESSORIES THEREFOR.—Under regulations prescribed by the Secretary—

"(1) IN GENERAL.—Except as provided in paragraph (2), if—

"(A) the owner, lessee, or operator of any passenger vehicle installs (or causes to be installed) any part or accessory on such vehicle, and

"(B) such installation is not later than the date 6 months after the date the vehicle was 1st placed in service,

then there is hereby imposed on such installation a tax equal to 10 percent of the price of such part or accessory and its installation.

"(2) LIMITATION.—The tax imposed by paragraph (1) on the installation of any part or accessory shall not exceed 10 percent of the excess (if any) of—

"(A) the sum of—

"(i) the price of such part or accessory and its installation,

"(ii) the aggregate price of the parts and accessories (and their installation) installed before such part or accessory, plus

"(iii) the price for which the passenger vehicle was sold, over

"(B) $30,000.

"(3) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) the part or accessory installed is a replacement part or accessory,

"(B) the part or accessory is installed to enable or assist an individual with a disability to operate the vehicle, or to enter or exit the vehicle, by compensating for the effect of such disability, or

"(C) the aggregate price of the parts and accessories (and their installation) described in paragraph (1) with respect to the vehicle does not exceed $200 (or such other amount or amounts as the Secretary may by regulation prescribe).

"(4) INSTALLERS SECONDARILY LIABLE FOR TAX.—The owners of the trade or business installing the parts or accessories shall be secondarily liable for the tax imposed by this subsection.

"(b) IMPOSITION OF TAX ON SALES, ETC., WITHIN 2 YEARS OF VEHICLES PURCHASED TAX-FREE.—

"(1) IN GENERAL.—If—

"(A) no tax was imposed under this subchapter on the 1st retail sale of any passenger vehicle by reason of its exempt use, and

"(B) within 2 years after the date of such 1st retail sale, such vehicle is resold by the purchaser or such purchaser makes a substantial nonexempt use of such vehicle,

then such sale or use of such vehicle by such purchaser shall be treated as the 1st retail sale of such vehicle for a price equal to its fair market value at the time of such sale or use.

"(2) EXEMPT USE.—For purposes of this subsection, the term 'exempt use' means any use of a vehicle if the 1st retail sale of such vehicle is not taxable under this subchapter by reason of such use.

"(c) PARTS AND ACCESSORIES SOLD WITH TAXABLE ARTICLE.—Parts and accessories sold on, in connection with, or with the sale of any passenger vehicle shall be treated as part of the vehicle.

"(d) PARTIAL PAYMENTS, ETC.—In the case of a contract, sale, or arrangement described in paragraph (2), (3), or (4) of section 4216(c), rules similar to the rules of section 4217(e)(2) shall apply for purposes of this subchapter."

(b) TECHNICAL AMENDMENTS.—

(1) Subsection (c) of section 4221 is amended by striking "4002(b), 4003(c), 4004(a)" and inserting "4001(d)".

(5) Subsection (d) of section 4222 is amended by striking "4002(b), 4003(c), 4004(a)" and inserting "4001(d)".

(3) The table of subchapters for chapter 31 is amended by striking the item relating to subchapter A and inserting the following:

"Subchapter A. Luxury passenger vehicles."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1992, except that section 4001(e) of the Internal Revenue Code of 1986 (as amended by this section) shall take effect on July 1, 1992.

SEC. 2302. TAX ON DIESEL FUEL USED IN NONCOMMERCIAL BOATS.

(a) GENERAL RULE.—

(1) Paragraph (2) of section 4092(a) (defining diesel fuel) is amended—

(A) by striking "or a diesel-powered train" and inserting ", a diesel-powered train, or a diesel-powered boat", and

(B) by adding at the end thereof the following new sentence: "Effective on and after October 1, 1997, the preceding sentence shall be applied as if it did not include a reference to a diesel-powered boat."

(2) Paragraph (1) of section 4041(a) is amended—

(A) by striking "diesel-powered highway vehicle" each place it appears and inserting "diesel-powered highway vehicle or diesel-powered boat", and

(B) by striking "such vehicle" and inserting "such vehicle or boat".

(3) Subparagraph (B) of section 4092(b)(1) is amended by striking "commercial and non-

commercial vessels" each place it appears and inserting "vessels for use in an off-highway business use (as defined in section 6421(e)(2)(B))".

(b) EXEMPTION FOR USE IN FISHERIES OR COMMERCIAL NAVIGATION.—Subparagraph (B) of section 6421(e)(2) is amended to read as follows:

"(B) USES IN BOATS.—The term 'off-highway business use' does not include any use in a motorboat; except that such term shall include any use in—

"(i) a vessel employed in the fisheries or in the whaling business, and

"(ii) in the case of diesel fuel, a boat in the active conduct of—

"(I) a trade or business of commercial fishing or transporting persons or property for compensation or hire, or

"(II) any other trade or business unless the boat is used predominantly in any activity which is of a type generally considered to constitute entertainment, amusement or recreation."

(c) RETENTION OF TAXES IN GENERAL FUND.—

(1) TAXES IMPOSED AT HIGHWAY TRUST FUND FINANCING RATE.—Paragraph (4) of section 9503(b) (relating to transfers to Highway Trust Fund) is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by striking the period at the end of subparagraph (B) and inserting ", and", and

(C) by adding at the end thereof the following new subparagraph:

"(C) there shall not be taken into account the taxes imposed by sections 4041 and 4091 on diesel fuel sold for use or used as fuel in a diesel-powered boat."

(2) TAXES IMPOSED AT LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.—Subsection (b) of section 9508 (relating to transfers to Leaking Underground Storage Tank Trust Fund) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, there shall not be taken into account the taxes imposed by sections 4041 and 4091 on diesel fuel sold for use or used as fuel in a diesel-powered boat."

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1992.

Subtitle E—Credit for Portion of Employer Social Security Taxes Paid With Respect to Employee Cash Tips

SEC. 2401. CREDIT FOR PORTION OF EMPLOYER SOCIAL SECURITY TAXES PAID WITH RESPECT TO EMPLOYEE CASH TIPS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45. CREDIT FOR PORTION OF EMPLOYER SOCIAL SECURITY TAXES PAID WITH RESPECT TO EMPLOYEE CASH TIPS.

"(a) GENERAL RULE.—For purposes of section 38, the employer social security credit determined under this section for the taxable year is an amount equal to the excess employer social security tax paid or incurred by the taxpayer during the taxable year.

"(b) EXCESS EMPLOYER SOCIAL SECURITY TAX.—For purposes of this section, the term 'excess employer social security tax' means any tax paid by an employer under section 3111 with respect to tips received by an employee during any month, to the extent such tips—

"(1) are deemed to have been paid by the employer to the employee pursuant to section 3121(q), and

"(2) exceed the amount by which the wages (excluding tips) paid by the employer to the employee during such month are less than the total amount which would be payable (with respect to such employment) at the minimum wage rate applicable to such individual under section 6(a)(1) of the Fair Labor Standards Act of 1938 (determined without regard to section 3(m) of such Act).

"(c) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any amount taken into account in determining the credit under this section."

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 38 (relating to current year business credit) is amended by striking "plus" at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting ", plus", and by adding at the end the following new paragraph:

"(9) the employer social security credit determined under section 45(a)."

(2) LIMITATION ON CARRYBACKS.—Subsection (d) of section 39 (relating to transitional rules) is amended by adding at the end the following new paragraph:

"(4) NO CARRYBACK OF SECTION 45 CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the employer social security credit determined under section 45 may be carried back to a taxable year ending before the date of the enactment of section 45."

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 45. employer social security credit."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to tips received (and wages paid) after the date of the enactment of this Act.

TITLE III—OFFSETTING REVENUE INCREASES

Subtitle A—General Provisions

SEC. 3001. MARK TO MARKET ACCOUNTING METHOD FOR SECURITIES DEALERS.

(a) GENERAL RULE.—Subpart D of part II of subchapter E of chapter 1 (relating to inventories) is amended by adding at the end thereof the following new section:

"SEC. 475. MARK TO MARKET ACCOUNTING METHOD FOR DEALERS IN SECURITIES.

"(a) GENERAL RULE.—Notwithstanding any other provision of this subpart, the following rules shall apply to securities held by a dealer in securities:

"(1) Any security which is inventory in the hands of the dealer shall be included in inventory at its fair market value.

"(2) In the case of any security which is not inventory in the hands of the dealer and which is held at the close of any taxable year—

"(A) the dealer shall recognize gain or loss as if such security were sold for its fair market value on the last business day of such taxable year, and

"(B) any gain or loss shall be taken into account for such taxable year.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence. The Secretary may provide by regulations for the application of this paragraph at times other than the times provided in this paragraph.

"(b) EXCEPTIONS.—

"(1) IN GENERAL.—Subsection (a) shall not apply to—

"(A) any security held for investment,

"(B) any security described in subsection (c)(2)(C) which is acquired (including originated) by the taxpayer in the ordinary course of a trade or business of the taxpayer and which is not held for sale,

"(C) any security which is a hedge with respect to—

"(i) a security to which subsection (a) does not apply, or

"(ii) a position, right to income, or a liability which is not a security in the hands of the taxpayer.

Except as provided in regulations, subparagraph (C) shall not apply to any security held by a person in its capacity as a dealer in securities.

"(2) IDENTIFICATION REQUIRED.—A security shall not be treated as described in subparagraph (A), (B), or (C) of paragraph (1), as the case may be, unless such security is clearly identified in the dealer's records as being described in such subparagraph before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may by regulations prescribe).

"(3) SECURITIES SUBSEQUENTLY NOT EXEMPT.—If a security ceases to be described in paragraph (1) at any time after it was identified as such under paragraph (2), subsection (a) shall apply to any changes in value of the security occurring after the cessation.

"(4) SPECIAL RULE FOR PROPERTY HELD FOR INVESTMENT.—To the extent provided in regulations, subparagraph (A) of paragraph (1) shall not apply to any security described in subparagraph (D) or (E) of subsection (c)(2) which is held by a dealer in such securities.

"(c) DEFINITIONS.—For purposes of this section—

"(1) DEALER IN SECURITIES DEFINED.—The term 'dealer in securities' means a taxpayer who—

"(A) regularly purchases securities from or sells securities to customers in the ordinary course of a trade or business; or

"(B) regularly offers to enter into, assume, offset, assign or otherwise terminate positions in securities with customers in the ordinary course of a trade or business.

"(2) SECURITY DEFINED.—The term 'security' means any—

"(A) share of stock in a corporation;

"(B) partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust;

"(C) note, bond, debenture, or other evidence of indebtedness;

"(D) interest rate, currency, or equity notional principal contract;

"(E) evidence of an interest in, or a derivative financial instrument in, any security described in subparagraph (A), (B), (C), or (D), or any currency, including any option, forward contract, short position, and any similar financial instrument in such a security or currency; and

"(F) position which—

"(i) is not a security described in subparagraph (A), (B), (C), (D), or (E),

"(ii) is a hedge with respect to such a security, and

"(iii) is clearly identified in the dealer's records as being described in this subparagraph before the close of the day on which it was acquired or entered into (or such other time as the Secretary may by regulations prescribe).

Such term shall not include any contract to which section 1256(a) applies.

"(3) HEDGE.—The term 'hedge' means any position which reduces the dealer's risk of interest rate or price changes or currency fluctuations, including any position which is reasonably expected to become a hedge within 60 days after the acquisition of the position.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) CERTAIN RULES NOT TO APPLY.—The rules of sections 263(g) and 263A shall not apply to securities to which subsection (a) applies.

"(2) IMPROPER IDENTIFICATION.—If a taxpayer—

"(A) identifies any security under subsection (b)(2) as being described in subsection (b)(1) and such security is not so described, or

"(B) fails under subsection (c)(2)(F)(iii) to identify any position which is described in such subsection at the time such identification is required,

the provisions of subsection (a) shall apply to such security or position, except that any loss under this section prior to the disposition of the security or position shall be recognized only to the extent of gain previously recognized under this section (and not previously taken into account under this paragraph) with respect to such security or position.

"(e) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including rules—

"(1) to prevent the use of year-end transfers, related parties, or other arrangements to avoid the provisions of this section, and

"(2) to provide for the application of this section to any security which is a hedge which cannot be identified with a specific security, position, right to income, or liability."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 988(d) is amended—

(A) by striking "section 1256" and inserting "section 475 or 1256", and

(B) by striking "1092 and 1256" and inserting "475, 1092, and 1256".

(2) The table of sections for subpart D of part II of subchapter E of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 475. Market to market accounting method for dealers in securities."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to all taxable years ending on or after December 31, 1992.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for any taxable year—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary, and

(C)(i) 17 percent of the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account for the taxpayer's 1st taxable year ending on or after December 31, 1992,

(ii) 10 percent of such net amount shall be taken into account for each of the next 7 taxable years following the 1st taxable year referred to in clause (i), and

(iii) 6½ percent of such net amount shall be taken into account for each of the next 2 taxable years following the last taxable year referred to in clause (ii).

If the net amount determined under subparagraph (C) exceeds the net amount which would have been determined under subparagraph (C) if the taxpayer had been required by this section to change its method of accounting for its last taxable year beginning before March 20, 1992, subparagraph (C) shall not apply to such excess and such excess shall be taken into account ratably over the 4-taxable year period beginning with the 1st taxable year ending on or after December 31, 1992.

(3) UNDERPAYMENT OF ESTIMATED TAX.—In the case of any required installment the due date for which occurs before the date of the enactment of this Act, no addition to tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1986 with respect to any underpayment to the extent such underpayment was created or increased by any amendment made by, or provision of, this section. All reductions in installments by reason of the preceding sentence shall be recaptured by increasing the amount of the 1st required installment occurring on or after the date of the enactment of this Act by the amount of such reductions.

SEC. 3002. CLARIFICATION OF TREATMENT OF CERTAIN FSLIC FINANCIAL ASSISTANCE.

(a) GENERAL RULE.—For purposes of chapter 1 of the Internal Revenue Code of 1986—

(1) any FSLIC assistance with respect to any loss of principal, capital, or similar amount upon the disposition of any asset shall be taken into account as compensation for such loss for purposes of section 165 of such Code, and

(2) any FSLIC assistance with respect to any debt shall be taken into account for purposes of section 166, 585, or 593 of such Code in determining whether such debt is worthless (or the extent to which such debt is worthless) and in determining the amount of any addition to a reserve for bad debts arising from the worthlessness or partial worthlessness of such debts.

(b) FSLIC ASSISTANCE.—For purposes of this section, the term "FSLIC assistance" means any assistance (or right to assistance) with respect to a domestic building and loan association (as defined in section 7701(a)(19) of such Code without regard to subparagraph (C) thereof) under section 406(f) of the National Housing Act or section 21A of the Federal Home Loan Bank Act (or under any similar provision of law).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection—

(A) The provisions of this section shall apply to taxable years ending after March 4, 1991, but only with respect to FSLIC assistance not credited before March 4, 1991.

(B) If any FSLIC assistance not credited before March 4, 1991, is with respect to a loss sustained or charge-off in a taxable year ending before March 4, 1991, for purposes of determining the amount of any net operating loss carryover to a taxable year ending on or after March 4, 1991, the provisions of this section shall apply to such assistance for purposes of determining the amount of the net operating loss for the taxable year in which such loss was sustained or debt written off. Except as provided in the preceding sentence, this section shall not apply to any FSLIC assistance with respect to a loss sustained or charge-off in a taxable year ending before March 4, 1991.

(2) EXCEPTIONS.—The provisions of this section shall not apply to any assistance to which the amendments made by section 1401(a)(3) of the Financial Institution Reform, Recovery, and Enforcement Act of 1989 apply.

SEC. 3003. INCREASE IN RECOVERY PERIOD FOR NONRESIDENTIAL REAL PROPERTY.

(a) GENERAL RULE.—Paragraph (1) of section 168(c) (relating to applicable recovery period) is amended by striking the item relating to nonresidential real property and inserting the following:

"Nonresidential real property ..... 40 years."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall apply to property placed in service by the taxpayer on or after June 25, 1992.

(2) EXCEPTION.—The amendments made by this section shall not apply to property placed in service by the taxpayer before January 1, 1995, if—

(A) the taxpayer or a qualified person entered into a binding written contract to purchase or construct such property before June 25, 1992, or

(B) the construction of such property was commenced by or for the taxpayer or a qualified person before June 25, 1992.

For purposes of this paragraph, the term "qualified person" means any person who transfers his rights in such a contract or such property to the taxpayer but only if the property is not placed in service by such person before such rights are transferred to the taxpayer.

SEC. 3004. TAXATION OF PRECONTRIBUTION GAIN IN CASE OF CERTAIN DISTRIBUTIONS TO CONTRIBUTING PARTNER.

(a) GENERAL RULE.—Subpart C of part II of subchapter K of chapter 1 (relating to distributions by a partnership) is amended by adding at the end thereof the following new section:

"SEC. 737. RECOGNITION OF PRECONTRIBUTION GAIN IN CASE OF CERTAIN DISTRIBUTIONS TO CONTRIBUTING PARTNER.

"(a) GENERAL RULE.—In the case of any distribution by a partnership to a partner, such partner shall be treated as recognizing gain in an amount equal to the lesser of—

"(1) the excess (if any) of (A) the fair market value of property (other than money) received in the distribution over (B) the adjusted basis of such partner's interest in the partnership immediately before the distribution reduced (but not below zero) by the amount of money received in the distribution, or

"(2) the net precontribution gain of the partner.

Gain recognized under the preceding sentence shall be in addition to any gain recognized under section 731. The character of such gain shall be determined by reference to the proportionate character of the net precontribution gain.

"(b) NET PRECONTRIBUTION GAIN.—For purposes of this section, the term 'net precontribution gain' means the net gain (if any) which would have been recognized by the distributee partner under section 704(c)(1)(B) if all property which—

"(1) had been contributed to the partnership by the distributee partner within 5 years of the distribution, and

"(2) is held by such partnership immediately before the distribution,

had been distributed by such partnership to another partner.

"(c) BASIS RULES.—

"(1) PARTNER'S INTEREST.—The adjusted basis of a partner's interest in a partnership shall be increased by the amount of any gain recognized by such partner under subsection (a). Except for purposes of determining the amount recognized under subsection (a), such increase shall be treated as occurring immediately before the distribution.

"(2) PARTNERSHIP'S BASIS IN CONTRIBUTED PROPERTY.—Appropriate adjustments shall be made to the adjusted basis of the partnership in the contributed property referred to in subsection (b) to reflect gain recognized under subsection (a).

"(d) EXCEPTIONS.—

"(1) DISTRIBUTIONS OF PREVIOUSLY CONTRIBUTED PROPERTY.—If any portion of the property distributed consists of property which had been contributed by the distributee partner to the partnership, such property shall not be taken into account under subsection (a)(1) and shall not be taken into account in determining the amount of the net precontribution gain. If the property distributed consists of an interest in an entity, the preceding sentence shall not apply to the extent that the value of such interest is attributable to property contributed to such entity after such interest had been contributed to the partnership.

"(2) COORDINATION WITH SECTION 751.—This section shall not apply to the extent section 751(b) applies to such distribution."

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 704(c)(1) is amended by striking out "is distributed" in the material preceding clause (i) and inserting "is distributed (directly or indirectly)".

(2) Subsection (c) of section 731 is amended—

(A) by striking "and section 751" and inserting ", section 751", and

(B) by inserting before the period at the end thereof the following: ", and section 737 (relating to recognition of precontribution gain in case of certain distributions)".

(3) The table of sections for subpart B of part II of subchapter K of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 737. Recognition of precontribution gain in case of certain distributions to contributing partner."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions on or after June 25, 1992.

SEC. 3005. ELIMINATION OF DEDUCTION FOR CLUB MEMBERSHIP FEES.

(a) IN GENERAL.—Subsection (a) of section 274 (relating to disallowance of certain entertainment, etc., expenses) is amended by adding at the end thereof the following new paragraph:

"(3) DENIAL OF DEDUCTION FOR CLUB DUES.—Notwithstanding the preceding provisions of this subsection, no deduction shall be allowed under this chapter for amounts paid or incurred for membership in any club organized for business, pleasure, recreation, or other social purpose."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

SEC. 3006. EXTENSION OF TOP ESTATE AND GIFT TAX RATES.

(a) GENERAL RULE.—

(1) Subparagraph (A) of section 2001(c)(2) (relating to rate schedule) is amended by striking "1993" and inserting "1998".

(2) Subparagraph (D) of section 2001(c)(2) is amended by striking "1993" each place it appears (including in the subparagraph heading) and inserting "1998".

(3) Paragraph (3) of section 2001(c) is amended by striking "1992" and inserting "1997".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply in the case of decedents dying, and gifts made, after December 31, 1992.

SEC. 3007. MODIFICATIONS TO DEDUCTION FOR MOVING EXPENSES.

(a) DOLLAR LIMITATIONS.—

(1) IN GENERAL.—Paragraph (3) of section 217(b) is amended by striking subparagraphs (A) and (B) and inserting the following:

"(A) DOLLAR LIMITS.—The aggregate amount allowable as a deduction under subsection (a) in connection with a commencement of work shall not exceed $5,000. The aggregate amount allowable as a deduction under subsection (a) in connection with a commencement of work which is attributable to expenses described in subparagraph (C), (D), or (E) of paragraph (1) shall not exceed $3,000.

"(B) HUSBAND AND WIFE.—If a husband and wife both commence work at a new principal place of work within the same general location, subparagraph (A) shall be applied as if there was only 1 commencement of work. In the case of a husband and wife filing separate returns, subparagraph (A) shall be applied by substituting '$2,500' for '$5,000' and by substituting '$1,500' for '$3,000'."

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 217(h) is amended by inserting "and" at the end of subparagraph (A) and by striking subparagraphs (B) and (C) and inserting the following:

"(B) subsection (b)(3)(A) shall be applied as if it did not contain the last sentence thereof."

(b) REIMBURSED MOVING EXPENSES ALLOWABLE IN COMPUTING ADJUSTED GROSS INCOME.—

(1) IN GENERAL.—Subsection (a) of section 62 is amended by inserting after paragraph (13) the following new paragraph:

"(14) REIMBURSED MOVING EXPENSES.—The deduction allowed under section 217 for expenses in connection with any commencement of work by the taxpayer to the extent that the deduction so allowed for such expenses does not exceed the reimbursements (or other payments) included in gross income under section 82 with respect to expenses in connection with such commencement of work."

(2) UNREIMBURSED EXPENSES SUBJECT TO 2 PERCENT FLOOR.—Subsection (b) of section 67 is amended by striking paragraph (6) and redesignating the following paragraphs accordingly.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

Subtitle B—Estimated Tax Provisions

SEC. 3101. INDIVIDUAL ESTIMATED TAX PROVISIONS.

(a) GENERAL RULE.—Paragraph (1) of section 6654(d) (relating to amount of required installment) is amended—

(1) by striking "100 percent" in subparagraph (B)(ii) and inserting "115 percent", and

(2) by striking subparagraphs (C), (D), (E), and (F).

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 6654(i)(1) is amended by striking "and without regard to subparagraph (C) of subsection (d)(1)".

(2) Subparagraph (A) of section 6654(j)(3) is amended by striking "and subsection (d)(1)(C)(iii) shall not apply".

(3) Paragraph (4) of section 6654(l) is amended by striking "paragraphs (1)(C)(iv) and (2)(B)(i) of subsection (d)" and inserting "subsection (d)(2)(B)(i)".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1992.

(2) ELECTION TO APPLY AMENDMENTS TO 1992 YEAR.—An individual may elect to have the amendments made by subsection (a) apply to such individual's taxable year beginning in 1992.

SEC. 3102. CORPORATE ESTIMATED TAX PROVISIONS.

(a) PERMANENT EXTENSION OF 95 PERCENT RULE.—

(1) IN GENERAL.—Subsection (d) of section 6655 (relating to amount of required installments) is amended—

(A) by striking "90 percent" each place it appears in paragraph (1)(B)(i) and inserting "95 percent",

(B) by striking "90 PERCENT" in the heading of paragraph (2) and inserting "95 PERCENT", and

(C) by striking paragraph (3).

(2) CONFORMING AMENDMENTS.—

(A) Clause (ii) of section 6655(e)(2)(B) is amended by striking the table contained therein and inserting in lieu thereof:

"In the case of the following required installments:	The applicable percentage is:
1st	23.75
2nd	47.5
3rd	71.25
4th	95."

(B) Clause (i) of section 6655(e)(3)(A) is amended by striking "90 percent" and inserting "95 percent".

(b) MODIFICATION OF PERIODS FOR APPLYING ANNUALIZATION.—

(1) Clause (i) of section 6655(e)(2)(A) is amended—

(A) by striking "or for the first 5 months" in subclause (II),

(B) by striking "or for the first 8 months" in subclause (III), and

(C) by striking "or for the first 11 months" in subclause (IV).

(2) Paragraph (2) of section 6655(e) is amended by adding at the end thereof the following new subparagraph:

"(C) ELECTION FOR DIFFERENT ANNUALIZATION PERIODS.—

"(i) If the taxpayer makes an election under this clause—

"(I) subclause (II) of subparagraph (A)(i) shall be applied by substituting '4 months' for '3 months',

"(II) subclause (III) of subparagraph (A)(i) shall be applied by substituting '7 months' for '6 months', and

"(III) subclause (IV) of subparagraph (A)(i) shall be applied by substituting '10 months' for '9 months'.

"(ii) If the taxpayer makes an election under this clause—

"(I) subclause (II) of subparagraph (A)(i) shall be applied by substituting '5 months' for '3 months',

"(II) subclause (III) of subparagraph (A)(i) shall be applied by substituting '8 months' for '6 months', and

"(III) subclause (IV) of subparagraph (A)(i) shall be applied by substituting '11 months' for '9 months'.

"(iii) An election under clause (i) or (ii) shall apply to the taxable year for which made and such an election shall be effective only if made on or before the date required for the payment of the second required installment for such taxable year."

(3) The last sentence of section 6655(f)(3)(A) is amended by striking "and subsection (e)(2)(A)" and inserting "and, except in the case of an election under subsection (e)(2)(C), subsection (e)(2)(A)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

Subtitle C—Alternative Taxable Years

SEC. 3201. ELECTION OF TAXABLE YEAR OTHER THAN REQUIRED TAXABLE YEAR.

(a) LIMITATIONS ON TAXABLE YEARS WHICH MAY BE ELECTED.—Subsection (b) of section

444 (relating to limitations on taxable years which may be elected) is amended to read as follows:

"(b) TAXABLE YEAR MUST BE SAME AS REPORTING PERIOD.—If an entity has annual reports or statements—

"(1) which ascertain income, profit, or loss of the entity, and

"(2) which are—

"(A) provided to shareholders, partners, or other proprietors, or

"(B) used for credit purposes,

the entity may make an election under subsection (a) only if the taxable year elected covers the same period as such reports or statements."

(b) PERIOD OF ELECTION.—Section 444(d)(2) (relating to period of election) is amended to read as follows:

"(2) PERIOD OF ELECTION.—

"(A) IN GENERAL.—An election under subsection (a) shall remain in effect until the partnership, S corporation, or personal service corporation terminates the election and adopts the required taxable year.

"(B) CHANGE NOT TREATED AS TERMINATION.—For purposes of subparagraph (A), a change from a taxable year which is not a required taxable year to another such taxable year shall not be treated as a termination."

(c) EXCEPTION FOR TRUSTS.—Section 444(d)(3) (relating to tiered structures) is amended by adding at the end thereof the following new subparagraph:

"(C) EXCEPTION FOR CERTAIN STRUCTURES THAT INCLUDE TRUSTS.—An entity shall not be considered to be part of a tiered structure to which subparagraph (A) applies solely because a trust owning an interest in such entity is a trust all of the beneficiaries of which use a calendar year for their taxable year."

(d) REGULATIONS.—Subsection (g) of section 444 (relating to regulations) is amended to read as follows:

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section, including regulations—

"(1) to prevent the avoidance of the provisions of this section through a change in entity or form of an entity,

"(2) to prevent the carryback to any preceding taxable year of a net operating loss (or similar item) arising in any short taxable year created pursuant to an election or termination of an election under this section, and

"(3) to provide for the termination of an election under subsection (a) if an entity does not continue to meet the requirements of subsection (b)."

SEC. 3202. REQUIRED PAYMENTS FOR ENTITIES ELECTING NOT TO HAVE REQUIRED TAXABLE YEAR.

(a) ADDITIONAL REQUIRED PAYMENT.—

(1) IN GENERAL.—Section 7519(b) (defining required payment) is amended to read as follows:

"(b) REQUIRED PAYMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'required payment' means, with respect to any applicable election year of a partnership or S corporation, an amount equal to the excess (if any) of—

"(A) the adjusted highest section 1 rate, multiplied by the net base year income of the entity, over

"(B) the net required payment balance.

For purposes of paragraph (1)(A), the term 'adjusted highest section 1 rate' means the highest rate of tax in effect under section 1 as of the close of the first required taxable year ending within such year, plus 2 percentage points.

"(2) ADDITIONAL PAYMENT FOR NEW APPLICABLE ELECTION YEARS.—

"(A) IN GENERAL.—In the case of a new applicable election year, the required payment shall include, in addition to any amount determined under paragraph (1), the amount determined under subparagraph (C).

"(B) NEW APPLICABLE ELECTION YEAR.—For purposes of this section, the term 'new applicable election year' means any applicable election year—

"(i) with respect to which the preceding taxable year was not an applicable election year, or

"(ii) which covers a different period than the preceding taxable year by reason of a change described in section 444(d)(2)(B).

If any year described in the preceding sentence is a short taxable year which does not include the last day of the required taxable year, the new applicable election year shall be the taxable year following the short taxable year.

"(C) ADDITIONAL AMOUNT.—For purposes of subparagraph (A), the amount determined under this subparagraph shall be—

"(i) in the case of a year described in subparagraph (B)(i), 75 percent of the required payment for the year, and

"(ii) in the case of a year described in subparagraph (B)(ii), 75 percent of the excess (if any) of—

"(I) the required payment for the year, over

"(II) the required payment for the year which would have been computed if the change described in subparagraph (B)(ii) had not occurred.

"(D) REQUIRED PAYMENT.—For purposes of this paragraph, the term 'required payment' means the payment required by this section (determined without regard to this paragraph)."

(2) DUE DATE.—Paragraph (2) of section 7519(f) (defining due date) is amended to read as follows:

"(2) DUE DATE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the amount of any required payment for any applicable election year shall be paid on or before May 15 of the calendar year following the calendar year in which the applicable election year begins.

"(B) SPECIAL RULE WHERE NEW APPLICABLE ELECTION YEAR ADOPTED.—In the case of a new applicable election year, the portion of any required payment determined under subsection (b)(2) shall be paid on or before September 15 of the calendar year in which the applicable election year begins."

(3) PENALTIES.—

(A) IN GENERAL.—Section 7519(f)(4) (relating to penalties) is amended by adding at the end thereof the following new subparagraph:

"(D) FAILURE TO PAY ADDITIONAL AMOUNT.—In the case of any failure by any entity to pay on the date prescribed therefor the portion of any required payment described in subsection (b)(2) for any applicable election year—

"(i) subparagraph (A) shall not apply, but

"(ii) the entity shall, for purposes of this title, be treated as having terminated the election under section 444 for such year and changed to the required taxable year."

(B) CONFORMING AMENDMENT.—Section 7519(f)(4)(A) is amended by striking "In" and inserting "Except as provided in subparagraph (D), in".

(4) REFUNDS.—Section 7519(c)(2)(A) (relating to refund of payments) is amended to read as follows:

"(A) an election under section 444 is not in effect for any year but was in effect for the preceding year, or".

(5) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 7519(c) is amended—

(i) by striking "subsection (b)(2)" and inserting "subsection (b)(1)(B)", and

(ii) by striking "subsection (b)(1)" and inserting "subsection (b)(1)(A)".

(B) Subsection (d) of section 7519 is amended by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

(b) OTHER DEFINITIONS AND SPECIAL RULES.—

(1) REFUND.—Paragraph (3) of section 7519(c) (relating to date on which refund is payable) is amended in the matter preceding subparagraph (A) by striking "on the later of" and inserting "by the later of".

(2) DEFERRAL RATIO.—The last sentence of paragraph (1) of section 7519(d) is amended to read as follows: "Except as provided in regulations, the term 'deferral ratio' means the ratio which the number of months in the deferral period of the applicable election year bears to the number of months in the applicable election year."

(3) NET INCOME.—Paragraph (2) of section 7519(d) is amended by adding at the end the following new subparagraph:

"(D) EXCESS APPLICABLE PAYMENTS FOR BASE YEAR.—In the case of any new applicable election year, the net income for the base year shall be increased by the excess (if any) of—

"(i) the applicable payments taken into account in determining net income for the base year, over

"(ii) 120 percent of the average amount of applicable payments made during the first 3 taxable years preceding the base year."

(4) DEFERRAL PERIOD.—Paragraph (1) of section 7519(e) (defining deferral period) is amended to read as follows:

"(1) DEFERRAL PERIOD.—Except as provided in regulations, the term 'deferral period' means, with respect to any taxable year of the entity, the months between—

"(A) the beginning of such year, and

"(B) the close of the first required taxable year (as defined in section 444(e)) ending within such year."

(5) BASE YEAR.—

(A) IN GENERAL.—Paragraph (2)(A) of section 7519(e) (defining base year) is amended to read as follows:

"(A) BASE YEAR.—The term 'base year' means, with respect to any applicable election year, the first taxable year of 12 months (or 52–53 weeks) of the partnership or S corporation preceding such applicable election year."

(B) CONFORMING AMENDMENT.—Paragraph (2) of subsection (g) of section 7519 is amended to read as follows:

"(2) there is no base year described in subsection (e)(2)(A) or no preceding taxable year described in section 280H(c)(1)(A)(i)."

(c) INTEREST.—Section 7519(f)(3) (relating to interest) is amended to read as follows:

"(3) INTEREST.—For purposes of determining interest, any payment required by this section shall be treated as a tax, except that interest shall be allowed with respect to any refund of a payment under this section only for the period from the latest date specified in subsection (c)(3) for such refund to the actual date of payment of such refund."

SEC. 3203. LIMITATION ON CERTAIN AMOUNTS PAID TO EMPLOYEE-OWNERS OF PERSONAL SERVICE CORPORATIONS.

(a) CARRYOVER OF NONDEDUCTIBLE AMOUNTS.—Subsection (b) of section 280H (relating to carryover of nondeductible amounts) is amended to read as follows:

"(b) CARRYOVER OF NONDEDUCTIBLE AMOUNTS.—Any amount not allowed as a deduction for a taxable year pursuant to subsection (a) shall be allowed as a deduction in the succeeding taxable year."

(b) MINIMUM DISTRIBUTION REQUIREMENT.—Paragraph (1) of section 280H(c) is amended to read as follows:

"(1) IN GENERAL.—A personal service corporation meets the minimum distribution requirements of this subsection if the applicable amounts paid during the deferral period of the taxable year equal or exceed the lesser of—

"(A) 110 percent of the product of—

"(i) the applicable amounts paid during the first preceding taxable year of 12 months (or 52–53 weeks), divided by 12, and

"(ii) the number of months in the deferral period of the taxable year, or

"(B) 110 percent of the amount equal to the applicable percentage of the adjusted taxable income for the deferral period of the taxable year."

(c) DISALLOWANCE OF NOL CARRYBACKS.—Subsection (e) of section 280H (relating to disallowance of net operating loss carrybacks) is amended by striking "to (or from)" and inserting "from".

(d) CONFORMING AMENDMENT.—Subparagraph (A) of section 280H(f)(3) (relating to deferral period) is amended by striking "section 444(b)(4)" and inserting "section 7519(e)(1)".

SEC. 3204. EFFECTIVE DATE.

The amendments made by this subtitle shall apply to taxable years beginning after December 31, 1992.

TITLE IV—SIMPLIFICATION PROVISIONS

Subtitle A—Provisions Relating to Individuals

SEC. 4101. SIMPLIFICATION OF EARNED INCOME CREDIT.

(a) GENERAL RULE.—Section 32 (relating to earned income credit) is amended by striking subsections (a) and (b) and inserting the following:

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed $5,714.

"(2) LIMITATION.—The amount of the credit allowable to a taxpayer under paragraph (1) for any taxable year shall not exceed the excess (if any) of—

"(A) the credit percentage of $5,714, over

"(B) the phaseout percentage of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $9,000.

"(b) PERCENTAGES.—For purposes of subsection (a)—

"(1) IN GENERAL.—Except as otherwise provided in this subsection—

"In the case of an eligible individual +with:	The credit percentage is:	The phaseout percentage is:
"1 qualifying child	23	16.43
"2 or more qualifying children	28.8	20.58.

"(2) TRANSITIONAL PERCENTAGES.—

"(A) In the case of a taxable year beginning in 1992:

"In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
"1 qualifying child	17.6	12.57
"2 or more qualifying children	22.2	15.84.

"(B) In the case of a taxable year beginning in 1993:

"In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
"1 qualifying child	18.5	13.21
"2 or more qualifying children	23.3	16.64."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 32(i)(2) is amended—

(A) by striking "subsection (b)(1)" in clause (i) and inserting "subsection (a)", and

(B) by striking "subsection (b)(1)(B)(ii)" in clause (ii) and inserting "subsection (a)(2)".

(2) Paragraph (3) of section 162(l) is amended to read as follows:

"(3) COORDINATION WITH MEDICAL DEDUCTION.—Any amount paid by a taxpayer for insurance to which paragraph (1) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a)."

(3) Section 213 is amended by striking subsection (f).

(4) Subparagraph (B) of section 3507(c)(2) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) of not more than the percentage (in effect under section 32(a)(1) for an eligible individual with 1 qualifying child) of earned income not in excess of the amount of earned income taken into account under section 32(a)(1), which

"(ii) phases out between the amount of earned income at which the phaseout begins under subsection (a)(2) of section 32 and the amount of earned income at which the credit under section 32 is phased out under such subsection for an individual with 1 qualifying child, or".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 4102. SIMPLIFICATION OF RULES ON ROLLOVER OF GAIN ON SALE OF PRINCIPAL RESIDENCE.

(a) RULES RELATING TO MULTIPLE SALES WITHIN ROLLOVER PERIOD.—

(1) Section 1034 (relating to rollover of gain on sale of principal residence) is amended by striking subsection (d).

(2) Paragraph (4) of section 1034(c) is amended to read as follows:

"(4) If the taxpayer, during the period described in subsection (a), purchases more than 1 residence which is used by him as his principal residence at some time within 2 years after the date of the sale of the old residence, only the first of such residences so used by him after the date of such sale shall constitute the new residence."

(3) Subsections (h)(1) and (k) of section 1034 are each amended by striking "(other than the 2 years referred to in subsection (c)(4))".

(b) TREATMENT IN CASE OF DIVORCES.—Subsection (c) of section 1034 is amended by adding at the end thereof the following new paragraph:

"(5) If—

"(A) a residence is sold by an individual pursuant to a divorce or marital separation, and

"(B) the taxpayer used such residence as his principal residence at any time during the 2-year period ending on the date of such sale,

for purposes of this section, such residence shall be treated as the taxpayer's principal residence at the time of such sale."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales of old residences (within the meaning of section 1034 of the Internal Revenue Code of 1986) after the date of the enactment of this Act.

SEC. 4103. DE MINIMIS EXCEPTION TO PASSIVE LOSS RULES.

(a) GENERAL RULE.—Section 469 (relating to passive activity losses and credits limited) is amended—

(1) by striking subsection (m),

(2) by redesignating subsection (l) as subsection (m), and

(3) by inserting after subsection (k) the following new subsection:

"(l) DE MINIMIS EXCEPTION.—

"(1) IN GENERAL.—In the case of a natural person, subsection (a) shall not apply to the passive activity loss for any taxable year if the amount of such loss does not exceed $200.

"(2) EXCEPTION FOR ITEMS ATTRIBUTABLE TO PUBLICLY TRADED PARTNERSHIPS.—This subsection shall not apply to items treated separately under subsection (k) (and such items shall not be taken into account in determining whether paragraph (1) applies to the taxpayer for the taxable year with respect to other items).

"(3) ESTATES ELIGIBLE.—For purposes of this subsection, an estate shall be treated as a natural person with respect to any taxable year ending less than 2 years after the death of the decedent.

"(4) MARRIED INDIVIDUALS FILING SEPARATELY.—

"(A) IN GENERAL.—This subsection shall not apply to a taxpayer who—

"(i) is a married individual filing a separate return for the taxable year, and

"(ii) does not live apart from his spouse at all times during such taxable year.

"(B) LIMITATION.—Paragraph (1) shall be applied by substituting '$100' for '$200' in the case of a married individual who files a separate return for the taxable year and to whom this subsection applies after the application of subparagraph (A)."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 56(b)(1) is amended by striking clause (ii) and redesignating the following clauses accordingly.

(2) Subsection (b) of section 58 is amended by inserting "and" at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(2) Paragraph (4) of section 163(d) is amended by striking subparagraph (E).

(4) Subsection (d) of section 163 is amended by striking paragraph (6).

(5) Subsection (h) of section 163 is amended by striking paragraph (5).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 4104. PAYMENT OF TAX BY CREDIT CARD.

(a) GENERAL RULE.—Section 6311 is amended to read as follows:

"SEC. 6311. PAYMENT BY CHECK, MONEY ORDER, OR OTHER MEANS.

"(a) AUTHORITY TO RECEIVE.—It shall be lawful for the Secretary to receive for internal revenue taxes (or in payment for internal revenue stamps) checks, money orders, or any other commercially acceptable means that the Secretary deems appropriate, including payment by use of credit cards, to the extent and under the conditions provided in regulations prescribed by the Secretary.

"(b) Ultimate Liability.—If a check, money order, or other method of payment so received is not duly paid, the person by whom such check, or money order, or other method of payment has been tendered shall remain liable for the payment of the tax or for the stamps, and for all legal penalties and additions, to the same extent as if such check, money order, or other method of payment had not been tendered.

"(c) Liability of Banks and Others.—If any certified, treasurer's, or cashier's check (or other guaranteed draft), or any money order, or any other means of payment that has been guaranteed by a financial institution (such as a guaranteed credit card transaction) so received is not duly paid, the United States shall, in addition to its right to exact payment from the party originally indebted therefor, have a lien for—

"(1) the amount of such check (or draft) upon all assets of the financial institution on which drawn,

"(2) the amount of such money order upon all the assets of the issuer thereof, or

"(3) the guaranteed amount of any other transaction upon all the assets of the institution making such guarantee,

and such amount shall be paid out of such assets in preference to any other claims whatsoever against such financial institution, issuer, or guaranteeing institution, except the necessary costs and expenses of administration and the reimbursement of the United States for the amount expended in the redemption of the circulating notes of such financial institution.

"(d) Payment by Other Means.—

"(1) Authority to prescribe regulations.—The Secretary shall prescribe such regulations as the Secretary deems necessary to receive payment by commercially acceptable means, including regulations that—

"(A) specify which methods of payment by commercially acceptable means will be acceptable,

"(B) specify when payment by such means will be considered received,

"(C) identify types of nontax matters related to payment by such means that are to be resolved by persons ultimately liable for payment and financial intermediaries, without the involvement of the Secretary, and

"(D) ensure that tax matters will be resolved by the Secretary, without the involvement of financial intermediaries.

"(2) Authority to enter into contracts.—Notwithstanding section 3718(f) of title 31, United States Code, the Secretary is authorized to enter into contracts to obtain services related to receiving payment by other means where cost beneficial to the government and is further authorized to pay any fees required by such contracts.

"(3) Special provisions for use of credit cards.—If use of credit cards is accepted as a method of payment of taxes pursuant to subsection (a)—

"(A) except as provided by regulations, subject to the provisions of section 6402, any refund due a person who makes a payment by use of a credit card shall be made directly to such person, notwithstanding any other provision of law or any contract made pursuant to paragraph (2),

"(B) any credit card transaction shall not be considered a 'sales transaction' under the Federal Truth-in-Lending Act (15 U.S.C. 1601 et seq.),

"(C) all nontax matters as defined by regulations prescribed under paragraph (1)(C), including billing errors as defined in section 161(b) of such Act, shall be resolved by the person tendering the credit card and the credit card issuer, without the involvement of the Secretary, and

"(D) the provisions of sections 161(e) and 170 of such Act shall not apply."

(b) Clerical Amendment.—The table of sections for subchapter B of chapter 64 is amended by striking the item relating to section 6311 and inserting the following:

"Sec. 6311. Payment by check, money order, or other means."

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 4105. MODIFICATIONS TO ELECTION TO INCLUDE CHILD'S INCOME ON PARENT'S RETURN.

(a) Eligibility for Election.—Clause (ii) of section 1(g)(7)(A) (relating to election to include certain unearned income of child on parent's return) is amended to read as follows:

"(ii) such gross income is more than the amount described in paragraph (4)(A)(ii)(I) and less than 10 times the amount so described,".

(b) Computation of Tax.—Subparagraph (B) of section 1(g)(7) (relating to income included on parent's return) is amended—

(1) by striking "$1,000" in clause (i) and inserting "twice the amount described in paragraph (4)(A)(ii)(I)", and

(2) by amending subclause (II) of clause (ii) to read as follows:

"(II) for each such child, 15 percent of the lesser of the amount described in paragraph (4)(A)(ii)(I) or the excess of the gross income of such child over the amount so described, and".

(c) Minimum Tax.—Subparagraph (B) of section 59(j)(1) is amended by striking "$1,000" and inserting "twice the amount in effect for the taxable year under section 63(c)(5)(A)".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 4106. SIMPLIFIED FOREIGN TAX CREDIT LIMITATION FOR INDIVIDUALS.

(a) General Rule.—Section 904 (relating to limitations on foreign tax credit) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) Simplified Limitation for Certain Individuals.—

"(1) In general.—In the case of an individual to whom this subsection applies for any taxable year, the limitation of subsection (a) shall be the lesser of—

"(A) 25 percent of such individual's gross income for the taxable year from sources without the United States, or

"(B) the amount of the creditable foreign taxes paid or accrued by the individual during the taxable year (determined without regard to subsection (c)).

No taxes paid or accrued by the individual during such taxable year may be deemed paid or accrued in any other taxable year under subsection (c).

"(2) Individuals to whom subsection applies.—This subsection shall apply to an individual for any taxable year if—

"(A) the entire amount of such individual's gross income for the taxable year from sources without the United States consists of qualified passive income,

"(B) the amount of the creditable foreign taxes paid or accrued by the individual during the taxable year does not exceed $200, and

"(C) such individual elects to have this subsection apply for the taxable year.

"(3) Definitions.—For purposes of this subsection—

"(A) Qualified passive income.—The term 'qualified passive income' means any item of gross income if—

"(i) such item of income is passive income (as defined in subsection (d)(2)(A) without regard to clause (iii) thereof), and

"(ii) such item of income is shown on a payee statement furnished to the individual.

"(B) Creditable foreign taxes.—The term 'creditable foreign taxes' means any taxes for which a credit is allowable under section 901; except that such term shall not include any tax unless such tax is shown on a payee statement furnished to such individual.

"(C) Payee statement.—The term 'payee statement' has the meaning given to such term by section 6724(d)(2).

"(D) Estates and trusts not eligible.—This subsection shall not apply to any estate or trust."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1991.

SEC. 4107. TREATMENT OF PERSONAL TRANSACTIONS BY INDIVIDUALS UNDER FOREIGN CURRENCY RULES.

(a) General Rule.—Subsection (e) of section 988 (relating to application to individuals) is amended to read as follows:

"(e) Application to Individuals.—

"(1) In general.—The preceding provisions of this section shall not apply to any section 988 transaction entered into by an individual which is a personal transaction.

"(2) Exclusion for certain personal transactions.—If—

"(A) nonfunctional currency is disposed of by an individual in any transaction, and

"(B) such transaction is a personal transaction,

no gain shall be recognized for purposes of this subtitle by reason of changes in exchange rates after such currency was acquired by such individual and before such disposition. The preceding sentence shall not apply if the gain which would otherwise be recognized exceeds $200.

"(3) Personal transactions.—For purposes of this subsection, the term 'personal transaction' means any transaction entered into by an individual, except that such term shall not include any transaction to the extent that expenses properly allocable to such transaction meet the requirements of section 162 or 212 (other than that part of section 212 dealing with expenses incurred in connection with taxes)."

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 4108. EXCLUSION OF COMBAT PAY FROM WITHHOLDING LIMITED TO AMOUNT EXCLUDABLE FROM GROSS INCOME.

(a) In General.—Paragraph (1) of section 3401(a) (defining wages) is amended by inserting before the semicolon the following: "to the extent remuneration for such service is excludable from gross income under such section".

(b) Effective Date.—The amendment made by subsection (a) shall apply to remuneration paid after December 31, 1992.

SEC. 4109. EXPANDED ACCESS TO SIMPLIFIED INCOME TAX RETURNS.

(a) General Rule.—The Secretary of the Treasury or his delegate shall take such actions as may be appropriate to expand access to simplified individual income tax returns and otherwise simplify the individual income tax returns.

(b) Report.—Not later than the date 1 year after the date of the enactment of this Act, the Secretary of the Treasury or his delegate shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, a report on his actions under subsection (a), together with such recommendations as he may deem advisable.

SEC. 4110. TREATMENT OF CERTAIN REIMBURSED EXPENSES OF RURAL MAIL CARRIERS.

(a) IN GENERAL.—Section 162 (relating to trade or business expenses) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) TREATMENT OF CERTAIN REIMBURSED EXPENSES OF RURAL MAIL CARRIERS.—

"(1) GENERAL RULE.—In the case of any employee of the United States Postal Service who performs services involving the collection and delivery of mail on a rural route and who receives qualified reimbursements for the expenses incurred by such employee for the use of a vehicle in performing such services—

"(A) the amount allowable as a deduction under this chapter for the use of a vehicle in performing such services shall be equal to the amount of such qualified reimbursements; and

"(B) such qualified reimbursements shall be treated as paid under a reimbursement or other expense allowance arrangement for purposes of section 62(a)(2)(A) (and section 62(c) shall not apply to such qualified reimbursements).

"(2) DEFINITION OF QUALIFIED REIMBURSEMENTS.—For purposes of this subsection, the term 'qualified reimbursements' means the amounts paid by the United States Postal Service to employees as an equipment maintenance allowance under the 1991 collective bargaining agreement between the United States Postal Service and the National Rural Letter Carriers' Association. Amounts paid as an equipment maintenance allowance by such Postal Service under later collective bargaining agreements that supersede the 1991 agreement shall be considered qualified reimbursements if such amounts do not exceed the amounts that would have been paid under the 1991 agreement, adjusted for changes in the Consumer Price Index (as defined in section 1(f)(5)) since 1991."

(b) TECHNICAL AMENDMENT.—Section 6008 of the Technical and Miscellaneous Revenue Act of 1988 is hereby repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 4111. EXEMPTION FROM LUXURY EXCISE TAX FOR CERTAIN EQUIPMENT INSTALLED ON PASSENGER VEHICLES FOR USE BY DISABLED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (3) of section 4004(b) (relating to separate purchase of article and parts and accessories therefor) is amended—

(1) by striking "or" at the end of subparagraph (A),

(2) by redesignating subparagraph (B) as subparagraph (C), and

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) the part or accessory is installed on a passenger vehicle to enable or assist an individual with a disability to operate the vehicle, or to enter or exit the vehicle, by compensating for the effect of such disability, or".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 11221(a) of the Omnibus Budget Reconciliation Act of 1990.

Subtitle B—Pension Simplification

PART I—SIMPLIFIED DISTRIBUTION RULES

SEC. 4201. TAXABILITY OF BENEFICIARY OF QUALIFIED PLAN.

(a) IN GENERAL.—So much of section 402 (relating to taxability of beneficiary of employees' trust) as precedes subsection (g) thereof is amended to read as follows:

"SEC. 402. TAXABILITY OF BENEFICIARY OF EMPLOYEES' TRUST.

"(a) TAXABILITY OF BENEFICIARY OF EXEMPT TRUST.—Except as otherwise provided in this section, any amount actually distributed to any distributee by any employees' trust described in section 401(a) which is exempt from tax under section 501(a) shall be taxable to the distributee, in the taxable year of the distributee in which distributed, under section 72 (relating to annuities).

"(b) TAXABILITY OF BENEFICIARY OF NONEXEMPT TRUST.—

"(1) CONTRIBUTIONS.—Contributions to an employees' trust made by an employer during a taxable year of the employer which ends with or within a taxable year of the trust for which the trust is not exempt from tax under section 501(a) shall be included in the gross income of the employee in accordance with section 83 (relating to property transferred in connection with performance of services), except that the value of the employee's interest in the trust shall be substituted for the fair market value of the property for purposes of applying such section.

"(2) DISTRIBUTIONS.—The amount actually distributed or made available to any distributee by any trust described in paragraph (1) shall be taxable to the distributee, in the taxable year in which so distributed or made available, under section 72 (relating to annuities), except that distributions of income of such trust before the annuity starting date (as defined in section 72(c)(4)) shall be included in the gross income of the employee without regard to section 72(e)(5) (relating to amounts not received as annuities).

"(3) GRANTOR TRUSTS.—A beneficiary of any trust described in paragraph (1) shall not be considered the owner of any portion of such trust under subpart E of part I of subchapter J (relating to grantors and others treated as substantial owners).

"(4) FAILURE TO MEET REQUIREMENTS OF SECTION 410(b).—

"(A) HIGHLY COMPENSATED EMPLOYEES.—If 1 of the reasons a trust is not exempt from tax under section 501(a) is the failure of the plan of which it is a part to meet the requirements of section 401(a)(26) or 410(b), then a highly compensated employee shall, in lieu of the amount determined under this subsection, include in gross income for the taxable year with or within which the taxable year of the trust ends an amount equal to the vested accrued benefit of such employee (other than the employee's investment in the contract) as of the close of such taxable year of the trust.

"(B) FAILURE TO MEET COVERAGE TESTS.—If a trust is not exempt from tax under section 501(a) for any taxable year solely because such trust is part of a plan which fails to meet the requirements of section 401(a)(26) or 410(b), this subsection shall not apply by reason of such failure to any employee who was not a highly compensated employee during—

"(i) such taxable year, or

"(ii) any preceding period for which service was creditable to such employee under the plan.

"(C) HIGHLY COMPENSATED EMPLOYEE.—For purposes of this paragraph, the term 'highly compensated employee' has the meaning given such term by section 414(q).

"(c) RULES APPLICABLE TO ROLLOVERS FROM EXEMPT TRUSTS.—

"(1) EXCLUSION FROM INCOME.—If—

"(A) any portion of the balance to the credit of an employee in a qualified trust is paid to the employee in an eligible rollover distribution,

"(B) the distributee transfers any portion of the property received in such distribution to an eligible retirement plan, and

"(C) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

"(2) MAXIMUM AMOUNT WHICH MAY BE ROLLED OVER.—In the case of any eligible rollover distribution, the maximum amount transferred to which paragraph (1) applies shall not exceed the portion of such distribution which is includible in gross income (determined without regard to paragraph (1)).

"(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—Paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

"(4) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term 'eligible rollover distribution' means any distribution to an employee of all or any portion of the balance to the credit of the employee in a qualified trust; except that such term shall not include—

"(A) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made—

"(i) for the life (or life expectancy) of the employee or the joint lives (or joint life expectancies) of the employee and the employee's designated beneficiary, or

"(ii) for a specified period of 10 years or more, and

"(B) any distribution to the extent such distribution is required under section 401(a)(9).

"(5) TRANSFER TREATED AS ROLLOVER CONTRIBUTION UNDER SECTION 408.—For purposes of this title, a transfer resulting in any portion of a distribution being excluded from gross income under paragraph (1) to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B) shall be treated as a rollover contribution described in section 408(d)(3).

"(6) SALES OF DISTRIBUTED PROPERTY.—For purposes of this subsection—

"(A) TRANSFER OF PROCEEDS FROM SALE OF DISTRIBUTED PROPERTY TREATED AS TRANSFER OF DISTRIBUTED PROPERTY.—The transfer of an amount equal to any portion of the proceeds from the sale of property received in the distribution shall be treated as the transfer of property received in the distribution.

"(B) PROCEEDS ATTRIBUTABLE TO INCREASE IN VALUE.—The excess of fair market value of property on sale over its fair market value on distribution shall be treated as property received in the distribution.

"(C) DESIGNATION WHERE AMOUNT OF DISTRIBUTION EXCEEDS ROLLOVER CONTRIBUTION.—In any case where part or all of the distribution consists of property other than money—

"(i) the portion of the money or other property which is to be treated as attributable to amounts not included in gross income, and "(ii) the portion of the money or other property which is to be treated as included in the rollover contribution,

shall be determined on a ratable basis unless the taxpayer designates otherwise. Any designation under this subparagraph for a taxable year shall be made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof). Any such designation, once made, shall be irrevocable.

"(D) NONRECOGNITION OF GAIN OR LOSS.—In the case of any sale described in subparagraph (A), to the extent that an amount equal to the proceeds is transferred pursuant to paragraph (1), neither gain nor loss on such sale shall be recognized.

"(7) SPECIAL RULE FOR FROZEN DEPOSITS.—

"(A) IN GENERAL.—The 60-day period described in paragraph (3) shall not—

"(i) include any period during which the amount transferred to the employee is a frozen deposit, or

"(ii) end earlier than 10 days after such amount ceases to be a frozen deposit.

"(B) FROZEN DEPOSITS.—For purposes of this subparagraph, the term 'frozen deposit' means any deposit which may not be withdrawn because of—

"(i) the bankruptcy or insolvency of any financial institution, or

"(ii) any requirement imposed by the State in which such institution is located by reason of the bankruptcy or insolvency (or threat thereof) of 1 or more financial institutions in such State.

A deposit shall not be treated as a frozen deposit unless on at least 1 day during the 60-day period described in paragraph (3) (without regard to this paragraph) such deposit is described in the preceding sentence.

"(8) DEFINITIONS.—For purposes of this subsection—

"(A) QUALIFIED TRUST.—The term 'qualified trust' means an employees' trust described in section 401(a) which is exempt from tax under section 501(a).

"(B) ELIGIBLE RETIREMENT PLAN.—The term 'eligible retirement plan' means—

"(i) an individual retirement account described in section 408(a),

"(ii) an individual retirement annuity described in section 408(b) (other than an endowment contract),

"(iii) a qualified trust, and

"(iv) an annuity plan described in section 403(a).

"(9) ROLLOVER WHERE SPOUSE RECEIVES DISTRIBUTION AFTER DEATH OF EMPLOYEE.—If any distribution attributable to an employee is paid to the spouse of the employee after the employee's death, the preceding provisions of this subsection shall apply to such distribution in the same manner as if the spouse were the employee; except that a trust or plan described in clause (iii) or (iv) of paragraph (8)(B) shall not be treated as an eligible retirement plan with respect to such distribution.

"(d) TAXABILITY OF BENEFICIARY OF CERTAIN FOREIGN SITUS TRUSTS.—For purposes of subsections (a), (b), and (c), a stock bonus, pension, or profit-sharing trust which would qualify for exemption from tax under section 501(a) except for the fact that it is a trust created or organized outside the United States shall be treated as if it were a trust exempt from tax under section 501(a).

"(e) OTHER RULES APPLICABLE TO EXEMPT TRUSTS.—

"(1) ALTERNATE PAYEES.—

"(A) ALTERNATE PAYEE TREATED AS DISTRIBUTEE.—For purposes of subsection (a) and section 72, an alternate payee who is the spouse or former spouse of the participant shall be treated as the distributee of any distribution or payment made to the alternate payee under a qualified domestic relations order (as defined in section 414(p)).

"(B) ROLLOVERS.—If any amount is paid or distributed to an alternate payee who is the spouse or former spouse of the participant by reason of any qualified domestic relations order (within the meaning of section 414(p)), subsection (c) shall apply to such distribution in the same manner as if such alternate payee were the employee.

"(2) DISTRIBUTIONS BY UNITED STATES TO NONRESIDENT ALIENS.—The amount includible under subsection (a) in the gross income of a nonresident alien with respect to a distribution made by the United States in respect of services performed by an employee of the United States shall not exceed an amount which bears the same ratio to the amount includible in gross income without regard to this paragraph as—

"(A) the aggregate basic pay paid by the United States to such employee for such services, reduced by the amount of such basic pay which was not includible in gross income by reason of being from sources without the United States, bears to

"(B) the aggregate basic pay paid by the United States to such employee for such services.

In the case of distributions under the civil service retirement laws, the term 'basic pay' shall have the meaning provided in section 8331(3) of title 5, United States Code.

"(3) CASH OR DEFERRED ARRANGEMENTS.—For purposes of this title, contributions made by an employer on behalf of an employee to a trust which is a part of a qualified cash or deferred arrangement (as defined in section 401(k)(2)) shall not be treated as distributed or made available to the employee nor as contributions made to the trust by the employee merely because the arrangement includes provisions under which the employee has an election whether the contribution will be made to the trust or received by the employee in cash.

"(4) NET UNREALIZED APPRECIATION.—

"(A) AMOUNTS ATTRIBUTABLE TO EMPLOYEE CONTRIBUTIONS.—For purposes of subsection (a) and section 72, in the case of a distribution other than a lump sum distribution, the amount actually distributed to any distributee from a trust described in subsection (a) shall not include any net unrealized appreciation in securities of the employer corporation attributable to amounts contributed by the employee (other than deductible employee contributions within the meaning of section 72(o)(5)). This subparagraph shall not apply to a distribution to which subsection (c) applies.

"(B) AMOUNTS ATTRIBUTABLE TO EMPLOYER CONTRIBUTIONS.—For purposes of subsection (a) and section 72, in the case of any lump sum distribution which includes securities of the employer corporation, there shall be excluded from gross income the net unrealized appreciation attributable to that part of the distribution which consists of securities of the employer corporation. In accordance with rules prescribed by the Secretary, a taxpayer may elect, on the return of tax on which a lump sum distribution is required to be included, not to have this subparagraph apply to such distribution.

"(C) DETERMINATION OF AMOUNTS AND ADJUSTMENTS.—For purposes of subparagraphs (A) and (B), net unrealized appreciation and the resulting adjustments to basis shall be determined in accordance with regulations prescribed by the Secretary.

"(D) LUMP SUM DISTRIBUTION.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'lump sum distribution' means the distribution or payment within one taxable year of the recipient of the balance to the credit of an employee which becomes payable to the recipient—

"(I) on account of the employee's death,

"(II) after the employee attains age 59½,

"(III) on account of the employee's separation from service, or

"(IV) after the employee has become disabled (within the meaning of section 72(m)(7)),

from a trust which forms a part of a plan described in section 401(a) and which is exempt from tax under section 501 or from a plan described in section 403(a). Subclause (III) of this clause shall be applied only with respect to an individual who is an employee without regard to section 401(c)(1), and subclause (IV) shall be applied only with respect to an employee within the meaning of section 401(c)(1). For purposes of this clause, a distribution to two or more trusts shall be treated as a distribution to one recipient. For purposes of this paragraph, the balance to the credit of the employee does not include the accumulated deductible employee contributions under the plan (within the meaning of section 72(o)(5)).

"(ii) AGGREGATION OF CERTAIN TRUSTS AND PLANS.—For purposes of determining the balance to the credit of an employee under clause (i)—

"(I) all trusts which are part of a plan shall be treated as a single trust, all pension plans maintained by the employer shall be treated as a single plan, all profit-sharing plans maintained by the employer shall be treated as a single plan, and all stock bonus plans maintained by the employer shall be treated as a single plan, and

"(II) trusts which are not qualified trusts under section 401(a) and annuity contracts which do not satisfy the requirements of section 404(a)(2) shall not be taken into account.

"(iii) COMMUNITY PROPERTY LAWS.—The provisions of this paragraph shall be applied without regard to community property laws.

"(iv) AMOUNTS SUBJECT TO PENALTY.—This paragraph shall not apply to amounts described in subparagraph (A) of section 72(m)(5) to the extent that section 72(m)(5) applies to such amounts.

"(v) BALANCE TO CREDIT OF EMPLOYEE NOT TO INCLUDE AMOUNTS PAYABLE UNDER QUALIFIED DOMESTIC RELATIONS ORDER.—For purposes of this paragraph, the balance to the credit of an employee shall not include any amount payable to an alternate payee under a qualified domestic relations order (within the meaning of section 414(p)).

"(vi) TRANSFERS TO COST-OF-LIVING ARRANGEMENT NOT TREATED AS DISTRIBUTION.—For purposes of this paragraph, the balance to the credit of an employee under a defined contribution plan shall not include any amount transferred from such defined contribution plan to a qualified cost-of-living arrangement (within the meaning of section 415(k)(2)) under a defined benefit plan.

"(vii) LUMP-SUM DISTRIBUTIONS OF ALTERNATE PAYEES.—If any distribution or payment of the balance to the credit of an employee would be treated as a lump-sum distribution, then, for purposes of this paragraph, the payment under a qualified domestic relations order (within the meaning of section 414(p)) of the balance to the credit of an alternate payee who is the spouse or former spouse of the employee shall be treated as a lump-sum distribution. For purposes of this clause, the balance to the credit of the alternate payee shall not include any amount payable to the employee.

"(E) Definitions.—For purposes of this paragraph—

"(i) Securities.—The term 'securities' means only shares of stock and bonds or debentures issued by a corporation with interest coupons or in registered form.

"(ii) Securities of the employer.—The term 'securities of the employer corporation' includes securities of a parent or subsidiary corporation (as defined in subsections (e) and (f) of section 425) of the employer corporation.

"(f) Written Explanation to Recipients of Distributions Eligible for Rollover Treatment.—

"(1) In general.—The plan administrator of any plan shall, when making an eligible rollover distribution, provide a written explanation to the recipient of the provisions under which such distribution will not be subject to tax if transferred to an eligible retirement plan within 60 days after the date on which the recipient received the distribution.

"(2) Definitions.—For purposes of this subsection—

"(A) Eligible rollover distribution.—The term 'eligible rollover distribution' has the same meaning as when used in subsection (c) of this section or paragraph (4) of section 403(a).

"(B) Eligible retirement plan.—The term 'eligible retirement plan' has the meaning given such term by subsection (c)(8)(B)."

(b) Repeal of $5,000 Exclusion of Employees' Death Benefits.—Subsection (b) of section 101 is hereby repealed.

(c) Conforming Amendments.—

(1) Paragraph (1) of section 55(c) is amended by striking "shall not include any tax imposed by section 402(e) and".

(2) Paragraph (8) of section 62(a) (relating to certain portion of lump-sum distributions from pension plans taxed under section 402(e)) is hereby repealed.

(3) Paragraph (4) of section 72(o) (relating to special rule for treatment of rollover amount) is amended by striking "sections 402(a)(5), 402(a)(7)" and inserting "sections 402(c)".

(4) Paragraph (2) of section 219(d) (relating to recontributed amount) is amended by striking "section 402(a)(5), 402(a)(7)" and inserting "section 402(c)".

(5) Paragraph (20) of section 401(a) is amended—

(A) by striking "a qualified total distribution described in section 402(a)(5)(E)(i)(I)" and inserting "1 or more distributions within 1 taxable year to a distributee on account of a termination of the plan of which the trust is a part, or in the case of a profit-sharing or stock bonus plan, a complete discontinuance of contributions under such plan", and

(B) by adding at the end the following new sentence: "For purposes of this paragraph, rules similar to the rules of section 402(a)(6)(B) (as in effect before its repeal by the Revenue Act of 1992) shall apply."

(6) Section 401(a)(28)(B) (relating to coordination with distribution rules) is amended by striking clause (v).

(7) Subclause (IV) of section 401(k)(2)(B)(i) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(8) Subparagraph (B)(ii) of section 401(k)(10) (relating to distributions that must be lump-sum distributions) is amended to read as follows:

"(ii) Lump sum distribution.—For purposes of this subparagraph, the term 'lump sum distribution' means any distribution of the balance to the credit of an employee immediately before the distribution."

(9) Section 402(g)(1) is amended by striking "subsections (a)(8)" and inserting "subsections (e)(3)".

(10) Section 402(i) is amended by striking ", except as otherwise provided in subparagraph (A) of subsection (e)(4)".

(11) Subsection (j) of section 402 is amended by striking "(a)(1) or (e)(4)(J)" and inserting "(e)(4)".

(12)(A) Clause (i) of section 403(a)(4)(A) is amended by inserting "in an eligible rollover distribution (within the meaning of section 402(c)(4))" before the comma at the end thereof.

(B) Subparagraph (B) of section 403(a)(4) is amended to read as follows:

"(B) Certain rules made applicable.—Rules similar to the rules of paragraphs (2) through (7) of section 402(c) shall apply for purposes of subparagraph (A)."

(13)(A) Clause (i) of section 403(b)(8)(A) is amended by inserting "in an eligible rollover distribution (within the meaning of section 402(c)(4))" before the comma at the end thereof.

(B) Paragraph (8) of section 403(b) is amended by striking subparagraphs (B), (C), and (D) and inserting the following:

"(B) Certain rules made applicable.—Rules similar to the rules of paragraphs (2) through (7) of section 402(c) shall apply for purposes of subparagraph (A)."

(14) Section 406(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is hereby repealed.

(15) Section 407(c) (relating to termination of status as deemed employee not to be treated as separation from service for purposes of limitation of tax) is hereby repealed.

(16) Paragraph (1) of section 408(a) is amended by striking "section 402(a)(5), 402(a)(7)" and inserting "section 402(c)".

(17) Clause (ii) of section 408(d)(3)(A) is amended to read as follows:

"(ii) no amount in the account and no part of the value of the annuity is attributable to any source other than a rollover contribution (as defined in section 402) from an employee's trust described in section 401(a) which is exempt from tax under section 501(a) or from an annuity plan described in section 403(a) (and any earnings on such contribution), and the entire amount received (including property and other money) is paid (for the benefit of such individual) into another such trust or annuity plan not later than the 60th day on which the individual receives the payment or the distribution; or".

(18) Subparagraph (B) of section 408(d)(3) (relating to limitations) is amended by striking the second sentence thereof.

(19) Subparagraph (F) of section 408(d)(3) (relating to frozen deposits) is amended by striking "section 402(a)(6)(H)" and inserting "section 402(c)(7)".

(20) Subclause (I) of section 414(n)(5)(C)(iii) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(21) Clause (i) of section 414(q)(7)(B) is amended by striking "402(a)(8)" and inserting "402(e)(3)".

(22) Paragraph (2) of section 414(s) (relating to employer may elect to treat certain deferrals as compensation) is amended by striking "402(a)(8)" and inserting "402(e)(3)".

(23) Subparagraph (A) of section 415(b)(2) (relating to annual benefit in general) is amended by striking "sections 402(a)(5)" and inserting "sections 402(c)".

(24) Subparagraph (B) of section 415(b)(2) (relating to adjustment for certain other forms of benefit) is amended by striking "sections 402(a)(5)" and inserting "sections 402(c)".

(25) Paragraph (2) of section 415(c) (relating to annual addition) is amended by striking "sections 402(a)(5)" and inserting "sections 402(c)".

(26) Subparagraph (B) of section 457(c)(2) is amended by striking "section 402(a)(8)" in clause (i) thereof and inserting "section 402(e)(3)".

(27) Section 691(c) (relating to coordination with section 402(e)) is amended by striking paragraph (5).

(28) Subparagraph (B) of section 871(a)(1) (relating to income other than capital gains) is amended by striking "402(a)(2), 403(a)(2), or".

(29) Paragraph (1) of section 871(b) (relating to imposition of tax) is amended by striking "section 1, 55, or 402(e)(1)" and inserting "section 1 or 55".

(30) Paragraph (1) of section 871(k) is amended by striking "section 402(a)(4)" and inserting "section 402(e)(2)".

(31) Subsection (b) of section 877 (relating to alternative tax) is amended by striking "section 1, 55, or 402(e)(1)" and inserting "section 1 or 55".

(32) Subsection (b) of section 1441 (relating to income items) is amended by striking "402(a)(2), 403(a)(2), or".

(33) Paragraph (5) of section 1441(c) (relating to special items) is amended by striking "402(a)(2), 403(a)(2), or".

(34) Subparagraph (A) of section 3121(v)(1) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(35) Subparagraph (A) of section 3306(r)(1) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(36) Subsection (a) of section 3405 is amended by striking "Pensions, Annuities, Etc.—" from the heading thereof and inserting "Periodic Payments.—".

(37) Subsection (b) of section 3405 (relating to nonperiodic distribution) is amended—

(A) by striking "the amount determined under paragraph (2)" from paragraph (1) thereof and inserting "an amount equal to 10 percent of such distribution"; and

(B) by striking paragraph (2) (relating to amount of withholding) and redesignating paragraph (3) as paragraph (2).

(38) Paragraph (4) of section 3405(d) (relating to qualified total distributions) is hereby repealed.

(39) Paragraph (8) of section 3405(d) (relating to maximum amounts withheld) is amended to read as follows:

"(8) Maximum amount withheld.—The maximum amount to be withheld under this section on any designated distribution shall not exceed the sum of the amount of money and the fair market value of other property (other than securities of the employer corporation) received in the distribution. No amount shall be required to be withheld under this section in the case of any designated distribution which consists only of securities of the employer corporation and cash (not in excess of $200) in lieu of fractional shares. For purposes of this paragraph, the term 'securities of the employer corporation' has the meaning given such term by section 402(e)(4)(E)."

(40) Subparagraph (A) of section 4973(b)(1) is amended by striking "sections 402(a)(5), 402(a)(7)" and inserting "sections 402(c)".

(41) Paragraph (4) of section 4980A(c) (relating to special rule where taxpayer elects income averaging) is amended by striking "section 402(e)(4)(B)" and inserting "section 402(d)(4)(B)".

(42) Subparagraph (C) of section 7701(j)(1) is amended by striking "section 402(a)(8)" and inserting "section 402(e)(3)".

(43) Section 411(d)(3) is amended by adding at the end the following new sentence: "For purposes of this paragraph, in the case of the complete discontinuance of contributions under a profit-sharing or stock bonus plan, such plan shall be treated as having terminated on the day on which the plan administrator notifies the Secretary (in accordance with regulations) of the discontinuance."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

(2) RETENTION OF CERTAIN TRANSITION RULES.—Notwithstanding any other provision of this section, the amendments made by this section shall not apply to any distribution for which the taxpayer elects the benefits of section 1122 (h)(3) or (h)(5) of the Tax Reform Act of 1986. For purposes of the preceding sentence, rules similar to the rules of paragraphs (5)(C)(iii) and (6)(C) of section 402(a) (as in effect before the date of the enactment of this Act) shall apply.

SEC. 4202. SIMPLIFIED METHOD FOR TAXING ANNUITY DISTRIBUTIONS UNDER CERTAIN EMPLOYER PLANS.

(a) GENERAL RULE.—Subsection (d) of section 72 (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended to read as follows:

"(d) SPECIAL RULES FOR QUALIFIED EMPLOYER RETIREMENT PLANS.—

"(1) SIMPLIFIED METHOD OF TAXING ANNUITY PAYMENTS.—

"(A) IN GENERAL.—In the case of any amount received as an annuity under a qualified employer retirement plan—

"(i) subsection (b) shall not apply, and

"(ii) the investment in the contract shall be recovered as provided in this paragraph.

"(B) METHOD OF RECOVERING INVESTMENT IN CONTRACT.—

"(i) IN GENERAL.—Gross income shall not include so much of any monthly annuity payment under a qualified employer retirement plan as does not exceed the amount obtained by dividing—

"(I) the investment in the contract (as of the annuity starting date), by

"(II) the number of anticipated payments determined under the table contained in clause (iii) (or, in the case of a contract to which subsection (c)(3)(B) applies, the number of monthly annuity payments under such contract).

"(ii) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (2) and (3) of subsection (b) shall apply for purposes of this paragraph.

"(iii) NUMBER OF ANTICIPATED PAYMENTS.—

"If the age of the primary annuitant on the annuity starting date is:	The number of anticipated payments is:
Not more than 55	300
More than 55 but not more than 60	260
More than 60 but not more than 65	240
More than 65 but not more than 70	170
More than 70	120

"(C) ADJUSTMENT FOR REFUND FEATURE NOT APPLICABLE.—For purposes of this paragraph, investment in the contract shall be determined under subsection (c)(1) without regard to subsection (c)(2).

"(D) SPECIAL RULE WHERE LUMP SUM PAID IN CONNECTION WITH COMMENCEMENT OF ANNUITY PAYMENTS.—If, in connection with the commencement of annuity payments under any qualified employer retirement plan, the taxpayer receives a lump sum payment—

"(i) such payment shall be taxable under subsection (e) as if received before the annuity starting date, and

"(ii) the investment in the contract for purposes of this paragraph shall be determined as if such payment had been so received.

"(E) EXCEPTION.—This paragraph shall not apply in any case where the primary annuitant has attained age 75 on the annuity starting date unless there are fewer than 5 years of guaranteed payments under the annuity.

"(F) ADJUSTMENT WHERE ANNUITY PAYMENTS NOT ON MONTHLY BASIS.—In any case where the annuity payments are not made on a monthly basis, appropriate adjustments in the application of this paragraph shall be made to take into account the period on the basis of which such payments are made.

"(G) QUALIFIED EMPLOYER RETIREMENT PLAN.—For purposes of this paragraph, the term 'qualified employer retirement plan' means any plan or contract described in paragraph (1), (2), or (3) of section 4974(c).

"(2) TREATMENT OF EMPLOYEE CONTRIBUTIONS UNDER DEFINED CONTRIBUTION PLANS.—For purposes of this section, employee contributions (and any income allocable thereto) under a defined contribution plan may be treated as a separate contract."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply in cases where the annuity starting date is after December 31, 1992.

SEC. 4203. REQUIREMENT THAT QUALIFIED PLANS INCLUDE OPTIONAL TRUSTEE-TO-TRUSTEE TRANSFERS OF ELIGIBLE ROLLOVER DISTRIBUTIONS.

(a) GENERAL RULE.—Subsection (a) of section 401 (relating to requirements for qualification) is amended by inserting after paragraph (30) the following new paragraph:

"(31) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—

"(A) IN GENERAL.—A trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that if the distributee of any eligible rollover distribution—

"(i) elects to have such distribution paid directly to an eligible retirement plan, and

"(ii) specifies the eligible retirement plan to which such distribution is to be paid (in such form and at such time as the plan administrator may prescribe),

such distribution shall be made in the form of a direct trustee-to-trustee transfer to the eligible retirement plan so specified.

"(B) LIMITATION.—Subparagraph (A) shall apply only to the extent that the eligible rollover distribution would be includible in gross income if not transferred as provided in subparagraph (A) (determined without regard to sections 402(c) and 403(a)(4)).

"(C) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this paragraph, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).

"(D) ELIGIBLE RETIREMENT PLAN.—For purposes of this paragraph, the term 'eligible retirement plan' has the meaning given such term by section 402(c)(8)(B), except that a qualified trust shall be considered an eligible retirement plan only if it is a defined contribution plan, the terms of which permit the acceptance of rollover distributions."

(b) EMPLOYEE'S ANNUITIES.—Paragraph (2) of section 404(a) (relating to employee's annuities) is amended by striking "and (27)" and inserting "(27), and (31)".

(c) EXCLUSION FROM INCOME.—

(1) QUALIFIED TRUSTS.—Subsection (e) of section 402 (relating to taxability of beneficiary of employees' trust), as amended by section 4201, is amended by adding at the end the following new paragraph:

"(4) DIRECT TRUSTEE-TO-TRUSTEE TRANSFERS.—Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of such transfer."

(2) EMPLOYEE ANNUITIES.—Subsection (a) of section 403 is amended by adding at the end the following new paragraph:

"(5) DIRECT TRUSTEE-TO-TRUSTEE TRANSFER.—Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of such transfer."

(d) WRITTEN EXPLANATION.—Paragraph (1) of section 402(f) (as amended by section 4201) is amended to read as follows:

"(1) IN GENERAL.—The plan administrator of any plan shall, before making an eligible rollover distribution, provide a written explanation to the recipient of—

"(A) the optional direct transfer provisions provided pursuant to section 401(a)(31), and

"(B) the provisions under which such distribution will not be subject to tax if transferred to an eligible retirement plan within 60 days after the date on which the recipient received the distribution."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions in plan years beginning after December 31, 1992.

PART II—INCREASED ACCESS TO PENSION PLANS

SEC. 4211. TAX EXEMPT ORGANIZATIONS ELIGIBLE UNDER SECTION 401(k).

(a) GENERAL RULE.—Subparagraph (B) of section 401(k)(4) is amended to read as follows:

"(B) STATE AND LOCAL GOVERNMENTS NOT ELIGIBLE.—A cash or deferred arrangement shall not be treated as a qualified cash or deferred arrangement if it is part of a plan maintained by a State or local government or political subdivision thereof, or any agency or instrumentality thereof. This subparagraph shall not apply to a rural cooperative plan."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plan years beginning on or after December 31, 1992, but shall not apply to any cash or deferred arrangement to which clause (i) of section 1116(f)(2)(B) of the Tax Reform Act of 1986 applies.

SEC. 4212. DUTIES OF SPONSORS OF CERTAIN PROTOTYPE PLANS.

(a) IN GENERAL.—The Secretary of the Treasury may, as a condition of sponsorship, prescribe rules defining the duties and responsibilities of sponsors of master and prototype plans, regional prototype plans, and other Internal Revenue Service preapproved plans.

(b) DUTIES RELATING TO PLAN AMENDMENT, NOTIFICATION OF ADOPTERS, AND PLAN ADMINISTRATION.—The duties and responsibilities referred to in subsection (a) may include—

(1) the maintenance of lists of persons adopting the sponsor's plans, including the updating of such lists not less frequently than annually,

(2) the furnishing of notices at least annually to such persons and to the Secretary or his delegate, in such form and at such time as the Secretary shall prescribe,

(3) duties relating to administrative services to such persons in the operation of their plans, and

(4) other duties that the Secretary considers necessary to ensure that—

(A) the master and prototype, regional prototype, and other preapproved plans of adopting employers are timely amended to meet the requirements of the Internal Revenue Code of 1986 or of any rule or regulation of the Secretary, and

(B) adopting employers receive timely notification of amendments and other actions taken by sponsors with respect to their plans.

PART III—MISCELLANEOUS SIMPLIFICATION

SEC. 4221. MODIFICATION TO DEFINITION OF LEASED EMPLOYEE.

(a) General Rule.—Subparagraph (C) of section 414(n)(2) (defining leased employee) is amended to read as follows:

"(C) such services are performed under any significant direction or control by the recipient."

(b) Effective Date.—The amendment made by subsection (a) shall apply to years beginning after December 31, 1992, but shall not apply to any relationship determined under an Internal Revenue Service ruling issued before the date of the enactment of this Act pursuant to section 414(n)(2)(C) of the Internal Revenue Code of 1986 (as in effect on the day before such date) not to involve a leased employee.

SEC. 4222. SIMPLIFICATION OF NONDISCRIMINATION TESTS APPLICABLE UNDER SECTIONS 401(k) AND 401(m).

(a) Cash or Deferred Arrangements.—Clause (ii) of section 401(k)(3)(A) is amended—

(1) by striking "such year" and inserting "the plan year", and

(2) by striking "for such plan year" and inserting "the preceding plan year".

(b) Matching and Employee Contributions.—Section 401(m)(2)(A) is amended—

(1) by inserting "for such plan year" after "highly compensated employee", and

(2) by inserting "for the preceding plan year" after "eligible employees" each place it appears in clause (i) and clause (ii).

(c) Special Rule for Determining Average Deferral Percentage for First Plan Year, Etc.—

(1) Paragraph (3) of section 401(k) is amended by adding at the end thereof the following new subparagraph:

"(E) For purposes of this paragraph, in the case of the first plan year of any plan, the amount taken into account as the average deferral percentage of nonhighly compensated employees for the preceding plan year shall be—

"(i) 3 percent, or

"(ii) if the employer makes an election under this subclause, the average deferral percentage of nonhighly compensated employees determined for such first plan year."

(2) Paragraph (3) of section 401(m) is amended by adding at the end thereof the following: "Rules similar to the rules of subsection (k)(3)(E) shall apply for purposes of this subsection.".

(d) Alternative Methods of Satisfying Section 401(k) and 401(m) Nondiscrimination Tests.—

(1) Section 401(k).—Section 401(k) (relating to cash or deferred arrangements) is amended by adding at the end thereof the following new paragraph:

"(11) Alternative Methods of Meeting Nondiscrimination Requirements.—

"(A) In General.—A cash or deferred arrangement shall be treated as meeting the requirements of paragraph (3)(A)(ii) if such arrangement—

"(i) meets the contribution requirements of subparagraph (B) or (C), and

"(ii) meets the notice requirements of subparagraph (D).

"(B) Matching Contributions.—

"(i) In General.—The requirements of this subparagraph are met if, under the arrangement, the employer makes matching contributions on behalf of each employee who is not a highly compensated employee in an amount not less than—

"(I) 100 percent of the elective contributions of the employee to the extent such elective contributions do not exceed 3 percent of the employee's compensation, and

"(II) 50 percent of the elective contributions of the employee to the extent that such elective contributions exceed 3 percent but do not exceed 5 percent of the employee's compensation.

"(ii) Rate for Highly Compensated Employees.—The requirements of this subparagraph are not met if, under the arrangement, the matching contribution with respect to any elective contribution of a highly compensated employee at any level of compensation is greater than that with respect to an employee who is not a highly compensated employee.

"(iii) Alternative Plan Designs.—If the matching contribution with respect to any elective contribution at any specific level of compensation is not equal to the percentage required under clause (i), an arrangement shall not be treated as failing to meet the requirements of clause (i) if—

"(I) the level of an employer's matching contribution does not increase as an employee's elective contributions increase, and

"(II) the aggregate amount of matching contributions with respect to elective contributions not in excess of such level of compensation is at least equal to the amount of matching contributions which would be made if matching contributions were made on the basis of the percentages described in clause (i).

"(C) Nonelective Contributions.—The requirements of this subparagraph are met if, under the arrangement, the employer is required, without regard to whether the employee makes an elective contribution or employee contribution, to make a contribution to a defined contribution plan on behalf of each employee who is not a highly compensated employee and who is eligible to participate in the arrangement in an amount equal to at least 3 percent of the employee's compensation.

"(D) Notice Requirement.—An arrangement meets the requirements of this paragraph if, under the arrangement, each employee eligible to participate is, within a reasonable period before any year, given written notice of the employee's rights and obligations under the arrangement which—

"(i) is sufficiently accurate and comprehensive to appraise the employee of such rights and obligations, and

"(ii) is written in a manner calculated to be understood by the average employee eligible to participate.

"(E) Other Requirements.—

"(i) Withdrawal and Vesting Restrictions.—An arrangement shall not be treated as meeting the requirements of subparagraph (B) or (C) unless the requirements of subparagraphs (B) and (C) of paragraph (2) are met with respect to employer contributions.

"(ii) Social Security and Similar Contributions Not Taken Into Account.—An arrangement shall not be treated as meeting the requirements of subparagraph (B) or (C) unless such requirements are met without regard to subsection (l), and, for purposes of subsection (l), employer contributions under subparagraph (B) or (C) shall not be taken into account.

"(F) Other Plans.—An arrangement shall be treated as meeting the requirements under subparagraph (A)(i) if any other qualified plan maintained by the employer meets such requirements with respect to employees eligible under the arrangement."

(2) Section 401(m).—Section 401(m) (relating to nondiscrimination test for matching contributions and employee contributions) is amended by redesignating paragraph (10) as paragraph (11) and by adding after paragraph (9) the following new paragraph:

"(10) Alternative Method of Satisfying Tests.—

"(A) In General.—A defined contribution plan shall be treated as meeting the requirements of paragraph (2) with respect to matching contributions if the plan—

"(i) meets the contribution requirements of subparagraph (B) or (C) of subsection (k)(11),

"(ii) meets the notice requirements of subsection (k)(11)(D), and

"(iii) meets the requirements of subparagraph (B).

"(B) Limitation on Matching Contributions.—The requirements of this subparagraph are met if—

"(i) matching contributions on behalf of any employee may not be made with respect to an employee's contributions or elective deferrals in excess of 6 percent of the employee's compensation,

"(ii) the level of an employer's matching contribution does not increase as an employee's contributions or elective deferrals increase, and

"(iii) the matching contribution with respect to any highly compensated employee at a specific level of compensation is not greater than that with respect to an employee who is not a highly compensated employee."

(e) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 1992.

SEC. 4223. DEFINITION OF HIGHLY COMPENSATED EMPLOYEE.

(a) General Rule.—Subsection (q) of section 414 (defining highly compensated employee) is amended to read as follows:

"(q) Highly Compensated Employee.—

"(1) In General.—The term 'highly compensated employee' means any employee who, during the year or the preceding year—

"(A) was a 5-percent owner, or

"(B) received compensation from the employer in excess of $50,000.

The Secretary shall adjust the $50,000 amount specified in subparagraph (B) at the same time and in the same manner as under section 415(d).

"(2) Special Rule for Current Year.—In the case of the year for which the relevant determination is being made, an employee not described in subparagraph (B) of paragraph (1) for the preceding year (without regard to this paragraph) shall not be treated as described in such subparagraph for the year for which the determination is being made unless such employee is a member of the group consisting of the 100 employees paid the highest compensation during the year for which such determination is being made.

"(3) 5-Percent Owner.—An employee shall be treated as a 5-percent owner for any year if at any time during such year such employee was a 5-percent owner (as defined in section 416(i)(1)) of the employer.

"(4) SPECIAL RULE IF NO EMPLOYEE DESCRIBED IN PARAGRAPH (1).—

"(A) IN GENERAL.—If no employee is treated as a highly compensated employee under paragraph (1), the employee who has the highest compensation for the year shall be treated as a highly compensated employee.

"(B) EXCEPTION.—This paragraph shall not apply to any plan—

"(i) which is maintained by an organization exempt from tax under this subtitle,

"(ii) which provides a nonforfeitable right to 100 percent of an employee's accrued benefit,

"(iii) which covers a fair cross section of employees, determined on the basis of their compensation, and

"(iv) which was in effect on February 1, 1992, and at all times thereafter.

"(5) COMPENSATION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'compensation' means compensation within the meaning of section 415(c)(3).

"(B) CERTAIN PROVISIONS NOT TAKEN INTO ACCOUNT.—The determination under subparagraph (A) shall be made—

"(i) without regard to sections 125, 402(e)(3), 402(h)(1)(B), and 414(h)(2), and

"(ii) in the case of employer contributions made pursuant to a salary reduction agreement, without regard to sections 403(b) and 457.

"(6) FORMER EMPLOYEES.—A former employee shall be treated as a highly compensated employee if—

"(A) such employee was a highly compensated employee when such employee separated from service, or

"(B) such employee was a highly compensated employee at any time after attaining age 55.

"(7) COORDINATION WITH OTHER PROVISIONS.—Subsections (b), (c), (m), (n), and (o) shall be applied before the application of this section.

"(8) SPECIAL RULE FOR NONRESIDENT ALIENS.—For purposes of this subsection, any employee described in subsection (r)(9)(F) shall not be treated as an employee."

(b) CONFORMING AMENDMENTS.—

(1)(A) Section 414(r) is amended by adding at the end thereof the following new paragraph:

"(9) EXCLUDED EMPLOYEES.—For purposes of this subsection, the following employees shall be excluded:

"(A) Employees who have not completed 6 months of service.

"(B) Employees who normally work less than 17½ hours per week.

"(C) Employees who normally work not more than 6 months during any year.

"(D) Employees who have not attained the age of 21.

"(E) Except to the extent provided in regulations, employees who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and the employer.

"(F) Employees who are nonresident aliens and who receive no earned income (within the meaning of section 911(d)(2)) from the employer which constitutes income from sources within the United States (within the meaning of section 861(a)(3)).

Except as provided by the Secretary, the employer may elect to apply subparagraph (A), (B), (C), or (D) by substituting a shorter period of service, smaller number of hours or months, or lower age for the period of service, number of hours or months, or age (as the case may be) specified in such subparagraph."

(B) Subparagraph (A) of section 414(r)(2) is amended by striking "subsection (q)(8)" and inserting "paragraph (9)".

(2) Paragraph (2) of section 414(s) is amended to read as follows:

"(2) EMPLOYER MAY ELECT TO TREAT CERTAIN DEFERRALS AS COMPENSATION.—An employer may elect to include all of the following amounts as compensation:

"(A) Amounts not includible in the gross income of the employee under section 125, 402(e)(3), 402(h)(1)(B), or 414(h)(2).

"(B) Amounts contributed by the employer under a salary reduction agreement and not includible in gross income under section 403(b) or 457".

(3) Paragraph (17) of section 401(a) is amended by striking the last sentence.

(4) Subsection (l) of section 404 is amended by striking the last sentence.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1992.

SEC. 4224. MODIFICATIONS OF COST-OF-LIVING ADJUSTMENTS.

(a) IN GENERAL.—Section 415(d) (relating to cost-of-living adjustments) is amended to read as follows:

"(d) COST-OF-LIVING ADJUSTMENTS.—

"(1) IN GENERAL.—The Secretary shall adjust annually—

"(A) the $90,000 amount in subsection (b)(1)(A), and

"(B) in the case of a participant who separated from service, the amount taken into account under subsection (b)(1)(B),

for increases in the cost-of-living in accordance with regulations prescribed by the Secretary.

"(2) METHOD.—

"(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall provide for adjustment procedures which are similar to the procedures used to adjust benefit amounts under section 215(i)(2)(A) of the Social Security Act.

"(B) PERIODS FOR ADJUSTMENT OF DOLLAR AMOUNT.—For purposes of paragraph (1)—

"(i) IN GENERAL.—The adjustment with respect to any calendar year shall be based on the increase in the applicable index as of the close of the calendar quarter ending September 30 of the preceding calendar year over such index as of the close of the base period.

"(ii) BASE PERIOD.—For purposes of clause (i), the base period taken into account is—

"(I) for purposes of subparagraph (A) of paragraph (1), the calendar quarter beginning October 1, 1986, and

"(II) for purposes of paragraph (1)(B), the last calendar quarter of the calendar year preceding the calendar year in which the participant separated from service.

"(3) ROUNDING.—Any amount determined under paragraph (1) (or by reference to this subsection) shall be rounded to the nearest $1,000, except that the amounts under sections 402(g)(1), 408(k)(8)(A)(i) and (iii), and 457(e)(14) shall be rounded to the nearest $100."

(b) EFFECTIVE DATE.—The amendments made by this section apply to adjustments with respect to calendar years beginning after December 31, 1992.

SEC. 4225. PLANS COVERING SELF-EMPLOYED INDIVIDUALS.

(a) AGGREGATION RULES.—Section 401(d) (relating to additional requirements for qualification of trusts and plans benefiting owner-employees) is amended to read as follows:

"(d) CONTRIBUTION LIMIT ON OWNER-EMPLOYEES.—A trust forming part of a pension or profit-sharing plan which provides contributions or benefits for employees some or all of whom are owner-employees shall constitute a qualified trust under this section only if, in addition to meeting the requirements of subsection (a), the plan provides that contributions on behalf of any owner-employee may be made only with respect to the earned income of such owner-employee which is derived from the trade or business with respect to which such plan is established."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 1992.

SEC. 4226. ALTERNATIVE FULL-FUNDING LIMITATION.

(a) IN GENERAL.—Subsection (c) of section 412 (relating to minimum funding standards) is amended by redesignating paragraphs (8) through (11) as paragraphs (9) through (12), respectively, and by adding after paragraph (7) the following new paragraph:

"(8) ALTERNATIVE FULL-FUNDING LIMITATION.—

"(A) GENERAL RULE.—An employer may elect the full-funding limitation under this paragraph with respect to any defined benefit plan of the employer in lieu of the full-funding limitation determined under paragraph (7) if the requirements of subparagraphs (C) and (D) are met.

"(B) ALTERNATIVE FULL-FUNDING LIMITATION.—The full-funding limitation under this paragraph is the full-funding limitation determined under paragraph (7) without regard to subparagraph (A)(i)(I) thereof.

"(C) REQUIREMENTS RELATING TO PLAN ELIGIBILITY.—

"(i) IN GENERAL.—The requirements of this subparagraph are met with respect to a defined benefit plan if—

"(I) as of the 1st day of the election period, the average accrued liability of participants accruing benefits under the plan for the 5 immediately preceding plan years is at least 80 percent of the plan's total accrued liability,

"(II) the plan is not a top-heavy plan (as defined in section 416(g)) for the 1st plan year of the election period or either of the 2 preceding plan years, and

"(III) each defined benefit plan of the employer (and each defined benefit plan of each employer who is a member of any controlled group which includes such employer) meets the requirements of subclauses (I) and (II).

"(ii) FAILURE TO CONTINUE TO MEET REQUIREMENTS.—

"(I) If any plan fails to meet the requirement of clause (i)(I) for any plan year during an election period, the benefits of the election under this paragraph shall be phased out under regulations prescribed by the Secretary.

"(II) If any plan fails to meet the requirement of clause (i)(II) for any plan year during an election period, such plan shall be treated as not meeting the requirements of clause (i) for the remainder of the election period.

If there is a failure described in subclause (I) or (II) with respect to any plan, such plan (and each plan described in clause (i)(III) with respect to such plan) shall be treated as not meeting the requirements of clause (i) for any of the 10 plan years beginning after the election period.

"(D) REQUIREMENTS RELATING TO ELECTION.—

"(i) IN GENERAL.—The requirements of this subparagraph are met with respect to an election if—

"(I) FILING DATE.—Notice of such election is filed with the Secretary (in such form and manner and containing such information as the Secretary may provide) by January 1 of any calendar year, and is effective as of the 1st day of the election period beginning on or after January 1 of the following calendar.

"(II) CONSISTENT ELECTION.—Such an election is made for all defined benefit plans maintained by the employer or by any member of a controlled group which includes the employer.

"(ii) TRANSITION PERIOD.—In the case of any election period beginning on or after July 1, 1992, and before January 1, 1994, the requirements of clause (i) shall not apply and the requirements of this subparagraph are met with respect to such election period if—

"(I) FILING DATE.—Notice of election is filed with the Secretary by October 1, 1992.

"(II) INFORMATION.—The notice sets forth the name and tax identification number of the plan sponsor, the names and tax identification numbers of the plans to which the election applies, the limitation under paragraph (7) (determined with and without regard to this paragraph), and a signed certification by an officer of the employer stating that the requirements of this paragraph have been met.

"(iii) REVENUE OFFSET PROCEDURES.—The Secretary shall, by January 1, 1993, notify defined benefit plans that have not made an election under this paragraph for the transition period described in clause (ii) of the adjustment required by subparagraph (H). The revenue offset for the transition period shall apply to plan years beginning on or after July 1, 1992, and before January 1, 1994.

"(iv) EXCESS CONTRIBUTIONS MADE BY NON-ELECTING PLANS.—To the extent a defined benefit plan sponsor makes a contribution to a defined benefit plan with respect to the transition period described in clause (ii) which exceeds the limitation of paragraph (7), as adjusted by the Secretary for the transition period, the sponsor shall offset the excess contribution against allowable contributions to the plan in subsequent quarters in the taxable year of the sponsor. If no subsequent contributions may be made for the taxable year, the trustee of the defined benefit plan shall return the excess contribution to the sponsor in that taxable year or the following taxable year. Notwithstanding any other provision of this title, no deduction shall be allowed for any contribution made in excess of the limitation of paragraph (7), as adjusted by the Secretary for the transition period, and no penalty shall apply with respect to contributions made in excess of such limitation to the extent such excess contributions are either used to offset subsequent contributions, or returned to the plan sponsor, as provided in this clause.

"(E) TERM OF ELECTION.—Any election made under this paragraph shall apply for the election period.

"(F) OTHER CONSEQUENCES OF ELECTION.—

"(i) NO FUNDING WAIVERS.—In the case of a plan with respect to which an election is made under this paragraph, no waiver may be granted under subsection (d) for any plan year beginning after the date the election was made and ending at the close of the election period with respect thereto.

"(ii) FAILURE TO MAKE SUCCESSIVE ELECTIONS.—If an election is made under this paragraph with respect to any plan and such an election does not apply for each successive plan year of such plan, such plan shall be treated as not meeting the requirements of subparagraph (C) for the period of 10 plan years beginning after the close of the last election period for such plan.

"(G) DEFINITIONS.—For purposes of this paragraph—

"(i) ELECTION PERIOD.—The term 'election period' means the period of 5 consecutive plan years beginning with the 1st plan year for which the election is made.

"(ii) CONTROLLED GROUP.—The term 'controlled group' means all persons who are treated as a single employer under subsection (b), (c), (m), or (o) of section 414.

"(H) PROCEDURES IF ALTERNATIVE FUNDING LIMITATION REDUCES NET FEDERAL REVENUES.—

"(i) IN GENERAL.—At least once with respect to each fiscal year, the Secretary shall estimate whether the application of this paragraph will result in a net reduction in Federal revenues for such fiscal year.

"(ii) ADJUSTMENT OF FULL-FUNDING LIMITATION IF REVENUE SHORTFALL.—If the Secretary estimates that the application of this paragraph will result in a more than insubstantial net reduction in Federal revenues for any fiscal year, the Secretary—

"(I) shall make the adjustment described in clause (iii), and

"(II) to the extent such adjustment is not sufficient to reduce such reduction to an insubstantial amount, shall make the adjustment described in clause (iv).

Such adjustments shall apply only to defined benefit plans with respect to which an election under this paragraph is not in effect.

"(iii) REDUCTION IN LIMITATION BASED ON 150 PERCENT OF CURRENT LIABILITY.—The adjustment described in this clause is an adjustment which substitutes a percentage (not lower than 140 percent) for the percentage described in paragraph (7)(A)(i)(I) determined by reducing the percentage of current liability taken into account with respect to participants who are not accruing benefits under the plan.

"(iv) REDUCTION IN LIMITATION BASED ON ACCRUED LIABILITY.—The adjustment described in this clause is an adjustment which reduces the percentage of accrued liability taken into account under paragraph (7)(A)(i)(II). In no event may the amount of accrued liability taken into account under such paragraph after the adjustment be less than 140 percent of current liability."

(b) ALTERATION OF DISCRETIONARY REGULATORY AUTHORITY.—Subparagraph (D) of section 412(c)(7) is amended by striking "provide—" and all that follows through "(iii) for" and inserting "provide for".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 4227. DISTRIBUTIONS UNDER RURAL COOPERATIVE PLANS.

(a) DISTRIBUTIONS AFTER AGE 59½.—Section 401(k)(7) is amended by adding at the end thereof the following new subparagraph:

"(C) SPECIAL RULE FOR CERTAIN DISTRIBUTIONS.—A rural cooperative plan which includes a qualified cash or deferred arrangement shall not be treated as violating the requirements of section 401(a) merely by reason of a distribution to a participant after attainment of age 59½."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after the date of the enactment of this Act.

SEC. 4228. SPECIAL RULES FOR PLANS COVERING PILOTS.

(a) GENERAL RULE.—

(1) Subparagraph (B) of section 410(b)(3) is amended to read as follows:

"(B) in the case of a plan established or maintained by one or more employers to provide contributions or benefits for air pilots employed by one or more common carriers engaged in interstate or foreign commerce or air pilots employed by carriers transporting mail for or under contract with the United States Government, all employees who are not air pilots."

(2) Paragraph (3) of section 410(b) is amended by striking the last sentence and inserting the following new sentence: "Subparagraph (B) shall not apply in the case of a plan which provides contributions or benefits for employees who are not air pilots or for air pilots whose principal duties are not customarily performed aboard aircraft in flight."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to years beginning after December 31, 1992.

SEC. 4229. ELIMINATION OF SPECIAL VESTING RULE FOR MULTIEMPLOYER PLANS.

(a) IN GENERAL.—Paragraph (2) of section 411(a) of the Internal Revenue Code of 1986 (relating to minimum vesting standards) is amended—

(1) by striking "subparagraph (A), (B), or (C)" and inserting "subparagraph (A) or (B)"; and

(2) by striking subparagraph (C).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning on or after the earlier of—

(1) the later of—

(A) January 1, 1993, or

(B) the date on which the last of the collective bargaining agreements pursuant to which the plan is maintained terminates (determined without regard to any extension thereof after the date of the enactment of this Act), or

(2) January 1, 1995.

Such amendments shall not apply to any individual who does not have more than 1 hour of service under the plan on or after the 1st day of the 1st plan year to which such amendments apply.

SEC. 4230. TREATMENT OF DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) SPECIAL RULES FOR PLAN DISTRIBUTIONS.—Paragraph (9) of section 457(e) (relating to other definitions and special rules) is amended to read as follows:

"(9) BENEFITS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—

"(A) TOTAL AMOUNT PAYABLE IS $3,500 OR LESS.—The total amount payable to a participant under the plan shall not be treated as made available merely because the participant may elect to receive such amount (or the plan may distribute such amount without the participant's consent) if—

"(i) such amount does not exceed $3,500, and

"(ii) such amount may be distributed only if—

"(I) no amount has been deferred under the plan with respect to such participant during the 2-year period ending on the date of the distribution, and

"(II) there has been no prior distribution under the plan to such participant to which this subparagraph applied.

A plan shall not be treated as failing to meet the distribution requirements of subsection (d) by reason of a distribution to which this subparagraph applies.

"(B) ELECTION TO DEFER COMMENCEMENT OF DISTRIBUTIONS.—The total amount payable to a participant under the plan shall not be treated as made available merely because the participant may elect to defer commencement of distributions under the plan if—

"(i) such election is made after amounts may be available under the plan in accordance with subsection (d)(1)(A) and before commencement of such distributions, and

"(ii) the participant may make only 1 such election."

(b) COST-OF-LIVING ADJUSTMENT OF MAXIMUM DEFERRAL AMOUNT.—Subsection (e) of section 457 is amended by adding at the end thereof the following new paragraph:

"(14) COST-OF-LIVING ADJUSTMENT OF MAXIMUM DEFERRAL AMOUNT.—The Secretary shall adjust the $7,500 amount specified in subsections (b)(2) and (c)(1) at the same time and in the same manner as under section 415(d) with respect to months after 1991."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 4231. TREATMENT OF GOVERNMENTAL PLANS UNDER SECTION 415.

(a) DEFINITION OF COMPENSATION.—Subsection (k) of section 415 (regarding limitations on benefits and contributions under qualified plans) is amended by adding immediately after paragraph (2) thereof the following new paragraph:

"(3) DEFINITION OF COMPENSATION FOR GOVERNMENTAL PLANS.—For purposes of this section, in the case of a governmental plan (as defined in section 414(d)), the term 'compensation' includes, in addition to the amounts described in subsection (c)(3)—

"(A) any elective deferral (as defined in section 402(g)(3)), and

"(B) any amount which is contributed by the employer at the election of the employee and which is not includible in the gross income of an employee under section 125 or 457."

(b) COMPENSATION LIMIT.—Subsection (b) of section 415 is amended by adding immediately after paragraph (10) the following new paragraph:

"(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL PLANS.—In the case of a governmental plan (as defined in section 414(d)), subparagraph (B) of paragraph (1) shall not apply."

(c) TREATMENT OF CERTAIN EXCESS BENEFIT PLANS.—

(1) IN GENERAL.—Section 415 is amended by adding at the end thereof the following new subsection:

"(m) TREATMENT OF QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENTS.—

"(1) GOVERNMENTAL PLAN NOT AFFECTED.—In determining whether a governmental plan (as defined in section 414(d)) meets the requirements of this section, benefits provided under a qualified governmental excess benefit arrangement shall not be taken into account. Income accruing to a governmental plan (or to a trust that is maintained solely for the purpose of providing benefits under a qualified governmental excess benefit arrangement) in respect of a qualified governmental excess benefit arrangement shall constitute income derived from the exercise of an essential governmental function upon which such governmental plan (or trust) shall be exempt from tax under section 115.

"(2) TAXATION OF PARTICIPANT.—For purposes of this chapter—

"(A) the taxable year or years for which amounts in respect of a qualified governmental excess benefit arrangement are includible in gross income by a participant, and

"(B) the treatment of such amounts when so includible by the participant,

shall be determined as if such qualified governmental excess benefit arrangement were treated as a plan for the deferral of compensation which is maintained by a corporation not exempt from tax under this chapter and which does not meet the requirements for qualification under section 401.

"(3) QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENT.—For purposes of this subsection, the term 'qualified governmental excess benefit arrangement' means a portion of a governmental plan if—

"(A) such portion is maintained solely for the purpose of providing to participants in the plan that part of the participant's annual benefit otherwise payable under the terms of the plan that exceeds the limitations on benefits imposed by this section,

"(B) under such portion no election is provided at any time to the participant (directly or indirectly) to defer compensation, and

"(C) benefits described in subparagraph (A) are not paid from a trust forming a part of such governmental plan unless such trust is maintained solely for the purpose of providing such benefits."

(2) COORDINATION WITH SECTION 457.—Subsection (e) of section 457 is amended by adding at the end thereof the following new paragraph:

"(15) TREATMENT OF QUALIFIED GOVERNMENTAL EXCESS BENEFIT ARRANGEMENTS.—Subsections (b)(2) and (c)(1) shall not apply to any qualified governmental excess benefit arrangement (as defined in section 415(m)(3)), and benefits provided under such an arrangement shall not be taken into account in determining whether any other plan is an eligible deferred compensation plan."

(3) CONFORMING AMENDMENT.—Paragraph (2) of section 457(f) is amended by striking the word "and" at the end of subparagraph (C), by striking the period after subparagraph (D) and inserting the words ", and", and by inserting immediately thereafter the following new subparagraph:

"(E) a qualified governmental excess benefit arrangement described in section 415(m)."

(d) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS.—Paragraph (2) of section 415(b) is amended by adding at the end thereof the following new subparagraph:

"(I) EXEMPTION FOR SURVIVOR AND DISABILITY BENEFITS PROVIDED UNDER GOVERNMENTAL PLANS.—Subparagraph (B) of paragraph (1), subparagraph (C) of this paragraph, and paragraph (5) shall not apply to—

"(i) income received from a governmental plan (as defined in section 414(d)) as a pension, annuity, or similar allowance as the result of the recipient becoming disabled by reason of personal injuries or sickness, or

"(ii) amounts received from a governmental plan by the beneficiaries, survivors, or the estate of an employee as the result of the death of the employee."

(e) REVOCATION OF GRANDFATHER ELECTION.—Subparagraph (C) of section 415(b)(10) is amended by adding at the end thereof the following new sentence: "An election made pursuant to the preceding sentence to have the provisions of this paragraph applied to the plan may be revoked not later than the last day of the 3rd plan year beginning after the date of enactment with respect to all plan years as to which such election has been applicable and all subsequent plan years; provided that any amount paid by the plan in a taxable year ending after revocation of such election in respect of benefits attributable to a taxable year during which such election was in effect shall be includible in income by the recipient in accordance with the rules of this chapter in the taxable year in which such amount is received (except that such amount shall be treated as received for purposes of the limitations imposed by this section in the earlier taxable year or years to which such amount is attributable)."

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), (c), and (d) shall apply to taxable years beginning on or after the date of the enactment of this Act. The amendments made by subsection (e) shall apply with respect to election revocations adopted after the date of the enactment of this Act.

(2) TREATMENT FOR YEARS BEGINNING BEFORE DATE OF ENACTMENT.—In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), such plan shall be treated as satisfying the requirements of section 415 of such Code for all taxable years beginning before the date of the enactment of this Act.

SEC. 4232. USE OF EXCESS ASSETS OF BLACK LUNG BENEFIT TRUSTS FOR HEALTH CARE BENEFITS.

(a) GENERAL RULE.—Paragraph (21) of section 501(c) is amended to read as follows:

"(21)(A) A trust or trusts established in writing, created or organized in the United States, and contributed to by any person (except an insurance company) if—

"(i) the purpose of such trust or trusts is exclusively—

"(I) to satisfy, in whole or in part, the liability of such person for, or with respect to, claims for compensation for disability or death due to pneumoconiosis under Black Lung Acts,

"(II) to pay premiums for insurance exclusively covering such liability,

"(III) to pay administrative and other incidental expenses of such trust in connection with the operation of the trust and the processing of claims against such person under Black Lung Acts, and

"(IV) to pay accident or health benefits for retired miners and their spouses and dependents (including administrative and other incidental expenses of such trust in connection therewith) or premiums for insurance exclusively covering such benefits; and

"(ii) no part of the assets of the trust may be used for, or diverted to, any purpose other than—

"(I) the purposes described in clause (i),

"(II) investment (but only to the extent that the trustee determines that a portion of the assets is not currently needed for the purposes described in clause (i)) in qualified investments, or

"(III) payment into the Black Lung Disability Trust Fund established under section 9501, or into the general fund of the United States Treasury (other than in satisfaction of any tax or other civil or criminal liability of the person who established or contributed to the trust).

"(B) No deduction shall be allowed under this chapter for any payment described in subparagraph (A)(i)(IV) from such trust.

"(C) Payments described in subparagraph (A)(i)(IV) may be made from such trust during a taxable year only to the extent that the aggregate amount of such payments during such taxable year does not exceed the lesser of—

"(i) the excess (if any) (as of the close of the preceding taxable year) of—

"(I) the fair market value of the assets of the trust, over

"(II) 110 percent of the present value of the liability described in subparagraph (A)(i)(I) of such person, or

"(ii) the excess (if any) of—

"(I) the sum of a similar excess determined as of the close of the last taxable year ending before the date of the enactment of this subparagraph plus earnings thereon as of the close of the taxable year preceding the taxable year involved, over

"(II) the aggregate payments described in subparagraph (A)(i)(IV) made from the trust during all taxable years beginning after the date of the enactment of this subparagraph. The determinations under the preceding sentence shall be made by an independent actuary using actuarial methods and assumptions (not inconsistent with the regulations prescribed under section 192(c)(1)(A)) each of which is reasonable and which are reasonable in the aggregate.

"(D) For purposes of this paragraph:

"(i) The term 'Black Lung Acts' means part C of title IV of the Federal Mine Safety and Health Act of 1977, and any State law providing compensation for disability or death due to that pneumoconiosis.

"(ii) The term 'qualified investments' means—

"(I) public debt securities of the United States,

"(II) obligations of a State or local government which are not in default as to principal or interest, and

"(III) time or demand deposits in a bank (as defined in section 581) or an insured credit union (within the meaning of section 101(6) of the Federal Credit Union Act, 12 U.S.C. 1752(6)) located in the United States.

"(iii) The term 'miner' has the same meaning as such term has when used in section 402(d) of the Black Lung Benefits Act (30 U.S.C. 902(d)).

"(iv) The term 'incidental expenses' includes legal, accounting, actuarial, and trustee expenses."

(b) EXCEPTION FROM TAX ON SELF-DEALING.—Section 4951(f) is amended by striking "clause (i) of section 501(c)(21)(A)" and inserting "subclause (I) or (IV) of section 501(c)(21)(A)(i)".

(c) TECHNICAL AMENDMENT.—Paragraph (4) of section 192(c) is amended by striking "clause (ii) of section 501(c)(21)(B)" and inserting "subclause (II) of section 501(c)(21)(A)(ii)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 4233. TREATMENT OF EMPLOYER REVERSIONS REQUIRED BY CONTRACT TO BE PAID TO THE UNITED STATES.

(a) IN GENERAL.—Subparagraph (B) of section 4980(c)(2) (defining employer reversion) is amended by striking "or" at the end of clause (i), by striking the period at the end of clause (ii) and inserting ", or", and by adding at the end thereof the following new clause:

"(iii) any distribution to the employer to the extent that the distribution is paid within a reasonable period to the United States in satisfaction of a Federal claim for an equitable share of the plan's surplus assets, as determined pursuant to Federal contracting regulations."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to reversions on or after the date of the enactment of this Act.

SEC. 4234. CONTINUATION HEALTH COVERAGE FOR EMPLOYEES OF FAILED FINANCIAL INSTITUTIONS.

(a) ENFORCEMENT OF CONTINUATION OF HEALTH PLAN REQUIREMENTS OF SUCCESSORS OF FAILED DEPOSITORY INSTITUTIONS.—Subsection (f) of section 4980B (relating to continuation of coverage requirements of group health plans) is amended by adding after paragraph (8) the following new paragraph:

"(9) SPECIAL RULES FOR SUCCESSORS OF FAILED DEPOSITORY INSTITUTIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any successor of a failed depository institution—

"(i) shall have the same obligation to provide a group health plan meeting the requirements of this subsection with respect to qualified individuals of such institution in the same manner as the failed depository institution would have had but for its failure, and

"(ii) shall be treated as the employer of such qualified individuals of this section.

"(B) TAX NOT TO APPLY IF FDIC OR RTC PROVIDE CONTINUATION COVERAGE.—Subparagraph (A) shall not apply if the Federal Deposit Insurance Corporation or the Resolution Trust Corporation are, outside of their respective capacities as successors of a failed depository institution, providing a group health plan meeting the requirements of this subsection to qualified individuals of a failed depository institution.

"(C) SUCCESSOR.—For purposes of this paragraph, an entity is a successor of a failed depository institution during any period if—

"(i) such entity holds substantially all of the assets or liabilities of such institution, and

"(ii)(I) such entity is a bridge bank, or

"(II) such entity acquired such assets or liabilities from the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, or a bridge bank.

"(D) FAILED DEPOSITORY INSTITUTION.—For purposes of this section, the term 'failed depository institution' means any depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act) for which a receiver or conservator has been appointed.

"(E) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means any individual who was provided coverage under a group health plan of the failed depository institution by reason of the performance of services for such institution, and the spouse and any dependent child of such individual."

(b) TREATMENT OF DEPOSITORY INSTITUTION FAILURES AS QUALIFYING EVENTS FOR RETIREES OF SUCH INSTITUTIONS.—

(1) IN GENERAL.—Subparagraph (F) of section 4908B(f)(3) is amended—

(A) by striking "A proceeding" and inserting "(i) A proceeding",

(B) by striking the period at the end and inserting ", or", and

(C) by inserting after clause (i) the following new clause:

"(ii) the appointment of a receiver or conservator for a failed depository institution from whose employment the covered employee retired at any time."

(2) CONFORMING AMENDMENT.—Subclause (III) of section 4980B(f)(2)(B)(i) is amended—

(A) by inserting "OR FAILURES OF DEPOSITORY INSTITUTIONS" after "PROCEEDINGS" in the heading, and

(B) by inserting "and failures of depository institutions" after "proceedings".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply as if included in section 451 of the Federal Deposit Insurance Corporation Improvement Act of 1991 as of the date of the enactment of such Act.

(2) SPECIAL RULE FOR FDIC PLAN.—The health care continuation plan maintained by the Federal Deposit Insurance Corporation on June 25, 1992, and any other substantially similar plan maintained by such Corporation, shall be deemed to satisfy the requirements of section 4980B(f) of the Internal Revenue Code of 1986 with respect to qualified individuals of failed depository institutions.

Subtitle C—Treatment of Large Partnerships

PART I—GENERAL PROVISIONS

SEC. 4301. SIMPLIFIED FLOW-THROUGH FOR LARGE PARTNERSHIPS.

(a) GENERAL RULE.—Subchapter K (relating to partners and partnerships) is amended by adding at the end thereof the following new part:

"PART IV—SPECIAL RULES FOR LARGE PARTNERSHIPS

"Sec. 771. Application of subchapter to large partnerships.
"Sec. 772. Simplified flow-through.
"Sec. 773. Computations at partnership level.
"Sec. 774. Other modifications.
"Sec. 775. Large partnership defined.
"Sec. 776. Special rules for partnerships holding oil and gas properties.
"Sec. 777. Regulations.

"SEC. 771. APPLICATION OF SUBCHAPTER TO LARGE PARTNERSHIPS.

"The preceding provisions of this subchapter to the extent inconsistent with the provisions of this part shall not apply to a large partnership and its partners.

"SEC. 772. SIMPLIFIED FLOW-THROUGH.

"(a) GENERAL RULE.—In determining the income tax of a partner of a large partnership, such partner shall take into account separately such partner's distributive share of the partnership's—

"(1) taxable income or loss from passive loss limitation activities,

"(2) taxable income or loss from other activities,

"(3) net capital gain (or net capital loss)—

"(A) to the extent allocable to passive loss limitation activities, and

"(B) to the extent allocable to other activities,

"(4) tax-exempt interest,

"(5) applicable net AMT adjustment separately computed for—

"(A) passive loss limitation activities, and

"(B) other activities,

"(6) general credits,

"(7) low-income housing credit determined under section 42,

"(8) rehabilitation credit determined under section 47,

"(9) foreign income taxes, and

"(10) the credit allowable under section 29.

"(b) SEPARATE COMPUTATIONS.—In determining the amounts required under subsection (a) to be separately taken into account by any partner, this section and section 773 shall be applied separately with respect to such partner by taking into account such partner's distributive share of the items of income, gain, loss, deduction, or credit of the partnership.

"(c) TREATMENT AT PARTNER LEVEL.—

"(1) IN GENERAL.—Except as provided in this subsection, rules similar to the rules of section 702(b) shall apply to any partner's distributive share of the amounts referred to in subsection (a).

"(2) INCOME OR LOSS FROM PASSIVE LOSS LIMITATION ACTIVITIES.—For purposes of this chapter, any partner's distributive share of any income or loss described in subsection (a)(1) shall be treated as an item of income or loss (as the case may be) from the conduct of a trade or business which is a single passive activity (as defined in section 469). A similar rule shall apply to a partner's distributive share of amounts referred to in paragraphs (3)(A) and (5)(A) of subsection (a).

"(3) INCOME OR LOSS FROM OTHER ACTIVITIES.—

"(A) IN GENERAL.—For purposes of this chapter, any partner's distributive share of any income or loss described in subsection (a)(2) shall be treated as an item of income or expense (as the case may be) with respect to property held for investment.

"(B) DEDUCTIONS FOR LOSS NOT SUBJECT TO SECTION 67.—The deduction under section 212 for any loss described in subparagraph (A) shall not be treated as a miscellaneous itemized deduction for purposes of section 67.

"(4) TREATMENT OF NET CAPITAL GAIN OR LOSS.—For purposes of this chapter, any partner's distributive share of any gain or loss described in subsection (a)(3) shall be treated as a long-term capital gain or loss, as the case may be.

"(5) MINIMUM TAX TREATMENT.—In determining the alternative minimum taxable income of any partner, such partner's distributive share of any applicable net AMT adjustment shall be taken into account in lieu of making the separate adjustments provided in sections 56, 57, and 58 with respect to the items of the partnership. Except as provided in regulations, the applicable net AMT adjustment shall be treated, for purposes of section 53, as an adjustment or item of tax preference not specified in section 53(d)(1)(B)(ii).

"(6) GENERAL CREDITS.—A partner's distributive share of the amount referred to in paragraph (6) of subsection (a) shall be taken into account as a current year business credit.

"(d) OPERATING RULES.—For purposes of this section—

"(1) PASSIVE LOSS LIMITATION ACTIVITY.—The term 'passive loss limitation activity' means—

"(A) any activity which involves the conduct of a trade or business, and

"(B) any rental activity.

For purposes of the preceding sentence, the term 'trade or business' includes any activity treated as a trade or business under paragraph (5) or (6) of section 469(c).

"(2) TAX-EXEMPT INTEREST.—The term 'tax-exempt interest' means interest excludable from gross income under section 103.

"(3) APPLICABLE NET AMT ADJUSTMENT.—

"(A) IN GENERAL.—The applicable net AMT adjustment is—

"(i) with respect to taxpayers other than corporations, the net adjustment determined by using the adjustments applicable to individuals, and

"(ii) with respect to corporations, the net adjustment determined by using the adjustments applicable to corporations.

"(B) NET ADJUSTMENT.—The term 'net adjustment' means the net adjustment in the items attributable to passive loss activities or other activities (as the case may be) which would result if such items were determined with the adjustments of sections 56, 57, and 58.

"(4) TREATMENT OF CAPITAL GAINS AND LOSSES.—

"(A) EXCLUSION FOR CERTAIN PURPOSES.—In determining the amounts referred to in paragraphs (1) and (2) of subsection (a), any net capital gain or net capital loss (as the case may be) shall be excluded.

"(B) ALLOCATION RULES.—The net capital gain shall be treated—

"(i) as allocable to passive loss limitation activities to the extent the net capital gain does not exceed the net capital gain determined by only taking into account gains and losses from sales and exchanges of property used in connection with such activities, and

"(ii) as allocable to other activities to the extent such gain exceeds the amount allocated under clause (i).

A similar rule shall apply for purposes of allocating any net capital loss.

"(C) NET CAPITAL LOSS.—The term 'net capital loss' means the excess of the losses from sales or exchanges of capital assets over the gains from sales or exchange of capital assets.

"(5) GENERAL CREDITS.—The term 'general credits' means any credit other than the low-income housing credit, the rehabilitation credit, the foreign tax credit, and the credit allowable under section 29.

"(6) FOREIGN INCOME TAXES.—The term 'foreign income taxes' means taxes described in section 901 which are paid or accrued to foreign countries and to possessions of the United States.

"(e) SPECIAL RULE FOR UNRELATED BUSINESS TAX.—In the case of a partner which is an organization subject to tax under section 511, such partner's distributive share of any items shall be taken into account separately to the extent necessary to comply with the provisions of section 512(c)(1).

"(f) SPECIAL RULES FOR APPLYING PASSIVE LOSS LIMITATIONS.—If any person holds an interest in a large partnership other than as a limited partner—

"(1) paragraph (2) of subsection (c) shall not apply to such partner, and

"(2) such partner's distributive share of the partnership items allocable to passive loss limitation activities shall be taken into account separately to the extent necessary to comply with the provisions of section 469.

The preceding sentence shall not apply to any items allocable to an interest held as a limited partner.

"SEC. 773. COMPUTATIONS AT PARTNERSHIP LEVEL.

"(a) GENERAL RULE.—

"(1) TAXABLE INCOME.—The taxable income of a large partnership shall be computed in the same manner as in the case of an individual except that—

"(A) the items described in section 772(a) shall be separately stated, and

"(B) the modifications of subsection (b) shall apply.

"(2) ELECTIONS.—All elections affecting the computation of the taxable income of a large partnership or the computation of any credit of a large partnership shall be made by the partnership; except that the election under section 901 shall be made by each partner separately.

"(3) LIMITATIONS, ETC.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), all limitations and other provisions affecting the computation of the taxable income of a large partnership or the computation of any credit of a large partnership shall be applied at the partnership level (and not at the partner level).

"(B) CERTAIN LIMITATIONS APPLIED AT PARTNER LEVEL.—The following provisions shall be applied at the partner level (and not at the partnership level):

"(i) Section 68 (relating to overall limitation on itemized deductions).

"(ii) Sections 49 and 465 (relating to at risk limitations).

"(iii) Section 469 (relating to limitation on passive activity losses and credits).

"(iv) Any other provision specified in regulations.

"(4) COORDINATION WITH OTHER PROVISIONS.—Paragraphs (2) and (3) shall apply notwithstanding any other provision of this chapter other than this part.

"(b) MODIFICATIONS TO DETERMINATION OF TAXABLE INCOME.—In determining the taxable income of a large partnership—

"(1) CERTAIN DEDUCTIONS NOT ALLOWED.—The following deductions shall not be allowed:

"(A) The deduction for personal exemptions provided in section 151.

"(B) The net operating loss deduction provided in section 172.

"(C) The additional itemized deductions for individuals provided in part VII of subchapter B (other than section 212 thereof).

"(2) CHARITABLE DEDUCTIONS.—In determining the amount allowable under section 170, the limitation of section 170(b)(2) shall apply.

"(3) COORDINATION WITH SECTION 67.—In lieu of applying section 67, 70 percent of the amount of the miscellaneous itemized deductions shall be disallowed.

"(c) SPECIAL RULES FOR INCOME FROM DISCHARGE OF INDEBTEDNESS.—If a large partnership has income from the discharge of any indebtedness—

"(1) such income shall be excluded in determining the amounts referred to in section 772(a), and

"(2) in determining the income tax of any partner of such partnership—

"(A) such income shall be treated as an item required to be separately taken into account under section 772(a), and

"(B) the provisions of section 108 shall be applied without regard to this part.

"SEC. 774. OTHER MODIFICATIONS.

"(a) TREATMENT OF CERTAIN OPTIONAL ADJUSTMENTS, ETC.—In the case of a large partnership—

"(1) computations under section 773 shall be made without regard to any adjustment under section 743(b) or 108(b), but

"(2) a partner's distributive share of any amount referred to in section 772(a) shall be appropriately adjusted to take into account any adjustment under section 743(b) or 108(b) with respect to such partner.

"(b) DEFERRED SALE TREATMENT OF CONTRIBUTED PROPERTY.—

"(1) TREATMENT OF PARTNERSHIP.—In the case of any contribution of property to which this subsection applies—

"(A) the basis of such property to the partnership shall be its fair market value as of the time of such contribution, and

"(B) section 704(c) shall not apply to such property.

"(2) TREATMENT OF CONTRIBUTING PARTNER.—

"(A) IN GENERAL.—In the case of any partner who makes a contribution of property to which this subsection applies—

"(i) such partner shall recognize the precontribution gain or loss from such property as provided in this paragraph, and

"(ii) appropriate adjustments to the basis of such partner's interest in the partnership shall be made for the amounts recognized under this paragraph.

"(B) CHARACTER.—The character of any gain or loss recognized under this paragraph shall be determined by reference to the character which would have resulted if the property had been sold to the partnership at the time of the contributions; except that any gain or loss recognized under subparagraph (C)(i) shall be treated as ordinary income or loss, as the case may be.

"(C) TRANSACTIONS AT PARTNERSHIP LEVEL.—

"(i) DEPRECIATION, ETC.—If any partnership deduction for depreciation, depletion, or amortization is increased by reason of an increase in the basis of any property under paragraph (1), the contributing partner shall recognize so much of the precontribution gain with respect to such property as does not exceed the increase in such deduction. If there is a precontribution loss, a similar rule shall apply to any decrease in such a deduction.

"(ii) Dispositions.—

"(I) In general.—Except as otherwise provided in this clause, any precontribution gain or loss with respect to any property (to the extent not previously taken into account under this paragraph) shall be recognized by the contributing partner if the partnership makes any disposition of the property.

"(II) Distributions to contributing partner.—No gain or loss shall be recognized under subclause (I) by reason of any distribution of the contributed property to the contributing partner (and subparagraph (D)(ii) shall not apply to any such distribution). In any such case, no adjustment shall be made under section 734 on account of such distribution and the adjusted basis of such property in the hands of the contributing partner shall be its adjusted basis immediately before the contribution properly adjusted for gain or loss previously recognized under this paragraph.

"(iii) Year for which amount taken into account.—Any amount recognized under this subparagraph shall be taken into account for the partner's taxable year in which or with which ends the partnership taxable year of the deduction or disposition.

"(D) Transactions at partner level.—

"(i) In general.—If the contributing partner makes a disposition of any portion of his interest in the partnership, a corresponding portion of any precontribution gain or loss which was not previously taken into account under this paragraph shall be recognized for the partner's taxable year in which the disposition occurs. The preceding sentence shall not apply to a disposition at death.

"(ii) Treatment of certain distributions.—If—

"(I) the amount of cash and the fair market value of property distributed to a partner, exceeds

"(II) the adjusted basis of such partner's interest in the partnership immediately before the distribution (determined without regard to any adjustment under subparagraph (A)(ii) resulting from such distribution),

the contributing partner shall recognize so much of any precontribution gain as does not exceed such excess.

"(iii) Special rule.—Except as provided in clause (ii)(II), any basis adjustment under subparagraph (A)(ii) resulting from any gain or loss recognized under this subparagraph shall be treated as occurring immediately before the disposition or distribution involved.

"(E) Section 267 and 707(b) principles to apply.—No loss shall be recognized under subparagraph (C)(ii) or (D) by reason of any disposition (directly or indirectly) to a person related (within the meaning of section 267(b) or 707(b)(1)) to the contributing partner.

"(F) Treatment of certain nontaxable exchanges.—

"(i) Section 1031 and 1033 transactions.—If the disposition referred to in subclause (I) of subparagraph (C)(ii) is an exchange described in section 1031 or a compulsory or involuntary conversion within the meaning of section 1033—

"(I) the amount of gain or loss recognized by the contributing partner under such subclause (I) shall not exceed the gain or loss recognized by the partnership on the disposition, and

"(II) the replacement property shall be treated as the contributed property for purposes of this paragraph.

For purposes of the preceding sentence, the term 'replacement property' means the property the basis of which is determined under section 1031(d) or 1033(b), whichever is applicable.

"(ii) Contributions to controlled partnership.—If the disposition referred to in subclause (I) of subparagraph (C)(ii) is a contribution of the property to another partnership which is a controlled partnership—

"(I) the rules of subclause (I) of clause (i) shall apply, and

"(II) the partnership shall be treated as continuing to hold the contributed property so long as the other partnership continues to be a controlled partnership and continues to hold such property.

For purposes of the preceding sentence, the term 'controlled partnership' means any partnership in which the partnership making the disposition owns more than 50 percent of the capital interest or profits interest.

"(3) Precontribution gain or loss.—For purposes of this subsection—

"(A) Precontribution gain.—The term 'precontribution gain' means the excess (if any) of—

"(i) the fair market value of the contributed property as of the time of the contribution, over

"(ii) the adjusted basis of such property immediately before such contribution.

"(B) Precontribution loss.—The term 'precontribution loss' means the excess (if any) of the amount referred to in clause (ii) of subparagraph (A) over the amount referred to in clause (i) of subparagraph (A).

"(4) Contributions to which subsection applies.—This subsection shall apply to any contribution of property (other than cash) which is made by any partner to a partnership if—

"(A) as of the time of such contribution, such partnership is a large partnership, or

"(B) such contribution is to a partnership reasonably expected to become a large partnership.

This subsection shall not apply to any contribution made before the date of the enactment of this part.

"(c) Credit Recapture Determined at Partnership Level.—

"(1) In general.—In the case of a large partnership—

"(A) any credit recapture shall be taken into account by the partnership, and

"(B) the amount of such recapture shall be determined as if the credit with respect to which the recapture is made had been fully utilized to reduce tax.

"(2) Method of taking recapture into account.—A large partnership shall take into account a credit recapture by reducing the amount of the appropriate current year credit to the extent thereof, and if such recapture exceeds the amount of such current year credit, the partnership shall be liable to pay such excess.

"(3) Dispositions not to trigger recapture.—No credit recapture shall be required by reason of any transfer of an interest in a large partnership.

"(4) Credit recapture.—For purposes of this subsection, the term 'credit recapture' means any increase in tax under section 42(j) or 50(a).

"(d) Partnership Not Terminated by Reason of Change in Ownership.—Subparagraph (B) of section 708(b)(1) shall not apply to a large partnership.

"(e) Partnership Entitled to Certain Credits.—The following shall be allowed to a large partnership and shall not be taken into account by the partners of such partnership:

"(1) The credit provided by section 34.

"(2) Any credit or refund under section 852(b)(3)(D).

"(f) Treatment of REMIC Residuals.—For purposes of applying section 860E(e)(6) to any large partnership—

"(1) all interests in such partnership shall be treated as held by disqualified organizations,

"(2) in lieu of applying subparagraph (C) of section 860E(e)(6), the amount subject to tax under section 860E(e)(6) shall be excluded from the gross income of such partnership, and

"(3) subparagraph (D) of section 860E(e)(6) shall not apply.

"(g) Special Rules for Applying Certain Installment Sale Rules.—In the case of a large partnership—

"(1) the provisions of sections 453(l)(3) and 453A shall be applied at the partnership level, and

"(2) in determining the amount of interest payable under such sections, such partnership shall be treated as subject to tax under this chapter at the highest rate of tax in effect under section 1 or 11.

"SEC. 775. LARGE PARTNERSHIP.

"(a) General Rule.—For purposes of this part—

"(1) In general.—Except as otherwise provided in this section or section 776, the term 'large partnership' means, with respect to any partnership taxable year, any partnership if the number of persons who were partners in such partnership in such taxable year or any preceding partnership taxable year beginning after December 31, 1992, equaled or exceeded 250. To the extent provided in regulations, a partnership shall cease to be treated as a large partnership for any partnership taxable year if in such taxable year fewer than 100 persons were partners in such partnership.

"(2) Election for partnerships with at least 100 partners.—If a partnership makes an election under this paragraph, paragraph (1) shall be applied by substituting '100' for '250'. Such an election shall apply to the taxable year for which made and all subsequent taxable years unless revoked with the consent of the Secretary.

"(b) Special Rules for Certain Service Partnerships.—

"(1) Certain partners not counted.—For purposes of this section, the term 'partner' does not include any individual performing substantial services in connection with the activities of the partnership and holding an interest in such partnership, or an individual who formerly performed substantial services in connection with such activities and who held an interest in such partnership at the time the individual performed such services.

"(2) Exclusion.—For purposes of this part, the term 'large partnership' does not include any partnership if substantially all the partners of such partnership—

"(A) are individuals performing substantial services in connection with the activities of such partnership or are personal service corporations (as defined in section 269A(b)) the owner-employees (as defined in section 269A(b)) of which perform such substantial services,

"(B) are retired partners who had performed such substantial services, or

"(C) are spouses of partners who are performing (or had previously performed) such substantial services.

"(3) Special rule for lower tier partnerships.—For purposes of this subsection, the activities of a partnership shall include the activities of any other partnership in which the partnership owns directly an interest in the capital and profits of at least 80 percent.

"(c) EXCLUSION OF COMMODITY POOLS.—For purposes of this part, the term 'large partnership' does not include any partnership the principal activity of which is the buying and selling of commodities (not described in section 1221(1)), or options, futures, or forwards with respect to such commodities.

"(d) SECRETARY MAY RELY ON TREATMENT ON RETURN.—If, on the partnership return of any partnership, such partnership is treated as a large partnership, such treatment shall be binding on such partnership and all partners of such partnership but not on the Secretary.

"SEC. 776. SPECIAL RULES FOR PARTNERSHIPS HOLDING OIL AND GAS PROPERTIES.

"(a) EXCEPTION FOR PARTNERSHIPS HOLDING SIGNIFICANT OIL AND GAS PROPERTIES.—

"(1) IN GENERAL.—For purposes of this part, the term 'large partnership' shall not include any partnership if the average percentage of assets (by value) held by such partnership during the taxable year which are oil or gas properties is at least 25 percent. For purposes of the preceding sentence, any interest held by a partnership in another partnership shall be disregarded, except that the partnership shall be treated as holding its proportionate share of the assets of such other partnership.

"(2) ELECTION TO WAIVE EXCEPTION.—Any partnership may elect to have paragraph (1) not apply. Such an election shall apply to the partnership taxable year for which made and all subsequent partnership taxable years unless revoked with the consent of the Secretary.

"(b) SPECIAL RULES WHERE PART APPLIES.—

"(1) COMPUTATION OF PERCENTAGE DEPLETION.—In the case of a large partnership, except as provided in paragraph (2)—

"(A) the allowance for depletion under section 611 with respect to any partnership oil or gas property shall be computed at the partnership level without regard to any provision of section 613A requiring such allowance to be computed separately by each partner,

"(B) such allowance shall be determined without regard to the provisions of section 613A(c) limiting the amount of production for which percentage depletion is allowable and without respect to paragraph (1) of section 613A(d), and

"(C) paragraph (3) of section 705(a) shall not apply.

"(2) TREATMENT OF CERTAIN PARTNERS.—

"(A) IN GENERAL.—In the case of a disqualified person, the treatment under this chapter of such person's distributive share of any item of income, gain, loss, deduction, or credit attributable to any partnership oil or gas property shall be determined without regard to this part. Such person's distributive share of any such items shall be excluded for purposes of making determinations under sections 772 and 773.

"(B) DISQUALIFIED PERSON.—For purposes of subparagraph (A), the term 'disqualified person' means, with respect to any partnership taxable year—

"(i) any person referred to in paragraph (2) or (4) of section 613A(d) for such person's taxable year in which such partnership taxable year ends, and

"(ii) any other person if such person's average daily production of domestic crude oil and natural gas for such person's taxable year in which such partnership taxable year ends exceeds 500 barrels.

"(C) AVERAGE DAILY PRODUCTION.—For purposes of subparagraph (B), a person's average daily production of domestic crude oil and natural gas for any taxable year shall be computed as provided in section 613A(c)(2)—

"(i) by taking into account all production of domestic crude oil and natural gas (including such person's proportionate share of any production of a partnership),

"(ii) by treating 6,000 cubic feet of natural gas as a barrel of crude oil, and

"(iii) by treating as 1 person all persons treated as 1 taxpayer under section 613A(c)(8) or among whom allocations are required under such section.

"SEC. 777. REGULATIONS.

"The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this part."

(b) CLERICAL AMENDMENT.—The table of parts for subchapter K of chapter 1 is amended by adding at the end thereof the following new item:

"Part IV. Special rules for large partnerships."

SEC. 4302. SIMPLIFIED AUDIT PROCEDURES FOR LARGE PARTNERSHIPS.

(a) GENERAL RULE.—Chapter 63 is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER D—TREATMENT OF LARGE PARTNERSHIPS

"Part I. Treatment of partnership items and adjustments.

"Part II. Partnership level adjustments.

"Part III. Definitions and special rules.

"PART I—TREATMENT OF PARTNERSHIP ITEMS AND ADJUSTMENTS

"Sec. 6240. Application of subchapter.

"Sec. 6241. Partner's return must be consistent with partnership return.

"Sec. 6242. Procedures for taking partnership adjustments into account.

"SEC. 6240. APPLICATION OF SUBCHAPTER.

"(a) GENERAL RULE.—This subchapter shall only apply to large partnerships and partners in such partnerships.

"(b) COORDINATION WITH OTHER PARTNERSHIP AUDIT PROCEDURES.—

"(1) IN GENERAL.—Subchapter C of this chapter shall not apply to any large partnership other than in its capacity as a partner in another partnership which is not a large partnership.

"(2) TREATMENT WHERE PARTNER IN OTHER PARTNERSHIP.—If a large partnership is a partner in another partnership which is not a large partnership—

"(A) subchapter C of this chapter shall apply to items of such large partnership which are partnership items with respect to such other partnership, but

"(B) any adjustment under such subchapter C shall be taken into account in the manner provided by section 6242.

"SEC. 6241. PARTNER'S RETURN MUST BE CONSISTENT WITH PARTNERSHIP RETURN.

"(a) GENERAL RULE.—A partner of any large partnership shall, on the partner's return, treat each partnership item attributable to such partnership in a manner which is consistent with the treatment of such partnership item on the partnership return.

"(b) UNDERPAYMENT DUE TO INCONSISTENT TREATMENT ASSESSED AS MATH ERROR.—Any underpayment of tax by a partner by reason of failing to comply with the requirements of subsection (a) shall be assessed and collected in the same manner as if such underpayment were on account of a mathematical or clerical error appearing on the partner's return. Paragraph (2) of section 6213(b) shall not apply to any assessment of an underpayment referred to in the preceding sentence.

"(c) ADJUSTMENTS NOT TO AFFECT PRIOR YEAR OF PARTNERS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), subsections (a) and (b) shall apply without regard to any adjustment to the partnership item under part II.

"(2) CERTAIN CHANGES IN DISTRIBUTIVE SHARE TAKEN INTO ACCOUNT BY PARTNER.—

"(A) IN GENERAL.—To the extent that any adjustment under part II involves a change under section 704 in a partner's distributive share of the amount of any partnership item shown on the partnership return, such adjustment shall be taken into account in applying this title to such partner for the partner's taxable year for which such item was required to be taken into account.

"(B) COORDINATION WITH DEFICIENCY PROCEDURES.—

"(i) IN GENERAL.—Subchapter B shall not apply to the assessment or collection of any underpayment of tax attributable to an adjustment referred to in subparagraph (A).

"(ii) ADJUSTMENT NOT PRECLUDED.—Notwithstanding any other law or rule of law, nothing in subchapter B (or in any proceeding under subchapter B) shall preclude the assessment or collection of any underpayment of tax (or the allowance of any credit or refund of any overpayment of tax) attributable to an adjustment referred to in subparagraph (A) and such assessment or collection or allowance (or any notice thereof) shall not preclude any notice, proceeding, or determination under subchapter B.

"(C) PERIOD OF LIMITATIONS.—The period for—

"(i) assessing any underpayment of tax, or

"(ii) filing a claim for credit or refund of any overpayment of tax,

attributable to an adjustment referred to in subparagraph (A) shall not expire before the close of the period prescribed by section 6248 for making adjustments with respect to the partnership taxable year involved.

"(D) TIERED STRUCTURES.—If the partner referred to in subparagraph (A) is another partnership or an S corporation, the rules of this paragraph shall also apply to persons holding interests in such partnership or S corporation (as the case may be); except that, if such partner is a large partnership, the adjustment referred to in subparagraph (A) shall be taken into account in the manner provided by section 6242.

"(d) ADDITION TO TAX FOR FAILURE TO COMPLY WITH SECTION.—

"For addition to tax in case of partner's disregard of requirements of this section, see part II of subchapter A of chapter 68.

"SEC. 6242. PROCEDURES FOR TAKING PARTNERSHIP ADJUSTMENTS INTO ACCOUNT.

"(a) ADJUSTMENTS FLOW THROUGH TO PARTNERS FOR YEAR IN WHICH ADJUSTMENT TAKES EFFECT.—

"(1) IN GENERAL.—If any partnership adjustment with respect to any partnership item takes effect (within the meaning of subsection (d)(2)) during any partnership taxable year and if an election under paragraph (2) does not apply to such adjustment, such adjustment shall be taken into account in determining the amount of such item for the partnership taxable year in which such adjustment takes effect. In applying this title to any person who is (directly or indirectly) a partner in such partnership during such partnership taxable year, such adjustment shall be treated as an item actually arising during such taxable year.

"(2) PARTNERSHIP LIABLE IN CERTAIN CASES.—If—

"(A) a partnership elects under this paragraph to not take an adjustment into account under paragraph (1),

"(B) a partnership does not make such an election but in filing its return for any partnership taxable year fails to take fully into account any partnership adjustment as required under paragraph (1), or

"(C) any partnership adjustment involves a reduction in a credit which exceeds the amount of such credit determined for the partnership taxable year in which the adjustment takes effect,

the partnership shall pay to the Secretary an amount determined by applying the rules of subsection (b)(4) to the adjustments not so taken into account and any excess referred to in subparagraph (C).

"(3) OFFSETTING ADJUSTMENTS TAKEN INTO ACCOUNT.—If a partnership adjustment requires another adjustment in a taxable year after the adjusted year and before the partnership taxable year in which such partnership adjustment takes effect, such other adjustment shall be taken into account under this subsection for the partnership taxable year in which such partnership adjustment takes effect.

"(4) COORDINATION WITH PART II.—Amounts taken into account under this subsection for any partnership taxable year shall continue to be treated as adjustments for the adjusted year for purposes of determining whether such amounts may be readjusted under part II.

"(b) PARTNERSHIP LIABLE FOR INTEREST AND PENALTIES.—

"(1) IN GENERAL.—If a partnership adjustment takes effect during any partnership taxable year and such adjustment results in an imputed underpayment for the adjusted year, the partnership—

"(A) shall pay to the Secretary interest computed under paragraph (2), and

"(B) shall be liable for any penalty, addition to tax, or additional amount as provided in paragraph (3).

"(2) DETERMINATION OF AMOUNT OF INTEREST.—The interest computed under this paragraph with respect to any partnership adjustment is the interest which would be determined under chapter 67—

"(A) on the imputed underpayment determined under paragraph (4) with respect to such adjustment, or

"(B) for the period beginning on the day after the return due date for the adjusted year and ending on the return due date for the partnership taxable year in which such adjustment takes effect (or, if earlier, in the case of any adjustment to which subsection (a)(2) applies, the date on which the payment under subsection (a)(2) is made).

Proper adjustments in the amount determined under the preceding sentence shall be made for adjustments required for partnership taxable years after the adjusted year and before the year in which the partnership adjustment takes effect by reason of such partnership adjustment.

"(3) PENALTIES.—A partnership shall be liable for any penalty, addition to tax, or additional amount for which it would have been liable if such partnership had been an individual subject to tax under chapter 1 for the adjusted year and the imputed underpayment determined under paragraph (4) were an actual underpayment (or understatement) for such year.

"(4) IMPUTED UNDERPAYMENT.—For purposes of this subsection, the imputed underpayment determined under this paragraph with respect to any partnership adjustment is the underpayment (if any) which would result—

"(A) by netting all adjustments to items of income, gain, loss, or deduction and—

"(i) if such netting results in a net increase in income, by treating such net increase as an underpayment equal to the amount of such net increase multiplied by the highest rate of tax in effect under section 1 or 11 for the adjusted year, or

"(ii) if such netting results in a net decrease in income, by treating such net decrease as an overpayment equal to such net decrease multiplied by such highest rate, and

"(B) by taking adjustments to credits into account as increases or decreases (whichever is appropriate) in the amount of tax.

For purposes of the preceding sentence, any net decrease in a loss shall be treated as an increase in income and a similar rule shall apply to a net increase in a loss.

"(c) ADMINISTRATIVE PROVISIONS.—

"(1) IN GENERAL.—Any payment required by subsection (a)(2) or (b)(1)(A)—

"(A) shall be assessed and collected in the same manner as if it were a tax imposed by subtitle C, and

"(B) shall be paid on or before the return due date for the partnership taxable year in which the partnership adjustment takes effect.

"(2) INTEREST.—For purposes of determining interest, any payment required by subsection (a)(2) or (b)(1)(A) shall be treated as an underpayment of tax.

"(3) PENALTIES.—

"(A) IN GENERAL.—In the case of any failure by any partnership to pay on the date prescribed therefor any amount required by subsection (a)(2) or (b)(1)(A), there is hereby imposed on such partnership a penalty of 10 percent of the underpayment. For purposes of the preceding sentence, the term 'underpayment' means the excess of any payment required under this section over the amount (if any) paid on or before the date prescribed therefor.

"(B) ACCURACY-RELATED AND FRAUD PENALTIES MADE APPLICABLE.—For purposes of part II of subchapter A of chapter 68, any payment required by subsection (a)(2) shall be treated as an underpayment of tax.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) PARTNERSHIP ADJUSTMENT.—The term 'partnership adjustment' means any adjustment in the amount of any partnership item of a large partnership.

"(2) WHEN ADJUSTMENT TAKES EFFECT.—A partnership adjustment takes effect—

"(A) in the case of an adjustment pursuant to the decision of a court in a proceeding brought under part II, when such decision becomes final,

"(B) in the case of an adjustment pursuant to any administrative adjustment request under section 6251, when such adjustment is allowed by the Secretary, or

"(C) in any other case, when such adjustment is made.

"(3) ADJUSTED YEAR.—The term 'adjusted year' means the partnership taxable year to which the item being adjusted relates.

"(4) RETURN DUE DATE.—The term 'return due date' means, with respect to any taxable year, the date prescribed for filing the partnership return for such taxable year (determined without regard to extensions).

"(5) ADJUSTMENTS INVOLVING CHANGES IN CHARACTER.—Under regulations, appropriate adjustments in the application of this section shall be made for purposes of taking into account partnership adjustments which involve a change in the character of any item of income, gain, loss, or deduction.

"(e) PAYMENTS NONDEDUCTIBLE.—No deduction shall be allowed under subtitle A for any payment required to be made by a large partnership under this section.

"PART II—PARTNERSHIP LEVEL ADJUSTMENTS

"Subpart A. Adjustments by Secretary.
"Subpart B. Claims for adjustments by partnership.

"Subpart A—Adjustments by Secretary

"Sec. 6245. Secretarial authority.
"Sec. 6246. Restrictions on partnership adjustments.
"Sec. 6247. Judicial review of partnership adjustment.
"Sec. 6248. Period of limitations for making adjustments.

"SEC. 6245. SECRETARIAL AUTHORITY.

"(a) GENERAL RULE.—The Secretary is authorized and directed to make adjustments at the partnership level in any partnership item to the extent necessary to have such item be treated in the manner required.

"(b) NOTICE OF PARTNERSHIP ADJUSTMENT.—

"(1) IN GENERAL.—If the Secretary determines that a partnership adjustment is required, the Secretary is authorized to send notice of such adjustment to the partnership by certified mail or registered mail. Such notice shall be sufficient if mailed to the partnership at its last known address even if the partnership has terminated its existence.

"(2) FURTHER NOTICES RESTRICTED.—If the Secretary mails a notice of a partnership adjustment to any partnership for any partnership taxable year and the partnership files a petition under section 6247 with respect to such notice, in the absence of a showing of fraud, malfeasance, or misrepresentation of a material fact, the Secretary shall not mail another such notice to such partnership with respect to such taxable year.

"(3) AUTHORITY TO RESCIND NOTICE WITH PARTNERSHIP CONSENT.—The Secretary may, with the consent of the partnership, rescind any notice of a partnership adjustment mailed to such partnership. Any notice so rescinded shall not be treated as a notice of a partnership adjustment, for purposes of this section, section 6246, and section 6247, and the taxpayer shall have no right to bring a proceeding under section 6247 with respect to such notice. Nothing in this subsection shall affect any suspension of the running of any period of limitations during any period during which the rescinded notice was outstanding.

"SEC. 6246. RESTRICTIONS ON PARTNERSHIP ADJUSTMENTS.

"(a) GENERAL RULE.—Except as otherwise provided in this chapter, no adjustment to any partnership item may be made (and no levy or proceeding in any court for the collection of any amount resulting from such adjustment may be made, begun or prosecuted) before—

"(1) the close of the 90th day after the day on which a notice of a partnership adjustment was mailed to the partnership, and

"(2) if a petition is filed under section 6247 with respect to such notice, the decision of the court has become final.

"(b) PREMATURE ACTION MAY BE ENJOINED.—Notwithstanding section 7421(a), any action which violates subsection (a) may be enjoined in the proper court, including the Tax Court. The Tax Court shall have no jurisdiction to enjoin any action under this subsection unless a timely petition has been filed under section 6247 and then only in respect of the adjustments that are the subject of such petition.

"(c) Exceptions to Restrictions on Adjustments.—

"(1) Adjustments arising out of math or clerical errors.—

"(A) In general.—If the partnership is notified that, on account of a mathematical or clerical error appearing on the partnership return, an adjustment to a partnership item is required, rules similar to the rules of paragraphs (1) and (2) of section 6213(b) shall apply to such adjustment.

"(B) Special rule.—If a large partnership is a partner in another large partnership, any adjustment on account of such partnership's failure to comply with the requirements of section 6241(a) with respect to its interest in such other partnership shall be treated as an adjustment referred to in subparagraph (A), except that paragraph (2) of section 6213(b) shall not apply to such adjustment.

"(2) Partnership may waive restrictions.—The partnership shall at any time (whether or not a notice of partnership adjustment has been issued) have the right, by a signed notice in writing filed with the Secretary, to waive the restrictions provided in subsection (a) on the making of any partnership adjustment.

"(d) Limit Where No Proceeding Begun.—If no proceeding under section 6247 is begun with respect to any notice of a partnership adjustment during the 90-day period described in subsection (a), the amount for which the partnership is liable under section 6242 (and any increase in any partner's liability for tax under chapter 1 by reason of any adjustment under section 6242(a)) shall not exceed the amount determined in accordance with such notice.

"SEC. 6247. JUDICIAL REVIEW OF PARTNERSHIP ADJUSTMENT.

"(a) General Rule.—Within 90 days after the date on which a notice of a partnership adjustment is mailed to the partnership with respect to any partnership taxable year, the partnership may file a petition for a readjustment of the partnership items for such taxable year with—

"(1) the Tax Court,

"(2) the district court of the United States for the district in which the partnership's principal place of business is located, or

"(3) the Claims Court.

"(b) Jurisdictional Requirement for Bringing Action in District Court or Claims Court.—

"(1) In general.—A readjustment petition under this section may be filed in a district court of the United States or the Claims Court only if the partnership filing the petition deposits with the Secretary, on or before the date the petition is filed, the amount for which the partnership would be liable under section 6242(b) (as of the date of the filing of the petition) if the partnership items were adjusted as provided by the notice of partnership adjustment. The court may by order provide that the jurisdictional requirements of this paragraph are satisfied where there has been a good faith attempt to satisfy such requirement and any shortfall of the amount required to be deposited is timely corrected.

"(2) Interest payable.—Any amount deposited under paragraph (1), while deposited, shall not be treated as a payment of tax for purposes of this title (other than chapter 67).

"(c) Scope of Judicial Review.—A court with which a petition is filed in accordance with this section shall have jurisdiction to determine all partnership items of the partnership for the partnership taxable year to which the notice of partnership adjustment relates and the proper allocation of such items among the partners (and the applicability of any penalty, addition to tax, or additional amount for which the partnership may be liable under section 6242(b)).

"(d) Determination of Court Reviewable.—Any determination by a court under this section shall have the force and effect of a decision of the Tax Court or a final judgment or decree of the district court or the Claims Court, as the case may be, and shall be reviewable as such. The date of any such determination shall be treated as being the date of the court's order entering the decision.

"(e) Effect of Decision Dismissing Action.—If an action brought under this section is dismissed other than by reason of a rescission under section 6245(b)(3), the decision of the court dismissing the action shall be considered as its decision that the notice of partnership adjustment is correct, and an appropriate order shall be entered in the records of the court.

"SEC. 6248. PERIOD OF LIMITATIONS FOR MAKING ADJUSTMENTS.

"(a) General Rule.—Except as otherwise provided in this section, no adjustment under this subpart to any partnership item for any partnership taxable year may be made after the date which is 3 years after the later of—

"(1) the date on which the partnership return for such taxable year was filed, or

"(2) the last day for filing such return for such year (determined without regard to extensions).

"(b) Extension by Agreement.—The period described in subsection (a) (including an extension period under this subsection) may be extended by an agreement entered into by the Secretary and the partnership before the expiration of such period.

"(c) Special Rule in Case of Fraud, Etc.—

"(1) False return.—In the case of a false or fraudulent partnership return with intent to evade tax, the adjustment may be made at any time.

"(2) Substantial omission of income.—If any partnership omits from gross income an amount properly includible therein which is in excess of 25 percent of the amount of gross income stated in its return, subsection (a) shall be applied by substituting '6 years' for '3 years'.

"(3) No return.—In the case of a failure by a partnership to file a return for any taxable year, the adjustment may be made at any time.

"(4) Return filed by secretary.—For purposes of this section, a return executed by the Secretary under subsection (b) of section 6020 on behalf of the partnership shall not be treated as a return of the partnership.

"(d) Suspension When Secretary Mails Notice of Adjustment.—If notice of a partnership adjustment with respect to any taxable year is mailed to the partnership, the running of the period specified in subsection (a) (as modified by the other provisions of this section) shall be suspended—

"(1) for the period during which an action may be brought under section 6247 (and, if a petition is filed under section 6247 with respect to such notice, until the decision of the court becomes final), and

"(2) for 1 year thereafter.

"Subpart B—Claims for Adjustments by Partnership

"Sec. 6251. Administrative adjustment requests.

"Sec. 6252. Judicial review where administrative adjustment request is not allowed in full.

"SEC. 6251. ADMINISTRATIVE ADJUSTMENT REQUESTS.

"(a) General Rule.—A partnership may file a request for an administrative adjustment of partnership items for any partnership taxable year at any time which is—

"(1) within 3 years after the later of—

"(A) the date on which the partnership return for such year is filed, or

"(B) the last day for filing the partnership return for such year (determined without regard to extensions), and

"(2) before the mailing to the partnership of a notice of a partnership adjustment with respect to such taxable year.

"(b) Secretarial Action.—If a partnership files an administrative adjustment request under subsection (a), the Secretary may allow any part of the requested adjustments.

"(c) Special Rule in Case of Extension Under Section 6248.—If the period described in section 6248(a) is extended pursuant to an agreement under section 6248(b), the period prescribed by subsection (a)(1) shall not expire before the date 6 months after the expiration of the extension under section 6248(b).

"SEC. 6252. JUDICIAL REVIEW WHERE ADMINISTRATIVE ADJUSTMENT REQUEST IS NOT ALLOWED IN FULL.

"(a) In General.—If any part of an administrative adjustment request filed under section 6251 is not allowed by the Secretary, the partnership may file a petition for an adjustment with respect to the partnership items to which such part of the request relates with—

"(1) the Tax Court,

"(2) the district court of the United States for the district in which the principal place of business of the partnership is located, or

"(3) the Claims Court.

"(b) Period for Filing Petition.—A petition may be filed under subsection (a) with respect to partnership items for a partnership taxable year only—

"(1) after the expiration of 6 months from the date of filing of the request under section 6251, and

"(2) before the date which is 2 years after the date of such request.

The 2-year period set forth in paragraph (2) shall be extended for such period as may be agreed upon in writing by the partnership and the Secretary.

"(c) Coordination With Subpart A.—

"(1) Notice of partnership adjustment before filing of petition.—No petition may be filed under this section after the Secretary mails to the partnership a notice of a partnership adjustment for the partnership taxable year to which the request under section 6251 relates.

"(2) Notice of partnership adjustment after filing but before hearing of petition.—If the Secretary mails to the partnership a notice of a partnership adjustment for the partnership taxable year to which the request under section 6251 relates after the filing of a petition under this subsection but before the hearing of such petition, such petition shall be treated as an action brought under section 6247 with respect to such notice, except that subsection (b) of section 6247 shall not apply.

"(3) Notice must be before expiration of statute of limitations.—A notice of a partnership adjustment for the partnership taxable year shall be taken into account under paragraphs (1) and (2) only if such notice is mailed before the expiration of the period prescribed by section 6248 for making adjustments to partnership items for such taxable year.

"(d) Scope of Judicial Review.—Except in the case described in paragraph (2) of subsection (c), a court with which a petition is filed in accordance with this section shall have jurisdiction to determine only those partnership items to which the part of the request under section 6251 not allowed by the Secretary relates and those items with respect to which the Secretary asserts adjustments as offsets to the adjustments requested by the partnership.

"(e) Determination of Court Reviewable.—Any determination by a court under this subsection shall have the force and effect of a decision of the Tax Court or a final judgment or decree of the district court or the Claims Court, as the case may be, and shall be reviewable as such. The date of any such determination shall be treated as being the date of the court's order entering the decision.

"PART III—DEFINITIONS AND SPECIAL RULES.

"Sec. 6255. Definitions and special rules.

"SEC. 6255. DEFINITIONS AND SPECIAL RULES.

"(a) Definitions.—For purposes of this subchapter—

"(1) Large partnership.—The term 'large partnership' has the meaning given to such term by section 775 without regard to section 776(a).

"(2) Partnership item.—The term 'partnership item' has the meaning given to such term by section 6231(a)(3).

"(b) Partners Bound by Actions of Partnership, Etc.—

"(1) Designation of partner.—Each large partnership shall designate (in the manner prescribed by the Secretary) a partner (or other person) who shall have the sole authority to act on behalf of such partnership under this subchapter. In any case in which such a designation is not in effect, the Secretary may select any partner as the partner with such authority.

"(2) Binding effect.—A large partnership and all partners of such partnership shall be bound—

"(A) by actions taken under this subchapter by the partnership, and

"(B) by any decision in a proceeding brought under this subchapter.

"(c) Partnerships Having Principal Place of Business Outside the United States.—For purposes of sections 6247 and 6252, a principal place of business located outside the United States shall be treated as located in the District of Columbia.

"(d) Treatment Where Partnership Ceases to Exist.—If a partnership ceases to exist before a partnership adjustment under this subchapter takes effect, such adjustment shall be taken into account by the former partners of such partnership under regulations prescribed by the Secretary.

"(e) Date Decision Becomes Final.—For purposes of this subchapter, the principles of section 7481(a) shall be applied in determining the date on which a decision of a district court or the Claims Court becomes final.

"(f) Partnerships in Cases Under Title 11 of the United States Code.—The running of any period of limitations provided in this subchapter on making a partnership adjustment (or provided by section 6501 or 6502 on the assessment or collection of any amount required to be paid under section 6242) shall, in a case under title 11 of the United States Code, be suspended during the period during which the Secretary is prohibited by reason of such case from making the adjustment (or assessment or collection) and—

"(1) for adjustment or assessment, 60 days thereafter, and

"(2) for collection, 6 months thereafter.

"(g) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subchapter, including regulations—

"(1) to prevent abuse through manipulation of the provisions of this subchapter, and

"(2) providing that this subchapter shall not apply to any case described in section 6231(c)(1) (or the regulations prescribed thereunder) where the application of this subchapter to such a case would interfere with the effective and efficient enforcement of this title.

In any case to which this subchapter does not apply by reason of paragraph (2), rules similar to the rules of sections 6229(f) and 6255(f) shall apply."

(b) Clerical Amendment.—The table of subchapters for chapter 63 is amended by adding at the end thereof the following new item:

"Subchapter D. Treatment of large partnerships."

SEC. 4303. DUE DATE FOR FURNISHING INFORMATION TO PARTNERS OF LARGE PARTNERSHIPS.

(a) General Rule.—Subsection (b) of section 6031 (relating to copies to partners) is amended by adding at the end thereof the following new sentence: "In the case of a large partnership (as defined in sections 775 and 776(a)), such information shall be furnished on or before the first March 15 following the close of such taxable year."

(b) Treatment as Information Return.—Section 6724 is amended by adding at the end thereof the following new subsection:

"(e) Special Rule for Certain Partnership Returns.—If any partnership return under section 6031(a) is required under section 6011(e) to be filed on magnetic media or in other machine-readable form, for purposes of this part, each schedule required to be included with such return with respect to each partner shall be treated as a separate information return."

SEC. 4304. RETURNS MAY BE REQUIRED ON MAGNETIC MEDIA.

Paragraph (2) of section 6011(e) (relating to returns on magnetic media) is amended by adding at the end thereof the following new sentence:

"The preceding sentence shall not apply in the case of the partnership return of a large partnership (as defined in sections 775 and 776(a)) or any other partnership with 250 or more partners."

SEC. 4305. EFFECTIVE DATE.

(a) General Rule.—Except as provided in subsection (b), the amendments made by this part shall apply to partnership taxable years ending on or after December 31, 1992.

(b) Special Rule for Section 4304.—In the case of a partnership which is not a large partnership (as defined in sections 775 and 776(a) of the Internal Revenue Code of 1986, as added by this part), the amendment made by section 4304 shall only apply to partnership taxable years ending on or after December 31, 1998.

PART II—PROVISIONS RELATED TO TEFRA PARTNERSHIP PROCEEDINGS

SEC. 4311. TREATMENT OF PARTNERSHIP ITEMS IN DEFICIENCY PROCEEDINGS.

(a) In General.—Subchapter C of chapter 63 is amended by adding at the end thereof the following new section:

"SEC. 6234. DECLARATORY JUDGMENT RELATING TO TREATMENT OF ITEMS OTHER THAN PARTNERSHIP ITEMS WITH RESPECT TO AN OVERSHELTERED RETURN.

"(a) General Rule.—If—

"(1) a taxpayer files an oversheltered return for a taxable year,

"(2) the Secretary makes a determination with respect to the treatment of items (other than partnership items) of such taxpayer for such taxable year, and

"(3) the adjustments resulting from such determination do not give rise to a deficiency (as defined in section 6211) but would give rise to a deficiency if there were no net loss from partnership items,

the Secretary is authorized to send a notice of adjustment reflecting such determination to the taxpayer by certified or registered mail.

"(b) Oversheltered Return.—For purposes of this section, the term 'oversheltered return' means an income tax return which—

"(1) shows no taxable income for the taxable year, and

"(2) shows a net loss from partnership items.

"(c) Judicial Review in the Tax Court.—Within 90 days, or 150 days if the notice is addressed to a person outside the United States, after the day on which the notice of adjustment authorized in subsection (a) is mailed to the taxpayer, the taxpayer may file a petition with the Tax Court for redetermination of the adjustments. Upon the filing of such a petition, the Tax Court shall have jurisdiction to make a declaration with respect to all items (other than partnership items and affected items which require partner level determinations as described in section 6230(a)(2)(A)(i)) for the taxable year to which the notice of adjustment relates, in accordance with the principles of section 6214(a). Any such declaration shall have the force and effect of a decision of the Tax Court and shall be reviewable as such.

"(d) Failure To File Petition.—

"(1) In general.—Except as provided in paragraph (2), if the taxpayer does not file a petition with the Tax Court within the time prescribed in subsection (c), the determination of the Secretary set forth in the notice of adjustment that was mailed to the taxpayer shall be deemed to be correct.

"(2) Exception.—Paragraph (1) shall not apply after the date that the taxpayer—

"(A) files a petition with the Tax Court within the time prescribed in subsection (c) with respect to a subsequent notice of adjustment relating to the same taxable year, or

"(B) files a claim for refund of an overpayment of tax under section 6511 for the taxable year involved.

If a claim for refund is filed by the taxpayer, then solely for purposes of determining (for the taxable year involved) the amount of any computational adjustment in connection with a partnership proceeding under this subchapter (other than under this section) or the amount of any deficiency attributable to affected items in a proceeding under section 6230(a)(2), the items that are the subject of the notice of adjustment shall be presumed to have been correctly reported on the taxpayer's return during the pendency of the refund claim (and, if within the time prescribed by section 6532 the taxpayer commences a civil action for refund under section 7422, until the decision in the refund action becomes final).

"(e) Limitations Period.—

"(1) In general.—Any notice to a taxpayer under subsection (a) shall be mailed before the expiration of the period prescribed by section 6501 (relating to the period of limitations on assessment).

"(2) Suspension when Secretary mails notice of adjustment.—If the Secretary mails a notice of adjustment to the taxpayer for a taxable year, the period of limitations on the making of assessments shall be suspended for the period during which the Secretary is prohibited from making the assessment (and, in any event, if a proceeding in respect of the notice of adjustment is placed on the docket of the Tax Court, until the decision of the Tax Court becomes final), and for 60 days thereafter.

"(3) RESTRICTIONS ON ASSESSMENT.—Except as otherwise provided in section 6851, 6852, or 6861, no assessment of a deficiency with respect to any tax imposed by subtitle A attributable to any item (other than a partnership item or any item affected by a partnership item) shall be made—

"(A) until the expiration of the applicable 90-day or 150-day period set forth in subsection (c) for filing a petition with the Tax Court, or

"(B) if a petition has been filed with the Tax Court, until the decision of the Tax Court has become final.

"(f) FURTHER NOTICES OF ADJUSTMENT RESTRICTED.—If the Secretary mails a notice of adjustment to the taxpayer for a taxable year and the taxpayer files a petition with the Tax Court within the time prescribed in subsection (c), the Secretary may not mail another such notice to the taxpayer with respect to the same taxable year in the absence of a showing of fraud, malfeasance, or misrepresentation of a material fact.

"(g) COORDINATION WITH OTHER PROCEEDINGS UNDER THIS SUBCHAPTER.—

"(1) IN GENERAL.—The treatment of any item that has been determined pursuant to subsection (c) or (d) shall be taken into account in determining the amount of any computational adjustment that is made in connection with a partnership proceeding under this subchapter (other than under this section), or the amount of any deficiency attributable to affected items in a proceeding under section 6230(a)(2), for the taxable year involved. Notwithstanding any other law or rule of law pertaining to the period of limitations on the making of assessments, for purposes of the preceding sentence, any adjustment made in accordance with this section shall be taken into account regardless of whether any assessment has been made with respect to such adjustment.

"(2) SPECIAL RULE IN CASE OF COMPUTATIONAL ADJUSTMENT.—In the case of a computational adjustment that is made in connection with a partnership proceeding under this subchapter (other than under this section), the provisions of paragraph (1) shall apply only if the computational adjustment is made within the period prescribed by section 6229 for assessing any tax under subtitle A which is attributable to any partnership item or affected item for the taxable year involved.

"(3) CONVERSION TO DEFICIENCY PROCEEDING.—If—

"(A) after the notice referred to in subsection (a) is mailed to a taxpayer for a taxable year but before the expiration of the period for filing a petition with the Tax Court under subsection (c) (or, if a petition is filed with the Tax Court, before the Tax Court makes a declaration for that taxable year), the treatment of any partnership item for the taxable year is finally determined, or any such item ceases to be a partnership item pursuant to section 6231(b), and

"(B) as a result of that final determination or cessation, a deficiency can be determined with respect to the items that are the subject of the notice of adjustment,

the notice of adjustment shall be treated as a notice of deficiency under section 6212 and any petition filed in respect of the notice shall be treated as an action brought under section 6213.

"(4) FINALLY DETERMINED.—For purposes of this subsection, the treatment of partnership items shall be treated as finally determined if—

"(A) the Secretary enters into a settlement agreement (within the meaning of section 6224) with the taxpayer regarding such items,

"(B) a notice of final partnership administrative adjustment has been issued and—

"(i) no petition has been filed under section 6226 and the time for doing so has expired, or

"(ii) a petition has been filed under section 6226 and the decision of the court has become final, or

"(C) the period within which any tax attributable to such items may be assessed against the taxpayer has expired.

"(h) SPECIAL RULES IF SECRETARY INCORRECTLY DETERMINES APPLICABLE PROCEDURE.—

"(1) SPECIAL RULE IF SECRETARY ERRONEOUSLY MAILS NOTICE OF ADJUSTMENT.—If the Secretary erroneously determines that subchapter B does not apply to a taxable year of a taxpayer and consistent with that determination timely mails a notice of adjustment to the taxpayer pursuant to subsection (a) of this section, the notice of adjustment shall be treated as a notice of deficiency under section 6212 and any petition that is filed in respect of the notice shall be treated as an action brought under section 6213.

"(2) SPECIAL RULE IF SECRETARY ERRONEOUSLY MAILS NOTICE OF DEFICIENCY.—If the Secretary erroneously determines that subchapter B applies to a taxable year of a taxpayer and consistent with that determination timely mails a notice of deficiency to the taxpayer pursuant to section 6212, the notice of deficiency shall be treated as a notice of adjustment under subsection (a) and any petition that is filed in respect of the notice shall be treated as an action brought under subsection (c)."

(b) TREATMENT OF PARTNERSHIP ITEMS IN DEFICIENCY PROCEEDINGS.—Section 6211 (defining deficiency) is amended by adding at the end thereof the following new subsection:

"(c) COORDINATION WITH SUBCHAPTER C.—In determining the amount of any deficiency for purposes of this subchapter, adjustments to partnership items shall be made only as provided in subchapter C."

(c) CLERICAL AMENDMENT.—The table of sections for subchapter C of chapter 63 is amended by adding at the end thereof the following new item:

"Sec. 6234. Declaratory judgment relating to treatment of items other than partnership items with respect to an oversheltered return.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years ending after the date of the enactment of this Act.

SEC. 4312. PARTNERSHIP RETURN TO BE DETERMINATIVE OF AUDIT PROCEDURES TO BE FOLLOWED.

(a) IN GENERAL.—Section 6231 (relating to definitions and special rules) is amended by adding at the end thereof the following new subsection:

"(g) PARTNERSHIP RETURN TO BE DETERMINATIVE OF WHETHER SUBCHAPTER APPLIES.—

"(1) DETERMINATION THAT SUBCHAPTER APPLIES.—If, on the basis of a partnership return for a taxable year, the Secretary reasonably determines that this subchapter applies to such partnership for such year but such determination is erroneous, then the provisions of this subchapter are hereby extended to such partnership (and its items) for such taxable year and to partners of such partnership.

"(2) DETERMINATION THAT SUBCHAPTER DOES NOT APPLY.—If, on the basis of a partnership return for a taxable year, the Secretary reasonably determines that this subchapter does not apply to such partnership for such year but such determination is erroneous, then the provisions of this subchapter shall not apply to such partnership (and its items) for such taxable year or to partners of such partnership."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to partnership taxable years ending after the date of the enactment of this Act.

SEC. 4313. PROVISIONS RELATING TO STATUTE OF LIMITATIONS.

(a) SUSPENSION OF STATUTE WHERE UNTIMELY PETITION FILED.—Paragraph (1) of section 6229(d) (relating to suspension where Secretary makes administrative adjustment) is amended by striking all that follows "section 6226" and inserting the following: "(and, if a petition is filed under section 6226 with respect to such administrative adjustment, until the decision of the court becomes final), and".

(b) SUSPENSION OF STATUTE DURING BANKRUPTCY PROCEEDING.—Section 6229 is amended by adding at the end thereof the following new subsection:

"(h) SUSPENSION DURING PENDENCY OF BANKRUPTCY PROCEEDING.—If a petition is filed naming a partner as a debtor in a bankruptcy proceeding under title 11 of the United States Code, the running of the period of limitations provided in this section with respect to such partner shall be suspended—

"(1) for the period during which the Secretary is prohibited by reason of such bankruptcy proceeding from making an assessment, and

"(2) for 60 days thereafter."

(c) TAX MATTERS PARTNER IN BANKRUPTCY.—Section 6229(b) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) SPECIAL RULE WITH RESPECT TO DEBTORS IN TITLE 11 CASES.—Notwithstanding any other law or rule of law, if an agreement is entered into under paragraph (1)(B) and the agreement is signed by a person who would be the tax matters partner but for the fact that, at the time that the agreement is executed, the person is a debtor in a bankruptcy proceeding under title 11 of the United States Code, such agreement shall be binding on all partners in the partnership unless the Secretary has been notified of the bankruptcy proceeding in accordance with regulations prescribed by the Secretary."

(d) EFFECTIVE DATES.—

(1) SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall apply to partnership taxable years with respect to which the period under section 6229 of the Internal Revenue Code of 1986 for assessing tax has not expired on or before the date of the enactment of this Act.

(2) SUBSECTION (c).—The amendment made by subsection (c) shall apply to agreements entered into after the date of the enactment of this Act.

SEC. 4314. EXPANSION OF SMALL PARTNERSHIP EXCEPTION.

(a) IN GENERAL.—Clause (i) of section 6231(a)(1)(B) (relating to exception for small partnerships) is amended to read as follows:

"(i) In general.—The term 'partnership' shall not include any partnership having 10 or fewer partners each of whom is an individual (other than a nonresident alien), a C corporation, or an estate of a deceased partner. For purposes of the preceding sentence, a husband and wife (and their estates) shall be treated as 1 partner."

(b) Effective Date.—The amendment made by this section shall apply to partnership taxable years ending after the date of the enactment of this Act.

SEC. 4315. EXCLUSION OF PARTIAL SETTLEMENTS FROM 1 YEAR LIMITATION ON ASSESSMENT.

(a) In General.—Subsection (f) of section 6229 (relating to items becoming nonpartnership items) is amended—

(1) by striking "(f) Items Becoming Nonpartnership Items.—If" and inserting the following:

"(f) Special Rules.—

"(1) Items becoming nonpartnership items.—If",

(2) by moving the text of such subsection 2 ems to the right, and

(3) by adding at the end thereof the following new paragraph:

"(2) Special rule for partial settlement agreements.—If a partner enters into a settlement agreement with the Secretary with respect to the treatment of some of the partnership items in dispute for a partnership taxable year but other partnership items for such year remain in dispute, the period of limitations for assessing any tax attributable to the settled items shall be determined as if such agreement had not been entered into."

(b) Effective Date.—The amendment made by this section shall apply to partnership taxable years ending after the date of the enactment of this Act.

SEC. 4316. EXTENSION OF TIME FOR FILING A REQUEST FOR ADMINISTRATIVE ADJUSTMENT.

(a) In General.—Section 6227 (relating to administrative adjustment requests) is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting after subsection (a) the following new subsection:

"(b) Special Rule in Case of Extension of Period of Limitations Under Section 6229.—The period prescribed by subsection (a)(1) for filing of a request for an administrative adjustment shall be extended—

"(1) for the period within which an assessment may be made pursuant to an agreement (or any extension thereof) under section 6229(b), and

"(2) for 6 months thereafter."

(b) Effective Date.—The amendment made by this section shall take effect as if included in the amendments made by section 402 of the Tax Equity and Fiscal Responsibility Act of 1982.

SEC. 4317. AVAILABILITY OF INNOCENT SPOUSE RELIEF IN CONTEXT OF PARTNERSHIP PROCEEDINGS.

(a) In General.—Subsection (a) of section 6230 is amended by adding at the end thereof the following new paragraph:

"(3) Special rule in case of assertion by partner's spouse of innocent spouse relief.—

"(A) Notwithstanding section 6404(b), if the spouse of a partner asserts that section 6013(e) applies with respect to a liability that is attributable to any adjustment to a partnership item, then such spouse may file with the Secretary within 60 days after the notice and demand (or notice of computational adjustment) is mailed to the spouse a request for abatement of the assessment specified in such notice. Upon receipt of such request, the Secretary shall abate the assessment. Any reassessment of the tax with respect to which an abatement is made under this subparagraph shall be subject to the deficiency procedures prescribed by subchapter B. The period for making any such reassessment shall not expire before the expiration of 60 days after the date of such abatement.

"(B) If the spouse files a petition with the Tax Court pursuant to section 6213 with respect to the request for abatement described in subparagraph (A), the Tax Court shall only have jurisdiction pursuant to this section to determine whether the requirements of section 6013(e) have been satisfied. For purposes of such determination, the treatment of partnership items under the settlement, the final partnership administrative adjustment, or the decision of the court (whichever is appropriate) that gave rise to the liability in question shall be conclusive.

"(C) Rules similar to the rules contained in subparagraphs (B) and (C) of paragraph (2) shall apply for purposes of this paragraph."

(b) Claims for Refund.—Subsection (c) of section 6230 is amended by adding at the end thereof the following new paragraph:

"(5) Rules for seeking innocent spouse relief.—

"(A) In general.—The spouse of a partner may file a claim for refund on the ground that the Secretary failed to relieve the spouse under section 6013(e) from a liability that is attributable to an adjustment to a partnership item.

"(B) Time for filing claim.—Any claim under subparagraph (A) shall be filed within 6 months after the day on which the Secretary mails to the spouse the notice and demand (or notice of computational adjustment) referred to in subsection (a)(3)(A).

"(C) Suit if claim not allowed.—If the claim under subparagraph (B) is not allowed, the spouse may bring suit with respect to the claim within the period specified in paragraph (3).

"(D) Prior determinations are binding.—For purposes of any claim or suit under this paragraph, the treatment of partnership items under the settlement, the final partnership administrative adjustment, or the decision of the court (whichever is appropriate) that gave rise to the liability in question shall be conclusive."

(c) Technical Amendments.—

(1) Paragraph (1) of section 6230(a) is amended by striking "paragraph (2)" and inserting "paragraph (2) or (3)".

(2) Subsection (a) of section 6503 is amended by striking "section 6230(a)(2)(A)" and inserting "paragraph (2)(A) or (3) of section 6230(a)".

(d) Effective Date.—The amendments made by this section shall take effect as if included in the amendments made by section 402 of the Tax Equity and Fiscal Responsibility Act of 1982.

SEC. 4318. DETERMINATION OF PENALTIES AT PARTNERSHIP LEVEL.

(a) In General.—Section 6221 (relating to tax treatment determined at partnership level) is amended by striking "item" and inserting "item (and the applicability of any penalty, addition to tax, or additional amount which relates to an adjustment to a partnership item)".

(b) Conforming Amendments.—

(1) Subsection (f) of section 6226 is amended—

(A) by striking "relates and" and inserting "relates,", and

(B) by inserting before the period ", and the applicability of any penalty, addition to tax, or additional amount which relates to an adjustment to a partnership item".

(2) Clause (i) of section 6230(a)(2)(A) is amended to read as follows:

"(i) affected items which require partner level determinations (other than penalties, additions to tax, and additional amounts that relate to adjustments to partnership items), or".

(3)(A) Subparagraph (A) of section 6230(a)(3), as added by section 3317, is amended by inserting "(including any liability for any penalty, addition to tax, or additional amount relating to such adjustment)" after "partnership item".

(B) Subparagraph (B) of such section is amended by inserting "(and the applicability of any penalties, additions to tax, or additional amounts)" after "partnership items".

(C) Subparagraph (A) of section 6230(c)(5), as added by section 3317, is amended by inserting before the period "(including any liability for any penalties, additions to tax, or additional amounts relating to such adjustment)".

(D) Subparagraph (D) of section 6230(c)(5), as added by section 3317, is amended by inserting "(and the applicability of any penalties, additions to tax, or additional amounts)" after "partnership items".

(4) Paragraph (1) of section 6230(c) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", or", and by adding at the end thereof the following new subparagraph:

"(C) the Secretary erroneously imposed any penalty, addition to tax, or additional amount which relates to an adjustment to a partnership item."

(5) So much of subparagraph (A) of section 6230(c)(2) as precedes "shall be filed" is amended to read as follows:

"(A) Under paragraph (1) (A) or (C).—Any claim under subparagraph (A) or (C) of paragraph (1)".

(6) Paragraph (4) of section 6230(c) is amended by adding at the end thereof the following: "In addition, the determination under the final partnership administrative adjustment or under the decision of the court (whichever is appropriate) concerning the applicability of any penalty, addition to tax, or additional amount which relates to an adjustment to a partnership item shall also be conclusive.

Notwithstanding the preceding sentence, the partner shall be allowed to assert any partner level defenses that may apply or to challenge the amount of the computational adjustment."

(c) Effective Date.—The amendments made by this section shall apply to partnership taxable years ending after the date of the enactment of this Act.

SEC. 4319. PROVISIONS RELATING TO COURT JURISDICTION, ETC.

(a) Tax Court Jurisdiction to Enjoin Premature Assessments of Deficiencies Attributable to Partnership Items.—Subsection (b) of section 6225 is amended by striking "the proper court." and inserting "the proper court, including the Tax Court. The Tax Court shall have no jurisdiction to enjoin any action or proceeding under this subsection unless a timely petition for a readjustment of the partnership items for the taxable year has been filed and then only in respect of the adjustments that are the subject of such petition."

(b) Jurisdiction to Consider Statute of Limitations With Respect to Partners.—Paragraph (1) of section 6226(d) is amended by adding at the end thereof the following new sentence:

"Notwithstanding subparagraph (B), any person treated under subsection (c) as a party to an action shall be permitted to participate in such action (or file a readjustment petition under subsection (b) or paragraph (2) of this subsection) solely for the purpose of asserting that the period of limitations for assessing any tax attributable to partnership items has expired with respect to such person, and the court having jurisdiction of such action shall have jurisdiction to consider such assertion."

(c) TAX COURT JURISDICTION TO DETERMINE OVERPAYMENTS ATTRIBUTABLE TO AFFECTED ITEMS.—

(1) Paragraph (6) of section 6230(d) is amended by striking "(or an affected item)".

(2) Paragraph (3) of section 6512(b) is amended by adding at the end thereof the following new sentence:

"In the case of a credit or refund relating to an affected item (within the meaning of section 6229), the preceding sentence shall be applied by substituting the periods under sections 6229 and 6230(d) for the periods under section 6511(b)(2), (c), and (d)."

(d) VENUE ON APPEAL.—

(1) Paragraph (1) of section 7482(b) is amended by striking "or" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", or", and by inserting after subparagraph (E) the following new subparagraph:

"(F) in the case of a petition under section 6234(c)—

"(i) the legal residence of the petitioner if the petitioner is not a corporation, and

"(ii) the place or office applicable under subparagraph (B) if the petitioner is a corporation."

(2) The last sentence of section 7482(b) is amended by striking "or 6228(a)" and inserting ", 6228(a), or 6234(c)".

(e) OTHER PROVISIONS.—

(1) Subsection (c) of section 7459 is amended by striking "or section 6228(a)" and inserting ", 6228(a), or 6234(c)".

(2) Subsection (o) of section 6501 is amended by adding at the end thereof the following new paragraph:

"(3) For declaratory judgment relating to treatment of items other than partnership items with respect to an oversheltered return, see section 6234."

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years ending after the date of the enactment of this Act.

SEC. 4320. TREATMENT OF PREMATURE PETITIONS FILED BY NOTICE PARTNERS OR 5-PERCENT GROUPS.

(a) IN GENERAL.—Subsection (b) of section 6226 (relating to judicial review of final partnership administrative adjustments) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) TREATMENT OF PREMATURE PETITIONS.—If—

"(A) a petition for a readjustment of partnership items for the taxable year involved is filed by a notice partner (or a 5-percent group) during the 90-day period described in subsection (a), and

"(B) no action is brought under paragraph (1) during the 60-day period described therein with respect to such taxable year which is not dismissed,

such petition shall be treated for purposes of paragraph (1) as filed on the last day of such 60-day period."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to petitions filed after the date of the enactment of this Act.

SEC. 4321. BONDS IN CASE OF APPEALS FROM TEFRA PROCEEDING.

(a) IN GENERAL.—Subsection (b) of section 7485 (relating to bonds to stay assessment of collection) is amended—

(1) by inserting "penalties," after "any interest,", and

(2) by striking "aggregate of such deficiencies" and inserting "aggregate liability of the parties to the action".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 402 of the Tax Equity and Fiscal Responsibility Act of 1982.

SEC. 4322. SUSPENSION OF INTEREST WHERE DELAY IN COMPUTATIONAL ADJUSTMENT RESULTING FROM TEFRA SETTLEMENTS.

(a) IN GENERAL.—Subsection (c) of section 6601 (relating to interest on underpayment, nonpayment, or extension of time for payment, of tax) is amended by adding at the end thereof the following new sentence: "In the case of a settlement under section 6224(c) which results in the conversion of partnership items to nonpartnership items pursuant to section 6231(b)(1)(C), the preceding sentence shall apply to a computational adjustment resulting from such settlement in the same manner as if such adjustment were a deficiency and such settlement were a waiver referred to in the preceding sentence."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to settlements entered into after the date of the enactment of this Act.

Subtitle D—Foreign Provisions

PART I—SIMPLIFICATION OF TREATMENT OF PASSIVE FOREIGN CORPORATIONS

SEC. 4401. REPEAL OF FOREIGN PERSONAL HOLDING COMPANY RULES AND FOREIGN INVESTMENT COMPANY RULES.

(a) GENERAL RULE.—The following provisions are hereby repealed:

(1) Part III of subchapter G of chapter 1 (relating to foreign personal holding companies).

(2) Section 1246 (relating to gain on foreign investment company stock).

(3) Section 1247 (relating to election by foreign investment companies to distribute income currently).

(b) EXEMPTION OF FOREIGN CORPORATIONS FROM ACCUMULATED EARNINGS TAX AND PERSONAL HOLDING COMPANY RULES.—

(1) ACCUMULATED EARNINGS TAX.—Subsection (b) of section 532 (relating to exceptions) is amended—

(A) by striking paragraph (2) and inserting the following:

"(2) a foreign corporation, or",

(B) by striking ", or" at the end of paragraph (3) and inserting a period, and

(C) by striking paragraph (4).

(2) PERSONAL HOLDING COMPANY RULES.—Subsection (c) of section 542 (relating to exceptions) is amended—

(A) by striking paragraph (5) and inserting the following:

"(5) a foreign corporation,",

(B) by striking paragraphs (7) and (10) and by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively,

(C) by inserting "and" at the end of paragraph (7) (as so redesignated), and

(D) by striking "; and" at the end of paragraph (8) (as so redesignated) and inserting a period.

(c) TREATMENT OF CERTAIN SERVICE CONTRACTS UNDER SUBPART F.—

(1) Paragraph (1) of section 954(c) (defining foreign personal holding company income) is amended by adding at the end thereof the following new subparagraph:

"(F) PERSONAL SERVICE CONTRACTS.—

"(i) Amounts received under a contract under which the corporation is to furnish personal services, if some person other than the corporation has the right to designate (by name or by description) the individual who is to perform the services, or if the individual who is to perform the services is designated (by name or by description) in the contract.

"(ii) Amounts received from the sale or other disposition of such contract.

This subparagraph shall apply with respect to amounts received for services under a particular contract only if at some time during the taxable year 25 percent or more in value of the outstanding stock of the corporation is owned, directly or indirectly, by or for the individual who has performed, is to perform, or may be designated (by name or by description) as the one to perform, such services. For purposes of the preceding sentence, the attribution rules of section 544 shall apply, determined as if any reference to section 543(a)(7) were a reference to this subparagraph."

(2) Clause (iii) of section 904(d)(2)(A) is amended by striking "and" at the end of subclause (III), by striking the period at the end of subclause (IV) and inserting ", and", and by adding at the end thereof the following new subclause:

"(V) any income described in section 954(c)(1)(F) (relating to personal service contracts)."

SEC. 4402. REPLACEMENT FOR PASSIVE FOREIGN INVESTMENT COMPANY RULES.

(a) GENERAL RULE.—Part VI of subchapter P of chapter 1 (relating to treatment of certain passive foreign investment companies) is amended to read as follows:

"PART VI—TREATMENT OF PASSIVE FOREIGN CORPORATIONS

"Subpart A. Current taxation rules.

"Subpart B. Interest on holdings to which subpart A does not apply.

"Subpart C. General provisions.

"Subpart A—Current Taxation Rules

"Sec. 1291. Stock in certain passive foreign corporations marked to market.

"Sec. 1292. Inclusion of income of certain passive foreign corporations.

"SEC. 1291. STOCK IN CERTAIN PASSIVE FOREIGN CORPORATIONS MARKED TO MARKET.

"(a) GENERAL RULE.—In the case of marketable stock in a passive foreign corporation which is owned (or treated under subsection (g) as owned) by a United States person at the close of any taxable year of such person—

"(1) If the fair market value of such stock as of the close of such taxable year exceeds its adjusted basis, such United States person shall include in gross income for such taxable year an amount equal to the amount of such excess.

"(2) If the adjusted basis of such stock exceeds the fair market value of such stock as of the close of such taxable year, such United States person shall be allowed a deduction for such taxable year equal to the lesser of—

"(A) the amount of such excess, or

"(B) the unreversed inclusions with respect to such stock.

"(b) BASIS ADJUSTMENTS.—

"(1) IN GENERAL.—The adjusted basis of stock in a passive foreign corporation—

"(A) shall be increased by the amount included in the gross income of the United

States person under subsection (a)(1) with respect to such stock, and

"(B) shall be decreased by the amount allowed as a deduction to the United States person under subsection (a)(2) with respect to such stock.

"(2) Special rule for stock constructively owned.—In the case of stock in a passive foreign corporation which the United States person is treated as owning under subsection (g)—

"(A) the adjustments under paragraph (1) shall apply to such stock in the hands of the person actually holding such stock but only for purposes of determining the subsequent treatment under this chapter of the United States person with respect to such stock, and

"(B) similar adjustments shall be made to the adjusted basis of the property by reason of which the United States person is treated as owning such stock.

"(c) Character and Source Rules.—

"(1) Ordinary treatment.—

"(A) Gain.—Any amount included in gross income under subsection (a)(1), and any gain on the sale or other disposition of marketable stock in a passive foreign corporation, shall be treated as ordinary income.

"(B) Loss.—Any—

"(i) amount allowed as a deduction under subsection (a)(2), and

"(ii) loss on the sale or other disposition of marketable stock in a passive foreign corporation to the extent that the amount of such loss does not exceed the unreversed inclusions with respect to such stock,

shall be treated as an ordinary loss. The amount so treated shall be treated as a deduction allowable in computing adjusted gross income.

"(2) Source.—The source of any amount included in gross income under subsection (a)(1) (or allowed as a deduction under subsection (a)(2)) shall be determined in the same manner as if such amount were gain or loss (as the case may be) from the sale of stock in the passive foreign corporation.

"(d) Unreversed Inclusions.—For purposes of this section, the term 'unreversed inclusions' means, with respect to any stock in a passive foreign corporation, the excess (if any) of—

"(1) the amount included in gross income of the taxpayer under subsection (a)(1) with respect to such stock for prior taxable years, over

"(2) the amount allowed as a deduction under subsection (a)(2) with respect to such stock for prior taxable years.

The amount referred to in paragraph (1) shall include any amount which would have been included in gross income under subsection (a)(1) with respect to such stock for any prior taxable year but for section 1293.

"(e) Coordination With Section 1292.—This section shall not apply with respect to any stock in a passive foreign corporation—

"(1) which is U.S. controlled,

"(2) which is a qualified electing fund with respect to the United States person for the taxable year, or

"(3) in which the United States person is a 25-percent shareholder.

"(f) Treatment of Controlled Foreign Corporations Which are Shareholders in Passive Foreign Corporations.—In the case of a foreign corporation which is a controlled foreign corporation (or is treated as a controlled foreign corporation under section 1292) and which owns (or is treated under subsection (g) as owning) stock in a passive foreign corporation—

"(1) this section (other than subsection (c)(2) thereof) shall apply to such foreign corporation in the same manner as if such corporation were a United States person, and

"(2) for purposes of subpart F of part III of subchapter N—

"(A) any amount included in gross income under subsection (a)(1) shall be treated as foreign personal holding company income described in section 954(c)(1)(A), and

"(B) any amount allowed as a deduction under subsection (a)(2) shall be treated as a deduction allocable to foreign personal holding company income so described.

"(g) Stock Owned Through Certain Foreign Entities.—Except as provided in regulations—

"(1) In general.—For purposes of this section, stock owned, directly or indirectly, by or for a foreign partnership or foreign trust or foreign estate shall be considered as being owned proportionately by its partners or beneficiaries. Stock considered to be owned by a person by reason of the application of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person.

"(2) Treatment of certain dispositions.—In any case in which a United States person is treated as owning stock in a passive foreign corporation by reason of paragraph (1)—

"(A) any disposition by the United States person or by any other person which results in the United States person being treated as no longer owning such stock, and

"(B) any disposition by the person owning such stock,

shall be treated as a disposition by the United States person of the stock in the passive foreign corporation.

"(h) Coordination With Section 851(b).—For purposes of paragraphs (2) and (3) of section 851(b), any amount included in gross income under subsection (a) shall be treated as a dividend.

"(i) Transition Rules.—

"(1) Individuals becoming subject to U.S. tax.—If any individual becomes a United States person in a taxable year beginning after December 31, 1992, solely for purposes of this section, the adjusted basis (before adjustments under subsection (b)) of any marketable stock in a passive foreign corporation owned (or treated as owned under subsection (g)) by such individual on the first day of such taxable year shall be treated as being the greater of its fair market value on such first day or its adjusted basis on such first day.

"(2) Marketable stock held before effective date.—

"(A) In general.—If any marketable stock in a passive foreign corporation is owned (or treated under subsection (g) as owned) by a United States person on the first day of such person's first taxable year, beginning after December 31, 1992—

"(i) paragraph (2) of section 1294(a) shall apply to such stock as if it became marketable during such first taxable year; except that—

"(I) section 1293 shall not apply to the amount included in gross income under subsection (a) to the extent such amount is attributable to increases in fair market value during such first taxable year, and

"(II) the taxpayer's holding period shall be treated as having ended on the last day of the preceding taxable year for purposes of allocating amounts under section 1293(a)(1)(A), and

"(ii) such person may elect to extend the time for the payment of the applicable section 1293 deferred tax as provided in subparagraph (B).

"(B) Election to extend time for payment.—

"(i) In general.—At the election of the taxpayer, the time for the payment of the applicable section 1293 deferred tax shall be extended to the extent and subject to the limitations provided in this subparagraph.

"(ii) Termination of extension.—

"(I) Distributions.—If any distribution is received with respect to any stock to which an extension under clause (i) relates and such distribution would be an excess distribution within the meaning of section 1293 if such section applied to such stock, then the extension under clause (i) for the appropriate portion (as determined under regulations) of the applicable section 1293 deferred tax shall expire on the last day prescribed by law (determined without regard to extensions) for filing the return of tax for the taxable year in which the distribution is received.

"(II) Reversal of inclusion.—If an amount is allowable as a deduction under subsection (a)(2) with respect to any stock to which an extension under clause (i) relates and the amount so allowable is allocable to the amount which gave rise to the applicable section 1293 deferred tax, then the extension under clause (i) for the appropriate portion (as determined under regulations) of the applicable section 1293 deferred tax shall expire on the last day prescribed by law (determined without regard to extensions) for filing the return of the tax for the taxable year for which such deduction is allowed.

"(III) Dispositions, etc.—If stock in a passive foreign corporation is disposed of during the taxable year, all extensions under clause (i) for payment of the applicable section 1293 deferred tax attributable to such stock which have not expired before the date of such disposition shall expire on the last date prescribed by law (determined without regard to extensions) for filing the return of tax for the taxable year in which such disposition occurs. To the extent provided in regulations, the preceding sentence shall not apply in the case of a disposition in a transaction with respect to which gain or loss is not recognized (in whole or in part), and the person acquiring such stock in such transaction shall succeed to the treatment under this section of the person making such disposition.

"(iii) Other rules.—

"(I) Election.—The election under clause (i) shall be made not later than the time prescribed by law (including extensions) for filing the return of tax imposed by this chapter for the first taxable year referred to in subparagraph (A).

"(II) Treatment of loans to shareholder.—For purposes of this subparagraph, any loan by a passive foreign corporation (directly or indirectly) to a shareholder of such corporation shall be treated as a distribution to such shareholder.

"(C) Cross reference.—

"For provisions providing for interest for the period of the extension under this paragraph, see section 6601.

"(D) Applicable section 1293 deferred tax.—For purposes of this paragraph, the term 'applicable section 1293 deferred tax' means the deferred tax amount determined under section 1293 with respect to the amount which, but for section 1293, would have been included in gross income for the first taxable year referred to in subparagraph (A). Such term also includes the tax imposed by this chapter for such first taxable year to the extent attributable to the amounts allocated under section 1293(a)(1)(A) to a period described in section 1293(a)(1)(B)(ii).

"(3) SPECIAL RULES FOR REGULATED INVESTMENT COMPANIES.—

"(A) IN GENERAL.—If any marketable stock in a passive foreign corporation is owned (or treated under subsection (g) as owned) by a regulated investment company on the first day of such company's first taxable year beginning after December 31, 1992—

"(i) section 1293 shall not apply to such stock with respect to any distribution or disposition during, or amount included in gross income under this section for, such first taxable year, but

"(ii) such company's tax under this chapter for such first taxable year shall be increased by the aggregate amount of interest which would have been determined under section 1293(c)(3) if section 1293 were applied without regard to this subparagraph.

"(B) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed to any regulated investment company for the increase in tax under subparagraph (A)(ii).

"SEC. 1292. CURRENT INCLUSION OF INCOME OF CERTAIN PASSIVE FOREIGN CORPORATIONS.

"(a) PASSIVE FOREIGN CORPORATIONS WHICH ARE U.S. CONTROLLED.—

"(1) TREATMENT UNDER SUBPART F.—

"(A) IN GENERAL.—If a passive foreign corporation is United States controlled, then for purposes of subpart F of part III of subchapter N—

"(i) such corporation, if not otherwise a controlled foreign corporation, shall be treated as a controlled foreign corporation,

"(ii) the term 'United States shareholder' means, with respect to such corporation, any United States person who owns (within the meaning of section 958(a)) any stock in such corporation,

"(iii) the entire gross income of such corporation shall, after being reduced under the principles of paragraph (5) of section 954(b), be treated as foreign base company income, and

"(iv) sections 970 and 971 shall not apply.

Except as provided in regulations, the preceding sentence shall also apply for purposes of section 904(d).

"(B) SPECIAL RULES.—If any taxpayer is treated as being a United States shareholder in a controlled foreign corporation solely by reason of this section—

"(i) section 954(b)(4) (relating to exception for certain income subject to high foreign taxes) shall not apply for purposes of determining the amount included in the gross income of such taxpayer under section 951 by reason of being so treated with respect to such corporation, and

"(ii) the amount so included in the gross income of such taxpayer under section 951 with respect to such corporation shall be treated as long-term capital gain to the extent attributable to the net capital gain of such corporation.

"(2) U.S. CONTROLLED.—For purposes of this subpart, a passive foreign corporation is United States controlled if—

"(A) such corporation is a controlled foreign corporation determined without regard to this subsection, or

"(B) at any time during the taxable year more than 50 percent of—

"(i) the total combined voting power of all classes of stock of such corporation entitled to vote, or

"(ii) the total value of the stock of such corporation,

is owned directly or indirectly by 5 or fewer United States persons.

"(3) CONSTRUCTIVE OWNERSHIP RULES FOR PURPOSES OF PARAGRAPH (2)(B).—For purposes of paragraph (2)(B), the attribution rules provided in section 544 shall apply, determined as if any reference to a personal holding company were a reference to a corporation described in paragraph (2)(B) (and any reference to the stock ownership requirement provided in section 542(a)(2) were a reference to the requirement of paragraph (2)(B)); except that—

"(A) subsection (a)(4) of such section shall be applied by substituting 'Paragraphs (1), (2), and (3)' for 'Paragraphs (2) and (3)',

"(B) stock owned by a nonresident alien individual shall not be considered by reason of attribution through family membership as owned by a citizen or resident alien individual who is not the spouse of the nonresident alien individual and who does not otherwise own stock in the foreign corporation (determined after the application of such attribution rules other than attribution through family membership), and

"(C) stock of a corporation owned by any foreign person shall not be considered by reason of attribution through partners as owned by a citizen or resident of the United States who does not otherwise own stock in the foreign corporation (determined after the application of such attribution rules and subparagraph (A), other than attribution through partners).

"(b) TAXPAYERS ELECTING CURRENT INCLUSION AND 25-PERCENT SHAREHOLDERS.—

"(1) IN GENERAL.—If a passive foreign corporation which is not United States controlled is a qualified electing fund with respect to any taxpayer or the taxpayer is a 25-percent shareholder in such corporation, then for purposes of subpart F of part III of subchapter N—

"(A) such passive foreign corporation shall be treated as a controlled foreign corporation with respect to such taxpayer,

"(B) such taxpayer shall be treated as a United States shareholder in such corporation, and

"(C) the modifications of clauses (iii) and (iv) of subsection (a)(1)(A) and of subparagraph (B) of subsection (a)(1) shall apply in determining the amount included under such subpart F in the gross income of such taxpayer (and the character of the amount so included).

For purposes of section 904(d), any amount included in the gross income of the taxpayer under the preceding sentence shall be treated as a dividend from a foreign corporation which is not a controlled foreign corporation.

"(2) QUALIFIED ELECTING FUND.—For purposes of this subpart, the term 'qualified electing fund' means any passive foreign corporation if—

"(A) an election by the taxpayer under paragraph (3) applies to such corporation for the taxable year of the taxpayer, and

"(B) such corporation complies with such requirements as the Secretary may prescribe for purposes of carrying out the purposes of this subpart.

"(3) ELECTION.—

"(A) IN GENERAL.—A taxpayer may make an election under this paragraph with respect to any passive foreign corporation for any taxable year of the taxpayer. Such an election, once made with respect to any corporation, shall apply to all subsequent taxable years of the taxpayer with respect to such corporation unless revoked by the taxpayer with the consent of the Secretary.

"(B) WHEN MADE.—An election under this subsection may be made for any taxable year of the taxpayer at any time on or before the due date (determined with regard to extensions) for filing the return of the tax imposed by this chapter for such taxable year. To the extent provided in regulations, such an election may be made later than as required in the preceding sentence where the taxpayer fails to make a timely election because the taxpayer reasonably believes that the corporation was not a passive foreign corporation.

"(4) 25-PERCENT SHAREHOLDER.—For purposes of this subpart, the term '25-percent shareholder' means, with respect to any passive foreign corporation, any United States person who owns (within the meaning of section 958(a)), or is considered as owning by applying the rules of section 958(b), 25 percent or more (by vote or value) of the stock of such corporation.

"SUBPART B—INTEREST ON HOLDINGS TO WHICH SUBPART A DOES NOT APPLY

"Sec. 1293. Interest on tax deferral.

"Sec. 1294. Definitions and special rules.

"SEC. 1293. INTEREST ON TAX DEFERRAL.

"(a) TREATMENT OF DISTRIBUTIONS AND STOCK DISPOSITIONS.—

"(1) DISTRIBUTIONS.—If a United States person receives an excess distribution in respect of stock to which this section applies, then—

"(A) the amount of the excess distribution shall be allocated ratably to each day in the taxpayer's holding period for the stock,

"(B) with respect to such excess distribution, the taxpayer's gross income for the current year shall include (as ordinary income) only the amounts allocated under subparagraph (A) to—

"(i) the current year, or

"(ii) any period in the taxpayer's holding period before the first day of the first taxable year of the corporation which begins after December 31, 1986, and for which it was a passive foreign corporation, and

"(C) the tax imposed by this chapter for the current year shall be increased by the deferred tax amount (determined under subsection (c)).

"(2) DISPOSITIONS.—If the taxpayer disposes of stock to which this section applies, then the rules of paragraph (1) shall apply to any gain recognized on such disposition in the same manner as if such gain were an excess distribution.

"(3) DEFINITIONS.—For purposes of this subpart—

"(A) HOLDING PERIOD.—The taxpayer's holding period shall be determined under section 1223; except that—

"(i) for purposes of applying this section to an excess distribution, such holding period shall be treated as ending on the date of such distribution, and

"(ii) if section 1291 applied to such stock with respect to the taxpayer for any prior taxable year, such holding period shall be treated as beginning on the first day of the first taxable year beginning after the last taxable year for which section 1291 so applied.

"(B) CURRENT YEAR.—The term 'current year' means the taxable year in which the excess distribution or disposition occurs.

"(b) EXCESS DISTRIBUTION.—

"(1) IN GENERAL.—For purposes of this section, the term 'excess distribution' means any distribution in respect of stock received during any taxable year to the extent such distribution does not exceed its ratable portion of the total excess distribution (if any) for such taxable year.

"(2) TOTAL EXCESS DISTRIBUTION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'total excess distribution' means the excess (if any) of—

"(i) the amount of the distributions in respect of the stock received by the taxpayer during the taxable year, over

"(ii) 125 percent of the average amount received in respect of such stock by the taxpayer during the 3 preceding taxable years (or, if shorter, the portion of the taxpayer's holding period before the taxable year).

For purposes of clause (ii), any excess distribution received during such 3-year period shall be taken into account only to the extent it was included in gross income under subsection (a)(1)(B).

"(B) NO EXCESS FOR FIRST YEAR.—The total excess distributions with respect to any stock shall be zero for the taxable year in which the taxpayer's holding period in such stock begins.

"(3) ADJUSTMENTS.—Under regulations prescribed by the Secretary—

"(A) determinations under this subsection shall be made on a share-by-share basis, except that shares with the same holding period may be aggregated,

"(B) proper adjustments shall be made for stock splits and stock dividends,

"(C) if the taxpayer does not hold the stock during the entire taxable year, distributions received during such year shall be annualized,

"(D) if the taxpayer's holding period includes periods during which the stock was held by another person, distributions received by such other person shall be taken into account as if received by the taxpayer,

"(E) if the distributions are received in a foreign currency, determinations under this subsection shall be made in such currency and the amount of any excess distribution determined in such currency shall be translated into dollars,

"(F) proper adjustment shall be made for amounts not includible in gross income by reason of section 959(a) or for which a deduction is allowable under section 245(c), and

"(G) if a charitable deduction was allowable under section 642(c) to a trust for any distribution of its income, proper adjustments shall be made for the deduction so allowable to the extent allocable to distributions or gain in respect of stock in a passive foreign corporation.

For purposes of subparagraph (F), any amount not includible in gross income by reason of section 551(d) (as in effect on January 1, 1992) or 1293(c) (as so in effect) shall be treated as an amount not includible in gross income by reason of section 959(a).

"(c) DEFERRED TAX AMOUNT.—For purposes of this section—

"(1) IN GENERAL.—The term 'deferred tax amount' means, with respect to any distribution or disposition to which subsection (a) applies, an amount equal to the sum of—

"(A) the aggregate increases in taxes described in paragraph (2), plus

"(B) the aggregate amount of interest (determined in the manner provided under paragraph (3)) on such increases in tax.

Any increase in the tax imposed by this chapter for the current year under subsection (a) to the extent attributable to the amount referred to in subparagraph (B) shall be treated as interest paid under section 6601 on the due date for the current year.

"(2) AGGREGATE INCREASES IN TAXES.—For purposes of paragraph (1)(A), the aggregate increases in taxes shall be determined by multiplying each amount allocated under subsection (a)(1)(A) to any taxable year (other than the current year) by the highest rate of tax in effect for such taxable year under section 1 or 11, whichever applies.

"(3) COMPUTATION OF INTEREST.—

"(A) IN GENERAL.—The amount of interest referred to in paragraph (1)(B) on any increase determined under paragraph (2) for any taxable year shall be determined for the period—

"(i) beginning on the due date for such taxable year, and

"(ii) ending on the due date for the taxable year with or within which the distribution or disposition occurs,

by using the rates and method applicable under section 6621 for underpayments of tax for such period.

"(B) DUE DATE.—For purposes of this subsection, the term 'due date' means the date prescribed by law (determined without regard to extensions) for filing the return of the tax imposed by this chapter for the taxable year.

"(C) SPECIAL RULE.—For purposes of determining the amount of interest referred to in paragraph (1)(B), the amount of any increase in tax determined under paragraph (2) shall be determined without regard to any reduction under section 1294(d) for a tax described in paragraph (2)(A)(ii) thereof.

"SEC. 1294. DEFINITIONS AND SPECIAL RULES.

"(a) STOCK TO WHICH SECTION 1293 APPLIES.—

"(1) IN GENERAL.—Except as otherwise provided in this paragraph, section 1293 shall apply to any stock in a passive foreign corporation unless—

"(A) such stock is marketable stock as of the time of the distribution or disposition involved, or

"(B)(i) with respect to each of such corporation's taxable years which begin after December 31, 1992, and include any portion of the taxpayer's holding period in such stock—

"(I) such corporation was U.S. controlled (within the meaning of section 1292(a)(2)), or

"(II) such corporation was treated as a controlled foreign corporation under section 1292(b) with respect to the taxpayer, and

"(ii) with respect to each of such corporation's taxable years which begin after December 31, 1986, and before January 1, 1993, and include any portion of the taxpayer's holding period in such stock, such corporation was treated as a qualified electing fund under this part (as in effect on January 1, 1992) with respect to the taxpayer.

"(2) TREATMENT WHERE STOCK BECOMES MARKETABLE.—If any stock in a passive foreign corporation becomes marketable stock after the beginning of the taxpayer's holding period in such stock, section 1293 shall apply to—

"(A) any distributions with respect to, or disposition of, such stock in the taxable year of the taxpayer in which it becomes so marketable, and

"(B) any amount which, but for section 1293, would have been included in gross income under section 1291(a) with respect to such stock for such taxable year in the same manner as if such amount were gain on the disposition of such stock.

"(3) ELECTION TO RECOGNIZE GAIN WHERE COMPANY BECOMES SUBJECT TO CURRENT INCLUSIONS.—

"(A) IN GENERAL.—If—

"(i) a passive foreign corporation first meets the requirements of clause (i) of paragraph (1)(B) with respect to the taxpayer for a taxable year of such taxpayer which begins after December 31, 1992,

"(ii) the taxpayer holds stock in such company on the first day of such taxable year, and

"(iii) the taxpayer establishes to the satisfaction of the Secretary the fair market value of such stock on such first day,

the taxpayer may elect to recognize gain as if he sold such stock on such first day for such fair market value.

"(B) ADDITIONAL ELECTION FOR SHAREHOLDER OF CONTROLLED FOREIGN CORPORATIONS.—

"(i) IN GENERAL.—If—

"(I) a passive foreign corporation first meets the requirements of subclause (I) of paragraph (1)(B)(i) with respect to the taxpayer for a taxable year of such taxpayer which begins after December 31, 1992,

"(II) the taxpayer holds stock in such corporation on the first day of such taxable year, and

"(III) such corporation is a controlled foreign corporation without regard to this part, the taxpayer may elect to be treated as receiving a dividend on such first day in an amount equal to the portion of the post-1986 earnings and profits of such corporation attributable (under regulations prescribed by the Secretary) to the stock in such corporation held by the taxpayer on such first day. The amount treated as a dividend under the preceding sentence shall be treated as an excess distribution and shall be allocated under section 1293(a)(1)(A) only two days during periods taken into account in determining the post-1986 earnings and profits so attributable.

"(ii) POST-1986 EARNINGS AND PROFITS.—For purposes of clause (i), the term 'post-1986 earnings and profits' means earnings and profits which were accumulated in taxable years of the corporation beginning after December 31, 1986, and during the period or periods the stock was held by the taxpayer while the corporation was a passive foreign corporation.

"(iii) COORDINATION WITH SECTION 959(E).—For purposes of section 959(e), any amount treated as a dividend under this subparagraph shall be treated as included in gross income under section 1248(a).

"(C) ADJUSTMENTS.—In the case of any stock to which subparagraph (A) or (B) applies—

"(i) the adjusted basis of such stock shall be increased by the gain recognized under subparagraph (A) or the amount treated as a dividend under subparagraph (B), as the case may be, and

"(ii) the taxpayer's holding period in such stock shall be treated as beginning on the first day referred to in such subparagraph.

"(b) RULES RELATING TO STOCK ACQUIRED FROM A DECEDENT.—

"(1) BASIS.—In the case of stock of a passive foreign corporation acquired by bequest, devise, or inheritance (or by the decedent's estate), notwithstanding section 1014, the basis of such stock in the hands of the person so acquiring it shall be the adjusted basis of such stock in the hands of the decedent immediately before his death (or, if lesser, the basis which would have been determined under section 1014 without regard to this paragraph).

"(2) DEDUCTION FOR ESTATE TAX.—If stock in a passive foreign corporation is acquired from a decedent, the taxpayer shall, under regulations prescribed by the Secretary, be allowed (for the taxable year of the sale or exchange) a deduction from gross income equal to that portion of the decedent's estate tax deemed paid which is attributable to the excess of (A) the value at which such stock was taken into account for purposes of determining the value of the decedent's gross estate, over (B) the basis determined under paragraph (1).

"(3) EXCEPTIONS.—This subsection shall not apply to any stock in a passive foreign corporation if—

"(A) section 1293 would not have applied to a disposition of such stock by the decedent immediately before his death, or

"(B) the decedent was a nonresident alien at all times during his holding period in such stock.

"(c) RECOGNITION OF GAIN.—Except as otherwise provided in regulations, in the case of any transfer of stock in a passive foreign company to which section 1293 applies, where (but for this subsection) there is not full recognition of gain, the excess (if any) of—

"(1) the fair market value of such stock, or

"(2) its adjusted basis,

shall be treated as gain from the sale or exchange of such stock and shall be recognized notwithstanding any provision of law. Proper adjustment shall be made to the basis of property for gain recognized under the preceding sentence.

"(d) COORDINATION WITH FOREIGN TAX CREDIT RULES.—

"(1) IN GENERAL.—If there are creditable foreign taxes with respect to any distribution in respect of stock in a passive foreign corporation—

"(A) the amount of such distribution shall be determined for purposes of section 1293 with regard to section 78,

"(B) the excess distribution taxes shall be allocated ratably to each day in the taxpayer's holding period for the stock, and

"(C) to the extent—

"(i) that such excess distribution taxes are allocated to a taxable year referred to in section 1293(a)(1)(B), such taxes shall be taken into account under section 901 for the current year, and

"(ii) that such excess distribution taxes are allocated to any other taxable year, such taxes shall reduce (subject to the principles of section 904 and not below zero) the increase in tax determined under section 1293(c)(2) for such taxable year by reason of such distribution (but such taxes shall not be taken into account under section 901).

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) CREDITABLE FOREIGN TAXES.—The term 'creditable foreign taxes' means, with respect to any distribution—

"(i) any foreign taxes deemed paid under section 902 with respect to such distribution, and

"(ii) any withholding tax imposed with respect to such distribution,

but only if the taxpayer chooses the benefits of section 901 and such taxes are creditable under section 901 (determined without regard to paragraph (1)(C)(ii)).

"(B) EXCESS DISTRIBUTION TAXES.—The term 'excess distribution taxes' means, with respect to any distribution, the portion of the creditable foreign taxes with respect to such distribution which is attributable (on a pro rata basis) to the portion of such distribution which is an excess distribution.

"(C) SECTION 1248 GAIN.—The rules of this subsection also shall apply in the case of any gain which but for this section would be includible in gross income as a dividend under section 1248.

"(e) ATTRIBUTION OF OWNERSHIP.—For purposes of this subpart—

"(1) ATTRIBUTION TO UNITED STATES PERSONS.—This subsection—

"(A) shall apply to the extent that the effect is to treat stock of a passive foreign corporation as owned by a United States person, and

"(B) except as provided in paragraph (3) or in regulations, shall not apply to treat stock owned (or treated as owned under this subsection) by a United States person as owned by any other person.

"(2) CORPORATIONS.—

"(A) IN GENERAL.—If 50 percent or more in value of the stock of a corporation (other than an S corporation) is owned, directly or indirectly, by or for any person, such person shall be considered as owning the stock owned directly or indirectly by or for such corporation in that proportion which the value of the stock which such person so owns bears to the value of all stock in the corporation.

"(B) 50-PERCENT LIMITATION NOT TO APPLY IN CERTAIN CASES.—For purposes of determining whether a shareholder of a passive foreign corporation (or whether a United States shareholder of a controlled foreign corporation which is not a passive foreign corporation) is treated as owning stock owned directly or indirectly by or for such corporation, subparagraph (A) shall be applied without regard to the 50-percent limitation contained therein.

"(C) FAMILY AND PARTNER ATTRIBUTION FOR 50-PERCENT LIMITATION.—For purposes of determining whether the 50-percent limitation of subparagraph (A) is met, the constructive ownership rules of section 544(a)(2) shall apply in addition to the other rules of this subsection.

"(3) PARTNERSHIPS, ETC.—Except as provided in regulations, stock owned, directly or indirectly, by or for a partnership, S corporation, estate, or trust shall be considered as being owned proportionately by its partners, shareholders, or beneficiaries (as the case may be).

"(4) OPTIONS.—To the extent provided in regulations, if any person has an option to acquire stock, such stock shall be considered as owned by such person. For purposes of this paragraph, an option to acquire such an option, and each one of a series of such options, shall be considered as an option to acquire such stock.

"(5) SUCCESSIVE APPLICATION.—Stock considered to be owned by a person by reason of the application of paragraph (2), (3), or (4) shall, for purposes of applying such paragraphs, be considered as actually owned by such person.

"(f) OTHER SPECIAL RULES.—For purposes of this subpart—

"(1) TIME FOR DETERMINATION.—Stock held by a taxpayer shall be treated as stock in a passive foreign corporation if, at any time during the holding period of the taxpayer with respect to such stock, such corporation (or any predecessor) was a passive foreign corporation. The preceding sentence shall not apply if the taxpayer elects to recognize gain (as of the last day of the last taxable year for which the company was a passive foreign corporation) under rules similar to the rules of subsection (a)(3)(A).

"(2) APPLICATION OF SUBPART WHERE STOCK HELD BY OTHER ENTITY.—Under regulations—

"(A) IN GENERAL.—In any case in which a United States person is treated as owning stock in a passive foreign corporation by reason of subsection (e)—

"(i) any transaction which results in the United States person being treated as no longer owning such stock,

"(ii) any disposition of such stock by the person owning such stock, and

"(iii) any distribution of property in respect of such stock to the person holding such stock,

shall be treated as a disposition by, or distribution to, the United States person with respect to the stock in the passive foreign corporation.

"(B) AMOUNT TREATED IN SAME MANNER AS PREVIOUSLY TAXED INCOME.—Rules similar to the rules of section 959(b) shall apply to any amount described in subparagraph (A) in respect of stock which the taxpayer is treated as owning under subsection (e).

"(C) COORDINATION WITH SECTION 951.—If, but for this subparagraph, an amount would be taken into account under section 1293 by reason of subparagraph (A) and such amount would also be included in the gross income of the taxpayer under section 951, such amount shall only be taken into account under section 1293.

"(3) DISPOSITIONS.—Except as provided in regulations, if a taxpayer uses any stock in a passive foreign corporation as security for a loan, the taxpayer shall be treated as having disposed of such stock.

"SUBPART C—GENERAL PROVISIONS

"Sec. 1296. Passive foreign corporation.
"Sec. 1297. Special rules.

"SEC. 1296. PASSIVE FOREIGN CORPORATION.

"(a) IN GENERAL.—For purposes of this part, except as otherwise provided in this subpart, the term 'passive foreign corporation' means any foreign corporation if—

"(1) 60 percent or more of the gross income of such corporation for the taxable year is passive income,

"(2) the average percentage of assets (by value) held by such corporation during the taxable year which produce passive income or which are held for the production of passive income is at least 50 percent, or

"(3) such corporation is registered under the Investment Company Act of 1940, as amended (15 U.S.C. 80a-1 to 80b-2), either as a management company or as a unit investment trust.

A foreign corporation may elect to have the determination under paragraph (2) based on the adjusted bases of its assets in lieu of their value. Such an election, once made, may be revoked only with the consent of the Secretary.

"(b) PASSIVE INCOME.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'passive income' means any income which is of a kind which would be foreign personal holding company income as defined in section 954(c) without regard to paragraph (3) thereof.

"(2) EXCEPTIONS.—Except as provided in regulations, the term 'passive income' does not include any income—

"(A) derived in the active conduct of a banking business by an institution licensed to do business as a bank in the United States (or, to the extent provided in regulations, by any other corporation),

"(B) derived in the active conduct of an insurance business by a corporation which is predominantly engaged in an insurance business and which would be subject to tax under subchapter L if it were a domestic corporation,

"(C) which is interest, a dividend, or a rent or royalty, which is received or accrued from a related person (within the meaning of section 954(d)(3)) to the extent such amount is properly allocable (under regulations prescribed by the Secretary) to income of such related person which is not passive income, or

"(D) any foreign trade income of a FSC.

For purposes of subparagraph (C), the term 'related person' has the meaning given such term by section 954(d)(3) determined by substituting 'foreign corporation' for 'controlled foreign corporation' each place it appears in section 954(d)(3).

"(3) TREATMENT OF INCOME FROM CERTAIN ASSETS.—To the extent that any asset is properly treated as not held for the production of passive income for purposes of subsection (a)(2), all income from such asset shall be treated as income which is not passive income.

“(c) LOOK-THROUGH IN CASE OF 25-PERCENT OWNED CORPORATION.—If a foreign corporation owns (directly or indirectly) at least 25 percent (by value) of the stock of another corporation, for purposes of determining whether such foreign corporation is a passive foreign corporation, such foreign corporation shall be treated as if it—

“(1) held its proportionate share of the assets of such other corporation, and

“(2) received directly its proportionate share of the income of such other corporation.

“SEC. 1297. SPECIAL RULES.

“(a) UNITED STATES PERSON.—For purposes of this part, the term ‘United States person’ has the meaning given to such term by section 7701(a)(30).

“(b) CONTROLLED FOREIGN CORPORATION.—For purposes of this part, the term ‘controlled foreign corporation’ has the meaning given such term by section 957(a).

“(c) MARKETABLE STOCK.—For purposes of this part—

“(1) IN GENERAL.—The term ‘marketable stock’ means—

“(A) any stock which is regularly traded on—

“(i) a national securities exchange which is registered with the Securities and Exchange Commission or the national market system established pursuant to section 11A of the Securities and Exchange Act of 1934, or

“(ii) any exchange or other market which the Secretary determines has rules adequate to carry out the purposes of this part, and

“(B) to the extent provided in regulations, stock in any foreign corporation which is comparable to a regulated investment company and which offers for sale or has outstanding any stock of which it is the issuer and which is redeemable at its net asset value.

“(2) SPECIAL RULE FOR REGULATED INVESTMENT COMPANIES.—In the case of any regulated investment company which is offering for sale or has outstanding any stock of which it is the issuer and which is redeemable at its net asset value, all stock in a passive foreign corporation which it owns (or is treated under section 1291(g) as owning) shall be treated as marketable stock for purposes of this part. Except as provided in regulations, a similar rule shall apply in the case of any other regulated investment company.

“(d) OTHER SPECIAL RULES.—For purposes of this part—

“(1) CERTAIN CORPORATIONS NOT TREATED AS PASSIVE.—A corporation shall not be treated as a passive foreign corporation for the 1st taxable year such corporation has gross income (hereinafter in this paragraph referred to as the ‘start-up year’) if—

“(A) no predecessor of such corporation was a passive foreign corporation,

“(B) it is established to the satisfaction of the Secretary that such corporation will not be a passive foreign corporation for either of the 1st 2 taxable years following the start-up year, and

“(C) such corporation is not a passive foreign corporation for either of the 1st 2 taxable years following the start-up year.

“(2) CERTAIN CORPORATIONS CHANGING BUSINESSES.—A corporation shall not be treated as a passive foreign corporation for any taxable year if—

“(A) neither such corporation (nor any predecessor) was a passive foreign corporation for any prior taxable year,

“(B) it is established to the satisfaction of the Secretary that—

“(i) substantially all of the passive income of the corporation for the taxable year is attributable to proceeds from the disposition of 1 or more active trades or businesses, and

“(ii) such corporation will not be a passive foreign corporation for either of the 1st 2 taxable years following the taxable year, and

“(C) such corporation is not a passive foreign corporation for either of such 2 taxable years.

For purposes of section 1296(c), any passive income referred to in subparagraph (B)(i) shall be treated as income which is not passive income and any assets which produce income so described shall be treated as assets producing income other than passive income.

“(3) TREATMENT OF CERTAIN FOREIGN CORPORATIONS OWNING STOCK IN 25-PERCENT OWNED DOMESTIC CORPORATION.—

“(A) IN GENERAL.—If a foreign corporation owns at least 25 percent (by value) of the stock of a domestic corporation, for purposes of determining whether such foreign corporation is a passive foreign corporation, any qualified stock held by such domestic corporation shall be treated as an asset which does not produce passive income (and is not held for the production of passive income) and any amount included in gross income with respect to such stock shall not be treated as passive income.

“(B) QUALIFIED STOCK.—For purposes of subparagraph (A), the term ‘qualified stock’ means any stock in a C corporation which is a domestic corporation and which is not a regulated investment company or real estate investment trust.

“(4) TREATMENT OF CORPORATION WHICH WAS A PFIC.—A corporation shall be treated as a passive foreign corporation for any taxable year beginning before January 1, 1993, if and only if such corporation was a passive foreign investment company under this part as in effect for such taxable year.

“(5) SEPARATE INTERESTS TREATED AS SEPARATE CORPORATIONS.—Under regulations prescribed by the Secretary, where necessary to carry out the purposes of this part, separate classes of stock (or other interests) in a corporation shall be treated as interests in separate corporations.

“(e) TREATMENT OF CERTAIN LEASED PROPERTY.—For purposes of section 1296(a)(2)—

“(1) IN GENERAL.—Any tangible personal property with respect to which the foreign corporation is the lessee under a lease with a term of at least 12 months shall be treated as an asset actually held by such corporation.

“(2) DETERMINATION OF VALUE.—

“(A) IN GENERAL.—The value of any asset to which paragraph (1) applies shall be the lesser of—

“(i) the fair market value of such property, or

“(ii) the unamortized portion (as determined under regulations prescribed by the Secretary) of the present value of the payments under the lease for the use of such property.

“(B) PRESENT VALUE.—For purposes of subparagraph (A), the present value of payments described in subparagraph (A)(ii) shall be determined in the manner provided in regulations prescribed by the Secretary—

“(i) as of the beginning of the lease term, and

“(ii) except as provided in such regulations, by using a discount rate equal to the applicable Federal rate determined under section 1274(d)—

“(I) by substituting the lease term for the term of the debt instrument, and

“(II) without regard to paragraph (2) or (3) thereof.

“(3) EXCEPTIONS.—This subsection shall not apply in any case where—

“(A) the lessor is a related person (as defined in the last sentence of section 1296(b)(2)) with respect to the foreign corporation, or

“(B) a principal purpose of leasing the property was to avoid the provisions of this part.

“(f) ELECTION BY CERTAIN PASSIVE FOREIGN CORPORATIONS TO BE TREATED AS A DOMESTIC CORPORATION.—

“(1) IN GENERAL.—For purposes of this title, if—

“(A) a passive foreign corporation would qualify as a regulated investment company under part I of subchapter M if such passive foreign corporation were a domestic corporation,

“(B) such passive foreign corporation meets such requirements as the Secretary shall prescribe to ensure that the taxes imposed by this title on such passive foreign corporation are paid, and

“(C) such passive foreign corporation makes an election to have this paragraph apply and waives all benefits which are granted by the United States under any treaty and to which such corporation would otherwise be entitled by reason of being a resident of another country,

such corporation shall be treated as a domestic corporation.

“(2) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (2), (3), (4)(A), and (5) of section 953(d) shall apply with respect to any corporation making an election under paragraph (1).

“(g) SPECIAL RULES FOR CERTAIN TAXPAYERS.—

“(1) TAX-EXEMPT ORGANIZATIONS.—In the case of any organization exempt from tax under section 501—

“(A) this part shall apply to any stock in a passive foreign corporation owned (or treated as owned under section 1294(e)) by such organization only to the extent that a dividend on such stock would be taken into account in determining the unrelated business taxable income of such organization, and

“(B) to the extent that this part applies to any such stock, this part shall be applied in the same manner as if such organization were not exempt from tax under section 501(a).

“(2) TREATMENT OF STOCK HELD BY POOLED INCOME FUND.—If stock in a passive foreign corporation is owned (or treated as owned under section 1294(e)) by a pooled income fund (as defined in section 642(c)(5)) and no portion of any gain from a disposition of such stock may be allocated to income under the terms of the governing instrument of such fund—

“(A) section 1293 shall not apply to any gain on a disposition of such stock by such fund if (without regard to section 1293) a deduction would be allowable with respect to such gain under section 642(c)(3),

“(B) subpart A shall not apply with respect to such stock, and

“(C) in determining whether section 1293 applies to any distribution in respect of such stock, such stock shall be treated as failing to qualify for the exceptions under section 1294(a)(1).

“(h) INFORMATION FROM SHAREHOLDERS.—Every United States person who owns stock in any passive foreign corporation shall furnish with respect to such corporation such information as the Secretary may prescribe.

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this part, including regulations—

"(1) providing that gross income shall be determined without regard to section 1293 for such purposes as may be specified in such regulations, and

"(2) to prevent avoidance of the provisions of this part through changes in citizenship or residence status.".

(b) INSTALLMENT SALES TREATMENT NOT AVAILABLE.—Paragraph (2) of section 453(k) is amended by striking "or" at the end of subparagraph (A), by inserting "or" at the end of subparagraph (B), and by adding at the end thereof the following new subparagraph:

"(C) stock in a passive foreign corporation (as defined in section 1296) if section 1293 applies to such sale,".

(c) TREATMENT OF MARK-TO-MARKET GAIN UNDER SECTION 4982.—

(1) Subsection (e) of section 4982 is amended by adding at the end thereof the following new paragraph:

"(6) TREATMENT OF GAIN RECOGNIZED UNDER SECTION 1291.—For purposes of determining a regulated investment company's ordinary income—

"(A) notwithstanding paragraph (1)(C), section 1291 shall be applied as if such company's taxable year ended on October 31, and

"(B) any ordinary gain or loss from an actual disposition of stock in a passive foreign corporation during the portion of the calendar year after October 31 shall be taken into account in determining such company's ordinary income for the following calendar year.

In the case of a company making an election under paragraph (4), the preceding sentence shall be applied by substituting the last day of the company's taxable year for October 31.".

(2) Subsection (b) of section 852 is amended by adding at the end thereof the following new paragraph:

"(10) SPECIAL RULE FOR CERTAIN LOSSES ON STOCK IN PASSIVE FOREIGN CORPORATIONS.—To the extent provided in regulations, the taxable income of a regulated investment company (other than a company to which an election under section 4982(e)(4) applies) shall be computed without regard to any net reduction in the value of any stock of a passive foreign corporation to which section 1291 applies occurring after October 31 of the taxable year, and any such reduction shall be treated as occurring on the first day of the following taxable year.".

(3) Subsection (c) of section 852 is amended by inserting after "October 31 of such year" the following: ", without regard to any net reduction in the value of any stock of a passive foreign corporation to which section 1291 applies occurring after October 31 of such year,".

(d) TREATMENT OF CERTAIN PREVIOUSLY TAXED AMOUNTS.—Subsection (e) of section 959 is amended—

(1) by adding at the end thereof the following new sentence: "A similar rule shall apply in the case of amounts included in gross income under section 1293 (as in effect on January 1, 1992).", and

(2) by striking "AMOUNTS PREVIOUSLY TAXED UNDER SECTION 1248" in the subsection heading and inserting "CERTAIN PREVIOUSLY TAXED AMOUNTS".

SEC. 4403. TECHNICAL AND CONFORMING AMENDMENTS.

(a) GENERAL RULE.—

(1) Paragraph (2) of section 171(c) is amended—

(A) by striking ", or by a foreign personal holding company, as defined in section 552", and

(B) by striking ", or a foreign personal holding company".

(2) Section 312 is amended by striking subsection (j).

(3) Subsection (m) of section 312 is amended by striking ", a foreign investment company (within the meaning of section 1246(b)), or a foreign personal holding company (within the meaning of section 552)" and inserting "or a passive foreign corporation (as defined in section 1296)".

(4) Subsection (e) of section 443 is amended by striking paragraph (3) and by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(5) Clause (ii) of section 465(c)(7)(B) is amended to read as follows:

"(ii) a passive foreign corporation with respect to which the stock ownership requirements of section 1292(a)(2)(B) are met, or".

(6) Subsection (b) of section 535 is amended by striking paragraph (9).

(7) Subsection (d) of section 535 is hereby repealed.

(8) Paragraph (1) of section 543(b) is amended by inserting "and" at the end of subparagraph (A), by striking ", and" at the end of subparagraph (B) and inserting a period, and by striking subparagraph (C).

(9) Paragraph (1) of section 562(b) is amended by striking "or a foreign personal holding company described in section 552".

(10) Section 563 is amended—

(A) by striking subsection (c),

(B) by redesignating subsection (d) as subsection (c), and

(C) by striking "subsection (a), (b), or (c)" in subsection (c) (as so redesignated) and inserting "subsection (a) or (b)".

(11) Paragraph (2) of section 751(d) is amended by striking "subsection (a) of section 1246 (relating to gain on foreign investment company stock)" and inserting "section 1291 (relating to stock in certain passive foreign corporations marked to market)".

(12) Subsection (b) of section 851 is amended by striking the sentence following paragraph (4)(B) which contains a reference to section 1293(a).

(13) Clause (ii) of section 864(b)(2)(A) is amended by striking "(other than" and all that follows down through "holding company)" and inserting "(other than a corporation which would be a personal holding company but for section 542(c)(5) and which is not United States controlled (as defined in section 1292(a)(2))".

(14) Subsection (d) of section 904 is amended by striking paragraphs (2)(A)(ii), (2)(E)(iii), and (3)(I).

(15)(A) Subparagraph (A) of section 904(g)(1) is amended to read as follows:

"(A) Any amount included in gross income under section 951(a) (relating to amounts included in gross income of United States shareholders)."

(B) The paragraph heading of paragraph (2) of section 904(g) is amended by striking "AND FOREIGN PERSONAL HOLDING OR PASSIVE FOREIGN INVESTMENT COMPANY".

(16) Section 951 is amended by striking subsections (c), (d), and (f), and by redesignating subsection (e) as subsection (c).

(17) Paragraph (1) of section 986(c) is amended by striking "or 1293(c)".

(18) Paragraph (3) of section 989(b) is amended by striking ", 551(a), or 1293(a)".

(19) Paragraph (5) of section 1014(b) is hereby repealed.

(20) Subsection (a) of section 1016 is amended by striking paragraph (13) and by redesignating the following paragraphs accordingly.

(21) Paragraph (3) of section 1212(a) is amended—

(A) by striking subparagraph (A),

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively, and

(C) by amending subparagraph (D) to read as follows:

"(C) for which it is a passive foreign corporation."

(22) Section 1223 is amended by striking paragraph (10) and by redesignating the following paragraphs accordingly.

(23) Subsection (d) of section 1248 is amended by striking paragraphs (5) and (7).

(24)(A) Subsection (a) of section 6035 is amended by striking "foreign personal holding company (as defined in section 552)" and inserting "passive foreign corporation with respect to which the stock ownership requirements of section 1292(a)(2)(B) are met".

(B) The section heading for section 6035 is amended by striking "**foreign personal holding companies**" and inserting "**closely held passive foreign corporations**",.

(C) The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by striking "foreign personal holding companies" in the item relating to section 6035 and inserting "closely-held passive foreign corporations".

(25) Subparagraph (D) of section 6103(e)(1) is amended by striking clause (iv) and redesignating clauses (v) and (vi) as clauses (iv) and (v), respectively.

(26) Subparagraph (B) of section 6501(e)(1) is amended to read as follows:

"(B) CONSTRUCTIVE DIVIDENDS.—If the taxpayer omits from gross income an amount properly includible therein under section 951(a), the tax may be assessed, or a proceeding in court for the collection of such tax may be done without assessing, at any time within 6 years after the return was filed."

(27) Section 4947 and section 4948(c)(4) are each amended by striking "556(b)(2)," each place it appears.

(b) CLERICAL AMENDMENTS.—

(1) The table of parts for subchapter G of chapter 1 is amended by striking the item relating to part III.

(2) The table of sections for part IV of subchapter P of chapter 1 is amended by striking the items relating to sections 1246 and 1247.

(3) The table of parts for subchapter P of chapter 1 is amended by striking the item relating to part VI and inserting the following:

"Part VI. Treatment of passive foreign corporations."

SEC. 4404. EFFECTIVE DATE.

(a) GENERAL RULE.—Except as otherwise provided in this section, the amendments made by this part shall apply to—

(1) taxable years of United States persons beginning after December 31, 1992, and

(2) taxable years of foreign corporations ending with or within such taxable years of United States persons.

(b) DENIAL OF INSTALLMENT SALES TREATMENT.—The amendment made by section 3402(b) shall apply to dispositions after December 31, 1992.

(c) BASIS RULE.—The amendments made by this part shall not affect the determination of the basis of any stock acquired from a decedent in a taxable year beginning before January 1, 1993.

PART II—TREATMENT OF CONTROLLED FOREIGN CORPORATIONS

SEC. 4411. GAIN ON CERTAIN STOCK SALES BY CONTROLLED FOREIGN CORPORATIONS TREATED AS DIVIDENDS.

(a) GENERAL RULE.—Section 964 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new subsection:

"(f) GAIN ON CERTAIN STOCK SALES BY CONTROLLED FOREIGN CORPORATIONS TREATED AS DIVIDENDS.—

"(1) IN GENERAL.—If a controlled foreign corporation sells or exchanges stock in any other foreign corporation, gain recognized on such sale or exchange shall be included in the gross income of such controlled foreign corporation as a dividend to the same extent that it would have been so included under section 1248(a) if such controlled foreign corporation were a United States person. For purposes of determining the amount which would have been so includible, the determination of whether such other foreign corporation was a controlled foreign corporation shall be made without regard to the preceding sentence.

"(2) SAME COUNTRY EXCEPTION NOT APPLICABLE.—Clause (i) of section 954(c)(3)(A) shall not apply to any amount treated as a dividend by reason of paragraph (1).

"(3) CLARIFICATION OF DEEMED SALES.—For purposes of this subsection, a controlled foreign corporation shall be treated as having sold or exchanged any stock if, under any provision of this subtitle, such controlled foreign corporation is treated as having gain from the sale or exchange of such stock.".

(b) AMENDMENT OF SECTION 904(d).—Clause (i) of section 904(d)(2)(E) is amended by striking "and except as provided in regulations, the taxpayer was a United States shareholder in such corporation".

(c) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) shall apply to gain recognized on transactions occurring after the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall apply to distributions after the date of the enactment of this Act.

SEC. 4412. AUTHORITY TO PRESCRIBE SIMPLIFIED METHOD FOR APPLYING SECTION 960(b)(2).

(a) GENERAL RULE.—Paragraph (2) of section 960(b) is amended by adding at the end thereof the following new sentence: "The Secretary may prescribe regulations requiring the use of simplified methods set forth in such regulations for determining the amount of the increase referred to in the preceding sentence."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 4413. MISCELLANEOUS MODIFICATIONS TO SUBPART F.

(a) SECTION 1248 GAIN TAKEN INTO ACCOUNT IN DETERMINING PRO RATA SHARE.—

(1) IN GENERAL.—Paragraph (2) of section 951(a) (defining pro rata share of subpart F income) is amended by adding at the end thereof the following new sentence: "For purposes of subparagraph (B), any gain included in the gross income of any person as a dividend under section 1248 shall be treated as a distribution received by such person with respect to the stock involved."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to dispositions after the date of the enactment of this Act.

(b) BASIS ADJUSTMENTS IN STOCK HELD BY FOREIGN CORPORATION.—

(1) IN GENERAL.—Section 961 (relating to adjustments to basis of stock in controlled foreign corporations and of other property) is amended by adding at the end thereof the following new subsection:

"(c) BASIS ADJUSTMENTS IN STOCK HELD BY FOREIGN CORPORATION.—Under regulations prescribed by the Secretary, if a United States shareholder is treated under section 958(a)(2) as owning any stock in a controlled foreign corporation which is actually owned by another controlled foreign corporation, adjustments similar to the adjustments provided by subsections (a) and (b) shall be made to the basis of such stock in the hands of such other controlled foreign corporation, but only for the purposes of determining the amount included under section 951 in the gross income of such United States shareholder (or any other United States shareholder who acquires from any person any portion of the interest of such United States shareholder by reason of which such shareholder was treated as owning such stock, but only to the extent of such portion, and subject to such proof of identity of such interest as the Secretary may prescribe by regulations)."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply for purposes of determining inclusions for taxable years of United States shareholders beginning after December 31, 1992.

(c) DETERMINATION OF PREVIOUSLY TAXED INCOME IN SECTION 304 DISTRIBUTIONS, ETC.—

(1) IN GENERAL.—Section 959 (relating to exclusion from gross income of previously taxed earnings and profits) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS FOR CERTAIN TRANSACTIONS.—If by reason of—

"(1) a transaction to which section 304 applies,

"(2) the structure of a United States shareholder's holdings in controlled foreign corporations, or

"(3) other circumstances,

there would be a multiple inclusion of any item in income (or an inclusion or exclusion without an appropriate basis adjustment) by reason of this subpart, the Secretary may prescribe regulations providing such modifications in the application of this subpart as may be necessary to eliminate such multiple inclusion or provide such basis adjustment, as the case may be."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(d) CLARIFICATION OF TREATMENT OF BRANCH TAX EXEMPTIONS OR REDUCTIONS.—

(1) IN GENERAL.—Subsection (b) of section 952 is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any exemption (or reduction) with respect to the tax imposed by section 884 shall not be taken into account."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1986.

SEC. 4414. INDIRECT FOREIGN TAX CREDIT ALLOWED FOR CERTAIN LOWER TIER COMPANIES.

(a) SECTION 902 CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 902 (relating to deemed taxes increased in case of certain 2nd and 3rd tier foreign corporations) is amended to read as follows:

"(b) DEEMED TAXES INCREASED IN CASE OF CERTAIN LOWER TIER CORPORATIONS.—

"(1) IN GENERAL.—If—

"(A) any foreign corporation is a member of a qualified group, and

"(B) such foreign corporation owns 10 percent or more of the voting stock of another member of such group from which it receives dividends in any taxable year,

such foreign corporation shall be deemed to have paid the same proportion of such other member's post-1986 foreign income taxes as would be determined under subsection (a) if such foreign corporation were a domestic corporation.

"(2) QUALIFIED GROUP.—For purposes of paragraph (1), the term 'qualified group' means—

"(A) the foreign corporation described in subsection (a), and

"(B) any other foreign corporation if—

"(i) the domestic corporation owns at least 5 percent of the voting stock of such other foreign corporation indirectly through a chain of foreign corporations connected through stock ownership of at least 10 percent of their voting stock,

"(ii) the foreign corporation described in subsection (a) is the first tier corporation in such chain, and

"(iii) such other corporation is not below the sixth tier in such chain,

The term 'qualified group' shall not include any foreign corporation below the third tier in the chain referred to in clause (i) unless such foreign corporation is a controlled foreign corporation (as defined in section 957) and the domestic corporation is a United States shareholder (as defined in section 951(b)) in such foreign corporation. Paragraph (1) shall apply to those taxes paid by a member of the qualified group below the third tier only with respect to periods during which it was a controlled foreign corporation."

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (B) of section 902(c)(3) is amended by adding "or" at the end of clause (i) and by striking clauses (ii) and (iii) and inserting the following new clause:

"(ii) the requirements of subsection (b)(2) are met with respect to such foreign corporation."

(B) Subparagraph (B) of section 902(c)(4) is amended by striking "3rd foreign corporation" and inserting "sixth tier foreign corporation".

(C) The heading for paragraph (3) of section 902(c) is amended by striking "WHERE DOMESTIC CORPORATION ACQUIRES 10 PERCENT OF FOREIGN CORPORATION" and inserting "WHERE FOREIGN CORPORATION FIRST QUALIFIES".

(D) Paragraph (3) of section 902(c) is amended by striking "ownership" each place it appears.

(b) SECTION 960 CREDIT.—Paragraph (1) of section 960(a) (relating to special rules for foreign tax credits) is amended to read as follows:

"(1) DEEMED PAID CREDIT.—For purposes of subpart A of this part, if there is included under section 951(a) in the gross income of a domestic corporation any amount attributable to earnings and profits of a foreign corporation which is a member of a qualified group (as defined in section 902(b)) with respect to the domestic corporation, then, except to the extent provided in regulations, section 902 shall be applied as if the amount so included were a dividend paid by such foreign corporation (determined by applying section 902(c) in accordance with section 904(d)(3)(B))."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes of foreign corporations for taxable years of such corporations beginning after the date of enactment of this Act.

(2) SPECIAL RULE.—In the case of any chain of foreign corporations described in clauses (i) and (ii) of section 902(b)(2)(B) of the Internal Revenue Code of 1986 (as amended by this section), no liquidation, reorganization, or similar transaction in a taxable year beginning after the date of the enactment of this Act shall have the effect of permitting taxes to be taken into account under section 902 of the Internal Revenue Code of 1986 which could not have been taken into account under such section but for such transaction.

PART III—OTHER PROVISIONS

SEC. 4421. EXCHANGE RATE USED IN TRANSLATING FOREIGN TAXES.

(a) ACCRUED TAXES TRANSLATED BY USING AVERAGE RATE FOR YEAR TO WHICH TAXES RELATE.—

(1) IN GENERAL.—Subsection (a) of section 986 (relating to translation of foreign taxes) is amended to read as follows:

"(a) FOREIGN INCOME TAXES.—

"(1) TRANSLATION OF ACCRUED TAXES.—

"(A) IN GENERAL.—For purposes of determining the amount of the foreign tax credit, in the case of a taxpayer who takes foreign income taxes into account when accrued, the amount of any foreign income taxes (and any adjustment thereto) shall be translated into dollars by using the average exchange rate for the taxable year to which such taxes relate.

"(B) EXCEPTION FOR TAXES NOT PAID WITHIN FOLLOWING 2 YEARS.—

"(i) Subparagraph (A) shall not apply to any foreign income taxes paid after the date 2 years after the close of the taxable year to which such taxes relate.

"(ii) Subparagraph (A) shall not apply to taxes paid before the beginning of the taxable year to which such taxes relate.

"(C) EXCEPTION FOR INFLATIONARY CURRENCIES.—To the extent provided in regulations, subparagraph (A) shall not apply to any foreign income taxes the liability for which is denominated in any currency determined to be an inflationary currency under such regulations.

"(D) CROSS REFERENCE.—

"For adjustments where tax is not paid within 2 years, see section 905(c).

"(2) TRANSLATION OF TAXES TO WHICH PARAGRAPH (1) DOES NOT APPLY.—For purposes of determining the amount of the foreign tax credit, in the case of any foreign income taxes to which subparagraph (A) of paragraph (1) does not apply—

"(A) such taxes shall be translated into dollars using the exchange rates as of the time such taxes were paid to the foreign country or possession of the United States, and

"(B) any adjustment to the amount of such taxes shall be translated into dollars using—

"(i) except as provided in clause (ii), the exchange rate as of the time when such adjustment is paid to the foreign country or possession, or

"(ii) in the case of any refund or credit of foreign income taxes, using the exchange rate as of the time of the original payment of such foreign income taxes.

"(3) FOREIGN INCOME TAXES.—For purposes of this subsection, the term 'foreign income taxes' means any income, war profits, or excess profits taxes paid or accrued to any foreign country or to any possession of the United States."

(2) ADJUSTMENT WHEN NOT PAID WITHIN 2 YEARS AFTER YEAR TO WHICH TAXES RELATE.—Subsection (c) of section 905 is amended to read as follows:

"(c) ADJUSTMENTS TO ACCRUED TAXES.—

"(1) IN GENERAL.—If—

"(A) accrued taxes when paid differ from the amounts claimed as credits by the taxpayer,

"(B) accrued taxes are not paid before the date 2 years after the close of the taxable year to which such taxes relate, or

"(C) any tax paid is refunded in whole or in part,

the taxpayer shall notify the Secretary, who shall redetermine the amount of the tax for the year or years affected.

"(2) SPECIAL RULE FOR TAXES NOT PAID WITHIN 2 YEARS.—In making the redetermination under paragraph (1), no credit shall be allowed for accrued taxes not paid before the date referred to in subparagraph (B) of paragraph (1). Any such taxes if subsequently paid shall be taken into account for the taxable year in which paid and no redetermination under this section shall be made on account of such payment.

"(3) ADJUSTMENTS.—The amount of tax due on any redetermination under paragraph (1) (if any) shall be paid by the taxpayer on notice and demand by the Secretary, and the amount of tax overpaid (if any) shall be credited or refunded to the taxpayer in accordance with subchapter B of chapter 66 (section 6511 et seq.).

"(4) BOND REQUIREMENTS.—In the case of any tax accrued but not paid, the Secretary, as a condition precedent to the allowance of the credit provided in this subpart, may require the taxpayer to give a bond, with sureties satisfactory to and approved by the Secretary, in such sum as the Secretary may require, conditioned on the payment by the taxpayer of any amount of tax found due on any such redetermination. Any such bond shall contain such further conditions as the Secretary may require.

"(5) OTHER SPECIAL RULES.—In any redetermination under paragraph (1) by the Secretary of the amount of tax due from the taxpayer for the year or years affected by a refund, the amount of the taxes refunded for which credit has been allowed under this section shall be reduced by the amount of any tax described in section 901 imposed by the foreign country or possession of the United States with respect to such refund; but no credit under this subpart, or deduction under section 164, shall be allowed for any taxable year with respect to any such tax imposed on the refund. No interest shall be assessed or collected on any amount of tax due on any redetermination by the Secretary, resulting from a refund to the taxpayer, for any period before the receipt of such refund, except to the extent interest was paid by the foreign country or possession of the United States on such refund for such period."

(b) AUTHORITY TO USE AVERAGE RATES.—

(1) IN GENERAL.—Subsection (a) of section 986 (relating to foreign taxes) is amended by adding at the end thereof the following new paragraph:

"(4) AUTHORITY TO PERMIT USE OF AVERAGE RATES.—To the extent prescribed in regulations, the average exchange rate for the period (specified in such regulations) during which the taxes or adjustment is paid may be used instead of the exchange rate as of the time of such payment."

(2) DETERMINATION OF AVERAGE RATES.—Subsection (c) of section 989 is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by adding at the end thereof the following new paragraph:

"(6) setting forth procedures for determining the average exchange rate for any period."

(3) CONFORMING AMENDMENTS.—Subsection (b) of section 989 is amended by striking "weighted" each place it appears.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after December 31, 1991.

SEC. 4422. ELECTION TO USE SIMPLIFIED SECTION 904 LIMITATION FOR ALTERNATIVE MINIMUM TAX.

(a) GENERAL RULE.—Subsection (a) of section 59 (relating to alternative minimum tax foreign tax credit) is amended by adding at the end thereof the following new paragraph:

"(3) ELECTION TO USE SIMPLIFIED SECTION 904 LIMITATION.—

"(A) IN GENERAL.—In determining the alternative minimum tax foreign tax credit for any taxable year to which an election under this paragraph applies—

"(i) subparagraph (B) of paragraph (1) shall not apply, and

"(ii) the limitation of section 904 shall be based on the proportion which—

"(I) the taxpayer's taxable income (as determined for purposes of the regular tax) from sources without the United States (but not in excess of the taxpayer's entire alternative minimum taxable income), bears to

"(II) the taxpayer's entire alternative minimum taxable income for the taxable year.

"(B) ELECTION.—

"(i) IN GENERAL.—An election under this paragraph may be made only for the taxpayer's first taxable year which begins after December 31, 1992, and for which the taxpayer claims an alternative minimum tax foreign tax credit.

"(ii) ELECTION REVOCABLE ONLY WITH CONSENT.—An election under this paragraph, once made, shall apply to the taxable year for which made and all subsequent taxable years unless revoked with the consent of the Secretary.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 4423. MODIFICATION OF SECTION 1491.

(a) GENERAL RULE.—So much of chapter 5 (relating to tax on transfers to avoid income tax) as precedes section 1492 is amended to read as follows:

"CHAPTER 5—TREATMENT OF TRANSFERS TO AVOID INCOME TAX

"Sec. 1491. Recognition of gain.
"Sec. 1492. Exceptions.

"SEC. 1491. RECOGNITION OF GAIN.

"In the case of any transfer of property by a United States person to a foreign corporation as paid-in surplus or as a contribution to capital, to a foreign estate or trust, or to a foreign partnership, for purposes of this subtitle, such transfer shall be treated as a sale or exchange for an amount equal to the fair market value of the property transferred, and the transferor shall recognize as gain the excess of—

"(1) the fair market value of the property so transferred, over

"(2) the adjusted basis (for purposes of determining gain) of such property in the hands of the transferor.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1057 is hereby repealed.

(2) Section 1492 is amended to read as follows:

"SEC. 1492. EXCEPTIONS.

"The provisions of section 1491 shall not apply—

"(1) If the transferee is an organization exempt from income tax under part I of subchapter F of chapter 1 (other than an organization described in section 401(a)), "(2) To a transfer described in section 367, or

"(3) To any other transfer, to the extent provided in regulations in accordance with principles similar to the principles of section 367 or otherwise consistent with the purpose of section 1491.".

(3) Section 1494 is hereby repealed.

(4) The table of sections for part IV of subchapter O of chapter 1 is amended by striking the item relating to section 1057.

(5) The table of chapters for subtitle A is amended by striking "Tax on" in the item relating to chapter 5 and inserting "Treatment of".

(c) Effective Date.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

SEC. 4424. MODIFICATION OF SECTION 367(b).

(a) General Rule.—Paragraph (1) of section 367(b) is amended to read as follows:

"(1) In general.—In the case of any transaction described in section 332, 351, 354, 355, 356, or 361 in which the status of a foreign corporation as a corporation is a general condition for nonrecognition by 1 or more of the parties to the transaction, income shall be required to be recognized to the extent provided in regulations prescribed by the Secretary which are necessary or appropriate to prevent the avoidance of Federal income taxes. This subsection shall not apply to a transaction in which the foreign corporation is not treated as a corporation under subsection (a)(1).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to transfers after December 31, 1993.

Subtitle E—Treatment of Intangibles

SEC. 4501. AMORTIZATION OF GOODWILL AND CERTAIN OTHER INTANGIBLES.

(a) General Rule.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 197. AMORTIZATION OF GOODWILL AND CERTAIN OTHER INTANGIBLES.

"(a) General Rule.—A taxpayer shall be entitled to an amortization deduction with respect to any amortizable section 197 intangible. The amount of such deduction shall be determined by amortizing the adjusted basis (for purposes of determining gain) of such intangible ratably over the 14-year period beginning with the month in which such intangible was acquired.

"(b) No Other Depreciation or Amortization Deduction Allowable.—Except as provided in subsection (a), no depreciation or amortization deduction shall be allowable with respect to any amortizable section 197 intangible.

"(c) Amortizable Section 197 Intangible.—For purposes of this section—

"(1) In general.—Except as otherwise provided in this section, the term 'amortizable section 197 intangible' means any section 197 intangible—

"(A) which is acquired by the taxpayer after the date of the enactment of this section, and

"(B) which is held in connection with the conduct of a trade or business or an activity described in section 212.

"(2) Exclusion of self-created intangibles, etc.—The term 'amortizable section 197 intangible' shall not include any section 197 intangible—

"(A) which is not described in subparagraph (D), (E), or (F) of subsection (d)(1), and

"(B) which is created by the taxpayer.

This paragraph shall not apply if the intangible is created in connection with a transaction (or series of related transactions) involving the acquisition of assets constituting a trade or business or substantial portion thereof.

"(3) Anti-churning rules.—

"For exclusion of intangibles acquired in certain transactions, see subsection (f)(9).

"(d) Section 197 Intangible.—For purposes of this section—

"(1) In general.—Except as otherwise provided in this section, the term 'section 197 intangible' means—

"(A) goodwill,

"(B) going concern value,

"(C) any of the following intangible items:

"(i) workforce in place including its composition and terms and conditions (contractual or otherwise) of its employment,

"(ii) business books and records, operating systems, or any other information base (including lists or other information with respect to current or prospective customers),

"(iii) any patent, copyright, formula, process, design, pattern, knowhow, format, or other similar item,

"(iv) any customer-based intangible,

"(v) any supplier-based intangible, and

"(vi) any other similar item,

"(D) any license, permit, or other right granted by a governmental unit or an agency or instrumentality thereof,

"(E) any covenant not to compete (or other arrangement to the extent such arrangement has substantially the same effect as a covenant not to compete) entered into in connection with an acquisition (directly or indirectly) of an interest in a trade or business or substantial portion thereof, and

"(F) any franchise, trademark, or trade name.

"(2) Customer-based intangible.—

"(A) In general.—The term 'customer-based intangible' means—

"(i) composition of market,

"(ii) market share, and

"(iii) any other value resulting from future provision of goods or services pursuant to relationships (contractual or otherwise) in the ordinary course of business with customers.

"(B) Special rule for financial institutions.—In the case of a financial institution, the term 'customer-based intangible' includes deposit base and similar items.

"(3) Supplier-based intangible.—The term 'supplier-based intangible' means any value resulting from future acquisitions of goods or services pursuant to relationships (contractual or otherwise) in the ordinary course of business with suppliers of goods or services to be used or sold by the taxpayer.

"(e) Exceptions.—For purposes of this section, the term 'section 197 intangible' shall not include any of the following:

"(1) Financial interests.—Any interest—

"(A) in a corporation, partnership, trust, or estate, or

"(B) under an existing futures contract, foreign currency contract, notional principal contract, interest rate swap, or other similar financial contract.

"(2) Land.—Any interest in land.

"(3) Computer software.—

"(A) In general.—Any—

"(i) computer software which is readily available for purchase by the general public, is subject to a nonexclusive license, and has not been substantially modified, and

"(ii) other computer software which is not acquired in a transaction (or series of related transactions) involving the acquisition of assets constituting a trade or business or substantial portion thereof.

"(B) Computer software defined.—For purposes of subparagraph (A), the term 'computer software' means any program designed to cause a computer to perform a desired function. Such term shall not include any data base or similar item unless the data base or item is in the public domain and is incidental to the operation of otherwise qualifying computer software.

"(4) Certain interests or rights acquired separately.—Any of the following not acquired in a transaction (or series of related transactions) referred to in paragraph (3)(B):

"(A) Any interest in a film, sound recording, video tape, book, or similar property.

"(B) Any right to receive tangible property or services under a contract or granted by a governmental unit or agency or instrumentality thereof.

"(C) Any interest in a patent or copyright.

"(D) To the extent provided in regulations, any right under a contract (or granted by a governmental unit or an agency or instrumentality thereof) if such right—

"(i) has a fixed duration, or

"(ii) is fixed as to amount and, without regard to this section, would be amortizable under a method similar to the unit-of-production method.

"(5) Interests under leases and debt instruments.—Any interest under—

"(A) an existing lease of tangible property, or

"(B) except as provided in subsection (d)(2)(B), any existing indebtedness.

"(6) Treatment of sports franchises.—A franchise to engage in professional football, basketball, baseball, or other professional sport, and any item acquired in connection with such a franchise.

"(f) Special Rules.—

"(1) Treatment of certain dispositions, etc.—If there is a disposition of any amortizable section 197 intangible acquired in a transaction or series of related transactions (or any such intangible becomes worthless) and one or more other amortizable section 197 intangibles acquired in such transaction or series of related transactions are retained—

"(A) no loss shall be recognized by reason of such disposition (or such worthlessness), and

"(B) appropriate adjustments to the adjusted bases of such retained intangibles shall be made for any loss not recognized under subparagraph (A).

All persons treated as a single taxpayer under section 41(f)(1) shall be so treated for purposes of the preceding sentence.

"(2) Treatment of certain transfers.—

"(A) In general.—In the case of any section 197 intangible transferred in a transaction described in subparagraph (B), the transferee shall be treated as the transferor for purposes of applying this section with respect to so much of the adjusted basis in the hands of the transferee as does not exceed the adjusted basis in the hands of the transferor.

"(B) Transactions covered.—The transactions described in this subparagraph are—

"(i) any transaction described in section 332, 351, 361, 721, 731, 1031, or 1033, and

"(ii) any transaction between members of the same affiliated group during any taxable year for which a consolidated return is made by such group.

"(3) Treatment of amounts paid pursuant to covenants not to compete, etc.—Any amount paid or incurred pursuant to a covenant or arrangement referred to in subsection (d)(1)(E) shall be treated as an amount chargeable to capital account.

"(4) Treatment of franchises, etc.—

"(A) FRANCHISE.—The term 'franchise' has the meaning given to such term by section 1253(b)(1).

"(B) TREATMENT OF RENEWALS.—Any renewal of a franchise, trademark, or trade name (or of a license, a permit, or other right referred to in subsection (d)(1)(D)) shall be treated as an acquisition. The preceding sentence shall only apply with respect to costs incurred in connection with such renewal.

"(C) CERTAIN AMOUNTS NOT TAKEN INTO ACCOUNT.—Any amount to which section 1253(d)(1) applies shall not be taken into account under this section.

"(5) TREATMENT OF CERTAIN REINSURANCE TRANSACTIONS.—In the case of any amortizable section 197 intangible resulting from an assumption reinsurance transaction, the amount taken into account as the adjusted basis of such intangible under this section shall be the excess of—

"(A) the amount paid or incurred by the acquirer under the assumption reinsurance transaction, over

"(B) the amount required to be capitalized under section 848 in connection with such transaction.

Subsection (b) shall not apply to any amount required to be capitalized under section 848.

"(6) TREATMENT OF CERTAIN SUBLEASES.—For purposes of this section, a sublease shall be treated in the same manner as a lease of the underlying property involved.

"(7) TREATMENT AS DEPRECIABLE.—For purposes of this chapter, any amortizable section 197 intangible shall be treated as property which is of a character subject to the allowance for depreciation provided in section 167.

"(8) TREATMENT OF CERTAIN INCREMENTS IN VALUE.—This section shall not apply to any increment in value if, without regard to this section, such increment is properly taken into account in determining the cost of property which is not a section 197 intangible.

"(9) ANTI-CHURNING RULES.—For purposes of this section—

"(A) IN GENERAL.—The term 'amortizable section 197 intangible' shall not include any section 197 intangible which is described in subparagraph (A) or (B) of subsection (d)(1) (or for which depreciation or amortization would not have been allowable but for this section) and which is acquired by the taxpayer after the date of the enactment of this section, if—

"(i) the intangible was held or used at any time on or after July 25, 1991, and on or before such date of enactment by the taxpayer or a related person,

"(ii) the intangible was acquired from a person who held such intangible at any time on or after July 25, 1991, and on or before such date of enactment, and, as part of the transaction, the user of such intangible does not change, or

"(iii) the taxpayer grants the right to use such intangible to a person (or a person related to such person) who held or used such intangible at any time on or after July 25, 1991, and on or before such date of enactment.

For purposes of this subparagraph, the determination of whether the user of property changes as part of a transaction shall be determined in accordance with regulations prescribed by the Secretary.

"(B) EXCEPTION WHERE GAIN RECOGNIZED.—If—

"(i) subparagraph (A) would not apply to an intangible acquired by the taxpayer but for the last sentence of subparagraph (C)(i), and

"(ii) the person from whom the taxpayer acquired the intangible elects, notwithstanding any other provision of this title—

"(I) to recognize gain on the disposition of the intangible, and

"(II) to pay a tax on such gain which, when added to any other income tax on such gain under this title, equals such gain multiplied by the highest rate of income tax applicable to such person under this title,

then subparagraph (A) shall apply to the intangible only to the extent that the taxpayer's adjusted basis in the intangible exceeds the gain recognized under clause (ii)(I).

"(C) RELATED PERSON DEFINED.—For purposes of this paragraph—

"(i) RELATED PERSON.—A person (hereinafter in this paragraph referred to as the 'related person') is related to any person if—

"(I) the related person bears a relationship to such person specified in section 267(b) or section 707(b)(1), or

"(II) the related person and such person are engaged in trades or businesses under common control (within the meaning of subparagraphs (A) and (B) of section 41(f)(1)).

For purposes of subclause (I), in applying section 267(b) or 707(b)(1), '20 percent' shall be substituted for '50 percent'.

"(ii) TIME FOR MAKING DETERMINATION.—A person shall be treated as related to another person if such relationship exists immediately before or immediately after the acquisition of the intangible involved.

"(D) ACQUISITIONS BY REASON OF DEATH.—Subparagraph (A) shall not apply to the acquisition of any property by the taxpayer if the basis of the property in the hands of the taxpayer is determined under section 1014(a).

"(E) SPECIAL RULE FOR PARTNERSHIPS.—With respect to any increase in the basis of partnership property under section 732, 734, or 743, determinations under this paragraph shall be made at the partner level and each partner shall be treated as having owned and used such partner's proportionate share of the partnership assets.

"(F) ANTI-ABUSE RULES.—The term 'amortizable section 197 intangible' does not include any section 197 intangible acquired in a transaction, one of the principal purposes of which is to avoid the requirement of subsection (c)(1) that the intangible be acquired after the date of the enactment of this section or to avoid the provisions of subparagraph (A).

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including such regulations as may be appropriate to prevent avoidance of the purposes of this section through related persons or otherwise."

(b) MODIFICATIONS TO DEPRECIATION RULES.—

(1) TREATMENT OF CERTAIN PROPERTY EXCLUDED FROM SECTION 197.—Section 167 (relating to depreciation deduction) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) TREATMENT OF CERTAIN PROPERTY EXCLUDED FROM SECTION 197.—

"(1) COMPUTER SOFTWARE.—

"(A) IN GENERAL.—If a depreciation deduction is allowable under subsection (a) with respect to any computer software, such deduction shall be computed by using the straight line method and a useful life of 36 months.

"(B) COMPUTER SOFTWARE.—For purposes of this section, the term 'computer software' has the meaning given to such term by section 197(e)(3)(B); except that such term shall not include any such software which is an amortizable section 197 intangible.

"(2) CERTAIN INTERESTS OR RIGHTS ACQUIRED SEPARATELY.—If a depreciation deduction is allowable under subsection (a) with respect to any property described in subparagraph (B), (C), or (D) of section 197(e)(4), such deduction shall be computed in accordance with regulations prescribed by the Secretary."

(2) ALLOCATION OF BASIS IN CASE OF LEASED PROPERTY.—Subsection (c) of section 167 is amended to read as follows:

"(c) BASIS FOR DEPRECIATION.—

"(1) IN GENERAL.—The basis on which exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the adjusted basis provided in section 1011, for the purpose of determining the gain on the sale or other disposition of such property.

"(2) SPECIAL RULE FOR PROPERTY SUBJECT TO LEASE.—If any property is acquired subject to a lease—

"(A) no portion of the adjusted basis shall be allocated to the leasehold interest, and

"(B) the entire adjusted basis shall be taken into account in determining the depreciation deduction (if any) with respect to the property subject to the lease."

(c) AMENDMENTS TO SECTION 1253.—Subsection (d) of section 1253 is amended by striking paragraphs (2), (3), (4), and (5) and inserting the following:

"(2) OTHER PAYMENTS.—Any amount paid or incurred on account of a transfer, sale, or other disposition of a franchise, trademark, or trade name to which paragraph (1) does not apply shall be treated as an amount chargeable to capital account.

"(3) RENEWALS, ETC.—For purposes of determining the term of a transfer agreement under this section, there shall be taken into account all renewal options (and any other period for which the parties reasonably expect the agreement to be renewed)."

(d) AMENDMENT TO SECTION 848.—Subsection (g) of section 848 is amended by striking "this section" and inserting "this section or section 197".

(e) AMENDMENTS TO SECTION 1060.—

(1) Paragraph (1) of section 1060(b) is amended by striking "goodwill or going concern value" and inserting "section 197 intangibles".

(2) Paragraph (1) of section 1060(d) is amended by striking "goodwill or going concern value (or similar items)" and inserting "section 197 intangibles".

(f) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (g) of section 167 (as redesignated by subsection (b)) is amended to read as follows:

"(g) CROSS REFERENCE.—

"(1) For additional rule applicable to depreciation of improvements in the case of mines, oil and gas wells, other natural deposits, and timber, see section 611.

"(2) For amortization of goodwill and certain other intangibles, see section 197."

(2) Subsection (f) of section 642 is amended by striking "section 169" and inserting "sections 169 and 197".

(3) Subsection (a) of section 1016 is amended by striking paragraph (19) and by redesignating the following paragraphs accordingly.

(4) Subparagraph (C) of section 1245(a)(2) is amended by striking "193, or 1253(d) (2) or (3)" and inserting "or 193".

(5) Paragraph (3) of section 1245(a) is amended by striking "section 185 or 1253(d) (2) or (3)".

(6) The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 197. Amortization of goodwill and certain other intangibles."

(g) Effective Date.—

(1) In general.—Except as otherwise provided in this subsection, the amendments made by this section shall apply with respect to property acquired after the date of the enactment of this Act.

(2) Election to have amendments apply to property acquired after July 25, 1991.—

(A) In general.—If an election under this paragraph applies to the taxpayer—

(i) the amendments made by this section shall apply to property acquired by the taxpayer after July 25, 1991,

(ii) subsection (c)(1)(A) of section 197 of the Internal Revenue Code of 1986 (as added by this section) (and so much of subsection (f)(9)(A) of such section 197 as precedes clause (i) thereof) shall be applied with respect to the taxpayer by treating July 25, 1991, as the date of the enactment of such section, and

(iii) in applying subsection (f)(9) of such section, with respect to any property acquired by the taxpayer on or before the date of the enactment of this Act, only holding or use on July 25, 1991, shall be taken into account.

(B) Election.—An election under this paragraph shall be made at such time and in such manner as the Secretary of the Treasury or his delegate may prescribe. Such an election by any taxpayer, once made—

(i) may be revoked only with the consent of the Secretary, and

(ii) shall apply to the taxpayer making such election and any other taxpayer under common control with the taxpayer (within the meaning of subparagraphs (A) and (B) of section 41(f)(1) of such Code) at any time after November 22, 1991, and on or before the date on which such election is made.

(3) Elective binding contract exception.—

(A) In general.—The amendments made by this section shall not apply to any acquisition of property by the taxpayer if—

(i) such acquisition is pursuant to a written binding contract in effect on the date of the enactment of this Act and at all times thereafter before such acquisition,

(ii) an election under paragraph (2) does not apply to the taxpayer, and

(iii) the taxpayer makes an election under this paragraph with respect to such contract.

(B) Election.—An election under this paragraph shall be made at such time and in such manner as the Secretary of the Treasury or his delegate shall prescribe. Such an election, once made—

(i) may be revoked only with the consent of the Secretary, and

(ii) shall apply to all property acquired pursuant to the contract with respect to which such election was made.

(h) Annual Reports.—The Secretary of the Treasury shall submit annual reports to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation and effects of the amendments made by this section, including the effects of such amendments on merger and acquisition activities. The first such annual report shall be submitted on or before December 31, 1994.

SEC. 4502. TREATMENT OF CERTAIN PAYMENTS TO RETIRED OR DECEASED PARTNER.

(a) Section 736(b) Not to Apply in Certain Cases.—Subsection (b) of section 736 (relating to payments for interest in partnership) is amended by adding at the end thereof the following new paragraph:

"(3) Limitation on application of paragraph (2).—Paragraph (2) shall apply only if—

"(A) capital is not a material income-producing factor for the partnership, and

"(B) the retiring or deceased partner was a general partner in the partnership."

(b) Limitation on Definition of Unrealized Receivables.—

(1) In general.—Subsection (c) of section 751 (defining unrealized receivables) is amended—

(A) by striking "sections 731, 736, and 741" each place they appear and inserting ", sections 731 and 741 (but not for purposes of section 736)", and

(B) by striking "section 731, 736, or 741" each place it appears and inserting "section 731 or 741".

(2) Technical amendments.—

(A) Subsection (e) of section 751 is amended by striking "sections 731, 736, and 741" and inserting "sections 731 and 741".

(B) Section 736 is amended by striking subsection (c).

(c) Effective Date.—

(1) In general.—The amendments made by this section shall apply in the case of partners retiring or dying on or after June 25, 1992.

(2) Binding contract exception.—The amendments made by this section shall not apply to any partner retiring on or after June 25, 1992, if a written contract to purchase such partner's interest in the partnership was binding on June 24, 1992, and at all times thereafter before such purchase.

Subtitle F—Other Income Tax Provisions

PART I—PROVISIONS RELATING TO SUBCHAPTER S CORPORATIONS

SEC. 4601. DETERMINATION OF WHETHER CORPORATION HAS 1 CLASS OF STOCK.

(a) General Rule.—Paragraph (4) of section 1361(c) is amended to read as follows:

"(4) Determination of whether corporation has 1 class of stock.—For purposes of subsection (b)(1)(D), a corporation shall be treated as having 1 class of stock if all outstanding shares of stock of the corporation confer identical rights to distributions and liquidation proceeds. The preceding sentence shall apply whether or not there are differences in voting rights among such shares."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1982.

SEC. 4602. AUTHORITY TO VALIDATE CERTAIN INVALID ELECTIONS.

(a) General Rule.—Subsection (f) of section 1362 (relating to inadvertent terminations) is amended to read as follows:

"(f) Inadvertent Invalid Elections or Terminations.—If—

"(1) an election under subsection (a) by any corporation—

"(A) was not effective for the taxable year for which made (determined without regard to subsection (b)(2)) by reason of a failure to meet the requirements of section 1361(b) or to obtain shareholder consents, or

"(B) was terminated under paragraph (2) or (3) of subsection (d),

"(2) the Secretary determines that the circumstances resulting in such ineffectiveness or termination were inadvertent,

"(3) no later than a reasonable period of time after discovery of the circumstances resulting in such ineffectiveness or termination, steps were taken—

"(A) so that the corporation is a small business corporation, or

"(B) to acquire the required shareholder consents, and

"(4) the corporation, and each person who was a shareholder in the corporation at any time during the period specified pursuant to this subsection, agrees to make such adjustments (consistent with the treatment of the corporation as an S corporation) as may be required by the Secretary with respect to such period,

then, notwithstanding the circumstances resulting in such ineffectiveness or termination, such corporation shall be treated as an S corporation during the period specified by the Secretary."

(b) Late Elections.—Subsection (b) of section 1362 is amended by adding at the end thereof the following new paragraph:

"(5) Authority to treat late elections as timely.—If—

"(A) an election under subsection (a) is made for any taxable year (determined without regard to paragraph (3)) after the date prescribed by this subsection for making such election for such taxable year, and

"(B) the Secretary determines that there was reasonable cause for the failure to timely make such election,

the Secretary may treat such election as timely made for such taxable year (and paragraph (3) shall not apply)."

(c) Effective Date.—The amendments made by this section shall apply with respect to elections for taxable years beginning after December 31, 1982.

SEC. 4603. TREATMENT OF DISTRIBUTIONS DURING LOSS YEARS.

(a) Adjustments for Distributions Taken Into Account Before Losses.—

(1) Subparagraph (A) of section 1366(d)(1) is amended by striking "paragraph (1)" and inserting "paragraphs (1) and (2)(A)".

(2) Subsection (d) of section 1368 is amended by adding at the end thereof the following new sentence:

"In the case of any distribution made during any taxable year, the adjusted basis of the stock shall be determined with regard to the adjustments provided in paragraph (1) of section 1367(a) for the taxable year."

(b) Accumulated Adjustments Account.—Paragraph (1) of section 1368(e) (relating to accumulated adjustments account) is amended by adding at the end thereof the following new subparagraph:

"(C) Net loss for year disregarded.—

"(i) In general.—In applying this section to distributions made during any taxable year, the amount in the accumulated adjustments account as of the close of such taxable year shall be determined without regard to any net negative adjustment for such taxable year.

"(ii) Net negative adjustment.—For purposes of clause (i), the term 'net negative adjustment' means, with respect to any taxable year, the excess (if any) of—

"(I) the reductions in the account for the taxable year (other than for distributions), over

"(II) the increases in such account for such taxable year."

(c) Conforming Amendments.—Subparagraph (A) of section 1368(e)(1) is amended—

(1) by striking "as provided in subparagraph (B)" and inserting "as otherwise provided in this paragraph", and

(2) by striking "section 1367(b)(2)(A)" and inserting "section 1367(a)(2)".

(d) Effective Date.—The amendments made by this section shall apply to distributions in taxable years beginning after December 31, 1991.

SEC. 4604. OTHER MODIFICATIONS.

(a) TREATMENT OF S CORPORATIONS UNDER SUBCHAPTER C.—Subsection (a) of section 1371 (relating to application of subchapter C rules) is amended to read as follows:

"(a) APPLICATION OF SUBCHAPTER C RULES.—Except as otherwise provided in this title, and except to the extent inconsistent with this subchapter, subchapter C shall apply to an S corporation and its shareholders."

(b) S CORPORATIONS PERMITTED TO HOLD SUBSIDIARIES.—

(1) IN GENERAL.—Paragraph (2) of section 1361(b) (defining ineligible corporation) is amended by striking subparagraph (A) and by redesignating subparagraphs (B), (C), (D), and (E) as subparagraphs (A), (B), (C), and (D), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Subsection (c) of section 1361 is amended by striking paragraph (6).

(B) Subsection (b) of section 1504 (defining includible corporation) is amended by adding at the end thereof the following new paragraph:

"(8) An S corporation."

(c) ELIMINATION OF PRE-1983 EARNINGS AND PROFITS.—

(1) IN GENERAL.—If—

(A) a corporation was an electing small business corporation under subchapter S of chapter 1 of the Internal Revenue Code of 1986 for any taxable year beginning before January 1, 1983, and

(B) such corporation is an S corporation under subchapter S of chapter 1 of such Code for its first taxable year beginning after December 31, 1991,

the amount of such corporation's accumulated earnings and profits (as of the beginning of such first taxable year) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning before January 1, 1983, for which such corporation was an electing small business corporation under such subchapter S.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (3) of section 1362(d) is amended—

(i) by striking "subchapter C" in the paragraph heading and inserting "accumulated",

(ii) by striking "subchapter C" in subparagraph (A)(i)(I) and inserting "accumulated", and

(iii) by striking subparagraph (B) and redesignating the following subparagraphs accordingly.

(B)(i) Subsection (a) of section 1375 is amended by striking "subchapter C" in paragraph (1) and inserting "accumulated".

(ii) Paragraph (3) of section 1375(b) is amended to read as follows:

"(3) PASSIVE INVESTMENT INCOME, ETC.—The terms 'passive investment income' and 'gross receipts' have the same respective meanings as when used in paragraph (3) of section 1362(d)."

(iii) The section heading for section 1375 is amended by striking "**subchapter c**" and inserting "**accumulated**".

(iv) The table of sections for part III of subchapter S of chapter 1 is amended by striking "**SUBCHAPTER C**" in the item relating to section 1375 and inserting "**ACCUMULATED**".

(C) Clause (i) of section 1042(c)(4)(A) is amended by striking "section 1362(d)(3)(D)" and inserting "section 1362(d)(3)(C)".

(d) ADJUSTMENTS TO BASIS OF INHERITED S STOCK TO REFLECT CERTAIN ITEMS OF INCOME.—Subsection (b) of section 1367 (relating to adjustments to basis of stock of shareholders, etc.) is amended by adding at the end thereof the following new paragraph:

"(4) ADJUSTMENTS IN CASE OF INHERITED STOCK.—

"(A) IN GENERAL.—If any person acquires stock in an S corporation by reason of the death of a decedent or by bequest, devise, or inheritance, section 691 shall be applied with respect to any item of income of the S corporation in the same manner as if the decedent had held directly his pro rata share of such item.

"(B) ADJUSTMENTS TO BASIS.—The basis determined under section 1014 of any stock in an S corporation shall be reduced by the portion of the value of the stock which is attributable to items constituting income in respect of the decedent."

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1991.

(2) SUBSECTION (d).—The amendment made by subsection (d) shall apply in the case of decedents dying after the date of the enactment of this Act.

PART II—ACCOUNTING PROVISIONS

SEC. 4611. MODIFICATIONS TO LOOK-BACK METHOD FOR LONG-TERM CONTRACTS.

(a) LOOK-BACK METHOD NOT TO APPLY IN CERTAIN CASES.—Subsection (b) of section 460 (relating to percentage of completion method) is amended by adding at the end thereof the following new paragraph:

"(6) ELECTION TO HAVE LOOK-BACK METHOD NOT APPLY IN DE MINIMIS CASES.—

"(A) AMOUNTS TAKEN INTO ACCOUNT AFTER COMPLETION OF CONTRACT.—Paragraph (1)(B) shall not apply with respect to any taxable year (beginning after the taxable year in which the contract is completed) if—

"(i) the cumulative taxable income (or loss) under the contract as of the close of such taxable year, is within

"(ii) 10 percent of the cumulative look-back taxable income (or loss) under the contract as of the close of the most recent taxable year to which paragraph (1)(B) applied (or would have applied but for subparagraph (B)).

"(B) DE MINIMIS DISCREPANCIES.—Paragraph (1)(B) shall not apply in any case to which it would otherwise apply if—

"(i) the cumulative taxable income (or loss) under the contract as of the close of each prior contract year, is within

"(ii) 10 percent of the cumulative look-back income (or loss) under the contract as of the close of such prior contract year.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) CONTRACT YEAR.—The term 'contract year' means any taxable year for which income is taken into account under the contract.

"(ii) LOOK-BACK INCOME OR LOSS.—The look-back income (or loss) is the amount which would be the taxable income (or loss) under the contract if the allocation method set forth in paragraph (2)(A) were used in determining taxable income.

"(iii) DISCOUNTING NOT APPLICABLE.—The amounts taken into account after the completion of the contract shall be determined without regard to any discounting under the 2nd sentence of paragraph (2).

"(D) CONTRACTS TO WHICH PARAGRAPH APPLIES.—This paragraph shall only apply if the taxpayer makes an election under this subparagraph. Unless revoked with the consent of the Secretary, such an election shall apply to all long-term contracts completed during the taxable year for which such election is made or during any subsequent taxable year."

(b) MODIFICATION OF INTEREST RATE.—

(1) IN GENERAL.—Subparagraph (C) of section 460(b)(2) is amended by striking "the overpayment rate established by section 6621" and inserting "the adjusted overpayment rate (as defined in paragraph (7))".

(2) ADJUSTED OVERPAYMENT RATE.—Subsection (b) of section 460 is amended by adding at the end thereof the following new paragraph:

"(7) ADJUSTED OVERPAYMENT RATE.—

"(A) IN GENERAL.—The adjusted overpayment rate for any interest accrual period is the overpayment rate in effect under section 6621 for the calendar quarter in which such interest accrual period begins.

"(B) INTEREST ACCRUAL PERIOD.—For purposes of subparagraph (A), the term 'interest accrual period' means the period—

"(i) beginning on the day after the return due date for any taxable year of the taxpayer, and

"(ii) ending on the return due date for the following taxable year.

For purposes of the preceding sentence, the term 'return due date' means the date prescribed for filing the return of the tax imposed by this chapter (determined without regard to extensions)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contracts completed in taxable years ending after the date of the enactment of this Act.

SEC. 4612. SIMPLIFIED METHOD FOR CAPITALIZING CERTAIN INDIRECT COSTS.

(a) GENERAL RULE.—Subsection (i) of section 263A (relating to regulations) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end thereof the following:

"(3) regulations providing that allocations of costs of any administrative, service, or support function or department may be made on the basis of the base period percentage of the current costs of such function or department.

For purposes of paragraph (3), the term 'base period percentage' means, with respect to any function or department, the percentage of the costs of such function or department during a base period specified in regulations which were allocable to property to which this section applies.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

PART III—PROVISIONS RELATING TO REGULATED INVESTMENT COMPANIES

SEC. 4621. REPEAL OF 30-PERCENT GROSS INCOME LIMITATION.

(a) GENERAL RULE.—Subsection (b) of section 851 (relating to limitations) is amended by striking paragraph (3), by adding "and" at the end of paragraph (2), and by redesignating paragraph (4) as paragraph (3).

(b) TECHNICAL AMENDMENTS.—

(1) The material following paragraph (3) of section 851 (as redesignated by subsection (a)) is amended—

(A) by striking out "paragraphs (2) and (3)" and inserting "paragraph (2)", and

(B) by striking out the last sentence thereof.

(2) Subsection (c) of section 851 is amended by striking "subsection (b)(4)" each place it appears (including the heading) and inserting "subsection (b)(3)".

(3) Subsection (d) of section 851 is amended by striking "subsections (b)(4)" and inserting "subsections (b)(3)".

(4) Paragraph (1) of section 851(e) is amended by striking "subsection (b)(4)" and inserting "subsection (b)(3)".

(5) Paragraph (4) of section 851(e) is amended by striking "subsections (b)(4)" and inserting "subsections (b)(3)".

(6) Section 851 is amended by striking subsection (g) and redesignating subsection (h) as subsection (g).

(7) Subsection (g) of section 851 (as redesignated by paragraph (6)) is amended by striking paragraph (3).

(8) Section 817(h)(2) is amended—

(A) by striking "851(b)(4)" in subparagraph (A) and inserting "851(b)(3)", and

(B) by striking "851(b)(4)(A)(i)" in subparagraph (B) and inserting "851(b)(3)(A)(i)".

(9) Section 1092(f)(2) is amended by striking "Except for purposes of section 851(b)(3), the" and inserting "The".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 4622. BASIS RULES FOR SHARES IN OPEN-END REGULATED INVESTMENT COMPANIES.

(a) ADDITIONAL REPORTING REQUIREMENT.—Section 6045 (relating to returns of brokers) is amended by adding at the end thereof the following new subsection:

"(f) ADDITIONAL INFORMATION REQUIRED WITH RESPECT TO OPEN-END REGULATED INVESTMENT COMPANIES.—

"(1) IN GENERAL.—If any person is required under subsection (a) to make a return regarding the gross proceeds from any disposition of stock in an open-end regulated investment company, such return shall include for each such disposition—

"(A) the basis of the stock disposed of (determined by reference to the average basis of all of the stock in the account from which the disposition was made immediately before the disposition), and

"(B) the portion of such gross proceeds attributable to stock held for more than 1 year and the portion not so attributable.

Determinations under subparagraph (B) shall be made on a first-in, first-out, basis and determinations of basis and holding period shall be made in such manner as the Secretary may prescribe.

"(2) OPEN-END REGULATED INVESTMENT COMPANY.—For purposes of this subsection, the term 'open-end regulated investment company' means any regulated investment company which is offering for sale or has outstanding any redeemable security (as defined in section 2(a)(32) of the Investment Company Act of 1940) of which it is the issuer.

"(3) INFORMATION TRANSFERS.—To the extent provided in regulations, there shall be such exchanges of information between brokers as such regulations may require for purposes of enabling brokers to meet the requirements of this subsection.

"(4) APPLICATION OF SUBSECTION.—This subsection shall not apply with respect to stock in any account—

"(A) which was established before January 1, 1994, or

"(B) which includes any stock not acquired by purchase.".

(b) BASIS FOR INCOME TAX PURPOSES.—Section 1012 of such Code is amended—

(1) by striking "The basis" and inserting "(a) GENERAL RULE.—The basis", and

(2) by adding at the end thereof the following new subsection:

"(b) SPECIAL RULES FOR STOCK IN OPEN-END REGULATED INVESTMENT COMPANIES.—

"(1) IN GENERAL.—In the case of any disposition of stock from a covered account—

"(A) the basis of such stock shall be determined by reference to the average basis of all of the stock in such account immediately before such disposition, and

"(B) the determination of which stock in such account is so disposed of shall be made on a first-in, first-out, basis.

"(2) COVERED ACCOUNT.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'covered account' means any account of stock in an open-end regulated investment company if section 6045(f) applies to such account.

"(B) ELECTION OUT.—The term 'covered account' shall not include any account if, on the taxpayer's return for his first taxable year in which a disposition from such account occurs, the taxpayer elects to have this subsection not apply to such account.".

(c) TECHNICAL AMENDMENT.—Section 6724 of such Code is amended by adding at the end thereof the following new subsection:

"(e) SPECIAL RULE FOR CERTAIN REPORTS WITH RESPECT TO STOCK IN OPEN END REGULATED INVESTMENT COMPANIES.—For purposes of sections 6721(e)(2)(B) and 6722(c)(1)(B), the amount required to be reported under section 6045 shall be determined without regard to subsection (f) thereof.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to returns and statements required for calendar year 1994 and subsequent calendar years.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to dispositions on or after December 31, 1993.

SEC. 4623. NONRECOGNITION TREATMENT FOR CERTAIN TRANSFERS BY COMMON TRUST FUNDS TO REGULATED INVESTMENT COMPANIES.

(a) GENERAL RULE.—Section 584 (relating to common trust funds) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) NONRECOGNITION TREATMENT FOR CERTAIN TRANSFERS TO REGULATED INVESTMENT COMPANIES.—

"(1) IN GENERAL.—If—

"(A) a common trust fund transfers substantially all of its assets to a regulated investment company in exchange solely for stock in such company, and

"(B) such stock is distributed by such common trust fund to participants in such common trust fund in exchange solely for their interests in such common trust fund,

no gain or loss shall be recognized by such common trust fund by reason of such transfer or distribution, and no gain or loss shall be recognized by any participant in such common trust fund by reason of such exchange.

"(2) BASIS RULES.—

"(A) REGULATED INVESTMENT COMPANY.—The basis of any asset received by a regulated investment company in a transfer referred to in paragraph (1)(A) shall be the same as it would be in the hands of the common trust fund.

"(B) PARTICIPANTS.—The basis of any stock in a regulated investment company which is received in an exchange referred to in paragraph (1)(B) shall be the same as that of the property exchanged.

"(3) TREATMENT OF ASSUMPTIONS OF LIABILITY.—

"(A) IN GENERAL.—In determining whether the transfer referred to in paragraph (1)(A) is in exchange solely for stock in the regulated investment company, the assumption by such company of a liability of the common trust fund, and the fact that any property transferred by the common trust fund is subject to a liability, shall be disregarded.

"(B) SPECIAL RULE WHERE ASSUMED LIABILITIES EXCEED BASIS.—

"(i) IN GENERAL.—If in any transfer referred to in paragraph (1)(A) the assumed liabilities exceed the aggregate adjusted bases (in the hands of the common trust fund) of the assets transferred to the regulated investment company—

"(I) notwithstanding paragraph (1), gain shall be recognized to the common trust fund on such transfer in an amount equal to such excess,

"(II) the basis of the assets received by the regulated investment company in such transfer shall be increased by the amount so recognized, and

"(III) any adjustment to the basis of a participant's interest in the common trust fund as a result of the gain so recognized shall be treated as occurring immediately before the exchange referred to in paragraph (1)(B).

"(ii) ASSUMED LIABILITIES.—For purposes of clause (i), the term 'assumed liabilities' means the aggregate of—

"(I) any liability of the common trust fund assumed by the regulated investment company in connection with the transfer referred to in paragraph (1)(A), and

"(II) any liability to which property so transferred is subject.

"(4) COMMON TRUST FUND MUST MEET DIVERSIFICATION RULES.—This subsection shall not apply to any common trust fund which would not meet the requirements of section 368(a)(2)(F)(ii) if it were a corporation.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers after the date of the enactment of this Act.

PART IV—TAX-EXEMPT BOND PROVISIONS

SEC. 4631. REPEAL OF $100,000 LIMITATION ON UNSPENT PROCEEDS UNDER 1-YEAR EXCEPTION FROM REBATE.

Subclause (I) of section 148(f)(4)(B)(ii) (relating to additional period for certain bonds) is amended by striking "the lesser of 5 percent of the proceeds of the issue or $100,000" and inserting "5 percent of the proceeds of the issue".

SEC. 4632. EXCEPTION FROM REBATE FOR EARNINGS ON BONA FIDE DEBT SERVICE FUND UNDER CONSTRUCTION BOND RULES.

Subparagraph (C) of section 148(f)(4) is amended by adding at the end thereof the following new clause:

"(xvii) TREATMENT OF BONA FIDE DEBT SERVICE FUNDS.—If the spending requirements of clause (ii) are met with respect to the available construction proceeds of a construction issue, then paragraph (2) shall not apply to earnings on a bona fide debt service fund for such issue."

SEC. 4633. AGGREGATION OF ISSUES RULES NOT TO APPLY TO TAX OR REVENUE ANTICIPATION BONDS.

Section 150 (relating to definitions and special rules) is amended by adding at the end thereof the following new subsection:

"(f) TAX OR REVENUE ANTICIPATION BONDS TREATED AS SEPARATE ISSUES.—For purposes of this part, if—

"(1) all of the bonds which are part of an issue are qualified 501(c)(3) bonds or bonds which are not private activity bonds, and

"(2) any portion of such issue consists of tax or revenue anticipation bonds which are reasonably expected to meet the requirements of section 148(f)(4)(B)(iii),

then such portion shall, subject to appropriate allocations specified in regulations prescribed by the Secretary, be treated as a separate issue."

SEC. 4634. REPEAL OF DISPROPORTIONATE PRIVATE BUSINESS USE TEST.

(a) IN GENERAL.—Subsection (b) of section 141 (relating to private business tests) is amended by striking paragraph (3) and by redesignating paragraphs (4) through (9) as paragraphs (3) through (8), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 141(d) is amended by striking "subsection (b)(4)" and inserting "subsection (b)(3)".

(2) Paragraph (2) of section 142(c) is amended by striking "section 141(b)(6)" and inserting "section 141(b)(5)".

(3) Subsections (k)(3) and (m)(1) of section 146 and section 149(f)(4)(B)(i) are each amended by striking "section 141(b)(5)" and inserting "section 141(b)(4)".

SEC. 4635. EXPANDED EXCEPTION FROM REBATE FOR ISSUERS ISSUING $10,000,000 OR LESS OF BONDS.

Subparagraph (D) of section 148(f) (relating to exception for governmental units issuing $5,000,000 or less of bonds) is amended by striking "$5,000,000" each place it appears (including the heading) and inserting "$10,000,000".

SEC. 4636. REPEAL OF DEBT SERVICE-BASED LIMITATION ON INVESTMENT IN CERTAIN NONPURPOSE INVESTMENTS.

Subsection (d) of section 148 (relating to special rules for reasonably required reserve or replacement fund) is amended by striking paragraph (3).

SEC. 4637. REPEAL OF EXPIRED PROVISIONS.

(a) Paragraph (2) of section 148(c) is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraph (B), (C), and (D), respectively.

(b) Paragraph (4) of section 148(f) is amended by striking subparagraph (E).

SEC. 4638. CLARIFICATION OF INVESTMENT-TYPE PROPERTY.

Subparagraph (D) of section 148(b)(2) is amended to read as follows:

"(D) any investment-type property, or".

SEC. 4639. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this subtitle shall apply to bonds issued after the date of the enactment of this Act.

(b) SMALL ISSUER EXPANSION.—The amendment made by section 4636 shall apply to bonds issued in calendar years beginning after the date of the enactment of this Act.

(c) INVESTMENT-TYPE PROPERTY.—The amendment made by section 4639 shall take effect as if included in the amendments made by section 1301 of the Tax Reform Act of 1986.

PART V—INSURANCE PROVISIONS

SEC. 4641. TREATMENT OF CERTAIN INSURANCE CONTRACTS ON RETIRED LIVES.

(a) GENERAL RULE.—

(1) Paragraph (2) of section 817(d) (defining variable contract) is amended by striking "or" at the end of subparagraph (A), by striking "and" at the end of subparagraph (B) and inserting "or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) provides for funding of insurance on retired lives as described in section 807(c)(6), and".

(2) Paragraph (3) of section 817(d) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) in the case of funds held under a contract described in paragraph (2)(C), the amounts paid in, or the amounts paid out, reflect the investment return and the market value of the segregated asset account."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to contracts issued after December 31, 1991.

(2) ELECTION.—At the election of the taxpayer, the amendment made by this section shall also apply to all contracts issued before January 1, 1992, and in a taxable year for which the period prescribed by section 6501 of the Internal Revenue Code of 1986 for the assessment of any tax for such taxable year, has not expired before the date of the enactment of this Act.

SEC. 4642. TREATMENT OF MODIFIED GUARANTEED CONTRACTS.

(a) GENERAL RULE.—Subpart E of part I of subchapter L of chapter 1 (relating to definitions and special rules) is amended by inserting after section 817 the following new section:

"SEC. 817A. SPECIAL RULES FOR MODIFIED GUARANTEED CONTRACTS.

"(a) COMPUTATION OF RESERVES.—In the case of a modified guaranteed contract, clause (ii) of section 807(e)(1)(A) shall not apply.

"(b) SEGREGATED ASSETS UNDER MODIFIED GUARANTEED CONTRACTS MARKED TO MARKET.—

"(1) IN GENERAL.—In the case of any life insurance company, for purposes of this subtitle—

"(A) Any gain or loss with respect to a segregated asset shall be treated as ordinary income or loss, as the case may be.

"(B) If any segregated asset is held by such company as of the close of any taxable year—

"(i) such company shall recognize gain or loss as if such asset were sold for its fair market value on the last business day of such taxable year, and

"(ii) any such gain or loss shall be taken into account for such taxable year.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence. The Secretary may provide by regulations for the application of this subparagraph at times other than the times provided in this subparagraph.

"(2) SEGREGATED ASSET.—For purposes of paragraph (1), the term 'segregated asset' means any asset held as part a segregated account referred to in subsection (d)(1) under a modified guaranteed contract.

"(c) SPECIAL RULE IN COMPUTING LIFE INSURANCE RESERVES.—For purposes of applying section 816(b)(1)(A) to any modified guaranteed contract, an assumed rate of interest shall include a rate of interest determined, from time to time, with reference to a market rate of interest.

"(d) MODIFIED GUARANTEED CONTRACT DEFINED.—For purposes of this section, the term 'modified guaranteed contract' means a contract not described in section 817—

"(1) all or part of the amounts received under which are allocated to an account which, pursuant to State law or regulation, is segregated from the general asset accounts of the company and is valued from time to time with reference to market values,

"(2) which—

"(A) provides for the payment of annuities,

"(B) is a life insurance contract, or

"(C) is a pension plan contract which is not a life, accident, or health, property, casualty, or liability contract, and

"(3) which provides for a market value adjustment.

"(e) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section and to provide for the treatment of market value adjustments under sections 72, 7702, and 7702A."

(b) CLERICAL AMENDMENT.—The table of sections for subpart E of part I of subchapter L of chapter 1 is amended by inserting after the item relating to section 817 the following new item:

"Sec. 817A. Special rules for modified guaranteed contracts."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

(2) TREATMENT OF NET ADJUSTMENTS.—In the case of any taxpayer required by the amendments made by this section to change its calculation of reserves to take into account market value adjustments and to mark segregated assets to market for any taxable year—

(A) such changes shall be treated as a change in method of accounting initiated by the taxpayer,

(B) such changes shall be treated as made with the consent of the Secretary, and

(C) the adjustments required by reason of section 481 of the Internal Revenue Code of 1986 shall be taken into account as ordinary income or loss by the taxpayer for the taxpayer's first taxable year beginning after December 31, 1991.

PART VI—OTHER PROVISIONS

SEC. 4651. CLOSING OF PARTNERSHIP TAXABLE YEAR WITH RESPECT TO DECEASED PARTNER, ETC.

(a) GENERAL RULE.—Subparagraph (A) of section 706(c)(2) (relating to disposition of entire interest) is amended to read as follows:

"(A) DISPOSITION OF ENTIRE INTEREST.—The taxable year of a partnership shall close with respect to a partner whose entire interest in the partnership terminates (whether by reason of death, liquidation, or otherwise)."

(b) CLERICAL AMENDMENT.—The paragraph heading for paragraph (2) of section 706(c) is amended to read as follows:

"(2) TREATMENT OF DISPOSITIONS.—".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to partnership taxable years beginning after December 31, 1991.

SEC. 4652. REPEAL OF SPECIAL TREATMENT OF OWNERSHIP CHANGES IN DETERMINING ADJUSTED CURRENT EARNINGS.

(a) GENERAL RULE.—Paragraph (4) of section 56(g) (relating to adjustments) is amended by striking subparagraph (G) and by redesignating the following subparagraph as paragraph (G).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to ownership changes after the date of the enactment of this Act.

Subtitle G—Estate And Gift Tax Provisions

SEC. 4701. CLARIFICATION OF WAIVER OF CERTAIN RIGHTS OF RECOVERY.

(a) AMENDMENT TO SECTION 2207A.—Paragraph (2) of section 2207A(a) (relating to right of recovery in the case of certain marital deduction property) is amended to read as follows:

"(2) DECEDENT MAY OTHERWISE DIRECT.—Paragraph (1) shall not apply with respect to any property to the extent that the decedent in his will (or a revocable trust) specifically indicates an intent to waive any right of recovery under this subchapter with respect to such property."

(b) Amendment to Section 2207B.—Paragraph (2) of section 2207B(a) (relating to right of recovery where decedent retained interest) is amended to read as follows:

"(2) Decedent may otherwise direct.—Paragraph (1) shall not apply with respect to any property to the extent that the decedent in his will (or a revocable trust) specifically indicates an intent to waive any right of recovery under this subchapter with respect to such property."

(c) Effective Date.—The amendments made by this section shall apply with respect to the estates of decedents dying after the date of the enactment of this Act.

SEC. 4702. ADJUSTMENTS FOR GIFTS WITHIN 3 YEARS OF DECEDENT'S DEATH.

(a) General Rule.—Section 2035 is amended to read as follows:

"SEC. 2035. ADJUSTMENTS FOR CERTAIN GIFTS MADE WITHIN 3 YEARS OF DECEDENT'S DEATH.

"(a) Inclusion of Certain Property in Gross Estate.—If—

"(1) the decedent made a transfer (by trust or otherwise) of an interest in any property, or relinquished a power with respect to any property, during the 3-year period ending on the date of the decedent's death, and

"(2) the value of such property (or an interest therein) would have been included in the decedent's gross estate under section 2036, 2037, 2038, or 2042 if such transferred interest or relinquished power had been retained by the decedent on the date of his death,

the value of the gross estate shall include the value of any property (or interest therein) which would have been so included.

"(b) Inclusion of Gift Tax on Gifts Made During 3 Years Before Decedent's Death.—The amount of the gross estate (determined without regard to this subsection) shall be increased by the amount of any tax paid under chapter 12 by the decedent or his estate on any gift made by the decedent or his spouse during the 3-year period ending on the date of the decedent's death.

"(c) Other Rules Relating to Transfers Within 3 Years of Death.—

"(1) In general.—For purposes of—

"(A) section 303(b) (relating to distributions in redemption of stock to pay death taxes),

"(B) section 2032A (relating to special valuation of certain farms, etc., real property), and

"(C) subchapter C of chapter 64 (relating to lien for taxes),

the value of the gross estate shall include the value of all property to the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, during the 3-year period ending on the date of the decedent's death.

"(2) Coordination with section 6166.—An estate shall be treated as meeting the 35 percent of adjusted gross estate requirement of section 6166(a)(1) only if the estate meets such requirement both with and without the application of paragraph (1).

"(3) Small transfers.—Paragraph (1) shall not apply to any transfer (other than a transfer with respect to a life insurance policy) made during a calendar year to any donee if the decedent was not required by section 6019 (other than by reason of section 6019(a)(2)) to file any gift tax return for such year with respect to transfers to such donee.

"(d) Exception.—Subsection (a) shall not apply to any bona fide sale for an adequate and full consideration in money or money's worth.

"(e) Treatment of Certain Revocable Trusts.—For purposes of this section and section 2038, any transfer from any portion of a trust with respect to which the decedent was the grantor during any period when the decedent held the power to revest in the decedent title to such portion shall be treated as a transfer made directly by the decedent."

(b) Clerical Amendment.—The table of sections for part III of subchapter A of chapter 11 is amended by striking "gifts" in the item relating to section 2035 and inserting "certain gifts".

(c) Effective Date.—The amendments made by this section shall apply to the estates of decedents dying after the date of the enactment of this Act.

SEC. 4703. CLARIFICATION OF QUALIFIED TERMINABLE INTEREST RULES.

(a) General Rule.—

(1) Estate tax.—Subparagraph (B) of section 2056(b)(7) (defining qualified terminable interest property) is amended by adding at the end thereof the following new clause:

"(v)(i) Treatment of certain income distributions.—An income interest shall not fail to qualify as a qualified income interest for life solely because income for the period after the last distribution date and on or before the date of the surviving spouse's death is not required to be distributed to the surviving spouse or to the estate of the surviving spouse."

(2) Gift tax.—Paragraph (3) of section 2523(f) is amended by striking "and (iv)" and inserting ", (iv), and (vi)".

(b) Clarification of Subsequent Inclusions.—Section 2044 is amended by adding at the end thereof the following new subsection:

"(d) Clarification of Inclusion of Certain Income.—The amount included in the gross estate under subsection (a) shall include the amount of any income from the property to which this section applies for the period after the last distribution date and on or before the date of the decedent's death if such income is not otherwise included in the decedent's gross estate."

(c) Effective Date.—

(1) In general.—The amendments made by this section shall apply with respect to the estates of decedents dying, and gifts made, after the date of the enactment of this Act.

(2) Application of section 2044 to transfers before date of enactment.—In the case of the estate of any decedent dying after the date of the enactment of this Act, if there was a transfer of property on or before such date—

(A) such property shall not be included in the gross estate of the decedent under section 2044 of the Internal Revenue Code of 1986 if no prior marital deduction was allowed with respect to such a transfer of such property to the decedent, but

(B) such property shall be so included if such a deduction was allowed.

SEC. 4704. TREATMENT OF PORTIONS OF PROPERTY UNDER MARITAL DEDUCTION.

(a) Estate Tax.—Subsection (b) of section 2056 (relating to limitation in case of life estate or other terminable interest) is amended by adding at the end thereof the following new paragraph:

"(10) Specific portion.—For purposes of paragraphs (5), (6), and (7)(B)(iv), the term 'specific portion' only includes a portion determined on a fractional or percentage basis."

(b) Gift Tax.—

(1) Subsection (e) of section 2523 is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, the term 'specific portion' only includes a portion determined on a fractional or percentage basis."

(2) Paragraph (3) of section 2523(f) is amended by inserting before the period at the end thereof the following: "and the rules of section 2056(b)(10) shall apply".

(c) Effective Dates.—

(1) Subsection (a).—

(A) In general.—Except as provided in subparagraph (B), the amendment made by subsection (a) shall apply to the estates of decedents dying after the date of the enactment of this Act.

(B) Exception.—The amendment made by subsection (a) shall not apply to any interest in property which passes (or has passed) to the surviving spouse of the decedent pursuant to a will (or revocable trust) in existence on the date of the enactment of this Act if—

(i) the decedent dies on or before the date 3 years after such date of enactment, or

(ii) the decedent was, on such date of enactment, under a mental disability to change the disposition of his property and did not regain his competence to dispose of such property before the date of his death.

The preceding sentence shall not apply if such will (or revocable trust) is amended at any time after such date of enactment in any respect which will increase the amount of the interest which so passes or alters the terms of the transfer by which the interest so passes.

(2) Subsection (b).—The amendments made by subsection (b) shall apply to gifts made after the date of the enactment of this Act.

SEC. 4705. TRANSITIONAL RULE UNDER SECTION 2056A.

(a) General Rule.—In the case of any trust created under an instrument executed before the date of the enactment of the Revenue Reconciliation Act of 1990, such trust shall be treated as meeting the requirements of paragraph (1) of section 2056A(a) of the Internal Revenue Code of 1986 if the trust instrument requires that all trustees of the trust be individual citizens of the United States or domestic corporations.

(b) Effective Date.—The provisions of subsection (a) shall take effect as if included in the provisions of section 11702(g) of the Revenue Reconciliation Act of 1990.

SEC. 4706. OPPORTUNITY TO CORRECT CERTAIN FAILURES UNDER SECTION 2032A.

(a) General Rule.—Paragraph (3) of section 2032A(d) (relating to modification of election and agreement to be permitted) is amended to read as follows:

"(3) Modification of election and agreement to be permitted.—The Secretary shall prescribe procedures which provide that in any case in which the executor makes an election under paragraph (1) (and submits the agreement referred to in paragraph (2)) within the time prescribed therefor, but—

"(A) the notice of election, as filed, does not contain all required information, or

"(B) signatures of 1 or more persons required to enter into the agreement described in paragraph (2) are not included on the agreement as filed, or the agreement does not contain all required information,

the executor will have a reasonable period of time (not exceeding 90 days) after notification of such failures to provide such information or signatures."

(b) Effective Date.—The amendment made by subsection (a) shall apply to the estates of decedents dying after the date of the enactment of this Act.

Subtitle H—Excise Tax Simplification

PART I—FUEL TAX PROVISIONS

SEC. 4801. REPEAL OF CERTAIN RETAIL AND USE TAXES.

(a) IN GENERAL.—Section 4041 is amended to read as follows:

"SEC. 4041. SPECIAL MOTOR FUELS AND NONCOMMERCIAL AVIATION GASOLINE.

"(a) SPECIAL MOTOR FUELS.—

"(1) IN GENERAL.—There is hereby imposed a tax on benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, or any other liquid—

"(A) sold by any person to an owner, lessee, or other operator of a motor vehicle or a motorboat for use as a fuel in such motor vehicle or motorboat, or

"(B) used by any person as a fuel in a motor vehicle or motorboat unless there was a taxable sale of such liquid under subparagraph (A).

"(2) RATE OF TAX.—The rate of the tax imposed by this subsection shall be the aggregate rate of tax in effect under section 4081 at the time of such sale or use.

"(3) CERTAIN FUELS EXEMPT FROM TAX.—The tax imposed by this subsection shall not apply to gasoline (as defined in section 4082), diesel fuel (as defined in section 4092), kerosene, gas oil, or fuel oil.

"(4) REDUCED RATES OF TAX ON CERTAIN FUELS.—

"(A) QUALIFIED METHANOL AND ETHANOL FUEL.—

"(i) IN GENERAL.—In the case of any qualified methanol or ethanol fuel—

"(I) the Highway Trust Fund financing rate applicable under paragraph (2) shall be 5.4 cents per gallon less than the otherwise applicable rate (6 cents per gallon less in the case of a mixture none of the alcohol in which consists of ethanol), and

"(II) the Leaking Underground Storage Tank Trust Fund financing rate applicable under paragraph (2) shall be 0.05 cent per gallon.

"(ii) QUALIFIED METHANOL OR ETHANOL FUEL.—The term 'qualified methanol or ethanol fuel' means any liquid at least 85 percent of which consists of methanol, ethanol, or other alcohol produced from a substance other than petroleum or natural gas.

"(iii) TERMINATION.—Clause (i) shall not apply to any sale or use after September 30, 2000.

"(B) NATURAL GAS-DERIVED METHANOL OR ETHANOL FUEL.—

"(i) IN GENERAL.—In the case of natural gas-derived methanol or ethanol fuel—

"(I) the Highway Trust Fund financing rate applicable under paragraph (2) shall be 5.75 cents per gallon, and

"(II) the deficit reduction rate applicable under paragraph (2) shall be 1.25 cents per gallon.

"(ii) NATURAL GAS-DERIVED METHANOL OR ETHANOL FUEL.—The term 'natural-gas derived methanol or ethanol fuel' means any liquid at least 85 percent of which consists of methanol, ethanol, or other alcohol produced from natural gas.

"(C) OTHER FUELS CONTAINING ALCOHOL.—

"(i) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of any liquid at least 10 percent of which consists of alcohol (as defined in section 4081(c)(3)), the Highway Trust Fund financing rate applicable under paragraph (2) shall be the comparable rate under section 4081.

"(ii) LATER SEPARATION.—If any person separates the liquid fuel from a mixture of the liquid fuel and alcohol to which clause (i) applies, such separation shall be treated as a sale of the liquid fuel. Any tax imposed on such sale shall be reduced by the amount (if any) of the tax imposed on the sale of such mixture.

"(iii) TERMINATION.—Clause (i) shall not apply to any sale or use after September 30, 2000.

"(D) LIQUEFIED PETROLEUM GAS.—The rate of tax applicable under paragraph (2) to liquefied petroleum gas shall be determined without regard to the Leaking Underground Storage Tank Trust Fund financing rate under section 4081.

"(5) EXEMPTION FOR OFF-HIGHWAY BUSINESS USE.—No tax shall be imposed by paragraph (1) on liquids sold for use or used in an off-highway business use (within the meaning of section 6420(f)).

"(b) NONCOMMERCIAL AVIATION GASOLINE.—

"(1) IN GENERAL.—There is hereby imposed a tax on gasoline—

"(A) sold by any person to an owner, lessee, or other operator of an aircraft for use as a fuel in such aircraft in noncommercial aviation, or

"(B) used by any person as a fuel in an aircraft in noncommercial aviation unless there was a taxable sale of such gasoline under subparagraph (A).

The tax imposed by this paragraph shall be in addition to any tax imposed by section 4081.

"(2) RATE OF TAX.—The rate of the tax imposed by paragraph (1) on any gasoline is the excess of 15 cents a gallon over the sum of the Highway Trust Fund financing rate plus the deficit reduction rate at which tax was imposed on such gasoline under section 4081.

"(3) NONCOMMERCIAL AVIATION.—For purposes of this subsection, the term 'noncommercial aviation' means any use of an aircraft other than use in a business of transporting persons or property for compensation or hire by air. Such term includes any use of an aircraft, in a business described in the preceding sentence, which is properly allocable to any transportation exempt from the taxes imposed by sections 4261 and 4271 by reason of section 4281 or 4282.

"(4) EXEMPTION FOR FUELS CONTAINING ALCOHOL.—No tax shall be imposed by this subsection on any liquid at least 10 percent of which consists of alcohol (as defined in section 4081(c)(3)).

"(5) EXEMPTION FOR CERTAIN HELICOPTER USES.—No tax shall be imposed by this subsection on gasoline sold for use or used in a helicopter for purposes of providing transportation with respect to which the requirements of subsection (e) or (f) of section 4261 are met.

"(6) REGISTRATION.—Except as provided in regulations prescribed by the Secretary, if any gasoline is sold by any person for use as a fuel in an aircraft, it shall be presumed for purposes of this subsection that a tax imposed by this subsection applies to the sale of such gasoline unless the purchaser is registered in such manner (and furnished such information in respect of the use of the gasoline) as the Secretary shall by regulations provide.

"(7) GASOLINE.—For purposes of this subsection, the term 'gasoline' has the meaning given such term by section 4082.

"(8) TERMINATION.—Paragraph (1) shall not apply to any sale or use after December 31, 1995.

"(c) EXEMPTION FOR FARM USE.—

"(1) IN GENERAL.—Under regulations prescribed by the Secretary, no tax shall be imposed under this section on any liquid sold for use or used on a farm for farming purposes (determined in accordance with paragraphs (1), (2), and (3) of section 6420(e)).

"(2) TERMINATION.—Except with respect to so much of the tax imposed by subsection (a) as is determined by reference to the Leaking Underground Storage Tank Trust Fund financing rate under section 4081, paragraph (1) shall not apply after September 30, 1999.

"(d) EXEMPTIONS FOR STATE AND LOCAL GOVERNMENTS, SCHOOLS, EXPORTATION, AND SUPPLIES FOR VESSELS AND AIRCRAFT.—

"(1) IN GENERAL.—Under regulations prescribed by the Secretary, no tax shall be imposed under this section on any liquid sold for use, or used, in an exempt use described in paragraph (4), (5), (6), or (7) of section 6420(b).

"(2) TERMINATION.—Except with respect to so much of the tax imposed by subsection (a) as is determined by reference to the Leaking Underground Storage Tank Trust Fund financing rate under section 4081, after September 30, 1999, paragraph (1) shall not apply to exempt uses described in paragraph (4) and (5) of section 6420(b).

"(e) EXEMPTION FOR USE BY CERTAIN AIRCRAFT MUSEUMS.—Under regulations prescribed by the Secretary, no tax shall be imposed under this section on any liquid sold for use or used in an exempt use described in section 6420(b)(11)."

(b) CERTAIN ADDITIONAL PURCHASERS OF FUEL TREATED AS PRODUCERS.—

(1) IN GENERAL.—Subparagraph (C) of section 4092(b)(1) is amended to read as follows:

"(C) REDUCED-TAX PURCHASERS TREATED AS PRODUCERS.—Any person to whom any fuel is sold in a sale on which the amount of tax otherwise required to be paid under section 4091 is reduced under section 4093 shall be treated as the producer of such fuel. The amount of tax imposed by section 4091 on any sale of such fuel by such person shall be reduced by the amount of tax imposed under section 4091 (and not credited or refunded) on any prior sale of such fuel."

(2) CONFORMING AMENDMENT.—Subsection (b) of section 4093 is amended by inserting "(as defined in section 4092(b) without regard to paragraph (1)(C) thereof)" after "producer".

SEC. 4802. REVISION OF FUEL TAX CREDIT AND REFUND PROCEDURES.

(a) REFUNDS TO CERTAIN SELLERS OF DIESEL FUEL AND AVIATION FUEL.—

(1) IN GENERAL.—Paragraph (2) of section 6416(b) is amended by striking "4091 or 4121" and inserting "4121 or 4091; except that this paragraph shall apply to a person selling diesel fuel or aviation fuel for a use described in the first sentence if such person meets such requirements as the Secretary may by regulations prescribe".

(2) LIMITATIONS ON AMOUNT OF TAX ONLY HIGHWAY TRUST FUND FINANCING RATE TO BE REFUNDABLE.—Paragraph (2) of section 6416(b) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to the taxes imposed by sections 4081 and 4091 with respect to any use to the same extent that section 6420(a) does not apply to such use by reason of paragraph (1) or (2) of section 6420(c)."

(b) CONSOLIDATION OF REFUND PROVISIONS; REPEAL OF CONSENT REQUIREMENT FOR REFUND OF FUEL TAXES TO CROPDUSTERS, ETC.—Section 6420 (relating to gasoline used on farms) is amended to read as follows:

"SEC. 6420. CERTAIN TAXES ON FUELS USED FOR EXEMPT PURPOSES.

"(a) IN GENERAL.—Except as otherwise provided in this section, if any fuel on which tax was imposed under section 4041, 4081, or 4091 is used in an exempt use, the Secretary shall pay (without interest) to the ultimate purchaser of such fuel the amount equal to the aggregate tax imposed on such fuel under such sections.

"(b) Exempt Uses.—For purposes of this section, the term 'exempt use' means—

"(1) in the case of diesel fuel, use other than as a fuel in a diesel-powered highway vehicle or a diesel-powered boat,

"(2) in the case of aviation fuel, use other than as a fuel in an aircraft,

"(3) in the case of gasoline or aviation fuel, use in an aircraft other than in noncommercial aviation (as defined in section 4041(b)),

"(4) use by any State, any political subdivision of a State, or the District of Columbia,

"(5) use by a nonprofit educational organization (as defined in section 4221(d)(5)),

"(6) export,

"(7) use as supplies for vessels or aircraft (within the meaning of section 4221(d)(3)),

"(8) use on a farm for farming purposes (within the meaning of subsection (e)),

"(9) use in an off-highway business use (within the meaning of subsection (f)),

"(10) use in qualified bus transportation (within the meaning of subsection (g)),

"(11) use by an aircraft museum (within the meaning of subsection (h)),

"(12) use in a nonpurpose use (within the meaning of subsection (i)),

"(13) use in a helicopter for purposes of providing transportation with respect to which the requirements of subsection (e) or (f) of section 4261 are met, and

"(14) use in producing a mixture of a fuel if at least 10 percent of such mixture consists of alcohol (as defined in section 4081(c)(3)) and if such mixture is sold or used in the trade or business of the person producing such mixture.

Paragraph (14) shall not apply with respect to any mixture sold or used after September 30, 2000.

"(c) Limitations on Amount of Payment.—

"(1) No refund of leaking underground storage tank trust fund taxes in certain cases.—Subsection (a) shall not apply to so much of the taxes imposed by sections 4081 and 4091 as are attributable to a Leaking Underground Storage Tank Trust Fund financing rate in the case of—

"(A) fuel used in a train, and

"(B) fuel used in any aircraft (except as supplies for vessels or aircraft within the meaning of section 4221(d)(3)).

"(2) No refund of deficit reduction tax on diesel fuel used in trains.—Subsection (a) shall not apply to so much of the tax imposed by section 4091 as is attributable to a deficit reduction rate in the case of diesel fuel used in a diesel-powered train.

"(3) No refund of portion of tax on diesel fuel used in certain buses.—

"(A) In general.—Except as provided in subparagraphs (B) and (C), the rate of tax taken into account under subsection (a) with respect to diesel fuel used in qualified bus transportation (within the meaning of subsection (g)(1)) shall be 3.1 cents per gallon less than the aggregate rate of tax imposed on such fuel by section 4091.

"(B) Exception for school bus transportation.—Subparagraph (A) shall not apply to fuel used in an automobile bus while engaged in transportation described in subsection (g)(1)(B).

"(C) Exception for certain intracity transportation.—Subparagraph (A) shall not apply to fuel used in any automobile bus while engaged in furnishing (for compensation) intracity passenger land transportation—

"(i) which is available to the general public, and

"(ii) which is scheduled and along regular routes,

but only if such bus is a qualified local bus.

"(D) Qualified local bus.—For purposes of this paragraph, the term 'qualified local bus' means any local bus—

"(i) which has a seating capacity of at least 20 adults (not including the driver), and

"(ii) which is under contract with (or is receiving more than a nominal subsidy from) any State or local government (as defined in section 4221(d)) to furnish such transportation.

"(4) Alcohol fuels.—

"(A) In general.—In the case of a fuel used as described in subsection (b)(14) and on which tax was imposed at regular tax rate, the rate of tax taken into account under subsection (a) with respect to the fuel so used shall equal the excess of the regular tax rate over the incentive tax rate.

"(B) Regular tax rate.—The term 'regular tax rate' means—

"(i) in the case of gasoline, the aggregate rate of tax imposed by section 4081 determined without regard to subsection (c) thereof,

"(ii) in the case of diesel fuel, the aggregate rate of tax imposed by section 4091 on such fuel determined without regard to subsection (c) thereof, and

"(iii) in the case of aviation fuel, the aggregate rate of tax imposed by section 4091 on such fuel determined without regard to subsection (d) thereof.

"(C) Incentive tax rate.—The term 'incentive tax rate' means—

"(i) in the case of gasoline, the aggregate rate of tax imposed by section 4081 with respect to fuel described in subsection (c)(1) thereof,

"(ii) in the case of diesel fuel, the aggregate rate of tax imposed by section 4091 with respect to fuel described in subsection (c)(1)(B) thereof, and

"(iii) in the case of aviation fuel, the aggregate rate of tax imposed by section 4091 with respect to fuel described in subsection (d)(1)(B) thereof.

"(5) Gasohol used in noncommercial aviation.—If—

"(A) tax is imposed by section 4081 at the rate determined under subsection (c) thereof on gasohol (as defined in such subsection), and

"(B) such gasohol is used as a fuel in any aircraft in noncommercial aviation (as defined in section 4041(b)),

the payment under subsection (a) shall be equal to 1.4 cents (2 cents in the case of gasohol none of the alcohol in which consists of ethanol) per gallon of gasohol so used.

"(d) Time for Filing Claims; Period Covered.—

"(1) General rule.—Except as provided in paragraphs (2) and (3), not more than one claim may be filed under this section by any person with respect to fuel used (or a qualified diesel powered highway vehicle purchased) during his taxable year; and no claim shall be allowed under this paragraph with respect to fuel used (or a qualified diesel powered highway vehicle purchased) during any taxable year unless filed by the purchaser not later than the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable year. For purposes of this subsection, a person's taxable year shall be his taxable year for purposes of subtitle A.

"(2) Exceptions.—

"(A) In general.—If as of the close of any quarter of a person's taxable year, $750 or more is payable under this section to such person with respect to fuel used (or a qualified diesel powered highway vehicle purchased) during such quarter or any prior quarter of such taxable year (and for which no other claim has been filed), a claim may be filed under this section with respect to fuel so used (or qualified diesel powered highway vehicles so purchased).

"(B) Time for filing claim.—No claim filed under this paragraph shall be allowed unless filed during the first quarter following the last quarter included in the claim.

"(3) Special rule for gasohol credit.—

"(A) In general.—A claim may be filed for gasoline used to produce gasohol (as defined in section 4081(c)(1)) for any period—

"(i) for which $200 or more is payable by reason of subsection (b)(14), and

"(ii) which is not less than 1 week.

"(B) Payment of claim.—Notwithstanding subsection (a), if the Secretary has not paid a claim filed pursuant to subparagraph (A) within 20 days of the date of the filing of such claim, the claim shall be paid with interest from such date determined by using the overpayment rate and method under section 6621.

"(e) Use on a Farm for Farming.—For purposes of subsection (b)(8)—

"(1) In general.—Fuel shall be treated as used on a farm for farming purposes only if used—

"(A) in carrying on a trade or business,

"(B) on a farm situated in the United States, and

"(C) for farming purposes.

"(2) Farm.—The term 'farm' includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

"(3) Farming purposes.—Fuel shall be treated as used for farming purposes only if used—

"(A) by the owner, tenant, or operator of a farm, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife, on a farm of which he is the owner, tenant, or operator;

"(B) by the owner, tenant, or operator of a farm, in handling, drying, packing, grading, or storing any agricultural or horticultural commodity in its unmanufactured state; but only if such owner, tenant, or operator produced more than one-half of the commodity which he so treated during the period with respect to which claim is filed;

"(C) by the owner, tenant, or operator of a farm, in connection with—

"(i) the planting, cultivating, caring for, or cutting of trees, or

"(ii) the preparation (other than milling) of trees for market, incidental to farming operations; or

"(D) by the owner, tenant, or operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment.

"(4) Certain farming use other than by owner, etc.—In applying paragraph (3)(A) to a use on a farm for any purpose described in paragraph (3)(A) by any person other than the owner, tenant, or operator of such farm—

"(A) the owner, tenant, or operator of such farm shall be treated as the user and ultimate purchaser of the fuel, except that

"(B) if the person so using the fuel is an aerial or other applicator of fertilizers or other substances and is the ultimate purchaser of the fuel, then subparagraph (A) of this paragraph shall not apply and the aerial or other applicator shall be treated as having used such fuel on a farm for farming purposes.

"(f) Off-Highway Business Use.—For purposes of subsection (b)(9)—

"(1) In general.—The term 'off-highway business use' means any use by a person in a trade or business of such person or in an activity of such person described in section 212 (relating to production of income) otherwise than as a fuel in a highway vehicle—

"(A) which (at the time of such use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or

"(B) which, in the case of a highway vehicle owned by the United States, is used on the highway.

"(2) Uses in motorboats.—The term 'off-highway business use' does not include any use in a motorboat; except that such term shall include any use in—

"(A) a vessel employed in the fisheries or in the whaling business, and

"(B) in the case of diesel fuel, a boat in the active conduct of—

"(i) a trade or business of commercial fishing or transporting persons or property for compensation or hire, or

"(ii) any other trade or business unless the boat is used predominantly in any activity which is of a type generally considered to constitute entertainment, amusement or recreation.

"(g) Qualified Bus Transportation.—For purposes of subsection (b)(10)—

"(1) In general.—Fuel is used in qualified bus transportation if it is used in an automobile bus while engaged in—

"(A) furnishing (for compensation) passenger land transportation available to the general public, or

"(B) the transportation of students and employees of schools (as defined in the last sentence of section 4221(d)(7)(C)).

"(2) Limitation in the case of nonscheduled intercity or local buses.—Paragraph (1)(A) shall not apply in respect of fuel used in any automobile bus while engaged in furnishing transportation which is not along regular routes unless the seating capacity of such bus is at least 20 adults (not including the driver).

"(h) Use by an Aircraft Museum.—For purposes of subsection (b)(11)—

"(1) In general.—Fuel is used by an aircraft museum if it is used in an aircraft or vehicle owned by such museum and used exclusively for purposes set forth in paragraph (2)(C).

"(2) Aircraft museum.—For purposes of this subsection, the term 'aircraft museum' means an organization—

"(A) described in section 501(c)(3) which is exempt from income tax under section 501(a),

"(B) operated as a museum under charter by a State or the District of Columbia, and

"(C) operated exclusively for the procurement, care, and exhibition of aircraft of the type used for combat or transport in World War II.

"(i) Use in a Nonpurpose Use.—For purposes of subsection (b)(12), fuel is used in a nonpurpose use if—

"(1) tax was imposed by section 4041 on the sale thereof and the purchaser—

"(A) uses such fuel other than for the use for which it is sold, or

"(B) resells such fuel, or

"(2) tax was imposed by section 4081 on any gasoline blend stock or product commonly used as an additive in gasoline and the purchaser establishes that the ultimate use of such blend stock or product is not to produce gasoline.

"(j) Advance Repayment of Increased Diesel Fuel Tax to Original Purchasers of Diesel-Powered Automobiles and Light Trucks.—

"(1) In general.—Except as provided in subsection (d), the Secretary shall pay (without interest) to the original purchaser of any qualified diesel-powered highway vehicle an amount equal to the diesel fuel differential amount.

"(2) Qualified diesel-powered highway vehicle.—For purposes of this subsection, the term 'qualified diesel-powered highway vehicle' means any diesel-powered highway vehicle which—

"(A) has at least 4 wheels,

"(B) has a gross vehicle weight rating of 10,000 pounds or less, and

"(C) is registered for highway use in the United States under the laws of any State.

"(3) Diesel fuel differential amount.—For purposes of this subsection, the term 'diesel fuel differential amount' means—

"(A) except as provided in subparagraph (B), $102, or

"(B) in the case of a truck or van, $198.

"(4) Original purchaser.—For purposes of this subsection—

"(A) In general.—Except as provided in subparagraph (B), the term 'original purchaser' means the first person to purchase the qualified diesel-powered vehicle for use other than resale.

"(B) Exception for certain persons not subject to fuels tax.—The term 'original purchaser' shall not include any State or local government (as defined in section 4221(d)(4)) or any nonprofit educational organization (as defined in section 4221(d)(5)).

"(C) Treatment of demonstration use by dealer.—For purposes of subparagraph (A), use as a demonstrator by a dealer shall not be taken into account.

"(5) Vehicles to which subsection applies.—This subsection shall only apply to qualified diesel-powered highway vehicles originally purchased after January 1, 1985, and before January 1, 1999.

"(6) Basis reduction.—For the purposes of subtitle A, the basis of any qualified diesel-powered highway vehicle shall be reduced by the amount payable under this subsection with respect to such vehicle.

"(k) Income Tax Credit In Lieu of Payment; Other Special Rules.—

"(1) Income tax credit in lieu of payment.—

"(A) Persons not subject to income tax.—Payment shall be made under this section only to—

"(i) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or any agency or instrumentality of one or more States or political subdivisions, or

"(ii) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable year).

"(B) Exception.—Subparagraph (A) shall not apply to a payment of a claim filed under paragraph (2) or (3) of subsection (d).

"(C) Allowance of credit against income tax.—

"For allowances of credit against the income tax imposed by subtitle A for fuel used by the purchaser in an exempt use, see section 34.

"(2) Applicable laws.—

"(A) In general.—All provisions of law, including penalties, applicable in respect of the tax with respect to which a payment is claimed under this section shall, insofar as applicable and not inconsistent with this section, apply in respect of such payment to the same extent as if such payment constituted a refund of overpayments of such tax.

"(B) Examination of books and witnesses.—For the purpose of ascertaining the correctness of any claim made under this section, or the correctness of any payment made in respect of any such claim, the Secretary shall have the authority granted by paragraphs (1), (2), and (3) of section 7602(a) (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

"(3) Coordination with section 6416, etc.—No amount shall be payable under this section to any person with respect to any fuel if the Secretary determines that the amount of tax for which such payment is sought was not included in the price paid by such person for such fuel. The amount which would (but for this sentence) be payable under this section with respect to any fuel shall be reduced by any other amount which the Secretary determines is payable under this section, or is refundable under any other provision of this title, to any person with respect to such fuel.

"(4) Regulations.—The Secretary may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

"(l) Fuels.—For purposes of this section, the terms 'gasoline', 'diesel fuel', and 'aviation fuel' have the respective meanings given such terms by sections 4082 and 4092.

"(m) Termination.—Except as otherwise provided in this section, this section shall not apply to any liquid purchased after September 30, 1999. The preceding sentence shall not apply to taxes attributable to any Leaking Underground Storage Tank Trust Fund financing rate."

SEC. 4803. AUTHORITY TO PROVIDE EXCEPTIONS FROM INFORMATION REPORTING WITH RESPECT TO DIESEL FUEL AND AVIATION FUEL.

(a) Returns by Producers and Importers.—Subparagraph (A) of section 4093(c)(4) (relating to returns by producers and importers) is amended by striking "Each producer" and inserting "Except as provided by the Secretary by regulations, each producer".

(b) Returns by Purchasers.—Subparagraph (C) of section 4093(c)(4) (relating to returns by purchasers) is amended by striking "Each person" and inserting "Except as provided by the Secretary by regulations, each person".

SEC. 4804. TECHNICAL AND CONFORMING AMENDMENTS.

(1) Sections 6421 and 6427 are hereby repealed.

(2) Section 34 is amended to read as follows:

"SEC. 34. EXCISE TAXES ON FUEL USED FOR EXEMPT PURPOSES.

"There shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the excess of—

"(1) the aggregate amount payable to the taxpayer under section 6420 (determined without regard to section 6420(k)(1)) with respect to—

"(A) exempt uses (as defined in section 6420(b)) during such taxable year, and

"(B) qualified diesel-powered highway vehicles purchased during such taxable year, over

"(2) the portion of such amount for which a claim payable under section 6420(d) is timely filed."

(3)(A) Subsection (c) of section 40 is amended by striking "subsection (b)(2), (k), or (m)" and inserting "subsection (a)(4) or (b)(4)".

(B) Subparagraph (B) of section 40(d)(4) is amended by striking "section 4041(k) or 4081(c)" and inserting "subsection (a) or (b) of section 4041 or under section 4081(c)".

(4) Paragraph (2) of section 451(e) is amended by striking "section 6420(c)(3)" and inserting "section 6420(e)(3)".

(5) Clause (i) of section 1274(c)(3)(A) is amended by striking "section 6420(c)(2)" and inserting "section 6420(e)(2)".

(6) Sections 874(a) and 1366(f)(1) are each amended by striking "gasoline and special" and inserting "taxable".

(7) Paragraph (2) of section 882(c) is amended by striking "gasoline" and inserting "taxable fuels".

(8) Subsection (b) of section 4042 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(9) Subsection (b) of section 4082 is amended by striking "special fuels referred to in section 4041" and inserting "special motor fuels referred to in section 4041(a)".

(10) Section 4083 is amended to read as follows:

"SEC. 4083. CROSS REFERENCE.

"For provision allowing a credit or refund for gasoline used for exempt purposes, see section 6420."

(11) Subsections (c)(2) and (d)(2) of section 4091 are each amended by striking "section 6427(f)(1)" and inserting "section 6420(b)(14)".

(12) Paragraph (1) of section 4093(c) is amended by striking "by the purchaser" and all that follows and inserting "by the purchaser in an exempt use (as defined in section 6420(b) other than paragraph (14) thereof)."

(13) Subparagraph (C) of section 4093(c)(2) is amended by striking "section 6427(b)(2)(A)" and inserting "section 6420(c)(3)(A)".

(14) Clause (i) of section 4093(c)(4)(C) is amended to read as follows:

"(i) whether such use was an exempt use (as defined in section 6420(b)) and the amount of fuel so used,".

(15) Section 4093 is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) Use By Producer or Importer.—If any producer or importer uses any taxable fuel, then such producer or importer shall be liable for tax under section 4091 in the same manner as if such fuel were sold by him for such use."

(16) Subsection (f) of section 4093, as redesignated by paragraph (15), is amended to read as follows:

"(f) Cross Reference.—

"For provision allowing a credit or refund for fuel used for exempt purposes, see section 6420."

(17) Section 6206 is amended to read as follows:

"SEC. 6206. SPECIAL RULES APPLICABLE TO EXCESSIVE FUEL TAX REFUND CLAIMS.

"Any portion of a payment made under section 6420 which constitutes an excessive amount (as defined in section 6675(b)), and any civil penalty provided by section 6675, may be assessed and collected as if—

"(1) it were a tax imposed by the section to which the claim relates, and

"(2) the person making the claim were liable for such tax.

The period for assessing any such portion, and for assessing any such penalty, shall be 3 years from the last day prescribed for filing the claim under section 6420."

(18) Subparagraph (A) of section 6416(a)(2) is amended by striking "(relating to tax on special fuels)" and inserting "(relating to special motor fuels and noncommercial aviation gasoline)".

(19) Paragraph (2) of section 6416(b) is amended—

(A) in the matter preceding subparagraph (A) by striking "subsection (a) or (d) of section 4041" and inserting "section 4041(a)", and

(B) in subparagraph (F) by striking "special fuels referred to in section 4041" and inserting "special motor fuels referred to in section 4041(a)".

(20) Paragraph (9) of section 6504 is amended to read as follows:

"(9) Assessments to recover excessive amounts paid under section 6420 (relating to certain taxes on fuels used for exempt purposes) and assessments of civil penalties under section 6675 for excessive claims under section 6420, see section 6206."

(21) Subsection (h) of section 6511 is amended by striking paragraphs (5) and (6), by redesignating paragraph (7) as paragraph (6), and by inserting after paragraph (4) the following new paragraph:

"(5) For limitations in the case of payments under section 6420 (relating to certain taxes on fuels used for exempt purposes), see section 6420(d)."

(22) Subsection (c) of section 6612 is amended by striking "6420 (relating to payments in the case of gasoline used on the farm for farming purposes) and 6421 (relating to payments in the case of gasoline used for certain nonhighway purposes or by local transit systems)" and inserting "and 6420 (relating to certain taxes on fuels used for exempt purposes)".

(23) Subsection (a) of section 6675 is amended by striking "section 6420 (relating to gasoline used on farms), 6421 (relating to gasoline used for certain nonhighway purposes or by local transit systems), or 6427 (relating to fuels not used for taxable purposes)" and inserting "section 6420 (relating to certain taxes on fuels used for exempt purposes)".

(24) Paragraph (1) of section 6675(b) is amended by striking ", 6421, or 6427, as the case may be,".

(25) Section 7210 is amended by striking "sections 6420(e)(2), 6421(g)(2), 6427(j)(2)" and inserting "sections 6420(k)(2)(B)".

(26) Section 7603, subsections (b) and (c)(2) of section 7604, section 7605, and 7610(c) are each amended by striking "section 6420(e)(2), 6421(g)(2), 6427(j)(2)," each place it appears and inserting "section 6420(k)(2)(B)".

(27) Sections 7605 and 7609(c)(1) are each amended by striking "section 6420(e)(2), 6421(g)(2), or 6427(j)(2)" and inserting "section 6420(k)(2)(B)".

(28) Paragraph (1) of section 9502(b) is amended by striking "subsections (c) and (e) of section 4041 (taxes on aviation fuel)" and inserting "section 4041(b) (relating to taxes on noncommercial aviation gasoline)".

(29) Paragraph (2) of section 9502(d) is amended by striking "fuel used in aircraft" and all that follows and inserting "fuel used in aircraft, under section 6420 (relating to certain taxes on fuels used for exempt purposes)."

(30) Paragraph (1) of section 9502(e) is amended by striking "4041(c)(1) and".

(31) Subparagraph (A) of section 9503(b)(1) is amended to read as follows:

"(A) section 4041 (relating to special motor fuels and noncommercial aviation gasoline),".

(32) Paragraph (4) of section 9503(b) is amended to read as follows:

"(4) Certain additional taxes not transferred to highway trust fund.—For purposes of paragraphs (1) and (2), the taxes imposed by sections 4041, 4081, and 4091 shall be taken into account only to the extent attributable to the Highway Trust Fund financing rates under such sections."

(33)(A) Clause (i) of section 9503(c)(2)(A) is amended to read as follows:

"(i) the amounts paid before July 1, 2000, under section 6420 (relating to certain taxes on fuels used for exempt purposes) on the basis of claims filed for periods ending before October 1, 1999, and".

(B) For purposes of section 9503(c)(2)(A)(i) of the Internal Revenue Code of 1986, the reference to section 6420 shall be treated as including a reference to sections 6420, 6421, and 6427 of such Code as in effect before the enactment of this Act.

(34) Clause (ii) of section 9503(c)(2)(A) is amended by striking "gasoline, special fuels, and lubricating oil" each place it appears and inserting "taxable fuels".

(35) Subparagraph (D) of section 9503(c)(4) is amended by striking "section 4041(a)(2)" and inserting "section 4041(a)".

(36) Subparagraph (A) of section 9503(e)(5) is amended by striking "section 6427(g)" and inserting "section 6420(j)".

(37) Paragraph (1) of section 9508(b) is amended to read as follows:

"(1) taxes received in the Treasury under section 4041 (relating to special motor fuels and noncommercial aviation gasoline) to the extent attributable to the Leaking Underground Storage Tank Trust Fund financing rates applicable under such section,".

(38) Subparagraph (A) of section 9508(c)(2) is amended by striking "equivalent to—" and all that follows and inserting the following: "equivalent to—

"(i) amounts paid under section 6420 (relating to certain taxes on fuels used for exempt purposes), and

"(ii) credits allowed under section 34,

with respect to so much of the taxes imposed by sections 4041, 4081, and 4091 as are attributable to the Leaking Underground Storage Tank Trust Fund financing rates applicable under such sections."

(39) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 34 and inserting the following:

"Sec. 34. Excise taxes on fuels used for exempt purposes."

(40) The table of sections for subchapter B of chapter 31 is amended by striking the item relating to section 4041 and inserting the following:

"Sec. 4041. Special motor fuels and noncommercial aviation gasoline."

(41) The table of sections for subpart A of part III of subchapter A of chapter 32 is amended by striking the item relating to section 4083 and inserting the following:

"Sec. 4083. Cross reference."

(42) The table of sections for subchapter B of chapter 65 is amended by striking the items relating to sections 6421 and 6427 and by striking the item relating to section 6420 and inserting the following new item:

"Sec. 6420. Certain taxes on fuels used for exempt purposes."

(43) The table of sections for subchapter A of chapter 63 is amended by striking the item relating to section 6206 and inserting the following new item:

"Sec. 6206. Special rules applicable to excessive fuel tax refund claims."

SEC. 4805. EFFECTIVE DATE.

The amendments made by this part shall take effect on January 1, 1993.

PART II—PROVISIONS RELATED TO DISTILLED SPIRITS, WINES, AND BEER

SEC. 4811. CREDIT OR REFUND FOR IMPORTED BOTTLED DISTILLED SPIRITS RETURNED TO DISTILLED SPIRITS PLANT.

(a) In General.—Paragraph (1) of section 5008(c) (relating to distilled spirits returned to bonded premises) is amended by striking "withdrawn from bonded premises on payment or determination of tax" and inserting "on which tax has been determined or paid".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the 180th day after the date of the enactment of this Act.

SEC. 4812. AUTHORITY TO CANCEL OR CREDIT EXPORT BONDS WITHOUT SUBMISSION OF RECORDS.

(a) In General.—Subsection (c) of section 5175 (relating to export bonds) is amended by striking "on the submission of" and all that follows and inserting "if there is such proof of exportation as the Secretary may by regulations require."

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the 180th day after the date of the enactment of this Act.

SEC. 4813. REPEAL OF REQUIRED MAINTENANCE OF RECORDS ON PREMISES OF DISTILLED SPIRITS PLANT.

(a) In General.—Subsection (c) of section 5207 (relating to records and reports) is amended by striking "shall be kept on the premises where the operations covered by the record are carried on and".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the 180th day after the date of the enactment of this Act.

SEC. 4814. FERMENTED MATERIAL FROM ANY BREWERY MAY BE RECEIVED AT A DISTILLED SPIRITS PLANT.

(a) In General.—Paragraph (2) of section 5222(b) (relating to production, receipt, removal, and use of distilling materials) is amended to read as follows:

"(2) beer conveyed without payment of tax from brewery premises, beer which has been lawfully removed from brewery premises upon determination of tax, or".

(b) Clarification of Authority To Permit Removal of Beer Without Payment of Tax for Use as Distilling Material.—Section 5053 (relating to exemptions) is amended by redesignating subsection (f) as subsection (i) and by inserting after subsection (e) the following new subsection:

"(f) Removal for Use as Distilling Material.—Subject to such regulations as the Secretary may prescribe, beer may be removed from a brewery without payment of tax to any distilled spirits plant for use as distilling material."

(c) Clarification of Refund and Credit of Tax.—Section 5056 (relating to refund and credit of tax, or relief from liability) is amended—

(1) by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Beer Received at a Distilled Spirits Plant.—Any tax paid by any brewer on beer produced in the United States may be refunded or credited to the brewer, without interest, or if the tax has not been paid, the brewer may be relieved of liability therefor, under regulations as the Secretary may prescribe, if such beer is received on the bonded premises of a distilled spirits plant pursuant to the provisions of section 5222(b)(2), for use in the production of distilled spirits.", and

(2) by striking "or rendering unmerchantable" in subsection (d) (as so redesignated) and inserting "rendering unmerchantable, or receipt on the bonded premises of a distilled spirits plant".

(d) Effective Date.—The amendments made by this section shall take effect on the 180th day after the date of the enactment of this Act.

SEC. 4815. REPEAL OF REQUIREMENT FOR WHOLESALE DEALERS IN LIQUORS TO POST SIGN.

(a) In General.—Section 5115 (relating to sign required on premises) is hereby repealed.

(b) Conforming Amendments.—

(1) Subsection (a) section 5681 is amended by striking ", and every wholesale dealer in liquors," and by striking "section 5115(a) or".

(2) Subsection (c) of section 5681 is amended—

(A) by striking "or wholesale liquor establishment, on which no sign required by section 5115(a) or" and inserting "on which no sign required by", and

(B) by striking "or wholesale liquor establishment, or who" and inserting "or who".

(3) The table of sections for subpart D of part II of subchapter A of chapter 51 is amended by striking the item relating to section 5115.

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 4816. REFUND OF TAX TO WINE RETURNED TO BOND NOT LIMITED TO UNMERCHANTABLE WINE.

(a) In General.—Subsection (a) of section 5044 (relating to refund of tax on unmerchantable wine) is amended by striking "as unmerchantable".

(b) Conforming Amendments.—

(1) Section 5361 is amended by striking "unmerchantable".

(2) The section heading for section 5044 is amended by striking "UNMERCHANTABLE".

(3) The item relating to section 5044 in the table of sections for subpart C of part I of subchapter A of chapter 51 is amended by striking "unmerchantable".

(c) Effective Date.—The amendments made by this section shall take effect on the 180th day after the date of the enactment of this Act.

SEC. 4817. USE OF ADDITIONAL AMELIORATING MATERIAL IN CERTAIN WINES.

(a) In General.—Subparagraph (D) of section 5384(b)(2) (relating to ameliorated fruit and berry wines) is amended by striking "loganberries, currants, or gooseberries," and inserting "any fruit or berry with a natural fixed acid of 20 parts per thousand or more (before any correction of such fruit or berry)".

(b) Effective Date.—The amendment made by this section shall take effect on the 180th day after the date of the enactment of this Act.

SEC. 4818. DOMESTICALLY-PRODUCED BEER MAY BE WITHDRAWN FREE OF TAX FOR USE OF FOREIGN EMBASSIES, LEGATIONS, ETC.

(a) In General.—Section 5053 (relating to exemptions) is amended by inserting after subsection (f) the following new subsection:

"(g) Removals for Use of Foreign Embassies, Legations, Etc.—

"(1) In general.—Subject to such regulations as the Secretary may prescribe—

"(A) beer may be withdrawn from the brewery without payment of tax for transfer to any customs bonded warehouse for entry pending withdrawal therefrom as provided in subparagraph (B), and

"(B) beer entered into any customs bonded warehouse under subparagraph (A) may be withdrawn for consumption in the United States by, and for the official and family use of, such foreign governments, organizations, and individuals as are entitled to withdraw imported beer from such warehouses free of tax.

Beer transferred to any customs bonded warehouse under subparagraph (A) shall be entered, stored, and accounted for in such warehouse under such regulations and bonds as the Secretary may prescribe, and may be withdrawn therefrom by such governments, organizations, and individuals free of tax under the same conditions and procedures as imported beer.

"(2) Other rules to apply.—Rules similar to the rules of paragraphs (2) and (3) of section 5362(e) of such section shall apply for purposes of this subsection."

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the 180th day after the date of the enactment of this Act.

SEC. 4819. BEER MAY BE WITHDRAWN FREE OF TAX FOR DESTRUCTION.

(a) In General.—Section 5053 is amended by inserting after subsection (g) the following new subsection:

"(h) Removals for Destruction.—Subject to such regulations as the Secretary may prescribe, beer may be removed from the brewery without payment of tax for destruction."

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the 180th day after the date of the enactment of this Act.

SEC. 4820. AUTHORITY TO ALLOW DRAWBACK ON EXPORTED BEER WITHOUT SUBMISSION OF RECORDS.

(a) In General.—The first sentence of section 5055 (relating to drawback of tax on beer) is amended by striking "found to have been paid" and all that follows and inserting "paid on such beer if there is such proof of exportation as the Secretary may by regulations require."

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the 180th day after the date of the enactment of this Act.

SEC. 4821. TRANSFER TO BREWERY OF BEER IMPORTED IN BULK WITHOUT PAYMENT OF TAX.

(a) In General.—Part II of subchapter G of chapter 51 is amended by adding at the end thereof the following new section:

"SEC. 5418. BEER IMPORTED IN BULK.

"Beer imported or brought into the United States in bulk containers may, under such regulations as the Secretary may prescribe, be withdrawn from customs custody and transferred in such bulk containers to the premises of a brewery without payment of the internal revenue tax imposed on such beer. The proprietor of a brewery to which such beer is transferred shall become liable for the tax on the beer withdrawn from customs custody under this section upon release of the beer from customs custody, and the importer, or the person bringing such beer into the United States, shall thereupon be relieved of the liability for such tax."

(b) Clerical Amendment.—The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 5418. Beer imported in bulk."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the 180th day after the date of the enactment of this Act.

PART III—OTHER EXCISE TAX PROVISIONS

SEC. 4831. AUTHORITY TO GRANT EXEMPTIONS FROM REGISTRATION REQUIREMENTS.

(a) IN GENERAL.—The first sentence of section 4222 (relating to registration) is amended to read as follows: "Except as provided in subsection (b), section 4221 shall not apply with respect to the sale of any article by or to any person who is required by the Secretary to be registered under this section and who is not so registered."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to sales after the 180th day after the date of the enactment of this Act.

SEC. 4832. REPEAL OF EXPIRED PROVISIONS.

(a) PIGGY-BACK TRAILERS.—Section 4051 is amended by striking subsection (d) and by redesignating subsection (e) as subsection (d).

(b) DEEP SEABED MINING.—

(1) Subchapter F of chapter 36 (relating to tax on removal of hard mineral resources from deep seabed) is hereby repealed.

(2) The table of subchapters for chapter 36 is amended by striking the item relating to subchapter F.

Subtitle I—Administrative Provisions

PART I—GENERAL PROVISIONS

SEC. 4901. SIMPLIFICATION OF DEPOSIT REQUIREMENTS FOR SOCIAL SECURITY, RAILROAD RETIREMENT, AND WITHHELD INCOME TAXES.

(a) IN GENERAL.—Subsection (g) of section 6302 (relating to deposits of social security taxes and withheld income taxes) is amended to read as follows:

"(g) DEPOSITS OF SOCIAL SECURITY, RAILROAD RETIREMENT, AND WITHHELD INCOME TAXES.—

"(1) GENERAL RULE.—Except as otherwise provided in this subsection—

"(A) employment taxes attributable to payments on Wednesday, Thursday, or Friday of any week shall be deposited on or before the following Tuesday, and

"(B) employment taxes attributable to payments on Saturday, Sunday, Monday, or Tuesday of any week shall be deposited on or before the following Friday.

"(2) SMALL DEPOSITORS.—

"(A) IN GENERAL.—If any person is a small depositor for any calendar quarter, such person shall make deposits of employment taxes attributable to payments during any month in such quarter on or before the 15th day of the following month.

"(B) SMALL DEPOSITOR.—For purposes of this subsection, a person is a small depositor for any calendar quarter if, for each calendar quarter in the base period, the amount of employment taxes attributable to payments made by such person during such calendar quarter was $12,000 or less. For purposes of the preceding sentence, the base period for any calendar quarter is the 4 calendar quarters ending with the second preceding calendar quarter.

"(C) CESSATION AS SMALL DEPOSITOR.—A person shall cease to be treated as a small depositor for a calendar quarter after any day on which such person is required to make a deposit under paragraph (3).

"(3) LARGE DEPOSITORS.—Notwithstanding paragraphs (1) and (2), if, on any day, any person has $100,000 or more of employment taxes for deposit, such taxes shall be deposited on or before the next day.

"(4) SAFE HARBOR.—

"(A) IN GENERAL.—A person shall be treated as depositing the required amount of employment taxes in any deposit if the shortfall does not exceed the greater of—

"(i) $100, or

"(ii) 2 percent of the amount of employment taxes required to be deposited in such deposit (determined without regard to this paragraph).

Such shortfall shall be deposited as required by the Secretary by regulations.

"(B) SHORTFALL.—For purposes of this paragraph, the term 'shortfall' means, with respect to any deposit, the excess of the amount of employment taxes required to be deposited in such deposit (determined without regard to this paragraph) over the amount (if any) thereof deposited on or before the last date prescribed therefor.

"(5) DEPOSIT REQUIRED ONLY ON BANKING DAYS.—If taxes are required to be deposited under this subsection on any day which is not a banking day, such taxes shall be treated as timely deposited if deposited on the first banking day thereafter.

"(6) EMPLOYMENT TAXES.—For purposes of this subsection, the term 'employment taxes' means the taxes imposed by chapters 21, 22, and 24.

"(7) SUBSECTION TO APPLY ONLY TO REQUIRED DEPOSITS.—This subsection shall not apply to employment taxes which are not required to be deposited under the regulations prescribed by the Secretary under this section.

"(8) REGULATIONS.—The Secretary may prescribe regulations—

"(A) specifying employment tax deposit requirements for persons who fail to comply with the requirements of this subsection,

"(B) specifying circumstances under which a person shall be treated as a small depositor for purposes of this subsection notwithstanding that such person is not described in paragraph (2)(B),

"(C) specifying modifications to the provisions of this subsection for end-of-quarter periods, and

"(D) establishing deposit requirements for taxes imposed by section 3406 which apply in lieu of the requirements of this subsection."

(b) CONFORMING AMENDMENT.—Section 226 of the Railroad Retirement Solvency Act of 1983 is hereby repealed.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts attributable to payments made after December 31, 1992.

SEC. 4902. SIMPLIFICATION OF EMPLOYMENT TAXES ON DOMESTIC SERVICES.

(a) THRESHOLD REQUIREMENT FOR SOCIAL SECURITY TAXES.—

(1) Subparagraph (B) of section 3121(a)(7) (defining wages) is amended to read as follows:

"(B) Cash remuneration paid by an employer in any calendar year to an employee for domestic service in a private home of the employer, if the cash remuneration paid in such year by the employer to the employee for such service is less than $300. As used in this subparagraph, the term 'domestic service in a private home of the employer' does not include service described in subsection (g)(5);"

(2) Subparagraph (B) of section 209(a)(6) of the Social Security Act is amended to read as follows:

"(B) Cash remuneration paid by an employer in any calendar year to an employee for domestic service in a private home of the employer, if the cash remuneration paid in such year by the employer to the employee for such service is less than $300. As used in this subparagraph, the term 'domestic service in a private home of the employer' does not include service described in section 210(f)(5)."

(3) The second sentence of section 3102(a) is amended—

(A) by striking "calendar quarter" each place it appears and inserting "calendar year", and

(B) by striking "$50" and inserting "$300".

(b) COORDINATION OF COLLECTION OF DOMESTIC SERVICE EMPLOYMENT WITH COLLECTION OF INCOME TAXES.—

(1) IN GENERAL.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end thereof the following new section:

"SEC. 3510. COORDINATION OF COLLECTION OF DOMESTIC SERVICE EMPLOYMENT TAXES WITH COLLECTION OF INCOME TAXES.

"(a) GENERAL RULE.—Except as otherwise provided in this section—

"(1) returns with respect to domestic service employment taxes shall be made on a calendar year basis,

"(2) any such return for any calendar year shall be filed on or before the due date (including extensions) of the income tax return for the employer's taxable year which begins in such calendar year, and

"(3) no requirement to make deposits (or to pay installments under section 6157) shall apply with respect to such taxes.

"(b) DOMESTIC SERVICE EMPLOYMENT TAXES SUBJECT TO ESTIMATED TAX PROVISIONS.—

"(1) IN GENERAL.—Solely for purposes of section 6654, domestic service employment taxes imposed with respect to any calendar year shall be treated as a tax imposed by chapter 2 for the taxable year of the employer which begins in such calendar year.

"(2) ANNUALIZATION.—Under regulations prescribed by the Secretary, appropriate adjustments shall be made in the application of section 6654(d)(2) in respect of the amount treated as tax under paragraph (1).

"(3) TRANSITIONAL RULE.—For purposes of applying section 6654 to a taxable year beginning in 1993, the amount referred to in clause (ii) of section 6654(d)(1)(B) shall be increased by 90 percent of the amount treated as tax under paragraph (1) for such taxable year.

"(c) DOMESTIC SERVICE EMPLOYMENT TAXES.—For purposes of this section, the term 'domestic service employment taxes' means—

"(1) any taxes imposed by chapter 21 or 23 on remuneration paid for domestic service in a private home of the employer, and

"(2) any amount withheld from such remuneration pursuant to an agreement under section 3402(p).

For purposes of this subsection, the term 'domestic service in a private home of the employer' does not include service described in section 3121(g)(5).

"(d) EXCEPTION WHERE EMPLOYER LIABLE FOR OTHER EMPLOYMENT TAXES.—To the extent provided in regulations prescribed by the Secretary, this section shall not apply to any employer for any calendar year if such employer is liable for any tax under this subtitle with respect to remuneration for services other than domestic service in a private home of the employer.

"(e) AUTHORITY TO ENTER INTO AGREEMENTS TO COLLECT STATE UNEMPLOYMENT TAXES.—

"(1) IN GENERAL.—The Secretary is hereby authorized to enter into an agreement with any State to collect, as the agent of such State, such State's unemployment taxes imposed on remuneration paid for domestic service in a private home of the employer. Any taxes to be collected by the Secretary pursuant to such an agreement shall be treated as domestic service employment taxes for purposes of this section.

"(2) TRANSFERS TO STATE ACCOUNT.—Any amount collected under an agreement referred to in paragraph (1) shall be transferred by the Secretary to the account of the State in the Unemployment Trust Fund.

"(3) SUBTITLE F MADE APPLICABLE.—For purposes of subtitle F, any amount required to be collected under an agreement under paragraph (1) shall be treated as a tax imposed by chapter 23.

"(4) STATE.—For purposes of this subsection, the term 'State' has the meaning given such term by section 3306(j)(1)."

(2) CLERICAL AMENDMENT.—The table of sections for chapter 25 is amended by adding at the end thereof the following:

"Sec. 3510. Coordination of collection of domestic service employment taxes with collection of income taxes."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration paid in calendar years after 1992.

SEC. 4903. CERTAIN NOTICES DISREGARDED UNDER PROVISION INCREASING INTEREST RATE ON LARGE CORPORATE UNDERPAYMENTS.

(a) GENERAL RULE.—Subparagraph (B) of section 6621(c)(2) (defining applicable date) is amended by adding at the end thereof the following new clause:

"(iii) EXCEPTION FOR LETTERS OR NOTICES INVOLVING SMALL AMOUNTS.—For purposes of this paragraph, any letter or notice shall be disregarded if the amount of the deficiency or proposed deficiency (or the assessment or proposed assessment) set forth in such letter or notice is not greater than $100,000 (determined by not taking into account any interest, penalties, or additions to tax)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply for purposes of determining interest for periods after December 31, 1990.

SEC. 4904. USE OF REPRODUCTIONS OF RETURNS STORED IN DIGITAL IMAGE FORMAT.

(a) IN GENERAL.—Paragraph (2) of section 6103(p) (relating to procedure and recordkeeping) is amended by adding at the end thereof the following new subparagraph:

"(D) REPRODUCTION FROM DIGITAL IMAGES.—For purposes of this paragraph, the term 'reproduction' includes a reproduction from digital images."

(b) STUDY.—The Comptroller General of the United States shall conduct a study of available digital image technology for the purpose of determining the extent to which reproductions of documents stored using that technology accurately reflect the data on the original document and the appropriate period for retaining the original document. Not later than 1 year after the date of the enactment of this Act, a report on the results of such study shall be submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SEC. 4905. REPEAL OF AUTHORITY TO DISCLOSE WHETHER PROSPECTIVE JUROR HAS BEEN AUDITED.

(a) IN GENERAL.—Subsection (h) of section 6103 (relating to disclosure to certain Federal officers and employees for purposes of tax administration, etc.) is amended by striking paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(b) CONFORMING AMENDMENT.—Paragraph (4) of section 6103(p) is amended by striking "(h)(6)" each place it appears and inserting "(h)(5)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to judicial proceedings pending on, or commenced after, the date of the enactment of this Act.

SEC. 4906. REPEAL OF SPECIAL AUDIT PROVISIONS FOR SUBCHAPTER S ITEMS.

(a) GENERAL RULE.—Subchapter D of chapter 63 (relating to tax treatment of subchapter S items) is hereby repealed.

(b) CONSISTENT TREATMENT REQUIRED.—Section 6037 (relating to return of S corporation) is amended by adding at the end thereof the following new subsection:

"(c) SHAREHOLDER'S RETURN MUST BE CONSISTENT WITH CORPORATE RETURN OR SECRETARY NOTIFIED OF INCONSISTENCY.—

"(1) IN GENERAL.—A shareholder of an S corporation shall, on such shareholder's return, treat a subchapter S item in a manner which is consistent with the treatment of such item on the corporate return.

"(2) NOTIFICATION OF INCONSISTENT TREATMENT.—

"(A) IN GENERAL.—In the case of any subchapter S item, if—

"(i)(I) the corporation has filed a return but the shareholder's treatment on his return is (or may be) inconsistent with the treatment of the item on the corporate return, or

"(II) the corporation has not filed a return, and

"(ii) the shareholder files with the Secretary a statement identifying the inconsistency,

paragraph (1) shall not apply to such item.

"(B) SHAREHOLDER RECEIVING INCORRECT INFORMATION.—A shareholder shall be treated as having complied with clause (ii) of subparagraph (A) with respect to a subchapter S item if the shareholder—

"(i) demonstrates to the satisfaction of the Secretary that the treatment of the subchapter S item on the shareholder's return is consistent with the treatment of the item on the schedule furnished to the shareholder by the corporation, and

"(ii) elects to have this paragraph apply with respect to that item.

"(3) EFFECT OF FAILURE TO NOTIFY.—In any case—

"(A) described in subparagraph (A)(i)(I) of paragraph (2), and

"(B) in which the shareholder does not comply with subparagraph (A)(ii) of paragraph (2),

any adjustment required to make the treatment of the items by such shareholder consistent with the treatment of the items on the corporate return shall be treated as arising out of mathematical or clerical errors and assessed according to section 6213(b)(1). Paragraph (2) of section 6213(b) shall not apply to any assessment referred to in the preceding sentence.

"(4) SUBCHAPTER S ITEM.—For purposes of this subsection, the term 'subchapter S item' means any item of an S corporation to the extent that regulations prescribed by the Secretary provide that, for purposes of this subtitle, such item is more appropriately determined at the corporation level than at the shareholder level.

"(5) ADDITION TO TAX FOR FAILURE TO COMPLY WITH SECTION.—

"For addition to tax in the case of a shareholder's negligence in connection with, or disregard of, the requirements of this section, see part II of subchapter A of chapter 68."

(c) CONFORMING AMENDMENTS.—

(1) Section 1366 is amended by striking subsection (g).

(2) Subsection (b) of section 6233 is amended to read as follows:

"(b) SIMILAR RULES IN CERTAIN CASES.—If a partnership return is filed for any taxable year but it is determined that there is no entity for such taxable year, to the extent provided in regulations, rules similar to the rules of subsection (a) shall apply."

(3) The table of subchapters for chapter 63 is amended by striking the item relating to subchapter D.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 4907. CLARIFICATION OF STATUTE OF LIMITATIONS.

(a) IN GENERAL.—Subsection (a) of section 6501 (relating to limitations on assessment and collection) is amended by adding at the end thereof the following new sentence: "For purposes of this chapter, the term 'return' means the return required to be filed by the taxpayer (and does not include a return of any person from whom the taxpayer has received an item of income, gain, loss, deduction, or credit)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

PART II—TAX COURT PROCEDURES

SEC. 4911. OVERPAYMENT DETERMINATIONS OF TAX COURT.

(a) APPEAL OF ORDER.—Paragraph (2) of section 6512(b) (relating to jurisdiction to enforce) is amended by adding at the end the following new sentence: "An order of the Tax Court disposing of a motion under this paragraph shall be reviewable in the same manner as a decision of the Tax Court, but only with respect to the matters determined in such order."

(b) DENIAL OF JURISDICTION REGARDING CERTAIN CREDITS AND REDUCTIONS.—Subsection (b) of section 6512 (relating to overpayment determined by Tax Court) is amended by adding at the end the following new paragraph:

"(4) DENIAL OF JURISDICTION REGARDING CERTAIN CREDITS AND REDUCTIONS.—The Tax Court shall have no jurisdiction under this subsection to restrain or review any credit or reduction made by the Secretary under section 6402."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 4912. AWARDING OF ADMINISTRATIVE COSTS.

(a) RIGHT TO APPEAL TAX COURT DECISION.—Subsection (f) of section 7430 (relating to right of appeal) is amended by adding at the end the following new paragraph:

"(3) APPEAL OF TAX COURT DECISION.—An order of the Tax Court disposing of a petition under paragraph (2) shall be reviewable in the same manner as a decision of the Tax Court, but only with respect to the matters determined in such order."

(b) PERIOD FOR APPLYING TO IRS FOR COSTS.—Subsection (b) of section 7430 (relating to limitations) is amended by adding at the end the following new paragraph:

"(5) PERIOD FOR APPLYING TO IRS FOR ADMINISTRATIVE COSTS.—An award may be made under subsection (a) for reasonable administrative costs only if the prevailing party files an application for such costs before the 91st day after the date on which the party was determined to be the prevailing party under subsection (c)(4)(B)."

(c) PERIOD FOR PETITIONING OF TAX COURT FOR REVIEW OF DENIAL OF COSTS.—Paragraph (2) of section 7430(f) (relating to right of appeal) is amended—

(1) by striking "appeal to" and inserting "the filing of a petition for review with", and

(2) by adding at the end the following new sentence: "If the Secretary sends by certified or registered mail a notice of such decision to the petitioner, no proceeding in the Tax Court may be initiated under this paragraph unless such petition is filed before the 91st day after the date of such mailing."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to civil actions or proceedings commenced after the date of the enactment of this Act.

SEC. 4913. REDETERMINATION OF INTEREST PURSUANT TO MOTION.

(a) IN GENERAL.—Paragraph (3) of section 7481(c) (relating to jurisdiction over interest determinations) is amended by striking "petition" and inserting "motion".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 4914. APPLICATION OF NET WORTH REQUIREMENT FOR AWARDS OF LITIGATION COSTS.

(a) IN GENERAL.—Paragraph (4) of section 7430(c) (defining prevailing party) is amended by adding at the end thereof the following new subparagraph:

"(C) SPECIAL RULES FOR APPLYING NET WORTH REQUIREMENT.—In applying the requirements of section 2412(d)(2)(B) of title 28, United States Code, for purposes of subparagraph (A)(iii) of this paragraph—

"(i) the net worth limitation in clause (i) of such section shall apply to—

"(I) an estate but shall be determined as of the date of the decedent's death, and

"(II) a trust but shall be determined as of the last day of the taxable year involved in the proceeding, and

"(ii) individuals filing a joint return shall be treated as 1 individual for purposes of clause (i) of such section, except in the case of a spouse relieved of liability under section 6013(e)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to proceedings commenced after the date of the enactment of this Act.

PART III—AUTHORITY FOR CERTAIN COOPERATIVE AGREEMENTS

SEC. 4921. COOPERATIVE AGREEMENTS WITH STATE TAX AUTHORITIES.

(a) GENERAL RULE.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 7524. COOPERATIVE AGREEMENTS WITH STATE TAX AUTHORITIES.

"(a) AUTHORIZATION OF AGREEMENTS.—The Secretary is hereby authorized to enter into cooperative agreements with State tax authorities for purposes of enhancing joint tax administration. Such agreements may provide for—

"(1) joint filing of Federal and State income tax returns,

"(2) single processing of such returns,

"(3) joint collection of taxes (other than Federal income taxes), and

"(4) such other provisions as may enhance joint tax administration.

"(b) SERVICES ON REIMBURSABLE BASIS.—Any agreement under subsection (a) may require reimbursement for services provided by either party to the agreement.

"(c) AVAILABILITY OF FUNDS.—Any funds appropriated for purposes of the administration of this title shall be available for purposes of carrying out the Secretary's responsibility under an agreement entered into under subsection (a). Any reimbursement received pursuant to such an agreement shall be credited to the amount so appropriated.

"(d) STATE TAX AUTHORITY.—For purposes of this section, the term 'State tax authority' means agency, body, or commission referred to in section 6103(d)(1)."

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end thereof the following new item:

"Sec. 7524. Cooperative agreements with State tax authorities."

TITLE V—TAXPAYER BILL OF RIGHTS 2

SEC. 5000. SHORT TITLE.

This title may be cited as the "Taxpayer Bill of Rights 2".

Subtitle A—Taxpayer Advocate

SEC. 5001. ESTABLISHMENT OF POSITION OF TAXPAYER ADVOCATE WITHIN INTERNAL REVENUE SERVICE.

(a) GENERAL RULE.—Section 7802 (relating to Commissioner of Internal Revenue; Assistant Commissioner (Employee Plans and Exempt Organizations)) is amended by adding at the end thereof the following new subsection:

"(d) OFFICE OF TAXPAYER ADVOCATE.—

"(1) IN GENERAL.—There is established in the Internal Revenue Service an office to be known as the 'Office of the Taxpayer Advocate'. Such office, including all problem resolution officers, shall be under the supervision and direction of an official to be known as the 'Taxpayer Advocate' who shall be appointed by the President by and with the advice and consent of the Senate, and who shall report directly to the Commissioner of Internal Revenue. The Taxpayer Advocate shall be entitled to compensation at the same rate as the Chief Counsel for the Internal Revenue Service.

"(2) FUNCTIONS OF OFFICE.—

"(A) IN GENERAL.—It shall be the function of the Office of Taxpayer Advocate to—

"(i) assist taxpayers in resolving problems with the Internal Revenue Service,

"(ii) identify areas in which taxpayers have problems in dealings with the Internal Revenue Service,

"(iii) to the extent possible, propose changes in the administrative practices of the Internal Revenue Service to mitigate problems identified under clause (ii), and

"(iv) identify potential legislative changes which may be appropriate to mitigate such problems.

"(B) ANNUAL REPORTS.—

"(i) OBJECTIVES.—Not later than October 31 of each calendar year after 1991, the Taxpayer Advocate shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the objectives of the Taxpayer Advocate for the following calendar year. Any such report shall contain full and substantive analysis, in addition to statistical information.

"(ii) ACTIVITIES.—Not later than December 31 of each calendar year after 1991, the Taxpayer Advocate shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the activities of the Taxpayer Advocate during the fiscal year ending during such calendar year. Any such report shall contain full and substantive analysis, in addition to statistical information, and shall—

"(I) identify the initiatives the Taxpayer Advocate has taken on improving taxpayer services and Internal Revenue Service responsiveness,

"(II) contain recommendations received from individuals with the authority to issue taxpayer assistance orders under section 7811,

"(III) contain a summary of at least 20 of the most serious problems encountered by taxpayers, including a description of the nature of such problems,

"(IV) contain an inventory of the items described in subclauses (I), (II), and (III) for which action has been taken and the result of such action,

"(V) contain an inventory of the items described in subclauses (I), (II), and (III) for which action remains to be completed and the period during which each item has remained on such inventory,

"(VI) contain an inventory of the items described in subclauses (II) and (III) for which no action has been taken, the period during which each item has remained on such inventory, the reasons for the inaction, and identify any Internal Revenue Service official who is responsible for such inaction,

"(VII) identify any Taxpayer Assistance Order which was not honored by the Internal Revenue Service in a timely manner, as specified under section 7811(b),

"(VIII) contain recommendations for such administrative and legislative action as may be appropriate to resolve problems encountered by taxpayers, and

"(IX) include such other information as the Taxpayer Advocate may deem advisable.

"(3) RESPONSIBILITIES OF COMMISSIONER OF INTERNAL REVENUE SERVICE.—The Commissioner of Internal Revenue shall establish procedures requiring a formal response to all recommendations submitted to the Commissioner by the Taxpayer Advocate."

(b) CONFORMING AMENDMENTS.—

(1) Section 7811 (relating to taxpayer assistance orders) is amended—

(A) by striking "the Office of Ombudsman" in subsection (a) and inserting "the Office of the Taxpayer Advocate", and

(B) by striking "Ombudsman" each place it appears (including in the headings of subsections (e) and (f)) and inserting "Taxpayer Advocate".

(2) The heading for section 7802 is amended to read as follows:

"SEC. 7802. COMMISSIONER OF INTERNAL REVENUE; ASSISTANT COMMISSIONERS; TAXPAYER ADVOCATE."

(3) The table of sections for subchapter A of chapter 80 of subtitle F is amended by striking the item relating to section 7802 and inserting the following new item:

"Sec. 7802. Commissioner of Internal Revenue; Assistant Commissioners; Taxpayer Advocate."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 5002. EXPANSION OF AUTHORITY TO ISSUE TAXPAYER ASSISTANCE ORDERS.

(a) TERMS OF ORDERS.—Subsection (b) of section 7811 (relating to terms of taxpayer assistance orders) is amended—

(1) by inserting "within a specified time period" after "the Secretary", and

(2) by striking "cease any action" and inserting "cease any action, take any action".

(b) LIMITATION ON AUTHORITY TO MODIFY OR RESCIND.—Section 7811(c) (relating to authority to modify or rescind) is amended to read as follows:

"(c) AUTHORITY TO MODIFY OR RESCIND.—Any Taxpayer Assistance Order issued by the Taxpayer Advocate under this section may be modified or rescinded only by the Taxpayer Advocate, the Commissioner, or any superior of either."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Subtitle B—Modifications to Installment Agreement Provisions

SEC. 5101. NOTIFICATION OF REASONS FOR TERMINATION OR DENIAL OF INSTALLMENT AGREEMENTS.

(a) TERMINATIONS.—Subsection (b) of section 6159 (relating to extent to which agreements remain in effect) is amended by adding at the end thereof the following new paragraph:

"(5) NOTICE REQUIREMENTS.—The Secretary may not take any action under paragraph (2), (3), or (4) unless—

"(A) a notice of such action is provided to the taxpayer not later than the day 30 days before the date of such action, and

"(B) such notice includes an explanation why the Secretary intends to take such action.

The preceding sentence shall not apply in any case in which the Secretary believes that collection of any tax to which an agreement under this section relates is in jeopardy."

(b) DENIALS.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by adding at the end thereof the following new subsection:

"(c) NOTICE REQUIREMENTS FOR DENIALS.—The Secretary may not deny any request for an installment agreement under this section unless—

"(1) a notice of the proposed denial is provided to the taxpayer not later than the day 30 days before the date of such denial, and

"(2) such notice includes an explanation why the Secretary intends to deny such request.

The preceding sentence shall not apply in any case in which the Secretary believes that collection of any tax to which a request for an agreement under this section relates is in jeopardy."

(c) CONFORMING AMENDMENT.—Paragraph (3) of section 6159(b) is amended to read as follows:

"(3) SUBSEQUENT CHANGE IN FINANCIAL CONDITIONS.—If the Secretary makes a determination that the financial condition of a taxpayer with whom the Secretary has entered into an agreement under subsection (a) has significantly changed, the Secretary may alter, modify, or terminate such agreement."

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date 6 months after the date of the enactment of this Act.

SEC. 5102. ADMINISTRATIVE REVIEW OF DENIAL OF REQUEST FOR, OR TERMINATION OF, INSTALLMENT AGREEMENT.

(a) GENERAL RULE.—Section 6159 (relating to agreements for payment of tax liability in installments), as amended by section 5101, is amended by adding at the end thereof the following new subsection:

"(d) ADMINISTRATIVE REVIEW.—The Secretary shall establish procedures for an independent administrative review of denials of requests for, or terminations of, installment agreements under this section."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 5103. RUNNING OF FAILURE TO PAY PENALTY SUSPENDED DURING PERIOD INSTALLMENT AGREEMENT IN EFFECT.

(a) GENERAL RULE.—Section 6651 (relating to penalty for failure to file tax return or to pay tax) is amended by adding at the end thereof the following new subsection:

"(g) TREATMENT OF INSTALLMENT AGREEMENTS UNDER SECTION 6159.—If an agreement is entered into under section 6159 for the payment of any tax in installments, the period during which such agreement is in effect shall be disregarded in determining the amount of any addition under paragraph (2) or (3) of subsection (a) with respect to such tax."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to installment agreements entered into after the date of the enactment of this Act.

Subtitle C—Interest

SEC. 5201. EXPANSION OF AUTHORITY TO ABATE INTEREST.

(a) GENERAL RULE.—Paragraph (1) of section 6404(e) (relating to abatement of interest in certain cases) is amended by striking "ministerial act" each place it appears and inserting "ministerial or managerial act".

(b) CLERICAL AMENDMENT.—The subsection heading for subsection (e) of section 6404 is amended by striking "Assessments" and inserting "Abatement".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest accruing with respect to deficiencies or payments for taxable years beginning after the date of the enactment of this Act.

SEC. 5202. EXTENSION OF INTEREST-FREE PERIOD FOR PAYMENT OF TAX AFTER NOTICE AND DEMAND.

(a) GENERAL RULE.—Paragraph (3) of section 6601(e) (relating to payments made within 10 days after notice and demand) is amended to read as follows:

"(3) PAYMENTS MADE WITHIN SPECIFIED PERIOD AFTER NOTICE AND DEMAND.—If notice and demand is made for payment of any amount and if such amount is paid within 21 days (10 days if the amount for which such notice and demand is made equals or exceeds $100,000) after the date of such notice and demand, interest under this section on the amount so paid shall not be imposed for the period after the date of such notice and demand."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply in the case of any notice and demand given after the date 6 months after the date of the enactment of this Act.

Subtitle D—Joint Returns

SEC. 5301. DISCLOSURE OF COLLECTION ACTIVITIES.

(a) GENERAL RULE.—Subsection (e) of section 6103 (relating to disclosure to persons having material interest) is amended by adding at the end thereof the following new paragraph:

"(8) DISCLOSURE OF COLLECTION ACTIVITIES WITH RESPECT TO JOINT RETURN.—If any deficiency of tax with respect to a joint return is assessed and the individuals filing such return are no longer married or no longer reside in the same household, upon request in writing of either of such individuals, the Secretary may disclose in writing to the individual making the request whether the Secretary has attempted to collect such deficiency from such other individual, the general nature of such collection activities, and the amount collected."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 5302. JOINT RETURN MAY BE MADE AFTER SEPARATE RETURNS WITHOUT FULL PAYMENT OF TAX.

(a) GENERAL RULE.—Paragraph (2) of section 6013(b) (relating to limitations on filing of joint return after filing separate returns) is amended by striking subparagraph (A) and redesignating the following subparagraphs accordingly.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

Subtitle E—Collection Activities

SEC. 5401. MODIFICATIONS TO LIEN AND LEVY PROVISIONS.

(a) WITHDRAWAL OF CERTAIN NOTICES.—Section 6323 (relating to validity and priority against certain persons) is amended by adding at the end thereof the following new subsection:

"(j) WITHDRAWAL OF NOTICE IN CERTAIN CIRCUMSTANCES.—

"(1) IN GENERAL.—The Secretary may withdraw a notice of a lien filed under this section and this chapter shall be applied as if the withdrawn notice had not been filed, if the Secretary determines that—

"(A) the filing of such notice was premature or otherwise not in accordance with administrative procedures of the Secretary,

"(B) the taxpayer has entered into an agreement under section 6159 to satisfy the tax liability for which the lien was imposed by means of installment payments, unless such agreement provides otherwise,

"(C) the withdrawal of such notice will facilitate the collection of the tax liability, or

"(D) with the consent of the taxpayer or the Taxpayer Advocate, the withdrawal of such notice would be in the best interests of the taxpayer and the United States.

Any such withdrawal shall be made by filing notice thereof at the same office as the withdrawn notice.

"(2) NOTICE TO CREDIT AGENCIES, ETC.—Upon written request by the taxpayer with respect to whom a notice of a lien was withdrawn under paragraph (1), the Secretary shall promptly make reasonable efforts to notify credit reporting agencies, and financial institutions specified in such request, of the withdrawal of such notice. Any such request shall be in such form as the Secretary may prescribe."

(b) RETURN OF LEVIED PROPERTY IN CERTAIN CASES.—Section 6343 (relating to authority to release levy and return property) is amended by adding at the end thereof the following new subsection:

"(d) RETURN OF PROPERTY IN CERTAIN CASES.—If—

"(1) any property has been levied upon, and

"(2) the Secretary determines that—

"(A) the levy on such property was premature or otherwise not in accordance with administrative procedures of the Secretary,

"(B) the taxpayer has entered into an agreement under section 6159 to satisfy the tax liability for which the levy was imposed by means of installment payments, unless such agreement provides otherwise,

"(C) the return of such property will facilitate the collection of the tax liability, or

"(D) with the consent of the taxpayer or the Taxpayer Advocate, the return of such property would be in the best interests of the taxpayer and the United States,

the provisions of subsection (b) shall apply in the same manner as if such property had been wrongly levied upon, except that no interest shall be allowed under subsection (c)."

(c) MODIFICATIONS IN CERTAIN LEVY EXEMPTION AMOUNTS.—

(1) FUEL, ETC.—Paragraph (2) of section 6334(a) (relating to fuel, provisions, furniture, and personal effects exempt from levy) is amended—

(A) by striking "If the taxpayer is the head of a family, so" and inserting "So", and

(B) by striking "$1,650 ($1,500 in the case of levies issued during 1989)" and inserting "$1,700".

(2) Books, etc.—Paragraph (3) of section 6334(a) (relating to books and tools of a trade, business, or profession exempt from levy) is amended by striking "$1,100 ($1,050 in the case of levies issued during 1989)" and inserting "$1,200".

(3) Indexed for inflation.—Section 6334 (relating to property exempt from levy) is amended by adding at the end thereof the following new subsection:

"(f) Inflation Adjustments.—

"(1) In general.—In the case of any calendar year beginning after 1993, each dollar amount referred to in paragraphs (2) and (3) of subsection (a) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, by substituting 'calendar year 1992' for 'calendar year 1989' in subparagraph (B) thereof.

"(2) Rounding.—If any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10)."

(d) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) Exempt amounts.—The amendments made by subsection (c) shall take effect with respect to levies issued after December 31, 1992.

SEC. 5402. OFFERS-IN-COMPROMISE.

(a) General Rule.—Subsection (a) of section 7122 (relating to compromises) is amended by adding at the end thereof the following new sentence: "The Secretary may make such a compromise in any case where the Secretary determines that such compromise would be in the best interests of the United States.".

(b) Review Requirements.—Subsection (b) of section 7122 (relating to records) is amended by striking "$500." and inserting "$50,000. However, such compromise shall be subject to continuing quality review by the Secretary.".

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 5403. NOTIFICATION OF EXAMINATION.

(a) In General.—Section 7605 (relating to restrictions on examination of taxpayer) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Notification Requirement.—No examination described in subsection (a) shall be made unless the Secretary notifies the taxpayer in writing by mail to an address determined under section 6212(b) that the taxpayer is under examination and provides the taxpayer with an explanation of the process as described in section 7521(b)(1). The preceding sentence shall not apply in the case of any examination if the Secretary determines that—

"(1) such examination is in connection with a criminal investigation or is with respect to a tax the collection of which is in jeopardy, or

"(2) the application of the preceding sentence would be inconsistent with national security needs or would interfere with the effective conduct of a confidential law enforcement or foreign counterintelligence activity."

(b) Conforming Amendment.—Paragraph (1) of section 7521(b) (relating to safeguards) is amended by striking "or at".

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 5404. INCREASE IN LIMIT ON RECOVERY OF CIVIL DAMAGES FOR UNAUTHORIZED COLLECTION ACTIONS.

(a) General Rule.—Subsection (b) of section 7433 (relating to damages) is amended by striking "$100,000" and inserting "$1,000,000".

(b) Effective Date.—The amendment made by subsection (a) shall apply to actions by officers or employees of the Internal Revenue Service after the date of the enactment of this Act.

SEC. 5405. SAFEGUARDS RELATING TO DESIGNATED SUMMONS.

(a) Standard of Review.—Subparagraph (A) of section 6503(k)(2) (defining designated summons) is amended by redesignating clauses (i) and (ii) as clauses (ii) and (iii), respectively, and by inserting before clause (ii) (as so redesignated) the following new clause:

"(i) the issuance of such summons is preceded by a review of such issuance by the regional counsel of the Office of Chief Counsel for the region in which the examination of the corporation is being conducted,".

(b) Notice Requirements for Issuance.—Section 6503(k) is amended by adding at the end thereof the following new paragraph:

"(4) Notice requirements.—With respect to any summons referred to in paragraph (1)(A) issued to any person other than the corporation, the Secretary shall promptly notify the corporation, in writing, that such summons has been issued with respect to such corporation's return of tax."

(c) Effective Date.—The amendments made by this section shall apply to summons issued after the date of the enactment of this Act.

Subtitle F—Information Returns

SEC. 5501. PHONE NUMBER OF PERSON PROVIDING PAYEE STATEMENTS REQUIRED TO BE SHOWN ON SUCH STATEMENT.

(a) General Rule.—The following provisions are each amended by striking "name and address" and inserting "name, address, and phone number of the information contact":

(1) Section 6041(d)(1).
(2) Section 6041A(e)(1).
(3) Section 6042(c)(1).
(4) Section 6044(e)(1).
(5) Section 6045(b)(1).
(6) Section 6049(c)(1)(A).
(7) Section 6050B(b)(1).
(8) Section 6050H(d)(1).
(9) Section 6050I(e)(1).
(10) Section 6050J(e).
(11) Section 6050K(b)(1).
(12) Section 6050N(b)(1).

(b) Effective Date.—The amendments made by subsection (a) shall apply to statements required to be furnished after December 31, 1992 (determined without regard to any extension).

SEC. 5502. CIVIL DAMAGES FOR FRAUDULENT FILING OF INFORMATION RETURNS.

(a) General Rule.—Subchapter B of chapter 76 (relating to proceedings by taxpayers and third parties) is amended by redesignating section 7434 as section 7435 and by inserting after section 7433 the following new section:

"SEC. 7434. CIVIL DAMAGES FOR FRAUDULENT FILING OF INFORMATION RETURNS.

"(a) In General.—If any person willfully files a false or fraudulent information return with respect to payments purported to be made to any other person, such other person may bring a civil action for damages against the person so filing such return.

"(b) Damages.—In any action brought under subsection (a), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the greater of $5,000 or the sum of—

"(1) any actual damages sustained by the plaintiff as a proximate result of the filing of the false or fraudulent information return (including any costs attributable to resolving deficiencies asserted as a result of such filing), and

"(2) the costs of the action.

"(c) Period for Bringing Action.—Notwithstanding any other provision of law, an action to enforce the liability created under this section may be brought without regard to the amount in controversy and may be brought only within 6 years after the filing of the false or fraudulent information return.

"(d) Information Return.—For purposes of this section, the term 'information return' means any statement described in section 6724(d)(1)(A)."

(b) Clerical Amendment.—The table of sections for subchapter B of chapter 76 is amended by striking the item relating to section 7434 and inserting the following:

"Sec. 7434. Civil damages for fraudulent filing of information returns.
"Sec. 7435. Cross references."

(c) Effective Date.—The amendments made by this section shall apply to false or fraudulent information returns filed after the date of the enactment of this Act.

SEC. 5503. REQUIREMENT TO VERIFY ACCURACY OF INFORMATION RETURNS.

(a) General Rule.—Section 6201 (relating to assessment authority) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) Required Reasonable Verification of Information Returns.—In any court proceeding, if a taxpayer asserts a reasonable dispute with respect to any item of income reported on an information return filed with the Secretary under chapter 61 by a third party and the taxpayer has fully cooperated with the Secretary, the Secretary, in presenting evidence of the deficiency based on such information return, shall present reasonable evidence of such deficiency in addition to such information return."

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

Subtitle G—Modifications to Penalty for Failure to Collect and Pay Over Tax

SEC. 5601. PRELIMINARY NOTICE REQUIREMENT.

(a) In General.—Section 6672 (relating to failure to collect and pay over tax, or attempt to evade or defeat tax) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) Preliminary Notice Requirement.—

"(1) In general.—No penalty shall be imposed under subsection (a) unless the Secretary notifies the taxpayer in writing by mail to an address as determined under section 6212(b) that the taxpayer shall be subject to an assessment of such penalty.

"(2) Timing of notice.—The mailing of the notice described in paragraph (1) shall precede any notice and demand of any penalty under subsection (a) by at least 60 days.

"(3) STATUTE OF LIMITATIONS.—If a notice described in paragraph (1) with respect to any penalty is mailed before the expiration of the period provided by section 6501 for the assessment of such penalty (determined without regard to this paragraph), the period provided by such section for the assessment of such penalty shall not expire before the date 60 days after the date on which such notice was mailed.

"(4) EXCEPTION FOR JEOPARDY.—This subsection shall not apply if the Secretary finds that the collection of the penalty is in jeopardy."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply in the case of failures after the date of the enactment of this Act.

SEC. 5602. NO PENALTY IF PROMPT NOTIFICATION OF THE SECRETARY.

(a) IN GENERAL.—Section 6672 (relating to failure to collect and pay over tax, or attempt to evade or defeat tax) is amended by adding at the end thereof the following new subsection:

"(d) PENALTY NOT APPLICABLE WHERE PROMPT NOTIFICATION OF FAILURE.—

"(1) IN GENERAL.—A person shall not be liable for any penalty under subsection (a) by reason of any failure referred to in subsection (a) if—

"(A) such person is not a significant owner, or highly compensated employee, of the trade or business with respect to which such failure occurred,

"(B) such person notifies the Secretary (in such manner as he may prescribe) that such failure has occurred within 10 days after the date of such failure, and

"(C) such notification was before any notice by the Secretary to any person with respect to such failure.

"(2) DEFINITIONS.—For purposes of paragraph (1)—

"(A) SIGNIFICANT OWNER.—The term 'significant owner' means—

"(i) any person holding an interest as a proprietor in a trade or business carried on as a proprietorship, and

"(ii) in the case of a trade or business conducted by a corporation or partnership, any person who is a 5-percent owner (as defined in section 416(i)(1)) in such corporation or partnership, as the case may be.

"(B) HIGHLY COMPENSATED EMPLOYEE.—The term 'highly compensated employee' means any employee who receives compensation from the employer at an annual rate in excess of $75,000."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply in the case of failures after the date of the enactment of this Act.

SEC. 5603. DISCLOSURE OF CERTAIN INFORMATION WHERE MORE THAN 1 PERSON SUBJECT TO PENALTY.

(a) IN GENERAL.—Subsection (e) of section 6103 (relating to disclosure to persons having material interest), as amended by section 5301, is amended by adding at the end thereof the following new paragraph:

"(9) DISCLOSURE OF CERTAIN INFORMATION WHERE MORE THAN 1 PERSON SUBJECT TO PENALTY UNDER SECTION 6672.—If the Secretary determines that a person is liable for a penalty under section 6672(a) with respect to any failure, upon request in writing of such person, the Secretary shall disclose in writing to such person—

"(A) the name of any other person whom the Secretary has determined to be liable for such penalty with respect to such failure, and

"(B) whether the Secretary has attempted to collect such penalty from such other person, the general nature of such collection activities, and the amount collected."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 5604. PENALTIES UNDER SECTION 6672.

(a) PUBLIC INFORMATION REQUIREMENTS.—The Secretary of the Treasury or the Secretary's delegate (hereafter in this section referred to as the "Secretary") shall take such actions as may be appropriate to ensure that employees are aware of their responsibilities under the Federal tax depository system, the circumstances under which employees may be liable for the penalty imposed by section 6672 of the Internal Revenue Code of 1986, and the responsibility to promptly report to the Internal Revenue Service any failure referred to in subsection (a) of such section 6672. Such actions shall include—

(1) printing of a warning on deposit coupon booklets and the appropriate tax returns that certain employees may be liable for the penalty imposed by such section 6672, and

(2) the development of a special information packet.

(b) BOARD MEMBERS OF TAX-EXEMPT ORGANIZATIONS.—

(1) VOLUNTARY BOARD MEMBERS.—The penalty under section 6672 of the Internal Revenue Code of 1986 shall not be imposed on unpaid, volunteer members of any board of trustees or directors of an organization referred to in section 501 of such Code to the extent such members are solely serving in an honorary capacity and do not participate in the day-to-day or financial operations of the organization.

(2) DEVELOPMENT OF EXPLANATORY MATERIALS.—The Secretary shall develop materials explaining the circumstances under which board members of tax-exempt organizations (including voluntary and honorary members) may be subject to penalty under section 6672 of such Code. Such materials shall be made available to tax-exempt organizations.

(3) IRS INSTRUCTIONS.—The Secretary shall clarify the instructions to Internal Revenue Service employees on the application of the penalty under section 6672 of such Code with regard to voluntary members of boards of trustees or directors of tax-exempt organizations.

(c) PROMPT NOTIFICATION.—To the maximum extent practicable, the Secretary shall notify all persons who have failed to make timely and complete deposit of any taxes of such failure within 30 days after the date on which the Secretary is first aware of such failure.

Subtitle H—Awarding of Costs and Certain Fees

SEC. 5701. MOTION FOR DISCLOSURE OF INFORMATION.

Paragraph (4) of section 7430(c) (defining prevailing party) is amended by adding at the end thereof the following new subparagraph:

"(C) MOTION FOR DISCLOSURE OF INFORMATION.—Once a taxpayer substantially prevails as described in subparagraph (A)(ii), the taxpayer may file a motion for an order requiring the disclosure (within a specified period) of all information and copies of relevant records in the possession of the Internal Revenue Service with respect to such taxpayer's case and the substantial justification for the position taken by the Internal Revenue Service."

SEC. 5702. INCREASED LIMIT ON ATTORNEY FEES.

Paragraph (1) of section 7430(c) (defining reasonable litigation costs) is amended—

(1) by striking "$75" in clause (iii) of subparagraph (B) and inserting "$110",

(2) by striking "an increase in the cost of living or" in clause (iii) of subparagraph (B), and

(3) by adding after clause (iii) the following:

"In the case of any calendar year beginning after 1992, the dollar amount referred to in clause (iii) shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, by substituting 'calendar year 1991' for 'calendar year 1989' in subparagraph (B) thereof. If any dollar amount after being increased under the preceding sentence is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10)."

SEC. 5703. FAILURE TO AGREE TO EXTENSION NOT TAKEN INTO ACCOUNT.

Paragraph (1) of section 7430(b) (relating to requirement that administrative remedies be exhausted) is amended by adding at the end thereof the following new sentence: "Any failure to agree to an extension of the time for the assessment of any tax shall not be taken into account for purposes of determining whether the prevailing party meets the requirements of the preceding sentence."

SEC. 5704. INTERNAL REVENUE SERVICE EMPLOYEES PERSONALLY LIABLE IN CERTAIN CASES.

Section 7430 is amended by adding at the end thereof the following new subsection:

"(g) PERSONAL LIABILITY OF INTERNAL REVENUE SERVICE EMPLOYEES IN CERTAIN CASES.—

"(1) IN GENERAL.—In any proceeding in which the prevailing party is awarded a judgment for reasonable litigation costs under this section, the court may assess a portion of such costs against any Internal Revenue Service employee (and such employee shall not be reimbursed by the United States for the costs so assessed) if the court determines that such proceeding resulted from any arbitrary, capricious, or malicious act of such employee.

"(2) REPRESENTATION OF EMPLOYEE.—Upon the request of any Internal Revenue Service employee, such employee may be represented by the United States in any proceeding with respect to the issue of whether there is to be an assessment against such employee under paragraph (1). If, in any case in which such an employee is so represented by the United States, it is finally determined that such employee is liable for an assessment under paragraph (1), such employee shall also be liable to repay the United States for the costs of its representation under this paragraph."

SEC. 5705. EFFECTIVE DATE.

The amendments made by this subtitle shall apply in the case of proceedings commenced after the date of the enactment of this Act.

Subtitle I—Other Provisions

SEC. 5801. REQUIRED CONTENT OF CERTAIN NOTICES.

(a) GENERAL RULE.—Subsection (a) of section 7522 (relating to content of tax due, deficiency, and other notices) is amended by striking "shall describe the basis for, and identify" and inserting "shall set forth the adjustments which are the basis for, and shall identify".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to notices sent after the date 6 months after the date of the enactment of this Act.

SEC. 5802. TREATMENT OF SUBSTITUTE RETURNS UNDER SECTION 6651.

(a) GENERAL RULE.—Section 6651 (relating to failure to file tax return or to pay tax) is amended by adding at the end thereof the following new subsection:

"(h) TREATMENT OF RETURNS PREPARED BY SECRETARY UNDER SECTION 6020(b).—In the case of any return made by the Secretary under section 6020(b)—

"(1) such return shall be disregarded for purposes of determining the amount of the addition under paragraph (1) of subsection (a), but

"(2) such return shall be treated as the return filed by the taxpayer for purposes of determining the amount of the addition under paragraphs (2) and (3) of subsection (a)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply in the case of any return the due date for which (determined without regard to extensions) is after the date of the enactment of this Act.

SEC. 5803. RELIEF FROM RETROACTIVE APPLICATION OF TREASURY DEPARTMENT REGULATIONS.

(a) IN GENERAL.—Subsection (b) of section 7805 (relating to rules and regulations) is amended to read as follows:

"(b) RETROACTIVITY OF REGULATIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, any temporary or proposed regulation issued by the Secretary shall apply prospectively from the date of publication of such regulation in the Federal Register.

"(2) PREVENTION OF ABUSE.—The Secretary may provide that any temporary or proposed regulation may apply retroactively to prevent abuse of the statute to which the regulation relates.

"(3) CORRECTION OF PROCEDURAL DEFECTS.—The Secretary may provide that any temporary or proposed regulation may apply retroactively to correct a procedural defect in the issuance of any prior regulation.

"(4) CONGRESSIONAL AUTHORIZATION.—The prospective only treatment of paragraph (1) may be superseded by a legislative grant from Congress authorizing the Secretary to prescribe the effective date with respect to a statutory provision.

"(5) ELECTION TO APPLY RETROACTIVELY.—The Secretary may provide for any taxpayer to elect to apply any temporary or proposed regulation retroactively from the date of publication of such regulation in the Federal Register.

"(6) APPLICATION TO FINAL REGULATIONS.—The Secretary may provide that any final regulation relating to any temporary or proposed regulation take effect from the date of publication of such temporary or proposed regulation in the Federal Register."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply with respect to—

(A) any temporary or proposed regulation published on or after February 20, 1992, and

(B) any temporary or proposed regulation published before February 20, 1992, and published as a final regulation after such date.

(2) REGULATIONS RELATING TO EXCHANGE RATES.—The amendment made by this section shall not apply to any regulation issued pursuant to paragraph (1)(C) or (4) of section 986(a), as added by section 4421.

SEC. 5804. REQUIRED NOTICE OF CERTAIN PAYMENTS.

If any payment is received by the Secretary of the Treasury or the Secretary's delegate (hereafter in the section referred to as the "Secretary") from any taxpayer and the Secretary cannot associate such payment with any outstanding tax liability of such taxpayer, the Secretary shall make reasonable efforts to notify the taxpayer of such inability within 60 days after the receipt of such payment.

SEC. 5805. UNAUTHORIZED ENTICEMENT OF INFORMATION DISCLOSURE.

(a) GENERAL RULE.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 7524. UNAUTHORIZED ENTICEMENT OF INFORMATION DISCLOSURE.

"If any officer or employee of the United States willfully defers or offers to defer, or willfully forgives or offers to forgive, the determination or collection of any tax due from an attorney, certified public accountant, or enrolled agent representing a taxpayer in exchange for information concerning such taxpayer, any information so obtained shall not be used in any manner for purposes of determining the liability of such taxpayer for any tax imposed by this title."

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end thereof the following new item:

"Sec. 7524. Unauthorized enticement of information disclosure."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to actions after the date of the enactment of this Act.

Subtitle J—Form Modifications; Studies

SEC. 5900. DEFINITIONS.

For purposes of this subtitle:

(1) SECRETARY.—The term "Secretary" means the Secretary of the Treasury or his delegate.

(2) 1986 CODE.—The term "1986 Code" means the Internal Revenue Code of 1986.

(3) TAX-WRITING COMMITTEES.—The term "tax-writing Committees" means the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

PART I—FORM MODIFICATIONS

SEC. 5901. EXPLANATION OF CERTAIN PROVISIONS.

(a) GENERAL RULE.—The Secretary shall take such actions as may be appropriate to ensure that taxpayers are aware of the provisions of the 1986 Code permitting payment of tax in installments, extensions of time for payment of tax, and compromises of tax liability. Such actions shall include revising the instructions for filing income tax returns so that such instructions include an explanation of—

(1) the procedures for requesting the benefits of such provisions, and

(2) the terms and conditions under which the benefits of such provisions are available.

(b) COLLECTION NOTICES.—In any notice of an underpayment of tax or proposed underpayment of tax sent by the Secretary to any taxpayer, the Secretary shall include a notification of the availability of the provisions of sections 6159, 6161, and 7122 of the 1986 Code.

SEC. 5902. IMPROVED PROCEDURES FOR NOTIFYING SERVICE OF CHANGE OF ADDRESS OR NAME.

The Secretary shall provide improved procedures for taxpayers to notify the Secretary of changes in names and addresses. Not later than December 31, 1992, the Secretary shall institute procedures for timely updating all Internal Revenue Service records with change-of-address information provided to the Secretary by taxpayers.

SEC. 5903. RIGHTS AND RESPONSIBILITIES OF DIVORCED INDIVIDUALS.

The Secretary shall include in the Internal Revenue Service publication entitled "Your Rights As A Taxpayer" a section on the rights and responsibilities of divorced individuals.

PART II—STUDIES

SEC. 5911. PILOT PROGRAM FOR APPEAL OF ENFORCEMENT ACTIONS.

(a) GENERAL RULE.—The Secretary shall establish a 1-year pilot program for appeals of enforcement actions (including lien, levy, and seizure actions) to the Appeals Division of the Internal Revenue Service—

(1) where the deficiency was assessed without actual knowledge of the taxpayer,

(2) where the deficiency was assessed without an opportunity for administrative appeal, and

(3) in other appropriate circumstances.

(b) REPORT.—Not later than December 31, 1992, the Secretary shall submit to the tax-writing Committees a report on the pilot program established under subsection (a), together with such recommendations as he may deem advisable.

SEC. 5912. STUDY ON TAXPAYERS WITH SPECIAL NEEDS.

(a) GENERAL RULE.—The Secretary shall conduct a study on ways to assist the elderly, physically impaired, foreign-language speaking, and other taxpayers with special needs to comply with the internal revenue laws.

(b) REPORT.—Not later than December 31, 1992, the Secretary shall submit to the tax-writing Committees a report on the study conducted under subsection (a), together with such recommendations as he may deem advisable.

SEC. 5913. REPORTS ON TAXPAYER-RIGHTS EDUCATION PROGRAM.

Not later than August 1, 1992, the Secretary shall submit a report to the tax-writing Committees on the scope and content of the Internal Revenue Service's taxpayer-rights education program for its officers and employees. Not later than December 31, 1992, the Secretary shall submit a report to the tax-writing Committees on the effectiveness of the program referred to in the preceding sentence.

SEC. 5914. BIENNIAL REPORTS ON MISCONDUCT BY INTERNAL REVENUE SERVICE EMPLOYEES.

During December of 1992 and during December of each second calendar year thereafter, the Secretary shall report to the tax-writing Committees on all cases involving complaints about misconduct of Internal Revenue Service employees and the disposition of such complaints.

SEC. 5915. STUDY OF NOTICES OF DEFICIENCY.

(a) GENERAL RULE.—The Comptroller General shall conduct a study on—

(1) the effectiveness of current Internal Revenue Service efforts to notify taxpayers with regard to tax deficiencies under section 6212 of the 1986 Code,

(2) the number of registered or certified letters and other notices returned to the Internal Revenue Service as undeliverable,

(3) any follow-up action taken by the Internal Revenue Service to locate taxpayers who did not receive actual notice,

(4) the effect that failures to receive notice of such deficiencies have on taxpayers, and

(5) recommendations to improve Internal Revenue Service notification of taxpayers.

(b) REPORT.—Not later than December 31, 1992, the Comptroller General shall submit to the tax-writing Committees a report on the study conducted under subsection (a), together with such recommendations as he may deem advisable.

SEC. 5916. NOTICE AND FORM ACCURACY STUDY.

(a) GENERAL RULE.—The Comptroller General shall conduct annual studies of the accuracy of 25 of the most commonly used Internal Revenue Service forms, notices, and publications. In conducting any such study, the Comptroller General shall examine the suitability and usefulness of Internal Revenue Service telephone numbers on Internal Revenue Service notices and shall solicit and consider the comments of organizations representing taxpayers, employers, and tax professionals.

(b) REPORTS.—The Comptroller General shall submit to the tax-writing Committees a report on each study conducted under subsection (a), together with such recommendations as he may deem advisable. The first such report shall be submitted not later than December 31, 1992.

SEC. 5917. INTERNAL REVENUE SERVICE EMPLOYEES' SUGGESTIONS STUDY.

(a) GENERAL RULE.—The Comptroller General shall conduct a study of the Internal Revenue Service employee-suggestion programs. Such study shall include a review of the suggestions which were accepted and rewarded by the Internal Revenue Service, an analysis as to how many of the suggestions were implemented, and an analysis of why other suggestions were not implemented.

(b) REPORT.—Not later than December 31, 1992, the Comptroller General shall submit to the tax-writing Committees a report on the study conducted under subsection (a), together with such recommendations as he may deem advisable.

TITLE VI—TECHNICAL CORRECTIONS

SEC. 6100. COORDINATION WITH OTHER TITLES.

For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.

Subtitle A—Revenue Provisions

SEC. 6101. AMENDMENTS RELATED TO REVENUE RECONCILIATION ACT OF 1990.

(a) AMENDMENTS RELATED TO SUBTITLE A.—

(1) Subparagraph (B) of section 59(j)(3) is amended by striking "section 1(i)(3)(B)" and inserting "section 1(g)(3)(B)".

(2) Paragraph (2) of section 897(a) is amended by striking "21" in the heading of such paragraph and in subparagraph (A) and inserting "24".

(3) Clause (ii) of section 32(b)(1)(B) is amended by inserting a comma after "greater".

(4) Section 541 is amended by striking "28 percent" and inserting "31 percent".

(5) Subsection (c) of section 32 is amended by adding at the end thereof the following new paragraph:

"(4) TREATMENT OF DEDUCTION FOR MEDICAL INSURANCE OF SELF-EMPLOYED.—In determining the amount of adjusted gross income for purposes of this section, the amount of the deduction under section 162(l) shall be determined without regard to section 162(l)(3)(B)."

(6) Clause (i) of section 151(d)(3)(C) is amended by striking "joint of a return" and inserting "joint return".

(7) Subparagraph (B) of section 402(e)(1) is amended by striking the last sentence thereof.

(8) Subsection (b) of section 1 is amended by striking "$26,500" in the table contained therein and inserting "$26,050".

(b) AMENDMENTS RELATED TO SUBTITLE B.—

(1) Paragraph (1) of section 11212(e) of the Revenue Reconciliation Act of 1990 is amended by striking "Paragraph (1) of section 6724(d)" and inserting "Subparagraph (B) of section 6724(d)(1)".

(2) Subsection (b) of section 4082 is amended to read as follows:

"(b) TAX ON CERTAIN USES.—If any person uses gasoline (other than in the production of gasoline or special fuels referred to in section 4041), such use shall for purposes of this chapter be considered a removal."

(3)(A) Subparagraph (B) of section 4093(c)(2) is amended by inserting before the period "unless such fuel is sold for exclusive use by a State or any political subdivision thereof".

(B) Paragraph (4) of section 6427(l) is amended by inserting before the period "unless such fuel was used by a State or any political subdivision thereof".

(4) Paragraph (1) of section 6416(b) is amended by striking "chapter 32 or by section 4051" and inserting "chapter 31 or 32".

(5) Paragraph (1) of section 9502(e) is amended to read as follows:

"(1) INCREASES IN TAX REVENUES BEFORE 1993 TO REMAIN IN GENERAL FUND.—In the case of taxes imposed before January 1, 1993, the amounts required to be appropriated under paragraphs (1), (2), and (3) of subsection (b) shall be determined without regard to any increase in a rate of tax enacted by the Revenue Reconciliation Act of 1990."

(6) Section 7012 is amended—

(A) by striking "production or importation of gasoline" in paragraph (3) and inserting "taxes on gasoline and diesel fuel", and

(B) by striking paragraph (4) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(7) Subsection (c) of section 5041 is amended by striking paragraph (6) and by inserting the following new paragraphs:

"(6) CREDIT FOR TRANSFEREE IN BOND.—If—

"(A) wine produced by any person would be eligible for any credit under paragraph (1) if removed by such person during the calendar year,

"(B) wine produced by such person is removed during such calendar year by any other person (hereafter in this paragraph referred to as the 'transferee') to whom such wine was transferred in bond and who is liable for the tax imposed by this section with respect to such wine, and

"(C) such producer holds title to such wine at the time of its removal and provides to the transferee such information as is necessary to properly determine the transferee's credit under this paragraph,

then, the transferee (and not the producer) shall be allowed the credit under paragraph (1) which would be allowed to the producer if the wine removed by the transferee had been removed by the producer on that date.

"(7) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations—

"(A) to prevent the credit provided in this subsection from benefiting any person who produces more than 250,000 wine gallons during a calendar year, and

"(B) to assure proper reduction of such credit for persons producing more than 150,000 wine gallons of wine during a calendar year."

(8) Paragraph (3) of section 5061(b) is amended to read as follows:

"(3) section 5041(f),".

(9) Section 5354 is amended by inserting "(taking into account the appropriate amount of credit with respect to such wine under section 5041(c))" after "any one time".

(10) Effective on the date of the enactment of this Act, paragraph (7) of section 11202(i) of the Revenue Reconciliation Act of 1991 is amended by adding at the end thereof the following: "The Secretary may treat any person who bore the ultimate burden of the tax imposed by this subsection as the person to whom a credit or refund under such provisions may be allowed or made."

(c) AMENDMENTS RELATED TO SUBTITLE C.—

(1) Paragraph (4) of section 56(g) is amended by redesignating subparagraph (I) as subparagraph (H).

(2) Subparagraph (B) of section 6724(d)(1) is amended—

(A) by striking "or" at the end of clause (xi),

(B) by striking the period at the end of the clause added by section 11212(e) of the Revenue Reconciliation Act of 1990 and inserting ", or", and

(C) by redesignating the clause added by section 11323(c)(2) of such Act as clause (xiii).

(3) Subsection (g) of section 6302 is amended by inserting ", 22," after "chapters 21".

(4) The earnings and profits of any insurance company to which section 11305(c)(3) of the Revenue Reconciliation Act of 1990 applies shall be determined without regard to any deduction allowed under such section; except that, for purposes of applying sections 56, 902, 952(c)(1), and 960 of the Internal Revenue Code of 1986, such deduction shall be taken into account.

(5) Subparagraph (D) of section 6038A(e)(4) is amended—

(A) by striking "any transaction to which the summons relates" and inserting "any affected taxable year", and

(B) by adding at the end thereof the following new sentence: "For purposes of this subparagraph, the term 'affected taxable year' means any taxable year if the determination of the amount of tax imposed for such taxable year is affected by the treatment of the transaction to which the summons relates."

(6) Subparagraph (A) of section 6621(c)(2) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall be applied without regard to any such letter or notice which is withdrawn by the Secretary."

(7) Clause (i) of section 6621(c)(2)(B) is amended by striking "this subtitle" and inserting "this title".

(d) AMENDMENTS RELATED TO SUBTITLE D.—

(1) Paragraph (9) of section 132(h) is amended by striking "or the last sentence of subsection (c)(1) thereof".

(2) Notwithstanding section 11402(c) of the Revenue Reconciliation Act of 1990, the amendment made by section 11402(b)(1) of such Act shall apply to taxable years ending after December 31, 1989.

(3) Clause (ii) of section 143(m)(4)(C) is amended—

(A) by striking "any month of the 10-year period" and inserting "any year of the 4-year period",

(B) by striking "succeeding months" and inserting "succeeding years", and

(C) by striking "over the remainder of such period (or, if lesser, 5 years)" and inserting "to zero over the succeeding 5 years".

(e) AMENDMENTS RELATED TO SUBTITLE E.—

(1) Subsection (d) of section 39 is amended—

(A) by redesignating the paragraph added by section 11511(b)(2) of the Revenue Reconciliation Act of 1990 as paragraph (1), and

(B) by redesignating the paragraph added by section 11611(b)(2) of such Act as paragraph (2).

(2)(A) Subsection (h) of section 56 is amended—

(i) by striking "subsection (g)(4)(G)" in paragraph (5) and inserting "subsection (g)(4)(F)", and

(ii) by striking "section 613(e)(3)" in paragraph (7)(B) and inserting "section 613(e)(2)".

(B) Clause (ii) of section 56(d)(1)(B) is amended to read as follows:

"(ii) appropriate adjustments in the application of section 172(b)(2) shall be made to take into account the limitation of subparagraph (A)."

(C)(i) Subparagraph (B) of section 56(g)(1) is amended by striking "and the alternative tax net operating loss deduction" and inserting ", the alternative tax net operating loss deduction, and the deduction under subsection (h)".

(ii) Subparagraph (B) of section 56(g)(3) is amended by striking "and the alternative tax net operating loss deduction" and inserting ", the alternative tax net operating loss deduction, and the deduction under subsection (h)".

(3) Clause (i) of section 613A(c)(3)(A) is amended by striking "the table contained in".

(4) Section 6501 is amended—

(A) by striking subsection (m) (relating to deficiency attributable to election under section 44B) and by redesignating subsections (n) and (o) as subsections (m) and (n), respectively, and

(B) by striking "section 40(f) or 51(j)" in subsection (m) (as redesignated by subparagraph (A)) and inserting "section 40(f), 43, or 51(j)".

(5) Paragraph (2) of section 55(c) is amended by striking "29(b)(5)" and inserting "29(b)(6)".

(6) Subparagraph (C) of section 38(c)(2) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) is amended by inserting before the period at the end of the first sentence the following: "and without regard to the deduction under section 56(h)".

(7) Clauses (iii) and (iv) of section 53(d)(1)(B) are each amended by striking "section 29(b)(5)(B)" and inserting "section 29(b)(6)(B)".

(8) Subparagraph (B) of section 56(h)(4) is amended by striking "For purposes of subparagraph (A), the" and inserting "The".

(f) AMENDMENTS RELATED TO SUBTITLE F.—

(1)(A) Section 2701(a)(3) is amended by adding at the end thereof the following new subparagraph:

"(C) VALUATION OF QUALIFIED PAYMENTS WHERE NO LIQUIDATION, ETC. RIGHTS.—In the case of an applicable retained interest which is described in subparagraph (B)(i) but not subparagraph (B)(ii), the value of the distribution right shall be determined without regard to this section."

(B) Section 2701(a)(3)(B) is amended by inserting "CERTAIN" before "QUALIFIED" in the heading thereof.

(C) Sections 2701 (d)(1) and (d)(4) are each amended by striking "subsection (a)(3)(B)" and inserting "subsection (a)(3) (B) or (C)".

(2) Clause (i) of section 2701(a)(4)(B) is amended by inserting "(or, to the extent provided in regulations, the rights as to either income or capital)" after "income and capital".

(3)(A) Section 2701(b)(2) is amended by adding at the end thereof the following new subparagraph:

"(C) APPLICABLE FAMILY MEMBER.—For purposes of this subsection, the term 'applicable family member' includes any lineal descendant of any parent of the transferor or the transferor's spouse."

(B) Section 2701(e)(3) is amended—

(i) by striking subparagraph (B), and

(ii) by striking so much of paragraph (3) as precedes "shall be treated as holding" and inserting:

"(3) ATTRIBUTION OF INDIRECT HOLDINGS AND TRANSFERS.—An individual".

(C) Section 2704(c)(3) is amended by striking "section 2701(e)(3)(A)" and inserting "section 2701(e)(3)".

(4) Clause (i) of section 2701(c)(1)(B) is amended to read as follows:

"(i) a right to distributions with respect to any interest which is junior to the rights of the transferred interest,".

(5)(A) Clause (i) of section 2701(c)(3)(C) is amended to read as follows:

"(i) IN GENERAL.—Payments under any interest held by a transferor which (without regard to this subparagraph) are qualified payments shall be treated as qualified payments unless the transferor elects not to treat such payments as qualified payments. Payments described in the preceding sentence which are held by an applicable family member shall be treated as qualified payments only if such member elects to treat such payments as qualified payments."

(B) The first sentence of section 2701(c)(3)(C)(ii) is amended to read as follows: "A transferor or applicable family member holding any distribution right which (without regard to this subparagraph) is not a qualified payment may elect to treat such right as a qualified payment, to be paid in the amounts and at the times specified in such election."

(C) The time for making an election under the second sentence of section 2701(c)(3)(C)(i) of the Internal Revenue Code of 1986 (as amended by subparagraph (A)) shall not expire before the due date (including extensions) for filing the transferor's return of the tax imposed by section 2501 of such Code for calendar year 1991.

(6) Section 2701(d)(3)(A)(iii) is amended by striking "the period ending on the date of".

(7) Subclause (I) of section 2701(d)(3)(B)(ii) is amended by inserting "or the exclusion under section 2503(b)," after "section 2523,".

(8) Section 2701(e)(5) is amended—

(A) by striking "such contribution to capital or such redemption, recapitalization, or other change" in subparagraph (A) and inserting "such transaction", and

(B) by striking "the transfer" in subparagraph (B) and inserting "such transaction".

(9) Section 2701(d)(4) is amended by adding at the end thereof the following new subparagraph:

"(C) TRANSFER TO TRANSFERORS.—In the case of a taxable event described in paragraph (3)(A)(ii) involving a transfer of an applicable retained interest from an applicable family member to a transferor, this subsection shall continue to apply to the transferor during any period the transferor holds such interest."

(10) Section 2701(e)(6) is amended by inserting "or to reflect the application of subsection (d)" before the period at the end thereof.

(11)(A) Section 2702(a)(3)(A) is amended—

(i) by striking "to the extent" and inserting "if" in clause (i),

(ii) by striking "or" at the end of clause (i),

(iii) by striking the period at the end of clause (ii) and inserting ", or", and

(iv) by adding at the end thereof the following new clause:

"(iii) to the extent that regulations provide that such transfer is not inconsistent with the purposes of this section."

(B)(i) Section 2702(a)(3) is amended by striking "incomplete transfer" each place it appears and inserting "incomplete gift".

(ii) The heading for section 2702(a)(3)(B) is amended by striking "INCOMPLETE TRANSFER" and inserting "INCOMPLETE GIFT".

(12) Section 2703(b)(2) is amended by striking "members of the decedent's family" and inserting "natural objects of the bounty of the transferor".

(g) AMENDMENTS RELATED TO SUBTITLE G.—

(1)(A) Subsection (a) of section 1248 is amended—

(i) by striking ", or if a United States person receives a distribution from a foreign corporation which, under section 302 or 331, is treated as an exchange of stock" in paragraph (1), and

(ii) by adding at the end thereof the following new sentence: "For purposes of this section, a United States person shall be treated as having sold or exchanged any stock if, under any provision of this subtitle, such person is treated as realizing gain from the sale or exchange of such stock."

(B) Paragraph (1) of section 1248(e) is amended by striking "or receives a distribution from a domestic corporation which, under section 302 or 331, is treated as an exchange of stock".

(C) Subparagraph (B) of section 1248(f)(1) is amended by striking "or 361(c)(1)" and inserting "355(c)(1), or 361(c)(1)".

(D) Paragraph (1) of section 1248(i) is amended to read as follows:

"(1) IN GENERAL.—If any shareholder of a 10-percent corporate shareholder of a foreign corporation exchanges stock of the 10-percent corporate shareholder for stock of the foreign corporation, such 10-percent corporate shareholder shall recognize gain in the same manner as if the stock of the foreign corporation received in such exchange had been—

"(A) issued to the 10-percent corporate shareholder, and

"(B) then distributed by the 10-percent corporate shareholder to such shareholder in redemption or liquidation (whichever is appropriate).

The amount of gain recognized by such 10-percent corporate shareholder under the preceding sentence shall not exceed the amount treated as a dividend under this section."

(2) Section 897 is amended by striking subsection (f).

(3) Paragraph (13) of section 4975(d) is amended by striking "section 408(b)" and inserting "section 408(b)(12)".

(4) Clause (iii) of section 56(g)(4)(D) is amended by inserting ", but only with respect to taxable years beginning after December 31, 1989" before the period at the end thereof.

(5)(A) Paragraph (11) of section 11701(a) of the Revenue Reconciliation Act of 1990 (and the amendment made by such paragraph) are hereby repealed, and section 7108(r)(2) of the Revenue Reconciliation Act of 1989 shall be applied as if such paragraph (and amendment) had never been enacted.

(B) Subparagraph (A) shall not apply to any building if the owner of such building establishes to the satisfaction of the Secretary of the Treasury or his delegate that such owner reasonably relied on the amendment made by such paragraph (11).

(h) AMENDMENTS RELATED TO SUBTITLE H.—

(1)(A) Clause (vi) of section 168(e)(3)(B) is amended by striking "or" at the end of subclause (I), by striking the period at the end of subclause (II) and inserting ", or", and by adding at the end thereof the following new subclause:

"(III) is described in section 48(l)(3)(A)(ix) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)."

(B) Subparagraph (K) of section 168(g)(4) is amended by striking "section 48(a)(3)(A)(iii)" and inserting "section 48(l)(3)(A)(ix) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)".

(2) Clause (ii) of section 172(b)(1)(E) is amended by striking "subsection (m)" and inserting "subsection (h)".

(3) Sections 805(a)(4)(E), 832(b)(5)(C)(ii)(II), and 832(b)(5)(D)(ii)(II) are each amended by striking "243(b)(5)" and inserting "243(b)(2)".

(4) Subparagraph (A) of section 243(b)(3) is amended by inserting "of" after "In the case".

(5) The subsection heading for subsection (a) of section 280F is amended by striking "INVESTMENT TAX CREDIT AND".

(6) Clause (i) of section 1504(c)(2)(B) is amended by inserting "section" before "243(b)(2)".

(7) Paragraph (3) of section 341(f) is amended by striking "351, 361, 371(a), or 374(a)" and inserting "351, or 361".

(8) Paragraph (2) of section 243(b) is amended to read as follows:

"(2) AFFILIATED GROUP.—For purposes of this subsection:

"(A) IN GENERAL.—The term 'affiliated group' has the meaning given such term by section 1504(b), except that for such purposes sections 1504(b)(2), 1504(b)(4), and 1504(c) shall not apply.

"(B) GROUP MUST BE CONSISTENT IN FOREIGN TAX TREATMENT.—The requirements of paragraph (1)(A) shall not be treated as being met with respect to any dividend received by a corporation if, for any taxable year which includes the day on which such dividend is received—

"(i) 1 or more members of the affiliated group referred to in paragraph (1)(A) choose to any extent to take the benefits of section 901, and

"(ii) 1 or more other members of such group claim to any extent a deduction for taxes otherwise creditable under section 901.".

(9) The amendment made by section 11813(b)(17) of the Revenue Reconciliation Act of 1990 shall be applied as if the material stricken by such amendment included the closing parenthesis after "section 48(a)(5)".

(10) Paragraph (1) of section 179(d) is amended—

(A) by striking "in a trade or business" and inserting "a trade or business", and

(B) by adding at the end thereof the following new sentence: "Such term shall not include any property described in section 50(b) and shall not include air conditioning or heating units and hoses".

(11) Subparagraph (E) of section 50(a)(2) is amended by striking "section 48(a)(5)(A)" and inserting "section 48(a)(5)".

(12) The amendment made by section 11801(c)(9)(G)(ii) of the Revenue Reconciliation Act of 1990 shall be applied as if it struck "Section 422A(c)(2)" and inserted "Section 422(c)(2)".

(13) Subparagraph (B) of section 424(c)(3) is amended by striking "a qualified stock option, an incentive stock option, an option granted under an employee stock purchase plan, or a restricted stock option" and inserting "an incentive stock option or an option granted under an employee stock purchase plan".

(14) Subsections (a)(45), (b)(14), and (c)(21) of section 11801 of the Revenue Reconciliation Act of 1990 are hereby repealed, and the Internal Revenue Code of 1986 shall be applied and administered as if such subsections (and the amendments made by such subsections) had not been enacted.

(15) Subparagraph (E) of section 1367(a)(2) is amended by striking "section 613A(c)(13)(B)" and inserting "section 613A(c)(11)(B)".

(16) Subparagraph (B) of section 460(e)(6) is amended by striking "section 167(k)" and inserting "section 168(e)(2)(A)(ii)".

(17) Subparagraph (C) of section 172(h)(4) is amended by striking "subsection (b)(1)(M)" and inserting "subsection (b)(1)(E)".

(18) Section 6503 is amended—

(A) by redesignating the subsection relating to extension in case of certain summonses as subsection (j), and

(B) by redesignating the subsection relating to cross references as subsection (k).

(19) Paragraph (4) of section 1250(e) is hereby repealed.

(i) EFFECTIVE DATE.—Any amendment made by this section shall take effect as if included in the provision of the Revenue Reconciliation Act of 1990 to which such amendment relates.

SEC. 6102. MISCELLANEOUS PROVISIONS.

(a) APPLICATION OF AMENDMENTS MADE BY TITLE XII OF OMNIBUS BUDGET RECONCILIATION ACT OF 1990.—Except as otherwise expressly provided, whenever in title XII of the Omnibus Budget Reconciliation Act of 1990 an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(b) TREATMENT OF CERTAIN AMOUNTS UNDER HEDGE BOND RULES.—

(1) Clause (iii) of section 149(g)(3)(B) is amended to read as follows:

"(iii) AMOUNTS HELD PENDING REINVESTMENT OR REDEMPTION.—Amounts held for not more than 30 days pending reinvestment or bond redemption shall be treated as invested in bonds described in clause (i)."

(2) The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 7651 of the Omnibus Budget Reconciliation Act of 1989.

(c) TREATMENT OF CERTAIN DISTRIBUTIONS UNDER SECTION 1445.—

(1) IN GENERAL.—Paragraph (3) of section 1445(e) is amended by adding at the end thereof the following new sentence: "Rules similar to the rules of the preceding provisions of this paragraph shall apply in the case of any distribution to which section 301 applies and which is not made out of the earnings and profits of such a domestic corporation."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to distributions after the date of the enactment of this Act.

(d) TREATMENT OF CERTAIN CREDITS UNDER SECTION 469.—

(1) IN GENERAL.—Subparagraph (B) of section 469(c)(3) is amended by adding at the end thereof the following new sentence: "If the preceding sentence applies to the net income from any property for any taxable year, any credits allowable under subpart B (other than section 27(a)) or D of part IV of subchapter A for such taxable year which are attributable to such property shall be treated as credits not from a passive activity to the extent the amount of such credits does not exceed the regular tax liability of the taxpayer for the taxable year which is allocable to such net income."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1986.

(e) TREATMENT OF DISPOSITIONS UNDER PASSIVE LOSS RULES.—

(1) IN GENERAL.—Subparagraph (A) of section 469(g)(1) is amended to read as follows:

"(A) IN GENERAL.—If all gain or loss realized on such disposition is recognized, the excess of—

"(i) any loss from such activity for such taxable year (determined after the application of subsection (b)), over

"(ii) any net income or gain for such taxable year from all other passive activities (determined after the application of subsection (b)),

shall be treated as a loss which is not from a passive activity."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1986.

(f) MISCELLANEOUS AMENDMENTS TO FOREIGN PROVISIONS.—

(1) COORDINATION OF UNIFIED ESTATE TAX CREDIT WITH TREATIES.—Subparagraph (A) of section 2102(c)(3) is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, property shall not be treated as situated in the United States if such property is exempt from the tax imposed by this subchapter under any treaty obligation of the United States.".

(2) TREATMENT OF CERTAIN INTEREST PAID TO RELATED PERSON.—

(A) IN GENERAL.—Subparagraph (B) of section 163(j)(1) is amended by inserting before the period at the end thereof the following: "(and clause (ii) of paragraph (2)(A) shall not apply for purposes of applying this subsection to the amount so treated)".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply as if included in the amendments made by section 7210(a) of the Revenue Reconciliation Act of 1989.

(3) TREATMENT OF INTEREST ALLOCABLE TO EFFECTIVELY CONNECTED INCOME.—

(A) IN GENERAL.—

(i) Subparagraph (B) of section 884(f)(1) is amended by striking "to the extent" and all that follows down through "subparagraph (A)" and inserting "to the extent that the allocable interest exceeds the interest described in subparagraph (A)".

(ii) The second sentence of section 884(f)(1) is amended by striking "reasonably expected" and all that follows down through the period at the end thereof and inserting "reasonably expected to be allocable interest.".

(iii) Paragraph (2) of section 884(f) is amended to read as follows:

"(2) ALLOCABLE INTEREST.—For purposes of this subsection, the term 'allocable interest' means any interest which is allocable to income which is effectively connected (or treated as effectively connected) with the conduct of a trade or business in the United States."

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect as if included in the amendments made by section 1241(a) of the Tax Reform Act of 1986.

(4) CLARIFICATION OF SOURCE RULE.—

(A) IN GENERAL.—Paragraph (2) of section 865(b) is amended by striking "863(b)" and inserting "863".

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect as if included in the amendments made by section 1211 of the Tax Reform Act of 1986.

(5) REPEAL OF OBSOLETE PROVISIONS.—

(A) Paragraph (1) of section 6038(a) is amended by striking ", and" at the end of subparagraph (E) and inserting a period, and by striking subparagraph (F).

(B) Subsection (b) of section 6038A is amended by adding "and" at the end of paragraph (2), by striking ", and" at the end of paragraph (3) and inserting a period, and by striking paragraph (4).

(g) Treatment of Assignment of Interest in Certain Bond-Financed Facilities.—

(1) In general.—Subparagraph (A) of section 1317(3) of the Tax Reform Act of 1986 is amended by adding at the end thereof the following new sentence: "A facility shall not fail to be treated as described in this subparagraph by reason of an assignment (or an agreement to an assignment) by the governmental unit on whose behalf the bonds are issued of any part of its interest in the property financed by such bonds to another governmental unit."

(2) Effective date.—The amendment made by paragraph (1) shall take effect as if included in such section 1317 on the date of the enactment of the Tax Reform Act of 1986.

(h) Clarification of Treatment of Medicare Entitlement Under COBRA Provisions.—

(1) In general.—

(A) Subclause (V) of section 4980B(f)(2)(B)(i) is amended to read as follows:

"(V) Medicare entitlement followed by qualifying event.—In the case of a qualifying event described in paragraph (3)(B) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this clause before the close of the 36-month period beginning on the date the covered employee became so entitled."

(B) Clause (v) of section 602(2)(A) of the Employee Retirement Income Security Act of 1974 is amended to read as follows:

"(v) Medicare entitlement followed by qualifying event.—In the case of a qualifying event described in section 603(2) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this subparagraph before the close of the 36-month period beginning on the date the covered employee became so entitled."

(C) Clause (iv) of section 2202(2)(A) of the Public Health Service Act is amended to read as follows:

"(iv) Medicare entitlement followed by qualifying event.—In the case of a qualifying event described in section 2203(2) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this subparagraph before the close of the 36-month period beginning on the date the covered employee became so entitled."

(2) Effective date.—The amendments made by this subsection shall apply to plan years beginning after December 31, 1989.

(i) Treatment of Certain REMIC Inclusions.—

(1) In general.—Subsection (a) of section 860E is amended by adding at the end thereof the following new paragraph:

"(6) Subsection not applicable to minimum tax.—This subsection shall not apply for purposes of computing alternative minimum taxable income."

(2) Effective date.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 671 of the Tax Reform Act of 1986.

(j) Treatment of Certain Contributions Made Pursuant to Veterans' Reemployment Rights.—

(1) In general.—Section 414 is amended by adding at the end thereof the following new subsection:

"(u) Special Rules Relating to Veterans' Reemployment Rights.—

"(1) Treatment of certain required contributions.—If any contribution is made by an employer under an individual account plan with respect to an employee and such contribution is required by reason of such employee's rights under chapter 43 of title 38, United States Code, resulting from qualified military service—

"(A) such contribution shall not be subject to any otherwise applicable limitation contained in section 402(g), 403(b), 408, 415, or 457, and

"(B) such plan shall not be treated as failing to meet any requirement of this part or section 457 by reason of the making of such contribution and such contribution shall not be taken into account in applying the limitations referred to in subparagraph (A) to other contributions.

For purposes of the preceding sentence, any additional elective deferral made under paragraph (2) shall be treated as an employer contribution required by reason of the employee's rights under such chapter 43.

"(2) Reemployment rights with respect to elective deferrals.—

"(A) In general.—If an employee is entitled to the benefits of chapter 43 of title 38, United States Code, with respect to any plan which provides for elective deferrals, such employer shall be treated as meeting the requirements of such chapter 43 with respect to such elective deferrals if such employer—

"(i) permits such employee to make additional elective deferrals under such plan (in the amount determined under subparagraph (B)) during the period which begins on the date of the reemployment and has the same length as the period of qualified military service which resulted in such rights, and

"(ii) makes a matching contribution in respect of any additional elective deferral made pursuant to clause (i) which would have been required had such deferral actually been made during the period of such qualified military service.

"(B) Amount of makeup required.—The amount determined under this subparagraph is the maximum amount of elective deferrals that the individual would have been permitted to make under the plan during his period of qualified military service if he had continued to be employed by the employer during such period and received compensation at the same rate as the individual received from the employer immediately before such qualified military service. Proper adjustment shall be made to the amount determined under the preceding sentence for any elective deferrals actually made during the period of such qualified military service.

"(C) Elective deferral.—For purposes of this paragraph, the term 'elective deferral' has the meaning given to such term by section 402(g)(3); except that such term shall include any deferral of compensation under an eligible deferred compensation plan (as defined in section 457(b)).

"(3) Certain retroactive adjustments not required.—Nothing in chapter 43 of title 38, United States Code, shall be construed as requiring—

"(A) any crediting of earnings to an employee with respect to any contribution before such contribution is actually made, or

"(B) any allocation with respect to the period of qualified military service of any of the following amounts—

"(i) any forfeiture,

"(ii) any employer contribution which was voluntary, and

"(iii) any employer contribution the total amount of which was determined without reference to the number of, or compensation of, plan participants before being allocated to the accounts of participants.

"(4) Loan repayment suspensions permitted.—If any plan suspends the repayment of any loan made to an individual for the period while such individual is performing qualified military service, such suspension shall not be taken into account for purposes of section 72(p).

"(5) Qualified military service.—For purposes of this subsection, the term 'qualified military service' means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any individual if such individual is entitled to reemployment rights under such chapter 43, with respect to such service.

"(6) Individual account plan.—For purposes of this subsection, the term 'individual account plan' means any defined contribution plan and any eligible deferred compensation plan (as defined in section 457(b))."

(2) Effective date.—The amendment made by paragraph (1) shall apply in cases where the employee is reemployed on or after August 1, 1990, but only if there is enacted a law passed by the 102d Congress which amends chapter 43 of title 38 of the United States Code to expressly provide pension rights for reemployed veterans.

(k) Computation of Adjustment of Health Insurance Tax Contribution Base.—Paragraph (2) of section 3121(x) (relating to hospital insurance contribution base) is amended—

(1) in subparagraph (A), by striking "and",

(2) in subparagraph (B)—

(A) by striking "for any calendar year after 1991" and inserting "for calendar year 1992", and

(B) by striking the period at the end and inserting ", and", and

(3) by adding at the end the following new subparagraph:

"(C) for any calendar year after 1992, the applicable contribution base for calendar year 1992, adjusted in the same manner as is used in adjusting the contribution and benefit base under section 230(b) of the Social Security Act.".

(l) Miscellaneous Clerical Amendments.—

(1) Subclause (II) of section 56(g)(4)(C)(ii) is amended by striking "of the subclause" and inserting "of subclause".

(2) Paragraph (2) of section 72(m) is amended by inserting "and" at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

(3) Paragraph (2) of section 86(b) is amended by striking "adusted" and inserting "adjusted".

(4)(A) The heading for section 112 is amended by striking "**COMBAT PAY**" and inserting "**1COMBAT ZONE COMPENSATION**".

(B) The item relating to section 112 in the table of sections for part III of subchapter B of chapter 1 is amended by striking "combat pay" and inserting "combat zone compensation".

(C) Paragraph (1) of section 3401(a) is amended by striking "combat pay" and inserting "combat zone compensation".

(5) Clause (i) of section 172(h)(3)(B) is amended by striking the comma at the end thereof and inserting a period.

(6) Clause (ii) of section 543(a)(2)(B) is amended by striking "section 563(c)" and inserting "section 563(d)".

(7) Paragraph (1) of section 958(a) is amended by striking "sections 955(b)(1)(A) and (B), 955(c)(2)(A)(ii), and 960(a)(1)" and inserting "section 960(a)(1)".

(8) Subparagraph (B) of section 4092(b)(1) is amended by striking "or" at the end of clause (i).

(9) Subsection (g) of section 642 is amended by striking "under 2621(a)(2)" and inserting "under section 2621(a)(2)".

(10) Section 1463 is amended by striking "this subsection" and inserting "this section".

(11) Subsection (k) of section 3306 is amended by inserting a period at the end thereof.

(12) The item relating to section 4472 in the table of sections for subchapter B of chapter 36 is amended by striking "and special rules".

(13) Paragraph (2) of section 4978(b) is amended by striking the period at the end of subparagraph (A) and inserting a comma, and by striking the period and quotation marks at the end of subparagraph (B) and inserting a comma.

(14) Paragraph (3) of section 5134(c) is amended by striking "section 6662(a)" and inserting "section 6665(a)".

(15) Paragraph (2) of section 5206(f) is amended by striking "section 5(e)" and inserting "section 105(e)".

(16) Paragraph (1) of section 6050B(c) is amended by striking "section 85(c)" and inserting "section 85(b)".

(17) Subsection (k) of section 6166 is amended by striking paragraph (6).

(18) Subsection (e) of section 6214 is amended to read as follows:

"(e) CROSS REFERENCE.—

"For provision giving Tax Court jurisdiction to order a refund of an overpayment and to award sanctions, see section 6512(b)(2)."

(19) The section heading for section 6043 is amended by striking the semicolon and inserting a comma.

(20) The item relating to section 6043 in the table of sections for subpart B of part III of subchapter A of chapter 61 is amended by striking the semicolon and inserting a comma.

(21) The table of sections for part I of subchapter A of chapter 68 is amended by striking the item relating to section 6662.

(22)(A) Section 7232 is amended—

(i) by striking "**LUBRICATING OIL**," in the heading, and

(ii) by striking "lubricating oil," in the text.

(B) The table of sections for part II of subchapter A of chapter 75 is amended by striking "lubricating oil," in the item relating to section 7232.

(23) Paragraph (1) of section 6701(a) of the Omnibus Budget Reconciliation Act of 1989 is amended by striking "subclause (IV)" and inserting "subclause (V)".

(24) Clause (ii) of section 7304(a)(2)(D) of such Act is amended by striking "subsection (c)(2)" and inserting "subsection (c)".

(25) Paragraph (1) of section 7646(b) of such Act is amended by striking "section 6050H(b)(1)" and inserting "section 6050H(b)(2)".

(26) Paragraph (10) of section 7721(c) of such Act is amended by striking "section 6662(b)(2)(C)(ii)" and inserting "section 6661(b)(2)(C)(ii)".

(27) Subparagraph (A) of section 7811(i)(3) of such Act is amended by inserting "the first place it appears" before "in clause (i)".

(28) Paragraph (10) of section 7841(d) of such Act is amended by striking "section 381(a)" and inserting "section 381(c)".

(29) Paragraph (2) of section 7861(c) of such Act is amended by inserting "the second place it appears" before "and inserting".

(30) Paragraph (1) of section 460(b) is amended by striking "the look-back method of paragraph (3)" and inserting "the look-back method of paragraph (2)".

(31) The heading for paragraph (2) of section 6427(b) is amended by striking "3-CENT" and inserting "3.1-CENT".

(32) Subparagraph (C) of section 50(a)(2) is amended by striking "subsection (c)(4)" and inserting "subsection (d)(5)".

(33) Subparagraph (B) of section 172(h)(4) is amended by striking the material following the heading and preceding clause (i) and inserting "For purposes of subsection (b)(2)—".

(34) Subparagraph (A) of section 355(d)(7) is amended by inserting "section" before "267(b)".

(35) Subparagraph (C) of section 420(e)(1) is amended by striking "mean" and inserting "means".

(36) Paragraph (4) of section 537(b) is amended by striking "section 172(i)" and inserting "section 172(f)".

(37) Subparagraph (B) of section 613(e)(1) is amended by striking the comma at the end thereof and inserting a period.

(38) Paragraph (4) of section 856(a) is amended by striking "section 582(c)(5)" and inserting "section 582(c)(2)".

(39) Sections 904(f)(2)(B)(i) and 907(c)(4)(B)(iii) are each amended by inserting "(as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)" after "section 172(h)".

(40) Subsection (b) of section 936 is amended by striking "subparagraphs (D)(ii)(I)" and inserting "subparagraphs (D)(ii)".

(41) Subsection (c) of section 2104 is amended by striking "subparagraph (A), (C), or (D) of section 861(a)(1)" and inserting "section 861(a)(1)(A)".

(42) Paragraph (1) of section 5002(b) is amended by striking "section 5041(c)" and inserting "section 5041(d)".

(43) Section 6038 is amended by redesignating the subsection relating to cross references as subsection (f).

(44) Clause (iv) of section 6103(e)(1)(A) is amended by striking all that follows "provisions of" and inserting "section 1(g) or 59(j);".

(45) The subsection (f) of section 6109 of the Internal Revenue Code of 1986 which was added by section 2201(d) of Public Law 101-624 is redesignated as subsection (g).

(46) Subsection (b) of section 7454 is amended by striking "section 4955(e)(2)" and inserting "section 4955(f)(2)".

(47) Subsection (d) of section 11231 of the Revenue Reconciliation Act of 1990 shall be applied as if "comma" appeared instead of "period" and as if the paragraph (9) proposed to be added ended with a comma.

(48) Paragraph (1) of section 11303(b) of the Revenue Reconciliation Act of 1990 shall be applied as if "paragraph" appeared instead of "subparagraph" in the material proposed to be stricken.

(49) Subsection (f) of section 11701 of the Revenue Reconciliation Act of 1990 is amended by inserting "(relating to definitions)" after "section 6038(e)".

(50) Subsection (i) of section 11701 of the Revenue Reconciliation Act of 1990 shall be applied as if "subsection" appeared instead of "section" in the material proposed to be stricken.

(51) Subparagraph (B) of section 11801(c)(2) of the Revenue Reconciliation Act of 1990 shall be applied as if "section 56(g)" appeared instead of "section 59(g)".

(52) Subparagraph (C) of section 11801(c)(8) of the Revenue Reconciliation Act of 1990 shall be applied as if "reorganizations" appeared instead of "reorganization" in the material proposed to be stricken.

(53) Subparagraph (H) of section 11801(c)(9) of the Revenue Reconciliation Act of 1990 shall be applied as if "section 1042(c)(1)(B)" appeared instead of "section 1042(c)(2)(B)".

(54) Subparagraph (F) of section 11801(c)(12) of the Revenue Reconciliation Act of 1990 shall be applied as if "and (3)" appeared instead of "and (E)".

(55) Subparagraph (A) of section 11801(c)(22) of the Revenue Reconciliation Act of 1990 shall be applied as if "chapters 21" appeared instead of "chapter 21" in the material proposed to be stricken.

(56) Paragraph (3) of section 11812(b) of the Revenue Reconciliation Act of 1990 shall be applied by not executing the amendment therein to the heading of section 42(d)(5)(B).

(57) Clause (i) of section 11813(b)(9)(A) of the Revenue Reconciliation Act of 1990 shall be applied as if a comma appeared after "(3)(A)(ix)" in the material proposed to be stricken.

(58) Subparagraph (F) of section 11813(b)(13) of the Revenue Reconciliation Act of 1990 shall be applied as if "tax" appeared after "investment" in the material proposed to be stricken.

(59) Paragraph (19) of section 11813(b) of the Revenue Reconciliation Act of 1990 shall be applied as if "Paragraph (20) of section 1016(a), as redesignated by section 11801," appeared instead of "Paragraph (21) of section 1016(a)".

(60) Paragraph (5) section 8002(a) of the Surface Transportation Revenue Act of 1991 shall be applied as if "4481(e)" appeared instead of "4481(c)".

Subtitle B—Corrections Relating to Social Security, Income Security and Human Resources, and Tariff and Customs

PART I—SOCIAL SECURITY

SEC. 6201. TECHNICAL CORRECTIONS RELATED TO OASDI IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

(a) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5103(b) RELATING TO DISABLED WIDOWS.—Section 223(f)(2) of the Social Security Act (42 U.S.C. 423(f)(2)) is amended—

(1) in subparagraph (A), by striking "(in a case to which clause (ii)(II) does not apply)"; and

(2) by striking subparagraph (B)(ii) and inserting the following:

"(ii) the individual is now able to engage in substantial gainful activity; or".

(b) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5105(d) RELATING TO REPRESENTATIVE PAYEES.—Section 5105(d)(1)(A) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508) is amended—

(1) by striking "Section 205(j)(5)" and inserting "Section 205(j)(6)"; and

(2) by redesignating the paragraph (5) as amended thereby as paragraph (6).

(c) AMENDMENTS RELATED TO PROVISIONS IN SECTION 5106 RELATING TO COORDINATION OF RULES UNDER TITLES II AND XVI GOVERNING FEES FOR REPRESENTATIVES OF CLAIMANTS WITH ENTITLEMENTS UNDER BOTH TITLES.—

(1) CALCULATION OF FEE OF CLAIMANT'S REPRESENTATIVE BASED ON AMOUNT OF PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS

AFTER APPLICATION OF WINDFALL OFFSET PROVISION.—Section 1631(d)(2)(A)(i) of the Social Security Act (as amended by section 5106(a)(2) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1383(d)(2)(A)(i)) is amended to read as follows:

"(i) by substituting, in subparagraphs (A)(ii)(I) and (C)(i), the phrase '(determined before any applicable reduction under section 1631(g), and reduced by the amount of any reduction in benefits under this title or title II made pursuant to section 1127(a))' for the parenthetical phrase contained therein; and".

(2) CALCULATION OF PAST-DUE BENEFITS FOR PURPOSES OF DETERMINING ATTORNEY FEES IN JUDICIAL PROCEEDINGS.—

(A) IN GENERAL.—Section 206(b)(1) of such Act (42 U.S.C. 406(b)(1)) is amended—

(i) by inserting "(A)" after "(b)(1)"; and

(ii) by adding at the end the following new subparagraph:

"(B) For purposes of this paragraph—

"(i) the term 'past-due benefits' excludes any benefits with respect to which payment has been continued pursuant to subsection (g) or (h) of section 223, and

"(ii) amounts of past-due benefits shall be taken into account to the extent provided under the rules applicable in cases before the Secretary.".

(B) PROTECTION FROM OFFSETTING SSI BENEFITS.—The last sentence of section 1127(a) of such Act (as added by section 5106(b) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 1320a-6(a)) is amended by striking "section 206(a)(4)" and inserting "subsection (a)(4) or (b) of section 206".

(3) APPLICATION OF SINGLE DOLLAR AMOUNT CEILING TO CONCURRENT CLAIMS UNDER TITLES II AND XVI.—

(A) IN GENERAL.—Section 206(a)(2) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(2)) is amended—

(i) by redesignating subparagraph (C) as subparagraph (D); and

(ii) by inserting after subparagraph (B) the following new subparagraph:

"(C) In any case involving—

"(i) an agreement or agreements described in subparagraph (A) with any person relating to both a claim of entitlement to past-due benefits under this title and a claim of entitlement to past-due benefits under title XVI, and

"(ii) a favorable determination made by the Secretary with respect to both such claims,

the Secretary may approve such agreement or agreements only if the total fee or fees specified in such agreement or agreements do not exceed, in the aggregate, the dollar amount in effect under subparagraph (A)(ii)(II).".

(B) CONFORMING AMENDMENT.—Section 206(a)(3)(A) of such Act (as amended by section 5106(a)(1) of the Omnibus Budget Reconciliation Act of 1990) (42 U.S.C. 406(a)(3)(A)) is amended by striking "paragraph (2)(C)" and inserting "paragraph (2)(D)".

(d) AMENDMENT RELATED TO PROVISIONS IN SECTION 5115 RELATING TO ADVANCE TAX TRANSFERS.—Section 201(a) of the Social Security Act (42 U.S.C. 401(a)) is amended in the last sentence by striking "and" the second place it appears.

(e) EFFECTIVE DATE.—Each amendment made by this section shall take effect as if included in the provisions of the Omnibus Budget Reconciliation Act of 1990 to which such amendment relates.

PART II—INCOME SECURITY AND HUMAN RESOURCES

SEC. 6211. REPEAL OF PROVISION INADVERTENTLY INCLUDED IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

Section 5057 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), and the amendment made by such section, are hereby repealed, and section 1139(d) of the Social Security Act shall be applied and administered as if such section 5057 had never been enacted.

SEC. 6212. CORRECTIONS RELATED TO THE INCOME SECURITY AND HUMAN RESOURCES PROVISIONS OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

(a) AMENDMENT RELATED TO SECTION 5035(a)(2).—Section 5035(a)(2) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is amended by striking "a semicolon" and inserting " '; and' ".

(b) AMENDMENTS RELATED TO SECTION 5105(d)(1)(b).—Section 5105(d)(1)(B) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is amended—

(1) by striking "Section 1631(a)(2)(E)" and inserting "Section 1631(a)(2)(F)"; and

(2) by redesignating the subparagraph (E) as amended thereby as subparagraph (F).

(c) AMENDMENT RELATED TO SECTION 5105(a)(1)(b).—The second paragraph of section 1631(a) of the Social Security Act (42 U.S.C. 1383(a)) is amended by striking "(A)(i) Payments" and inserting "(2)(A)(i) Payments".

(d) AMENDMENTS RELATED TO SECTION 5105(b).—Section 1631(a)(2)(C) of the Social Security Act (42 U.S.C. 1383(a)(2)(C)) is amended—

(1) by striking clause (ii);

(2) by redesignating clauses (iii), (iv), and (v) as clauses (ii), (iii), and (iv), respectively; and

(3) in clause (iv) (as so redesignated), by striking "(iii), and (iv)" and inserting "and (iii)".

(e) AMENDMENTS RELATED TO SECTION 5107(a)(2)(b).—Section 1631(c)(1)(B) of the Social Security Act (42 U.S.C. 1383(c)(1)(B)) is amended by striking "paragraph (1)" each place such term appears and inserting "subparagraph (A)".

(f) AMENDMENT RELATED TO SECTION 5109(a)(2).—Section 1631 of the Social Security Act (42 U.S.C. 1383) is amended by redesignating the subsection (n) added by section 5109(a)(2) of the Omnibus Budget Reconciliation Act of 1990, as subsection (o).

(g) AMENDMENTS RELATED TO SECTION 11115(b)(2).—Section 11115(b)(2) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is amended—

(1) in subparagraph (A), by striking "paragraph (8)" and inserting "paragraph (9)";

(2) in subparagraph (B), by striking "paragraph (9)" and inserting "paragraph (10)"; and

(3) in subparagraph (C), by redesignating the new paragraph added thereby as paragraph (11).

(h) EFFECTIVE DATE.—Each amendment made by this section shall take effect as if included in the provision of the Omnibus Budget Reconciliation Act of 1990 to which the amendment relates at the time such provision became law.

SEC. 6213. CORRECTION RELATED TO SECTION 8006 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1989.

(a) CORRECTION.—Section 473(a)(6)(B) of the Social Security Act (42 U.S.C. 673(a)(6)(B)) is amended by striking "474(a)(3)(B)" and inserting "474(a)(3)(C)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) of this section shall take effect as if included in section 8006 of the Omnibus Budget Reconciliation Act of 1989 at the time such section 8006 became law.

SEC. 6214. AMENDMENT RELATED TO SECTION 13101(d)(2) OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

(a) IN GENERAL.—Section 256(k)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking "—" the second place it appears and all that follows through "(I)"; and

(2) by striking "; or" and all that follows through "(II)" and inserting ", except that a State may not be allotted an amount under this subparagraph that exceeds".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) of this section shall take effect as if included in section 13101(d)(2) of the Omnibus Budget Reconciliation Act of 1990 at the time such section 13101(d)(2) became law.

PART III—TARIFF AND CUSTOMS

SEC. 6221. TECHNICAL AMENDMENTS TO THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES.

(a) IN GENERAL.—The Harmonized Tariff Schedule of the United States is amended as follows:

(1) REMOVAL OF GDR FROM COLUMN 2 RATE LIST.—General Note 3(b) is amended by striking "German Democratic Republic".

(2) TAPESTRY AND UPHOLSTERY FABRICS.—The article description for subheading 5112.19.20 is amended by striking "of a weight exceeding 300 g/m²".

(3) GLOVES.—

(A) Chapter 61 is amended by redesignating subheading 6116.10.45 as subheading 6116.10.48.

(B) Chapter 62 is amended by striking the superior text "Other:" that appears between subheadings 6216.00.46 and 6216.00.52.

(4) AGGLOMERATE STONE FLOOR AND WALL TILES.—The article description for subheading 6810.19.12 is amended to read as follows: "Of stone agglomerated with binders other than cement".

(5) 2,4-DIAMINOBENZENESULFONIC ACID.—The article description for heading 9902.30.43 is amended by striking "2921.51.50" and inserting "2921.59.50".

(6) MACHINES USED IN THE MANUFACTURE OF BICYCLE PARTS.—The article description for heading 9902.84.79 is amended by striking "8479.89.90" and inserting "8462.49.00, 8479.89.90 or 9031.80.00".

(7) COPYING MACHINES AND PARTS.—The article description for heading 9902.90.90 is amended by inserting "or 8473.40.40" after "8472.90.80".

(b) STAGED RATE REDUCTIONS FOR GLOVES.—Any staged reduction of a special rate of duty set forth in subheading 6116.10.45 of such Schedule that takes effect on or after October 1, 1990, by reason of section 10011(a)(2) of Omnibus Budget Reconciliation Act of 1990 shall apply to the corresponding rate of duty in subheading 6116.10.48 (as redesignated by subsection (a)(3)(A)).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) shall apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

(2) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(A) Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the appropriate customs officer on or before the 90th day after the date of the enactment of this Act, any entry—

(i) that was made after the applicable date and before the 15th day after such date of enactment; and

(ii) with respect to which there would have been a lesser or no duty if any amendment made by subsection (a) applied to such entry; shall be liquidated or reliquidated as though such amendment applied to such entry.

(B) For purposes of this subsection, the term "applicable date" means—

(i) if such amendment is made by subsection (a)(4) or (a)(7), December 31, 1988; and

(ii) if such amendment is made by subsection (a)(2), (a)(3), (a)(5), (a)(6), September 30, 1990.

SEC. 6222. CLARIFICATION REGARDING THE APPLICATION OF CUSTOMS USER FEES.

(a) IN GENERAL.—Subparagraph (D) of section 13031(b)(8) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(8)(D)) is amended—

(1) by striking out "and" at the end of clause (iv);

(2) by striking out the period at the end of clause (v) and inserting "; and"; and

(3) by inserting after clause (v) the following new clause:

"(vi) in the case of merchandise entered from a foreign trade zone (other than merchandise to which clause (v) applies), be applied only to the value of the merchandise subject to duty under section 3 of the Act of June 18, 1934 (commonly known as the Foreign Trade Zones Act, 19 U.S.C. 81c)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to—

(1) any entry made from a foreign trade zone on or after the 15th day after the date of the enactment of this Act; and

(2) any entry made from a foreign trade zone after November 30, 1986, and before such 15th day if the entry was not liquidated before such 15th day.

SEC. 6223. TECHNICAL AMENDMENTS TO THE OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988.

(a) IN GENERAL.—Paragraph (2) of section 1102(a) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902(a)(2)) is amended—

(1) in subparagraph (A)—

(A) by striking "the date of enactment of this Act" and inserting "January 1, 1989"; and

(B) by striking "such date of enactment" and inserting "January 1, 1989"; and

(2) in subparagraph (B), by striking "such date of enactment" and inserting "January 1, 1989".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect January 1, 1989.

(c) CONSTRUCTION.—For purposes of applying the amendments made by subsection (a), the column 1-general rate of duty established by any amendment to the Harmonized Tariff Schedule of the United States that was enacted after January 1, 1989, shall, if—

(1) such amendment has, or is statutorily treated as having, an effective date of January 1, 1989; or

(2) application for liquidation or reliquidation at such rate with respect to entries made after December 31, 1988, and before the effective date of the amendment, is provided for;

be treated as the rate in effect on January 1, 1989.

SEC. 6224. TECHNICAL AMENDMENT TO THE CUSTOMS AND TRADE ACT OF 1990.

Subsection (b) of section 484H of the Customs and Trade Act of 1990 (19 U.S.C. 1553 note) is amended by striking ", or withdrawn from warehouse for consumption," and inserting "for transportation in bond".

TITLE VII—INCOME SECURITY AND RELATED PROGRAMS

Subtitle A—Miscellaneous Improvements in the Old-Age, Survivors, and Disability Insurance Program

SEC. 7001. SHORT TITLE.

This subtitle may be cited as the "Social Security Amendments of 1992".

SEC. 7002. IMPROVEMENT AND CLARIFICATION OF PROVISIONS PROHIBITING MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE TO SOCIAL SECURITY OR MEDICARE.

(a) PROHIBITION OF UNAUTHORIZED REPRODUCTION, REPRINTING, OR DISTRIBUTION FOR FEE OF CERTAIN OFFICIAL PUBLICATIONS.—Section 1140(a) of the Social Security Act (42 U.S.C. 1320b-10(a)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" after "(a)"; and

(3) by adding at the end the following new paragraph:

"(2) No person may, for a fee, reproduce, reprint, or distribute any item consisting of a form, application, or other publication of the Social Security Administration unless such person has obtained specific, written authorization for such activity in accordance with regulations which the Secretary shall prescribe.".

(b) ADDITION TO PROHIBITED WORDS, LETTERS, SYMBOLS, AND EMBLEMS.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended—

(1) in subparagraph (A) (as redesignated), by striking "Administration', the letters 'SSA' or 'HCFA'," and inserting "Administration', 'Department of Health and Human Services', or 'Health and Human Services', the letters 'SSA', 'HCFA', 'DHHS', or 'HHS',"; and

(2) in subparagraph (B) (as redesignated), by striking "Social Security Administration" each place it appears and inserting "Social Security Administration, Health Care Financing Administration, or Department of Health and Human Services", and by striking "or of the Health Care Financing Administration".

(c) INCLUSION OF REASONABLENESS STANDARD.—Section 1140(a)(1) of such Act (as amended by the preceding provisions of this section) is further amended, in the matter following subparagraph (B) (as redesignated), by striking "convey" and inserting "convey, or in a manner which reasonably could be interpreted or construed as conveying,".

(d) INEFFECTIVENESS OF DISCLAIMERS.—Subsection (a) of section 1140 of such Act (as amended by the preceding provisions of this section) is further amended by adding at the end the following new paragraph:

"(3) Any determination of whether the use of one or more words, letters, symbols, or emblems (or any combination or variation thereof) in connection with an item described in paragraph (1) or the reproduction, reprinting, or distribution of an item described in paragraph (2) is a violation of this subsection shall be made without regard to any inclusion in such item (or any so reproduced, reprinted, or distributed copy thereof) of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.".

(e) VIOLATIONS WITH RESPECT TO INDIVIDUAL ITEMS.—Section 1140(b)(1) of such Act (42 U.S.C. 1320b-10(b)(1)) is amended by adding at the end the following new sentence: "In the case of any items referred to in subsection (a)(1) consisting of pieces of mail, each such piece of mail which contains one or more words, letters, symbols, or emblems in violation of subsection (a) shall represent a separate violation. In the case of any items referred to in subsection (a)(2), the reproduction, reprinting, or distribution of such item shall be treated as a separate violation with respect to each copy thereof so reproduced, reprinted, or distributed.".

(f) ELIMINATION OF CAP ON AGGREGATE LIABILITY AMOUNT.—

(1) REPEAL.—Paragraph (2) of section 1140(b) of such Act (42 U.S.C. 1320b-10(b)(2)) is repealed.

(2) CONFORMING AMENDMENTS.—Section 1140(b) of such Act is further amended—

(A) by striking "(1) Subject to paragraph (2), the" and inserting "The";

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(C) in paragraph (1) (as redesignated), by striking "subparagraph (B)" and inserting "paragraph (1)".

(g) REMOVAL OF FORMAL DECLINATION REQUIREMENT.—Section 1140(c)(1) of such Act (42 U.S.C. 1320b-10(c)(1)) is amended by inserting "and the first sentence of subsection (c)" after "and (i)".

(h) DEPOSITS IN OASI TRUST FUND.—Section 1140(c)(2) of such Act (42 U.S.C. 1320b-10(c)(2)) is amended by striking "as miscellaneous receipts of the Treasury of the United States" and inserting "into the Federal Old-Age and Survivor's Insurance Trust Fund".

(i) ANNUAL REPORTS.—Section 1140 of such Act (42 U.S.C. 1320b-10) is amended by adding at the end the following new subsection:

"(d) The Secretary shall include in the annual report submitted pursuant to section 704 a report on the operation of this section during the year covered by such annual report. Such report shall specify—

"(1) the number of complaints of violations of this section received by the Social Security Administration during the year,

"(2) the number of cases in which a notice of violation of this section was sent by the Social Security Administration during the year requesting that an individual cease activities in violation of this section,

"(3) the number of complaints of violations of this section referred by the Social Security Administration to the Inspector General in the Department of Health and Human Services during the year,

"(4) the number of investigations of violations of this section undertaken by the Inspector General during the year,

"(5) the number of cases in which a demand letter was sent during the year assessing a civil money penalty under this section,

"(6) the total amount of civil money penalties assessed under this section during the year,

"(7) the number of requests for hearings filed during the year pursuant to sections 1140(c)(1) and 1128A(c)(2),

"(8) the disposition during such year of hearings filed pursuant to sections 1140(c)(1) and 1128A(c)(2), and

"(9) the total amount of civil money penalties under this section deposited into the Federal Old-Age and Survivors Insurance Trust Fund during the year.".

(j) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring after the date of the enactment of this Act.

SEC. 7003. EXPLICIT REQUIREMENTS FOR MAINTENANCE OF TELEPHONE ACCESS TO LOCAL OFFICES OF THE SOCIAL SECURITY ADMINISTRATION.

(a) MAINTENANCE OF SERVICE TO LOCAL OFFICES.—

(1) IN GENERAL.—Section 5110(a) of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388-272) is amended by adding at the end the following new sentences: "In carrying out the requirements of the preceding sentence, the Secretary shall reestablish and maintain in service the same number of telephone lines to each such local office as was in place as of such date, including telephone sets for connections to such lines.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective as if included in the enactment of section 5110(a) of the Omnibus Budget Reconciliation Act of 1990.

(b) MAINTENANCE OF TOLL-FREE TELEPHONE NUMBER SERVICE.—The Secretary of Health and Human Services shall ensure that toll-free telephone service provided by the Social Security Administration is maintained at a level which is at least equal to that in effect on June 18, 1992.

SEC. 7004. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE.

(a) LIMITATION ON MANDATORY COVERAGE OF STATE ELECTION OFFICIALS AND ELECTION WORKERS WITHOUT STATE RETIREMENT SYSTEM.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(a)(7)(F)(iv) of the Social Security Act (42 U.S.C. 410(a)(7)(F)(iv)) (as amended by section 11332(a) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1993, and the exempt remuneration amount determined under section 218(c)(8)(B) with respect to service performed thereafter".

(2) AMENDMENT TO FICA.—Section 3121(b)(7) of the Internal Revenue Code of 1986 (as amended by section 11332(b) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1993, and the exempt remuneration amount determined under section 218(c)(8)(B) of the Social Security Act with respect to service performed thereafter".

(b) CONFORMING AMENDMENTS RELATING TO MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(p)(2)(E) of the Social Security Act (42 U.S.C. 410(p)(2)(E)) is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1993, and the exempt remuneration amount determined under section 218(c)(8)(B) with respect to service performed thereafter".

(2) AMENDMENT TO FICA.—Section 3121(u)(2)(B)(ii)(V) of the Internal Revenue Code of 1986 is amended by striking "$100" and inserting "$1,000 with respect to service performed during 1993, and the exempt remuneration amount determined under section 218(c)(8)(B) of the Social Security Act with respect to service performed thereafter".

(c) AUTHORITY FOR STATES TO MODIFY COVERAGE AGREEMENTS WITH RESPECT TO ELECTION OFFICIALS AND ELECTION WORKERS.—Section 218(c)(8) of the Social Security Act (42 U.S.C. 418(c)(8)) is amended—

(1) by striking "on or after January 1, 1968," and inserting "at any time";

(2) by striking "$100" and inserting "$1,000 with respect to service performed during 1993, and the exempt remuneration amount determined under subparagraph (B) with respect to service performed thereafter"; and

(3) by striking the last sentence and inserting the following new sentence: "Any modification of an agreement pursuant to this paragraph shall be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.".

(d) INDEXATION OF EXEMPT REMUNERATION AMOUNT.—

(1) IN GENERAL.—Section 218(c)(8) of the Social Security Act (as amended by subsection (c)) is further amended—

(A) by inserting "(A)" after "(8)"; and

(B) by adding at the end the following new subparagraphs:

"(B) The Secretary shall, on or before November 1 of 1993 and of every year thereafter, determine and publish in the Federal Register the exempt remuneration amount which shall be effective with respect to service performed during the following calendar year.

"(C) The exempt remuneration amount determined under subparagraph (B) shall be the larger of—

"(i) the dollar amount in effect under subparagraph (A) with respect to service performed during the calendar year in which the determination under subparagraph (B) is made, or

"(ii) the product of—

"(I) $1,000, and

"(II) the indexing ratio described in subparagraph (D).

"(D) For purposes of subparagraph (C)(ii)(II), the indexing ratio is the ratio of—

"(i) the deemed average total wages (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subparagraph (B) is made, to

"(ii) the average of the total wages (as defined in regulations of the Secretary and computed without regard to the limitations specified in section 209(a)(1)) reported to the Secretary of the Treasury or his delegate for 1991 (as published in the Federal Register in accordance with section 215(a)(1)(D)),

with such product, if not a multiple of $100, being rounded to the next higher multiple of $100 where such product is a multiple of $50 but not of $100 and to the nearest multiple of $100 in any other case.".

(2) CONFORMING AMENDMENT.—Section 209(k)(1) of such Act (42 U.S.C. 409(k)(1)) is amended by inserting "218(c)(8)(D)(i)," after "215(b)(3)(A)(ii),".

(f) EFFECTIVE DATE AND TRANSITIONAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply with respect to service performed on or after January 1, 1993.

(2) TRANSITIONAL RULE.—For the period beginning after September 30, 1992, and ending before January 1, 1993, sections 210(a)(7)(F)(iv), 210(p)(2)(E), and 218(c)(8) of the Social Security Act and sections 3121(b)(7)(F)(iv) and 3121(u)(2)(B)(ii)(V) of the Internal Revenue Code of 1986 shall be applied by substituting "remuneration paid during the period beginning after Septmber 30, 1992, and ending before January 1, 1993, for such service is less than $500" for "remuneration paid in a calendar year for such service is less than $100".

SEC. 7005. TREATMENT OF CERTAIN NONCASH REMUNERATION FOR AGRICULTURAL LABOR.

(a) AMENDMENTS TO 1986 CODE.—Paragraph (8) of section 3121(a) of the Internal Revenue Code of 1986 (defining wages) is amended—

(1) by striking so much of such paragraph as precedes subparagraph (B) thereof and inserting the following:

"(8)(A) remuneration for agricultural labor to the extent such remuneration consists of—

"(i) meals or lodging furnished on the premises of the employer to the employee, the employee's spouse, or any of the employee's dependents, or

"(ii) in the case of an employee who is a seasonal worker, temporary lodging furnished in reasonable proximity to such premises to the employee, the employee's spouse, or any of the employee's dependents;"; and

(2) by striking "cash remuneration" each place it appears in subparagraph (B) and inserting "remuneration (not excluded under subparagraph (A))".

(b) AMENDMENTS TO SOCIAL SECURITY ACT..—Paragraph (7) of section 209(a) of the Social Security Act is amended—

(1) by striking so much of such paragraph as precedes subparagraph (B) thereof and inserting the following:

"(7)(A) Remuneration for agricultural labor to the extent such remuneration consists of—

"(i) meals or lodging furnished on the premises of the employer to the employee, the employee's spouse, or any of the employee's dependents, or

"(ii) in the case of an employee who is a seasonal worker, temporary lodging furnished in reasonable proximity to such premises to the employee, the employee's spouse, or any of the employee's dependents;", and

(2) in subparagraph (B)—

(A) by striking "Cash remuneration" and inserting "Remuneration (not excluded under subparagraph (A))", and

(B) by striking "cash remuneration" and inserting "remuneration (not excluded under subparagraph (A))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration paid after December 31, 1992.

SEC. 7006. USE OF SOCIAL SECURITY NUMBERS BY STATES AND LOCAL GOVERNMENTS FOR JURY SELECTION PURPOSES.

Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) in subparagraph (B)(i), by striking "(E)" in the matter preceding subclause (I) and inserting "(F)";

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(3) by inserting after subparagraph (D) the following:

"(E)(i) It is the policy of the United States that any State (or any political subdivision of a State) may utilize the social security account numbers issued by the Secretary for the additional purposes described in clause (ii) if such numbers are otherwise utilized by such State (or political subdivision) in accordance with applicable law.

"(ii) The additional purposes described in this clause are the following:

"(I) identifying duplicate names of individuals on master lists used for jury selection purposes, and

"(II) identifying on such master lists those individuals who are ineligible to serve on a jury by reason of their conviction of a felony.

"(iii) To the extent that any provision of Federal law enacted before the date of the enactment of this subparagraph is inconsistent with the policy set forth in clause (i), such provision shall, on and after that date, be null, void, and of no effect.

"(iv) For purposes of this subparagraph, the term 'State' has the meaning such term has in subparagraph (D).".

SEC. 7007. AUTHORIZATION FOR ALL STATES TO EXTEND COVERAGE TO STATE AND LOCAL POLICEMEN AND FIREMEN UNDER EXISTING COVERAGE AGREEMENTS.

(a) IN GENERAL.—Section 218(l) of the Social Security Act (42 U.S.C. 418(l)) is amended—

(1) in paragraph (1), by striking "(1)" after "(l)", and by striking "the State of" and all that follows through "date of the enactment of this subsection" and inserting "a State entered into pursuant to this section"; and

(2) by striking paragraph (2).

(b) CONFORMING AMENDMENT.—Section 218(d)(8)(D) of such Act (42 U.S.C. 418(d)(8)(D)) is amended by striking "agreements with States named in" and inserting "State agreements modified as provided in".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to modifications filed by States after the date of the enactment of this Act.

SEC. 7008. LIMITED EXEMPTION FOR CANADIAN MINISTERS FROM CERTAIN SELF-EMPLOYMENT TAX LIABILITY.

(a) IN GENERAL.—Notwithstanding any other provision of law, if—

(1) an individual performed services described in section 1402(c)(4) of the Internal Revenue Code of 1986 which are subject to tax under section 1401 of such Code,

(2) such services were performed in Canada at a time when no agreement between the United States and Canada pursuant to section 233 of the Social Security Act was in effect, and

(3) such individual was required to pay contributions on the earnings from such services under the social insurance system of Canada,

then such individual may file a certificate under this section in such form and manner, and with such official, as may be prescribed in regulations issued under chapter 2 of such Code. Upon the filing of such certificate, notwithstanding any judgment which has been entered to the contrary, such individual shall be exempt from payment of such tax and from any penalties or interest for failure to pay such tax or to file a self-employment tax return as required under section 6017 of such Code.

(b) PERIOD FOR FILING.—A certificate referred to in subsection (a) may be filed only during the 180-day period commencing with the date on which the regulations referred to in subsection (a) are issued.

(c) TAXABLE YEARS AFFECTED BY CERTIFICATE.—A certificate referred to in subsection (a) shall be effective for taxable years ending after December 31, 1978, and before January 1, 1985.

(d) RESTRICTION ON CREDITING OF EXEMPT SELF-EMPLOYMENT INCOME.—In any case in which an individual is exempt under this section from paying a tax imposed under section 1401 of the Internal Revenue Code of 1986, any self-employment income on which such tax would have been imposed but for such exemption shall not be credited under section 212 of the Social Security Act, and, if such individual's primary insurance amount has been determined under section 215 of such Act, notwithstanding section 215(f)(1) of such Act, the Secretary of Health and Human Services shall recompute such primary insurance amount so as to take into account the provisions of this subsection.

SEC. 7009. EXCLUSION OF TOTALIZATION BENEFITS FROM THE APPLICATION OF THE WINDFALL ELIMINATION PROVISION.

(a) IN GENERAL.—Section 215(a)(7) of the Social Security Act (42 U.S.C. 415(a)(7)) is amended—

(1) in subparagraph (A), by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233"; and

(2) in subparagraph (E), by inserting after "in the case of an individual" the following: "whose eligibility for old-age or disability insurance benefits is based on an agreement concluded pursuant to section 233 or an individual".

(b) CONFORMING AMENDMENT RELATING TO BENEFITS UNDER 1939 ACT.—Section 215(d)(3) of such Act (42 U.S.C. 415(d)(3)) is amended by striking "but excluding" and all that follows through "1937" and inserting "but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f)(1) of the Social Security Act) with respect to benefits payable for months after October 1992.

SEC. 7010. EXCLUSION OF MILITARY RESERVISTS FROM APPLICATION OF THE GOVERNMENT PENSION OFFSET AND WINDFALL ELIMINATION PROVISIONS.

(a) EXCLUSION FROM GOVERNMENT PENSION OFFSET PROVISIONS.—Subsections (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4) of section 202 the Social Security Act (42 U.S.C. 402 (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4)) are each amended—

(1) in subparagraph (A)(ii), by striking "unless subparagraph (B) applies.";

(2) in subparagraph (A), by striking "The" in the matter following clause (ii) and inserting "unless subparagraph (B) applies. The"; and

(3) in subparagraph (B), by redesignating the existing matter as clause (ii), and by inserting before such clause (ii) (as so redesignated) the following:

"(B)(i) Subparagraph (A)(i) shall not apply with respect to monthly periodic benefits based wholly on service as a member of a uniformed service (as defined in section 210(m)).".

(b) EXCLUSION FROM WINDFALL ELIMINATION PROVISIONS.—Section 215(a)(7)(A) of such Act (as amended by section 7009(a) of this Act) and section 215(d)(3) of such Act (as amended by section 7009(b) of this Act) are each further amended—

(1) by striking "and" before "(II)"; and

(2) by striking "section 233" and inserting "section 233, and (III) a payment based wholly on service as a member of a uniformed service (as defined in section 210(m))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f) of the Social Security Act) with respect to benefits payable for months after October 1992.

SEC. 7011. ELIMINATION OF ROUNDING DISTORTION IN THE CALCULATION OF THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE CONTRIBUTION AND BENEFIT BASE AND THE EARNINGS TEST EXEMPT AMOUNTS.

(a) ADJUSTMENT OF OASDI CONTRIBUTION AND BENEFIT BASE.—

(1) IN GENERAL.—Section 230(b) of the Social Security Act (42 U.S.C. 430(b)) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) the contribution and benefit base which is in effect with respect to remuneration paid in (and taxable years beginning in) 1992 or, if later, the most recent year for which an increase in the contribution and benefit base was enacted, and

"(2) the ratio of (A) the deemed average total wages (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subsection (a) is made to (B) the deemed average total wages (as so defined) for 1990 or, if later, the second calendar year before the most recent calendar year for which an increase in the contribution and benefit base was enacted,".

(2) CONFORMING AMENDMENT RELATING TO APPLICABLE PRIOR LAW.—Section 230(d) of such Act (42 U.S.C. 430(d)) is amended by striking "(except that" and all that follows through the end and inserting "(except that, for purposes of subsection (b)(2) of such section 230 as so in effect, each reference in such subsection to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the deemed average total wages (as defined in section 209(k)(1)), and the reference in subparagraph (B) of such subsection to a particular calendar year shall be deemed a reference to 1990 or, if later, the second calendar year before the most recent calendar year for which an increase in the contribution and benefit base was enacted).".

(3) ADJUSTMENT OF CONTRIBUTION AND BENEFIT BASE APPLICABLE IN DETERMINING YEARS OF COVERAGE FOR PURPOSES OF SPECIAL MINIMUM PRIMARY INSURANCE AMOUNT.—Section 215(a)(1)(C)(ii) of such Act is amended by striking "(except that" and all that follows through the end and inserting "(except that, for purposes of subsection (b)(2) of such section 230 as so in effect, each reference in such subsection to the average of the wages of all employees as reported to the Secretary of the Treasury shall be deemed a reference to the deemed average total wages (as defined in section 209(k)(1)), and the reference in clause (B) of such subsection to a particular calendar year shall be deemed a reference to 1990 or, if later, the second calendar year before the most recent calendar year for which an increase in such maximum amount was enacted).".

(b) ADJUSTMENT OF EARNINGS TEST EXEMPT AMOUNT.—Section 203(f)(8)(B)(ii) of the Social Security Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended to read as follows:

"(ii) the product of the corresponding exempt amount which is in effect with respect to months in the taxable year ending after 1991 and before 1993 or, if later, the most recent taxable year for which an increase in the corresponding exempt amount is enacted, and the ratio of—

"(I) the deemed average total wages (as defined in section 209(k)(1)) for the calendar year before the calendar year in which the determination under subparagraph (A) is made, to

"(II) the deemed average total wages (as so defined) for 1990 or, if later, the second calendar year before the most recent taxable year for which an increase in the exempt amount was enacted, with such product, if not a multiple of $10, being rounded to the next higher multiple of $10 where such product is a multiple of $5 but not of $10 and to the nearest multiple of $10 in any other case.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) shall be effective with respect to the determination of the contribution and benefit base for years after 1992.

(2) The amendment made by subsection (b) shall be effective with respect to the determination of the exempt amounts applicable to any taxable year ending after 1992.

SEC. 7012. REPEAL OF THE FACILITY-OF-PAYMENT PROVISION.

(a) REPEAL OF RULE PRECLUDING REDISTRIBUTION UNDER FAMILY MAXIMUM.—Section 203(i) of the Social Security Act (42 U.S.C. 403(i)) is repealed.

(b) COORDINATION UNDER FAMILY MAXIMUM OF REDUCTION IN BENEFICIARY'S AUXILIARY BENEFITS WITH SUSPENSION OF AUXILIARY BENEFITS OF OTHER BENEFICIARY UNDER EARNINGS TEST.—Section 203(a)(4) of such Act (42 U.S.C. 403(a)(4)) is amended by striking "section 222(b). Whenever" and inserting the following: "section 222(b). Notwithstanding the preceding sentence, any reduction under this subsection in case of an individual who is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for any month on the basis of the same wages and self-employment income as another person—

"(A) who also is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for such month,

"(B) who does not live in the same household as such individual, and

"(C) whose benefit for such month is suspended (in whole or in part) pursuant to subsection (h)(3) of this section,

shall be made before the suspension under subsection (h)(3). Whenever".

(c) CONFORMING AMENDMENT APPLYING EARNINGS REPORTING REQUIREMENT DESPITE SUSPENSION OF BENEFITS.—The third sentence of section 203(h)(1)(A) of such Act (42 U.S.C. 403(h)(1)(A)) is amended by striking "Such report need not be made" and all that follows through "The Secretary may grant" and inserting the following: "Such report need not be made for any taxable year—

"(i) beginning with or after the month in which such individual attained age 70, or

"(ii) if benefit payments for all months (in such taxable year) in which such individual is under age 70 have been suspended under the provisions of the first sentence of paragraph (3) of this subsection, unless—

"(I) such individual is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202,

"(II) such benefits are reduced under subsection (a) of this section for any month in such taxable year, and

"(III) in any such month there is another person who also is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 on the basis of the same wages and self-employment income and who does not live in the same household as such individual.

The Secretary may grant".

(d) CONFORMING AMENDMENT DELETING SPECIAL INCOME TAX TREATMENT OF BENEFITS NO LONGER REQUIRED BY REASON OF REPEAL.—Section 86(d)(1) of the Internal Revenue Code of 1986 (relating to income tax on social security benefits) is amended by striking the last sentence.

(e) EFFECTIVE DATES.—

(1) The amendments made by subsections (a), (b), and (c) shall apply with respect to benefits payable for months after December 1993.

(2) The amendment made by subsection (d) shall apply with respect to benefits received after December 31, 1993, in taxable years ending after such date.

SEC. 7013. MAXIMUM FAMILY BENEFITS IN GUARANTEE CASES.

(a) IN GENERAL.—Section 203(a) of the Social Security Act (42 U.S.C. 403(a)) is amended by adding at the end the following new paragraph:

"(10)(A) Subject to subparagraphs (B) and (C)—

"(i) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(B)(i) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits, increased for this purpose by the general benefit increases and other increases under section 215(i) that would have applied to such total monthly benefits had the individual remained entitled to disability insurance benefits until the month in which he became entitled to old-age insurance benefits or reentitled to disability insurance benefits or died, and

"(ii) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(C) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits.

"(B) In any case in which—

"(i) the total monthly benefits with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits was computed under paragraph (6), and

"(ii) the individual's primary insurance amount is computed under subparagraph (B)(i) or (C) of section 215(a)(2) by reason of the individual's entitlement to old-age insurance benefits or death,

the total monthly benefits shall equal the total monthly benefits that would have been authorized with respect to the primary insurance amount for the last month of his prior entitlement to disability insurance benefits if such total monthly benefits had been computed without regard to paragraph (6).

"(C) This paragraph shall apply before the application of paragraph (3)(A), and before the application of section 203(a)(1) of this Act as in effect in December 1978.".

(b) CONFORMING AMENDMENT.—Section 203(a)(8) of such Act (42 U.S.C. 403(a)(8)) is amended by striking "Subject to paragraph (7)," and inserting "Subject to paragraph (7) and except as otherwise provided in paragraph (10)(C),".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply for the purpose of determining the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 of the Social Security Act based on the wages and self-employment income of an individual who—

(1) becomes entitled to an old-age insurance benefit under section 202(a) of such Act,

(2) becomes reentitled to a disability insurance benefit under section 223 of such Act, or

(3) dies,

after October 1992.

SEC. 7014. AUTHORIZATION FOR DISCLOSURE BY THE SECRETARY OF HEALTH AND HUMAN SERVICES OF INFORMATION FOR PURPOSES OF PUBLIC OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR RESEARCH.

(a) IN GENERAL.—Section 1106 of the Social Security Act (42 U.S.C. 1306) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(2) in subsection (f) (as so redesignated), by striking "subsection (d)" and inserting "subsection (e)"; and

(3) by inserting after subsection (c) the following new subsection:

"(d) Notwithstanding any other provision of this section, in any case in which—

"(1) information regarding whether an individual is shown on the records of the Secretary as being alive or deceased is requested from the Secretary for purposes of epidemiological or similar research which the Secretary finds may reasonably be expected to contribute to a national health interest, and

"(2) the requester agrees to reimburse the Secretary for providing such information and to comply with limitations on safeguarding and rerelease or redisclosure of such information as may be specified by the Secretary,

the Secretary shall comply with such request, except to the extent that compliance with such request would constitute a violation of the terms of any contract entered into under section 205(r).".

(b) AVAILABILITY OF INFORMATION RETURNS REGARDING WAGES PAID EMPLOYEES.—Section 6103(l)(5) of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information to the Department of Health and Human Services for purposes other than tax administration) is amended—

(1) by striking "for the purpose of" and inserting "for the purpose of—";

(2) by striking "carrying out, in accordance with an agreement" and inserting the following:

"(A) carrying out, in accordance with an agreement";

(3) by striking "program." and inserting "program; or"; and

(4) by adding at the end the following new subparagraph:

"(B) providing information regarding the mortality status of individuals for epidemiological and similar research in accordance with section 1106(d) of the Social Security Act.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to requests for information made after the date of the enactment of this Act.

Subtitle B—Human Resources Amendments

PART I—FOSTER CARE AND CHILD WELFARE

SEC. 7101. PERMANENT EXTENSION OF FOSTER CARE INDEPENDENT LIVING PROGRAM.

(a) IN GENERAL.—Section 477 of the Social Security Act (42 U.S.C. 677) is amended—

(1) in subsection (a)(1)—

(A) by inserting "(or, at the option of the State, age 14)" after "age 16"; and

(B) by striking the 3rd sentence;

(2) in subsection (c), by striking "of the fiscal years 1988 through 1992" and inserting "succeeding fiscal year";

(3) in subsection (e)(1)—

(A) in subparagraph (A), by striking "each of the fiscal years 1987 through 1992" and inserting "any fiscal year";

(B) in subparagraph (C)—

(i) in clause (i)—

(I) in subclause (I), by striking "and"; and

(II) by striking subclause (II) and inserting the following:

"(II) for each of fiscal years 1991 and 1992, $45,000,000; and

"(III) for each succeeding fiscal year, $45,000,000 increased by the percentage (if any) by which the GDP deflator for the 12-month period ending on March 31 of the calendar year in which the fiscal year begins exceeds the GDP deflator for the 12-month period ending on March 31, 1991.";

(ii) in clause (ii)—

(I) in subclause (I), by striking "and";

(II) in subclause (II), by striking the period and inserting "; and"; and

(III) by adding at the end the following:

"(III) for each succeeding fiscal year, $25,000,000 increased by the percentage (if any) by which the GDP deflator for the 12-month period ending on March 31 of the calendar year in which the fiscal year begins exceeds the GDP deflator for the 12-month period ending on March 31, 1991."; and

(iii) by adding at the end the following:

"(iii) The term 'GDP deflator' means the GDP deflator published by the Department of Commerce.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1992, and shall apply to payments under part E of title IV of the Social Security Act for fiscal year 1993 and payments made under such part for any succeeding fiscal year.

SEC. 7102. FOSTER AND ADOPTIVE PARENT TRAINING.

Section 8006(b) of the Omnibus Budget Reconciliation Act of 1989 (42 U.S.C. 674 note; 103 Stat. 2462) is amended by striking ", and before October 1, 1992".

SEC. 7103. CHILD WELFARE SERVICES PROGRAM REVIEWS.

Section 10406 of the Omnibus Budget Reconciliation Act of 1989 (42 U.S.C. 627 note; 103 Stat. 2490) is amended—

(1) by striking "1991" and inserting "1993";

(2) by striking "triennial";

(3) by striking "1992" and inserting "1994"; and

(4) in the section heading—

(A) by striking "**TRIENNIAL**"; and

(B) by striking "**1991**" and inserting "**1993**".

SEC. 7104. EFFECT OF FAILURE TO CARRY OUT STATE PLAN.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301–1320b–13) is amended by inserting after section 1122 the following:

"SEC. 1123. EFFECT OF FAILURE TO CARRY OUT STATE PLAN.

"Each individual shall have the right not to be denied any service or benefit under this Act as a result of the failure of any State to which Federal funds are paid under a title of this Act that includes plan requirements to have a plan that meets such requirements, or to administer such a plan in accordance with such requirements.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to actions pending on the date of the enactment of this Act and to actions brought on or after such date of enactment.

PART II—CHILD SUPPORT ENFORCEMENT

SEC. 7111. REPORTS TO CREDIT BUREAUS OF PERSONS DELINQUENT IN CHILD SUPPORT PAYMENTS.

(a) IN GENERAL.—Section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7)) is amended—

(1) by inserting ", and procedures which require the State to report monthly to any such agency the name of any parent who owes overdue support and is at least 2 months delinquent in the payment of such support and the amount of such delinquency unless the agency requests not to receive such information" before the semicolon;

(2) by striking "and (C)" and inserting "(C)"; and

(3) by inserting ", and (D) such information shall not be made available to (i) a consumer reporting agency which the State determines does not have sufficient capability to systematically and timely make accurate use of such information, or (ii) an entity which has not furnished evidence satisfactory to the State that the entity is a consumer reporting agency" before the period.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1993, and shall apply to payments under part D of title IV of the Social Security Act for fiscal year 1994 and payments made under such part for any succeeding fiscal year.

PART III—RESEARCH, DEMONSTRATIONS, AND STUDIES

SEC. 7121. EARLY CHILDHOOD DEVELOPMENT PROJECTS.

Section 502(c) of the Family Support Act of 1988 (42 U.S.C. 1315 note; 102 Stat. 2402) is amended by inserting ", and not to exceed $3,000,000 for each of the fiscal years 1993 through 1997" before the period.

SEC. 7122. PAYMENTS TO CERTAIN PRIVATE AID PROGRAMS.

(a) IN GENERAL.—Section 403 of the Social Security Act (42 U.S.C. 603) is amended by adding after the subsection added by section 1301(a) of this Act the following:

"(p)(1) For each day of any calendar quarter in which there is a qualified program operated in a State with a plan approved under this part, the Secretary shall pay the operator of the qualified program an amount equal to—

"(A) the number of persons eligible for aid under the State plan who are enrolled and participating in the qualified program on that day; multiplied by

"(B) the lesser of—

"(i) $20; or

"(ii) 95 percent of the daily average for the calendar quarter of—

"(I) the aggregate dollar value of the benefits that the Secretary estimates would have been provided to such persons under the State plan and under the State plan approved under title XIX if such persons had not been participating in the qualified program; minus

"(II) the aggregate dollar value of such benefits (if any) that were provided to such persons, without regard to any benefits provided by or through the qualified program.

"(2) As used in paragraph (1), the term 'qualified program' means any program operated and evaluated in the same manner as The New Hope Project, Inc., a private, not-for-profit corporation incorporated under the laws of Wisconsin, operates and has evaluated the New Hope Project, which offers low income residents of Milwaukee, Wisconsin, employment, wage supplements, child care, health care, and counseling and training for job retention or advancement.

"(3) Any operator of a program that receives a payment under this section shall, on an annual basis, submit to the Secretary of Health and Human Services and the State in which the program is operated a written report accounting for the use of the payment.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the 1st day of the 1st calendar quarter that begins after the date of the enactment of this Act.

SEC. 7123. MEASUREMENT AND REPORTING OF WELFARE DEPENDENCY.

(a) FINDINGS.—The Congress finds that welfare dependency has reached threatening levels:

(1) In the period since 1960 the average annual caseload of the aid to families with dependent children (AFDC) program under title IV of the Social Security Act has quintupled.

(2) In 1990 there were on average almost twice as many households receiving aid to families with dependent children payments as the number of households and individuals receiving unemployment compensation benefits.

(3) Nearly one-quarter of children born in the period 1967 through 1969 were dependent on welfare (AFDC) before reaching age 18. For minority children this ratio approached three-quarters.

(4) At any given time one-quarter of school children are from single parent families, or households with neither parent. The National Assessment of Educational Progress has documented the educational losses associated with single parent or no parent households.

(5) Only one-quarter of father-absent families receive full child support and over one-half receive none.

(6) The average aid to families with dependent children benefit has declined by more than one-third since 1960.

(7) The burden of welfare dependency is an issue of necessary concern to women, who in overwhelming proportion are the heads of single parent families.

(8) The rate of welfare dependency is rising. However, the statistical basis on which to assess this national issue is wholly inadequate, much as the statistical basis for addressing issues of unemployment was inadequate prior to the Employment Act of 1946, which required the creation of the annual economic report of the President and the development of unemployment rates.

(b) CONGRESSIONAL POLICY.—The Congress hereby declares that—

(1) it is the policy and responsibility of the Federal Government to reduce welfare dependency to the lowest possible level, and to assist families toward self-sufficiency, consistent with other essential national goals;

(2) it is the policy of the United States to strengthen families, to ensure that children grow up in families that are economically self-sufficient and to underscore the responsibility of parents to support their children;

(3) the Federal Government should help welfare recipients as well as individuals at risk of welfare dependency to improve their education and job skills, to obtain access to necessary support services, and to take such other steps as may assist them to meet their responsibilities to become financially independent; and

(4) it is the purpose of this section to aid in lowering welfare dependency by providing the public with generally accepted measures of welfare dependency so that it can track dependency over time and determine whether progress is being made in reducing welfare dependency and enabling families to be self-sufficient.

(c) DEVELOPMENT OF WELFARE DEPENDENCY INDICATORS, RATES, AND PREDICTORS.—

(1) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Agriculture (referred to in this section col-

lectively as the "Secretary") shall develop indicators, rates, and predictors of welfare dependency.

(2) DEVELOPMENT.—The Secretary shall—

(A) develop—

(i) indicators and rates related to the level of welfare dependency in the United States; and

(ii) predictors that are correlated with welfare dependency;

(B) assess the data needed to report annually on the indicators, rates, and predictors, including the ability of existing data collection efforts to provide such data and any additional data collection needs; and

(C) not later than 2 years after the date of the enactment of this section, provide an interim report containing conclusions resulting from the development and assessment described in subparagraphs (A) and (B), to—

(i) the Committee on Ways and Means of the House of Representatives;

(ii) the Committee on Education and Labor of the House of Representatives;

(iii) the Committee on Agriculture of the House of Representatives;

(iv) the Committee on Energy and Commerce of the House of Representatives;

(v) the Committee on Finance of the Senate;

(vi) the Committee on Labor and Human Resources of the Senate; and

(vii) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(3) CONSIDERATIONS.—In developing the indicators, rates, and predictors, the Secretary shall consider the complexity of patterns of welfare dependency and self-sufficiency attainment, and the external factors, including the economy, that affect welfare dependency.

(d) ADVISORY BOARD ON WELFARE DEPENDENCY.—

(1) ESTABLISHMENT.—There is established an Advisory Board on Welfare Dependency (referred to in this section as the "Board").

(2) COMPOSITION.—The Board shall be composed of 12 members with equal numbers to be appointed by the House of Representatives, the Senate, and the President. The Board shall be composed of experts in the fields of welfare research and statistical methodology, representatives of State and local welfare agencies, and organizations concerned with welfare issues.

(3) VACANCIES.—Any vacancy occurring in the membership of the Board shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

(4) DUTIES.—Duties of the Board shall include—

(A) providing advice and recommendations to the Secretary on the development of indicators, rates, and predictors of welfare dependency, and the identification of data collection needs and existing data collection efforts, described in subsection (c)(2)(B); and

(B) providing advice on the development and presentation of the annual report on welfare dependency indicators, rates, and predictors required under subsection (e).

(5) TRAVEL EXPENSES.—Members of the Board shall not be compensated, but shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(6) DETAIL OF FEDERAL EMPLOYEES.—The Secretary shall detail, without reimbursement, any of the personnel of the agency to the Board to assist the Board in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(7) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the Board may accept the voluntary services provided by a member of the Board.

(e) ANNUAL WELFARE DEPENDENCY REPORT.—

(1) PREPARATION.—The Secretary shall prepare an annual report on welfare dependency in the United States. The report shall attempt to identify indicators, rates, and predictors of welfare dependency and trends in dependency, and provide information and analysis on the causes of dependency.

(2) COVERAGE.—The report shall include analysis of families and individuals receiving assistance under means-tested benefit programs, including the program of aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), and the Supplemental Security Income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), or as general assistance under programs administered by State and local governments.

(3) CONTENTS.—Each report shall set forth—

(A) for each of the means-tested benefit programs described in paragraph (2)—

(i) current trends in the number and rates of recipients and the characteristics, including age, sex, marital status, presence of children, labor force participation, and disability, of the recipients; and

(ii) total expenditures;

(B) the proportion of the total population receiving each of the programs and patterns of multiple program participation and recipiency duration;

(C)(i) characteristics of each such program, including total expenditures broken down by Federal and State shares, gross income limit, need standards, and maximum potential benefit by State; and

(ii) a description of the interactions among the programs;

(D) in the case of the second, or a subsequent, report, changes in the information described in subparagraphs (A) through (C) from the previous year, and trends in program participation;

(E) annual numerical goals for recipients, and expenditures, within each program and within significant subgroups within the population, for the calendar year in which the report is transmitted and for each of the following 4 calendar years, which goals shall, consistent with other essential national goals, reflect the objectives of—

(i) reducing welfare dependency to the lowest possible level; and

(ii) increasing family self-sufficiency at or above the Federal poverty level to the greatest extent possible;

(F)(i) the programs and policies as the Secretary, in consultation with the Board, determines are necessary to meet the goals for each of the 5 years; and

(ii) such recommendations for legislation, which shall not include proposals to reduce eligibility levels or impose barriers to program access, as the Secretary may determine to be necessary or desirable to reduce welfare dependency; and

(G) interim goals for reducing the proportion of children, and families with children, who are recipients of aid to families with dependent children to 10 percent of families with children, adjusted for economic conditions.

(4) SUBMISSION.—The Secretary shall submit such a report not later than 3 years after the date of the enactment of this section, and annually thereafter, to the committees specified in subsection (c)(2)(C). The report shall be transmitted during the first 60 days of each regular session of Congress.

SEC. 7124. EXTENSION OF COMMISSION ON INTERSTATE CHILD SUPPORT.

Section 126 of the Family Support Act of 1988 (42 U.S.C. 666 note; 102 Stat. 2355) is amended—

(1) in subsection (d)(2), by striking "May" and inserting "August"; and

(2) in subsection (f)(1), by striking "July 1" and inserting "September 30".

SEC. 7125. EXTENSION OF NATIONAL COMMISSION ON CHILDREN.

Section 1139(e)(1)(A) of the Social Security Act (42 U.S.C. 1320b–9(e)(1)(A)) is amended by striking "March 31, 1991" and inserting "December 31, 1992".

SEC. 7126. SECRETARIAL REPORT ON THE DIFFERENCES IN PROGRAM RULES UNDER THE FOOD STAMP PROGRAM, AID TO FAMILIES WITH DEPENDENT CHILDREN, AND MEDICAID PROGRAMS.

(a) IN GENERAL.—No later than 6 months after the date of the enactment of this section, the Secretary of Health and Human Services and the Secretary of Agriculture shall jointly submit to the President and the Congress a report which includes—

(1) the rules which govern the food stamp program operated under the Food Stamp Act of 1977, the program of aid to families with dependent children under part A of title IV of the Social Security Act, and the program of medical assistance under title XIX of the Social Security Act;

(2) how the rules differ across such programs;

(3) which of the rules under such programs require statutory action in order to achieve complete uniformity with respect to such programs (including specific statutory citations); and

(4) which of the rules could be made uniform without statutory action.

(b) RULES TO BE EVALUATED.—

(1) IN GENERAL.—The rules to be evaluated in the report required by subsection (a) shall include all rules related to administrative procedures (described in paragraph (2) of this subsection), definitions of countable income, definitions of income disregards and exemptions, quality control sanctions and incentives, financial and other incentives to combat fraud, work and training requirements and programs, and the program under part D of title IV of the Social Security Act. Income eligibility levels shall be excluded from such report.

(2) ADMINISTRATIVE PROCEDURES DEFINED.—The administrative procedures to be evaluated in the report required by subsection (a) include procedures governing—

(A) quality control error measurements;

(B) the effective dates by which State and local agencies must implement rule changes;

(C) verification of applicant or recipient circumstances;

(D) establishment of claims for overpayment;

(E) recipient reporting requirements;

(F) income budgeting methods for applicants and recipients;

(G) eligibility redeterminations;

(H) hearings for those aggrieved by a State or local agency decision on eligibility or benefits;

(I) determinations of citizen or alien status;

(J) time limits for processing applications; and

(K) response time and other requirements with respect to notices to recipients affecting their eligibility or benefits.

(c) Coordination With Report of the Advisory Committee on Welfare Simplification and Coordination.—The Advisory Committee on Welfare Simplification and Coordination, established by section 1778 of the Food, Agriculture, Conservation, and Trade Act of 1990, shall consider the content of the report required under this section in the preparation of the Committee's report. This section shall not be construed to extend the deadline for submission of the Committee's report specified in section 1778(e) of such Act.

SEC. 7127. DEMONSTRATION OF INDEPENDENT LIVING SERVICES FOR YOUNG ADULTS.

The Secretary of Health and Human Services may authorize 1 State to conduct a demonstration project for 3 years under which community-based services are provided to former foster children who have attained the age of 21 years but have not attained the age of 25 years. Such services may include self-help groups, counseling, treatment for survivors of abuse, mentoring, alumni groups, and coordination of, and referral to, community services by independent living agency staff.

SEC. 7128. EXTENSION OF PERIOD FOR DEMONSTRATION PROJECTS FOR EVALUATING MODEL PROCEDURES FOR REVIEWING CHILD SUPPORT AWARDS.

(a) In General.—Section 103(e)(4) of the Family Support Act of 1988 (42 U.S.C. 666 note; 102 Stat. 2347) is amended by striking “2-year” and inserting “3-year”.

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

PART IV—AID TO FAMILIES WITH DEPENDENT CHILDREN

SEC. 7131. DELAY IN REQUIREMENT THAT OUTLYING AREAS OPERATE AN AFDC-UP PROGRAM.

Section 401(g)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note; 102 Stat. 2396) is amended by striking “1992” and inserting “1994”.

SEC. 7132. REVIEW OF STATE INVESTMENT IN AFDC PROGRAM IN CONSIDERING SETTLEMENT OF QUALITY CONTROL CLAIMS.

Section 408 of the Social Security Act (42 U.S.C. 608) is amended by adding at the end the following:

“(n) In determining whether to settle, adjust, compromise, or waive any rights with respect to a claim arising against a State under this section, the Secretary shall—

“(1) review the plans of the State agency referred to in section 402(a)(3) for new investment in activities to reduce erroneous payments; and

“(2) take such plans into consideration as the Secretary deems appropriate.”.

SEC. 7133. DISREGARD OF $2,000 OF INCOME RECEIVED IN ANY YEAR BY INDIANS FROM INTERESTS INDIVIDUALLY HELD IN TRUST OR RESTRICTED LANDS.

(a) In General.—Section 402(a)(8)(A) of the Social Security Act (42 U.S.C. 602(a)(8)(A)) is amended—

(1) in clause (vii), by striking “and” after the semicolon; and

(2) by adding at the end the following:

“(ix) shall disregard the first $2,000 of income received in any year by any Indian (within the meaning of the Act of October 19, 1973) from interests individually held by the Indian in trust or restricted lands; and”.

(b) Effective Date.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 7134. ENCOURAGING USE OF TRANSITIONAL CHILD CARE PROGRAM.

(a) Development of Methodology; Report to the Congress.—The Secretary of Health and Human Services shall develop an appropriate methodology for determining the proportion of eligible children which are receiving child care provided under section 402(g)(1)(A)(ii) of the Social Security Act, and shall submit to the Congress, within 6 months after the date of the enactment of this section, a report on the findings of the Secretary.

(b) State Plan Requirements.—Section 402(a) of the Social Security Act (42 U.S.C. 602(a)) is amended by inserting after paragraph (28) the following:

“(29) provide that the State agency—

“(A) establish procedures by which caseworkers will be informed of the child care program of the State under subsection (g)(1)(A)(ii);

“(B) develop information materials, that are written in a clear and simple manner and are easily recognizable as relating to child care, describing the program referred to in subparagraph (A); and

“(C) in any notice of termination of aid under the plan sent to a family, notify the family using materials developed under subparagraph (B), and orally as appropriate, of the potential eligibility of the family for child care services through the program referred to in subparagraph (A), of the steps the family must take to establish eligibility for such services, and of the rights and responsibilities of the family under the program;”.

(c) Conforming Amendments.—Section 402(g)(1)(A)(ii) of such Act (42 U.S.C. 602(g)(1)(A)(ii)) is amended—

(1) by inserting a comma after “employment”; and

(2) by inserting “, or by reason of a decrease in the amount disregarded pursuant to subsection (a)(8)(A)(iii)” before the period.

(d) Effective Date.—The amendments made by this section shall take effect on October 1, 1992, and shall apply to payments under part A of title IV of the Social Security Act for fiscal year 1993 and payments made under such part for any succeeding fiscal year.

SEC. 7135. STATE OPTION TO USE RETROSPECTIVE BUDGETING WITHOUT MONTHLY REPORTING.

(a) In General.—Section 402(a)(13) of the Social Security Act (42 U.S.C. 602(a)(13)) is amended—

(1) by striking all that precedes subparagraph (A) and inserting the following:

“(13) provide, at the option of the State and with respect to such category or categories as the State may select and identify in the State plan, that—”; and

(2) in each of subparagraphs (A) and (B), by striking “, in the case of families who are required to report monthly to the State agency pursuant to paragraph (14)”.

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1992, and shall apply to payments under part A of title IV of the Social Security Act for fiscal year 1993 and such payments for succeeding fiscal years.

SEC. 7136. INCREASE IN STEPPARENT INCOME DISREGARD.

(a) In General.—Section 402(a)(31) of the Social Security Act (42 U.S.C. 602(a)(31)) is amended by striking “$75” and inserting “$90”.

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1992, and shall apply to payments under part A of title IV of the Social Security Act for fiscal year 1993 and such payments for succeeding fiscal years.

SEC. 7137. VERIFICATION OF STATUS OF CITIZENS AND ALIENS.

(a) In General.—Section 1137(d) of the Social Security Act (42 U.S.C. 1320b–7(d)) is amended by adding at the end the following:

“(6) A State shall be deemed to meet the requirements of paragraph (1) of this subsection with respect to the eligibility of each member of a family for benefits under the program described in subsection (b)(1), if the State requires, as a condition for such eligibility, a declaration in writing by an adult member of the family, under penalty of perjury, that each family member is a citizen of the United States or an alien eligible for aid under the State plan approved under part A of title IV.”.

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1992.

PART V—SUPPLEMENTAL SECURITY INCOME

SEC. 7141. ELIMINATION OF OBSOLETE PROVISIONS RELATING TO TREATMENT OF THE EARNED INCOME TAX CREDIT.

(a) Treatment of EITC as Earned Income.—Section 1612(a)(1) of the Social Security Act (42 U.S.C. 1382a(a)(1)) is amended by striking subparagraph (C) and by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(b) Adjustment of Benefits Due to Treatment of EITC as Earned Income.—Section 1631(b) of such Act (42 U.S.C. 1383(b)) is amended by striking paragraph (3) and by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

SEC. 7142. REDESIGNATION OF CERTAIN PROVISIONS.

Section 1631(e)(6) of the Social Security Act (42 U.S.C. 1383(e)(6)) is amended by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively.

SEC. 7143. PREVENTION OF ADVERSE EFFECTS ON ELIGIBILITY FOR, AND AMOUNT OF, SSI BENEFITS WHEN SPOUSE OR PARENT OF BENEFICIARY IS ABSENT FROM THE HOUSEHOLD DUE TO ACTIVE MILITARY SERVICE.

(a) Absent Person Generally Deemed to be Living in the Household.—Section 1614(f) of the Social Security Act (42 U.S.C. 1382c(f)) is amended by adding at the end the following:

“(4) For purposes of paragraphs (1) and (2), a spouse or parent (or spouse of such a parent) who is absent from the household in which the individual lives due solely to a duty assignment as a member of the Armed Forces on active duty shall, in the absence of evidence to the contrary, be deemed to be living in the same household as the individual.”.

(b) Exclusion From SSI Income of Hazardous Duty Pay Received While in Active Military Service.—Section 1612(b) of such Act (42 U.S.C. 1382a(b)) is amended—

(1) in paragraph (18), by striking “and” the 2nd place such term appears;

(2) in paragraph (19), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(20) special pay received pursuant to section 310 of title 37, United States Code.”.

(c) Effective Date.—The amendments made by this section shall take effect on the

1st day of the 2d month that begins after the date of the enactment of this Act.

SEC. 7144. DEFINITION OF DISABILITY FOR CHILDREN UNDER AGE 18 APPLIED TO ALL INDIVIDUALS UNDER AGE 18.

(a) In General.—Section 1614(a)(3)(A) of the Social Security Act (42 U.S.C. 1382c(a)(3)(A)) is amended by striking "a child" and inserting "an individual".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1992.

SEC. 7145. EXCLUSION FROM INCOME OF $2,000 OF INCOME RECEIVED IN ANY YEAR BY INDIANS FROM INTERESTS INDIVIDUALLY HELD IN TRUST OR RESTRICTED LANDS.

(a) In General.—Section 1612(b) of the Social Security Act (42 U.S.C. 1382a(b)), as amended by section 7143(b) of this Act, is amended—

(1) in paragraph (19), by striking "and" after the semicolon;

(2) in paragraph (20), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(21) the first $2,000 of income received in any year by any Indian (within the meaning of the Act of October 19, 1973) from interests individually held by the Indian in trust or restricted lands.".

(b) Effective Date.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 7146. VALUATION OF CERTAIN IN-KIND SUPPORT AND MAINTENANCE WHEN THERE IS A COST OF LIVING ADJUSTMENT IN SSI BENEFITS.

(a) In General.—Section 1611(c) of the Social Security Act (42 U.S.C. 1382(c)) is amended—

(1) in paragraph (1), by striking "and (5)" and inserting "(5), and (6)"; and

(2) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(3) by inserting after paragraph (5) the following:

"(6) The dollar amount in effect under subsection (b) as a result of any increase in benefits under this title by reason of section 1617 shall be used to determine the value of any in-kind support and maintenance required to be taken into account in determining the benefit payable under this title to an individual (and the eligible spouse, if any, of the individual) for the 1st 2 months for which the increase in benefits applies.".

(b) Effective Date.—The amendments made by subsection (a) shall apply to benefits paid after the calendar year 1993.

SEC. 7147. TREATMENT OF REVOCABLE BURIAL INSURANCE POLICIES.

(a) In General.—Section 1613 of the Social Security Act (42 U.S.C. 1382b) is amended by adding at the end the following:

"(g) In determining eligibility for benefits under this title, revocable burial insurance policies shall be treated in the same manner as irrevocable burial insurance policies.".

(b) Effective Date.—The amendments made by subsection (a) shall apply to calendar months beginning after the date of the enactment of this Act.

PART VI—USE OF TAX INFORMATION BY RAILROAD RETIREMENT BOARD

SEC. 7151. DISCLOSURE OF INFORMATION TO RAILROAD RETIREMENT BOARD.

Section 6103(l)(1)(C) of the Internal Revenue Code of 1986 is amended to read as follows:

"(C) taxes imposed by chapters 22 and 23A, to the Railroad Retirement Board for purposes of its administration of the Railroad Retirement and Railroad Unemployment Insurance Acts.".

PART VII—TECHNICAL CORRECTIONS

SEC. 7161. TECHNICAL CORRECTIONS RELATED TO THE INCOME SECURITY AND HUMAN RESOURCES PROVISIONS OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

(a) Amendment Related to Section 5035(a)(2).—Section 5035(a)(2) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 104 Stat. 1388–225) is amended by striking "a semicolon" and inserting " '; and' ".

(b) Repeal of Section 5057.—Section 5057 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 104 Stat. 1388–230), and the amendment made by such section, are hereby repealed, and section 1139(d) of the Social Security Act shall be applied and administered as if such section 5057 had never been enacted.

(c) Amendment Relating to Section 5060(a).—Clause (II) of section 402(g)(1)(A)(vi) of the Social Security Act (42 U.S.C. 602(g)(1)(A)(vi)(II)) is amended by moving such subclause 2 ems to the right so that the left margin of such subclause is aligned with the left margin of subclause (I) of such section.

(d) Amendment Relating to Section 5061(a)(3).—Section 407(b)(1)(B)(v) of the Social Security Act (42 U.S.C. 607(b)(1)(B)(v)) is amended by striking "parents' needs" and inserting "parent's needs".

(e) Amendment Related to Section 5081(a).—Section 402(i)(6)(D) of the Social Security Act (42 U.S.C. 602(i)(6)(D)) is amended by striking "as as" and inserting "as".

(f) Amendment Relating to Section 5105(a)(1)(B)(ii)(I).—Section 1631(a)(2)(C)(i) of the Social Security Act (42 U.S.C. 1383(a)(2)(C)(i)) is amended by inserting "a" before "representative".

(g) Amendments Related to Section 5105(b).—Section 1631(a)(2)(C) of the Social Security Act (42 U.S.C. 1383(a)(2)(C)) is amended—

(1) by striking clause (ii);

(2) by redesignating clauses (iii), (iv), and (v) as clauses (ii), (iii), and (iv), respectively; and

(3) in clause (iv) (as so redesignated), by striking "(iii), and (iv)" and inserting "and (iii)".

(h) Amendment Related to Section 5105(d)(1)(B).—Section 5105(d)(1)(B) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 104 Stat. 1388–266) is amended to read as follows:

"(B) Title xvi.—Section 1631(a)(2)(F) (42 U.S.C. 1383(a)(2)(F)), as so redesignated by subsection (c)(2) of this section, is amended to read as follows:

'(F) The Secretary shall include as a part of the annual report required under section 704 information with respect to the implementation of the preceding provisions of this paragraph, including—

'(i) the number of cases in which the representative payee was changed;

'(ii) the number of cases discovered where there has been a misuse of funds;

'(iii) how any such cases were dealt with by the Secretary;

'(iv) the final disposition of such cases (including any criminal penalties imposed); and

'(v) such other information as the Secretary determines to be appropriate.'.".

(i) Amendments Related to Section 5107(a)(2)(B).—Section 1631(c)(1)(B) of the Social Security Act (42 U.S.C. 1383(c)(1)(B)) is amended by striking "paragraph (1)" each place such term appears and inserting "subparagraph (A)".

(j) Amendment Related to Section 5109(a)(2).—Section 1631 of the Social Security Act (42 U.S.C. 1383) is amended by redesignating the subsection (n) added by section 5109(a)(2) of the Omnibus Budget Reconciliation Act of 1990, as subsection (o).

(k) Amendments Related to Section 11115(b)(2).—Section 1613(a) of the Social Security Act (42 U.S.C. 1382b(a)) is amended—

(1) in paragraph (9), by striking "and";

(2) in the first paragraph (10), by striking the period and inserting "; and"; and

(3) by redesignating the second paragraph (10) as paragraph (11).

(l) Effective Date.—Each amendment made by this section shall take effect as if the amendment had been included in the provision of the Omnibus Budget Reconciliation Act of 1990 to which the amendment relates, at the time the provision became law.

SEC. 7162. TECHNICAL CORRECTIONS RELATED TO THE HUMAN RESOURCE AND INCOME SECURITY PROVISIONS OF OMNIBUS BUDGET RECONCILIATION ACT OF 1989.

(a) Amendment Relating to Section 8004(a).—Section 408(m)(2)(A) of the Social Security Act (42 U.S.C. 608(m)(2)(A)) is amended by striking "a fiscal" and inserting "the fiscal".

(b) Amendment Relating to Section 8006(a).—Section 473(a)(6)(B) of such Act (42 U.S.C. 673(a)(6)(B)) is amended by striking "474(a)(3)(B)" and inserting "474(a)(3)(C)".

(c) Amendment Relating to Section 8007(b)(3).—Subparagraph (D) of section 475(5) of such Act (42 U.S.C. 675(5)(D)) is amended by moving such subparagraph 2 ems to the right so that the left margin of such subparagraph is aligned with the left margin of subparagraph (C) of such section.

(d) Effective Date.—Each amendment made by this section shall take effect as if the amendment had been included in the provision of the Omnibus Budget Reconciliation Act of 1989 to which the amendment relates, at the time the provision became law.

Subtitle C—Prohibition of Certain Misleading Practices; Disclosure Requirement

SEC. 7201. PROHIBITION OF MISUSE OF DEPARTMENT OF TREASURY NAMES, SYMBOLS, ETC.

(a) General Rule.—Subchapter II of chapter 3 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§ 333. Prohibition of misuse of Department of Treasury names, symbols, etc.

"(a) General Rule.—No person may use, in connection with, or as a part of, any advertisement, solicitation, business activity, or product, whether alone or with other words, letters, symbols, or emblems—

"(1) the words 'Department of the Treasury', or the name of any service, bureau, office, or other subdivision of the Department of the Treasury,

"(2) the titles 'Secretary of the Treasury' or 'Treasurer of the United States' or the title of any other officer or employee of the Department of the Treasury,

"(3) the abbreviations or initials of any entity referred to in paragraph (1),

"(4) the words 'United States Savings Bond' or the name of any other obligation issued by the Department of the Treasury,

"(5) any symbol or emblem of an entity referred to in paragraph (1) (including the design of any envelope or stationary used by such an entity), and

"(6) any colorable imitation of any such words, titles, abbreviations, initials, symbols, or emblems,

in a manner which could reasonably be interpreted or construed as conveying the false impression that such advertisement, solicitation, business activity, or product is in any manner approved, endorsed, sponsored, or authorized by, or associated with, the Department of the Treasury or any entity referred to in paragraph (1) or any officer or employee thereof.

"(b) Treatment of Waivers.—Any determination of whether a person has violated the provisions of subsection (a) shall be made without regard to any use of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.

"(c) Civil Penalty.—

"(1) In general.—The Secretary of the Treasury may impose a civil penalty on any person who violates the provisions of subsection (a).

"(2) Amount of penalty.—The amount of the civil penalty imposed by paragraph (1) shall not exceed $5,000 for each use of any material in violation of subsection (a). If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$25,000' for '$5,000'.

"(3) Time limitations.—

"(A) Assessments.—The Secretary of the Treasury may assess any civil penalty under paragraph (1) at any time before the end of the 3-year period beginning on the date of the violation with respect to which such penalty is imposed.

"(B) Civil action.—The Secretary of the Treasury may commence a civil action to recover any penalty imposed under this subsection at any time before the end of the 2-year period beginning on the date on which such penalty was assessed."

(b) Clerical Amendment.—The analysis for chapter 3 of title 31, United States Code, is amended by adding after the item relating to section 332 the following new item:

"333. Prohibition of misuse of Department of Treasury names, symbols, etc."

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(d) Report.—Not later than May 1, 1994, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation of the amendments made by this section. Such report shall include the number of cases in which the Secretary has notified persons of violations of section 333 of title 31, United States Code (as added by subsection (a)), the number and amount of civil penalties assessed under such section, and the total amount of such penalties collected.

SEC. 7202. CERTAIN ORGANIZATIONS REQUIRED TO DISCLOSE NONEXEMPT STATUS.

(a) General Rule.—Subchapter B of chapter 61 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by redesignating section 6115 as section 6116 and by inserting after section 6114 the following new section:

"SEC. 6115. CERTAIN ORGANIZATIONS REQUIRED TO DISCLOSE NONEXEMPT STATUS.

"(a) In General.—If—

"(1) in an advertisement or solicitation by (or on behalf of) an organization, such organization is referred to as being nonprofit, and

"(2) such organization is not exempt from tax under subtitle A,

such advertisement or solicitation shall contain an express statement (in a conspicuous and easily recognizable format) that such organization is not exempt from Federal income taxes.

"(b) Cross Reference.—

"For penalties for violation of subsection (a), see section 6714."

(b) Penalty.—Part I of subchapter B of chapter 68 of such Code is amended by adding at the end thereof the following new section:

"SEC. 6714. FAILURE TO DISCLOSE NONEXEMPT STATUS.

"(a) Imposition of Penalty.—If there is a failure to meet the requirements of section 6115 with respect to any advertisement or solicitation by (or on behalf of) an organization, such organization shall pay a penalty of $1,000 for each day on which such a failure occurred. The maximum penalty imposed under this subsection on failures by any organization during any calendar year shall not exceed $10,000.

"(b) Reasonable Cause Exemption.—No penalty shall be imposed under this section with respect to any failure if it is shown that such failure is due to reasonable cause.

"(c) $10,000 Limitation Not To Apply Where Intentional Disregard.—If any failure to which subsection (a) applies is due to intentional disregard of the requirements of section 6115—

"(1) the penalty under subsection (a) for the day on which failure occurred shall be the greater of—

"(A) $1,000, or

"(B) 50 percent of the aggregate cost of the advertisements and solicitations which occurred on such day and with respect to which there was such failure,

"(2) the $10,000 limitation of subsection (a) shall not apply to any penalty under subsection (a) for the day on which such failure occurred, and

"(3) such penalty shall not be taken into account in applying such limitation to other penalties under subsection (a).

"(d) Day on Which Failure Occurs.—For purposes of this secton, rules similar to the rules of section 6710(d) shall apply in determining the day on which any failure occurs."

(c) Clerical Amendments.—

(1) The table of sections for subchapter B of chapter 61 of such Code is amended by striking the item relating to section 6115 and inserting the following:

"Sec. 6115. Certain organizations required to disclose nonexempt status.

"Sec. 6116. Cross reference."

(2) The table of sections of part I of subchapter B of chapter 68 of such Code is amended by adding at the end thereof the following new item:

"Sec. 6714. Failure to disclose nonexempt status."

(d) Effective Date.—The amendments made by this section shall take effect on January 1, 1993.

SEC. 7203. EXEMPT ORGANIZATIONS REQUIRED TO PROVIDE COPY OF RETURN.

(a) General Rule.—

(1) Subparagraph (A) of section 6104(e)(1) of the Internal Revenue Code of 1986 (relating to public inspection of annual returns) is amended to read as follows:

"(A) In general.—During the 3-year period beginning on the filing date—

"(i) a copy of the annual return filed under section 6033 (relating to returns by exempt organizations) by any organization to which this paragraph applies shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, and at each such regional or district office, and

"(ii) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return shall be provided to such individual without charge other than a reasonable fee for the cost of reproduction."

(2) Clause (ii) of section 6104(e)(2)(A) of such Code is amended by inserting before the period at the end thereof the following: "(and, upon request of an individual made at such principal office or such a regional or district office, a copy of the material required to be available for inspection under this subparagraph shall be provided to such individual without charge other than a reasonable fee for the cost of reproduction)".

(b) Effective Date.—The amendments made by this section shall take effect on January 1, 1993.

TITLE VIII—AUTHORIZATION FOR ADDITIONAL ASSISTANCE FOR ENTERPRISE ZONES UNDER VARIOUS PROGRAMS

Subtitle A—Block Grant Funding for Eligible Programs

SEC. 8001. AUTHORIZATION OF APPROPRIATIONS.

(a) Urban Enterprise Zones.—There are authorized to be appropriated for assistance under section 8002(a) the following amounts for the following fiscal years:

(1) $384,800,000 for fiscal year 1993.
(2) $377,600,000 for fiscal year 1994.
(3) $372,400,000 for fiscal year 1995.
(4) $370,000,000 for fiscal year 1996.
(5) $374,000,000 for fiscal year 1997.

(b) Rural Enterprise Zones.—There are authorized to be appropriated for assistance under section 8002(b) the following amounts:

(1) $96,200,000 for fiscal year 1993.
(2) $94,400,000 for fiscal year 1994.
(3) $93,100,000 for fiscal year 1995.
(4) $92,500,000 for fiscal year 1996.
(5) $93,500,000 for fiscal year 1997.

(c) Availability.—Any amounts appropriated under paragraphs (2) through (5) of subsection (a), or under paragraphs (2) through (5) of subsection (b) shall remain available for allocation under section 8002 through fiscal year 1997.

SEC. 8002. ALLOCATION OF AMOUNTS AMONG TAX ENTERPRISE ZONES.

(a) Urban Enterprise Zones.—

(1) In general.—The interagency council established under section 8006 of this Act shall make any amounts appropriated pursuant to section 8001(a) available under this subtitle to provide assistance on behalf of each urban tax enterprise zone designated under section 1391 of the Internal Revenue Code of 1986 for which an application under section 8005 of this Act has been approved by the interagency council.

(2) Fiscal year 1993.—The amount of assistance provided under this section on behalf of each urban tax enterprise zone in fiscal year 1993 shall be the amount determined by dividing the total amount appropriated for the fiscal year pursuant to section 8001(a)(1) by the total number of urban tax enterprise zones that may be designated under section 1391 of the Internal Revenue Code of 1986 before the end of calendar year 1993.

(3) Fiscal years 1994 to 1997.—The interagency council shall provide for the allocation of amounts made available pursuant to paragraphs (2) through (5) of section 8001(a) so that the amount provided under this subtitle in any of fiscal years 1994 through 1997 on behalf of any designated urban tax enterprise zone is, to the extent possible, equivalent to the amount provided under this subtitle on behalf of any other urban tax enterprise zone in any other of such fiscal years. In determining the amount to be provided

under this paragraph, the interagency council shall take into consideration the total number of urban tax enterprise zones to be designated in such fiscal years, the number of years that such designations shall be in effect, the sum of such amounts authorized to be appropriated for such fiscal years, and the period during which such amounts will remain available.

(b) RURAL DEVELOPMENT INVESTMENT ZONES.—

(1) IN GENERAL.—The interagency council established under section 8006 of this Act shall make any amounts appropriated pursuant to section 8001(b) available under this subtitle to provide assistance on behalf of each rural development investment zone designated under section 1391 of the Internal Revenue Code of 1986 for which an application under section 8005 of this Act has been approved by the interagency council.

(2) FISCAL YEAR 1993.—The amount of assistance provided under this section on behalf of each rural development investment zone in fiscal year 1993 shall be the amount determined by dividing the total amount appropriated for the fiscal year pursuant to section 8001(b)(1) by the total number of rural development investment zones that may be designated under section 1391 of the Internal Revenue Code of 1986 before the end of calendar year 1993.

(3) FISCAL YEARS 1994 TO 1997.—The interagency council shall provide for the allocation of amounts made available pursuant to paragraphs (2) through (5) of section 8001(b) so that the amount provided under this subtitle in any of fiscal years 1994 through 1997 on behalf of any designated rural development investment zone is, to the extent possible, equivalent to the amount provided under this subtitle on behalf of any other rural development investment zone in any other of such fiscal years. In determining the amount to be provided under this paragraph, the interagency council shall take into consideration the total number of rural development investment zones to be designated in such fiscal years, the number of years that such designations shall be in effect, the sum of such amounts authorized to be appropriated for such fiscal years, and the period during which such amounts will remain available.

SEC. 8003. USE OF AMOUNTS.

(a) IN GENERAL.—The assistance allocated under section 8002 on behalf of each tax enterprise zone (as defined in section 8007) shall be available only for carrying out selected programs within the tax enterprise zone, in accordance with the application of the tax enterprise zone approved under section 8005 and subject to the provisions of this section.

(b) ALLOCATION AMONG PROGRAM CATEGORIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the total amount of assistance provided under this subtitle on behalf of a tax enterprise zone for any fiscal year, the sum of the amounts used to carry out selected programs referred to under any one of paragraphs (1) through (5) of section 8004 may not exceed 20 percent of such total amount.

(2) WAIVER OF CAPS.—Pursuant to a request contained in an application under section 8005, the interagency council may provide that the requirement under paragraph (1) shall not apply with respect to amounts used to carry out selected programs under the application, except that of the total amount of assistance provided under this subtitle on behalf of such tax enterprise zone for any fiscal year, the sum of the amounts used to carry out selected programs referred to under any single paragraph under section 8004 may not exceed 30 percent of such total amount and may not be less than 5 percent of such total amount.

(c) ALLOCATION AMONG JOB TRAINING PROGRAMS.—In any fiscal year, of the sum of the amounts of assistance provided under this subtitle on behalf of a tax enterprise zone that are used to carry out any of the job training programs under section 8004(2), not less than 25 percent shall be used for assistance under the Young Adult Employment Demonstration program referred to in section 8004(2)(A) of this Act.

(d) PROVISION OF ASSISTANCE.—Upon the approval of an application under section 8005 for a tax enterprise zone, the appropriate Federal agency head for each selected program under the approved application shall make available on behalf of the enterprise zone (under such program and through the appropriate eligible entity), from amounts available on behalf of such zone pursuant to section 8002, the amount of assistance determined in accordance with the approved application. The availability of such assistance shall be subject to any laws and regulations applicable to such program. Notwithstanding any other provision of law, any amounts made available under this section, or provided under this subsection, to an eligible entity for assistance under a selected program shall remain available to the entity until expended by the entity.

(e) SUPPLEMENTATION REQUIREMENT.—Any amounts provided under this subtitle shall be in supplement to, and shall not supplant, any Federal, State, local, or private funds from other sources already used, or committed for use, for programs, projects, activities, and services assisted under this subtitle or comparable to such programs, projects, activities, and services.

SEC. 8004. ELIGIBLE PROGRAMS.

Assistance may be provided under this subtitle for carrying out the following activities, projects, and programs:

(1) CRIME AND CRIMINAL JUSTICE.—

(A) Chapter A of subpart 2 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968.

(B) Chapter B of subpart 2 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968.

(C) Projects and activities under chapter 1 of subtitle B of title III of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11801 et seq.).

(D) Activities under chapter 3 of subtitle B of title III of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11841 et seq.).

(E) Projects under the Comprehensive Child Development Act (42 U.S.C. 9881 et seq.).

(F) The family support programs under subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481 et seq.).

(2) JOB TRAINING.—

(A) The Young Adult Employment Demonstration program under section 8053 of this Act.

(B) The Job Corps program under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.).

(C) Title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.).

(D) The American Conservation and Youth Corps program under subtitle C of title I of the National and Community Service Act of 1990 (42 U.S.C. 12541 et seq.).

(3) EDUCATION.—

(A) The programs under the Head Start Act (42 U.S.C. 9831 et seq.).

(B) Activities under the Child Care and Development Block Grant Act (42 U.S.C. 9858 et seq.).

(C) The programs under section 1005 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711).

(D) The programs under the Carl D. Perkins Vocational Educational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(E) The programs under the Adult Education Act (20 U.S.C. 1201 et seq.).

(F) The TRIO programs under part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(4) HEALTH AND NUTRITION.—

(A) The special supplemental food program for women, infants, and children under section 17 of the Child Nutrition Act of 1966.

(B) The following programs under the Public Health Service Act (42 U.S.C. 201 et seq.):

(i) Community health centers.

(ii) Capacity expansion of substance abuse treatment facilities.

(iii) Substance abuse treatment for individuals under criminal justice supervision.

(iv) Substance abuse treatment for pregnant and postpartum women.

(v) Community prevention grants regarding substance abuse.

(vi) Substance abuse treatment improvement grants.

(5) HOUSING AND COMMUNITY DEVELOPMENT.—

(A) The community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

(B) The public and Indian housing modernization program under section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l).

(C) The public and assisted housing drug elimination program under chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et seq.).

(D) The public housing family investment centers program under section 22 of the United States Housing Act of 1937 (42 U.S.C. 1437t).

(E) The rental assistance program under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

(F) Assistance (pursuant to section 108(h) of the Housing and Community Development Act of 1974) for the reduction of interest payments under obligations guaranteed pursuant to the loan guarantee program under section 8052 of this Act.

(G) The program for outreach and assistance for socially disadvantaged farmers and ranchers under section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279).

SEC. 8005. APPLICATION FOR FUNDING.

(a) ESTABLISHMENT OF APPLICATION PROCESS.—The interagency council shall establish, by regulation, a procedure for a single comprehensive application to be submitted to the council for each tax enterprise zone designated under section 1391 of the Internal Revenue Code of 1986 for the purpose of making amounts available under this subtitle on behalf of such tax enterprise zones. The interagency council shall provide for the form and manner of such applications, and shall require the applications to be made by the State, unit of local government, or economic development agency chartered by the State that submitted the nomination for designation of the area designated as a tax enterprise zone and submitted promptly after such designation.

(b) LOCAL COORDINATION.—

(1) PURPOSES.—The interagency council shall provide that each application under this section shall be developed in coordination and consultation with a local coordinating board under paragraph (2), which shall ensure that the programs, projects, activities, and services under section 8004(1) carried out with amounts provided under this subtitle are sufficiently coordinated with the other programs, projects, activities, and services assisted under this subtitle, and that all such programs, projects, activities, and services are coordinated with law enforcement efforts within the area nominated for designation as a tax enterprise zone.

(2) MEMBERSHIP.—The local coordinating board referred to in paragraph (1) shall include representatives of units of local government within such area, other community leaders in such area, and representatives of law enforcement agencies having jurisdiction within such area.

(c) CONTENTS.—Each application under the procedure established under this section shall contain the following information:

(1) An indication of the programs referred to under section 8004 for which funding is requested and a general description of the types of activities to be carried out with such assistance.

(2) A statement of the percentage of the total amount of any funding received under this subtitle that will be used for each selected program.

(3) A statement identifying and describing the eligible entities that will receive any assistance provided for the selected programs on behalf of the tax enterprise zone.

(4) Any documentation regarding the existing eligibility of such eligible entities for assistance under the selected programs.

(5) Any information or documentation necessary, as determined by the council, for approval of the eligibility of other entities to receive assistance provided on behalf of the tax enterprise zone under selected programs pursuant to the application.

(6) A statement describing the membership of the local coordinating board organized pursuant to the requirement under subsection (b) and describing the coordination between the programs, projects, activities, and services assisted under this title and local law enforcement efforts in the tax enterprise zone.

(7) A request for any waiver of the requirement under section 8003(b)(1).

(8) A statement identifying any other Federal, State, and local resources for the community in which the tax enterprise zone is located that will be dedicated to the types of programs, projects, activities, and services to be assisted under this subtitle.

(9) Evidence demonstrating a strong commitment by community groups in the tax enterprise zone for carrying out the selected programs and similar programs, projects, activities, and services.

(10) A statement identifying any private sector resources, including corporate contributions and individual commitments, to supplement assistance provided under this subtitle.

(11) Evidence demonstrating a balanced, comprehensive plan for the tax enterprise zone, that addresses removing violent offenders from the neighborhood streets, supports drug and crime prevention, and includes other proposals for neighborhood revitalization through strategies to create jobs and other economic opportunities.

(12) Evidence demonstrating that any amounts requested for selected programs are part of an integrated and comprehensive plan for the use of Federal, State, local, and private resources to accomplish specific and measurable goals for neighborhood revitalization.

(d) REVIEW.—In reviewing each application submitted under this section, each member of the council shall review the portion of the application concerning any request or eligibility for assistance under any selected program under the jurisdiction of such member to determine whether providing assistance under this subtitle pursuant to such application will comply with the laws and regulations applicable to such program.

(e) APPROVAL AND DISAPPROVAL.—

(1) TIMING.—The council shall review each application promptly upon receipt and shall approve or disapprove the application not later than the expiration of the 30-day period beginning upon such receipt.

(2) STANDARDS FOR APPROVAL.— The council shall approve an application if the council determines that the assistance requested for the selected programs under the application will assist in the economic development of the tax enterprise zone, that the eligible entities identified in the application are capable and qualified to receive and administer the assistance pursuant to the application, and that the information, documentation, or evidence required under subsection (c) is sufficient in the determination of the council.

(3) DISAPPROVAL AND RESUBMISSION.—If, pursuant to review under this section, the council determines that the application of a tax enterprise zone is incomplete or unsatisfactory, the council shall, before the expiration of the period referred to in paragraph (1)—

(A) notify the entity submitting the application of the reasons for the failure to approve the application;

(B) notify the entity submitting the application that the application may be resubmitted during the period referred to in subparagraph (C); and

(C) permit such entity to resubmit a corrected or amended application during the 30-day period beginning on notification under this paragraph.

(4) REVIEW OF RESUBMITTED APPLICATION.— The council shall review and approve or disapprove any application resubmitted under paragraph (3) before the expiration of the 15-day period beginning upon such resubmission. Any application resubmitted under paragraph (3) that is disapproved may be resubmitted before the expiration of the 15-day period beginning upon such disapproval and shall be subject to review under the provisions of this paragraph.

SEC. 8006. INTERAGENCY COUNCIL.

(a) ESTABLISHMENT.—There is hereby established an interagency council to provide assistance under this subtitle.

(b) MEMBERSHIP.—The members of the council shall be the Secretary of Agriculture, the Secretary of Education, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Labor, the Director of the Office of National Drug Control Policy, and the Attorney General of the United States.

(c) DUTIES.—The council shall—

(1) review and approve applications submitted under section 8005;

(2) direct the appropriate Federal agency head to provide assistance under the selected programs under approved applications using amounts available pursuant to this subtitle;

(3) carry out any other responsibilities of the council as provided under this subtitle.

(d) CO-CHAIRPERSONS.—The co-chairpersons of the council shall be the Attorney General and—

(1) with respect to any matter concerning an urban tax enterprise zone designated under section 1391 of the Internal Revenue Code of 1986, the Secretary of Housing and Urban Development; and

(2) with respect to any matter concerning a rural development investment zone designated under section 1391 of the Internal Revenue Code of 1986, the Secretary of Agriculture.

SEC. 8007. DEFINITIONS.

For purposes of this subtitle:

(1) The term "appropriate Federal agency head" means, with respect to each program referred to in section 8004, the head of the Federal agency or other Federal official responsible for administering such program.

(2) The term "approved application" means an application under section 8005 for assistance provided under this subtitle that is approved by the interagency council.

(3) The term "eligible entity" means, with respect to a selected program under an application under section 8005, an entity in the tax enterprise zone that is eligible (or pursuant to section 8005(c)(5), has applied for eligibility) to receive and administer amounts under the program and is designated under the application to receive and administer amounts provided for the program pursuant to this subtitle.

(4) The terms "interagency council" and "council" mean the interagency council established under section 8006.

(5) The term "selected program" means, with respect to a tax enterprise zone, any of the programs identified in an application under section 8005 for which funding under this subtitle is requested.

(6) The term "tax enterprise zone" means an urban tax enterprise zone or a rural development investment zone, designated under section 1391 of the Internal Revenue Code of 1986.

SEC. 8008. STUDY AND REPORT.

(a) STUDY.—The council shall conduct a study to identify—

(1) any alternative methods or systems for allocation of amounts made available pursuant to this subtitle among tax enterprise zones; and

(2) any problems experienced in the implementation and administration of the provisions of this subtitle, including identification of any provisions of law or regulations relating to the programs referred to in section 8004 for which a waiver would facilitate carrying out the purposes of this subtitle.

(b) REPORT.—Not later than the expiration of the 1-year period beginning on the date of the enactment of this Act, the council shall submit to the Congress a report regarding the study conducted under subsection (a), which shall include any recommendations for improving the program for assistance under this subtitle.

SEC. 8009. REGULATIONS.

The council shall issue any regulations necessary to carry out this subtitle not later than the expiration of the 60-day period beginning on the date of the enactment of this Act.

Subtitle B—Additional Funding Under Specific Programs

SEC. 8031. UNITED STATES ATTORNEYS ACCOUNT.

(a) AUTHORIZATION.—There are authorized to be appropriated to the Department of Justice $4,000,000 for fiscal year 1993, $8,000,000 for fiscal year 1994, $11,500,000 for fiscal year

1995, and $12,500,000 for each of the fiscal years 1996 and 1997 for the offices of the United States Attorney to assist local law enforcement agencies in tax enterprise zones and for additional coordination of Federal law enforcement and prosecutorial activities within such zones. The amounts authorized under this section shall be in addition to any amounts authorized to be appropriated under any other provisions of law for the purposes under this section.

(b) FEDERAL USE OF FUNDS.—Such funds are to be utilized by offices of the United States Attorney in tax enterprise zones to assist Federal, State and local, and joint prosecutorial and law enforcement activities within such zones.

(c) STATE AND LOCAL GRANTS.—Authorized representatives of the offices of the United States Attorney in tax enterprise zones may make grants to State and local law enforcement agencies in such zones to supplement local law enforcement programs.

SEC. 8032. NEIGHBORHOOD REINVESTMENT CORPORATION.

Section 608(a) of the Housing and Community Development Amendments of 1978 (42 U.S.C. 4107(a)) is amended—

(1) in paragraph (1)—

(A) by inserting "(A)" after "(1)";

(B) by striking "paragraph" and inserting "subparagraph"; and

(C) by adding at the end the following new subparagraph:

"(B) In addition to amounts authorized under subparagraph (A), there are authorized to be appropriated to the corporation to carry out this title $5,000,000 for fiscal year 1993, $10,000,000 for fiscal year 1994, $13,000,000 for fiscal year 1995, $15,000,000 for fiscal year 1996, and $10,000,000 for fiscal year 1997. Any amounts appropriated under this subparagraph shall be used only for activities of the corporation and for providing assistance and grants for programs and activities (as provided under section 606(a)), that are to be carried out within, or to benefit neighborhoods located within, urban tax enterprise zones or rural development investment zones established under section 1391 of the Internal Revenue Code of 1986."; and

(2) in paragraph (2), in the matter preceding subparagraph (A), by striking "this subsection", and inserting "paragraph (1)(A)".

SEC. 8033. MINORITY ENTERPRISE BUSINESS INVESTMENT COMPANIES.

There is authorized to be appropriated for providing assistance to companies operating under the authority of section 301(d) of the Small Business Investment Act of 1958 which are organized for the purpose of financing small business concerns located within urban tax enterprise zones or rural development investment zones established under section 1391 of the Internal Revenue Code of 1986 $10,000,000 per fiscal year for each of fiscal years 1993, 1994, 1995, 1996, and 1997. The amounts authorized under this section shall be in addition to any amounts authorized to be appropriated under any other provisions of law for the purposes under this section.

Subtitle C—Other Programs

SEC. 8051. WAIVER OF PUBLIC SERVICES CAP UNDER COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

(1) by inserting "(A)" before "unless such unit"; and

(2) by inserting before the semicolon at the end the following: ", or (B) unless unit of general local government is located within or contains an urban tax enterprise zone or rural development investment zone (as so designated under section 1391 of the Internal Revenue Code of 1986), in which case such unit of general local government may use, in addition to such 15 percent of the amount of any assistance provided to the unit (or in the case of nonentitled communities, 15 percent statewide) under this title, including program income, an additional 15 percent of such amount of assistance for activities under this paragraph within such enterprise zone".

SEC. 8052. LOAN GUARANTEES FOR DEVELOPMENT ACTIVITIES.

(a) ADDITIONAL CREDIT AUTHORITY.—In addition to any commitments to guarantee notes and obligations under section 108 of the Housing and Community Development Act of 1974 entered into pursuant to the authority provided under the fifth sentence of section 108(a) of such Act, the Secretary of Housing and Urban Development shall enter into commitments to guarantee notes and obligations pursuant to this section and such section 108 with an aggregate principal amount of $500,000,000, without fiscal year limitation, to the extent approved or provided in appropriation Acts and subject only to the absence of applications from qualified public entities under subsection (b) or proposed activities and to the authority provided in this section.

(b) QUALIFIED PUBLIC ENTITIES.—For purposes of this section, the term "qualified public entity" means any unit of general local government (as such term is defined in section 102 of the Housing and Community Development Act of 1974) within which a tax enterprise zone (as such term is defined section 8007 of this Act) is located, and such term includes any public agency designated by any such unit of general local government.

(c) ELIGIBLE ACTIVITIES.—Notwithstanding the first sentence of section 108(a) of the Housing Act of 1974, guarantees may be provided under this section only for notes and other obligations issued for the purposes of financing activities for the establishment, development, and redevelopment of businesses in tax enterprise zones (as such term is defined section 8007 of this Act), including acquisition of property located within such zones for businesses, providing working capital and capital for start-up costs and inventory, and acquisition, construction, reconstruction, and rehabilitation of structures located within tax enterprise zones for businesses.

SEC. 8053. ESTABLISHMENT OF YOUNG ADULT EMPLOYMENT DEMONSTRATION PROGRAM.

Title IV of the Job Training Partnership Act (29 U.S.C. 1671 et seq.) is amended by adding at the end the following new part:

"PART H—YOUNG ADULT EMPLOYMENT DEMONSTRATION PROGRAM

"SEC. 491. STATEMENT OF PURPOSE.

"It is the purpose of the Young Adult Employment Demonstration program under this part to—

"(1) ensure access to education and job training assistance for youth and young adults residing in tax enterprise zones;

"(2) make provisions for a comprehensive range of education, training, and employment services to disadvantaged youth and young adults in tax enterprise zones who are not currently served or are underserved by Federal education and job training programs;

"(3) enable communities located in or containing tax enterprise zones to establish and meet goals for improving the opportunities available to youth and young adults within the tax enterprise zone; and

"(4) facilitate the coordination of comprehensive services to serve such youth and young adults.

"SEC. 492. PROGRAM AUTHORIZED.

"(a) ESTABLISHMENT OF PROGRAM.—The Secretary is authorized to establish a program of Young Adult Employment Demonstration grants to provide comprehensive services to youth and young adults living in tax enterprise zones.

"(b) ELIGIBILITY FOR GRANTS.—

"(1) RECIPIENTS.—The Secretary may only award grants under this part to—

"(A) the participating community for a target area that is located within a service delivery area; or

"(B) grantees designated under sections 401 and 402, or a consortium of such grantees and the State, when the target area is located in an Indian reservation, Alaskan Native village, or migrant or seasonal farmworker community.

"(2) NUMBER OF GRANTS.—The Secretary may award not more than 50 grants during the first fiscal year the program is authorized.

"(c) RENEWABILITY OF GRANTS.—Grants awarded under this part shall be for a 1-year period and shall be renewable for each of the 2 succeeding fiscal years if the Secretary determines the grant recipient complied with conditions of the grant during the previous fiscal year.

"(d) FACTORS FOR AWARDS.—In awarding grants under this part, the Secretary shall consider the quality of the proposed project, the goals to be achieved, the likelihood of the project's successful implementation, the extent of community support and other Federal and non-Federal funds available for similar purposes, and the new State, local, or private resources.

"(e) SELECTION REQUIREMENTS.—In awarding grants under subsection (b), the Secretary shall not approve an application unless the application contains assurances that the applicant will use funds from a grant to provide job training, education, services, stipends (only to individuals age 17 to 30), and needs-related payments in accordance with sections 493 and 494.

"SEC. 493. APPLICATION.

"(a) ELIGIBILITY TO APPLY.—Participating communities shall be eligible to apply for a Young Adult Employment Demonstration grant under this part.

"(b) CONTENTS OF APPLICATION.—Each participating community desiring a grant under this part shall, through the individuals described in subsection (c), submit an application to the Secretary at such time in such manner and accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(1) include a comprehensive plan for the Young Adult Employment Demonstration initiative designed to achieve identifiable goals for youth and young adults in the target area;

"(2) set forth measurable program goals and outcomes, which may include increasing the proportion of—

"(A) youth completing high school or its equivalent,

"(B) youth and young adults entering into postsecondary institutions, apprenticeships, or other advanced training programs;

"(C) youth and young adults placed in jobs; or

"(D) eligible youth and young adults participating in education, training, and employment services;

"(3) include supporting goals for the target area such as increasing security and safety, or reducing the number of drug-related arrests;

"(4) provide assurances that the conditions set forth in section 494 will be met;

"(5) demonstrate how the participating community will make use of the resources, expertise, and commitment of institutions of higher education, educational agencies, and vocational and technical schools and institutes;

"(6) ensure that all youth and young adults in the target areas have access to a coordinated and comprehensive range of education and training opportunities which serve the broadest range of interests and needs of youth and young adults and simultaneously mobilize the diverse range of education and training providers in the participating community;

"(7) include support services necessary for successful participation by eligible youth and young adults, including child care, transportation, and assistance in resolving personal or family crises such as those related to substance abuse, homelessness, migration, and family violence;

"(8) include a system of common intake, individualized assessment, and case management;

"(9) include an estimate of the expected number of youth and young adults in the target area to be served;

"(10) include a description of the resources available in the participating community from private, local government, State and Federal sources which will be used to achieve the goals of the program;

"(11) provide evidence of support for accomplishing the stated goals of the participating community from—

"(A) local elected officials,

"(B) the local school system,

"(C) postsecondary education and training institutions,

"(D) the applicable private industry council,

"(E) local community leaders,

"(F) business,

"(G) labor organizations, and

"(H) other appropriate organizations; and

"(12) provide assurances that the target area includes, to the maximum extent possible, the poorest neighborhoods in the community, such as those with substantial numbers of public housing facilities.

"(c) Submission of Application.—The application for funds for a participating community may only be submitted to the Secretary by—

"(1) the mayor of a city or the chief elected official in a metropolitan statistical area, after the Governor of the State has had an opportunity to comment on the application;

"(2) the chief elected official of a nonmetropolitan county or the designated chief elected official of contiguous nonmetropolitan counties, after the Governor of the State has had an opportunity to comment on the application; or

"(3) the grantee designated under sections 401 or 402, or jointly by the grantee and the Governor or the State in which such grantee is located, in applications for Native American or migrant or seasonal worker communities.

"SEC. 494. GRANT AGREEMENT.

"Each grant recipient under this part shall enter into an agreement with the Secretary. Each such agreement shall—

"(1) designate a target area that will be the focus of the demonstration project and which shall have a population of not more than 25,000 (or upon approval of the Secretary, a population of not more than 75,000), except that in the event that the population of an area from which a high school draws a substantial portion of its enrollment exceeds this limit, the target area may encompass such boundary;

"(2) contain assurances that funds provided under this part will be used to support education, training, and supportive activities selected from a set of youth program models designated by the Secretary or from alternative models described in the application and approved by the Secretary, such as—

"(A) nonresidential learning centers;

"(B) alternative schools;

"(C) combined summer remediation, work experience and work readiness training, and school-to-work/apprenticeship/post-secondary education program;

"(D) teen parent programs;

"(E) special programs administered by community colleges;

"(F) youth centers;

"(G) initiatives aimed at increased rural student enrollment in post-secondary institutions;

"(H) public-private collaborations to ensure private sector employment and continued learning opportunities for youth; and

"(I) initiatives that combine community and youth service opportunities with education and training activities;

"(3) provide that funds received under this section will be used for services to youth and young adults age 14 to 30 at the time of enrollment;

"(4) contain assurances that the local educational agency and any other educational agency which operates secondary schools in the target area shall provide such activities and resources as are necessary to achieve the educational goals specified in the application;

"(5) contain assurances that the participating community will provide such activities and local resources as are necessary to achieve the goals specified in the application;

"(6) contain assurances that the participating community shall undertake outreach and recruitment efforts in the target area to encourage, to the maximum extent possible, participation by those disadvantaged youth and young adults who are currently unserved or underserved by education and training programs, including targeted measures specifically designed to enlist the participation of minority youth and young adults, particularly males and youth and young adults under the jurisdiction of the child welfare, juvenile justice, and criminal justice systems;

"(7) provide that the participating community will carry out special efforts to establish coordination with Federal, State, or local programs that serve the target population;

"(8) provide assurances that funds provided under this part will be used only to pay the cost of programs and services not otherwise available in the target area and will supplement, and not supplant, funding from other local, State and Federal sources available to youth and young adults in the target area during the previous year; and

"(9) provide assurances that funds provided under this part shall be used to pay stipends for participant support in paid work experience and classroom training programs when such programs are combined with other education and training activities.

"SEC. 495. JOB GUARANTEES.

"(a) Program Authority.—The Secretary shall permit a number of the grant recipients under this part to enter into an agreement to provide, in accordance with this section, a job guarantee program to youth meeting prior school attendance and performance standards.

"(b) Guarantee Agreements.—A grant recipient providing a job guarantee program shall enter into an agreement with the Secretary. Such agreement shall—

"(1) provide that the program be available to youth age 16 to 19 who undertake a commitment to continue and complete their high school education;

"(2) require the grant recipient to guarantee employment to each youth undertaking that commitment if such youth meets school attendance and performance standards for the previous school semester, as established by the Secretary in consultation with the Secretary of Education;

"(3) provide that the grant recipient will make additional services available to support the undertaking of any such youth, which shall include counseling, job development and placement, and support services (including child care and transportation);

"(4) specify the conditions under which funds provided under this part may be used to provide wage subsidies of up to 50 percent through employers, which shall—

"(A) encourage subsidies to employers who provide advanced or specialized training, or who provide a structured and integrated learning experience involving the school and employer; and

"(B) limit the duration of such subsidies to not more than 1 year;

"(5) require that the employment provided to any such youth shall not exceed 15 hours per week during the school year;

"(6) permit employment to continue through the summer following high school graduation, or until the youth reaches age 19, whichever is later; and

"(7) contain such other terms and conditions as the Secretary requires by regulation.

"(c) Selection of Grant Recipients.—In determining which grant recipients to permit to enter into an agreement under this section, the Secretary shall seek to target funds to high poverty areas.

"(d) Youth Eligibility.—All youth age 16 to 19, regardless of income, residing in the eligible high poverty area shall be eligible to participate in the job guarantee.

"(e) Private Funds.—Nothing in this section shall be construed to prohibit the grant recipient from raising funds to augment such grant if such funds are utilized under the conditions of this grant, except that such funds shall not be used for administration purposes.

"SEC. 496. PAYMENTS AND MATCHING REQUIREMENT.

"(a) Payments.—In any fiscal year, the grant awarded under this part to a grant recipient shall be determined according to the amount to be provided for the program pursuant to designation of the program as a selected program under an application made on behalf of a tax enterprise zone under section 8005 of the Revenue Act of 1992, and shall be of sufficient size and scope to carry out an effective program.

"(b) Matching Requirement.—A grant recipient shall provide non-Federal funds in an amount equal to 10 percent of the funds from such grant, an in-kind contribution equivalent to such percent (as determined by the Secretary), or a combination thereof.

"SEC. 497. REPORTING.

"The Secretary is authorized to establish such reporting procedures as necessary to carry out the purposes of this part.

"SEC. 498. FEDERAL RESPONSIBILITIES.

"(a) ASSISTANCE IN IMPLEMENTATION.—The Secretary shall provide technical assistance in the implementation of this project in participating communities.

"(b) INDEPENDENT EVALUATION.—The Secretary shall provide for a thorough, independent evaluation of the activities assisted under this part. Such evaluation shall include an assessment of—

"(1) the impact on youth and young adults residing in target areas, including their rates of school completion, enrollment in advanced education or training, and employment;

"(2) the extent to which participating communities fulfilled the goal of guaranteeing access to appropriate education, training, and supportive services to all eligible youth and young adults residing in target areas who seek to participate;

"(3) the effectiveness of guaranteed access to comprehensive services combined with outreach and recruitment efforts in enlisting the participation of previously unserved or underserved youth and young adults residing in target areas; and

"(4) the effectiveness of efforts to integrate service delivery in target areas, including systems of common intake, assessment, and case management.

"(c) REPORT.—The Secretary shall prepare a report describing the results of the independent evaluation conducted pursuant to subsection (b).

"(d) RESERVATION OF FUNDS.—The Secretary may reserve not more than 5 percent of the amounts to be used for assistance under this part in each fiscal year to carry out the provisions of this section.

"SEC. 498A. DEFINITIONS.

"For the purposes of this part—

"(1) The term 'participating community' means—

"(A) a city, when referring to an urban area that is located within or contains a tax enterprise zone;

"(B) a nonmetropolitan county or contiguous nonmetropolitan counties, that is located within or contains a tax enterprise zone; and

"(C) a section 401 or 402 grantee, or consortia of the State and section 401 or 402 grantee, when referring to Indian reservation, Alaska Native village, and migrant or seasonal farmworker community, that are located within or contain a tax enterprise zone.

"(2) The term 'high poverty area' means (A) an urban census tract, a nonmetropolitan county, an Indian reservation, or an Alaskan Native village, with a poverty rate of 30 percent or more as determined by the Secretary based on the latest Bureau of the Census estimates, or (B) a migrant or seasonal farmworker community.

"(3) The term 'target area' means a high poverty area (or portion thereof) or set of contiguous high poverty areas, that is located within a tax enterprise zone and will be the focus of the program under this part in a participating community.

"(4) The term 'tax enterprise zone' has the meaning given the term in section 8007 of the Revenue Act of 1992.".

TITLE IX—APPROPRIATION OF ADDITIONAL ASSISTANCE FOR TAX ENTERPRISE ZONES

SEC. 9001. APPROPRIATION OF ADDITIONAL ASSISTANCE FOR TAX ENTERPRISE ZONES.

The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1993, to implement an initiative to improve the quality of life and expand economic opportunity in 16 urban and rural tax enterprise zones, namely:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

URBAN ENTERPRISE COMMUNITY BLOCK GRANT

For grants to States and units of general local government necessary for implementing activities to rejuvenate neighborhoods in eight urban tax enterprise zones as authorized under title VIII of this Act, $384,800,000, to remain available until September 30, 1994.

DEPARTMENT OF AGRICULTURE

FARMERS HOME AND RURAL DEVELOPMENT PROGRAMS

RURAL ENTERPRISE COMMUNITY BLOCK GRANT

For grants to States and units of general local government necessary for implementing activities to promote rural development investments in eight rural development investment zones as authorized under title VIII of this Act, $96,200,000, to remain available until September 30, 1994.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For an additional amount for "Salaries and Expenses, United States Attorneys", $4,000,000, to remain available until September 30, 1994, for the offices of the United States Attorney to assist local law enforcement agencies in tax enterprise zones and for additional coordination of Federal law enforcement and prosecutorial activities within such zones as authorized under section 8031 of this Act.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For an additional amount for "Payment to the Neighborhood Reinvestment Corporation", $5,000,000, to remain available until September 30, 1994, for activities authorized under section 8032 of this Act.

SMALL BUSINESS ADMINISTRATION

MINORITY ENTERPRISE BUSINESS INVESTMENT COMPANIES

To provide assistance to companies operating under authority of section 301(d) of the Small Business Investment Act of 1958 which are organized for the purpose of financing small business concerns located within tax enterprise zones, $10,000,000, to remain available until September 30, 1994, as authorized under section 8033 of this Act.

SEC. 9002. PROGRAM PERFORMANCE REPORTS.

The interagency council established under section 8006 of this Act shall submit quarterly reports to the House and Senate Committees on Appropriations outlining the status of each appropriation made under section 9001. Such report shall include the location of each tax enterprise zone established under this Act, the amounts allocated to each tax enterprise zone under each program, the amounts obligated under each program to date, a schedule for obligation of the remaining funds, and a "before and after" program performance status report for each tax enterprise zone stating the quantifiable goals to be achieved and performance to date against those goals.

SEC. 9003. APPROPRIATED AMOUNTS CONSIDERED AS DISCRETIONARY SPENDING.

All amounts of new budget authority and outlays under this title shall be considered discretionary appropriations, notwithstanding section 2 of this Act and for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, and shall not be considered direct spending or receipts for any purpose of that Act.

The SPEAKER pro tempore (Mr. LANCASTER). Pursuant to the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 20 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 11, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 11, the Revenue Act of 1992. The people of this country are crying out to us, their Government, to stop the bickering, stop the gridlock, and be responsive to their needs. This bill is a bipartisan response to that cry. I urge my colleagues to support it enthusiastically, and I urge the President to sign it.

Mr. Speaker, H.R. 11 would provide significant relief to distressed areas, both urban and rural. It would extend several expiring tax provisions permanently and other expiring provisions for 18 months. It would include some important provisions previously passed by the House of Representatives and some passed by various subcommittees of the Committee on Ways and Means; and it would raise sufficient revenue to maintain deficit neutrality over the next 6 years.

More specifically, H.R. 11 would establish procedures for the designation of 50 tax enterprise zones—25 urban enterprise zones and 25 rural development investment zones. Zones could be designated through 1996 and, once designated, would be in effect for 15 years.

Special tax incentives would be available to businesses within each enterprise zone including a wage credit of 15 percent on wages up to $20,000 paid to each of their employees who lives and works within the zone.

Small businesses within a zone that meet certain requirements would be allowed additional expensing for purchases of equipment. More favorable loss deductions would be available for certain property and ownership interests in zone businesses. The rules for tax-exempt bound financing would be liberalized to expand zone businesses' access to capital.

Individual investors could defer tax on capital gains earned within the zone as long as they reinvested the proceeds in the zone, and could exclude 50 percent of capital gains on sales of certain new zone assets after a 5-year holding period. Finally, individuals who do not elect the capital gains exclusion could deduct up to $25,000 per year for the purchase of stock in a zone business.

H.R. 11 would also increase the Federal share of spending on the Job Opportunity and Basic Skills [JOBS] Program and would facilitate the States in obligating funds carried over from prior years. It would make more flexible jobs program participation rules for students.

The bill would also include the administration's proposal to permit State governments to exclude certain assets from AFDC limits in order to promote self-sufficiency among beneficiaries.

H.R. 11 would also provide for the permanent extension of the low-income housing credit, the targeted jobs credit, qualified mortgage bonds and mortgage credit certificates, and qualified small-issue bonds. Other expiring tax provisions would be extended for 18 months, that is, through December 31, 1993. These include the R&D credit, educational assistance, group legal services, and the minimum tax exemption for gifts of appreciated property.

The bill also provides for $2½ billion in block grants for the most distressed urban and rural areas of our country. This will enable additional domestic spending on vital social programs and law enforcement efforts within enterprise zones.

H.R. 11 includes many provisions previously passed by the House of Representatives, previously proposed by President Bush, and previously included in Republican substitutes to a variety of bills reported from the Committee on Ways and Means.

In this regard, the bill would relax the rules that apply to passive real estate investments, and would repeal the luxury tax on boats, airplanes, jewelry, and furs. In addition, the bill includes several provisions that were part of President Bush's original seven point economic program including passive loss relief for real estate, relief from the minimum tax for capital-intensive companies, and encouragement for pension plan investment in real estate.

Mr. Speaker, much misinformation has been passed around this Chamber about the so called intangibles legislation contained in this bill.

This bill provides major simplification regarding the tax treatment of intangibles. It provides that for newly acquired assets, all intangibles will be amortized over 14 years. It does not give a windfall for any past activities—including any mergers and acquisitions. It is only for the future.

And the provision is fair for the future. It eliminates much controversy today that is taking time of both companies and the IRS. It does this in a way that increases the write-off period for some assets and decreases it for others. The net simplification is revenue neutral and fair.

The bill also includes a package of more than 100 provisions that will simplify and streamline the tax-paying process for millions of taxpayers.

The bill provides for many technical corrections in the areas of tax, Social Security, human resources, and trade. Many of these provisions were included in H.R. 1555, which overwhelmingly passed the House last November.

The taxpayer bill of rights is also included in the bill. This would result in improved fairness in transactions between the IRS and the taxpaying public.

In order to finance the bill, H.R. 11 would require securities dealers to mark-to-market any securities held for inventory; would change the rules by which individuals and corporations pay estimated taxes; would deny the so-called double dip by savings and loans; would extend the higher current tax rates on the largest estates; and would cap allowable deductions for moving expenses at $5,000; along with several other miscellaneous provisions.

Mr. Speaker, I am sincerely hopeful that the President will sign this critically important bill. Several of the revenue raisers contained in the bill have been included in the President's budget and various Republican substitutes. In the interest of constructing a bill that the President can sign, the Ways and Means Committee was very careful to include the least controversial revenue raisers possible.

Mr. Speaker, I urge passage of H.R. 11 because it would do a great deal of good for a great number of Americans. I urge the support of my colleagues because more than the substantive policy contained in the bill is at stake. Also at stake is the ability of this institution to govern in the best interests of our constituents—the American people. As substantively important as this bill is, it is equally important that we demonstrate to our constituents, and to ourselves, that we can legislate and govern in their interest. H.R. 11 deserves strong bipartisan support, which I urge upon all my colleagues, and on the President of the United States.

□ 1550

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in what I have to admit is a somewhat reluctant support of H.R. 11. I am reluctant because, while I am committed to helping this legislation move forward to the Senate, I have strong personal reservations about a number of its provisions. In normal circumstances, those reservations would cause me to oppose the bill. But these are not normal circumstances.

Chairman ROSTENKOWSKI has pointed out a number of the very positive provisions the bill contains—and it is a mixed bag. I agree that there is much good in it.

A key element of this bill is the President's enterprise zone program which he and its strongest proponent—my friend, HUD Secretary Jack Kemp—feel strongly must be given a chance to become law. I am pledged to help them in this step in that effort, and I intend to vote for this bill that will move the process forward to the Senate.

I must point out, however, several other provisions of H.R. 11 which I hope will be addressed by the Senate—and which must be addressed by the eventual conference committee on the bill if I am to support the final conference report.

In its present form, H.R. 11 would cause an entitlement sequester—principally Medicare—of nearly $8.5 billion in fiscal years 1993 through 1995. That has to be corrected in conference. I have been told that it will be vetoed. If it does not meet year by year pay-go requirements of the Budget Enforcement Act.

The country's poorest and bleakest areas deserve our attention—but they need the right kind of attention.

That is why I am disappointed that the incentives in the original administration proposal for revenue zones has been watered down to where it will not take the type of effect that I would like to see it take.

It extends other provisions for 18 months and extends one for 6 months. This to me is somewhat of an inequity, where some are picked and chosen and others are not given the same treatment.

In what can be viewed as a rebuke to small business owners, the Ways and Means Committee decided to retain for 5 additional years a 55 percent estate tax minimum rate. It is actually 60 percent effectively for some taxpayers. This was scheduled to phase down to 50 percent in 1985 and has been frozen at the instance of the majority year after year.

Confiscatory estate taxes deter capital formation and entrepreneurial business growth, and unfairly penalize small family businesses.

In addition, H.R. 11 imposes a $5,000 ceiling on the deduction of moving expenses. This averages, I am told, for families in this country $11,000. These families earn on average $30,000 in taxable income. This is an increase in their tax bill frequently where they have to move to change locations to find a new job.

One of the bill's other revenue sources is a change in estimated tax safe harbor rules for individuals.

☐ 1600

It does correct last year's complex mess, but the price for corrections is that all taxpayers, even those under $75,000 now must pay 115 percent of last year's tax liability in order to take the safe harbor. It lengthens the depreciation for commercial property from 31½ years to 40 years, and that is extremely counterproductive of what we are trying to do, to stabilize real estate values.

Individual Members may not like the tax incentives that were provided by the Federal Government as part of the thrift acquisition, but they were in place. Mr. Speaker, we can question whether those tax provisions were too liberal at the time, but they were on the books when these S&L's were acquired. They were taken into consideration by the acquirer. Now to retroactively pull those out is really bad tax policy. It sets an awful precedent.

I also disagree with the provisions in H.R. 11 dealing with Suter versus Artist M., the Supreme court decision, because it perhaps unintendedly, but as I read it, promises the right to sue if any State plan requirement is not met. I think that is dangerously broad. There are literally hundreds of State plan requirements in the programs established by the Social Security Act, and beneficiaries, if they feel they have not gotten the benefit of those, can now sue the State. It opens the State up to tremendous litigation.

It is clear that I am uncomfortable with many of the provisions in the bill, but I will vote for it because I believe it needs to be moved forward, and I hope these can be corrected by the Senate or in conference.

Mr. Speaker, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. I thank the chairman for yielding.

Mr. Speaker, I rise in support of this legislation. I support this legislation because the cities are in trouble. My own community is in trouble. We are desperate for help.

I support enterprise zones as an experiment. I am not sure that they will work. I know that I have worked on this bill to create some funding for social programs and not simply have an enterprise zone that would simply give tax credits to the corporations. We have covered in this legislation job training, we also have community policing, child care investments and public housing, low-interest loan guarantees for cities. Is it enough? No, it is not. It is $2.5 billion. I think we need somewhere in the neighborhood of $30 billion to $40 billion to $50 billion to deal with the problems of the cities. Perhaps this is a beginning.

I want to say to the President of the United States of America he has got his enterprise zones. He has been able to give a whole lot of tax credits. We have created a new concept about what enterprise zones should be, by putting these social programs in here.

We need more money, we need more support. I have created a new program that will give stipends to young people from 17 to 30 who are in training, perhaps with support for the first time. Is it enough? No. Is it a beginning? Perhaps yes.

I am going to be watching this bill as it goes through the other body and when it comes back here with a conference report, to make sure that the money is in here for us to fund these programs. If it is not, I am not going to support a conference report.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. ROSE].

Mr. ROSE. I thank the committee chairman for yielding this time to me.

Mr. Chairman, I would like to ask the chairman of the committee, the gentleman from Illinois [Mr. ROSTENKOWSKI], with regard to the taxpayer bill of rights that is included in H.R. 11, is it your understanding that the mitigation statutes of the Tax Code should be construed to do equity for taxpayers? More specifically, in a case where there has been an agreement, such as a form 870-AD waiver of restrictions on assessments, signed by the Secretary and by any person, which provides that the liability under the agreement will not be reopened in the absence of fraud, malfeasance, or misrepresentation of fact, is it your understanding that the Internal Revenue Service is not precluded from considering such an agreement as a determination under section 1313 of the Internal Revenue Code if it is satisfied that the Government's interests are adequately protected?

Mr. ROSTENKOWSKI. Mr. Speaker, if the gentleman will yield, yes, that is my understanding.

Mr. ROSE. Mr. Speaker, I thank the chairman of the committee, and I urge all of my colleagues to support H.R. 11.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. SCHULZE], a member of the Committee on Ways and Means.

Mr. SCHULZE. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in moderate support of the Revenue Act of 1992, H.R. 11.

My support is tempered by the knowledge that this is likely the last tax bill on which I will vote as a Member of Congress. This being the case, I certainly wish this bill addressed the real long-term economic reality of the American economy. Unfortunately, it does not.

H.R. 11 is another patchwork of tax provisions that could be described as confusing, obsolete, revenue grabs or special interest related. However, it is probably the best our divided Congress could do in a Presidential election year. This measure, my colleagues, is another indication of why the American people are fed up with Congress. Rather than developing a tax bill to stimulate the economy, to reduce the deficit, or to address fundamental flaws in our corporate tax system, we are again passing the buck on to the people and the bucks, as in dollars, to the tax lawyers.

While I do not much care for this bill, there are several items of note I'd like to recognize. First, essential changes in the alternative minimum tax will simplify corporate taxation and make our tax code more equitable for capital intensive businesses.

Second, the taxpayer bill of rights provisions from our oversight subcommittee clearly take another step forward in ensuring the IRS treats American taxpayers more fairly. We codify the portillo decision and improve citizen access to fair IRS treatment.

Finally, after years of foot-dragging, this measure calls for fair revisions to the passive-loss rules providing some relief to a beleaguered real estate industry. I hope this is not another example of the old adage—too little, too late.

In closing, Mr. Speaker, it is finally gratifying to see Congress acknowledge the need for enterprise zones. While the provisions are too limited for my liking, the compromise reached with the administration may bring prosperity to our blighted urban areas.

Having initiated enterprise zone legislation in the early 1980's with HUD Secretary Jack Kemp, I am glad to see that hope for Philadelphia, and especially Chester, PA, may be just around the corner. If we had acted 10 years ago, rather than today, perhaps urban decay in America would be a nightmare rather than reality.

To the people of our great Nation, to my constituents and to the people of Chester, I say this is not close to the best we can do—but it is about all that we can do this year.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. I thank the gentleman for yielding this time to me.

Mr. COUGHLIN. Mr. Speaker, would the gentleman from New York yield for just a moment?

Mr. RANGEL. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. I thank the gentleman for yielding.

Mr. Speaker, I just wanted to confirm that the Weed and Seed Program has a law enforcement component as well as a seed component, is that correct?

Mr. RANGEL. No question about it. But that specific program is not in the legislation before us today. The Weed and Seed Program at Justice is not part of this bill.

Mr. COUGHLIN. I thank the gentleman.

Mr. RANGEL. But no question about it.

Mr. Speaker, let me say this, that this is a great opportunity for America to see what can work in the cities. It is when Republicans and Democrats, together recognize that we are paying over $300 billion a year in lost productivity, unnecessary health costs, drug treatment, exorbitant rates of incarceration and millions of people without jobs that we see this bill is nothing if we just talk about 50 enterprise zones. But this bill gives us an opportunity to start, for the first time investing in people, keeping our kids in school, giving them job training and giving them an opportunity to earn a living and become a part of the American dream. There are people who are talking about too much juice for the corporations. Let me explain this: That the corporations cannot get a tax credit unless, first, they go into the zone, second, they have a business, they hire people, and third, they are successful and they make a profit. Then and only then do you have a revenue shortfall. And if that shortfall is made by kids having a job, then I say it is worth it. It costs a heck of a lot less than sweeping up kids and putting them in jail. This bill is an experiment, an American experiment in the true spirit of our people.

I want to thank DAN ROSTENKOWSKI, who provided the leadership and took the risk. That is all that this is. Maybe on this side we will not have to use terms like weed and seed and enterprise zones; we will do it because it is the right thing to do.

☐ 1610

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Speaker, I rise to note my skepticism on the pure good will provision of the bill.

Mr. Speaker, this measure has a number of extraordinarily positive features—such as enterprise zones—but I have to object as strenuously as possible to one ill-conceived provision: The reversal of long standing tax policy implicit in the establishment of a new tax deduction for purchased goodwill. The effect of this change in accounting for goodwill is to provide greater incentives for conglomeration, by creating, in effect, another egregious taxpayer subsidy for corporate takeovers.

There is a tendency in modern American politics to exaggerate perspective by hyperbolic rhetoric. Hence, an interpreter of modern international relations recently underscored his view of the impact of the dissolution of the Soviet empire by entitling an essay: "The End of History." At the risk of greater hyperbole, it is my view that for a Democratically controlled Congress to capitulate to the apostles of greed and, in an era of gaping deficits, provide a new tax loophole for corporate raiders symbolizes the end of liberalism.

American democracy is premised on free enterprise and the precept that citizens can be expected to have an economic as well as political stake in our society. The problem with this seemingly obscure tax deduction for purchased good will is that it gives incentives for the consolidation of old assets, not creation of new societal wealth, for the narrowing rather than widening of ownership of America. It is a ripoff for investment bankers, a tax break for those least in need.

By impelling takeovers of established businesses instead of providing incentives for entrepreneurial investment in new endeavors, it stultifies prospects for recovery and undercuts economic growth.

If this bill passes, as I assume it will overwhelmingly, I expect to work with the gentleman from Tennessee [Mr. COOPER] to move expeditiously to seek legislative reversal of this breach of faith with the American liberal tradition.

What Congress should be doing is ending the tax deductibility of interest when applied to takeovers of large corporations rather than adding new incentives to conglomerate. It is the middle-class taxpayer, not the Wall Street investor, the producer of goods and services, not the manipulator of financial paper that deserves a break. American priorities must be righted.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. MCGRATH], a member of the Committee on Ways and Means.

Mr. MCGRATH. Mr. Speaker, I rise in support of H.R. 11.

Mr. Speaker, this is the last best chance that we have to get some provisions into the law which most of us agree would be beneficial to our economy. We have already articulated the benefits of the enterprise zone legislation part and parcel of this bill. I would like to dwell, if I might, on the minigrowth package in this bill. That would be the extension of the expiring tax credit provisions.

Mr. Speaker, this bill permanently extends the low income housing tax credit, the targeted jobs tax credit, the mortgage revenue bond tax credit, and the small issue IDB tax credit. It extends for 18 months provisions of the R&D tax credit, the educational assistance tax credit, the legal services tax credit and the 25-percent deduction for those who purchase their own health insurance. For the real estate industry that needs to be stimulated it restores the passive loss deduction. It repeals the luxury tax that we enacted some years ago which has been such a burden to small businesses.

All this is vis-a-vis some tax revenues that some of us do not like, some tax raisers there that some of us do not like, but which the administration has supported from time to time in their budget submissions.

On balance, Mr. Speaker, this is a good bill which needs to be perfected but which needs to be passed out of this House today so that the Senate and the conference can do its deliberations.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. JENKINS].

Mr. JENKINS. My colleagues, I rise in support of this measure. I think this is the last opportunity that we will have in this Congress to extend some of the expiring tax provisions that have been mentioned, primarily the R&D tax credit, the tax credit for low-income rental housing, the targeted jobs credit, which is so important throughout the country, the qualified mortgage bonds and mortgage credit certificates and the qualified small issue bonds.

In addition to these expiring provisions, Mr. Speaker, we are extending for a shorter period of time the R&D tax credit, as well as the self-employment opportunity to deduct for health insurance, which I think should be made permanent, but we are extending it for 6 months.

Now, if we do not do this, then we shall not have the opportunity during this session to extend these expiring provisions.

Obviously each of us can find something wrong, if we want to, in this bill. We can find something that we do not like. But there are so many good things in this bill, and, second, this is a bill that will be signed by the President.

So, I urge my colleagues on both sides of the aisle to make certain that we pass this bill under suspension so that we can get it on over to the Senate and get it to the President. I say to my colleagues, "I urge your support of this H.R. 11."

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of the important tax credits that are extended in H.R. 11. I also applaud the repeal of the so-called luxury tax that has cost so many jobs, especially in the boating industry.

It is long past time that permanent status was given to the tax credits for targeted jobs, low-income housing, mortgage revenue bonds, and small issue industrial development bonds. All of these tax credits are very important for individuals and businesses in California.

For example, the mortgage revenue bond program has raised millions of dollars to help bring the American dream within reach for tens of thousands of low- and moderate-income first-time homebuyers in California. Also, in California at least 60 percent of mortgage revenue bond proceeds must be used for new construction, creating jobs while also combating the high cost of homeownership.

I am also very supportive of the 18-month extensions for tax credits for research and development, employer-provided education, employer-provided legal services, and for charitable contributions of appreciated property. However, I believe that these credits, as well as the deduction for the cost of health insurance for our Nation's self-employed individuals, should be made permanent, too.

I also strongly support the repeal of the so-called luxury tax. I voted against the tax in 1990, and I will vote today for its repeal. This tax has not raised revenue, but has actually cost the Federal Government money. More importantly, the tax has cost the American economy thousands of jobs.

While I am encouraged by the committee's acknowledgement of the need for enterprise zones to help revitalize our Nation's economically depressed areas, I am disappointed that the proposal contained in this bill is weaker, and I believe will be less effective, than the enterprise zones being pushed by President Bush and HUD Secretary Jack Kemp.

Also, though I remain opposed to the current estate tax law, which is extended in this bill, I believe that the jobs and opportunities created by other provisions in H.R. 11 deserve support.

I urge my colleagues to join me in supporting H.R. 11.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. SUNDQUIST], a member of the Committee on Ways and Means.

Mr. SUNDQUIST. Mr. Speaker, I rise in support of H.R. 11. It has many features that have been described already that are important to this country: enterprise zones, passive loss, taxpayers bill of rights, and a number of other very important provisions.

Now it is not perfect, as the gentleman from Texas [Mr. ARCHER] said earlier, but I think it does contain some reasonable compromises, and I am hopeful that it will come back from the Senate and that in the conference it will be made even better.

So, I urge my colleagues to vote aye on this H.R. 11 piece of legislation.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. Mr. Speaker, I rise in support of this bill. It contains many proven programs that will help our economy.

One provision that I want to call special attention to is the 18-month extension for educational assistance, a program that provides educational opportunities for working families. I would prefer to make it permanent. There was a bill that had 315 sponsors to do so. Hopefully this will happen in the future because we have to give more certainty to the people who are seeking education where they know where they stand year after year.

The bill also contains provisions to stop savings and loan operators from double dipping. Billions of dollars in tax writeoffs have gone to savings and loan operators who have been taking tax deductions when they have not lost any money. They have unfairly gained in this system, and that will stop.

Also in this bill is a number of extenders. They are the building blocks of our economy.

In the bill is help for our inner cities by urban enterprise zones and a comprehensive Weed and Seed Program that was referred to by the gentleman from New York [Mr. RANGEL].

I urge support of the bill. It is a good bill on balance.

A young man hired at a company as a messenger is now working as an officer of that same company. A mail clerk has been promoted through the ranks to become vice president.

Sound implausible? It's not. These people are but two examples of the effectiveness of section 127—the income exclusion for employer-provided educational assistance.

Mr. Speaker, and distinguished colleagues—H.R. 11 contains an 18-month extension for this valuable provision which provides educational opportunities for hard-working Americans across our Nation.

The exclusion for employer-provided educational assistance ensures that workers are not taxed on the value of educational assistance provided by their employers. In this way—it opens the door for low-skill employees to gain the credentials that will enable them to advance from minimum-wage—minimum-skills jobs—into positions with a future.

The program is a unique partnership between the business community—workers—Government—and the educational community.

The workers who benefit from this provision are the ones who need it most—that 71 percent who earn less than $30,000 a year. And section 127 programs are already successfully in place in companies throughout the Nation.

The section 127 exclusion for employer-provided educational assistance is proven program—and it is particularly vulnerable to interruptions in status. For this reason—I had hoped that we would be able to make it permanent in this bill.

This was not possible—but I am hopeful that in the future—Congress will see fit to remove the potential for disruptions from this program—and provide more certainty to the workers who are trying to pursue an education. I might add that 315 Members of the House have already indicated their support for permanent status by cosponsoring legislation to make section 127 permanent.

The legislation before us today also contains my provision to stop S&L operators from double-dipping in the taxpayers pockets—that is taking tax deductions when they have not lost any money.

The S&L crisis is the biggest financial disaster in our Nation's history. The Government and the American taxpayers have already lost billions through this scandal. We can't change that—but at least—with this legislation—we are ending a tax abuse which is further bleeding the Treasury.

I have been fighting for over 1½ years to stop this double-dipping and I am delighted that my provision has been included in this bill. This will save the taxpayers several billion dollars.

Elimination of the double-dip is a real victory. Special interests must not be allowed to rip off the public.

Mr. Speaker, and distinguished colleagues—I urge your support for H.R. 11—its important provisions for employee education—the many other extenders that are the building blocks for our economy—and stopping the taxpayer ripoff by S&L operators.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky [Mr. BUNNING], a member of the Committee on Ways and Means.

Mr. BUNNING. Mr. Speaker, I rise in strong support of H.R. 11.

Mr. Speaker, I am thrilled that we have, at long last, gotten the enterprise zone concept off the ground and gotten it moving. And I urge my colleagues to support this bill.

I have been a big supporter of enterprise zones for many years. In fact, I helped enact a State enterprise zone program when I was in the Kentucky State Senate—and we have proven that it works on the State level.

Finally, we are putting the power and the purse of the Federal Government to work—in a long-term productive program—to stimulate the most economically stagnant areas of our Nation and get them back into production.

This is no sunshine cure-all—we are not throwing a fist full of money at a problem and then turning to other things as the Federal Government tends to do too often. This is more than a short-term reaction. This is a long-term commitment to growth and productivity in inner cities and bypassed rural areas alike.

And the amazing thing is that there are other features of this bill—over and above the enterprise zone section—that are very worthwhile and deserve support in their own right.

This bill includes a permanent extension of the research and development tax credit and the exclusion for employer-provided educational assistance, as well as the low-income housing tax credit, targeted jobs tax credit, and mortgage revenue bonds.

Also, this bill repeals the ill-advised luxury tax that was enacted in 1990. The luxury tax was a mistake from the beginning and this action to repeal it is simply recognition of that fact. It was designed to sock it to the rich but instead the luxury tax put thousands of working men and women out of work. This bill says "Good riddance" to a bad tax.

On a personal basis, I am very happy to see this bill include two matters that I have been working on quite a bit over the past year, the taxpayers bill of rights and amendments to the deceptive mailings act.

The taxpayers bill of rights provisions in the bill will provide much-needed protection for the Nation's taxpayers in their dealings with the IRS. The establishment of an independent taxpayer advocate should be a major step in the right direction. At long last, the individual taxpayer will have someone to help fight the tax man.

As the ranking Republican on the Social Security Subcommittee, I was also particularly gratified to see the amendments to the Deceptive Mailing Practices Act included in this bill. It is much needed. Cheating senior citizens out of their money with fear and lies is a major growth industry in our country. Hopefully, these amendments which toughen the civil penalties for misleading fund raising solicitations will help alleviate the problem.

Putting some teeth in the law should make the merchants of fear think twice.

In all, it is a very good bill. And to top it off, it is all revenue neutral. You can't beat that.

I urge my colleagues to join me in supporting this bill.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. GRADISON], a respected member of the Committee on Ways and Means.

Mr. GRADISON. Mr. Speaker, as this bill came from the Committee on Ways and Means, it provided a waiver from the provision of the Budget Enforcement Act of 1990. I am happy to report to my colleagues that the measure on which we will actually vote today will not have that waiver included. I am aware that there has been great concern among Members on both sides of the aisle about that provision, since in its present form this bill does not meet the requirements of the Budget Act on a year-by-year basis. Under the circumstances, with the Budget Act waiver removed, there is absolutely no question in the mind of this Member that the conference report, when it comes back to us, will be so crafted as to prevent a sequester by meeting the requirements of the Budget Enforcement Act of 1990.

Under those circumstances, Mr. Speaker, I am enthusiastically supporting this measure, and I want to especially thank the gentleman from Texas [Mr. ARCHER], the gentleman from Illinois [Mr. ROSTENKOWSKI], and the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT] for their assistance in reaching this result.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Speaker, I rise today in support of H.R. 11, the Revenue Act of 1992. I particularly want to call the Members' attention to title V of this bill, the taxpayer bill of rights 2. This is a most important provision which will be of genuine assistance to the average taxpayer who is honestly trying to comply with the tax law, but who somehow slips through the cracks of the tax system.

The very first provision of this taxpayer bill of rights establishes a new position of taxpayers' advocate within the IRS. This advocate is to be nominated by the President and confirmed by the Senate. The advocate is required to report to the Congress, so that we who are held accountable for the actions of the IRS, might better know what is going on down there. The advocate is required to make these reports directly to the Congress so that his voice on behalf of the everyday-working American taxpayer will never be swallowed up in the halls of the IRS bureaucracy.

Mr. Speaker, in addition to creating the position of taxpayer advocate, this bill makes changes in over 40 different areas of tax administration. As my time is short, I will share with the Members just some of the most important of these new taxpayer safeguards. The bill before the House today:

First, it establishes a taxpayers' advocate, nominated by the President, confirmed by the Senate, and reporting directly to the Congress, with expanded authority to issue taxpayer assistance orders to force the IRS to act on behalf of taxpayers;

Second, it allows the Federal courts to hold IRS employees personally liable if the court finds that the proceeding against a taxpayer resulted from any arbitrary, capricious, or malicious act of the IRS employee. It further allows a taxpayer to sue the Government for up to $1 million for damages resulting from an IRS employee's reckless or intentional disregard of the tax laws or regulations.

Third, it provides relief in case involving temporary and proposed regulations, by limiting the circumstances under which these regulations are given retroactive effective dates.

Fourth, it requires that if a taxpayer asserts a reasonable dispute about the accuracy of an information return, the IRS must take reasonable steps to determine the validity of these returns, and present reasonable evidence supporting any tax deficiency based on the information return. This provision helps taxpayers in cases similar to the situation addressed by the Federal court in the Portillo decision.

Fifth, it provides additional notice and protection for taxpayers who are determined to be responsible officers in Federal tax deposit situations;

Sixth, it improves installment agreements by requiring prior notice of their cancellation, allowing for administrative appeals, and suspending certain penalties while they are in effect;

Seventh, it expands the authority of the IRS to abate interest payments and gives taxpayers 45 days after receiving a notice of additional tax due to pay the tax without further interest;

Eighth, it improves the procedures concerning liens, levies, and offers-in-compromise;

Ninth, it requires the inclusion of the payer's telephone number on information returns, and gives the taxpayer a civil cause of action if an information return is fraudulently filed;

Tenth, it requires the IRS to improve its forms and notices concerning changes of address, divorce, and the payment of employee withholding and payroll taxes;

Eleventh, it requires the IRS to study and report on better ways to serve taxpayers with special needs, the taxpayer rights education program, and the misconduct of IRS employees, and also requires the IRS to conduct a pilot program for taxpayer appeals of collection and enforcement actions;

Twelfth, it requires the GAO to study and report on the accuracy of IRS forms and notices, and the operations of the IRS employee suggestions programs.

Mr. Speaker, I support H.R. 11, and I think this taxpayer bill of rights is one of the most important aspects of this bill. At a time when partisan passions are running high, this taxpayer bill of rights is the result of true bipartisan work. As part of an earlier tax bill, it has already been given favorable consideration by the Senate. I recognize that this is not the cure for all taxpayer problems, and I know our efforts to protect the legitimate interests of taxpayers are by no means over. But, this is a good, responsible package and I strongly urge that it be favorably acted upon today.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs KENNELLEY. Mr. Speaker, I rise today in strong support of H.R. 11.

Are you one of the 401 cosponsors of my legislation to make the Mortgage Revenue Bond Program permanent? If so, you should support H.R. 11.

Have you cosponsored legislation to extend the low-income housing credit, the targeted jobs tax credit or small-issue bonds? In an effort to help your cities, these important programs would be made permanent. So if you want to help the cities, you should support H.R. 11.

Other important extenders like the research and development, gifts of appreciated property, employer provided educational assistance, and group legal services, would be extended for 18 months. If you support these extenders, you should support H.R. 11.

In addition, this bill contains a compromise enterprise zone proposal. While many of you ultimately may not like this proposal, let me say this is a concept I have supported for many years. Let's give this idea a chance.

Support H.R. 11.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Rhode Island [Mr. MACHTLEY].

Mr. MACHTLEY. Mr. Speaker, I rise in strong support of this bill. It is the end of the luxury tax.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. Mr. Speaker, I rise in support of the bill.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. SHAW], a member of the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of H.R. 11, the Revenue Act of 1992. Although there are many worthy provisions in this bill, I would like to call to my colleagues' attention one provision that I have long advocated—the repeal of the so-called luxury tax on boats costing over $100,000.

Mr. Speaker, repeal of this onerous tax means jobs, jobs, jobs for the tens of thousands of unemployed boatworkers who were thrown out of work by this tax and a lingering recession. Passage of this bill will be a significant shot in the arm for our Nation's boat building industry, which is in a severe slump.

As my colleagues will recall, I previously introduced a bill, the Boating Jobs Preservation Act of 1991, H.R. 951, which would repeal the luxury tax on boats. H.R. 951 currently has a total of 181 cosponsors.

The companion bill in the Senate, S. 649 has 32 cosponsors, including majority leader GEORGE MITCHELL. The Senate last month passed a repeal of the luxury boat tax as part of an unemployment benefits bill. President Bush also supports this effort.

Mr. Speaker, the evidence is overwhelming—the boat tax is a failure and a plague the Congress visited upon an important American industry. Instead of raising revenue, it probably costs the Federal Government revenues through lost income taxes and added unemployment. Instead of making rich people pay more taxes, it instead threw blue-collar Americans out of work.

The boat tax invited predatory foreign competitors to prey on our weakened boat market. It destroyed small businesses that make up most of our domestic boat building and boat selling industry.

It is heartening to know that today common sense will finally prevail over the empty rhetoric that this tax was levied just to soak the rich. This issue was never about tax fairness, or making the rich guy pay more taxes, or even supply-side economics. It was about American jobs, pure and simple. The 19,000 American workers who lost their jobs as a result of the tax did not have the same option. This is a great day for our boating industry.

I would like to commend just a few of my colleagues who supported my effort to repeal the boat tax early on, before it was politically fashionable to do so. This noble group includes: The distinguished majority whip, Mr. BONIOR, who saw another proud Michigan industry decline, the automobile industry, and was determined not to let the same thing happen to the boating industry; the gentlewoman from Maine [Ms. SNOWE], who sought to save small, family-owned boat building businesses in her home State; Mr. HUGHES, who represents the Jersey shore area, and who worked tirelessly for repeal of this destructive tax; and all my colleagues from my home State of Florida, where boating is such a vital component to the well-being of our State economy.

Mr. Speaker, the jury is in, and the boat tax has been judged an abject failure. Let us get rid of this disaster by voting for passage of H.R. 11.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Speaker, I rise in opposition to taking a tax off of millionaire boat buyers and putting it on middle-class boatowners with the diesel fuel tax.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I rise in opposition to the bill.

Mr. Speaker, I rise in strong opposition to H.R. 11. This bill does not help the poor, it simply robs middle-class Americans to give to the rich.

Do not be misled by the pittance that is being offered to rebuild our urban areas. The proposed program is a sham. The bill authorizes $2.5 billion over 5 years for so-called enterprise zones. The creation of enterprise zones was originally intended to provide assistance to distressed urban areas; what is being proposed today does not even come close to providing those troubled areas with what they need. If you take the meager amount of money that this bill authorizes, spread it out over 5 years, divide it by the 50 enterprise zones that the bill creates, and further cut that number in half, you will get the amount of money that urban areas will actually be receiving. Believing that this urban aid package is going to solve the crisis faced by our inner cities is like giving a baby aspirin to a cancer victim and telling him he's cured.

The American people should understand this legislation for what it is: Yet another raid on the Treasury by the rich and famous. It's bad enough that we are only willing to spend less than the third of the cost of a new bomber to help our cities, but what is even worse is that we're willing to do so only if we provide a whole new set of tax breaks for the wealthiest Americans. Is it too much to ask of millionaires that they pay the same tax rate on the interest income that working Americans must pay on their wages? I guess so, because before we can provide the pittance this legislation offers our cities, we must first reduce capital gains rates. Under this legislation, millionaires will pay only half the taxes on capital gains for investments in an enterprise zone that the workers in those zones will pay on their wages. What this says is, before we can help the poor we must provide welfare for the rich. While there are individual provisions within H.R. 11 that I could otherwise support, this bill on the whole is not just inadequate, it is unfair.

There are other provisions in H.R. 11 that I object to. One provision, in particular, merits public attention. Buried within this legislation is a provision to exempt companies such as Federal Express from the requirements of the nondiscrimination rules of the Employee Retirement Income Security Act [ERISA]. Effectively, H.R. 11 eliminates the requirement that separate pension plans for pilots must be the product of bona fide collective bargaining. This provision is bad policy. Earlier this year, this same provision had been included in H.R. 4210. Along with 44 colleagues, I notified the Speaker that I could not support the conference report on H.R. 4210 if the Federal Express provision was included. At the time, not only was this misguided and misbegotten provision dropped from H.R. 4210, but I was given assurances by the leadership that the provision would not be raised again. Now, not only is it being brought back to the floor as part of H.R. 11, but it is being brought up on the suspension calender so that it is not subject to amendment. As I indicated in March, when H.R. 4210 was under consideration, I strongly oppose this provision.

Prior to enactment of ERISA, it was common practice to establish one pension plan for a few preferred employees and another pension plan for everyone else. The one plan paid exceptionally generous benefits, while the other offered substantially inferior benefits. Because these plans received preferential tax treatment, a majority of workers were discriminated against while subsidizing the scheme of the privileged with their tax dollars. That is the policy we will return to if we fail to defeat H.R. 11.

Leave aside the issue that we are being asked to undermine the legitimate efforts of workers to organize. Leave aside the fact that we are being asked to actively discourage workers from exercising protected rights under our labor laws. Should the clerks, the baggage handlers, the secretaries, or the machinists be forced to use their tax dollars to underwrite retirement benefits that their employer has unilaterally chosen to offer others and deny to them? Should the Congress endorse a policy that amounts to stealing from the poor to give to the rich? If you agree that this is bad policy, I urge you to vote with me against H.R. 11.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Speaker, I rise in support of H.R. 11 with our major caveat. I have deep concern about the authorization of goodwill under section 179.

The present law certainly is complex and has resulted in much litigation. However, an unlimited amortization deduction of this previously nondeductible intangible asset could lead to enormous losses to the Treasury as large businesses undergo mergers, acquisitions, and leveraged buyouts.

I submit that the placement of a cap limit on the value of goodwill subject to amortization will provide simplicity in the Internal Revenue

Code and allow small business the tax deductions for this asset, but will not open a loophole which we will regret.

A limit of $100,000 to $250,000 on section 179 goodwill would appropriately allow small business deductions, resolve most of the litigation on this issue, and not bankrupt the U.S. Treasury.

I sincerely hope the conference committee will favorably consider this recommendation.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, international competitiveness studies, one as recently as a week ago, show that the United States is paying the price for the neglect of our cities and our rural areas. We are falling behind other countries, and fast. We have fallen from No. 2 to No. 5 in just a year. One in eight Americans and one in five children live in poverty. The economic status of our Nation will only rise when the status of our families and our children rise.

Mr. Speaker, I want my own State of California to be the Golden State again, and I want the American dream to be possible for all our people. We do not guarantee results around here, but we have got to begin again to guarantee opportunity. This bill is a start, it is a beginning, and I urge all Members to vote aye today.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Speaker, I rise in strong support of this legislation as it includes provisions establishing enterprise zones and more funds for Weed and Seed.

My home town in Michigan includes Benton Harbor. Benton Harbor is a State enterprise zone due to its level of distress—very high unemployment and large numbers of folks on welfare.

Mr. Speaker, just in recent months we have seen more than 100 businesses locate or expand their employment in that zone.

Mr. Speaker, if it works in Benton Harbor it will work in the rest of the country. This is an idea whose time has finally come. I also rise in support of the legislation expanding Weed and Seed. For the last 18 months I have helped with a group of respective active local leaders in Benton Harbor to try to solve the problems of crime and drugs. I helped establish a crime and drugs task force that wants to focus on the cause of the problems stemming from crime and drugs. Better social services, job training, and education all compose the "seed" element of this program. Consequently the community recognized that this can be an answer to decay in urban/rural areas.

Mr. Speaker, on Monday next, Digger Phelps will be in Benten Harbor to look firsthand at the problems of Benten Harbor and what the community is trying to do to change the course. Digger is the President's pointman for the Weed and Seed Program.

Mr. Speaker, I urge all my colleagues to support this legislation as a cure for economic decay for our urban/rural areas. I yield back the balance of my time.

Mr. ARCHER. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Illinois [Mr. MICHEL], our respected Republican leader of the House of Representatives.

Mr. MICHEL. Mr. Speaker, I rise in support of the compromise reached to strengthen the enterprise zone provisions of H.R. 11 and to add the Weed and Seed Program to this legislation.

Before I touch on the specifics, let me say: I hope this urban-rural initiative is undertaken with a sense of our own limitations.

Government alone cannot rebuild urban and rural areas that need help.

Only the citizens of a community can do that.

Only the combination of individual responsibility and transcendent values can provide the leadership.

We can provide only some money, some ideas, and a show of concern.

But, what we are doing can be of some help, so I favor it.

The enterprise zone provisions in this bill creates 50 zones, half in distressed urban areas and the other half in distressed rural areas.

There are tax incentives not only to spur capital investment in designated enterprise zones, but also to encourage employers to hire employees who live within such zones.

The compromise adds a 50 percent exclusion from the capital gains tax for assets held for at least 5 years, in addition to the capital gains rollover provisions already in the bill.

The compromise further provides $500 million of new funding to provide intensive crime and drug fighting assistance to weed out gang leaders, violent criminals, and drug dealers from distressed neighborhoods.

This law enforcement effort would be accompanied by what is called a seed component: job training, drug treatment, and prevention, educational activities, and infrastructure improvements.

The administration supports the improvements to the Revenue Act of 1992 which have been agreed to.

Although H.R. 11 still has some problems which must be worked out in conference, such as the large revenue losses, the bill contains many beneficial provisions.

Specifically we are repealing the luxury tax which cost jobs for those manufacturing such so-called luxury items; and it provides passive loss relief to the real estate industry which will give a shot in the arm to that industry; it extends the list of tax provisions that expired yesterday which are so important to many of our small businessmen. Failure to provide these extensions would have a negative impact on our economy just at the time that the economy is beginning to grow again.

H.R. 11 permanently extends the targeted jobs tax credit which allows employers to continue to hire economically disadvantaged individuals.

It also permanently extends the low-income housing credit, the mortgage revenue bond provisions and small issue development bond provisions.

I would still like to see a permanent extension of the research and development tax credit which is only extended 18 months in this legislation.

Permanent extension of the research and development credit is so important to the competitive position of our country.

I am also troubled that the bill only contains a 6-month extension of the 25-percent deduction of health insurance costs for self-employed individuals.

But, the major purpose of this legislation—to provide much-needed relief to the distressed and disadvantaged areas of our Nation—is so important that I ask my colleagues to support this bill.

I am confident that the problems still remaining with the bill will be worked out as it moves through the legislative process.

Let us move it forward and get it on the President's desk in a form that he can sign.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Speaker, in the last few months in this Chamber we have heard a lot of squabbling about a domestic agenda and that enough is not being done for our cities. Today, we have the opportunity to vote for a measure that sends a message to our cities. And this message is we have not forgotten about them.

Just think, during the last decade, we have eliminated the revenue sharing program, we have eliminated the UDAG program, we have cut back dramatically in CDBG allocations.

Our urban areas are faced with difficult problems and for our cities to survive we have to take action now. I am not just referring to large cities as Los Angeles, Boston, New York, and Detroit. Smaller cities are faced with the same problems. From my experiences as the former mayor of Springfield, MA, I have firsthand knowledge of the problems facing our cities.

No matter what their size, American cities are faced with the flight of the middle class and the lack of new development in urban areas. Also, businesses are starting to flee to the suburbs. We need to take action to keep businesses in our cities. For this reason, I have been a longtime supporter of enterprise zones.

We have tried other programs for our cities such as direct grants. Why don't we give enterprise zones a chance? Enterprise zones have been a successful tool of State economic development. Currently, 36 States have enterprise zone programs. Enterprise zones takes a logical approach to helping our cities. It provides benefits to both communities and businesses. The benefits to the community are businesses would be investing in urban areas and the program would create new jobs. The benefit to businesses is that they receive tax incentives for investing in urban areas.

We will hear that this program does not go far enough. We are faced with difficult financial constraints and we have to carefully choose what programs are the right programs for now. I am sure a lot of us would like to see more aid to our cities. But during this time, the current enterprise zone program is a reasonable and responsible approach. If enterprise zones are successful, we can expand the program.

In recent years, I have been disturbed by the deteriorating conditions of downtown areas of our cities. American cities are our backbone and they should be a source of great pride to us. Let us give enterprise zones a chance to improve our cities.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. GRANDY], a member of the Committee on Ways and Means.

Mr. GRANDY. Mr. Speaker, I supported the unemployment compensation conference report and I will support H.R. 11. I encourage my colleagues to do the same if for no other reason than it is a historic day when this Congress can agree to subsidize job loss and job creation in the same day.

□ 1630

That is exactly what is happening with this combination of bills that are brought before us today. Let me say one thing specifically, though, to rural colleagues. This is a better deal than we probably could have expected. To assume that there will be 25 zones in urban areas and rural areas that will share equally in the spoils that will be derived to pay for this particular provision is a rare break and a rare parity for rural communities.

I would also add that unlike most Federal formulas, this time rural criteria is different from urban criteria. The qualifications that were outlined in the bill presented by the gentleman from North Dakota [Mr. DORGAN] and myself for rural development investment zones mentioned those specific criteria, and they are in this bill today. What am I talking about? Mr. Speaker, in rural areas poverty is a phantom. One cannot measure it through welfare rules and poverty statistics or through unemployment insurance, because so many people are unemployed but self-employed.

Under this bill we will use the proper measurements of out-migration, in other words, people that have left rural areas and have never come back, and simultaneously jobs that have gone and will not come back. Those criteria are in this bill. That is an important precedent for rural communities and their growth.

As we begin what is admittedly an experiment of trying to combine economic growth provisions with social welfare renewal provisions, I think that we have struck a good bargain here; not a perfect bargain, not one that does not need to be worked out in conference, but in addition to the other rural provisions, such as the extension, the permanent extension of private activity bonds which will, among other things, in Iowa extend the beginning farmer program, very important for our younger producers, and extend self-employed deductibility for self-employed individuals, such as farmers who are trying to buy their health insurance, we have struck a good balance.

Coincidentally today, I looked at the Iowa unemployment statistics and they are up, sadly. But the good news is, our employment statistics are up, too. Ten thousand more people are employed in our State this year than last, which means they are coming home. With this bill we give the opportunity for other individuals to go back home and start again, and I am pleased that they will be returning to rural communities as well as urban communities under H.R. 11. I urge the support of the Congress.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Speaker, I rise in opposition to H.R. 11.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Speaker, to those worried about the intangibles goodwill provision, please listen. No. 1, the retroactivity has been removed. No. 2, listen to the words of a senior specialist at CRS, and this is what she says: "In the aggregate, there is no reason to expect that there will be any overall price effect. Certain firms which had relatively more amortizable assets would have a small increase in the sales price purchasers are willing to pay, while other firms that are already writing off assets will have a small decrease," so there are these protections in terms of any increase or tax incentives for takeovers.

There is a third provision just in case. The Treasury Department is ordered to undertake annual studies to see if this bill might stimulate takeovers, and if that were to happen, and the specialists say it will not, then we could act.

I strongly urge support of this bill.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 30 seconds to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of H.R. 11's provision that would make permanent that tax exemption for manufacturing industrial development bonds.

The Department of Labor reports that nearly 10 million workers are currently unemployed—the highest number since 1983. We need to do something to boost job creation, and we need to do something now. That is why I so strongly support IDB's the only Federal program directly targeted to the manufacturing backbone of our economy.

By providing a sound, responsible, reliable means of development and expansion capital, IDB's have played a critical role in manufacturing job growth in smaller firms. In the Greater Rochester area alone, IDB-financed projects have created more than 1,600 new jobs over the last 4 years.

This marks the second time this year that the House has recognized the job creation and economic stimulus potential of a permanent extension of the IDB Program. Local economic development agencies must have a longer planning horizon than, 6, 12, or 18 months if the maximum number of jobs are going to be created. I urge my colleagues in the House, the Members of the Senate, and the President to approve a permanent extension for IDB's and send some good news to the American worker for a change.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 30 seconds to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I oppose the bill. The bill is half good and half bad. Where I come from, that is mediocre. We have mediocre legislation and mediocre government. I also oppose it for another reason. It is token. If we give $12 billion coming up to Russia, $13 billion in foreign aid and $2.5 billion for our cities, all we have done in the last 10 years is take the reservations and the plantations and move them into the damn city.

I say this: Congress should reinstate revenue-sharing and put some of our dollars into our cities, not just token tax breaks.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 30 seconds to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Speaker, I thank the gentleman for yielding time to me.

On behalf of the citizens of Louisville and Jefferson County, I thank the gentleman for having put this bill on the floor and for his urban enterprise zones, for the extension of the various tax credits for low-income housing, mortgage revenue bonds, and targeted jobs tax credits. This is an excellent piece of legislation.

Once again, on behalf of the citizens of my community, I thank the gentleman for bringing this bill up. I urge my colleagues to support it.

Mr. Speaker, I rise in strong support of H.R. 11. This legislation is the second piece of an urban aid package to be passed by the 102d Congress in the wake of the Los Angeles riots. Congress passed the first part of this package back on June 22, 1992, when it enacted a measure that appropriated $1.3 billion in disaster relief and funds for summer jobs for youth in our inner cities. My community of Louisville and Jefferson County will receive $1.5 million in assistance from these funds which will contribute to the creation of 750 summer jobs for teens in my community.

I am under no illusions that this previous aid, nor the bill we are about to pass, are the sole answers to the problems of our inner cities. But, part of our task is to create jobs and sustain economic development in the inner cities of our country where there is simply none now. Currently, a State enterprise zone has helped create thousands of jobs in Louisville and Jefferson County. It is my hope that H.R. 11 will help to accomplish that task as well, particularly in the most economically devastated areas of Louisville.

I took a walking tour through one of these areas—the Parkland neighborhood of Louisville—a few weeks ago at the invitation of Rev. Louis Coleman, Alderman Bill Wilson, and State Representative Porter Hatcher. We toured impoverished and blighted areas of the community—areas crying out for investment and jobs. I am pleased that under this legislation, Louisville will be able to apply to designate the area I toured as part of a Federal enterprise zone.

H.R. 11 also provides investment in the human capital of our inner cities by authorizing $2.5 billion for job training, education, community development, and crime prevention in distressed areas. This is the so called Weed and Seed portion of the bill. Again, more is needed but H.R. 11 provides the foundation.

Finally, Mr. Speaker, H.R. 11 also makes permanent a variety of tax credits that have served the people of Louisville and Jefferson County well. According to James Allen, director of Louisville's Department of Housing and Urban Development, the low-income housing tax credit—now made permanent under H.R. 11—has been utilized to help create hundreds of housing units in Louisville since 1986.

The Mortgage Revenue Bond Program is made permanent under H.R. 11. It has assisted low- and middle-income families in my community by reducing the cost of mortgages for first time home buyers. In short it helps give these families a piece of the rock.

Finally, Mr. Speaker, H.R. 11 extends permanently the targeted jobs tax credit, a tax credit that encourages employers in my community and around the country to hire economically disadvantaged youth. No doubt this tax provision has the potential to help the economically disadvantaged youth of our inner cities as well.

Mr. Speaker, again H.R. 11 is not a panacea to our urban problems, but it is a good start and I support it enthusiastically.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. THOMAS], a member of the Committee on Ways and Means.

Mr. THOMAS of California. Mr. Speaker, this bill does give hope to some people out in America. I want people to know this bill also should give hope to our colleagues here in the House. In the 1986 tax bill passive loss was removed. I thought it was wrong at that time. Real estate is one of the very few true economic engines of our economy.

I introduced legislation in the 100th Congress, the 101st Congress, in the 102d Congress, along with my colleague, the gentleman from Tennessee [Mr. ANDREWS], with 326 cosponsors, and the President supporting passive loss. We have it now in a bill that can be signed.

I want to thank the gentleman from Texas [Mr. ARCHER], the ranking member, and the gentleman from Illinois [Mr. ROSTENKOWSKI], for putting in a bill that can be signed, passive loss.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 30 seconds to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER Mr. Speaker, I am one of those Members seriously worried about the goodwill provisions of this bill. In fact, I want before the Committee on Rules with the gentleman from Oklahoma [Mr. MCCURDY] to strike those provisions in this bill. Despite my inability today to offer my amendment, I think overall this is a good bill and Members should support it. I plan at a later date on working on the goodwill section of this legislation, but for today we need to support this legislation.

Mr. Speaker, I am here to request that the rule for House consideration of H.R. 11, allow for an amendment to be offered by myself and Congressman MCCURDY on the amortization of intangible assets.

Specifically, our amendment would remove goodwill and going concern value from the list of intangible assets the Ways and Means Committee bill would allow to be amortized for tax purposes. It would not change the 14-year amortization period for other intangibles.

The intangibles provision now in H.R. 11 is touted as tax simplification, and there is no doubt that it would put an end to $9 billion in disputes between the IRS and corporate taxpayers. The problem is that the committee's approach to simplification is to accept defeat and give business everything it wanted. Mr. Speaker, in our current fiscal crisis this is a billion dollar solution we simply cannot afford.

Right now when one business acquires another, it may take tax deductions as the value of the property it acquired depreciates over time. The IRS also allows for certain intangible assets to be depreciated if they have a limited useful life and an ascertainable value. However, no depreciation deductions are allowed for goodwill or going concern value.

The unfortunate result of this policy is that creative corporate tax lawyers have come up with no fewer than 159 intangible assets for which they have sought deductions. Many of these so-called assets are shameless corporate attempts to write off as much of their takeover costs as they can. According to GAO, in 70 percent of the cases in which businesses have claimed tax deductions for intangibles, the IRS has found that the assets were in fact goodwill and not amortizable.

Faced with the legal quagmire that has resulted from appeals of these IRS rulings, the Ways and Means Committee decided we should give up and allow corporations to write off everything. This is bad tax policy and bad fiscal policy.

Allowing corporate write-offs for purchased goodwill creates a blatant taxpayer subsidy for corporate takeovers. I'm no opponent of takeovers. Takeovers can be a valuable check on corporate inefficiency. However, this provision gives billions of dollars in taxpayer-financed incentives for takeovers that would not otherwise be economically justified.

Talking to the New York Times one Wall Street analyst predicted this measure "would be a huge boon. I would say you would see a billion-dollar deal announced in weeks if it goes through." So much for neutral tax policy.

The same analyst also predicted, "The takeover values of food companies would go up 20 percent overnight." That's great for owners of food companies, but it's taxpayers who will foot the bill.

A Joint Tax Committee memo which I have attached to my statement predicts that the proposal will "lose significant revenue after the budget period." While the lengthened amortization period for other intangibles would increase revenue in the early years, "the revenue loss attributable to deductions for goodwill would not decrease over time," according to Joint Tax.

No revenue estimate has been developed for the goodwill provision alone, but we know that the IRS is currently in court trying to collect $9 billion in back taxes for assets it has found to be goodwill or going concern value. It is reasonable to assume that allowing goodwill to be amortized will cost the Treasury billions of dollars each year.

During the debate over the balanced budget amendment there was a lot of talk about not delaying the tough decisions on how to reduce the deficit. If we allow this provision to become law, we are ducking yet another tough choice. Someday we are going to have to start saying "no." Saying "no" now is going to be a lot easier than saying "yes" and having to take it away later.

U.S. CONGRESS,
JOINT COMMITTEE ON TAXATION,
Washington, DC.

Memo to:
Subject: Revenue Estimate Request.

For your information, it is our opinion that the proposal would lose significant revenue after the budget period, particularly if the growth in the acquisitions of intangible assets abates. This revenue loss is primarily attributable to the proposal's allowance of amortization deductions for goodwill, which is not amortized under present law. While allowing amortization deductions for goodwill can be approximately "paid for" during the budget window by lengthening the time over which other intangible assets are amortized, the revenue raised by a lengthened amortization period for other assets would be eroded by vintaging effects, while the revenue loss attributable to deductions for goodwill would not decrease over time.

[From Business Week, June 8, 1992]

FOR THIS CHRISTMAS-IN-JULY, YOU COULD BE FOOTING THE BILL

(By Robert Kuttner)

Here's a hot idea that deserves a quick burial: Let's increase the federal debt by an estimated $3.6 billion to have taxpayers subsidize another round of leveraged buyouts. This is precisely what would be allowed under tax legislation greased for quick passage some time in June. Present law lets companies deduct the cost of tangible assets purchased in corporate buyouts. The acquiring company may also deduct interest costs on borrowed money. This tax subsidy was generous enough to stimulate the unpredented buyout wave of the 1980s, which cost taxpayers upwards of $80 billion and had consequences that were at best mixed.

The proposed new law, H.R. 3035, would allow for the first time the deduction of intangible goodwill. The Internal Revenue Service currently disallows such deductions. According to then IRS Commissioner Fred T. Goldberg Jr., acquisitors have tried to take tax deductions for at least 159 different categories of intangibles. These range from arguably legitimate assets, including copyrights, trademarks, and dealer networks, to a variety of pie-in-the sky write-offs such as having "underdeveloped competition" and even "nonunion status."

APPEALS APLENTY

This Christmas-in-July proposal is being pushed by a coalition of Wall Street firms that promote LBOs and by corporations, such as Philip Morris Cos., which want the change in the law to be retroactive, so they can reap tax windfalls on buyouts already consummated. In 1987, the House passed a bill explicitly prohibiting deduction of goodwill, but the bill was opposed by the Reagan Administration and died in the Senate.

Meantime, some 2,000 appeals have been filed in connection with corporate buyouts, challenging the IRS position. Lower courts have issued contradictory rulings on the question, the Supreme Court has agreed to review it, and the takeover crowd is nervous the high court will back the IRS. The Administration supports the proposed bill. The IRS opposes the whole concept, but Goldberg, as a loyal member of the Administration, has testified in support on grounds that it would at least clarify the law. "From a tax administrator's perspective, the present situation is untenable because it embroils the government in endless factual inquiries," Goldberg testified to the House Ways & Means Committee, adding that some $8.5 billion worth of proposed tax adjustments are now on appeal in the courts. Goldberg calculates the government has spent an average of 6,000 staff hours and $160,000 in out-of-pocket costs per case.

But from the perspective of a company seeking tax write-offs or a Wall Street house promoting mergers and acquisitions, the costs of litigation and lobbying are well worth it. House Ways & Means Chairman Dan Rostenkowski (D-Ill.), who led the fight in 1987 to deny deductions for corporate goodwill, now supports the proposal. Says James Jaffe, a Rostenkowski aide: "This proposal comes mainly out of the 'tax-wonk' community—the Treasury and the tax bar. The corporate guys and the IRS are both spending a lot of money to litigate this, so why don't we just come up with a relatively simple rule?"

SHEER WASTE

Jaffe says Rostenkowski tried to simplify the rule by prohibiting the deduction but lacked the votes. The chairman now favors simplifying it. But this was hardly the brainchild of tax wonks. Big money is at stake, and the lobbying coalition includes upwards of 20 corporations involved in M&As, including Citicorp, Honeywell, Gillette, Quaker Oats, and Levi Strauss—several of whose political action committees have contributed to both parties. Philip Morris, among other courtesies to the Democrats, donated generously to the anti-term-limit initiative in Washington state, which would have ended the career of Speaker of the House Thomas S. Foley (D-Wash.).

Arbitrage specialists have been quoted as saying the law, if enacted, would set off another merger boom and drive up the share price of potential target companies. If so, the legislation is sheer economic waste, since that run-up would be subsidized directly by taxpayers. Critics such as Robert S. McIntyre of Citizens for Tax Justice suggest that the legislation's backers are lobbying for the tax bailout mainly because they overpaid for many of their target companies in previous mergers and now are hoping the taxpayer will make up the difference. McIntyre urges that the laws be toughened to remove some of the existing tax-subsidy of M&As, notably the ability to deduct interest costs. "In the case of a takeover financed by very risky junk bonds," McIntyre argues, "the interest payment is really more like a dividend, which is not deductible."

This little episode is emblematic of what ails the economy and public finances. Both parties say they want to reduce the deficit, but neither can resist pandering to special interests. The forces representing the public's interest in fiscal discipline are outgunned. The Administration says it believes in free markets, but when those markets produce costly mistakes, it uses taxpayer money for expensive bailouts. And industry, instead of investing in new products and better management, finds it more cost-effective to invest in litigation and lobbying. No wonder America has trouble competing.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 30 seconds to the gentleman from Ohio [Mr. HALL].

Mr. HALL of Ohio. Mr. Speaker, I rise in support of H.R. 11, the Revenue Act of 1992. I would like to commend the gentleman from Illinois for his leadership and hard work on this legislation. Through his leadership, enterprise zones will be created in troubled communities throughout America, bringing to those communities new investments—and new hope. I would also like to commend the distinguished majority leader for ensuring that this legislation includes $2.5 billion for job training and other social services.

I am pleased to say that H.R. 11 includes a hunger committee proposal that would help the poor start their own businesses. This proposal—H.R. 3450, which I introduced with Representatives FRED GRANDY, MIKE ESPY, and BILL EMERSON—raises the asset limit from $1,000 to $10,000 for people on AFDC who want to climb out of poverty through their own microenterprise. For many people, the route out of poverty is through their own small business. If we are not going to subsidize microenterprise programs in the United States—as we do overseas through our aid budget—then the least we can do, Mr. Speaker, is allow self-employment for those who happen to be poor.

This legislation represents a significant step forward in developing microenterprise programs for the poor in America, and is the first step in my effort to help the poor build assets. Mr. Chairman, the $1,000 asset limit in AFDC is the major barrier to self-employment among the poor. It's foolish that for so long the Federal Government has trapped thousands of potential business owners in poverty. I'm pleased that this measure to develop businesses among the poor is before us today. I urge my colleagues to support this important bill.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the distinguished Republican whip, the gentleman from Georgia [Mr. GINGRICH], who has worked so tirelessly to put together the final agreement that has permitted this legislation to come to the floor.

The SPEAKER pro tempore. The gentleman from Georgia [Mr. GINGRICH] is recognized for 3 minutes.

Mr. GINGRICH. Mr. Speaker, I hope not to take that much time.

Mr. Speaker, I want to strongly urge a "yes" vote, in particular for the job-creating enterprise zone parts of this bill. Just weeks after Boris Yeltsin, the President of Russia, spoke to us about freedom and hope, we have a bill that recognizes the importance of the free market, of incentives, of entrepreneurship. This bill is a first step toward an American perestroika. We recognize in this bill that free enterprise and business and entrepreneurship create jobs.

□ 1640

We are meeting the concern of Peter Ueberroth that Los Angeles have a chance to create real, permanent jobs in real, permanent businesses.

This effort to reestablish incentive and hope has been a long time coming. Secretary Jack Kemp, when he served in this body, introduced this idea over a decade ago. I talked to him a while ago, and he asked me to remind the House of the hard work of Bob Garcia, of Bill Gray, and of CHARLIE RANGEL who worked for many years in support of these concepts.

I especially want to recognize the extraordinary efforts over the last few days of the majority leader and the diligent effort by the White House staff and of BILL ARCHER and the Republicans on the Ways and Means Committee.

In the end, I also want to say that this is not just a victory for President Bush, who has for 4 years been urging the creation of enterprise zones. I believe this vote today is an opportunity to say across America to every poor person in every poor neighborhood that we are going to try to bring you incentives, we are going to try to bring you hope, we are going to try to ensure that every person in America who wants to create a job is encouraged by their Government to do the right thing, to help Americans who are today poor someday be Americans who have had a successful and a prosperous life. And I urge a "yes" vote.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield the balance of our time to the gentleman from Missouri [Mr. GEPHARDT], the majority leader, who is really the principal architect of this legislation.

The SPEAKER pro tempore (Mr. LANCASTER). The gentleman from Missouri [Mr. GEPHARDT] is recognized for 2½ minutes.

Mr. GEPHARDT. Mr. Speaker, I want to first say that DAN ROSTENKOWSKI, CHARLIE RANGEL, MAXINE WATERS, and JULIAN DIXON did an awful lot of work and an awful lot of people on this side of the aisle and that side of the aisle worked hard to put this bill together. We have not done many things together in this Congress. It is important today to do this bill, and I urge Members, whatever their misgivings are about this part or that part of the bill to try to vote for this bill, and I will tell them why.

This bill comes after the Los Angeles problem. Fifty people were killed in Los Angeles about 6 weeks ago, and that is why we are here today.

In 1991, the following numbers of people were killed, murdered in the following cities: Washington, DC, 489; St. Louis, MO, where I am from, 260; Wichita, KS, 28; Los Angeles, 1,039; New York City, 2,220; Baltimore, 305.

Ladies and gentlemen of the Congress, we have a problem in this country. This country is being torn apart in its urban areas because people do not have work and people do not have hope. This bill is not the millenium in urban policy. Do not misunderstand what this is. It is a first step, but we have to take that first step to give people hope.

People do not want to be on welfare, they want jobs. People do not want to be standing on street corners, they want to be in training. Mothers and fathers do not want their kids on drugs and being killed by drug people and drug dealers. They want them in school and they want to be healthy.

This bill is an amalgam of the best ideas that they have brought forward, and the best ideas that we have brought forward. Let us give these ideas a chance. It is an experiment that can work in 50 places in this country so that we do not have to read the death statistics like this year after year after year.

Vote for this legislation and give the people of this country some hope.

MODIFICATION OFFERED BY MR. ROSTENKOWSKI

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that H.R. 11 be modified by striking section 2.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LEACH. Mr. Speaker, this measure has a number of extraordinarily positive features—such as enterprise zones—but I rise to object as strenuously to one ill-conceived provision: The reversal of longstanding tax policy implicit in the establishment of deductions for purchased goodwill. The effect of this change in accounting for goodwill is to provide greater incentives for conglomeration by realtors, in effect, another egregious taxpayer subsidy for corporate takeovers.

There is a tendency in modern American politics to exaggerate perspective by hyperbolic rhetoric. Hence, an interpreter of modern international relations recently underscored his view of the impact of the dissolution of the Soviet empire by entitling an essay: "The End of Civilization." At the risk of greater hyperbole, I consider the egregious goodwill tax break imposed by the majority party in an otherwise progressive bill to symbolize the end of liberalism.

American democracy is premised on free enterprise and the precept that citizens can be expected to have an economic as well as political stake in our society. The problem with this seemingly obscure tax deduction for purchased goodwill is that it gives incentives for conglomeration, for the narrowing rather than widening of ownership of America. It is a ripoff for investment bankers, a tax break for those least in need. By impelling takeovers of established businesses instead of entrepreneurial investment in new endeavors, it stifles the economy benefiting the apostles of greed rather than growth.

If this bill passes, as I assume it overwhelmingly will, I expect to work with the gentleman from Tennessee [Mr. COOPER] to move expeditiously to seek a legislative reversal of this break of faith with the American liberal tradition.

What Congress should be doing is ending the tax deductibility of interest when applied to takeovers of large corporations rather than adding new incentives to conglomerates. It is the middle-class taxpayer, not the Wall Street investor, the producer of goods and services, not the manipulator of financial paper, that deserves a break. American priorities must be righted.

Mr. DIXON. Mr. Speaker, I rise today in strong support of the urban aid package before us today.

The riots which devastated sections of Los Angeles—including parts of my district—demonstrated how quickly despair can erupt into rage in our inner cities. The L.A. riots provide the clearest possible reflection of our failure to address the roots of the absolute despair which consumers millions of Americans in our inner cities.

Today we attempt to turn the tide of neglect and restore hope and opportunity to the Nation's most depressed communities. This bill, H.R. 11, is a solid step in the right direction. H.R. 11 is pro-business, pro-inner city, pro-rural areas, and pro-jobs.

The enterprise zone concept represents a constructive approach to an extremely pressing problem. Enterprise zones will provide a critical incentive for private business to invest in and form lasting partnerships with communities which have been abandoned by business in the past.

H.R. 11 provides $2.5 billion to establish 50 urban and rural enterprise zones over the next 5 years. The bill will help to revitalize economically and physically distressed areas; create meaningful employment opportunities for zone residents; and encourage individuals to live in the areas in which they are employed.

The package before us also provides $2.5 billion for the President's Weed and Seed Program over the next 5 years. Weed and Seed money will fund intensive law enforcement and job training initiatives in designated enterprise zone areas.

I would like to insert into the RECORD a letter I received from Los Angeles Mayor Tom Bradley and Peter Ueberroth, chairman of the rebuild Los Angeles project, expressing their strong support for this legislation which will play a critical role in revitalizing areas of the city of Los Angeles crippled by joblessness and despair.

I urge my colleagues to join me in supporting this important measure.

OFFICE OF THE MAYOR,
Los Angeles, CA, June 30, 1992.

Hon. JULIAN C. DIXON,
U.S. House of Representatives,
Washington, DC.

DEAR JULIAN: We write to urge your swift and strong support for federal legislation to create Enterprise Zones in Los Angeles and other cities.

We are working with every available tool to Rebuild Los Angeles. We know we cannot rely on the massive infusion of government funds. We are relying instead on the outpouring of support from the private sector, which has been heartening, and the coming together of our communities as never before. But one tool is missing: The tax incentives that will encourage the private sector to invest where it has never invested before. Federal Enterprise Zones would provide some of these necessary incentives.

Put simply, our efforts to Rebuild Los Angeles will be dealt a serious blow if Congress and the President fail to agree soon on Enterprise Zone legislation. Because we are fast approaching the July 4th deadline for the enactment of an Enterprise Zone bill, your quick help is necessary. Please support our efforts to Rebuild Los Angeles by creating federal Enterprise Zones.

Thank you for your support.

TOM BRADLEY,
Mayor.
PETER V. UEBERROTH,
Rebuild Los Angeles.

Mr. BILIRAKIS. Mr. Speaker, I rise today in support of H.R. 11, the Revenue Act of 1991. Many beneficial provisions are included in this welcome legislation, however, I am nevertheless disappointed that it falls short of what it might have been.

Specifically, I refer to a provision to correct the Social Security notch disparity that several of my colleagues and I were unable to have included in H.R. 11.

As a Member of Congress from Florida, the Social Security notch issue is one of the top priorities of my senior citizen constituency. These notch babies believe they have been unfairly penalized by the Social Security notch decision because they were born in a certain year, something over which they have absolutely no control.

I have a high number of individuals in my congressional district who have been adversely affected by the notch; many have written to tell me that they have been unfairly penalized. They say it isn't fair that individuals with similar work histories, who were born before the notch years, receive a higher Social Security payment than they do. Mr. Speaker, I agree with my constituents—this is an unfair practice and it must be stopped.

As you know, the notch was created when Congress enacted a new Social Security benefit formula in 1977. The aim was to slow growth in future benefits, with little or no dollar loss during the transition to the new, permanent formula. However, the outcome was not what Congress had intended.

The outcome was that most retirees born during a certain period receive less than those born just a few years earlier. The end result was a substantial difference in benefit levels for people who had similar work histories but differed slightly in age.

Since I was elected in 1982, I have introduced legislation to rectify the unfair Social Security notch situation. I have also cosponsored H.R. 917, the notch consensus solution. Simply, we must do something to end an unfair benefit cut that affects 10 million retired workers and restore public confidence in the fairness of the Social Security system.

My constituents believe Congress is being unresponsive to their concerns. I have been told by some that Congress is just "waiting for notch babies to die off" or "Congress isn't really concerned about their plight or it would have acted long ago."

Mr. Speaker, I wanted to prove these comments wrong by passing a notch corrections amendment to this legislation. Unfortunately, objections by the leadership prevailed and I was prevented from doing so. I will continue to work with my like-minded colleagues in the future to pass this legislation of such critical importance to our Nation's seniors.

That said, I do not feel I can fairly oppose this bill on these grounds. To do so would call for sacrificing a full repeal of the 10-percent luxury tax on boats, furs, jewelry, and airplanes, a tax that has cause massive job loss in the industries involved.

It would mean turning my back on enterprise zone provisions that I have long sought as a means of revitalizing our inner cities—not through a huge redistribution of taxpayer dollars, but by enticing businesses to move into and set up operations in such enterprise zones within our cities.

It would mean rejecting the extension of a variety of tax credit extensions important to business and consumers. It would also mean rejecting important passive loss reforms that will rebuild our real estate industry and jumpstart our economy.

No, Mr. Speaker, this legislation is too important to reject, but—again—it is shameful that a Social Security notch correction could not have been added, thus making H.R. 11 so much more than it currently is.

Mr. FAZIO. Mr. Speaker, I rise in support of passage of H.R. 11, the bill which will make a much-needed long-term investment in both rural and urban areas across the country.

H.R. 11 is a prompt, responsible response to the poverty, unemployment and hopelessness that grip so many areas of our Nation. It provides an effective method of addressing the obvious problems that have been plaguing our communities for years, but that have only been highlighted in recent months. H.R. 11 will make it easier for American families—both rural and urban—to succeed and prosper.

H.R. 11 creates 25 rural development investment zones and 25 urban enterprise zones in distressed areas across the country over a 3-year period. All zones will be selected competitively from those areas with unemployment rates 1.5 times the national average, poverty rates of at least 20 percent in 90 percent of the area, and a plan to assist employers and employees in the zone—such as reduced taxes and increased delivery of local public services. Rural zones must also have a decline in employment of more than 5 percent during the 5 years prior to the zone's designation and a 10-percent decline in population from 1980 to 1990.

This concept provides incentives—in the way of tax credits—to businesses in an effort to attract them to relocate and invest in targeted areas. The end result is improved economic development for the involved community and its people.

Then, to stimulate growth within the targeted zone community itself, H.R. 11 funds job training, education, health and nutrition, housing and community development, and crime prevention. It supports solutions proven to be successful—like Head Start, health centers, and drug treatment and housing assistance programs. This includes job training and education for welfare recipients to get them off welfare and working. It will permit communities to attack crime, address their health and welfare needs and invest in their own development. It fosters activities which have shown over time to have the greatest benefit across the country.

In addition to providing tax breaks for businesses that invest in enterprise zones, H.R. 11 includes tax provisions designed to stimulate overall economic growth throughout the Nation. For example, H.R. 11 repeals the luxury tax on boats, furs, and jewelry—a tax that had an adverse impact on employment in the affected industries. By repealing this tax, H.R. 11 will alleviate the job loss and economic strain placed on those industries affected by this tax. H.R. 11 also extends certain tax provisions that expired at the end of last month—including mortgage revenue bonds, low income housing tax credits, and the exclusion for employer-provided educational assistance.

H.R. 11 contains a provision that will protect taxpayer rights. The Taxpayers' Bill of Rights will establish a taxpayers' advocate, prohibit the Treasury Department from issuing regulations that apply retroactively, and make IRS agents personally responsible for acting capriciously or negligently. It also simplifies the treatment of pensions, mutual funds, and tax exempt bonds.

And last, but not least, the bill pays for itself. It includes provisions designed to generate revenue, including raising taxes on securities firms' inventories, limiting tax benefits to new owners of failed thrifts, and making permanent increases in the estimated tax installments for upper-income taxpayers and for corporations filing quarterly.

We must again begin to place domestic issues at the top of our agenda. The investment that H.R. 11 makes in our communities is a good place to start. We have to see that all our children have safe schools and safe neighborhoods. We must ensure that everyone who can work, does. We must see that every member of society has access to equal opportunity and fair treatment. These are great challenges that we began to address in the 1960's and must continue to meet today.

H.R. 11 will promote development in our communities, support businesses who participate in this effort, help to jump-start our economy, and generate revenue to pay for itself. I urge my colleagues on both sides of the aisle to support passage of this important piece of legislation.

Mr. STENHOLM. Mr. Speaker, it is with regret that I rise in opposition to this legislation. I support many of the provisions of this bill and have cosponsored several bills that have been incorporated in this legislation. However, I cannot support legislation that will continue the practice of using smoke and mirrors and accounting tricks to circumvent the Budget Enforcement Act.

Although I will vote against this bill today, I continue to support several of the provisions included in this bill and hope that we can enact these proposals in a tax package that is honestly paid for. The changes in passive loss rules and the changes in the depreciation schedule for the purposes of the alternative minimum tax would have a positive effect on our economy. I was also pleased that this bill includes a 6-month extension of the 25-percent deduction for self-employed health insurance. I hope that this credit can be increased to 100 percent and extended permanently as part of a health care package. The extension of the TJTC and the tax credit to offset the cost to employers for FICA taxes on tips are also important to restaurant owners in my district.

Despite this, I must oppose this bill because of my concerns about the budgetary impact of this bill. Although the tax and entitlement provisions are deficit neutral over the 5-year budget window, they will lose nearly $5 billion over the next 4-years. I fear that by the time this bill actually raises revenue we will have spent the revenues several times over. In addition, I am deeply concerned about the precedent being set by redesignating $500 million of domestic spending as international spending in order to allow us to increase domestic appropriations without corresponding spending cuts. I believe that if we want to increase spending in one area, we should make corresponding spending cuts, not changes in accounting. We cannot continue the practice of using accounting tricks to circumvent the budget rules or waive these rules altogether when they become inconvenient.

Mr. Speaker, I hope that we can defeat this bill today so that the budget tricks can be removed and we can pass a tax bill that lives within our budgetary restraints.

Mr. OLVER. Mr. Speaker, I rise today in support of the provisions of H.R. 11 which will help our businesses, our workers, and our communities.

In particular, I am very pleased that we are extending, in some cases permanently, the expiring tax provisions. I would have preferred that the tax credit for research and development have been made permanent, but I strongly support its extension for 18 months. We must increase investment in R&D, and this tax credit is one vital element toward helping our companies invest in the new technologies which will be the foundation of our future economy.

Similarly, I have always been a strong supporter of the tax credit for employer-provided educational assistance. We should do everything we can to help our workers get the skills they increasingly need to produce the finest products in the world. Likewise, making the targeted jobs tax credit will help both our workers and businesses.

I also believe that making permanent the credits for low-income housing, mortgage revenue bonds and small issue manufacturing bonds will help us address these desperate needs in Massachusetts.

I would also like to express my support for releasing previously appropriated, but unobligated, funds for the JOBS program. JOBS provides training and education to help recipients of Aid to Families with Dependent Children get off AFDC and into jobs.

Mr. Speaker, this is not a perfect bill, but I believe that it will do a good deal to help our businesses and our communities, and I hope that we can use this legislation as a starting point. We must get to work to resolve the many problems which are afflicting this country.

Mrs. LLOYD. Mr. Speaker, I rise in support of H.R. 11. This is a strong job creation and economic growth package which should encourage investment in urban and rural areas. It includes a number of important provisions to help stimulate economic recovery, put people back to work, and boost small business development.

H.R. 11 includes the text of H.R. 3450, a microenterprise bill to enable welfare recipients to start small businesses. Microenterprise programs are an innovative way to help the poor work their way out of poverty by helping them set up and develop their own business enterprises.

Given the turmoil in many American communities, we need to look for ways to help the poor help themselves. The microenterprise program will do just that. By helping the poor start their own small businesses, they gain financial independence and security and lose their reliance on public assistance. The taxpayer will save in the long term and the community will gain.

H.R. 11 would create 50 enterprise zones in economically distressed communities, providing special tax breaks and other Federal aid to attract businesses and revitalize the areas. The purpose of enterprise zones is to encourage investment in areas which have been neglected.

Half of the 50 enterprise zones would be located in cities. The other half would be in rural communities. The same tax benefits would be available to investors in both urban and rural zones. This program is designed to encourage small businesses to locate or expand in distressed communities and strengthen the economic base in these areas.

H.R. 11 contains elements of the Weed and Seed initiative which provide a framework for coordinated action by the public, private, and nonprofit sectors to revitalize inner cities and promote self-sufficiency. Weed and Seed would allow both rural and urban enterprise zones to select applicable programs for their areas from a series of five categories: Crime and community policing, job training, education, health and nutrition, and housing and community development. Weed and Seed will give communities help so they can best decide how to meet their needs.

The bill includes other tax provisions which are sound building blocks for the economy.

H.R. 11 allow real estate professionals, including agents, to deduct losses on rental property—so-called passive losses—against other income from real estate investments; extends permanently the low-income housing tax credit, extends permanently the targeted jobs tax credit, which benefits businesses that hire certain disadvantaged workers; and extends permanently the mortgage revenue bond and mortgage credit certificate programs, which allow State and local governments to use tax-exempt financing for low-income housing.

The bill also extends for 18 months several expiring tax breaks; including the research and development tax credit, employer-provided educational assistance, a tax exception for gifts of appreciated property and employer-provided legal services. The bill also extends the 25-percent deduction for health insurance costs of the self-employed for 6 months.

H.R. 11 repeals the luxury tax. While the 1990 budget agreement included excise taxes on luxury items for deficit reduction purposes, it is now clear that the luxury tax will not generate additional revenue; but actually result in a net loss to the economy. Repeal of the luxury tax is particularly important to the boating industry in Tennessee. The manufacture and sale of boats plays an important role in our local economy. Because of the luxury tax, the industry has suffered. Repeal of the luxury tax should go a long way toward helping the industry get back on its feet.

H.R. 11 also contains significant welfare reform provisions to make it easier for States to fund the welfare-to-work programs I supported as part of the last major welfare overhaul, the 1988 Family Support Act, Public Law 100–485.

Under that law, States were required to set up education training and work programs called JOBS [Job Opportunities and Basic Skills] aimed at helping welfare recipients leave the public rolls. This provides welfare recipients with a sense of responsibility as well as the opportunity to gain valuable work skills, job histories and job references. H.R. 11 increases the Federal match for the JOBS Program and includes a modified version of the administration's welfare reform proposal to increase the asset test for recipient families.

H.R. 11 includes the Taxpayer Bill of Rights Act. This is a well-balanced package of reforms I have long supported that should provide taxpayers with additional protections and safeguards in their dealings with the Internal Revenue Service [IRS].

Congress made a good start in 1988 when the original Taxpayer Bill of Rights was enacted into law. But it is evident that more needs to be done because of problems taxpayers continue to have under the current Federal tax system. I hope these reform provisions will move us closer to the objective of developing a level playing field between taxpayers and the IRS.

I urge passage of H.R. 11.

Mr. MARKEY. Mr. Speaker, I rise to support the enterprise zone legislation that we have before us today. The riots in Los Angeles brought long overdue attention to the conditions in our inner cities in this country. They have been seriously neglected with terrible consequences. But, while we focus on the problems of the largest cities, we should not lose sight of the equally desperate situation in many of our smaller cities. As we consider enterprise zone legislation, I urge my colleagues to consider the desperate problems faced by many of our small cities.

For the first time since the Great Depression, the Commonwealth of Massachusetts declared one of its cities in receivership in 1990. Chelsea, MA has only 28,000 residents but it faces all of the same difficulties of our largest cities.

Chelsea's tax base has declined while the demand on its public services has soared with unemployment and increased poverty. It has one of the highest percentages of public housing of any city in the Nation. Chelsea is also one of the most racially diverse cities of Massachusetts.

Because of its size and economic distress, nearly all of Chelsea's citizens live in areas which would qualify for enterprise zone treatment. It would be ironic if we adopted legislation which allows enterprise zones for large cities—with their broad resource base—but excludes smaller ones like Chelsea in which almost the entire city is in economic distress.

Since being placed in receivership 2 years ago with a $10 million deficit in a $40 million budget, Chelsea has made dramatic progress. This month receiver Jim Carlin has been able to propose a balanced budget for the coming fiscal year. But cities like Chelsea need long-term reinvestment by the private sector to create jobs and rebuild an aging infrastructure. The enterprise proposal being considered by the House today provides incentives to bring jobs back into these areas and enables people to improve their own lives and that of their community.

I am pleased that the legislation before us today will enable small cities like Chelsea to qualify as enterprise zones on their own or in partnership with other cities, and I urge my colleagues to support this bill.

Mr. LEVINE of California. Mr. Speaker, I rise today in support of H.R. 11, and to say that I am relieved that the President was finally willing to work with Congress to craft a workable first step in rebuilding American cities. I thank our Democratic leadership, Mr. FOLEY and Mr. GEPHARDT in particular, for bringing this bill to the floor expeditiously.

I am particularly pleased that my legislation on child support collections and reporting has been included in the package, and thank my colleague from Texas, Mr. ANDREWS, for his leadership on this issue. The provision, which will require credit reporting agencies to publish unpaid child support debts on consumer credit reports is a simple but highly effective method of increasing child support payment rates. The Association for Children for the Enforcement of Support estimates that collection rates in States who use this tool have seen collection rates soar by 20 percent.

The time has come to get tough on the deadbeat dads who skip out on their responsibilities to their families. This provision will make a meaningful contribution to easing the poverty and suffering for many poor women and children in this country. I applaud the conferees for including it in H.R. 11. I urge my colleagues to support this much-needed bill.

Mr. FORD of Michigan. Mr. Speaker, I rise in strong opposition to H.R. 11. Before I get into my problems with the substance of the measure, let me say that I vigorously oppose the manner under which the bill is being brought up.

By considering H.R. 11 under suspension of the rules, we will not have an opportunity to deal with the Federal Express issue—a union buster which will lead to discrimination in the allocation of pension benefits by pilots' employers. And in this forum, we are also denied an opportunity to address the writeoff of intangible assets—a blatant taxpayer subsidy for corporate raiders.

Mr. Speaker, at a time when we should be moving forward to help the poor and unemployed throughout the Nation, this bill, at best, will help just a chosen few in a handful of cities.

The focus of this enterprise zone legislation is all wrong. What was intended to reach poor and unemployed people in this Nation's cities has been converted to yet another bundle of tax cuts for enterprising fat cats. This bill creates tax breaks we cannot afford for people who need them the least.

This enterprise zone legislation is nothing more than a continuation of the Reaganomics of the 1980's—shoveling tax breaks onto the wealthy in hopes of seeing the benefits trickle down onto the real people in need. Enterprise zones will not create jobs. They will simply shift jobs from one depressed area to another. The proposed zones will not solve the problems of urban blight nor the desperate need for employment in inner cities. It is just the wrong way to go.

Mr. Speaker, I recognize that there are some very valuable elements which have been included in this package: Repealing the excise tax on boats, extending employer-provided educational assistance, extending the self-employed health deduction, making permanent the targeted jobs tax credit and the low-income housing tax credit, and making permanent the authority of States and localities to issue mortgage revenue bonds. But these good elements are far outweighed by the special interest tax breaks in the bill.

The lion's share of relief in this bill is in the form of tax benefits to individuals and businesses—bonuses for those who can afford to get their high-paid lobbyists to Capitol Hill.

At a time when this Nation's cities are hemorrhaging, when unemployment continues to rise, and when the American people are hurting, this tax giveaway and Band-Aid approach to relief is tragic. I urge my colleagues to join me in opposing H.R. 11.

Mr. MACHTLEY. Mr. Speaker, I rise today in support of H.R. 11, the Revenue Act of 1992. Today's passage of H.R. 11 marks a nearly final chapter in a long and tragic story that has decimated our economy and threatened the livelihood of thousands of families throughout the Nation.

This bill repeals the luxury tax on boats and jewelry, which were included in the so-called deficit reduction bill passed in 1990. As we all know, this bill badly failed to meet its objectives as we have seen a doubling of the deficit since the bill's passage.

Mr. Speaker, on January 1, 1991, the jewelry and boating luxury taxes took effect. Since that fateful day, we have witnessed thousands upon thousands of workers being thrown out into the street without a job from what were once two of this Nation's—and indeed my State of Rhode Island's—most proud and productive industries.

Instead of penalizing the wealthy and raising revenue as we were promised, these luxury taxes only served to damage the livelihood of uniquely skilled boating and jewelry craftsmen who have contributed so much to our economy and to our heritage. The wealthy, on the other hand, simply found other ways of spending their money, such as purchasing boats and jewelry abroad.

In fact, a total of 2,000 out of Rhode Island's 4,000 boatbuilding employees lost their jobs due to the luxury boat tax. These jobs averaged about $12 per hour. Additionally, this tax forced the closure of Pearson Yachts, a nationally known boatbuilder in my hometown of Portsmouth, RI.

Those of us who have worked long and hard to pass legislation to repeal these taxes know that 18-plus months of damage will be difficult to repair. A stand-alone repeal bill should have been on this floor long, long ago.

I commend all of my colleagues, Republican and Democrat, who I have worked with to restore viability of our jewelry and boating industries. Next time, let's hope that Congress thinks first before enacting such damaging legislation as the luxury taxes.

Mr. COYNE. Mr. Speaker, I rise in support of this legislation and want to note in particular the fact that this bill would permanently extend the small issue Industrial Development Bonds Program.

I introduced legislation to extend the IDB Program at the beginning of this Congress which has been cosponsored by over 230 Members of the House. Members of the House know that industrial development bonds and small issue Aggie bonds create jobs in their own district and in areas large and small across the United States.

The Industrial Development Bond Program is the only Federal program promoting the growth and expansion of small manufacturers available to State and local governments. The result has been to enhance the international competitive position of U.S. manufacturing and to preserve American jobs that might have been lost to foreign manufacturing facilities.

IDB's play a critical role in providing the good paying manufacturing jobs that allow U.S. workers to support their families and pay taxes. Between 1987 and 1990, IDB's annually have created an estimated 59,000 new manufacturing jobs and facilitated the retention of 73,000 jobs through the financing of roughly 1,100 projects (based on a 1989 volume of $3.227 billion).

Industrial development bonds are used throughout the United States to achieve the goals set by this committee. Only the mortgage revenue bond program represents a larger proportion of State and local bond activity. At a time when total manufacturing employment has declined over the past decade, the number of workers in smaller plants (those with fewer than 250 employees) has actually grown by over 500,000.

Since 1986, the Ways and Means Committee has regularly voted to extend temporarily the qualified small issue IDB Program. Unfortunately, the threat of periodic sunsets has limited the ability of State and local governments to utilize this program in the most effective manner. Still, small issue IDB's continue to play a central role in the economic development strategies of most U.S. State and local governments even with this limitation.

The important national economic role played by IDB's is one reason why the House has historically given its strong support to extension of the Industrial Development Bond Program. Industrial development bonds have kept open firms that might have closed or gone overseas, and have created in my own State of Pennsylvania over 7,800 new manufacturing jobs and preserved another 15,725 jobs that would have been lost between 1987 and 1990.

Passage of the bill reported by the Ways and Means Committee will finally provide a permanent extension of the small issue IDB Program. Support for this bill will remove the uncertainty over sunsets and permit small firms in every congressional district to expand and retain good-paying jobs.

Mr. Speaker, I urge my colleagues to support the bill and support permanent extension of small issue industrial development bonds.

Mr. CONYERS. Mr. Speaker, I ask unanimous support to revise and extend my remarks.

Mr. Speaker, I support this legislation with a great deal of reservation. I appreciate the effort of the majority leader to do the best he could against an administration more intent on lining the pockets of the rich than in lending a helping hand to the poor.

We started this process in response to a rebellion in Los Angeles. We've ended it with a windfall for corporate America and a whimper from the Congress. It's very painful for me to vote "yes" for legislation that provides $2 in tax breaks for the rich for every $1 it spends on the people most in need.

It's a sad day for this body when in order to get $500 million more in spending a year for our cities we have to repeal the luxury tax, modify the passive loss provision which will promote a new round of real estate speculation, and allow corporate tax writeoffs for so-called good will. Good will for business will create bad will with workers and lead to a new wave of corporate mergers.

Perhaps the biggest affront in this measure is the not-too-thinly veiled attempt at union busting at Federal Express.

Mr. Speaker, you can't get blood from a turnip. I know what is possible with this President. Therefore, notwithstanding these odious provisions, I will vote for the measure.

Mr. ARMEY. Mr. Speaker, the 1990 budget agreement was harmful to the economy in many ways, but perhaps the most noticeable provision is the luxury tax that was intended to soak the rich.

This excise tax zeroed in on five industries and targeted them for destruction with the precision of a smart bomb. The American workers who build, sell, and service expensive cars, boats, planes, furs, and jewelry never had a chance.

Several of our colleagues deserve special praise for getting into the battle early and fighting consistently to repeal these job-killing taxes.

Early last year OLYMPIA SNOWE opposed a bill to repeal the tax on boats, and also joined with Senator CONNIE MACK to produce a Joint Economic Committee minority report on the negative effects of these painful taxes.

DICK NICHOLS of Kansas sponsored a bill to repeal all five of these taxes, and also worked diligently with Representative BILLY TAUZIN and myself to put together a bipartisan coalition to totally eliminate the luxury taxes.

And of course CLAY SHAW of Florida who fought long and hard on the Ways and Means Committee to repeal the luxury taxes.

It is time to repeal these taxes and allow the American workers in these industries go back to work building boats and planes and selling cars, furs, and jewelry.

Mr. MINETA. Mr. Speaker, I rise in opposition to H.R. 11, the Revenue Act of 1992. Due to the restrictive nature of today's floor debate, critical amendments were prohibited from being offered and, therefore, I must oppose this legislation.

One instance in particular: I had planned to offer an amendment to strike the provision in H.R. 11 which removes the collective bargaining condition from the airline pilot pension plan exemption regarding the nondiscrimination rules of ERISA.

This provision clearly assists one individual company's attempt to undermine the union organizing efforts of its pilots and the full House should have the opportunity to remove it from this legislation.

Under current law, airline pilot pension plans are exempt from the nondiscrimination rules of ERISA if, and only, the plans are negotiated in bona fide collective bargaining.

The inclusion of a provision to remove the collective bargaining condition, thus broadening the exemption to include all airline pilots regardless of whether or not they are organized, violates the principle that Congress should not intervene on behalf of one particular side in a labor-management dispute or a legitimate organizing effort.

Mr. Speaker, nonunionized workers have no comparable process to ensure that they receive fair treatment. For this very reason, a variety of laws, including the Internal Revenue Code, contain minimum standards to ensure fair treatment of workers.

Currently, the Internal Revenue Code requires noncollectively bargained pension plans, including nonunion airline pilot plans, to meet certain nondiscrimination rules to prevent discrimination against workers who are not highly compensated. This type of protection is crucial.

Furthering this argument is the fact that only one airline, Federal Express, is actively pursuing this type of exemption for its pilots. It is clear that their motive is not wholly selfless, but rather a demonstration to their company pilots that there is nothing to be gained from organizing a union to improve their pension plan because the Congress will change the law.

And Mr. Speaker, let me be very clear: This is not a quarrel with the Federal Express Co. I personally have great admiration for the company's success. In fact, I was the author of the provision which lifted the 7,500 pound weight limitation on air freight; action which effectively allowed the Federal Express Co. to compete in a deregulated environment.

Mr. Speaker, the provision in H.R. 11 is the very same provision which engendered significant controversy as part of the previously vetoed bill, H.R. 4210.

You may recall that a letter signed by 44 of our Democratic colleagues expressed such strong opposition to this provision that we were willing to vote against the conference report on H.R. 4210.

It was only after receiving assurances from Members of the House Democratic leadership that they would oppose this type of provision in future Democratic-authored tax measures that I relented and voted for the bill while urging my colleagues to do the same. These assurances make the current restricted framework all the more frustrating.

Mr. Speaker, there are provisions in this bill that I support which I believe would help to rebuild our economy, provide jobs, and help to reinvigorate the U.S. industrial and education infrastructures.

I want the record to show that I support the provisions in the bill that make permanent four of the expiring tax provisions including the low-income housing tax credit, the targeted jobs tax credit, mortgage revenue bonds, and small issue development bonds.

I aslo support the extension of the expiring tax credits such as the R&D tax credit and the section 127 exclusion for employer-provided education benefits.

Finally, I support the repeal of the luxury tax on boats, airplanes, jewelry, and furs, with indexation of the threshold for automobiles. This tax was misguided and has caused unacceptable job loss across the Nation.

It is my hope that the misguided provision in this bill that provides for the amortization of intangible assets over a period of 14 years will be fixed during the conference on this bill. This provision will act as a 20-percent sales tax on high-technology investments and will undermine the efforts of high technology companies to commercialize new technology, which is vital in this competitive information age.

Mr. Speaker, we must resist every attempt to use the Congress as a tool to thwart the legitimate efforts of employees to organize and thus, I must oppose this legislation.

Mr. SERRANO. Mr. Speaker, I rise in strong support of H.R. 11, legislation that will implement substantive urban aid programs to assist our Nation's beleaguered cities.

The violence that overtook south central Los Angeles last May was only the most dramatic indicator of the despair that has accumulated in our Nation's cities after more than a decade of neglect from Washington. Those of us who live amid the poverty, poor health, unemployment, crime, and drug abuse that is so prevalent in parts of all of our great cities know from daily experience how badly our Nation's wounds have festered.

Mr. Speaker, at long last we have before us in H.R. 11 legislation to comprehensively address the myriad problems that have contributed to a cycle of decline in our cities.

The centerpiece of this legislation is the extension of an array of important tax benefits to businesses that locate in and employ the residents of 25 areas designated as urban enterprise zones. By giving employers valuable incentives to invest in distressed areas, this legislation will help set the designated zones on a path toward revitalization and renewal.

Some have said that this legislation is inadequate because it designates only 25 urban enterprises zones, while many dozens of urban areas are in equally dire need of this assistance. I agree with this criticism. My colleagues are correct; this in itself is not enough—but it is a very important first step.

Mr. Speaker, I believe that as the benefits and ultimate cost-effectiveness of enterprise zones become apparent, we will be ready, willing, and able to replicate this program to other distressed urban areas within a short period of time.

I fully support this important legislation.

Mr. RAMSTAD. Mr. Speaker, I rise today in support of H.R. 11, the Revenue Act of 1992.

Mr. Speaker, the unemployment figures released this morning should be of grave concern to all of us. For too long, Congress has delayed passage of a progrowth tax package which would help stimulate the economy and create new jobs for those Americans who need them.

I am pleased to see that Congress has decided to put aside politics as usual to produce legislation that will help the American people, especially those in our depressed urban centers.

By creating targeted enterprise zones, this measure will provide needed jobs for many of our urban areas. Its partial tax break on capital gains should give businesses incentives to invest in our inner cities and employ many of the poor who want to get off the welfare rolls and into the labor force.

While I would rather see the complete elimination of taxes on capital gains in these areas, I believe that this bill represents a good start in the right direction.

In addition, I am delighted to see Congress provide funding for the President's Weed and Seed Program.

This program, which coordinates law enforcement, community policing, and social services efforts at the Federal, State, and local levels, has been tremendously successful in pilot programs across the country and promises to be a very effective tool in cleaning up and revitalizing the hardest hit neighborhoods in the country.

This bill also includes a number of important tax provisions that will move us toward an economic recovery more quickly.

For example, by reinstating the passive loss deduction for real estate professionals, this bill will restore the attractiveness of real estate investment, boost currently low market prices, increase construction jobs, and make low-income housing more available.

In addition, H.R. 11 repeals the luxury tax adopted in 1990, which has virtually destroyed a number of industries, throwing thousands of people out of work and losing millions of dollars in tax revenue from those now-unemployed workers. I strongly applaud the repeal of luxury taxes in this bill.

I am also pleased to see that this bill includes the so-called tax extenders which are critical to economic recovery. The targeted jobs tax credit helps millions of disadvantaged workers—especially people with disabilities—obtain employment. Mortgage revenue and industrial development bonds encourage much-needed, long-term, productive investment. These and the other nine tax extender measures are urgently needed to increase productivity, investment, and jobs.

As many of my colleagues have said before me, the bill has a number of provisions that must be corrected before this legislation is enacted, and I trust these will be addressed in conference. But the overall bill will be of great benefit to the economy and I urge its immediate passage.

Mr. HUGHES. Mr. Speaker, I rise in support of H.R. 11, the Revenue Act of 1992. This bill repeals the ill-conceived luxury tax on boats and other products, extends some of our most important economic growth incentive programs, relaxes the current real estate passive loss restrictions, and several other provisions that will help to rejuvenate our economy.

The luxury tax on boats has been a disaster from day one. I have seen companies whose top quality products and reputations made them successful for decades brought to their knees by the imposition of this tax in the middle of a recession. This tax lost money because workers who could have been earning money and paying taxes lost their jobs and collected unemployment.

Housing and real estate have led our economy out of past recessions, and H.R. 11 provides some tools to help those sectors do it again. First, it relaxes the real estate passive loss restrictions imposed by the Tax Reform Act of 1986. These restrictions were too harsh and were not phased in slowly enough to allow the industry to adjust. The bill also permanently extends the low-income housing tax credit and the tax exemption for mortgage revenue bonds, two proven real estate incentives.

The bill will also help create jobs in other areas. The expiring targeted jobs tax credit and the exemption for small issue industrial development bonds will be permanently extended, and the alternative minimum tax [AMT] depreciation schedule is accelerated to lower the costs of capital for businesses.

Finally, this bill also includes enterprise zone incentives for 50 of our poorest rural and urban areas. These incentives include wage credits, a capital gains reduction for long-term investment, increased initial depreciation allowances, deductions for investing in enterprise zone businesses, and other incentives. While we have to be careful that these incentives actually create new jobs and do not merely shift employment from one area to another, I believe that the zones are an approach worth trying.

There are some provisions in the bill that are of questionable value and I would not support them on a separate vote. But, on balance, it is a good bill and worthy of our support.

Mr. HOAGLAND. Mr. Speaker, as we debate today H.R. 11, the Revenue Act of 1992, I want to thank the leadership of the House and the President for putting together a bill that will address some inner cities and distressed rural areas.

Enterprise zones can help areas like South Omaha and North Omaha in my district. Many Omaha citizens need improved schools that will stimulate the interest of their youngsters to stick with it, to complete their high school education, and to have the skills to go into the work force. They need good jobs and to know that the jobs are out there, new housing and a sense of community. They need hope for the future.

Without a sense of opportunity, people begin to lose hope. When people lose hope, they lose confidence in themselves. They see no prospects of working their way up, and they stop trying. Investors lose confidence when communities decay. They decide to put the new grocery store, bank, or manufacturing plant in another part of town rather than take a risk.

Where there is little hope, little work, poor education and poor health care, some people turn to drugs. In spite of the best efforts of many community leaders, some Omahans have become victims of the drug epidemic; others have become guilty of spreading the drugs and violence. I know the people in Omaha want to fight back against this epidemic—more than 300 people came to a town hall meeting last year to show their concern about the crime and drug problem. Groups like MAD DADS are trying to fight the drug problem by acting as positive role models for at-risk youth. But the war on drugs will always be an uphill fight until we can break the cycle of unemployment, underemployment, and hopelessness which ravages these communities.

It's time we made a serious effort to help break the cycles of poverty and depression that plague distressed areas. This bill is a step in that direction. The bill before us today would authorize HUD to select 25 cities as urban enterprise zones and authorize the Secretary of Agriculture to select 25 regions as rural enterprise zones. In addition, the enterprise community block grants in the bill are intended to attack a range of problems, from health and nutrition deficiencies, lack of job training and educational opportunities, poor housing, and crime. The tax provisions, especially the wage credit, can help create jobs for residents of the designated zones.

Let me give a concrete example of how these programs can work in my district. There are several vacant and abandoned buildings in South Omaha and in North Omaha. Investors are reluctant to develop the areas because they seem risky. The current treatment of passive losses discourages such development efforts. This bill would create additional incentives to develop a distressed area, by changing passive loss treatment. Businesses would be encouraged to invest in the zone through investment incentives such as increased expensing and capital gains tax reduction. Residents can be better able to take advantage of these opportunities with the help of job training programs. The wage credit encourages hiring residents of the zone. The grants would help attack the crime problem, improving the quality of life for the residents as well as providing a more secure investment climate. All of these working together can offer the hope of a better future.

I urge Members to support this bill. We have a chance to make a difference. Let's take a real step toward providing hope to our cities.

Mr. KOLTER. Mr. Speaker, I rise in opposition to H.R. 11 due to a provision that would amend the Federal Tax Code concerning pension plans for commercial pilots. This provision, Mr. Speaker, is a perfect example of how a controversial and meritless idea motivated by a particular interest finds its way into an otherwise sound piece of legislation.

This provision would alter the tax code to give nonunion pilots the same treatment as union pilots under the Tax Code pension rules. In a nutshell, this attempt to change the Federal Tax Code is an effort to undermine organized labor. As things stand now, union commercial pilots are exempt from discrimination testing in the existing code for a very good reason; they can generally take care of themselves and have collective bargaining power. Therefore, the same rules don't need to apply.

Backers of this change claim that nonunion employees are discriminated against. This argument misses the point. If nonunion pilots are lumped in with union pilots, both highly paid employees, the discrimination is against the mechanics, clerks, drivers, and all other lower paid employees. This attempted alteration would fundamentally change the intent of the present exclusion.

Let's be honest. This is no more than an attempt by certain aircraft operators to erode the influence of its airline unions. If we were to change the Federal Tax Code every time an organized group; whether it be bankers, lawyers, environmentalists, or whomever, wanted to gain leverage against a competitive interest, Congress would be amending it every month. Considered alone, this provision would not survive on its own merits.

H.R. 11, Mr. Speaker, is supposed to be about economic growth: stimulating construction, manufacturing, urban investment, job creation, and education. This provision does nothing to spur economic growth. In fact, it is special interest provisions like this that do nothing but lengthen the odds that needed legislation will be enacted.

Mr. FOGLIETTA. Mr. Speaker, I rise today to express my support for this urban aid package and the assistance it will bring to cities like my own Philadelphia.

I support this bill because it begins, again, to focus Federal attention on America's cities.

I support the enterprise zone concept because it will bring jobs and opportunity and hope to desperate city neighborhoods across America.

I support the Enterprise Community Block Grant Program because it will help enterprise neighborhoods with better health programs, crime-fighting assistance, and better housing.

I support many of the tax programs—like the low-income housing tax credit and mortgage revenue bonds—because it will mean more and better housing in urban America.

I support the job assistance dollars available for young adults because these are the men and women who are having the most trouble finding good jobs in our cities.

I support the targeted jobs tax credit because it means that businesspeople will again begin hiring poor young men and women.

I supported and worked hard for the match waiver provision because it will turn the $15 billion vision of last year's highway bill into new highways, improved mass transit systems, and most importantly, good jobs in our cities. I am disappointed that it was negotiated away.

This is a good bill, however.

But we must not consider this to be the end to our flirtation with the American city. This is just the beginning.

I know I speak for the urban caucus, which I chair, and its 78 members in telling my colleagues, the White House, and America, that we are not going to let you forget the people of our cities by passing this legislation. You are not going to put cities back in a file drawer of dead issues.

We have much more work to do.

We must continue our fight for good jobs, opportunity, and promise for the people who live in our cities.

Mr. ESPY. Mr. Speaker, I rise today in support of this aid package. Like all compromises, it includes some things I want and some things that I don't want, and leaves out some things that I wanted very much.

In addition to urban and rural enterprise zones, it extends the low-income housing tax credit, targeted jobs tax credits, and other important extenders. That's all good.

But my primary concern is that whatever package we produce must pass the asset test. We can debate capital gains tax breaks, and other tax benefits, for investors, but we need to focus on policies which help people in distressed areas who don't have any capital, any assets, to begin with.

That's why I wanted an opportunity to amend this bill and promote the development of employee stock ownership plans within urban and rural enterprise zones. I wanted to allow workers in enterprise zones to also become owners. But I can't under suspension of the rules.

By leaving out ESOP's, this bill fails the asset test. But when it comes to welfare reform, it passes.

It passes the asset test by allowing States to raise the $1,000 asset limit for welfare recipients up to $10,000 if money is being saved for education, to start a microenterprise, or to purchase a home.

It requires States to exempt the first $10,000 of net worth of a microenterprise from the asset test.

Lastly, this bill exempts any earnings of a child who is a student from the resource test, so a child could work and save for college without it counting against the families income.

In this bill of $2.5 billion in enterprise zone tax benefits, raising the asset limit to $10,000 for welfare recipients might sound insignificant. But it is very significant for families on welfare, who need savings, and assets, to move off welfare.

I urge my colleagues to support this legislation.

Mr. MCMILLEN of Maryland. Mr. Speaker, I rise in support of H.R. 11, the Revenue Act of 1992. This is a good bill, and contains some changes in the Tax Code which are long overdue.

Of particular importance is the repeal of the luxury excise tax on boats, effective January 1, 1992. There are times when we have to recognize when we have made a mistake, and work to remedy it. This is one of those times.

While the tax was ostensibly aimed at hitting the wealthy, it sunk the boating industry. The boating industry, with national sales down by over 40 percent in the last year and a half, is in a state of depression. Already reeling from a national recession, the luxury tax was the straw which broke the camel's back. This repeal is crucial in getting the industry back on track.

I am also pleased that this bill will permanently extend the tax preference for small-issue industrial development bonds, the targeted jobs tax credit, the low-income housing tax credit, the mortgage revenue bond tax exemption and other such measures.

These tax provisions are fundamentals which strengthen our economy, and encourage the needed investments for our future. They are cost-effective, and have proven themselves in practice.

Continuing the tax exemption for industrial development bonds (IDB) is a particularly important measure. IDB's are an effective economic development tool, which leverage private and public capital for local development. At a time when Congress is looking for new incentives to spur economic growth, we must not lose sight of an existing tool for creating and preserving jobs.

Similarly, the mortgage revenue bond program has been crucial in helping single families buy their own homes. Aside from bolstering the construction industry, this provision—along with the low-income housing tax credit which will also be extended—provides a useful social function in facilitating home ownership.

In an era of limited Federal resources, it is these types of incentives which will prove to be essential to our future. They help State and local governments create jobs, provide housing, and take care of local needs—all in a cost-effective manner. One of the successes of America's local government has been its access to capital markets, which have allowed local governments to meet the needs of the local community. This measure maintains that access.

The bill also includes provisions designed to protect the rights of taxpayers—including the establishing of a taxpayers' advocate, prohibiting the Treasury Department from issuing regulations that apply retroactively, and making IRS agents personally liable if they are found to have acted capriciously or negligently.

I am also supportive of the the adopted changes in the passive loss provisions which allow real estate developers and brokers to use losses from rental real estate to offset other income. Under current law, taxpayers cannot use losses from rental real estate to offset any other types of income. Thus, a real estate professional cannot offset legitimate rental losses from other income. This means that real estate managers are paying taxes on gross income and not net income.

Anytime government policy disrupts the balance of the market, there will be a price to pay. The policies of the early 1980's skewed economic decisionmaking. I have long been concerned, however, that Federal policy reacted too strongly to this situation. The repeal of the passive loss provisions in 1986 went too far and ended up skewing economic decisionmaking in a different direction.

This clearly has a negative impact—and not just on the real estate industry; it's also hurting our financial industries. Consequently, we will not see a significant economic rebound until we see real estate back on its feet, and we need to change the passive loss provisions to see that happen.

Mr. Speaker, this legislation is a necessary step in the right direction, and I commend the Ways and Means Committee for their efforts in putting this package together. I urge my colleagues to support this long awaited measure.

Ms. SNOWE. Mr. Speaker, last week, I was very pleased to see the Ways and Means Committee include the repeal of the luxury tax on boats in its latest tax bill. This action was a very positive development for Maine's boat building industry, at a time when such good news is in short supply.

The boat building industry in Maine has just been devastated by the boat tax. Hundreds of Mainers have lost their jobs, and the job security of the remaining employees at these small businesses is being seriously threatened, as long as this ill-fated tax remains in effect.

I have been actively involved in numerous, bipartisan efforts to repeal the 10-percent Federal excise tax on boats selling for more than $100,000. I met with a large group of boat builders at a town meeting in Ellsworth last April. At this meeting, those workers told me that the luxury tax on boats was decimating Maine's boat building industry, and companies were laying off highly skilled, workers due to a lack of orders. I publicly pledged to those workers that I was fully committed to doing anything, and everything, I can do to help repeal this tax.

For example, last April, I wrote a letter to joint bipartisan leadership of the House Ways and Means Committee urging the committee to hold public hearings to examine the impact that the tax is having on the domestic boat building industry. Later that month, I cosponsored H.R. 951, Congressman CLAY SHAW'S legislation to repeal the luxury tax.

In May, I introduced my own legislation repealing the luxury boat tax. That measure, H.R. 2487, also containing offset provisions to ensure that its impact on the Federal budget deficit would be minimized. In June, I testified before a Senate Finance Subcommittee in support of S. 649, legislation introduced by Senators BREAUX and CHAFEE to repeal the luxury boat tax.

In July, along with Congressman DICK ARMEY and Senator CONNIE MACK, I jointly released a Joint Economic Committee [JEC] report examining the impact that the luxury taxes on boats, planes, and jewelry is having on the economy. The Snowe-Mack JEC report concluded that the boat tax would cost the Federal government, on a net basis, $15 million in revenues and result in the loss of 7,600 jobs. Subsequently, Congressman ARMEY and I sent the Ways and Means Committee a copy of Snowe-Mack report and renewed our request for a public hearing to examine the impact the boat tax is having on the domestic boat building industry.

In November, I worked with several other Republican colleagues in a successful effort to get the House Republican economic recovery package to include provisions repealing all 5 new luxury taxes. This package was presented to President Bush by the House minority leadership. The next day, the President endorsed the package and urged the 102d Congress to adopt it. Unfortunately, this request was rejected by House Democratic leadership.

This past January, President Bush included repealing the luxury boat tax in his fiscal year 1993 budget proposal to the 102d Congress. Shortly thereafter, I joined with 73 other Members of the House wrote to Ways and Means Committee Chairman ROSTENKOWSKI expressing support for including the repeal of the luxury boat tax in any economic growth package that the committee developed this year.

In March, the full House of Representatives approved the final conference committee report on omnibus tax legislation, H.R. 4210. Included in the final version of this bill were provisions that repealed the 10-percent Federal excise tax on certain boats, airplanes, furs, and jewelry. However, President Bush voted H.R. 4210, citing the tax increases on upper income individuals as the primary reason for his opposition to the bill's enactment. The House failed to override the President's veto on March 25. As such, the provisions in H.R. 4210 repealing the luxury tax on boats, unfortunately, could not go into effect.

One of the primary reasons I supported H.R. 4210 on three separate occasions was the fact that it repealed the 10-percent Federal excise tax on boats costing more than $100,000. I voted in support of the original House bill, the final bill, and in support of overriding the President's veto of H.R. 4210, with the goal of repealing the luxury boat tax as a crucial provision that needed to be enacted into law as soon as possible

As the House considers H.R. 11 today, I urge all of my colleagues, on both sides of the aisle, to support this important bill. The prompt passage and enactment of this bill is essential to the continued viability of our domestic boat building industry.

Repealing the luxury tax on boats is a long overdue course of action. I hope that the Congress will be successful in its second attempt to repeal a tax that has not raised any appreciable revenues from the wealthy, but has instead put thousands of people across the nation out of work.

At a time when the economy is struggling to recover from a recession, repealing the boat tax is one good way for the Congress to demonstrate its commitment to helping make this recovery become a reality for thousands of working men and women in the United States.

Mr. OWENS of New York. Mr. Speaker, I rise in opposition to H.R. 11, the Revenue Act of 1992, which has been falsely labeled an "urban aid package". It is nothing of the sort. The so-called antipoverty provisions of this bill are nothing more than a Potemkin Village constructed to obscure the $12 billion in tax breaks the bill offers wealthy corporations.

When I first read over the details of this package, I found little in it which was appealing or compelling, but I was prepared to support it because it at least offered something, a few token crumbs, to address the misery in urban America. With this bill, as with the Higher Education Act and so many others before it, we are told that we cannot do more to address the needs of low-income families because of the massive budget deficit. We have to take what we can get.

But we only seem to hear that argument in this body when we are considering legislation which seeks to help powerless poor people. Only poor people are told they must accept crumbs. When it considers any other piece of legislation, this body politely steps aside and allows the rich and greedy to amble up and gorge themselves at the trough of the Federal Treasury. The most egregious and expensive example of this, of course, is the S&L bailout, but we see examples of this inexcusable double standard literally every day this body meets. Just a few hours ago the House voted down an amendment which would have cut $700 million from the $3.5 billion provided for the star wars program in the Defense appropriations bill. There was never much to justify star wars even at the height of the cold war, and now with communism vanquished and both the United States and Russia speedily dismantling their nuclear armaments, it is a program devoid of rationale. And yet this body refuses to slice even a paltry amount from the billions we pump into this obsolete fantasy of the Pentagon and the military-industrial complex.

Enough is enough. I am sick of settling for crumbs.

This bill will do little or nothing to fight poverty in America. The backbone of this bill's putative antipoverty provisions is the designation of "enterprise zones" in 25 urban and 25 rural communities and the provision of tax incentives to businesses which locate in these areas. This is a feeble and ultimately counterproductive approach to addressing poverty because, even when and if it succeeds, an enterprise zone does not create new jobs—it just shifts them from one place to another. Its underlying premise—that there are more than enough jobs to go around for everyone who wants one—is demonstrably untrue in our currently depressed economy. Moreover, where enterprise zones have been tried, they have not proven very effective in attracting new businesses and investment into the zones. Few businesses have found the incentives sufficiently alluring to move into the zone, and those that have moved have tended to be service-sector businesses—fast-food franchises and the like—which do not provide the kind of jobs which pay enough to support a family or upon which a man or woman can build a career.

H.R. 11 does provide more tangible and effective aid to persons living in enterprise zones in the form of a 5-year $2.5 billion block grant that would be divided among the 50 designated zones—roughly $10 million per year per zone—and used to support job training, education, and social services, law enforcement, and housing development. This kind of assistance is urgently needed in every low-income community in America and yet this bill limits the aid to a mere 50 neighborhoods nationwide. Instead of addressing long-term unemployment and the problems of all low-income families fully and comprehensively, this bill gives us a token effort that will only reach and help a fraction of the Nation's poor.

I am also concerned that the enterprise zones in H.R. 11 are badly targeted and are unlikely to be designated in the most distressed and poverty-stricken areas of this Nation. The legislation gives the administration sufficient latitude to use the awarding of zone designations as a political tool, handing them out to those communities in which they can provide the maximum political benefits to the Bush administration.

While this bill will do little to help poor people in America, it will do much to line the pockets of American corporations by providing an astonishing $12 billion in tax breaks. Some of these, including the targeted jobs tax credit and the low-income housing tax credit, are worthwhile and should be reauthorized. But H.R. 11 would also create an obscene abundance of expensive new tax breaks for corporations. The luxury tax on boats and yachts which cost more than $100,000 and on furs and jewelry which cost more than $10,000 would be repealed. Faster depreciation of assets would be provided to corporations under the alternative minimum tax, a new tax break of $1.4 billion. The Federal Express Corp. would get a special tax benefit it has been seeking to help it defeat a union organizing among its pilots. And most ludicrously of all, H.R. 11 gives corporations a tax writeoff for goodwill such as customer loyalty. If someone proposed something comparable for individual taxpayers—such as getting a tax writeoff for having a good personal reputation or being renowned for their cooking—they would be laughed off Capitol Hill. And yet here in this bill is much the same kind of giveaway for corporations and no one even cracks a smile.

More than 20 years ago, Martin Luther King, Jr., described dissent against social injustice as "America's hope". He urged us to recognize that standing up and speaking out against indignity and injustice may make some people feel uncomfortable, it may get you called arrogant or ungrateful, but it is utterly necessary and utterly American:

> It shines in the long tradition of American ideals that began with courageous minutemen in New England that continued in the abolitionist movement, that re-emerged in the populist revolt and, decades later, that burst forth to elect Franklin Roosevelt and John F. Kennedy. Today's dissenters tell the complacent majority that the time has come when further evasion of social responsibility in a turbulent world will court disaster and death. America has not yet changed because so many think it need not change, but this is the illusion of the damned. America must change because twenty-three million black citizens will no longer live supinely in a wretched past. They have left the valley of despair; they have found strength in struggle; and whether they live or die, they shall not crawl nor retreat again. Joined by white allies, they will shake the prison walls until they fall. America must change.

In my community and in communities throughout the Nation, there is growing outrage against what is perceived to be smug and somnolent leadership in Washington which does not respond to the problems real people face in their lives. You need look no further than this pathetic bill to see how right they are in that assessment. What began as an effort to respond substantively to the horrible misery and privation of inner city Americans has now become a vehicle for shoveling yet another $12 billion in tax breaks into the Treasury trough at which big business already feeds and fattens itself. Is there no shame?

Mr. Speaker, I dissent today. I refuse to participate in the illusion of the damned. America—and this Congress—must change and I must vote "no."

Mr. HAYES of Illinois. Mr. Speaker, I rise today to express my opposition to H.R. 11, the urban aid bill, before us today. As a Member who represents a community in Chicago that has been devastated by Reagan/Bush anticities policies, I feel that it is critical that we begin to focus our attention on the needs of our cities. I cannot in good faith lend my support to this measure because for purely political motive this measure has been drafted and not considered. I cannot perpetrate a lie to those suffering in urban areas, because this measure in no way assists the crises currently existing in this Nation's inner cities, including the city of Chicago.

While H.R. 11 assists by extending several expiring tax credits, including the targeted jobs tax credit and low-income housing tax credit, which I have historically supported. I believe that our leaders have not been innovative in the approach to improve our economy. This legislation takes a very traditional approach to an enormous problem. Instead of funding programs that in the past have truly assisted our cities by creating jobs and rebuilding the infrastructure, the effort is to again spur the economy through tax incentives to corporate America and the wealthy. We have taken this approach over and over again, and it is clear to me the product of this trickle-down mentality has been the turmoil we've seen nationwide in our cities and towns.

I just believe that we ought to be honest about this bill because it does not truly aid urban America. Only $2.5 billion of the bill's $14 billion is even dedicated to urban areas under the enterprise zone provision, and there is no requirement that these zones be located in economically disadvantaged areas. The administration has been successful in serving their wealthy constituents by securing a capital gains tax break which does absolutely nothing to improve inner-city conditions. And finally, I am gravely disappointed that the special provision, which clearly undermines the right of Federal Express pilots to unionize, has been attached to this legislation. This provision should be removed.

Mr. Speaker, while some will vote for this bill because they believe that some help is better than none at all, I cannot participate in what amounts to an election year hoax. If we do not begin to commit ourselves to addressing the plight of our urban cities, then we jeopardize the future of our country as a whole. Domestic reform must surge to the top of list of issues for immediate attention. Until our leaders in this Congress, as well as in the Bush administration, begin to expose themselves to urban areas beyond the extent of 5-minute media plugs after a major riot, we cannot expect them to make realistic decisions.

We must directly invest in the people of this Nation if we are going to make our cities productive again. Be it Los Angeles, New York City, or Chicago, the boiling point is literally just around the corner. The Congress must appropriately respond, negating their basic interest in being reelected. The pain and suffering is great in our urban areas and the response ought to directly address the need.

Mr. REED. Mr. Speaker, I am concerned that the provisions of section 4501 of H.R. 11, the Revenue Act of 1992, dealing with the amortization of certain intangibles, could be counterproductive.

I recognize that legislative clarification should be given for certain intangibles such as customer lists. For many small businesses, a customer list is the major asset, and it is an asset which can lose value over time as demographic and economic factors change. Hence, there should be a clear amortization schedule for these intangible assets.

Section 4501, however, goes beyond intangible assets such as customer lists and embraces a broader and more problematic set of intangible assets, particularly goodwill. Goodwill is the intangible quality of a business based on many subjective factors such as reputation. Because goodwill is difficult to quantify it can be susceptible to manipulation. This problem is further exacerbated in the context of corporate acquisitions. The possibility of deducting goodwill could inflate acquisition prices or, alternatively stated, justify excessive acquisition prices not on economic grounds but because of tax benefits. The 1980's were replete with leveraged buyout transactions driven not by the economic potential of the enterprise but by tax advantages. When these tax advantages were exhausted, the underlying value of the firm was insufficient to justify continued operations under the burden of acquisition debt. As a result, thousands of jobs were lost and hundreds of firms failed.

Section 4501 raises the possibility of a repetition of some of the disastrous mergers and acquisitions of the 1980's. In sum, it could create artificial transactions based on the Tax Code and not the productivity and economic value of a business. If amendments were in order during consideration of H.R. 11, I would have voted to delete section 4501.

Mr. SANTORUM. Mr. Speaker, I want to commend the work of the members of the Ways and Means Committee on the Revenue Act of 1992. There are several provisions I wholeheartedly support.

The luxury tax which Congress imposed on the American workers has had the expected detrimental effect, and was by many estimates a revenue loser. It proves again that increasing the burden of taxes to penalize Americans who have achieved the American dream throws working Americans out of work while damaging the economy. This bill repeals this counterproductive tax, and which should be repealed. I also support the provisions which will stabilize the real estate market. Passive loss relief will promote more investment in low- and moderate-income housing. In addition, a permanent extension of the low-income housing credit and the mortgage revenue bond provisions provide a continued incentive to invest in needed housing for all Americans.

There is a provision in this bill I support very strongly in principle, but am disturbed that it does not go far enough to be truly effective. I am speaking of enterprise zones. First, the incentives for job creation in the bill are only a small piece of Secretary Kemp's proposals. Stronger tax and regulatory incentives must be included if enterprise zones are to really be given a chance to succeed and meet the economic needs of many economically distressed communities.

Second, communities in and around Pittsburgh deserve to be designated an enterprise zone. I support very strongly the concept of enterprise zones. There are quite a few economically distressed areas in western Pennsylvania, and in fact in my district communities like McKeesport, Clairton, Duquesne, and Braddock, which have been neglected for years. There are hard-working, able people in these communities that want to work, but for many different reasons industry no longer finds their communities attractive to invest in.

More enterprise zone areas must be allowed to qualify than the 50 approved of in the bill. As I have said, incentives to business locating in these zones should be even greater. This is an initiative which, if it had been instituted 10 years ago, could have arrested the decay of our urban communities, and perhaps many of the people in my district who have seen such hard times would be employed, or if retired, would have the savings now to visit children and grandchildren in other places. Under a more comprehensive scheme, such as Secretary Kemp's proposal, many of the municipalities in my district would qualify for special tax treatment, much needed jobs would be created, and economic and community vitality would have been nurtured.

The solution to many of our urban problems is the creation of gainful employment. I hope that the passage of this bill indicates a willingness on the part of the Congress to support enterprise zones generally in all areas of need. I will work very hard in support of a bill which is broad enough to include Pittsburgh communities in its enterprise zone provisions.

Finally, I am pleased to support this bill with the understanding that it does abide by the Budget Enforcement Act. Through this bill, we will accomplish both needed job creation and economic growth without creating a greater debt burden for our children. The Congress is still irresponsible in regards to much of the spending legislation it passes, but my hope is that this measure will be a positive contribution to our children's future rather than a detriment.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] that the House suspend the rules and pass the bill, H.R. 11, as amended.

The question was taken.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 356, nays 55, answered "present" 1, not voting 22, as follows:

[Roll No. 268]

YEAS—356

Abercrombie
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Anthony
Applegate
Archer
Armey
Aspin
AuCoin
Bacchus
Baker
Ballenger
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Borski
Boucher
Boxer
Brewster
Browder
Brown
Bruce
Bryant
Bunning
Byron
Callahan
Camp
Cardin
Carper
Chandler
Chapman
Clement
Clinger
Coble
Coleman (MO)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne

Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Eckart
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (TN)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Henry
Herger
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kyl
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Marlenee
Martin
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McGrath
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mink
Moakley
Molinari
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Olver
Ortiz
Orton
Owens (UT)
Oxley
Packard
Pallone
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stokes
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Waxman
Weber
Weldon
Wheat
Whitten
Wolf
Wolpe
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—55

Ackerman
Annunzio
Atkins
Beilenson
Brooks
Burton
Campbell (CA)
Carr
Clay
DeFazio
Dingell
Early
Evans
Ford (MI)
Frank (MA)
Gonzalez
Hall (TX)
Hayes (IL)
Hertel
Jontz
Kanjorski
Kostmayer
LaFalce
Lewis (FL)
Long
McCurdy
McHugh
Mineta
Mollohan
Murphy
Myers
Oberstar
Obey
Olin
Owens (NY)
Panetta
Penny
Petri
Rahall
Sanders
Savage
Scheuer
Schroeder
Skaggs
Solomon
Stenholm
Swett
Taylor (MS)
Traficant
Unsoeld
Washington
Weiss
Wilson
Wise
Yates

ANSWERED "PRESENT"—1

Martinez

NOT VOTING—22

Barnard
Bonior
Broomfield
Bustamante
Campbell (CO)
Coleman (TX)
Collins (IL)
Collins (MI)
Dwyer
Dymally
Edwards (CA)
Hefner
Kolter
Lehman (FL)
Markey
McEwen
Mrazek
Roe
Smith (FL)
Thomas (GA)
Traxler
Williams

□ 1704

Mr. WISE changed his vote from "yea" to "nay."

Mr. SPENCE and Mr. TORRES changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF PUBLIC HEARING ON SOCIAL SECURITY BENEFITS

Mr. JACOBS. Mr. Speaker, on behalf of the Committee on Ways and Means, I announce that a public hearing will be conducted on the subject of the disparity of Social Security benefits, sometimes called the notch controversy, on the 23d of this month of July at 10 a.m. in room 1100, Longworth Building.

WAIVING CERTAIN POINTS OF ORDER AGAINST AND DURING CONSIDERATION OF H.R. 5517, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1993

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 102-651) on the resolution (H. Res. 509) waiving certain points of order against and during consideration of the bill (H.R. 5517) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5100, TRADE EXPANSION ACT OF 1992

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 102-652) on the resolution (H. Res. 510) providing for consideration of the bill (H.R. 5100) to strengthen the international trade position of the United States, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 5260, UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1992

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 102-653) on the resolution (H. Res. 511) waiving points of order against the conference report on the bill (H.R. 5260) to extend the Emergency Unemployment Compensation Program, to revise the trigger provisions contained in the Extended Unemployment Program, and for other purposes, which was referred to the House Calendar and ordered to be printed.

SEXUAL HARASSMENT CHARGES IN THE NAVY

(Ms. PELOSI asked and was given permission to address the House for 1 minute.)

Ms. PELOSI. Mr. Speaker, earlier today the House considered the Defense appropriation bill, and I rise now to commend and thank our colleague, Chairman MURTHA, for his immediate and determined response to the sexual harassment of women aviators at the Navy's Tailhook Convention. When we considered the Defense appropriations bill in our full committee, members of the committee commended the gentleman from Pennsylvania [Mr. MURTHA] for the actions that he had taken and I want to convey some of those comments to this body.

Chairman MURTHA acted quickly for a full investigation and for full accountability. He also moved quickly to reduce Navy funding to send a message to the Navy that women would not be subjected to this type of behavior.

Mr. Speaker, I hope the House will join in commending our colleague, Chairman MURTHA, again for his sensitivity, his courage, and his sense of justice.

Mr. Speaker, I rise today to commend and thank my colleague, Chairman MURTHA, for his immediate and determined response to the sexual harassment of women aviators at the Navy's Tailhook Convention. Chairman MUR-

THA acted swiftly for a full investigation and full accountability. He also moved quickly to reduce Navy funding to send the message that women would not be subjected to this type of behavior. The individual aviators who participated in the incident, as well as their commanders, must be reprimanded and accept responsibility for their degrading behavior. Department of Defense policies must also protect anyone in the Armed Forces who is treated unjustly.

Mr. Speaker, this incident points to the larger issue that is commonplace in the Armed Forces for women. Women face discrimination, harassment, and degradation in the face of doing their jobs. Women have not yet been integrated into the Armed Services where men and women work side by side and in unison, but rather they are at odds with each other. The policies of the Department of Defense are not sensitive to the concerns of women.

I would also like to commend Lt. Paula Coughlin for her courage and determination in speaking out against the behavior of drunken aviators. It is difficult for a woman to come forward to discuss the details of degrading behavior, especially when her own superior does not take her seriously.

I commend my colleague and friend, Chairman MURTHA, again for his sensitivity, courage, and sense of justice.

Mr. MILLER of California. Mr. Speaker, will the gentlewoman yield?

Ms. PELOSI. I am pleased to yield to the gentleman from California.

Mr. MILLER of California. Mr. Speaker, I just would like to associate myself with the remarks of the gentlewoman in commending the chairman of the Subcommittee on Defense Appropriations for his very decisive action. I think it made us very proud as Members of this House that somebody would finally act in that decisive manner on this absolutely unacceptable behavior.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3221

Mr. VOLKMER. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of the bill, H.R. 3221.

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentleman from Missouri?

There was no objection.

□ 1710

LEGISLATIVE PROGRAM

(Mr. DREIER of California asked and was given permission to address the House for 1 minute.)

Mr. DREIER of California. Mr. Speaker, I asked unanimous consent to speak for 1 minute in order to ask the distinguished chairman of the Democratic Caucus concerning the schedule for the balance of the day and the schedule for the action-packed week between Independence Day and the Democratic Convention.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. DREIER of California. I am happy to yield to my very good friend, the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. I thank the gentleman from California for yielding to me.

We have completed our legislative business for today, Mr. Speaker. The House will be in recess tomorrow and on Monday in observance of the birthday of our Nation, July 4.

We will come back into session on July 7, on which day we will consider six suspensions: H.R. 3562, regarding the Customs forfeiture fund, H.R. 5269, to add to the area in which the Capitol police have law enforcement authority, a bill of general interest to the country.

H.R. 3836, the Pacific Yew Act, an unnumbered House resolution regarding the New England groundfish restoration, H.R. 4310, the national marine sanctuaries reauthorization, H.R. 1435, Rocky Mountain Arsenal wildlife refuge. Votes on all of those suspension bills, if any, will be rolled until the end of the day on Wednesday, the following day. So we do not expect any votes on the floor on Tuesday.

On Wednesday, July 8, we will expect to meet very late with legislative votes possibly as early as 11 a.m. Members need to know possible votes will be as early as 11 a.m.

During Wednesday we will be considering H.R. 5100, the Trade Expansion Act of 1992, subject to a rule, an unnumbered bill, the District of Columbia appropriations for fiscal 1993, subject to a rule, and H.R. 3553, higher education reauthorization conference report.

On Thursday we also expect to meet very late in the evening, and we will be considering the Department of Transportation appropriations bill for fiscal 1993, subject to a rule, and any other possible legislation either held over from the prior day or that may come up prior to that time. We do not expect any votes nor do we expect to be in session on Friday. The House will then adjourn, and the Democratic Convention will be held the following week.

Mr. DREIER of California. I thank my friend.

Mr. Speaker, I would like to inquire: A number of people on this side of the aisle have asked is the order in which the gentleman outlined the three bills to be considered on Wednesday, July 8, accurate? Are we planning to proceed with first the trade bill, then the District of Columbia and then higher education, in that order?

Mr. HOYER. I will tell my friend, the distinguished gentleman from California, right now it is accurate. I say that only because, as the gentleman well knows, the vagaries of the legislative process are that there may be one bill that will proceed the other which is listed out of order here.

Mr. DREIER of California. Well, as my friend knows, we had an incredibly unique experience this week when three rules were considered in very, very different order, several different times and way beyond the schedule. That is why we are wondering whether it is planned at this point to begin with the trade bill first thing on Wednesday morning.

Mr. HOYER. The present plan is that that is what we will do.

But as the gentleman from the Committee on Rules knows so well, "the best laid plans."

Mr. LEACH. Mr. Speaker, will the gentleman yield?

Mr. DREIER of California. I yield to the gentleman from Iowa.

Mr. LEACH. I thank the gentleman for yielding.

Mr. Speaker, as the distinguished spokesperson for the majority party knows, 15 months ago the President of the United States requested that this Congress act on replenishment of International Monetary Fund. On April 1 of this year he made a plea to the Congress to act on a Freedom Act for the former Soviet Union and asked that it be passed by the Congress before Mr. Yeltsin visited the United States. As yet, the House of Representatives has not scheduled consideration of this massively important bill. And I raise it in two contexts: First, the longer we delay the less likelihood of a sympathetic hearing; but second, and of extraordinary significance, that because it relates to an international financial institution, that the Congress is delaying not only United States participation in this plan but the participation of all of our allies who are going to match our contribution by a 4-to-1 ratio.

In other words, this Congress is delaying not only an executive branch initiative in our country but an accepted executive branch initiative in all of the other major capitals of the Western world and Japan.

I just plead with the gentleman to give serious consideration for the timing of this particular initiative which the President, on behalf of the American public, has placed so much import upon.

Could the gentleman enlighten us on whether there is a scheduled consideration for the Freedom Support Act?

Mr. HOYER. I thank the gentleman for his comments and observations. And if the gentleman will yield——

Mr. DREIER of California. I am happy to.

Mr. HOYER. In responding to the gentleman, as the gentleman knows, the other body is considering this legislation. I do not know that they passed it today. But assuming they did, this body will, I think, move on that legislation to address it in the near term. I do not have a date for the gentleman.

Mr. LEACH. If the gentleman could yield for one clarification: Is this a commitment that it will be considered before the August recess? That seems very reasonable to this gentleman. I think we are late now, but if it is put into September, it is a totally different kind of aura for consideration.

So I would urge the gentleman, within his leadership, to, if at all conceivable, do this as early in July as possible. Is that possible?

Mr. HOYER. I appreciate the gentleman's comments. As the gentleman well knows, I would have to consult, clearly, with the committees of jurisdiction before I can accurately answer that question. I do not want to do that. But I will tell the gentleman that I will bring his concern, which is shared by the majority leader——

Mr. LEACH. I know, many on both sides of the aisle, I appreciate that.

Mr. Speaker, I thank the gentleman for yielding.

Mr. DREIER of California. I thank my friend or his question.

I would like to inquire of the distinguished caucus chairman if the votes on the suspensions are going to be held following the consideration of the three bills set for Wednesday, July 8, and he said we are going to be going late into the night if we finish, as we have this week, at midnight, will we then be at midnight voting on the suspensions that were considered the day before?

Mr. HOYER. That might occur, but we will certainly consult with your side of the aisle, trying to accommodate Members. And if we got that late, we may well do it the first thing the following morning. But it is our present plan to do it late and, hopefully, it won't be—when we say late—not that late.

Mr. DREIER of California. I thank my friend, and I wish him a happy, a very happy Independence Day.

DISPENSING WITH CALL OF PRIVATE CALENDAR ON TUESDAY, JULY 7, 1992

Mr. HOYER. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar be dispensed with on Tuesday, July 7, 1992.

The SPEAKER pro tempore (Mr. Torres). Is there objection to the request of the gentleman from Maryland?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. HOYER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

AUTHORIZING THE ARCHITECT OF THE CAPITOL TO ACQUIRE CERTAIN PROPERTY

Mr. KILDEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2938) to authorize the Architect of the Capitol to acquire certain property, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. THOMAS of California. Mr. Speaker, reserving the right to object, I do so in order to ask my colleague and friend, the gentleman from Michigan [Mr. Kildee] to explain the legislation.

Mr. KILDEE. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of California. I yield to the gentleman from Michigan.

Mr. KILDEE. I thank the gentleman for yielding and for his question.

Mr. Speaker, this bill assists the Senate in its continuing efforts to provide Senate pages with a safe and suitable place in which to reside while in Washington. It allows the Architect of the Capitol to procure and improve page residence facilities.

There will be two adjacent townhouses which can be brought up to code. They are suitable. I think as a matter of comity with the Senate, and for the safety of the pages, that we should process without delay.

Mr. Speaker, I am chairman of the Page Board for the House. We have accommodated the Senate pages to the degree possible in our facilities, but we really are depriving our own pages of space for recreation and for study.

I think we should proceed with this. I thank the gentleman from California [Mr. Thomas] for his very necessary question.

Mr. THOMAS of California. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY OF THE ARCHITECT.

(a) Acquisition of Property.—The Architect of the Capitol, under the direction of the Senate Committee on Rules and Administration, may acquire, on behalf of the United States Government, by purchase, condemnation, transfer or otherwise, as an addition to the United States Capitol Grounds, all publicly and privately owned real property in lots 34 and 35 in square 758 in the District of Columbia as those lots appear on the records in the Office of the Surveyor of the District of Columbia as of the date of the enactment of this Act, extending to the outer face of the curbs of the square in which such lots are located and including all alleys or parts of alleys and streets within the lot lines and curb lines surrounding such real property, together with all improvements thereon.

(b) United States Capitol Grounds and Buildings.—Immediately upon the acquisition by the Architect of the Capitol, on behalf of the United States, of the real property, and the improvements thereon, as provided under subsection (a), the real property acquired shall be a part of the United States Capitol Grounds, and the improvements on such real property and improvements shall be subject to the Act of July 31, 1946 (40 U.S.C. 193a et seq.), and the Act of June 8, 1942 (40 U.S.C. 174c).

(c) Building Codes.—The real property and improvements acquired in accordance with subsection (a) shall be repaired and altered, to the maximum extent feasible as determined by the Architect of the Capitol, in accordance with a nationally recognized model building code, and other applicable nationally recognized codes (including electrical codes, fire and life safety codes, and plumbing codes, as determined by the Architect of the Capitol), using the most current edition of the nationally recognized codes referred to in this subsection.

(d) Repairs; Expenditures.—The Architect of the Capitol is authorized, without regard to the provisions of section 3709 of the Revised Statutes of the United States, to enter into contracts and to make expenditures for necessary repairs to, and refurbishment of, the real property and the improvements on such real property acquired in accordance with subsection (a), including expenditures for personal and other services as may be necessary to carry out the purposes of this Act. In no event shall the aggregate value of contracts and expenditures under this subsection exceed an amount equal to that authorized to be appropriated pursuant to subsection (e).

(e) Authorization.—There is authorized to be appropriated to the account under the heading "Architect of the Capitol" and the subheadings "Capitol Buildings and Grounds" and "Senate Office Buildings", $2,000,000 for carrying out the purposes of this Act. Moneys appropriated pursuant to this authorization may remain available until expended.

(f) Use of Property.—The real property, and improvements thereon, acquired in accordance with subsection (a) shall be available to the Sergeant at Arms and Doorkeeper of the Senate for use as a residential facility for United States Senate Pages, and for such other purposes as the Senate Committee on Rules and Administration may provide.

(g) Capitol Police Jurisdiction.—In carrying out its supervision and jurisdiction over the real property and improvements acquired in accordance with subsection (a) by reason of their acquisition as a part of the United States Capitol Grounds and Buildings, the United States Capitol Police shall have the additional authority to make arrests for the violation of any law of the United States or the District of Columbia, or any regulation issued pursuant thereto, within any area or street in the District of Columbia outside the United States Capitol Grounds necessary to carry out such supervision or jurisdiction over such acquired real property and improvements, and to travel between parts of the United States Capitol Grounds which are not contiguous. The authority provided the Capitol Police by this subsection to make arrests within any such area or street shall be concurrent with that of the Metropolitan Police of the District of Columbia.

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KILDEE: Beginning on page 4, strike line 15 and all that follows through page 5, line 6.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Michigan [Mr. KILDEE].

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

☐ 1720

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 2938, the Senate bill just passed.

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentleman from Michigan [Mr. KILDEE]?

There was no objection.

TAILHOOK

(Mr. CUNNINGHAM asked and was given permission to address the House for 1 minute.)

Mr. CUNNINGHAM. Mr. Speaker, for my comments I would like to make comment on the gentlewoman from California [Mrs. BOXER], the gentleman from California [Mr. LEVINE] concerning the Tailhook, and the gentleman from Pennsylvania [Mr. MURTHA]. This afternoon the gentlewoman from Ohio [Ms. OAKAR] made comments on Tailhook and lumped all the top four, quote, heavies into one category along with the Tailhook, and I spoke to the gentlewoman, and she changed her testimony because what we are trying to do, and many people are trying to do, is tar and feather across the board our military men and women that represent this country honorably.

Was Paula Kaufman molested? Was she assaulted? Yes, in my opinion, she was assaulted not only a little bit, but criminally, and that should be taken care of.

I would ask that the Members that continue to make political heyday out of the Tailhook Association refrain from lumping everybody into one package, and, as far as the statements, I laud the gentleman from Pennsylvania [Mr. MURTHA] on the Committee on Appropriations for making actions toward the Tailhook, but to fire 10,000 people out of the Navy that had nothing to do with Tailhook and to commend him for that is ludicrous. I condemn it, it is wrong, and those people are suffering needlessly.

TAILHOOK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska [Mr. BEREUTER] is recognized for 5 minutes.

Mr. BEREUTER. Mr. Speaker, as I begin my remarks on a special order, I want to recognize what the distinguished gentleman from California [Mr. CUNNINGHAM] just said about not branding all members of an organization, the Navy, the Tailhook or any other organizations with a broad brush, and I have avoided doing that, but I have to say that my constituents and this Member are outraged by the sexual assaults and misconduct directed at 26 women by Navy aviators at the annual Tailhook convention in Las Vegas. The convention of the Tailhook organization of current and past Navy and Marine aviators, are now noted, according to the Washington Post, June 27, 1992, as "an annual event known for its raucous and sometimes lewd atmosphere." The New York Times of the same date noted that the Tailhook convention was "renowned for rowdy parties that featured strippers, pornographic movies and heavy drinking." They continued by indicating that "the party on the third-floor of the Las Vegas Hilton was well known to conventioneers * * * as was the existence of gangs of drunken aviators that groped, fondled and assaulted women as they stepped off an elevator." Of at least 26 women assaulted, according to a Washington Post article of June 24, 1992, more than half were themselves Navy officers.

Mr. Speaker, this situation is intolerable, as is the apparent coverup in the Navy. In light of the detailed reports of sexual harassment of women students at the U.S. Naval Academy widely reported last year, these activities seem to point to a very serious problem in the Navy. From information being released daily now it is unfortunately all too clear that those are not isolated occurrences. Too many people have turned their heads instead of facing and correcting these attacks on women.

Mr. Speaker, the two armed service committees of this Congress must be more aggressive in oversight and action to stop this sexual abuse of women members, and civilians, by officers or enlisted men in our armed services. The Navy should end any association with, and discourage attendance by its personnel at Tailhook conventions unless it cleans up its act and corrects this abusive, offensive and criminal conduct by some attendees. The armed services committees should also seek the identity of active duty or reserve naval aviators at the past and recent Tailhook conventions and take such decisive and appropriate disciplinary actions as are possible.

Mr. Speaker, I would conclude by agreeing with the gentleman from California [Mr. CUNNINGHAM] that that kind of discipline or impact should not be made on all members of a very distinguished service, the enlisted men and officers of the U.S. Navy. Be very careful in targeting top people who are responsible for the abuse or who tolerated it, but let us not take it out on the Navy per se.

MILAN PANIC, PRIME MINISTER OF YUGOSLAVIA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 5 minutes.

Mrs. BENTLEY. Mr. Speaker, a successful Serbian-American businessman, Mr. Milan Panic, held a press conference this morning to announce his acceptance to head the first non-Communist Federal Government of Yugoslavia since 1941.

According to the statement he read this morning, his primary goals as Prime Minister of Yugoslavia will be, and I quote:

> First, to stop the fighting and to work for real and lasting peace. Second, to establish an environment in which a free, multi-ethnic and multi-religious society can flourish. Democratic principles, the right to free speech and a free press, drew me to America. The pursuit of these principles draws me back to Belgrade.

Mr. Speaker, I commend Mr. Milan Panic for his committment to democratic principles, and sincerely hope that bipartisan support from this legislative body to the democratic reforms he plans to undertake in Yugoslavia, will result in a genuine renewal of stability in the entire Balkans. He applied for and received the necessary license to go to Yugoslavia from the U.S. Treasury Department.

Mr. Panic already has pledged to adhere to sound and rational policies when he assumes his new role in Yugoslavia today. I continue quoting from his statement to the press:

> With the Federal government's authority over the Yugoslav regular army, I will continue to ensure that no regular army troops are in neighboring republics. The government will strongly oppose any activity by any irregulars.

Mr. Panic's potential role in stopping the colossal civil war that has been raging in Yugoslavia for over a year now is one that should be acknowledged internationally, especially at this critical time when there is a possibility that the conflict may ensnare the entire Balkans.

I hope that Mr. Panic will persevere in his efforts to bring about peace in the Balkans. It is my fervent prayer that his presence as Prime Minister of

Yugoslavia and Dobrica Cosic as President of Yugoslavia will expedite the removal of the last remnants of Communist rule there for all time.

Mr. Speaker, because so much of the atrocity news we have been receiving from the tragic area that once was Yugoslavia, has been aimed at the Serbs. I would like to bring to the attention of my colleagues 2 messages that have been received by my office today.

THE ORTHODOX METROPOLITAN OF THE ZAGREB-LJUBLJANA DIOCESE IN LJUBLJANA

TO INTERNATIONAL MASS MEDIA: In view of the extremely difficult situation in the part of the Zagreb-Ljubljana diocese outside the Republic of Slovenia, the Office of the Serbian Orthodox Church for Slovenia and the Zagreb-Ljubljana Metropolitan, Jovan, are compelled to address in this way the broader political and religious public opinion and draw attention to certain facts which are in violation of elementary moral and civilizational standards:

In spite of the intercession by Amnesty International, the priest of the local Orthodox Church of Koprivnica (Croatia), monk Nikolaj Marunic, has been kept in prison in Bjelovar for more than a month without any evidence of guilt;

Forcible catechization of children of the Serbian Orthodox faith according to the rules of the Roman Catholic Church, and their preparation for the Holy Communion and confirmation, continue; Orthodox priests who refuse to issue certificates of baptism for these purposes and children who on their own refuse to yield to pressures are harassed;

After the recent demolition of the diocesan seat in Zagreb, the blasting of churches in the provinces outside the UNPROFOR-protected areas and desecration of the Orthodox church in Zagreb continue;

Serbs in Zagreb do not receive any aid from international humanitarian organizations, so that some families are literally starving.

We hereby appeal to the international public to direct part of its attention, without any political, national or religious prejudices, to the Zagreb-Ljubljana diocese of the Serbian Orthodox Church.

Orthodox priests in Slovenia and the Metropolitan of the Zagreb-Ljubljana diocese.

JOVAN.

MEMO

According to news from Belgrade on July 1, Croatian forces conquered and demolished with bulldozers the Serb village of Tasovice today, which is in Hercegovina on the left bank of the river Neretva. Two neighboring Serbian villages were also demolished.

Belgrade also reports that the Serbian Orthodox Church in the city of Capljina also was demolished by the Croats on July 1. Capljina is a town in Western Hercegovina where Croats constitute the majority of the population and Serbs face every day discrimination.

In its news bulletin #64, dated July 1, 1992, the Serbian Press Agency "Srna" reports that the Croatian Army launched 30 mortars on the eastern Hercegovina city of Trebinje on June 29, 1992. Serbs make up the majority of the population in Trebinje and the mortars were fired exclusively at civilian objects.

The citizens of Trebinje are in their basements, and the city's officials reported one civilian heavily wounded. Croatian Army forces are launching the mortars from their positions at Beli Osojnik, which is above the Rijeka Dubrovacka and in the neigboring Republic of Croatia.

The bombardment of Trebinje by the Croatian Army on June 29 was the seventh in the past month. A total of over 300 shells have fallen on this city since the attacks started.

I hope that the United Nations will look into these as it has others.

□ 1730

OCTANE REPLACEMENT ACT OF 1992

The SPEAKER pro tempore (Mr. OWENS of New York). Under a previous order of the House, the gentleman from Indiana [Mr. JONTZ] is recognized for 5 minutes.

Mr. JONTZ. Mr. Speaker, America's farmers can do much more to help our Nation meet its energy needs. America's farmers have the capacity to produce corn and other agricultural products which can be used to make ethanol, which is a safe and clean and domestically produced product that could be used to a much greater extent than today.

Mr. Speaker, just a few weeks ago this House considered a very important energy bill which includes a number of worthwhile provisions to move our Nation toward energy independence. Regrettably, one of the provisions which was not included was the increased use of ethanol to help us meet our octane needs in this country.

Legislation which I have introduced with the coauthorship of the gentleman from Illinois, my colleague on the Committee on Agriculture, Mr. EWING, would help our country to move toward the greater use of this domestically produced product, ethanol, to meet the octane needs of our country.

This bill, the Octane Replacement Act of 1992, directs the Secretary of Energy, beginning in 1994, to establish a program to require the use of domestically produced, renewable, nonpetroleum octane enhancers in the United States gasoline supply.

We have the technology for using ethanol as an octane enhancer. A number of companies are now using ethanol as an octane enhancer. But we should be doing much more.

The program that our proposal would require is the establishment of at least a minimum of one-half octane number of the octane rating of all gasoline sold in the United States beginning in March 1994 from domestically produced, renewable, nonpetroleum sources.

This octane number requirement would then be increased incrementally every 4 years, until at least 2 octane numbers were derived from ethanol by March of the year 2006.

Why do we need this legislation? When lead was phased out of gasoline, a decision was made about what would be replacing lead to improve octane in our Nation's gasoline supply.

One choice was to use alcohol. The other choice was to use aromatic hydrocarbons, chemicals which the petroleum companies distill from crude oil.

Not surprisingly, the oil companies chose to add aromatic hydrocarbons to gasoline, chemicals like benzene, toluene, and xylene. These chemicals have high octane content, but they also cause toxic emissions into the environment. They are also made from imported petroleum.

Alcohol is an effective source of octane which is domestically produced from corn or other agricultural products that we grow here in the United States. Its use will reduce toxic emissions. Its use will create jobs here in the United States.

If our Nation continues to allow the oil companies by themselves to decide where we will obtain the octane needs of this country, it is without doubt that the oil companies will probably prefer to use the aromatic hydrocarbons, furthering our dependence on imported oil.

The Congress of the United States ought to recognize this and to take action to require the use of ethanol, because it promotes our Nation's energy security by using a domestically produced renewable source. In fact, under the provisions of the legislation introduced by myself and the gentleman from Illinois [Mr. EWING] we would be replacing 80 million barrels of imported oil by the year 1994, and 300 million barrels of imported oil by the year 2006.

This is a very significant contribution toward our Nation's energy independence.

Our legislation would result in a tenfold increase in ethanol use over this 12-year phase-in period. This would mean nearly triple the corn consumption for ethanol production beginning in 1994, to about 800 million bushels to 960 million bushels. By the end of the proposed phase-in period, in the range of 3.2 to 3.8 billion bushels of corn would be consumed in our country for ethanol production.

Other agricultural commodities, even municipal garbage, could be used to meet these ethanol requirements. But the point is these are domestically produced products. Why do we continue to import oil into the United States to meet octane needs when we could be meeting those needs here at home?

It is important to point out this can be done without damage to the Clean Air Act. Our legislation is written in such a way that we can avoid any air quality problems, in fact, can achieve a very desirable purpose in reducing toxics from the use of aromatic hydrocarbons where that is not necessary.

This legislation also would not incur costs to the consumer. In fact, the price of ethanol is now about $1.20 a gallon. That compares favorably to the cost of benzene of about $1.25 a gallon. Oftentime the oil companies would have us believe that to replace gasoline with ethanol will cost the consumer. But in fact if one brings about the desired results by using ethanol as an octane enhancer, the consumer is not incurring any additional costs at all.

Mr. Speaker, we hope that this provision can be brought back to the House, because I believe the Congress recognizes the important role ethanol can play in meeting this Nation's energy needs. We lost a vote on an amendment to the energy bill by a very narrow margin because of concerns that some Members had about how this amendment might affect the Clean Air Act. Since that time, I have been able to work with the gentleman from California [Mr. WAXMAN], whose role in protecting the air quality of this country is well-known, and reach agreement with Mr. WAXMAN about some language which would satisfy his concerns about the Clean Air Act.

We can meet our Nation's clean air goals. We can use ethanol, which is a renewable product. This will create jobs in the United States, this will help the agriculture producers of our country with additional farm income. This will help the taxpayers of our country by reducing the need for farm program payments. All of these benefits can occur if we will pass legislation in this Congress to increase the use of ethanol.

□ 1740

There is very little that we can do this year that will move our Nation as far ahead toward energy independence, toward improving farm income, toward creating jobs in the United States for our workers, than bringing about an increased use of ethanol.

Mr. Speaker, my hope is that this issue will come before the Congress again and the Congress will take a stand for jobs, for farm income, for a clean environment, for domestically produced products, by passing the Octane Replacement Act.

THE BENEFITS OF THE REVENUE ACT OF 1992

The SPEAKER pro tempore. (Mr. OWENS of New York). Under a previous order of the House, the gentleman from Kentucky [Mr. MAZZOLI] is recognized for 5 minutes.

Mr. MAZZOLI. Mr. Speaker, earlier this evening the House took up and passed by a very resounding margin, 356 to 55, the bill H.R. 11, the urban aid package. I appreciate very much the gentleman from Illinois [Mr. ROSTENKOWSKI], the manager of the bill, yielding to me, in view of the fact so many Members wanted time and he had so little to yield, in my remarks I thanked him from the citizens of Louisville and the citizens of Jefferson County, the citizens I am very privileged to represent here in the House of Representatives. On their behalf I thanked the gentleman for having brought this bill to the floor, a bill designed to help the urban areas of our country.

Really, to know the full extent of the gentleman's work, we have to go back to last week, June 22, when we passed the bill which was basically the bill to aid Los Angeles and the city of Chicago. That bill contained $500 million for a summer jobs program for the young people of America. Just interestingly enough and timely enough, a few weeks before we reach that vote last week I had taken a tour of many urban areas within my city of Louisville in the company of Rev. Louis Coleman, Alderman Bill Wilson, and State Representative Porter Hatcher, among others, and I saw firsthand how deeply we need jobs in our inner cities. So the first thing the gentleman did last week was to bring us his program of summer jobs in the urban aid bill, which is constituted of several parts, including the creation of 50 enterprise zones in the United States enacted today.

I would like to say that in Louisville we have created under State law a very successful enterprise zone which, according to data supplied to me by the Office of Economic Development in Louisville, in Jefferson County, in the fiscal years 1983 through 1991, has created some 12,700 jobs, has secured the investment of capital to the extent of $1.3 billion, and in just the one fiscal year, 1991, created 2,600 jobs and secured the investment of $190 million.

Earlier the gentlewoman from Connecticut [Mrs. KENNELLY] said that she was for this bill because there was a chance now to find out if enterprise zones work, and I would tell my friend, the gentlewoman from Connecticut, that they do work in Kentucky and will work across the country.

There are 25 enterprise zones created for the cities, 25 for the rural areas. I would like to see the ratio change. It seems to me that the urban areas need them more, but that is for another time. Firms that either locate in a zone or expand within a zone are entitled to a 50 percent exclusion from capital gains for profits which they make from investments in the zone held for 5 years. All taxes on profits earned within that zone are deferred. There is a 15-percent wage credit for employers who employ zone residents in these businesses, and that is on the first $20,000 of wages up to $3,000 total.

There is a certain criteria set up, or there are criteria set up including unemployment rates and poverty rates, and I would say parenthetically that I believe my community would qualify, and I intend to work with our friends back home to have our area designated. There is also, Mr. Speaker, in the bill today a Weed and Seed Program costing some $25 billion over the next 5 years, which is to weed out from the enterprise zones those malefactors, those brigands, those troublemakers who have hurt the urban residents and maybe have deterred businesses from locating there. After weeding out that unsavory crew we seed those areas with job training, education, health and nutrition programs, community development, and certainly crime prevention to make sure that the businesses flourish.

Mr. Speaker, also in this bill, H.R. 11, are tax provisions making permanent certain tax provisions, including three very important to Louisville and Jefferson County: The low-income housing tax credit I am told by Jim Allen, director of Louisville's housing program, that one-quarter of the 1,200 residents of rental housing built in Louisville since 1986 have used the low-income housing tax credit.

The mortgage revenue bond program is made permanent. Also made permanent is the targeted jobs tax credit, which enable employers to hire economically disadvantaged young people. Extended for 18 months, Mr. Speaker, is the employer-provided educational assistance tax credit.

If there is ever a time when we need to have an educated work force, it is now. This enables the employer to exclude from taxable income some of the tuitions that are paid on behalf of their employees. Also extended is the research and development tax credit, and is there ever a more propitious time to have America get active in research and development to become and remain competitive.

We also extend in the bill, Mr. Speaker, for 6 months the health insurance deduction enjoyed by individually self-employed persons. Last, Mr. Speaker, provisions that are not given the same attention today in the debate, but in the bill is a provision to allow deductions for the fair market value of properties contributed to charities for the purpose of qualifying under the alternative minimum tax. There is also the reinstatement of the passive losses, which are involved in the real estate industry.

The luxury tax is repealed, and last but not least, Mr. Speaker, there is the reinstitution of a taxpayer bill of rights to enable the men and women of America to understand more easily the tax system, and if they feel they have been unfairly pressed upon by the Internal Revenue Service, they now have a mechanism to fight back.

I sum up, Mr. Speaker, by saying this is a very happy day for the citizens of Louisville and Jefferson County, my community, my hometown, because of the work done by many people on the bill, H.R. 11, which passed resoundingly this afternoon.

INTRODUCING THE URBAN ENTREPRENEUR OPPORTUNITIES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. FRANKS] is recognized for 5 minutes.

Mr. FRANKS of Connecticut. Mr. Speaker, it was with mixed emotion that I supported H.R. 11, the Revenue Act bill. There are many excellent proposals included in the bill. However, I had grave concerns with the enterprise zone legislation, despite my strong advocacy of the concept.

In my State and in 36 other States we have enterprise zones. I have a State-sponsored enterprise zone in my hometown of Waterbury, and so did riot-torn Los Angeles. Obviously, enterprise zones are not a panacea. Can they help? Yes. Can they be improved upon? Most definitely.

I have offered an amendment, the Urban Entrepreneur Opportunities Act, that I believe, along with nearly 60 cosponsors, would improve upon the fine concept of enterprise zones while recognizing the frailty of the bill. Tax incentives, capital gains tax relief, and other provisions of the bill are good, but if one cannot start the business in the urban enterprise zone, the benefits mean nothing. If you do not have the financial and administrative ability to start a business, you can never take advantage of the enterprise zone benefits.

My amendment would encourage Fortune 500 type companies to participate in the revitalization of our cities without having a facility in an enterprise zone area. The amendment would allow large companies to establish a wholly-owned subsidiary which would invest capital and offer administrative assistance to qualified aspiring entrepreneurs located in an urban enterprise zone or entrepreneurs willing to locate a business in an urban enterprise zone.

The program would start as a $250 million program administered by HUD. It would cost $85 million over a 5-year period. Large companies would benefit from this program in three ways. One, the money given to the subsidiary would be treated as a regular business expense for tax purposes.

□ 1750

Two, any interest received on the investments made in the small business may be used by the large company; and

Three, the large company may use the employees of the entrepreneurial business to be in compliance with Federal laws.

Yes, Mr. Speaker, we need training programs. Training programs can be useful. But there is little difference between a trained unemployed person and a person who has not been trained and is unemployed, and we know the common denominator. They are both unemployed.

I believe that no urban revitalization programs can be complete without including the development of more urban entrepreneurs. We should give large companies the proper incentives to participate in the rebuilding of our cities, and Mr. Speaker, I will continue the fight to develop more urban entrepreneurs.

FINANCIAL INSTITUTION RESTITUTION COLLECTION IMPROVEMENT ACT OF 1992

The SPEAKER pro tempore (Mr. OWENS of New York.) Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, this spring the Financial Institutions Subcommittee, which I chair, issued a staff study which showed that the Department of Justice and the Federal Deposit Insurance Corporation [FDIC] have failed to collect court-ordered restitution. In 19 cases studied, savings and loan criminals collectively paid less than 1 cent on the dollar of their court-ordered restitution. This is unacceptable.

Today I am introducing the Financial Institution Restitution Collection Improvement Act of 1992 to remove the impediments to the collection of restitution from financial institution crooks. It is not enough to merely put these criminals in jail. We must do everything we can to seek reparations from those culprits who have stolen funds from the American taxpayers.

My legislation will make restitution collection more effective and more efficient. It provides the Justice Department, the FDIC, and the Resolution Trust Corporation [RTC] with enhanced weapons for the collection of restitution, and eliminates the confusing lines of responsibility for its collection. Finally, it allows private bounty hunters to bring collection actions on behalf of the Government, if, after 6 months, the Government has failed to act to collect restitution.

The legislation requires that restitution be due in full immediately, and a restitution order will remain enforceable until it is fully paid. Current law gives judges the discretion to order that restitution be paid over an extended period of time. This prohibits the victims of the crimes from taking immediate action to collect restitution, such as garnishing the defendant's wages or placing liens on the defendant's assets.

Another problem with currently law is that restitution orders generally cannot be enforced for a period longer than 5 years after a defendant is released from prison. Criminals should not be able to hide their assets just long enough to avoid paying their court-ordered restitution. My legislation keeps the restitution order in effect until it is paid in full.

The subcommittee's staff study found that far too often crooks hide their assets by placing them in offshore bank accounts or transferring them to relatives and business associates. For example, one defendant reviewed in the staff study transferred his $175,000 residence to his ex-wife and at least $130,000 to his children's bank accounts, free from all encumbrances. Financial institution fraud victims must be able to void these transactions and collect that which is rightfully owed to them.

The Financial Institution Restitution Collection Improvement Act gives victims of financial institution crimes greater authority to attach or place liens on stolen property and to void certain transfers of property made by financial institutions crooks. The act also allows a court to appoint a temporary receiver to administer a defendant's assets to ensure that maximum possible restitution payments are made.

To assist victims in collecting restitution, my legislation requires the U.S. Probation and Pretrial Services Office to provide victims with any financial information contained in the presentence investigation reports prepared for the courts.

Currently, these reports are only provided to the U.S. Attorneys Office and the defendant; therefore, victims are severely handicapped in locating assets for purposes of collecting restitution. My legislation would also require the U.S. Parole Commission to notify a recipient of restitution, who has not yet been fully repaid, when a defendant is to be released from prison so that the victim could keep tabs on the defendant's assets and wages.

Furthermore, under my legislation, judges would no longer be able to take into account a defendant's ability to pay in determining how much restitution he owes. A defendant should not be able to escape having to pay back that which he stole merely because he lived the good life and devoured the fruits of his crime prior to being caught. The ability to repay is not taken into account in ordinary civil litigation; it should not be a mitigating factor for criminals to evade being ordered to make restitution to their victims.

Regrettably, the Government has not made collecting restitution a high priority. To combat this problem, my legislation will enable private citizens to bring actions on behalf of the Federal banking agencies to collect any restitution which has been outstanding for more than 6 months. If successful, the amount recovered will be turned over to the banking agencies and the bounty hunters will be entitled to receive between 5 percent and 30 percent of that which they collected as well as reasonable attorney's fees and costs.

Mr. Speaker, it's pay back time. It's time for the robbers to pay back their victims. At a time when Congress is appropriating billions of dollars to pay off depositors of failed financial institutions, it is truly astonishing that defendants who have assets and income remaining have been able to pay little or no restitution. The Financial Institution Restitution Collection Improvement Act of 1992 makes sure that the victims get paid back by enabling the Government to start collecting restitution and not just convictions. I urge my colleagues to join me in supporting this legislation.

THE NEED TO BETTER PROTECT THE TAXPAYER FROM THE RISKS ASSOCIATED WITH GOVERNMENT-SPONSORED ENTERPRISES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. PICKLE] is recognized for 5 minutes.

Mr. PICKLE. Mr. Speaker, I rise today to call the attention of the Members of the House the action taken yesterday by the Senate which purports to better regulate two Government-sponsored enterprises, Fannie Mae and Freddie Mac.

Together these two GSE's have issued about $1 trillion in obligations and guarantees which have the implicit backing of the U.S. Government. In the aftermath of the savings and loan disaster, Mr. GRADISON and I, along with other Members of the House from both sides of the aisle, began work to improve the capitalization and regulation of these GSE's.

Since then, there have been extensive studies by the Treasury, the GAO, and the CBO. All these studies have shown that an independent regulator and higher capital standards would better protect the taxpayer from potential GSE losses.

Yet despite these reports, and despite the continuing losses we are all paying for in the case of banks and thrifts, both the House and the Senate have approved bills which essentially ratify the status quo for Fannie Mae and Freddie Mac. Both Fannie and Freddie expect to meet these "new" standards before they are even implemented by the Government. There will be no noticeable change in their operations.

It is, therefore, absolutely no surprise to read in papers that these two financial institutions are the leading advocates for the legislation which is now headed for conference. Once again, it seems that we have created financial institutions which we are unable to control. But, as the recent articles from the Wall Street Journal and New York Times, which I ask permission to insert, to make abundantly clear, the foxes are still guarding the hen house well. The sad truth is, that after 3 years of work, the Treasury and the taxpayer are still left ready for the plucking.

Mr. Speaker, some progress has been made, but contrary to press releases, the GSE's—Fannie Mae, Freddie Mac, et cetera—have not established proper capitalization, or allowed proper regulation to be effective.

We must continue this fight until it is done right. When it is done, then we can all issue a press release—and celebrate together. Meanwhile, GSE's: Don't mislead the public.

[From the Wall Street Journal, June 19, 1992]

PRIVILEGED POSITION: FANNIE MAE EXPECTED TO ESCAPE AN ATTEMPT AT TIGHTER REGULATION

(By Kenneth H. Bacon)

WASHINGTON.—When a Capitol Hill softball team needs bases, the Federal National Mortgage Association will quickly provide a set of bags stamped with its logo: "The USA's Housing Partner."

In Congress and on Wall Street, though, Fannie Mae is better known for playing hardball. With assets of $147 billion, Fannie Mae is the nation's fourth largest financial institution. It has muscled into this position by zealously protecting government-granted privileges that enable it to borrow at low interest rates and underprice its private competition in the huge secondary market for mortgages.

Recently, those privileges have come under threat. The Bush administration and many in Congress want to tighten controls on Fannie Mae and its little brother, the Federal Home Loan Mortgage Corp. (Freddie Mac). The reason: The billions in mortgage securities the two companies have issued represent a potential liability to the U.S. taxpayer of more than $800 billion, according to estimates by the Office of Management and Budget. But the profits from the two companies go to private investors.

"They have a sweet deal," says Rep. J.J. Pickle, a Texas Democrat. "The risk is 99% public and the profit is 100% private."

LOBBYING POWER

It's a sweet deal that the two institutions fight hard to protect. And so far, their impressive lobbying clout has been highly successful at fending off those who want to curb their freedom.

The Senate yesterday began consideration of a bill designed to increase the regulation of the two companies and to boost the capital they must hold to protect against failure. But the bill itself is testament to their political might. The minimum capital standards in the bill would require only modest increases in capital at either institution. And instead of creating a wholly independent regulatory authority, as recommended by various experts and watchdog agencies, the bill would leave oversight of the two institutions in the Department of Housing and Urban Development, whose regulatory efforts in the past have been lax.

"The bill perpetuates the wafer-thin captial requirements that" Fannie Mae and Freddie Mac now enjoy, says Thomas Stanton, a former Fannie Mae lawyer, whose book "A State of Risk" helped trigger efforts to tighten regulation of the companies.

A PUBLIC MISSION

Fannie Mae and Freddie Mac are two of six government-sponsored enterprises, or GSEs, that Congress chartered to funnel money from Wall Street into three Main Street causes—housing, agriculture and education. Fannie Mae and Freddie Mac pump money into housing markets in two ways. They either purchase mortgages and hold them in their portfolios, or they "securitize" mortgage-backed securities. These instruments, on which Fannie Mae and Freddie Mac guarantee payment of interest and principal, turn mortgages into securities that can be traded or held by pension funds, banks and other investors. The volume of mortagebacked securities has grown explosively, from about $100 billion outstanding a decade ago to $1 trillion today.

The special relationships the two institutions have with the Treasury and the Federal Reserve lead most investors to assume that the U.S. government would help them out of any problems, and Congress did bail out the Farm Credit System in 1987. This implied guarantee lowers borrowing costs an estimated third of a percentage point below what the most credit-worthy private corporations pay. (Some of that savings is passed on to the public through lower rates, while some helps ensure investors a profit.)

Fannie Mae and Freddie Mac—which are publicly held—also don't have to pay state and local income taxes, and they don't have to register their securities with the Securities and Exchange Commission. The Treasury estimates these exemptions are worth $2 billion to $4 billion annually—benefits also shared by shareholders and by home buyers.

The benefits have helped the institutions to turn tidy profits. In 1991, Fannie Mae earned $1.36 billion and Freddie Mac $555 million. They have returns on equity two or three times the average for financial firms. Shares of the larger institution, Fannie Mae, have risen form as low as $2.37½ a decade ago to $57.62½ now, adjusted for stock splits.

Their financial strength has enabled Fannie Mae and Freddie Mac to provide a steady stream of mortgage finance during a decade when thousands of banks and thrifts failed. Volatile interest rates and costly new regulations have made banks and thrifts less willing to hold mortgages and more eager to sell them. As a result, the residential mortgage markets are becoming increasingly federalized, with mortgage terms set by Fannie Mae and Freddie Mac. The companies have recycled about one-third of the nearly $3 trillion residential mortgages outstanding, a proportion expected to grow.

Thus, private-sector competitors question the continuation of their privileges, especially amid the S&L bailout. "I'm surprised that these quasi-public firms have been able to maintain their access to government guarantees for free when there have been hundreds of billions of dollars spent right around them," says Bruce Paradis, an executive of Residential Funding Corp., a mortgage finance unit of General Motors Corp.

Fannie Mae and Freddie Mac both had troubles in the 1980s. Fannie Mae showed heavy losses early in the decade amid surging interest rates, and Freddie Mac bungled a big multifamily housing program. But no bailout was needed, and since then, both have boosted the capital they hold to offset potential losses, tightened underwriting standards and taken other safety steps.

Past moves to abolish the GSE's federal charters or charge them a fee for the implicit federal guarantees (similar to banks' premiums for deposit insurance) have failed. The legislation under consideration now would require Fannie Mae and Freddie Mac to file more reports, increase their capital cushions slightly and finance more inner-city lending. But with some help from their many friends in Congress, the companies have shaped the bill so it will have little initial impact.

Freddie Mac Chairman Leland Brendsel says the bill "establishes the toughest, most dynamic capital standards faced by any financial institutions." But he agrees it is "unlikely [to] cause Freddie Mac or Fannie Mae to have significantly higher capital requirements."

CAPITAL RULES

It would require them to hold capital equal to 2.5% of their assets and 0.45% of their guarantees to purchase mortgages and make payments on securities. That compares with a 5%-of-assets minimum for well-capitalized banks. G.E. Capital Corp., which operates without government benefits, maintains 11.5% capital to keep its AAA rating secure, according to public documents.

Fannie Mae Chairman James Johnson says the legislation, which has passed the House, will "remove any cloud that remains about our governmental mandate . . . and allow Fannie Mae to get on with housing Americans and making more money for its shareholders."

One reason Fannie Mae has been so successful in protecting its privileges is that it has done just what Congress created it to do in 1938: aid housing by helping lenders supply credit at the lowest rate. The institutions also say they funnel money to the lower end of the housing market. However, a 1990 Federal Reserve study of mortgage lending found that just 2.5% for the housing loans Fannie Mae bought that year were in predominately minority neighborhoods; for Freddie Mac, the figure was 3.6%

Another factor is Fannie Mae's unusual dual public-private nature as a government insider that can, for example, dispense political-action committee money. "Their intelligence is so good," says Rep. Gerald Kleczka, a Wisconsin Democrat who sits on the House Banking Committee, "that one time I was drafting an amendment, and Fannie Mae had a rebuttal in the hands of the Republicans before I spoke."

LAY OFF

SEC Chairman Richard Breeden saw how quickly Congress moves to protect its favored offspring when he endorsed a Treasury proposal to end GSEs' exemption from SEC registration. House Banking Committee Chairman Henry Gonzalez belittled the proposal as an SEC power grab. The Texas Democrat said he was only trying to protect the public interest."I'm not lobbying for powerful and rich entities like the GSEs," Mr. Gonzalez said. "They can take care of themselves."

The SEC chairman shot back: "It seems that they have, yes."

Fannie Mae has its own political action committee, called Fannie PAC, which made campaign contributions of $16,300 in the 1992 first quarter. The company also uses hired guns. In 1990, it hired former Fed Chairman Paul Volcker to help defeat a Treasury proposal for new capital standards. Then last year, it faced a House Banking Committee effort to limit executive salaries, a reaction to the $29 million retirement package Fannie granted to its former chairman, David Maxwell; it brought in Stuart Eizenstat, former President Carter's domestic policy adviser, to help work on Democrats.

"I don't think I've ever been lobbied by such a broad cross-section of influential Democrats—strategists, businessmen, everybody from the Washington hierarchy," says Rep. Joseph Kennedy, the Massachusetts Democrat who unsuccessfully pushed the pay amendment. As a result, Fannie and Freddie will continue to be able to tout their public purpose even as their chairmen earn over $1 million.

When Fannie Mae needs help with Republicans, it use the Duberstein Group, a lobbying firm headed by President Bush's former chief lobbyist. And to deal with politicians in general, it calls on powerful trade groups, most notably the Mortgage Bankers, Association, the National Association of Home Builders and the National Association of Realtors. "They have amassed an army of people to descend upon us any time they think their welfare is in jeopardy," say Rep. Kleczka of Wisconsin. Leaders of the three trade groups and Fannie and Freddie are called the "Gang of Five" in the Senate, where they have lobbied as a team.

Real-estate interests rely on the steady flow of mortgage funds Fannie Mae and Freddie Mac provide and go out of their way to protect them. Edward Kane, a professor of finance at Boston College, told a friend in a letter last year that a research project on the implications of the S&L crisis—financed by the National Association of Home Builders—was "aborted in midstream because of my unwillingness to adjust my views on Fannie Mae." He declined to be interviewed, but David Seiders, chief economist for the National Association of Home Builders, says some of the trade group's leaders were upset when they learned that Mr. Kane planned to write that Fannie Mae and Freddie Mac's subsidized dominance of the mortgage market weakened the S&L industry.

In the last year or so, Fannie Mae has hired the top housing staffer from the House Banking Committee and a former top aide to the secretary of the Housing and Urban Development Department, which regulates it. Herb Moses, a Fannie Mae expert on rural housing programs, is the companion of Rep Barney Frank, the Massachusetts Democrat (who declines to vote on matters affecting the compensation of Fannie Mae officials). Both men say they go out of their way to avoid any conflicts of interest.

But the influence starts at the top. Fannie Mae Chairman Johnson has strong Democratic connections from his days as Walter Mondale's presidential campaign director. He also has close ties to Richard Darman, President Bush's budget director, with whom he worked in 1987–88 at Shearson Lehman Brothers.

In 1990, Mr. Darman used his budget message to warn of the "risk of substantial future claims against the government" from the obligations of GSEs, particularly Fannie Mae and Freddie Mac. Since then his worries have subsided. "The trend in his views has been consistent with the trend in Fannie Mae performance," Mr. Johnson explains, noting that after a series of losses in the early 1980s, Fannie Mae got financially stronger.

Now, it isn't losses but the rapid growth of the GSEs that generates concern. Herbert Sandler, chairman of World Savings & Loan Association in Oakland Calif., argues that "by exploiting their highly privileged position, Fannie Mae and Freddie Mac have rendered the business of funding home mortgages with consumer deposits and other borrowings uneconomic for many insured institutions." highly privileged position, Fannie Mae and Freddie Mac have rendered the business of funding home mortgages with consumer deposits and other borrowings uneconomic for many insured institutions."

TIFF WITH SALOMON

Bank and thrift executives still shudder at how Fannie cut Salomon Brothers out of underwriting and other business in 1987 for opposing Fannie's bid to move into a new line of business in competition with Wall Street. The fight involved a mortgage backed security called Remics (Real Estate Mortgage Investment Conduits). Salomon helped create Remics and unsuccessfully fought Fannie's bid to get into the market. Now Fannie and Freddie dominate the Remic market, leaving investment banking firms with less than 10% of the business. When Fannie reduced its business with Salomon, an official said it wasn't doing this to penalize Salomon for its opposition but because "they do not give us any indication that they value our business very highly."

A group of thrifts has tried, and so far failed, to place in the emerging legislation tougher limits on expansion into new financing fields by Fannie Mae and Freddie Mac. The institutions help deflect such efforts by cultivating their image for financing part of the American dream. Says Mr. Johnson: "If you look at the other major domestic initiatives in the post World War II period, whether it be in health care, transportation, education or other areas of domestic policy, housing really is a dramatic success story."

Every year Fannie sends every member of Congress a report showing the amount of mortgages it purchases in each state and congressional district. In May Fannie Mae invited congressional housing experts to a Capitol Hill reception to honor innovative projects by six low-income housing groups. Four of the winners of its annual excellence awards came from states represented by members of the Senate Banking Committee. "It's their type of payoff to members," says Rep. Kleczka. "The next time legislation comes up, they'll remember Fannie."

[From the New York Times]

VOTE NEAR ON REGULATION OF FANNIE AND FREDDIE

(By Keith Bradsher)

WASHINGTON, June 29.—The Senate is finally nearing a vote, expected as early as Wednesday, on a measure that for the first time would subject to independent regulation two Government-sponsored institutions that have guaranteed nearly $1 trillion worth of home mortgages.

The road to the vote has been tortuous, and not just because of the political influence of the two institutions: the Federal National Mortgage Association, also known as Fannie Mae, and the Federal Home Loan Mortgage Corporation, better known as Freddie Mac. As often happens in the Senate, the bill has become a vehicle for largely unrelated issues.

A deal early last week has helped the bill go forward, but with two new provisions that would shield municipalities and financial institutions from environmental cleanup lawsuits. Another deal late last week makes it likely that Senate Republicans will withdraw an amendment that would require a balanced budget.

CRITICS AREN'T SATISFIED

As for the bill's main point, it satisfies Fannie Mae and Freddie Mac but does not go nearly far enough to appease their critics, who contend that the two investor-owned companies enjoy an implicit Federal guarantee on loans that could someday cost taxpayers billions of dollars if defaults soared on mortgages.

The bill would give the Department of Housing and Urban Development authority to regulate Fannie Mae and Freddie Mac. The measure would also set minimum capital standards in an effort to prevent a financial setback at either institution from costing taxpayers billions of dollars.

Drafted in response to fears of a future burden on taxpayers, the bill has been so watered down that Fannie Mae and Freddie Mac are in the slightly odd position of lobbying for a bill to impose regulations on them.

James A. Johnson, the chairman and chief executive of Fannie Mae, said he supported the legislation because it would insure that the two enterprises retained adequate capital to cover losses and would concentrate regulation at an agency, H.U.D., that already deals with Fannie Mae and Freddie Mac. Mr. Johnson said that because Fannie Mae's losses as a percentage of its assets are a tiny fraction of the losses at commercial banks, the bill appropriately set capital standards below those for banks.

"A HOBBLED REGULATOR"

Critics contend that H.U.D. is too close to either institution to be truly independent and that Fannie Mae and Freddie Mac need to retain more capital to cope with unforeseen threats, like a change in the tax-deductibility of mortgage interest. "In the end, what we've got in there is mediocre capital standards and a hobbled regulator," said Thomas H. Stanton, a former Fannie Mae lawyer who has written a book, "A State of Risk" (Harper Business, $24.95) about his former employer.

The bill began moving faster through the Senate last week after the addition of two environmental provisions.

Senator Jake Garn, the Utah Republican who is the Banking Committee's ranking minority member, had sought for several years to enact a law that would exempt lenders from having to pay environmental cleanup bills for property they acquire through foreclosures, if the environmental problems became apparent after the original loan was made. This spring he sought to attach the amendment to the Freddie Mac and Fannie Mae legislation.

But Senator Garn's move prompted a complaint from Senator Frank R. Lautenberg, Democrat of New Jersey, that the bill should also include his proposal to bar many lawsuits by polluters against municipalities. Senator Lautenberg had the ability to seek the bill's referral to the Environment and Public Works Committee's Subcommittee on Superfund, Ocean and Water Protection, although he did not do so.

BOTH PROVISIONS INCLUDED

In a classic illustration of how jurisdictional feuds among Congressional committees can shape legislation, both Senators ended up with their proposals in the bill. Senator Donald W. Reigle Jr., the Michigan Democrat who heads the Banking Committee, stepped in and mediated a settlement of the dispute last week, Senate aides said. The provisions were included in an extensive amendment that amounted to a virtual substitute bill, and the full Senate approved the "amendment" on June 23 by a vote of 52 to 44.

Environmental groups initially opposed both measures as reducing the number of groups that might be tapped to pay for cleanups. But their opposition to the municipal liability clause has faded. Douglas W. Wolf, a lawyer for the Natural Resources Defense Council, an environmental group based in New York, said: "The municipalities have a real problem. They've been unfairly victimized by large polluters."

Many companies that have dumped toxic wastes at dump sites municipalities also used for ordinary sewage sludge have tried to force towns to pay part of the toxic-waste cleanup costs.

The same groups still favor the retroactive regulation of banks that foreclose on property with environmental problems. Referring to the Gain amendment, Mr. Wolf said, "It limits the ability of the banks so far that they won't think about the environment any more."

INTRODUCTION OF LEGISLATION MODELED ON CANADA'S SUCCESSFUL PATENTED MEDICINE PRICES REVIEW BOARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, I am today introducing legislation closely modeled on a Canadian law which has been successful in moderating prescription drug prices for Canadian consumers. The bill uses the Canadian title, "Patented Medicine Prices Review Board Act."

I hope that the introduction of this bill can lead to hearings and a debate in the United States on why U.S. pharmaceutical companies often sell their products at a lower price in Canada that they do south of the border, how Canada has been able to keep drug price inflation under the rate of general inflation, and what the drawbacks and consequences of such a plan might be.

The bill establishes a board similar to Canada's that would review drug prices. Through jawboning and publicity it may help restrain excessive price increases and profiteering. If a company failed to cooperate, the board could shorten the term of a patent which had been given to the company for a product which was being priced at an excessive level. Federal agencies which buy or are in the business of reimbursing for drugs would be advised of alternatives to excessively priced drugs. Firms which showed price moderation and gave a commitment to keep a product reasonably priced could be rewarded with limited patent life extensions. Excessive pricing would be determined by a variety of measurements, including profitability, executive compensation, the price of comparable classes of drugs, et cetera.

The U.S. pharmaceutical industry has about triple the profitability rate of U.S. companies in general, it inflates its products at about triple the general inflation rate, it sells many of its products overseas in developed countries like Canada at lower prices than it sells them to sick Americans. Many of its chief executives are the most highly paid businessmen in the world. They claim they need all this profit to reinvest in R&D, but the fact is they spend more on advertising and sales than they spend on R&D. In recent years, more new salesmen have been hired than researchers. Hundreds of millions are poured into elaborate lobbying schemes to persuade doctors to use a particular pill—millions more are spent on ad campaigns to defeat bills like this one.

The products of this industry are needed by millions of Americans to avoid serious illness and death. These are not luxury products like candy and flowers that people can stop buying. The public is held hostage to the profiteering of this industry. Other nations similar to America do not stand for this abuse of the public interest. Thus, my proposal—a modest proposal asking why we can't do as well as our Canadian cousins?

Following are some quotes and news reports that make the case for a better system in America. I hope this information can help make the American public angry enough to demand better of this industry and of the Government which has let these high technology robber barons prey upon the sick.

PROFITABILITY OF U.S. PHARMACEUTICAL INDUSTRY: NO SENSE OF MODERATION

Consumer Reports states:

"The top 10 U.S. drug companies averaged 16 percent profit on sales in 1990, more than triple that of the average Fortune 500 company."

Similarly, Senator Pryor, chairman of the Senate Aging Committee, recently released data on the industry which showed:

"At a time when Americans are scrimping and saving to afford their medications, the drug industry's annual average 15.5 percent profit margin more than triples the 4.6 percent profit margin of the average Fortune 500 company."

Fortune magazine reports:

"No American industry has ever defied the laws of economic gravity like pharmaceuticals. For the past 30 years the drugmakers of the Fortune 500 have enjoyed the fattest profits in big business."

From Consumer Reports, March 1992:

"Between 1980 and 1990, while general inflation was 58 percent, overall health-care costs rose 117 percent—and the cost of drugs rose 152 percent.

"High drug prices are especially a burden for elderly people, who make up 12 percent of the population but consume 34 percent of prescription drugs. Surveys by the American Association of Retired Persons have found that the single largest out-of-pocket medical expense for three out of four Americans over 65, and that four out of ten have no prescription drug insurance coverage whatever. One in seven say they have failed to take prescribed medicine because it was too expensive."

PHARMACEUTICAL INDUSTRY PRICING SOCKS IT TO AMERICANS, GIVES AWAY BARGAINS TO FOREIGNERS

From the Washington Post, May 1991:

"For the Seattle resident in need of the drug Ativan, a full vial of 1 mg tablets costs about $48. Just a three hour drive to the north, residents in Vancouver, Canada, can buy the same vial of tranquilizers for or about $7.

"On the average, drugs in the United States cost 62 percent more than they do in Canada. They also cost 54 percent more than in any country in the European Community."

From the New York Times as reported in the San Francisco Chronicle:

"A month's supply of Eldepryl, a Parkinson's disease medication from Somerset Labs, Inc., costs about $28 in Italy, $48 in Austria and $240 in the United States.

"Aerosolized pentamidine, inhaled by people with AIDS to prevent a deadly form of pneumonia, costs about $100 wholesale and about $150 retail in the United States, where it is made by Fujisawa Pharmaceutical Co., of Deer Park, Ill.

"In France, Germany and Britain, Rhone-Poulenc SA's retail price for the identical vial is $26.

" 'Obviously, we subsidize the world,' said Richard Zeckhauser, an economist at Harvard University.

"A federal study has found that state Medicaid agencies paid $474 million more for prescription drugs in 1989 than they would have if they had been bought at the prices negotiated in Canada."

ARE SPECIAL PROFITS NEEDED FOR R&D, OR IS THAT JUST A PR ARGUMENT?

From the Cox News Service:

"Dr. Schondelmeyer of Purdue says his research shows that for every dollar a drug company charges the wholesaler, nearly 21 cents recoups the cost of marketing, and 15 cents is profit. (The rest goes for producing the drug, 36 cents; distribution and administration and corporate taxes, roughly 16 cents, and research and development—stressed by the companies as a high-ticket item—only 12 cents.)

From Fortune:

"While drugmakers funnel hundreds of millions into R & D . . . they spend up to twice as much on sales and marketing. American Home Products, a superb marketer with one of the poorest records of innovation, earned a 46% return on equity last year, ranking it 16th on the Fortune 500, one notch behind Merck (with 46.5%)."

From Consumer Reports:

"The industry carefully avoids adding up its annual promotional tab, but independent sources place it conservatively around $5-billion. It must be money well spent; the pharmaceutical industry has long been the nation's most profitable."

From Chemicalweek, Aug. 7, 1991:

"There has been a ratching upward of spending on sales and marketing—"in the double digits for the past five years," says [Decision resources consultant David Godolphin]."

PHARMACEUTICAL INDUSTRY DEFIES LAWS OF ECONOMICS—THUS JUSTIFYING A PRICES REVIEW BOARD SIMILAR TO CANADA'S.

From the Cox News Service, April 1991:

"In most fields, as competition increases, prices go down. Computers, camcorders and VCRs cost hundreds of dollars less than they did when first introduced.

"But in pharmaceuticals, figures from the American Association of Retired Persons' Public Policy Institute indicate that doesn't happen.

"Look at what happened to anti-ulcer drugs. The original drug was Tagamet. After Zantac was introduced in 1983, the price of Tagemet rose 46%. After the introduction of two more "competitors" in 1986 and 1988, the price of Targamet was 64% higher than it had been in 1983.

"'Prescription drugs have been rising faster than the Consumer Price Index of all items," said Dr. Stephan Schondelmeyer, who directs the Pharmaceutical Economic Research Center at Purdue University. "Pharmaceutical manufacturers have not shown the ability to show restraint. When challenged, they become more aggressive.'"

A recent article in Fortune aptly describes the factors at work in pharmaceutical economics:

"In this business the person who makes the buying decision is not the person who spends the money and cares most about what a drug costs. Says Dr. Jerry Avorn, an associate professor at Harvard Medical school: "Prices are high because their is a unique relationship at work. The person who pays is not the person who prescribes."

"Those earnings flow from a peculiar combination of competent research, some genuinely innovative products and many that aren't, marketing muscle, and immensely valuable patent protection. Most important, says Robert P. Bauman, CEO of SmithKline Beechman, which makes Tagamet, one of the best selling drugs in history, "it's a business that has never competed on price."

"In this market, ordinary economics seems not to apply. Since the real decision-makers—doctors—care little prices, discounting neither wins market share nor stimulates overall demand. In fact, says Ramesh Ratan, former controller at a division of Bristol-Myers, the opposite may occur. Instead of turning a market with $200 million in sales into one one with $400 million, price cutting can slash revenues in half. The upshot, says Ratan: "Price wars don't exist pharmaceuticals.'"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DELAY] is recognized for 60 minutes.

[Mr. DELAY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

HEALTH CARE LIABILITY REFORM AND QUALITY OF CARE IMPROVEMENT ACT OF 1992—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-355)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on the Judiciary and the Committee on Energy and Commerce, and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and enactment the "Health Care Liability Reform and Quality of Care Improvement Act of 1992." Also transmitted is a section-by-section analysis.

This legislative proposal would assist in stemming the rising costs of health care caused by medical professional liability. During recent years, the costs of defensive medical practice and of litigation related to health care disputes have had a substantial impact on the affordability and availability of quality medical care. The bill attacks these very serious problems.

The bill would establish incentives for States to adopt within 3 years quality assurance measures and tort reforms. In addition, the health care reforms would apply to medical care and treatment funded through specific Federal programs pertaining to health care and employee benefits and to claims under the Federal Tort Claims Act. The tort reforms include: (1) a reasonable cap on noneconomic damages; (2) the elimination of joint and several liability for those damages; (3) prohibiting double recoveries by plaintiffs; and (4) permitting health care providers to pay damages for future costs periodically rather than in a lump sum.

Last year I recommended enactment of the "Health Care Liability Reform and Quality of Care Improvement Act of 1991." The enclosed bill includes the core provisions of that bill and expands its scope to ensure that treatment under federally funded health care and Federal employee benefit programs is subject to key reforms regardless of State action. Claims arising from such health care would first be considered through a fair system of nonbinding arbitration, in an effort to resolve the claims without litigation.

I urge the prompt and favorable consideration of this proposal, which would complement the other initiatives the Administration is undertaking regarding malpractice and quality of care.

GEORGE BUSH.

THE WHITE HOUSE, *July 2, 1992.*

ACTIVITIES OF U.S. GOVERNMENT DEPARTMENTS AND AGENCIES DURING CALENDAR YEAR 1991 RELATING TO PREVENTING NUCLEAR PROLIFERATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-354)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I have reviewed the activities of the United States Government departments and agencies during calendar year 1991 related to preventing nuclear proliferation, and I am pleased to submit my annual report pursuant to section 601(a) of the Nuclear Non-Proliferation Act of 1978 (Public Law 95-242, 22 U.S.C. 3281(a)).

As the report demonstrates, the United States continued its efforts during 1991 to prevent the spread of nuclear explosives to additional countries, one of my highest priorities. The events of the past year in Iraq and elsewhere underline the importance of these efforts to preserving our national security, by reducing the risk of war and increasing international stability. I am determined to build on the achievements discussed in this report and to work with the Congress toward our common goal: a safer and more secure future for all humankind.

GEORGE BUSH.

THE WHITE HOUSE, *July 2, 1992.*

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 343. Concurrent resolution providing for an adjournment of the House from July 2 until July 7, 1992, an adjournment of the House from July 9 until July 21, 1992, and an adjournment or recess of the Senate from July 2 until July 20, 1992.

ADJOURNMENT OF THE HOUSE FROM JULY 2 UNTIL JULY 7, 1992, AND FROM JULY 9 TO JULY 21, 1992, AND ADJOURNMENT OR RECESS OF THE SENATE FROM JULY 2 OR JULY 3 UNTIL JULY 20, 1992

The SPEAKER pro tempore, by unanimous consent, laid before the House the Senate amendments to the concurrent resolution (H. Con. Res. 343) providing for an adjournment of the House from July 2 until July 7, 1992, and adjournment of the House from July 9 until July 21, 1992, and an adjournment or recess of the Senate from July 2 until July 20, 1992.

The Clerk read the Senate amendments as follows:

Senate amendments: Page 1, line 11, after "1992," insert "or Friday, July 3, 1992,".

Amend the title so as to read: "Concurrent resolution providing for an adjournment of the House from July 2 until July 7, 1992, an adjournment of the House from July 9 until July 21, 1992, and an adjournment or recess of the Senate from July 2 or July 3 until July 20, 1992".

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. COLLINS of Illinois (at the request of Mr. GEPHARDT), for today, on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mr. BEREUTER, for 5 minutes, today.

Mrs. BENTLEY, for 5 minutes, today.

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:)

Mr. MAZZOLI, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Mrs. BENTLEY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BATEMAN, on Senate Joint Resolution 324, Langley Research Center anniversary, in House, today.

(The following Members (at the request of Mr. BEREUTER) and to include extraneous matter:)

Mr. VANDER JAGT.
Ms. MOLINARI.
Mr. HORTON.
Mr. HASTERT.
Mr. RINALDO.
Mr. GREEN of New York.
Mr. DOOLITTLE.
Mr. BAKER.
Mr. SMITH of New Jersey.
Mr. BILIRAKIS.
Mr. WALKER.
Mr. MCMILLAN of North Carolina.
Mr. BEREUTER.
Mr. HOLLOWAY.

(The following Members (at the request of Mr. MCNULTY) and to include extraneous matter:)

Mr. KILDEE.
Mr. PENNY.
Mr. DIXON.
Mr. REED.
Mr. BARNARD.
Mr. STARK in two instances.
Mr. KOSTMAYER.
Mr. HOCHBRUECKNER.
Mr. SWETT.
Mr. FALEOMAVAEGA.
Ms. NORTON.
Mr. RICHARDSON.
Mr. SCHUMER.
Mr. SOLARZ.
Mr. FRANKS of Connecticut.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1598. An act to continue the authorization of appropriations for the East Court of the National Museum of Natural History; to the Committees on House Administration and Public Works and Transportation.

S. 2827. An act to amend the John F. Kennedy Center Act (20 U.S.C. 76h et seq.) to provide authorization of appropriations for fiscal years 1993 through 1997 for the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Public Works and Transportation.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2780. An act to amend the Food Security Act of 1985 to remove certain easement requirements under the conservation reserve program, and for other purposes.

ADJOURNMENT TO TUESDAY, JULY 7, 1992

Mr. MAZZOLI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 343 of the 102d Congress, the House stands adjourned until 12 noon Tuesday, July 7, 1992.

Thereupon (at 5 o'clock and 55 minutes p.m.), pursuant to House Concurrent Resolution 343, the House adjourned until Tuesday, July 7, 1992, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3866. A letter from the Secretary of Education, transmitting the report "The Condition of Bilingual Education in the Nation," pursuant to 20 U.S.C. 3331; to the Committee on Education and Labor.

3867. A communication from the President of the United States, transmitting the report on adherence of the United States to arms control treaty obligations and on problems related to compliance by other nations with the provisions of arms control agreements to which the United States is a party, pursuant to 22 U.S.C. 2592; to the Committee on Foreign Affairs.

3868. Communication from the President of the United States, transmitting his intent to designate Colombia as a beneficiary of the trade-liberalization measures provided in the Andean Trade Preference Act, pursuant to 19 U.S.C. 3202 (H. Doc. No. 102-356); to the Committee on Ways and Means and ordered to be printed.

3869. Communication from the President of the United States, transmitting his intent to designate Bolivia as a beneficiary of the trade-liberalization measures provided in the Andean Trade Preference Act, pursuant to 19 U.S.C. 3202 (H. Doc. No. 102-357); to the Committee on Ways and Means and ordered to be printed July 2, 1992.

3870. A letter from the Comptroller General, transmitting the financial audit of the FSLIC Resolution Fund's 1991 and 1990 financial statements (GAO/AFMD-92-75, June 1992); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSE: Committee on House Administration. H.R. 5269. A bill to add to the area in which the Capitol police have law enforcement authority, and for other purposes; with an amendment (Rept. 102-648). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 4706. A bill to amend the Consumer Product Safety Act to extend the authorization of appropriations under that Act, and for other purposes; with an amendment (Rept. 102-649). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee of Conference. Conference report on H.R. 5260 (Rept. 102-650). Ordered to be printed.

Mr. WHEAT. Committee on Rules. House Resolution 509. Resolution waiving certain points of order against and during consideration of the bill (H.R. 5517) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes (Rept. 102-651). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. H. Res. 510. Resolution providing for the consideration of the bill (H.R. 5100) to strengthen the international trade position of the United States. (Rept. 102-652). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. H. Res. 511. Resolution waiving points of order against the conference report on the bill (H.R. 5260) to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment program, and for other purposes (Rept. 102-653). Referred to the House Calendar.

Mr. BROWN: Committee on Science, Space, and Technology. H.R. 4400. A bill to provide the Administrator of the Small Business Administration continued authority to administer the Small Business Innovation Research Program, and for other purposes; with an amendment (Rept. 102-554, Pt. 2). Ordered to be printed.

Mr. ASPIN: Committee on Armed Services. H.R. 4547. A bill to authorize supplemental assistance for the former Soviet republics; with amendments (Report No. 102–569, Pt. 3). Ordered to be printed.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 4547. A bill to authorize supplemental assistance for the former Soviet republics, with amendments (Rept. 102–569, Pt. 4). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

H.R. 2407. Referral to the Committee on the Judiciary extended for a period ending not later than July 22, 1992.

H.R. 4400. The Committee on Foreign Affairs discharged from further consideration of H.R. 4400.

H.R. 4400. Referral to the Committee on Armed Services extended for a period ending not later than July 7, 1992.

H.R. 4547. The Committees on Banking, Finance and Urban Affairs and Science, Space, and Technology discharged from further consideration of H.R. 4547.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERMAN:

H.R. 5534. A bill to authorize the Secretary of the Interior to enter into a cooperative agreement with the William O. Douglas Outdoor Classroom; to the Committee on Interior and Insular Affairs.

By Mr. TORRES:

H.R. 5535. A bill to amend the Small Business Act to establish a Small Business Health Insurance Advisory Council and to provide for the establishment by small business development centers of health insurance information, counseling, and technical assistance programs, and for other purposes; to the Committee on Small Business.

H.R. 5536. A bill to amend the Internal Revenue Code of 1986 to allow a full, permanent deduction for the health insurance costs of self-employed individuals and to allow a refundable credit for certain health plan costs of small employers; to the Committee on Ways and Means.

By Mr. ACKERMAN:

H.R. 5537. A bill to amend title IV of the Employee Retirement Income Security Act of 1974 to include among pension plans covered under such title pension plans established and maintained by State or local governments for volunteer firefighters; to the Committee on Education and Labor.

By Mr. ANNUNZIO (for himself, Mr. WYLIE, Mr. BARNARD, Mr. LAROCCO, Mr. RIGGS, Mr. CAMPBELL of Colorado, Mr. HAYES of Illinois, Mr. ZELIFF, Mr. HOCHBRUECKNER, and Mr. BEREUTER);

H.R. 5538. A bill to amend the Federal Deposit Insurance Act to improve the collection of restitution awarded in cases of banking law violations, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and the Judiciary.

By Mr. BEREUTER (for himself, Mr. ERDREICH, Mr. WYLIE, Mr. HUBBARD, Mr. BARNARD, Mr. MORAN, Mr. MCCOLLUM, Mr. ROTH, Mr. MCCANDLESS, Mr. BAKER, Mr. GILLMOR, Mr. HANCOCK, Mr. RIGGS, Mr. NUSSLE, Mr. BARRETT, and Mr. FIELDS):

H.R. 5539. A bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon depository institutions and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. DELLUMS (for himself and Ms. NORTON):

H.R. 5540. A bill to waive the period of congressional review for certain District of Columbia acts; to the Committee on the District of Columbia.

By Mr. DOOLITTLE (for himself, Mr. HERGER, and Mr. GUNDERSON):

H.R. 5541. A bill to require the Federal Communications Commission to amend the program exclusivity and nonduplication rules relating to cable television system blackouts to permit carriage of network programming from broadcasts within the same State; to the Committee on Energy and Commerce.

By Mr. HASTERT (for himself, Mr. COMBEST, Mr. DELAY, and Mr. EWING):

H.R. 5542. A bill to institute accountability in the Federal regulatory process, establish a program for systematic selection of regulatory priorities, and for other purposes; to the Committee on the Judiciary.

By Mr. HORTON (for himself, Mr. GILMAN, Mr. MANTON, Mr. RANGEL, Mr. SCHEUER, Mr. TOWNS, Mr. SCHUMER, Mr. ENGEL, Mr. DOWNEY, Mr. ACKERMAN, Mr. MCNULTY, Mr. FISH, Mr. SOLARZ, Mr. WALSH, Mr. PAXON, Mr. OWENS of New York, Mr. MRAZEK, Mr. LENT, Mr. SOLOMON, Mr. MARTIN, Mrs. LOWEY of New York, Mr. LAFALCE, Mr. HOCHBRUECKNER, Mr. MCGRATH, Mr. NOWAK, Mr. BOEHLERT, Mr. MCHUGH, Ms. MOLINARI, Mr. WEISS, Mr. GREEN of New York, Mr. FLAKE, Mr. SERRANO, Mr. HOUGHTON, and Ms. SLAUGHTER):

H.R. 5543. A bill to amend title 38, United States Code, to provide that future increases in the monthly amount paid by the State of New York to blind disabled veterans shall be excluded from the determination of annual income for purposes of the payment of pension by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. MCMILLAN of North Carolina (for himself and Mr. WYLIE):

H.R. 5544. A bill to prohibit the Resolution Trust Corporation from delaying the closing of any savings association because of a lack of appropriated funds and to authorize the Corporation to issue notes to depositors of closed savings associations for the amount of unpaid insured deposits; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MORAN (for himself, Mr. LEWIS of California, Mr. BARNARD, Mr. GORDON, Mr. GIBBONS, Mr. STENHOLM, Mr. CARPER, Mr. WHEAT, Mr. KENNEDY, Mr. LEACH, Mr. JENKINS, Mr. COSTELLO, Mr. MYERS of Indiana, Mr. BROOMFIELD, Mr. HYDE, Mr. HERGER, Mr. CAMPBELL of California, Mr. ROBERTS, Mr. MCEWEN, Mr. HORTON, Mr. ESPY, Mr. CONDIT, Mr. HARRIS, Mr. ERDREICH, Mr. SISISKY, Mr. JACOBS, Mr. GUARINI, Mr. PANETTA, Mr. DONNELLY, Mr. LAUGHLIN, Mr. DARDEN, Mr. SLATTERY, Mr. TANNER, Mr. LUKEN, Mr. MCCRERY, Mr. RAMSTAD, Mr. THOMAS of Wyoming, Mr. SANGMEISTER, Mr. TRAFICANT, Mr. ALLARD, Mr. SCHIFF, Mr. BROWDER, Mr. LAFALCE, Mr. MCCANDLESS, Mr. CRAMER, Mr. HUBBARD, Mr. ORTON, Mr. MANTON, Mr. DWYER of New Jersey, Mr. RAY, Mr. ORTIZ, Mr. CLEMENT, Mr. KANJORSKI, Mr. PARKER, Mr. BOUCHER, Mr. RAHALL, Mr. BREWSTER, Mr. MURPHY, Mr. PAYNE of Virginia, Mr. PENNY, Mr. WILSON, Mr. POSHARD, Mr. STAGGERS, Mr. EWING, Mr. ANDREWS of New Jersey, Mr. GEREN of Texas, Mr. LIPINSKI, Mr. THOMAS of Georgia, Mr. PASTOR, Mr. SARPALIUS, Ms. HORN, Mr. SKEEN, Mr. DOOLEY, Mr. BRYANT, Mr. BLILEY, Mr. WISE, Mr. ROWLAND, Mr. STALLINGS, Mr. OLIN, Mr. HOCHBRUECKNER, and Mr. JOHNSTON of Florida):

H.R. 5545. A bill to improve Federal decisionmaking by requiring a thorough evaluation of the economic impact of Federal legislative and regulatory requirements on State and local governments and the economic resources located therein; jointly, to the Committees on Rules and the Judiciary.

By Ms. PELOSI (for herself, Mrs. BOXER, Mr. DELLUMS, Mr. EDWARDS of California, Mr. FAZIO, Mr. LANTOS, Mr. MILLER of California, Mr. MINETA, and Mr. STARK):

H.R. 5546. A bill to amend the Federal Water Pollution Control Act to provide for implementation of a management plan for the San Francisco Bay-Delta Estuary, and for other purposes; jointly, to the Committees on Public Works and Transportation and Merchant Marine and Fisheries.

By Mr. RICHARDSON (for himself, Mr. BROWN, and Mr. JONTZ):

H.R. 5547. A bill to require the Secretary of Agriculture to establish an administrative appeals process with respect to certain Forest Service decisions, and for other purposes; to the Committee on Agriculture.

By Mr. RICHARDSON:

H.R. 5548. A bill to direct the Secretary of Agriculture to convey certain lands to the town of Taos, NM; to the Committee on Interior and Insular Affairs.

By Mr. SANTORUM:

H.R. 5549. A bill to repeal the Rural Electrification Act of 1936, require the sale of all loans made under such act, and authorize the Secretary of Agriculture to make loans to electric generation and transmission cooperatives which are unable to obtain needed financing in the private sector; to the Committee on Agriculture.

H.R. 5550. A bill to limit the annual growth in overhead of executive agencies of the Government beginning with fiscal year 1994; to the Committee on Government Operations.

H.R. 5551. A bill to achieve payroll and work force reductions within the Federal Government through management incentives and other means; to the Committee on Post Office and Civil Service.

H.R. 5552. A bill to authorize a combined grant to States for administrative costs necessary to carry out the program of aid to families with dependent children under title IV of the Social Security Act, the State plan for medical assistance under title XIX of such act, and the Food Stamp Program, to eliminate enhanced Federal payments for such costs under such programs, and for other purposes; jointly, to the Committees on Ways and Means, Agriculture, and Energy and Commerce.

H.R. 5553. A bill to enable the Secretary of Health and Human Services to carry out activities to reduce waste and fraud under the Medicare Program; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 5554. A bill to require the consolidation of agricultural research and extension activities of the Department of Agriculture; to the Committee on Agriculture.

By Mr. SCHUMER (for himself, Mr. WALSH, and Mr. LEHMAN of Florida):

H.R. 5555. A bill to provide for increased preinspection at foreign airports, to make permanent the visa waiver pilot program, and to provide for expedited airport immigration processing; to the Committee on the Judiciary.

By Mr. STARK:

H.R. 5556. A bill to establish in the Food and Drug Administration the Patented Medicine Prices Review Board to regulate the prices of certin prescription drugs, and for other purposes; jointly, to the Committee on the Judiciary and Energy and Commerce.

By Mr. STUDDS (for himself, Mr. REED, Mr. MAVROULES, Mr. ATKINS, Mr. OLVER, Mr. YOUNG of Alaska, Mr. GROSS, and Mr. FRANK of Massachusetts):

H.R. 5557. A bill to amend the Magnuson Fishery Conservation and Management Act to provide for the restoration of New England stocks of groundfish, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VISCLOSKY (for himself, Mr. MCCLOSKEY, and Mr. APPLEGATE):

H.R. 5558. A bill to amend title XVIII of the Social Security Act to protect certain hospitals from the unintended effects of geographic reclassification in determining the amount of payments to such hospitals for the operating costs of inpatient hospital services under part A of the Medicare Program, to clarify the criteria used for the geographic reclassification of hospitals under the program, and to permit certain hospitals to be treated as regional referral centers under the program; to the Committee on Ways and Means.

By Mr. TAUZIN (for himself, Mr. SLATTERY, Mr. LEHMAN of California, Mr. MOORHEAD, Mr. BARTON of Texas, Mr. RITTER, Mr. OXLEY, and Mr. HASTERT):

H.R. 5559. A bill to amend the Communications Act of 1934 to regulate the provision of information services by common carriers, to foster the development of the information services industry, and to promote competition in the provision of information services; to the Committee on Energy and Commerce.

By Mr. WELDON (for himself, Mr. APPLEGATE, Mr. BEVILL, Mr. DORNAN of California, Mr. SCHEUER, Mr. STAGGERS, Ms. NORTON, Mr. MCMILLEN of Maryland, Mrs. MINK, Mr. SISISKY, Mrs. BOEHLERT, Mr. MAZZOLI, Mr. JACOBS, Mr. SUNDQUIST, Mr. MORAN, Mr. GUARINI, Mr. BUNNING, Mr. WEISS, Mr. NEAL of North Carolina, Mr. FISH, Mr. HORTON, Mr. HOYER, Mr. DURBIN, Mr. ASPIN, Mr. MCNULTY, Mr. VANDER JAGT, Mr. MURTHA, Mr. LIPINSKI, Mr. CHAPMAN, Mr. TALLON, Mr. COBLE, Ms. LONG, Mr. HARRIS, Mr. RIGGS, Mr. GRANDY, Mr. SABO, Mr. FROST, Mr. CLINGER, Mr. HOCHBRUECKNER, Mr. TAYLOR of North Carolina, Mr. MORRISON, Mr. LEHMAN of Florida, Mr. RICHARDSON, Mr. ERDREICH, Ms. PELOSI, Mr. POSHARD, Mr. STUMP, Mr. ACKERMAN, Mr. DWYER of New Jersey, Mr. DARDEN, Mr. DOWNEY, Mr. BROWDER, Mr. CARPER, Mr. FAWELL, Mr. KOPETSKI, Mr. MANTON, Mr. LENT, Mr. BOUCHER, Mr. SAXTON, Mr. JENKINS, Mr. OXLEY, Mr. RANGEL, Mr. LIVINGSTON, Mr. DREIER of California, Mr. SHAW, Mr. GILMAN, Mr. TRAXLER, Mr. PICKETT, Mr. WOLF, Mr. RUSSO, Mr. PAXON, Mr. MONTGOMERY, Mr. BONIOR, Mr. ROEMER, Mrs. UNSOELD, Mr. EMERSON, Mrs. MORELLA, Mr. SANGMEISTER, Mr. KASICH, Mr. GAYDOS, Mr. GALLEGLY, Mr. MCGRATH, Mr. SPRATT, Mr. SKEEN, Ms. DELAURO, Mrs. COLLINS of Michigan, Mr. OLVER, Mrs. BYRON, Mr. WALSH, Mr. LEVIN of Michigan, Mr. EDWARDS of Texas, Ms. SLAUGHTER, Mr. VALENTINE, Mr. LAFALCE, Mr. STEARNS, Mr. COLEMAN of Texas, Mr. MAVROULES, Mr. HUGHES, Mr. QUILLEN, Mr. KLUG, Ms. MOLINARI, Mr. EVANS, Mr. SERRANO, Mr. LANTOS, Mr. GEREN of Texas, Mr. TRAFICANT, Mr. YOUNG of Florida, Mr. ROE, Mr. CARDIN, Mr. PAYNE of New Jersey, Mr. JEFFERSON, Mr. SCHIFF, Mr. LEWIS of California, Mr. ZIMMER, Mr. LAUGHLIN, Mr. FAZIO, Mr. DEFAZIO, Mr. LANCASTER, Mr. MRAZEK, Mr. VENTO, Mr. ZELIFF, and Mr. GEJDENSON):

H.J. Res. 523. Joint resolution designating October 8, 1992, as "National Firefighters Day"; to the Committee on Post Office and Civil Service.

By Mr. HOYER:

H. Con. Res. 343. Concurrent resolution providing for an adjournment of the House from July 2 until July 7, 1992, an adjournment of the House from July 9 until July 21, 1992, and an adjournment or recess of the Senate from July 2 until July 20, 1992; considered and agreed to.

By Mr. KOSTMAYER (for himself and Mrs. MORELLA):

H. Con. Res. 344. Concurrent resolution calling on the Secretary of Defense to complete a full investigation into alleged sexual harassment of women at the symposium of the Tailhook Association in September 1991; to the Committee on Armed Services.

By Mr. MCCLOSKEY:

H. Con. Res. 345. Concurrent resolution concerning declassification and release of information relating to United States military personnel held involuntarily in Indochina; to the Committee on Government Operations.

By Ms. MOLINARI:

H. Con. Res. 346. Concurrent resolution expressing the sense of the Congress that the U.S. Postal Service should not tender high-threat mail to air carriers for transportation on passenger flights until the recommendations of the Federal Aviation Administration's mail and cargo security study are implemented; to the Committee on Post Office and Civil Service.

By Mr. HAMILTON:

H. Res. 512. Resolution providing amounts from the contingent fund of the House for expenses of investigations and studies by the Task Force to Investigate Certain Allegations Concerning the Holding of Americans as Hostages in Iran in 1980 in the second session of the One Hundred Second Congress; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

495. The Speaker presented a memorial of the Legislature of the State of Michigan, relative to a national registry of persons convicted of child abuse crimes; referred to the Committee on Education and Labor.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 104: Mr. BUSTAMANTE.

H.R. 430: Mr. CUNNINGHAM.

H.R. 551: Mr. MORRISON, Mr. MILLER of Washington, Mr. ZIMMER, Mr. EMERSON, and Mr. DUNCAN.

H.R. 917: Mr. MORRISON, Mr. KLUG, and Mr. SCHIFF.

H.R. 918: Mr. REED.

H.R. 1241: Mr. ALLEN and Mr. HASTERT.

H.R. 1335: Mr. KOPETSKI, Mr. SANDERS, and Mr. TORRICELLI.

H.R. 1378: Mr. TORRICELLI.

H.R. 1379: Mr. TORRICELLI and Mr. JOHNSON of South Dakota.

H.R. 1443: Mr. APPLEGATE.

H.R. 1456: Mr. GOODLING.

H.R. 1536: Mr. MCNULTY.

H.R. 1886: Mr. SKAGGS and Mr. KANJORSKI.

H.R. 2164: Mr. HUCKABY.

H.R. 2867: Mr. MCMILLEN of Maryland.

H.R. 2894: Mr. MINETA and Mr. DARDEN.

H.R. 3164: Mr. SAXTON, Mr. ROTH, Mr. SAWYER, Mr. HOBSON, and Mrs. VUCANOVICH.

H.R. 3204: Mr. RAMSTAD.

H.R. 3253: Mr. KILDEE.

H.R. 3273: Mr. MILLER of Ohio, Mr. PACKARD, Mr. OWENS of Utah, Ms. PELOSI, Mr. STALLINGS, Mr. CONDIT, Mr. LEWIS of California, Mr. NEAL of Massachusetts, Mr. GALLO, Mr. WYDEN, Ms. KAPTUR, Mr. LEVIN of Michigan, Mr. RIGGS, Mr. FAZIO, Mr. DOOLITTLE, and Mr. JOHNSON of South Dakota.

H.R. 3441: Mr. ZELIFF.

H.R. 3486: Mr. MAZZOLI and Mr. CHANDLER.

H.R. 3493: Mr. HOBSON and Mr. BAKER.

H.R. 3561: Mr. LIVINGSTON, Mr. MCCRERY, and Mr. CRANE.

H.R. 3598: Ms. SNOWE.

H.R. 3625: Mr. KILDEE.

H.R. 3764: Mr. RAVENEL.

H.R. 3776: Mr. LANTOS.

H.R. 4094: Mr. FISH.

H.R. 4178: Mr. PRICE.

H.R. 4259: Mr. ATKINS, Mr. MILLER of California, and Mr. EVANS.

H.R. 4270: Mr. WISE.

H.R. 4279: Mrs. LOWEY of New York.

H.R. 4334: Mr. RIGGS, Mr. EWING, Mr. DANNEMEYER, Mr. BURTON of Indiana, and Mr. HANCOCK.

H.R. 4414: Mr. MILLER of Washington.

H.R. 4537: Mr. SHAW.

H.R. 4542: Mr. FOGLIETTA, Ms. PELOSI, and Mr. WOLPE.

H.R. 4585: Mr. WHEAT, Mr. RAVENEL, Mr. ERDREICH, Ms. PELOSI, Mr. GIBBONS, Mr. JACOBS, Mr. DIXON, Mr. HAYES of Illinois, and Mr. HARRIS.

H.R. 4599: Mr. PANETTA and Mr. ROWLAND.

H.R. 4725: Mr. BUSTAMANTE.

H.R. 4729: Mr. KILDEE, Mr. SANDERS, Mr. BUSTAMANTE, Mr. ENGLISH, Mr. PETERSON of Florida, and Mr. CARPER.

H.R. 4738: Mr. MAVROULES.

H.R. 4754: Mr. KOSTMAYER and Mr. TORRICELLI.

H.R. 4976: Mr. HORTON.

H.R. 5096: Mr. BRYANT, Mr. SYNAR, Mr. STAGGERS, Mr. HUBBARD, and Mr. JONES of North Carolina.

H.R. 5121: Mr. OWENS of New York, Mrs. EVANS, and Mr. BILBRAY.

H.R. 5123: Mr. LAFALCE, Mr. KENNEDY, Mr. RAVENEL, Mr. KOPETSKI, Mr. NEAL of North Carolina, and Ms. SLAUGHTER.

H.R. 5176: Mr. ACKERMAN and Mrs. LOWEY of New York.

H.R. 5220: Mr. FISH, Mr. ZELIFF, Mr. CUNNINGHAM, Mr. GALLEGLY, Mr. GINGRICH, Mr. RANGEL, Mr. SKEEN, Mr. HORTON, and Mr. McCRERY.

H.R. 5223: Mr. JOHNSON of South Dakota and Mr. MORRISON.

H.R. 5264: Mr. FLAKE.

H.R. 5297: Mr. PAXON, Mr. GORDON, Mr. INHOFE, Mr. GILMAN, Mr. FROST, Mr. LIGHTFOOT, Mr. McEWEN, Mr. BAKER, Mr. SWIFT, Mr. COLEMAN of Missouri, Mr. DEFAZIO, Mr. DARDEN, Mr. HOLLOWAY, Mr. STUMP, Mr. ASPIN, Mr. HORTON, Mr. PICKETT, Mr. TAUZIN, Mr. PETERSON of Florida, Mr. McCRERY, Mr. NEAL of North Carolina, Mr. RAHALL, Mr. CAMP, Mr. GINGRICH, and Mr. TANNER.

H.R. 5307: Mr. FASCELL, Mr. YOUNG of Florida, Mr. GIBBONS, Mr. McCOLLUM, and Mr. SPENCE.

H.R. 5340: Mr. FIELDS, Mr. DOOLITTLE, Mr. MURPHY, Mr. CUNNINGHAM, Mr. BLILEY, Mr. HASTERT, Mr. VOLKMER, Mr. LENT, Mr. WEBER, Mr. MYERS of Indiana, Mr. LOWERY of California, Mr. DE LA GARZA, and Mr. TAUZIN.

H.R. 5360: Mr. PASTOR and Mr. EVANS.

H.R. 5375: Mr. EWING, Mr. KLUG, and Mr. FRANKS of Connecticut.

H.R. 5391: Mr. FRANK of Massachusetts, Mrs. BENTLEY, Mr. HORTON, and Mr. RANGEL.

H.R. 5401: Mr. RINALDO and Ms. NORTON.

H.R. 5404: Mr. LANCASTER, Mr. WILSON, Mr. FROST, and Mr. ZELIFF.

H.R. 5416: Mr. EVANS and Ms. NORTON.

H.R. 5433: Mr. MORAN, Mr. ZELIFF, Mr. BAKER, Mr. THOMAS of Wyoming, Mr. PAXON, Mr. RIGGS, Mr. McCANDLESS, Mr. ROTH, Mr. ZIMMER, Mr. HAMMERSCHMIDT, Mr. BARRETT, Mr. FIELDS, and Mr. VISCLOSKY.

H.R. 5456: Mr. BERMAN.

H.R. 5476: Mr. HOCHBRUECKNER, Mr. DOWNEY, Mr. MRAZEK, Mr. LENT, Mr. McGRATH, Mr. FLAKE, Mr. ACKERMAN, Mr. SCHEUER, Mr. MANTON, Mr. SCHUMER, Mr. TOWNS, Mr. OWENS of New York, Mr. SOLARZ, Ms. MOLINARI, Mr. GREEN of New York, Mr. GUARINI, Mr. WEISS, Mr. SERRANO, Mr. ENGEL, Mrs. LOWEY of New York, Mr. FISH, Mr. GILMAN, Mr. McNULTY, Mr. SOLOMON, Mr. BOEHLERT, Mr. MARTIN, Mr. WALSH, and Mr. RANGEL.

H.R. 5477: Mr. FASCELL.

H.R. 5478: Mr. LANCASTER, Mr. ROSE, Mr. ERDREICH, Mr. COLEMAN of Texas, Mr. RICHARDSON, Mr. PASTOR, Mr. BARNARD, Mr. TAUZIN, Mr. TORRES, Mr. PICKLE, Mr. BROOKS, Mr. RAVENEL, Mr. FASCELL, and Mr. ROYBAL.

H.R. 5496: Mr. ZELIFF, Ms. KAPTUR, and Mr. ATKINS.

H.R. 5514: Mr. SWIFT.

H.J. Res. 378: Mr. FOGLIETTA and Mr. DICKINSON.

H.J. Res. 400: Mr. OWENS of Utah, Mr. DICKINSON, and Mrs. KENNELLY.

H.J. Res. 411: Mr. PANETTA.

H.J. Res. 474: Mr. CARDIN, Mr. DWYER of New Jersey, Mrs. VUCANOVICH, and Mr. ROTH.

H.J. Res. 478: Mr. KILDEE, Mr. COUGHLIN, Mrs. ROUKEMA, Mr. SCHAEFER, and Ms. SLAUGHTER.

H.J. Res. 479: Mr. COLORADO, Mr. MURTHA, and Mr. ANNUNZIO.

H.J. Res. 483: Mr. CALLAHAN.

H.J. Res. 489: Mr. KASICH, Mrs. BOXER, Mr. MACHTLEY, Mr. WYDEN, Ms. SLAUGHTER, Mr. CARDIN, and Mr. HERGER.

H.J. Res. 495: Mr. JOHNSON of South Dakota and Mrs. KENNELLY.

H.J. Res. 498: Mr. GEREN of Texas, Mr. RAY, Mr. VALENTINE, Mr. CARPER, Mr. MINETA, Mr. PAYNE of New Jersey, Mr. POSHARD, Mr. DEFAZIO, Mr. BLILEY, Ms. NORTON, Mr. FORD of Michigan, and Mr. PETERSON of Minnesota.

H.J. Res. 501: Mr. ECKART and Mr. PERKINS.

H.J. Res. 508: Mr. JEFFERSON, Mr. WAXMAN, Mr. FROST, Mr. TORRICELLI, Mr. HORTON, Mr. LANCASTER, Mr. APPLEGATE, Mr. ABERCROMBIE, Mr. HOCHBRUECKNER, and Mr. KILDEE.

H. Con. Res. 246: Mr. ROEMER, Mr. VALENTINE, Mr. GLICKMAN, Mr. FALEOMAVAEGA, and Mr. MURTHA.

H. Con. Res. 282: Mr. MORRISON, Mr. DYMALLY, Mr. YATES, Mr. HASTERT, Mr. GRANDY, Mr. ORTIZ, Ms. PELOSI, and Mr. HOPKINS.

H. Con. Res. 295: Mr. SCHEUER and Mr. TORRICELLI.

H. Con. Res. 307: Mr. SHUSTER.

H. Res. 139: Mr. SHUSTER.

H. Res. 422: Mr. GEJDENSON, Mr. OWENS of Utah, and Mrs. KENNELLY.

H. Res. 470: Ms. NORTON, Mr. ENGEL, and Mr. FROST.

H. Res. 472: Mr. PAXON.

H. Res. 490: Mr. MILLER of Washington, Mr. ATKINS, Mr. STOKES, Mr. McDERMOTT, Mr. SAXTON, Mr. THOMAS of Wyoming, Mr. SMITH of Iowa, Mr. RHODES, Mr. FAWELL, and Mr. HASTERT.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3221: Mr. VOLKMER.

SENATE—Thursday, July 2, 1992

(Legislative day of Tuesday, June 16, 1992)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the Honorable PAUL D. WELLSTONE, a Senator from the State of Minnesota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

For all have sinned, and come short of the glory of God * * *.—Romans 3:23.

Almighty God, Karl Marx proposed a political system based on his belief that human nature was inherently good and religion was an opiate of the people. Our Founding Fathers built a political system based upon their view that human nature has a propensity to abuse power and introduced a government of three branches providing a system of checks and balances. Marx's system collapsed after 70 years, ours continues into its third century. In the light of present crises, financial corruption, human selfishness and greed, the lust for power, deliver us from the naivete that human nature can be trusted without God.

Faithful Father in heaven, midst the frustration and struggle of election as campaigns become increasingly negative and party lines more sharply drawn, sensitize us to the ever-present possibility that a battle could be won and the war lost. Despite our deep differences, Dear God, keep us dedicated to the profound unity that has characterized our history from the earliest difficult days of colonialism. In the name of the Prince of Peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 2, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL D. WELLSTONE, a Senator from the State of Minnesota, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. WELLSTONE thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADERSHIP TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

The Senator from Georgia [Mr. NUNN] is recognized to speak for up to 30 minutes.

THE DEFENSE DEPARTMENT MUST THOROUGHLY OVERHAUL THE SERVICES' ROLES AND MISSIONS

Mr. NUNN. Mr. President, in 1986, after almost 4 years of work, study, and deliberation, the Congress passed landmark legislation reorganizing the Department of Defense. That landmark legislation, known as the Goldwater-Nichols Act, brought about a coordination and consolidation in the Department of Defense that had been sought 40 years earlier when President Truman stated in a message to the Congress that "* * * There is enough evidence now at hand to demonstrate beyond question the need for a unified department." Those words triggered the process that established the Department of Defense.

Those who sought unification under a new Department of Defense had to reconcile their goals with those who sought to preserve the power and influence and prerogatives of the independent military departments that preceded it. The past 40 years have been filled with evolutionary changes on the road to complete reform. The Goldwater-Nichols Act in 1986 was the most far-reaching step yet taken to create a coherent, efficient, and effective Defense Establishment.

We saw the first tangible fruits of that act in Operation Just Cause in Panama and Operation Desert Shield/Desert Storm in Southwest Asia. For the first time, the services were integrated in a way that combined the unique strengths of the individual services. As a combined force, our military capability totaled more than 100 percent of the sum of the parts contributed by each of the services. The unique contributions of the individual services were combined in an effective and innovative way to create the most capable military force in the modern era.

Gen. Norman Schwarzkopf, Commander in Chief of the U.S. Central Command, testifying before the Congress at the end of Desert Storm, summarized the importance of Goldwater-Nichols:

> Goldwater-Nichols established very, very clear lines of command authority and responsibilities over subordinate commanders, and that meant a much more effective fighting force in the gulf. The lines of authority were clear, the lines of responsibility were clear, and we just did not have any problem in that area—none whatsoever.

Secretary of Defense Richard Cheney said:

> I am personally persuaded that [Goldwater-Nichols] was the most far-reaching piece of legislation affecting the Department since the original National Security Act of 1947. * * * Clearly, it made a major contribution to our recent military successes.

Goldwater-Nichols has been a great success, in no small measure because men and women in the military implemented it with typical American determination. The Department deserves great credit for its implementation of both the spirit and the letter of the Goldwater-Nichols Act. General Powell and Secretary Cheney are especially to be congratulated for their consistent efforts to implement the Act.

ROLES AND MISSIONS OF THE SERVICES REMAINS UNFINISHED BUSINESS

But even the success of Goldwater-Nichols did not complete the process of reform. There still is considerable unfinished business at hand. One of the biggest problems we now face is an item that Goldwater-Nichols addressed in a limited way, and that is the issue of the assignment of roles and missions of the military departments.

In 1947, when the Department of Defense was formed, one of the most fiercely debated issues was the roles and missions of the services. It was not merely an issue of pride and tradition although that certainly was part of it. It was an issue of power and resources. Controlling a mission meant having a claim to budget resources. The roles and missions of the services followed the historical evolution of responsibilities and capabilities of the Army and the Navy. The Army was responsible for land operations and the Navy and Marine Corps for sea and coastline operations. But when new technologies—like combat aviation—emerged, the lines became fuzzy. A new service—the

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Air Force—was established, but the Navy, Marine Corps, and Army all continued to operate combat aircraft, arguing that organic capabilities were needed in order to carry out war on land or at sea. Satellites and missile technology were on the drawing boards, and the Army, Navy, and Air Force all wanted to be involved in these new technologies.

Then Secretary of Defense James Forrestal sought to resolve the dispute by convening a meeting of the service heads at Key West, FL, and in 1948, the famous Key West Agreement was reached that set out the various roles and missions of the military services.

The problem, of course, with the Key West Agreement is that it largely failed to avoid the tremendous redundancy and duplication among the military services. As former Senator Barry Goldwater frequently said, we are the only military in the world with four air forces. We have a Marine Corps and an Army with light infantry divisions. Both the Navy and the Air Force design, build, test, and field cruise missiles. Both the Navy and the Air Force build and operate satellites. Each of the military departments has its own huge infrastructure of schools, laboratories, industrial facilities, testing organizations, and training ranges. We have at least three, and in some instances four separate Chaplain Corps, Medical Corps, Dental Corps, Nursing Corps, and Legal Corps. In certain cases Navy radios cannot operate interchangeably with Army radios. Navy aircraft require different types of aerial refueling equipment than Air Force aircraft. Air Force aircraft use chaff and flares that cannot be used by the Navy. The list goes on and on and on.

Mr. President, this redundancy and duplication is costing billions of dollars every year. Let me provide just a few examples of potential savings. The Army has 18 divisions and the Marine Corps has 4 divisions. If the Defense Department decided it could eliminate just two divisions and we would save nearly $3.5 billion every year. The Air Force has 26 equivalent fighter wings, the Navy has 13, and the Marine Corps 4 wings, for a total of 43 wings. If the Defense Department decided it could eliminate just five wings of duplicative capability, we could save over $1.5 billion annually. But more important, we would eliminate the need to spend $18 to $25 billion on new aircraft over the next 15 years. The Navy operates 12 aircraft carriers. If the Defense Department decided that long-range aviation could eliminate the need for two aircraft carriers, you save $7 billion in operating costs and $9 billion required to build two new aircraft carriers. Streamlining the logistics, administration, and management duplication among the services could save tens of billions annually.

CONSIDERATION OF ROLES AND MISSIONS DURING DELIBERATION ON GOLDWATER-NICHOLS

During our deliberations on the Goldwater-Nichols legislation, former Chairman of the Joint Chiefs of Staff, Gen. David Jones—who with others like Gen. Shy Meyer deserves much credit for initiating the reform process that led to the act—commented that one of the items too hard to solve as Chairman was the problem of roles and missions of the military departments. In order to get the Department to focus on the problem, we included in the Goldwater-Nichols Act a provision that requires that every 3 years, or upon request of the President or the Secretary of Defense, the Chairman of the Joint Chiefs of Staff shall submit to the Secretary a report containing such recommendations for changes in the assignment of functions—or roles and missions—to the Armed Forces as the Chairman considers necessary to achieve maximum effectiveness of the Armed Forces.

On September 28, 1989, the day before his retirement, Adm. William J. Crowe. Jr., then Chairman of the Joint Chiefs of Staff, submitted to the Secretary his "Report on Roles and Functions of the Armed Forces." That report was the first such effort since the famous Key West Agreement in 1948 to address roles and functions.

Mr. President, one of the items Admiral Crowe called for was a sweeping reorganization of the intelligence organizations that support our forces. We are just now starting to see the fruits of that reorganization within the Department. This is a direct result of Admiral Crowe's initiative, but much more needs to be done in this area as well.

DEADLINE FOR NEXT REPORT IS APPROACHING

Mr. President, the triennial deadline for the Chairman's next report is approaching. General Powell has indicated that he is already working on the report. This is a tough job. It is a job no one in the Department wants. Every Chairman of the Joint Chiefs of Staff with whom I have discussed this subject has said it is singularly the most difficult problem he has had to deal with.

General Powell and the service chiefs deserve credit for the steps they have already taken. General Powell pointed out that this past year a major roles and missions issue was addressed when the Department decided to have the Army relinquish any control over nuclear weapons. This was a big change. From the earliest days of the cold war, the Army has had tactical nuclear weapons. And last year, the Department decided that the Army would relinquish the nuclear mission completely.

And as I mentioned earlier, the Department has created Joint Intelligence Centers, eliminating duplication that existed in various component commands. This will prove to be a very important step that will directly benefit our forces in the field in the future.

The Department is also undertaking a sweeping reorganization of peacetime medical care. A lead service will be assigned care in a certain region and be responsible for all medical services to all eligible personnel in that region. This is a very important step and one that could not be possible without strong leadership in the Department.

I would also note that there are examples of increasing joint and cooperative activity within the Department. The Navy and Air Force are jointly developing new types of air-to-air and air-to-ground munitions. The Joint Requirements Oversight Council process is working to foster collaboration among the services in developing new weapon systems.

Mr. President, it is clear that the Department is beginning to work to streamline operations and to consolidate programs. But there is much more that needs to be done. The actions to date are noteworthy, but not all that far reaching in terms of major roles and missions. Progress on these larger issues will require outside pressure and determined oversight by the Congress, by the President and by the Secretary of Defense and increasingly, I believe, by the American public.

THE OPPORTUNITY AND NECESSITY FOR CHANGE

Mr. President, we find ourselves at a unique point in history. We are leaving a security era that demanded large numbers of U.S. combat forces stationed overseas or operating in forward locations at high states of combat readiness in order to confront a large and numerically superior opponent. That era has ended. We are entering a security era that permits a shift in our overall strategy toward smaller force levels, with smaller overseas deployments and lower operating tempos. The exact size and organization of this future force is still taking shape. It will be a smaller force than we have today, but with certain units that are immediately available for action in a crisis, supplemented by larger reinforcing forces that can be quickly mobilized and made proficient for combat within weeks or months. We will need much more flexible weapon systems and combat organizations that can be rapidly tailored for emergencies. We will need an adaptive command structure that can quickly configure task forces utilizing the capabilities and strengths of the various service units.

At the same time our country is facing an unprecedented fiscal crisis, largely of our own making. We are drowning in a sea of red ink. We are racking up an unprecedented national debt, fueled annually by massive deficits. We must find a comprehensive solution to this problem. And certainly one element of the solution is continued prudent reductions in the defense budget.

These two factors—the reduction in the threat and the budget deficit crisis—represent the opportunity as well as the necessity of change. Now, as never before, we must address the issue of roles and missions in the Department of Defense.

The Goldwater-Nichols Act specified that the Chairman should consider three items as he reviewed roles and functions:

Changes in the nature to the threats faced by the United States;

Changes in technology that can be applied effectively to warfare; and

Unnecessary duplication of effort among the Armed Forces.

Mr. President, during the past 3 years, I believe we have witnessed revolutionary developments that apply in each of these areas. The long-standing security threat that faced our country—the Soviet Union and the Warsaw Pact—collapsed and disintegrated. Operation Desert Storm witnessed the application in warfare of technology that has the most far-reaching implications—stealth technology, cruise missiles, precision-guided weaponry, advanced simulation and mission rehearsal, tactical ballistic missile intercepts, integration of space systems into combat operations, and so forth. While many of these new technologies had been available for some time, their application in warfare opened up new insights into how best to integrate combined forces. It also exposed continuing weaknesses in the interoperability of our forces.

And also in this same 3-year period, the Department has announced and is currently undertaking a far-reaching build-down of our military forces—closing hundreds of installations, deactivating a third of the Army's divisions, one-quarter of the Air Force's tactical fighter wings, 20 percent of the Navy's ships, and removing from deployed status nearly 70 percent of our strategic nuclear warheads. If ever there were a time for and a need for a systematic review of roles and missions, it is now.

Some time back, I was discussing this issue with Admiral Crowe. He said something I considered very important which I believe needs to be part of the public record. He said that at every point in our history as a country, when we have faced the end of a period of military crisis and the start of an era of relative peace, we deal with our defense policy in a two-step process. The first step is to cut the defense budget. And when we do that we usually get a smaller version of what we currently have. The second step is to shape a new force in light of the changed circumstances. Admiral Crowe said, that we have always tended to do the first step and failed to follow through with the second. That is why, he said, generals and admirals are usually prepared to fight the last war. It is not their fault, Admiral Crowe said, because the Defense Department only gives them a smaller version of what they had in the last war.

The services are currently in the middle of their build-down plans, and I think they are doing a good job. Some of the services are doing a better job than others. The Air Force, for example, has launched sweeping changes to its management and administrative structure. The other services are far behind the Air Force in this regard, but by and large they are doing a good job within their programs downsizing to a more realistic level. But there are virtually no major changes that cross service lines. For all practical purposes, each service is designing its own smaller future.

NEED TO RESHAPE, RECONFIGURE, AND MODERNIZE

Mr. President, we must break this historical American pattern of defense reductions. We should not go into the future with just a smaller version of our cold war force. We must prepare for a future with a fresh look at the roles and missions that characterized the past 40 years. We must reshape, reconfigure, and modernize our overall forces—not just make them smaller. We must find the best way to provide a fighting force in the future that is not bound by the constraints of the roles and missions outlined in 1948.

FRAMEWORK FOR REFORM

I do not pretend to have concrete, definitive answers to the roles and missions challenge. Certainly, there are many potential ways to streamline our operations. The framework I am going to outline is not prescriptive. It does not prescribe concrete solutions, but I hope my remarks will stimulate a constructive debate. There are 10 broad areas where there appears to be substantial duplication and potential opportunity for streamlining. Those areas are:

Projection of air power;

Contingency or expeditionary ground forces;

Theater air defenses;

Space operations;

Helicopter forces;

Intelligence;

Functional organizations and activities;

Logistics and support activities;

Administrative and management headquarters; and

Guard and reserve component forces.

This list is neither exclusive nor exhaustive. There may be other, better opportunities for consolidation, realignment or further study and analysis. Some of these 10 might not turn out to be fruitful. But I am convinced it is time for General Powell to conduct a no-holds-barred, everything-on-the-table review of the current assignments of roles and missions among the military services. Here is where I would suggest they start.

PROJECTION OF AIR POWER

The first area of potential streamlining is projection of air power. Operations Desert Shield/Desert Storm provided compelling evidence of the critical role that air power plays on the modern battlefield. Tactical aircraft were among the first forces in theater to deter further advances by Iraq, provided an ongoing air defense screen over Saudi Arabia while the reinforcement proceeded, and conducted an extremely successful interdiction campaign once the war started.

But we spend tens of billions of dollars every year operating tactical aircraft squadrons in each of the four services. The services now have over 350 billion dollars' worth of new combat aircraft on the drawing boards, with only limited efforts to achieve commonality. We must find ways to save billions of dollars with streamlining and eliminating the duplication in this area.

LAND-BASED VERSUS SEA-BASED POWER PROJECTION

We have two modes of air power—land based aviation and sea-based aviation. Land-based aviation provides the mass needed for modern air combat. Sea-based aviation provides presence in areas where land basing is not possible or until it becomes possible. Both are unique capabilities and assets we require. From my point of view, the issue is not whether we have one or the other. The issue instead is choice on the margin: As we invest scarce resources in coming years, what is the most cost-effective mix of forces?

As I review the service plans and programs, I note several items that cannot be considered apart from a careful assessment of roles and missions. For example, this year's budget request contains an $800 million downpayment on a $4.8 billion aircraft carrier, and $165 million to start the development of a $60 to $80 billion new stealthy medium-range bomber to fly off aircraft carriers, the so-called AX airplane. At the same time the Air Force is proposing to start a $5 billion upgrade to the B-1 bomber.

This raises several important questions. What is the most cost-effective way to provide air interdiction in the future—with long-range bombers from the United Sates or with large numbers of aircraft carriers with medium-range bombers on their decks? What is the tradeoff between upgrading the B-1 bomber fleet and operating another aircraft carrier? What can a new AX bomber from an aircraft carrier do that our existing long-range bombers from land bases cannot do? Could Navy aircraft carriers utilize shorter range bombers—like F-18's—and let the Air Force provide the long-range bombing capability? Is the AX so important to the Navy that it will accept fewer aircraft carriers or give up the F-18E/F to get it?

The fundamental question is not what is best for the Navy or the Air Force. The question is what is best for America?

I am not saying we do not need aircraft carriers or do not need long-range bombers. But I do believe that as we look to a future of shrinking budgets and changing requirements, we need to make some clear-eyed decisions about the most cost-effective mix of these forces.

DUPLICATIVE MULTIROLE FIGHTER CAPABILITY

These are other areas of duplication in air power. The Navy operates F-18 aircraft as multirole fighters and the Air Force operates F-16 aircraft as multirole fighters. The Navy wants to buy a new version of the F-18 that will cost nearly $5 billion to develop and $55 to $75 billion to procure. The Air Force wants to develop a new multirole fighter in the future to replace its current F-16 fleet. That airplane will cost tens of billions of dollars as well. During the 1960's and 1970's, the Navy, the Air Force, and the Marine Corps all operated one fighter—the F-4, which was an extremely successful aircraft.

This raises several key questions: Can the services cooperate and develop a common multirole fighter? Could the Air Force use the Navy's F-18 as its multirole fighter?

The fundamental question is not which airplane is best for the Navy or for the Air Force or the Marine Corps. The question is what is best for America?

The Air Force operates some 26 equivalent wings of fighter aircraft. The Navy operates 13 wings and the Marine Corps operates 4 wings. Each wing costs hundreds of millions to operate and train annually, and billions to outfit. Obviously, each of the services would like to keep all their own wings of aircraft. But we must ask some specific questions. Do we need separate and parallel fleets of multirole fighters in the first place? How many squadrons do we need and how many should be in the Navy, in the Marine Corps, and in the Air Force? Should each of the services have a complete cross section of types of aircraft or could the services specialize?

The fundamental question is not what is best for the Navy or the Air Force or the Marine Corps. The fundamental question is what is best for America?

DUPLICATION BETWEEN MARINE CORPS AND NAVY

The Marine Corps will invariably enter combat in one of two conditions: Either underneath a general Navy air defense umbrella—as was the case in Lebanon—or as part of a combined arms operation—as was the case in Desert Storm—where the Air Force and Navy jointly provide for theater air defenses. In either situation, the Marine Corps could count on the Navy or the Air Force units to provide for deep interdiction and fighter air defense. The Marine Corps also utilizes aircraft as artillery, but is there a reason why a Navy or Air Force fighter could not provide this capability?

Both the Navy and the Marine Corps operate F-18 aircraft and have separate and parallel attack squadrons. I understand that the Navy and the Marine Corps may be planning some bold actions in this area by combining Navy and Marine Corps squadrons. The Navy and Marine Corps deserve high marks for taking the lead here. But can we go further? Could the Marine Corps, for instance, specialize in vertical flight—helicopters and AV-8B's—and the Navy specialize in fixed-wing fighter support? Could Navy helicopters be transferred to the Marine Corps while Marine Corps fixed-wing fighters are transferred to the Navy? Tough questions, Mr. President, but questions that must be asked.

The fundamental question is not what is best for the Marine Corps or the Navy. The question is what is best for America?

PARALLEL ELECTRONIC JAMMER AIRCRAFT FLEETS

In another example, both the Navy and the Air Force operate standoff jammer aircraft to protect tactical fighters. The Navy's aircraft is the EA-6B, widely considered the best in the world. The Air Force jammer is the EF-111. The Navy has done a better job than has the Air Force of modernizing its jammer fleet. But ironically, even though the Navy has a better overall modernization program, budget pressure within Navy aviation is forcing them to stretch out the EA-6B program, and there have even been indications the program might even be canceled. In other words, both services are trying to maintain fleets of stand-off jammers, but budget pressure is seriously limiting their modernization programs. Could the standoff jamming mission be assigned to one service so that we have one healthy modernization program for everyone rather than two weak, struggling programs?

The fundamental question is not what is best for the Air Force or the Navy. The question is what is best for America?

CONTINGENCY OR EXPEDITIONARY GROUND FORCES

DUPLICATIVE INFANTRY DIVISIONS

The second major area of potential streamlining concerns contingency or expeditionary ground forces in the Army and Marine Corps. Both the Marine Corps and the Army operate light infantry divisions, although they specialize in different combat concepts and skills. Marine Corps infantry utilize amphibious assault while Army infantry units emphasize parachute assault, helicopter assault, and traditional dismounted infantry tactics. In my view, we need to retain these complementary skills.

Nonetheless, the Army has five infantry divisions in its contingency corps and the Marine Corps has three divisions. Each division costs nearly $2 billion annually in personnel and operating costs.

Obviously, both the Army and the Marine Corps will say their respective capabilities are unique. But do we need eight divisions of contingency or expeditionary forces?

The future year defense program contains over $7 billion to buy fast sealift ships largely to transport Army divisions, amphibious ships to transport Marine Corps brigades, and prepositioning ships to store the equipment and supplies of Marine Corps and Army units. The key question is: What is the right mix among fast sealift ships, prepositioned ships, and amphibious shipping to deploy, equip, supply, and sustain contingency and expeditionary forces?

The fundamental question is not what is best for the Army or the Marine Corps. The question is: What is best for America?

ARMY PROVIDED TANK AND MLRS BATTALIONS FOR MARINE CORPS

During Operation Desert Storm, the Army provided tank battalions and rocket artillery support to the Marine Corps. The Marine Corps has only four tank battalions, and two of those battalions have only eight tanks each. By contrast, the Army has over 35 tank battalions, each with 54 tanks. The Marine Corps would also like to buy 42 multiple-launch rocket system [MLRS] launchers, even though the Army has over 500 and provided MLRS support during Desert Storm.

Obviously the Marine Corps would like to have its own tank and MLRS battalions. But we must ask the following key questions. Can the Army provide armor and artillery support for the Marine Corps? Can Army tank and MLRS battalions train and deploy with Marine Corps expeditionary forces, freeing the Marine Corps to invest in unique capabilities that they can provide for other services?

The fundamental question is not what is best for the Marine Corps or the Army. The question is: What is best for America?

THEATER AIR DEFENSES

The third area we need to examine as we review roles and missions is theater air defenses. Air defenses have always been a divided mission. The Army operates ground-based missile systems to use against enemy aircraft while the Air Force has fighters to shoot down enemy aircraft. This distinction reflects the historical agreements reached between the Air Force and the Army back in 1948. It may also have been a plausible division of labor when we confronted a massive Soviet threat in Europe. But Desert Storm demonstrated the power of modern tactical air power. Except for Patriot missiles against Scuds, the Army didn't shoot a single air defense missile at an enemy aircraft during the war.

Certainly we cannot say that every conflict in the future will follow a pattern set during Operation Desert Storm. But the overwhelming power of our tactical aircraft does suggest we ought to fundamentally reassess air defense. The Army would like to launch a new air defense missile system, and the budget request contains over $100 million for upgrades to current systems. The Air Force is proposing to spend $14 billion to develop and $55 to $70 billion to procure a new air superiority fighter.

Clearly we need to ask the following questions. Are new air defense missile systems needed given the success of and overwhelming superiority of our tactical fighter operations? Can the entire theater air defense mission be assigned to the Air Force?

The fundamental question is not what is best for the Army or for the Air Force. The question is, What is best for America?

SPACE OPERATIONS

The fourth area of potential streamlining is space operations. While the Air Force has a dominant role in space operations, it is by no means an exclusive role. The Navy operates its own fleet of satellites. The military services have parallel and potentially redundant systems on the ground for monitoring and controlling satellites and duplicative design laboratories.

If you asked the Navy they would want to keep their own labs and facilities. If you asked the Army they would want to continue to operate their own facilities and ground stations. If you ask the Air Force they would want to keep their own systems and labs. The key question is obvious: Can one of the services be assigned the space operations mission on behalf of all of the Defense Department?

The fundamental question is not what is best for the Army or Navy or Air Force. The question is what is best for America?

HELICOPTER FORCES

A fifth area for potential consolidation concerns helicopter forces. Five years ago the Air Force and Army Chiefs of Staff entered into an agreement to streamline roles and missions. One of their recommendations involved transferring all helicopter operations from the Air Force to the Army. That proposed transfer was sidetracked because of opposition from the Air Force helicopter community. The Air Force continues to operate several hundred helicopters, even though the Army operates over 5,000 helicopters. Were the chiefs of staff of the Air Force and Army right 5 years ago when they first proposed this move? Now that we are facing sharp reductions in budget authority, should we not take a look at this issue again.

Again, the fundamental question is not what is best for the Army or the Air Force. The question is what is best for America?

INTELLIGENCE

As I noted earlier, the Department has made great progress in streamlining its intelligence operations in support of our unified commanders. One of the recommendations that has been implemented by General Powell has been the creation of joint intelligence centers. This reform transferred intelligence capabilities from the component headquarters—Army intelligence analysts, for example—and brought them under the direct control of the unified commanders. This had a tremendous impact on streamlining the intelligence process in Desert Storm.

Nevertheless, there are a substantial number of intelligence units and organizations throughout the services. These organizations conduct intelligence activities and provide analysis that mirrors many of the activities performed at the joint intelligence centers and at the Defense Intelligence Agency. Can we eliminate needless duplication of effort by defining better the activities that should be performed at the joint level and those that need to be performed at the service level?

In this area again the fundamental question is not what is best for the individual services. The question is what is best for America?

FUNCTIONAL ORGANIZATIONS AND ACTIVITIES

So often the roles and missions debate focuses only on the fighting elements of the services—the tooth—and not on the support side, the so-called tail. The seventh area concerns functional organizations and activities.

PILOT TRAINING

One good example is the area of pilot training. All of the military departments operate aircraft of all variety, and each of them has their own training program and schools for pilots. While each of the services needs to have service-specific training programs for advance pilot training—carrier landings, for example—every prospective pilot has to go through preliminary stages of training called undergraduate pilot training [UPT]. Undergraduate pilot training trains basic piloting skills, determines motor coordination skills, and teaches basic principles of navigation. As evidence that this is a common requirement, the Air Force and the Navy are jointly working to develop the next generation undergraduate pilot trainer aircraft.

The obvious question is if the service can develop a common airplane to train future pilots, can they cooperate and provide on behalf of the total department and consolidate their undergraduate flight training program?

The fundamental question is not what is best for the Navy or Marine Corps or Air Force. The question is what is best for America?

HELICOPTER TRAINING

Similarly, both the Army and the Navy operate major helicopter training centers. While there is some justification for separate training activities for more advanced training techniques—such as helicopter landings at sea, nighttime assaults, and so forth—is there any reason for separate facilities for basic helicopter flight training? The Defense Department proposed to do this over 10 years ago and Congress blocked it. But the question again needs to be raised. Could basic helicopter flight training be assigned to one of the services?

The fundamental question is not what is best for the individual services. And I would say to my colleagues, as hard as it is for us, the issue is not what is best for our individual States or districts. The question is what is best for America?

AERIAL REFUELING

There are two kinds of air refueling aircraft—fast flying tankers [KC-10's and KC-135's] used to refuel jet aircraft and slow flying [KC-130's] tankers used to refuel helicopters. The Air Force operates all fast flying tankers on behalf of all the services, but the Air Force, Marine Corps, and Special Operations Forces operate KC-130's. Obviously each service will argue they need their own tankers, but is that best for the Department as a whole? Could one of the services become the operator of all KC-130's for all DOD operations, the same way the Air Force operates jet-powered tankers?

The fundamental question is not what is best for the individual services. The question is what is best for America?

ELECTRONIC SURVEILLANCE

Both the Navy and the Air Force operate duplicative long-range electronic surveillance aircraft. The Air Force operates the RC-135's and the Navy the EP-3's. Neither aircraft has a very good modernization program because the services tend to emphasize combat rather than combat support missions. The obvious key question is this: Rather than let the Air Force pursue its program and the Navy pursue its preferred alternative, could the Department determine which technical approach is superior, assign the mission to one service, and consolidate all Department funding behind the combined approach?

The fundamental question again is not what is best for the individual services. The question is what is best for America?

CONSOLIDATE MEDICAL CORPS, CHAPLAINS CORPS, AND LEGAL DEPARTMENTS

Each of the services has its own Medical Corps, Chaplain Corps, legal corps, and so forth. I am certain that each of the services would have valid arguments why it must have its own doctors, nurses, chaplains, and lawyers. I do not doubt that we need these professionals in each of the services. But one has to ask the larger question. Can we eliminate needless overhead by consolidating the administrative elements of the Medical Corps, the Chaplains Corps, the Nursing Corps, the Judge Advocate General Corps, and other such administrative service organizations?

The fundamental question is not what is best for the individual services. The question is what is best for America?

LOGISTICS AND SUPPORT ACTIVITIES

The eighth area of potential streamlining is in the area of logistics and support activities. Each of the military departments operates its own industrial facilities or depots. Each of the services operates its own test and evaluation organizations and testing ranges.

I should point out that this is one area where the Department has started to act under the Defense Management Review. There are some important steps toward streamlining underway. For example, the Department is in the process of consolidating the finance and accounting centers of the services. But far more can be and needs to be done. This is a prime area where competition among the depots would enormously improve efficiency. Competition should not be limited to depots within a service, but should be opened up across service lines and between the private and public sectors. This should be a two-way competition. The depots should be able to compete for work traditionally done by contractors and contractors compete for work traditionally done by depots. The services are starting to do that, and should be congratulated for undertaking this.

The fundamental question is not what is best for the individual services. The question is what is best for America?

ADMINISTRATIVE AND MANAGEMENT HEADQUARTERS

Over the years the services have developed management and administrative headquarters to manage a substantially larger force than we have today or will have in the future. With the ongoing reductions in the force, the strengthening of the unified commanders, and the emphasis on joint and combined operations, there is a pressing need to examine consolidations in administrative headquarters and functions.

The Air Force has done a good job, in my view, of attempting to streamline its internal administrative structure. The Navy and the Army have been reluctant to make sweeping administrative changes. But there is an even more important issue. Perhaps functions currently carried out by the services should be performed by unified command headquarters. I would suggest the services examine the following opportunities for streamlining.

NAVY "TYPE" COMMANDS

The Navy continues to have fleet commanders for its Atlantic and Pacific Fleet commands. For example, the Commander of the Atlantic Fleet commands all the ships in the Atlantic. But the Navy also has a commander of all the submarines in the Atlantic, and a commander of all the surface ships in the Atlantic and a commander of all the aircraft. Each of these commanders has his own headquarters and large staffs. And each of these areas has their own dedicated staffs and so-called stove pipe organizations in the Navy headquarters. In an era of combined arms, do these traditional Navy communities need their own command structure in the field and their own headquarters bureaucracies in the Pentagon?

ARMY BRANCHES

Similarly, the Army is administratively organized into various branches. Some branches are warfighting branches, such as armor, infantry, and artillery. Other branches are administrative branches, such as transportation and finance. With today's integrated ground operations, does the Army continue to need so many separate branches with separate branch headquarters? The Army has three separate branches that do largely administrative work—the Quartermaster, Adjutant General, Finance branches. Could they be combined into a consolidated administrative branch? Does the Army staff continue to need 52 field operating agencies? The Army has an administrative layer of continental Army headquarters, administrative headquarters responsible for mobilizing reservists and civilians in the event of war. Are these continental Army headquarters still needed?

UNIFIED COMBATANT COMMAND HEADQUARTERS

Why are certain functions performed by separate service component headquarters not performed instead at unified combatant command headquarters? The Department has reorganized the Defense intelligence community in a way that led to a major reassignment of requirements and assets away from the service components and to the unified commands. Why cannot a similar reassignment take place with respect to elements of the operations, plans, training, and logistics functions?

The fundamental question is not what is best for the individual services. The question is what is best for America?

NATIONAL GUARD AND RESERVE COMPONENT FORCES

Mr. President, the last area I would review today concerns the National Guard and Reserve component forces. For several years the Congress has been asking the Defense Department to undertake a careful and objective review of our Reserve component forces. Frankly, what we have is a mixed picture. The Air Force has the best record of the services in working closely with their Reserve component counterparts.

As a matter of principal, I believe we are entering a period where we can place a greater share of the burden on Reserve forces. Reserve component forces provide the best approach for preserving needed capabilities at lower cost. At the same time, however, I believe we must undertake a thorough review of the missions we assign to our Reserve component forces. Guard forces are unique in that they have both a national security and a domestic mission. At a time when our domestic needs are so great, how can we structure our Reserve Forces to meet both their national defense and State missions? Should we have so many of our Reserve units in large combat organizations, or should we move toward smaller units, smaller combat units that can be made more ready in a more expeditious way and in a shorter time frame? What assignments and equipment should we provide to Reserve component forces so that they are available to the Governors of the States to contribute more effectively to help address critical needs in America?

Again, the question is not what is best for the National Guard or the Reserve components or the Active Forces. The question is, What is best for America?

CONCLUSION

Mr. President, as I said earlier, I do not underestimate the difficulty of the task before us. There is no harder problem facing our military. But we find ourselves in the midst of an historic time and opportunity. At no other time in the past 40 years have we had the three primary forces for change come together—the change in our security requirements, the change in technological opportunities, and the change in budget imperatives.

In coming weeks the Committee on Armed Services will markup the Defense authorization bill for fiscal year 1993. I hope that we can initiate a process to help stimulate the kind of far-reaching review that our times demand. As I mentioned earlier, my intention is to stimulate and facilitate General Powell's and the Department's efforts in this difficult task. It is far better for the Department to accomplish this review. Failing to deal with these issues means our military capability will be diminished by needless duplication and inefficiencies.

I do not have any illusions that the categories I have discussed are exhaustive. I solicit and welcome ideas and debate to help produce the constructive and bipartisan reform that was the hallmark of Goldwater-Nichols.

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER (Mr. LAUTENBERG). The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I wish to commend my good friend and working partner on the Armed Services Committee.

The roles and missions issue is one we have discussed many times in the decade-plus in which I have been privileged to work with him and other members of our committee, and we have discussed this opening salvo this morning which is not fired in threat nor anger but simply fired to alert all of our desire, Senator NUNN, myself, and others to work on this important question.

I always start my set of remarks on this issue by going to the Constitution of the United States which in the preamble very clearly charges the Congress of the United States to provide for the common defense of our Nation. Article I, section 8, gives this body, together with the House—not the President, but this body together with the House—the power and authority to raise the funds necessary to maintain a Navy, and raise an Army.

I go next to what I consider as the critical framework within which any defense must be structured. That is influenced by two things. First, the threat, the threat against our security interests and those of our allies, and second, the inherent geography of our Nation. We are bordered to the north by friendly Canada, and to the south by Central and South America. But in essence we are an island Nation forever bounded by great oceans. So it is the combination of threat and geography that fashion our defense.

A third factor must be considered, and that is the economy of this country and the ability of our people to pay. Our national defense can be no stronger than the foundation on which it rests, and that foundation is first and foremost the economy, and the viability of the American people. That foundation is now beginning to crack and crumble in many areas.

This Nation and the taxpayers have borne the major burden of the defense of the world in the closing days of World War II, and now we must address their needs.

Before my distinguished chairman departs, I would like to pose a question to him, which I am sure many who will follow his remarks this morning and mine will want to know the timeframe in which he and I hope to achieve, together with our committee, our ideas on this issue.

It is my understanding that the Department of Defense requires, the Chairman of the Joint Chiefs to provide the Secretary of Defense this fall—on a 3-year cycle—the Chairman of the Joint Chiefs' recommendation, that that goes to the Secretary of Defense and not to the Congress. Therefore, it seems to me that we are launching today a task that will probably take us the better part of this year and into next year, and the major impact legislatively will come with our next bill which we will work on following the receipt of the President's message in February of 1993. Am I correct?

Mr. NUNN. I agree with that. I commend my colleague from Virginia for his leadership in the Department of Defense, as Secretary of Navy and for his high, outstanding leadership in the Congress in this very area.

As I recall the Goldwater-Nichols provision that requires that annual review was very much the working of the Senator from Virginia. The report I am alluding to, General Powell's report, that will be forthcoming in September was required by the Goldwater-Nichols legislation.

I do not have any exact prescriptions in mind. I have worked with my colleague from Virginia on many of these issues. I see this as a major multiyear effort. I do not think it will be done this year, or even next year. In all probability, it will take anywhere from 2 to 5 years.

I think the time to start asking questions is now. Depending on General Powell's recommendations, I think we will have to decide how best to proceed. Should we do it here in the Congress? Should we form our own task force? Should we form some kind of commission? Should we undertake a series of hearings?—I think all of these alternatives are possibilities, and I look forward to working with my friend from Virginia as we consider them.

I think this year we should especially take a look at major new programs, programs that are in the very beginning stages of development or procurement. We must ask ourselves if these programs could be effected by the outcome of a review of role and missions. If they could be affected, we must carefully evaluate the request this year. I do not think it is time to say that they are not needed at all. I think it is time to take a careful look at the budget request, the development timetable, the amount of money being requested, and determine how far we become committed to those programs. In other words, I believe we must proceed cautiously here, understanding the challenges and fundamental changes that lie ahead. We will probably consider some changes over the next 2 or 3 weeks.

Mr. WARNER. Mr. President, as the Senator from Virginia well knows, having given the better part of his career in the Senate to this subject, one thing that the Pentagon likes to have is certainty so they can plan, not only in terms of the structure and the sizing of the Armed Forces, but for the procurement associated with equipping those Armed Forces to meet the threat. It seems to me that the major part of the organizational changes which the Congress would like to see hopefully could come next year so that they can begin to restructure and then plan for the future with this revised structure.

I would not want to have this sword of Damocles hanging over its head for an indefinite period of time. Having had experience in the Pentagon myself, I know the roles and missions issue can become most divisive and destabilizing to the daily work of the men and women of the Armed Forces. Therefore, it seems to me incumbent upon us to decide what should be done hopefully within 12-month period, working with the President, and the Secretary, and the Chairman, to restructure our Armed Forces; and then go on for another period of 3 or 4 years without any major changes.

Also, since it takes a ship or an aircraft 10 years from the planning stage until delivery to the fleets and ground forces, I urge that we try to condense the timeframe as best we can.

Mr. NUNN. I say to my friend, he makes valid points. I hope that would be possible. It depends on the leadership we get from the Department of Defense, and if General Powell's report appears to the committee, to the Congress, and to the American people to be thorough, if it addresses these questions. And I do not pretend he should follow the implication of every one of my questions. There will be some of these areas that I am sure there will be convincing proof that the current arrangement is adequate. Fundamental changes will be suggested in other areas. Much depends on that report. The Constitution gives us the duties as described by the Senator from Virginia. But we must base our actions on analysis that has come from the Department of Defense itself. I say that the timeframe for action on our part depends on the leadership we get from the Chairman of the Joint Chiefs, the Joint Chiefs themselves, the Secretary of Defense, and the next President. All of these individuals will be key players.

Mr. WARNER. I thank the distinguished chairman, and I will conclude with a few brief remarks.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WARNER. Mr. President, I ask unanimous consent that I may speak for another 3 to 4 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I conclude by again addressing the need for the revision of the roles and mission in comparison to what our mission has been in the world. We have clearly been the strongest military power since World War II. And it has been that strength, together with the strength of our allies, which has been the deciding factor in rolling back the threat of Communism, containing that threat in such a manner that there has been a minimum of bloodshed, as compared to the world wars when ideologies have clashed in the past. It is that strength, it is peace through strength, that doctrine which has been pursued by consecutive Presidents, that has enabled us to now see the disappearance of communism and the spread of democracy.

We have been the world leader, militarily, and now the question is: Shall we continue in this role? It is my judgment that we will continue as a leader, but let us not become the world's policeman. There is a distinction between being a leader and being a policeman. We see it today in Yugoslavia. The President, working with the United Nations, brought about sanctions, and now there is the offer for participating with U.N. forces to bring about peace in that area. We did not go in with a heavy unilateral solution. We worked with the international community. If we are to continue a leadership role, that can only be achieved by maintaining credible armed forces that can, in the eyes of the world, continue as a deterrent against conflict, as it has through these many years.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington has 10 minutes per the order.

Mr. GORTON. I thank the Chair.

MINOR CROP PROTECTION ACT OF 1992

Mr. GORTON. Mr. President, during the last few years there has been a great deal of discussion and publicity about reducing the use of agricultural chemicals. This movement is rooted in the misconception that all agricultural chemicals are detrimental to our health and have harmful effects on the environment. The unfounded allegations leveled at apple growers and their use of alar in 1989 illustrates this movement. Alar, a chemical important to apple production, was unnecessarily lost to producers. In this case, as in so many others, emotion rather than science determined policy and farmers lost an important production tool.

Since the enactment of a series of amendments to the Federal Insecticide, Fungicide and Rodenticide Act in 1988, farmers have been losing safe, vital chemicals for another reason: economics.

The 1988 FIFRA amendments required the Environmental Protection Agency to initiate a process to update the registrations of pesticides that had been registered before November 1, 1984. For a chemical to remain on the market, a manufacturer had to resubmit new data, often supplemented by additional testing, by 1997.

This requirement sounded reasonable until one considered the costs of performing the test needed to collect the required data. Developing and registering pesticides for crop protection is expensive. A comprehensive study that includes such information as the safety of the product, its potential effect on consumers and workers health, as well as its impact on the environment, can cost millions of dollars. The cost of residue data alone for a crop can run into the hundreds of thousands of dollars.

When the cost of developing this new data is measured against the potential profits from the sale of a product, some manufacturers have decided voluntarily to cancel a pesticide registration rather than seek renewal. And the farmer loses another vital production tool.

While all of agriculture is impacted by the FIFRA 1988 amendments, those producers who are hardest hit are minor crop farmers whose markets for pesticides are limited. Minor crops are fruits, vegetables, and other crops which are produced on less than 300,000 acres each year. Though these crops account for approximately 2 percent of all the acreage planted each year in this country, their collective value surpasses $35 billion. Five billion dollars' worth of minor crops are exported each year.

As important to our Nation's economy as minor crop are, they are an equally significant part of our diets. In a chart recently released by the Department of Agriculture that detailed the important food groups, fruits and vegetables—minor crops—were listed at the top. They are a major and vital part of a healthy, balanced diet.

Finally, many of the chemicals being lost have environmental benefits. Often overlooked is the fact that minor crop pesticides are critical components of many integrated pest management [IPM] systems. These programs control agricultural pests in an environmentally prudent manner. For example, phosphamidon, an insecticide used on apples, was used for the control of aphids. In addition, though, it provided the collateral benefit of controlling apple rust mite because it was not toxic to the apple rust mite's primary predator, predaceous mites. No suitable alternative to phosphamidon exists for controlling aphids and mites, and, therefore, several chemicals must be used simultaneously to render the same effect.

To ensure the continued availability of crop protection chemicals for minor use crops, the Minor Crop Farmer Coalition was organized in 1991. The coalition's efforts led to the development of the Minor Crop Protection Act of 1992, which Senators INOUYE and LUGAR are introducing today. I strongly support this legislation.

This proposal is designed to provide a number of options to the Environmental Protection Agency for registering existing pesticides and promoting new minor use registrations. The bill includes provisions for:

Waiving certain data requirements if the pesticide's use does not present an unreasonable risk to human health or the environment;

Granting extensions for developing data in certain cases;

Requiring the expedited review of applications for registration for minor uses; and

Using data from an identical or substantially similar pesticide whose registration has been allowed to lapse for economic reasons.

These mechanisms would not be permitted if the EPA determined that the pesticide in question posed an unreasonable adverse risk to human health or the environment, or where the missing data were considered essential for making such a determination.

This legislation establishes a reasonable process for reregistering minor crop pesticides that safeguards the environment and peoples' health but does not remove essential and safe pesticides from the market. It is an important first step, but more can be done. For example, increased funding for IR-4 would greatly complement this legislation.

Mr. President, like many occupations, farming looks easy until you try it. Far more goes into agricultural production than simply planting and harvesting. There are many intangibles with which a farmer must deal, weather being foremost. To the extent possible, and while continuing to guarantee the safety of the consumer and the health of the environment, Government should make farming easier. This bill does that and ensures that the environment, the consumer, and the farmer benefit. I commend Senators LUGAR and INOUYE and the Minor Crop Farmer Alliance for developing this legislation and encourage my colleagues to grant it their support.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Senator from Ohio be recognized for a period not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOUTH AFRICAN TRAGEDY

Mr. METZENBAUM. Mr. President, the past 2 weeks have been weeks of tragedy for the people of South Africa. In a single early morning incident, 46 people died at the hands of machete-wielding thugs. The victims were not even awake when several hundred Zula loyalists rampaged through a sleeping squatter camp. Many of the dead were women and children. All of them were defenseless civilians. All of them were unlucky to have been caught in the wrong place at the wrong time.

It was one of the worst incidents of factional fighting since the state of emergency was lifted in March 1990. In the 26 months since then, some 7,000 people have died.

Mr. President, this terror punctuated a virtually nonstop wave of death.

But it was more than 46 individuals that died.

In a sense, hope also died.

Hope for steady progress; toward a nonracial government;

Hope for an end to the black township violence; and

Hope for economic opportunity for South Africa's impoverished black majority.

Mr. President, at one time, there was great hope for reform in South Africa. The hope was kindled in September 1989, when F.W. de Klerk assumed the Presidency. De Klerk moved aggressively to distance his Government from the hard-line, racist policies of prior regimes:

ANC leader and generation-long political prisoner Nelson Mandela was freed;

The ban on the ANC and other opposition parties was lifted;

Many, but not all, political prisoners were released from jail;

Much of the legal framework of apartheid was dismantled; and

Negotiations were begun on a new, nonracial government for South Africa.

Indeed, de Klerk has spoken words that we never expected to hear from a "state President" of South Africa. And a majority of South Africans themselves have said that they stand behind de Klerk's plans for reform. White South Africans endorsed de Klerk's moves by a 2-to-1 margin in a March 17, 1992, referendum.

But that hope must now be replaced with fear, with suspicion, and with doubt.

Mr. President, it is increasingly apparent that the South African Government, the bureaucracy, the entrenched operatives of apartheid and oppression may not be reading from the same script as President de Klerk.

There is evidence that supporters of South African reform around the world, and the majority of South African voters, have much to question in the actions of South African officials.

Questions need to be asked about the Government's role in black township violence. Several years ago, ANC leader Nelson Mandela discreetly referred to a Third Force, a secret hand, manipulating events in the townships.

Mr. President, it is an open secret that the Third Force of which Mandela spoke is the South African military and police, acting through the so-called Inkatha Freedom Party.

Inkatha is the party of the Zulu nation—a people at odds with other black South Africans.

Inkatha and its leader are reported to have received substantial financial and even military support from the South African Government. Inkatha, which represents a minority of black South Africans, has opposed the African National Congress' reform efforts and its leader, Nelson Mandela. The African National Congress represents the overwhelming majority of black South Africans in talks with the white minority government on political reform.

Mr. President, I believe that more than mere ethnic differences separate the Inkatha Zulus from the ANC. I believe that Zulu Leader Chief Buthelezi thinks that he can get a better deal doing the bidding of white supremacists in the Government than if he had to run for election in a nonracial South African democracy.

This hurts the Zulu people, it hurts the majority of black South Africans, and it will ultimately hurt the white minority most of all.

It is cynical of Government officials to exploit the ANC-Inkatha division.

It goes without saying that Chief Buthelezi's willingness to be exploited in this way is downright criminal.

Mr. President, the Government-Inkatha partnership is nothing new. But this relationship has grown more ominous since the beginning of the de Klerk administration. Township violence has escalated to unheard of levels, and the violence always seems to get worse when the Government-ANC talks are at a stalemate.

Mr. President, Nelson Mandela was circumspect when he proposed the existence of a Third Force.

In a June 10, 1992, report, Amnesty International is more direct: The report documents cases in which South African security services and police have funded, armed, and directed Inkatha Zulu fighters against ANC loyalists.

Is this what good faith means to the South African Government?

Is this how the South African Government plans to move toward a nonracial democracy?

The Amnesty International report follows on last year's exposure of a secret hit squad within the South African Defense Forces.

The cryptically named civilian cooperation bureau was reported to have engaged in everything from anti-ANC organizing, to assassination. De Klerk and other top officials disclaimed knowledge of this dirty tricks unit, but its existence poisons the air around de Klerk nonetheless. The Government says that the civilian cooperation bureau is now disbanded, but one wonders if its mission has not been simply shifted to other parts of the Government.

Mr. President, the Amnesty International report is entitled "The State of Fear." It is an apt description of life in South Africa's black townships today. It describes how South African blacks have in effect been terrorized into silence.

Mr. President, how can de Klerk's reforms have any meaning when South Africans are afraid to exercise their newly found, albeit limited, freedom?

What difference does the legalizing of opposition parties make if the opposition fears for its life?

What difference does the freeing of political leaders make if average men and women are regularly hacked to death merely because they identify themselves with a political party?

What difference does the repeal of petty apartheid laws make if black men and women are afraid to leave their neighborhoods, their streets, even their homes? The net effect is that separation of the races—apartheid—remains as rigid as ever.

Mr. President, the Government-sponsored Inkatha violence may be orchestrated from on high, or it may come from recalcitrant racists at a lower level. But the actual source is irrelevant. The mere fact that a link exists between the wave of killing and the Government is all that is relevant: Its importance lies in the fact that the speeches will be meaningless, the negotiations will be meaningless, the very reforms themselves will be meaningless unless and until the fear of violence and murder hanging over a majority of South African blacks is removed.

Mr. President, President Bush lifted economic sanctions on South Africa nearly 1 year ago. In accordance with the Comprehensive Antiapartheid Act of 1986, the President certified that five conditions regarding political liberty and progress toward democracy had been met.

Mr. President, I ask unanimous consent that section 311(a) of this act be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"COMPREHENSIVE, ANTI-APARTHEID ACT OF 1986"

TERMINATION OF CERTAIN PROVISIONS

SEC. 311. (a) This title and sections 501(c) and 504(b) shall terminate if the Government of South Africa—

(1) releases all persons persecuted for their political beliefs or detained unduly without trial and Nelson Mandela from prison;

(2) repeals the state of emergency in effect on the date of enactment of this Act and releases all detainees held under such state of emergency;

(3) urbans democratic political parties and permits the free exercise by South Africans of all races of the right to form political parties, express political opinions, and otherwise participate in the political process;

(4) repeals the Group Areas Act and the Population Registration Act and institutes no other measures with the same purposes; and

(5) agrees to enter into good faith negotiations with truly representative members of the black majority without preconditions.

Mr. **METZENBAUM**. Mr. President, President Bush's action was predicated on a return of political disclosure to South Africa. As the Amnesty International report and numerous press investigations make clear, political disclosure in South Africa is actually beating a hasty retreat.

Where negotiation and dialog were expected, only fear and intimidation have appeared.

Mr. President, waiving sanctions is not the sum total of United States interests in South African reforms. I am concerned that the Bush administration thinks that waiving sanctions is the end of the United States role in eliminating apartheid.

Mr. President, July 10, 1992, will be 1 year since President Bush waived sanctions on South Africa. But with 1 year passed, there is little to show for this dramatic step.

I fear that President de Klerk's reforms, which met the technical, legal requirements of the Anti-Apartheid Act, have yielded nothing in reality.

I fear that United States policy is moving ahead toward full normalization of relations with South Africa, even as the South African Government's commitment to democracy slides backward.

I fear that the men, women, and children living in the squalor of apartheid will think that the United States has abandoned them in a time of crisis.

And I fear that the United States is becoming content to sit on the sidelines while the opportunity for reform in South Africa slips away.

Mr. President, I met with F.W. de Klerk last year.

I felt I was speaking with a man who was serious;

A man who was concerned;

A man who was committed.

I felt his word on reform would be good.

I am not sure that de Klerk's word hasn't been good.

But I am sure that implementation of the announced reforms has not been good at all.

It is not enough for men and women in public life to speak well, to merely say the right things.

Public figures are judged by their actions, or by their failure to act.

In the case of South Africa today, it is clear that the actions of the ruling National Party do not live up to the words of its leader, President de Klerk.

Mr. President, F.W. de Klerk has taken some great strides. His actions gave me and many others hope for South Africa's future.

But I am frank to say that at this point in time, with the information we now have regarding Government-sponsored violence, my hope for South Africa's future is waning, replaced by a persistent, nagging fear.

In addition to other material previously noted, I ask unanimous consent that a copy of Amnesty International's report, "The State of Fear," June 10, 1992, be printed in the RECORD.

The PRESIDING OFFICER. The Senator from Connecticut is recognized. He has the time from 9:30 until 10 a.m. which would be under the control of the majority leader and the Senator from Connecticut as his designee controls that time.

The Senator from Connecticut is recognized.

Mr. LIEBERMAN. I thank the Chair.

NATIONAL ECONOMIC LEADERSHIP STRATEGY

Mr. LIEBERMAN. Mr. President, just as nature abhors a vacuum, so the American economy abhors a vacuum.

For too many years there has been a vacuum of economic leadership in our country, and we are suffering from that vacuum.

Yesterday, the Senate majority leader announced a national economic leadership strategy put forth by Senate Democrats aimed at filling that vacuum in economic leadership in our country and providing a practical, results-oriented program that will create economic growth and high-wage jobs for our people.

Mr. President, the trend lines in our economy are not good. Let me just cite two indicators of those trend lines. More patents are filed here in Washington at the Patent Office today for new products by foreign companies than by American companies. And another fact: if current trends in manufacturing continue, in 1996, for the first time since Henry Ford began that assembly line, America will not be No. 1 in manufacturing output. Japan will succeed us. That is unacceptable.

This Senate Democratic economic leadership strategy is based on the two premises: One is we are not going be a great country or great economy and provide the standard of living we want for our people unless we are making things, unless we are No. 1 in manufacturing.

Second, that is not going to happen unless the Government is a partner with the private sector in taking the steps that are necessary to create economic growth in a high tech, high skilled, competitive world economy.

Mr. President, it is time for the Federal Government to act to turn around those ominous trend lines, to develop the potential that we genuinely have within our people and economy, to stimulate research and development of new technologies and new products, to make sure that Americans not only win the Nobel Prizes but commercialize those Nobel Prize winning ideas and market them successfully around the world.

We have to modernize our manufacturing process, improve work force training and promote trade. There is no way that we can be the world's leading economic power in the high tech future if we have a Government that is unwilling to help lead the way. And, unfortunately, that is exactly the kind of Government that we have had for too many years.

This national economic leadership strategy represents not only a strong program in itself, but I think a strong statement that Senate Democrats accept as our primary responsibility the reinvigoration of our economy and the protection and creation of good jobs for our people. This is a strategy that puts Government alongside the private sector, not on top of it.

It is not old-fashioned industrial policy. It is not centralized Government planning, it is not command and control from Washington, and it is not a bailout for failing industries. It is Government working as a partner with the private sector, as a catalyst for the private sector, to make sure that the strong new industries of tomorrow are being created right here in America and staffed by Americans. It is industry led and cost-shared, not Government-dominated.

This is a strategy—a blueprint, a plan. It is not the final word. It seeks to strengthen the weak links in our economy's chain of production. We will add to this framework over time as we learn from experience.

This strategy will not be in a single bill, but a series of bills. It contains a mix of new programs, programs that are being substantially revised and updated, and programs to receive major new funding.

In March we passed a tax bill with a number of important business tax incentives which the President vetoed because it attempted to pay for those incentives. We do not revisit those initiatives in this strategy, we continue to support them, but we look at the other side of the same economic coin, the role of Government in promoting programs to attack our problems.

Mr. President, I want to make it clear that while we have developed this package on the Democratic side of the aisle, and while we thank the majority leader for his leadership and encouragement in helping us to develop this project—and we are proud to have the support of the relevant committee chairmen and a broad consensus of Senate Demcorats—we hope that our colleagues on the other side of the aisle will support most if not all of these 30 programs. Some of these programs now exist but are receiving major revisions and major additional funding, others are brand new.

We want bipartisan support because the fact is that if we are going to get our economy moving again as we want to, all of us are going to have to put old ideologies aside and do what works to create jobs.

In order to get technology translated in commercial success and jobs, there are six links in the chain of production: basic research, applied research, new product commercialization, the manufacturing process, workforce training, and marketing. Every one of those links in the chain of production has to be strong if we are to compete in a global market place.

Unfortunately, today many of those links are weak. It is the aim of this national economic leadership strategy of

Senate Democrats to strengthen every link in that chain.

For four decades since the United States became the dominant economic power in the world after World War II, we in this country have operated on the premise that if Government supported basic research, all the other steps in the chain of production would fall into place.

The government puts basic research into one end of the pipeline, and assumes that advanced products come out the other end. Japan and Europe are now teaching us that this approach no longer works. According to the most sophisticated economic projections completed to date, Japan will have a larger economy than the United States if current investment rates continue by 2004. This is a larger total economy, not just manufacturing. This is not just Japan recovering from World War II, that was a half century ago. This is a new economic model that we have to respond to if we are going to keep our standard of living.

In this new strategy we are trying to address these problems comprehensively, not just piecemeal, bill by bill, committee by committee. We are trying as a majority within this Chamber to look at our economic growth problems as a whole, I believe for the first time. We are looking at each link of the production chain.

While we still lead the world in basic research, we are falling down in applied research—research that leads to new products. The National Science Foundation reported earlier this year that spending by U.S. industries on R&D peaked in 1989 at $79 billion and has dropped in both 1990 and 1991. At the same time our foreign rivals were increasing R&D at a brisk pace.

We are also falling behind in the manufacturing process itself. The problems our auto industry is having keeping up with Japanese advances in quality production is the most obvious symptom of this problem. Unless you manufacture the best product and get it to the market first, you lose the business competition. Productivity growth is a good measure—while our productivity rate improved in the 1980's it is still well behind Japan's. And on the critical factor of investment in plant and equipment, Japan is spending over 20 percent of its GNP on investment and we are spending less than 10 percent. We are being beaten by more than two to one in this crucial category. In the long run, that low investment rate spells disaster for our country.

We need breakthroughs in areas that are a bit arcane but are very critical to our success. The manufacturing process is one of them. Japan, for example, has some 170 teaching factories that consist of the most advanced factory floors it can finance. Each of these is staffed by highly trained manufacturing engineers, who train employees of participating companies on the latest equipment and approaches. They bring workers and managers in to train on those floors. And firms can use these factory floors for actual production—the ultimate in production and efficiency training. To match this we have five manufacturing extension programs now in place, not full factory floors geared to production specialties in each region. I note in contrast that we do have agricultural extension programs in virtually every county with farms in this country.

And we have workforce problems—U.S. educational performance, particularly before 12th grade, is inadequate by every international standard. That translates into a workforce training problem.

These all translate into problems in getting our products commercialized.

Finally, we have problems in the marketing side, in getting our exports promoted abroad. Exports are now crucial to our economy: trade was 10 percent of our GNP in 1960, it is 25 percent of our economy today. That means many, many jobs for Americans. Yet while we had a 22 percent share of OECD country exports in 1960 we have less than 15 percent today. We are going to have to do a better job of promoting our exports abroad.

Mr. President, the package our committee have assembled tries to address each of these issues.

First, our strategy provides support for applies research—the development part of R&D. Under it, nondefense and dual-use development at government, industry, and university labs and development centers will be significantly expanded. And the Federal Government will identify and support emerging critical technologies and will invest in new technological infrastructure.

Second, the plan will help both large and small firms turn new technologies in commercial products. We have new capital financing mechanisms and build up existing ones.

Third, we look at the manufacturing process, promoting programs to improve it and promote manufacturing innovation. We also expand the existing manufacturing extension programs so that new production techniques get out to U.S. small and mid-sized businesses.

Fourth, we attack the problem of workforce training by creating a new apprenticeship program, national education standards and assessments, and increasing government support for manufacturing engineering education.

Fifth, we expand Eximbank programs, require much greater coordination among the 16 agencies now undertaking export promotion and support more rational export control systems.

Our priorities are: improving product development; improving product commercialization; improving the manufacturing process; improving workforce training, and improving trade promotion.

This is a realistic package—it represents what the committees can get passed now, before the end of the year and early next. We will seek to fund these programs as a priority within existing domestic priorities.

I want to thank the majority leader and his staff, particularly Lisa Nolan and John Hilley, for their leadership putting this effort together. I also want to note the other Senators most active in this initiative, including Senators ROCKEFELLER, BINGAMAN, GORE, BAUCUS, BUMPERS, JOHN KERRY, ROBB, WOFFORD, GRAHAM, and MIKULSKI. We are all very grateful respectively to William Reinch, Tamera Stanton, Edward McGaffigan, Greg Simon, Tom Sliter, Chuck Ludlum, Scott Bunton, Julius Hobson, Linda McIntyre, Dan Solomon, Leslie Woolley, Steve Ganote, and Peter Saundry of their staffs, for their efforts. We are also very grateful to Chairmen HOLLINGS, RIEGEL, and SASSER, and to Patrick Windham, Michael Nelson, Ken Jarboe, Terry Hartle, and Chuck Marr of their committee staffs. We are all very appreciative of the dedicated work of Garth Neuffer, Monica Healey, and Chris Balderston of the Democratic Policy Committee. We thank, too, Senator PRYOR, and Desten Broach and Kirk Robertson of his staff, who worked so hard on defense conversion proposals announced last month, for their close cooperation. Finally, I want to thank William Bonvillian, William Danvers, and Kenneth Glueck of my office.

Mr. President, this program grows out of conversations that all of us have had, with trade associations with workers, with business leaders—of businesses large and small. This is a program that comes up from the grassroots. I think we could take this program into every Chamber of Commerce and every union hall in America, describe it, and gain strong support.

Today, we present it to our colleagues here in the Senate. We ask for their support. We hope for the support of the President. We know we will have the support of the American people.

We hope this program not only engenders support here in this country but creates a little nervousness among the leaders of our friends in Japan and Europe, our economic competitors in the world today. Perhaps they will see in this program that the United States is finally coming together, one solid team, ready to meet our competition on the world's economic battlefields headon. And perhaps it can help show us how to win the victories, the business, and the jobs that we desperately need to assure our standard of living into the future.

I ask unanimous consent that a detailed description of the legislative provisions in this economic leadership strategy appear in the RECORD immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Legislative Provisions in National Economic Leadership Strategy

I. KEEPING U.S. ON CUTTING EDGE OF HIGH-TECHNOLOGY AND APPLIED RESEARCH

NIST Advanced Technology Program (ATP): This initiative would increase funding for the ATP, which provides matching funds to industry-led efforts to develop new basic technologies in such fields as electronics, advanced manufacturing, materials, and bioprocessing. (Commerce)

NIST Laboratory Research and Services: This initiative would increase funding for National Institute of Standards and Technology (NIST) laboratory programs, which provide industry with the precise measurement and quality assurance techniques necessary to speed the commercialization of new technologies and improve manufacturing quality. (Commerce)

DARPA "Dual-Use" Technology Partnerships with Industry: The proposal would increase funding for this DARPA program, which develops new technologies with industry cooperation, and is directed to advanced and critical technologies. Costs are shared with industry, and the program is coordinated with the Department of Commerce's advanced technology program and the Department of Energy's technology partnership program. (Armed Services)

High Performance Computing and Communications (HPCC): The purpose of HPCC (which is proposed for expansion) is to strengthen U.S. technological leadership in high performance computing and computer communications. The core program focuses on improving computers and networks for federally-funded researchers. The proposed new trial applications program would support industry-led efforts to apply HPCC technologies in a wider range of areas, including education, computer data bases and libraries, health care, and manufacturing. (Commerce)

Federal Labs Initiative: The Industry-Laboratory Partnership Program would reorient many federal labs to help American commercial industry. Under the initiative, a percentage of each agencies laboratory budget would be set aside to support industry-led, cost-shared R&D projects with that agencies laboratories. Agencies would set up industry-university advisory committees, and a study would be conducted on the resources and capabilities of the Federal laboratories to analyze what might be most useful to industry. Funding would flow from existing sources, so no additional appropriations would be necessary. (Commerce)

National Science Foundation (NSF) Assistance to Universities: Strengthen America's university research capability by doubling the budget over five years for NSF's research budget, and significantly increasing assistance to universities to renovate research facilities. This would ensure that universities can continue performing cutting-edge scientific research. (Labor & Commerce)

Critical Technologies Institute: Continuation of this initiative would provide staff and technical resources to the Executive Office of the President, particularly the Office of Science and Technology Policy. Particularly intended to help the Executive Office prepare strategies for the critical technologies identified in the biennial critical technologies report. (Commerce)

II. CREATING QUALITY JOBS BY PROMOTING INCREASED COMMERCIALIZATION OF PRODUCTS

A. Promoting increased commercialization of new products

Small Business Innovation and Research Act Reauthorization. This legislation would reauthorize and substantially expand the Small Business Innovation and Research Program (SBIR) to promote development of commercial products from basis and applied Federal research. SBIR provides grants to small firms for research and product development. All agencies with extramural R&D budgets in excess of $100 million must set aside 1.25 percent for the SBIR program. The reauthorization would double the required set-aside, but not increase total appropriations. (Small Business)

Additional Support for Commercializing Critical Technologies. Three proposals now before the Commerce Committee would provide additional support to help industry develop and commercialize new advanced technologies. These proposals, which would include establishment of a Civilian Technology Corporation and an Advanced Technologies Capital Consortium, would provide loans, loan guarantees, and equity investments as well as grants. Legislation which emerges from the Commerce Committee is likely to be a synthesis of these three proposals. (Commerce)

Small Business Investment Company Act (SBIC). This bill would restructure the existing venture capital program which provides financing and management assistance to small entrepreneurial businesses. The restructured program would improve program delivery and correct structural deficiencies. SBIC has provided start-up financing for many successful ventures, including Nike and Federal Express. As the restructuring would not require additional funding, the initiative assumes current services funding. (Small Business)

Housing reauthorization; The Housing reauthorization bill will include some new economic development initiatives. One of these will be reforms to the Community Development Block Grant (CDBG) program. Currently, a number of provisions limit the usefulness of CDBG funds for business and economic development. This initiative will also include a micro-business pilot program to set-aside CDBG funds for loans through community development organizations to small businesses. This would meet the needs of small business for loans below $25,000, which is the level of an SBA loan. (Banking)

Regional Technology Alliance (Critical Technology Application Centers) program: This program (also authorized without appropriations) would foster regional infrastructure, in particular critical technology areas in coordination with the Commerce department. While the Manufacturing Extension program would be geared to manufacturing innovation and processes, this program would be directed to extension efforts for critical technologies. Funding would go to regional centers, providing services, information, and products to support critical technology development. Costs would be shared by industry and states. (Armed Services)

Other Technology Initiatives: The Commerce Committee also will consider other technology initiatives during 1992, including the Technology Transfer Improvements Act (which has already been reported by the Committee), and a yet to be introduced bill that would encourage industry efforts to develop environmentally-sound product and process technologies. The Committee will also strengthen and authorize increased funding for NASA's R&D programs to develop technologies key to the success of U.S. civilian aviation and space industries. (Commerce)

Strategic Environmental R&D Program: In addition to expanding DoD's role in global environmental change research, this legislation would require the development of new clean-up technology by DoD and DoE, in coordination with EPA. It would be relevant to both DoD's major environmental clean-up problems and to the growing environmental clean-up industry. (Armed Services)

B. Supporting development of new manufacturing technology and extension

SEMATECH (DARPA funded): This program—proposed for continuation at current funding levels—is designed to develop semiconductor manufacturing technology advances led by industry. Program costs are shared with industry. (Armed Services)

Additional Manufacturing Activities: This would provide support through new and existing NIST and NSF programs to help industry develop and deploy the next generation of computer-integrated, electronically-linked factories. The goal is to ensure that the U.S. does not fall behind other countries in 21st century manufacturing. The NIST portions of this initiative are contained in S. 1330, the proposed Manufacturing strategy Act. (Commerce)

Other MANTECH: These programs—for which a modest increase in proposed—develop advanced manufacturing technology for defense industries in cooperation with those industries. Some of these developments are also relevant to civilian R&D needs. (Armed Services)

NIST Technology Extension Services: Increase support for states to assist small manufacturers through two Commerce Department (NIST) programs—the Manufacturing Technology Centers Program and the State Technology Extension Program. These programs help states provide assistance to the nation's 350,000 small firms to modernize manufacturing equipment, adopt new manufacturing practices that boost quality, productivity and profits, and help improve the skills of workers. (Commerce)

Manufacturing Extension program: This program (which has been authorized but has yet to receive appropriated funds) would support existing state and local efforts, and is directed at bringing technology advances to defense and commercial small and medium-sized businesses. The extension program would work in coordination with Commerce programs, such as NIST Hollings centers). (Armed Services)

Defense Production Act reauthorization: The Defense Production Act (DPA) provides the authority needed for the maintenance and mobilization of the defense industrial base. It authorizes the use of purchase guarantees, loan guarantees and loans in order to maintain or expand the domestic defense industrial base and to foster new industries or technological capabilities needed to maintain national security. This bill—currently in conference—reauthorizes the existing programs and creates new programs to strengthen the defense industrial base. These include a domestic preference for critical defense technologies and components, and increased incentives for modernization by defense suppliers, especially at the sub-tier level. (Banking)

III. IMPROVING EDUCATION AND JOB-TRAINING TO ENSURE HIGHLY SKILLED U.S. WORKFORCE

School to Work Transition: The High Skills, Competitive Work Force Act of 1991 would expand opportunities for high-quality education and training for the millions of students who do not enroll in higher education after high school. The legislation would authorize career preparation programs, youth opportunity centers, and a voluntary national system of industry-based occupational training standards and assessment and certification procedures. (Labor)

Manufacturing Engineering Education program: The initiative would increase funding for this program, which improves graduate and undergraduate manufacturing engineering education, and increases its relevance to industrial needs. Costs are shared by industry, states and local educational institutions; the program is coordinated with NSF science and engineering education programs. (Armed Services)

Educational Research and Statistics: The federal government play a major role in supporting educational research. This reauthorization will include: (1) an effort to establish voluntary, national education standards by establishing the National Education Standards and Assessment Council, (2) expanding the collection of state level data on educational achievement, and (3) expanding the use of technology in education. (Labor)

Job Training and Basic Skills Act: This legislation would revise the Job Training Partnership Act (JTPA) to provide improved job training and education services to those economically disadvantaged individuals most in need of services. The bill would (1) change eligibility rules to target those persons facing serious and multiple employment barriers, (2) revise JTPA's focus on placement and cost outcomes by increasing the emphasis on educational and workplace competencies and long-term job retention; and (3) strengthen the capacity of the JTPA system to serve youth at risk of chronic unemployment. (Labor)

IV. STRENGTHENING TRADE TOOLS TO OPEN MARKETS AND PROMOTE U.S. PRODUCTS ABROAD

A. Promoting U.S. products abroad

Export-Import Bank (Exim) reauthorization: The Exim bank is the main government agency for the financing of U.S. exports, through direct loans and loan guarantees. This bill would reauthorize these programs and make changes to improve the operation of Exim bank, including authorization for 100 percent coverage of loan guarantees. The bill would also reauthorize and strengthen the tied-aid "war chest," which is used to counter attempts by other nations to offer cut-rate financing for development construction projects tied to purchases of goods and services from the nation offering the financing. (Banking)

Coordination of Export Promotion Activities: The Exim bank bill also includes an initiative to strengthen export promotion coordination now in 16 different agencies by creating a statutory Trade Policy Coordinating Committee that will promote cooperation between the agencies and recommend resource allocations. (Banking)

Export Administration Act: This bill, which is now in conference, reforms and updates export controls to permit greater sales of U.S. high technology goods abroad while maintaining national security. The bill also reauthorizes the export promotion activities of the Commerce Department, including the U.S. and Foreign Commercial Service, and strengthens those activities. It also reauthorizes the interest rate subsidy program of the Exim bank. (Banking)

B. Strengthening Government's role in opening markets

Super 301 Extension: This legislation would extend the Super 301 provision of the 1988 Trade Act, beginning in 1992. (Finance)

Trade Agreements Compliance Act: This bill would allow interested private sector parties to petition the U.S. Trade Representative to review foreign compliance with a trade agreement under section 301. If there is a violation, USTR would have 180 days to negotiate with the trading partner to address the violation before imposing trade retaliation. (Finance)

Fair Trade in Financial Service: This bill (now in conference) would strengthen the ability of the U.S. to retaliate against closed foreign markets in financial services, which is especially a problem for banks, stock brokers, mutual funds and other providers of U.S. financial service in Japan. The purpose of the bill is to open up markets using the same leverage that was used to open up the Japanese government securities market to U.S. brokers as part of the 1988 Trade Act. (Banking)

Note: Committee jurisdiction is indicated in parentheses at the end of each paragraph.

The PRESIDING OFFICER. Who yields time?

Mr. LIEBERMAN. Mr. President, I yield to my colleague from Michigan such time as he requires.

Mr. RIEGLE. Mr. President, I underscore the remarks of the Senator from Connecticut and thank him for his leadership. This is an excellent package.

The component parts fall under the jurisdiction of several committees, a number of them under the jurisdiction of the Senate Banking Committee. We have already acted on those items. They have either been reported out of the committee and are awaiting floor action or have in fact also passed the Senate during conference with the House. So we are moving on this strategy, and it is an essential economic growth strategy and economic surge strategy for the country.

Why is this so urgent? Let me read an item just off the national wire service. The unemployment data just came out this morning.

The first paragraph in the AP story reads as follows:

> The Nation's unemployment rate surged to 7.8 percent in June, the highest level in more than 8 years, as the weak economy proved unable to absorb an influx of job seekers, the Government said today.

They indicate in this data, with this sharp jump in unemployment, we now have 10 million people in the United States that we know by name who are unemployed, need work and cannot find it. There are several million more who fall under the category of discouraged workers who have given up looking and millions more who are in a circumstance where they are working part time because they cannot find full-time work.

We have a major problem on our hands and the administration shows, literally, no understanding or awareness of this problem, no sense of urgency.

The numbers have gone up. The unemployment numbers have gone up all across the country. California has the highest rate, 9.5 percent. My own home State of Michigan now, 8.8 percent. We have 404,000 people in the State of Michigan unemployed as of the time of this data that is just out this morning.

Not surprisingly, there is another urgent item on the wire this morning. Finally the Federal Reserve has slashed the key discount rate from 3.5 to 3 percent. Where has the Fed been up until now? This problem has been building up now well over a year's length of time. This is one of the longest recessions we have had in our history. This data should not come as any great mystery or any great surprise. The story has been coming in from all across the country, from unemployed workers, from companies shedding employees. Hughes announced a day ago, they're laying off 9,000 workers—I mean eliminating that number of jobs. Aetna—4,800 jobs being eliminated; Alcoa is getting rid of 2,100 jobs. That is just within a 1-day period of time. We have a serious job emergency in this country and there is no recognition of it by the administration.

Some of it involves long-term problems dealt with in part by the plan we are laying out today. But some of it is a failure to respond in a more immediate way to the problem that is right in front of us.

So, yes, it is appropriate the Fed act today. But the Fed has been a day late and a dollar short all the way through this problem and that is why this problem is so much worse today.

Why is it after already having two down periods during this recession we now have the highest unemployment that we have had in this country in all these years? In 8 years, the highest unemployment, right now, that we have had over a 8-year period of time. That is why there is a need for new leadership in this country and why there is a political rebellion under way in America today, because of the sickness in the American economy and the Bush administration attempting to say either there is no problem or, to the extent there is a minor problem, if we are just patient the problem will solve itself. It will not solve itself.

One element of this plan has to do with trade. Something the President can do to help unemployed workers in this country today involves the conversations he is involved with right now with the Prime Minister of Japan.

Japan last year had a trade surplus with the United States of $43 billion, and it is outrageous. It means they took $43 billion of scarce capital and jobs out of this country and took them to Japan. That is one of the reasons why unemployment is so pervasive in this country today. They are the worst offenders in international trade and every other nation has stood up to

Japan in this area except the United States.

The European Common Market has stood up to Japan, told them to put an end to the trade cheating. We have not done that here because our administration has been unwilling to confront the problem. We need to open the Japanese market and we need to put a stop to the dumping practices and the keiretsu practices that have been documented in case after case after case with respect to Japanese trading activity here in the United States, because they are stealing jobs from our country by virtue of this trade cheating. And the President has to wake up to this problem and confront the Prime Minister of Japan and say this has to stop; we cannot continue to see unemployment go on up in this country in part because of the trade cheating by someone who calls himself an international friend of the United States.

Since 1980, Japan has taken out of the United States in trade surpluses in their favor $460 billion. Over that same period of time, since 1980, the Bush-Reagan policies that have hurt this country so much, the economic policies, have given us a cumulative trade deficit with the rest of the world of $1.1 trillion.

And people in this country are not stupid. They understand what is going on. We see it in the steel industry. All the steel companies in the United States just went together 2 days ago to file a massive legal suit against the trade cheating, and they have outlined all the countries around the world.

One of the worst of the offenders is Japan. In 1980, we had 500,000 workers in America working in the steel industry. Last year, that dwindled down now to 150,000. What has happened to those men and women who worked in those jobs? Many of them have not been able to find replacement jobs.

Our own office in the U.S. Trade Representative has put out a book. They put it out each year. It is called the "National Trade Estimate—Foreign Trade Barriers." Look at the size of this. It looks like a phone book for a large-size city. In here, on Japan alone, there are 18 pages of illustrations of trade cheating by Japan that is stealing jobs in America. These things are connected.

Our plan today addresses in part the issue of getting trade fairness. We have a lot of products that we can sell overseas if other countries will allow us to do it. Yes, we have to work harder within our own country, and we lay out ways in which that is to be accomplished. But you can have the best product in the world at the lowest price, and if you are dealing with a country that will not let your goods in, then you are not going to sell in those countries.

We had a situation at a trade fair last year in Japan where we had American rice on the table. It so offended the Japanese because the quality was better and the price was better that they came in and literally arrested the bags of rice, and made the bags of American rice leave the trade show because it was so offensive to the Japanese rice interests.

That is part of the problem here. We have a much more serious problem today with this trade cheating than we have in some of these other kinds of international situations that get all the attention. And it is draining the economic strength out of America; it is draining jobs out of America.

Now, the Fed has acted in an emergency way because we have an emergency; we have a job emergency in America, and it is not right. I am tired of all the concentration on foreign policy and no concentration on a policy for America.

The President is here now trying to help the Japanese. They have a bill on the floor right today to help the former Soviet Union. They have a proposed free-trade agreement with Mexico that is going to provide jobs for Mexico. But there is no plan for America, even though the unemployment rate today has hit an 8-year high in our country. We have 10 million unemployed workers. They are desperate for work, and they deserve the top priority and the consideration of this Government.

So it is time for the Fed to wake up and stay awake. And more important, it is time for this President to lead on the issue of greatest urgency of this country, and that is our economic future. We are losing our economic future. We are losing it every single day. We are not keeping faith with the people of this country.

Kids are coming out of college today who worked and sacrificed—and their families sacrificed. They are coming out of college, prepared to work and cannot find work. That is not right. The fact that the sons and daughters of the people in the Cabinet and the top positions of this Government are finding work does not mean a thing, except to point up the contradiction, when other people in society who do not have those kinds of favored connections are coming out and cannot find work.

So we need a plan. We have put a plan on the table here today. And we need an aggressive turn of attention of our country away from this preoccupation on foreign policy to get down to the question of what needs to be done in America. That is why there has been such a tremendous loss of faith in our country. We have not a minute to lose.

I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senators will be speaking on time controlled by the Senator from Connecticut.

The Senator from Montana seeks recognition under that time management.

Mr. BAUCUS. Mr. President, in effect, could the time controlled by the Senator from Connecticut be delegated? He is not here at the moment.

The PRESIDING OFFICER. If there is no objection, the Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, how much time is allotted?

The PRESIDING OFFICER. Until 10 a.m.

Mr. BAUCUS. I thank the Chair.

Mr. GORE. Reserving the right to object, and I, of course, shall not object, but I wonder, did the Presiding Officer say the time for speaking runs out at 10 a.m.?

The PRESIDING OFFICER. The time controlled by the Senator from Connecticut as the designee of the majority leader expires at 10 a.m.

I am sorry. Morning business will continue until 10:30, with Senators permitted to speak for 5 minutes therein.

The Senator from Montana is recognized.

ECONOMIC GROWTH STRATEGY

Mr. BAUCUS. Mr. President, I rise to strongly endorse the plan, the package that the Senator from Michigan [Mr. RIEGLE] spoke to very passionately and effectively, as well as the plan referred to by the Senator from Connecticut [Mr. LIEBERMAN], and Senator MITCHELL.

This is a package of economic growth measures which we Democrats are unveiling today, and also at a press conference on our package yesterday. We think it is very important to work together to develop a package of economic growth initiatives so that American workers begin to have more faith and more confidence in the American economy and more confidence in Government.

In recent years, we have come to recognize that national security has an economic as well as a military component. Our victories in the cold war, and more recently in the gulf war, prove beyond question our ability as Americans to promote U.S. national security interests through military means.

We now have to focus much more on our economic interests. We are the world's unquestioned military superpower. But our record for promoting national security in the economic arena is much more in question.

Behind the impenetrable military shield of the U.S. Armed Forces, the American economy shows definite signs of rust and decay. Just consider a few statistics.

The wages of the bottom four-fifths of the American work force have been stagnant for more than a decade. That is, their incomes have not been rising in real terms; they have been falling. That is the bottom four-fifths; that is for almost all Americans but for the top one-fifth.

In recent surveys in developed countries—that is, America and all the other developed countries—American students finished last in mathematics and second-to-last in science. That is among all industrialized countries.

The United States has run a trade deficit every year for more than a decade. That is, we are buying a lot more goods overseas than we are selling overseas, and recent figures indicate that that deficit is again on the rise. Japan is expected to pass the United States to become the world's largest manufacturer. That is with only half of the American population.

Again, Japan is about to become the world's largest manufacturer; that is, manufacturer of more products than any other country in the world, with a population one-half that of the United States. Clearly, it is time for us Americans to turn our attention from repelling foreign enemies in the military sense to arresting and reversing the decay of our economy.

I am pleased today to join with Senator MITCHELL and a group of Senators in presenting an ambitious package of economic growth incentives. The package first endorses long overdue measures to strengthen America's technology base, including forging a new mission for America's national labs, bolstering research at American universities, and increasing the focus on applied R&D to bring new products and techniques on line more quickly so we are manufacturing those products much more in America.

Second, the initiative endorses a number of measures to commercialize new technologies by harnessing the innovative abilities of small business and the institutional resources of the Department of Defense.

Third, the package promotes education and job training. It increases our commitment to vocational education for non-college-bound students. It also endorses basic minimum standards for students to ensure that all students get the education they need to function in the 21st century.

Finally, the package endorses an aggressive initiative to secure new markets for American products abroad, a subject that was just addressed by the prior speaker, Senator RIEGLE. This includes a new emphasis on funding and organizing America's trade promotion efforts.

As chairman of the Finance Subcommittee on International Trade, I am pleased the package includes strong provisions to open foreign markets. The package calls for the reauthorization of our toughest market-opening tool, Super 301.

Super 301 was included in the 1988 Trade and Competitiveness Act. It compiled a very impressive record, opening markets in Japan, Brazil, Korea, Taiwan, and other countries in 1989 and 1990. But the Bush administration has opposed its extension. That provision has expired; it is no longer in effect. We want to extend Super 301; we want to bring it back.

The package also calls for the enactment of the Trade Agreement Compliance Act. The Compliance Act is based on the simple principle that a deal is a deal. It creates a special procedure for ensuring that the United States vigorously enforces its rights under existing trade agreements. It sends a strong message to our trading partners that we will not tolerate violation of trade agreements.

Finally, we call for enactment of tough trade provisions to open foreign financial services markets.

The United States has used tough tools to open foreign markets for American goods. We need similar tools to open foreign markets for American financial services.

There is a simple message behind all these provisions. If our trading partners expect continued access to our markets, they must open their markets. Simply put, trade must be a two-way street.

America has the most open market in the world. We do not want to close it. Rather, we want to open foreign markets so that all countries can enjoy the benefits of free trade. I am pleased to say that action is already under way on a number of these initiatives. On trade issues, the House is already moving a trade bill that includes all the trade elements I have just described. Final action is scheduled in a matter of a couple of weeks. In the Senate I am hopeful a bill can be introduced and enacted upon this summer and a final measure could be sent to the President for signature this fall.

The measures I have described are critical to America's economic security. They are critical to America's national security. It is my hope we can defy the conventional wisdom and enact these changes even in an election year.

Mr. President, I yield the floor.

Mr. ROCKEFELLER. Mr. President, yesterday's announcement of a national economic leadership strategy represents an important step forward in the national competitiveness debate. The argument over whether we have a problem is finished. The only people who do not think we have one are working in the White House. The national economic leadership strategy begins the debate over solutions.

I am proud to have joined the majority leader and so many other Democrats in the Senate, in presenting this strategy. It represents the ideas and serious thinking of all of the participants who share a commitment to putting our country on a path of economic growth. I hope it will build momentum for enacting the legislation needed to fulfill our common goals.

Whether you believe that U.S. productivity, growth manufacturing, and technological innovation are deteriorating, or that other nations are simply moving faster than we are and catching up, we have a serious competitiveness problem by virtually any measurement one uses. Unless we act quickly to rebuild our manufacturing base and the high quality jogs that go with it, our children will be the first generation in our history to have a lower standard of living than their parents.

That matters because we are stewards for their future. It also matters because the end of the cold war means that economic power will define global leadership in the future. Our ability to continue to play the lead on the world's stage will depend on our economic strength. I believe in American leadership. The world is a freer and better place because of it. But if we want it to continue, we must get our economic house in order.

This national economic leadership strategy starts us down the right road in two important ways.

First, it is comprehensive. By bringing together a wide range of proposals, some new, some already making their way through the legislative process, we create a blueprint for bringing our technology and manufacturing base up to world class standards, and for creating a well-educated and skilled work force.

Second, our strategy is based on government leadership. A telling moment for me came when I read Fortune's December issue, which contained interviews with various CEO's on America's future. CEO after CEO called on the government to lead—to determine what our national priorities are and to mobilize government resources to achieve them.

George Bush's response in the interview stood in sharp contrast. His vision was for companies to do what they do best. His goal was to get out of their way. And that sums up the differences between us. Democrats believe the Government has a leadership role in building the infrastructure and technology base that will determine the American economy of the future. We agree with business leaders who want to build the partnerships and lay the plans for a prosperous, competitive economic future.

There is ample precedent for such cooperation between Government and the private sector. Our agricultural and industrial infrastructure were built on it. Our citizens and our Government have consistently shown their willingness to mobilize resources and energy on behalf of clearly defined national goals. It was just such a policy that created one of the world's most competitive agriculture sectors in the second half of the 19th century, that created and fostered the civil aviation industry in the 1920's, and that made our aerospace industry competitive in the 1950's and 1960's. There are also other, more recent and more specific examples, and, Mr. President, I ask that summaries of several of them be printed at the conclusion of my remarks.

This is not news to students of history, but it clearly escaped the Reagan and Bush administrations' attention. They have not recognized how technology is changing the face of economics: how to support technology development within a Government framework that maintains competitiveness; how to translate technology into high quality marketable products; how to pay as much attention to manufacturing technology as we do to basic research. There are a growing number of Members of Congress talking about this, but you will be hard-pressed to find anyone in the administration giving it anything but lip service.

Americans are beginning to understand that the health of the critical industries of the future—semiconductors and the means to make them, computers, lasers, composite materials, telecommunications equipment, robotics, ceramics—cannot be left to chance. Our continued status as the world's leader depends on their prosperity. And their prosperity can on longer be left solely to the market.

In many respects this is a more sophisticated version of the debate we have had over infrastructure in the past. Governments have been supporting infrastructure for 5,000 years. Up until now we have defined it as roads and bridges, concrete and steel. In the 21st century, however, it will be telecommunications and information, fiber optics and computers. Instead of the interstate highway system, we will be talking about smart highways and supersonic air transport. These are the things that will drive our economy in the future, and the government's responsibility for them will be no different than its public works responsibilities in the past.

The national economic leadership strategy expands our research and development efforts in these critical technologies, and it proposes important new initiatives for turning laboratory ideas into marketable products. We are all familiar with examples like the VCR and the facsimile machine—products invented here and produced elsewhere.

Making marketable products means learning how to move from making something work once to learning how to make thousands of them at low cost and high quality. That involves different skills—designing for consumer needs and and pocket books and developing more sophisticated and flexible manufacturing techniques that can respond to the high quality and variable production demands of high tech products.

This may require a Federal hand. Proposals in our package include an Advanced Technologies Capital Consortium [ATCC], which Congressman BOB TORRICELLI and I introduced earlier this year, and a Civilian Technology Corporation, to be introduced shortly by Senator HOLLINGS. Both will have some federal funds, but will be led by private sector decisionmakers to supplement the private venture capital market in support of technology commercialization.

This is important not because we want products with "Made in America" labels on them. It is important because it is product sales and the profits they make that produce the investment that will create the next generation of technology. Companies don't undertake research and development out of whole cloth. It takes large amounts of money. Historically, the bulk of that money comes from earnings generated by these companies. In short, if we don't make anything, ultimately we will not invent anything either. That is why the policies we pursue must be oriented at manufacturing technology and commercialization and not just at the "generic, precompetitive research and development" the President says he supports.

The strategy also focuses on quality jobs by upgrading the education and job skills of our work force, and it reorients our trade policy in the direction of more efficient export promotion and market access abroad. Taken together, the components of this strategy will lead to more high quality jobs for Americans, jobs that will keep us growing and prosperous into the 21st century. I am also pleased that a number of my proposals are included in this package that will help make sure some of the jobs end up in West Virginia.

This strategy is also timely because of the election. Usually the contest for votes bogs down in debate over the issue of today and the soundbite of last week. We can and must do better than that. We are stewards of the country for our children. We owe it to them and to ourselves to plan for the future to insure that the next generation will inherit a strong and prosperous America. The national economic leadership strategy is a road map to achieve that goal.

CASE STUDIES

THE COMPUTER INDUSTRY

Federal R&D support was essential to the creation of the U.S. computer industry. The first companies were constructed as part of military research and development projects during World War II. Between 1945 and 1955, all major computer technology projects in the U.S. were supported by the Federal government. During the 1950's and 60's government purchases of semiconductors for missile guidance systems aided the development of the U.S. computer industry. The technology that helped make personal computers possible was developed as part of NASA's Apollo program.

The computer industry is a good example of how the government and private sector can successfully work together, from the R&D stage through product commercialization. Take a look at two leading companies; Cray Research, Inc. and IBM. Cray Research developed the supercomputer under contract to the federal Los Alamos National Laboratory. During the 1940's and 50's, IBM developed electronics and computer products that were purchased mainly by the Federal government. IBM received additional support from the government in the form of R&D funding for programs like the B-52 bomber and its navigation system. IBM has successfully applied technological advances gained in government-supported projects to commercial products.

ATM MACHINES, CREDIT CARDS, AND OTHER PRODUCTS OF COMPUTER NETWORKING TECHNOLOGY

Today, we can get cash almost everywhere, 24 hours a day, thanks to automatic teller machines. And if we don't want to pay cash, we can use our credit cards in most places thanks to technology that allows merchants to instantly check whether cards are stolen or invalid.

The Federal government played a key role in developing the computer networking technologies that make ATMs and credit cards possible. In the late 1960s, the federally funded Defense Advanced Research Projects Agency (DARPA) used digital technology to link computers for the first time. Since then, computer networks have grown faster, larger, and more secure. Today, networks enable computers around the country to "talk" to each other, transmitting pages of information in seconds, far faster than the best fax machines.

The Federal government continues to support computer networking technology. The National Science Foundation, in cooperation with DARPA, the private sector, states, and universities, has built the NSFNET, a high-speed computer network connecting hundreds of colleges and universities around the country. The networking technology being developed for the NSFNET will one day allow network users to talk face-to-face despite being thousands of miles apart. Coworkers on opposite coasts will be able to work together as effectively as if they were in the same room.

DARPA: THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY

Perhaps the best known example of government support for cutting-edge technologies is The Defense Advanced Research Projects Agency, or DARPA.

Though its mission has been defined by the Pentagon, DARPA has spawned a number of important civilian technology breakthroughs: mainframe and super computers; flat panel displays used in High Definition Television (HDTV) and lap top computers; SEMATECH, which is a consortia of computer chip manufacturers; and a number of advanced computer techniques like packet switching. To quote the New York Times, "DARPA almost single-handedly founded the fields of material science and computer science in the U.S. paving the way not only for the smart weapons of the Persian Gulf war but the personal computer industry."

THE AEROSPACE AND COMMERCIAL AIRCRAFT INDUSTRY

The United States government played a key role in the development of civilian aircraft.

Prior to World War II, a Federal agency call the National Advisory Committee for Aeronautics (NACA) supported civilian aircraft research and development. NACA was responsible for aeronautical innovations such as: a wind tunnel built in Langley, Virginia; an engine cowl which reduced wind drag; aerodynamic efficiency research which helped determine optimal engine placement; and a new family of airfoils which allowed engineers to test different wing designs. NACA was absorbed by the National Aeronautics and Space Administration (NASA) in 1958.

There are several lessons to be learned from NACA's success. First, NACA's research efforts were industry-led. NACA chose research projects based on what industry needed, not on what NACA wanted. Second, NACA studied not only whether new technologies were feasible, but also how new technologies could be manufactured.

After World War II, military R&D aided the commercial aircraft industry. Manufacturers that worked in both the military and civilian markets, like Boeing and General Electric, were able to use defense contract dollars to lower production costs for not only their military operations, but also their civilian ones. Also, companies were able to apply technologies developed for military use to civilian use. As a result, U.S. firms still dominate the commercial aerospace industry.

THE BIOMEDICAL INDUSTRY

The U.S. biomedical industry is one of the strongest in the world largely because of federal support. The government funds biomedical research through the National Institutes of Health (NIH), the National Science Foundation (NSF), the Department of Defense (DOD), the Department of Energy (DOE), and the Department of Agriculture (DOA). Such research has led to medical breakthroughs such as gene therapy and the discovery of the virus that causes AIDS. Also, federally-funded R&D has spawned the development of human insulin, human growth hormones, drugs to treat kidney transplant rejections, drugs to help prevent hepatitis B, and a test for HIV infection.

Federal support for biomedicine has succeeded because the government has worked in collaboration with the private sector. Often, in conducting biotechnology research, government-supported universities enter into long-term cooperative agreements with individual firms. Also, NIH, the leading provider of R&D and training to the biomedical industry, has built strong relationships to the health care industry.

VIDEO CASSETTE RECORDERS—A CASE STUDY IN FAILURE

Though American firms developed the first video-recording technologies, Japanese firms now completely dominate the VCR market.

Why? There are two reasons. First, Japanese firms focus on the long term in commercializing products. They endure flat or negative cash returns during the many years it takes to bring a low-cost, high quality product like the VCR to market. Second, Japanese firms focus on the manufacturing process, requiring design engineers and manufacturing engineers to work together as a team to develop a high quality product that can be manufactured cost-effectively.

As a result of America's failure to commercialize video recording technology, Japan has cornered the market for one of the most lucrative consumer electronics products.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. GORE. Mr. President, I ask unanimous consent to speak as if in morning business. Are we in morning business now?

The PRESIDING OFFICER. The Senator is correct. The Senator has 5 minutes.

Mr. GORE. I ask unanimous consent that I might be recognized for an additional 2 minutes.

The PRESIDING OFFICER (Mr. CONRAD). Without objection, it is so ordered.

U.S. ECONOMIC LEADERSHIP STRATEGY

Mr. GORE. Mr. President, yesterday I was proud to join the majority leader and several of my colleagues, including Senators LIEBERMAN, ROCKEFELLER, BINGAMAN, and a number of others, in announcing a new U.S. economic leadership strategy to give Americans quality, high-paying jobs, to give our children better and more fruitful educational opportunities, and to give all of us a safer and cleaner environment in which to enjoy life.

Just a few nights ago, President Bush said that he cannot understand why people think the economy is getting worse because he knows it is getting better.

Well, look at today's economic news. Last month, unemployment rose again to 7.8 percent the worst rate since 1984. This was the second month in a row that unemployment has gone up. All but 1 of the 11 major industrial States had increases in unemployment. The highest rate was in California with 9.5 percent, up from 8.7 percent in May.

One of the economists interviewed in reaction to this news this morning was an economist in Chicago named Robert Deidrich, and he said this report is not what we were expecting. He said:

> It is just a bummer across the board. It's like you have glue on your feet. The economy just can't seem to get out of this.

The analyst for the Associated Press summarized it by saying, and again I quote:

> The unexpected weakness in June employment raises the prospect that economic growth could stall out just as it did last summer after a short-lived increase.

You know what that would be called, Mr. President? A triple-dip recession.

And what is the Bush-Quayle administration doing about it? Not much. The administration has no strategy for ending the recession, no strategy for getting this country moving again. It has no plan to deal with the rising unemployment rate and the loss of competitiveness.

Senate Democrats yesterday proposed a comprehensive, bold, visionary plan to get this country moving again. There is a stark contrast between the do-nothing, wishful-thinking approach of the Bush-Quayle administration and the economic leadership strategy which Senator MITCHELL and Senate Democrats announced yesterday.

In the middle of this century, there was a colorful personality named Clementine Paddleford, and she once said, quoting her own mother, "You shouldn't grow a wishbone where a backbone ought to be."

For years now, the Bush-Quayle administration has tried to wish America into being a world competitor again, and what is the result? Not only are we unprepared to lead the world economy tomorrow, we cannot even hold our place today. Wishing and hoping cannot prepare us for a better future.

The new Democratic economic leadership strategy puts backbone in America's economic posture and helps us face the future with purpose and vision. It creates economic strength by beginning and enlarging a variety of programs and initiatives that clear a path for new ideas to become new products and new jobs. Programs like the Advanced Technology Program, the Small Business Innovation and Research Program, the Manufacturing Technology Centers Program, and others can nurture and facilitate industrial innovation and enhance productivity.

Mr. President, the Information Infrastructure Act of 1992, which I introduced yesterday as one of the components of this new economic leadership strategy, will provide the central nervous system for this new economic resurgence. It will speed the distribution of information for education, health care, and manufacturing. I am convinced that this new economic strategy will turn American ingenuity into high-quality American jobs.

The administration seems content to count any job as a good job, and as a result more and more workers are consigned to low-skilled, low-paying jobs that leave their own skills untapped and their hopes unfulfilled. No wonder many Americans express the fear that their sons and daughters might have a lower standard of living than they do.

There is no question that the United States of America leads the world in bright ideas. It is time that we use those ideas to create a brighter future, a future in which Americans produce high-quality products that make for better jobs and a better world.

We know what the critical technologies for the future are. Industry is telling us, it is not a great mystery. And we have the ability to speed their development and commercialization, if we have the national will and if we have leadership instead of the wishbone approach of the Bush-Quayle administration.

This new economic leadership strategy that was announced yesterday will help our children help themselves through improved educational opportunities. It also includes job training and vocational education programs to better equip Americans for a changing future where the capacity to learn new skills is itself a valuable skill.

While there are many other goals in our strategy, I wish to close by accentuating one of them and talk about how a better economy and a better environment can be secured together.

The Japanese and the Germans are now openly saying that the biggest new market in the history of world business is the market for the new products and processes that will foster economic progress without environmental destruction. Millions of jobs are at stake unless we lead the environmental revolution. Mexico City is closing down factories today, not because of their economy but because they are choking to death on the pollution. They are desperate to get, not new laser-guided missile technology but new machinery, new processes to put their people back to work without choking their children. Thirty-five percent of our exports last year went to developing countries, and virtually all of them are asking for the new approaches that will not devastate their environment but allow them nonetheless to move forward toward better standards of living. The Bush-Quayle administration has completely missed the boat on this as they have on the economy generally.

That is part of the economic leadership strategy that we announced yesterday to move our country into a leadership position on these new environmental technologies. So whether it is the Information Infrastructure Act, or the New Technologies for a Sustainable World Act, or the manufacturing extension centers, or any of the other provisions in this comprehensive package, this formula will get this country moving again, and it poses the starkest possible contrast with the Bush-Quayle do-nothing wishbone approach which again has produced an increase in the unemployment rates and the specter of a triple-dip recession with no relief anywhere on the horizon except with new leadership of this country.

I yield the floor, Mr. President.

THE NOMINATION PROCESS

Mr. GRASSLEY. Mr. President, it was just 1 year ago yesterday that President Bush nominated Judge Clarence Thomas to be an Associate Justice of the Supreme Court of the United States. On the anniversary of this nomination some reflection on that nomination and the subsequent confirmation are in order.

In my view the Thomas confirmation process distorted beyond recognition the process created by the Framers of our Constitution. Congress did not act in full accord with its article II responsibilities to advise and consent. This was true in a number of respects.

I would like to speak to just three of those.

First, Congress sought to dictate to the President who the nominee should be. Whether described as "compromise" or described as "consultation," many Members of this body believe that the President must compromise his choice of a nominee with various Senators. I suppose the more powerful the Senators happen to be the more that would be the case. The President may act wisely and probably would be acting wisely to take some congressional opinion into account.

Nonetheless, under our Constitution, the President has the sole power to choose nominees to the Supreme Court. Although as Justice Jackson noted several decades ago, our constitutional system of three branches is often one of shared powers. The President's power to nominate is not, however, shared with Congress.

Notwithstanding this unambiguous fact, some Members of this body set forth the remarkable notion that the President should consider balance on the Court in selecting his nominees. This notion of balance has no historical basis. As an example, Franklin Roosevelt did not consider balance when he made his seventh and eighth nominations to the Supreme Court. Lyndon Johnson did not consider balance when he named Justices to what was already the most ideologically monolithic Court in the history of our country. Few, if anyone, suggested that Presidents Johnson or Franklin Roosevelt should have.

The second way that Congress violated article II was the opposite of arrogating power beyond that granted, as in seeking to invade Presidential prerogative. Congress in this instance delegated public power to private groups.

In fact, we had two Senates considering the Clarence Thomas nomination last fall. One Senate was this body of 100 elected by the people of their respective States for 6 years, to exercise constitutional powers. This Senate was ultimately responsible to the people for its exercise of those powers.

Additionally, someplace in that big black hole existed a shadow Senate. The shadow Senate consisted of special interest groups, not elected by anyone, for any term, and of course responsible to no one. Yet the shadow Senate also exercised the advise and consent function committed exclusively to the people's representatives in this Senate.

The shadow Senate consisted of advocacy groups whose views have been decisively rejected in so many recent Presidential elections, particularly those in which the winning President's view of putting strict constructionists on the Supreme Court was made very clear.

Notwithstanding their failure to get their agenda adopted through the democratic legislative process, these special interest groups in the last several decades have been able to impose their agenda through an unelected activist Supreme Court, typically making law rather than interpreting law.

When Clarence Thomas was nominated 1 year ago, the shadow Senate was already making pronouncements that they would "Bork" him. They were wrong. Judge Bork was treated gently compared to Judge Thomas. The shadow Senate sent out all points bulletins to the faithful: Give us your dirt on Clarence Thomas. Various disclosures were made in an unending barrage attempting to kill the nomination. There was no interest in objectively examining this man's qualifications. We had advocacy groups willing to do anything to keep this man off the Supreme Court.

They conducted a large part of the investigation that normally would be done by congressional investigators. These non-Government investigators, not publicly responsible to the people by the way, decided what information would come out about the nominee, when that would happen, and even where it would happen.

By the time the confirmation hearings began, the shadow Senate had distorted Judge Thomas beyond recognition. Yet, despite Judge Thomas' impressive performance before the committee, the shadow Senate would not take no for an answer.

The shadow Senate badgered a woman whose life will never be the same to come forward. She refused in those first instances, and she did it in order to keep her privacy.

Ultimately, she let the Judiciary Committee know her name so that an FBI investigation could be conducted. This action, not the public hearings, shows that the committee took Professor Hill's charges seriously. The FBI investigated and could not determine the truth of her allegations. So the committee in late September moved forward with the nomination.

We must remember that the lurid details of Professor Hill's testimony that simultaneously electrified and sickened the Nation were never mentioned prior to the televised hearings.

After the committee vote, an act of treachery against Professor Hill occurred: Someone acting for the shadow Senate made this woman's unsubstantiated allegations public. At that point, the constitutional process was over. We were now in the war of all against all.

The shadow Senate turned a confirmation process regarding the fitness of a particular individual to sit on the Supreme Court into a societal battle deliberately framed as pitting men against women. I hope we will never see this again. All I would add here is that I hope we will return to a process in which advocacy groups are not the key players and in which nomination hearings are serious efforts to determine competence, rather than some political campaigns, as if people were running to be elected to the Supreme Court as opposed to being nominated and selected for the Supreme Court.

To the extent that the Supreme Court practices judicial restraint, and leaves political decisions to the political branches, particularly the legislative branch, there is no need for political campaigns over the confirmation of its members.

The third way that Congress violated its article II power to advise and consent was its usurpation of the judiciary's article III power to say what the law is. This occurred during the real confirmation hearings. Judge Thomas repeatedly was asked to state his views on various Supreme Court cases, or cases that have already gone by. Each of these issues very likely would come before the Supreme Court some time during his tenure on that court.

Senators can ask a nominee these questions. I am not going to tell Senators what they can ask or cannot ask.

But it is wrong to require a nominee to answer them. A judicial nominee must be impartial, he must appear impartial, and most important, he must be faithful to the Constitution. Were Judge Thomas to have answered these questions, he would have violated all of these commands.

A judge must impartially decide the cases that come before her. If a nominee tells Congress how she will decide particular cases, how can litigants who appear before the nominee as a judge be confident that the judge will be impartial, never mind appear impartial? Additionally, a nominee who tells Congress how he will decide particular issues essentially makes political campaign promises to obtain confirmation votes from individual Senators.

Frequently, the questions relate to the issues of importance to the advocacy groups. Such a spectacle in evaluating someone for an unelected position specifically designed to be insulated from political pressures is unacceptable. Even worse, it makes Congress rather than the courts the ultimate authority on the meaning of the Constitution. When a case arises that a Justice has told Congress that she will decide in a particular way, the Justice may feel bound to the promise. This is a violation of the Constitution.

Congressionally imposed promises cannot rank as a higher authority governing decisions than the Justice's own independent consideration of the Constitution, after reading briefs and hearing arguments. Congress does not have the ultimate word on constitutional interpretation. Events of the past year could convince one to the contrary.

To those who threaten not to confirm any nominee who will not answer questions regarding specific cases and doctrines, I can only respond that under our constitutional system, it is the nominee who answers these questions who deserves to be rejected.

Perhaps those who demand answers from the nominee on issues likely to confront the confirmed Justice believe that the Justice cannot be objective. They may think that Justices should and do decide cases on the basis of their policy preferences. Such a view denies the existence of law. Justices, at least those who believe in judicial restraint, apply the law rather than their own personal beliefs. Thus, a nominee's personal agreement with the merits or reasoning of a particular case is irrelevant to the confirmation process.

Senators can ask certain general questions to prospective nominees: How they generally approach constitutional adjudication and statutory construction, the role of precedent, and other similar issues. Senators can determine sufficiently the nominees' judicial and constitutional philosophy from the answers to these questions and from the nominee's writings, including judicial decisions if any. Senators can determine character and other relevant issues, such as the nominee's familiarity with decisional law, as well.

But if the Senate continues to subject nominees to the process that we utilized beginning 1 year ago yesterday, the country will lose the ability to have the best and brightest appointed to such positions. We must return to the basics and particularly constitutional basics. We must exercise all the powers available to us under article II's advise and consent clause, but we, and we alone, in the Senate, must exercise only those powers.

Mr. President, I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. KERREY. Mr. President, I ask unanimous consent that the time for morning business be extended to 10:45.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ROE VERSUS WADE

Mr. KERREY. Mr. President, in connection with what was said by the Senator from Iowa, I think it must be said that now on the Supreme Court there are nine Justices, and we know what each one feels about the very emotional, difficult subject of *Roe* v *Wade*. I say that with respect for my friend from Iowa. I have not voted on Justice Souter or Justice Thomas as a consequence of their position on that issue. But now knowing what all the Justices believe, it will become much more important to me; and indeed it is important to the President, because he sends the Solicitor General up to the Supreme Court to attempt to reverse *Roe* v *Wade*. Reagan-Bush appointees in their declaration in support of *Roe* v *Wade* were very strong in saying that that assault is creating problems.

THE SITUATION ON CAMBODIA

Mr. KERREY. Mr. President, today, two important tests of our capacity to respond to international outlawry and foster democracy are occurring in Yugoslavia and Cambodia. Both require moral judgment and action by the United States. Neither present a clear and easy course with ready references to previous actions. Each precedent setting moves require an internal compass. America is, itself, the result of initiatives launched into uncharted waters.

We stand at an important moment of history. The strength of our convictions will determine the course of future events. It is far from clear whether the ancient but resurgent forces of global disorder or the new forces of order will prevail. Led by a determined America it is vital that the international community demonstrate—and demonstrate quickly—it has the will and the capacity to control international violence and outlawry. Success is not optional; it is imperative.

The brave, new postcold war world we are entering is neither a comfortable nor an orderly place. As the screw of tyranny has been loosened, long-suppressed nationalisms, ethnic rivalries and class hatreds have exploded violently into full, horrifying view. The strange place names and growing size of the list must not obscure the real life tragedies that occur when such conflicts cannot or will not be resolved peacefully.

Sarajevo, Yugoslavia, is a name familiar to us from the 1984 winter Olympics. Cambodia we know from the "Killing Fields," the methodical genocide of at least a million people by the Khmer Rouge from 1975 to 1978.

The scene of senseless killing in Sarajevo detailed by a single brave American journalist, John Burns, contains the murderous nature of those who ascribe higher purpose to their killing. Stark bravery of innocents exposed to danger inspire an impulse to help. When the cry for help is heard something in our nature tells us we must go, and quickly.

Mr. Burns has told many heroic stories, but one stands out. He describes the actions Mr. Vedran Smailovic, a 36-year-old cellist in the Sarajevo opera:

> My mother is a Muslim and my father if a Muslim, but I don't care. I am a Sarajevan, I am a cosmopolitan, I am a pacifist. I am nothing special, I am a musician, I am part of the town. Like everyone else, I do what I can.

What Mr. Smailovic does is to play his cello each day at 4 p.m. at the same spot in the middle of Vase Miskina Street. According to Mr. Burns:

> The spot he has chosen is outside the bakery where several high-explosive rounds struck a bread line 12 days ago, killing 22 people and wounding more than 100. If he holds to his plan, there will be 22 performances before his gesture has run its course.

The Serbian gunners who killed these 22 hungry Sarajevans were still firing 155-millimeter howitzer shells down on the city while the one man concert was in progress. For the uninitiated, a 155 round is a big shell; a very big shell. The high order explosion and high velocity shrapnel are more than deadly; they are terrifying. They disorient as they dish out death.

In Cambodia the stories are of children whose legs have been amputated by the most dense and random placement of landmines in the history of this kind of warfare. I visited the refugee camps in Thailand in 1990 where 375,000 Cambodians live in a squalor made partially livable by U.N. efforts. As an amputee myself who received remarkable health care, I was painfully conscious of the limited range of these innocent childrens' lives which would result because of inadequate medical resources.

In Cambodia, prime responsibility for the killings rest with the Khmer Rouge, still led by Pol Pot and his clique, who have been given new legitimacy by the peace agreement signed October 23, 1991. The recent stories tell of the Khmer Rouge's firing on U.N. helicopters and their unwillingness to abide by the terms of the agreements second phase. Consensus is building of their intent to use whatever means necessary to return themselves to power.

In some cases we cannot and should not act. Lasting peace begins when men and women agree to respect a higher law and to resist violent means toward noble ends. In the absence of the willingness to resolve differences peacefully, we will find it difficult to separate warring factions. American intervention should not be based upon the emotional response of simply wanting to help. In some cases we must check our emotional response with caution.

However, America's capacity for moral leadership and forceful action put us in a position of either answering the call for help or answering why we did not. Answering the call does not mean we need to act on our own. The end of the cold war has made possible unprecedented multinational efforts to deal with these conflicts.

In Cambodia and Yugoslavia we have acted as a part of U.N. peacekeeping efforts. We have begun the difficult job of securing a peace. The peacekeeping force in Cambodia involves 16,000 troops, 3,600 police and 2,400 civilians. The cost in dollars is estimated at $2 billion.

At the outset we must recognize this is our force. They represent our interest in international justice. It is crucial to the success of these men and women that we act as if they were our sons and daughters rather than remote blue helmets.

Equally crucial to the success of these operations is to move the peacekeeping contribution from the U.S. State Department to the U.S. Defense Department. The big dollar costs are the military items not the diplomatic. As such it makes sense to budget peacekeeping contributions in DOD.

Finally, we must demonstrate our resolve. All parties must know that we will not be pushed around. Today I will limit my discussion to necessary adjustments in Cambodia if we want this operation to be a success.

Cambodia, that small, tragic country in the midst of Southeast Asia has become the scene of the most ambitious U.N. peacekeeping effort in history. The U.N. Transitional Authority in Cambodia [UNTAC] will have more authority, deploy more forces, and spend more money than any previous U.N. operation. Most challenging of all, the United Nations is deploying into a country where a 20-year civil war has been suspended, but not resolved. One of the parties to that conflict, the notorious Khmer Rouge, was directly and deliberately responsible for the extermination of over 20 percent of the Cambodian population in 3 years of genocidal rule—making it probably the bloodiest regime in the history of mankind.

Few who have studied the Khmer Rouge believe they have any intention of abiding by the international agreements they signed calling for a U.N. presence in Cambodia to administer a cease-fire, demobilization of forces, and an election. Already the Khmer Rouge has resisted the movement of U.N. peacekeepers into their zones of control and in at least one instance fired on a U.N. helicopter. Watching these developments, there are many who have proclaimed the bad news from Cambodia—that the U.N. peacekeeping effort is doomed to failure.

The news from Cambodia is not bad, it is good. There are certainly reasons for pessimism, but the reasons for optimism are more compelling. This was made clear in Tokyo last weekend. Thirty-three nations and twelve international organizations, plus observers from a number of nongovernmental organizations, met in Tokyo for the Ministerial Conference on Rehabilitation and Reconstruction of Cambodia. They convened in response to an urgent appeal from the U.N. Secretary General to commit funds, personnel, and other resources to support UNTAC operations and to sustain the provision of vital services by the existing Government infrastructure in Cambodia.

The good news comprises several points:

The participants at the conference pledged $880 million, easily exceeding the Secretary General's target of $595 million.

Delegation after delegation pledged full support and confidence in UNTAC and its chief, Special Representative Yasushi Akashi.

Delegation after delegation declared their determination to see the settlement process through to a successful conclusion.

Japan moved center stage for the first time in a U.N. peacekeeping effort by hosting the conference and pledging substantial financial support. Moreover, two of the key international officials leading the U.N. effort—Mr. Akashi and the High Commissioner of the UNHCR, Ms. Sadako Ogata—are Japanese.

Japan and Germany, for the first time, are contributing uniformed military personnel to a U.N. peacekeeping effort.

The United States was well represented by one of its most senior and experienced officials, Deputy Secretary Lawrence Eagleburger. He delivered a strong statement making it clear that the United States intended to support UNTAC to the fullest.

The Khmer Rouge were increasingly isolated as delegation after delegation called upon them to cease placing obstacles in UNTAC's path. Many, including the United States, made it clear they would support Cambodian reconstruction with or without Khmer Rouge cooperation and—if necessary—in the teeth of Khmer Rouge resistance.

China, long the leading supporter of the Khmer Rouge, clearly distanced themselves from that past policy.

Mr. Akashi and General Sanderson, commander of the U.N. military forces in Cambodia, have proven themselves to be gifted and determined leaders of the U.N. presence on the ground.

Where do we go from here? I believe the principles which should guide us are clear:

We should move away from evenhandedness. The Khmer Rouge should pay a price for noncooperation. They should not be allowed to negotiate their way back in.

We must be absolutely determined to see the reconstruction and rehabilitation effort through to a successful conclusion—the resettlement of 350,000 refugees and the election of a secure non-Khmer Rouge government in Cambodia.

We must be tactically flexible. In particular, we must be prepared to redefine the ground rules for UNTAC to permit it to support all non-Khmer Rouge Cambodians against the Khmer Rouge if the latter continues to resist implementation of the U.N. mandate.

We must make it crystal clear to the Khmer Rouge that we will not be intimidated and that we will prevail. In the words of Secretary Eagleburger:

> It is vitally important * * * that the people of Cambodia have confidence that the international community will not fold its tent at the first sign of difficulty, but instead will work to defend a fair process and to implement a fair agreement. I can assure you that for its part, the United States will not be tempted or intimidated into withdrawing from this process.

We must remember, that in the last analysis the solution must be one reached by the Khmer people themselves.

We should support Secretary General Boutris Ghali's May 1992 appeal for $125 million in commodity aid and balance of payment support in order to avert runaway inflation and the disintegration of the civil service, to help stabilize the economic and social institutions.

As the next major step, we should be prepared to go back to the U.N. Security Council and seek a resolution, backed by sanctions, requiring Khmer Rouge cooperation with the peace agreement, and calling upon Thailand, in particular, to close its borders to Khmer Rouge logging and gem smuggling and to cease providing sanctuary to Khmer Rouge leaders.

To quote Secretary Eagleburger again:

> Our goal should be to reassure those who fear the Accords will not work properly, and to prevent those who fear the Accords will work properly from undermining a process which has the firm and solemn backing of the international community. As far as the United States is concerned, we do not believe that efforts to halt this process should be cost-free to those involved, nor do we believe that we should encourage parties bent on sabotaging the Accords to entertain the prospect of success. The peace process can go forward in their absence.

What is at stake in Cambodia is no less than a test of our capacity to build a peaceful post-cold war world. Every nation, certainly including our own, has a vital interest in the success of that effort. If a just international order is to be built, the United Nations and its affiliated organizations must be capable of playing a central role. Cambodia is nothing less than a proving ground for that shared future. When U.N. forces don the blue helmets and deploy into the Cambodian countryside, they cease to be Irish, or Dutch, or Malaysian—they become, in effect, Americans—because they are one of our own.

Mr. KERREY. Mr. President, I will try in the time allowed me to summarize.

We have begun U.N. Efforts in Cambodia. It is a precedent-setting United Nations effort. America's commitment will be relatively small as part of the $2 billion U.N. movement. This has never occurred before in the history of the world, this kind of a peacekeeping effort. The one thing above all that is paramount for us to succeed is for the people of Cambodia to know that it is their solution, but that we are resolute in our commitment and that we will make certain that we abide and that all parties abide by the terms of the agreement.

Mr. President, I believe the only way that will occur is if we consider the young men and women who are part of this international force, as well as the young men and women who are arriving today from Canada to secure the Sarajevan airport. We must act as if they are our sons and daughters. If we look at these young men and women, saying they are part of some other nation's effort, we will fail to follow through.

Mr. President, I know people are confused abut what is going on in Cambodia. The recent reports have been filled with some bad news. I believe it is mostly good news. The United States sent its best people, Assistant Secretary of State Lawrence Eagleburger, to Tokyo last week. We have progress in place. I believe, Mr. President, we need to say to the Khmer Rouge, who acted like outlaws the past 3 or 4 weeks, we will not give you the opportunity to negotiate your way back in.

We must be resolute with those who have violated the conditions of this agreement. We must consider even going to the U.N. Security Council to change the agreement itself so that the peaceful election that will occur next spring will not allow the outlaws themselves to come back into power.

Mr. President, I appreciate the time that I have been given. I believe that this moment in history must be seized by the United States of America. It is in our interest to do so. It is in our interest to look into these uncharted waters for ways to win this peace. We will be required to be resolute. We cannot allow the killing that goes on in this world to be simply another news story that we read in the morning and move to the side of our desk.

Mr. President, I appreciate this time and I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, may I inquire of the Chair, are we still in morning business at this time?

The PRESIDING OFFICER. The Senator is correct. The Senator is recognized for 10 minutes.

Mr. PRYOR. Mr. President, at this time, because of complications and developments, I am going to yield my 10 minutes under the order to the distinguished Senator from Maryland, Senator SARBANES.

Mr. ADAMS. Mr. President, I would ask the Senator from Maryland if he might yield to me for 2 minutes, and then he will use the remainder of the time for his statement which is more important, but I have just a short statement I wish to make.

Mr. SARBANES. Mr. President, I yield to the Senator the 2 minutes.

FREEDOM SUPPORT ACT

Mr. ADAMS. Mr. President, I want to support the efforts of the Senator from Maryland and I shall remain on the floor to do so. He has a very important message for us this morning. I simply want to rise at this moment in time and to make my statement in support of the Freedom Support Act, which we are debating today.

I am a strong supporter of this and I am very concerned that we must help these people that have been in the former Soviet Republics to move toward democracy, because we cannot let despair, unemployment and hunger destroy the fabric of their society and thereby turn them toward nondemocratic processes.

I have always felt the American and Russian people had a long tie between them, even in the height of the cold war in the 1970's. When I was Secretary of Transportation during my visits on technical matters to Moscow, Leningrad and other cities, we were warmly received and the friendship was obvious. We want to be certain that this continues and I particularly want to express my interest in eastern Russia.

We forget too often about it. It is very much like the United States was during the period of the 1930's and 1940's with our people a great resource but with the inability to have capital to invest and with the infrastructure not completed.

I am pleased that the people in the State of Washington have now strengthened the ties, having sister cities of Vladivostok-Tacoma, and there are going to be conferences in the State of Washington. I look forward to President Yeltsin working in that area and I hope we can assist in this. I hope we will be in the forefront of the efforts to do it.

We cannot let the people of the former empire to lose hope. Therefore, I hope we pass the legislation.

Despite our strong ties, the outcome of our effort is by no means certain. I do not hold with the end of history theorists.

Democracy is not necessarily the end result of historical progression. We have already seen some of the many forces that could undermine democracy—nationalism, ethnic unrest, poverty, and unemployment.

The legislation before us is not a blank check, nor is it a budget buster.

It is a down payment on our Nation's commitment to the future of this important region and thus to the world. It sends a strong signal that we in the West will not turn our backs on these new nations.

Here at home we face extremely tight budgets and pressing needs. This legislation will not divert a penny away from our domestic agenda. The firewalls of the 1990 budget agreement makes sure of that.

The bill has been well described in the debate. I have cosponsored certain amendments which I have set forth in my more detailed statement.

The bill authorizes the U.S. share of the $24 billion multilateral aid package announced in April. It authorizes the United States share of the International Monetary Fund's quota increase, to begin IMF lending to the former Soviet States for economic reform.

It also authorizes a variety of U.S. assistance programs, including student and professional exchanges, technical assistance, agricultural aid, and assistance in defense conversion.

I am a cosponsor of the amendment of Senator WELLSTONE to promote grassroots, governmental exchanges, and support Senator BRADLEY's student exchange amendment.

I am also pleased the bill contains Senator CRANSTON'S provision to promote the weapons-for-wheat idea. Barter, like using proceeds from the sale of our agricultural commodities to help dismantle nuclear weapons, is a creative idea. I am pursuing a parallel effort through the agricultural appropriations process.

In the last several years, the people of Washington State have strengthened their ties with the people of the former Soviet Union, in particular, the people in the Russian Far East.

This is reflected in the sister port relationship between Tacoma and Vladivostok, and in the announcement during President Yeltsin's visit that the two newest consulates to be opened will be in Seattle and Vladivostok.

I have met with officials from this area of the Russian Republic and have been impressed by their enthusiasm for joint projects.

Both in terms of humanitarian assistance and in trade and investment opportunities, Washington has been at the forefront in responding to opportunities in eastern Russia.

I have been proud to assist a number of these efforts and commend the citizens of my State for their optimism and tenacity in the face of endless bureaucracy on both sides of the Pacific Ocean.

All of us cheered Russian President Boris Yeltsin when he addressed the Congress a few weeks ago.

We cheered because we believe in what he said. More importantly, we cheered because we believe in what he is trying to do.

The obstacles facing the successor States of the Soviet Union are tremendous. The process of reform and democratic consolidation will be long.

We simply cannot allow the peoples of this vast former empire to lose hope. I urge my colleagues to support this vital legislation.

I thank the Senator from Maryland. He has a very important message. I hope we will be helpful in helping him in presenting this message to the American people.

I yield back the time.

Mr. SARBANES. I thank the very able Senator from Arkansas yielding me time.

THE ECONOMY

Mr. SARBANES. Mr. President, this morning the Joint Economic Committee met to receive the employment and unemployment figures for the month of June. The grim, dismal unemployment statistics reported this morning are dramatic proof that the economy remains in the grip of a serious and prolonged recession. For the second month in a row, the unemployment rate surged by three-tenths of a percent. It has gone from 7.2 to 7.8 percent in 2 months time. The 7.8-percent figure is the highest unemployment rate since March of 1984, more than 8 years ago.

Mr. President, this chart tracks the movement of the unemployment rate during this recession. Two years ago, in June of 1990, the unemployment rate was 5.3 percent. It has risen through this recession almost in a steady progression with some ups and downs, and it has now gone to 7.8 percent, the highest since March of 1984. This represents 10 million Americans unemployed.

The reason these figures have gone through the chart is we did not expect these high figures this morning. In fact, we were expecting an improvement. We did not redo the chart because we thought we would be working within the parameters of these lines. Instead, it has taken off again.

We had a three-tenths of an increase last month, another three-tenths this month. We are now up to just under 10 million Americans counted as jobless by the Department's official figures. As bad as those numbers are, the real labor number market is even worse.

The Labor Department today released figures on the comprehensive unemployment rate for the second quarter of 1992. This is a rate which includes discouraged workers and those working part time because they cannot find full-time work. That rate rose to 10.9 percent in the second quarter of 1992. The last time it was that high was in the last quarter of 1984.

Now this 10.9 percent figure represents the 10 million unemployed under the official rate, another 1.1 million so discouraged that they dropped out of the labor force, and 6 million people working part time who want to find full-time work.

These figures are an absolute disaster—7.8 percent unemployment rate, 10.9 percent comprehensive unemployment rate—these unemployment figures are the worst in more than 8 years.

The impression that the economy is starting to weaken again is confirmed by a variety of other statistics released in the past month.

New home sales have fallen 4 months in a row. Building permits have fallen for 4 months. Housing starts are down 8 percent over the last 2 months. This is very distressing since we often rely on the housing sector to help bring us out of the recession.

New claims for unemployment insurance are rising from a weekly average of just over 400,000 in May and early June to over 420,000 for each of the past 2 weeks.

New orders for durable goods fell in May.

Exports, which people have been forecasting would pull us out of the recession, fell in April; this is the second decline in a row. The purchasing manager's survey fell 4 points in June, from 56 to 52. Fifty is the level they use to say we are in a recession.

And the worst economic news is in the labor market. Job growth remains weak, unemployment high, with little evidence of a turnaround. Large companies are continuing to announce massive layoffs. This past week alone, Aetna Life & Casualty said it would lay off 4,800 employees, which is more than 10 percent of its work force. Hughes Aircraft announced it will lay off 9,000 employees, 15 percent of its work force. Obviously, these figures do little to restore confidence in a labor market shaken by 2 years of recession.

After four quarters of weak economic growth, the American labor market is in the midst of a profound job recession. The current recession began in June 1990. This chart shows that we are currently in a jobs recession. The dark line is this recession, the dotted line is the average of six previous recessions. What this shows is that in the previous recession we had significant job loss, just like we did in this recession, only the job loss in this recession has been a little steeper. However, in the past when we came back out of the recession, we moved rather quickly to recover the jobs that had been lost. So in the average of the six previous recessions, by 2 years after the downturn began, the jobs lost had been recovered. In contrast, in this recession the job loss has continued at this low level.

We are not recovering these jobs. In fact, we asked the Labor Department this morning what percent of jobs had been recovered in previous recessions. Fourteen months from the bottom of the downturn in previous recessions in the postwar period, we had recovered 174 percent of the jobs, 128 percent, 132 percent, 169 percent, 244 percent, 191 percent, 151 percent, and 139 percent. In other words, in every instance we had recovered more jobs than had been lost during the recession, in some instances by very significant margins. In this recession, we have recovered 9 percent—9 percent of the jobs have been recovered in this recession.

Mr. President, I ask unanimous consent to proceed for another 5 minutes.

The PRESIDING OFFICER. The Chair would advise the Senator that morning business, under the previous unanimous-consent agreement, was extended until 10:45, so we would need a request for that.

Mr. SARBANES. I ask unanimous consent to proceed for another 5 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, since January 1989, there has been a net loss of 82,000 jobs in the private sector. People are losing work. They are unable to find work. The number of long-term unemployed has now risen well above 2 million people. These are people out of work for 27 weeks or longer. When this recession started, we had 600,000 such people. We are now well above 2 million.

In an interview with the New York Times last week, the President said, and I quote him: "I happen to think the economy is better than most people in America think."

I want to repeat that quote last week by the President: "I happen to think the economy is better than most people in America think."

Today's labor market data confirm that most people in America have a better read on the state of the economy than the President of the United States. I hope this mounting evidence of economic deterioration will send a wakeup call to the White House, which needs to take concrete steps to address our economic situation rather than continuing to blame people for seeing all too clearly the sad state of our economy.

The Labor Department gives each month the unemployment figures for the 11 largest States in the country: California, Florida, Illinois, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Texas, States in every major concentration of population in the Nation. The unemployment rate this month has risen in 10 of those 11 States, in some instances by more than 1 point. New York State has gone from 7.9 to 9.2; California, from 8.7 to 9.5. Only in Pennsylvania it dropped two-tenths of a point.

Mr. RIEGLE. Will the Senator yield?

Mr. SARBANES. Yes.

Mr. RIEGLE. If you look across the country, as you say, in Florida, it jumped up to 8½ percent; Illinois, 8.6 percent; Massachusetts, 8.8 percent; Michigan, my home State, 8.8 percent—we have 404,000 people unemployed there; North Carolina jumped up 6.5 percent; Ohio, up 7.6 percent.

But if I can go back to your other chart here just for 1 minute. You see what is happening here too with this current recession, we are starting to go into a triple dip in this recession. As this line turns back down, which is what today's data is showing us, we are seeing this huge mass of unemployed people getting larger.

This problem is getting worse and the administration, as you say, is sleepwalking. There is no response to this problem. The President either does not think there is a problem or thinks the problem is going away on its own. The problem is getting worse. The problem is getting worse.

I thank the Senator from Maryland for focusing on this issue.

Mr. SARBANES. The Senator is exactly right. The first thing the President needs to do is he needs to announce this morning that he supports the extension of the unemployment compensation bill that is pending in the Congress——

Mr. RIEGLE. Exactly.

Mr. SARBANES [continuing]. Which he has indicated, unfortunately, tragically, disastrously for millions of people, that he is thinking about vetoing.

Look at the increase in the number of long-term unemployed, people out of work for 27 weeks or longer. The President ought to send a clear message that he is prepared to sign the bill. The number of long-term unemployed surged 10 percent in 1 month, from May to June. It is getting up in the range of approaching quadrupling since this recession began.

These are people out of work for 27 weeks or longer who desperately need these extended unemployment benefits. The President is saying I happen to think the economy is better than most people in America think.

Well, most people in America know better than the President. They know what is happening out there on the street and how much they are hurting. These are disastrous figures, Mr. President.

Mr. RIEGLE. Will the Senator yield at that point?

He was citing some of the job reductions and job eliminations announced just this week from Hughes Aircraft, from Aetna Life Insurance. The Alcoa Co. announced it is eliminating 2,100 jobs; Northwest Airlines, 350 jobs.

Here is a story out of yesterday's Wall Street Journal, page 2 in the Wall Street Journal. It says the oil industry in America is expected to lose 50,000 jobs this year. It says that is happening because of the acceleration of exploration spending overseas.

So, here are another 50,000 jobs that are going to disappear between now and the end of the year that have to be added to these totals.

We have to have an emergency job strategy to get people in America back to work. People cannot support their families. They are losing their homes. They are losing their cars.

The other night on national television there was a picture of two Desert Storm veterans, who were wearing the uniform of this country a year ago, fighting in that war. They have now come home. They are unemployed. They are homeless and living in cardboard boxes in this city.

We cannot tolerate this situation, and the President has to wake up. We cannot have all this focus on foreign policy and helping all these countries and no plan to help America. We need help here on the job front in this country now.

Mr. SARBANES. Exactly right. And the President needs to recognize it. He needs to take action, and the first thing the President needs to do—and he should do it this morning—is indicate his strong support for the passage of the extended unemployment compensation insurance legislation before the Congress. These figures, Mr. President, are grim. They really are an economic disaster for the Nation.

Mr. RIEGLE. Mr. President, I ask unanimous consent the article from the Wall Street Journal be printed in today's RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OIL INDUSTRY IS SEEN LOSING 50,000 JOBS IN THE UNITED STATES AS COMPANIES EXPAND OVERSEAS

(By Caleb Solomon)

HOUSTON.—The oil industry will lose as many as 50,000 U.S. jobs this year as it accelerates exploration spending overseas, a leading energy executive predicted.

Last year, oil companies increased their exploration and development spending outside the U.S. by 27 percent to $31.4 billion, according to an Arthur Andersen & Co. survey of 241 publicly held oil companies, mostly based in the U.S. U.S. spending slid 4 percent to $17.7 billion, the study finds.

Victor Burk, managing director of the accounting firm's oil practice, said the expected drop in domestic employment comes on top of a loss of about 50,000 oil jobs last year. "Unfortunately," he said, "global trends have resulted in job losses in the U.S."

As of January, about 369,500 people worked in the exploration, production or development segments of the domestic oil business, according to the Bureau of Labor Statistics. A loss of 50,000 jobs this year would represent a drop of nearly 14 percent.

Although most of the lost jobs are in Texas, Louisiana and Oklahoma, economists said the shrinkage won't disrupt the region's economy as much as it once would have. "It hurts, but it's not fatal because we've shed so much of the energy industry already," said Bernard Weinstein, director of the Center for Economic Development and Research at the University of North Texas in Denton.

"The oil industry isn't the 500-pound gorilla it once was, but it is still big enough to hurt," said Bill Gilmer, senior economist at the Federal Reserve in Houston. "We will be fortunate because of the oil and gas downturn to match the nation's economic growth in the coming year."

Mr. Weinstein said that a decade ago about 25 percent of this region's economy was energy-related. But after the energy crash of the 1980s, he said, the ratio is closer to 10 percent today. "One of the results of the energy busts is that we've become much more like the rest of the country," Mr. Weinstein said.

He predicted that as the rest of the country recovers, so will this part of the Southwest, with some exceptions. For instance, Houston, the nation's oil capital, will suffer the most from the oil-industry layoffs and will trail the upturn in the state, he said. Houston's oil-service businesses began hiring more people in late 1989 in anticipation of a drilling boom that never materialized, Mr. Gilmer said. Employment peaked last summer and has been falling since then.

The shift to overseas oil drilling has been under way for some time, as the industry believes it has better prospects for large discoveries outside the U.S. Oil company spending abroad has grown at an average of more than 20 percent annually over the past five years, the Arthur Anderson survey found.

It was the severe decline in natural gas prices last winter, however, that hastened the decline in jobs and a plunge in drilling activity. A record low rig count of 596, a measure of the number of wells being drilled, was hit in the week ended June 12. Oil-service company Baker Hughes Inc., which keeps the count, said that in the latest week, which ended Friday, 645 rigs were working, down 27 percent from a year earlier and a small fraction of the more than 4,500 rigs that were working at one point in the early 1980s.

"This will be the low year in domestic drilling," said Isaac Kerridge, a Baker Hughes economist. Mr. Kerridge said drilling activity could rise 7 to 10 percent next year if natural gas prices continue their recent uptrend and if smaller exploration companies get some tax relief from the energy bill working its way through Congress.

But pleas for help have generally fallen on deaf ears in Washington. "I testify before Congress, and the Yankees just beat up on you," Mr. Weinstein said. "Their concept is the cheaper [the energy], the better."

THE 1992 ELLIS ISLAND MEDAL OF HONOR

Mr. MITCHELL. Mr. President, ours has always been a nation of opportunity and freedom, a land where hard work and determination were more important than social standing. This is the image that has drawn millions of immigrants to our Nation. And the contributions of immigrants, in turn, have made our Nation the beacon of promise and hope that America symbolizes for the world.

It is vital for our Nation to remember and recognize its roots. It is important to honor those who embody the ideals that inspired millions of people from all regions of the world to leave their homelands in search of a better life—a life where only ability and hard work mattered.

That is the purpose behind the Ellis Island Medals of Honor.

This year's 100 recipients represent a variety of ethnic backgrounds and have succeeded in a wide range of professions. Their accomplishments are a credit to each of them, but equally, their accomplishments are a modern-day guide to the possibilities of America today.

I am pleased to take particular note that three of our colleagues—Senators BIDEN, THURMOND, and HOLLINGS—were honored this year.

Senator BIDEN's chairmanship of the Senate Judiciary Committee makes him today in a special sense the particular guardian of our Constitution for the U.S. Senate. Those issues and responsibilities which under the Constitution fall within the jurisdiction of the Senate—and those special responsibilities for which his committee is responsible—touch on some of the most fundamental structures of our Government, and reach to the very heart of our system of representative democracy.

Senator BIDEN has always discharged his duty as chairman with a strong sense of the particular responsibility he has to pass on to the future a constitutional structure undamaged and undeformed by partisan and passing electoral politics.

He has sought to serve both the institution of the Senate itself and the Constitution as well with the stewardship that both deserve. He has succeeded.

There can be no more challenging an assignment for any American citizen, whether newly sworn in, first generation or the representative of a line of early settlers, than to know that the building blocks of American liberty rest in his care.

Adding to the challenge, Senator BIDEN has the satisfaction of knowing that in his care, the foundations of our liberty have been well and staunchly preserved.

The State of South Carolina has particular reason to be proud. This year, both of its Senators received Ellis Island Medals of Honor. South Carolina, as one of the Thirteen Original Colonies, subscribed to the American ideals of innovation, hard work, and independence from the inception of our Nation. These ideals are well represented by Senators THURMOND and HOLLINGS. They have served South Carolina and the Nation with integrity. It is only fitting that they be recognized for their efforts, accomplishments, and dedication.

The honor bestowed upon our colleagues and the other recipients of the Ellis Island Medals of Honor is a reminder to all Americans that, although the freedoms which make America a special and unique Nation are enshrined in the Constitution, without the dedication of the people of our Nation to these ideals, our Constitution would be nothing but hollow promises. The lives and accomplishments of the recipients suggest that protection and dedication to the Constitution and the liberties it protects are a permanent and enduring duty of all who come into this world or into this Nation to bear the proud title of American citizen.

Senators BIDEN, THURMOND, and HOLLINGS, as well as all of the recipients of the 1992 Ellis Island Medals of Honor, deserve our recognition and thanks for their dedication to promoting American ideals. I ask that the names of all recipients appear in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

RECIPIENTS OF THE 1992 ELLIS ISLAND MEDAL OF HONOR—RECOGNIZING THE EXCELLENCE OF AMERICANS OF ALL ETHNIC BACKGROUNDS

Ann Simmons Alspaugh.
Terry Anderson.
The Honorable Herman Badillo.
The Honorable James A. Baker III.
Diosdado P. Banatao.
Dr. H. Arnold Barton.
Johnny Bench.
His Eminence Anthony Cardinal Bevilacqua.
The Honorable Joseph R. Biden, Jr.
Tonio Burgos.
Rev. William J. Byron, S.J.
Robbie Callaway.
Glen Campbell.
James R. Cantalupo.
Dr. Renso L. Caporali.
Salvatore M. Caravetta.
Ronald Carey.
Keith Carradine.
Christian Castenskiold.
John S. Chalsty.
William G. Chirgotis.
Thomas Cho.
The Honorable George Christopher.
Natalie Cole.
Raymond Combs.
Matilda Raffa Cuomo.
Anthony S. D'Amato.
Carrie Dann.
Bernardino De Freitas Coutinho.
Dr. Annalisa Sacca Desideri.
The Honorable David N. Dinkins.
Phil Donahue.
William H. Draper III.
Evelyn Dubrow.
Olympia Dukakis.
Michael Eisner.
Robert Ellsworth.
Roger A. Enrico.
James B. Farley.
The Honorable Fernando Ferrer.
Susan Fesjian.
Eugene Freedman.
Georgia Frontiere.
Robert A. Georgine.
Abraham D. Gosman.
Richard A. Grace.
James P. Grant.
Earl Graves.
Gerald Greenwald.
Alex Haley (Posthumous).
Robert L. Harkay.
The Honorable Fritz Hollings.
Celeste Holm.
The Honorable Constance J. Homer.
William J. Hybl.
Roy Innis.
Jerry R. Jacob.
Dr. Joseph J. Jacobs.
John H. Johnson.
John W. Johnstone.
Peter Kalikow.
John Kapioltas.
The Honorable Thomas H. Kean.
Dr. Henry Kissinger.
Robert A. Krasnow.
Henry R. Kravis.
The Honorable Frederick B. Lacey.
Midori Shimanouchi Lederer.
Yungman Lee.
Elizabeth Lipovsky.
Howard M. Lorber.
Grace Lyu-Volckhausen.
The Honorable Andrew J. Maloney.
Mickey Mantle.
The Honorable Salvatore R. Martoche.
Frederick J. Massimi, Sr.
Eugene McGovern.
Cora-Ann Mihalik.
Liza Minelli.
The Honorable Roger J. Miner.

Georgette Mosbacher.
The Honorable Paul O'Dwyer.
Bud O'Shea.
Dr. L. Jay Oliva.
Allen E. Paulson.
Itzhak Perlman.
Vito J. Pitta.
Rev. Casimir A. Pugevicius.
The Honorable Nick J. Rahall II.
Richard M. Rosenbaum.
Howard J. Rubenstein.
Lewis Rudin.
George R. Salem.
Pierre Salinger.
Gen. H. Norman Schwarzkopf.
The Honorable William S. Sessions.
Jack Sheinkman.
Guy B. Snowden.
Peter J. Solomon.
Paul Sorvino.
Albert A. Star.
George Steinbrenner III.
William Talbert.
Gay Talese.
Richard P. Thomas.
Ram P. Thukkaram.
The Honorable Strom Thurmond.
Kaity Tong.
Dr. Miklos Toth.
Lee Trevino.
Ivana Trump.
Cicely Tyson.
Dr. P. Roy Vagelos.
Paul A. Volcker.
Ronald H. Walker.
John Walsh.
John Weitz.
John F. Welch.
W. Richard West, Jr.
Elie Wiesel.
James P. Willse.
David L. Wolper.
Jerome York.
Frank Zarb.
Mortimer Zuckerman.

SALUTING TENANTS AT THE BERKELEY HEIGHTS HOUSING COMPLEX, WATERBURY, CT

Mr. DODD. Mr. President, I rise today to salute the tenants council at the Berkeley Heights public housing project in the city of Waterbury in my home State of Connecticut. The tenants council and other concerned residents at the project have been working hard to improve their neighborhood and, with the help of the Waterbury Housing Authority and the regional HUD office, they recently concluded a successful effort to implement renovations and improvements.

The Berkeley Heights public housing project is a 40-year-old complex which consists of about 336 units. Like many housing projects around the country, it has experienced some problems over the years. Many of the buildings have deteriorated and are in need of substantial rehabilitation. In recent years, the residents have also been victimized by drug traffickers.

About 10 years ago, several concerned tenants formed the Berkeley Heights Tenants Council as a means of fighting the problems in the community. And during the last year, the tenants council has made great progress toward organizing and empowering the tenants. That progress was demonstrated in the council's role in the recent renovation of Berkeley Heights.

As originally planned, the renovation was designed to eliminate common hallways with the hope that drug traffic would decrease. Fortunately, several problems developed during the renovation process—some of the apartments were reduced in size and several windows and sprinkler systems were eliminated.

Fortunately, the tenants council took the initiative and attempted to correct the problems. They obtained an architect and worked to redesign the renovation plans. After much diligent work, the council reached an agreement with the Waterbury Housing Authority and the regional HUD office whereby most of the tenants recommendations were incorporated into the renovations.

The following tenants played an instrumental role in this process: The president of the council, Arthur Jones, Mrs. Arthur Jones, vice president, Bernice Walker, secretary Audrey Ellis, treasurer Gloria Brown, Tina Jackson, and Ruth Ann Barnett. I am pleased that my office was able to assist the tenants with the negotiations and their endeavor to create a better neighborhood.

Mr. President, the efforts of the Berkeley Heights Tenants Council serve as a reminder of what people can accomplish when they work toward a common goal. Although there are fundamental problems in many housing projects across this country, it is important to remember that there are also many hard-working and law-abiding citizens living in those projects who care very deeply about their neighborhood—citizens like the concerned residents of Berkeley Heights who joined together to improve their community. Again, I salute those residents and look forward to working with them in the future.

REGISTRATION OF MASS MAILINGS

The filing date for 1992 second quarter mass mailings is July 27, 1992. If your office did no mass mailings during this period, please submit a form that states "none."

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510-7116.

The Public Records Office will be open from 8 a.m. to 6 p.m. on the filing date to accept these filings. For further information, please contact the Public Records Office on (202) 224-0322.

THE 1992 JULY QUARTERLY REPORTS

The mailing and filing date of the July Quarterly Report required by the Federal Election Campaign Act, as amended, is Wednesday, July 15, 1992. All principal campaign committees supporting Senate candidates in the 1992 races must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510-7116. You may wish to advise your campaign committee personnel of this requirement.

The Public Records Office will be open from 8 a.m. until 9 p.m on July 15, to receive these filings. In general, reports will be available the day after receipt. For further information, please do not hesitate to contact the Office of Public Records on (202) 224-0322.

MAKE WAY FOR THE SUPERTRAINS

Mr. MOYNIHAN. Mr. President, Senator SYMMS has contributed a rollicking good piece to Monday's Roll Call called "Make Way for the Supertrains." The Senator, or course, was coauthor and floor manager of last year's Intermodal Surface Transportation Efficiency Act, or ICE-TEA as it is now generally known. This was no small undertaking. ISTEA signaled the end of the Interstate Highway era, the system having been completed, and the beginning of an era of innovation in old and new transportation technologies.

From the first, Senator SYMMS insisted that high speed rail, an old technology if you like but with wondrous new features, be specifically included in the legislation's stated objectives. He persuaded the Senate, the House, the President. In Roll Call he now lays out a plan for getting on with it.

I hope you will share his enthusiasm, as I surely do. If a New Yorker may boast a bit, we once led the world in these things. In 1893, in the West Albany shops of the New York Central, they turned out the finest railroad engine ever built. The 999. On the tenth of May, in Syracuse, she was hitched up to the Empire State Express for the 150 mile run to Buffalo.

In the words of a railroad historian:

> The platform was crowded as the train pulled out. Word had gone forth that this day there was to be a race to command the admiration of the gods.

And so it was. On the final stretch from Batavia to Buffalo, one of the miles was covered at the astonishing rate of 112½ miles per hour: The fastest man had ever moved. In an instant, the engineer, Charles H. Hogan, and the 999 became world famous. And it wasn't the only record broken that day. In those few minutes Charlie Hogan's hair had changed from deep brown to snowy white.

The celebrated Japanese bullet train runs from Tokyo to Osaka at somewhat better speed than the old 999, but not much. Ditto the French Train a Grand Vitesse [TGV] now running from Paris to Lyon. Clearly we can do as much or more.

But will we get on with the job? STEVE SYMMS, of course, is a Rocky Mountain man. Starting in 1883, J.J. Hill built the Great Northern Railway across the Rockies through Sandpoint, ID, in 10 years' time. These days it would take us that long to decide to have a meeting on the subject. Unless, that is, we listen to Senator SYMMS and show that Americans can still build railroads.

Mr. President, I ask unanimous consent that a copy of Senator SYMMS' article from Roll Call be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Roll Call, June 29, 1992]

MAKE WAY FOR THE SUPERTRAINS

(By Senator Steve Symms)

In 20 years of politics, I have never spent as much time in the favored company of environmentalists, historical preservationists, land use planners, and the like as I have since beginning my legislative efforts to see that high-speed rail becomes part of America's transportation network.

Japan's bullet trains were previewed nearly 30 years ago, the French TGV has carried passengers—24 million in 1989—for more than a decade, and other industrialized nations have had years of experience with high-speed rail.

Yet in the US, these supertrains are still thought to be the domain of utopian dreamers whose concern for issues such as world peace and the plight of snail darters overwhelms any thought of free market principles or the financial bottom line.

Supertrains—steel-wheel trains traveling 150 to 300 mph—are not the product of a fanciful imagination. They are a tried and true technology that reduces traffic congestion, energy consumption, and pollution. And for the business traveler, supertrains can be a competitive, convenient alternative to air transportation because they depart and arrive downtown, avoiding the airport push.

And unlike other "good ideas" whose time has not quite come, a high-speed rail system can be operated at a profit.

In his recent book, Supertrains Joseph Vranich notes that in 1987, TGV's Southeast Line collected $737.5 million in revenues, had $291 million in direct expenses, and the remaining $446.5 million covered interest on the debt that funded the project, depreciation of the trains, a reserve for future track upgrades, a payment to French National Railways for administrative costs, and a payment on the loan principal.

Other high-speed rail systems—the German ICE trains and the Japanese bullet trains—receive more direct and substantial government subsidies, and profits are harder to document, although Mr. Vranich observes that every year since 1975 the Tokyo-Osaka line has earned a profit, and its construction loans were paid off in the 1970s.

But is the successful experience with high-speed rail in other countries indicative of what the market would bear in the US? I think it is, given the right mix of population, distance between cities, and economic conditions. And more importantly, US companies, willing to risk their own capital, think so, too.

Today, state and local officials and private investors are studying the feasibility of at least ten high-speed rail systems, including a Chicago hub system linking Minneapolis, St. Louis, and Detroit; a system linking Miami, Tampa, and Orlando; a Seattle hub system connecting Portland and Vancouver; a Pittsburgh to Philadelphia line; and a Las Vegas-Los Angeles system.

The route most likely to put high-speed rail on the map in this country, however, is a Fort Worth-Dallas-Houston-San Antonio-Austin system called Texas Supertrain. This $6.7 billion, first-of-its-kind project will be financed entirely with capital raised in the private markets and, with the exception of a few inner-city segments, will be owned and operated by a private corporation.

Are those investors risking that amount of capital because they believe in the transportation, environmental, and energy benefits to be gained with high-speed rail? In part, perhaps, but the primary motivation for this investment, like most other private ventures, is the expectation of profit. Texas Supertrain can and will be a money-making, private operation.

What will the advent of regularly scheduled high-speed rail service mean to American travelers and policymakers? There is no doubt that traffic congestion will be reduced, particularly along our most heavily traveled Interstate corridors and at certain airports.

In addition, energy consumption will be reduced because high-speed trains require approximately one-third the energy consumed by automobiles and one-quarter of that used in airplanes.

And because the trains are powered by electricity, travel by high-speed rail dramatically reduces emissions of hydrocarbons, carbon monoxide, and nitrogen oxides as compared to travel by auto or air. Indeed, my friends in the environmental community estimate that travel by high-speed rail in the Northeast Corridor would emit 70 percent less pollution than auto or air alternatives.

Reductions in energy consumption, traffic congestion, and pollution—those are goals all of us can support. However, they are benefits that will only be sustained over the long term if they're obtained at a profit.

Last year, when Congress approved the Intermodal Surface Transportation Efficiency Act (legislation I am proud to have co-authored), we declared it to be our national policy to develop a transportation system "that is economically efficient, environmentally sound, provides the foundation for the nation to compete in the global economy, and moves people and goods in an energy efficient manner."

It's a pretty tall order. But supertrains are one important means for us to get there from here.

TEODORO MOSCOSO

Mr. MOYNIHAN. Mr. President, I rise to bring to my colleagues' attention the passing of Teodoro Moscoso of Puerto Rico, a hero of his Commonwealth and a proud public servant. His death last month in San Juan at the age of 81 marked the end of an extraordinary political life.

I came to know Teodoro Moscoso some 30 years ago when, as an Assistant Secretary of Labor, I became involved with the Alliance For Progress, as President Kennedy had proclaimed it. I traveled in Latin America in the company of Moscoso, the coordinator of the program, and his associates, and learned their views on the matters most important to the region. I spoke in countries as diverse as Colombia and Brazil about our relationship with Puerto Rico. I would say, well, here, let Ted Moscoso describe the matter to you. He will be more authoritative than I, and more informed than I. And he was.

What Ted Moscoso may best be remembered for is Operation Boostrap, an industrial development program which he headed in the 1950's. It was designed by Fomento, the Puerto Rican Government agency responsible for development, to stimulate creation of a manufacturing base for the Commonwealth's economy. Under Moscoso, it became the force behind the transformation of an impoverished island into a thriving Caribbean center of trade and commerce. At its height, one factory was established every day on the island. Per capita income skyrocketed. The program was a spectacular success, and made Moscoso one of the most sought after consultants on Third World economic development. David F. Ross, in his book "The Long Uphill Path," an historical study of Puerto Rico's Program of Economic Development, writes that, "it is impossible to estimate how different the program's results would have been if its direction had been assigned to another man than Teodoro Moscoso, or if Moscoso had not remained at its head throughout its difficult formative years." Well, it is hard to imagine it could have been any better or more successful.

Mr. President, Teodoro Moscoso will be missed by the people of Puerto Rico and by many friends in this country, for he showed such devotion to both. He was deeply committed to strengthening the bonds between his Commonwealth and the mainland, and we are all the better for it. Mr. President, I ask that the text of Teodoro Moscoso's obituary from the Washington Post be printed in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 17, 1992]

TEODORO MOSCOSO DIES; GUIDED PUERTO RICO'S INDUSTRIALIZATION

SAN JUAN, PR.—Teodoro Moscoso, 81, architect of Puerto Rico's Operation Bootstrap industrialization program and a former Kennedy administration official, died of cancer June 15 at his home here.

He is credited with helping transform the once-impoverished island into a manufacturing and business center of the Caribbean. He helped create the Puerto Rico Industrial Development Co. In 1942, then directed the organization, which spearheaded the drive to bring manufacturing to the island.

The program became known as Operation Bootstrap because of its success in luring manufacturing plants to the U.S. commonwealth and raising the standard of living for residents. In 1942, there were 10 factories on the island, compared with the more than 2,000 factories now in operation that produce textiles, pharmaceuticals, electronics and other items.

During the administration of President Kennedy, he served as U.S. ambassador to Venezuela and as administrator of the Alliance for Progress.

Between 1950 and 1961, Mr. Moscoso headed Puerto Rico's Economic Development Organization, also known as Fomento, which promoted industrial development abroad.

He returned to Fomento from 1973 through 1976 at the request of Gov. Rafael Hernandez Colon. Most recently, Mr. Moscoso, was a member of the board of directors of Banco Santander Puerto Rico and was involved in efforts to promote exports of Puerto Rican agricultural products.

Mr. Moscoso was a pharmacy graduate of the University of Michigan and was in the drugstore business before entering public service

POWER PROJECTION AND ROLES AND MISSIONS

Mr. McCAIN. Mr. President, I believe that Senator NUNN and Senator WARNER did the United States a distinct service today in raising the need for a comprehensive reexamination of our present roles and missions. We cannot simply continue reducing our forces and defense expenditures because the cold war has ended. We must reshape our strategy, our forces, our roles and missions, and our defense spending programs to suit the new and often troubled world we live in.

I intend to discuss this issue in some depth once we return from our coming recess. I do want, however, to call my colleagues attention to a letter that I have written Senator NUNN and Senator WARNER on this subject, and which addresses the need to couple our examination of future roles and missions to a power projection strategy and strong power projection forces. I ask unanimous consent that a copy of this letter be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCAIN. Mr. President, this letter focuses on the need to ensure that three critical power projection programs—the A-X, the F/A-18E/F, and the CVN-76—are fully funded in the fiscal year 1993 Defense authorization and Defense Appropriations Act. Like Senator WARNER, I want to make certain that we do not confuse the need to conduct a comprehensive reexamination of our roles and missions with the ability to prejudge that reexamination by taking dramatic action to alter President Bush's budget request by cutting critical procurement programs.

We also need to understand that far more is involved than the issue of which service should have a given mix of roles and missions. THe task we face is to decide on a long-term defense program extending beyond the year 2000 that converts our present cold war force posture to one suited to the new world we live in.

This means reexamining every aspect of our force posture to see if we have adequate power projection forces, as well as reexamining it to see where we may have surplus forces tailored to the needs of the cold war.

For example, I believe we can make the massive cuts in nuclear forces that President Bush has made possible through his negotiations with President Yeltsin. At the same time, I believe that we must also buy modern strategic airlift in the form of the C-17, and buy the prepositioning ships and fast sealift that we lacked during Desert Storm.

I believe we can cap long-range bomber production, but I believe we must reexamine our entire tactical air posture to see if our presently planned force mix is large enough, and modern enough, to compensate for the cuts we are making in overall force levels. The issue is not simply one of which service operates which aircraft, it is one of overall sufficiency, and long before we examine trade-offs between bombers and medium attack aircraft, or Air Force and Navy/Marine aircraft, we should examine whether we need both.

We need to remember that for nearly three decades we have never attempted to size our total forces to meet all of the conventional war fighting requirements posed by the cold war, and that we made major compromises in the readiness and capability of our power projection forces to allow us to provide forces for NATO.

This became all too clear during the war in the gulf. We not only lacked strategic airlift and sealift, we lacked a mix of rapidly deployable Marine and Army forces to fight a medium intensity conflict. Only Saddam Hussein's willingness to wait for 5 months, the rapid response of our allies and the United Nations, and our ability to restructure and deploy forces for NATO, allowed us to win Desert Storm with such speed, with such decisiveness, and so few American casualties.

This is why I believe we should be very careful about making any tradeoffs between the three Marine Expeditionary Forces, MEF's, and five Army contingency divisions before we determine whether eight such divisions are enough. It is why I believe that we must examine the need for heavier overall force mixes, able to fight in an environment involving the possible use of weapons of mass destruction, thousands of tanks, and hundreds of modern combat aircraft. It is why we must comprehensively reexamine the need for readiness and sustainability, and whether we are creating a new form of hollow military by our constant cuts in operations and maintenance funding.

We also need to reexamine the need for forward deployment and forward presence in an area where most of the threats we face are threats in regions like Asia, the Mediterranean, and the gulf, or in distant corners of the world where we cannot predict the moment at which we will suddenly face a threat to United States citizens and interests. We must recognize that history does not end, but reasserts itself, and that new threats develop.

We must recognize that we have used our military forces to secure our interests more than 240 times since World War II, and that in virtually every case, our planning guidance failed to predict the need for such deployments, we lacked strategic warning, and we had to act in contingencies far from our borders that had nothing to do with the former Soviet Union or Warsaw Pact. The only thing more dangerous than forgetting the past, is acting as if we could firmly predict the future.

Let me conclude, Mr. President, by noting that this is why we must tailor our examination of our future force needs, and roles and missions, to allow flexibility. We have no way today to know if we will need fewer forces or more forces 5 or 10 years from now. We have no way to know exactly what level of technical superiority we will need over our potential enemies.

If we cut major programs and force elements without leaving ourselves suitable flexibility, we will lose capabilities that take years and immense amounts of money to rebuild. All of our short-term savings may vanish in a single crisis and be offset by much higher price tags in dollars, lives, war, and aggression.

As I say in my letter to Senator NUNN, we are in a critical transition year. During the last few years, we have been able to make cuts in our defense forces and expenditures because of the end of the cold war without fully examining whether we will have sufficient forces for the post-cold war era. The House Armed Services Committee and House Appropriations Committee, however, have already proposed cuts in the fiscal year 1993 defense budget that could put us on a path where we give up resources that will be critical to our future needs.

We must not repeat our experience after World War II, after Korea, and after Vietnam. We must not rush to cut our capabilities—sacrificing strength, readiness, and our men and women in uniform—only to have to spend far more in the long run. We must also remember that in national defense, cost-effectiveness is measured in lives and hopes, not simply in dollars. Accordingly, I believe that we should move forward with our critical power projection programs, and only cut them if a comprehensive examination of our global position, the risks we run, and our overall force posture indicates that we live in a far safer world than I believe now exists.

EXHIBIT 1

JUNE 30, 1992.

Senator SAM NUNN,
Chairman, Armed Services Committee, Russell Senate Office Building, Washington, DC.

DEAR SENATOR NUNN: During last week's meeting on the mark-up of the fiscal year 1993 Defense Authorization Act you raised the issue of the need to reexamine the traditional roles and missions of our military forces in a Post Cold War world. You also noted that making the correct shifts in roles and missions might be the key to the kind of major shifts in defense spending that might either lead to an increased peace dividend or major increases in the effectiveness of our forces.

Your speech today on roles and missions raised further issues, outlining a number of possible trade-offs and economies. You also raised a number of important examples of areas where we need to standardize our capabilities, and where we may benefit from creating integrated capabilities or capabilities managed by a single service.

EXAMINING ROLES AND MISSIONS

I too believe that a reexamination of our present roles and missions is necessary. As you know, I suggested the changes to the fiscal year 1991 Defense Authorization Act that called for a mission budget covering the FYDP to be submitted along with the regular input budget. I am working with your staff and Senator Warner's staff to move this effort forward, and to ensure that we have the kind of planning, programming, and budgeting data that is essential to a review of roles and missions that can be linked to both strategy and major force planning decisions.

Before you and Senator Warner spoke, I had already asked Senator Warner to consider legislation that would ask the Secretary of Defense to forward an annual roles and mission report based on the Chairman's report required as part of Goldwater-Nichols.

I am concerned, however, that we do not prejudice critical force improvements by delaying them, or making premature trade-offs, before the Department of Defense completes its examination of future roles and missions, and before we have comprehensively examined the possible force mixes that might result.

I am also concerned that we do not focus our examination of roles and missions simply on trade-offs between the military services, or an effort to create minimal acceptable capabilities at a minimal cost. The key issue we face is to reshape our force posture to meet the needs of the post cold war era with a level of forces and defense expenditure that we can sustain. The issue of roles and missions is an important subset of issues, but it is only a subset.

As you know, I believe that any such adjustment of the Base Force and our present roles and missions must be based on a shift from a NATO-centered strategy based on a prolonged conventional war in Europe to a power projection strategy based on the ability to use land, naval, marine, and air forces to deal with low and medium intensity crises throughout the world.

Such a strategy requires us to maintain our current edge in both land and sea based tactical aviation, and I believe that we can only do this if we move forward with the F-22, the A-X for both the Air Force and Navy, and the A/F-18E/F. It requires us to have both a modernized bomber force and a modern carrier force. It requires both the C-17 and fast sealift, and it requires both a fully ready Marine force of three full MEFs, and a fully ready U.S. Army contingency force of at least five divisions.

We have already discussed a number of these issues in this year's Committee and Subcommittee meetings, but I believe that we may not have examined three programs that are critical to implementing such a strategy in sufficient depth. These programs are the A-X, the F-18E/F, and the need for a new nuclear carrier. I would like both you and my other colleagues on the Armed Services Committee to know my views on these issues before we go to mark-up.

THE A-X

Let me begin with the A-X. I believe that we must be extremely careful not to force trade-offs between advanced attack aircraft and our bomber force decades before we can predict the future nature of the threats we face. We learned in August, 1990—as we learned in Korea—that we cannot afford to shape our forces as if we were prophets. We learned in the months that followed that airpower can play an extraordinarily important role in hurling back aggression and in limiting our casualties—provided that we have an absolute and decisive superiority over the enemy.

Now that we have cancelled production of the F-15E, the A-X is the only practical road to an advanced medium attack aircraft that either the Air Force or Navy can deploy during the next quarter century. While the Air Force and Navy can retain and improve the F-111 and A-6, we also have learned from the conduct of war study that our existing attack fighters were less effective than we thought and had problems in survivability, range-payload, and their ability to deliver advanced conventional munitions.

The A-X will offer major advantages over both the F-111 and A-6—which will be as much as 42 years old by the time the first A-X squadron is active with the Navy or Air Force. The A-6 and F-111 will average 25 years of service, and even the best mix of upgrades of the F-111 and A-6 cannot prepare these aircraft for the complex threat environment that will then exist in many Third World nations—both in terms of air defense and the need to find and kill highly mobile targets.

The need for the A-X is particularly striking when we consider the following shifts in our strategic posture:

Our ability to deploy sheer numbers in terms of naval, land, and air forces will be sharply reduced.

Our deterrent capabilities in many contingencies will be dependent on the perception of a given threat that we can repeat and improve on our performance in Desert Storm.

The willingness of the UN, and our friends and allies, to support the U.S. in peace keeping and peace making, and in deterring and ending aggression will be heavily dependent on their perception of our strength.

Our ability to develop a domestic political consensus around military action will depend heavily on our ability to maintain a decisive edge over potential threats that ensures low U.S. and allied casualties. It will also depend on having highly flexible strike systems that minimize damage to civilians and even enemy casualties.

Our capability to limit escalation, the endurance of conflicts, and termination conflicts on favorable terms will be heavily dependent on our tactical airpower.

Our strategic posture will be highly dependent on our presence in every threatened area of the world, and the knowledge that we are both present in a troubled region and able to deploy sustained amounts of military power. We must never forget that Saudi Arabia and Israel are the only two countries in the world—outside the Central Region of Europe—which could offer the mix of sheltered, advanced, interoperable air bases we used during Desert Storm.

In most scenarios we will only be able to project air power effectively if we can maintain high sustained sortie rates, if we can rapidly retarget and strike at mobile targets, and if our most advanced attack fighters have sufficient range and payload to operate at long ranges or in extremely demanding missions.

I do not believe, as members of the House Armed Services Committee seem to believe, that we can accelerate development of the A-X. The F-22 will involve a thirteen year development cycle, and our experience with the A-12 has shown that we need a period of 10 years to bring this aircraft to the point where it can become the kind of aircraft that can fully meet the needs of the Navy and Air Force during the next decade, and dominate the skies of the period after 2000.

At the same time, I see no possibility that we can sacrifice the critical air and power projection superiority that only an A-X can provide by relying on older long range strike fighters like the F-111 and A-6, or a comparatively small force of B-1B and B-2B bombers. We must have an all-weather, all-environment medium attack aircraft.

More broadly, I see no current possibility that we can shift to a mix of roles and missions where we can rely on long range bombers as a substitute for advanced long range attack aircraft. We need both, but all of our experience with air combat to date has indicated that it is the flexibility of advanced attack aircraft that is critical in the kind of low and mid intensity combat we face in the future.

THE F/A-18E/F

I am all too conscious of the troubled history of naval aviation in recent years. I believe, however, that the Navy has demonstrated to the Congress that it has developed an effective plan for the modernization of naval aviation, and that the F/A-18E/F is a critical part of this plan.

If the Navy can control the cost of this program in constant dollars, and keep development within the current program development cost of $4.88 billion, it should be able to buy 48 F/A-18 C/D aircraft in the fiscal year 1993 budget, and to develop the F/A-18E/F as a relatively low cost upgrade to a proven system. This would ensure that we develop a high-low mix of aircraft where the F/A-18E/F both complements the A-X and can meet the navy's needs in many contingencies.

Once again, I do not believe that the House Armed Services Committee is right in attempting to restructure the Secretary of Defense's budget request. I agree with my House colleagues to the extent that we must give priority to the A-X in meeting our most probable future mission requirements in an era of declining real defense spending and uncertain threats. At the same time, the F/A-18E/F should be affordable if we avoid competitive prototyping.

It will only cost about half as much as developing a new type of aircraft, and promises a 35 percent increase in range and 50 percent increase in endurance over the F/A-18C/D. It offers an 80 percent increase in time-on-station in some key mission contingencies, and a 25 percent increase in combat air patrol station coverage. It has superior payload flexibility and recovery capability, and it will provide improved survivability in terms of reduced vulnerable area, increased expendables, and improved electronic countermeasures.

THE CVN-76

Finally, I believe that we should fully fund the Navy's request for $832 billion for advanced construction of the new CVN-76. As we examine our future roles and missions, we must not confuse unproven theory with proven practice, or research with reality. The U.S. has responded to crises in the world nearly 100 times since 1966. In 95 out of these 96 contingencies, we employed U.S. naval forces and in 75 contingencies we deployed the carrier—just as we are off the coast of Yugoslavia today. Since 1985, we have used our carriers in 31 contingencies—none involving the former Soviet Union or Warsaw Pact nations.

Each one of our carriers can support over 140 combat sorties per day, more sorties than the entire bomber force if we carry out every planned improvement in the B-1B and complete the B-2. Roughly 120 of these sorties will be attack sorties, and in many contingencies, carrier air defense aircraft like the F-14 will be able to provide air defense coverage over the battlefield.

Let me again stress, that carriers and the bomber force are complementary assets in a world where our ability to deter war, and our ability to halt or throw back aggression will be very different from our present capabilities. We will have sharply cut our ground forces, and use of nuclear weapons will be unthinkable.

As a result, we cannot ignore the fact that even today, the attack forces of two carriers can deliver as much payload over a 30 day period as our entire projected bomber force. This means a strong, modern, forward deployed carrier force and a strong bomber force are the essential elements of keeping the United States a superpower in a world that will have no other nation that is capable of preserving peace and democracy.

I believe that it is premature to plan for a force smaller than 12 carriers, but even if we do plan for a smaller force, we still need to begin work on the CVN-76 now to ensure we can cost-effectively modernize our carrier force. If we act now, we can obtain the CVN-76 for an estimated cost of $4.8 billion. If we delay for one year, the decline in our industrial base and changes in contracts will raise our costs to $5.2 billion. If we delay two years, the cost will reach $5.55 billion, and $6.0 billion if delayed three years. This is a savings of $400 million, $750 million, or $1.2 billion—depending on the timeliness of our action.

I do not believe we should fund any defense program simply to preserve jobs. Nevertheless, we are talking about some 120,000 defense jobs at a time our economy is only beginning to recover, and critical damage to the nuclear industrial base we really need.

We also need to remember two basic facts. First, our present carrier force was not sized to fight Russia or the Warsaw Pact. Over the years, the Department of Defense consistently found that it would take a total of 20–25 carriers to meet our requirements for such a contingency. It has instead been sized as the minimum force that will allow a sustained forward presence in Asia, the Mediterranean, and Gulf and provide additional contingency capability.

Second, all carriers are not alike. Our oldest carriers are 36 years old, and we face the prospect of block obsolesence during 2003–2007. Even if we cut our carrier forces, the CVN-76 will provide critical improvements in speed and survivability that our older carriers lack.

If we compare the CVN-76 to old conventional carriers like the Kitty Hawk, Constellation, and Kennedy—all of which should retire in the early 2000's—it will have more deck spots and be able to sustain higher sorties rates. It will have far more sophisticated sensor and battle management systems, and be far more capable of operating in difficult combat environments and in close cooperation with other services. It will provide 90 percent more aviation fuel storage and 50 percent more ammunition storage. It will be much faster in deployment, and have much more capability to sustain itself once deployed.

FUTURE ROLES AND MISSIONS

Let me conclude, by again expressing my support for your effort to reexamine roles and missions. I believe that we do need to reexamine both our roles and missions if we are to create the power projection strategy we need. I also believe that we should begin a debate next year over all of the major programs and force levels necessary to implement each role and mission.

I do not believe that we should follow in the footsteps of the House Armed Services Committee and try to advance our own program before we have finished the review of roles and missions you call for, and fully examine the programs and force plans involved. No matter how we approach this issue, we must do it with all the thoroughness and deliberation that has characterized our operations in the past.

We are in a critical transition year. During the last few years, we have been able to make cuts in our defense forces and expenditures because of the end of the Cold War without fully examining whether we will have sufficient forces for the post-Cold War era. The House Armed Services Committee and House Appropriations Committee, however, have already proposed cuts in the FY1993 defense budget that could put us on a path where we give up resources that will be critical to our future needs.

We must not repeat our experience after World War II, after Korea, and after Vietnam. We must not rush to cut our capabilities—sacrificing strength, readiness, and our men and women in uniform—only to have to spend far more in the long run. We must also remember that in national defense, cost-effectiveness is measured in lives and hopes, not simply in dollars. Accordingly, I believe that we should move forward with our critical power projection programs, and only cut them if a comprehensive examination of our global position, the risks we run, and our overall force posture indicates that we live in a far safer world than I believe now exists.

Sincerely,

JOHN MCCAIN,
U.S. Senator.

ENTERPRISE ZONES

Mr. MCCAIN. Mr. President, in the near future the Senate will turn to the consideration of various legislative proposals relating to the establishment of enterprise zones. For the past several weeks much attention has been given to the debate over the types of incentives which should be included in such a bill and how and where such zones should be designated.

Last week the House Ways and Means Committee marked up legislation which provided for 25 urban and 25 rural zones. That bill came under widespread criticism for the types of tax incentives which were included as well as for the manner in which the zones were divided.

This morning we were greeted with the news that the White House and bipartisan House leaders had reached an agreement on long-term urban aid, including enterprise zones. I have not had the opportunity to review the agreement, but according to the Washington Post, the enterprise zone portion of the agreement provides for 50 enterprise zones to be evenly divided between urban and rural areas. While I will reserve final judgment until I see the entire House package, I have a disturbing feeling that the package does little to address the severe problems of unemployment and poverty on Indian reservations.

I would point out that the version as reported by the House Ways and Means Committee did not provide for separate consideration of Indian tribal governments. Rather, the committee referred to Indian tribes in a parenthetical reference under the rural enterprise zone category by saying that at least one rural zone should be established on an Indian reservation.

Mr. President, asking 510 federally recognized Indian tribes residing in 33 States to compete for one Indian enterprise zone is absolutely ridiculous. Not only does such a policy ignore the very real human suffering occurring on Indian reservations today, but it again treats Indian people as second-class citizens.

Let me assure my colleagues that the Senate bill will receive close scrutiny by this Senator to see that the final package not only includes all Indian tribes but treats them as full and equal partners.

We must not repeat past mistakes in Federal Indian policy. Unfortunately, the action taken by the House appears to be headed in that direction. Once again we are seeking to provide Indian reservations with remedies more suited to urban and rural communities, rather than recognizing the unique circumstances of Indian reservations and the government-to-government relationship that the United States has with Indian tribal governments, including that power originating from the article I, section 8, clause 3 of the Constitution, which states that:

> The Congress shall have the power * * * to regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.

Unfortunately, for the better part of two centuries, the Congress has so poorly exercised that authority that Federal Indian policy is infamous for its shortsightedness, inconsistency, and disruptive consequences. In the area of economic development, the Federal Government has sometimes tried to direct investment into one or another specific area of business activity on reservations—tourism was a big favorite for a while. By and large these efforts have not proven to be successful.

The reason for this failure, I believe, is that the Federal Government has tried to dictate and control the development of Indian reservation economies. Government control does not work. I've been working with Indian tribal governments for 10 years, and during that time I've learned that the policies that have been effective and produce meaningful change are those policies that have been closely coordinated with Indian tribal governments.

For the past 9 years I have been advocating the establishment of Indian enterprise zones. During that time I have worked and reworked my legislation to reflect the comments I've received from Indian leaders across the country. Today that legislation takes the form of S. 2254, the Indian Employment and Investment Act. It is my hope that we will listen to and work with Indian tribes to enact legislation in a manner that they deem beneficial to the strengthening of reservation economies. The incentives by themselves will not bring that turnaround, but I am confident that tribal leaders understand that. What tribal governments are asking for is that the Congress recognize the urgency of their situation and that it be made the basis of policy and action. If we continue to ignore the extreme poverty and despair on Indian reservations, we will have effectively banished another generation to welfare dependency.

All Indian tribal leaders are asking is that they be given the opportunity to control their own economic destiny. The Federal Government has tried and failed. Let's give Indian people the opportunity to work together with the private sector to create jobs where an average rate of 52 percent unemployment now exists. Let's provide an opportunity for small and large business to locate in areas of our country where socioeconomic problems rival and in many cases supersede what we have seen in Los Angeles.

S. 2254 was debated here in the Senate on March 12 as an amendment to the National Economic Growth Package which was later vetoed. The amendment was made subject to a point of order because it violated section 311(a) of the Congressional Budget Act. As a result of that debate, Chairman BENTSEN agreed to the request of Senator INOUYE, Senator DOMENICI and me for a revenue estimate on the bill. I want to publicly thank the distinguished chairman for his assistance in obtaining a revenue estimate for this bill. That estimate will be helpful to us in making further refinements to S. 2254.

I look forward to working with Chairman BENTSEN and Senator PACKWOOD and other members of the Finance Committee to ensure that Indian tribes are given fair and equal consideration in the final version of any economic growth legislation that is considered here in the Senate.

It is my view that we have neglected the Native American community for too long. It should come as no surprise that as a result of our failure to adequately support the development of viable reservation economies, that Indian tribes have turned to other revenue generating activities such as gambling and the consideration of proposals to locate commercial waste facilities on their lands. What other choices have we given them?

Once again, I challenge those Members who have expressed concerns about Indian gaming and the potential for the introduction of environmentally unsound waste facilities on Indian lands to join Senator INOUYE and me in supporting tax incentives targeted to Indian reservations.

Finally, let me again state that it is absolutely critical that Indian tribal governments be included in the final Senate package as a full and equal partner. That we recognize the urgency of their situation and make it the basis of policy and action. Indian people are asking for nothing less. And I can not agree to any bill that seeks to simply throw one enterprise zone to all tribes in the hopes that they will go away.

In closing, let me repeat the words of President Peterson Zah of the Navajo Nation:

> Indeed, helping the American Indians to help themselves is neither a Democratic issue nor a Republican issue; it's not a conservative policy or a liberal policy; it's not even a "special interest" issue. Rather, it is a "human" issue that must, and deserves to be, addressed from a national perspective on a bipartisan basis, and with a real sense of urgency warranted by the deplorable conditions existing in Indian country—conditions which truly are a national disgrace.

Mr. President, I ask unanimous consent that a copy of a May 14 letter to President Bush from Senator INOUYE and I regarding this subject be inserted into the RECORD immediately following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
SELECT COMMITTEE ON INDIAN AFFAIRS,
Washington, DC, May 14, 1992.

Hon. GEORGE BUSH,
President of the United States, the White House.

DEAR MR. PRESIDENT: As the Congress begins its consideration of your proposals for strengthening our Nation's inner cities, we are writing to request your consideration and support for our efforts to strengthen Indian reservation economies.

Unfortunately, many of the depressed conditions you witnessed firsthand in Los Angeles are similar and, in many instances, worse on Indian reservations throughout the country today. The unemployment rate on many reservations averages 56 percent and, on some of the poorer reservations, it reaches 80 to 90 percent. A lack of jobs and economic opportunity on reservations is a major contributor to the high levels of alcoholism, high suicide rates, sense of helplessness, and other deep social problems that afflict all too many tribes.

In an effort to assist Indian tribes to alleviate these conditions, we introduced S. 2254, the Indian Employment and Investment Act of 1992. Like your proposals for the inner cities, the purpose of S. 2254 is to provide for a program of employment and investment incentives that can attract capital and make the private sector a vital and permanent source of economic development on Indian reservations.

Specifically, our bill provides for two Indian tax credits, an investment tax credit and an employment tax credit. The Indian employment tax credit provides a 10 percent credit to the employer based on the qualified wages and health insurance costs paid to an Indian who is an enrolled member of a federally recognized tribe. As an added incentive, a significantly higher employment credit of 30 percent is offered to reservation employers having an Indian work force of at least 85 percent. The credit is limited to those employees who do not receive wages in excess of $30,000. The credit, which focuses on job creation, would be allowed for the first 6 years of employment.

The Investment tax credit, for personal property, construction and physical infrastructure located on an Indian reservation, would only apply on those Indian reservations which have an unemployment rate exceeding the national average by 300 percent.

The remoteness of many Indian reservations, the lack of a skilled work force, and other economic disadvantages require that a particularly strong set of tax incentives be offered in order to succeed in attracting business to Indian reservations.

We believe for several reasons that a strategy of tax incentives such as this legislation proposes is the most effective way that the federal government can act to stimulate reservation economic development. Tax incentives do not depend for their effectiveness on the actions of federal bureaucracies that are often slow moving and unimaginative. The incentives are usable only by viable businesses that expect to earn some profits and hence to have tax obligations against which credits and deductions can be used to diminish their tax obligations. The federal government therefore does not spend anything until a real business is created on a reservation and there exist real jobs and real income generated for the benefit of reservation residents. Unlike direct spending programs, if there is no benefit, there is also no cost.

Similarly, there is a minimum of federal spending required for studies, planning, impact analyses and all the other ways in which substantial federal funds can be exhausted and yet no businesses, no jobs, and no real economic development are yet in sight. In all too many cases in the past, the real economic impact of direct federal spending programs has been limited to the planning and other jobs connected to the federal spending itself. This of course disappears, once the federal spending is gone. No long term viable economy results, certainly not one that can be self-sustaining.

Indian people have persistently urged the federal government to work with them to arrive at sensible solutions to their problems. In 1961, at a meeting of over 400 Indian tribal leaders, that request was summed up in this eloquent appeal:

"What we ask of America is not charity, not paternalism, even when benevolent. We ask only that the nature of our situation be recognized and made the basis of policy and action."

As we consider your proposals to alleviate the despair and poverty within our Nation's inner cities, we also ask that the nature of the tragic socioeconomic conditions that have existed for too long on Indian reservations be recognized and acted upon this year.

As you consider our request, we ask you to take to heart the following words of Peterson Zah, President of the Navajo Nation:

"Indeed, helping the American Indians to help themselves is neither a Democratic issue not a Republican issue; it's not a conservative policy or a liberal policy; it's not even a "special interest" issue. Rather, it is a "human" issue that must, and deserves to be, addressed from a national perspective on a bipartisan basis, with a real sense of urgency warranted by the deplorable conditions existing in Indian country—conditions which are truly a national disgrace."

Thank you for your consideration of our views. We look forward to working with you to strengthen and aid our Nation's inner cities and Indian reservations.

Sincerely,

DANIEL K. INOUYE,
Chairman.
JOHN MCCAIN,
Vice Chairman.

DEATH OF BROTHER GREGORY NUGENT, F.S.C.

Mr. D'AMATO. Mr. President, the passing of a saintly man deserves our acknowledgement; even as we worry and toil about so many megaissues, we need to reflect on what some other has made of his mortal toil in service to his people and his God.

My good friend, Myles Ambrose, has shared the requiem homily given a week ago by Father William Byron, S.J., president of The Catholic University of America in tribute to Brother Gregory Nugent, F.S.C. Its spirit and simple elegance reflect the man and invite our respect of his life among us.

Mr. President, I ask unanimous consent that the full text of Father Byron's homily be printed in the RECORD at this point.

There being no objection, the homily was ordered to be printed in the RECORD, as follows:

ONE GOOD APPLE

(Homily Delivered by William J. Byron, S.J., at the Mass of Christian Burial for Brother Gregory Nugent, F.S.C., Basilica of the National Shrine of the Immaculate Conception, June 24, 1992)

The Texts: Job 19:23–27; Responsorial Psalm 103:8, 11, 13–14; Romans 5:17–21; Matthew 11:25–30.

The best summary description of the person and life of Brother Gregory Nugent is the simple assertion that he was a saint. I worked with him closely on a daily basis for ten years. I had breakfast with him every day. He was friend, counselor, helper, adviser, and assistant in any way, at any time, in any circumstance that provided an opening for his generous service. I knew him well. He was a saintly man.

"Come to me, all you who are weary and find life burdensome, and I will refresh you. Take my yoke upon your shoulders and learn from me, for I am gentle and humble of heart. Your souls will find rest, for my yoke is easy and my burden light."

The only portion of that comforting message, from Jesus to all of us, that does not apply to Brother Gregory, is the reference to finding life "burdensome." If he did, he never showed it; he was unfailingly cheerful, always concerned with easing the burdens of others, reluctant to the point of resistance when it came to having others lighten the load that happened to be his.

But he did indeed "learn from" Jesus. He understood what it meant to be "gentle and humble of heart." Nor did he misunderstand the meaning of the earlier and widely repeated translation of that phrase, "meek and humble of heart." He knew that meekness is not weakness; he knew that true humility is never timidity. He was a self-effacing man of compassionate courage. He was a saint.

I chose the second reading, the selection from the fifth chapter of Paul's Letter to the Romans, for inclusion in this liturgy in order to make a point that will help us to reflect on the unseen "value added" to our world through the presence in our midst of Brother Gregory. We have all been warned since childhood that "one bad apple can spoil the barrel." But we tend not to appreciate the potential for positive influence of one good apple. The point is one of profound theological significance. Saint Paul makes it well in his Letter to the Romans: "To sum up, then," writes Paul, "just as a single offense brought condemnation to all men [and women], a single righteous act brought all [of us] acquittal and life. Just as through one man's disobedience all became sinners, so through one man's obedience all shall become just."

The reference, of course, is to the sin of Adam and the redemptive sacrifice of Christ. The "bad apple"/"good apple" comparison was made some years ago by a Jesuit priest-poet, Father Edward Cuffe, who taught at St. Andrew-on-Hudson in Poughkeepsie, New York. I once heard him say that Jesus was the "one good apple" who saved the whole barrel of humanity. And I want to say today, with Brother Gregory in mind, that those who follow Jesus, who take His yoke upon their shoulders, who learn from Him, and in patterning their lives after Him become "gentle and humble of heart," they participate in the mysterious potential for good on the "one good apple." They witness to Christ. Their lives make Christ's life audible, and tangible, and visible in our midst. But there is more to it than that. Through time, and because of them, God chooses to multiply His unseen grace in our world. No one of us could begin to calculate, or have any natural way of knowing, the extent of the impact of God's response to and through the earthly life of Brother Gregory Nugent for the distribution of divine love and saving grace in our world.

As Paul explained it to the Romans, "despite the increase of sin, grace has far surpassed it, so that, as sin reigned through death, grace may reign by way of justice leading to eternal life, through Jesus Christ our Lord." This just man, Gregory Nugent, through his thoughtfulness, courtesy, competence, generosity, patience, gentleness, commitment, and self-effacement, participated in this redemptive mission of Jesus.

He was, of course, a Christian Brother, a spiritual son of St. John Baptist de La Salle, a Brother of the Christian Schools. His religious vows of poverty, chastity, and obedience anchored him to Christ and freed him up to work with a worldwide fraternity of like-minded men committed to the Christian education of youth. His work here at The Catholic University of America, first as Trustee and later as Assistant to the President and Secretary of the Board of Trustees, was an extension of his successive service as professor, dean, academic vice president, and president of Manhattan College in New York.

It was there, at Manhattan College—if I might be permitted to lift some phrases from the first reading you heard today, the selection from the Book of Job—that Gregory's words "were written down," ". . . inscribed in a record," ". . . cut in the rock forever." And it is here on his campus that his memory will be enshrined in a building that bears his name. But the recording of achievements and the establishment of memorials were not high on the list of priorities that guided the life of this very good and completely decent man. He spoke to us all, at one time or another in his eight decades of life on this earth, always wisely, ever gently, and most often through example. I want now to let him speak to you the closing words of this homily as I place on his lips the concluding words of the selection you heard earlier from the Book of Job:

> "But as for me, I know that my Vindicator lives, and that he will at least stand forth upon the dust;
> Whom I myself shall see: my own eyes, not another's, shall behold him,
> And from my flesh I shall see God; my inmost being is consumed with longing."

He longs no more. His work is over. We are blessed to have known him.

A TESTAMENT OF COURAGE: THE LIFE OF MATTHEW FINK

Mr. DURENBERGER. Mr. President, I wish to share with my Senate colleagues the story of Matthew Fink, a red-haired toddler in my home State of Minnesota.

The story being 2 years ago, on June 6, 1990, when Matthew went to bed with the kind of sickness that every happy, healthy child occasionally has. His mother, Cheri Fink, had taken him to the doctor, who advised Tylenol to reduce his fever. She set her alarm to check him at 3:15 a.m., and he seemed less feverish.

By 7 a.m., Matthew was almost dead. His small body turned blue from lack of oxygen, his blood pressure was extremely low and he was suffering seizures. An ambulance raced to the hospital, where a dozen medical personnel struggled to keep him alive. The complexity of the crisis astounded the doctors. One said later that Matthew was perhaps the sickest child he had ever taken care of. For 5 days it was touch and go whether Matthew would make it.

Unknown to everyone, Matthew had been born without a spleen. When he sustained this otherwise routine infection, he did not have a spleen to help fight it. The infection invaded every part of him. His body, in self-defence, kept blood flowing to his brain and heart but reduced the flow of nourishment to his arms and legs.

It became obvious that even if he lived, Matthew's limbs would die.

Twelve days after he became ill, Matthew was still alive but doctors had to amputate both legs and both arms. Matthew spent 2 months in hospital, in pain and undergoing more operations. His parents, Andrew and Cheri, could not snuggle him, because his skin was too tender and he was attached to so many machines.

According to an excellent article in the Star Tribune, friends of the family suggested it might have been better if God had taken young Matthew. His grandmother's reaction is, "If it were your baby or someone else's baby, I might think that. But not Matthew."

For Matthew's father, "Matthew is not his extremities. That is how we felt. I would much rather have Matthew back without his arms and legs than to lose him."

Yet the family faced—and faces—enormous challenges. Matthew needs artificial limbs, more operations, occupational and physical therapy. He suffers from frequent infections, each of them a threat because of his missing spleen.

Matthew first came to my attention through a staff member of mine in Minnesota, Mary Edwards. She had attended church services with Matthew and his family during the early days of the gulf war. Matthew's father was ordered to active duty, but when we made the Department of Defense aware of the special circumstances, they allowed him to remain with his family.

Today, Matthew is the healthiest he has been in 2 years. He uses his artificial arms to feed himself, to paint and play games. He enjoys learning to read. He plays on a computer, which will be so important to his independence in the future. And he's a happy child, laughing and playful, with a beautiful smile.

Mr. President, when I think of Matthew I cannot help thinking how fragile health is for each of us. As we contemplate the future of our health care system, perhaps we should all remember, "There but for the grace of God go I." A car accident, a heart attack, a sudden illness, and our lives change suddenly and profoundly.

Matthew's family was lucky, in a sense. They had health insurance to cover the cost of saving Matthew's life and of rebuilding his world. His care has cost half a million dollars, and there are many more operations, therapy sessions, and medical devices to come. Fortunately, the Shriners Hospital for Crippled Children in Minneapolis has agreed to treat Matthew for free. It is no wonder that the Shriners hospitals are so beloved in this country.

Matthew's illness could have meant financial disaster for his family, on top of everything else they went through. Fifty million Americans—1 in 5—go without health insurance at least 1 month a year, according to the Census Bureau. If Matthew's young parents had been among them in June 1990, they now would be bankrupt and hundreds of thousands of dollars in debt.

Above all, Matthew's story is a lesson to me, and I think to all of us, of how faith, persistence, and courage can overcome great hardship. Faith, persistence, and courage by young Matthew, too young even to know what those words mean, and by his family, caregivers, and friends who worked so hard for him.

As we go about our business today, perhaps we could all give a thought to how unpredictable life can be—to be thankful for what we have—and hope that should we ever be challenged as Matthew and his family have been challenged that we will respond as well as they have.

AMERICAN BUSINESS ASSISTANCE TO THE FORMER SOVIET UNION

Mr. ROCKEFELLER. Mr. President, we are at the beginning of a new era in international relations. The bill before us today, the Freedom Support Act of 1992, responds to the historic opportunity this new era presents to the United States. For nearly 50 years, our foreign policy was largely determined by the global competition of two blocs of nations, each seeing the other as a political and military threat to its future. Now, cooperation and collective responsibility can replace competition and conflict as the basis of our foreign policy.

The integration of Eastern Europe and the independent States of the former Soviet Union into the community of democratic nations, and into the world marketplace, is a paramount challenge of this new era. Unless this assimilation is made, the nations of the region will face the profound risks of long-term economic decline, which in turn breeds inevitable violent and demagogic solutions to problems.

The needed transition can be accomplished only through economic reform based on private enterprise and market principles. And the political and economic experience of the United States enables us to make a substantial contribution to this process.

In October last year, I introduced a bill that would take advantage of our experience to help meet one of the most pressing needs of the evolving economies of Eastern Europe and the former Soviet Union. That bill, the Management Corps Act of 1991, took a Peace Corps theme and narrowed its focus by proposing governmental support for sending experienced American business professionals to the region to work directly with local managers who have little or no experience in entrepreneurship. These American experts would serve without compensation, but our bill authorizes modest funds to cover administrative overhead costs. I proposed that a nonprofit, private organization administer the Management Corps Program.

This concept was tested last year by a pilot program conducted under private auspices in Latvia. It was positively received by Latvian managers, who realized their desperate need for practical business advice about the functioning of business in a market economy. Their experience in the centrally planned Soviet system left them with significant skill and experience gaps in fundamental areas such as finance, accounting, marketing, and general management. Without this knowledge, they—and the business men and women from other nations with the same history—will find the transition to market competition very difficult.

I admit this proposal is not purely altruistic. In a broad sense, the success of economic reform in that part of the world is very much in our national interest—and the interests of the West Virginians whom I represent—because it will contribute to the region's peace and stability.

There is another reason, with even more self-interest at stake. New markets and increased exports for American businesses will be generated by economic recovery in Eastern Europe and Eurasia. Programs, such as the Management Corps can be a critical element in helping American exporters to learn about the new markets and to build long-lasting business relationships. For businesses in West Virginia and throughout the United States, this can mean not only immediate market opportunities, but also ongoing sales and service contracts for years to come.

During the Foreign Relations Committee's markup of the bill we are considering today, my colleague Senator JEFFORDS, one of the cosponsors of the Management Corps Act of 1991, offered an amendment which incorporates this concept into the Freedom Support Act. Specifically, Senator JEFFORDS' amendment, which was approved by a voice vote without dissent, broadens the use of funds authorized by the Freedom Support Act from the already worthy goals of "* * * the creation and development of private enterprise and free market systems [through] * * * training in business and financial practices, public administration, commercial law, and the rules of international trade * * *" to explicitly authorize that these goals be promoted by "* * * programs to send active American businessmen as volunteers to provide on-site advice and concrete problem solving to private enterprises in the independent States of the former Soviet Union * * *"

I want to thank Senator JEFFORDS for his support of the Management Corps Act of 1991, and to congratulate him for gaining the acceptance by his fellow Foreign Relations Committee members of this type of program in the bill approved by the committee. In the report which accompanied the bill, the Foreign Relations Committee provided an analysis of this provision which I would like to share with my colleagues:

> The committee believes that programs aimed at training business people are most likely to succeed if they continue to draw on the U.S. business community. The committee urges the administration, as it reviews grant proposals for training, to give special emphasis to programs that directly involve U.S. business people, through bringing trainees from the newly independent states to the United States to work with U.S. business people and by sending volunteer American business managers to private enterprises in the new states to provide on-site advice and problem solving.
>
> The advantages of such programs redound not only to the trainees but also to U.S. businesses and workers. The committee believes that such programs give the American business community the chance to see first-hand the potential benefits, as well as pitfalls of doing business in the former Soviet Union, to establish networks of business connections, to find partners for joint ventures and to find markets for United States goods, thereby creating jobs for American workers.

I add my voice to those of the members of the Foreign Relations Committee who are urging that the administration give special emphasis to programs that send volunteer American business managers to work side-by-side with local managers in private enterprises in the former Soviet Union. The potential benefits to both the American and former Soviet economies greatly outweigh the modest administrative costs for this private, voluntary program.

Mr. President, I have already indicated my firm belief that we are at the beginning of a new era in international relations. The Freedom Support Act of 1992 recognizes the historic opportunity this new era presents to the United States. For the taxpayers of West Virginia and throughout the United States, this new era means we can help maintain world peace—and at the same time create business opportunities for Americans—by directing a modest amount of our resources to support economic reform based on private enterprise and market principles, instead of spending vast amounts on an arms race.

During the cold war era, lasting close to half a century and now at an end, our Federal budget reflected the fact that our international security policy was largely determined by an inimical relationship with the Soviet Union and the other members of the Soviet bloc. In the final few years of that era, we spent about $300 billion each year to maintain a strong national defense.

Now that the cold war is over, as cooperation and collective responsibility replace competition and conflict as the basis of our international security, we can maintain a strong national defense for billions of dollars less each year than we have been spending. The savings during the coming fiscal years will be, I suspect, billions of dollars and even more in subsequent years. The outlays for the programs in the former Soviet Union authorized by the Freedom Support Act in fiscal year 1993 will likely be close to the $417 million approved recently by the House Appropriations Committee.

Less than half a billion dollars instead of many times that speaks for itself. Unless we make this modest investment in the peaceful future of newly independent Republics of the former Soviet Union, we may someday again have to pay a much higher price for our international security. I do not believe we can afford to reject the fruits that our past efforts and sacrifices have finally borne. The cost of failing to act to secure a new, peaceful future is too great.

A TRIBUTE TO CHIEF PETE O'CONNOR

Ms. MIKULSKI. Mr. President, I am honored to pay tribute today to Pete O'Connor, chief of the Baltimore City Fire Department. After a decade of service as department chief, Chief O'Connor will retire on July 29 of this year. The department is sure to miss this model of dedication and community service.

Although Chief O'Connor and I have known each other for many years, I am by no means the first to recognize him for his accomplishments—his honors are numerous. The Baltimore City Fire Department has honored him with both the Distinguished Service Medal and the Meritorious Conduct Medal. He is also a recipient of the Baltimore City Police Department's Citizen's Award. Other honors include Firefighter of the Year, membership with the Governor's Emergency Management Commission, and appointment to the Maryland Fire Rescue Education and Training Commission from 1976 to 1989.

Widely recognized by the union movement as a respected leader, Chief O'Connor spent years as an active member and officer of the International Association of Firefighters. He was also noted by his fellow firefighters as having adapted easily to the transition to the role of administrator in the department. It was in this role that the chief earned plaudits from former mayor, William Donald Schaefer. Upon his appointment to the position of department chief, his predecessor, Tom Burke, referred to Chief O'Connor as "the firefighter's fire chief." He had clearly established himself as a representative, friend and support to everyone who served in the Baltimore City Fire Department.

A veteran of the U.S. Army, Chief O'Connor has demonstrated his deep commitment to the community through his efforts to protect its citizens through the use of smoke detectors. He was responsible for inaugurating free smoke detector giveaways in the city of Baltimore, as well as pushing for legislation to require the use of smoke detectors in all homes. He has also served as chair of the Combined Charities Campaign, which is part of the United Way campaign.

Chief O'Connor has also been active in the Irish community of Baltimore. He was chairman of the Baltimore St. Patrick's Day Parade Committee, and at one time served as parade grand marshall. He was also active in promoting the Irish festival and the Baltimore flower mart. He also chaired the city games for charity from 1983 to 1985. Clearly, Chief O'Connor has committed his time not only to the firefighting profession, but to the well-being of his community.

Although Chief O'Connor will retire at the end of this month, I feel certain that he will continue in the spirit of community service, and he certainly will always be remembered for his exemplary service as a firefighter and administrator. I wish him all the best in his retirement.

NATIONAL CZECH AND SLOVAK MUSEUM

Mr. GRASSLEY. Mr. President, the Czech Fine Arts Foundation in Cedar Rapids, IA, is undertaking the construction of a new National Czech and Slovak Museum and Library. It is indeed worthy of national stature, designed to house their priceless collection of artifacts from the mother country, brought to America by generations of Czechs and Slovaks.

The project includes acquisition of a key site in the midst of a well known Czech village in Cedar Rapids, construction of a humidistatically controlled environment for the artifacts and creation of a library to house an extensive collection of Czech books and research materials.

The project also includes flexible meeting rooms where educational and cultural programs can be offered to illustrate the rich artistic heritage of the Czech and Slovak cultures. Several Cedar Rapidians are teaching the language and exquisite craftsmanship to younger people across the Nation so that these skills will be preserved.

The present museum opened in the fall of 1978, and was once moved from a temporary facility to its present location on the banks of the Cedar River which winds through the community. More than 60,000 visitors have enjoyed the museum from every State in the Nation and more than 65 other countries.

The depth and variety of the museum's collection reflect the level of support it enjoys nationally. Lavish handmade laces, exquisite cutwork and embroidery, elaborate beadwork, and brilliant scarves and ribbons decorate the collection of national costumes from the Czechs, Moravia, and Slovak areas. There are over 40 costumes in the collection—more than in any other museum outside of Czechoslovakia.

Here, too, are richly carved pipes, lovely hand-painted porcelains, dazzling, deeply cut lead crystal and scores of other old world treasures. These were part of the culture of the Czechs, Moravians, and Slovaks who immigrated here from Central Europe during the late 19th and early 20th centuries.

The immigrant experience was arduous and the first years here were not easy. An actual two-room immigrant home has been faithfully restored to depict their lifestyle as well as many of their handmade tools.

Curators have informed the Cedar Rapids Czech Fine Arts Foundation that this is one of the most outstanding of any ethnic collections in this country.

Give the great value of this collection, the offer of touring exhibitions and the plans for special programs, the Czech Fine Arts Foundation and several other Czech groups have engaged Mr. Felix Stephen Gula of New York City to plan a new major facility. Mr. Gula is known worldwide for his architectural and exhibit work for such major clients as the State of New York, the U.S. Department of Commerce and the Smithsonian Museum among other achievements.

Several of the Cedar Rapids Czech Fine Arts Foundation and Advisory Board are acquainted with officials of the Czech and Slovak Republics who have expressed their endorsement of this fine collection and the ambitious project. They have expressed a willingness to help arrange touring exhibits that have never before left the mother country. Especially appealing to these officials is the Cedar Rapids' location, virtually in the geographic center of the Upper Midwest, where you will find many descendants of Eastern European immigrants.

The proposed museum and the continuation of the beautiful collection, enjoys the endorsement of local officials, the Governor of Iowa, community leaders, the Ministry of Education of the Slovak Republic and the Ministry of International Relations of the Slovak Republic. In March of this year it was my pleasure to introduce H.E. Rita Klimova, Ambassador Extraordinary and Plenipotentiary who accepted an award for President Havel presented by the global community of Cedar Rapids. Her Excellency expressed great enthusiasm for the collection and the foundation's efforts.

Those who know me, know that I have great esteem for my fellow Iowans, their commitment, their sense of history, their dedication to preserving traditional values and their willingness to give of their time and their money. The Cedar Rapids Czech and Slovak Museum and Library and the people associated with it are typical of the best of Iowa and its citizens. I am proud to add my name to those who endorse these efforts.

TRIBUTE TO CAPT. THOMAS J. WADSWORTH: BORN APRIL 5, 1917, DIED JUNE 3, 1992

Mr. CRAIG. Mr. President, it is with great regret that I announce to the Senate the passing of Capt. Thomas J. Wadsworth, civil defense director for Bonneville County Idaho and executive director of Bonneville County's Tricentennial Commission and Constitution Day observance.

Yes, you did hear me correctly, when I said tricentennial commission. Even though our Nation's tricentennial won't take place until the year 2076, Captain Wadsworth believed in planning ahead.

A captain in the Navy, he served in Africa and Europe during World War II, and in the Pacific during the Korean war.

In 1967, 25 years ago, Captain Wadsworth was asked by the Boy Scouts of America to organize a youth leadership training program which became known as cederbadge and varsity cederbadge. His efforts led literally to the leadership training of thousands of young men.

Just last year, as our troops returned home victorious from the gulf war, Captain Wadsworth organized the East-Idaho Welcome Home Loyalty Day parade and celebration. He impressed me then with his commitment to his younger comrades in arms, who, like him, had laid their lives on the line for their Nation.

Captain Wadsworth was perhaps best known throughout the world for his commitment to civil defense. He believed strongly that a nation that was prepared to survive a nuclear war would be prepared for any catastrophe. Fortunately, for Idaho, when the Tenon Dam burst in 1976, Captain Wadsworth's preparation paid off. Gov. Cecil Andrus awarded him a special commendation for "Distinguished and Meritorious Performance" for his heroic efforts during that disaster.

Captain Wadsworth has a deep love for the Constitution, the Bill of Rights, the Declaration of Independence, the flag and all things upon which our Nation was founded. Each month he published a 10 to 12 page newsletter full of information on civil rights and a civil defense.

His commitment to our Nation caused some of his friends to refer to him as Captain America. If our Nation has ever had a complete patriot, Captain Wadsworth was that man.

Capt. T.J. Wadsworth will surely be missed not only by his wife Fran, but by the people of Idaho and this Nation. His job can be filled, but no one can fill his legacy. His passing should cause us all to reflect upon the course we are taking this Nation. "Are we preparing for the worst, even as we hope for the best? Are we planning ahead?" Those are the questions I'm sure Captain Wadsworth would ask each of us if he were here today—and perhaps he is.

UNEMPLOYMENT RATE

Mr. PELL. Mr. President, the increase in the national unemployment rate, announced today by the Labor Department, is discouraging news.

The increase in unemployment in June means that nearly 10 million Americans are now jobless. The jobless rate has now increased sharply for two consecutive months; and the jobless rate at 7.8 percent is the highest in more than 8 years.

And in Rhode Island, according to the most recent data for the month of May, the jobless rate at 9.3 percent is worse than the national rate. Nearly one out of ten Rhode Islanders is jobless.

I hope that this latest evidence of a stalled and staggering economy will jolt the Bush administration into action. It is no longer sufficient for the administration to offer pious hopes and expressions of confidence that the economy is on its way to recovery. The increasing number of jobless Americans, in Rhode Island and across the country, just don't believe things are getting better. In their view, the Bush administration just doesn't get it, and one can hardly blame them for thinking so.

In January, after nearly a year of denying that the United States has a serious economic problem, President Bush changed course and challenged the Congress to enact an economic rebuilding program within 100 days. The Congress met that challenge, but the President vetoed the bill, just as he had previously vetoed extensions of unemployment compensation payments for the long-term jobless.

Now, once again the administration has retreated to the view that the economy is better than everyone thinks, and that worries about the economy are the result of poor press coverage.

The administration is wrong. Action is needed. The administration should remove the obstacles it has placed in the way of immediate extension of unemployment benefits. Instead of obstructing economic recovery programs of public works, education, and job training, and threatening vetoes, the Administration should sit down and work with the Congress to get the economy moving again, and to provide jobs for jobless Americans.

HOUSE APPROPRIATIONS COMMITTEE RISKS AIRLINE SAFETY

Mr. DANFORTH. Mr. President, this weekend, American families will be boarding commercial flights all over the country to join their loved ones for Fourth of July celebrations. They trust that Congress has taken steps to ensure that the plane is safe, and that their pilot is drug- and alcohol-free.

The public has had more reason to believe that their pilot is sober since 1990, when the Department of Transportation [DOT] rules first were issued requiring airline companies to randomly drug test safety-sensitive personnel. Today, the testing rate is 50 percent: Pilots know that they are likely to be tested for illegal drug use once every 2 years.

Last October after 5 years and 13 votes of approval in the Senate, random drug testing for safety critical transportation workers became the law. Also, rules mandating similar random alcohol testing are to be issued within the year.

The need for alcohol testing became clear in March 1990, when three Northwest Airlines pilots were allowed to fly while legally intoxicated between Fargo, ND, and Minneapolis, MN. Even though they were tipped off that the pilots had been drinking—the captain later admitted that he drank 20 rum and cokes the night before the flight—Federal Aviation Administration officials did not have the authority to require preflight alcohol testing.

Yesterday, public confidence in airline safety took a direct hit. The House Appropriations Committee buckled to pressure from pilots and airline representatives who say DOT's current random drug testing requirements are too expensive and too intrusive, and that adding random alcohol testing later this year will increase the burden. House appropriators agreed to guarantee that airline pilots only have to worry about being tested for illegal drug or alcohol use once every 10 years.

Is random drug and alcohol testing too expensive? At a 50-percent testing rate, the airlines estimate the cost of random testing at $12 million per year. The airlines spend 1,000 times more, $12 billion annually, on marketing alone, out of a total of nearly $80 billion in operating expenses. Replacing one 747 after a drug- or alcohol-related crash would cost $150 million, excluding law suits. We cannot afford not to have effective random drug and alcohol testing in transportation.

Is random drug and alcohol testing too intrusive? At a 50-percent testing rate, pilots can expect to be asked to provide a specimen for drug and alcohol testing once every 2 years. In order to be certified to fly, commercial pilots already must have a complete medical examination every 6 months, including urinalysis. One more urine test every 2 years is not too intrusive.

Is a 50-percent rate of random testing necessary to provide an effective deterrent to illegal drug and alcohol use in transportation? No one yet knows. The 50-percent rate has proven effective in reducing illegal drug use in transportation, but DOT is actively studying whether lower drug testing rates may be appropriate and effective under some circumstances.

DOT expects to report its findings, and to initiate a rulemaking on this subject, later this year. Limiting random testing to 10 percent before the facts are in would be highly irresponsible and risky. Setting a testing rate by law, at any level, would be shortsighted. DOT needs the flexibility to set the rate as necessary to ensure that the traveling public is safe.

The majority of airline employees are not substance abusers. However, public safety demands random drug and alcohol testing at rates that effectively deter illegal drug and alcohol use. I stand ready to act to ensure that this demand is met. The public deserves, and the airlines can afford, no less.

WALLOP-BREAUX AQUATIC RESOURCES TRUST FUND

Mr. WALLOP. Mr. President, with summer upon us, many Americans head for the outdoors. We tour our countryside on bikes. We roam through national parks and forests with backpacks. We stroll across our beaches. And we fish and swim in our bountiful rivers, lakes, and streams.

This year, a great many anglers and boaters will be pleased to find new fishing and boating facilities and older facilities in better shape than ever—projects made possible through the Aquatic Resources Trust Fund which, according to projections, will have disbursed roughly $300 million across the Nation by the end of this year.

Since the passage of the Wallop-Breaux amendments which created the trust fund, this user fee has created and improved fishing sites all over the country. It has created lakes, restored streams and wetlands and improved fish habitats. In addition, 39 States now have aquatic resource education programs that teach urban kids about the great outdoors.

For those not familiar with the Wallop-Breaux fund, revenue is collected through a user fee on motorboat fuel, as well as excise taxes on fishing equipment and imported pleasure craft.

In my home State of Wyoming, the residents of Thermopolis recently became a benefactor of these fishery funds when a new, state-of-the-art handicapped facility was unveiled on the Big Horn River. Wyoming Game and Fish Department officials were on hand to dedicate a handicapped-accessible boat ramp and dock that are believed to be a first-of-a-kind facility on a free flowing river. The new boat dock allows handicapped individuals to be lowered into their boats, and a special take-out ramp is provided downstream. The 12-acre site also includes a paved parking lot and rest rooms, and will soon have paved paths enabling handicapped anglers to fish along the banks.

Recreational activities should be open to all Americans, and by providing disabled outdoorsmen river access for fishing and boating, they, too, can engage in one of the most sublime activities—to be on the water, fishing and enjoying themselves. I know that this won't be the last project of this nature.

The Aquatic Resources Trust Fund works because the role of the Federal Government is minimal and because it is based on a cooperative partnership between States, the private sector and an enthusiastic, outdoor-loving public. It's a success story worth repeating and I'm proud to have played a part.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Time for morning business has expired.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The PRESIDING OFFICER. The Senate will now resume consideration of S. 2532, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2532) entitled the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Connecticut [Mr. LIEBERMAN] under the order is now recognized to offer an amendment relating to business centers.

The Senator from Connecticut.

AMENDMENT NO. 2678

(Purpose: To assist business and commercial development in the former Soviet Union)

Mr. LIEBERMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN], for himself, Mr. BAUCUS, Mr. ROTH, Mr. DECONCINI, Mr. GARN, Mr. BOREN, Mr. BENTSEN, Mr. DOLE, Mr. ADAMS, Mr. PELL, Mr. SIMPSON, Mr. BYRD, Mr. WOFFORD, Mr. DOMENICI, and Mr. MURKOWSKI, proposes an amendment numbered 2678.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, after line 13, add the following new section:

SEC. 21. BUSINESS AND COMMERCIAL DEVELOPMENT IN THE FORMER SOVIET UNION.

(a) FINDINGS.—The Congress finds that—

(1) United States jobs and competitiveness will be enhanced if American business and agriculture play a significant role in the development of market economies of the independent states of the former Soviet Union;

(2) it is in the interest of the United States that all assistance programs be structured to maximize the purchase of United States goods and services;

(3) American businesses are the key to the viable restructuring of the independent states of the former Soviet Union;

(4) active United States business participation in the commercial development of the former Soviet Union will create new markets and jobs for the United States as well as enhance development in these nations;

(5) assistance under this Act should be considered an investment in the economic future of both the United States and the independent states of the former Soviet Union;

(6) the United States Government can play an important role in assisting United States exporters in the rapidly changing and highly competitive markets of the independent states of the former Soviet Union;

(7) assistance for the independent states of the former Soviet Union should be equitably distributed within each such state, and this should include technical assistance, additional Foreign Commercial Service officers, and financing through the Overseas Private Investment Corporation, the Export-Import Bank of the United States, and the Trade and Development Program; and

(8) it is in the interest of the American business community and the independent states of the former Soviet Union for the United States Government to move expeditiously—

(A) to open up new consulates throughout such states, particularly those already scheduled to be opened; and

(B) to provide timely consideration in the issuance of visas.

(b) ADVISORY COUNCIL.—(1) The President is authorized to establish an advisory council to be known as the New Independent States Business and Agriculture Advisory Council (hereafter in this section referred to as the "Council").

(2) The duties of the Council would be—

(A) to advise the President regarding programs of assistance for the independent states of the former Soviet Union;

(B) to evaluate the adequacy of bilateral and multilateral assistance programs that would facilitate exports and investments by American firms in the independent states of the former Soviet Union; and

(C) to consult with the President periodically with respect to the matters described in subparagraphs (A) and (B).

(3) The Council should consist of fifteen members drawn from United States firms reflecting diverse businesses and perspectives that have experience and expertise relevant in dealing with the independent states of the former Soviet Union.

(4) The membership of the Council should be appointed as follows:

(A) Five members appointed by the President, one of whom the President shall designate to serve as chairman.

(B) Five members appointed by the President, upon the recommendation of the Speaker of the House of Representatives and the Minority Leader of the House of Representatives.

(C) Five members appointed by the President, upon the recommendation of the Majority and Minority Leaders of the Senate.

(5)(A) Members of the Council should receive no additional pay by reason of their service on the Council

(B) Upon request of the Chairman of the Council, the head of any United States Government agency may detail, on a nonreimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this Act.

(c) ALLOCATION OF AGENCY FOR INTERNATIONAL DEVELOPMENT FUNDS.—The President is authorized and encouraged to use a portion of the funds made available for the independent states of the former Soviet Union under the Foreign Assistance Act of 1961—

(1) to fund capital projects, including projects for telecommunications, environmental cleanup, power production, and energy related projects; and

(2) to fund intermediary industrial goods and other consumables in order to promote self-sufficiency.

(d) EXPORT FINANCING AND PROMOTION.—(1)(A) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the Export-Import Bank of the United States, the Trade and Development Programs, and the Overseas Private Investment Corporation (hereafter in this section referred to as "OPIC") such sums as may be necessary to carry out this Act, including—

(i) the provision of commercial and technical assistance, implemented in cooperation with United States businesses on a cost-sharing basis, which, to the maximum extent feasible, would support the identification and development of priority sectors in the independent states of the former Soviet Union, including defense conversion, energy, energy efficiency, environmental protection, nuclear safety, agriculture, food processing and distribution, pharmaceuticals, transportation, telecommunications, education and training, and industrial and infrastructure modernization; and

(ii) the provision of support for projects undertaken by United States business on the basis of partnership, joint venture, contractual, or other cooperative agreements with appropriate entities in the independent states of the former Soviet Union.

(B) Amounts authorized to be appropriated by subparagraph (A) are authorized to remain available until expended.

(2) The Export-Import Bank of the United States is authorized to use the maximum amount of flexibility in supporting projects in the independent states of the former Soviet Union, including using project financing or other appropriate financing arrangements, in addition to flexibility otherwise authorized under this or any other Act.

(3) OPIC is authorized to use the maximum amount of flexibility with its programs, including coverage of contract frustration by government or private sector entities in the independent states of the former Soviet Union, in addition to flexibility otherwise authorized under this or other Acts.

(4) The President is authorized and encouraged to direct the Export-Import Bank of the United States, OPIC, TDP, the Agency for International Development, and the Department of Commerce to coordinate through the Trade Promotion Coordinating Committee their efforts in assisting American businesses and the independent states of the former Soviet Union, and such agencies and entities are encouraged to develop common eligibility criteria, to the extent possible, for operating their programs in the independent states of the former Soviet Union.

(e) DEPARTMENT OF COMMERCE.—(1) The Secretary of Commerce should—

(A) provide technical assistance to the independent states of the former Soviet Union through programs and projects for business and commercial development, including demonstration projects, especially in priority sectors described in subsection (d)(1)(A)(i), business consortia, business training and exchange programs, binational business development committees, the development of product standards, and the cost of preparing business opportunity profiles of those states using both United States private sector and local expertise;

(B) expand the Foreign Commercial Service in the independent states of the former Soviet Union, including the business centers described in this Act;

(C) develop a center to assist United States small- and medium-sized businesses in entering the commercial markets of the independent nations of the former Soviet Union, and to the maximum extent possible, the Department of Commerce should contract with a United States expert organization with proven experience in trade relations with the independent nations of the former Soviet Union to assist with the functioning of this center; and

(D) submit a report to Congress twelve months after the date of enactment of this Act, and annually thereafter, which will analyze the programs of other industrialized nations to assist their firms with their efforts to transact business in the independent states of the former Soviet Union and will include an examination of the trading practices of other OECD nations, as well as the pricing practices of transitional economies, that may disadvantage United States firms.

(2)(A) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the Secretary of Commerce such funds as may be necessary to carry out this subsection.

(B) Funds authorized to be appropriated by subparagraph (A) are authorized to remain available until expended.

(f) UTILIZATION OF ENERGY WORKING GROUP.—(1) The Trade Promotion Coordinating Committee should utilize its interagency working group on energy to assist American energy sector companies to develop a long-term strategy for penetrating the energy market in the independent states of the former Soviet Union.

(2) The energy working group should—

(A) work with officials from the independent states of the former Soviet Union in creating an environment conducive to United States energy investment;

(B) help to coordinate assistance to American companies, particularly defense companies, involved with projects to clean up former Soviet nuclear weapons sites and commercial nuclear waste; and

(C) work with representatives from American business and industry involved with the energy sector to help facilitate the identification of business opportunities, including the promotion of environmentally sound oil, gas, and clean coal technology and products and energy efficiency and the formation of joint ventures between American companies and companies of the independent nations of the former Soviet Union.

(g) POLICY ON REPAYMENT OF DEBT.—It is the sense of the Congress that the independent states of the former Soviet Union should address the issue of repayment of overdue commercial debt and other commercial obligations, including the recognition and availability of hard currency obligations of agencies of the former Soviet Government to American businesses.

Mr. LIEBERMAN. Mr. President, most Americans understand the security risks of not helping the nations of the former Soviet Union. After all, we stood for years facing Soviet missiles, thinking we might have to send our nuclear missiles over toward them. We understand, I think, the importance of sustaining the democratic governments that have courageously come to the leadership of the nations of the former Soviet Union.

But I think the American people are sometimes less aware of the positive economic benefits of helping these nations. That is the intention of the amendment that I am proposing here this morning.

We just heard a discussion of the alarming increase in unemployment in this country. I hope—and I share the concern my colleagues have expressed here today—this amendment will send a message that one of the things this Government has to do is to help American businesses take advantage of the enormous opportunities that exist in the nations of the former Soviet Union which can mean jobs here at home. It is not just going to happen, we have to make it happen.

Today, the German Government, the Italian Government, and the Japanese Government are helping their businesses take advantage of these vast new markets. Unfortunately, our Government has been much more timid. And the purpose of this amendment is to make our Government more aggressive in support of our business community's activities over there.

Foreign aid is, obviously, a politically charged program. It is never a very popular program and particularly so in an economic recession such as we are in now. That is why I think, as we enter this new post-cold-war world, we have to redefine foreign aid, making sure it is directed toward our own economic interests.

The way in which we support the Republics of the Soviet Union provides us with a wonderful opportunity to begin to make that redefinition. The fact is, the market potential for U.S. goods and services in these new nations is vast. The people of the former Soviet Union need just about everything: Consumer goods and services, infrastructure, and the most basic of all needs—food. But many of the former republics are very rich in natural resources which means they can pay for their own development.

Just as important, and perhaps historically ironic, as I talk to business people from the former Soviet Union, diplomats, politicians, I am struck by how much they want American products, American services, American advice. It is an irony of the post-cold-war world that they emerge from this 45-year period of conflict with, in some ways, a feeling of warmth toward the American people, in some ways more than they have toward some of their neighbors. That is why I think we have a unique opportunity here—long-term investment.

In the case of energy and agriculture, however, the payoff can be almost immediate. Oil exports can finance economic recovery, and a privatizing agricultural sector could drive economic reform in the former Soviet Union, and we, by helping American business, can help to make that happen.

If we help American companies enter these emerging markets, we are going to create income and jobs here at home. Then I think we can assure the American people that for every dollar invested in an assistance program in the nations of the former Soviet Union, we are going to enjoy a dividend of many dollars many times over. That is why it is in our self-interest to support these nations now.

Mr. President, we expended too much time, too much energy, too much money to win the cold war for us to now lose the fruits of our victory in peace. It is time to take advantage of that victory.

Former President Nixon, who has provided extraordinary leadership in this area, wrote in the New York Times recently that "foreign aid is only a small part of the solution. Our primary goal should be to unleash the American private sector's potential investment in Russia's private sector."

President Nixon could not be more correct. That is the purpose of the amendment which I am proposing today, along with my colleagues, Senators BAUCUS, ROTH, DECONCINI, GARN, BOREN, BENTSEN, DOLE, ADAMS, PELL, BYRD, SIMPSON, and DOMENICI—to help get America's private sector more involved in the rebuilding of the nations of the former Soviet Union which is going to be good for them and good for us.

Let me indicate some of what this amendment would do.

First, it would establish a special Presidential business advisory council that would regularly consult with the President on the effectiveness of our assistance programs to the nations of the former Soviet Union. If we are going to reply on the private sector, let us bring them in and help us plan a strategy of investment.

This amendment has emerged from conversations I have had with businesses in Connecticut and throughout the country. We have worked closely with the business community in crafting the amendment, and I am proud to say that it enjoys the enthusiastic support of the National Association of Manufacturers, of the U.S. Chamber of Commerce, of the National Foreign Trade Council, and of the Coalition of Employment through Exports.

It also enjoys the support of many companies who see potential in the market of the former Soviet Union, including United Technologies, ABB, Combustion Engineering, AT&T, DuPont, Monsanto, and Honeywell.

The purpose of the special business advisory council that the amendment sets up is to keep the American business community involved in our program of investment and growth.

Second, the amendment stresses the need for export promotion and financing by emphasizing the role of the U.S. Export-Import Bank, the Trade and Development Program and OPIC in the restructuring of the economies of the former Soviet Union.

We encourage and authorize these agencies to use maixum flexibility in applying their programs which are so critical to the ability of American business to do business in the former Soviet Union.

We also try to involve the Department of Commerce, specifically the International Trade Administration, in this process by recommending that they take the lead on business development programs. Commerce has developed some creative programs already for Eastern Europe and by and large has the confidence of our business community on how best to get them involved in the region.

In keeping with the efforts of Senators BOREN, BENTSEN, BAUCUS, BYRD, and myself to get USAID to fund more capital projects that are more likely to create business and jobs at home, this amendment exhibits a bias in favor of AID funding of capital projects in the nations of the former Soviet Union. In other words, these are not going to be foreign aid giveaway programs. These are going to be programs that are tied to American exports that are investing in infrastructure growth, in such projects as telecommunications and power generation systems, all of which will come back to American businesses and workers who will be asked to meet that demand.

Finally, Mr. President, the amendment encourages the work group on energy issues within the Trade Policy Coordinating Committee to help American companies take advantage of the unique and extraordinary potential for developing the energy sector in many of the nations of the former Soviet Union. They have the resources but lack the equipment and the technology to realize the full potential of their energy sector.

American companies have the equipment, the technology, and the expertise. By helping the people of the Soviet Union take advantage of those American strengths, we are also going to enable them to pay for their own economic restructuring by developing their vast natural resources.

Mr. President, this amendment is about using foreign aid dollars to create jobs at home in America. In that recent statement of former President Nixon which I quoted earlier, he describes a conversation he had with Dwayne Andreas, the chairman of Archer-Daniels-Midland, who said to President Nixon that once it is clear that the process of creating an economic environment conducive to private sector investment in the Soviet Union is irreversible, then the private sector of America will be willing to put in hundreds of billions of dollars in new investment because they will see that it is in their and our interest.

That is the condition, that is the irreversibility toward which this bill and this amendment strives.

Mr. President, I want to thank all from within the Senate, the Congress, and outside who helped put together this amendment which is truly a collective effort.

I ask unanimous consent that letters in support of the amendment from the business groups that I cited, as well as a side-by-side comparison of the amendment prepared by the U.S. Chamber of Commerce be printed in the RECORD.

I yield the floor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL FOREIGN
TRADE COUNCIL, INC.,
Washington, DC, June 22, 1992.

Hon. JOSEPH I. LIEBERMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR LIBERMAN: I am writing to urge you to support an amendment to the "Freedom Support Act" being offered by Senators Lieberman, Baucus, Roth, DeConcini, Garn, Boren and Bentsen.

As Presidents Bush and Yeltsin both stressed during last week's summit meeting, the private sector will play the decisive role in creating a market economy in the republics of the former Soviet Union. This amendment will strenghten the business facilitation programs of the U.S. government and thereby give stronger support and encouragement to the private sector to trade and invest. The bill would, among other things:

Create a mechanism for senior private sector evaluation of aid programs;

Promote technical assistance to promising private sector projects;

Assist small and medium-sized U.S. enterprises interested in doing business in the former Soviet Union;

Authorize use of AID funds for capital projects for U.S. companies in areas identified at the January multi-lateral summit as priority sectors.

This amendment is consistent with the objectives of the Freedom Support Act and makes it more likely that those objectives will be achieved.

The National Foreign Trade Council, which is comprised of 500 member companies engaged in international trade and investment, urges, therefore, your support both for this amendment and for the Freedom Support Act.

Sincerely,

FRANK D. KITTREDGE,
President.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, June 19, 1992.

Hon. JOE I. LIEBERMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR LIBERMAN: Russian President Boris Yeltsin's speech before the Joint Session of Congress underscored what has been a primary concern of U.S. Business. We believe it is most appropriate and timely that the Senate move expeditiously on immediate passage of the FREEDOM Support Act (S. 2532). As I indicated in my letter to you of June 9, the U.S. Chamber Federation of local and state chambers of commerce, businesses, and associations strongly supports this bill; however we believe that its implementation would be much enhanced with the inclusion of a stronger role for the U.S. business community. This would be accomplished by incorporation of the language in a proposed amendment by Senator Joseph Lieberman.

Enclosed are copies of the Chamber Federation positon statement and a one-page summary of prevalent myths on this issue that we have disributed to the press and our network of local chambers of commerce.

The first official summit between Presidents Bush and Yeltsin this week resulted in a number of historic agreements important to both national security and economic concerns. The U.S. business community stands ready to play a leading role in economic reform and transformation to a market economy, thus strengthening democracy in the former Soviet Union and increasing exports and creating more jobs here in America. To be able to do this, U.S. business needs the FREEDOM Support Act. I urge you once again to pass this legislation promptly.

Sincerely,

WILLIAM T. ARCHEY.

U.S. CHAMBER OF COMMERCE POSITION ON THE FREEDOM SUPPORT ACT

The U.S. Chamber of Commerce, the world's largest business federation, supports the Freedom Support Act (S. 2532/H.R. 4547), but believes that improvements are warranted. These improvements are intended to strengthen the role of the U.S. business community in assistance efforts, as well as to provide U.S. companies with the support they need to become involved in this enormous market.

The Chamber advocates a bill that:

Provides a dominant role for American business in the technical assistance that is vital to the success of the program in general and to participating individual companies in particular.

Strengthens U.S. trade and investment promotion activities, especially those concerning export and investment financing, guarantees and insurance:

Extends U.S. business-U.S. government cooperation through the expansion of U.S. Trade and Development Program, Export-Import Bank, and the Overseas Private Investment Corporation programs for commercial and technical assistance projects in partnership with U.S. businesses;

Ensures that special consideration be given for U.S. business projects on the basis of cooperation agreements with entities in the independent states of the former Soviet Union;

Mandates the establishment of a business and commercial development fund by the U.S. Department of Commerce to support technical assistance program and projects;

Expands the Foreign Commercial Service in the region.

Has language that closely links the coordination and activities of involved government agencies to the American business expertise through a private sector advisory council.

Provides increased U.S. contributions to the International Monetary Fund.

Creates a multilateral investment guarantee agency specifically for the independent states of the former Soviet Union.

Repeals the Jackson-Vanik Amendment to the 1974 Trade Act that links trade to emigration policies.

The Chamber believes that if American business and agriculture play a significant role in the development of market economies of the independent states of the former Soviet Union, U.S. jobs will be created and American competitiveness in the international marketplace will be improved.

MYTHS CONCERNING CURRENT U.S. LEGISLATION ON ASSISTANCE TO THE FORMER SOVIET UNION

Myth: The legislation to aid the former Soviet Union reinforces the omnipresent big business-government collusion which centrally plans the U.S. economy—also known as industrial policy—benefiting directly only big business.

Fact: The legislation will help U.S. companies compete more effectively in the countries of the former Soviet Union with their European and Asian competitors. U.S. business, in this market of some 290 million people, pays dividends to Americans in more exports and more jobs for the American workers, farmers and service providers who will supply the equipment, components, agricultural and food products and services to this newly opened part of the world. The Freedom Support Act serves U.S. companies—large and small; it contains a specific provision for a center to assist small and medium-sized businesses.

Myth: Elitist corporate America sees American workers as "too dumb to know how to spend their own money." [P. Schlafly, Washington Times]. U.S. taxpayers are bailing out the former Soviet Union and U.S. corporations, at the expense of other segments of society.

Fact: Commercial assistance and development programs for the former Soviet Union affect the broadest segments of our economy and society. Increased trade would benefit American workers by offering enlarged employment opportunities. Moreover, aid through trade is the most cost-effective way to help reforms in the former Soviet Union, as well as benefiting U.S. strategic economic interests. American companies have a pivotal role to play, not only through increased trade and investment, but also through training workers, managers, suppliers, and consumers in the day-to-day basics of market economics.

Myth: U.S. government is being taken for a ride by guaranteeing—through OPIC, Eximbank and the Commodity Credit Corporation—risky deals that no commercial bank would even think of touching.

Fact: Export and investment financing, guarantees and insurance are of key importance in the ability of American firms to be competitive with European and Asian businesses. Now, to get access to European government programs our companies are forced to source from their foreign subsidiaries for products the Russians would prefer to have made in America. Legislation such as the Freedom Support Act would help give U.S. companies the assurance/insurance they need to successfuly hold on to and increase their market share for American-made products.

Myth: The West has won the Cold War. We need to redirect our focus away from the former Soviet Union, and start using the "peace-dividend" at home.

Fact: In order to ensure continued progress towards a market economy and political reform, the U.S. must continues to provide a strong message, backed by our financial assistance. It would be ironic to forsake the benefits of the trillions of dollars spent on defense for the lack of a few million dollars in assistance to the independent states of the former Soviet Union.

Myth: The International Monetary Fund quota increase would further tax the American people, while pouring endless dollars down a bottomless pit.

Fact: American dollars allocated to the IMF are investments in assets, which the United States owns and can use as leverage to promote economic reform and open markets for U.S. job-creating exports into the former Soviet Union. The IMF is a monetary institution—it swaps assets. For every penny of U.S. money lent by the IMF, the U.S. earns market-related interest.

NATIONAL ASSOCIATION
OF MANUFACTURERS,
Washington, DC, June 16, 1992.
Hon. JOSEPH I. LIEBERMAN,
U.S. Senate, Washington, DC.

DEAR SENATOR LIEBERMAN: The National Association of Manufacturers believes that the "Freedom for Russia and Emerging Eurasian Democracies and Open Marks Support Act," S. 2532 is potentially important legislation, and is prepared to support it. We would support it with far greater enthusiasm, however, if it contained as a separate section your excellent amendment on "Business and Commercial Development in the Former Soviet Union."

From our perspective, your amendment, if adopted, would be the most profound element of this legislation. S. 2532 as a whole has to do with the external responses of the United States and others to the dramatic changes in the former Soviet Union which have occurred over the last three years. Your business and Commercial Development Amendment addresses the changes that America itself must make if it is to prosper in the decades ahead. The clear statement in this amendment that "active United States business participation in the commercial development of the former Soviet Union will create new markets and jobs for the United States . . ." represents the kind of insight that is central to future prosperity of the United States.

Your amendment begins the process of forging a new business-government partnership in the United States. If properly pursued, that partnership will quicken the pace of development in the former Soviet Union and ensure the perpetuation of American commercial competitiveness long into the future.

In this regard, we believe it is especially important:

That the findings in the proposed new section clearly state that U.S. jobs and competitiveness will be enhanced if American manufacturers play a significant role in the development of the former Soviet Union;

That the President be encouraged to use Agency for International Development funds for capital projects and for the purchase of certain [American supplied] industrial goods by Russian enterprises;

That new funds be authorized for EximBank, the Overseas Private Development Corporation, and the Trade Development Program. Each of these agencies has the ability to reduce the risks of doing business abroad and so make American firms more competitive in the risky environment of the former Soviet Union;

That technical assistance for Russia be understood in terms of the tremendous technical capabilities of American industry and that the U.S. government be prepared to support innovative industry projects in Russia, whether wholly new or already in progress;

That the Administration publish regular, in-depth reports on what other countries are doing to support their national firms operating in Russia and in the other CIS countries;

That the U.S. Government's ability to assist American firms be strengthened in a number of ways, including the establishment of a special advisory council to the President, an expansion of the Foreign Commercial Service effort in CIS countries, more U.S. consulates in those countries, and the development of a Commerce Department business center here in the United States designed to help firms engaged in or planning commercial activities in Russia and other countries of the former Soviet Union; and

That every effort be made to minimize the problems that inevitably accompany expanding commercial relationships, such as pricing disputes and problems of non-payment.

These are all excellent provisions, but it is important to remember that, for many firms and for the United States as a whole, they are at best a bare minimum, the rudimentary beginnings of a competitive partnership. As a rule of thumb, others do more. Th reasons for this are not obscure. Because of America's responsibilities for the defense of the West in the post-World War II era, our country has been relatively less able than others to focus its energies on international business. By identifying the U.S. commercial interests affected by economic developments in the former Soviet Union, your amendment contributes to America's own adjustment to a new world. It has our full support.

Sincerely,

JERRY J. JASINOWSKI,
President.

BUSINESS FOR U.S. TRADE
WITH CIS REPUBLICS,
Washington, DC, June 16, 1992.
Hon. JOSEPH I. LIEBERMAN,
United States Senate,
Washington, DC.

Dear SENATOR LIEBERMAN: We are writing to ask your support of an amendment to S. 2532, the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act," to be offered by Senators Lieberman, Baucus, DeConcini, Boren, Roth and Garn when the bill is considered by the Senate.

The purpose of this amendment is to facilitate the crucial role of the U.S. private sector in the development of market economies in the former Soviet Union. Such facilitation will enhance the opportunities for U.S. business in this important emerging market and lead ultimately to the creation of jobs in the United States. The amendment would:

Create a business and agriculture advisory council to evaluate on an ongoing basis the contribution to investment and exports by U.S. firms of bilateral and multilateral aid programs;

Authorize additional funds for Eximbank, OPIC and the Trade and Development Program to facilitate commercial and technical assistance in cooperation with U.S. business on a cost-sharing basis and to support promising appropriate projects;

Authorize use of AID funds for capital projects for U.S. companies especially in priority sectors, and for certain critical exports which support self-sufficiency;

Authorize the Department of Commerce to provide technical assistance, expand the Foreign and Commercial Service in the Republics, and help small and medium-sized U.S. businesses to enter that market.

The Freedom Support Act is an important step toward helping these new republics develop market economies. We believe this amendment will considerably strengthen its effectiveness in achieving that objective and we urge your support for it.

American Committee on U.S.-CIS Relations, Coalition for Employment through Exports, Emergency Committee for American Trade, National Association of Manufacturers, National Foreign Trade Council, U.S. Chamber of Commerce, U.S. Council for International Business.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, June 9, 1992.
Hon. BROCK ADAMS,
U.S. Senate, Washington, DC.

DEAR SENATOR ADAMS: The U.S. Chamber of Commerce would like to bring to your attention some issues concerning S. 2532—the Freedom Support Act—on assistance to the independent states of the former Soviet Union. The Chamber supports S. 2532, but believes that improvements are warranted. These improvements are intended to strengthen the role of the U.S. business community in assistance efforts, as well as to provide U.S. companies with the support they need to become involved in this enormous market.

We expect Senator Joseph Lieberman to sponsor an amendment designed to strengthen various U.S. trade and investment promotion initiatives. This amendment would augment programs by the U.S. Department of Commerce, the U.S. Trade and Development Program, the Overseas Private Investment Corporation, and the Export-Import Bank of the United States in cooperation with U.S. businesses. It would also back projects undertaken by U.S. business on the basis of cooperation agreements with appropriate entities of the nations of the former Soviet Union. The proposed amendment also envisages a support center for small and medium-sized businesses.

The dominant role of American business in technical assistance is vital to the success of the assistance program in general and to individual companies in particular. While we support the sections of the act that seek to promote the involvement of the private sector, language is also needed to link the coordinating and administrating activities of the agencies themselves more closely to American business expertise. Such expertise should be formalized in a private sector advisory council as proposed in Senator Lieberman's amendment.

There is nothing less at issue here than the shaping of human society. The United States cannot afford to lose this occasion to assist these developing nations, nor should we pass up the chance to enter a potentially huge market of over 290 million people. More exports mean more production, which in turn means more jobs. The U.S. Chamber encourages you to work together to pass this legislation expeditiously.

Sincerely,

WILLIAM T. ARCHEY,
Senior Vice President.

U.S. CHAMBER OF COMMERCE—BUSINESS LANGUAGE IN THE FREEDOM SUPPORT ACT

Freedom Support Act—S. 2532 (as introduced)	S. 2532 (as marked up by committee)	Lieberman amendment
Involves U.S. private sector through activities such as trade missions, business consortia, a central information clearinghouse, information networks, special programs for small/medium-sized business.	Emphasizes private and voluntary organizations' activities, through training by volunteer business people, existing agencies (i.e. USIA, NED, CDC), and exchanges.	Mandates Department of Commerce's development of programs and projects for business and commercial development, including through business consortia, business training, exchange programs, bi-national business development committees, development of product standards and feasibility studies using U.S. and local business expertise, and special programs to assist small/medium-sized businesses to enter commercial markets in the states of former Soviet Union. Expands the Foreign Commercial Service in all the states of the former Soviet Union, especially through business centers. Benefit for Business: Provides a concrete framework to help U.S. small and large companies penetrate this new market and predisposes potential partners there to buy American.
One or more Enterprise Funds and a Eurasia Foundation to provide funds for management and economic training and technical assistance, including assistance for demonstration projects by American businesses.	Same	Establishes a Business/Agribusiness Advisory Council to advise the President on assistance programs for the nations of the former Soviet Union and to evaluate programs. Made up of members from the private sector. Benefit for Business: Provides a direct role for U.S. business in government policy and program advice. Encourages AID to fund capital projects and the export of intermediary industrial and consumer goods to promote self-sufficiency in independent states. Benefit for Business: Ensures aid through trade.
Technical assistance for independent states of the former Soviet Union to help normalize economic relations and increase trade, including seminars on MFN and GSP.	Expands trade and investment relations between US business and the states of the former Soviet Union through information networks, American Business Centers (as in Warsaw), and other "business incubator" services.	Authorizes commercial and technical assistance through OPIC, TDP, and Exim to be implemented in cooperation with American businesses on a cost-sharing basis to help identify and develop priority sectors in former Soviet Union. Special support to be given by Exim, TDP, and OPIC for U.S. business ventures in the area. Both Exim and OPIC are authorized to use maximum amount of "flexibility" with their programs. Exim programs to include project finance, barter, and countertrade; OPIC's programs to include coverage of contract frustration by government or private sector. Benefit for Business: Sets the financing and insurance mechanisms to allow U.S. companies to be competitive in this market of 290 million potential consumers.
Language suggesting coordination of activities, though does not spell out how.	No coordination language	Programs by Exim, TDP, and OPIC to be coordinated through the Trade Promotion Coordinating Committee and to share common eligibility criteria. Otherwise, authorizes Commerce to allocate funds for programs. Benefit for Business: Guarantees U.S. companies a "one-stop shop" for trade facilitation.
Appropriations: sums as necessary as well as through the Foreign Assistance Act, the SEED Act, and loan guarantees.	Same	Same.
IMF quota increase by 8,608,500,000	do	Other: Establishes an energy coordinating committee through the Trade Promotion Coordinating Committee to help US energy sector develop market strategy.
$3 billion currency stabilization fund(s)	do	Benefit for Business: Enhances the U.S. energy and environment industries' competitive edge in this mammoth market. Calls on independent states to be responsible for commercial debt and other commercial obligations to American businesses.
Reduction of COCOM restrictions		Benefit for Business: Gives U.S. companies added leverage to ensure that debts owed to them will be paid.

SUMMARY OF THE LIEBERMAN, BAUCUS, ROTH, DECONCINI, GARN, BOREN, BENTSEN, DOLE, ADAMS, PELL, BYRD, SIMPSON, AND WOFFORD AMENDMENT TO S. 2532, THE FREEDOM SUPPORT ACT

Findings—The findings emphasize the important role that the American business community can play in creating jobs back home, while attempting to assist the nations of the former Soviet Union.

Advisory Council—The President in consultation with Congress is authorized to establish a business advisory council, whose purpose it would be to advise and consult with the President regarding the effectiveness of assistance programs that would facilitate exports to an investment in the nations of the former Soviet Union.

Agency for International Development—The President is authorized and encouraged to fund capital projects—such as telecommunications, environmental cleanup, and power production—in the nations of the former Soviet Union.

Export Financing and Promotion—The Export-Import Bank, the Trade and Development Program (TDP), and OPIC are encouraged to support projects that are in keeping with the objectives of the Act and to use maximum flexibility, while remaining financially prudent, in the implementation of their programs. Eximbank, OPIC, and TDP are also encouraged to coordinate their efforts through the Trade Promotion Coordinating Committee.

Department of Commerce programs—The Department of Commerce is authorized to establish a number of programs to assist businesses, particularly small and medium sized businesses, in keeping with the type of programs that it has established for the nations of East Central Europe. This section also encourages the expansion of the Foreign Commercial Service throughout the region. Finally, it calls for a report from Commerce on the effectiveness of assistance programs of other nations to help their business community and to look at potential obstacles for American trade and investment in the region.

Energy Working Group—The Trade Promotion Coordinating Committee is encouraged to utilize its energy working group to assist American energy sector companies to develop a long term strategy for penetrating the energy market in the independent states of the former Soviet Union.

Policy on Repayment of Debt—Sense of Congress statement that the nations of the former Soviet Union should address that issue of the repayment of overdue commercial debt.

Mr. GARN. Mr. President, I rise to support the amendment offered by Senator LIEBERMAN of which I am a cosponsor. As I have previously indicated in connection with the Banking Committee amendment I offered with Senator RIEGLE, it is important that this assistance package for the newly independent states be recognized as important for U.S. business and the U.S. economy, not as an act of charity. To that end, this amendment strengthens the bill's focus on assisting U.S. business to expand trade and create jobs.

The former Soviet Union represents a massive new market for United States goods and a vast pool of natural resources, advanced technologies, and human capital that can be tapped to our mutual benefit. I want to be sure that, if at all possible, those resources are tapped with the help of U.S. industry—there can be no better teacher on market principles and capitalism.

There is some overlap between this amendment and the Riegle-Garn amendment that will have to be worked out in conference. However, there is no conflict between the amendments and the basic thrust of both is the same. We must promote an economic alliance between the United States and Russia and the other new Republics and unleash the potential of our private sector to achieve it. To that end, I urge the adoption of the Lieberman amendment by the Senate.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I rise in strong support of the amendment. I think it is something we have to pursue in our country if we are going to strengthen our economy—No. 1 order of business—so more Americans have more jobs. I believe this provision lays the legislative groundwork for upgrading foreign aid policy.

We have to change a lot of things in this country, or one effort we have to change very much is how we spend our foreign aid, how we conduct our foreign aid policy. This amendment goes a long way in addressing that. We have to essentially change foreign aid so we create more jobs in America.

This new policy contained in this amendment is really based on a theme of partnership, of teamwork, of American business working with American Government, something that has been lacking in this country, something we have to pursue much more aggressively.

The United States has been slow to adjust its foreign aid program, unfortunately, to realities of our rapidly changing world. Our current program is founded on legislation, unfortunately, dating from back in the 1960's and for too long we funded foreign development with little regard to U.S. economic interests.

Today we have enormous economic problems within our own borders. We must learn to balance our world leadership role, something that we want to pursue, a leadership role that other countries want us to continue. We must balance that leadership role with our own domestic needs for economic growth and job creation at home.

With this amendment, we can help meet the developing world's desire for expanded commerce as well as expand our own commercial growth and improve our own competitive position.

It is broadly recognized that the major economic needs of the former Soviet Union cannot be met by public resources alone. The private sector must be mobilized to actively assist in the creation of free market-oriented economies in these newly independent states. This amendment seeks to foster cooperation between public and private efforts.

If the United States fails to pursue aggressively these new commercial opportunities, then rest assured that our trading partners will feel the vacuum: Germany, Japan, South Korea, Taiwan, nations that have already mobilized, that are working very aggressively so that their own people, their own countries are also taking advantage of foreign aid, foreign trade opportunities. We, therefore, should give our businesses the type of Government support that is commonplace among our trading competitors; in effect, we must be more of a team within America.

I urge my colleagues to support this amendment. It is time to change the way that we Americans give foreign aid. The measure represents an initial step toward ensuring foreign aid promotes American jobs along with foreign development.

I ask unanimous consent that letters in support of the amendment, one from the National Association of Manufacturers, sent by Jerry Jasinowski, the president of NAM, along with a letter from Frank D. Kittredge, president of the National Foreign Trade Council, and a letter from the Business for U.S. Trade CIS Republics be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION
OF MANUFACTURERS,
Washington, DC, June 17, 1992.

Hon. MAX BAUCUS,
U.S. Senate, Washington, DC.

DEAR SENATOR BAUCUS: Our understanding is that the Senate will vote soon—possibly today—on the "Freedom for Russia and Emerging Eurasian Democracies and Open Marks Support Act," S. 2532. This is potentially important legislation, and NAM is prepared to support it. We would support it with far greater enthusiasm, however, if it contained as a separate section the excellent amendment which will be offered by Senators Lieberman, Baucus, DeConcini, Boren, and Garn on "Business and Commercial Development in the Former Soviet Union."

From our perspective, this amendment, if adopted, would be the most profound element of the legislation. S. 2532 as a whole has to do with the external responses of the United States and others to the dramatic changes in the former Soviet Union which have occurred over the last three years. The Business and Commercial Development Amendment addresses the changes that America itself must make if it is to prosper in the decades ahead. The clear statement in this amendment that "active United States business participation in the commercial development of the former Soviet Union will create new markets and jobs for the United States . . ." represents the kind of insight that is central to our future prosperity.

This amendment begins the process of forging a new business-government partnership in the United States. If properly pursued, that partnership will quicken the pace of development in the former Soviet Union and ensure the perpetuation of American commercial competitiveness long into the future.

In this regard, we believe it is especially important:

That the findings in the proposed new section clearly state that U.S. jobs and competitiveness will be enhanced if American manufacturers play a significant role in the development of the former Soviet Union;

That the President be encouraged to use Agency for International Development funds for capital projects and for the purchase of certain [American supplied] industrial goods by Russian enterprises;

That new funds be authorized for EximBank, the Overseas Private Development Corporation, and the Trade Development Program. Each of these agencies has the ability to reduce the risks of doing business abroad and so make American firms more competitive in the risky environment of the former Soviet Union;

That technical assistance for Russia be understood in terms of the tremendous technical capabilities of American industry and that the U.S. government be prepared to support innovative industry projects in Russia, whether wholly new or already in progress;

That the Administration publish regular, in-depth reports on what other countries are doing to support their national firms operating in Russia and in the other CIS countries;

That the U.S. Government's ability to assist American firms be strengthened in a number of ways, including the establishment of a special advisory council to the President, an expansion of the Foreign Commercial Service effort in CIS countries, more U.S. consulates in those countries, and the development of a Commerce Department business center here in the United States designed to help firms engaged in or planning commercial activities in Russia and other countries of the former Soviet Union; and

That every effort be made to minimize the problems that inevitably accompany expanding commercial relationships, such as pricing disputes and problems of non-payment.

These are all excellent provisions, but it is important to remember that, for many firms and for the United States as a whole, they are at best a bare minimum, the rudimentary beginnings of a competitive partnership. As a rule of thumb, others do more. The reasons for this are not obscure. Because of America's responsibilities for the defense of the West in the post-World War II era, our country has been relatively less able than others to focus its energies on international business. By identifying the U.S. commercial interests affected by economic developments in the former Soviet Union, your amendment contributes to America's own adjustment to a new world. It has our full support.

Sincerely,

JERRY J. JASINOWSKI,
President,
National Association of Manufacturers.

NATIONAL FOREIGN
TRADE COUNCIL, INC.,
Washington, DC, June 22, 1992.

Hon. MAX BAUCUS,
U.S. Senate, Washington, DC.

DEAR SENATOR BAUCUS: I am writing to urge you to support an amendment to the "Freedom Support Act" being offered by Senators Lieberman, Baucus, Roth, DeConcini, Garn, Boren and Bentsen.

As Presidents Bush and Yeltsin both stressed during last week's summit meeting, the private sector will play the decisive role in creating a market economy in the republics of the former Soviet Union. This amendment will strengthen the business facilitation programs of the U.S. government and thereby give stronger support and encouragement to the private sector to trade and invest. The bill would, among other things:

Create a mechanism for senior private sector evaluation of aid programs;

Promote technical assistance to promising private sector projects;

Assist small and medium-sized U.S. enterprises interested in doing business in the former Soviet Union;

Authorize use of AID funds for capital projects for U.S. companies in areas identified at the January multi-lateral summit as priority sectors.

This amendment is consistent with the objectives of the Freedom Support Act and makes it more likely that those objectives will be achieved.

The National Foreign Trade Council, which is comprised of 500 member companies engaged in international trade and investment, urges, therefore, your support both for this amendment and for the Freedom Support Act.

Sincerely,

FRANK D. KITTREDGE,
President.

BUSINESS FOR U.S. TRADE
WITH CIS REPUBLICS,
Washington, DC, June 16, 1992.

Hon. MAX BAUCUS,
U.S. Senate, Washington, DC.

DEAR SENATOR BAUCUS: We are writing to ask your support of an amendment to S. 2532, the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act," to be offered by Senators Lieberman, Baucus, DeConcini, Boren, Roth and Garn when the bill is considered by the Senate.

The purpose of this amendment is to facilitate the crucial role of the U.S. private sector in the development of market economies in the former Soviet Union. Such facilitation will enhance the opportunities for U.S. business in this important emerging market and lead ultimately to the creation of jobs in the United States. The amendment would:

Create a business and agriculture advisory council to evaluate on an ongoing basis the contribution to investment and exports by U.S. firms of bilateral and multilateral aid programs;

Authorize additional funds for Eximbank, OPIC and the Trade and Development Program to facilitate commercial and technical assistance in cooperation with U.S. business on a cost-sharing basis and to support promising appropriate projects;

Authorize use of AID funds for capital projects for U.S. companies especially in priority sectors, and for certain critical exports which support self-sufficiency;

Authorize the Department of Commerce to provide technical assistance, expand the Foreign and Commercial Service in the Republics, and help small and medium-sized U.S. businesses to enter that market.

The Freedom Support Act is an important step toward helping these new republics develop market economies. We believe this amendment will considerably strengthen its effectiveness in achieving that objective and we urge your support for it.

American Committee on U.S.-CIS Relations, Coalition for Employment through Exports, Emergency Committee for American Trade, National Association of Manufacturers, National Foreign Trade Council, U.S. Chamber of Commerce, U.S. Council for International Business.

Mr. BAUCUS. I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Senator from Indiana.

Mr. LUGAR. Mr. President, I commend the distinguished occupant of the Chair and Senator GARN and others who have offered this important amendment for adding materially to this legislation through this amendment.

Mr. President, Secretary Franklin, the Secretary of Commerce, has strongly commended this amendment and the provisions that have been included. It is so important that the impression of this legislation be cast accurately, and that impression is clearly one of assistance to American business. We want a relationship with a very large market. Obviously, we want a good relationship politically and in terms of our security interests, and those have been addressed in previous amendments and in the bill itself.

But the hallmark, at least, of this legislation is that American business will have entry to Russia. American business looks toward recodification of the laws, the banking practices, and ways in which clearly capital can go in and dividends come out, and a normal flow associated with an open society as opposed to a closed society would be established.

We have commended the strong work of President Yeltsin and Prime Minister Gaydar. Those efforts continue and are certainly in the press today as they have proceeded with bold programs leading toward convertibility situations and openness toward American business. But our side of the issue is contained in this amendment and in other provisions which it supports.

For these reasons, we strongly support the amendment on our side.

Mr. President, my understanding from the distinguished chairman is that it may be necessary for the amendment to be laid aside temporarily because of budget implications. I have asked to make this statement of support prior to that consideration because I strongly believe in the efficacy and the desirability of the amendment. But it may be that the issue may be laid to rest for the moment.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, this is truly an excellent amendment we are discussing. It has received the support of Secretary Franklin. It is an amendment that fills the gap which has been the lack of concern about our commercial antennae, if you want to use that phrase, around the world or in areas in which we are interested in developing those relationships.

There is one small problem, and I trust the amendment will be modified so that the "such sums as may be necessary" language is removed to address the concerns of the Appropriations Committee. Until that time, I must ask the amendment be laid aside and I ask unanimous consent that the amendment of the Senator from Connecticut be temporarily laid aside and we then turn to the amendment of the Senator from New Jersey.

The PRESIDING OFFICER. Is there objection? Hearing none, the amendment of the Senator from Connecticut will be temporarily laid aside.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. BYRD. Mr. President, will the distinguished Senator from New Jersey yield to me for a unanimous-consent request?

Mr. BRADLEY. I will be glad to yield to the distinguished chairman. I was simply seeking recognition for a brief unanimous-consent request myself. I will be prepared to yield to the Senator.

Mr. BYRD. I only want to ask unanimous consent that following the action of the Senate on the amendment by Mr. BRADLEY, I be recognized to call up an amendment.

I make that request.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. BRADLEY] is recognized.

Mr. SARBANES. Mr. President, was the unanimous-consent request of the Senator from West Virginia granted?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request offered by the Senator from West Virginia?

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I understand that I made an error just now; that there is another amendment of the Presiding Officer that was to be considered prior to Mr. BRADLEY's. So I would ask if the Senator could leave the chair and present the second amendment.

Mr. LUGAR. Mr. President, reserving the right to object to the unanimous-consent request, could I inquire of the distinguished Senator from West Virginia the nature of the amendment he wishes to offer?

Mr. BYRD. Yes. I was lax in not stating what it is about, because Senators are entitled to know before they grant the request.

This amendment has to do with coal technology. It is my understanding it has been cleared on both sides.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER (Mr. SARBANES). Without objection, the unanimous-consent request of the Senator from West Virginia is agreed to.

Under the previous order, the Chair now recognizes the Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair. I will yield briefly to my colleague from New Jersey.

Mr. BRADLEY. Mr. President, I ask unanimous consent that two fellows of the office, Natalie Coburn and Claudia Detweiler, be granted floor privileges during consideration of the Freedom Support Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Connecticut.

AMENDMENT NO. 2679

(Purpose: To authorize the establishment of a foundation to provide research and development opportunities for scientists and engineers of the former Soviet Union, and for other purposes)

Mr. LIEBERMAN. Mr. President, I have an amendment which I send to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report this amendment offered by the Senator from Connecticut.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN] for himself, Mr. GORE, and Mr. DOMENICI, proposes an amendment numbered 2679.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, after line 13, add the following new section:

SEC. 21. ESTABLISHMENT OF FOUNDATION.

(a) ESTABLISHMENT.—The Director of the National Science Foundation (hereafter in this section referred to as the "Director") is authorized to establish an endowed, nongovernmental, nonprofit foundation (hereafter in this section referred to as the "Foundation") in consultation with the Director of the National Institute of Standards and Technology.

(b) PURPOSES.—The purposes of the Foundation shall be the following:

(1) To provide productive research and development opportunities within the independent states of the former Soviet Union that offer scientists and engineers alternatives to emigration and help prevent the dissolution of the technological infrastructure of the independent states.

(2) To advance defense conversion by funding civilian collaborative research and development projects between scientists and engineers in the United States and in the independent states of the former Soviet Union.

(3) To assist the establishment of a market economy in the independent states of the former Soviet Union by promoting, identifying, and partially funding joint research, development, and demonstration ventures between United States businesses and scientists, engineers, and entrepreneurs in those independent states.

(4) To provide a mechanism for scientists, engineers, and entrepreneurs in the independent states of the former Soviet Union to develop an understanding of commercial business practices by establishing linkages to United States scientists, engineers, and businesses.

(5) To provide access for United States businesses to sophisticated new technologies, talented researchers, and potential new mar-

kets within the independent states of the former Soviet Union.

(c) FUNCTIONS.—In carrying out its purposes, the Foundation shall—

(1) promote and support joint research and development projects for peaceful purposes between scientists and engineers in the United States and former Soviet states on subjects of mutual interest; and

(2) seek to establish joint nondefense industrial research, development, and demonstration activities through private sector linkages which may involve participation by scientists and engineers in the university or academic sectors, and which shall include some contribution from industrial participants.

(d) FUNDING—

(1) DEBT CONVERSIONS.—To the extent provided in advance by appropriation Acts, local currencies or other assets resulting from government-to-government debt conversions may be made available to the Foundation. For purposes of this paragraph, the term "debt conversion" means an agreement whereby a country's government-to-government or commercial external debt burden is exchanged by the holder for local currencies, policy commitments, other assets, or other economic activities, or for an equity interest in an enterprise theretofore owned by the debtor government.

(2) LOCAL CURRENCIES.—In addition to other uses provided by law, and subject to agreement with the foreign government, local currencies generated by United States assistance programs may be made available to the Foundation.

(3) INVESTMENT OF GOVERNMENT ASSISTANCE.—The Foundation may invest any revenue provided to it through United States Government assistance, and any interest earned on such investment may be used only for the purpose for which the assistance was provided.

(4) CONTRIBUTION TO ENDOWMENT BY PARTICIPATION INDEPENDENT STATES.—As a condition of participation in the Foundation, an independent state of the former Soviet Union must make a minimum contribution to the endowment of the Foundation, as determined by the Director, which shall reflect ability of the independent state to make a financial contribution and its expected level of participation in the Foundation's programs.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, and made available to the Director, to establish the endowment of the Foundation and otherwise carry out this section, such sums as may be necessary.

Mr. LIEBERMAN. Mr. President, this amendment, which I am proud to propose along with my friend and colleague from Tennessee, Mr. GORE, and my friend from New Mexico, Mr. DOMENICI, is patterned after an existing foundation that joins the United States and Israel in joint development of research, technological, and economic opportunities.

Mr. President, this amendment is another attempt to make the point that we have extraordinary common interests, economic common interests, with the people of the Soviet Union in this new stage of our relationship, and that as we extend aid, we do so not just to promote world security but also to exploit economic opportunities.

Let me describe the BIRD Foundation—in this case, it is B-I-R-D—established in 1977 between Israel and the United States, because that is the exact model of what Senators GORE, DOMENICI, and I are trying to create through this amendment in what we call the AmeRus Foundation.

The BIRD Foundation establishes mutually profitable cooperation between the private sectors of the United States and, in that case, Israeli high-tech industries. Both nations put money into this nongovernmental, nonprofit foundation. The BIRD Foundation itself then invests in businesses that come to it. BIRD cost-shares 50-50 with each partner in an American company and an Israeli company team that seeks to develop and commercialize any innovative nondefense technical product or process.

The BIRD Foundation's investments, which have averaged about $600,000 over a 15- to 18-month period for large projects, and $75,000 over a year or less for small projects, buys the foundation neither equity nor rights to intellectual property but buys the foundation the right to receive royalties from successful projects up to a prestated maximum.

Any pair of companies, one from each country, may apply jointly so long as they have between them the capabilities and the infrastructure to define, develop, manufacture, sell, and support an innovative product based on industrial research and development.

Companies can be commonly owned. They can be linked to a corporate joint venture, or they simply can be cooperating on an ad hoc basis. The key criterion is that each corporate entity has to have the ability to carry out its part of the joint development and commercialization plan.

The good news is since the first project was initiated back in 1979 by this binational Israeli-American corporation, the foundation has supported over 150 joint projects, each involving a company from each country. As of April 1990, the last time for which we have numbers, over 100 of the projects have led directly or indirectly to sales totaling $1.5 billion, creating jobs in both countries and having the foundation on a self-supporting, self-sustaining basis.

Mr. President, this is an opportunity for us to seize this moment, meet a need that both countries have, and develop economic potential. It is an opportunity not only to do good in helping the former Soviet Union but also to do well by funding profitable ventures for American entrepreneurs.

Finally, I should like to point out that earlier this year, I requested a study from the Congressional Research Service, which they entitled "Eastern European and Soviet Science and Technology: Capabilities and Needs." Bill Boesman, who is the study's author, wrote:

> The Soviets excel in some areas of basic research, and in military and space science and technology, while being unable to conduct much satisfactory civilian R&D or produce many state-of-the-art civilian products.

By putting together our business expertise with skills of former scientists in the Soviet Union through this AmeRus Foundation, American investors will be able to share in profits in innovations developed through joint ventures. And these joint ventures and projects can help to create the culture of capitalism that is needed in the nations of the former Soviet Union, and create income and jobs for people in the United States.

Mr. President, I am glad to see that there is an amendment identical to the language in this one that the House Foreign Affairs Committee recently marked up, which was taken from a bill introduced in the other body by Congressman GEORGE BROWN, chairman of the House Committee on Science, Space, and Technology. I have, therefore, optimism to believe that, if we act, their good idea can, in fact, become a reality.

I urge my colleagues to support the amendment.

I yield the floor.

Mr. GORE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. GORE. I am very pleased, Mr. President, to join with my colleague and friend, Senator LIEBERMAN, in offering this amendment to establish a foundation for the purpose of promoting joint efforts between United States scientists, engineers, and businessmen and scientists in the post-Soviet States in nondefense fields.

Senator LIEBERMAN and I have worked together very closely for an extended period of time in creating this amendment.

I would also like to express gratitude to my colleagues on the committee on both sides of the aisle for receiving this idea favorably and allowing it to proceed. And, along with Senator LIEBERMAN, I, too, would like to compliment Congressman GEORGE BROWN in the other body, the chairman of the Science Committee there and the principal sponsor of this initiative on the House side.

This measure fills a gap in our approach to the problem of helping to advance the transition of the economies of these states from a quasi-war footing, to a normal, civilian, market driven economy.

We have been rightfully concerned that former Soviet military scientists would migrate and take with them dangerous skills. In response to that, we have set up mechanisms designed to employ them in place, and to help them find their way toward a new civilian orientation. In the meantime, however, we have not thought to make similar provisions for programs of cooperation with former Soviet nondefense scientists and engineers.

There is a certain irony in that. The Soviet government starved the civilian research base to conserve resources for its military effort. We might be inadvertently following a similar course of action. This amendment restores balance to our approach. I strongly believe that the approach we are recommending here will benefit both ourselves and the former Soviet states at several levels.

It will provide access for U.S. businesses to sophisticated technologies and to talented researchers in the former Soviet states.

It will serve as entré for U.S. products and services to potential new markets in the former Soviet states.

It will help clusters of former Soviet scientists and engineers and entrepreneurs to find their way into producing and leading roles in the market economy that is struggling to emerge. That process is absolutely vital if we are to succeed in helping their overall economic transition from a prewar to a true peacetime footing.

Some U.S. funding will be needed to endow and operate the proposed foundation. We will be seeking that money in separate legislation. Our purpose here is to authorize establishment of the necessary institution. I urge my colleagues to support this measure. It will produce benefits far outweighing its costs to the taxpayer. The money we spend will truly have a catalytic effect, bringing about a powerful multiplication of points of contact between creative forces in our own economic life, and those who wish to serve their own societies in a similar way on the side of the former Soviet States.

I yield the floor.

Mr. BENTSEN. Mr. President, the Freedom Support Act is yet one more symbol of the revolution that has transpired in United States-Soviet relations. Its aim is to assist a former adversary in making the transition from an unproductive command economy geared to military expansion, to a free market environment that will provide the Russian people the goods and services they have so long been denied. The success of that transition hinges on the flowering and survival of Russia's fledgling democratic institutions. The case for the Freedom Support Act is as compelling today as was the case for the extension of Marshall plan assistance to Western Europe after World War II.

Our proposed amendment aims at enhancing the Freedom Support Act by broadening it from just a government-to-government enterprise, to one which incorporates American private sector, free market expertise. It is consistent with the principle of aid for trade. It will more fully engage the American private sector in the critical economic reconstruction of the impoverished republics of the former Soviet Union. It will help U.S. companies gain a foothold in a potentially abundant market for American goods and services. In short, the amendment, like the Freedom Support Act, is good for America, good for Russia and the other nations of the old Soviet Union—and good for American business.

I understand the concerns of those who regard the Freedom Support Act as a less important priority than working on solutions to our own mounting economic, social, and fiscal problems. There is no question that the cold war exacted a heavy toll on our economic health, social progress, and fiscal discipline. For over four decades we were compelled to spend trillions on defense that might otherwise have been allocated to improving the lot of our own citizens and the quality of our Nation's natural, social, and economic environments. There is no question that the cold war's demise affords us fresh and unparalleled opportunities to focus anew on domestic problems.

But there is also no question that we have an enormous stake in the outcome of the wrenching political and economic changes now sweeping the former Soviet Union. Having won the cold war at a cost of trillions, are we now to turn our backs on measures that could ensure a permanent peace? Do we want to risk repeating the mistakes of 1919? Do we wish to encourage a repetition of the events in Moscow of August 1991? Do we want to see the present democratic and free market experiment in Russia succumb to the forces of reaction that until just a few years ago dominated Russian history? Do we want 10, 15, or 20 years from now, once again to have to rearm against an authoritarian and expansionist Russia?

Mr. President, I am hardly suggesting that passage of the Freedom Support Act will guarantee the triumph of democracy, free market institutions, and a pacific foreign policy for the nations of the former Soviet Union. But I am convinced that we cannot simply walk away from our victory in the cold war. We must also do everything we can within our limited means to ensure that the causes of what John F. Kennedy called that "long twilight struggle" do not reappear.

The PRESIDING OFFICER. The question occurs on the amendment offered by the Senator from Connecticut.

The amendment (No. 2679) was agreed to.

Mr. LIEBERMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the previous order into which the Senate entered, the Senator from New Jersey is recognized to offer an amendment.

Mr. PELL. I thought we laid to the side the amendment of the Senator from Connecticut, and we would have another amendment to consider, as modified.

The PRESIDING OFFICER. The manager is correct. The Senator from Connecticut had an amendment which was laid aside and now reoccurs and is pending before the body.

AMENDMENT NO. 2678, AS MODIFIED

Mr. LIEBERMAN. Mr. President, I have a modification to my amendment, which I send to the desk at this time.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

On page 52, after line 13, add the following new section:

SEC. 21. BUSINESS AND COMMERCIAL DEVELOPMENT IN THE FORMER SOVIET UNION.

(a) FINDINGS.—The Congress finds that—

(1) United States jobs and competitiveness will be enhanced if American business and agriculture play a significant role in the development of market economies of the independent states of the former Soviet Union;

(2) it is in the interest of the United States that all assistance programs be structured to maximize the purchase of United States goods and services;

(3) American businesses are the key to the viable restructuring of the independent states of the former Soviet Union;

(4) active United States business participation in the commercial development of the former Soviet Union will create new markets and jobs for the United States as well as enhance development in these nations;

(5) assistance under this Act should be considered an investment in the economic future of both the United States and the independent states of the former Soviet Union.

(6) the United States Government can play an important role in assisting United States exporters in the rapidly changing and highly competitive markets of the independent states of the former Soviet Union;

(7) assistance for the independent states of the former Soviet Union should be equitably distributed within each such state, and this should include technical assistance, additional Foreign Commercial Service officers, and financing through the Overseas Private Investment Corporation, the Export-Import Bank of the United States, and the Trade and Development Program; and

(8) it is in the interest of the American business community and the independent states of the former Soviet Union for the United States Government to move expeditiously—

(A) to open up new consulates throughout such states, particularly those already scheduled to be opened; and

(B) to provide timely consideration in the issuance of visas.

(b) ADVISORY COUNCIL.—(1) The President is authorized to establish an advisory council to be known as the New Independent States Business and Agriculture Advisory Council (hereafter in this section referred to as the "Council").

(2) The duties of the Council would be—

(A) to advise the President regarding programs of assistance for the independent states of the former Soviet Union;

(B) to evaluate the adequacy of bilateral and multilateral assistance programs that would facilitate exports and investments by American firms in the independent states of the former Soviet Union; and

(C) to consult with the President periodically with respect to the matters described in subparagraphs (A) and (B).

(3) The Council should consist of fifteen members drawn from United States firms reflecting diverse businesses and perspectives that have experience and expertise relevant in dealing with the independent states of the former Soviet Union.

(4) The membership of the Council should be appointed as follows:

(A) Five members appointed by the President, one of whom the President shall designate to serve as chairman.

(B) Five members appointed by the President, upon the recommendation of the Speaker of the House of Representatives and the Minority Leader of the House of Representatives.

(C) Five members appointed by the President, upon the recommendation of the Majority and Minority Leaders of the Senate.

(5)(A) Members of the Council should receive no additional pay by reason of their service on the Council.

(B) Upon request of the Chairman of the Council, the head of any United States Government agency may detail, on a nonreimbursable basis any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this Act.

(c) ALLOCATION OF AGENCY FOR INTERNATIONAL DEVELOPMENT FUNDS.—The President is authorized and encouraged to use a portion of the funds made available for the independent states of the former Soviet Union under the Foreign Assistance Act of 1961—

(1) to fund capital projects, including projects for telecommunications, environmental cleanup, power production, and energy related projects; and

(2) to fund intermediary industrial goods and other consumables in order to promote self-sufficiency.

(d) EXPORT FINANCING AND PROMOTION.—(1)(A) Funds authorized to be appropriated to the Export-Import Bank of the United States, the Trade and Development Program, and the Overseas Private Investment Corporation (hereafter in this section referred to as "OPIC") may be made available to carry out this Act, including—

(i) the provision of commercial and technical assistance, implemented in cooperation with United States businesses on a cost-sharing basis, which, to the maximum extent feasible, would support the identification and development of priority sectors in the independent states of the former Soviet Union, including defense conversion, energy, energy efficiency, environmental protection, nuclear safety, agriculture, food processing and distribution, pharmaceuticals, transportation, telecommunications, education and training, and industrial and infrastructure modernization; and

(ii) the provision of support for projects undertaken by United States business on the basis of partnership, joint venture, contractual, or other cooperative agreements with appropriate entities in the independent states of the former Soviet Union.

(2) The Export-Import Bank of the United States is authorized to use the maximum amount of flexibility in supporting projects in the independent states of the former Soviet Union, including using project financing or other appropriate financing arrangements, in addition to flexibility otherwise authorized under this or any other Act.

(3) OPIC is authorized to use the maximum amount of flexibility with its programs, including coverage of contract frustration by government or private sector entities in the independent states of the former Soviet Union, in addition to flexibility otherwise authorized under this or other Acts.

(4) The President is authorized and encouraged to direct the Export-Import Bank of the United States, OPIC, TDP, the Agency for International Development, and the Department of Commerce to coordinate through the Trade Promotion Coordinating Committee their efforts in assisting American businesses and the independent states of the former Soviet Union, and such agencies and entities are encouraged to develop common eligibility criteria, to the extent possible, for operating their programs in the independent states of the former Soviet Union.

(e) DEPARTMENT OF COMMERCE.—(1) The Secretary of Commerce should—

(A) provide technical assistance to the independent states of the former Soviet Union through programs and projects for business and commercial development, including demonstration projects, especially in priority sectors described in subsection (d)(1)(A)(i), business consortia, business training and exchange programs, binational business development committees, the development of product standards, and the cost of preparing business opportunity profiles of those states using both United States private sector and local expertise;

(B) expand the Foreign Commercial Service in the independent states of the former Soviet Union, including the business centers described in this Act;

(C) develop a center to assist United States small- and medium-sized businesses in entering the commercial markets of the independent nations of the former Soviet Union, and to the maximum extent possible, the Department of Commerce should contract with a United States expert organization with proven experience in trade relations with the independent nations of the former Soviet Union to assist with the functioning of this center; and

(D) submit a report to Congress twelve months after the date of enactment of this Act, and annually thereafter, which will analyze the programs of other industrialized nations to assist their firms with their efforts to transact business in the independent states of the former Soviet Union and will include an examination of the trading practices of other OECD nations, as well as the pricing practices of transitional economies, that may disadvantage United States firms.

(2)(A) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the Secretary of Commerce such funds as may be necessary to carry out this subsection.

(f) UTILIZATION OF ENERGY WORKING GROUP.—(1) The Trade Promotion Coordinating Committee should utilize its interagency working group on energy to assist American energy sector companies to develop a long-term strategy for penetrating the energy market in the independent states of the former Soviet Union.

(2) The energy working group should—

(A) work with officials from the independent states of the former Soviet Union in creating an environment conducive to United States energy investment;

(B) help to coordinate assistance to American companies, particularly defense companies, involved with projects to clean up former Soviet nuclear weapons sites and commercial nuclear waste; and

(C) work with representatives from American business and industry involved with the energy sector to help facilitate the identification of business opportunities, including the promotion of environmentally sound oil, gas, and clean coal technology and products and energy efficiency and the formation of joint ventures between American companies and companies of the independent nations of the former Soviet Union.

(g) POLICY ON REPAYMENT OF DEBT.—It is the sense of the Congress that the independent states of the former Soviet Union should address the issue of repayment of overdue commercial debt and other commercial obligations, including the recognition and availability of hard currency obligations of agencies of the former Soviet Government to American businesses.

Mr. LIEBERMAN. Mr. President, the modification brings the technical wording of the amendment in line with the rest of the underlying bill as it relates to appropriations and programs authorized under the amendment. I therefore urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. PELL. I thank the Senator from Connecticut for making the adjustment, putting in the specifics for certain sums. It is a great amendment. We look forward to supporting it.

Mr. DOLE. Mr. President, I am pleased to cosponsor the amendment of the distinguished Senator from Connecticut [Mr. LIEBERMAN]. The essence of this amendment is to get business, not bureaucrats, involved in our efforts to revitalize the United States relationship with the former Soviet Union.

This amendment makes too much sense to turn down. It has the broad support of the business community—the very people we need to get involved, if our country is to reap long-term benefits from the political and economic rebirth of these fledgling democracies.

The programs authorized in this amendment will encourage and help small- and medium-sized businesses establish a foothold in the republics. The amendment will also give the business community—through a business and agricultural advisory board—a focal point to advise the administration on its situation and needs, and to give the administration feedback on the results it is achieving.

This amendment is a two-for-one—helping the new democracies, and America at the same time.

One of the greatest boosts we can give the new democracies is to turn loose in their countries the spirit and talents of American entrepreneurs. One of the great boosts we can give to our own economy is to help our private enterprises become established on these new frontiers of democracy.

This is a good amendment, in its aims, its timing, and its programs. It deserves the support of every Senator.

The PRESIDING OFFICER. The question is on the amendment, as modified.

The amendment (No. 2678), as modified, was agreed to.

Mr. LIEBERMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LIEBERMAN. I thank the Chair.

The PRESIDING OFFICER. Under the previous order the Chair recognizes the Senator from New Jersey to offer an amendment.

Mr. BRADLEY. Mr. President, I think the distinguished Senator from West Virginia had asked if he could take a few minutes to offer his amendment, which he is scheduled to offer immediately upon the disposition of my amendment. I have no objection to his going before my amendment if the managers of the bill would like to proceed in that matter.

The PRESIDING OFFICER. Is the Senator propounding a unanimous-consent request that the Senator from West Virginia offer an amendment, after which time we will return to the regular order and the Senator from New Jersey will then be recognized to offer an amendment?

Mr. BRADLEY. Mr. President, I was not propounding a unanimous-consent request but inviting the distinguished Senator from West Virginia to propound a request if he so chose.

Mr. LUGAR. Mr. President, prior to the propounding of the unanimous-consent request, I want to advise the distinguished Senator from West Virginia that there is opposition to his amendment on our side. The distinguished Senator from Wyoming [Mr. SIMPSON] wishes to be heard. So this may be a more lengthy consideration than was under consideration a moment ago. Under those circumstances, it appears that the amendment of the distinguished Senator from New Jersey can be accepted after comments by Senators, and perhaps it would be well for that order to proceed.

Mr. BYRD. Very well. I thank the distinguished Senator from New Jersey for his courtesy, and because of the circumstances just explained by the distinguished Republican manager, I will not proceed until after the Senator's amendment has been acted on.

Mr. GORE. Mr. President, I will propound a unanimous-consent request, and in doing so say that I have consulted with my colleague, the Senator from New Jersey. I ask unanimous consent that I might be allowed to offer an amendment at this time, which has been cleared on both sides—it will only take a few minutes—and then, at the conclusion of the Senate's disposition of my amendment, that the Senator from New Jersey will again be recognized in the regular course of business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 2680

(Purpose: To prohibit assistance to public or private entities that withhold the property of United States nationals in violation of law)

Mr. GORE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. GORE], for himself, Mr. LIEBERMAN, Mr. D'AMATO, and Mr. MOYNIHAN, proposes an amendment numbered 2680.

Mr. GORE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . INELIGIBILITY FOR ASSISTANCE OF INSTITUTIONS WITHHOLDING THE PROPERTY OF UNITED STATES NATIONALS.

(a) PROHIBITION.—Except as provided in subsection (b), no agency, instrumentality, or other governmental entity of any independent state of the former Soviet Union, may be eligible to receive assistance, participate in any cooperative activity under any provision of United States law, or otherwise use funds made available under this Act or any other Act, if—

(1) on the date of enactment, there is outstanding a final judgment by a court of competent jurisdiction within that state that the entity or institution, as the case may be, is withholding unlawfully the property of United States persons; and

(2) the Secretary of State determines, within 90 days of a request by the United States persons affected, that execution of the court's judgment is blocked as the result of extra-judicial causes, including any of the following:

(A) A declared refusal of the defendant to comply.

(B) The unwillingness or failure of local authorities to enforce compliance.

(C) The issues of an administrative decree nullifying a court's judgment or forbidding compliance.

(D) The passage of legislation, after a court's judgment, nullifying that judgment or forbidding compliance with that judgment.

(b) EXCEPTION FOR HUMANITARIAN ASSISTANCE.—The prohibition contained in subsection (a) shall not apply to the provisions of humanitarian assistance in any of the independent states of the former Soviet Union.

(c) WAIVER AUTHORITY.—The Secretary of State may waive the application of subsection (a) whenever the Secretary finds that—

(1) the court's judgment has been executed; or

(2) it is vital to the national interests of the United States to do so.

(d) Nine months after the date of enactment of this Act, the Secretary of State shall report to the Speaker of the U.S. House of Representatives and the chairman of the Senate Foreign Relations Committee the status of judgments entered by CIS courts of final jurisdiction involving United States persons.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "humanitarian assistance" includes the provision of food, medicine, or clothing;

(2) the term "United States person" means—

(A) any citizen, national, or permanent resident alien of the United States; and

(B) any corporation, partnership, or other juridical entity which is 50 percent or more beneficially owned by individuals described in subparagraph (A).

Mr. GORE. Mr. President, I sincerely thank my colleague from New Jersey for his courtesy and generosity.

I offer this amendment in behalf of myself and the distinguished occupant of the chair, Senator LIEBERMAN, and the two Senators from New York, Senator D'AMATO and Senator MOYNIHAN.

I think by now that all Members of the Senate are very familiar with the quest of Lubavitch Jewish community to recover possession of a collection of sacred texts from the Russian library. Just before President Yeltsin's recent visit here, the entire Senate—all of the 100 Senators—sent a communication to him, urging that these books finally be returned.

Unfortunately, that has not happened, and in fact the issue appears to have been set back: a casualty of Russian domestic politics.

As many of you know, the Lubavitch have gone the extra mile in their efforts to recover these books. That extra mile consists of the effort it took to submit their claim to the chaotic and often mysterious Russian court system. Nevertheless, on two occasions, courts of competent jurisdiction clearly ruled in favor of the Lubavitcher's claims.

Unfortunately, however, those decisions were never implemented. Officials declared flatly that they would not comply with the court's decisions. Access to the location of part of the collection was blocked physically by library staff, using bullhorns to whip up crowds to threaten and abuse the Lubavitchers who were seeking access. Decrees of courts were nulified by administrative measures from the Russian Ministry of Justice. The speaker of the Russian Parliament, in a move understood to be part and parcel of his rivalry with Yeltsin, attempted a late-night maneuver to legislate a ban against return of the books.

Mr. President, these are American citizens who have a valid legal claim, which has been properly adjudicated in the Russian court system, and what is blocking the implementation of the Russian legal decree is a demagogic effort to whip up anti-Semitism in Russia, where there is a vulnerability to that virus.

This experience, therefore, underscores an important lesson for us, as we consider the present legislation. We are encouraging American citizens—individuals, agencies of our Government, and corporations—to create an ever more complex pattern of relationships with their opposite numbers in Russia and the other post-Soviet States. We are also appropriating money to help that process by establishing programs of joint cooperation. Indeed, the Liberman-Gore amendment, which was just adopted, is only one of many measures designed to do just that.

It is inevitable that some American persons will find themselves damaged by their CIS partners, and that they will seek redress through the local court systems. We are urging the States of the former Soviet Union to adopt the principles of democracy and free markets and also the rule of law. It is equally inevitable that persons who encounter the legal system there will face a very steep uphill fight to get justice when political intereference within the court system evidently is a matter of course.

So the amendment offered here is designed as a first step toward providing some limited degree of protection. It provides that, as of the date of enactment, any American person, such as the individuals in the Lubavitch community, who have won a favorable verdict against a CIS governmental body in a court of common jurisdiction in a post-Soviet State, and who can show that the court verdict is unenforceable, then ask the Secretary of State to suspend U.S. programs of cooperation with the CIS institution in question.

There are certain qualifiers which it is important to note. The amendment is limited in scope to government institutions in the CIS countries. Only programs of U.S. assistance to the specific institution that has failed to comply with the court's ruling are potentially involved. Upon compliance, the suspension will be terminated. In no case would the amendment apply to programs of humanitarian assistance. The Secretary may also withhold action based on a finding that vital national interests are involved.

Looking to the future, the amendment requires that 9 months after date of enactment, the Secretary of State will provide the Congress with a report on the status of judgments entered by CIS courts of final jurisdiction involving U.S. persons. From this report, we will be able to judge whether we must contend with a pattern of injustice or blocked justice where American litigants are concerned. And from that information, we can consider appropriate modifications to our own laws.

I urge Members to support this amendment. It is a necessary form of protection for Americans who may have to contend with court processes in the former Soviet Union. It is also an inducement for Russia and other post-Soviet States to continue work on the reform of their court systems and legal structures. By no means is this amendment a sovereign remedy of some kind. But in those limited circumstances where it might be brought into play, this amendment may make CIS officials think more carefully, before they play games with their court system, to the detriment of Americans.

Let me close by saying that, looking to the future, the amendment requires that 9 months after the date of enactment, the Secretary of State will provide the Congress with a report on the status of judgments entered by CIS courts of final jurisdiction involving U.S. persons. From this report, we will be able to judge whether we must contend with a pattern of injustice, or blocked justice where American litigants are concerned. And from that information, we can consider appropriate modifications to our own laws.

In closing, Mr. President, let me say that I take this matter seriously. One hundred Members of the Senate take it seriously. And the Russian Government should take it seriously, especially if this amendment is now adopted.

I ask my colleagues on both sides of the aisle to support it.

The PRESIDING OFFICER. Is there further debate?

Mr. LUGAR. Mr. President, we are prepared to support the amendment of the distinguished Senator from Tennessee. He has worked carefully with staff on both sides of the aisle, and with the administration, to make certain that objectives with regard to these valuable manuscripts can be fulfilled. And, indeed, the administration has worked with great diligence, as have Members of the Congress, to try to effect the release of these documents. At the same time, as initially written, the amendment appeared to be very broad with regard to other claims, and the language adopted as we see it comes down to the library and, likewise, as the Senator has said, examination in the course of time, as the amendment provides for, other claims may come with our new relationship.

On that basis, we are prepared to accept the amendment.

Mr. PELL. Mr. President, this is an amendment that codifies the letter that all 100 of us wrote expressing our view that the books should be released. It is prospective in content, and I urge that it be supported.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment of Senator GORE.

The amendment (No. 2680) was agreed to.

Mr. GORE. Mr. President, I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from New Jersey [Mr. BRADLEY].

AMENDMENT NO. 2681

(Purpose: To finance an educational and business exchange program with the independent States of the former Soviet Union and the Baltic States)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY] for himself, Mr. KERREY, Mr. BOREN, Mr. WIRTH, Mr. DIXON, Mr. BRYAN, Mr. REID, Mr. KENNEDY, and Mr. HARKIN, proposes an amendment numbered 2681.

Mr. BRADLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new title:

TITLE II—FREEDOM EXCHANGE ACT

Subtitle A—In General

SEC. 201. SHORT TITLE.

This title may be cited as the "Freedom Exchange Act".

SEC. 202. STATEMENT OF PURPOSE.

The purpose of this title is—

(1) to bring young people of the former Soviet Union and the Baltic states to the United States so that they might experience first-hand how a free market democracy functions;

(2) to assist the skill-building process necessary for both institution-building and nation-building; and

(3) to ease immigration restrictions to allow the free flow of scientists and others from the former Soviet Union knowledgeable in the production of nuclear weapons.

SEC. 203. DEFINITIONS.

As used in this title—

(1) the term "Baltic states" means Latvia, Lithuania, and Estonia;

(2) the term "Endowment" means the corporation described in section 211(b)(2);

(3) the term "institution of higher education" has the same meaning as is given to such term by section 1201(a) of the Higher Education Act of 1965;

(4) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenian, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(5) the term "secondary school" has the same meaning given to such term by section 1471(21) of the Elementary and Secondary Education Act of 1965.

Subtitle B—Educational Exchange Program

SEC. 211. AUTHORITIES FOR AWARDING GRANTS.

(a) GENERAL AUTHORITY.—The President shall establish and carry out an exchange program in accordance with this subtitle. In carrying out such a program, the President shall award, on a competitive basis, grants to eligible organizations to enable such organizations to finance—

(1) the exchange of secondary school students in accordance with section 212;

(2) the exchange of college students in accordance with section 213;

(3) the exchange of graduate students in accordance with section 214;

(4) visits and interchanges of professors and educators in accordance with section 215; and

(5) internships in accordance with section 216.

(b) ELIGIBLE ORGANIZATIONS.—For the purpose of this subtitle, the term "eligible organization" means—

(1) during fiscal year 1993, any private nonprofit organization which has experience in exchange programs and demonstrates a capacity to carry out such programs in the independent states of the former Soviet Union or in the Baltic States; and

(2) during fiscal years 1994 through 1997, a private, nonprofit corporation to be established which shall be designated by the President to carry out the educational exchange program assisted under this subtitle through the awarding of grants to private, nonprofit organizations described in paragraph (1), which corporation shall be known as the Educational Exchange Endowment (hereafter in this title referred to as the "Endowment").

(c) DURATION.—The President shall award grants under this section during the period beginning on October 1, 1992, and ending on September 30, 1997.

(d) ADMINISTRATIVE EXPENSES.—Each eligible organization receiving a grant under this subtitle may use not more than 10 percent of such grant for administrative expenses.

(e) APPLICATION.—(1) Each eligible organization seeking a grant under this section shall submit an application to the President at such time, in such manner, and accompanied by such information as the President may reasonably require.

(2) Each application submitted pursuant to paragraph (1) shall—

(A) describe the activities for which assistance under this section is sought; and

(B) provide such additional assurances as the President determines to be essential to ensure compliance with the requirements of this section.

(f) MATCHING FUNDS.—The President is authorized to seek private funds to supplement or match public grants for the programs authorized by this title.

(g) ELIGIBILITY FOR GRANTS.—Grants may be made to eligible organizations only if such organizations agree to comply with the requirements specified in this subtitle.

(h) IMPLEMENTATION.—In carrying out this subtitle, the President shall—

(1) encourage colleges and universities receiving students to supplement public grants with their own resources, to the extent possible; and

(2) allow for a wide range of United States institutions to participate in programs under this subtitle.

(i) COMPLIANCE WITH BUDGET ACT.—The authority to make grants under this title shall be effective only to such extent or in such amount as are provided in appropriations Acts.

SEC. 212. SECONDARY SCHOOL STUDENTS.

(a) GRANT USES.—(1) Grants awarded under section 211(a)(1) shall be used to finance—

(A) visits of short duration by eligible secondary students, to the United States, to any of the independent states of the former Soviet Union, or to any Baltic state, with priority accorded to visits that take place during fiscal year 1993; or

(B) studies, instruction, and other educational exchange activities in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, for eligible secondary school students.

(2) Of the amount of grants awarded under section 211(a)(1), not more than 35 percent in fiscal year 1993 and not more than 15 percent in each of fiscal years 1994 through 1997 may be used for the purpose of paragraph (1)(A).

(b) CONDITIONS.—(1) The President may require that a portion of a grant awarded under section 211(a)(1) be used only for educational activities that are conditioned on the reciprocal exchange of American students.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(1) may be used to finance educational exchanges of American students under this section.

(3) No grant awarded under section 211(a)(1) may be used to reimburse any United States citizen for hosting an eligible secondary student.

(c) DEFINITION.—For purposes of this section, the term "eligible secondary school student" means a secondary school student from the United States, any of the independent states of the former Soviet Union, or any Baltic state who—

(1) is at least 15 years of age;

(2) is attending school at a grade level equivalent to any of the grade levels 10 through 12 in United States secondary schools or has just completed secondary school in any of the independent states of the former Soviet Union or any Baltic state; and

(3) has a minimum level of proficiency in English, as determined by testing.

(d) ADMINISTRATION.—To the maximum extent practicable, a grant under this section shall be used to support the activities described in subsection (a) for secondary school students of widely divergent backgrounds.

(e) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the United States Information Agency $65,000,000 for fiscal year 1993, $165,000,000 for fiscal year 1994, and $240,000,000 for the period consisting of fiscal years 1995 and 1996, and $120,000,000 for fiscal year 1997, to carry out this section.

(2) Funds authorized to be appropriated by paragraph (1) are authorized to remain available until expended.

SEC. 213. COLLEGE STUDENTS.

(a) GRANT USES.—Grants awarded under section 211(a)(2) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible college students in institutions of higher education in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with special emphasis on—

(1) those students who are studying to become English teachers; and

(2) those students who are seeking to acquire knowledge or skills applicable to restructuring the economy or building democratic institutions.

(b) CONDITION.—(1) The President may require that an eligible organization in order to receive a grant under section 211(a)(2), agree to use a portion of such grant for educational activities that are conditioned on the institution of higher education providing an eligible college student with some financial resources, either in the form of room and board or as a waiver of tuition.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(2) may be used to finance educational exchanges of American students under this section.

(c) DEFINITION.—For purposes of this section, the term "eligible college student" means a student enrolled in four-year programs of study at a community college, college or university in the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any American-founded school in the former Soviet Union, and who—

(1) has completed at least one year of study and is not in the last year of such study; and

(2) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the United States Information Agency $55,000,000 for fiscal year 1993, $90,000,000 for fiscal year 1994, and $108,000,000 for the period consisting of fiscal years 1995 and 1996, and $36,000,000 for fiscal year 1997, to carry out this section.

(2) Funds authorized to be appropriated by paragraph (1) are authorized to remain available until expended.

SEC. 214. GRADUATE STUDENTS.

(a) GRANTS USES.—Grants awarded under section 211(a)(3) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible graduate students in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with emphasis on those students who are seeking to acquire knowledge or skills applicable to restructuring an economy or building democratic institutions.

(b) CONDITION.—Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(3) may be used to finance educational exchanges of American students under this section.

(c) DEFINITION.—For purposes of this section, the term "eligible graduate student" means a student from the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any student attending an American-founded university in the former Soviet Union, who—

(1) is enrolled in a graduate course of study at a college or university;

(2) has completed one year of such study; and

(3) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the United States Information Agency $8,500,000 for fiscal year 1993, $11,000,000 for fiscal year 1994, and $12,000,000 for each of fiscal years 1995 through 1996, and $4,000,000 for fiscal year 1997, to carry out this section.

(2) Funds authorized to be appropriated by paragraph (1) are authorized to remain available until expended.

SEC. 215. "SISTER" UNIVERSITY PROGRAM.

(a) GRANT USES.—(1) Grants awarded under section 211(a)(4) shall be used to finance visits and other interchanges between professors and educators of eligible paired institutions for the purpose of developing curriculum and otherwise strengthening ties between the independent states of the former

Soviet Union and the Baltic states and the United States at the institutional level.

(2) Each grant awarded under this subsection shall be in the amount of $50,000.

(3) Each grant awarded under this subsection to eligible paired institutions may be disbursed during a period of two fiscal years.

(b) DEFINITION.—For purposes of this section, the term "eligible paired institutions" means—

(1) in fiscal year 1993, a pairing by the President, or

(2) in any of the fiscal years 1994 through 1997, a pairing by the Endowment,

of one United States institution of higher education with a college or university in any of the independent states of the former Soviet Union or any Baltic state wherever such pairing is likely to promote a continuing relationship between the institutions after the termination of assistance under this subtitle.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the United States Information Agency $3,000,000 for fiscal year 1993, $4,000,000 for fiscal year 1994, and $5,000,000 for each of fiscal years 1995 through 1997, to carry out this section.

(2) Funds authorized to be appropriated by paragraph (1) are authorized to remain available until expended.

SEC. 216. LEADERSHIP BY EXAMPLE GROUPS.

(a) GRANT USES.—(1) Grants awarded under section 211(a)(5) shall provide eligible persons with internships in enterprises in the United States for durations of six months or less.

(2) Such program may be referred to as the "Leadership by Example Groups (LEGS) Program".

(3) A portion of each grant may be used to provide limited advanced English language training to interns before coming to the United States.

(4) As used in this subsection, the term "enterprises" includes, but is not limited to, enterprises in the fields of agricultural production, agri-business, telecommunications, finance, health care, natural resource management, environmental protection, and oil and mineral exploration and extraction.

(b) CONDITION.—(1) Each eligible organization receiving a grant under section 211(a)(5) awarding internships shall require that a small business or appropriate chamber of commerce provide a portion of the costs of the internships, such as the costs of medical and dental insurance or housing for internship recipients.

(2) Internships funded under this section shall be apportioned among the States on the basis of population.

(c) DEFINITION.—For purposes of this section, the term "eligible person" means a national of any of the independent states of the former Soviet Union or any Baltic state who—

(1) is under 40 years of age; and

(2) has a minimum level of training in the English language.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the President $20,000,000 for fiscal year 1993, $60,000,000 for fiscal year 1994, and $100,000,000 for each of fiscal years 1995 through 1997, to carry out this section.

(2) Funds authorized to be appropriated by paragraph (1) are authorized to remain available until expended.

SEC. 217. AUTHORIZATION AND MANDATE.

(a) AUTHORIZATION AND MANDATE.—(1) The Congress authorizes and urges the President to establish a program of support for exchanges of governmental officials with the independent states of the former Soviet Union and Eastern Europe.

(2) Such program may be referred to as the "Partnership for Essential Governmental Services".

(3) As part of such program, the President is authorized to make available, on a volunteer basis and as appropriate, Federal civil service employees of departments and agencies of the United States for temporary duty in the independent states of the former Soviet Union and Eastern Europe to assist those countries in the development of essential governmental services.

(b) IMPLEMENTATION.—(1) The program authorized by subsection (a) should be carried out by existing agencies of United States Government and by volunteer-coordinating organizations such as the Citizens Democracy Corps, and should place upon each participating foreign government the primary responsibility for—

(A) identifying specific needs for such advisory assistance; and

(B) bearing in-country living expenses of American governmental officials seconded to advise that government.

(2) The President may provide assistance to those independent states of the former Soviet Union which cannot meet their share of the cost of this program.

SEC. 218. ADMINISTRATIVE REQUIREMENTS FOR THE ENDOWMENT.

In order to receive assistance under this subtitle, the Education Exchange Endowment shall comply with the following requirements:

(1) The Endowment shall have the capacity to receive, accept, solicit, and collect private funds to supplement Government grants received under this subtitle and shall agree actively to seek such private funds.

(2)(A) Officers of the Endowment may not receive any salary or other compensation from any source, other than the Endowment, for services rendered during the period of their employment by the Endowment.

(B) If an individual who is an officer or employee of the United States Government serves as a member of the Board of Directors or as an officer or employee of the Endowment, that individual may not receive any compensation or travel expenses in connection with services performed for the Endowment.

(3)(A) The Endowment shall not issue any shares of stock or declare or pay any dividends.

(B) No part of the assets of the Endowment shall inure to the benefit of any officer or employee of the Endowment, or any other individual, except as salary or reasonable compensation for services.

(4) The accounts of the Endowment shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Endowment are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and necessary to facilitate the audits shall be made available to the person or persons conducting the audits. The Endowment shall make available to such person or persons full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians.

(5)(A) The financial transactions of the Endowment for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Endowment are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment pertaining to its financial transactions and necessary to facilitate the audit. The Endowment shall make available to such representatives full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Endowment shall remain in the possession and custody of the Endowment.

(B) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Endowment, together with such recommendations with respect thereto as he may deem advisable. The report shall also identify any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this subtitle. A copy of each report shall be furnished to the President and to the Endowment at the time submitted to the Congress.

SEC. 219. EFFECTIVE DATE.

This subtitle shall take effect on October 1, 1992.

Mr. BRADLEY. Mr. President, I rise to introduce the Freedom Exchange Act as an amendment to the Freedom Support Act that we are considering at this moment in the U.S. Senate. Joining me as my principal cosponsor in this is Senator KERREY of Nebraska, and joining as original cosponsors are Senators BOREN, WIRTH, BRYAN, REID, DIXON, KENNEDY, and HARKIN.

Mr. President, this amendment will provide the creation of a massive exchange program with Russia and the newly independent states. We hope these programs will become components of any assistance package that the U.S. Government provides to the region.

The purpose of these educational exchanges is to bring young people from the region to the United States so that they might experience firsthand how a free market democracy functions. Person-to-person contact, not dollars, will create the bonds that will construct an era of mutual respect to replace the cold war era of mutual suspicion.

On a long-term basis, it is not food or supplies that Russia and the newly independent states need, but a vision, a vision of what their new societies could look like, a vision of what their societies should look like. By accepting students into their homes and lives, Americans can help provide this. This program calls for the personal involvement that the other aid programs do not demand of Americans. Instead of shipping over a plane full of advisers, we will bring in a plane full of talented young people. They will come into our communities to live, study, to work. We believe that that is what the situation demands.

The dramatic changes we have witnessed in the world in recent years should prompt us to reflect on our Nation's task in the years ahead. How can we adapt to this altered world?

Mr. President, I believe that recent events will lead to a redefinition of our superpower role. We will continue to exercise that leadership, but in a new form, a multipolar, multicultural world. I believe that we have to lead by our example.

We should be able to lead the world by our example of a pluralistic democracy whose growing economy takes everybody to higher ground, a society that is free and democratic, a nation striving to accommodate ethnic and religious minorities, a nation of economic opportunities.

We recognize our problems as well, and that, too, is a way we can show others that it is a key element of the democratic society to recognize and face problems. But in order to lead by example, we should give the young people of these former Communist republics the chance to see for themselves what a free market democracy means and how our institutions work. But doing so, we can provide the type of aid that they most need.

The needs of the states of the former Soviet Union and the Baltic are many. They need skill-building, institution-building, so they can begin the process of nation-building. All of this will require increased understanding of democratic principles.

The Iron Curtain between our societies has parted, Mr. President, but contact between our people and the people of the former Soviet Union remains woefully limited.

We have to make up for 40 years of barriers between our citizens and theirs. We cannot afford to be complacent. A slow response risks retrenchment of economic and democratic reforms, and risks the growth of new versions of authoritarian rule.

We want to see large numbers of people coming into our high schools, community colleges, universities or businesses as early as January of 1993.

Over the course of the program's 5-year duration, hundreds of thousands of students and young managers would come over a minimal cost and significant benefit to the American taxpayer.

There are five components of the program: A high school exchange, an undergraduate exchange, a graduate student exchange a sister university program, and a professional and small businesses exchange.

The key component is the high school exchange. We need to reach the youth of these states early in their development. When this program is fully implemented, high school students will come to America each year. They will live with families, attend schools, and return to their own homes having learned about our institutions, our skills, and our values. They will have acquired a better appreciation of how they, the future leaders, can create their own institutions.

The undergraduate and university exchanges would be on a smaller, but still significant, scale. The sister university program would create links between our universities, colleges, and community colleges and their institutions of higher learning.

Our leadership by example groups program would provide a means for small business young managers and other professionals to come to the United States and work in a wide variety of private enterprises for up to 6 months. Some examples of the fields in which these trainees may work are agri-business, health care, finance, natural resource management, environmental protection, and small business. We would like to see these trainees spread across the country, represented in each State. Americans across the country should be involved in playing host to the citizens of these independent states.

Russia and the former Republics need to proceed with the massive job of restructuring the economy. The runaway deficit of 25 percent of GNP must be reduced and eliminated, and hyperinflation must be avoided. Subsidies to inefficient enterprises must be cut, bureaucracies shrunk, property privatized, a banking system and financial infrastructure built, effective tax laws passed, clear rules and laws enacted governing development, foreign investment, and repatriation of profits, and finally a clear policy on labor. That is a lot to do.

Mr. President, there have been some modifications to the bill since it was originally introduced last month. Senator KERREY and I have incorporated suggestions of a number of my colleagues. For example, Mr. WIRTH had called for the creation of a partnership for essential governmental services through which Federal officials might work in the former Soviet Union to assist in establishing governmental services as well as free market institutions. Mr. BOREN had suggested an expansion of our originally proposed small business exchange into a more expansive Leadership by Example Groups Program. I express my appreciation to my colleagues for their contributions and suggestions.

American businesses that sponsor young managers from the former Soviet Union have much to gain. The experience will assist them to break into this market of 300 million new consumers by increasing their understanding of local conditions and opportunities for investment. The program would also enable them to establish contacts with future business leaders. The young people going back will be taking the lead in transforming the economy, and the businesses they establish would be ideal candidates for joint ventures with American counterparts.

Mr. President, cultural exchanges benefit both sides. We would be assuring peaceful ties between these nations and ours. But, let us not forget that we ourselves would benefit tremendously from this program. The lives of many Americans would be enriched by the exposure to foreign students in their classrooms or homes. And Americans studying in Kiev, St. Petersburg, Vilnius, and Alma-Ata will return with a better understanding of the people of these new Republics; they will also have the unique privilege of witnessing first-hand the expansion of the frontiers of democracy. It is an experience that they will never forget.

Mr. President, aid must be more than financial assistance. Nothing short of a massive exchange and sharing of ideas, people, and training will accomplish our broader long-term goals of economic prosperity and political security for Russia, for her neighbors, and for ourselves.

We need to get beyond the politics of the moment, the deficit of the hour, the military count of the day. We need to get beyond the numbers that rarely shape events. Our long-term investment must be in people and in the values of democracy and individual liberty.

At the end of World War II, the Germans and the French, who had fought each other three times in 70 years, sought a way to prevent future conflict by knitting a web of human relationships between their two peoples. Every year for the last 40 years, between 40,000 and 60,000 German and French young people have lived in the other's country. This massive exchange program led to a deeper understanding and a bond of common experience. At the end of World War II, the United States also began exchange programs with Germany and Japan. At one point, it was said over half the Bundestag had been to the United States in an exchange program. Once people had experienced America by living here, they never forgot it. Americans in their everyday life were the best ever teachers of American values. This is why now, at the end of another war in which we have triumphed, the whole American people should be called to service again.

The program envisioned by the Freedom Exchange Act would meet this call to service. Beginning in January 1993, and building over 5 years, the program would bring up to 80,000 people to the United States per year: 50,000 high school kids from Russia and other Republics, 10,000 college students, and 1,000 graduate students. In addition, the program would bring 20,000 small businessmen to live and to learn basic business in communities across America.

More Chinese study in America every year than Russians have studied here since World War II. Last year, 1991, while there were 177,000 college students from Taiwan, China, Japan, India, and Singapore studying in United States colleges, there were only 1,200 Russians.

Last year, there were only 814 Russians in United States high schools. A young Russian who is 16 today was 9 when Gorbachev took over and perestroika began to bring change. In 5 years, she or he will be 21. Now is the time to let them experience America, learning what life is like in a market democracy with a heart. They will see the openness, generosity, pride, and democratic reality of America. Their experience would bring our peoples together in countless ways, creating bonds that would last a lifetime.

In 1989, I visited a group of high school students in Alma-Ata in Kazakhstan. They had just returned from America on a high school exchange with Central High School in Phoenix, AZ. I asked them what they remembered most vividly. One girl raised her hand and said, "the farewell." I looked around and many of the other kids had tears in their eyes. "What do you mean," I asked. "Well," the girl continued, "when we were at the airport, the girl I stayed with came up to me, put a key in my hand, and said, 'Here, this is the key to our home. If you're ever in Phoenix again and we're not home, use it and make yourself comfortable. You know where the icebox is.'" It is that kind of bond and experience, multiplied by thousands, that the freedom exchange will create. Combined with the skills and awareness that the young people and small businessmen will acquire, the freedom exchange will promote the long-term interest in America.

Mr. President, these exchange programs are cost effective. For far less than the cost of one Stealth bomber, we can bring over 80,000 students here in any given year. Our program, which if fully funded costs $150 million for the first year, represents only one-twentieth of 1 percent of the $300 billion we spend each year in defense. Yet, this program has the potential of ensuring peace in a manner which the military can no longer achieve. This is very little to pay for such long-term results.

Also, the program is structured so that public funds would be supplemented by private assistance. In this fashion, public funds would be leveraged for greatest impact. But in one respect, the cost of the program is high. A cost not in dollars, but in human investment. Americans will be asked to open their homes to Russian or Lithuanian, Ukrainian, or Kazakhstan students, and open themselves as well to a new experience.

At a time of historic opportunity, here is our chance to make an investment in the future, to the benefit of us all. The high school students arriving next year will in a short time be active participants in their own countries' evolving political system. By touching their lives, we share with them the power of our own pluralistic democracy. And what better way to do this, than by exposing these young people to the individual Americans who know these values best. The benefits and opportunities of this kind of exchange program were recognized as early as 1989, when Senators PELL, BOREN, COHEN, and others urged President Bush to move quickly to increase educational exchange programs between the United States and the newly independent countries. I urge my colleagues to join with us to make this happen.

Mr. President, some people say this program is too big, that the existing exchange programs cannot handle these numbers. But, Mr. President, I have here letters of support signed by over 50 educational and exchange organizations which express their enthusiasm for this program. They are ready to respond to this challenge.

Mr. President, I also submit for the record letters of support for the amendment I have received from various educational and student organizations, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY—FREEDOM EXCHANGE ACT

This bill would provide for the creation of massive exchange programs with the former Soviet Union and the Baltics. The purpose is to bring young people of the region to the United States so that they might experience first-hand how a free market democracy functions.

There are five different exchange programs envisioned: high school, undergraduate and graduate student exchanges; a sister university program and a Leadership by Example Groups program which will bring over business trainees.

In the first fiscal year, the program would provide the means for bringing over to the U.S. 7,000 high school students, 2,000 college students, 300 graduate students, and 4,000 managers to work in small businesses throughout the U.S. The managers would spend 6 months interning in U.S. businesses. The training will enhance their ability to participate in economic restructuring on their return to the independent states.

The numbers would increase during the course of the program. By the fifth year, participants would include 50,000 high school students, 10,000 college students, 1,000 graduate students, and 20,000 managers. Grants to sister university programs would be available to 100 university pairings by the fifth year.

In the total five years, there would be over a quarter of a million students moving on this exchange program. This would include 177,000 high school students, 37,000 college students, 3,900 graduate students and 76,000 in the Leadership by Example small business exchange program.

Funding would be provided in the first year through existing agencies. Private voluntary agencies involved in international youth or citizen exchange programs would be eligible to apply for grants. By the second year, the program would be run by a newly incorporated private not-for-profit organization. The exchange programs would sunset after five years.

The program would authorize $150 million in grants during the first fiscal year and $330 million the second year. By the fourth year, a total of $465 million would be granted to non-profits for the purposes of these exchange programs.

Public support would be supplemented by private funding. Colleges and universities receiving students would be expected to supplement public resources, wherever possible. Small businesses or local communities receiving managers would be responsible for housing and medical insurance. In addition, the newly incorporated foundation would be able to raise funding for private donors.

TARGETS AND BUDGET AUTHORIZATIONS, THE FREEDOM EXCHANGE ACT

FISCAL YEAR 1993

High school: $66 million.

Students: 7,000 in fiscal year 1992-93, 20,000 in fiscal year 1993-94.

College: $55 million.

Students: 2,000 in fiscal year 1992-93, 5,000 in fiscal year 93-94.

Graduate $8.5 million.

Students: 300 in fiscal year 1992-93, 600 in fiscal year 1993-94.

Small business: $20 million.

Trainees: 4,000 in fiscal year 92-93.

Sister university and colleges: $3 million.

Total authorization: $152.5 million.

FISCAL YEAR 1994

High school: $165 million.

Students: 20,000 in fiscal year 1993-94, 50,000 in fiscal year 1994-95.

College: $90 million.

Students: 5,000 in fiscal year 1993-94, 10,000 in fiscal year 1994-95.

Graduate: $11 million.

Students: 600 in fiscal year 1993-94, 1,000 in fiscal year 1994-95.

Small business: $60 million.

Trainees: 12,000 in fiscal year 1993-94.

Sister university and colleges: $4 million.

Total authorization: $330 million.

FISCAL YEAR 1995

High school: $240 million.

Students: 50,000 in fiscal year 1994-95, 50,000 in fiscal year 1995-96.

College: $108 million.

Students: 10,000 in fiscal year 1994-95, 10,000 in fiscal year 1995-96.

Graduate: $12.5 million.

Students: 1,000 in fiscal year 1994-95, 1,000 in fiscal year 1995-96.

Small business: $100 million.

Trainees: 20,000 in fiscal year 1994-95.

Sister university and colleges: $5 million.

Total authorization: $465.5 million.

FISCAL YEAR 1996

High school: $240 million.

Students: 50,000 in fiscal year 1995-96, 50,000 in fiscal year 1996-97.

College: $108 million.

Students: 10,000 in fiscal year 1995-96, 10,000 in fiscal year 96-97.

Graduate: $12.5 million.

Students: 1,000 in fiscal year 1995-96, 1,000 in fiscal year 1996-97.
Small business: $100 million.
Students: 20,000 in fiscal year 1995-96.
Sister university and colleges: $5 million.
Total authorization: $465.5 million.

FISCAL YEAR 1997

High school: $120 million.
Students: 50,000 in fiscal year 1996-97.
College: $36 million.
Students: 10,000 in fiscal year 1996-97.
Graduate: $4 million.
Students: 1,000 in fiscal year 1996-97.
Small business: $100 million.
Students: 20,000 in fiscal year 1996-97.
Sister university and colleges: $5 million.
Total authorization: $265 million.

TOTAL AUTHORIZATION

High school: $831 million.
College: $397 million.
Graduate: $48.5 million.
Small business: $380 million.
Sister university and colleges: $22 million.
Total authorization: $1.68 billion.

THE LIAISON GROUP FOR INTERNATIONAL EDUCATIONAL EXCHANGE,
Washington, DC.

When the Senate considers the Freedom for Russia and Emerging Eurasian Democracies and Open Market Support Act (S 2532), the undersigned organizations urge you to support Senator Bradley's amendment to provide for a substantial five-year educational exchange program with the Baltic states and the former republics of the Soviet Union.

We believe that it is absolutely crucial to the future of these emerging democratic nations that the United States provide significant new opportunities for large numbers of their young people to benefit from the United States' unparalleled educational resources and to experience first-hand how democratic institutions and a free market economy operate. International exchange programs are a proven, reliable, low-cost means to provide this critical experience. It should be noted, for example, that Aleksandr Yakovlev, whom many regard as the main architect of the reform efforts of Mikhail Gorbachev, was a U.S. government-sponsored student at Columbia University in the late 1950's.

It is also critically important for our future relations with these nations that American young people have increased opportunities to live in the homes and study in the classrooms of their counterparts in the former republics of the Soviet Union. We must begin to learn the languages and study the cultures of this ethnically diverse region.

While we believe that several aspects of the Freedom Exchange Act (S 2777) which Senator Bradley introduced on May 21st need to be reviewed and some adjustments may be needed, we are confident that such changes can be made during further congressional consideration of the assistance legislation for the former republics.

In asking for your support for Senator Bradley's amendment, we also urge you to ensure that funds for these new exchanges not be taken from USIA's existing exchange programs. USIA's exchange programs, currently funded at under $200 million in total, are critical to maintaining relations both with the former Soviet Union and other world regions; many of those regions already having lost ground as programs with the former Soviet bloc have expanded. We are pleased, in this regard, to learn that the House Appropriations Committee has agreed to provide $50 million from the 1993 Foreign Operations appropriation to fund the exchanges Senator Bradley is proposing. It is critical that Congress provide additional funding at least at this level.

Thank you very much for your consideration of our views on this important issue.

Academy for Educational Development
AFS Intercultural Programs
America-Mideast Educational & Training Services, Inc.
American Association of Collegiate Registrars and Admissions Officers
American Association of Community and Junior Colleges
American Council of Teachers of Russian/American Council for Collaboration in Education and Language Study
American Council on Education
American International Student Exchange
American Scandinavian Foundation
American Secondary Schools for International Students and Teachers
American-Soviet Cooperative Exchange
ASPECT Foundation
Association of International Education Administrators
Association for International Practical Training
CDS International, Inc.
Citizen Exchange Council
The College Board
Community Colleges for International Development
Council for International Exchange of Scholars
Council of Graduate Schools
Council of International Programs
Council on International Educational Exchange
Delphi International Group
Educational Testing Service
The Experiment in International Living
The Friendship Force
The Fulbright Association
Institute of International Education
InterExchange, Inc.
International Christian Youth Exchange
International Research and Exchanges Board
Latin American Scholarship Program of American Universities
Meridian House International
Nacel Cultural Exchanges
NAFSA: Association of International Educators
National Association of Secondary School Principals
National Council for International Visitors
Nation FFA Organization
North Carolina Center for International Understanding
Ohio State University Agricultural Intern Program
Open Door Student Exchange
People to People International
Sister Cities International
World Exchange
YMCA International Program Services
Youth for Understanding

Sincerely,
CARL A. HERRIN,
Executive Director.
NORMA J. PETERSON,
Executive Secretary.

NATIONAL SCHOOL BOARDS ASSOCIATION,
June 30, 1992.

SUPPORT FOR S. 2777, THE FREEDOM EXCHANGE ACT

DEAR SENATOR: On behalf of the National School Boards Association (NSBA), which represents the 97,000 local school board members who govern the nation's public schools, I urge you to support the Bradley amendment to the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992."

The Bradley amendment (S. 2777) would finance an educational exchange program designed to give former Soviet students and citizens an opportunity to experience first-hand how a free market democracy works. It would also, in part, finance the educational exchange of American students traveling to the Independent states.

The Bradley amendment provides an important opportunity in charting our nation's emerging relationship with the former Soviet Union. It will help bridge the many social and cultural gaps and misunderstandings that now exist between our peoples after the decades-long Cold War. It will also challenge the spirit of a new generation of American youth to help cement lasting global friendship and economic cooperation with Eastern Europe's emerging democracies.

According to the National Association of Secondary School Principals, that organization has already exchanged 3,000 students with Russia and the independent states. The exchanges have been invaluable in breaking down cultural barriers and strengthening our own curriculum in history, geography, foreign language, and social studies.

For these reasons, we urge your support of the Bradley amendment when the Russia aid bill reaches the floor. NSBA would be pleased to work with the Senate on specific details as the bill moves through Congress.

Sincerely,
MICHAEL A. RESNICK,
Associate Executive Director.

THE NATIONAL ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS,
Reston, VA, June 23, 1992.

DEAR SENATOR: On behalf of the 43,000 members of the National Association of Secondary School Principals, I urge you to support the Bradley amendment to the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992." The Bradley amendment (S. 2777) would finance an educational exchange program designed to give former Soviet students and citizens an opportunity to experience first hand how a free market democracy works. It would also, in part, finance the educational exchange of American students traveling to the independent states.

We believe that this is a vitally important aspect of our nation's effort to provide assistance to Russia and the independent states. It will provide high school and college students, as well as citizens, the once in a lifetime opportunity to witness the American way of life and thus return to their emerging democracies with the practical experience necessary to successfully fulfill the on-going democratic revolution back home.

NASSP has already exchanged some 3,000 students with the former Soviet Union and independent states. (We have attached a list of American schools which are presently receiving and sending students to the independent states.) These exchanges have been invaluable in breaking down cultural barriers between our peoples. Furthermore, these exchanges greatly enhance the effort to strengthen our curriculum in areas of history, geography, foreign language, and social studies, to name a few. Strong bonds have formed between our overseas guests and their host families, communities and educators.

We sincerely hope that Congress will view the Bradley amendment as a long term investment in world peace and as a means of enlisting our students, school officials and communities as American diplomats in this important effort. The nation's secondary school principals are committed to implementing this program as soon as it is enacted for the purposes of improved international cooperation as well as improved education here at home. We strongly urge you to support the Bradley amendment when it comes to the floor this week.

Sincerely,

TIMOTHY J. DYER,
Executive Director.

LIST OF SCHOOLS IN THE CIS PROGRAM

A.C. Flora H.S., Columbia, SC
Abington Heights H.S., Clarks Summit, PA
Adams H.S., Rochester Hills, MI
Amherst Regional H.S., Amherst, MA
Arlington H.S., Lagrangeville, NY
Ballard H.S., Louisville, KY
Barrington H.S., Barrington, IL
Bartlett H.S., Anchorage, AK
Bellaire H. S., Bellaire, TX
Bethesda Chevy-Chase H.S., Bethesda, MD
Central H.S., Phoenix, AZ
Chartfield Senior H.S., Littleton, CO
East Anchorage H.S., Anchorage, AK
East Baton Rouge H.S., Baton Rouge, LA
Episcopal H.S., Alexandria, VA
Exeter Area H.S., Exeter, NH
Friends School of Baltimore, Baltimore, MD
Caddo Magnet School, Shreveport, LA
Cherry Creek H.S., Englewood, CO
Choate Rosemary Hall, Wellington, CT
Cleveland H.S., Portland, OR
Columbus Alternative H.S., Columbus, OH
DeVilbiss H.S., Toledo, OH
Gaithersburg H.S., Gaithersburg, MD
Garfield H.S., Seattle, WA
George School, Newtown, PA
Glastonbury H.S., Glastonbury, CT
Henry Foss H.S., Tacoma, WA
High Point Senior H.S., Beltsville, MD
The Hill School, Pottstown, PA
Illinois Math and Science Academy, Aurora, IL
John Carroll H.S., Bel Air, MD
La Cueva H.S., Albuquerque, NM
Lakeside School, Seattle, WA
Lincoln H.S., Portland, OR
Mariner H.S., Everett, WA
McAteer H.S., San Francisco, CA
Medford H.S., Medford, OR
Newton North H.S., Newtonville, MA
Nikolaevsk School, Anchor Point, AK
Northfield Mt. Hermon School, Northfield, MA
Northwest School, Seattle, WA
Omaha North High School, Omaha, NE
Phillips Exeter Academy, Exeter, NH
Phillips Academy, Andover, MA
Princeton H.S., Cincinnati, OH
Princeton Day School, Princeton, NJ
Rangeview H.S., Aurora, CO
Rocky Mountain H.S., Fort Collins, CO
Sam Houston H.S., Arlington, TX
South Eugene H.S., Eugene, OR
South H.S., Minneapolis, MN
South St. Paul H.S., South St. Paul, MN
Sparta H.S., Sparta, NJ
St. Albans School, Washington, DC
St. Louis University H.S., St. Louis, MO
St. Mary H.S., Medford, OR
Standley Lake H.S., Broomfield, CO
Staten Island Technical H.S., Staten Island, NY
Tenafly H.S., Tenafly, NJ
Topeka H.S., Topeka, KS
University H.S., Urbana, IL
Valley H.S., West Des Moines, IA
Vestal H.S., Vestal, NY
Walden III H.S., Racine, WI
Washington H.S., Cedar Rapids, IA
Watkins Mill H.S., Gaithersburg, MD
Westside H.S., Omaha, NE
Weymouth H.S., S. Weymouth, MA
Woodbury and Park H.S., Woodbury, MN
Wylie E. Groves School, Beverly Hills, MI

MANANA SHEVARDNADZE
PRODUCTIONS, INC.,
Moscow, June 22, 1992.

Hon. BILL BRADLEY,
U.S. Senate, Senate Office Building, Washington, DC.

DEAR SENATOR BRADLEY: I was glad to hear of your proposal to introduce legislation to expand funding for exchanges of all kinds between the United States and the former Soviet Union.

As a citizen of The Republic of Georgia, I want to express my sincere support for this proposal. I have had the opportunity to get to know many Americans through The Friendship force and its citizen exchanges to my country. As a result of the "Georgia-to-Georgia" and other exchanges, many people have been brought together and many worthwhile projects have been established.

If I can provide additional information to help you in this effort please let me know. I am returning to my country soon but can be reached through The Friendship Force office in Atlanta.

Sincerely,

MANANA SHEVARDNADZE.

Mr. BRADLEY. Mr. President, at this time, I yield the floor to my distinguished cosponsor, Senator KERREY.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

Mr. KERREY. Mr. President I do rise with great enthusiasm as a principal cosponsor of the Freedom Exchange Act and understand the fiscal constraints that are contained in the overall proposal. I believe very strongly in these kinds of exchange programs. Though they may not appear to be as grandiose, I believe long-term they will produce the greatest benefit.

I had the honor of going to Russia and Ukraine with the senior Senator from New Jersey and Congressman JIM LEACH over the Easter recess. It was my second trip to what is now known as the newly independent states.

I must say, Mr. President, that the list of problems and questions that need to be answered by politicians that are struggling with constitutional questions related to federalism, relating to the structures of their economy,—the kinds of questions that are being asked by the people themselves, about how do we solve some of the problems of the environment of our elderly and children, the kinds of detailed questions that are being asked by individuals about how do we create an environment for economic wealth—I do not believe those kinds of questions can be answered in a short period of time, nor do I think they can be answered by consultants going and providing short courses. I believe they will only be answered by people growing in their own capacity to establish democratic institutions and to establish market reforms as well.

Mr. President, I would just identify one example of a sort of benefit that comes through this kind of exchange program that occurred as a result of an effort by the University of Nebraska Business School, where a group of people from our university went to Moscow, conducted a course with Moscow State University faculty and students.

The net effect of that was that Moscow State University is now going to be producing a half-million copies of an American economic textbook that will be used to teach Moscow's finest. Moscow State University educates the finest of Moscow's young people. They will now be provided, instead of lessons in Marxism-Leninism, lessons in market economy.

I am not arguing that just as a consequence of use of that textbook they are going to be able to produce the kind of profit, the kind of wealth that a market economy will produce. But it is an example of the kind of detailed information that people have to acquire before they are going to be successful in putting together the rather difficult system that we have put together.

I had a friend in Nebraska that suggested that these kinds of exchange programs are risky, that they might come to the United States of America and see democracy in action, see Congress in action and say "My gosh, maybe we do not want to do this after all."

It reminded me of a movie called "Say Anything" where a young valedictorian, having gone to college for a little bit, stood before this audience of young people and said, "I have sort of seen the future and, having seen the future, all I can say is go back."

I do not believe the people of the former Soviet Union, the new independent States, can go back. They can only go forward. These kinds of exchange programs, long-term, will produce the most progress for the money.

I appreciate the support of the managers of the bill, both the Senator from Rhode Island and the Senator from Indiana, for this legislation. I appreciate their cooperation in developing the amendment.

Mr. PELL addressed Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I think the concept of this bill is an excellent one. I think as you come around the work and ask the different Ambassadors what program is there in the United States that is of the greatest benefit to American national interests, and the cause in which we believe, they will almost invariably reply it is the exchange program which is now run in such a very modest and tiny way.

While the concept is great and the figures are ambitious, I would like to see them reached, but we may not achieve that. But the idea is excellent. I look forward to voting for this amendment.

Mr. LUGAR. Mr. President, each one of us in this body will find enthusiasm with the thought of very extensive exchange programs with Russia, Ukraine, and other republics of the former Soviet Union. The concept that has been presented is an extraordinarily admirable one. I say that at the outset because many of us have been involved in coming before this body asking for authorization and then supporting appropriations for exchange programs.

My first concern, Mr. President, with the concept of such aid in this amendment is the cost associated with the amendment. The amendment clearly establishes a program which could be called gigantic. That is the intent of the authors. And that intent is largely supported by this membership.

The dilemma, Mr. President, is that the entire fiscal 1993 USIA budget request for all exchanges worldwide is $200 million. This legislation would add a series of new proposals which total $150 million additional expenditure of funds in fiscal year 1993.

In fiscal year 1994, that number increases to $335 million, and in each of the final 3 years of the program, the figure increases again to $476 million, 2½ times the totality of all exchange programs currently in the USIA budget.

Given the scope of this program, the dilemma the Senate will have, whether they are favorable or not, is that no funding source has been suggested. The problem in due course is thrown to the Appropriations Committee and to the Finance Committee.

It is clear for the moment at least, unless there are changes in the budget concept, that funding has to come out of the 150 account. And that could only be at the expense of other USIA activities. It could be very expensive if it came by earmark. That is really blotting out the totality of USIA exchange budget.

Thinking has been given as I understand of taking funds from foreign military financing programs. Other examples that come to mind are $50 million earmarked in the current House foreign aid appropriation bill for fiscal year 1993. But I would point out, Mr. President, that $50 million covers barely a third of the first year costs and, essentially, appropriators appear to have completed their work on the House side at this point.

Mr. President, I think it ought to be understood that USIA now runs an impressive array of exchange programs with the Republics of the former Soviet Union.

They run the gamut from high school exchanges to undergraduate programs to university linkages with CIS universities and senior researchers and scholars.

Among programs are familiar programs such as the Fulbright Scholarship Program, the Semantha Smith exchanges, the Ben Franklin fellowships. To fund the additional programs contemplated by this amendment could jeopardize the continuation of these very highly successful programs in operation now. There simply is not enough money to go around.

I suggest, likewise, that thought needs to be given to the accountability of the program. The amendment creates an educational exchange endowment, after the first year, to administer the programs. The amendment mandates the endowment be audited annually in accordance with generally accepted accounting standards, by independent certified accountants. Unfortunately, in the past when these types of safeguards have been mandated by law, the results have not always been mandated by law, the results have not always been satisfactory. But we have gone, recently, through a GAO report—in 1991—severely criticizing the National Endowment for Democracy procedures.

I point that out because there is a difference in accountability between an independent endowment account and USIA, as a part of the Department of State.

Mr. President, it appears to me that there is support for the concept and there is, I suppose, a hope on the part of the authors of the bill, that by sketching something that is very substantial, at least something maybe even less substantial might be obtained. I think that is a probable outcome.

I think it is important at the outset of this debate, even if this amendment is ultimately acceptable and is a part of the Freedom Support Act, the Senators, maybe more important the American people, understand that very hard decisions must occur. Those are likely to start fairly soon at the appropriating process, the appropriating level. They are likely to continue through hard choices that the Foreign Relations Committee will have to make in subsequent years, as we try to work through the exchange prospects.

Finally, the amendment contemplates a situation which Members may either predict as likely or unlikely, namely the 150 account, foreign assistant account, the account that looks toward our relations with other countries, increases very substantially. That has not been the trend of events. Therefore, Mr. President, in suggesting a scholarship program that has the potential for expenditures of close to half a billion dollars in the third, fourth, and fifth, years at a time when the 150 account has been in decline, due to the priorities of the Senate, but likewise due to the fiscal condition of the country, Senators really have to think carefully with regard to launching hopes that have no possibility, in my judgment, of fulfillment.

For those reasons I raise these reservations now, I hope in a timely way. I think there may be others on our side of the aisle who wish to be heard. I see the distinguished leader at hand and I am hopeful to hear his thoughts.

The PRESIDING OFFICER. The Chair recognizes the Senate Republican leader Mr. DOLE.

Mr. DOLE. Mr. President, I think the Senator from New Jersey has an excellent idea, but I do not know how we are going to pay for it over a 5-year period; a billion dollars, as I ended up. We just had a 2- or 3-day debate on the balanced budget amendment. And this is our first test, after rejecting the balanced budget amendment.

I can see why we did it because a lot of people want to keep on spending and keep on voting for billion dollar programs.

I am not certain. Have there been any hearings on this legislation? Have you had hearings? Has anybody testified? Has one witness from anywhere testified on this bill—or amendment I guess it is now? It seems to me it is a major piece of legislation. There should be, notwithstanding the good intentions of the Senator from New Jersey and its probable merit. Where do we find $1 billion? You indicate we are going to throw it over to the Appropriations Committee; it is only an authorization. That is generally the way, do not worry about it, it is only an authorization.

It just seems to me after 2 or 3 days of discussion on a balanced budget amendment, why it was so bad, this might be our first test, our first test. No hearings, several pages, a lot of good ideas. It has a lot of merit; $1 billion, $1 billion in authorization.

Mr. President, I hope either the amendment could be modified or rejected. I have not studied it carefully, but I can add up what would be the cost if it were fully authorized. I just challenge my colleagues. We have heard all these speeches why we did not need a balanced budget amendment. We had the will here to take care of things like this. So this is our first test and we will determine now who wants to spend $1 billion on something we have not a hearing on.

It seems to me that is a fairly substantial amount of money.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. President, I compliment the distinguished Senator from New Jersey on his concept here and what he is trying to do. There are a number of things about this amendment, though, that give me some heartburn. As chairman of the Appropriations Committee, this is a fiscal year 1993 bill, as I understand it. Yet, this amendment would authorize $65 million for fiscal year 1993; $165 million for fiscal year 1994; and $240 million for the period consisting of fiscal years 1995 and 1996, and $120 million for fiscal year 1997 to carry out this.

Why are we authorizing moneys for fiscal years 1994, 1995, 1996, and 1997 in a fiscal year 1993 bill? That is No. 1.

No. 2, on page 8 of the amendment I find, on line 11, beginning on line 11, these words:

"Funds authorized to be appropriated in paragraph (1) are authorized to remain available until expended."

Mr. President, I am very much opposed to that provision. I think that these funds, if they are going to be appropriated by the Appropriations Committee, ought not to carry over. They ought not carry over, build up, and be available until expended. I am opposed to that language in an authorization bill. I think that is a matter for the Appropriations Committee to decide and a matter for the Senate to decide. So, I am very much opposed to that. If that is not taken out, I will offer an amendment to strike it.

Finally, I should call attention of our colleagues—call their attention to the fact that, because of the 1990 budget agreement, after fiscal year 1993, there are no caps, there are no categories. Everything is lumped into one pot. There will not be a foreign operations category. There will not be a military spending category. It will all be in one pot. That is in accordance with the budget agreement that was entered into at the 1990 summit.

But this amendment seeks to authorize for foreign operations in fiscal year 1993, fiscal year 1994, fiscal year 1995, fiscal year 1996, and fiscal year 1997. To do that would be to continue a category which is supposed to be nonexistent after fiscal year 1993. I oppose that.

It would be my suggestion that the amendment apply only to fiscal year 1993; that it be cut at least in half, and that the "authorization to remain available" be stricken. I have those objections.

It has been called to my attention that for the whole world exchange programs in fiscal year 1992 total $120 million. If this authorization were funded in fiscal year 1993, it would constitute over a 50-percent increase above the 1992 world exchange program appropriation.

We will have to find some way to deal with these problems that I have raised. The Senate will have to deal with them one way or the other. If the Senate wants to put its stamp of approval on this amendment, and, in so doing, add that much pressure to fund this program out of the one discretionary pot that the Appropriations Committee has for fiscal years 1994–97 under the 1990 Budget Act, why, that will be for the Senate to do. But it will be over my objection.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, I, too, would like to commend the distinguished Senator from New Jersey for his initiative with regard to exchanges. I think we all believe exchange programs are one of the most effective and most important things we did during the cold war period, to bring kids here from around the world, and hopefully instill in them some enthusiasm for democracy and capitalism. Those people went back and became the leaders of these emerging democratic capitalist countries that are springing up all around the world.

But there are at least two problems, it seems to me, with the amendment as it is currently written. The distinguished Republican leader and the President pro tempore have obviously described the financial problem; as I add it up, $1.2 billion, which is about twice the money in the entire underlying bill. Clearly, we just cannot afford a program at this level, as the Senator from West Virginia has pointed out.

But there is another problem with it, Mr. President, that I will just briefly allude to. Back in the sixties and seventies, the Soviets used to bring African youngsters to Moscow to attend school, something called the Patrice Lamumba University. Our people used to laugh about that, because virtually all the kids who went to Patrice Lamumba University went back hating the Soviet Union, and were wide open to the ideas that Americans were promoting.

In other words, they did not have a positive experience. When these African kids went to the Soviet Union in the dead of winter, they did not have a happy experience, and it turned those kids in another direction.

The point I am making, Mr. President, is clearly if we are going to have an exchange program, it needs to be organized in such a way and implemented effectively so that it is a positive experience for the kids, both those from here who go there and those Russian children who come here. And dumping a huge amount of money on this program instantly is simply not going to work. It just cannot be administered.

As a matter of fact, both our Government and our academic community, the clear majority of them, just simply doubt our capacity to absorb this number of students into this country, and our ability to send that significant number of Americans abroad and have them have a positive experience. Do we want them to land in Siberia in the winter?

Clearly, we have to not only pare the suggestion of the distinguished Senator from New Jersey down, but we have to make certain it is something we can handle, something that will be a positive experience for the students who participate in it.

I hope further discussions will ensue, and that we can work this out in a manner that will be acceptable to both sides.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I do not want to take much time, but only to reinforce my strong opposition to the amendment put forward by the Senator from New Jersey as it stands now. I share his belief that exchange programs can be very beneficial and positive, but this is very expensive.

There are many areas of the world in transition. There are many areas in which I think we need to be encouraging exchange of students. I am thinking, for one, of the number of African nations with which we exchange both ways, our students going there and their students coming here, which has a beneficial effect.

It is my hope—and I believe it will be possible—to work out an agreement that can be acceptable to all sides.

This is an example not only of the problems that the Senator from Kentucky raised about our own educational infrastructure; as the ranking member of the Education Subcommittee, I think we have to make sure on this side that it is something carefully planned and thought through. And these amounts of money as originally proposed simply, I believe, would be counterproductive.

Mr. President, I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I join in those remarks. I strongly support these exchange programs, but they have to be planned out very carefully. I did study abroad on a scholarship, but these have to be carefully planned out in order to have a positive effect. You cannot throw money at the problem, so to speak.

I know there have been some student exchanges in the world, as my colleague from Kentucky has pointed out, that have not been totally successful. I think we need to hold hearings and to lay out a plan if we are going to have a student exchange program with the former republics.

Mr. President, I would also like to ask the managers of the bill, is it appropriate for me to ask at this time for unanimous consent to offer an amendment after the Byrd amendment is completed?

Mr. DODD. Mr. President, I will have to object. I have been waiting.

Mr. PRESSLER. I have been waiting too.

Mr. DODD. A lot of us are trying to get up amendments. I gather we are going back and forth.

Mr. PRESSLER. Is that the agreement?

Mr. DODD. Normally, that is how it is done.

Mr. PRESSLER. There is a unanimous-consent agreement, to a certain point. I was asking how it is being done here, and I would like to get into the tree at some point, is what I am saying.

I am not trying to go ahead of anybody. I have been waiting for 2 hours.

Mr. PELL. Mr. President, we are considering the amendment of the Senator from New Jersey, and we are going in the normal way. I suggest your time will come.

Mr. PRESSLER. All right.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I just want to make two points. One, I understand the objections of the Senators who have spoken about the size of the program, and shortly I will put in a quorum call in the hopes of having a discussion as to how we might solve that problem, and perhaps reduce the total amount that is available for the program.

The second point I would make is that we are at a moment where time is passing. We have had a historic event, the end of communism in Russia, and newly independent States. Everyone you speak to in Russia or the newly independent States says their first priority is to learn how a market economy works, and how democracy functions.

Therefore, I do not believe that we can continue to operate as if the events of last August did not take place. They have taken place. It is a changed world and, therefore, what needs to happen is thousands of Russian, Ukranian, Lithuanian, and Kazakhs, young people and small business people, coming to this country to learn from Americans how a market democracy works.

This is not something where the circumstance will remain the same. It changes. It changes daily and monthly.

So I will be suggesting the absence of a quorum, unless someone else wants to speak, and I will be working with Senators who have raised questions in an attempt to meet some of their concerns.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. Mr. President, I am certainly pleased to hear that the distinguished Senator from New Jersey is going to be working in an effort to see if we cannot resolve the questions. There are two or three major questions, I think, involved here. Of course, the major one involved, for me, is the question of cost and how quickly it rises to a very high figure.

I will speak briefly about some of my concerns and will encourage him and others to begin meeting to see if we cannot resolve this.

Certainly, none of us question the importance of educational exchanges. Exchanges with the former Republics of the Soviet Union are very vital, and I think a lot can be gained from these student exchanges. When they come to the United States and see how our system works, as Senator BRADLEY just pointed out, it has a tremendous impact on them when they go back to their countries. We have seen that happen with other exchange programs all over the world. So we need to encourage that.

I want to make sure we do it in an orderly way; that it is thought through; that there is a system of accountability; that we know the program is working and how the funds are being used.

More than anything else, I want to make sure we are not wasting money. I think the American people want us to encourage democracy and a free enterprise system that is in its fledgling stages there in Russia and the other former republics of the Soviet Union. They want them to succeed, but they are also saying, at what price? How much can we afford? They want to know how the money is going to be used. It is very hard, in a lot of States, to explain that we are going to be doing large things in educational exchanges when we still have fundamental problems with providing basic, good education to our own students. That is true in a State like mine.

So on this entire bill, my major concern is just how much is it going to cost. Of course, I have major concerns about the $12.3 billion replenishment of the International Monetary Fund and how little of that amount is really going to get to Russia. I am thinking there is not sufficient attention being given to republics other than Russia, and I also am very much concerned that the aid to Russia is the engine that is pulling the train with a lot of cars attached to it which are not related to aid to Russia. That point was made by Senator PRESSLER and others in the committee report I read.

But my first concern associated with this is strictly the money. USIA's 1993 budget request for all exchange programs worldwide was only $200 million. This legislation would add a series of new proposals totaling $150 million additional funds in fiscal years 1993, and in 1994 it increases to $335 million, and for each of the final 3 years the figure increases again to $476 million, totaling too much money. There has to be a way to cut that back.

It also does not identify, as I understand it, the funding sources. So I am concerned that other accounts may be affected very adversely. The 150 account certainly can be affected. Funds could come, perhaps, from the foreign military financing program. I am not sure I would like that. So I want to know exactly where are these funds going to come from. We need to reduce the amount and we need to identify the funding source or have some understanding of from where it is gong to come.

Now The USIA already runs an impressive array of exchange programs with the former Soviet Union. They run the gamut from high school exchanges, undergraduate programs, university linkage with CIS institutions, and senior researchers and scholars. There is a lot involved, with familiar names: Fulbright program, the Samantha Smith exchanges, the Ben Franklin fellows, and now we are going to add another one on top of that. There is just not enough money to go around.

I would like very much to have the committee that has jurisdiction in this area—perhaps Foreign Relations, certainly, would want to do it—to look into it, ask some questions, have some hearings. Have you done that? Have you looked at duplication?

So before we set up this Educational Exchange Endowment, I would like to see the committee look at it. There is not an absolute dire emergency. We can pass this bill and then we can pursue, in the calm of later this year or early next year, a program that could accomplish this.

I also want to make sure there is a system of auditing and one that works because we have had some experiences where some programs have been audited and the results have been very unsatisfactory. So I want to know that the program is going to work, it is going to work properly, it is not going to be duplicative, and we have a way of knowing where the funds go. Is a good idea, but I am just going to have to ask: Have we considered it thoroughly enough and can we afford it?

My answer at this point is no, and unless there are significant changes in the Bradley amendment, I hope that this body will reject the amendment. This is the kind of amendment that is going to affect this Senator's vote on final passage. I am inclined not to vote for this bill anyway. If you start piling more stuff on it, be assured some of us are not going to vote for it. But I appreciate the efforts made by the committee, and I look forward to seeing the final version of this amendment.

I yield the floor.

Mr. WIRTH. Mr. President, I am pleased to be an original cosponsor of the amendment offered by Senators BRADLEY, BOREN, DIXON, KERREY, KENNEDY, HARKIN, and others. This amendment represents the efforts and ideas of several Senators on this side of the aisle on how we might best structure a comprehensive program of exchanges to assist the former Republics of the Soviet Union, the Baltic States, and Eastern Europe in their transition to democracy and market economies.

Mr. President, there is an enormous amount of good will out there among the American people to help in this historic change now underway in the former Warsaw Pact countries. We can make a very significant difference through the exchange programs outlined in this amendment. We need not—nor can we—spend vast sums to aid the former Soviet Republics. What we lack in wallet we can make up in the energy and enthusiasm of the American people—by sending Americans to help in the East and by hosting the emerging generations of political leaders from the former Soviet Republics at American educational institutions.

I am pleased that my proposal to authorize U.S. Federal employees to lend their services and skills to the former East bloc is included as section 217 of this amendment. The idea for this amendment came from a long-time friend and adviser known to many of my colleagues—Mark Talisman. As always, Mark was right on target in identifying creative solutions to real needs.

The countries of the former East bloc have enormous needs a wide range of governmental activities—in food and drug inspections, in environmental regulations, in energy systems, in financial institutions, in national housing credit agencies, et cetera. The intent of my amendment is simply to make Federal employees available on secondment—a year, 6 months, 3 months—to meet critical needs identified by host country governments.

We further stipulate that all in-country expenses and transportation costs would be borne by the host country, making this program revenue neutral. There would be an opportunity cost—we would have to do without a certain number of Federal employees, whose salaries would continue to be borne by the U.S. Government but whose work would be performed abroad.

Mr. President, I am dismayed that the Bush administration has not moved more aggressively to utilize the resources at its disposal to aid the former Soviet Republics and emerging democracies in Eastern Europe. I believe this amendment will do just that and I urge its immediate adoption.

Mr. President, I ask unanimous consent that the text of my original amendment appear in the RECORD immediately following my remarks.

There being no objection, the original amendment was ordered to be printed in the RECORD, as follows:

On page 52, after line 13, insert the following new section:

SEC. . PARTNERSHIP FOR ESSENTIAL GOVERNMENTAL SERVICES.

(a) FINDINGS ON GOVERNMENTAL SERVICES IN SEED PROGRAM COUNTRIES.—Congress finds that—

(1) the transformation of the independent states of the former Soviet Union and Eastern Europe from state-directed to free-market economies entails a fundamental change in the role of government; and

(2) officials at the Federal and State levels of the United States Government possess knowledge and experience that could assist governments in the independent states of the former Soviet Union and Eastern Europe seeking to establish governmental services essential to and supportive of a free-market economy.

(b) AUTHORIZATION AND MANDATE.—(1) The Congress authorizes and urges the President to establish a program of support for exchanges of governmental officials with the independent states of the former Soviet Union and Eastern Europe.

(2) Such program may be referred to as the "Partnership for Essential Governmental Services".

(3) As part of such program, the President is authorized to make available, on a volunteer basis and as appropriate, Federal civil service employees of departments and agencies of the United States for temporary duty in the independent states of the former Soviet Union and Eastern Europe to assist those countries in the development of essential governmental services.

(c) IMPLEMENTATION.—The program authorized by subsection (b) should be carried out by existing agencies of United States Government and by volunteer-coordinating organizations such as the Citizens Democracy Corps, and should place upon each participating foreign government the primary responsibility for—

(1) identifying specific needs for such advisory assistance; and

(2) bearing in-country living expenses of American governmental officials seconded to advise that government.

THE "LEGS" FELLOWSHIP PROGRAM FOR THE FORMER SOVIET UNION

Mr. BOREN. Mr. President, I would emphasize again the historic significance of American efforts to assist the former Soviet Union in its painful transition to democracy and free markets. As we are all aware in this body, the United States has limited financial resources to devote to these efforts. That is why we must make the best use of every aid dollar.

There are also, however, other ways to help the former Soviets that rely less on big-dollar programs and more on American goodwill and on people-to-people contact.

In that spirit, I would like to express my support for the amendment offered by my colleague from New Jersey, and in particular, the third title on business and government internship programs. I worked closely with Senators KERREY and BRADLEY on developing the language in this section, which would authorize the creation of a new fellowship program under which businesspeople, educators, lawyers, lawmakers, and others from the former Soviet Union can spend time in the United States, living with Americans and working in our institutions.

The promise of this initiative is twofold: First, the visitors will learn immensely from our democratic, free-market example; and second, when they go back, they in turn will set an outstanding example for their compatriots. By creating this program, we can build lasting relationships with Western-oriented future leaders of the former Soviet Union and Eastern Europe.

James Billington, the Librarian of Congress and a renowned expert on Russian and Soviet history, recommended exactly this sort of initiative in a February speech at Princeton University. I would like to quote Dr. Billington:

> What they specially need now, in my opinion, is what America is uniquely equipped to give . . . a crash program for bringing a large number of Russians—perhaps as many as 50,000—to the U.S.A. for 4- to 6-week periods of living and working in the key institutions of a free society.
>
> Such programs would link America with enduring forces of change working from the bottom up, and this type of program could be extended to other parts of the former Soviet empire and need not be put on hold pending the outcome of political struggles at the top within Russia or between republics.
>
> The adventure of engaging the American people as a whole with the Soviet people as a whole would provide the recognition we have not yet given to both their achievement in August and their deepest continuing need. It is both more effective and less demeaning to bring Russians here and let them adapt our ways to their needs than to send too many of our advisers over there.

Mr. President, I cannot imagine a more eloquent case for such an initiative.

This amendment leaves wide discretion to the President on the questions of how to start up and manage such a program. It opens the door for full-scale voluntary and cooperative effort involving private citizens and businesses across the country. With families willing to put up these eager visitors, with corporate sponsors defraying some of the costs, with individual merchants and judges and legislators and executives taking on these visitors as interns—this program will connect Americans of all walks of life to the effort to help the former Soviet Union.

I would urge my colleagues to consider this program an investment, Mr. President, which will pay lasting, long-term dividends of friendship and goodwill. Moreover, it is focused on men and women who are already involved in building a civil society. The participants in this program will return to Russia or Ukraine or Kazakhstan and will be able to apply the insights they have gained here to the nuts-and-bolts problems of building free markets and democracies in their countries.

I am glad to be a cosponsor of this amendment and I hope the Senate will approve it.

Mr. DOLE. Mr. President, I just want to supplement the remarks I made earlier about the Bradley and Kerrey amendments.

I think we are ending up with a much better product than we started with.

The very laudable aims of the original Bradley proposal are preserved, but we now have a program that is more affordable, and fits better with our authorization and appropriations processes.

I thank Senator BRADLEY and Senator KERREY for their leadership. I thank the distinguished managers, Senators PELL and LUGAR, for their efforts to get to a final product that is widely acceptable. And I thank the distinguished President pro tempore, the chairman of the Appropriations Committee, Senator BYRD.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, I ask unanimous consent to temporarily lay aside the Bradley amendment.

The PRESIDING OFFICER (Mr. KERREY). Without objection, it is so ordered.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

AMENDMENT NO. 2682

(Purpose: To promote development of capital projects involving coal-based technology)

Mr. BYRD. Mr. President, I send to the desk an amendment on behalf of myself, Mr. LIEBERMAN, Mr. FORD, and Mr. WALLOP.

The PRESIDING OFFICER. The Clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself, Mr. LIEBERMAN, Mr. FORD, and Mr. WALLOP, proposes an amendment numbered 2682.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is sc ordered.

The amendment is as follows:

On page 52, after line 13, add the following new section:

SEC. 21. AUTHORIZATION FOR ADVANCED COAL-BASED TECHNOLOGY PROJECTS.

(a) FINDINGS.—The Congress finds that—

(1) the United States has undertaken a $5.0 billion technology development program to commercialize advanced coal technologies that will better enable the use of coal in a cost-effective and environmentally acceptable manner;

(2) industry in the United States already utilizes advanced technologies that enable the use of coal efficiently and with minimal impacts to the environment;

(3) these advanced technologies should be exported to other nations intending to use coal resources; and

(4) use of United States assistance to export coal-related technologies will benefit the global environment, maintain United States technological leadership, assist United States industry by supporting development of foreign markets, and promote a more favorable balance of trade.

(b) ADVANCED COAL-BASED TECHNOLOGY PROJECTS.—(1) The Secretary of Energy, in consultation with the Secretary of State and the chief executive officers of the Overseas Private Investment Corporation and the Export-Import Bank, is authorized to make grants and issue loans with respect to the projects described in paragraph (2), to be carried out by United States firms in the independent states of the former Soviet Union.

(2) The projects referred to in paragraph (1) shall be developmentally sound capital energy projects, which projects—

(A) shall be proposed by a United States firm;

(B) shall consist of equipment manufactured by United States firms;

(C) shall be capable of providing energy, in a cost-effective and environmentally acceptable manner, using advanced coal-based technologies;

(D) shall be designed to increase significantly the overall efficiency of the use of coal in the retrofit of an existing facility or the application of the advanced coal-based technology in a new facility; and

(E) shall be utilized to reduce significantly environmental emissions when compared to currently utilized methods of emissions control in the state of the proposed project.

(3) In determining which projects to support under this subsection, the Secretary of Energy shall give special consideration to those project proposals which would achieve the greatest increases in the control of emissions and the efficient production of energy and to those project proposals in which a portion of the costs of the project shall be paid for by non-Federal funds, including private funds.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) Of the funds authorized to be appropriated by this Act, up to $50,000,000 are authorized to be appropriated to the Secretary of Energy for Fiscal Year 1993 to carry out subsection (b).

(2) Amounts authorized to be appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(d) DEFINITIONS.—As used in this section—

(1) the term "advanced coal-based technology" means—

(A) any technology utilized for the preparation, combustion, or conversion of coal or the control of effluents from the combustion of coal that is commercially available and widely utilized in the United States but not widely utilized in the country that is the site of the proposed project and that achieves greater efficiency or control of emissions from coal utilization than currently achievable by technologies in widespread use in that country; or

(B) any clean coal technology that is the subject of a demonstration project selected by the Secretary of Energy under the heading "Department of Energy: Clean Coal Technology" of Public Law 99-190 or under any subsequently enacted law for which funds are made available to the clean coal technology demonstration program;

(2) the term "capital energy project" means a project involving the construction, expansion, alteration of, or the acquisition of equipment for a physical facility or physical infrastructure, including related engineering design (concept and detail) and other services, the procurement of equipment (including any related services), and feasibility studies or similar engineering and economic services; and

(3) the term "United States firm" means—

(A) a United States citizen;

(B) a corporation incorporated under the laws of the United States, substantially owned and controlled by U.S. persons;

(C) a joint venture or partnership organized under the laws of the United States, each participant of which is an individual or corporation described in subparagraph (A) or (B); or

(D) a joint venture between (i) an individual or corporation described in subparagraph (A) or (B), and (ii) a foreign firm organized under the laws of the host country or the government of that country.

Mr. BYRD. Mr. President, this is an amendment that could benefit both the former Soviet States and the American people in the event that the legislation becomes law.

This amendment authorizes the Secretary of Energy to use up to $50 million of the U.S. assistance to the former Soviet States for capital projects incorporating clean coal technologies. The U.S. Government, matched by U.S. private sector efforts, is close to concluding a multiyear, $5 billion program to develop and commercialize what are known as clean coal technologies. These technologies are much more efficient in the conversion or combustion of coal, resulting in significantly reduced carbon dioxide emissions. And compared to existing technology, clean coal technologies also reduce sulfur dioxide and nitrous oxide emissions. The United States is a world leader in this field.

An advanced coal technology program for the former Soviet States, such as outlined in this amendment, would put United States aid where it is most needed. Capital projects for energy development will provide a base for economic reconstruction in an environmentally sound manner. Many of the former Soviet States are rich in coal; almost all face difficulties in generating sufficient power for private and industrial consumption, and all must contend with a legacy of environmental degradation. Much of the coal in the former Soviet States is of low quality. Its use makes powerplant maintenance costly and produces unnecessarily high emissions. But for many of these states the alternatives—nuclear or hydroelectric power—pose greater environmental dilemmas. In 1990, the Ukraine implemented a 5-year moratorium on nuclear power development, a cautious move by a state still plagued by the aftermath of faulty Soviet nuclear power design at Chernobyl. But the Ukraine must continue to operate other nuclear powerplants that generate 40 percent of its electricity. Using U.S.-developed clean coal technologies to retrofit or to build new coal-fired powerplants would alleviate some of their energy and environmental concerns.

Russia, Kazakhstan, and the Ukraine possess vast coal reserves but are hampered by serious pollution problems caused by their primitive industrial infrastructure. In Kazakhstan, where 40 thermal powerplants generate 96 percent of the Republic's energy, officials have identified coal treatment and ash-handling technology as critical problem areas, according to the U.S. Department of Energy. They reportedly are actively seeking a joint venture to construct a new coal-fired powerplant southwest of Balkhash. Ukrainian officials, whose previous strong exports of energy to Europe are faltering, need equipment and spare parts for thermal station maintenance and rehabilitation, and are reportedly interested in developing coal bed methane as fuel for power production and reducing their sulfur dioxide and nitrous oxide emissions. The program I am seeking to initiate with this amendment could speed the installation of clean coal equipment that, while more expensive initially, ultimately proves less costly to operate and significantly reduces emissions, compared with existing conventional technology.

This program will help the United States as well. This program would use U.S. funds for U.S. firms, in cooperation with host country firms or governments, to build or to retrofit coal-fired powerplants using U.S. equipment and U.S. technology. It would help U.S. firms to demonstrate, on a global basis, their leadership in this field. It would also help U.S. firms to gain an international foothold in the burgeoning field of environmentally sound power development.

The Electric Power Research Institute has estimated that 60 percent of expected growth in coal use over the next 30 years will occur in the developing countries, the former Soviet Union, and in Eastern Europe. The electric power sector of developing countries alone is projected by the World Bank to require a capital investment of nearly $750 billion during the 1990s. By the year 2000, the worldwide market for clean coal technologies could be $50 billion annually, and $70 billion annually by the year 2010, according to the National Coal Council. There is an enormous, and profitable, market for the clean coal technologies developed in the United States, and it should be U.S. firms that profit from investment in developing that technology.

Other countries, notably Japan and Germany, use this kind of aid program for capital-intensive projects to create large markets for capital goods exported from the home country. A recent report by the Center for Strategic and International Studies estimates that $2.4 to $4.8 billion of U.S. exports are lost annually because of the discrepancy between the U.S. and foreign countries' tied aid credits. We simply cannot allow this to continue, when it is possible to provide energy for development in the former Soviet States while at the same time providing jobs and developing markets for Americans.

From the standpoint of U.S. competitiveness, balance of trade, full potential for the U.S. taxpayer's investment in clean coal technology development, and coal use linked to the use of environmentally superior technologies, it is in America's best interest to ensure that the use of coal is associated with the use of U.S.-developed technology.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from West Virginia on a remarkably thoughtful amendment with regard to the environment, and which combines likewise the expertise of American technology, American firms, American equipment.

Very clearly the amendment is the type of amendment that is going to lead to association of our expertise with persons in the former Soviet Union who need that expertise, but who likewise will benefit from the improvement of the environment that this causes. It is consistent with our leadership worldwide in attempting to bring about a better environmental situation.

So on our side of the aisle, we are prepared to accept the amendment. I would make one reservation, which I am sure the distinguished Senator from West Virginia will understand. That is that under the authorization of appropriations $50 million are authorized, or up to $50 million, are authorized to be appropriated to the Secretary of Energy for fiscal year 1993. That is a very substantial part if all $50 million were to be utilized of the potential funds to be appropriated for the Freedom Support Act.

I make the point because the author of the amendment is the distinguished chairman of the Appropriations Committee, and obviously would advocate clean coal technology as I do. On the other hand, I trust the distinguished chairman of the committee is also mindful of all of the large number of thoughts that have come before the body as to how American business could be served, how Americans could be employed in this bill, and likewise benefits to the friendships that we are trying to forge.

So with at least that hope that there will be moderation in all things, and especially with regard to limited resources of the Freedom Support Act, we commend the amendment and we are prepared, on this side, to support it.

I point out that we have cleared that recommendation with the Republican members of the Energy Committee and others who have special interests in this field.

Mr. PELL. Mr. President, this is a very thoughtful and ingenious amendment. It goes in the direction that is needed, of the development of clean coal, and limiting the pollution from sulfur coal. It is a good amendment. It is a generous amount that could be spent usefully and would be well spent.

I am glad to commend the support of my colleagues.

Mr. LUGAR. Mr. President, I have conferred briefly with the distinguished author of the amendment. I would like to ask the distinguished author, the Senator from West Virginia, in view of the concerns that I have expressed—and they are really an expression of other Senators in addition to myself, I am spokesman for them—would the Senator consider changing the clause on authorization of appropriations which now says up to $50 million authorized, to a figure of up to $35 million? Would that be within the Senator's purview to do?

Mr. PELL. I would add it seems like an excellent idea to me.

Mr. BYRD. Mr. President, what the distinguished Senator from Indiana has said is true. We are certainly strapped for funds. I think that is a reasonable request. I would modify my own amendment to change the figure to up to $35 million instead of $50 million.

The PRESIDING OFFICER. The Senator has that right.

The amendment, as modified, is as follows:

On page 52, after line 13, add the following new section:

SEC. 21. AUTHORIZATION FOR ADVANCED COAL-BASED TECHNOLOGY PROJECTS.

(a) FINDINGS.—The Congress finds that—

(1) the United States has undertaken a $5.0 billion technology development program to commercialize advanced coal technologies that will better enable the use of coal in a cost-effective and environmentally acceptable manner;

(2) industry in the United States already utilizes advanced technologies that enable the use of coal efficiently and with minimal impacts to the environment;

(3) these advanced technologies should be exported to other nations intending to use coal resources; and

(4) use of United States assistance to export coal-related technologies will benefit the global environment, maintain United States technological leadership, assist United States industry by supporting development of foreign markets, and promote a more favorable balance of trade.

(b) ADVANCED COAL-BASED TECHNOLOGY PROJECTS.—(1) The Secretary of Energy, in consultation with the Secretary of State and the chief executive officers of the Overseas Private Investment Corporation and the Export-Import Bank, is authorized to make grants and issue loans with respect to the projects described in paragraph (2), to be carried out by United States firms in the independent states of the former Soviet Union.

(2) The projects referred to in paragraph (1) shall be developmentally sound capital energy projects, which projects—

(A) shall be proposed by a United States firm;

(B) shall consist of equipment manufactured by United States firms;

(C) shall be capable of providing energy, in a cost-effective and environmentally acceptable manner, using advanced coal-based technologies;

(D) shall be designed to increase significantly the overall efficiency of the use of coal in the retrofit of an existing facility or the application of the advanced coal-based technology in a new facility; and

(E) shall be utilized to reduce significantly environmental emissions when compared to currently utilized methods of emissions control in the state of the proposed project.

(3) In determining which projects to support under this subsection, the Secretary of Energy shall give special consideration to those project proposals which would achieve

the greatest increases in the control of emissions and the efficient production of energy and to those project proposals in which a portion of the costs of the project shall be paid for by non-Federal funds, including private funds.

(c) Authorization of Appropriations.—(1) Of the funds authorized to be appropriated by this Act, up to $35,000,000 is authorized to be appropriated to the Secretary of Energy for Fiscal Year 1993 to carry out subsection (b).

(2) Amounts authorized to be appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(d) Definitions.—As used in this section—

(1) the term "advanced coal-based technology" means—

(A) any technology utilized for the preparation, combustion, or conversion of coal or the control of effluents from the combustion of coal that is commercially available and widely utilized in the United States but not widely utilized in the country that is the site of the proposed project and that achieves greater efficiency or control of emissions from coal utilization than currently achievable by technologies in widespread use in that country; or

(B) any clean coal technology that is the subject of a demonstration project selected by the Secretary of Energy under the heading "Department of Energy: Clean Coal Technology" of Public Law 99–190 or under any subsequently enacted law for which funds are made available to the clean coal technology demonstration program;

(2) the term "capital energy project" means a project involving the construction, expansion, alteration of, or the acquisition of equipment for a physical facility or physical infrastructure, including related engineering design (concept and detail) and other services, the procurement of equipment (including any related services), and feasibility studies or similar engineering and economic services; and

(3) the term "United States firm" means—

(A) a United States citizen;

(B) a corporation incorporated under the laws of the United States, substantially owned and controlled by U.S. persons;

(C) a joint venture or partnership organized under the laws of the United States, each participant of which is an individual or corporation described in subparagraph (A) or (B); or

(D) a joint venture between (1) an individual or corporation described in subparagraph (A) or (B), and (ii) a foreign firm organized under the laws of the host country or the government of that country.

Mr. JOHNSTON. Mr. President, the Senate is considering an amendment offered by the distinguished chairman of the Appropriations Committee, Senator BYRD, that would promote the development of clean coal projects in the independent States of the former Soviet Union utilizing technology developed in the United States. This amendment would authorize the Secretary of Energy to make grants and, in cooperation with the Secretary of State, the Overseas Private Investment Corporation and the Export-Import Bank, issue loans for development of these projects by U.S. firms. The amendment authorizes the Secretary to use up to $50 million of the aid provided in S. 2532 for these projects.

I wholeheartedly support this amendment, which builds on the existing clean coal technology program at the Department of Energy and on provisions for the export of these technologies that are contained in S. 2166, the National Energy Security Act of 1992, which was passed by the Senate in February of this year. Similar export provisions are contained in H.R. 776, the Comprehensive National Energy Policy Act, which was passed by the House of Representatives on May 27, 1992, and is now pending in the Senate.

This is a good amendment. The United States has been a leader in the development of clean coal technologies that are not only capable of reducing significantly the environmental emissions from coal but also capable of increasing the overall efficiency of the use of coal in existing facilities. This amendment will help promote the development of projects using our technology in the independent states of the former Soviet Union. The amendment will help in boosting U.S. competitiveness in the world market.

I want to emphasize to my colleagues, however, that adoption of this amendment does not eliminate the need for the broader provisions contained in the energy bill. The Byrd amendment addresses only the export of our technology to the independent states of the former Soviet Union. The provisions of the energy bill address export of U.S. clean coal technology in a much broader arena. The clean coal export provisions of S. 2166 put a special emphasis on export and use of our technologies in the lesser-developed countries. But it is not limited to only those countries.

There is a strong emphasis in the energy bill on the export and development of U.S. technologies, not just in the area of clean coal. Provisions of S. 2166 also encourage and promote the export and development of renewable technologies and technologies for greater energy efficiency.

Like the Byrd amendment, the provisions of S. 2166, and the related provisions of H.R. 776, are good for U.S. technology and good for U.S. competitiveness. It would be a travesty if the Congress failed to act in this session on comprehensive energy legislation.

Mr. LUGAR. I thank the Senator for a very thoughtful amendment.

Mr. BYRD. I thank both Senators.

Mr. McCONNELL. Mr. President, I ask unanimous consent that I be added as a cosponsor of the amendment of the Senator from West Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I ask that I be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the Senators. I thank the distinguished Senator from Indiana for his cosponsorship. And I thank the distinguished Senator from Kentucky for his cosponsorship.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2682), as modified, was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now occurs on the Bradley amendment.

Mr. DODD. Mr. President, I ask unanimous consent that the Bradley amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2683

(Purpose: To require that U.S. spending for domestic defense conversion programs is not less than spending for such programs in the former Soviet Republics)

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Mr. PRYOR, and Mr. LIEBERMAN, proposes an amendment numbered 2683.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill add the following new section:

SEC. . LIMITATIONS ON DEFENSE CONVERSION AUTHORITIES.

(a) Notwithstanding any other provision of law, (including any other provision of this Act) no funds may be obligated, expended or otherwise made available in any fiscal year for the purposes of facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities as authorized by section 8 of this Act or as authorized by any other Act, unless the President has previously obligated an amount equal to or greater than such sums in the same fiscal year for defense conversion and defense transition activities in the United States.

(b) For purposes of this section, the term "defense conversion and defense transition activities in the United States" shall mean those United States government funded programs whose primary purpose is to assist United States private sector defense workers, United States companies that manufacture or otherwise provide defense goods or services, or United States communities adversely affected by reductions in United States defense spending; such as programs funded through the Office of Economic Adjustment in the Department of Defense, through the Defense Conversion Adjustment Program (as authorized by the Job Training Partnership Act), or through the Economic Development Administration.

Mr. DODD. Mr. President, I offer this amendment on behalf of myself, Senator PRYOR of Arkansas and Senator LIEBERMAN of Connecticut.

Mr. President, let me explain this amendment to my colleagues. It is quite simple and straightforward. It simply requires that before the administration spends dollars on Soviet defense conversion, a very laudable goal, the administration must first agree to spend at least that same amount of money on defense conversion and diversification programs in the United States.

As you know, Mr. President, the issue of defense conversion and diversification has come up often during consideration of this legislation. Both the underlying bill and the Nunn-Warner substitute that was adopted yesterday specifically authorized the administration to undertake defense conversion activities in the former Soviet Republics. The Nunn-Warner amendment would, among other things, authorize the President to establish programs "for facilitating the conversion of military technologies and capabilities of defense industries of the former Soviet Union into civilian activities."

Mr. President, since the issue of defense conversion in the former Soviet Union has already been raised, it would seem highly appropriate to take this opportunity to remind ourselves that this is also an issue that confronts many of us here in this country. We, too, must come to grips with certain economic challenges that will flow from this new world order. The same new world order that leads us today to consider providing aid to the former Soviet Republics is going to require that we deal as well with the veterans of the cold war who will be losing jobs in record numbers as a result of declining defense dollars.

The administration would have us believe that all is well on the domestic conversion front. They would have us believe that they are currently spending significant amounts of dollars on so-called defense transition programs here in the United States. I would argue that that is not the case.

To the President's credit, he recently announced his plans to spend an additional $1 billion over 5 years on defense-domestic transition activities, and any positive movement in this area is obviously to be welcomed. But simply labeling a program as defense transition does not necessarily make it one. Truth in packaging is clearly in order when it comes to what we are really doing to assist American defense workers, companies and communities that are heavily impacted as a result of defense cuts to meet the challenges that they now confront.

In truth, Mr. President, there are really only three existing Federal programs that are specifically designed to assist defense workers and communities employed by the private sector and defense-dependent communities that must make the painful adjustments necessitated by an ever-shrinking Defense budget.

These three programs do the following: through the Office of Economic Adjustment at the Pentagon, local communities impacted by base closures and defense plant cutbacks are eligible for planning grants to assist them to map their own futures. In fiscal year 1992, about 70 percent of the $5.5 million of grant authority in that program has been utilized.

Through the Defense Conversion Adjustment Program, which is administered by the Department of Labor, displaced defense workers are eligible for financial assistance for job retraining. This program was congressionally established in 1990 and funded at $150 million. Unfortunately, it has been very slow in getting off the ground. Almost 2 years later the administration has spent only $23 million on that program.

Third, Mr. President, through the Economic Development Administration, some $50 million of transferred Department of Defense moneys are available to fund public works projects in areas impacted by defense spending cuts.

To date, Mr. President, very little of this money has been spent—only $178,000.

As I add up the spending that has occurred this year for specifically targeted domestic defense transition or defense conversion activities, I calculate that about $27 million has been spent to date on such efforts. That is hardly a worthy investment in American workers, American communities, and American industries that are going to face a very difficult transition period.

Mr. President, I wonder how much of an investment we are prepared to make in the new Commonwealth of Independent States' desire to convert, for their defense workers and defense industries.

Let me add that I certainly do not disagree with the desired goal of conversion within the former Soviet Union. But I would hope that as we are talking about investing some $12 billion of taxpayer money to assist the former Soviet Union in its efforts to convert to democracy and a free enterprise system, that we are not going to turn around and say to American industries and American communities that they do not qualify for that kind of assistance.

Every one of my colleagues will recall, only a few weeks ago, the lengthy debate we engaged in over the *Seawolf* submarine. I am grateful for my colleagues allowing that program to be completed, for three authorized submarines. What that does, in addition to completing a worthwhile program at a number far less than the original 29, as planned, also will allow that industry that employs some 25,000 people—not to mention the 300 subcontractors and suppliers throughout the country that also are dependent upon that work—a period now to diversify, to convert, to move into other areas.

So what I am saying is that if we are serious about that—many of my colleagues said they were, and they would like to see these industries move into other areas—and that if we have the money to assist the Soviet Union, as laudable as that is, then I would just like a statement to be made today that we are equally committed to assisting people here, industries here, and communities here. If we are not willing to do that, then I think we have misplaced priorities.

I know there will be some who will accuse the author of this amendment of not being sensitive to this remarkable moment in time, that I am not being international enough in my scope and vision. But I argue that it is just as important for this country to be able to enter the age of international economic competition as it is to try and assist the Commonwealth of Independent States to get on its feet. It ought not to be a choice for one or the other. We ought to do both. But to the extent we do the latter, we ought to be able to contribute to the former.

Mr. President, what are the administration's plans for the former Soviet Republics? Does it intend to spend $27 million for this purpose, $100 million, $1 billion? Frankly, I cannot tell you. I presume others may ask that question.

Whatever it is, I suggest that we ought to be willing to say in this country that we are prepared to do as much here to assist in that effort. I know the rationale offered by those who seek to establish defense conversion programs in the Commonwealth of Independent States. They argue that these activities are in the national security interest, and I agree. I do not argue with that conclusion at all. But I would just as well argue that these issues assisting our conversion efforts and diversification efforts are just as clearly in the national interest, and can contribute as well to our national security.

So, Mr. President, I would hope at some point that we might be able to get, as this program progresses—and I gather it may be included in the generic legislation—some reporting as to how these dollars are being spent, so we will be able to get a determination as to what has been expended in these areas. To support defense conversion activities at home is particularly important. What could be more critical, Mr. President, to our national security than a United States economy that is vibrant, and is generating a standard of living for every American family that is worthy of a great nation, as we go through the difficult period of trying to readjust to a new world order and to changing economic conditions?

I do not believe that the administration's support for conversion activities in the United States or the former Soviet Union need be an either/or proposition. There will be those who make that case. Sadly, I have observed that far more enthusiasm seems to exist on the part of those who are designing and implementing a wide range of programs to assist the Russian economy for domestic defense conversion initiatives here.

I suppose that is what peaks my interest in this subject matter. Nothing like this debate would occur on a subject matter designed to assist the economic needs of the defense industries and workers and communities in this country. We would not have 2 days of debate about how to assist these individuals here in making the conversion. We would not have unanimous-consent agreements worked out, tailored, and arranged prior to a July recess to see that we can assist these people and see that they get their help.

I am taking advantage of the situation to raise the issue and see if we cannot get a commitment out of this Chamber to say that if we can take the time and debate well into the night last evening, and I presume tonight, to decide how we can assist these new republics to get the kind of assistance they need, why not debate as well what ought to be done to assist communities and individuals in this country? I could not get this kind of time, Mr. President, so I am taking advantage of the hours available to me as a result of this debate.

If history is any guide at all, the administration will have to be pushed, I presume, or prodded, to undertake the major effort needed in the area of domestic conversion. That is what this amendment is intended to do.

At the very least, we have an obligation—I think all would agree—to the working American men and women whose livelihoods are threatened by a new world order and who are now seeking new employment and new opportunities. We must stand ready to extend a helping hand with specifically targeted programs, the same helping hand that this bill would authorize for those people who are also going through a difficult time in the new Commonwealth of Independent States.

Mr. President, I urge adoption of this amendment.

Mr. NUNN. Mr. President, I agree with most of what the Senator from Connecticut said about the importance of defense conversion in this country. I think we have an obligation to those people who have worked in our industries over the years, those who have served in uniform over the years, and who continue to serve, as well as the people in the Guard and Reserve.

From the point of view of the Armed Services Committee, we are addressing the issues. I know the Senator is very concerned about the people who have served the country so well, and I think his basic point is that we cannot afford to simply try to help the Russians, while ignoring our own people. I agree with that point totally.

First of all, I say that, as I view this bill—and I ask the authors, those who are probably more familiar with the details, Senator PELL and Senator LUGAR, to comment on this—but my impression is, what this bill does now is make defense conversion a subject that could be addressed with the so-called Nunn-Lugar bill that passed last year.

There may be more than that here, but the defense conversion that I had in mind in introducing my bill last year, and that part was taken out, was basically technical assistance to go in and help, make inventories. We need to help them make inventories of what they have available that the private sector in this country might want to participate in.

The way I see defense conversion in Russia, it would have two purposes: One, most of what we would be doing is giving American companies more data where they can use the Commerce Department here, for instance, to determine what kind of technological capabilities might be for sale there; it would help America in the private sector and help jobs here at home.

We are not talking about large sums of money, as I view this bill. We are talking about primarily technical assistance, and primarily about doing inventories and perhaps having trade fairs so that our own people back here will not have to go all the way to Moscow—particularly in the case of small business—to determine what the opportunities are there.

That is the way I view this legislation. But I would say, as to the concern of the Senator from Connecticut, as he knows, and I believe he served on that task force, the prior task force on defense conversion has made a rather thorough report.

I understand the Senator from New Hampshire [Mr. RUDMAN] also made a report on the Republican side.

It would be the intention of the Armed Services Committee to address whatever portion of that defense conversion program that would be applicable to our bill when we take up the authorization will next month.

I will assure the Senator from Connecticut we are going to take some defense money, if the vote fails, and put it in defense conversion, in this country, in that authorization bill—and there are no doubts about that. In my view, that will greatly exceed any amount of money spending for defense conversion for what was primarily the denuclearization.

When we are talking about defense conversion in Russia, we are not talking about trying to provide jobs for their people. We hope that can be an incidental fallout. We are trying to reduce the military threat against our own country so if at some point in the future we have a different set of Russian leaders, we will not face the same kind of military threat. That applies directly to national security.

It is my view—and maybe I have not completely followed the amendment—if the amendment is directed at the basic use of that defense conversion money to section 8 to which the amendment refers. If my recollection is correct section 8 basically makes the defense conversion part of the demilitarization under the Nunn-Lugar function. It would be my view that this amendment would be something that would be in order and could be supported.

I know the managers will have to address it. From my point of view, it makes sense, and I think the word would be very clear to the American people, the American defense workers, the American military that we are not going to in any way ignore their concerns—and we do not intend to. We intend to put that in our bill.

I would urge the managers to take a close look, and if my interpretation of the amendment is correct and if my interpretation of the bill itself is correct, then it seems to me this is an amendment that should be accepted.

Mr. LUGAR. Mr. President, will the Senator yield for a question?

Mr. NUNN. Yes.

Mr. LUGAR. I would like to query the distinguished Senator from Georgia, the author of the Nunn-Lugar amendment which is referred to in section 8 of this bill, to respond to a question that was raised by the distinguished author of the amendment, Senator DODD.

As I remember the dialog of this debate, the Senator raised the question how much money has in fact been spent under section 8, the so-called Nunn-Lugar authorization. As we know it was approximately $400 million when first conceived and passed and appropriated last year.

It is my understanding—but I would want to confirm this with the Senator from Georgia—that as of this moment none of money, zero, has been spent for conversion. What is authorized in the Freedom Support Act is that theoretically the money could be used for conversion.

So the dilemma in a way of the Dodd amendment is that, clearly, I suspect universally we would feel as much ought to be done in our country as is being done in Russia with regard to conversion. But for the moment that is a fairly easy target because the answer is zero on the Russian side. Although, as the Senator pointed out, more could be done within that realm. And I gather the Senator's amendment would suggest more should be done here—whatever might be the further plans.

Is that the Senator's understanding?

Mr. NUNN. I say that was exactly the understanding. I believe that the so-called Nunn-Lugar money did not have defense conversion as one of the purposes in authorized purposes. So the money that would have been obligated—and I am not sure how much has been spent, but the money that would have been obligated would have been primarily to help them with their nuclear weapons in transportation of, safety of, protection of, disassembling of those nuclear weapons, and that primary purpose has not been completed.

But we have had a major leap forward getting the nuclear weapons back to Russia. The conversion money has not been spent and was not authorized for that purpose.

We also spent the Nunn-Lugar money or obligated, as I understand it, to set up a technology center in Moscow and they are planning one in Kiev to try to help occupy those nuclear physicists and missile experts who otherwise might end up in Libya and Syria.

I think that is worthwhile money that is not within the definition of defense, per se; that is really under the overall nonproliferation part.

What I would believe we would do in our bill is to put substantial numbers of millions—hundreds of millions of dollars in a defense conversion package for this country in our defense authorization bill. So it would be my view if this is aimed at the Nunn-Lugar money, we are going to spend several times that much money on defense conversion in our bill as we would spend in all the Nunn-Lugar money including, but not limited to, the conversion part.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. RIEGLE. Mr. President, I am going to shortly offer a second-degree amendment. I want to make sure the Senator from Georgia and the Senator from Indiana follow the point I am going to make here, because I, too, want to see us move in the area of strengthening defense conversion activities in the United States.

Clearly, the bill that is before us now does undertake to do that in the Soviet Union. I think we have to have an effort that is parallel to that or in tandem to that here in the United States.

So the amendment that I am going to offer—and let me say to the Senator from Georgia before he leaves, because he ought to hear this—I will in due course be sending a second-degree amendment to the desk, and it relates to the discussion that has just gone on. I would hope that this would be something that the Senator from Georgia would feel he could support.

My amendment also deals with the provisions of the bill relating to defense conversion. And as the Senator noted a moment ago, we passed the Soviet Nuclear Threat Reduction Act of 1991. That legislation authorized $400 million to help the former Soviet Union destroy its nuclear weapons.

The bill before us now, the bill that is before the Senate today, expands the use of these funds to include the conversion of defense-related industries in the former Soviet Union to civilian purposes.

So that is direct civilian transfer, if you will, from military into the civilian area. It will also allow these funds to be used to help reorient defense personnel in the old Soviet Union to nondefense research. We, obviously, have precisely the same problem here in the United States where we have to be in a position to make this shift of our own personnel in this country who have been working in that area and move them into civilian activities.

I think we cannot today take an action that undertakes to finance that kind of conversion in the Soviet Union and not in a very direct way address that problem here in the United States when we have a major unemployment issue, as I am sure the Senators on the floor have heard from this morning's news. The unemployment rate in the country has just jumped up to 7.8 percent. We have 10 million unemployed people we know by name, probably upward of another 10 million underemployed—discouraged workers working in jobs below their proper skill level. We have a major problem in that area. The Fed acted in an emergency fashion today to lower the discount rate. The banks responded by lowering the prime lending rates. But all of that relates to the issue of the growing pool of unemployed workers in this country—many of them coming from defense-related activities. Just this week, in fact, the Hughes Corp., heavily involved in defense activity, announced it was eliminating 9,000 jobs.

We have base closings going on all across the country. We have one going on that is going to have a major impact in the lower peninsula of Michigan in the northeastern section of that part of our State.

So the second-degree amendment that I will be sending to the desk relates to a step that we took in 1990. Senator PELL, the manager of this bill, and I offered an amendment in 1990 to the defense bill at that time. And that amendment, as the Senator from Georgia will remember, transferred $200 million from the Defense Department to the Labor and the Commerce Department in order to facilitate communities and workers going through this transition process where they were otherwise being hurt by defense cutbacks or by base closings.

Here is what happened. The problem is that the administration has not really used these funds even though the funds are needed. We have had base closing meetings in our State and I am sure the Senator probably has in Georgia as well. But as of May of this year, believe it or not, with all of this unemployment, all of this impact of defense contractors and military bases in America, only $22 of the $150 million that had been set aside for worker retraining had actually been allocated and only $100,000 of the $50 million for community adjustment planning had been used.

And there is just really no excuse for that. And quite apart from that bureaucratic delay, I do not think we can be in a posture here when we have already taken that step in this country where we have provided the money and the money is not moving through the pipeline and here we come in today with a renewed urgency with respect to helping deal with that problem in the former Soviet Union.

The reason I raise the issue is the authority to spend the money that we have already set aside under the Riegle-Pell amendment, the authority to use those funds expires on September 30 of this year.

So just down the road, that amount of money that we have already provided will not longer be available if it is not used by that time unless we push this deadline, and that is precisely what my amendment will do; it will be to push out that deadline, to extend that authorization out through September 30, 1997. And I do that so that we do not have an arbitrary cutoff of a flow of money previously set aside for defense conversion activities here in the United States at precisely the time they are most needed and we're here trying to do something now to help the former Soviet Republics.

I will just make one other point, if I may, then I would like to yield for a response.

Mr. NUNN. Mr. President, I just wanted to ask a question.

Mr. RIEGLE. Yes.

Mr. NUNN. I have to leave the floor.

Mr. RIEGLE. I yield to the Senator.

Mr. NUNN. As I understand the amendment, having read it—maybe the Senator could enlighten me on it if I am not correct—the Senator is saying the money we put in our defense bill in last year's bill—and I believe we had some in the bill the year before last, also, that would help in defense conversion—that money that has not been expended for that purpose will not expire in terms of its eligibility to be expended.

Mr. RIEGLE. Yes; I would extend the date so that this would in fact continue to be available. Otherwise it will expire as of the September 30.

Mr. NUNN. I have no objection to that.

Mr. RIEGLE. That is very helpful.

Mr. NUNN. We intended the money to be used for that purpose. And the Senator is correct it had not been.

Mr. RIEGLE. I wonder, in light of that, if the managers would feel they could accept that second-degree amendment.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I would like to accept the second-degree amendment, but I ask the Senator, is there a budgetary impact on it? Has it been cleared with the Budget Committee?

Mr. RIEGLE. We are double-checking that. Our assumption is that it was not. I will have a final answer for that shortly. We are checking with the Budget Committee.

AMENDMENT NO. 2684 TO AMENDMENT NO. 2683

(Purpose: To provide for extension of defense conversion programs)

Mr. RIEGLE. Let me send the amendment to the desk so the amendment is pending.

I state again it was in direct response to the leadership from the Senator from Rhode Island, who had a concern about this issue 2 years ago, as did I, that we collaborated to put this provision into law. And it is there now. The problem is the funds are not being used and the authority is about to expire.

I might say further that the extension of this time deadline has been recommended on both sides of the aisle. Both the Republican and Democratic Senate task forces that exist separately on the issue of defense conversion have made this very recommendation that this deadline be pushed out into the future so these moneys will, in fact, continue to be available.

I might say to the Senator, I know in Connecticut, I know in Michigan, and probably in most of the 50 States, there are quite urgent needs that communities are struggling to deal with and displaced workers are struggling to deal with. And I just do not think we are on solid ground to come in today and extend a form of defense conversion help of this kind to the old Soviet Union and not at the same time take the step that is necessary to keep that help already set in motion available and moving out into communities and to workers here in the United States.

The PRESIDING OFFICER. Does the Senator wish to offer his amendment at this time?

Mr. RIEGLE. Yes.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE] proposes an amendment numbered 2684 to Amendment No. 2683.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment add the following:

SEC. . AVAILABILITY OF ECONOMIC ADJUSTMENT ASSISTANCE.

Notwithstanding any other provision of law, funds appropriated to the Department of Defense before the date of the enactment of this Act and made available for the Office of Economic Adjustment of that department to assist State and local governments significantly impacted by reductions in defense industry employment or reductions in the number of Department of Defense military and civilian personnel residing in such States and communities shall be available until September 30, 1997.

Mr. DODD. Mr. President, I commend the Senator on his amendment and express my support for it.

As has been pointed out, when you look at the three various defense transition programs that are out there you see that a fraction of what had been authorized was just sitting there when in fact many requests were being made and these communities and individuals were really hard-pressed.

I think the amendment of the Senator which would extend the time that the dollars are made available to help in that conversion process could be critically important. I think the Senator's amendment makes a significant contribution to the concept we are trying to put in place.

I am heartened to hear the chairman of the Armed Services Committee indicate his support and indication that in the upcoming authorization bill there will be a greater commitment in this area.

Unfortunately, I would say with all due respect—and I know there are others who tried very hard on a bipartisan basis on this issue and I say that very respectfully to those who are responsible for these programs—it has been very slow in terms of bringing assistance in these areas.

So that was the reason for the amendment, and I commend him on the second-degree amendment.

Mr. LUGAR. Mr. President, I would like to raise a question directly with the distinguished Senator from Michigan. My understanding is the amendment concerns funds that had been appropriated but not extended and that the Senator is not calling for appropriation of new funds in this particular second-degree amendment.

Mr. RIEGLE. That is correct. It simply extends the time period over which those funds can be spent and it makes sure they are not going to be, in effect, withdrawn at a time when the need is increasing for their use.

Mr. LUGAR. Mr. President, I would comment that on our side of the aisle a commission, headed by the distinguished Senator from New Hampshire [Mr. RUDMAN] has tried to address the conversion issues and has made a report. A comparable effort, headed by Senator PRYOR of Arkansas on the Democratic side, seems to mesh on most of those issues. And as I recall the reports, clearly the issues that have been raised by the distinguished Senators from Michigan and Connecticut have been given very high priority.

It is useful, as the Senator has pointed out, that the distinguished chairman of the Armed Services Committee today has made a prediction with regard to the activities of his committee and, of course, we will all have that issue on the floor soon. But in view of the fact that the funds are those that have been appropriated, that both parties have expressed themselves also very firmly in behalf of very substantial efforts in the conversion in our own country, we are prepared to accept the second-degree amendment on our side.

Mr. RIEGLE. I thank the Senator from Indiana.

Again for the record, that specific time extension has been reached both by the task force headed by Senator RUDMAN on your side and the one very ably led on our side by Senator PRYOR.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I think it is an excellent amendment. In fact, I would ask the Senator from Connecticut if I could be a cosponsor of his amendment and I would like to ask the Senator from Michigan if I could be a cosponsor of his.

The PRESIDING OFFICER. Without objection, the Senator will be added as a cosponsor to both amendments.

Is there further debate?

Mr. PELL. Mr. President, I have long been interested in conversion. We have suffered, particularly in my State, from the removal of various defense-oriented jobs. The original concept and the underlying amendment are both, I think, excellent and I would move on this side that we accept the second-degree amendment.

The PRESIDING OFFICER. Is there further debate on the second-degree amendment?

Mr. PELL. Mr. President, I must retract that at the moment because we are waiting for the Budget Committee to clear it. So I must ask temporarily that we put in a call for a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, let me just say to my colleagues, because I do not want to get hung up here, this money has already been appropriated—there is no one objecting on the floor—it has not been extended. We are simply proposing the extension of the date. Both parties have recommended this formally. No one is here challenging it on the basis of any kind of point of order on the budget, or anything else, and I would like to proceed.

If somebody wants to object, fine. Then we can track down an objection. I know of no one who objects.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I really would feel more secure if we had the clearance from the Budget Committee, which I am trying to get right now.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Several Senators addressed the Chair.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair recognizes the Senator from South Dakota.

Mr. RIEGLE. I wonder if the Senator might yield for a moment to clear up this point.

Mr. PRESSLER. Mr. President, I have an amendment that has been agreed to on both sides. If there is going to be a pause here in the proceedings, I was going to try to offer it. I just conferred with Senator LUGAR.

Mr. RIEGLE. If the Senator will yield just for a moment? I want to try to clarify where we are, without disadvantaging the Senator from South Dakota. It will not take long.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. RIEGLE. I am told on this issue, Mr. President, if someone wanted to raise a point of order on this, we could go through the exercise of overcoming that with 60 votes, which I fully gather we would have. I am not sure there would be any votes against it.

But there is no one here raising such a point of order. If that is a concern, then I ask unanimous consent, now, that that issue be dealt with in a form that would be sufficient to settle that issue now.

I, frankly, think it is a moot point. But if it needs to be pursued I will pursue it now. I do not want to hang this bill up on this point, because I do not think there is any need for it.

Mr. DODD. Will the Senator yield?

Mr. RIEGLE. I will make a unanimous consent request, if that is necessary, so there is no doubt about it, if that is what it takes to perfect this issue so that concern evaporates.

Mr. DODD. Mr. President, if the Senator will yield, this is an issue where the money was appropriated. It was scandalous. They did not spend the money on defense conversion. Subject to a point or order? This is a minor point.

Mr. RIEGLE. In light of the fact both of our conversion Defense Committees have looked at this issue and have asked this be done; the money has been appropriated; it is needed and it has not been spent, I am going to propound a unanimous-consent agreement that the amendment be accepted, notwithstanding any point of order that might be raised from a budget point of view.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I really must suggest the absence of a quorum while we work this out. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I ask parliamentary steps be taken to lay aside this amendment, or whatever is required, so I may offer an amendment that is agreed to on both sides, cosponsored by Senators DOLE, BYRD, DECONCINI and D'AMATO.

I would like to ask unanimous consent to send this to the desk at this time.

The PRESIDING OFFICER (Mr. GRAHAM). Is there objection to setting aside the pending amendments? Without objection, it is so ordered.

The Senator from South Dakota is recognized.

AMENDMENT NO. 2685

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER], for himself, Mr. BYRD, Mr. DOLE, Mr. DECONCINI, and Mr. D'AMATO, proposes an amendment numbered 2685.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section.

SEC. . United States Policy Regarding Orderly and Timely Withdrawal of Russian or Commonwealth of Independent States Troops from Lithuania, Latvia, and Estonia.

(a) FINDINGS.—Congress finds that:

(1) during the existence of the Soviet Union, the United States never recognized the incorporation of Lithuania, Latvia and Estonia into that entity;

(2) during the existence of the Soviet Union, troops of the Soviet Union were stationed in the territories of Lithuania, Latvia and Estonia;

(3) after the Soviet Union collapsed, Lithuania, Latvia, and Estonia redeclared their independence and governments of the three states have been recognized by the United States;

(4) armed forces of the Russian Federation or Commonwealth of Independent States continue to be stationed on the sovereign territories of Lithuania, Latvia, and Estonia after independence;

(5) the Governments of the Russian Federation and Commonwealth of Independent States have failed to begin good faith negotiations with Lithuania, Latvia, and Estonia, despite urgent requests from the Baltic governments to do so;

(6) a mutually agreed timetable for removal of foreign forces from the sovereign territories of Lithuania, Latvia, and Estonia is a prerequisite for those countries to be able to enjoy the benefits of independence and representative government institutions;

(b) SENSE OF CONGRESS.—

(1) it is the sense of the Congress that the governments of the Russian Federation and Commonwealth of Independent States should immediately begin good faith negotiations toward an orderly, timely and complete withdrawal of their forces from Lithuania, Latvia, and Estonia and state that they have no long-term territorial interests in the Baltic States;

(2) good faith negotiations to accomplish these purposes should be a top priority of the United States, and should be raised as an urgent matter in bilateral discussions and appropriate international bodies, including at the Conference on Security and Cooperation in Europe;

(3) orderly, timely withdrawal of foreign forces from the territory of the Lithuania, Latvia, and Estonia may require international supervision;

(4) the President should keep Congress fully advised about progress toward these goals on a regular and ongoing basis.

Mr. PRESSLER. Mr. President, I rise to propose a sense-of-the-Senate amendment regarding United States support for removal of Russian troops from the Baltic States. Last night the Senate debated 4 hours on ways the United States can help bring about the removal of Russian troops from Lithuania, Estonia, and Latvia. Senator DECONCINI and myself proposed an amendment linking assistance to Russia on progress toward troop removal from the Baltic States. Unfortunately, the Senate accepted a weakened version of our amendment.

Let me say I was not totally pleased with the amendment that finally passed the Senate. Yet, that was the will of the Senate.

Therefore, today I propose a sense-of-the-Senate resolution stating essentially, that the Russian Federation should begin good faith negotiations with the Baltic governments to take their troops out of the three Baltic countries, and that the Russian Government should state that it does not have any long-term territorial interests in Lithuania, Estonia, and Latvia.

This is a sense-of-the-Senate resolution. It is cosponsored by Senators DOLE and BYRD. I would personally prefer much tougher language, but if we're not willing to do that we must somehow keep the pressure on the Russians. The United States must diplomatically pressure the Russians to remove their troops as soon as possible.

Yesterday, I read several statements made by the Foreign Minister of Russia, the Russian Defense Minister and several other top leaders that threaten the Baltic governments. Some in Russia plan to keep troops in the Baltic States permanently. They unfortunately consider control of the Baltic States vital for Russia's survival. Throughout history they have wanted to occupy the Baltic nations.

Mr. President, the world has changed—but not that much. The Senate appropriates United States taxpayers' dollars to give aid to Russia, Russia is spending dollars to maintain troops in three independent countries where they are not wanted.

Let me say, the amendment offered by Senator DECONCINI and myself yesterday was supported by Latvia, Estonia, and Lithuania. They did not want our amendment weakened. Nor did I.

Last nights outcome is not completely satisfactory to me. However, in working the will of the Senate, if this is the best we can do, I say it's better than nothing. The amendment I offer today will send a signal to the Russians, that we want their troops out of Lativia, Estonia, and Lithuania. We want to see a plan for their withdrawal and we want them to declare that they do not have long-term territorial interests in the Baltic countries.

I yield any time I have. I hope the amendment is adopted.

The PRESIDING OFFICER. Is there further debate? The Senator from Indiana.

Mr. LUGAR. Mr. President, we are prepared to accept the amendment. We thank the distinguished Senator for his leadership on this issue.

The PRESIDING OFFICER. Is there further debate? Is there objection? The Senator from Rhode Island.

Mr. PELL. We discussed this matter pretty thoroughly yesterday, Mr. President. It is a good amendment. We all share in the real concern for the inhabitants of Latvia, Lithuania, and Estonia.

I am glad to support this amendment.

The PRESIDING OFFICER. If there be no further debate the question is on agreeing to the amendment.

The amendment (No. 2685) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. I ask unanimous consent the pending amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NOS. 2686–2696

Mr. PELL. Mr. President, I send a package of amendments to the desk and ask for their immediate consideration. I ask unanimous consent they be considered en bloc. They include:

An amendment by Senator KERRY on assistance to Azerbaijan, No. 2686.

An amendment by Senator KENNEDY and Senator SIMPSON authorizing a United States contribution to an international organization to address migration issues in the former Soviet Union, No. 2687.

An amendment by Senator MCCONNELL for Senator ROTH to promote competitive opportunities with regard to the newly independent states for U.S. insurance companies, No. 2688.

An amendment by Senator WIRTH to authorize the use of funds to promote the health of women in the new states of the former Soviet Union, No. 2689.

An amendment by Senator MITCHELL to designate the law and business training program for graduate students from the former Soviet Union and the Baltic countries as the Edmund S. Muskie Fellowship Program, No. 2690.

An amendment by Senator MCCONNELL regarding the role of the International Financial Corporation in the former Soviet Union, No. 2691.

An amendment by Senator KERRY expanding the authorization on educational television in the former Soviet Union to include adult as well as children's programming, No. 2692.

An amendment by Senators PELL and LIEBERMAN authorizing appropriations to establish and operate additional American Business Centers, No. 2693.

An amendment by Senators LAUTENBERG and ROTH authorizing technical assistance to the former Soviet Union to promote the protection of intellectual property, No. 2694.

An amendment by Senator LUGAR calling for a feasibility study on a G–7 international guarantee loan facility, No. 2695.

An amendment by Senator SARBANES regarding the use of existing U.S. educational facilities in Europe in the pursuit of this act, No. 2696.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL] proposes amendments en bloc numbered 2686–2696.

Mr. PELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2686

On page 30, strike lines 1 through 8 and insert in lieu thereof the following:

(c) ASSISTANCE TO AZERBAIJAN.—The President may not provide assistance under this Act of any other provision of law to the Government of the Republic of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan—

(1) is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabach;"

AMENDMENT NO. 2687

(Purpose: International Migration Fund for the former Soviet Union)

On page 52, after line 13, add the following new section:

SEC. 21. INTERNATIONAL MIGRATION FUND FOR THE FORMER SOVIET UNION.

(a) AUTHORIZATION.—(1) The Secretary of State is authorized to make contributions on behalf of the United States to the Intergovernmental Organization for Migration, or other appropriate organizations, for the purpose of providing assistance in the independent states of the former Soviet Union—

(A) to assist and protect refugees, displaced persons, and other migrants;

(B) to address the root causes of migration; and

(C) to assist governmental institutions in the various independent states of the former Soviet Union in developing appropriate immigration laws and procedures and to protect the human rights of migrants.

(2) In selecting the international organization or organizations to which such contributions shall be made, the Secretary of State, in order to encourage contributions from foreign governments, shall consider contributing funds to any appropriate organization that has established or would establish an international migration fund for migration assistance in the independent states of the former Soviet Union.

(b) FUNDING.—Of the funds made available under this Act, up to **$30,000,000** be available for the provision of the assistance under subsection (a).

Mr. KENNEDY. Mr. President, every day our newspapers and televisions bring home the sad spectacle of millions of refugees and displaced persons on the move throughout the former Soviet Union.

This massive migration threatens to exacerbate tensions and strain the fragile infrastructures of the newly independent Republics.

The amendment which Senator SIMPSON and I offer today is designed to respond to these intense migration pressures. Our amendment calls for the creation of an International Migration Fund, to which the United States and other governments may contribute, to address the varied migration needs throughout the region.

Protection and assistance to refugees and displaced persons is a major concern.

The civil war over Nagorno-Karabakh has displaced thousands of civilians. Ongoing violence in that region, as well as parts of Georgia and Moldova, assure that even more refugees will be created in the weeks ahead.

There is also massive internal migration within the former Soviet Union. The Soviet Union, as a matter of policy, sought to colonize the various republics by distributing ethnic Russians throughout that nation. The Soviets, particularly right after World War II, forcibly relocated millions of ethnic groups perceived to be disloyal to the Soviet Government, including ethnic Germans, Koreans, Tatars and many others.

It is estimated that over 65 million people—including many ethnic Russians—were forcibly displaced from their homelands in the years of Soviet domination. Many of these peoples now want to return to their ancestral lands.

In the past year, over 2 million ethnic Russians have returned to the new Russian Federation. Another 20 million ethnic Russians still reside in other Republics, and many may seek to resettle in Russia in the months and years ahead. In addition, as many as 10 million people have been displaced in Russia alone as a result of economic upheaval and unemployment.

In America, officials are still trying to rebuild housing to accommodate the refugees from the 1988 earthquake. Now they must find housing for refugees from violence. Armenian officials estimate that at current rates of construction, it will take 20 years to provide sufficient housing for the population.

As a result, large groups of Armenian migrants are arriving in various parts of the former Soviet Union, including Moscow, as they seek desperately to find some way of sheltering and supporting their families.

Important international initiatives are already under way by the Intergovernmental Organization for Migration, the U.N. High Commissioner for Refugees, and others, with the assistance of the United States. The International Red Cross is providing assistance to refugees in Armenia and Azerbaijan. IOM and others are providing technical assistance to the Russian Republic to enable officials to cope with migration in a fair and reasonable manner. And IOM hopes soon to expand its efforts to other republics.

Unless much more is done—unless the United States and our allies take the issue of migration within the former Soviet Union more seriously—this massive migration threatens to overwhelm these struggling new countries.

The amendment which the Senator from Wyoming and I are offering proposes that the United States take the lead in establishing an International Migration Fund to assist the independent states of the former Soviet Union. This fund could be administered by the Intergovernmental Organization for Migration, which already is heavily involved in addressing migration issues in Russia, and is expanding its efforts to other newly independent States.

Grants would be made from the fund to a variety of international organizations working on migration problems, such as U.N. agencies, the Red Cross, and emerging governmental institutions in the former Soviet Union.

It is our hope that the fund can become a rallying point for contributions from other governments, particularly Western Europe and Japan, to generate both funds and expertise to address these serious migration problems.

Earlier this year, Senator SIMPSON and I proposed to the Administration and to the Appropriations Committee that $30 million be appropriated as the U.S. contribution toward creating a $100 million International Migration Fund. We also suggested to the administration that the United States take the lead internationally in creating such a fund.

There are many needs across the former Soviet Union which this bill is seeking to address, and the needs vary greatly from republic to republic. But massive migration is a constant challenge throughout these areas. Our amendment assures that this important issue will receive the attention that it deserves, and I urge its adoption.

AMENDMENT NO. 2688

(Purpose: To promote competitive opportunities for United States Insurance Companies)

At an appropriate place in the bill, add the following new section:

SEC. . PROMOTION OF COMPETITIVE OPPORTUNITIES FOR UNITED STATES INSURANCE COMPANIES.

(a) The Commodity Credit Corporation and the Agency for International Development, when engaging in any transaction with any foreign government or private entity pursuant to the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act" shall seek to ensure that United States insurance companies are afforded a fair and open competitive opportunity to provide insurance against risk of loss in connection with any transaction a loan, loan guarantee, insurance, reinsurance, or extension of credit is provided.

(b) In any case in which, the Commodity Credit Corporation or the Agency for International Development become aware that a fair and open competitive opportunity is not available to any United States insurance company with respect to the insurance-related business stemming from any loan, loan guarantee, or extension of credit made under this Act, Commodity Credit Corporation or the Agency for International Development—

(1) may approve or deny the loan, guarantee, or extension of credit after considering whether such a denial would be likely to achieve competitive access for United States insurance companies; and

(2) shall forward information to the United States Trade Representative regarding the denial of a fair and open competitive opportunity to United States insurance companies;

(3) in any case in which the Commodity Credit Corporation or the Agency for International Development approve a transaction, notwithstanding information regarding denial of competitive opportunities for United States insurance companies, the Commodity Credit Corporation, or the Agency for International Development shall include notice of such approval and reason for such approval to the appropriate committees of the U.S. Senate and the House of Representatives.

(c) For purposes of this section:

(1) The term United States insurance company—

(A) includes an individual, partnership, corporation, holding company, or other legal entity which is authorized (or in the case of a holding company, subsidiaries of which are authorized) by a State to engage in the business, contracts or reinsuring the risk underwritten by insurance companies; and

(B) includes foreign operations, branches, agencies, subsidiaries, affiliates, or joint ventures of any entity described in clause (A).

(2) The term fair and open competitive opportunity means, with respect to the provision of insurance by a United States insurance company, that the company—

(A) has had notice of the opportunity to provide such insurance; and

(B) has been evaluated for such opportunity on a nondiscriminatory basis.

AMENDMENT NO. 2689

(Purpose: To authorize the use of funds to promote the health of women in the independent states of the former Soviet Union)

On page 35 of the amendment, line 14, strike out "and".

On page 35 of the amendment, line 19, strike out the period and insert in lieu thereof "; and".

On page 35 of the amendment, between lines 19 and 20, insert the following:

(10) to improve family planning and maternal health services in the independent States of the former Soviet Union in order to promote the health of women in those States.

AMENDMENT NO. 2690

(Purpose: To designate the law and business training program for graduate students from the Soviet Union, Lithuania, Latvia, and Estonia as the "Edmund S. Muskie Fellowship Program")

On page 52, after line 13, add the following new section:

SEC. 21. DESIGNATION OF EDMUND S. MUSKIE FELLOWSHIP PROGRAM.

Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note), is amended by adding at the end the following new subsection:

"(f) DESIGNATION OF PROGRAM.—(1) The scholarship program established by this section shall be known as the 'Edmund S. Muskie Fellowship Program'.

"(2) Scholarships provided under this section shall be known as 'Muskie Fellowships'.".

AMENDMENT NO. 2691

Section 11 is amended by inserting "(a)" after the section heading and by adding at the end thereof the following new section:

SEC. 11. ROLE OF INTERNATIONAL FINANCE CORPORATION.

(b) The International Finance Corporation Act (22 U.S.C. 282 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 14. The United States Governor of the Corporation is authorized to agree to amendments to the Articles of Agreement of the Corporation that would:

"(a) amend article II, section 2(c)(ii), to increase the vote by which the Board of Governors of the Corporation may increase the capital stock of the Corporation from a three-fourths majority to a four-fifths majority; and

"(b) amend article VII(a) to increase the vote by which the Board of Governors of the Corporation may amend the Articles of Agreement of the Corporation from a four-fifths majority to an eighty-five percent majority."

AMENDMENT NO. 2692

On pages 38-9 section 9 is amended:

By striking the word "children's" wherever it appears;

By inserting after the word "television", on line 4, the words ", for children and adults,"; and

By inserting "and a free market economy" after "society" on line 7 of page 38 and line 2 of page 39.

Mr. KERRY. Mr. President, this amendment broadens section 9 of the committee-reported bill to authorize support for educational television in the former Soviet Union generally, and to include an emphasis on teaching the fundamentals of a free market economy. Under the Committee bill, assistance would be limited to children's television programming aimed at promoting basic skills and human values associated with a democratic society. The amendment would authorize suitable presentations for teenagers and adults while retaining the committee's emphasis on children's programming.

The amendment is based on three basic facts. First, that the economic reforms now underway in the former Soviet Republics are far more likely to succeed if the citizens of those republics are able to understand how a free market system works; second, that the fundamentals of free market economics remain a mystery to millions of Russians and other residents of the former Soviet Republics; and third, that television is by far the most powerful communications tool available to educating large numbers of people quickly about the free market and their potential role in it.

In offering the amendment, I want to express my gratitude to the author of this section of the bill, Senator BIDEN. The Senator was the first to recognize the vital role that educational television may play in preparing the people of the former Soviet Union to deal with the rapid and often intimidating changes that are taking place in their world.

AMENDMENT NO. 2693

(Purpose: To authorize appropriations to establish and operate additional American Business Centers)

On page 40, after line 24, add the following new subsection:

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the Department of Commerce $12,000,000 for fiscal year 1993 to establish and operate additional American Business Centers in countries being assisted under this Act.

(2) Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

AMENDMENT NO. 2694

(Purpose: To provide technical assistance to the former Soviet Union to promote the protection of intellectual property)

On page 28, line 1, insert ", including adequate and effective intellectual property protection," after "frameworks".

On page 31, lines 19 and 20, strike "and foreign investment codes" and insert in lieu thereof "foreign investment codes, and effective laws for the protection of patents, copyrights, trademarks, and other forms of intellectual property".

Mr. LAUTENBERG. Mr. President, this package of amendments that the managers are offering includes one I have proposed on intellectual property. Senator ROTH was the original cosponsor of this amendment. I am pleased that the committee has included our amendment in this package that is now before the Senate.

Our amendment would enable our Government to provide technical assistance to the Republics of the former Soviet Union to help them enact laws that provide protection against piracy of patents, copyrights, and trademarks. It is intended to ensure that the Republics enact good laws that protect the creativity and ingenuity of American industry.

Under title VII of the Foreign Relations Committee reported version of the Freedom Support Act, the administration is authorized to provide technical assistance to support the creation and development of private enterprise and free market systems. To that end, title VII authorizes technical assistance to support legal frameworks, such as commercial codes, private property codes, banking codes, tax codes, and foreign investment codes. However, it does not authorize technical assistance to help develop laws protecting against the piracy of patents, trademarks, and copyrights. Our amendment would change that by adding to the list of laws for which technical assistance could be provided, effective laws for the protection of intellectual property.

It would also require the President to take into account the extent to which states are acting to enact laws providing adequate and effective intellectual property protection when providing assistance authorized in the bill.

America's ideas and inventions have always been our competitive edge. Unfortunately, our businesses lose billions when the fruits of their creativity are pirated in foreign countries where adequate intellectual property laws are nonexistent or not enforced.

Providing technical assistance to support private sector development and the establishment of necessary legal frameworks in the Republics of the former Soviet Union is a laudable goal. However, as we assist the Republics in the transition to a market economy, we must not overlook America's best interests. Clearly, it is in our interest to assist the Republics to enact and enforce laws that will prevent unfair exploitation of intellectual property.

Several Republics in the former Soviet Union have signed trade agreements which obligate them to change their intellectual property laws. Most of the other Republics are interested in developing world class intellectual property laws to encourage investment and exchange of technologies. These Republics need and are asking for technical assistance. We should provide it to them and take necessary steps to ensure that our assistance is used to support effective laws that protect the American creativity.

Mr. President, this amendment has been endorsed by the Pharmaceutical Manufacturer's Association, the Intellectual Property Owners, Inc., the Motion Picture Association, Paramount Communications, Inc., the Intellectual Property Committee, Schering Plough, the Industrial Biotechnology Association, the Recording Industry Association of America, the International Intellectual Property Alliance, and the Association of American Publishers. I ask unanimous consent that copies of letters endorsing this amendment be included in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. LAUTENBERG. The United States must make every effort to ensure that the Republics pass laws that provide adequate and effective intellectual property protection. We must be aggressive in ensuring that the governments of the Republics do not perpetuate laws and regulations that deny U.S. rightholders effective protection. This amendment is designed to do just that.

I urge my colleagues to support this amendment.

EXHIBIT 1

PHARMACEUTICAL MANUFACTURERS
ASSOCIATION,
June 12, 1992.

Hon. FRANK R. LAUTENBERG,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR LAUTENBERG: The Pharmaceutical Manufacturers Association strongly supports your and Senator Roth's proposed amendment to S. 2532, the Freedom Support Act. We commend you both for having the foresight to draft language which would enable our government to provide technical assistance to the republics of the former Soviet Union to help them enact laws which respect intellectual property rights.

A major precondition for an expansion of business in Russia, or for any significant investment, is the implementation of legislation that encourages outside investment and assistance. This legislation should include: asset protection, patent protection, and tax incentives.

Of greatest importance to our industry is patent protection. We have suffered from widespread copying and counterfeiting of our products throughout central and eastern Europe, and that has made our members reluctant to introduce some of their newer, more innovative products into the region.

Prior to its dissolution, the USSR offered process patent protection only, rather than product patent protection. In addition, the patent term was limited to 15 years. This protection is inadequate. Recognizing the shortcomings of its intellectual property law, the Soviet authorities drafted a new law which provided a 20-year term and product patent protection for pharmaceuticals. It did not, however, provide for pipeline or transitional protection and did not allow for "importation" to satisfy the working requirements to avoid compulsory licenses.

Regrettably, the USSR dissolved before it was able to implement its patent law, and now Russia and the other republics appear reluctant to enact the Soviet law. We have asked the U.S. Trade Representative that these countries be placed on the 301 Watch List.

The amendment you and Senator Roth will propose will greatly facilitate the efforts of our government to help these newly emerging democracies to develop meaningful industrial and intellectual property regimes.

Sincerely,

GERALD J. MOSSINGHOFF.

INTELLECTUAL PROPERTY OWNERS, INC.,
Washington, DC, June 16, 1992.

Hon. FRANK L. LAUTENBERG,
U.S. Senate, Washington, DC.
Hon. WILLIAM V. ROTH, Jr.,
U.S. Senate, Washington, DC.

DEAR SENATORS LAUTENBERG AND ROTH: Intellectual Property Owners (IPO) strongly supports the amendment relating to intellectual property that you intend to offer during Senate consideration of S. 2532, the Freedom Support Act.

IPO represents nearly 100 major U.S. companies and some small businesses and independent inventors. Our members perform a significant portion of the research and development carried out in the United States and depend heavily on patents and other forms of intellectual property world-wide to protect their R&D investments.

In order for U.S. industry is to be able to profit from trade and investment in the former Soviet republics in technology-intensive products, the republics must have adequate and effective intellectual property laws. Such laws will help the republics in their transition to a market economy by enabling them to develop and attract industries that rely on technology.

We believe it is obviously appropriate to amend title 7 of S. 2532 to authorize technical assistance to support frameworks for protection of intellectual property, in addition to supporting development of other commercial laws such as those relating to banking, tax and foreign investments.

We compliment you for taking the initiative to offer this amendment.

Sincerely,

DONALD W. BANNER,
President.

MOTION PICTURE ASSOCIATION
OF AMERICA, INC.,
Washington, DC, June 16, 1992.

Hon. FRANK LAUTENBERG,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR FRANK: Right now, there is uncontrolled, rampant piracy of American films and TV programs in the former Soviet Union countries. No one is doing anything about it. We have been working for some time on this most vexing issue. The lack of suitable copyright laws and a seeming lack of will in enforcing any laws pertaining to copyright theft are the principal obstacles.

I don't have to tell you that one of America's premier and most valuable trade assets is intellectual property, which is hospitably received throughout the world. U.S. movies/TV programs and home video material produce over $3.5 billion annually in SURPLUS balance of trade.

We need your help and that of your colleagues in trying to persuade the Russian government to move quickly to protect intellectual property throughout that Republic. Whenever those copyright laws are in place, I am ready to send a team of U.S. law enforcement experts to Russia to advise on the most effective procedures for combating piracy.

So I believe your amendment to the Freedom Support Act (S. 2532) is the right step at the right time. I endorse your efforts.

Sincerely and warmly,

JACK VALENTI.

PARAMOUNT COMMUNICATIONS INC.,
Washington, DC, June 9, 1992.

Hon. FRANK R. LAUTENBERG,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR FRANK: As a major copyright-based company, we applaud your efforts to add an intellectual property component to S. 2532, the Freedom Support Act.

It is no secret that the current copyright protection regimes in the CIS are woefully inadequate. It's not that their hearts are in the wrong place after so many decades of state control and central planning. It's just that they lack the know-how to enact and enforce the kinds of measures designed to preserve copyrights in films, television programming and books and to crack-down on the piracy, all too rampant within the CIS.

The Lautenberg-Roth amendment is aimed at helping to cure this knowledge gap. We support it.

Most sincerely,

LARRY.

SCHERING-PLOUGH CORP.,
Madison, NJ, June 12, 1992.

Senator FRANK R. LAUTENBERG,
U.S. Senate, Washington, DC.

DEAR SENATOR LAUTENBERG: Schering-Plough Corporation is happy to support the amendment which you and Senator William Roth, Jr., intend to offer during Senate consideration of S. 2532, The Freedom Support Act.

We also acknowledge your diligence in discovering the oversight in S. 2532, which you and Senator Roth uncovered as well as your ongoing efforts to maintain and strengthen our intellectual property laws which are essential for the protection of the invention and ideas generated by U.S. inventors.

We also acknowledge your diligence in discovering the oversight in S. 2532, which you and Senator Roth uncovered as well as your ongoing efforts to maintain and strengthen our intellectual property laws which are essential for the protection of the invention and ideas generated by U.S. inventors.

Very truly yours,
SCHERING-PLOUGH CORPORATION,
DR. STEINAR V. KANSTAD,
Staff Vice President-Patents.

INDUSTRIAL BIOTECHNOLOGY
ASSOCIATION,
Washington, DC, June 16, 1992.

Hon. FRANK LAUTENBERG,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR LAUTENBERG: The Industrial Biotechnology Association (IBA) strongly supports your amendment to the Freedom Support Act (S. 2543) to authorize the Administration to provide technical assistance to the former Soviet Union in the development of laws that provide intellectual property protection to inventors and writers. IBA is a trade association representing 80 percent of U.S. investment in biotechnology.

The U.S. is the world leader in biotechnology. Last year, the U.S. biotechnology industry produced $4 billion in sales, including $600 million in net exports. The White House Council on Competitiveness projects that our industry will reach $50 billion in sales within ten years. Our ability to reach this goal is closely linked with our ability to protect our inventions from foreign piracy.

Your amendment would help protect our industry's creativity and growth, and permit us to create hundreds of thousands of American jobs over the next decade. We are of course delighted to support it and we commend you for once again taking a leadership role in protecting U.S. intellectual property.

Very truly yours,

RICHARD D. GODOWN,
President.

RECORDING INDUSTRY ASSOCIATION
OF AMERICA, INC.,
Washington, DC, June 23, 1992.

Hon. FRANK LAUTENBERG,
Senate Hart Office Building,
Washington, DC.

DEAR SENATOR LAUTENBERG: I am writing to note my full endorsement of, and support for, your proposed amendment to S. 2532, the Freedom Support Act, that would provide technical assistance to the former Soviet republics to develop adequate and effective intellectual property regimes.

The U.S. entertainment industries export democratic ideals while returning billions of dollars to our economy. The recording industry is anxious to invest in the emerging democracies of Central and Eastern Europe, thus leading to greater economic and political stability in the region, but we are unable to do so in the absence of an effective framework for the protection of their property industries.

Your proposed amendment would help facilitate the establishment of an intellectual property regime consistent with the U.S. economic interest while at the same time supporting the creation of an infrastructure that will lead to improved local conditions.

Please call on me if I can be of assistance in supporting this important initiative, and thank you.

Sincerely,

JASON S. BERMAN,
President.

INTERNATIONAL INTELLECTUAL
PROPERTY ALLIANCE,
Washington, DC, June 19, 1992.

Hon. FRANK LAUTENBERG,
Hon. WILLIAM ROTH,
U.S. Senate, Washington, DC.

DEAR SENATORS LAUTENBERG AND ROTH: The International Intellectual Property Alliance (IIPA), representing the U.S. copyright-based industries, strongly supports your amendment to S. 2532, the Freedom Support Act. Each Republic is going to have a very hard time implementing a good copyright law and then enforcing it. Technical assistance funds appropriated through this legislation will become a necessary, if not crucial, element of an overall plan to bring these countries into the international copyright community.

We hope members of the Senate will support your amendment and stand ready to help your efforts to amend the bill to include this important provision. We thank you for sponsoring this important measure.

Sincerely,

ERIC H. SMITH,
Executive Director
and General Counsel.

ASSOCIATION OF AMERICAN
PUBLISHERS, INC.,
Washington, DC, June 23, 1992.
Hon. FRANK LAUTENBERG,
Hon. WILLIAM ROTH,
United States Senate, Washington, DC.

DEAR SENATORS LAUTENBERG AND ROTH: The Association of American Publishers (AAP) applauds your efforts to enhance the protections of U.S. intellectual property abroad. If enacted, your amendment to S. 2532, the Freedom Support Act, would be an important tool in combating international piracy of books, motion pictures, sound recording, software and other forms of U.S. created intellectual property. As a founding member of the International Intellectual Property Alliance (IIPA), we join in, IIPA's Executive Director and General Counsel, Eric Smith's strong endorsement of your proposal.

Please let me know if AAP can be any assistance in helping you guide your amendment through Congress.

Sincerely,

NICHOLAS VELIOTES,
President.

AMENDMENT NO. 2695

(Purpose: To require a report on the feasibility of establishing a multilateral facility for insuring investments)

On page 52, after line 13, add the following new section:

SEC. 21. MULTILATERAL INVESTMENT INSURANCE.

Not later than 60 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report describing the feasibility of establishing a multilateral facility, composed of members of the G-7 Group, for the issuance of guarantees against losses incurred in connection with investments, including large-scale and capital intensive investments, in the independent States of the former Soviet Union.

AMENDMENT NO. 2696

Insert at the appropriate place in the bill: "In pursuing the purposes of this Act, executive branch agencies should, to the maximum extent possible, utilize the resources and expertise of existing United States educational facilities in Europe."

Mr. PELL. These amendments have been agreed to on each side of the aisle. In each case, I think they are acceptable; they are good amendments. I hope they can be agreed to en bloc.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, on our side of the aisle, we support each of the amendments in this package.

I congratulate my chairman on pulling together a good number of amendments all in one package, so that expeditiously we can deal with the issues at hand.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the adoption of the amendments en bloc.

The en bloc amendments (Nos. 2686–2696) were agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE and Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Riegle amendment No. 2684.

Mr. BRADLEY. Mr. President, I call for the regular order.

AMENDMENT NO. 2681

The PRESIDING OFFICER. The question recurs on the Bradley amendment No. 2681.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 2697 TO AMENDMENT NO. 2681

(Purpose: To finance an educational and business exchange program with the independent states of the former Soviet Union and the Baltic States)

Mr. KERREY. Mr. President, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes an amendment numbered 2697 to amendment No. 2681.

Mr. KERREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the first word and insert the following:

II—FREEDOM EXCHANGE ACT

Subtitle A—In General

SEC. 201. SHORT TITLE.

This title may be cited as the "Freedom Exchange Act".

SEC. 202. STATEMENT OF PURPOSE.

The purpose of this title is—

(1) to bring young people of the former Soviet Union and the Baltic states to the United States so that they might experience first-hand how a free market democracy functions;

(2) to assist the skill-building process necessary for both institution-building and nation-building; and

(3) to ease immigration restrictions to allow the freer flow of scientists and others from the former Soviet Union knowledgeable in the production of nuclear weapons.

SEC. 203. DEFINITIONS.

As used in this title—

(1) the term "Baltic states" means Latvia, Lithuania, and Estonia;

(2) the term "Endowment" means the corporation described in section 211(b)(2);

(3) the term "institution of higher education" has the same meaning as is given to such term by section 1201(a) of the Higher Education Act of 1965;

(4) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenian, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(5) the term "secondary school" has the same meaning given to such term by section 1471(21) of the Elementary and Secondary Education Act of 1965.

Subtitle B—Educational Exchange Program

SEC. 211. AUTHORITIES FOR AWARDING GRANTS.

(a) GENERAL AUTHORITY.—The President shall establish and carry out an exchange program in accordance with this subtitle. In carrying out such a program, the President shall award, on a competitive basis, grants to eligible organizations to enable such organizations to finance—

(1) the exchange of secondary school students in accordance with section 212;

(2) the exchange of college students in accordance with section 213;

(3) the exchange of graduate students in accordance with section 214;

(4) visits and interchanges of professors and educators in accordance with section 215; and

(5) internships in accordance with section 216.

(b) ELIGIBLE ORGANIZATIONS.—For the purpose of this subtitle, the term "eligible organization" means—

(1) during fiscal year 1993, any private nonprofit organization which has experience in exchange programs and demonstrates a capacity to carry out such programs in the independent states of the former Soviet Union or in the Baltic States; and

(2) during fiscal year 1994, a private, nonprofit corporation to be established which shall be designated by the President to carry out the educational exchange program assisted under this subtitle through the awarding of grants to private, nonprofit organizations described in paragraph (1), which corporation shall be known as the Educational Exchange Endowment (hereafter in this title referred to as the "Endowment").

(c) DURATION.—The President shall award grants under this section during the period beginning on October 1, 1992, and ending on September 30, 1997.

(d) ADMINISTRATIVE EXPENSES.—Each eligible organization receiving a grant under this subtitle may use not more than 10 percent of such grant for administrative expenses.

(e) APPLICATION.—(1) Each eligible organization seeking a grant under this section shall submit an application to the President at such time, in such manner, and accompanied by such information as the President may reasonably require.

(2) Each application submitted pursuant to paragraph (1) shall—

(A) describe the activities for which assistance under this section is sought; and

(B) provide such additional assurances as the President determines to be essential to ensure compliance with the requirements of this section.

(f) MATCHING FUNDS.—The President is authorized to seek private funds to supplement or match public grants for the programs authorized by this title.

(g) Eligibility for Grants.—Grants may be made to eligible organizations only if such organizations agree to comply with the requirements specified in this subtitle.

(h) Implementation.—In carrying out this subtitle, the President shall—

(1) encourage colleges and universities receiving students to supplement public grants with their own resources, to the extent possible; and

(2) allow for a wide range of United States institutions to participate in programs under this subtitle.

(i) Compliance With Budget Act.—The authority to make grants under this title shall be effective only to such extent or in such amount as are provided in appropriations Acts.

SEC. 212. SECONDARY SCHOOL STUDENTS.

(a) Grant Uses.—(1) Grants awarded under section 211(a)(1) shall be used to finance—

(A) visits of short duration by eligible secondary students, to the United States, to any of the independent states of the former Soviet Union, or to any Baltic state, with priority accorded to visits that take place during fiscal year 1993; or

(B) studies, instruction, and other educational exchange activities in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, for eligible secondary school students.

(2) Of the amount of grants awarded under section 211(a)(1), not more than 35 percent in fiscal year 1993 and not more than 15 percent in fiscal year 1994 may be used for the purpose of paragraph (1)(A).

(b) Conditions.—(1) The President may require that a portion of a grant awarded under section 211(a)(1) be used only for educational activities that are conditioned on the reciprocal exchange of American students.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(1) may be used to finance educational exchanges of American students under this section.

(3) No grant awarded under section 211(a)(1) may be used to reimburse any United States citizen for hosting an eligible secondary student.

(c) Definition.—For purposes of this section, the term "eligible secondary school student" means a secondary school student from the United States, any of the independent states of the former Soviet Union, or any Baltic state who—

(1) is at least 15 years of age;

(2) is attending school at a grade level equivalent to any of the grade levels 10 through 12 in United States secondary schools or has just completed secondary school in any of the independent states of the former Soviet Union or any Baltic state; and

(3) has a minimum level of proficiency in English, as determined by testing.

(d) Administration.—To the maximum extent practicable, a grant under this section shall be used to support the activities described in subsection (a) for secondary school students of widely divergent backgrounds.

(e) Authorization of Appropriations.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $32,500,000 for fiscal year 1993 and $82,500,000 for fiscal year 1994.

SEC. 213. COLLEGE STUDENTS.

(a) Grant Uses.—Grants awarded under section 211(a)(2) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible college students in institutions of higher education in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with special emphasis on—

(1) those students who are studying to become English teachers; and

(2) those students who are seeking to acquire knowledge or skills applicable to restructuring the economy or building democratic institutions.

(b) Condition.—(1) The President may require that an eligible organization in order to receive a grant under section 211(a)(2), agree to use a portion of such grant for educational activities that are conditioned on the institution of higher education providing an eligible college student with some financial resources, either in the form of room and board or as a waiver of tuition.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(2) may be used to finance educational exchanges of American students under this section.

(c) Definition.—For purposes of this section, the term "eligible college student" means a student enrolled in four-year programs of study at a community college, college or university in the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any American-founded school in the former Soviet Union, and who—

(1) has completed at least one year of study and is not in the last year of such study; and

(2) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) Authorization of Appropriations.—In addition to funds otherwise available for such purpose, there are authorized to be appropriated $27,000,000 for fiscal year 1993 and $45,000,000 for fiscal year 1994.

SEC. 214. GRADUATE STUDENTS.

(a) Grants Uses.—Grants awarded under section 211(a)(3) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible graduate students in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with emphasis on those students who are seeking to acquire knowledge or skills applicable to restructuring an economy or building democratic institutions.

(b) Condition.—Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(3) may be used to finance educational exchanges of American students under this section.

(c) Definition.—For purposes of this section, the term "eligible graduate student" means a student from the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any student attending an American-founded university in the former Soviet Union, who—

(1) is enrolled in a graduate course of study at a college or university;

(2) has completed one year of such study; and

(3) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) Authorization of Appropriations.—In addition to funds otherwise available for such purpose, there are authorized to be appropriated $4,250,000 for fiscal year 1993, and $5,500,000 for fiscal year 1994.

SEC. 215. "SISTER" UNIVERSITY PROGRAM.

(a) Grant Uses.—(1) Grants awarded under section 211(a)(4) shall be used to finance visits and other interchanges between professors and educators of eligible paired institutions for the purpose of developing curriculum and otherwise strengthening ties between the independent states of the former Soviet Union and the Baltic states and the United States at the institutional level.

(2) Each grant awarded under this subsection shall be in the amount of $50,000.

(3) Each grant awarded under this subsection to eligible paired institutions may be disbursed during a period of two fiscal years.

(b) Definition.—For purposes of this section, the term "eligible paired institutions" means—

(1) in fiscal year 1993, a pairing by the President, or

(2) in any of the fiscal years 1994 through 1997, a pairing by the Endowment,

of one United States institution of higher education with a college or university in any of the independent states of the former Soviet Union or any Baltic state wherever such pairing is likely to promote a continuing relationship between the institutions after the termination of assistance under this subtitle.

(c) Authorization of Appropriations.—In addition to funds otherwise available for such purpose, there are authorized to be appropriated $1,500,000 for fiscal year 1993 and $2,000,000 for fiscal year 1994.

SEC. 216. LEADERSHIP BY EXAMPLE GROUPS.

(a) Grant Uses.—(1) Grants awarded under section 211(a)(5) shall provide eligible persons with internships in enterprises in the United States for durations of six months or less.

(2) Such program may be referred to as the "Leadership by Example Groups (LEGS) Program".

(3) A portion of each grant may be used to provide limited advanced English language training to interns before coming to the United States.

(4) As used in this subsection, the term "enterprises" includes, but is not limited to, enterprises in the fields of agricultural production, agri-business, telecommunications, finance, health care, natural resource management, environmental protection, and oil and mineral exploration and extraction.

(b) Condition.—Each eligible organization receiving a grant under section 211(a)(5) awarding internships shall require that a small business or appropriate chamber of commerce provide a portion of the costs of the internships, such as the costs of medical and dental insurance or housing for internship recipients.

(c) Definition.—For purposes of this section, the term "eligible person" means a national of any of the independent states of the former Soviet Union or any Baltic state who—

(1) is under 40 years of age; and

(2) has a minimum level of training in the English language.

(d) Authorization of Appropriations.—In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the President $10,000,000 for fiscal year 1993 and $30,000,000 for fiscal year 1994.

SEC. 217. AUTHORIZATION AND MANDATE.

(a) Authorization and Mandate.—(1) The Congress authorizes and urges the President to establish a program of support for exchanges of governmental officials with the independent states of the former Soviet Union and Eastern Europe.

(2) Such program may be referred to as the "Partnership for Essential Governmental Services".

(3) As part of such program, the President is authorized to make available, on a volunteer basis and as appropriate, Federal civil service employees of departments and agencies of the United States for temporary duty in the independent states of the former Soviet Union and Eastern Europe to assist those countries in the development of essential governmental services.

(b) IMPLEMENTATION.—(1) The program authorized by subsection (a) should be carried out by existing agencies of United States Government and by volunteer-coordinating organizations such as the Citizens Democracy Corps, and should place upon each participating foreign government the primary responsibility for—

(A) identifying specific needs for such advisory assistance; and

(B) bearing in-country living expenses of American governmental officials seconded to advise that government.

(2) The President may provide assistance to those independent states of the former Soviet Union which cannot meet their share of the cost of this program.

SEC. 218. ADMINISTRATIVE REQUIREMENTS FOR THE ENDOWMENT.

In order to receive assistance under this subtitle, the Education Exchange Endowment shall comply with the following requirements:

(1) The Endowment shall have the capacity to receive, accept, solicit, and collect private funds to supplement Government grants received under this subtitle and shall agree actively to seek such private funds.

(2)(A) Officers of the Endowment may not receive any salary or other compensation from any source, other than the Endowment, for services rendered during the period of their employment by the Endowment.

(B) If an individual who is an officer or employee of the United States Government serves as a member of the Board of Directors or as an officer or employee of the Endowment, that individual may not receive any compensation or travel expenses in connection with services performed for the Endowment.

(3)(A) The Endowment shall not issue any shares of stock or declare or pay any dividends.

(B) No part of the assets of the Endowment shall inure to the benefit of any officer or employee of the Endowment, or any other individual, except as salary or reasonable compensation for services.

(4) The accounts of the Endowment shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Endowment are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and necessary to facilitate the audits shall be made available to the person or persons conducting the audits. The Endowment shall make available to such person or persons full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians.

(5)(A) The financial transactions of the Endowment for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Endowment are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment pertaining to its financial transactions and necessary to facilitate the audit. The Endowment shall make available to such representatives full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Endowment shall remain in the possession and custody of the Endowment.

(B) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Endowment, together with such recommendations with respect thereto as he may deem advisable. The report shall also identify any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this subtitle. A copy of each report shall be furnished to the President and to the Endowment at the time submitted to the Congress.

SEC. 219. EFFECTIVE DATE.

This subtitle shall take effect on October 1, 1992.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, the amendment that the distinguished Senator from Nebraska has offered is an amendment to the amendment that I offered today to provide for an exchange program with the former Soviet Union. This amendment is in response to the questions that were raised by colleagues on the other side and on this side. I have tried to respond to their requests. This amendment reduces the total amount of money available by half and reduces the program from a 5-year program to a 2-year program, as well as eliminates the section of the bill that allowed unused funds to be carried over into future years.

I would hope that this would answer the bulk of the questions that were raised by those who spoke this morning.

Mr. DOLE. Mr. President, let me indicate to the Senator from New Jersey and the Senator from Nebraska, I think they have responded to the question that I raised. I want to commend the Senator from New Jersey.

As I said at the time, this is an excellent idea. The question is how we are going to fund the program and about $1.2 billion? It now has been scaled down. I think it can still be very effective. I think it will send a notice that the Senator from New Jersey wishes to send, that we support these efforts for democracy. We understand the need for exchanges. And I certainly now support the amendment.

I thank the Senator from New Jersey and the Senator from Nebraska.

Mr. LUGAR. Mr. President, just to underline again what perhaps is apparent from the second-degree amendment, my understanding, and I ask the distinguished Senator from New Jersey, or from Nebraska, this question. It is essentially, are the funds that are suggested year by year reduced by 50 percent and the length of the program now 2 years as opposed to 5? Is that the gist of the amendment?.

Mr. BRADLEY. That is correct.

Mr. LUGAR. I thank the Senator.

Mr. President, I join the Republican leader in commending the distinguished Senator from New Jersey and Nebraska for working with many Senators in behalf of an amendment which I am prepared to support.

Mr. PELL. Mr. President, I think this concept is an excellent one. As I said earlier, the one problem was that it was generous. Now that the size is being reduced and it is within the ball park, I recommend we support it.

The PRESIDING OFFICER. Is there further debate?

The Senator from West Virginia.

Mr. BYRD. Mr. President, I commend the distinguished Senator from New Jersey likewise, but I personally am not ready to accept this amendment as now proposed. I have told the distinguished Senator from New Jersey that reducing the 5 years to 2 years helps, but that I can only support a 1-year provision. This is a 1993 bill. As I said earlier, under the budget agreement, there are no special fences, no categories beyond fiscal year 1993. This amendment would have the effect of fencing off a certain amount of the money that will otherwise be in one pot after fiscal year 1993 in accordance with the budget agreement of 1990.

So reducing it to 2 years does not eliminate my problem; moreover, I think that the money is too much. Where would the money—may I ask the distinguished Senator from New Jersey—from where would the money come? Would it come from foreign aid? Would it come from USIA? From where would it come?

Mr. BRADLEY. I answer the distinguished chairman of the Appropriations Committee that the money could come from any number of sources, any number of programs that could be cut to make funds available for this program. It could come from economic support funding, it could come from AID, it can come from the Export-Import Bank.

This is not an appropriation. It is only an authorization. Money could be spent in this area if the Appropriations Committee so desired.

Mr. BYRD. What happens to the language with respect to the availability of funds not expended?

Mr. BRADLEY. The language is my attempt to respond to the objections that were raised by the distinguished chairman of the Appropriations Committee. He raised several objections.

One was that the amount of money being spent was too great. So we reduced the amount of money by half.

The second was that it was a multiyear authorization. So we reduced the authorization from 5 years to 2 years.

And the third was that he did not want to have the funds authorized to remain available. That paragraph is stricken in this amendment.

Mr. BYRD. Is that paragraph stricken in the four or five instances in which it appears in the Senator's amendment?

Mr. BRADLEY. It is certainly my intention that it be stricken wherever it appeared in the amendment.

Mr. BYRD. Mr. President, my understanding is that we were trying to work out a compromise approach. I thought those efforts were still going on. Without any criticism of the distinguished Senator from Nebraska, or the distinguished Senator from New Jersey, an amendment has now been offered which closes out an amendment to the amendment. Therefore, if I had intended, as I might have, to offer an amendment to the amendment, that particular tree has now been closed. Not all other trees have been closed, however. But I thought we were trying to work out some kind of a compromise. Apparently now, that approach is closed for the moment at least.

I cannot go along with a 2-year authorization for the reasons I have already stated. It is a 1993 bill. Why don't we make the authorization for 1 year, and take it a year at a time?

Mr. LEAHY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I note, I am not suggesting how anybody should vote but I like very much the idea of exchanging students back and forth. I just hope everybody will be realistic.

I know the distinguished chairman of the Appropriations Committee addressed himself to this but the foreign aid budget was cut by over $1 billion in this past year. The new one coming over from the House has I believe about $1 billion, or more than $1 billion, cut in it. The continuing resolution that I managed on the floor here this year on foreign aid was well over $1 billion in cuts. In the rescission bill there is over $100 million in cuts. We had about another $1 billion in cuts coming from foreign aid.

I say that as the one who has to handle that appropriation on the floor with the distinguished chairman. There is not an awful lot of money in it.

If we are going to talk about new programs, I think no matter how much we may support it, we should also look at where the money is coming from, because there will be dramatic cuts.

I mention that I think I received letters from virtually, almost every Member of the Senate asking for things that they want to add to the foreign operations bill when it comes up.

We are desperately trying to find out what more can be cut out of it, just to keep within the budget. So if we are going to add more, just understand now the full effort of the committee is going to have to find where we can make cuts. I just mention that.

Another new program, I like the idea for exchanging students back and forth. My State has been involved in our colleges, Middlebury, St. Michael's, and others with a lot of exchanges with different countries. Everybody I have ever talked with who have had such exchange programs believe it has been better, usually for both countries involved.

But there is not a lot of money. That is the only point I wanted to make, Mr. President.

Mr. BYRD. Mr. President, I thank the distinguished Senator for his observations.

May I ask the distinguished Senator from New Jersey, what would be the total amount of money? What would be the total amount of money authorized under the amendment by the Senator from New Jersey as amended by the Senator from Nebraska?

Mr. BRADLEY. The total amount of money would be authorized over a 2-year period, $231 million, $76 million the first year, and $152 million in the second year.

Mr. BYRD. That is a lot of money. I certainly have no problem with the concept. I think I have been supportive of the concept of exchange students over the years. But I cannot go along with that amount of money, nor can I go along with the 2-year proposition.

I was not kidding when I rose earlier to state my problems with the amendment. I apologize for opposing the amendment. I just happened to look at the amendment, went up to the desk, looked at it, and I immediately saw the problems that I have stated. I thought we were trying to work out some meeting of the minds, some compromise that would deal with the problems that I have on appropriations and in connection with the 1990 budget agreement.

I would still hope that Senators would be willing to try to work out something, because I simply cannot support the amendment as written, and I do not mean just by my vote. I will oppose having a 2-year authorization.

The Senate can work its will whenever it gets around to working its will. And if that is the way the Senate wants to go, why, that is the way the Senate will go.

But I urge the Senator to think again and see if he can live with a 1-year authorization and with a greater cut in the amount of funds authorized. Did my friend from the other side, Mr. LUGAR, say he is willing to accept the amendment at that price?

Mr. LUGAR. The Senator did hear that, on our side of the aisle, we are prepared to accept the size of the amendment. We anticipate, as the Senator pointed out, and as the distinguished Senator from Vermont pointed out, that this is going to have to compete—that is, this bill—with a good number of other objectives, and the Appropriations Committee, and for that matter, further work in the authorization committee, foreign relations or other scholarship programs.

In my initial remarks, I indicated reservations regarding that. But we believe the amendment is scaled down, at least in terms of dollars, and it is a reasonable amendment at this point. So we have endorsed that, Senator—Senator DOLE and I have.

Mr. BYRD. I heard Senator DOLE earlier talk about the constitutional amendment on the balanced budget. He indicated here that we are now up to the test already; am I hearing my friends on the other side of the aisle say that they will yield half a loaf in this instance, namely, that they are willing to settle for half a "test"; is that what they are saying?

Mr. LUGAR. If I may respond, Senator DOLE and others visited with the authors of the amendment on behalf of moving toward a balanced budget situation and fiscal responsibility. Clearly, on our side, we do not want to be outdone on that point.

I would say to the distinguished Senator, perhaps, if he is successful in negotiating another figure, we would commend that effort. We have attempted to work along with persons who have specific sums in this bill. I simply respond that we thought the cut of 50 percent was a reasonable effort, an important effort, and one at least which we feel perhaps our dialog helped to stimulate.

Mr. BYRD. A cut of 50 percent?

Mr. LUGAR. A substantial sum.

Mr. BYRD. Mr. President, my conscience does not work like that, may I say. I am willing to continue to try to work out a compromise. If Senators want to come back to 1 year and cut the amount more, then I will be willing to listen. But otherwise, I am not willing to go along with this 2-year business. I am surprised that the administration would be willing to do that.

Mr. BRADLEY addressed the Chair.

Mr. BYRD. Mr. President, I still have the floor.

I yield to the Senator from New Jersey without losing my right to the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. I say to the distinguished chairman of the Appropriations Committee that among the objections he raised, we have attempted, in our discussions with him and among staff, to address those objections in terms of reducing the overall amount by half, and reducing the number of years from 5 to 2, and striking the section to which he objected on the funds authorized remaining available until expended.

So that you understand the exact number difference, it is much more than half in terms of authorization. It was originally a 5-year authorization for a total of $1.6 billion. It is now a 2-year authorization for $231 million.

So we have come from $1.6 billion to $231 million, which is a sizable direction, a sizable distance already.

And the other point is that this does not fence off the money for 1994. There is no fence here. It simply authorizes appropriations, and all funds have to go through the distinguished chairman's Appropriations Committee, as he knows, and as I shared with him.

I would like to share with the Senate why I feel that the 2-year authorization is enormously important. We have major change in the former Soviet Union. Mr. Yeltsin was here just last week. I think he moved all of us with his intensity and commitment to democracy. And the one thing that he wants is support from the United States, not necessarily in terms of dollars, but in terms of democracy, and in terms of learning about a market economy.

Therefore, if we simply establish an exchange program for 1 year, then it is very dificult for him to get any kind of reassurance that we are going to be there the next year. All of us believe we will be. But I believe a 2-year authorization, at least, is enormously important in sending the message to him and to his opponents in Russia, that we stand with him and with the reforms.

So there is reason for this.

As the distinguished chairman of the Appropriations Committee knows, I respect him greatly, and I will do almost anything to attempt to get a program that would meet the objectives that I have stated. But I really think that unless it is 2 years, it is very difficult to send the right signal to the opponents of Boris Yeltsin in Russia.

Mr. BYRD. Mr. President, I am not willing to pay $160 million to send a signal. I am not willing to pay $160 million to send a message. I like Mr. Yeltsin, too, and I would like to see him succeed.

The distinguished Senator suggested $75 million the first year. That is more than half of what the entire worldwide exchange program is. That is $120 million. Now the Senator wants to add more than 50 percent on top of that, plus he wants to authorize, for a second year, $160 million, which is more than the entire current exchange program. He wants to add that for the second year.

Mr. President, I would rather send a different message. If the Senator wants to go 1 year, I think $75 million is too much.

Both the Senators, I thought, understood we were trying to work this out, trying to compromise something out. I did not rush to call up an amendment to close the tree, but that is what the Senators have done. That is their right; that is within their rights. But the amendment has not been adopted yet.

Mr. KERREY. Mr. President, will the distinguished President pro tempore yield?

Mr. BYRD. With the understanding I not lose my right to the floor.

Mr. KERREY. Is it correct, as author of the second-degree amendment, I could, by unanimous consent, withdraw that amendment to allow some working out of that?

The PRESIDING OFFICER. The Senator has the right to withdraw the amendment.

Mr. KERREY. It is my desire, both for purposes of advancing this bill and purposes of doing it correctly, that we attempt to work it out. It is my desire to put in place in this year a very aggressive exchange program, and I believe the funding, even at the reduced level, does indeed accomplish that objective. I, for one, am not as committed to the second year as a principle as I am to the idea of getting started and giving the President a considerable amount of authority, a much different kind of exchange program than we have had in the past.

I yield to my friend and colleague from New Jersey who is a principal sponsor of this amendment, but it is my desire to advance this bill, and a significant increase in funding, but to do so in a way that it does not have us grinding to a halt here this afternoon.

Mr. BYRD. Did the Senator withdraw the amendment?

Mr. KERREY. I did not withdraw my amendment at this stage, but I say to my friend from New Jersey that I would be prepared to do that in the event we are not able to work out some kind of agreement. It seems to me what we are hearing here is a good-faith offer to accept a very large amount in the first year and that the second year idea seems to me is not as important as getting a very substantial program started.

Mr. BRADLEY. Perhaps if we could establish a quorum we could have further discussion. It would be my hope we could resolve it sooner rather than later.

Mr. BYRD. Mr. President, I think the matter can be resolved. But I will not and cannot, nor do I intend to do so, agree to a second year authorization.

What that does, Mr. President, in the light of the 1990 budget summit agreement, which said that after fiscal year 1993, all of these categories are eliminated; there will be no categories, there will be no fences. There will not be a category set aside and fenced and protected for foreign operations. There will not be a category set aside and protected and fenced for military spending. It is all going to be one pot.

If we are going to include a second year, $160 million of that total pot would already be authorized for fiscal year 1994.

I think foreign operations has been a sacred cow all too long. I cannot very well explain to the people in West Virginia how we can protect $160 million here for this sacred cow. I am talking about foreign operations in general.

I am more concerned about the message we send to West Virginia and the other 49 States and the District of Columbia. I am more concerned with the kind of signal we are sending to the American people, the people who are footing the bill, who are paying the taxes, who have been footing the bill for foreign operations for all these years.

So, if my friends on the Republican side want to surrender they may, but not this Senator.

I yield to the Senator without losing my right to the floor.

Mr. KERREY. Mr. President, I believe what we are doing is having a discussion here in the open rather than perhaps a discussion we should have had earlier and resolved this. I wonder if the distinguished President pro tempore would accept the modification of this amendment which I believe I have the authority to do a modification that would strike the second year authorization?

Mr. BYRD. Mr. President, if I understand the distinguished Senator's proposal, it would be to provide an authorization of $75 million for the first year and it would strike the reference to a second year; am I correct?

Mr. KERREY. The Senator is correct.

Mr. BRADLEY. Will the chairman yield?

Mr. BYRD. Yes.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. It would be the intention of the Senator from Nebraska to strike it so it would be a 1-year authorization for $75 million. Everything else in the amendment, as I have described the modification, would remain. We would take out the extension that says funds that are not used would remain available and we would cut it back to 1 year. The $75 million would be cutting it in half and the rest of the amendment would remain intact in terms of its construction.

Mr. BYRD. That is perfectly agreeable with me.

I say facetiously to my friends on the other side of the aisle, Senator DOLE and company, Pompey put Caesar's forces to rout but did not follow up on their advantage. They fell back and failed to clinch the victory. Caesar said to his men that night: "The victory today would have been on the enemies' side if they had had a general who knew how to gain it."

The proposition that has now been made would be satisfactory to me. We get rid of the 2-year authorization, and cut the amount to $75 million, which is not as much as I would like to cut, but as a general who at least knows when he is ahead, I am willing to accept that proposal.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I hope that the distinguished chairman, with this change in the amendment, will look favorably upon the appropriations process when we come to actually appropriating the money for the program.

Mr. BYRD. Mr. President, I have to look at the whole picture as the appropriations chairman, and I will have to see what else has to be addressed by way of needs. The distinguished Senator from Michigan is trying to address the needs of our own people as well as attempting to help the Russians, as I understand it. But he is thinking of our own people. So I have to look at the whole picture. I do not want to commit myself at this point, but I would certainly look on this proposal much more favorably than I would have looked upon the Senator's previous proposal.

Mr. BRADLEY. I thank the chairman.

Mr. KERREY. Mr. President, I modify my amendment in the manner described earlier striking the section.

The PRESIDING OFFICER. The Senator from Nebraska would be advised it is necessary to submit language to implement the modification.

AMENDMENT NO. 2647, AS MODIFIED

Mr. KERREY. Mr. President, I send the modification to the desk.

The PRESIDING OFFICER. The Senator from Nebraska sends the modification to the desk.

The second-degree amendment is so modified.

The amendment (No. 2697) was modified, as follows:

Strike all after the first word and insert the following:

II—FREEDOM EXCHANGE ACT

SUBTITLE A—IN GENERAL

SEC. 201. SHORT TITLE.

This title may be cited as the "Freedom Exchange Act".

SEC. 202. STATEMENT OF PURPOSE.

The purpose of this title is—

(1) to bring young people of the former Soviet Union and the Baltic states to the United States so that they might experience first-hand how a free market democracy functions;

(2) to assist the skill-building process necessary for both institution-building and nation-building; and

(3) to ease immigration restrictions to allow the freer flow of scientists and others from the former Soviet Union knowledgeable in the production of nuclear weapons.

SEC. 203. DEFINITIONS.

As used in this title—

(1) the term "Baltic states" means Latvia, Lithuania, and Estonia;

(2) the term "Endowment" means the corporation described in section 211(b)(2);

(3) the term "institution of higher education" has the same meaning as is given to such term by section 1201(a) of the Higher Education Act of 1965;

(4) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(5) the term "secondary school" has the same meaning given to such term by section 1471(21) of the Elementary and Secondary Education Act of 1965.

SUBTITLE B—EDUCATIONAL EXCHANGE PROGRAM

SEC. 211. AUTHORITIES FOR AWARDING GRANTS.

(a) GENERAL AUTHORITY.—The President shall establish and carry out an exchange program in accordance with this subtitle. In carrying out such a program, the President shall award, on a competitive basis, grants to eligible organizations to enable such organizations to finance—

(1) the exchange of secondary school students in accordance with section 212;

(2) the exchange of college students in accordance with section 213;

(3) the exchange of graduate students in accordance with section 214;

(4) visits and interchanges of professors and educators in accordance with section 215; and

(5) internships in accordance with section 216.

(b) ELIGIBLE ORGANIZATIONS.—For the purpose of this subtitle, the term "eligible organization" means—

(1) during fiscal year 1993, any private nonprofit organization which has experience in exchange programs and demonstrates a capacity to carry out such programs in the independent states of the former Soviet Union or in the Baltic States; and

(2) during fiscal year 1994, a private, nonprofit corporation to be established which shall be designated by the President to carry out the educational exchange program assisted under this subtitle through the awarding of grants to private, nonprofit organizations described in paragraph (1), which corporation shall be known as the Educational Exchange Endowment (hereafter in this title referred to as the "Endowment").

(c) DURATION.—The President shall award grants under this section during the period beginning on October 1, 1992, and ending on September 30, 1993. It is the intention of Congress to continue this initiative in future years.

(d) ADMINISTRATIVE EXPENSES.—Each eligible organization receiving a grant under this subtitle may use not more than 10 percent of such grant for administrative expenses.

(e) APPLICATION.—(1) Each eligible organization seeking a grant under this section shall submit an application to the President at such time, in such manner, and accompanied by such information as the President may reasonably require.

(2) Each application submitted pursuant to paragraph (1) shall—

(A) describe the activities for which assistance under this section is sought; and

(B) provide such additional assurances as the President determines to be essential to ensure compliance with the requirements of this section.

(f) MATCHING FUNDS.—The President is authorized to seek private funds to supplement or match public grants for the programs authorized by this title.

(g) ELIGIBILITY FOR GRANTS.—Grants may be made to eligible organizations only if such organizations agree to comply with the requirements specified in this subtitle.

(h) IMPLEMENTATION.—In carrying out this subtitle, the President shall—

(1) encourage colleges and universities receiving students to supplement public grants with their own resources, to the extent possible; and

(2) allow for a wide range of United States institutions to participate in programs under this subtitle.

(i) COMPLIANCE WITH BUDGET ACT.—The authority to make grants under this title shall be effective only to such extent or in such amount as are provided in appropriations Act.

SEC. 212. SECONDARY SCHOOL STUDENTS.

(a) GRANT USES.—(1) Grants awarded under section 211(a)(1) shall be used to finance—

(A) visits of short duration by eligible secondary students, to the United States, to any of the independent states of the former Soviet Union, or to any Baltic state, with priority accorded to visits that take place during fiscal year 1993; or

(B) studies, instruction, and other educational exchange activities in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, for eligible secondary school students.

(2) Of the amount of grants awarded under section 211(a)(1), not more than 35 percent in fiscal year 1993 and not more than 15 percent in fiscal year 1994 may be used for the purpose of paragraph (1)(A).

(b) CONDITIONS.—(1) The President may require that a portion of a grant awarded under section 211(a)(1) be used only for educational activities that are conditioned on the reciprocal exchange of American students.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(1) may be used to finance educational exchanges of American students under this section.

(3) No grant awarded under section 211(a)(1) may be used to reimburse any United States citizen for hosting an eligible secondary student.

(c) DEFINITION.—For purposes of this section, the term "eligible secondary school student" means a secondary school student from the United States, any of the independent states of the former Soviet Union, or any Baltic state who—

(1) is at least 15 years of age;

(2) is attending school at a grade level equivalent to any of the grade levels 10 through 12 in United States secondary schools or has just completed secondary school in any of the independent states of the former Soviet Union or any Baltic state; and

(3) has a minimum level of proficiency in English, as determined by testing.

(d) ADMINISTRATION.—To the maximum extent practicable, a grant under this section shall be used to support the activities described in subsection (a) for secondary school students of widely divergent backgrounds.

(e) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $32,500,000 for fiscal year 1993.

SEC. 213. COLLEGE STUDENTS.

(a) GRANT USES.—Grants awarded under section 211(a)(2) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible college students in institutions of higher education in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with special emphasis on—

(1) those students who are studying to become English teachers; and

(2) those students who are seeking to acquire knowledge or skills applicable to restructuring the economy or building democratic institutions.

(b) CONDITION.—The President may require that an eligible organization in order to receive a grant under section 211(a)(2), agree to use a portion of such grant for educational activities that are conditioned on the institution of higher education providing an eligible college student with some financial resources, either in the form of room and board or as a waiver of tuition.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(2) may be used to finance educational exchanges of American students under this section.

(c) DEFINITION.—For purposes of this section, the term "eligible college student" means a student enrolled in four-year programs of study at a community college, college or university in the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any American-founded school in the former Soviet Union, and who—

(1) has completed at least one year of study and is not in the last year of such study; and

(2) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $27,000,000 for fiscal year 1993.

SEC. 214. GRADUATE STUDENTS.

(a) GRANTS USES.—Grants awarded under section 211(a)(3) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible graduate students in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with emphasis on those students who are seeking to acquire knowledge or skills applicable to restructuring an economy or building democratic institutions.

(b) CONDITION.—Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(3) may be used to finance educational exchanges of American students under this section.

(c) DEFINITION.—For purposes of this section, the term "eligible graduate student" means a student from the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any student attending an American-founded university in the former Soviet Union, who—

(1) is enrolled in a graduate course of study at a college or university;

(2) has completed one year of such study; and

(3) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $4,250,000 for fiscal year 1993.

SEC. 215. "SISTER" UNIVERSITY PROGRAM

(a) GRANT USES.—(1) Grants awarded under section 211(a)(4) shall be used to finance visits and other interchanges between professors and educators of eligible paired institutions for the purpose of developing curriculum and otherwise strengthening ties between the independent states of the former Soviet Union and the Baltic states and the United States at the institutional level.

(2) Each grant awarded under this subsection shall be in the amount of $50,000.

(3) Each grant awarded under this subsection to eligible paired institutions may be disbursed during a period of two fiscal years.

(b) DEFINITION.—For purposes of this section, the term "eligible paired institutions" means—

(1) in fiscal year 1993, a pairing by the President, or

(2) in any of the fiscal years 1994 through 1997, a pairing by the Endowment,

of one United States institution of higher education with a college or university in any of the independent states of the former Soviet Union or any Baltic state wherever such pairing is likely to promote a continuing relationship between the institutions after the termination of assistance under this subtitle.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $7,500,000 for fiscal year 1993.

SEC. 216. LEADERSHIP BY EXAMPLE GROUPS.

(a) GRANT USES.—(1) Grants awarded under section 211(a)(5) shall provide eligible persons with internships in enterprises in the United States for durations of six months or less.

(2) Such program may be referred to as the "Leadership by Example Groups (LEGS) Program".

(3) A portion of each grant may be used to provide limited advanced English language training to interns before coming to the United States.

(4) As used in this subsection, the term "enterprises" includes, but is not limited to, enterprises in the fields of agricultural production, agri-business, telecommunications, finance, health care, natural resource management, environmental protection, and oil and mineral exploration and extraction.

(b) Condition.—(1) Each eligible organization receiving a grant under section 211(a)(5) awarding internships shall require that a small business or appropriate chamber of commerce provide a portion of the costs of the internships, such as the costs of medical and dental insurance or housing for internship recipients.

(c) DEFINITION.—For purposes of this section, the term "eligible person" means a national of any of the independent states of the former Soviet Union or any Baltic state who—

(1) is under 40 years of age; and

(2) has a minimum level of training in the English language.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the President $10,000,000 for fiscal year 1993.

(A) identifying specific needs for such advisory assistance; and

(B) bearing in-country living expenses of American governmental officials seconded to advise that government.

(2) The President may provide assistance to those independent states of the former Soviet Union which cannot meet their share of the cost of this program.

SEC. 218. ADMINISTRATIVE REQUIREMENTS FOR THE ENDOWMENT.

In order to receive assistance under this subtitle, the Education Exchange Endowment shall comply with the following requirements:

(1) The Endowment shall have the capacity to receive, accept, solicit, and collect private funds to supplement Government grants received under this subtitle and shall agree actively to seek such private funds.

(2)(A) Officers of the Endowment may not receive any salary or other compensation from any source, other than the Endowment, for services rendered during the period of their employment by the Endowment.

(B) If an individual who is an officer or employee of the United States Government serves as a member of the Board of Directors or as an officer or employee of the Endowment, that individual may not receive any compensation or travel expenses in connection with services performed for the Endowment.

(3)(A) The Endowment shall not issue any shares of stock or declare or pay any dividends.

(B) No part of the assets of the Endowment shall inure to the benefit of any officer or employee of the Endowment, or any other individual, except as salary or reasonable compensation for services.

(4) The accounts of the Endowment shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Endowment are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and necessary to facilitate the audits shall be made available to the person or persons conducting the audits. The Endowment shall make available to such person or persons full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians.

(5)(A) The financial transactions of the Endowment for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Endowment are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment pertaining to its financial transactions and necessary to facilitate the audit. The Endowment shall make available to such representatives full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Endowment shall remain in the possession and custody of the Endowment.

(B) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Endowment, together with such recommendations with respect thereto as he may deem advisable. The report shall also identify any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this subtitle. A copy of each report shall be furnished to the President and to the Endowment at the time submitted to the Congress.

SEC. 219. EFFECTIVE DATE.

This subtitle shall take effect on October 1, 1992.

Mr. KERREY. I thank the Chair.

The PRESIDING OFFICER. Is there any further debate?

Mr. BYRD. Mr. President, I thank both Senators for their conclusions that they have made to a resolution of this immediate question.

The PRESIDING OFFICER. Does the Senator from West Virginia yield the floor?

Mr. BYRD. Yes.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I thank the distinguished chairman very much for his consideration. I think this is an important amendment. It would be an important program and I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? Is there objection to the second-degree amendment, as modified?

If not, the question is on agreeing to the second-degree amendment, as modified.

So the amendment (No. 2697), as modified, was agreed to.

The PRESIDING OFFICER. Is there objection to the amendment, as amended?

Without objection, the amendment, as amended, is agreed to.

So the amendment (No. 2681), as amended, was agreed to.

Mr. BRADLEY. Mr. President, I move to reconsider the vote.

Mr. HARKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, this will take a moment. I think the pending business is still the Riegle amendment; am I correct?

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 2684, AS MODIFIED

Mr. RIEGLE. I think we have worked out language. While the Senator from West Virginia is on the floor, he expressed a concern about the precise manner in which any funding would be provided. We have worked with his people and the people from the Armed Services Committee and I have a modification.

I have a modification to my amendment that I think satisfies everyone who is a party at interest in this discussion. I will just read it. It is very short. Then I will send it to the desk.

It reads as follows:

At the end of the amendment, add the following: Funds appropriated to the Department of Defense before the date of the enactment of this Act and made available for transfer to the Department of Commerce and the Department of Labor to assist State and local governments significantly impacted by reductions in defense industry employment or reductions in the number of Department of Defense military and civilian personnel residing in such States and communities may be made available September 30, 1997 only to the extent provided in subsequent appropriations acts.

Mr. RIEGLE. My understanding is this not only satisfies the concern raised by the Senator from West Virginia, but also would satisfy any possible point of order and negate any possible point of order by the Budget Committee.

I now send this modification to the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment as modified, is as follows:

At the end of the amendment add the following:

SEC. . AVAILABILITY OF ECONOMIC ADJUSTMENT ASSISTANCE.

Funds appropriated to the Department of Defense before the date of the enactment of this Act and made available for transfer to the Department of Commerce and the Department of Labor to assist State and local governments significantly impacted by reductions in defense industry employment or reductions in the number of Department of Defense military and civilian personnel residing in such States and communities may be made available until September 30, 1997 only to the extent provided in subsequent appropriations acts.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I beg the Senator's pardon. I was conversing with my friend from Wyoming.

Would the Senator read the modification once more?

Mr. RIEGLE. I would, if it were not at the desk.

I have a copy.

Mr. BYRD. If the modification then could be read.

Mr. RIEGLE. Let me read it.

It reads as follows:

At the end of the amendment, add the following: Funds appropriated to the Department of Defense before the date of the enactment of this Act and made available for transfer to the Department of Commerce and the Department of Labor to assist State and local governments significantly impacted by reductions in defense industry employment or reductions in the number of Department of Defense military and civilian personnel residing in such States and communities may be made available until September 30, 1997 only to the extent provided in subsequent appropriations acts.

Mr. BYRD. Mr. President, I thank the distinguished Senator. This is a modification that has been worked out between and among various staffs here, including the staff of the Senator from Michigan. I have agreed to the modification.

Mr. RIEGLE. I thank the chairman very much for his help and the help of his staff, as well.

Mr. BYRD. I thank the distinguished Senator.

The PRESIDING OFFICER. Is there further debate?

Mr. PELL. Mr. President, we agree with the amendment as modified, and recommend it be agreed to.

Mr. SIMPSON. Mr. President, on behalf of the manager on this side, Senator LUGAR, this is an acceptable amendment.

The PRESIDING OFFICER. Is there further debate.

If not, the question is on agreeing to the amendment, as modified.

The amendment (No. 2684), as modified, was agreed to.

AMENDMENT NO. 2683, AS AMENDED

Mr. RIEGLE. Mr. President, I now ask for the adoption of the underlying Dodd amendment, to which my amendment is attached.

The PRESIDING OFFICER. Is there further debate on the Dodd amendment, as amended?

If not, the question is on agreeing to the Dodd amendment, as amended.

The amendment (No. 2683), as amended, was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, let me briefly add one other word.

Mr. President, I was taking great account of what the Senator from West Virginia said about the difficulty of finding financing out of a common pot of money for a number of competing priorities.

This is a priority that addresses urgent human needs in this country, where we are having a major impact by the reductions in defense spending. I know the Senator has a concern about that, as all Senators do, and I hope that we will be able to, in the future, accommodate this need. I know it has to be weighed against all the others.

I appreciated the comment of the chairman of the Armed Services Committee, Senator NUNN, as to the importance of this issue and the fact that he intends to deal with it in a bill that they will be bringing forward.

But I again thank the Senator from West Virginia and ask that he give full consideration to this at the appropriate time.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I have an amendment which I send to the desk.

AMENDMENT NO. 2698

(Purpose: To establish American Agribusiness Centers in the independent states of the former Soviet Union and Baltic States, expand two-way exchanges among agribusiness practitioners, and for other purposes)

Mr. HARKIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself and Mr. KASTEN, proposes an amendment numbered 2698.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, after line 13, add the following:

TITLE II—AMERICAN AGRIBUSINESS CENTERS AND PRACTITIONERS EXCHANGE ACT OF 1992

SEC. 201. SHORT TITLE.

This title may be cited as the "American Agribusiness Centers and Practitioners Exchange Act of 1992".

SEC. 202. FINDINGS; POLICY.

The Congress finds that—

(1) the transition from a command and control system in agriculture to a market system is critical to the success of the economic reforms in the independent states of the former Soviet Union and Baltic states;

(2) the command-driven agricultural system of the independent states of the former Soviet Union and Baltic states is in the process of including market incentives;

(3) it is in the interest of the United States to assist in the establishment of a free market agriculture system as well as improve the agriculture and food production, processing, storage and distribution systems in the independent states of the former Soviet Union and Baltic states;

(4) it is in the interest of the United States to help provide new market opportunities for United States agribusiness in the independent states of the former Soviet Union and Baltic states as well as increase United States exports in agricultural inputs, equipment, management systems and technology to those countries;

(5) American Agribusiness Centers and "hands on" experiences through expanded two-way exchanges will transfer the entrepreneurial attitudes as well as knowledge, skills and experiences of American farmers and agribusiness practitioners to their counterparts in the independent states of the former Soviet Union and Baltic states; and

(6) agribusiness practitioners from the independent states of the former Soviet Union and Baltic states will increase their understanding of the technologies, risks, and rewards of free market farming and agribusiness through "hands on" experience through expanded two-way exchange programs.

SEC. 203. STATEMENT OF PURPOSE.

The purpose of this title is to facilitate the establishment of—

(1) not less than three new American Agribusiness Centers during fiscal year 1993 and not less than four new American Agribusiness Centers during fiscal year 1994 in the independent states of the former Soviet Union and Baltic states;

(2) not less than three regional American Agribusiness Exchange Centers during fiscal year 1993 and not more than two regional American Agribusiness Exchange Centers during fiscal year 1994 at State Universities and Land Grant Colleges in the United States; and

(3) an expanded two-way exchange program of agribusiness practitioners not to exceed more than two thousand participants during fiscal year 1993, six thousand participants during fiscal year 1994 and ten thousand participants in 1995 and not less than one quarter of the maximum number of participants authorized in each fiscal year.

SEC. 204. AMERICAN AGRIBUSINESS CENTERS ABROAD.

(a) IN GENERAL.—The President is authorized to fund established American Agribusiness Centers in the independent states of the former Soviet Union and Baltic states.

(b) IMPLEMENTATION.—To the maximum extent possible, the President shall provide for—

(1) not less than three new American Agribusiness Centers during fiscal year 1993 and not less than four new American Agribusiness Centers during fiscal year 1994 which have joint ventures in the independent states of the former Soviet Union and Baltic states;

(2) priority funding to be given to—

(A) centers with experience in operating such a joint venture Agribusiness Center in the former Soviet Union;

(B) centers which include the participation of private United States agribusiness or agricultural cooperatives, state universities and land grant colleges, and banks making appropriate contributions of equipment, materials and personnel for the operation of such centers;

(C) centers which have joint ventures in which host countries make appropriate contributions of transportation, personnel, construction and use of land; and

(D) centers which utilize United States agricultural equipment;

(3) joint ventures between American Agribusiness Centers and host entities to be established in various independent states of the former Soviet Union and Baltic states;

(4) centers to enhance the ability of agribusiness practitioners in the independent states of the former Soviet Union and Baltic states to better meet the needs of their people and make the transition from a command and control system in agriculture to a free market system such as through—

(A) training programs;

(B) education programs such as, but not exclusively, market economics, concepts in private property, marketing, agribusiness practices, credit and finance;

(C) technical assistance to increase the efficiency of the agricultural production, processing, storage and distribution systems; and

(D) participation in exchange programs; and

(5) in the establishment of any new American Agribusiness Center, preference in funding to any such entity with experience in operating such a joint venture Agribusiness Center in the former Soviet Union if such entity includes the participation of private United States agribusiness and State university or land grant colleges.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds otherwise made available for such purpose, there are authorized to be appropriated $12,000,000 in fiscal year 1993 to carry out this section. Such funds are authorized to remain available until expended.

SEC. 205. AMERICAN AGRIBUSINESS EXCHANGE CENTERS IN THE UNITED STATES.

(a) IN GENERAL.—The President is authorized and encouraged to establish five regional Agribusiness Centers at State universities and land grant colleges in the United States for the purpose of expanding two-way exchange programs among agribusiness practitioners.

(b) IMPLEMENTATION.—To the maximum extent possible, the President should direct—

(1) that such Centers act in consultation and coordination with such an agency as he may designate, to establish criteria for the selection of participants in the exchange program;

(2) that in establishing criteria for the selection of participants in the exchange program preference be given to agribusiness practitioners from the independent states of the former Soviet Union and the Baltic states who have participated in the program established pursuant to section 204 of this Act;

(3) that such Centers be responsible for recruitment of American exchange participants, United States host communities, families and agribusinesses;

(4) that such Centers ensure that American participants reflect a broad range of agricultural regions and agribusiness activities;

(5) that such Centers coordinate their activities with existing national and state-level farm and commodity groups, other State universities and land grant colleges, State and Federal agencies, and representatives of local communities;

(6) that such Centers be located in States or areas where family farmers and owner-operator agricultural production units are the primary structure of farming and where agricultural input and marketing cooperatives are well established;

(7) that such Centers be located in State universities and land grant colleges that have established strong research, instruction, and public service programs in areas of international development (particularly development directed at the independent states of the former Soviet Union and Baltic states), land tenure resolution (including privatization), and cooperative development and management;

(8) that such Centers encourage private United States agribusinesses, foundations, private organizations as well as State universities and land grant colleges to make appropriate contributions of space, materials and personnel for the establishment and operation of such Centers; and

(9) such Centers enhance the ability of agribusiness practitioners from the independent states of the former Soviet Union and Baltic states to better meet the needs of their people and make the transition from a command and control system in agriculture to a free market system such as through—

(A) training programs;

(B) education programs such as, but not exclusively, market economics, concepts in private property, marketing, agribusiness practices; and

(C) internships.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds otherwise made available for such purpose, there are authorized to be appropriated $10,000,000 in fiscal year 1993 to carry out this section. Such funds are authorized to remain available until expended.

SEC. 206. DEFINITIONS.

As used in this Act—

(1) the term "Baltic states" means Latvia, Lithuania, and Estonia;

(2) the term "independent states of the former Soviet Union" means Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgystan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(3) the term "agribusiness practitioner" means farmers, agricultural specialists, suppliers, processors, marketers, handlers, transporters, processors, and others engaged in the various facets of agribusiness.

Mr. HARKIN. Mr. President, first of all, I send this amendment to the desk on behalf of Senator KASTEN and myself.

Mr. President, I understand that the amendment has been cleared on both sides, and I am most appreciative to the managers of the bill and their staffs for taking a look at it and helping us work out the details in accepting this amendment.

Mr. President, I fully agree with remarks made earlier by my colleagues about the critical importance of this legislation in assisting and promoting peaceful economic and political transition—really a revolution—taking place in the former Soviet Union. It is imperative that this progress not falter or stall.

One of the most critical needs for reform is in the food and agricultural sectors of the economies of the former Soviet Republics and the Baltic States. Problems of waste and inefficiency begin with low farm yields and productivity through waste and inefficiency caused by a poorly developed storage transportation processing and marketing system. I believe that the ultimate success of all political and economic reforms in the former Soviet Union hinges on rapid reforms in the food and agricultural systems of these Republics.

Five weeks ago, I traveled to Russia, where I met extensively with agricultural officials. I talked with ordinary Russian people on farms and in the marketplaces, and visited a former state farm making the transition to the new market-oriented system.

One thing that struck me the most is just how fortunate we are to have such an efficient and productive agricultural system in our country—and how much we take it for granted. The tremendous progress and achievements in so many fields that have marked the history of the United States have been greatly facilitated by the stability and security made possible by our agricultural abundance.

That kind of stability and security is virtually nonexistent in the food and agriculture sector in the former Soviet Republics. Clearly, the serious concerns among the populations of Russia and other Republics about food shortages, unaffordable food prices and poor quality of food imperils the progress toward democracy and a market system.

A breakdown in the food and agricultural system would provide an opening for exploitation by reactionary elements.

The system I saw in Russia stands in sharp contrast to the agriculture I know in my State of Iowa or in Senator KASTEN'S State of Wisconsin. The overriding problem in Russia is that the old Soviet system was broken from its inception. Now the people of the former Soviet Republics have to put together a new system with little understanding of the most fundamental principles of a market-oriented system. The food and agriculture sector in Russia and the other Republics has a number of needs—but without basic and radical reform of the system itself no amount of resources will cure the problems. In other words, Mr. President, we can pour in all the technology, credits, seed, equipment, and still it will do no good without a reform of the system itself.

From my visit I know that the Russian people have a real hunger to learn from Americans about how to build a market economy in agriculture. But at this point, they have only a hazy idea of the goals for reform of their food and agriculture system—and have even less knowledge about the specific steps needed to achieve reform. However, it is clear they have a strong desire to emulate our system.

There is a long tradition in my State of Iowa and Wisconsin of helping people in other countries solve problems in their food and agriculture sectors. The amendment I am offering today builds on the efforts begun by Iowans to help bring about the fundamental reforms that are so critically needed in the food and agriculture systems in the former Soviet Republics.

Mr. President, apart from the humanitarian motivation for helping the former Soviet Republics reform their agricultural system, it is in our best interest. Helping the Republics in agricultural reform provides tremendous opportunities to develop relationships that will expand trade opportunities for our country in the whole range of agricultural products, technology, genetics, services, and other things.

The amendment I am offering with Senator KASTEN to the Freedom Support Act has two parts. First, it would authorize the President to fund established American agribusiness centers and provide for seven new agribusiness joint ventures over the next 2 years.

One thing I heard about time and time again when I was in Russia, Mr. President, was their desire to form these types of joint ventures with Americans.

The second part of the bill will establish five regional agribusiness exchange centers at state universities and land grant colleges in the United States—for the purpose of expanding two-way exchange programs among farmers and agribusiness practitioners.

Let me just briefly describe the United States/Iowa agribusiness centers in Russia and Ukraine that have served as a model for this amendment.

Those American agribusiness centers in the former Soviet Union are exactly the type of joint projects our Government should be promoting. The U.S. private sector, private foundations, State universities and the host governments worked together and contributed their fare share to make the projects possible.

I especially want to recognize the efforts of John Chrystal from Coon Rapids, IA, who is working in cooperation with Iowa State University to lead this effort.

The United States/Iowa agribusiness centers in Russia and Ukraine established two working farms to train over 2,000 local farmers in United States agricultural practices in the first year. If you train people using U.S. equipment, products, and technology, eventually they will do business with us in the future.

The agribusiness centers are providing new market opportunities for U.S. agribusiness, will generate U.S. exports over the next few years and create more jobs here at home. That is good domestic policy.

But the centers are also good foreign policy. The agribusiness centers will help Russia and Ukraine improve their agriculture and food processing systems to better feed their people. That is extremely important to the future of democracy in the former Soviet Union.

If the Russian people are to believe in democracy, they must also be confident that democracy will give them food on their table. The joint ventures and American agribusiness centers will help do that.

Mr. President, I spoke at length about the United States/Iowa agribusiness centers in Russia and Ukraine only as an example of the type of project the amendment envisions and because I am most familiar with the benefits it provides.

Mr. President, the second part of this amendment establishes five regional agribusiness exchange centers in the United States to coordinate an ambitious exchange program between American farmers, agribusiness practitioners, and their counterparts in the former Soviet Union.

The centers will coordinate the exchange program by recruiting U.S. host communities, families, and agribusinesses from a broad range of agricultural regions and agribusiness activities. The amendment envisions that the 5 regional exchange centers will allow for 2,000 farmers—1,000 from each country—to participate in the exchange program during the first year. That number would increase to 6,000 farmers in the second year and 10,000 farmers in the third year. The exchange program will help transfer the entrepreneurial attitudes, skills, experiences, and values of American farmers to their counterparts in Russia and the other Republics. That will increase their understanding of the risks and rewards of free market farming.

Mr. President, I am pleased to have Senator KASTEN as a cosponsor of this amendment.

I thank the managers of the bill for accepting the amendment. It will help further our foreign policy goals, assist the economic reform process in Russia and the other Republics, and benefit our country through increased trade.

Mr. KASTEN. Mr. President, I rise in strong support of the agribusiness amendment offered by Senator HARKIN and myself.

This amendment helps provide new market opportunities for United States agribusiness in the newly independent states of the former Soviet Union and Baltic States as well as increase United States exports in agricultural inputs, equipment, management systems, and technology to those countries.

American agribusiness exchange centers in the United States are important for expanding two-way exchange programs among agribusiness practitioners. This amendment ensures that these new centers are located in States or areas where family farmers and owner-operator agricultural production units are the primary structure of farming and where agricultural input and marketing cooperatives are well-established.

The University of Wisconsin-Madison has established strong research instruction and public service programs in areas of international development. They have hands-on experience with cooperative development and management, especially development directed at the newly independent states of the former Soviet Union and Baltic States. The University of Wisconsin-Madison is a perfect example of a United States land grant university working toward the success of economic reform in the newly independent States.

American agribusiness centers will transfer the entrepreneurial attitudes as well as knowledge, skills and experiences of American farmers and agribusiness practitioners to their counterparts in the newly independent states of the former Soviet Union and Baltic States.

Mr. President, helping our neighbors abroad with new market and free market agriculture opportunities is the American way.

Mr. HARKIN. Mr. President, I again thank the managers of the bill for accepting the amendment. It will help further our foreign policy goals, assist the economic reform process in Russia and the other Republics, and benefit our country through increased trade.

The PRESIDING OFFICER. Is there further debate? The Senator from Indiana.

Mr. LUGAR. We are prepared to accept the amendment of the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I accept the amendment on behalf of the Democratic majority.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2698) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Wyoming.

AMENDMENT NO. 2699

Mr. SIMPSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON] proposes an amendment numbered 2699.

Mr. SIMPSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert: "It is the Sense of Congress that the President should take those actions necessary to minimize disruption to the international market in the event of sales from the independent states of the former Soviet Union of defense-related commercial grade uranium."

Mr. SIMPSON. Mr. President, this amendment would encourage the President, under this act, to ensure that the potential commercialization of defense-related commercial grade uranium be carried out in a manner that minimizes disruption to the international market.

This is important because six of the Republics have engaged in commercial trade of uranium which on May 29, 1992 was found by the U.S. Department of Commerce to be "dumped" using the term of U.S. trade law, in the U.S. market. This amendment will convey the message that such sales should be conducted in a manner consistent with U.S. trade laws and internationally accepted practices of free and fair trade.

I requested a General Accounting Office report, which documents the unprecedented increase of uranium imports from the independent states of the former Soviet Union and the potential impact on the domestic industry of huge Government inventories.

But, I would first like to provide some historical perspective on this subject. Uranium is a fuel which is abundant in the United States but why is uranium an important fuel for this country—because it is so efficient.

The energy of a finished uranium fuel pellet the size of a pencil eraser is equivalent to the energy contained in 1,780 pounds of coal, 149 gallons of oil, or 157 gallons of regular gasoline.

The United States used to be the major producer of uranium in the world, and Wyoming still produces uranium to fuel electricity generating reactors. At its height of production in 1980, Wyoming produced 12 million pounds of Uranium—the energy equivalent of 14,772 million gallons of oil. That has dropped precipitously to a low of 1.4 million pounds in 1990. Of course, unemployment showed a corresponding drop. In 1980, the U.S. uranium mining industry employed 20,000 people. Now only about 1,300 people are employed—300 in Wyoming.

There are several reasons for this disastrous situation. Although increasing competition from other uranium producing countries with higher grade deposits is partly the reason—and there is nothing wrong with free market competition—the primary reason during the decade of the 1980's was a condition of world oversupply.

The glut of uranium resulted when projections of high electricity demand turned out to be too optimistic. Uranium producers worldwide established production rates to meet the projected increases in demand which ultimately did not materialize.

United States uranium production in 1990 was 5.9 million pounds, not including byproduct production. The difference between U.S. consumption—37 million pounds—and U.S. production has been met through uranium imports and inventory drawdown.

Uranium imports historically have come predominantly from Canada and Australia. However, imports from the independent states of the former Soviet Union have increased dramatically over the last 3 years.

To put this in perspective, Soviet uranium imports in 1989 were 1.5 million pounds, and increased by over 300 percent to 6.5 million pounds in 1990. In 1991 imports totaled 12.7 million pounds—double what they were in the previous year.

Since 1980, uranium spot market prices have fallen from approximately $40 per pound to approximately $7.85 per pound. This is below virtually every producer's cost in the world.

During 1980, approximately $125 million was spent in local economies on the exploration and development drilling of new U.S. uranium resources. Only $9 million was spent on such activities in 1990.

A total of 26 uranium mills and 350 uranium mines have closed around the country since the peak in production of the early 1980's. Today, only a few uranium mines are operating and no uranium mills are operating.

In 1990, domestic production supplied 20 percent of U.S. consumption, the balance of demand was met by imports and inventories of uranium.

By 1995, estimates show that U.S. uranium production will only be 10 percent or less of U.S. demand to fuel rectors.

This country's reactors have become dependent on imports of uranium. This is at a time when 21 percent of the electricity produced, is generated by nuclear energy.

Earlier projections showing that worldwide supply and demand would come into balance by 1995 could not possibly take into account inventories of uranium in what was the Soviet Union—we just didn't know. As that inventory began to be sold on the international market, the spot market price for uranium and enrichment began to drop.

Because of their extreme need for hard currency, the Soviet Union began to sell millions of pounds of uranium into an already depressed market. This situation became so severe that ultimately the U.S. uranium industry, having exhausted all other avenues, filed an antidumping petition.

I have been very concerned with the former Soviet Union's sale of uranium products on the United States market at prices far below United States uranium production costs.

I am aware of the devastating effect this has had on the Wyoming uranium industry. Naturally, we don't mind competition—when it is fair. But it is hard to believe these sales have been fair—they have been selling uranium at prices well below the production costs of any producer in the world.

On November 8, 1991, the Uranium Producers of America [UPA] and the Oil, Chemical, and Atomic Workers Union, (which represents the workers in Government and private uranium processing facilities), filed an antidumping petition with the United States Department of Commerce and the United States International Trade Commission [ITC] seeking relief from unfair trade practices by the Soviet Union and each individual Republic.

On December 18, the United States International Trade Commission [ITC], in a preliminary decision, voted 3–0 that there was a reasonable indication that the domestic uranium industry was materially injured by reason of imports from the Soviet Union.

On May 29, the United States Department of Commerce ruled in a preliminary finding that 6 of 12 Republics of the former Soviet Union have been dumping uranium in the United States market.

The initiation of a dumping investigation usually results in decreasing imports. However, when importers increased uranium imports after the petition was filed, the Commerce Department also found critical circumstances indicating that massive dumping had occurred.

Historically, a positive preliminary finding usually leads to a positive final determination which leads to imposition of tariffs within 7 days. The tariff is based on the dumping margin which in this case was determined to be 115.82 percent—more than twice the price the dumped uranium had been selling for. I have learned that the typical dumping margin is around 30 percent, so this margin is astronomical.

If Commerce and the ITC make final affirmative determinations, Commerce must publish an antidumping duty order such that importers must post cash deposits, not merely bonds, which reflect the Commerce Department's final margin of dumping.

The possibility of a negotiated settlement exists under United States trade law. If this is accomplished, then the United States will not impose duties on imports of uranium from the Republics which were found to be dumping.

There seems to be no question that dumping—sales below production costs—is occurring resulting in injury to the domestic uranium mining industry and the DOE enrichment enterprise.

I believe that the United States should be extending a helping hand to these fledgling economies. But, should this be done at the expense of our own industry when all our industry seeks is to complete in a free market? No.

This United States Department of Commerce finding should send a clear signal that trade should be free and fair and therefore should reflect the true cost of production including environmental compliance costs.

I have seen estimates which indicate that the cost of environmental remediation in the Republics may be as high as $20 per pound—remediation costs that every Western world producer has already included in their costs of production.

Incidentally, due to depressed market conditions and the resulting shakedown in the production industry, the only uranium producers left in the United States are the most efficient producers. And they can compete favorably on a level playing field—where true cost of production drives who completes in an open market.

While I certainly share the administration's desire for market reforms and expanded trade relationships with the independent states of the former Soviet Union, I also strongly believe that such trade must be free and fair trade.

Expansion of trade with the independent states of the former Soviet Union must not come at the expense of the domestic uranium industry, the U.S. enrichment enterprise and other industries, and the livelihood of workers employed in these industries.

While we consider aid for the former Soviet Union, I urge this body to support the careful evaluation of uranium trade practices from these Republics, including natural uranium hexafluoride, low-enriched uranium, and even defense-related, high-enriched uranium.

Now the industry is faced with the unprecedented volume of Government inventory of high-enriched uranium contained in nuclear weapons.

Of course, these weapons should be dismantled. We are witnessing a unique and historical opportunity to make the world safe from nuclear war and nuclear proliferation.

However, I am concerned that if high-enriched uranium—which is not usable in commercial reactors—is blended down to commercial grade fuel, then the world market will once again be flooded—this time by Government stocks.

I would urge that any potential commercialization of these Government inventories be done in a responsible market manner consistent with international and U.S. trade law and practice.

That is why I would like to introduce a very simple amendment to S. 2532 which will only make clear existing committee report language. On page 36, line 5 of the bill, my amendment will add a phrase to implement the intent of committee report language, found on page 15 of the report, which seeks to prevent the dumping of commercial grade uranium in the international market.

Since this is a clarifying amendment, I urge my colleagues' support.

I would like to thank the managers of the bill, and their fine staff for their consideration of my amendment.

I ask unanimous consent that the GAO report and two pages of U.S. Customs data on imports from the independent states of the former Soviet Union be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[U.S. General Accounting Office Report to the Ranking Minority Member, Subcommittee on Nuclear Regulation, Committee on Environment and Public Works, U.S. Senate, June 1992]

URANIUM ENRICHMENT: UNRESOLVED TRADE ISSUES LEAVE UNCERTAIN FUTURE FOR U.S. URANIUM INDUSTRY

U.S. GENERAL ACCOUNTING OFFICE,
RESOURCES, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION,
Washington, DC, June 19, 1992.

B-237747.

Hon. ALAN K. SIMPSON,
Ranking Minority Member, Subcommittee on Nuclear Regulation, Committee on Environment and Public Works, U.S. Senate.

DEAR SENATOR SIMPSON: In 1991, total imports of Soviet-produced natural and enriched uranium[1] into the United States were 17 times greater than they were in 1986. Department of Energy (DOE) uranium enrichment officials and U.S. miners have viewed these imports as a threat to the domestic uranium market, and in November 1991, the miners filed an antidumping petition against Soviet importers.

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[1] Uranium enrichment is the process that separates natural uranium into two components, one containing a higher content of fissionable material. DOE's uranium enrichment plants are the only facilities that provide enrichment services in the United States. Private nuclear fuel cycle companies called fabricators convert enriched uranium into fuel for nuclear reactors.

In accordance with you request and later discussions with your staff, this report discusses (1) the increasing amount of natural and enriched uranium imported into the United States from the Soviet Union; (2) the ongoing antidumping case initiated by U.S. uranium miners; (3) other factors that will play a large role in determining the future of the domestic uranium market, namely, the breakup of the Soviet Union and the commercial use of highly enriched uranium (HEU)[2] originally produced for nuclear weapons; and (4) DOE's uranium inventories. Detailed responses to your questions on Soviet uranium production methods and costs and DOE's uranium inventories are contained in appendixes III and IV, respectively.

Throughout this report, we refer to the Soviet Union when we describe that nation's activities that took place before December 1991, and the Commonwealth of Independent States (CIS) or former Soviet republics when we talk about events that took place after December 1991.

RESULTS IN BRIEF

U.S. imports of Soviet natural enriched uranium totaled over 6.7 million pounds[3] in 1991—about 17 times more than they were in 1986. These imports now represent about 17 percent of the annual U.S. nuclear requirements; but the majority of the U.S. imports of foreign uranium continue to come from other countries such as Canada and Australia.

Domestic uranium miners, claiming that they have been injured by the sale of Soviet uranium and related enrichment services at less than their fair market value, filed an antidumping petition with the International Trade Commission (ITC) and the Department of Commerce's International Trade Administration (ITA) in November 1991. DOE, while not a formal petitioner, testified at an ITC public hearing that its enrichment business has been injured by low Soviet enrichment prices and provided requested information to both agencies. If ITC determines that the domestic market is being materially injured by Soviet/CIS imports, ITA will decide on import duties later this year.

The breakup of the Soviet Union and the potential commercial sale of HEU are also creating an uncertain uranium market. The breakup of the Soviet Union in late 1991 raises questions about how future uranium trading will be conducted. Uranium brokers and traders told us that it may take years before the new republics define new uranium trading policies. The breakup of the Soviet Union has also led to the possibility that large amounts of HEU originally produced for nuclear weapons will be processed for commercial use. A high-level DOE task force concluded in July 1991 that HEU removed from U.S. nuclear weapons as a result of initial arms reduction steps should not enter the commercial market. Since then, however, additional U.S. weapons cutbacks and Soviet initiatives to sell excess HEU to the United States have increased the possibility that some HEU will eventually be converted to commercial fuel. However, no decisions that could lead to the commercial sale of converted HEU have been made.

Because of its large uranium inventories, DOE does not intend to purchase any natural uranium in the foreseeable future. Furthermore, DOE officials expect to overfeed[4] the enrichment plants with some of the natural uranium that was set aside in 1985 for defense purposes. DOE officials say that DOE no longer needs this stockpile because it is no longer producing HEU for defense purposes.

BACKGROUND

The U.S. uranium mining industry and DOE's uranium enrichment program have operated under a series of changing market conditions. In the early 1970s, the U.S. mining industry provided most of the natural uranium needed by the domestic nuclear power industry, while DOE and its predecessor agencies provided almost all enrichment services to western nations' nuclear utilities. Currently, however, the mining industry and DOE are struggling to compete against foreign competitors. (For a more detailed background discussion of the U.S. uranium industry, see app. II.)

In the late 1940s, the Soviet Union began enriching uranium for nuclear weapons. By the mid-1970s, V/O Techsnabexport (TENEX), the marketing arm of the Soviet Ministry of Atomic Power and Industry, had signed contracts with firms in almost all west European countries. According to market experts, by the 1980s, the Soviet Union had established a reputation as a dependable supplier of enrichment services in Europe.

In 1991, TENEX signed a contract with CONCORD—a collection of U.S.-based companies including NUEXCO, a large uranium trading and market information company—to create a joint venture called Global Nuclear Services and Supply Ltd. (GNSS) to market Soviet enriched and natural uranium. Since the joint venture was formed, available information indicates that all U.S. imports of Soviet natural and enriched uranium have been arranged and managed by GNSS.

U.S. IMPORTS OF SOVIET URANIUM HAVE INCREASED DRAMATICALLY SINCE 1986

According to import data compiled by DOE's Energy Information Administration (EIA), very little Soviet uranium entered this country for domestic end use before 1986. Most of the Soviet uranium that entered the country during this time (over 94 percent) was fabricated into nuclear fuel at a U.S. plant and reexported for use overseas.

According to DOE officials and other market experts, the Soviets began penetrating the U.S. enriched uranium market in about 1986 by selling enrichment services for as low as $50 to $55 per separate work unit (SWU)[5]—about one-half of DOE's contract price at the time. For the years 1986 through 1989, Soviet imports were relatively small (about 3.5 million pounds), and all were in the form of enriched uranium. However, DOE uranium enrichment officials say that these data do not reflect the true impact of increased Soviet enriched uranium sales at that time because they do not capture the effect of numerous exchange transactions. DOE uranium enrichment officials believe that Soviet enriched uranium was often shipped to European suppliers, who then shipped European-produced enriched uranium to the United States. These "swaps" took place, according to DOE, because U.S. utilities or their brokers did not want to be criticized for directly purchasing uranium from the Soviets during the Cold War.[6]

Beginning in the late 1980s, a number of circumstances led the Soviets to try to increase their uranium exports. After the Soviets ceased producing HEU for military purposes in 1987 and the Soviet commercial nuclear power program declined following the 1986 Chernobyl accident, available enrichment capacity increased, and large uranium inventories originally dedicated to the Soviet weapons program became available for sale. Additionally, according to DOE officials, worsening Soviet economic problems led to an increased emphasis on exporting uranium and related enrichment services—one of the few commodities the Soviets could readily export for hard currency.

U.S. imports of Soviet uranium jumped significantly from 1989 to 1990. According to data compiled by EIA, imports of Soviet uranium increased from about 1.5 million pounds in 1989 to over 6.5 million pounds in 1990—an increase of over 300 percent. Another 6.8 million pounds of Soviet uranium came into the country in 1991. From 1986 to 1991, annual imports of uranium from the Soviet Union increased by a factor of 17, or over 1,600 percent. A portion of these imports continued to be reexported after fabrication or other processing. According to EIA reports, about 10 percent of all uranium imported into the United States from 1986 to 1991 from the former Soviet Union has been reexported after being fabricated into nuclear fuel at a U.S. plant. Table 1 shows total annual Soviet uranium imports into the United States from 1986 through 1992.

TABLE 1.—SOVIET IMPORTS INTO THE UNITED STATES, 1986–91

[Pounds of U_3O_8 equivalent in thousands]

	Natural	Enriched	Total	Reexported
Year:				
1986	0	385.7	385.7	158.4
1987	0	999.1	999.1	428.9
1988	0	626.7	626.7	354.2
1989	0	1,498.1	1,498.1	109.0
1990	3,331.0	3,172.4	6.503.4	453.9
1991	5,918.5	842.1	6,760.6	149.7
1992[1]	2,590.4	802.3	3,392.7	0
Total	11,839.9	8,326.4	20,166.3	1,654.1

[1] 1992 data for January and February only. There were no reexports of Soviet-origin uranium in the first 2 months of 1992.

Source: EIA.

Between 1986 and 1989, only enriched uranium was imported from the Soviet Union. In 1990, about 51 percent of the Soviet imports were composed of natural uranium; and by 1991, natural uranium made up about 88 percent of total Soviet uranium imports. We could not determined exactly why this shift from enriched to natural uranium occurred, although NUEXCO reported that the former Soviet republics may have limited enriched uranium inventories; furthermore, other brokers commented that GNSS may have wanted to build a U.S. stockpile of Soviet natural uranium in order to relieve potential customers of any supply concerns caused by the recent changes in the former Soviet Union.

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[2] HEU generally contains over 90 percent fissionable material, while the enriched uranium used in commercial reactors contains between 2 and 5 percent. HEU is used in nuclear weapons and fuels U.S. Navy nuclear reactors.

[3] Uranium can be imported in several different forms. When describing aggregate uranium imports, it is necessary to convert the various kinds of imports to a common weight factor. Because uranium oxide (U_3O_8), or yellowcake, is a common form of natural uranium, aggregate uranium statistics are often expressed in terms of U_3O_8 equivalent weight. Unless otherwise noted, uranium statistics in this report are expressed in terms of U_3O_8 equivalent weight.

[4] Overfeeding refers to DOE's practice of feeding its own natural uranium into it enrichment plants in addition to the natural uranium provided by utilities in order to reduce the cost of producing enriched uranium for its customers.

[5] A SWU is a measure of effort required to separate uranium into components, including one containing a greater amount of fissionable material.

[6] For a discussion of initial Soviet uranium imports, see our December 1986 report, "Uranium Enrichment: U.S. Imports of Soviet Enriched Uranium" (GAO/RCED-90-70BR).

OTHER FOREIGN COUNTRIES STILL PROVIDE MOST U.S. URANIUM IMPORTS

In order to appreciate the impact of increased Soviet uranium imports on the U.S. uranium market, it is important to compare the imports with (1) annual U.S. utility uranium needs, (2) other U.S. uranium imports, and (3) ongoing U.S. uranium production and U.S. enrichment sales. These comparisons show that the growing Soviet uranium imports are providing an increased proportion of U.S. nuclear utility requirements while other foreign uranium imports have continued to grow. U.S. Commerce import statistics also show that most of the natural uranium imported in 1989 and 1990 came from Canada and Australia and that a large amount of the enriched uranium imported into the United States in 1991 came from Germany. From 1989 to 1990, U.S. natural uranium production continued to decline, a trend that began in the early 1980s.

U.S. nuclear reactors require about 40 million pounds of uranium per year. Thus, Soviet imports in 1991, which totaled about 6.6 million pounds after reexports, represented 16.5 percent of expected total U.S. needs. Although this is still a relatively small percentage of total requirements, it is a big jump from 1986, when Soviet imports represented much less than 1 percent of U.S. requirements. Furthermore, market experts point out that some U.S. utilities are constrained by long-term purchase contracts to buy domestically produced uranium and/or DOE enrichment services. As these contracts begin to expire in the mid-1990s, experts project that the percentage of CIS purchases could increase if CIS uranium and related enrichment services remain available at low prices.

It is also important to note that total U.S. imports of enriched and natural uranium have risen over the last decade. In particular, Canada and other producers have sold increasing amounts of natural uranium to the United States since 1980. In 1990, according to Department of Commerce statistics, Canada and Australia, the two largest exporters of natural uranium to the United States, provided almost 70 percent of all natural uranium imported into the United States, compared with about 9 percent from the Soviet Union. Available Commerce statistics also show that the vast majority of the enriched uranium (over 93 percent) that entered the United States in the first 9 months of 1991 came from Germany, which liquidated a large government stockpile. In summary, Commerce statistics show that while Soviet uranium imports are growing, most uranium imports are still coming from other countries.

As total imports have grown, U.S. natural uranium production has fallen dramatically since it peaked in 1980. In 1990, for example, domestic production totaled 8.9 million pounds, compared with 13.1 million pounds in 1988 and 43.7 million pounds in 1980. In 1981 about 247 uranium production facilities operated in the United States, but by the end of 1990, only 39 were operating. One uranium mining official, whose company recently closed two production sites, told us that the latest closings were the direct result of cheap Soviet uranium imports that kept the price of uranium well below production costs.

Table 2 compares total domestic uranium production, total U.S. uranium imports, and total Soviet uranium imports since 1980.

TABLE 2.—U.S. URANIUM MARKET SUMMARY, 1980–91

[Pounds of U_3O_8 equivalent in millions]

	U.S. natural uranium production[1]	Total U.S. imports	Total Soviet imports
Year:			
1980	43.7	3.6	0.7
1981	38.5	6.6	.2
1982	26.9	17.1	.6
1983	21.2	8.2	.8
1984	14.9	12.5	1.1
1985	11.3	11.7	.2
1986	13.5	13.5	.4
1987	13.0	15.1	1.0
1988	13.1	15.8	.6
1989	13.8	13.1	1.5
1990	8.9	23.7	6.5
1991	8.0	[2]23.6	6.8

[1] Includes production from U.S. mines that produce uranium as a by-product.

[2] EIA projection.

Source: EIA.

A DOE uranium enrichment official testified at the preliminary ITC antidumping hearing in December 1991 that the key impact of the availability of cheap Soviet enrichment services has been the loss of commitments to DOE for future purchases. The official also testified that DOE currently has a very large share of domestic market deliveries because of contracts that were signed up to 10 years ago. By the mid- to late-1990s, however, DOE projects that the CIS will have a significantly larger share of the U.S. market (the largest uranium market in the world) because of contracts being signed today and/or expected to be signed in the near future at prices considerably lower than DOE's current contract price. DOE testified that the Soviet percentage of new enrichment contract signings rose from 6 percent of all new contracts in 1990 to 36 percent of all new contracts signed in 1991. DOE estimates that by the end of 1992, the CIS will obtain 65 percent of all new contracts signed.

DOE based its estimate on information from a number of U.S. utilities that have either signed a letter of intent to purchase CIS enrichment services in the future or have their management's approval to pursue a contract with the CIS. We note, however, that utilities are generally not signing long-term contracts. For example, NUEXCO stated in its 1991 annual report that GNSS executed only two long-term agreements with U.S. utilities as of early 1992. According to utility representatives, U.S. nuclear fuel buyers recognize that excess enrichment capacity exists worldwide and that they can solicit competitive bids for near-term enrichment services instead of committing to long-term contracts.

SOVIET ANTIDUMPTING PETITION FILED BY UNITED STATES MINERS

On November 8, 1991, the Ad Hoc Committee of Domestic Uranium Producers, representing a coalition of 13 U.S. mining and milling companies, and the Oil, Chemical and Atomic Workers International Union, representing uranium conversion and enrichment plant workers filed a petition with ITC and ITA. The petition alleged that the U.S. uranium industry has been materially injured or threatened with material injury because Soviet uranium imports have been sold at less than fair value and requested import relief under the Tariff Act of 1930 (19 U.S.C. 1673a). The petitioners claimed that Soviet imports have penetrated the U.S. market at unfair prices, thereby suppressing uranium prices to unprecedented lows which threaten to extinguish the U.S. industry. According to the petitioners' calculations, Soviet natural and enriched uranium have been priced in the United States at less than half of their fair market value. DOE officials told us that the Department's official position regarding the petition is to cooperate fully with ITA and ITC and provide any factual information requested. In addition, a DOE official testified at the December 3, 1991, ITC public hearing that DOE's enrichment business has been injured by low Soviet enrichment prices.

As a result of the petition, ITC and ITA initiated investigations in accordance with each agency's respective regulations. In December 1991, ITC made a preliminary determination that the domestic uranium industry may be materially injured or threatened with material injury by reason of imports of uranium from the Soviet Union, and on May 29, 1992, ITA announced that it had preliminarily determined that six former Soviet republics are selling, or are likely to sell, uranium products at less than their fair market value in the United States. Both agencies expect to make final determinations later this year. If ITC finally determines that the domestic industry has been injured and ITA finally determines that the Soviet imports have been unfairly priced, ITA will determine what duties, if any, will be levied on CIS and/or past Soviet uranium imports. The final ruling can then be appealed by either party to the U.S. Court of International Trade.

The breakup of the Soviet Union has made it difficult for ITA and ITC to accumulate data to support their market-injury and fair-pricing analyses. The agencies have had to contact 12 new republics, each in the throes of establishing a central government. To date, neither agency has received satisfactory responses to its questionnaire requesting uranium cost and production data from the former Soviet republics that have uranium mining or product centers. According to Commerce officials, because data have not been forthcoming, they are conducting a "surrogate analysis" using production and cost data from other countries whose technology is deemed comparable to Soviet technology to determine a fair market price. (See app. III for available information on Soviet uranium production and enrichment capabilities.)

THE DISSOLUTION OF THE SOVIET UNION AND THE POTENTIAL COMMERCIAL USE OF HEU ADD FURTHER UNCERTAINTY TO THE URANIUM MARKET

The late 1991 dissolution of the Soviet Union's central government creates uncertainty as to how future uranium sales activities will be conducted. According to a January 31, 1992, GNSS submission to ITA, the Ministry of Atomic Power and Industry (MAPI)—the federal ministry of the former government of the Soviet Union, which centrally coordinated uranium production and sales—no longer exists. A new Russian Ministry of Atomic Energy has been established; the Ministry has no authority over uranium production or sales in any of the other former Soviet republics. TENEX—the foreign economic association that exported goods and services produced by MAPI prior to the dissolution—is now a joint stock company that continues to engage in exporting uranium but now must negotiate separately with each of the uranium-producing enterprises within the CIS that have asserted ownership and control over the uranium facilities located in their terrorities. Furthermore, according to trade press reports, some uranium facilities in the CIS other than Russia have begun to negotiate directly with prospective foreign customers without advising or consulting with TENEX. Uranium brokers and traders told us that the dissolution of the Soviet Union will have a dramatic effect on future uranium production sales and costs, and it will take months, if not years, for future uranium-trading activities to be defined.

The breakup of the Soviet Union has also increased the possibility that some HEU will be converted to commercial fuel for sale to nuclear power plants. In July 1991, a high-level U.S. task force determined that initial amounts of HEU removed from U.S. weapons would not be available for commercial use. However, since then, further U.S. weapons reduction decisions have been made, and the Cold War threat has declined because of the breakup of the Soviet Union. DOE officials now speculate that some of the large amount of HEU that will be removed from retired U.S. nuclear weapons may eventually be used for commercial purposes. However, no specific decisions that would lead to the commercial sale of HEU have been made. One private-sector analysis concluded that if one-half of the U.S. inventory of HEU is blended down to commercial grade enriched uranium, it could meet about 20 percent of U.S. utilities' needs for enriched uranium for 20 years.

The breakup of the Soviet Union has also led to high-level discussions between the former Soviet Union and U.S. officials examining the possibility of transporting Soviet-produced HEU to the United States. Former Soviet officials have publicly announced that they can sell up to 500 metric tons of HEU. U.S. officials would like to obtain this material in order to reduce proliferation concerns.

DOE HAS LARGE URANIUM INVENTORIES

DOE has over 450,000 metric tons of uranium in addition to its classified HEU inventories. Almost all of this uranium was originally purchased as natural uranium under government contracts prior to 1971. While some of this natural uranium still remains with DOE's uranium enrichment program, much of it has been enriched or otherwise processed and relocated throughout DOE's weapons and laboratory complex. DOE's total uranium inventory—which includes about 4,300 lines of inventory items—can be summarized into four categories: natural uranium; enriched uranium; HUE; and depleted uranium, or tails. Because of the size of their inventories, DOE officials said they will not need to purchase any uranium for the foreseeable future.

In 1985 DOE allocated the natural uranium remaining in its inventories to its commercial uranium enrichment and defense programs. Since then, the commercial program has used much of its allotment for overfeeding its enrichment plants. However, about 18,700 metric tons of natural uranium remained in the defense allotment at the end of fiscal year 1991. DOE officials expect that the commercial program will be able to eventually use some of this remaining natural uranium for overfeeding, since DOE decided last year to stop producing HEU for defense purposes. (For a more complete discussion of DOE uranium inventory issues, see app. IV.)

CONCLUSIONS

According to uranium market experts, it will probably take several years for the various parties involved to fully answer the following three questions:

1. How will the ongoing antidumping case be resolved?
2. How will the evolving former Soviet republics market uranium?
3. How much HEU will be "blended down," and when will it be available for sale?

Because the answers to these questions will determine, to a large extent, the future of the domestic uranium market, domestic uranium producers and DOE's enrichment program currently face an uncertain future.

In the meantime, U.S. uranium producers cannot expect DOE to create any new demand for natural uranium. DOE has large amounts of uranium is various forms and may someday be able to convert excess HEU obtained from retired nuclear weapons to commercial fuel. In addition, uranium enrichment officials are optimistic that they will be able to use some of the natural uranium set aside in 1985 for defense purposes for overfeeding.

AGENCY COMMENTS

We discussed the factual contents of this report with DOE officials representing the Office of the Assistant Secretary of Nuclear Energy, the Uranium Enrichment Program, Defense Programs, and EIA. These officials generally agreed with the report and provided us with detailed comments and updated statistics that have been incorporated into the report where appropriate. However, as requested, we did not obtain written agency comments on this report.

We conducted our work between July 1991 and May 1992 in accordance with generally accepted government auditing standards except as noted in appendix I. (For a detailed description of our scope and methodology, see app. I.)

Unless you publicly announce its contents earlier, we plan no further distribution of this report for 30 days from the date of this letter. At that time, we will send copies to appropriate congressional committees; the Secretary of Energy; the Secretary of Commerce; the Chairman of the International Trade Commission; and the Director, Office of Management and Budget. We will also make copies available to others upon request.

Please contact me at (202) 275-1441 if you or your staff have any questions. Major contributors to this report are listed in appendix V.

Sincerely yours,

VICTOR S. REZENDES,
Director, Energy Issues.

ABBREVIATIONS

CIS: Commonwealth of Independent States.
DOE: Department of Energy.
EIA: Energy Information Administration.
GNSS: Global Nuclear Services and Supply, Ltd.
HEU: highly enriched uranium.
ITA: International Trade Administration.
ITC: International Trade Commission.
SWU: separative work unit.
MAPI: Ministry of Atomic Power and Industry.
TENEX: Techsnabexport.

APPENDIX I.—SCOPE AND METHODOLOGY

To obtain information on uranium imports from the Soviet Union, we interviewed officials from DOE's Energy Information Agency (EIA), the International Trade Commission (ITC), and the Department of Commerce's International Trade Administration (ITA) in Washington, D.C. We also obtained available documents such as EIA's Uranium Industry Annual and Uranium From the U.S.S.R. (the preliminary determination of the ITC investigation of the Soviet antidumping suit). To obtain information on the current status of the uranium market and the impact of Soviet imports on the uranium market in the United States, we interviewed officials from NUEXCO, the New York Nuclear Corporation, NUKEM, and the Uranium Exchange Company, four companies active in the international uranium market. We also attended U.S. Council of Energy Awareness conferences on uranium in September 1991 and the nuclear fuel cycle in January and March of 1992.

To address questions on Soviet production practices, inventories, and costs, we interviewed officials and obtained documents from the Department of Energy's (DOE) Office of Intelligence, Washington, D.C., the Uranium Institute, London, England; the International Atomic Energy Agency, Vienna, Austria; and NUEXCO, Denver, Colorado. Since little data are available on Soviet uranium inventories, production capabilities, costs, and practices, most of the information we obtained was in the form of expert estimates. To obtain information on DOE's uranium inventories, we interviewed officials and obtained inventory data from DOE's Office of Weapons and Materials Planning and Uranium Enrichment Program, Germantown, Maryland.

We primarily used import data compiled by the Department of Commerce and EIA. The EIA data were taken from DOE's Nuclear Management Information System and are used by DOE and the Nuclear Regulatory Commission to monitor all uranium shipped into the United States. We attempted to verify this import data by checking it against ITC's records developed during the antidumping petition filed against Soviet uranium importers by domestic uranium miners. However, ITC refused us access to uranium trade information because of its interpretation of 19 U.S.C. §1677f, which requires it to safeguard proprietary data provided to it during an antidumping investigation.

We discussed the information in this report with the Director of Business Operations for the Uranium Enrichment Program, the Director of Materials Planning within the Office of Defense Programs; and the Director of EIA's office of Coal, Nuclear, Electric and Alternative Fuels. An official within the Office of the Assistant Secretary of Nuclear Energy also reviewed the facts contained in the report. These officials generally confirmed the information contained in the report. Where appropriate, changes have been made on the basis of these discussions to further clarify the information presented. As requested, we did not obtain written agency comments on a draft of this report. Our work was conducted from July 1991 to April 1992 in accordance with generally accepted government auditing standards except as noted above.

APPENDIX II.—BACKGROUND

Uranium is a silvery white metal, used almost exclusively to produce fuel for nuclear reactors. Uranium is most often obtained from surface (open-pit) or underground mines or as a by-product during the production of other minerals, such as phosphate. It can also be extracted from the ground through a process called in-situ mining, whereby a dissolving solution is pumped through the uranium ore body, after which the solution and ore are extracted for processing. The natural uranium, usually in the form of uranium oxide, or "yellowcake," (U_3O_8) is usually converted to uranium hexafloride (UF_6), which is then converted to a gas and enriched. Uranium enrichment is the process that separates natural uranium into two components, including one with a higher content of fissionable uranium isotope–U-235.[1] The enriched uranium is further processed and eventually fabricated into fuel for use in nuclear power plants. In the past, some uranium has been highly enriched for use in nuclear weapons or U.S. Navy nuclear reactors. Enriched uranium to be used as commercial fuel is shipped to companies who fabricate it into fuel assemblies for nuclear power plants.

The U.S. uranium mining industry has operated under a series of changing business conditions since it began producing solely for the U.S. government in the 1940s and 1950s. In the 1970s, when uranium first became available to private customers, the domestic uranium miners were protected from foreign competition by a provision in the government's enrichment contracts which prohibited DOE from enriching imported uranium intended for domestic nuclear power plants. In 1980 domestic uranium mining production peaked because of the predicted rosy future for nuclear power and lucrative long-term contracts signed by nuclear utilities with natural uranium producers anxious to secure a safe, domestic source of uranium. In 1980 domestic miners produced 43.7 million pounds of uranium and employed about 12,000 people.

Since the early 1980s, however, the industry has struggled after restrictions on the use of foreign imports were eased and utilities cut back on expected nuclear plant construction. Furthermore, large uranium inventories acquired by utilities under earlier contracts created a secondary uranium short-term (spot) market, in which utilities sold their surplus inventories at prices below domestic production costs. By 1988 foreign investors had taken over most of the struggling U.S. uranium mining industry, and imports supplied 51 percent of U.S. utilities' requirements. Because of its poor financial state, the Secretary of Energy, in an annual report required by the Atomic Energy Act, has declared the domestic uranium mining industry nonviable every year since 1984.[2] Nevertheless, by the end of the 1980s, the domestic uranium industry was generally optimistic because utilities' inventories were being reduced, natural uranium prices were rising, and a new mining technology (in-situ mining) appeared to have cost and environmental advantages that would enable U.S. producers to compete with Canada and Australia, the world's two leading producers.

As with the uranium miners, DOE's uranium enrichment program, the only U.S. entity that enriches natural uranium, has faced a dramatically changing business environment over the last 15 years. The program started out in 1969 with a monopoly over the western world's enrichment market. But with aging, energy-intensive production facilities, it finds itself facing stiff foreign competition. As a result, DOE's share of the western world's enrichment market declined from about 100 percent in the early 1970s to less than 50 percent in 1991.

APPENDIX III.—SOVIET UNION URANIUM PRODUCTION CAPABILITIES

Little information is available on how uranium was or is produced in the former Soviet Union, what it cost the Soviets to mine or enrich the uranium, or the extent of uranium inventories in the CIS. This section summarizes available data and estimates of the former Soviet Union's uranium production practices, capacities, and costs. As noted in the report, the dissolution of the Soviet Union will have a dramatic effect on future uranium production, sales, and costs—and it may take years before the new republics define new uranium production and sales practices.

SOVIET NATURAL URANIUM PRODUCTION AND COSTS

According to NEUXCO's 1991 Annual Review, 40 percent of the natural uranium produced in the former Soviet republics was recovered through in-situ leaching. Of recent uranium mining activity, about 30 percent of mine production has come from Russia, 30 percent from Kazakhstan, 30 percent from Uzbekistan, and the remaining 10 percent from Ukraine. In 1991, prior to the breakup, the Uranium Institute estimated total Soviet natural uranium production to have been 5,000 metric tons in 1990 and projected it to reach 10,000 metric tons by 1995. This compares with total annual U.S. requirements of about 18,000 metric tons.

According to available reports, the Soviet Union's former East European satellites of Bulgaria, Czechoslovakia, East Germany, and Hungary shipped natural uranium to the Soviet Union from 1946 to 1990. After January 1991, the Soviet Union no longer controlled the uranium operations of its former satellites, and no new contracts were signed. One private study estimates that the former Soviet Union's Eastern European satellites produced over 1.5 billion pounds of natural uranium between 1946 and 1990 for shipment to the Soviet Union.

DOE officials believe that past Soviet uranium production costs have been low because production was very labor-intensive, and at least in the past, Soviet labor was "cheap." However, some experts we talked to also said that the nonmarket economic conditions that existed in the Soviet Union and its satellites precluded anyone, including Soviet officials, from determining the true cost of past uranium production.

SOVIET URANIUM ENRICHMENT PRACTICES

The Soviets are currently operating four enrichment plants, two of which also have facilities for converting natural uranium to gas for use in the enrichment plants. According to a 1990 NUEXCO Annual Review, all four plants have gas centrifuge units, and gaseous diffusion enrichment accounts for less than 5 percent of their total output. According to NUEXCO's 1991 Annual Review, a major enrichment upgrading program is underway to replace old-generation centrifuge machines with newer, more efficient machines. An official of the Soviet Ministry of Atomic Power and Industry stated in 1990 that all four centrifuge facilities are located in the Russian Republic.

Although the capacity of individual plants and the total capacity of all enrichment plants remained classified at the beginning of 1992, the NUEXCO 1991 report estimates that the four Soviet enrichment plants have a total capacity of at least 10 million separative work units[1] (SWU) per year. Furthermore, TENEX has announced that it will be able to export about 10 million SWU per year by the year 2000. No information is currently available on Soviet enrichment costs.

SOVIET URANIUM INVENTORIES

The Uranium Institute estimates in its report Uranium in the New World Market Supply and Demand 1990–2010 that the former Soviet republics have a total stockpile of uranium in all forms of between 140,000 to 160,000 metric tons, excluding HEU for military purposes. According to DOE officials, Soviet officials have publicly announced that they can sell up to 500 metric tons of HEU to the United States. NUEXCO estimates that the Soviets do not have a large commercially enriched uranium inventory. Little information exists on what the former Soviet republics are doing with excess enriched uranium production (if any) since the breakup of the Soviet Union.

APPENDIX IV.—DOE'S URANIUM INVENTORIES

Most of DOE's uranium was originally purchased by the Atomic Energy Commission by 1971. By 1971 the government had purchased over 600 million pounds of natural uranium (U_3O_8 equivalent) from domestic miners and from foreign sources when domestic producers could not meet government requirements. While some of this natural uranium remains under the control of DOE's uranium enrichment program, much of the purchased uranium has been enriched or otherwise processed and relocated throughout DOE's extensive weapons and laboratory complex. However, only a relatively small amount of uranium has been permanently removed from DOE's inventories through weapons testing or some other means. Even the highly enriched uranium (HEU) produced by DOE's enrichment program for military purposes and presently contained in nuclear weapons is considered part of DOE's uranium inventories.

DOE's unclassified materials inventory records list about 4,300 line items of uranium inventories. Each inventory item represents uranium in a different form, mixture, enrichment level, and/or location. The large number of different inventories shows how widespread and diverse DOE's total uranium inventory is. Because of the many different uranium inventories, and the difficulty in reconstructing past records, DOE officials told us that compiling an historical, year-by-year accounting of the changes in its uranium inventories would be an extremely complex, if not impossible job. However, DOE's total uranium inventory can be summarized in four broad categories: (1) natural uranium; (2) enriched uranium; (3) HEU; and (4) depleted uranium, or tails. All HEU (uranium enriched above 20 percent) inventory data are classified as are some small amounts of other forms of uranium that are assigned to specific DOE classified programs, such as the AVLIS program—DOE's new laser enrichment technology development program.

Table IV.1 shows DOE's unclassified uranium inventory as of the end of fiscal year 1991.

TABLE IV.1—*DOE's uranium inventories as of Oct. 1, 1991*

[In metric tons]

Uranium:	*Total*
	Total
HEU[1]	
Enriched	12,294
Natural	60,158

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[1] Natural uranium contains about 0.71 percent of the fissionable isotope U-235. Enriched uranium for use in commercial reactors contains about 2 to 5 percent of the isotope, while highly enriched uranium used in nuclear weapons and U.S. Navy nuclear reactors contains over 90 percent U-235.

[2] In order to help determine if the government should take steps to help domestic uranium miners, a 1983 amendment to the Atomic Energy Act has required the Secretary of Energy to annually determine if the domestic industry is viable for the 1983-92 period.

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[1] A SWU is a measure of the effort required to separate uranium into components, including one containing a greater amount of fissionable material.

	Total
Depleted	380,681

[1] Classified.

Note.—DOE's total uranium inventory is expressed in terms of the total aggregate weight of the various inventories regardless of its form or level of enrichment. For example, the total amount of enriched uranium shown in this table is the total of all of the enriched uranium inventories spread throughout DOE, even though the enrichment level varies from slightly above 0.7 percent (natural uranium) to 20 percent. DOE classifies uranium enriched above 20 percent as HEU.

DOE'S URANIUM ENRICHMENT PROGRAM'S INVENTORIES

DOE officials told us that DOE's total uranium inventory has not changed significantly for many years because very little uranium has entered or been removed from the system. The only exception to this has been the natural uranium routinely provided to DOE's uranium enrichment program by utilities for enrichment and the enriched uranium ultimately provided to DOE's customers. Under DOE's uranium enrichment program, DOE takes title to natural uranium when it is delivered by its customers, even though it may not actually provide related enrichment services for many years. When DOE takes title to the uranium, it incurs an obligation to produce a given amount of enriched uranium per the terms of the enrichment contract. As of the end of fiscal year 1991, the enrichment program controlled about 79,000 metric tons of uranium[1] including about 64,100 metric tons of natural uranium. About 46,900 metric tons was provided by utilities and represents a future DOE liability to its enrichment customers.

The remaining inventories, about 32,100 metric tons, are dedicated to DOE's commercial uranium enrichment and defense programs according to a 1985 internal memorandum of agreement between DOE's Offices for Defense Programs and Nuclear Energy, which allocated the natural uranium remaining in DOE's inventories at that time. Since then, the Office for Defense Programs has used about 6,100 metric tons (about 25 percent) of its allocation mainly for nuclear Navy fuel and has about 18,700 metric tons left for defense purposes. The remaining amount (about 13,400 metric tons) is available for commercial purposes, including overfeeding. For each of the last 4 fiscal years (1988-91), DOE has used over 3,300 metric tons of its natural uranium to overfeed its plants and cut production costs. Table IV.2 shows the annual inventory status of DOE's uranium enrichment program since 1985.

TABLE IV.2.—DOE'S URANIUM ENRICHMENT PROGRAM'S INVENTORY STATUS, 1985–91

[In metric tons of natural uranium equivalent]

Fiscal year	DOE ending inventories			DOE's customer liability	Office of Defense Programs' allocation	Remaining uranium enrichment inventory
	Natural uranium	Enriched uranium	Total			
1985	47,215	35,335	82,550	25,762	24,802	31,986
1986	54,449	32,331	86,780	31,505	23,364	31,911
1987	61,928	27,562	89,490	36,927	21,766	30,797
1988	72,465	18,213	90,678	45,681	20,464	24,533
1989	71,057	13,072	84,129	44,595	19,387	20,147
1990	69,381	14,610	83,991	48,340	18,971	16,680
1991	64,085	14,908	78,993	46,897	18,719	13,377

DOE uranium enrichment officials plan to use the rest of DOE's natural uranium allotment for overfeeding over the next 10 years, according to a cost optimization model. Uranium enrichment officials also speculate that some of the defense allocation may become available for commercial overfeeding as large amounts of HEU are removed from nuclear weapons, thereby reducing the need for a large stockpile of natural uranium for defense purposes.

Table IV.2 also shows that as of the end of fiscal year 1991, DOE held about 46,900 metric tons of uranium provided to it by utilities. DOE officials told us in March 1992 that the program had never used any natural uranium provided to DOE by utilities for overfeeding. However, DOE officials told us that they could overfeed their enrichment plants by using utility-provided uranium as long as they meet their future contract commitments.

HEU

Although DOE stopped producing HEU for weapons purposes in 1964, DOE continued to produce HEU for use in the nuclear Navy, research reactors, and defense production reactors. In November 1991, DOE announced its plan to stop producing HEU; however, minimal production will continue until about November 1992, when necessary shutdown procedures will be completed. Other required safety analyses and related environmental studies are expected to take about 3 years.

The decision to shut down DOE's remaining HEU production capacity was one of the recommendations of a high-level task force that formed in 1991 to examine various HEU options in light of the large amounts of HEU that are expected to be removed from dismantled nuclear weapons under recent arms reduction agreements. The task force's classified report looked at how much HEU existed and how much might be removed from weapons, and examined options for disposition of the excess amounts.

The analyses performed by a task force working group concluded that the blending down of initial quantities of excess HEU to enriched uranium so that it could be sold to nuclear utilities was not economically advisable. According to DOE officials, the working group concluded that HEU could easily be blended down for commercial sale, and that economic benefits to the enrichment program could be substantial. However, the analysis balanced the relatively short-term benefits that could be obtained from blending initial returned HEU quantities for commercial sale against the future need to eventually produce additional HEU for defense purposes and concluded that it was cost-effective to postpone future HEU production as long as possible. The analysis also showed that even if blending were pursued, HEU could not be made available for commercial use for some time because of the time it takes to dismantle nuclear weapons and build a $100 million facility to convert HEU metal contained in weapons to uranium hexaflouride, which can be converted to a gas that can be blended down for commercial use.

Since the task force completed its work in July 1991, the Bush administration has announced other nuclear arms cutbacks and the possibility of obtaining HEU produced by the former Soviet Union has been discussed. According to DOE officials, U.S. and former Soviet officials have conducted a series of meetings to discuss the possibility of transferring HEU to the United States. According to DOE officials, former Soviet officials have publicly announced that they can sell as much as 500 tons of HEU.

One private study of the impact of blending down HEU for commercial sale hypothesized that if half of the U.S. HEU is reduced to commercial grade enriched uranium, it could replace about 7.5 million pounds of natural uranium and about 1.9 million SWU per year for 20 years, or about 20 percent of U.S. uranium and enriched uranium requirements over that time. The report also concluded that if half of the CIS HEU is reduced, it could replace about 16.5 million pounds and 4.1 million SWU per year. Taken together, the report concludes that U.S. and CIS HEU could supply about 20 percent of the Western World's requirements for 20 years.

DOE Office of Nuclear Materials officials told us that they are preparing a first ever strategic uranium inventory plan that will consider the latest strategic and inventory requirements. The plan is expected to be completed in 1992 and be periodically updated as circumstances change.

DEPLETED URANIUM (TAILS)

A substantial portion of DOE's uranium inventory—over 380,000 metric tons as of the end of fiscal year 1991—is in the form of depleted uranium or tails. These tails were produced at the DOE enrichment plants, where two process streams are generated during the enrichment process: one with a higher than natural content of U–235, the isotope needed to spur nuclear fission, and another stream with depleted in U–235. Generally, for every 7 pounds of natural uranium fed into the plants about 1 pound of enriched uranium is produced along with 6 pounds of depleted uranium or tails.

Per the terms of the enrichment contracts, utilities that provide natural uranium to DOE have the right to pick up the tails after enrichment occurs. According to DOE officials, few if any utilities have ever removed the tails from the plants. DOE enrichment contracts provide that if the utility does not exercise its option to acquire the tails, they become the property of DOE. The 1985 DOE memorandum that allocated uranium inventories between the defense and commercial programs states that the tails are the property of DOE's Office of Defense Programs.

Although the tails are depleted in U–235, that is they contain less U–235 than natural uranium, they still contain between 0.2 percent and 0.65 percent of U–235. Most of the tails contain about 0.2 to 0.25 percent of U–235 compared with natural uranium, which contains about 0.7 percent of U–235. DOE considers the tails a potential asset that could be used as a feed stream for future cost-efficient enrichment technologies. Whether these tails would ever be used as a feed stream depends on the future cost of natural uranium compared with the cost to reenrich these tails to the level of natural uranium.

COST OF REENRICHING TAILS

The key factor determining the cost of reenriching depleted tails is the cost per SWU.

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[1] DOE's uranium enrichment program expresses its inventory statistics in terms of the equivalent weight of natural uranium. In other words, regardless of its enrichment level, these statistics express the total weight of the inventory in terms of what it would weigh if the inventory were made up of natural uranium (0.7 percent enrichment). These statistics are not comparable to the total inventory statistics maintained by DOE's Office of Nuclear Materials, which does not convert the thousands of different DOE uranium inventories to an equivalent weight.

The cost to reenrich tails would also depend on the assay of the new tails or waste stream produced during the reenrichment process. From a given amount of depleted uranium, one can produce more natural uranium with a lower tails assay. However, the lower the tails assay from the reenrichment process the more energy (SWUs) is required to extract the U-235 isotope from the depleted tails.

Table IV.3 shows the cost to produce a kilogram of natural uranium hexafloride from 0.2 percent depleted uranium tails, assuming various SWU costs and a final tails assay of 0.15 percent. According to the table, if a SWU cost $50, it would cost about $84 to produce a kilogram of natural uranium from 0.2 percent depleted uranium.

TABLE IV.3—*Cost of reenriching tails*[1]

Cost per SWU:	*Cost*[2]
$25	$42.03
$50	84.05
$75	126.08
$100	168.10

[1] The table assumes that the depleted tails being enriched are at a 0.2- percent enrichment level and that the tails assay of the reenrichment process is 0.15 percent.

[2] Cost to produce 1 kilogram of natural uranium. Uranium hexafloride (UF_6) enriched with U-235 to 0.711 percent.

Currently, the cost of a kilogram of natural uranium hexafloride is about $24. Therefore, according to the chart, the price of a SWU used in the reenrichment process would need to drop to well below $25 or the price of natural uranium would have to rise substantially above its current level before it would be economical to reenrich depleted tails for use in future enrichment activities.

DOE'S PROPOSED URANIUM INVENTORY SALE OR BARTER

In 1992 DOE's Office of Defense Programs identified about 8,736 metric tons of depleted, natural, and enriched uranium in various forms as excess material that could be sold or bartered. The excess inventories are at DOE facilities located at Fernald, Ohio, and Hanford, Washington. As Table IV.4 illustrates, most of these inventories consists of enriched and depleted uranium.

TABLE IV.4—EXCESS DOE URANIUM INVENTORIES IDENTIFIED FOR POTENTIAL SALE

[In metric tons]

Location	Natural uranium	Enriched uranium	Depleted uranium	Total
Hanford, WA	147	2,040	115	2,302
Fernald, OH	450	2,159	3,825	6,434
Total	597	4,199	3,940	8,736

According to DOE officials, some of this material cannot be fed through DOE's enrichment plants because it is in metal form; furthermore, it has various impurities that would not be acceptable by U.S. nuclear fuel fabricators. However, some foreign facilities have expressed interest in this material. DOE prefers to exchange the natural and enriched uranium for commercial natural uranium that can be used in its gaseous diffusion plant operations.

DOE officials published requests for written expressions of interest in the March 24, 1992, and April 9, 1992, editions of the *Commerce Business Daily* for its Fernald and Hanford inventories and are currently reviewing responses. DOD officials told us that they will proceed with caution in conducting these sales and/or exchanges because they do not want to cause injury to the U.S. uranium mining industry.

APPENDIX V.—MAJOR CONTRIBUTORS TO THIS REPORT

RESOURCES, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION, WASHINGTON, DC

James E. Wells, Jr., Associate Director;
Robert E. Allen, Jr., Assistant Director;
Ronald E. Stouffer, Evaluator-in-Charge;
Elise B. Bornstein, Evaluator;
Earl P. Williams, Jr., Reports Analyst.

URANIUM IMPORTS FROM THE U.S.S.R. 1988—FEBRUARY 1992[1]

Period	Volume (pounds U_3O_8	Value
1988	189,727	$9,155,940
1989	490,333	21,678,775
1990	6,013,574	122,347,751
January 1991[2]	44	1,500
February 1991	0	0
March 1991	0	0
April 1991	1,044,019	10,560,000
May 1991	1,359,191	12,368,648
June 1991	0	0
July 1991	1,559,296	16,641,063
August 1991	1,566,571	16,072,223
September 1991	0	0
October 1991	3,352,800	31,497,429
November 1991	0	0
December 1991	3,383,543	23,218,229
1991 Total	12,266,000	
January 1992	[3] 2,198,652	[4] 24,926,589
February 1992	[5] 900,620	12,228,979

[1] Source: U.S. Department of Commerce, Bureau of the Census, IM145 Reports. Based on 1 kg = 2.2046 lbs; 1 kg — UF6 = 1.767 lbs U_3O_8. 1 kg enriched UF6 = 14.185 lbs. U_3O_8. 1991 data does not include imports of HTS category 2844.20.00.50; Census IM145 Reports for this category do not provide quantity data.

[2] Believed to be misclassified.

[3] Does not include 113,350 kg. Classified as uranium hexaflouride depleted in U^{235}, which are believed to be misclassified, and may be enriched uranium (1,607,870 lbs. U308 equivalent). This is consistent with the February, 1992 NUKEM Market Report, an industry publication, which reports imports of 1,660,830 pounds U308 equivalent of enriched uranium in January, 1992.

[4] 113,350 kg. questionable material not included.

[5] EUP from Russia.

Mr. SIMPSON. Mr. President, I urge acceptance of the amendment.

The PRESIDING OFFICER (Mr. DODD). The Senator from Indiana.

Mr. LUGAR. We commend the Senator for this amendment. We are very pleased to accept it.

Mr. PELL. Mr. President, this is an excellent amendment. I am glad to recommend its adoption.

The PRESIDING OFFICER. Is there further debate? The question is on agreeing to the amendment.

The amendment (No. 2699) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I thank the chairman and ranking member for their courtesy in working on this amendment and the excellent work of their staff. I appreciate it.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2700

(Purpose: To express the sense of the Congress in opposition to the sale of the LTV Aerospace and Defense Company to a foreign person, and for other purposes)

Mr. BYRD. Mr. President, I offer an amendment on behalf of myself, Mr. DIXON, Mr. SASSER, Mr. SHELBY, Mr. RIEGLE, Mr. HOLLINGS, Mr. WIRTH, Ms. MIKULSKI, and Mr. SARBANES.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] for himself, Mr. DIXON, Mr. SASSER, Mr. SHELBY, Mr. RIEGLE, Mr. HOLLINGS, Mr. WIRTH, Ms. MIKULSKI, and Mr. SARBANES, proposes an amendment numbered 2700.

Mr. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . SENSE OF THE CONGRESS CONCERNING THE SALE OF LTV.

(a) FINDINGS.—The Congress finds that the sale or other transfer to a foreign person of a United States business concern that is critical to the defense industrial base of the United States would be detrimental to the national security interests of the United States.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that, notwithstanding any other provision of law or any agreement to the contrary, no foreign person should be permitted to purchase or otherwise acquire the LTV Aerospace and Defense Company.

(c) DEFINITION OF "FOREIGN PERSON".—For purposes of this section, the term "foreign person" means any foreign organization, corporation, or individual resident in a foreign country, or any domestic or foreign organization, corporation, or individual, that is owned or controlled by the foreign organization, corporation, or individual.

Mr. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I yield to the distinguished majority leader for such purposes as he may require without losing my right to the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LUGAR. Mr. President, will the leader yield for a moment while the distinguished Senator is at hand? Could I ask whether a time limit of 30 minutes equally divided would be agreeable to the Senator on the LTV amendment?

Mr. BYRD. I have no objection to such time limit.

Mr. LUGAR. Mr. President, I ask unanimous consent that there be a time agreement of 30 minutes equally divided and managed by the managers of the bill on the LTV amendment.

Mr. BYRD. The Senator will be entitled to have the time under his control, his being the offeror.

Mr. LUGAR. I amend that. The author of the amendment will be entitled to the management of 15 minutes on his side and the managers of the bill on the other side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The majority leader is recognized.

UNANIMOUS-CONSENT AGREEMENT—H.R. 5260

Mr. MITCHELL. Mr. President, I ask unanimous consent that the majority leader may at any time today turn to the consideration of the conference report on the unemployment benefits bill, H.R. 5260; that when the Senate considers the conference report, there be a time limitation for debate of 1 hour equally divided and controlled between Senators BENTSEN and PACKWOOD; that when all time is used or yielded back, the Senate vote without any intervening action or debate on the conference report.

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. Mr. President, the distinguished leader has cleared that on our side of the aisle. We are agreeable.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—POW/MIA RESOLUTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the majority leader may at any time after 3:30 p.m. today turn to the consideration of a resolution to be reported today by the POW/MIA Committee; that there be 10 minutes for debate on the resolution equally divided and controlled between Senator KERRY of Massachusetts and Senator SMITH; that no amendments or motions to recommit be in order to the resolution; that at the conclusion or yielding back of time, the Senate vote, without any intervening action, on the adoption of the resolution.

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. Mr. President, once again the distinguished leaders has cleared this item with our side, and we are agreeable.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I thank my colleagues. I thank the distinguished chairman for his courtesy in yielding to me.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT OF 1992

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. I thank the distinguished majority leader. Mr. President, has the request by the distinguished Senator from Indiana been agreed to? Could we modify that request to include a provision that no amendments in the second degree be in order?

Mr. LUGAR. I ask unanimous consent that the agreement be so modified.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. I thank the Senator.

The PRESIDING OFFICER. The Senator from West Virginia.

AMENDMENT NO. 2700

Mr. BYRD. Mr. President, this amendment asserts that it is the sense of the Congress that the sale of LTV Corp.'s missile division to a foreign person should be prohibited. This language is similar to S. 2704, a bill that I introduced on May 13 and which was referred to the Banking Committee. I felt then, and I still feel that such a sale poses a significant risk to the security of highly sensitive weapons technology and could fundamentally damage the U.S. defense industrial base. There are no precedents for a sale of the magnitude that has been proposed in the case of the LTV Corp. and this is one time that the Senate ought to step in and tell the administration that this is a No Go.

The sale of this key asset for American defense and technological leadership, risks compromises of several highly sensitive programs, and puts these technologies in the hands of people who have demonstrated a willingness to sell weapons to the renegades of the world, the Libyans and the Syrians, for instance. We could face a situation in the future where our combat forces are looking down the business end of our own weapons system in that region of the world. We need to wake up. The LTV sale has become a litmus test of concern over American competitiveness, free trade, arms proliferation, and the viability of our defense industrial base. It has also raised sensitivities over our relationship with our ally France. It is a harbinger of things to come, and as such takes on a wider significance beyond the details of this important transaction on its own merits.

Books have been written recently about the selling of America, reams have been written about the one-sidedness of our so-called free trade philosophy, which amounts to a hands-off policy while our competition around the world is operating with a hands-on policy of close industrial-government cooperation to further those nation's competitiveness and manufacturing base and market shares around the world. Here is a real live example of how we can begin to stop this run-off of America's assets.

As most of my colleagues already know, a Federal bankruptcy court approved the sale of LTV Corp.'s missile division to Thomson-CSF, the American subsidiary of Thomson-S.A., a French firm that is 58 percent owned by the French Government. The deal also included the sale of LTV's aircraft division to the Carlyle Group, a Washington investment banking firm. Two American companies, Lockheed and Martin Marietta, had joined to bid on the missile and aircraft divisions, but could not match Thomson/Carlyle's $450 million offer. The higher bid may serve the best interest of LTV's creditors and shareholders but selling the American defense industry abroad does not serve the best interest of the nation.

It is indeed regrettable that the Carlyle Group must suffer, under the terms of the contract, if the Thomson deal is overturned. This expression of opposition is directed at preserving America's national security and preventing the sale of American defense assets to foreign-government-owned firms, and is not meant to censure the Carlyle Group. But Thomson, in allying itself with an American firm for the purposes of this deal, does not somehow attain more acceptable status, and the sale of LTV's missile division does not become more palatable.

Before the sale to Thomson can be finalized, the deal must first be reviewed by the Committee on Foreign Investment in the United States [CFIUS], not Sisyphus, who had to roll the stone up on top of the mountain. That review process began on April 20th and a Presidential determination is required by July 20th. Although the President has the authority to use the CFIUS process to block sales such as this one if he finds the sale could impair national security, to date the administration has chosen to make little use of that authority. In nearly 4 years, the CFIUS has reviewed over 700 foreign acquisitions, and only 1 was blocked by the President. Given the history of the CFIUS process, I am not encouraged and I am not prepared to simply wait idly while the deal is consummated and the French Government nationalizes the American defense industry.

I think that it is important for the Senate to go on record opposing this deal now, before the President makes his determination, which might be the wrong determination from the standpoint of our own country's best interests, as I see it at least. The House Armed Services Committee and the House Appropriations Defense Subcommittee have already included language in the fiscal year 1993 DOD authorization and appropriations bills respectively to block this sale. I understand that there are some Senators who would prefer to let the CFIUS review process run its course before we intervene legislatively. This amendment will allow the Senate to go on record as strongly opposed to the deal as the administration conducts its deliberations, allowing the option of retaining the House prohibitions if circumstances so require.

This deal, if approved, would set a dangerous precedent by allowing foreign governments, not just foreign firms but foreign governments, to compete with U.S. investors trying to buy ailing U.S. defense firms as that industry shrinks and consolidates. How can we expect any company or any group of companies to marshal the resources necessary to outbid a foreign government? Of equal concern is the ability of Thomson to tap into the French treasury to subsidize LTV in order to gain United States market share at the expense of United States producers. Our defense contractors already face intense foreign competition, some from companies owned by foreign governments. I cannot imagine why we would willingly open the door to a huge increase in this unfair competition.

The proponents of this deal have pointed out that Thomson fully intends to maintain LTV's production facilities here in the United States, so that no jobs will be lost, they say. What they fail to mention is the strong possibility that Thomson could eventually and subtly shift LTV subcontract work from United States suppliers to French suppliers, resulting in jobs lost in the United States and the further erosion of our second and third tier subcontractor base.

The more obvious problems concern the security of sensitive military technology. We must consider the possibility that Thomson could gain access to sensitive technology and export it worldwide, possibly to countries hostile to the United States. Thomson has a recent history of selling military equipment to such countries as Libya and Iraq. Apparently, these transactions were perfectly legal under French law, but they highlight the kind of problem we would face if this deal were to go through.

Of course, we also face the possibility that the United States and France might someday find themselves on opposite sides of an international crisis and we would then not have full control over one of our major domestic defense contractors. I am in no way suggesting that the French are not loyal allies, but we do have disputes with our friends, and I do not think it would be wise to give any country veto power over an important sector of our defense industry.

Certainly the French, I do not believe would ever allow the reverse situation to occur. They would not allow the sale of a French defense firm to an American company, much less one that was owned by the American Government. This is yet another case where our economic competitors are more than willing to take advantage of our open markets while they remain committed to protecting their own critical industries.

Since I first introduced S. 2704, I have learned that Thomson might be asked and could perhaps agree to an ownership arrangement called a voting trust. This is a device designed to protect the sensitive weapons technology from export and to prevent Thomson from using French Government funding to gain unfair advantage. Under a voting trust, Thomson would essentially purchase the company and then have absolutely nothing to do with its management or operation. This is obviously not what Thomson had in mind when they made their bid for the missile division, so we should ask ourselves why they would be willing to accept this extremely restrictive arrangement now. One explanation could be that they think they can get around the voting trust somehow. If that is true then the voting trust solves none of the concerns I have mentioned.

Another possibility is that Thomson is so far into this deal that they cannot back out now and would accept the voting trust to save face. If this is the case, then I do not think a disinterested, dissatisfied, absentee owner will be good for LTV missile division. But regardless of why they would agree to a voting trust, such an arrangement does not address the fundamental problem of allowing a foreign government-backed corporation to outbid U.S. investors for an American defense firm. United States national security is not for sale to the highest bidder.

The important questions to consider are: will this sale adversely impact the U.S. industrial base, and is there a significant risk of loss of U.S. Government control over sensitive weapons technologies? I say without a doubt the answer is yes, and no sort of paper construction, such as voting trust, can hide the fact that it is simply not, and will never be, in the best interest of the United States to allow foreigners to buy and control major sectors of our defense industry. There is no need to sell off these national security assets when willing and legitimate buyers exist here at home. The President should reject this deal and the Senate should take this opportunity to send the message that we do not intend to stand by while our most prized defense firms are snapped up by foreign governments.

Mr. President, I ask that Senator BENTSEN be named as a prime cosponsor of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from West Virginia has 3 minutes 25 seconds.

Mr. BYRD. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I request 3 minutes.

The PRESIDING OFFICER. The Senator from West Virginia controls the time.

Mr. BENTSEN. I would request 3 minutes.

Mr. BYRD. Mr. President, I understand also that Mr. SARBANES wishes to speak.

Mr. BENTSEN. He has been kind enough to defer to me for the moment.

Mr. SARBANES. How much time is remaining?

Mr. BYRD. Three minutes. I am going to try to get unanimous consent to get a little more time on both sides to accommodate my two friends.

Mr. LUGAR. Mr. President, perhaps I could assist the situation. We will not have speakers on our side other than comments that I make. So we would be prepared to give 7 minutes to the distinguished Senator from West Virginia for his distribution.

Mr. BYRD. I thank the distinguished Senator. I have a total of 10 minutes?

The PRESIDING OFFICER. The Senator now has 10 minutes and 21 seconds.

Mr. BYRD. I yield 3 minutes to the distinguished Senator from Texas.

Mr. BENTSEN. I thank the distinguished Senator for giving me time. I appreciate the fact that he has brought forth this amendment.

There is no question but what the Thomson Co. is trying to change the deal to a degree to alter congressional opposition to what they have been trying to do and trying to take over LTV, trying now to get a major American company to participate in the deal. In effect, they are trying to preempt what the CFIUS ruling would be on July 5.

I am delighted that we are talking about this amendment before we go out. The Byrd amendment fortunately gives us in the Congress an opportunity to express our opinion before we go out.

In my opinion the reported impending transformation of Thomson into a minority partner in the LTV deal by itself still does not necessarily remove legitimate concern of the prospect that sensitive U.S. military technology and know-how can find its way into the hands of a foreign government and commercial competitor that has an established track record of selling dangerous technologies to dangerous countries like Iraq. Before Iraq's invasion of Kuwait, Thomson and other French arms exporters with the strong encouragement of the French Government sold to Iraq a total of $20 billion in armaments, including complete factories, aimed at making Iraq ultimately self-sufficient as a military power. It was French know-how and materiel that also launched Saddam Hussein in his first effort to produce a usable nuclear weapon.

Thomson is owned by the French Government, and the French Government has long sought to compete successfully with the United States in the international arms market. Is LTV to be converted into yet another foreign competitor? I might also note the Franco-American relations, long adversely affected to France's withdrawal from NATO is the 1960's, and by such unfriendly behavior as Paris' refusal in 1986 to permit United States aircraft to overfly French territory on their way to retaliate against Libyan terrorist attacks, have deteriorated in recent months. France would never permit American acquisition of a major French arms manufacturer, yet the French expect to be able to acquire one of our own here.

So I strongly support what the distinguished chairman of the Appropriations Committee, the President pro tempore, is proposing here.

I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, I thank the distinguished Senator from Texas who is the cosponsor of the original legislation.

Mr. President, I yield 3 minutes to the distinguished Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I appreciate the very able Senator from West Virginia yielding me some time.

Mr. President, I rise in strong support of the amendment which the chairman sent to the desk.

It is very important to understand that as to the Thomson Co., which is seeking to make this purchase, 60 percent of its shares are owned by the French Government and the French Government controls 75 percent of the company.

Interestingly enough, we have, in a sense, a principle we apply in this country, that the U.S. Government does not own the defense producers, companies that produce. We have made the judgment that we do not want our Government owning the manufacturers of these defense products. Yet, with respect to this sale, with all of the implications of selling abroad, we now also are going to depart from the proposition with respect to government ownership of these companies.

We were presented with a decision in the LTV case because of the bankruptcy proceedings. As it turned out, there was a good American offer that was made, a very good proposition was made, counteroffers were made, and of course the bankruptcy judge found himself, I guess, caught where he could look at only the dollars and cents in the calculation.

But it seems to me there is a broader issue involved which the very able chairman has discussed in this instance. We passed the Exon-Florio provision in the Trade Act of 1988, to authorize the President to suspend or prohibit any acquisition, merger, or takeover by or with foreign persons where such control might threaten the national security.

There are very important national security issues involved in this case. LTV is involved in some of the most sensitive of our defense technology. According to the Department of Defense, about 75 percent of LTV's missile division's gross annual revenue are derived from contracts that require access to prescribed information. That is top secret information.

The GAO did a study of this, and said that there is a generic issue of foreign government ownership of U.S. defense contractors.

The GAO testimony then went on and said the following:

> The U.S. Government does not own its own defense contractors. Thus, it is an appropriate question to ask whether it would be a good idea to have one of our prime defense contractors owned by a foreign-government-controlled company.

We do not even allow our own defense contractors to be owned by our Government, and now we face the issue whether we are going to let a major defense contractor be owned by a foreign government.

Mr. President, we ought to support the amendment of the distinguished Senator from West Virginia.

I thank him for yielding.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

Mr. President, I ask unanimous consent that the name of Mr. DOLE be added as a cosponsor.

THE PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I want to make it clear I do not support or oppose the sale of LTV to Thomson.

We have a board in the Defense Department that is reviewing this sale. I think it is important we wait and look at their expert opinion and make a decision about our opinion of the sale at that point. I think it is very dangerous for the United States of America to be taking a position opposing foreign ownership.

We own more parts of more foreign defense firms than any other nation on the face of the Earth. We are the largest exporter and the largest joint producer of weapons in the free world—larger than any other nation. I think the policy embodied in this sense-of-the-Senate resolution is a xenophobic policy that does not bode well for the kind of vision we have for our place in the world, and its does not fit with the role we play in the world.

I may or may not ultimately support the Thomson purchase of LTV. If the Pentagon opposes it, I will certainly oppose it. If the Pentagon supports it, I will either support it or oppose it. I do not think we ought to be prejudging it solely on the basis of the nationality of the purchaser. I think that is a movement in the wrong direction, and it represents the kind of policy to which I object.

Mr. RIEGLE. Mr. President, I rise in support of the amendment offered by Senator BYRD that expresses the sense of the Congress that no foreign person should be permitted to purchase or otherwise acquire the LTV Aerospace and Defense Co. This amendment is similar to S. 2704 the bill introduced by Senator BYRD on May 13 which was referred to the Banking Committee which I chair.

On June 4 the Banking Committee held a hearing to review how the Bush administration is implementing the so-called Exon-Florio provision of the 1988 Omnibus Trade Act which was codified as section 721 of the Defense Production Act. That provision authorizes the President to suspend or prohibit any takeover of an American firm by a foreign interest, if the President determines there is credible evidence that foreign control would impair the national security. In 1988 President Reagan delegated responsibility for administering Exon-Florio to the Committee on Foreign Investment in the United States [CFIUS], a panel chaired by the Secretary of the Treasury.

During the almost 4 years that have passed since enactment of Exon-Florio very serious concerns that arisen about the way its provisions have been implemented by the Reagan-Bush administrations—which opposed its enactment. During the 1980's, under those administrations, foreign ownership of U.S. assets grew to become a public issue. Our low savings rate and massive budget and trade deficits meant that there was not enough domestic capital to spur the economic development necessary for an expanding economy and jobs for our workers. Countries which ran trade surpluses with the United States reinvested some of their dollars back into our country. We thus became a capital importing society during the 1980's and that meant increased foreign investment and foreign ownership of our assets. Congress' passage of Exon-Florio was a policy directive to the administration that not all U.S. companies should be open for purchase by foreigners.

Unfortunately the Reagan-Bush administrations have failed to heed Congress' views on this matter. Since enactment of Exon-Florio in 1988 over 700 notices of proposed foreign takeovers of U.S. companies have been filed with the CFIUS. The President has blocked only one of those takeovers—that of a small aerospace parts manufacturing firm by a company owned by the People's Republic of China only a few days after the Tiananmen Square massacre. The Reagan-Bush administration, blinded by its free trade and open investment ideology, has taken a much too narrow view of the authority Exon-Florio gives it. It has been an open season for foreign purchasers of U.S. high-technology companies. The President's own science adviser, Dr. Allan Bromley, warned policymakers that "our technology base can be nibbled from under us through a coherent plan of purchasing entrepreneurial companies."

Emboldened by the Reagan-Bush administrations' failure to have any investment policy, foreign-government-owned companies are now proposing to buy up U.S. defense companies. The French Government-owned Thomson-CSF has proposed buying the LTV Aerospace and Defense Co. This is not the free market at work. Two American companies wanted to buy LTV but were outbid by the French Government-owned company. If we allow this transaction to go through at what point do we step in to stop foreign governments from buying U.S. high-tech defense companies?

We should have a policy of not selling off defense companies, developed at U.S. taxpayer expense, to foreign government purchasers. So I support Senator BYRD's amendment that is designed to stop Thomson's takeover of LTV and also states a congressional finding that we should not allow foreign purchasers to buy U.S. business concerns critical to the U.S. defense industrial base.

There is an even larger issue regarding foreign investment that the administration is not addressing. That is whether there are certain other industry sectors or types of firms, other than defense ones, that we must preserve for U.S. ownership in order to safeguard our economic strength and industrial leadership. The failure of the administration to address this issue is part of its larger failure to have a national economic strategy for our country. It is my conviction that such a strategy must be developed and implemented if America is to remain a leading economic and political power in the 21st century.

Mr. LUGAR. Mr. President, I yield myself 3 minutes.

Mr. President, while I have the floor, I understood the distinguished Senator from colleague was prepared to offer an amendment, and was hoping management could settle down on the time limit.

Mr. President, I will speak on behalf of our side of the aisle. There are no others who wish to speak.

We have followed carefully the arguments of the distinguished proponent of the amendment, those who have spoken on behalf of the proposition. We are comfortable with the fact that the President and the administration will make the right decisions.

There are procedures for determining these matters, but we are also pleased that the Senate is being given an opportunity through this amendment to give its opinion. In the judgment of this Senator, the amendment offered by the distinguished Senator from West Virginia is a good one. The advice that it conveys is sound. Therefore, on our side of the aisle, we are prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BYRD. Mr. President, I am prepared to yield back our time.

Mr. President, I yield 1 minute to the distinguished Senator from Rhode Island [Mr. PELL].

The PRESIDING OFFICER. The Senator from Rhode Island [Mr. PELL] is recognized.

Mr. PELL. Mr. President, I thank the Senator.

Mr. President, I hope that this amendment would be handled as a freestanding resolution instead as part of the bill. Currently, there is an object to doing that and hence the President pro tempore had offered it to this bill as a sense-of-the-Congress provision. In that connection, I remind my colleagues that the sense-of-the-Congress provisions are not deemed to be nongermane under the rules of the Senate.

Consequently, although the Byrd amendment does not relate to aid for the former Soviet Union, I do not move to table it on the germaneness grounds. I would add, it is truly an excellent amendment that deserves passage.

Mr. BYRD. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Oklahoma [Mr. BOREN] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, stopping Thomson's proposal to purchase LTV is the type of deal that the Commerce Committee envisioned when we added the Exon-Florio amendment to the 1988 Trade Act. Thomson's government ownership, record of arms sales to outlaw regimes and alleged violations of export control laws should be reason enough for CFIUS to recommend that the President block this transaction. Clearly, no special security arrangement could provide adequate protection from a company owned by a government that routinely engages in industrial espionage.

I understand that Thomson is now beginning to craft a deal leaving it with a minority interest. This last ditch effort shows that it is technology that Thomson is after and the realities of the marketplace have no impact on their decision. Any deal that leaves Thomson a significant ownership interest or active interest in LTV's Missile Division should be carefully scrutinized by CFIUS. I wouldn't want to see them sneak in the back door after the front door was closed.

I hope that in the interest of the employees of LTV's Missile and Aerospace Division and in the interest of expediting LTV's emergence from bankruptcy, there is a swift settlement that will protect the American defense industry and the jobs of American workers.

Mr. CHAFEE. Mr. President, the Senate is about to vote on an amendment dealing with the controversial sale of the LTV Corp.'s missile division to the French military company Thomson-CSF. This sale has been the subject of intense debate since the agreement between LTV and Thomson was signed in April of this year.

Regardless of whether or not this particular sale is a good idea, I believe that the process of review now underway by the Committee on Foreign Investment in the United States should be allowed to proceed, just as Congress envisioned when it established this committee process in 1988.

The members of the CFIUS panel, each of whom I suspect has at his or her disposal far more information than individual Senators have, are expected to arrive at a conclusion in July. I prefer to wait until that review process is complete before jumping into this matter; and thus I will not support this amendment.

Mr. BYRD. I am prepared to yield back the time.

Mr. LUGAR. We yield our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from North Carolina [Mr. SANFORD], necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH], are absent due to illness.

The result was announced—yeas 93, nays 4, as follows:

[Rollcall Vote No. 141 Leg.]

YEAS—93

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Breaux
Brown
Bryan
Bumpers
Burdick
Burns
Byrd
Coats
Cochran
Cohen
Conrad
Craig
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Gore
Gorton
Graham
Grassley
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kasten
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Seymour
Shelby

Simon
Simpson
Smith
Specter
Stevens
Symms
Thurmond
Wallop
Warner
Wellstone
Wirth
Wofford

NAYS—4

Bradley
Chafee
Gramm
Mack

NOT VOTING—3

Helms
Roth
Sanford

So the amendment (No. 2700) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the name of Mr. EXON be added to the amendment as a cosponsor.

The PRESIDING OFFICER (Mr. SIMON). Without objection, it is so ordered.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I commend Senator PELL and Senator LUGAR for their diligence in moving this bill forward. A number of amendments have been disposed of yesterday and today. It remains my intention to complete action on this bill today or before the Senate leaves for the Fourth of July recess.

I do not know how many Senators intend to offer amendments or wish to debate the bill, and I have no desire to in any way curtail any Senator's opportunity to do either. But I merely want to say that if a Senator does want to offer an amendment, that Senator has an obligation to come to the floor and offer the amendment. If a Senator wishes to debate the bill, that Senator has an obligation to do that.

Henceforth, having been on the bill now for 2 days, if we get to a point where no one is here to either debate the bill or offer amendments, I will, after consultation with the Republican leader, suggest to the managers that they proceed to third reading and finish the bill.

We also will complete action today on the conference report on extension of the unemployment insurance system. The House is, I am advised, now acting on that matter. An agreement was reached earlier today, pursuant to which I have the authority to go to that at any time today under a 1-hour time limitation. I will, of course, consult with the Republican leader before making the final decision, but we have already discussed it. I have advised him, and he concurs that it should be done as promptly as possible. I hope we will be getting that from the House soon.

Finally, we have an agreement to dispose of a resolution relating to the POW-MIA select committee's investigation under a short time limitation, and I expect that will be before the Senate soon.

So I encourage all Senators who wish to offer amendments to do so and to be prepared to proceed promptly. I hope the managers can get time limit agreements, where possible, for the disposition of the remaining amendments.

I thank my colleagues for their attention, and I again thank the managers.

I yield to the distinguished Republican leader.

Mr. DOLE. Mr. President, I understand the managers made good progress.

The next amendment to be offered by the Senator from Colorado [Mr. BROWN]. He has indicated he is willing to take 20 minutes equally divided, a time agreement. I think that is correct. So that will save some time.

I think then they are down to maybe two or three amendments that may take some time, and then, I wonder on the POW if we could not all cosponsor it. That is 100. That would save a rollcall, 15 or 20 minutes.

There are a number of my colleagues who keep looking at their watches, so if we can accommodate our colleagues in this instance, I would urge my colleagues who have amendments, as the majority leader said, to be here and offer them so we can complete action at a reasonable time this evening.

Mr. MURKOWSKI. Mr. President, if the majority leader would yield, I thank the majority leader. Let me compliment him for his statement addressing the order of business of the Senate.

I am not appealing to the majority leader. I am appealing to my colleagues, as one who is a western Senator. The reality of making a reservation change late in the day is that it is almost impossible. As a consequence, some of us, unless we are able to expedite the leader's schedule, clearly are not going to be able to travel tonight but will have to travel tomorrow, which will basically cancel events we have scheduled.

So I implore my colleagues to proceed in an expeditious manner with the amendments that are pending, out of consideration for those of us who have 12 to 13 hours of travel ahead of us.

I thank the leader and I yield the floor.

Mr. MITCHELL. Mr. President, if I could make one further point, every Member of the Senate has had lengthy and ample notice that the Senate would be considering this bill. It is matter of several days in excess of a week.

While any Senator, of course, has the right, and should be fully free to exercise the right, to offer an amendment, no Senator has the right to delay the Senate when any Senator who wants to offer an amendment has known the bill would be coming up and has now been up for 2 days.

While there are a number of Senators present, I have received a number of inquiries from Senators about the legislative schedule in the period between the Fourth of July and Labor Day. I will, as has been my practice, be sending out a letter following further consultation with the distinguished Republican leader. But it is very clear that, given the large volume of business remaining to be completed and the relatively short time within which to do so, that the schedule of Senate activities will require more time in session during that period.

Therefore, we will return to session on Monday, July 20. As I previously stated, there will be no votes on that day. However, thereafter during that legislative period, votes may occur at any time on any day, Monday through Friday, in which the Senate is in session. And that includes from Monday morning through Friday evening.

This is notice to every Senator in that regard. Votes may occur at any time on any day during which the Senate is in session without further notice, unless otherwise agreed to and announced in advance. That is going to be necessary in order to complete action on the many important measures that the Senate has remaining before it.

I thank my colleagues for their cooperation, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

The Chair reminds the Senator from Colorado that while the Republican leader indicated there would be 20 minutes on this, there is no agreement by the body to that effect.

Mr. BROWN. Mr. President, my intent is to offer two amendments which I believe will be noncontroversial, and then proceed to one that I think may raise the interest of the body.

AMENDMENT NO. 2701

(Purpose: To express the Senate's intent to support the work of Junior Achievement to educate the youth of the newly independent states of the former Soviet Union in the ways of capitalism and free enterprise)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 2701.

Mr. BROWN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

SEC. . JUNIOR ACHIEVEMENT.

(a) FINDINGS.—The Congress finds that—

(1) the free enterprise system is the foundation of, and necessary for the preservation of, democracy;

(2) educating the citizens of the newly independent states of the former Soviet Union in the principles of free enterprise will encourage economic productivity and provide opportunities for entrepreneurship;

(3) Junior Achievement International has 37 member nations and has pilot programs in 20 other countries with 1.7 million participants worldwide;

(4) in 1992, the first year of operation, Junior Achievement International programs expect to reach 200,000 young people in the newly independent states of the former Soviet Union;

(5) Junior Achievement's mission to provide young people with practical economic education programs and experiences is consistent with U.S. foreign policy objectives;

(6) Russian President Boris Yeltsen has recognized the high success of Junior Achievement—Russia has requested that Junior Achievement be greatly expanded;

(7) Junior Achievement programs are a cost effective way to educate millions of young people in the newly independent states of the former Soviet Union in the free enterprise system.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that of the funds authorized to be expended by this bill, a portion should be made available for the purchase of books and materials and the development of educational programs by representative organizations of Junior Achievement International in the newly independent states of the former Soviet Union.

Mr. BROWN. Mr. President, this is a simple, straightforward amendment. It merely lists junior achievement as one of the projects that the President may consider in administering assistance to the former Soviet Union. It is a sense of the Senate only.

I believe it is important. Junior Achievement is capable of helping people understand the private enterprise system, particularly the young, not only of this Nation but of other nations. I think it will be a valuable assistance in helping to bring in understanding of a truly private economy to the Soviet Union.

The PRESIDING OFFICER. Is there further debate? The Senator from Indiana is recognized.

Mr. LUGAR. We support the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2701) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. BROWN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2702

(Purpose: To ensure the development of a private banking sector and a secondary market that will speed the privatization of the economies of the states of the former Soviet Union)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 2702.

Mr. BROWN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

"SEC. . PRIVATE SECTOR DEVELOPMENT INITIATIVE.

(a) FINDINGS.—Congress finds that—

(1) the single greatest privatization initiative undertaken in the history of the United States resulted from the Homestead Act of 1862 which offered free land to anyone twenty-one years of age or older who would live on it for a minimum of five years and improve it;

(2) the newly independent states of the former Soviet Union are faced with the need for privatization on an equally massive scale;

(3) the most effective means of creating a market economy in the newly independent states of the former Soviet Union will come as modes and methods of production are owned by private men and women who are responsible for the success of their farms and businesses and for the improvement of their homes and neighborhoods;

(4) essential to the privatization of the economies of these countries is the availability of capital for the purchase of homes, farms and small businesses;

(5) the development of a market-based financial sector is essential to the formation of a market-based economy in the newly independent states of the former Soviet Union;

(6) the United States should take the lead in encouraging the establishment of secondary markets in the newly independent states of the former Soviet Union, to assist in the long-term process of privatization of large-scale industry;

(7) in developing programs to assist the privatization of the newly independent states of the former Soviet Union, the United States should concentrate primarily on using the skills of the United States' private financial sector personnel.

(b) DEVELOPMENT OF PRIVATE FINANCIAL SECTOR.—(1) The United States shall assist in the development of a market-based private-sector economy in the newly independent states of the former Soviet Union by:

Assisting in the development of standards for certification of lending institutions; for the making of loans by certified institutions, including uniform underwriting, security, appraisal, accounting and repayment standards for qualified loans;

Assisting in the development of programs to encourage microenterprise loans for small businesses, home mortgages and small farms;

Assisting in the development of secondary markets, including the development of securities laws, banking laws and regulations for the newly independent States;

Assisting in the development of laws that enforce the equivalent of fee simple ownership in real property and the equivalent ownership in personal property;

Assisting in the development of laws that enforce liens and mortgages on personal property and real property.

Mr. BROWN. Mr. President, the distinguished Senator from Michigan has already added a section to this bill dealing with banking matters. This would be complementary to that in some ways and, I believe, if adopted by the body would be integrated with it in the form it is offered in the bill.

This simply offers a sense of the Senate that we ought to include in our assistance to the Soviet Union—at least we authorize the administration to provide—advice and assistance with regard to developing a private banking system and specifically advice with regard to secondary market.

It does not earmark funds. It does not prescribe the details of it. But it merely makes it clear it is this kind of assistance and advice that is authorized.

Mr. LUGAR. We commend the Senator for a constructive amendment. We are prepared to accept it on this side.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 2702, AS MODIFIED

Mr. PELL. Mr. President, there is one question I would raise, about "The United States shall assist in the development"—should that not be "should," rather than "shall"?

Mr. BROWN. Let me say to the Senator, I think that is a very helpful, constructive observation.

I ask that it be so modified.

Mr. PELL. I urge it be modified.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The amendment (No. 2702), as modified, is as follows:

"SEC. . PRIVATE SECTOR DEVELOPMENT INITIATIVE.

(a) FINDINGS.—Congress finds that—

(1) the single greatest privatization initiative undertaken in the history of the United States resulted from the Homestead Act of 1862 which offered free land to anyone twenty-one years of age or older who would live on it for a minimum of five years and improve it;

(2) the newly independent states of the former Soviet Union are faced with the need for privatization on an equally massive scale;

(3) the most effective means of creating a market economy in the newly independent states of the former Soviet Union will come as modes and methods of production are owned by private men and women who are responsible for the success of their farms and businesses and for the improvement of their homes and neighborhoods;

(4) essential to the privatization of the economies of these countries is the availability of capital for the purchase of homes, farms and small businesses;

(5) the development of a market-based financial sector is essential to the formation of a market-based economy in the newly independent states of the former Soviet Union;

(6) the United States should take the lead in encouraging the establishment of secondary markets in the newly independent states of the former Soviet Union to assist in the long-term process of privatization of large-scale industry;

(7) in developing programs to assist the privatization of the newly independent states of the former Soviet Union, the Unit-

ed States should concentrate primarily on using the skills of the United States' private financial sector personnel.

(b) DEVELOPMENT OF PRIVATE FINANCIAL SECTOR—(1) The United States should assist in the development of a market-based private-sector economy in the newly independent states of the former Soviet Union by:

Assisting in the development of standards for certification of lending institutions; for the making of loans by certified institutions, including uniform underwriting, security, appraisal, accounting and repayment standards for qualified loans;

Assisting in the development of programs to encourage microenterprise loans for small businesses, home mortgages and small farms;

Assisting in the development of secondary markets, including the development of securities laws, banking laws and regulations for the newly independent States;

Assisting in the development of laws that enforce the equivalent of fee simple ownership in real property and the equivalent ownership in personal property;

Assisting in the development of laws that enforce liens and mortgages on personal property and real property.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment as modified.

The amendment (No. 2702), as modified, was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

AMENDMENT NO. 2703

(Purpose: To limit the use of the United States quota increase for the International Monetary Fund to the United States proportionate share of funding for new IMF programs for the independent states of the former Soviet Union)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 2703.

Mr. BROWN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 44, strike all after line 11 through line 2 of page 45 and insert the following:

SEC. . INTERNATIONAL MONETARY FUND POLICY AND STAFFING CHANGES; LIMITATION ON THE INCREASE IN THE UNITED STATES QUOTA IN THE FUND.

(a) POLICY AND STAFFING CHANGES WITHIN THE IMF.—The Secretary of the Treasury shall instruct the United States Executive Director to the International Monetary Fund (hereinafter in this section referred to as the "Fund") to promote regularly and vigorously in program discussions and quota increase negotiations the following policy and staffing changes within the Fund:

(1) The development of social, resource, and environmental information to be considered during the process that any country seeking financial assistance from the Fund is subject to and which shall be taken into account in policy formulations.

(2) The establishment of an independent audit department, that would include national development experts, free-market experts, poverty experts, and environmental experts, to review systematically the policy prescriptions recommended and required by the Fund. The purposes of such a department would be (A) to determine whether the fund's objectives were met, and (B) to evaluate the impacts of the implementation of the policy prescriptions. This department should have broad powers to review all ongoing programs and activities of the Fund and to assess the effects of Fund-supported programs, country-by-country, with respect to national economic development, poverty, free-market growth, natural resources, and the environment. The audits should be made public.

(3) The establishment of procedures that ensure the focus of future economic reform programs approved by the Fund on policy options that increase the productive participation of the poor in the economy, the development of microenterprise businesses, development of small family farms, the promotion of fair access to economic resources and necessary social services for the population.

(4) The establishment of procedures for public access to information. These procedures shall seek to ensure maximum possible access of the public to information while paying due regard to appropriate confidentiality. Policy Framework Papers and the supporting documents prepared by the Fund's mission to a country are examples of documents that should be made public at an appropriate time and in appropriate ways.

(5) The institution of procedures to analyze the costs and benefits of structural adjustment and stabilization programs so as to reflect losses in the natural resources base and the contribution such resources make to the well-being of the local population to whom services are provided.

(b) PROGRESS REPORT.—No later than 30 days after the end of each fiscal year, the Secretary of the Treasury shall submit a report to Congress on the following:

(1) The actions that the United States Executive Director and other officials have taken to convince the Fund to adopt the elements of this Act through formal initiatives before the Board and management of the Fund, through bilateral discussions with other members nations, and through any further quota increase negotiations.

(2) The status of the progress being made by the Fund in implementing the objectives of subsection (a).

(3) The reasons why the United States Executive Director of the Fund supported or opposed a Fund program and an explanation of how such action is consistent with the purpose of this Act.

(c) STUDY.—The Secretary of the Treasury shall conduct a study to propose ways that, consistent with the Articles of Agreement, the Fund could broaden the involvement and participation of important ministries, national development experts, environmental experts, freemarket experts, and other legitimate experts and representatives from the loan-recipient country in the development of Fund programs.

(d) PREFERENTIAL ALLOCATIONS WITHIN THE IMF.—The Secretary of the Treasury shall instruct the United States executive director of the Fund to promote, in the allocation of funding, a preferential allocation to each country that applies significant efforts to establish effective democratic processes that allow for active popular participation the determination of a country's economic policies.

(e) AMENDMENT TO THE BRETTON-WOODS AGREEMENTS ACT.—The Bretton-Woods Agreement Act is amended by adding at the end thereof the following new sections:

"SEC. 56. QUOTA INCREASE.

"(a) INCREASE AUTHORIZED.—(1) The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund up to an equivalent to 8,608,500,000 Special Drawing Rights, except that the amount of such increase may not exceed an amount equal to the United States proportionate share of the increase in lending by the Fund to the independent states of the former Soviet Union.

"(2) As used in this subsection, the term 'United States proportionate share' means the proportion that the United States quota in the Fund bears to the aggregate amount represented by the quotas of all member countries of the Fund.

"(b) BUDGET ACT COMPLIANCE.—The authority of subsection 9a) may be exercised only to such extent or in such amounts as may be provided in advanced in appropriations Acts.

"SEC. 57. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

"The United States Governor of the Fund is authorized to consent to the amendments to the Articles of Agreement of the Fund approved in resolution numbered 45-3 of the Board of Governors of the Fund.".

The PRESIDING OFFICER. The Chair will indicate to the body that there is no time agreement even though there has been talk about a time agreement.

UNANIMOUS-CONSENT AGREEMENT

Mr. BROWN. Mr. President, I ask unanimous consent that debate concerning this amendment be limited to a total of 20 minutes, with 10 minutes being allocated on each side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Colorado is recognized.

Mr. BROWN. Mr. President, this important measure that is before the Senate is thought of and has been billed as an effort to assist the republics of the former Soviet Union. It is an effort I think we all feel strongly about and one we understand the importance of.

It is an opportunity, indeed, to assist our former adversaries in the cold war into not only a private economy and democracy but into a state where they will join us in protecting freedom around this globe. Thus, it is a wise investment, one of which I have been supportive.

But I believe the bill that is before us is not very clear in its real purpose. The amount of assistance to the republics of the former Soviet Union is a small caboose on the train of the International Monetary Fund. The enormous load on the taxpayers and the enormous significance of this bill is not in the assistance to the former Soviet Union, it is in the huge increase in the International Monetary Fund. It is in effect being carried along by a project and an endeavor I think almost all of us support.

Let me be specific, Mr. President. It is not the $600 million of assistance to the former Soviet Union that I believe is controversial here. That I think has broad support. What is controversial is a $12 billion increase in our quota for the International Monetary Fund.

Mr. President, it is quite simply a cause without a reason. It is an increase without a justification. We have considered this measure in the past and I think just a brief review of that debate is appropriate.

In 1990 when we talked about this, we were told we had to have the increase in the International Monetary Fund because of the gulf crisis and the huge increase in oil prices. The fact was we did not have a huge increase ultimately. That settled out, and the increase in the fund was not justified nor needed because of that basis. Then we were told that Eastern Europe's transition would necessitate a $12 billion increase in the fund. But, Mr. President, the facts are that is not true. There has been an increase in loans to Eastern Europe but that has been fully accomplished within the parameters of the fund's resources already.

Mr. President, we were then advised that we needed to strengthen the international effort to assist Latin America. And yet that reasoning proves to be invalid as well. Venezuela and Mexico, key debtors in this area, are making real progress in settling their debts. Honduras has made an effort to clear up their arrears. Peru and Panama, which showed $1.2 billion in arrears, are meeting their obligations to the fund. Again, a reason given for a huge increase in the International Monetary Fund turns out not to have been a justification.

Fourth, we have talked about supporting reforms in the International Monetary Fund and assistance there to alleviate the poverty in Africa. But, Mr. President, that reason falls as well.

The truth is that many of the accounts that are dealing with the problems in Africa are not immediately affected by the International Monetary Fund. The simple fact is this: This International Monetary Fund increase is neither justified, nor explained, nor needed.

The real reason that people are worried about the International Monetary Fund is the very nature of the concept behind it: Making huge loans unsecured to people who cannot pay them back. That is not good banking practice. It does not take a Ph.D. from Harvard, it does not take a banking specialist to tell you making unsecured loans to people who cannot pay them back is a bad idea.

Some will say, gee, their record of losses is so small, almost nonexistent, how can you have concern about making unsecured loans? Mr. President, as of January 31, we had $4.789 billion in arrears: Cambodia, Panama, Peru, Sierra Leone, Somalia, Sudan, Vietnam, Zaire, Zambia, a variety of countries totaling $4.789 billion.

The truth is they have a lousy loan policy. The truth is it is utterly absurd to make loans unsecured to people who cannot pay them back. This is a drain on the public treasury. It is not justified by our efforts to assist the Soviet Union. And what we do in this amendment is quite simple, we simply say we will go along with the entire $12 billion increase in the International Monetary Fund in authorization, but the President shall only commit to the International Monetary Fund that money that is needed to fund the loans to the former Soviet Union. This gives the President all the money he needs to increase IMF for loans to the former Soviet Union, but it requires him to come back here for additional authority to make other loans.

We ought to ask that this money be used for what it is billed for. We are willing to fund the additional loans to the former Soviet Union, but we are not willing to fund other loans, stealth loans, loans that are not going to be valid, loans that are of concern.

Mr. President, in addition, there are some reasonable efforts in this to provide for environmental protections and concern for the International Monetary Fund and its policies.

I want to simply say this: We have received an endorsement from a large number of groups, including the League of Conservation Voters, the Friends of the Earth, and a variety of other environmental groups. I have three letters, Mr. President, that I ask unanimous consent be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

LEAGUE OF CONSERVATION VOTERS,
Washington, DC, July 2, 1992.

U.S. SENATE,
Washington, DC.

DEAR SENATOR: As the Senate considers the Russian Aid bill, the League of Conservation Voters feels it is important that the International Monetary Fund (IMF) improve its environmental performance if it is going to play a lead role in this aid package. An amendment proposed by Senators Brown and Kasten would help to ensure that the IMF considers the environmental impacts of its lending and that it should not get a large quota increase beyond what is necessary to aid Russia until it puts in place measures to take better account of the social and environmental consequences of its lending.

Major national environmental organizations are supporting the Brown-Kasten amendment, including the Sierra Club, the National Wildlife Federation, the Environmental Defense Fund, Friends of the Earth, and the Natural Resources Defense Council.

The League of Conservation Voters is looking at the Brown-Kasten amendment for potential inclusion as a critical environmental vote on the next National Environmental Scorecard, to be released this October. If you have any questions concerning this amendment, please contact Dr. Brent Blackwelder at Friends of the Earth (202/544-2600). Thank you for your consideration.

Sincerely,

JIM MADDY,
Executive Director.

FRIENDS OF THE EARTH, ENVIRONMENTAL POLICY INSTITUTE, OCEANIC SOCIETY,
Washington, DC, July 1, 1992.

Hon. HANK BROWN,
Senate Office Building, Washington, DC.

DEAR SENATOR BROWN: Friends of the Earth supports your effort to amend the Russian Aid Bill to help ensure that the IMF pays attention to the social and environmental effects of its lending.

In particular, we support the limitation of the quota increase to only as much as is necessary for the U.S. fulfill its share of the Russian aid package, as you proposed.

The coalition of organizations supports your amendment to the Russian Aid Bill.

Sincerely,

BRENT BLACKWELDER,
Vice President for Policy.

THE RUSSIAN AID BILL AND THE INTERNATIONAL MONETARY FUND

Dear Senator: The Russian Aid Bill is expected to come to the floor today. The most notable part of this bill is the approval of an additional $12 billion contribution to the International Monetary Fund. We are expecting the enclosed amendment to be included with the bill and are asking that you support it.

The amendment reiterates the required policy and staffing changes within the IMF as legislated in PL 101-240 (November 1989) and PL 101-167 (December 1989). Specifically the amendment requires structural changes within the IMF to evaluate its effectiveness and increase its accountability, especially as regards the social and environmental impact of its programs. These changes are essential to make the IMF more effective in creating a stable macro-economic framework necessary for sustainable growth.

The IMF, as currently functioning is not successful in meeting its goals of reducing third world debt or promoting sustainable economic growth. Instead, the IMF has imposed economic programs which have lead to social unrest and contributed to the destruction of environmental resources.

It is essential to condition the approval of any future funding for the IMF. The IMF should be required to (1) establish an independent Audit Department in the IMF, (2) carry out social and environmental impact studies, (3) include the participation of pertinent ministries and popular organizations in the design of IMF programs, (4) reform their cost benefit analysis to reflect true environmental costs and (5) after one year submit a public report evaluating the Fund's strategy for leading Russia to sustainable economic growth without depleting environmental resources or putting an extra burden on the poor. The report should also assess the effectiveness of the IMF program and its impact in social sectors.

Congress, in its desire to aid the Russian people, should seek an aid package that will wisely spend taxpayers' money and contribute to a healthy Russian economy and her people's welfare. The structural reforms of the IMF in the proposed amendment are an important measure to meet these goals. We request your support for this important amendment and will be pleased to provide any additional information on the issues addressed.

Sincerely,

BRENT BLACKWELDER,
Vice President for Policy.

Mr. BROWN. Mr. President, at this point I would like to yield 1 minute to the distinguished Senator from Mississippi [Mr. LOTT].

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 1 minute.

Mr. LOTT. Mr. President I thank the Senator yielding me this time and in 1 minute I cannot say too much but I do want to endorse this amendment by Senator BROWN.

Frankly, I have serious reservations voting for this legislation for the very reasons he pointed out. I am willing to vote for some direct support to Russia, but I think we are using this very small amount of assistance to Russia, $620 million in the direct aid plus, I understand, about a billion from IMF to pull through something that has not been able to get through Congress in other ways. That is a $12.3 billion replenishment for IMF.

I have serious reservations about the International Monetary Fund, about the arrearages they have, about countries that own them moneys in arrears, and also about their policies. IMF has a record of trying to impose policies on governments that do not help them quite often, that actually hurt them. So I am prepared to support reasonable assistance to Russia in areas of agriculture and defense but not $11.3 billion for other countries through IMF. I urge the adoption of this amendment.

Mr. BROWN. How much time do I have remaining?

The PRESIDING OFFICER. Two minutes and 37 seconds remaining.

Mr. BROWN. I yield a minute-and-a-half to the distinguished Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, I think it is important to point out this amendment has essentially two parts: One is a limit on the quota increase, it limits the increase to the amount necessary to implement the aid package for the former Soviet States.

The second is the establishment of international environmental guidelines. The international guidelines for the IMF that is proposed in this amendment are similar to, if not identical to, the guidelines which Senator LEAHY and I have established or other multilateral institutions over the past several years, as we have been working to reform these institutions, the same kind of environmental requirements that we have applied to the multilateral development banks.

The amendment, as I said, limits the quota increase to the IMF to the necessary amount to meet the assistance to the former Soviet Union. So at a time when we are considering legislation to expand the role of the IMF, I think it is critical we make them responsible for the environmental consequences of their actions. These guidelines are now in place for other multilateral development banks.

This amendment is supported by the environmental community, it is consistent with the environmental reforms that we have already adopted elsewhere, and I think it is important that it be adopted.

The amendment provides for a number of environmental reforms of the IMF. The reforms include a number of specific policy and personnel changes.

They are as follows:

The development of environmental assessments as a required element of project and policy formulation;

The establishment of an independent audit authority with experts in environment and poverty to determine: First, if the fund's objectives are being met; and second, to evaluate the social and economic impacts of country programs;

The establishment of procedures that increase the productive participation of poor in the economy;

The establishment of procedures for appropriate access to information; and

The institution of accounting procedures that quantify degradation in the value of natural resources.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. KASTEN. Mr. President, I ask unanimous consent that a letter from the League of Conservation Voters be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LEAGUE OF CONSERVATION VOTERS,
Washington, DC, July 2, 1992.

U.S. Senate,
Washington, DC.

DEAR SENATOR: As the Senate considers the Russian Aid bill, the League of Conservation Voters feels it is important that the International Monetary Fund (IMF) improve its environmental performance if it is going to play a lead role in this aid package. An amendment proposed by Senators Brown and Kasten would help to ensure that the IMF considers the environmental impacts of its lending and that it should not get a large quota increase beyond what is necessary to aid Russia until it puts in place measures to take better account of the social and environmental consequences of its lending.

Major national environmental organizations are supporting the Brown-Kasten amendment, including the Sierra Club, the National Wildlife Federation, the Environmental Defense Fund, Friends of the Earth, and the Natural Resources Defense Council.

The League of Conservation Voters is looking at the Brown-Kasten amendment for potential inclusion as a critical environmental vote on the next National Environmental Scorecard, to be released this October. If you have any questions concerning this amendment, please contact Dr. Brent Blackwelder at Friends of the Earth (202/544-2600). Thank you for your consideration.

Sincerely,

JIM MADDY,
Executive Director.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, at this point I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I simply alert all Members that this is a critical amendment for the entire Freedom Support Act. I do not know how to state it any more strongly. But the adoption of this amendment effectively guts the IMF section, and the basic point, at least, of the entire act is to facilitate the possibility of the former republics coming back into the world via IMF loans. IMF means multination, all countries participating with the United States.

Let me be very specific, Mr. President, about my objection. I have no objection to the environmental guidelines, and I understand and support all who favor the environment in the resolution of the Senator from Colorado. But the problem is that any provisions—in fact there are no provisions in the International Monetary Fund for subscribing only to a portion of one country's quota increase.

In these circumstances, if we were to take this amendment on its face, the IMF could not accept the limited subscription. The United States could not participate in the quota increase. And without the United States support, the entire quota increase cannot go into effect. It is just that devastating, Mr. President.

Now, the author of the amendment may not have intended to render the IMF totally out of the picture, or really to gut a vital of the bill, but in effect the amendment does just that. Our Government could not subscribe to the amendment. The U.S. Treasury, the administration strongly opposes the amendment, finds that it totally disables the work that we are about.

Let me just add, Mr. President, even if the IMF could accept a reduced United States participation in this situation, we, as the United States, our country, have vital interests globally, not just in the former Soviet Union. Clearly, the action of this amendment will provide loss of our veto power at the IMF, loss of the prestige we have in guiding other loan results, and as a matter of fact our veto over the long run has really ensured what we believe is some responsibility, some responsiveness to U.S. foreign policy interests at the IMF.

So while in fact the proponents of this bill are attempting to get greater responsiveness, my argument is they lose it all. They kick it away in a vindictive way to try to somehow send messages to the IMF via the Freedom Support Act.

Let me just say the IMF, obviously, without our subscription, and it could not be accepted, would have to scale back its lending and as a result good results in our own hemisphere that have come from IMF loans in addition to worldwide pluses in the Eastern European countries, for example, also are weakened very substantially.

Mr. President, I cannot see any foreign policy benefits whatsoever in this amendment. I appreciate that for a long time the Senate has voted about the efficacy of the IMF. We have gone down this trail and gained authorization only to find the bills that carried IMF at least in this Congress have not made it across the finish line; namely, the foreign aid bill passed this body at least twice originally in conference, finally failed in the House.

But now, Mr. President, we are at a crucial moment. This is serious business. Either we are in favor of attempting to help the former Republics in the sense that the IMF loans bring new vigor so that our business interests have an opportunity to participate, our exports expand, our influence expands. If we are not in favor of that, then very clearly adoption of this amendment will achieve a very severe loss of our influence, a very severe debilitation of the IMF, and I would contend a loss of our influence in almost every continent in which in a multinational way we have been effective.

Mr. President, I cannot state it more strongly. This is a critical juncture in the Freedom Support Act. Those who are opposed to this amendment I hope will speak out and vote accordingly. At the appropriate moment, Mr. President, after all time has been given back, I will move to table the Brown amendment.

I yield 2 minutes to the distinguished Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I am very appreciative of the Senator from Indiana yielding. I am in strong support of the comments he has made in opposition to the amendment of the Senator from Colorado. I can fully appreciate Senator BROWN's concerns of wanting to speak to the effectiveness of the International Monetary Fund, our concerns about that large of a quota increase.

But, Mr. President, I would like to say it is not only going to hurt our own standing within the IMF but it is going to hurt the work which is being done by the International Monetary Fund in Eastern Europe, in Latin America, and in Africa. While it is not immediately apparent, it could be absolutely, totally damaging in these other areas where we must have this quota increase along with that that has been given by the other contributors, and that is all of our major allies in the International Monetary Fund.

Senator BROWN spoke of the fact there was not an immediate problem that would be affected in Africa. But let me tell you it would because it is long-term restructuring that counts. I would just like to mention two countries that would be placed in really significant hardship if they were not able to draw upon this quota increase, one of them being Zambia, which held the first multiparty elections in its history, a peaceful transition of power, and Benin, which has undergone a dramatic democratic and economic transition.

I think the reason it is important to support this quota increase—and if at any time it has been important, it is now—is because of the need for our economic restructuring where possible. If it will fail, then we will fail also, and I think it is very important that this arcane subject, which is difficult to understand, must be understood in the light of the importance to us and countries we are trying to help.

I yield the floor.

Mr. BROWN addressed the Chair.

Mr. LUGAR. How much time remains, Mr. President?

The PRESIDING OFFICER (Mr. PELL). Two-and-one-half minutes for the opponents, 45 seconds for the supporters.

Mr. LUGAR. I yield 2 minutes to the distinguished Senator from Illinois.

Mr. SIMON. Mr. President, I am pleased to join Senator LUGAR and Senator KASSEBAUM in opposing this amendment. Senator KASSEBAUM just talked about Africa. One of the little known facts is that democracy is sweeping Africa. The Senator from Colorado just mentioned Zambia. They now have a multiparty system. They have had a free election.

The President is doing the right thing, and all of a sudden we want to say to the IMF, sorry, we cannot help you.

I would also like to insert into the RECORD, Mr. President, a letter from former Presidents Jimmy Carter, Richard Nixon, and Gerald Ford, all of whom support the full authorization. They say, "Since the IMF quota legislation has no budgetary impact, tight budgets cannot be reason for delay. The approaching election may make foreign assistance controversial but America's position in the world requires us all to demonstrate political courage on this issue."

I think it is imperative that this amendment be rejected and that we do the responsible thing.

Mr. LUGAR. I yield whatever time remains to the distinguished Senator from Kentucky.

Mr. McCONNELL. Mr. President, this is a killer amendment. If we really want to pass this Russian aid bill, we need to defeat this amendment. This is a no outlay contribution. This is a critical component, a part of this legislation. This is an extremely important amendment. The IMF quota will support major privatization, structural and market promotion activities, throughout the Republics. We simply will not have, in the judgment of the Senator from Kentucky, a real Russian aid package, a real Freedom Support Act, if this amendment is agreed to.

Yogi Berra used to say it is deja vu all over again. I enjoyed debating this with my friend from Colorado on the foreign aid bill last summer. It was a critical part of that debate.

Mr. President, I certainly urge the amendment be rejected.

Mr. BROWN. Mr. President, let us emphasize this does not interfere with the loans of the former Soviet Union whatsoever at all, in any way. It clearly provides for all of them. What it does not do is give them a blank check to go out and loan security unsecured to other people.

One ought to note that there are $31 billion in money available to loan from the IMF right now that is on tap; that they have the potential of borrowing another $76.4 billion in addition to that if they need to. In addition, they have $38 billion of additional money in gold reserves.

This amendment is endorsed by the Citizens Against Government Waste, Friends of the Earth, Bread for the World, CARE, Center for Concern, the Development Gap, the Environmental Defense Fund, National Resource Defense Council, National Wildlife Federation, the Sierra Club, and the Americans for a Balanced Budget.

Mr. LUGAR. Mr. President, I move to table the Brown amendment and ask for the yeas and nays.

The PRESIDING OFFICER (Mr. SIMON). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana to lay on the table the amendment of the Senator from Colorado. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from North Carolina [Mr. SANFORD] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH], are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

The result was announced—yeas 77, nays 20, as follows:

[Rollcall Vote No. 142 Leg.]

YEAS—77

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman

Bond
Boren
Bradley
Breaux
Bryan
Bumpers
Burdick
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Cranston
Danforth
Daschle
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Garn
Glenn
Gore
Gorton
Graham
Gramm
Harkin
Hatch
Hatfield
Heflin
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Levin
Lieberman
Lugar
McConnell
Metzenbaum
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Seymour
Shelby
Simon
Simpson
Specter
Stevens
Thurmond
Warner
Wellstone
Wirth
Wofford

NAYS—20

Brown
Conrad
Craig
D'Amato
DeConcini
Dixon
Fowler
Grassley
Hollings
Kasten
Leahy
Lott
Mack
McCain
Mikulski
Nickles
Pressler
Smith
Symms
Wallop

NOT VOTING—3

Helms
Roth
Sanford

So the motion to lay on the table the amendment (No. 2703) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The distinguished majority leader.

UNANIMOUS-CONSENT AGREEMENT—S. 250

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate receives from the President a veto message with respect to the passage of S. 250, a bill to establish national voter registration procedures for Federal elections, the message be spread upon the Journal and temporarily laid aside until the time to be determined by the majority leader, after consultation with the Republican leader, but not earlier than July 28, 1992.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I thank my colleagues.

The PRESIDING OFFICER. The distinguished Senator from Wisconsin.

AMENDMENT NO. 2704

(Purpose: To propose policy and staffing changes in the International Monetary Fund (IMF))

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for himself, Mr. BROWN, Mr. HARKIN, and Mr. WELLSTONE proposes an amendment numbered 2704.

Mr. KASTEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER: Without objection, it is so ordered.

The amendment is as follows:

On page 52, after line 13, add the following:

SEC. . INTERNATIONAL MONETARY FUND POLICY AND STAFFING CHANGES.

(a) POLICY AND STAFFING CHANGES WITHIN THE IMF.—The Secretary of the Treasury shall instruct the United States Executive Director to the International Monetary Fund (hereafter in this section referred to as the "Fund") to promote regularly and vigorously in program discussions and quota increase negotiations the following policy and staffing changes within the Fund:

(1) The development of social and environmental impact assessments as a required element of the process that any country seeking financial assistance from the Fund is subject to and which shall be taken into account in policy formulations.

(2) The establishment of an independent audit department, that would include poverty and environmental experts, to review systematically the policy prescriptions recommended and required by the Fund. The purposes of such a department would be (A) to determine whether the fund's objectives were met, and (B) to evaluate the social and environmental impacts of the implementation of the policy prescriptions. This department should have broad powers to review all ongoing programs and activities of the Fund and to assess the effects of Fund-supported programs, country-by-country, with respect to poverty, economic development and environment. The audits should be made public as appropriate with due respect to confidentiality.

(3) The establishment of procedures that ensure the focus of future economic reform programs approved by the Fund on policy options that increase the productive participation of the poor in the economy.

(4) The establishment of procedures for public access to information. These procedures shall seek to ensure access of the public to information while paying due regard to appropriate confidentiality. Policy Framework Papers and the supporting documents prepared by the Fund's mission to a country are examples of documents that should be made public at an appropriate time and in appropriate ways.

(5) The institution of procedures to analyze the costs and benefits of structural adjustment and stabilization programs so as to reflect losses in the natural resources base and the contribution such resources make to the well-being of the local population to whom services are provided.

(b) PROGRESS REPORT.—As part of the annual report, the Secretary of the Treasury shall submit a report to Congress on the following:

(1) The actions that the United States Executive Director and other officials have taken to convince the Fund to adopt the elements of this Act through formal initiatives before the Board and management of the Fund, through bilateral discussions with other member nations, and through any further quota increase negotiations.

(2) The status of the progress being made by the Fund in implementing the objectives of subsection (a).

(3) The reasons why the United States Executive Director of the Fund supported or opposed a Fund program with a significant environmental impact, and an explanation of how such action is consistent with the purpose of this Act.

(c) STUDY.—The Secretary of the Treasury shall conduct a study to propose ways that, consistent with the Articles of Agreement, the Fund could broaden the involvement and participation of important ministries, national development experts, environmental experts, free-market experts, and other legitimate experts and representatives from the loan-recipient country in the development of Fund programs.

The PRESIDING OFFICER. The distinguished senior Senator from Wisconsin.

Mr. KASTEN. Mr. President, the last amendment had two parts. One part of the last amendment had to do with the quota increase of IMF. The last part had to do with environmental considerations for the IMF to follow. Those environmental considerations are identical to the environmental considerations which have already been attached and apply to other multilateral development banks.

My amendment takes out the first part of the Brown-Kasten amendment, that quota increase—there is no longer a limit on the quota increase—but establishes the second part of the Brown-Kasten amendment; that is, the environmental requirements. In a sense, this would say the IMF will have the same environmental requirements and considerations that are now present in other multilateral development banks. These requirements include things like the development of environmental assessments and policy formulation, establishment of independent audit authority, the establishment of procedures that increase the productive participation of poor in the economy, establishment of procedures for appropriate access to information, and other issues.

Mr. President, I supported the last amendment in part because I felt so strongly about this part of the amendment. Now we have split the amendment, and I am hopeful it is no longer controversial. Now it is only the environmental considerations for the IMF. I believe that they should be under the same basic guidelines and requirements that we have established for other multilateral development banks.

Mr. President, today I am offering an amendment which will apply the same kind of environmental requirements of the IMF that we apply to the Multilateral Development Banks.

At a time when we are considering legislation to expand the role of the IMF I believe it is critical we make them be responsible for the environmental consequences of their actions.

This amendment is supported by the environmental community and is consistent with environmental reforms we have already adopted elsewhere.

The amendment provides for a number of environmental reforms of the IMF. Those reforms include a number of specific policy and personnel changes. They are as follows:

The development of environmental assessments as a required element of project and policy formulation;

The establishment of an independent audit authority with experts in environment and poverty to determine: First, if the fund's objectives are being met; and second, to evaluate the social and economic impacts of country programs;

The establishment of procedures that increase the productive participation of poor in the economy;

The establishment of procedures for appropriate access to information; and

The institution of accounting procedures that quantify degradation in the value of natural resources.

This last provision, the enhancement of environmental accounting, is being undertaken at the MDB's as well as the United Nations. It is critical that we provide this enhanced accounting practice so that we can determine the real value of our aid programs.

All too often, these programs have shown an economic return on paper, but people are actually left worse off.

That is because the environmental resources have been squandered to promote short-term economic gain. In effect, many of these assistance programs have pushed nations to "eat their seed corn."

Clearly this is unacceptable.

This amendment is long overdue. Without it we will not have essential checks on the IMF to assure public funds are being wisely used.

I urge its immediate adoption.

The PRESIDING OFFICER. The distinguished senior Senator from Indiana.

Mr. LUGAR. Mr. President I commend the distinguished Senator from Wisconsin for an excellent amendment, and on our side we are prepared to accept the amendment.

The PRESIDING OFFICER. The distinguished chairman of the committee, Mr. PELL.

Mr. PELL. Mr. President, we think this is an excellent amendment. It enlarges the one which was previously passed with instructions on construction and development, taking into account environmental considerations in allocation of funds. What this does is tighten that up and enlarge it, and I am very happy to endorse it and support it.

The PRESIDING OFFICER. The managers have endorsed the amendment. Is there further debate?

The distinguished Senator from Iowa.

Mr. HARKIN. Mr. President, I compliment Senator KASTEN on this amendment. It is a great amendment. And I want to note Senator KASTEN cosponsored the amendment I offered earlier today on agribusiness centers, which was adopted.

This amendment focuses the IMF programs on those people who have been left out in the development process far too long. As Senator KASTEN said, it makes the environmental procedures that are already adhered to by the multilateral banks applicable to the IMF. Again I think it is a great amendment, and I compliment the Senator from Wisconsin for offering it.

I ask unanimous consent to be added as cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate?

The distinguished Senator from Minnesota.

Mr. WELLSTONE. Mr. President, in less than 30 seconds I wish to echo the remarks of the Senator from Iowa, and I thank the Senator from Wisconsin for this amendment. I really had a difficult time voting against the prior amendment because of this part of it. I think it is very important to send a signal to the IMF about our concern about its policies and to involve people in other countries and really get serious about the environmental impact of much of where the loans and some of the subsidy is going. I think it is a very important amendment.

I ask unanimous consent to be included as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, I ask unanimous consent that I be added as a cosponsor.

I have taken notes on the great technique of the distinguished Senator from Wisconsin.

The PRESIDING OFFICER. The distinguished Senator from Colorado will be added as a cosponsor.

The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment (No. 2704) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The distinguished President pro tempore.

AMENDMENT NO. 2705

(Purpose: To provide for eligibility of the Baltic States for nonlethal defense articles)

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself, Mr. DOLE, Mr. PRESSLER, and Mr. D'AMATO, proposes an amendment numbered 2705.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 52, after line 13 add the following new section:

SEC. 21. BALTIC STATES ELIGIBILITY FOR NONLETHAL DEFENSE ARTICLES.

(a) ELIGIBILITY.—Estonia, Latvia, and Lithuania shall each be eligible—

(1) to purchase, or to receive financing for the purchase of, nonlethal defense articles—

(A) under the Arms Export Control Act (22 U.S.C. 2751 et seq.), without regard to section 3(a)(1) of that Act, or

(B) under section 503 of the Foreign Assistance Act of 1961 (22 U.S.C. 2311), without regard to the Presidential finding in subsection (a) of that section; and

(2) to receive nonlethal excess defense articles transferred under section 519 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321m), without regard to subsection (a) of that section.

(b) DEFINITIONS.—As used in this section—

(1) the term "defense article" has the same meaning given to that term in section 47(3) of the Arms Export Control Act (22 U.S.C. 2794(3)); and

(2) the term "excess defense article" has the same meaning given to that term in section 644(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2403(g)).

Mr. BYRD. Mr. President, I would be happy to enter into a time agreement on this amendment if anybody wishes.

The PRESIDING OFFICER. Is there an inclination on the part of the managers to agree to a time limitation with the distinguished senior Senator from West Virginia?

May I inquire of the distinguished senior Senator from West Virginia, have managers accommodated him on a time limitation?

Mr. BYRD. Mr. President, I ask unanimous consent that the time limitation be limited to 10 minutes on each side and no second-degree amendment be in order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BYRD. Mr. President, I have offered this amendment on behalf of myself, Mr. DOLE, Mr. PRESSLER, and Mr. D'AMATO.

Mr. President, in 1989, Lithuania held the first free and open election to take place in Soviet-controlled territory in over 70 years. That election was followed shortly by elections in Latvia and Estonia. The peoples of these three tiny nations were the vanguard of change in what was once the Soviet empire. After 50 year of occupation and oppression, they led the way to freedom and democracy, not just with symbolic acts but with true heroism. In the January 1991 Soviet crackdown, many of them made the ultimate sacrifice by laying down their lives for the cause of freedom. We must not forget that sacrifice, and we must not forget how easily the fate of the Baltic nations was bargained away by Hitler and Stalin at the beginning of World War II.

Yesterday the Senate had lengthy debate on the question of Russian troops stationed on the territory of the independent Baltic nations. An amendment offered by Senators DECONCINI and PRESSLER, which I supported, did not prevail. That amendment would have required the President to certify that Russia was making significant progress toward withdrawal of its troops. During the debate over the DeConcini-Pressler amendment and the substitute offered by Senator PELL, everyone recognized the problem that these troops present for the sovereignty of the Baltic states, and every Senator that spoke expressed a desire to see those troops withdrawn. The debate hinged on the degree of pressure that should be applied to Russia.

The amendment I am offering attempts to eliminate one of the excuses' that the Russians have used to justify their continued presence in the Baltic nations and to correct what I see as a shortcoming in our policy toward those states. This amendment makes the Baltic countries eligible to purchase nonlethal defense articles from the United States and to receive nonlethal excess defense article from the Defense Department. The Baltic Governments are basically developing their defense apparatus from scratch. They currently do not posses the ability to effectively patrol their own borders or coastlines. They have critical needs for such nonlethal items as jeeps, trucks, coastal patrol boats, and communications equipment. They do not even have enough uniforms or boots to clothe their small forces. The United States regularly transfers excess equipment of this type to a wide range of countries. The President recently added Poland, Hungary and Czechoslovakia to the list of eligible nations. In April, Senator HELMS and I wrote to Secretary Baker asking that Estonia, Latvia and Lithuania be accorded this eligibility. In a response dated June 10, the State Department informed us that the matter was being studied.

Unfortunately, while the State Department continues to study the situation, the Russian negotiators cite the inability of the Baltic countries to defend or even patrol their own borders as another reason they cannot yet withdraw the CIS forces from these countries. The troops stationed in the Baltic countries are barely what could be described as "border guards." They are, in fact the last vestiges of the old Soviet Union's forward deployed forces formerly targeted at NATO. I do not know why Russia would feel a need to maintain this capability simple for border guards, but if assisting the Baltic nations to develop their own border forces will encourage the withdrawal of those forces, then we should do what we can to help. There is no reason why the Baltic governments should be prevented from buying nonlethal defense articles or receiving excess nonlethal defense articles from the Department of Defense to equip modest self-defense forces.

The Baltic peoples have come a long way in the last last 2 years, but their journey to independents is not yet over. The United States must continue to support them in their efforts and I think this amendment does just that. This is a very small contribution to their efforts, but one that will be appreciated by and helpful to, the democratic nations of Estonia, Latvia, and Lithuania.

Mr. President, I ask unanimous consent that my letter to Secretary of State Baker, dated April 3, 1992, be printed in the RECORD along with a response, dated July 10, 1992, signed by Janet G. Mullins, Assistant Secretary, Legislative Affairs.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, April 3, 1992.

Hon. JAMES BAKER,
Secretary of State,
The Department of State,
Washington, DC.

DEAR SECRETARY BAKER: We are pleased that Estonia, Latvia, and Lithuania are eligible for U.S. technical and humanitarian assistance. However, officials from these governments have repeatedly requested U.S. assistance in modernizing their defense systems.

As you know, over 100,000 former Soviet troops remain stationed in the Baltic States. The Baltic governments are working to promote the peaceful withdrawal of these troops and to promote peace and security in the Baltic region. The inability of the Baltic States to provide for themselves even the most rudimentary level of border security, could be construed as a justification for delaying withdrawal of these troops.

We write to you requesting that Estonia, Latvia, and Lithuania be added to the list of countries eligible for non-lethal military sales and grants as outlined in Sec. 3 of the Arms Control Act and Sections 505 and 519 of the Foreign Assistance Act. We also urge the expansion of recent International Military Education and Training programs initiated with these three nations.

According to Sec. 3 of the Arms Export Control Act, the President may certify a country eligible for defense articles if he determines that the furnishing of defense articles and defense services to such country will strengthen the security of the United States and promote world peace. This certification is required before non-lethal defense articles can be transferred to the Baltic States.

It is our belief that grants and sales of nonlethal military defense articles to Estonia, Latvia, and Lithuania, our new European allies, are in the best interests of the United States. We, therefore, urge you to certify the Baltic States as eligible recipients and to send the necessary reprogrammings to Congress as soon as possible.

Sincerely,

ROBERT BYRD.
JESSE HELMS.

DEPARTMENT OF STATE,
Washington, DC, June 10, 1992.

Hon. ROBERT C. BYRD,
U.S. Senate.

DEAR SENATOR BYRD: The Secretary has asked me to reply to your letter of April 3, 1992 concerning certification of the Baltic states of Estonia, Latvia and Lithuania as eligible to receive non-lethal military sales and grants as outlined in Section 3 of the Arms Export Control Act (AECA) and Sections 503 and 519 of the Foreign Assistance Act (FAA). The Administration shares your desire to promote peace and security in the Baltic region and to assist these states in establishing effective democratic institutions.

We are presently studying how we could make the Baltic states eligible for non-lethal military sales and grants. We will make every effort to provide them with assistance they may require within the constraints of the Continuing Resolution for foreign assistance recently passed by the Congress. We will keep you advised of our progress toward this goal.

Sincerely,

JANET G. MULLINS,
Assistant Secretary,
Legislative Affairs.

Mr. BYRD. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from West Virginia reserves 4 minutes 16 seconds.

The opponents have 10 minutes.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I rise to commend the President pro tempore for an excellent amendment. On our side, we are prepared to accept the amendment.

The Senator has asked for a rollcall vote and has received that vote.

But I simply want to say this is a very useful amendment and important statement about the Baltic States and our concern for those states.

We support the amendment.

Mr. BYRD. Mr. President, I am not in the habit of just having the Senate uselessly and needlessly waste its time on rollcall votes. I think that is an important rollcall vote.

The PRESIDING OFFICER. The Senator from West Virginia has requested and been supported in his request for a rollcall. There will be one.

Mr. RIEGLE. Mr. President, before the Senator from West Virginia yields back his time, I ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. The Senator from Michigan will be added as a cosponsor.

Mr. PELL. Mr. President, this is a good amendment. I am glad to support it. It is cleared on our side.

The PRESIDING OFFICER. The distinguished Senator from Rhode Island support the amendment. Both managers support the amendment.

Is there any further debate?

Mr. BYRD. Mr. President, I yield back the remainder of my time.

Mr. LUGAR. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from North Carolina [Mr. SANFORD], are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 143 Leg.]

YEAS—96

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Breaux
Brown
Bryan
Bumpers
Burdick
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Conrad
Craig
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Gore
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kasten
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Seymour
Shelby
Simon
Simpson
Smith
Specter
Stevens
Symms
Thurmond
Wallop
Warner
Wellstone
Wirth
Wofford

NAYS—0

NOT VOTING—4

Bradley
Helms
Roth
Sanford

So the amendment (No. 2705) was agreed to.

Mr. MITCHELL. I move to reconsider the vote.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

RECESS OR ADJOURNMENT OF THE TWO HOUSES

Mr. MITCHELL. I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 343, the adjournment resolution, just received from the House.

The PRESIDING OFFICER. The clerk will report the concurrent resolution.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 343) providing for an adjournment of the House from July 2 until July 7, 1992, and adjournment of the House from July 9 until July 21, 1992, and an adjournment or recess of the Senate from July 2 until July 20, 1992.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

AMENDMENT NO. 2706

Mr. MITCHELL. Mr. President, I send an amendment to the desk and ask that it be immediately considered.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL] proposes an amendment numbered 2706.

Mr. MITCHELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 1, line 10, insert after "1992," the following: "or Friday, July 3, 1992,".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2706) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution, as amended.

The concurrent resolution (H. Con. Res. 343), as amended, was agreed to, as follows:

H. CON. RES. 343

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, July 2, 1992, it stand adjourned until noon on Tuesday, July 7, 1992, and that when the House adjourns on the legislative day of Thursday, July 9, 1992, it stand adjourned until noon on Tuesday, July 21, 1992, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, July 2, 1992, in accordance with this resolution, it stand recessed or adjourned until Monday, July 20, 1992, at such time as may be specified by the Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

Mr. MITCHELL. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNEMPLOYMENT COMPENSATION EXTENSION—CONFERENCE REPORT

Mr. MITCHELL. Mr. President, pursuant to the authority vested in me under a prior agreement—and I just consulted with the distinguished Republican leader—I now ask that the Senate proceed to the consideration of the conference report to accompany H.R. 5260, the unemployment compensation extension.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5260) to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment compensation program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, July 2, 1992.)

The PRESIDING OFFICER. There is 1 hour equally divided on the conference report.

The Chair recognizes the Senator from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. President, this morning we found out that the unemployment rate had gone up to 7.8 percent. That is the highest unemployment rate in 8 years. And it affected all sectors of the economy. We saw last month some 32,000 jobs lost in construction, 58,000 jobs in manufacturing, 21,000 jobs in services. The only place that unemployment did not go up was in Government. I think that is somewhat significant.

The drop in construction and in manufacturing is especially disturbing because those are cyclical industries. Normally you see unemployment increase when those industries are contracting and you see employment increase when those businesses are expending. As one economist said, "that kind of number is what you normally see at the beginning of a recession rather than at the end of a recession."

So this conference report is coming before the Senate at a time when the need to act on the extension to the emergency unemployment compensation program is more urgent than ever before. There are some 10 million Americans who are without jobs. The conference report that we are now bringing before the Senate is a balanced measure deserving bipartisan support. It is imperative that we approve it before the weekend. Otherwise, the emergency compensation program will expire, and that will leave thousands of jobless people without the benefits that they deserve and to which they are entitled.

I think the conference report is a fair compromise. According to CBO, the benefit costs are very close to the Senate bill that we passed earlier—$5.45 billion over 6 years, compared to $5.43 billion in the bill approved by the Senate.

As you will recall, the cost of the House bill was approximately $5.8 billion. The structure of the emergency benefit program generally follows the Senate bill. There is one significant difference, and that is that instead of providing 33 weeks and 26 weeks of benefits, we cut back to 26 and 20, which was the level of benefits in the House bill and, in turn, was more in line with what the administration had requested.

This modification was insisted on by the House. The House accepted the Senate provision making the total unemployment rate, the TUR, trigger for the extended benefits program optional for the States, rather than mandatory. And they receded on the issues of raising the unemployment compensation wage base.

I must say that that in turn was a major priority for the administration. The House agreed to drop that provision, as well as one other provision raising the Federal matching rate.

The conference report includes a House provision giving the States the option of adding 7 weeks of benefits under the permanent extended benefits program if their unemployed rate is 8 percent or higher, and I think that is a reasonable compromise.

It also suspends certain Federal rules with respect to accepting suitable work and searching for work until the newly created Advisory Council on Unemployment Compensation has an opportunity to study and make recommendations on those issues. The House had wanted to repeal both of those provisions.

Now, under the conference report, the additional costs of the unemployment benefits would be offset for budget purposes with three provisions. Two of them from the Senate bill, and one from the House bill that is simply the extension of a present law provision.

First, the conference report includes the proposal from the Senate bill relating to the withholding on lump sum distributions that are not rolled into an IRA.

Second, the conference report includes a proposal from the Senate bill to increase corporate estimated taxes. That proposal has been modified to increase the requirement up to 97 percent—the Senate bill was at 96 percent—dropping back down to 91 percent in 1997.

Third, the personal exemption phaseout or PEP provision would be extended for 1 year. It is currently scheduled to expire in 1995 and this bill would extend the provision until 1996.

The conference agreement is paid for in the near-term and over the 6-year budget window from 1992 through 1997.

I have received a letter from the Director of the Office of Management and Budget which states that according to the administration's estimates of H.R. 5260, and taking into account available pay-go balances, no sequester would be triggered by enactment of this conference agreement in any year. In fact, under preliminary OMB scoring, the legislation will produce a surplus of about $1.7 billion over the budget window period of 1992-97.

Moreover, under CBO scoring the legislation is also paid for over the 6-year period.

In short, this legislation meets my requirements of being fully paid for and financially responsible.

In summary, today the House and the Senate will be voting on an unemployment compensation package that is responsible in all respects. I hope and expect that it will be approved by both bodies. And I strongly urge the President to endorse this unemployment legislation, and to sign it into law without delay.

Mr. President, I withhold the remainder of my time.

Mr. DOLE. Mr. President, I think the distinguished Senator from Texas, chairman of the committee, pretty well outlined what has happened, and how the bill is paid for. It is paid for. We do not have that debate. Some of us may have different ways we would like to pay for it. The point is, it is paid for. And it should be paid for.

So I rise to support the conference report, and I also speak for the distinguished Senator from Oregon, the ranking Republican on the committee, Senator PACKWOOD. Both of us signed the conference report. It was bipartisan.

My understanding is the President will sign the bill as soon as he receives it, because we need to do this. Benefits start expiring in just 2 days. We do not have a lot of time.

It is our responsibility to ensure that there is no gap in the payment of emergency unemployment benefits to America's workers who find themselves unemployed through no fault of their own.

With the increase in the unemployment rate for the month of June to 7.8 percent, there are more workers and their families who are in need of help to get them through this period.

This legislation will provide the necessary assistance until the economy gets Americans back to work again.

It provides an immediate extension of 26 or 20 weeks. These benefit levels are maintained until the unemployment rate drops rather than tying the phase-down to the calendar as has been done in the past. This is a good approach given that we do not want to reduce benefit levels until we are sure the unemployment picture is improving.

In addition, this legislation will make certain reforms to the permanent extended benefit program. I support these reforms. While I have some concerns about implementing permanent reforms before the Advisory Council on Unemployment Compensation has had an opportunity to study the situation and makes it recommendations, tune-ups to these reforms can be made, if and when necessary, based on the Council's findings.

Mr. President, for all the reasons stated by the chairman of the committee, I am pleased that we have been able to work on a bipartisan basis to move to passage on this legislation which further extends benefits.

The vote in the House was 396 to 23. That is a pretty strong indication of the bipartisan support, broad support, it has on the other side.

So I commend the work of the distinguished chairman, Senator BENTSEN, and my colleague from Oregon, Senator PACKWOOD, and urge my colleagues to vote for the conference report.

Mr. PACKWOOD. Mr. President, I thank the Chair, and I thank the distinguished minority leader.

I want to thank Chairman BENTSEN for his excellent work on this agreement, both in the negotiations with the House, which were not easy, and in being able to reach an agreement with the administration. We hope to get it to the President tonight so that he can sign it without further delay.

Given this morning's news that the national unemployment rate has gone up from 7.5 to 7.8 percent, which is a 9-year high, I am relieved we finally have a package everyone can support before emergency benefits begin to run out on Saturday—ironically, July Fourth.

I have supported every effort to extend unemployment benefits from the very first bill—from the time Chairman BENTSEN started to address this problem over a year ago. I wholeheartedly support this package.

It immediately extends the emergency unemployment program at 20 or 26 weeks through March of next year for those who have exhausted regular State benefits.

Getting people back to work is, of course, the first priority of all of us. But the economy has not picked up as quickly as we hoped.

And we have an obligation, therefore, to continue to help unemployed workers until it does. This package will enable them to receive up to a total of 52 weeks of benefits.

Equally important, the package preserves budget discipline, and is paid for in the budget agreement.

I thank the Chair.

Mr. BENTSEN. Mr. President, I would like to say to the distinguished ranking member of the Finance Committee that he is quite right. He supported every one of these extensions of unemployment benefits in the session, and the Chairman is quite appreciative of that.

Mr. PACKWOOD. I thank the Senator.

Mr. BENTSEN. Mr. President, I yield 5 minutes to the distingushed Senator from Maryland, who has had a long-term interest and concern over this issue, and is the very capable chairman of the Joint Economic Committee, and has a particular background in the subject matter.

Mr. SARBANES. Mr. President, I thank the distinguished chairman.

Mr. President, I want to commend the very able chairman of the Finance Committee for the extraordinary work he has done on the unemployment insurance issue, not only with respect to this conference report, but earlier efforts to extend benefits to American workers who found themselves thrown out of a job because of the economic downturn.

As the chairman indicated at the outset of his speech, the unemployment figures that were reported this morning are the worst in more than 8 years. It is dramatic proof that the economy remains caught in the grip of a prolonged recession.

In fact, for the second month in a row, the unemployment rate increased by three-tenths of a point. Two months ago, the unemployment rate was 7.2 percent. It is now at 7.8 percent.

When this recession began 2 years ago, in June 1990, the unemployment rate was 5.3 percent. It has risen steadily over the last 2 years and is now at 7.8 percent.

In fact, every expectation was that the unemployment rate was going to drop slightly this month. They thought there would be some increase in jobs. That did not happen. This chart shows the civilian unemployment rate. We did not have a chance to revise the chart because we did not think the unemployment rate was going to increase so significantly. The line has come right off the chart to 7.8 percent unemployment.

That represents almost 10 million Americans out of work. There are currently 9.8 million persons counted as jobless by the official measure of the Labor Department.

Bad as those numbers are, the real labor market situation is even worse. Today at the hearing in the Joint Economic Committee on the unemployment figures, the Labor Department released figures on what is called the comprehensive unemployment rate. That figure is released every quarter, not every month. The comprehensive unemployment rate includes the official unemployment rate to which I have made reference, but it also includes those discouraged workers who dropped out of the labor force, and those workers who want to work full time but can only find part-time work.

There are 1.1 million discouraged workers, on top of the 9.8 million workers officially unemployed, and there are another 6 million people working part time who want full-time work.

If you factor all of that in, you get what the Department of Labor calls the comprehensive unemployment rate, which is shown on this chart. For the second quarter of 1992, the comprehensive rate was 10.9 percent. That includes those out of work looking for work, the discouraged workers, and the part-time workers wanting full-time work. That figure is at just under 11 percent. The last time it was that high was in the fourth quarter of 1984 as we were coming out of the deep 1982 recession.

Today's data provides little hope that the unemployed will find jobs soon. That is another reason that this measure we are dealing with is so urgent. Payroll employment, which had been increasing slowly earlier in the year, and was expected to increase again this month, fell by 117,000 in June. All industries experienced job declines, but the heaviest losses were in the manufacturing and construction sectors, which typically lead the economy out of recession. Job losses in those sectors indicate that the economy—I certainly hope this does not happen—may be staging a repeat of last year's performance, when modest improvements in the first half gave way to renewed job losses later in the year.

The impression that the economy is starting to weaken again is confirmed by a variety of other statistics released in the past month. As one commentator said this morning, "there is no silver lining in the figures out there currently that go along with the unemployment figures." The housing sector is in serious trouble. New home starts have fallen for 24 months in a row, down 25 percent from January. Building permits have also fallen for 4 months by more than 8 percent. Housing starts are down 8 percent from 2 months ago.

The claims for unemployment insurance have risen over the last couple of weeks to about 420,000. They were down to slightly over 400,000 in May and early June. New orders for durable goods fell 2.4 percent in May, after rising in March and April. Exports, which many forecasters have been counting on as a major source of growth, fell in April, the latest month for which we have data. This was the second decline in a row, which is obviously not a good omen for the recovery. Exports are down, durable goods orders have dropped, claims for unemployment insurance are up, and the housing sector seems to be stagnant.

Finally, the purchasing managers' survey fell four points in June, from 56 to 52, which brings it perilously close to the 50-point level that indicates, according to their index, an economy in recession.

Job growth remains weak and unemployment high, with little evidence of an upturn. In fact, large companies are continuing to announce mass layoffs. This past week alone, Aetna Life and Casualty announced it will lay off 4,800 employees, more than 10 percent of its work force. Hughes Aircraft announced it will lay off 9,000 employees, or 15 percent of its workers. As the distinguished Senator from Michigan, chairman of the Banking Committee, points out, in contrast with past recessions, the ratio between permanent layoffs and temporary layoffs has shifted markedly. We are experiencing permanent terminations as opposed to temporary layoffs. So what happened is that people are not being laid off and told they will be called back when economic activity picks up. People are being permanently terminated and told there are no more jobs, even if economic activity picks up.

I want to show two more important charts. One is the number of persons who are long-term unemployed, which has now risen to over 2 million people. It was 600,000 when the recession started. It is now over 2 million. These are people unemployed 27 weeks or longer, the very people that desperately need these extended unemployment insurance benefits that we are addressing here on the floor at this moment.

We have had some growth in the national income—weak, anemic growth, inadequate to bring down the unemployment rate. What is happening is that while you have had a little bit of growth in the economy, it is not adequate to bring unemployment under control. We have a profound jobs recession taking place. The unemployment rate is now the highest it has been in the course of this recession.

This chart indicates the change in payroll employment during the recession. In other words, when you start into the recession, and you get a decline in employment. This line is the average of job loss in previous recessions during the postwar period, and this line is what has taken place in this recession in terms of job loss. As you can see, the job loss has been a little greater in this recession than the average of previous recessions.

What has happened in previous recessions, is that once you reach the bottom and start coming out of the recession, you move up rather quickly in recovering jobs. In fact, within the first year of moving upwards, all of the jobs lost in past recessions have been recovered.

That has not taken place in this recession. In this recession, we are not recovering the jobs lost due to the economic downturn. In fact, we asked the Labor Department this morning about the percentage of jobs recovered from the trough of previous recessions. In previous recessions we have recovered anywhere from 128 percent to 244 percent of the jobs lost. In other words, more than all the jobs were recovered

14 months after the trough of the recession. In this recession, we have recovered 9 percent of the jobs lost—128 percent to 244 percent in past recessions and 9 percent in this recession.

Mr. President, in an interview with the New York Times last week, the President said: "I happen to think the economy is better than most people in America think."

Today's labor market data confirms that most people in America have a better reading on the state of the economy than the President does. I think this mounting evidence of economic deterioration has sent a wake-up call to the White House, because they have shifted their position on the unemployment compensation bill, and they indicated they are prepared to support it, rather than to veto it.

We face a very grim, dire employment situation in this country, and I commend the chairman of the Finance Committee for bringing this measure to the floor to extend the Emergency Unemployment Compensation Program. We need to do more. We sent the President a program earlier in the year designed to do more, which was reported out of the Senate Finance Committee under the chairman's leadership. Unfortunately, the President vetoed that bill. But there is a severe economic problem here. Saying that the economy is better than most people in America think does not square with these economic facts.

Mr. BENTSEN. Mr. President, I thank the distinguished chairman of the Joint Economic Committee for the information given. It was certainly most informative and offers concern for what has not happened yet in the recovery.

ADJOURNMENT RESOLUTION TITLE AMENDMENT—HOUSE CONCURRENT RESOLUTION 343

Mr. BENTSEN. Mr. President, on behalf of the majority leader I ask unanimous consent that it be in order to amend the title of House Concurrent Resolution 343 with the amendment I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

Amend the title so as to read: "Providing for an adjournment of the House from July 2 until July 7, 1992, an adjournment of the House from July 9 until July 21, 1992, and an adjournment or recess of the Senate from July 2 or July 3 until July 20, 1992."

The PRESIDING OFFICER. Without objection, the amendment to the title is agreed to.

UNEMPLOYMENT COMPENSATION EXTENSION—CONFERENCE REPORT

The Senate continued with consideration of the conference report.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. BENTSEN. I yield 5 minutes to the distinguished Senator, the chairman of the Banking Committee.

Mr. RIEGLE. Mr. President, I thank the Senator and I appreciate very much the chairman's leadership on this issue on this occasion and on previous occasions. I know I speak for all the unemployed workers and families when I express to Senator BENTSEN gratitude for the leadership he has given to get this legislation enacted against great difficulty, against veto threats and the rest of it.

If I can come back to the excellent chart that the chairman of the Joint Economic Committee, Senator SARBANES, has shown here today. Last night Albert Sillinger, a noted pollster in the country, said what has happened in this recession is we have gone down into it and have not come out. It is an L shape and we're staying at the bottom.

This is what I am pointing out in the Chart. Rather than showing a pickup in jobs on the previous recessions, it has not only stayed down at the bottom, but it turned down again. The fact is the unemployment rate has gone up to 7.8 percent. It jumped up in major States in the country. California is up to 9½ percent. It is 8.8 percent in Michigan; 400,000 are unemployed there.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. RIEGLE. I yield.

Mr. SARBANES. The Labor Department reports each month the unemployment figures for the 11 most populous States. It reported today 10 of the 11 had an increase from the previous unemployment rate.

Mr. RIEGLE. That is right.

It includes Texas, Florida, and other States. The misery is out there and accumulates.

We are going to have to have additional extensions of unemployment compensation.

I think what this tell us, is that in the absence of any kind of real economic recovery plan we are going to continue to languish like this and these benefits today, important as they are, only carry us so far, and then we are going to have to still have another extension.

I am glad now that the President at least has withdrawn the veto threat. -I think if we had not gotten that data today, we still would be facing the prospect he might not even sign this legislation.

The problem is a terribly serious one for the country. It leads to another point. That is that it is essential that we get an economic recovery strategy in place for this country that starts putting people back to work. We have to have a surge in job creation. We cannot keep having all these permanent job reductions that we are seeing in company after company. The Alcoa Co. announced laying off 2,100 workers. There was a story yesterday in the Wall Street Journal, in the oil industry they anticipate having 50,000 jobs disappear in the United States this year in terms of drilling that would occur, that was occurring in the previous year. They see their employment levels coming down that far.

We have to have an economic recovery program for the country over and beyond just unemployment extension. That is why in this bill up now to help for Soviet Union, we should not help other countries or have economic programs for Mexico, or Kuwait, or Communist China, or the old Soviet Union, and not have an economic recovery program for America. What is going to happen to all these people who are down here? They are exhausting their savings.

What is going to happen to families in this situation when they cannot come back into the work force? Even with an unemployment compensation extension they are exhausting their savings so in many cases they are having to move out of apartments, having to sell homes, having to default on car payments. They are in a really desperate situation.

So many of our college graduates who are coming out this year, having sacrificed and saved and worked hard to accumulate those degrees, are coming out and there are no jobs for them. We have engineers now in large numbers in this country who have been displaced, many of them in the defense industries and other areas, high-tech areas. They cannot find work in engineering. Some are driving taxicabs, others circulating resumes endlessly and cannot find work. I am getting letters like this every single day.

What this line means when we stay down here—these are now 10 million people. We have 10 million people we know by name who are in that unemployed group. And as the Senator from Maryland points out there are at least another 6 million working part time, because they cannot find full-time work, or are in the discouraged worker category.

I would say there are probably another 20 million or something on this order, people who have been backsliding down from a higher skill level, where they actually have training to be able to perform and cannot find a job or hold a job at that level and are backing down into a lower skilled job, a lower paid job. And that is part of what created this tremendous squeeze in the economy.

So there cannot be a resurgence of confidence, because the people cannot have confidence when there is no economic plan to pull the economy out of this terrible situation it is in.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. RIEGLE. I thank the Chair very much.

The PRESIDING OFFICER. The Chair recognizes the minority leader.

Mr. DOLE. Mr. President, I yield back the time on this side.

Mr. BENTSEN. Mr. President, I yield back the remainder of my time. I have no one else asking for time.

Mr. DOLE. It is my understanding now we are going to take the POW measure for 10 minutes and have two back-to-back votes.

Mr. BENTSEN. Mr. President, from what I understand from the majority leader that is not a problem.

Mr. MITCHELL. Mr. President, with the announcement today by the Department of Labor that another 471,000 Americans became jobless in June, the total number of unemployed Americans is now nearly 10 million. The past 2 months have been particularly distressing as the Unemployment rate climbed by over half a percentage point, from 7.2 percent in April to 7.8 percent today.

It is clear that too many have been unemployed for too long. I am pleased that an agreement has been reached today so that legislation to extend Federal unemployment insurance can be enacted before benefits begin to expire this Saturday.

We need to extend unemployment insurance. The number of those out of work for 15 weeks or longer increased by more than 650,000 Americans during the past 2 months alone raising the total number of Americans out of work for longer than 15 weeks to nearly 3.7 million. Nearly two-thirds of those individuals have been out of work for more than 6 months. That is a long time during which a family must struggle to make ends meet.

I am pleased that the conference agreement includes changes to the Federal eligibility requirements. In Maine and other States, these rules were so stringent that more than 10 percent of the jobless exhausting State benefits couldn't qualify for Federal extended benefits—even though they could not find work.

That situation was unfair. That situation was not right. I commend the conferees for giving States greater flexibility to ensure that more of the jobless qualify for extended unemployment insurance.

This legislation also includes permanent reforms to the unemployment system so that in future years, States won't have to depend upon Federal legislation to obtain additional unemployment insurance. This bill will mark the third time that an extension has been enacted during the last 12 months. It is clear that States need a more dependable system under which to work.

This legislation will provide that framework. Permanent changes in the extended benefit program are made to ensure that, in the future, States can trigger extended benefits during times of economic distress without congressional action.

I am glad that we will be able to complete action on this measure this week. However, I continue to believe that the best way to revive the economy is through job creation.

I remain hopeful that before the year is over, an agreement can also be reached on legislation to spur economic development.

Mr. DURENBERGER. Mr. President, as the Nation follows the performance of the leading economic indicators, we are all hopeful that economic recovery is underway. Although there are numerous signs of a strengthening economy, the new unemployment rate of 7.8 percent highlights the pain and frustration of the American workers who cannot find the jobs they lost.

My State has not been hit as hard as some other States. This is, however, of little comfort to the more than 100,000 Minnesotans who were without work last month. Extension of unemployment compensation benefits will go along way toward meeting the real needs of this group of people whose numbers are expected to grow in the coming months. This extension will ensure that assistance is available throughout the recovery period.

While I know that my colleagues are as frustrated as I am that we need to extend benefits a third time, I am gratified that the cooperative spirit which has developed during the formation of two earlier extensions is even stronger today and has ensured the passage of this important safety net.

Last year, when extended benefits were originally enacted, this process dragged on entirely too long. Political games were played at the expense of unemployed Americans. I am pleased that this is behind us.

Through the previous extensions, the administration has identified its expectations for unemployment extension. Like many of my colleagues, I support the requirement that the legislation be paid for with increased revenues, not increased borrowing, and that the bill does not make major, structural changes in the unemployment system when so many people are relying on it for support.

I commend the chairman of the Finance Committee, Senator BENTSEN, for his leadership on behalf of the Finance Committee and the Senate in securing this conference agreement with the House. I supported Chairman BENTSEN's approach in the Committee and I am pleased to support the passage of the conference report.

Thank you, Mr. President.

Mr. KENNEDY. Mr. President, I am very pleased that the House and Senate conferees have reached agreement on the bill to extend the Federal emergency unemployment compensation program.

Just this morning, the Government released its new unemployment figures. Although the administration has insisted for months that a recovery from this long and painful recession is underway, the data reflect the continued failure of the Nation's economy. The national unemployment rate has risen to an astounding 7.8 percent—the highest unemployment rate in over 8 years—up from 7.5 percent in May and 7.2 percent in April. The economy lost 117,000 jobs during June, another signal of the severe dislocation facing working Americans.

The news is even worse in Massachusetts. The State unemployment rate is now back to 8.8 percent, up from 8.3 percent in May.

The new unemployment figures underscore what everyone except the White House already knew—that the recession is not over, and the economy needs help right now. What kind of alleged recovery is it when national unemployment is the highest in over 8 years, and unemployment in many States continues at unacceptably high levels?

We cannot have economic recovery in the Nation without Presidential leadership. But the administration continues to view the economy through Rose Garden colored glasses.

Six months ago, many of us called for an economic stimulus package. We were told that the recession was ending, and the recovery was under way. But the so-called recovery was an illusion then, and it may well be an illusion now.

The administration is clearly still out of touch with the economic realities that face working families and business men and women across the Nation. Its see-no-evil, hear-no-evil, do-nothing economic policy has abandoned Americans when they desperately need national leadership. By failing to take any meaningful action to end this recession, the President has allowed American families to lose their jobs, their homes, their savings, their health insurance, their cars, and everything else they have worked to build for themselves and their children.

This extension of unemployment benefits is needed more than ever. It will ensure that working Americans who have lost their jobs will be able to receive up to 26 weeks of Federal emergency benefits when their regular State benefits run out. The current program is scheduled to expire just 2 days from now, so this extension comes in the nick of time.

The pending bill contains two provisions of special importance to workers and businesses in Massachusetts.

First, it corrects an extremely unfair provision for thousands of workers in Massachusetts and several other States who took a part-time or temporary job during their first year of unemployment.

Under the current program, individuals are entitled to emergency benefits only if they have exhausted their right to State benefits. In most cases, this produces a fair result. However, for workers unemployed more than a year who managed to find some part-time or temporary work, the Federal and State laws interact to produce a harsh result.

Eligibility for State benefits is first determined at the time laid-off workers file their initial claim for benefits. It is based on earnings prior to filing the initial claim. Workers who have received all the State benefits to which they are entitled and who remain unemployed become eligible for Federal emergency benefits at a weekly rate equal to their State benefit rate.

Under State law, however, to remain eligible for benefits, an individual who is still unemployed after 1 year must reapply for benefits. At that point, the State redetermines eligibility, based on earnings during the first year.

If the workers did not earn enough during the first benefit year to requalify for State benefits, they remain eligible for Federal benefits at the original rate. However, if they earned more than the minimum required by State law, they requalify for a second round of State benefits and are no longer eligible for Federal benefits.

What makes this result so harsh is that the second round of State benefits is based not on what the worker earned prior to being laid-off in the first instance, but on what the worker earned from part-time or temporary work during the first year. For many unemployed workers in Massachusetts and other States, this has meant a reduction in unemployment benefits of over $200 each week.

In Massachusetts, for example, until recently a worker needed to earn only $1,200 a year to qualify for State benefits. Thousands of workers who were laid-off from full-time jobs and were collecting the maximum unemployment benefit of $282 per week found that, because they earned at least $1,200 from part-time work during their first year, they were suddenly ineligible for Federal benefits. Instead, they requalified for State benefits based on their part-time or temporary earnings, and are now receiving checks for as little as $28 per week.

In the meantime, other unemployed workers who chose not to seek or accept part-time or temporary work continue to collect their full Federal benefits. The victims of this catch-22 have reacted with dismay and outrage to a system which, in effect, penalized them for their willingness to work.

There are many reasons why these people took part-time or temporary jobs. Some did so to get health insurance for their families. Some did so to keep their skills up to date, or to learn new skills that might help them find a full-time jobs. Others were hoping that a part-time job would turn into a full-time job; still others thought they had found a full-time job, only to suffer a second layoff. Some were called back from a lay-off, but were then laid-off again. We have even heard from members of the Reserves who served in Operation Desert Storm, and whose military pay entitled them to a new round of State benefits. They served their country—and paid for it by forfeiting their right to Federal unemployment benefits.

None, however, took a part-time or temporary job to pad their unemployment benefits. Under Massachusetts law, their unemployment benefits were reduced dollar-for-dollar for all earnings in excess of $30 per week.

The men and women caught in this trap wanted to be productive members of society. They are self-sufficient and self-reliant individuals who believe that any work is better than no work and who did not want to wait for the economy to turn around.

By denying them the Federal benefits they would have received had they simply stayed at home, the law was penalizing people it should have been commending. It was discouraging others from seeking work—the last thing we should have been doing as we try to end the current recession.

This problem was especially serious in Massachusetts, where the recession has been long and deep. However, workers in other States have recently begun to feel the squeeze, and the problem is worsening as the recession drag on. Thousands of workers in Texas, Florida, Maine, Vermont, Washington, and Ohio have already suffered from this perverse disincentive to work.

Senator KERRY and I introduced legislation in February to address this program, and Congressman MARKEY and others introduced similar legislation in the House. The conference agreement responds to the problem we identified, and corrects this unfair and illogical provision. It ensures that any person who would have been entitled to Federal emergency benefits but for the fact that they requalified for State benefits can resume or begin receiving their Federal benefits. This measure provides much-needed relief to workers who have unfairly been denied the benefits they need to keep them going while the recession drags on.

The conference agreement contains a second provision to assist Massachusetts employer as they struggle to recover from this recession. Under current law, Massachusetts employers will begin to lose a tax offset on their Federal unemployment taxes next January, because the State has been forced to borrow funds from the Federal Government for the past 2 years to pay unemployment claims.

Two months ago, the Massachusetts Legislature passed a bill to restore solvency to the State unemployment fund by increasing employer contributions. Employers will begin paying these increased taxes this summer, but even with the increase, the State will not be able to repay its Federal loans within 2 years, as required by current law. As a result, with no change in the law, the State's employers would have faced two tax increase in 6 months: A States increase this July, and Federal increase next January.

Under the bill being passed today, Massachusetts and other States will have an additional year to pay their Federal loans before employers in the State begin facing the Federal tax increase. However, this assistance is available only to States which increase employer unemployment tax contributions by at least 25 percent in 1992 or 1993.

I urge the Senate to approve this conference report, and I commend the House and Senate conferees for their action in providing this additional assistance to unemployed workers across the country.

Mr. DOMENICI. Mr. President, I know that we all share disappointment in this morning's announced unemployment rate for June. The increase experienced over the past 2 months underscores the need for us to continue to Emergency Unemployment Compensation Program.

I think its unfortunate that we have too often heard the problems of the unemployed used as cannon fodder in the political debates of this year. The record shows that this administration has been quite willing to respond to the dilemma of long-term unemployment with additional benefits.

But just as important, as we all recognize, economic policies which will fuel the creation of new jobs offer a far more permanent solution. The President asked that the Congress not ignore the long-term interests of economic growth as we try to address the immediate problems of the unemployed.

Beginning in August of 1991, the President indicated his willingness to sign legislation to extend unemployment benefits. He asked only that Congress comply with the requirements of the Budget Enforcement Act by paying for any new benefits.

Last November we enacted a $ 4.3 billion program of emergency benefits for the long-term unemployed. In February we extended and expanded the emergency program at a cost of $3.3 billion.

In both cases, the President endorsed the bills. Both were responsibly crafted and were fully paid for.

Today we are going to pass an additional $5.6 billion extension of this program which the President has indicated he will support.

This will bring the total authorization for the emergency benefit program to more than $13 billion. Total expenditures for unemployment insurance programs will exceed $37 billion in 1992 alone.

Certainly no one can charge that this administration has ignored the problem.

With the adoption of this bill, we will eliminate the necessity of repeated congressional action to authorize the payment of supplemental unemployment benefits.

At the State's option, it will now be easier for a State to qualify for the Federal-State Extended Benefits [EB] Program.

In addition, States will be able to use their own eligibility criteria for qualifying exhaustees for the EUC Program. That will eliminate a problems we experienced in New Mexico and other States. Roughly 10 percent of exhaustees in New Mexico were not qualifying for EUC because of a difference between the State eligibility criteria and those of the EB Program used in previous EUC legislation.

Mr. President, this is a fair bill. We have assurances from OMB Direct Darman that it will not trigger a sequester.

I strong support the adoption of the conference report.

SECTION 9 OF THE CONCURRENT RESOLUTION ON THE BUDGET

Mr. SASSER. Mr. President, I hereby submit revised budget authority allocations to the Senate Committee on Finance and aggregates under section 9(b) of the concurrent resolution on the budget, House Concurrent Resolution 287.

Section 9(b) of the budget resolution states:

> **SEC. 9. DEFICIT-NEUTRAL RESERVE FUND IN THE SENATE FOR FAMILY AND ECONOMIC SECURITY INITIATIVES IN ACCORDANCE WITH PROVISIONS OF THE SUMMIT AGREEMENT.**
>
> * * * *
>
> (b) ECONOMIC GROWTH INITIATIVES.—
>
> (1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for legislation that increases funding for economic recovery or growth initiatives, including unemployment compensation or other, related programs within such a committee's jurisdiction if such a committee or the committee of conference on such legislation reports such legislation, if, to the extent that the costs of such legislation are not included in this concurrent resolution on the budget, the enactment of such legislation will not increase the deficit (by virtue of either contemporaneous or previously passed deficit reduction) in this resolution for fiscal year 1993, and will not increase the total deficit for the period of fiscal years 1993 through 1997.
>
> (2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.
>
> (3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to section 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this subsection.

The committee of conference on H.R. 5260, the Unemployment Compensation Amendments of 1992, has submitted a conference report. This legislation proposed by that conference report qualifies as legislation that would "increases funding for economic recovery or growth initiatives, including unemployment compensation or other, related programs"—in the words of section 9(b) of the budget resolution.

The conference report on H.R. 5260 also meets the other requirement of section 9(b) of the budget resolution that "to the extent that the costs of such legislation are not included in this concurrent resolution on the budget, the enactment of such legislation will not increase the deficit (by virtue of either contemporaneous or previously passed deficit reduction) in this resolution for fiscal year 1993, and will not increase the total deficit for the period of fiscal years 1993 through 1997."

As the conference report on H.R. 5260 complies with the conditions set forth in the budget resolution, under the authority of sections 9(b)(2) of the budget resolution, I hereby file with the Senate appropriately revised budget authority allocations under sections 302(a) and 602(a) and revised functional levels and aggregates to carry out this subsection.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REVISED BUDGET RESOLUTION TOTALS PURSUANT TO SECTION 9(b) OF THE CONCURRENT RESOLUTION OF THE BUDGET FOR 1993

[In millions of dollars]

Spending allocations	1993	1993–97
Finance Committee budget authority allocations	514,516	3,007,712
Reserve fund change	3,372	4,472
Revised Finance Committee budget authority allocations	517,88	3,012,184
Finance Committee outlay allocations	512,140	2,993,949
Reserve fund change	3,372	4,472
Revised Finance Committee outlay allocations	515,512	2.998,421

REVISED BUDGET RESOLUTION TOTALS PURSUANT TO SECTION 9(b) OF THE CONCURRENT RESOLUTION ON THE BUDGET FOR 1993

[In millions of dollars]

	1993	1994	1995	1996	1997
Functional levels and aggregates:					
Resolution revenue totals	845,300	911,300	968,100	1,017,800	1,070,400
Reserve fund change	3,372	620	330	75	75
Revised resolution revenue totals	848,672	911,920	968,430	1,017,875	1,070,475
Resolution budget authority totals	1,246,400	1,269,400	1,309,600	1,375,100	1,468,700
Reserve fund change	3,372	620	330	75	75
Revised resolution budget authority totals	1,249,772	1,270,020	1,309,930	1,375,175	1,468,775
Resolution function 600 budget athority totals	199,400	208,100	217,100	231,800	248,400
Reserve fund change	3,372	620	330	75	75
Revised resolution 600 budget authority totals	202,772	208,720	217,430	231,875	248,745
Resolution outlay totals	1,238,700	1,255,100	1,257,900	1,304,900	1,416,100
Reserve fund change	3,372	620	330	75	75
Revised resolution outlay totals	1,242,072	1,255,720	1,258,230	1,304,975	1,416,175
Resolution function 600 outlay totals	196,700	207,000	217,700	228,300	240,500
Reserve fund change	3,372	620	330	75	75
Revised resolution 600 outlay totals	200,072	207,620	218,030	228,375	240,575

Mr. DOMENICI. I want to compliment the chairman of the Budget Committee, Senator SASSER, the chairman of the Finance Committee, Senator BENTSEN, Senator PACKWOOD, and other members of the Finance Committee, because what we will do by this statement is we will adjust the levels in the budget resolution using the reserve fund authority provided in that budget resolution. This adjustment will inhibit us from spending the $3.3 billion in tax revenues that are going to show up in addition to the revenues estimated in the budget resolution as a result of the revenue provisions in this bill.

So we will be preserving a 60-vote point of order in the future for any efforts to spend this $3.3 billion excess on the revenue side. That will be subject to a point of order if we attempted to spend it.

The Senate might remember that on another occasion we had a similar situation where $3 billion was available and we tried to spend it twice. I came to the floor asking if we were going to spend it three times, and we stopped at two. This will prevent it from being spent again under our budgeting process.

So I compliment everyone for what is, I think, very good government in this regard.

Mr. BENTSEN. Mr. President, let me say that I concur with the analysis of the ranking member of the Budget Committee.

Mr. DOMENICI. In fact, I might say to the chairman, his staff and ours and Senator SASSER's staff discovered this, and the Senator from Texas was willing to say we are not intending to spend it twice.

Mr. BENTSEN. That is correct.

Mr. ADAMS. Mr. President, the Senate is again considering unemployment insurance extension legislation because the Bush administration has failed to develop a plan to put Americans back to work.

While the President continues to stumble around without an economic compass, more than 9.5 million Americans are unemployed. The long-term unemployment rate, 7.8 percent, is the highest since November 1983.

The need for this bill is critical. People are hurting across this country. Families are barely hanging on. With mortgages to pay, children to care for, and household bills stacking up, they are looking to us for help.

The President's response has been: Don't worry, recovery is just around the corner. Things are getting better; let's give it some time. Well, Mr. President, 9.5 million Americans simply do not have more time.

In my State of Washington, timber-dependent communities are facing double-digit inflation, month after month after month. Ask the unemployed man or woman who lives in Skamania County, where unemployment is 27.8 percent, if he or she can wait for help. Tell that to the unemployed workers in Stevens or Klickitat Counties, where unemployment rates are well over 14 percent.

Let us not forget our goal. These people do not want more unemployment benefits, they want jobs. The recession has hit rural areas in Washington particularly hard. Okanogan County has 12.3 percent unemployment. Kittitas County has 13.8 percent unemployment. The President offers them nothing.

One way to put Americans back to work is to rebuild America. The Nation suffers from a decaying infrastructure. Our transportation system desperately needs repair. Environmental problems abound. The Bush administration keeps saying that we will cross that bridge when we come to it. Unfortunately, Mr. President, that bridge is about collapse.

By investing in our infrastructure, we not only create jobs, but we improve our Nation's ability to create more jobs. We can put our country back to work by refitting our Nation's energy, industrial, transportation, and water systems. These types of projects create jobs. Tax cuts for the wealthy do not.

The administration has proved unable to resolve the fundamental problems in our economy. Tinkering in the margins with tax and investment incentives for the wealthy is not a viable solution. Cutting withholding rates for personal income taxes is not a comprehensive plan for sustained growth and recovery.

The American people deserve more than a few well-orchestrated sideline cheers. They need the administration to jump into the game with both feet, to provide leadership in these troubled economic times.

As the President pointed out in his State of the Union Address, the American people spent trillions and trillions of dollars winning the cold war. Now they deserve an aggressive attack on this recession.

Hopefully, we have learned from past conflicts over offsets and threatened Presidential vetos. Let us put partisanship aside and pass this badly needed extension of unemployment benefits.

We must, however, provide the unemployed men and women of this country with more than an extension of benefits; we must provide them with an extension of opportunities.

Mr. SEYMOUR. Mr. President, I just want to take a moment first to express my strong support for the conference report to H.R. 5260, the Emergency Unemployment Compensation [EUC] Extension Act. I also want to commend the leadership of President Bush, the distinguished chairman of the Finance Committee, Senator BENTSEN, my good friend and ranking member of the Finance Committee, Senator PACKWOOD, and the House leadership. I am pleased that bipartisanship can rule the day on an issue of extreme importance to the American people.

Mr. President, I am also pleased that this legislation contains a provisions that I introduced as free-standing legislation last February: S. 2291, the Emergency Benefit Flexibility Act. This provision will assist thousands of long-term unemployed Americans, including at least 4,000 from California, who presently are unable to receive benefits under the EUC Program.

As my colleagues know, section 202(A)(5) of the Federal-State Emergency Unemployment Compensation Act of 1970 [FSEUCA] sets out three different Federal wage eligibility standards that an unemployed person must meet to receive extended benefits. According to Department of Labor regulations, each State must select only one of the three Federal wage eligibility standards.

California, for example, operates under the 40 times weekly benefit amount in the previous year. In other words, an unemployed worker is eligible for emergency benefits if he has earned 40 times his weekly benefit amount.

Like any standard of eligibility, there will be those that fall short, but no one realized just how many Americans would be denied assistance, because this is the first time that California and many other States have administered emergency benefits under the FSEUCA. And in the case of California, we're talking about 12 percent of those who applied for emergency benefits being turned away during the initial months of the EUC Program. And those applicants are mainly seasonal workers in the agricultural and construction industries.

However, just because California is restricted to choosing only one standard doesn't mean unemployed Californians are closed off from assistance. Rather, they seek assistance under other State and local programs. Believe me, they have.

For example, Sacramento County officials reported last February that welfare demands were 64 percent higher than originally projected, in part due to the wage eligibility restrictions in the FSEUCA.

In short, Mr. President, the inability of States to choose more than one Federal wage eligibility standard under the EUC Program is not just working against thousands of America's jobless, it's also contributing to the already weakened fiscal strength of State and local governments. And let me emphasize that this problem is not unique to California, Connecticut, Texas, Oregon, and Illinois are also adversely affected by the current one-standard only limitation.

Mr. President, the rollcall of States experiencing budget deficits and declining revenues is more than 30. This week, my State of California is struggling to close a record $10.7 billion deficit. Hundreds of local governments are flirting with bankruptcy. Yes, all levels of government have an obligation to work in partnership to help the long-term unemployed. On that, all agree. However, I believe in these difficult times it rests with the Federal Government to give States the flexibility to use the temporary EUC Program in a manner that is consistent with our partnership and in consideration of the difficult times our State and local partners face. That is why the senior Senator from California, Senator CRANSTON, my good friend from Connecticut, Senator LIEBERMAN, and I introduced S. 2291, which would give the States the option of choosing all three wage eligibility tests. And I'm extremely pleased that the House and Senate conferees recognized the importance of this issue and included provisions based on S. 2291. This inclusion will bring more long-term unemployed under the EUC umbrella and bring much-needed relief to State and local governments.

Economic recovery is not going to happen overnight. Despite signs of hope that recovery is on the horizon, many Americans continue to need assistance. The conference report before us will continue that assistance, as well as improve the EUC Program so that the State have the flexibility to help the thousands in need during these difficult times.

Mr. President, again, I wish to thank all my colleagues in both the House and Senate who worked diligently to strike a bipartisan agreement on this vitally important legislation.

NO MORE TIME TO WASTE: APPROVE EMERGENCY BENEFITS NOW

Mr. WELLSTONE. Mr. President, I want to take just a moment to express my strong support of the conference report on extended unemployment benefits and to urge my colleagues to support it.

In the face of persistent veto threats, we have waited for months for the Bush administration to agree to extend emergency unemployment benefits. Finally, the President has recognized the urgency of this problem, and it looks like he will sign this measure. Today's alarming increase in the official unemployment rate, from 7.5 percent to 7.8 percent, is just another reminder that our economy is not turning around as quickly as we had hoped. American workers who are without jobs—and their families—urgently need our help. And this bill will provide that help.

The bill extends the Emergency Unemployment Benefits Program until March 6, 1993. Workers who exhaust their regular unemployment benefits would receive up to 26 additional weeks of emergency benefits in States where the unemployment rate is high enough to trigger this higher rate. In States like Minnesota, where the overall unemployment rate is somewhat lower—though the pain for those who are jobless is no less real—workers would receive an additional 20 weeks.

The legislation is fully financed, and though those of us who support thorough reform of the unemployment insurance system were not able to include all of the permanent changes in the system that are needed, this compromise moves us in the right direction. I am hopeful that we will soon adopt a more comprehensive set of permanent reforms that make the system fairer, more effective, and more efficient.

Finally, let us keep in mind that this is just a small down payment on our efforts to meet our real needs, to invest in America's people—in schools, in roads and bridges, in health care, in our cities. We must transfer funds from defense to domestic spending and invest in a strategic, long-term economic plan to get this Nation back on its feet and to return our people to work. An investment-led economic recovery must be our goal.

Mr. President, we have talked long enough. Now is the time to deliver. I urge my colleagues to support this measure today, so America's unemployed will not be forced to wait and wonder, as they did for months last year, if they can pay for heat and light and food for themselves and their families. While we put our economic house in order, while we restructure our economy, while we slay the dragons, the wounded must be cared for.

I commend Chairman BENTSEN on this package, and I urge my colleagues to support it. Finally, I urge the President in the strongest possible terms to sign it into law as soon as he receives it this evening. We must prevent unemployed Americans whose benefits are being exhausted, almost as we speak, from being left in the cold.

I ask unanimous consent that my statement appears just prior to the vote on the conference report.

DECLASSIFICATION OF DOCUMENTS, FILES, AND OTHER MATERIALS PERTAINING TO POW'S AND MIA'S

Mr. KERRY. Mr. President, under the authority vested in me by the majority leader, I ask unanimous consent that the POW/MIA resolution be reported at this time.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 324) relating to the declassification of documents, files, and other materials pertaining to POW's and MIA's.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. There will be 10 minutes of debate on the resolution.

Mr. KERRY. Mr. President, the Senator from New Hampshire, Senator SMITH, and I have 10 minutes between us. Neither of us intend to use all of that time.

Let me just explain very quickly to my colleagues what this is about and also apologize for the fact that there is a record vote requested, but I think colleagues will understand that on an issue of declassification in which the committee is making a request of the President we believe it is important for the entire U.S. Senate to be on record in this matter.

This morning the entire Select Committee, consisting of 12 Senators, bipartisan, unanimously voted to report to the Senate a resolution requesting of the President rapid Executive order declassification of materials pertaining to the POW/MIA issue.

Senator GRASSLEY and Senator ROBB spent a considerable amount of time reviewing the materials, and trying to ascertain the best method of seeking this declassification. They made a long proposal to the committee of all those items that we have identified that are in need of declassification, and the committee unanimously recommended to the full Senate that we proceed to request this of the President.

For 20 years this issue has beleaguered the Nation. Families have been continually distressed at their inability to get a full story and get information. Clearly, with Boris Yeltsin' visit, the standard that he set in saying that every archive would be made available and every document reviewed, there is a new attitude and a new approach to this and we should have no less a standard.

So we here are hoping that all colleagues will join in this effort to share with Americans whatever it is that our Government knows, that our agencies know, about what happened to those who fought for their country about whom we still have many concerns.

Mr. President, I yield at this time to the Senator from New Hampshire.

The PRESIDING OFFICER. The chair recognizes the Senator from New Hampshire.

Mr. SMITH. Mr. President, I thank my colleague and the chairman of the Select Committee on POW/MIA. I also thank him for his leadership on this issue. It is something we all looked forward to for so many years. I thank the Senator in the Chair, who is also a member of the committee.

This is something that I know I have worked for, and so many of us have worked for, for so many years to see happen.

One of the greatest concerns of families, the veterans, and public at large really has been the concern that much of the information in the files of our Government still remain classified. As a result of the action taken this morning by our committee, and as Senator KERRY said, by unanimous vote this information now will be made public, assuming the President agrees to our request.

As you know, the rules of the Senate and the precedents of the Senate require we make a request of the President to release this information. And then if he does not choose to release it, of course, the Senate can act under the provisions of Senate Resolution 400.

We have no reason to believe that he will not act to declassify these documents, make them public, and the resolution this morning endorses that action. It is a unanimous vote of 12 Senators. I think it has the unanimous support of the Senate. I believe it will approve that, and it certainly has the overwhelming majority support of the American people. And there is a date specific, July 23, in the resolution.

I think that Senator ROBB and Senator GRASSLEY deserve a tremendous amount of credit for their hard work in spending the last several weeks with their staffers preparing this resolution this morning.

Also I might point out that once this resolution passes the Senate today, Senator ROBB and Senator GRASSLEY and their staffs are prepared to start working on ongoing negotiations with the administration between now and July 23 to get the documents ready for declassification.

So again I applaud my colleague, Senator KERRY, for his help.

I also wish to say that this is a day that I wish had happened 15 or 20 years ago, because I believe that if it had it would have perhaps eliminated a lot of the hard feelings and a lot of the mistrust and a lot of the anguish that families have had to suffer.

I know that Senator GRASSLEY would like some time, Mr. President, so at this time I yield the floor.

The PRESIDING OFFICER. The Chair recognizes Senator GRASSLEY.

Mr. GRASSLEY. Mr. President, I join my committee colleagues in original cosponsorship of the resolution offered by Senator JOHN KERRY to declassify all documents related to the POW/MIA issue from the war in Southeast Asia.

I was pleased to work with Senator ROBB of Virginia as cochair of the Task Force on Declassification, which made the recommendation for the process described within the resolution. The goal of that process is to accomplish swift and comprehensive declassification. The process is further outlined in a letter to the President delivered today, and signed by each member of the committee.

Accompanying the letter is a four-page compendium of identified categories of documents, files, and materials, listed by Government agency and department, that should be declassified. This list is by no means meant to be finite. During the course of further investigation, we may discover additional batches of documents that are as yet unknown to us. If so, we intend to identify those documents and communicate our desire to add them to the list. Our objective in creating the list was to be as specific as possible in defining the universe of documents to be declassified, yet general enough to avoid precluding newly discovered documents from declassification.

The reasons this committee, indeed the public and, I believe, the Senate support this request for declassification are self-evident. Mystery and suspicion have shrouded this issue from day one. National security secrecy merely feeds the suspicion. Let there be no doubt—in adopting this resolution, the Senate is firmly committing itself, in the public interest, to full, public disclosure of all documents, safeguarding only legitimate risks to national security and families' right to privacy.

Assuming this resolution passes, we will begin negotiating immediately with the executive branch to declassify documents already in the Office of Senate Security, and in the time for our August hearings. We will also begin to identify for declassification POW/MIA-related documents from the Nixon and Kissinger files, in time for our September hearings.

On July 23, right after the July recess, the chairman will reconvene the committee to examine progress on declassification and determine if further actions are required by the Senate.

Finally, Mr. President, I would like to raise a very important point for the benefit of my colleagues. What we are saying in this resolution is that declassification means declassification. By that, I mean public release. When is declassification not declassification? Let me illustrate.

In May, this committee sent a letter to DOD asking that the now-famous Brooks memo be declassified. So DOD redacted it for declassification, but stamped "For Official Use Only" on it. In other words, it still can't be released to the public. So it might as well still be classified. That simply does not meet our objective. When we say declassify, we mean declassify—that is, public release.

Mr. President, I would like to commend the efforts of both the chairman and the vice chairman for their leadership in bringing about consensus and unanimity on this resolution and this process. Senator SMITH, in particular, has been a dynamic force pushing this issue forward, and will continue, I am confident, to hold the Government's feet to the fire for full disclosure. I would also like to thank Senator ROBB whose cooperation and insights were so valuable for the framework of our recommendation, and for helping build the consensus for our approach. And, I would like to stress that each and every member of the committee had a unique and valuable contribution to this product.

Mr. President, I want to summarize by simply saying this: We may not be able to answer the questions of all the 2,200 families, and my 38 Iowa families, who do not know the fate of their loved ones missing in Southeast Asia.

But when this committee's work is all done, I want to make sure that the families of the missing in action in this country, and every other American for that matter that is interested in this issue, know everything that our Government knows about their specific cases, their families. Lay it all out on the table. Let the Sun shine in.

And when that happens, they still may not have their questions answered, but a lot of the mystery that is involved will be dispensed and we will be able to hold our heads high that we are not keeping anything from anybody. I do not believe that we necessarily are, but in some instances I do not think we have totally cooperated with the families the way we should.

This is part of our effort to be totally candid with the American people on this issue and especially those families. And this step of declassifying is a very necessary step to accomplish this goal.

I yield the floor.

Mr. KERRY. Mr. President, I thank my good colleagues, but I particularly thank the vice chairman for his cooperation and for the unanimity of this approach.

We are convinced that can go a great distance to helping families to understand and helping all Americans to know what happened.

Mr. President, I yield back the remainder of our time and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senate Republican leader.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The question occurs on agreeing to Senate Resolution 324. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from North Carolina [Mr. SANFORD] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Virginia [Mr. WARNER] is necessarily absent.

I further announce that the Senator from North Carolina [Mr. HELMS and the Senator from Delaware [Mr. ROTH] are absent due to illness.

The PRESIDING OFFICER (Mr. WOFFORD). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 144 Leg.]

YEAS—96

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Bradley
Breaux
Brown
Bryan
Bumpers
Burdick
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Conrad
Craig
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Gore
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kasten
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Seymour
Shelby
Simon
Simpson
Smith
Specter
Stevens
Symms
Thurmond
Wallop
Wellstone
Wirth
Wofford

NOT VOTING—4

Helms
Roth
Sanford
Warner

So the resolution (S. Res. 324) was agreed to; as follows:

S. RES. 324

Whereas mistrust and suspicion of the Government's activities on POW/MIA matters have hindered efforts to resolve questions about our lost servicemen;

Whereas much of the Government's information on the POW/MIA issue is outdated and overclassified, and its public release would not harm national security;

Whereas the public interest would best be served if all POW/MIA information in the Government's possession would be appropriately declassified forthwith;

Whereas the immediate priority of the Government's efforts to resolve the POW/MIA issue should be swift and comprehensive declassification;

Whereas the committee has received from the executive branch copies of documents that are currently classified and that the committee needs for use at a public hearing scheduled for August 4–5, 1992, and for subsequent hearings;

Whereas issuance of an Executive Order by the President will be the fastest and most efficient means of declassifying records pertaining to POW's and MIA's;

Whereas issuance of such an Executive order would permit the broadest declassification of records pertaining to POW's and MIA's; and

Whereas controversies between branches of Government should be resolved by voluntary accommodation whenever possible: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President of the United States expeditiously issue an Executive order requiring all executive branch departments and agencies to declassify and publicly release without compromising United States national security all documents, files, and other materials pertaining to POW's and MIA's.

Mr. MOYNIHAN. I move to reconsider the vote.

Mr. KERRY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON UNEMPLOYMENT COMPENSATION EXTENSION—CONFERENCE REPORT

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays on the pending measure.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from North Carolina [Mr. SANFORD] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Virginia [Mr. WARNER] is absent on official business.

I further announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 93, nays 3, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—93

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Bradley
Breaux
Bryan
Bumpers
Burdick
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Gore
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kasten
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Seymour
Shelby
Simon
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Wellstone
Wirth
Wofford

NAYS—3

Brown
Craig
Symms

NOT VOTING—4

Helms
Roth
Sanford
Warner

So the conference report was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—SENATE RESOLUTION 324

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senate Resolution 324 be deemed to have been submitted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

AMENDMENT NO. 2709

(Purpose: To provide for programs that aid Americans)

Mr. RIEGLE. Mr. President, I rise to offer an amendment on behalf of myself and Senator METZENBAUM, and I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for himself and Mr. METZENBAUM, proposes an amendment numbered 2709.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. RIEGLE. Mr. President, let me indicate to my colleagues that the amendment we are offering addresses some of the basic problems here in America that are essentially the same problems that we are undertaking to deal with in the old Soviet Union.

The reason we are doing that is, as everyone here knows, we have major economic problems in our own country, and we are not doing much to solve those problems. People across America in all of the 50 States cannot understand why. They are having great difficulty understanding why, when they are having problems, we cannot seem to get a response out of our Government to deal with their problems as American citizens; but, at the same time, we find the resources and we find the capacity to help all around the world, whether it is in Kuwait, Mexico, Communist China, the old Soviet Union, or you name it, and we have programs for virtually every country in the world, but we are doing very little to respond to our own urgent problems.

Case in point: Today, the unemployment data came out, and unemployment has gone up to 7.8 percent.

We now have 10 million people officially unemployed and another 6 million that are either in the discouraged worker category, or in a situation where they are working part time, because they cannot find full-time work.

We have had all of the other economic news this week—of major companies doing multi-thousand-job layoffs, permanent layoff announcements all across the country—and we are in a situation where we have major problems bearing down on our people.

Well, unemployment and a very uncertain economic future is the worst of those problems. In addition to that, we have a host of other difficulties that we are not dealing with. Some are the problems of urban people packed in urban centers, where we have not had a sufficient response to try to unlock those problems and get people on tracks that offer some prospect for a better life and a more successful life. We have major problems in child immunization. We have fallen way behind in terms of getting basic medical immunizations to protect them from measles, polio, and things of this kind. We are not responding in that area. The list goes on.

So the amendment I am offering with the Senator from Ohio moves in, and in five different areas offers an authorization of additional help for the American people that corresponds to the kind of help contained in here for those people in the old Soviet Union.

The amendment concerns the humanitarian and technical assistance provisions in the bill. The bill includes, among other things, medical assistance programs—this is all now for American people—and programs to give citizens technical assistance in business, such as we are also doing in the Soviet Union.

Contained in this amendment—and I will outline it in a minute—is also aid to unemployed people in America, and to young people in America, the very things that sections of this bill are designed to help accomplish over in the former Soviet Union.

So the areas that we cover in terms of domestic initiatives here are the Job Corps Program—which is highly successful—and trying to get young people in America through a job training situation and out on to a job track. A program called youth build, the child immunization program, community development block grants for the communities across the country who are struggling with problems, and finally State technology extension programs, again, a counterpart to what we are undertaking to help the ex Soviet people do for themselves.

Two of these programs, the youth build and the CDBG programs have just passed the Banking Committee and are included in the housing bill, by a vote last week. The language for the expansion of the State technology extension program passed in the Senate last Wednesday as part of Senator HOLLINGS' Manufacturing Strategies Act. My amendment would increase the authorization for that program by $130 million.

The amendment, taken as a whole, includes an increase in authorizations and totals $998.5 million, which is roughly comparable to the total new authorizations for assistance to both the former Soviet Union and Eastern Europe. These are authorizations for fiscal year 1993 only. Funds for all of these programs will still need to go through the normal appropriations process.

We have handled that in precisely the same fashion we did earlier, in discussions with Senator BYRD on the defense conversion issue, and that also forecloses any budget points of order.

I might say that the U.S. Conference of Mayors has studied our amendment and has sent me a letter dated today—I will not read the whole letter now—in which they endorse and advocate adoption of our amendment.

I ask unanimous consent that that letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE U.S. CONFERENCE OF MAYORS,
JULY 2, 1992.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senate, Senate Dirksen Office Building, Washington, DC.

DEAR SENATOR RIEGLE: Last week the U.S. Conference of Mayors held its 60th Annual Meeting in Houston, Texas. At this meeting, we adopted an amendment to the $35 billion sever-point emergency jobs proposal we have been promoting since January of this year. The amendment says that the Conference:

"will not support foreign aid legislation that does not also include a program of domestic urban aid in amounts equal to or greater than that which we are willing to invest abroad."

We have learned that your are considering introducing an amendment to the Russian Aid bill which would add an additional $998.5 million in domestic assistance funds, including an additional $500 million for the Community Development Block Grant program, and $400 million for economic conversion efforts. Our policy certainly supports your efforts and the Conference of Mayors, which is a bi-partisan organization representing all cities over 30,000, supports your efforts.

In light of the emerging tax bill in the House of Representatives which purports to be an urban aid package, we feel your efforts would be extremely helpful in beginning to address some of the needs of urban America.

Attached please find a copy of our most recent policy resolution. Thank you for all your help.

Sincerely,

J. THOMAS COCHRAN,
Executive Director.

RESOLUTION NO. 47

Whereas, the nation's second largest city has experienced the worst civil disturbance this country has seen in this century; and

Whereas, the basic cause of the Los Angeles riots, and similar disturbances in other cities, is the failure of the national government to invest in cities and their people; and

Whereas, retaining the federal budget "firewalls" prohibiting defense savings from being used for domestic savings means that domestic programs will be cut $6.5 billion in FY93; and

Whereas, the federal government has been withdrawing billions of dollars from cities for military expenditures for years so that, for instance, in 1990 alone the federal government extracted a net amount of $8.38 billion from New York City, $3.27 billion from Los Angeles, and $3.1 billion from Chicago, according to a study done by the Boston Redevelopment Authority; and

Whereas, no area in this country will remain prosperous unless the resources available to the federal government are invested in the infrastructure and people of the cities; and

Whereas, the United States Conference of Mayors has called for a $35 billion emergency jobs and anti-recessionary initiative for 1992, including $15 billion for targeted fiscal assistance, $5 billion for public works, $6 billion for Community Development Block Grants, waiving matching requirements for transportation projects, $2.8 billion for job training, $2 billion for small business loans, and waiving the matching requirement for the HOME program; and

Whereas, given the needs of the country, an immediate $35 billion domestic investment program is modest, for instance, the U.S. Department of Transportation estimates that it will take $41.5 billion a year just to maintain the roads and bridges at their present inadequate level; other estimates of infrastructure costs are $40 billion a year for low-income housing; $1.5 billion a year to refurbish urban schools; and $15 billion over the next six years to rehabilitate public hospitals; and

Whereas, 100 of the nation's most distinguished economists, including six Nobel Laureates, have called upon the President and Congress to enact an immediate $50 billion per year program of grants to states and cities for infrastructure, education, and the other needs of businesses and residents; and

Whereas, those economists have called for such a program even if it increases the federal deficit; and

Whereas, unless such a program is enacted, an economic recovery will be weak, anemic, and short lived; and

Whereas, the United States has the lowest spending on infrastructure of any industrialized country; and

Whereas, in 1990 the Congress adopted a budget agreement that eliminated the deficit reduction targets and replaced them with spending caps in the areas of domestic, defense and international spending; and

Whereas, under the 1990 budget agreement domestic programs were held to past years' levels or received modest increases; and

Whereas, the 1990 budget agreement contained "budget firewalls" that precluded shifting funds between domestic, defense and international accounts; and

Whereas, the budget firewalls under the 1990 budget agreement precluded domestic programs from sharing in defense savings resulting from the peace dividend: Now, therefore, be it

Resolved, That The U.S. Conference of Mayors urges Congress and the President to enact an immediate emergency economic stimulus and jobs program of at least $35 billion; and be it further

Resolved, That The U.S. Conference of Mayors urges Congress and the President to eliminate the "firewall" that prohibits savings in defense spending from being used for domestic spending; and be it further

Resolved, That The U.S. Conference of Mayors will not support foreign aid legislation that does not also include a program of domestic urban aid in amounts equal to or greater than that which we are willing to invest abroad.

Projected Cost: $35 billion.

Mr. RIEGLE. Mr. President, I will read one line: "We feel your efforts would be extremely helpful in beginning to address some of the needs of urban America."

That was sent to us today and lays out why they feel that it would have that affect.

Mr. President, I want to concentrate on a couple of the issues here in terms of the substance of what is in our amendment, and make a couple of broad points, and then yield to my colleague from Ohio.

In the area of comprehensive child health immunization, this creates a strategy within existing public health care and social services programs to increase the immunizations and prevent outbreaks of preventable childhood diseases. It authorizes $11.5 million for fiscal year 1993. It is identical to S. 2116 that I introduced back in November of last year with Senator BOND, Senator JOHNSTON, Senator COCHRAN, and Senator BRADLEY as cosponsors. The reason this is essential is not only that it is a positive gesture to these young children in our own society, but for every $1 we spend on child medical immunizations, we save $10, because we avoid illnesses that later arise and then have to be paid for. So you not only have the unnecessary suffering of the child, but the increased cost of medical care. So we know that this money, in fact, saves us a great deal of additional money, if we go ahead and do it.

The same thing with respect to the Job Corps Program. The increases in funding for the Job Corps Training and Employment Program would allow us to create across the country 15 new Job Corps Centers. That would increase the authorization by $236 million in fiscal year 1993.

As everyone here knows, the Job Corps is a national training and employment program to assist disadvantaged young people, primarily through a boot-camp-like employment training experience. It focuses on economically and educationally disadvantaged youth between the ages of 16 and 22. As we know from these unemployment numbers today, the unemployment rates among young people in these categories, particularly in urban areas, is about 50 percent, virtually all across the country. Many of these young people see no hope today, because society has not created any meaningful route into a job situation in the kind of economy that we have today.

That is what the Job Corps Program is for. It has proven itself over time. It has met the test of time. It is a cost-effective program with a track record of success which has generated broad bipartisan support. Again, the figures here show that the Job Corps returns to us $1.46 for every $1 we invest in terms of getting young people through a job training experience, getting them hooked up in the job market in a way that enables them to go on and have some prospect for a successful work life and a successful life generally.

The youth build program I described a while ago creates a new youth training program which provides grants to community-based groups to educate and train disadvantaged high school dropouts through a program involving construction and rehabilitation for housing for low-income people. This would authorize $40 million for fiscal 1993. It is identical to a provision in the housing bill that we reported out of the Senate Banking Committee just a few days ago.

This program, which has been field tested and is generating excellent results, links job training, education, and leadership development and targets these to the population most at risk in our inner cities which are poor kids, who are undereducated, between the ages of 16 and 24, and it enables these disadvantaged youths to become self-sufficient while at the same time working to increase the supply of affordable housing, which is another terrible problem that has to be dealt with, particularly in our urban centers. It is modeled on existing programs that now exist in a dozen cities.

I am going to insert in the RECORD at the end some articles from the New York Times and other places that talk about the success of this program.

Let me just say with respect to assistance to U.S. businesses and communities: We increase funding for the Community Development Block Grants to provide flexible funds for communities across the Nation for community and economic development activities. The amendment authorizes an increase of $500 million in 1993. That brings us to a total additional $3.9 billion for fiscal 1993 in this area. Identical to the provision of the housing bill reported again from the Senate Banking Committee.

This is also a program targeted to low- and moderate-income people. Seventy percent of all CDBG dollars provide benefits to this income group in the form of facilities or services or job creation that moves them ahead.

This program is sort of a partnership program, that is the one thing that is left that really gives some financial muscle and wherewithal to local communities to let them try to turn around the conditions in these communities so that we are again on the upswing and we are seeing and improving the quality of life and seeing our problems being met and solved.

Finally with these State technology extension programs, we authorize $130 million in fiscal year 1993—not a large sum of money. We presently spend over $400 million on agricultural extension and yet farming accounts for only 2 percent of our gross domestic product. I am all for the farm extension program, and a strong supporter of it. But the STEP program, as it is called, is established to give aid to State and local governments for manufacturing extension and other business aid programs.

Senator ROCKEFELLER was the primary sponsor but Senator HOLLINGS has taken the lead on this issue, and this language was taken from Senator HOLLINGS' Manufacturing Strategies Act, which, as I say, passed the Senate Wednesday, just yesterday. And this is something that also I think it is fair to say enjoys broad bipartisan support.

So much for the details, let me just make a comment about why this is essential. The people of America have always had a generous and humane impulse with respect to people with problems around the world. And since the Marshall plan and before, we have helped repeatedly in different parts of the world when other countries and other people have had great needs.

We are now in a situation where we have enormous unmet needs in this country. We have people in this country who are desperate for help, who are doing everything they can to hold their own lives together, hold their family lives together. And these are specific areas designed to put additional economic strength into the American economy.

I know some will say, well, we cannot afford it. But the contradiction there and I think the hypocrisy there is how do we say we can afford it for the people in the old Soviet Union but we cannot afford it for our own people?

I mean, how do we say to people in America who are on the outside looking in and in desperate circumstances, sorry, we do not really have the time or the way or the resources to help you, but we do have the time and the way and the resources to help people in another country with equivalent kinds of problems.

And in the Soviet aid bill, we are talking about helping them restructure their economy. We are talking about medical assistance. We are talking about doing the very things that are needed by people in this country.

So what I have done here with Senator METZENBAUM is we have crafted a package of roughly equal dollar amounts. In this area of humanitarian assistance and in saying if we are going to make this money available to the people of the old Soviet Union for this kind of problem solving, we are going to make an equivalent amount of money available later in America to help American citizens who are in equivalent kinds of circumstances where they also need help. We are saying if you help one, you help the other. You do not ask the American citizen to stand last in line.

Now I realize that offends the Bush administration, because the Bush administration has an economic program for every country in the world except this one. And that is a major problem. And that is one of the reasons why there is a political rebellion loose in the country right now, and why the President's popularity rating has gone down, down, down, down, because we have not been responding adequately to the economic problems facing people here in America.

I think we owe it to our own people, first, to respond to their urgent needs if we are going to at the same time say that we have the capacity to reach out across the ocean and help people with serious problems in other parts of the world.

So we are saying let us do both at the same time. Let us have this assistance move in tandem. We help people in other countries, then we help people in our own country. We do not ask Americans to go to the back of the line and wait and instead take the money off the top and give it to the old Soviet Union, or give it to Kuwait, or give it to somebody else. That is the basic issue here.

I realize that we can get terribly insulated here within the Beltway, and even within the United States Senate and we can become so humane in terms of our impulse to help the rest of the world that we forget about the need to be humane to our own American people.

We are losing the faith of the American people, because so many of the American people today feel that they are losing their economic future.

This is designed to help create an economic future for more and more Americans who today are shut out and are in desperate circumstances, and we should do no less for our own people than we are prepared to do for somebody in some other land. It ought to be fundamental. When you go back and look at the founding documents, we talk about the need to look at the common good by helping everybody in America, of caring about the quality of life for every citizen.

We have gotten away from that. Unfortunately, I think a lot of the economic philosophies and the Government philosophy of the 1980's have been aimed at people who are very well off in our society. That reliance on trickle-down economics and a lot of other things, has not worked.

We have huge deficits. We have massive unemployment. And we have all kinds of human problems out there that have not been met or are not being addressed. So this makes a beginning. It says, look, if you are going to provide this much help to those people, you provide the same amount of help to the American people. If you are going to provide humanitarian assistance to another country, then you provide the same kind of humanitarian assistance to people in your own country that have equivalent kinds of problems. That is the concept, that is the philosophy, and it is reasonable.

Now not a penny will be spent if it is not appropriated. And I would hope that the managers of the bill would accept this amendment, because we do not have to be in here debating it all night long if we can get it into the bill, but it is essential that it go into the bill because it is something that is important to our country. And it sends a signal that the American people are not going to be asked to stand last in line behind still another foreign aid program, and another effort to help other people in another country, however justified that need may be.

Finally, I want to insert into the RECORD the fact that we need to do much more with respect to an American strategy, and particularly as it regards urban problems. Several of us working together have developed a major urban assistance package, and I have a summary of that here. It would go far beyond what we are proposing in this narrowly drawn amendment here. But I ask unanimous consent that broader strategy outlined in greater detail which we will take up at another time and other material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT ON THE NEED FOR A FEDERAL URBAN AID PACKAGE

For America to remain competitive in the global economy of the future, we need a massive, comprehensive program of reinvestment in America—in our people in our infrastructure. Students of America's infrastructure needs from Felix Rohatyn to the National Urban League have called for investment programs in the neighborhood of $500 billion over ten years. This amount may seem staggering, but if we get our priorities straight, we can pay for it. Indeed, we will pay for it—either now as an investment or later in lost productivity and the costs of economic and social decline.

Much of this investment program must be targeted to our cities. The upheaval last month in Los Angeles has brought to the forefront of America's consciousness the crisis that grips our inner city—the crisis of a whole segment of our society without economic opportunity and increasingly without hope.

To resolve this crisis, we need to make a commitment to invest in the people of our inner cities—to provide them with the education, job skills, and supportive services like access to day care and to health care without which they cannot move themselves into the economic mainstream. And we need to invest in the economic development of our inner cities—to generate public and private capital for business growth, to support the creation of affordable housing, and to provide additional resources to fight crime and drugs and to rebuild crumbling streets, sewers, and schools.

As Chairman of the Senate Committee on Banking, Housing, and Urban affairs, and the Senate Democratic Task Force on Community and Urban Revitalization, I have head about our urban needs from the mayors and the community leaders who are on the frontlines in our cities. The U.S. Conference of Mayors has called for a $35 billion package of targeted investment in our cities, and the Community and Urban Revitalization Task Force has been on record in support of a comparable package since February.

But the political reality we confront today is that an investment program of this size has little to no chance of passing and surviving a Presidential veto. Indeed, we could not even get the President to support a $2 billion emergency supplemental for summer jobs and education programs. The $1.1 billion dollar package the President finally agreed to support barely makes a dent in our urban problem.

I have been working with House Majority Leader Gephardt, Senate Majority Leader Mitchell, Senators Sasser and Kennedy and others to negotiate with the White House on a broader urban aid program that would complement the emergency supplemental. House leaders and the Administration last night reached an agreement that would link additional resources of $2.5 billion over 5 years to enactment of enterprise zones. However, this package guarantees only $500 million in appropriations. Although I commend both the House and the Administration for recognizing that we need to supplement enterprise zones with targeted federal resources, I do not believe that the package they have agreed on commits federal resources for our urban crisis on a scale that offers any hope of making a dent in the problem.

I support the concept of enterprise zones, but I am convinced that our experience with state and local zones teaches us that the tax-oriented zones supported by the Administration are only half a strategy to deal with inner city decline. And half a strategy is doomed to failure. We have an enterprise zone in Michigan in an inner city community called Benton Harbor. And while this zone has been credited with generating some business expansion and creating perhaps 700 new jobs, all observers agree that only a handful of those jobs have gone to inner city residents.

At the same time, Benton Harbor's high school is graduating only half the 600 students that it should be graduating, the streets are unsafe because the city lacks the funds to hire 10 police officers that it needs, and a large segment of the population lives in dilapidated housing. What will truly empower the residents of Benton Harbor are additional federal resources to help them rebuild their community and develop the skills they need to support themselves. Tax breaks to outside businesses cannot provide those resources. We need an expanded enterprise zone concept that offers additional targeted resources to zone communities as well as tax breaks to businesses that locate in a zone.

Senators SASSER, KENNEDY and I—all members of both the Senate Democratic Task Force on Community and Urban Revitalization and the Senate group involved in negotiations with the White House—have put together a proposal for a second tier urban aid package of $6.683 billion in supplemental appropriations in fiscal 1992 and 1993. The proposal incorporates several elements of the President's six-point urban plan but places a stronger emphasis on job creation, education, and affordable housing. The proposal also calls for the provision of new resources to aid our cities, while the President's plan would be funded by cuts in existing programs.

This proposal is a far cry from the $35 billion that the mayors need. But—unlike the package that the Administration and the House leadership have put together—it is at least a reasonable start on what should be come a program of reinvestment in our urban centers and in all our communities. And it is small enough that it can be paid for with anticipated reductions in defense spending for fiscal 1993.

In particular, the proposal calls for $858 million in funding for the Weed and Seed program, which targets law enforcement and community development resources to distressed communities. The proposal increases by $328 million the President's proposed funding, with increases in key areas including drug treatment grants, the Women, Infants, and Children (WIC) food supplement program, Head Start, and Job Corps and incorporates the Police Corps program to recruit college graduates into local police forces.

The proposal provides $1.218 billion for affordable housing and empowerment. It funds the President's HOPE program at its authorized level but also addresses the roots of the nation's affordable housing crisis. It expands the supply of affordable housing through community-based initiatives; uses housing development to create jobs for inner city low-income youth; expands enforcement of the nation's fair housing laws; and revitalizes severely distressed public housing.

The proposal provides $940 million for infrastructure and growth. It funds enterprise zone tax incentives, modifies and extends the targeted jobs tax credit, and provides additional funding for a Community Development Block Grant program for distressed areas. And it improves access to capital in distressed areas and supports community development corporations.

The proposal provides $1.624 billion for educational opportunities. It funds the Senate-passed Neighborhood Schools Improvement Act to restructure elementary and secondary schools and increases funding for Head Start, the Chapter One Compensatory Education program for disadvantaged elementary and secondary students, and Talent Search, which encourages disadvantaged high school students to attend college.

The proposal provides $675 million for social services and health, including additional funds for drug abuse treatment and prevention programs, emergency AIDS relief, primary care programs, and WIC.

Finally, the proposal provides $1.368 billion for job training activities. It expands Job Corps and funds a Youth Community Corps and other youth employment initiatives. And it raises the AFDC asset limits and reduces the state and local match requirement for the AFDC JOBS program.

This proposal represents no more than a downpayment on what must be a sustained program of reinvestment in our cities. To those of my colleagues who say we cannot afford to enact this package, I say we cannot afford not to enact it. As to where we find the dollars, we can pay for the package I have outlined by eliminating production of just three B-2 bombers. The choice is clear: we can continue using our resources to fight the Cold War we have already won or we can start using our resources to fight the War for Economic Opportunity we are on the verge of losing. I call on my colleagues on both sides of the aisle and on the President to join with me to fight this war and to support the urban aid proposal I have outlined.

I include a detailed summary of the proposal and comparison with the Administration's six-point plan in the RECORD.

DEMOCRATIC URBAN POLICY PLAN

I. WEED & SEED

Administration proposal

The Administration characterizes their Weed and Seed initiative as a $500 million "new" program. However, $220 million of these funds would be taken from existing programs, resulting in new expenditures of this initiative of $280 million. The program is designed to aid distressed urban areas by "weeding" out drugs and criminals and "seeding" the neighborhoods with jobs, education and other social services. The program is coordinated by the Attorney General and involves the efforts of six other federal agencies (Labor, Justice, Health and Human Services, Housing and Urban Development, Education and Agriculture), states, local governments and the private sector. The Administration proposes to fund thirty Weed & Seed neighborhoods in FY 1993 and eighty percent of the funds would go to areas also designated as federal enterprise zones.

Democratic plan

The Democratic initiative provides $608 in new funding ($328 million beyond the Administration) for the Weed and Seed program and targets the funds to critical drug treatment, employability, health and education programs. Within the Department of Justice the Democratic plan increases funding by $19 million beyond the Administration's level. This includes $10 million for additional Office of Justice Assistance initiatives such as the creation of community policing projects and expansion of Boys and Girls Clubs. The plan also provides $87 million more than the Administration for Department of Labor programs, including $50 million for Jobs Corps and $28 million for JPTA. Within the Department of Health and Human Services, an additional $57 million is provided above the President's level. This includes $17 million for drug treatment grants, $20 million for Head Start and $20 million for community health centers. In addition, the Democratic plan provides $44 million for CDBG and $15 million for WIC above the level in the Administration's Weed and Seed program.

The Democratic program is targeted for thirty distressed communities and eighty percent of the funds would go to areas also designated as enterprise zones under the Senate's enterprise zone legislation.

The Democratic plan also includes the crime bill's (H.R. 3371) Police Corps initiative. The Police Corps program provides college scholarships to students who commit to four years of service as police officers. The measure costs $100 million in FY 1993 and will bolster state and local law enforcement efforts.

II. AFFORDABLE HOUSING AND EMPOWERMENT

Administration proposal

The President has recommended including the Home Ownership and Opportunity for People Everywhere (HOPE) in the urban package. HOPE provides assistance for the creation of resident management corporations (RMCs) and funding for the sale of public, HUD-owned and other Federally-owned housing to RMCs or individual tenants. The Administration proposal includes no new money beyond that proposed in the budget. HOPE received $361 million in 1992 appropriations; the budget requests $1.01 billion in 1992.

Democratic plans

Despite the best efforts of thousands of individuals and organizations, the nation's affordable housing crisis continues to worsen. In HUD's own estimate, there are currently 5.1 million families with "worst case housing needs"—that is, paying more than 50% of their income for rent or living in severely substandard housing (often without plumbing or kitchen facilities).

The Administration's proposal provides no "hope" for these 5.1 million families—all of whom are on the brink of "homelessness". For the most part, HOPE will merely help current tenants in federally subsidized housing to become homeowners. That will not expand the supply of affordable housing nor assist families who are not currently receiving federal aid.

HOPE also fails to address other pressing housing related needs—the failure of federal programs to generate jobs for low-income youth, the pervasive discrimination in the rental and mortgage markets and the segregation inherent in the location of most public and assisted housing.

Despite these criticisms and despite concerns about HOPE's cost and long-term viability, the Democratic plan would fully fund the HOPE program at the authorized level. The Democrats believe that Secretary Kemp's tenant ownership initiative needs to be tried and tested.

In addition, the Democratic plan would also provide funding for four other activities that more directly address the roots of the nation's affordable housing crisis.

1. *The HOME Program*: The Democrats plan would increase funding for and improve the HOME Investment Partnerships program. This exciting initiative—created by the National Affordable Housing Act after three year of intensive bipartisan effort—gives states and localities the resources and flexibility to respond to their local housing needs. Primary focus is places on expanding the supply of affordable housing through partnerships with nonprofits and other private actors. The program was authorized at $2.1 billion in FY92, yet received only $1.5 billion in appropriations.

The Democratic plan would provide an additional $600 million over the FY92 level in order to increase funding to $2.1 billion in FY93. In addition, the plan would make statutory revisions to HOME that ease restrictions inhibiting the implementation of the program (e.g., new construction limitations, matching requirements).

2. *Fair Housing*: The Democratic plan would expand and revise the Fair Housing Initiatives Program (FHIP) to reflect the expanded coverage of federal fair housing and fair lending laws and the increased evidence of continued discrimination in the housing markets. FHIP provides the primary federal support for private fair housing enforcement and education efforts.

The Democratic plan would provide an additional $14 million over the FY92 level of $7.3 million for FHIP.

3. *Distressed Public Housing*: The Democratic plan would establish and fund a separate program for the revitalization of severely distressed public housing—in accordance with recommendations recently put forward by a National Commission. The Commission found that some 86,000 public housing units suffer from multiple problems—the concentration of the very poor; serious flaws in the original design of developments; the location of developments in distressed communities; the lack of a consistent federal commitment; and serious management deficiencies.

In this vein, it is highly unlikely that simply "making tenants homeowners" will resolve the multiple problems of distressed developments. Residents will continue to live in dense, segregated developments with little change in their economic or social situation. It is clear that more comprehensive solutions are needed to make meaningful change.

The Democratic plan would create a separate program to revitalize the most distressed public housing developments. The program would involve residents and community groups in comprehensive planning, major reconstruction, supportive service and management reform initiatives. The plan would reprogram $300 million from new public housing development funds and add an additional $100 million—bringing the total for the Democratic plan for distressed public housing to $400 million in FY93.

III. INFRASTRUCTURE AND GROWTH

Administration plan

The Administration has proposed a version of Urban Enterprise Zones which comprises the core of its inner-city job creation strategy. The three part plan would provide a capital gains tax break for investment in a zone, a refundable credit for certain workers hired in the zone, and an income tax break for investment made in zone businesses.

Democratic plan

The Democratic Plan incorporates a modified enterprise zone proposal. In addition, it proposes to extend and modify the targeted jobs tax credit, to provide additional funding for a CDBG program for distressed areas, and to implement a public works program to repair and renovate urban schools. Finally, the plan includes several initiatives designed to improve access to capital in distressed areas and adds additional funds for community development corporations (CDCs).

1. *Enterprise Zones:* The Democratic plan includes an expanded enterprise zone proposal with tax benefits targeted primarily at zone residents. In keeping with a recent Congressional Research Service analysis, the plan would avoid providing disincentives to labor hiring and would be designed so as to stimulate *new* job creation rather than attracting jobs from areas outside the zones.

In addition, other portions of the Democratic plan would be keyed to providing benefits within the zones. Eligibility for designation as an enterprise zone would require meeting certain statistical measures of poverty, unemployment and general economic distress. Zone size and structure would be limited and would be coordinated with local government activities which could include any number of measures to entice business, reduce government burdens on business, improve job training and opportunities, and provide land or other assets.

2. *Targeted Jobs Tax Credit:* Under current law, the targeted jobs tax credit (TTJ) is available on an elective basis for hiring individuals from nine targeted groups. These groups are (1) vocational rehabilitation referrals; (2) economically disadvantaged youths aged 18 through 22; (3) economically disadvantaged Vietnam-era veterans; (4) Supplemental Security Income (SSI) recipients; (5) general assistance recipients: (6) economically disadvantaged cooperative education students aged 16 through 19; (7) economically disadvantaged former convicts; (8) eligible work incentive employees; and (9) economically disadvantaged summer youth employees aged 16 and 17. Certification of targeted group membership is required as a condition of claiming the credit.

The credit is generally equal to 40 percent of the first $6,000 of qualified first-year wages paid to a member of a targeted group. Thus, the maximum credit is $2,400 per individual. For economically disadvantaged summer youth employees, however, the credit is equal to 40 percent of up to $3,000 of wages or a maximum of $1,200. The employer's deduction for wages must be reduced by the amount of the credit claimed.

The Democratic plan would expand the targeted groups to include job seekers who are currently collecting unemployment and enterprise zone residents who are currently unemployed. In addition, the credit would be expanded to be equal to 50 percent of up to $6,000 of wages for individuals who are hired and who live in the zone.

3. *Community Development Block Grants:* Most research on enterprise zones suggests that enterprise zones comprised of tax breaks alone have not done as well as enterprise zones coupled with other public services, notably infrastructure. Moreover, enterprise zones may require the passage of contentious tax legislation and the business creation expected in the zones could take some time to develop. The Democratic plan would provide a special supplemental appropriation for the Community Development Block Grant program that can take advantage of the existing formula and administrative infrastructure to get funding out to distressed communities in a speedy fashion.

CDBG FOR DISTRESSED AREAS—PROGRAM DESCRIPTION

The program would use existing CDBG statutes and regulations to distribute and govern use of the funds with the following exceptions:

HUD processes would be streamlined to make the money available to the cities for drawdown by August 1.

For this pot of money only, CDBG cap on social service spending would be lifted.

Cities would be required to the funding within areas designated (or likely to be designated) as urban enterprise zones.

4. *Initiative to Improve Access to Capital in Distressed Areas:* Access to capital is crucial to reinvestment and in the revitalization of urban neighborhoods. In recent years, in response to difficulties in obtaining credit and other sources of capital through traditional sources, "alternative" financial intermediaries have emerged to meet the need for development capital in low income and distressed neighborhoods. These intermediaries include community development banks, community development credit unions, microbusiness development programs, community development credit unions, and nonprofit loan funds. These new models hold great potential for bringing capital to low-income neighborhoods and creating new opportunities for their residents.

The Democratic plan would establish a five-year demonstration program to provide capitalization and technical assistance for the purpose of establishing new or expanding existing "alternative" financial intermediaries. The program would be funded at $100 million in FY 1993.

5. *Community Development Corporations:* The Democratic alternative also provides an additional $100 million for Community Development Corporations. Funds have been used in distressed neighborhoods by nonprofit CDCs to create jobs and promote economic opportunity. They have developed over 17,000,000 square feet of commercial space in economically distressed communities and have created and retained more than 90,000 jobs in the past five years. CDCs provide not only job training and job opportunities for local residents, but also lasting stability and a stake in the community.

6. *A Public Works Program to Repair and Renovate Urban Schools:* In addition to providing job opportunities, a public works program focused on repairing urban America's deteriorating school buildings would do a great deal for improving the learning environment of inner city youth. In his best selling book, "Savage Inequalities," Jonathan Kozol has exposed the conditions of urban schools in a way that has shocked the public. At the very least, such a public works project would repair leaking roofs, bring light into darkened hallways, and make safe old heating boilers.

7. *Youthbuild:* The Democratic Plan includes $40 million for grants to Non-profit groups to replicate the successful Youthbuild program. Youthbuild provides dropouts jobs building and renovating houses.

I.V. EDUCATIONAL OPPORTUNITIES

Administration proposal

The Administration proposes to spend $768 million on AMERICA 2000 in FY93. The centerpiece of the legislative proposal which complements the President's "Education Strategy," is a school voucher program. The $500 million for "Choice Grants for America's Children" would provide $1,000 certificates, funded 50 percent by states and 50 percent by the federal government, for students from low to moderate income families to use at any public or private school under a state's federally sponsored school choice program. The remaining $268 million would fund "New American Schools," alternative certification, and other AMERICA 2000 initiatives.

Democratic plan

The Democratic plan consists of four components totalling $1.6 billion in 1993 including increased funding for: Compensatory Education, Head Start, a TRIO program and funding for S.2, the Senate Passed Neighborhood Schools Improvement Act.

1. *Increase Funding for Compensatory Education under Chaper 1 by $675 million:* Chapter 1 funds are targeted to instruction in reading and math for economically and educationally disadvantaged students. The program is the primary source of federal education assistance to disadvantaged students. It provides for smaller classes, specially trained teachers and aides, and more varied instructional approaches and materials. So called "concentration grants" in the Chapter 1 program which provide extra schooling opportunities to disadvantaged children when they form a large portion of a school's system's enrollment should receive a portion of these increased funds.

2. *Increase Funding for Head Start by $475 million:* Head Start has proven how early childhood education can put a student on the right path toward educational achievement. Expanding the regular program would allow for services to be provided to more eligible children. Even Start which provides Head Start services in tandem with adult literacy programs should receive a portion of these increased funds.

3. *The Neighborhood Schools Improvement Act, S.2:* The President should sign the Neighborhood Schools Improvement Act when it reaches his desk later this session of Congress. While this comprehensive education reform measure does not provide for federal funding of private school choice, S.2 does allow States to use funds for initiatives to increase parental choice among public schools. Providing $429 million for this legislation will create real federal support of educational innovation. Neighborhood School Improvement Plans, when implemented will touch the lives of many more students than AMERICA 2000's New American Schools plan. S.2 also provides for the following

pieces of the AMERICA 2000 plan: increased flexibility of federal education programs, and funding for the National Education Goals Panel and the creation of the National Education Standards and Assessment Council.

4. *Increase Funding for TRIO/Talent Search by $45 million:* Expanding the reach of the TRIO programs will motivate disadvantaged youth to seek education beyond high school. "TRIO" programs are aimed at individuals from disadvantaged backgrounds. These funds should go primarily to the Talent Search program for high school students. Talent Search energizes students through enrichment activities and counseling, thus increasing their aspirations to go on to college.

V. SOCIAL SERVICES AND HEALTH

Administration proposal

As part of the "Weed and Seed" program, the White House proposes an increase of $129 million in funding for drug abuse intervention and treatment services, specialized drug treatment and prevention programs for adolescents and pregnant women, and for primary health and prenatal care services delivered through community health centers.

The President's "Weed and Seed" proposal also includes an increase for WIC.

Democratic plan

1. *Drug Abuse Prevention and Access to Health Services:* Several existing health programs, including drug abuse prevention and treatment and community health centers, are in place and appropriately targeted to troubled inner-city areas. The President's proposal to include these vital "weed and seed" initiatives is sound but needs to be expanded beyond the limited areas designated as enterprise zones. The plan recognizes the importance of greatly expanded capacity in the area of drug abuse prevention and treatment and would therefore provide additional funding of $200 million. It would also increase the funding for Community Health Centers by an additional $150 million, and add an increase of $50 million for the National Health Service Corps to increase the availability of health practitioners in underserved urban inner-city areas.

The plan also provides $75 million for the Ryan White CARE Act. This program provides emergency relief to cities hardest hit by AIDS. Funds are distributed on an expedited basis to the urban areas whose public health infrastructure is threatened with with collapse. This program has created alternatives to hospitalization and dramatically reduced pressure on these urban institutions.

2. *WIC/Child Nutrition:* The WIC program provides food supplements to low-income pregnant women, infants and children. Numerous studies have shown WIC to be effective at reducing low birth weight—the leading cause of U.S. infant death. Due to funding constraints, less than two-thirds of those eligible, receive benefits. Increased funding would enable additional needy women, infants and children to receive WIC benefits.

VI. JOB TRAINING

Administration proposal

The Administration's Job Training 2000 proposal would consolidate the existing job training programs and enhance the management role of Private Industry Councils (PICs). These PICs also have a central role in the Administration's Youth Apprenticeship proposal, which would encourage the establishment of apprenticeship programs for high school juniors and seniors.

The Administration proposal contains no new funding, because, according to the plan description "the President's FY 1993 Budget included all necessary funds to implement these programs." The description fails to note that the Administration's FY 93 budget submission proposes a cut in the Labor Department's Training and Employment budget of $41 million, including a $20 million cut from the successful Job Corps program.

The Administration's six point plan includes a package of proposals labeled "welfare reform". The package is very modest; it would cost only $12 million in BA in 1993 and $7 million in outlays. The Administration's approach would include three changes in AFDC aimed at promoting "self-sufficiency" among welfare recipients: 1) raise the AFDC assets limit from $1,000 to $10,000 for families already on AFDC; 2) allow AFDC recipients to establish "escrow" accounts as they work their ways off AFDC; and 3) allow PASS program participants to disregard certain income and resources.

Democratic plan

The Democratic plan for job training and development is comprised of several components including additional resources for the Job Corps, the Commission on National and Community Service, a school-to-work transition program and the Youth Opportunities Unlimited Program.

1. *Job Corps:* The Job Corps is cost effective. It boasts a $1.46 return for every $1 invested, and enjoys broad Congressional bipartisan support. Most importantly, it works. The Democratic Plan, therefore, would expand the Job Corps. Ultimately, 50 new centers and 50 percent more young people would be served by decade's end. For FY 93, $236 million would be used to add 15 new centers to serve 11,000 more young people. Additionally, $452 million in FY 93 would be provided for seriously needed repairs of existing centers. Enhanced services and 10,000 much needed construction jobs would result.

3. *Commission on National and Community Service:* An additional $100 million would be included for the Commission on National and Community Service. Because of its limited funding, he Commission has had to deny grants to two-thirds of applicants. Additional funds will allow the Commission to support Youth Corps programs throughout the nation. Youth Corps provide a dual benefit: employment opportunities and a sense of service for young people and much needed services for communities.

4. *School-to-Work transition programs:* Alone among industrialized nations, the United States does little to prepare its non-college bound young people for high skills/high wage jobs. The Democratic plan would include $100 million to establish School-to-Work Transition programs.

5. *Youth Opportunities Unlimited Program:* This grant program, to be a new part of Title IV of JTPA, will serve disadvantaged youth in high-poverty areas. "Fair Chance" will increase access to education and job training to youth who have previously been underserved by federal education and training programs. The President should sign the Job Training and Basic Skills Act of 1992 when it reaches his desk later this session of Congress.

6. *Welfare Reform and Child and Family Support:* The Administration's proposals seem worth trying, but they are too narrowly applied and fail to get at some core problems facing the AFDC program. For example, current budget projections suggest that States will only use $660–$770 million of the $1 billion available for the AFDC JOBS program this year. One barrier to the use of this money is the level State matching requirements in light of the recession's impact on State resources. A second problem is that the AFDC asset test governing participation in the program has not been updated since 1981. Most notably, the asset test precludes cars about $1,500. The Democratic plan, therefore, proposes to link our poverty programs to job opportunities. Specifically, the plan recommends that:

The matching rate on for the 1992 AFDC JOBS program be changed to 80/20 and the availability of funds be extended to 1993. States for whom the change might increase The match may opt to use the existing matching rate. 1993 cost would equal $380 in BA and $230 million in outlays. (Outyear outlay savings of $60 million are projected from this change).

The Administration *administratively* raise the AFDC asset test for automobiles to make up for the impact of inflation since 1981. The Administration could introduce regulations as part of this package that phase in the new asset limits over 3 years. This action would have no Congressional scorekeeping impact.

INITIATIVES FOR STRENGTHENING URBAN AREAS

[In millions of dollars]

	Administration				Democratic Plan			
	1992		1993*		1992		1993*	
	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays
I. Weed and Seed	19	4	280	144	250	30	608	261
L.A. Emergency Assistance	19	4		6	250	30		92
January Budget			280	138			608	169
Department of Justice			11				30	
Department of Labor			5				92	
Department of Health & Human Services			183				240	
Department of Housing & Urban Development			20				70	
Department of Education			56				56	
Department of Agriculture			5				20	
Police Corps							100	
II. Affordable Housing/Empowerment			650	78			1,218	158

INITIATIVES FOR STRENGTHENING URBAN AREAS—Continued

[In millions of dollars]

	Administration				Democratic Plan			
	1992		1993*		1992		1993*	
	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays
H.O.P.E.			650				504	58
HOME							600	100
Fair Housing							14	
Distressed Public Housing							100	
III. Infrastructure/Growth				−50	500	50	440	458
Enterprise Zones (revenues)				−50				−50
Targeted Jobs Tax Credit (revenues)								−200
Community Development Block Grants					500	50		250
Access to Capital Initiative							100	
Community Development Corporations							100	
School Renovation							200	200
Youth Build							40	8
IV. Educational Opportunities			802	175			1,624	399
Legislation			768	160				
Current Law Requests			34	15				
S.2 Neighborhood Schools Improvement Act							429	51
Head Start							475	228
Compensatory Education							675	81
TRIO/Talent Search							45	39
V. Social Services and Health			12	7			675	465
Drug abuse prevention and treatment							200	120
Primary Health Programs							275	165
WIC Nutrition							200	180
VI. Job Training			105	6			1,368	463
Job Training			50	3				
Youth Apprenticeship Act			55	3				
Job Corps							688	103
Community Service (Youth Corps)							100	50
School to Work Transition							100	5
Comprehensive Services for Youth							100	75
AFDC JOBS program							380	230
AFDC Asset Test							(100)	(90)
TOTAL BA and Outlays	19	4	1,849	450	750	450	5,933	2,204
TOTAL Revenues				−50				−250

*Amounts shown are assumed additions to FY 93 appropriations.

INNER-CITY JOBS PROGRAM THROWS YOUNG A LIFELINE

[From the New York Times, June 8, 1992]

(By Peter T. Kilborn)

BOSTON.—The story of Rudolph Griffith's escape from the streets is much like those of some other young men in Boston's wasted inner city community of Roxbury. He left school in the 11th grade. His father, penniless and unemployed, left home. Mr. Griffith lived with his mother sometimes, sometimes with an aunt. Now 25 years old, he lost seven years to the streets, loitering, drinking, seeing his girl, becoming a father.

"I happened to keep away from drugs," he said, "but I came close."

He kept looking for a real job. "I knew I could work," he said. "But nothing worked out. They wouldn't even review your application." His girl took their two children and returned to her parents.

Mr. Griffith followed politics on television and in newspapers and bridled at the stereotype he saw of himself, a young black man. "Politicians have a system to make average people believe we are not to be trusted," he said. "It's a game they are playing with us. I was hot. I was very angry."

Luck threw Mr. Griffith a lifeline. In October 1990, he enrolled at a private, not-for-profit, largely foundation-financed school in Roxbury that was just getting started. It was called Youth Build Boston.

Eight months after completing the program, Mr. Griffith is one of its success stories, earning close to $10 an hour recording engineers' design changes at a huge water treatment plant under construction in Boston Harbor. He and his girlfriend are back together, with their children, three of them now, in an apartment of their own. And in September, Mr. Griffith plans to start college, part time, to study civil engineering.

Many members of Congress, educators, urban planners and public interest groups believe that this school, situated in a former factory, could hold the key to freeing thousands of other urban youths from the shackles of poverty and crime.

New as it is, the school is gaining recognition as a wellspring of human reclamation, a private program for training the hard core of unemployed urban youth, with a model that is usable in city after city.

Youth Build schools based on the Boston model have opened in San Francisco, Cleveland, St. Louis, Milwaukee, Indianapolis, and in Tallahassee and Gadsden County, Fla.

So far, just 300 students are enrolled in the schools together at any one time. But more schools are opening this year in six other cities, and after the riots in Los Angeles, similar schools are being planned there.

Bipartisan bills now in Congress would authorize $40 million next year and $80 million in 1994 to establish scores of other schools.

A DIFFICULT ROAD TO SUCCESS

While job-training programs are widely seen as a basic step in helping undereducated inner-city youth into the economic mainstream, their task is daunting: Even at Youth Build, an expensive comprehensive program that only takes students who have actively sought training, a third of the students drop out. And because the program is small and new, its long-term success rate is not yet known.

Youth Build is the innovation of a 50-year-old educator, Dorothy Stoneman, who established two precursors of the Boston school, one 14 years ago in East Harlem, another eight years ago in the South Bronx, both still operating as part of the Youth Action Program, which she directed until 1988.

Her Youth Build schools are financed by the Ford Foundation, the Charles Stewart Mott Foundation, the DeWitt Wallace-Reader's Digest Fund, the Lilly Endowment, the Campaign for Human Development and local groups, both public and private.

The schools' No. 1 priority—the thing that sets them apart from many youth development programs—is building the students' self-respect, teaching them leadership and helping them take control of their lives. As part of the process, each class elects a policy advisory committee, which interviews candidates for teaching jobs and has the last word on whom to hire.

Youth Build schools take students aged 17 to 25. In an assessment of five of the schools, the Ford Foundation found that 80 percent of the students were male, 36 percent were parents, 53 percent were from families living on welfare, 88 percent were black and 24 percent had high school diplomas or the equivalent.

Students are paid about $500 a month and get raises and bonuses for good work and good attendance. They spend alternating weeks going to classes to catch up their lost time in high school and getting on-the-job training in a well-paid skill, carpentry, by renovating abandoned housing for the poor.

There is a purpose in the emphasis on carpentry. Students get the skills to get the jobs to build the homes the community needs. Once out of the program, they can keep up the work, taking jobs with contractors or becoming contractors on their own. Ms. Stoneman says the schools could eventually teach health-care skills, which are also needed in the community.

Ms. Stoneman says 60 percent of a class will stay through the 6 to 18 months of a program—the duration depending on financing—and get regular jobs paying an average of $8 an hour, or $16,000 a year. Depending on the location of a school, the program's cost per student is $15,800 a year to $21,500—less than a year in the Ivy League or in society's more common destination for wayward youth, jail.

Of the 28 members of Mr. Griffith's class, 19 graduated. Of those who did not, most were dismissed for absenteeism and drifting back to the streets. One was dismissed for stealing a school check.

STAYING AROUND TO AID NEIGHBORS

Karen Fulbright, head of youth development programs at the Ford Foundation, said: "The general public impression of this group of kids is fear and that nothing works for them. It's a testament to the human spirit that they will flock to this. They want to improve their lives. It's inspiring to go into one of these schools and talk to these kids."

Students are encouraged to remain in their communities. "I want to stay in Roxbury, to build it up a little bit," said Nigeria Johnson, 22, who dropped out of high school pregnant, in her senior year, but now wins academic and leadership awards at the Boston school. "I want to give back."

Anthony Williams, a current student here, said that from the time he was 13, he had been fleeing foster homes. He left high school at 16 and found jobs hard to get.

"It's not like you want to sell drugs," Mr. Williams said. "It almost seems to me we were forced to do something like that. But it's a dead-end world. It ruins my community. It splits up your family. People look at you. 'How many people did he exploit today?'"

Student after student said public schools had written them off. "I wasn't getting much attention," said Larry Blue, who left high school in the 10th grade. "They played me like I was slow. They wanted to put me in slow classes. I wanted the same chances as anybody else. I started running with people doing negative things."

Another common thread is fear of the street. A member of this year's class was shot and killed near a subway station when he rushed to defend a woman being attacked. Mr. Griffith's cousin, Dwayne Richard, who had applied to Youth Build Boston but was not admitted, was shot and killed at a party two months ago, not long after he had stopped selling drugs.

Nathan Young, 23, a current student, was luckier than most of his classmates in having a mentor in his family—a brother, five years older, who left home at 16 and took a job in a supermarket. "He started going to church, and I started going" Mr. Young said. "He gave me a push about working hard."

Last year, the brother was stabbed and killed when he scuffled with a man breaking into his home.

While some students say their street friends have belittled their efforts at job training, other say they have received support for leaving the streets.

"They're pushing me to go through this," Mr. Blue said. "They're saying they want to get in the program, too.

Ms. Stoneman established the Youth Build organization four years ago, after moving from New York to her big white childhood home in the prosperous Boston suburb of Belmont, where she cared for her dying mother. Now, the Belmont office, with a staff of 13, helps other communities replicate the Boston model, providing training, organizational help, seed money from the foundations and guidance in selecting local management. The national office does not control the other schools.

The Youth Build program is too new to have established a track record, and evaluations of it are barely started. "But something is working there," said Ronald Ferguson an associate professor of public policy at the John F. Kennedy School of Government at Harvard University, who has begun an evaluation.

But the likelihood of replicating that success on a broad scale, he said, remains an open question. An uninspired local director or a sour economy can undermine a school.

Several graduates of the Boston school's first class are temporarily working for the school while they wait for the local economy to recover and construction jobs to open. Some have had to settle for menial jobs because they are still working toward their equivalent of a high school diploma.

Still, Phillip Clay, a professor at the Massachusetts Institute of Technology, who is also evaluating the program, said Youth Build was "off to a good start." Other programs to shepherd youth into the mainstream of the economy, too, show promise, including the Government's Job Corps and scores of smaller programs, like those linking employers' needs with students and school curriculums, and others that bring teen-age fathers back to their families and into jobs.

Experts say many different models are needed to respond to students' different needs. One thing they share is a need for more financing.

"What we have are a lot of programs that seem to be working," Ms. Fulbright said. "What we don't have is a public commitment. We don't see resources being directed to these programs that are working."

Youth Build cannot begin to accommodate all those who apply. Jackie Gelb, executive director of the Boston school, said she interviewed 150 serious candidates for this year's class of 36—now down to 24, who have made it through seven months of the program.

"We have to play Russian roulette," she said. "It's sick. You're looking at one person who needs a shot and another who needs a shot, and we have to choose."

USUAL CRITERIA DON'T APPLY

The criteria that conventional schools or employers use to make those choices—grades, work experience, police records—do not apply, indeed, having dropped out of school is almost a plus, since the admissions policy requires that 75 percent of the students have not finished high school.

"We try to target people at the fourth-to-eighth grade reading level, people who are trying to leave the streets, people who have gotten out of jail or have gotten off drugs," Ms. Gelb said.

The most important consideration is a half-hour interview and the staff's judgment of a candidate's commitment to a fresh start.

Surviving the school requires real commitment from people accustomed to the street. There are stiff penalties, ranging from loss of pay to dismissal, for disruptive behavior, absenteeism, or use of drugs or alcohol.

The first two weeks, students take an unpaid "mental toughness" course to help them decide if they have the stamina and self-confidence to stick with the program. At the end of each session the students do "appreciations," going around the room saying what they appreciate about one another.

Those who stay with the program move on to classes in math and English. In a small class, one sucked a lollipop. One left the room without comment to go to the bathroom. Students often spoke up, uninvited. The teacher Lea Campolo, showed no concern.

"They are like college students," Ms. Campolo said. "I encourage people to work out answers together. It's no cheating. It's helping one another, encourage them to speak to one another as long as it's about what we're doing."

Acclimating to work can be difficult Steve Perry, a union carpenter and instructor at the construction site in Roxbury, said: "The hardest thing is gaining their confidence, keeping their attention. They all come with a load; the pressure of the streets; they don't know where they're going to sleep tonight; they're going to be a father."

Most students say they want to go into business for themselves eventually. "I want to buy some land, make a store, design it," Larry Blue said. "A corner food store with everything in it someday, someday maybe. That's a real deep dream of mine."

Mr. RIEGLE. I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I am proud to join the Senator from Michigan in offering this Aid to America Amendment.

The underlying bill, the Freedom Support Act, is important legislation. It is timely legislation. It is in the national interest of the United States. Dollar for dollar, our contribution to stability in the former Soviet Union buys more security for this country than any new piece of military hardware.

But national security comes in many different forms.

It seems to be that the current state of our economy is a national security problem—despite President Bush's assurance that the recession is on the mend.

It seems to me that 37 million Americans without health insurance is a national security problem.

It seems to me that the number of homeless in our streets is a national security problem—not to mention a national disgrace.

It seems to me that the Abysmal state of education in this country is a national security problem.

Certainly, no one would argue that we need to be concerned about stability in Russia. We do.

But it angers me that Russian recovery and the Baltic States recovery is viewed as more of a threat to national security than the rot from within that threatens our Nation.

The chaos in Yugoslavia is offered as a red flag—a warning of what could happen in the lands of the former Soviet Union without Western assistance. I agree: It is a warning, and we should respond.

But what about the warning we had in Los Angeles this spring? Did not anyone see a red flag in over 50 dead, thousands injured, and billions in property damage?

There were pitched battles in the streets, and Federal troops were sent in. This was Los Angeles, CA, USA, not Sarajevo, not Belgrade, and not Moscow. And the violence spread to many other cities, as well.

And how did the U.S. Government respond to this warning, this domestic red flag?

Is there a $12 billion package that was made available to meet the concerns of unemployed workers in this country or people in this country who are without adequate health or without an ability to get a decent education?

We struggled to pass an emergency supplemental appropriations bill. We tried to provide comprehensive relief to urban areas. But against Presidential opposition, the measure was slashed, and it was a pittance.

Now, nearly 2 months later, a second package of domestic relief awaits an uncertain future.

It took 2 months to negotiate a response to the Los Angeles riots—a response that is, frankly, sorely lacking.

Yet the Senate will pass a generous package of assistance to the former Soviet Union in less than 2 days.

I do not rise to oppose the package for the former Soviet Union. I rise to indicate my concern about the problems that we are living with day in and day out in this country.

While our attention is focused on freedom in Russia, let us add another focus: Prosperity and compassion here in the United States.

Of all the days in the year that we ought to be discussing this question of aid to the former Soviet States—with the highest unemployment rate in quite a long time, 7.8 percent—this is the very day when we ought to be combining our concern for those former Soviet States and the people of this country as well.

By offering this amendment, at this time, and on this bill, The Senator from Michigan and I are providing a reminder. Hunger, unemployment and ethnic tension in the United States are as much of a threat to our national security as hunger, unemployment, and ethnic tension in the former Soviet Union.

President Bush's opposition prevented us from appropriately addressing these problems in separate bills, so we now will address the foreign issue and the domestic issue in a single bill.

Mr. President, the American people should understand that it is in their interest to support reform in Russia. But the American people are right to expect that an equal amount of support be directed to them as well.

If we can extend a helping hand to rebuild the former Soviet Union, we had better have the courage to extend a helping hand for economic recovery in America.

Both are in the national interest; both should be national priorities; and both should be addressed by Congress and the administration promptly.

AMENDMENT NO. 2711 TO AMENDMENT NO. 2709

(Purpose: To provide for programs that aid Americans)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] for himself and Mr. RIEGLE, proposes an amendment numbered 2711 to amendment No. 2709.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I am not going to get into a long, drawn out debate tonight. I think it is clear if the U.S. Senate wants to put America to work that we have the ability to do it.

And I think the President's economic growth program to rebuild our cities, to put our people back to work consists, of, first of all, the adoption of the balanced budget amendment to the Constitution. That was killed yesterday here on the floor of the U.S. Senate.

The President 2,000-some-odd days ago asked for a comprehensive anticrime bill which would grab by the throat the thugs who were burning people's houses and businesses down in Los Angeles, and which would provide mandatory prison terms for drug thugs. But that bill was killed right here on the floor of the U.S. Senate.

More than 4 years ago, the President asked us to cut capital gains tax rates to provide incentives for people to invest—4 years ago he asked for that. But that bill was killed right here in the U.S. Senate.

The President asked for enterprise zones to provide incentives for people to go into Los Angeles and elsewhere and invest. The U.S. Senate has refused to bring up and debate the enterprise zone bill as well as product liability reform, which would encourage people to get on with the job of producing jobs rather than litigating the free enterprise system to death.

All of those measures are opposed and have been defeated by the very people here tonight who tell us that authorizing hundreds of millions of more Government programs is going to solve America's problems.

The problem is that none of that money is going to be provided. The President's assistance to Russia is going to be provided out of money that we have already earmarked for foreign assistance and which cannot be used for any other purpose. The money that we have set aside in a budget agreement adopted right here on the floor of the Senate for domestic programs is already greatly over-subscribed.

And while people are pounding their chests about putting America first, I am not aware that either author of this amendment has voted against a foreign aid bill since I have been in the U.S. Senate.

So I think, basically, what we need to do is to move on with tabling this amendment. We have an opportunity to fund every one of these domestic programs in the appropriations process if we decide to prioritize them and reduce other programs. This is not the night to be engaged in this debate.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in support of the amendment offered by the able Senator from Michigan.

Mr. President, at the outset, I want to make it clear I support the underlying bill. I think we have an opportunity now with the implosion of the Soviet Union and the breakup that is taking place in that former empire to move things on the international scene in a more positive, peaceful direction. We do not want to miss that opportunity.

And, therefore, it behooves our own self-interest to make sure that the trends toward democratic values and free markets and a focus of attention inwards in the former Soviet Union on the problems of their own people, rather than on external expansionism, continues. It serves our interest that that should happen.

We are now the world's leading power and we have certain responsibilities and we need to meet them. But, Mr. President, the grave mistake in the course of meeting our responsibilities abroad is not to address our responsibilities at home. I mean we have the needs of the American people that also have to be addressed, and in the last analysis, if we are not a strong and healthy society at home, we are not going to be able to project strength abroad. America's ability to be strong internationally, in the last analysis, depends on America being strong domestically.

Many people make reference to President Truman and the Marshall plan. Well, of course, this aid package that the administration is talking about is no Marshall plan. That is for sure. But what people forget when they draw their analogy with President Truman is that he also had a plan for America to address the needs here at home. He was not only talking about meeting our responsibilities abroad, he was talking about meeting our responsibilities at home as well.

And I think it is a grave mistake—and I have indicated this before—for the President not to broaden his vision sufficiently to encompass meeting our responsibilities internationally and addressing our responsibilities at home. These ought not to be positioned as though they were in conflict with one another.

If we are doing what we ought to be doing, we should be addressing both of these responsibilities. And, as I understand the amendment of the Senator from Michigan, what he is proposing is that if we are going to be doing this abroad we should have a component, a roughly comparable component here at home.

I ask the Senator: Is that the case, that we should have a roughly comparable component here at home?

Mr. RIEGLE. Yes, and it would deal essentially with the very same problems, only problems in this case that are hurting Americans.

Mr. SARBANES. So you have technology extension, Job Corps, comprehensive child health immunization, and community development.

Mr. RIEGLE. That is right. Those correspond to the kinds of things we hope to accomplish in the Soviet Union, but of course, we also need to accomplish those things here in the United States.

Mr. SARBANES. Of course, the question people are raising here at home is why are you helping people over there and not addressing our needs here at home? It is a reasonable question and, of course, I can answer why we are trying to address the situation overseas. As I have indicated at the outset, I support this legislation because I think it is important to further the development of democracy in the former Soviet Union.

But it would be better if one is able to say to people, we are addressing those needs and we are also addressing the needs here at home.

In other words, we are not relegating our own citizens to second class status.

Then everyone says this is kind of an "America first" argument. It is not an "America first" argument. It is essentially an "America equal" argument.

Why should we have programs to help scientists and technicians in the Soviet Union—former Soviet Union—who are going to be displaced from their positions, and not have such programs to help people in the United States who are going to be displaced from their positions because of the ability to reduce the level of arms, which obviously we all very much want to do, as a consequence of these international developments?

The proposal of the Senator in the total picture is really a modest one. There are large needs, and the proposal, I think, is a modest one. But I think it establishes a very important proposition and it indicates a very important attitude and it reflects a very significant vision. It reflects a vision that is broad enough to encompass both our international and domestic responsibilities, the ability to transcend what would otherwise be seen as a conflict between the two which ought not to be the case.

Why should there be a conflict between the two? Why are we being put in such a narrow framework that we are being, in a sense, called upon to make a judgment about meeting our responsibilities internationally or addressing our needs here at home? Obviously we need to do both of those things. That is the kind of vision, it seems to me, that a great power ought to have.

It is an attitude that is reflected in terms of addressing humanitarian needs here and there. Why are we confronted with the proposition of, in effect, training our eyes overseas and not training them here at home.

I am not saying do not do what has to be done there. I am saying at the same time do what has to be done here. Have a situation that is broad enough to encompass both purposes. That is what Truman did when he had the Marshall plan.

Anyone who goes back and reads that history has to be struck with the fact that President Truman also had a program and a plan to address the needs in America. In fact, he pushed at the time an issue which is still now on the forefront of the national agenda and that is comprehensive health care for the American people. He pressed that issue unsuccessfully, unfortunately, at that time, but he reflected to the American public an understanding of the necessity to harmonize addressing the needs of the American people with America's responsibilities internationally.

So, I say to the Senator, I am supportive. I hope the managers will find it possible to take this amendment and to broaden the bill out in that regard.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming, [Mr. WALLOP] is recognized.

Mr. WALLOP. Mr. President, I will be brief. But that was among the more ridiculous lines of argument that I have yet heard since I have been on the floor of the Senate. There never would have been a Marshall plan had there been people, such as those we just heard, trying to do all things for all people at the same time. It is absolutely no wonder at all that the American people hold us in such wild disregard and disrespect.

Mr. McCAIN. Will the Senator yield for a question?

Mr. WALLOP. I will be happy to, without losing my right to the floor.

Mr. McCAIN. I would ask a question, if the Senator is aware that last night at 9:30 we could not get any Members to the floor to offer any amendments, so, therefore the Senate was shut down?

Here we are, it is 7 on the night before a holiday.

I notice—I am sure it is coincidence—most of my colleagues here who are talking are from the East. There are those of us who have families, those of us who were planning on trying to get home tonight so we could be home with our families tomorrow. We have been on this bill for, I have forgotten how many days. Most of those days there was no one here to debate or propose amendments. But now we will wax well into the evening so the rest of us—at least from my part of the country—will miss the flights home, have to go tomorrow morning and miss half of a Federal holiday tomorrow with our families. I would like to thank my colleagues for their consideration.

Mr. WALLOP. The answer to my colleague's question is yes.

Mr. President, I think the Senator from Maryland made the case quite by himself probably and specifically inadvertently. He said one of the issues which President Truman was pushing at the same time he was pushing the Marshall plan was comprehensive health care. Had he tried to mix comprehensive health care and the Marshall plan, Europe would still be stuck in the hole from which we wrested it.

The question is not whether or not the American people ought to have the same level of effort as the Russian people, or the former Soviet Union. It is a question whether you can do anything for either of them using the procedures and the politics that is present in this issue and in this means of doing it.

The Fourth of July is here. The celebration is going to be complete, good old fashioned American politics on the floor of the U.S. Senate denying us the opportunity to do anything for anybody, giving us a country with no clear way of delivering on the plans which have been said to be, by the Senator from Maryland, in our national interest.

We have committees to do the kinds of things that the Senator from Maryland has suggested and the Senator from Michigan has suggested be on this bill. They have worked their will in other kinds of ways. There have been plans and programs and other things debated and sent up here. The question is whether or not, tonight, the Senate of the United States can find it within its meager capabilities to do something that all of us say is in our interest as a Nation, and that is to provide some means to provide the former Soviet Union, the Russian Republic and others, with a way out of the extraordinary difficulties in which they find themselves.

Is it in our interests to see to it that communism no longer exists? I hope to goodness, Mr. President, they would suggest that it was.

It is in our interest to do something about the American people? Yes, it is. And yes, it is what we have been doing. And yes, it is what we are going to continue to do.

But neither the American people nor the former Soviet Union is going to benefit from the process laid loose in this Chapter tonight. It is irresponsible. It is incomprehensible. And, Mr. President, sadly to say, it is laughable.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, I am a little troubled by this debate. I will not take but a minute or two. If, in fact, we are setting a precedent to cut all foreign aid from now on—not have foreign aid—this may be a good vote. I do not know where some of the sponsors would be if we got into certain areas of foreign aid. If this is what we are doing, I would say we are not going to have any more foreign aid. If it is $4 billion, then we have $4 billion in domestic aid, and we will not have either, then that would be a promising avenue of approach.

But if you support this amendment and it is adopted, then this bill is dead.

Now and then this place cries out for leadership, bipartisan leadership. We can make all the speeches we want. We may throw away a billion dollars in the former Soviet Union. Yeltsin may fail. But if we are going to be responsible, then I think we must try to move ahead and table this amendment at the earliest possible time. I am not going to make the tabling motion. Hopefully, that will be done by the distinguished chairman of the committee.

We are not kidding anybody. This is posturing. But if, in fact, they are serious about anytime there is any foreign aid bill, that we have to find an offset or put that much in American aid, then I challenge some of the sponsors, and I will read back some of the speeches to them at that time.

But that is not what it is all about here tonight. You cannot stand up here and say you are for this bill, but you are for everything else people want to add on to it. I do not know how many billion dollars—billions and billions of dollars—we spent for missiles and armaments in confronting the Soviet Union.

I have to believe there are some children out there who have an interest in us at least trying to save democracy in the Russian Republic and the other Republics in the CIS. And I have to believe a lot of taxpayers are hoping, too, that we can stop or slow down the arms race and not get back into it again if Boris Yeltsin should fail.

We can make all the political speeches we want, and this is not a popular vote to vote for this bill, because many Americans are going to be just like the Senator from Michigan and say: Oh, spend it here; do not spend any money anywhere else.

Talk about a shortsighted lack of vision; that is it.

When Boris Yeltsin spoke to a joint meeting of Congress, we were all like kids, jumping up and down: Fantastic; never heard anything so great.

Two weeks later, we cannot even pass this small, meager bill because we want to load it up with everything else.

So I hope that the managers, at the appropriate time, will table the amendment.

Why are we here at 7:15—as the Senator from Arizona just asked—7:15 at night? I am not leaving town, but a lot of Members would like to. Some may have already left. We have heard this debate day after day, day after day, bashing America: America is wrong; America is last; What is wrong with America? We hear it every day from that side of the aisle.

I think we do a pretty good job, overall. We have our problems. People are out of work. We have drug problems, health problems, unemployment problems. You name it; we have problems. So do we just want to shut ourselves off and isolate ourselves, insulate ourselves, and say: Not one dime; not one dime to the former Soviet Union, the Russian Republic, or any of the others unless we spend an equal amount somewhere else?

Then I want to see that same rule applied to all other foreign aid that the Senator from Michigan has never voted against—never voted against foreign aid. Neither has the Senator from Ohio. I want to see how they can bring up the next foreign aid bill. Maybe I will have an amendment, and say: Oh, I do not think we should do this $3 billion or $500 million unless we offset it and provide money for America.

Maybe that is the way we should go. Maybe they are on to something. Maybe the Senators from Michigan, Maryland, and Ohio are on to something. Maybe we can zero out foreign aid altogether. Most Americans would be very pleased if we did that.

But, in my view, this is not a foreign aid package. It is not the Marshall plan, as the Senator from Maryland pointed out. It is very modest, meager amount, and it is an investment. It is an investment in democracy, and if we do not have enough votes to pass it, that is the way it will be. If we cannot table an amendment like this in 15 or 20 minutes, then we ought to go home. Just send the bill back to committee and let everybody play around with it.

Then, if Yeltsin succeeds, we can say: Well, we have always been with him. But if he fails, and we start back on another arms race, and we start calling up more young men and women all across America for the Army, Navy, Air Force, and Marines, we will not hear these speeches. They will be absent. We will not hear a word. Oh, this is easy stuff. This is easy stuff.

So it just seems to me, Mr. President, that we have a responsibility to finish this bill. This bill has strong bipartisan support, and it should not be derailed at this point, after all the work the managers have done—and they have done excellent work—by this kind of an amendment. It does not belong on this bill. This committee has no jurisdiction; Foreign Relations has no jurisdiction over anything in this amendment.

When I see my colleagues who are supporting this start voting against foreign aid for other countries of the world, where we also have a very direct interest in most cases, then I might say they have some credibility. But not until then.

Several senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware [Mr. BIDEN] is recognized.

Mr. BIDEN. Mr. President, the Senator from Maryland asked why are we confronted with this problem? We are confronted with the problem because the President does not have any vision. So granted. The President does not have any vision on domestic matters. My Republican friend disagrees with that; I happen to agree with my friend from Maryland.

But then he and my friend from Michigan and my friend from Ohio set up a false construct. They characterized their support for and/or sponsorship of this amendment in the following kinds of phrases: The basic issue here, as my friend from Michigan says, is to help America.

My friend from Maryland uses the phrase that what we have to do is make sure if we help other parts of the world, we have to help America, as well. Why can we not do both? The fact of the matter is, if we did nothing else again this whole year for America, as phrased by my friend—and I support every single thing in the Senator's amendment; every single thing in his amendment—but if we did none of that, none of that, we will be helping America by this bill. This legislation, all by itself, helps America. It helps Americans. It helps American taxpayers.

My friend from Maryland said: Well, why should we help unemployed scientists in Russia and not help unemployed scientists in America? We should help unemployed scientists in America. But in my view—and I apologize to my friends on the Republicans side with whom I agree on the overall issue here—we do not help them because I believe this President has no vision of an economic policy.

But all by itself, why are we helping those folks to get jobs over there, those ex-Soviet nuclear scientists? Simple reason. We do not want them to go to Iraq. We do not want them to go to Iran. We do not want them to go do what the free market would dictate. We do not want them to go out and get a job elsewhere.

And the reason we do not is we know if they go to Iraq, if they go to Iran, if they go to Syria—which will pay them a lot of money for them to come—that a funny little thing will happen. We will be on the floor of this body and we will be saying: We have to spend more money. We have to tax Americans more, or increase the budget deficit more, in order for us to be able to build more nuclear weapons; in order for us to send into the Persian Gulf another force of 500,000 Americans; in order for us to increase the billions of dollars we spend on satellites; in order for us to increase the budget of the CIA.

I call that helping America. So although it sounds nice—and I believe my friend from Maryland means it—I respectfully suggest, if he thinks about it, that just because the President of the United States, from his point of view and mine, will not help out-of-work American scientists the way we would like to see them helped—and I am sure my Republican friends think he is helping them, and it is an arguable point, but not helping like I think he should ask help. How does it make sense to say, "You know, Mr. President, you are not doing one good thing so we are not going to let you do another good thing"?

Mr. SARBANES. Will the Senator yield?

Mr. BIDEN. I will be happy to yield.

Mr. SARBANES. What we are saying is, "Mr. President, here is an opportunity to do two good things." That is what we are saying. We are saying, "Mr. President, there is a narrow vision. We are going to broaden that vision and here is an opportunity to address these responsibilities abroad. I agree with every argument that has been made as to why they ought to be addressed, but at the same time to do something about these needs at home."

So, Mr. President, this is not a choice between not doing any good things. This is an opportunity to do two good things.

Mr. BIDEN. Mr. President, I still have the floor. It seems to me the way it works is that would be fine if we had President Truman instead of President Bush. That would be fine if we had President anybody else other than President Bush, arguably, now. But the fact is, to use a phrase that Oliver Wendell Holmes used with regard to another issue, he said—I will paraphrase it—the vision of this particular President is a little bit like the pupil of the eye. The more light you shine upon it, the more tightly it closes.

We have, unfortunately, the 12-year track record, almost, of this President, as Vice President and President. We know what he will not do.

Now, are we going to risk doing what it seems to me is incapable of being refuted, help the American people by passing this legislation as it is, or are we going to say, because this President lacks vision, because he should do more—and he should, and we know he will not—we are going to put this on this bill, kill this bill, and then have the great satisfaction of saying, as Democrats—and, again, I am obviously not speaking for any Republican here—as Democrats, you know, we were right all the time. Look at that son of a gun. He has no vision.

Yippee. We know he has no vision.

Mr. RIEGLE. Will the Senator yield at that point?

Mr. BIDEN. I will yield for a question.

Mr. RIEGLE. Will the Senator yield just so I can get the point and have the Senator respond?

Mr. BIDEN. Sure. We call that a question in this body.

Mr. RIEGLE. There are two ways I could draft this amendment. One way to draft the amendment was to provide help for America and not provide any help for the people in the Soviet Union, take it from one and give it to the other. I did not do that.

What I have done with this amendment is to say we are going to do both. We are going to do both here. The problem is, if you have a President who only sees through one eye, who only sees foreign policy problems, who cannot see the problems at home, who does not think they exist, but because he loves foreign policy he will sign this bill when it comes out of here—let me just finish. He will sign this bill when it comes out of here—the only way I know to get this President to pay any attention to things in America is to take a bill that he likes, because it is a foreign policy bill, and put a little bit, just a little bit in for America, try to open up the eye that is closed down there just a little bit.

I am not taking away what he is asking for people in another country. I am saying let us put a little bit with it in areas of urgent need for people in this country because I know, when he gets this foreign policy bill, he is not going to veto that like he vetoes everything else that is for this country. The list of vetoed bills is this high. He cannot wait to sign this bill because it is money for another country. And I want to slip in a little help, just a little help—one-twelfth as much as is in this bill for the Soviet people I want to put in for the American people. I do not think that is too much.

Mr. BIDEN. I appreciate the question. Let me respond. I also appreciate two things about my friend from Michigan. One, he happens to be right on the substance of the need that is contained in his amendment, and, two, he is a skillful debater.

I would say it slightly differently. This President can only see out of one eye. What my friend from Michigan is doing is saying let us blind him in the other eye so he walks around totally blind.

Mr. SARBANES. Will the Senator yield?

Mr. BIDEN. I will not yield. I want to make a point. My two friends are on the Banking Committee. My two friends come to this floor all the time—and they are right, I might add—and they say we have to spend another $10, $20, $30, $40, $50-billion for FDIC. We had an amendment offered by one of my friends, sponsors of this bill, suggesting $30 billion borrowing power from the American taxpayer for FDIC to be able to dip into for failed banks.

Now, he happens to be right, in my view. But none of us came to the floor and said—the speech I could have made—well, instead of helping those wealthy bankers, it is about time we help America. In the State of Delaware, we have a problem; the unemployment rate is 7 percent, and what is my friend doing? He is taking $30 billion and bailing out all those people out there who took their $100,000 deposits and took 100 of them and spread them all around. He is helping the wealthy and, besides that, he is bailing out the bankers and he is bailing out the money interests in this country. That is what he is doing. Why cannot my friend help America?

Now, that is a preposterous argument, as preposterous as the one being made by my distinguished friends from Iowa—excuse me, Iowa, I have that on my mind—Ohio, Maryland, and the State of Michigan. They come forward and say—I will yield in a minute. They come forward and say, this bill we have about $1 billion worth of direct aid and we have in here $12 billion for the IMF, which my friend from Maryland has led the fight for, to his great credit. Now, that is helping other folks, so let us make sure we balance things out. Let us help Americans now, as if we were not helping them before with just the mere fact that this bill exists, which we are, and it is not lost on the folks up here—I am not suggesting it is intended by any of my friends, but it is not lost on them that this is relatively appealing in the hands of other people, capably a demagogic argument.

Now, I know that is not where we are, but that is where some folks are. People listening to the debate are going to sit home and say, "Wait a minute, that is Senator RIEGLE. Now, there is a good guy. He wants to help the folks right here in Grand Rapids. Why is that guy Biden not wanting to help? Why is that guy Biden not out there talking about helping those guys in Wilmington, Delaware?"

Mr. RIEGLE. Good question.

Mr. BIDEN. That is my friend's smart answer. He says "good question." Good question. He knows that is a false construct. Just as it would be if I had come when he brought up the banking bill and said, now, wait a minute, let me tell you something. I will beat you to a pulp politically in my State or yours if you want to go back and defend any of your $30 billion for FDIC. You will stand up there and make the honest and correct argument. You will say you are bailing out all those depositors, you are bailing out all those people.

You want to give me the side of that political argument. I know that one. I am not all that bad. I can figure that one out. I will pummel you in a town meeting, just like you will pummel me with this argument in a town meeting because it is easy to make it sound that way. You are going to help Russians. You are going to help Americans. You are going to help the folks in Kiev and you are going to help the folks in Wilmington, or those people on the north side, south side, east side, west side of Baltimore. They are in desparate shape. Why are we going over there and helping Moscow? And people go back and say, "Sounds reasonable." I can see the folks shaking their heads up in the gallery. That is right, Biden. What are you talking about?

The reason is that this bill, all by itself, helps American taxpayers in a big, big way.

Now, the last point I will make since I am the one, unfortunately or fortunately, who has been raising the Truman analogy here—and I am sure that is why my friend from Maryland raised it because he has heard me raise it here and he has heard me raise it in the caucus, and he knew, since I sought recognition, I was going to raise it again, and I am. But let me make clear what I mean by it.

This is no Marshall plan. This is not anything approaching a Marshall plan. It has only one point in common with the Marshall plan.

This bill is unpopular and the Marshall plan was unpopular. And the analogy my friend from Maryland made with a strong President with vision named Harry Truman—and I might add, can you imagine if we approached world affairs at the end of World War II with an administration with the same capacity for vision that this one has? But I just put that aside. What would have happened, if Harry Truman said, you know something, if you cannot give me that national health care, then I do not want the Marshall plan.

Is that what he said? I do not recall that. Granted I was a young man then and I am an old man now, but I was only a student of history then. As a matter of fact, I was not even a student of anything then.

Looking back on it, my recollection of the way it worked was he said we need a national health care plan. But that is over here. He said do not confuse that with the fact we need a Marshall plan.

Mr. SARBANES. Will the Senator yield on that point? There is a marvelous new book that has just come out on President Truman by David McCullouch, and I am delighted to hear that many people in this Chamber know David McCullouch. In that book what McCullouch makes clear are two things with respect to Truman.

The first was on the issue of meeting our responsibilities abroad. Internationally Truman undertook a major effort. He made a major commitment to make the case to the American people why we needed to do that. That is something that has not happened in the current situation.

Truman went out and he really put himself on the line in order to try to sell this program. That has not been done in this instance. We know what putting yourself on the line is. That certainly has not been done.

At the same time Truman was trying to do that, he was also putting that in the context of trying to meet and address the needs of the American people, which again is not being done by the current national administration.

Truman did not have to link the two because Truman, in effect, was trying to do both. He made the commitment to try to do both and was trying to accomplish them. There was no necessity, therefore, to link them.

What is happening here—the blind eye is a good analogy. I like that analogy. Because that is exactly the case. The fact of the matter is this President vetoed unemployment compensation, not once but again and again. Finally signed it, so hope springs eternal.

As the Senator from Michigan pointed out, one thing we know is that the President has an interest in, cares about, what is happening over there, and does not care about what is happening here.

By including this component in this legislation there is a chance that, rather than putting another hand over the eye of the President so he would then be totally unable to see, as the Senator from Delaware said, maybe putting the hand over the other eye will bring the hand off. He will see with both eyes. Then, Mr. President, we will be able to meet our responsibilities abroad and address our needs here at home as President Harry Truman did.

Mr. BIDEN. Mr. President, if the issues were——

Mr. LOTT. Mr. President, parliamentary inquiry. I know my friends are having a lot of fun. It is wonderful at 7:30 p.m. I am enjoying it, but gritting my teeth while you go on.

I thank the Senator from Delaware for what he is saying. I wonder if there has been a time agreement reached on this amendment. Is there a time to pause? As I recall earlier today we had a 20 minute time agreement on a Brown amendment involving $11.3 billion; 20 minutes. I wanted time on the amendment and I got 1 minute.

I just wondered if, at 7:30 on Thursday—we have had a good discussion, all having fun—is there a time agreement on this particular amendment?

The PRESIDING OFFICER. The Chair informs the Senator from Mississippi that there is none. There is no time agreement.

Mr. LOTT. Parliamentary inquiry: When would be the appropriate time to maybe seek or request some sort of time agreement? I would be glad to yield, if that would be appropriate, to the Chairman of the committee.

Mr. BIDEN. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. BIDEN. Thank you, Mr. President, Would the Senator like to ask me to yield for a question or for a parliamentary inquiry without my yielding the floor?

Mr. LOTT. I would like to, if he would yield. I would like to.

Mr. BIDEN. I am inquiring of the chairman. I am happy to yield as long as I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. As I understand it, we asked to have a time agreement and the other side of the aisle was not agreeable in that regard.

Mr. LUGAR. If I could respond, Mr. President, the distinguished chairman is correct, that there is an objection on our side to a time agreement. I would just simply indicate that the reason for the objection is that the amendment before us, the Riegle-Metzenbaum amendment, is perceived as such a serious amendment that in the event that we are not successful in tabling it, it is apparent that the bill is going to die. So, as opposed to putting a time limit on the termination of the bill, we preferred to keep it open.

There is some hope that after the debate there will be a motion to table. In the event that is unsuccessful, we might persuade those who are offering the amendment to seek to withdraw it. It is as simple as that. I am sorry to report that is the situation.

Mr. BIDEN. Mr. President, I am going to cease and desist. I am about to do that.

My friend from Maryland once again skillfully tries to cast this in the terms of is Bush or Truman the better President? I mean that is the underlying thought.

That is not a debatable point in my view. I do not think it is close. It seems to be though, he makes a very compelling argument. He says, you know, this fellow has not worked very hard for this amendment. This fellow has not worked very hard for the Russian aid bill. This fellow has not put himself on the line like Truman did.

I know that is the part that grates my friend from Maryland as it does me. Yesterday, as a matter of fact, in the midst of what we thought was going to be a very difficult amendment to defeat by my friend from Michigan,I rose on the floor, and said I wonder where the Secretary of State is? Why is he not out here using all of the influence of the administration to see to it that this thing they say they are against is defeated? So there is no question about it.

But if in fact he acknowledges that these downtown are not working very hard, is lukewarm and not willing to go our on the line, what makes him think that lukewarm President is going to, if the Senate attaches this, go ahead and support a bill one portion of which he is lukewarm on, and the second portion of which he is totally against. That is rhetorical yes.

I will not yield on that point. I will yield the floor in a minute.

I want to make this point, if I may. It seems to me, Mr. President, that we should keep our eye on the ball here. The fact of the matter is this aid package all by itself is beneficial to and helps the American people. All by itself, it is a bill not for Russia. This is not done out of purely altruistic motivation. How many of you think we would be here, especially led by the President we have, or any other person that is pushing this bill right now, if in fact this had no real benefit to United States? If this was just like disaster assistance, how many do you think would be here making that case?

We all know we would not be here. We are here because the Senator from Wyoming is correct. And I agree with the Senator from Wyoming on hardly anything at all. He said that we are here because if we do not do this, and things fail in the former Soviet Union, as they may very well even with this, that we are going to be back in a military buildup. We are going to be back into an arms race. We are not going to have the build-down we have now.

The reason we are here—hopefully there is some altruism here, but it is the naked self-interest of the American voter, that this be passed. And I will, and have, and I will again, support my friend from Michigan in everything he is attempting to do, but not attach it to this. And I think it is mildly inflammatory to cast this in terms of if you are going to help a Russian, why not help an American, as if this all by itself does not help Americans, the American taxpayer.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. I will be very brief, Mr. President, because I know the managers of the bill are prepared to move to table.

Mr. President, let me say that I view the underlying measure, the freedom support measure, as a measure of help to California, to help San Francisco, Los Angeles, San Diego, Fresno, and all people who live there and in every part of this country. It is not just a measure of foreign aid to help people in some other place. It is before us because it is in our national interest to promote stability and democracy in the Soviet Union.

I am for all of the things in this amendment proposed by the Senator from Michigan and the Senator from Ohio. But this is not the time, the place, nor the moment to proceed with those endeavors.

Why do we not have the money to do those things? We have not been doing those things needed so desperately because of the huge towering deficit, huge towering national debt, that stems in great part from the military expenditures that have been imposed upon us because of our cold war, over so many decades, with the Soviet Union.

The chairman of the Budget Committee, Senator SASSER of Tennessee, the other day cited three reasons for the huge deficit that led to the balanced budget amendment, which fortunately we rejected.

One of the reasons is set forth in this chart here. That shows the increases in defense spending in blue and the increases in the deficit in red, which have occurred through all the years of the Reagan-Bush administrations. Up goes military spending, and up goes the national debt. That is why we do not have the money to do what we need to do to help the people of our country in domestic programs. That is why we have to give this assistance to the former Soviet Union, the new Republics, to ensure that they survive.

One of the top leaders of the Russian Republic warned yesterday that there may be a coup there, because of the economic difficulties facing Russia. That would quite possibly lead, as was suggested by this leader, to a new Communist regime. Or it might lead to a fascist regime, or a military dictatorship armed with nuclear weapons, threatening out security, causing us once again to go into a huge military buildup, and maybe we could not do these domestic programs that are so desperately needed by all of the people of our country.

It is not as if we have not done things, however, even within these budget constraints, to help the people of our country. For example, it was felt that it would be wise to pass some measures of a domestic nature before we turn to the Freedom Support Act. So we passed the urban relief package, $1.1 billion. We passed the unemployment benefit extension just a few hours ago totaling $5.6 billion. We passed a higher education bill totaling $22.4 billion.

It is not as if we have not been doing things domestically. We have not done more only because of the huge towering deficit.

I am proud of the Senate for having rejected an appealing Baltic amendment that would have destroyed the Freedom Support Act.

I am proud of the Senate for having rejected an amendment that would have undermined the IMF effort to help the Soviet Union, because it would have killed the Freedom Support Act.

I look forward to being proud of the Senate once again for standing up and defeating this measure, as appealing as it is, because it too would undermine the Freedom Support Act that is in the interest of American freedom as much as in the interest of Russia.

Mr. SARBANES. If the Senator will yield, why would this undermine the Freedom Support Act, if this amendment passed and the House passed it? Why does that undermine the Freedom Support Act?

Mr. CRANSTON. My understanding of why it would undermine it is, from the Republican leader who spoke a while ago, and Senator LUGAR, that it would lead to a veto of this measure because of the spending beyond what the President will accept.

Mr. SARBANES. So, in other words, the undermining is that the President would veto the Freedom Support Act, because it had provisions in it to try to address some needs here at home; is that correct?

Mr. CRANSTON. That is correct. We have done a lot domestically. We need to do more, but——

Mr. SARBANES. That only backs up the argument made earlier that the President ought to broaden his vision in order to meet both our responsibilities abroad and address our needs here at home. If we pass this amendment and pass the bill, and the House passes the bill with this amendment in it, and the President signs the bill, the Freedom Support Act goes into effect, does it not?

Mr. CRANSTON. Yes, but that is not what will happen. The President will veto it, and we will take it up again and pass it without this amendment. It will be a big, long delay that may lead to a counter-revolution in the former Soviet Union, and it will be a disaster for our country.

Mr. SARBANES. Well, let the President sign it. If you send him this bill separately, he will veto it. We have to find some way to get the President to remove his hand from that eye that is blind to the problems here at home.

Mr. CRANSTON. You have not found the way with this amendment.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I think this discussion can continue. I think the time has come that we want to bring it to a conclusion. I know that the Senator from Michigan felt he needed a few more words today, and then I understand the ranking minority leader has something to say, and then it would be my thought that we should move to table.

Mr. EXON. Will the Senator yield?

Mr. PELL. Yes.

Mr. EXON. The Senator from Nebraska has stayed off the floor today to try and move things along. I would like to make a few comments. I will not be lengthy, but I would hope that the tabling motion would not be made until the Senator from Nebraska can have a few minutes to address the subject.

Mr. RIEGLE. Mr. President, I am not going to talk at great length, but I must say, with all due respect to my friend and colleague from Delaware, I listened to what he had to say. If we ran the clock, I think I have heard more from him than I have said as a proponent of this particular amendment.

The problem that we are facing here is that President Bush loves foreign policy. He will sign a foreign policy bill. That is all he ever comes in here for.

He came in here for most favored nation trading status with Communist China. The have a $15 billion trade surplus with us this year. He broke most of the arms in the place to get that thing passed. Whenever there is a foreign policy issue, he is right in here working on it.

That is why this bill is veto-proof. The minute we send this down, George Bush is going to sign it. He cannot wait to get this bill. He is dying to get it, because it is a foreign policy bill. He loves it.

What he does not love is domestic policy and the problems here in America. First of all, he does not think they exist. Second of all, he does not want to do anything about them. So much so that what he is saying—this is the whole argument I am hearing from the other side—that, yes, he wants his foreign policy bill, but if we put a little bit of help in here for America, then what he is going to do is veto the foreign policy bill.

First of all, that is nonsense. That is nonsense. Any foreign policy bill you give George Bush he is going to sign. He will sign it with a smile, and there will be a big ceremony down there, and all the people advocating this will be invited down there and get pens when they do it.

The only way we are going to get help for America is to put it on a bill that Bush is going to sign, because when we send down just domestic policy, something for America, his focus is somewhere else. He does not sign those, he vetoes those bills. Then they come back here and we cannot enact them, because we have to have a two-thirds majority in the House and the Senate. So even though we have a working majority, we do not have an absolute majority because we do not have a two-thirds majority; those bills go down. There is a stack of vetoed bills on domestic policy this high.

He does it all the time. The person that is threatening this bill is not anybody here. I have not said take the Russian money out. The way the argument has gone would suggest that I said take that money out. I did not say take that money out.

I am not moving to take it out. I am saying put a little help in here for the United States. Moreover, I have not even specified that these be appropriated funds. I have simply said let us authorize it. Let us authorize it. Let us make sure that we have the possibility of doing it. We still have to come around through the appropriations process another time to get money appropriated. We are not appropriating money here.

But what is happening here, the people on the other side and, unfortunately, some on this side are so carried away with the notion that Bush is going to veto this bill if there is a little help in here for America that they say, oh, you can help America at the same time.

I tell you something—and I think I speak accurately for the American people, most of them, on this issue—the American people are sick and tired of the preoccupation with foreign policy. No matter how justified those needs are, they ought not to come ahead of domestic needs every single time.

They are tired of a President that can only see with one eye, and they are going to throw him out. That is why his approval rating is down to 28 percent, and it is going lower, because they are tired with all this preoccupation with foreign policy.

I am not saying to you that you cannot have this bill, and I am not saying to him he cannot have it. I am saying if you want the foreign policy, then let us have a little bit of help for people here in the America. We are not talking about things that are fluff and nonsense.

I am talking about giving immunizations to children who are not getting them. We have a measles outbreak in the country that kills children. In this country today, we are not vaccinating them. We are talking about providing immediate assistance to the Soviet people. With my amendment, we are not providing the dollars as such; we are providing the authorization. And I am frankly disappointed in some of my friends here, some of my friends here who I know are humanitarians who fail to see through this tactic and this technique that is being foisted on us by this administration.

We can do foreign policy and domestic policy in the same bill. Is that my preference? No, it is not. You show me another way to get around the vetoes.

We have cities in this country burning down, cities in this country burning down and people being killed in those cities. I am afraid we are going to see more of it. We have seen some of it in California.

I think what we have offered here would help, would help this country. But I will tell you this: There are some people I think in this Chamber that would not spend one thin dime to help solve a problem in this country. They will write any number of blank checks to help overseas.

I am not saying do one and not the other. I am saying do both. That is what my amendment says. I do not want it mischaracterized.

When you have a President that is out to lunch on what is going on in America and this country is in trouble, and there are people in desperate need of help, I think it is unconscionable to say to problems in other countries, yes, oh, yes, we have the money to help. We have the money to help. Here it is right here. Yes, we have the money to help as long as it is some other place. Soviet Union, yes, we have got the money to help. Kuwait, yes, we have the money to help. Communist China, oh, yes, oh, yes, most-favored-nation trading status, and this $15 billion balance-of-trade deficit, we have the money to help. Free trade agreement with Mexico. You need jobs in Mexico, oh, you can count on us. We will help.

How about a little help to this country? The unemployment in this country went up today to 7.8 percent. We have 10 million people in this country unemployed. Among black men in the inner cities, the unemployment rate is 50 and 60 percent.

I am sure they care about the Soviet Union and they also care about themselves, as rightly they should. And this President, it is being said by his surrogates on the floor, is unwilling to try to do something in this bill for America. They are saying that if we try to do something about the urgent problems we know we have in this country, then the President is going to veto this bill. Then, once he vetoes this bill, it is going to be our fault because we tried to do a little bit here to help the American people.

What I am offering here is one-twelfth of what you are prepared to do to help the people, in this case, in the old Soviet Union, and this is not even an appropriation. It is simply an authorization.

We ought to have a hundred votes for this. If this was not pure crass politics by an administration that is drunk on foreign policy, everybody in this place would vote for this. In fact, the amendment would have been accepted. These are things that the manager of this legislation fought for year-in and year-out. There are education and other areas, and so forth.

The problem is we cannot get them passed by this administration because this administration does not want a domestic policy—does not believe in it, does not believe in it. And we have people in this country right now who are losing faith in this country because they are being ignored and their problems are being ignored.

Tonight, we have a chance to say something to them. You know what we can say to them: "look, we think you are just as important as foreign problems and the problems that you have that are going unmet are important enough that we are going to help you. You are on the radar screen and we are going to put something in here that recognizes your problem. So that you can have some understanding of the fact at least we know you are out there and at least you know we care about it." But there are people in here who do not care about it.

That is the sham of this. There are people in here that do not care about it. When I see all this preoccupation on foreign policy and foreign needs, particularly by this administration, after the 12-year run we have seen, supply-side economics, the whole shebang. And now we have got this country in deep, serious economic trouble, and if you cannot see it, it is obviously because you are not looking. It is everywhere.

Look at the ticker tape. All the items are coming out about companies laying people off, the Fed having to cut the interest rate again, late as it is to try to get some lift into this economy, and so forth. The people of our country are wanting to know if we understand there is a problem here in America.

So there is no reason that we should just have policies here, in this particular context, that go overseas and not take some recognition of what is going on here at home. Our people need to understand that we are tuned in and that we care and we mean to do something about their needs. If you want to vote against the appropriation later on down the line, vote against it—vote against it. Nobody is going to have to vote for the appropriation at gunpoint.

What I am offering here is an authorization. Let us at least put it on the radar screen. I tell you this—there are a lot of people in this body if they had not gotten a little boost along the way, boost in our society from a lot of people, they would not be here. Despite their talent, they would not be here.

I would like to see that we start doing something for the people out there today that have no hope, have no hope in this country, in America, who are American citizens and I think have a right to have some prospect of a better future.

So when you have a President that is drunk on foreign policy and you put a little something for domestic policy on the bill you know he is going to sign, I make no apology for that. I wish we did not have to do it that way. I wish we had a different kind of President that thought differently. But that is what we are saddled with at least for the next 4 months. I think the people are going to change that, because it is time to pay attention to problems in this country and not just in other countries around the world.

I have not moved to take the money out of here that is going to go to the Soviet Union—and I do not want that characterization put on it.

What I have said is let us add to it. Let us have a little something in here to help in the same problem areas for people in this country who are in acute distress—acute distress. I do not think you leave them out wounded on the battlefield, and we have wounded people in this country tonight. If they are watching this debate, they know who they are. They want some response and they are entitled to get it and not find that they have to stand second in line to people in the old Soviet Union or any other place.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, I left for about a half hour to go have lunch or dinner, I guess it was, and I heard the same rhetoric, hypocrisy—bashing America, bashing the President—from the same Senator. I heard it every day out here on the floor, and I am getting tired of it.

He is entitled to his points of view. Every day on this floor he is out here knocking President Bush. He does not need any reason. He just does it. That is all right. He is a Democrat; George Bush is a Republican.

I do not think he has the corner on sensitivity and compassion and caring about people that he would indicate he has—that the rest of us do not care about people. He just said so himself.

When we sit here all night long, I guess, and make the argument: No foreign aid, let us just vote no more foreign aid—put that to a vote and see what happens to the Senator from Michigan. He would be the first one running out of the Chamber. Cut off foreign aid forever.

That is not going to happen, obviously. This is sort of selective.

Somebody showed me a poll today that the Senate, not the House, that we are held in the lowest repute of any body on the Hill. There are only two bodies—the House and the Senate. We are No. 1. We are the worst.

I guess people must be watching. They would not have to watch very long and when they go to bed they probably could not sleep after listening to the Senator from Michigan about how bad the country is, how bad the President is, how bad everybody is except the Senator from Michigan.

There is a lot wrong with America and there is a lot right with America, too. We can stand here the rest of the night and point fingers back and forth about who caused it, who spent the money, who did this and that.

What I thought we were attempting to do earlier was to try to help democracy grow so we would not have to send young men and women to war 5 years from now. If we do that, that will not be acceptable. The Senator from Michigan would be on the floor. He will be blaming President Bush or whoever the President is at this time not being prepared, spending too much here, or whatever.

We all know the game. We all play it. We do not play it as often as he does. But we all know the game. I think we ought to decide: If we want this bill to pass, let us pass it. If we want to play games the rest of the night, let us do that.

Everybody missed their flights. They all had a chance to listen to these great speeches on the floor about what is wrong with America, what is wrong with President Bush, what is wrong with everybody. If somebody tells you every day you do not look well, you probably are not going to feel too good by the end of the week.

If they listen to this rhetoric every night, no wonder the country is going down the drain. I cannot believe it. Maybe that is the way you get votes in Michigan. You do not get votes that way in my State: Bashing America, nothing is right, everything is wrong, we do not spend enough money.

Well, ask some young person 15, 16, 17 years old, how they are going to pay the national debt, which is $4 trillion. Ask the Senator from Michigan what his plan is for the economy. If George Bush does not have any plan, I am certain he must have a better one.

Mr. President, I would like to conclude this bill. The managers worked very hard. In my view, we might as well make a judgment. If we have decided politics—and talk about politics, he said this is brash politics. That is the only thing he said that was accurate. This it is all politics. The last hour and a half has been all politics.

Now we have strong bipartisan support. We are trying to encourage and save democracy in the former Soviet Union. It came out of the committee with a wide margin, good, strong bipartisan support on the Senate floor on almost every vote.

But here in the last hour or 2 or 3 or 4 of the debate, we have gotten lost in politics, mired down in politics, so somebody can make a little speech for home consumption. They can make their speeches maybe after we pass the bill.

We just passed a $5 billion—depending on whose number you use—$5 billion unemployment bill which everybody but three Senators voted for. We understand there is concern. We understand people are out of work. We understand the need to help people. It was not only Democrats who voted for that bill.

The same is true of the urban aid package; enterprise zones when they come here; whatever, it may be, there is going to be strong bipartisan support, I would hope.

And I will be happy to make a motion to table if nobody else is. We ought to bring this to a head. Some people still would like to go home tonight.

We can play this game the rest of the night unless we get a time agreement. I may make a motion to table. I have the floor.

If you do not want aid to Russia, investment in democracy, vote against the tabling motion.

Mr. EXON. Will the Senator yield?

Mr. DOLE. I yield without losing my right to the floor.

Mr. EXON. I would like to make a request of the Senator from Kansas. The Senator from Nebraska has been waiting. I said I would be very, very brief, 2 or 3 minutes. I would hope that maybe I could make some statement in this regard to try and put this in perspective from at least this Senator's point of view; no more than 3 minutes.

Mr. DOLE. I am going to yield the floor. I do not have any desire to speak at any length. But I do not want to gin up the Senator from Michigan again for another 30 minutes of bashing—bashing President Bush and bashing everybody else in sight. We have had enough of that. You can get an Excedrin headache in this place in 5 minutes.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from Nebraska.

Mr. EXON. Mr. President, I thank my colleagues for their patience. I will be very, very brief.

I listened to the debate tonight and I am somewhat saddened by it, as I listened to the debate on the last previous contentious matter before the Senate, which was the balanced budget amendment. All of my colleagues know that I have always strongly supported a balanced budget amendment, but I voted against it because in that instance there was a leadership I thought for political purposes that I did not agree with on that side of pushing the balanced budget amendment when we all knew it was doomed.

Now I find myself on the other side of this particular issue. I have listened to my friend and colleague from the great State of Michigan. I have been with him I guess on more issues than I have benn against him. I am against him on this for lots of reasons.

I would remind my friend from Michigan, when he talks about those who do not agree with his position on this, that I am against the most-favored-nation status to China and I am publicly recorded. I am against the international trade agreement with Mexico, which I think would be bad for America. I am against the GATT agreement talks that are ongoing that I am fearful will cause great harm to the American farmer.

I simply say that this is not the time to address the matter that the Senator from Michigan is trying to address with his amendment. This is a killer amendment. And we all here on the floor know what a killer amendment is. If this amendment is adopted, then through action of this body or the President of the United States, the aid to the democracy that is emerging in Russia will be dead.

Again, I say, Mr. President, that politics is the art of the possible. It is not possible, regardless of the merits or demerits of the position of the Senator from Michigan and those associated with him, to have this done. Therefore, I hope, Mr. President, that possibly we could lay politics aside and maybe vote our convictions.

From the beginning, this measure of some aid to the Soviet Union started out of the Armed Services Committee, and was joined by the distinguished chairman and the ranking member in the Foreign Relations Committee. There is not—as my friend from Maryland so well described it—it is not aid to the Soviet Union nearly as much as it is long-term aid for the United States of America and the people of the United States of America. It is not proper to describe this as a giveaway to the Soviet Union.

I was in the Soviet Union a year ago at Easter time. I was back there again in January of this year. On both occasions, we had a chance to meet with Mr. Shevardnadze. The first time we were there he warned us that Mr. Gorbachev was in trouble, but not to be concerned, because if Mr. Gorbachev failed, there was a democracy that would follow on. When we were there in January, he told us that if Mr. Yeltsin fails, there is no assurance what kind of a government, very likely an autocratic form of government would take over once again.

I simply say that it is in the interest of the United States and its citizens, for those of use who see it that way and recognize that the thread on Mr. Yeltsin is extremely thin today with what is going on there. If we do not do something of this nature, I predict that Mr. Yeltsin will fall. If he fails, we might find ourselves in a situation of saying, "Why , oh, why in the first few days of July 1992, did we not have the wisdom to at least offer some constructive help?"

I hope that the tabling motion will prevail.

I thank my colleagues and I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, the issue before us is the question of whether we in the Senate are prepared to move for peace. That is the question. It is not a question of expenditure. It is a question of wisdom.

The Senator from Nebraska has spoken well about the fact that it was here in the Senate last November that Members questioned how we could be helpful in this body and in this country in trying to round up nuclear weapons in Russia, Byelorussia, Ukraine, and Kazakhstan.

We took a leap of faith then by authorizing $400 million to try to round up these weapons before they disappeared off the face of the Earth into the hands of those who would not wish us well.

It was not a question of foreign aid. It was not a question of doing something for people in other countries. Of course it would help those people because it helps the world if we are successful in these ventures. And we have been successful.

Because of the action this body took on a late evening last November, all of the tactical weapons that were in the Soviet Union have come into the possession of people in Russia. A majority have been destroyed, the fissionable material taken out. There is a genuine hope out of what could have been chaos and anarchy that there will be, in fact, an arms control regime more effective than any we could have imagined.

As a matter of fact, not a single dollar of the $400 million has been spent. About $145 million has been committed to specific activities.

We had a vision then. And at that particular point, the House took up the bill, and they caught the vision. And the President signed the bill.

Mr. President, I do not want to go through a topical history. This is a speech of conciliation. But it is a fact it was very difficult for the President and for the Senate to approach the Russian-Kazakhstan-Ukraine issue. It has been very difficult for us to do so. The politics of its have always been precarious. It is not an easy thing for the President to approach this issue. It is not an easy thing for us to, as we have discovered tonight.

But, Mr. President, the question is at this moment are we prepared to try to forge a relationship with a people that are still armed? The nuclear weapons are still there; at least 10,000 warheads that could be trained again on us.

We leapt to our feet, as the Republican leader pointed out, because Boris Yeltsin said: You are no longer in the gun sights. You will never be our enemy—at least so long as Boris Yeltsin is President, and people who are democrats in the Russian Republic are in power.

This is a precarious time for the American people and this is an opportunity to work with an administration and to try to at least impel the House to consider this action so it might become law and the relationship might be forged.

For all of these reasons, I hope the amendment offered tonight will be tabled. Because this is the critical vote as to whether we had the vision to proceed or whether, in fact, we lacked the political will and the courage and the wisdom to do so.

I am hopeful the distinguished leader will, at this point, speak and move to table the bill. I am hopeful he will be recognized.

Mr. SASSER. Mr. President, I join with the Senator from Michigan in expressing deep and heartfelt concern over the plight of America's cities and in urging that we take steps to address our urban problems. It has been more than 2 months since the verdict in the

Rodney King case sparked the riots in Los Angeles and drew much-needed attention to the Nation's urban ills. The riots brought home to many Americans the sense of crisis that grips many of our inner cities and underscored the need to address the long-neglected economic and social problems that spawned the conditions which led to this terrible situation.

Two months have passed since the riots, yet we have done precious little to confront the spark which ignited them. To date, our only response has been an emergency supplemental appropriations bill, totalling some $1.1 billion. Even that relatively small aid bill was, until recently, caught in the web of partisan bickering which has plagued all of our efforts to act on this critical issue.

Mr. President, I am a member of the Senate Democratic Task Force on Community and Urban Revitalization, which the Senator from Michigan chairs. That task force has spent a great deal of time talking with the Nation's mayors and community leaders—people who are confronted daily with the crisis in our cities. The task force also heard from the U.S. Conference of Mayors which has called for a $35 billion urban aid and investment package.

Now Mr. President, no Member of this body could have sat through the past days of debate of the Nation's fiscal problems and the balanced budget amendment and seriously believe that we can come up with the $35 billion the mayors tell us is needed. However, negotiations between administration officials and House and Senate Members on a smaller package which can be paid for have been underway for over a month. As the negotiations began, I believed we were planning to develop a package which coordinated a wide range of approaches to urban problems including education, job skills, health care, housing, business and economic growth, and additional resources to fight crime and drugs.

Unfortunately, it has become clear, that the administration's interest in the negotiations is confined to one item: enterprise zones—enterprise zones focused specifically on tax breaks for businesses. Now Mr. President, the Congress expressed its support for enterprise zones in the tax bill the President recently vetoed. There is little doubt that some kind of enterprise zone proposal will be a part of any urban package passed by this body.

What remains to be determined is just how the zones will be constructed—in other words, what tax incentives will be included—and what other proposals are needed to create a comprehensive package. On the first point, it seems clear that negotiators for the administration are committed, to the near exclusion of any other incentives, to a set of business tax break in zones. This position flies in the face of a number of analyses on the subject. In fact, a recent Congressional Research Service [CRS] report suggests that providing capital incentives such as the ones the administration is advancing may actually hinder the very job creation which is one of the stated goals of this effort.

I ask unanimous consent that the CRS report be included in the RECORD

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SASSER. It seems clear to this Senator that the tax structure of any enterprise zone package must be built around labor incentives aimed at job creation and job training.

In addition, I wish to echo the remarks of the Senator from Michigan when he suggests that "our experience with state and local enterprise zones teaches us that the tax-oriented zones supported by the administration are only half a strategy to deal with inner city decline." As the Senator put it "half a strategy is doomed to failure."

The truth is that any effective urban revitalization strategy must combine both tax incentives and investment to be successful and effective. Unfortunately, this view is not shared by the White House negotiators pushing for bigger tax breaks for business under the guise of urban enterprise zones. In fact, one of their key proposals would slash the capital gains tax rate for investment in a zone to zero. I am beginning to wonder, Mr. President, whether their goal is relief to our cities or relief to big business.

Now comes word that the administration and the House have reached an agreement on an urban air package. I should note that this is an agreement to which Senate negotiators were not a party.

While I have not yet had a chance to review the details of the package, I understand that it couples a modified enterprise zone proposal costing $2.5 billion to a package of urban investments which also costs $2.5 billion. So far, so good. However, I fear that the particulars of the plan could prove problematic. What specific tax incentives are included in the enterprise zone compromise? What types of investment have been agreed to? Finally, how is the package paid for?

Mr. President, I join with the Senator from Michigan in pushing for attention to aid to our inner cities as we consider a bill to provide aid to the former Soviet Union. I welcome the news of a possible agreement between House and administration negotiators, but I believe the Senate may have a number of reservations about that agreement before signing on. Finally, let me say that there should be no mistake: No one should view the urban aid package as a backdoor way of achieving the President's capital gains tax cut. It simply is not going to happen that way.

These negotiations are about job creation, improved education, and affordable housing; not a tax break for the Nation's wealthiest citizens. As we consider aid to our former adversaries in the East, I hope we will give equal attention and support to the problems which plague us much closer to home. It has been 2 months since the verdict in the Rodney King case. Now is the time to act.

EXHIBIT 1

[Congressional Research Service, June 3, 1992]

ENTERPRISE ZONES: THE DESIGN OF TAX INCENTIVES

(Jane G. Gravelle, Senior Specialist in Economic Policy, Office of Senior Specialists)

ABSTRACT

This study examines the use of capital and labor subsidies to increase jobs and wage rates in enterprise zones. It describes how tax incentives for such zones will vary enormously in their effects, depending on their design. It briefly treats some other issues that have arisen with respect to enterprise zones, including administrative difficulties in implementing such tax subsidies.

SUMMARY

The stated objective of enterprise zones is to attract new businesses into the zones and increase the number of jobs and the general welfare of individuals in these areas. Businesses could be encouraged to move into an enterprise zone or to expand their operations within a zone by any subsidy that initially increases their profitability. Thus, one could provide a tax benefit that was related to labor costs, a benefit related to capital costs, or a benefit related to total costs; the latter would be the equivalent of equal proportional subsidies for labor and capital.

The effects of capital and labor tax subsidies for enterprise zones on jobs and wages, both in the zones and in the economy as a whole, vary substantially. Capital subsidies are less effective than labor subsidies in promoting jobs and higher wages. In fact, subsidies for investment in an enterprise zone could easily *reduce* jobs and wage rates in that zone. This effect occurs because capital subsidies act to discourage labor (through encouraging substitution of capital for labor) as well as to encourage it (through increased output). The direction of the effect depends on the magnitude of these substitution and output effects.

When capital incentives have effects in the desired direction or when labor subsidies are used, the effects can be diluted if labor is mobile into the enterprise zone. A wage subsidy may then increase production and employment within a zone, but not create substantially higher employment for residents of a zone. The effect of the subsidy is then to shift production and employment from outside to inside the zone.

If the effects of capital subsidies on jobs and wage rates in the zone were positive, their effectiveness will be reduced if many areas of the country are designated as enterprise zones. Any increase in jobs in one area comes at the expense of decreases in jobs in other areas.

The report briefly mentions some other issues that have arisen with respect to enterprise zones, including some serious administrative difficulties in implementing the tax subsidies for the zones.

I thank Al Davis and Dennis Zimmerman for helpful discussions and comments.

The recent disorders in Los Angeles have focused interest on developing new programs to deal with problems of the cities. Among the approaches proposed for this urban policy initiative are the provision of tax benefits for designated areas of cities termed "enterprise zones".[1] The stated objective is to attract new businesses and increase the number of jobs and the general welfare of individuals in these areas.

There have been a number of bills introduced over the years to provide for tax subsidies for enterprise zones. They have typically included subsidies to capital investment as well as subsidies to wages. This year, the President proposed to provide a tax credit for wages paid to employees (up to a ceiling), a zero capital gains tax for property used in the enterprise zone at least two years, and a tax deduction for stock purchases in small firms operating in the enterprise zone. The tax bill (H.R. 4210) that was passed by the Congress in March (and vetoed by the President) included a wage credit (limited to residents of the enterprise zone), a deduction for the purchase of stock in small firms, and an additional first year depreciation deduction for investment in machinery and equipment.

There are two fundamental public policy questions in evaluating these enterprise zone proposals. First, will the subsidies be effective in increasing jobs and the welfare of the residents of the designated zone, and how should they be designed? Secondly, is the targeting of incentives to individuals in geographic areas the fairest and most effective way to relieve the poverty of individuals?

This paper is primarily concerned with the first question—what effects tax subsidies are likely to have—although broader issues are addressed as well. It considers the general consequences of capital and wage tax subsidies on employment and wage rates in the enterprise zones (and elsewhere). The first section examines the effects of wage versus capital subsidies using a simple partial equilibrium model. This analysis demonstrates the relative ineffectiveness of capital as compared to wage subsidies. It also shows that the residents of a zone would receive little benefit under either subsidy if, as seems likely, labor is relatively mobile into and out of the zone. The second section considers the effects of the number of zones picked on the efficacy of the capital tax subsidies through a general equilibrium model. The next section briefly reviews some other issues, including a number of administrative problems, surrounding tax subsidies for enterprise zones. The concluding section assesses the implications of the findings for the design of tax incentives for enterprise zones.

WAGE VERSUS CAPITAL SUBSIDIES

A discussion of basic theory

Businesses could be encouraged to move into an enterprise zone or to expand their operations within a zone by any subsidy that initially increases their profitability. Thus, one could provide a tax benefit that was related to labor costs, a benefit related to capital costs, or a benefit related to total costs; the latter would be the equivalent of equal proportional subsidies for labor and capital.

Any sort of subsidy would tend to increase the total amount of output produced in the zones. If the objective is to promote employment within the zone, however, a labor subsidy would be more effective than a capital subsidy. When a subsidy is applied to one factor of production, there are two behavioral responses that occur. The first is that output increases. This output effect alone would increase the employment of both labor and capital. The second effect is a substitution effect. For example, when a labor subsidy is provided, labor intensive firms will be more heavily attracted to the area. Moreover, all firms (whether attracted by the subsidy or already operating in the area) will tend, in addition to expanding operations, to substitute labor for capital. In this case, the output effects and the substitution effects reinforce each other.

By contrast, a capital subsidy will encourage capital intensive firms to locate to the area and encourage all firms, including those already in the zone, to use relatively less labor and more capital. In this case the output effects and the substitution effects offset each other. For any subsidy of equal size, the capital subsidy will be less effective in promoting wage growth and employment than will a labor subsidy. Moreover, if the substitution effect is more powerful than the output effect, a capital subsidy will actually *decrease* employment and wages, making the residents of the zone worse off than they were before.

The power of either type of subsidy is also affected by the labor supply response. Most empirical evidence suggests that the labor supply response is relatively small for individuals as a whole, and indeed may not even be positive. In that case, most of the effect of a labor subsidy will show up in higher wage rates (although a capital subsidy could lower wages). If labor is mobile between other areas and enterprise zones, as would be the case when small areas of a city are designated enterprise zones, the effects on wage rates will be much smaller and the increase of employment of the residents of the zone smaller. Most of the effect will then be to relocate activity within a certain area without appreciably affecting the income of the residents.

Calculation of tax effects

To demonstrate these effects, a partial equilibrium model is used to calculate the effects of these tax changes. A partial equilibrium model looks only at the specific areas under consideration; this model is set up to allow a completely unrestricted flow of capital into the zone in response to the subsidy. (In economist's jargon, it assumes an infinitely elastic capital supply function.)[2] It thus represents a best case scenario for the magnitude of effects, especially from capital subsidies.

This model is differentiated and is thus appropriate only for small changes (see Appendix for details). These results are presented in the form of a percentage change for each percentage point tax subsidy. For example, if our estimate for job increase is 0.5, it means that a subsidy of one percent of capital income (a reduction in the tax rate by one percentage point) will lead to an increase in jobs of one half of one percent.

The numerical estimates for effects on jobs and wage rates depend on the output, substitution, and labor supply responses. These responses are typically expressed as elasticities—the percentage change in some quantity measure, divided by the percentage change in some price measure. The factor substitution elasticity is the percentage change in the ratio of capital to labor divided by the percentage change in the ratio of rate of return (required before tax to earn the going profit rate) to the wage rate. If this value is large, it is relatively easy to substitute one factor for another. The product substitution elasticity is the percentage change in output divided by the percentage change in price. If this value is large, it is easy to sell a great deal more output with a small reduction in price. The labor supply elasticity is the percentage change in labor supplied divided by the percentage change in wage rate. If this number is large, the number of individuals willing to work will rise substantially with a small increase in the wage rate. The factor substitution and product substitution elasticities are negative, but in the formulas to follow all elasticities are presented in absolute values, so that the mathematical sign of the relationship can be easily seen.

The assumption is made that the required after tax return to capital is fixed; this assumption means that the supply of capital is infinitely elastic. The only remaining factor that influences the tax elasticity is the initial capital and labor shares.

Formulas

A complete set of formulas are derived in the Appendix. The following formulas for job response are presented to illustrate how different behavioral responses affect the jobs created (or, in some cases of capital subsidies, lost.)

(1) The Percentage Change in Jobs with a One Percent Capital Subsidy:

$$\frac{E_{LZ}(1-a)(E_p-S)}{(S(1-a)+aE_p+E_L)}$$

E_p=Product Demand Elasticity (absolute value).

S=Factor Substitution Elasticity (absolute value).

E_L=Aggregate Labor Supply Elasticity.

a=Initial Share of Labor Income.

E_{LZ}=Labor Supply Elasticity within the Zone.

The denominator of this formula is positive, since the value "a" is a fraction. Thus, the effect of a capital income subsidy will be negative as long as the factor substitution elasticity is larger than the product demand elasticity. In general, businesses that sell local products that are necessities (such as food and drug stores) would tend to have small product demand elasticities, while businesses that produce a homogeneous nationally marketed product (such as a manufacturing enterprise) would have large elasticities.

Note also that magnitude is also affected by the capital intensity of the industry—generally the more capital intensive the industry the larger the effect on jobs (whether positive or negative) for a given percentage tax. This effect, however, simply reflects the fact that a larger capital intensity will lead to a larger total subsidy (in dollar cost).

(2) The Percentage Change in Jobs with a One Percent Wage Subsidy:

$$\frac{E_{LZ}(aE_p+(1-a)S)}{(S(1-a)+aE_p+E_L)}$$

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[1] There are currently various State and local enterprise zones that may receive special benefits. The success or failure of these enterprise zones does not tell us anything about the economic consequences of "tax" enterprise zones; indeed, a central point of this paper is that tax incentives for enterprise zones will vary enormously in their effects depending on their design.

[2] An infinitely elastic supply of capital does not mean that unlimited amounts of capital will flow into the zone. Rather, it means that capital will expand until the after-tax rate of profit returns to its original level. The aggregate amount of capital ultimately employed will be constrained by the technology of production, and the labor supply and product demand responses.

The effect of a wage subsidy on jobs is positive (assuming the labor supply response is positive). The magnitude depends on how large the aggregate labor supply elasticity is relative to a weighted average of the substitution and output effects, and how large the zone labor supply elasticity is.

Numerical results

Table 1 provides some calculations of the effects on jobs, and on the wage rate, under the assumption that labor is not mobile. (All of the calculations assume a labor income share, or value of "a", of 0.75). A relatively low labor supply elasticity of 0.2 is assumed, consistent with empirical evidence that the labor supply response is small.[3] Table 1 uses the common Cobb-Douglas assumption of a unitary factor substitution elasticity; most empirical estimates suggest that the long run substitution elasticity is probably close to one.[4] Table 2 presents calculations with a lower substitution elasticity of 0.5.

A range of product demand elasticities is assumed. Demand for some types of products that are produced for sale outside the zone would probably be quite elastic, because these products are close substitutes for products produced in other locations. Some products, however, are localized and heterogeneous (trade and services) and would command a relatively small demand elasticity. In fact, many proposals direct some of their capital subsidies largely at small businesses (e.g. through capital gains benefits) whose product is of this type. The extremes of zero and infinity allow a bracketing of the effects.

The first two columns report the effects of a capital subsidy on both jobs and wage rates (adding the two provides the effect on wage income). For example, in table 1 if the product demand elasticity is 1, there is no effect on jobs or wage rates; if the product demand elasticity is 1.5 a one percentage point tax cut would result in an increase in employment of only 0.02 percent (that is, two hundredths of one percent). The effect on the wage rate would be 0.08 percent (or eight hundredths of one percent). The overall effect on the wage bill would be 0.1 percent. Another way of expressing this effect is that a dollar spent on a capital subsidy given a 1.5 elasticity will result in a 30 cent increase in the income of wage earners in the enterprise zone. (Wage income is three times capital income; thus multiplying the sum of wage and job effects by three would convert these numbers into relative dollar magnitudes.)

A wage subsidy of the same cost (before behavioral response) is also reported. Thus, the equivalent of one percent of capital income is granted as a wage subsidy. (Note that since wages are about three times the size of capital income, the *rate* of the wage subsidy would be smaller; revenue to finance a capital subsidy of one percent would finance a wage subsidy of only ⅓ of a percent). The wage subsidy is always positive in increasing employment and wage rates, assuming a positive labor supply elasticity.

TABLE 1.—JOB AND WAGE RATE RESPONSES, 1-PERCENT CAPITAL SUBSIDY AND EQUIVALENT COST LABOR SUBSIDY, ASSUMING FACTOR SUBSTITUTION ELASTICITY OF 1 AND LABOR SUPPLY ELASTICITY OF 0.2, CLOSED LABOR MARKET

Product demand elasticity (E_p)	Capital subsidy		Labor subsidy	
	Job response (percentage change)	Wage rate response (percentage change)	Job response (percentage change)	Wage rate response (percentage change)
1.0	0	0	0.06	0.28
1.5	.02	.08	.06	.29
0.5	−.03	−.15	.05	.25
0	−.11	−.55	.04	.19
Infinity	.07	.33	.07	.33

TABLE 2.—JOB AND WAGE RATE RESPONSES, 1-PERCENT CAPITAL SUBSIDY AND EQUIVALENT COST LABOR SUBSIDY, ASSUMING FACTOR SUBSTITUTION ELASTICITY OF 0.5 AND LABOR SUPPLY ELASTICITY OF 0.2, CLOSED LABOR MARKET

Product demand elasticity (E_p)	Capital subsidy		Labor subsidy	
	Job response (percentage change)	Wage rate response (percentage change)	Job response (percentage change)	Wage rate response (percentage change)
1.0	0.02	0.12	0.06	0.28
1.5	.03	.17	.06	.29
0.5	.00	.00	.05	.25
0	−.08	−.38	.04	.19
Infinity	.07	.33	.07	.33

Source: See appendix for derivations. The responses for a wage subsidy are with respect to a capital subsidy of the same cost. Given the shares of labor and capital income assumed, the wage subsidy as a percentage of wages is a third the size of the capital subsidy rate. Thus, the wage subsidy in all cases is one third of one percent.

Assuming a lower substitution elasticity makes it more likely that the capital subsidy will increase jobs and wage rates, but the results are, nevertheless, still quite modest.

For a given set of assumptions, it is clear that a labor subsidy would be more effective in increasing jobs and wage rates, except in the extreme case where the product demand elasticity is infinitely large. For example, in the case of a 1.5 demand elasticity, the wage subsidy will have three times the impact of the capital subsidy. With low demand elasticities, the wage subsidy will have positive effects while the capital subsidy will actually reduce jobs and wages.

Even if labor is assumed to be more responsive than indicated by empirical evidence, the effects of the capital subsidy would still be small and possibly negative. A higher labor supply elasticity will increase the magnitude of the job response and decrease the magnitude of the wage rate increase, but will not alter the sign of the effect. The effect will still be negative or zero for lower product demand elasticities. Even increases in labor supply assumptions far beyond that supported by empirical research would still result in modest effects. For example, with a labor supply elasticity of 1 and a product demand elasticity of 1.5, the job response would be only 0.05—or only a five hundredths of one percent of an increase for a one percent subsidy. The wage rate effect would actually be smaller than in the lower elasticity case—only 0.05 percent. The total effect on the wage bill and labor supply are about the same—0.1 percent.

The results in tables 1 and 2 assume that labor is not mobile from one area to another. If labor can be imported into the enterprise zone from nearby areas, as seems likely, then the aggregate labor supply will be much more elastic. In the extreme, mobility of labor would eliminate any increase in jobs or wage rates within the zone as labor would flow into the zone until wages return to their original levels. Even a modest elasticity will, however, considerably reduce the effects of the incentives. These effects are shown in tables 3 and 4, which assume the same 0.2 elasticity for the supply of labor within the zone, but an overall aggregate of 1 for total labor supply to the zone. The larger overall labor supply elasticity causes the effects on wages to be smaller in absolute value. Moreover, because the wage effects are smaller, the effects on labor supply are also smaller. For example, with an aggregate demand elasticity of 1, the effects on jobs and wage rates are almost halved.

As labor supply becomes more elastic, the effect on wages declines until, at the extreme, there is no effect on either jobs or wage rates of zone residents.

GENERAL EQUILIBRIUM EFFECTS

The model used in the previous section was a partial equilibrium model. In particular, it did not take into account the relationship between factors of production within and without the enterprise zones, or of how the number of enterprise zones might affect the results within any one zone.

TABLE 3.—JOB AND WAGE RATE RESPONSES, 1 PERCENT CAPITAL SUBSIDY AND EQUIVALENT COST LABOR SUBSIDY, ASSUMING FACTOR SUBSTITUTION ELASTICITY OF 1 ZONE LABOR SUPPLY ELASTICITY OF 0.2, OVERALL LABOR SUPPLY ELASTICITY OF 1

Product demand elasticity (E_p)	Capital subsidy		Labor subsidy	
	Job response (percentage change)	Wage Rate response (percentage change)	Job response (percentage change)	Wage Rate response (percentage change)
1.0	0	0	0.03	0.17
1.5	.01	.05	.04	.19
0.5	.02	.08	.03	.13
0	.04	.20	.01	.07
Infinity	.07	.33	.07	.33

TABLE 4.—JOB AND WAGE RATE RESPONSES, 1 PERCENT CAPITAL SUBSIDY AND EQUIVALENT COST LABOR SUBSIDY, ASSUMING FACTOR SUBSTITUTION ELASTICITY OF 0.5, ZONE LABOR SUPPLY ELASTICITY OF 0.2, OVERALL LABOR SUPPLY ELASTICITY OF 1

Product demand elasticity (E_p)	Capital subsidy		Labor subsidy	
	Job response (percentage change)	Wage Rate response (percentage change)	Job response (percentage change)	Wage Rate response (percentage change)
1.0	0.01	0.07	0.03	0.16
1.5	.02	.11	.04	.19
0.5	.00	.00	.02	.11
0	.02	.11	.01	.04
Infinity	.07	.33	.07	.33

Source: See appendix for derivations. The responses for a wage subsidy are with respect to a capital subsidy of the same cost. Given the shares of labor and capital income assumed, the wage subsidy as a percentage of wages is a third the size of the capital subsidy rate, thus, the wage subsidy in all cases is one third of 1 percent.

This section illustrates the importance of general equilibrium analysis of subsidies by illustrating its effects with respect to a capital subsidy. In the earlier partial equilibrium model, capital was assumed to be elastically supplied, a very generous assumption. In this general equilibrium model, capital is fixed in the aggregate, as the empirical literature suggests is likely,[5] and the magnitude of the effect depends on what fraction of the country is designated as an enterprise zone. (Labor is assumed to be immobile). This type of modeling is particularly important for those products where the product demand elasticity is high since these products are likely associated with a large market rather than a local market. The formula for the effect of a capital income tax subsidy on wages is:

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[3] See Charles L. Ballard, Don Fullerton, John B. Shoven and John Whalley, A General Equilibrium Model for Tax Policy Evaluation, National Bureau of Economic Research, Chicago: University of Chicago Press, 1985, pp. 133-137, for a review of the literature. The authors choose an average from the literature for their model of 0.15.

[4] See Ballard et al. pp. 132-133 for a review of the literature. The authors use values that are close to unity in most cases.

[5] Michael Boskin found a small positive savings response (Taxation, Savings, and the Rate of Interest, Journal of Political Economy, Vol. 86, January, 1978,

$$\frac{(1-b)E_{LZ}(1-a)(E_P-S)}{(S(1-a)+aE_P+E_L)}$$

where b is the fraction of the original output that now becomes eligible for the subsidy. Note that as the fraction of initial output eligible for the treatment becomes larger, the impact of the subsidy on jobs in the zone becomes smaller. At the limit, when b equals 1 and all areas are designated as enterprise zones there is no effect of the capital subsidy at all.

When the capital subsidy does have a positive effect on wages, each additional increment of the productive capacity designated as an enterprise zone reduces the benefits to existing zones in direct proportion. For example, using the results from table 1, when the product elasticity is 1.5, jobs are increased by two tenths of a percent. If half the country were designated as an enterprise zone, this job increase would be half as large, only one tenth of a percent.

In such a general equilibrium model, it can also be recognized that the wage rate (and employment) in non-enterprise zones, will be affected as well. The effect on jobs in non-enterprise zones of a capital subsidy is:

$$\frac{-bE_{LZ}(1-a)(E_p-S)}{(S(1-a)+aE_p+E_L)}$$

For example, with an elasticity of 1.5, and half of the country designated as an enterprise zone, jobs in the zones will rise by 0.1 percent while jobs outside the zones will fall by an equal number. Aggregate employment in the country will not be affected at all. The adverse effects on other areas may not be of great concern if other areas are all well-off. Some of these areas, however, will be marginal themselves, and the reduction in employment and wages of some concern.

This model does not allow for linkages across areas between labor markets, because the modeling of such linkages is complex (the substitutability of labor is affected by distance and other characteristics which make it more difficult to model). Essentially, however, the same general types of phenomena would occur with a general equilibrium labor supply model—the more areas that are designated the smaller the effects on employment and wages within a zone. With very mobile labor, the overall result of enterprise zones would probably be to move production locations, with little effect on the relative incomes. In this case, the primary effect will be inefficiency in the location of investment.

OTHER ISSUES

The previous section has shown that certain types of tax incentives (e.g. wage subsidies limited to zone residents) are more effective in increasing jobs and wage income in enterprise zones. There are, however, many other issues associated with the desirability of enterprise zones aside from the effectiveness of tax subsidies in increasing employment and wages. A number of these issues are discussed by Zimmerman.[6] For example, the enterprise zone approach (if it works in the right direction) would benefit all individuals in a given poor location. This approach results in a loss of income and jobs for poor individuals who live in more affluent areas and a gain in income for more affluent individuals who live in less affluent areas. Another problem is that once areas are revived, rents could rise, driving poor individuals out of the area. Finally, there will be an overall loss in efficiency in the economy through the relocation of resources. Currently, firms choose those locations that are most efficient. Relocating these firms might shift the location of jobs but will also result in inefficiency, that will impose a cost on all individuals.

On occasion there is also a discussion of the increased jobs associated with the putting into place of new investment. This is a short run phenomenon, as ongoing investment is very small in the long run. Moreover, investment in machinery and equipment is typically manufactured in other areas and would produce no additional jobs in the zone even in the short run. Even for construction that takes place in the zone, the possibility of imported labor from outside the zone must be considered.

There are also some troublesome administrative problems in designing tax subsidies for enterprise zones.

First, there is a fundamental difficulty in defining the enterprise zone. The ideal place for business activity to expand would not necessarily be in a residential area; yet common definitions of eligibility for such zones (such as percentage of the individuals living in the zone that are poor) would need to include residential census tracts in order to obtain such a definition. Defining a zone might involve combining an essentially nonresidential area with residential areas that result in a qualifying total area. Such a procedure could easily be subject to abuse and to targeting certain businesses and existing tracts by carefully chosen combinations of residential and nonresidential tracts. To prevent such abuse would be difficult. Rules could be developed to preclude too much gerrymandering (e.g., ratio of perimeter to area), but the fundamental problem of defining the zone would not be easily overcome.

Second, there is a general issue as to whether the provision of subsidies is to be open-ended (like an entitlement program) or fixed in amount. An open ended subsidy may involve considerable difficulties in estimating the revenue cost of the package since it is difficult to know in advance how many zones will qualify and the extent of business operations in those zones. If the amount of subsidies is capped, however, there may have to be a case by case determination of who gets the benefits. Such an approach may be desirable, but it could also lead to considerable administrative overhead, as well as potential abuses.

Third, there are some specific administrative problems with capital subsidies. If capital subsidies are to be open-ended, there is nothing to prevent a firm that is virtually all capital (such as a telephone switching operation, power facility, or mainframe computer) from locating within a zone and simply taking advantage of the tax benefits while producing no benefits at all for the zone in the way of jobs and wage rate increases. This is an extreme case of capital labor substitution, and to the extent that such facilities displace labor-using businesses, economic activity in the enterprise zone will suffer. Another problem is that firms without adequate tax liability would not be able to use the tax benefits. For this reason, some proposals are made to grant benefits to investors through deductions for stock acquisitions and eventual capital gains. These types of subsidies would preclude benefits to large firms expanding their operations into a zone. Yet it is in the production of homogenous products for a national market that a capital subsidy is most likely to expand labor demand (i.e., where the demand elasticity is likely to be large). Moreover, if benefits are only allowed for firms that operate within the zone, this approach could preclude new businesses from expanding beyond the zone in the future—exactly what one would expect a successful new business to do.

If direct investment subsidies are allowed (which would get around the previous problem of expansion but not the problem of no tax liability), there would need to be rules for recapturing the benefit if the investment were moved out of the zone. Otherwise, firms could qualify assests for benefits and then subsequently move them out of the zone. Another problem with investment subsidies would be how to define use within the zone. For example, a trucking firm could locate its headquarters within a zone even through most of the time its trucks would operate outside the zone. Indeed, without restraints, it would be possible to set up leasing operations for equipment within a zone that would be leased for use in other areas. To write regulations dealing with these problems would be complex.

Wage subsidies represent fewer administrative problems, but there are hurdles there as well. Wage subsidies could be allowed for all employees in the zone, but this approach could reduce the benefits for local residents through the importation of labor. To restrict the benefits to those residing in the zone, however, raises the issues of verifying residence (individuals might find ingenious ways to establish residence for this purpose). In addition, rational employers would respond by paying different wages, which could lead to resentment on the part of those individuals not residing in the zone. It would also penalize individuals for moving. Even under the simplest case, when all employees are covered, there would still be an incentive to set up headquarters in the zone for employees who work elsewhere. For example, a plumbing firm could have a dispatch operation in the zone, even though its employees

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pp. s2-s27). Subsequent studies have generally failed to find a statistically significant savings response. See Barry Bosworth, Tax Incentives and Economic Growth, Washington, D.C.: Brookings Institution, 1984; Irwin Friend and Joel Hasbrouck, Saving and After Tax Rates of Return, The Review of Economics and Statistics, Vol. 65, November 1983, pp. 537-543; E. Philip Howry and Saul H. Hymans, The Measurement and Determination of Loanable Funds Savings, Brookings Papers on Economic Activity, No. 3, 1978, pp. 655-705; John Makin and Kenneth A. Couch, Savings, Pension Contributions, and the Real Interest Rate, The Review of Economics and Statistics, Vol. 71, August 1989, pp. 401-407. Occasionally, the study done by Lawrence Summers, Capital Income Taxation and Accumulation in a Life Cycle Model, American Economic Review, Vol. 71, September, 1982, pp. 533-44 is cited as evidence of a high savings response. This paper is not, however, a statistical analysis but a simulation model which can be made consistent with any savings response. See Owen J. Evans, Tax Policy, the Interest Elasticity of Saving, and Capital Accumulation: Numerical Analysis of Theoretical Models, American Economic Review, Vol. 73, June 1983, pp. 398-410.

[6] Dennis Zimmerman, Federal Tax Incentives for Enterprise Zones: Analysis of Economic Effects and Rationales, Congressional Research Service Report 89-371 E, June 15, 1989.

work all over the city. Regulations to define who is actually working in the zone could be cumbersome.

Wage subsidies could be targeted to lower income individuals. The advantage of this targeting would be offset because the wage subsidy would need to be phased out; during the phaseout range the wage subsidy actually adds to the tax rate and might discourage firms from offering these workers additional hours of work. Finally, it would be easy for a firm, particularly one that is relatively labor intensive, to quickly run out of tax liability even with a small subsidy.

CONCLUSION

The clearest result that emerges from the preceding analysis of tax subsidies for enterprise zones is that capital subsidies are likely to have a very small effect on jobs and employment in an enterprise zone, and that they may actually make the circumstances of residents of the zone worse. When capital subsidies work in the right direction, their effectiveness can be reduced considerably by the importation of workers into the zone from nearby areas and by the general equilibrium effects of tax subsidies.

Some arguments might be made that if these enterprise zones have virtually no economic activity, then attracting new businesses, even through capital subsidies can only help residents. The counter argument is that if the relative cost of operating in a business is such that virtually no businesses operate in the zone, the relatively modest effects of the capital subsidy on the cost structure are unlikely to have much of an effect. Moreover, labor subsidies would still be more effective than capital subsidies since the new businesses attracted would be more labor intensive.

Subsidies to labor will work in the desired direction (assuming labor supply response is positive). The effectiveness of labor subsidies can be greatly reduced if labor is attracted into the zone from nearby areas. There are also general equilibrium effects of labor subsidies that, while difficult to trace, are nevertheless present. The effect of labor mobility could be offset by limiting labor subsidies to zone residents, but such a restriction would produce problems of administration and perceptions of fairness that could be serious.

APPENDIX

The following presents the basic equations and derivations for the partial equilibrium and the general equilibrium model. The model is a differentiated one (describing the consequences for a small change) which presents all the equations as relationships between percentage changes in the variables and elasticities. The revenue cost of the tax is presumed to be made up by a reduction in general expenditure in the economy that does not affect relative demand for products in both models.

Partial equilibrium model

In the partial equilibrium model, the after tax rate of return is held constant (equivalent to assuming an infinitely elastic supply of capital). The basic equations are:

(1) $K=Q + S(T_k+P)$.
(2) $Q=E_pP$.
(3) $K=L + S(T_k + W - T_L)$.
(4) $L=E_L W$.
(5) $P=a(W - T_L) - (1-a) T_k$.

where K, Q, L, W, and P are the percentage changes in capital, output, labor, wage rate and product price. S, E_p, and E_l are respectively the factor substitution elasticity, the price elasticity of demand for the product and the price elasticity of supply for labor. The term "a" refers to the initial share of output paid in wages, and T_K and T_L are the subsidy rate (negative tax rate) for capital and labor. The first equation says that the demand for capital depends on the level of output and the relative price of capital (recall that the rate of return is fixed and does not appear in the model which is based on percentage changes). The second equation says that the quantity of output demanded depends on its price. The third equation states that the demand for capital depends on the level of labor and the relative price of capital to labor. The fourth equation indicates that the quantity of labor supplied depends on the wage rate, and the fifth equation is a technical equation stating that percentage change in product price is a weighted average of the percentage changes in the prices of labor and capital and of the subsidies.

By combining terms, we obtain the equation for change in wage rate, with respect to either the capital or the labor subsidy:

$$(6)\quad W=\frac{(1-a)(E_P-S)}{(S(1-a)+aE_P+E_L)}\,T_K$$

$$(7)\quad W=\frac{S(1-a)+aE_P}{(S(1-a)+aE_P+E_L)}\,T_L$$

To obtain the effect on labor employed, these values are substituted into the labor supply equation (4):

$$(8)\quad L=\frac{E_L((1-a)(E_P-S))}{(S(1-a)+aE_P+E_L)}\,T_K$$

$$(9)\quad L=\frac{E_L\,(S(1-a)+aE_P)}{(S(1-a)+aE_P+E_L)}\,T_L$$

These labor equations measure the aggregate increased labor employment for the entire pool. If the subsidy draws in labor from outside of the zone, and the increase in labor supply within the zone is the object of interest, the labor supply elasticity in the numerator of (8) and (9) would be replaced by a smaller local elasticity. This elasticity is designated in the text as E_{LZ}.

General equilibrium model

Employing a general equilibrium model requires a separate set of equations for enterprise zones (the subsidized sector) and the unsubsidized sector, as well as a set of equations describing the relationships between the sectors. In this particular model, we hold the overall capital stock fixed, but segregate the labor supply in each area so that it can respond independently. Most economic evidence indicates that the supply of capital in the aggregate is not responsive to changes in rate of return. An alternative model would make labor mobile between sectors, but would be more complicated.

This model allows the rate of return net of the subsidy (R) to vary with respect to changes in the demand for capital, but market forces will require it to be equal in both sectors.

The specific equations for the subsidized sector are:

(10) $K=Q+S(-R+T_K+P)$.
(11) $K=L+S(-R+T_K+W-T_L)$.
(12) $L=E_L W$.
(13) $P=a(W-T_L)+(1-a)(R-T_K)$.

These equations denote the capital demand, capital labor ratio, labor supply, and price for the subsidized sector.

There is also a set of parallel equations for the non-subsidized sector, with the valuations denoted by *:

(14) $K^*=Q^*+S^*(-R+P^*)$.
(15) $K^*=L^*+S^*(-R+W^*)$.
(16) $L^*=E_L^*W^*$.
(17) $P^*=a^*W^*+(1-a^*)R$.

Note that while R must be equalized in the sectors, the wage rate and other variables can be different, as can the elasticities of factor substitution and labor supply.

In addition to these eight equations, there are three additional equations, in which the term b is the share of output initially produced in the subsidized sector:

(18) $K(1-a)b+K^*(1-a^*)(1-b)=0$.
(19) $Q-Q^*=-E_P(P-P^*)$.
(20) $Pb+P^*(1-b)=0$.

Equation (18) describes the relationship between the changes in capital in each sector given a fixed capital stock, equation (19) relates the relative demand for the products to their relative prices, and equation (20) fixes overall income as the numeraire.

Mr. PELL. Mr. President, this is a nongermane amendment. This is not a substantive argument, but it is a fact we should bear in mind. When we started out in this resolution, we were talking about aid to the former Soviet Union, aid to the Russian Republics. This amendment of the Senator from Michigan, an excellent amendment were it on a freestanding bill, an amendment or a bill I would vote for if it were by itself, is neither germane nor does it ensure the passage of the Russian support bill, which we all are very anxious to have passed.

I heard the possibilities, the probabilities of unrest, disaster. Perhaps that would happen if Yeltsin went down the drain. We have seen in the past the fragility of democracy; how only for a few months in 1917 and a few months now have these people enjoyed democracy. It is up to us, I think, to try to help continue it.

For these reasons, I move to table the underlying amendment of the Senator from Michigan.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. There being no further debate, the question is on agreeing to the motion to lay on table the amendment (No. 2709).

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from North Carolina [Mr. SANFORD] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Virginia [Mr. WARNER] is necessarily absent.

I further announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 64, nays 32, as follows:

[Rollcall Vote No. 146 Leg.]

YEAS—64

Akaka
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Brown
Bumpers
Burdick
Burns
Chafee
Cochran
Cohen
Conrad
Craig
Cranston
D'Amato
Danforth
Dixon
Dole
Domenici
Durenberger
Exon
Garn
Gore
Gorton
Gramm
Grassley
Hatch
Hatfield
Heflin
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kohl
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Robb
Rudman
Simon
Simpson
Smith
Stevens
Symms
Thurmond
Wallop
Wirth
Wofford

NAYS—32

Adams
Bradley
Breaux
Bryan
Byrd
Coats
Daschle
DeConcini
Dodd
Ford
Fowler
Glenn
Graham
Harkin
Hollings
Inouye
Kasten
Kerry
Lautenberg
Metzenbaum
Mikulski
Mitchell
Pryor
Reid
Riegle
Rockefeller
Sarbanes
Sasser
Seymour
Shelby
Specter
Wellstone

NOT VOTING—4

Helms
Roth
Sanford
Warner

So the motion to lay on the table the amendment (No. 2709) was agreed to.

Mr. DOLE. I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP and Mr. KASTEN addressed the Chair.

AMENDMENT NO. 2712

(Purpose: To strengthen "Buy American" provisions of law by limiting exceptions for procurement outside the United States)

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. WALLOP. Mr. President, with all due respect to my colleague from Wisconsin——

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] for himself, Mr. LEAHY, Mr. BYRD, Mr. BOREN, Mr. DOMENICI, Mr. NICKLES, and Mr. BOND proposes an amendment numbered 2712.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, after line 13, insert the following new section:

SEC. 21. LIMITATION ON PROCUREMENT OF GOODS AND SERVICES OUTSIDE THE UNITED STATES.

(a) IN GENERAL.—Section 604 of the Foreign Assistance Act of 1961 (22 U.S.C. 2354) is amended to read as follows:

"SEC. 604. PROCUREMENT.—(a) It shall be the policy of the United States that, in the procurement of goods and services under this Act, the agency primarily responsible for administering part I of this Act shall give preference, except in the limited circumstances described in this section and section 636, to the procurement of goods which are produced, grown, or manufactured in the United States and of services which are provided by United States firms.

"(b) Funds made available under this Act may be used for procurement outside the United States only if—

"(1) the President determines that such procurement—

"(A) will not result in adverse effects upon American industries that have a competitive capability in international markets, and

"(B) will not otherwise adversely affect the economy of the United States, with special reference to any areas of labor surplus or to the net position of the United States in its balance of payments with the rest of the world,

which adverse effects would outweigh the economic or other advantages to the United States of less costly procurement outside the United States; and

"(2) only if the price of any commodity procured in bulk is 50 percent or more lower than the market price prevailing in the United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

"(c) No funds made available under this Act may be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

"(d) In providing for the procurement of any agricultural commodity or product available for disposition under the Agricultural Trade Development and Assistance Act of 1954 for transfer by grant under this Act to any recipient country in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such agricultural commodity only within the United States except to the extent that such agricultural commodity is not available in the United States in sufficient quantities to supply emergency requirements of recipients under this Act.

"(e)(1) In providing assistance in the procurement of comodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II.

"(2) In the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities which are purchased with funds provided under this Act and which are destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

"(f) No funds made available under this Act may be used for the procurement of any agricultural commodity or product thereof outside the United States when the domestic price of such commodity is less than parity, unless the commodity to be financed could not reasonably be produced in the United States in fulfillment of the objectives of a particular assistance program under which such commodity procurement is to be financed.

"(g) No funds made available to carry out part I of this Act may be used under any commodity import program, or in connection with any cash transfer or similar program (except where such program or transfer is specifically provided for by law) to make any payment to a supplier unless—

"(1) the supplier has certified to the agency primarily responsible for administering such part I such information as such agency shall by regulation prescribe, including but not limited to, a description of the commodity supplied by the supplier, its condition, and its source and origin; and

"(2) on the basis of such information, such agency shall have approved such commodity as eligible and suitable for financing under this Act.

"(h) (1) None of the funds authorized to be appropriated or made available for obligation or expenditure under this Act may be made available for the procurement of construction or engineering services from advanced developing countries, eligible under the Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services.

"(2) Paragraph (1) does not apply with respect to an advanced developing country which—

"(A) is receiving direct economic assistance under chapter 1 of part I or chapter 4 of part II of this Act, and

"(B) if the country has its own foreign assistance programs which finance the procurement of construction or engineering services, permits United States firms to compete for those services.

"(i) The requirements of this section do not apply to the procurement of goods or services in connection with the provision of assistance under chapter 9 of part I of the Foreign Assistance Act of 1961 (relating to international disaster assistance).

"(j)(1)(A) The Administrator, Deputy Administrator, any Associate Administrator, or any Assistant Administrator of the agency primarily responsible for administering part I of this Act may, in order to authorize procurement from advanced developing countries or countries included under Geographic Code 935, waive the provisions of this section only with respect to specific procurement transactions and only if such person determines that to do so is vital to furnish assistance as effectively and expeditiously as possible.

"(B) The waiver authority conferred by subparagraph (A) may not be delegated to any officer or employee not specified in that subparagraph.

"(2)(A) The Administrator of such agency shall submit a quarterly report to the appropriate congressional committees setting forth any waivers made during the preceding calendar quarter under this subsection and subsection (i), together with the reasons therefor.

"(B) As used in this paragraph, the term 'appropriate congressional committees' means the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

"(3) The exemption provided by this subsection shall not be construed to apply to the Comprehensive Anti-Apartheid Act of 1986.

"(k) The provisions of this section shall not be superseded except by a provision of law which specifically repeals, modifies, or supersedes the provisions of this section.".

(b) PROCUREMENT OF MOTOR VEHICLES.—Section 636(i) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(i)(1) Notwithstanding any other provision of law, none of the funds made available to carry out this Act shall be used to finance the purchase, sale, long-term lease, exchange, or guaranty of a sale of motor vehicles unless such motor vehicles are manufactured in the Unites States.

"(2) Paragraph (1) shall not apply—

"(A) in cases of emergency where motor vehicles cannot be manufactured in the United States to meet demands when time is of the essence; or

"(B) where the total number of motor vehicles sought to be used in a foreign country by the agency primarily responsible for administering part I of this Act is six or fewer or, in excess of that number, if the Administrator, Deputy Administrator, any Associate Administrator or any Assistant Administrator of such agency determines that to do so is necessary for the effective administration of the agency's programs. The authority of this subparagraph may not be delegated to any other officer or employee of that agency.

"(3) Nothing in this Act may be construed as approval of any decision to not purchase a motor vehicle manufactured in the United States when such purchase is feasible and consistent with the purposes of the assistance being provided.".

(c) REPEAL.—Section 496(n)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(m)(4)) is hereby repealed.

(d) BUY-AMERICA ADVOCATE.—Part III of the Foreign Assistance Act of 1961 is amended by inserting after section 604 the following new section:

"SEC. 604A. BUY-AMERICA ADVOCATE.—(a) The Administrator shall establish within the agency an Office of the Buy-America Advocate for the purpose of maximizing the participation of United States businesses in the development process by ensuring that the agency adheres to 'Buy America' precepts in all its procurement activities.

"(b) The Office shall be headed by a Buy-America Advocate who shall be appointed by the Administrator from among career Senior Foreign Service officers having extensive experience in export transactions, commodity import programs, and privatization. The Advocate shall be directly responsible to the Administrator.

"(c) The Buy-America Advocate shall—

"(1) have access to and the authority to review all documentation involving procurement activities of the agency;

"(2) review all programs involving cash transfers to determine whether a commodity import program will accomplish the same policy objectives as the cash transfer; any disagreement with a determination by the Buy-America Advocate that the same policy objectives can be accomplished by a commodity import program shall be resolved by the Administrator;

"(3) have full and unimpeded access to all information provided under the Buy-American reporting system (BARS), or any successor system to BARS;

"(4) have full and unimpeded access to technical services and information involving procurement activities, particularly the procurement of commodities and the entering into contracts;

"(5) receive and review all justifications for any procurement of non-United States commodities and services, including those funded by the Development Fund for Africa and, based on that review, shall, on a case-by-case or class-of-procurement basis, recommend to the Administrator any corrective actions that are necessary to ensure that Buy-America procurement opportunities are maximized;

"(6) coordinate its efforts with agency officials who perform duties in the area of trade and investment promotion and information; and

"(7) be accessible to the United States business community, ensuring that the community is fully aware of opportunities for exports, investments, and joint ventures in developing countries.

"(d) Beginning 6 months after the date of enactment of this section, and every 12 months thereafter, the Administrator shall submit to the Congress a report prepared by the Advocate which—

"(1) details procurement by the agency of United States commodities and services during the preceding reporting period;

"(2) compares Buy-America procurement for the same period of the preceding year;

"(3) contains data for all agency activities that accurately reflects the percentages of commodities and services financed by the agency that are of United States source or origin;

"(4) analyzes mission or bureau programs to identify shortfalls in performance in meeting Buy-America requirements contained in law and regulations; and

"(5) identifies remedial action to overcome such shortfalls.

"(e)(1) The agency shall assign to the Office such staff as may be necessary to carry out this section, including individuals who are expert in contracts and statistical analysis.

"(2) In addition, the agency shall provide the staff with all automation support requirements, including access to all relevant procurement—and financial management-related systems, databases, and files.

"(f) As used in this section—

"(1) the term 'Administrator' means the Administrator of the agency; and

"(2) the term 'agency' means the agency primarily responsible for administering part I of this Act.".

Mr. WALLOP. Mr. President, will my colleague yield.

Mr. KASTEN. I will be pleased to yield to the Senator from Wyoming.

Mr. WALLOP. Mr. President, the Senator from Wyoming was standing seeking recognition prior to the Riegel amendment. The Senator from Wyoming has been standing seeking recognition alone on the floor since that roll call began.

I realize the occupant of the chair was not there at the time that the Riegle amendment began, but I must say I think it is the obligation to look around the floor and see who is standing seeking recognition. I think the rule says that those who are standing first and seeking recognition are entitled to that.

I will not assert that right, right now, because my colleague has the floor, but I must say that I alone was standing on this floor from the beginning of the previous roll call and during which time the chair was occupied by the Presiding Officer.

The PRESIDING OFFICER. The Chair recognized the Senator from Wisconsin, because in the opinion of the Chair it was the Senator from Wisconsin who sought recognition, not just standing there, but who actually sought recognition first. So the Chair recognizes the Senator from Wisconsin.

Mr. KASTEN addressed the Chair.

Mr. WALLOP. The Senator from Wyoming respectfully objects to the characterization of the occupant of the chair. The occupant of the chair to this Senator's perfect view saw me standing seeking recognition prior to that. I will again not object, but my suggestion is that in fairness the rules of the Senate ought to be followed, and those who seek recognition first will be recognized in that order.

The PRESIDING OFFICER. The opinion of the Chair is the Senator sought recognition first. The Senator from Wisconsin is so recognized.

Mr. KASTEN. Mr. President, I am offering this amendment on behalf of Senators LEAHY, BYRD, BOREN, DOMENICI, NICKLES, BOND, and others, who are working with me in trying to demand that the Agency for International Development agree to the Buy America provisions which are already part of the law, but which they have found ways of working their way around.

The legislation that we are proposing would require the Agency for International Development to give preference as is presently in the law to U.S.-generated goods and services and AID procurement.

We can no longer tolerate the loopholes that have ripped the life out of existing Buy America policies. Some of the loopholes, frankly, are big enough to drive a foreign-manufactured truck through, and I think it is time we put a end to the lax Buy America provisions.

Mr. President, this amendment that would make some truly necessary changes in U.S. foreign aid policy.

Four weeks ago—on June 4—I addressed the Senate on the problem of U.S. foreign aid subsidies to foreign corporations. It had come to my attention that taxpayer dollars were subsidizing the purchase of Toyotas and Mercedes-Benzes as part of our foreign aid program.

This is an outrage. I have alerted Secretary of State Baker about the great urgency of this problem—and today Senator LEAHY and I are proposing a legislative remedy to what amounts to a costly and unacceptable subsidy of foreign companies.

To reiterate, the legislation we are proposing would require the U.S. Agency for International Development (AID) to give preference to U.S.-generated goods and services in AID procurement.

We can no longer tolerate the loopholes that have ripped the life out of the existing Buy American policy.

Some of the loopholes are, indeed, big enough to drive a foreign-manufactured truck through.

Current law allows the numerous field representatives of AID to approve exceptions to the Buy American policy, and they do not even have to report the exceptions to AID headquarters. Under the current system, we have absolutely no way of knowing how many waivers are being granted in the field.

Under this amendment, exceptions will only be made by eight AID officials—officials with the rank of Assistant Administrator or above, located here in Washington, DC.

As part of our aid package to Africa, we have given field officials some flexibility in their past procurement decisions. This flexibility has been abused to the breaking point—and it's time to take it away.

This amendment will permit procurement of foreign goods only if the market price of the goods is less than 50 percent that of the comparable U.S. goods. Note carefully that I say market price. We cannot allow foreign corporations to dump merchandise below cost, and expect U.S. taxpayers to pay the tab.

Current law permits the waiver of the Buy American requirement for motor vehicles when special circumstances permit. Today, these special circumstances have been institutionalized to such an extent that the original intent of the law is being flouted. In the legislation we are offering, this special circumstances exception is repealed.

In its place, we provide an exception in only two narrowly defined circumstances—cases of genuine emergency, and cases in which fewer than six vehicles are being bought. And lest the AID officials decide to avoid this new law by not buying vehicles at all, we have included an explicit provision disapproving this practice. We want AID to buy as many vehicles as it needs—but we insist that these be American vehicles.

Mr. President, the most notorious examples of taxpayer subsidy of foreign corporations involve motor vehicles. But make no mistake—this issue involves much more than cars and trucks. It involves every single U.S. product that is discriminated against in foreign aid procurement.

We need to root out this discrimination. And that's why an important part of the legislation we are presenting is the creation of a Buy America advocate within AID.

Buy American is a good idea which has failed in the past because it has been insufficient institutional backing.

The Buy America advocate should be a career Senior Foreign Service officer directly responsible to the Administrator of AID. The advocate will have authority to review and approve all documentation dealing with AID procurement—and have full access to all information provided under the Buy American reporting system. We can have this advocate without an increase in AID personnel by shifting existing slots to this activity.

It's time for a new offensive for the Buy American policy. We need to make this policy work. And the legislation we are proposing today would help us accomplish this goal—by creating an effective, enforceable Buy American requirement for U.S. foreign aid spending.

Americans are the most generous people in the world. We rebuilt Europe. We rebuilt Japan. And we are helping rebuild Russia and other troubled nations.

But we have important work to do at home—and we will not tolerate being ripped off for the benefit of foreign corporations. That is what this amendment is all about.

BUY AMERICA AMENDMENT

Mr. LEAHY. Mr. President, I am pleased to join my good friend and colleague, the distinguished ranking minority member of the Foreign Operations Subcommittee, in offering this amendment to close loopholes in the Buy America legislation. This amendment will strengthen Buy America requirements in our foreign aid program, and stop a decade of evasion of Buy America by the Agency for International Development.

The distinguished Senator from Wisconsin has been a leader in the Foreign Operations Subcommittee in uncovering a pattern of behavior in AID over the years which has virtually made a joke of the Buy America policy. Buy America is an effort to make our foreign aid program serve American economic interests while it helps development abroad.

The problem arises, Mr. President, from attempts by Congress over the years to give flexibility to the Administrator of AID in the application of Buy America requirements. Recognizing that there will be special circumstances where it is more effective and efficient to procure foreign goods and services than American, Congress has given the Administrator broad authority to waive the Buy America requirements.

We assumed that administrators would use this authority in good faith, recognizing that Congress strongly supports a vigorous Buy America policy in foreign aid, but is willing to allow reasonable discretion to waive it in special circumstances.

But what has happened? The Administrator has delegated his waiver authority to AID missions abroad. The special circumstances which were to be the basis for occasional waivers have become the norm. Mission directors routinely waive Buy America simply for convenience. The Buy America policy of U.S. foreign aid has, to be blunt, become a joke.

At one time, AID claimed over 70 percent of our economic aid went to purchase U.S. goods and services as part of our foreign aid programs. Pressed by the Senator from Wisconsin in subcommittee hearings over the last 2 years, AID now reluctantly concedes that not more than 30 percent of our aid is used to buy American products for use in foreign aid projects. And, that number is suspect. It could be even less than a third.

The truth is, Mr. President, with its poor recordkeeping, weak financial accounting systems, and diffused management, AID really does not know how much of its annual $7 billion foreign aid appropriation actually goes to buy American products. The 30-percent figure is only a guess.

Mr. President, our competitors, the Japanese and the Europeans and others are cleaning our clock. They use their foreign aid programs to penetrate markets, establish their goods and services, and to build long-term economic relationships.

That is what our aid program should also be doing. Our money should be helping us at the same time as we are trying to help others. That is what Buy America is all about.

In other statements on the Senate floor, my friend from Wisconsin has detailed some horror stories about AID missions abroad waiving Buy America requirements to purchase Japanese vehicles. What this reflects is a mindset at AID that puts the interests of American producers in second or third place in their purchasing decisions. AID has no incentive to go out and find American vendors. It has no proactive policy of alerting American businesses to potential opportunities in aid projects. The result is loss of sales abroad and jobs at home.

The amendment Senator KASTEN and I are offering today will reverse this mindset at AID about Buy America. This amendment requires that any waivers of Buy America provisions must be done in Washington by senior officials of AID, not in the field by mission directors. Further, it requires that AID must buy American goods and services for its foreign aid projects unless the market price of foreign products is less than 50 percent of equivalent U.S. products. It will repeal the special circumstances flexibility previously provided to AID in the purchase of vehicles, since the Agency has made a joke of this authority. Under this provision, Buy America can be waived only if there is an emergency situation where foreign procurement is the only way to respond in a timely manner, and less than six vehicles are involved.

Finally, Mr. President, the legislation will create a Buy America advocate within AID whose whole purpose in life will be to overturn the present mindset of Agency employees that

American economic interests come second. The job of the Buy America advocate will be to turn the behavior of AID around when it comes to giving preference to American products. In other words, he or she will enforce the Buy America policy.

Mr. President, this legislation is a step toward what I believe will be a much stronger role for American foreign aid in the future—that of advancing our own commercial and economic interests at the same time as we are trying to help development overseas.

I urge all Senators to support this amendment and vote for making our foreign aid work for Americans as well as for those in need abroad.

Mr. KASTEN. Mr. President, I understand this amendment has been reviewed by the managers of the bill.

Mr. LUGAR. Mr. President, I simply want to say that we support the amendment and are prepared to accept it on this side.

The PRESIDING OFFICER. Is there further debate on the Kasten amendment? If not, the question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment (No. 2712) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

AMENDMENT NO. 2713

(Purpose: To provide for improved safety of Soviet-designed nuclear power plants to enhance the operational safety and reduce the risk of a nuclear accident)

Mr. WALLOP. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. WALLOP], for himself, Mr. DOMENICI, Mr. SIMPSON, Mr. JOHNSTON, Mr. NUNN, and Mr. PRESSLER, proposes an amendment numbered 2713.

Mr. WALLOP. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 30, insert after section 7, the following new section and renumber subsequent sections accordingly:

SEC. 8. SOVIET-DESIGNED NUCLEAR POWER PLANT SAFETY PROGRAM

(a) IN GENERAL.—The President, in consultation with the Secretary of Energy, the Secretary of State and the Chairman of the Nuclear Regulatory Commission, shall designate an agency of the Executive Branch to develop and implement a limited, phased program to enhance the near-term safety of Soviet-designed nuclear power plants. Funds authorized to be appropriated by this Act may be used for this program. The program established in this section shall be integrated with similar efforts undertaken in cooperation with other industrialized countries and international organizations, including the International Atomic Energy Agency. In implementing the program, the Secretary of Energy shall utilize U.S. industry expertise where appropriate.

(b) PROGRAM PRIORITIES.—In implementing any program under the authority of this section the Secretary shall establish priorities for the implementation of safety upgrades based on the greatest incremental increase in reactor safety relative to the amount of funds expended.

(c) SAFETY UPGRADES.—Safety upgrades shall be consistent with the provisions of subsection (a) and may include, but are not limited to, plant improvements and modifications to reduce risk, training of personnel, and development and implementation of an effective independent regulatory organization.

(d) FUNDING.—The President is encouraged to establish an interagency group including the Department of the Treasury, the Department of Commerce, the Department of Energy and the Export-Import Bank, to coordinate United States and multilateral funding and financing mechanisms for the program established by this section.

(e) RECOMMENDATION.—The Secretary of State shall provide Congress with appropriate rcommendations for revisions to United States export and trade statutes to expedite implemenation of the program established in this section and related programs.

Mr. WALLOP. Mr. President, I shall not take long. But basically, the purpose and thrust of this amendment is to recognize the testimony in front of ourselves and in front of the Environment and Pulic Works Committee that despite our wishes about the nuclear reactors in the former Soviet Union, and their several new Republics, that his requirement—Mr. President, could we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senators will please take their seats and please cease audible conversations on the floor.

Staff will also please cease audible conversation on the Senate floor.

The Senator from Wyoming.

Mr. WALLOP. Mr. President, I thank the Chair.

I will try to conclude this. I know the hour is late. But the simple argument that was made to us by members of the International Atomic Energy Agency, by the Nuclear Regulatory Commission, by WANO and by others who have studied this, that was the quickest way to enhance safety in Soviet reactors is to engage in the training of personnel in certain safety procedures about which they know nothing.

They have not the training, and they have not very simple things like locks on doors, and redundant systems, and other kinds of things. We might wish that they did not have the old reactors. We might wish that they were able to shut them down immediately. We cannot expect that wish to be fulfilled, Mr. President, for the simple reason that as they try to emerge into a new and more modern economy, the critical element is the supply of electrical energy, and they have no other means, nor will they have for some time, of providing that.

This amendment on behalf of the bipartisan Senators who have agreed to cosponsor it simply says that our purpose is to put the United States technical ability quickly into play in advising them and assisting them in immediate safety in the existing reactors.

Training of personnel, we were told, Mr. President, is the very quickest and the very most efficient means by which safety can be enhanced. And we were also told by WANO and others that the last thing that they needed was another study. They do not need any more studies. They know and we know what is wrong. They do not know how to right it. This amendment seeks to do that. That is why it has the support of Senator JOHNSTON, Senator SIMPSON, Senator NUNN, Senator DOMENICI, Senator PRESSLER, and others.

Mr. President, over the past several years, much concern has been raised about the safety of the nuclear power plants in the states of the former Soviet Union and Eastern Europe. There is little dispute that some of these plants will never be brought to a level of safety that would satisfy Western standards. The RBMK's, the type that exist at Chernobyl, should eventually be closed. The earlier model VVER's, as well, have such serious design flaws that closure might be the preferred option over investing the large amounts of money that could be required to bring them to a level of safety that even begins to approach Western standards.

But the reality of the situation is that these reactors are not, indeed cannot, be closed any time in the near future. The nascent states of the former Soviet Union and Eastern Europe are totally dependent on these reactors for electricity generation. This, Mr. President, is the crucial energy form for the development of a market-oriented economy. The consequences of inadequate electricity supplies are far more serious in developing countries than any brownout or blackout we might experience. Coupled with inadequate food supplies and untold economic problems, lack of electricity during the severe winters in these countries can only cause disillusionment with this new thing called democracy.

These states simply cannot close their nuclear power plants at the same time that they are struggling to nurture their emerging democracies. The decisions on options for future electricity generation are theirs, but they cannot be expected to make them in the present climate. The best we can do in the short term is offer assistance to increase the safety of these plants to reduce the risk of a serious accident.

Earlier this month, the Energy and Natural Resources Committee held a hearing on these issues. There was consensus among the witnesses that a number of safety measures have been identified that can be implemented quickly and without enormous costs. These steps would significantly improve the operational safety of these reactors.

The amendment I am offering today is intended to promote the prompt implementation of those safety upgrades. It is essential that we move as quickly as possible to get action on this program. The studies have been done, the nuclear power experts know what can be done and what to do. We must not get bogged down in doing further studies on what can be done in the short term. While additional analysis may be needed to make long-term policy decisions about future electricity generation options for these countries, we simply cannot ignore the immediate necessity to make these plants safer because they will continue to operate, at least for the foreseeable future.

Mr. President, I understand that the two managers will accept this.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wyoming yield the floor?

Mr. WALLOP. I yield.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, there are 57 Soviet-designed nuclear power plants now operating in the former Soviet Union and Eastern Europe. There are an additional 29 under construction.

Even though these plants are no where near Western safety standards in their design and operation, they will continue to be operated because the emerging states of the former Soviet Union are desperately in need of the power they provide.

As we learned in hearings before the Energy and Natural Resources Committee, reactors of the more dangerous designs, like the RBMK that produced the Chernobyl accident and the older model VVER's, should ultimately be closed down. But that is a practical impossibility for these countries in the near future.

Nuclear power plants provide over 51 percent of the electricity in Hungary, 45 percent in Lithuania, 28 percent in the Czech and Slovak Federal Republic, 25 percent in the Ukraine, 12 percent in Russia.

Developing alternative sources to replace these plants could take 5 to 10 years and cost $1 billion or more for each plant replaced.

There are almost no opportunities to replace the power with generation from other existing sources.

The worst of the reactor types, the RBMK's, have significant design that cannot be corrected. However, there are improvements that can be made at reasonable cost to reduce the risk of an accident.

The limited confinement at these plants can be improved through filtered venting and reduced leakage; basic fire detection capabilities can be provided; and automatic reactor trips can be installed to high risk failure modes.

Similar limited improvements that would greatly enhance safety of operation could be installed as well at the VVER 230's, a reactor type that rivals the RBMK in its safety defects.

Numerous efforts by Federal agencies and international organizations are ongoing to determine what course of action should be followed to remedy this problem. However, there is little coordination among these efforts and no consensus about the long-term solution to this issue.

Even though the G–7 will very likely address this issue at the Munich summit, it could be years before actual improvements are initiated at the plants.

The amendment I am cosponsoring would provide immediate assistance to increase the safety of these plants by directing safety improvements that can be made quickly and at little cost while decisions are being made about more extensive safety upgrades.

Cost for these short-term upgrades would be roughly $1 million per plant. The other longer term solutions G–7 is trying to develop could cost as much as $10 billion.

Until these emerging states are capable of developing a long-term plan for power generation, we need to assist them in increasing the safety of these plants. To refrain from doing so is neither in their interests nor ours.

Mr. President, I think this is a very prudent amendment. What it really says is that while other countries are working with the former Soviet Union to try to help them figure out the long-term situation with reference to their nuclear power plants, the United States will join in some technical assistance and training which the experts say is most needed. That will at least minimize, to the extent humanly possible, another Chernobyl.

Passage of this amendment does not mean another disaster will not happen, but clearly we ought to be doing something to minimize the chances. That is what the implementation of this amendment will do.

I am pleased to be a cosponsor, and hope we will adopt the amendment.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. We are very pleased to support the amendment on this side. We accept the amendment.

Mr. PELL. We are equally pleased to support the amendment and urge its approval.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, would the Senator from Wyoming yield?

The PRESIDING OFFICER. The Senator from Florida has the floor.

Mr. GRAHAM. Would the Senator from Wyoming accept the floor for purposes of responding?

Mr. WALLOP. Mr. President, I would be happy to.

Mr. GRAHAM. As the Senator from Wyoming knows, throughout the day we have been working on various versions of this amendment, and it is my intention to offer shortly after this amendment what will be a section 9 to come immediately after this amendment. I would like to ask if the Senator from Wyoming would have objection to the adoption of the section 9 language that he has just reviewed?

Mr. WALLOP. Mr. President, may I say that I have no objection, but it would be my hope that during the conference the managers of the bill and others would take a look at what it is, because with the greatest respect for what it is the Senator from Florida is trying to do, it is my judgment that it will not accelerate safety, that it diffuses the financial effort, which is minimal enough as all of us know in this bill, in trying to reach the maximum level of safety in the shortest period of time.

I understand what the Senator is trying to do. I will not object when he raises that issue. But it is my hope that the managers will try to find the means by which the financial effort of the United States as well as the technological effort of the United States is maximized in the shortest period of time.

We do not have 20 years to try to reorganize the Russian policy. That will take place whether we are part of it or not. But what will not take place, unless we get there, is the training of personnel in safety and the improvements in engineering. And it takes the most simple acts of engineering to enhance safety, they are redundancy, locks on doors, and other, inexpensive kinds of things.

I say to my friend from Florida, I do not object, but I hope in conference we take a strong look at how we get the most safety bang for the nuclear buck. It is extremely important that it realize its potential at the earliest possible date.

Mr. GRAHAM. Mr. President, I do not object to the amendment that has been offered by the Senator from Wyoming. It is my hope that I will be recognized shortly to offer what will be a section to immediately follow the amendment of the Senator from Wyoming. At that time, I will discuss this matter further.

Mr. SIMPSON. Mr. President, I know the hour is late. I want to thank Senator WALLOP, my senior colleague, for his activity here, and my other colleagues who are cosponsoring this amendment, Senators DOMENICI, JOHNSTON, NUNN, and PRESSLER.

This amendment seeks to enhance human health and the environment through technical assistance for environmentally sound policies and technologies in order to promote nuclear reactor safety of Soviet-designed reactors.

I am pleased to be a cosponsor.

Having served for 14 years on the Nuclear Regulation Subcommittee of the Environment and Public Works Committee, I am deeply concerned about the safe operation of nuclear plants in this country and around the world.

We learned first hand at Three Mile Island that we must be ever diligent and attentive to safety. A safety culture is necessary to protect the health and safety of our citizens and to protect the environment.

Radiation does not recognize national boundaries or political differences. We, therefore, must be concerned with the quality and operational safety of a nuclear reactor outside our country.

Since the dawn of the nuclear age, the former Soviet Union and their Warsaw Pact allies have pursued a diversified nuclear power program. Nearly 50 power generation plants are now in operation in two of the Republics—the Ukraine and Russia.

These reactors supply a significant portion of the electricity consumed in these regions—reportedly ranging from about 10 to 40 percent.

Virtually all of these plants are of two types: The Water cooled, graphite moderated RBMK and the pressurized, water cooled, and moderated VVER. The RBMK design, typified by the Chernobyl reactor, exists only in the Republics and Lithuania, and is unlike any power reactor in the West. It lacks the containment structure and redundant safety systems associated with Western reactors.

Improvements in the operational safety of operation of the RBMK's should receive a high priority, along with the upgrade of the oldest of the VVER's.

In recent months, Governments and industries in the West have proposed a variety of technical and administrative measures to assist these Republics in the safe operation of their nuclear powerplants.

One of the important goals of this bill is to help stabilize nuclear power programs in the Republics and to assure safe plant operation in the future. The United States has an excellent record of safe operation, and a world respected program of regulation by the Nuclear Regulatory Commission [NRC] and a utility-initiated commitment to excellence through the Institute of Nuclear Power Operators [INPO]. We can assist the Republics based on our own experience of safe operation.

The administration's initiatives in this area are to be applauded, yet greater coordination and additional steps to reap the full safety benefits from this assistance should be encouraged.

That is why I join with my fine friend and senior colleague Senator WALLOP and Senators DOMENICI, JOHNSTON, NUNN, and PRESSLER, to offer an amendment which would raise the priority of improving the safety of these reactors.

Our amendment would prioritize near-term United States nuclear safety assistance for enhanced safety of operation and reduce the risk of a nuclear accident of the type that occurred at Chernobyl in 1986.

When that accident occurred, the West had virtually no information on Soviet-designed reactors. We now have developed a good understanding of Soviet designs and have developed a very positive working relationship.

Our nuclear industry counterparts in the Republics are learning that we place the highest priorities on nuclear plant safety, the safety of the worker, the public, and the protection of the environment due in large part to our safety-in-depth designs. These incorporate a series of physical barriers to prevent releases of radioactive material in the event that safety systems fail.

Additionally, tremendous emphasis has been placed on developing an attitude and a commitment to safety first.

The amendment seeks to ferret out U.S. export and trade statutes which currently pose impediments to allowing such nuclear assistance to move forward.

Our export laws should now recognize that the Soviet Union is no more. Earlier laws and regulations which sought, appropriately, to control the flow of nuclear technologies to achieve nonproliferation goals, should now be scrutinized. Our amendment requests such an examination by the Secretary of State.

As international efforts to improve safety of Soviet-designed plants are underway, and we approve assistance to the Republics, I am sure that in a decade we will look back and see how much has been accomplished as a result of our efforts here today. I urge my colleagues to support this important bipartisan amendment.

Senator GRAHAM, my distinguished colleague from Florida, is the chairman of the subcommittee on which I sit, the Nuclear Regulation Subcommittee. We have fine staff that work hard, but I sometimes think that it would be best if we had a little more coordination. I will look forward to continuing to work with Senator GRAHAM in the future. As is the case in these negotiations, it just lops along and falls off the table and comes out in little bursts and squirts. I trust we can do better on that. I pledge to do better than that. It will save us all time and save us a great deal of questioning: What is this amendment, or what does it do?

The staff has been working diligently during the day, to reach a compromise on language that we all can agree to. I pledge to Senator GRAHAM to be available at any time, now and in the furture, to work with him on these nuclear issues, just as a ranking member should at all times.

Mr. WALLOP. Mr. President, I urge adoption of the amendment.

Mr. CHAFEE. Mr. President, I would like to ask the sponsor of the amendment a couple questions.

Do I understand that the Secretary of Energy is involved in this group? How does that exactly work?

Mr. WALLOP. The Secretary of Energy is involved in this group for the simple reason that the Secretary of Energy is the Cabinet-level head with regard to energy, including nuclear energy.

Mr. CHAFEE. Do I also understand that the Chairman of the Nuclear Regulatory Commission is in this group? Am I correct on that?

Mr. WALLOP. That is correct.

Mr. CHAFEE. What is the group meant to do, exactly?

Mr. WALLOP. To set up the program of training and safety enhancement at the earliest possible moment in those Soviet nuclear reactors, which all of us agree have safety problems.

Mr. CHAFEE. I am just curious, if you have the Chairman of the Nuclear Regulatory Commission—I am not objecting; I am just seeking information on this—what is the contribution that the Secretary of Energy would make to this?

Mr. WALLOP. I say again that the Secretary of Energy is in charge of all energy programs, including nuclear energy.

I have to say, Mr. President, that I sense what is coming is one of those ridiculous little turf battles that so cloud and complicate the life of the Senate and the country as we try to proceed. The Secretary of Energy is the energy authority of America, and he is responsible as well for safety, even including that which is provided by the Nuclear Regulatory Commission.

Mr. CHAFEE. You may be sensing a turf battle. I am not providing any turf battle. That may be what you sense. I am just curious about this amendment you proposed here. This is the first I have heard about it, and I am the ranking member of the Environment Committee which deals with these matters. I never saw this before, and that may be fine. But I am just curious, and I think I am entitled to find out a little bit about what is in the amendment.

I find it a curious one that you have the chairman of the Nuclear Regulatory Commission on the group, and its seems to me if you were interested in nuclear safety, that is the person you would turn to.

But the amendment goes further than that.

Who else do you have in there beside the Secretary of Energy?

Mr. WALLOP. The Secretary of State, at the request of the Secretary of State, in another one of these little turf battles.

I say to my friend from Rhode Island, as distracted as he may seem to be by all of this, that both the Department of Energy and the Chairman of the Nuclear Regulatory Commission agreed with the direction and thrust of this amendment.

Mr. CHAFEE. That is nice to hear. That is one of the reasons I got up. I am informed.

I thank the Chair.

The PRESIDING OFFICER. Is there further debate on the amendment?

The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment (No. 2713) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2714

(Purpose: To provide for comprehensive planning and participation in international efforts to improve nuclear power plant safety)

Mr. GRAHAM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mr. BIDEN, Mr. LIEBERMAN, and Mr. WIRTH, proposes an amendment numbered 2714.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, insert after line 19 the following new section and renumber the subsequent sections accordingly:

NUCLEAR SAFETY ASSISTANCE PROGRAM

"SEC. 9.—In addition to the program authorized in section 8, the Secretary of State, in consultation with the Secretary of Energy and the Nuclear Regulatory Commission, is authorized and encouraged to develop a program to provide for participation by the United States in international efforts including—

"(a) Implementing short-term measures to improve nuclear power plant operational safety, including the training of power plant personnel, implementation of improved procedures for nuclear power plant operation, the development of effective and independent regulatory authorities, and cost-effective hardware upgrades;

"(b) Developing and providing recommendations, in consultation with the affected states, for medium-term measures to assist in the development of comprehensive and market-based programs for cost-efficient supplies of electricity, including programs to improve the planning of energy supply and demand, to increase the efficiency of existing and future energy supplies and uses, to improve the management of demand, to develop market-based energy pricing, and to identify energy alternatives that will increase to shut down the nuclear power plants for which safety improvements would not be cost-effective beyond the short-term; and

"(c) Developing and providing recommendations, in consultation with the affected states, for long-term measures for the development of safe and cost-effective supplies of electricity."

Mr. GRAHAM. Mr. President, what we have with the amendment just adopted and the one I have submitted is a phased approach to the United States' role in dealing not with nuclear plants in the Soviet Union, but nuclear plants which were designed by Soviet engineers and manufactured at Soviet plants.

In fact, Mr. President, the amendment that we have offered is particularly directed at those Soviet-designed plants which are outside the Soviet Union—in Central and Eastern Europe and in Cuba—and which represent the greatest immediate threat to Western European and United States interests.

I will read, if I could, Mr. president, from a statement made by Mr. Ivan Selin, who has just been referred to on June 16 of this year, before the Committee on Energy and Natural Resources of the Senate. Mr. Selin stated under the category "An Action Plan to Approve Nuclear Reactor Safety."

He said: "There is growing international consensus that the remaining 15 RBMK's and 10 VVER 440/230's"—as an aside, those are two categories of Soviet designed nuclear plants—"should not be operated any longer than absolutely necessary."

It goes on to say,

> While Western countries are not in a position to demand shutdown of the worst plants, we can, through negotiation for alternative energy sources and conservation, seek agreement with the states of the former Soviet Union and other Eastern European countries on limiting the remaining lifetime of these plants.

(Mr. ROBB assumed the chair.)

Mr. GRAHAM. Mr. President, that is the statement made by the Chairman of the Nuclear Regulatory Commission. It is to that concern that the thrust of my amendment is directed. And, Mr. President, I ask unanimous consent to submit for the RECORD other statements which are consistent with the statement that I have just read relative to the urgency of shutdown of a number of Soviet-designed plants.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. GOVERNMENT AND INTERNATIONAL AGENCY POSITIONS—UNANIMOUS SUPPORT FOR COMPREHENSIVE LONG-TERM PLANNING FOR NUCLEAR ASSISTANCE TO UPGRADE SOVIET-DESIGNED REACTORS

I. TESTIMONY, SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, JUNE 16, 1992

Statements of:

Ivan Selin, Chairman, U.S. Nuclear Regulatory Commission.

William H. Young, Assistant Secretary for Nuclear Energy, U.S. Department of Energy.

Robert Galluci, Senior Coordinator, Office of Deputy Secretary, U.S. Department of State.

Dr. Morris Rosen, Assistant Deputy Director General, Director of the Division of Nuclear Safety, International Atomic Energy Agency.

II. SENATE COMMITTEE ON FOREIGN RELATIONS

Report on Russian Aid Bill.

III. IEA REPORT ON SOVIET-DESIGNED VVER-230 REACTORS

IV. NEWSPAPER ARTICLES

Washington Post Article on U.S. Position at G-7.

Maurice Strong Editorial.

IVAN SELIN, CHAIRMAN, U.S. NUCLEAR REGULATORY COMMISSION

A general susceptibility of systems which are important to safety to common-cause failures.

Inadequate built-in fire protection.

An action plan to improve nuclear reactor safety

There is a growing international consensus that the remaining 15 RBMKs and 10 VVER 440/230s should not be operated any longer than absolutely necessary, and that the better-designed plants (17 VVER 1000s and 14 VVER 440/213s) should be upgraded to achieve an acceptable level of safety. In addition, 21–25 reactors under construction could be completed if economic conditions permit: 17 VVER 1000s in Russia and Ukraine, two each in Bulgaria and the CSFR, and perhaps four smaller VVER 440/213s in the CSFR. While Western countries are not in a position to demand shutdown of the worst plants, we can, through negotiations for alternative energy sources and conservation, seek agreement with the states of the FSU and other Eastern European countries on limiting the remaining lifetime of these plants. The ultimate responsibility for the safety of these plants rests with these republics and the operating organizations.

Specific steps to improve safety in the short, medium, and long term

Beyond shutting down the unsafe nuclear plants, further analysis of the energy supply and demand picture in the FSU can provide additional insight on strategies for reducing safety risks. I believe the basic steps that can enhance nuclear safety may be divided into short, intermediate and long-term actions, which should go hand-in-hand with our support for economic development.

In the short term we should seek to help the states involved improve operational safety through such means as training and use of improved procedures for dealing with abnormal situations at nuclear plants; help to develop and implement effective and independent regulatory authorities that will ensure that power production is not at the expense of safety; and undertake key interim actions to reduce the risk of accidents in the RBMKs and VVER 440/230s for several years, after which operations would be discontinued.

In the medium term we should help them determine energy requirements and the feasibility of reducing energy demand, and help to identify energy alternatives that will increase their incentives to shut down the RBMKs and VVER 440/230s. This effort will involve studies to determine energy supply and demand projections, and programs to improve supply efficiency and demand management, as well as energy pricing and regulation. This information should be used to work with them to improve their overall energy system, including replacement power that will be needed to allow the shut down of these plants. Remember it is their responsibility to operate their plants safely and to develop their own energy plans—however, the West can help.

In the long term they need assistance, through emphasis on economic stability and market-based energy pricing, to upgrade and/or complete the better plants, the VVER 1000s and 440/213s. Price reforms will be crucial to encourage conservation and to facilitate funding of improved plant operations and repayment of loans for safety enhancements and replacement power. Known safety problems that have a significant impact on safety and are amenable to effective interim corrective actions should be addressed in the near term to reduce the risk from these plants while the mid-term and long-term upgrade programs proceed.

During my trip to Eastern Europe and the former Soviet Union in the Fall of 1991, I had the opportunity to visit the Loviisa nuclear power plant in Finland, which, as you may know, consists basically of Soviet VVER 440/213s constructed and upgraded to meet Western safety standards. In terms of both safety and productivity, Loviisa is one of the best plants in the world, with capacity factors above 85%. What are the lessons we can draw from the Finnish example? I believe there are three:

With upgraded (Western) safety systems and operating standards, Soviet-designed reactors of the 3rd generation are not intrinsically inferior to plants in the West. In fact, this design is particularly forgiving when problems develop, as well as easy to run.

* * * the highest priority of NEA should be ensuring the establishment of effective governmental nuclear regulatory authorities in the Eastern European countries.

During the senior regulators' meeting and later at the IAEA General Conference in Vienna, I tried to emphasize the point that taking a stronger role in the former Soviet Union and in Eastern Europe means much more than coordinating technical assistance. The program should be like a modern International Monetary Fund (IMF) program—a little immediate humanitarian assistance, plus short and long-term aid conditioned on fundamental reforms.

Assistance to these countries must be coupled with a commitment on their part to realistic policies in pricing energy, establishing autonomous power production operations, actively pursuing alternative energy sources, and implementing strong independent regulatory structures.

Elaborating on these points, I firmly believe, whether discussing domestic or foreign nuclear power, that programs without solid and predictable cash flows are a considerable concern. Maintenance, repairs, and capital reinvestments are essential ingredients for nuclear safety and adequate cash is the foundation for these improvements. Also, in the FSU there appears to be no autonomy for nuclear operating units. The disintegration of the central Soviet state gives rise to serious questions concerning command and control, and the maintenance of technical competence. The substantial ambiguity regarding responsibility for nuclear safety must be addressed and resolved at the individual plant sites. Finally, I found that there was no sensible national energy planning. If countries are going to have a nuclear power program, they must be willing to make a full financial commitment, and they must have a good regulatory system in place. Nuclear power requires technical sophistication and the resources to operate plants safely.

As an example of these problems I noted, after my first visit abroad as Chairmen of the NRC, that the Kozloduy plant in Bulgaria, which includes six reactors, four from the first generation and two from the third generation of Soviet pressurized water reactor technology, demonstrated several related problems:

(1) There were not enough trained personnel to run more than half the reactors, and pay was insufficient to retain those who were there;

(2) The enterprise did not have the income or the autonomy to adjust pay and living conditions to meet the labor competition;

(3) The price for electricity was so low that there was no incentive to conserve and not enough cash flow to support proper maintenance, let alone needed capital improvements;

(4) The government had neither the will nor the power to raise prices and take other steps to reduce the country's great dependence on electricity generated at Kozloduy.

Add to all this the fact that the technology of the first four reactors, especially the two oldest, is intrinsically unsafe, and they have a very serious safety problem.

As a result of the low pay structure dictated by the central government, Bulgaria has been plagued with an inability to retain its skilled plant operators, shift supervisors and key management personnel. There is a serious problem when a cab driver in a city earns more than a nuclear plant operator. The organization running the nuclear power plants has neither the autonomy nor the authority to increase salaries or to provide other incentives necessary to retain these key people.

In response to such concerns, Bulgaria did give the operators a substantial pay bonus, which has helped stem the exodus of skilled personnel. Nevertheless, a one-time pay raise is not an adequate compensation policy in the face of stiff inflation. Safety risks could increase unless the government authorities make fundamental changes and give the plants the freedom to take those steps necessary to retain key people. In the absence of such changes, a major program of safety assistance to Bulgaria would, in my view be ineffective.

Similarly, in the former Soviet Union, while there has been some recent progress, electricity prices have been consistently set far below the cost of power generation. The net result is an absence of adequate financial resources for plant maintenance, improvements, and safety enhancements and, even worse, no incentive for energy conservation. Construction practices are * * *.

WILLIAM H. YOUNG, ASSISTANT SECRETARY FOR NUCLEAR ENERGY, U.S. DEPARTMENT OF ENERGY

Initiatives

The countries operating Soviet-designed reactors face a number of obstacles to resolve nuclear safety problems in a timely manner. The plants are critical to energy supplies in a number of regions; there are insufficient resources to make improvements; and there is a lack of agreement with Western safety expectations. As a result, a concerted international effort is needed if the improvement in nuclear safety is to be achieved.

Most Western nations would prefer to see the RBMKs and VVER 440, Model 230s shut down in the near term. Unfortunately, because of the perceived electric demand, it does not appear that the countries operating these types of reactors will uniformly agree to do so. Developing specific strategies to obtain agreement on shutdown of these plants can best be accomplished through an understanding of the specific energy demand and supply conditions in each country. Western assistance will also be needed to improve conservation and efficiency and to help provide suitable replacement power where needed.

The overall effort to achieve a positive safety culture and an acceptable level of safety in the countries operating Soviet-designed reactors will be costly and take many years. Price reforms will be crucial to encourage conservation and to facilitate funding of improved plant operations and repayment of loans for safety enhancements and replacement power. Funds from the recipient countries should be used to the maximum extent possible. A coordinated, cooperative approach involving these countries and Western nations and their industries is needed. Bilateral assistance, private sector expertise, and commercial financing may also be needed.

We have been discussing with other G–7 countries possible actions to enhance nuclear safety in the Newly Independent States (NIS) in both the near and longer term. These include: additional operational safety improvements; development and implementation of effective, independent regulatory authorities; limited modifications to reduce the risks from continued operation of the RBMKs and VVER 440, Model 230s; determining the feasibility and need for demand reduction and alternative electric supplies to permit early shutdown of these two models; and assessing the need for upgrade of the better plants, the VVER 1000s and VVER 440, Model 213s.

On May 23, 1992, at the Lisbon Conference, the U.S. announced a $25 million program of safety assistance to the NIS, focusing on the first three steps of the five-point program just noted. Today I would like to focus on the near-term steps; I understand that Chairman Selin will address the regulatory elements.

Operational safety improvements

The overall program would build upon the DOE operational safety initiative in the following ways. First, the initiative would be expanded to provide assistance in: Operational safety enhancements through: Improvement of emergency operating instructions and * * *

* * * committed $100,000 to begin the transition of scientists and engineers from the FSU weapons program to activities to enhance the expertise available to FSU reactor plant managers and thereby improve near-term operational safety of the facilities.

Conclusion

The fundamental conclusion of our earlier analyses, that an improvement in the Soviet-designed nuclear powerplants is urgently required, in particular for the VVER 440, Model 230, and RBMK reactors, has not changed. Our attention should focus on determining the feasibility of electric power demand reduction and alternatives that would enable a decision by the countries concerned to not operate these plants any longer than absolutely necessary. At the same time, we should be taking near-term key steps to reduce the risks of their continued operation. The other steps I have outlined address actions that we, the international community, and the countries operating Soviet-designed reactors can take together to enhance the safety of those reactors that remain in operation.

ROBERT GALLUCI, SENIOR COORDINATOR, OFFICE OF DEPUTY SECRETARY, U.S. DEPARTMENT OF STATE

We are also counting on sufficient economic progress in this time period to enable these states, perhaps through commercial loans, to take on the task of completing reactor safety training and plant improvements.

One of the other two elements of our Lisbon Nuclear Safety Initiative involves provision of safety-related equipment and technology to address, over the short term, some of the more critical safety problems at these reactors. These measures include improvement of reactor plant confinement performance for severe accidents, development of methods to prevent uncontrolled hydrogen explosions, installation of dedicated emergency diesel and feedwater pumps such as are required for U.S. plants, improvements of basic fire protection capability. We are aware of some Western European efforts to address these problems, but believe U.S. equipment and technology should be brought to bear as well. Any further legislative restrictions on U.S. nuclear exports could further complicate our ability to provide nuclear safety assistance.

The final element of the Lisbon Initiative involves provision of additional regulatory assistance. NRC's services are greatly in demand in these countries. However, NRC is limited in what it can afford to do. As a result, we plan to provide NRC with funding to support further and broader dissemination of its advice and experts.

I would also like to note the International Science and Technology Centers to be based in Moscow and Kiev will support basic and applied research and technology development in nuclear reactor safety. The U.S. has already proposed projects to both Russia and Ukraine. These projects would begin the process to retrain Soviet weapons scientists and engineers for use in supplementing staff at their nuclear power reactors. Staffing at the reactors has tended to be small, thus managers cannot afford to rotate personnel, especially for training, at the frequency we regard as necessary for an effective professional staff.

Simultaneously with provision of U.S. nuclear safety assistance, USAID will be conducting an energy efficiency assistance program. Under the planned effort, USAID, in conjunction with the World Bank and the IEA, will begin to examine the energy supply and demand situation in the FSU. USAID plans to focus on: coal, gas, oil, and electricity production and delivery; energy pricing and policy and institutional reform; and energy efficiency and environmental improvement in electric power, refineries, industries and buildings. It is anticipated that these activities will result in information to help us determine what opportunities are available for shutting down and/or replacing reactors with alternative power sources.

These countries are clearly undergoing demand reductions in their industrial sections, and over time, we hope to decrease demand further through introduction of more energy efficient U.S. technology and through USAID programs which help to create the energy regulatory infrastructure needed to develop realistic energy pricing. However, these assistance efforts will take time to show their effect, and in the meanwhile, there will be significant uncertainty regarding the energy situation in the FSU.

Coordination of international assistance

Reactor safety assistance is currently being provided to the former Soviet Union and Eastern Europe by numerous western countries including the European Community and its member states, Japan, Finland, Sweden and Canada, as well as the United States. Additionally, several international organizations are contributing to assistance efforts—the IAEA, Nuclear Energy Agency of the OECD, and the World Association of Nuclear Operator (WANO). The need to coordinate these and other types of assistance efforts was recognized in 1989. At the 1989 G–7 Economic Summit, the U.S. proposed that overall assistance to Central and Eastern Europe should be coordinated by a new G–24 mechanism consisting of the OECD member states, and that the European Commission should act as the Secretariat of this G–24 coordination. The group encompasses all the aforementioned donor countries and international organizations, as well as the World Bank, EBRD, and the European Investment Bank. The G–7 endorsed this proposal and the G–24 was set up. In late 1991, the Baltics were added to the G–24 agenda.

In 1990, the U.S. suggested to the international nuclear community that the G–24 take on the task of coordinating nuclear safety assistance to Eastern Europe. A special working group was established devoted to nuclear safety, chaired by the European Commission Directorate responsible for Environment, Nuclear Safety and Civil Protection. The G–24 nuclear safety group has met four times since late 1990, including most recently in February 1992. In February, the recipient states were invited to present their views on assistance programs and on the priorities for assistance. The exchange proved very * * *.

MORRIS ROSEN, ASSISTANT DEPUTY DIRECTOR GENERAL, DIRECTOR OF THE DIVISION OF NUCLEAR SAFETY, INTERNATIONAL ATOMIC ENERGY AGENCY

The problem

When nuclear power plants fail to meet commonly accepted international safety standards there may seem to be a very simple solution—shut them down as soon as possible. But, when we talk about Eastern Europe, this simple solution is not really realistic. The current energy supply and demand picture allows little scope for closing nuclear plants permanently or even temporarily. A realistic approach must deal with urgent near term improvements to reduce the safety risks pending a feasible long term solution. This long term solution could involve some alternative supply of energy along with the upgrading and major reconstruction of the better nuclear plants.

The dependence of East European countries on nuclear electricity is considerable. In 1991 the nuclear share of electricity production was 51% in Hungary, 45% in Lithuania, 35% in Bulgaria, 28% in Czechoslovakia, 25% in the Ukraine, and 12% in Russia. This nuclear electricity stems solely from reactors designed in the former USSR which are of two types: pressurized-water reactors known as VVERs, and graphite-moderated reactors of the Chernobyl type known as RBMKs. There are currently 42 operational VVERs and 15 RBMKs.

Safety problems of Soviet supplied nuclear systems include deficiencies not only in design and operation, but also in the quality of manufacture and construction. Some Governments have already decided to shut down operating units, but in view of extraordinary energy shortages the remainder will likely continue to be used at least for some years. Upgrades are underway and plans exist for major reconstructions which could permit long term operation. Whatever the decision, whether to permanently shut down or to continue operation over the long-term, decisive assistance on a huge scale will be needed.

The cost of improving safety

Effectively managing such massive assistance will require a coherent strategy to foster an effective use of available resources. A look at the nature of the safety deficiencies and the financial costs involved make it self-evident that a strong co-ordinated international approach is needed to prevent inefficient and chaotic ad-hoc efforts.

Of the 42 VVERs currently in operation, it is the 10 first generation 440 MW units which have the most serious design deficiencies. Their disturbing inadequacies include severely limited emergency core cooling capability and the lack of a containment to enclose the reactor system.

For the 14 second-generation 440 MW VVERs in operation, the major design deficiencies were remedied. Their safety systems cope with a complete rupture of the main reactor coolant pipe, and there are sealed chambers to localize accidents and direct steam to a suppression system.

There are 18 operating more modern and larger third-generation 1000 MW VVERs. These units are similar in concept to non-Soviet plants used worldwide with the reactor surrounded by a full containment structure. They seem to have the least serious safety deficiencies, nevertheless, the quality of manufacture and construction remains a question, and there are some concerns related to design and operation.

Turning to the Chernobyl type RBMKs, there are a total of 15 operational and 4 under construction. These reactors have no containment structure and their safety has been a matter of continuous international concern since the Chernobyl accident. Two 1500 MW units, the world's largest nuclear power plants, operate in Lithuania, ten 1000 MW units are in Russia and three are at Chernobyl in the Ukraine. Some modifications in design and operation have been made, but there is a strong conviction among some international experts that these plants should be shut-down as soon as possible.

The financial costs required to deal with the serious and large number of safety deficiencies in so many plants is substantial. There are estimates that to correct operational safety deficiencies alone through training, improved operational and maintenance procedures, and the supply of modern inspection equipment could average $3 million per unit per year for the next several years. For the 57 operational plants under discussion that amounts to $170 million per year. Urgent near term technical hardware improvements for the 10 high risk first generation VVERs and the 15 RBMKs have been estimated at an additional $300 million. Major upgrades and reconstructions to the 14 second and to the 18 more modern third generation VVERs have been estimated by manufactures to cost at least $150 million per plant or about $5 billion. Estimates of the total safety improvement package are in the order of at least $10 billion.

International assistance

Efforts have been underway to deal with the problem. Significant bilateral and multilateral assistance activities has already been initiated by the USA and by other OECD countries. There are projects funded by the Commission of the European Communities, and the IAEA has also initiated new and major activities. The European Bank for Reconstruction and Development, the European Investment Bank, and the World Bank are considering or are already committed to financing safety improvements. What is needed now, in addition to financial commitments, is a concerted international effort to ensure a programme of effective assistance. This can only be guaranteed by a solid strategy of international co-ordination.

A look at the present situations shows that progress in developing such a strategy has been slow. What is becoming abundantly clear is that the scope and priorities of current assistance activities have been influenced not only by need or by importance, but often solely by the desire of donors to participate. There is duplication of efforts and work without sufficient analysis. A limited knowledge of safety priorities, along with an insufficient appreciation of the human and resource challenges, has seriously jeopardized some assistance. Little attention is paid to resources of the recipient countries, and the extensive experience and well developed resources of the IAEA are not being fully utilized. This situation is leading to delays not only in addressing priority issues, but also in rendering the most practical near term improvements.

A number of factors have led to the current and somewhat disorderly situation. International anxiety about the safety of East European reactors has caused an outburst of initiatives. Recipient countries continue to have difficulties in assessing the appropriateness of the many diverse and often hastily prepared proposals which address a wide span of topics ranging from extensive safety analyses to system modifications. The current decision making process is dominated by the donors, and representatives of East European countries repeatedly question whether assistance is focused on their needs or on donor research and commercial interests.

SENATE COMMITTEE ON FOREIGN RELATIONS, REPORT ON THIS BILL

The Committee on Foreign Relations, to which was referred the bill (S. 2532), Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

* * * * *

Environmental cooperation in the arctic

The committee is deeply concerned about reports emanating from the former Soviet Union regarding widespread environmental pollution and radioactive contamination that may be spreading to the arctic regions. For example, off the arctic island of Novaya Zemlya, there are reports of sunken ships with damaged nuclear reactors, a tanker with liquid radioactive waste, the midsection of the icebreaker *Lenin* with 3 damaged reactors, at least 5 nuclear submarines containing 10 reactors with nuclear fuel, and more than 10,000 containers of nuclear waste. Novaya Zemlya was also the site of approximately 41 underground and 90 atmospheric nuclear tests, including a 1961 atmospheric test of a 58 megaton device—the largest nuclear explosion ever. It is important to note that the Russians have asserted that nuclear testing will resume at Novaya Zemlya next October unless the United States ceases underground nuclear tests.

The Arctic is particularly vulnerable to pollution, since heavy metals and radionuclides are collected and concentrated in slowgrowing arctic tundra and lichen, fish, and marine mammals. Humans at the apex of the food chain, including the Inuit people of Russia, Canada, Greenland, and the United States, are potentially vulnerable, as are fisheries stocks in the Bering Sea, North Pacific, and North Atlantic.

Recognizing this threat, the committee specifically authorized funds for research and environmental monitoring in the Arctic and subarctic, as well as funds to mitigate environmental threats that might be confirmed as a result of the research and monitoring program.

It is the committee's intent that the mapping and analysis of environmental threats to the United States and the Arctic be undertaken in collaboration with scientists from the former Soviet Union. Thus, the committee recommends that this research plan be designed to involve the International Science and Technology Centers being formed to employ former Soviet nuclear weapons scientists.

The committee expects that the scientists from the International Science and Technology Center in Moscow should collaborate with the relevant U.S. agencies, such as the National Science Foundation, the Interagency Arctic Research Committee, the Arctic Research Commission, and the State of Alaska, in sharing data and developing a research plan to identify these environmental threats to the Arctic.

Environmental cooperation in other areas

The dumping of radioactive wastes in arctic waters, the inefficient use of energy, and the destruction of the Aral Sea are some of the most well known environmental problems facing the newly independent states, but many other environmental problems exist.

Air pollution continues to pose serious threats to health in many cities in the former Soviet Union. This has been tied, among other things, with increased vulnerability to disease among children. In agricultural areas where pesticide use is particularly heavy, infant morbidity is more than four times higher than in regions where pesticides are used less intensively. The lack of quality drinking water in some areas has contributed to increased occurrences of typhoid and viral hepatitis.

The financial costs of pollution and the obstacles it poses to the economic development of the newly independent states are significant. In 1990, some Soviet scholars estimated environmental damage cost 15–17 percent of the gross national product. Experience in other countries has also shown that environmental degradation can seriously impede economic development.

In authorizing assistance under this act, the committee intends to give the administration broad authority to engage in environmental protection and restoration activities, including, but not limited to, those activities identified in section 7(6). The committee believes that protection and restoration of resources shared by the United States and the newly independent states should be emphasized.

Nuclear power plant safety

The committee is concerned that the safety and health risks associated with the continued operation of the more than 50 nuclear power plants in the former Soviet Republics are substantial and growing.

The May 1986 Chernobyl disaster and the recent accident at the Sosnovy Bor nuclear plant near St. Petersburg are vivid reminders of the potential health and environmental costs resulting from the continued operation of unsafe nuclear power plants. These accidents also highlight a basic dilemma which confronts those who wish to address this critical problem. While safety considerations should logically force the closure of most or all of the 15 Chernobyl-type graphite moderated reactors [RMBKs] which do not have hardened containment structures, the need for the power such reactors produce is so acute that the Republics may be willing to risk their continued operation out of economic necessity.

There are an additional 41 pressurized water reactors [VVERs] in operation or under construction in the former Soviet Republics. Some of the older VVER's (models 230 and 213) also lack hardened containment structures. The newer VVER's do have such structures and other safety improvements upon the RMBK design.

U.S. nuclear power companies possess state-of-the-art safety technology related to nuclear reactor core control and protection systems. The committee encourages limited assistance to those companies that have developed the most cost-effective technology to assist them in making such technology available for purchase to the former Soviet Republics to upgrade those features which assure the improved operation of nuclear reactors which those Republics believe must continue to operate in the short term.

The potential safety and environmental dangers related to the continued operation of unsafe nuclear reactors pose a threat to the health and well-being of populations far beyond the borders of the former Soviet Union. Therefore, the committee encourages the establishment of a program of technical assistance to the former Soviet Republic in which unsafe nuclear reactors which generate electrical power are located. Such a program should be developed in conjunction with the U.S. commercial nuclear industry.

In addition, the committee recognizes that one of the potential obstacles in the transition to market-oriented economies in the former Soviet Republics is the absence of an adequate, safe, and dependable supply of energy. At present, nuclear reactors provide 12 percent of all power in the former Soviet Union and as much as 40 percent of all power in some areas. A classic conflict is emerging between safety and environmental concerns, and the energy requirements critical to economic improvement in the Republics.

The committee notes that the European Community has taken the initiative in addressing the safety problems posed by the RBMK reactors, and that so-called Chernobyl fixes have been identified to upgrade the safety of those reactors. Therefore, the United States commercial effort should focus more specifically on safety upgrades for the VVER models.

In light of the serious health and environmental dangers posed by the continued operation of unsafe nuclear reactors in the former Soviet Union, the committee believes a top priority for a United States assistance program should be the development of alternative sources of energy. An aggressive program to develop alternative sources of energy and increase energy efficiency would allow the permanent closure of some of the reactors and assist in addressing the unstable and dangerous energy supply situation in the newly independent republics.

The committee believes investment in energy efficiency programs and alternative sources of energy in the former Soviet Union would be far less costly than a program to upgrade all nuclear reactors to United States safety standards. Therefore, any plan for nuclear reactor safety should include recommendations for specific steps that could allow the permanent closure of unsafe reactors.

In addition to efforts to upgrade the quality of equipment and nuclear reactor safety controls in the former Soviet Union, the committee encourages the establishment of a program to improve reactor operator quality and regulatory capability.

Human technical capability has proven to be as important as reactor equipment and design in preventing accidents and responding effectively to those that do occur. The committee believes that programs to improve the training of reactor operators, and to upgrade operating standards and procedures can contribute substantially to cost-effective improvements in nuclear reactor safety.

Finally, the committee urges that efforts be made to strengthen nuclear safety regulatory and enforcement standards in the former Soviet Republics.

American Schools and Hospitals Abroad

The committee encourages the funding of American schools and hospitals that have been or may be established in the independent states of the former Soviet Union, such as the American University of Armenia [AUA]. AUA was founded last year in conjunction with the University of California, and is already teaching Armenian university students engineering and English.

Barter and/or Purchase of Weapons-Related Material

As the former Soviet Republics seek to transform their economies and their political systems, they must also maintain control of more than 25,000 nuclear weapons during times of great uncertainty. The warheads contained in these weapons have some 500 tons of valuable high-enriched uranium that may be diluted with natural uranium and used in commercial nuclear power plants. The administration has estimated that this uranium could power some 600 large reactors for a year.

The issue of plutonium is far more complex. At this time there is no cost-effective use for plutonium and its market value, other than for weapons, is essentially zero. The administration has made no policy decisions about what to do with plutonium in the long term. The administration's uncertainty causes concern about proliferation, and it is the committee's view that this material should be placed under very rigid safeguards until a long-term solution is found.

Current arms control agreements provide for the elimination of delivery systems, but do not address the issue of the dangerous and growing stockpile of weapons-usable fissile materials in retired nuclear warheads. There is also a danger that such material might be sold, either officially or surreptitiously, in its weapons-usable form on an uncontrolled world market. Thus, the risk of clandestine or unsafeguarded international transfer of fissile materials presents a relatively new and highly dangerous threat.

The committee believes that United States efforts to provide agricultural and other essential commodities to the Republics of the former Soviet Union in exchange for special nuclear materials can significantly reduce the proliferation of these materials. In addition, such efforts can help prevent further dumping of commercial-grade uranium on the international market. The committee notes that the U.S. Department of Energy uses older, costly enrichment technologies. Accordingly, acquiring enriched uranium from the former Soviet Union could save millions of dollars of United States electricity.

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IAEA REPORT ON VVER-230'S

The International Atomic Energy Agency has published an overview of its project on the safety of VVER-440 Model 230 nuclear power plants in central and eastern Europe. The project concludes that all 10 of the Model 230s still in operation have safety deficiencies that need immediate corrective actions, and that until those actions are taken, compensatory measures must be adopted at these plants.

The findings of the project were reported to operators and regulatory authorities at a meeting in Vienna, February 13-14 (*NN*, Mar. 1992, p. 79). The publication of the overview and major findings in early March was to be followed soon after by more detailed technical reports.

That serious deficiencies exist in Model 230s is, of course, well known, partly because of the urgent activity called for at Kozloduy in Bulgaria by an IAEA review team, one of which was sent to each plant under the IAEA project. The final report, which sets up a scale of four categories to rank the deficiencies, states that more than half of the problems are in categories III and IV, the most severe. Category III issues are said to be of "high safety concern" as there is insufficient defense in depth; "immediate corrective actions" are required and interim measures might be necessary until the problems are resolved. Category IV issues are of the "highest safety concern" due to an unacceptable level of defense in depth. Again, immediate corrective actions are required and "compensating measures must be taken until the problem is resolved."

Despite the uncompromising language, and contrary to widespread media reports over the past year, the IAEA project is not calling for immediate closures of plants, nor does the agency rule out the prospect of years of future operation. The report notes that to varying degrees, all the plant owner-operators are pursuing safety improvements. It says that "in the interim there is a clear need for special operating regimes and compensatory measures to materially increase safety." Amongst these are measures to preserve and enhance the existing positive safety aspects of the VVER-440 design, such as the relatively low power density in the reactor core and large water inventories in the primary and secondary circuits.

A number of factors are identified as strongly influencing the decisions that need to be made:

Some corrective actions might entail prohibitive costs and construction times.

Many safety issues cannot be resolved soon, nor even in several years.

Some actions that could be accomplished in the short term—such as the installation of simulators—would be appropriate only for long-term operation of the reactors.

Safety problems that could arise due to aging could severely influence the anticipated plant lifetimes.

The report concludes: "In order to effectively prioritize safety improvements it will be necessary, within the next months, for all user countries to decide on a sound forecast of the future utilization of these plants and then to prepare an appropriate work plan."

The main safety issues identified by the IAEA project follow.

Design Issues

In-core monitoring. Better instrumentation is needed to verify the power distribution, which is essential to maintain high core margins.

Decay heat removal. Currently the only route is through the steam generators, and it is therefore necessary to ensure an early reactor trip in any transient that can cause depletion of the steam generators, and to provide additional reliable means of supplying feedwater.

Reliability of active components. It is necessary to systematically assess decay heat removal component failure records, and change components as necessary.

Service water system. Additional equipment is needed to make the system single-failure proof; also, redundant equipment should be separated by physical barriers or by increased distance between them.

Main steam line isolation. A break would result in overcooling of the primary system, which would cause a severe thermal shock on the reactor vessel. Swift, automatic isolation valves are needed.

Primary circuit pressure relief. The pressurizer valves are not qualified to relieve water, and their reliability is not proven. New valves may be needed if the requirements and targets can not be met by other means.

ECCS capability. The emergency core cooling systems cannot cope with a variety of accidents in the short- or long-term cooling modes. There are no accumulators or low-pressure injection systems, so medium and large breaks cannot be dealt with. The feasibility of installing low-pressure injection and/or accumulators should be determined.

ECCS redundancy and physical separation. There is not enough. An analysis of failure modes and effects is required to identify the major areas where improvements should be made.

Confinement function. Existing confinement cannot acceptably control the release of radioactivity that might escape from the primary system. A combination of leak-rate reduction and some form of filtered venting might control the releases, while hydrogen recombiners could eliminate the potential for explosions.

Ventilation/cooling. It is necessary to evaluate the cooling power needed to control the temperature in the control equipment rooms below specified limits, improve the ventilation systems to ensure required cooling, and provide adequate redundancy to cope with single failures in the ventilation systems.

Component Integrity

Reactor vessel embrittlement. Irradiation embrittlement of vessel walls has progressed much faster than originally predicted, and the fastest embrittlement is likely to take place in a circumferential weld at the elevation of the reactor core. The real rate of embrittlement and the current value of the brittle-to-ductile transition temperatures are not accurately known, but in some plants the transition temperatures may be higher than 150 °C. Some VVER vessels have been annealed, but its effectiveness has not yet been sufficiently validated. Experience at some plants has shown that the rate of embrittlement can be significantly lowered by reducing the neutron flux at the vessel walls.

Vessel inspection. Ultrasonic inspections during manufacture and installation involved limited methods. Acceptance criteria for in-service inspection with better equipment and methods are needed.

Vessel stress analysis. Reevaluation, by more refined methods and approaches, is needed to account for normal transients and beyond-design-basis accidents.

Applicability of leak-before-break. Detailed studies in the areas of stress analysis and leak detection are needed to determine if the probability of primary pipe break is as low as it is assumed to be, based on the leak-before-break concept.

Primary circuit inservice inspection. The methods should be improved.

Primary circuit stress analysis. Results obtained by the use of modern codes and techniques are needed for the assessment of primary circuit integrity.

Vessel support integrity. The reactor vessel rests on a tank filled with water. Aging, degradation, and seismic loads could affect vessel support integrity, with a likely impact on vessel and primary circuit integrity.

Instrumentation and Control

Quality and performance. A detailed program to upgrade safety-related I&C, according to current standards, is required.

Redundancy, separation and independence. It would be impossible to impose full redundancy, separation, and independence on the existing installations, but the most worrisome initiating events should be identified, and related separation, fire protection, independence, and redundancy will be required.

Control room support. Excessive demands are placed on operators due to insufficient information, centralization, and automation. A control room design review is required. This issue is linked to operator training.

Equipment qualification. Safety-related I&C equipment needed to withstand events such as high-energy line breaks or earthquakes should be identified, and a qualification program should be established.

Equipment and power supply classification. There is no formal distinction between safety-related instrumentation and power supply. The resolution of this issue has major inputs to many other I&C concerns. Immediate development of a classification plan is needed.

Signal priority. Operation of emergency systems can be inhibited by equipment protection signals or manual actions. It is necessary to identify functions that can be inhibited in this way, to establish potential consequences and to implement corrective action.

Control room habitability and remote shutdown panels. Interim procedures should be established to allow safe shutdown from outside the control room. Measures such as door improvements and addition of breathing apparatus should be adopted immediately to protect control room personnel in accident conditions until permanent habitability improvements are made. Installation of a completely independent shutdown panel is required.

Electric Power Supplies

Redundancy, separation, and independence. The situation is similar to that for I&C. Initiating events of concern—such as fires—should be identified, and fire protection, redundancy, separation, and independence improved. An independent installation consisting of a network of power cables that can be connected within an hour to safety systems has already been implemented at Bohunice in Czechoslovakia, and is a partial solution to the problem.

Quality and performance. The electrical equipment in general does not perform up to current standards. Upgrading is needed.

Diesel generator loading. The failure of diesels to supply the demanded load when required is a major safety concern. The loading must be evaluated in different operating modes, and new diesels should be added and arranged to ensure two independent trains per reactor.

Battery capacity and d-c system design. The loading of the existing batteries, in the different possible operating modes, should be evaluated to assure adequate d-c power provision.

Emergency protection signals. There is concern that reactor scram is achieved very late, or not at all, during some transients. Additional scram signals, such as low steam generator level and high pressurizer level, should be considered.

Accident Analysis

Analysis of loss-of-coolant accidents (LOCA). Additional analyses are necessary to reach the international standard, especially when the emergency core cooling systems are redesigned to cope with leaks larger than 32 mm in diameter.

Evaluation of modifications. Plant-specific level 1 probabilistic safety analyses should be performed, and the results used to evaluate the risk impact and priority of modifications.

Fire protection. Actions are necessary to improve fire inspection activities, to eliminate fire hazards, and to assure that fire equipment is maintained in design readiness.

Operational Issues

Management involvement. Management should take a more active role in station operation to ensure that practices, policies, and standards are being properly implemented.

Safety culture. It has been found to be poor in some of the plants, and needs to be promoted.

Modification control. Plant changes must be effectively reviewed to ensure that the plant's design basis is not inadvertently altered.

Work control. Adequate measures should be developed on the identification, scheduling, isolation, release for work, and return to service of maintenance activities.

Equipment material condition. Systems important to safety must be maintained in a highly reliable state and in accordance with design to ensure operability.

Quality assurance. An overall QA program should be developed to ensure consistent and verifiable support of plant operation and safety.

Operating procedures. Personnel should be instructed in detail to control locked valves, operate systems, coordinate plant startup and shutdown, conduct shift turnovers, and respond to alarms and off-normal conditions.

Limits and conditions. There should be a formal document containing the essential limits and conditions for operation, the required surveillance test requirements to verify them, and corrective actions in case of off-limit conditions.

Surveillance procedures. Personnel should be provided with detailed instructions and acceptance criteria for tests that verify important safety parameters.

Radiation protection. Measures should be improved, properly implemented, and followed by all personnel.

Emergency operating procedures. They are insufficient or nonexistent. Procedures should include human factors considerations and, to the extent practical, be symptom-based. Full development of symptom-based procedures would be a long-term effort.

Training. It was found to be deficient in many aspects. Programs need to be systematically structured and implemented. Adequate and updated training material is also needed. Effective simulator training is necessary. If a fullscope simulator is not used for operator training, other methods should be used to provide effective training on procedure usage, communications and control room team skills and conditions.

Emergency planning. An effective program must address all aspects of accident assessment, onsite and offsite planning, and coordination.

Operational experience feedback. A systematic process of root cause analysis of operational events is needed to determine actions to enhance programs for the prevention of incidents.

Seismic Issues

Design basis. Seismic loads were not considered explicitly in the original design of these plants.

Structural systems. Structural adequacy should be determined through analytical methods. Interaction hazards could be assessed during plant walkdowns.

Components. Adequacy of anchorage and support is especially important for items such as electrical cabinets, electrical and mechanical equipment, distribution systems, essential tanks, and battery racks.

TABLE I.—OVERVIEW OF IAEA DATA BASE, OF ITEMS OF SPECIFIC SAFETY CONCERN

Reference	Design items	Operational items	Total
Conceptual design review	188	0	188
Bohunice	89	122	211
Kozloduy	125	179	304
Novovoronezh	154	147	301
Kola	180	133	313
Total	736	581	1,317

TABLE II.—RANKING OF SAFETY ISSUES

Severity	Issues
Category I	7
Category II	34
Category III	46
Category IV	13
Total	100

[From the Washington Post, June 28, 1992]

G–7 To Consider Plan on Reducing A-Plant Risks

(By Don Oberdorfer)

The Group of Seven industrial nations are poised to adopt at this upcoming Munich summit the first major international program to reduce the high risk of disastrous accidents at civilian nuclear power rectors in the former Soviet Union and Eastern Europe, according to U.S. officials.

President Bush and the six other summit leaders are described as nearly certain to approve a plan for making short-term improvements in the safety of the reactors, 15 of which are the same type as the one that blew apart at Chernobyl in 1986, creating the world's worst nuclear accident.

The plan, which was devised by a G–7 task force headed by Germany, calls for spending at least $680 million over five years to improve operational safety and training at substandard reactors, making small technical improvements and providing assistance to regulatory authorities, U.S. sources said.

The United States, which launched a $25 million program along these lines last month, is expected to provide more than $100 million for the five-year program.

Final details of the new international effort will be worked out July 6–8 during the Munich summit, officials said. German Chancellor Helmut Kohl said last week that the short-term nuclear safety program he has in mind would cost about $800 million. He gave no details.

The most important unanswered question is how the summit leaders will deal with the broader and much more expensive need to replace or upgrade potentially dangerous reactors whose safety can be only marginally improved under the short-term plan. The estimated price tag for undertaking the broader program ranges from a preliminary World Bank estimate of $6 billion to $8 billion, to a $20 billion estimate by Ivan Selin, chairman of the U.S. Nuclear Regulatory Commission, to a $50 billion estimate by a private engineering firm, Asea Brown Boveri Ltd.

The U.S. position is that plans for undertaking the broad replacement or upgrading task should await expected World Bank studies of energy supply and demand in the former Soviet Union. This is because, officials said, sharp increases in energy prices an dramatic improvements in efficiency may eliminate the need for the output of some of the nuclear reactors now considered dangerous.

Germany, however, is reported to be pressing for a G–7 commitment at Munich to a broader action plan. Japan, on the other hand, is said to be opposed to going beyond short-term aid at the present time. The Tokyo government has been reluctant to approve any aid other than emergency assistance to Russia before settlement of the issue of four Japanese-claimed islands north of Japan that have been occupied by the Soviet Union and now Russia since World War II.

Selin, in testimony to the Senate Energy and Natural Resources Committee earlier this month, said there is "growing international consensus" that the 15 remaining Chernobyl-type reactors and 10 older Soviet-built reactors and 10 older Soviet-built reactors of another type "should not be operated any longer than absolutely necessary" because of the safety hazards involved.

Russian Ambassador to the United States Vladimir P. Lukin last week described reactor safety in his country as "a really urgent problem" and said discussions are underway about it with European nations as well as the United States. Many nuclear experts consider the state of former Soviet civilian nuclear reactors more of a danger to humanity than the generally tight controls on nuclear weapons as the Soviet Union breaks apart.

A U.S. official familiar with the discussions said the crucial question at Munich will be the degree of G–7 encouragement and backing for the more ambitious and expensive program. The official said that Russia, Ukraine and the other nations involved will have to do much of the planning because the issues involved cannot be separated from the other pricing, investment and energy questions facing their governments.

[From the New York Times, March 22, 1992]

40 CHERNOBYLS WAITING TO HAPPEN

(By Maurice Strong)

While the world prepares for the Earth summit meeting—the U.N. Conference on Environment and Development—in Rio de Janeiro in June, up to 40 potential Chernobyls are waiting to happen in the former Soviet Union and Central Europe.

By the time this nuclear nightmare catches the world's attention, it maybe too late to prevent a catastrophe that could do irreparable human, economic and environmental damage. Without an international rescue operation, the risks can only accelerate.

Warnings about this danger come not from antinuclear activities but from leaders of the nuclear industry, which would be a primary victim of new Chernobyls. Percy Barnevik, president of ABB Brown Boveri, one of the world's principal nuclear contractors, says many plants are so unsafe they should be shut immediately.

All of the 60 nuclear reactors in the former Soviet Union and Central and Eastern Europe have safety problems that have been building up for many years. Assessments by the International Atomic Energy Agency show that 26 have "serious" safety deficiencies and 14 have "considerable" ones. The agency is technically advising members of the Organization of Economic Cooperation and Development and the European Community about rectifying this situation.

A February 1992 I.A.E.A. study of the first generation of Soviet-designed pressurized reactors operating in Bulgaria, Czechoslovakia and Russia says they have "serious safety deficiencies." While an urgent safety program is under way, four units at Kozlodui, Bulgaria, continue to operate despite acute risks. Similar programs are required in all the affected plants, and some, perhaps most, should be shut permanently.

In many, the risks are becoming increasingly acute. The morale of management and workers has been destroyed by a lack of clear government policy and support, uncertainty about their futures, a lack of incentives and suitable training as well as shortages of funds, spare parts and supplies. All this has led to a serious deterioration in operating and maintenance performances in plants that already are accident prone because of design and construction flaws.

The governments, aware of the problems, are faced with a Hobson's choice in dealing with them. Shutting the plants would deprive the countries of energy that is critical to weakened economies. Alternative sources of energy would require foreign exchange they do not have and additional capital investment they cannot afford. Replacing the plants with a new generation of safer reactors or rebuilding them to meet acceptable safety standards would require billions of dollars; at a minimum, it would take the rest of this decade to replace or rebuild the plants.

The only alternative is a large-scale rescue operation by the international community, which could not come at a worse time. Countries that belong to the Organization for Economic Cooperation and Development feel severe budgetary and economic constraints and are particularly resistant to new demands on their resources.

Do we really have to wait for the first new Chernobyl to mount such a program, when it would be wiser to start now while it may still be possible to avert disaster?

What is needed is an international commission to work with each country and the I.A.E.A. Its first task should be to evaluate the most dangerous safety problems and insure that proper resources are immediately mobilized to alleviate these risks.

The commission should weigh the opportunities to meet short-term needs arising from shutting down the plants or interrupting energy supplies. The commission should then evaluate long-term needs, including non-nuclear alternatives as well as measures to improve vastly inefficient energy systems—particularly in transportation and heavy industry.

Developing countries would be deeply concerned that such an international rescue program not divert financial resources they urgently need to build their economies on an environmentally sound basis and carry out the decisions of the Earth summit meeting in Rio de Janeiro.

While this potential crisis is pushing itself onto the world agenda at an inconvenient time, it cannot be ignored. The costs of acting now to prevent or contain a new environmental disaster will be far less than the costs of letting it happen.

[U.S. Council for Energy Awareness]

SOVIET NUCLEAR POWER PLANT DESIGNS

PLANT LOCATION AND DESIGN "FAMILIES"

At the end of 1991, more than 60 commercial nuclear reactors of Soviet design had been built or were under construction in the ex-Soviet republics of Russia, Ukraine and Lithuania; in Bulgaria, Czechoslovakia and Hungary; and in India and Cuba.

Two Soviet-designed nuclear plants in Finland have been modified using Western technology and are significantly different from their original Soviet design.

Soviet-designed plants in India and Cuba have not been completed.

With the exception of small nuclear units used for district steam heating and several small fast-breeder reactors—which produce fuel as they generate electricity—Soviet-designed commercial nuclear power plants are variations on two basic desings: the VVER—or pressurized light-water—type, and the RBMK—the graphite Chernobyl-type.

There are no RBMK plants operating outside the former Soviet Union.

THE VVER: THREE GENERATIONS OF LIGHT-WATER UNITS, UPGRADED OVER TIME

Although it shares a basic engineering concept with its counterparts in the United States, France and Japan, the Soviet pressurized-water—or VVER—design is very different and does not meet Western safety standards.

FIRST-GENERATION VVERS

The earliest pressurized-water nuclear plants were developed by the Soviets between 1956 and 1970. These plants include the following versions:

VVER–210 (Prototype): Novovoronezh–1, Russia (Shut down 1984).

VVER–365 (Prototype): Novovoronezh–2, Russia (Shut down 1990).

VVER–40: Novovoronezh–3 and –4 (First Standardized Model V230s).

VVER–440 Model V230: Kola–1 and –2, Russia.

VVER–440 Model V230: Armenia–1 and–2; Kozloduy 1–4, Bulgaria; Bohunice–1 and–2, Czechoslovakia; Greifswald 1–4 in the former East Germany.

Principal strengths

Six primary coolant loops (providing multiple paths for cooling the reactor), each with a horizontal steam generator (for better heat transfer), that together provide a large volume of coolant. In some respects this design is more forgiving than Western plant designs with two, three or four large vertical steam generators.

Isolation valves that allow plant operators to take one or more of the six coolant loops out of service for repair while continuing to operate the plant. This feature is found in only a few Western plants.

Ability to sustain a simultaneous loss of coolant and off-site power, due to coolant pumps and two internal power generators that "coast down" after a shutdown.

Radiation levels reportedly lower than many Western plants, due to selection of materials, high-capacity primary coolant-purification system, and water-chemistry control.

Ability to produce significant amounts of power despite design and operating deficiencies.

Principal deficiencies

Accident Localization System—which serves as a partial reactor contaiment—designed to handle only one 4-inch pipe rupture. If larger coolant pipe(s) reptures, this system vents directly to the atmosphere through nine large vent valves. Western nuclear plants have containments designed for rupture of the largest pipes. In addition, the top of the reactor of this design is not enclosed in the Accident Localization System.

No emergency core-cooling systems or auxiliary feedwater systems similar to those required in Western nuclear plants.

Major concern about embrittlement (gradual weakening) of the reactor pressure vessel surrounding nuclear fuel, due to lack of internal stainless-steel cladding and use of low-alloy steel with high levels of impurities.

Plant instrumentation and controls, safety systems, fire-protection systems, and protection for control-room operators far below Western standards.

Quality of materials, construction, operating procedures and personnel training far below Western standards.

SECOND-GENERATION VVERS

These plants—designated the VVER-440 Model V213—were designed between 1970 and 1980. The development of this design coincided with the first uniform safety requirements drawn up by Soviet designers.

VVER-440 Model V213 units in the former Soviet Union include:

Russia: Kola-3 and -4.

Ukraine: Rovno-1 and -2.

VVER-440 Model V213 units in Eastern Europe include:

Hungary: Paks 1-4.

Czechoslovakia: Dukovany 1-4; Bohunice-3 and -4.

Former East Germany: Griefswald 5 (shut down).

Finland: Loviisa-1 and -2.

Principal strengths

Upgraded Accident Localization System vastly improved over the earlier VVER-440 Model V230 design, comparable to several Western plants, and using a vapor-suppression containment structure called a "bubbler-condenser" tower.

Addition of emergency core-cooling and auxiliary feedwater systems.

Reactor pressure vessel with stainless steel internal lining to alleviate much concern about the vessel embrittlement associated with the earlier VVER-440 Model V230 design.

Improved coolant pump, and continued use of six coolant loops (providing multiple paths for cooling the reactor) and horizontal steam generators (for better heat transfer) with large coolant volume.

Standardization of plant components, providing extensive operating experience for many parts and making possible incremental improvements and backfits of components.

Principal deficiencies

Plant instrumentation and controls—for example, reactor-protection systems and diagnostics—behind Western standards. Significant variations exist among countries with VVER-440 Model V213 plants.

Separation of plant safety systems (to help assure that an event in one system will not interfere with the operation of others), fire protection, and protection for control-room operators improved over Model V230 plants, but generally below Western standards.

Unknown quality of plant equipment and construction, due to lack of documentation on design, manufacturing and construction, and reported instances of poor-quality materials being re-worked at plant sites.

Major variations in operating and emergency procedures, operator training, and operational safety (for example, use of control-room simulators) among plants. These aspects of plant operations depend primarily on the organization or country operating Model V213 plants rather than on the plant supplier. Some countries have added safety features to their Model V213 plants.

THIRD-GENERATION VVERS

The VVER-1000 design was developed between 1975 and 1985 based on the requirements of a new Soviet nuclear standard that incorporated some international practices, particularly in the area of plant safety. The VVER-1000 design was intended to be used for many plants, and by 1991 17 units had been built. VVER-1000 units operate in two former Soviet republics:

Russia: Balakovo 1-3; Kalinin 1-2; Novovoronezh-5.

Ukraine: Rovno-3; Khmelnitsky-1; South Ukraine 1-3; Zaporozhye 1-5.

Two VVER-1000 units were built outside the former Soviet Union:

Bulgaria: Kozloduy-5 and -6.

Work was stoped on two other VVER-1000 units in Blugaria (Belene-1 and -2) after public protests over claims of unsuitable soil and seismic conditions.

The Hungarian government cancelled Paks-5 and -6 in 1989.

Construction of two VVER-1000 units at Stendal, in the former East Germany, was halted following reunification with West Germany.

In the former Soviet Union, 15 VVER-1000 units representing 14,760 megawatts of generating capacity have been cancelled or deferred indefintely.

Principal strengths

Steel-lined, pre-stressed concrete containment structure, similar in function to Western nuclear plants.

Design is "evolutionary," incorporating safety improvements over VVER-440 Model V213 plants—Soviet approach to standardization based on continued use of components that have performed well in earlier plants.

Use of four coolant loops and horizontal steam generators, elimination of loop-isolation valves, and use of one turbine—all considered improvements by Soviet designers.

Redesigned fuel assemblies that allow better flow of coolant, and improved control rods.

Radiation levels reportedly lower than in many Western plants, apparently due to selection of materials, high-capacity system for purifying primary coolant, and water-chemistry control.

Principal deficiencies

Plant instrumentation and controls continue to be areas of concern. Wiring of emergency electrical system and reactor-protection system does not meet Western standards for separation—control and safety functions are interconnected in ways that may allow failure of a control system to prevent operation of a safety system.

Fire-protection systems do not appear to differe substantially from earlier VVER models, which do not meet Western standards.

Quality-control, design and construction are understood to be significantly deficient by U.S. standards.

Protection measures for control-room operators essentially unchanged from earlier VVER-440 Model V213 design, which does not meet U.S. standards. Unlike all U.S. nuclear plants, and most in Western countries, VVER-1000s have no on-site "technical support center," which serves as a command post for stabilizing the plant in an emergency. Technical support centers were incorporated in U.S. and many Western nuclear plants following the accident at Three Mile Island Unit 2 in 1979.

Operating and emergency procedures fall far short of Western standards and vary greatly among operators of VVER-1000 plants.

VVER-1000 DERIVATIVES

Even before the break-up of the Soviet Union, derivative versions of the VVER-1000 were under development.

The VVER-88 concept is a basic VVER-1000 with post-Chernobyl improvements and is the basis for the Khmelnitsky-5 in Ukraine, which was scheduled to begin operating in 1994. Although the VVER-88 included a number of safety advances, it was not considered economical and none were built.

In 1987, design work was begun on the VVER-1800, a VVER-1000 upgraded for greater safety and economy. The VVER-1800 design incorporated a lower-power reactor core, annual refueling, and more reliable control and protection systems.

In 1989, Finland and the Soviet Union jointly announced the start of development work on the VVER-91, a VVER-1000 version that would meet stringent Finnish nuclear-plant design requirements. On paper, the Soviet VVER-91 design was among the world's most advanced light-water nuclear power plants.

Development of a new VVER-1000 design, the VVER-92, was expected to be carried out with Western assistance. The VVER-92 incorporated what one Finnish nuclear expert called "radically simplified" plant systems that included active safety systems, a reduced-power reactor core, and a double containment structure surrounding the nuclear reactor. According to the Finnish expert, VVER-92 development was continuing as of late 1991.

THE RBMK: THE CHERNOBYL-TYPE SOVIET NUCLEAR POWER PLANT

The former Soviet Union built 17 nuclear units based on the RBMK design used at the Chernobyl nuclear power plant, the site of the world's worst commercial nuclear accident. The RBMK design has not been used outside the former Soviet Union and could not be licensed to operate in the United States or other industrial nations.

Most of the RBMK nuclear units are of the 1,000-megawatt capacity. RBMKs of this size in former Soviet republics include:

Russia: Sosnovy Bor (formerly Leningrad) 1-4; Smolensk 1-3; Kursk 1-4.

Ukraine: Chernobyl 1-4 (Unit 4 was shut down after the 1986 accident).

RBMKs of the 1,500-megawatt class include:

Lithuania: Ignalina 1-2.

The power levels of the Ignalina RBMK units have been reduced for safety reasons.

All RBMK plants planned or under construction have been cancelled or deferred indefinitely.

Principal strength

The RBMK can be refueled while operating, permitting a high level of availability.

Principal deficiencies

The most significant difference between the Soviet-designed RBMK nuclear plant design and most of the world's nuclear power plants—and all U.S. nuclear plants—is the RBMK's lack of a massive steel and concrete containment structure as the final barrier against large releases of radiation in an accident. The effectiveness of American-style reactor containments was shown in the 1979 Three Mile Island Unit 2 accident, when virtually all radiation was retained inside the containment building, despite considerable melting of the fuel. In the Chernobyl accident, the RBMK plant's accident localization system (the RBMK's version of containment) could not withstand the force of the accident.

The graphite used in the reactor core can burn. (The nuclear fuel in commercial light-water U.S. nuclear power plants, in contrast, is surrounded by water, which cannot burn.)

RBMK plants can experience faster and more unstable nuclear chain reactions—and power increases—when coolant water is lost. In technical terms, this characteristic is called a "positive void coefficient." Soviet engineers have sought to modify this tendency by backfitting RBMKs with faster-acting control rods and other improvements. U.S.-style nuclear plants, however, are designed with just the opposite characteristic—a "negative void coefficient"—so that the nuclear chain reaction automatically shuts down completely when coolant water is lost.

Inadequate fire-protection systems.

Limited capability for steam suppression.

Flawed separation and redundancy of electrical and safety systems.

Complicated piping arrangements.

Mr. GRAHAM. Mr. President, it is to that concern that the amendment which I have submitted is directed, because it calls in the United States as part of its program in conjunction with other industrialized countries and other international agencies to develop a plan that not only deals with the short-range applications in training but also the intermediate United States measures of identifying those plants which are not susceptible to being brought up to a reasonable standard of safety and should be closed.

Mr. President, I say this is a particular concern to those of us who live in the southern United States, because at this moment there are two plants being constructed on the south coast of Cuba with serious safety concerns, plants which have been alleged to be impossible to operate at an acceptable level of safety without regard to how well trained or managed the facilities should be.

It is to those plants in Bulgaria and Czechoslovakia and elsewhere where plants that fall into the category, as Chairman Selin described as those that required urgent shutdown. It is to those that our amendment is directed. It calls for a balanced United States approach in order to assist the countries of the world which are afflicted with these Soviet-designed nuclear reactors.

Mr. President, I urge the speeding adoption of this amendment.

The PRESIDING OFFICER. Who seeks recognition?

The Chair recognizes the Senator from Wyoming.

Mr. WALLOP. Mr. President, if I were the Senator from Florida, and even as the Senator from Wyoming, I would share his concern about the nuclear reactors being built in Cuba. I would say, however, that Mr. Ivan Selin, the chairman of the Nuclear Regulatory Commission, informed the Senator from Wyoming that the design, the reactor design that is being installed in Cuba, is among the most efficient and safest in the world. What is worrisome is the Cuban construction and the training of maintenance operational personnel. I do not know what we quite do with the design procedure, because the design is viewed by most of the world who knows of these things to be safe. What is not safe is one of the things that will be hardest for us to control.

I think the junior Senator from Florida is assured that we took as much care of that as we could possibly do.

I have no objection to the amendment.

Mr. BIDEN. The Graham-Biden amendment is rather simple. It says that while the United States and other Western countries are helping with emergency safety upgrade at Soviet-designed nuclear reactors, we should also help develop a broader framework to deal with this huge problem.

There is little dispute that safety conditions at many of the Soviet-designed nuclear reactors are abysmal. In fact, when Germany unified, one of the first steps of the new government was to shut permanently the five Soviet-designed reactors in the former East Germany. Construction of five others was also stopped.

A unified Germany was able to do so because it had alternative sources of energy to draw upon. Unfortunately, many of the other countries with these dangerous reactors do not have that option.

That is why the west is loking at a program of emergency safety upgrades. These upgrades would include control room operator training, distribution of safety manuals, development of an effective regulatory system, and to a certain extent, so-called hardware improvement.

There is widespread agreement that these interim measures can make a dramatic improvement in safety levels at the plants. But make no mistake about it, those plants will still fall far short of Western safety standards even after the emergency improvements are made.

Our amendment seeks to establish the framework of a longer-term plan on how to deal with these dangerous plants. Right now, there is no international plan on separating reactors that can be made safer in a cost-effective manner from those that should be shut down.

And to make matters worse, there is no program before us to develop alternative sources of energy so reactors that everyone around the world might agree should be closed, can in fact be closed.

In short, our amendment seeks to make sure that in 4 or 5 years, we are not back here making the exact same arguments—that the reactors are known to be dangerous, and that the host government would like to close them, but there are no alternative sources of energy available. I think that without this amendment, the Senate will be signing on to a hugely expensive program that few believe is the best course to follow.

The cost estimates of needed safety improvements is staggering. The Director of the Nuclear Safety Division of the International Atomic Energy Agency estimated just an emergency operator training program for the 57 Soviet-designed reactors would cost $170 million each year. And this would be the absolute minimum.

A longer-term program focused solely on the reactors quickly skyrockets in cost. The Chairman of the NRC estimated a longer-term program would cost $20 billion. A nuclear engineering firm estimated the cost closer to $50 billion.

The simple fact is we do not have that much money, and even the collective resources of Western aid donors would not match those needs. That is why we have to start the process now to look at the region's energy situation in a broader perspective, so any assistance is cost-effective and results in the highest level of safety possible.

Many nuclear experts are concerned about the costs and practicability of starting down the road to a longer-term program.

Harold Denton, head of the NRC's Office of Governmental and Regulatory Affairs Office cited the risk of being coopted by paying for safety improvements at a dangerous plant when a better option is to close it.

Western inspectors who looked at Bulgaria's nuclear plants said they were so hazardous that "continued operation would be imprudent." Yet without this amendment, the Senate will practically force continued operation of all of the Bulgarian reactors for years to come.

Experts in those countries know what should be done. Boris Yeltsin's environmental adviser has said that "it is essential to stop investing funds in dangerous and ineffective nuclear stations immediately." But, of course, the preferred option may not be the practical one to follow.

Even among those who will be in the forefront of fixing the reactors, there is a recognition that we have to look at the reactors in a broader perspective.

On June 16, in testimony before the Energy Committee, NRC Chairman Ivan Selin said: "In the medium term, we should help them determine energy requirements and the feasibility of reducing energy demand, and help to identify energy alternatives that will increase their incentives to shut down the RBMK and VVER 440/230 reactors."

At the same hearing, William Young, Asssistant Secretary for Nuclear Energy for the Department of Energy testified that "developing specific strategies to obtain agreement on shutdown of these plants can best be accomplished through an understanding of the specific energy demand and supply conditions in each country. Western assistance will also be needed to improve conservation and efficiency and to help provide suitable replacement power where needed."

He concluded his testimony by saying: "Our attention should focus on determining the feasibility of electric power demand reduction and alternatives that would enable a decision by the countries concerned to not operate these plants any longer than absolutely necessary."

Our amendment addresses these concerns. It will start a process so, as Harold Denton warned against, we are not unintentionally co-opted into keeping open reactors that should be shut down.

Let me make one point very clear—our amendment allows a short-term emergency program to go forward. United States participation in the emergency assistance program expected to be announced at G–7 economic summit would be allowed to occur.

Our amendment makes clear that as the emergency reactor aid goes forward, we should also start the lengthier process of developing alternatives that will allow closure of some of the reactors. This appears to be a step consistent with what the NRC and the Department of Energy testified is needed.

It is consistent with the approach Germany used when it had to face this choice on its own soil.

And it also is consistent with the concerns of people in Russia, Ukraine, Bulgaria and other countries with Soviet-designed reactors that they, to be quite blunt, fear the reactors but have no choice for now on their continued operation. Our amendment will help them get out of the bind they and the rest of the world are in with these reactors.

The PRESIDING OFFICER. Is there further debate?

If not the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 2714) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico [Mr. DOMENICI].

AMENDMENT NO. 2715

Mr. DOMENICI. Mr. President, I send an amendment to the desk on behalf of Senators DOLE and KASTEN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself, Mr. DOLE and Mr. KASTEN, proposes an amendment numbered 2715.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. . AMERICAN CENTERS TO SUPPORT PEACEFUL TRANSITIONS LEADING TO FREE MARKET ECONOMIES AND DEMOCRATIC VALUES IN RUSSIA, THE UKRAINE, BELARUS, GEORGIA, ARMENIA, AND OTHER NEW INDEPENDENT STATES.

In order to demonstrate an American commitment to support the peoples of Russia, the Ukraine, Belarus, Georgia, Armenia, and other new independent States, the President should establish American Centers to promote commercial, professional, civic, and other partnerships between the people of the United States and the peoples of new independent states for the purposes of:

(1) establishing a liaison of facilitate exchanges between the peoples of the republics of the former Soviet Union and American business entities, state and local governments, and professional and civic institutions in the United States;

(2) providing a repository for commercial, legal, and technical (including environmental and export control) information;

(3) identifying existing or potential counterpart businesses or organizations that may require specific technical coordination or assistance; and

(4) helping to establish the legal and regulatory framework and infrastructure that is a critical prerequisite to the establishment of a market oriented economy and democratic institutions;

(5) such other objectives that the Center Directors and Coordinator may identify and have been approved by the Executive Board.

SEC. . EXECUTIVE BOARD AND DIRECTORS OF CENTERS.

(a) The Executive Board. The President is authorized to appoint an Executive Board of no more than ten United States citizens to advise the President and to provide policy and technical direction to the American Centers. The Board Members should be chosen from individuals who have demonstrated leadership in business, professional, and civic organizations that engage in relevant international activities, in particular in the new independent States.

(b) Directors of the American Centers. Upon the appointment of an Executive Board as provided in Subsection (a), the President may designate, from a list of candidates submitted by the Executive Board upon his request, Directors of one or more American Centers to carry out the purposes of the Act. The Executive Board shall work as expeditiously as possible to respond to requests to establish additional American Centers in major cities of the Republics.

(c) Policy Coordination of American Centers. The President is encouraged to designate a coordinator to oversee, subject to the policy direction of the Secretary of State, activities conducted by the United States Government in connection with the American Centers and other activities authorized by the Freedom Support Act. The coordinator, the Deputy Secretary of State, and the Chairman of the Trade Promotion Coordinating Committee shall be ex officio members of the Executive Board.

(d) The Executive Board shall consult with and provide periodic reports to the President, the Secretary of State, and the appropriate committees of Congress.

(e) Nothing in this section shall be construed

(i) to make the Executive Board or any American Center an agency or establishment of the United States Government, or

(ii) to make any member of the Executive Board or director of an American Center officers of employees of the United States Government, for the purpose of title 5, United States Code or any law administered by the Office of Personnel Management. In addition, the provisions of the Federal Advisory Committee Act shall not apply to the Executive Board or any American Center.

SEC. . FUNDING FOR AMERICAN CENTERS AND FOR TECHNICAL SUPPORT FOR DEMOCRATIC GOVERNMENTS, PRIVATE INSTITUTIONS, AND PROFESSIONAL ORGANIZATIONS IN THE SOVIET REPUBLICS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts made available for assistance under the Freedom Support Act, not more than $5,000,000 for fiscal year 1993, and not more than $10,000,000 during any subsequent fiscal year shall be available for assistance in accordance with this Act.

(b) TYPES OF ASSISTANCE AUTHORIZED.—Funds made available pursuant to this Act shall be used to establish and maintain the American Centers and to provide technical and related support assistance to any eligible recipients in the new independent States.

(c) ELIGIBLE RECIPIENTS.—As used in the Act, the term, "eligible recipient" means—

(1) the government of any republic, and any local government, within the new independent State (or any successor state) that was elected through open, free, and fair elections, and

(2) any nongovernmental organization that promotes democratic reforms, market oriented reforms, the rule of law (including the legal infrastructure prerequisite to the foregoing) or any other objectives of this Act.

(3) any governmental agencies that promote democratic reforms, market-oriented reforms, or the rule of law (except that no more than fifteen percentum of amount authorized in subsection (a) may be used for this category).

(d) Restrictions. No cash grants may be made under this Act to any governmental agency or organization in the new independent States. Payments for rent or lease of office facilities for an American Center are to be made, to the extent practicable, from local currency provided for that purpose by the host government.

(e) Except to the extent inconsistent with this Act, technical assistance under this Act shall be considered to be assistance under Part 1 of the Foreign Assistance Act for the purposes of making available the administrative authorities of that Act.

(f) The Centers are authorized to accept private contributions from United States citizens and organizations to be used pursuant to the provisions of this Act.

Mr. DOMENICI. Mr. President, my amendment is one that the Senate passed last year. I thought it was a good idea then, and in reading this bill I think it is even a better idea. What it does is sets up a one-stop shop for nondiplomatic activities in the new States of the old Soviet Union. We call them American centers.

As I read this bill, I find that we have set up—believe it or not—American houses, American business centers, Eurasia Foundations, a citizens democracy corps, new Agency for International Development activities, foreign commercial service posts, and numerous private voluntary organizations. I am fearful that we are going to bury them in the same kind of bureaucracy that we frequently bury our own domestic agencies, and they will not be able to find what America has to offer.

The Freedom Support Act, which I support, has become the repository of numerous new initiatives, proposals, and schemes to help the peoples of Russia and the other new states. For that reason, I have hesitated to resubmit this American centers amendment. I do so for one reason, to offer the conferees and the administration a vehicle for consolidating and simplifying the dozens of ideas in this bill for new American activities in Russia.

I just can't imagine that this Senate wants to have 5 or 10 American institutions in each and every one of the dozen new Republics. All of that is authorized or encouraged by this bill. And, of course, we will have an embassy there, too.

Most of us have experienced the problems our constituents have in finding where to go in the Federal Government for assistance. Do we really want to impose this problem on Russians and Ukrainians trying to learn from America or do business with America?

I understand that the Agency for International Development hopes to undertake major export promotion and American business investment activities in the former Soviet Union.

Now, we already have assigned these duties to the foreign commercial service, which used to be pretty uneven but is now getting better, the Export-Import Bank, the trade and development program, and the Overseas Private Investment Corporation. I am sure there are others I missed.

Do we really want the Agency for International Development to teach capitalism to Russians? Do we really want the Agency for International Development to manage—and I quote from an AID document—"an institutionalized focal point dedicated to the development of concepts and approaches dedicated to systemic change and its implementation." Can you believe that? How many times can we invent the wheel?

I hope that is not the desire of the managers and of the Senate. It is not the desire of this Senator.

Mr. President, the managers have worked long and hard to bring this bill to a conclusion. I hope they can accept this amendment. When the committee took it to conference last year, it was also sponsored by Senators SIMON, COCHRAN, BROWN, GORTON, D'AMATO, GRAMM, DIXON, HELMS and DODD. I have not tried to get them back on this year.

Maybe the managers can find merit in this American centers concept when they sit down with the other conferees to sort out all of the brilliant ideas we have given them.

So I am going to ask that the Senate again adopt the concept of the American centers for nondiplomatic activities and urge the conferees to take advantage of the concept's potential.

I do not have the capacity to go through and put the new activities all under this amendment. It is too difficult. The bill is too cumbersome. But I will have this idea in the bill if it is accepted, and the conference can then find a way to coordinate all of the activities under the concept of American centers for nondiplomatic services in the various cities and republics of the old Soviet Union.

I believe the managers think it is a good idea and are willing to accept it.

I send my statement to the desk and ask it be inserted as if read.

The PRESIDING OFFICER. Is there further debate? The Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, we support the amendment on this side of the aisle.

Mr. PELL. Mr President, we, too, have examined the amendment, find it an excellent one, and support its passage.

The PRESIDING OFFICER. Is there additional debate? If not, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (No. 2715) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

AMENDMENT NO. 2716

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for himself, Mr. NUNN, Mr. WARNER, and Mr. PELL, proposes an amendment numbered 2716.

Mr. LUGAR. Mr President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in section 8 of the bill, insert the following new section:

" . **NUCLEAR SAFETY.**

"The authority in this Act to establish programs for establishing verifiable safeguards against the proliferation of weapons may also be utilized, on the same basis, for programs to promote nuclear reactor safety and to reduce the danger of nuclear accident.".

Mr. LUGAR. Mr. President, on behalf of Senators NUNN, WARNER, and PELL, I offer this amendment. It is obvious that we have a need for programs to promote nuclear reactor safety and reduce the danger of nuclear accidents critical to United States interest. This comment of amendment complements authority in the bill to ensure that Nunn-Lugar funds can be used for these purposes.

Secretary Baker has committed the United States at the Lisbon Ministerial to assist the new states with nuclear safety upgrades. Secretary Baker met today with the chairman and ranking members of the Armed Services Committee. They share our concern, and the concerns of the Foreign Relations Committee, for the need to utilize Nunn-Lugar funds for this purpose.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Indiana.

The amendment (No. 2716) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio [Mr. GLENN].

AMENDMENT NO. 2717

(Purpose: To apply existing procedures for the waiver of the prohibitions on assistance, and for other purposes)

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 2717.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, line 8, after "(B)" insert the following: "any chemical or biological weapon or".

On page 29, strike lines 16 through 19.

On page 29, strike lines 20 through 24 and insert in lieu thereof the following:

(5) has undertaken any of the activities with respect to which sanctions must be imposed under sections 669 or 670 of the Foreign Assistance Act of 1961 or section 506(a)(1) of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993; or

(6) has repeatedly provided support for acts of international terrorism.

The President may waive the application of the prohibition on assistance contained in this subsection—

(A) in the same manner as such waiver could be exercised under any other provision of law with respect to the same activity; or

(B) if no waiver authority under any other provision of law exists with respect to that activity, then only if the President certifies and justifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that to do so would serve the objectives of this Act.

On page 42, line 18, insert after "1990" the following: ", and section 5(b) of this Act".

Mr. GLENN. Mr. President, I believe we have worked out an amendment on both sides of the aisle on this. I want to just make a couple remarks about it and then ask unanimous consent to enter my longer statement in the RECORD.

Mr. President, there are some loopholes in the bill that this amendment will help close. One provision in that bill creates a very sweeping loophole that exempts these new Republics, the CIS from the sanctions requirements of any other legislation, including existing laws against terrorism and human rights abuses and weapons proliferation, nuclear weapons and other weapons of mass destruction.

Another provision authorizes the President to waive aid prohibitions for a non-nuclear-weapon republic even if that Republic tests a nuclear device. And there is another provision that grants the President liberal waiver authority over violations involving instances when a republic would even knowingly provide another country with equipment or material to be used by that country to manufacture weapons of mass destruction.

Mr. President, section 13 of the bill provides that aid shall continue, and I quote: "Notwithstanding any other provision of law with certain exceptions that do not include any laws concerning nonproliferation, human rights or terrorism." In short, if any republic is caught illicitly selling enrichment or reprocessing technology to another nation after that bill is enacted, then the President would be authorized to continue assistance to the country despite such illicit nuclear deals.

Mr. President, we cannot see that kind of weakening be part of the bill and that authorization seems particularly unwise in light of the well-known proliferation threats that administration witnesses, including intelligence witnesses, have been emphasizing in recent congressional testimony, in the well-documented willingness of the administration and its predecessor to waive nuclear sanctions.

Mr. President, I rise to offer an amendment addressing the waiver criteria identified in this bill and ask for its immediate consideration.

We currently have on the books a variety of laws addressing the problems of weapons proliferation, human rights, and terrorism. These laws—which include important provisions of the Foreign Assistance Act, the Arms Export Control Act, the Nuclear Non-Proliferation Act, the Atomic Energy Act, recent legislation to combat the proliferation of missiles and chemical and biological weapons, and other laws addressing human rights and terrorism—together represent the architecture of our Nation's strategy to address some of the most serious foreign policy and national security challenges facing our Nation today. It took years to enact these laws—some were crafted in response to international crises, others sought to anticipate challenges of the future. Many of the architects of this legislation continue to sit in this Chamber, and I am proud to say that Senator PELL, the distinguished chairman of the Foreign Relations Committee, and I have authored more than our share of these laws particularly with respect to halting the global spread of weapons of mass destruction.

Though numerous and diverse in content, these laws accomplish what laws are intended to accomplish—they set forth the terms that guide the behavior of our Government and they signal to other nations something about our national priorities, as well as the level of our national commitment to pursue those priorities.

My goal in introducting this amendment today could not be more straightforward—I seek to preserve the force of those laws, including their provisions for sanctions and Presidential waivers. In a nutshell, the goal of my amendment is simply to bring this particular bill into line with our other sanctions legislation. I would like now to discuss how the present bill, if accepted in its current form, would depart from that legislation. I will focus on two specific sections of the bill.

PROBLEMS WITH SECTION 13(C)

Section 13(c) of this bill would create sweeping new authority for the President to exempt the new Republics from the penalties found in our sanctions laws concerning human rights, nonproliferation, and terrorism issues. Indeed, the words of the bill are even broader than that: assistance could continue "notwithstanding any other provision of law."

Thus if one Republic brutally suppresses democracy, another engages in illicit sales of sensitive nuclear technology, or yet another actively supports international terrorism—aid could continue under this bill to each of these nations, despite punitive sanctions that are now required by other U.S. laws.

Let me illustrate the effect of such an exemption on the Glenn/Symington amendments to the Foreign Assistance Act. Under those amendments, U.S. economic and military aid provided under that act and the Arms Export Control Act must be cut off for any nation that imports or exports nuclear reprocessing technology, for example, if a nation provides assistance to North Korea's once-secret plutonium facility, or unsafeguarded uranium enrichment technology, for example, if a nation helps Iraq to reconstruct its centrifuge or electromagnetic uranium isotope separation facilities. The Glenn/Symington amendments also impose such penalties against nations that attempt to violate U.S. nuclear export controls in order to acquire items for use in manufacturing a nuclear explosive device.

Specific waiver authority is already provided in both sections of the Glenn/Symington amendments—the blanket exemption found in section 13(c), however, would make these existing nonproliferation controls meaningless. Indeed, this same problem applies to sanctions and waivers required for violations concerning chemical and biological weapons, human rights abuses, and support for international terrorism. To ensure that the bill will not be at cross purposes with that legislation, I will propose that section 13(c) be amended to ensure that the terms of ineligibility found in section 5(b) will be fully implemented in accordance with our other sanctions legislation.

PROBLEMS WITH SECTION 5(B)

Let me now turn to certain aspects of section 5(b) of this bill, which identifies circumstances that would require a cutoff of aid under this act. These circumstances include a pattern of gross violations of human rights, aggression against countries friendly to the United States, failure to live up to major arms control agreements, transfers of missiles and dual-use goods applicable to weapons of mass destruction, and detonations of nuclear explosive devices. For reasons that are still somewhat unclear to me, the bill does not include in this list a penalty for transfers of actual nuclear, chemical, or biological weapons, nor does it address the use of chemical or biological weapons or the problem of chronic state sponsorship of international terrorism—all of which are very much germane to the bill.

Nevertheless, after having drawn a firm line in the sand by itemizing the events that would trigger an aid cutoff, the bill then leaps over that line to authorize the President to waive all penalties for violating these standards—and to do so by means of a one-time, indefinite waiver based on a mere certification that such a waiver would "serve the objectives of this act."

This expansive Presidential waiver authority in section 5(b)—like the authority now found in section 13(c)—would have the effect of undercutting many of our sanctions laws addressing weapons proliferation, terrorism, and human rights issues, all at the stroke of a pen. I believe strongly that the enactment—or worse, the implementation—of such blanket waiver authority would do irreparable damage to our other sanctions laws.

As I have just indicated, if a Republic violates any of the prohibitions of the Glenn/Symington amendments to the Foreign Assistance Act, that legislation requires draconian sanctions and a tightly circumscribed waiver procedure to counter such violations. Yet if enacted, the present bill would permit the President to continue sending hundreds of millions of dollars in aid to a country that may—because of a Glenn/Symington violation—be ineligible to receive aid under either the Foreign Assistance or Arms Export Control Acts. The effect of continuing aid under such circumstances would be to gut the Glenn/Symington amendments of virtually all of their deterrent value. A similar conclusion could be made with respect to other legislation devoted to attacking the problems of weapons proliferation, terrorism, and human rights abuses.

Congress needs to be much more vigilant about the issuance of waivers of our sanctions laws. It is obvious to the world that the repeated waivers that were issued of the Glenn/Symington sanctions on behalf of Pakistan over the last decade did absolutely nothing to halt Pakistan's bomb program. By authorizing new aid in the face of continuing, outrageous violations of Pakistan's solemn pledges that its nuclear program was entirely peaceful, our nonproliferation policy reached new heights of hypocrisy. These waivers were a national embarrassment—having learned this lesson the hard way, Congress should surely not now expand the authority of the Executive to issue new waivers of Glenn/Symington for illicit nuclear transactions coming from the new Commonwealth Republics.

Mr. President, I ask unanimous consent to have printed in the record an op-ed I contributed to the June 24 issue of the *Washington Post*, addressing the implications for our nuclear nonproliferation policy of past waivers that have been issued on Pakistan's behalf over the last decade.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 24, 1992]

THIS COUNTRY ENCOURAGED THE SPREAD OF NUCLEAR WEAPONS

(By John Glenn)

It's no secret that I have been at odds with the Reagan and Bush administrations over their record in preventing the spread of nuclear weapons. I have stated publicly my dismay over the direction taken first by President Reagan and then by President Bush in providing aid and arms to Pakistan without requiring concrete actions to stop the Pakistani bomb program, and in building up Saddam Hussein's ability to mount a nuclear and missile threat.

But an examination of their record suggests there is more than a political or policy dimension to our disagreement. I now believe that actions taken and not taken by the Reagan and Bush administrations in the area of nuclear nonproliferation amount to a pattern of willful misinterpretation of our laws.

Some years ago, Sen. Stuart Symington and I amended the Foreign Assistance Act to require a cutoff of economic and military assistance to any country that, after 1977, imported or exported unsafeguarded nuclear enrichment or reprocessing materials, equipment or technology. Since then only one nation, Pakistan, has been found by a U.S. president to be in violation of this law. America first cut off aid to Pakistan in September 1977, for a reprocessing-related violation. It did so again in April 1979 for a violation of the enrichment provision.

But after the Reagan administration took office in 1981, the law was changed to permit the flow of assistance to Pakistan during the war between the Soviet Union and the Afghan rebels. Over the next decade, aid to Pakistan amounted to more than $4 billion, including the delivery of 40 F–16 fighter planes—an excellent nuclear weapons delivery system—with no assurances that Pakistan would end or reverse its nuclear weapons program.

Indeed, the Reagan administration at one point, publicly parroting the Pakistanis' claim that their nuclear program was peaceful, pressured Congress to change the law—in effect, simply to repeal it—so that aid could be provided to Pakistan. Congress refused, instead moving to suspend the law for a limited time while drawing a new line (no nuclear testing) that Pakistan could not cross without suffering an aid cutoff.

In 1985, following reports that the Pakistani program was progressing, Congress drew a tigher line ("the Pressler amendment") that required the president to certify that Pakistan did not possess a nuclear explosive device and that the provision of U.S. aid would reduce significantly the risk of its getting one. (In other words, if they kept working toward a bomb despite our aid, then the aid should stop.) The Pressler amendment also stated that such a cutoff would mean "no military equipment or technology shall be sold or transferred to Pakistan."

What does the record show about the Bush and Reagan commitment to nonproliferation in this case?

In 1981, at the time U.S. aid began to flow, Pakistan had not produced bomb-grade nuclear material, nor had it manufactured bomb components or repeatedly violated U.S. nuclear export control laws and those of our allies. All these provocations occurred at the time of maximum U.S. assistance and continued after enactment of the Pressler amendment.

Did Pakistan ever suffer an aid cutoff as required by the amendment? No. The deliveries of F–16s and other equipment continued. Meanwhile, President Reagan continued to certify annually that Pakistan did not "possess" a nuclear device and (despite all the evidence to the contrary) that continued U.S. assistance would reduce the risk of such possession.

This although India had concluded by 1987 that Pakistan had the ability to easily and quickly assemble such a device. Four years ago, reports were circulating that high-level analysts in our own intelligence agencies could not support another presidential certification of aid for Pakistan. Yet in October 1989, President Bush again certified that Pakistan did not possess a nuclear explosive device and that U.S. assistance was "reducing incentives and creating disincentives" for acquisition of nuclear explosives.

This disgraceful policy failure accompanied by "Alice in Wonderland" presidential messages appeared to have come to an end in October 1990, when President Bush finally admitted what had become evident to everyone who watches the TV news. The president could not certify that the Pakistanis did not have the bomb and that was tantamount to saying they had it. What's more, nine years of U.S. assistance had helped Pakistan release funds for its nuclear weapons program and had given it the means for delivering the weapons.

Shockingly, testimony by Secretary of State James Baker this year revealed that the administration has continued to allow Pakistan to purchase munitions through commercial transactions, despite the explicit, unambiguous intent of Congress that "no military equipment or technolgy, shall be sold or transferred to Pakistan." These sales may have included spare parts for F–16 aircraft.

These facts alone would be enough to destroy any shred of credibility possessed by this administration and the previous one on the issue of nuclear nonproliferation. Unfortunately, there is more (the details are beyond the scope of this article), including a failure to apply the Glenn-Symington amendment to Turkey despite that country's involvement in helping Pakistan acquire sensitive equiment for enriching uranium.

Suffice it to say that the Reagan and Bush administrations have practiced a nuclear nonproliferation policy bordering on lawlessness. In so doing, they have undermined the respect of other countries for U.S. law and have done great damage to the nuclear nonproliferation effort.

Keep this in mind the next time someone in the administration extols the need for military action to deal with some power-hungry dictator who is seeking to acquire nuclear weapons in the Middle East or elsewhere.

Mr. GLENN. Under section 5(b), the President would also be granted authority to waive a cutoff of aid—that is, aid provided under this bill—for any non-nuclear-weapon Republic that may in the future detonate a nuclear explosive device. All the President would have to do to invoke this waiver is to certify in writing to Congress that issuing such a waiver "would serve the objective of this act."

Under Glenn-Symington, no aid may be provided under the Foreign Assistance Act or the Arms Export Control Act to any non-nuclear-weapon state that either receives or detonates a nuclear explosive device—section 670(b)(1)(B) of the Foreign Assistance Act. Because of the seriousness of a detonation, Congress insisted on stiff constraints on presidential waiver authority: The only waiver the President now has for such a violation merely authorizes him to postpone implementation of the cutoff for 30 days. The current bill, in sharp contrast, would authorize the provision of massive amounts of aid that would not be permitted under either the Foreign Assistance or Arms Export Control Acts, on the basis of a mere certification that the continuation of aid would serve the objectives of the aid bill.

Furthermore, section 5(b) also grants the President liberal waiver authority over instances when a republic knowingly provides another country with equipment or material to be used by that country to manufacture weapons of mass destruction.

Following precedents set by the enactment of sanctions covering transfers related to chemical and biological weapons and missiles—legislation that owes a great deal to the hard work of the members and staff of the Senate Foreign Relations Committee—I introduced a bill (S. 1128) last year to penalize companies and individuals that knowingly and materially help other nations to acquire nuclear explosive devices. According to S. 1128, any firm or individual determined by the President to have engaged in such activities must be penalized—with a government procurement ban—soon to be augmented by an import ban added by the House—for a minimum of 12 months, only after which could the President issue a waiver on the grounds that continued imposition of the penalty "would have a serious adverse effect on vital United States interests." On April 9 this year, that bill passed by unanimous consent and was sent to the House.

By contrast, the current bill permits the President to waive the ineligibility provision in section 5(b) on the simple grounds that the waiver "would serve the objectives of this Act." There would be no requirement for any specific nonproliferation criteria to be met. And most ironically, we could well be facing a circumstance when aid could be continued under this act while it may be cut off under existing or future nuclear and CBW sanctions legislation.

Because of all of these concerns, my amendment to section 5(b) will therefore accomplish three goals: First, it will ensure that any waiver under this section would be implemented in accordance with the waiver authorities that exist under other relevant legislation; second, it will expand the grounds for ineligibility to include support for international terrorism; and third, it will penalize the transfer or use of chemical or biological weapons, and all activities covered by the Glenn/Symington amendments, including detonations of nuclear explosive devices.

I know that the no-detonations provision is especially important to Senator SIMON—who has earned the respect of all his colleagues for his commitment to nonproliferation issues—and I welcome his support for my amendment today.

CONCLUSION

As important as it may be for America to help the new Commonwealth Republics, I do not believe that this end requires Congress to weaken our sanctions laws. Senior spokesmen of the current administration have testified repeatedly about the dire threats of nuclear proliferation emanating from the territories of the former Soviet Union—threats that include a possible brain drain of nuclear experts and black market activities involving sensitive nuclear materials and technology—there have even been allegations of illicit transfers of nuclear weapons. The months and years ahead could well reveal many other developments relating to human rights abuses, terrorism, and other weapons proliferation issues that will aslo have profound implications for international security.

The world has witnessed the effects of timid United States responses to events that occurred at Tiananmen, Halabja, and a nuclear test site in India's Thar Desert. As we seek today to prepare for new threats facing the nation and our children's children, let us show the world that when America mandates sanctions against weapons proliferation, chronic human rights abuses, and terrorism—America means business.

Such threats must be taken seriously. There must be no ambiguity in our policy or in our laws: The new republics must understand exactly where America will stand in the event they engage in any of these illicit activities that jeopardize world peace. The well-documented readiness of elements of the present and past administrations to trade away human rights and nonproliferation objectives for other goals of United States policy—and Iraq, Pakistan, and China are surely not the only examples—argues strongly against Congress granting more expansive waiver authorities.

Ever since their enactment 15 years ago, I have worked with my good friend, the distinguished chairman of the Foreign Relations Committee, to ensure that the Nation's weapons proliferation sanctions would serve as a significant deterrent to future illicit transfers of weapons of mass destruction or the means to manufacture them.

Given the growing public awareness of the dangers to our national security and foreign policy interests from terrorism, chronic human rights abuses, and the global spread of weapons of mass destruction, this is an ideal time for Congress to redouble its efforts to ensure that our sanctions laws and policies are as strong as they can be to cope with these new challenges. Acceptance of my amendment today would constitute a firm step toward accomplishing these goals.

In response to growing public concerns over human rights abuses and the global spread of weapons of mass destruction, Congress must act to ensure that our laws and policies are as strong as they can be to cope with the profound challenges that lie ahead. I ask all Members to join me in insisting on the application of our existing nonproliferation, human rights, and antiterrorism standards to the behavior of the new commonwealth republics. In light of the fearsome threats that lie ahead in those Republics, now is not the time to take the teeth out of our sanctions.

I believe this has been cleared on both sides, and the floor managers are prepared to accept the bill. I would be happy to have any comments that they might wish to make, or questions they might wish to ask at this time.

Mr. President, I ask unanimous consent that Senator SIMON be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMON. Mr. President, I am proud to be a cosponsor of this amendment, which improves the bill as passed by the Foreign Relations Committee, on which I serve.

This amendment is mostly about the fairly permissive waiver authorities granted in this bill, and it is an attempt to strengthen these waivers by bringing them into line with current law.

The existing waiver authority in current law is much stricter than that contained in the Freedom Support Act, and it is this existing waiver authority that we ought to stick with; this whole matter was the subject of some debate in the committee deliberations, and I think it fair to say that there was some uneasiness among us about granting such broad waiver authority to any administration.

This amendment does several things: No. 1, it broadens the existing provision on nuclear detonations in order to more fully reflect current law—sections 669 and 670 of the Foreign Assistance Act, which say that you can't get U.S. foreign aid if you: (a) Are a non-nuclear-weapon state and you detonate a nuclear explosive device; or (b) if you transfer a nuclear explosive device to, or receive a nuclear explosive device from, a non-nuclear-weapon state.

No. 2, it brings the waiver authority in section 5(b) into line with existing law on these matters; No. 3, it provides for congressional review of any waiver actions through the joint resolution of disapproval process; and No. 4, in section 13(c), where there is a second and very broad waiver authority in this bill, we say the administration cannot waive section 5(b) of this act as we have amended it. In other words, the Executive cannot undermine what we are doing in the first part of the Glenn-Simon amendment by simply waiving this new, more restrictive waiver authority.

Finally, Mr. President, I would like to commend my good friend, Senator JOHN GLENN, for this work on this amendment. He is unequaled in this body in his knowledge and expertise in this whole area of nuclear nonproliferation. I think we have tightened up these waivers, brought them into line with the normal procedures, and given us a better bill.

Mr. LUGAR addressed Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, we support the amendment by the distinguished Senator from Ohio, and are prepared to accept it on this side of the aisle.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island [Mr. PELL] is recognized.

Mr. PELL. Mr. President, I join in supporting this amendment. I thank the Senator from Ohio for his willingness to modify his original amendment, and I recommend passage of it as modified.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 2717) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCAIN. Mr. President, I accept the premise that the United States has a compelling self-interest in seeing that the societies of the former Soviet Union become members of the family of peaceable, democratic, free market nations. I believe that our assistance in that endeavor would be a wise investment. However, I am skeptical about much of what is done in the name of foreign aid. In any consideration of assistance to the former Republics of the Soviet Union, our first priority must be to hasten the development of democracy and free markets in those countries. If we fail to achieve this objective, all our assistance, humanitarian and otherwise, will amount to little more than Band-Aids for dysfunctional societies which are deteriorating into chaos.

On June 14, Michael Dobbs of the Washington Post wrote that:

> * * * arguably, what did not change in Russia over the past year was as significant as the stunning changes that did occur. * * * The offices, of course, have all been renamed. The Soviets, or organs of local government, have taken over the property of the banned Communist Party. The state distribution network has spawned thousands upon thousands of "commercial organizations." But for the most part, its the same old faces behind the same old desks.

I doubt that the new democrats of the former Soviet Union will be able to make effective use of our economic assistance in ways that serve the interests of their people and ours unless the political and economic institutions of these societies are rebuilt from the bottom up—until we see new faces behind different desks. I am very concerned that the grants, loans, and credits which we may provide these newly independent nations will, in reality, be controlled by the very people who most resist a thoroughgoing reconstruction of these societies.

My concern could lead me to simply oppose aid to the former Soviet Union, and I admit to that temptation. But there is another, wiser approach, which is to persuade those who manage our aid program to use the resources we make available to further the process of institutional reconstruction in the former Soviet Union.

That is why Senators ROBB, MCCONNELL, and I introduced the Democracy Corps Act of 1992, with the support of Senators DOLE, D'AMATO, MURKOWSKI, HATCH, and CONRAD. Our bill would create a coordinating body to send Americans with experience in building and managing the critical institutions of a free society to local areas throughout the vast expanse of the Commonwealth of Independent States to help local supporters of democracy and free enterprise create the new institutions that their people need and desire.

I am pleased that the House Foreign Affairs Committee by a unanimous vote incorporated an excellent version of the Democracy Corps concept into the aid legislation it reported to the other body. The Senate Foreign Relations Committee, working with great speed, has also done an impressive job in clearly setting forth the purposes for which we intend our assistance to be used. But I would be extremely grateful to the distinguished chairman of the Committee, the Senator from Rhode Island, and my friend from Indiana for their clarification about some matters which have importance.

First, will this legislation encourage Americans who have hands-on experience in the workings of civic organizations, local government, the adjudication of civil disputes, and other forms of public administration to provide their expertise to those individuals who are trying to create democratic institutions in the former Soviet Union?

Mr. PELL. Under the provisions of the bill, this could certainly be the case.

Mr. MCCAIN. And would it be possible under this legislation to create local centers, which would serve as clearing houses of information and provide logistical support for Americans and others who are working with local democrats to assist democratic development?

Mr. LUGAR. It does indeed provide for the creation of such centers.

Mr. MCCAIN. Would such centers necessarily be official arms of the U.S. Government or could they be managed by an entity that would allow us to truthfully assert that these centers are there simply to encourage democracy, and not to serve any other interests of the U.S. Government?

Mr. PELL. The centers would not necessarily be formally affiliated with the Government of the United States.

Mr. MCCAIN. Would there be a major role in the programs envisioned in this legislation for nongovernmental organizations: for example, for ethnic and national heritage groups such as Ukranian-Americans, Baltic-Americans, or Armenian-Americans; for organizations from the legal, accounting, and public administration professions; for groups affiliated with the National Endowment for Democracy; and for independent humanitarian, educational, relief, and development organizations which are already spending billions of privately raised dollars in the region?

Mr. LUGAR. That is exactly the idea.

Mr. MCCAIN. Would it be possible to have some funds made available for small and very prompt grants to meet local needs? Won't we save money and minimize the possible misuse of these funds if Americans are working at local levels and can help pay for things like telephone lines and copying machines when and where they are needed, rather than hope that these things will trickle down from funds given to central governments in Kiev or Moscow?

Mr. PELL. This legislation would allow for just such an opportunity.

Mr. MCCAIN. Finally—and I am grateful for the Senator's patience—could these funds be used to foster greater coordination among the agencies of our own Government like AID, the Peace Corps, USIA, the Agriculture Department, and others, as well as the Institutes of the National Endowment for Democracy, and the many private organizations active in this field? If we do not foster greater coordination won't we run the risk of allowing some very wasteful duplication of our efforts?

Mr. PELL. I share the Senator from Arizona's concerns, and I believe this legislation is responsive to those concerns.

Mr. LUGAR. I, too, am confident that the Freedom Support Act addresses the concerns of the Senator from Arizona.

Mr. MCCAIN. Mr. President, I thank my friend from Indiana for his helpful clarifications of these important questions.

AMENDMENT NO. 2718

Mr. LUGAR. Mr. President, I send to the desk an amendment on behalf of the Senator from Kansas [Mr. DOLE], and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. DOLE, proposes an amendment numbered 2718.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 33, after line 18, insert the following: "to improve the quality and availability of health care for citizens of the Independent States of the former Soviet Union, with particular emphasis on infants, children, and people with disabilities. Up to $2,000,000 is authorized to be appropriated for the purposes of establishing programs that:

Support sister hospital expansion programs;

Promote program development for neonatal pilot projects and training of medical professionals; and

Promote greater institutional development".

Mr. DOLE. Mr. President, I rise to offer an amendment which supports the efforts of the Heart-to-Heart International Children's Medical Organization.

The mission of this organization is to improve the quality and availability of health care for citizens of the Independent States of the former Soviet Union. The amendment is designed to foster self sufficiency in the medical professions in targeted areas throughout the Commonwealth of Independent States [CIS].

Heart-to-Heart was established because of a desire to help Maria Senotova, a 7-year-old Russian girl from St. Petersburg, who had a life-threatening heart condition. The type of care Maria needed was simply unavailable in her homeland. Subsequently, the founding members of Heart-to-Heart made arrangements to bring Maria to Children's Hospital in Oakland, CA, for her lifesaving heart surgery.

Heart-to-Heart's initial focus was to establish the first pediatric care center and treatment facility for infants and children anywhere in the former Soviet Union. However, Heart-to-Heart founders have recently been faced with an increasing and urgent appeal to assist and treat the adult and elderly patient population as well.

My amendment authorizes funding to expand the delivery of health care programming through the provision of medical services and training in the CIS. Heart-to-Heart's successful track record in the establishment of a model program in St. Petersburg and the quality of their service delivery system is widely respected. The esteem which Heart-to-Heart is held throughout the health care and humanitarian aid circles in the United States and CIS, is evidenced by the widespread requests for services and assistance.

When the Iron Curtain fell, a tragic and gross pattern of official neglect for citizens with physical and mental disabilities was discovered. Arguably, there is no more important foreign assistance issue than helping other countries to develop more humane and responsive policies and services for their citizens.

The United States enacted the landmark Americans With Disabilities Act [ADA] of 1990. The ADA, which is the most comprehensive disability law to receive consideration anywhere in the world, ensures the inclusion of millions of citizens with disabilities into American society. It is our duty to provide assistance to other nations as they struggle to design medical and rehabilitation services for their citizens with disabilities.

We have a responsibility to help these emerging Indpendent States ensure that their citizens needing urgent health care assistance have the opportunity to access such services.

My amendment, which authorizes $2 million for health care development funds will expand institutional development—establish a sister hospital expansion program and fund development of a neonatal pilot project in St. Petersburg.

Mr. President, I urge my colleagues to join me in supporting this important amendment which invests in the people of the CIS.

Mr. LUGAR. Mr. President, this is a Dole amendment with regard to infant health care which has been accepted on both sides of the aisle.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment (No. 2718) was agreed to.

AMENDMENT NO. 2719

(Purpose: To provide for environmental protection in the Republics of the former Soviet Union)

Mr. LUGAR. Mr. President, I send an amendment to the desk on behalf of the Senator from Wisconsin and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. KASTEN, proposes an amendment numbered 2719.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 3, add the following new paragraphs to section 2 Findings:

(5) serious environmental problems now exist within Russia and the other independent states of the former Soviet Union, including problems with depleted fisheries; heavily polluted rivers, lakes and groundwater; contamination from both civilian and military nuclear programs; and degraded farmland and forests; but that not withstanding the extent of these environmental problems, many forests, rivers, lakes, and watersheds are relatively undisturbed and are of great scientific and educational value and furthermore the region includes the largest virgin forest remaining on the Earth; and

(6) aid to Russia and the independent states of the former Soviet Union be carried out in such a way that avoids the degradation of the relatively unpolluted and undamaged natural resources, that affirmatively promotes the protection of critical lakes, rivers, watersheds and that is not used to finance unsustainable exploitation of forests or large-scale engineering projects which have significant adverse environmental impacts.

Page 29, under (b) INELIGIBILITY FOR ASSISTANCE and the following new paragraph:

(6) has failed to take constructive actions to protect the international environment, prevent significant transborder pollution, and to promote sustainable use of natural resources.

Page 35, line 7, add the following new paragraph (F) under section 7 Types of Activities:

(F) to preserve relatively undamaged rivers, lakes, forests, and other areas of special environmental significance.

Mr. KASTEN. Mr. President, much has been said about the terrible environmental problems in the former Soviet Union. The Republics, however, are also the inheritors of some of the world's most spectacular natural resources.

My amendment provides that aid to Russia and the independent States of the former Soviet Union be carried out in such a way that avoids the degradation of those resources.

The amendment provides for protection of the relatively unpolluted and undamaged natural resources, that affirmatively promotes the protection of critical lakes, rivers, watersheds and that is not used to finance unsustainable exploitation of forests or large-scale engineering projects which have significant adverse environmental impacts.

The largest stand of virgin forest remaining in the world today is in the former Soviet Union. There is considerable pressure to commence what has been described as "the big cut."

This amendment does not prohibit the use of those forests. In fact, it recognizes that logging is often appropriate.

The amendment assures that our foreign aid dollars do not support unsustainable development or short term exploitation of critical natural resources like forests.

Mr. LUGAR. Mr. President, the amendment deals with protecting natural resources in the former Soviet Union. It has been accepted on both sides of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment (No. 2719) was agreed to.

AMENDMENT NO. 2720

Mr. LUGAR. Mr. President, I send to the desk an amendment on behalf of the Senator from California [Mr. CRAN-

STON], and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. CRANSTON, proposes an amendment numbered 2720.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 31, on line 10, insert after "programs", the following language, "for these Republics and the nations of Eastern Europe."

Mr. CRANSTON. Mr. President, my amendment would extend to the countries of Eastern Europe the necessary authority to conduct administration of justice programs this bill already offers to the Republics of the former Soviet Union.

Mr. President, it is my understanding this language has been cleared by both sides. I also point out that it is fully in keeping with language contained in last year's foreign aid bill, which was passed twice by this house.

Mr. President, I also ask that a menu of administration of justice programs under consideration by the administration be printed in the RECORD.

I might add that the authorities granted under this new language were included in my omnibus Eastern European security assistance bill I offered together with the distinguished senior Senator from South Carolina [Mr. THURMOND] and others early last year.

This effort was opposed by the administration, and in particular by Robert Barry, the State Department's special adviser for East European assistance. At the time, Mr. Barry's response to our effort was that Eastern Europe did not need such assistance.

I am pleased to report that the administration is now on board. I hope this re-examination of the importance of administration of justice issues will extend to Africa, Asia and other parts of the globe as well.

There being no objections, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
Washington, DC, June 23, 1992.

Hon. ROBERT BARRY,
Special Advisor for East European Assistance, Department of State, Washington, DC.

DEAR AMBASSADOR BARRY: As requested by Deputy Secretary Eagleburger in our meeting last week, the Department of Justice proposes the ideas attached hereto, in priority order, for SEED funded criminal justice/law enforcement training and assistance to Poland and Hungary.

The first ten proposals; though, of varying scope, duration and cost, are each "stand alone" individual initiatives. In addition, I have asked DOJ's International Criminal Investigative Training Assistance Program (ICITAP) to provide a proposal for a long range comprehensive training initiative in Poland and Hungary, based on the work they have done with AID and State in Latin America. That proposal is item XI.

After you have reviewed these with the Deputy Secretary, I look forward to discussing them further, and am prepared to jointly brief appropriate Members of Congress on the proposals agreed to.

I believe these proposals are well conceived as an augmentation of the role which the Department of Justice is eager to play in Eastern Europe. As we discussed in our meeting, their implementation is consistent with the policy goals of the SEED program, and would be a major contribution to the development of democracy in the region as well as the successful privatization of, and foreign investment in, the region's economies.

Yours sincerely,

DREW C. ARENA,
Director,
Office of International Programs.

PROPOSED IDEAS FOR CRIMINAL JUSTICE/LAW ENFORCEMENT TRAINING

I. POLAND & HUNGARY

U.S./German Conference on Eastern European organized crime, focusing on international auto theft and drug trafficking and coordination of assistance and training to combat them. Ambassador Kimmitt and Attorney General Barr have discussed holding such a conference, with participation by Criminal Division, FBI and DEA instructors for investigators, prosecutors, and investigating magistrates from Poland and Hungary to address these problems which directly impact on both the U.S. and Western Europe and involve emerging organized crime groups from Eastern European and the Former Soviet Union. Embassy Bonn is following up with the German Interior Ministry to see if they wish such a conference to include participation by other West European providers of law Enforcement assistance.

Estimated Cost: One week conference using German conference facilities; Eastern Europeans provide students' travel/per diem: $35,000.

II. POLAND

FBI assistance to instructor personnel at the Polish National Police (PNP) Academy in developing courses which address organized criminal groups involved in multi-faceted criminal investigations. Two agents, each versed in organized crime and financial crime matters, would be required to assist in this effort. (Assuming a two-week effort to determine the objectives of such a course, and thereafter design an appropriate model, costs would approximate $7,000. This assumes that no additional interpreter/translator costs would be incurred.)

III. POLAND

One week conference for 30-35 Polish prosecutors and judges on types of fraud and white collar offenses likely to appear in Poland's fledgling free market economy. Topics would include techniques that Western prosecutors use to combat such crimes; the modern prosecutor's role, and effective prosecutor-agent coordination in complex, document-intensive fraud investigations involving multiple domestic jurisdictions as well as foreign countries. Operation of a free market economy and the international banking system. Legitimate vs. fraudulent business and banking practices. White collar crime, especially bank, check, and credit card fraud. Bankruptcy fraud. Conspiracy. Laundering of proceeds of fraud. Tracing and documentation of transactions involving telephone, telefax, bank wire transfers, counterfeit currency and forged documents, etc. Correlation of evidence from multiple jurisdictions in complex cases. Organizing evidence in complex cases for presentation to court. International judicial assistance; extradition.

Approximate Project cost: One week conference in Warsaw (Using Polish Government conference facility; Polish Government provides students' transportation/per diem): $34,690.

IV. HUNGARY

In late June 1992, at the invitation of the Chief of the Hungarian National Police (HNP), Agents from the FBI will assess the training needs of the HNP in the areas of organized crime, money laundering, and drugs. It is anticipated that the needs in these areas will be similar to those found during the assessment trip to Poland.

Although training in this area has not been finalized, it is anticipated that in addition to the one-week assessment trip, three one-week training sessions for HNP personnel working organized crime/drug matters and one-week post-training and follow-up evaluation session will be needed. Estimated cost for each session is approximately $8,000, which totals $40,000 for this initiative.

V. HUNGARY

One week Criminal Division sponsored conference for 30-35 Hungarian prosecutors and judges on types of fraud and white collar offenses likely to appear in Hungary's developing free market economy; techniques used by Western prosecutors to combat such crimes; the modern prosecutor's role, and effective prosecutor-agent coordination in complex, document-intensive fraud investigations involving multiple domestic jurisdictions as well as foreign countries. Operation of a free market economy. Legitimate vs. fraudulent business and bank practices. White collar crime, especially bank, check, and credit card fraud. Bankruptcy fraud. Conspiracy. Laundering of proceeds of fraud. Tracing and documentation of transactions involving telephone, telefax, bank wire transfers, counterfeit currency and forged documents, etc. Correlation of evidence from multiple jurisdictions in complex cases. Organizing evidence in complex cases for presentation to court. International judicial assistance; extradition.

Approximate project cost: One week conference in Budapest (Using Hungarian Gov't conference facility; Hungarian Gov't provides students' transportation/per diem): $36,890.

VI. POLAND

FBI courses in the United States for PNP Academy staff, Warsaw Metro Police and selected mid- and upper-level police managers. This initiative could also include representatives from other emerging democracies. (In order for such an initiative to be successful, funding to pay for travel for participants would be required. Assuming two two-week sessions per year of approximately 30 attendees at each session, travel costs would approximate $78,000. Cost for lodging and meals at the FBI Academy would be negligible).

VII. POLAND

The Minister of Justice has also requested FBI assistance in the areas of training for Polish prosecutors on the U.S. Criminal Justice System; computer crime investigations; banking, check kiting and credit card fraud; conflict of interest laws; drug investigations; corrupt infiltration of public and private entities. and extensive forensic training including DNA technology.

In addition to formal training courses, many of these needs can be met through small group exchange programs. Assuming ten such exchanges per year, involving four individuals for each way per exchange for a two-week period, costs would approximate $280,000 for a total of 80 officials. Such a program could also include state/local law enforcement personnel from the United States working in cooperation with FBI Agents as part of the training process in Poland. Such an initiative could be beneficial in providing the necessary follow-up to classroom instruction, as well as proving the vehicle to evaluate the need for continued training in specific areas.

VIII. POLAND

Interpol National Central Bureau (NCB), Warsaw is an important player in the exchange of investigative information and evidence. Its Chief believes that it would be valuable to send at least one of his English-speaking officers to Interpol USNCB, to study the management of a Western Interpol office with which Warsaw has a heavy volume of cases.

The present proposal includes sending a representative of Interpol USNCB to Warsaw for one week to determine needs: (Bill Slowinski, State Liaison Division, USNCB, is of Polish extraction. He made contact with Interpol NCB, Warsaw, and other Polish police authorities when on personal travel to Poland last year. Slowinski wants to further the development of USNCB's relationship with Poland's NCB).

The Criminal Division proposes that the Chief, Interpol NCB, Warsaw, or his designee come to USNCB for at least one week to study its management. The number of Polish Interpol officers travelling to the U.S. and the length and agenda for such travel would be subject to the recommendation of USNCB. The General Counsel, USNCB, favors such a program. The Criminal Division would also provide training and training materials concerning white collar crime; international judicial assistance; and Interpol's role in extradition.

Approximate project cost: U.S. representatives in Warsaw $4,500; Polish representatives in U.S. $9,000.

IX. HUNGARY

Up to three English-speaking Hungarian prosecuters to come to the United States for up to a month for overview of white-collar case investigation and prosecution from federal prosecutor's point of view. Operation of a free-market economy. Distinguishing fraudulent from legitimate business transactions; indicia of fraud. Civil vs. criminal fraud. Federal criminal fraud law. How fraud and other white-collar cases come to the attention of federal criminal authorities; prosecutor agent cooperation in complex cases; use of investigative task forces; contempt of court and perjury sanctions as support for investigation; obtaining, organizing, and evaluating documentary evidence of fraud and tracking of funds; decision to ask for indictment; preparing to meet defenses bases on business judgment or lack of intent to defraud.

Approximate project cost, including international and domestic travel; per diem, training costs and materials: $10,000 ea.

X. POLAND

Up to three English-speaking Polish prosecutors to come to the United States for up to a month for overview of white-collar case investigation and prosecution from federal prosecutor's point of view. Operation of a free-market economy. Disintguishing fradulent from legitimate business transactions; indicia of fraud. Civil vs criminal fraud. Federal criminal fraud law. How fraud authorities; prosecutor-agent cooperation in complex cases; use of investigative task forces; contemp of court and perjury sanctions as support for investigation; obtaining, organizing, and evaluating documentary evidence of fraud and tracing of funds; decision to ask for indictment; preparing to meet defenses based on business judgment or lack of intent to defraud.

Approximate project cost, including international and domestic travel; per diem; training costs and materials: $10,000 ea.

ICITAP—PROJECT PROPOSAL FOR EASTERN EUROPE (POLAND AND HUNGARY)

Established in 1986, the International Criminal Investigative Training Assistance Program (ICITAP) is charged with enhancing investigative capabilities in democracies throughout Latin America and the Caribbean. Authority for Administration of Justice activities involving foreign police agencies is derived from Section 534 (b)(3) of the Foreign Assistance Act of 1961, as amended. Programs and activities focus on three specific areas: (1) enhancing professional capabilities to carry out investigative and forensic functions; (2) assisting in the development of academic instruction and curricula for law enforcement personnel; and (3) improving the administrative and management capabilities of law enforcement agencies, especially their capabilities relating to career development, personnel evaluation, and internal discipline procedures. In special situations such as Panama and El Salvador, ICITAP has received additional authority to assist in creating and supporting professional civilian police forces. In addition to its regional activities, ICITAP is pursuing major police development projects in Panama and El Salvador, and is heavily involved in Colombia with criminal justice reforms, coordination of criminal investigative capabilities, and judicial protection.

Many of the conditions endemic to the Western Hemisphere are becoming more prevalent in Eastern Europe as new democracies struggle to survive. Crime is rising. Trafficking in scarce goods and extortion of private citizens and foreign businessmen are on the rise. A disproportionate rise in the number of bank and post office robberies, as well as thefts of art and cultural heritage items from museums, galleries, churches or homes, has been reported. While the extent of the drug problem is yet unknown, there is reason to believe that it is also increasing. These are indications that organized crime, both nationally and internationally, is becoming a serious concern. Also, as is the case in the Western Hemisphere, tough working conditions and low pay have affected morale and triggered a tidal wave of police dishonesty.

At this time, all Eastern European countries need assistance in building criminal justice systems that are grounded in democratic principles; they need to improve investigative and support functions emphasizing respect for the rule of law as well as respect for internationally recognized human rights. Programs analogous to ICITAP initiatives in the Western Hemisphere are needed to enhance professional capabilities in policing, investigations and forensics; to improve the administrative and management capabilities relating to career development, personnel evaluation, and internal discipline procedures; and to develop judicial protection capabilities.

ICITAP is uniquely qualified among U.S. agencies to provide this very specialized assistance to Eastern Europe as part of the overall U.S. assistance effort. Program strategies successfully applied in Western Hemisphere countries undergoing change from totalitarian/military governments to democratic principles can be directly transferred to Eastern Europe. A proposal for police assistance to Poland and Hungary follows:

POLAND/HUNGARY

Objective: To strengthen the investigative, forensic, and policing skills and capabilities of law enforcement institutions, with emphasis on the rule of law and internationally recognized human rights standards.

Proposed activities:	*Dollars*
1. Provide a multi-tier training program addressing all levels of police, to include civilian policing techniques and methodologies, criminal investigative techniques, police supervision and management, and forensics (see attachment A for exemplary list of training courses).	$3,400,000
2. Assess police training institutions, their curricula, and training programs with a view toward designing a comprehensive training program and long-range technical assistance strategies.	750,000
3. Evaluate law enforcement institutions, including their legislative authority, reporting relationships to other criminal justice components, policies and procedures, and recruitment, selection, and promotion standards, and recommend organizational and structural changes to enhance operations.	1,140,000
4. Conduct assessment of forensic capabilities and provide appropriate training, technical assistance, and donations of equipment, supplies, and materials to police laboratories.	1,800,000
5. Support the development of institutional accountability systems (i.e. Office of Professional Responsibility, Inspector General) within existing law enforcement institutions to address rising levels of corruption and enhance public image.	600,000
6. Establish mechanisms to strengthen levels of cooperation and coordination among the various criminal justice components.	310,000
Total[1]	8,000,000

[1] Reflects per country cost.

EXEMPLARY COURSE LIST FOR EASTERN EUROPEAN COUNTRIES

	Number of courses	Duration (in weeks)	Number of students	Total students	Total weeks of training
I. Investigative Development					
Investigative skills:					
General criminal investigations	3	5	28	420	2,100
Interviewing and reportwriting	2	2	28	112	224
Crime scene search	1	2	28	56	112
Violent personal crimes	1	2	28	56	112
Vehicle thefts	1	1	28	28	28
Overview of investigative techniques	1	2	50	100	200

EXEMPLARY COURSE LIST FOR EASTERN EUROPEAN COUNTRIES—Continued

	Number of courses	Duration (in weeks)	Number of students	Total students	Total weeks of training
Case management	1	1	28	28	28
Managerial skills:.					
Coordination of criminal investigations	1	1	28	28	28
Managing criminal investigations	1	2	298	56	112
Police administration and supervision	1	2	28	56	112
Police/community relations:					
Human dignity	2	1	28	56	56
White collar crime:					
Money laundering and financial crimes	3	1	28	84	84
Judicial protection:					
Techniques of protection	1	2	28	56	112
Kidnapping and extortion	1	2	28	56	112
Threat evaluation and investigation	1	2	28	56	112
Internal affairs:					
Professional responsibility/police integrity	1	3	28	84	252
Investigative development: Totals	22	....	....	1,332	3,784
II. Police Development					
Police skills:					
Preventive patrol techniques	2	1	28	56	56
Accident investigations	1	2	28	56	112
Supervisory and managerial skills:					
Human dignity	1	1	28	28	28
Command officer course	1	5	28	140	700
Police administration and supervision	1	2	28	56	112
Special police operations:					
Urban disorder training	1	2	28	56	112
Incident management seminar	1	1	28	28	28
Tactical team management	1	1	28	28	28
Hostage negotation	1	1	28	28	28
Police development: Totals	10	....	....	476	1,204
III. Forensic Development					
Forensic skills:					
Crime scene specialists	1	2	20	40	80
Mass disaster seminar	1	1	28	28	28
Document examination	1	2	20	40	80
Internships	....	12	3	3	36
Forensic development:. Totals	3	....	....	108	188
IV. Scholarships and Conferences					
FBI national academy	....	....	2	2	....
National conference of criminal justice officials	....	....	20	20	....
Scholarships and conferences: Totals	....	....	....	22	....
All Training: Totals	35	....	....	1,938	5,176

Note: This course list reflects proposed training activities for a single country and should be multiplied, as necessary for other countries.

Note: ICITAP strongly encourages the inclusion of judges and prosecutors in each course to familiarize them with investigatory responsibilities and capabilities of the police, for their contribution of legal expertise, and to enhance relations among members of the criminal justice sector.

DESCRIPTION OF ICITAP COURSES

Advanced criminal investigations (ACI): This is a four-week course for experienced investigators who have previously taken the GCI and are currently working as investigators. The course will build upon techniques learned in the GCI and will utilize practical exercises and case studies to demonstrate the application and value of physical and testimonial evidence. The course is composed to two weeks of crime scene search and two weeks of interviewing and report writing. Course topics include: fingerprint techniques; photography; trace evidence; location and exhumation of clandestine graves; investigation of arson and explosions; class and individual characteristics of evidence; document examination; interviewing techniques; and report writing. Participants from the courts and/or prosecutor's office are enlisted to provide presentations throughout the course on the local legal considerations and background of various topic areas.

Case management: This one-week course is designed for mid-level police managers and supervisors and prosecutors. Course topics include screening and analyzing cases after the initial investigation, and developing procedures for improving the efficiency and effectiveness of criminal investigations. Students participate in practical exercises in which they evaluate cases in the context of a case management system.

Coordination of criminal investigations (CCI): This one-week course is designed for police executives, prosecutors, and judges whose responsibilities include criminal investigations. Participants should have a basic understanding of crimes, the investigative process, elements of criminal activity, rules of evidence, record systems, and case information systems. Course emphasizes ethics, investigative procedures, management control over investigations, timely investigations, thoroughness in reporting, and uniformity of procedures. The course will demonstrate effective procedures for enhancing the coordination of criminal investigations between administration of justice components, through the use of practical exercises, lectures, and individual consultations.

Command officers course: The Command Officers Course, taught in Panama, is divided into the following one-week segments: (1) the environment of policing, (2) police management concepts, (3) managing resources, (4) relationships, and (5) GOP administration and operations. The fifth week is presented exclusively by GOP officials and covered management, fiscal controls, GOP organization and inter-institutional operations, and Panama's criminal justice system, constitutional law, and legal code. These Panamanian instructors are professionals from the Ministry of Planning and Economic Policy, Public Ministry, and University of Panama. Additionally, a physician of the Institute of Legal Medicine provides a block of instruction on forensic medicine as it relates to the crime scene.

The instruction comprises lectures, discussion, extensive reading assignments, case studies, oral presentations, and practical exercises to help students better understand the complex nature of police management. In this demanding course, Panamanian police command officers learn concepts related to their daily activities as civilian police managers which will enable them to better determine organizational and community requirements for delivering law enforcement services.

Crime scene search (CSS): This two-week course is designed for investigators, prosecutors, and judicial personnel responsible for collecting and preserving evidence at the crime scene. Among the topics covered are an introduction to forensic science, crime scene management, chain of custody, the use of photography in criminal investigations, fingerprint development and identification, blood stain evidence, toolmark identification, questioned documents, and casting of physical evidence. Host country medical examiners also provide a segment on the role of legal medicine in criminal investigations and how investigators can assist medical examiners, and vice versa.

General criminal investigations (GCI): The five-week GCI is designed for participants who have never received basic criminal investigative training but who are currently or will be assigned to investigative units. It is a comprehensive introduction to investigative techniques and procedure. The GCI covers the three main areas of crime scene processing, interviewing techniques, and case management. Course topics include: photography; fingerprinting techniques; crime scene search and protection; crime scene sketching; collection and preservation of evidence; interviewing; report writing; police/community relations; criminal behavior; and case management.

Incident management seminar (IMS): This four-day seminar is for senior government officials, including those engaged in law enforcement. Seminar provides participants with information, as well as hands-on training, on the proper response to and resolution of critical incidents or unusual occurrences such as emergencies, civil disturbances, hostage situations, and others. Seminar provides the foundation for further training on advanced crisis management concepts, including negotiation and arbitration.

Hostage negotiation: This one-week course provides general knowledge in hostage negotiation for hostage negotiators. Ideally, the course would be attended by no more than 20 mid-level or lower ranked police participants who would not form part of the core hostage response team, inasmuch as in a hostage situation negotiators should be separate from the other aspects of such investigations. Candidates should demonstrate an ability to deal effectively with people, and a natural propensity for persuasive mediation.

Human dignity: The objective of this course is to raise and reinforce ethical and moral values within the individual police of recipient countries. This program seeks to provide training that will impact on the issue of human rights, but without giving the impression that all course recipients are being targeted as potential or actual human rights violators. The course stresses the minimum threshold of human dignity that cannot be compromised regardless of culture, language, social or political conditions. The minimum standard is established at the beginning of each course with student input. The intended recipients are foreign police officers. Ultimately, the intent is to incorporate the training into local law enforcement academy curricula. The course was developed in cooperation with John Jay College of Criminal Justice in New York.

Interviewing and report writing (IRW): This course is designed for police, judges, and prosecutors involved in criminal investigations. The interviewing component provides students with proper investigative skills and professional comportment techniques required in conducting interviews of victims, witnesses, suspects, and others. The report writing phase provides skills needed to compose comprehensive investigative and prosecutive reports. Fundamental rights are stressed throughout the course. In Panama this ICITAP course has been modified to include a moot court exercise, which takes a criminal case from the initial investigative stages through to its conclusion in a court of law. The value of this process lies in that participants can better appreciate the criminal justice process as a whole, gain insight into their respective roles, and determine how to improve their performance. Students participate in criminal case scenarios as trial attorneys, prosecutors, judges, members of a jury, witnesses, and suspects. Participants recognize the crucial correspondence required between testimonial and physical evidence and the importance of complete, precise, and valid investigative reports becomes clear as undocumented facts are disregarded. Discussions follow the exercises, which serve to illustrate procedural problems to participating investigators, attorneys, and judges.

Kidnapping and extortion: This two-week course prepares criminal investigators to organize, evaluate, and report their findings in kidnapping and extortion cases. Course topics include an introduction to kidnapping and extortion, administrative and supervisory aspects of cases, profile of kidnappers, compiling files on potential victims and subjects, solvability factors, and decision-making techniques.

Managing criminal investigations (MCI): Topics in this one-week course include screening and analyzing cases after the initial investigation, developing procedures for improving the management of the continuing phase of a criminal investigation, and developing and implementing programs for improving the efficiency and effectiveness of criminal investigations. Students participate in practical exercises in which they evaluate cases in the context of an MCI system.

Money laundering and financial crimes: This two-week course for investigators, prosecutors, and judicial personnel involved in financial investigations includes an overview of financial crimes; tools of financial investigations, including sources of information, accounting for the non-accountant, securities and stock transactions, and bank records and electronic transfers; and techniques of financial investigations, including indirect methods of tracing funds, money laundering techniques, and financial interviewing. Practical exercises are offered throughout the course, both on an individual and group basis.

Overview of investigative techniques (OIT): This two-week course is designed for 40 to 50 judges, court officials, and prosecutors who are involved in directing or prosecuting criminal cases and who should know the value of physical evidence and techniques used by criminal investigators. Supervisory police officials who do not conduct criminal investigations but whose responsibilities require them to be familiar with investigative techniques, could also benefit. ICITAP prefers that in-country coordination for this course continue to be with the supreme court, since the majority of the participants will usually be from the judiciary. Course topics include: introduction to forensic science; processing the crime scene; collection and preservation of evidence; chain of custody; identification of human remains; questioned document examination; counterfeiting; sex crimes; latent fingerprints; sole and tire prints; report-writing; identification of trace evidence; bullet wounds; crime scene photography; serology; firearms and toolmark identification; arson investigations; toxicology; and the role of the medical examiner.

Preventive patrol techniques (PPT): Participants in this one-week course learn tactics for handling in-progress crimes such as armed robberies and domestic disturbances, and low-and-high risk vehicle stops. Lawful and appropriate use of police force and arrest and control procedures and tactics are covered, with emphasis on safety and respect for human rights. The PPT addresses the need for additional basic policing skills training.

Police administration and supervision (PAS): This two-week course is designed for mid-level and/or first line supervisors who have primary responsibility for directing personnel and ensuring their efficiency and productivity. One of the purposes of the course is to provide the student with management tools for effective interaction with superiors, subordinates, and contemporaries. Course material focuses on modern police administration; the role of the manager; motivational dynamics; police organization and planning; administrative communications; problem solving; leadership effectiveness; decision making; resource management; discipline and evaluation of personnel. In Panama the PAS will form part of the career development program for first and second lieutenants.

Professional responsibility and police integrity (PIR): This course is for experienced investigators and selected support personnel who will be assigned to an Office of Professional Responsibility upon completing the course. This course provides participants with pertinent information on how an office of professional responsibility (OPR) is established; ethics and standards required for law enforcement officials; a practical application of administrative procedures when conducting investigations of the police; exercises in preparing thorough and objective investigative reports; correct procedure and follow-up for the maintenance of OPR files and archives; and procedures for advising management on all aspects of an OPR investigation.

Techniques of protection (TOP): This two-week course teaches protective personnel the latest techniques and methods of protection, including managing protective details and conducting advances. Participants learn preventive protection techniques by analyzing international terrorist operations and case studies of assassinations and attempted assassinations.

Threat evaluation and investigation (TEI): This two-week course was designed to provide investigators and analysts with knowledge and techniques that will allow them to analyze a threat and determine what protective and proactive action is necessary, and thereafter to successfully investigate any related crime with the objective of bringing to justice the intellectual and material authors of the violations. Instruction is given in interviewing, including general considerations, lying and deception, psychology of interviewing, and the interviewer and the interviewee, as well as practical exercises in interviewing. Information is also presented on terrorism, terrorist profiles, terrorist trends, criminal profiles, and hostage rescue problems, with emphasis on threat assessment with regard to prediction of specific events according to the nature of the threat. Classes relating to evidence and crime scenes include collection and preservation of evidence that is typically recovered in threat situations; crime scene recording, searching, and reporting; and differential diagnosis of death. Recognition of explosives, management of cases, and practical crime scene exercises are also covered.

Urban disorder training: This one-week course stresses the importance of working with the community to avoid violent confrontations with demonstrators. Training includes practical exercises in line formations, disciplined approaches to crowds, and high-profile rescue efforts to free fellow officers or others caught in the midst of a crowd. The concept of a Mobile Field Force as a method of confronting urban disorder is discussed in detail.

Tactical team management: This one-week course focuses on dangerous arrests, barricaded subjects, and hostage rescues-situations beyond a police officer's normal activities. Participants learn the management and tactical implementation of these operations within a civilian policing context, as opposed to military standards. Physical and tactical techniques training is also included. A major portion of the course centers on the management of tactical operations and their utility within the context of emergency situation requiring much expertise. The police officer's obligation to respect the human and civil rights of those involved in situations requiring the use of tactical response teams is emphasized.

Vehicle theft investigations (VTI): This one-week course is intended for police officers assigned to investigate vehicle thefts and supervisory-level personnel whose primary responsibility is to coordinate vehicle theft investigations. Topics include: introduction to vehicle thefts, complex thefts, distribution of stolen parts, vehicle identification number (VIN) restoration, confidential VIN locations, vehicle theft professionals, record-keeping techniques, fraud operation rings and document falsification. Instructors are members of the U.S. National Auto Theft Bureau (NATB).

Violent personal crimes (VPC): This two-week course is for supervisors and experienced investigators assigned to investigate homicides and violent crimes, including sexual assaults. Topics include: crime scene management; recognition of differences in homicidal, suicidal, accidental and natural deaths; the role of the medical examiner; criminal profiling and psychology; interviewing rape victims; and investigating sexual assault cases.

Note: Courses are intended for 28 participants, 25 police and up to 3 judges and/or prosecutors. An exception is the Overview of Investigative Techniques course which has 40-50 participating judges, prosecutors, and police.

ICITAP strongly encourages the inclusion of judges and prosecutors in each course to familiarize them with the investigatory responsibilities and capabilities of the police, for their contribution of legal expertise, and to enhance relations among criminal justice sector members.

Mr. LUGAR. Mr. President, the amendment of the Senator from California authorizes legal training in Eastern Europe. It has been accepted on both sides of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment (No. 2720) was agreed to.

AMENDMENT NO. 2721

(Purpose: To express the sense of the Senate regarding assistance to Israel)

Mr. LUGAR. Mr. President, I send to the desk an amendment on behalf of Senator D'AMATO, for himself, Senators HELMS, PRESSLER, BROWN, and MACK, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. D'AMATO, for himself, Mr. HELMS, Mr. PRESSLER, Mr. BROWN, and Mr. MACK, proposes an amendment numbered 2721.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following:

Findings:

(1) the Bush administration has indicated its support in principle for the concept of providing appropriate assistance to Israel to help it meet the urgent humanitarian needs associated with the massive influx of immigrants from the former Soviet Union;

(2) the recent elections in Israel have generated renewed hope for productive discussions between the United States and Israel on the issue of providing such assistance; and

(3) in the aftermath of the formation of a new Israeli Government, the Bush administration should be given a reasonable period of time to explore and implement such discussions: Now, therefore it is the sense of the Senate:

(1) the Bush administration should pursue renewed, good faith discussions with the Israeli Government on the provision of the aforsesaid assistance, as soon as a new Israeli Government is formed and is fully functioning.

(2) while monitoring and encouraging such discussions, it is the intention of the United States Senate to take up and favorably act on legislation involving appropriate assistance to Israel to help it meet the needs generated by the influx of immigrants from the former Soviet Union before the adjournment of the 102d Congress.

Mr. D'AMATO. Mr. President, for decades, freedom of emigration for the Jews of the Soviet Union was a centerpiece of United States foreign policy. Today, thanks in part to the commitment of several administrations and successive Congresses, those Jews are no longer prisoners. But our mission on behalf of Soviet Jews is far from complete. A policy supporting free emigration to the Jewish State is meaningless if Israel does not have the means to provide for their resettlement.

The amendment I am offering today creates an enterprise fund for Israel. It is virtually identical to the amendment that Senator HELMS considered offering during markup of this bill in the Foreign Relations Committee. At the personal request of the Secretary of State, Senator HELMS agreed to postpone consideration of the amendment until this bill reached the Senate floor.

I am aware that the administration would prefer that I offer this amendment to another bill. But I believe that there is no more appropriate vehicle than this one. The bill before the Senate is intended to help the United States consolidate the gains of our policy toward the Soviet Union for the past 45 years. This amendment will complement that objective, by helping Israel absorb and resettle hundreds of thousands of new immigrants from the former Soviet Union.

Secretary of State James Baker, appearing on television recently, described the importance of the Russian aid package as folows: "Having fought the cold war and spent trillions of dollars to win it * * * we really should show that we'll be there for those people." Let me paraphrase the Secreary's statement and say that having fought for decades to free Soviet Jews, now that they are free, we must show that we are there for them too.

That being said, our obligations are clear. We must help the peoples of the former Soviet Union, but, and this is key, within the bounds of economic reality.

Four hundred and thirty-five thousand former Soviet Jews live in Israel, and we helped them get there. There are facing unemployment and despair. They too deserve our help—but again, within the bounds of economic reality.

Let me disgress a moment and tell you what I believe should be the guiding ethic for United States foreign aid; it's a Chinese proverb, and its says: "Give a man a fish and you feed him for a day. Teach a man to fish, and you feed him for a lifetime." Let's teach our friends and allies to fish.

That doesn't mean not helping out with humanitarian and emergency aid. It doesn't mean welshing on our commitments. But it does mean coming to an understanding of our financial limitations. And it does mean teaching our friends about what it is that America stands for: Self-sufficiency and free enterprise.

Some of the ideas I am talking about are reflected in this Russian aid package. All of the ideas I am talking about are reflected in the amendment I am offering to that package. The enterprise fund for Israel is a job creating, free enterprise pushing, self-sufficiency promoting, investment guarantee program for American businesses to start up operations in Israel. It is a no-cost program to encourage American businesses to invest in Israel.

This amendment authorizes up to $2 billion in loan guarantees for private sector projects in Israel. The fund will be administered through the Overseas Private Investment Corporation—known as OPIC. OPIC is a self-sustaining U.S. Government-created body designed to promote private investment in developing countries.

Let me explain for a second why OPIC. There are other enterprise funds—one for Poland and one for Hungary. They were created through the Support for East European Democracies—or SEED Act. They are publicly funded and they require appropriations of hundreds of millions of dollars. They are not administered through OPIC, which is in the business of using private capital. And private capital is what the enterprise fund for Israel is all about.

Here's how the fund would work: United States-owned companies, United States-based companies, United States-Israeli joint ventures and Israeli companies that pledge to buy 50 percent of goods and services from the United States may all submit project proposals for loan guarantees. These proposals will be reviewed by six-member board of directors comprised of four private American citizens and two private Israeli citizens.

If a project is approved, the fund is authorized to either directly loan or to guarantee a commercial loan to the investor. In the event an individual investor defaults, the enterprise fund will have recourse to the Government of Israel for repayment. In short, Mr. President, this proposal minimizes the risks to the American taxpayer while maximizing the opportunities for American investment.

The commercial loans involved would be guaranteed primarily by the Government of Israel, and the United States would be guarantor of last resort. This is unlikely to pose a risk to our budget—but it would help businesses get financing that might otherwise be unavailable. In addition, the minimal costs associated with making the loan guarantees would be borne by the borrowers.

Guarantees provided by the fund will be available through September 30, 1994. If the full $2 billion amount authorized is unobligated as of that date, any amount remaining would be carried forward to September 30, 1995.

The administrative and operating costs of the fund and its board will be paid for out of fees and interest payments. The terms of the loans will be similar to many official U.S. loan guarantee programs: a 30-year term, with payment of interest only in the first 10 years, and even payments of principal and interest in the remaining 20 years. Interest levels are based on prevailing market rates.

Unlike traditional foreign assistance programs, this proposal will stimulate growth in both Israel and the United States. The enterprise fund means exports for the United States and exports mean jobs.

I don't want to throw a bunch of meaningless figures into the air to prove my point. So I will limit myself to a couple of basic statistics. Israel imports about 40 percent of its investment goods—cars, electrical equipment, machinery, that kind of thing—from the United States. If 2 billion dollars' worth of new investment goes into Israel, that will mean—according to Department of Commerce figures—8,000 new American jobs. And in case some of us have forgotten in the fever over Russian aid—Americans need jobs too.

U.S. aid should promote self-sufficiency and private enterprise abroad, but it must pay clear dividends at home. The secret to creating those dividends is the private sector. We should be mobilizing our own businesspeople and businesspeople overseas to exploit growth oportunities.

Mr. President, I emphasize that this proposal is not designed as a substitute for government-to-government loan guarantees. I am quite aware that many Senators are committed to direct loan guarantees for Israel. And I am confident that the Senate will consider that issue in the near future. But this amendment addresses a different problem: rather than helping the Government of Israel build housing, this fund will help new Israeli citizens obtain the means to build their own homes.

Direct government-to-government guarantees are a commitment by the Government of the United States to basically cosign on loans taken out by the Israeli Government. We don't actually lend Israel any money in that case either. But our guarantee enables the Israelis to get better terms on commercial bank loans. That borrowed money then goes on budget in Israel, and can be used—within certain prescribed limits—as the Israeli Government wishes.

The enterprise fund does not have any impact on the Israeli budget. The Israeli Government is not taking out any loans. There are people going around and insisting that my proposal is loan guarantees divided by five. I have heard that line I can't tell you how many times from the Department of State. I say to those who believe this is nothing but loan guarantees rehashed—read the amendment. Just read it. Then we can talk seriously.

The fund stands alone on the merits: jobs, growth, and free enterprise. We owe it to our ally to help it face the future. But we also owe it to ourselves to push privatization and economic self-sufficiency abroad.

However, Mr. President, elections were just held in Israel. The situation in Jerusalem remains fluid. In light of that situation, I have decided today to withdraw my original amendment and instead submit a sense of the Senate resolution encouraging—after a reasonable period—the Bush administration and the new Government of Israel to renew their discussions on some form of loan guarantees.

I am confident that the 102d Congress—this Congress—will act to provide assistance to our friend and ally at this historic moment. And I look forward to working seriously with the President and the Secretary of State toward that end.

Mr. PRESSLER. Mr. President, I am proud to join as a cosponsor of the amendment offered by my distinguished colleague from New York, Senator D'AMATO. Some may question what an enterprise fund for Israel has to do with this bill. Mr. President, I would argue that it is a very important part of any legislation designed to aid the development of democracy and freedom in Russia and the other countries emerging from what was the Soviet Union. It is important because it would help to bring freedom to what historically have been some of the most oppressed people of those nations.

For many years, the United States has advocated increased emigration of Jews from the Soviet Union to Israel. Until recently, Soviet policy prevented Jews from leaving. Now the situation has been reversed. The welcome disintegration of the Soviet regime has opened the door, giving these people the hope to live in Israel. More must be done if they are to have the chance to do so.

I believe the United States was correct to press for Soviet Jewish emigration. Having helped to create the refugee flow, this Nation has a moral obligation to assist in the absorption of those people into Israel. Israel is exerting a considerable effort to welcome these immigrants. However, it is experiencing great difficulty meeting all the challenges involved.

It is estimated that the resettlement effort may cost upward of $60 billion. Put another way, in 5 years the relocation effort could cost more than Israel's entire gross national product in 1991. By cutting Government social spending and diverting it to refugees from the former Soviet Union, and by increasing taxes and borrowing money, the Israeli Government has demonstrated its willingness to accommodate the newcomers.

This amendment would help private businesses create jobs in Israel—jobs desperately needed by those who are resettling in that country—jobs for those this country worked so long and hard to free from repression. Jobs would be created by the formation of new companies in Israel. The enterprise fund would issue loan guarantees against possible losses incurred by these new businesses. The primary guarantor of these loans would be the Government of Israel. The secondary guarantor would be the U.S. Overseas Private Investment Corporation [OPIC]. In other words, the amendment does a good job of insulating the American taxpayer from potential fiscal liability.

In addition, the amendment actually would benefit the U.S. economy. The enterprise fund would make available funds for eligible investors who put money into these startup companies. The term "eligible investors" is defined to include United States citizens, United States companies, United States-owned foreign companies, joint ventures including any of the foregoing types of investors, and privately owned Israeli companies that agree to procure 50 percent of projects goods and services in the United States. Thus, while Israel and the Jewish immigrants certainly would benefit from the enterprise fund, American businesses stand to gain a great deal, too.

Some have argued that any assistance given to Israel would only encourage that Government to expand settlements in Judea and Samaria, as well as Gaza. To this I would offer several comments. First, the amendment specifically provides that projects financed by the enterprise fund can be conducted only in geographic areas which were under the control of the Israeli Government prior to June 5, 1967. In addition, the fund would not be administered by the Government of Israel. Rather, the fund would be governed by a board of directors compromised of six members—four of whom would be private citizens of the United States and two of whom would be citizens of Israel. All directors would be appointed by OPIC. Also worth noting is the fact that the incoming new Government of Israel has indicated its intention to freeze expansion of what Prime Minister-elect Yitzhak Rabin calls political settlements.

In sum, Mr. President, this amendment helps continue the process of the emigration of Jews from the Soviet Union to Israel—a process the United States was instrumental in starting. This amendment does a good job of protecting American taxpayers from potential liabilities should any of the loans default. The enterprise fund created by the amendment would greatly benefit the U.S. economy. For these reasons, I urge its adoption by the Senate.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, point of parliamentary clarification. Has the amendment by Senator D'AMATO been agreed to?

The PRESIDING OFFICER. That is the pending question. Amendment 2721, offered by the Senator from New York and others, is the pending question.

Mr. LUGAR. That has been cleared on both sides of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2721) was agreed to.

AMENDMENT NO. 2722

(Purpose: To require the Secretary of Transportation to promulgate final regulations on airline computer reservation systems and slots at high density traffic airports)

Mr. LUGAR. Mr. President, I send an amendment to the desk for Mr.

McCAIN, for himself and Mr. KASTEN, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. McCAIN, for himself and Mr. KASTEN, proposes an amendment numbered 2722.

Mr. LUGAR. Mr. President, I ask unanimous concent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. .PROMULGATION OF FINAL REGULATIONS ON CERTAIN AVIATION ISSUES.

(a) REQUIREMENT TO PROMULGATE FINAL REGULATIONS BY SEPTEMBER 1, 1992.—After September 1, 1992, the Secretary of Transportation shall no longer have authority to regulate airline computer reservation systems if by September 1, 1992, either—

(1) the Secretary of Transportation does not promulgate final regulations governing airline computer reservation systems; or

(2) the Administrator of the Federal Aviation Administration does not promulgate final regulations on the allocation and transfer of airline slots at high density traffic airports.

(b) FEDERAL TRADE COMMISSION AUTHORITY.—

(1) AMENDMENT TO FEDERAL COMMISSION ACT.—Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by striking "air carriers and foreign air carriers subject to the Federal Aviation Act of 1958,".

(2) REQUIREMENT TO PROMULGATE FINAL REGULATIONS.—If the authority of the Secretary of Transportation to regulate airline computer reservation systems is no longer in effect as a result of the operation of subsection (a), the Federal Trade Commission shall promulgate final regulations governing airline computer reservation systems not later than December 1, 1992.

(c) EFFECIVE DATES.—The amendment made by susection (b)(1) shall take effect on September 2, 1992, but only if the authority of the Secretary of Transportation to regulate airline computer reservation systems is no longer in effect as a result of the operation of subsection (a). The other provisions of this section are effective to the date of exactment of this Act.

REQUIREMENT FOR DEPARTMENT OF TRANSPORTATION TO ISSUE RULES PROMOTING AIRLINE COMPETITION

Mr. McCAIN. Mr. President, the present course of airline deregulation points toward failure. The continuing consolidation and concentration in the industry is contrary to the stated goal of airline deregulation that free and open competition would replace the heavy hand of government regulation and lead to benefits for the consumers.

In reality, there is less and less comptition. Eastern, Pan Am, Midway, and Braniff have all ceased operating. In 1985, at the height of deregulation, 10 airlines accounted for 80 percent of the U.S. market. Today, five airlines control this same share.

Testimony before the Senate Commerce Committee by the General Accounting Office, as well as the comments of industry observers and financial analysts, indicate that further consolidation can lead to higher fares for consumers. Already, at hub airports where one carrier dominates, fares average 20 percent higher than at airports where competition is strong.

Reports by the General Accounting Office, Department of Justice, and the Department of Transportation [DOT] have identified two factors contributing to concentration in the industry: airline ownership of computer reservation systems [CRS's] and slot controls at four of the Nation's busiest airports.

A recent study by the consumer group Public Citizen found that airline ownership of CRS's cost consumers between $500 million and $1 billion a year. Similarly, an analysis by the General Accounting Office found that by excluding new entrants, slot controls lead to higher fares at the four slot controlled airports: Washington Natonal, Chicago O'Hare, and New York's Kennedy and LaGuardia.

Clearly, these anticompetitive forces are choking airline deregulation. The 1978 Airline Deregulation Act directly spoke to this possibility in its statement of policy that the public interest requires the prevention of "unfair, deceptive, predatory, or anticompetitive practices in air transportation, and the avoidance of unreasonable industry concentration."

Given this requirement in law, how has DOT responded?

In both 1988 and 1990, DOT produced studies documenting the anticompetitive problems of CRS's. After years of delay, in March 1991, DOT issued a notice of proposed rulemaking governing CRS's. The date for issuing a final CRS's rule has been officially delayed three times and is now postponed until December 1992.

Concerning slots, Congress passed legislation in 1988 and 1990 calling for a rulemaking to increase slot access for new entrants. On February 19, 1991, then Secretary Skinner promised the Senate Commerce Committee a slot rule in early 1991. In September 1991, one day before a Commerce Committee hearing on the issue, DOT issued a proposed slot rule. In another Commerce hearing in May of this year, DOT stated that the slot rule was indefinitely postponed due to the President's regulatory moratorium.

Given this history of inaction and delay on the part of the Administration, I have vigorously pushed legislation to deal with CRS's and slots. S. 2312, the Airline Competition Enhancement Act of 1992, levels the playing field for airline competition by removing the anticompetitive barriers in CRS's and slot controls.

At a hearing on June 10 on S. 2312, DOT testified that the legislation was not necessary because the issues of CRS's and slots are best dealt with through rulemakings and not legislation. Frankly, this statement left me incredulous. Given DOT's inaction, their position was nothing short of Orwellian.

Since that June 10 hearing, representatives of DOT have assured me that both CRS's and slot rules have been released from the regulatory moratorium and will be issued within 2 months. The amendment I am offering today merely holds DOT to its word.

The amendment requires DOT to issue final rules concerning CRS's and slot access by September 1, 1992. If DOT does not meet this requirement, it no longer shall have authority to regulate CRS's. That authority would transfer to the Federal Trade Commission, which would then be required to issue a final CRS's rule within 90 days.

This amendment is straightforward. Either the bureaucrats do their job, or the job is given to someone else. The type of inaction that DOT has demonstrated only reinforces the view of Americans that the Federal Government is incapable of dealing with the Nation's problems. It is time that we hold Federal agencies accountable for their responsibilities.

Mr. President, I ask unanimous consent that an article by Robert Samuelson, appearing in the Washington Post on June 24, 1992, appear in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 24, 1992.]

FAIR WARS

(By Robert J. Samuelson)

To his many critics, Robert Crandall—the head of American Airlines—is the industry's Darth Vader: a man bent on destroying competitors. The result, it's said, will be an anticompetitive industry dominated by four to six big airlines. Fares will rise inexorably. Crandall waves away his critics. Competition is merely working as it should, he says. Well, Crandall could be right and, then again, he might not be.

Only a fool would not worry about an unhealthy concentration of power. In 1990 and 1991, airlines lost $5.8 billion. Pan Am and Eastern have gone out of business. As yet, the shakeout hasn't suffocated competition. Even before recent fare wars, average fares (adjusted for inflation) were nearly a third below 1977 levels. But the industry's blood bath will ultimately end, and when it does, there may be many fewer carriers. Already, three others (TWA, Continental and America West) are operating in bankruptcy: They're flying only because payments on their debts have been suspended. One or more might fail.

Deregulation is often wrongly blamed for the airlines' troubles. You will recall that the government got out of the business of setting airline fares or awarding domestic routes in 1978. In fact, deregulation has generally worked. As well as low fares, it's fostered more flights to more cities. The drawbacks (more connections at hub airports, slightly longer travel times) may have been unavoidable.

The cause of today's huge airline losses is much simpler. Between 1981 and 1987, U.S.

airline traffic jumped 57 percent. Everyone bet on perpetual growth. It was a bad bet. Since 1988, domestic air travel has stagnated. The long slump raises the possibility that U.S. air travel has hit a saturation point. Meanwhile, overconfident airlines over-expanded or (as with Northwest and TWA) overborrowed. High costs collided with weak traffic. The result was financial disaster.

There's nothing wrong with airlines going out of business, as Crandall argues. Competition involves failure. Superior companies should grow. Inferior companies should flop. Some carriers are run better than others. Eastern had fatal labor-management strife. TWA has older planes (an average age of 16 years compared with American's 10 years) that raise maintenance costs.

Crandall gripes that courts have been too lax in allowing bankrupt airlines to operate. The theory is that they will cut costs, negotiate lower debts and emerge as viable carriers. In practice, Crandall says, they weaken stronger airlines by diverting traffic and depressing fares. Pan Am, Eastern and Midway all flew as bankrupts before shutting down.

Fair enough. But genuine competition also presumes that a few companies don't enjoy unfair advantages that predetermine who wins. Here, Crandall is on weaker ground. Even in good times, airlines operate on thin profit margins of 2 percent to 3 percent. (In 1988, record high industry profits of $1.7 billion equaled 2.6 percent of revenues.) An airline's ability to lure a few extra passengers per flight can spell the difference between profit and loss. American and some other big carriers have that ability.

The computer reservation systems sold to travel agents represent one advantage. There are four airline-owned systems, but two dominate: American's Sabre system, which is used by 37 percent of travel agents; and United's Apollo system, which is used by 25 percent. Each reservation system provides flight and fare information for most U.S. carriers, but the way the electronics work, it's often easier for an agent to select the airline that owns the system. Computer response times can be quicker, and keypunch instructions simpler.

Travel agents are human. They want to make bookings quickly. As a practical matter, American and United often get extra bookings, Frequent-flier programs can have the same effect. Their purpose is to create loyalty among business travelers with the lure of "free" trips awarded for logging lots of miles on one carrier. The bigger the airline, the greater the lure, because the airline goes to more places. This favors American, United, Delta and, to a lesser extent, Northwest and USAir. You can't fly to Hawaii on Podunk Airlines.

Together, frequent-flier programs and airline control of reservation systems make it harder for small carriers to succeed—and for new carriers to start. The perverse result could be that high-cost airlines survive while smaller (and more efficient) carriers do not. For example, American's costs are among the industry's highest. Since 1988, its cost per available seat mile (the expense of flying one seat one mile) has increased nearly 20 percent. Some carriers in bankruptcy have lower costs.

These are remedies to these problems. Congress could order airlines to sell the reservation systems now offered to travel agents. As attractive businesses, they ought to find willing buyers. The reservation systems could then be re-engineered to provide equal access to all carriers. (Crandall, once opposed to a sell-off, now says he would accept it.) Frequent-flier tickets might be outlawed as anti-competitive or required to be reported as potentially taxable income.

What's at stake is whether deregulation continues to work. Economists Steven Morrison of Northeastern University and Clifford Winston of the Brookings Institution recently reported that the eight largest airlines control 91 percent of domestic traffic compared with 82 percent in 1978. But they argue that competition is greater now, because more airlines fly on individual routes. This is true. In 1978, major airlines had half their traffic on routes where they carried 60 percent or more of all passengers, says analyst Julius Maldutis of Salomon Brothers. By 1991, such routes accounted for 29 percent of traffic.

But this provides only modest protection against gouging. Competition among companies with similar costs and business practices can be ineffective. Recall the auto industry. Before the Japanese, the rivalry among the U.S. "Big Three" didn't amount to much. They mimicked each other's weaknesses. Unless new airlines can challenge existing carriers with high costs or lousy service, competition will be more apparent than real.

Mr. LUGAR. This amendment is dealing with aviation. It has been cleared on both sides of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2722) was agreed to.

AMENDMENT NO. 2723

(Purpose: To require the Secretary of Agriculture to provide disaster assistance to eligible orchardists that planted trees for commercial purposes but lost the trees as a result of fire blight)

Mr. LUGAR. Mr. President, I send an amendment to the desk for Mr. RIEGLE, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. RIEGLE, proposes an amendment numbered 2723.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . DISASTER ASSISTANCE FOR TREES LOST DUE TO FIRE BLIGHT.

(a) IN GENERAL.—Sections 2255(a) and 2256(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note) are amended by inserting "fire blight," after "earthquake," both places it appears.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective as of November 28, 1990.

Mr. LUGAR. The amendment of the Senator from Michigan includes trees in the disaster assistance program. It has been cleared on both sides of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2723) was agreed to.

AMENDMENT NO. 2724

(Purpose: To urge the President to obtain commitments and facilitate the withdrawal of Russian military personnel from Cuba)

Mr. LUGAR. Mr. President, I send an amendment to the desk for the distinguished Senator from Florida [Mr. MACK], and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. MACK, proposes an amendment numbered 2724.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

SEC. . PROVIDING FOR WITHDRAWAL OF RUSSIAN MILITARY PERSONNEL FROM CUBA.

The President should obtain a commitment from Russia to withdraw its combat troops and non-embassy military personnel from Cuba as expeditiously as possible and by a date certain, and if necessary, should facilitate the withdrawal of said troops and personnel.

RUSSIAN TROOPS IN CUBA

Mr. MACK. Mr. President, this amendment is to express the will of Congress that the President should move quickly and vigorously to work with our new friend, Russia, to gain a commitment that Russian troops will be removed from Cuba by a date certain.

The President of Russia, Boris Yeltsin, has committed to remove the Russian mechanized combat brigade—2,500 troops—from Cuba. So far, the Russians say about 600 troops have removed. A further 2,000 to 3,000 Russian military personnel remain in Cuba and there is no Russian commitment as of yet to remove them.

Mr. President, I believe that Boris Yeltsin believes in freedom and understands the suffering that a Communist system is imposing on the people of Cuba. But removing Russian troops from Cuba seems not to be a high priority for him.

Unless the United States is forceful in raising the withdrawal of Russian troops in Cuba as a high priority for us, I am concerned that this withdrawal will not come about expeditiously. In May of this year, talks between Russia and Cuba over Russian troop withdrawal stalled because the Cubans did not want the Russians to leave. That is why the United States must give Russia a friendly push in this direction.

Why is it important that these troops be withdrawn? Of course, the Russian troops are not a threat to the United States; that is not the issue. The issue is that a full Russian withdrawal would send a powerful signal to the Cuban Government, the Cuban military, and the Cuban people. It would say that Russia will no longer be associated with Fidel Castro's regime, which is much closer to the Soviet Union's Stalinist past than to the democratic future Russia is trying to build.

Even if the Russian troops have no intention of helping defend Fidel Castro, the withdrawal of those troops would make Castro look one step weaker, and one step more isolated in the world. That is why Castro does not want them to leave, and why this amendment is so necessary.

I thank the managers of the bill for accepting this amendment, and I thank the Senate for sending a strong signal to the White House that we believe this is an important priority that deserves the attention and best efforts of our Government.

Mr. LUGAR. The amendment has been cleared on both sides of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2724) was agreed to.

AMENDMENT NO. 2725

(Purpose: To authorize the use of appropriated funds for the independent states of the former Soviet Union to provide support in addressing the nutritional needs of infants by providing processed baby food as part of any direct food assistance program)

Mr. LUGAR. Mr. President, I send an amendment to the desk authored by myself and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 2725.

On page 33, line 14, strike "needs," and insert "needs (including the nutritional needs of infants by providing baby food as part of direct food assistance programs),".

Mr. LUGAR. The amendment has been cleared on both sides of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2725) was agreed to.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, it has come to my attention that the House may seek to include the IMF quota increase appropriation as a provision in the Freedom Support Act when it takes action on that bill.

The proper place to address the question of appropriation of the IMF quota increase is on the foreign operations appropriation bill, which will be done later this year.

If the Freedom Support Act were to emerge from conference with the House containing the IMF quota increase appropriation, I would be constrained to object to it.

Would the distinguished chairman of the Foreign Relations Committee and the acting ranking member agree that the proper vehicle for the Senate to deal with the IMF quota increase appropriation is an appropriation bill?

Mr. PELL. I would agree. This is an appropriation issue and should be dealt with by the Appropriations Committee.

Mr. LUGAR. I concur with the chairman.

Mr. LEAHY. May I be assured that the distinguished chairman of the Foreign Relations Committee and the acting ranking member would not allow the IMF quota increase appropriation language to be included in the conference report on the Freedom Support Act, were it to be included in the House version of the Act?

Mr. PELL. I am pleased to give that assurance.

Mr. LUGAR. I concur with the assurance of the chairman of the committee.

Mr. LEAHY. I thank the managers of the bill.

Mr. LUGAR. Mr. President, this concludes all known amendments, aside from the one about to be offered by the distinguished Senator from Pennsylvania.

I ask unanimous consent that the Senator's amendment be framed by a time agreement of 20 minutes, equally divided, 10 minutes to the distinguished Senator from Pennsylvania and 10 minutes to be controlled by Senator PELL.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. REID. Mr. President, parliamentary inquiry. I ask the unanimous-consent request be restated.

Mr. LUGAR. I will be happy to restate the request: That the Specter amendment this is about to be proposed have a time agreement of 20 minutes, equally divided, 10 minutes to be controlled by Senator SPECTER and 10 minutes by the distinguished chairman of the Foreign Relations Committee, Senator PELL, and that there be no second-degree amendments.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The time is equaly divided. Who yields time? The Senator from Pennsylvania, Senator SPECTER.

AMENDMENT NO. 2726

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 2726.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . INTERNATIONAL LENDING REQUIRED TO BE SECURED BY CERTAIN EXPORT EARNINGS.

(a) UNITED STATES ACTION.—By January 1, 1994, and for each calendar year thereafter, the President of the United States shall either (1) certify to Congress that the former Soviet Republics are adhering to the debt repayment schedules stipulated by the multilateral lending institutions described in this Act; or (2) direct the Secretary of the Treasury to instruct—

(A) the United States executive directors to the International Bank for Reconstruction and Development and to the European Bank for Reconstruction and Development to vote against the extension of any credit, or the issuance of any guarantee with respect to any credit, by the Banks for the purpose of assisting any of the independent states of the former Soviet Union, and

(B) the United States executive director to the International Monetary Fund to vote against any use of the resources of the Fund, including any use of United States currency under the Fund's general arrangements to borrow (GAB) as part of any currency stabilization fund or otherwise, for the purpose of assisting any of the independent states of the former Soviet Union, unless repayment of the credit or such other resources, as the case may be, is secured by the royalties or other revenues, if any, earned by state from the export of petroleum products, minerals, or other commodities.

(b) MULTILATERAL ACTIONS.—The Secretary of the Treasury shall instruct the United States executive directors to the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, and the International Monetary Fund to propose that such institutions establish policies in opposition to the use of resources as described in subsection (a) unless the repayment of such resources is secured in accordance with that subsection.

(c) DEFINITION.—As used in this section, the term "petroleum product" means crude oil, residual fuel oil, or any refined petroleum product (including any natural liquid and any natural gas liquid product).

Mr. SPECTER. Mr. President, this amendment calls for elaborate security to be provided by the borrower where the President cannot certify that the payments are being made on time. I am well aware of the fact it is 9:26, but I believe this is a very important amendment, and I have reduced the time to only 20 minutes, equally divided, because I think the Senate should vote on the proposition that there ought to be collateral security for the billions of dollars which are going to be advanced by the U.S. Government.

The specifics of this amendment are as follows. It requires the President to certify to Congress that the former Soviet Republics are adhering to the debt repayment schedules stipulated by the multilateral lending institutions. If the President does not so certify, then the President must direct the United States representatives in the multilateral lending institutions to vote against the extension of credit or guarantees by the institutions for the purpose of assisting former Soviet Republics.

Such restrictions shall apply unless repayment of the credit is secured by petroleum products, minerals, or other valuable commodities.

Mr. President, I favor the basic concept of assisting the former Soviet Republics so that we may do our utmost to help those Republics move away from totalitarianism and authoritarianism and toward democracy and so that we may assist them in moving away from communism and socialism to a market economy.

I think that is important. But at the same time it seems to me it is fundamental to ask those Republics to give security for the billions of dollars which the United States will be advancing. I have sought to find out how many billions are involved and cannot even get an exact estimate. But there is an enormous sum of money which is involved.

Any time a borrower goes to a lending institution, to a bank, and seeks to borrow money, it is fundamental to ask for security. When a person seeks a mortgage, a loan on a home, there is collateral security on a mortgage. When there is a loan on a business transaction, the inventory is collateralized.

I submit this is a very fundamental and basic requirement and is not onerous.

The former Soviet Republics are rich in crude oil, in natural gas, in titanium minerals, in gold. This is similar to last session when the Senate adopted a concept very similar to collateralization, when it overwhelmingly, 86 to 8, adopted the Nunn-Lugar amendment to the Conventional Forces in Europe Treaty, which permitted the recipient governments to reimburse the United States for the cost of assistance from natural resources, such as oil and strategic materials.

I think the Senate made a mistake yesterday when we defeated the DeConcini amendment, which would have required the former Republics to leave the Baltic States.

I am aware of the arguments that we want to be forbearing in making these loans available to have more influence on Mr. Yeltsin and the former Soviet Republics. But I think it is unwise to make these loans available in a context where we are not getting collateral security where security is available, where we are providing United States funds to buy the former Soviet Republics butter when they are investing in military, keeping thousands of troops in the Baltic Republics.

These gigantic sums of money are being advanced without any collateral security when it is not unduly burdensome for this collateral security to be provided.

This is not an easy matter for the Congress, for the U.S. Government, to advance these billions of dollars at a time when there are such tremendous deficit problems in the United States and there are so many domestic needs which are going unanswered, needs which I shall not itemize but which are very well known.

We passed the unemployment compensation extension tonight which goes a part of the way. With these serious issues and problems of the deficit, it seems to me it is fundamental to get collateral security when these borrowers have plenty of security available so these funds will be repaid.

I ask the Chair how much time I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes, 3 seconds remaining.

Mr. SPECTER. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, this is an amendment that we considered in the committee and was defeated by a vote of 15 to 3. We are being a little illogical in moving down this path because we are seeking to encourage the private investment, private ownership in the countries of Eastern Europe. What this does is seek to encourage Government ownership to be able to put up the assets for collateral. I oppose the amendment.

The PRESIDING OFFICER. Is there further debate? The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I must disagree with the distinguished chairman of the Foreign Relations Committee, who has made the assertion that this is the same amendment which was defeated in committee. It is decisively different. The amendment which was offered in committee provided that there would be the absolute requirement for collateral security. This amendment does not have that provision. Instead, this amendment gives considerable latitude to the executive to make the certification so that there is an opportunity for the President to make an analysis as to whether the payments have been repaid, whether the repayment schedule is on time, and then if it is not on time, to put the requirement into effect that the collateral security should be offered.

When the distinguished Senator from Rhode Island talks about private lending, he is referring to an argument that, as I understand his argument, if the U.S. Government and others take collateral security, there will be less security available for private lenders.

The private lenders, Mr. President, do a much better job in protecting their interests. And I daresay in the context of risk capital, a private investor is not going to lend money to the former Soviet Republics unless the returns are very great.

But when the governmental agencies lend the money, there is much less care than is exercised by the private lenders and that is why I think that it is a very minimal requirement for the Congress of the United States to take some stand to see to it that there is collateral security.

We have a long history of foreign debt which goes unrepaid. We have other former Soviet Republics which we want to help, but they have very, very extensive raw materials, very extensive assets which they could offer without any undue burden to provide this kind of assurance.

I believe that the American people are entitled to tougher restrictions than have been imposed in this bill. The business about having the Soviets use their other resources to modernize their armies, to modernize their missile systems, to keep their armies in the Baltic States, to have all of this wealth preserved for their own use without giving this collateral security, I think, just goes too far.

I am not saying that I will necessarily oppose final passage on this bill, but I think this is a minimal requirement that the American people ought to have for the appropriate assurances that these billions of dollars in loans will be repaid.

I inquire of the Chair how much time I have remaining.

The PRESIDING OFFICER. The Senator controls 1 minute and 54 seconds.

Mr. SPECTER. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. Who yield time?

Mr. LUGAR. I yield 2 minutes of time to the distinguished Senator from Kentucky.

The PRESIDING OFFICER. The Senator is recognized for up to 2 minutes.

Mr. McCONNELL. I thank the Senator from Indiana.

Mr. President, I believe the amendment of the Senator from Pennsylvania would have the effect of killing the IMF quota. As the distinguished chairman of the committee pointed out, a similar amendment to the amendment currently at the desk was offered in committee and defeated 15 to 3.

I think the principal concern I would have is that the amendment amounts, in effect, to a lien on the very sectors of the economy that are targeted for private activities. The amendment would require the Government to stake a claim on and preserve a degree of state-owned control over natural resources to serve as loan collateral.

It is my view that this will frustrate potential business proposals to privatize over in Russia. The Republics are going to exploit the resources they have to generate hard currency to pay their bills and create jobs. They will be eager for joint ventures and private businesses to develop their mineral, oil, gas, and other resources which can only be good news for U.S. companies. We are good at mining, we are good at exploration, we are good at energy development. What I fear, Mr. President, is this amendment will actually discourage our involvement in those activities that we are particularly well suited for and would love to be engaged in this inside the former Soviet Union. So I hope that the amendment of the Senator from Pennsylvania will not be approved.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Indiana.

Mr. LUGAR. I ask if the Chairman will yield me 5 minutes.

The PRESIDING OFFICER. The Senator from Indiana is recognized for up to 5 minutes.

Mr. LUGAR. Mr. President, the distinguished Senator from Pennsylvania has presented an amendment which is carefully crafted for purposes that are very well worth debate. But I simply want to respond to the general principle of collateralization, whether it be done in an absolute sense or by the Chief Executive, as the Senator from Pennsylvania has suggested.

The fact is, Mr. President, the United States' financial interests are already protected in all multilateral lending institutions. If a country receives assistance from any multilateral lending institution and fails to repay those loans, then the country is no longer eligible for any new loans. All lending is cut off until arrears are cleared.

The point I want to make, Mr. President, is that our U.S. claims are already secured in the IMF by a $35 billion IMF-held gold reserve and $3 billion in reserves which help to protect the financial integrity of the institution.

If, for example, any of the Republics of the former Soviet Union would fail to pay back any assistance, they would be, first of all, unable to receive any new lending. Countries value the IMF stamp of approval very, very highly because they can receive assistance only when they are in full compliance with the IMF and are current on their loans.

Private creditors, as well as many bilateral credit programs, will not lend to countries that are in arrears to the multilateral lending institutions, including the IMF.

Finally, Mr. President, I make the point with regard to this specific legislation, that singling out the independent states of the former Soviet Union to require that they alone put up collateral, such as oil reserves or whatever they might put up, would send a signal that we have very little confidence in the reform programs that we are attempting to assist and, in fact, nurture with this legislation at a very critical time in those economic reform efforts.

So for these reasons, Mr. President, the fact that we are secured in terms of all of our claims, and that there are such stringent sanctions with regard to any arrears with regard to the IMF and other multilateral institutions, in my judgment the amendment by the distinguished Senator from Pennsylvania is unnecessary, even if he has offered it to try to guarantee further prudence, and in addition to being unnecessary would frustrate, I believe, the aims of the legislation that we foster this evening.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SPECTER].

Mr. SPECTER. Mr. President, if the argument is correct as asserted by the distinguished Senator from Indiana that my amendment is unnecessary, then it certainly is not going to impose any extra burden beyond that which the borrowers are already undertaking.

I must disagree with my colleague from Indiana on his assertion that there is already collateral security there, because if the IMF reserves were to be used to cover a Soviet default, the original United States contribution would be wiped out. Lending to the former Soviet Union Republics alone is expected to exceed the approximately $38 million the IMF has to cover bad loans.

When the assertion is made that we have very little confidence in what the former Soviet Republics are going to be doing, we have hopes that they will succeed, and that is why we are making this extraordinary contribution. But in terms of a strict businesslike financial loan, we are within our total rights to say we want collateral security.

When any lender advances a loan to a borrower, there is always the expectation that it is going to be repaid because the person has a good job and the means to repay it. But that does not stop a bank or lending institution from asking for collateral security.

The former Soviet Republics have adequate collateral security. No argument has been advanced this evening which in any way undercuts the very basic principle that if a loan is made there ought to be collateral. The former Soviet Republics have the resources. They will get these loans. We just ought to be a little tougher in our negotiating posture.

The PRESIDING OFFICER. All time controlled by the Senator from Pennsylvania has expired. Who yields time?

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island [Mr. PELL].

Mr. PELL. I yield back all time we may have.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment 2726 by the Senator from Pennsylvania.

Mr. SPECTER. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. PELL. I move to table.

Mr. LUGAR. I ask for the yeas and nays.

Mr. SPECTER. I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays are requested.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from North Carolina [Mr. SANFORD] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Virginia [Mr. WARNER] is necessarily absent.

I further announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

The result was announced—yeas 75, nays 21, as follows:

[Rollcall Vote No. 147 Leg.]

YEAS—75

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Bradley
Breaux
Bryan
Bumpers
Burdick
Byrd
Chafee
Coats
Cochran
Cohen
Cranston
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Exon
Ford
Fowler
Garn
Glenn
Gore
Gorton
Graham
Gramm
Harkin
Hatch
Hatfield
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mack
McCain
McConnell
Metzenbaum
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Simon
Simpson
Wallop
Wellstone
Wirth
Wofford

NAYS—21

Brown
Burns
Conrad
Craig
D'Amato
Durenberger
Grassley
Heflin
Hollings

Kasten
Lott
Mikulski
Nickles
Pressler
Seymour
Shelby
Smith
Specter
Stevens
Symms
Thurmond

NOT VOTING—4

Helms
Roth
Sanford
Warner

So the motion to table the amendment (No. 2726) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2698, AS MODIFIED

Mr. GORE. Mr. President, I ask unanimous consent—and this has been cleared on both sides with the appropriate committees—to modify amendment No. 2698, which was previously offered and agreed to, by Senators HARKIN and KASTEN. Both of them have been fully advised of this. My understanding is that both the chairman and ranking member are advised of it. It relates to land grant colleges.

Mr. President, a number of land-grant colleges, including the University of Tennessee in my State, have proposed an excellent, farsighted proposal for an agricultural initiative for Russia and other post-Soviet states. The purpose of this amendment is to open the way for this proposal, which I will now briefly describe.

In essence, under this amendment, land-grant colleges working as circumstances direct with the private sector would work out programs of joint work in Russia and other post-Soviet states to assess productive capability of food and cash crops; to determine appropriate technologies for production enhancement; to develop strategies for the application of biotechnology to support food security in the areas of production, nutrition, processing, and distribution; to promote technology transfer; and to encourage environmentally sound, sustainable agricultural practices.

Programs in these areas are absolutely essential if the agricultural economies of post-Soviet states are going to be able to recover from the devastation of seven decades of Communist mismanagement, and if the privatization of agriculture in post-Soviet countries is to succeed. These programs represent a strategic vision of coupling one of America's greatest strengths to one of the deepest needs of the peoples of the post-Soviet states.

I strongly urge my colleagues to support this amendment which literally contains the seeds of the future.

I ask unanimous consent to modify that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is so modified.

The amendment (No. 2698), as modified, is as follows:

On page 6 between lines 2 and 3 insert the following new subparagraph:

"(C) initiatives to—

(i) determine appropriate techniques to enhance agricultural production; and

(ii) develop strategies for the application of biotechnology to support food security and sustainable agricultural practices;"

On page 6 line 3 redesignate subparagraph (C) as subparagraph (D).

On page 6 line 6 redesignate subparagraph (D) as subparagraph (E).

On page 9 line 7 strike "and"

On page 9 between lines 7 and 8 insert the following new subparagraph:

"(C) initiatives to—

(i) determine appropriate techniques to enhance agricultural production; and

(ii) develop strategies for the application of biotechnology to support food security and sustainable agricultural practices; and"

On page 9 line 8 redesignate subparagraph (C) as subparagraph (D).

Mr. GRAHAM. Mr. President, it had been my intention to offer as an amendment on the pending legislation the substance of a matter that has been introduced in a separate bill entitled "Cuban Democracy Act of 1992," with 38 sponsors.

This legislation, I believe, was appropriate to be considered on this bill. The reason that we have the opportunity to talk about democracy in Cuba today is because of the collapse of the Soviet Union. For almost 30 years it was the Soviet Union which kept the dictatorship of Cuba afloat, both economically and politically.

The ballast has now been lost, and we have a rare opportunity to adopt a national strategy that will facilitate the demise of the current authoritarian government and the restoration of a democracy in Cuba.

There has been concern expressed by the managers of the bill about considering the amendments that were not specifically related to aid to the former Soviet Union Republics. The chairman of the committee has very generously indicated that there will be a hearing on this legislation between the July and August recess periods. I have discussed this also with the chairman of the subcommittee with the jurisdiction, in light of that, and recognizing the strong support which this measure has a freestanding bill, I will defer this evening from offering this as a separate amendment, but wish to draw this important matter to the attention of my colleagues in the hopes and expectation that, before this session of Congress completes its work, we will have an opportunity to consider and, I hope, adopt this important proposal.

Yesterday I introduced—with the support of 37 cosponsors—legislation upon which this amendment was based. Both the administration and Presidential candidate Bill Clinton have endorsed the provisions of this amendment.

The House Foreign Affairs Committee, after extensive hearings and markup, has reported almost identical legislation.

Indeed, the Senate itself has already expressed itself three times on one of the major provisions of the amendment—a provision which would close a loophole in the current economic embargo against Cuba. The Senate last voted on this measure on July 20, 1989, passing it 82–13. Since then, the Senate has approved the provision on voice votes on at least two subsequent occasions.

Despite the Senate being on record in support of this key provision—not once but three times—here we are 3 years later still trying to enact this provision into law.

Why are we in this position? The principal reason is that the administration until recently opposed this provision. But, now, it is on board.

By every measure, therefore, this provision—and the amendment of which it is part—represents a consensus view that has broad bipartisan support.

Moreover, I believe this amendment is germane to this bill. We are debating ways to consolidate and expand democracy in Russia.

Fidel Castro can thank his continuing survival in large part to the support he has received from Russia and the former Soviet Union.

In fact, under Fidel Castro, Cuba turned into a virtual colony of the Soviet empire.

As we debate ways to consolidate democracy in Russia, I believe it to be entirely relevant to address the same issue when it comes to discussing the former Soviet Union's only colony in the Western Hemisphere.

How can we avoid addressing this issue when debating the survival of Russia as an emerging democracy. How Russia governs its relations with Cuba must be one of the benchmarks by which we measure its progress toward democracy.

Mr. President, this Senate has provided key leadership at a number of pivotal points when debating this country's relationships with authoritarian governments. From South Africa to Chile, from China to Serbia, this Senate has shown leadership and resolve.

Cuba should not be an exception to the Senate's proud record in standing up to authoritarian governments that abuse their people.

Mr. President, this amendment is based upon several premises.

First, Castro is as weak as he has ever been. This is no time to take steps, even inadvertent ones, that might strengthen his hand. Rather, we continue to hear from dissidents inside Cuba to keep the pressure on, to take all possible peaceful steps to end the repression and violence once and for all.

Second, we should do all that we can to increase the flow of information to the Cuban people. This amendment would expand mail and telephone service.

It will increase pressure on Castro, while humanely expanding the means for the tens of thousands families on the island to remain in touch with their loved ones who have fled.

Third, we should call on our allies to support our efforts. By no means do we try to punish countries doing business with Castro. Instead, we simply state that countries conducting subsidized trade with Cuba should expect no help from us. After all, if we wanted to subsidize Cuba, we could more effectively do so directly. We give the President discretion to make these decisions.

Fourth, our Government's policy toward Cuba seems to be one of letting events run their natural course. I'm not sure what the natural course is in this case. What I do know is this. If we are to achieve a peaceful transition to democracy, we must have in place a coherent and comprehensive policy that will help achieve that goal.

Mr. President, specifically, this amendment:

Closes a critical loophole in the Cuban embargo that allowed Cuba to earn more than $533 million in hard currency in 1990, up from $169 million in 1989. Under the current embargo, subsidiaries of United States companies are still allowed to trade with Cuba. This amendment would close that loophole;

Establishes civil penalties for organizations engaging in illegal trade with Cuba. Currently only criminal penalties are provided for, making it unnecessarily difficult to punish violators;

Authorizes United States funding for nongovernmental organizations in Cuba. We want to accomplish in Cuba what we achieved in Eastern Europe, the Soviet Union and Nicaragua. We want to support labor leaders and human rights activists;

Requires our Government to establish strict limits on remittances to Cuba by United States citizens financing the travel of Cubans to the United States. The Treasury recently placed a $500 ceiling on travel remittances to Cuba. We support that level, but we believe it is important to have this provision in law;

Expands phone service between Cuba and the United States. Existing service is of poor quality, and Cuban-American families pay 5 to 10 times the normal rate to place calls through Canada or other countries which do not limit phone service to Cuba.

Directs the United States Postal Service to provide direct mail service to and from Cuba. Although Cuba now opposes direct mail service, our postal service has never been encouraged to aggressively try to negotiate an agreement.

Lack of service causes great hardship for divided families. We hope that those in power in Cuba begin to finally acknowledge the interests of the Cuban people, at least in this instance; and

Outlines a policy toward a post-Castro government. If that government is freely and fairly elected, the United States would grant full diplomatic recognition, provide emergency relief during Cuba's transition to a viable economic system, encourage debt rescheduling or cancellation, and end the embargo.

These steps will be taken only after the fall of communism. Any shipments of food and medicine in the meantime will be granted for humanitarian reasons and will benefit only the Cuban people, not the Cuban authorities.

Mr. President, the day when we will be dealing with a post-Castro government is fast approaching. We must adopt a policy that hastens that day and prepares for the day after. This amendment advances us toward that goal.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I hope the Senator from Florida will seek that action. I think it is important, and it is about time we pass legislation like that.

I commend him for mentioning it this evening.

The PRESIDING OFFICER (Mr. DASCHLE). The Senator from Indiana.

AMENDMENT NO. 2727

Mr. LUGAR. Mr. President, on behalf of Senators KASTEN and INOUYE, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] for Mr. KASTEN for himself and Mr. INOUYE, proposes an amendment numbered 2727.

Mr. LUGAR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, after line 19, insert the following:

"(6)(A)(i) denies its citizens the right or opportunity to emigrate,

(ii) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever, or

(iii) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice; and

(B) with respect to which a waiver has not been made under Title IV of the Trade Act of 1974;

except that, commencing 120 days after enactment of this Act, such assistance may not be provided unless the President has furnished a report to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on Foreign Affairs and Appropriations of the House of Representatives on the extent of progress such states have made in respect of the extent of progress such states have made in respect of the criteria described in subparagraph (A)."

Mr. KASTEN. Mr. President, this amendment, cosponsored by my distinguished colleague from Hawaii, Senator INOUYE, would help ensure the freedom of emigration of citizens of the former Soviet Union

The United States is a nation based on the idea of free movement of peoples. Most recently, we expressed this fundamental conviction in the Jackson-Vanik legislation that tied improved United States-Soviet relations to Soviet tolerance of emigration.

We are now celebrating the success of that historic policy—the aliya of Soviet Jews who are settling in their ancient homeland of Israel.

Senator INOUYE and I are convinced that U.S. foreign aid is a very effective lever to encourage the improvement of human rights in foreign countries. Specifically, we believe that the Jackson-Vanik approach can help us avert the rise of fascism and anti-Semitism in the Republics of the former Soviet Union.

The amendment we are offering today would deny funds appropriated under this bill to former Soviet Republics that deny or unreasonably interfere with the emigration of their citizens. I believe that two or three of the Republics, including Russia, have already repealed their restrictions on emigration.

Mr. President, there is no need for any of these Republics to intefere with the free emigration of their citizens. This denial of a fundamental human right was unconscionable at the height of the cold war—and it is therefore even less tolerable at the present time, when a truly historic tide of liberty is transforming the whole world.

It is the hope of both myself and Mr. INOUYE that this amendment will be noncontroversial. It expresses one of the most basic of American values—personal freedom of movement—and we hope, therefore, that it will be accepted.

Mr. LUGAR. Mr. President, the distinguished Senators had offered an amendment with regard to progress of immigration reform in the Republics of the former Soviet Union. It has been worked out carefully with the Department of State. The administration has no objection, and it is cleared on our side of the aisle.

The PRESIDING OFFICER. Is there further debate?

Mr. PELL. It is cleared on our side of the aisle.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2727) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Indiana.

AMENDMENT NO. 2728

Mr. LUGAR. Mr. President, I send an amendment to the desk on behalf of Senator KASTEN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. KASTEN, proposes an amendment numbered 2728.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, after line 19, insert the following:

"(6) is responsible for paying an equitable portion of the indebtedness incurred before December 25, 1991, by the former Soviet Union (including any agency, instrumentality, or political subdivision thereof) to United States firms, unless the President determines and reports to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on Appropriations and Foreign Affairs of the House of Representatives that such government has not adopted a policy of refusing to pay such equitable portion.".

Mr. KASTEN. Mr. President, this amendment would help ensure fair treatment of United States firms who have business dealings with the countries of the former Soviet Union.

According to the former United States Secretary of Commerce, Robert Mosbacher, at the end of last year the Soviet Union had an outstanding debt of some $110 million to 34 different United States businesses. The Zerand-Bernal Group of New Berlin, WI, is just one of these American companies—it's still waiting for payment of a Soviet debt of 32 million dollars.

I think it's very important that we address all of this debt as part of our Russian aid bill. There will be no better opportunity to deal with this issue of basic fairness.

In fact, the committee's report language discusses the issue in accurate terms. The report observes that the failure of the new republics to pay their debts is seriously hampering their ability to attract new investment. In the words of the report, and I quote:

> The committee places a high priority on the expeditious resolution of the debt issue. Therefore, the committee urges that the Department of Commerce, in consultation with the Department of State, report periodically to the Congress as to what steps have been taken to obtain the repayment of commercial debts * * *

Mr. President, the committee is to be complimented for discussing this issue in straightforward language. But I think we need to go further in taking congressional action. It would be wrong to sidestep this issue at this time by deferring it to future consideration by the Commerce Department and the State Department.

For resolution of this outstanding Soviet debt, there is no better time than the present—and no better forum than debate on the Russian aid bill. Mr. President, the buck stops here—with us.

I had initially considered offering an amendment that would have required all commercial debts to be paid in full before any United States aid could be sent to the former Soviet Union. But I have decided not to offer that amendment—the humanitarian and economic crisis in those countries is too serious to permit that kind of delay.

But it would also be wrong to avoid the issue. For the new post-Soviet Republics as well as the United States companies involved, we need to make sure that the commercial debt is on the way to being repaid.

That is what my amendment would accomplish.

The amendment is a simple one, and addresses an issue of basic equity. Without a resolution of this issue, we cannot hope to attract to the former Soviet Union the kind of dynamic entrepreneurship it needs in order to survive and rebuild. It is my hope that this amendment will be accepted—for the good of the new republics, as well as the interest of the American businesses awaiting repayment.

Mr. LUGAR. Mr. President, the amendment by the distinguished Senator from Wisconsin helps to ensure fair treatment of United States firms that have business dealings with the countries in the Republics of the former Soviet Union, and it has been carefully worked out with the State Department. The administration has objection.

It is cleared on our side of the aisle.

Mr. PELL. Mr. President, this seems to be a good amendment, as the Senator indicated, and it has been worked out by the staffers.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2728) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I had intended to offer an amendment to section 20 which extends the so-called Lautenberg amendment for 2 years. The Lautenberg amendment gives a special presumption of refugee status to Soviet Jews, Soviet Pentecostals, and certain other groups in the former Soviet Union and in Southwest Asia.

We passed the Lautenberg amendment in 1989, when conditions were very different in the Soviet Union. It seemed like the right thing to do to help people leave a repressive, totalitarian country. It was supposed to be temporary, for 1 year. But we extended it for 2 more years, and now we have this provision to extend it for 2 more years. It's the kind of thing we do—we think its temporary, but it is taking advantage. We mean well when we do these things, but it is unfair—other groups don't receive such special treatment.

In view of the hour, and in consideration of the importance of this bill, I will withhold my amendment, but I will make the following statement.

Mr. President, I have for many years opposed the use of presumptions in making refugee determinations under the Refugee Act of 1980.

The Refugee Act of 1980 was enacted to change our longstanding policy of accepting refugees based on ideological or geographical considerations—accepting only refugees fleeing from communism or from countries in the Middle East. The Refugee Act established a nonideological, case-by-case consideration of each refugee applicant.

This case-by-case consideration includes an interview with each refugee applicant in which the burden is on the refugee to establish that he, or she, "has a well-founded fear" of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion.

Sections 599d and 599e of Public Law 101–167, the so-called Lautenberg amendment, create a special standard of evidence for establishing refugee status for Soviet Jews and certain other groups. The amendment creates a presumption of qualification for refugee status if an applicant merely asserts a credible basis for concern about the possibility of persecution. Under the Lautenberg amendment, despite the requirements of the Refugee Act—which, by the way, are identical to the requirements of the United Nations—60,000 of the 130,000 refugees who will be admitted to the United States this year will qualify under this special standard for establishing refugee status—this presumption of refugeeness.

Although I have never supported this, or any other, special presumption of refugee status, there may have been a stronger argument for it when the former Soviet Union was still in existence; and the Soviet Government had an official policy of suppressing religion; and when Jews and other dissidents were persecuted for merely requesting an exit permit to leave their country. But all that has changed.

Communism has fallen into disfavor, if not disgrace, in the Soviet Union. The President of Russia now attends church. Russians and others in the former Soviet Union can now emigrate without a special invitation to do so from a relative living abroad. With these changes in conditions in the former Soviet Union, this amendment has little to justify its continuation to provide a special standard of evidence for a select group, who presumably cannot establish a well-founded fear of political persecution.

Mr. President, I would like to make an important point here. These immigrants—and I use the term immigrants advisedly because these folks coming from the former Soviet Union have all the characteristics of our traditional immigrants, and few of the characteristics of refugees fleeing to preserve their life or freedom—these immigrants are an impressive group. Many of them are educated and well-trained, and are anxious to participate in the economic and political system we have in this country. I have no doubt at all that they will embrace our system of government and become fine contributing members of our society very quickly. I also do not believe that the immigrants we are receiving from the Soviet Union will aggravate the high dependency rate we are finding among refugees in general in this country. In my mind, Mr. President, they are a welcome immigrant flow—and they are a significant flow. More persons from the former Soviet Union were granted permanent immigration status in the United States last year than from any other country in the world.

They are fine immigrants as I have said, Mr. President, but they are for the most part, immigrants. Many, if not most of them, are well educated; many, if not most, have held good jobs in the Soviet Union; and many, if not most, will make important contributions to this country. But, many, if not most, are immigrants. But they are not refugees—and if they had to meet the same standards other persons applying for refugee status around the world have to meet, they could not do it.

That is why we have the Lautenberg amendment. To grant this group refugee status, without having to establish that they are, indeed, persons with a well-founded fear of political persecution.

What is the difference between admitting a person as an immigrant and admitting one as a refugee? One difference is in how they get here and how they are received.

Immigrants must pay their way to the United States, and after they have arrived here, they are prohibited from accepting public assistance. In fact, Mr. President, it is a deplorable offense to become a public charge under our immigration laws.

A refugee, on the other hand, has money advanced for the air flight to the United States; and upon arrival, the group which receives him or her is given a reception grant of $568 per refugee to look after the refugee for the first 30 days. After 30 days, the refugee then becomes eligible for special refugee cash and medical assistance.

Further, a refugee does not have to get in line with the more than 4 million other immigrants who have been approved for immigration to the United States, but who have to wait their turn in a very long line.

Although the limits are very generous, we do have limits on immigration. When we accept a person as a refugee, he or she goes to the very head of the line and is admitted almost immediately. This special treatment for refugees is warranted, but only when the person is fleeing his country because of a well-founded fear of political persecution.

Mr. President, with all of the changes that have occurred in the Soviet Union in the last year, there is simply no justification for the extension of the Lautenberg amendment for another 2 years. Persons coming to the United States as refugees under this special provision allege that discrimination—not political persecution—is the basis for leaving their homeland. It is stated that anti-Semitism in the Soviet Union is much reduced, and while there certainly are vestiges of anti-Semitism remaining, that is also the case in this country. In view of the rapid changes we are witnessing in the former Soviet Union, there is certainly no justification for extending these special provisions for 2 more years. We must be more responsible than we are.

The PRESIDING OFFICER. Are there further amendments?

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2717, AS MODIFIED

Mr. GLENN. Mr. President, I ask unanimous consent that amendment No. 2717 be modified as sent to the desk, and that the modified amendment be agreed to.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment (No. 2717), as modified, is as follows:

On page 29, line 8, after "(B)" insert the following: "any chemical or biological weapon or".

On page 29, strike lines 16 through 19.

On page 29, strike lines 20 through 24 and insert in lieu thereof the following:

(5) has undertaken any of the activities with respect to which sanctions must be imposed under sections 669 or 670 of the Foreign Assistance Act of 1961 or section 506(a)(1) of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993; or

(6) has repeatedly provided support for acts of international terrorism.

The President may waive the application of the prohibition on assistance contained in this subsection—

(A) in the same manner as such waiver could be exercised under any other provision of law with respect to the same activity; or

(B) if no waiver authority under any other provision of law exists with respect to that activity, then only if the President certifies and justifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that to do so would serve the objectives of this Act.

On page 42, line 18, insert after "1990" the following: ", and section 5(b) of this Act".

WAIVER PROVISION

Mr. MURKOWSKI. Mr. President, I would like to ask my colleague from Rhode Island, as the bill manager, about his understanding of the waiver provision in this bill. It is my understanding that the broad waiver provision is aimed at the large amount of cold war legislation still on the books, but on longer relevant in the post-cold-war era, and provisions of law that would hinder swift implementation of programs contemplated under the law.

However, despite its broad nature, the waiver provision is not meant to be a blank check which can be used by the administration to circumvent laws intended to benefit and protect American citizens. Would my colleague agree with that assessment of the waiver provision?

Mr. PELL. Yes. I would agree that the waiver provision was never intended to be used as a blank check, and the committee report reflects just that.

Mr. MURKOWSKI. I raise this point because I am particularly concerned about U.S. cargo preference laws. I know that the amount of aid authorized by this bill that would be covered by cargo preference laws is minimal, nonetheless, the law is the law and each little bit helps.

I also understand that is our aid package to Eastern Europe known as the SEED Act, there was a similarly small amount of aid covered by cargo preference, and the law was adhered to in that instance. Would my colleague agree that the amount of aid provided in this bill that is subject to cargo preference laws, ought to be covered by those laws despite the waiver provision?

Mr. PELL. I would agree absolutely. If the cargo preference laws have not been an obstruction to providing aid under the SEED Program, for the last 3 years, there is no reasonable justification for seeking a waiver of the laws for assistance in this bill.

Mr. MURKOWSKI. I thank my colleague. I want to establish a clear record of what is at least my intent, and I assume many of my colleagues would agree, that although there is a useful purpose to the waiver provision in this bill, it should not be used to circumvent laws that were meant to help Americans.

Mr. LIEBERMAN. Mr. President, I want to take a moment to raise an important issue concerning the ability of American energy companies to do business in Russia. This is particularly important since the Russian energy sector is one of the most potentially productive sectors for American firms to help develop, and it is vital to Russia's ability to build a free enterprise economy.

The Soviet Union is the largest producer of oil in the world. Even after the dramatic drop in oil production, the nations of the former Soviet Union still produce more oil than any nation in the world, a portion of which is used for export. A further decline in oil production in Russia, Kazakhstan, and other nations of the former Soviet Union, would be very disruptive of world oil markets, sending prices up and further slowing down our economy.

Russia and the other nations of the region need to keep up their oil production, but they cannot do so without our assistance. They need technology and capital, and American firms can help with both. But American companies will not continue to put themselves and their money on the line if they feel they cannot rely on the Government of Russia and if the other nations of the former Soviet Union are unwilling to protect foreign investment from arbitrary Government actions.

To illustrate my point, I want to mention the problems confronting a Connecticut company, Phibro Energy, which has made a real commitment to help the energy sector in former Soviet Union. Phibro is part of an international joint venture, White Nights, which is the only American concern with a physical presence in Russia that is producing oil for export. The problem is that Phibro's exports have been limited not for technical reasons but because of political and bureaucratic problems. Specifically, the Russian Government has imposed a tax of $6 on every barrel of oil for export. The effect of this tax is to price White Nights out of the international oil market. What makes it worse is that this tax is not levied across the board on all companies. Exemptions have been granted to Russian companies.

A misguided decree such as this can only send a negative signal to other companies wanting to get involved with the Russian energy sector. Oil exports are the lifeblood of failing Russian economy. The Russian Government must do all that it can to encourage foreign investment and exports. While the rationale behind the tax may be to bolster the coffers of the Russian treasury, it will have the opposite effect by discouraging further investment.

The irony is that White Nights has no intention of repatriating its hard currency earnings for the foreseeable future. It wants to put money back into the joint venture.

Another problem Phibro faces concerns hard currency earnings. For several months, Vnesheconombank has held up $2 million of Phibro's money which is desperately needed to meet White Nights' operating expenses. While the affairs of Vnesheconombank are in disarray as a result of the restructuring of the Russian Government, this cannot be used as an excuse to hold the deposit of White Nights hostage. If the Russian Government expects further investment, then it must make a good-faith effort to rectify this and other similar situations.

White Nights originally contracted to develop, among other things, the Roslav oil field in the Tyumen region of western Siberia. Despite the unquestioned validity of this agreement, local production associations, geological associations, and exploration associations are all trying to displace White Nights to the point of demanding an additional payment to simply allow them to continue with their operations—guaranteed under their present contract.

I am very supportive of American business involvement in the new Independent States of the former Soviet Union. I have an amendment to the bill that aims at facilitating that process. I am committed to helping the Russians and other nations of the former Soviet Union rebuild their economies. But we cannot approach this issue, as my colleague Senator BRADLEY has said, as romantic capitalists. We must make certain that these nations understand that they must play by the same rules of business as we do.

Mr. KERRY. Mr. President, I hope the Senate will approve the Freedom Support Act and that we will do so by a wide margin. It is the right thing to do. It is the right time to do it. And it is in the best interests of our country.

We heard talk during President Yeltsin's visit a couple of weeks ago about how disappointing a summit it was—because we didn't see the big crowds or the excitement generated by President Gorbachev. We didn't see motorcades stopped in the middle of downtown Washington while the Soviet President worked the crowd. We didn't see the same level of charisma. Perhaps all that is true Mr. President, but we did see history being made in this city and in this building.

The arms reduction agreement announced by President Bush and President Yeltsin on the first day of the summit has truly put the nuclear arms race into reverse. Eliminating heavy, land-based multiple warhead missiles will undo the single most costly decision of the cold war, which was the American decision to introduce such missiles in 1969. It will put to rest the nightmare first-strike scenarios postulated by the theologians of nuclear war. And the Russian decision to dismantle the very heart of their nuclear arsenal moves us beyond the narrow and tendentious focus on parity that has made past efforts at nuclear arms reductions murderously complicated and achingly slow.

It is a historic agreement and it requires from us, a meaningful response. We will need, in the years ahead, to reexamine continuously our own military structure, and especially our strategic programs, not simply to implement this agreement, but to go beyond it where we can do so without risk. And we can begin by agreeing, as have the Russians and the Europeans, to suspend nuclear tests.

Aside from arms reduction, last week's summit may be remembered best for President Yeltsin's startling and courageous openness on the issue of American POW/MIA's. His statements and his commitments are a giant step toward the truth about what happened to Americans lost during wars, of both the hot and cold variety, during the past 50 years. We don't just suspect; we now know that some Americans interned in the Soviet Union during or shortly after World War II were not returned. We have been told that some servicemen may have been held in the Soviet Union during the Korean war and that at least 12 American fliers who went down over Soviet territory during the early 1950's were imprisoned or confined to psychiatric hospitals. And we have been told that the Russians may possess information about the fates of some Americans missing from the war in Indochina.

Emotionally, our response to all this is complex. Our gratitude for openness mixed with anger at four decades of lies. Our current hopes mixed with memories of past disappointments. Our desire for specifics and facts and faces and actual returns mixed with an understanding of how much time has past, how many records must be reviewed and how elusive certain knowledge of such matters always seems to be.

But as a practical matter, our response is not complex. We must follow-up; immediately, fully, in Russia and here at home. All of our information, about internees, downed planes, lost pilots, must become public. All current and relevant intelligence must be reexamined and acted upon. And we must take President Yeltsin at his word: "each and every document in each and every archive must be examined" in order to investigate the fate of every American unaccounted for.

If there are Americans still alive over there who wish to return; they must be brought home. And if there are remains of our dead, they must be identified and—if they families so desire—returned and laid to rest in American soil.

But our obligations as a Congress and as a nation, Mr. President, do not stop with the arms agreement and with our POW/MIA's. We also have a responsibility to do what we can to help the reform process in the former Soviet Union go forward. After the events of this past week, we should have no trouble understanding how important that process is—not just to the Russians and Ukrainians and Kazakhs—but to us.

That is why the Freedom Support Act is so vital, not because it will transform the former Soviet Union overnight—there isn't enough money in the bill even to make a serious dent. But the bill does reflect an American commitment to help, bilaterally where we can; multilaterally more often—to bring Russia and its counterparts permanently in from the cold. It sweeps from our law books a series of cold war prohibitions and restrictions that have become obsolete. It opens the door for American investments. And it pledges our help in the areas of currency stabilization and the International Monetary Fund.

Above all, the Freedom Support Act recognizes the historical reality of what is happening in the former Soviet Union; and it recognizes that if we do not act; if we just sit on the sidelines; if we take it all for granted; we may be making a mistake for which history will never forgive us and which we may regret the rest of our lives.

The transition now occurring in Russia and many of the other republics is breathtaking and painful.

Consider the following commentary from the Moscow newspaper, Rossiyskiye Vesti:

> The limitless rise in prices has plunged ever newer groups of people into poverty . . . Monetary circulation has been thrown into complete confusion . . . the payment of wages has stopped in many of the country's regions. Mass strikes by teachers and physicians have confirmed the growing dissatisfaction of millions of Russian citizens with the dangerous turns (that have taken place) on the path of economic reform.

And consider the following from an editorial in Izvestia:

> * * * so much of the people's reserves of patience and belief have now been used up that the situation could be on the point of exploding. The imminent new leap in prices, the power crisis . . . the unprecedented increase in crime, and the shameful drop in moral standards are conductive to that . . . In short, the social atmosphere is permeated by the obsessive presentiment of disaster.

And consider that both of these accounts of dissatisfaction and impending disaster were from publications sympathetic to the current government and its program of reforms.

President Yeltsin said during his eloquent speech here that "We have no right to fail * * * for there will be no second try."

We all pray that President Yeltsin's reforms will succeed. But do not for a minute believe that Boris Yeltsin and what he represents are not opposed in Russia. Do not for a minute believe that the Russian military is going to be happy to see their most powerful weapons dismantled. Do not for a minute believe that those in Russia who lied to us for decades about missing Americans are going to sit idly by while their lies are exposed. Do not for a minute believe that the economic reforms instituted by President Yeltsin, and the further reforms demanded by the IMF, do not have the potential to destroy the consensus in Russia in support of pro-Western policies, and that a retreat toward nationalist authoritarianism is impossible.

President Yeltsin told us, to great applause, that the "idol of Communism has collapsed never to rise again in Russia. "But communism is not the only force that history warns us about. Hitler was no Communist; neither was Mussolini, nor Tojo, nor Saddam Hussein. The seeds of authoritarian nationalism reside in many countries, but Russia and some of the other Republics may provide especially fertile soil.

That is why what will happen in the former Soviet Union over the next 5 years is neither predictable nor preordained; its future, like ours, can only be shaped by the actions or inactions of the men and women in the best position to act. We, in this body, do not have the power to control those events, but we do have the ability to influence them. And we must proceed with the recognition that the outcome of those events is going to have a direct and dramatic impact on each of our lives.

Mr. President, we cannot send President Yeltsin back to Russia empty-handed; we should approve the Freedom Support Act.

Now there are many who will say that this is the wrong time to go forward, because we have so many domestic needs—especially in light of what happened in Los Angeles, and what's been happening to our economy for the past decade. Of course, those issues must be addressed. But they are not mutually exclusive. We should go forward on both, and we can go forward on both.

Let us never forget that our responsibility as leaders is not simply to parrot public opinion; we also have a responsibility to shape it. And we have a responsibility now to get across the fact that in today's world, domestic policy and foreign policy are simply no longer separable things.

That's why I've been telling those who have asked me why I support this bill that it's not an Aid-to-Russia Act as much as it is Aid-to-America Act. There is, after all, no more immediate or local an issue than whether our sons and daughters will live their lives under the cloud of nuclear war.

There is no more important economic issue than whether we can develop new markets for American goods overseas and thereby create good new jobs here at home.

There is no more important budgetary issue than whether we will find ourselves 2 or 3 years down the road having to reverse gears and start once again to build up our military in response to what happens in Russia.

And there is no more important human issue than whether we will be able at long last to devote our full energies in this country to educating and training and preparing our citizens for life, rather than defending them from Armageddon.

Mr. President, this is an election year; we are surrounded by people making calculations; and we are obsessed with tactical advantage.

But we have this past week also come face to face with history; face to face with our responsibilities, not as politicians, but as statesmen.

The moment of truth is at hand. We should move forward with the Russia aid bill; move forward with cooperation on POW/MIA's; move forward with arms reductions; move forward with democracy; more forward with respect for human dignity and human rights and in so doing, move forward not as Republicans, Democrats or independents, but as Americans, into a proud new era of friendship with our former rivals, and progress and peace for our people and for theirs.

Mr. HATCH. Mr. President, I rise today to express my support for President Bush's legislative initiative, the Freedom Support Act, and I would like to take this opportunity to express my rationale for supporting this important piece of legislation.

The last mile in a marathon is always the hardest to run. President Bush has repeatedly asked Congress to run the last few miles in a race that could determine whether Russia embraces democracy or witnesses a resurgence of despotism. It is time that Members of Congress responded positively to this important challenge.

Mr. President, we have an historic opportunity to help promote political and economic reform in the former Soviet Union, and we should seize the moment. This is clearly a matter of enlightened self-interest. Helping Russia consolidate democratic and free market institutions is essential, because the failure of the reform movement in Russia could be lead to an extremely volatile situation in the former Soviet Union. The Freedom Support Act, in conjunction with the multilateral aid provided by the Western allies, will help set the Russian Republic and the CIS on the proper path of reform.

I know that a number of scholars and officials in this country still question Mr. Yeltsin's political judgment and commitment to reform in the Russian Republic. However, I ask doubters not to look at his words, but at his deeds. Mr. Yeltsin stood firmly against the forces of tyranny when he challenged the people of Russia to foil the coup last August. President Yeltsin has implemented a number of reforms and he has explicitly stated a commitment to continue these changes.

Unfortunately, there are still elements in the military and old guard

Communist apparatus that would like to dismantle the new system and replace it with another authoritarian regime. We cannot allow this to happen because the potential costs for ourselves and our children would simply be too high. Another cold war is something that both of our countries should seek to avoid. While I realize that some critics argue that this is too expensive in a period of competing domestic priorities, I believe that a collapse of the current Russian Government could usher in a new and even more bitter second cold war. This short-term expense is an investment in our future that we cannot afford to pass up.

Mr. President, the Freedom Support Act offers the Bush administration room to deal with a range of these important issues.

Yet there are two provisions that I find extremely interesting that I would like to bring to the attention of my distinguished colleagues.

First, the bill encourages small- and medium-size American firms to provide technical assistance to the former Soviet Union. The purpose of this assistance would be to establish a viable legal framework and commercial code in the CIS, and to help privatize the agricultural and food distribution sector. This emphasis on American private sector development is key. In my opinion, business-to-business contact, and not government-to-government contact, will ultimately fuel and stimulate the Russian economy.

Second, the bill provides funding for a currency stabilization fund as part of a larger multilateral aid program. This fund will strengthen the ruble and allow the further integration of Russia into the international economic system.

In conclusion, Mr. President, I would suggest that while the cold war is over, the race is not finished. Congress should demonstrate the leadership and vision to act promptly on this bill and vote for the Freedom Support Act.

Mr. PRYOR. Mr. President, I rise today to speak to one of the key issues in this aid package—the need for the U.S. Department of Agriculture to provide some of its commodity credits to help meet the nutritional needs of infants and young children in the former Soviet Union by guaranteeing the sales of processed baby food to the several Republics requesting them.

In recent weeks, the Agency for International Development, the U.N. Children's Fund, several Russian ministries as well as the Catholic Relief Service have all stated that the nutritional needs of infants and children in the former Soviet Union are not being met. The intake of vegetables, fruits, meats, cereals, and juices by these children has declined precipitously. The Russian Ministry of Health has recently stated that Russian infants are receiving only 11 percent of the meat they need and only 19 percent of the fruits and vegetables required.

According to UNICEF, the problems associated with a poor diet as well as a lack of medicines have grown so large that UNICEF believes that a health crisis is now looming in the former Soviet Union. UNICEF says that the crisis is "wholly unprecedented, rapidly evolving and entirely unpredictable in terms of future trajectory and velocity."

The reasons for this looming infant nutrition crisis are several. There exists high levels of toxicity in many of the raw agricultural goods that render them unfit for consumption. I have been informed that 42 percent of all baby food produced in the former Soviet Union is contaminated by pesticides and nitrates. Where food is available, it cannot be distributed in a timely manner. AID has stated that milk often has a 1- or 2-day shelf life once it reaches the retail level. Finally, the breakup of the Soviet Union has meant that some baby food production is not sent out of the Republic. I understand that there exists five current baby food plants in the former Soviet Union. Three are outside of Russia which is the most populous Republic. These three do not send their production to Moscow or other cities where the need is greatest.

Past U.S. food assistance has rarely targeted infants and children. U.S. food aid has consisted of emergency rations left over from the Persian Gulf war distributed as part of Operation Provide Hope or agricultural commodities exported as part of the requests made by the several Republics under the CCC export guarantee programs. In only one case did the United States directly address the needs of children by providing some powdered formula to the Republics in the former Soviet Union as part of the recent $165 million food aid program.

It is clearly time for the United States to help head off this crisis. Intervention now with the right kinds of food such as the processed fruits, vegetables, cereals, meats, and juices used with great regularity by millions of American children can do much to lessen infant illness and, in some cases death, resulting from a poor diet. It is for these reasons that I applaud the Senator from Vermont, the Senator from Rhode Island, and the Senator from Indiana for making it clear to the Department of Agriculture that processed agricultural commodities like baby food are to have access to the GSM credits when requested by the appropriate officials in the county seeking the credits.

Mr. WIRTH. Mr. President, the bill before us today is an attempt to aid the people of Russia as they establish themselves as a free nation. I rise to offer an amendment to this assistance measure so that Russian women will be freed from an incredible burden they are carrying today.

There is a desperate need in the former Soviet Union for humanitarian assistance of all kinds. We have heard of the insufficient drugs and of the food shortages, and of the hurt this has caused to the elderly, to children, and in all segments of society. The shortage of medical supplies is particularly dramatic in the area of family planning services.

The sad fact, Mr. President, is that the Commonwealth of Independent States is largely incapable of providing family planning services. This inability is taking its toll on women in CIS Republics. I am concerned that the tragic shortfall in reproductive and maternal health is being overlooked in the debate on humanitarian assistance for the independent states of the former Soviet Republics.

Ninety-five percent of Russian women do not have access to contraceptives. Consequently, the official abortion rate is between 7 and 30 abortions per woman, not accounting for illegal abortions or those performed before 8 weeks of gestation. We all know that the best way to reduce abortions is to prevent unwanted pregnancies—and that is what family planning is all about.

The need for basic family planning services in the independent states of the former Soviet Union is immediate and severe. The almost total lack of these services is only exacerbated by economic disruption of whatever existing health systems are still functioning. Governments are eager to enhance family planning programs and provide prenatal and post-partum care, but simply do not have the means.

Given this situation, I am offering this amendment which makes family planning and maternal health services activities which can be supported by this bill. Mr. President, this is the best way we know to improve women's health and reduce the number of often unsafe abortions being performed in the independent states. The women of these Republics face unnecessary threats to their well-being, and the effective use of funds in family planning would greatly reduce suffering resulting from unsafe abortions.

I have long been an advocate for more aggressive United States involvement in international family planning and maternal health programs. We can, and should, provide support to the women in the former U.S.S.R. Humanitarian assistance most certainly should include services that support the women of these new Republics.

I hope that my colleagues will join me in supporting this effort.

IS IT OUR RESPONSIBILITY TO REBUILD THE CIS?

Mr. DECONCINI. Mr. President, I think all of us can agree that the events that have transpired on the Eurasian Continent over the past few years can easily be described as incredible. We have witnessed the fall of the Berlin Wall and the subsequent reunification of Germany. We have witnessed the end of the Warsaw Pact and the breakup of the once mighty superpower, the Soviet Union. Each of these events was considered a fantasy only a few short years ago. Now they are a reality, and it is our task to deal with them as such.

Boris Yeltsin, in his address to a joint session of Congress on June 17 said, "The idol of communism which spread social strife, enmity, and unparalleled brutality everywhere, which instilled fear in humanity has collapsed. It has collapsed never to rise again." For this we are grateful and should rejoice. The bipartisan, five-decade long battle against communism is over. Listening to President Yeltsin, we recognized that we prevailed in our long nightmare and that we stand on the threshold of a new era.

This momentous event signaled the end of a military rivalry that has lasted since before the end of World War II. The collapse of communism preceded the fall of the Soviet Union, leaving the United States as the lone victor of the cold war. But does that make it our responsibility to provide billions of dollars to Russia? The answer, for this Senator at least, is a resounding no. Before we pour more money into solving the problems abroad, we must turn our attention to the long neglected problems here at home.

The bill before us today is an honest attempt at tackling a difficult problem facing this Congress and President Bush. I sincerely appreciate the major effort undertaken by Chairman PELL and the members of the Foreign Relations Committee in drafting this legislation. I understand the desire to pass this legislation and recognize the daunting task facing the emerging democracies in the former Soviet Union as they begin rebuilding their nations. But we as elected officials have been entrusted with the responsibility of seeing the American tax dollar is wisely spent.

How can we honestly explain to the American public that their hard-earned tax dollars are now being sent to a country which we have called our enemy for over 40 years, when in our own country we are experiencing record unemployment, increased racial tension, skyrocketing infant mortality rates, woeful underfunding of education, and a crumbling national infrastructure. To top it all off, we have record budget deficits which mortgage not only our grandchildren's future, but also the future of our grandchildren's grandchildren. If this Government has the billions called for in this bill to spend abroad, then why are Americans suffering at home?

In addition to our domestic problems, there are issues within the CIS, and within the bill itself, which must be carefully considered. I am confounded that President Bush is urging this Congress and the American people to provide aid to Russia while Russian troops continue to illegally occupy the independent countries of Estonia, Latvia, and Lithuania and while Russian troops are intervening in internal disputes in Moldova in much the same manner as Serbian forces are intervening in Bosnia. The Russian Government agreed to withdraw its forces from the independent Baltic States through attrition. However, in a report that I previously submitted for the RECORD, military activity is increasing, while the Russian troops are not leaving the Baltic nations. Indeed, as troops are mustered out at the end of their draft period, more troops are being rotated into these sovereign nations. I attempted to condition all but humanitarian assistance for Russia—and prevent it from being extended—until President Bush certified that significant progress toward removal of Russian or CIS troops from Estonia, Latvia, and Lithuania had been achieved. My amendment was ultimately watered down by an amendment from the Foreign Relations Committee, but I will continue to oppose this package and any new aid for Russia until the Baltics are truly free.

There are a number of concerns I have with the bill before us as currently drafted. First, I am deeply troubled by the sheer size of the bill. As reported from the Foreign Relations Committee, the Congressional Budget Office [CBO] estimates that the bill authorizes at least $17.2 billion in budget authority and $5.4 billion in outlays for the CIS States over the next 5 years. But these amounts appear to be merely the minimum allowed under the bill. The maximum has not yet been fully determined. To the Foreign Relations Committee's credit, it offered an amendment to place specific authorization ceilings on the bill for fiscal years 1992 and 1993. The total authorization for the 2 years is $13.45 billion. While the bulk of this authorization is due to the U.S. quota increase for the IMF—which will have no net impact on budget outlays as a result of the committee's amendment—$13.45 billion is still a major financial commitment on the part of the United States. And we still are uncertain what we are signing ourselves up for in aid for the CIS in future years.

Instead, I wonder why we cannot start with a small aid program, using our current, unpopular foreign aid authorities, to begin addressing this problem and, if necessary, expand the program slowly. We could even use the bill before us today as a framework for a larger program at a later time. But to throw money into a new, untested program will not solve the problems these new democracies face. If it is irresponsible to throw billions of dollars at a domestic problem, as many of the supporters of this bill have argued, then why is it not irresponsible to throw billions of dollars at a new foreign aid program?

Second, the bill provides $12.3 billion as the U.S. contribution to the quota increase to the International Monetary Fund [IMF] with little or no guarantee that our money will be effectively used to reform the former command economies in the new democracies. I spoke at length last week of my deep reservations about funneling so much of our aid through the IMF where we forfeit direct control over our dollars and where the accountability for disbursal of these funds is diminished.

Another major problem I have with this bill is that, in many ways, it is unnecessary. President Bush does not need Congress to pass this bill in order to provide billions of dollars of aid to the emerging democracies. His hands are not tied by Congress or by U.S. law on this issue. The CBO has estimated that he already has the authority to provide up to $3.78 billion in aid to the CIS through 1997 without this legislation. The President was given this authority in previous legislation and this bill only reauthorizes existing authorities already retained by the President while giving him certain increased flexibility. The President, however, has not chosen to exercise this power. He has recently made a big public push to get Congress to act because he claims the aid is needed right now in the CIS. The President is supposed to be the chief architect of our Nation's foreign policy. If extending this aid is so critical, why has he not done so unilaterally; exercising the authorities he already has available to him? Could it be, perhaps, that he does not want to take any domestic political risks by proposing more foreign aid at a time when it is so unpopular here at home without being joined by Congress? This may be seen as a cynical reading of the President's lack of action, but this aid could have been flowing to Ukraine, and Uzbekistan, and Kazakhstan, and Russia this spring, if only the President had exercised his power to do so.

In closing, my colleagues have made many eloquent and cogent arguments in support of this sweeping legislation. They are correct in the statement that it is in our best interests to ensure that the dramatic changes now taking place in the former Soviet Union achieve the desired end of creating free, independent, vibrant, democratic, market-oriented nations where once there existed only a monolithic, totalitarian dictatorship.

But the bill before us today is overly broad, and nebulous. We still are unable to determine exactly how much aid, through various government agencies and programs, will be provided for the States of the CIS.

The bill provides foreign aid to a country which illegally occupies other countries. We opposed Iraq's occupation of Kuwait. Why then do we tolerate Russia's occupation of Estonia?

The bill does not focus sufficient attention—even as amended—on the need for private sector investment and technical assistance.

Finally, the bill ignores the reality of our long-neglected domestic needs. We must first address the many problems facing our Nation before we turn our attention to more of the world's problems.

Instead of passing another broad—though well-intentioned—foreign aid bill, let's first try to address the problems in the CIS through our existing foreign aid programs. If, after we have tried that route, it is found lacking, then we could consider something approaching the legislation facing us today. But this Senator believes that the incremental approach to resolving this situation is the appropriate one. But it appears that this body will not take this other, reasoned, route. Therefore, I must oppose the bill and I urge my colleagues to do likewise.

Mr. MURKOWSKI. Mr. President, today I rise to focus on some aspects of the Russian aid bill that addresses environmental concerns in the Arctic.

We are all deeply concerned about reports of massive radioactive and industrial pollution, dumped by the former Soviet Union directly into Arctic and subarctic seas, and adjacent rivers that flow into the Arctic.

The Arctic is particularly vulnerable to this kind of pollution, since heavy metals and radionuclides are collected and concentrated in slow-growing Arctic tundra and lichen, fish, and marine mammals. Humans at the apex of the food chain, including the Inuit people of Russia, Canada, Greenland, and the United States, and my State of Alaska are potentially vulnerable, as are the fisheries stocks in the Bering Sea, North Pacific, and North Atlantic.

Therefore, I am pleased that the bill before the Senate specifically authorizes funds for research and environmental monitoring in the Arctic and subarctic, as well as funds to mitigate environmental threats that might be confirmed as a result of the research and monitoring program.

Let me cite some examples, Mr. President, of a few of the disturbing reports that have surfaced over the past several months. We have been working full time gathering information.

We have numerous reports of sunken ships with damaged nuclear reactors, a tanker with liquid radioactive wastes, the midsection of the icebreaker *Lenin* with three damaged reactors, no less than 5 nuclear submarines containing 10 reactors with nuclear fuel, and more than 10,000 containers of nuclear wastes—all, in the shallow waters of the Kara Sea off the Arctic island of Novalya Zemlya. We have little other information about the amounts of radioactive material, the specific radioisotopes, and the form or containment of the wastes. Our fear is that many of these wastes might be soluble, allowing them to be transported by ocean currents or metabolized and carried by marine organisms to areas far removed from the former Soviet Union.

The former Soviet Union exploded approximately 130 peaceful nuclear detonations to build dams, mines, and underground storage for toxic wastes. Resulting radioactive contamination of ground water is rumored to be present. Again, our fear can be summed up as "radionuclides in motion."

In 1957—29 September—a container of stored radioactive wastes, byproducts from plutonium production, exploded at Mayak, releasing 20 million curies of radioactivity. Most radioactivity fell in the immediate vicinity, although 2 million curies more were widespread in a radioactive cloud; 10,000 people were evacuated, nevertheless, 1,000 got doses of 50 rems.

A scientist from Moscow's Physics and Technics Institute told United States officials that there were 1 billion curies of radioactive waste in a single Arctic river drainage area. At a recent hearing of the Nuclear Regulatory Subcommittee of the Senate Environment and Public Works Committee, a Russian radiation safety official confirmed the billion curie figure and added that there was an additional 1.2 billion curies of waste in central Russia—for a total in excess of 2 billion curies. While we are not certain that all these radionuclides have been or will soon be released into the ecosystem, it is useful to keep in mind that the accident at Chernobyl released an estimated 40-86 million curies. The accident at Three Mile Island released 15.

Nuclear waste from plutonium production at the Mayak chemical plant near Chelyabinsk was dumped directly into the Techa River until 1951, and directly into in Lake Karachay until much later. Today, elevated radiation can still be found in the Techa, and there is an estimated accumulation of 120 million curies of strontium-90 and cesium-137 in the lake. Some reports indicate that one can get a lethal dose of radiation by merely standing next to Lake Karachay. Radioactivity in the ground water has reportedly migrated 3 kilometers from the lake. Russians have attempted to slow the migration of the ground water by constructing reservoirs and earthen dams, and by diverting the nearby Techa River away from the lake, but there are concerns that these efforts will be temporary at best.

There are also 100 billion metric tons of mixed industrial wastes that were reportedly dumped in crude Arctic landfills or directly into rivers. Much of this industrial activity is still ongoing.

The continuing operation of the 15 Chernobyl-style RBMK nuclear power reactors in the former Soviet Union remains a threat. These reactors lack a containment structure, and they are designed in such a way that a nuclear reaction can actually increase when the reactor overheats.

As recently as last week we received as-yet unconfirmed Norwegian reports that radionuclides had escaped from Soviet waste disposal sites in the Barents Sea.

Mr. President, there is always the possibility that some of these reports are exaggerations of zealous Russian scientists seeking foreign support. We must proceed to assess and validates—or refute—these reports through an Arctic radiation and pollution monitoring program in collaboration with the Russians. We should make Russia, with its significant scientific infrastructure in northern latitudes, a partner with the United States and other nations in the conduct of research to measure, map, and evaluate the extent of these environmental problems.

This will help to sustain the best and the brightest of Russian science and engineering needed for Russia's economic future, keep them gainfully employed and out of the weapons labs of nuclear club aspirants, and commit them to addressing decontamination, health, and cleanup problems.

A collaborative research approach also helps ensure the prudent use of funds through the involvement of United States scientists and institutions in the research, while leveraging the use of Russian scientific assets and infrastructure in the performance of science in the United States interest.

That's what the language in this aid bill attempts to do. I urge the support of my fellow Members in this vital issue.

Thank you, Mr. President. I yield the floor.

ADDITIONAL STATEMENT FOR TELECOMMUNICATIONS EDUCATION PROGRAM AMENDMENT TO S. 2532, THE FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS (FREEDOM) SUPPORT ACT

Mr. BURNS. Mr. President, today, as we consider my amendment to the Freedom Support Act, S. 2532, that supports the use of telecommunications technologies in delivering educational and instructional programming to the independent states of the former Soviet Union, it is useful to review the role that telecommunications technologies played in delivering programming that led to the disintegration and fall of the Communist bloc. I would also like to explore ongoing United States efforts to continue providing telecommunications assistance to the independent states, as well as Central and Eastern Europe, that continue to have a major impact on the ability of these countries to deliver educational and instructional programming in support of their efforts toward democratization and a market economy.

Historic changes and momentous events are unfolding very quickly in this part of the world. As recent events in the former Soviet Union have shown, information is power. The Iron Curtain, as it was aptly named by Winston Churchill 45 years ago, was ultimately brought down—not by a military confrontation—but by information. Information carried by new communication technologies was able to contribute to the incubation and rise of new democracies because communications systems could no longer be stopped or censored by radio jamming or border controls.

Mikhail Gorbachev clearly understood the power of information in implementing glasnost. By allowing free speech, the floodgates of information were opened and, in a single stroke, a constituency of ordinary men and women was created to counter the established constituencies of the KGB and the Soviet Army. The role of telecommunications was crucial to this process. To quote one Russian citizen—

> For the first time, 30 million of us were able to see on television what our leaders really were.

The task of making democracy work is a never-ending struggle. Our task began in the revolution of 1776, continued on through the terrible crisis of our Civil War, and goes on today. The task in the independent states, meanwhile, is a formidable one: To endure enormous human and economic costs while overcoming the damage of the past 70 years. The United States has assured the independent states that the American people will be there with them in time of emergency—as we were in the 1920's, as we were in World War II, and as we were this past winter. What the United States desires most is to join with the Republics of the former Soviet Union in a historic partnership to help these Republics launch this great experiment in democracy.

At the Coordinating Conference on Assistance to the new independent states, which was held in Washington, January 22–23, President George Bush spoke of the enormous challenges facing the region. He said that:

> We should not underestimate the enormity of this challenge and the difficulty of unraveling economic dislocations resulting from over 70 years of communist economies. Ultimate success or failure rests squarely with the efforts and wisdom of peoples of Russia and the Ukraine and the Caucasus and Central Asia. The battle is really theirs to win. But they cannot win it alone. These 12 new countries will need the hard work, creativity, and goodwill of all our countries from every continent.

And President Bush continued:

> I would like to reiterate the importance of seizing this moment to commit ourselves, individually and collectively, to an opportunity that may never come our way again in our lifetime.

This legislation and the proposed amendment continue the spirit of President Bush's words to seize the moment of a lifetime. In the case of the proposed amendment, it is the opportunity of expanding and reinforcing economic growth on an individual and national basis in this region, through the use of telecommunications—the central nervous system of the modern global economy.

I would now like to discuss the current role of telecommunications and mass media in perpetuating democratic institutions in the former Soviet Union, including a description of some examples of what United States companies are doing in the former Soviet Union today.

The United States looks upon the new nations of the former Soviet Union as representing one of the greatest potential markets in the world today. The reintegration of the independent states into the world economy is essential to ensuring the social and political stability in those countries and supporting their transition to a market economy.

Telecommunications will play a major role in this reintegration, particularly when the opening of these markets creates new opportunities for business from which they and the entire world economy can benefit. Major efforts are underway to transform the three major building blocks of marketplace telecommunications reform: Liberalization, privatization, and competition. An integral part of these efforts is the use of new telecommunications technologies to transmit programming, including programming for educational and instructional purposes. Just as information has been a powerful ally of political freedom, so has the free flow of information through telecommunications been essential to the free-market mechanisms on which much of world commerce is based today.

The following specific examples of U.S. public and private assistance in telecommunications technologies in the independent states illustrate the U.S. commitment to these emerging democracies:

The Department of State's Bureau of International Communications and Information Policy, under the coordination of Ambassador Bradley P. Holmes, led a U.S. Telecommunications Blue Ribbon Panel Initiative that met with Ministers of Telecommunications of 13 of the independent states in Moscow on May 25–26, 1992. This Blue Ribbon Panel proposed an educational exchange, curriculum development, and faculty contacts between the telecommunications institutes in the independent states and corresponding institutions in the United States. The Panel recommended that the exchange should leverage and multiply its impact by using modern telecom delivery techniques.

The Department of State's Bureau of International Communications and Information Policy also is leading an effort to fund and install television-receive-only [TVRO] antenna dishes in the Central Asian Republics to receive CNN programming.

The Telecom Technical Assistance Program, identified in the Panel's communique which was signed by ministers or deputies of the 13 independent states, would provide guidance for development and operation of a modern international and domestic telecommunications infrastructure which could deliver educational and instructional programming to urban and remote rural areas of independent states.

The United States Information Agency [USIA], through its Voice of America [VOA], United States government radio network, and its Worldnet television network, promote democracy and free markets in the Republics of the former Soviet Union, as well as in over 100 foreign countries. The new openness in the independent states, and in Eastern and Central Europe, has renewed the importance of VOA and Worldnet as citizens in those countries take part in shaping their societies. In addition, these broadcasting services fill a void because the region is politically unstable and objective news media is often scant.

USIA's VOA broadcasts 133 hours weekly to listeners in Azerbaijani, Armenian, Georgian, Russian, Ukrainian, and Uzbek languages. In addition, VOA is on local airwaves. Recorded programming is airmailed to 20 stations throughout the independent states, including 11 in Russia. Live relays are planned in the near future.

USIA TV has donated three satellite dishes for Russian TV networks; has coproduced documentaries on American business and society with video crews from Russian TV stations; and has successfully placed these resulting programs on Russian TV. The most recent series was entitled, "Economics USA." Coproductions are planned with other independent states. The Television [Worldnet] and Film Service regularly provide documentary and educational programming on tape to a wide range of television stations.

USIA's Office of Academic Programs offers numerous educational opportunities for the independent states, including the Fulbright Faculty Exchange Program, the Benjamin Franklin Fellowship Program providing scholarships for graduate study in the United States, the President's University Undergraduate Exchange, the University Affiliations Program, and Student Advising through USIA-operated centers in Moscow, St. Petersburg, Kiev, Alma-Ata, and Yerevan.

In addition, the following example in central and Eastern Europe illustrate how United States telecommunications technologies and assistance can be used to deliver educational and instructional programming to the independent states of the former Soviet Union.

The United States encourages the development of independent broadcasting and other mass media—including in dependent journalism—in other emerging democracies in Central and Eastern Europe through the activities of the "International Media Fund,"—which is partly funded by the U.S. Government—and through USIA. USIA is training journalists and media personnel throughout the region. The Fund is purchasing cameras and consoles for independent TV stations in the region, and buying equipment for new production studies and desk-top publishing equipment for new weekly news magazines. The fund also will provide satellite dishes to radio stations in Poland.

The United States Agency for International Development [AID] provided newsprint to various newspapers in Bulgaria so that they could convey their respective—and competing—views to the Bulgarian electorate.

The Institute for Democracy in Eastern Europe has provided loans to more than 50 small newspapers and journals in Poland, and will assist struggling publications throughout Central and Eastern Europe.

A private U.S. nonprofit corporation, the Annenberg Washington Program, has joined the Trans-Atlantic Dialogue on European Broadcasting, in a joint effort to track changes taking place in broadcasting throughout Central and Eastern Europe and states in the former Soviet Union. The Dialogue is a group of some 50 senior executives from Europe and North America with expertise in investment banking, the media, broadcasting, program production, regulation and law, advertising, politics, telecommunications, and management.

In conclusion, the emerging markets of the former Soviet Union and Central and Eastern Europe represent an enormous opportunity for United States companies to expand and develop into the next century. The use of telecommunications technologies to deliver educational and instructional programming to the independent states of the former Soviet Union supports broader United States efforts to foster the growth of democracy and free markets in this region as a source of new trade and investment opportunities for American companies.

Mr. KENNEDY. I note that S. 2532, the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act includes, among the types of activities to be funded, support for promoting broad-based educational reform at all school levels in areas such as history, social science, political studies, economics, and English language, including assistance in the development of curricula, exchange programs involving educators, and the supply of textbooks and other educational materials. Does the Chairman intend that this language be interpreted to mean that funds are to be used to bring the best practice that we have in the United States to Russia and the independent states of the former Soviet Union?

Mr. PELL. Yes, it does. Our objective is aid that will facilitate the transformation of the schools in the former Soviet Union. Our goal is to increase the capacity of educators to provide instruction to children and youth and undergird the development of a new economic, democratic, and humanistic order. The Soviets invested heavily in the cognitive sciences, just as they did in the hard sciences. There is a lot we can learn from them. To the extent possible, this funding should permit collaboration and cooperation about educational research and issues that concern the United States and the former Soviet Union. It should involve education developers and researchers working together in an environment of trust. This will enlarge our mutual understanding of research and contribute to the educational reform efforts in both the United States and the former Soviet Union.

Mr. SEYMOUR. Mr. President, I rise in opposition to the pending legislation because it encourages the right policies with the wrong tools. The so-called Freedom for Russia Support Act will only postpone the advent of a truly market-oriented economy in the former Soviet Union by offering an unlimited amount of the taxpayers' money to a country still tangled in the web of socialism.

The cultivation of a democratic order in Eurasia that nurtures an economy responsive to consumer needs rather than military growth stands as the most important foreign policy challenge to the United States today.

If we succeed in this endeavor, international military tensions will contract and investment opportunities for American entrepreneurs will expand. By helping the former Soviet States make the transition to capitalism, we can help in forming a new system of global relations characterized less by protectionism and political strife and more by the free exchange of goods and services.

But the bill before the Senate today will not advance this vision. On the contrary, it will deny the people of the former Soviet Union what they need the most—private sector initiatives to develop their markets—and give them what they need the least—more millions to enhance the power of the state.

This legislation, S. 2532, endorses the overall goal of using American expertise to bring democracy and development to the former Soviet Republics. But the bill simply outlines 9 broad purposes to achieve these ends, and it authorizes $620 million over the next 2 fiscal years without linking explicit conditions for reform to the aid. S. 2532 also endorses an American down payment of $3 billion to stabilize the ruble despite the fact that the Russian Government monopolizes control over the Nation's money supply.

These defects would surely undermine the noble purposes of the bill. To throw money at the former Soviet Union as it exists now, without any statutory conditions, would give us meager results at a very high price. We should not forget that between September 1990 and January of this year, a number of industrialized countries delivered or pledged about $80 billion to Russia and its sister Republics. But the return on this investment has been dismal.

Consider the state of affairs in the former Soviet Union as we debate this measure. Every leading indicator, from the gross national product to the rate of inflation, has become perilously erratic. None of the Commonwealth governments has created a legal framework for enduring market reforms. Private property ownership and inheritance do not enjoy the protection of any meaningful laws. Public sector bureaucrats continue to operate inefficient industries. Hardline Communists in the Russian Parliament, elected before last year's democratic revolution, continue to block President Yeltsin's agenda. Food shortages have intensified, and mineral resources go untapped. Significant privatization efforts have not begun. No codified set of procedures for foreign investment exists. Worthless rubles, printed and distributed by the State, flood the country and drive an inflation rate of 1,000 percent per year. And there are no free-trade agreements completed or in process between Russia and any Western nation.

These conditions, Mr. President, have two critical points in common: They severely hamper Russia's ability to establish a productive civilian economy, and they all could be changed by unilateral actions of the Government with little or no financial help from the United States.

And the one man in Russia today who understands these conditions is Boris Yeltsin. During his June 1991 visit to the United States, President Yeltsin told me and a group of other Senators that he did not seek any handouts from America. Rather, he told us that he needed the help of U.S. experts to achieve four goals: First, the passage of laws to guarantee private property rights; second, the creation of a more efficient transport system; third, the development of a competitive business ethic; and fourth, the movement of Russia's economy away from its reliance on the military.

In this debate, I take the side of President Yeltsin over the provisions of S. 2532. The bill permits loans to the former Soviet Union while ignoring the environment into which these resources would flow. Yet our money can meet our intentions only if it enters a climate of free trade, limited government regulation, and market-driven decisions.

President Yeltsin would correctly tell us that this climate does not have a price tag. We cannot buy the habits of enterprise or the values of capitalism for the Russian people. Our advice and investments—along with clear reform criteria attached to any package of foreign aid—represent the most effective ways that we can help Russia as her economic institutions struggle to be reborn.

It remains clear, therefore, that the former Soviet Republics can take several basic but vital steps to move in the direction of a market economy without spending a significant amount of any nation's money. But even in the absence of these reforms, Russia and the other Commonwealth States have the potential to liberate funds for economic growth that would far exceed the sums authorized by the bill now before the Senate.

To illustrate this point, Mr. President, I need only to cite three powerful examples. First, the Senate Foreign Relations Committee report on S. 2532 admits that environmental carelessness in Russia alone consumes between 15 and 17 percent of the country's gross national product. This percentage and its cause boggle the mind. It is more than four times what the United States spends on national defense, and a few strong measures requiring just a sliver of the Russian GNP could save the Government billions of dollars while making the environment safer. As the committee report favoring S. 2532 notes, Moscow could begin this process by shutting down the most dangerous nuclear reactors, ending the disposal of radioactive waste in Arctic waters, and introducing cleaner pesticides to Russian farms.

Second, the Foreign Relations Committee report reveals that while energy exports routinely accounted for half of the foreign trade revenue of the Communist Soviet Union, they have decreased by 35 percent just over this last year of the non-Communist Soviet Union. An oil and gas conservation plan implemented by the Yeltsin government would allow the country to recover much of this needed export revenue. And once again, this money-making step on the part of Russia would not require an act of the United States Congress.

Finally, and most importantly, the Russians need to work harder to curb the size and the strength of their military complex. The latest arms control agreement between Washington and Moscow will drastically reduce Russia's budget for the production and maintenance of nuclear warheads. But the fact remains that weapons and other military requirements still account for more than 40 percent of the industrial output of both Russia and the Ukraine. Dozens of generals and scientists from the former Soviet Union now acknowledge that the armed services claim the greatest brains, the most money, and the best workers in the nation. Before American dollars trickle into this potential trap, we should see a specific blueprint for the reinvestment of these resources. What I have recommended, Mr. President, is a strategy for uncovering those problems blocking the economic renewal of the Commonwealth Republics that the Russian people can solve on their own before issuing a call for the financial aid of the United States. To make united government-to-government loans today would be to make payments for the management of Russia's misery by propping up the sterile economic forces of the state.

We can do better, Mr. President. From the dawn of the industrial revolution to the advent of the lap-top, we have a rich reserve of experience to offer the former Soviet Union on the pitfalls, success, and mysteries of democratic capitalism. So instead of blinding the Russians with bailouts, let's open their eyes to the promise of the market.

Thank you, Mr. President. I yield the floor.

NUCLEAR SAFETY AND ALTERNATIVE ENERGY IN THE FORMER SOVIET REPUBLICS

Mr. LEAHY. Mr. President, as we consider assistance for the former Soviet Republics, I want to mention a potential health and environmental catastrophe waiting to happen: the dozens of antiquated and unsafe nuclear powerplants in the former Soviet Republics and Eastern Europe.

Six years ago the explosion at Chernobyl spewed highly toxic radioactive dust throughout parts of the U.S.S.R., Scandinavia, and Eastern Europe. Hundreds of thousands of people were exposed to dangerous radiation. Today, a damaged sarcophagus covers the reactor and could collapse at anytime, resulting in a disaster far worse than what we saw in 1986.

There are another 15 nuclear reactors similar in design to Chernobyl in the former Soviet Republics, none of which meet current safety standards. In addition, numerous other plants in the former Soviet Republics and Eastern Europe continue to operate in an unsafe manner.

Imagine the damage these substandard reactors, spread across the vast Eurasian landmass, could do if only a fraction of them suffer a meltdown like Chernobyl. It could produce, in peacetime, the kind of global nuclear catastrophe we all feared during the height of the cold war. The condition of these reactors renders the human race itself an endangered species.

The current strategy of the major donor countries—funding short-term safety upgrades for these plants—does not adequately address this dangerous threat.

Instead, the administration should strongly encourage its partners to vigorously pursue alternative strategies that would assist Eastern Europe and the former Soviet Republics to become less reliant on nuclear energy. A concerted effort, supported by adequate resources, should be made to promote energy efficiency and alternative sources of power in those regions.

IMET FOR EX-SOVS

Mr. CRANSTON. Mr. President, last night a provision which grants the use of a portion of the international military education and training [IMET] assistant for training in economic security and development to the Republics of the former Soviet Union was passed on a voice vote as part of the Freedom Support Act debate.

When it was passed I was busy preparing my own amendment to the bill and I did not express my opposition to the IMET proposal. I do have grave concerns about any proposal which, in effect, helps to put the former Soviet military into the nation building or civic action business.

As I have expressed many times on this floor, nation building and civic action training tends to make the recipient militaries more politicized. It instills within them a planning ideology—the idea that a superficial knowledge of social problems gives the armed forces a great capacity for solving a nation's problems—and often pits their priorities and projects against those of cash-strapped civilian authorities.

I also question the wisdom of creating what are in effect state enterprises—military construction projects, and so forth—at a time we are telling the Russians and others that they are not privatizing fast enough.

If there is a surfeit of men and women under arms in the Republics—and I believe there are—we would do better to help them transition into civilian life, not provide make-work missions whose ill effects will only be known with the passage of time.

Therefore, I want to state my opposition to this provision for the record.

Mr. DURENBERGER. Mr. President,

> Our policy is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist.

Those were the words of Gen. George Marshall in 1947, describing the European recovery plan, which came to bear his name. As we undertake the challenges spelled out in this bill, his statement provides a much needed context.

Hunger, poverty, desperation, and chaos are the common enemies of humankind; they occur whenever and wherever the better forces of civilization are for some reason absent. They destroy lives and destroy the growth of free institutions. As we have known throughout our history, a working economy which pays wages, produces goods and services, and provides opportunity for personal esteem and growth is the foundation of national well-being.

The people of the United States broke the cycle of destruction in the shattered nations of Europe after World War II through the Marshall plan, and it stands as one of the shining moments in the history of this Government and our people.

We provided financial assistance to citizens of countries that barely 2 years after we fought against them on the battlefields of Europe and on the islands in the Pacific. And we did so because we sought to preserve the peace to build democracies to replace the totalitarian dictatorships that had thrust us into the middle of a world war.

Because of the courage of George Marshall and Harry Truman, today the world no longer faces the threat of fascism and militarism in Western Europe or Japan.

Democracy, by its very nature, is the most fragile form of government known to mankind. Tyranny, dictatorship, and military coup stand in the shadows waiting for that single crack to emerge that allows the antidemocrats to seize control.

Mr. President, the Russian democracy is barely 7 months old. Less than 11 months ago, Boris Yeltsin stood alone on a tank in Moscow to preserve the emerging democracy and abort the coup. Let no one in this body think that other plotters, both Communists and Fascists, are not poised to steal democracy and return the world to the precipice of nuclear superpower confrontation.

We now have a similar historic opportunity: to help prevent the disintegration of Russia, the Ukraine, and Eastern Europe, and to create conditions in which democracy can take root and grow.

THE NEED FOR THIS BILL

We are living in a decade of revolutionary change; what was unimaginable a few years ago now is commonplace. Two unfortunate consequences of this time are either paralysis—wanting things to settle down before we act—and a desensitizing to the magnitude of the changes we are seeing. We need to overcome both those obstacles to take advantage of the opportunity history has given us.

If any of the leaders of the free world during the fifties, sixties, or seventies, could be presented with the situation we now face, they would exhort us to seize the moment to fulfill their deepest hopes. To put it in economic terms, the United States has spent over $6 trillion to achieve this very outcome: the end of totalitarian communism. So to balk at an additional investment of less than one one-thousandths of that amount to consolidate those gains is ludicrous.

History is a series of unique turning points. The people of Eastern Europe, Russia, and the other former Republics are endeavoring to change their economic systems, their political systems, their social systems, their national security systems, and their financial systems simultaneously. They need all the help—ideas, know-how, experience, and money—we can give them at this juncture.

There is a broader context in which these events are important. We must understand that the success or failure of the transition to democracy and free markets in the 12 former Soviet Republics and the three Baltic States will have an impact on the destiny of the world's remaining bastions of communism: China, North Korea, Vietnam, and Cuba. Those four nations still represent one-fourth of the world's population. Their current leaders are looking for evidence to sustain their regimes; their future leaders are looking for hope for a freer future.

The ominous fact must also be stated that 30,000 nuclear weapons and the largest conventional warfare force ever assembled did not disappear when the Berlin Wall was torn down. The safety of Europe and the world could depend on whether orders or chaos will reign in the former Soviet Union.

Having said that, both the importance of this task and our accountability to the American people demand that we have a blueprint, a plan for how we will use American resources to serve our common interest in this part of the world. This bill is an attempt to authorize funds and activities of the President which channel our efforts toward specific goals.

I must say, Mr. President, that I wish more effort had been put into defining our goals. They say that if you don't know where you want to go, any road will take you there. This bill is a start, but we have a ways to go.

WHAT THIS BILL WILL DO

First, this bill commits the United States to a portion of a multilateral effort to stabilize and integrate the economies of the former Republics with those of the West. In April the President stated the willingness of the United States to participate with the G-7 nations—Germany, Japan, France, Britain, Italy, Canada, and the United States—in a $24 billion economic assistance program. The U.S. share is estimated to be $4.5 billion.

This multilateral program is designed to stabilize currency, reschedule debt repayments and coordinate bilateral assistance efforts.

Second, in this legislation seven broad purposes for American efforts are outlines for which funds are authorized:

Using existing agencies such as the U.S. Information Agency and the National Institutes for Democracy to provide the framework for establishing democratic institutions and criminal justice systems;

Encouraging the formation of market economies through a range of technical assistance and training programs designed to create small- to medium-sized businesses;

Meeting urgent humanitarian needs, especially in health care and nutrition;

Facilitating increased trade and investment connections with the U.S. economy;

Expanding cultural and educational exchanges to provide broader exposure to democratic, free market ideas, including children's education television;

Transferring environmental and pollution control expertise to meet serious problems; and

Financing joint United States-Israel development projects in the region.

CONCLUSION

Mr. President, the foundation of U.S. foreign policy is not charity, or the need to be global policeman. It is based on our basic self-interest.

In the world we live in, there is no meaningful distinction between foreign policy and domestic policy. The interconnected economies of the world mean everyone suffers from chaos and everybody benefits from growth.

There can be no guarantee that money spent now will result in a given outcome in the future; it is the people of the independent States who will, in the final analysis, determine what happens. But there can be no dispute that providing this aid now will dramatically increase the chances of success. That makes this a solid investment for the future, theirs and ours.

I do recognize the significant objections to spending this kind of money on top of a $408 billion deficit an struggling economy. There is no question in my mind that we can and should find money somewhere in our $1.4 trillion budget to pay for this. If this is a priority, it must come ahead of something else.

I believe Secretary of State Baker eloquently summed up what is before us in December. He said:

> The opportunities are historic.
>
> We have the chance to anchor Russia, Ukraine, and other Republics firmly in the Euro-Atlantic community and democratic commonwealth of nations.
>
> We have the chance to bring democracy to lands that have little knowledge of it, an achievement that can transcend centuries of history.
>
> We have the chance to help harness the rich human and material resources of those vast lands to the cause of freedom instead of totalitarianism, thereby immeasurably enhancing the security, prosperity, and freedom of America and the world.

But, Mr. President, history will not wait for us. As Edmund Burke said, all that is necessary for the triumph of evil is for good people to do nothing.

To avoid the terrible risks of inaction;
To fulfill the hopes of generations of freedom-loving people in these places;
To make good on decades of investment of American national security resources;
And most of all to build a safer world for our children to grow up in.

We must act, Mr. President, and we must act now.

THE FREEDOM SUPPORT ACT

Mr. BYRD. Mr. President, last week I described what I viewed as serious defects in the committee-reported version of the Freedom Support Act. I knew then that various Senators would offer amendments to correct many of these problems. Indeed, amendments agreed to so far have made some improvements in this bill. I have sponsored some of these amendments and supported others in an attempt to make this legislation as palatable as possible, but I still have fundamental misgivings about our ability to launch another expensive foreign aid rescue effort.

The Senate recently spent several days debating proposed solutions to the deficit problems confronting the United States. In the course of that discussion, we heard great floods of information detailing the fiscal woes facing the United States. Our own economic situation creates a difficult environment in which to talk about foreign aid programs, even worthy aid programs.

There is no doubt that Russia and the other former Soviet states face severe economic problems, but we cannot ignore the fact that we have severe economic and unemployment problems right here at home. It seems to me that the administration is always ready with a handout to foreign countries, but it turns a blind eye to the problems in our own Nation. We don't have to go overseas to find poverty, unemployment, homelessness, or lack of hope and opportunity—those problems are epidemic in many of our Nation's urban and rural areas. I well know that in West Virginia, as in other States, people face unemployment, critical needs for basic infrastructure improvements, including better roads, bridges and sewer and water systems. The human toll of our domestic economic problems—measured in terms of education, health care, research advances, and family services—may be devastating to the Nation in the long run. Clearly, it is in the best interests of the United States for democracy and stability to prevail in the former Soviet Union and throughout the world, but we simply cannot afford to bankroll the economies of foreign countries at a time when we have so many critical unmet needs within our own borders.

Even with improvements that have been made in this legislation, it is still severely flawed. Yesterday the Senate spent several hours engaged in a debate over the status of Russian troops in the Baltic States. I understand that Senators on both sides of the debate want the troops out, but in my view the final resolution of that issue is a disgrace. I cannot understand the argument that we should not use our aid as a lever to get the Russian leadership to withdraw those troops. It seems that this should be a minimum requirement.

The debate over this bill has also cleared up one of the problems over immigration and refugee policy contained in the original language. A section that would have resulted in additional unspecified direct spending, making the bill subject to a point of order under the Budget Act, was eliminated. I consider this a marked improvement, because, as I have said previously, we should be concentrating our efforts on meeting our existing needs before we incur additional liabilities. However, another provision that relaxes the standards for admission to the United States as a refugee for certain groups of people in the former Soviet Union and Indochina remains in the bill. I do not consider this as an appropriate vehicle for making immigration policy. I would prefer to see the Senate engage in a comprehensive review of immigration and refugee policy rather than this piecemeal approach. I think we need to seriously review our current policies in light of pressing domestic needs and I look forward to that debate.

It is worth exploring the contributions that ought to be made to Russia and the new independent republics by the oil-rich states of the Persian Gulf. They should be feeling grateful to the former Soviet states. After all, the Soviets were not, for the first time in decades, putting pressure on our allies in the region, and so they were not distracted from prosecuting the war with us. It is clear that a hands-off Russia is in the interests of the oil-rich Persian Gulf States. Those are states where the coffers overflow with black gold, day in and day out.

What financial resources are those states contributing to this effort? Here's the answer—nothing. This is not surprising. The Congress had to pass legislation, authored by the Appropriations Committee, to hold up arms sales to Saudi Arabia, Kuwait, and the United Arab Emirates until they paid their large past due balances to the United States, balances on their promised contributions for our bailing them out from Iraqi aggression. They paid, finally, but many months late, after a long slow roll, and only after direct legislative action by this body holding up their ability to buy more arms. It is not surprising, them, that we are faced again with the same situation. The American economy is on the ropes while the economies of the Persian Gulf States are doing very nicely, as usual. We are contemplating new billions in aid programs for the former Soviet Union. But those Gulf States are not contributing. What are they doing? They are considering, thinking about, sending delegations to Russia to assess the situation.

This slow roll by the Persian Gulf States is not unusual, but I don't hear anything from the White House about leadership of a coalition to gather up some of that black gold for Russian aid. It is certainly in the direct national interests of those states to put the Russian economy onto a solid footing. I am informed by the State Department that we have been trying to stimulate the interest of the Middle East States in such an effort. Apparently we have to be the stimulator, but we have not gotten their juices running very fast.

The United States should not pay for our generous spirit and our concern for suffering around the world by being played for a sucker. We have already pledged more than 2½ times as much in total aid to the former Soviet states than has Japan. We have already pledged $6.9 billion for their assistance, while Japan has only pledged $2.7 billion. Of that, tellingly, the United States has pledged almost 23 times as much in technical assistance than has Japan. Japan has pledged a mere $5 million in technical assistance to help the former Soviet states in their transition to a market economy.

The United States total in pledged aid to date, $6.9 billion, is 60 percent above the amount pledged by the European Community Commission—a group of states that also must surely have a direct and vested interest in seeing stability and democracy emerge in the former Soviet states. But the E.C. Commission has pledged only $4.03 billion to help their struggling neighbors. As we debate the additional spending envisioned in this bill, we should not forget these numbers. How is it somehow so much more in our interest to help these struggling states than it is in the interest of our fellow industrialized nations? How is it somehow more in our interest to foster democracy and market reforms, in the hope of creating stability and economic prosperity in the former Soviet states, than it is for those nations who so recently expressed fears of having their own borders crossed by Soviet troops?

The United States should not, I believe, be digging more deeply into our own pockets, than are other nations with equal interest in establishing democracy and market-based economies in the states of the former Soviet Union, digging into theirs. If we give them the shirts off of our backs, we may be left shirtless ourselves. And I, for one, am not entirely confident that the rest of the world would leap to our aid any faster than they are leaping to the aid of the former Soviet states. We must not rob ourselves blind. We must take care of our own long-term economic health and our own people, who, after all, are the ones whose shirts are being offered to the peoples of the former Soviet states.

I shall vote against this bill.

Mr. DOLE. Mr. President, in 2 days, all over this country, Americans will come together to celebrate America's Freedom.

Today, the Senate can take a "big step" toward preserving American freedom, and advancing fundamental American security, political, and economic interests.

We can do all of that by passing this very important piece of legislation.

Mr. President, in these days of budgets stretched to the limit, and deficits soaring out of sight, every proposal to spend taxpayer dollars for any purpose must be scrutinized carefully. Indeed, we can no longer afford just to, quote, "spend," unquote. Our standard must be whether any new expenditure represents a real investment in America's future.

This bill—whose real cost is about $600 million in new spending for the upcoming fiscal year—is a very cost-effective investment in America's future.

So, in my view, it is time to put aside partisanship, and pass this bill. In doing so, we will advance our principles, reaffirm our position as leader of the free world, increase our security, and boost our economy.

Mr. President, this legislation reflects the leadership of our President, President Bush, and represents the hard work of many Senators, Republicans and Democrats alike. I especially want to commend the chairman and acting ranking member of the Foreign Relations Committee, Senator PELL and Senator LUGAR, for bringing such a solid bill to the floor—and for moving it to the point of final passage so effectively.

It is high time we acted. President Bush has been pushing us to act on this legislation since he first proposed it in April. Despite being the target of persistent and unfair potshotting, he has stood his ground—and made it clear, again and again, that this is a matter of the highest priority for his administration and for our Nation.

Now, finally, it is our moment to act; to show the same courage and persistence that President Bush has shown.

Many of us thought that an even better and more appropriate moment to act was before President Yeltsin's visit to our Capitol. That would have sent a very powerful signal to the people of Russia, all the other Republics and the world, that the United States was going to do its share to help preserve democracy in the former Soviet Union.

Despite our urging, the Senate has been slow to act.

But regardless of what could have been, we at last have the opportunity today to stand up and be counted on this basic issue: will America keep its leadership role in the global effort to assist the fledgling democracies of the former Soviet Union?

Mr. President, the Freedom Support Act builds on the solid foundation of on-going programs of assistance to these Republics. It calls for a partnership of Government and the private sector to take advantage of new political and economic opportunities in the former Soviet Union.

This bill expands existing authorities for humanitarian and technical aid, and for badly needed agricultural credits for nations still struggling to feed their own people. It also provides support for vitally needed efforts to stabilize the currency of Russia and the other Republics—an absolute prerequisite for economic stability and growth in those Republics. And I particularly want to commend the Senate for its overwhelming support of the Gramm-Symms amendment on currency boards, which is in my view the best way to go in helping Russia and the other Republics stabilize their currency. The addition of that amendment makes this already good bill much better.

But let's make it clear: This bill is not a blank check for anyone. In committee amendments, we have capped total aid authorizations at reasonable levels. We have conditioned aid to any Republic on good-faith conduct by each of these new States in several important areas—human rights, economic reforms, non-proliferation of nuclear weapons and technology, and avoiding the use of military force against other States.

The conditions we have placed on our aid are important conditions. Their aim is to discourage irresponsible actions, such as Azerbaijan's aggression against Armenia and the people of Nagorno-Karabakh, and its imposition of a devastating blockade against Armenia. And in that context, too, I want to say a special word about the amendments we have passed dealing with the Baltics and with Cuba's dangerous nuclear program, which have strengthened this bill.

Mr. President, America must lead. But America cannot do this job alone. We cannot afford it, and we shouldn't have to try. We are not the only nation with a great stake in what happens in the former Soviet Union.

The assistance we are authorizing is part of multilateral effort, in which some $24 billion is to be invested in the Republics of the former Soviet Union. Despite that impressive total, as I mentioned, the real financial burden of this bill on the American taxpayer is modest—an estimated $620 million in new appropriations for 1992-93. And the largest dollar commitment we will make—the money to increase the IMF's global resources—results in no net budgetary outlays.

So this is real, and not just rhetorical, burden sharing. If we pass this bill, we will bear our fair share of the burden. If we torpedo this bill, we not only will be refusing to pony up a fair share. We will be abdicating our leadership role; compromising our ability to positively affect events that are vital to our well-being; and giving away a historic opportunity to advance America's security and economic well-being.

This is a critical moment in history. These fledgling democracies ultimately must do the heavy lifting. They must make the greatest sacrifices. They must take the greatest risks. They must do the hardest work.

And several of the leaders of these states are stepping up to that hard work. We all know what President Yeltsin has done. President Ter-Petrosian of Armenia is another good example of a leader who is moving his country toward democracy and a free market economy. And, in a courageous move, Ter-Petrosian has recently traveled to Turkey in a renewed attempt to normalize relations between Armenia and Turkey. We all hope that Turkey will respond positively.

Now it is our turn. We can, should, must help. We must help these fledgling democracies not only because it is the right thing to do, but because, in the process, we will also be helping ourselves.

Stable, democratic Russia, and other Republics, with open, growing economies, will save billions in defense spending, and open vast new arenas for investment and markets for trade, for United States businesses.

Even more important, if we make this timely and well-considered investment now, we can help ensure a more peaceful and prosperous future for the American people. Considering how much we have spent in the past half century—expenditures not only of dollars but of human life—to win the cold war, how could we ever justify—morally, economically, or politically—how could we justify not making this modest investment now?

President Yeltsin's outstanding speech to this Congress two weeks ago dramatically illustrated how far Russia has come from the tyranny, terror and cynical lies of the Communist era. Yeltsin affirmed that communism was dead, and promised it would never rise again in Russia. And I can tell you that Yeltsin's message was not some PR gesture for us in Washington. It was a theme he struck, again and again, to audiences of students, workers and farmers in my home State of Kansas. It is a theme which came not from some wordsmith, but from his heart.

Yeltsin literally put his life on the line last summer, when he stood on top of that tank in Kremlin Square and stared down the coup plotters. On the Issue of his commitment to freedom, Yeltsin got his credibility the old-fashioned way—he earned it.

Now he and his government team are working to implement political and economic reforms. A daunting challenge, but one they are committed to. And, of course, we are not talking just about Russia. All of the new States—including Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turmenistan, Ukraine, and Uzbekistan—they all face a tough road ahead, and need every encouragement to get on, and stay on, the road to real reform.

We in Congress must put aside the pressures of our own election year, differences of party, temptations to try to wring political advantage from taking positions, one way or the other, on this bill. We must put all that aside, and work together to pass this bill.

We cannot allow this historic moment, and this profound opportunity to help the United States, pass us by.

Mr. President, prior to the tabling motion by Senator PELL of the Riegle amendment, I would like to include in the RECORD a statement dated November 13, 1989.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Congressional Record, Nov. 13, 1989]

SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) ACT OF 1989

Mr. RIEGLE. Mr. President, early next year, in a single giant leap, Poland is planning to transform itself from a socialist economy to a market economy. At that time, the Solidarity government will also attempt to extinguish Poland's hyperinflation by eliminating food, coal, and export subsidies and terminating the indexation of wages. In the month or two following these radical changes, the danger of social unrest and political instability will be extreme, since real wages are certain to fall while inflation is being wrung out of the system. There is an ominous historical precedent for such actions; Polish leaders were deposed in 1956, 1970, and 1980 as a result of rioting that followed attempts to slash subsidies.

It is crucial for the West to have adequate financial aid in place before this critical moment. However, our allies, the World Bank and the administration appear not to be moving with the sense of urgency demanded by such a potential watershed in history. To its credit, the Bush administration has signaled its support for a $200 million grant for currency stabilization purposes. But our European counterparts and Japan have not yet provided their own contributions for this purpose, and the administration appears not to be pressing them hard enough to contribute before Solidarity's cold turkey reforms are implemented early next year.

Mr. President, the period from now until March is the most critical. Electricity prices doubled the other week. Poland's exchange rate is being devalued continually. Its foreign exchange reserves have dwindled to mere two weeks worth of imports; three months is normal. This does not bode well for efforts to maintain public confidence during the reforms and greatly complicates the plan to make the zloty, the Polish currency, internationally convertible.

For this reason, the United States' $200 million must be levered into a $1 billion backup facility in order to build Poland's foreign exchange reserves to a level inspiring confidence in the zloty before early next year. Similarly, it is important for the World Bank to act at a pace that would make available by then its first, sizable structural adjustment loan.

The House bill and the Simon substitute include only general provisions supporting the extension of international financial aid through the World Bank and IMF. They make no mention of the need for the World Bank and IMF to act before this moment. Nor do they provide guidance on the level of multilateral financial aid that would be appropriate. The only exception is the provisions of $200 million for currency stabilization purposes.

The timing of international financial aid may prove to be as important as the aid itself. Western assistance must be in place before Poland's hour of greatest need in order to help foster public confidence in the reforms and in Solidarity's capacity to see them through. Indeed, the fate of Solidarity's historic experiment may ultimately hinge on the faith and patience of the Polish people.

For this reason, I am offering the following amendments to the Poland/Hungary aid legislation. They would:

First. Direct our representative to the World Bank to seek approval of up to $1 billion in financing for Poland in each of the next 3 years and to press for early action on a structural adjustment loan—general policy loan—in time to support Poland's giant leap early next year;

Second. Direct the administration to take the initiative in the G-7 to coordinate by January a back-up facility of up to $1 billion in the IMF to bolster confidence in Poland's currency as the Government tries to make it convertible; that is, to ask for contributions from Germany, Japan, et cetera, to leverage the $200 million authorized in the Simon substitute amendment for this purpose; and

Third. Direct the administration to expedite the application of the Brady Plan to Poland; that is, to broker and facilitate, as it did for Mexico, negotiations between Poland and the international banks on Poland's bank debt.

Failure of Solidarity's package of radical economic reforms could easily end Poland's experiment in democracy, have a chilling effect on reform elsewhere in the Warsaw Pact, and be a crossroads for East-West relations.

The United States must do what it feasibly can to help the Solidarity government through its courageous and historic program. These amendments are designed to help ensure that the U.S. Government fulfills this important responsibility. I urge their adoption.

Mr. SIMPSON. Mr. President, I rise in support of the pending legislation to provide assistance to the republics of the former Soviet Union in their attempted transition to capitalism and democracy.

Mr. President, world events in the past 3 years have proceeded at such a tremendous pace that we have barely had time to collect ourselves and to survey the vast changes.

We have witnessed a period of extraordinary events which few would have thought possible just a decade ago—the fall of the Berlin Wall, the liberation of Eastern Europe, the abortive coup against Gorbachev, the rise of Boris Yeltsin, the acquiescence of Russians in military action against Iraq, the birth of infant republics in Eastern Europe and all across Central Asia—and there are so many more. There is no question that the old structures which have defined geopolitics have disintegrated altogether.

As the old structures crumble, it is left to us—to those who realize it as well as those who don't—to determine what will take their place. Russia remains in a sort of purgatory, and it will not stay there forever. It will either progress to a stable and more democratic future, or it will take some other path—possibly toward a form of autocracy.

During this election year the American public has made clear—and rightfully so—that American self-interest must guide policy. So I am going to frame my remarks in those terms—in terms of, very simply, what this legislation will do for America.

Mr. President, this bill would authorize $620 million—not $24 billion, as is often said—in new spending for assistance to the republics of the former Soviet Union. It would not further increase the anticipated deficit because all funds expended would have to fall within the spending caps of the 1990 budget accord. It would not be designated emergency spending.

I would like to review a few of the events of this century in order to make clear what that $620 million will attempt to buy. The authorizations in this bill would be an investment in a peaceful future for American citizens. To fail to spend this amount now, and to then charge the American taxpayers later with the horrendous expenses associated with protection against a hostile superpower, would set a new standard for being penny wise and pound foolish.

On November 6, 1917, the provisional Kerensky government, which had replaced the deposed Russian czar, itself fell to Bolshevik revolutionaries who then created Soviet Russia. We will never know what sort of relations we would have had with the Kerensky government, but to this day, that was Russia's closest approximation of a democratic regime.

We do know that the revolution cost us an ally in the First World War, and that Americans fighting in that conflict would thereafter have to march against a Germany that could devote all of its military might to the Western front. 117,000 Americans died in that effort.

One generation later, another aborted democracy, the Weimar Republic, was displaced by Hitler's belligerent Nazi government. The Stalinist Soviet Union, hostile to the Western democracies and suspicious of their aid, signed a nonaggression pact with Hitler, securing his Eastern flank and again allowing Germany to throw its entire might westward at France.

407,000 Americans died in that war, many of them in an invasion of Europe that was made necessary by the fall of France.

After the Second World War, Americans were tired of international conflict and the come-home-America theme was sounded—as it is today. President Harry Truman, and Secretary of State George Marshall, were determined not to repeat the mistakes of the previous peace, and bucked public opinion in creating the Marshall plan, a massive assistance program which secured democracy and capitalism in Western Europe—and which helped to make the cold war winnable.

A young Congressman named Richard Nixon represented a district that was 78 percent opposed to the Marshall plan. Faced with that overwhelming opposition, he did what legislators ought to do when they are sure they are right—he went back to his district and campaigned relentlessly for the plan, sold his district on it, and voted for it. That sounds like my friend Dick Nixon.

That Marshall plan eventually resulted in over $10 billion in American grants and loans given out over a period of 3 years. The legislation before us today, authorizing $620 million in new money, is a modest commitment relative to that undertaking.

Today, under this plan, we will have the assistance of many of the nations which were saved then by the Marshall plan. It is a fitting tribute to the wisdom of such action.

After World War II, the cost to our Nation of a hostile Soviet Union expanded to include combat in Asia. 54,000 Americans were killed in Korea, fighting North Korea and Communist China, the Communist Chinese owing their control in part to the inspiration and support of Moscow. Some 58,000 Americans were killed in Vietnam.

The casualties of these wars, and the tremendous costs of maintaining a favorable strategic nuclear balance, represent only part of the cost to the American public, of lingering conflict with the Soviet Union.

We have a grave responsibility in this body to attempt to ensure that future generations do not have to face these kinds of losses of life, or of national resources. Compared with these deaths, and with the billions spent on the strategic nuclear balance, the $620 million before us, if it succeeds, could represent the greatest bargain that any President has ever offered the American people.

Alexis de Tocqueville, writing with extraordinary prescience, in the early nineteenth century, noted that "there are now two great nations in the world * * *. The Russians and the Anglo-Americans * * *. Each seems called by some secret design of providence one day to hold in its hands the destinies of half the world." This is our great chance to help to mold the destiny of the other half—a chance we have not had since 1917, and a chance we may never have again.

This bill recognizes the strengths and weaknesses of the Russian federation and the members of the Commonwealth of Independent States [CIS] and provides a comprehensive package of support to stabilize fiscal and monetary conditions, bolster budding market economies, and promote peace and stability in the region.

I cosponsored three amendments which I believe are truly important to furthering the fasttrack ominous reforms facing the former Soviet Union today.

The first, splendidly crafted by my fine colleagues Senators PHIL GRAMM and STEVE SYMMS, ensures that currency stabilization within Russia will be made possible by a currency stabilization board.

Creation of a currency stabilization board is a simple recognition of what has happened in the past to countries that have attempted the necessary but dangerous conversion to capitalism. Those with a central bank—much like the existing central bank in Russia—have never been able to resist the temptation to alleviate temporary economic distress by increasing the national money supply.

Under the currency board system, the board issues the notes and coins convertible into a foreign currency at a fixed rate. It accomplishes that task without discretion as to monetary policy—without the ability to flood the market with money or to tighten up. Market forces alone therefore determine the money supply.

It may seem like an esoteric distinction to some, but it is an absolutely vital component of economic transition. All around us are examples of nations experiencing triple-digit inflation because of the political use of a central bank. And, in Singapore and Hong Kong, we see the economic benefits of the currency board system.

Adoption of the amendment could well prevent us from seeing in Russia what we saw in Weimar Germany—people taking wheelbarrows of money to buy their bread, or burning paper currency to heat their homes. I commend Senators SYMMS and GRAMM for their leadership in this area.

I also supported an amendment which will assist business and commercial development in the former Soviet Union. This approach fully recognizes the important role of United States businesses in enhancing development and the vital restructuring of still fragile, yet burgeoning market economies of the now independent states.

Expanding the role of the Foreign Commercial Service and financing through the Overseas Private Investment Corporation, the Export-Import Bank of the United States, and the Trade Development Program, will strengthen U.S. trade and investment promotion activities and more closely link the coordination of initiatives involving government agencies and American expertise. I am optimistic that this provision will improve American competitiveness in the international marketplace and most importantly, create U.S. jobs.

Another important amendment I supported provides that no aid goes to any member of the Commonwealth of Independent States until it is demonstrated that they will fully cooperate with the United States on recovering any information regarding POW/MIA's of World War II, the Korean war, and Vietnam during the cold war.

This gives the United States needed leverage in the retrieval of any existing information that may remain in the newly free Republics.

My amendment, which passed earlier today, would encourage the President to ensure that the potential commercialization of defense-related commercial grade uranium from the independent states of the former Soviet Union be carried out in a manner that minimizes disruption to the international market.

Since the U.S. Department of Commerce found that six Republics were dumping uranium, my amendment will send an important signal. As the Republics develop their free market economies, we should encourage trading practices which are internationally accepted and consistent with U.S. trade laws.

To sum, Mr. President, let me say that there are no guarantees here. It is beyond our power to ensure that the Republics of the former Soviet Union become friendly or stable members of the community of nations. But the terrible costs, in lives and in resources, of the cold war should make it clear that it is our obligation to do what we can, the best we can.

If we do nothing and we return to the era of confrontation, it could cost us more per day than this legislation will cost in its entirety. This legislation is an appropriate and modest investment in benefits of incalculable magnitude.

I urge my colleagues to support the bill and I yield the floor.

STATEMENT ON AMENDMENT RELATING TO FORMER SOVIET TROOPS IN THE BALTIC STATES

Mr. RIEGLE. Mr. President, yesterday, the Senate considered Senator DECONCINI's amendment to S. 2532, the Freedom for Russian and Emerging Eurasian Democracies and Open Markets Support Act of 1992. I was an original cosponsor of that amendment which called for suspension of all but humanitarian aid to Russia conditioned upon significant progress toward the withdrawal of former Soviet troops from Lithuania, Latvia, and Estonia. I fully supported the DeConcini amendment and opposed the second degree amendment offered on behalf of the State Department.

The language of the second degree amendment severely dilutes the DeConcini amendment by allowing foreign forces to remain on Baltic soil for up to one year—without the consent of the Baltic governments. The former Soviet troops are already in Estonia, Latvia, and Lithuania illegally. There is no reason to permit them to remain for another year.

Six months ago, I wrote a letter to President Bush, signed by 36 of my Senate colleagues, urging him to press President Yeltsin to remove these armed forces from the Baltic States.

Earlier this month, because withdrawal had not begun, I again wrote to the President along with Senator PRESSLER and 29 other colleagues, urging him to use the recent summit meeting with the Russian President to address the issue of troop withdrawal. I ask unanimous consent that these letters and the text of a resolution, Senate Resolution 196, which passed the Senate on November 23, 1992, urging withdrawal of former Soviet troops in the Baltic countries, be included at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, January 30, 1992.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: For more than 50 years, Lithuania, Latvia, and Estonia endured the authoritarian rule of the Soviet Union imposed through the deployment of military forces in the region. Today, however, the Baltic states have restored their independence and have been recognized as free and sovereign nations by members of the international community.

Unfortunately, the territorial integrity of the Baltic countries is currently being violated because between 100,000 and 200,000 troops of the former Soviet Union are now stationed in these countries without the consent of the Baltic governments. According to Assistant Secretary of State Janet Mullins:

"No nation may station forces on another nation's territory without the permission of that nation. The United States supports this principle. As sovereign states, Lithuania, Latvia, and Estonia have the right under international law to request and have removed any and all Soviet forces stationed on their territory . . ." (November 22, 1991)

On January 5, 1992, at a meeting of the Baltic Council, the Presidents of Lithuania, Latvia, and Estonia issued a joint declaration urging the Commonwealth of Independent States to immediately withdraw all members of the former Soviet armed forces from their soil. But, Russian Defense Minister Shaposhnikov has contended that the withdrawal from the Baltic states can only occur after 1994.

The current deployment of former Soviet troops in Lithuania, Latvia, and Estonia is an issue of serious concern to the United States and its allies. The forces create a potentially volatile presence in the region during a sensitive period of transition to democracy. The Baltic states have specifically requested that these military units be removed now and U.S. policy recognizes the Balts' right to insist upon their withdrawal. The United States, therefore, should actively support the Baltic countries in this endeavor.

Members of this chamber have previously articulated their concern on this matter. On November 23, 1991, the Senate passed S.Res. 196 which urged you to ask former Soviet President Gorbachev "to begin immediately a prompt withdrawal of Soviet armed forces . . . and to undertake discussions with the governments of Lithuania, Latvia, and Estonia appropriate to facilitate that withdrawal." Today, we renew that request.

It is our understanding that you will meet with Russian President Boris Yeltsin during this month's summit of leaders of the 15 UN Security Council nations. We ask that you urge President Yeltsin to use his authority to ensure that members of the former Soviet armed forces are withdrawn from the Baltic states without delay.

The Baltic states have waited five decades for their freedom. Please help them see that it is fully achieved.

Sincerely,

Orrin G. Hatch, Alan J. Dixon, Donald W. Riegle, Jr., Robert W. Kasten, Jr., Robert Dole, Wendell H. Ford, Alfonse M. D'Amato, Paul Simon, Bill Bradley, Robert C. Byrd, John McCain, Ernest F. Hollings, Jesse Helms, Bob Smith, Brock Adams, Joseph I. Lieberman, Connie Mack, Barbara A. Mikulski, Al Gore, Slade Gorton, Daniel K. Inouye, Christopher J. Dodd, John W. Warner, Dennis DeConcini, Hank Brown, Malcolm Wallop, Bob Graham, Steve Symms, Harris Wofford, John Glenn, Tom Harkin, Daniel Patrick Moynihan, Paul S. Sarbanes, Larry Pressler, Arlen Specter, Dave Durenburger, Kent Conrad.

U.S. SENATE,
Washington, DC, June 16, 1992.

Hon. GEORGE BUSH,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We respectfully urge you to raise the issue of timely withdrawal of Russian forces from the Baltic States during your discussions with President Yeltsin. Before taking office, President Yeltsin courageously supported independence for the Baltic States. But Latvia, Lithuania and Estonia cannot be fully free or independent with thousands of foreign troops stationed on their territory against the will of the people and governments of those states.

Russian armed forces are there illegally, contrary to the express wishes of the legitimate independent governments of Estonia, Lithuania, and Latvia. The Russian government has not demonstrated good faith by undertaking serious negotiations with Baltic governments for a rapid withdrawal timetable. We consider the presence of these troops destabilizing and believe they represent an obstacle to normal diplomatic relations between the United States and Russia.

We ask you to convey the gravity we attach to the unwillingness or inability of the Russian government and its military commanders to agree to a reasonable withdrawal timetable. While we understand there may be difficulties in removing over 100,000 troops and closing bases, we believe the effort to conclude a mutually-agreeable timetable for withdrawal is vital. Mr. President, we urge you to raise the issue of good faith signals with President Yeltsin. For example, we cannot understand why conscripts continue to be deployed in the Baltic States. In addition, units that pose the greatest threat to Baltic sovereignty, such as the 107th division in Lithuania, are not being removed.

Belligerent and threatening rhetoric by the Russian military, under the guise of protecting the Russian minorities in the Baltic states, is not helpful to concluding a reasonable pullout schedule. We note a recent statement by General Grachev, the Russian Minister of Defense, that "all possible means" will be used to protect the honor and interest of the Armed Forces of Russia.

We have great respect for President Yeltsin's actions in assisting the Baltic States to achieve their independence in 1991. We have no desire to handicap his efforts to promote representative government and free markets. However, we believe that he alone is responsible for the actions of the Russian military and that he must assure that a mutually-acceptable agreement is speedily concluded with the Baltic States on a timetable for withdrawal. Additionally, he should assure Russian adherence to this timetable and respect the sovereignty of these countries.

We consider a Russian demonstration of good will on troop withdrawal to be vital to the success of democracy and freedom in the Baltic States and Russia and a precondition to U.S. assistance to Russia.

Sincerely,

Larry Pressler, Donald W. Riegle, Jr., Arlen Specter, Paul Simon, Barbara A. Mikulski, Brock Adams, Alfonse M. D'Amato, Alan J. Dixon, Malcolm Wallop, Harris Wofford, Dennis DeConcini, Daniel Patrick Moynihan, Robert W. Kasten, Jr., Daniel K. Inouye, Bob Smith, Joseph I. Lieberman, Robert C. Byrd, Dan Coats, Jesse Helms, John Glenn, Hank Brown, John Seymour, Al Gore, Ernest F. Hollings, Wendell H. Ford, Christopher J. Dodd, Bill Bradley, Paul S. Sarbanes, Frank R. Lautenberg, Steve D. Symms, Edward M. Kennedy.

S. RES. 196

Whereas the rightful independence of the Baltic States of Lithuania, Latvia, and Estonia from the Union of Soviet Socialist Republics has been recognized;

Whereas more than 100,000 Soviet military personnel continue to maintain a presence in the Baltic States; and

Whereas the continued presence of Soviet troops threatens the peace and independence of the Baltic States: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should call upon the President of the Union of Soviet Socialist Republics to begin immediately a prompt withdrawal of Soviet armed forces from the Baltic States and to undertake discussions with the governments of Lithuania, Latvia, and Estonia appropriate to facilitate that withdrawal.

Mr. RIEGLE. Mr. President, 50 years of unjust occupation severely damaged the Baltic countries politically, environmentally, and economically. Today, the continued unwelcome presence of foreign military forces in the Baltic States delays the development of these newly emerging democracies. In fact, Latvian Deputy Defense Minister Valdis Pavlovskis warns that foreign troops remaining in Latvia pose a grave threat to his nation's territorial integrity. "They are not just troops sitting in barracks," he said. "The

Russians are actively trying to influence political and military developments in Latvia by organizing societies that are anti-democratic, anti-Latvian, even anti-Yeltsin, in an attempt to return to the old totalitarian system." Latvians fear that this leaves them vulnerable to any spillover of instability which might develop in Russia.

On March 19, 1992, the Russian Federation nominally began the withdrawal process, with a ceremonious departure of 49 officers and enlisted men. But such small steps are negated by the continued rotation of new troops into Baltic territory and the lack of a timetable for full withdrawal. Nevertheless, President Yeltsin and his military advisers state that because withdrawal had officially begun, the final date for complete exit was not important.

In all three Baltic countries, economic growth and development are now overshadowed by the continued unjust foreign occupation. High-profile yet unannounced provocations, such as Russian air and ground maneuvers, disrupt domestic tranquility and commercial activity. At the same time, Baltic inspectors are routinely denied access to military installations which occupy Baltic land and are owned by the Baltic governments. Moreover, the continued presence of former Soviet military forces creates great concern that Russia does not plan to relinquish valuable ports in the Baltic Sea. In January 1992, Estonia protested a document informally distributed by the Russian Government in Vienna which continued the outmoded Soviet military reference to Lithuania, Estonia, and Latvia as the "Baltic Military District."

Russian President Boris Yeltsin contends that withdrawal is impeded because his country does not have housing to accommodate 100,000-200,000 returning troops. While it is true Russia will have difficulty housing these soldiers, the bottom line is clear—the Russian Government is under a legal and moral imperative to remove its armed forces from Lithuania, Latvia, and Estonia. According to National Security Advisor Brent Scowcroft, "the three Batlic States, as independent and sovereign countries, have the right to expect that foreign military forces stationed on their territory be removed."

The Russian Government apparently expects the cash-starved Baltic governments to pay for accommodations for departing Russian troops, in the same way that the wealthy nation of Germany has. Not only is it unfair to expect the cash-starved Baltics to pay for the removal of unwanted foreign forces, but Russian Defense Minister Grachev remarked that withdrawal "will wait until they get wealthy!" Callous remarks like this have impaired the good faith of the negotiating process.

In his address to a joint session of Congress, President Yeltsin said that his people have chosen liberty and democracy for their country. While I support Russia in its historic effort to throw off the cloak of Soviet totalitarianism, the Russian Government must afford similar respect to neighboring sovereign nations. I implore President Yeltsin to present a timetable for withdrawal of his government's military forces from the Baltic Stats. If withdrawal of the foreign troops from the Baltic States does not soon begin in earnest, the United States should not provide economic assistance to Russia. I urge may fellow Senators to support the DeConcini amendment and reject the flawed, watered down approach contained in the second degree amendment.

The Baltic States cannot overlook the continued existence of occupying troops on their soil—nor can we. Let us be inspired by our own history of independence and the current diplomatic patience of the Baltic States to hold Russia accountable for its responsibilities to its neighbors.

Mr. BIDEN. Mr. President, I rise today in support of retention of the Lautenberg amendment to the Freedom Support Act.

I had the privilege to offer this amendment on behalf of Senator LAUTENBERG in the Foreign Relations Committee markup of the aid bill. The committee accepted the amendment unanimously, without debate.

The amendment extends for 2 years an existing law that would otherwise sunset on October 1 of this year. That existing law lowers the evidentiary standard required to qualify for United States refugee status for Soviet Jews, Soviet Evangelical Christians, religiously active Ukrainian Catholics, and certain categories of Vietnamese, Laotians, and Cambodians.

Under normal circumstances, refugee applicants must prove a well-founded fear of persecution to qualify for refugee admission. Under the Lautenberg law, once an applicant has proved that he or she is a member of a designated group, the applicant need only to prove a credible basis for concern for the possibility of persecution.

The law has no effect on the numbers of refugees admitted to the United States. That number is determined in annual consultations between the Congress and the administration. Therefore, the Lautenberg law simply gives greater opportunity to these historical persecuted groups to be considered for refugee status.

Mr. President, I know that some of my distinguished colleagues have questioned whether or not certain minority groups in the former Soviet Union, such as Jews, Ukrainian Catholics, and Ukrainian Orthodox, still face any real fear of persecution.

My answer to that question, unfortunately, must be that, yes, there is still a legitimate fear of abuse and mistreatment.

To their credit, the new governments throughout the former Soviet Union have largely divorced themselves from old Soviet policies preventing the free exercise of religion and discriminating against ethnic and religious groups.

But as my colleagues well know, the history of this region is replete with anti-Semitism and antiminority violence.

While such sentiments were generally suppressed by the Soviet system, the sudden freedom of the past months has brought with it open expressions of ethnic and religious hatred. Viciously nationalist, anti-Semitic journals are being published in Russia, a bomb was planted in a KIEV synagogue, and Jewish individuals in a number of cities have been physically attacked or subjected to anti-Semitic vandalism.

Mr. President, I was so concerned over conditions for minorities in the former Soviet Union that I recently called a hearing in the Foreign Relations Committee to explore the issue.

I can report that the unanimous view of the expert panel on that topic was that Jews in the former Soviet Union still had much to fear. In fact, when asked what they would do if they were living as Jews in the former Soviet Union today, each member of that panel said he would leave.

The Lautenberg amendment is an ideal way not only to help protect historically persecuted groups, but also to let their governments know that the United States will not just stand idly by if mistreatment and abuse occur.

Mr. LAUTENBERG. Mr. President, I am pleased that the Freedom Support Act includes a 2-year extension of a provision in current law which facilitates the granting of refugee status for certain historically persecuted groups. The law is commonly referred to as the Lautenberg-Morrison refugee law, since Representative MORRISON and I were its prime sponsors. A 2-year extension of the law was offered as an amendment by Senator BIDEN on my behalf during the Foreign Relations Committee markup of this bill. It was adopted unanimously.

The existing law formally recognizes that the historic experience of certain persecuted religious minorities in the Soviet Union and Indochina, and a pattern of arbitrary denials of refugee status to members of these minorities, entitles them to a relaxed standard of proof in determinations about whether they are refugees.

The law, which now is set to expire at the end of this fiscal year, lowers the evidentiary standard required to qualify for refugee status for Soviet Jews, Soviet Evangelical Christians, religiously active Soviet Ukrainian Catholics and Orthodox, and certain categories of Vietnamese, Laotians, or Cambodians.

Once a refugee applicant proves he or she is a member of one of these groups, he or she only has to prove a credible basis for concern about the possibility of persecution. Refugee applicants normally must prove a well-founded fear of persecution.

Legislation to extend the law for 2 years has been endorsed by the Council of Jewish Federations, the U.S. Catholic Conference, the American Jewish Committee, the Ukrainian National Association, Inc., the Hebrew Immigrant Aid Society, the National Conference on Soviet Jewry, the Union of Councils for Soviet Jews, the New York Association for New Americans, the Lutheran Immigration and Refugee Service, and World Relief. I ask unanimous consent that copies of endorsement letters from these organizations be included in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COUNCIL OF JEWISH FEDERATIONS,
Washington, DC, May 7, 1992.
Hon. FRANK R. LAUTENBERG,
U.S. Senate, Washington, DC.

DEAR SENATOR LAUTENBERG: I am writing on behalf of the Council of Jewish Federations to express our deep gratitude and appreciation for your efforts to reintroduce the "Lautenberg Amendment" as part of S. 2532, the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act." As you know, your amendment when first introduced during consideration of the FY 1990 Foreign Operations Act, facilitates, the granting of refugee status to certain historically persecuted groups.

With a two-year extension of your amendment which clarifies the standard (a "credible basis for concern") by which refugee status is granted, groups including Soviet Jews, Soviet Evangelical Christians, Ukrainian Catholics, certain classes of Indochinese, and other groups for whom there is historical evidence of persecution will remain eligible for refugee status.

It is necessary that this liberalized standard be extended to ensure that a consistent and fair process is in place to thwart arbitrary denials and to address adverse conditions that continue to exist for persecuted groups, especially in the former Soviet Union.

As you are aware, antisemitism is on the rise in the former Soviet Union. Where Jews historically have been made the scapegoats of social, economic and political unrest, we are deeply concerned about recent geopolitical events in the former Soviet Union that have led to the establishment of independent republics that are unable to enforce human rights laws and unable to protect minority groups from abuse and violence. As republics organize and formulate citizenship laws that often exclude those who may not be considered "ethnically correct" for citizenship it is crucial that we continue to support Soviet Jewish refugees who wish to come to the United States.

We strongly support your amendment and believe that this provision in the past has had a profoundly positive impact on refugee adjudication and continues to be necessary because of deteriorating conditions in certain regions of the world.

Again, we thank you for your leadership on this issue, and if we may be of any assistance to you and your staff, please call Lisa Shuger Hublitz in our office at 202-785-5900.

Warmest personal regards,
Sincerely,
MARK E. TALISMAN,
Director.

THE HEBREW IMMIGRANT AID SOCIETY,
New York, NY, May 7, 1992.
Hon. FRANK LAUTENBERG,
U.S. Senate, Washington, DC.

DEAR SENATOR LAUTENBERG: Since you introduced the so-called Lautenberg amendment in 1989, there has been a smooth administration of the refugee adjudication program in Moscow allowing up to 40,000 Soviet Jews who wish to come to the United States to do so.

The Jewish community has been extremely grateful and aware of your efforts in this regard. The Administration as well has now seen the value of the Lautenberg amendment. Where once they opposed it, they did not oppose its extension. Recently, as you know, Secretary of State Baker indicated that he would not oppose its extension once more.

I understand you are considering introducing the amendment again. Let me strongly urge you to do that since the amendment is so vital to exit permission from the Soviet Union.

We in the Jewish community and at HIAS are ever grateful for your efforts.

With best personal regards,
Cordially,
BEN ZION LEUCHTER,
President.

THE AMERICAN JEWISH COMMITTEE,
Washington, DC, April 28, 1992.
Hon. FRANK LAUTENBERG,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR LAUTENBERG: The American Jewish Committee thanks you for your efforts to extend the Lautenberg Amendment by seeking to attach it to S. 2532, the Freedom for Russia and Emerging Democracies and Open Markets Support Act, or whatever other vehicle you deem appropriate. The Lautenberg Amendment would extend for two years current law which facilitates the granting of refugee status to certain groups of Soviets and Vietnamese. The law first passed the Senate by a 97–0 vote in 1989. It became law as part of the FY 90 Foreign Aid Appropriations Act, and was extended in the FY 91 Foreign Aid Appropriations Act. It sunsets on October 1, 1991.

If extended, the Lautenberg Amendment would continue the current law's reinstatement of the presumption of refugee status to certain groups of historically persecuted people, including Soviet Jews, Pentecostals, Ukrainian Catholics and certain classes of Vietnamese. It clarifies the standard, a "credible basis for concern," by which refugee status is granted, and identifies the above cited groups as "targets of persecution" to whom this standard may apply. The amendment has nothing to do with the number of refugees annually admitted to this country. Refugee numbers are determined separately, during an annual consultation process.

The Lautenberg amendment has had a positive impact on refugee adjudication and continues to be needed because of deteriorating conditions in the targeted countries. In the Soviet Union specifically, anti-Semitism is on the rise, in an area of the world where Jews historically have been made the scapegoats of social, economic, and political unrest. There also is concern that republic governments may be unable to enforce the human rights laws they have developed and protect minorities from abuse and violence. The Russian Vice President, Alexander Rutskoi, has acknowledged recently that anti-Semitism is increasing, with not enough being done to counteract it. A disturbing number of anti-Semitic articles have appeared in conservative publications, and disturbing incidents have taken place, including the April kerosene bombing of a Moscow synagogue and the March desecration of graves in Odessa. Furthermore, a February 1992 staff report prepared for the use of the Subcommittee on Immigration and Refugee Affairs pointed to the continuation of anti-Semitism throughout the former Soviet Union and the fact that it is likely to continue for some time.

Thank you again for your leadership on this important issue.

Sincerely,
ALFRED H. MOSES,
President.

NATIONAL CONFERENCE
ON SOVIET JEWRY,
New York City, April 28, 1992.
Senator FRANK R. LAUTENBERG,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR LAUTENBERG: The National Conference on Soviet Jewry represents nearly fifty national Jewish agencies and over three hundred local federations, community councils, and committees on issues affecting the Jews of the former Soviet Union (FSU). On behalf of our member organizations, we support your initiative to extend for two years a provision to facilitate the granting of refugee status for certain historically persecuted groups, including the Jews and other religious minorities of the FSU.

The last two years have seen momentous changes in the FSU. The situation of Soviet Jews has improved significantly in several areas: they now enjoy, to some extent, both freedom of emigration and cultural and religious freedoms that were previously denied. However, anti-Semitism remains and appears to be on the rise in many areas of the FSU; Soviet Jews face increasing manifestations of the ethnic hatred that threatens their well-being as well as their peace of mind. In addition, serious delays in Soviet emigration processing complicate their departure. It is clear that at this point Soviet Jews continue to constitute an historically persecuted group whose experience should be taken into account in determination of whether they are refugees.

We gratefully acknowledge your leadership on this important issue, we fully support your initiative, and we will work with you to ensure its passage.

Sincerely,
SHOSHANA S. CARDIN,
Chairman.
MARTIN A. WENICK,
Executive Director.

UNION OF COUNCILS
FOR SOVIET JEWS,
Washington, DC, April 26, 1992.
Hon. FRANK LAUTENBERG,
Hart Office Building, Washington, DC.

DEAR SENATOR LAUTENBERG: The Union of Councils for Soviet Jews enthusiastically supports your efforts to extend the Lautenberg Amendment for an additional two year period. Without your work to insure that Jewish refugees can immigrate to the United States, thousands would still be in the successor states to the Soviet Union without hope of gaining safety and freedom.

While significant changes have occurred in the new states in the region, Jews and other ethnic and religious minorities continue to face persecution and violence. These dangers continue to demand the response that you created in the Lautenberg-Morrison Bill.

We have written to Senator Claiborne Pell urging him to support attaching the Lautenberg provisions to the bill authorizing aid to the successor states to the Soviet Union. This legislation clearly is an appropriate vehicle for the extension of the Lautenberg Amendment, and should gain wide support throughout the Congress and the country.

Thank you for your continuing efforts on behalf of Soviet Jews.

Sincerely,

PAMELA B. COHEN,
National President.
MICAH H. NAFTALIN,
National Director.

UNITED STATES CATHOLIC CONFERENCE,
Washington, DC, May 1, 1992.
Senator FRANK R. LAUTENBERG,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR LAUTENBERG: I am writing to express the strong support of the U.S. Catholic Conference's Migration and Refugee Services for your efforts to extend the Lautenberg Amendment, a legislation which facilitates the granting of refugee status for certain historically persecuted groups for another two years. The two refugee populations which have, for humanitarian and historical reasons, laid a special claim to the attention of the United States continue to experience special difficulties which call for the emphasis provided by the language of this legislation.

In the case of the Soviet Jews and other persecuted minorities in the former Soviet Union, the rapidly changing situation obviously offers hope of democratic governments in the newly independent republics. However, that issue is not yet resolved and, in the meantime, very worrisome indications of renewed anti-semitism and lingering intolerence and suspicions of Evangelical Christians and Ukrainian Catholics and Orthodox make it imperative that current programs continue undiminished.

The screening of Vietnamese asylum applicants for refugee status under the terms of the Comprehensive Plan of Action (CPA) is so restrictive at locations in Southeast Asia that it has called down the criticism of numerous human rights and refugee advocacy groups, such as Amnesty International and the Lawyers Committee for Human Rights. We have even identified, in some locations, former re-education camp prisoners who, after years of brutal confinement in communist prisons, are told that they are economic migrants and should return to Vietnam. In Hong Kong, despite such rigid screening in which only 20 percent of the applicants are now being found qualified as refugees, a further 50 percent of those who survive such screening are being rejected by INS officers as not political refugees.

Reports of some economic liberalization in Vietnam should not mislead anyone to think that there is no longer repression in Vietnam. The Communist party, at the Seventh Party Congress last June, once again reaffirmed its role as the only legitimate political party. Many persons continue to be arrested for expressing opposition to government policies or actions. Numerous religious leaders remain in prison or under house arrest. The Catholic Church is denied the right to act in many matters necessary to the proper functioning of the Church, such as the naming of seminarians, assignment of Bishops, and the like. The Buddhist Church and the Cao Dai and Hoa Hao sects are even more restricted in their actions and many members of all three have been arrested or rearrested in relatively recent times. Clearly, Vietnam remains a place where the attempts to live one's own life and enjoy respect for his human rights, free of the dictates of the government and party, carries with it severe penalties.

Your assistance in assuring that this provision of law, now scheduled to expire on October 1, 1992, is further extended for two years will be greatly appreciated.

Sincerely,

Rev. RICHARD RYSCAVAGE, S.J.,
Executive Director.

Mr. LAUTENBERG. Mr. President, the administration does not object to an extension of the law. I ask unanimous consent that Secretary Baker's response to a question I submitted through the Foreign Operations Appropriations Subcommittee be printed in the RECORD. The Secretary's response states that the administration does not object to an extension of the law.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTION SUBMITTED FROM SENATOR LAUTENBERG, SENATE APPROPRIATIONS SUBCOMMITTEE ON FOREIGN OPERATIONS, FEBRUARY 25, 1992

Question. Section 599D of the Foreign Operations Appropriations Act of FY90 (also referred to as the Lautenberg amendment) requires the executive branch to establish refugee processing categories for Jews, Evangelical Christians, Ukrainian Catholics, and Ukrainian Orthodox Church members and gives members of these categories an enhanced opportunity to qualify for refugee status. The provision expires on September 30, 1992.

In light of your testimony about conditions in the Soviet Union, do you favor an extension of the provision?

Answer. We would have no objection to an extension of the Lautenberg Amendment.

Although we are hopeful that the evolution of democracy and human rights in the former Soviet Union will in time reduce the number of refugees, we are not yet at the point where we would propose to change current refugee policy.

Refugee admissions from the Soviet Union area will average some 50,000 per year for the period FY 90–92.

51,000 in FY 90; 39,000 in FY 91.

Our refugee ceiling for FY 92 for the area of the former Soviet Union is 61,000.

For FY 93, subject to consultations with Congress later in the year, we would again expect the numbers to be in the 50,000 range.

Mr. LAUTENBERG. Mr. President, this law has had a real and positive impact on refugee adjudication. This liberalized standard is still necessary because conditions for the persecuted groups in the former Soviet Union and Indochina still exist, and in some cases, have worsened. While Soviet Jews have been permitted to emigrate in much greater numbers, those remaining face a greatly increased threat to their well-being.

Anti-Semitism and heightened harassment, violence, and public expressions of hatred by anti-Semitic groups like Pamyat are still occurring, and in some areas, are on the rise. While national policies may have changed, many local officials harbor old hatred for these historically persecuted groups. Evangelical Christians and Ukrainian Catholic and Orthodox continue to experience harassment.

This law is working as intended in the former Soviet Union. It has replaced an arbitrary and slow process of refugee adjudication in the former Soviet Union with a stable, consistent and fair process. It has meant that people already terrorized by longstanding hatred and persecution in their native lands are not further traumatized by a system that does not recognize their historical suffering, or makes arbitrary distinctions among people who have suffered similar fates.

Given the significant changes in the former Soviet Union, I believe a 2-year extension is justified. The INS estimates that it will take 2 years to process Soviet Jews who are in the pipeline—those who have begun the application process. Given questions about stability in the republics of the former Soviet Union, it would be unwise to let the law expire. Uncertainty pervades the lives of the historically persecuted in the Republics of the former Soviet Union. Soviet Jews, Ukrainian Catholics and Orthodox, and many Evangelical Christians still live in fear.

An extension is also necessary to facilitate the processing of refugee applicants from Vietnam, Cambodia, and Laos. Conditions have improved somewhat in these countries, but certain groups continue to suffer as a result of their previous associations with the United States, their political actions in opposing hardline Marxist governments which permits no political dissent or freedom of expression, and for their religious beliefs.

The law was originally approved by the Senate by a vote of 97–0 in 1989, and became law as part of the fiscal year 1990 Foreign Aid Appropriations Act. It was extended in the fiscal year 1991 Foreign Aid Appropriations Act. It sunsets on October 1, 1992.

Mr. President, this provision has no impact on the number of refugees entering the United States annually. Those numbers are determined annually through a consultation process between the administration and the Congress. The provision simply facilitates refugee designation.

I urge my colleagues to approve this provision as part of the Freedom Support Act.

Ms. MIKULSKI. Mr. President, I will vote against today's aid package for the former Soviet Union.

In the continuing resolution and rescissions bill, I voted to reduce the President's foreign aid package by more than $1 billion and to cut a further $160 million in foreign aid. I am not prepared to turn around now and start adding new foreign aid spending—

especially at a time when my own subcommittee is faced with $1.5 billion in cuts for veterans, housing and environmental activities.

Also, I am reluctant to commit the United States to a broad and generous aid program while many of the same old comrades are running today's bureaucracy in the Commonwealth of Independent States. As a Polish-American, I have a deep distrust of the people who imposed communism on Eastern Europe and the Baltic States for two generations.

I am willing to provide humanitarian assistance and help the former U.S.S.R. join the community of democratic and free-market nations. I strongly support efforts to help U.S. business get a foothold in the new CIS markets.

But before we provide new economic opportunity to the people in the former Soviet Union, we should provide a helping hand to the people at home.

In my home town of Baltimore there are 40,000 families on the waiting list for Federal housing assistance. Even in affluent Montgomery County there is a waiting list of 12,000.

Many of our veterans are waiting 9 months for an appointment at a local clinic, and by the time they get past the busy signal, the delays in adjudication and the delays in receiving their medications, it's often too late to arrest their illness.

Six months ago, when the subject of Soviet aid first came up, I outlined my principles for providing aid to the former U.S.S.R. In my statement I said that there was a real danger of overreacting to the crisis in the Soviet Union and wasting United States tax dollars in a well-intentioned but misguided aid program. I called for hardheaded humanitarianism; specifically—no cash to the new Republics; no loans or loan guarantees; send surplus agricultural commodities; send technical assistance; get something in return for our aid; either distribute the aid ourselves or monitor its distribution very carefully; make sure that other countries help shoulder the burden; coordinate our aid efforts with other donors; design our assistance program to benefit U.S. firms and create U.S. jobs. In today's bill some of these guidelines have been met; others have not.

In putting this aid package together, the Senate has made a sincere effort to guard against the possibility of default on United States loan guarantees and to require the Soviets to take specific political, military and economic actions before receiving any aid.

But these conditions and restrictions do not go far enough to suit me. Before making the CIS eligible for United States assistance I believe we should insist that all Russian troops be removed from the Baltic States and any other territory where they are not wanted. The Soviets should put up part of their gold, timber, and fossil fuel resources as collateral for loans and loan guarantees that they receive. We should have hard and fast assurances that U.S. businesses will receive a fair shake in their dealings with the new states. The President should not be able to waive the Senate's conditions on aid—no human rights violations, no military actions against friends of the United States, no delay on arms control agreements, no transfer of nuclear-chemical-biological weapons technology.

President Yeltsin's speech to the Congress was full of hope and promise. I was moved by it, but I cannot forget the history of the past 75 years. I urge my colleagues to continue to regard the former Soviets with caution and skepticism.

Mr. LAUTENBERG. Mr. President, I intend to vote for the Freedom Support Act.

For decades, America has focused its energy and resources on fighting the threats posed by the Soviet Union and seeking to free those living under the yoke of Soviet tyranny so they might have the opportunity to determine their own futures. Now, we've prevailed. The people of these areas have chosen democracy over tyranny and freedom over oppression. Communism in these lands is dead; the cold war is over.

Now, we must liberate our budget from the shackles of cold war thinking. We must drastically scale back bloated defense budgets and focus our attention and resources on the problems that plague the American people and diminish the quality of life for our children. We must provide sorely needed resources for programs that have been cut to the bone at the expense of cold war budgets—programs to improve our schools, our environment, and our health. We desperately need resources for programs to reinvigorate the economy and keep Americans working.

Providing more resources for the American people is a national necessity. That is why I have strongly supported efforts in the Congress—which unfortunately have been defeated with the active support of the administration—to tear down the budget walls and transfer defense dollars to domestic programs. That's why I have supported unemployment insurance for Americans in need, assistance for our neglected cities and infrastructure, and funds to help create summer jobs for America's youth and permanent, high-wage jobs for our people.

Ironically, our need to channel more resources to domestic needs is a major reason why I have decided to support this bill. This bill is aimed at securing peace and promoting stability in the Republics of the former Soviet Union and its former satellite nations. It authorizes assistance to help the former Soviet Union and Eastern European nations now so we can prevent the pendulum of time from swinging back to the days of hostility and antagonism in United States-Soviet relations. Back to the days when nuclear war was an immediate and terrifying possibility, and ever-growing defense budgets were a reality.

Stability, democracy and free market reforms in Eastern Europe and the former Soviet Union enhance our own security and permit us to shift resources from building weapons to rebuilding America. If those currently in power in Russia and the other Republics succeed, an easing of the arms race will continue, and our former enemies will continue diverting resources from defense to domestic needs. In turn, this will permit us to make deeper reductions in our defense budget and invest the dividends in rebuilding our economy and meeting our people's needs.

Mr. President, the years of the cold war have dominated much of my life. As a young man serving our country in Europe during the Second World War, I remember the surge of optimism that followed the Allied victories. But I also recall how those dreams of peace quickly turned into deadly conflict between East and West, a conflict which escalated into 45 years of tension—from the Korean war to the Berlin airlift to the Cuban missile crisis.

These memories make the events of the last few years all the more stunning. Freedom for Poland and other Eastern European nations. The fall of the Berlin Wall and German reunification. The breakup of the Soviet Union and the independence of the Baltics, Ukraine, and others. The blossoming of democracy. The death of Soviet communism.

During the cold war, who would have thought that a popularly-elected Russian President would address a joint session of Congress and receive a standing ovation?

Who would have thought that a Russian leader would pledge to reduce the defense budget by 40 percent, and then reduce it by 50 percent?

Who would have thought that a Russian leader would call for the deactivation of deadly missiles aimed at the United States before an arms control treaty has been formally ratified?

These events have been stunning, and the pace at which they have been unfolding has been dizzying. They inspire me to support efforts in the Senate—like this bill—to ensure that the brakes will not be put on reforms in the former Soviet Union. They inspire me to support efforts aimed at securing the peace and keeping the Republics of the former Soviet Union our friends, not our foes.

Mr. President, now is the time for our Nation to play a constructive role in shoring up stability in these nations. The nascent Republics of the former Soviet Union are at a critical juncture. The nations of the former

Warsaw Pact are struggling to rebuild economies destroyed by Soviet domination. Their democracies are fragile; their leaders are vulnerable. Already several leaders have been forced out of power. The Soviet coup of last August reminds us how precarious bold leaders are in the former Soviet Union, how tenuous their hold on power can be.

The leaders of the former Soviet Union have inherited more than 70 years of inefficiency and bureaucracy. They face monumental challenges in bolstering democracy and bringing economic reform and private enterprise to the people of the former Soviet Union. Their leaders are looking for our assistance in their bold experiment with democracy. They've promised to make our world safer by eliminating nuclear weapons. Together, with the Western nations of the world, we ought to help them accomplish that goal.

There is also an economic benefit for the people of the United States in this proposal. This bill would authorize assistance that will help promote private sector development and open billions of dollars in new markets for our goods. Some say that an open market in those Republics would yield over $50 billion in annual U.S. exports. That's good for our economic vitality and for American workers.

Mr. President, I believe it is in America's interest to help the former Soviet Union and the nations of Eastern Europe. Ultimately it will help in the struggle to bring defense spending down. While the military buildup of the 1980's enabled our arms industry to grow, it starved our cities of the vital dollars necessary to provide quality educational opportunities for our young. It has crippled our Nation's infrastructure, leaving American corporations at a competitive disadvantage and allowing high-paying jobs to move overseas. It has hampered efforts to protect and clean up our treasured beaches, oceans, rivers, and parks.

I believe, in the long run, that supporting this bill will help free up resources that can be reinvested in the American people. We cannot miss this opportunity. Ultimately, our industry will only be as competitive as our work force is educated. Our economy will only be as strong as our infrastructure is solid. Our lives will only be as healthy as our environment is clean.

By supporting the former Soviet Union, we will help to secure the peace that will enable us to rebuild our Nation. For this reason, I urge my colleagues to join me in supporting this bill.

Mr. SPECTER. Mr. President, although I strongly disagree with the Senate's rejection of the DeConcini and Specter amendments, I am voting in favor of final passage because I believe it is important to take this step to try to promote democracy and the free enterprise system in the former Soviet Republics. This bill could have been much better; however, even in its present form, it should be passed.

Mr. LEVIN. Mr. President, last night I was reading David McCullogh's new book on one of my heroes, Harry Truman.

In the chapter on the Marshall plan, the author described the difficult challenges of providing aid to Europe to help get it back on its feet after World War II.

Truman took on the challenge because, in the words of his Secretary of State: "It is necessary if we are to preserve our own freedoms * * * necessary for our national security," and because in the words of his Secretary of Defense the Marshall plan would help secure "the emergence of political and social conditions in which free institutions can exist."

Mr. President, the bill before us isn't a gift to the Russians and the East Europeans. It is to help the world be more secure for our kids.

The bill before us represents an opportunity we never thought we would have, to make a peaceful investment in the national security of our country and of future generations.

We have watched the breathtaking changes of the last 2 years with astonishment and joy—freedom and independence sweeping across the globe, dictatorships melting away in the very lands of my ancestors, in places we thought might never taste the sweetness of liberation in own lifetimes. We have laughed and cried and celebrated at the achievements of the Germans, Czechs, and Poles, the Hungarians, Ukrainians, and Lithuanians, Estonians, Latvians, Russians, Kazakhs, and others.

I have celebrated for them, and I have celebrated for us—for the receding shadow of nuclear war, for our soldiers who can now return home from foreign posts, for the productive new alliances we can develop with friends who used to be foes.

As the new Republics have obtained a gift of freedom and independence, so too have we been given a gift, a new opportunity to improve our own country and the lives of our people.

But these opportunities are at risk. Threats to democracy in those countries are threats against us as well. Democracy's enemy is our enemy as well. The survival of democracy and freedom now depends, more than anything else, on economic stability. Economic collapse is the most likely source of that chaos. If the value of ruble is out of control, if prices fluctuate wildly, then there is likely to be hyperinflation, public panic, and dissatisfaction. Hyper-inflation helped breed history's worst dictator—Hitler who, in turn, began the world's most destructive war.

Economic collapse has often provided the fertile environment for the birth and growth of totalitarian regimes, regimes which suppress freedom at home and pose a new security threat to other nations.

Russia and the Republics must do most of the work to avoid collapse and build democratic societies. But the United States and other nations can provide crucial help by making an investment in those societies. This will require investment of some resources from the United States and other industrial nations, but nothing like the resources we would pay if reforms were to fail in Russia.

Some have raised objections to this bill, calling it misplaced priorities, calling it a giveaway. Mr. President, that is a narrow view of what constitutes security for our Nation and our citizens.

I feel as deeply as any Senator about the needs of our people and the fragility of our economy. My own State of Michigan is suffering from inattention and the lack of leadership to solve domestic problems. We must take action to create jobs, reduce the deficit and invest in our human, and capital infrastructure. But ensuring that our new allies do not become our adversaries again is crucial to that effort. We have spent trillions to defend ourselves against the real and perceived threats of Communist nations under totalitarian control. If we hope to rebuild our country, we must not let that happen again.

And finally, this bill is no giveaway, it is an investment we make for our Nation and our future. This isn't a gift to other countries. If it were, adding an amendment to address some domestic needs wouldn't cure its flaws.

The dichotomy of "aid for us" versus "aid for them," are echoes of the comments of those who stood on the floor of this body 14 years ago. They were debating the Marshall plan, a vast proposal to spend billions of dollars to help rebuild the countries of war-ravaged Europe and prevent the spread of communism there.

Compared with the Marshall plan, the bill before us is relatively small but the debate took a similar shape. There was bipartisan support. The Democrat in the White House, Harry Truman, and a truly distinguished predecessor from Michigan, Republican Senator Arthur Vandenberg, a visionary internationalist who brought the two parties together helped push the plan to passage in the Senate, 69–17.

Then, as now, there were priorities at home, Senators who believed the plan was a giveaway.

Senator Harry F. Byrd from Virginia, said in March of 1944, on this floor in opposition to the Marshall plan: "I cannot believe that America alone can carry a good part of the world on our back and survive ourselves."

Senator Joseph H. Ball of Minnesota, said in that same Marshall plan debate that economic assistance did not constitute "a workable policy."

Senator Ball was wrong. The policy worked. We helped rebuild societies that stabilized Europe and made it a bulwark against Communist aggression.

Mr. President, I cannot say that if we pass this bill there will be no backsliding in the newly independent republics. I cannot assure this body that democracy and freedom will survive there just because we give the President and the IMF the tools they need. But I do believe that if we fail to pass this bill, if we fail to authorize those tools, we are making it more likely there will be economic collapse in Russia and the other Republics. We are increasing the likelihood that totalitarian dictators will seize power. Will we withhold this investment and risk that result?

Mr. President, this bill marks our effort to keep these emerging democracies from the chaotic and confused conditions that could force us off the road of peace. It's not a giveaway, it is truly enlightened self-interest on our part. It is, quite possibly, an investment in economic stability now instead of bullets later. It is, in short, a national security measure.

This bill is our best, practical opportunity to assure that democracy develops peacefully in Russia and the other independent Republics of the former Soviet Union. This bill is an investment we can make in our own security and that of our children and grandchildren. This bill is an action we can take to help create a world of free peoples in a community of nations that is at peace. Symbolically, our vote for the Freedom Support Act is the Senate's acknowledgment now that the cold war is truly over, new kinds of security investments are the best way to protect our Nation.

My colleagues, we have enormous opportunities that we never thought we would have in our lifetime, both to reinvest in our own people and our own country, and also to invest in freedom, democracy, and human potential in countries that used to be adversaries. This is a priority security agenda. This is a key to our children's security. Future generations will thank us for having the courage and vision to invest in democracy and work for peace and security at this moment of opportunity.

I agree with my colleague from Michigan that Americans need help. We need to rebuild our cities; we need to improve the health of our people; we need to enhance the skills of our workers. We need to do all of this and more. But it will be impossible to address these issues as effectively as they deserve to be addressed if we have to begin a new defense build-up in order to confront an adversary with worldwide hostile ambitions.

The passage of the Freedom Support Act is necessary if the warm hopes for democracy in Russia that were kindled by the dramatic speech of President Yeltsin are not to be transformed into a new cold war.

Mr. DODD. Mr. President, when this aid proposal was before the Foreign Relations Committee in mid-May, I registered my strong opposition to it. The intervening weeks have not altered my view about the matter. I urge the Senate to reject this legislation.

I take this position, because in very large part, there is a bogus quality to the legislative package now before us.

There is a bogus quality to it because this legislation has more to do with politics than it does with policy. The White House wants some political cover. That's the principal reason for this legislation.

There is a bogus quality to it because much of this legislation is really unnecessary for the task assigned to it. The redundancy of this legislation is an intregal part of the charade being perpetrated.

There is a bogus quality to it because, on the one hand, the legislation appears to place significant conditions on the assistance to be provided, but on the other hand, it actually expands the President's authority at the expense of congressional oversight and conditionality.

There is a bogus quality to it because it is virtually impossible to say what the dollar price tag on this legislative package is. From the transfer funding provisions to the special drawing rights for the International Monetary Fund to the guaratee authorities, the total dollar cost remains elusive, if not incomprehensible.

And this legislation has a bogus quality to it because it serves to enhance the notion that the Treasury is a bottomless pit, that there are ample financial resources to meet both growing domestic needs, as well as expanding international commitments. We know this is not a credible position. The taxpayers know it too.

Mr. President, there was a time in the not-too-distant past, when how we dealt with an issue was essentially as important as the issue itself. It was the old question of ends and means and the notion that no matter how honorable or meritorious the objective, the processes and procedures used in getting there should be no less honorable or no less meritorious.

May I say that the goals and objectives of the legislation before us are much more laudable and supportable than the packaging in which they are wrapped.

Mr. President, we all want the forces of democracy to succeed in the former Soviet Union. Similarly, we all want the forces of free market economics to succeed and prosper. Likewise, we all want to see greater political and economic stability in that part of the world. In short, we all want the former Soviet Republics to be more like us, or to be more like our European allies and to follow the Western model of growth and development.

I share these goals and objectives. I firmly believe that our national interests will be advanced significantly by the attainment of them. That is why we should come to the aid of the reformers. That is why the Boris Yeltsins of this world deserve our backing and support.

But we can do all of these things without this legislation. We can do all of these things because there is existing legislative authority in the Foreign Assistance Act, in the Arms Export Control Act, in the Export-Import Bank Act, in the Overseas Private Investment Corporation Act, in the Peace Corps Act, in the State Department Authorization Act, and in various acts relating to agriculture and agricultural commodities. There is also existing legislative authority in other acts, particularly annual appropriations measures.

This collection of legislation provides the President with ample authority to undertake the kind of programs and projects that will aid and assist Russia and the other former Soviet Republics in making the transition to more open societies and more productive economies. But while providing such authority, these various acts also provide strong safeguards to ensure effectiveness and accountability.

Many of these legislative acts have long and detailed histories associated with them. This is no accident. Most of them are subject to annual review, to frequent reconsideration and refinement. They are regularly debated and re-debated. Often they are altered and amended. But by comparison, there is a large body of knowledge about these provisions and we have a good deal of experience with them. We know how the provisions are interpreted and implemented.

This is not the case with the legislation now before us. It is as untried as it is unnecessary. And Senators should keep in mind that its lineage is properly traced to the PR experts and spin doctors downtown. According to their script, any defining moment must have legislation to accompany it.

The measure before us is the result. It may serve the President's political purposes, but it should not be confused with sound legislation.

Mr. President, sound legislation is already on the books. We already have the legislative tools to do the job. We should take advantage of them.

I hope the pending measure is rejected.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I ask unanimous consent that no more amendments be in order.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

If there are no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. MITCHELL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from North Carolina [Mr. SANFORD] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Virginia [Mr. WARNER] is necessarily absent.

I further announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

The result was announced—yeas 76, nays 20, as follows:

[Rollcall Vote No. 148 Leg.]

YEAS—76

Adams
Akaka
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Bradley
Brown
Bryan
Burdick
Burns
Chafee
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
Dole
Domenici
Durenberger
Exon
Garn
Gore
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Inouye
Jeffords
Johnston
Kassebaum
Kasten
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mack
McCain
McConnell
Metzenbaum
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Rudman
Sarbanes
Sasser
Simon
Simpson
Specter
Stevens
Thurmond
Wallop
Wellstone
Wirth
Wofford

NAYS—20

Breaux
Bumpers
Byrd
Coats
Craig
DeConcini
Dixon
Dodd
Ford
Fowler
Glenn
Heflin
Hollings
Lott
Mikulski
Nickles
Seymour
Shelby
Smith
Symms

NOT VOTING—4

Helms
Roth
Sanford
Warner

So the bill (S. 2532) was passed.

(The text of S. 2532, as passed by the Senate, will be printed in a future edition of the RECORD.)

Mr. LUGAR. I move to reconsider the vote.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I would like now to commend Senator PELL and Senator LUGAR for the diligence with which they pursued the important matter that the Senate has just approved by a large margin.

I congratulate Senator PELL for outstanding leadership and for patience and perseverance on this bill.

I believe that the United States response to these new countries is among the most important policy issues the United States faces in the coming decades.

Our response will have an enormous effect upon our Nation's future and upon the shape and character of future international relations.

Everyone agrees that we should be supportive of these countries' efforts to achieve real democracy and establish a free market system.

Yet there remains disagreement about the nature of this U.S. support.

The Freedom Support Act begins to answer this question in very broad terms.

Perhaps the most important element of this legislation is that it authorizes the U.S. quota contribution to the International Monetary Fund [IMF].

This is so important because of the unique and critical role that the IMF will play in guiding the economic reform programs of the States of the former Soviet Union. With this legislation, the United States moves that much closer to putting its money where its mouth is in full support of the IMF effort.

The act also authorizes a broad array of programs that can be undertaken in the coming months and years to foster the permanence of democracy and the vitality of open market economies in the former Soviet Union. These include National Endowment for Democracy and Citizens Democracy Corps programs, technical assistance to support legal reform and policy formulation, and programs to expand trade and investment with the United States business.

The legislation makes clear that any assistance the United States would provide requires those recipient States to uphold certain standards of behavior such as respect for human rights and nuclear nonproliferation.

This authorization bill marks the beginning of America's new effort to define and develop relations with the component parts of what once was our most deadly adversary.

The bill establishes a framework for U.S. assistance.

It sends a strong political message of support to those working on behalf of democracy in the region.

It is the beginning of what I hope and trust will be continually strengthening, mutually beneficial relationships between the United States and the countries of the former Soviet Union.

Mr. PELL. I thank the majority leader. I would like to express my own thanks to the majority leader for scheduling the bill and also to particularly thank my colleagues, Senators BIDEN and LUGAR, for their help. They were not only helpful on this bill but also in getting through this morning the START Treaty. And also I would like to make a public thanks to my staff, Geryld Christianson and Michelle Maynard, for the way they filled in so many blanks in my own mind in connection with this legislation.

Mr. President, I ask unanimous consent that the bill be printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me take a minute to congratulate and commend both the distinguished chairman, Senator PELL, and the ranking Republican, Senator LUGAR, for their outstanding work on this particular legislation. In my view, this is historic legislation and the vote indicates strong bipartisan support, as there should be. There has been strong bipartisan support from the beginning from Members on both sides of the aisle.

And so I commend the chairman, Senator PELL, and Senator LUGAR for their dedication and diligence, and we are completing action on the bill at 10:50 Thursday evening, July 2.

Mr. PELL. I thank the minority leader for his words, too, and would add that it was a particularly good day from the viewpoint of Soviet-American relations because we got a START Treaty through this morning at 10 o'clock, and now we have this bill through at 10 o'clock at night.

Mr. CRANSTON. Mr. President, I, too, wish to congratulate the Senator from Rhode Island and the Senator from Indiana and many others who worked on this very important bill. I am proud of the Senate for the way it handled some amendments which would have quite possibly destroyed this bill to strengthen democracy and stability in the Soviet Union and add to our own stability, which I am confident it will do.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the majority leader may at any time turn to the consideration of Calendar No. 497, S. 2877, the interstate transportation of municipal waste bill; that a cloture vote on the motion to proceed to Calendar No. 493, H.R. 776, the energy bill, occur on Wednesday, July 22, at a time to be determined by the majority leader after consultation with the Republican leader; that the Senate begin consideration of S. 2877 on Monday, July 20, at the conclusion of morning business, for debate only on that day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to morning business, and that Senators be allowed to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

GOOD LUCK TO MARY ARNOLD, ESQ.

Mr. BYRD. Mr. President, the Senate depends on hundreds of intelligent, highly motivated, talented, expert, well-informed, and exceptional staff men and women to operate smoothly and professionally.

From time to time, among this pool of vital assistants, someone shines even more brightly than the rest.

One such person has been Mary Arnold of the Republican Cloakroom.

For 9 years, Mary Arnold has facilitated the work on her side of the aisle, as well as this side, in a fashion that has won her the admiration and appreciation of Republican and Democratic Senators and staff people alike.

While serving in the Republican Cloakroom, Mary has also completed her legal education at Georgetown University Law School and was recently awarded her law degree. She has now joined a law firm here in Washington and departed her work here in the Senate.

I want to extend to Mary Arnold my gratitude and that of all of the other Senators and staff people on the Democratic side of the Senate Chamber, and to assure her of our best wishes for every success as she launches into another career—one that I know will be characterized by distinction, integrity, and brilliance.

NOMINATION OF SUSAN BLACK TO THE ELEVENTH CIRCUIT COURT OF APPEALS

Mr. GRAHAM. Mr. President, on June 4, 1992, the Senate Judiciary Committee held a hearing to review four nominees for the Federal bench—three for the district court and one for the Eleventh Circuit Court of Appeals.

At the hearing, both Democratic and Republican members of the committee expressed support for the nominees.

On June 11—just 1 week later—the full Judiciary Committee favorably reported these four nominees to the full Senate for review.

Since that time, the nominees have languished on the Senate's Executive Calendar and not been scheduled for action.

On June 18, four more Federal judicial candidates were considered in the Judiciary Committee and, on June 25, the committee favorably reported the four nominees to the full Senate.

The next day those nominees were confirmed.

Mr. President, no one has been able to explain the inconsistency with which these nominees have been handled by the Senate.

No one has come forward to express any doubt about the qualifications of the four nominees reported by the Judiciary Committee on June 11.

Yet, they have not been scheduled for consideration by the full Senate.

I urge my colleagues and the leadership to address this injustice and agree on a schedule for consideration of these nominees.

Three of the nominees are for the Federal district court—Irene Keeley for the Northern District of West Virginia and Sonia Sotomayer and Loretta A. Preska for the Southern District of New York.

The fourth nominee is the Honorable Susan Black, candidate for the Eleventh Circuit Court of Appeals in Atlanta.

The consequences of not acting soon are grave.

For example, the Eleventh Circuit Court of Appeals is already terribly shorthanded with 3 of the 12 authorized judgeships vacant.

One of the judgeships has been vacant since October 1, 1989, the second since August 31, 1991, and the third since October 30, 1991.

Susan Black was nominated to fill one of these vacancies on January 27, 1992. She has a long list of impressive legal credentials.

She earned a B.A. at Florida State University in Tallahassee, a law degree from the University of Florida, and an LL.M. from the University of Virginia School of Law.

After a short stint as a public school teacher, she became an assistant general counsel for the U.S. Government with the Army Corps of Engineers.

The Jacksonville State Attorney's office recognized her skills and recruited her to join their staff as an assistant State attorney.

In 1972, she went to work representing the city of Jacksonville as an assistant general counsel.

Soon thereafter, she was elected county court judge in Duval County, where she served until 1975, when the citizens of Duval, Clay, and Nassau Counties voted to elevate her to the bench of the Fourth Judicial Circuit of Florida.

In 1979, Judge Black was tapped by the Carter administration to join the Federal judiciary as a judge in the Middle District of Florida.

In 1990, she became chief judge for the district, a position she continues to hold.

Judge Black has been involved for some time in efforts to improve court management and has been an advocate for the judiciary, helping sensitize policymakers on issues important to the Federal courts.

She has a solid background in corrections issues, having lectured and prepared articles on the subject. In fact, when I was Governor, Judge Black oversaw a major case which led to the development of significant corrections policies in the State. I was impressed by her handling of the case.

She has also been a leader in legal education, particularly in the training of judges.

In the 1970's, she served as dean of a Florida school established for the purpose of training new State trial judges.

I am confident the Senate will find Judge Black a qualified nominee for the 11th circuit bench.

I am very troubled that her confirmation has been unnecessarily delayed, and I urge immediate action on her nomination and the others recommended by the Judiciary Committee on June 11.

THE ULTRACREPIDARIAN CRITICS TWADDLEIZE

Mr. BYRD. Mr. President, on Friday, June 19, ABC's "20/20" aired a program titled "Your Tax Dollars at Work." When "20/20 first contacted my office, we were told that the original theme of the program was to look at the Federal appropriations process. Unfortunately, "20/20" reporter John Stossel abandoned a serious look at our country's budget problems and, instead, focused on pork barrel politics as the cause of our Nation's economic woes.

In an attempt to bring some balance to the program, I agreed to an interview with Mr. Stossel—which occurred on June 3. It was my hope that I could help "20/20" to produce a program that would look seriously at what has caused our huge budget deficits and what will be needed to get them under control. In short, I encouraged "20/20" to rise above the temptation to trivialize the problem and, instead, take the opportunity to educate their viewers as to the sacrifices that will be necessary to correct the situation.

As might be expected, "20/20" took the easy way out and produced a program that perpetuates the misperceptions of the country's fiscal problems.

Anyone viewing the program would believe that pork barrel projects are the root cause of the budget deficits. Little effort was made to point out the role that entitlements, mandatory programs, excessive military spending, foreign aid, and such things as the S&L bailout play in the process. "20/20" chose to feed on the cynicism and negativism that dominate public discussion of Congress. I invite "20/20" to revisit this issue and take a responsible look at the Federal budget.

Mr. President, I ask unanimous consent that a transcript of that interview, which lasted approximately 1 hour in my office, be printed at this point in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

SENATOR BYRD'S

"20/20" INTERVIEW WITH JOHN STOSSEL, JUNE 3, 1992

STOSSEL. Does this $400 billion a year we're taking from our children, does that upset you?

Senator BYRD. What upsets me is the fact that the national media, in particular, focuses on what is glibly called "pork barrel" spending, and promotes the idea that if we cut that out, then all of our budget problems will be over. And that's a falsehood, and to the extent that the national media promotes that idea, it is a disservice to the people, because the media is acting under the false idea that this is serious reporting.

STOSSEL. And the media is off-base because this isn't serious money?

Senator BYRD. The national media is misleading the people under the guise that it is serious reporting.

STOSSEL. And we're off-base because this isn't serious money.

Senator BYRD. Most of what is glibly called "pork" is infrastructure—highways, waterways, airports, bridges, water and sewer projects, federal court buildings, research, education . . .

STOSSEL. All good things.

Senator BYRD. Absolutely. And infrastructure is the bone and muscle, and the lifeblood, of the nation's economy. And those who maintain that to cut out what is glibly called "pork"—what they are really talking about is infrastructure—would cure the nation's economic woes, are misleading the people.

STOSSEL. How are we going to reduce the deficit?

Senator BYRD. Well, this is where you come in. I think that the national media has a responsibility to help educate the American people about the federal government, about the federal budget deficit, and about the real cause of the deficit. Instead of that, focusing on so-called "pork barrel" spending is a cop-out. What it is doing, it is appealing to cynicism, dissatisfaction, and negativism.

STOSSEL. What should we focus on?

Senator BYRD. Focus on the federal budget deficits and the real causes. For example, the savings and loan crisis. That bailout has already increased the deficit $180 billion. Focus on the $11.6 billion that the Administration *forgave* 32 other countries last year—forgave their debts to the American taxpayers. Focus on those programs that are entitlements, like Medicare, that are skyrocketing, and other mandatory back-door spending, over which the Appropriations Committee has absolutely no control. Educate yourselves, first, so that you can educate the American people.

STOSSEL. Educate the people to expect less?

Senator BYRD. Educate the people to the fact that to get this budget deficit down is going to be painful, and everybody is going to have to sacrifice. And educate them to the fact that merely concentrating, focusing, on what is called "pork," which is in reality infrastructure: highways, bridges, water and sewer projects, waterways, airports, education—that cutting that is cutting out the bone and muscle of the nation's economy. And this idea of "pork barrel" spending, to eliminate that is to really eliminate the bone and muscle of the nation's economy. But to call it "pork" is to trivialize something that is very serious. The budget deficits are serious. And your children, and mine, are going to be paying interest on that debt that is created by these skyrocketing mandatory entitlements, and by all of the other litany of items like the Reagan tax cut which cost $787 billion in the first three years—all of these things. Educate the people. If you want to really, want to really talk about the budget deficit, have me on your program for an hour. Let me bring some charts and information, and I'll help you to educate the people, as to what the real problem is.

STOSSEL. And, again, just because we can't give you an hour, but we can give you a few minutes, if you were going to tick off what the real problem is—the real problem is not spending on infrastructure, it's what?

Senator BYRD. The real problem is a combination of many things. I've mentioned the tax cut by Mr. Reagan, in 1981. That started out, in the first three years, it cost $787 billion. By now, it has cost over $2 billion. And the rapid acceleration in military spending by Reagan in his Administration has added about $3 trillion. So, $2 trillion in the tax cut, and $3 trillion from the military buildup, plus the savings and loan bailout which has added $180 billion already and, which by the end of thirty years when that is supposed to run out, it will cost the nation $350 to $500 billion. In addition to these things, then the skyrocketing growth of entitlements like Medicare, mandatory spending, over which the Appropriations Committee has absolutely no control. These are the items that are going to have to be reduced, and it is going to be painful to the American people. And we, you and I, I as a politician and you as a part of the national media, have a responsibility to tell the people about the real causes of the deficit, and how painful it is, because we'll never get those deficits down until the American people understand the reasons and what the sacrifices are.

STOSSEL. If you had control of entitlements, you'd cut them back?

Senator BYRD. We don't have control.

STOSSEL. But, if you did?

Senator BYRD. The Appropriations Committee does not have control over 68 percent of the total budget.

STOSSEL. But, if you had control over entitlements?

Senator BYRD. I'm saying, we have to cut entitlements. They have to be cut, but the Appropriations Committee has no authority to cut them. That would have to be done by law.

STOSSEL. Let's go back to the infrastructure. Alright, accepting that "pork" is infrastructure. Yes, it's infrastructure, but why should you get so much of it?

Senator BYRD. Why should I get so much? I have been helping the country. At the budget summit, 1990, my pitch was that not only do we have a federal funds deficit, but we have an investment deficit. An investment deficit in infrastructure—highways, bridges, education, research, water and sewer projects. We have an investment deficit, and so my idea of my responsibility as Chairman of the Appropriations Committee, I think, is to promote the infrastructure of the country. That's what I have been doing.

STOSSEL. But, how does it promote it, to give so much money to your state?

Senator BYRD. Well, Webster and Hayne settled that issue in 1830. Hayne was against building a canal in Ohio, saying that it didn't help South Carolina. But Webster said, "We New Englanders don't trace rivers and mountaintops and lines of latitude to establish the boundary beyond which public improvements don't benefit us." West Virginia is one of the fifty states. What benefits West Virginia helps the nation. My state is a poor state struggling to emerge from a one industry economy. And so what have I been doing for West Virginia? I've been putting infrastructure there.

STOSSEL. How does it help the nation to have a fitness center, paid for by me, in your state?

Senator BYRD. A fitness center?

STOSSEL. The Fish and Wildlife Center's $44 million—now you want $150, I'm picking on the silliest part, as we in the silly press do, but . . .

Senator BYRD. That's not a silly part. That would promote conservation, environmental knowledge, and it would be a place where various agencies in the federal government can meet and train and educate their people, and it constitutes a savings to the taxpayer.

STOSSEL. How does it save me money to buy you a fitness center for this project?

Senator BYRD. Now, you're focusing on the one project. That's a cop-out.

STOSSEL. Why?

Senator BYRD. It's a cop-out because you're promoting the vacuous idea that infrastructure is not good for the country; that it is wasteful; that it is "pork."

STOSSEL. I just don't see how a fitness center is infrastructure?

Senator BYRD. Sure, I said I wanted to be a billion dollar Senator. But I wasn't talking about just cramming money into Appropriations bills out of consideration only for the money that goes to my state and not consider the merits of the projects. I promoted infrastructure all over the country. I would like to see every state in the union get a billion dollars. I'd prefer that over $20 billion in foreign aid every year. And, just a few days ago, the Senate passed a bill that came out of my Appropriations Committee, appropriating $2 billion to revitalize the urban areas of this country, and earmarking monies for the needs of Los Angeles and Chicago. That was $2 billion in one bill. Just three years ago, I brought out a bill that added $3 billion for the war on drugs, for anti-drug enforcement, $3 billion. One bill. So what I am saying is here, you're trying to use one Senator, and I don't mean this in a pejorative sense, but that is the approach here. Use one Senator, one committee, one state, pick out a few little items that go into that state and leave the misimpression with the American people that that's what's wrong with government. That's what's creating the budget deficit. Now that's a cop-out.

STOSSEL. But isn't it wrong that you get so much more than other states? Is that fair?

Senator BYRD. I am not getting more than other states. There you go again. You just don't get it.

STOSSEL. The Transportation bill. Special projects.

Senator BYRD. Let's talk about the Transportation bill. That Transportation bill was dead in the water in the Senate until I came up with an amendment that found $8 billion to divide among the donor states and the other states in this country so that we can build up our transportation systems. All over this country. All over this country. So, it didn't just go to West Virginia. It benefits the infrastructure all over this country.

STOSSEL. But half the special projects money goes to your state. Half for the whole country, and half for your state?

Senator BYRD. Let me address that. When we build the Appalachian corridors, we are stimulating the economy. We are creating jobs.

STOSSEL. In West Virginia.

Senator BYRD. Don't interrupt me. You're not going to throw me off with interruptions.

STOSSEL. No, I'm not trying to throw you off.

Senator BYRD. Have me on for a half hour, and I'll blow you out of the water on this "pork barrel" stuff.

STOSSEL. O.K.

Senator BYRD. What we're talking about is infrastructure, and what benefits West Virginia when we build up its corridors, it stimulates the economy and takes people off welfare, and off food stamps, and off unemployment compensation, and puts them to work so that they can pay their taxes. When we build those corridors across the state, those corridors are not used just by West Virginians. They are used by you and by other Americans. And it improves the national security of this country, because we've got corridors across those mountain ridges so that commerce can move in time of peace and in time of war.

STOSSEL. That's great, but then why don't we spend $5 billion on Texas, and $10 billion on California, and $40 billion on Michigan. Where do we stop?

Senator BYRD. We have already spent $5 billion on Texas on the superconducting supercollider.

STOSSEL. But doesn't this hurt the country? Spending. You bring home some to West Virginia. He brings home some to Texas.

Senator BYRD. You know, I would think, that the national media could rise above the temptation of being clever, rise above the temptation to be cute. And that's exactly what a program like this is, a cutesy program. It devalues serious matters and tries to make the American people believe that somehow or other, what is wrong with government, what has gone wrong with the budget deficits, is this so-called "pork barrel" spending. That's a mistake. That's wrong. That's misleading the American people under the guise of serious reporting.

STOSSEL. I don't mean to take anything away from the seriousness of this, Senator. I think you are entirely right, and forgive me if I seem to be trying to be cute. I don't think we are. I . . .

Senator BYRD. I'm saying that the crepidarian critics who twaddleize—this is what you're doing right now.

STOSSEL. Twaddleize.

Senator BYRD. Twaddleize—trivializing serious matters—are misleading the American people.

STOSSEL. But this isn't trivial.

Senator BYRD. If you want a serious program, I'll help you with that.

STOSSEL. But this isn't trivial. This is a lot of money you're taking from me and my children to spend in West Virginia on roads that are not used by that many people.

Senator BYRD. You know what you are trying to do? You are trying to get me angry, but you are not going to be able to do it. I've been Chairman of this Committee 4 years, and I've given the budget serious thought and it's obvious that programs like this are not really familiar with the budget and the budget deficits. So, I say, get with it. Educate yourself about the budget deficits. I'll help you.

STOSSEL. Alright, well . . .

Senator BYRD. I'd like you to understand that only then can you make the American people understand. And we need you. We need the national media.

STOSSEL. Help educate me then. I don't understand why you wrote into the Fish and Wildlife Appropriations bill one project that will get more money for West Virginia than any state ever, and they didn't even ask for it.

Senator BYRD. We've already gone over that. I've already addressed it.

STOSSEL. Alright, I will move on. In special project money, without any public hearing, without any public debate, West Virginia gets $500 million, ten times more than any other state. That doesn't seem—fair. It seems like your bullying the other Senators, isn't fair for the country.

Senator BYRD. $500 million for what?

STOSSEL. For different—this is the category.

Senator BYRD. For infrastructure, highways, and so on.

STOSSEL. Do you often slip these things in?

Senator BYRD. Oh, no, they're not slipped in. Again, you are listening to the critics that twaddleize. These items go through the Appropriations process. They are passed on by the subcommittee, the full committee, by the Senate, and by the Conference with the House.

STOSSEL. But there is no public debate.

Senator BYRD. Oh! Not every item in the thousands of items in every Appropriations bill is debated on the Senate floor. But they all go through a screening process. The screening process consists not only of hearings concerning what you are echoing—the critics and the vacuous reasoning of the critics who don't understand the legislative process. Not only does the screening process consist of hearings, but it also consists of feasibility studies, agency needs assessments, audits. These projects go through a screening process. . . . (?)

STOSSEL. On their merit? The Congress wants all this money to go to West Virginia? It's not because you are powerful.

Senator BYRD. Congress wants this infrastructure to go to the country.

STOSSEL. But the Congress wants so much of it to go to your state?

Senator BYRD. The Congress wants it to go to the country.

STOSSEL. But the whole country doesn't get as much as you get.

Senator BYRD. Oh, that's a patent fallacy. The country is getting what I am getting. What I do for West Virginia, I do for the country. I am not short-changing the country. I'm building the country's infrastructure.

STOSSEL. And if every Senator built his state's infrastructure, where would we be?

Senator BYRD. We would be a lot better off than we are.

STOSSEL. We could afford it, and . . .

Senator BYRD. Instead of funding foreign aid, sending all that money overseas, why not spend it in this country? That's where it ought to be spent. The taxpayers of the country ought to be able to see their children get a good education. We ought to have the research that that foreign aid could buy.

STOSSEL. Even if we took all the money from foreign aid, it wouldn't pay per capita for all the bridges and wildlife centers you are building in your state. If every Senator did that, we'd be even more broke.

Senator BYRD. What about all the infrastructure here in the District of Columbia? You don't hear me complaining about this. You've got 400,000 government jobs, right here in this metropolitan area. Some of them are in Maryland. Some are in the Virginia suburbs. Some are in the District of Columbia. Look at the museums, the parks, the bridges, the metro system—all of the good things that are built here within the beltway. Now that's fulfilling the national need, isn't it? But anything outside the beltway, what I hear you say is, anything outside the beltway is "pork." Why not let the taxpayers outside the beltway also enjoy the benefit of some of their dollars—education, research, better transportation, better communications and commercial lines—that's what I'm doing. And you can try as long as you please. That's what you're going to get from me because that's the fact, you see. You need to familiarize yourself with the budget and the budget deficit, and what caused it and what will help cut the deficit. I don't mean to be acutely personal but . . .

STOSSEL. That's O.K.

Senator BYRD. I believe in answering you straight.

STOSSEL. And the money spent in the beltway is well spent—all that money you talked about. You are happy with that?

Senator BYRD. I didn't complain about it.

STOSSEL. So we should do more of that. We should do it in West Vignia, Oregon . . .

Senator BYRD. We should do it where it is needed. Infrastructure. I'm telling you we've been disinvesting in the country's infrastructure for years.

STOSSEL. We should rebuild every road, every courthouse . . . how much can we afford?

Senator BYRD. And we're trying to play catch-up ball. We're not able to compete with other countries of the world because, one reason is, they invest a greater percentage of their gross national product in infrastructure. How do they do that—Japan, Germany, England, France, Italy, Canada? These countries invest a higher percentage of their gross national product in highways, in better communications, in education, and that's why their productivity is growing and ours is not keeping up. So, what I am trying to do is build up this infrastructure, make up for this disinvestment, this deficit in infrastructure, and enable our people to produce and to compete in global markets.

STOSSEL. Are you planning any other big projects?

Senator BYRD. It isn't a matter of planning big projects. It's a matter of staying on course—to continue to promote investment in this country's infrastructure.

STOSSEL. And if every Senator invested in his state the way you are doing, we could afford that?

Senator BYRD. I am saying that this country can afford to invest in its future—your children and my children. We are cheating them when we don't invest in their future. That's what I am trying to do.

STOSSEL. But how do my children benefit from you putting a new courthouse in Beckley? Beckley's not a boom town. They don't need a new courthouse.

Senator BYRD. There are new courthouses going into Charleston and in Beckley. Take Charleston, for example. Sixty percent of the federal workforce is scattered around in various leased spaces. That's 360 out of 600 people. A new federal courthouse will put these people in one location and give them more space in which to work, so that they can be more efficient. And it will also enable the federal courts and their workforce to operate more efficiently. Within five years, the federal courts in Charleston are going to outgrow themselves. So this is a savings for the taxpayers. It promotes efficiency, and it's for better public service.

STOSSEL. And in Beckley, too.

Senator BYRD. And in Beckley, there again, that will help to bring about consolidation of the federal workforce that is scattered around. It will enable the federal courts to better do their jobs, and it will also accommodate a new research and test center for the Internal Revenue Service, which will promote efficiency in the gathering of revenues. That's going to help. That's going to help you. That is going to promote efficiency and save tax dollars, and all the while, it will also build the economy of an area that has been hard hit.

STOSSEL. Well, clearly, you can justify every penny that gets spent in West Virginia. And it is not thrown in the ground, it's spent for infrastructure and real projects. But still, no limit? Are you not at all embarrassed about how much you got compared to the rest of the country?

Senator BYRD. Are you embarrassed, when you think you're working for the good of the country? Does that embarrass you?

STOSSEL. No.

Senator BYRD. I am not embarrassed either, when I work for the good of the country, when I promote what I see is a deficiency out there—our highways, our bridges falling down, our students not getting the education that they need, our falling backwards in research. And I feel that I need to do something for the country and for my state. Sure, my state is going to benefit, but the country is going to benefit.

STOSSEL. From a courthouse in Beckley?

Senator BYRD. Am I embarrassed by that? No, I am not embarrassed by that.

STOSSEL. Well, I thank you very much. You have answered these questions very directly.

Do you have another few minutes?

Senator Smith says, "As far as these special project monies, the stuff is just put in. The staff says, 'Hey, we need some money for an FBI Fingerprinting Center. Let's put it in there. No one is going to challenge Senator Byrd.' "

Senator BYRD. I have not heard Senator Smith say that. If I hear him say that, I will challenge him. The monies for the FBI facility are monies for better law enforcement. Law enforcement is not "pork barrel" spending. What this amounts to is a national fingerprint identification data base, the first of its kind, and it will be able to serve the law enforcement community all over the country. What we are talking about is, saving time in running down criminals, saving costs, and saving lives.

STOSSEL. Can't you run down those criminals from Pennsylvania? Why West Virginia?

Senator BYRD. I have answered your question.

STOSSEL. The process. Your critics say you and some other powerful people in Congress sneak in these special projects. They don't go through the full process. You put them in at the end in conference.

Senator BYRD. The critics, like the national media, don't understand the process, and they are trying to be clever with the process. They are trying to promote the idea that it is this amorphous entity, glibly called "pork barrel" spending, that is dragging the country down, creating the big budget deficits. They say these projects are not authorized. Is that what you are saying?

STOSSEL. Yes. I mean they pass, so they are authorized.

Senator BYRD. There is no general prohibition against making appropriations for a project or a program in the absence of an authorization. No general prohibition in the Senate Rules or in the precedents.

STOSSEL. Is it wrong? Shouldn't we debate these things?

Senator BYRD. The Constitution does not speak of authorization. It says that no money shall be drawn from the Treasury but in consequence of appropriations made by law. So, these are authorized when the Appropriations Committee moves an item. When a committee having legislative jurisdiction moves an item, that constitutes authorization. If we are going to talk about authorization, just to show you how frivolous such arguments are—in this fiscal year 1992, appropriations have been made to keep the government running, and many of the agencies for which appropriations have been made have not received an authorization—the FBI, the Federal Trade Commission, the Securities and Exchange Commission, the Federal Communications Commission, the Office of Management and Budget—Mr. Darman's office—the Immigration and Naturalization Service. These are all in there. And yet, we have to appropriate money for them to keep the government running. So what those people who want to quibble and use words such as "authorization," they need to take a course in the legislative process. (?) They are not familiar with it? And the national media are not familiar with it, after sitting up there in that gallery all these years, they don't learn anything about the appropriations process.

STOSSEL. Oh, I think we know it's legal, but is it right?

Senator BYRD. It's not a matter of its being legal. It's the appropriation process. What gave the Senate the authority to make its own rules? The Constitution of the United States. As I've said, these items are not without a screening process. These very Senators, one of whose names you used, have the opportunity to stand on the Floor and offer amendments to take out anything they want to try to take out, on any bill that comes to the Floor of the Senate.

STOSSEL. They lose it. They try to kill it.

Senator BYRD. They don't try. Lose? If at first you don't succeed—that process goes on in the Appropriations Committee, in the Senate. You can go to the Conference with the House and bring back the Conference reports, and, again, on the Conference reports, any Senator can offer amendments if there are amendments in disagreement between the two Houses. Any Senator can offer amendments to take out anything he wants.

STOSSEL. Will he succeed?

Senator BYRD. Well, he has to try. He won't know until he tries.

STOSSEL. Rumor has it you keep a list of those opposing you, an enemies list, in your wallet. Is that true?

Senator BYRD. That's one of the myths in this grand canopy of Senatorial mythology that is absolutely baseless. I've been around here long enough to know that a Senator whose vote I don't get today on something that's as important as a $3 billion drug enforcement package that I put into one of the appropriations bills, the $2 billion urban renewal projects that I put in earmarked for Los Angeles and Chicago—I have been around long enough to know that the Senator who doesn't vote for me today may be the Senator who, tomorrow, will vote for something else that will be important for the nation. So, there is no place around here for a list of members who vote against me today. And I would be a small Senator and I would be a small mind, a small statesman to attempt to guide my ship (?) while looking back over my shoulder and counting votes that I missed.

STOSSEL. Do you want to say anything about the Executive "pork" that you wisely chopped.

Senator BYRD. No, I've said enough on that.

STOSSEL. O.K. and then, my last question, again, about—what's good for West Virginia is good for the country? Isn't this kind of like stealing from the public to give it to your friends.

Senator BYRD. If I were to let my natural instincts go, I'd be very much angry about such a statement. You know why? I represent a noble people. They've been isolated. They've been castigated. They've been made fun of, and they've suffered in recessions. They pay their taxes. They sent their boys and girls to the Persian Gulf, to other wars—they're patriotic—you're not going to deflect me from my course. Let me finish. Then to imply that this is stealing.

STOSSEL. Taking my money, and giving it to them.

Senator BYRD. To imply that this is stealing is trashing the great people of West Virginia. (?) I am going to meet you on your own territory, and I am going to battle you as long as you want to fight over these vacuous implications that have been drawn from what is called "pork barrel" spending.

STOSSEL. I think you mis-hear my question then because I don't blame the people of West Virginia. I am sure they're very needy, and they would like this money. But you're taking public money, my tax money, and giving it to your friends. That doesn't seem fair.

Senator BYRD. You've said that about twenty times, and I've answered it about twenty times. When you and "60 Minutes" are ready to seriously examine the federal budget and the deficit, and what is needed to bring the deficit under control, I'll be ready and happy to contribute to that program by being on it, using charts and information, because that would be a real service to the country.

STOSSEL. That would be. And I hope we have 60 minutes to do that. I hope we spend more time on budgets and less time on—sex. Thank you for answering these, I'm trying to think of your word, for the questions. But, thank you.

TRIBUTE TO FORMER SOUTH CAROLINA STATE SENATOR REMBERT C. DENNIS

Mr. THURMOND. Mr. President, I rise today to pay tribute to the memory of a good friend and distinguished son of South Carolina, State Senator

Rembert C. Dennis of Berkeley County, who passed away on June 20, 1992. Rembert Dennis was a man of integrity, ability, and dedication, who devoted his life to helping others. He will be sorely missed by those he served so ably.

Senator Dennis, who was a third generation State senator, was a force to be reckoned with in South Carolina politics for 50 years. I had the pleasure of working with him on many occasions when I was Governor and in the years afterward, and I was always impressed by his keen intelligence and common sense, as well as his determination to do the right thing.

A graduate of Furman College and the University of South Carolina Law School, Senator Dennis served in the South Carolina House of Representatives for 5 years before moving to the State Senate in 1944. That was also the year he married the lovely Natalie Brown of McCormick, whose family I knew well.

Senator Dennis steadily rose in the leadership of the senate, eventually serving as chairman of the senate finance committee and president pro tempore. In his position as finance chairman, he sat on the State budget and control board, and his wise adherence to conservative fiscal policies was a great asset to our growing State.

In addition to his many other good qualities, Senator Dennis had an unusually fine personality. He truly had the common touch, and his warm manner and well-developed sense of humor made him as popular as he was respected. He was never too busy to give advice to a junior colleague or help someone with a problem, and his sincere interest in others endeared him to his friends and constituents alike. It was easy to see how he could be reelected time and again.

Although others saw him as a very powerful man, he viewed his power as an increased responsibility to do well by the people of his district and the State. When his health forced him to retire in 1988, he apologized for no longer being able to serve. He said he considered himself lucky to have been able to work for South Carolina for so many years.

Mr. President, Rembert Dennis was a true southern gentleman, a devoted husband and father, and a man of vision. His brilliant mind, compassion, and wit will be sorely missed by a wide circle of friends and admirers, including this Senator. We were lucky to have him.

I would like to take this opportunity to extend my deepest condolences to his lovely wife, Natalie Brown Dennis; his daughters, Dorn Dennis Jordan and Beatrice Markley Dennis; his sons, Rembert C. Dennis, Jr., E.J. Dennis, and Luke Tindal Dennis; and the rest of his fine family.

I ask unanimous consent that editorials from the State newspaper and the Charleston Post & Courier be included in the RECORD following my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the State, June 24, 1992]

TAPS FOR THE OLD GUARD

The death of Rembert Coney Dennis at the age of 76 memorializes an era when rural legislators dominated the affairs of South Carolina with benevolence and, often as not, enlightenment.

When he retired from the Senate in 1988, the S.C. General Assembly lost its last link with a legislative era that had lasted more than a half century. The broad-shouldered, ruddy-faced Berkeley Democrat served his state and community ably as a voice of reason and fiscal conservatism.

Mr. Dennis served in the Legislature through the administrations of 15 governors, beginning with the late Burnet R. Maybank. But his mentor was the late legendary "Bishop of Barnwell," Sen. Edgar A. Brown, who made the young senator his right-hand man on the powerful Senate Finance Committee. Mr. Dennis learned well, and in Mr. Brown's years of failing health, eased into the control seat for important legislation.

When Senator Brown retired in 1972, Senator Dennis became chairman of the Finance Committee and, as such, earned a seat on the five-member State Budget and Control Board.

Senator Dennis attracted his share of brickbats from the media and fellow legislators for what were perceived as abuses of prerogatives as a state high-ranking official. Those cavils aside, his legacy is one of which he was rightly proud. In a September 1987 interview at his home, where he was recovering from surgery, he cited his role in maintaining a stable, conservative fiscal policy, sponsorship of legislation creating the farm-to-market road system and providing state surplus funds for local schools.

His firm support was hugely instrumental in passage of the Education Improvement and Educational Finance acts.

At times hot-tempered, Senator Dennis was, for the most part, courtly and quiet-spoken with an occasional flair for humor and self-deprecation. Still hurting from a second traffic accident, he returned to the Senate in 1986, and remarked ruefully:

"This old warhorse is not ready for pasture. I don't know how much I can gallop, but I'm going to at least trot along."

Two years later, Rembert Dennis retired to deserved pasture in the Low-country to reflect on a baronial career filled with striking achievement.

[From the Charleston Post & Courier, June 23, 1992]

DENNIS' DEATH "END OF ERA"

This state has had a handful of legislators who have wielded more power than most governors. Rembert Coney Dennis, the man who for so long was known as the senator from Berkeley, was one of them. Indeed, he was the last of them.

When the young lawyer from Moncks Corner first went to the Legislature in 1939, each of the 46 counties had one senator, regardless of its size. In those days, county government was weak and run by the local Legislative Delegation. At that point, the senator and House members were elected countywide.

But with rare exception it was the senator who was the dominant political figure in his county, particularly in the rural areas that some said resembled baronies. No local legislation passed nor any key appointment was made without the senator's blessing. The goal was to become virtually unbeatable in one's county in order to build up seniority in the Statehouse, and rural senators generally were more successful at that than their urban counterparts.

Rembert Dennis knew very well how the system worked before he entered the Statehouse. His father and grandfather had been in the Senate before him. It's been noted that had his father not been shot on Moncks Corner's Main Street and had an elder brother not died a year later, young Rembert might have become a doctor rather than a lawyer-legislator. But it's hard to imagine that anything would have suited him better.

Within five years of being elected to the House, he was occupying his father's old seat in the Senate. And he learned well from such masters as the senator from Marion, L. Marion Gressette, the long-time chairman of the Judiciary Committee; and Barnwell's legendary powerhouses, House Speaker Solomon Blatt and President Pro Tempore of the Senate Edgar Brown.

For 50 years, Sen. Dennis traveled from Moncks Corner to Columbia, working his way up to become chairman of the powerful Senate Finance Committee and the acknowledged budget expert. In those days governors couldn't succeed themselves. If they were to be at all successful, they had to have the cooperation of a few key, veteran legislators. Many factors have diffused that power in recent years, including changes in the method of election.

While Sen. Dennis knew how to keep the voters back home happy, he was never considered parochial in his vision. For decades he was a key figure in helping the state attract new investment and maintain its fiscal integrity. And he was there, helping lead the way for educational reform.

Over the years, he touched the lives of thousands of South Carolinians and mourners from all walks of life crowded the First Baptist Church of Moncks Corner for his funeral Monday. The politicians were there too, from the courthouse to the Statehouse. They included seven men who have been governor over the past 38 years.

Republican Gov. Carroll A. Campbell, Jr., told of the kindness of the veteran Democratic legislator when the governor was a freshman House member. Former Gov. Robert E. McNair talked of Sen. Dennis ability to bring people together and find ways "to reach agreement in a civilized, dignified and gentlemanly manner," and how his death on Saturday at the age of 76 truly is the "end of an era."

Gentlemanly, he was. And strong. He proved that by the way he faced adversity late in his life, including two automobile accidents from which he never fully recovered, and a devastating fire at his historic plantation home, which he lived to see rebuilt. Finally, however, the trips to Columbia got to be too much. He bowed out gracefully in 1988, but those who knew him also knew how hard it was for him to leave public life.

Mr. McNair closed his remarks Monday with these words of the senator himself, spoken when a portrait was hung in the Senate chamber several years ago:

"When generations of senators years from now look at this portrait and school children ask who it is, I hope someone will answer for me that no one loved this senate more or enjoyed serving his state more than did Rembert Dennis. And I hope they will say that it is a picture of a man who considered himself to be the luckiest of people, to have had family, friends and colleagues who made his life a constantly elevating experience."

As the former governor noted, this state was lucky too.

FARM POPULATION DECLINE

Mr. DASCHLE. Mr. President, South Dakota passed a milestone in the last census. For the first time in our history, we had a city that passed the 100,000 population mark. Looking at this development alone, one might take it as a sign of progress, or prosperity. Undoubtedly it is, for the town that grew, but the scene takes on a different character when we broaden our focus to the entire State.

The same census that confirmed we had a thriving city with a population in six digits in our State, also told us that only 14 counties out of 66 experienced an increase in population in the decade of the 1980's. Other counties all across the State lost up to 20 percent or more of their populations—an out migration of one in every five inhabitants for some counties in the 1980's alone. When we look at the farm population alone, the picture becomes even worse. South Dakota lost 32 percent of its farm population in the 1980's.

South Dakota is not the only State to experience such movements. A few weeks ago a rural census report was released by the Department of Commerce that tells us the same thing is happening in rural areas all around the country. In the past 20 years there has been a 50-percent decline in the farm population, from over 8 million in 1970 to 4.5 million in 1990. In 1970 there were 3 million farms. In 1980 there 2.4 million. In 1990 there were 2.1 million, representing a decline of 33 percent in the number of farms in the same 20-year period that farm population declined by 50 percent.

People are being bled from the land as if we were experiencing an Irish potato famine, but the irony is that the American farmer, the foundation of the rural economy, is still the most efficient producer in the world, and one of the most efficient segments of our economy. Yet, how do we reward efficiency? We reward it with neglect and slow economic strangulation.

When the rural census report came out a few weeks ago, it didn't go unnoticed. Large urban papers like the Washington Post and New York Times reported the grim numbers and echoed the official rationale for the decline that was given in the census report. Their bottom line is that the trend is inevitable. Technological advances have made production more efficient, so fewer farmers are needed. The lesson is simple: either get big or get out.

The inevitability of continued growth in farm size is the assumption under which many in this administration and Congress are operating. But, whenever one sees large numbers of people accepting the same assumption—no questions asked—one should start to get very nervous. Now, more than ever, the general assumptions about the future of agriculture in this country must be challenged if we are to avoid disaster. It is time for questions to be asked.

Why has this country been operating under the "bigger is inevitable" assumption for decades? Why have we been slowly cutting down the number of farmers like we were wringing out a cloth? Why do we allow more and more of what are described as small, "inefficient" farmers to be squeezed out year after year? We keep twisting and turning, but there has to come a point where there is nothing left to give, where if we keep on wringing, we'll tear the cloth, the social and economic fabric. When will we decide "enough is enough"?

There are those who say it is merely size which dictates survivability in agriculture. Yet, size is not an indicator of efficiency. If it was, we would expect to see small businesses of all kinds in decline. But in the same 20-year time period that farm population dropped 50 percent, the number of small businesses in the country experienced a steady rise. According to IRS tax return records, there were 990,000 partnerships in the United States in 1970. Today there are over 1.7 million. In 1970, there were 9 million sole proprietors, now there are nearly 17 million. In 1970, there were 248,000 businesses classified as small proprietors. Today, there are almost 1.7 million. If small businesses are efficient enough to prosper, there is no reason to think that small farms are not efficient as well.

By taking more farmers off the land, more and more land is put in the hands of a few owners. Fewer people are taking care of more acres. This raises questions as to whether there are sufficient numbers of people on the land to ensure adequate stewardship of the soil. The need to work more and more acres in a limited amount of time forces producers to employ production practices that may not be in the best long-term interest of the land.

In Europe, small farms are the norm. The average farm size is one-tenth the size of the average farm in the United States. The EC, unlike the United States, recognizes the importance of a strong, vibrant rural population. In the period from 1980 to 1987, the rate of decline in farm numbers was 25 percent higher for the United States than for the EC–10. We do not necessarily need to spend as much on farm programs as the Europeans, but we do need to adopt the philosophy that farm numbers are important.

The problem with our system for many years has been that it has stacked the odds against small and beginning producers. Crop programs that are supposed to help farmers survive are not designed to target income support to the producers that need it most—small and beginning farmers. Without enhanced support mechanisms for these types of farmers, it is nearly impossible for new farmers to get started and become established. Congress is currently discussing ways to target more assistance to small and beginning producers by making credit more readily available, but, without a fair income level, it is very hard to pay back loans.

Twelve years of Reagan/Bush policies have accelerated the decline in farm numbers. The central feature of their farm policy has been to continually lower farm prices in a country that already has the lowest cost food supply in the world. Instead, farm policy needs to be returned to its former focus which was to balance supply and demand, lessen the shock of fluctuating market prices, stimulate market prices, encourage soil stewardship, and offer reasonable credit terms for family farms.

The administration's vision of the countryside is one dominated by massive, corporate farms. The farm family that lives on its land and cares for it from day to day has no place in this vision. Administration policies that favor corporate farming over family farming have helped push the average age of U.S. farmers up to 52, while the number of young people entering farming has been cut in half. Farm equity values have contracted by a quarter of a trillion dollars. Declining farm income has forced over half of the farm families to seek off-farm income in order to stay afloat. Strained incomes are leaving more and more farmers without the economic ability to afford health insurance. Ironically, and tragically, farm families are finding themselves forced to turn to the Government for food stamps.

Low prices that drive farmers out of business may help consumers for a while, but is not a phenomenon that can go on forever. A point will eventually be reached where food production is concentrated in the hands of a small number of producers. These massive producers will not be satisfied with starvation wages forever. They will demand higher prices, and the consumer will ultimately pay the price.

The United States is a country built on the ideal of individuality. In the early days of our country, Thomas Jefferson recognized the farmer/countryman as the embodiment of the spirit of the individual, the foundation of the country. Two hundred years later, we find that this same person is being forced out of his place in our society. The individual men and women who care for the land are now assumed by the administration and others to be irrelevant, expendable anachronisms.

When I go back to South Dakota, I hear the same plea over and over again, "Why can't we apply the same principles today that made this country the pre-eminent agricultural producer in the 1940's, 1950's, and 1960's?" They find it hard to believe that in a nation that enjoys the cheapest food supply in the world, at the expense of their hard labor, they no longer matter. Just like the soldiers who have made us the greatest military power in the history of the world, it seems that now that they have accomplished their purpose, they are expendable.

Mr. President, there is no justification for the number of farmers in the country to be slipping into obscurity except for the fact that farmers are slowly losing their representation in Congress, and therefore their political clout.

Farmers may disappear, but rural problems do not. And, as rural problems increase, urban problems increase. The greater the exodus from rural America, the greater the concentration in urban America. The more unstable our food supply, the more unstable our food prices. The more our largest industry is shaken, the more the entire economy feels it.

The loss in rural America, in short, is a real loss for all America. It is time we adopt policies that recognize that fact.

I ask unanimous consent that articles from the Washington Post and the New York Times be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 10, 1992]

FARM POPULATION DOWN 50 PERCENT IN LAST 20 YEARS—MANY OF THOSE WHO REMAIN RELY ON SECOND JOBS FOR ADEQUATE INCOME, DATA SHOW

(By Barbara Vobejda)

The number of Americans living on farms has been cut in half over the last 20 years, the federal government reported yesterday, and an increasing number of those who remain have taken jobs off the farm to make ends meet.

Altogether, the statistics released yesterday provide further evidence of the dramatic changes that have swept across rural America as technology and economics have improved productivity and pushed down the number of farmers and small farms.

"It's basically a response to technological change," said Calvin Beale, a demographer at the Agriculture Department. Mechanization and the use of more chemicals, better seeds and improved farming techniques mean that today, "there is simply no need for all the people we had in farming," he said.

The report, issued by the Census Bureau and the Agriculture Department, makes clear the extent to which the national landscape has changed: From 1820 to 1870, more than half of all workers were in farm-related jobs, while the figure was just under 3 percent in 1990.

The number of farm residents in 1910, at 32 million, was more than seven times the 1990 figure of about 4.5 million.

Despite the popular notion of farm families working their land, today only about a third of persons employed in farming live on farms.

Even those who live on their land are increasingly likely to work in occupations other than farming. That is especially true of female farm residents, many of whom have taken jobs in the service sector.

While much of this outside employment has been an effort to bolster the family budget, experts point out that the trend also mirrors increasing employment among urban women and that many farm women are pursuing careers as teachers, nurses and other professionals.

In the past, said Glenn Fuguitt, a rural sociologist at the University of Wisconsin, "part-time farming was viewed as a kind of an aberration." Today, he said, "it's clear it's a way of life for more and more people."

The result of this increasing off-the-farm work has been to help drive up the income of farm families and close the gap between farm and nonfarm income, said Laarni Dacquel, one of the authors of the report. The median income of farm households rose over 19 percent from 1987 to 1989, the report said, reaching $28,824 and matching the figure for nonfarm households.

The most dramatic decline in farm population has taken place in the South since 1950, driven in part by the large-scale migration to the North of blacks, many of whom left small farms.

While the economics of farming has been a major factor in the decline in farm residents, a second trend has also been important, according to experts: falling fertility among farm families has reduced the number of potential heirs to the farm.

And of those who might be interested in taking over the family farm, "there are fewer and fewer who feel they can take the risk," said Beale.

He said the jarring farm crisis of the early 1980s provided dramatic evidence of the financial risk of following in parents' footsteps.

At the same time, the proportion of U.S. land employed in farming has not fallen so precipitously. In 1880, when the nation was much smaller, about 28 percent of its land was in farms. That figure grew to 50 percent in 1920, then to 57 percent in 1970, according to Dacquel. By 1990, the number was down to 51 percent.

In large part, that reflects the consolidation of farms necessitated by more expensive methods and equipment. Much of the same land that was farmed in smaller tracts for decades is now part of a large and disconnected tract:

"It's still the family farm, it's just 10,000 acres, and you may have four abandoned farmhouses on it," said Donald C. Dahmann, a geographer at the Census Bureau and coauthor of the report.

[From the New York Times]

A QUIET EXODUS BY THE YOUNG LEAVES THE FUTURE OF FAMILY FARMS IN DOUBT

(By Dirk Johnson)

WALNUT, IA.—For three generations, the lessons of farming have been passed down in the fields here on Rural Route 1, where the Rogers family has planted corn every spring for nearly 100 years.

"I remember when horses plowed the fields," Orris Rogers said. "And my father and I would pick corn by hand."

But as Mr. Rogers, now 67 years old, prepares to retire, the family tradition is ending. His children, like a growing number of other young people from the farms have followed careers far from the cornfields.

A QUIETER EXODUS

Unlike the forced sales of the 1980's, which led to benefit concerts and movies about the farmer's plight, the situation of the Rogers family is evidence of a quieter exodus from the land. The farmers who are selling land today are often making a handsome profit. But all the same, the movement is hastening the decline in the number of family farms and casting an ominous shadow on the little towns built around them.

Since 1980 the number of farmers under the age of 25 has dropped by half, while the number of those over 65 has held steady, a circumstance that could leave tens of thousands of farms in the next decade without anyone in the family to tend the fields. When a small farm comes to the end of the family line, the land almost always goes to a powerful line of machinery who can work an extra few hundred acres with efficiency.

Even the Future Farmers of America has fewer future farmers. The organization for high school and college students has seen its membership shrink more than 20 percent since 1980, and just 25 percent of its members say they plan to go into farming, as against 41 percent a decade ago. About half plan to work in jobs that relate to farming, but 27 percent say they will leave agriculture altogether, up from 5 percent in 1980.

TRANSFORMATION IN FARMING

In most cases, the link between generations is being broken by an economic transformation in American agriculture that makes it impossible for the average grain farm of 400 acres or so to support more than one family or generation at a time. So, with parents still working the fields, the heirs must leave the farm after high school or college. Years later, when the time comes for the parents to retire, their children have settled lives elsewhere.

Even for those who want to return to the fields, the move toward bigger and bigger farms often poses another insurmountable hurdle. A beginning farmer often needs to invest $200,000 in start-up costs like equipment and leases.

Even on farms with room for one more generation, the experience of the calamitous 1980's, when foreclosures hit farm country like hailstones, has soured many young people on a way of life that offers so little security in return for so much hard work.

Some of them don't want to experience what they grew up with," said Eddie Smith, the Oklahoma director of agriculture education. "In other cases, the parents are telling the kids not to come back to the farm."

NOW, A BIG BUSINESS

Mr. Rogers and his wife, Patricia, own 350 acres of corn and soybean fields along nameless gravel roads at the edge of Pottawattamie County here in southwestern Iowa. Hogs were a mainstay of the family operation for many years, but they were sold when Mr. Rogers turned 65.

Their son, Scott, 39, and daughter, Connie Schaberg, 44, left Iowa long ago. Their grandsons, who are in their early 20's, have lived in many places, but never on a farm. So the tending of these fields will pass from the family.

"Farming isn't a way of life anymore, but a big business," Mr. Rogers said recently as he pulled on his boots, overalls and cap adorned with a seed company logo before firing up the corn planting machine. "You're kidding yourself if you try to think otherwise. And you're probably going to go down the tube."

THE FAMILY—RIDING TRACTORS, GAZING AT AIRPLANES

As a boy, Scott Rogers reveled in the world of "mischievous freedom" on the family's farm, where the yearnings of a larcenous young heart could be satisfied by snatching a few watermelons from a neighbor's patch.

"Or turning on somebody's lawn sprinkler, ringing the door bell and then running like heck," Mr. Rogers said, recalling youthful days of daring.

His older sister, Connie, who could drive a pickup before she was 9, was a natural in the fields. As a teen-ager, she was often hired for chores by neighboring farmers. In a later generation, she might have become a farmer herself. But in the 1960's, girls were not allowed to join Future Farmers of America or raise livestock with the boys in 4-H. Connie thought these rules were worse than silly. "I didn't think it was fair," said Connie, a saleswoman in Tulsa, Okla. "But I accepted the rules" and never thought of becoming a farmer.

CULTIVATING OTHER DREAMS

Scott, a star athlete who was offered a college scholarship to play football, also kept busy with chores on the farm. But as he neared graduation from high school, he knew the farm wasn't big enough to support another farmer. He cultivated other dreams.

"I'd be sitting on a tractor in the middle of a field, and I'd look up in the sky and watch the planes that were flying by," he said. "I would daydream about who was flying them, where they were going. I fell in love with airplanes."

Scott now works in management for United Air Lines in Denver. But there have been many times when he has thought about moving back to the Iowa fields.

In fact, he was working for Frontier Airlines when it went bankrupt in 1986, and he talked to his father about returning to the farm.

"But Dad discouraged the idea," he said. The father talked about the greater risks in today's farming, and reminded his son, "You've been away from farming for a long time."

The fate of the farm is not an easy subject for the son or daughter. As the family gathered in Iowa this Easter, the parents spoke about the possibility of selling the land and the farmhouse.

"Scott couldn't even talk about such a thing," said his mother.

Although he works in Denver, Scott lives about 35 miles south of the city, on a two-and-half-acre plot, so he can be closer to the countryside. And he keeps a small tractor, much to the amusement of his neighbors.

"I'm the most relaxed when I'm sitting on the tractor," he said. But his reverie has changed from those days in the cornfield. Nowadays he daydreams about the farm.

"Its our roots," he said. "It's been in the family for generations. It's the place I want to go home to."

THE BUSINESS—A CLEAR MESSAGE: GET BIG OR GET OUT

In a market sense, the nation simply does not need as many farmers as it once did.

Using sophisticated machinery and powerful chemicals, a farmer today can produce 120 bushels of corn an acre, twice the yield produced in 1960. For consumers, this increased efficiency has meant lower costs for food.

But it also means that when inflation is taken into account, a farmer makes less on his crop and needs to work twice as many acres to survive, which has driven the trend toward larger agricultural businesses, said Terry Franci, an economist with the American Farm Bureau in Park Ridge, Ill.

"When I was a kid in the early 60's in central Nebraska, a 350-acre farm was considered to be a pretty good size," he said. "But on a typical Midwestern crop farm today, you're going to need 600 to 700 acres to make enough money to sustain a family.

As a consequence, smaller farms become subsumed by bigger ones, a trend that shows no sign of abating. A 1990 report by the Congressional Budget Office predicted that "maintaining the 1988 level of average farm net income would require that nearly 500,000 farms leave the sector" in the next five years.

NO CHOICE BUT TO LEAVE

For farmers, the message is clear: get big or get out. And many young people from farm backgrounds have no choice but to leave the fields.

Mark Timm, a freshman at Purdue University who was the National Future Farmers of America president last year, will not be returning to the family's wheat and soybean farm in Indiana. Instead, he plans to work in an office job in an agricultural company.

"At this point, that's the most feasible thing for someone my age," he said. "To go back into production agriculture, you'd have to get some breaks along the line."

In an effort to stem the loss of smaller farms, the Iowa Agriculture Department has started to match beginning farmers with those who plan to retire. The Center for Rural Affairs, an advocacy group in Walthill, Neb., has a similar program. The efforts aim to produce agreements that will allow young people to take over farms without huge investments.

"A lot of farmers who have spent 30 or 40 years of their lives on a farm don't want to see it simply bulldozed and made into a part of a larger operation," said John Baker, a lawyer for Rural Concern, an Iowa organization that is helping state agriculture department in the project.

Mr. Baker said the trend toward larger farmers carries disturbing cultural and social ramifications in rural regions, as fewer and fewer people control vast land holdings.

The emergence of huge farms has also troubled environmentalists, who worry that those operations' heavy pesticide use and giant machinery are damaging the land.

"If you've traveled the farm country, you've seen those large fertilizer rigs moving across the field at 30 miles an hour," said Al Prosch, a former farmer who works for the Center for Rural Affairs. "No one can caretake at that rate of speed and do anything more than a marginal job."

And as one farmer replaces three, many of the small communities that depend on trade with farmers have shriveled. Some rural experts say that for every five or six farmers who leave the land, a business on Main Street closes its doors.

Iowa, for example, lost nearly 5 percent of its population during the 1980's, as the farm crisis hollowed many small towns.

"This raises concerns that go well beyond the farm gate," said Paul Lasley, a sociologist at Iowa State University. "It represents a change in the opportunity structure of America."

THE COMMUNITY—ONCE ALL FARMERS, NOW COMMUTERS

As he drives along the gravel road from his place, Orris Rogers passes five old farmhouses. None of the people who live in those homes are farmers.

The residents work in town, one even going across the border to Omaha. The crop land has gone to bigger farmers.

"We don't really even know the neighbors," he said. "If I broke my leg, nobody around here would even know about it."

Big-scale farming, he lamented, has changed more than just the size of the tractors.

Twenty-five years ago, when a nearby farmer, Bud Hamdorf, burst his appendix, Mr. Rogers and two other farmers fed the ailing man's cattle and milked the cows. They never expected any pay.

And when Mr. Rogers caught the mumps—"I was 45 years old, if you can believe it"—Wally Riech and Ross Bielfeldt rushed over to milk his cows.

Of course, those were the days when almost every farmer had some milking, cows, along with some pigs, chickens and maybe a few lambs. But in the age of specialization, the kinds of farms celebrated in the Old Macdonald song have virtually disappeared. These days, most crop farmers in the Midwest stick to corn and soybeans.

Mr. Rogers is chagrined by the changes in farming that can intimidate a beginner. "Not too many people can reach into their pockets and pull up $250,000, just to get going," he said.

He remembers another way. "Years ago, a hired farm hand could save enough to rent some acreage," he said. "And then his friends would lend him some machinery until he got going."

A few miles from the Rogerses' farm, a young man named Val Sothman has dreamed of little but becoming a full-time farmer.

"There's something about the love of the land, being your own boss," said Mr. Sothman, 35. "Even the risk of it all has a certain appeal."

But his family's rented farm in the area was not big enough to support another farmer. So Mr. Sothman went to vocational school and learned to fix farm equipment, and later took a job as a mechanic. On the side, he raised pigs and planted corn on a small plot.

He wanted to rent some more land, just enough to become a full-time farmer, but most land was renting for $100 an acre a year. "I've been standing on concrete for 17 years now,"he said, "and I wanted to be standing on the soil."

When a chunk of the Rogerses' land came up for rent, several bigger farmers hurried to make a bid. They would pay top dollar.

But Mr. Rogers though about the changes he has seen in his time: small farms being swallowed by bigger ones, machinery that costs more than a house, hard-working young people leaving the land for want of a chance.

He offered to rent the land to Mr. Sothman.

Starting this season, as he had dreamed for so long, Mr. Sothman has traded the concrete floors for the soil. "He didn't have to do this for me" Mr. Sothman said, explaining that Mr. Rogers had rented him the land at far below market value.

His wife, Susan, a teller at the First Whitney Bank in Atlantic, did not come from a farm family. She supports her husband in the quest for his dream, but she knows the dangers.

"I'm a little scared," she told him. "But I knew when I married you that you had farming running through your blood."

REMEMBERING JOE MINSKY

Mr. SIMON. Mr. President, I recently learned of the death of Joe Minsky, once heralded as the dean of the Immigration Bar in the city of Chicago. Joe Minsky was not only a dedicated advocate for his clients. He played a major role in far-reaching immigration related litigation and legislation for more than three decades.

When prominent lawyers come before the Senate Judiciary Committee seeking the Senate's confirmation of their appointments, one of the things I look for is how they have treated the common man. Joe Minsky was a model in that regard. Above and beyond the professional accomplishments in his law practice, Joe Minsky took the time to give guidance to young attorneys and was active in many of Chicago's diverse communities. In 1991, he received the Pro Bono Publico Award from the American Jewish Congress, Chicago Council.

Mr. President, another leading immigration attorney in Chicago, Peggy McCormick, recently wrote a tribute to Joe Minsky in the national newsletter of the American Immigration Lawyers Association. I ask unanimous consent that her tribute appear in the RECORD immediately following my remarks. All Chicago, and all whose lives he touched, will miss Joe Minsky.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REMEMBERING JOE MINKSY

(By Peggy McCormick)

Our friend and colleague Joe Minsky died on April 24, 1992, six weeks after he was diagnosed with cancer. To his friends in AILA, the loss is far reaching. Joe made a lasting impact on the law since his 1950 graduation from the University of Chicago. In *Matter of Caron*, the AAU recognized prominence in business as a basis for H-1. Joe's work in the Seventh Circuit case *Carvajal-Munoz* v. *INS*, paved the way for the Supreme Court's Cardoza-Fonseca decision liberalizing the standard used in the definition of refugee. In *Garcia* v. *Illinois Department of Registration*, the Illinois Appellate Court granted a foreign trained dentist the right to take the Illinois Dental Examination.

When one of our clients was denied a visa at the U.S. Consulate in Honduras, Joe insisted that the firm take the case to court pro bono, resulting in *Garcia* v. *Baker*, a recent challenge to the doctrine of consular absolutism. Joe is credited with the original idea that led to the famous *Silva* v. *Levi* case. That case challenged the State Department's authority to allocate Western Hemisphere visa numbers to Cuban refugees during the 1970s. Joe conceived the theory that supported a series of individual cases brought by Minsky & Feiertag, culminating in the Silva class action brought by Legal Assistance Foundation and resulting in the recapture of 144,000 Western Hemisphere visa numbers.

Beyond his contributions to immigration law, Joe was a champion for civil rights throughout his career. In the 1960s, he played a key role in establishing the Illinois Fair Employment Practices Act and for many years was Hearing Officer for the Chicago Commission on Human Relations. He litigated *Caro* v. *Shultz*, a Seventh Circuit case establishing the right of federal employees to a trial de novo on employment discrimination complaints and adopted by the Supreme Court in a related case.

Joe was a leader in his profession. Past AILA chapter chair, he also chaired several sections of the Chicago Bar and the Illinois State Bar Associations. He chaired the first annual ALI-ABA conference and was a regular contributing author to the Illinois Institute of Continuing Legal Education. Deeply committed to Jewish groups, he was President of the American Jewish Congress, Chicago Council, and on its Steering Committee for many years receiving the 1991 Pro Bono Publico Award. A long-standing board member for the Bureau of Jewish Employment Problems of the Jewish Federation, he was active in the Decalogue Society and the Chicago Jewish Historical Society. After his first wife died four years ago, Joe established the Doris Minsky Memorial Fund which published an historical booklet on Jewish culture in Chicago.

Joe's life was a legion of accomplishments. But most importantly, Joe was a person of profound integrity with a vast reservoir of empathy. He was resilient, optimistic, a person of keen intellect, yet efficient and pragmatic, with a sense of humor. He was youthful and unthreatened by youth, a friend to many young lawyers. He loved people and appreciated their differences, which brought him into the civil rights movement and the immigration field. Joe was at once practical and visionary. He knew when to fight and when to compromise. He was an idea man yet an excellent listener, able to assimilate other ideas easily into his perspective. He had strong opinions but was never stubborn or domineering. He was, in short, a joy to work with.

But he was not consumed by work; he enjoyed the finest things in life. An avid reader and a music lover, he always seemed to have a symphony, play, opera or lecture to attend. He loved to travel and he traveled often. He treasured his family. Joe and Doris had two sons and two grandchildren. After Doris died, Joe met Claire Ross, whom he married a year and a half ago. He became father and grandfather to four more families, all of whom he frequently visited with Claire. Joe was so happy with Claire; they had many plans. I admire Claire for her courage and for the unflinching support she gave Joe through this terrible ordeal. Joe, accustomed to having people rely upon him throughout his life, was blessed with Claire to rely upon in his time of need. It was easy to rely on Joe and our firm certainly did. As each day passes we learn of still another thing we miss because he is not with us. It was a wonderful privilege to have worked so closely with Joe, one which I will never forget.

COMMITTEE APPROVAL OF THE START TREATY

Mr. PELL. Mr. President, it is with a sense of profound pleasure that I am able to report to you that the Committee on Foreign Relations this morning approved unanimously, in a 17-0 vote, the Strategic Arms Limitation Treaty, signed last July. This is the first strategic offensive arms control agreement to be approved by the committee since SALT II was voted out by a divided committee in 1979.

The committee approved a resolution of ratification that includes eight conditions and five declarations dealing with important issues relating to the treaty. In addition to myself, voting in the affirmative were Senators BIDEN, SARBANES, CRANSTON, DODD, KERRY, SIMON, MOYNIHAN, ROBB, WOFFORD, LUGAR, KASSEBAUM, PRESSLER, MURKOWSKI, MCCONNELL, BROWN, and JEFFORDS.

In 1963, President John Kennedy seized upon the possible and negotiated the first nuclear limitation accord. The agreement the Committee on Foreign Relations approved this morning—the START Treaty—took 9 tough years of negotiation between the world's two superpowers.

These two agreements and the ones that have been achieved since 1963—such as the Non-Proliferation Treaty of 1968, the SALT I Interim and Anti-Ballistic Missile Treaty of 1972, the SALT II Treaty of 1979, the Intermediate-Range Nuclear Forces Treaty of 1987—are all part of a continuum of arms control that reached a crescendo with START.

The START Treaty sets limits upon land-based and submarine-based strategic ballistic missiles, heavy bombers, and the warheads deployed in those forces. Warheads on ballistic missiles based on land and on submarines are counted at their full values, and their total is limited to 4,900 for each side. The remaining accountable warheads are to be deployed on heavy bombers, but the actual totals of bombs and cruise missiles on bombers will be undercounted.

Under the START counting rules, a total of 6,000 accountable warheads are allowed. In practice, START would reduce the U.S. from its declared total of about 12,000 warheads to about 8,500 warheads under START. The former Soviets would reduce from a declared total of about 11,000 warheads to perhaps 6,500 warheads under START. These reductions would take place over a 7-year destruction period.

The prospective deMIRVing treaty, to be based upon the joint understanding achieved at the recent summit, would reduce these initial totals by another 30 to 40 percent, to a range of about 3,000 to 3,500 warheads in about the year 2003, or earlier, if we help the former Soviets in some of their destruction tasks.

START creates a verification regime which will add certainty in a time of uncertainty in the former Soviet Union. The START verification regime consists of 12 different types of on-site inspections, some 100 different kinds of data notifications, perimeter and portal continuous monitoring at mobile missile assembly facilities, cooperative measures to assist our national technical means to verify arms control treaties, and the right to ask for special access visits to undeclared facilities. The over-lapping procedures are designed to greatly complicate the task of any party trying to circumvent the limitations and ceilings imposed by START.

The START Treaty—Treaty Doc. 102–20—was signed on July 1, 1991, and transmitted to the Senate on November 25, 1991. Since that time, the Soviet Union has ceased to exist. On May 23, 1992, a protocol amendment to the START Treaty between the United States and Byelarus, Kazakhstan, Russia and Ukraine, as successor States of the Soviet Union in connection with the START Treaty, was signed in Lisbon, Portugal. This protocol—Treaty Doc. 102–32—was transmitted by the President for the Senate's consideration as an integral part of the START Treaty with a request that it be considered along with the START Treaty for advice and consent to ratification.

All strategic offensive arms are based, and all declared START-related facilities are located, in four former Soviet republics: the Republic of Byelarus, the Republic of Kazakhstan, the Russian Federation and Ukraine. The May 23, 1992 protocol provides that Byelarus, Kazakhstan, Russia and Ukraine together shall assume the obligations of the former Union of Soviet Socialist Republics under the START Treaty.

By its terms the May 23, 1992 protocol is an amendment to the START Treaty. Article VI of the protocol provides that each party shall ratify the treaty together with the protocol and that this protocol shall be an integral part of the treaty and shall remain in force throughout the duration of the treaty.

The protocol also obligates Byelarus, Kazakhstan, Russia and Ukraine to make such arrangements among themselves are required to implement the START Treaty's limits and restrictions, to allow functioning of the verification provisions of the START Treaty throughout the territory of the four states, and to allocate those costs that would have been borne by the Soviet Union. The protocol also clarifies how certain terms used in the START Treaty will be applied, now that the four states will be parties in place of the former Soviet Union.

Of great importance, the protocol obligates Byelarus, Kazakhstan and Ukraine to adhere to the treaty on the non-proliferation of nuclear weapons of July 1, 1968, as non-nuclear-weapon States parties in the shortest possible time and to begin immediately to take all necessary actions toward this end. Thus, the protocol will not only allow the implementation of the START Treaty, but will also constitute a critical element in the furtherance of the United States nuclear non-proliferation objectives.

The START Treaty, including the protocol, is subject to ratification and shall enter into force on the date of the final exchange of instruments of ratification. The protocol, as an integral part of the START Treaty, shall remain in force throughout the duration of the START Treaty.

Associated with the protocol and thus with the START Treaty and three separate, legally binding letters signed by, respectively, the Chairman of the Supreme Soviet of the Republic of Byelarus, the President of the Republic of Kazakhstan, and the President of Ukraine. (See Treaty Doc. 102–33). Each letter obligates the signing State to eliminate all nuclear weapons and strategic offensive arms from its territory within 7 years of the date of entry into force of the START Treaty.

I see these as critically important benefits of START:

First, START, as amended by the Lisbon Protocol, will solve the successor State problem by obligating four States to the reduction and elimination of weapons, thus opening the way for completion of the treaty with Russia, cutting our mutual arsenals by two-thirds.

Second, START with its detailed requirements, including the most extensive and intrusive verification efforts ever negotiated, will provide the necessary framework for the new deMIRVing treaty to be negotiated with Russia and help encourage other nuclear States to reduce arsenals to the lowest levels possible.

Third, START and the Lisbon Protocol will save the world from the threat of use, misuse or diversion of the nuclear arsenals in three States—Kazakhstan, Ukraine, and Byelarus—States with nuclear arsenals on their soil much more lethal than those of Britain, France, and China.

Fourth, START and the Lisbon Protocol will be of tremendous force in reinvigorating efforts to strengthen the world's nonproliferation regime.

The value of START is even more compelling, when one considers the implications if START were rejected:

First, without START, Russia, Byelarus, Kazakhstan, and the Ukraine would not be required to cooperate in bringing about the one-third reduction in warheads required by START.

Second, without the Lisbon Protocol to START, there would be no requirement that Byelarus, Kazakhstan and Ukraine totally eliminate the nuclear arsenals on their soil.

Third, without START, the new deMIRVing treaty based upon START, which requires a further one-third cut in the former Soviet Union's arsenal, would not be possible.

Fourth, without START, the clear message to other potential nuclear weapon-States would be that those with nuclear weapons are simply unwilling to constrain themselves.

In preparation for consideration of the treaty today, the committee conducted 10 hearings with government and nongovernment witnesses and five with witnesses of the administration. The committee queried the administration and reviewed hundreds of detailed responses on treaty-related matters.

There was a great deal of good information gained in the course of these hearings. I would like to highlight, for the benefit of my fellow Senators, the forward-looking and compelling insights of the Joint Chiefs of Staff. Their testimony was a true highlight.

Historically, the Committee on Foreign Relations has always elicited the independent testimony of the Joint Chiefs of Staff with regard to arms control treaties. The committee has viewed it as essential that it act on important arms control matters secure in the knowledge that the Chiefs believe that the accords in question are in the national security interests of the United States. The Chiefs have always responded to the committee's requests and come forward to give their advice.

From time to time, the chiefs have expressed concerns and reservations. With regard to the Threshold Test Ban and Peaceful Nuclear Explosions Treaties, the committee worked with the Joint Chiefs to devise certain safeguards prior to committee action. In the case of the treaty for the Prohibition of nuclear weapons in Latin America, known as the treaty of Tlatelolco, consideration and approval by the committee and the Senate of protocol I, under which the United States agreed to the denuclearization of its territories in the area covered by the treaty, was held up several years after a White House official issued a directive that the Chiefs support the protocol. The committee acted only after it was clear that the Chiefs were free to reach their own judgment and advise the committee fully and openly, and did so.

In the case of START, the committee had before it the Chairman of the Joint Chiefs of Staff and the senior leaders of the four military services. Testifying were:

General Colin L. Powell, United States Army, Chairman of the Joint Chiefs of Staff, General Gordon R. Sullivan, Chief of Staff, United States Army; Admiral Frank B. Kelso, II, Chief of Naval Operations, United States Navy; General Merrill McPeak, Chief of Staff, United States Air Force; and, General John R. Dailey, Assistant Commander, United States Marine Corps.

These five leaders are in charge at a difficult time. The threat from the former Soviet Union has been evaporated, but new threats, such as the proliferation of chemical, biological, and nuclear weapons, has a new and compelling urgency. The military services must be reduced and refocused. This effort must ensure the preservation of effective and viable defenses in a time of turmoil.

Lesser leaders might have resisted START. They might have clung to the familiar and ignored the new realities. The Chiefs did not take this approach. They immersed the military in the development of the treaty. They were central to its achievements and they are now working with the civilian leadership to handle unilateral reductions and to bring about the new deMIRVing treaty.

I wanted to share the Chiefs thinking on this treaty with my fellow Senators, who will appreciate the insights underlying the testimony.

General Powell told the committee:

> I might say, Senator, that we have truly been included in the negotiations, totally by Secretary Baker, by Ambassador Brooks, by Secretary Cheney and his staff, and so we have been part of the process, and I think I can speak for all my colleagues when I say we are enormously proud that we are serving at this time, when we are able to reduce nuclear weaponry from 11,000 roughly strategic weapons heading down toward 3,500. That is wonderful for the world, it is wonderful for this country. We do not want to spend $1 more than we have to for our security, but we do not want to spend $1 less than we have to, either

The Chiefs were unanimous and unreserved in their support for the treaty. They argued forcefully that ratification of START would enhance U.S. national security. Let me cite just four short excerpts from their testimony, first, Gen. Merrill McPeak, the Air Force Chief of Staff said:

> The original objectives of the START negotiations were to increase strategic stability, to achieve militarily significant reductions in strategic weapons, and to institute an effective verification regime. Not only have these objectives been achieved, they have been surpassed by the combination of the START treaty and subsequent unilateral actions and bilateral agreements.
>
> In my opinion, this treaty is in the best interest of the United States.

Admiral Kelso, the Chief of Naval Operations expressed similar views, saying:

> I support, without reservation, the START treaty. I am satisfied that it is military sound and its ratification will result in a predictable and thus more stable environment with respect to our relations with Russia and the other nuclear-armed republics.

Gen. Gordon R. Sullivan, the Army Chief of Staff, said:

> My endorsement is offered without reservation. The ratification of the Strategic Arms Reduction Treaty is in the best interest of the United States, and in my professional judgment, for the following reasons.
>
> The provisions of the treaty allow us to achieve our fundamental objectives of deterrence and stability through balanced reductions, and provides the legal framework to assure timely reductions, and the eventual elimination of all the nuclear weapons in Belarus, Ukraine, and Kazakhstan.

Gen. John R. Dailey, Assistant Commandant of the Marine Corps stated unequivically:

> The Treaty is in the national security interests of the United States. It retains the objective of deterrence against nuclear aggression, meets our commitments to our allies, and supports the U.S. arms control objectives of increased security and stability.
>
> The Marine Corps has supported the START committee from its inception, and along with other services has monitored its progress to ensure military sufficiency. In our judgment, U.S. forces under the Treaty will be militarily sufficient to meet our national security requirements.

A central question with regard to any arms control treaty is whether the verification will be effective so that the United States will have timely warning of any noncompliance before it can become militarily significant. I asked General Powell how he defined effective verification and whether we have the means to verify START. He responded:

> I believe we do, Senator. Our national technical meetings, as well as the intrusive nature of the verification regime that we gained with the START Treaty, the data exchange is the ability to go and actually see the various weapons involved, the missiles involved, to verify what our national technical means have told us.
>
> I think it provides a solid basis for verification, enhanced, of course, by the increasing openness that is being displayed by the Russians and the others with respect to these matters and in conversations with my colleagues in the intelligence community, the Director of Central Intelligence as well as Director of the Defense Intelligence Agency, I come away comfortable that we will be able to effectively verify the Treaty.

The committee was concerned whether any of the steps being carried out to conform the U.S. nuclear forces to START would have to be modified by the prospective deMIRVing treaty. General Powell responded by stating:

> We have been moving in the direction of START I for several years in anticipation of its ratification and going into effect, and so we are not going to do anything for START I that we would rather not do and rather have START II rules to keep us from having to do it.

Mr. President, one subject that I know concerns my colleagues is the possibility of cheating. Clearly this possibility must be taken very seriously. I am convinced, however, that the treaty's elaborate verification regime is sufficient to provide us with timely warning of any militarily significant treaty violation. This view was confirmed in testimony the committee heard from the intelligence community.

Equally interesting is the response of Chairman Powell to a question regarding cheating. He noted that cheating under START or its follow-on would serve little purpose saying:

> We are not dueling with each other again, my warhead against your warhead. The question is, does the United States' force structure give us enough capability to deliver a devastating blow against any nuclear State that may choose to attack us? If it does, then that is a deterrent to that nuclear State ever contemplating such an action.

This is a remarkable statement and reflects the fundamental changes our world has undergone in the past three years. Several years ago the United States was deeply concerned about asymmetries in United States and Soviet forces. Estimates of strategic stability were driven by complex computer models that calculated the possibility of decapitating first strikes, the number of warheads needed to barrage a mobile missile deployment area, or the probability of "prevailing" in a conflict that escalated from the use of tactical to strategic nuclear weapons. Under START and the proposed follow-on agreement, we will escape these arcane calculations of armageddon. START and its follow-on will establish a stable strategic environment in which neither side has an incentive to cheat.

Mr. President, I would like to include a very informative exchange between the acting ranking minority member, Senator LUGAR, and Chairman Powell on the subject of cheating:

> Senator LUGAR. Let me just indicate that I share the viewpoint each of you has expressed, but for the sake of the record I want to test out these assumptions, and I take as an articulate point of criticism a column which appears in The Wall Street Journal this morning by Frank J. Gaffney, Jr., in which he says, as yet there are deficiencies unaddressed, and the first of those Mr. Gaffney says is Moscow's right to deploy hundreds of Mobile ICBM's, systems designed to defeat U.S. monitoring and verification. What response do any of you have to that criticism of the deficiencies?
>
> General POWELL. Mobiles are the most difficult system to detect, but the only mobile land-based system the Russians will have is the SS–25. It is a single-warheaded system. It is not first strike. It is a survivable system, so that there is less incentive to use it immediately in time of crisis.
>
> We have always suggested that mobility adds to survivability . I think it most unlikely that the Soviet military planners would make such a force structure choice within their total limit of 3,000 missiles, missile warheads, but that certainly is a choice they can make.
>
> I think they will continue to move in the direction that we have and they have, and that is continue to emphasize their submarine systems, have some modest land-based capability in * * * a number of SS–25's, and keep some number of bomber systems, so I do not think that within the limit of 3,000 it is a critical issue to be overly concerned about.
>
> I am sure my good friend Mr. Gaffney is making the point that you cannot tell whether they would have 1,000, 5,000 or 10,000 SS–25's, but even if they had 20,000 SS–25's, I am not sure what that truly does for them. As long as we have very survivable systems at sea, for example, what would they do with these? What incentive is there for them to move in this direction?
>
> I do not see that there is any particular incentive. I am sure my friend Mr. Gaffney would disagree with me, but we have disagreed on most arms control issues over the last five years.
>
> Senator LUGAR. You are testifying, General Powell, that first of all you do not see the logic of the Russians adopting that option of using up their limits on the SS–25's, and even if they did, your testimony is that in terms of military significance, or our inability to respond to this would not be affected?
>
> General POWELL. We are not dueling with each other again, my warhead against your warhead. The question is, does the United States' force structure give us enough capa-

bility to deliver a devastating blow against any nuclear State that may choose to attack us? If it does, then that is a deterrent to that nuclear State ever contemplating such an action.

I am suggesting that with a U.S. force structure of about 3,500 warheads, half of which are distributed in the most survivable, secure systems in the world, our Trident fleets, and with another half distributed among a land-based leg and an air-breathing leg, we have the capability to deter any actor in the other capital, no matter what he has at his disposal. We can deliver a counterblow that is devastating, so I see no incentive for them to move in that direction.

Mr. President, the Chiefs do not make their statements lightly. They do not lend their support to a treaty without carefully evaluating its impact on our national security. That is as it should be. It is not only the President who relies on their professional, nonpartisan advice, but also the Congress, and in this case, the Senate, as it fulfills its constitutional responsibility in the consideration of treaties.

Mr. President, following the hearings and the committee assessment, the Senator from Indiana [Mr. LUGAR], the acting ranking minority member of the committee, and I directed the preparation of the resolution of ratification before the committee today. The resolution reflects consultation within the committee and with the administration over the past week.

At the markup this morning the Committee on Foreign Relations voted to recommend to the Senate that it advise and consent to the ratification of the START Treaty, together with its annexes, protocols, memorandum of understanding, corrigenda and protocol of May 23, 1992, all transmitted to the Senate in Treaty Doc. 102-20 and Treaty Doc. 102-32, subject to the conditions and declarations set forth in the resolution of ratification approved by the committee. These conditions and declarations were as follows;

Because of the uncertainties attendant to the transformation of the Soviet Union into 15 new states, the Senate's advice and consent should be conditioned on a clear understanding of the significant legal obligations entered into by the other four parties to the treaty. Consequently, conditions 1 and 2 state that Byelarus, Kazakhstan, Russia, and Ukraine will be bound under international law to all the treaty obligations of the Soviet Union under START and to the legal and political obligations of the Soviet Union related to START.

Since Byelarus, Kazakhstan, and Ukraine set forth their obligations to eliminate nuclear weapons from their territories in separate legally binding letters, condition 3 affirms that they will be considered by the United States as solemn treaty obligations. Since the separate obligations of Byelarus, Kazakhstan and Ukraine to eliminate nuclear weapons on their territories within the 7 year START period is of such significance, condition 6 requires Presidential consultation and action should these obligations not be met.

Condition 4 recognizes the importance of Byelarus, Kazakhstan and Ukraine's treaty obligations to adhere to the Nuclear Non-Proliferation Treaty as non-nuclear-weapon States Parties "in the shortest possible time" and requires the President to communicate to each of these countries the significance the United States attaches to this obligation. I would note that in addition to this treaty obligation, Ukraine has made a legally binding commitment to have a non-nuclear status and not accept, produce or acquire nuclear weapons.

We do not know when Byelarus, Kazakhstan, Russia and Ukraine will reach agreement among themselves on how they will implement the treaty's limits, how the verification provisions will function in their territories and how they will work together within the Joint Compliance and Inspection Commission. Consequently, condition 5 directs the President to seek an urgent meeting at the highest diplomatic levels to gain agreement on these issues if they have not been resolved by entry into force of the treaty. I would emphasize that there is no question that each country will be clearly obligated to comply with the treaty's limitations and verification provisions upon entry into force. These future arrangements relate to the implementation of those treaty obligations.

The degree of Soviet treaty noncompliance has been widely debated over the years. Now that the Soviet Union has broken up into 15 new states, it is time to move beyond these issues of the past and address the future with these new states. As the author of section 52 of the Arms Control and Disarmament Act requiring the annual report on noncompliance with arms control treaties, I would like to close the books on the old Soviet Union. Condition 7 calls for an expanded and updated compliance report which, hopefully, will be the last such report on the old Soviet Union. This report calls for a listing of Soviet violations and probable violations, and information on how those issues were resolved, a listing and discussion of Soviet actions which eliminated nuclear weapons systems to meet arms control obligations, and a comparison of the military significance of these two types of actions.

In my view, the arms control process with the Soviets, on balance, has clearly paved the way toward the cuts in the START Treaty and the deeper cuts in the deMIRVing Treaty. However, I think it important for all of us to learn what are the facts on what actually happened, and what is result of a comparison of the military significance of these two kinds of actions under arms control treaties.

At the markup, Senator BIDEN proposed, and the committee accepted, Condition Eight which direct the President to seek an appropriate arrangement, including reciprocal inspections, data exchanges, and other cooperation measures to monitor the numbers of nuclear stockpile weapons and the location and inventory of facilities for producing significant quantities of fissile material.

Looking at the bright prospects for building upon the momentum of START Declaration One encourages the conclusion of a treaty with Russia based on the Joint Understanding of June 17, 1992, at the earliest possible date, and calls upon the other nuclear-weapon states to give careful and early consideration to corresponding reductions in their own nuclear arsenals.

Declaration Two urges the President to seek the adherence of Byelarus, Kazakhstan, and Ukraine to the guidelines of the Missile Technology Control Regime. The United States has urged other nations to become members in the Missile Technology Control Regime [MTCR]—or to adhere to its guidelines—in order to reduce the risks associated with the proliferation of ballistic missiles and other unmanned systems capable of delivering nuclear weapons. the MTCR's membership has expanded considerably since its inception. Nations such as Russia and China, while not formally members, have agreed to abide by the regime's guidelines. In effect, the MTCR has become the international yardstick by which the acceptability of missile and missile technology transfers are measured.

It is well known that the START Treaty destroys silo and submarine missile launchers and heavy bombers, but does not require the destruction of missiles. Of course, I would like START to go the further step and destroy strategic warheads under reciprocal verification, but the administration and Russia are not eager to allow inspectors any access that compromises warhead design information. Declaration Three calls for a beginning in this area by urging the President to instruct the Safety, Security, and Dismantlement negotiators to proceed expeditiously to obtain the destruction of strategic—as well as tactical—warheads and to facilitate secure safeguarded storage of the special nuclear material withdrawn from the weapons. Because of the significant changes in the former Soviet Union, I will continue to press for truly verifiable destruction of all types of nuclear warheads.

Declaration Four reaffirms the constitutionally based principles of treaty interpretation set out in the INF Treaty, and Declaration Five reaffirms the Senate position that it will consider for approval only as treaties those accords obligating the United States to reduce or limit its arms in a militarily significant manner.

I am very pleased that the committee took this historic action today. I hope very much that our action will pave the way for early Senate consideration and advice and consent to ratification of the START Treaty.

THE NARAL COMMISSION REPORT ON LIFE WITHOUT ROE

Mr. METZENBAUM. Mr. President, I rise today to recommend to my colleagues an important and just released report that will help us all understand the possible impact of the Supreme Court's decision in Planned Parenthood versus Casey.

Today the National Commission on America Without Roe, a commission set up by the National Abortion Rights Action League, issued a report that examines the health, legal, social, and economic concerns when the freedom of a woman to choose whether or not to terminate a pregnancy is no longer a fundamental right. The commission includes national leaders in many fields and Members of this body from both parties. The commission members are people who disagree on other issues but are united behind the proposition that overturning Roe versus Wade will have serious consequences for our society.

The report shows how laws banning abortion could turn doctors into criminals for performing what was once a constitutionally protected procedure. It shows how some women seeking abortion could be forced to ask permission from hospital review boards that conduct humiliating interrogations to determine why a woman has chosen to terminate her pregnancy.

It shows how antichoice extremists will continue their practice of harassing doctors and blockading clinics in States where abortion remains legal, and further erode the right to choose. It shows how children will lose mothers, brothers will lose sisters, husbands will lose wives, and parents will lose daughters to death from illegal abortions.

Mr. President, our country can avoid reliving the horrors of life without Roe. As Justice Blackmun noted this week in his concurring opinion in the Casey decision, there are four Justices who are prepared to overrule Roe. He said: "I fear for the darkness as four Justices anxiously await the single vote necessary to extinguish the light." Let us not wait until there are five. Congress should act now. We must pass the Freedom of Choice Act now.

AMERICAN FOLKLIFE CENTER—S. 2910

Mr. MITCHELL. Mr. President, last evening the Senate considered and passed S. 2910, the American Folklife Center reauthorization. I support that legislation and I'm pleased the Senate acted so promptly on it.

The Folklife Center was established within the Library of Congress by Public Law 94-201 in 1976 to, "preserve and present American folklife." In the ensuing years, the American Folklife Center has contributed to, and expanded the services offered by, the Library of Congress and the Federal Government to State and local agencies, native American communities, and private citizens everywhere. Its broad goals to "preserve and present American folklife," are accomplished through documentation and preservation, technical assistance to the field of folklore and folklife programs, cultural conservation, public education, and an active publications program.

The American Folklife Center has provided consultant services and access to its equipment loan program to entities in all 50 States. Major field projects, surveys, conferences, exhibitions, and board of trustees meetings have been conducted in most States.

The Center has been very active in my home State of Maine. In September 1991, in conjunction with the board of trustees annual meeting the Center hosted a meeting in Portland that brought together folklorists from all the New England States that has fostered closer professional ties between cultural professionals in the region.

The Center provided technical assistance to the University of Maine's Northeast Archives of Folklore and Oral History in connection with the establishment of the Maine Folklife Center.

And last year, under a cooperative agreement with the National Park Service, the Center conducted the survey of Acadian culture in Maine that was mandated under the Maine Acadian Culture Preservation Act, Public Law 101-543, legislation that I was proud to sponsor with my colleague, BILL COHEN.

Two members of the Folklife Center's Board of Trustees are from Maine: Prof. Juris Ubans, of Portland, and Ms. Carolyn Hecker, of Deer Isle.

Mr. President, I think Senate consideration of this measure is well timed, coming as it does just prior to the celebration of this Nation's birth 216 years ago and while the Folklife Center is conducting its annual Folklife Festival on the Mall here in the Nation's Capital.

The people of Maine know very well the important work that is being done by the American Folklife Center. They know that all of us celebrate our inclusion in the broad category of Americans. At the same time, we also want to preserve and celebrate the diverse cultures, ethnic and religious backgrounds, and regional character that have played such an important part in shaping the American experience. The American Folklife Center contributes significantly to that endeavor. It deserves the support of this Senate.

PENNY TAYLOR, WELFARE SUCCESS STORY

Mr. LIEBERMAN. Mr. President, we hear so many stories about the never ending welfare cycle. Today, I would like to tell a different story—a welfare success story.

Penny Taylor is a resident of New Haven, CT. In 1987, Penny became the sole breadwinner in her family. She had a job in a warehouse, but her single income was not enough to provide for her four children and herself, so she went on welfare.

Some people might have lost hope at that point, but Penny clung to two goals. First, she wanted to get her life in order. Then she wanted to get a good job. To accomplish these goals Penny graduated from a 5-month secretarial program in 1989 and, within a month, found a job at the Arts Council of Greater New Haven.

Penny is now one of the most highly respected members of the Arts Council staff. In fact, she was the first clerical staffer ever to join a council panel to recruit members and patrons.

Given Penny's career success, it is not surprising that she was recently able to purchase a home. After attending a workshop on home ownership sponsored by the Housing Authority, she cleared a credit check and won a low-interest mortgage from the Connecticut Housing Financing Authority. Even as I speak, Penny and her children are moving into their Cape-Cod-style house on Roosevelt Street Extension.

I commend Penny Taylor for her hard work and vision. She has proven that welfare measures can be used as stepping-stones to success. I know I speak for all the residents of Connecticut when I say that Penny's spirit and motivation is an inspiration to us all.

Mr. President, I ask unanimous consent that an article from the New Haven Register be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Haven Register, June 30, 1992]

ONE WELFARE MOTHER'S STORY REACHES HAPPY ENDING

(By Josh Kovner)

NEW HAVEN.—Using welfare, job-training and housing programs like steppingstones across a churning stream, Penny Taylor has hopped from welfare mom to homeowner in four short, challenging years.

In 1987 Taylor, a mother of four, asked her husband to leave. She'd been the breadwinner for the previous eight months and stayed at her job in a warehouse for four months after the breakup. She went on welfare when the bills and rent swamped her.

A few days ago, a couple of carloads of Taylor's friends from her secretary-office manager's job at the Arts Council of Greater New Haven helped her move from the Quinnipiac Terrace housing development to her white, four-bedroom Cape Codder on Roosevelt Street Extension.

Her determination—and her textbook, use of aid programs—propelled Taylor along the route between those two milestones.

This evening, co-workers at the Arts Council, where she has also blossomed, are throwing a housewarming shower for Taylor.

"I'm honored," Taylor said Monday during her lunch break at the council offices on Audubon Street. "I've got nothing but love for this job."

Memories of how "messed up and stressed out" she felt five years ago now occupy a kind of museum in her mind.

She was at loose ends when she went on welfare, but she clung to two goals.

"I wanted to get my life in order, quick. Then I wanted a good-paying job," Taylor said.

She said those goals separated her from those who've languished on welfare.

She graduated in August 1989 from a five-month secretarial program at the Regional Council on Education for Employment and was hired the next month by the Arts Council.

Her confidence soared.

"I felt like a businesswoman," she said.

In January, she went to a workshop on home ownership sponsored by the Housing Authority. She cleared a credit check done by the Greater New Haven Urban League and, with the help of People's Bank, won a low-interest 30-year mortgage from the Connecticut Housing Finance Authority.

"It's still hard for me to believe my children and I are living in a house," she said.

Three years after joining the Arts Council, she is one of the most influential and respected workers in the office, said council Executive Director Frances "Bitsy" Clark.

A card file Taylor started on artists, singers, and performers has become indispensable. Recently, she became the first clerical staffer to join—or even ask to join—a council panel that recruits members and patrons.

"Penny is the most successful of anyone we've had in that job," Clark said. "That's why her getting the house is so meaningful to us.

BREAKTHROUGH IN THE NORTHERN IRELAND TALKS

Mr. KENNEDY. Mr. President, I welcome yesterday's announcement on the progress which has been made regarding the talks on Northern Ireland.

The launching of Strand Two of the talks, involving the Irish and British Governments and the four parties in Northern Ireland, represents a crucial and historic phase of these vital negotiations. It is heartening to those of us concerned about the tragedy of Northern Ireland and after so many years of violence and deadlock, there is now a strong possibility that significant political dialog is underway.

I am sure my colleagues join me in conveying our support and best wishes to all the participants in the talks. Their task is difficult, but it carries with it the best hope for reconciliation and lasting peace.

Yesterday, Mr. David Andrews, Ireland's Minister for Foreign Affairs, spoke in the Irish Senate on this historic breakthrough. I believe that all of us will find his statement enlightening and encouraging, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SPEECH BY MINISTER FOR FOREIGN AFFAIRS, DAVID ANDREWS, T.D., IN SEANAD EIREANN, JULY 1, 1992

I welcome the opportunity afforded by this debate to outline the Government's view of the current Talks.

I am particularly glad that the debate is taking place at a time when the long-awaited transition to Strand Two of the process is about to take place. On behalf of the Government, I greatly welcome the proposal by Sir Patrick Mayhew this afternoon that Strand Two should now be launched and the reported acceptance of this proposal by all concerned. The Government looks forward to working actively and constructively in Strand Two, under the independent chairmanship of Sir Ninian Stephen, with a view to ensuring the decisive contribution which Strand Two must make to the outcome of the Talks process as a whole. Strand Two, which involves the two Governments and the four parties in Northern Ireland, is a very important and integral part of the process which was agreed on 26 March 1991. We are very pleased that this crucial phase of the talks has now been reached.

We believe that these talks offer a historic opportunity to begin the work of healing the misunderstandings and antagonisms that have so damaged relationships on this island, and between those islands, over the centuries. We have the chance, with imagination and good will, to start building a basis for an honourable, equitable and lasting accommodation between the two traditions. We have the opportunity for a new beginning that can help signal the end of the strife that has caused so much suffering and hardship to the people of Northern Ireland. I would mislead the House if I said we were certain of success or that the task ahead would be an easy one. The discussions to which we are all committed will be complex and arduous. Once launched, however, the process of dialogue will I hope acquire its own momentum. There is, I believe, a growing acceptance that political dialogue alone offers a way out of the tragedy of Northern Ireland. There is a responsibility on all sides to work together to achieve political arrangements which will enable the people of this island to live together in partnership and trust.

The Government's objective throughout has been to establish a clear and realistic basis for this process and one which would most assist a successful outcome. It is for that reason that the two Governments and the participants have taken such care to put structures in place which would enable discussion not only of the different relationships we have to consider but also of their inter-relationship to each other. It was for that reason that we agreed that the Talks must be framed in the context of the three sets of relationships and for that reason also that we determined that nothing would be agreed until everything is agreed. To protect the position of all participants, it was also agreed that absolute confidentiality would be maintained at every stage of the discussions in all three strands. The House will, therefore, understand if I do not enter into any detail regarding any of the meetings held so far or if I do not anticipate the nature of the discussions which might take place in Strand Two.

The basis of the present process is a recognition by all participants that a lasting accommodation between the unionist and nationalist traditions can only be addressed in the context of the totality of relationships within and between these islands. We have all learned by hard experience that any other approach cannot succeed. It would perhaps be easier if it were otherwise but the Government firmly believes that "a new beginning for relationships" must address all the different dimensions. It must, fundamentally, be grounded on respect for the aspirations and sense of identity of each tradition. Both are entitled to respect and equal measure. Both involve allegiances that transcend the confines of Northern Ireland and no real or durable accommodation is possible unless framed in the context of the wider dimension of relationships within Ireland and between the two islands. In accepting this reality as the basis for the Talks, I believe all sides have already taken a significant step. The challenge that lies ahead for all of us is translating this acknowledgment of the requirements for true enduring accommodation and partnership into structures that will reflect these realities.

As confirmed in Article One of the Anglo-Irish Agreement, both Governments have fully accepted that the aspirations of each tradition are legitimate and both must be accommodated. The fundamental basis of the present Talks is the need to devise institutions that can accommodate each tradition and take full account of their legitimate aspirations. That is why we must address all the relationships involved and that is why the Governments and the parties have agreed to the present process and its structures.

It is central to this approach that neither tradition should be placed in a position of privilege or special status against the other. Both must be treated on an equal basis so that neither feels threatened or challenged by the other. After all the suffering and pain of recent years, I believe that there is no widespread acceptance that this is the only way forward and that trust and equality must be the basis of any new arrangements that emerge from our discussions. Any new institutions can have value only if they are based on the accommodation of differences and give full expression to the rights and aspirations of each tradition.

Unionists and nationalists have to share this island. We have to respect the other's position and understand and respect the aspirations of the other. We have to accept that we will not agree on some things but that the view of each is fully legitimate and must be acknowledged and respected. We have to learn to live in partnership and equality on the island which we share. We have to realize that diversity can be enriching rather than threatening and that no barriers are immutable to people wishing to live together in a relationship of trust and mutual respect. I believe that, whatever the difficulties and challenges yet to be faced, and they are very real, the present Talks process is taking place because all of us have learned these simple but hard truths.

The Irish Government consider the value of the exchanges in the Talks, and the prospects of their success, will depend on the degree to which they embrace the real scope of the problem. We must base our negotiations on the conflicting aspirations and identities as each tradition itself perceives and defines them, not in the form the other tradition might find it convenient for them to be. We must make our solution fit the problem, not seek to define the problem in terms of the solutions we are prepared to offer. Our approach to the agenda will therefore be both flexible and comprehensive. It is one of the agreed ground rules for the Talks that it will be open to each of the parties to raise any aspect of our relationships, including constitutional issues, or indeed any matter which it considers relevant. We will seek to ensure the Talks are a framework for the fullest possible consideration of all the factors which affect the tragic and intractable problem we have to grapple with. We would hope they will permit a balanced examination of both sides of all the issues which divide the two traditions in Ireland and, ultimately, indicate the ways in which these difficulties can be resolved.

There is much that can build on and much on which we already agree. We agree on the fundamental position that a change in the status of Northern Ireland can only take place with the consent of a majority of its people. We agree that difference between the two traditions can only be accommodated by mutual agreement and accommodation and that any new institutions must reflect this. We agree that those who practice violence in support of political change are our common enemy. We agree in rejecting their futile activities which purport to build a new Ireland, not on respect for different traditions and aspirations, but on foundations of hatred and bloodshed. They are our common enemy and their greatest fear is that, together, we can succeed in reaching understanding and accommodation between our two traditions.

The goal of reconciliation between the two major traditions in Ireland will, I believe, be significantly assisted by a clear recognition of the substantial common ground which exists between both and between the two parts of Ireland in many areas of practical, day-to-day concern. It is important that we build on the things which already unite the people of the island, North and South. We have joint concerns about the future prosperity and development of the island in the new European context. If maximum advantage is to be taken of the challenges and opportunities which lie ahead in that context, it is essential that Northern Ireland should be developed economically in close conjunction with the rest of the island. Only an approach of this kind will permit the full potential of the economy to be realized in both parts of the island.

The Government are fully conscious of the responsibility that rests on us as on all sides in the current process. We will do our full part to ensure that the endeavours of all participants in the current process will prove worthy of the hopes invested in us by people of both traditions who now want to put an end to misunderstanding and division and reach towards a new beginning. We will do our utmost to put Northern Ireland firmly on the path to peace and the island as a whole, on the road to that reconciliation and partnership which has eluded us for so long.

I have listened carefully to what Senator Murphy said about the constitutional issue in particular as regards Articles 2 and 3. I think I would have a rather different perspective on the merits of the case. However we must all agree that it is not the views of the Government or even the Oireachtas which will be decisive in this regard. This is an issue on which our people as a whole must pronounce, if or when a question is put to them in a referendum. Such a referendum would touch on very deep issues, and could raise very strong passions. It would have to be very carefully considered in all its aspects. In general it would be important to ensure that any amendment we might propose to the people would not appear to be a denial of the right of people born or living in Northern Ireland to be Irish. Any proposal which seemed to go in that direction would, I believe, meet with very considerable opposition. Secondly, I believe there remains a strong aspiration to unity by peaceful means and by agreement. Anything which was interpreted as a denial of that aspiration would also meet with much opposition. We have indicated that constitutional issues are on the table in the Talks and we expect that all sides of all the constitutional aspects of the problem will be discussed. It would be our hope that the outcome of the talks will be based on respect for both traditions, not a denial of either, and that any constitutional proposals which might emerge will be in that spirit.

TODAY'S "BOXSCORE" OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the "Congressional Irresponsibility Boxscore."

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at $3,984,656,034,088.07, as of the close of business on Tuesday, June 30, 1992.

On a per capita basis, every man, woman, and child owes $15,513.01—thanks to the big-spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to $4,511.40 per year.

PRESIDENT BUSH'S VETO OF S. 250

Mr. FORD. Mr. President, in 2 days, our Nation will mark the 216th anniversary of our Independence. One of the hallmarks of our revolution and our constitutional system of Government is the right of citizens to have a say in the way our country is governed. The right to vote is the most fundamental right of every citizen of this Nation. Thus, it is with a heavy heart that I come to the floor to announce that President Bush has vetoed S. 250, the National Voter Registration Act of 1991. This is a sad way to enter into the celebration of our Nation's birthday.

Mr. President, throughout the consideration of S. 250, opponents have leveled many charges against this bill. Mostly, those concerns have been about fraud and costs. But, these are really nonissues, Mr. President. The real issue that has been overlooked, is whether we are going to have universal registration procedures that will enfranchise every eligible citizen in this country. For that reason, and for that reason alone, S. 250 is a good bill for democracy.

Only a few days ago, we were all witnesses to a dramatic moment in the history of the Congress when the first freely elected President of the Russian Republic delivered a speech to to a joint session of the Congress. President Yeltsin spoke with great conviction about democratic values.

Mr. President, as a result of that historic visit, and the historic events in the former Soviet Union, the Senate has been working on the Freedom for Russia and the Emerging Democracies and Open Markets Support Act, a measure supported by President Bush, to expand democracy for nations abroad. While at the same time, President Bush vetoed a measure to expand democracy at home.

It is obvious by this veto that President Bush does not trust the American people and is opposed to expanding democratic opportunities at home. Mr. President, this veto is a sad commentary on President Bush's commitment to democracy at home.

Mr. President, any Members who have recently visited with their constituents are well aware of the widespread discontent and disenchantment. While we can debate the many causes of that discontent, it is abundantly clear that a significant factor which is contributing to this discontent is that citizens feel alienated from their Government.

Throughout the consideration of S. 250, I have consistently stated, and I believe that an overwhelming majority of the Members of the Congress will agree with me, that one way to deal with that discontentment and alienation is to open the legitimate processes of Government to all our citizens. We need to remove the barriers to participation. We need to encourage full involvement in the selection of our representatives in Government.

We all agree that low voter turnout is a national disgrace. But it is hypocritical to suggest that the low voter turnout is a sign of public frustration while at the same time we do nothing to eliminate the frustrating procedures which prevent people from getting to the ballot box.

Mr. President, S. 250 is a bill which will remove many barriers to access the ballot box. That is what this bill is all about—access to the ballot box. S. 250 encourages full participation and involvement in the most important part of our representative form of Government—the election of our leaders at all levels of government.

President Bush's veto sends a message that he believes that the burden of participation in the electoral process should be on the individual. This bill rejects that idea. The burden of registration should be on the Government. Government should facilitate full participation by eliminating the confusing and archaic registration procedures so that every eligible citizen who wishes to register and vote has that opportunity.

During the Senate's consideration of S. 250, I received a letter from the County Clerk of Cook County, IL, in which he said that "of all the factors that discourage voting, the easiest to remedy are cumbersome registration procedures." Mr. President, the National Voter Registration Act would have removed these unnecessary barriers to citizen participation. It would have reached more than 90 percent of eligible voters.

Mr. President, I ask this simple question: What does President Bush have to fear from the American people?

President Bush has vetoed several pieces of legislation during his term, but none have demonstrated the lack of political courage more than this one. The President's veto of this legislation sends a clear and unequivocal signal that President Bush and his advisors simply do not trust the American people. Whatever has become of President Lincoln's vision of a "government of the people, by the people, and for the people"?

President Bush said that he vetoed this legislation because it will increase the opportunities for fraud. In the words of Anna Quindlen, from her column in the New York Times on Sunday, June 21: "The fraud is not in the bill. It's in the veto."

Mr. President, 27 States and the District of Columbia have some form of motor-voter law. There has been no evidence of increased fraud in any of these States.

During the consideration of this legislation, I cited to a letter that I received from the secretary of State of Mississippi, Dick Molpus. Mississippi is one of 27 States that has mail registration. Secretary Molpus, who is also the President of the National Association of Secretaries of State, stated that "during a heated public debate on the merits of mail-in registration, my office conducted an extensive nationwide study of voter registration with particular emphasis on determining the potential for fraud during registration. We could find no evidence of registration fraud." The secretary concluded by saying that "mail-in registration is effective and safe."

The fact of the matter is, Mr. President, that S. 250 is a tough antifraud bill. It contains stringent Federal criminal penalties for registration and vote fraud, the same penalties as the Voting Rights Act of 1965. It requires the signature of a voter under penalty of perjury; it requires an attestation clause which sets forth all the requirements for eligibility to vote, including citizenship; it permits States to require by law that first time voters who register by mail make a personal appearance to vote. These are the same protective measures against fraud that already have proven to be effective.

President Bush also said that this legislation was too costly. I find that rather ironic that one of the arguments against the bill is that it will cost too much to register additional eligible citizens. That argument is a double standard because it implies that it is the State and local government's responsibility to pay only for those already registered, but it is the Federal Government's responsibility to pay for those who would be added.

Mr. President, I want to make a few points on the costs that opponents have exaggerated. This bill will not require the computerization of the voting rolls. Implementation could even reduce the cost per individual. If more people are registered and vote, it will cost more money. But it is a small price to pay for democracy.

Mr. President, these are the same arguments that were used against every measure which extended the right to vote. They were used against laws to extend the vote to women and to remove the barriers to the registration of minorities. They were even used against legislation to remove physical barriers to make the polling places accessible to the elderly and disabled. Those who made those arguments were wrong then. And they are wrong now.

Mr. President, this is a bill with proven and effective measures to prevent fraud and is a cost-effective means of enfranchising every eligible citizen in this country.

It is a sad day for democracy. It is a sad day for the party of Lincoln.

THE CLASSROOM OF THE FUTURE AND NATIONAL TECHNOLOGY CENTER

Mr. BYRD. Mr. President, last week, the new NASA Administrator, Daniel S. Goldin, offered the following in his prepared remarks to the National Space Club:

> The cutting-edge technology that comes from space research is what provides the new jobs and new industries of tomorrow. Between 1979 and 1986, the new products generated from NASA science and engineering created over 350,000 new jobs. NASA itself has a work force filled with genius: 250,000 employees, university researchers, and contractors.
>
> But we must do more than just provide opportunity; NASA provides inspiration, hope, pride, and boldness. Space gets kids excited about learning. NASA's educational programs touch millions of students, and make science and math fun.

Two of the principal NASA initiatives to implement Administrator Goldin's strategy are the National Technology Transfer Center and the Classroom of the Future, both of which are in Wheeling, WV.

More specifically, the purpose of the National Technology Transfer Center is to strengthen the competitiveness of U.S. industry by assisting the private sector to promptly commercialize the results of billions of dollars of federally sponsored research efforts conducted in 700 Federal laboratories.

The goal of the Classroom of the Future is to develop and test new computer software and the technologies of space exploration in order to devise new and exciting ways for young Americans to learn math, science, and aerospace studies.

Both of these projects respond to important national requirements. The National Technology Transfer Center will strengthen the competitiveness of American industry by assuring that businesses have rapid and productive access to marketable Federal technologies. The classroom of the Future will enhance the quality of the lamentable state of mathematics and science education in this country.

I am a strong supporter of improved math and science education as a means to a more productive and competitive work force. Current statistics demonstrate the growing disparity between the educational achievement of competitor nations and our own. We need to do something—and the NASA Classroom of the Future is a start. If it is successful, it can be replicated in other parts of the country.

Both of these programs are serious initiatives designed to address perceived serious national deficiencies. However, the June 24 edition of the Washington Post contains an article on the front page, entitled "For a Little College, a Big Helping Hand—Senator BYRD's Influence Is Behind Wheeling Jesuit's Research Grants," which tends to denigrate and trivialize these programs.

First, the article includes a quotation regarding the so-called peer review process: "On average, these unreviewed projects are of lower quality than those subjected to scrutiny by the National Science Foundation and other scientific panels." During the recent debate on rescissions, I had occasion to look into the peer review process. This is the process by which Federal taxpayer funds are awarded for such specious purposes as: A study of the sexual aggression in fish in Nicaragua; the importance of lawyers to the middle class; the personal identity of law school professors; the mating behavior of swordfish; how the Chinese have sought employment in urban areas since 1949; and a comparison of the roles of intra and intersexual selection in the evolution of sex-limited mimicry of two swallowtail butterflies, to name just a few.

In addition, through the peer review process, the National Institutes of Health made a $68,000 grant to calibrate the amount of dental pain persons experience by studying their facial expressions while in the dentist chair; a $205,000 grant to study the incident of dental fear in the population; and a $94,000 grant to study why people fear their dentist.

I wish the Washington Post reporter would tell readers how the above-mentioned grant awards, which were selected by the peer review process, represent a more important and useful investment for the taxpayer than the serious efforts to improve industrial competitiveness, mathematics, and science education, represented by the National Technology Transfer Center and the Classroom of the Future.

It has been my experience that although some peer-reviewed projects appear to be only marginally worthwhile or even a waste of money, or other non-peer-reviewed projects appear to meet valid national purposes of high national importance. I am pleased to have been instrumental in bringing two of these worthwhile projects of national purpose to the campus of one of our colleges in West Virginia.

I make no apologies for my efforts and I am not alone in perceiving that the peer review process, which results in the concentration of Federal research support in a relatively small number of universities in a few States, constitutes a problem. Currently, five States receive almost 50 percent of all Federal research dollars, but some 18 States, including West Virginia, receive only 2 percent of all Federal research funds. I believe actions are sometimes needed to address the imbalance in research funds among various States. I, and other Members, on occasion, have taken actions to lessen the disparity in the research and development infrastructure. The funding of the National Technology Transfer Center and the Classroom of the Future are two such examples. NASA Administrator Goldin has assured me that the agency sees the National Technology Transfer Center as an important tool for creating jobs and stimulating economic growth in the private sector and, in that way, giving the taxpayer a greater return on Government-funded research dollars. Through the National Technology Transfer Center, West Virginia businesses, and businesses nationwide, as well as educator and students, will have access to information about the latest advances made through Government-sponsored research. Many state-of-the-art developments and discoveries established through NASA research have later been transferred to private-sector businesses and have led to improvements in an array of fields from medicine to computer technology.

In like fashion, I am also assured by Administrator Goldin that the Classroom of the Future project is an important part of the overall NASA educational effort to make a contribution to improved mathematics and science education of young Americans.

The Washington Post's reporter's denigration of these forward-looking projects is unfortunate and unfair.

FOUR BRAVE WOMEN VETERANS

Mr. CRANSTON. Mr. President, I rise to express my great admiration of and gratitude to four truly courageous women veterans. These veterans—Diana Danis, Barbara Franco, Jacqueline Ortiz, and Mary Kelley Richard—traveled to Washington to tell the Committee on Veterans' Affairs, at the hearing I chaired on Tuesday, of a deep wrong committed against them while they were serving our Nation. They were all victims of sexual assaults that occurred while they were on active duty.

A second wrong was committed when military authorities failed to respond as they should have to these women's complaints, brushing them off when they pled for help after the assaults occurred.

Still a third wrong was committed against three of them when they later sought help at Veterans' Administration facilities and did not receive prompt, compassionate, and appropriate care.

It is apparent that many, many more women serving in our Armed Forces—we do not yet know how many, but surely thousands upon thousands—have been similarly wronged.

I was deeply moved by the testimony of these brave women. It is sometimes frightening to appear before a congressional committee.

It is even more difficult if the story you share forces you to remember extremely traumatic events. I am deeply grateful to Jackie, Diana, Barbara, and Mary Kelley for sharing their experiences in order to help us correct a terrible, long-standing deficiency in VA health-care programs.

We, as a people, owe a debt of gratitude to all woman veterans for their contributions to our Nation's defense. We owe a special debt of gratitude to Diana, Barbara, Jackie, and Mary Kelley for bravely coming forward to share their painful experiences before the Committee on Veterans' Affairs. I made a promise to each of them, and I repeat my promise today, that I will work to do all I can to ensure that women veterans who are victims of sexual violence wile serving their Nation will have available to them the high-quality, responsive counseling and other services they need in order to recover fully from the trauma they suffered.

AMERICAN VISIONARY ART MUSEUM

Mr. FORD. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Concurrent Resolution 81, regarding the American Visionary Art Museum, and that the Senate then proceed to its immediate consideration, that the concurrent resolution be agreed to, and the motion to reconsider laid upon the table, and that the preamble be agreed to.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

So, the concurrent resolution (S. Con. Res. 81) was agreed to.

The concurrent resolution, with its preamble is as follows:

S. CON. RES. 81

Whereas visionary art is the art produced by self-taught individuals who are driven by their own internal impulses to create;

Whereas the visionary artist's product is a striking personal statement possessing a powerful and often spiritual quality;

Whereas prominent among the creators of visionary art are the mentally ill, the disabled, and the elderly;

Whereas there are many museums of visionary art located throughout Europe such as the Art Brut Museum located in Lausanne, Switzerland;

Whereas the American Visionary Art Museum is the first museum in North America to be wholly dedicated to assembling a comprehensive national collection of American visionary art;

Whereas the collection at the American Visionary Art Museum includes film, literature, and research on all fields related to visionary art;

Whereas the American Visionary Art Museum's mission is to increase public awareness of uncommon art produced by individuals in response to extraordinary circumstances;

Whereas the American Visionary Art Museum seeks to remove the stigma associated with disability by illuminating the power of humans to triumph over adversity through creativity;

Whereas the national policy of deinstitutionalization has resulted in the closure of many facilities and the destruction of visionary artwork;

Whereas the American Visionary Art Museum has the support of certain offices of the National Institute of Mental Health and other government agencies in its goal to function as a national repository for works produced by formerly institutionalized individuals; and

Whereas it is in the best interest of the national welfare and all American citizens to preserve visionary art and to celebrate this unique art form: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) visionary art should be designated as a rare and valuable national treasure to which we devote our attention, support, and resources to make certain that it is collected, preserved, and understood; and

(2) the American Visionary Art Museum is the proper national repository and educational center for visionary art.

SENATE CONCURRENT RESOLUTION 81

Ms. MIKULSKI. Mr. President, earlier this year I introduced a concurrent resolution to designate the American Visionary Art Museum as the national repository and educational center for visionary art.

Visionary Art has been reported on the front page of the Wall Street Journal to be a "major art trend of the 1990's." It is an art form that comes from the soul. Most of the artists are self-taught people who create powerful works out of everyday tools.

These artists are not formally trained, but express themselves through their art. Some are old, some are young, some are mentally ill, some are people with disabilities. The American Visionary Art Museum seeks to remove the stigma associated with disability by showing the power of humans to triumph over adversity through creativity. It will publicly display these works so that everyone can share the beauty.

The museum is also developing a cafe to serve visitors. The cafe would have a strong commitment to hiring and training persons with disabilities to help these people become active members of our work force. Ben & Jerry's Foundation, created as the philanthropic arm of Ben & Jerry's Ice Cream, has agreed to help develop the museum cafe.

I strongly believe that this museum is a new and exciting idea whose time has come. There is no cost to the Federal Treasury to designating this museum the national repository and education center for visionary art. I urge you to join me in supporting it by adopting Senate Concurrent Resolution 81.

ARKANSAS BEACH IN UNALASKA, AK

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Joint Resolution 326, a joint resolution designating a beach in Unalaska, AK as the "Arkansas Beach" introduced earlier today by Senators MURKOWSKI, BUMPERS, and PRYOR.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 326) designating the beach at 53 degrees 53′51″ N, 166 degrees 34′15″ W to 53 degrees 53′48″ N, 166 degrees 34′21″ W on Hog Island, which lies in the Northeast bay of Unalaska, Alaska be named "Arkansas Beach" in commemoration of the 206th regiment of the National Guard who served during the Japanese attack of Dutch Harbor, Unalaska on June 3 and 4, 1942.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. Without objection, the joint resolution is deemed read three times and passed. The preamble is also agreed to.

So, the joint resolution (S.J. Res. 326, with its preamble, was passed.

(The text of S.J. Res. 326, as passed by the Senate, will be printed in a future edition of the RECORD.)

Mr. FORD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STUDY OF A UNIVERSAL-TYPE SCHOOL LUNCH AND BREAKFAST PROGRAM

Mr. FORD. Mr. President, I ask unanimous consent that the Agriculture Committee be discharged from further consideration of Senate Resolution 303, relating to a study of the school lunch and breakfast program, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 303) to express the sense of the Senate that the Secretary of Agriculture should conduct a study of options for implementing universal-type school lunch and breakfast programs.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, every teacher knows how important the school lunch and breakfast programs are to our children's education. These programs help ensure that children have the nutrition they need to grow and learn.

I am concerned now about reports that the school lunch and breakfast programs are facing new financial difficulties, including shortages of bonus commodities.

This resolution, which I introduced May 21 with Senator LEAHY, expresses the sense of the Senate that the Department of Agriculture should undertake a study of how the school lunch and breakfast programs might be better supported by a universal system in which virtually all children participate without distinction by income level.

Such a universal system might provide a free meal to all children regardless of income, or it might aim to increase participation by more modest means, such as simplifying collection of payments to reduce the stigma of participation. The Department of Agriculture would be expected to present and analyze a variety of options for universal lunch and breakfast programs.

I hope the administration will carry out the study called for by this resolution. Quite frankly, I, and I expect many other Members, need the information such a study would offer so that we can decide whether to support a universal school lunch and breakfast program.

I greatly appreciate the work of the American School Food Service Association, the Maine School Food Service Association, and particularly the advice and guidance of Kevin Cowperthwaite, the director of the Food Distribution Program in Maine, and Senator LEAHY on this resolution. I look forward to working further with all of these parties as we study possible changes and improvements to school lunch and breakfast programs.

Mr. LEAHY. Mr. President, I am proud of the School Lunch and School Breakfast Programs across this country.

The School Lunch and Breakfast Programs are among the most important Federal nutrition programs. Each day, they supply millions of young children with the food they need to live, to learn, and to grow. Healthy children are the foundation of a healthy nation, and the school food programs play a vital role in the lives of our children.

The National School Lunch and Breakfast Programs, however, are facing new challenges, and seeking new solutions to old problems. A dramatic reduction in Federal support for the programs in the early 1980's reduced the number of children able to participate, and more recently schools have seen a steep decline in the availability of bonus commodities.

I have heard reports that local schools face increasing indirect cost assessments, and each year schools drop out of the National School Lunch and Breakfast Programs because of economic difficulties. Low-income children whose schools drop out of the lunch and breakfast programs may have nowhere to go for the meals they need.

I also know that low-income children feel discriminated against because their classmates know that they are getting a free lunch or breakfast. While the program is supposed to be designed so that other students do not know who qualifies for a free or reduced-price meal, this is difficult to achieve in practice. The end result is that children of all incomes perceive a stigma associated with participation in the School Lunch and Breakfast Programs.

The problems we see in these programs, however, prompt us to reexamine the structure and operation of the School Lunch and Breakfast Programs. There may be solutions to these problems that are of limited scope, or it may be that the best solutions will require a long-term and fundamental change in the way we approach feeding children in school.

The resolution that we are considering today directs the Secretary of Agriculture to study a proposal, originally championed by the American School Food Service Association, that is aimed at bringing more students and more schools into the National School Lunch and Breakfast Programs.

I should note that the Universal Student Nutrition Act, which embodies the principles of this proposal, has been introduced in the House.

This proposal envisions a diverse set of possibilities. At a minimum, that meal payments now collected daily at the schools would be collected centrally by the Federal Government. At the other end of the spectrum, additional funding could be provided for the School Lunch and Breakfast Programs to give Government-sponsored meals to all children regardless of income. In the middle ground lie such options as having the Internal Revenue Service collect meal payments on an annual basis from higher-income families, perhaps in combination with changes in the current reimbursement rates.

The underlying goal of this proposal to revamp the School Lunch and Breakfast Programs is to encourage universal participation, in order to further the programs' mission of reducing child hunger and preparing children for learning. If in the process the current complex system of income eligibility brackets, payments, and verification could be simplified, or eliminated in the case of free meals to all, administrative burdens would be reduced and resources could be diverted to ensuring better meal services.

This resolution directs the Secretary of Agriculture to carry out a study of all facets and ramifications of the universal lunch and breakfast proposal initially suggested by ASFSA. It is expected that the Secretary would examine all possible means, from the most limited to the most expansive, of achieving ASFSA's goals of centralizing collection of student payments, reducing stigma, and ultimately increasing participation by making the program more attractive to students of all incomes.

Among other aspects of the universal lunch and breakfast proposal, the Secretary is expected to examine a variety of new revenue sources for the National School Lunch and Breakfast Programs, including, but not limited to, restructuring section 32 funds and reducing the dependent care allowance. With regard to a centralized collection of lunch and breakfast payments, the Secretary should include in an analysis of options the feasibility of requiring the Internal Revenue Service to include school meal payments in the tax assessments of participating families, to be adjusted according to income eligibility.

It is important to emphasize that the Secretary is expected to provide an analysis of all options for restructuring the School Lunch Program that are consistent with the historic purpose of the program to provide assistance for children to eat healthy meals in school. While the Secretary's opinion of each option is expected, Congress must have for review every option, regardless of its merit as determined by the Secretary.

In addition to options for restructuring the National School Lunch and Breakfast Programs, the Secretary should explain the legislative and regulatory changes that would be necessary to carry out these options.

I expect that the Secretary will work closely with ASFSA and other interested groups in developing and carrying out this study. I also expect that the Secretary will carry out this study expediently, to give Congress ample time to review its findings before reauthorization of the National School Lunch Act in 1994.

In conclusion, I want to emphasize although we must look closely at the details of the universal school lunch and breakfast proposal, we must not lose sight of the broad goal of these programs, to serve children healthy meals, and prepare them for learning. Any changes to the lunch and breakfast programs must be designated and implemented carefully to ensure that schools are able to continue serving our children with the dedication and excellence that we all treasure.

Mr. McCONNELL. Mr. President, I rise today in support of Senate Resolution 303, a resolution expressing the sense of the Senate that the Secretary of Agriculture study a universal school lunch proposal. I remember back in early March when the American School Food Service Association [ASFSA] had their annual Legislative Action Conference here in Washington. I had the pleasure to meet with 10 ASFSA members from Kentucky one afternoon, and the issue we spent the majority of our time talking about was the universal school lunch proposal.

The benefits which the school lunch and school breakfast programs provide for our Nation's children is clear. Nutritious breadfasts start our children off each day ready to learn. School lunches provide the fuel the children need to make it through the day. Often times, these meals are the only healthy, nutritious meals a child will eat in a day. A universal proposal that would expand the school lunch and breakfast programs will help reach those children who come to school hungry in the morning, or who eat junk food for lunch.

I believe there are constructive changes that should be made to the current programs—changes that would reduce the paperwork burden on schools, reach more at-risk children, and at the same time, remain within the bounds of our budgetary restraints. These changes will not be easy, and no matter what label is placed on these reforms, these should be our goal. At the same time, safeguards should be maintained which ensure that the programs are targeted toward the most needy recipients, and are not spread too thin.

Requesting this study is the first step in reforming our school nutrition programs, and I look forward to working on these improvements as the ranking Republican on the subcommittee which has jurisdiction over these programs.

AMENDMENT NO. 2729

(Purpose: To express the sense of the Senate that the Secretary of Agriculture should conduct a study of options for implementing universal-type school lunch and breakfast programs)

Mr. FORD. Mr. President, on behalf of Senator LEAHY, I send a substitute amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. LEAHY, proposes an amendment numbered 2729.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the resolving clause and insert the following:

It is the sense of the Senate that the Secretary of Agriculture should incorporate into the studies required under section 1779 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 1751 note) a study of various options for implementing universal-type school lunch and breakfast programs that includes consideration and assessment of—

(1) how to administratively structure universal-type school lunch and breakfast programs;

(2) how to increase the role of nutrition education;

(3) how to encourage schools to increase their participation in the school breakfast program;

(4) an appropriate a la carte food policy to be consistent with universal-type school lunch and breakfast programs;

(5) options for funding the cost of universal-type school lunch and breakfast programs;

(6) administrative costs and savings at Federal, State, and local levels as a result of not having to determine family income and do income-based meal counts; and

(7) the need for legislative changes to carry out universal-type school lunch and breakfast programs.

SEC. 2. As used in this resolution, the term "universal-type school lunch and breakfast programs" means school lunch and breakfast programs administered under the National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) under which the Federal reimbursement under the programs for each meal served consistent with United State Department of Agriculture guidelines is provided at an equal rate without regard to the income of the family of the student.

SEC. 3. The Secretary is requested to submit a final report on the information requested to submit a final report on the information requested by this resolution to Congress with the final report submitted under section 1779(c)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 1751 note).

SEC. 4. A copy of this resolution shall be transmitted to the President, the Secretary of Agriculture, the Secretary of Education, the Secretary of Health and Human Services, and the Director of the Office of Management and Budget.

Strike the preamble and insert the following:

Whereas the national school lunch and breakfast programs are vital to protecting the health and well-being of the Nation's children;

Whereas these essential child nutrition programs help prepare children to learn and to combat childhood hunger;

Whereas the national school lunch program serves approximately twenty-five million children a day, and the school breakfast program serves approximately four million children a day;

Whereas there are several million eligible low-income students who are not participating in the free and reduced price school meal programs; and

Whereas Federal subsidies were reduced early in the last decade, United States Department of Agriculture bonus commodities have dramatically declined, the administrative complexity and cost of administering the national school lunch and breakfast programs have increased, and local indirect cost assessments are reported to be increasing in many local school districts: Now, therefore, be it

The PRESIDING OFFICER. The question is on the substitute amendment.

The amendment (No. 2729) was agreed to.

Without objection, the resolution is agreed to.

The resolution (S. Res. 303) was agreed to.

The preamble, as amended, was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZING FINANCIAL ASSISTANCE FOR MARY McLEOD BETHUNE MEMORIAL FINE ARTS CENTER

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2984, authorizing financial assistance for the construction and maintenance of the Mary McLeod Bethune Memorial Fine Arts Center, introduced earlier today by Senators GRAHAM and MACK.

The PRESIDING OFFICER. The bill will be stated by title.

The bill clerk read as follows:

A bill (S. 2984) to authorize financial assistance for the construction and maintenance of the Mary McLeod Bethune Memorial Fine Arts Center.

Mr. GRAHAM. Mr. President, the Senate has just passed important legislation to honor Dr. Mary McLeod Bethune. Dr. Bethune's career was most remarkable, and her contributions to America, and to the advancement of African-Americans, can be seen throughout the country today.

That is why I am especially pleased that my colleagues have agreed unanimously to authorize the completion of the Mary McLeod Bethune Memorial Fine Arts Center at Bethune-Cookman College in Daytona Beach, FL.

Dr. Bethune founded Bethune-Cookman in 1904 and served as the college's first president, for 36 years. Today, Bethune-Cookman has approximately 4,000 students and plays an integral role in Florida's higher education community.

Bethune-Cookman has achieved recognition on a national scale as well. Dr. Oswald P. Bronson, Sr., president of Bethune-Cookman, is the immediate past-Chairman of the Presidents of the United Negro College Fund.

The establishment of a fine institution like Bethune-Cookman is an admirable lifetime achievement by any standard. As the 15th child of slave parents, Dr. Bethune's success is especially remarkable.

But her accomplishments loom even larger than the creation of Bethune-Cookman. Mary McLeod Bethune founded the National Council of Negro Women.

She was a close friend and confidant of five U.S. Presidents, from Teddy Roosevelt to Harry S. Truman. She was also the head of the Negro division of the National Youth Administration.

The fine arts center at Bethune-Cookman is appropriately named for Dr. Bethune. Once complete, the center will play an essential role in helping the college's students keep pace with advances in industry and technology to be competitive in Florida's economy.

The center will also serve the surrounding community, being available to civic associations, community organizations, churches, and multicultural groups.

I invite my colleagues to visit Bethune-Cookman and witness the fruits of this important investment. I am certain they will be pleased with their decision to support this legislation.

I look forward to final passage of this bill, and I thank my colleagues for their unanimous approval of this measure.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 2984

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 775 of the Higher Education Act of 1965 (20 U.S.C. 1132h-4) is amended—

(1) in subsection (c) by inserting "and maintenance" after "construction", and

(2) in subsection (d) by striking "$6,200,000" and inserting "$15,700,000".

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

82D AIRBORNE DIVISION 50TH ANNIVERSARY RECOGNITION DAY

Mr. FORD. Mr. President, I ask unanimous consent that the Judicary Committee be discharged from further consideration of Senate Joint Resolution 270, designating August 15, 1992, as the 82d Airborne Division's 50th Anniversary recognition date; that the Senate then proceed to its immediate consideration; that the joint resolution be deemed read the third time, passed, and the motion to reconsider be laid upon the table; further, that the preamble be agreed to and that any statements appear in the RECORD at the appropiate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the joint resolution (S.J. Res. 270) was deemed read the third time and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. RES. 270

Whereas 50 years ago, brave men and women of the United States made tremendous sacrifices to defend freedom and to save the world from tyranny and aggression during World War II;

Whereas, during World War II, the American paratrooper became a new type of fighting soldier;

Whereas, from the drop zones of Sicily and Normandy to the desert sands of Iraq, the paratroopers of the 82d Airborne Division of the United States Army have distinguished themselves as being among those who were the first to answer the call to go in harm's way;

Whereas the 82d Airborne Division is recognized as an elite fighting force that continues to be on the cutting-edge of our Armed Forces;

Whereas today, as for the past 50 years, the 82d Airborne Division's ranks are filled with some of our Nation's best soldiers; and

Whereas it is appropriate that we recognize the 82d Airborne Division on the 50th anniversary of its formation and pay tribute to the gallant paratroopers, past and present, who wear the maroon beret: Now, therefore, be it

Resolved by the Senate of House of Representatives of the United States of America in Congress assembled,

That August 15, 1992, is designated as "82d Airborne Division 50th Anniversary Recognition Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities acknowledging the many important contributions of the 82d Airborne Division of the United States Army over the past 50 years.

REPRESENTATIVE FUNCTION OF MEMBERS OF THE SENATE WITH RESPECT TO COMMUNICATIONS FROM PETITIONERS

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 490, Senate Resolution 273, a resolution to amend the Standing Rules of the Senate to provide guidance to the Members of the Senate, and their employees, in discharging the representative function of Members with respect to communications from petitioners.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

> A resolution (S. Res. 273) to amend the Standing Rules of the Senate to provide guidance to Members of the Senate, and their employees, in discharging the representative function of Members with respect to communications from petitioners.

Mr. MITCHELL. Mr. President, on March 19, 1992, I submitted, on behalf of myself and the distinguished Republican leader, Senate Resolution 273, to amend the Standing Rules of the Senate by adding a new rule, rule XLIII, to provide guidance to Members of the Senate and their employees in discharging the representative function of Members with respect to communications with Federal agencies and officials at the behest of petitioners. The resolution would provide for enforcement of the new rule by the Select Committee on Ethics.

Senate Resolution 273 is the product of the task force on constituent service, which Senator DOLE and I appointed last year, and which recommended a new Senate rule on assisting petitioner in communicating with Federal agencies and officials. After reviewing the task force proposal, the distinguished Republican leader and I introduced Senate Resolution 273, which was referred to the Committee on Rules and Administration. The Rules Committee now has reported the measure favorably, without amendment.

The central provision of the new rule prohibits Members from basing the decision to assist a petitioner before a Federal agency or official on whether the petitioner has contributed to the Member's campaign or causes. In addition, the rule provides general guidance on permissible contacts with Federal agencies and officials on behalf of petitioners. Importantly, the rule also requires that Members make a reasonable effort to supervise the actions that Senate staff take on behalf of Members in assisting petitioners.

We have had the benefit of comments on the new rule by organizations outside of the Senate. One set of comments was submitted by Common Cause, which had filed a complaint with the Ethics Committee in the Keating matter, and has had an interest in developments resulting from that proceeding. We appreciate Common Cause's concern, while disagreeing with its criticisms of the new rule.

To begin with, Common Cause evidently disagrees with the results of the Ethics Committee's proceedings in the Keating matter, and objects that the new rule would do no more than codify those results. Because, upon consent, the Ethics Committee concluded its investigation with the strongest final action which it had the authority to impose, namely a severe reprimand, the Senate did not debate and vote on the committee's action. Nevertheless, I am confident that there is broad, and merited, agreement in the Senate that the report of the Ethics Committee provides to the entire Senate community and to the public a clear and significant articulation of the standards that govern the conduct of Members. I commend that report to all Members and staff of the Senate for their continued study and guidance.

With respect to the text of the proposed rule, Common Cause objects that "Rule XLIII is fundamentally flawed because it does not provide protection against the appearance of improper use of influence." It also objects that the rule fails to "sufficiently emphasize" a Senator's responsibility to assure that—

> "The methods of intervening in administrative matters are not themselves so inherently damaging to the administrative process or to legislative-administrative relations that they offset any public benefit that might be gained from any such legislative pressure."

Common Cause's criticisms misapprehend the relationship between particular rules of conduct in the Senate and the larger system of ethical restraints and enforcement in the Senate. Section 1 of Senate Resolution 266 of the 90th Congress, which was adopted in 1968 and continues as a standing order of the Senate, explicitly provides that "the written expression of certain standards of conduct, complement the body of unwritten but generally accepted standards that continue to apply to the Senate." For example, the Ethics Committee, in its final report in the Keating matter, reminded the Senate, without referring to any standing rule of the Senate, that—

> every Senator always must endeavor to avoid the appearance that the Senator, the Senate, or the governmental process may be influenced by campaign contributions or other benefits provided by those with significant legislative or governmental interests. S. Rep. No. 223, 102d Cong., 1st Sess. 12 (1991).

Consistent with that approach, rule XLIII does not, and was not intended to, govern the entire range of ethical issues that might arise with respect to assistance to petitioners. Rather, it addresses a specific issue namely, a Member's decision to assist a petitioner before a Federal agency or official. Nothing in the proposed rule would disturb the Ethics Committee's jurisdiction over allegations of improper conduct that may reflect upon the Senate. Nor does it displace other ethical guidelines, such as the Code of Ethics for Government Service, to name one source identified by Common Cause, from which the Ethics Committee might draw principles to guide its consideration of allegations of improper conduct that may reflect upon the Senate.

For the important ground which it does cover, the proposed new rule on assistance to petitioners provides necessary guidance to Members in carrying out their representative function of assisting petitioners in communicating with Federal officials and agencies. It affirms that providing assistance to petitioners is an appropriate representative function, provides general guidance on permissible contacts with agencies, and specifically directs Members to assure that assistance is not based on whether a petitioner has contributed to the Member or to the Member's causes.

Mr. President, to provide guidance to Members of the Senate with respect to the purpose and particulars of Senate Resolution 273, I ask unanimous consent that the following joint section-by-section analysis by the sponsors of Senate Resolution 273 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOINT SECTION-BY-SECTION ANALYSIS BY SPONSORS OF SENATE RESOLUTION 273

I. PREAMBLE TO THE RESOLUTION

The preamble to Rule XLIII sets forth both the ethical basis for Members of Congress to represent the interests of constituents and others in their dealings with federal agencies and officials and the ethical principle that should guide such representation.

The first clause of the preamble recognizes that responding to requests for assistance with federal agencies and officials has a constitutional dimension, as it is grounded in the first amendment "right of the people . . . to petition the Government for a redress of grievances." U.S. Const., amend. I. It is often difficult for individuals to obtain the attention of government agencies by direct communications with them and elected representatives can assist citizens in bringing individual grievances to the attention of the departments of the federal government. The House of Representatives has similarly taken cognizance of this aspect of responding to petitions for assistance. See House Committee on Standards of Official Conduct Advisory Opinion No. 1, reprinted in The Committee on Standards of Official Conduct, Ethics Manual for Members, Officers, and Employees of the U.S. House of Representatives, 102d Cong., 2d Sess. 263 (Comm. Print 1992).

In addition to helping to assure that justice is done in individual cases, responding to petitions for assistance is part of the congressional oversight function. Individual complaints can assist in identifying problems with existing legislation and indicate the need for new legislation.

The second clause of the preamble sets forth the principle that responses to petitions for assistance, like all senatorial functions, must be performed in a manner consistent with the public trust. The Senate has declared that

The ideal concept of public office, expressed by the words, "A public office is a public trust", signifies that the officer has been entrusted with public power by the people; that the officer holds this power in trust to be used only for their benefit and never for the benefit of himself or of a few; and that the officer must never conduct his own affairs so as to infringe on the public interest. All official conduct of Members of the Senate should be guided by this paramount concept of public office.

Standing Orders of the Senate, Senate Manual, S. Doc. No. 1, 101st Cong., 1st Sess. §79.6, at 130 (1989) (reprinting S. Res. 266, 90th Cong., 2d Sess. §1 (1968)). Rule XLIII places into the Standing Rules a standard governing assistance to petitioners that embodies this basic principle.

II. SECTION 1: RULE XLIII

A. Paragraph 1: Responding to Petitions for Assistance

Paragraph one of the rule affirms that providing assistance to petitioners by communicating their grievances to federal executive and independent agencies or officials is a legitimate part of a Member's representative function. This is in accord with the Ethics Committee's recognition that "[i]t is a necessary function of a Senator's office to intervene with officials of the executive branch and independent regulatory agencies on behalf of individuals when the facts warrant." Report on the Investigation of Senator Alan Cranston, S. Rep. No. 223, 102d Cong., 1st Sess. 14 (1991).

In referring to the right to assist "petitioners," rather than "constituents," the rule recognizes that Members may assist petitioners who do not reside in their home states. Home state residence will often be the basis of an individual's communication to a Member, and of the Member's response to the communication. Nevertheless, Members are United States Senators who may respond to the unresolved grievances of persons who reside elsewhere in the United States.

Although Rule XLIII explicitly addresses communications with federal entities, the principles articulated in the rule apply to communications on a petitioner's behalf to other entities, including state entities, which petitioners occasionally may ask Members to contact.

B. Paragraph 2: Examples of Permissible Communications

Paragraph two of Rule XLIII provides examples of communications with agencies and officials that Senators and their employees may make on behalf of petitioners. It builds upon Advisory Opinion No. 1 of the House Committee on Standards of Official Conduct.

As the last clause of paragraph two indicates, the examples provided in paragraph two are not exclusive. Rather, they illustrate the types of action that Members and their staffs frequently, and appropriately, take on behalf of petitioners. It is common practice, for example, for a Member's office to request that an agency provide information about the status of a matter under consideration by the agency. Similarly, it is not uncommon for Members to arrange appointments for constituents with agency officials so that constituents may present their cases directly to them. Members may also urge prompt consideration of, and express judgments about, matters pending before agencies.

In describing when a Member may seek reconsideration of an agency decision, paragraph two, explicitly recognizes that it is appropriate for Members to ask agencies to consider matters of equity or public policy in addition to questions of compliance with statutes and regulations.

All of the examples of permissible communications listed in paragraph two are subject to the stricture in paragraph three that decisions to communicate with agencies and officials may not be based on contributions. Thus, while it is generally permissible for a Member, at a petitioner's request, to seek reconsideration of an agency decision because the Member believes the decision is legally incorrect or is inequitable, the Member may not do so if his or her communication to the federal agency or officer is based on the petitioner's contributions.

C. Paragraph 3: Restricting Political, Financial, and Personal Influence

The requirement that assistance to petitioners be provided in a manner consistent with the public trust is embodied in paragraph three of Rule XLIII which states that the decision to provide assistance to petitioners "may not be made on the basis of contributions or services, or promises of contributions or services, to the Member's political campaigns or to other organizations in which the Member has a political, personal, or financial interest." The prohibition in paragraph three applies to the provision of "services" as well as contributions of money, and to the "promise" of contributions and services, as well as to their actual delivery.

Paragraph three is intended to be consistent with the standard recently described by the Ethics Committee in its report on the investigation of Senator Cranston. In that report, the Committee observed that "[t]he cardinal principle governing Senators' conduct in this area is that a Senator and a Senator's office should make decisions about whether to intervene with the executive branch or independent agencies on behalf of an individual without regard to whether the individual has contributed, or promised to contribute, to the Senator's campaigns or other causes in which he or she has a financial, political or personal interest." S. Rep. No. 102–223, at 11–12. The Ethics Committee elaborated that,

"This standard does not prohibit a Senator from providing constituent service for a contributor. It does, however, impose a special obligation on that Senator to guard the public trust in that Senator, the Senate, and the governmental processes by ensuring that the service is being provided because the Senator reasonably believes it is in the public interest or the cause of equity or justice to do so, and not because the individual is a contributor. Senators may endeavor to meet this special obligation in a number of ways, for example, by establishing office practices indicating that only constituent cases that they or their staffs reasonably believe have merit will be pursued." Id. at 30.

Paragraph three is directed principally at interventions in administrative proceedings that should be decided on the basis of statutes or regulations, such as the matters involved in the recent investigation by the Ethics Committee, or in the granting of permits, licenses, and contracts, or in agency adjudications. It does not govern communications about matters with regard to which politics has long played an accepted role. For example, communications to the President about whom to nominate to a Cabinet post, or whom to invite to a state dinner, are not within the scope of the rule. Such communications may be subject to other limitations as, for example, the federal criminal prohibition on soliciting or receiving money or other things of value in return for the promise of support or use of influence in securing an appointive office. 18 U.S.C. §211 (1988).

Paragraph three governs a Member's "decision to provide assistance." In addressing a Member's decision to act in response to a petitioner's request for assistance, the rule does not regulate a Member's decision to speak with political supporters, including contributors.

Paragraph three prohibits action on the basis of contributions, whether those contributions are to the Member's political campaign "or to other organizations in which the Member has a political, personal, or financial interest." It requires, when the Member's office is aware that contributions have been made to the Member's campaign or to organizations in which a Member has a political, financial, or personal interest, that care be taken to ensure that the decision whether to intervene is not based on those contributions. The rule does not require that a Member ascertain in each case whether a petitioner has made contributions that are covered by the rule.

D. Paragraph 4: The Obligation of Members to Assure That Senate Employees Comply With the Rule

Paragraph four of Rule XLIII provides that "A Member shall make a reasonable effort to assure that representations made in the Member's name by any Senate employee are accurate and conform to the Member's instructions and to this rule."

Representations that are made in a Member's name should be "accurate and conform to the Member's instructions. The requirement that representations be "accurate" should prompt each Member to make reasonable efforts to assure that employees do not misrepresent the Member's positions. The requirements that representations "conform to the Member's instructions" is intended to encourage Members to establish appropriate limits on the actions that staff may take on a Member's behalf. Together, these requirements direct Members to make reasonable efforts to supervise, or provide for the supervision of, the implementation of their instructions about constituent service.

Paragraph four does not restrict a Member's supervisory responsibility to Senate employees who are on the Member's personal staff. The rule applies to representations made by "any Senate employee." According, the rule would also apply to committee personnel, and to others whose compensation is paid by the Senate, who assist Members. The rule does not render a Member accountable for the actions of employees who make representations without the Member's knowledge where it would be unreasonable to have expected the Member to have been aware of the actions.

E. Paragraph 5: Legislative and Committee Responsibilities

Paragraph five of the rule provides that "Nothing in this rule shall be construed to limit the authority of Members, and Senate employees, to perform legislative, including committee, responsibilities."

Although other ethical constraints are applicable, such as Senate Rules XXXVII.1 and XXXVII.4 on conflicts of interest, Rule XLIII does not apply to a Member's responsibilities in introducing, debating, and voting on legislation. The rule also does not apply to the oversight of federal agencies through committee investigations or hearings, as opposed to a Member's individual communications to the agency on behalf of particular constituents. On the floor and in committees a Member's actions occur in a collegial, multiparty, and generally open setting, and are subject to critical examination by other Members and the public. Rule XLIII addresses the special circumstances of communications to agencies that occur outside of floor or committee proceedings. Paragraph 4 does not insulate from scrutiny written communications to agencies or officials, which although performed under the aegis of a committee, in substance constitute assistance to petitioners.

III. SECTION 2: ENFORCEMENT BY THE SELECT COMMITTEE ON ETHICS

Section 2 of Rule XLIII provides that the rule will be considered part of the Senate Code of Official Conduct. The purpose of this provision is to bring the rule within the jurisdiction of the Ethics Committee, which under S. Res. 338, 88th Congress, has the duty to investigate violations of the Code of Official Conduct. The Ethics Committee will have authority to issue interpretive rulings and provide advice and guidance to Members and staff on the requirements of the rule. The Committee also will have authority to investigate allegations of violations of the rule, and to recommend discipline to the Senate.

Nothing in the rule, of course, precludes either the Ethics Committee or an appropriate law enforcement entity from considering whether a connection between contributions and official action implicates any criminal statute, including the statute on bribery or the receipt of unlawful gratuities, 18 U.S.C. §§201(b)(2), 201(c)(1)(B) (1988).

Mr. SMITH. Mr. President, it gives me great pleasure to lend my support to Senate Resolution 273, the proposed constituent services rule. As a member of the constituent services task force, appointed by the majority leader, Senator MITCHELL, and the Republican leader, Senator DOLE, I have had the privilege to work to develop this proposal with five of the most talented and hard-working Members of this body—Senator FORD of Kentucky, Senator STEVENS of Alaska, Senator BUMPERS of Arkansas, Senator KASSEBAUM of Kansas, and Senator SASSER of Tennessee.

I feel that the final product is a good one and one which, I trust, will justify the faith which this body has placed in us.

At its core, proposed rule XLIII would require that a decision to provide assistance involving communication with an executive agency not be made on the basis of contributions or services, or promises of contributions or services, to the Member's political campaigns or to other organizations in which the Member has a political, personal, or financial interest. Thus, the rule looks to the motivation of the Member and his staff in determining whether or not intervention on behalf of the petitioner is ethical.

I realize that there are some who feel we should have resolved issues other than the ones we were commissioned to tackle. I believe we acted wisely in staying within the limits of our mandate and developing a workable, yet tough, proposal to ensure that Senators act ethically in carrying out their responsibilities to their constituents.

Mr. President, I commend my fellow Members of the constituent services task force and I trust that our work product will serve as an effective guidance to this body for many years to come.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 273) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 273

Whereas the first amendment of the Constitution guarantees the "right of the people . . . to petition the Government for a redress of grievances," the Senate recognizes that responding to petitions for assistance is an appropriate exercise of the representative function of each Member; and

Whereas, the Senate Code of Official Conduct should provide guidance for the performance of this constitutional function in a manner consistent with the public trust: Now, therefore, be it

Resolved, That the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

"RULE XLIII

"REPRESENTATION BY MEMBERS

"1. In responding to petitions for assistance, a Member of the Senate, acting directly or through employees, has the right to assist petitioners before executive and independent government officials and agencies.

"2. At the request of a petitioner, a Member of the Senate, or a Senate employee, may communicate with an executive or independent government official or agency on any matter to—

"(a) request information or a status report;

"(b) urge prompt consideration;

"(c) arrange for interviews or appointments;

"(d) express judgments;

"(e) call for reconsideration of an administrative response which the Member believes is not reasonably supported by statutes, regulations or considerations of equity or public policy; or

"(f) perform any other service of a similar nature consistent with the provisions of this rule.

"3. The decision to provide assistance to petitioners may not be made on the basis of contributions or services, or promises of contributions or services, to the Member's political campaigns or to other organizations in which the Member has a political, personal, or financial interest.

"4. A Member shall make a reasonable effort to assure that representations made in the Member's name by any Senate employee are accurate and conform to the Member's instructions and to this rule.

"5. Nothing in this rule shall be construed to limit the authority of Members, and Senate employees, to perform legislative, including committee, responsibilities."

SEC. 2. Senate rule XLIII shall be deemed to be part of the Senate Code of Official Conduct for purposes of Senate Resolution 110, Ninety-fifth Congress, and all other resolutions pertaining to the jurisdiction of the Select Committee on Ethics.

EMANCIPATION OF THE BAHA'I COMMUNITY OF IRAN

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar 532, House Concurrent Resolution 156, a concurrent resolution concerning the emancipation of the Baha'i community of Iran; that the motion to reconsider be laid upon the table, and any statements regarding adoption of this item be placed in the RECORD at the appropriate place.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The bill clerk read as follows:

A concurrent resolution (H. Con. Res. 156) concerning the emancipation of the Baha'i community of Iran.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 156) was agreed to.

The preamble was agreed to.

FOOD SERVICES IN MISSISSIPPI

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Agriculture Committee be discharged from further consideration of S. 2917 regarding food services in Mississippi, and ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The bill clerk read as follows:

A bill (S. 2917) to amend the National School Lunch Act to authorize the Secretary of Agriculture to provide financial and other assistance to the University of Mississippi, in cooperation with the University of Southern Mississippi, to establish and maintain a food service management institute, and for other purposes.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 2917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FOOD SERVICE MANAGEMENT INSTITUTE.

Section 21(a)(2) of the National School Lunch Act (42 U.S.C. 1769b-1(a)(2)) is amended by inserting after "is authorized" the following: "to provide financial and other assistance to the University of Mississippi, in cooperation with the University of Southern Mississippi,".

Mr. SIMPSON. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DESIGNATING THE ZORA THOMAS POST OFFICE BUILDING

DESIGNATING THE ARTHUR HOLLAND POST OFFICE BUILDING

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be discharged, en bloc, from further consideration of H.R. 158, designating the Zora Thomas Post Office Building in Hiddenite, NC; and H.R. 4505, designating the Arthur Holland Post Office Building in Trenton, NJ; and that the Senate then proceed, en bloc, to their immediate consideration, that the bills be deemed read the third time, passed, and the motion to reconsider laid upon the table, en bloc; I further ask unanimous consent that Calendar Nos. 523 and 524, Senate companion measures, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bills (H.R. 158 and H.R. 4505) were deemed read the third time, and passed.

JOHN WILLIAMS POST OFFICE BUILDING

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 525, S. 2834, a bill to designate the John Williams Post Office Building in Millsboro, DE; that the bill be deemed read three times, passed and the motion to reconsider laid upon the table; that any statements appear in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 2834) was deemed read three times and passed, as follows:

S. 2834

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF UNITED STATES POST OFFICE BUILDING LOCATED AT 100 MAIN STREET, MILLSBORO, DELAWARE.

The United States Post Office Building located at 100 Main Street, Millsboro, Delaware is designated as the "John J. Williams Post Office Building". Any reference to such building in any law, rule, map, document, record, or other paper of the United States shall be considered to be a reference to the "John J. Williams Post Office Building".

TRIBUTE TO JOHN J. WILLIAMS

Mr. ROTH. Mr. President, I am pleased that the Senate is proceeding with S. 2834, legislation to pay tribute to a former colleague of ours, Senator John J. Williams. John Williams served the State of Delaware for 24 years in the U.S. Senate. He is best remembered, and deservedly so, for his absolute integrity and dedication as a public servant.

This bill establishes a lasting tribute to this great public servant, in the town where he was raised, where he lived, and where he retired after leaving the Senate in 1970. This legislation designates the new U.S. Post Office building located at 100 Main Street, Millsboro, DE, as the "John J. Williams Post Office Building".

During his 24 year career in the Senate, John Williams established a national reputation for honesty and integrity. This was a central part of his character. The titles others used to describe him aptly reflected this core belief: "Watchdog of the Nation", the "Conscience of the Senate", "Mr. Integrity", and "Honest John".

When John Williams died in January 1988 we all mourned his passing. He never sought glory or gain for himself in the service of his country. He made the people of Delaware, and especially the citizens of Millsboro, very proud. This legislation is a small tribute to an individual who served our Nation and his State so well. I thank my colleagues for their attention to this matter and urge adoption of the legislation.

PROVIDING FOR THE PRINTING OF THE BOOK ENTITLED "YEAR OF THE AMERICAN INDIAN, 1992: CONGRESSIONAL RECOGNITION AND APPRECIATION" AS A HOUSE DOCUMENT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 328, allowing the printing of a book entitled "Year of the American Indian," just received from the House, that the resolution be adopted and the motion to reconsider be laid upon the table and that any statements on this item appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (H. Con. Res. 328) was agreed to.

AUTHORIZING THE TRANSFER OF CERTAIN NAVAL VESSELS TO GREECE AND TAIWAN

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 530, H.R. 5412, a bill to authorize the transfer of certain naval vessels to Greece and Taiwan; that the bill be deemed read three times, passed, and the motion to reconsider laid upon the table; further that statements relating to this measure be placed in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 5412) was deemed read three times and passed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar 675, Shirley Gray Adamovich, to be a member of the National Commission on Libraries and Information Science;

Calendar 676, Hugh Hardy, to be a member of the National Council on the Arts;

Calendar 677, Paul A. Cantor, to be a member of the National Council on the Humanities;

Calendar 678, Joseph H. Hagan, to be a member of the National Council on the Humanities;

Calendar 679, Theodore S. Hamerow, to be a member of the National Council on the Humanities;

Calendar 680, Alicia Juarrero, to be a member of the National Council on the Humanities;

Calendar 681, Alan C. Kors, to be a member of the National Council on the Humanities;

Calendar 682, Condoleezza Rice, to be a member of the National Council on the Humanities;

Calendar 683, John R. Searle, to be a member of the National Council on the Humanities;

Calendar 684, Bruce Cole, to be a member of the National Council on the Humanities;

Calendar 688, Richard N. Zare, to be a member of the National Science Board;

Calendar 689, F. Albert Cotton, to be a member of the National Science Board;

Calendar 690, Charles E. Hess, to be a member of the National Science Board;

Calendar 691, John Hopcroft, to be a member of the National Science Board;

Calendar 692, James L. Powell, to be a member of the National Science Board;

Calendar 693, Frank H. T. Rhodes, to be a member of the National Science Board;

Calendar 694, Richard N. Zare, to be a member of the National Science Board;

Calendar 696, Joyce A. Doyle, to be a member of the Federal Mine Safety and Health Review Commission;

Calendar 697, Max M. Kampelman, to be a member of the Board of Directors of the U.S. Institute of Peace;

Calendar 698, Christopher H. Phillips, to be a member of the Board of Directors of the U.S. Institute of Peace;

Calendar 703, Officers named for appointment in the U.S. Air Force to the grade of brigadier general;

Calendar 704, Maj. Gen. Walter Kross, to be lieutenant general;

Calendar 705, Maj. Gen. William W. Crouch, to be lieutenant general;

Calendar 706, Maj. Gen. Jerry R. Rutherford, to be lieutenant general;

Calendar 707, Lt. Gen. David M. Maddox, to be general;

Calendar 708, Gen. Crosbie E. Saint, to be general;

Calendar 709, Maj. Gen. Samuel E. Ebbesen, to be lieutenant general;

Calendar 710, Lt. Gen. William S. Carpenter, Jr., to be lieutenant general;

Calendar 711, Lt. Gen. John J. Yeosock, to be lieutenant general;

Calendar 712, Maj. Gen. James R. Ellis, to be lieutenant general;

Calendar 713, Lt. Gen. Henry C. Stackpole III, to be lieutenant general;

Calendar 714, Maj. Gen. Norman E. Ehlert, to be lieutenant general;

Calendar 715, Vice Adm. Stanley R. Arthur, to be admiral;

Calendar 716, Vice Adm. Henry H. Mauz, Jr., to be admiral;

Calendar 717, Rear Adm. Edward M. Straw, to be vice admiral;

Calendar 718, Rear Adm. Timothy W. Wright, to be vice admiral;

Calendar 719, Lt. Gen. Robert J. Winglas, to be lieutenant general;

Calendar 720, Vice Adm. William A. Owens, to be vice admiral;

Calendar 721, Rear Adm. Thomas J. Lopex, to be vice admiral;

Calendar 722, Vice Adm. James G. Reynolds, to be vice admiral;

Calendar 723, Rear Adm. (LH) Norman W. Ray, to be vice admiral;

Calendar 724, Adm. Leon A. Edney, to be admiral;

Calendar 725, Adm. Paul D. Miller, to be admiral;

Calendar 726, Adm. Jonathan T. Howe, to be admiral; and

Calendar 727, Ritajean H. Butterworth, to be a member of the Board of Directors of the Corporation for Public Broadcasting.

Nominations placed on the Secretary's Desk in the Air Force, Army, Marine Corps, Navy, and Public Health Service, and

Nominations filed today by the Foreign Relations Committee with the exception of Richard H. Solomon.

I further ask unanimous consent that the Senate proceed to immediate consideration, and that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, and that the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

Shirley Gray Adamovich, of New Hampshire, to be a Member of the National Commission on Libraries and Information Science.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Hugh Hardy, of New York, to be a Member of the National Council on the Arts.

Paul A. Cantor, of Virginia, to be a Member of the National Council on the Humanities.

Joseph H. Hagan, of Massachusetts, to be a Member of the National Council on the Humanities.

Theodore S. Hamerow, of Wisconsin, to be a Member of the National Council on the Humanities.

Alicia Juarrero, of Maryland, to be a Member of the National Council on the Humanities.

Alan Charles Kors, of Pennsylvania, to be a Member of the National Council on the Humanities.

Condoleezza Rice, of California, to be a Member of the National Council on the Humanities.

John R. Searle, of California, to be a Member of the National Council on the Humanities.

Bruce Cole, of Indiana, to be a Member of the National Council on the Humanities.

NATIONAL SCIENCE FOUNDATION

Richard Neil Zare, of California, to be a Member of the National Science Board, National Science Foundation.

F. Albert Cotton, of Texas, to be a Member of the National Science Board, National Science Foundation.

Charles Edward Hess, of California, to be a Member of the National Science Board, National Science Foundation.

John Hopcroft, of New York, to be a Member of the National Science Board, National Science Foundation.

James L. Powell, of Pennsylvania, to be a Member of the National Science Board, National Science Foundation.

Frank H.T. Rhodes, of New York, to be a Member of the National Science Board, National Science Foundation.

Richard Neil Zare, of California, to be a Member of the National Science Board, National Science Foundation.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

Joyce A. Doyle, of New York, to be a Member of the Federal Mine Safety and Health Review Commission.

UNITED STATES INSTITUTE OF PEACE

Max M. Kampelman, of the District of Columbia; to be a Member of the Board of directors of the United States Institute of Peace.

Christopher H. Phillips, of the District of Columbia, to be a Member of the Board of Directors of the United States Institute of Peace.

IN THE AIR FORCE

The following named officers for appointment in the United States Air Force to the grade of brigadier general under the provisions of title 10, United States Code, section 624:

To be brigadier general

Col. Thomas R. Mikolajcik [redacted] Regular Air Force.

Col. George W. Norwood, [redacted] Regular Air Force.

Col. Richard R. Paul, [redacted] Regular Air Force.

Col. Donald L. Peterson, [redacted] Regular Air Force.

Col. Richard H. Roellig, [redacted] Regular Air Force.

Col. David A. Sawyer, [redacted] Regular Air Force.

Col. Ervin C. Sharpe, Jr., [redacted] Regular Air Force.

Col. Thomas A. Twomey, [redacted] Regular Air Force.

Col. David L. Vesely, [redacted] Regular Air Force.

Col. John L. Welde, [redacted] Regular Air Force.

Col. John R. Wormington, [redacted] Regular Air Force.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Walter Kross, [redacted] United States Air Force.

IN THE ARMY

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. William W. Crouch, [redacted] United States Army.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Jerry R. Rutherford [redacted] United States Army.

The following named officer for appointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be general

Lt. Gen. David M. Maddox [redacted] United States Army.

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370;

To be general

Gen. Crosbie E. Saint, [redacted] United States Army.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Samuel E. Ebbesen, [redacted] United States Army.

The following named officer to be place on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. William S. Carpenter, Jr. [redacted], United States Army.

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. John L. Yeosock, [redacted] United States Army.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. James R. Ellis, [redacted] United States Army.

IN THE MARINE CORPS

The following named officer, under the provisions of title 10, United States code, section 601, for reassignment to a position of importance and responsibility as follows:

To be lieutenant general

Lt. Gen. Henry C. Stackpole III [redacted] USMC.

The following named officer, under the provisions of title 10, United States Code, section 601, for assignment to a position of importance and responsibility as follows:

To be lieutenant general

Maj. Gen. Norman E. Ehlert [redacted] USMC.

IN THE NAVY

The following named officer for appointment to the grade of admiral while assigned to a position of importance and responsibility under title 10, United States Code, sections 601 and 5035:

To be Vice Chief of Naval Operations

To be admiral

Vice Adm. Stanley R. Arthur, U.S. Navy, [redacted].

The following named officer for appointment to the grade of admiral while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be admiral

Vice Adm. Henry H. Mauz, Jr., U.S. Navy, [redacted].

The following named officer for appointment to the grade of vice admiral while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Edward M. Straw, Supply Corps, U.S. Navy [redacted].

The following named officer for appointment to the grade of vice admiral while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Timothy W. Wright, U.S. Navy, [redacted].

IN THE MARINE CORPS

The following named officer to be placed on the retired list under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Robert J. Winglass [redacted] USMC.

IN THE NAVY

The following named officer for reappointment to the grade of vice admiral while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. William A. Owens, [redacted] U.S. Navy.

The following named officer for appointment to the grade of vice admiral while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. (Selectee) Thomas J. Lopez, [redacted] U.S. Navy.

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. James G. Reynolds, U.S. Navy, [redacted].

The following officer for appointment to the grade of vice admiral while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. (LH) Norman W. Ray, U.S. Navy, [redacted].

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be admiral

Adm. Leon A. Edney, U.S. Navy, [redacted].

The following named officer for reappointment to the grade of admiral while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be admiral

Adm. Paul D. Miller, U.S. Navy [redacted].

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be admiral

Adm. Jonathan T. Howe, U.S. Navy, [redacted].

CORPORATION FOR PUBLIC BROADCASTING

Ritajean Hartung Butterworth, of Washington, to be a Member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 26, 1997, vice William Lee Hanley, Jr., resigned.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY, PUBLIC HEALTH SERVICE

Air Force nominations beginning Major Milton E. Ames Jr. [redacted] and ending Major Michael A. Reott [redacted] which nominations were received by the Senate and appeared in the Congressional Record of May 13, 1992.

Air Force nominations beginning Major Ronald E. Baker, [redacted] and ending Major Leslie D. Dysard [redacted] which nominations were received by the Senate and appeared in the Congressional Record of May 13, 1992.

Air Force nominations beginning Abraham A. Engelberg, and ending Keith R. Gabriel, which nominations were received by the Senate and appeared in the Congressional Record of May 19, 1992.

Air Force nominations beginning Merritt G. Davis, Jr., and ending Shobha Sem, which nominations were received by the Senate and appeared in the Congressional Record of June 2, 1992.

Air Force nomination of Lt. Col. Brian Duffy, which was received by the Senate and appeared in the Congressional Record of June 2, 1992.

Air Force nominations beginning Shirley A. Eubanks, and ending Bernard J. Strouth, which nominations were received by the Senate and appeared in the Congressional Record of June 2, 1992.

Air Force nominations beginning Ray C. Adams, and ending Bruce L. Upton, which nominations were received by the Senate and appeared in the Congressional Record of June 2, 1992.

Air Force nominations beginning Lyle E. Allen, and ending Carol M. Thomas, which nominations were received by the Senate and appeared in the Congressional Record of June 11, 1992.

Air Force nominations beginning Major Terry N. Allen, [redacted] and ending Major Michael R. Harris [redacted] which nominations were received by the Senate and appeared in the Congressional Record of June 11, 1992.

Army nominations beginning Thurman C. Atkinson, Jr., and ending Philip W. Nuss, which nominations were received by the Senate on January 22, 1992, and appeared in the Congressional Record of January 24, 1992.

Army nominations beginning Hector L. Acevedo, and ending Lewis F. Zerfoss, which nominations were received by the Senate and appeared in the Congressional Record of January 22, 1992.

Army nominations beginning Brian W. Adams, and ending Donald E. Wirth, which nominations were received by the Senate and appeared in the Congressional Record of March 18, 1992.

Army nominations beginning Francisco B. Iriarte, and ending * Daniel L. Hossbach, which nominations were received by the Senate and appeared in the Congressional Record of April 28, 1992.

Army nominations beginning Mary T. Deardorff, and ending Robert W. Pipkin, which nominations were received by the Senate and appeared in the Congressional Record of May 19, 1992.

Army nominations beginning Robert C. Hughes, Jr., and ending Larry F. Wilson, which nominations were received by the Senate and appeared in the Congressional Record of May 19, 1992.

Army nomination of Gary V. Casida, which was received by the Senate and appeared in the Congressional Record of June 4, 1992.

Army nominations beginning James T. Carper, and ending Keith W. Weaver, which nominations were received by the Senate and appeared in the Congressional Record of June 11, 1992.

DEPARTMENT OF STATE

William Clark, Jr., of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, to be an Assistant Secretary of State.

Robert L. Barry, of New Hampshire, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Indonesia.

David C. Fields, of California, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Marshall Islands.

Princeton Nathan Lyman, of Maryland, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of South Africa.

Joseph Charles Wilson IV, of California, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Gabonese Republic, and to serve concurrently without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of Sao Tome and Principe.

Joseph Monroe Segars, of Pennsylvania, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cape Verde.

Robert L. Gallucci, of Virginia, to be an Assistant Secretary of State.

Kenneth L. Brown, of California, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ghana.

Frank G. Wisner, of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, to be Under Secretary of State for Coordinating Security Assistance Programs.

Charles B. Salmon, Jr., of New York, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Lao People's Democratic Republic.

Irvin Hicks, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

Alison Podell Rosenberg, of Virginia, to be an Assistant Administration of the Agency for International Development, vice Scott M. Spangler.

STATEMENT ON THE NOMINATIONS TO THE NATIONAL COUNCIL ON THE HUMANITIES

Mr. SIMPSON. Mr. President, let me just say very swiftly on calendar items 677 to 684, with regard to the membership of the National Council on the Humanities, these eight nominees deserve special attention. I thank the leader and all concerned with regard to the designation of Paul A. Cantor, Joseph H. Hagan, Theodore S. Hamerow, Alicia Juarrero, Alan C. Kors, Condoleezza Rice, John R. Searle, and Bruce Cole.

I know that Mrs. Cheney is very pleased with that too.

STATEMENT ON THE NOMINATION OF RITAJEAN BUTTERWORTH

Mr. GORTON. Mr. President, it is with enormous pleasure and satisfaction that I lend my strongest support to the nomination of Ritajean Hartung Butterworth to the Board of the Corporation for Public Broadcasting. I take pleasure in this nomination because Ritajean has been a close personal friend for over 30 years. And I take satisfaction in knowing that the President has nominated someone who is uniquely qualified by her previous experience with public broadcasting to make a tremendous, positive contribution to the board.

Ritajean is well-known and respected by many people who are involved in public broadcasting as she has been active both with National Public Radio and our Seattle public television station for many years. She served on the board of directors of National Public Radio from 1977 to 1985 and from 1989 to the present time served on the advisory board to KCTS–TV9 in Seattle. While committing much time to furthering public broadcasting, she has also been an active member of many community and political organizations, all, while with her husband, Fred, raising five sons.

Ritajean has been a friend, a confidant, an advisor, and an inspiration throughout the years that I have known her. I was fortunate that she served as my State director during my first term in office, and again during the first year of my second term. Her steady hand, her knowledge, and her sense of humor have never failed and she is respected and admired by all those who have known her. The President has truly chosen an outstanding person in this nominee.

STATEMENT ON THE NOMINATION OF JOSEPH C. WILSON

Mr. DURENBERGER. Mr. President, I rise in strong support of the nomination of Joe Wilson, to be the new United States Ambassador to Gabon as well as the Democratic Republic of Sao Tome and Principe. Joe is a superb individual and a dedicated public servant. I have every confidence that Joe will represent our country with distinction and honor in his new post.

Joe Wilson and I first met in Baghdad in August 1989, when I visited Iraq. I was impressed from the outset with his knowledge of Iraq and its people as well as the Middle East region. Although his expertise and past experience is principally in Africa, Joe demonstrated just how valuable his service is to this country. He learned quickly and adapted smoothly to this new and challenging assignment.

Mr. President, as many of our colleagues will recall, Joe was our Deputy Chief of Mission and Chargé d'Affaires in Baghdad, up until the time our diplomats left Iraq prior to the gulf war. In the absence of Ambassador Gillespie, Joe led the Embassy staff through an exceptionally difficult and trying time, and he did so with great distinction and honor.

Joe has told me of his thoughts and emotions during that most challenging period, how it was to lower the American flag for the last time in Baghdad, back in early January 1991. He inspires confidence and loyalty among those with whom he serves, and I am delighted that President Bush has seen fit to continue making full use of Joe's considerable talents.

Joe is married to a lovely lady, Jacqueline, and they have two charming children, Joseph and Sabrina. I am sure that they are proud of Joe's accomplishments.

Mr. President, Joe Wilson has a long and distinguished career in the diplomatic service of this country. He is an accomplished and dedicated public servant, and I enthusiastically urge my colleagues to support his nomination to be the new United States Ambassador to Gabon.

Mr. President, I yield the floor.

STATEMENT ON THE NOMINATION OF REAR ADM. THOMAS JOSEPH LOPEZ

Mr. BYRD. Mr. President, I am pleased that the President has nominated Rear Adm. Thomas Joseph Lopez for the rank of vice admiral of the U.S. Navy and assignment as commander of the 6th Fleet and commander of Strike Force South, Allied Forces South. In this new responsibility as commander of the 6th Fleet, he will be the operations commander of over 30 ships, 100 aircraft, and 20,000 naval and Marine Corps personnel.

Admiral Lopez is a native of Powellton, WV, and a graduate of the U.S. Naval Postgraduate School, where he received a bachelor of arts degree (cum laude) in international relations and a master of science in personnel management. In 1989, the West Virginia Institute of Technology conferred upon him the honorary degree of doctor of humanities. He has received many honors from his home State of West Virginia, including the award of Distinguished West Virginian in 1984 and Outstanding West Virginian by Salem College, as well as 1989 West Virginia Man of the Year, an award presented by the West Virginia Italian Heritage Festival.

Admiral Lopez began his military career in the U.S. Navy in September 1959, and was commissioned as ensign in the Regular Navy in December 1964. After commissioning, Rear Admiral Lopez was assigned to the U.S.S. *Eugene A. Greene* (DD–711). After serving in the Mediterranean and in the Gulf of Tonkin off Vietnam, he became weapons department head on board the U.S.S. *Wallace L. Lind* (DD–703) in Vietnam. Rear Admiral Lopez then became commanding officer of River Division 153 in Vietnam, commanding a joint U.S. and Vietnamese naval assault into Cambodia in May 1970.

Rear Admiral Lopez began a 2-year tour as flag secretary for the commander, Cruiser Destroyer Group 8 in 1974 and became operations scheduler. In 1977, he was reassigned as executive officer of U.S.S. *Truett* (FF–1095). He assumed command of U.S.S. *Stump* (DD–978) in September 1982. He was assigned in November 1984, as special assistant for flag officer matters to the Chief of Naval Personnel and subsequently commanded Destroyer Squadron 32 from February 1987 through March 1988. He then served as executive assistant to the Chief of Naval Personnel/Deputy Chief of Naval Operations until August 1988, when he was assigned as the executive assistant to the Vice Chief of Naval Operations. He then became Deputy Director for Current Operations in the Office of the Joint Chiefs of Staff. In August 1990, he assumed duties as senior military assistant to the Secretary of Defense.

Admiral Lopez holds many military decorations, including three Legions of Merit; the Bronze Star (with combat "V"); two meritorious service medals; two Navy Commendation Medals (with combat "V"); Navy Achievement Medal (with combat "V"); Combat Action Ribbon; and Presidential Unit Citation, among many others.

Mr. President, it has been my experience that all members of the armed services, and especially those reaching the high rank of vice admiral, must spend considerable time away from their families in the pursuit of their military duties. This requires no small sacrifice on the part of those family members, and in this regard, Admiral Lopez's wife, Vivian, a native of Longacre, WV, and their son, Tom, and daughter, Dominique, are also to be commended.

Mr. President, I am pleased to cast my vote for the confirmation of Rear Adm. Thomas Joseph Lopez as vice admiral, and commander of the 6th Fleet and commander of Strike Force South, Allied Forces South, and I urge my colleagues to support this nomination.

NAVY AND MARINE CORPS NOMINATIONS AND THE TAILHOOK MATTER

Mr. NUNN. Mr. President, on July 1, 1992, the Committee on Armed Services reported out 1,126 nominations in the Navy and the Marine Corps for consideration by the Senate. I know that many Senators will be interested in the relationship of these nominations to the Tailhook investigation.

At the onset, I would like to make a number of points about the Tailhook matter.

First, according to materials released by the Navy, at least 26 women—many of them Naval officers—allegedly were subjected to varying degrees of sexual assault at the September 1991 Tailhook Symposium. Sexual harassment in any form is unacceptable. In the Tailhook matter, the allegations are particularly egregious, because they indicate degrading and offensive criminal assaults by naval officers against their fellow officers, as well as civilians. This kind of behavior is not tolerable now, nor would it have been tolerable 50 years ago; nor would it be tolerable under any circumstance.

Second, the investigations conducted by the Navy raised additional problems, particularly in light of the report of the naval inspector general that: "Closing ranks and obfuscation were the predominant responses" to Navy investigators. Members of the Armed Forces under investigation may assert the privilege against self-incrimination, and they are protected against unlawful command influence. But they do not have the right to refuse to be photographed, to shield their subordinates from lawful inquiry or investigation, or to lie to or mislead investigators. The allegations, which the Navy has released, concerning interference and failure to cooperate with the investigation, are serious charges.

Third, the Tailhook allegations and the reports of problems surrounding the investigations appear to involve a large number of naval officers. The difficulties surrounding the investigation present unusual circumstances in terms of assessing accountability and responsibility for those who allegedly participated in the Tailhook incident and those who allegedly interfered with or failed to cooperate with the investigations. This is a matter of direct concern to the Armed Services Committee, because we have the solemn responsibility to the Senate to make recommendations on the fitness of military officers nominated for promotion. As of July 1, we had over 4,500 Navy and Marine Corps nominations pending before the committee. We will certainly receive additional nominations before this session concludes.

Fourth, we now have a situation in which the investigators are investigating not only the incident but the ensuring investigations. On June 18, 1992, the Secretary of the Navy asked the DOD inspector general to undertake an investigation of both the Tailhook matter and the Navy's investigations because of circumstances which, in the Secretary's words, "have eroded seriously the Department of the Navy's credibility to investigate the Tailhook matter further." This means that the inspector general will be reviewing the alleged misconduct at Tailhook, alleged misconduct during the ensuing investigations, and the adequacy of investigations undertaken by the Naval Investigative Service and the naval inspector general. As I have noted during our committee proceedings, it is not the intent of the committee to add another level of investigation to the multiple layers of investigation that are now underway in the Department.

Fifth, in addition to avoiding duplication, we must also avoid any action that could interfere with ongoing investigations and any subsequent disciplinary proceedings. The acts alleged to have taken place at Tailhook involve serious offenses. Indecent assault, for example, is punishable in the military justice system by a dishonorable discharge and confinement at hard labor for up to 5 years. We can obtain the information necessary for the confirmation process without conducting a separate investigation. For years, the committee has had a standard requirement that DOD advise us of any adverse information concerning all flag and general officer nominees. We require that this information be provided prior to the committee's consideration of a nomination. In the past, we have worked closely with the Department of Defense to develop the information necessary to review promotion actions in a manner consistent with the Department's investigative requirements, and we should continue to do so in this case.

Sixth, while we want to make sure that we carefully review pending nominations in light of information developed in the Tailhook investigations, we also want to make sure that there is no undue delay in processing the promotions of those who were not involved in Tailhook or its aftermath. We know that promotions mean more than a pay increase. New assignments, family moves, changes of command, and other important functions are closely tied to the promotion process. We must follow a procedure that ensures minimal disruption to the plans and expectations of the thousands of dedicated Navy and Marine Corps officers who have been nominated for promotion, and who have had no involvement with either the Tailhook incident or the investigations. Let us not forget or overlook their honorable service, their dedication, and their sacrifices for our country.

This is not the first time that the committee has been faced with a serious problem in which we have withheld action on a signficant number of promotions until the Department provided sufficient information for the committee to act. As recently as the last Congress, for example, we found that the Air Force had failed to issue rules necessary to protect the integrity of the selection board process. We withheld action on the recommendations of all Air Force selection boards for over 6 months until the problems were resolved. In addition, we initiated substantial legislative changes to ensure that the promotion process operates in a fair and impartial manner.

We are proceeding in the same careful manner with respect to pending Navy and Marine Corps nominations. On May 28, Senator WARNER and I wrote to Secretary Cheney, noting:

> It is imperative that the Committee, in reviewing nominees from the Navy and Marine Corps, have timely and complete information on the status of any pending nominees with respect to the Tailhook matter.

We asked the Secretary to provide us with the following information on each Navy and Marine Corps nominee:

> (1) Whether the nominee has been questioned concerning involvement in the Tailhook incident or in any cover-up, failure to cooperate, or interference with the Tailhook investigation;
>
> (2) The results of such inquiries; or, if the nominee has not been so questioned, the reasons for not making such inquiries;
>
> (3) Whether the nominee is or is likely to be the subject of any further inquiry concerning the Tailhook incident or the Tailhook investigation; and
>
> (4) Whether there is any adverse information pertaining to the nominee with respect to the Tailhook incident or Tailhook investigation (and, if so, the nature of the information).

We have made it clear that the committee will not consider a nominee from the Navy or Marine Corps until DOD has answered the four questions with respect to that nominee.

On June 16, the Department of Defense provided answers to these questions on 13 flag and general officers and 45 academy graduates. On June 22, the Department provided information on two additional flag officers. The committee met in executive session on June 25, and decided that the committee should receive testimony from the Department of Defense in open session on the procedures used to respond to the committee's questions. We asked Christopher Jehn, who as Assistant Secretary of Defense, Force Management and Personnel, is responsible for providing information to the committee on nominees, to include the following in his testimony:

First, a description of the types of investigations conducted by the Department of Defense to date.

Second, a discussion of the procedures used by the Department of Defense to review that material in terms of responding to the questions posed by the committee on May 28, 1992.

Third, a description of the manner in which information obtained by the Inspector General of the Department of Defense will be considered during such review.

And finally—but of great importance to the individuals unconnected with Tailhook who are awaiting promotion—the anticipated schedule for providing the committee with information on all Navy and Marine Corps nominations pending before the committee.

Mr. Jehn testified before the committee on June 26. I ask unanimous consent that his testimony be included in the RECORD after my statement. At the hearing, we emphasized that DOD should not deviate from its standard procedures for careful review before certifying the answers with respect to any nominees. At the same time, Members expressed concern about the fact that the Department had provided answers to the committee's questions on only a small portion of the pending nominees below the flag and general officer rank—45 out of more than 4,500. Assistant Secretary Jehn promised to give full attention to processing officers below the general and flag officer grade, but assured us that: "We will not, however, sacrifice thoroughness and accuracy for speed."

By July 1, the committee had received answers to the committee's questions on more than a thousand nominees below the flag and general officer rank. On July 1, Mr. Robert Silberman, the Acting Assistant Secretary of Defense for Force Management and Personnel, testified that the Department's responses were based upon a review of the investigatory files, as well as questions provided to the nominees. He assured us that the information was based upon an independent judgment by the Office of the Secretary of Defense—including coordination with the DOD inspector general—and not simply self-certification by the nominees. He further assured us that the Department applied the same standards that would be applied in developing the normal adverse action letters provided to the committee.

The committee held a second meeting on July 1 to consider pending Navy and Marine Corps nominations. The committee agreed to report out 14 Navy and Marine Corps flag and general officers, and 1,112 more junior Navy and Marine Corps officers. With respect to each of these nominees, the Department of Defense advised the committee that the nominee did not attend Tailhook, did not directly supervise individuals in the Tailhook matter, and was not likely to be the subject of any further inquiry concerning the Tailhook incident or the Tailhook investigations.

At the present time, more than 3,000 Navy and Marine Corps nominations remain pending in the committee, awaiting DOD responses to the committee's questions.

When the committee decided on July 1 to report 1126 Navy and Marine Corps nominations, and to not approve any that had not been certified by DOD, the committee was required—in accordance with the practice of the Senate—to line out any names on the relevant nomination lists that had not been certified by DOD. At our hearing on July 1, Mr. Silberman made the following comment about the DOD certification list, which is very important in putting our action in perspective: "Given the unique circumstances, I want to emphasize that an individual's name not being on the [DOD] list should not lead anyone to conclude that the individual is implicated in the Tailhook incident or related matters." The same would hold true for any list that we approve. The fact that an individual is not on a list we have reported to the Senate should not lead anyone to conclude that the individual is implicated in the Tailhook incident or related matters.

In closing, I take note of the resignation of Navy Secretary H. Lawrence Garrett III on June 26. In his letter of resignation, Secretary Garrett stated: "I accept full responsibility for the post-Tailhook management of my department [and] for the leadership failure which allowed the egregious conduct at Tailhook to occur in the first instance." As I noted in a statement on the evening of his resignation: "Secretary Garrett's resignation, based on his assumption of responsibility for the investigative and leadership problems relating to the Tailhook tragedy, is an act of leadership and courage in keeping with the high ideas of Navy tradition. Secretary Garrett has served the Navy, the Department of Defense, and our Nation with distinction, and I wish him well in his future career."

Secretary Garrett's resignation sets an appropriate example, but does not excuse the failures of those who did not live up to the standards of the Navy either at Tailhook or during the ensuing investigation. The Committee on Armed Services will continue to monitor this situation closely both to ensure that there is a thorough investigation of the Tailhook matter and to fulfill our obligation to the Senate with respect to review of nominees in the Navy and Marine Corps in light of the Tailhook matter.

In addition, we will have a hearing before the full committee to receive testimony from each of the military services on the programs they are undertaking to eradicate sexual harassment and mistreatment of women in the Armed Forces.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Assistant Secretary of Defense Christopher Jehn.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. CHRISTOPHER JEHN, ASSISTANT SECRETARY OF DEFENSE FOR FORCE MANAGEMENT AND PERSONNEL

Mr. Chairman, Members of the Committee: Thank you for the opportunity to appear here this morning and discuss matters related to the Tailhook incident and subsequent investigations. On July 12, 1991, Secretary Cheney issued a strong policy statement on sexual harassment clearly demonstrating our intolerance for such behavior. Sexual harassment is, simply, wrong and its costs are high in the suffering of victims, in reduced mission effectiveness, and in wasted resources. We are totally committed to providing an environment free of sexual harassment across the Department of Defense.

As you know, on June 18 the Secretary of the Navy, the Honorable H. Lawrence Garrett, III, requested that the Department of Defense Inspector General review the Department of the Navy's investigative efforts and conduct such additional investigation as may be necessary to ensure a thorough review of the Tailhook matter. Deputy Secretary Donald J. Atwood has directed that the Department of Defense Inspector General receive the full cooperation of the uniformed members and civilian employees at all levels in the Department of the Navy, and that the Inspector General be provided unrestricted and unfettered access to any records, files, tapes and other data he considers relevant to the Tailhook incident.

I would like to address the points raised by the Committee in your letter to me of June 24.

1. A description of the investigatory material compiled by the Department of Defense to date.

The Department of the Navy delivered to the DoD Inspector General the following material: 1) The Naval Investigative Service Report of Investigation, comprising approximately 2750 pages of interviews and investigative summaries into the allegations of criminal misconduct stemming from Tailhook '91—additional material consisting of agents' interview notes and action/lead sheets are available at the field level; 2) an alphabetized listing compiled by NIS of witness interviews and a synopsis of that testimony; 3) the Naval Inspector General's files compiled in reference to Tailhook '91, including the Navy IG Report of Investigation; additional interviews; historical information on the Tailhook Association; applicable directives on sexual harassment, standards of conduct, alcohol abuse, and use of government aircraft; and investigatory files on violation of those directives. This is the total investigatory material compiled by the Department of Defense to date.

2. The procedures used by the Department of Defense to review that material in terms of responding to the questions posed by the Committee on May 28, 1992.

Upon receipt of the Committee's May 28 letter, the Department of the Navy reviewed the complete Naval Investigative Service and Naval Inspector General investigations. None of the individuals listed in my letters of June 16 and June 22 was named in the investigations as either potential witnesses or suspects. In addition, the Assistant Secretary of the Navy, Ms. Barbara S. Pope, interviewed each of the general and flag officer nominees listed in my letters of June 16 and June 22 regarding any involvement they might have had in the Tailhook incident and the subsequent investigations. Based on those interviews, she certified to me that those individuals did not attend Tailhook '91, that no alleged incidents of sexual harassment or other misconduct at Tailhook '91 were reported to them, that the individuals were not involved in any attempt to negatively affect the investigation, and that no adverse information regarding them has come to light as a result of the Tailhook inquiries and there is no reason to believe that they would be implicated in the future. She further advised that three of the nominees each had one officer on their immediate staff who had attended Tailhook '91. None of the three Tailhook attendees has been implicated in the Tailhook incident or subsequent investigations. No adverse information regarding the attendees was reported to the nominees and there is no basis to infer that these nominees should have taken any action with respect to the officers on their immediate staffs.

I personally reviewed the materials provided by Ms. Pope and, in some cases, interviewed the nominees. In addition, I personally reviewed the list of individuals that the Secretary of the Navy referred to the Naval chain of command for potential disciplinary action based on the Naval Investigative Service or the Naval Inspector General investigations. I confirmed that none of the nominees listed in my June 16 or June 22 letters was contained in the Secretary of the Navy's list.

3. The manner in which information obtained by the Inspector General of the Department of Defense will be considered during such review.

In reviewing the remaining nominations, we intend to determine the answers to three questions regarding each nominee: 1) Was the individual named in the Naval Investigative Service or the Naval Inspector General investigations regarding the Tailhook incident and related matters? 2) Did the individual attend Tailhook '91? 3) Did anyone under the individual's command attend Tailhook '91? If the answers to these questions are all negative (not questioned, did not attend, no one under their command attended), the Department will certify this and recommend confirmation. In those cases where the answer to one or more questions are affirmative, we will examine those cases in detail to determine if we should wait for the results of the Department of Defense Inspector General investigation before proceeding further. The Department will carefully consider all information obtained by the Department of Defense Inspector General. The Department has an established procedure to review potentially adverse material regarding flag and general officer nominees and either advise the Committee that there is no adverse information or, if there is adverse material, provide that information to the Committee. We will use these same, or very similar, procedures for all pending nominations, including field grade officers, to address adverse information obtained by the Department of Defense Inspector General.

4. The anticipated schedule for providing the Committee with information on all Navy and Marine Corps nominations pending before the Committee.

The Department will move as quickly as possible on this matter especially regarding those officers who are on promotion lists and are in no way involved in the Tailhook incident or subsequent investigations. We will not, however, sacrifice thoroughness and accuracy for speed. We will advise the Committee as soon as possible regarding those officers for whom the answers to the three questions described above are negative. The timing of notifications regarding the remaining officers will depend on the actions to be taken by the Department of Defense Inspector General.

TREATY DOCUMENT NO. 102-16—TREATY WITH JAMAICA ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS.

TREATY DOCUMENT NO. 102-18—TREATY WITH ARGENTINA ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS.

TREATY DOCUMENT NO. 102-19—TREATY WITH URUGUAY ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS.

TREATY DOCUMENT NO. 102-21—TREATY WITH SPAIN ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS.

Mr. FORD. I ask unanimous consent that the Senate proceed to consider the following matters:

Executive Calendar 25. Treaty with Jamaica on Mutual Legal Assistance in Criminal Matters;

Executive Calendar 26. Treaty with Argentina on Mutual Legal Assistance in Criminal Matters;

Executive Calendar 27. Treaty with Uruguay on Mutual Legal Assistance in Criminal Matters;

Executive Calendar 28. Treaty with Spain on Mutual Legal Assistance in Criminal Matters;

I further ask unanimous consent that the treaties be considered as having been advanced through the various parliamentary stages up to and including the presentation of the resolutions of ratification, that the provisos recommended by the Committee on Foreign Relations to Executive Calendar 25, 26, 27, and 28 be adopted; that no other amendments, provisos, understandings or reservations be in order; that any statements appear, as if read, in the RECORD, and that the Senate vote, en bloc, on the resolutions of ratification without intervening action or debate with one vote to count as four.

STATEMENT ON MUTUAL LEGAL ASSISTANCE TREATIES WITH ARGENTINA, JAMAICA, SPAIN, AND URUGUAY

Mr. PELL. Mr. President, pending before the Senate are Treaties on Mutual Legal Assistance in Criminal Matters between the United States of America and (1) The Republic of Argentina, signed at Buenos Aires on December 4, 1990 and transmitted by President Bush on October 31, 1991 (Treaty Doc. 102-18); (2) Jamaica, signed at Kingston on July 7, 1989 and transmitted by President Bush on October 25, 1991 (Treaty Doc. 102-16); (3) The Kingdom of Spain, signed at Washington, DC, on November 20, 1990 and transmitted by President Bush on January 22, 1992 (Treaty Doc. 102-21); and (4) The Oriental Republic of Uruguay, signed at Montevideo on May 6, 1991 and transmitted by President Bush on November 13, 1991 (Treaty Doc. 102-19).

The treaties are part of a series of modern mutual legal assistance treaties being negotiated by the United States in order to counter criminal activities more effectively. The administration believes these treaties should be an effective tool to assist in the prosecution of a wide variety of modern criminals, including members of drug cartels, white collar criminals, and terrorists. They are all self-executing.

In recent years, similar bilateral treaties have entered into force with The Bahamas, Canada, Italy, Mexico, the Netherlands, Switzerland, Turkey, and the United Kingdom concerning the Cayman Islands; and others have been concluded and ratified by the United States (but have not yet entered into force) with Belgium, Colombia, Morocco, and Thailand. Two additional treaties concluded and signed with Nigeria and Panama will be considered by the Senate Foreign Relations Committee at a later date. The pending treaties contain many provisions similar to those previously approved by the Senate.

A mutual legal assistance treaty is intended to enable law enforcement to obtain evidence abroad in a form admissible in our courts. The treaties are structured to streamline and make more effective the process of obtaining evidence. They supplement existing international arrangements or exchanges of information, such as Interpol, as well as letters rogatory. Letters rogatory are written requests from a court in one country to a court in another country for assistance in obtaining evidence.

Each treaty provides for a broad range of assistance with respect to investigations and prosecutions in criminal matters, extending to assistance in all related proceedings, whether criminal, civil or administrative. This would include, for example, cooperation in proceedings, which may be civil in nature, to forfeit the proceeds of drug trafficking, restitution to crime victims or the collection of criminal fines. Mutual assistance available under the treaties includes: (1) the taking of testimony or statements of witnesses; (2) the provision of documents, records, and evidence, (3) the execution of requests for searches and seizures; (4) the serving of documents; (5) the provision of assistance in proceedings relating to the forfeiture of the proceeds of crime and restitution to the victims of crime; and (6) the location of persons.

These treaties were ordered favorably reported by the Committee on Foreign Relations on May 7, 1992 by a vote of 19 to 0. Each of the committee's reports contain a detailed analysis of these treaties. Mr. President I recommend that the Senate give its advice and consent to the ratification of these four treaties.

Mr. FORD. I ask for a division vote.

The PRESIDING OFFICER. All those in favor of the resolutions of ratification stand and be counted.

All those opposed to the resolutions of ratification stand and be counted.

Two-thirds of those voting, having voted in the affirmative, the resolutions of ratification are agreed to.

Mr. FORD. Mr. President, I ask unanimous consent that the motions to reconsider the votes be tabled en bloc; that the President be notified of the Senate's actions; and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT ON PREVENTION OF NUCLEAR PROLIFERATION—MESSAGE FROM THE PRESIDENT—PM 258

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I have reviewed the activities of the United States Government departments and agencies during calendar year 1991 related to preventing nuclear proliferation, and I am pleased to submit my annual report pursuant to section 601(a) of the Nuclear Non-Proliferation Act of 1978 (Public Law 95-242, 22 U.S.C. 3281(a)).

As the report demonstrates, the United States continued its efforts during 1991 to prevent the spread of nuclear explosives to additional countries, one of my highest priorities. The events of the past year in Iraq and elsewhere underline the importance of these efforts to preserving our national security, by reducing the risk of war and increasing international stability. I am determined to build on the achievements discussed in this report and to work with the Congress toward our common goal: a safer and more secure future for all humankind.

GEORGE BUSH.

THE WHITE HOUSE, *July 2, 1992.*

HEALTH CARE LIABILITY REFORM AND QUALITY OF CARE IMPROVEMENT ACT OF 1992—MESSAGE FROM THE PRESIDENT—PM 259

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on the Judiciary:

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and enactment the "Health Care Liability Reform and Quality of Care Improvement Act of 1992." Also transmitted is a section-by-section analysis.

This legislative proposal would assist in stemming the rising costs of health care caused by medical professional liability. During recent years, the costs of defensive medical practice and of litigation related to health care disputes have had a substantial impact on the affordability and availability of quality medical care. The bill attacks these very serious problems.

The bill would establish incentives for States to adopt within 3 years quality assurance measures and tort reforms. In addition, the health care reforms would apply to medical care and treatment funded through specific Federal programs pertaining to health care and employee benefits and to claims under the Federal Tort Claims Act. The tort reforms include: (1) a reasonable cap on noneconomic damages; (2) the elimination of joint and several liability for those damages; (3) prohibiting double recoveries by plaintiffs; and (4) permitting health care providers to pay damages for future costs periodically rather than in a lump sum.

Last year I recommended enactment of the "Health Care Liability Reform and Quality of Care Improvement Act of 1991." The enclosed bill includes the core provisions of that bill and expands its scope to ensure that treatment under federally funded health care and Federal employee benefit programs is subject to key reforms regardless of State action. Claims arising from such health care would first be considered through a fair system of nonbinding arbitration, in an effort to resolve the claims without litigation.

I urge the prompt and favorable consideration of this proposal, which would complement the other initiatives the Administration is undertaking regarding malpractice and quality of care.

GEORGE BUSH.

THE WHITE HOUSE, *July 2, 1992.*

VETO MESSAGE ON S. 250, NATIONAL VOTER REGISTRATION ACT—MESSAGE FROM THE PRESIDENT—PM 260

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was ordered to be spread upon the Journal and ordered to be printed as a Senate document:

To the Senate of the United States:

I am returning herewith without my approval S. 250, the "National Voter Registration Act of 1992."

This Administration strongly supports the goal of increasing participation in the electoral process. We have worked with leaders of both parties in an attempt to produce legislation that would accomplish that purpose. S. 250, however, would impose unnecessary, burdensome, expensive, and constitutionally questionable Federal regulation on the States in an area of traditional State authority. It would also expose the election process to an unacceptable risk of fraud and corruption without any reason to believe that it would increase electoral participation to any significant degree.

No justification has been demonstrated for the extensive procedural requirements—and significant related costs—imposed on the States by this bill. The proponents of S. 250 simply have not made the case that requiring the States to make voter registration easier will translate into increased voter participation at the polls. Indeed, a recent study by the Federal Election Commission suggests that registration requirements have no significant effect on participation rates. In addition, to the extent that State registration requirements discriminate against minority groups, the Voting Rights Act already provides an adequate remedy.

S. 250 would exempt from compliance with its requirements any State adopting an election day registration system. This exemption could create a compelling incentive for a State to adopt such a system, under which verification of voter eligibility is difficult. Thus, the bill would increase substantially the risk of voting fraud. It would not, however, provide sufficient authority for Federal law enforcement officials to respond to any resulting increases in election crime and public corruption.

It is critical that the States retain the authority to tailor voter registration procedures to unique local circumstances. S. 250 would prevent the States from doing this by forcing them to implement federally mandated and nationally standardized voter registration procedures. It would also restrict severely their ability to remove from the voter rolls the names of persons who have not voted in several years and who thus can be presumed fairly to have died or moved out of the jurisdiction. Enactment of S. 250 would deny the States their historic freedom to govern their own electoral processes and would contravene the important principles of federalism on which our country was founded.

S. 250 is constitutionally suspect. Although the Supreme Court has recognized that the Congress has general power to regulate Federal elections to the extent necessary to prevent fraud and preserve the integrity of the electoral process, there has been no suggestion that S. 250 would serve that goal. Nor has there been any showing that the bill is necessary to eliminate discriminatory practices. Accordingly, there is a serious constitutional question whether the Congress has the power to enact this legislation.

I support legislation that would assist the States in implementing appropriate reforms in order to make voter registration easier for the American public. I cannot, however, accept legislation that imposes an unnecessary and costly Federal regime on the States and that is, in addition, an open invitation to fraud and corruption.

For the reasons discussed above, I am returning S. 250 without my approval.

GEORGE BUSH.

THE WHITE HOUSE, *July 2, 1992.*

MESSAGES FROM THE HOUSE

At 11:53 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1623. An act to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the United States involvement in World War II;

H.R. 4398. An act to remove outdated limitations on the acquisition or construction of branch buildings by Federal Reserve banks which are necessary for bank branch expansion if the acquisition or construction is approved by the Board of Governors of the Federal Reserve System; and

H.R. 5126. An act to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 328. A concurrent resolution providing for the printing of the book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation", as a House document.

At 4:18 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 324. Joint resolution to commend the NASA Langley Research Center on the celebration of its 75th anniversary on July 17, 1992.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3654. An act to provide for the minting of commemorative coins to support the 1996 Atlanta Centennial Olympic Games and the programs of the United States Olympic Committee, to reauthorize and reform the United States Mint, and for other purposes; and

H.R. 5487. An act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1992, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 343. A concurrent resolution providing for an adjournment of the House from July 2 until July 7, 1992, an adjournment of the House from July 9 until July 21, 1992, and an adjournment of the Senate from July 2 until July 20, 1992.

At 4:30 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5260) to extend the emergency unemployment compensation program, to revise the trigger provisions contained on the extended unemployment compensation program, and for other purposes.

At 6:37 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the concurrent resolution (H. Con. Res. 343), providing for an adjournment of the House from July 2 until July 7, 1992, an adjournment of the House from July 9 until July 21, 1992, and an adjournment or recess of the Senate from July 2 or July 3, 1992, until July 20, 1992.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 2780. An act to amend the Food Security Act of 1985 to remove certain easement requirements under the conservation reserve program, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

ENROLLED BILL SIGNED

A message from the House of Representatives announced that the Speaker has signed the following enrolled bill:

H.R. 5260. An act to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment compensation program, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1623. An act to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the United States' involvement in World War II; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 3654. An act to provide for the minting of commemorative coins to support the 1996 Atlanta Centennial Olympic Games and the programs of the United States Olympic Committee, to reauthorize and reform the United States Mint, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 5126. An act to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 5343. A bill to make technical amendments to the American Technology Preeminence Act of 1991 and the Fair Packaging and Labeling Act with respect to their treatment of the SI metric system; to the Committee on Commerce.

H.R. 5344. An act to authorize the National Science Foundation to foster and support the development and use of certain computer networks; to the Committee on Labor and Human Resources.

H.R. 5487. An act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 4398. An act to remove outdated limitations on the acquisition or construction of branch buildings by Federal Reserve banks which are necessary for bank branch expansion of the acquisition or construction is approved by the Board of Governors of the Federal Reserve System.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The ACTING PRESIDENT pro tempore (Mr. WELLSTONE) announced that on today, July 2, 1992, he had signed the following enrolled bills and joint resolution previously signed by the Speaker of the House:

S. 1254. An act to increase the authorized acreage limit for the Assateague Island National Seashore on the Maryland mainland, and for other purposes;

S. 1306. An act to amend the Public Health Service Act to restructure the Alcohol, Drug Abuse, and Mental Health Administration and the authorities of such Administration, including establishing separate block grants to enhance the delivery of services regarding substance abuse and mental health, and for other purposes;

S. 2901: An act to direct the Secretary of Health and Human Services to extend the waiver granted to the Tennessee Primary Care Network of the enrollment mix requirement under the medicaid program;

H.J. Res. 499. Joint resolution designating July 2, 1992, as "National Literacy Day."

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 2, 1992, he had presented to the President of the United States the following enrolled bills:

S. 1254. An act to increase the authorized acreage limit for the Assateague Island National Seashore on the Maryland mainland, and for other purposes;

S. 1306. An act to amend the Public Health Service Act to restructure the Alcohol, Drug Abuse, and Mental Health Administration and the authorities of such Administration, including establishing separate block grants to enhance the delivery of services regarding substance abuse and mental health, and for other purposes; and

S. 2901: An act to direct the Secretary of Health and Human Services to extend the waiver granted to the Tennessee Primary Care Network of the enrollment mix requirement under the medicaid program;

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3529. A communication from the Acting General Counsel of the Department of Defense transmitting a draft of proposed legislation to amend title 10, United States Code, to clarify sections 3380 and 8380 relating to delays of promotions as they apply to officers serving on full time National Guard duty; to the Committee on Armed Services.

EC-3530. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Financial Audit—FSLIC Resolution Fund's 1991 and 1990 Financial Statements"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3531. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Financial Audit—Bank Insurance Fund's 1991 and 1990 Financial Statements"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3532. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Financial Audit—Savings Association Insurance Fund's 1991 and 1990 Financial Statements"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3533. A communication from the President of the Thrift Depositor Protection Oversight Board transmitting, pursuant to law, the annual report of the Oversight Board on the Resolution Funding Corporation for calendar year 1991; to the Committee on Banking, Housing, and Urban Affairs.

EC-3534. A communication from the Senior Vice President, General Counsel, and Secretary of the Corporation for Public Broadcasting transmitting, pursuant to law, the annual report on the provision of services to minority and diverse audiences by public broadcasting entities and public telecommunications entities dated July 1, 1992; to the Committee on Commerce, Science, and Transportation.

EC-3535. A communication from the Senior Vice President, General Counsel, and Secretary of the Corporation for Public Broadcasting transmitting, pursuant to law, the triennial assessment of the needs of minority and diverse audiences and the ways television and radio can be used to help these underrepresented groups; to the Committee on Commerce, Science, and Transportation.

EC-3536. A communication from the Secretary of Agriculture transmitting, pursuant to law, the annual report on activities carried out under the Youth Conservation Corps Act for fiscal year 1991; to the Committee on Energy and Natural Resources.

EC-3537. A communication from the Secretary of Agriculture transmitting, pursuant to law, a report on the status and results of negotiations with Kootznoowoo, Inc., on land acquisitions or land exchanges; to the Committee on Energy and Natural Resources.

EC-3538. A communication from the President of the United States transmitting a draft of proposed legislation to designate certain lands in the State of Utah as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

EC-3539. A communication from the Deputy Assistant Secretary of Defense (Environment) transmitting, pursuant to law, notice of a delay in the submission of a report relative to compliance with certain environmental laws; to the Committee on Environment and Public Works.

EC-3540. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Water Resources Development Act of 1986, as amended, to provide for the transfer of funds from the Harbor Maintenance Trust Fund to a new Marine Navigation Trust Fund to support nautical charting and marine navigational safety programs and activities, and for other purposes; to the Committee on Environment and Public Works.

EC-3541. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, notice of the Presidential determination on the eligibility of the Comoros to the furnished defense articles and services under the Foreign Assistance Act and the Arms Export Control Act; to the Committee on Foreign Relations.

EC-3542. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of the reports issued by the General Accounting Office during May 1992; to the Committee on Governmental Affairs.

EC-3543. A communication from the Deputy Attorney General (Chief Financial Officer), transmitting, pursuant to law, the 1991 management report for the Federal Prison Industries, Inc.; to the Committee on Governmental Affairs.

EC-3544. A communication from the Secretary of Defense, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Department of Defense, for the period ended March 31, 1992; to the Committee on Governmental Affairs.

EC-3545. A communication from the Secretary of Education, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Department of Education, for the period ended March 31, 1992; to the Committee on Governmental Affairs.

EC-3546. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Department of the Treasury, for the period ended March 31, 1992; to the Committee on Governmental Affairs.

EC-3547. A communication from the Chairman of the Federal Housing Finance Board, transmitting, pursuant to law, the 1991 management reports of the 12 Federal Home Loan Banks and the Financing Corporation; to the Committee on Governmental Affairs.

EC-3548. A communication from the Secretary of Education, transmitting, pursuant to law, a report entitled "The Condition of Bilingual Education in the Nation"; to the Committee on Labor and Human Resources.

EC-3549. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Even Start; to the Committee on Labor and Human Resources.

EC-3550. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—State Supported Services Program; the State Vocational Rehabilitation Services Program; Special Projects and Demonstrations for Providing Transitional Rehabilitation Services to Handicapped Youth; and Special Projects and Demonstrations for Providing Supported Employment Services to Individuals with Severe Handicaps and Technical Assistance Projects; to the Committee on Labor and Human Resources.

EC-3551. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Public Health Service Act to authorize grants for construction at certain historically Black colleges and universities and similar institutions granting biomedical graduate degrees and enrolling substantial numbers of students from disadvantaged backgrounds, including racial and ethnic minorities; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment:

S. 2725. A bill to authorize extension of time limitations for a FERC-issued license (Rept. No. 102-311).

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 2266. A bill to provide for recovery of costs of supervision and regulation of investment advisers and their activities, and for other purposes (Rept. No. 102-312).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 1866. A bill to promote community based economic development and to provide assistance for community development corporations, and for other purposes (Rept. No. 102-313).

By Mr. INOUYE, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1752. A bill to provide for the development, enhancement, and recognition of Indian tribal courts (Rept. No. 102-314).

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 2236. A bill to amend the Voting Rights Act of 1965 to modify and extend the bilingual voting provisions of the Act (Rept. No. 102-315).

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1941. A bill to amend the Immigration and Nationality Act for the purpose of reforming procedures for the resettlement of refugees in the United States (Rept. No. 102–316).

By Mr. INOUYE, from the Select Committee on Indian Affairs, without amendment:

S. 2507. A bill to amend the Act of October 19, 1984 (Public Law 98–580; 98 Stat. 2698), to authorize certain uses of water by the Ak-Chin Indian Community, Arizona (Rept. No. 102–317).

By Mr. PELL, from the Committee on Foreign Relations, without amendment and with a preamble:

H. Con. Res. 156. A concurrent resolution concerning the emancipation of the Baha'i community of Iran.

By Mr. BENTSEN, from the Committee on Finance, with an amendment in the nature of a substitute and an amendment to the title:

S. 2038. A bill to amend the Social Security Act to improve benefits and coverage under title II, to establish the Social Security Administration as an independent agency, and for other purposes.

By Mr. PELL, from the Committee on Foreign Relations, with an amendment and with a preamble:

S. Con. Res. 125. A concurrent resolution calling for a United States policy of strengthening and maintaining an International Whaling Commission moratorium on the commercial killing of whales, and otherwise expressing the sense of the Congress with respect to conserving and protecting the world's whale population.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

William Clark, Jr., of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be an Assistant Secretary of State.

Robert L. Gallucci, of Virginia, to be an Assistant Secretary of State.

Frank G. Wisner, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Under Secretary of State for Coordinating Security Assistance Problems.

Alison Podell Rosenberg, of Virginia, to be an Assistant Administrator of the Agency for International Development.

Robert L. Barry, of New Hampshire, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Indonesia.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Contributions, amount, date, donee:

1. Self, none.
2. Spouse Margaret C., $50.00, 1989 Mike Lowery, U.S. Senate, $100.00, 1990 Harvey Gant, U.S. Senate.
3. Children, John R. and Elinor, none.
4. Parents, none.
5. Grandparents, none.
6. Brothers and spouses, none.
7. Sisters and spouses, none.

David C. Fields, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Marshall Islands.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Contributions, amount, date, donee:

1. Self, none.
2. Spouse, none.
3. Children Scott, and Stacy, none.
4. Parents Claudia Fields none. Father: deceased.
5. Grandparents, deceased.
6. Brothers and spouses, N/A.
7. Sister Patricia Groves, none.

Princeton Nathan Lyman, of Maryland, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of South Africa.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Princeton N. Lyman.

Post: Ambassador to South Africa.

Contributions, amount, date, donee:

1. Self, none.
2. Spouse, Helen C. Lyman, none.
3. Children and Spouses, Cindy Lyman Brinn, Spouse: Arthur Brinn, none. Sheri Lyman Laigle, Spouse: Pascal Laigle none. Lori Lyman Bruun, Spouse: Stephen Bruun none.
4. Parents, deceased.
5. Grandparents, deceased.
6. Brothers and Spouses, Harvard Lyman, Spouse: Mary Berner, $25, 1988, Democratic Nat'l Comm. (DNC); $25, 1988, DNC; $25, 1988, Democratic Senate Campaign Comm DSC; $75, 1988, DNC; $25, 1989, DNC; $25, 1989, DSCC; $25, 1989, DNC.

Also $40, 1990, DSCC; $20, 1990, National Republican Coalition for Choice (NRCC); $38, 1990, DNC; $25, 1991, NRCC; $50, 1991, DNC; $25, 1991, DSCC; $25, 1991, DSCC.

Stanford Lyman, $50, 1991, Democratic Socialist Assoc.

7. Sisters and Spouses, Sylvia Lyman, Spouse: David Morick, $50, 1988, COPE (Amer. Fed. of Teachers PAC); $50, 1989, COPE; $50, 1990, COPE; $25, 1990, Peace and Freedom Party; $50, 1991, COPE; $25, 1991, Ferraro for U.S. Senate; $25, 1991, Ferraro for U.S. Senate; $21, 1991, DSCC; $30, 1991, Barbara Boxer for U.S. Senate.

Joseph Charles Wilson IV, of California, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Gabonese Republic, and to serve concurrently without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of Sao Tome and Principe.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Joseph Charles Wilson IV.

Post: Gabon and Sao Tome and Principe.

Contributions, amount, date, donee:

1. Self, Joseph C. Wilson IV, none.
2. Spouse, Jacqueline G. Wilson, none.
3. Children and Spouses, Joseph C. Wilson V., Sabrina C. Wilson, none.
4. Parents, Phyllis Finnell Wilson none, Joseph C. Wilson III (deceased).
5. Grandparents, Joseph C. Wilson Jr., Mary McKee Wilson (deceased). Phillip Finnell and wife (deceased).
6. Brothers and Spouses, William Ralph Wilson, none.

Joseph Monroe Segars, of Pennsylvania, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cape Verde.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Joseph Monroe Segars.

Post: Republic of Cape Verde (PRAIA).

Contributions, amount, date, donee:

1. Self, Joseph Monroe Segars, none.
2. Spouse, Elizabeth Nan Segars, none.
3. Children, Ryan Graham Segars, none.
4. Parents, Carrie Bailey Segars, none. Theopiles Segars deceased.
5. Grandparents, deceased.
6. Brothers and Spouses, Jerald Segars, Joel Segars, none.
7. Sisters and Spouses, Cynthia Duncan, none, Marilyn Jamal, none, Mumia Jamal, none.

Kenneth L. Brown, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ghana.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Kenneth Lee Brown.

Post: Accra, Ghana.

Contributions, amount, date, donee:

1. Self, none.
2. Spouse, none.
3. Children, Kai, Craig, Charity Brown, none.
4. Parents, Juanita Brown, none, Roy L. Brown, deceased.
5. Grandparents, Gilson and Etta Martin, deceased; Sam and Ada Brown, deceased.
6. Brothers and Spouses, Gilbert and Robin Brown, none.
7. Sisters and Spouses, Elaine and Art Flory none.

Charles B. Salmon, Jr., of New York, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Lao People's Democratic Republic.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Charles B. Salmon, Jr.

Post: Vientiane, Laos.

Contributions, amount, date, donee:

1. Self, none.
2. Spouse, N/A.
3. Children and Spouses, N/A.
4. Parents, Charles B. Salmon, none, Regina Salmon deceased.
5. Grandparents, deceased.
6. Brothers, Richard, none.
7. Sisters and Spouses, N/A.

Irvin Hicks, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Irvin Hicks.

Post: USUN.

Contributions, amount, date, donee:

1. Self, $100; 1990, DNC.
2. Spouse, $100; 1991, DNC.
3. Children, Irvin, Karim, C. Genevieve.
4. Parents, deceased.
5. Grandparents, deceased.
6. Brothers and Spouses, N/A.
7. Sisters and Spouses, N/A.

No contact with half brothers and half sister.

Richard H. Solomon, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Philippines.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Richard H. Solomon.

Post: U.S. Embassy Manila (PHL).

Contributions, amount, date, donee:

1. Self, none.
2. Spouse Anne K. Solomon, none.
3. Children, Eric Keatley, Jonathan and Lisa Solomon, none.
4. Parents, Ellen H. Solomon, none.
5. Grandparents, deceased.
6. Brothers and Spouses, Steven Solomon and Kay, none.
7. Sisters and Spouses, none.

(The above nominations were approved subject to the nominees' commitment to appear and testify before any duly constituted committee of the Senate.)

By Mr. PELL, from the Committee on Foreign Relations:

Treaty Doc. 99-1. 1983 Partial Revision of the Radio Regulations (Geneva, 1979) and a Final Protocol (Exec. Rept. No. 102-37).

Treaty Doc. 100-7. Agreement for the Medium Frequency Broadcasting Service in Region 2 (Exec. Rept. No. 102-38).

Treaty Doc. 102-10. Regional Agreement on Broadcasting Service Expansion in the Western Hemisphere (Exec. Rept. No. 102-39).

Treaty Doc. 102-13. International Telecommunications Regulations, (Melbourne, 1988) (Exec. Rept. No. 102-40).

Treaty Doc. 102-27. Partial Revision (1988), Radio Regulations, Relating to Space Radiocommunications Service (Exec. Rept. No. 102-41).

Treaty Doc. 102-28. Partial Revision (1985), Radio Regulations, Relating to Broadcasting-Satellite Service in Region 2 (Exec. Rept. No. 102-42).

Treaty Doc. 102-29. Partial Revision of the Radio Regulations (Geneva, 1979) Relating to Mobile Services (Exec. Rept. No. 102-43).

TEXTS OF REPORTED RESOLUTIONS OF ADVICE AND CONSENT TO RATIFICATION TO SEVEN TREATIES

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Partial Revision of the Radio Regulations (Geneva, 1979) of the International Telecommunications Union and a Final Protocol, signed on behalf of the United States at Geneva on March 18, 1983.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Regional Agreement for the Medium Frequency Broadcasting Service in Region 2, with Annexes, and a Final Protocol, signed on behalf of the United States at Rio de Janeiro on December 19, 1981.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Regional Agreement for the Use of the Band 1605-1705 kHz in Region 2, with Annexes, and and Two U.S. Statements as contained in the Final Protocol, signed on behalf of the United States at Rio de Janeiro on June 8, 1988.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Telecommunication Regulations, with Appendices, signed at Melbourne on December 9, 1988, and a U.S. Statement, which includes a Reservation, as contained in the Final Protocol.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the 1988 Partial Revision of the Radio Regulations (Geneva, 1979) signed on behalf of the United States on October 6, 1988, and the U.S. Statement contained in the Final Protocol.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Partial Revision of the Radio Regulations (Geneva, 1979) signed on behalf of the United States on September 15, 1985, and the U.S. Reservation and Statements as contained in the Final Protocol.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Partial Revision of the Radio Regulations (Geneva, 1979) [Final Acts of the World Administrative Radio Conference for the Mobile Services (MOB-87) Geneva 1987], signed on behalf of the United States on October 17, 1987, and the U.S. Reservations and Statement contained in the Final Protocol.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MCCAIN:

S. 2939. A bill to authorize certain uses of water by the Fort Mojave Indian Tribe; to the Select Committee on Indian Affairs.

By Mr. WOFFORD:

S. 2940. A bill to reduce to 100,000 the number of members of the Armed Forces of the United States assigned to permanent duty ashore in NATO countries of Europe by the end of fiscal year 1995; to the Committee on Armed Services.

By Mr. RUDMAN (for himself, Mr. KERRY, Mr. KASTEN, Mr. HATFIELD, Mr. KENNEDY, Mr. GORTON, Mr. NUNN, Mr. GORE, and Mr. WIRTH):

S. 2941. A bill to provide the Administrator of the Small Business Administration continued authority to administer the Small Business Innovation Research Program, and for other purposes; to the Committee on Small Business.

By Mr. HATCH (for himself, Mr. COATS, Mr. GARN, Mr. KASTEN, Mr. NICKLES, and Mr. SEYMOUR):

S. 2942. A bill to institute accountability in the Federal regulatory process, establish a program for the systematic selection of regulatory priorities, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CRANSTON:

S. 2943. A bill for the relief of Deborah Gabbay Aaron; to the Committee on the Judiciary.

By Mr. LAUTENBERG:

S. 2944. A bill to promote and accelerate the development and use of a new generation of quieter commercial jet aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MITCHELL (for himself and Mr. FORD):

S. 2945. A bill to amend the Federal Aviation Act of 1958 to establish and operate a system in the United States to supplement the compensation payable to claimants under the Convention for the Unification of Certain Rules Relating to International Carriage by Air in respect of death or personal injury of passengers; to the Committee on Commerce, Science, and Transportation.

By Mr. LIEBERMAN (for himself and Mr. DODD):

S. 2946. A bill to provide for assistance to small businesses in the transition from defense related industries to nondefense industries; to the Committee on Small Business.

By Mr. MCCAIN:

S. 2947. A bill to authorize the transfer of certain funds from the Defense Environmental Restoration Account to the Department of Defense Base Closure Account 1990, and for other purposes; to the Committee on Appropriations.

By Mr. MURKOWSKI:

S. 2948. A bill for the relief of certain subcontractors that incurred losses resulting from the avoidable insufficiency of payment and performance bonds furnished in connection with Corps of Engineers Project DACA 85-88-C-0025 at Eielson Air Force Base, Alaska; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself and Mr. INOUYE):

S. 2949. A bill to amend the Public Health Service Act to provide for the conduct of expanded research and the establishment of innovative programs and policies with respect to traumatic brain injury, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. CHAFEE:

S. 2950. A bill to amend title XIX of the Social Security Act to stop cost shifting by pharmaceutical companies to health care providers by repealing the use of best price and increasing the discount used in determining rebates for prescription drugs purchased under medicaid, to ensure the restoration of prescription drug discounts to various Federal programs, and for other purposes; to the Committee on Finance.

By Mr. STEVENS (for himself and Mr. INOUYE):

S. 2951. A bill to enhance the participation by small business concerns owned and operated by socially and economically disadvantaged individuals in environmental cleanup and hazardous waste remediation contracts and subcontracts; to the Committee on Small Business.

By Mr. METZENBAUM:

S. 2952. A bill to establish a grant program under the National Highway Traffic Safety Administration for the purpose of promoting the use of bicycle helmets by individuals under the age of 16; to the Committee on Commerce, Science, and Transportation.

By Mr. METZENBAUM (for himself and Mr. WIRTH):

S. 2953. A bill to amend the Endangered Species Act of 1973 to clarify citizen suit provisions, and for other purposes; to the Committee on Environment and Public Works.

By Mr. WOFFORD (for himself and Mr. SPECTER):

S. 2954. A bill to expand the Fort Necessity National Battlefield, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WARNER:

S. 2955. A bill to amend the Internal Revenue Code of 1986 to improve disclosure requirements for tax-exempt organizations; to the Committee on Finance.

By Mr. BOND (for himself and Mr. DANFORTH):

S. 2956. A bill to provide for the addition of the Truman Farm Home to the Harry S. Truman Historic National Site in the State of Missouri, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CHAFEE (for himself and Mr. BAUCUS):

S. 2957. A bill to amend the Internal Revenue Code of 1986 to exclude from the gross estate the value of land subject to a qualified conservation easement if certain conditions are satisfied, to permit a qualified conservation contribution where the probability of surface mining is remote, and to defer some of the scheduled reduction in estate tax rates; to the Committee on Finance.

By Mr. AKAKA:

S. 2958. A bill to amend chapter 37 of title 38, United States Code, to expand the housing loan program for veterans; to the Committee on Veterans' Affairs.

By Mr. JOHNSTON:

S. 2959. A bill to develop and implement policies with respect to the territories of the United States; to the Committee on Energy and Natural Resources.

By Mr. LUGAR:

S. 2960. A bill to authorize debt reduction for Latin American Caribbean countries under the Enterprise for the Americas Initiative, and for other purposes; to the Committee on Foreign Relations.

By Mr. AKAKA (for himself, Mr. DASCHLE, and Mr. SHELBY):

S. 2961. A bill to amend title 38, United States Code, to permit the burial in ceremonies of the National Cemetery System of certain deceased Reservists, to furnish a burial flag for such members, to furnish headstones and markers, and for other purposes; to the Committee on Veterans' Affairs.

By Ms. MIKULSKI:

S. 2962. A bill to amend the Federal Property and Administrative Services Act of 1949 and title 10, United States Code, to provide for the consideration of certain contract-related revenues of the Federal Government in the determination of which contract bid or proposal contains the lowest price; to the Committee on Governmental Affairs.

By Mr. D'AMATO (for himself and Mr. MOYNIHAN):

S. 2963. A bill to amend title 38, United States Code, to provide that future increases in the monthly amount paid by the State of New York to blind disabled veterans shall be excluded from the determination of annual income for purposes of payment of pension by the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. SPECTER (for himself, Mr. BRADLEY, Mr. WOFFORD, and Mr. LAUTENBERG):

S. 2964. A bill granting the consent of the Congress to a supplemental compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning the Delaware River Port Authority; to the Committee on the Judiciary.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 2965. A bill to amend the San Juan Basin Wilderness Protection Act of 1984 to designate additional lands as wilderness and to establish the Fossil Forest Research Natural Area, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD (for himself, Mr. GORTON, and Mr. PACKWOOD):

S. 2966. A bill to amend the Small Business Investment Act of 1958 to permit prepayment of debentures issued by State and local development companies; to the Committee on Small Business.

By Mr. GARN (for himself and Mr. MACK) (by request):

S. 2967. A bill to increase the amount of credit available to fuel local, regional and national economic growth by reducing the regulatory burden imposed upon depository institutions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. METZENBAUM:

S. 2968. A bill to amend the Federal Food, Drug, and Cosmetic Act to prevent misleading advertising of the health benefits of foods; to the Committee on Labor and Human Resources.

By Mr. KENNEDY (for himself, Mr. HATCH, Mr. METZENBAUM, Mr. GARN, Mr. ADAMS, Mr. HATFIELD, Mr. BURDICK, Mrs. KASSEBAUM, Mr. GRAHAM, Mr. PACKWOOD, Mr. HARKIN, Mr. SPECTER, Mr. INOUYE, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. PELL, Mr. RIEGLE, Mr. WELLSTONE, and Mr. WIRTH):

S. 2969. A bill to protect the free exercise of religion; to the Committee on the Judiciary.

By Mr. SASSER (for himself, Mr. SEYMOUR, Mr. BREAUX, Mr. LIEBERMAN, Mr. MITCHELL, and Mr. HATFIELD):

S. 2970. A bill to amend the Cash Management Improvement Act of 1990, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BOREN:

S. 2971. A bill to amend the Wild and Scenic Rivers Act to protect State-designated rivers prior to their approval or disapproval by the Secretary of the Interior for inclusion in the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LEAHY:

S. 2972. A bill to amend the Child Nutrition Act of 1966 to temporarily prohibit the use of funds to carry out the WIC-Child Impact Study or a similar study, to direct that any savings be used for supplemental foods and related costs for nutrition services and administration under the WIC program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON (for himself, Mr. DECONCINI, Mr. ROCKEFELLER, Mr. GRAHAM, Mr. AKAKA, Mr. DASCHLE, Mr. JEFFORDS, Mr. SIMON, and Mr. KERRY):

S. 2973. A bill to amend title 38, United States Code, to improve the care and services furnished to women veterans who have experienced sexual trauma, to study the needs of such veterans, to expand and improve other Department of Veterans Affairs programs that provide such care and services, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CRANSTON:

S. 2974. A bill to amend title 38, United States Code, to revise certain administrative provisions relating to the United States Court of Veterans Appeals, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MCCAIN:

S. 2975. A bill to provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, Arizona, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. SIMON:

S. 2976. A bill to establish academies for mathematics and science teaching skills; to the Committee on Labor and Human Resources.

By Mr. DASCHLE (for himself, Mr. DECONCINI, and Mr. BURDICK):

S. 2977. A bill to establish within the Bureau of Indian Affairs a program to improve the management of rangelands and farmlands and the production of agricultural resources on Indian lands, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. PRYOR (for himself, Mr. MCCONNELL, and Mr. BUMPERS):

S. 2978. A bill to amend the Rural Electrification Act of 1936 to permit the prepayment and refinancing of Federal Financing Bank loans made to rural electrification and telephone systems, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MOYNIHAN (for himself, Mr. DANFORTH, and Mr. BOREN):

S. 2979. A bill to amend the Internal Revenue Code of 1986 to encourage charitable contributions and improve compliance with the rules governing the deductibility of such contributions; to the Committee on Finance.

By Mr. INOUYE (for himself, Mr. LUGAR, Mr. BOREN, Mr. GORTON, Mr. CRAIG, Mr. SEYMOUR, Mr. COHEN, Mr. COCHRAN, Mr. GRAHAM, Mr. MACK, Mr. CONRAD, Mr. SPECTER, and Mr. GARN):

S. 2980. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act with respect to minor use of pesticides; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRAIG (for himself and Mr. SYMMS):

S. 2981. A bill to establish the Snake River Birds of Prey National Conservation Area in the State of Idaho, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 2982. A bill to amend the Consolidated Farm and Rural Development Act to establish a program to aid beginning farmers and ranchers and to improve the operation of the Farmers Home Administration, and to amend the Farm Credit Act of 1971 for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BIDEN:

S. 2983. A bill to amend the Congressional Budget Act of 1974 to require that Congress adopt a concurrent resolution on the national security budget setting binding appropriate levels for national security discretionary spending, consisting of the defense and international categories, and domestic discretionary spending before adopting the concurrent resolution on the budget for a fiscal year; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee have 30 days to report or be discharged.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 2984. A bill to authorize financial assistance for the construction and maintenance of the Mary McLeod Bethune Memorial Fine Arts Center; considered and passed.

By Mr. BIDEN (for himself, Mr. HATCH, Mr. PELL, Mr. CRANSTON, Mr. HELMS, Mr. MITCHELL, Mr. ROBB, Mr. WOFFORD, Mr. MURKOWSKI, Mr. SIMON, Mr. KENNEDY, Mr. DODD, Mr. GORTON, Mr. DIXON, Mr. KERREY, Mr. INOUYE, and Mr. MOYNIHAN):

S. 2985. A bill to authorize the Board for International Broadcasting to support a "Radio Free China"; to the Committee on Foreign Relations.

By Mr. KENNEDY:

S. 2986. A bill to place certain conditions on the operation of Federal advisory committees for national park system units; to the Committee on Energy and Natural Resources.

By Mr. BIDEN:

S.J. Res. 325. A joint resolution entitled the "Collective Security Participation Resolution"; to the Committee on Foreign Relations.

By Mr. MURKOWSKI (for himself, Mr. BUMPERS, and Mr. PRYOR):

S.J. Res. 326. A joint resolution designating the beach at 53 degrees 53′51″N, 166 degrees 34′15″W to 53 degrees 53′48″N, 166 degrees 34′21″W on Hog Island, which lies in the Northeast bay of Unalaska be named "Arkansas Beach" in commemoration of the 206th regiment of the National Guard who served during the Japanese attack of Dutch Harbor, Unalaska on June 3 and 4, 1942; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. KERRY (for himself, Mr. SMITH, Mr. ROBB, Mr. GRASSLEY, Mr. BROWN, Mr. DASCHLE, Mr. HELMS, Mrs. KASSEBAUM, Mr. KERREY, Mr. KOHL, Mr. MCCAIN, Mr. REID, Mr. BUMPERS, Mr. LAUTENBERG, and Mr. DODD):

S. Res. 324. A resolution relating to declassification of Documents, Files, and other materials pertaining to POWs and MIAs; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCAIN:

S. 2939. A bill to authorize certain uses of water by the Fort Mojave Indian Tribe; to the Select Committee on Indian Affairs.

FORT MOJAVE WATER USE ACT

Mr. McCAIN. Mr. President, I am pleased to introduce today legislation that will promote more efficient, economic and environmentally sound management and use of water in the Mojave Valley in Mojave County in northwestern Arizona.

The legislation would authorize the Fort Mojave Indiana Tribe, whose reservation includes lands within Arizona, California, and Nevada, to lease 5,000-acre feet of its entitlement from Arizona's share of the Colorado River for a period of 25 years for use only in the State of Arizona. This small but critical measure is necessary to permit the tribe and a small local waste water utility to carry out an agreement that will enable the tribe to protect its investment in a new regional waste water treatment facility and to ensure the viability of its utility authority. It will also serve to help protect the quality of Colorado River water.

The Fort Mojave Tribe's reservation lands in Arizona are interspersed with non-Indian landholdings in a checkerboard pattern. This checkerboaring has posed an array of jurisdictional and financial obstacles that until recently have hamstrung efforts to establish any regional wastewater utility to serve the Mojave Valley. Consequently, homes and commercial facilities in the valley have relied upon small package plants, drainfield or septic systems for their waste water needs. Problems with these small waste water systems, which can discharge effluent directly into the Colorado River system because of the valley's sandy soils and high ground water table, have become more acute with increasing economic and residential development in the region of Bullhead City, AZ, and nearby Laughlin, NV.

The Fort Mojave Tribe, in cooperation with local and State entities, has overcome the obstacles to establishing a much-needed regional waste water treatment system. In December 1989, the tribe issued approximately $7 million in tax exempt bonds for start-up costs of the new Fort Mojave Tribal Utility Authority [FMTUA] and for construction of a new, modern waste water treatment plant and collection system to serve both Indian and non-Indian lands within the reservation and neighboring areas.

The tribe also entered into an intergovernmental agreement with the Arizona Department of Environmental Quality [ADEQ], wherein the tribe adopted as tribal law the State's laws and regulations relevant to wastewater utilities, and deputized ADEQ officials to aid in inspection and enforcement activities. Together, these actions subjected the entire utility to a uniform regulatory framework.

Soon after the issuance of the tribe's bonds, however, a slowdown in the local and regional economy raised concern about the viability of the FMTUA and the tribe's ability to pay its debt service on the financing for the wastewater system. This slowdown meant less development and fewer customers on line in the areas the wastewater system was initially planned to serve. In response, the FMTUA determined that the most sensible and economic way to get enough customers on line to generate enough revenue to cover the debt is to extend the collection system to an area adjacent to the Bullhead City limits known as the Three Mile Island.

In seeking to extend its system, the FMTUA found itself in competition with a small, privately owned wastewater utility, Sorensen Utility, that was established by residential home developers for the primary purpose of insuring a water supply for a golf course. Both utilities submitted plans to Mohave County and the Arizona Department of Environmental Quality to serve the Three Mile Island, which utility experts agree would best be served by just one wastewater utility.

Rather than force governmental agencies to choose one utility over the other, the tribe and Sorensen negotiated an agreement wherein Sorensen will sell its wastewater utility franchise, infrastructure, and customers to the tribe in exchange for a lease of a small segment of tribal land and an opportunity to lease water from the tribe on a temporary basis. This agreement will ensure sufficient water for the golf course as well as the additional customers and revenue needed by the FMTUA.

In the absence of any general legislation authorizing tribes to lease portions of their reservation water entitlements, the tribe has asked Congress to provide specific authority to lease the water needed to effectuate the agreement between the tribe and Sorensen Utility. In response to this request, the legislation I introduce today authorizes the tribe to lease, exchange, or temporarily dispose of 5,000-acre feet, or less than 5 percent of the 103,535-acre feet awarded to the tribe in Arizona versus California from Arizona's share of the Colorado River, for use only in Arizona. The term of any lease is limited to 25 years.

As a partner in a government-to-government relationship with Indian tribes, the United States has a duty to administer its trust responsibilities to tribes with prudence and dispatch, and to take appropriate actions to protect the tribes' trust assets and take reasonable steps to preserve and if possible, enhance the value of those assets. I believe this legislation is such a step.

The United States also has a duty and responsibility to act and promote actions to ensure the quality of our Nation's water supply. By helping to provide for the continued operation of the Fort Mojave Tribe's regional wastewater treatment plant, the bill will contribute to reducing or eliminating use of less efficient treatment alternatives and discharges of effluent into the Colorado River system, to everyone's benefit.

Accordingly, I very much appreciate Chairman INOUYE scheduling a hearing on this legislation before the Select Committee on Indian Affairs for the afternoon of July 22. At that time we should be able to complete the record of support for this measure. I have received copies of resolutions of support from the Mojave County Board of Supervisors, the Fort Mojave Tribal Utility Authority and the Fort Mojave Tribal Council, the mayor and city council of the City of Bullhead City, AZ, and the Mojave Valley Irrigation and Drainage District. I look forward to receiving testimony from the State of Arizona reflecting the views of its department of water resources and department of environmental quality, and from the Department of the Interior.

I commend and congratulate the Fort Mojave Tribal Council and its chairperson, Nora Garcia, for their leadership in working with their neighbors, State and Federal agencies to overcome the obstacles to providing a sensible and effective solution to regional wastewater treatment problems. Sorensen Utility, Mojave County, the Arizona Department of Water Quality and all other parties to these efforts deserve praise for their contributions.

Mr. President, I am hopeful that the Congress will be able to act quickly and pass this noncontroversial legislation that is so clearly in the public interest.

By Mr. WOFFORD:

S. 2940. A bill to reduce to 100,000 the number of members of the Armed Forces of the United States assigned to permanent duty ashore in NATO countries of Europe by the end of fiscal year 1995; to the Committee on Armed Services.

REDUCTION OF UNITED STATES TROOP STRENGTH IN EUROPE

• Mr. WOFFORD. Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2940

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDUCTION IN THE AUTHORIZED END STRENGTH FOR THE NUMBER OF MILITARY PERSONNEL IN EUROPE.

Subsection (c)(1) of section 1002 of the National Defense Authorization Act, 1985 (22 U.S.C. 1928 note), is amended in the first sentence by inserting after "235,700" the following: "members before September 30, 1995, and 100,000 members on and after that date".•

By Mr. RUDMAN (for himself, Mr. KERRY, Mr. KASTEN, Mr. HATFIELD, Mr. KENNEDY, Mr. GORTON, Mr. NUNN, Mr. GORE, and Mr. WIRTH):

S. 2941. A bill to provide the Administrator of the Small Business Administration continued authority to administer the Small Business Innovation Research Program, and for other purposes; to the Committee on Small Business.

SMALL BUSINESS INNOVATION DEVELOPMENT ACT OF 1992

• Mr. RUDMAN. Mr. President, I rise today to introduce legislation to reauthorize the Small Business Innovation Research Program [SBIR].

The SBIR Program, first introduced in this body over 10 years ago, is one of the most successful small business programs today. First signed into law—Public Law 97-219—by President Reagan on July 22, 1982, this program was extended in 1986—Public Law 99-433—for an additional 6 years. Today I am offering legislation to reauthorize the SBIR program through October 1, 2000, an additional 7 years.

When Congress created SBIR in 1982 the United States was facing some very real problems: the loss of our Nation's position as a world leader in the fields of innovation and technology development; the need to stimulate job production; and the need to ensure the greatest return for Federal research and development [R&D] investment at a time of tightening fiscal resources. The SBIR program sought to address these problems by using small businesses to meet Federal research and development needs.

Under the SBIR program, 11 Federal agencies, all with R&D budgets in excess of $100 million per year, direct a small portion of their R&D funds to small businesses. The Program sets out three phases to accomplish its goals. Under phase I, awards are made to small businesses to develop proposals which demonstrate exceptional technical or scientific merit. Once phase I is completed, a company with a promising project may compete for phase II awards to permit further development. Finally, under phase III companies are encouraged to obtain non-SBIR funds to commercially develop their project.

Today, after 10 years of experience with the program we are just beginning to realize the benefits of the SBIR program. When this program was last reauthorized in 1986 sufficient time had not gone by to determine the rate of commercialization. Last October the General Accounting Office [GAO] testified that as of July 1991, the SBIR program had generated more than $1.1 billion in phase III activity. Approximately $3 billion in additional phase III activity is expected by the end of 1993.

The results of a multiyear study conducted by the Small Business Administration [SBA] indicate that 27 percent of awardees had or are likely to realize commercial success within 6 years after receiving SBIR funds. This is an outstanding figure when you consider that at the early stages of the program, proponents felt that SBIR would be successful if 5 percent of all projects entered the commercial phase. Commercialization is not the only measure of the SBIR program's success. A study conducted by the General Accounting Office [GAO] concluded that approximately 79 percent of SBIR projects were rated to be of equal or better quality than other federal research.

The SBIR program will expire on October 1, 1993 if action is not taken to reauthorize it. As the original author of this program, I am very concerned that it is reauthorized in a timely manner and disruptions are avoided. Small companies and Federal agencies will make decisions this year based upon whether funds will be available next year. Agencies need sufficient time to adjust to reauthorization changes. For these reasons, it is important that this legislation be enacted soon.

My proposed legislation is similar to the Small Business Innovation Development Amendment Act, H.R. 4400, recently reported by the House Small Business Committee, with three changes. First, the SBIR set-aside is increased from 1.25 percent to 2.5 percent, not the 3-percent increase as reported by the committee. Second, the legislation includes language adopted by the full House as part of the fiscal year 1993 Defense reauthorization bill, removing the current exemptions on certain Department of Defense R&D activities. Third, a provision creating a new Small Business Technology Transfer Program [STTR] is not included, although I may not be averse to considering it at a later time.

Mr. President, the small business community is the catalyst for economic growth in this country. SBIR, a program which combines the entrepreneurial skills of some of our Nation's most productive and able workers, has proven over a period of 10 years to be an exceptionally successful program. By encouraging small business involvement in technological innovation SBIR has generated positive returns on investment, developed inventive research solutions, and created thousands of jobs which have not been washed away by the recession. I urge my colleagues to act favorably on this measure.

Mr. President, I ask unanimous consent that a copy of the legislation I am introducing today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2941

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Innovation Development Amendment Act of 1992".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the Small Business Innovation Research Program established by the Small Business Innovation Development Act of 1982 has been effective in encouraging the participation of small businesses in Federal research and development;

(2) the Small Business Innovation Research Program has stimulated technological innovation by small businesses participating in the program;

(3) small businesses participating in the Small Business Innovation Research Program have demonstrated that they are among the most competent and cost-effective providers of high quality research and development;

(4) small businesses participating in the Small Business Innovation Research Program have provided innovative products and services that are vital to the national defense, the exploration of space, the advancement of science, the promotion of the health, safety, and welfare of United States citizens, and many other fields important to the functions of the Federal Government;

(5) the Small Business Innovation Research Program has been successful in converting Federal research and development into innovative products, benefiting both the United States Government and the commercial marketplace;

(6) by moving technology from the laboratory to the marketplace, the Small Business Innovation Research Program has expanded business opportunities, increased productivity, created jobs, stimulated the introduction of new products by high technology-related firms, and made United States industry more competitive;

(7) the Small Business Innovation Research Program has also resulted in a positive benefit to the Nation's balance of trade by increasing exports from small businesses;

(8) Federal employees have exhibited skill and innovation in implementing the Small Business Innovation Research Program;

(9) the Small Business Innovation Research Program can provide productive employment for the Nation's scientists and engineers who have been displaced due to cuts in the budget of the Department of Defense and due to economic recession; and

(10) despite the fact that the Small Business Innovation Research Program has achieved its participation goals, the proportion of Federal funds for industrial research and development received by small businesses remains at 3 percent (the same level as 10 years ago), although private sector use of small businesses for research and development doubled in the 1980's.

(b) Purposes.—The purposes of this Act are—

(1) to expand and improve the Small Business Innovation Research Program;

(2) to modify the Small Business Innovation Research Program to emphasize private sector commercialization of technology derived from Federal research and development; and

(3) to increase the opportunity for participation in Federal research and development by small businesses.

SEC. 3. EXTENSION OF SMALL BUSINESS INNOVATION RESEARCH PROGRAM.

Section 5 of the Small Business Innovation Development Act of 1982 (Public Law 97-219, 96 Stat. 219) is amended by striking "1993" and inserting "2000".

SEC. 4. AMENDMENTS TO SMALL BUSINESS INNOVATION RESEARCH PROGRAM.

(a) Definition of SBIR.—Section 9(e)(4) of the Small Business Act (15 U.S.C. 638(e)(4)) is amended—

(1) in subparagraph (A), by inserting "that appear to have commercial potential (as described in subparagraph (C))" after "ideas"; and

(2) by striking subparagraphs (B) and (C) and inserting the following:

"(B) a second phase, to further develop proposed ideas which meet particular program needs, in which awards shall be made based on the scientific and technical merit and feasibility of the idea—

"(i) as evidenced by the first phase; and

"(ii) after giving consideration to factors relating to the commercial potential of the idea, including—

"(I) whether or not the idea is proposed by a small business concern that has been successful in the commercial application of SBIR research;

"(II) whether or not there are commitments for contributions to second phase funding of the idea;

"(III) whether or not there are third phase, follow-on commitments for funding of the idea; and

"(IV) whether or not the idea has other qualities indicating commercial potential; and

"(C) where appropriate, a third phase—

"(i) in which non-Federal capital is used to fund commercial applications of the research or research and development;

"(ii) that may also involve follow-on, non-SBIR funded awards by a Federal agency for products or processes intended for use by the United States Government; and

"(iii) that is a continuation of research or research and development that has been competitively selected using peer review or scientific review criteria established pursuant to subparagraphs (A) and (B).".

(b) Required Expenditures for SBIR by Federal Agencies.—

(1) In general.—Section 9(f)(1) of the Small Business Act (15 U.S.C. 638(f)(1)) is amended to read as follows:

"(f) Federal Agency Expenditures for SBIR.—

"(1) In general.—

"(A) Required expenditure amounts.—Each Federal agency which has an extramural budget for research or research and development in excess of $100,000,000 for fiscal year 1992, or any fiscal year thereafter, shall expend—

"(i) not less than 1.25 percent of such budget in each of fiscal years 1992 and 1993;

"(ii) not less than 1.5 percent of such budget in fiscal year 1994;

"(iii) not less than 1.75 percent of such budget in fiscal year 1995;

"(iv) not less than 2.0 percent of such budget in fiscal year 1996;

"(v) not less than 2.25 percent of such budget in fiscal year 1997; and

"(vi) not less than 2.5 percent of such budget in each fiscal year thereafter,

specifically in connection with small business innovation research programs which meet the requirements of this section and regulations issued under this section.

"(B) Limitation.—A Federal agency shall not make available for the purpose of meeting the requirements of subparagraph (A) an amount of its extramural budget for basic research which exceeds the percentages specified in subparagraph (A).

"(C) Exclusion of certain funding agreements.—Funding agreements with small business concerns for research or research and development which result from competitive or single source selections other than a small business innovation research program shall not be considered to meet any portion of the percentage requirements of subparagraph (A).".

(2) Conforming amendment.—Section 9(f)(2) of the Small Business Act (15 U.S.C. 638(f)(2)) is amended by striking "(2)" and inserting the following:

"(2) Excluded amounts.—".

(c) SBIR Solicitations.—Section 9(g) of the Small Business Act (15 U.S.C. 638(g)) is amended—

(1) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) unilaterally determine research topics within the agency's SBIR solicitations, giving special consideration to topics which permit substantial applicant participation in the formulation of the research project consistent with the agency's mission;".

(d) Deadline for Final Payment Under SBIR Agreements.—Section 9(g)(7) of the Small Business Act (15 U.S.C. 638(g)(7)) (as redesignated by subsection (c)(1)) is amended by inserting before the semicolon the following: "and, in all cases, make payment to recipients under such agreements in full, subject to audit on or before the last day of the 12-month period beginning on the date of completion of such requirements".

(e) Modifications to SBIR Policy Directives.—Not later than 90 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall modify policy directives for the general conduct of small business innovation research programs issued pursuant to section 9(j) of the Small Business Act to provide for—

(1) retention by a small business concern of the rights to data generated by the concern in the performance of an SBIR award for a period of not less than 4 years;

(2) continued use by a small business concern, as a directed bailment, of any property transferred by a Federal agency to the small business concern in the second phase of a small business innovation research program for a period of not less than 2 years beginning on the date of participation in phase III of such program;

(3) procedures to ensure, to the extent practicable, that an agency which intends to pursue research, development, or production of a technology developed by a small business concern under a small business innovation research program enters into follow-on, non-SBIR funded contracts with the small business concern for such research, development, or production; and

(4) an increase in the amount of funds which an agency may award in the first phase of a small business innovation research program to $75,000, and an adjustment of such amount every 5 years to reflect economic adjustments and programmatic considerations.

(f) Elimination of Surveying and Reporting Requirement.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended by striking subsection (k).

(g) Reporting of Awards Made From Single Proposal.—

(1) In general.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following new subsection:

"(k) If a Federal agency required to establish a small business innovation research program under subsection (f) makes an award with respect to a SBIR solicitation topic or subtopic for which the agency received only 1 proposal, the agency shall provide written justification for making the award in the next annual report required of the agency by subsection (g)(8).".

(2) Conforming amendment.—Section 9(g)(5) of the Small Business Act (15 U.S.C. 638(g)(5)) (as redesignated by section 4(c)) is amended by inserting "subject to subsection (k)," before "unilaterally".

SEC. 5. REPORT OF COMPTROLLER GENERAL.

Not later than 5 years after the date of enactment of this Act, the Comptroller General of the United States shall transmit to Congress a report containing—

(1) a review of the progress made by Federal agencies in meeting the requirements of section 9(f)(1)(A) of the Small Business Act (relating to minimum expenditures under a small business innovation research program), including increases in such minimum expenditures required by such section;

(2) an analysis of participation by small business concerns in the third phase of small business innovation research programs described in section 9(e)(4)(C) of the Small Business Act, including a systematic evaluation of the techniques adopted by Federal agencies to foster commercialization;

(3) an analysis of the extent to which awards under small business innovation research programs are made pursuant to section 9(k) in cases in which a program solicitation receives only 1 proposal; and

(4) the results of periodic random audits of the extramural budget (as defined in section 9(e)(1) of the Small Business Act) of each such Federal agency.

SEC. 6. EXPANSION OF SMALL BUSINESS INNOVATION RESEARCH PROGRAM FOR DEFENSE RESEARCH AND DEVELOPMENT ACTIVITIES.

(a) EXTENSION OF DURATION OF PROGRAM.—The Small Business Innovation Research Program, as defined in subsection (h), shall apply to the Department of Defense (including the military departments) as if section 5 of the Small Business Innovation Development Act of 1982 (15 U.S.C. 638 note) were amended by striking "October 1, 1993" and inserting "October 1, 2000".

(b) REPEAL OF EXCLUSION OF CERTAIN DEPARTMENT OF DEFENSE ACTIVITIES.—Section 9(e)(1) of the Small Business Act (15 U.S.C. 638(e)(1)) is amended by striking "except that for the Department of Defense" and all that follows through "development, and".

(c) REPEAL OF EXCLUSION OF CERTAIN DEPARTMENT OF ENERGY ACTIVITIES.—Section 9(f) of the Small Business Act (15 U.S.C. 638(f)) is amended—

(1) by striking "(1)"; and

(2) by striking paragraph (2).

(d) INCLUSION OF CERTAIN INTELLIGENCE ACTIVITIES.—Section 9(e)(2) of the Small Business Act (15 U.S.C. 638(e)(2)) is amended by striking "any agency within the Intelligence Community (as such term is defined in section 3.4(f) of Executive Order No. 11333 or its successor orders)" and inserting "any agency for which funds are provided through the National Foreign Intelligence Program (as such term is defined in section 3.4(g) of Executive Order No. 11333, or its successor orders)".

(e) PERCENTAGE OF REQUIRED EXPENDITURES FOR SBIR CONTRACTS.—The Small Business Innovation Research Program shall apply to the Department of Defense (including the military departments) as if section 9(f)(1) of the Small Business Act (15 U.S.C. 638(f)(1)) were amended by striking "1.25 per centum" each place such term appears and inserting "2.5 percent", with respect to fiscal years after fiscal year 1992.

(f) INCREASE IN ALLOWABLE AMOUNT OF AWARDS.—The maximum amount of a contract that the Department of Defense (including the military departments) may award under the Small Business Innovation Research Program in the first phase of a particular small business innovation research project may not exceed $75,000. Notwithstanding the preceding sentence, the Administrator may permit the award of contracts described in that sentence in an amount that exceeds $75,000 if the Administrator determines that such an exception would be consistent with the purposes of the Small Business Innovation Research Program.

(g) ENCOURAGEMENT OF COMMERCIALIZATION UNDER SBIR PROJECTS.—The Small Business Innovation Research Program shall apply to the Department of Defense (including the military departments) as if subparagraphs (A), (B), and (C) of section 9(e)(4) of the Small Business Act (15 U.S.C. 638(e)(4)) were amended to read as follows:

"(A) a first phase for determining, insofar as possible, the scientific and technical merit and feasibility of ideas that appear to have commercial potential (as described in subparagraph (C)) and that are submitted pursuant to SBIR program solicitations;

"(B) a second phase, to further develop proposed ideas which meet particular program needs, in which awards shall be made based on the scientific and technical merit and feasibility of the idea as evidenced by the first phase and by giving consideration to factors relating to the commercial potential of the ideas including,—

"(i) whether or not the idea is proposed by a small business concern that has been successful in the commercial application of SBIR research;

"(ii) whether or not there are commitments for contributions to second phase funding of the idea;

"(iii) whether or not there are third phase, follow-on commitments for the idea; and

"(iv) whether or not the idea has other qualities indicating commercial potential; and

"(C) where appropriate, a third phase in which non-Federal capital pursues commercial applications of the research or research and development and which may also involve follow-on, non-SBIR funded awards with a Federal agency for products or processes intended for use by the United States Government and which is a continuation of research or research and development that has been competitively selected using peer review or scientific review criteria established pursuant to subparagraphs (A) and (B).".

(h) SBIR PROGRAM DEFINED.—For purposes of this section, the Small Business Innovation Research Program is the program established under the following provisions of section 9 of the Small Business Act (15 U.S.C. 638):

(1) Paragraphs (4) through (7) of subsection (b).

(2) Subsections (e) through (k).

(i) EFFECTIVE DATE.—This section, and the amendments made by this section, shall become effective on October 1, 1992, and shall apply with respect to fiscal years after fiscal year 1992.●

● Mr. KASTEN. Mr. President, I rise today to join the distinguished senior Senator from New Hampshire [Mr. RUDMAN] in cosponsoring the Small Business Innovation Development Amendment Act of 1992, S. 2941, a bipartisan bill to authorize the continuation of the Small Business Innovation Research [SBIR] Program. As the leading player in the implementation of the SBIR Program in 1982, I am glad to see that Senator RUDMAN is involved again and is committed to ensuring the extension of this successful program. I commend the Senator on his efforts.

Through SBIR funding, small business entrepreneurs are given the opportunity to take risks, to be innovative, and to develop new ideas into commercial products. But most importantly, more jobs are created and spur investment. This program has proven effective in expanding economic growth, encouraging minorities and others to participate in technological innovation, and improving our international competitiveness.

The program is designed to fund research and development projects to strengthen the R&D role of small businesses. Eleven Federal agencies solicit research needs and invite small businesses to submit proposals. The program consists of three phases and grants are awarded as follows: phase I provides up to $75,000 to begin research and discover the feasibility of an idea; phase II provides up to $500,000 to further develop the idea; and phase III leads the new technology to commercialization. The goal of the program is to bring the newly developed products to the private-sector market.

The popularity of the SBIR Program has been gaining speed since its enactment, evidenced by the dramatic increase in awards over the past 8 years. Last year, in my home State of Wisconsin alone, 22 small businesses received SBIR awards totalling over $5 million.

Small businesses are the Nation's No. 1 job creator—the fuel that keeps our economic engine running. That's why we need to support and create incentives for small businesses like the SBIR Program, to further their growth and development and maintain a strong position in the international high-technology market.

Mr. President, as a cosponsor of the Small Business Innovation Development Amendment Act of 1992, I am committed to advancing the SBIR Program. I am also proud to recognize the 22 Wisconsin companies that were awarded SBIR awards in 1991:

Knight Hollow Nursery, Inc.
EXTREL-FTMS, Inc.
Stresau Laboratory, Inc.
Thermal Spray Technologies, Inc.
Rose Plastics & Machinery, Inc.
Parkview Research & Development, Inc.
Raised Dot Computing, Inc.
Orbital Technologies Corporation
Micro-Optics Technologies, Inc.
Midwest Research Technologies, Inc.
LocUS, Inc.
Biotronics Technologies, Inc.
BioInterface Technologies, Inc.
Bio-Technical Resources, Inc.
DNASTAR, Inc.
Genetic Visions, Inc.
Markwell Medical Institute, Inc.
Light Sculpting, Inc.
Advanced Motion Control, Inc.
Promega Corporation
Ophidian Pharmaceuticals, Inc.
R.G. Brown & Associates

Mr. President, I look forward to working with Senator RUDMAN and others to see that this outstanding program is extended. And I hope my colleagues will be encouraged to join me.•

• Mr. HATFIELD. Mr. President, I am pleased to join my good friend from New Hampshire, Senator RUDMAN, in this effort to reauthorize the Small Business Innovation Research [SBIR] Program. As a cosponsor of the original enacting legislation, it is especially satisfying for me to rise today with Senator RUDMAN, the primary sponsor of the bill that established the SBIR Program in 1982, to reauthorize a program that in its 10 short years has been productive beyond anyone's expectations.

Despite its size, the SBIR Program has shown tremendous success in all areas. According to the General Accounting Office, the $1 billion Government investment in the SBIR Program from 1984 to 1987 generated over $1 billion in economic benefits. It is important to point out that this $1 billion gain has taken place while the Federal Government simultaneously fulfilled its research and development needs.

As most of my colleagues are aware, the SBIR Program directs Federal agencies with research and development budgets in excess of $100 million to devote 1.25 percent of those dollars to a Small Business Innovation Research Program. The program's mission is to solicit promising innovative research proposals on a competitive basis from small businesses. The SBIR Program divides the competitive grant process into three stages, leading ultimately to commercialization through sales to the private sector or the Federal Government. The legislation we introduce today reauthorizes and expands the current program by gradually increasing the percent of agency R&D from 1.25 percent to 2.5 percent.

Over 20,000 SBIR proposals are received each year, many more than were originally envisioned. Although 11 Federal agencies participate in the SBIR Program, over 90 percent of all SBIR funds come from 5 of them, including the Department of Defense [DOD], the National Aeronautics and Space Administration [NASA], the National Institutes of Health [NIH], the Department of Energy [DOE] and the National Science Foundation [NSF]. Each of these agencies directly manages its own SBIR Program. The Small Business Administration [SBA] operates as a central policy coordinator and monitor of the program.

Oregon, with more small businesses per capita than any other State, is truly the Small Business State. In Oregon, 9 out of 10 businesses are small businesses. Small businesses are the backbone of Oregon's economy today, and they are the hope for its economy tomorrow. For example, of the 44,929 jobs created in Oregon between 1984 and 1988, small businesses created 125 percent, large firms having lost jobs.

Oregon has also been the beneficiary of the SBIR Program's investment in innovation. To share just one example of how this program is working in my State, next week I will visit Ontario, OR, to review a mechanical straw mulching machine invented by small business owner and innovator, Joe Hobson.

Mr. Hobson's experience is illustrative of the success of thousands of small business entrepreneurs across this country. Since his initial SBIR application to the U.S. Department of Agriculture on August 30, 1989, Mr. Hobson has completed the phase I stage of the process and is now in phase II and is moving rapidly toward commercialization.

The genius of the SBIR Program lies in its recognition that small businesses represent our greatest, largely untapped source of innovators. Joe Hobson's idea shows the wisdom of this approach. His machine is a mechanical straw mulching machine. It spreads straw over a freshly tilled field. While this idea may appear simple, it may be one of the keys to solving a number of problems confronting my State.

Initial reviews have shown that this mulching machine reduces soil erosion by up to 90 percent, reduces phosphorus runoff by 70 percent, and nitrogen runoff by 50 percent. But of greater importance in this time of low rainfall and scarcity of adequate water—not only in Oregon, but globally—this mulching machine may allow farmers to sufficiently water their crops using 50 to 60 percent less irrigation water.

As I said, Mr. President, this is just one small example of hundreds in my State and just one of thousands across this country. The potential of this program is as broad as the imagination. The program's appeal is demonstrated in part by the fact that it has received the attention of countries, such as Japan, Germany, Italy, Great Britain, and Canada. The General Accounting Office has issued reports very favorable for the program.

I should also point out, Mr. President, that in addition to this measure, I am today also introducing the Small Business Penalty Relief Act of 1992. This bill will modify the SBA 503 loan program, which now operates to deny small business borrowers the opportunity to refinance loans in order to grow and expand.

Mr. President, again, I am pleased to join with Senator RUDMAN in introducing this legislation and look forward to its swift passage.•

Mr. KENNEDY. Mr. President, it is an honor to join Senator RUDMAN and others in sponsoring this bill to reauthorize and expand the Federal Small Business Innovation Research Program.

The SBIR Program originated in the 1970's in a National Science Foundation authorization bill which I was privileged to sponsor. That measure authorized a modest experiment using small, high technology companies in merit-based competitions to meet research goals set by the NSF. The first 40 phase I awards made in 1976 by NSF were chosen from about 400 proposals. Last year, more than 2,300 Phase I awards were made by eleven agencies from about 25,000 proposals.

Every part of the country has benefited directly and indirectly from this program. In Massachusetts, we are blessed with many of the small entrepreneurial technology-based companies which compete for SBIR awards. The expansion of SBIR will enable more States to improve the technology component of their small business sectors and enhance economic development.

This bill will not add to the Federal outlays or the deficit. It will simply redirect a small share of the research effort over a multiyear period.

Ten years ago, the success of the NSF experiment led the Congress to expand the program to every executive branch agency which spends at least $100,000,000 a year on extramural research—work done outside the Government.

Senator RUDMAN and I spearheaded the bipartisan effort in 1982 that led to that expansion. There was little opposition in Congress, and Senator RUDMAN was effective in persuading President Reagan to overrule some of his advisors and to support the measure. This month—on July 22—we will celebrate the 10th anniversary of the signing of that law. The Congress last extended it in 1986. If we do not act, it will expire on September 30, 1993.

Throughout the past decade, this program has quietly and successfully met needs for innovation in defense, health and medicine, energy, space, agriculture, materials, and many other fields where small business can make a substantial contribution. In April this year, the newly formed Academy of Technology Entrepreneurs and Innovators presented an impressive exhibit in the Senate and the House of more than 90 examples of SBIR-sponsored work done by more than 30 companies. A descriptive guide is being sent to all Senators and Congressmen.

The measure that Senator RUDMAN has crafted with bipartisan support does more than reauthorize this program for an additional 7 years. It emphasizes that commercialization—broadly defined to include the Government's own need for technological advances—is the key goal of this program. The share of the 11 agency research and development budgets for the SBIR Program will be increased by .25 percent a year under this bill. The share will grow from the current 1.25 percent to 2.5 percent by fiscal year 1998. This modest increase will build on the enormous success of SBIR and draw more companies and promising technologies into the program.

One of the best features of the SBIR program is the collaborative effort it encourages between small companies and universities, and between small companies and large companies. As the intensity of world technological competition increases, this Federal program can enrich the entire industrial innovation process.

It is also a program in which the Senate as a whole can take pride. More than 90 Senators sponsored the original SBIR bill 10 years ago. Fifty-five of us are still in the Chamber, and we have been joined in the Senate by 10 others who sponsored the original bill in the House.

The House is close to final action on this legislation, and I hope that we will be able to bring it to the Senate floor quickly. This has always been a bipartisan, noncontroversial subject in the Senate. Let us work to keep it so.

Fifteen years ago, the first conference to explain the new SBIR Program to small business people was held here in Washington. At that meeting, I drew on the comic strip "Peanuts" to highlight the history of Federal neglect of technological entrepreneurs and their small businesses. The Federal Government had been like Lucy in the comic strip, holding the football for Charlie Brown to kick, and then pulling it away so that he always took a humiliating fall. Small business was Charlie Brown. The football was a reasonable role in research and development procurement for small business. Well, the SBIR Program was one research and development program that we gave small business a fair chance to "kick"—and they've put it right through the goal post.

Unfortunately, some executive branch agencies are still playing the old game. It was clearly Congress' intent in 1982 for the SBIR program to expand the use of small business, not merely shift small business utilization from other R&D procurements into SBIR. Yet, as the SBIR Program has grown, agencies have reduced their use of small businesses in other R&D efforts, outside of SBIR accounts. This reauthorization is designed, in part, to remind the agencies that SBIR is to be in addition to appropriate use of small companies in other research and development programs.

The entire country will benefit from our giving this proven program a chance to do even more. I urge my colleagues to support this important legislation.

By Mr. HATCH (for himself, Mr. COATS, Mr. GARN, Mr. KASTEN, Mr. NICKLES, and Mr. SEYMOUR):

S. 2942. A bill to institute accountability in the Federal regulatory process, establish a program for the systematic selection of regulatory priorities; to the Committee on Governmental Affairs.

REGULATORY ACCOUNTABILITY ACT

Mr. HATCH. Mr. President, today on behalf of myself and Senators COATS, GARN, KASTEN, NICKLES, and SEYMOUR, I am introducing the Regulatory Accountability Act of 1992. This legislation is designed to make the Federal regulatory process more accountable and to establish a program for the systematic selection of regulatory priorities.

Jean Baptiste Colbert once said:

> The art of taxation consists in so plucking the goose as to obtain the largest amount of feathers with the least amount of hissing.

Well, Mr. President, the government has found a way to pluck the goose by increasing the burdens on its citizens without voting for tax increases: Federal regulation.

Federal regulation is a hidden tax. The costs of compliance and the costs of enforcement are necessarily passed on to the American families.

For example, if to comply with a regulation a company has to purchase a new scrubber system for a smokestack at a cost of $2 million, the consumers of products produced by that factory will pay more.

If other regulations force that same company to spend another $4 or $5 million on special packaging and to hire extra staff to comply with the paperwork requirements that document compliance with those regulations, the prices of its goods will rise again to absorb these added costs. This additional staff is nonproductive since they do not contribute to the production or distribution of economic goods or services. Of course, if the market in which that company competes cannot bear these extra costs, then the company may even be forced to go out of business.

These regulatory costs steal valuable resources from other sectors of that firm: research and development, upgrading equipment and facilities, and hiring productive staff to produce goods and services.

Mr. President, these are not unrealistic examples. There are countless indicators of costly regulation adversely affecting business, both large and small throughout this Nation. In Utah, job growth relies heavily on a spirit of entrepreneurship that is reflected in the creation of small businesses statewide. Unfortunately, Federal regulation often hits these small businesses the hardest. Many of these small businesses, for the first few years of existence, operate on a shoestring and make just enough to continue paying their operating costs. Regulation steals these valuable funds for compliance, making business starts more difficult and threatening the ability of small business to succeed.

As I examined the costs and effects of regulation, I went to some people who actually have to live with rules created here in Washington—the people of Utah. I asked businesspersons how regulation affected them, and I received some very clear responses. In addition, I have also been contacted by elected officials in Utah's small towns who are frustrated with a Federal Government that not only interferes in local decisionmaking, but also that provides no means to pay for compliance with the regulations the Federal Government mandates.

I recently received a letter from Mr. Don Gallent, the president and chief executive officer, and Mrs. Loretta Gallent, chairman, of Digitran Simulation Systems. Mrs. Gallent founded this company and, together with her husband, operates an international organization from Logan, UT, that successfully markets products around the world.

They have told me that the effects of Government regulation on American business are many. While some of these regulations may serve to help a few selected industries, by and large, the effect on most businesses is negative. When the hand of government weighs heavily upon us, it stifles our ability to create, to grow, and, indeed, to even exist.

Mr. President, I believe that Mr. Frank Shaw, manufacturing services manager of National Semiconductor of West Jordan, UT, has hit the issue directly on target when he states, "National Semiconductor fully supports the intent of all health, safety, environmental, and employment regulations. These requirements establish a sound foundation for good business policies. However, just as our manufacturing process must continually be improved for us to remain competitive in a world market place, the procedures and cost of regulation compliance must also be improved and simplified."

Mr. President, we continue to regulate new burden on top of new burden on business, regardless of the costs or number of jobs lost. Yet ironically, we expect these same businesses to get back on their feet and drag along our economic recovery!

Mr. President, let me share a few of the experiences of Utah's small towns.

Stockton, UT, has a population of approximately 440. These Utahns work hard, and they don't have a lot of money to spare. This small town has been trying to come to grips with the Americans with Disabilities Act and the costs to comply with the regulations.

Mayor Elden Sandino writes, "We support these regulations in theory and are willing to do what we can to abide by them. Unfortunately, like most small towns in the State of Utah, we are very limited in our funds and feel if these regulations are to be imposed on us, some kind of Federal or State funding or grant also needs to be addressed."

Mr. President, these people have very real problems that need to be addressed, for when Government uses outside funds to achieve its purposes, someone else must pay for it. Who is going to provide the funds for remodeling public buildings in Stockton and other small Utah towns? Additionally, how are very small businesses located in these areas going to find the funds to pay for compliance with regulations?

Two other small towns in Utah, Fountain Green and Enoch, are struggling to decide who is going to pay for provisions of the Clean Water Act that would require them to install expensive sewer systems. Fountain Green has discovered that, to satisfy the regulations implementing this statute, the town would have to borrow $2.1 million to install a new sewer system for 250 users. They have concluded that they would have to charge each resident $35 per month for 20 years just to pay back the loan. This does not include the cost of operating the facility and the residents' usual water bills. The town of Enoch would be forced to charge each resident $54.67 per month over a 20-year period on a $6.5 million loan for its new sewer system.

Mr. President, these amounts may not seem large to us; but, to the residents of rural Utah, these costs are tremendous. New regulation on top of new regulation is burdening these Utahns beyond belief, and they want to know why. They want to be sure the benefits of a new regulation will justify its cost.

Mr. President, there are benefits to certain regulations. I am not arguing that all regulations are bad or unnecessary. Regulation, used properly, is a positive tool that can provide the American people with some protection against the bad actors in our society.

But, there are some regulations that have not been reviewed in decades. Some regulations have become inflexible and inefficient given rapid changes in the American economy, the development of new technologies, and increased competition in the global marketplace. Instead of regulating more, instead of filling out additional forms and conducting more and more audits, it is time to regulate smarter.

THE HIDDEN TAX

How many of us truly realize the staggering burden the hidden tax of regulation is placing on each and every American household? How many of us truly comprehend what the cost of government regulation is and how these costs affect our economy?

In a recently published report entitled "The Costs of Federal Regulation," Prof. Thomas Hopkins of the Rochester Institute of Technology provides some very startling information regarding the overall cost of government regulation. He estimates that currently the United States spends over $400 billion each year on the entire spectrum of government regulation and compliance with promulgated rules. Professor Hopkins concludes that given the current rate of growth, regulatory costs could easily balloon to over $600 billion per year by the year 2000. These staggering amounts do not even include State and local regulation. The average American household picks up this tab through higher prices, decreased product selection, increased paperwork, lost time, job loss, and other costs of compliance.

Mr. President, this cost does not show up on any government ledgers. It does not appear in any withholding category on a paycheck stub. But in all, according to Professor Hopkins, this hidden tax in 1988 accounted for over $4,100 per household and has been on the rise since. By comparison, the average Federal tax burden for an American family during that same time was under $4,000, according to the Bureau of Labor Statistics Consumer Expenditure Survey, 1988–89.

Mr. President, there are some on both sides of the aisle who are shaking their heads in disbelief. I did the same thing when I first saw these figures. But report after report supports the fact that regulatory costs are both substantial and on the rise. Esteemed economists such as Prof. Murray Weidenbaum, of Washington University in St. Louis and former chairman of the Council of Economic Advisors from 1981–82; Dr. Ronald Utt, vice president of the National Chamber Foundation; Robert Hahn, adjunct professor, Carnegie Mellon University; and John A. Hird, assistant professor of political science and research associate, University of Massachusetts have all concluded studies that build on each others' work and support this startling picture. Imagine, over $400 billion spent in complying with Federal regulation.

The economic impact of most regulations is never studied because they are considered relatively minor. By minor, I mean that the agency estimates the cost of implementing the regulation to be under $100 million. However, the cumulative effect of these so-called minor regulations can be staggering. For example, in the October 1991 edition of the Unified Agenda of Federal Regulations only 102 of 4,863 regulatory entries had a regulatory impact analysis either finished or in the process of completion. How much do the other 4,761 cost?

Mr. President, add up the costs of 10, 20, 50, or 100 of these regulations at just $100 million apiece, and you end up with a monstrous burden. For example, implementation of new regulations in just one area are expected to significantly increase compliance costs in 1992. Professor Robert Hahn has estimated that, in 1992 alone, the compliance costs associated with environmental regulation will increase by $70.5 billion over 1991 costs.

Mr. President, in the Regulatory Program of the United States Government, April 1991 through March 1992, the Office of Management and Budget outlines general guidelines each agency should apply to pending regulations so that new rules will be the most beneficial and the most efficient. This report also stresses the need for accountability. However, these are only guidelines and are difficult to enforce.

Government must take responsibility for this hidden tax of regulation. It is time to be honest with the American people. We simply cannot continue to turn our heads and pretend this cost does not exist. It does.

The level of public interest in regulatory policy was confirmed in a recent poll compiled by Penn & Schoen Associates, Inc., on March 30, 1992, just after the President's 90-day moratorium was announced. When asked whether or not the country currently has a lot of unnecessary and costly regulations, 83 percent answered yes.

When asked if Congress and agencies adequately considered the impact of regulations on jobs, 71 percent said no.

Another question revealed very interesting results. When asked if Congress and Federal agencies currently adequately consider how much the regulations will cost consumers, 82 percent answered no.

Obviously, Mr. President, shifting the public policy agenda from direct spending (which we cannot afford) to regulatory requirements (so we can get business and individuals to pick up the tab) is not fooling anyone!

THE REGULATORY ACCOUNTABILITY ACT OF 1992

For these reasons, Mr. President, I am introducing the Regulatory Accountability Act of 1992.

Especially during this period of economic recovery, it is time to take control of this sky-rocketing burden. It should be the task of this Congress, starting with this Senate, to take responsibility for setting guidelines. And, we must force each promulgating agency to account for the entire impact of a pending regulation. And we must make certain that the American people receive the greatest benefit in the most cost-effective and efficient manner.

This legislation places a 3-year cap on the overall costs of regulation. Under this cap, in order for a new regulation to go into effect, the agency would be required to offset any new costs by equal regulatory savings—achieved through revoking or revising existing regulations, trimming and streamlining the paperwork burden, or by any other regulatory offsets. After a regulation has undergone this offsetting process, it may then be promulgated. During this time, agencies promulgating new rules would be required to study the entire cost of compliance and outline effective alternative approaches.

Nothing in this legislation would prohibit an agency from issuing a new rule. However, unless the President declares that the rule is needed to address an emergency, before a new regulation could be issued the agency would have to offset the cost of the new rule by revoking or reversing already existing rules.

The revisions and revocations to existing regulations could be on a rule issued by that agency or by another agency of the Federal Government. The President would be responsible for coordinating these interagency offsets. If the President believes the rule cannot wait to be implemented, and declares an emergency need for the rule, the requirement to offset the costs could be delayed until the necessary research and coordinating action could be considered. However, the President would be required to set a deadline for compliance with the statute.

Now, what would this mean for future regulatory policy?

Essentially this: New regulations must be prioritized. Agencies will only promulgate the most important new rules. This bill will promote more effective and efficient regulation and accountability.

The act would sunset in 3 years. This period will give American enterprise the opportunity to grow without an increasing regulatory burden. Resources that otherwise would go for compliance with new regulations would be available for research and development, new jobs, and investments in plant and equipment.

Also, this act will provide relief to the American people—a chance to see exactly what their hard-earned money is paying for before some unseen regulatory hand in Washington digs into their pockets again.

CONCLUSION

Mr. President, I believe a leaner, more effective regulatory policy will grow from this legislation. Nothing in this act would prohibit the promulgation of new, necessary protections. Rather, we are simply giving the American people the ability to understand what they are receiving for their hard-earned money and the power to control the hidden tax they are being forced to pay.

Mr. President, this legislation will ensure that the hidden tax is not an irresponsible tax. I urge my colleagues to seriously consider this legislation and to go home and ask their constituents what they think of this idea.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, as well as the letters I have received from Mr. and Mrs. Gallent, Mayor Sandino, and Prof. Thomas Hopkins.

Mr. President, I also ask unanimous consent that an article by Robert Genetski from the Wall Street Journal of February 19, 1992, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2942

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Regulatory Accountability Act of 1992".

SEC. 2. CONGRESSIONAL FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—The Congress finds and declares that—

(1) the overall cost of Federal regulation in the United States has risen to well over $400,000,000,000 per year;

(2) this regulatory burden is paid by individual citizens and their families in the form of a "hidden tax" because intermediaries have no options that do not pass these expenditures to individuals;

(3) the most recent data reveals that the "hidden tax" paid by the citizens of this Nation now exceeds $4,100 annually for each household;

(4) left unchecked, this "hidden tax" will increase by 50 percent between now and the year 2000; and

(5) it is in the best interests of the American people to have the Federal Government devise a systematic way to account for the new regulatory costs that taxpayers are forced to absorb and to have this financial burden better controlled.

(b) PURPOSE.—It is the purpose of this Act to establish that each agency shall, as a mandatory requirement for the issuance of—

(1) any proposed regulation—

(A) thoroughly assess and document the anticipated benefits, reasonable alternative approaches, and all foreseeable compliance costs of each approach; and

(B) assess, and include in all proposed regulatory actions, a range of possible offsets for the costs; and

(2) any final regulation—

(A) have selected the most cost-effective alternative; and

(B) for a period of 3 years following enactment, have fully offset all foreseeable costs through revocation or revision of one or more existing regulations.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the term "agency" has the same meaning given such term in section 3502(1) of title 44, United States Code, excluding those agencies specified in section 3502(10) of title 44, United States Code; and

(2) the term "regulation" or "rule" means any agency statement of general applicability and future effect designed to implement, interpret, or prescribe law or policy or describing the procedure or practice requirements of an agency, but does not include—

(A) administrative actions governed by the provisions of sections 556 and 557 of title 5, United States Code;

(B) regulations issued with respect to a military or foreign affairs function of the United States; or

(C) regulations related to agency organization, management, or personnel.

SEC. 4. MANDATORY REQUIREMENT FOR THE ISSUANCE OF NEW REGULATION.

In taking any regulatory action, each agency shall strictly adhere to the following requirements:

(1) Administrative regulatory decisions shall be based on substantial evidence on the public record documenting—

(A) the ability of an action to result in specific, reasonably anticipated benefits;

(B) all alternative regulatory approaches, including performance-based approaches, that will result in the benefits documented under subparagraph (A); and

(C) all foreseeable costs that can reasonably be expected to flow, directly or incidentally, from each approach documented under subparagraph (B).

(2) No final regulatory actions may be taken unless the specific benefits resulting from a specific regulatory approach documented under paragraph (1) clearly outweigh the costs documented under paragraph (1).

(3) Agencies shall—

(A) for all proposed new regulatory actions that will generate any cost, propose a range of possible revisions to, or revocation of, one or more existing regulations, that can reasonably be expected to fully offset the reasonably anticipated costs of such proposed regulatory action; and

(B) fully offset the costs documented under paragraph (1) through revision to, or revocation of, existing Federal regulation.

SEC. 5. EXEMPTION.

The requirements of section 4(3) shall not apply in the case of regulatory actions for which the President includes in the Federal Register, accompanying the regulatory action, a statement of waiver that fully outlines the reasons and needs for waiving the requirements of section 4(3) because of emergency need for such specific regulatory action and includes a timetable for satisfying the requirements of section 4 at the earliest possible date thereafter.

SEC. 6. INDEPENDENT EVALUATION.

(a) IN GENERAL.—Three years following the date of enactment of this Act, the President shall provide for independent evaluation of the regulatory process and the effect of regulations on the different areas of the economy, including—

(1) business startups and viability;

(2) employment, including job creation, compensation, and employment of foreign nationals by United States firms;

(3) international trade and competitiveness with foreign entities;

(4) research and development;

(5) impact on State and local governments; and

(6) direct Federal spending for enforcement of regulations.

(b) STUDY FOCUS.—The evaluation required by this section shall also include a study of—

(1) the effect of the regulatory cost cap imposed by this Act;

(2) the methodologies used by regulatory agencies to estimate the cost of a rule or regulation; and

(3) the use of alternative regulatory approaches described in section 4(1)(B).

(c) OMB.—The Office of Management and Budget shall carry out the provisions of this section.

(d) FUNDING.—Notwithstanding section 1346 of title 31, United States Code, the President is authorized to transfer up to $50,000 from the funds available to any agency for administrative purposes to the Office of Management and Budget for the purpose of carrying out this section.

SEC. 7. EFFECTIVE DATE; SUNSET PROVISION.

(a) EFFECTIVE DATE.—The provisions of this Act shall take effect upon the date of enactment of this Act, except that the effective date for regulations or rules promulgated pursuant to a law enacted after the date that is 2 years before the date of enactment of this Act and not later than the date of enactment of this Act shall be 6 months after the date of enactment of this Act.

(b) SUNSET.—The requirements of section 4(3) shall cease to have effect on the date that is 3 years following the date of enactment of this Act.

DIGITRAN SIMULATION SYSTEMS,
Logan, UT, May 28, 1992.

Hon. ORRIN G. HATCH,
U.S. Senator, Russell Senate Office Building, Washington, DC.

DEAR SENATOR HATCH: The effects of government regulation on American businesses are many. While some of these regulations may serve to help a few select industries, by and large, the effect on most businesses is negative. When the hand of government weighs heavily upon us, it stifles our ability to create, to grow, and, indeed, to even exist.

A good example of this is an incident which recently took place involving our company. Last year, Digitran undertook the necessary procedures to be listed on the National Association of Security Dealers Automated Quotation System (NASDAQ). What should have been a relatively easy listing procedure turned into a nightmare when we learned that the Securities and Exchange Commission, acting under the mandate of the Penny Stock Reform Act of 1990, had changed the listing rules.

Suddenly we were required to have between two and five million dollars in net tangible assets and a five dollar per share stock price. Under these new regualtions, if our stock ever fell below that $5 per share price, our company and any broker dealing with our stock would be penalized severely. These regulations have a rippling effect of great consequence. To begin with, no broker in his right mind would touch a company's stock that couldn't be maintained above five dollars. This in turn would slam the door on capital formation. Without capital, the company would be unable to grow, growth necessary to meet the five dollar per share price. Without capital and without growth, the company would die.

As the creator of most new jobs and economic prosperity in this country, small business needs a friend in government. The current adversarial relationship between business and government is detrimental to the very growth for which both are seeking.

The story is told of a new car traveling the backroads of Brazil in the early part of this century. This car with its large body and powerful engine took the hills and valleys of the country with ease until it encountered a cloud of migratory butterflies. One by one the tiny butterflies were pressed against the radiator of the car until no more air could be circulated, the engine overheated, the car stopped.

Like this car, American business has been tied down with excessive rules and regulations which have effectively stifled the spirit of the free enterprise system. I find it ironic that the very country we criticize most in fits of economic jealousy, is known by the term of Japan Inc. Japan's government-business relationship is one of friendship and cooperation. While its foreign trade practices may be irritating and frustrating, there is no question as to the value Japan places on her businesses. No less frustrating is the fact that members of Congress will verbally flail Japan one day and the next day enact dozens more business regulations which only make American business weaker and less competitive.

We look to you and the other members of Congress for relief of this situation. America's competiveness problem will not be fixed by turning to the workplace, the schools, or even Japan. It will have to be resolved in the United States Congress.

Sincerely,

DON GALLENT,
President and CEO.

LORETTA GALLENT,
Chairman.

TOWN OF STOCKTON,
Stockton, UT, October 25, 1991.

Re ADA Regulations.

Senator ORRIN G. HATCH,
125 South State Street, Room 3438, Salt Lake City, UT.

DEAR SENATOR HATCH: We, recently received a copy of the ADA Regulations from the League of Cities and Towns and would like to address some of our concerns.

We support these regulations in theory and are willing to do what we can to abide by them. Unfortunately, like most small towns in the State of Utah, we are very limited in our funds and feel if these regulations are to be imposed upon us, some kind of Federal or State funding or grant also needs to be addressed.

Our building does have a ramp access in the rear, however our restrooms are down stairs. Our building used to be an elementary school and the stairs and stalls in the restrooms are rather small. Making these facilities handicap accessible would be a major undertaking and very costly. The Town Board has discussed the matter and has decided it would be feasible to rent a handicap accessible portable toilet for times when many people would be using the building (such as elections) but don't know if this would be an acceptable solution.

We would appreciate these concerns being addressed for small towns in Utah.

Respectively,

ELDEN SANDINO,
Mayor.

ROCHESTER INSTITUTE OF TECHNOLOGY,
Rochester, NY, April 28, 1992.

Senator ORRIN G. HATCH
Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: Thank you for the opportunity to review draft legislation entitled "Regulatory Accountability Act of 1992."

It is clear to me that regulatory costs are not now adequately monitored and controlled. In my judgment, the bill directly and effectively addresses this troublesome weakness in our current regulatory system. I believe it warrants the Senate's serious consideration.

Sincerely,

THOMAS D. HOPKINS,
Arthur J. Gosnell Professor of Economics.

[From the Wall Street Journal, Feb. 19, 1992]

THE TRUE COST OF GOVERNMENT

(By Robert Genetski)

President Bush showed he had some understanding of problems of the economy when he announced his 90-day freeze on regulation in the State of the Union address. But it is clear that Mr. Bush hasn't grasped the full extent to which regulation has added to the burden that taxes impose on the economy. Regulation's effect on the economy can be every bit as damaging as the effect of taxes. Even though Americans have not seen it in their pay stubs, they have borne the equivalent of growing tax burdens. And tax burdens have climbed as dramatically during his watch as they have under any other president.

The table shows the combined tax and regulatory burden that has been placed on American businesses and workers in recent years. The numbers refer only to increases over and above whatever was imposed the previous year. For example, a new tax of $25 billion in year one that continues to bring in $25 billion each year thereafter is listed as $25 billion in year one and nothing thereafter. Only if the tax is increased above its initial level is the increase presented in a subsequent year.

HIDE BURDEN

In a few cases, Congress and the administration have decided to hide the true burden of government programs by ordering businesses to spend the necessary money to comply with certain edicts. But ordering companies to spend $25 billion to fulfill a public need does not mean that the public has avoided a $25 billion tax. Businesses today earn only 4 cents in profit for every dollar of sales. When a businessman receives the bill for a mandated benefit, the business must reorganize its operations in order to survive. This often means layoffs, plants closing and other cost-cutting moves. Companies that are not able to cut cost sufficiently to pay for the additional burdens are forced to close entirely.

The Clean Air Act and the Americans with Disabilities Act represent two of the largest hidden tax burdens to hit the economy in 1991 and 1992. In both of these cases, the administration and Congress appear to have seriously underestimated the cost of compliance with these acts. Both of these acts are worded so vaguely that the regulatory bodies have raised the cost of compliance far above the official figures. The numbers presented in the accompanying table are conservative estimates.

The official estimate for complying with the Clean Air Act was put at roughly $25 billion per year. Nongovernmental estimates of the cost of complying with the act range as high as $100 billion per year. The table shows a compromise compliance cost of $25 billion in new compliance expenditures for 1991 and an additional $25 billion for 1992.

It appears too that the cost of complying with the Americans with Disabilities Act will be staggering. The disabilities act was supposed to cost $2 billion annually, but depending on how aggressively it is implemented, the cost of compliance could easily amount to at least $20 billion a year for the next five years.

Based on an early sample of plans to alter office buildings to comply with the Americans with Disabilities Act, the cost of compliance appears to be close to $5 per square foot. This figure does not take into account all possible modifications, but just those that are deemed "reasonable."

There are an estimated 180,000 square feet in an average office building. This places the cost of compliance at almost $1 million per building. There are an estimated nine billion square feet of office space in the nation, bringing the total compliance cost nationwide to $45 billion. And that's just for office space.

The American Hospital Association, a hospital lobby, estimates that its members will have to spend $20 billion to bring hospitals into compliance. We're already at $65 billion and counting—and that's before considering the costs for equipping trains, buses, restaurants, rental cars and public facilities.

In addition to the costs of complying with these mandates, there are legal and administrative costs to consider. In the case of the Americans with Disabilities Act vague terminology virtually assures billions of dollars per year in legal expenses. No attempt was made to estimate these legal and administrative expenses.

None of these calculations should be taken to suggest that it is somehow wrong or bad to spend money for cleaner air or to help the disabled. The list of worthy causes has no real limits. Unfortunately, there are definite limits to the amount by which tax and regulatory burdens can be raised without having a serious economic impact. The present economic situation strongly suggests that the push toward higher tax and regulatory burdens has had much greater costs in terms of lost jobs and weaker productivity than most people had assured.

Recent productivity trends clearly support the sense that something is wrong. But the problem is not the Americans are "lazy," as a Japanese politician has recently been quoted as suggesting. Part of the recent weakness in productivity can be attributed to the recession. Productivity tends to increase more slowly than normal during recessions and faster than normal during recoveries.

Still, adjustments can be made for cyclical developments. Judging from past experience, the magnitude of the current recession should have caused actual productivity to fall approximately 2% below a level consistent with a fully employed economy. After making such an adjustment, we see that it becomes readily apparent that U.S. cyclically adjusted productivity has deteriorated dramatically in recent years. The record of what we can call underlying productivity is convincing support for the widespread sense that America's economic problems are more fundamental than cyclical.

Each society has its fair share of workers and loafers. The extent to which those workers improve their productivity depends far more on the overall economic environment in which they operate than on their inherent intelligence or initiative. Tax burdens are an important determinant of that environment.

During the period from the late 1970s to 1981, productivity growth in the U.S. deteriorated dramatically as tax burdens rose. With the tax cuts of 1982–84, U.S. productity growth returned to its long-term average. Productivity rose by approximately 1.5% per year in the mid-1980s, and the nation experienced its longest peacetime expansion. More recently, the resumption of higher traditional and hidden tax burdens has again brought about a fundamental deterioration in the nation's productivity trend and a renewed sense of economic malaise.

After showing the rest of the world how lower tax rates could boost productivity and living standards, the U.S. regressed. Fortunately, the U.S. economy can revive. Layoffs can be brought to an end and productivity growth restored.

PAINFUL MEASURES

Many politicians have maintained that such a revival would mean painful measures. In a sense, they are right. A true revival would involve major cuts in traditional and hidden taxes to offset the increased burdens that have occurred. This, or course, would not be painful for most workers and businesses—they would keep more of their income. But it would be painful for politicians and, in some cases, those who benefit from regulation, such as the handicapped. Cuts in traditional taxes or in regulation would mean that politicians would be forced to recognize that there are effective limits to what public policy can accomplish.

In a democracy, the public seldom tolerates poor economic performance for very long. For those politicians who fail to recognize the limits to public policy, there will eventually be political costs as well.

Mr. GARN. Mr. President, today I am pleased to join my colleague from Utah in cosponsoring the Regulatory Accountability Act of 1992. This legislation is greatly needed to reduce the enormous weight of regulations imposed by the Federal Government.

Congress continuously passes legislation without giving much thought to the financial impact it will have on individuals and small businesses throughout this country. In recent years, Congress has passed two such bills that are now coming back to haunt us. The Americans With Disabilities Act and the Clean Air Act are now having a devastating effect on rural communities and small businesses. With these two bills, Congress was able to stand here proudly and say they were serving the best interests of the American people, while passing the financial burden of implementing the regulations onto local governments and American businesses. The communities and businesses then have no choice but to pass the costs onto local taxpayers and consumers. While these bills provided many benefits to the American people, I did not support either. One major reason was the cumbersome financial cost to individuals and businesses.

The 1992 Federal budget provided salaries for 122,400 regulators, the largest number in our history. With at least 50 Federal agencies with regulatory powers, no wonder it has become increasingly more difficult for small businesses to profit or even remain in business. We must remember that it is the small businesses of this country that stimulate our economy and employ our neighbors. The money spent by businesses complying with most regulations could be better spent on boosting productivity, making innovations, and increasing employment.

Not all Federal regulations are unnecessary. The Federal Government does have the responsibility to provide safeguards for the country and its citizens. However, the time has come for Congress to provide the necessary leadership in reducing the regulatory burden on our constituents.

I am pleased to be an original cosponsor of this legislation and would encourage my colleagues on both sides of the aisle to seriously consider this proposal.

By Mr. CRANSTON:

S. 2943. A bill for the relief of Deborah Gabbay Aaron; to the Committee on the Judiciary.

RELIEF OF DEBORAH GABBAY AARON

• Mr. CRANSTON. Mr. President, I am today introducing a private relief bill on behalf of Deborah Gabbay Aaron, a citizen of England. Mrs. Aaron is the wife of David Aaron, a businessman in Los Angeles and U.S. citizen, and the mother of Samuel, Adam, and Jonas Aaron, all U.S. citizens. The Aarons have been married for 15 years and are residing currently in Venice, CA.

Mrs. Aaron was born in Birmingham, England, on August 15, 1955. Her husband, David Aaron, was born in Los Angeles, CA, on October 15, 1947. They met in Israel where Mrs. Aaron was a volunteer at a kibbutz, and were married on May 5, 1977, at Kibbutz Regavin. They originally intended to relocate to England in July 1977 so that Mrs. Aaron could complete her studies. However, when they discovered that Mrs. Aaron was pregnant they decided to move to the United States where Mr. Aaron was to take over his father's furniture business in Los Angeles. Mrs. Aaron filed a I–130, Immediate Relative Petition, at the U.S. Embassy in London. The Embassy found her excludable under section 212(a)(23) of the Immigration Act of 1952.

This exclusion stems from a case in October 1976 where Mrs. Aaron was convicted for possession of cannabis resin [hashish]. Mrs. Aaron was 21 and living in a group house with three other students. The authorities, who were looking for one of the students, searched the house and found 54.4 grams of cannabis resin. Mrs. Aaron and her boyfriend admitted knowing about the substance and were arrested and convicted based on that knowledge. Mrs. Aaron was found guilty of possession under the 1971 Misuse of Drug Act and fined 15.67 English pounds which is about $18. A waiver of excludability is available under section 212(h) of the Immigration and Nationality Act, but only if the conviction is for 30 years or less.

The Aaron's entered the United States in December 1977, settled in Los Angeles, and their first son, Samuel, was born on March 11, 1978, in Santa Monica, CA. At this time they were advised by an attorney to delay filing for change of status. This was due in part to a British law, the Rehabilitation of Offenders Act of 1974, which provides that if the person hasn't been charged or convicted of any crime for 5 years then that person is presumed to be rehabilitated and there is no need to refer to this conviction. Mrs. Aaron's petition for change of status was approved in June 1979 so she proceeded with an application for permanent residency. Once the INS interviewer became aware of their problem he was sympathetic and said the case would be reviewed. The INS, after making the Aaron's wait for 2 years, denied Mrs. Aaron's application for residency. In December 1982 Mrs. Aaron returned to England with her two children; a second son, Adam was born on June 6, 1980, in Santa Monica, CA.

The Aaron's lived in England until June 1989. Mrs. Aaron gave birth to a third son, Jonas, in Brighton, England, on October 10, 1984. In 1986 the Aaron's applied for an immigration visa. They received a letter from the U.S. Embassy in London confirming that there was no possibility of a waiver in her case but that she could enter as a tourist in a nonimmigrant capacity. They visited the United States for a short time in 1988 and after Mr. Aaron experienced continuing difficulties getting a job in England they returned to the United States in October 1990. At that time Deborah was detained under section 214(b) of the Immigration and Nationality Act because the INS officials thought she was intending to immigrate. This situation was resolved with the help of a lawyer. Deborah returned to England, as promised, in February 1991. On her way back to Los Angeles in March 1991 she was once again detained and questioned. She was admitted to the United States on August 19, 1991, with a B-1, B-2 visa with a waiver attached issued by the U.S. Embassy in London.

The uncertainty of Deborah's immigration status has put a tremendous strain on the Aaron family. The three boys ages, 13, 11, and 7, are at a pivotal stage and would benefit greatly from the presence of their mother. Supporting evidence from their synagogue, the boys' school, family doctors, and friends all attest to this fact. The statements also express Mrs. Aaron's devotion to her children and their school and her involvement in the synagogue. This burden is felt both emotionally and economically. It is expensive and disruptive for Mrs. Aaron to have to travel back and forth to England every 6 months especially with the added fear of harassment by INS officials each time she enters the country. It is also difficult for Mr. Aaron to take care of three boys, run a large furniture company, and take care of his aging parents when Mrs. Aaron is away on these trips. Evidence has shown that this is a strong and loving family and this private relief is very important in helping them stay together.

The amount of time that has elapsed since they began this process, 14 years, attests to the strength of their desire to resolve this problem. The Aaron's have no other viable alternatives for getting Deborah's immigration status changed. I believe that this is a clear and compelling case for which private legislation is both appropriate and necessary. I am hopeful that my colleagues will join me in supporting this bill.•

By Mr. LAUTENBERG:

S. 2944. A bill to promote and accelerate the development and use of a new generation of quieter commercial jet aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AIRCRAFT NOISE REDUCTION RESEARCH ACT

• Mr. LAUTENBERG. Mr. President, today I am introducing the Aircraft Noise Reduction Research Act of 1992, legislation to promote the development and use of a new generation of quieter airplanes.

My bill would establish a focused, coordinated research and development program, to be carried out jointly by the FAA and NASA. The goal of this program is clear: to develop, by the turn of the century, the technology that would reduce noise generated by commercial airplanes by 4 to 6 decibels, making them as much as 30-percent quieter than the quietest planes flying today.

Aircraft noise is a serious problem throughout the country, and particularly in the northern New Jersey-New York metropolitan region, where, according to the FAA, one-third of all people who are noise-impacted live. I am working with affected citizens in New Jersey to address their problems, through such means as potential route changes, and an accelerated phase-out of noisy stage 2 aircraft at the region's three major airports. Another way that we can look to provide relief is to attack the problem at its source—to improve the planes that serve our communities.

Over the last 20 years, tremendous improvements have been made in commercial aircraft. The planes being produced today are quieter, more efficient, and safer than those that were the mainstays of the fleet in the past.

Today's new aircraft—planes such as Boeing's 767 or McDonnell-Douglas' MD-80—are truly generations ahead of their predecessors, like the Boeing 707 or DC-8. Stage 3 planes are as much as 25 decibels quieter than early stage 1 planes. With every 10 decibels representing about a 50 percent reduction in apparent noise, this means the newer planes are as much as 85 percent quieter than the old ones.

Additionally, stage 3 aircraft, on average, consume about 30 percent less fuel than stage 2 planes. This is important, particularly in view of our unhealthy dependence on shaky foreign oil sources.

The U.S. aircraft manufacturing industry has led the world in developing these new generations of airplanes. Our manufacturers continue to have the lion's share of the global aircraft market. Time after time, commercial aircraft are the single largest component of our export market.

The push to develop these new aircraft has come, in part, through the Federal Government. In 1969, standards were set for stage 2 aircraft, and in 1973, all new aircraft were required to meet those standards. In 1977, new planes were required to meet the tougher standards of the stage 3 classification. And, in 1985, all stage 1 commercial jets were taken out of service. In 1990, Congress enacted legislation, similar to a bill that I authored, to phase out stage 2 aircraft by the turn of the century.

Now it's time to keep things moving forward. It's time to develop the next generation of planes. Call it stage 3.5 or stage 4. Whatever their name, they'll be quieter and more efficient.

Some may believe that new advances just aren't achievable. As someone who spent 30 years in the technology industry before coming to the Senate, I just won't accept that our top engineering and design minds can't do it. Just in the last few years, we've seen radical advances in aircraft design. The stealth aircraft have features that were thought to be fantasy not too long ago. Development of that technology came through a combination of Government and private sector resources. It's that type of dedication that's needed to develop the next generation of commercial aircraft.

Accordingly, my legislation would establish a focused research and development program, to be carried out jointly by the FAA and NASA. The sum of $25 million would be authorized annually for this program. As I've noted, the bill establishes a very specific goal: to develop, by the year 2000, the technologies that would result in aircraft that are 4-6 decibels quieter than those operating today. This could mean a reduction of as much as 30 percent below the quietest planes operating today.

This is an ambitious goal, but not an unrealistic one. It is based on the recommendations of an industry task force, including aircraft manufacturers. It's a goal that, for several reasons, we should make every effort to achieve. There are indications that the European Community is moving toward tougher standards, along the lines of goal of my bill, in the near future. Our citizens deserve no less. And, if our domestic aircraft manufacturers are to maintain their leadership role, the development of this technology is critical.

Under my bill, the FAA and NASA would be required to submit annual reports on the progress of this R&D program. The focus here is on the development half of research and development. Clearly, the expectation is that the technological improvements—such as improved engines and airframes—are achievable. By December 31, 1998, the FAA Administrator would be required to submit to Congress a proposal for requiring that new aircraft certified by the FAA would meet the quieter standards. The intent is not to force our carrier to abandon their stage 3 fleets. Rather, the goal is to ensure that all new aircraft entering the fleet would be quieter. In making this proposal, the Administrator would consider such factors as the reduction in noise, the economic impacts, and the capacity of the domestic industry to produce such aircraft.

Mr. President, the Federal Government has pushed the development and use of quieter and more advanced aircraft. This bill would continue that pattern, and help reduce the impacts of aircraft noise for people across this country.

I ask unanimous consent that the text of my bill be included in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2944

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aircraft Noise Reduction Research Act of 1992".

SEC. 2. AIRCRAFT NOISE REDUCTION RESEARCH PROGRAM.

(a) ESTABLISHMENT.—The Administrator of the Federal Aviation Administration and the Administrator of the National Aeronautics and Space Administration shall establish and jointly conduct a research program to develop new technologies for quieter subsonic jet aircraft engines and airframes.

(b) GOAL.—The goal of the program shall be to develop, by the year 2000, technologies, operational procedures, or other means to allow commercial jet aircraft to operate at a noise level which is 4 to 6 decibels below existing Stage III noise levels.

(c) PARTICIPATION.—In carrying out the program established by subsection (a), the Administrator of the Federal Aviation Administration and the Administrator of the National Aeronautics and Space Administration shall solicit and encourage the participation of the private sector and of academic research institutions.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the program established by subsection (a) $25,000,000 for each of fiscal years 1993, 1994, and 1995.

SEC. 3. REPORTS.

(a) RESEARCH.—Not later than one year after the date of enactment of this Act, and annually thereafter, the Administrator of the Federal Aviation Administration and the Administrator of the National Aeronautics and Space Administration shall jointly submit to Congress a report on the status of research efforts under the program established by section 2(a) of this Act, and progress in meeting the goal established by section 2(b) of this Act.

(b) IMPLEMENTATION PLAN.—Upon making a determination that the goal established by section 2(b) of this Act will be accomplished, but not later than December 31, 1998, the Administrator of the Federal Aviation Administration shall submit to the Congress a proposal for the development and promulgation of Federal Aviation Regulation 36 certification standards consistent with the goal established pursuant to section 2(b). Upon promulgation, such new standards would be applicable to all new type design aircraft certifications. In preparing such proposal, the Administrator of the Federal Aviation Administration shall address issues including, but not limited to—

(1) the reduction in the number of aircraft noise-impacted persons in the United States that would result from various levels of use of such aircraft; and

(2) the readiness of the technology developed pursuant to section 2(a) for economically reasonable production by the United States commercial aircraft manufacturing industry.●

By Mr. MITCHELL (for himself and Mr. FORD):

S. 2945. A bill to amend the Federal Aviation Act of 1958 to establish and operate a system in the United States to supplement the compensation payable to claimants under the Convention for the Unification of Certain Rules Relating to International Carriage by Air in respect of death or personal injury of passengers; to the Committee on Commerce, Science, and Transportation.

SUPPLEMENTAL COMPENSATION PLAN ACT

Mr. MITCHELL. Mr. President, during the 1st session of the 102d Congress, I raised concerns about the proposed Montreal Protocols on international aviation liability, which have been reported by the Foreign Relations Committee and are pending on the Senate Calendar.

Documents which address those concerns appeared in the 1991 CONGRESSIONAL RECORD on June 28 (page S9216), August 1 (page S11711) and November 5 (page S15875). The most recent inquiry concerned the question of statutory authorization for the proposed supplemental compensation plan [SCP].

The American Law Division of the Congressional Research Service advised that as a condition to ratification of the Protocols, the Senate seems "free to choose" between administrative and legislative implementation of the SCP "without doing manifest violence" to the separation of powers between the executive and legislative branches of government under the Constitution.

The issue is not simply whether enabling legislation is necessary, but whether it also is appropriate. This is distinct from the more fundamental, threshold question of whether or not the Protocols should be ratified.

Some Senators may not support ratification of the Protocols unless the SCP is explicitly authorized and structured by legislation. At the same time, some Senators who oppose ratification may be concerned that important issues relating to the SCP be addressed if ratification is indeed to occur. On both sides of the debate over the Protocols, such concerns are legitimate.

The SCP is unprecedented in nature. It involves technical, sometimes complex principles related to American tort law. The Warsaw Convention liability regime and the Protocols also present a unique set of international and institutional concerns.

If the Protocols are to proceed, the SCP must be carefully and narrowly designed. In December 1991, I met with then Secretary of Transportation Samuel Skinner. We agreed to consider specific provisions for possible enabling legislation. His successor, Secretary Andrew Card, has continued discussions with me in this regard.

I also have worked closely with Senator FORD, Chairman of the Senate Aviation Subcommittee, who has recognized the potential importance of enabling legislation to either side in the overall debate.

I today am introducing legislation to establish the SCP, reflecting provisions around which I believe there may be broad consensus. Secretary Card has assured me that the administration will support the legislation.

In any action on ratification, I believe that the Senate should condition ratification on enactment of the enabling legislation. Such legislation is both appropriate and greatly important.

I welcome all comments on the legislation. I ask all Senators to consider the legislation carefully. Keep in mind, however, that the legislation is premised on an assumption that the Protocols will be ratified. It is secondary to that threshold issue. The enabling legislation by itself will not determine whether or not the Protocols indeed should be ratified. All Senators should be prepared to make a decision on that threshold issue as well.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2945

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Supplemental Compensation Plan Act of 1992".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purpose.
Sec. 3. United States Supplemental Compensation Plan.
Sec. 4. Effective date.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) by the Additional Protocol No. 3 done at Montreal on September 25, 1975, the signatory governments agreed to amend the Convention for the Unification of Certain Rules Relating to International Carriage by Air done at Warsaw on October 12, 1929, as amended by Protocols done at The Hague on September 28, 1955 and at Guatemala City on March 8, 1971;

(2) the Warsaw Convention establishes the liability of carriers for damages sustained in case of death or personal injury of a passenger in international carriage as therein defined; and

(3) Article 35A of the Warsaw Convention states: "No provision contained in this Convention shall prevent a state from establishing and operating within its territory a system to supplement the compensation payable to claimants under the Convention in respect of death, or personal injury, of passengers. Such a system shall fulfill the following conditions:

"(A) it shall not in any circumstances impose upon the carrier, his servants or agents, any liability in addition to that provided under this Convention;

"(B) it shall not impose upon the carrier any financial or administrative burden other than collecting in that state contributions from passengers if required so to do;

"(C) it shall not give rise to any discrimination between carriers with regard to the passengers concerned and the benefits available to the said passengers under the system shall be extended to them regardless of the carrier whose services they have used; and

"(D) if a passenger has contributed to the system, any person suffering damage as a consequence of death or personal injury of such passenger shall be entitled to the benefits of the system.".

(b) PURPOSE.—The purpose of this Act is to establish and provide for the administration of a Supplemental Compensation Plan in the United States to supplement the compensation payable to claimants under the Convention for the Unification of Certain Rules Relating to International Carriage by Air in respect of death, or personal injury, of passengers.

SEC. 3. UNITED STATES SUPPLEMENTAL COMPENSATION PLAN.

The Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.) is amended by adding at the end thereof the following new title:

"TITLE XVII—UNITED STATES SUPPLEMENTAL COMPENSATION PLAN

"SEC. 1701. DEFINITIONS.

"For purposes of this title the following terms shall mean:

"(1) APPROVAL.—'Approval' means approval and immunity from the operation of the antitrust laws under sections 412 and 414 of this Act.

"(2) AUTHORIZATION.—'Authorization' means a written authorization, other than actual ticket stock, issued by a carrier for free or reduced-rate transportation.

"(3) CARRIER.—'Carrier' means any entity that undertakes directly to carry persons as a common carrier for compensation or hire in foreign air transportation, international air transportation or other transportation by air between two or more foreign countries, whether or not the actual operator of the aircraft used for such transportation.

"(4) CARRIERS' AGENT.—'Carriers' Agent' means the agent or agents designated by each carrier pursuant to section 1702(c).

"(5) CLAIMANT.—'Claimant' means any person or persons who, with respect to the personal injury or death of a covered person (whether or not the claimant), makes a claim under this title against the Plan Administrator.

"(6) COMPENSATION PLAN CONTRIBUTION.—'Compensation Plan Contribution' means the contribution by the passenger in accordance with Article 35A of the Warsaw Convention which has been collected or should have been collected by the carrier under the provisions of this title.

"(7) COMPENSATION PLAN COVERAGE.—'Compensation Plan Coverage' means the compensation payable to claimants for which the Plan Administrator is liable under this title.

"(8) COVERED DAMAGES.—'Covered damages' means all compensatory damages supplementary to the compensation payable by the carrier under the Warsaw Convention in respect of death or personal injury, including damages for economic loss and noneconomic loss. In cases that do not arise under the Warsaw Convention it means compensatory damages in respect of death or personal injury, including damages for economic loss and noneconomic loss.

"(9) COVERED PERSON.—'Covered person' means—

"(A) any person carried in international air transportation or foreign air transportation from whom a Compensation Plan Contribution was, or should have been, collected under the provisions of this title; or

"(B) any citizen or permanent resident of the United States in foreign air transportation, international air transportation or other transportation by air between two or more foreign countries.

"(10) DOCUMENT OF CARRIAGE.—'Document of carriage' means a ticket, document or other record described in Article 3 of the Warsaw Convention.

"(11) INTERNATIONAL AIR TRANSPORTATION.—'International air transportation' means international carriage as defined in Article 1 of the Warsaw Convention whether the transportation includes or does not include a place of departure, place of destination or an agreed stopping place in the United States.

"(12) PLAN ADMINISTRATOR.—'Plan Administrator' means the entity or entities liable for Compensation Plan Coverage as specified by this title.

"(13) SECRETARY.—'Secretary' means the Secretary of Transportation or any other official of the Department of Transportation authorized to perform the functions vested in the Secretary under sections 412 and 414 of this Act.

"(14) SUPPLEMENTAL COMPENSATION PLAN.—'Supplemental Compensation Plan' or the 'Plan' means the system established by this title in accordance with Article 35A of the Warsaw Convention to supplement the compensation payable under the Warsaw Convention and provide such additional benefits as set forth in this title.

"(15) UNDERPAYMENT RATE.—'Underpayment rate' means the rate of interest established under section 6621(a)(2) of the Internal Revenue Code of 1986.

"(16) WARSAW CONVENTION.—'Warsaw Convention' means the Convention for the Unification of Certain Rules Relating to International Transportation by Air, done at Warsaw on October 12, 1929, as amended by the Protocols done at The Hague, 1955, at Guatemala City, 1971, and by the Additional Protocol No. 3 of Montreal, 1975.

"SEC. 1702. COMPENSATION PLAN.

"(a) REQUIREMENT.—There is established a Supplemental Compensation Plan for the United States as set forth in this title. All airlines holding international authority from the Department of Transportation, as provided by regulations issued by the Secretary, shall participate in the Compensation Plan while Montreal Protocol No. 3 is in force and effect for the United States.

"(b) PROHIBITION WITHOUT PARTICIPATION.—No carrier required to participate in the United States Supplemental Compensation Plan established by subsection (a) shall engage in any air transportation unless it complies with the requirements of this title.

"(c) CARRIERS' AGENT.—Each carrier shall submit to the Secretary for approval an agreement to designate an agent as its attorneys in fact under this title for the following purposes—

"(1) to negotiate the Compensation Plan Contribution under section 1704(c);

"(2) to select and negotiate with the Plan Administrator under section 1708; and

"(3) to monitor the Plan Administrator's performance of its obligations under this title.

"SEC. 1703. COMPENSATION PLAN COVERAGE.

"(a) LIABILITY OF PLAN ADMINISTRATOR.—

"(1) The Plan Administrator shall be liable to the claimant for covered damages with respect to an event that takes place on board an aircraft, or in the course of any of the operations of embarking or disembarking, subject to the conditions, limitations, exclusions and other provisions set forth in this title.

"(2) The liability of the Plan Administrator under this section shall not be affected by the insolvency of the carrier or its insurer, or by the carrier's failure to perform any of its obligations under this title.

"(b) CONDITIONS.—(1) It is an express condition of the liability of the Plan Administrator to the claimant that—

"(A) the claimant comply with the requirements established in subsections (a), (b), and (c) of section 1707;

"(B) the carrier has paid, been held liable to pay, or has agreed to pay damages to the claimant equal to the limit of its liability under the Warsaw Convention in the case of international air transportation, except in the case of the insolvency of the carrier or its insurer; and

"(C) the claimant shall assign to the Plan Administrator any and all recovery or right of recovery in tort for covered damages from any other potentially liable party, known or unknown, except the carrier, its servants or agents in the case of international air transportation. The Plan Administrator, insofar as permitted by law, shall have the right to recover such covered damages from any such other party to the extent of such other party's liability.

"(2) Nothing in this subsection or any other provision of this title shall be construed as affecting or otherwise modifying any right of action under any remaining law against such other parties.

"(c) LIMITATION.—

"(1) No claimant shall have the right to contest the Plan Administrator's evaluation of a claim made by any other claimant.

"(2) The Plan Administrator shall not be liable for—

"(A) except as provided in section 1706(c), attorneys' fees and other costs of a legal action incurred by a claimant under this title, in excess of those normally recoverable under the law of the forum;

"(B) any payment under this Plan unless an action can be maintained by the claimant against the carrier under Article 17, Paragraph 1 of the Warsaw Convention or in the case of foreign air transportation or other transportation by air between two or more foreign countries could have been so maintained if the transportation had been subject to the Warsaw Convention; or

"(C) any payment in any case where the claimant failed to submit a claim against the carrier within a period of 24 months following the occurance of the event on which such claim against the Plan Administrator is based.

"(d) EXCLUSION.—In no event shall the Plan Administrator be liable for punitive damages.

"(e) CHOICE OF LAW.—Any action brought in the United States by a claimant against the Plan Administrator under the Plan established herein, and the assessment of covered damages sustained in the case of death or personal injury of a covered person, shall be governed by the law of the domicile of the claimant.

"SEC. 1704. COMPENSATION PLAN CONTRIBUTION.

"(a) METHOD OF COLLECTION.—The Compensation Plan Contribution specified in the contract to be executed under section 1708(e)(2) shall be collected by the carrier from every person travelling in international air transportation or foreign air transportation, with a place of departure in the United States, after the effective date of the Plan, provided that such transportation was purchased, or the authorization for such transportation was received, within the

United States. The Compensation Plan Contribution shall be collected by the carrier identified in section 1705(a) at the time of such purchase or authorization.

"(b) RECORDING.—The Compensation Plan Contribution shall be a part of the advertised ticket price. It shall be recorded in a manner specified by the Secretary.

"(c) LEVEL OF COMPENSATION PLAN CONTRIBUTION.—The Compensation Plan Contribution shall be determined through such negotiations with the Plan Administrator as may be authorized under the contract to be executed under section 1708(e)(2) or pursuant to the procedures specified in section 1708, but the amount of such contribution shall be subject to the approval of the Secretary. Such contributions shall be reviewed periodically, but at least every 24 months. In no case, however, shall the Compensation Plan Contribution pursuant to this subsection exceed five dollars per passenger per ticket (adjusted in calendar year 1992 dollars).

"(d) PROCEEDS OF THE COMPENSATION PLAN CONTRIBUTION.—

"(1) Each carrier that is responsible for collecting in the United States a Compensation Plan Contribution under this Act shall identify the monies that represent the Compensation Plan Contributions that were collected or should have been collected by that carrier.

"(2) The Monies collected by a carrier shall either be—

"(A) segregated by the carrier from its own funds to be paid to the Plan Administrator promptly after receipt in a manner satisfactory to the Plan Administrator; or

"(B) paid over to the Plan Administrator within 30 days from the end of each calendar month.

"SEC. 1705. CARRIERS.

"(a) COLLECTION AND PAYMENT OF COMPENSATION PLAN CONTRIBUTION.—

"(1) The carrier that is responsible under this title for collecting and paying the Compensation Plan Contribution is the carrier that issues a document of carriage or an authorization in the United States for foreign air transportation or international air transportation.

"(2) In the case of a document of carriage or an authorization for such transportation that is issued by a carrier as an agent for another carrier, the carrier that is identified on the document of carriage or authorization as the carrier that carries or undertakes to carry the person in foreign air transportation to the first stopping place outside of the United States, shall ensure that the issuing carrier collects and pays the Compensation Plan Contribution in the manner specified in section 1704.

"(3) Each carrier shall act exclusively as agent of, and fiduciary for, the Plan Administrator in the collection of the Compensation Plan Contribution, the proceeds of which shall be held in trust by the carrier for payment to the Plan Administrator in the manner provided in section 1704(d) of this title.

"(b) TARIFFS.—Each carrier shall—

"(1) include in its tariffs filed with the Secretary, the Compensation Plan Contribution specified in the contract to be executed under section 1708(e)(2); and

"(2) promptly file amendments to its tariffs to reflect any change in the Compensation Plan Contribution specified in the contract to be executed under section 1708(e)(2), after the approval of such change by the Secretary. The carrier shall further specify in its tariff the effective date of any such change to the Compensation Plan Contribution consistent with the terms of such approval.

"(c) RETENTION OF PASSENGER RECORDS.—Each carrier shall maintain, for not less than two years after the date of the commencement of international air transportation by a covered person, the document of carriage or a copy thereof.

"(d) NOTICE AND INFORMATION TO PLAN ADMINISTRATOR.—

"(1) Each carrier shall promptly notify the Plan Administrator of any claim for personal injury or death against the carrier with respect to any covered person, for which the carrier has reason to believe the Plan Administrator may be wholly or partially liable under this title.

"(2) With respect to each claim for which notice to the Plan Administrator is required, each carrier shall supply such information requested by the Plan Administrator relating to such claim as would be available to any party in litigation against the carrier.

"(e) CLAIM AND EVALUATION ASSISTANCE.—Each carrier shall use its best efforts to make its facilities, employees, insurers and agents available to the Plan Administrator to assist it in the evaluation and disposition of any claim under the Plan.

"(f) ADDRESS.—Each carrier shall furnish the Plan Administrator with the address, including the name of an appropriate person located at such address, to which all notices, demands or other communications authorized by this title may be directed.

"(g) JURISDICTION.—Each carrier shall agree to submit to the jurisdiction of any court of competent subject matter jurisdiction within the United States in any action brought by the Plan Administrator for breach of the carrier's obligations under this title. In any action brought by the Plan Administrator based upon any delinquency of a carrier, the carrier identified under subsection (a)(1) shall be named as the necessary party defendant.

"(h) CONTINUING OBLIGATION.—The obligations of a carrier under this title undertaken on its own behalf or as an agent for any other carrier shall not be affected merely because it ceases to engage in air transportation.

"SEC. 1706. PLAN ADMINISTRATOR.

"(a) NOTICE TO CLAIMANTS.—Upon receipt of any notice from a carrier under section 1705(d), the Plan Administrator shall cause notification to be given promptly to each claimant identified in the carrier's notice of the claimant's possible rights of recovery under the Plan, and shall request the information necessary to make a proof of claim satisfactory to the Plan Administrator. The notification shall include an explanation of the benefits and provisions of the Compensation Plan, and the procedures to be followed in filing a claim.

"(b) CLAIM EVALUATION.—The Plan Administrator shall cause the evaluation of claims under the Plan based upon information obtained from the carrier and the claimant and upon such other information as it may obtain through independent investigation.

"(c) MEDICAL BENEFITS AND FUNERAL EXPENSES.—Whenever and to the extent the Plan Administrator is liable for covered damages under this title, the Plan Administrator shall reimburse promptly a claimant for reasonable and documented charges for medical services or supplies incurred by or on behalf of a covered person in the treatment of any personal injury, and for reasonable and documented funeral expenses, pending the disposition of the claim. Any such reimbursement shall be included in the total damages for which the Plan Administrator is liable under the Plan.

"(d) RECOVERY FROM THIRD PARTIES.—The Plan Administrator shall use all reasonable efforts to exercise its rights under section 1703(b) and recover covered damages attributable to the liability of third parties.

"(e) COMPLIANCE WITH REGULATIONS.—Subject only to any right to terminate its obligations under the Compensation Plan Coverage specified in the contract to be executed under section 1708(e)(2), the Plan Administrator shall comply with such orders and regulations as the Secretary may issue or make under this title.

"(f) CONSENT TO JURISDICTION.—The Plan Administrator shall agree to submit, in the case of an action brought by a claimant under this title, to the jurisdiction of any court of competent subject matter jurisdiction within the United States or, in the event an action may be brought against the carrier under the Warsaw Convention, then to the jurisdiction of any court of competent subject matter jurisdiction under the Warsaw Convention, whether or not within the United States. In any event, the Plan Administrator shall not object on the basis of forum non conveniens to the exercise of any jurisdiction to which it has agreed to submit under this subsection.

"(g) RECORDS.—The Plan Administrator shall maintain such records as may be required to demonstrate compliance with this title.

"SEC. 1707. CLAIMANT.

"(a) PROOF OF CLAIM IN SETTLEMENT.—

"(1) In order to obtain an offer of settlement from the Plan Administrator under section 1706(c), the claimant shall submit to the Plan Administrator a proof of claim specifying all reasonable information requested by the Plan Administrator under section 1706(a) to evaluate the claim within 180 days of whichever of the following occurs later—

"(A) receipt of the Plan Administrator's notification to the claimant under section 1706(a) or, if applicable, and

"(B) in cases arising in international air transportation payment by the carrier to the claimant of an amount equal to its limitation of liability under the Warsaw Convention.

"(2) The claimant shall provide such additional reasonable information as may be requested by the Plan Administrator to verify the proof of claim.

"(3) The claimant shall afford the Plan Administrator the right to conduct a reasonable inspection or examination of any covered person whose injury is the basis of a claim.

"(b) ACTION AGAINST PLAN ADMINISTRATOR.—The claimant may bring an action on the basis of the Plan Administrator's liability under this title, and subject to the provisions of this title, in any court in which such an action is authorized under section 1706(g) of this title.

"(c) CLAIM DISPOSITION.—In order to obtain any payment by the Plan Administrator under the Plan in satisfaction of the Plan Administrator's liability (except with respect to interim payments of medical benefits or funeral expenses under section 1706(d)) whether pursuant to settlement or in satisfaction of a judgment of a court of competent jurisdiction, the claimant shall execute a document satisfactory to the Plan Administrator where under the claimant—

"(1) shall release and discharge the Plan Administrator from any further liability in full satisfaction of all claims against the Plan Administrator by such claimant;

"(2) shall agree, subject to the provisions of paragraph (3), that the sums being paid under the Plan constitute full and fair recovery for all covered damages;

"(3) shall agree that, insofar as permitted by law, the Plan Administrator, except with respect to any right of recovery described in section 1703(b)(2), shall be subrogated to the extent of such payment, to all the claimant's rights of recovery against any other party to the degree of such other party's liability, except the carrier, its servants or agents in the case of international air transportation;

"(4) shall, subject to paragraphs (2) and (3), irrevocably assign or otherwise preserve to the Plan Administrator all recoveries and rights to recover such covered damages from such third parties; and

"(5) shall, subject to paragraphs (2) and (3), otherwise release and discharge all potential parties known and unknown from liability for covered damages.

"(d) RELATIONSHIP TO OTHER SUPPLEMENTAL COMPENSATION SYSTEMS.—In the case of a claim made with respect to a covered person in international air transportation who did not purchase, or receive an authorization for, such transportation in the United States, the claimant, in addition to the requirements of subsection (c), shall irrevocably assign and preserve to the Plan Administrator, except in the case of any right of recovery described in section 1703(b)(2), all recoveries or rights to recover damages or other compensation pursuant to any other system established in accordance with Article 35A of the Warsaw Convention in any other state which is party to the Warsaw Convention.

"SEC. 1708. NEGOTIATION WITH AND SELECTION OF A PLAN ADMINISTRATOR.

"(a) SCOPE.—This subsection applies to the negotiations with and the selection of an initial Plan Administrator under this title and to each subsequent negotiation with and selection of a Plan Administrator for any subsequent contracts.

"(b) CRITERIA FOR PLAN ADMINISTRATOR.—A Plan Administrator shall demonstrate that it will at all times meet the following requirements:

"(1) The Plan Administrator shall be a corporation or association created or organized under the laws of the United States, or of any State, territory or possession thereof or, if organized or created under the laws of any foreign country, must maintain a permanent establishment in the United States for performing obligations of the Plan Administrator under this title.

"(2) The Plan Administrator shall arrange for the capacity necessary for the Compensation Plan Coverage, specified in the contract to be executed under subsection (e)(2), which shall be an amount sufficient to cover potential damages for any incident as determined in accordance with actuarial assessments. The Plan Administrator shall specify clearly how and where the Compensation Plan Coverage is obtained and demonstrate that each entity participating in the Compensation Plan Coverage has, and will maintain, adequate resources to meet its obligations.

"(3) The Plan Administrator must possess any appropriate license or authority that may be required to perform the obligations of the Plan Administrator in any State, territory or possession in which such obligations are to be performed.

"(4) The Plan Administrator has facilities to collect and account for the Compensation Plan Contributions collected by the carriers and paid to the Plan Administrator under this title.

"(5) The Plan Administrator must have access to expertise in the handling of claims for airline passenger injuries or deaths.

"(6) The Plan Administrator must be able to perform its obligations under this title.

"(c) PUBLICATION.—Not later than 120 days prior to the effective date of any award to a Plan Administrator under this subsection, the Carriers' Agent shall cause to be published a solicitation for the selection of a Plan Administrator, specifying that all offers will be considered from persons meeting the minimum criteria established by this subsection and received by the closing date for the receipt of offers (generally within 45 days following publication).

"(d) EVALUATION AND NEGOTIATION.—

"(1) Offers by potential Plan Administrators that meet the requirements of subsection (b) will be evaluated by the Carriers' Agent, on the basis of the following factors:

"(A) The financial responsibility of the potential Plan Administrator and all sub-Plan Administrators proposed by the Plan Administrator and responsible for providing all or part of the Compensation Plan Coverage.

"(B) The level of the Compensation Plan Contribution, the amount of the Compensation Plan Coverage and any other terms of the Compensation Plan Coverage proposed by the potential Plan Administrator.

"(C) The qualifications of the potential Plan Administrator and its proposed management plan, including experience of its personnel in the handling of claims arising from air transportation.

"(D) The duration of the proposed contract.

"(2) The Carriers' Agent may require additional submissions from, and interviews with, the potential Plan Administrators, and may negotiate with one or more potential Plan Administrators concerning the terms of their offers including, but not limited to, the level of the Compensation Plan Contribution, the amount of the Compensation Plan Coverage and any other terms of the Compensation Plan Coverage. If one or more potential Plan Administrators are eliminated from consideration at the time additional submissions are requested or negotiations are commenced, the eliminated offerors will be so advised in writing.

"(3) The Carriers' Agent may in its discretion withdraw a pending solicitation or publish a new solicitation for the selection of a Plan Administrator.

"(e) SELECTION.—

"(1) After evaluation of all of the factors specified in subsection (d)(1), the Carriers' Agent shall select, and recommend to the Secretary for approval, a Plan Administrator whose offer in their judgment best meets the requirements of this title and the solicitation, all relevant factors considered.

"(2) The Plan Administrator selected by the Carriers' Agent shall execute a binding contract to provide the Compensation Plan Coverage consistent with the provisions of this title.

"(f) AWARD.—The contract to be executed under subsection (e)(2) shall be filed with the Secretary for approval not later than 45 days before the anticipated effective date of the award. Neither the selection of a Plan Administrator nor the terms of its contract shall be considered final and effective until and unless approval by the Secretary is obtained.

"SEC. 1709. GENERAL PROVISIONS.

"(a) APPLICATION OF THIS TITLE.—This title shall apply to any carrier holding authority granted by the Secretary to engage in foreign air transportation.

"(b) INTERPRETATION.—Any ambiguities arising under this title shall be construed in favor of providing adequate and timely compensation for death or personal injury of passengers covered by this title.

"(c) GOVERNING TIME.—Subject to the provisions of the Warsaw Convention, all dates specified in this title shall be determined on the basis of Greenwich Mean Time.

"(d) NOTICES.—All notices, demands of other communications required or permitted to be given or sent hereunder shall be in writing and shall be deemed to be duly given or received if and when hand delivered or sent by registered mail, return receipt requested, postage prepaid, or in the event of an emergency, by telegraph, facsimile transmission, or cable.

"(e) NO CHANGE IN CARRIER'S LIABILITY.—Nothing contained in this title shall be construed to create any liability on the part of a carrier, the Carriers' Agent or its employees and agents to any passenger, covered person, claimant or any representative thereof.".

SEC. 4. EFFECTIVE DATE.

Except to the extent otherwise specifically provided by this Act, the provisions of this Act, and the amendments made thereby, shall take effect upon the date of the enactment into law of this Act.

Mr. FORD. Mr. President, I am pleased to join with the majority leader in introducing the Supplemental Compensation Act of 1992. Early this year, the majority leader requested that I explore the possibility of enabling legislation for the Montreal protocols. This bill is the result of discussions that have been held since January 1992 between representatives of the American Association of Trial Lawyers, the airline industry, staff of the majority leader's office and my staff. After the agreement was worked out in principle, the Department of Transportation joined the effort.

I believe it is necessary to review the historical events surrounding the Montreal protocols as many of my colleagues will recall that I opposed ratification of the Montreal protocols the last time the Senate debated this matter. My position is that the adoption of the supplemental compensation plan is a necessary precondition to the ratification of the Montreal protocols. The bill we are introducing today satisfies my objections to leaving the implementation up to the Department of Transportation. There were too many unanswered questions which the Supplemental Compensation Act now addresses. I cannot go on trust alone to ensure that important safeguards are in the supplemental compensation plan.

The United States is presently a party only to the 1929 Warsaw Convention. The 1929 Warsaw Convention created a uniform cause of action against an airline for personal injury or death. The United States is not a party to any of the subsequent protocols—The Hague, 1955, Guatemala City, 1971. The subsequent protocols were revisions of the Warsaw Convention.

The Warsaw Convention establishes uniformity of documentation and creates a uniform body of law with regard to the rights and responsibilities of passengers, shippers and air carriers in international air transportation. The United States joined the Convention in 1934.

In September 1955, there were several international meetings under the auspices of the International Civil Aviation Organization [ICAO]. The United States was concerned with the low limits of liability so a diplomatic conference was called to amend the Warsaw Convention. The conference resulted in a protocol which was referred to as The Hague protocol which raised the liability limit. The Senate received the protocol on July 24, 1959 and no action was taken.

The Kennedy administration, in 1961, began a study of the relationship of the United States to the Warsaw Convention and The Hague protocol. An interagency group on international aviation reviewed the problems for 4 years and made recommendations. The recommendations were submitted as legislation to the Senate on August 7, 1964. The 88th Congress did not act on the legislation or The Hague protocol.

In February 1966 an ICAO International Conference was held. A majority of the countries participating agreed to raise the liability limits. The agreement reached at this meeting is referred to as the "Montreal Agreement." The United States agreed to an arrangement pending ratification of treaty amendments and it was approved by the Civil Aeronautics Board. The Montreal Agreement provides that airlines agree to waive their defenses under the Warsaw Convention and increases the liability limit under the Convention for death or injury from $10,000 to $75,000 absent proof of willful misconduct by the airlines.

In 1975 at the Montreal Diplomatic Conference the Montreal protocols were agreed to as revisions to the Warsaw Convention. In 1983 the Senate considered the Montreal protocols. The final vote was 50 to 42 which fell short of the required two-thirds of the Senate voting favorably.

Mr. President, the bill we are introducing today is a middle ground on the liability issue. Careful drafting of the bill gives me confidence that the enabling legislation is appropriate and necessary. If the enabling legislation passes the Congress I will support ratification of the Montreal protocols.

At the close of the discussions on this bill, it was mentioned by the participants that it was the best staffing of any project they had ever seen. A lot of the credit for the legislation goes to Bob Carolla of the majority leader's staff. I have had the opportunity to work with Bob on other aviation issues and I am certain that we would not be introducing this legislation today without the firm and consistent leadership of Bob. Some in the aviation industry believed finding a middle ground on this issue was impossible. I am pleased that a compromise has been reached which I believe will resolve many of the questions raised regarding the Montreal protocols.

Mr. President, I am certain there will be many groups with comments and suggestions on the supplemental compensation plan. I look forward to working with my colleagues, interested groups and Secretary Andrew Card to resolve any problems. I am pleased to have been a part of this effort and would like to thank the majority leader for his involvement in resolving a issue so important to the 32 million Americans who travel internationally each year.

By Mr. LIEBERMAN (for himself and Mr. DODD):

S. 2946. A bill to provide for assistance to small businesses in the transition from defense related industries to nondefense industries; to the Committee on Small Business.

SMALL BUSINESS DEFENSE ECONOMIC TRANSITION ASSISTANCE ACT

• Mr. LIEBERMAN. Mr. President, I rise to introduce the Small Business Defense Economic Transition Assistance Act of 1992. I am very pleased to be joined in this effort by Senator DODD.

Mr. President, over the past 3 years we have witnessed the destruction of the Berlin Wall; the collapse of the communism in Eastern Europe; the reunification of East and West Germany; and the disintegration of communism in the Soviet Union. All these events have brought the issue of defense diversification to the forefront of public debate.

From a historical perspective, the level of U.S. defense spending has fluctuated greatly in response to a variety of threats to our national security. In 1944, during the peak of World War II, defense spending represented approximately 39.2 percent of our total GNP; in 1953, during the Korean war, defense spending represented approximately 14.4 percent of total GNP; and in 1968, during the Vietnam war, defense spending rose to 9.6 percent of GNP.

More recently, between the years 1979 and 1986, the United States waged what we may now be able to describe as the final battle of the cold war. U.S. defense spending rose from 4.8 to 6.5 percent of GNP—the largest peacetime building up in our history. In fact, Mr. President, in 1989 the Federal Government spent approximately $300 billion for defense, and if we adjust this figure for inflation it represents roughly the same amount as at the 1953 Korean war peak and the 1968 Vietnam war peak.

Unlike most other conflicts, however, the cold war was not fought on the battlefields, on the oceans, or in the skies. This was a war of wills and minds. Our strategy rested on the premise that the United States must have a technological edge in order to offset either the numerical advantage or unpredictable nature of our adversaries. As such, an important part of the war fought in factories and laboratories throughout the country, and the soldiers included not only the armed services, but some of America's finest small businesses, engineers, scientists, and skilled workers.

Now, in significant part due to these efforts, democratization and economic reform have emerged in both Eastern Europe and the Soviet Union, and the United States has declared victory in this first cold war.

We no longer needs to place the containment of communism as our top spending priority. We now have the opportunity to reevaluate our national defense needs and reorder our national spending priorities. President Bush has recommended a reduction in defense spending of $50 billion over the next 5 years. Many in Congress are calling for more. If this is accomplished we will surely have the opportunity to address many domestic problems—like job creation and economic growth—that have for too long been neglected.

These opportunities will be refreshing and are long overdue, but we cannot forget that the actions we take to reduce defense spending will have broad and direct ramifications on our economy, on our industrial base, and on our ability to compete in the world marketplace. This is not to mention the workers, communities, and small businesses which, for reasons of national security, have become economically dependent on defense programs.

Now is the time for the Government, business, communities and workers to pull together in order to provide for an orderly, thoughtful, transition to the economic challenges that lay ahead.

The legislation Senator DODD and I am introducing today is intended to address the small business side of this transition. Small businesses account for over one-third of Department of Defense purchases. According to the Office of Technology Assessment, over the last decade, small business received $18 to $27 billion in annual Department of Defense prime contract awards, or about 16 to 17 percent of all awards. Figures on subcontracts are not available, but reports by large firms to DOD suggest that small businesses have received $13 to $22 billion, or 37 to 40 percent, of military subcontract dollars over the last decade. Recent surveys also suggest that most small defense contractors engage in both military and commercial lines of business.

While these statistics suggest that the impact of defense cutbacks on small firms will be severe, it also appears that small firms—because of their dual customer base—are well positioned for transition. This legislation will help in that process.

In short, this bill has two main components. The first component authorizes the Small Business Administration—to the extent appropriations are provided—to provide guaranteed loans to small businesses adversely affected by defense cutbacks. These loans are intended to provide long-term financing to firms diversifying from defense to nondefense lines of business. Second, this legislation utilizes the national network of Small Business Development Centers to provide technical assistance and information regarding the transition process.

Mr. President, it is clear this country will face a number of challenges as we move into the post cold war era—a weakened economy, a crippling budget deficit, a chronic trade deficit, and an array of domestic issues demanding our time and attention. This, in combination with the global crumbling of communism, suggests that our defense budget must be reduced. We can do this one of two ways—whether we can cut programs, troops, and contracts without regard for the consequences of our actions, or for a fraction of the cost, we can provide for an orderly, less painful, transition to the apparently more peaceful environment that lies ahead. I urge the adoption of this legislation and I ask unanimous consent that the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Defense Economic Transition Assistance Act of 1992".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) as a result of reductions in international tension, democratization in Eastern Europe, and the collapse of the former Soviet Union, the United States is likely to reevaluate its national defense needs, national spending priorities are likely to be reordered, and it is likely that defense expenditures will significantly decline;

(2) reductions in defense expenditures will likely result in the termination or reduction of military procurement contracts, or the closure or realignment of military installations, thus adversely affecting many small businesses, defense workers, and local economies;

(3) the existence of a large defense facility or defense related industry often requires a network of smaller defense and defense related industry facilities in the same geographical area, thus magnifying the instability created in the region's economy and workforce by any reduction in defense spending;

(4) small defense prime contractors and subcontractors account for approximately one-third of Department of Defense purchases;

(5) the guaranteed loan program provided for in section 7(a) of the Small Business Act assists small businesses and entrepreneurs in obtaining long-term business loans; and

(6) Small Business Development Centers provide business-related counseling, training, and specialized assistance to strengthen the small business community and contribute to the economic growth of the communities served.

(b) PURPOSES.—The purposes of this Act are—

(1) to facilitate and assist in the economic adjustment and transition of small businesses and communities adversely affected by the termination or reduction of defense or defense related contracts or the realignment or closure of military installations; and

(2) to minimize job and economic loss due to reduced levels of defense spending by providing adjustment assistance to small businesses that are largely dependent on defense spending.

SEC. 3. SECTION 7(a) LOAN PROGRAM.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following new paragraph:

"(21)(A) The Administration may make loans under the authority of the subsection—

"(i) to a small business concern that has been (or can reasonably be expected to be) detrimentally affected by—

"(I) the closure (or substantial reduction) of a Department of Defense installation; or

"(II) the termination (or substantial reduction) of a Department of Defense program on which such small business was a prime contractor or subcontractor (or supplier) at any tier; or

"(ii) to a qualified individual seeking to establish (or acquire) and operate a small business concern.

"(B) Recognizing that greater risk may be associated with a loan to a small business concern described in subparagraph (A)(i), any reasonable doubts concerning the firm's proposed business plan for transition to nondefense-related markets shall be resolved in favor of the loan applicant when making any determination regarding the sound value of the proposed loan in accordance with paragraph (6).

"(C) Loans pursuant to this paragraph shall be authorized in such amounts as provided in advance in appropriation Acts for the purposes of loans under this paragraph.

"(D) For purposes of this paragraph a qualified individual is—

"(i) a member of the Armed Forces of the United States, honorably discharged from active duty involuntarily or pursuant to a program providing bonuses or other inducements to encourage voluntary separation or early retirement;

"(ii) a civilian employee of the Department of Defense involuntarily separated from Federal service or retired pursuant to a program offering inducements to encourage early retirement; or

"(iii) an employee of a prime contractor, subcontractor (or supplier) at any tier of a Department of Defense program whose employment is involuntarily terminated (or voluntarily terminated pursuant to a program offering inducements to encourage voluntary separation or early retirement) due to the termination (or substantial reduction) of a Department of Defense program.".

SEC. 4. SMALL BUSINESS DEVELOPMENT CENTER PROGRAM.

Section 21(c)(3) of the Small Business Act (15 U.S.C. 648(c)(3)) is amended—

(1) by striking subparagraph (D);

(2) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (D), (E), and (F), respectively; and

(3) by inserting before subparagraph (H) the following new subparagraph:

"(G) assisting small businesses to develop and implement strategic business plans to timely and effectively respond to the planned closure (or reduction) of a Department of Defense facility within the community, or actual or projected reduction in such firms' business base due to the actual or projected termination (or reduction) of a Department of Defense program or a contract in support of such program—

"(i) by developing broad economic assessments of the adverse impacts of—

"(I) the closure (or reduction) of the Department of Defense facility on the small business concerns providing goods or services to such facility or to the military and civilian personnel currently stationed or working at such facility; and

"(II) the termination (or reduction) of a Department of Defense program (or contracts under such program) on the small business concerns participating in such program as a prime contractor, subcontractor, or supplier at any tier;

"(ii) by developing, in conjunction with appropriate Federal, State, and local governmental entities and other private sector organizations, the parameters of a transition adjustment program adaptable to the needs of individual small business concerns;

"(iii) by conducting appropriate programs to inform the affected small business community regarding the anticipated adverse impacts identified under clause (i) and the economic adjustment assistance available to such firms; and

"(iv) by assisting small business concerns to develop and implement an individualized transition business plan.".●

● Mr. DODD. Mr. President, I rise today to join my colleague from Connecticut, Senator LIEBERMAN, in introducing the Small Business Defense Economic Transition Act. I want to commend my colleague for his work on this important piece of legislation.

The bill we are introducing today is meant to remedy a significant lapse in our current defense transition efforts: small business capital and small business counseling. Our bill offers a simple yet straightforward solution. It would establish two new programs under the Small Business Administration to provide loan assistance and business counseling to small businesses seeking to make the transition from defense to nondefense work.

Mr. President, the remarkable changes in the global political landscape will have a profound impact on the economic livelihoods of millions of Americans. The Office of Technology Assessment predicts that, over the next 10 years, up to 2.5 million Americans will lose their jobs as a result of defense cutbacks.

That is a staggering number, Mr. President. And the toll those cuts will take on working families across America is dramatic and profound. Every one of these lost jobs represents one more worker who risks a cutoff from health benefits; one more family that risks a complete loss of income; and one more community that finds it must stretch the social safety net a little bit further. In today's slow-paced economy, every lost job makes another tiny rip in America's tattered social fabric.

But the danger presented by defense cuts goes beyond the issue of jobs, Mr. President. Defense cuts pose a very real threat to the industrial base of this Nation. Many defense jobs are high tech and high skilled, employing some of the most well-trained and fully educated people in our Nation. And they make up a large portion of the manufacturing and engineering positions in the country.

The figures speak for themselves, Mr. President. Ten percent of all manufacturing jobs are dependent on defense spending. Eighteen percent of all engineers owe their jobs to defense spending. And 69 percent of all aerospace engineering jobs are dependent on defense spending.

If we are to maintain our international competitiveness and preserve the health of our job base during this transition period, Mr. President, we must have a careful plan in place to help workers, communities and companies bridge the gap. At present, there are three programs that have as their primary purpose the accomplishment of this goal.

The Office of Economic Adjustment, located in the Pentagon, offers planning grants to local communities. The Economic Development Administration, under a program funded by Congress in 1990, supports public works projects in impacted communities. And the Defense Conversion Adjustment Program, an arm of the Job Training Partnership Act, provides grants for the establishment of job training centers to assist laid-off defense workers.

All of these programs play a critical role in helping local economies adjust to defense spending cuts. But these programs have one significant weakness: they make no provision to assist small businesses. In my view, Mr. President, that is an oversight that must be addressed.

The importance of small businesses to the U.S. economy is very clear. During the 12-year period from 1976 through 1988, businesses with less than 20 employees contributed nearly 40 percent of all the job growth in this country. Moreover, the flexibility and innovation offered by small businesses represents a tremendous contribution to the science and technology base of the Nation.

Small businesses that are trying to make a transition from defense to commercial activities, along with former defense workers who are seeking to start up a commercial entity, currently face two serious obstacles: gaining solid business advice and securing access to capital. The bill we are introducing today would provide assistance in both of these areas.

Under the first of the two provisions in this proposal, additional funding would be made available to provide loans and loan guarantees to any small business that is adversely affected by defense cuts. This lending assistance would be provided under the 7(a) loan program, which this year is backing about $5 billion in private sector loans to small businesses.

Under this proposal, Mr. President, there would also be money set aside to provide loans to former defense industry workers, Defense Department civilians and members of the armed services who want to start up businesses of their own. This provision is of particular importance, Mr. President. Small businesses established by former defense workers are perhaps the best way to capture the skills and technologies developed in the defense industry.

Under the second of our provisions, Mr. President, additional funding would be provided to the Small Business Development Centers Program. These valuable centers—there are 10 in Connecticut—provide one-to-one business counseling and loan application assistance.

These centers are critical in harnessing the creative energies of a local community, Mr. President. Just to give one example close to home, the local Small Business Development Center in New London, CT, is on the pace to provide indepth counseling to nearly 400 potential business startups from that region. And this is an important point: from one-third to one-half of those potential businesses would be headed by a former defense worker or member of the Armed Forces.

The director of the New London Small Business Development Center told me a few weeks ago that if he had the funding for an additional staff worker, he could take on another 400 cases. That should provide some indication, Mr. President, of the cost effectiveness of this program.

Finally, Mr. President, let me make one note about the source of funding for these programs. We are confident that these programs can be funded by money allocated to the Department of Defense under budget accounting rules. The precedent for this type of situation was established in 1990, when $200 million of Pentagon money was earmarked for defense transition assistance to communities and workers.

We believe the proposals we are introducing today follows in the same spirit as that 1990 legislation. In fact, this legislation would provide the crucial third link to the network of transition programs already in place. What we are doing here today, Mr. President, is merely closing the loop.

Let me end my remarks by saying it is my hope that we can achieve quick action on this important legislation. For the sake of small businesses across the country—and for the preservation of jobs for working Americans—we can no longer afford to wait.•

By Mr. McCAIN:

S. 2947. A bill to authorize the transfer of certain funds from the Defense Environmental Restoration Account to the Department of Defense Base Closure Account 1990, and for other purposes; to the Committee on Appropriations.

TRANSFER OF CERTAIN FUNDS

• Mr. McCAIN. Mr. President, the Department of Defense is engaged in a comprehensive process of base closure in communities throughout the Nation. As Congress has acknowledged, the Federal Government has an obligation to fully clean up hazardous waste problems at closing installations and to facilitate the productive reuse of the property.

Today, Senator COHEN, Senator MITCHELL, and I are introducing legislation to solve a serious funding problem which threatens timely cleanup and reuse of bases targeted for closure by the 1990 Base Closure Commission.

Last year's Defense authorization bill established a special cleanup account for round II base closures, including Williams Air Force Base in Arizona, Loring Air Force Base in Maine, and Castle Air Force Base in California. While the Defense Appropriations Act for fiscal year 1992 earmarked $69 million for cleanup activities at closed bases, the bill did not specifically place the money into the special account.

Secretary Cheney believes that the Department has no authority to transfer money into the unfunded account—so cleanup money for this fiscal year at round II base closures does not exist.

The Department has been using carry-over funds from last year to conduct cleanup work up to this point in the fiscal year. Those funds will soon be depleted.

The absence of funding will severely disrupt round II cleanups, and, unless the problem is remedied, needed environmental restoration activities scheduled for completion this year will not even be started. This is unacceptable.

The legislation we are introducing will remedy this problem by permitting DOD to transfer $69 million from the Defense Environmental Restoration Program into the round II base cleanup account.

I cannot overemphasize the urgency of this situation, and the importance of restoring cleanup funds immediately. Any delay in base cleanup will cause unnecessary hardship on local communities which are working diligently to put closed-base property to new and productive uses.

Mr. President, some may question whether taking $69 million from the Defense Environmental Restoration Program [DERA] might impede environmental cleanups at open military installations. Senator MITCHELL, Senator COHEN, and I certainly do not intend to reduce funding or adversely impact the DERA program in anyway. In that regard, we note that the Department has full latitude to reprogram money from other Defense accounts into DERA so that the program will remain whole.

Mr. President, I want to make one final point on this legislation. The Defense Supplemental Appropriations bill proposed by the administration contained a legislative remedy to the round II cleanup funding problem, including the infusion of additional funds into the program.

Introduction of the bill today should in no way interfere with or deemphasize consideration of or action on the supplemental appropriations bill. However, we are late in the fiscal year and the prospect for passage of the measure is uncertain. Accordingly, we are compelled to introduce this legislation to ensure that at least $69 million for round II cleanups is available this year.

I want to thank Senator MITCHELL and Senator COHEN. They have been working very hard to resolve this issue. I appreciate their leadership and assistance. We urge the Senate to act expeditiously to pass this bill.

I ask unanimous consent that a copy of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2947

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF TRANSFER OF FUNDS.

Notwithstanding section 2906(a)(2)(B) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 10 U.S.C. 2687 note), the Secretary of Defense shall transfer $69,000,000 from the Defense Environmental Restoration Account established under section 2703(a)(1) of title 10, United States Code, to the Department of Defense Base Closure Account 1990 established under 2906(a)(1) of such Act. Amounts so transferred shall be available to carry out the activities described in section 2905(a)(1)(C) of such Act.•

By Mr. MURKOWSKI:

S. 2948. A bill for the relief of certain subcontractors that incurred losses resulting from the avoidable insufficiency of payment and performance bonds furnished in connection with Corps of Engineers Project DACA 85-88-C-0025 at Eielson Air Force Base, AK; to the Committee on the Judiciary.

RELIEF OF CERTAIN SUBCONTRACTORS

Mr. MURKOWSKI. Mr. President, I rise today to introduce a private relief bill on behalf of Alaskan subcontractors and suppliers who were injured as a result of the default of the general contractor on a Corps of Engineers project at Eielson Air Force in Alaska.

BACKGROUND

In June of 1988, the Corps of Engineers awarded this contract for the construction of an aircraft maintenance management facility to Gittins Construction, Inc. After the payment and performance bonds were submitted to the corps, notice to proceed was issued on July 15. On August 9, 1988, the bonds and individual sureties were rejected by the Judge Advocate General's Office in Falls Church, VA. Unfortunately, the Anchorage office of the corps had already allowed work on the Eielson project to begin and had issued the first payment to the contractor. The contractor started construction, involving numerous subcontractors and suppliers. As work progressed, the corps was aware of Gittins' serious bonding problems, but this information was withheld from the subcontractors and suppliers on the project.

Subsequent payment and performance bonds, guaranteed by the same individual sureties, were also rejected by the Judge Advocate General's Office. Bonding was belatedly approved by the corps on November 17. By late November, instances of nonpayment to the subcontractors had begun and were brought to the attention of the corps. In early January 1989, Gittins Construction bid on another military construction contract at Fort Wainwright in Alaska, where it was the apparent low bidder. Upon review of the bid documents, it was determined that the individual sureties were over-obligated on their bid bonds. This was discovered in part because of information that had developed since the investigation of the contract at Eielson Air Force Base.

Armed with this additional knowledge, the corps allowed construction on the Eielson project to continue, while the subcontractors were denied critical information about the bonding. Finally, on April 7, 1989, the corps wrote to Gittins insisting on additional sureties on the project. After Gittins subsequently missed the deadline to offer the additional sureties, the corps terminated Gittins' contract for default and all rights on the contract forfeited to the Government.

Although Gittins was paid by the corps, it failed to fully compensate its subcontractors and suppliers as required by the contract with the corps and the individual contracts of the subcontractors and suppliers. The subcontractors and suppliers have been unable to collect against either Gittins or the sureties because Gittins has filed for bankruptcy and the individuals used as sureties cannot be located. The affected parties have expended considerable amounts in attorneys fees, time, and effort in attempting to obtain payments they are rightfully due for their performance on the Corps of Engineers' contract. The financial stability of many of them has been threatened as a result.

The fundamental purpose of the Miller Act, the Federal acquisition regulations, and other applicable Federal regulations are to protect the Government and those who supply labor and materials on Government jobs by ensuring that adequate security exists for the bonds accepted by the Government. The Corps of Engineers had an obligation to ensure the adequacy of the individual sureties on this contract.

PROBLEM COULD HAVE BEEN PREVENTED

Mr. President, I believe that this problem could have been prevented had the Corps made a more diligent effort to ensure that bonding and sureties on the project were adequate. At the inception of the project, the Judge Advocate General's office rejected the adequacy of the bonding and sureties put forth by Gittins. The corps continued with the project, making payment to Gittins, without notifying affected parties of the serious risk posed by the inadequacy of the bonding.

We have raised this issue on a number of occasions with the Corps of Engineers. Throughout these discussions, the corps has maintained that the nonpayment is a business risk that subcontractors and suppliers must shoulder when working on federally funded projects. While this may be the case, the corps was ultimately responsible for determining the acceptability of the individuals proposed as sureties and the bonds they were required to execute. If the information about the inadequacies of the bonding had been conveyed to the subcontractors, this situation may have been prevented. Although Federal acquisition regulations have been strengthened in the last few years to prevent damage to future subcontractors, it provides no relief for those injured in the past. The only remedy available at this time appears to be the passage of private relief legislation, an equitable remedy which I believe fairness dictates.

CONCLUSION

These Alaskan subcontractors relied on the corps to ensure that the necessary safeguards were in place, reliance the corps was most certainly aware of, and the subcontractors were injured as a result of this reliance. Principles of equity and fairness demand that the subcontractors be provided with relief. Passage of my legislation would ensure that the affected parties are fully and fairly compensated for their performance under the contract. I urge my colleagues to support this legislation.

By Mr. KENNEDY (for himself and Mr. INOUYE):

S. 2949. A bill to amend the Public Health Service Act to provide for the conduct of expanded research and the establishment of innovative programs and policies with respect to traumatic brain injury, and for other purposes; to the Committee on Labor and Human Resources.

TRAUMATIC BRAIN INJURY ACT

• Mr. KENNEDY. Mr. President, today I am introducing legislation to assist the two million citizens who suffer traumatic head injuries each year from automobile collisions, bicycle falls, recreational accidents, assaults, and other tragic incidents. Approximately 100,000 of these victims die within hours of the episodes, but 500,000 others will survive, requiring expensive hospitalization. Nearly 90,000 of the annual survivors will suffer lifelong disabilities, 5,000 will become epileptic, and 2,000 are likely to exist in a persistent vegetative state. The cost of providing medical services for individuals who suffer traumatic brain injuries is $25 billion a year.

Such trauma is currently the leading cause of death and disability among young Americans in the 15- to 24-year-old age group. Head injury is the third leading neurological cause of disability in the United States today. Of the 2 million who experience traumatic head injuries annually in the United States, as many as 20 percent are children. Successful treatment of these injuries requires more medical research, effective practice guidelines for trauma, and coordination of preventive services to reduce the occurrence of brain injuries.

The American Association of Neurological Surgeons had established a program for physicians called Think First to educate the Nation on the dangers of these cord injuries. The National Safe Kids campaign encourages children and young adults to use bicycle helmets and take other steps to make injury prevention an important part of a child's life.

The public sector has also played an important role in educating the Nation about methods to prevent traumatic brain injury. The Massachusetts Rehabilitation Commission has taken the lead among States in establishing a program called Statewide Head Injury Program [SHIP]. This program created in 1985, is a model for assisting those with brain injuries. The legislation I introduce today will expand preventive efforts and improve the quality of medical care.

This legislation will provide support for States to develop programs for greater access to a wide range of health and social services in communities. We must target our limited health resources more effectively and more directly. A comprehensive plan is needed that emphasizes a public-private partnership. The legislation contains provisions to conduct a study to determine the major causes of traumatic brain injury, to support efforts to identify effective prevention programs, to expand basic and applied research efforts to prevent the complications of traumatic brain injury, and to establish practice guidelines for the treatment of individuals with such injuries.

I urge my colleagues to join me as cosponsors of this legislation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2949

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Traumatic Brain Injury Act of 1992".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the incidence of head injury in the United States is increasing, with over 2,000,000 head injuries per year resulting from automobile crashes, sports, recreational activities, assaults, violence and other falls and incidents;

(2) a majority of all head injuries are caused by motor vehicle accidents;

(3) individuals between the ages of 15 and 24 are at greatest risk for suffering head injuries;

(4) of the individuals who sustain head injuries each year, approximately 500,000 require hospitalization, and 75,000 to 100,000 of such individuals die within hours of the injury;

(5) of the individuals who survive head injuries each year, approximately 70,000 to 90,000 will suffer irreversible debilitating loss of function, 5,000 will contract epilepsy as a result of the injury, and 2,000 will exist in a coma;

(6) a significant number of individuals with traumatic brain injury are not easily restored to society and require years of rehabilitation, medical follow-up and integrated community services, which are costly because they are not readily available;

(7) individuals suffering with traumatic brain injury require coordinated and specialized services, including post-injury supervised programs facilitating community reentry;

(8) many health and social service agencies, both public and private, overlook, exclude or inadequately serve individuals surviving traumatic brain injury;

(9) society bears an economic cost of approximately $25,000,000,000 per year for the direct and indirect costs of traumatic brain injury, which include medical treatment, rehabilitative and support services and lost income;

(10) a program to develop national standards for helmets used by bicyclists and others is needed; and

(11) a national plan to provide services for individuals surviving traumatic brain injuries and their families is needed.

(b) PURPOSE.—It is the purpose of this Act to—

(1) facilitate the conduct of research and the collection and compiling of accurate statistical data on traumatic brain injury;

(2) raise public awareness concerning the risks and impact of such injuries and the distinct needs of individuals surviving traumatic brain injury and their families;

(3) promote the creation of innovative programs and policies to prevent traumatic brain injury and to rehabilitate those individuals who have survived such injuries;

(4) designate a Federal agency to oversee and promote projects relating to the prevention of, and rehabilitation from, traumatic brain injury;

(5) create State advisory boards to coordinate citizen participation in community programs dealing with traumatic brain injury;

(6) create a traumatic brain injury registry to collect data on the number of persons who sustain traumatic brain injuries;

(7) establish standards for the marketing of brain injury services;

(8) require the Secretary to publish an annual report concerning the activities of the Department of Health and Human Services in this area; and

(9) provide for the establishment of a program to establish national standards for helmets used by bicyclists and others.

SEC. 3. AMENDMENT TO PUBLIC HEALTH SERVICE ACT.

Title XII of the Public Health Service Act (42 U.S.C. 300d et seq.) is amended—

(1) by redesignating part C as part D;

(2) in section 1232(a) (42 U.S.C. 300d–32(a)), by inserting "other than part C," after "carrying out this title,"; and

(3) by inserting after part B, the following new part:

"PART C—TRAUMATIC BRAIN INJURY

"SEC. 1225. DEFINITIONS.

"As used in this part:

"(1) DIRECTOR.—The term 'Director' means the Director of the Centers for Disease Control.

"(2) TRAUMATIC BRAIN INJURY.—The term 'traumatic brain injury' means an acquired injury to the brain caused by an external physical force resulting in total or partial disability or impairment. Such term includes open and closed head injuries that may result in mild, moderate, or severe impairments in one or more areas including cognition, language, memory, attention, reasoning, abstract thinking, judgment, problem-solving, sensory perceptual and motor abilities, psychosocial behavior, physical functions, information processing, and speech. Such term does not include brain injuries that are congenital or degenerative or brain injuries induced by birth trauma, but may include brain injuries caused by anoxia and other related causes.

"SEC. 1225A. STUDY OF EFFECTIVENESS OF TRAUMATIC BRAIN INJURY INTERVENTIONS.

"(a) CONDUCT.—The Secretary, acting through the Director of the Centers for Disease Control, shall conduct a study concerning traumatic brain injury.

"(b) MAJOR FINDINGS.—The study conducted under subsection (a) shall seek to—

"(1) determine the major causes of traumatic brain injury;

"(2) identify common therapeutic interventions which are used for the rehabilitation of individuals with traumatic brain injuries, and shall include an analysis of—

"(A) the effectiveness of each such intervention in improving the functioning of individuals with brain injuries; and

"(B) the comparative effectiveness of interventions employed in the course of rehabilitation of individuals with brain injuries to achieve the same or similar clinical outcome.

"(3) determine the preventive efforts that are being used by States and non-profit agencies to reduce the occurrence of such injuries;

"(4) identify effective treatment and long-term rehabilitation services needed to meet the needs of individuals with traumatic brain injuries;

"(5) develop practice guidelines for the treatment of traumatic brain injury; and

"(6) determine whether there is a need for national standards for helmets used by bicyclists and others.

"(c) REPORTING REQUIREMENTS.—Not later than 3 years after the date of enactment of this part, the Secretary shall prepare and submit to the appropriate committees of Congress, a report containing the results of the study conducted under subsection (a).

"(d) Biennial Report.—The Secretary shall biennially prepare a report containing recommendations for the prevention of traumatic brain injuries. The report shall also identify States that have mandated helmet laws for bicyclists and others. Such reports shall be disseminated to State health officers.

"(e) Authorization of Appropriation.—There are authorized to be appropriated to carry out this section, $2,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 through 1995.

"SEC. 1225B. AGENCY DATA GATHERING SYSTEMS.

"(a) Data Gathering.—The Director shall be responsible for gathering data concerning the number of individuals surviving traumatic brain injury and regarding the cost of traumatic brain injuries.

"(b) Reporting System.—To assist in data and information gathering as required under subsection (a), the Director shall establish a uniform reporting system under which hospitals, State and local health-related agencies will report to the Director on matters including—

"(1) the occurrence of traumatic brain injuries;

"(2) the amount of traumatic brain injury research, training and services;

"(3) the identification of States and localities that have approved mandated helmet use laws for bicyclist and others; and

"(4) the health insurance status of individuals with traumatic brain injury.

The reporting system should be established to permit the Director to make an accurate assessment of resource needs, provide a basis for the allocation of resources, and track survivors of traumatic brain injury, from the provision of initial health care through long-term rehabilitation.

"(c) Survey and Cooperative Agreements.—

"(1) Survey.—The Director shall determine which Federal, State, local or other entities collect data on traumatic brain injury and the means by which such entities collect such data.

"(2) Cooperative agreements.—The Director may enter into cooperative agreements with other agencies, and provide assistance to other entities with responsibility for data collection, to establish traumatic brain injury as a specific reportable condition in existing and future reporting systems. Any data systems established in conjunction with such agencies should be compatible with other such data systems.

"(d) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $2,000,000 for fiscal year 1993 and such sums as may be necessary for each of the fiscal years 1994 and 1995.

"SEC. 1225C. SPECIAL PROJECTS AND RESEARCH GRANTS.

"(a) Research and Support.—The Secretary may award grants to State and local entities, and to public or non-profit private entities, to support—

"(1) special prevention and public awareness initiative projects;

"(2) model traumatic brain injury prevention, research and support programs;

"(3) projects that study the service needs of individuals with traumatic brain injury; and

"(4) projects involving grants for services coordination.

"(b) Application.—To be eligible to receive a grant under subsection (a), an entity shall prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require.

"(c) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $3,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.

"SEC. 1225D. PREVENTION PROGRAMS.

"(a) In General.—The Secretary shall cooperate with, and may provide assistance to, public and private nonprofit entities to reduce the incidence of traumatic brain injury through the establishment and effectuation of prevention projects.

"(b) Requirements.—To be eligible to receive assistance under subsection (a), an entity shall—

"(1) prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require; and

"(2) provide assurances to the Secretary that any preventive measures implemented under a prevention project funded under this section will include—

"(A) behavioral and environmental interventions (such as physical restraints or helmets for individuals using bicycles, in-line roller skates, and skateboards);

"(B) the use of innovative and proven model prevention approaches;

"(C) the promotion of activities that will minimize brain injury risk in athletes (such as the use of head protection gear); and

"(D) the improvement of community-level access to data-base systems to assist in designing, developing, and implementing traumatic brain injury prevention programs.

"(c) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $4,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.

"SEC. 1225E. BASIC AND APPLIED RESEARCH.

"(a) In General.—The Secretary, acting through the Director of the National Institutes of Health, may provide assistance to public and private nonprofit entities to support the conduct of basic and applied research concerning traumatic brain injury, especially with respect to the biomechanics of brain injury, the molecular and cellular characteristics of primary and secondary injury to the brain and the development of improved experimental brain injury models.

"(b) Specific Research.—Research to be conducted with assistance provided under subsection (a) shall be determined by the Secretary, prior to the provision of such assistance, to contribute to the creation of prevention strategies that will limit both primary and secondary mechanical, biochemical and metabolic insults to the brain and minimize the extent, severity and progression of resulting dysfunctions. In implementing this section the Secretary shall emphasize applied research concerning—

"(1) the development of new methods and modalities for the more effective measurement of diagnosis, degree of injury, post-injury monitoring and prognostic assessment of head injury for critical, acute, subacute and prolonged phases of care;

"(2) the development, modification and evaluation of therapies that retard, prevent or reverse brain damage after acute head injury, that arrest further deterioration during the subacute phase and that provide the restitution of function for individuals with long-term injuries;

"(3) the integration of basic research into clinical care settings;

"(4) a determination of the need for national standards for helmets used on the part of bicyclists and others; and

"(5) the development of major outcome research initiatives in traumatic brain injury rehabilitation that shall include—

"(A) an identification of the levels of outcome throughout the continuum of care from coma to community setting;

"(B) an identification of the appropriate measurement instruments to determine outcome measures;

"(C) the development of models of intervention;

"(D) the institution of multisetting trials of each model with appropriate outcome measures;

"(E) the development of programs that increase the participation of academic centers of excellence in rehabilitation research, training and treatment;

"(F) the conduct of a series of national consensus conferences on rehabilitation outcomes and model programs on traumatic brain injury; and

"(G) the publication of findings concerning outcomes of rehabilitation.

"(c) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.

"SEC. 1225F. PROTECTION AND ADVOCACY DEMONSTRATION PROJECT.

"(a) Grants.—The Secretary shall award grants to States for the establishment of Statewide protection and advocacy demonstration projects for individuals affected by traumatic brain injury.

"(b) Eligibility.—To be eligible to receive a grant under subsection (a), a State shall—

"(1) prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require;

"(2) provide assurances that it will prepare and submit to the Secretary reports describing the activities undertaken under the State system established under the grant;

"(3) provide assurances that it will prepare and submit to the Secretary reports concerning any State efforts undertaken to establish a protection and advocacy system for individuals with traumatic brain injuries;

"(4) designate a State coordinator for traumatic brain injuries who—

"(A) shall establish policies and standards for coordinating services within the State for individuals with traumatic brain injury;

"(B) may contract with qualified agencies or employ staff to provide services under this section on a statewide basis to eligible individuals;

"(C) shall be responsible for a program of activities related to preventing and reducing the rate of traumatic brain injuries in the State according to standards established by the Centers for Disease Control;

"(D) shall establish and maintain a central registry of persons who sustain traumatic brain injury in order to—

"(i) collect information to facilitate the development of injury prevention, treatment, and rehabilitation programs;

"(ii) ensure the provision to persons with traumatic brain injury of information regarding appropriate public or private agencies that provide rehabilitative services so that injured persons may obtain needed service to alleviate injuries and avoid secondary problems, such as mental illness and chemical dependency; and

"(iii) report data to the Director on an annual basis for State reporting requirements;

"(E) shall, within 30 days of receiving a report that an individual has suffered a traumatic brain injury or spinal cord injury, notify the State agency responsible for jobs and training and shall include the person's name and other identifying information;

"(F) shall, after consultation with the State advisory board established under section 1225G, establish standards regarding the marketing of services (by hospitals and other providers) to traumatic brain injury patients or family members, disseminate the standards to case management programs, and furnish information on such standards to individuals who suffer traumatic brain injuries (and the family members of such individuals) at the earliest appropriate opportunity after the individual has suffered the injury (such standards to include (at a minimum) a rule prohibiting payments under a case management program under this section for referring patients to rehabilitation facilities);

"(G) shall collect injury incidence information, analyze the information, and conduct special studies regarding traumatic brain injury; and

"(H) shall provide summary registry data to public and private entities to conduct studies using data collected by the traumatic brain injury registry established under subparagraph (C), for which the coordinator may charge a fee for all expenses associated with the provision of data or data analysis; and

"(5) provide assurances that a protection and advocacy system established under this section will—

"(A) provide legal, administrative and other appropriate remedies or approaches to ensure the protection of, and advocacy for, the rights of individuals with traumatic brain injury within the State who are or may be eligible for treatment, services, or rehabilitation;

"(B) provide information and referral to programs and services addressing the needs of individuals with traumatic brain injuries; and

"(C) provide for the investigation of incidents of abuse and neglect of individuals with traumatic brain injuries when incidents are reported.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $20,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.

"SEC. 1225G. STATE ADVISORY BOARDS.

"(a) ESTABLISHMENT.—Each State that receives assistance under this part shall establish a consumer-controlled advisory board within the Department of Health or Human Services of the State or within another department as designated by the chief executive officer of the State.

"(b) FUNCTIONS.—An advisory board established under subsection (a) shall coordinate intra- and intercommunications with and between Federal, State and local agencies, citizen's groups, private industry (such as the insurance, health care, pharmaceutical, athletic and automobile industries) and labor and nonprofit organizations. Such advisory boards shall encourage citizen participation through the establishment of public hearings and other types of community outreach programs.

"(c) COMPOSITION.—An advisory board established under subsection (a) shall be composed of representatives of—

"(1) the corresponding State agencies involved;

"(2) public and private health related organizations;

"(3) other disability advisory or planning groups within the State; and

"(4) at least one member of an organization or foundation representing traumatic brain injury survivors in that State.

The majority of the members of an advisory board shall be individuals with traumatic brain injuries or a family member of such an individual.

"(d) SERVICES COORDINATION DEMONSTRATION PROJECT FOR INDIVIDUALS WITH TRAUMATIC BRAIN INJURIES.—

"(1) IN GENERAL.—For purposes of identifying the services required to prevent the institutionalization or to minimize the need for residential rehabilitation in the case of traumatic brain injuries, a services coordination program shall be established in each State.

"(2) REQUIREMENTS.—To be eligible to receive funds under this section, a services coordination program established under paragraph (1) shall—

"(A) provide for the initial assessment of the individual's need for traumatic brain injury services;

"(B) provide for the reassessment of each patient at regular intervals of at least every 3 months to determine the extent of each patient's progress, to ascertain whether a patient is being kept too long in a given setting or provided services inappropriately, or to determine whether the patient would be better served by other services or in another setting;

"(C) prepare a treatment plan for each individual requiring services coordination, within 15 days after the individual suffers the injury, based on a consultation with the individual (other than an individual who is comatose) and any person named by the individual, except that preparation of the plan may be delayed (by one or more periods of not to exceed 15 days each) based on a certification, including a brief explanation of the reason for the delay, by a physician attesting that such a delay is in the individual's best interests (a copy of the treatment plan and any modifications to the plan shall be presented to the individual or the individual's legal representative);

"(D) ensure that each individual's treatment plan is regularly updated (based on consultation with the individual and any person named by the individual) with data and information about treatments and services provided, as well as specific outcome measures of the individual's current performance or activity relative to goals previously established;

"(E) assist the individual in obtaining services necessary to allow the individual to remain in the community;

"(F) coordinate home care services with other services;

"(G) ensure appropriate, accessible, and cost-effective services;

"(H) assist the individual with problems related to the provision of home care services;

"(I) ensure the quality of home care services;

"(J) assess the individual's need for and level of home care services at appropriate intervals during the course of the individual's treatment under the program; and

"(K) explore efforts to include services coordination provisions under the State's medicaid program section 1931 of the Social Security Act.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $5,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.".

SEC. 4. NATIONAL HEAD INJURY AWARENESS MONTH.

The month of October, 1992, is hereby designated as "National Head Injury Month" and the President is requested to issue a proclamation calling on the people of the United States to observe such month with appropriate ceremonies and activities.

SEC. 5. EFFECTIVE DATE.

This Act shall become effective on October 1, 1992.●

By Mr. CHAFEE:

S. 2950. A bill to amend title XIX of the Social Security Act to stop cost shifting by pharmaceutical companies to health care providers by repealing the use of best price and increasing the discount used in determining rebates for prescription drugs purchased under Medicaid, to ensure the restoration of prescription drug discounts to various Federal programs, and for other purposes; to the Committee on Finance.

DETERMINATION OF PRICE OF CERTAIN PRESCRIPTION DRUGS

Mr. CHAFEE. Mr. President, today I am introducing legislation to correct a serious problem in the Medicaid Program which has led to significant increases in prescription drug prices for Federal and private purchasers. These increases are, and will continue to be, passed along to the consumer in form of higher health insurance premium costs, and higher out-of-pocket expenses for prescription drugs. For low-income individuals, these drugs may be completely out of reach.

Federal purchasers, including the Department of Veterans Affairs, Department of Defense, community health centers, and other public health service grant recipients have reported substantial increases in the prices charged to them by pharmaceutical manufacturers. Private purchasers, including hospitals, health maintenance organizations [HMO's], long-term care pharmacies, and group purchasing organizations have reported similar price increases. Unless this problem is corrected, it will lead to even higher drug prices for these purchasers.

In 1990, Congress enacted legislation requiring pharmaceutical companies to provide rebates to States for prescription drugs purchased on behalf of Medicaid patients. While I had concerns about the way that legislation was crafted, I supported, and continue to support, the idea that drug companies should offer discounts to State Medicaid Programs. Unfortunately, however, these requirements have contributed to across-the-board price increases.

Under current law, drug manufacturers must provide rebates to Medicaid which are equivalent to the greater of two figures: a flat discount of the average manufacturers price [AMP] or the best price they offer to any other purchaser. In most cases, the deepest discount is represented by the best price. While it makes economic sense to offer that best price to bulk purchasers, it does not make sense to provide the same rebates to a program in which prescription drugs are purchased individually. As a result, some manufacturers have stopped providing large discounts to anyone because they will have to offer them to Medicaid. In fact, the Congressional Budget Office concluded in its recently completed analysis of the rebate law that discounts will continue to erode and will eventually disappear.

The legislation I introduce today will stop cost shifting by pharmaceutical manufacturers, will restore prescription drug discounts to Federal and private purchasers, and will guarantee that the Medicaid Program will continue to receive significant rebates from manufacturers for the purchase of prescription drugs. The bill does this by deleting the best price provisions in the Medicaid law, and increasing the annual percentage rebate to a level that guarantees equal revenue to the Medicaid Program next year, and in future years. CBO found that in order to maintain current savings to Medicaid, the minimum rebate would have to rise to 22 percent in fiscal year 1993, 19 percent in 1994, 17 percent in 1995, and 16 percent thereafter to maintain budget neutrality. Although I have introduced this legislation using the CBO numbers, I would be pleased to work with my colleagues to craft a fixed rebate formula applied consistently to all years.

In addition, this legislation assures discounts to public programs by requiring manufacturers to guarantee discounts equivalent to the Medicaid price for federally qualified health centers, family planning centers, and other programs which are eligible to purchase pharmaceuticals from the Federal supply schedule of the Department of Veterans Affairs. With the elimination of the best price requirement, I am hopeful that manufacturers will resume the practice of providing even deeper discounts to these purchasers than will be required.

Mr. President, the rising cost of health care, and particularly the costs of prescription drugs, threatens the availability of needed services for millions of middle- and low-income Americans. When an existing Federal law adds to and encourages these rising costs, Federal law must be changed. Through this legislation, manufacturers will regain the incentive to once again offer the discounts to public and private purchasers that benefit us all.

By Mr. METZENBAUM:

S. 2952. A bill to establish a grant program under which the National Highway Traffic Safety Administration for the purpose of promoting the use of bicycle helmets by individuals under the age of 16; to the Committee on Commerce, Science, and Transportation.

CHILDREN'S BICYCLE HELMET SAFETY ACT

• Mr. METZENBAUM. Mr. President, I rise to introduce legislation to encourage the use of bicycle helmets by children.

Everyone who rides a bicycle should wear a helmet. But, first and foremost, it's critical to get children to wear them. Children and young people have more head injuries than any other group. In fact, according to the organization—National Safe Kids Campaign—two-thirds of all bicycle-related head injuries occurred among American children under age 14. In 1990, 400 children died as a result of head injuries caused by bicycle accidents.

Deaths and injuries from bicycle accidents cost society $7.6 billion annually. A child suffering from a head injury, on average, will cost society $4.5 million over the child's lifetime.

Bicycle helmets work. Their proper use has been shown to reduce the risk of head injury by 85 percent. That's why States and localities have begun to adopt laws requiring or encouraging bicycle helmet use by children. Congress should help foster these efforts.

The legislation I am introducing today will do just that.

My bill will make available a total of $9 million in grant money to States, localities, and nonprofit organizations that require or encourage individuals under the age of 16 to wear bicycle helmets. The money can be used to set up a bicycle helmet bank for underprivileged children, for enforcement purposes, or to educate children and their families about the benefits of using helmets.

The legislation will also require the Consumer Product Safety Commission to issue uniform safety standards for adult and child-size bicycle helmets. It makes sense to ensure that if children are wearing helmets that these helmets be made of solid, safe construction. Bicycle helmets sold in the United States today do not have to meet any safety standards. Voluntary bicycle helmet safety standards exist but they are not uniform and are based on inadequate testing.

Mr. Chairman, only 5 percent of the children in this country who ride bicycles wear helmets. For safety's sake, we can and must do better. I urge my colleagues to support me in this endeavor. I ask unanimous consent that a letter of endorsement from safe kids be printed in the RECORD in its entirety and that the text of the bill also be printed upon the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2952

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited the "Children's Bicycle Helmet Safety Act of 1992".

SEC. 2. FINDINGS.

The Congress finds that—

(1) 90,000,000 Americans ride bicycles and 20,000,000 of these bicyclists are children who ride a bicycle more than once a week;

(2) in 1990 more than 800 bicyclists in the United States were killed and over 580,000 were treated in emergency rooms for bicycle-related injuries; 400 of those killed and more than 380,000 of those injured were under the age of 14;

(3) head injuries are involved in 75 percent of all bicyclist deaths;

(4) deaths and injuries from bicycle accidents cost society $7,600,000,000 annually; a child suffering from a head injury, on average, will cost society $4,500,000 over the child's lifetime;

(5) bicycle helmets have been shown to reduce the risk of head injury by 85 percent and the risk of brain injury by almost 90 percent; and

(6) only 5 percent of children in the Nation who ride bicycles wear helmets.

SEC. 3. ESTABLISHMENT OF PROGRAM.

(a) IN GENERAL.—The Administrator of the National Highway Traffic Safety Administration (hereafter referred to in this Act as the "Administrator") shall, in accordance with this act, make grants to States, political subdivisions of a State, and nonprofit organizations, to assist in establishing or maintaining programs that require or encourage individuals under the age of 16 to wear approved bicycle helmets.

(b) DEFINITION.—For the purposes of this Act, the term "approved bicycle helmet" means a bicycle helmet that meets—

(1) any of the interim standards set forth in section 5(a), pending the establishment of a final standard under section 5(d); or

(2) the final standard, once it has been established pursuant to section 5(d).

(c) APPLICATIONS.—Applications for grants under this Act shall be made in such form and such manner as the Administrator shall, by regulation, require. Each application shall include an evaluation component designed to measure the effectiveness of any program for which assistance is sought.

SEC. 4. ELIGIBLE USES.

A grant under this Act may be used to—

(1) enforce any law that requires or encourages individuals under the age of 16 to wear approved bicycle helmets while riding bicycles;

(2) assist individuals under the age of 16 to acquire approved bicycle helmets;

(3) develop and administer a program to educate individuals under the age of 16 and their families on the importance of wearing approved bicycle helmets; or

(4) carry out any combination of the activities described in paragraphs (1), (2), and (3).

SEC. 5. STANDARDS.

(a) IN GENERAL.—Bicycle helmets manufactured 60 days or more after the date of the enactment of this Act shall conform to—

(1) any of the interim standards set forth in subsection (b), pending the establishment of a final standard pursuant to subsection (d); or

(2) the final standard, once it has been established under subsection (d).

(b) INTERIM STANDARDS.—The interim standards are as follows:

(1) The American National Standards Institute standard designated as "Z90.4-1984".

(2) The Snell Memorial Foundation standard designated as "B-90".

(3) Any other standard that the Consumer Product Safety Commission determines is appropriate.

(c) FAILURE TO MEET STANDARD.—Pending the establishment of a final standard under subsection (d), a helmet that does not conform to an interim standard set forth in subsection (b) shall be considered in violation of a consumer product safety standard promulgated under the Consumer Product Safety Act (15 U.S.C. 2051 et seq.).

(d) FINAL STANDARD.—Not later than 90 days after the date of the enactment of this Act, the Consumer Product Safety Commission shall begin a proceeding under section 553 of title 5, United States Code, to—

(1) review the requirements of the interim standards set forth in subsection (a) and establish a final standard based on such requirements;

(2) include in the final standard a provision to protect against the risk of helmets coming off the heads of bicycle riders;

(3) include in the final standard provisions that address the risk of injury to children; and

(4) include additional provisions as appropriate.

(e) CONSUMER PRODUCTS SAFETY STANDARD.—The final standard established under subsection (d) shall be considered a consumer product safety standard under the Consumer Product Safety Act.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act $2,000,000 for fiscal year 1993, $3,000,000 for fiscal year 1994, and $4,000,000 for fiscal year 1995.

NATIONAL SAFE KIDS CAMPAIGN,
Washington, DC, July 2, 1992.

Hon. HOWARD METZENBAUM,
U.S. Senate, Senate Russell Building,
Washington, DC.

DEAR SENATOR METZENBAUM: On behalf of the National SAFE KIDS Campaign, I would like to express our support for the "Children's Bicycle Helmet Safety Act of 1992." The enactment of this important legislation will help to reduce the many bike-related head injuries and deaths to young children in this country.

As you know, the National SAFE KIDS Campaign is the first nationwide campaign ever undertaken to tackle the number one killer of children in America—unintentional injury. Every year, 8,000 children are killed and 50,000 are permanently disabled by unintentional injuries.

In 1989, the Campaign began focusing on the prevention of bicycle injuries, specifically head traumas, through the use of bike helmets and bike safety awareness measures. Our work continues with the help of 127 State and Local SAFE KIDS Coalitions (in 43 states and the District of Columbia), who provide bike helmets and bike safety information to children and their parents. Included in the Campaign's family are the Ohio State SAFE KIDS Coalition and 7 local coalitions in Central Ohio, Greater Cleveland, Delaware County, the Lancaster area, Sandusky County, Stark County and Summit County. You can be sure that these Coalitions will be working hard to support passage of this important legislation.

The statistics are compelling. Each year in the United States, approximately 400 children age 0–14 are killed in bicycle-related incidents. In 1990, an estimated 383,459 children age 0–14 were treated in emergency rooms for bike-related injuries. Seventy-five percent of all cyclist deaths involve head injuries and seventy percent of all hospitalized cyclists are treated for head trauma.

The dollar costs ($4.5 million per serious head injury) and the emotional devastation for the 50,000 children who suffer bike-related head injuries and their parents are staggering.

Yet we know that a solution as simple as wearing a bike helmet can reduce the risk of head injury by 85 percent and the risk of brain injury by almost 90%. Unfortunately, only 5 percent of children nationwide use bicycle helmets.

The legislation you have introduced will assist states and communities in their efforts to encourage the use of bicycle helmets by children and help to ensure that families who cannot afford to purchase bicycle helmets will be able to obtain them. By requiring the development of a federal safety standard for bicycle helmets, the "Children's Bicycle Helmets Safety Act of 1992" will also help to ensure that the bicycle helmets purchased by parents and caregivers will adequately protect their children in the event of a crash.

Senator Metzenbaum, thank you again for introducing this crucial legislation. It is an appropriate present for the children of America as we prepare to celebrate our nation's birthday.

If the Campaign can be of any assistance please do not hesitate to contact me.

Sincerely,

HERTA B. FEELY,
Executive Director.•

By Mr. METZENBAUM (for himself and Mr. WIRTH):

S. 2953. A bill to amend the Endangered Species Act of 1973 to clarify citizen suit provisions, and for other purposes; to the Committee on Environment and Public Works.

ENDANGERED SPECIES ACT AMENDMENTS

• Mr. METZENBAUM. Mr. President, I rise to introduce legislation which reverses a Supreme Court decision handed down recently which makes it harder to sue to enforce environmental laws.

The Supreme Court handed down a decision which said, in effect, that private citizens could not challenge the Bush administration's policy of funding Government projects abroad that threatened endangered species and their habitats.

It is no surprise that this administration refuses to apply the Endangered Species Act overseas. This administration never misses a chance to undermine environmental protection. From delaying the implementation of clean air regulations to the dismal performance at the Earth Summit in Rio recently, our self-proclaimed "environmental President" never fails to undercut environmental progress.

Now, the Supreme Court is getting into the act. It, too, is throwing up obstacles to environmental progress and worldwide conservation efforts.

In the Lujan versus Defenders of Wildlife case, several environmental groups were trying to challenge the Bush administration's failure to apply provisions of the Endangered Species Act to United States-funded development projects in Egypt and Sri Lanka. The Supreme Court refused to hear the case. The Court ruled that the environmental groups lacked standing to sue.

Congress specifically enacted a provision in the Endangered Species Act designed to give citizens the right to sue to enforce other provisions of the act. The Supreme Court ignored that directive.

Mr. President, the Supreme Court's decision is judicial activism in its most pernicious form. It threatens to undermine the opportunity of those concerned about the environment to have their day in court. And it threatens to transfer more power away from Congress and into the hands of the administration.

It is no wonder that Justice Harry A. Blackmun, in a dissenting opinion, called the decision a "slash-and-burn expedition" to keep environmental plaintiffs out of court.

Justice Blackmun went on to say that the "principal effect of foreclosing judicial enforcement of such procedures—under the Endangered Species Act—is to transfer power into the hands of the executive at the expense—not of the courts—but of Congress, from which that power emanates."

Congress simply cannot stand by and let the administration destroy the environment and cannot allow the Supreme Court to trample citizens' rights to protect it.

In Lujan versus Defenders of Wildlife, the Supreme Court said the individuals bringing suit against the Government did not meet the Court's narrow interpretation of standing. My bill would amend the Endangered Species Act's citizen suit provisions to ensure standing in this case. And it would also spell out that the Endangered Species Act applied to Government-backed projects overseas.

The legislation has the support of many environmental and conservation groups, including the Defenders of Wildlife, the Environmental Defense Fund, the Sierra Club, the Natural Resources Defense Council, the Humane Society, and the Center for Marine Conservation.

I ask unanimous consent that a letter signed by these groups supporting my bill be included in the RECORD at the end of my statement.

Mr. President, this is a critical issue that I hope we can hold hearings on shortly. I frankly don't know if my legislation is the best way to reverse the Supreme Court decision. A better solution may be borne out of testimony. Whatever the case, I will do my best to see that citizens are not stripped of their rights to challenge the Government on environmental matters. I also ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEFENDERS OF WILDLIFE,
Washington, DC, July 2, 1992.
Hon. HOWARD M. METZENBAUM,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR METZENBAUM: We want to express our thanks and our strong support for the legislation you have prepared which addresses the issues raised in the recent Supreme Court decision *Lujan v. Defenders of Wildlife et al.*

In that case conservation and animal welfare organizations challenged a revision of an Interior Department regulation. The revised regulation exempts federal agency actions that occur overseas from compliance with Endangered Species Act consultation provisions. Under the revised regulation the Act fails to protect endangered and threatened species in foreign countries. There are over 500 such species overseas ranging from Asian elephants to mountain zebras. The Supreme Court refused to hear the challenge, finding that members of the groups were not sufficiently injured by the U.S. failure to enforce the Act even though U.S. agency actions directly affected the habitats that the members had visited and intended to visit again. The Court decided that the Endangered Species Act, as it is now written does not define an injury for which individuals may bring an action, nor does it specify what type of individuals may bring an action.

The proposed amendments define injury and injured party. A person who has an aesthetic, ecological, educational, professional, recreational, or scientific interest in an endangered or threatened species and has demonstrated that interest either by studying, visiting, or otherwise, will suffer an injury when an agency or other person takes action that will harm or adversely affect the species. The amendments also state the Congress' intention to prevent or redress those injuries by allowing suits to enforce the Act's procedures. The amendments also clarify that Congress intends the interagency consultation process to apply to species and actions overseas. This will implement the review process that is intended to avoid unnecessary harm to listed species, which was the reason the lawsuit was filed in 1986.

We believe that language of the bill is sound but would reserve the right to make further suggestions after we circulate the bill as introduced. The Court's moves to limit standing have a broad impact both within and beyond the Endangered Species Act. Therefore, we look forward to working with you to address these concerns on behalf of all of our members, all endangered species and the environment we share.

Sincerely,

John M. Fitzgerald, Defenders of Wildlife; Faith Thompson Campbell, Natural Resources Defense Council; John Grandy, Humane Society of the United States; Michael J. Bean, Environmental Defense Fund; Larry Williams, Sierra Club; Deborah Crouse, Center for Marine Conservation.

S. 2953

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Endangered Species Act Amendments of 1992".

SEC. 2 FINDINGS.

Section 2 of the Endangered Species Act of 1973 (16 U.S.C. 1531) is amended—

(1) by striking "and" at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting "; and"; and

(3) by adding at the end the following new paragraphs:

"(6) an action by the Federal Government, the government of a State or political subdivision of a State, or a private party that adversely affects the endangered or threatened species or the habitat of an endangered or threatened species injures each person with a demonstrated, aesthetic, ecological, educational, historical, professional, recreational, or scientific interest in the endangered or threatened species or the habitat of the endangered or threatened species; and

"(7) compliance with this Act (including the regulations promulgated under this Act) will deter or prevent any action by the Federal Government, the government of a State or political subdivision of a State, or a private party that may adversely affect an endangered or threatened species or result in the destruction or adverse modification of the habitat of the species.".

SEC. 2. INTERAGENCY COOPERATION.

Section 7(a) of the Endangered Species Act of 1973 (16 U.S.C. 1536(a)) is amended by adding at the end the following new paragraph:

"(5) The provisions of this section shall apply to any agency action with respect to any species listed under this Act as an endangered or threatened species carried out, in whole or in part, in the United States, in a foreign country, or on the high seas."

SEC. 3. CITIZENS SUITS.

Section 11(g) of the Endangered Species Act of 1973 (16 U.S.C. 1540(g)) is amended—

(1) by redesignating paragraphs (1) through (5) as paragraphs (2) through (6);

(2) by inserting after "(g) CITIZEN SUITS."— the following new paragraph:

"(1)(A) A person who has by studying, visiting, or other means demonstrated an aesthetic, ecological, educational, historical, professional, recreational, or scientific interest in an endangered or threatened species shall be deemed to suffer a direct and particularized injury in any instance in which any person, including the United States and any other governmental instrumentality or agency, takes action that may harm or adversely affect any threatened or endangered species, or result in the destruction or adverse modification of the critical habitat of the species. A reasonable likelihood of action or a proposal to act shall be considered a sufficient threat to constitute an injury under this paragraph.

"(B) Each person described in subparagraph (A) who suffers an injury described in subparagraph (A) (or who has a reasonable expectation of an injury) may commence a civil suit pursuant to paragraph (2) to prevent and redress any injury to an endangered or threatened species and to otherwise compel the implementation of any provision of this Act (including any regulation promulgated under this Act).";

(3) in paragraph (2), as redesignated by paragraph (1) of this section, in the matter preceding subparagraph (A), by striking "Except as provided in paragraph (2) of this subsection any person may" and inserting "Except as provided in paragraph (3) of this subsection, any person described in paragraph (1), or who is otherwise injured, may";

(4) in paragraph (3), as redesignated by paragraph (1) of this section—

(A) in subparagraph (A), by striking "subparagraph (1)(A)" and inserting "paragraph (2)(A)"; and

(B) in subparagraph (B), by striking "subparagraph (1)(B)" and inserting "paragraph (2)(B)"; and

(C) in subparagraph (C), by striking "subparagraph (1)(C)" and inserting "paragraph (2)(C)"; and

(5) in paragraph (5), as redesignated by paragraph (1) of this section, by striking "paragraph (1)" and inserting "paragraph (2)".•

By Mr. WOFFORD (for himself and Mr. SPECTER):

S. 2954. A bill to expand the Fort Necessity National Battlefield", and for other purposes; to the Committee on Energy and National Resources.

EXPANSION OF FORT NECESSITY NATIONAL BATTLEFIELD

• Mr. WOFFORD. Mr. President, tomorrow marks the anniversary of the 1754 attack by French forces against outnumbered British and Virginian soldiers at Fort Necessity. The attack on the fort, then on the western frontier of the English colonies and now in Fayette County, PA, marked the first battle of the French and Indian War. The Virginians were under the command of a 22-year-old colonel, George Washington, who had ordered the fort built in anticipation of the French attack.

Several weeks earlier on May 27, 1754, Washington surprised a small French force in a short skirmish some 7 miles from the future Fort Necessity site. The site is now known as Jumonville Glen, named after French commander Joseph Coulon de Villiers, Sieur de Jumonville. That skirmish on the colonial frontier began, in Francis Parkman's words, "the war that set the world on fire." Control for North America would spread in a war that ranged over two continents and lasted until 1763 when the Treaty of Paris gave Great Britain control of the former French colonies.

After Washington's 1754 defeat at Fort Necessity, British and colonial forces under Gen. Edward Braddock attempted to take Fort Duquesne from the French a year later. Braddock, too, met defeat and his forces retreated to Dunbar's Camp at the site of Jumonville Glen, where they destroyed or buried large quantities of supplies.

The legislation I am introducing today with Senator SPECTER expands the boundaries of Fort Necessity National Battlefield to include the area where the British and colonial forces buried their supplies in 1755. The site offers rich opportunities for archeological inquiry into the operations of the British and colonial forces during the French and Indian War. The potential resources at the Dunbar's Camp site can enrich and educate us on early American history and the role of the French and Indian War in the development of the frontier. Similar legislation providing for archeological study has passed the House. By protecting the Nation's past we can learn lessons that will enlighten now and in the future.

I ask unanimous consent that a copy of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2954

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BOUNDARIES OF FORT NECESSITY NATIONAL BATTLEFIELD.

(a) JUMONVILLE GLENN UNIT.—

(1) MODIFICATION OF BATTLEFIELD BOUNDARIES.—The boundaries of the Fort Necessity National Battlefield, Pennsylvania (referred to in this Act as the "Battlefield"), are modified to include the area that comprises approximately 190 acres and is generally depicted on the map entitled "Boundary Expansion, Jumonville Glen Unit, Fort Necessity National Battlefield", numbered DSC-336-20043A, and dated July 1991.

(2) PUBLIC INSPECTION OF MAP.—The map referred to in paragraph (1) shall be on file and available for public inspection in the Office of the Director of the National Park Service, Department of the Interior.

(3) MODIFICATION OF UNIT BOUNDARIES.—

(A) IN GENERAL.—The Secretary of the Interior (referred to in this Act as the "Secretary") may modify the boundaries of the Jumonville Glen Unit of the Battlefield as depicted on the map referred to in paragraph (1) to exclude lands (not to exceed 2 acres) on which are located principal structures actively used by the owner of the structures as of July, 1, 1991.

(B) REVISION OF MAP.—Following a modification in accordance with subparagraph (A), the Secretary shall prepare and make available for public inspection in accordance with paragraph (2) a revised map of the Jumonville Glen Unit.

(b) DUNBAR'S CAMP AREA.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Secretary, acting through the Director of the National Park Service, shall—

(A) conduct such investigations of archaeological sites in the vicinity of the Jumonville Glen Unit of the Battlefield as are necessary to more precisely locate and identify Dunbar's Camp; and

(B) submit a report containing the results of the investigations to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and natural Resources of the Senate.

(2) FURTHER BOUNDARY MODIFICATIONS.—The Secretary may modify the boundaries of the Jumonville Glen Unit of the Battlefield to include such additional lands (not to exceed 30 acres) as are necessary to preserve and interpret the historic resources associated with Dunbar's Camp.

SEC. 2. ACQUISITION OF LANDS.

The Secretary of the Interior may acquire lands or interests in lands within the boundaries of the Battlefield by donation, purchase with donated or appropriated funds, or exchange.

SEC. 3. ADMINISTRATION.

(a) In General.—The Secretary shall administer the Battlefield in accordance with the laws generally applicable to units of the national park system, including—

(1) the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (16 U.S.C. 1 et seq.); and

(2) the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (16 U.S.C. 461 et seq.).

(b) PRESERVATION AND INTERPRETATION OF HISTORIC RESOURCES.—In administering the Battlefield, the Secretary shall take such action as in necessary to preserve and interpret the historic resources associated with—

(1) the social and military history of the European and Native American contests for North America;

(2) the social, political, and economic history of the westward expansion of the American frontier; and

(3) the social, political, and economic history of the early National Period of the United States.

SEC. 4. COOPERATIVE AGREEMENTS.

(a) IN GENERAL.—In accordance with subsection (b), the Secretary shall enter into cooperative agreements with those landowners in Fayette County, Pennsylvania, whose activities on their properties could have harmful effects on the Battlefield, the resources within the Battlefield, and the enjoyment of visitors to the Battlefield.

(b) ASSISTANCE.—A cooperative agreement shall be entered into pursuant to subsection (a) in order to prevent the harmful effects described in subsection (a) through technical assistance, land use agreements, or such other means as are agreed upon by the Secretary and the landowner.

(c) EXPENDITURE OF FUNDS.—The Secretary, acting through the Director of the National Park Service, may expend Federal funds to carry out cooperative agreements entered into pursuant to subsection (a).

SEC. 5. TECHNICAL CORRECTION.

The Act entitled "An Act to provide for the commemoration of the Battle of Fort Necessity, Pennsylvania", approved March 4, 1931 (46 Stat. 1522), is amended by striking "1757" and inserting "1754".•

By Mr. WARNER:

S. 2955. A bill to amend the Internal Revenue Code of 1986 to improve disclosure requirements for tax-exempt organizations; to the Committee on Finance.

TRUTH IN TAX-EXEMPT GIVING ACT

Mr. WARNER. Mr. President, I rise to introduce a bill which I spoke about in this Chamber on June 24, 1992, the Improved Disclosure to Donors by Tax-Exempt Organizations Act. The purpose for introducing my ideas at that time was to invite comments. Since then, I have met with representatives from various charitable and tax-exempt organizations, as well as staff members from the Senate Finance Committee, and have received a good cross-section of views.

To recap briefly, the purpose of this bill is to provide more information, more easily, to individuals who donate, or are contemplating a donation to a tax-exempt organization. In the wake of the United Way debacle, I came to feel strongly that there was a need for heightened awareness of the manner in which certain tax-exempt organizations spent their money. Individuals should be made aware of the net proceeds an organization takes in, and how much of that is going to overhead, including salaries. Once the public is aware that such a disclosure form is available to them, I believe they will take a greater interest in the way a tax-exempt organization spends its money, and will feel more confident how their donations are being spent.

Based on the constructive comments which I have received since June 24, I have modified the legislation in these ways. First, I have included a floor of $100,000. Any 501(c)3 or 501(c)4 organization making less than that amount in gross revenues in 1 year will be exempted from the requirements of my legislation. Second, my legislation would increase the amount of the penalty for noncompliance from the current $10 per person, per day to $50 per person, per day. Such a requirement will also hopefully deter persons from harassing charities if the individual has no intention to donate money.

This is how my legislation would work. A 501(c)3 or 4 organization must inform a donor, upon acknowledging receipt for his contribution, that a disclosure form is available, and will be sent to the donor at his request. I purposely have not legislated the details of how the organization is to inform the donor of the availability of the disclosure form. I believe, however, that the logical course of action would be as such: donors would send a contribution to their favorite 501(c)3 or 4 organization. The organization would then send the donor an acknowledgement noting receipt of the contribution and informing him that a disclosure form prepared by the organization is available. The individual would be required to send the organization the necessary postage and reasonable processing and handling fees, which my bill has set at $2 plus a self-addressed stamped envelope. The organization would then be required, within 30 days, to send the information to the donor. Potential donors also would be required to send in the required fee. The organization will notify them of this procedure when the potential donor calls or writes asking for the information.

Mr. President, as I mentioned last week, by no means do I wish to create cumbersome reporting requirements that will prove to be a burden for the tax-exempt organizations. Rather, my goal is to strengthen public confidence in tax-exempt giving by creating a Sunshine Act for donors contributing to certain tax-exempt organizations. My legislation only focuses on the tax-exempt organizations which fall under sections 501(c)3 and 501(c)(4). In addition, my bill would exempt hospitals and educational institutions. Existing law already exempts churches.

Mr. President, the American people, as a whole, are extremely generous, and enjoy giving of their time and money to charitable causes. Unfortunately, the current atmosphere is not a positive one as far as charitable giving is concerned. The recent United Way debacle cast doubt upon all charitable and tax-exempt giving. Mr. President, it is my hope that a more detailed knowledge of how the donor's money is to be spent will help restore people's confidence in tax-exempt giving.

I do not say that the heads of these tax-exempt organizations are not entitled to a significant salary. I simply say that the public should be allowed to view the disclosure forms, albeit in a more readable, more understandable form, and then make their own decision. The public will then signal their approval or disapproval by writing or not writing their checks to the various charities and other tax-exempt organizations. I do believe, however, that if my legislation passes, the era of excessive salaries, first class airline flights, limousines, high-priced dinners, vacations and other perks may be over. A more efficient organization can net greater proceeds for the ultimate beneficiaries.

It is important that donors not consider only the salary of an executive as the bottom line. Rather, I want the public to see executive salaries in comparison to the amount of money the tax-exempt organization is bringing in, how the money is being spent, how others in the organization are being paid, and so on. Only when the public has this additional information at their fingertips can they make an informed decision.

Tax-exempt organizations already are required to file disclosure information, usually in the form of a Federal 990 form. That form requires much information, including money received and disbursed, assets, liabilities, overhead—including salaries—and much more. One of the main problems with the current reporting procedures, however, is that the burden is on the donor to go to the tax-exempt organization's headquarters in order to view the disclosure form, or to contact the IRS and, at the donor's expense, have the information sent to him. Further, donors are often not even aware that such information is available to them.

Another problem with the current 990 form is that the average donor who looks at such a form will most likely encounter problems interpreting the information. It would be my desire, Mr. President, although I am not now going to specifically legislate it, that the IRS will undertake to revise the 990 form so that the information my bill requires will be contained on the first one or two pages. That way the tax-exempt organizations will not have to send donors the 990 form in its entirety.

Mr. President, I hope that my legislation will be passed this year, and that it will provide a necessary first step to lifting the veil that falls over many of these tax-exempt organizations. I thank my colleagues, and I yield the floor.

By Mr. BOND (for himself and Mr. DANFORTH):

S. 2956. A bill to provide for the addition of the Truman Farm Home to the Harry S Truman National Historic Site in the State of Missouri; to the Committee on Energy and Natural Resources.

HARRY S TRUMAN NATIONAL HISTORIC SITE ACT AMENDMENTS

• Mr. BOND. Mr. President, Senator DANFORTH and I are introducing legislation today which will provide for the addition of the Truman Farm Home to the Harry S Truman National Historic Site in the State of Missouri. Although the farm was established in 1978 as an historic landmark, the future of the farm is threatened by the lack of resources available to the Jackson County Department of Parks and Recreation to preserve, maintain and promote the site. My legislation would authorize the National Park Service to acquire the Truman Farm Home located in Grandview, Jackson County, MO, and make this 5.2-acre site part of the Truman National Historic Site.

Harry Truman lived and worked on the farm from 1905 until he left for the Army in 1917. During his Presidency, he visited the farm as often as possible. The farm is recognized historically as playing a very significant part in Truman's life. Noted historians, Robert Donovan and Robert H. Ferrell, strongly advocate Federal preservation of the Farm Home.

Currently, responsibility for the Farm Home is shared by the Jackson County Department of Parks and Recreation and a dedicated group of volunteers, the Friends of the Truman Farm Home. Funds for restoration have been provided for the most part by private donations. Due to the lack of funds available for maintenance, the volunteers of the Farm Home have severely restricted visiting hours for tourists to only a few days each week from April to November. The home is a favored tourist stop, appreciated by both Missouri residents and many travelers from across the Nation.

Congressman ALAN WHEAT introduced this measure in the House. On June 11, the National Parks and Public Lands Subcommittee reported H.R. 3898 to the full Committee on Interior and Insular Affairs. I encourage my colleagues to support this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2956

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROPERTY ACQUISITION.

The first section of the Act entitled "An Act to establish the Harry S Truman National Historic Site in the State of Missouri, and for other purposes", approved May 23, 1983 (97 Stat. 193), is amended by adding at the end the following new subsection:

"(c) The Secretary is further authorized to acquire from Jackson County, Missouri, by donation, the real property commonly referred to as the Truman Farm Home located in Grandview, Jackson County, Missouri, together with associated lands and related structures, comprising approximately 5.2 acres.".•

By Mr. CHAFEE (for himself and Mr. BAUCUS):

S. 2957. A bill to amend the Internal Revenue Code of 1986 to exclude from the gross estate the value of land subject to a qualified conservation easement if certain conditions are satisfied, to permit a qualified conservation contribution where the probability of surface mining is remote, and to defer some of the scheduled reduction in estate tax rates; to the Committee on Finance.

OPEN SPACE PRESERVATION ACT

• Mr. CHAFEE. Mr. President, one of the most serious environmental problems facing this country is the loss to development of open spaces, including farms, forests, ranches, and wetlands. All across the country, public access to recreational opportunities are being threatened by the rapid disappearance of open space due to urbanization and improper planning.

An estimated 1 million acres of open space are lost each year. These areas improve the quality of life for Americans throughout this great Nation and provide important habitat for fish and wildlife. The question is how do we conserve our most valuable resource during this time of significant budget constraints.

Over the years, I have supported legislation, known as the American Heritage Trust bill, to establish a dedicated trust fund designed to generate $1 billion a year for the acquisition of recreational areas. If enacted, the American Heritage Trust bill would have ensured that State and local governments, as well as Federal land management agencies, would receive a steady, dependable source of open space funding. Unfortunately, for primarily fiscal reasons, this legislation has thus far failed to win the necessary support to get through Congress.

While I will continue to press for separate legislation to provide a reliable source of money for the acquisition of parks and open spaces, Federal acquisition cannot do the entire job. The Open Space Preservation Act of 1992, that I am introducing today, along with the distinguished Senator from Montana, Senator BAUCUS, will help to achieve this goal by providing incentives for private efforts to conserve environmentally and aesthetically important areas.

This bill is similar to H.R. 2149 as introduced in the House of Representatives by Congressman SCHULZE last year. Since the introduction of that bill, we have worked with the Piedmont Environmental Council to modify this proposal to ensure that the tax benefits will go only to those private landowners who conserve open spaces through the creation of conservation easements. This bill has been endorsed by the Piedmont Environmental Council, the Nature Conservancy, the Brandywine Conservancy, and the National Wildlife Federation.

Conservation easements, which are entirely voluntary, are agreements negotiated by landowners in which a restriction upon the future use of land is imposed in order to conserve those aspects of the land that are publicly significant. One of the major deterrents to the establishment of these easements is our Federal estate tax policy that subjects the value of the land subject to the conservation easement, to an estate tax of as much as 55 percent.

In addition, our current estate tax policy results in complicated valuation disputes between the donor's estate and the Internal Revenue Service. In many cases, the additional costs incurred as a result of these disagreements may cause a potential donor of a conservation easement to decide not to make the contribution. This bill resolves these problems by providing an exemption from the estate tax for the value of land that is subject to a qualified, permanent conservation easement.

I have been working along with Senator BAUCUS to find a revenue offset for this bill. I do not want this proposal, well intentioned as it is, to increase the deficit. Therefore, at the time this measure is considered by the Senate we will offer a proposal to offset its cost.

I urge my colleagues to join me in this effort to save environmentally sensitive open spaces.

Mr. President, I ask unanimous consent that a copy of the bill and a detailed explanation of the legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—The Act may be cited as the "Open Space Preservation Act of 1992".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. TREATMENT OF LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.

(a) GROSS ESTATE TAX WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—Section 2031 of the Internal Revenue Code of 1986 (relating to the definition of gross estate) is amended by redesignating subsection (c) as subdivision (d) and by inserting after subsection (b) the following new subsection:

"(c) ESTATE TAX WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—(1) IN GENERAL.—Except as otherwise provided in this subsection, there shall be excluded from the gross estate the value of land subject to a qualified conservation easement (less the amount of any indebtedness secured by such land). There shall be included in the gross estate the value of each development right retained by the donor in the conveyance of such qualified conservation easement. For purposes of this subsection, the term 'land subject to a qualified conservation easement' shall mean land, which was owned by the decedent or a member of the decedent's family during the 3-year period ending on the date of the decedent's death, and with respect to which a qualified conservation contribution of a qualified real property interest (as defined in section 170(h)) has been made by the decedent, the decedent's spouse or the decedent's parent, a lineal ancestor of the decedent, or a lineal descendant of the decedent, the decedent's spouse or the decedent's parent, or a spouse of such lineal descendant. For purposes of this subsection, the term 'qualified real property interest' shall not include a certified historic structure (as defined in section 170(h)(4)(A)(iv)). For purposes of this subsection, the term 'member of the decedent's family' shall have the same meaning as the term 'member of the family' in section 2032A.

(2) PAYMENT OF TAX UPON CERTAIN DISPOSITION OF LAND SUBJECT TO RETAINED DEVELOPMENT RIGHT.—The tax attributable to the amount included in the gross estate relating to development rights retained by the donor in the conveyance of a qualified conservation easement shall be due upon the disposition (other than by gift or bequest) of such property."

(b) CARRYOVER BASIS.—Section 1014(a) of the Internal Revenue Code of 1986 (relating to basis of property acquired from a decedent) is amended by striking the period at the end of paragraph (3), inserting "or," at the end thereof, and inserting the following new paragraph:

"(4) in the case of the applicability of section 2031(c), the basis in the hands of the decedent."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to land on which qualified conservation easements were granted after December 31, 1991, in taxable years ending after such date.

SEC. 3. GIFT TAX ON LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.

(a) GIFT TAX WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—Section 2503 of the Internal Revenue Code of 1986 (relating to taxable gifts) is amended by adding a new subsection (h) to read as follows:

"(h) GIFT TAX WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—The transfer by gift of land subject to a qualified conservation easement (other than development rights retained by the donor of such easement) shall not be treated as a transfer of property by gift for purposes of this chapter. For purposes of this subsection, the terms 'land subject to a qualified conservation easement' and 'qualified real property interest' shall have the same meaning as in section 2031(c) and the term 'member of the decedent's family' shall have the same meaning as the term 'member of the family' in section 2032A."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to land on which qualified conservation easements were granted after December 31, 1991, in taxable years ending after such date.

SEC. 4. QUALIFIED CONSERVATION CONTRIBUTION WHERE SURFACE MINING RIGHTS RETAINED.

(a) IN GENERAL.—Section 170(h)(5)(B)(ii) of the Internal Revenue Code of 1986 (relating to special rule) is amended to read as follows:

"(ii) SPECIAL RULE.—With respect to any contribution of property in which the ownership of the surface estate and mineral interests has been and remains separated, subparagraph (A) shall be treated as met if the probability of surface mining occurring on such property is so remote as to be negligible."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to contributions made after December 31, 1991, in taxable years after such date.

LEGISLATIVE PROPOSAL: OPEN SPACE PRESERVATION ACT OF 1992

SUMMARY

Section 1: Short Title: Open Space Preservation Act of 1992.

Section 2: Treatment of Land Subject to a Qualified Conservation Easement: The value of land subject to a qualified conservation easement will be excluded from the decedent's estate for purposes of computing the estate tax due if certain conditions are satisfied. The value of any development rights retained by the donor in the conveyance of such an easement will be included in the decedent's estate for purposes of computing the estate tax, but the tax on the value of the development rights will not be due until the sale of those rights.

Section 3: Gift Tax on Land Subject to a Qualified Conservation Easement: The value of land subject to a qualified conservation easement that is transferred by gift will be excluded from the gift tax upon the same terms as provided under the estate tax exclusion in the previous section.

Section 4: Qualified Conservation Contribution Where Surface Mining Rights Retained: A deduction for a qualified conservation contribution will be available for a contribution of property if the owner retains the right to conduct surface mining, as long as the probability of surface mining is so remote as to be negligible.

SECTION 1. SHORT TITLE.

Section 1 provides that the Act may be cited as the Open Space Preservation Act of 1992.

SECTION 2. TREATMENT OF LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.

Present law

An estate tax is imposed on the value of a decedent's gross estate which includes the value of all property the decedent legally or beneficially owned at the moment of death.

Problem

The current income and estate tax laws do not sufficiently encourage the preservation of open space, farmland, fish, plant and wildlife preserves, forest land and historically important lands. Landowners find it hard to resist the lucrative development offers made for their land. Although an income tax deduction is available for conservation easements granted in perpetuity, this benefit is essentially worthless with respect to lower income "land poor" families. In addition, this benefit is more than offset by high-priced development offers. Even if a landowner does hold on to his valuable and environmentally important land, his heirs may be "land poor" and forced to subdivide the land or sell it in its entirety in order to pay estate taxes on the value of the land in the estate. Since those sales are more often made to developers than to conservationists, the environmental benefits of the land are often lost forever. Providing protection from estate taxes for landowners willing to permanently conserve their land will provide an incentive to landowners to preserve open space for the benefit of everyone.

Correction

Section 2031 (relating to the definition of gross estate) is amended by excluding from the gross estate the value of land subject to a qualified conservation easement (less the amount of any indebtedness secured by such land). The value of any development rights retained by the donor in the conveyance of such an easement will be included in the decedent's estates for purposes of computing the estate tax but tax on the retained development rights will not be due until the sale of those rights, not at the death of the decedent.

Section 1014(a) (relating to basis of property acquired from a decedent) is amended to provide that land subject to the exclusion will have a carryover basis rather than a stepped up basis since the land was not subject to the estate tax.

The following conditions must be met for the exclusion to be available:

a. The easement must meet the current-law terms of section 170(h), it must be permanent and it must have have been donated to a charity or a governmental unit.

b. The land must have been owned by the decedent or a member of the decedent's family for at least three years prior to the decedent's death.

c. The easement must have been donated by the decedent, the decedent, or a spouse of any of the foregoing persons.

d. The exclusion is available for land only, not structures.

The exclusion is available for easements donated after the date of enactment.

SECTION 3. GIFT TAX ON LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.

Present law

Generally, gift tax is imposed upon the transfer of the property based upon the value of the property.

Problem

At the time of transfer of property subject to an easement, there may be no other assets or no liquid assets available to pay the gift tax. Thus, the land may have to be sold to pay the gift tax for the same reasons as discussed above for estate taxes.

Correction

Section 2503 (relating to taxable gifts) is amended to exclude from the gift tax transfers by gift of land subject to a qualified conservation easement (other than development rights retained by the donor of the easement and less the amount of indebtedness secured by the land) upon the same terms as provided for estate taxes. The exclusion is available for easements donated after the date of enactment.

SECTION 4. QUALIFIED CONSERVATION CONTRIBUTION WHERE SURFACE MINING RIGHTS RETAINED

Present law

No deduction is allowed in the case of a contribution of property where mining rights are retained. However, a deduction is available if the surface estate and mining interests were separated before June 13, 1976 and remain separated and the probability of surface mining is so remote as to be negligible.

Problem

Donations of qualified conservation easements should be encouraged in the case of property where the surface estate and mineral interests have been and remain separated if the probability of surface mining occurring on such property is so remote as to be negligible, regardless of when the interests were separated.

Correction

Section 170(h)(5)(B)(ii) (relating to the special rule) is amended to make the deduction for a qualified conservation contribution available for a contribution of property where the surface estate and mineral interests has been and remains separated, if the owner retains the right to conduct surface mining, as long as the probability of surface mining is so remote as to be negligible. The amendment applies with respect to contributions made after December 31, 1991, in taxable years after such date.●

By Mr. AKAKA:

S. 2958. A bill to amend chapter 37 of title 38, United States Code, to expand the housing loan program for veterans; to the Committee on Veterans' Affairs.

VETERANS' HOUSING LOAN PROGRAM EXPANSION

Mr. AKAKA. Mr. President, today I am introducing legislation that would extend eligibility for the Department of Veterans Affairs [VA] Home Loan Guaranty Program to certain members of the Selected Reserve. Similar legislation has passed the House twice, most recently on March 3 of this year.

Specifically, my bill would simply expand entitlement to the VA Home Loan Guaranty Program to members of the Reserve and National Guard who have served at least 6 years, and either receive an honorable discharge or continue to serve in the Guard or Reserve. These are service members who otherwise have not qualified for veterans status by fulfilling the active duty service requirement. It is estimated that 7,650 new reservists would obtain VA-guaranteed loans each year under my bill.

Those who qualify for the program would have to pay an origination fee of 2 percent of the total loan amount without a downpayment, 1.5 percent if he or she makes a downpayment of at least 5 percent, and 1.25 percent if the borrower makes a downpayment of 10 percent or more. In contrast, the indemnity fee for veterans is 1.25 percent, 0.75 percent, and 0.50 percent, respectively. The disparity in fee schedules acknowledges and recognizes the legitimate differences between veterans and reservists.

Mr. President, the end of the cold war has forced us to reassess the role, size, and structure of our Armed Forces. With the decline in East-West tensions, we can at last afford to turn our eyes homeward to deal with our serious domestic problems and the budget deficit. In this environment, Congress and the administration alike have understood the need to downsize our active duty military forces. As a consequence, the Reserve and National Guard are expected to play a much more prominent role in the Total Force. Indeed, the outstanding performance of the 235,000 reservists called up for Desert Storm/Shield has presaged their importance in the new military calculus.

Mr. President, by extending the VA-guaranty program to cover members of the Reserve and Guard, we explicitly recognize the significance of their current and potential contributions. By improving the benefits package, we ensure that Reserve and Guard service is rendered much more attractive to qualified individuals. This is of critical importance during an era when the civilian sector is competing for the same pool of applicants, as well as when warfare is becoming increasing complicated, demanding only the most intelligent, motivated, and technically competent individuals. It is also of immediate importance at a time when the economic and personal hardships brought on by quick mobilization for the Persian Gulf war are causing many soldier-citizens to reevaluate their participation in the Selected Reserve.

In addition, aside from the recruitment and retention issue, expanding the program would also benefit the VA Home Loan Guaranty Program itself. As a House report indicates, it is commonly acknowledged that reservists and Guard members "are, generally, an older, more mature, and more stable group with long-time civilian job histories. Many are familiar with the costs and responsibilities of home ownership. Therefore, this group may help to financially stabilize the program through an influx of loan fees with fewer claims to be paid on their behalf." In other words, Mr. President, reservists and Guard members, especially those who have served at least 6 years, are likely to be better risks than the average veteran since they have established civilian jobs, have roots in their local communities, and have not had to forgo opportunities to save for a house or to obtain an adequate credit history.

Finally, passage of this legislation would help stimulate local economies, through investment in one of the engines in economic growth, our real estate and construction industry. Lest we forget, the original home loan program established in 1944—which to date has helped 13 million veterans obtain more than $350 billion in VA-backed private loans—arguably helped avert a potential depression after the Second World War.

For those of my colleagues who are afraid of supporting a new entitlement at a time when our deficit is soaring out of control, please take heart. My bill, for the 5 years that the Congressional Budget Office [CBO] provides a cost estimate, will not cost the taxpayer a dime. In fact, CBO estimates that the legislation will bring in $5 million over the fiscal year 1993-97 period.

Thank you, Mr. President. I urge my colleagues to support this measure. It supports our Total Force policy, it will help stabilize the Veterans Home Loan Guaranty Program, it will stimulate the economy, and it will enable thousands of dedicated reservists to fulfill the dream of home ownership.

By Mr. JOHNSTON:

S. 2959. A bill to develop and implement policies with respect to the territories of the United States; to the Committee on Energy and Natural Resources.

INSULAR AREAS POLICY ACT

• Mr. JOHNSTON. Mr. President, today I am introducing legislation to improve the process of policy development and implementation in our Nation's island territories. The current institutional structure, in which nearly all Federal administrative and policy development functions are concentrated in the Department of the Interior, needs to be updated to respond to the economic and political development of the islands, and to respond to the changing nature of Federal-territorial relations.

Historically, the administration of the insular territories: Puerto Rico, Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, has been the responsibility of the military, particularly the U.S. Navy, and more recently the Department of the Interior. Interior was chosen because of its traditional role as the administering agency for territories in the continental United States. Interior had long before been selected for this role due to its control over the use and disposal of public lands, a critical factor in territories, where there is generally little land under Interior jurisdiction, Interior leadership has always been less than ideal.

More recently, Congress has expanded local self-government in the islands to a point that each island now has a locally elected government. In the case of Puerto Rico, jurisdiction was transferred to the White House by President Kennedy. This transfer did not take place for the other islands, however. The current situation makes Interior's role with respect to the islands even more awkward. First, most of the Federal programs which the islands seek are not under Interior's jurisdiction. For example, tourism, marine fisheries, and economic development assistance programs are all found in the Department of Commerce.

Interior also finds itself in a difficult position in dealing with other agency's programs as they apply in the islands. Congress often provides special treatment for the islands in order to respond to local conditions. For example: Tax, trade, immigration, labor, and environmental laws are applied differently in either all, or some, of the islands. As disputes arise over the implementation of such special provisions, island governments look to Interior to support their interests. Unfortunately, other agencies generally discount Interior's views regarding non-Interior programs.

Finally, certain Federal agencies, particularly the Departments of State and Defense, have substantial interests in the islands, but they have no reliable institutional process to assure that their interests are integrated into Interior's policies or programs.

The legislation I am introducing today, the Insular Areas Policy Act, is designed to respond to these problems by, for the first time, stating a Federal Government policy toward the islands:

> To promote, to the fullest extent possible, the political, social and economic development of the insular areas of or associated with the United States, consistent with their cultural values, to the levels enjoyed by the several States and to recognize the unique character of insular areas in the extension of Federal laws, rules and regulations to such areas.

This statement is an important first step in giving direction and encouraging coordination in the often conflicting policies of various Federal agencies.

Second, this bill would establish an Interagency Insular Policy Council to include the Secretaries of State, Defense, Commerce, Health and Human Services, Agriculture, Education, the Administrator of the Small Business Administration, and the President's Domestic and Foreign Policy advisers. The Council would be charged with reviewing the activities of the Department of the Interior, determining the appropriate role of the islands in U.S. policies, the effect of U.S. policies on the islands, considering recommendations of Council members, and proposing actions to the President.

Third, the legislation specifies the role of the Secretary of the Interior in supporting the Council and assisting the Congress in developing territorial policy objectives. These duties are to be accomplished in part through the submission of an annual State of the Islands report which would serve as a basis for Council discussions, as a guide for policy implementation by the Secretary of the Interior, and as a guide to Congress for policy initiatives.

Finally, this legislation directs that the Secretary of the Interior shall, to the maximum extent practicable, use the personnel and services of other Federal agencies in carrying out his responsibilities with respect to the island territories. Other Federal agencies are directed to cooperate in making such personnel and services available, provided the Secretary of the Interior reimburse nonsalary and base benefit costs. These provisions are intended to foster interagency coordination by requiring greater exchange and cooperation between agency personnel. It is expected that the exchange of personnel will expand other agency's awareness and experience with the special circumstances which exist in the islands.

Mr. President, I believe that this legislation, if enacted, would substantially increase the effectiveness of the Department of the Interior in overseeing and implementing Federal policy in the island territories. It is clear that the Department of the Interior is in an awkward position now that our territories are essentially self-governing. Instead of administering the islands, as in the past, Interior's new role is to fine-tune Federal policies to the special circumstances which exist on the islands, to take the lead in Federal program coordination, and to be the lead agency in contacts with the Congress.

I do not intend to move this legislation this year, but instead will give the administrative agencies, and island governments, sufficient time to consider it before scheduling hearings next year.

I look forward to working with island leaders, the administration, and with my colleagues on the committee in evaluating and updating the process and institutions of territorial policy development and implementation in order to reflect the fundamental changes which have occurred in the islands, and in Federal-Territorial relations.•

By Mr. LUGAR:

S. 2960. A bill to authorize debt reduction for Latin American and Caribbean countries under the Enterprise for the Americas Initiative, and for other purposes; to the Committee on Foreign Relations.

ENTERPRISE FOR THE AMERICAS ACT

Mr. LUGAR. Mr. President, today I am introducing the Enterprise for the Americas Initiative [EAI] as a freestanding bill in the hopes that it will be approved by the Congress before the end of this session. I am pleased to be joined in cosponsorship by Senator GRAHAM who has been a strong and steadfast proponent of strengthening ties with our hemisphere neighbors.

When President Bush announced the Enterprise for the Americas Initiative in June 1990, he presented a coherent policy framework for improved relations and greater prosperity for all nations in the Western Hemisphere.

The relatively scant attention to the President's EAI proposal may be explained by the diversion of interest in world affairs to more visible and dramatic changes in Eastern Europe and the former Soviet Union. It may also be traceable to the fact that the EAI was not prompted by an immediate crisis or a cataclysmic event which would have generated greater interest. In fact, President Bush was under no great pressure domestically or internationally to make a major policy pronouncement on Latin America in June 1990. Recently, much has been made of the word "vision" in discussing policy matters; the EAI is one instance where creative vision was clearly evident in policymaking.

The EAI is the right policy framework for the Americas because it represents enlightened self-interest. The benefits to be derived from successful enactment of the EAI are reciprocal, substantial, long-term, and readily knowable. There are more than 450 million people living in Latin America and the Caribbean. The combined gross domestic product of the region will reach a trillion dollars in a few years, and total trade with the world is close to $250 billion. Add to this the United States and Canada, and you have the world's largest market area.

The United States exports to our southern neighbors have more than doubled in the past 5 years and will continue to expand at a rapid pace in the years ahead. Last year alone, United States sales to Mexico increased by about 18 percent and our sales to South America rose by nearly 20 percent. The growth of exports headed south has created hundreds of thousands of jobs in our country. The export and investment growth potential would be enhanced substantially with passage of the EAI. This potential can be realized only if these economies continue to grow and prosper. Such progress is possible if there are market-based reforms, increased capital availability, access to modern technologies, and a reduction of the heavy debt burden in these countries.

The changes sweeping Latin America in just the past few years are as significant as any in the world today. The EAI will enhance the prospects that the embryonic democratic and market-based reforms that have occurred in the region will be successful. The challenges to stable democracy and steady economic growth that we have witnessed recently in Venezuela and Peru stem, in large part, from economic frustrations and political uncertainties. More years of slow growth or stagnation in these and other countries undergoing transition to open political and economic systems will spawn instability and turmoil. The United States cannot be immunized from these regional instabilities; troubles in our neighborhood invariably become our own troubles.

I always have believed that the EAI is among the most significant policy statements of Latin America ever enunciated by an American President. It is hard to overstate the importance of the enterprise legislation for the Western Hemisphere. The near universal endorsement and enthusiastic response by leaders throughout Latin America attests to the receptivity of the President's policy statement. No U.S. initiative in the Americas has received as much acclaim among potential participants since President Kennedy pronounced the Alliance for Progress some thirty years ago. In a recent Washington Post article, for example, Henry Kissinger stated that the EAI "represents the most innovative United States policy toward Latin America in this century." Similar comments can be gleaned from foreign policy analysts, economists, and practitioners in the United States, Latin America, and in international organizations. As many have noted, the EAI abandons the practice of unilateralism in hemispheric matters and seeks reciprocal obligations and cooperative actions for mutual gain.

Having said all this, it is surprising and disappointing that the bulk of the initiative still awaits full congressional authorization and enactment.

The EAI is composed of three major goals: First, a hemispheric free trade zone; second, capital flows and investment promotion through the mechanism of the Inter-American Development Bank [IDB]; and, third, official bilateral debt relief that is coupled with a special emphasis on environmental protection through local currency conversion and grass roots participation within eligible countries.

Clearly, there has been significant progress toward the goal of creating a free trade area throughout the Western Hemisphere. The FTA agreement with Canada, negotiations leading to a North American Free-Trade Agreement [NAFTA] with Canada and Mexico, and soon-to-begin talks with Chile on a free trade agreement are each significant milestones in reaching this goal. Within Latin America, the MERCOSUR countries in the southern cone are moving to eliminate trade barriers, the Central American countries have agreed to reduce trade restrictions, and Chile has already completed a bilateral FTA with Mexico. All this is taking place while worldwide protectionist sentiment has grown more pronounced.

The investment component of the EAI centers on the creation of the Multilateral Investment Fund, or MIF, administered by the Inter-American Development Bank. Its purpose is to stimulate economic reform, remove obstacles to new investments, advance job retraining, and provide a source of new capital, credit, and equity financing for small businesses. Though the amount in question is comparatively small—a United States commitment of $100 million a year for 5 years and another $1 billion from other contributors for a total global commitment of $1.5 billion—when coupled with equal funding allocations from Europe and Japan, it could help make a significant difference, especially in smaller, hard-pressed countries.

The third area, bilateral debt relief, seeks to reduce a portion of the $12 billion in U.S. Government debt holdings in Latin America. This official bilateral debt is a small fraction of the $420 billion total debt burden of Latin America. Nonetheless, authorization for this debt relief could bring real benefits to those countries with obligations stemming from past borrowing in our various official assistance programs. In addition to easing repayment terms, some countries benefit by improving their external accounts and creditworthiness in the eyes of international financial institutions. Hopefully, success will prompt other creditor nations in Europe and Japan to match our proposals and increase the amounts of official debt available for relief. Estimates of this total official debt run close to $50 billion.

Congress has enacted only a portion of the President's proposal for bilateral debt relief. In 1990, the Congress authorized debt relief on those obligations arising from Public Law 480, the Food for Peace loans in the farm bill, but no additional authorizations for AID loans, Export-Import Bank and Commodity Credit Corporation assets have been enacted. Last year, we came close. The fiscal year 1992–93 foreign assistance authorization bill contained a separate Enterprise for the Americas title—title 8—which, if enacted, would have authorized comparable debt relief provisions for AID loans. The AID authorization bill passed the Senate on two different occasions and the House once before being voted down last fall. Regrettably, the bill was never enacted.

Despite disappointments in implementing the EAI, we cannot give up on efforts to secure enactment. I believe many Members share this view. For this reason, I am introducing this separate bill, which is virtually identical to the Enterprise for the Americas title in the foreign assistance authorization bill. Among the provisions in the bill, it would authorize buying down the principal on outstanding AID debt, with payments of additional interest payments on the remaining debt made available through local currency accounts for environmental protection, child survival, and certain other purposes. It will conform to the compromise struck last year in the House-Senate conference on the aid bill. I would retain that compromise.

I am gratified to learn that supporters of the EAI will be assisted by the formation of a new "Americans for the Americas Coalition" that will actively work at the grass roots level to drum-up support for the initiative. The coalition will be headed by former Senator Howard Baker and it is a welcome addition to efforts to kick-start the final round of our deliberations leading to enactment of the EAI.

An excellent article in the New York Times on May 8, 1992, reported that developing nations and nonindustrialized countries increased their imports of American products by 15 percent last year. During the first 2 months of this year, more than one-third of American exports—the highest rate since 1982—went to nonindustrialized countries. Mexico, which has some highly industrialized sectors, and Latin America are particularly important growth markets.

Clearly, an improvement in the debt situations of these nations and their internal economic reforms have helped their ability to buy our goods. The New York Times article reports that these additional exports accounted directly or indirectly for up to 400,000 jobs in the United States.

I believe that modest programs of debt reduction can yield benefits many times their size in healthy economies that will be good cash markets for American farms and American factories.

Mr. President, I would also like to include with my statement a letter from Secretary of the Treasury Brady and Secretary of State Baker on the Enterprise for the Americas Initiative. Their letter presents strong arguments in support of the EAI and some valuable data on progress that has been made so far on different elements in the bill.

THE SECRETARY OF THE TREASURY,
Washington, DC, June 26, 1992.

HON. RICHARD G. LUGAR,
U.S. Senate, Washington, DC.

DEAR SENATOR LUGAR: We want to reaffirm the Administration's strong commitment to the Enterprise for the Americas Initiative (EAI) and to ask for your active support for this program.

The EAI is now an integral part of our relations with Latin America and the Caribbean, having played a key role in the dramatic improvement in hemisphere relations in the two years since its inception. Our neighbors have begun to work enthusiastically with us in a new partnership under the Initiative to improve the prospects for democracy and economic growth throughout the hemisphere.

The potential of increased trade and investment opportunities offered by the EAI has helped build momentum for reform. Framework agreements on trade and investment are in place with all but three countries in Latin America and the Caribbean; regular dialogue under these agreements is facilitating a reduction in barriers to trade. The Inter-American Development Bank has extended loans to support the liberalization of investment regimes in four countries. In anticipation of Congress passing the needed debt reduction and swap authority, ten more countries are discussing similar investment liberalization loans with the Inter-American Development Bank. The United States has reduced the P.L. 480 debt of three countries under the EAI. As a result of this action and a contribution by the Government of Bolivia, the local currency equivalent of $33 million will be generated for grass roots environmental projects over ten years.

The EAI can do much more, however, to advance the reform process and help achieve increased growth and prosperity for our hemisphere.

Implementation of the agreements signed by twenty-one countries to establish the Multilateral Investment Fund (MIF) will be another critical step. This fund is designed to support investment liberalization in Latin America and the Caribbean, which will enable the private sector to play a larger role in promoting growth and development. The MIF will provide targeted support for such actions as technical assistance to help establish financial markets, worker retraining programs, and increased access to credit for micro-enterprises. The contributions of other governments (including thirteen from Latin America and the Caribbean) and the start-up of this critical fund, however, await Congressional approval of the U.S. contribution.

We also need to proceed with full implementation of the debt reduction proposals advanced under the EAI. By reducing countries' bilateral debt to the United States, we can provide critical incentives to sustain important economic reforms while helping Latin American and Caribbean countries escape the shadow of debt that discourages investors. Particularly for the smaller countries in the region such as Costa Rica, El Salvador, and Jamaica, debt reduction under the EAI would substantially reduce their overall external debt burdens and provide important support for market-oriented economic reforms.

By supporting reform and increased competitiveness, the EAI seeks to help Latin American and Caribbean countries in their struggle to sustain economic growth and ensure that its benefits are felt by all their citizens. Strong and stable economies are essential to democracy and to broad-based, sustainable economic development in this region. Healthy economies will help governments address key human needs such as health, education, and the environment.

The EAI also seeks to build a future that will benefit the United States. The Latin American and Caribbean region is already the fastest growing market for U.S. exports. Furthermore, the U.S. commands a large share of industrial-country exports to the region—57% compared to 11% for Japan, for instance. Stronger economies in Latin America and the Caribbean will contribute to economic growth and export-related jobs here at home as the potential for trade and investment expands.

Our neighbors are ready to move forward with the EAI. With respect to both the investment and debt elements of the EAI, the ball is now in our court. Responding to the steps taken by our neighbors and deepening our partnership with them is a top priority of the Administration. But we cannot do this without Congress. We hope we can work with you to gain Congressional approval of the remaining elements of this critical initiative.

Sincerely,

NICHOLAS F. BRADY,
Secretary of the Treasury.
JAMES A. BAKER III,
Secretary of State.

By Mr. AKAKA (for himself, Mr. DASCHLE, and Mr. SHELBY):

S. 2961. A bill to amend chapter 38, United States Code, to permit the burial in cemeteries of the National Cemetery System of certain deceased reservists, to furnish a burial flag for such members, to furnish headstones and markers, and for other purposes; to the Committee on Veterans' Affairs.

EXTENSION OF ELIGIBILITY FOR BURIAL IN NATIONAL CEMETERIES AND BURIAL FLAGS

Mr. AKAKA. Mr. President, on behalf of myself, Senator DASCHLE, and Senator SHELBY, I am today introducing legislation to extend eligibility for burial in national cemeteries and burial flags to career members of the Reserve and Guard who have served at least 20 years and are eligible for retirement pay. Similar legislation introduced by Representative CLAUDE HARRIS was passed by the House several weeks ago.

Mr. President, an estimated 235,000 reservists and guardmembers gallantly served in the Persian Gulf war. Their outstanding performance alongside active duty soldiers amply fulfilled the aim of our Total Force policy. The desert conflict foreshadowed the inevitable trend in the post-cold-war era toward greater reliance on the Reserve component, particularly during an era of fiscal austerity.

The growing importance of the Guard and Reserve has thrown a spotlight on an injustice done toward career guardmembers and reservists, the backbone of the Ready Reserve, the men and women who devote at least 20 years of their lives to the defense of this Nation.

Under current law, any honorably discharged active duty member of the armed services who serves at least 24 months of continuous active duty service is eligible for "veterans" status. If they meet certain criteria, he or she becomes eligible for a range of veterans benefits and services offered through the Department of Veterans Affairs [VA], from pensions to home loans to health care to burial in national cemeteries.

Unfortunately, most members of the Reserve and Guard, in spite of years of service, have never had the opportunity to meet the 2-year continuous duty requirement, even though they may have served much more time than that in the aggregate. Part of the problem reservists face is that they are not on the same playing field when it comes to counting "active duty service."

For example, an active duty soldier accrues active duty service time beginning with basic training. He or she also receives credit for time served while attending schools that are required for his or her military specialty. Reservists and guardmembers, on the other hand, cannot count short periods of active duty and all periods of active duty for training purposes toward the 24-month requirement for veterans benefits, even though such periods are counted toward retirement pay. It is clear that such a policy ignores the fact that today's Guard and Reserve train to the same standards as their counterparts, and are increasingly taking missions for the active military. In effect, today's reservists are continuous members of the Total Force, but are not fully recognized for their contributions.

While there may be legitimate reasons for imposing the 24-month active duty requirement for the purposes of eligibility for many veterans benefits, this certainly should not apply to burial in a national cemetery, particularly for those guardmembers and reservists who devote at least 20 years of their lives to the Nation's defense as citizen-soldiers, and who have each accrued, in the aggregate, enough active duty service to qualify for retired pay. Indeed, the average guardmember or reservist will have more than 3¼ years of active duty time during an enlistment of 20 or more years.

Mr. President, it is our contention that if an individual devotes two decades of his or her life to the country's defense, and if such service is deemed to qualify him or her for a military pension, at the very least such individual should be honored with burial in a national cemetery.

Similarly, a career reservist should also be eligible for presentation of a burial flag, just like any other soldier who is buried in a national cemetery. Here, again, the career guardmember and reservist fall between the cracks. Under Department of Defense policies, a member of the Guard or Reserve who dies under honorable circumstances may be awarded a burial flag up until age 60. At that time, however, he or she suddenly becomes ineligible for a flag because responsibility for the flag benefit at that age is transferred to the Department of Veterans Affairs. In this case, as with the interment issue, the guardmember or reservist must meet the 2-year continuous duty requirement for veterans status under title 38. This is clearly ludicrous: there is no defensible argument why a reservist should be eligible for a $21 flag if he dies before he reaches 60, but becomes ineligible after that age.

Mr. President, VA opposes this legislation on two grounds: first, that there is limited space at national cemeteries; second, that it will cost too much.

Regarding the availability of burial plots, there are 250,000 sites available at the 61 open cemeteries [out of a total of 113 national facilities], with a potential of 1.96 million sites if undeveloped land is developed. In addition, there are 40 State veterans cemeteries which currently conform to VA eligibility rules, which our bill would open to career reservists. VA's interment rate is about 60,000 per year. Whether you believe the Congressional Budget Office [CBO] figure, 828, or the 6th Quadrennial Review of Military Compensation number, 365, concerning the estimated number of additional burials that would result due to our legislation, the increase would represent less than 1 percent of VA's current interment rate.

Using CBO's more conservative numbers, the total annual cost of the burial benefit would amount to only $400,000—a figure so low that CBO does not score it for budget purposes. Surely, Mr. President, we can afford to pay this small price to honor the memory of those who devoted their lives to protect our Nation.

By Ms. MIKULSKI:

S. 2962. A bill to amend the Federal Property and Administrative Services Act of 1949 and title 10, United States Code, to provide for the consideration of certain contract-related revenues of the Federal Government in the determination of which contract bid or proposal contains the lowest price; to the Committee on Governmental Affairs.

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT AMENDMENTS

• Ms. MIKULSKI. Mr. President, today I rise to introduce the Government Procurement Improvement Act of 1992. This bill is a companion to a bill, H.R. 254, introduced by Congresswoman BENTLEY.

This is a commonsense bill that helps American workers and helps American taxpayers. It cuts the cost of government contracting and makes sure that the Government gets one dollar's worth of services for every dollar of taxes. At the same time, it helps make sure that American tax dollars help create jobs right here in the United States.

This bill requires that contracting officers factor in the taxes that will be paid to the Government as they consider who is the low bidder on a contract. So if two companies offer the same number of screwdrivers for the same amount of money, but one will do all of its production in the United States, that company would actually cost the Government less and would be given the contract. This bill is needed and it makes sense.

Americans can't afford not to get the most for their money. So rather than giving a break to a company that saves itself a couple dollars by moving jobs overseas, this bill rewards companies that use Government contracts to create American jobs. And it doesn't put a big burden on the Government agencies, because it only requires tax analysis for contracts over $100,000.

We all know that American jobs mean more tax revenue for the Government, more business for the towns where the contracts are performed, and security for the families of workers on these contracts. Just ask anyone on the Eastern Shore of Maryland, or around the Washington and Baltimore Beltways, or in southern or western Maryland. They know how important Government contracts are, and how much they mean to communities.

That's why I congratulate Congresswoman BENTLEY for taking the lead on this bill, and why I am glad to introduce a companion in the Senate.•

By Mr. D'AMATO (for himself and Mr. MOYNIHAN):

S. 2963. A bill to amend title 38, United States Code, to provide that future increases in the monthly amount paid by the State of New York to blind disabled veterans shall be excluded from the determination of annual income for purposes of payment of pension by the Secretary of Veterans' Affairs; to the Committee on Veterans' Affairs.

EXCLUSIONS OF PENSION PAYMENTS FOR BLIND DISABLED VETERANS

• Mr. D'AMATO. Mr. President, since the midthirties, New York State has paid blind disabled veterans a monthly annuity. Qualified veterans—of which there are slightly less than 2,000—receive monthly payments of $41.66, the same amount as has been paid since the program's inception.

There is a sentiment among lawmakers in Albany, NY, to increase the blind annuity. Unfortunately, should the State decide to increase the blind annuity, the U.S. Department of Veterans Affairs would respond by reducing Federal pensions paid to these individuals by the same amount. Thus, there would be no net benefit for New York's veterans receiving the annuity.

The legislation that I and my distinguished colleague from New York, Senator MOYNIHAN, are introducing today will prevent the VA from penalizing New York's blind veterans should the State increase the blind annuity. The entire New York congressional delegation is introducing a companion bill today in the House as well.

This legislation will exempt any increase in the New York Blind Annuity from the determination of annual income for the purposes of the payment of VA pensions. Incidentally, the Internal Revenue Service already considers the blind annuity to be a gift rather than income. Because this legislation only exempts increases, it is budget neutral.

Mr. President, this legislation will make our Government's policy toward blind veterans more equitable. It won't cost the Government a cent. And it is long overdue. I urge the Senate to enact this legislation at its earliest opportunity.

Mr. President I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2963

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCLUSION OF CERTAIN AMOUNTS FROM INCOME DETERMINATION FOR PENSION PURPOSES.

Section 1503 of title 38, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (9);

(2) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new paragraph:

"(11) amounts equal to amounts paid to a veteran by the State of New York under a program of that State of New York under a program of that State to make monthly payments to qualifying veterans who are blind and totally disabled, but only to the extent that such amounts are attributable to any increase in the monthly amount of such payments that is provided after the date of the enactment of this paragraph."•

• Mr. MOYNIHAN. Mr. President, I rise to join my colleague, Senator D'AMATO, in introducing a bill that would enable New York State to provide the first increase since the mid-1930's in payments to blind disabled veterans. These men have been receiving $41 per month. Under current law, any increase in a State pension payment would be considered income and so would reduce the Federal pension payment by the same amount. The net result would be no increase.

This bill would exempt an increase in the blind annuity from income determinations for pension purposes. It applies only to an increase in the annuity, not the current payment. Therefore, it is budget neutral.

Mr. President, it seems the least we could do for these men to allow them to receive more from the State governments than they now do without losing any of the pension we provide. Congressman HORTON, the dean of the New York delegation, is introducing companion legislation today, and I hope my colleagues in this body will support us in this effort to help our blind disabled veterans.•

By Mr. SPECTER (for himself, Mr. BRADLEY, Mr. WOFFORD, and Mr. LAUTENBERG):

S. 2964. A bill granting the consent of the Congress to a supplemental compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey concerning the Delaware River Port Authority; to the Committee on the Judiciary.

DELAWARE RIVER PORT AUTHORITY COMPACT

• Mr. SPECTER. Mr. President, today I am introducing legislation, along with Senator BRADLEY, Senator WOFFORD and Senator LAUTENBERG, to grant consent to a compact between Pennsylvania and New Jersey for the enhancement of the Delaware River Port Authority, in accordance with legislation passed by the Commonwealth of Pennsylvania and the State of New Jersey. This legislation proposes changes in the Delaware River Authority Compact that will enhance the role of the Delaware River Port Authority to assist the Port Authority in responding to the needs of the community it serves. This legislation is recognized as an important step towards further development of the port as a vital resource to the Delaware River Valley.

Primarily, this legislation extends and unifies the bi-State agency's operation in the Delaware River Valley by giving it new authority to run port operations in a unified manner between Pennsylvania and New Jersey. This cooperation created through the compact will enable the two States to join forces and resources to enhance one of the greatest economic development assets in the region. The bill encourages a unified promotion of shipping operations on both sides of the river in addition to a variety of other projects that have potential to stimulate the local economies and create new jobs.

In addition to a new cooperative agreement, this legislation agreed to by both States provides expansion of the existing port district of the authority. The port district is the geographical area within which the port authority has power to act. This legislation adds Bucks, Chester, and Montgomery counties to the port authority port district on the Pennsylvania side.

Further, the bill clarifies and expands the port authority's powers. These new powers include the right to acquire, purchase, or lease port-related property within the port district; to acquire, merge with, or become successor to other port entities; to engage in economic development activities; and to plan, finance, and own commerce facilities located within the port district. These powers are all subject to the supervision of the commission through substantial reporting, planning, and public consulting obligations placed on the port authority.

These actions to enlarge the port's geographical area and the expansion of the port authority's powers will surely lead to greater economic development for the port, the Commonwealth of Pennsylvania and the State of New Jersey.

Mr. President, the Philadelphia Port is a major economic resource in the Delaware River Valley. The port is located in the center of the Eastern industrial corridor of the United States, one of the largest and most productive markets in the world. According to a review by the Philadelpia Regional Port System, more than 13 percent of the total buying income of the country is within 100 miles of the port complex, which is served by a highly efficient rail and highway network that brings some of America's greatest centers of commerce within easy reach.

Additionally, more than 3,000 ships call on the Philadelphia Port system. Over 70 million tons of domestic and international cargo are handled at the port in the course of a year. To handle the needs of their highly diversified customers, the port terminals themselves have diversified, handling everything from perishable goods to petroleum, from steel and coal to wood and paper, and all sorts of manufactured items including automobiles, heavy machinery, and consumer goods. This is exemplified by the Tioga Fruit terminal, which is the largest fruit-handling facility of its kind in the United States. It is my belief that this important legislation will further enhance the port and its activities to provide long term economic growth and job development in the Delaware Valley.

As testament to the value and importance of this compact to the Delaware Valley, the Commonwealth of Pennsylvania and the State of New Jersey have passed equivalent legislation regarding the Delaware River Port Authority Compact. The New Jersey State Legislature has approved the compact, with Governor Florio signing it on January 19, 1992. The Pennsylvania State Legislature also has approved the compact with overwhelming support and Governor Casey signed the compact on April 3, 1992.

Mr. President, I would like to reaffirm that this measure enjoys broad support as it will greatly enhance the activities of the port authority and the ongoing economic recovery of the region. This measure of unification and development of the port is clearly a regional priority to the region. Accordingly, I urge prompt consideration by the Senate Judiciary Committee and the full Senate of this important economic development legislation.•

• Mr. BRADLEY. Mr. President, I rise today as a cosponsor of this legislation which will give congressional approval to a compact agreement between New Jersey and Pennsylvania concerning the Delaware River Port Authority.

The State legislature of New Jersey and Pennsylvania have passed legislation amending the compact that governs the operation of the Delaware River Port Authority. This compact will clarify the role of the authority.

The compact itself consists of modifications, that will enhance DRPA's role by expanding the geographical area in which it can act, and enabling it to both own port facilities and engage in economic development activities. In addition, modifications will also be included which will allow for regional port unification.

Ultimately, by attracting new business and jobs to the region, I believe this compact will serve as a catalyst for growth in the local economies.

I urge my colleagues to join me in supporting this important piece of legislation.•

DELAWARE RIVER PORT AUTHORITY INTERSTATE COMPACT

• Mr. WOFFORD. Mr. President, I join today with Senators SPECTER, BRADLEY, and LAUTENBERG in introducing amendments to the Delaware River Port Authority Interstate Compact Act. This legislation permits the Commonwealth of Pennsylvania and the State of New Jersey to open windows to the world by expanding the powers of the Delaware River Port Authority to develop maritime and related port facilities.

The ports of the Philadelphia area are strategically located for international trade. Nearly 30 million Americans live within 100 miles of these ports. Over half of American industry is within overnight shipping distance. In short, the ports of Philadelphia and southern New Jersey are critical to the economic development of regions they serve.

Both the Commonwealth of Pennsylvania and the State of New Jersey have enacted legislation which Congress must now approve in order to facilitate the economic development of the ports. Pennsylvania Gov. Robert Casey and New Jersey Gov. James Florio as well as the two State legislatures have demonstrated their leadership on this issue. Now it is time for Congress to approve these amendments to the compact. Already, Governor Casey has announced over $25 million in funding for improvements to port and warehouse facilities in Pennsylvania.

This legislation will permit the Delaware River Port Authority to provide financing and undertake construction projects in order to improve the competitive position of the ports. I am pleased to join with my Pennsylvania colleague Senator SPECTER as well as our New Jersey colleagues, Senators BRADLEY and LAUTENBERG, in introducing this legislation.•

• Mr. LAUTENBERG. Mr. President, I am pleased to join my colleagues from New Jersey and Pennsylvania in introducing legislation that will help promote economic development in our region.

The legislation would approve a change in an existing compact between New Jersey and Pennsylvania to allow the Delaware River Port Authority, or DRPA, which owns and operates four bridges between the two States, in addition to the PATCO high speed line, to allocate some of its financial resources for needed economic development efforts in the region. The types of projects that would be eligible for funding would include investments in manufacturing, post-oriented development, foreign trade zone site development and research, and other commercial, industrial, and recreational activities.

Currently, the DRPA serves communities in southern New Jersey and the Philadelphia area of Pennsylvania. In New Jersey, its jurisdiction includes Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem Counties.

The DRPA's primary responsibility will continue to be the operation and maintenance of its bridges and high speed line. However, with approval of this compact modification, the Authority could, after meeting those responsibilities, make important investments to help stimulate the regional economy.

The New Jersey legislature approved the legislation to amend the existing compact in January 1992. Pennsylvania followed suit in April 1992.

I point out, Mr. President, that this legislation does not call for any increase in the fees paid on the DRPA's bridges or high speed line. It retains the existing Federal requirement that tolls be just and reasonable.

With approval of the bill we are introducing today, Congress would sign off on the changes to the existing compact, and allow the Delaware River Port Authority to expand its role, to the benefit of citizens throughout southern New Jersey and adjacent communities in Pennsylvania. I urge my colleagues to support this important legislation.•

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 2965. A bill to amend the San Juan Basin Wilderness Protection Act of 1984 to designate additional lands as wilderness and to establish the Fossil Forest Research Natural Area, and for other purposes; to the Committee on Energy and Natural Resources.

BISTI/DE-NA-ZIN WILDERNESS EXPANSION AND FOSSIL FOREST PROTECTION ACT

• Mr. DOMENICI. Mr. President, I am pleased to rise today, along with the other Senator from New Mexico [Mr. BINGAMAN], to introduce legislation that will amend the San Juan Basin Wilderness Protection Act of 1984, to designate additional lands as wilderness, and to establish the Fossil Forest Research Natural Area.

In December 1991, approximately 10,750 acres between the Bisti Wilderness and De-Na-Zin Wilderness were exchanged to the Bureau of Land Management from the Bureau of Indian Affairs, acting in trust for the Navajo Tribe.

These newly acquired lands are immediately adjacent to the existing boundaries of the Bisti and De-Na-Zin Wilderness areas and are of high wilderness quality. The area appears to have been affected primarily by the forces of nature and the imprint of human activity is substantially unnoticeable.

Together with the recently acquired lands and the two wilderness areas previously designated, this proposal will create one wilderness with logical, manageable boundaries that will enhance the wilderness experience for visitors and help insure continued protection of this resource for future generations of Americans.

The scenic eroding badlands that dominate this area, the neighboring Bisti Wilderness and the western portion of the De-Na-Zin Wilderness, provide an outstanding opportunity for solitude as well as unusual types of primitive and unconfined hiking, backpacking, photography and geological/paleontological sightseeing. The badlands topography of the acquired lands naturally bridges the two wilderness areas containing a picturesque wide variety of rich colors and landform.

This bill includes additional lands that will require further exchanges with the State of New Mexico and the Navajo Tribe. Indications are that both parties are willing to enter into agreements to consummate the exchange of lands.

The Fossil Forest Research Natural Area is named for the abundant petrified tree stumps and logs which lie exposed on its surface. Many of these stumps are preserved in place with root systems still intact. A wealth of data and fossil material have been collected in the fossil forest over the past 10 years.

Four major dinosaur bone quarries and several micro-vertebrate and invertebrate localities have been excavated during this period, including a critically important Cretaceous Age—75 million years ago—mammal quarry. The occurrence of this diverse assemblage of fossil fauna and flora provides a unique opportunity to peek through a small window of time, 70 to 80 million years ago, to examine an important episode of geological and biological change.

Mr. President, I urge the Senate to move rapidly on this important legislation, in an effort to improve the National Wilderness Preservation System and to conserve a unique paleontological area that represents an important period of time and space in our country's natural history.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2965

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bisti/De-Na-Zin Wilderness Expansion and Fossil Forest Protection Act".

SEC. 2. BISTI/DE-NA-ZIN WILDERNESS.

(a) WILDERNESS DESIGNATION.—Section 102 of the San Juan Basin Wilderness Protection Act of 1984 (Public Law 98-603) is amended—

(1) in subsection (a)—

(A) by striking "wilderness, and, therefore," and all that follows through "System—" and inserting "wilderness areas, and as one component of the National Wilderness Preservation System, to be known as the 'Bisti/De-Na-Zin Wilderness'—";

(B) in paragraph (1), by striking ", and which shall be known as the Bisti Wilderness; and" and inserting a semicolon;

(C) in paragraph (2), by striking ", and which shall be known as the De-na-zin Wilderness." and inserting "; and"; and

(D) by adding at the end the following new paragraph:

"(3) certain lands in the Albuquerque District of the Bureau of Land Management, New Mexico, which comprise approximately 16,674 acres, as generally depicted on a map entitled 'Bisti/De-Na-Zin Wilderness Amendment Proposal', dated May 1992.";

(2) in the first sentence of subsection (c), by inserting after "of this Act" the following: "with regard to the areas described in paragraphs (1) and (2) of subsection (a), and as soon as practicable after the date of enactment of subsection (a)(3) with regard to the area described in subsection (a)(3)";

(3) in subsection (d), by inserting after "of this Act" the following: "with regard to the areas described in paragraphs (1) and (2) of subsection (a), and where established prior to the date of enactment of subsection (a)(3) with regard to the area described in subsection (a)(3)"; and

(4) by adding at the end the following new subsection:

"(e)(1) The lands described in subsection (a)(3) are withdrawn from all forms of appropriation under the mining laws and from disposition under all laws pertaining to mineral leasing, geothermal leasing, and mineral material sales.

"(2) In order to satisfy valid existing rights, the Secretary of the Interior may follow the lease exchange procedures specified in sections 3430.5 and 3435 of title 43, Code of Federal Regulations, on any coal preference right lease application for lands within the area described in subsection (a)(3) if the applicant demonstrates that coal exists in commercial quantities on the lands that are the subject of the application.

"(3) Operations on oil and gas leases issued prior to the date of enactment of subsection (a)(3) shall be subject to the applicable provisions of Group 3100 of title 43, Code of Federal Regulations (including section 3162.5-1), and such other terms, stipulations, and conditions as the Secretary of the Interior considers necessary to avoid significant disturbance of the land surface or impairment of the ecological, educational, scientific, recreational, scenic, and other wilderness values of the lands described in subsection (a)(3) in existence on the date of enactment of subsection (a)(3).".

(b) EXCHANGES FOR STATE LANDS.—Section 104 of such Act is amended—

(1) in the first sentence of subsection (b), by inserting after "of this Act" the following: "with regard to the areas described in paragraphs (1) and (2) of subsection (a), and not later than 120 days after the date of enactment of subsection (a)(3) with regard to the area described in subsection (a)(3)";

(2) in subsection (c), by inserting before the period the following: "with regard to the areas described in paragraphs (1) and (2) of subsection (a), and as of the date of enactment of subsection (a)(3) with regard to the area described in subsection (a)(3)"; and

(3) in the last sentence of subsection (d), by inserting before the period the following: "with regard to the areas described in paragraphs (1) and (2) of subsection (a), and not later than 2 years after the date of enactment of subsection (a)(3) with regard to the area described in subsection (a)(3)".

(c) EXCHANGES FOR INDIAN LANDS.—Section 105 of such Act is amended by adding at the end the following new subsection:

"(d)(1) The Secretary of the Interior shall exchange any lands held in trust for the Navajo Tribe by the Bureau of Indian Affairs that are within the boundary of the area described in subsection (a)(3).

"(2) The lands shall be exchanged for lands approximately equal in value that are selected by the Navajo Tribe.

"(3) After the exchange, the lands selected by the Navajo Tribe shall be held in trust by the Secretary of the Interior in the same manner as the lands described in paragraph (1).".

SEC. 3. FOSSIL FOREST RESEARCH NATURAL AREA.

Section 103 of the San Juan Basin Wilderness Protection Act of 1984 (Public Law 98-603) is amended to read as follows:

"SEC. 103. FOSSIL FOREST RESEARCH NATURAL AREA.

"(a) ESTABLISHMENT.—In order to conserve and protect natural values and to provide scientific knowledge, education, and interpretation for the benefit of future generations, there is established the Fossil Forest Research Natural Area (referred to in this section as the 'Area'), consisting of the approximately 2,770 acres in the Albuquerque District of the Bureau of Land Management, New Mexico, as generally depicted on a map entitled 'Fossil Forest', dated June 1983.

"(b) MAP AND LEGAL DESCRIPTION.—

"(1) IN GENERAL.—As soon as practicable after the date of enactment of this paragraph, the Secretary of the Interior shall file a map and legal description of the Area with the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives.

"(2) FORCE AND EFFECT.—The map and legal description described in paragraph (1) shall have the same force and effect as if included in this Act.

"(3) TECHNICAL CORRECTIONS.—The Secretary of the Interior may correct clerical, typographical, and cartographical errors in the map and legal description subsequent to filing the map pursuant to paragraph (1).

"(4) PUBLIC INSPECTION.—The map and legal description shall be on file and available for public inspection in the Office of the Director of the Bureau of Land Management, Department of the Interior.

"(c) MANAGEMENT.—

"(1) IN GENERAL.—The Secretary of the Interior, acting through the Director of the Bureau of Land Management, shall manage the Area—

"(A) to protect the resources within the Area; and

"(B) in accordance with—

"(i) this Act;

"(ii) the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.); and

"(iii) other applicable provisions of law.

"(2) MINING.—

"(A) WITHDRAWAL.—The lands within the Area are withdrawn from all forms of appropriation under the mining laws and from disposition under all laws pertaining to mineral leasing, geothermal leasing, and mineral material sales.

"(B) COAL PREFERENCE RIGHTS.—In order to satisfy valid existing rights, the Secretary of the Interior may follow the lease exchange procedures specified in sections 3430.5 and 3435 of title 43, Code of Federal Regulations, on any coal preference right lease application for lands within the Area if the applicant demonstrates that coal exists in commercial quantities on the lands that are the subject of the application.

"(C) OIL AND GAS LEASES.—Operations on oil and gas leases issued prior to the date of enactment of this paragraph shall be subject to the applicable provisions of Group 3100 of title 43, Code of Federal Regulations (including section 3162.5-1), and such other terms, stipulations, and conditions as the Secretary of the Interior considers necessary to avoid significant disturbance of the land surface or impairment of the natural, educational, and scientific research values of the Area in existence on the date of enactment of this paragraph.

"(3) GRAZING.—Livestock grazing on lands within the Area may not be permitted.

"(d) INVENTORY.—Not later than 3 full fiscal years after the date of enactment of this subsection, the Secretary of the Interior, acting through the Director of the Bureau of Land Management, shall develop a baseline inventory of all categories of fossil resources. After the inventory is developed, the Secretary shall conduct monitoring surveys at intervals specified in the management plan developed for the Area in accordance with subsection (e).

"(e) MANAGEMENT PLAN.—

"(1) IN GENERAL.—Not later than the last day of the 5th fiscal year that begins after the date of enactment of this subsection, the Secretary of the Interior shall develop and submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives a management plan that describes the appropriate uses of the Area consistent with this Act.

"(2) CONTENTS.—The management plan shall include—

"(A) a plan for the implementation of a continuing cooperative program with other agencies and groups for—

"(i) laboratory and field interpretation; and

"(ii) public education about the resources and values of the Area (including vertebrate fossils);

"(B) provisions for vehicle management that are consistent with the purpose of the Area and that provide for the use of vehicles to the minimum extent necessary to accomplish an individual scientific project;

"(C) procedures for the excavation and collection of fossil remains, including botanical fossils, and the use of motorized and mechanical equipment to the minimum extent necessary to accomplish an individual scientific project; and

"(D) mitigation and reclamation standards for activities that disturb the surface to the detriment of scenic and environmental values.".•

By Mr. HATFIELD (for himself, Mr. GORTON, and Mr. PACKWOOD):

S. 2966. A bill to amend the Small Business Investment Act of 1958 to permit prepayment of debentures issued by State and local development companies; to the Committee on Small Business.

SMALL BUSINESS PREPAYMENT PENALTY RELIEF ACT

• Mr. HATFIELD. Mr. President, today I am introducing legislation which would correct a serious impediment to the health and expansion of small businesses. This bill will adjust the penalty for early payment of loans taken out when interest rates were high in the early 1980's under the Small Business Administration [SBA] Section 503 Loan Program.

Over 3,760 businesses from all around the country have loans outstanding from this program. If these businesses try to refinance their loans to effect business growth and job expansion, they will be hit with debilitating prepayment penalties. This is no way to promote the small business growth that is so badly needed in this country.

Loans under the 503 program were financed by the Treasury Department's

Federal Financing Bank [FFB] and were guaranteed by the SBA. They were taken out when interest rates were high by businesses that badly needed capital. Now that interest rates are lower, the ability to take advantage of these rates may mean the very survival of businesses hit by a weak economy.

An example of how these loans can become a burden is provided by a family owned restaurant business in Wilsonville, OR. With an outstanding loan balance of $170,000, this family would pay a penalty of $66,000 just to have the privilege of paying off the loan balance. While they recognize the benefit that the 503 program provided when they were starting their business, those marketing the program did not fully explain the potential consequences involved. Now, they find the prepayment provisions of the program to be inflexible, tying them into interest rates of over 13 percent.

My legislation will give businesses an option for 2 years to elect to prepay loans to the Federal Financing Bank. Payment would consist of their unpaid principal, plus accrued interest, plus a reasonable penalty amount.

We are not referring to loan forgiveness here. We are referring to hard-working business people who merely wish to be able to pay off their loans early. When a scholar takes out a student loan, the lenders allow prepayment of the loans. This allows the debtors to achieve the stability of clearing their accounts, and allows the banks to reloan the principal amount plus accrued interest and other fees.

The 503 loan program was set up a little differently. When borrowers want to pay back their higher interest loans in order to shake off this burden of debt and expand their businesses, they are met with penalties of up to 40 percent of the unpaid balance of the loan. It can be said that these people signed these notes and are stuck with them. But, we are not arguing principles of contract law here. We are arguing for reasonable reevaluation of the necessary penalty amount.

The 503 program was replaced by a new program that finances loans in the private market instead of the FFB. These new section 504 loans have fees much more in line with commercial lending practices. It is time that we brought the old loans back from the dark ages. These businesses should not be locked in for decades because of exorbitant penalties.

SBA guaranteed programs are set up for the benefit of small businesses—ideally to help them start and then flourish in their enterprises. If small businesses would benefit from the fair alteration of a program that is keeping them locked into high-interest loans, then we should make this change.

On another issue of import to small businesses, I would like to note that I am proud to be one of those with Senator RUDMAN introducing legislation today to reauthorize the Small Business Innovative Research Program, and will be making a separate statement regarding that bill.•

• Mr. GORTON. Mr. President, the Small Business Prepayment Penalty Relief Act, which Senator HATFIELD has introduced today and of which I am an original cosponsor, will provide much needed relief to 135 small business owners in the State of Washington and over 3,700 business owners nationwide. The Small Business Administration 503 loan has been a source of great frustration to many business owners in my State because of the huge penalties which must be paid if the loan is paid off in advance. This penalty is discouraging many owners from expanding, selling or taking out other loans.

The 503 loan has since been replaced with the SBA 504 loan and, although the 504 loan also has a prepayment penalty, it is only 1 percent of the amount of the loan. This stands in stark contrast to the prepayment penalties of up to 40 percent, as is the case with 503 loans. The legislation introduced today seeks to remedy this situation. It will provide 503 loan owners with a 2-year window to pay off their loans with a prepayment penalty which more adequately reflects current market rates.

Many small business men and women in Washington State and across the country need this legislation to expand or sell their businesses. This, in turn, will undoubtedly bring jobs and economic opportunities to families and communities across Washington State and the Nation. For this reason alone, Mr. President, I urge the Senate to act quickly on this legislation.•

By Mr. GARN (for himself and Mr. MACK) (by request):

S. 2967. A bill to increase the amount of credit available to fuel local, regional and national economic growth by reducing the regulatory burden imposed upon depository institutions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

CREDIT AVAILABILITY AND REGULATORY RELIEF ACT

• Mr. GARN. Mr. President, last week President Bush transmitted to the Congress the Administration's legislative recommendations to enhance the availability of credit in our economy through the reduction of unnecessary and excessive regulatory burdens on depository institutions. This bill, the Credit Availability and Regulatory Relief Act of 1992, contains many important provisions necessary to get our banks back into the business of lending. It will reduce or eliminate a wide range of regulatory burdens that are imposing unnecessary costs on our financial institutions, without appreciably adding to their safe or sound operation.

Last year the administration sent Congress a legislative package to provide needed funding for the Federal Deposit Insurance Corporation; to enhance bank supervision and regulation; and, of paramount importance, to make long-overdue changes in statutes regulating financial structure so that commercial banks could be strong, viable providers of credit to our economy.

The response of Congress last year to the administration's comprehensive package was inadequate and misguided. Because the legislation ultimately produced by the Congress contained the essential funding for the FDIC, the administration had no choice but to sign it.

What Congress produced last year, however, totally ignored structural reform but included every new regulatory and paperwork burden for banks that could be thought of by a Member of Congress or by the General Accounting Office. Congress even ignored the professionals in the Federal bank regulatory agencies in its zeal to pile on new regulatory and paperwork burdens.

Today we are seeing the consequences in the form of inadequate credit for the emerging economic expansion and the consequent lack of job creation.

Regrettably, this Congress has shown itself unable to stand up to the special interest groups and enact desperately needed structural reform in the financial services sector. Hopefully, Congress will not also prove itself unable to distinguish between prudential regulation and regulatory overkill that is choking the economic expansion.

The legislative package I am introducing today is only half a loaf. If does not propose regulatory restructuring, but it will rationalize bank regulation. Admittedly, some Members of Congress will be put in the awkward position of having to admit they went too far in weighing down depository institutions with excessive regulatory burdens last year, but surely the health of our economic expansion is worth this small price.

Mr. President, this bill takes a comprehensive approach to many of the regulatory burden problems facing our financial system. However, as with any legislative proposal, there may be specific provisions that may need to be modified or fine tuned during the legislative process. Nevertheless, it is essential that that process begin as soon as possible. Therefore, today I, along with Senator MACK will introduce this proposal.

Mr. President, I ask unanimous consent that the text of the bill, a section-by-section analysis, and a statement by the President relative to the legislation be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2967

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Credit Availability and Regulatory Relief Act of 1992".

(b) TABLE OF CONTENTS.—

TITLE I—SUPERVISORY REFORMS

Sec. 101. Reduction of examination costs.
Sec. 102. Audit costs.
Sec. 103. Reporting burdens; study of small business lending.
Sec. 104. Regulatory standards and uniformity.
Sec. 105. Branch closures.
Sec. 106. Aggregate limits on insider lending.
Sec. 107. Interbank liabilities.
Sec. 108. Assessment base for deposit insurance premiums.
Sec. 109. Real estate appraisal amendment.
Sec. 110. Community Reinvestment Act amendments.
Sec. 111. Application information.
Sec. 112. Data collection burdens.
Sec. 113. Interest rate restrictions.
Sec. 114. Depository institutions lacking Federal deposit insurance.
Sec. 115. Effective dates.
Sec. 116. Acceleration of the sister thrift exception effective date.

TITLE II—NON-SUPERVISORY REFORMS

SUBTITLE A—EXPEDITED FUNDS AVAILABILITY AND ELECTRONIC TRANSFERS

Sec. 201. Availability schedules.
Sec. 202. Definition of a new account.
Sec. 203. Authority to establish rules regarding payment system losses and liabilities.

SUBTITLE B—AMENDMENT TO THE TRUTH IN LENDING ACT

Sec. 211. Exemption for certain borrowers.

SUBTITLE C—HOMEOWNERSHIP AMENDMENTS

Sec. 221. Estimates of real estate settlement costs.
Sec. 222. Home Mortgage Disclosure Act exemption.
Sec. 223. Adjustable rate mortgage caps.
Sec. 224. Elimination of duplicative data collection.

SUBTITLE D—AMENDMENTS TO THE TRUTH IN SAVINGS ACT

Sec. 231. Advertisements.
Sec. 232. Disclosure requirements for certain accounts.
Sec. 233. Variable rate account.
Sec. 234. Civil liability.

SUBTITLE E—EXPEDITED PROCEDURES FOR BANK HOLDING COMPANIES

Sec. 241. Expedited procedures for forming a bank holding company.
Sec. 242. Exemption of certain holding bank formations from registration under the Securities Act of 1933.
Sec. 243. Expedited procedures for bank holding companies to seek approval to engage in nonbanking activities.
Sec. 244. Reduction of post-approval waiting period for bank holding company acquisitions.
Sec. 245. Reduction of post-approval waiting period for bank mergers.

TITLE I—SUPERVISORY REFORMS

SEC. 101. REDUCTION OF EXAMINATION COSTS.

(a) STATE EXAMINATIONS.—Section 10(d)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)(3)) (as added by section 111 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended to read as follows:

"(3) STATE EXAMINATIONS ACCEPTABLE.—The examination requirement established under paragraph (1) may be satisfied by an examination of the insured depository institution conducted by the State during the 12-month period if the appropriate Federal banking agency determines that the State examination carries out the purposes of this subsection.".

(b) BANKS AND THRIFTS WITHIN BANK OR THRIFT HOLDING COMPANIES.—Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)) (as added by section 111 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended by adding after paragraph (6) the following new paragraph:

"(7) BANKS AND THRIFTS WITHIN BANK OR THRIFT HOLDING COMPANIES.—The appropriate Federal banking agency may exempt any insured depository institution owned or controlled by a depository institution holding company from the requirements of this subsection where—

"(A) the agency is satisfied that adequate internal controls and examination procedures exist within the holding company structure; and

"(B) the insured depository institutions owned or controlled by the depository institution holding company having 80% or more of the total assets of all insured depository institution assets owned or controlled by the depository institution holding company have been examined pursuant to the requirements of this subsection.".

SEC. 102. AUDIT COSTS.

(a) AUDITOR ATTESTATIONS.—Section 36 of the Federal Deposit Insurance Act (12 U.S.C. 1831m) (as added by section 112 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended—

(1) in subsection (a)(2)(A)(ii), by striking "subsections (c) and (d)" and inserting instead "subsection (c)"; and

(2) by striking subsections (c) and (e).

(b) DUPLICATIVE REPORTING.—Section 36(i) of the Federal Deposit Insurance Act (12 U.S.C. 1831m(i)) (as amended by section 112 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended to read as follows:

"(i) REQUIREMENTS FOR INSURED SUBSIDIARIES OF HOLDING COMPANIES.—Except with respect to any audit requirements established under or pursuant to subsection (c) of this section, the requirements of this section may be satisfied for insured depository institutions that are subsidiaries of a holding under this section are provided at the holding company level.".

(c) INDEPENDENT AUDIT COMMITTEES.—Section 36(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1831m(g)(1)) (as added by section 112 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended—

(1) in subparagraph (A)—

(A) by inserting "with total assets greater than $1,000,000,000" after "depository institution"; and

(B) by adding at the end thereof "Each insured depository institution with total assets of $1,000,000,000 or less (to which this section applies) shall have an independent audit committee the majority of which is made up of outside directors who are independent of management of the institution, and who satisfy any specific requirements the Corporation may establish.";

(2) in subparagraph (b), by striking "(b)(2), (c), and (d)" and inserting instead "(b)(2) and (c)";

(3) in subparagraph (C)—

(A) by inserting "and" after the semicolon at the end of clause (i);

(B) by striking "; and" at the end of clause (ii) and inserting instead a period; and

(C) by striking clause (iii); and

(4) by adding at the end thereof the following new subparagraph:

"(D) EXEMPTIVE AUTHORITY.—Each appropriate Federal banking agency shall, by regulation, exempt from the requirements of this subsection all insured depository institutions that face hardships in retaining competent directors on their internal audit committees as a result of this subsection. In determining what types of institutions will be exempted, the agency shall consider such factors as the size of the institution and the availability of competent outside directors in the community.".

(d) PUBLIC AVAILABILITY.—Section 36(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1831m(a)(3)) (as added by section 112 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended by adding at the end thereof "Notwithstanding the previous sentence, the Corporation and the appropriate Federal banking agencies may designate certain information as privileged and confidential and not available to the public.".

(e) QUARTERLY REPORTS.—Section 36(g)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1831m(g)(2)) (as added by section 112 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended by adding at the end thereof the following new subparagraph:

"(D) NOTICE REQUIRED.—Upon determining that an institution's quarterly reports shall be subject to the requirements of subparagraph (A), the Corporation shall promptly provide the institution with written notice of such determination.".

(f) CLERICAL AMENDMENTS.—Section 36 of the Federal Deposit Insurance Act (12 U.S.C. 1831m) (as added by section 112 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended—

(1) by redesignating subsection (d) as subsection (c);

(2) by redesignating subsection (f) through (j) as subsections (d) through (h), respectively.

SEC. 103. REPORTING BURDENS; STUDY OF SMALL BUSINESS LENDING

(a) Section 122 of the Federal Deposit Insurance Corporation Improvement Act of 1991 is repealed.

(b) Section 477 of the Federal Deposit Insurance Corporation Improvement Act of 1991 is repealed.

(c)(1) The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the Small Business Administration shall jointly conduct a study of the appropriate method or methods of obtaining such information as is necessary to assess the availability of credit to small businesses, including minority-owned small businesses and small farms. Such study may include a survey of existing information to assess such credit availability.

(2) Not later than one year after the date of enactment of this Act, the agencies listed in paragraph (1) shall jointly submit to the Congress a report containing a detailed statement of findings made, and conclusions drawn from, the study conducted under this subsection, including such recommendations for administrative and legislative action as such agencies determine to be appropriate.

SEC. 104. REGULATORY STANDARDS AND UNIFORMITY.

(a) Section 39 of the Federal Deposit Insurance Act (12 U.S.C. 1831s), as added by section 132 of the Federal Deposit Insurance Corporation Improvement Act of 1991, is repealed.

(b) The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding after section 41 the following new section:

"SEC. 42. UNIFORM REGULATIONS.

"(a) In General.—Before the end of the two-year period beginning on the date of enactment of the Credit Availability and Regulatory Relief Act of 1992, the appropriate Federal banking agencies shall complete a review of their regulations and adopt uniform regulations, except as provided by subsection (b).

"(b) Variations Permitted.—In adopting regulations under subsection (e), each appropriate Federal banking agency may have such variations in its regulations—

(1) as are required by Federal statute; or

(2) as it determines are necessary to protect a compelling public interest.".

SEC. 105. BRANCH CLOSURES.

Section 39 of the Federal Deposit Insurance Act (12 U.S.C. 1831p) (as added by section 228 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended by adding at the end the following new subsection:

"(d) Definitions.—For purposes of this section, the term 'branch' shall not include:

"(1) an automated teller machine;

"(2) a branch acquired through merger, consolidation, purchase, assumption or other method that is located in a local market area currently served by another branch of the acquiring institution;

"(3) a branch that is closed and reopened in another location within the same local market area that would continue to provide banking services to substantially all of the customers currently served by the branch that is closed;

"(4) a branch that is closed in connection with—

"(A) an emergency acquisition under—

"(i) section 11(n) of this Act; or

"(ii) subsections (f) or (k) of section 13 of this Act;

"(B) any assistance provided by the Corporation under section 13(c) of this Act; or

"(C) resolution of an institution in default or in danger of default; and

"(5) any other branch that is closed and for which exemption from the notice requirements of this section would not produce a result inconsistent with the purposes of this section, as determined by the appropriate Federal banking agency by regulation or order.".

SEC. 106. AGGREGATE LIMITS ON INSIDER LENDING.

(a) In General.—Section 22(h)(5) of the Federal Reserve Act (12 U.S.C. 375(5)) (as amended by section 306 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended—

(1) in subparagraph (A)—

(A) by designating the existing text following "In General.—" as clause (i); and

(B) by adding at the end thereof the following new clause:

(ii) Extensions of credit by a member bank that conform to the collateral or other requirements of section 5200(c) of the Revised Statutes, so as to be qualified as exceptions to the limitations of section 5200(a) of the Revised Statutes, shall not be included in or aggregated with the amount of all outstanding extensions of credit calculated under this subsection.";

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) Small bank exception.—Notwithstanding subparagraph (A) (i), member banks with less than $100,000,000 in deposits may make such extensions of credit in the aggregate to persons specified in subparagraph (A) in an amount not to exceed 2 times the bank's unimpaired capital and unimpaired surplus."; and

(4) in subparagraph (D) (as redesignated), by striking "less than $100,000,000" and inserting instead "between $100,000,000 and $250,000,000".

(b) Definitions.—Section 22(h)(9) of the Federal Reserve Act (12 U.S.C. 375b(9)) (as amended by section 306 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended—

(1) in subparagraph (D), by adding at the end thereof "The Board of Governors of the Federal Reserve System may prescribe by regulation exceptions from the term 'extension of credit' in the case of transactions that are consistent with prudent, safe, and sound banking practices."; and

(2) in subparagraph (F), by adding at the end thereof "the term 'principal shareholder' shall not include a company (including an insured depository institution) of which the member bank is a subsidiary.".

SEC. 107. INTERBANK LIABILITIES.

Section 23 of the Federal Reserve Act (12 U.S.C. 371b-2) (as added by section 308 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is repealed.

SEC. 108. ASSESSMENT BASE FOR DEPOSIT INSURANCE PREMIUMS.

(a) The third sentence of section 7(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(3)) is amended to read as follows: "Two dates shall be selected within the semiannual period of January to June inclusive, and two dates shall be selected within the semiannual period of July to December inclusive.".

(b) Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) is amended to read as follows:

"(3) A depository institution's average assessment base with respect to a semiannual assessment shall be the average of such depository institution's assessment bases for the following two dates:

"(A) the first of the two dates for which the depository institution is required to submit reports of condition pursuant to subsection (a)(3) of this section (hereinafter referred to as 'reports of condition') falling within the semiannual period immediately prior to the semiannual period for which the assessment is due; and

"(B) the second of the two dates for which the depository institution is required to submit reports of condition falling within the semiannual period immediately prior to the semiannual period specified in subparagraph (A).".

(c) Section 7(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(c)(1)) is amended to read as follows:

"(1) On or before the last day of the first month following each semiannual period, each insured depository institution that became insured prior to the beginning of such period shall file with the Corporation a certified statement showing its average assessment base as prescribed in subsection (b)(3) of this section. Each such depository institution shall pay to the Corporation the amount of the semiannual assessment to be determined from the average assessment base it is required to certify under this paragraph.".

(d) Section 7(c)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1817(c)(2)(A)) is amended to read as follows:

"(A) file with the Corporation a certified statement showing, as its assessment base for such period, its assessment base for the date prescribed in subsection (b)(3)(A) of this section, if any, within such period for which it was required to submit a report of condition, or".

(e) Section 7(c)(2)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1817(c)(2)(B)) is amended to read as follows:

"(B) if such depository institution became an insured depository institution after the date prescribed in subsection (b)(3)(A) of this section, such institution shall make a report of condition as of the last day of such semiannual period and shall file with the Corporation a certified statement showing, as its assessment base for such period, its assessment base for the date of such report of condition.".

SEC. 109. REAL ESTATE APPRAISAL AMENDMENT.

(a) Section 1112 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3341) is amended—

(1) by striking "Each Federal" and inserting instead "(a) In General.—Each Federal"; and

(2) by adding at the end the following new subsection:

"(b) De Minimis Exception.—

"(1) Threshold level.—Notwithstanding sections 1113 and 1114 (12 U.S.C. 3342 and 3343), appraisals by a State certified or State licensed appraiser shall not be required for a real estate-related transaction that a Federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates if the transaction has a value of $100,000 or less, except as the appropriate Federal financial institutions regulatory agency or the Resolution Trust Corporation finds necessary for supervisory purposes regarding a particular institution.

"(2) Annual increase.—For purposes of paragraph (b)(1), the dollar amount shall be adjusted annually after December 31, 1992 by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics or at such other higher level as each Federal financial institutions regulatory agency and the Resolution Trust Corporation determines is in the public interest.".

(b) Section 1119(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3348(a)) is amended by adding after paragraph (2) the following new paragraph:

"(3) Prohibition on state requirements.—No State may require that appraisals in connection with real estate-related financial transactions that a Federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates be conducted by State certified or State licensed appraisers.".

SEC. 110. COMMUNITY REINVESTMENT ACT AMENDMENTS.

(a) Modified Reporting.—The Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.) is amended by adding after section 808 the following new sections:

"Sec. 809. Modified Reporting.—

"(a) Scope.—

"(1) This section shall only apply during a calendar year to a regulated financial institution that—

"(A) has not been found to be in violation of section 701(a) of the Equal Credit Opportunity Act, or any other substantive provision of such Act, for the 5-year period preceding such calendar year;

"(B) does not currently have a rating of 'needs to improve' or 'substantial noncompliance' from the appropriate Federal financial supervisory agency under section 807(b);

"(C) had total assets, as of the preceding December 31, of less than $100,000,000; and

"(D) has its main office (and each of its branches) located in a town, political subdivision, or other unit of general local government of a State that has a population of not more than 20,000 persons and that is not part of a metropolitan statistical area.

"(2) For purposes of paragraph (1)(C), the dollar amounts therein shall be adjusted annually after December 31, 1992, by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics.

"(b) REPORTING PROCEDURES.—In lieu of being evaluated under section 804 and receiving a written evaluation under section 807 during the calendar year referred to in subsection (a), a regulated financial institution described in subsection (a) shall—

"(1) declare in writing to the appropriate Federal financial supervisory agency that it is a regulated financial institution described in subsection (a), that it is in compliance with the requirements of this subsection, and that it reasonably believes that its record of meeting the credit needs of its entire community would qualify it for a rating of 'satisfactory' or 'outstanding';

"(2) display any notices that may be required by the appropriate Federal financial supervisory agency concerning its compliance with the requirements of this Act; and

"(3) make available for public inspection the following information regarding the record of such institution in meeting the credit needs of its entire community—

"(A) an identification of the community it serves;

"(B) a list of the types of credit offered by the institution;

"(C) any public comments received within the previous 2 years regarding the institution's service of the entire community's credit needs; and

"(D) copies of any declaration submitted under paragraph (1).

"(c) PENALTIES.—

"(1) IN GENERAL.—If the appropriate Federal financial supervisory agency finds that a regulated financial institution has intentionally submitted false information to the appropriate Federal financial supervisory agency or otherwise has willfully violated the requirements of subsection (b), such institution—

"(A) shall, notwithstanding this section, be subject to the requirements of section 804 for a period of not more than 10 years; and

"(B) shall be subject to a penalty of not more than $100,000.

"(2) MITIGATING FACTORS.—In determining the amount of any penalty imposed under paragraph (1), the appropriate Federal financial supervisory agency shall take into account the appropriateness of the penalty with respect to the size of the financial resources and good faith of the regulated financial institution.

"(d) COMMUNITY CHALLENGE.—The appropriate Federal financial supervisory agency shall investigate any significant allegation filed against a regulated financial institution subject to this section that relates to whether such institution is helping to meet the credit needs of its entire community, consistent with the safe and sound operation of such institution.

"SEC. 810. SAFE HARBOR.—Notwithstanding section 804(a), an application for a deposit facility by—

"(a) a regulated financial institution shall not be denied on the basis of such institution's compliance with this Act if such institution received a rating in its last evaluation under section 804 of 'Outstanding' in its record of meeting community credit needs, as provided in section 807(b); or

"(b) a depository institution holding company as defined in section 3(w) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)) shall not be denied if—

"(1) subsidiaries representing two-thirds in aggregate amount of the holding company's regulated financial institution assets received a rating in their last evaluation under section 804 of 'Outstanding'; and

"(2) the remaining regulated financial institution subsidiaries received a rating in their last evaluation under section 804 of at least 'Satisfactory'.

"SEC. 811. STATE EXAMINATIONS.—

"The appropriate Federal financial supervisory agency may accept examinations conducted by State supervisory agencies pursuant to comparable State community reinvestment laws in order to satisfy the requirements of this Act.".

(b) DUPLICATIVE INFORMATION COLLECTION.—Section 804 of the Community Reinvestment Act of 1977 (12 U.S.C. 2903) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting instead "; and"; and

(3) by adding after paragraph (2) following new paragraph:

"(3) not require a regulated financial institution to collect, prepare, file, or maintain data or information for purposes of assessing the institution's record of helping to meet the credit needs of its entire community if such data or information is also required to be submitted under the Home Mortgage Disclosure Act of 1975.".

(c) ADDITIONAL EVALUATION FACTORS.—The Community Reinvestment Act of 1977 (12 U.S.C. 2901 *et seq.*) is amended—

(1) in section 803 (12 U.S.C. 2902)—

(A) by striking "and" at the end of paragraph (a);

(B) in paragraph (3)(F), by striking the period at the end thereof and inserting instead a semicolon;

(C) in paragraph (4)—

(i) by striking "A financial institution" and inserting instead "a financial institution"; and

(ii) by striking the period at the end thereof and inserting instead "; and"; and

(C) by adding after paragraph (4) the following new paragraph:

"(5) the term 'special purpose bank' means a bank that does not generally accept retail deposits, such as credit card banks and trust banks."; and

(2) in section 804 (12 U.S.C. 2903)—

(A) by designating the existing text as subsection (a); and

(B) by adding at the end thereof the following new subsection:

"(b) In conducting assessments pursuant to subsection (a), each appropriate Federal financial supervisory agency shall—

"(1) to the extent a regulated financial institution is engaged in providing credit in distressed communities (as such term is defined by the appropriate Federal financial supervisory agency) located outside of the community referred to in subsection (a)(1), look favorably on such provision of credit; and

"(2) take into consideration the nature of business in which special purpose banks are involved and develop standards under which special purpose banks may be deemed to have complied with the requirements of this Act that are consistent with the specific nature of such banks.".

(d) PUBLIC DISCLOSURE.—Section 807(b)(1)(B) of the Community Reinvestment Act of 1977 (12 U.S.C. 2906(b)(1)(B)) (as amended by section 222 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended by striking "and data".

SEC. 111. APPLICATION INFORMATION.

(a) Section 5(a) of the Federal Deposit Insurance Act (12 U.S.C. 1815(a)) is amended by adding after paragraph (6) the following new paragraph:

"(7) APPLICATION INFORMATION.—

"(A) APPLICATION INFORMATION PROVIDED TO OTHER FEDERAL BANKING AGENCIES.—Application information provided by a depository institution to an appropriate Federal banking agency other than the Corporation, that also is required to be submitted to the Corporation as part of an insurance application under this section, shall satisfy the requirements of the Corporation for such insurance application if a copy of the application information provided to such other appropriate Federal banking agency is appended to the application to the Corporation.

"(B) AGENCY COORDINATION.—The appropriate Federal banking agencies shall jointly establish application requirements for the purposes of subparagraph (A).".

(b) The amendment made by subsection (a) shall be effective 180 days after the date of enactment of this Act.

SEC. 112. DATA COLLECTION BURDENS.

Section 7(a)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(8)) (as amended by Section 141(c) of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended by adding at the end thereof "In prescribing reporting and other requirements pursuant to this paragraph, the Corporation shall minimize the regulatory burden imposed upon insured depository institutions.".

SEC. 113. INTEREST RATE RESTRICTIONS.

Section 29(g) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(g)) is amended—

(1) in paragraph (3)—

(A) by inserting "(A) IN GENERAL.—" before "Notwithstanding";

(B) by inserting "and except as provided in subparagraph (B) of this paragraph" after "paragraph (2)"; and

(C) by adding at the end following new subparagraph:

"(B) EXCLUSION OF WHOLESALE DEPOSIT ACTIVITIES.—The term 'deposit broker' does not include any adequately capitalized insured depository institution, and any employee of such institution, with respect to the solicitation of wholesale deposits, as such term shall be defined by the Corporation pursuant to paragraph (5)."; and

(2) by adding after paragraph (4) the following new paragraph:

"(5) WHOLESALE DEPOSITS.—The Corporation shall by regulation define the term 'wholesale deposits' for purposes of paragraph (3).".

SEC. 114. DEPOSITORY INSTITUTIONS LACKING FEDERAL DEPOSIT INSURANCE.

(A) REPEAL.—Section 40 of the Federal Deposit Insurance Act (as added by section 151 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is repealed.

(b) LIABILITY PRECLUDED.—The Federal Trade Commission shall not bring or maintain an enforcement action or proceeding against a private deposit insurer for not complying with the requirement to complete the initial annual audit within the time period required by section 151(b)(1) of the Federal Deposit Insurance Corporation Improvement Act (prior to the repeal of section 151 in this Act).

(c) STUDY OF DEPOSITORY INSTITUTIONS LACKING FEDERAL DEPOSIT INSURANCE.—

(1) IN GENERAL.—The Secretary of the Treasury, in consultation with the Chairman of the Securities and Exchange Commission, the Chairman of the Federal Trade Commission, the Chairman of the Federal Deposit Insurance Corporation, and the Chairman of the National Credit Union Administration Board, shall conduct and complete a study of: (A) the measures necessary or appropriate to ensure that the public receives adequate disclosure regarding depository institutions that lack federal deposit insurance, and (B) the appropriateness of imposing audit requirements on private deposit insurers.

(2) TOPICS.—As part of the study required under paragraph (1), the Secretary shall investigate and evaluate the following:

(A) the imposition of an annual audit requirement on private deposit insurers;

(B) the requirements of the audit and the standards pursuant to which such audits would be conducted;

(C) the necessity or appropriateness of establishing a regulatory framework on the State or Federal level to administer such audit requirements;

(D) the types of entities that should be subject to a customer disclosure requirement regarding their lack of Federal deposit insurance;

(E) the manner and content of customer disclosure regarding the lack of Federal deposit insurance;

(F) the appropriateness of establishing a Federal regulatory scheme for administering and enforcing such a disclosure requirement;

(G) the feasibility of establishing a State-administered program for the purpose of certifying that entities lacking Federal deposit insurance meet the requirements for such insurance.

(3) FINAL REPORT.—Not later than the end of the 6-month period beginning on the date of enactment of this Act, the Secretary of the Treasury shall submit to Congress a final report containing a detailed statement of the findings made, and conclusions drawn from, the study conducted under this subsection, including such recommendations for administrative and legislative actions as the Secretary determines to be appropriate.

SEC. 115. EFFECTIVE DATES.

(a) Section 112(b) of the Federal Deposit Insurance Corporation Improvement Act of 1991 is amended by striking "1992" and inserting instead "1993".

(b) Section 131 of the Federal Deposit Insurance Corporation Improvement Act of 1991 is amended—

(1) in subsection (b)—

(A) by striking "9" and inserting instead "18"; and

(B) by striking "1" and inserting "2"; and

(2) in subsection (f), by striking "1" and inserting instead "2".

(c) Section 269(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991 is amended—

(1) in paragraph (1), by striking "9" and inserting instead "18"; and

(2) by amending paragraph (2) to read as follows:

"(2) EFFECTIVE DATE OF REGULATIONS.—The regulations prescribed under paragraph (1) shall take effect no earlier than 2 years from the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991.".

(d) Section 301 of the Federal Deposit Insurance Corporation Improvement Act of 1991 is amended—

(1) in subsection (d)—

(A) by inserting "1 year and" before "150 days;"; and

(B) by inserting "1 year and" before "180 days"; and

(2) by adding after subsection (d) the following new subsections:

"(e) EFFECTIVE DATE.—The amendments made by this section shall become effective 1 year and 180 days from the date of enactment of the Federal Deposit Insurance Corporation Improvement Act of 1991.

"(f) LIABILITY.—The Corporation or the appropriate Federal banking agencies shall not bring or maintain any enforcement action or proceeding against an insured depository institution or a deposit broker for not complying with the amendments made by this section and any regulations implementing such amendments for any period prior to the effective date set forth in subsection (e).".

(e) Section 18(o)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1828(o)(4)) (as added by section 304 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended by striking "become effective not later than 15 months" and inserting instead "take effect no earlier than 2 years and 3 months".

(f) Section 306(*l*) of the Federal Deposit Insurance Corporation Improvement Act of 1991 is amended to read as follows:

"(*l*) EFFECTIVE DATE; LIABILITY.—

"(1) The amendments made by this section shall become effective on December 19, 1992.

"(2) A member bank shall not be liable in any proceeding or suit, and the Board or the appropriate Federal banking agencies shall not bring or maintain any enforcement action, for not complying with the amendments made by this section and any regulations implementing such amendments for any period prior to the effective date set forth in this subsection (as amended by the Credit Availability and Regulatory Relief Act of 1992).".

(g) Section 37(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 183n(a)(3)) (as added by section 121 of the Federal Deposit Insurance Corporation Improvement Act of 1991) is amended by striking "1-year" and inserting instead "2-year".

SEC. 116. ACCELERATION OF THE SISTER THRIFT EXCEPTION EFFECTIVE DATE.

Section 11(a)(2)(B) of the Home Owners' Loan Act (12 U.S.C. 1468(a)(2)(B)) is amended by striking "1995" and inserting instead "1993".

TITLE II—NON-SUPERVISORY REFORMS

SUBTITLE A—EXPEDITED FUNDS AVAILABILITY AND ELECTRONIC TRANSFERS

SEC. 201. AVAILABILITY SCHEDULES.

Section 603(a)(2)(E) of the Expedited Funds Availability Act (12 U.S.C. 4002(a)(2)(E)) is amended by inserting "(other than by use of a proprietary ATM)" after "branch of a depository institution".

SEC. 202. DEFINITION OF A NEW ACCOUNT.

Section 604(a) of the Expedited Funds Availability Act (12 U.S.C. 4003(a)) is amended by striking "30-day period" and inserting instead "90-day period".

SEC. 203. AUTHORITY TO ESTABLISH RULES REGARDING PAYMENT SYSTEM LOSSES AND LIABILITIES.

Section 611(f) of the Expedited Funds Availability Act (12 U.S.C. 4010(f)) is amended by striking "allocate among depository institutions" and inserting instead "allocate among depository institutions and other entities participating in the payments system, including States and political subdivisions thereof on which checks are drawn,".

SUBTITLE B—AMENDMENTS TO THE TRUTH IN LENDING ACT

SEC. 211. EXEMPTION FOR CERTAIN BORROWERS.

(a) SOPHISTICATED BORROWER EXCEPTION.—Section 104 of the Truth in Lending Act (15 U.S.C. 1603) is amended by adding at the end the following new paragraph:

"(7) Credit transactions involving a consumer who a creditor has a reasonable basis to believe had individual income in excess of $200,000 in each of the two calendar years immediately preceding the transaction or who has an individual net worth, or joint net worth with that person's spouse, at the time of the transaction, that exceeds $1,000,000.".

(b) LIMITATION TO ACTUAL DAMAGES IN CIVIL ACTIONS.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended—

(1) in paragraph (1), by inserting "or" at the end thereof;

(2) by striking paragraph (2);

(3) by redesignating paragraph (3) as paragraph (2); and

(4) by striking the first two sentences and the fourth sentence in the flush language following paragraph (2) (as redesignated).

SUBTITLE C—HOMEOWNERSHIP AMENDMENTS

SEC. 221. ESTIMATES OF REAL ESTATE SETTLEMENT COSTS.

The last sentence of section 5(d) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2604(d)) is amended to read as follows: "The lender shall provide such booklet by delivering it or placing it in the mail not later than 3 business days after the application is received, except that no booklet need be provided if the lender denies the application for credit within 3 business days after the application is received.".

SEC. 222. HOME MORTGAGE DISCLOSURE ACT EXEMPTION.

Section 309 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2808) is amended by adding at the end the following new sentence: "The dollar amount of total assets referred to in this section shall be adjusted annually on January 1 by the annual percentage increase in the Consumer Price Index reported for the previous June 1.".

SEC. 223. ADJUSTABLE RATE MORTGAGE CAPS.

Section 1204(d)(2) of the Competitive Equality Banking Act of 1987 (12 U.S.C. 3806(d)(2)) is amended by striking "any loan" and inserting instead "any consumer loan".

SEC. 224. ELIMINATION OF DUPLICATIVE DATA COLLECTION.

Effective 6 months after the date of enactment of this Act, an appropriate Federal banking agency shall not require any insured depository institution (as defined in section 3(q) of the Federal Deposit Insurance Act) and the National Credit Union Administration shall not require any insured credit union (as defined in section 2 of the Federal Credit Union Act) to prepare, file, or maintain data to further the purposes of, or to fulfill the requirements of, the Fair Housing Act if the preparation, filing, or maintenance of such data is required under the Home Mortgage Disclosure Act of 1975.

SUBTITLE D—AMENDMENTS TO THE TRUTH IN SAVINGS ACT

SEC. 231. ADVERTISEMENTS.

Section 263(b) of the Truth in Savings Act (12 U.S.C. 4302(b)) is amended to read as follows:

"(b) BROADCAST AND ELECTRONIC MEDIA AND OUTDOOR ADVERTISING EXCEPTION.—

"(1) IN GENERAL.—The Board shall, by regulation, exempt advertisements, announcements, and solicitations made by any broadcast or electronic medium or outdoor advertising display not on the premises of a depository institution from any disclosure requirements described in paragraphs (4) and (5) of subsection (a).

"(2)(A) RATE BOARD EXCEPTION.—The Board may, by regulation, exempt any interest rate notice board located on the premises of a depository institution from any disclosure requirements described in paragraphs (4) or (5) of subsection (a) if the board finds that any such disclosure would be unnecessarily burdensome.

"(B) DEFINITION.—For purposes of subparagraph (A), the term 'interest rate notice board' means any prominent display on the premises of a depository institution that discloses the interest rates on the various accounts offered by such depository institution, except such term does not include any advertising display promoting a particular type of account or service.".

SEC. 232. DISCLOSURE REQUIREMENTS FOR CERTAIN ACCOUNTS.

Section 265 of the Truth in Savings Act (12 U.S.C. 4304) is amended by striking "relating to annual percentage yield".

SEC. 233. VARIABLE RATE ACCOUNT.

(a) Section 266(c) of the Truth in Savings Act (12 U.S.C. 4305(c)) is amended by striking "If—" and inserting instead "Except in the case of a rate change to a variable rate account, if—".

(b) Section 274 of the Truth in Savings Act (12 U.S.C. 4313) is amended by adding after paragraph (8) the following new paragraph;

"(9) VARIABLE RATE ACCOUNT.—The Term 'variable rate account' means an account which the simple interest rate may change after the account is opened, except if the institution contracts to give the account holder at least 30 days advance written notice of rate changes.".

SEC. 234. CIVIL LIABILITY.

(a) STATUTORY DAMAGES.—Section 271(a) of the Truth in Savings Act (12 U.S.C. 4310(a)) is amended to read as follows:

"(a) LIMITATION TO ACTUAL DAMAGES.—Except as otherwise provided in this section, any depository institution that fails to comply with any requirement imposed under this Act or any regulation prescribed under this Act with respect to any person who is an account holder is liable to such person for an amount equal to any actual damages sustained by such person as a result of such failure.".

(b) CONFORMING AMENDMENT.—Section 271 of the Truth in Savings Act (12 U.S.C. 4310) is amended—

(1) by striking subsection (b); and

(2) by redesignating subsections (c) through (i) as subsections (b) through (h), respectively.

(c) OFFSETS FOR OVERPAYMENT.—Section 271(c) of the Truth in Savings Act (12 U.S.C. 4310(c)) (as redesignated) is amended—

(1) by inserting "(1)" before "A depository institution";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(3) by adding at the end the following new paragraph:

"(2) In any action brought under this section for a violation of this subtitle, actual damages shall be offset by—

"(A) the amount of all interest payments made to the account holder that are greater than the amount determined under any disclosed rates of interest applicable to such payments";

"(B) the amount of any payment, other than interest payments described in subparagraph (A), made to the account holder that are greater than any disclosed amount of payment; and

"(C) the amount of any charge to the consumer that is less than the amount determined under the disclosed charge or fee schedule applicable with respect to such charge.".

SUBTITLE E—EXPEDITED PROCEDURES FOR BANK HOLDING COMPANIES.

SEC. 241. EXPEDITED PROCEDURES FOR FORMING A BANK HOLDING COMPANY.

Section 3(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)) is amended in the second sentence—

(1) by striking "or (B)" and inserting instead "(B)";

(2) by inserting before the period at the end thereof "; or (C) the acquisition by a company of control of a bank in a reorganization in which a person or group of persons exchange their shares of the bank for shares of a newly formed bank holding company and receive, after the reorganization, substantially the same proportional share interest in the bank holding company as they held in the bank except for changes in, shareholders' interests resulting from the exercise of dissenting shareholders' rights under State or Federal law if (i) the company provides the Board written notice of the proposed acquisition not less than 30 days prior to the date of such acquisition, (ii) the Board has not disapproved the notice within the 30-day period following receipt of such notice, and (iii) immediately following the acquisition the newly formed bank holding company meets the capital and other financial standards prescribed by the Board by regulation for such a bank holding company and the bank holding company does not engage in any activities other than those of banking or managing and controlling banks".

SEC. 242. EXEMPTION OF CERTAIN HOLDING COMPANY FORMATIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933.

Section 4 of the Securities Act of 1933 (15 U.S.C. 77d) is amended by adding at the end thereof the following new paragraph:

"(7) transactions involving offers of sales of equity securities, in connection with the acquisition of a bank by a company under section 3(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)), or a savings association by a company under section 10(e) of the Home Owners Loan Act (12 U.S.C. 1467a(e)), if—

"(A) the acquisition occurs solely as part of a reorganization in which a person or group of persons—

"(i) exchange shares of a bank or savings association for shares of a newly formed bank holding company or newly formed savings and loan holding company; and

"(ii) receive, after such reorganization, substantially the same proportional share interests in the newly formed bank holding company or newly formed savings and loan holding company as they held in the bank, except for changes in shareholders' interests resulting from the exercise of dissenting shareholders' rights under State or Federal law; and

"(B) the newly formed bank holding company or newly formed savings and loan holding company has substantially the same assets and liabilities as its predecessor.".

SEC. 243. EXPEDITED PROCEDURES FOR BANK HOLDING COMPANIES TO SEEK APPROVAL TO ENGAGE IN NONBANKING ACTIVITIES.

(a) Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended—

(1) in subparagraph (C), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(2) in subparagraph (D), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(3) in subparagraph (E), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(4) in subparagraph (F), by striking "in subparagraph (A), (B), or (C)" and inserting instead "in clause (i), (ii), or (iii)";

(5) by redesignating subparagraphs (A) through (G) as clauses (i) through (vii), respectively;

(6) by striking "thereto, but for purposes of this subsection" and inserting instead the following:

"thereto, subject to the limitations and requirements of subparagraphs (A) and (B).

"(A)(i) No bank holding company may engage in any activity or acquire ownership or control of the shares of a company pursuant to this paragraph, without providing the Board with at least 45 days prior written notice of the proposed transaction or expansion.

"(ii) The notice submitted to the Board shall contain such information as the Board shall prescribe by regulation or by specific request in connection with a particular notice. The Board may only require such information as may be relevant to the nature and scope of the proposed transaction and to the Board's evaluation of the criteria provided for in clause (iv).

"(iii)(I) A notice filed under this subparagraph shall be deemed to be approved by the Board unless, prior to the expiration of 45 days from the receipt of a complete notice, the Board issues an order setting forth the reasons for disapproval. The Board may extend the 45-day period for an additional 30 days.

"(II) Any proposal may proceed prior to the expiration of the disapproval period if the Board issues a written notice of approval. The Board may provide for no notice under this subparagraph or notice for a shorter period of time with respect to particular activities or transactions.

"(III) In the case of any proposal to engage in, or acquire or retain ownership or control of shares of any company engaged in, any activity pursuant to this paragraph that has not been previously approved by order or regulation, the Board may extend the notice period under this subparagraph for an additional 90 days.

"(iv) In connection with a notice under this subparagraph, the Board may consider the following criteria:

"(I) The managerial resources of the companies involved;

"(II) The adequacy of their financial resources, including their capital, giving consideration to the financial resources and capital of others engaged in similar activities;

"(III) Any material adverse effect on the safety and soundness of financial condition of an affiliated bank or insured institution; and

"(IV) Whether performance of an activity by a bank holding company or a subsidiary of such company can reasonably be expected to produce benefits to the public, such a greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices; and

"(B) For purposes of this subsection"; and

(7) by striking the second sentence.

(b) Section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)) is amended by striking the last two sentences.

SEC. 244. REDUCTION OF POST-APPROVAL WAITING PERIOD FOR BANK HOLDING COMPANY ACQUISITIONS.

Section 11(b)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1849(b)(1)) is amended by adding before the period at the end of the fourth sentence "or such shorter period of time as may be prescribed by the Board with the concurrence of the Attorney General, but in no event less than 5 days.".

SEC. 245. REDUCTION OF POST-APPROVAL WAITING PERIOD FOR BANK MERGERS.

Section 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(6)) is amended by inserting before the period at the end of the last sentence "or such shorter period of time a may be prescribed by the agency with the concurrence of the Attorney General, but in no event less than 5 days.".

STATEMENT BY THE PRESIDENT

Today I will submit to the Congress the "Credit Availability and Regulatory Relief Act of 1992," an important initiative to enhance the availability of credit in the economy by reducing excessive regulatory burdens on banks, thrifts, and credit unions. It builds on the administrative steps taken over the last 18 months to address the credit crunch and create a more balanced regulatory environment.

The reform of antiquated or misguided regulations governing financial institutions has long been a cornerstone of this Administration's economic policy. In March of last year, as a key component of my domestic program, we proposed a comprehensive bill to modernize the financial system, which addressed the fundamental causes of declining competitiveness of our nation's banks. The Congress rejected these proposals and substituted instead yet more layers of regulation and further restrictions on the operations of depository institutions.

Last year's misguided congressional action was simply the latest in a long series of such efforts: over the last 10 years, the Congress has enacted hundreds of statutory provisions governing every conceivable element of the banking business, from the education of real estate appraisers to the proper system of credit scoring. This regulatory micromanagement has encumbered the financial system with a host of unnecessary costs—costs that are inevitably passed on to borrowers in the form of restricted credit and higher-priced loans. As a result, the regulatory restrictions on our Nation's financial intermediaries have now reached a level that creates unacceptable obstacles for economic growth.

The legislation proposed today would reduce or eliminate a wide range of these excessive regulatory burdens without modifying any of the fundamental safety and soundness protections of current law. At a time when the availability of credit is of particular importance to the economy, we cannot let costly Government directives continue to weigh down the consumer and business lending that will fuel economic recovery.

I urge the Congress to move swiftly to pass this important legislation, but the passage of this bill is not the end of reform. Until our proposals to resolve the fundamental problems of the financial system have finally been addressed, our efforts to promote bank reform must continue.

CREDIT AVAILABILITY AND REGULATORY RELIEF ACT OF 1992 ("CARRA") SECTION-BY-SECTION ANALYSIS

TITLE I—SUPERVISORY REFORMS

Section 101. Reduction of examination costs

This section amends Section 111 of FDICIA by expanding the appropriate Federal banking agencies' discretion to use state examinations as substitutes for Federal examinations, if the state examinations are adequate. Examinations by state authorities could serve as substitutes for Federal examinations in each 12-month period rather than only in alternate 12-month periods as provided for in FDICIA.

This section would also reduce duplicative examinations by giving the appropriate Federal bank regulatory agencies the discretion to exempt from Federal examinations insured depository institutions within depository institution holding companies if two conditions are met. First, in order to qualify for the exemption insured depository institution subsidiaries (which must have 80% or more of the banking assets of the holding company) must have been examined. Second, the agency must be satisfied that the holding company has adequate internal controls and examination procedures.

Section 102. Audit costs

This section eliminates subsections (c) and (e) of Section 112 of FDICIA. As a result, insured depository institutions would not be required to obtain attestations of their independent public accountants with respect to: (1) management's claims concerning the adequacy of internal control structures and (2) the institution's compliance with Federal banking laws and regulations.

All insured depository institution subsidiaries of holding companies would be relieved of duplicative audit requirements whenever comparable audit requirements exist at the holding company level.

The independent audit committees of insured depository institutions with total assets of one billion dollars or less would be required to consist of a majority of outside directors (rather than all outside directors, as would be the case for institutions with total assets greater than one billion dollars). This section requires the appropriate Federal banking agencies to exempt certain institutions that may face hardship in retaining competent outside directors on their audit committees as a result of the membership criteria imposed by FDICIA. The appropriate Federal banking agencies also would have authority to designate as "nonpublic" certain information in the annual reports filed by depository institutions. The section also requires the FDIC to notify large institutions if it has determined that the quarterly reports of an institution must be reviewed by its independent public accountant.

Section 103. Reporting burdens; study of small business lending

This section repeals Section 122 of FDICIA, thereby reducing the burden on institutions of providing annual reports on the availability of credit to small businesses and small farms. This section also relieves the Federal Reserve Board of its obligation to compile this information on an annual basis by repealing Section 477 of FDICIA.

Instead, this section requires the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Director of the Office of Thrift Supervision, and the Small Business Administration to conduct jointly a study of the method or methods of obtaining such information as it is necessary to assess the availability of credit to small businesses, including minority-owned small businesses and small farms. The study may include a survey of existing information to assess such credit availability. The study must be completed within 1 year of the date of enactment of CARRA.

Section 104. Regulatory standards and uniformity

This section eliminates the FDICIA requirement that the appropriate Federal banking agencies prescribe operations and managerial standards, asset quality, earnings, stock valuation standards, and compensation standards for insured depository institutions and their holding companies.

This section also requires the appropriate Federal banking agencies to review and, to the extent not required by other applicable law or by reason of a compelling public interest, adopt uniform regulations. The agencies are required to adopt the uniform regulations within two years of the date of enactment of CARRA.

Section 105. Branch closures

Section 228 of FDICIA requires insured depository institutions to provide the appropriate Federal banking agencies and customers of the institutions with advance notification of branch closings. This provision could be interpreted in a manner that could lead to the application of the notice requirement to situations not intended to be covered. For example, the provision could be read to apply to the closing of an ATM or to the closing of branches acquired in an acquisition that are located in the same market area as locations of the acquiring institution. Such closings should not trigger the notice provisions in current law. Moreover, the notice provisions should not apply to situations in which a branch is moved to another location in the same local market area that would continue to serve substantially all of the customers currently served by the branch to be closed. The notice provisions also should not apply to a branch closed in connection with (1) the acquisition of a failed institution, (2) the provision of assistance to an institution by the FDIC, or (3) the resolution of an institution in default or in danger of default. This section clarifies the application of Section 228 of FDICIA by removing these types of branch closings from the notice requirements.

Section 106. Aggregate limits on insider lending

This section amends Section 306 of FDICIA, which establishes an overall cap on the amount an insured depository institution can lend to insiders or their related parties. Pursuant to this cap, insured depository institutions can lend no more than an amount equal to 100 percent of the sum of the institution's unimpaired capital and unimpaired surplus. The effect of this cap is particularly burdensome on small banks. Such banks may be forced either to reduce their lending relationship with their directors or to place other individuals on the board of directors, which could result in the institutions losing the business expertise of those who are replaced. This could be a particular problem in small communities where a director may not have alternative sources of credit.

To remedy this problem, this section provides relief from the overall cap in certain situations. First, this section permits insured depository institutions to exclude from the calculation of the overall cap on loans to insiders any insider loans that meet the exceptions from the loan to one borrower provisions. Second, this section provides that all banks with less than $100 million in deposits may lend in the aggregate to all insiders an amount up to 200 percent of the sum of unimpaired capital and surplus. Third, it grants the Federal Reserve Board the discretion to grant similar exceptions from the overall cap where the exceptions are important to help avoid constricting the availability of credit or necessary to attract directors.

The section also amends two definitions. First, it grants the Federal Reserve Board's authority to prescribe, by regulation, exceptions to the term "extension of credit." The Federal Reserve Board must find that any exceptions it adopts to the term "extension of credit" are consistent with prudent, safe, and sound banking practices.

Second, the term "principal shareholder" is revised to clarify that it does not include a bank or thrift holding company (including those holding companies that are insured depository institutions). Transactions between a bank or thrift and their affiliates are regulated by Section 23A of the Federal Reserve Act. Consequently, applying the insider lending provisions to such transactions is unnecessary.

Section 107. Interbank liabilities

Section 308 of FDICIA directs the Federal Reserve Board to prescribe standards that limit interbank risk exposure. Regulators retain broad regulatory powers under current law to protect against risk exposure. Safety and soundness is further safeguarded by the FDICIA requirement of annual examinations. For these reasons, the requirement of specific standards on interbank risk is unnecessary. Therefore, this section would repeal that section of the law which requires regulators to prescribe standards which limit interbank risk exposure.

Section 108. Assessment base for deposit insurance premiums

Under current law, each insured depository institution's assessment base is computed by taking the average of the institution's domestic deposits as reported in its two most recent call reports. This average is presented in a Certified Statement to the FDIC, and each institution's deposit insurance assessment is based on the figures shown in its Certified Statement.

Institutions often discover errors in their call reports, however, and file corrections in the following months. Nonetheless, they pay their deposit insurance assessments based on the uncorrected figures as those figures appear in their Certified Statements. Later on, when corrections are made, the institutions must adjust their assessments (and their Certified Statements as well.)

In order to improve the quality of information available to the FDIC for calculating deposit insurance assessments, section 108 authorizes the FDIC to "ratchet back" the assessment base calculation by one quarter. In other words, instead of having to base assessments on the most recent and next-to-last call reports (as under current law), the FDIC will base them on the next-to-last call report and the one immediately prior to it (i.e. one quarter earlier than under current law.)

Section 109. Real estate appraisal amendment

This section establishes a minimum statutory threshold level of $100,000 or less, below which real estate appraisals conducted by State certified or State licensed appraisers are not required for real estate-related financial transactions that a Federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates. The section provides for an automatic increase of the threshold pegged to the Consumer Price Index. To ensure that the Federal financial institutions regulatory agencies and the RTC have the flexibility to adapt to changed circumstances, however, the amendment provides the agencies with the ability to raise that minimum level as they determine to be in the public interest. The amendment gives the regulators discretion to require appraisals for transactions of $100,000 or less if the regulator deems such appraisals necessary for supervisory purposes regarding a particular institution. This "supervisory purposes" exemption applies only to particular institutions upon agency determination and is not intended to be administered by regulation.

The section also amends Section 1119(a) of FIRREA by adding a provision that would prohibit states from requiring that appraisals for real estate-related financial transactions that a Federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates be conducted by State certified or State licensed appraisers. In effect, this would prevent states from requiring appraisals for Federally related transactions that fall below any minimum thresholds established by this section.

Section 110. Community Reinvestment Act amendments

This section provides relief for regulated financial institutions from the burdens imposed by the Community Reinvestment Act if the institutions in fact are meeting the credit needs of their communities. This section does this by providing a self-certification process by a modified reporting system for small rural institutions (defined as institutions with assets under $100 million in localities with populations of 20,000 or less that are outside metropolitan statistical areas) that have shown a previous record of compliance with the CRA. Institutions that utilize this system would still be required to meet the credit needs of their local community, but would not have to comply with the burdensome documentation requirements currently attendant to CRA compliance. The section also creates a "safe harbor" for institutions are that rated "outstanding" under the CRA.

In addition to these amendments, this section also prohibits the appropriate Federal financial supervisory agencies from requiring geographic analysis of loans or deposits because such data is essentially redundant to information currently required to be reported under HMDA. In addition, this section eliminates redundant CRA examinations in states that have reporting requirements similar to CRA requirements. In assessing an institution's CRA compliance, this section permits the appropriate Federal financial supervisory agency to take into account any loans made by the institution to distressed communities that are outside of the community in which this institution is located. This section permits special purpose banks, e.g., credit card banks, to comply with CRA in a manner that reflects the nature of their businesses. The special focus of these banks makes it appropriate that nontraditional ways be developed for them to comply with community reinvestment requirements. Finally, it removes the requirement that an agency must discuss the "data" supporting its conclusions on a bank's CRA rating in the publicly disclosed section of the CRA report.

Section 111. Application information

This section is intended to reduce the burden of duplicative filings placed on depository institutions. This section amends Section 5(a) of the Federal Deposit Insurance Act to permit depository institutions to fulfill some of the information requirements of applying to the FDIC for deposit insurance by appending to the application information the depository institution provided to its appropriate Federal banking agency. The amendment also requires the appropriate Federal banking agencies to coordinate their application requirements to prevent unnecessary duplication in applications.

Section 112. Data collection burdens

This section amends the Federal Deposit Insurance Act by adding a provision that would require the FDIC to minimize the regulatory burden imposed by its reporting and other requirements.

Section 113. Interest rate restrictions

This section removes certain restrictions on the interest rates payable on deposits by insured depository institutions that are adequately capitalized. In-house, salaried employees of such insured depository institutions would be able to solicit "wholesale deposits" by offering rates of interest which are higher than the rates of interest offered by the institution's competitors. The FDIC is authorized to define "wholesale deposits" for the purposes of this section.

Section 114. Depository institutions lacking Federal Deposit insurance

This section repeals Section 151 of FDICIA, which relates to private deposit insurers and depository institutions lacking Federal deposit insurance. This section eliminates ambiguous and unnecessarily burdensome provisions of Section 151 and replaces them with provisions requiring a study of the measures necessary to ensure that the public receives adequate disclosure regarding institutions that lack deposit insurance, including a study of the imposition of audit requirements on private deposit insurers.

Section 115. Effective dates

This section delays the effective date of various sections of FDICIA. FDICIA imposed significant new regulatory burdens on the banking and thrift industries that will require careful consideration in their implementation, including considerations of uniformity, by the appropriate Federal banking agencies.

Subsection (a) delays by an additional year the effective date of the provisions contained in Section 112 of FDICIA. Section 112 of FDICIA imposes a number of reporting and internal control requirements on institutions, including the requirement to file annual reports on financial condition and management with the appropriate Federal banking agencies and to have independent audits.

Subsection (b) delays the effective date of Section 131 of FDICIA, which contains the prompt regulatory action provisions, from one year after the date of enactment of FDICIA to two years. In addition, it extends the deadline for the promulgation of regulations from 9 months to 18 months after the date of enactment of FDICIA and the effective date of such regulations from 1 year to 2 years after the date of enactment of FDICIA.

Subsection (c) extends from 9 months to 18 months after the date of enactment of FDICIA the time period within which the Federal Reserve Board must prescribe regulations implementing the Truth in Savings Act. It also provides that such regulations can take effect no earlier than 2 years from the date of enactment of FDICIA.

Subsection (d) delays the applicability of Section 301 of FDICIA, concerning brookered deposits and deposit brokers, one year and 180 days from the date of enactment of FDICIA. In addition, it extends the time period within which the FDIC must promulgate final regulations from 150 days to 1 year and 150 days after the date of enactment of FDICIA. It also extends the deadline for effectiveness of those regulations from 180 days to 1 year and 180 days after the date of enactment of FDICIA.

Because these provisions and the FDIC's regulations were already effective, Section 301 is amended further to include a provision that relieves institutions and deposit brokers from liability for failure to comply with the requirements of that section during the period prior to the new effective date.

Subsection (e) amends Section 304 of FDICIA, which requires the appropriate Federal banking agencies to adopt regulations relating to real estate lending, to provide that the regulations can become effective no earlier than 2 years and 3 months after the date of enactment of FDICIA, or March 19, 1994.

Subsection (f) delays the effective date of the amendments made by Section 306 of FDICIA, which relate to insider lending. The effective date is delayed until December 19, 1992. Because the amendments made by Section 306 are already effective, Section 306 is amended further to include a provision that relieves a member bank from liability for failure to comply with the requirements of the amendments made by that section in the period prior to the new effective date.

Subsection (g) extends by one year the date by which the appropriate Federal banking agencies must review their accounting principles and modify them to be consistent with generally accepted accounting principles, take into account off balance sheet items in financial statements and call reports, and develop a method for disclosure of the fair market values of assets and liabilities.

Section 116. Acceleration of the sister thrift exception effective date

This section permits savings associations to engage in those affiliate transactions permitted for banks under Sections 23A(d)(1) and 23B of the Federal Reserve Act (12 U.S.C. 371c(d)(1) and 371c-1) as of January 1, 1993. This accelerates the effective date of the application to thrifts of the "sister bank" exception therein by two years.

TITLE II—NON-SUPERVISORY REFORMS

Subtitle A—Expedited Funds Availability and Electronic Transfers

Section 201. Availability schedules

This section eliminates next-day availability for certain checks deposited at ATMs. Specifically, checks drawn on and deposited in the same depository institution need not be available for withdrawal on the business day after the business day on which such funds are deposited if they are deposited at an ATM.

Section 202. Definition of a new account

This section extends the period of new account safeguard exceptions to the Expedited Funds Availability Act from the current 30 days after an account is opened to 90 days.

Section 203. Authority to establish rules regarding payment system losses and liabilities

This section authorizes the Federal Reserve Board to impose liability and allocate the risk of loss to all entities participating in the payment system (including states and their subdivisions on which checks are drawn) in the same way the Board currently does with respect to depository institutions.

Subtitle B—Amendments to the Truth in Lending Act

Section 211. Exemption for certain borrowers

This section exempts from the Truth in Lending Act credit transactions involving "sophisticated" borrowers, i.e., persons who have had individual income of more than $200,000 in each of the previous two calendar years or who have a net worth (or joint net worth with a spouse) in excess of $1 million. This section also limits civil liability to damages actually suffered by prohibiting the recovery of punitive damages.

Subtitle C—Homeownership Amendments

Section 221. Estimates of real estate settlement costs

This section amends Section 5(d) of the Real Estate Settlement Procedures Act (RESPA). The amendment would reduce unnecessary mailing and printing costs by exempting lenders from having to mail RESPA-mandated information booklets to loan applicants if the loan application is rejected within three days.

Section 222. Home mortgage disclosure act exemption

This section indexes the asset size of depository institutions exempt from the Home Mortgage Disclosure Act to increases in the Consumer Price Index.

Section 223. Adjustable rate mortgage caps

Existing law requires adjustable rate mortgages to include a cap on the maximum interest rate that may be payable on a loan. This section would amend this provision to clarify that the cap applies only to consumer mortgages.

Section 224. Elimination of duplicative data collection

This section prohibits Federal banking agencies and the National Credit Union Administration from requiring the institutions they regulate to prepare, file, and maintain data to fulfill the requirements of the Fair Housing Act if the collection of such data is required under the Home Mortgage Disclosure Act of 1975.

Subtitle D—Amendments to the Truth in Savings Act

Section 231. Advertisements

This section amends Section 263(b) of the Truth in Savings Act, which places certain disclosure requirements on depository institutions with respect to advertisements, notice boards, and on-premises displays. The amendment gives the Federal Reserve Board discretion to create exceptions to these requirements where they are unnecessarily burdensome. This section gives the Board discretion to exempt, by regulation, interest rate notice boards located on the premises from the FDICIA-imposed requirement that they state, in addition to numerous other statement requirements: (1) that regular fees or other conditions could reduce yield and (2) the minimum initial deposit in addition to the minimum balance necessary to earn the advertised yield if the former is greater. This section does not permit the Board to include in this possible exemption advertising displays located in the facility. This section does, however, exempt advertisements, announcements, and solicitations made by any broadcast or electronic medium or outdoor advertising display from the highly burdensome requirements mentioned above.

Section 232. Disclosure requirements for certain accounts

This section authorizes the Federal Reserve Board to modify any of the disclosure requirements of the Truth in Savings Act with respect to accounts for which the determination of annual percentage yield is based on an annual rate of interest that is guaranteed for a period of less than one year, variable rate accounts, accounts that do not guarantee payment of a stated rate, multiple rate accounts, and accounts for which determination of the annual yield is based on an annual rate of interest that is guaranteed for a stated term.

Section 233. Variable rate account

This section would amend Sections 266(c) and 274 of FDICIA by eliminating the 30-day notice requirement to holders of variable rate accounts. It also excludes from the definition of "variable rate account" accounts in which the institution has promised to give the account holder at least 30 days advance written notice of rate changes.

Section 234. Civil liability

This section amends Section 271 of the Truth in Savings Act to provide that account holders may recover only actual damages that they suffered as a result of a depository institution's failure to comply with any of the requirements of that Act. Permitting punitive damages in such cases is unnecessary because the Federal banking agencies have sufficient authority to ensure that depository institutions comply with the requirements of the Truth in Savings Act. This section also provides that actual damages may be offset by any errors of overpayment or undercharging by the Institution that may be incident to a violation of the Truth in Savings Act.

Subtitle E—Expedited Procedures for Forming a Bank Holding Company

Section 241. Expedited procedures for forming a bank holding company

This section permits reorganizations of banks into holding companies without obtaining the prior approval of the Federal Reserve Board if (1) immediately following the reorganization, the bank's shareholders will have substantially the same proportional share interest in the holding company as they had in the bank, (2) the holding company engages only in managing and controlling banks, (3) the holding company provides 30 days prior written notice to the board, and (4) the Board does not disapprove the reorganization within the 30-day period.

Section 242. Exemption of certain holding company formations from registration under the Securities Act of 1933

This section adds an exemption under Section 4 of the Securities Act of 1933 for the reorganization of a bank into a bank holding company. The exemption provides that the interests of the securities holders in the new holding company must be in substantially the same proportion as their interest in the bank and that the newly-formed holding company has substantially the same assets and liabilities as the bank had immediately prior to the reorganization.

Section 243. Expedited procedures for bank holding companies to seek approval to engage in nonbanking activities

Section 243 establishes a new expedited procedure for bank holding companies to engage in nonbanking activities. Such companies must give at least 45 days notice to the Federal Reserve Board before engaging in, or acquiring ownership or control of the shares of a company engaged in nonbanking activities under Section 4(c)(8) of the Bank Holding Company Act.

The Board must define, by regulation or on a case-by-case basis, the contents of the notice. Only information relevant to the nature and scope of the proposed transaction or activity and to certain specified valuation criteria may be requested by the Board.

The Board may disapprove an activity or transaction by issuing an order to the holding company setting forth the reasons for disapproval before the end of 45 days following receipt of the notice. The 45-day period may be extended for an additional 30 days. A holding company may immediately engage in an activity or proceed with a transaction if it receives written notification of approval from the Board. With respect to particular activities, the Board may eliminate the notice requirement or shorten the notice period. With respect to a proposal to engage in a nonbanking activity under section 4(c)(8) not previously approved by order or regulation, the Board may extend the notice period for an additional 90 days.

In considering a notice under this paragraph, the Board must generally evaluate the proposal using the following criteria: managerial resources, financial resources, including capital; any material adverse effect on the safety and soundness or financial condition of an affiliated bank or thrift; and, as to the nonbanking activity, whether there is reasonable expectation that the public benefits will outweigh possible adverse effects.

Sections 244 and 245. Reduction of post-approval waiting period for bank holding company acquisitions and bank mergers

Section 244 amends section 11(b)(1) of the Bank Holding Company Act and Section 245 amends Section 18(c)(6) of the Federal Deposit Insurance Act to permit, with the concurrence of the Attorney General, reduction of the thirty-day post certification approval waiting period to not less than 5 days.•

By Mr. METZENBAUM:

S. 2968. A bill to amend the Federal Food, Drug, and Cosmetic Act to prevent misleading advertising of the health benefits of foods; to the Committee on Labor and Human Resources.

NUTRITION ADVERTISING COORDINATION ACT

Mr. METZENBAUM. The Nutrition Advertising Coordination Act of 1991, S. 2968, amends the Federal Food, Drug, and Cosmetic Act to grant the Food and Drug Administration [FED] expanded jurisdiction to prevent false and misleading nutrition and health claims in food advertising. The FDA already has the authority to control the use of false and misleading claims in food labeling. The purpose of this bill is to ensure that consumers receive consistent and reliable nutritional information from food labeling as well as food advertising.

For years, the Surgeon General and numerous health organizations have urged Americans to improve their diets in order to reduce the risk of heart attacks, cancer, and other diet-related diseases. During the 1980's, members of the food industry began taking advantage of the public's concern by bombarding consumers with false and misleading claims about food and nutrition. In response to this problem, Congress overwhelmingly approved the Nutrition Labeling and Education act of 1990 [NLEA], which requires the FDA to regulate nutrition and health claims.

Recognizing the importance of a uniform Federal policy in this area, Agriculture Secretary Madigan, whose Department is responsible for the labeling of meat and poultry products, announced that the USDA would follow the same nutrition labeling rules as the FDA. Despite the obvious differences in jurisdiction and authority between the USDA and the FDA, Secretary Madigan understood the importance of ensuring that processed food, meat and poultry all have the same nutrition and health labeling.

Unfortunately, the Federal Trade Commission [FTC], which has jurisdiction over food advertising, has not followed the USDA's lead. While the FTC repeatedly states that it is working closely with the FDA to harmonize advertising and labeling policies, several recent FTC enforcement actions indicate otherwise. The bottom line is that the FTC allows food companies to make nutrition and health claims in ads that both the FDA and USDA believe are misleading and hence would prohibit on labels.

For example, the FTC permits health claims for products that have significant nutritional drawbacks. Under a proposed FTC settlement agreement with Campbell Soup, the company would make a "heart healthy" claim for soups that are low in fat and cholesterol even though they are extremely high in sodium. The NLEA would prohibit such claims on labels because the high sodium content of this product makes it unhealthy for several reasons.

The FTC's policy on nutrition claims also undermines the congressional intent of the NLEA. A primary purpose of the act was to create a limited number of standardized nutrition terms that consumers could learn to depend on. The FTC has failed to take enforcement action against numerous companies that are currently misusing such well-defined terms as "low sodium" or "lean" in food advertising. In addition, the FTC has not indicated that it will prevent companies from using nutrient terms not permitted under the NLEA. The use of an endless number of other nutrient terms, limited only by the creativity of Madison Avenue advertising executives, will only serve to mislead health conscience consumers.

Legislation granting the FDA explicit jurisdiction over health and nutrition claims in advertising is necessary to remedy these problems. In March, the FDA denied a petition requesting that the FDA renegotiate the 1954 agreement between it and the FTC under which the FDA agreed that the FTC would regulate advertising. The petition requested that the FDA take back its authority over food advertising or require the FTC to bring its policies into line with FDA's. The FDA rejected the petition, stating that "Only Congressional action can move FTC authority to FDA".

S. 2968 would do just that by building upon the current authority of the FDA to approve drugs and regulate the advertisements for prescription drugs. The FDA's scientists, nutritionists and other experts are clearly qualified to evaluate the validity of nutrition and health claims in advertising.

Applying the same standards to nutrition claims in advertising and labeling would also help to create a level playing field for competing food companies. A company that spends time and money to develop a product and label that meets the FDA nutrition claims labeling standard of "low in fat" should not be undermined by a competitor that advertises its product as "low in fat" even though the product does not meet the FDA's scientific standard for labeling claims.

The FDA has estimated that the new labeling regulations will reduce the incidence of cancer and heart disease by more than 39,000 cases over the next 20 years. The FTC's policies on food advertising must not be permitted to undermine these important benefits. The Nutrition Advertising Coordination Act of 1991, will help ensure that the benefits of nutrition labeling are enhanced and not diminished.

By Mr. KENNEDY (for himself, Mr. HATCH, Mr. METZENBAUM, Mr. GARN, Mr. ADAMS, Mr. HATFIELD, Mr. BURDICK, Mrs. KASSEBAUM, Mr. GRAHAM, Mr. PACKWOOD, Mr. HARKIN, Mr. SPECTER, Mr. INOUYE, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. PELL, Mr. RIEGLE, Mr. WELLSTONE, and Mr. WIRTH):

S. 2969. A bill to protect the free exercise of religion; to the Committee on the Judiciary.

RELIGIOUS FREEDOM RESTORATION ACT

Mr. KENNEDY. Mr. President, today, along with Senator HATCH and many of our colleagues on both sides of the aisle, I am introducing the Religious Freedom Restoration Act of 1992.

The Supreme Court's 1990 decision in Oregon Employment Division versus Smith was a rare, serious, and unwarranted setback for the first amendment's guarantee of freedom of religion. Before the Smith decision, actions by Federal, State, or local governments that interfered with individuals' ability to practice their religion were prohibited, unless the restriction met a stringent two-part test—first, that it was necessary to achieve a compelling governmental interest; and second, that there was no less burdensome way to accomplish the goal.

The compelling interest test had been the legal standard protecting the free exercise of religion for nearly thirty years. Yet, in one fell swoop, the Court, in the Smith case, overruled that test and declared that there is no special constitutional protection for religious liberty, as long as the law in question is neutral on its face as to religion and is a law of general application.

Under Smith, a government no longer has to justify burdens on the free exercise of religion, as long as these burdens are "merely the incidental effect of a generally applicable and otherwise valid provision."

As Justice Sandra Day O'Connor wrote of the majority's ruling, in her eloquent and forceful opinion concurring in the judgment, "today's holding dramatically departs from well-settled first amendment jurisprudence, appears unnecessary to resolve the question presented, and is incompatible with our Nation's fundamental commitment to individual religious liberty."

The Religious Freedom Restoration Act we are introducing today restores the compelling interest standard for evaluating free exercise claims. It does so by establishing a statutory right that adopts the standards previously used by the Supreme Court. In essence, the act codifies the requirement for the Government to demonstrate that any law burdening the free exercise of religion is essential to furthering a compelling governmental interest, and is the least restrictive means of achieving that interest.

The act creates no new rights for any religious practice or for any potential litigant. Not every free exercise claim will prevail. It simply restores the long-established standard of review that had worked well for many years, and that requires courts to weigh free exercise claims against the compelling-state-interest standard.

Few issues are more fundamental to our country. America was founded as a land of religious freedom and a haven from religious persecution. Two centuries later, that founding principle is suddenly in danger. Religious liberty is damaged each day the Smith decision stands. Since Smith, more than 50 cases have been decided against religious claimants, and harmful rulings are likely to continue.

Because of this clear and present threat to religious freedom, numerous organizations with widely divergent views strongly support this legislation including the American Civil Liberties Union, the American Jewish Committee, the Baptist Joint Committee, the Christian Legal Society, the Church of Jesus Christ of Latter-day Saints, Coalitions for America, Concerned Women for America, the Episcopal Church, the Home School Legal Defense Association, the National Association of Evangelicals, the National Council of Churches, People for the American Way, and the Southern Baptist Convention.

I look forward to working with Senator HATCH and other interested Senators to enact this important legislation to preserve religious liberty. I ask unanimous consent that the text of the bill and a section-by-section analysis may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2969

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Religious Freedom Restoration Act of 1992".

SEC. 2. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the Framers of the Constitution, recognizing free exercise of religion as an unalienable right, secured its protection in the First Amendment to the Constitution;

(2) laws "neutral" toward religion may burden religious exercise as surely as laws intended to interfere with religious exercise;

(3) governments should not burden religious exercise without compelling justification;

(4) in Employment Division v. Smith, 494 U.S. 872 (1990) the Supreme Court virtually eliminated the requirement that the government justify burdens on religious exercise imposed by laws neutral toward religion; and

(5) the compelling interest test as set forth in Sherbert v. Verner, 374 U.S. 398 (1963) and Wisconsin v. Yoder, 406 U.S. 205 (1972) is a workable test for striking sensible balances between religious liberty and competing governmental interests.

(b) PURPOSES.—The purposes of this Act are—

(1) to restore the compelling interest test as set forth in Sherbert v. Verner and Wisconsin v. Yoder and to guarantee its application in all cases where free exercise of religion is burdened; and

(2) to provide a claim or defense to persons whose religious exercise is burdened by government.

SEC. 3. FREE EXERCISE OF RELIGION PROTECTED.

(a) IN GENERAL.—Government shall not burden a person's exercise of religion even if the burden results from a rule of general applicability, except as provided in subsection (b).

(b) EXCEPTION.—Government may burden a person's exercise of religion only if it demonstrates that application of the burden to the person—

(1) is essential to further a compelling governmental interest; and

(2) is the least restrictive means of furthering that compelling governmental interest.

(c) JUDICIAL RELIEF.—A person whose religious exercise has been burdened in violation of this section may assert that violation as a claim or defense in a judicial proceeding and obtain appropriate relief against a government. Standing to assert a claim or defense under this section shall be governed by the general rules of standing under article III of the Constitution.

SEC. 4. ATTORNEYS FEES.

(a) JUDICIAL PROCEEDINGS.—Section 722 of the Revised Statutes (42 U.S.C. 1988) is amended by inserting "the Religious Freedom Restoration Act of 1992," before "or title VI of the Civil Rights Act of 1964".

(b) ADMINISTRATIVE PROCEEDINGS.—Section 504(b)(1)(C) of title 5, United States Code, is amended—

(1) by striking "and" at the end of clause (ii);

(2) by striking the semicolon at the end of clause (iii) and inserting ", and"; and

(3) by inserting "(iv) the Religious Freedom Restoration Act of 1992;" after clause (iii).

SEC. 5. DEFINITIONS.

As used in this Act—

(1) the term "government" includes a branch, department, agency, instrumentality, and official (or other person acting under color of law) of the United States, a State, or a subdivision of a State;

(2) the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and each territory and possession of the United States; and

(3) the term "demonstrates" means meets the burdens of going forward with the evidence and of persuasion.

SEC. 6. APPLICABILITY.

(1) IN GENERAL.—This Act applies to all Federal and State law, and the implementation of that law, whether statutory or otherwise, and whether adopted before or after the enactment of this Act.

(b) RULE OF CONSTRUCTION.—Federal law adopted after the date of the enactment of this Act is subject to this Act unless such law explicitly excludes such application by reference to this Act.

(c) RELIGIOUS BELIEF UNAFFECTED.—Nothing in this Act shall be construed to authorize any government to burden any religious belief.

SEC. 7. ESTABLISHMENT CLAUSE UNAFFECTED.

Nothing in this Act shall be construed to affect, interpret, or in any way address that portion of the First Amendment prohibiting laws respecting the establishment of religion.

SECTION-BY-SECTION ANALYSIS

SECTION 1

This section provides that the title of the Act is the Religious Freedom Restoration Act of 1992.

SECTION 2

In this section, Congress finds that the framers of the Constitution recognized that religious liberty is an inalienable right, protected by the First Amendment, and that government laws may burden that liberty even if they are neutral on their face. Congress also determines that the Supreme Court's decision in Employment Division v. Smith eliminated the compelling interest test for evaluating free exercise claims previously set forth in Sherbert v. Verner and Wisconsin v. Yoder, and that it is necessary to restore that test to preserve religious freedom. The section recites that the Act is intended to restore the compelling interest test and to guarantee its application in all cases where the free exercise of religion is burdened.

SECTION 3

This section codifies the compelling interest test as the Supreme Court had enunciated it and applied it prior to the Smith decision. The bill permits government to burden the exercise of religion only if it demonstrates a compelling state interest and that the burden in question is the least restrictive means of furthering the interest.

SECTION 4

This section amends attorneys fees statutes to permit a prevailing plaintiff to recover attorneys fees in the same manner as prevailing plaintiffs with other kinds of civil rights or constitutional claims.

SECTION 5

This section defines the terms "government", "State", and "demonstrates". "Government" includes any agency, instrumentality or official of the United States, any State or any subdivision of a State. "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and every territory and possession of the United States. "Demonstrates" means to meet the burden of production and persuasion."

SECTION 6

This section states that the Act applies to all existing state and federal laws, and to all such laws enacted in the future. It also clarifies that the authority it confers on the government should not be construed to permit any government to burden any religious belief.

SECTION 7

This section makes it clear that the legislation does not alter the law for determining claims made under the Establishment Clause of the first amendment.

Mr. HATCH. Mr. President, I am pleased today to introduce, along with Senator KENNEDY and others, the Religious Freedom Restoration Act [RFRA] of 1992. This legislation responds to the Supreme Court's April 17, 1990, decision in *Employment Division* v. *Smith*, 494 U.S. 872 (1990). There, the Supreme Court indicated that "an individual's religious beliefs [do not] excuse him from compliance with an otherwise valid law prohibiting conduct that the State is free to regulate." 494 U.S. at 878. This is the lowest level of protection the Court could have afforded religious conduct.

In my view, this standard does not sufficiently protect a person's first amendment right to the "free exercise" of religion. Freedom of religious practice is the first freedom mentioned in the Bill of Rights. It deserves stronger protection than the Supreme Court has given it in Smith. I will mention just two examples that illustrate the concern engendered by this decision. If a State has a legal drinking age of 21, it would be illegal for anyone under that age to use sacramental wine in taking communion in that State. A Jewish student in a public school who wishes to wear a yarmulke in class can be forced to remove it pursuant to a general rule against headwear in class. I believe the free exercise of religion needs protection, even when legislative majorities are unresponsive to religious liberty concerns in a particular instance. I do not believe that a person's right to take communion or wear a yarmulke in a public school should turn on the whim of legislative majorities.

A tough standard is necessary to protect religious liberty. This bill imposes a compelling interest test on State and Federal Governments when a governmental rule or law burdens someone's free exercise of religion.

I fully expect that the Judiciary Committee will conduct hearings on this bill this year. These hearings might reveal ways this bill can be improved or refined, in a manner acceptable to those of us who are deeply concerned about protecting religious liberty. It is clear to me that a legislative response to the Smith decision is important for the preservation of the full range of religious freedom the first amendment guarantees to the American people, especially for those whose religious beliefs and practices differ from the majority in a State or in the country. I am dedicated to enacting this legislation this year.

I believe it is imperative for Congress to act expeditiously in response to the Smith decision, and I look forward to working with the distinguished chairman of the Judiciary Committee, Senator BIDEN, in achieving this result.

Mr. HATFIELD. Mr. President, it is well known that our country was founded by many intrepid individuals who had suffered from religious persecution. The first amendment to our Constitution plainly speaks the will of our Founding Fathers regarding the ability of each citizen to freely exercise their religion of choice.

Much like those first pilgrims who escaped religious persecution in Europe by settling in the new world, the settlers of Oregon traveled long distances in search of a better way of life. The descendants of these settlers and those new travelers who come to our State take their liberty very seriously. However, one of these liberties was placed in jeopardy when a case relating to freedom of religion in Oregon was decided by the United States Supreme Court in April 1990.

This case, Employment Division, Department of Human Resources of Oregon versus Smith, eliminated the strict test formerly used to determine when the Government may abridge one's right to exercise religion and replaced it with a test that would allow free exercise of religion to be incidentally hindered by laws aimed at entirely unrelated activities. Following this reasoning, some courts have already started to erode settled law protecting religion. Today we are introducing the Religious Freedom Restoration Act to restore the state of the law to the standard used before the Smith decision.

In a strong dissent to the Smith opinion, Justices Brennan and Marshall joined with Justice Blackmun who struck to the heart of this issue when he wrote, "I do not believe the Founders thought their dearly bought freedom from religious persecution a 'luxury,' but an essential element of liberty—and they could not have thought religious intolerance 'unavoidable,' for they drafted the Religion Clauses precisely in order to avoid that intolerance."

As always, we must strive to keep the larger picture in focus. Governments do need the ability to regulate dangerous activities of its citizens. But, applications of laws that our legislatures pass which infringe upon the exercise of religion should be strictly scrutinized. This does not put an undue burden on the government in its regulation of public safety. As before the Smith decision, the Religious Freedom Restoration Act would allow governments to use the least restrictive means necessary to further the compelling interests of the state.

Freedom of religion is one of the many freedoms in this country that we often take for granted. One has only to look at the recent history of many nations to realize that no freedom should be taken for granted, especially not the freedom to worship. Religion inspires great passion, both in those who practice it, and in those who would limit its practice. Our Nation's very foundation was in part principled upon the desire to protect the individual ability to worship.

It was Albert Camus who wrote, "Absolute freedom mocks at justice. Absolute justice denies freedom." Certainly there must be some limitations on what constitutes the free exercise of religious practice. However, the "compelling interest" test that this bill would reinstate provides for these limitations while giving religious exercise the protection that it deserves. I am pleased to cosponsor the Religious Freedom Restoration Act, and hope that we will see its rapid adoption into law.

By Mr. SASSER (for himself, Mr. SEYMOUR, Mr. BREAUX, Mr. LIEBERMAN, Mr. MITCHELL, and Mr. HATFIELD):

S. 2970. A bill to amend the Cash Management Improvement Act of 1990, and for other purposes; to the Committee on Governmental Affairs.

CASH MANAGEMENT IMPROVEMENT ACT AMENDMENTS OF 1992

• Mr. SASSER. Mr. President, I rise at this time to introduce for the Senate's consideration the Cash Management Improvement Act Amendments of 1992. I am pleased to number, as original cosponsors of this legislation, Senator SEYMOUR, the ranking member of the Subcommittee on General Services, Federalism, and the District of Columbia, which I chair; Senator BREAUX; Senator LIEBERMAN, who is also a member of my subcommittee; the distinguished majority leader, Senator MITCHELL; and Senator HATFIELD.

Essentially, this legislation would defer the effective date of certain provisions of the Cash Management Improvement Act of 1990 [CMIA], of which I and Senator ROTH were principal cosponsors. Currently, the effective date of the provisions in question is 2 years from the date of enactment of the CMIA, or October 24, 1992.

Our bill would extend the date for final issuance of implementing regulations to July 1, 1993. The date for commencement of reciprocal State and Federal interest obligations would be extended to July 1, 1993, or the beginning of a State's 1994 fiscal year, whichever is later. In all but four States, this would mean an extension to July 1 of next year; the remaining States would all be extended to not later than October 1, 1993. In light of this, our bill would also give the General Accounting Office an extra year to prepare a mandated report on the implementation of the CMIA.

The need for this legislation can be put simply. The interest provisions are at the heart of the CMIA. They require the calculation and offset, between each State and the Federal Treasury, of two categories of interest: Interest payable by the State on any moneys drawn down in advance from the Federal Treasury to fund Federal programs, from the time of drawdown until the funds are paid to program recipients; and interest owed by the Federal Government on funds advanced by the State, for Federal programs, until such time as those funds are reimbursed by the Federal Treasury.

The 1990 CMIA was the culmination of some 8 years of work by State and Federal agencies, task force members, and congressional sponsors. The mutual interest obligations were put in place to provide a self-enforcing mechanism to encourage State agencies, and their Federal counterparts, to minimize the time between the transfer of Federal funds, whether as an advance or reimbursement, and the time those funds are actually used for Federal programs. In short, the act promotes equity between State and Federal governments by insuring that each side loses as little interest opportunity as possible on the use of its own money.

Unfortunately, the process of formulating, circulating, and implementing regulations under the CMIA has taken far longer than any of us expected. We understand that the Department of the Treasury will not be issuing final regulations until the end of this summer—2 months or less before the date when the interest payment provisions will kick in.

This simply does not afford States a sufficient amount of time to make the administrative and legislative changes needed to comply with the CMIA. Indeed, I believe most of my colleagues have been contacted by the Governors or financial officers of their home States—as I have been—urging the passage of an extension to the CMIA. The legislation we are introducing today also has the strong support of the National Governors' Association, the National Conference of State Legislatures, and the National Association of State Auditors, Comptrollers, and Treasurers.

Now, it has all along been anticipated that the sum total of interest offsets between the various States and the Federal Government would result in a net gain to the Federal Treasury each year. My cosponsors and I believe that the extension sought by our bill is only fair and equitable, given the time-sensitive situation in which all of our States find themselves. But we must accept the fact that a deferral of the interest provisions will create the need for an offset, under the 1990 budget agreement, of approximately $74 million.

As this legislation is considered by the Senate, I intend to do all that I can to insure that the requirements of the budget agreement are met. I ask my colleagues to work with me to see that the offset issue is resolved, and to support the early consideration and passage of this legislation.●

By Mr. BOREN:

S. 2971. A bill to amend the Wild and Scenic Rivers Act to protect State-designated rivers prior to their approval or disapproval by the Secretary of the Interior for inclusion in the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

STATE-DESIGNATED WILD AND SCENIC RIVERS PROTECTION ACT

Mr. BOREN. Mr. President, I rise today to introduce legislation that would give greater protection to the Nation's outstanding river resources under the National Wild and Scenic Rivers Act.

The National Wild and Scenic Rivers System currently provides two methods for adding a river to the national system. The first is by an act of Congress under section 1 of the bill. The second is through authority granted to the Secretary of the Interior, known as section 2(a)(ii). Inclusion in the national system is important because the elevated status of the river within the Federal system serves to protect the river from proposed Federal projects, permits, or licenses.

Under section 1 of the act, management of a proposed river is given to the Federal Government. A State whose Governor petitions the Secretary of Interior for inclusion under section 2(a)(ii), however, is allowed to design and implement their own management plan. But while congressionally recognized rivers are given 3 years of temporary protection, section 2(a)(ii) contains no such provision. In other words, States which choose to manage their river resources themselves must forgo protection while they develop responsible management plans. This is clearly contrary to the objectives of the act which seek to preserve rivers for the use and enjoyment of present and future generations.

My legislation would grant the same temporary protective status of State-proposed rivers as that which is currently given to congressionally proposed rivers. It simply states that once a State Governor has requested that the Secretary of the Interior include a State-recognized river or river segment in the National Wild and Scenic Rivers System under section 2(a)(ii), the river would be granted up to 3 years of protection while the State completes and implements a river management plan. My legislation also encompasses rivers which have already been proposed for inclusion in the system by the Governor of a State, such as the Illinois River in Oklahoma.

My home State has gone to great lengths to protect the natural beauty and inherent values of the Illinois River from pollution and degradation. We are currently trying to bring together all the affected interests involved in order to develop the best plan possible. We are committed to preserving the long-term health of the Illinois River and other water resources throughout the Nation by ensuring the protection of State designated wild and scenic rivers.

Mr. President, we owe it to ourselves and to future generations of Americans to help preserve our outstanding natural water resources. The National Wild and Scenic Rivers System has the potential to encompass a vast network of protected rivers managed by a wide array of potential Federal-State-local-private cooperative agreements. States and authorities who know the area best should have the ability to write their own management plans under the protective umbrella of the national system. My legislation would assure States that any initiatives they have undertaken will not be undermined by the Federal Government.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2971

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "State-Designated Wild and Scenic Rivers Protection Act".

SEC. 2. PROTECTION OF STATE-DESIGNATED RIVERS.

(a) IN GENERAL.—Section 2(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1273(a)) is amended by inserting after the second sentence the following new sentence: "Beginning on the date of receipt of an application by the Secretary under clause (ii) and until the earlier of the date of the approval or disapproval by the Secretary of the application or the date that is 3 years after the date of receipt of the application, the river that is the subject of the application shall be protected as if the river were included in the system.".

(b) TRANSITION PROVISION.—A river for which an application under section 2(a)(ii) of the Wild and Scenic Rivers Act (16 U.S.C. 1273(a)(ii)) is pending with the Secretary of the Interior on the date of enactment of this Act shall be protected as described in the third sentence of section 2(a) of such Act (as added by subsection (a)), except that the protection shall begin on the date of receipt of the application and continue until the earlier of the date of the approval or disapproval by the Secretary of the Interior of the application or the date that is 3 years after the date of enactment of this Act.

By Mr. LEAHY:

S. 2972. A bill to amend the Child Nutrition Act of 1966 to temporarily prohibit the use of funds to carry out the WIC-child impact study or a similar study, to direct that any savings be used for supplemental foods and related costs for nutrition services and administration under the WIC program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AMENDMENT OF CERTAIN CHILD NUTRITION PROGRAMS

Mr. LEAHY. Mr. President, I introduce this bill regarding the WIC program to prevent USDA from wasting taxpayer money.

Despite glowing reports about WIC from independent experts, the administration keeps wanting to conduct another study to determine if the WIC program works. They are planning to pay $25 million on a multiple-year study. Congress already has the answers. Studies funded by USDA already show that WIC works.

That is why I am introducing legislation to stop the administration from spending $25 million on the WIC-child impact study.

Instead, we'll put 10,000 new mothers and children on WIC with that money.

It's time to stop playing games and wasting the taxpayers' money.

In 1986, the Reagan administration decided not to do a followup study of children whose mothers were part of the National WIC Evaluation—a national study of pregnant women and infants participating in WIC. That evaluation became infamous as the study whose conclusions were changed by the Department of Agriculture to make it appear that WIC did not work.

The GAO exposed those deceptive efforts of the Reagan-Bush administration. That GAO report was issued in December 1989, and was called: "Food Assistance: The National WIC Evaluation—Reporting and Follow-Up Issues."

The GAO noted that USDA spent $5.9 million on the study which determined that WIC worked. USDA then removed the researchers' summary, which concluded that WIC was an effective program, and added their own information which contained: "errors," "misleading statements," numbers that were "incorrect and misleading," "important reporting errors," and summary statistics that "are inaccurate" according to GAO.

A January 23, 1990, joint hearing of the Senate Agriculture Committee and the House Select Committee on Hunger further exposed this deception.

USDA efforts to make up for that deception now will not work. All those children are now off the WIC program. The followup study that many members of Congress wanted in 1986 and 1987 cannot now be conducted because all the children, in the National WIC Evaluation, are over age 5 and are not participating in WIC.

I am very concerned about the motives of USDA for conducting the proposed WIC-child impact study. The report of the feasibility of the study, issued by Abt Associates on October 31, 1991, raised a number of concerns. The current USDA proposal is not even consistent with the experimental design analyzed in that October 31 study. That independent feasibility study raised serious concerns over whether reliable results could be achieved.

A recent GAO study: "Early Intervention: Federal Investments Like WIC Can Produce Savings" also demonstrates the major savings that accrue because of investments in WIC. Savings occur because of reduced payments for Medicaid, Supplemental Security Income, and special education. States, likewise, could save millions in reduced payments for Medicaid and special education. Private payers, hospitals, and localities could similarly save, principally in reduced health care costs.

I urge the department to stop fighting old battles over whether WIC works. Accept the facts—WIC does work.

Mr. President, I ask unanimous consent to have printed in the RECORD articles from the New York Times and the Washington Post describing this issue.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2972

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TEMPORARY PROHIBITION ON USE OF FUNDS FOR WIC-CHILD IMPACT STUDY.

Section 17(g)(5) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)(5)) is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding at the end the following new subparagraph:

"(B) Notwithstanding subparagraph (A) or any other provision of law—

"(i) none of the funds authorized or appropriated for the purposes of carrying out section 17 of the Child Nutrition Act of 1966 may be obligated prior to October 1, 1997, to carry out the WIC-Child Impact Study or a similar study; and

"(ii) an amount equal to the amount that would otherwise have been expended to carry out the Study or a similar study shall be made available for supplemental foods and related costs for nutrition services and administration.".

[From the Washington Post, Jan. 19, 1990]

REPORT ON WOMEN'S NUTRITION PROGRAM FAULTED

The Agriculture Department altered a major research study to play down the beneficial health effects of the food program for low-income pregnant women and children, according to a General Accounting Office report.

The GAO report, not yet released but obtained yesterday, said researchers who conducted a $5.9 million, six-year study ordered by Congress found that the women-infant-children special food program, known as WIC, enhanced the health of children and mothers.

At a hearing next week, Senate Agriculture Committee Chairman Patrick J. Leahy (D-Vt.) and House Select Committee on Hunger Chairman Tony P. Hall (D-Ohio) are expected to question officials on whether the report was altered in an attempt to head off congressional efforts to enlarge the program or, as Leahy and others have long favored, to make it an automatic entitlement for all those eligible.

Under the WIC program, about 3.4 million low-income pregnant and nursing women and children up to 5 receive foods to ensure proper nutrition, the GAO said, at a cost of about $1.93 billion a year. Less than half those eligible actually receive benefits, the GAO said, because the program is subject to appropriations limits and is not an entitlement.

GAO said the researchers, headed by Dr. David Rush, now of Tufts University, concluded in their 1986 research findings that WIC "improves the diet of pregnant women and children, adds to maternal weight gain, increases the use of prenatal care and reduces pre-term deliveries."

WIC was also credited with affecting the head size of children and perhaps leading to "improved brain growth and potential improvement in behavorial and cognitive performance."

Rush has also said it resulted in fewer infant deaths after the 28th week of life.

In the version of the report submitted to the department for publication, the researchers included summaries stating these conclusions in understandable language, the GAO said.

But before publication, the executive summaries were deleted by the office of the assistant secretary for food and nutrition programs, then headed by John Bode, and the report was rewritten, the GAO said. It said the summaries were dropped and replaced with a "compendium" of results that did not clearly indicate the basic conclusions and "generally understates the benefit of WIC participation."

The GAO said it was told the changes were made because some department officials believed that "the research team's conclusions portrayed the WIC program more favorably than justified by the data."

However, the GAO said, "USDA's compendium of results contains errors and misleading statements about some of the data and deletes the study team's overall conclusions regarding the WIC program's impact on participants."

Contrary to what the office of assistant secretary had given as justification for the changes, the GAO said, "The original executive summary used appropriate methodology, was accurately presented and reported the study's main conclusions" correctly.

[From the New York Times Jan. 21, 1990]

STUDY SAYS CONGRESS WAS MISLED IN REPORT ON A NUTRITION PROGRAM

A revision of an Agriculture Department study unjustifiably played down the benefits of a popular $1.9 billion nutrition program intended to help poor women and children, Congressional investigators said in a report made public Friday.

The report was issued by the General Accounting Office, an investigative arm of Congress. The agency said department reviewers who evaluated research on the program "deleted the original chapter and executive summaries" because those reviewers believed that the deleted material portrayed the program "more favorably than justified by the data."

The Women, Infants and Children Program provides food to pregnant women and new mothers. A Congressional committee plans to hold hearings on the Congressional report next week.

Results of the six-year, $5.9 million analysis were issued in 1986 and almost immediately raised questions, the Congressional report said.

MISLEADING STATEMENTS

The accounting office said the department's compendium of results from the study, substituted for the original summaries, "contains errors and misleading statements about some of the data and deletes the study team's overall conclusions regarding the W.I.C. program's impact on participants."

It added, "In contrast, the original executive summary used appropriate methodology, was accurately presented, and reported the study's main conclusions: that W.I.C. improves the diet of pregnant women and children, adds to maternal weight gain, increases the use of prenatal care, and reduces preterm deliveries."

In comments included in the Congressional report, the department said it "agrees with criticisms of the delays in publishing the report.

"However, the intent of this document was not to understate the results nor to mislead the reader in any way." said Ann Chadwick, Acting Assistant Secretary for Food and Consumer Services. "It was written out of a genuine concern that the summary submitted by the contractor did not accurately characterize the results."

3.4 MILLION RECIPIENTS

The W.I.C. program began in 1972 and provides food supplements and nutrition education to low-income pregnant and breastfeeding mothers and children up to 5 years old. About 3.4 million people were enrolled in the program in the fiscal year that ended Sept. 30.

Food packages contain items like infant formula, milk or milk products, iron-fortified cereal, juice, eggs and dried beans or peanut butter. The packages are supposed to supplement other food sources like food stamps or welfare programs.

The Congressional agency said the objective of the evaluation that began in 1979 was to "provide a reliable estimate of the effects of participation in the W.I.C. program on nutrition and health during pregnancy and early childhood."

The report said a 1987 Agriculture Department study showed that about 10 million people could be eligible for benefits from the program, based on income. And that study used 1984 data, it said.

By Mr. CRANSTON (for himself, Mr. DECONCINI, Mr. ROCKEFELLER, Mr. GRAHAM, Mr. AKAKA, Mr. DASCHLE, Mr. JEFFORDS, Mr. SIMON, and Mr. KERRY):

S. 2973. A bill to amend title 38, United States Code, to improve the care and services furnished to women veterans who have experienced sexual trauma, to study the needs of such veterans, to expand and improve other Department of Veterans Affairs programs that provide such care and services, and for other purposes; to the Committee on Veterans' Affairs.

WOMEN VETERANS SEXUAL TRAUMA SERVICES ACT

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I have introduced today S. 2973, the proposed Women Veterans Sexual Trauma Services Act of 1992. I am pleased to be joined in introducing this legislation by committee members DECONCINI, ROCKEFELLER, GRAHAM, AKAKA, DASCHLE, JEFFORDS, and Senators SIMON and KERRY.

The purpose of this legislation, and of the overnight efforts that we are undertaking on the committee, is to provide for a much needed, more effective response to the needs of women veterans who seek counseling, treatment, or other service for sexual trauma they experienced while serving on active duty. It is tragic that such legislation is needed. Too many of our women service members have been the victims of sexual harassment, sexual assaults, and rape perpetrated by their fellow service members. I am dismayed that apparently those women typically felt they could not report the incidents to military authorities—or even seek medical treatment—for fear of being blamed, scorned, or held back in their careers. And I am also saddened that so few women veterans have sought VA help and that, when they did seek counseling and treatment from the VA, they often found the personnel insensitive or ill-prepared to deal with them or the services inadequate or inappropriate to meet their needs.

At a Veterans' Affairs Committee hearing I chaired on Tuesday of this week, we heard a great deal of testimony reflecting this state of affairs. Women veterans testified to the callousness of their commanders when they reported they had been sexually assaulted or raped. They also told of the VA's inability to help them when they sought assistance for the trauma's aftereffects. At that hearing and at a hearing I chaired earlier today, we also learned that VA is beginning to take steps to rectify its current, general lack of preparedness—though feeling shackled by tight fiscal restraints in doing so—and is trying to become prepared to provide these extremely deserving women veterans the responsive, high-quality services that they should be entitled to receive and for which they have had to wait too long.

At Tuesday's hearing, I stated:

> Today is the dawning of a new era for untold thousands of women veterans. Today—without looking for scapegoats or affixing blame—as Chairman of the Veterans' Affairs Committee, I say to women veterans who were sexually assaulted while defending the United States, your country, whose uniform you proudly wore, now knows it has not done right by you. Today we are determined to start doing so.
>
> You suffered more, much more than you ever should have. Your nation gave you less comfort and less assistance than it should have.
>
> Today we begin to remove this deep and ugly stain on our nation's honor.
>
> A most surprising and disappointing part of this event, now that I look back with the benefit of hindsight, is that it did not occur much earlier. When America hears from today's witnesses, it will feel shame, but I am convinced that this nation will also feel, as I do, compassion and the need to set things right—at long last.

Mr. President, the legislation I am introducing today is one necessary step toward setting things right for a group of women veterans to whom we owe our very best efforts.

SUMMARY OF PROVISIONS

Mr. President, the provisions of our bill would:

First, require the Department of Veterans Affairs, in the case of a woman veteran whom a VA health-care professional—designated by the Chief Medical Director—has found to be in need of counseling or treatment for sexual trauma that occurred during service, to provide the woman veteran with all health-care services necessary in connection with the trauma on the same priority basis as VA is required to provide for service-connected disabilities.

Second, provide the Secretary of VA with the authority, through September 30, 1994, to furnish these services through contracts with non-Department providers and require the Secretary to provide to the Senate and House of Representatives Veterans' Affairs Committees by January 31, 1993, a report on the use of this authority.

Third, require VA to provide a toll-free, 24-hour information and referral telephone line, staffed by personnel trained to facilitate access to VA services, for women veterans.

Fourth, require the Secretary of Veterans Affairs, in cooperation with the Secretary of Defense, to carry out and submit to the Congress by December 31, 1993, a study of the extent of women veterans' needs for counseling, medical care, and other services as the result of experiencing rape, other sexual assault, or sexual harassment while serving on active duty, including the extent of sexual trauma experienced by women in the military service, the extent of underreporting of crimes of sexual violence—generally and, to the extent data are available, in the Armed Forces—and the utilization of military health-care services by women servicemembers who were the victims of rape, other sexual assault, or sexual harassment.

Fifth, require the Secretary of Veterans' Affairs, by December 31, 1992, to provide Congress with a comprehensive report on the VA services—including outreach—for women veterans who experienced rape, other sexual assault, or sexual harassment while serving on active duty, VA's plans to correct deficiencies, and the numbers of male and female counselors provided specialized training in the counseling of women who have been victims of rape, other sexual assault, or sexual harassment.

Sixth, require the Secretaries of Veterans' Affairs and Department of Defense jointly to ensure that all women being separated from active duty are given appropriate, in-person advice regarding the availability of counseling, medical treatment, and other services and assistance from VA with respect to the aftereffects of rape, other sexual assault, or sexual harassment.

Seventh, require VA, by December 31, 1992, to report to the Congress on the difficulties women veterans encounter in obtaining VA determinations that the aftereffects of in-service sexual violence are service connected and what steps should be taken appropriately to facilitate determinations of service-connection.

BACKGROUND

Mr. President, the issues surrounding VA's ability to counsel and treat victims of rape or other forms of sexual violence first came to my attention in a dramatic way about 2 months ago when I learned of a woman veteran who had been raped while on active duty and was seeking VA treatment—several years after the incident occurred. VA's initial response was counterproductive and wholly inappropriate to her needs. Ultimately, after the distressing and upsetting initial efforts failed, VA contracted for community counseling services for her. However, VA's lack of any established helpful form of response struck me as most disappointing.

At about the same time, I noticed in the April 1992 issue of the Disabled American Veterans magazine an article that referred to the difficult situations faced by women veterans who experienced sexual violence in the service.

For more than a decade, I have focused special efforts on VA's response to the health-care needs of women veterans and that effort continues.

In 1982, a General Accounting Office report identified enormous deficiencies in VA's ability to meet women's health-care needs, and the next year Congress enacted legislation I authored, in title III of Public Law 98-160, to help ensure that needed improvements were made. This included creating the Women Veterans Advisory Committee. In January 1992, a GAO study that I requested in September 1990, to assess VA's progress over the past decade, gave VA generally good grades and VA has plans to make needed improvements in areas GAO identified as remaining deficiencies.

However, there are two matters regarding the report that I consider particularly troubling and they may be related. First, we have not yet developed effective means of outreach to women veterans. Women veterans do not use the VA as much as male veterans; we clearly have not reached women veterans and made them feel as welcome in VA as we should. We must find new and better ways to do so.

Second, in all this time since 1982, we have not previously dealt with, as a major deficiency in VA services, the counseling and treatment needs of women veterans who were sexually harassed, assaulted, or raped. We absolutely must correct this situation.

Mr. President, soon after we began looking into this problem, the issue of sexual harassment and assault in the military came to the public's attention. News reports of the events at the Tailhook Association convention in Las Vegas last year and during the ensuing months highlighted several issues that have posed special problems for women in the service—massive tolerance of abusers, an atmosphere of indifference on the part of the military hierarchy, and women's fears of the consequences of reporting sexual assaults.

I am believe that courageous women like Navy Lt. Paula Coughlin, and the other victims of the shameful assaults at the Tailhook convention, and the brave women veterans—Diana Danis, Barbara Franco, Jacqueline Ortiz, and Mary Kelley Richard—who testified before our committee on Tuesday are helping to usher in a new era of respect, support, and assistance for all of the women in our Armed Forces and all women veterans.

SCOPE OF THE PROBLEM

The issue of sexual assault and rape within the military is not new, but it is one of our deepest military secrets. The precise extent of the problem has been and continues to be a huge unknown. The incidence of sexual assault or rape in the military is difficult to establish. Victims of sexual violence tend not to report it. The Pentagon does not keep comparative crime statistics for the various services and the services themselves do not maintain consistent data on sexual violence. The most reliable data we've found so far is in a 1988 Department of Defense survey of sexual abuse, to which approximately 12,500 active-duty military women responded. Five percent of the respondents reported actual or attempted rape or sexual assault during the most recent 12 months. When these figures are projected to the approximately 222,000 women on active duty in 1988, over 11,000 women in the military would have been victims of sexual violence in that 1 year alone. Given the extent of the problem within the military, the implications for VA are astounding. There are currently 1.2 million women veterans; 5 percent—a very, very conservative percentage—would be 60,000 who were raped or otherwise sexually assaulted during service.

A recent VA study conducted by Dr. Jessica Wolfe of the VA's National Center for PTSD in Boston and Joan Furey, R.N., of VA's National Center for PTSD in Menlo Park, CA—revealed that, of 202 female Vietnam veterans in the study, 29 percent experienced a sexual encounter accompanied by force or the threat of force during their service. The results of this study both underline how conservative my estimate is and the need for the further research that our bill calls for.

It is also important to keep in mind that the numbers of women in the service and, hence the number of women veterans, has risen dramatically in recent years. The current 1.2 million women veterans are approximately 4.6 percent of the total veteran population. This percentage is growing as the number of women in the military continues to rise. Women now comprise 12 percent of the active-duty military force, a percentage that will continue to increase as the role of women in the service continues to expand.

CONCLUSION

Mr. President, everyone who is knowledgeable about issues pertaining to sexual assault or other forms of serious trauma agrees that the victims of these experiences need counseling and may require other forms of medical treatment in order to recover completely. If a woman does not receive counseling at the time the violence occurs, most experts also agree she invariably will suffer psychological repercussions in the future. In light of the indications that women on active duty so frequently do not report abuse or seek counseling when it occurs, I am extremely concerned that VA has not yet addressed aggressively the need for treatment and counseling services for women veterans to deal with the aftereffects of sexual violence, that treatment and counseling services are not being made more available, and that issues of eligibility for and entitlement to VA care may further impede these women veterans' access to needed services. Our bill addresses each of these concerns—giving women who are diagnosed as having counseling or treatment needs for sexual trauma that occurred on active duty an entitlement to priority care; requiring VA to provide a toll-free information and referral hotline for women veterans; temporarily expanding the authority of VA to contract for the counseling and treatment of women veterans for sexual trauma; and requiring pertinent studies and research.

Mr. President, I urge all my colleagues to support this important legislation, and I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows

S. 2973

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Women Veterans Sexual Trauma Services Act of 1992".

SEC. 2. CARE AND SERVICES FOR WOMEN VETERANS WHO HAVE EXPERIENCED SEXUAL TRAUMA.

(a) REQUIREMENT TO FURNISH CARE AND SERVICES.—Chapter 17 of title 38, United States Code, is amended by adding at the end of subchapter II the following new section:

"§ 1720D. Care and counseling of women veterans for sexual trauma

"(a) A woman veteran who experienced sexual trauma that occurred during the period of the woman veteran's service on active duty and who is diagnosed by a Department health professional designated by the Chief Medical Director (following an examination of the veteran by such professional) to be in need of counseling or treatment for such sexual trauma shall be furnished care and services with respect to such trauma pursuant to sections 1710(a)(1)(A) and 1712(a)(1)(A) of this title, even though such trauma has not been determined to be service-connected.

"(b)(1) Notwithstanding any other provision of law, the Secretary may enter into contracts with appropriate non-Department facilities (as determined by the Secretary) in order to furnish women veterans with the care and services (including diagnostic services) referred to in subsection (a).

"(2) Not later than January 31, 1993, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the use made of the authority provided under paragraph (1) before the date of the report. The report shall describe the extent of the use of that authority and the types of care and services furnished to women veterans under contracts entered into under that authority.

"(3) The Secretary may not enter into contracts under this subsection after September 30, 1994. The Secretary shall provide that the authority to furnish care and services pursuant to a contract entered into under this subsection shall expire not later than that date.

"(c) For the purposes of this section, the term 'sexual trauma' means the immediate and long-term physical or psychological trauma resulting from rape, sexual assault, sexual harassment, or other act of sexual violence.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 1720C the following new item:

"1720D. Care and counseling of women veterans for sexual trauma.".

SEC. 3. INFORMATION AND REFERRALS FOR WOMEN VETERANS.

(a) INFORMATION SYSTEM.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall commence the provision of information and referrals relating to the care and services referred to in paragraph (2) by means of a toll-free telephone number (commonly referred to as an 800 number).

"(2) The care and services referred to in paragraph (1) are the care and services relating to sexual trauma that are available to women veterans in the communities in which such veterans reside, including care and services available under programs of the Department of Veterans Affairs (including the care and services available under section 1720D of title 38, United States Code (as added by section 2 of this Act)), and from non-Department agencies or organizations.

(b) SYSTEM REQUIREMENTS.—In providing information and referrals under subsection (a), the Secretary shall ensure that the telephone information system described in that subsection—

"(1) is operated by Department personnel who are trained in the provision of the information and referrals described in that subsection to individuals who have experienced sexual trauma; and

"(2) operates at all times.

SEC. 4. REPORT ON NEED FOR CARE AND SERVICES OF WOMEN VETERANS WHO HAVE EXPERIENCED SEXUAL TRAUMA.

(a) REPORT.—Not later than December 31, 1993, the Secretary of Veterans Affairs shall submit to Congress a report on the study carried out by the Secretary under subsection (b).

(b) STUDY.—(1) The Secretary, in consultation with and with the assistance of the Secretary of Defense, shall carry out a study of the needs of women veterans for counseling, medical care, and other services for sexual trauma.

(2) In carrying out the study, the Secretary of Veterans Affairs shall, to the extent feasible, determine the following:

(A) The extent to which women have experienced rape, other sexual assaults, sexual harassment, or other acts of sexual violence while on active military, naval, or air service.

(B) The extent to which incidents of rape, other sexual assaults, sexual harassment, or other acts of sexual violence have been under-reported by women in general, by women who are members of the Armed Forces, and by women veterans.

(C) The extent to which women members of the Armed Forces and women veterans who have experienced sexual trauma have utilized counseling, medical care, and other services furnished by the Department of Defense and the Department of Veterans Affairs in order to respond to such experiences.

SEC. 5. REPORT RELATING TO SERVICES AVAILABLE TO WOMEN VETERANS WHO HAVE EXPERIENCED SEXUAL TRAUMA.

Not later than December 31, 1992, the Secretary of Veterans Affairs shall submit to Congress a comprehensive report on the care and services furnished by the Department of Veterans Affairs to women veterans who have experienced sexual trauma. The report shall include the following:

(1) A detailed description and review of the medical care, counseling, outreach, and other services available under programs of the Department of Veterans Affairs to women veterans who have experienced sexual trauma while on active military, naval, or air service, including the number of male and female counselors who have been provided specialized training in the counseling of women.

(2) An assessment by the Secretary of any deficiencies in such programs in meeting the needs of such veterans for counseling, medical care, and other services in response to such experiences.

(3) A detailed description of the plans of the Secretary to eliminate such deficiencies, and a schedule for the implementation of such plans.

SEC. 6. PROVISION OF INFORMATION ON SERVICES TO WOMEN WHO ARE SEPARATING FROM THE ARMED FORCES.

The Secretary of Defense and the Secretary of Veterans Affairs shall jointly carry out a program to ensure that women who are being separated from active military, naval, or air service are provided information on the counseling, medical care, and other services and assistance relating to sexual trauma that are available to such women under programs carried out by the Department of Veterans Affairs, and the procedures for applying such services and assistance. The Secretary of Defense shall provide such information through an in-person interview conducted with the woman being so separated.

SEC. 7. REPORT RELATING TO DETERMINATIONS OF SERVICE-CONNECTION FOR SEXUAL TRAUMA.

(a) Not later than December 31, 1992, the Secretary of Veterans Affairs shall submit to Congress a report containing—

(1) the Secretary's assessment of—

(A) the difficulties women veterans encounter in obtaining determinations from the Department of Veterans Affairs that medical conditions relating to sexual trauma are service-connected; and

(B) the extent to which Department personnel fail to make determinations of service-connection for such conditions; and

(2) the Secretary's recommendation of actions to be undertaken to respond in a fair manner to such difficulties and to eliminate such failures.

SEC. 8. DEFINITIONS.

In this Act:

(1) The term "active military, naval, or air service" has the meaning given such term in section 101(24) of title 38, United States Code.

(2) The term "Armed Forces" has the meaning given such term in section 101(10) of title 38, United States Code.

(3) The term "sexual trauma" means the immediate and long-term physical or psychological trauma resulting from rape, sexual assault, sexual harassment, or other act of sexual violence.

By Mr. CRANSTON:

S. 2974. A bill to amend title 38, United States Code, to revise certain administrative provisions relating to the United States Court of Veterans Appeals, and for other purposes; to the Committee on Veterans' Affairs.

REVISION OF PROVISIONS RELATING TO THE COURT OF VETERANS APPEALS

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I today introduced S. 2974, a bill to make improvements in the Veterans' Judicial Review Act, the legislation which established the United States Court of Veterans Appeals. The bill includes provisions that, among other things, would establish an outside-review component of the disciplinary procedures applicable to judges of the Court.

BACKGROUND

Mr. President, as the 100th Congress drew to a close, a compromise agreement was reached concerning the previously controversial issue of judicial review of veterans benefits claims. The establishment of United States Court of Veterans Appeals through the Veterans' Judicial Review Act [VJRA], Public Law 100-687, was a proud moment for those of us who worked hard over the years for judicial review. It has been most satisfying to see the Court in action, developing a body of case law and providing truly independent scrutiny of the Department of Veterans Affairs decisions on claims for benefits.

Since the enactment of the VJRA, I have continued to work on legislation to ensure that the Court is able to fulfill its important role. In the 101st Congress, I worked closely with other members of the Committee on Veterans' Affairs and with our House counterparts for enactment of the Court of Veterans Appeals Judges Retirement Act (Public Law 101-94). The collaborative effort of our Committees on that complicated legislation established for judges of the Court a separate retirement system on a par with the retirement plans available to other Federal judges.

Last session, the Veterans' Affairs Committees again collaborated on needed VJRA amendments, which were enacted in Public Law 102-82. That legislation, among other things, authorized the Chief Judge of the Court to convene an annual judicial conference, required the Court to establish procedures consistent with those applicable to other federal courts for considering disciplinary claims against the Court's judges, and made applicable to the Court's judges the provisions of section 455 of title 28, United States Code, which sets forth circumstances under which justices, judges, and magistrates of the United States must disqualify themselves.

CONFIRMATION OF CHIEF JUDGE OF THE COURT

Mr. President, section 1 of the bill would clarify the process through which a vacancy in the position of chief judge of the court is to be filled. Under current law, section 7254(d) of title 38, when a vacancy occurs in the chief judge position, the associate judge senior in service assumes the role of acting chief judge unless the President designates another of the associate judges to serve in that capacity. That provision, added by Public Law 101-94, ensured that the responsibility for carrying out the functions of the chief judge was clearly set forth so as to avoid undue disruption in the event of a vacancy in the chief judge position.

In recognition of the importance of the position of chief judge of the Court, section 1 of the bill would clarify that the President's appointment of any individual, including an associate judge of the court, to be chief judge must be with the advice and consent of the Senate. Under current law, it is clear that if the President appoints an individual not on the Court to be chief judge, that appointment would be subject to Senate confirmation. However, current law does not address directly the question of whether the President's appointment of an associate judge—who has been confirmed by the Senate for that position—to become the chief judge is subject to Senate confirmation. I believe that, in that situation, the Senate should have the opportunity to review the nominee's qualifications as they relate specifically to the chief judge position. The chief judge of the Court, in addition to fulfilling his or her judicial responsibilities, is responsible for overseeing the administration of the court's budget and personnel system and representing the Court in various public functions. Because of the special responsibilities and importance of the chief judge position, I believe that the President's selection of any individual to be chief judge—regardless of that individual's position at the time of his or her selection—warrants the Senate's exercise of our advice-and-consent authority. Section 1 of the bill, therefore, would require that the President's appointment of any individual to be chief judge be by and with the advice and consent of the Senate.

FILING DATE FOR NOTICE OF APPEAL TO THE COURT

Mr. President, section 2 of the bill would provide that an appeal to the Court is filed in a timely manner if it is postmarked—as opposed to being actually received by the Court—within the statutory filing period. Under section 7266(a) of title 38, an appeal to the Court must be filed within 120 days following the date on which the [Board of Veterans' Appeals] notice of decision is mailed.* * * The Court's interpretation of this requirement is reflected in rule 4 of its Rules of Practice and Procedure, which requires that a notice of appeal must actually be received by the Court within that time limit in order to be timely filed. In a series of decisions, the Court has dismissed for lack of jurisdiction appeals that were mailed before, but received by the Court after, the 120-day limit had expired.

I believe that the Court's construction of the 120-day limit Congress established for filing appeals is unnecessarily restrictive and, in practice, provides those who live closer to Washington, DC, where the Court is located, move actual time to perfect their appeals than those living greater distances from the Court. The 120-day filing period begins on the date the Board of Veterans' Appeals notice of decision is mailed from Washington. The U.S. Postal Service advises that its service standards for Washington, DC—which are met approximately 75 percent of the time—call for overnight delivery in the metropolitan area, 2 days for delivery within a 600-mile radius—with the exception of New York City—3 days for elsewhere in the contiguous 48 States, including New York City, and 4 days for Hawaii, Alaska, Puerto Rico, and the U.S. Virgin Islands. Thus, a claimant in California generally would not only receive notice of a BVA decision 2 days after a claimant in Philadelphia whose notice was sent the same day, but, under the Court's current rule, would also be forced to mail the notice of appeal to the Court 2 days earlier than the Philadelphia claimant. Moreover, the Court's actual receipt rule for filing purposes does not grant any lenience to an appellant who may have mailed a notice of appeal well before the 120th day but whose notice was among the 25 percent of mail that is delayed, nor does the rule acknowledge that such delays routinely occur due to no fault of the sender.

Mr. President, the Tax Court, which, like the Court of Veterans Appeals is an article I court located in Washington, DC, uses the postmark as the date of filing pursuant to section 7502 of title 26, United States Code. Also, section 4005(b)(1) of title 38, relating to the internal VA appellate process, provides that a notice of disagreement postmarked before the expiration of the 1-year period [for timely filing of such notices] will be accepted as timely filed. As a practical matter, I believe that requiring the Court to accept as timely filed a notice of appeal that is postmarked within the statutory filing period would be easier for appellants to comply with and would avoid unfortunate dismissals of appeals that are mailed within a reasonable period of time prior to the 120-day limit.

Mr. President, although the Court of Veterans Appeals' adoption of its rule 4 was clearly proper and within the scope of its authority, I believe that fairness to all potential appellants to the Court—regardless of how far away they may reside from the Court or the speed with which the postal service delivers their mail—requires that the date of posting as indicated by the postmark on a notice of appeal be the considered filing date. Thus, section 2 of the bill would amend section 7266(a) of title 38 to require that a notice of appeal be deemed received by the Court on the date of receipt by the Court, if it is delivered to the Court, or the date it is postmarked, if it is mailed.

DISCIPLINARY PROCEDURES FOR JUDGES

Mr. President, section 3 of the bill would allow for review by the Judicial Conference of the United States of judicial conduct or disability actions taken by the Court of Veterans Appeals with respect to judges of the court. Under current law, such outside review is not authorized because the Court of Veterans Appeals is not subject to the administrative authority of the Judicial Conference.

Background: Section 7253(g) of title 38, enacted in section 3 of Public Law 102–82, requires the court to establish procedures, consistent with the provisions of section 372(c) of title 28, for the filing of complaints with respect to the conduct of any judge of the court and for the investigation and resolution of such complaints. This provision was added to ensure that judges of the Court of Veterans Appeals are afforded procedures and due process protections similar to those available to other Federal judges for the consideration of allegations of improper conduct or inability to discharge the duties of office due to mental or physical disability.

However, the procedures applicable to nearly all other Federal courts under section 372(c) of title 28 include the opportunity for outside review of a complaint by the Judicial Conference of the United States, which currently has administrative authority over the Court of Veterans Appeals only with respect to the filing of judges' financial disclosure reports. Under title 28, the Judicial Conference of the United States may review a complaint either on the basis of a referral from a judicial council which has previously reviewed the complaint or upon a petition by a judge or magistrate aggrieved by an action of a judicial council.

Section 3 of the bill would make applicable to the Court of Veterans Appeals the provisions of section 372(c) of title 28 which provide for referral or certification to, and petition for review by, the Judicial Conference.

Over a year ago, Chief Judge Nebeker advised the committee that such outside review would be desirable, yet it was only recently that the Judicial Conference formally indicated that it did not object to assuming this role with respect to the Court of Veterans Appeals.

Mr. President, at the committee's May 23, 1991, hearing, Chief Judge Nebeker offered the court's view on section 4 of H.R. 153, relating to judicial discipline, which was then pending before the committee and subsequently enacted in section 3 of Public Law 102–82. Chief Judge Nebeker testified that the court endorsed the provision as drafted and was prepared to proceed with its implementation. He also stated, however:

> [T]he Court believes that further statutory amendment is necessary and desirable to provide for appeal to judicial entities outside the Court, as is permitted with respect to judicial discipline actions of the Claims Court under [title 28].
>
> Accordingly, the Court favors an amendment to provide for such appeal. I am not prepared to recommend such action until I know the position of the Judicial Conference of the United States. However, providing for an appeal outside the Court itself would avoid any perception of partiality or unfairness.

Since the enactment of Public Law 102–82, I have consulted regularly with Chief Judge Nebeker, who, in turn, has consulted with the Judicial Conference in regard to the Conference assuming a role in judicial disciplinary matters for the Court of Veterans Appeals similar to that which it carries out with respect to other Federal courts. On January 3, I wrote to Chief Judge Nebeker to ask what he had learned about the position of the Judicial Conference on this matter.

Following my inquiry, I received a January 10 response from Chief Judge Nebeker and an April 1 followup response from Associate Judge Steinberg, writing on Judge Nebeker's behalf. Those letters enclosed correspondence from Judge Levin H. Campbell, Circuit Judge of the United States Court of Appeals for the First Circuit and Chairman of the Judicial Conference's Committee to Review Circuit Council Conduct and Disability, and William R. Burchill, General Counsel to the Administrative Office of the United States Courts, which set forth the views of the Judicial Conference. I note that the Committee chaired by Judge Campbell is established under section 331 of title 28 and the Judicial Conference has authorized the disposition of petitions for review directly by that committee.

Judge Steinburg's April 1 letter and enclosures indicated that the Judicial Conference had stated its general agreement to legislation providing it a review role over for disciplinary appeals from the Court of Veterans Appeals. At the March 16, 1992, meeting of the Judicial Conference, the Conference approved the recommendation of Judge Campbell's Committee that the Conference:

> Approve a communication to the Court of Veterans Appeals and the Congress that the Conference does not object to properly drafted legislation providing it a review role over the disposition of conduct and disability complaints involving judges of the Court of Veterans Appeals, but only if (1) consistent treatment is given to other similar Article I courts outside the Conference structure in the event they adopt procedures based upon the Judicial Conduct and Disability Act, 28 U.S.C. §372(c), and (2) it is clarified that the Conference is not thereby required to assume any other administrative function vis-a-vis those courts (except the review of financial disclosure reports already independently provided for).

Because the Judicial Conference and the Court of Veterans Appeals have thus apparently reached agreement on the general issue of the Judicial Conference assuming a review role over the Court's judicial conduct and disability actions, I believe it is appropriate to proceed with legislation to achieve that result. I note that relevant background materials and notice as to my intention to proceed with this proposal have been provided to the staff of the Judiciary Committee in recognition of the fact that this legislation involves the Judicial Conference, and I am hopeful that the Judiciary Committee will have no objections to this legislative approach. Of course, I will welcome the continued input of all parties interested in or affected by this legislation as it proceeds through the legislative process.

Discussion: Mr. President, section 3 of the bill specifically would amend section 7253(g) of title 38 so as to provide an opportunity for review by the Judicial Conference of judicial conduct and disability actions taken by Court of Veterans Appeals acting as a judicial council, as authorized under current section 7253(g). As I noted earlier, under section 372(c) of title 28, the Judicial Conference may review actions taken by a judicial council—either by referral from a judicial council or upon petition by a judge or magistrate aggrieved by a final order by a judicial council. Although a judicial council has general discretion to refer any complaint to the Judicial Conference, a referral is required in any case in which a judicial council determines that a judge appointed to hold office during good behavior may have engaged in conduct which might be grounds for impeachment or which, in the interest of justice, is not amenable to resolution by the judicial council.

Section 3 would establish a similar role for the Judicial Conference in the disposition of judicial conduct or disability complaints against judges of the Court of Veterans Appeals. Because judges of the Court are subject to removal only by the President—not by Congress through impeachment—a determination by the Judicial Conference that a judge should be removed would be certified and transmitted to the President in the same manner as the Conference is required to refer to Congress a determination that consideration of impeachment of an Article III judge may be warranted. Similarly, the statutory grounds for removal of judges of the Court—misconduct, neglect of duty, or engaging in the practice of law—would be treated in the same manner as grounds for impeachment are treated in cases involving Article III judges. Specifically, if the Court, acting as a judicial council, determines that a judge may have engaged in conduct which might constitute grounds for removal, the council would be required to certify that determination to the Judicial Conference and Judicial Conference, if it concurs with the determination or makes its own determination that a consideration of removal may be warranted, would be required to certify its determination and transmit it to the President as the statutory removing officer.

Section 3 would also clarify that the authority of section 1821 of title 28, regarding the payment of per diem and transportation costs to witnesses, would be available in connection with judicial conduct and disability hearings conducted by the Court of Veterans Appeals. Finally, section 3 would grant the court the power granted to the Administrative Office of United States Court under section 372(c) of title 28 in connection with judicial conduct and disability hearings. This provision would allow the court to expend appropriated funds to award reimbursement for reasonable expenses, including attorneys' fees, to a judge against whom a complaint is dismissed after consideration by the judicial council.

MODIFICATION OF COURT OF VETERANS APPEALS JURISDICTION

Mr. President, section 4 of the bill would amend section 402 of the VJRA so as to modify the basis of the Court of Veterans Appeals' jurisdiction. Under current law, the court's jurisdiction is limited to cases in which a notice of disagreement [NOD] was filed on or after the date of enactment of the VJRA, November 18, 1988. A notice of disagreement is a written communication filed by a claimant expressing dissatisfaction or disagreement with an adjudicative decision made by a VA Regional Office—or Medical Center or clinic—and is the first step in the appellate process. Section 4 would modify the court's jurisdiction to cover cases in which the NOD was filed prior to November 18, 1988, and the Board of Veterans' Appeals issued a final decision after that date. This change would ensure that all cases decided by the BVA after the date of the VJRA's enactment could be reviewed by the court.

In 1988, when the House and Senate Committees on Veterans' Affairs reached a compromise agreement on legislation to establish a new article I appellate court for veterans claims, it was clear that some jurisdictional limit was needed to keep the new court from being immediately overwhelmed with claims that had been resolved years or decades earlier and also to allow a reasonable amount for the court to become operational. To address those two concerns, the VJRA limited the new court's jurisdiction to only those cases in which an NOD was filed on or after the date of enactment. This meant that the first cases that would be eligible for court review had not yet been decided by the Board of Veterans' Appeals as of the date of enactment. At the time, the Board was taking an average of approximately 12 months from the time an NOD was filed with until the Board rendered a decision in a case. Thus, the jurisdictional limitation essentially provided one year—during which the Court could be established—before there were BVA decisions that would be eligible for court review. As events transpired, the court first convened on October 16, 1989, 11 months after the enactment of the VJRA.

Mr. President, the VJRA's limitation of the court's jurisdiction provided a practical solution to the then-potential problem of the court being overburdened with appeals before it was actually functioning. There was a strong belief among those involved in the legislative process that, after so long a wait for judicial review of veterans claims, the establishment of the court and its commencement of operations had to be undertaken in a prudent fashion so as to ensure that all who would come before it would be confident in its ability to function effectively. Only six times before in the history of the United States had a court of national jurisdiction been created, and countless administrative matters—in addition to the appointment and confirmation of the judges—required attention.

However, the court has now been operating for almost 2 years with a full complement of seven judges and the administrative obstacles involved in getting it established and fully functioning have been overcome. At this point, the basis for the practical concern about overloading the court's docket before the court was functioning, which led Congress to allow 1 year before any cases would be ripe for appeal, no longer exists. Thus, I believe that it now makes sense to expand the court's jurisdiction so as to allow review of all cases in which the Board of Veterans' Appeals issued a final decision after the date of enactment of the VJRA. This modest alteration of the court's jurisdiction would be consistent both with the VJRA's original intent to prohibit old cases from being brought before the court and with the commonsense expectations of many veterans that all BVA decisions rendered after the enactment of the VJRA would be reviewable by the court. I know that many veterans whose cases were decided by the Board after the promise of judicial review was finally enacted in 1988 felt bitter disappointment when they discovered that the technical aspects of the legislation excluded them.

Because the modification that would be made by section 4 would provide an opportunity for court review for cases currently not eligible for review, the provision would also give a newly eligible claimant a new opportunity, ending 6 months after VA's notification of the claimant of the enactment of this provision, to file a notice of appeal. This is necessary because, although cases in which an NOD was filed before November 18, 1988, but decided by the BVA after that date would be made eligible for court review, the claimants would not have been able to file a notice of appeal with the court within the 120-day filing period.

CONCLUSION

Mr. President, this legislation would enhance the ability of the Court of Veterans' Appeals to fulfill its important role of providing judicial review of veterans claims. I look forward to working with my colleagues on the Senate and House Veterans' Affairs Committees on this legislation in the same spirit of cooperation that we have enjoyed over the past 4 years, and I urge all of my Senate colleagues to support this measure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2974

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONFIRMATION OF CHIEF JUDGE.

Section 7253(b) of title 38, United States Code, is amended by striking out "The judges" and inserting in lieu thereof "The chief judge and the associate judges".

SEC. 2. MAILING OF NOTICES OF APPEAL TO THE COURT OF VETERANS APPEALS.

(a) IN GENERAL.—Section 7266(a) of title 38, United States Code, is amended to read as follows:

"(a)(1) In order to obtain review by the Court of Veterans Appeals of a final decision of the Board of Veterans' Appeals, a person adversely affected by such decision shall file a notice of appeal with the Court within 120 days after the date on which notice of the decision is mailed pursuant to section 7104(e) of this title.

"(2) An appellant shall file a notice of appeal under this section by delivering or mailing the notice to the Court.

"(3) A notice of appeal shall be deemed to be received by the Court as follows:

"(A) On the date of receipt by the Court, if the notice is delivered.

"(B) On the date of the postmark stamped on the cover in which the notice is posted, if the notice is mailed.".

(b) APPLICATION.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to notices of appeal that are delivered or mailed to the United States Court of Veterans' Appeals on or after that date.

SEC. 3. DISCIPLINARY PROCEDURES.

Section 7253(g) of title 38, United States Code, is amended—

(1) by inserting "(1)" after "(g)"; and

(2) by adding at the end the following:

"(2) The provisions of paragraph (7) through (15) of section 372(c) of title 28, regarding referral or certification to, and petition for review in, the Judicial Conference of the United States and action thereon, shall apply to the exercise by the Court of the powers of a judicial council under paragraph (1) of this subsection. The grounds for removal from office specified in subsection (f)(1) of this section shall provide a basis for a determination pursuant to paragraph (7) or (8) of section 372(c) of title 28, and certification and transmittal by the Conference shall be made to the President for consideration under subsection (f).

"(3)(A) In conducting hearings pursuant to paragraph (1) of this subsection, the Court may exercise the authority provided under section 1821 of title 28 to pay the fees and allowances described in that section.

"(B) The Court shall have the power provided under section 372(c)(16) of title 28 to award reimbursement for the reasonable expenses described in that section. Reimbursements under this subparagraph shall be made from funds appropriated to the Court.".

SEC. 4. AVAILABILITY OF REVIEW BY COURT OF VETERANS APPEALS.

(a) AVAILABILITY.—Section 402 of the Veterans' Judicial Review Act (38 U.S.C. 7251 note) is amended by striking out "in which a notice of disagreement" and all that follows through the end of the section and inserting in lieu thereof "in which the Board of Veterans' Appeals makes a final decision under section 7104 of title 38, United States Code, after November 18, 1988.".

(b) EFFECTIVE DATE.—(1) The amendment made by subsection (a) shall take effect as of November 18, 1988, and apply to cases in which the Board of Veterans' Appeals make a final decision under section 7104 of title 38, United States Code, on or after that date.

(2)(A) Notwithstanding paragraph (1), a person referred to in subparagraph (B) shall be entitled to obtain review by the Court of Veterans' Appeals of a final decision referred to in clause (ii) of that subparagraph if the person files a notice of appeal with the Court of Veterans' Appeals with respect to that decision not later than 180 days after the notification date referred to in subparagraph (C).

(B) Subparagraph (A) applies to a person who—

(i) filed a notice of disagreement with the Board of Veterans' Appeals before November 18, 1988; and

(ii) received a final decision by the Board on the matter subject to the notice of disagreement on or after such date.

(C) The Secretary of Veterans' Affairs shall, to the maximum extent practicable, notify each person referred to in subparagraph (B) of the eligibility of the person to file a notice of appeal with the Court under subparagraph (A). The date of such notification shall be deemed to be—

(i) the date of such notification, in the case of actual notification; or

(ii) the date of the postmark stamped on the cover in which the notification is posted, if the notice is mailed.

By Mr. McCAIN:

S. 2975. A bill to provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, AZ, and for other purposes; to the Select Committee on Indian Affairs.

YAVAPAI-PRESCOTT INDIAN TRIBE WATER RIGHTS SETTLEMENT ACT OF 1992

• Mr. McCAIN. Mr. President, I am very pleased to introduce today legislation whose principal purpose is to provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, AZ.

This settlement is a further effort to implement the policy of the United States, in fulfillment of its trust responsibility to Indian tribes, to settle tribal water rights claims fairly and honorably, without lengthy and costly litigation.

The history of the Yavapai Apache Tribe in Arizona is a long story of a tenacious struggle to remain and survive on a small portion of the large area that was once considered their territory. In 1935, the United States established a reservation for the tribe adjacent to the city of Prescott. This reservation now includes 1,400 acres of land which is crossed by Granite Creek, a small stream that flows into the Verde River.

In 1978, the State of Arizona initiated in State court a general stream adjudication of the Gila River System and Source, which includes the Verde River watershed. The United States, as trustee for the tribe, is pursuing claims in that adjudication to 2,670 acre-feet of water for domestic, municipal, commercial, industrial, and irrigation purposes on the reservation.

The general stream adjudication, which includes thousands of claims and claimants, is expected to take decades to complete, at great expense to all parties. The prolonged uncertainty as to the full extent of the Yavapai-Prescott Tribe's entitlement to water, and the availability of water supplies to fulfill that entitlement, is a major obstacle to the orderly planning and development by the tribe and the city of Prescott.

In view of the costs of litigation and the uncertainty of the outcome, the tribe, the city, the Chino Valley Irrigation District, which has claims to the waters of Granite Creek, the State of Arizona, and the United States have sought to negotiate a settlement of all claims to water between and among them.

Representatives of the Yavapai-Prescott Tribe, the city of Prescott, the Chino Valley Irrigation District, the State of Arizona, and the United States have negotiated a settlement agreement to resolve all water right claims between and among them, and to provide the tribe with long term, reliable water supplies for the orderly development and maintenance of the tribe's reservation.

The settlement agreement provides that the quantity of water that will be available to the Yavapai-Prescott Tribe under the existing water service agreement between the tribe and the city of Prescott will be secured, and that that water service agreement will be continued in perpetuity. The tribe's continued on-reservation use of ground water for municipal and industrial, recreational, and agricultural purposes will be provided for, and its rights to the waters in Granite Creek will be quantified.

The legislation will approve, ratify, and confirm the settlement agreement and authorize and direct the Secretary of the Interior to execute and perform the agreement.

Both the city and the tribe have allocations of Colorado River water from Central Arizona Project [CAP], which they received with the understanding that those allocations would be exchanged with downstream Verde River water users for water from the Verde River. However, it is now clear that neither the city nor the tribe will be able to realize such exchanges, principally because of the need to maintain sufficient water flows in the upper reaches of the Verde River to maintain various endangered species.

As part of the settlement, the legislation would authorize the Secretary of the Interior to acquire the city of Prescott's 7,127 acre-foot allocation of Central Arizona Project water and the tribe's allocation of 500 acre-feet of such water for a sum, not to exceed $1,300 per acre-foot, to be negotiated with the Secretary.

The legislation authorizes $9,915,000 in appropriations to permit the Secretary to acquire the allocations at the maximum price. The actual price, however, will be determined in negotiations that necessarily must take into consideration relevant factors affecting the price of various categories of water in Arizona.

The city would be required to deposit the funds it would receive for relinquishing its allocation into a trust account for use in defraying the costs associated with the investigation, acquisition or development of alternative sources of water to replace the central Arizona project water it would relinquish.

The tribe could use its funds to defray its water service costs under the water service agreement or for development and maintenance of on-reservation water facilities. Under the terms of the settlement agreement, the State of Arizona would contribute $200,000 to the tribe's settlement trust fund for these purposes.

The Secretary would be able to use the acquired central Arizona project allocations in his efforts to settle the water rights claims of other tribes in Arizona for whom the United States is also advancing claims in the general stream adjudication.

By providing for the acquisition of the city and the tribe's central Arizona project allocations and requiring the use of funds to provide alternative water supplies, the settlement supplants another alternative that was authorized in the Fort McDowell Indian Water Rights Settlement of 1990.

The McDowell settlement authorized the acquisition of Prescott's and the tribe's central Arizona project allocations as well as the allocations of other municipal water users in the Verde River basin for use in that settlement. It authorized $30,000,000 in Federal appropriations for the acquisition of groundwater sources in the Verde Basin and for the construction of facilities to deliver such water, provided that the acquisition and construction could be accomplished without adverse affect on endangered species and that the Prescott tribe assigned their allocations to the Secretary for use by Fort McDowell.

The expense and potential adverse environmental impact of this so-called Prescott Option will be rendered unnecessary by the Yavapai-Prescott settlement. Accordingly, the Yavapai-Prescott legislation would repeal the $30,000,000 authorization for that option in favor of an alternative that, at most, would cost the Federal Government less than one-third as much money and pose no threat to the riparian habitat or flows of the Verde River.

Mr. President, this settlement will advance the goals of Federal Indian policy and fulfill the trust responsibility of the United States to the Yavapai-Prescott Indian Tribe. Therefore, it is entirely appropriate that the United States participate in the implementation of the settlement agreement and contribute funds to firm up the city of Prescott and the Yavapai-Prescott Tribe's long-term water supplies. Doing so will enable the tribe to utilize fully its water entitlements in developing a diverse, efficient reservation economy, and thereby give a substantial boost to its determined efforts to achieve economic self-sufficiency and self-determination.

As I noted earlier in this statement, the Fort McDowell settlement authorized the Secretary to acquire central Arizona project water allocations of other entities in the Verde River basin in addition to those of the Yavapai-Prescott Tribe and the city of Prescott. Specifically, that settlement authorized acquisition of the allocations of the Yavapai Indian Community of the Camp Verde Reservation, the Cottonwood Water Works, Inc., and the Camp Verde Water System for assignment to the Fort McDowell Indian Community.

The legislation I introduce today would also authorize the secretary to acquire these allocations, including the allocations of the town of Payson and the Mayer Water District, and excepting the allocation of the Yavapai at Camp Verde, whose water rights and reservation lands issues will be the subject of separate legislation in the 103d Congress.

The legislation authorizes the Secretary to acquire these allocations, which total 8,559 acre-feet of water, at a maximum possible cost of $11,126,700. As is the case with the allocations of the tribe and the city of Prescott, the actual price would be subject to negotiation.

Altogether, the legislation authorizes the Secretary to acquire as much as 16,186 acre-feet of Indian and municipal-industrial category water from the central Arizona project. The Secretary, in seeking to provide wet water to Arizona Indian Tribes in settlement of the substantial claims the United States is advancing on their behalf in the general stream adjudication, needs as much water from as many reliable sources as he can reasonably obtain.

While I am not aware of any opposition to the basic provisions of the Yavapai-Prescott settlement or the settlement agreement, I am aware that the Arizona Department of Water Resources and other water interests in Arizona have concerns about the provisions that authorize the Secretary to acquire the central Arizona project allocations of the entities other than the Yavapai-Prescott Tribe and the city of Prescott.

I very much appreciate the willingness of the chairman of the Select Committee on Indian Affairs, Senator INOUYE, to schedule a hearing on this legislation on July 22. In the days prior to that hearing and after, I hope that the concerns of the Department of Water Resources, other parties in Arizona, and the administration can be addressed satisfactorily. With the exceptional cooperation and hard work that has characterized efforts to settle Indian water claims in Arizona to date, I am confident that we can succeed in that effort and enact this legislation this year.•

By Mr. SIMON:

S. 2976. A bill to establish academies for mathematics and science teaching skills; to the Committee on Labor and Human Resources.

ACADEMIES FOR MATHEMATICS AND SCIENCE TEACHING SKILLS ACT OF 1992

• Mr. SIMON. Mr. President, a few weeks ago I told my colleagues of the efforts of Dr. Leon M. Lederman and the Teachers Academy for Mathematics and Science in Chicago, which is leading the effort to improve students' math and science achievement. I said then that I planned to introduce legislation to help ensure that methods such as those pioneered at the academy could be made available to schools throughout the Nation. I offer that legislation today.

Dr. Lederman, a Nobel prize-winning physicist and friend of school reform, was the driving force behind the teachers academy. The academy is a private nonprofit organization which provides intensive retraining to teachers, at both the elementary and secondary school level, to stimulate interest and improvement in students' mathematics and science achievement. Already, the success at the academy indicates that this can become a model for the Nation.

The need for intervention is clear. Our Governors have called for U.S. students to greatly increase their math and science achievement by the year 2000. Yet we are not offering our students the means to reach this goal in the 8 short years which remain. Many of our teachers who must teach math and science were never trained in those areas. They may not know or be comfortable with state-of-the-art techniques, materials, and methodologies. In turn, their students may lose interest in these subject areas and in school itself.

The Academies for Mathematics and Science Teaching Skills Act of 1992, which I introduce today, addresses this problem. The bill authorizes the Secretary of Education, in consultation with the Director of the National Science Foundation, to make grants to nonprofit organizations to establish academies for the retraining and enhancement of elementary and secondary school teachers who teach math and science. The bill is focused particularly on efforts to serve teachers in urban schools with a high proportion of disadvantaged students.

The bill encourages academies to collaborate with institutions that can offer additional expertise, such as local and State education agencies, universities, museums, math and science professional associations, businesses and community-based organizations. Also, the academies must demonstrate that they have consulted with and gained the commitment of the schools and school districts which they will serve, and that leaders and community members with outstanding management skills will participate in their programs.

Academies will also serve as laboratories for teacher retraining. They must provide other institutions with access to their programs and make sure such programs are replicable in other parts of the country.

Dr. Lederman and the teachers academy have shined a light on the types of efforts we must undertake if our Nation's children are to raise their academic achievement. We have a real opportunity to help such work and move to break the cycle of failure that traps so many of our students and imperils their future. We can ask no less than the Federal Government do its part.•

By Mr. DASCHLE (for himself, Mr. DECONCINI, and Mr. BURDICK):

S. 2977. A bill to establish within the Bureau of Indian Affairs a program to improve the management of rangelands and farmlands and the production of agricultural resources on Indian lands, and for other purposes; to the Select Committee on Indian Affairs.

INDIAN AGRICULTURAL RESOURCES MANAGEMENT ACT

• Mr. DASCHLE. Mr. President, I rise today to express my deep concern about the future growth of agricultural and natural resource development and the related economic importance to the tribal nations within the United States of America. In that regard, I am concerned as well about the economic well-being of individual Indians and non-Indians, and their families engaged in agricultural or natural resource management activities.

Of the 54 million acres of Indian-owned land held in trust by the Federal Government for Indians or Indian tribes, approximately 75 percent is used for agricultural production, and another 15 percent are commercial timber lands. The farming and ranching sector provides the main source of entrepreneurial opportunity to Indian people within Indian reservations. Over 33,000 individual Indian families are engaged in agricultural pursuits. Income from leases of land is the primary source of non-Federal funds for the support of the tribal governments and provides supplemental income to many thousands of Indian allottees.

The vitality of agricultural endeavors within the Indian reservations affects all sectors of the economy, both Indian and non-Indian, on and off the reservations, including farm supply stores, farm implement dealers, and transportation and distribution centers. Full utilization of Indian lands and trust resources is not, then, simply an Indian issue. It is an issue of importance to all persons, whether Indian or non-Indian, who reside in rural communities on or near an Indian reservation.

In the late 1960's and early 1970's it appeared that the agricultural economy of tribes and individual Indians could become a thriving, vital component to enhancing tribal development and autonomy and further foster self-sufficiency. However, the early 1970's brought a new concept of economic development from the Bureau of Indian Affairs that did not recognize agricultural or natural resource enterprise as a viable means to tribal economic development and contradicted the new Federal policy that initiated the self-determination era in the relationship between tribal governments and the Federal Government.

Little was accomplished to enhance opportunities for self determination or foster the trust relationship between tribes and the United States.

By the late 1980's the agricultural economy of the United States began to unravel. Many of the same families I spoke of before, long-time Indian and non-Indian ranchers and farmers, were driven into dire economic straits or bankruptcy.

Fortunately, a breakthrough came as a result of the enactment of the Farm Credit Act Amendments of 1987. There were a number of significant provisions in this act that provided some relief for the faltering agricultural endeavors of tribes, individual Indians, and non-Indians leasing trust land.

These amendments were, in large part, the result of a report prepared for this body and the House of Representatives by the active participation of the Indian Agricultural Working Group, comprised of tribal members appointed by the Assistant Secretary of the Interior for Indian Affairs, in concert with the Bureau of Indian Affairs. The purpose of this report, directed by Congress, was to review existing Indian agriculture policies throughout the Nation. In 1986, the Indian Agricultural Working Group formed the Indian Agriculture Council to carry forward the development of new agriculture policies for Indian Country.

Again in 1990, with the key assistance of the Indian Agriculture Council, Congress enacted six specific Indian provisions of the Food, Agriculture, Conservation, and Trade Act, otherwise known as the 1990 Farm Bill. These, too, have provided hope and action for families struggling to rise above the economic despair caused by inappropriate or nonexisting policies of the administration to adequately address Indian agricultural activities.

Today, with the tremendous assistance of the Indian Agriculture Council, I am offering a measure that would take the agricultural economy of trust land a step further. Joined by my colleagues from the Select Committee on Indian Affairs, Senators DECONCINI and BURDICK, I am introducing the Indian Agricultural Resources Management Act of 1992.

The purposes of this act include an intent to promote and enhance the opportunities for Indian use of their natural resources; to conserve and protect those resources; to support and enhance the ability of tribes to participate in the management of these resources; to improve Indian access to general Federal programs that are relevant to agricultural enterprises; to provide for a management and development effort on Indian lands that is equivalent to efforts expended in the management and development of comparable federally owned lands; and to increase the educational and training opportunities for Indians in natural resource management.

I am convinced, as are my colleagues joining me today, that this measure is necessary and will further bridge the gap that has been created through years of neglect and carelessness of the trust responsibility of the United States to tribal nations—a responsibility that includes an obligation to enhance, protect, and preserve the land the Federal Government holds in trust for the benefit of native Americans.

Mr. President, I ask unanimous consent that the text of S. 2977, the Indian Agriculture Resources Management Act of 1992, be printed in the RECORD at the conclusion of these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Indian Agricultural Resources Management Act of 1992".

(b) TABLE OF CONTENTS.—

TITLE I—GENERAL PROVISIONS
Sec. 101. Findings.
Sec. 102. Purposes.
Sec. 103. Definitions.
TITLE II—RANGELAND AND FARMLAND ENHANCEMENT
Sec. 201. Management of Indian rangelands and farmlands.
Sec. 202. Indian participation in land management activities.
Sec. 203. Comparative analysis of Indian rangeland and farmland and management programs.
Sec. 204. Leasing of Indian rangelands and farmlands.
TITLE III—EDUCATION IN AGRICULTURE AND NATURAL RESOURCE MANAGEMENT
Sec. 301. Establishment of Indian and Alaska Native agriculture and natural resources management education assistance programs.
Sec. 302. Postgraduate recruitment, education and training program.
TITLE IV—AUTHORIZATION OF APPROPRIATIONS
Sec. 401. Authorization of appropriations.
TITLE V—MISCELLANEOUS
Sec. 501. Regulations.
Sec. 502. Severability.
Sec. 503. Trust responsibility.

TITLE I—GENERAL PROVISIONS

SEC. 101. FINDINGS.

(a) FINDINGS.—The Congress finds and declares that:

(1) Indian rangelands and farmlands are renewable and manageable natural resources that are among the most valuable Indian assets and are vital to the economic and social welfare of individual Indians and Indian tribes.

(2) Increased development and intensive management of Indian rangelands and farmlands will produce increased economic returns, enhance Indian self-determination, promote employment opportunities, and improve the social and economic well-being of Indian and surrounding communities.

(3) The United States has a trust responsibility to protect, conserve, utilize and enhance Indian rangelands and farmlands consistent with its fiduciary obligation and its unique relationship with Indian tribes.

(4) Existing Federal laws do not sufficiently assure the adequate and necessary trust management of Indian rangelands and farmlands.

(5) The Federal investment in, and the management of Indian rangelands and farmlands is significantly below the level of investment in, and management of, rangelands and farmlands under the administration of the Bureau of Lands Management, Bureau of Reclamation, the National Forest Service, and private landowners.

(6) The beneficial use of Indian rangelands and farmlands by Indians is in serious decline throughout Indian country.

(7) Despite the Federal policy of Indian self-determination, Federal laws and policies have limited the authority and ability of tribal governments and Indian communities to develop land-based programs on the basis of local priorities.

SEC. 102. PURPOSES.

The purposes of this Act are to:

(1) Promote and increase the opportunities for Indian use of their own resources so as to use Indian natural and human resources to achieve tribal goals, to decrease idle or underutilized land, reverse the damaging long-term losses in productivity and land values, and increase local employment opportunities, community income, and social stability.

(2) Safeguard the investments made in Indian rangelands and farmlands and agricultural enterprises and provide adequate, stable, and secure authority for the protection, conservation, utilization, and enhancement of Indian rangeland and farmland resources.

(3) Support and improve tribal self-determination by authorizing and facilitating the active tribal participation in the management decisionmaking processes on the allocation and use of local natural resources.

(4) Improve Indian access to Federal agriculture, rural development and related programs which are available to the American society at large through the various Departments of the Federal Government.

(5) Provide for the development and management of Indian rangelands and farmlands at a level commensurate with the level of development and management afforded to federally owned or controlled lands.

(6) Meet the trust responsibility of the United States and promote self-determination of Indian tribes by managing Indian rangelands and farmlands and related renewable resources in a manner consistent with identified tribal goals and priorities, and nationally adopted multiple use and sustained yield principles.

(7) Increase the educational and training opportunities available to Indian people and communities in the practical, technical and professional aspects of agriculture, natural resources, and land management to improve local expertise and technical abilities and create a cadre of professional Indian agriculture resource managers who can provide leadership to the tribal, Federal and private sectors on Indian land and resource management issues.

SEC. 103. DEFINITIONS.

For the purposes of this Act:

(1) The term "agricultural land" means land that is used for the production of agricultural products, and lands occupied by industries that support the agricultural community, regardless of whether a formal inspection and land classification has been taken.

(2) The term "agricultural resource" means—

(A) all the primary means of production, including the land, soil, water, air, plant communities, watersheds, climate, human resources, natural physical attributes and man-made developments which together comprise the agricultural community; and

(B) all the benefits derived from agricultural land and enterprises, including cultivated and gathered food products, fibers, horticultural products, dyes, cultural or religious condiments, medicines, water, cultivated fisheries, wildlife, recreation, aesthetic and other traditional values of agriculture and rangelands.

(3) The term "agricultural product" means—

(A) crops grown under cultivated conditions whether used for personal consumption, subsistence, or sold for commercial benefit;

(B) domestic livestock including cattle, sheep, goats, horses, buffalo, swine, Alaska reindeer, fowl, cultivated fish, or other animals specifically raised and utilized for food, fiber, or as beast of burden;

(C) forage, hay, fodder, feed grains, crop residues and other items grown or harvested for the feeding and care of livestock, sold for commercial profit, or used for other purposes;

(D) naturally occurring noncultivated plants and animals gathered for commercial sale, personal use, cultural or religious activities or for other purposes such as use in teas, medicines, as herbs or spices, for decoration, or for traditional purposes; and

(E) other marketable or traditionally used materials authorized for removal from agricultural lands.

(4) The term "land management activity" means all activities, accomplished in support of the management of Indian agricultural land, including but not limited to—

(A) preparation of inventories and management plans;

(B) agricultural land and infrastructure development, and the application of accepted soil or range management techniques to improve or restore the productive capacity of the land;

(C) protection against agricultural pests, including development, implementation, and evaluation of integrated pest management programs to control noxious weeds, undesirable vegetation, vertebrate or invertebrate agricultural pests;

(D) administration and supervision of agricultural leasing and permitting activities, including determination of proper land use and proper stocking rates of livestock, appraisal, advertisement, negotiation, contract preparation, collecting, recording, and distributing lease rental receipts;

(E) technical assistance to individuals and tribes engaged in agricultural production or agribusiness; and

(F) educational assistance in agriculture, natural resources, land management and related fields of study, including direct assistance to community, tribal and land grant colleges in developing and implementing curriculum for vocational, technical and professional course work.

(5) The term "farmland" means land that is used for production of food, feed, fiber, forage and oil seed crops, or other agricultural products, and may be either dryland or irrigated.

(6) The term "rangeland" means land on which the native vegetation is predominantly grasses, grass-like plants, forbs or shrubs suitable for grazing or browsing use, and includes lands revegetated naturally or artificially to provide a forage cover that is managed like native vegetation. Rangelands include natural grasslands, savannahs, shrublands, most deserts, tundra, alpine communities, coastal marshes and wet meadows.

(7) The term "Indian" means a Native American or Alaska Native who is a member of an Indian tribe, as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(8) The term "Indian tribe" means any Indian tribe, band, nation, rancheria, pueblo, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(9) The term "Indian land" means land that is—

(A) held in trust by the United States for an Indian or Indian tribe; or

(B) owned by an Indian or Indian tribe and is subject to restrictions against alienation.

(10) The term "landowner" means the Indian or Indian tribe that—

(A) owns such Indian land, or

(B) is the beneficiary of the trust under which such Indian land is held by the United States.

(11) The term "Secretary" means the Secretary of the Interior, except where otherwise specifically designated;

(12) The term "Indian enterprise" means an enterprise—

(A) which—

(i) is engaged in construction (within the meaning of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.)), and is entirely owned by Indians, or Indian tribes, that receive 100 percent of the profits of the enterprise, or

(ii) is engaged in any business other than construction and at least 51 percent of the enterprise is owned by Indians, or Indian tribes, that receive not less than 51 percent of the profits of the enterprise; or

(B) which—

(i) is entirely owned by an Indian tribe, or

(ii) has an Indian owner who—

(I) acts as the chief executive officer of the enterprise; and

(II) has the experience and training to manage, and does in fact manage, day-to-day activities of the enterprise.

TITLE II—RANGELAND AND FARMLAND ENHANCEMENT

SEC. 201. MANAGEMENT OF INDIAN RANGELANDS AND FARMLANDS.

(a) MANAGEMENT ACTIVITIES.—The Secretary shall manage Indian rangelands and farmlands, utilizing state-of-the-art technology, either directly or through cooperative agreements, self-determination contracts and grants under the Indian Self-Determination and Education Assistance Act.

(b) MANAGEMENT OBJECTIVES.—Indian rangeland and farmland management activities shall be designed to achieve the following objectives—

(1) to protect, conserve, utilize, and enhance rangelands and farmlands in a perpetually productive state through the application of sound agronomic and economic principles to the planning, development, inventorying, classification, and management of agricultural resources;

(2) to increase production and expand the diversity and availability of agricultural products for subsistence, income, and employment of Indians and Alaska Natives, through the development of renewable agricultural resources;

(3) to manage agricultural resources to protect and enhance other associated values such as wildlife, fisheries, cultural resources, recreation, and regulate water runoff and minimize soil erosion;

(4) to enable farmers and ranchers to maximize the potential benefits available to them through their land by providing technical assistance, training and education in conservation practices, management and economics of agribusiness, sources and use of credit, marketing of agricultural products, and other applicable subject areas;

(5) to develop Indian rangelands and farmlands and associated value-added industries of Indians and Indian tribes to promote self-sustaining communities, and so that Indians may receive from their trust lands not only lease value, but also the benefit of the labor and profit that such land is capable of producing; and

(6) to assist trust and restricted landowners in leasing their farmland and rangeland for a reasonable annual return, consistent with prudent management and conservation practices, and community goals.

(c) MANAGEMENT PLANS.—To achieve the objectives set forth in subsections (a) and (b), the Secretary, with full and active consultation with the tribe or tribes to be served and consistent with his trust responsibility, shall immediately embark on a reservation-by-reservation resource management planning program encompassing or reflecting the following:

(1) A closed-term three-year effort conducted at the local tribe and agency level working through the governments of the tribes and in public meetings to determine

and document the specific agriculture and land resource goals and desires of the local tribe and community.

(2) A use of the defined goals as the basis in creating a ten-year agriculture program and land management plans to attain the goals defined for community lands and reservations by using public meetings, existing surveys, reports, local knowledge of the land and resources available from Federal agencies, tribal community colleges, and land grant institutions.

(3) A mechanism for assuring that the result of this three-year program will be specific, documented agriculture and land management programs, created and approved by the local community, which address specific community concerns for land use and development. The individual reservation or tribal planning documents will provide the direction to the Bureau of Indian Affairs and the tribes in the management and administration of the Indian owned trust resources. These program documents will also provide the basis for the application of Indian self-determination contracting of Agriculture and Natural Resource Programs under the Indian Self-Determination and Education Assistance Act.

(4) The contract and grant provisions of the Indian Self-Determination and Education Assistance Act shall be applicable to the development of these management plans.

SEC. 202. INDIAN PARTICIPATION IN LAND MANAGEMENT ACTIVITIES.

(a) TRIBAL LAWS.—Unless otherwise prohibited by Federal law, the Secretary shall comply with tribal laws pertaining to Indian agricultural lands, including laws regulating the environment or historic or cultural preservation, and shall cooperate with the enforcement of such laws on Indian agricultural lands. Such cooperation shall include—

(1) assistance in the enforcement of such laws;

(2) provision of notice of such laws to persons or entities undertaking activities on Indian agricultural lands; and

(3) upon request of an Indian tribe, an appearance in tribal forums.

(b) WAIVER OF REGULATIONS.—In any case in which a regulation or administrative policy of the Department of the Interior conflicts with or impedes—

(1) meeting the objectives of the management plan provided for in section 201; or

(2) conflicts with a tribal law;

the Secretary shall waive the application of such regulation or administrative policy unless such waiver would constitute a violation of a Federal statute or judicial decision, or would conflict with his general trust responsibility under Federal law.

SEC. 203. COMPARATIVE ANALYSIS OF INDIAN RANGELAND AND FARMLAND AND MANAGEMENT PROGRAMS.

(a) COMPARATIVE ANALYSIS.—Within 90 days after the date of enactment of this Act, the Secretary shall assemble a Task Force consisting of appropriate officials of the Bureau of Indian Affairs, the Bureau of Land Management, the United States Park Service, the Inter-Tribal Agriculture Council, the Southwest Inter-Tribal Agriculture Council, and such other non-Governmental persons or entities as the Secretary may deem appropriate to develop a comparative analysis of Federal investment and management efforts for Indian trust lands as compared to federally owned lands managed by other Federal agencies or instrumentalities. The Secretary shall request the Secretary of Agriculture to make available on a nonreimbursable basis appropriate personnel from the Department of Agriculture to assist in the development of such analysis.

(b) PURPOSES.—The purposes of the comparative analysis and the Survey Instrument shall be—

(1) to establish a comprehensive assessment of the needs for management improvement, funding, and development needs for each reservation with Indian rangeland and farmland;

(2) to establish a comparison of management and funding provided to comparable lands owned or managed by the Federal Government through Federal agencies other than the Bureau of Indian Affairs;

(3) to identify any obstacles to Indian access to Federal or private programs relating to agriculture or related rural development programs available to the American public at large; and

(4) to provide guidance in the development of the management plans required under the provisions of section 201 of this Act.

(c) IMPLEMENTATION.—Within six months from the date of enactment of this Act, the Secretary shall provide the House Committee on Interior and Insular Affairs and the Senate Select Committee on Indian Affairs with a status report on the development of the comparative analysis required by this section, and shall file a final report with the Congress not more than nine months from the date of enactment of this Act.

SEC. 204. LEASING OF INDIAN RANGELANDS AND FARMLANDS.

The Secretary—

(1) when authorized by an appropriate tribal resolution which shall include a tribal definition of what constitutes "highly fractionated undivided heirship lands", the Secretary is authorized to negotiate and lease or permit highly fractionated undivided interest heirship lands in order to prevent waste, reduce idle land acreage and insure income, when no single individual can claim a fifty percent or greater ownership interest;

(2) is authorized to approve any agricultural lease or permit with a tenure up to ten years, or a tenure longer than ten years when, in the opinion of the Secretary, such lease or permit requires substantial investment in development of the lands by the lessee and such longer tenure is determined by the Secretary to be in the best interest of the landowners;

(3) shall promote the use of Indian rangelands and farmlands by Indian people and, in accordance with a general policy established by the tribal government having jurisdiction over such rangelands or farmlands as set forth by a tribal resolution on record with the Secretary, the Secretary is authorized to approve any such lease or permit which contains a provision authorizing the renewal or renewals of such lease or permit for a period of years determined by the tribal government to be necessary to meet the purposes of this Act, notwithstanding any other provision of law;

(4) is authorized to allow for local level discretionary use of surety and performance bonds on agricultural leases and permits; and

(5) is authorized to lease or permit agricultural lands for rates which reflect local economy based rental rates of less than the Federal appraisal when such action would be in the best interest of the landowner, and in such instances, when such land has been satisfactorily advertised for lease, the highest reasonable bid shall be accepted.

TITLE III—EDUCATION IN AGRICULTURE AND NATURAL RESOURCE MANAGEMENT

SEC. 301. ESTABLISHMENT OF INDIAN AND ALASKA NATIVE AGRICULTURE AND NATURAL RESOURCES MANAGEMENT EDUCATION ASSISTANCE PROGRAM.

(a) NATURAL RESOURCES INTERN PROGRAM.—(1) Notwithstanding the provisions of title 5 of the United States Code governing appointments in the competitive service, the Secretary shall establish and maintain in the Bureau of Indian Affairs or other appropriate office or bureau within the Department of the Interior at least 20 natural resources intern positions for Indian and Alaska Native students enrolled in an agriculture or natural resources study program.

(2) For purposes of this subsection, the term—

(A) "natural resources intern" means an Indian or Alaska Native who—

(i) is attending an approved postsecondary school in a full-time agriculture or natural resource related field, and

(ii) is appointed to one of the natural resources intern positions established under paragraph (1);

(B) "natural resources intern positions" means positions established pursuant to paragraph (1) for natural resources interns; and

(C) "agriculture or natural resources study program" includes, but is not limited to, agricultural engineering agricultural economics, animal husbandry, animal science, biological sciences, fishery management, geographic information systems, horticulture, range management, soil science, veterinary science, and wildlife biology.

(3) The Secretary shall pay, by reimbursement or otherwise, all costs for tuition, books, fees and living expenses incurred by a natural resources intern while attending an approved postsecondary or graduate school in a full-time natural resources study program.

(4) A natural resources intern shall be required to enter into an obligated service agreement with the Secretary to serve as an employee in a professional natural resources position with the Department of the Interior or other Federal agency, an Indian tribe, or a tribal natural resource related enterprise for one year for each year of education for which the Secretary pays the intern's educational costs under paragraph (3) of this subsection.

(5) A natural resources intern shall be required to report for service with the Bureau of Indian Affairs or other bureau or agency sponsoring his internship, or to a designated work site, during any break in attendance at school of more than three weeks duration. Time spent in such service shall be counted toward satisfaction of the intern's obligated service agreement under paragraph (4).

(b) COOPERATIVE EDUCATION PROGRAM.—(1) The Secretary shall maintain, through the Bureau of Indian Affairs, a cooperative education program for the purpose, among other things, of recruiting Indian and Alaska Native students who are enrolled in secondary schools, tribally controlled community colleges, and other postsecondary or graduate schools, for employment in professional natural resource related positions with the Bureau of Indian Affairs or other Federal agency providing Indian natural resource related services, Indian tribal governments, or tribal natural resource related enterprises.

(2) The cooperative educational program under paragraph (1) shall be modeled after, and shall have essentially the same features as, the program in effect on the date of en-

actment of this Act pursuant to chapter 308 of the Federal Personnel Manual of the Office of Personnel Management.

(3) The cooperative educational program shall include, among others, the following:

(A) The Secretary shall continue the established specific programs in agriculture and natural resources education at Southwestern Indian Polytechnic Institute (SIPI) and at Haskell Indian Junior College.

(B) The Secretary shall develop and maintain a cooperative program with the tribally controlled community colleges to coordinate course requirements, texts, and provide direct technical assistance so that a significant portion of the college credits in both the Haskell and SIPI programs can be met through local program work at participating community colleges.

(C) Working through tribally controlled community colleges and in cooperation with land grant institutions, the Secretary shall implement an informational and educational program to provide practical training and assistance in creating or maintaining a successful agricultural enterprise, assessing sources of commercial credit, developing markets and other subjects of interest to the rural community.

(D) Working through tribally controlled community colleges and in cooperation with land grant institutions, the Secretary shall implement research activities to improve the basis for determining appropriate management measures to apply to Indian resource management.

(4) Under the cooperative agreement program under paragraph (1), the Secretary shall pay, by reimbursement otherwise, all costs for tuition, books, and fees of an Indian or Alaska Native student who—

(A) is enrolled in a course of study at an education institution with which the Secretary has entered into a cooperative agreement; and

(B) is interested in a career with the Bureau of Indian Affairs, an Indian tribe or a tribal enterprise in the management of Indian rangelands, farmlands, or other natural resource assets.

(5) Financial need shall not be a requirement to receive assistance under the cooperative agreement program under this subsection.

(6) A recipient of assistance under the cooperative education program under this subsection shall be required to enter into an obligated service agreement with the Secretary to serve as a professional in a natural resource related activity with the Bureau of Indian Affairs, or other Federal agency providing natural resource related services to Indians or Indian tribes, an Indian tribe, or a tribal natural resource related enterprise, for one year for each year for which the Secretary pays the recipients educational costs pursuant to paragraph (3).

(c) SCHOLARSHIP PROGRAM.—(1) The Secretary is authorized to grant scholarships to Indians and Alaska Natives enrolled in accredited natural resource related programs for postsecondary and graduate programs of study as full-time students.

(2) A recipient of a scholarship under paragraph (1) shall be required to enter into an obligated service agreement with the Secretary in which the recipient agrees to accept employment for one year for each year the recipient received a scholarship, following completion of the recipients course of study, with—

(A) the Bureau of Indian Affairs or other agency of the Federal Government providing natural resource related services to Indians or Indian tribes;

(B) a natural resource program conducted under a contract, grant, or cooperative agreement entered into under the Indian Self-Determination and Education Assistance Act;

(C) an Indian enterprise engaged in a natural resource related business; or

(D) an Indian tribe's natural resource related program.

(3) The Secretary shall not deny scholarship assistance under this subsection solely on the basis of an applicant's scholastic achievement if the applicant has been admitted to and remains in good standing in an accredited postsecondary or graduate institution.

(d) EDUCATIONAL OUTREACH.—The Secretary shall conduct, through the Bureau of Indian Affairs, and in consultation with other appropriate local, State and Federal agencies, and in consultation and coordination with Indian tribes, a natural resource education outreach program for Indian and Alaska Native youth to explain and stimulate interest in all aspects of management and careers in Indian natural resources.

(e) ADEQUACY OF PROGRAMS.—The Secretary shall administer the programs described in this section until a sufficient number of Indians and Alaska Natives are trained to ensure that there is an adequate number of qualified, professional Indian natural resource managers to manage the Bureau of Indian Affairs natural resource programs and programs maintained by or for Indian tribes.

SEC. 302. POSTGRADUATION RECRUITMENT, EDUCATION AND TRAINING PROGRAMS.

(a) ASSUMPTION OF LOANS.—The Secretary shall establish and maintain a program to attract Indian and Alaska Native professional natural resource technicians who are graduates of a course of postsecondary or graduate education for employment in either the Bureau of Indian Affairs natural resource programs or, subject to the approval of the tribe, in tribal natural resource programs. According to such regulations as the Secretary may prescribe, such program shall provide for the employment of Indian and Alaska Native professional natural resource technicians in exchange for the Secretary's assumption of the employee's outstanding student loans. The period of employment shall be determined by the amount of the loan that is assumed.

(b) POSTGRADUATE INTERGOVERNMENTAL INTERNSHIPS.—For the purposes of training, skill development and orientation of Indian, Alaska Native, and Federal natural resource management personnel, and the enhancement of tribal and Bureau of Indian Affairs natural resource programs, the Secretary shall establish and actively conduct a program for the cooperative internship of Federal, Indian and Alaska Native natural resource personnel. Such program shall—

(1) for agencies within the Department of the Interior—

(A) provide for the internship of Bureau of Indian Affairs, Alaska Native, and Indian natural resource employees in the natural resource related programs of other agencies of the Department of the Interior, and

(B) provide for the internship of natural resource personnel from the other Department of the Interior agencies within the Bureau of Indian Affairs, and, with the consent of the tribe, within tribal natural resource programs;

(2) for agencies not within the Department of the Interior, provide, pursuant to an interagency agreement, internships within the Bureau of Indian Affairs and, with the consent of the tribe, within a tribal natural resource program of other natural resource personnel of such agencies who are above their sixth year of Federal service;

(3) provide for the continuation of salary and benefits for participating Federal employees by their originating agency;

(4) provide for salaries and benefits of participating Indian and Alaska Native natural resource employees by the host agency; and

(5) provide for a bonus pay incentive at the conclusion of the internship for any participant.

(c) CONTINUING EDUCATION AND TRAINING.—The Secretary shall maintain a program within the Trust Services Division of the Bureau of Indian Affairs for the ongoing education and training of Bureau of Indian Affairs, Alaska Native, and Indian natural resource personnel. Such program shall provide for—

(1) orientation training for Bureau of Indian Affairs natural resource personnel in tribal-Federal relations and responsibilities;

(2) continuing technical natural resource education for Bureau of Indian Affairs, Alaska Native, and Indian natural resource personnel; and

(3) development training of Indian and Alaska Native personnel in natural resource based enterprises and marketing.

SEC. 303. COOPERATIVE AGREEMENT BETWEEN THE DEPARTMENT OF THE INTERIOR AND INDIAN TRIBES.

(a) COOPERATIVE AGREEMENTS.—

(1) To facilitate the administration of the programs and activities of the Department of the Interior, the Secretary is authorized to negotiate and enter into cooperative agreements with Indian tribes to—

(A) engage in cooperative manpower and job training,

(B) develop and publish cooperative environmental education and natural resource planning materials, and

(C) perform land and facility improvements, and other activities related to land and natural resource management and development.

The Secretary may enter into such agreements when the Secretary determines the interest of Indians and Indian tribes will be benefited.

(2) In such cooperative agreements, the Secretary is authorized to advance or reimburse funds to contractors from any appropriated funds available for similar kinds of work or by furnishing or sharing materials, supplies, facilities or equipment without regard to the provisions of section 3324, title 31, United States Code, relating to the advance of public moneys.

(b) SUPERVISION.—In any agreement authorized by this section, Indian tribes and their employees may perform cooperative work under the supervision of the Department of the Interior in emergencies or otherwise as mutually agreed to, but shall not be deemed to be Federal employees other than for the purposes of section 2671 through 2680 of title 28, United States Code, and section 8101 through 8193 of title 5, United States Code.

(c) SAVINGS CLAUSE.—Nothing in this Act shall be construed to limit the authority of the Secretary to enter into cooperative agreements otherwise authorized by law.

SEC. 304. OBLIGATED SERVICE; BREACH OF CONTRACT.

(a) OBLIGATED SERVICE.—Where an individual enters into an agreement for obligated service in return for financial assistance under any provision of this title, the Secretary shall adopt such regulations as are necessary to provide for the offer of employment to the recipient of such assistance as required by such provision. Where an offer of employment is not reasonably made, the regulations shall provide that such service shall no longer be required.

(b) BREACH OF CONTRACT; REPAYMENT.—Where an individual fails to accept a reasonable offer of employment in fulfillment of such obligated service or unreasonably terminates or fails to perform the duties of such employment, the Secretary shall require a repayment of the financial assistance provided, prorated for the amount of time of obligated service that was performed, together with interest on such amount which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States.

TITLE IV—AUTHORIZATION OF APPROPRIATIONS

SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

TITLE V—MISCELLANEOUS

SEC. 501. REGULATIONS.

Except as otherwise provided by this Act, the Secretary is directed to promulgate final regulations for the implementation within eighteen months from the date of enactment of this Act. All regulations promulgated pursuant to this Act shall be developed by the Secretary with the participation of the affected Indian tribes.

SEC. 502. SEVERABILITY.

If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the application of such provision or circumstance and the remainder of this Act shall not be affected thereby.

SEC. 503. TRUST RESPONSIBILITY.

Nothing in this Act shall be construed to diminish or expand the trust responsibility of the United States toward Indian trust lands or natural resources, or any legal obligation or remedy resulting therefrom.•

By Mr. PRYOR (for himself, Mr. MCCONNELL, and Mr. BUMPERS):

S. 2978. A bill to amend the Rural Electrification Act of 1936 to permit the prepayment and refinancing of Federal Financing Bank loans made to rural electrification and telephone systems, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

PREPAYMENT AND REFINANCING OF CERTAIN LOANS TO RURAL ELECTRIFICATION AND TELEPHONE SYSTEMS

• Mr. PRYOR. Mr. President, I rise today to introduce a bill which, if signed into law, would save rural America hundreds of millions of dollars in electric bills. This legislation would make it possible for rural electric systems to prepay or refinance high interest loans guaranteed by the Rural Electrification Administration [REA] and held by the Federal Financing Bank [FFB].

Many rural electric systems across the Nation are currently locked into long-term, high-interest FFB debt. Throughout the 1980's, declining interest rates have made it possible for U.S. businesses and industries, including the electric utility industry, to refinance billions of dollars of high-interest debt at lower interest rates. The rural electrification systems, on the other hand, are locked into high rates despite repeated attempts by Congress to allow them to pay these obligations ahead of time.

Congress has passed legislation five times to allow the rural electric systems to prepay, and five times the executive branch has ignored or reinterpreted the intent of Congress. This new legislation will ensure that congressional intent cannot be circumvented or ignored this time around.

The bill that I am introducing today will allow rural electric systems to prepay FFB loans and, using the 100-percent REA guarantee, refinance privately at lower interest rates without penalty, or simply prepay with funds that are generated internally. Additionally, it would permit rural electric systems to refinance their loans within the FFB by obtaining a change in interest rate and paying a penalty. It would also require the REA administrator to grant an equal or pro rata lien to third-party lenders if the FFB loan is prepaid according to the requirements of this legislation.

Mr. President, it is time that rural electric ratepayers stop having to subsidize the U.S. Treasury. If the Federal Government can forgive billions of dollars of debt owed by foreign countries, surely Congress can vote to allow rural electrification systems to pay back their debt ahead of time.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2978

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PREPAYMENT AND REFINANCING OF FEDERAL FINANCING BANK LOANS MADE TO RURAL ELECTRIFICATION AND TELEPHONE SYSTEMS.

Section 306A of the Rural Electrification Act of 1936 (7 U.S.C. 936a) is amended to read as follows:

"SEC. 306A. PREPAYMENT AND REFINANCING OF FEDERAL FINANCING BANK LOANS.

"(a) PREPAYMENT.—

"(1) IN GENERAL.—If, on the date of enactment of this section, a borrower has an outstanding loan made by the Federal Financing Bank and guaranteed by the Administrator of the Rural Electrification Administration under section 306, the borrower may prepay the loan or an advance on the loan, or any portion thereof, at any time or times without limitation as to dollar amount by paying the lesser of—

"(A) the outstanding principal balance due on the loan or loan advance; or

"(B) the present value of the loan discounted from the face value of the loan at maturity at a rate established by the Administrator.

"(2) DISCOUNT RATE.—The discount rate established by the Administrator for prepaying direct loans or insured loans under this subsection shall be not less than the greater of—

"(A) the current cost of funds to the Department of the Treasury for obligations of comparable maturity to the funds being prepaid; or

"(B) such higher rate as may be established for the prepayments under this subsection by annual appropriations or other Acts.

"(3) ELIGIBILITY.—A borrower that has prepaid a loan under this section shall remain eligible for assistance under this Act in the same manner as other borrowers are eligible, except that—

"(A) a borrower that has prepaid a loan at a discount rate as provided by paragraph (2)(A) shall not be eligible, except at the discretion of the Administrator, to receive future loans made by the Federal Financing Bank and guaranteed by the Administrator of the Rural Electrification Administration for the 60-month period beginning on the date of prepayment; and

"(B) a borrower, that has prepaid a loan at a discount rate greater than the rate provided by paragraph (2)(B) shall not be eligible, except at the discretion of the Administrator, to receive a future loan, as described in this section, except that the borrower that has prepaid an insured or direct loan prior to December 31, 1991, shall be eligible for future insured or direct loans based on the terms of the agreement made by the borrower and the Administrator at the time of the prepayment.

"(b) REFINANCING.—

"(1) IN GENERAL.—If, on the date of enactment of this section, a borrower has an outstanding loan made by the Federal Financing Bank and guaranteed by the Administrator of the Rural Electrification Administration under section 306, the borrower—

"(A) may, on providing notice to the Federal Financing Bank, refinance any outstanding long-term Federal Financing Bank loans or loan advances, or portion thereof; and

"(B) shall obtain a change in the interest rate on the Federal Financing Bank loans or loan advances, or portion thereof, from its present level to the Federal Financing Bank rate then in effect for new Federal Financing Bank loans of a maturity equal to the remaining life of the Federal Financing Bank loans or loan advances, or portion thereof, being refinanced.

"(2) FEE.—The Federal Financing Bank rate shall include a fee rate of .00126, consistent with the calculation of Federal Financing Bank rates to borrowers under this Act during fiscal year 1992.

"(c) LIEN ACCOMMODATION.—If prepayment is made under subsection (a) and the funds for the prepayment are secured from a private lender, the Administrator of the Rural Electrification Administration shall grant an equal and pro rata lien, on the total of the assets of the borrower subject to a lien under this Act, to the lender in an amount not to exceed the amount of principal prepaid, and a reasonable processing fee paid to the lender.

"(d) SUBSEQUENT REFINANCING.—Any guarantee of a loan used to make a prepayment under subsection (a) may be transferred to any loan subsequently used to refinance the loan without condition and shall be available for the remaining term originally agreed to by the Administrator.

"(e) PENALTY.—

"(1) IN GENERAL.—A penalty, as provided by this subsection, shall be paid to the Federal Financing Bank by the borrower at the time of prepayment or refinancing.

"(2) REFINANCING.—If a loan or loan advance, or any portion thereof, is refinanced as provided by subsection (b), the borrower shall pay a one-time penalty determined by multiplying—

"(A) the principal balance of each Federal Financing Bank loan or loan advance, or portion thereof, refinanced; by

"(B) one-half the difference between the annual percent interest rate on the refinancings and the annual percent interest rate at the time of refinancing of new Treasury borrowings of the same maturity as the average maturity on the Federal Financing Bank loans or loan advances, or portion thereof, being refinanced.

"(3) PREPAYMENT.—If a loan or loan advance, or any portion thereof, is prepaid as provided by subsection (a), no penalty fees shall be charged to the borrower.

"(f) NO ADDITIONAL CHARGES.—If prepayment or refinancing of a loan (or advance) is made under this section—

"(1) the amount of any such prepayment or refinancing shall be in addition to the amount of loans, loan guarantees, and other assistance provided in annual appropriations or other Acts; and

"(2) no sums in addition to the payment of the outstanding principal of the loan or loan advance, or portion thereof, being prepaid, plus accrued interest and the penalty assessed under subsection (e) for a refinancing, shall be charged, as the result of the prepayment or refinancing, against—

"(A) the borrower;

"(B) the Rural Electrification and Telephone Revolving Fund, or other fund or account used for loans, loan guarantees, or other assistance under this Act; or

"(C) the Rural Electrification Administration.".

SEC. 2. REGULATIONS.

(a) IN GENERAL.—Not later than the effective date prescribed in section 3, the Secretary of Agriculture shall issue regulations to carry out the amendment made in section 1.

(b) PREPAYMENT AND REFINANCING FACILITATION.—In issuing the regulations, the Secretary shall—

(1) facilitate prepayment and refinancing of loan advances;

(2) provide for full processing of each prepayment request within 30 days of the submission of a request to the Rural Electrification Administration;

(3) provide for full processing of each refinancing request within 10 days of the submission of a request to the Rural Electrification Administration; and

(4) except as provided in section 306A of the Rural Electrification Act of 1936, impose no restriction that increases the cost to borrowers of obtaining private financing for prepayment or inhibits the ability of the borrower to enter into prepayment and refinancing arrangements pursuant to such section.

SEC. 3. EFFECTIVE DATE.

The amendment made by section 1 shall become effective 30 days after the date of enactment of this Act.•

By Mr. MOYNIHAN (for himself, Mr. DANFORTH, and Mr. BOREN):

S. 2979. A bill to amend the Internal Revenue Code of 1986 to encourage charitable contributions and improve compliance with the rules governing the deductibility of such contributions; to the Committee on Finance.

CHARITABLE CONTRIBUTION TAX ACT

• Mr. MOYNIHAN. Mr. President, I am pleased to join with my colleagues, Senator DANFORTH and Senator BOREN, in introducing legislation that makes several important changes to the tax laws governing charitable and nonprofit institutions, and their donors.

First, the bill would repeal, on a permanent basis, the inclusion of gifts of appreciated property in the alternative minimum tax so that all donors of appreciated property will receive a deduction equal to the property's fair market value.

Prior to the Tax Reform Act of 1986, donations of appreciated property were fully deductible at their fair market value. We vigorously fought efforts to change such tax treatment, and the Senate version of that legislation did not do so. Unfortunately this was an issue on which compromise was necessary to get a bill, and the final version of the 1986 tax bill restricted appreciated property deductions under the minimum tax. The result was a precipitous decline in gifts of appreciated property, though other types of charitable giving have remained vigorous. But appreciated property gifts are a critical component of donations for educational institutions, museums, and many medical research facilities and hospitals—and these institutions have been hurt by the change.

We have already seen a dramatic turnaround in gifts for museums since partial, temporary relief was passed by Congress for gifts of tangible property—artwork, collectibles, and the like—effective for 1991 and extended through the first 6 months of 1992. We have seen a collection of Albert Einstein's letters tracing the development of the theory of relativity go to the Pierpont Morgan Library, a priceless Indianapolis racing car—a 1929 Miller 91—go to the Smithsonian, artifacts from Louis Sullivan's Chicago Stock Exchange building preserved in a museum at Notre Dame, countless paintings and sculptures to museums for public enjoyment, and on and on.

The legislation being introduced today would expand the relief for all types of property so that gifts of stock and of land would be covered. In addition, the bill provides for permanent change. It is poor tax policy to enact temporary provisions in this area, because the deadlines distort taxpayer behavior.

Second, the bill would repeal the arbitrary cap that has been imposed on the amount of tax-exempt bonds that nonprofit institutions, including colleges and universities, may issue, and would make additional changes designed to provide tax-exempt financing to private educational institutions on substantially the same basis as their public counterparts. These tax-exempt bond provisions for charitable and nonprofit organizations are identical to the provisions of S. 150, which we introduced at the beginning of this Congress.

Until passage of the tax Reform Act of 1986, public and private institutions of higher learning were treated the same way with regard to the availability of tax-exempt financing. But the 1986 act changed this by imposing a $150 million cap on the amount of bonds that a private institution may have outstanding at any time. The practical effect of this cap is to deny tax-exempt financing to large, research-oriented educational institutions most in need of capital to carry out their research mission. Twenty-four private colleges and universities are now at or near this cap, and foreclosed from using tax-exempt debt. To provide my colleagues of some idea of the implications for basic research, I would point to the fact that of the 19 private universities that rank in the top 50 in terms of volume of research, 13 have lost their tax-exempt financing as a result of the cap.

The United States is unique in the extent to which its great institutions of higher learning are roughly equally divided between public and private schools. It is a phenomenon that has clearly produced excellence—indeed, the envy of the world. We should make certain that we provide the support to insure the vigor of both sectors, and this arbitrary and discriminatory rule on tax-exempt financing does the opposite. We must change it, or in 20 years we will look up and find we have lost an aspect of American civilization of inestimable value.

Third, the bill provides that for purposes of computing the foreign tax credit and making related computations, all deductions for charitable contributions will be allocated to U.S. source income.

This proposal is designed to address a serious problem that has arisen with respect to charitable contributions made to U.S. charities that conduct foreign operations—humanitarian relief activities, U.S.-supported educational and medical institutions in foreign countries, environmental conservation projects located abroad and other worthwhile activities. Through the combined effect of a legislative change made in the Tax Reform Act of 1986—that requires certain deductions of a single member of an affiliated group of corporations to be allocated and apportioned among all members of the group—and more recently proposed Treasury regulations—that require charitable deductions to be allocated to U.S. or foreign source income depending on whether the charity uses the donation domestically or abroad—the tax benefits of many contributions to charities with significant foreign activities have been largely vitiated. This unintended effect has undermined an important source of support for charities conducting a myriad of important activities worldwide. The bill being introduced today would restore tax benefits for such contributions.

Finally, the bill contains an important new compliance measure directed toward what might be termed "quid pro quo" contributions—that is, contributions where, as part of a fundraising technique, the charitable organization provides goods or services to the donor in consideration of the donor's contribution. Under current law, a taxpayer is only entitled to deduct the amount by which his or her contribution exceeds the value of any goods or services received in consideration of the contribution. But compliance with this rule is difficult to monitor and enforce, and it appears to be disregarded often.

Accordingly, the bill would establish new substantiation and disclosure requirements. The new substantiation requirement would apply to contributions of $100 or more. In order to deduct such contributions, the taxpayer would have to substantiate them with a written acknowledgement from the donee organization, which acknowledgment would be required to state whether goods or services were provided to the taxpayer. If so, the acknowledgment would have to provide an estimate of the value of any goods or services provided to the taxpayer for the contribution, or of the amount by which the contribution exceeds the value of any such goods or services. A new disclosure requirement would apply to all contributions, regardless of size, where goods or services are provided to the donor in consideration of his or her contribution. The donee organization would have to provide information to the donor at solicitation or receipt advising that the deduction for the contribution is limited to the amount by which the contribution exceeds the value of goods or services provided by the organization, and a good faith estimate of the value of the goods or services so provided.

These new substantiation and disclosure requirements are a substantial revision of a disclosure proposal made by the Administration in the President's budget for fiscal year 1993, released last February. They are the product of extensive discussion and work with affected organizations by the Treasury Department and congressional staff. It is hoped that they will provide the level of compliance that is necessary to maintain fairness for all taxpayers in our self-assessment system.

It is of course important that whatever changes we make in the tax laws do not contribute to the deficit. These new compliance measures will raise revenues that will substantially offset the revenue losses caused by the other changes in the bill.

Mr. President, the Charitable Contribution Tax Act of 1992 makes important and needed changes in the tax laws governing charities and other nonprofit institutions. I urge my colleagues to join us in supporting its passage.

Mr. President, I ask unanimous consent that the statements of Senators DANFORTH and BOREN, and a copy of the bill, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2979

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Charitable Contribution Tax Act of 1992".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. PURPOSES.

The purposes of this Act are to encourage contributions of property to charitable organizations, contributions by multinational corporations, and contributions to charitable organizations with international activities, to improve compliance with the rules governing the deductibility of such contributions, and to provide for tax treatment of 501(c)(3) bonds which is similar to governmental bonds.

SEC. 3. ALTERNATIVE MINIMUM TAX TREATMENT.

(a) REPEAL OF TAX PREFERENCE.—Subsection (a) of section 57 is amended by striking paragraph (6) (relating to the appreciated property charitable deduction under the alternative minimum tax) and by redesignating paragraph (7) as paragraph (6).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in calendar years ending on or after December 31, 1992.

SEC. 4. ALLOCATION AND APPORTIONMENT.

(a) APPLICATION OF SECTION 864(e)(6).—Section 864(e)(6) is amended by adding at the end the following new subparagraph:

"(B) ALLOCATION AND APPORTIONMENT OF CHARITABLE DEDUCTIONS.—A charitable contribution allowable as a deduction in computing taxable income for a taxable year shall be allocated and apportioned solely to gross income from sources within the United States. For purposes of the preceding sentence, all members of an affiliated group shall be treated as a single corporation."

(b) CONFORMING AMENDMENT.—Section 864(e)(6) is amended by striking "Expenses" and inserting:

"(A) AFFILIATED GROUP RULE.—Expenses".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made on or after July 1, 1993.

SEC. 5. SUBSTANTIATION REQUIREMENT FOR DEDUCTION OF CERTAIN CHARITABLE CONTRIBUTIONS.

(a) SUBSTANTIATION REQUIREMENT.—Section 170(f) (providing special rules relating to the deduction of charitable contributions and gifts) is amended by adding at the end the following new paragraph:

"(8) SUBSTANTIATION REQUIREMENT FOR CERTAIN CONTRIBUTIONS.—

"(A) GENERAL RULE.—No deduction shall be allowed under subsection (a) for any contribution of $100 or more unless the taxpayer substantiates the contribution by a contemporaneous written acknowledgment of the contribution by the donee organization that meets the requirements of subparagraph (B).

"(B) CONTENT OF ACKNOWLEDGMENT.—An acknowledgment meets the requirements of this subparagraph (B) if it provides information sufficient to substantiate the amount of the deductible contribution. If the contribution was made by means of a payment part of which constituted consideration for goods or services provided by the donee organization, the acknowledgment must provide a good faith estimate of the value of such goods or services.

"(C) CONTEMPORANEOUS.—For purposes of subparagraph (A), an acknowledgment shall be considered to be contemporaneous if the taxpayer obtains the acknowledgment on or before the earlier of—

"(i) the date on which the taxpayer files a return for the taxable year in which the contribution was made, or

"(ii) the due date (including extensions) for filing such return.

"(D) SUBSTANTIATION NOT REQUIRED FOR CONTRIBUTIONS REPORTED BY THE DONEE ORGANIZATION.—Subparagraph (A) shall not apply to a contribution if the donee organization files a return, on such form and in accordance with such regulations as the Secretary may prescribe, which includes the information described in subparagraph (B) with respect to the contribution.

"(E) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations that may provide that some or all of the requirements of this paragraph do not apply in appropriate cases."

(b) EFFECTIVE DATE.—The provisions of this section shall apply to contributions made on or after January 1, 1993.

SEC. 6. DISCLOSURE RELATED TO QUID PRO QUO CONTRIBUTIONS.

(a) DISCLOSURE REQUIREMENT.—Subchapter B of chapter 61 (relating to information and returns) is amended by redesignating section 6115 as section 6116 and by inserting after section 6114 the following new section:

"SEC. 6115. DISCLOSURE RELATED TO QUID PRO QUO CONTRIBUTIONS.

"(a) DISCLOSURE REQUIREMENT.—If an organization described in section 170(c) (other than paragraph (1) thereof) receives a quid pro quo contribution, the organization shall, in connection with the solicitation or receipt of the contribution—

"(1) inform the donor that the amount of the contribution that is deductible for Federal income tax purposes is limited to the excess of the amount of any money and the value of any property other than money contributed by the donor over the value of the goods or services provided by the organization, and

"(2) provide the donor with a good faith estimate of the value of such goods or services.

"(b) QUID PRO QUO CONTRIBUTION.—For purposes of this section, the term 'quid pro quo contribution' means a payment made partly as a contribution and partly in consideration for goods or services provided to the payor by the donee organization."

(b) PENALTY FOR FAILURE TO DISCLOSE.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6713 the following new section:

"SEC. 6714. FAILURE TO MEET DISCLOSURE REQUIREMENTS APPLICABLE TO QUID PRO QUO CONTRIBUTIONS.

"(a) IMPOSITION OF PENALTY.—If an organization fails to meet the disclosure requirement of section 6115 with respect to a quid pro quo contribution, such organization shall pay a penalty of $10 for each contribution in respect of which the organization fails to make the required disclosure, except that the total penalty imposed by this subsection with respect to a particular fundraising event or mailing shall not exceed $5,000.

"(b) Reasonable Cause Exception.—No penalty shall be imposed under this section with respect to any failure if it is shown that such failure is due to reasonable cause."

(c) Clerical Amendments.—

(1) The table for subchapter B of chapter 61 is amended by striking the item relating to section 6115 and inserting the following new item:

"Sec. 6115. Disclosure related to quid pro quo contributions.
"Sec. 6116. Cross reference."

(2) The table for part I of subchapter B of chapter 68 is amended by inserting after the item for section 6713 the following new item:

"Sec. 6714. Failure to meet disclosure requirements applicable to quid pro quo contributions."

(d) Effective Date.—The provisions of this section shall apply to quid pro quo contributions made on or after January 1, 1993.

SEC. 7. TAX TREATMENT OF 501(c)(3) BONDS SIMILAR TO GOVERNMENTAL BONDS.

(a) In General.—Subsection (a) of section 150 (relating to definitions and special rules) is amended by striking paragraphs (2) and (4), by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) Exempt person.—

"(A) In general.—The term 'exempt person' means—

"(i) a governmental unit, or

"(ii) a 501(c)(3) organization, but only with respect to its activities which do not constitute unrelated trades or businesses as determined by applying section 513(a).

"(B) Governmental unit not to include federal government.—The term 'governmental unit' does not include the United States or any agency or instrumentality thereof.

"(C) 501(c)(3) organization.—The term '501(c)(3) organization' means any organization described in section 501(c)(3) and exempt from tax under section 501(a)."

(b) Repeal of Qualified 501(c)(3) Bond Designation.—Section 145 (relating to qualified 501(c)(3) bonds) is repealed.

(c) Conforming Amendments.—

(1) Paragraph (3) of section 141(b) is amended—

(A) by striking "government use" in subparagraph (A)(ii)(I) and subparagraph (B)(ii) and inserting "exempt person use",

(B) by striking "a government use" in subparagraph (B) and inserting "an exempt person use",

(C) by striking "related business use" in subparagraph (A)(ii)(II) and subparagraph (B) and inserting "related private business use",

(D) by striking "RELATED BUSINESS USE" in the heading of subparagraph (B) and inserting "RELATED PRIVATE BUSINESS USE", and

(E) by striking "GOVERNMENT USE" in the heading thereof and inserting "EXEMPT PERSON USE".

(2) Subparagraph (A) of section 141(b)(6) is amended by striking "a governmental unit" and inserting "an exempt person".

(3) Paragraph (7) of section 141(b) is amended—

(A) by striking "government use" and inserting "exempt person use", and

(B) by striking "Government use" in the heading thereof and inserting "Exempt person use".

(4) Section 141(b) is amended by striking paragraph (9).

(5) Paragraph (1) of section 141(c) is amended by striking "governmental units" and inserting "exempt persons".

(6) Section 141 is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) Certain Issues Used To Provide Residential Rental Housing for Family Units.—

"(1) In general.—Except as provided in paragraph (2), for purposes of this title, the term 'private activity bond' includes any bond issued as part of an issue if any portion of the net proceeds of the issue are to be used (directly or indirectly) by an exempt person described in section 150(a)(2)(A)(ii) to provide residential rental property for family units.

"(2) Exception for bonds used to provide qualified residential rental projects.—Paragraph (1) shall not apply to any bond issued as part of an issue if the portion of such issue which is to be used as described in paragraph (1) is to be used to provide—

"(A) a residential rental property for family units if the first use of such property is pursuant to such issue,

"(B) qualified residential rental projects (as defined in section 142(d)), or

"(C) property which is to be substantially rehabilitated in a rehabilitation beginning within the 2-year period ending 1 year after the date of the acquisition of such property.

"(3) Substantial rehabilitation.—

"(A) In general.—Except as provided in subparagraph (B), rules similar to the rules of section 47(c)(1)(C) shall apply in determining for purposes of paragraph (2)(C) whether property is substantially rehabilitated.

"(B) Exception.—For purposes of subparagraph (A), clause (ii) of section 47(c)(1)(C) shall not apply, but the Secretary may extend the 24-month period in section 47(c)(1)(C)(i) where appropriate due to circumstances not within the control of the owner.

"(4) Certain property treated as new property.—Solely for purposes of determining under paragraph (2)(A) whether the 1st use of property is pursuant to tax-exempt financing—

"(A) In general.—If—

"(i) the 1st use of property is pursuant to taxable financing,

"(ii) there was a reasonable expectation (at the time such taxable financing was provided) that such financing would be replaced by tax-exempt financing, and

"(iii) the taxable financing is in fact so replaced within a reasonable period after the taxable financing was provided,

then the 1st use of such property shall be treated as being pursuant to the tax-exempt financing.

"(B) Special rule where no operating state or local program for tax-exempt financing.—If, at the time of the 1st use of property, there was no operating State or local program for tax-exempt financing of the property, the 1st use of the property shall be treated as pursuant to the 1st tax-exempt financing of the property.

"(C) Definitions.—For purposes of this paragraph—

"(i) Tax-exempt financing.—The term 'tax-exempt financing' means financing provided by tax-exempt bonds.

"(ii) Taxable financing.—The term 'taxable financing' means financing which is not tax-exempt financing."

(7) Section 141(f), as redesignated by paragraph (6), is amended—

(A) by adding "or" at the end of subparagraph (E),

(B) by striking ", or" at the end of subparagraph (F), and inserting in lieu thereof a period, and

(C) by striking subparagraph (G).

(8) The last sentence of section 144(b)(1) is amended by striking "(determined" and all that follows to the period.

(9) Clause (ii) of section 144(c)(2)(C) is amended by striking "governmental unit" and inserting "exempt person".

(10) Section 146(g) is amended—

(A) by striking paragraph (2), and

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(11) The heading of section 146(k)(3) is amended by striking "GOVERNMENTAL" and inserting "EXEMPT PERSON".

(12) The heading of section 146(m) is amended by striking "Government" and inserting "Exempt Person".

(13) Subsection (h) of section 147 is amended to read as follows:

"(h) Certain Rules Not To Apply to Mortgage Revenue Bonds and Qualified Student Loan Bonds.—Subsections (a), (b), (c), and (d) shall not apply to any qualified mortgage bond, qualified veterans' mortgage bond, or qualified student loan bond."

(14) Section 147(b) is amended by striking paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(15) Subparagraph (F) of section 148(d)(3) is amended—

(A) by striking "or which is a qualified 501(c)(3) bond", and

(B) by striking "GOVERNMENTAL USE BONDS AND QUALIFIED 501(C)(3)" in the heading thereof and inserting "EXEMPT PERSON".

(16) Subclause (II) of section 148(f)(4)(B)(ii) is amended by striking "(other than a qualified 501(c)(3) bond)".

(17) Clause (iv) of section 148(f)(4)(C) is amended—

(A) by striking "a governmental unit or a 501(c)(3) organization" each place it appears and inserting "an exempt person", and

(B) by striking "qualified 501(c)(3) bonds,".

(18) Subparagraph (A) of section 148(f)(7) is amended by striking "(other than a qualified 501(c)(3) bond)".

(19) Paragraph (2) of section 149(d) is amended—

(A) by striking "(other than a qualified 501(c)(3) bond)", and

(B) by striking "Certain private" in the heading thereof and inserting in lieu thereof "Private".

(20) Section 149(e)(2) is amended—

(A) by striking "which is not a private activity bond" in the second sentence and inserting "which is a bond issued for an exempt person described in section 150(a)(2)(A)(i)", and

(B) by adding at the end thereof the following new sentence: "Subparagraph (D) shall not apply to any bond which is not a private activity bond but which would be such a bond if the 501(c)(3) organization using the proceeds thereof were not an exempt person."

(21) The heading of subsection (b) of section 150 is amended by striking "Tax-Exempt Private Activity Bonds" and inserting "Certain Tax-Exempt Bonds".

(22) Paragraph (3) of section 150(b) is amended—

(A) by inserting "owned by a 501(c)(3) organization" after "any facility" in subparagraph (A),

(B) by striking "any private activity bond which, when issued, purported to be a tax-exempt qualified 501(c)(3) bond" in subparagraph (A) and inserting "any bond which, when issued, purported to be a tax-exempt bond, and which would be a private activity bond if the 501(c)(3) organization using the proceeds thereof were not an exempt person", and

(C) by striking the heading thereof and inserting "BONDS FOR EXEMPT PERSONS OTHER THAN GOVERNMENTAL UNITS.—".

(23) Paragraph (5) of section 150(b) is amended—

(A) by striking "private activity" in subparagraph (A),

(B) by inserting "and which would be a private activity bond if the 501(c)(3) organization using the proceeds thereof were not an exempt person" after "tax-exempt bond" in subparagraph (A),

(C) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) such facility is required to be owned by an exempt person, and", and

(D) by striking "GOVERNMENTAL UNITS OR 501(C)(3) ORGANIZATIONS" in the heading thereof and inserting "EXEMPT PERSONS".

(24) Section 150 is amended by adding at the end thereof the following new subsection:

"(f) CERTAIN RULES TO APPLY TO BONDS FOR EXEMPT PERSONS OTHER THAN GOVERNMENTAL UNITS.—

"(1) IN GENERAL.—Nothing in section 103(a) or any other provision of law shall be construed to provide an exemption from Federal income tax for interest on any bond which would be a private activity bond if the 501(c)(3) organization using the proceeds thereof were not an exempt person unless such bond satisfies the requirements of subsections (b) and (f) of section 147.

"(2) SPECIAL RULE FOR POOLED FINANCING OF 501(C)(3) ORGANIZATION.—

"(A) IN GENERAL.—At the election of the issuer, a bond described in paragraph (1) shall be treated as meeting the requirements of section 147(b) if such bond meets the requirements of subparagraph (B).

"(B) REQUIREMENTS.—A bond meets the requirements of this subparagraph if—

"(i) 95 percent or more of the net proceeds of the issue of which such bond is a part are to be used to make or finance loans to 2 or more 501(c)(3) organizations or governmental units for acquisition of property to be used by such organizations,

"(ii) each loan described in clause (i) satisfies the requirements of section 147(b) (determined by treating each loan as a separate issue),

"(iii) before such bond is issued, a demand survey was conducted which shows a demand for financing greater than an amount equal to 120 percent of the lendable proceeds of such issue, and

"(iv) 95 percent or more of the net proceeds of such issue are to be loaned to 501(c)(3) organizations or governmental units within 1 year of issuance and, to the extent there are any unspent proceeds after such 1-year period, bonds issued as part of such issue are to be redeemed as soon as possible thereafter (and in no event later than 18 months after issuance).

A bond shall not meet the requirements of this subparagraph if the maturity date of any bond issued as part of such issue is more than 30 years after the date on which the bond was issued (or, in the case of a refunding or series of refundings, the date on which the original bond was issued)."

(25) Section 1302 of the Tax Reform Act of 1986 is repealed.

(26) Subparagraph (C) of section 57(a)(5) is amended by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(27) Paragraph (3) of section 103(b) is amended by inserting "and section 150(f)" after "section 149".

(28) Paragraph (3) of section 265(b) is amended—

(A) by striking clause (ii) of subparagraph (B) and inserting the following:

"(ii) CERTAIN BONDS NOT TREATED AS PRIVATE ACTIVITY BONDS.—For purposes of clause (i)(II), there shall not be treated as a private activity bond any obligation issued to refund (or which is part of a series of obligations issued to refund) an obligation issued before August 8, 1986, which was not—

"(I) an industrial development bond (as defined in section 103(b)(2) as in effect on the day before the date of the enactment of the Tax Reform Act of 1986), or

"(II) a private loan bond (as defined in section 103(o)(2)(A), as so in effect, but without regard to any exemption from such definition other than section 103(o)(2)(A)).''; and

(B) by striking "(other than a qualified 501(c)(3) bond, as defined in section 145)" in subparagraph (C)(ii)(I).

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) IN GENERAL.—The amendments made by this section shall apply to bonds issued after December 31, 1992.

(2) SPECIAL RULE FOR CERTAIN BONDS ISSUED AFTER DATE OF ENACTMENT.—

(A) IN GENERAL.—The amendments made by this section shall not apply to any bond which—

(i) is issued after the date of the enactment of this Act, and

(ii) is part of an issue which is subject to any transitional rule under subtitle B of title XIII of the Tax Reform Act of 1986.

(B) ELECTION OUT.—This paragraph shall not apply to any issue with respect to which the issuer elects not to have this paragraph apply.•

• Mr. DANFORTH. Mr. President, with my distinguished colleague, Senator MOYNIHAN, I am introducing a bill today that is very important to the well-being of charitable organizations, colleges, and universities.

Our bill would expand and make permanent the rule which permits taxpayers to except from the Alternative Minimum Tax gifts of appreciated property. Further, it would remove the $150 million limitation on outstanding tax-exempt bonds imposed on private colleges and universities and allow multinational charitable donors to offset their U.S. source income with charitable deductions. To pay for these provisions, the bill would improve compliance with rules governing the deductibility of such contributions.

EXCEPTING GIFTS OF APPRECIATED PROPERTY FROM THE AMT

Prior to the Tax Reform Act of 1986, donors were able to deduct the full market value of charitable gifts of appreciated property, subject to the limitation that the deduction could not exceed 30 percent of adjusted gross income in any 1 year. The 1986 Tax Act required taxpayers to include the appreciation portion of the gift in AMT. In effect, this provision prevented many donors from receiving full deductibility. This provision was repealed for contributions of tangible personal property made in 1991, and the repeal was extended through June 1992.

Members of both Houses of Congress and the administration recognize the need to repeal the provision requiring the appreciation portion of these gifts to be included in AMT. The administration proposed repeal for all gifts of appreciated property in its fiscal year 1993 budget. H.R. 4210, a bill passed by both the Senate and the House of Representatives, contained a provision excepting all gifts of appreciated property from the AMT. This bill was vetoed for other reasons earlier this year. H.R. 3040, considered by the Finance Committee this month, contained a provision excepting all gifts of appreciated property from the AMT. Most recently, the Ways and Means Committee reported out a bill that includes a provision identical to that contained in H.R. 3040.

Gifts of appreciated property are among the most important sources of charitable donations to colleges, universities, cultural and conservation organizations, hospitals, and social service groups. For many such organizations, gifts of appreciated property have declined since 1986. Studies by the American Association of Museums, the Association of Art Museum Directors, and the National Bureau of Economic Research have reported a substantial decline in donations of appreciated property since passage of the Tax Reform Act of 1986.

According to the Land Trust Alliance, anecdotal evidence indicates that many gifts of land and conservation easements are being lost because of the AMT. Service organizations such as the Salvation Army and the Council of Jewish Federations also report the loss of gifts of appreciated property because of the uncertainty and complexity of the AMT. The U.S. Conference of Mayors recently added its voice to those requesting removal of all gifts of appreciated property from the AMT. In June 1991, the group adopted a resolution that notes that local governments have also suffered a loss of gifts of appreciated property as a result of the 1986 Tax Act.

I sincerely hope Congress and the administration will act to ensure that the AMT exception for gifts of appreciated property is enacted as part of the next tax legislation. We need a permanent exclusion of all gifts of appreciated property from the AMT, so that donors can once again be free to contribute to philanthropic organizations without the threat of falling prey to the complicated AMT.

TAX-EXEMPT BOND LIMIT

In the Tax Reform Act of 1986, Congress limited the amount of tax-exempt bonds that can be issued by private colleges and universities to $150 million. This bill would remove the $150 million limitation and generally treat these bonds in a manner similar to those of public colleges and universities.

The $150 million cap arbitrarily restricts access to affordable capital for institutions at or near the cap. Much of the impact falls on major research institutions. Of the top 50 research institutions—based on research conducted in the country—19 are private; 13 of these have reached the $150 million limit.

Research is now a capital-intensive undertaking. Yet, the bond cap restricts capital for the institutions that need it most. It is estimated that nearly 40 percent of all private research facilities are in need of repair. The National Science Foundation has reported that for every $1 spent to maintain research facilities in 1990, an additional $4.25 was deferred, and that for every $1 spent to construct new science facilities, $3.11 was deferred.

To illustrate the effect of the bond cap, consider the following examples. At Vanderbilt University, a planned medical research building is expected to cost $32 million and will house one of the Nation's leading programs to develop new drugs. Research in this program has just led to the discovery of a new class of compounds to treat high blood pressure and cancer. The university was advised by its underwriters that borrowing for the facility in the taxable market would increase the cost of the project over a 30-year loan by approximately $15 million. This money could be better used for actual research.

Because the University of Southern California had to turn to taxable financing to complete needed repairs, its financing costs were increased $3.5 million in the first year alone, and nearly $30 million over the life of the issue. According to the university, that $3.5 million turns into nearly $150 in extra tuition per student.

This year the University of Chicago is beginning construction of a new science teaching center, which will be financed by taxable bonds because the university has hit the bond cap. According to the univerity, the more costly financing will result in delays for other renovations and construction that are badly needed.

The University of Miami issued $72 million in bonds for construction and renovation of a physics building, cancer clinic, and medical science building, along with other general renovations and repairs. Because the university had reached its cap, the construction cost increased an estimated $1.45 million per year, or $35 million over the life of the bond issue and the university still has over $4 million in deferred maintenance and $20 million of renovations to finance.

Numerous other projects have been adversely affected by the bond cap. At a time when educational institutions face serious financial pressure—departments being eliminated, faculty-student ratios decreasing, Federal and State grants cut back, and the costs of capital increasing—Congress should not contribute to the problem by restricting their access to capital.

ALLOCATION AND APPORTIONMENT OF CHARITABLE CONTRIBUTIONS

A taxpayer's charitable deductions generally are ratably allocated and apportioned between U.S. source and foreign source gross income. In March 1991 the Treasury Department issued proposed regulations to modify the pro rata rule by providing for specific allocation of charitable deductions to the United States or foreign source income of a taxpayer, based on whether the charity used the funds within or outside the United States. This rule was extensively criticized by the public and Members of Congress because it provides greater benefit to donors for contributions to domestic charitable activities than to international charitable activities.

Charities with international activities will likely be substantially disadvantaged by the proposed regulation. Requiring that a charitable deduction be allocated entirely to foreign-source income effectively eliminates any tax benefit from the deduction if the taxpayer has excess foreign tax credits—which is the case for many U.S. multinational corporations. A very important source of contributions for these charities will lose all tax benefits for such gifts. Along with 11 colleagues on the Finance Committee, I voiced my concern over this result in a letter to Secretary Brady in July. The result of the rule is neither fair nor appropriate, and is not in the public interest.

Charities adversely affected by the proposed rule are involved in crucial humanitarian relief efforts worldwide, in American-sponsored schools and hospitals abroad, and in projects to protect the global environment. AmeriCares, a U.S. charity which distributes medicine and medical supplies overseas, reports that a multinational corporation that made over $4 million worth of donations in 1991 has been advised by its contribution committee to halt all donations unless and until the regulation is withdrawn. There is no telling how much other charitable giving has been stifled.

I believe Congress should state firmly its support for these international humanitarian relief organizations. This bill wold permanently fix the inequity existing in the current regulation by allowing multinationals to allocate all charitable contribution deductions to U.S. source gross income.

SUBSTANTIATION AND DISCLOSURE REQUIREMENTS FOR CHARITABLE CONTRIBUTIONS

Realizing that current budget rules require all revenue losing proposals to be offset by revenue raising proposals, this bill pays for its provisions by strengthening the substantiation and disclosure requirements regarding charitable contributions.

The bill would require taxpayers to obtain acknowledgement from the donee organization for all contributions of $100 or more in order to claim a deduction. Where a taxpayer receives goods or services from the donee organization as consideration for all or part of the contribution, the donee must provide acknowledgement of the gift and an estimate of the value of the goods and services provided. This is true regardless of the value of the contribution. These quid pro quo contributions present significant problems of tax administration and the risk of substantial losses of tax revenue. The bill will address these concerns without imposing an undue hardship on donee organizations.

Finally, I would like to personally thank the Treasury Department, and specifically Fred Goldberg, for working so diligently with Members of Congress and the charitable community during the crafting of this package. This package is the product of lengthy discussion between those parties effected by its provisions and policymakers in Congress and the Treasury. An earlier version of some of the proposals in this bill appeared in the President's 1993 budget. The charitable community was concerned about certain provisions in the reporting requirements area. Mr. Goldberg listened to the views of the charitable community and took primary responsibility for addressing their concerns. The charitable community and Members of Congress who are interested in seeing these provisions become law are very appreciative of Mr. Goldberg and his staff's efforts.

I urge my colleagues to act quickly to pass this bill.•

• Mr. BOREN. Mr. President, I am pleased to join with my colleagues, Senator DANFORTH and Senator MOYNIHAN, in introducing the Charitable Contribution Tax Act of 1992. One of the extraordinary characteristics of the American people has been our commitment to enhancing the quality of community life through private charitable giving. We have shared a belief that we are obligated to improve society through the challenge of superior higher education, the protection of certain land and wildlife, and the preservation of our cultural heritage—and those who have sufficient resources have acted on that belief by contributing their talents, their time, and their money to worthy causes.

Government must not stand in the way of achieving these goals; instead, it has a role to play in the charitable process. An effective and appropriate method of Government involvement occurs through the use of the Tax Code to encourage charitable giving and to sustain philanthropic activities. The legislation that we introduce today includes three such provisions. I have long been a supporter of all three initiatives, and I have been heartened by the recent support they have received in both houses of Congress and in the administration.

The first provision is identical to legislation that I introduced early in this session and similar to provisions that have been passed by both the House Ways and Means Committee and the Senate Finance Committee. Indeed, in March the Congress voted to repeal temporarily the alternative minimum tax preference for charitable gifts of appreciated tangible and intangible property. While I am convinced that any tax legislation passed by Congress in the near future will contain this temporary provision, this act demonstrates that permanent repeal is possible.

Not only is permanent repeal possible, it is absolutely crucial to sustain those sectors of our society that depend heavily on philanthropy for support. Eighty percent of the collections in American museums are the result of donations of appreciated assets that are part of our cultural heritage. Land conservation groups depend on gifts of appreciated land to help conserve open space for public enjoyment and protection of important wildlife. We simply cannot allow this Nation's great institutions of art, learning, and science to languish because our Tax Code punishes the generosity of benevolent Americans.

I am troubled that the limited, temporary repeal of the AMT preference treatment for charitable gifts of tangible personal property expires today. This expiration will have a real and substantial effect on the ability of charitable institutions to improve society. A recent survey compared donations in 1990, when the Tax Code did not allow favorable treatment for gifts of appreciated personal property, to donations in 1991. This study revealed an increase of 541 percent in the value of donated items.

Imagine the outpouring of charitable contributions to schools, museums, and environmental organizations that will result from an expansion of this repeal to include all tangible and intangible property. Conversely, imagine the constriction of these gifts that will inevitably occur from our inability to act quickly and decisively before the current provision expires. I again urge my colleagues to join with us to pass this important tax provision as speedily as we can.

This act contains two other important provisions to encourage charitable giving. First, many of us have grown increasingly convinced that the Tax Reform Act of 1986 changed the Tax Code in a variety of undesirable and unwise ways. One of those mistakes was the imposition of a $150 million cap on the amount of tax-exempt bonds that private colleges and universities can issue.

Our institutions of higher learning play a unique and valuable role in providing education and research that benefit our society in profound ways. Every day we read accounts of scientific research conducted by colleges and universities that promise treatments and eventual cures to diseases that threaten our lives and the lives of our children. Universities provide an environment for the next generation to consider the challenges of tomorrow in the context of the wisdom and guidance of philosophers, authors, and historians of the yesterday and today.

Both private and public institutions have invaluable roles to play in this process. The cap on tax-exempt bonds restricts our private universities' access to capital and stunts their ability to fund important research in the sciences and the humanities. The cap also causes such institutions to defer or cancel capital projects that can represent jobs and investment for many communities. Repeal of the $150 million cap is crucial.

Finally, the Charitable Contribution Tax Act allows for full domestic allocation of charitable deductions. This provision was proposed by the administration this winter and responds to widespread dissatisfaction with both the current pro rata allocation and a proposed change in that apportionment rule. Currently, a taxpayer's charitable deductions are allocated ratably between U.S. source income and foreign source income. Many argue that this formula discourages gifts by some of the most generous donors—U.S. multinational corporations that have excess foreign tax credits and thus cannot receive the full tax benefit of any deductions allocated to foreign source income.

In March 1991, the Treasury Department proposed to modify this allocation rule by apportioning a deduction to United States or foreign source income to the extent that the deduction is used solely inside or outside the United States. This modification has been criticized as providing a greater incentive for contributions to charities with domestic activities than to charities with substantial international activities. Worthy charities—many that are involved in crucial humanitarian relief efforts worldwide, in American-sponsored schools and hospitals abroad, and in nature-saving projects to protect the global environment—do their primary work abroad and fear that the proposed apportionment would hinder their abilities to discharge their missions. Indeed, one U.S. charity, AmeriCares, which distributes medicine and medical supplies overseas, reported that a company that made over 4 million dollars' worth of in-kind donations in the first half of 1991 had been advised by its contribution committee to halt all donations unless the proposed regulation is withdrawn.

This act allocates all charitable deductions to a taxpayer's domestic source income. Taxpayers will no longer have to base their charitable-giving decisions in part on whether they have excess foreign tax credits. Instead, they can make their contributions on the basis of the objectives and activities of the charitable organization or educational institution.

Mr. President, this act is a comprehensive tax package designed to address a variety of concerns. It is noteworthy as well because it provides a method to pay for these tax incentives, and it raises sufficient revenue by imposing a substantiation requirement that is not unduly burdensome on the charitable sector. I urge my colleagues to study this legislation and to act quickly to ensure that philanthropic and educational institutions in our country continue to flourish and enhance the quality of our lives.•

By Mr. INOUYE (for himself, Mr. LUGAR, Mr. BOREN, Mr. GORTON, Mr. CRAIG, Mr. SEYMOUR, Mr. COHEN, Mr. COCHRAN, Mr. GRAHAM, Mr. MACK, Mr. CONRAD, Mr. SPECTER, and Mr. GARN)

S. 2980. A bill to amend the Federal Insecticide, Fundgicide, and Rodenticide Act with respect to minor use of pesticides; to the Committee on Agriculture, Nutrition, and Forestry.

MINOR CROP PROTECTION ASSISTANCE ACT

• Mr. INOUYE. Mr. President I rise to amend the Federal Insecticide, Fungicide, and Rodenticide Act with respect to minor use of pesticides. This measure seeks to remedy a pest control problem—but unlike most others, this problem does not relate to health and environmental safety—it is an economic issue.

As you know, practically all crops produced in this country are considered minor crops by the currently held definition of a minor crop. The only crops not considered to be minor crops are corn, wheat, soybeans, and cotton. In my State of Hawaii, the latest agricultural statistics list over 35 crops that are produced commercially. These figures do not include the many niche market crops that cannot be included because they may disclose confidential information in the statistical reporting. Included in the 35 reported crops are relatively large acres of sugar and pineapple. All crops in Hawaii are classified as minor crops.

You may question why minor crops and minor uses are worthy of special assistance. First of all, these commodities account for a significant portion of our nation's agricultural economy and agricultural exports. Secondly, these fruits and vegetables are vital components of a nutritional and varied diet for all Americans.

So, what is the problem? The pesticide re-registration process, mandated by the 1988 amendments to the Federal Insecticide, Fungicide and Rodenticide Act, is very expensive. Often, the cost of providing data to the Environmental Protection Agency [EPA] far exceeds any profit from sales of the minor use pesticides. Safe minor use registrations cannot be justified and are therefore being cancelled.

The EPA and the U.S. Department of Agriculture has recognized the minor use problem for many years. In fact, a 1980 policy statement of the EPA explains the situation quite well. It said, "We recognize that, ideally, the marketplace should take care of minor uses as it does other pesticide uses; that is, the laws of supply and demand should determine which of those surface and survive, and which do not. However, because of market imperfections—caused in part by this Agency and its regulatory intervention to ensure that minor and other pesticide uses do not cause unreasonable adverse effects—it is clear that many needed minor uses would never enter or stay on the market without some special attention. Even though the costs to society of losing or doing without pesticide minor uses would undoubtedly be significant, the private costs of developing, registering and maintaining minor uses also are disproportionately high, compared with the potential profits from these uses. The EPA and Congress recognize that minor uses provided social benefits by ensuring continued diversity in this country's supplies of food and fiber. Thus, as a matter or policy we will give special attention to minor uses in all aspects of the EPA's Office of Pesticide Program's activities."

Unfortunately, the EPA's policy has not been enough to stem the increasing number of voluntary cancellations of safe pesticide uses. The legislation we are introducing includes several initiatives which will preserve the availability of many safe minor uses and encourage the development of nonchemical pest management tools. These provisions include: waiving certain data requirements if a pesticide's use does not present an unreasonable risk to human health or the environment; granting extensions for developing data in certain cases; requiring expedited review of applications for registration for minor crop uses; and using data from similar pesticide uses whose registration has been allowed to lapse for economic reasons. In no instance would these mechanisms be allowed if the EPA's Administrator determined that the pesticide poses an unreasonable adverse risk to human health or the environment, or where missing data are essential for making such a determination.

The concern for minor crop protection is not new. I have long supported the Inter-Regional Research project referred to as IR-4 and was an original sponsor of that portion of the 1990 farm bill to establish this project on a more permanent basis. This latter provision required the Secretary of Agriculture to establish an IR-4 Program to assist in the collection of residue and efficacy data in support of the registration or reregistration of minor use chemicals. The bill I introduce today builds on this concept and provides the resources needed to ensure continuation of a safe and abundant food supply for American consumers.

I note that my bill offers support for chemical as well as nonchemical pest control methods. I have long supported integrated pest management approaches which include judicious use of chemicals in concert with management practices and biological controls. Not only are such measures kinder to the environment but provide relief from the increasingly prevalent pesticide resistance of insects and other organisms.

I urge my colleagues to support this amendment.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2980

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Minor Crop Protection Assistance Act of 1992".

(b) REFERENCES.—Except as otherwise specifically provided, whenever in this Act a section is amended, repealed, or referenced, the amendment, repeal, or reference shall be considered to be made to that section of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 121 et seq.).

SEC. 2. FINDINGS.

Congress finds that—

(1) many of the uses of crop protection chemicals for fruits, nuts, vegetables, ornamentals, and other speciality crops are minor uses in that the potential return on the cost of producing data necessary to support the registration of the chemicals is not sufficient;

(2) certain limited uses of crop protection chemicals on large acreage crops that are critical to maintain integrated pest management programs for geographically or climatically restricted pests also lack economic incentives necessary to support their continued availability;

(3) the production of the crops protected by the chemicals referred to in paragraphs (1) and (2) is important to preserve the public health of American citizens, to ensure a varied and healthy diet, and to support a viable domestic farm economy; and

(4) incentives are necessary to ensure that certain minor use crop protection chemicals critical to the continued production of various crops are available.

SEC. 3. MINOR USE.

Section 2 (7 U.S.C. 136) is amended by adding at the end the following new subsection:

"(hh) MINOR USE.—The term 'minor use' means the use of a pesticide on a commercial agricultural crop or site where—

"(1)(A) the total United States acreage for the crop is less than 300,000 acres;

"(B) the acreage expected to be treated as a result of that use is less than 300,000 acres annually or the agricultural crop expected to be treated represents production from less than 300,000 acres annually; or

"(C) the use does not provide sufficient economic incentive to support the initial registration or continuing registration for the use; and

"(2) the Administrator has not determined that, based on existing data, the use presents an unreasonable adverse effect on the environment.".

SEC. 4. MINOR USE WAIVER.

Section 3(c)(2) (7 U.S.C. 136a(c)(2)) is amended by adding at the end the following new subparagraph:

"(E) In handling the registration of a pesticide for a minor use, the Administrator may waive otherwise applicable data requirements if the Administrator determines that the absence of the data will not prevent the Administrator from determining—

"(i) the incremental risk presented by the minor use of the pesticide; and

"(ii) that the risks, if any, would not have an unreasonable adverse effect on the environment.".

SEC. 5. EXCLUSIVE DATA USE.

Section 3(c)(1)(F) (7 U.S.C. 136a(c)(1)(F)) is amended—

(1) by redesignating clause (iii) as clause (iv); and

(2) by inserting after clause (ii) the following new clause:

"(iii) With respect to data submitted after the date of the enactment of this clause by an applicant or registrant to support an amendment adding a new use to an existing registration, to support or maintain in effect an existing registration, or to support a reregistration, if the data relates solely to a minor use of a pesticide, the data shall not, without the written permission of the original data submitter, be considered by the Administrator to support an application for a minor use by another person during a period of 10 years following the date of submission of the data. If the minor use registration that is supported by data submitted pursuant to this subsection is voluntarily canceled or if such data are subsequently used to support a non-minor use, the data shall no longer be subject to the exclusive use provisions of this clause but shall instead be considered by the Administrator in accordance with clause (i) or (ii), as appropriate.".

SEC. 6. EXPEDITING MINOR USE REGISTRATIONS.

Section 3(c)(3) (7 U.S.C. 136a(c)(3)) is amended by adding at the end the following new subparagraphs:

"(C)(i) The Administrator shall, as expeditiously as possible, review and act on any application—

"(I) that proposes the initial registration of a new pesticide active ingredient if the active ingredient is proposed to be registered solely for minor uses or for non-minor uses and significant minor uses; or

"(II) for a registration amendment that proposes a new minor use for an existing pesticide.

"(ii) For the purposes of clause (i):

"(I) The term 'as expeditiously as possible' means that the Administrator shall complete a review and evaluation of all data submitted with the application no later than 6 months after the submission of the application.

"(II) The term 'significant minor uses' means 3 or more minor uses proposed for every nonminor use, a minor use that would, in the judgment of the Administrator, serve as a replacement for any use that has been canceled in the 5 years preceding the receipt of the application, or a minor use that in the opinion of the Administrator would avoid the reissuance of an emergency exemption under section 18 for that minor use.

"(D) If a registrant makes a good faith request for a minor use waiver regarding data required by the Administrator pursuant to paragraph (2)(B), and if the Administrator denies in whole or in part the data waiver request, the registrant shall have a full time period for providing the data. The full time period extension shall not be available if the Administrator determines that the data waiver request was not made in good faith. Any determination by the Administrator that a data waiver request was not submitted in good faith shall be made in writing to the registrant and shall be subject to judicial review under the procedures prescribed by section 16(b).".

SEC. 7. TIME EXTENSIONS FOR DEVELOPMENT OF MINOR USE DATA.

(a) DATA CALL-IN.—Section 3(c)(2)(B) (7 U.S.C. 136a(c)(2)(B)) is amended by adding at the end the following new clause:

"(vi)(I) On the request of a registrant, the Administrator shall extend the deadline for the production of data under this subsection for data required solely to support a minor use of a pesticide up to 4 years if—

"(aa) the registrant of the pesticide is providing, or has provided, data to support other uses of the pesticide; and

"(bb) the registrant, in submitting a request for such an extension, provides a schedule, including interim dates to measure progress, to ensure that the data production will be completed before the expiration of the extension period.

"(II) The Administrator shall not provide for such extension if the Administrator determines, in writing, that—

"(aa) the use of the pesticide for the minor use may pose unreasonable adverse effects during the period of extension; or

"(bb) the data provided or being provided to support other uses is insufficient to estimate the risk associated with the minor use during the period of extension.

"(III) If the Administrator grants an extension under this clause, the Administrator shall monitor the development of the data and shall ensure that the registrant is meeting the schedule for the production of the data. If the Administrator determines that the registrant is not meeting the schedule for the production of the data, the Administrator may proceed in accordance with clause (iv) regarding the continued registration of the minor use and shall inform the public of such action.".

(b) REREGISTRATION.—Subsections (d)(4), (e)(2), and (f)(2) of section 4 (7 U.S.C. 136a–1) are each amended by adding at the end the following new subparagraph:

"(C)(i) On the request of a registrant, the Administrator shall extend the deadline for the production of data under this subparagraph for data required solely to support a minor use of a pesticide, up to 4 years if—

"(I) the registrant of the pesticide is providing, or has provided, data to support other uses of the pesticide; and

"(II) the registrant, in submitting a request for such an extension, provides a schedule, including interim dates to measure progress, to ensure that the data production will be completed before the expiration of the extension period.

"(ii) The Administrator shall not provide for the extension if the Administrator determines, in writing, that—

"(I) the use of the pesticide for the minor use may pose unreasonable adverse effects during the period of extension; or

"(II) the data provided or being provided to support other uses is insufficient to estimate the risk associated with the minor use during the period of extension.

"(iii) If the Administrator grants an extension under this subparagraph, the Administrator shall monitor the development of the data and shall ensure that the registrant is meeting the schedule for the production of the data. If the Administrator determines that the registrant is not meeting the schedule for the production of the data, the Administrator shall take appropriate regulatory action regarding the continued registration of the minor use and shall inform the public of the action.

"(iv) Notwithstanding subsection (g)(2), the Administrator shall make a reregistration eligibility determination with regard to subsection (g)(2)(A) if the only data that is missing and would otherwise prevent reregistration is data for which an extension has been granted pursuant to this clause.".

SEC. 8. CONDITIONAL REGISTRATION FOR MINOR USES.

Section 3(c)(7) (7 U.S.C. 136a(c)(7)) is amended by adding at the end the following new subparagraph:

"(D)(i) The Administrator shall conditionally amend the registration of a pesticide to permit additional minor uses of the pesticide notwithstanding that data concerning the pesticide may be insufficient to support an unconditional registration amendment, if the Administrator determines that—

"(I) the applicant has submitted satisfactory data pertaining to the proposed additional minor use; and

"(II) amending the registration in the manner proposed by the applicant would not significantly increase the risk of any unreasonable adverse effect on the environment.

"(ii) Notwithstanding clause (i), no registration of a pesticide may be amended to permit an additional minor use of the pesticide if the Administrator has issued a notice stating that the pesticide, or any ingredient of the pesticide, meets or exceeds risk criteria associated in whole or in part with human dietary exposure enumerated in regulations issued under this Act, and during the pendency of any risk-benefit evaluation initiated by the notice, if—

"(I) the additional minor use of the pesticide involves a major food or feed crop; or

"(II) the additional minor use of the pesticide involves a minor food or feed crop and the Administrator determines, with the concurrence of the Secretary of Agriculture, there is available an effective alternative pesticide that does not meet or exceed the risk criteria.

"(iii) An applicant seeking amended registration under this subparagraph shall submit such data as would be required to obtain registration of a similar pesticide under paragraph (5). If the applicant is unable to submit an item of data (other than data pertaining to the proposed additional minor use) because it has not yet been generated, the Administrator shall amend the registration under such conditions as will require the submission of the data not later than the time the data are required to be submitted with respect to similar pesticides already registered under this Act. The determinations required under this clause shall be made by the Administrator in writing to the registrant and shall be subject to judicial review under the procedures prescribed by section 16(b).".

SEC. 9. TEMPORARY EXTENSION OF REGISTRATION FOR UNSUPPORTED MINOR USES.

(a) REREGISTRATION.—

(1) SUSPENSIONS AND PENALTIES.—Subsections (d)(6) and (f)(3) of section 4 (7 U.S.C. 136a–1) are each amended by adding at the end the following new sentences: "If the registrant is not supporting a specific minor use of the pesticide, but is supporting and providing data in a timely fashion to support other food uses, the Administrator, on the written request of the registrant, shall not take any action pursuant to this paragraph in regard to the unsupported minor uses until the final deadline for the submission of data for the supported uses under this paragraph. On receipt of the request from the registrant, the Administrator shall publish in the Federal Register a notice of the receipt of the request and the effective date on which the uses not being supported will be voluntarily deleted from the registration. Notwithstanding the other provisions of this paragraph, the Administrator may take action to cancel or suspend the minor use, pursuant to section 6, if the Administrator determines that the continuation of the minor use may cause unreasonable adverse effects.".

(2) CANCELLATION.—Section 4(e)(3)(A) (7 U.S.C. 136a–1(e)(3)(A)) is amended by adding at the end the following new sentences: "If the registrant is not supporting a specific minor use of the pesticide, but is supporting and providing data in a timely fashion to support other uses, the Administrator, on the written request of the registrant, shall not take any action pursuant to this subparagraph in regard to the unsupported minor uses until the final deadline for the submission of data for the supported uses under this subparagraph. On receipt of the request from the registrant, the Administrator shall publish in the Federal Register a notice of the receipt of the request and the effective date on which the uses not being supported will be voluntarily deleted from the registration. Notwithstanding the other provisions of this subparagraph, the Administrator may take action to cancel or suspend the minor use, pursuant to section 6, if the Administrator determines that the continuation of the minor use may cause unreasonable adverse effects.".

(b) DATA.—Section 3(c)(2)(B) (7 U.S.C. 136a(c)(2)(B)) (as amended by section 7(a) of this Act) is further amended by adding at the end the following new clause:

"(vii) If the registrant is not supporting a specific minor use of the pesticide, but is supporting and providing data in a timely fashion to support other uses, the Administrator, on the written request of the registrant, shall not take any action pursuant to this subparagraph in regard to the unsupported minor uses until the final deadline for the submission of data for the supported uses under this paragraph. On receipt of the request from the registrant, the Administrator shall publish in the Federal Register a notice of the receipt of the request and the effective date on which the uses not being supported will be voluntarily deleted from the registration. Notwithstanding the other provisions of this subparagraph, the Administrator may take action to cancel or suspend the minor use, pursuant to section 6, if the Administrator determines that the continuation of the minor use would violate the criteria contained in section 6.".

SEC. 10. UTILIZATION OF DATA FOR VOLUNTARILY CANCELED CHEMICALS.

Section 6(f) (7 U.S.C. 136d) is amended by adding at the end the following new paragraph:

"(4) Utilization of data for voluntarily canceled chemicals.—When an application is filed with the Administrator for the registration of a pesticide for a minor use not later than 2 years after another registrant voluntarily cancels its registration for an identical or substantially similar pesticide for an identical or substantially similar use, the Administrator shall process, review, and evaluate the pending application as if the voluntary cancellation had not yet taken place for purposes of the use of data from the registration, except that the Administrator may not take such action if the Administrator has evidence that the minor use presents an unreasonable adverse effect on the environment.".

SEC. 11. ENVIRONMENTAL PROTECTION AGENCY MINOR USE PROGRAM.

The Act (7 U.S.C. 121 et seq.) is amended by adding at the end the following new section:

"SEC. 32. ENVIRONMENTAL PROTECTION AGENCY MINOR USE PROGRAM.

"(a) In General.—The Administrator shall ensure coordination of minor use issues through the establishment of a minor use program within the Office of Pesticide Programs.

"(b) Duties.—The office shall be responsible for—

"(1) coordinating the development of minor use programs and policies;

"(2) consulting with growers regarding minor use issues and registrations; and

"(3) tracking and expediting minor use registrations and amendments that are submitted to the Environmental Protection Agency.".

SEC. 12. DEPARTMENT OF AGRICULTURE MINOR USE PROGRAM.

The Act (7 U.S.C. 121 et seq.) (as amended by section 11 of this Act) is further amended by adding at the end the following new section:

"SEC. 33. DEPARTMENT OF AGRICULTURE MINOR USE PROGRAM.

"(a) In General.—The Secretary shall establish a minor use program to coordinate the responsibilities of the Department of Agriculture for minor uses, including—

"(1) administration of the Inter-Regional Research Project Number 4 (IR-4 Program) and the National Agricultural Pesticide Impact Assessment Program;

"(2) support for integrated pest management research;

"(3) consultation with growers to develop data for minor uses; and

"(4) assistance for minor use registrations, tolerances, and reregistrations with the Environmental Protection Agency.

"(b) Minor Use Matching Fund Program.—

"(1) In general.—The Secretary is authorized to establish a minor use matching fund program within the Department of Agriculture.

"(2) Use.—The matching fund program shall be used to ensure the continued availability of minor use crop protection chemicals, including the development of data to support minor use pesticide registrations and reregistrations.

"(3) Recipients.—Any person that desires to develop data to support minor use registrations shall be eligible to obtain matching funds under the program, except that the Secretary of Agriculture shall give first priority in the distribution of funds to entities that do not directly receive funds from the sale of products registered for minor uses.

"(4) Matching requirement.—To be eligible to obtain funds under the program, a person must match the funds with an equal amount of non-Federal funds.

"(5) Data.—Any data developed through the program shall be jointly owned by the Department of Agriculture and by the person who receives the funding. The data may be utilized by another person for the purpose of seeking registrations and tolerances, if the person receives a license from the Secretary of Agriculture and the sponsoring person who produced the data.

"(6) Fees.—All license fees received by the Department of Agriculture under the program shall be returned to a revolving fund and used to support the matching fund program.

"(7) Authorization of appropriations.—There is authorized to be appropriated for the program authorized by this subsection $10,000,000 for each fiscal year.".

SEC. 13. CONFORMING AMENDMENTS TO FIFRA TABLE OF CONTENTS.

The table of contents in section 1(b) (7 U.S.C. prec. 121) is amended—

(1) by adding at the end of the items relating to section 2 the following new item:

"(hh) Minor use.";

(2) by adding at the end of the items relating to section 6(f) the following new item:

"(4) Utilization of data for voluntarily canceled chemicals.";

and

(3) by adding at the end the following new items:

Sec. 32. Environmental Protection Agency minor use program.
"(a) In general.
"(b) Duty.
"Sec. 33. Department of Agriculture minor use program.
"(a) In general.
"(b) Minor use matching fund program.
"(1) In general.
"(2) Use.
"(3) Recipients.
"(4) Matching requirement.
"(5) Data.
"(6) Fees.
"(7) Authorization of appropriations.".●

● Mr. GRAHAM. Mr. President, I am pleased to be an original cosponsor of the Minor Crop Protection Act of 1991.

I represent a State with a thriving agricultural industry almost exclusively producing minor crops for national and international consumption. Florida growers produce strawberries, blueberries, oranges, celery, lettuce, peppers, papayas, mangos, grapefruit, and a myriad of other fruits and vegetables—both everyday and specialty varieties.

Although many of these items are considered commonplace at your grocery, they are considered to be minor crops because they are grown in a smaller amount and in a limited geographic area than most farm products, like corn and wheat.

In the 1990 farm bill, Senator Inouye and I, and several of our colleagues in the Senate, amended FIFRA to make reregistration of minor use pesticides a more streamlined process. The legislation being introduced today builds on those amendments.

As a strong supporter of minor crops, I believe it's important that we work with the Environmental Protection Agency and the U.S. Department of Agriculture to make needed changes to the current law guiding their regulation and registration. However, our preeminent concern is for the safety of and consumer confidence in our food supply. To maintain those two goals means supporting a timely and scientifically sound refrigeration process. Our bill is meant to enhance that process, not undermine it. Our bill aims to help safe chemicals that have legitimate uses stay available to farmers.

It is now becoming widely known that fruits and vegetables are more than good tasting and nutritious; they're also important preventive medicine. Mr. President, I ask that today's Washington Post article regarding the value of fruits and vegetables as a prevention against cancer be included in the Record along with my statement. Because of their importance in American's diet, we need to preserve the means for growers to produce a healthy and bountiful crop. The Minor Crop Protection Act will help make that possible.

I urge my colleagues, many of which represent minor crop States, to join us in supporting this legislation.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, July 2, 1992]

A Diet to Fight the Risk of Cancer

(By Carole Sugarman)

The National Cancer Institute and the food industry yesterday launched the largest public-private-sponsored nutrition education program ever undertaken, bolstering the institute's efforts to inform the public about the link between diet and cancer risk.

The produce and supermarket industries will contribute an estimated $75 million and the cancer institute $18 million to a five-year campaign to encourage the public to eat five servings of fruits and vegetables every day.

The campaign, called "5 A Day," will award grants to universities or state and local governments for educational programs and fund point-of-sale materials and advertisements.

Institute studies show that Americans should consume at least five servings of fruits and vegetables daily to help reduce the risk of cancer. But nearly 75 percent of the population does not do that, and by the end of 1992 each American will be more than 500 servings behind for the year, according to a survey released yesterday as part of the campaign kickoff.

This year, more than 1 million cases of cancer will be diagnosed and 500,000 people will die from it, National Institutes of Health Director Bernadine P. Healy said yesterday. Approximately 35 percent of cancers are related to diet, she said.

The 5-A-Day program is an initiative of Healy, who said she planned to make nutrition "a special emphasis of mine," and Health and Human Services Secretary Louis W. Sullivan, who has encouraged food retailers to teach consumers about nutrition. In

1990, Sullivan invited the food industry to develop an educational program with the institute.

According to the institute, people who eat four or more servings of produce daily are diagnosed with half the number of cancers than those who consume one or less serving a day.

Respondents to the institute survey, however, believed that the greatest health benefit from eating fruits and vegetables is that they help in weight loss. Far fewer cited cancer prevention as a benefit.

People need to hear an updated version of the cliché, "an apple a day keeps the doctor away," Healy said yesterday. She noted that some people have taken that message too literally. The survey found that nearly 50 percent of men think that one serving of fruit or vegetables a day is sufficient.

The survey of 2,837 adults found that only 8 percent think that they should eat five or more servings of fruits and vegetables daily. Most think two is enough.

Those who consume more calories should eat more produce, according to the institute. In general, teenage boys, very active women and men who consume between 2,400 and 3,200 calories a day should consume nine servings of produce. Older children, moderately active women or sedentary men who consume between 1,800 and 2,400 calories daily should eat about seven servings of produce daily, and younger children and sedentary women who consume between 1,400 and 1,800 calories a day should eat five fruits and vegetables a day.

A serving is defined as a half cup of cooked or chopped raw vegetables or fruit, one cup of raw leafy vegetables, one medium piece of fruit or three-fourths cup of 100 percent fruit or vegetable juice.

The survey found that those who eat the most produce are women, older adults, people with higher incomes and education and those who have been eating fruits and vegetables since childhood. Blacks and whites eat the same amount of produce and Hispanics eat a half a serving less per day. Across all groups the average daily intake of produce is 3.5 servings.

People consume more vegetables than fruit, more whole fruit than fruit juice and more green salads than any other produce item, the survey found. Of course, many people find it necessary to add fat to that: 85 percent of respondents always or usually use salad dressing.•

• Mr. LUGAR. Mr. President, I am pleased to join Senator INOUYE today in introducing the Minor Crop Protection Assistance Act.

Producers of so-called minor crops, primarily fruits and vegetables, face a potentially significant problem—the loss of crop protection products for these crops. Because these minor use pesticides tend to be low volume and low profit markets and because registration and reregistration pose a significant cost, there is less economic incentive for these safe products to remain on the market. Loss of access to these products would be a hardship for producers as well as consumers. Producers could lose these markets to our competitors abroad and then consumers would be denied access to an affordable and abundant supply of fruits and vegetables. I need not mention the importance of fruits and vegetables in a healthy, nutritious, and varied diet.

Integrated pest management [IPM] would also suffer if less minor crop pesticides were available. To reduce their total pesticide usage, many producers of minor crops have turned to IPM. However, to conduct a successful IPM program a producer needs access to a wide range of pest control products.

Simply put, this bill represents a commonsense approach. This measure provides incentives to the Environmental Protection Agency, the Department of Agriculture and agricultural chemical companies to continue to provide safe and effective pesticides for minor crop protection.

I must make clear that this bill will not compromise food safety. The problem we are addressing through this bill is the ability to develop and keep on the market safe and effective pesticides for minor crops or minor uses.

Mr. President, I urge my colleagues to lend their support to this important legislation.•

By Mr. CRAIG (for himself and Mr. SYMMS):

S. 2981. A bill to establish the Snake River Birds of Prey National Conservation Area in the State of Idaho, and for other purposes; to the Committee on Energy and Natural Resources.

SNAKE RIVER BIRDS OF PREY NATIONAL CONSERVATION ACT

Mr. CRAIG. Mr. President, today I am introducing legislation to establish the Snake River Birds of Prey National Area in my home State of Idaho.

The Birds of Prey area is a place of great natural beauty and of mixed resource use. The area exceeds 480,000 acres and is the home to numerous birds of prey. More than 600 pairs of raptors representing 15 different species nest in this special area. This is one of the densest concentrations of birds of prey that is known in the world. This area has been administratively protected since 1980. My legislation will assure that legislative protection is given to the area.

But this area is also an area where livestock have grazed since the early part of the century and where the Idaho National Guard operates a sophisticated training area. All of these uses and the birds have existed in harmony. My bill is structured to assure that this harmony will continue in the future.

My bill introduced with the senior Senator from Idaho will assure the Snake River Birds of Prey National Conservation Area will be afforded permanent protection while the citizens of Idaho who have lived in concert with the birds in the area are assured that their way of life will be able to continue as well.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2981

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds the following:

(1) The public lands managed by the Bureau of Land Management in the State of Idaho within the Snake River Birds of Prey Area contain one of the densest known nesting populations of eagles, falcons, owls, hawks, and other birds of prey (raptors) in North America.

(2) These public lands constitute a valuable national biological and educational resource since birds of prey are important components of the ecosystem.

(3) These public lands also contain important historic, cultural and economic resources as well as other resources and values, all of which should be protected and appropriately managed.

(4) A military training area within the Snake River Birds of Prey Area, known as the Orchard Training Area, has been used since 1953 by reserve components of the Armed Forces. Military use of this area is currently governed by a Memorandum of Understanding between the Bureau of Land Management and the State of Idaho Military Division, dated May 1985. Operating under this Memorandum of Understanding, the Idaho National Guard has provided valuable assistance to the Bureau of Land Management with respect to fire control and other aspects of management of the Orchard Training Area and the other lands in the Snake River Birds of Prey Area. Military use of the lands within the Orchard Training Area should continue in accordance with such Memorandum of Understanding (or extension or renewal thereof), to the extent consistent with section 4(e) of this Act, because this would be in the best interest of training of the reserve components (an important aspect of national security) and of the local economy.

(5) Protection of the conservation area as a home for raptors can best and should be accomplished by the Secretary of the Interior, acting through the Bureau of Land Management, under a multiple-use and sustained yield management program that—

(A) emphasizes management, protection, and rehabilitation of habitat for these raptors;

(B) provides for continued military use, consistent with the requirements of section 4(e) of this Act, of the Orchard Training Area by reserve components of the Armed Forces;

(C) addresses the need for public educational and interpretive opportunities;

(D) provides for the conservation, development and use of other resources in the area to the extent consistent with either the maintenance or enhancement of raptor habitat; and

(E) demonstrates management practices and techniques that may be useful to other areas of the public lands and elsewhere.

(6) There is established near the conservation area a facility, the World Center for Birds of Prey operated by The Peregrine Fund, Inc., where research, public education, recovery, and reestablishment operations exist for endangered raptor species. There is also established at Boise State University a raptor study program which attracts national and international graduate and undergraduate students.

(7) The Bureau of Land Management and Boise State University, together with other State, Federal, and private entities, have formed the Raptor Research and Technical

Assistance Center to be housed at Boise State University, which provides a unique adjunct to the conservation area for raptor management, recovery, research, and public visitation, interpretation, and education.

(8) Consistent with requirements of sections 202 and 302 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712 and 1732), the Secretary has developed a comprehensive management plan and, based on such plan, has implemented a management program for the public lands included in the conservation area established by this Act.

(9) Additional authority and guidance must be provided to assure that essential raptor habitat remains in public ownership, to facilitate sound and effective planning and management, to provide for effective public interpretation and education, to ensure continued study of the relationship of humans and these raptors, to preserve the unique and irreplaceable habitat of the conservation area, and to conserve and properly mange the other natural resources of the area in concert with maintenance of this habitat.

(10) An ongoing research program funded by the Bureau of Land Management and the National Guard is intended to provide information to be used in connection with future decision making concerning management of all uses, including continued military use, of public lands within the Snake River Birds of Prey Area.

(11) Livestock grazing has been an integral part of the conservation area for more than a century. Properly managed livestock grazing is considered an effective management tool that can reduce fire fuel, foster desirable plant communities and seasonally reduce prey base cover and is compatible with raptor habitat management. Livestock grazing also provides significant economic contributions and stability to the local and state economies and continuation of such use is in the best interest of the resource.

(12) Hydroelectric facilities for the generation and transmission of electricity exist within the Snake River Birds of Prey Area pursuant to a license(s) issued by the Federal Energy Regulatory Commission, or its predecessor, the Federal Power Commission, and the continued existence and operation of such facilities, subject to regulation by the Federal Energy Regulatory Commission, is in the public interest and consistent with the provisions and the intent of this Act.

SEC. 2. DEFINITIONS.

As used in this Act:

(1) The term "Secretary" means the Secretary of the Interior.

(2) The term "conservation area" means the Snake River Birds of Prey National Conservation Area established by section 3.

(3) The term "raptor" or "raptors" means individuals or populations of eagles, falcons, owls, hawks, and other birds of prey.

(4) The term "raptor habitat" includes the habitat of the raptor prey base as well as the nesting and hunting habitat of raptors within the conservation area.

(5) The term "Memorandum of Understanding" means the Memorandum of Understanding #ID-237, dated May 1985, between the State of Idaho Military Division and the Bureau of Land Management.

(6) The term "Orchard Training Area" means that area generally so depicted on the map referred to in section 3(b), and as described in the Memorandum of Understanding as well as the air space over the same.

(7) The term "Impact Area" means that area which was used for the firing of live artillery projectiles and is used for live fire ranges of all types and, therefore, poses a danger to public safety and which is generally so depicted on the map referred to in section 3(b).

(8) The term "Artillery Impact Area" means that area within the Impact Area into which live projectiles are fired, which is generally described as that area labeled as such on the map referred to in section 3(b).

(9) The term "the plan" means the comprehensive management plan developed for the conservation area, dated August 30, 1985, together with such revisions thereto as may be required in order to implement this Act.

(10) The term "hydroelectric facilities" means all facilities related to the generation, transmission and distribution of hydroelectric power and which are subject to, and authorized by, license(s), and any and all amendments thereto, issued by the Federal Energy Regulatory Commission.

SEC. 3. ESTABLISHMENT OF NATIONAL CONSERVATION AREA.

(a) PURPOSES AND ESTABLISHMENT.—In order to provide for the perpetual conservation and protection of raptor populations and habitats, and to provide for the continued multiple-use resource management of the several other uses and values within the conservation area, and to provide for public education and interpretation concerning the unique resources found in the conservation area, there is hereby established the Snake River Birds of Prey National Conservation Area.

(b) AREA INCLUDED.—The conservation area shall consist of approximately 482,457 acres of federally owned lands and interests therein managed by the Bureau of Land Management as generally depicted on the map entitled "Snake River Birds of Prey National Conservation Area", dated November 1991.

(c) MAP AND LEGAL DESCRIPTION.—As soon as is practicable after enactment of this Act, the map referred to in subsection (b) and a legal description of the conservation area shall be filed by the Secretary with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Each such map shall have the same force and effect as if included in this Act; except that the Secretary may correct clerical and typographical errors in such map and legal description. Each such map shall be on file and available for public inspection in the office of the Director and the Idaho State Director of the Bureau of Land Management of the Department of the Interior.

(d) WITHDRAWALS.—Subject to valid existing rights, the Federal lands within the conservation area are hereby withdrawn from all forms of entry, appropriation, or disposal (except as provided in paragraph (3)) under the public land laws; and from entry, application, and selection under the Act of March 3, 1877 (Ch. 107, 19 Stat. 377, 43 U.S.C. 321 et seq.; commonly referred to as the "Desert Lands Act"), section 4 of the Act of August 18, 1894 (Ch. 301, 28 Stat. 422; 43 U.S.C. 641; commonly referred to as the "Carey Act"), the Act of July 3, 1890 (Ch. 656, 26 Stat. 215; commonly referred to as the "State of Idaho Admissions Act"), section 2275 of the Revised Statutes, as amended (43 U.S.C. 851), and section 2276 of the Revised Statutes, as amended (43 U.S.C. 852). The Secretary shall return to the applicants any such applications pending on the date of enactment of this Act, without further action.

Subject to valid existing rights, after the date of enactment of this Act lands within the Birds of Prey Conservation Area are withdrawn from location under the general mining laws, the operation of the mineral and geothermal leasing laws and the mineral material disposal laws.

SEC. 4. MANAGEMENT AND USE.

(a) IN GENERAL.—(1)(A) As soon as possible after the date of enactment of this Act, the Secretary shall make such revisions in the plan as required in order to implement this Act.

(B) Thereafter, the Secretary shall review the plan at least once every four years and shall make such revisions as may be necessary or appropriate.

(C) In reviewing and revising the plan, the Secretary shall provide for appropriate public participation.

(2) Except as otherwise specifically provided in subsections (d), (e), and (f) of this section, the Secretary shall allow only such additional uses of lands in the conservation area as the Secretary determines are consistent with the protection of the raptor population, conservation, development and use of other resources in the conservation area which are, themselves, consistent with such protection and rehabilitation of raptors and their habitat.

(b) MANAGEMENT GUIDANCE.—After each review pursuant to subsection (a), the Secretary shall make such revisions as may be needed so that the plan and management program to implement the plan include, in addition to any other necessary or appropriate provisions, provisions for—

(1) protection for the raptor populations and habitats on the public lands in the conservation area;

(2) identifying levels of continued military use of the Orchard Training Area compatible with paragraph (1) of this subsection;

(3) public use of the conservation area consistent with the policy set out in subparagraph (a) of this section.

(4) interpretive and education opportunities for the public;

(5) a program for continued scientific investigation and study to provide information to support sound management in accordance with this Act, to advance knowledge of raptor species and the resources and values of the conservation area, and to provide a process for transferring to other areas of the public lands and elsewhere this knowledge and management experience;

(6) such vegetative enhancement and other measures as may be necessary to restore prey habitat;

(7) the identification of levels, types, timing and terms and conditions for the allowable non-military uses of lands within the conservation area that will be consistent with the protection, maintenance, or enhancement of raptor populations and habitats and the other purposes for which the conservation area is established; and

(8) assessing the desirability of imposing appropriate fees for public uses (including, but not limited to, recreational use) of lands in the conservation area, which are not now subject to fees, to be used to further the purposes for which the conservation area is established.

(9) In the event any use within the area comes into conflict with the protection of raptors or raptor habitat, such use shall only be reduced if the majority of scientific evidence indicates that such action is the only available method to resolve the conflict. The Secretary shall seek to replace any loss of use by implementing appropriate management actions, including range or other improvements. The Secretary shall utilize any funds necessary to mitigate losses or resolve such conflicts from appropriations or any other funds authorized for the purposes of the Act.

(c) VISITORS CENTER.—The Secretary, acting through the Director of the Bureau of Land Management, is authorized to establish, in cooperation with other public or private entities as the Secretary may deem appropriate, a visitors center designed to interpret the history and the geological, ecological, natural, cultural, and other resources of the conservation area as well as the multiple-use management of the conservation area and the biology of the raptors and their relationships to man.

(d) VISITORS USE OF AREA.—In addition to the Visitors Center, the Secretary shall provide for visitor use of the public lands in the conservation area to such extent and in such manner as the Secretary considers consistent with the protection of raptors and raptor habitat, public safety, and the purposes for which the conservation area is established. To the extent practicable, the Secretary shall make available to visitors and other members of the public a map of the conservation area and such other educational and interpretive materials as may be appropriate.

(e) NATIONAL GUARD USE OF THE AREA.—(1) Pending completion of the ongoing research concerning military use of lands in the conservation area, or until the date five years after the date of enactment of this Act, whichever is the shorter period, the Secretary shall permit continued military use of those portions of the conservation area known as the Orchard Training Area in accordance with the Memorandum of Understanding, to the extent consistent with the use levels identified pursuant to subsection (b)(2) of this section.

(2) Upon completion of the ongoing research concerning military use of lands in the conservation area, the Secretary shall review the management plan and make such additional revisions therein as may be required to assure that it meets the requirements of this Act.

(3) Upon completion of the ongoing research concerning military use of lands in the conservation area, the Secretary shall submit to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report of the results of such research.

(4) Nothing in this Act shall preclude minor adjustment of the boundaries of the Orchard Training Area in accordance with provisions of the Memorandum of Understanding.

(5) After completion of the ongoing research concerning military use of lands in the Orchard Training Area or after the date five years after the date of enactment of this Act, whichever first occurs, the Secretary shall continue to permit military use of such lands, but only to the extent the Secretary, on the basis of such research determines such use is compatible with the purposes set forth in section 3(a). Such use thereafter shall be permitted in accordance with the Memorandum of Understanding, which shall be extended or renewed by the Secretary so long as such use continues to meet the requirements of subsection (b)(2) of this section.

(6) In accordance with the Memorandum of Understanding, the Secretary shall require the State of Idaho Military Division to insure that military units involved maintain a program of decontamination.

(7) Nothing in this Act, nor in any other or subsequent Act, unless expressly stated therein, shall be construed as by itself precluding the extension or renewal of the Memorandum of Understanding, or the construction of any improvements or buildings in the Orchard Training Area so long as the requirements of this subsection are met.

(f) LIVESTOCK GRAZING.—The Secretary shall permit continued use of lands in the conservation area for domestic livestock grazing, including activities necessary to carry out proper and practical grazing management programs such as Animal Damage Control activities, in accordance with the Act of June 28, 1934 (43 U.S.C. 315 et seq.; commonly referred to as the "Taylor Grazing Act"), section 402 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1752), and other laws applicable to such use of the public lands. Livestock Grazing shall be managed in accordance with the plan requirements of subsection (a) of this section.

(g) COOPERATIVE AGREEMENTS.—The Secretary is authorized to provide technical assistance to, and to enter into such cooperative agreements and contracts with, the State of Idaho and with local governments and private entities as the Secretary deems necessary or desirable to carry out the purposes of this Act.

(h) AGRICULTURAL PRACTICES.—Nothing in this Act shall be construed as affecting recognized agricultural practices or other activities on private land adjacent to or within the conservation area boundary.

(i) HYDROELECTRIC FACILITIES.—Notwithstanding any provision of this Act, or regulations and management plans undertaken pursuant to its provisions, the Federal Energy Regulatory Commission retains exclusive jurisdiction concerning all aspects of the continued and future operation of hydroelectric facilities, licensed or relicensed under the Federal Power Act (16 U.S.C. §§791a et seq.), located within the boundaries of the conservation area.

SEC. 5. ADDITIONS.

(a) ACQUISITIONS.—(1) The Secretary is authorized to acquire lands and interests therein within the boundaries of the conservation area by donation, purchase with donated or appropriated funds, exchange, or transfer from another Federal agency, except that such lands or interests owned by the State of Idaho or a political subdivision thereof may be acquired only by donation or exchange.

(2) Any lands located within the boundaries of the conservation area that are acquired by the United States on or after the date of enactment of this Act shall become a part of the conservation area and shall be subject to this Act. Acquisition of private land will required a willing buyer and a willing seller and no lands shall be condemned for the sole purpose for expanding the conservation area.

(b) PURCHASE OF LANDS.—In addition to the authority in section 318(d) of the Federal Land Policy Management Act of 1976 (43 U.S.C. 1748) and notwithstanding section 7(a) of the Land and Water Conservation Fund Act of 1964 (16 U.S.C. 4601–9(a)), monies appropriated from the Land and Water Conservation Fund may be used as authorized in section 5(b) of the Endangered Species Act of 1973 (16 U.S.C. 1534(b)), for the purpose of acquiring lands or interests therein within the conservation area for administration as public lands as a part of the conservation area.

(c) LAND EXCHANGES.—The Secretary shall, within 4 years of enactment, study, identify and initiate voluntary land exchanges which would resolve ownership related land use conflicts within the conservation area.

SEC. 6. OTHER LAWS AND ADMINISTRATIVE PROVISIONS.

(a) OTHER LAWS.—(1) Nothing in this Act shall be construed to supersede, limit or otherwise affect administration and enforcement of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(2) Except as otherwise specifically provided in this Act, nothing in this Act shall be construed as limiting the applicability to lands in the conservation area of laws applicable to public lands generally, including but not limited to the National Historic Preservation Act, the Archaeological Resources Protection Act of 1979, or the Native American Graves Protection and Repatriation Act.

(3) Nothing in this Act shall be construed as by itself altering the status of any lands that on the date of enactment of this Act were not managed by the Bureau of Land Management.

(4) Nothing in this Act shall be construed as prohibiting the Secretary from engaging qualified persons to use public lands within the conservation area for the propagation of plants (including seeds) to be used for vegetative enhancement of the conservation area in accordance with the plan and in furtherance of the purposes for which the conservation area is established.

(b) RELEASE.—The Congress finds and directs that the public lands within the Snake River Birds of Prey Natural Area established as a natural area in October 1971 by Public Land Order 5133 have been adequately studied and found unsuitable for wilderness designation pursuant to section 603 of the Federal Land Policy and Management Act of 1976. Such lands are hereby released from further management pursuant to section 603(c) of such an Act and shall be managed in accordance with other applicable provisions of law, including this Act.

(c) EXISTING ADMINISTRATIVE WITHDRAWAL TERMINATED.—Public Land Orders 5133 dated October 12, 1971, and 5777 dated November 21, 1980, issued by the Secretary are hereby terminated.

(d) WATER RIGHTS.—Nothing in this Act, nor any action taken pursuant thereto, shall constitute either an expressed or implied federal reservation of water or water right for any purpose.

(e) ENFORCEMENT.—Any person who violates any regulation promulgated by the Secretary to implement the provisions of this Act shall be subject to a fine in accordance with applicable provisions of title 18, United States Code, imprisonment of not more than 1 year or both.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.

Mr. SYMMS. Mr. President, I support permanently establishing the Snake River Birds of Prey National Conservation Area. However, there are many concerns unaddressed in the House of Representatives' version of the legislation, H.R. 2141. I cannot support that bill with its present language.

Like Senator CRAIG and I, several interested parties in Idaho want to support Birds of Prey legislation, but also want to be treated fairly by Birds of Prey legislation. Senator CRAIG's leadership and work with the Idaho groups concerned about this legislation has been outstanding. The bill Senator CRAIG and I are introducing today is result of our efforts to treat these Idahoans fairly while creating a cooperative framework for protecting the resources of the Birds of Prey Area.

In contrast, the House version of this bill abrogates privately owned water rights in the area, expands the area beyond its current boundaries, permits unilateral increases in grazing fees and revocation of grazing allotments in the area. It also requires the Bureau of Land Management to make decisions based solely on what is perceived to impact birds of prey. In doing this, H.R. 2141 makes all other activity in the area expendable even if that activity is beneficial to wildlife. In turn, this would make hard working Idaho farmers second-class citizens to so-called expert representatives of environmental organizations.

The legislation we are introducing today addresses these concerns, raised by Idahoans, that explain to me how H.R. 2141 is such a bad bill.

We need not rush through legislation that hurts those who depend on the Birds of Prey Area for their livelihoods. We need not rush through legislation that hurts Idaho communities adjacent to the area. In the words of Rachel Gilbert, a former Idaho State senator, "No bill is better than a bad bill and the House has passed a bad bill."

The conservation area we permanently create need not be a single-use widlife refuge. For several decades now, raptors have thrived while other traditional uses have continued in the area. For example, agricultural activity benefits birds of prey by providing seasonal habitat for various small mammals that add to the raptors food supply. Also, water development in the area benefits not only livestock but also all forms of wildlife.

The bill we are introducing today provides not only for continued tradition uses, but also protects water rights recognized under Idaho law. H.R. 2141 is silent on water rights. Our bill clarifies that the United States has no interest in controlling water in the area. Without our language, a continuing conflict will arise between Idaho and the U.S. Government over water allocation.

For these reasons, Mr. President, it is an honor and privilege for me to cosponsor this bill and I am committed to its eventual enactment.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 2982. A bill to amend the Consolidated Farm and Rural Development Act to establish a program to aid beginning farmers and ranchers and to improve the operation of the Farmers Home Administration, and to amend the Farm Credit Act of 1971, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL CREDIT IMPROVEMENT ACT

• Mr. BUMPERS. Mr. President, last night and today we have debated a measure to provide assistance to Russia and other areas where we have witnessed historical breakdowns of economic and political systems. To a large extent, those forces were brought to the surface because their agricultural foundations had completely eroded, leaving populations without adequate supplies of food. Societies can withstand a wide variety of adversities, but hunger and nutritional deprivation have long proven to be undeniable catalysts for revolution.

The agricultural base of the United States is recognized as the strongest on the planet and our farmers' dedication to conservation and land stewardship is unparalleled. As long as our farmers remain viable, our Nation will remain secure, and because of that fact, we must continually remind ourselves of the importance of our Nation's farmers and recognize they must never be taken for granted.

One of the greatest dilemmas facing our agricultural base is the falling number of new farmers. The median age of rural farm residents in 1920 was 20.7. In 1987, the median age was 37.6 The average age of the American farmer today is 59.6. To make that point more startling, the October 1991 issue of Agricultural Outlook, a USDA publication, reported the breakdown of today's farm population as follows: Farmers over the age of 60 represent 33.4 percent of the entire farm population, farmers between the ages 45–59 represent 33.7 percent, the ages 25–44 represent 31.3 percent, and today's American farmers under the age of 25 represent merely 1.7 percent of the total farm population. This trend must not be allowed to continue or else we will soon find ourselves scrambling to find men and women with the experience, dedication, and capacity to provide our citizens the level of stable, affordable, and high-quality food for which we have all become so accustomed.

In spite of the low prices received for farm commodities and the low levels of farm income, farming today is a very expensive occupation. A new 110–129 horsepower tractor today costs $48,800—the same tractor that in 1974 cost only $16,200. A new large capacity combine in 1970 cost $16,500 and in 1991, that same combine cost $109,000. Although farm land in the eastern part of my State has fallen by $372 per acre over the past 10 years, today's cost of $724 per acre compares to $129 per acre in 1962. These same cost increases apply whether you are talking about equipment, fuel, fertilizer, or any other necessary component of agricultural production. It is little wonder that young men and women are finding it impossible to enter into a life's work in farming even though it is where their hearts or their family's history are strongly attached.

Today, I am joined by my fellow Arkansan, Senator DAVID PRYOR, in introducing an important piece of legislation that will help turn around this tragic trend in what could be called the "Graying of the American Farmer." Our bill will put in place a program to help beginning farmers acquire needed credit to help start their own farming operations and, in many cases, to follow in the footsteps of their earlier generations. It will also help ensure that these beginning farmers obtain training and experience necessary for success and to help avoid a repeat of failures that plagued Federal credit agencies of the last decade.

Our bill does not add to the deficit because it simply provides a better direction for current programs administered by the Farmers Home Administration. Our bill also sets up a program that helps farming operations obtain a level of self-sustainability by providing necessary technical assistance through our varied agricultural agencies and research base. This assistance will help ensure that today's beginning farmers will not become the Federal credit problems of tomorrow. In fact, our bill requires just the opposite.

Not only does our measure demand more of today's beginning farmers, it also demands more of our Federal farm agencies. One complaint that I hear more often from more farmers involved with Federal farm credit programs is the complexity of loan processing and the typical bureaucratic tactics of delay and conquer. We expect our farmers to operate in a professional manner and we demand no less from the Federal agencies whose mission it is to serve them.

Our bill establishes strict guidelines for loan processing, incentives for greater participation by private sector lenders, and requires the Secretary of Agriculture to keep us informed of unnecessary delays in lending operations. Farmers must comply with the timing of nature over which they have no control. The least we can do is to help reduce the timing problems caused by unnecessary credit delays.

The House of Representatives is making substantial progress toward the goals outlined in the bill Senator PRYOR and I introduce today. I encourage all Senators concerned about the strength of American agriculture and the necessity of an abundant food supply to join us to ensure passage of this important measure in the remaining weeks in this Congress.•

By Mr. BIDEN:

S. 2983. A bill to amend the Congressional Budget Act of 1974 to require that Congress adopt a concurrent resolution on the national security budget setting binding appropriate levels for national security discretionary spending, consisting of the defense and international categories, and domestic discretionary spending before adopting the concurrent resolution on the budget for a fiscal year; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

NATIONAL SECURITY BUDGET PRIORITIES ACT

• Mr. BIDEN. Mr. President, I rise today to introduce the National Security Budget Act of 1992.

This proposal is designed to set up a rational framework for congressional decisionmaking with regard to national defense and international affairs programs. This rational framework is set up by amending the Congressional Budget Act of 1974 to create a two-part budget process. In the first budget resolution, the Congress would set budget levels for two categories: A new category called national security discretionary spending and a second category of domestic discretionary spending.

In this first budget resolution, the Congress would make its most basic decisions: How much is enough to protect the national security of the United States? And how much is enough for spending on the myriad domestic needs our Government must address?

Then, once such a decision is made, the Congress can move to the existing budget resolution to allocate funds within these two categories. In the case of national security discretionary spending, the Congress could debate the relative merits of spending on national defense here at home through the 050 account, spending on overseas basing of U.S. military forces also through the 050 account, spending on military assistance for friends and allies in the 150 account, spending on peacekeeping forces in the 150 account, spending on economic and financial assistance also through the 150 account, as well as humanitarian and technical assistance.

In short, once the Congress decides how much money should be spent on national security, it then chooses the most cost-effective tool, be it national defense, overseas bases, peacekeeping, financial assistance, technical assistance, to serve that national security goal.

Mr. President, this proposal is not designed to decide whether military spending is too high, or domestic discretionary spending is too low. Rather, this initiative is designed to set up a permanent procedure that can bring rationality to our post-cold-war decisions about military spending, peacekeeping, foreign assistance, and any other program whose purpose is national security.

I intend to consult in the days and months ahead with the members of the Budget Committee, and the Armed Services Committee, without whom this effort cannot succeed.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2983

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Security Budget Priorities Act of 1992".

SEC. 2. NATIONAL SECURITY BUDGET.

(a) IN GENERAL.—Title III of the Congressional Budget Act of 1974 is amended by inserting after section 300 the following:

"NATIONAL SECURITY BUDGET

"SEC. 300A. (a) CONTENTS OF NATIONAL SECURITY BUDGET.—On or before March 31 of each year, the Congress shall complete action on a concurrent resolution setting appropriate levels for the fiscal year beginning on October 1 of such year, and planning levels for each of the two ensuing fiscal years for total of new budget authority, budget outlays, direct loan obligations, and primary loan guarantee commitments for the national security discretionary spending category (the defense and international categories as defined by section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985), and the domestic discretionary spending category (as defined by section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985).

"(b) DEBATE.—The provisions of section 305 for consideration in the Senate and the House of Representatives of concurrent resolutions on the budget and conference reports thereon shall apply to consideration in the Senate and the House of Representatives of concurrent resolutions and conference reports thereon considered under this section, except that debate shall be limited to not more than 10 hours.".

(b) BINDING ON THE BUDGET RESOLUTION.—Section 301(a) of the Congressional Budget Act of 1974 is amended by inserting after the first sentence the following: "The concurrent resolution shall be consistent with the levels for national security discretionary spending and domestic discretionary spending set forth in the resolution adopted pursuant to section 300A.".•

By Mr. BIDEN (for himself, Mr. HATCH, Mr. PELL, Mr. CRANSTON, Mr. HELMS, Mr. MITCHELL, Mr. ROBB, Mr. WOFFORD, Mr. MURKOWSKI, Mr. SIMON, Mr. KENNEDY, Mr. DODD, Mr. GORTON, Mr. DIXON, Mr. KERREY, Mr. INOUYE, and Mr. MOYNIHAN):

S. 2985. A bill to authorize the Board for International Broadcasting to support a Radio Free China; to the Committee on Foreign Relations.

RADIO FREE CHINA ACT OF 1992

• Mr. BIDEN. Mr. President, today I am introducing, along with Senator HATCH, Senator MITCHELL, and 14 other Senators, the Radio Free China Act of 1992.

This legislation provides the framework for an important new initiative in United States foreign policy: The support of radio broadcasting to the People's Republic of China of information about developments within that vast and troubled nation.

The bill I introduce today is based on a concept that has been central to U.S. foreign policy for 40 years: The dissemination of accurate news and information to people suffering under totalitarian rule.

For the past four decades, Radio Free Europe and Radio Liberty have broadcast to the Nations that once constituted the Soviet Empire. The Radios, as they are known, heartened dissidents from Berlin to Bucharest, from Vilnius to Vladivostok, inspiring hope and courage among those living under Communist tyranny.

As the current leaders of Eastern Europe have attested, these Freedom Radios played a historic role as instruments of information and inspiration. Their constant current of reliable reporting helped fan the flame of freedom in the hearts and minds of citizens throughout the Soviet Empire—a flame that suddenly in 1989 became a torch and then a wildfire.

A similar broadcasting service—based on the proven model of Radio Free Europe and Radio Liberty—would play an important role in providing accurate news and information to the people of China, overcoming the strict controls on the media imposed by the gerontocracy in Beijing.

China's repression of press freedom is an unchallenged fact. Even the Bush State Department—usually quick to defend Chinese policy—minces few words regarding freedom of the press in China:

> Television and radio broadcasting remain under strict party and government control and [are] used to propagate an orthodox ideological line. The party has ordered the domestic press to support the party line.

In May, Beijing attempted to extend that control to foreign journalists by sending security officials to harass a Washington Post correspondent, who was accused of behavior incompatible with her status as a journalist.

China's policies are an anachronism—a repugnant manifestation of the Communist idea, now fully discredited, that the party and the state must control not only the lives of the people, but their every thought as well. Moreover, it represents a denial of a fundamental right, enshrined in article 19 of the Universal Declaration of Human Rights, which affirms that all people have the "right to seek, receive, and impart information, regardless of frontiers."

In an age of instant communication, it is astonishing that the people of China remain largely ignorant about events in their own country. The extent of this ignorance was placed in perspective by a prominent Chinese dissident now in exile in the United States, Liu Binyan, in testimony before the Foreign Relations Committee last November:

> According to an internal report of the Chinese Communist Party, in the two years after the Tiananmen massacre, there were more than 1,500 workers' strikes nationwide. In at least five provinces, underground workers' organizations emerged. There are 43 underground students' organizations in the uni-

versities in Beijing alone. But the vast majority of the Chinese people know nothing about all that I have just mentioned.

The Voice of America [VOA] currently fills some of the information gap in China with approximately 20 hours of daily broadcasting. Consistent with its charter, the VOA concentrates largely on international and American news.

The bill I introduce today would establish a new broadcasting service for China based on the model of Radio Free Europe and Radio Liberty. Under the auspices of the Board for International Broadcasting, the new China service would provide a critical complement to VOA broadcasts by concentrating on news about China. In effect, a Radio Free China would act as a local—or surrogate—broadcasting service in the absence of independent media in China.

Mr. President, China is now history's last great nondemocratic state, where one-fifth of humanity remains condemned to living under the yoke of communism. Despite impressive economic liberalization in China—a trend that I recognize and applaud—the fact remains that China's dictators continue to brutally suppress the democratic instinct and violate fundamental human rights.

To be sure, the establishment of a Radio Free China will not, by itself, bring about a democratic China. It will not, by itself, bring about fundamental political change in China. But it will place the United States on the right side of history—with the one billion people of China. And, as Radio Free Europe and Radio Liberty did for some four decades, a Radio Free China will encourage the democratic instinct to flourish and grow.

Mr. Liu, a former reporter for the People's Daily, the official newspaper of the Chinese Communist Party, articulated this view in his testimony.

> The Chinese people need [A Radio Free China] urgently, from which they can learn about the democratic changes in the world [and] the true situation [in] China, both its progress and its problems. I think we must do all that we can to introduce pluralism and democracy into China. And Radio Free China, I am sure, will play an irreplaceable Role.

I want to state clearly that the introduction of this legislation today is not intended to preclude the report of the Commission on Broadcasting to China. As my colleagues will recall, last year I introduced legislation to establish a commission of experts to examine the policy implications and logistical feasibility of instituting a radio broadcasting service to China, similar to Radio Free Europe. The bill was enacted without dissent as part of the State Department Authorization Act.

The 11-member Commission—which consists of members appointed by the congressional leadership and the President—is now in the midst of its deliberations, and will issue its report in early September.

I am proceeding with the introduction of the bill at this time in order to stimulate debate on the issue, both here in Congress and around the country, and to demonstrate the bipartisan support that this concept has in the Senate.

I do not intend to seek action on this bill until the Commission issues its report later this summer. At that time, many questions about myriad issues—such as the funding and staffing requirements, and the program content—will have been answered by the Commission. As appropriate, the Commission's recommendations will be incorporated into this bill.

Mr. President, I am pleased to note that the bill I introduce today has already garnered the cosponsorship of 16 of my colleagues, including the majority leader, as well as a majority of members on the Foreign Relations Committee. I invite other Senators to join in cosponsoring this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2985

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Radio Free China Act of 1992."

SEC. 2. FINDINGS.

The Congress finds that—

(1) it is the policy of the United States to promote the right of all people, enshrined in the Universal Declaration of Human Rights, to "seek, receive and impart information and ideas through any media and regardless of frontiers";

(2) pursuant to this policy, the United States has for decades actively supported the dissemination of accurate information and the promotion of democratic ideals among the peoples of nations throughout the world.

(3) prominent in the implementation of this policy has been United States support for Radio Free Europe, Radio Liberty, and Radio Marti, which have broadcast accurate and timely information to the oppressed people of Eastern Europe, the former Soviet Union, and Cuba, respectively, about events in those countries;

(4) the introduction of similar radio broadcasting to the People's Republic of China, a country where all media remain under strict government control, would sharply increase the dissemination among China's citizens of accurate and ideas relating to developments within China itself; and

(5) such broadcasting to the People's Republic of China, conducted in accordance with the highest professionals standards, would serve the goals of United States foreign policy by promoting freedom in China and would bring closer the day when all of the world's major powers are cooperating democracies.

SEC. 3. SUPPORT FOR RADIO BROADCASTING TO CHINA.

The Board for International Broadcasting Act of 1973 (22 U.S.C. 2871 et seq.) is amended by adding at the end thereof the following new section:

"RADIO BROADCASTING TO CHINA

"SEC. 15. (a) The Board for International Broadcasting is authorized to designate one organization constituted on the model of RFE/RL, Incorporated, as eligible to receive funds under this Act for purposes of carrying out radio broadcasting to the People's Republic of China. Such broadcasts shall be designated 'Radio Free China'.

"(b) In implementing subsection (a), the Board for International Broadcasting shall consider the recommendations of the Commission on Broadcasting to the People's Republic of China established by section 243 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102–138; 105 Stat. 705).

"(c)(1) The authorities, responsibilities, requirements, and limitations provided in this Act for the Board, the Comptroller General of the United States, the Secretary of State, and the Board of Directors of the RFE/RL, Incorporated, with respect to RFE/RL, Incorporated, and with respect to the broadcasts by RFE/RL, Incorporated, in Eastern Europe and the former Soviet Union, shall apply with respect to an organization designated under subsection (a) and the broadcasts by that organization in the People's Republic of China.

"(2) Paragraph (1) does not apply to the requirements of section 10 and the authority provided in section 12.".

SEC. 4. BOARD FOR INTERNATIONAL BROADCASTING.

(A) INCREASED MEMBERSHIP.—Section 3(b) of such Act (22 U.S.C. 2872(b)) is amended in paragraph (1)—

(1) by striking out "ten members, one of whom shall be an ex officio member" and inserting in lieu thereof "fourteen, two of whom shall be ex officio members";

(2) by striking out "nine" in the second sentence and inserting in lieu thereof "twelve";

(3) by striking out "five" in the third sentence and inserting in lieu thereof "seven"; and

(4) by striking out the fourth sentence and inserting in lieu thereof the following: "The chief operating executive of RFE/RL, Incorporated, and the chief operating executive of a similar organization designated under section 15 shall each be ex officio members of the Board and may participate in the activities of the Board, but may not vote in the determinations of the Board.".

(b) TERMS OF PRESIDENTIAL APPOINTEES.—Paragraph (3) of such section 3(b) is amended to read as follows:

"(3)(A) Except as provided in subparagraphs (B) and (C), the term of office of each member of the Board appointed by the President shall be three years.

"(B) The terms of office of the individuals initially appointed as the four additional voting members of the Board who are provided for by the Board for International Broadcasting Authorization Act, Fiscal Years 1982 and 1983, shall be one, two, or three years (as designated by the President at the time of their appointment) so that the terms of one-third of the voting members of the Board expire each year.

"(C) Of the members initially appointed as the three additional voting members of the Board provided for by the amendments made by section 4(a) of the Radio Free China Act of 1992, one member shall be appointed for an initial term of one year, one member shall be appointed for an initial term of two years, and one member shall be appointed for an initial term of three years.

"(D) The President shall appoint, by and with the advice and consent of the Senate, members to fill vacancies occurring prior to the expiration of a term, in which case the members so appointed shall serve for the remainder of such term.

"(E) Any member whose term has expired may serve until his or her successor has been appointed and qualified.".

"(c) TERMS OF EX OFFICIO MEMBERS.—Paragraph (4) of such section 3(b) is amended—

(1) by striking out "The ex officio member" and inserting in lieu thereof "each ex officio member"; and

(2) by inserting before the period at the end the following: ", or as chief operating executive of a similar organization designated under section 15, as the case may be".

SEC. 5. CONFORMING AMENDMENTS.

Section 2 of such Act (22 U.S.C. 2871) is amended—

(1) in paragraph (4), by striking out "as an independent broadcast media" and inserting in lieu thereof "and the establishment of an organization similar to RFE/RL, Incorporated, for conducting radio broadcasting to the People's Republic of China, as independent broadcast media"; and

(2) by striking out paragraph (5) and inserting in lieu thereof the following:

"(5) that it is desirable to establish a Board for International Broadcasting in order—

"(A) to provide an effective instrumentality for the continuation of assistance to RFE/RL, Incorporated, and for the furnishing of assistance to an organization similar to RFE/RL, Incorporated, that conducts radio broadcasting to the People's Republic of China; and

"(B) to encourage a constructive dialog with the peoples of the former Union of Soviet Socialist Republics, Eastern Europe, Afghanistan (until the government in Kabul is repalced by a government achieved through a free act of self-determiantion), and the People's Republic of China.".•

By Mr. KENNEDY:

S. 2986. A bill to place certain conditions on the operation of Federal advisory committees for National Park System units; to the Committee on Energy and Natural Resources.

CONDITIONS ON FEDERAL ADVISORY COMMITTEES FOR NATIONAL PARK SYSTEM UNITS

Mr. KENNEDY. Mr. President, I rise today to introduce a bill to waive certain administrative requirements that have proven burdensome and inefficient at national parks across the country. This legislation is designed to streamline the operations of National Park System advisory committees by remedying two problems that have made it difficult for them to carry out their responsibilities.

These committees serve several important functions. They provide vital insight and advice to the Secretary of the Interior regarding development and regulation of national park lands, and they serve as liaisons between local residents and the Park Service, helping balance their respective needs. Through advisory committees, local residents also become more involved in the preservation of the resources that surround them.

Unfortunately, many of these committees are unduly hindered in serving their communities because of provisions in the Federal Advisory Committee Act that require the filing and approval of a committee charter as well as the appointment of new commissioners every 2 years. Although these tasks should be a matter of simple routine, lengthy delays in the charter renewal process and the approval of new commissioners have left committees incapacitated for months, and sometimes years. These gaps mean that residents are denied an important means of responding to pressing issues and policy matters affecting their communities, and the committees lose the continuity of ongoing evaluation and decisionmaking.

This problem has become a serious issue for the Cape Code National Seashore in Massachusetts, 1 of 10 crown jewels in the National Park System.

The seashore's land protection plan references 60 parcels of land within park boundaries, comprising 275 acres of land, for potential new acquisition to protect the delicate habitat that makes Cape Cod unique. In addition, 14 properties are located within the seashore boundaries that are listed in, or are eligible for inclusion in, the National Register of Historic Places. To effectively manage a program of this scope and address the multitude of local issues that arise, the Park Service needs the continual input and assistance of the Cape Cod National Seashore Advisory Commission. However, the Commission has often been rendered ineffective by the slow process by which its charters have been approved. As a result of the Federal Advisory Committee Act requirements, it has been unable to perform its duties for a total of 2 of the last 6 years.

The Cape Cod National Seashore Advisory Committee is not alone in these troubles. The National Park Service has embraced this legislation as a simple and effective way to ensure greater continuity and efficiency in the management of the seashore and many other parks across the country.

This legislation would waive the provisions of the Federal Advisory Committee Act that required renewal of charters every 2 years with respect to advisory committees associated with national parks, and would enable committee members to continue serving until their successors are approved.

These modest amendments will allow National Park System advisory committees to address more substantive issues by avoiding unnecessary lapses in their ability to function. I urge the Senate to approve this legislation expeditiously.

By Mr. BIDEN:

S.J. Res. 325. A joint resolution entitled the "Collective Security Participation Resolution"; to the Committee on Foreign Relations.

COLLECTIVE SECURITY PARTICIPATION RESOLUTION

• Mr. BIDEN. Mr. President, one remarkable development of recent years—a true precursor of the new world order—is the United Nations active and competent role in fostering the settlement of conflicts in Namibia, Angola, Western Sahara, El Salvador, and Cambodia.

This momentum in collective action must be sustained, and its purpose widened to include combat interventions where principle and justice warrant.

In calling for American leadership to strengthen the institutions of collective security, I am compelled to pause—to lament that Congress, due to its own short-sightedness and a lack of leadership from the President, has failed to provide the fairly assessed U.S. contribution to existing U.N. peacekeeping activities, on which we stand in arreas even as we continue to allocate hundreds of billions of dollars for national defense. No behavior could be more foolish—or cost-ineffective—than to short-change the United Nations just as it has begun to fulfill a peacekeeping role long envisioned but, through most of its existence, seldom possible.

Rather than lagging behind, we should be taking the lead—in the upgrade of the U.N. Security Council's available military powers. As well as blue helmets to preside over ceasefires, actual combat units should be at the Security Council's disposal—and not merely on an ad hoc basis where the process of assembling a consensus, followed by troop commitments, may be too slow to meet urgent need.

It is, I believe, well understood that the collective military assault mounted against Iraq in the gulf war was not conducted by a U.N. force per se. Rather, the United Nations acted under article 42 to sanction the use of "operations by air, sea, or land forces [by] Members of the United Nations." In effect, the United States gathered and then led a coalition—with U.N. approval.

The coalition-building process that proved successful in the gulf war does not constitute an adequate paradigm for all interventions the United Nations may deem necessary. Future crises may require greater speed, and we should strive to create circumstances that do not impose upon the United States the onus either to act unilaterally or to galvanize a U.N. action in which we supply the preponderance of military power.

It was precisely this preference that Pentagon planners exhibited in the recent strategy document that envisaged, with some relish, the exercise of worldwide American military hegemony in the post-cold-war era. Once leaked, this concept, which I dubbed "America as Globo-cop," was repudiated by the Bush administration as an embarrassment. But in truth, the unilateralist mindset continues to blind this administration to our new and expansive opportunity to involve other nations more fully and systematically in international security.

To realize the full potential of collective security, we must divest ourselves of the vainglorious dream of a Paz Americana and look instead for a means to regularize swift, multinational decision and response.

The mechanism to achieve this lies—unused—in article 43 of the United Nations Charter, which provides that "all members undertake to make available to the Security Council, on its call and in accordance with a special agreement or agreements, armed forces * * * necessary for the purpose of maintaining international peace and security."

Article 43 provides that "the agreement or agreements shall be negotiated as soon as possible." But for 47 years that condition was not met: The cold war polarization that beset the United Nations made it impossible for such force commitments to be negotiated. The agreements envisaged by the U.N. founders—under which nations would designate specific units to be available to the Security Council—have never been made. Article 43, at present, is a promise unfulfilled.

The time has come: The United States, in conjunction with other key nations, should now designate forces under article 43 of the United Nations Charter.

Let it be underscored, for all who would quaver at this proposal, that such action does not require a leap of faith: It does not mean the entrusting of American security—or the entrusting of American troops—to a collective body of questionable reliability. The assignment of United States and other forces to the United Nations means only that specifically designated troop units are committed, first, to participate in advance planning for coordinated use, and second, to be available for action pursuant to a U.N. Security Council decision to which the United States itself must be a party.

If deployed under U.N. auspices, a designated American unit or units—a force that might number some 3,000–8,000 troops—would be used only in conjunction with other forces and for a purpose agreed to by the United States as a leading member of the Security Council.

The essence of such an arrangement is not to increase the probability of American casualties in combat. On the contrary, our purpose in proceeding under article 43 is to build multilateral institutions in which collective force can be reliably used without constant dependence on American Armed Forces, article 43 provides the opportunity to resolve our current dilemma: in which force is not likely to be used, even when needed, unless American troops are deployed unilaterally or to carry the main load in a multinational force.

The United States would designate forces under an article 43 agreement only if it entailed similar and substantial commitments by other powers. Thus, by designating a relatively small contingent of American forces, we would draw other nations into obligations of military responsibility.

In sum, the assignment to the U.N. Security Council of American and other military units would enhance one valuable instrument of American foreign policy—that is, participation in collective military action—without increasing the overall risk to American forces and without the slightest detriment to our ability to act alone if necessary.

Stated conversely, if we do not move to realize the potential of collective action under article 43, we consign ourselves to future dependency on the kind of ad hoc, American-led response that characterized the gulf war. That model may be attractive to some, in that it gives us primacy of place. But in my view, it is unfair, unnecessary, and unwise.

Article 43 represents a means by which the United States can enhance the efficacy of collective security while reducing the likelihood that future crises will compel the men and women of the American Armed Forces to bear a disproportionate burden in collective security.

To encourage negotiation of article 43 commitments by the United States and other powers, I today introduce the collective security participation resolution. This joint resolution would affirm congressional support for the consummation of an article 43 agreement; and it would reaffirm the intent of Congress expressed in the United Nations Participation Act of 1945, in three important respects:

First, an article 43 agreement "shall be subject to the approval of the Congress by appropriate Act or joint resolution."

Second, "the President shall not be deemed to require [further] authorization of the Congress to make available to the Security Council on its call" the military units designated in the agreement.

Third, this authorization may not be construed as authorization to use forces in addition to those forces designated.

Clearly, the enactment of this measure would be only a first step. But it is intended—and I believe it could serve—to create momentum.

What the collective security participation resolution would signify is congressional acceptance, in advance of any article 43 negotiation, of the premise of article 43: That the major powers should be positioned to act, without further delay, once the U.N. Security Council has achieved a consensus to use predesignated forces.

As a dedicated defender of the war power as a shared constitutional power, I stress that this arrangement, if achieved, would not represent an abdication by Congress of its responsibilities. Rather, it would be a judicious congressional exercise of the war power: The delineation by statute of conditions under which the President has limited authority to use force.

At some point, it will be wise to incorporate any such authority into a full rewrite of the War Powers Resolution. But that effort, if it is to produce a satisfactory outcome, must succeed on the basis of a Presidential signature on a new or revised law, rather than enactment over a veto. Current political reality dictates that such a feat of executive-legislative cooperation will be possible only after the White House has shed the monarchist tendency with which it became afflicted during the cold war.

My own concept of a sound revision of the War Powers Resolution—operationally sound and constitutionally sound—is presented in a Georgetown Law Journal issue of 1988, written shortly after I conducted exhaustive hearings as chairman of the Senate's Special Subcommittee on War Powers. I shall pursue the enactment of such a revision at the first moment the Oval Office is again occupied by a President willing to accept the most fundamental of constitutional precepts: that the solemn decision to commit the armed forces of the United States to war requires congressional authorization.

Enactment of the collective security participation resolution, while not necessary as a matter of legal technicality, would be valuable as a matter of political reality.

For four decades—beginning with the Korean war and extending through the Vietnam war to the Gulf war—we have engaged in an agonizing constitutional struggle over the war power. Against that background of chronic dispute, in which I myself have been a dedicated participant, I believe it important that the Congress of today render a modern affirmation concerning the war power: by endorsing a principle of collective security—and the mechanism to carry it out—that the founders of the United Nations and the Congress of 1945 were prepared to affirm nearly half a century ago.

By doing so, we can encourage presidential initiative within the United Nations and provide a solid footing for American leadership in strengthening the United Nations as an instrument of collective security.

To recapitulate: A future crisis could be of such magnitude as to require a major commitment of American forces, which in turn would require specific congressional authorization. In the absence of such authorization, the President would, under a congressional approved article 43 agreement, be preauthorized to commit designated forces—but only designated U.S. forces, only in combination with the designated forces of other powers, and only pursuant to a Security Council decision to which the United States would be a party.

In strengthening the institutions of collective security, a well-negotiated article 43 agreement would help to move the world beyond the current expectation that effective military action will be taken only with American forces in the lead.

By enacting the collective security participation resolution, Congress would affirm its support for a sound article 43 agreement as integral to a serious American agenda for a new world order.

The potential value of enhanced institutional preparedness for collective military action is underscored by the ongoing disaster in Yugoslavia. There, a barbarism unexpected in modern Europe has unfolded in the face of outside disbelief and a growing recognition of the world's unreadiness, even after the gulf war, to act decisively with collective military force.

For some months, Western nations—all in hope of minimizing the violence—disagreed on the tactics of whether and when to recognize the former Yugoslav Republics as they declared independence. But this disagreement has now been replaced by common horror at the wanton brutalities being inflicted by Serbian forces.

Were the U.N. Security Council or the CSCE adequately equipped, both by political disposition and the ready availability of military forces, the question of intervention could now be addressed on its merits, without the impediment of massive institutional complexity. The question of intervention in Yugoslavia instructs us: If our multinational bodies are to act when needed, we must first prepare them to act.

If we are to find any gain from the tragedy of Yugoslavia, it must be in the momentum it provides in moving us more swiftly down both paths of expanded commitment to collective military action—the formal adoption by NATO of a peacekeeping and intervention role, and a more formal commitment by key U.N. members to military action under the auspices of the U.N. Security Council.

Just as Neville Chamberlain's trip to Munich in 1938 stands as a permanent warning of the futility of appeasement, the unabated slaughter in Bosnia offers a new lesson: If we do not prepare for collective action, the end of the cold war could usher in not a new world order but an era of endless interethnic bloodletting.

American leadership to achieve this expanded commitment to collective security will serve, together with a new strategy of worldwide weapons containment, to complete the military dimension of the new world order agenda I outlined in three addresses to the Senate earlier this week.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution ordered to be printed in the RECORD, as follows:

S.J. RES. 325

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TITLE.

This Resolution may be cited as the "Collective Security Participation Resolution".

SEC. 2. FINDINGS.

Congress finds as follows:

(1) the end of the Cold Was has opened unprecedented opportunity for multilateral cooperation, under United Nations auspices, in collective military actions to maintain and, where necessary, restore the peace;

(2) collective military action in response to Iraq's invasion of Kuwait was taken under Article 42 of the United Nations Charter, under which the Security Council may authorize the use of "operations by air, sea, or land forces [by] Members of the United Nations";

(3) under Article 42, and pursuant to authorization by the Congress, the United States undertook military actions in Kuwait and Iraq as leader of a multinational coalition with United Nations sanction;

(4) an alternative means of taking action under the auspices of the United Nations Security Council is envisaged by Article 43 of the Charter, which provides that "all members undertake to make available to the Security Council, on its call and in accordance with a special agreement or agreements, armed forces . . . necessary for the purpose of maintaining international peace and security";

(5) although Article 43 provides that "the agreement or agreements shall be negotiated as soon as possible," no agreement under Article 43 has ever been reached during the U.N.'s 47-year history;

(6) from the American perspective, the formal designation of forces from various nations under Article 43 offers the opportunity to involve other nations more promptly and reliably in future collective security actions, and could thereby strengthen the institutions of collective security while spreading the burden of collective security more equitably;

(7) American leadership in achieving "a special agreement or agreements" under Article 43 would therefore serve the national interests of the United States;

(8) The United Nations Participation Act of 1945 (P.L. 79-264) provides that:

(A) the President is authorized to negotiate an agreement with the Security Council "providing for the numbers and types of armed forces, their degree of readiness and general locations, and the nature of facilities and assistance, including rights of passage, to be made available to the Security Council on its call for the purpose of maintaining international peace and security in accordance with Article 43 of the Charter";

(B) any such agreement "shall be subject to the approval of the Congress by appropriate Act or joint resolution";

(C) "the President shall not be deemed to require the authorization of the Congress to make available to the Security Council on its call . . . pursuant to such special agreement or agreements the Armed Forces, facilities, or assistance provided for therein";

(D) this authorization shall not be "construed as an authorization to the President by the Congress to make available to the Security Council for such purpose armed forces, facilities, or assistance in addition to the forces, facilities, and assistance provided for in such special agreement or agreements."

SEC. 3. AGREEMENT AND ACTION UNDER ARTICLE 43 OF THE UNITED NATIONS CHARTER.

(a) NEGOTIATION OF AGREEMENT.—Congress urges the President to take all appropriate steps to negotiate, under Article 43 of the United Nations Charter, "a special agreement or agreements" with equitable terms under which designated forces from various countries, including the United States, would be "available to the Security Council . . . for the purpose of maintaining international peace and security."

(b) CONGRESSIONAL ROLE.—In recognition of the importance of an Article 43 agreement to United States national security interests, Congress—

(1) urges the President to consult with the foreign affairs and defense committees of the Congress in the course of negotiating an Article 43 agreement;

(2) expresses its intent to give prompt consideration to any such agreement negotiated under Article 43 of the Charter.

(c) AUTHORIZATION TO USE FORCE PURSUANT TO ARTICLE 43.—Congress affirms the principle that, upon congressional approval of a United States agreement under Article 43 of the Charter, the President shall be authorized to direct that the United States Armed Forces designated in such agreement be employed as may be necessary to support decisions of the United Nations Security Council.●

ADDITIONAL COSPONSORS

S. 21

At the request of Mr. CRANSTON, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 21, a bill to provide for the protection of the public lands in the California desert.

S. 68

At the request of Mr. THURMOND, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 68, a bill to amend title 10, United States Code, to authorize the appointment of chiropractors as commissioned officers in the Armed Forces to provide chiropractic care, and to amend title 37, United States Code, to provide special pay for chiropractic officers in the Armed Forces.

S. 664

At the request of Mr. THURMOND, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 664, a bill to require that health warnings be included in alcoholic beverage advertisements, and for other purposes.

S. 1231

At the request of Mr. BENTSEN, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 1231, a bill to amend title XVIII of the Social Security Act to provide for coverage of colerectal screening examinations and certain immunizations under part B of the Medicare Program, and for other purposes.

S. 1521

At the request of Mr. MCCONNELL, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1521, a bill to provide a cause of action for victims of sexual abuse, rape, and murder, against producers and distributors of hard-core pornographic material.

S. 1578

At the request of Mr. THURMOND, the names of the Senator from Maryland [Mr. SARBANES] and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of S. 1578, a bill to recognize and grant a Federal charter to the Military Order of World Wars.

S. 1872

At the request of Mr. BENTSEN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1872, a bill to provide for improvements in access and affordability of health insurance coverage through small employer health insurance reform, for improvements in the portability of health insurance and for health care cost containment and for other purposes.

S. 1877

At the request of Mr. BOND, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1877, a bill to require the use of child restraint systems on commercial aircraft.

At the request of Mr. BOREN, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 1877, supra.

S. 2334

At the request of Mr. WIRTH, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 2334, a bill to extend the statute of limitations applicable to civil actions brought by the Federal conservator or receiver of a failed depository institution.

S. 2484

At the request of Mr. KASTEN, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 2484, a bill to establish research, development, and dissemination programs to assist State and local agencies in preventing crime against the elderly, and for other purposes.

S. 2624

At the request of Mr. GLENN, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 2624, a bill to authorize appropriations for the Interagency Council on the Homeless, the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 2632

At the request of Ms. MIKULSKI, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 2632, a bill to establish the National Environmental Technologies Agency.

S. 2643

At the request of Mr. BENTSEN, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Arizona [Mr. DECONCINI], and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of S. 2643, a bill to amend title XVIII of the Social Security Act to limit modification of the methodology for determining the amount of time that may be billed for anesthesia services under such title, and for other purposes.

S. 2696

At the request of Mr. DOMENICI, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 2696, a bill to establish a comprehensive policy with respect to the provision of health care coverage and services to individuals with severe mental illnesses, and for other purposes.

S. 2749

At the request of Mr. SEYMOUR, the names of the Senator from Missouri [Mr. DANFORTH] and the Senator from Missouri [Mr. BOND] were added as cosponsors of S. 2749, a bill to grant a right of use and occupancy of a certain tract of land in Yosemite National Park to George R. Lange and Lucille F. Lange, and for other purposes.

S. 2763

At the request of Mr. ROTH, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 2763, a bill to establish the Mike Mansfield Fellowship Program for intensive training in the Japanese language, government, politics, and economy.

S. 2794

At the request of Mr. DOLE, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 2794, a bill to relieve the regulatory burden on depository institutions, particularly on small depository institutions, and for other purposes.

S. 2804

At the request of Mrs. KASSEBAUM, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2804, a bill to establish a program to provide technical assistance to employers and labor unions, in order to assist in preparing the workplace to employ women in apprenticeable occupations and other nontraditional occupations, and for other purposes.

S. 2810

At the request of Mr. HOLLINGS, his name was added as a cosponsor of S. 2810, a bill to recognize the unique status of local exchange carriers in providing the public switched network infrastructure and to ensure the broad availability of advanced public switched network infrastructure.

S. 2841

At the request of Mr. D'AMATO, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Arkansas [Mr. BUMPERS], the Senator from Indiana [Mr. COATS], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 2841, a bill to provide for the minting of coins to commemorate the World University Games.

S. 2870

At the request of Mr. RUDMAN, the names of the Senator from Vermont [Mr. LEAHY], the Senator from New Jersey [Mr. LAUTENBERG], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 2870, a bill to authorize appropriations for the Legal Services Corporation, and for other purposes.

S. 2873

At the request of Mr. BREAUX, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 2873, a bill to amend the Internal Revenue Code of 1986 to establish medical care savings benefits.

S. 2877

At the request of Mr. BAUCUS, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 2877, a bill entitled the "Interstate Transportation on Municipal Waste Act of 1992."

S. 2883

At the request of Mr. RIEGLE, the name of the Senator from Utah [Mr. GARN] was added as a cosponsor of S. 2883, a bill to amend title VII of the Tariff Act of 1930 to include interim processors within industries producing processed agricultural products, and for other purposes.

S. 2889

At the request of Mr. BOREN, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Kentucky [Mr. FORD], the Senator from Washington [Mr. GORTON], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 2889, a bill to repeal section 5505 of title 38, United States Code.

S. 2893

At the request of Mr. PRYOR, the names of the Senator from Kentucky [Mr. FORD], and the Senator from Texas [Mr. BENTSEN] were added as cosponsors of S. 2893, a bill to provide for assistance to Federal employees in reduction in force actions of Federal personnel, and for other purposes.

S. 2895

At the request of Mr. ADAMS, the names of the Senator from Tennessee [Mr. GORE], the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of S. 2895, a bill to provide a program for rural development for communities and businesses in the Pacific Northwest and northern California, to provide retraining assistance for workers in the Pacific Northwest and northern California who have been dislocated from the timber harvesting, log hauling and transportation, saw mill, and wood products industries, to provide cost share and forest management assistance to private landowners in the Pacific Northwest and northern California in order to ensure the long-term supply of Pacific yew for medicinal purposes, to preserve Federal watersheds and late-successional and old-growth forests in the Pacific Northwest and northern California, to provide oversight of national forest ecosystem management throughout the United States, to provide for research on national forest ecosystem management, and for other purposes.

S. 2921

At the request of Mr. FOWLER, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 2921, a bill to reform the administrative decisionmaking and appeals processes of the Forest Service, and for other purposes.

S. 2922

At the request of Mr. COHEN, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 2922, a bill to assist the States in the enactment of legislation to address the criminal act of stalking other persons.

SENATE JOINT RESOLUTION 242

At the request of Mr. SPECTER, the names of the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of Senate Joint Resolution 242, a joint resolution to designate the week of September 13, 1992, through September 19, 1992, as "National Rehabilitation Week."

SENATE JOINT RESOLUTION 293

At the request of Mr. SASSER, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Arizona [Mr. MCCAIN], the Senator from Delaware [Mr. BIDEN], and the Senator from Indiana [Mr. COATS] were added as cosponsors of Senate Joint Resolution 293, a joint resolution designating the week beginning November 1, 1992, as "National Medical Staff Services Awareness Week."

SENATE JOINT RESOLUTION 306

At the request of Mr. D'AMATO, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of Senate Joint Resolution 306, a joint resolution designating October 1992 as "Italian-American Heritage and Culture Month."

SENATE JOINT RESOLUTION 309

At the request of Mr. CRANSTON, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of Senate Joint Resolution 309, a joint resolution designating the week beginning November 8, 1992, as "National Women Veterans Recognition Week."

SENATE JOINT RESOLUTION 321

At the request of Mr. KOHL, the names of the Senator from Maryland [Ms. MIKULSKI] and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of Senate Joint Resolution 321, a joint resolution designating the week beginning March 21, 1993, as "National Endometriosis Awareness Week."

SENATE CONCURRENT RESOLUTION 81

At the request of Ms. MIKULSKI, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of Senate Concurrent Resolution 81, a concurrent resolution expressing the sense of the Congress regarding visionary art as a national treasure and regarding the American Visionary Art Museum as a national repository and educational center for visionary art.

SENATE CONCURRENT RESOLUTION 113

At the request of Mr. ROCKEFELLER, his name was added as a cosponsor of Senate Concurrent Resolution 113, a concurrent resolution concerning the 25th anniversary of the reunification of Jerusalem.

SENATE CONCURRENT RESOLUTION 126

At the request of Mr. SHELBY, the names of the Senator from North Dakota [Mr. CONRAD] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Concurrent Resolution 126, a concurrent resolution expressing the sense of the Congress that equitable mental health care benefits must be included in any health care reform legislation passed by the Congress.

SENATE CONCURRENT RESOLUTION 127

At the request of Mr. DECONCINI, the names of the Senator from Washington [Mr. ADAMS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Connecticut [Mr. DODD], the Senator from Indiana [Mr. LUGAR], the Senator from North Carolina [Mr. SANFORD], the Senator from California [Mr. SEYMOUR], the Senator from Virginia [Mr. WARNER], and the Senator from Minnesota [Mr. WELLSTONE] were added as cosponsors of Senate Concurrent Resolution 127, a concurrent resolution to express the sense of the Congress that women's soccer should be a medal sport at the 1996 centennial Olympic games in Atlanta, GA.

SENATE RESOLUTION 314

At the request of Mr. DECONCINI, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Resolution 314, a resolution concerning the provision of humanitarian aid to civilian populations in and around Sarajevo.

SENATE RESOLUTION 324—RELATIVE TO THE DECLASSIFICATION OF CERTAIN DOCUMENTS

Mr. KERRY (for himself, Mr. SMITH, Mr. ROBB, Mr. GRASSLEY, Mr. BROWN, Mr. DASCHLE, Mr. HELMS, Mrs. KASSEBAUM, Mr. KERREY, Mr. KOHL, Mr. MCCAIN, Mr. REID, Mr. BUMPERS, Mr. LAUTENBERG, and Mr. DODD) submitted the following resolution; which was considered and agreed to:

S. RES. 324

Whereas mistrust and suspicion of the Government's activities on POW/MIA matters have hindered efforts to resolve questions about our lost servicemen;

Whereas much of the Government's information on the POW/MIA issue is outdated and over-classified, and its public release would not harm national security;

Whereas the public interest would best be served if all POW/MIA information in the government's possession would be appropriately declassified forthwith;

Whereas the immediate priority of the government's efforts to resolve the POW/MIA issue should be swift and comprehensive declassification;

Whereas the Committee has received from the Executive Branch copies of documents that are currently classified and that the Committee needs for use at a public hearing scheduled for August 4–5, 1992, and for subsequent hearings;

Whereas issuance of an Executive Order by the President will be the fastest and most efficient means of declassifying records pertaining to POWs and MIAs;

Whereas issuance of such an Executive Order would permit the broadest declassification of records pertaining to POWs and MIAs; and

Whereas controversies between branches of government should be resolved by voluntary accommodation whenever possible: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President of the United States expeditiously issue an Executive Order requiring all Executive Branch departments and agencies to declassify and publicly release without compromising United States national security all documents, files, and other materials pertaining to POWs and MIAs.

AMENDMENTS SUBMITTED

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT

LIEBERMAN (AND OTHERS) AMENDMENT NO. 2678

Mr. LIEBERMAN (for himself, Mr. BAUCUS, Mr. ROTH, Mr. DECONCINI, Mr. GARN, Mr. BOREN, Mr. BENTSEN, Mr. DOLE, Mr. ADAMS, Mr. PELL, Mr. SIMPSON, Mr. BYRD, Mr. WOFFORD, Mr. DOMENICI, and Mr. MURKOWSKI) proposed an amendment to the bill (S. 2532) entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act", as follows:

On page 52, after line 13, add the following new section:

SEC. 21. BUSINESS AND COMMERCIAL DEVELOPMENT IN THE FORMER SOVIET UNION.

(a) FINDINGS.—The Congress finds that—

(1) United States jobs and competitiveness will be enhanced if American business and

agriculture play a significant role in the development of market economies of the independent states of the former Soviet Union;

(2) it is in the interest of the United States that all assistance programs be structured to maximize the purchase of United States goods and services;

(3) American businesses are the key to the viable restructuring of the independent states of the former Soviet Union;

(4) active United States business participation in the commercial development of the former Soviet Union will create new markets and jobs for the United States as well as enhance development in these nations;

(5) assistance under this Act should be considered an investment in the economic future of both the United States and the independent states of the former Soviet Union;

(6) the United States Government can play an important role in assisting United States exporters in the rapidly changing and highly competitive markets of the independent states of the former Soviet Union;

(7) assistance for the independent states of the former Soviet Union should be equitably distributed within each such state, and this should include technical assistance, additional Foreign Commercial Service officers, and financing through the Overseas Private Investment Corporation, the Export-Import Bank of the United States, and the Trade and Development Program; and

(8) it is in the interest of the American business community and the independent states of the former Soviet Union for the United States Government to move expeditiously—

(A) to open up new consulates throughout such states, particularly those already scheduled to be opened; and

(B) to provide timely consideration in the issuance of visas.

(b) ADVISORY COUNCIL.—(1) The President is authorized to establish an advisory council to be known as the New Independent States Business and Agriculture Advisory Council (hereafter in this section referred to as the "Council").

(2) The duties of the Council would be—

(A) to advise the President regarding programs of assistance for the independent states of the former Soviet Union;

(B) to evaluate the adequacy of bilateral and multilateral assistance programs that would facilitate exports and investments by American firms in the independent states of the former Soviet Union; and

(C) to consult with the President periodically with respect to the matters described in subparagraphs (A) and (B).

(3) The Council should consist of fifteen members drawn from United States firms reflecting diverse businesses and perspectives that have experience and expertise relevant in dealing with the independent states of the former Soviet Union.

(4) The membership of the Council should be appointed as follows:

(A) Five members appointed by the President, one of whom the President shall designate to serve as chairman.

(B) Five members appointed by the President, upon the recommendation of the Speaker of the House of Representatives and the Minority Leader of the House of Representatives.

(C) Five members appointed by the President, upon the recommendation of the Majority and Minority Leaders of the Senate.

(5)(A) Members of the Council should receive no additional pay by reason of their service on the Council.

(B) Upon request of the Chairman of the Council, the head of any United States Government agency may detail, on a nonreimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this Act.

(c) ALLOCATION OF AGENCY FOR INTERNATIONAL DEVELOPMENT FUNDS.—The President is authorized and encouraged to use a portion of the funds made available for the independent states of the former Soviet Union under the Foreign Assistance Act of 1961—

(1) to fund capital projects, including projects for telecommunications, environmental cleanup, power production, and energy related projects; and

(2) to fund intermediary industrial goods and other consumables in order to promote self-sufficiency.

(d) EXPORT FINANCING AND PROMOTION.—(1)(A) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the Export-Import Bank of the United States, the Trade and Development Program, and the Overseas Private Investment Corporation (hereafter in this section referred to as "OPIC") such sums as may be necessary to carry out this Act, including—

(i) the provision of commercial and technical assistance, implemented in cooperation with United States businesses on a cost-sharing basis, which, to the maximum extent feasible, would support the identification and development of priority sectors in the independent states of the former Soviet Union, including defense conversion, energy, energy efficiency, environmental protection, nuclear safety, agriculture, food processing and distribution, pharmaceuticals, transportation, telecommunications, education and training, and industrial and infrastructure modernization; and

(ii) the provision of support for projects undertaken by United States business on the basis of partnership, joint venture, contractual, or other cooperative agreements with appropriate entities in the independent states of the former Soviet Union.

(B) Amounts authorized to be appropriated by subparagraph (A) are authorized to remain available until expended.

(2) The Export-Import Bank of the United States is authorized to use the maximum amount of flexibility in supporting projects in the independent states of the former Soviet Union, including using project financing or other appropriate financing arrangements, in addition to flexibility otherwise authorized under this or any other Act.

(3) OPIC is authorized to use the maximum amount of flexibility with its programs, including coverage of contract frustration by government or private sector entities in the independent states of the former Soviet Union, in addition to flexibility otherwise authorized under this or other Acts.

(4) The President is authorized and encouraged to direct the Export-Import Bank of the United States, OPIC, TDP, the Agency for International Development, and the Department of Commerce to coordinate through the Trade Promotion Coordinating Committee their efforts in assisting American businesses and the independent states of the former Soviet Union, and such agencies and entities are encouraged to develop common eligibility criteria, to the extent possible, for operating their programs in the independent states of the former Soviet Union.

(e) DEPARTMENT OF COMMERCE.—(1) The Secretary of Commerce should—

(A) provide technical assistance to the independent states of the former Soviet Union through programs and projects for business and commercial development, including demonstration projects, especially in priority sectors described in subsection (d)(1)(A)(i), business consortia, business training and exchange programs, binational business development committees, the development of product standards, and the cost of preparing business opportunity profiles of those states using both United States private sector and local expertise;

(B) expand the Foreign Commercial Service in the independent states of the former Soviet Union, including the business centers described in this Act;

(C) develop a center to assist United States small- and medium-sized businesses in entering the commercial markets of the independent nations of the former Soviet Union, and to the maximum extent possible, the Department of Commerce should contract with a United States expert organization with proven experience in trade relations with the independent nations of the former Soviet Union to assist with the functioning of this center; and

(D) submit a report to Congress twelve months after the date of enactment of this Act, and annually thereafter, which will analyze the programs of other industrialized nations to assist their firms with their efforts to transact business in the independent states of the former Soviet Union and will include an examination of the trading practices of other OECD nations, as well as the pricing practices of transitional economies, that may disadvantage United States firms.

(2)(A) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the Secretary of Commerce such funds as may be necessary to carry out this subsection.

(B) Funds authorized to be appropriated by subparagraph (A) are authorized to remain available until expended.

(f) UTILIZATION OF ENERGY WORKING GROUP.—(1) The Trade Promotion Coordinating Committee should utilize its interagency working group on energy to assist American energy sector companies to develop a long-term strategy for penetrating the energy market in the independent states of the former Soviet Union.

(2) The energy working group should—

(A) work with officials from the independent states of the former Soviet Union in creating an environment conducive to United States energy investment;

(B) help to coordinate assistance to American companies, particularly defense companies, involved with projects to clean up former Soviet nuclear weapons sites and commercial nuclear waste; and

(C) work with representatives from American business and industry involved with the energy sector to help facilitate the identification of business opportunities, including the promotion of environmentally sound oil, gas, and clean coal technology and products and energy efficiency and the formation of joint ventures between American companies and companies of the independent nations of the former Soviet Union.

(g) POLICY ON REPAYMENT OF DEBT.—It is the sense of the Congress that the independent states of the former Soviet Union should address the issue of repayment of overdue commercial debt and other commercial obligations, including the recognition and availability of hard currency obligations of agencies of the former Soviet Government to American businesses.

LIEBERMAN (AND OTHERS) AMENDMENT NO. 2679

Mr. LIEBERMAN (for himself, Mr. GORE, and Mr. DOMENICI) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following new section:

SEC. 21. ESTABLISHMENT OF FOUNDATION.

(a) ESTABLISHMENT.—The Director of the National Science Foundation (hereafter in this section referred to as the "Director") is authorized to establish an endowed, nongovernmental, nonprofit foundation (hereafter in this section referred to as the "Foundation") in consultation with the Director of the National Institute of Standards and Technology.

(b) PURPOSES.—The purposes of the Foundation shall be the following:

(1) To provide productive research and development opportunities within the independent states of the former Soviet Union that offer scientists and engineers alternatives to emigration and help prevent the dissolution of the technological infrastructure of the independent states.

(2) To advance defense conversion by funding civilian collaborative research and development projects between scientists and engineers in the United States and in the independent states of the former Soviet Union.

(3) To assist the establishment of a market economy in the independent states of the former Soviet Union by promoting, identifying, and partially funding joint research, development, and demonstration ventures between United States businesses and scientists, engineers, and entrepreneurs in those independent states.

(4) To provide a mechanism for scientists, engineers, and entrepreneurs in the independent states of the former Soviet Union to develop an understanding of commercial business practices by establishing linkages to United States scientists, engineers, and businesses.

(5) To provide access for United States businesses to sophisticated new technologies, talented researchers, and potential new markets within the independent states of the former Soviet Union.

(c) FUNCTIONS.—In carrying out its purposes, the Foundation shall—

(1) promote and support joint research and development projects for peaceful purposes between scientists and engineers in the United States and former Soviet states on subjects of mutual interest; and

(2) seek to establish joint nondefense industrial research, development, and demonstration activities through private sector linkages which may involve participation by scientists and engineers in the university or academic sectors, and which shall include some contribution from industrial participants.

(d) FUNDING—

(1) DEBT CONVERSIONS.—To the extent provided in advance by appropriation Acts, local currencies or other assets resulting from government-to-government debt conversions may be made available to the Foundation. For purposes of this paragraph, the term "debt conversion" means an agreement whereby a country's government-to-government or commercial external debt burden is exchanged by the holder for local currencies, policy commitments, other assets, or other economic activities, or for an equity interest in an enterprise theretofore owned by the debtor government.

(2) LOCAL CURRENCIES.—In addition to other uses provided by law, and subject to agreement with the foreign government, local currencies generated by United States assistance programs may be made available to the Foundation.

(3) INVESTMENT OF GOVERNMENT ASSISTANCE.—The Foundation may invest any revenue provided to it through United States Government assistance, and any interest earned on such investment may be used only for the purpose for which the assistance was provided.

(4) CONTRIBUTION TO ENDOWMENT BY PARTICIPATION INDEPENDENT STATES.—As a condition of participation in the Foundation, an independent state of the former Soviet Union must make a minimum contribution to the endowment of the Foundation, as determined by the Director, which shall reflect ability of the independent state to make a financial contribution and its expected level of participation in the Foundation's programs.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, and made available to the Director, to establish the endowment of the Foundation and otherwise carry out this section, such sums as may be necessary.

GORE (AND OTHERS) AMENDMENT NO. 2680

Mr. GORE (for himself, Mr. LIEBERMAN, Mr. D'AMATO, and Mr. MOYNIHAN) proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . INELIGIBILITY FOR ASSISTANCE OF INSTITUTIONS WITHHOLDING THE PROPERTY OF UNITED STATES NATIONALS.

(a) PROHIBITION.—Except as provided in subsection (b), no agency, instrumentality, or other Government entity of any independent state of the former Soviet Union, may be eligible to receive assistance, participate in any cooperative activity under any provision of United States law, or otherwise use funds made available under this Act or any other Act, if—

(1) on the date of enactment, there is outstanding a final judgment by a court of competent jurisdiction within that state that the entity or institution, as the case may be, is withholding unlawfully the property of United States persons; and

(2) the Secretary of State determines, within 90 days of a request by the United States persons affected, that execution of the court's judgment is blocked as the result of extra-judicial causes, including any of the following:

(A) A declared refusal of the defendant to comply.

(B) The unwillingness or failure of local authorities to enforce compliance.

(C) The issuance of an administrative decree nullifying a court's judgment or forbidding compliance.

(D) The passage of legislation, after a court's judgment, nullifying that judgment or forbidding compliance with that judgment.

(b) EXCEPTION FOR HUMANITARIAN ASSISTANCE.—The prohibition contained in subsection (a) shall not apply to the provision of humanitarian assistance in any of the independent states of the former Soviet Union.

(c) WAIVER AUTHORITY.—The Secretary of State may waive the application of subsection (a) whenever the Secretary finds that—

(1) the court's judgment has been executed; or

(2) it is vital to the national interests of the United States to do so.

(d) Nine months after the date of enactment of this Act, the Secretary of State shall report to the Speaker of the U.S. House of Representatives and the Chairman of the Senate Foreign Relations Committee the status of judgments entered by CIS courts of final jurisdiction involving U.S. persons.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "humanitarian assistance" includes the provision of food, medicine, or clothing;

(2) the term "United States person" means—

(A) any citizen, national, or permanent resident alien of the United States; and

(B) any corporation, partnership, or other juridical entity which is 50 percent or more beneficially owned by individuals described in subparagraph (A).

BRADLEY (AND OTHERS) AMENDMENT NO. 2681

Mr. BRADLEY (for himself, Mr. KERREY, Mr. BOREN, Mr. WIRTH, Mr. DIXON, Mr. BRYAN, Mr. REID, Mr. KENNEDY, and Mr. HARKIN) proposed an amendment to the bill S. 2532, supra, as follows:

At the end of the bill, add the following new title:

TITLE II—FREEDOM EXCHANGE ACT

Subtitle A—In General

SEC. 201. SHORT TITLE.

This title may be cited as the "Freedom Exchange Act".

SEC. 202. STATEMENT OF PURPOSE.

The purpose of this title is—

(1) to bring young people of the former Soviet Union and the Baltic states to the United States so that they might experience first-hand how a free market democracy functions;

(2) to assist the skill-building process necessary for both institution-building and nation-building; and

(3) to ease immigration restrictions to allow the freer flow of scientists and others from the former Soviet Union knowledgeable in the production of nuclear weapons.

SEC. 203. DEFINITIONS.

As used in this title—

(1) the term "Baltic states" means Latvia, Lithuania, and Estonia;

(2) the term "Endowment" means the corporation described in section 211(b)(2);

(3) the term "institution of higher education" has the same meaning as is given to such term by section 1201(a) of the Higher Education Act of 1965;

(4) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenian, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(5) the term "secondary school" has the same meaning given to such term by section 1471(21) of the Elementary and Secondary Education Act of 1965.

Subtitle B—Educational Exchange Program

SEC. 211. AUTHORITIES FOR AWARDING GRANTS.

(a) GENERAL AUTHORITY.—The President shall establish and carry out an exchange program in accordance with this subtitle. In carrying out such a program, the President shall award, on a competitive basis, grants to eligible organizations to enable such organizations to finance—

(1) the exchange of secondary school students in accordance with section 212;

(2) the exchange of college students in accordance with section 213;

(3) the exchange of graduate students in accordance with section 214;

(4) visits and interchanges of professors and educators in accordance with section 215; and

(5) internships in accordance with section 216.

(b) Eligible Organizations.—For the purpose of this subtitle, the term "eligible organization" means—

(1) during fiscal year 1993, any private nonprofit organization which has experience in exchange programs and demonstrates a capacity to carry out such programs in the independent states of the former Soviet Union or in the Baltic States; and

(2) during fiscal years 1994 through 1997, a private, nonprofit corporation to be established which shall be designated by the President to carry out the educational exchange program assisted under this subtitle through the awarding of grants to private, nonprofit organizations described in paragraph (1), which corporation shall be known as the Educational Exchange Endowment (hereafter in this title referred to as the "Endowment").

(c) Duration.—The President shall award grants under this section during the period beginning on October 1, 1992, and ending on September 30, 1997.

(d) Administrative Expenses.—Each eligible organization receiving a grant under this subtitle may use not more than 10 percent of such grant for administrative expenses.

(e) Application.—(1) Each eligible organization seeking a grant under this section shall submit an application to the President at such time, in such manner, and accompanied by such information as the President may reasonably require.

(2) Each application submitted pursuant to paragraph (1) shall—

(A) describe the activities for which assistance under this section is sought; and

(B) provide such additional assurances as the President determines to be essential to ensure compliance with the requirements of this section.

(f) Matching Funds.—The President is authorized to seek private funds to supplement or match public grants for the programs authorized by this title.

(g) Eligibility for Grants.—Grants may be made to eligible organizations only if such organizations agree to comply with the requirements specified in this subtitle.

(h) Implementation.—In carrying out this subtitle, the President shall—

(1) encourage colleges and universities receiving students to supplement public grants with their own resources, to the extent possible; and

(2) allow for a wide range of United States institutions to participate in programs under this subtitle.

(i) Compliance With Budget Act.—The authority to make grants under this title shall be effective only to such extent or in such amount as are provided in appropriations Acts.

SEC. 212. SECONDARY SCHOOL STUDENTS.

(a) Grant Uses.—(1) Grants awarded under section 211(a)(1) shall be used to finance—

(A) visits of short duration by eligible secondary students, to the United States, to any of the independent states of the former Soviet Union, or to any Baltic state, with priority accorded to visits that take place during fiscal year 1993; or

(B) studies, instruction, and other educational exchange activities in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, for eligible secondary school students.

(2) Of the amount of grants awarded under section 211(a)(1), not more than 35 percent in fiscal year 1993 and not more than 15 percent in each of fiscal years 1994 through 1997 may be used for the purpose of paragraph (1)(A).

(b) Conditions.—(1) The President may require that a portion of a grant awarded under section 211(a)(1) be used only for educational activities that are conditioned on the reciprocal exchange of American students.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(1) may be used to finance educational exchanges of American students under this section.

(3) No grant awarded under section 211(a)(1) may be used to reimburse any United States citizen for hosting an eligible secondary student.

(c) Definition.—For purposes of this section, the term "eligible secondary school student" means a secondary school student from the United States, any of the independent states of the former Soviet Union, or any Baltic state who—

(1) is at least 15 years of age;

(2) is attending school at a grade level equivalent to any of the grade levels 10 through 12 in United States secondary schools or has just completed secondary school in any of the independent states of the former Soviet Union or any Baltic state; and

(3) has a minimum level of proficiency in English, as determined by testing.

(d) Administration.—To the maximum extent practicable, a grant under this section shall be used to support the activities described in subsection (a) for secondary school students of widely divergent backgrounds.

(e) Authorization of Appropriations.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the United States Information Agency $65,000,000 for fiscal year 1993, $165,000,000 for fiscal year 1994, and $240,000,000 for the period consisting of fiscal years 1995 and 1996, and $120,000,000 for fiscal year 1997, to carry out this section.

(2) Funds authorized to be appropriated by paragraph (1) are authorized to remain available until expended.

SEC. 213. COLLEGE STUDENTS.

(a) Grant Uses.—Grants awarded under section 211(a)(2) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible college students in institutions of higher education in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with special emphasis on—

(1) those students who are studying to become English teachers; and

(2) those students who are seeking to acquire knowledge or skills applicable to restructuring the economy or building democratic institutions.

(b) Condition.—(1) The President may require that an eligible organization in order to receive a grant under section 211(a)(2), agree to use a portion of such grant for educational activities that are conditioned on the institution of higher education providing an eligible college student with some financial resources, either in the form of room and board or as a waiver of tuition.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(2) may be used to finance educational exchanges of American students under this section.

(c) Definition.—For purposes of this section, the term "eligible college student" means a student enrolled in four-year programs of study at a community college, college or university in the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any American-founded school in the former Soviet Union, and who—

(1) has completed at least one year of study and is not in the last year of such study; and

(2) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) Authorization of Appropriations.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the United States Information Agency $55,000,000 for fiscal year 1993, $90,000,000 for fiscal year 1994, and $108,000,000 for the period consisting of fiscal years 1995 and 1996, and $36,000,000 for fiscal year 1997, to carry out this section.

(2) Funds authorized to be appropriated by paragraph (1) are authorized to remain available until expended.

SEC. 214. GRADUATE STUDENTS.

(a) Grants Uses.—Grants awarded under section 211(a)(3) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible graduate students in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with emphasis on those students who are seeking to acquire knowledge or skills applicable to restructuring an economy or building democratic institutions.

(b) Condition.—Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(3) may be used to finance educational exchanges of American students under this section.

(c) Definition.—For purposes of this section, the term "eligible graduate student" means a student from the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any student attending an American-founded university in the former Soviet Union, who—

(1) is enrolled in a graduate course of study at a college or university;

(2) has completed one year of such study; and

(3) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) Authorization of Appropriations.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the United States Information Agency $8,500,000 for fiscal year 1993, $11,000,000 for fiscal year 1994, and $12,000,000 for each of fiscal years 1995 through 1996, and $4,000,000 for fiscal year 1997, to carry out this section.

(2) Funds authorized to be appropriated by paragraph (1) are authorized to remain available until expended.

SEC. 215. "SISTER" UNIVERSITY PROGRAM.

(a) Grant Uses.—(1) Grants awarded under section 211(a)(4) shall be used to finance visits and other interchanges between professors and educators of eligible paired institutions for the purpose of developing curriculum and otherwise strengthening ties between the independent states of the former Soviet Union and the Baltic states and the United States at the institutional level.

(2) Each grant awarded under this subsection shall be in the amount of $50,000.

(3) Each grant awarded under this subsection to eligible paired institutions may be disbursed during a period of two fiscal years.

(b) DEFINITION.—For purposes of this section, the term "eligible paired institutions" means—

(1) in fiscal year 1993, a pairing by the President, or

(2) in any of the fiscal years 1994 through 1997, a pairing by the Endowment,

of one United States institution of higher education with a college or university in any of the independent states of the former Soviet Union or any Baltic state wherever such pairing is likely to promote a continuing relationship between the institutions after the termination of assistance under this subtitle.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the United States Information Agency $3,000,000 for fiscal year 1993, $4,000,000 for fiscal year 1994, and $5,000,000 for each of fiscal years 1995 through 1997, to carry out this section.

(2) Funds authorized to be appropriated by paragraph (1) are authorized to remain available until expended.

SEC. 216. LEADERSHIP BY EXAMPLE GROUPS.

(a) GRANT USES.—(1) Grants awarded under section 211(a)(5) shall provide eligible persons with internships in enterprises in the United States for durations of six months or less.

(2) Such program may be referred to as the "Leadership by Example Groups (LEGS) Program".

(3) A portion of each grant may be used to provide limited advanced English language training to interns before coming to the United States.

(4) As used in this subsection, the term "enterprises" includes, but is not limited to, enterprises in the fields of agricultural production, agri-business, telecommunications, finance, health care, natural resource management, environmental protection, and oil and mineral exploration and extraction.

(b) CONDITION.—(1) Each eligible organization receiving a grant under section 211(a)(5) awarding internships shall require that a small business or appropriate chamber of commerce provide a portion of the costs of the internships, such as the costs of medical and dental insurance or housing for internship recipients.

(2) Internships funded under this section shall be apportioned among the States on the basis of population.

(c) DEFINITION.—For purposes of this section, the term "eligible person" means a national of any of the independent states of the former Soviet Union or any Baltic state who—

(1) is under 40 years of age; and

(2) has a minimum level of training in the English language.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the President $20,000,000 for fiscal year 1993, $60,000,000 for fiscal year 1994, and $100,000,000 for each of fiscal years 1995 through 1997, to carry out this section.

(2) Funds authorized to be appropriated by paragraph (1) are authorized to remain available until expended.

SEC. 217. AUTHORIZATION AND MANDATE.

(a) AUTHORIZATION AND MANDATE.—(1) The Congress authorizes and urges the President to establish a program of support for exchanges of governmental officials with the independent states of the former Soviet Union and Eastern Europe.

(2) Such program may be referred to as the "Partnership for Essential Governmental Services".

(3) As part of such program, the President is authorized to make available, on a volunteer basis and as appropriate, Federal civil service employees of departments and agencies of the United States for temporary duty in the independent states of the former Soviet Union and Eastern Europe to assist those countries in the development of essential governmental services.

(b) IMPLEMENTATION.—(1) The program authorized by subsection (a) should be carried out by existing agencies of United States Government and by volunteer-coordinating organizations such as the Citizens Democracy Corps, and should place upon each participating foreign government the primary responsibility for—

(A) identifying specific needs for such advisory assistance; and

(B) bearing in-country living expenses of American governmental officials seconded to advise that government.

(2) The President may provide assistance to those independent states of the former Soviet Union which cannot meet their share of the cost of this program.

SEC. 218. ADMINISTRATIVE REQUIREMENTS FOR THE ENDOWMENT.

In order to receive assistance under this subtitle, the Education Exchange Endowment shall comply with the following requirements:

(1) The Endowment shall have the capacity to receive, accept, solicit, and collect private funds to supplement Government grants received under this subtitle and shall agree actively to seek such private funds.

(2)(A) Officers of the Endowment may not receive any salary or other compensation from any source, other than the Endowment, for services rendered during the period of their employment by the Endowment.

(B) If an individual who is an officer or employee of the United States Government serves as a member of the Board of Directors or as an officer or employee of the Endowment, that individual may not receive any compensation or travel expenses in connection with services performed for the Endowment.

(3)(A) The Endowment shall not issue any shares of stock or declare or pay any dividends.

(B) No part of the assets of the Endowment shall inure to the benefit of any officer or employee of the Endowment, or any other individual, except as salary or reasonable compensation for services.

(4) The accounts of the Endowment shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Endowment are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and necessary to facilitate the audits shall be made available to the person or persons conducting the audits. The Endowment shall make available to such person or persons full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians.

(5)(A) The financial transactions of the Endowment for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Endowment are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment pertaining to its financial transactions and necessary to facilitate the audit. The Endowment shall make available to such representatives full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Endowment shall remain in the possession and custody of the Endowment.

(B) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Endowment, together with such recommendations with respect thereto as he may deem advisable. The report shall also identify any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this subtitle. A copy of each report shall be furnished to the President and to the Endowment at the time submitted to the Congress.

SEC. 219. EFFECTIVE DATE.

This subtitle shall take effect on October 1, 1992.

BYRD (AND OTHERS) AMENDMENT NO. 2682

Mr. BYRD (for himself, Mr. LIEBERMAN, Mr. FORD, Mr. WALLOP, Mr. MCCONNELL, and Mr. LUGAR) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following new section:

SEC. 21. AUTHORIZATION FOR ADVANCED COAL-BASED TECHNOLOGY PROJECTS

(a) FINDINGS.—The Congress finds that—

(1) the United States has undertaken a $5.0 billion technology development program to commercialize advanced coal technologies that will better enable the use of coal in a cost-effective and environmentally acceptable manner;

(2) industry in the United States already utilizes advanced technologies that enable the use of coal efficiently and with minimal impacts to the environment;

(3) these advanced technologies should be exported to other nations intending to use coal resources; and

(4) use of United States assistance to export coal-related technologies will benefit the global environment, maintain United States technological leadership, assist United States industry by supporting develop-

ment of foreign markets, and promote a more favorable balance of trade.

(b) Advanced Coal-Based Technology Projects.—(1) The Secretary of Energy, in consultation with the Secretary of State and the chief executive officers of the Overseas Private Investment Corporation and the Export-Import Bank, is authorized to make grants and issue loans with respect to the projects described in paragraph (2), to be carried out by United States firms in the independent states of the former Soviet Union.

(2) The projects referred to in paragraph (1) shall be developmentally sound capital energy projects, which projects—

(A) shall be proposed by a United States firm;

(B) shall consist of equipment manufactured by United States firms;

(C) shall be capable of providing energy, in a cost-effective and environmentally acceptable manner, using advanced coal-based technologies;

(D) shall be designed to increase significantly the overall efficiency of the use of coal in the retrofit of an existing facility or the application of the advanced coal-based technology in a new facility; and

(E) shall be utilized to reduce significantly environmental emissions when compared to currently utilized methods of emissions control in the State of the proposed project.

(3) In determining which projects to support under this subsection, the Secretary of Energy shall give special consideration to those project proposals which would achieve the greatest increases in the control of emissions and the efficient production of energy and to those project proposals in which a portion of the costs of the project shall be paid for by non-Federal funds, including private funds.

(c) Authorization of Appropriations.—(1) Of the funds authorized to be appropriated by this Act, up to $50,000,000 are authorized to be appropriated to the Secretary of Energy for Fiscal Year 1993 to carry out subsection (b).

(2) Amounts authorized to be appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(d) Definitions.—As used in this section—

(1) the term "advanced coal-based technology" means—

(A) any technology utilized for the preparation, combustion, or conversion of coal or the control of effluents from the combustion of coal that is commercially available and widely utilized in the United States but not widely utilized in the country that is the site of the proposed project and that achieves greater efficiency or control of emissions from coal utilization than currently achievable by technologies in widespread use in that country; or

(B) any clean coal technology that is the subject of a demonstration project selected by the Secretary of Energy under the heading "Department of Energy: Clean Coal Technology" of Public Law 99-190 or under any subsequently enacted law for which funds are made available to the clean coal technology demonstration program;

(2) the term "capital energy project" means a project involving the construction, expansion, alteration of, or the acquisition of equipment for a physical facility or physical infrastructure, including related engineering design (concept and detail) and other services, the procurement of equipment (including any related services), and feasibility studies or similar engineering and economic services; and

(3) the term "United States firm" means—

(A) a United States citizen;

(B) a corporation incorporated under the laws of the United States, substantially owned and controlled by U.S. persons;

(C) a joint venture or partnership organized under the laws of the United States, each participant of which is an individual or corporation described in subparagraph (A) or (B); or

(D) a joint venture between (i) an individual or corporation described in subparagraph (A) or (B), and (ii) a foreign firm organized under the laws of the host country or the government of that country.

DODD (AND OTHERS) AMENDMENT NO. 2683

Mr. DODD (for himself, Mr. Pryor, Mr. Lieberman, Mr. DeConcini, and Mr. Pell) proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill add the following new section:

SEC. . LIMITATIONS ON DEFENSE CONVERSION AUTHORITIES.

(a) Notwithstanding any other provision of law, (including any other provision of this Act) no funds may be obligated, expended or otherwise made available in any fiscal year for the purposes of facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities as authorized by section 8 of this Act or as authorized by any other Act, unless the President has previously obligated an amount equal to or greater than such sums in the same fiscal year for defense conversion and defense transition activities in the United States.

(b) For purposes of this section, the term "defense conversion and defense transition activities in the United States" shall mean those U.S. Government funded programs whose primary purpose is to assist U.S. private sector defense workers, U.S. companies that manufacture or otherwise provide defense goods or services, or U.S. communities adversely affected by reductions in U.S. defense spending; such as programs funded through the Office of Economic Adjustment in the Department of Defense, through the Defense Conversion Adjustment Program (as authorized by the Job Training Partnership Act), or through the Economic Development Administration.

RIEGLE (AND PELL) AMENDMENT NO. 2684

Mr. RIEGLE (for himself, Mr. Pell, and Mr. Dodd) proposed an amendment to amendment No. 2683 proposed by Mr. Dodd (and others) to the bill S. 2532, supra, as follows:

At the end of the amendment add the following:

SEC. . AVAILABILITY OF ECONOMIC ADJUSTMENT ASSISTANCE.

Notwithstanding any other provision of law, funds appropriated to the Department of Defense before the date of the enactment of this Act and made available for the Office of Economic Adjustment of that department to assist State and local governments significantly impacted by reductions in defense industry employment or reductions in the number of Department of Defense military and civilian personnel residing in such States and communities shall be available until September 30, 1997.

PRESSLER (AND OTHERS) AMENDMENT NO. 2685

Mr. PRESSLER (for himself, Mr. Byrd, Mr. Dole, Mr. D'Amato, Mr. DeConcini, and Mr. Seymour) proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert the following new section.

Sec. . United States Policy Regarding Orderly and Timely Withdrawal of Russian or Commonwealth of Independent States Troops from Lithuania, Latvia, and Estonia;

(a) Findings.—Congress finds that:

(1) during the existence of the Soviet Union, the United States never recognized the incorporation of Lithuania, Latvia and Estonia into that entity;

(2) during the existence of the Soviet Union, troops of the Soviet Union were stationed in the territories of Lithuania, Latvia and Estonia;

(3) after the Soviet Union collapsed, Lithuania, Latvia, and Estonia redeclared their independence and governments of the three states have been recognized by the United States;

(4) armed forces of the Russian Federation or Commonwealth of Independent States continue to be stationed on the sovereign territories of Lithuania, Latvia, and Estonia after independence;

(5) the Governments of the Russian Federation and Commonwealth of Independent States have failed to begin good faith negotiations with Lithuania, Latvia, and Estonia, despite urgent requests from the Baltic governments to do so;

(6) a mutually agreed timetable for removal of foreign forces from the sovereign territories of Lithuania, Latvia, and Estonia is a prerequisite for those countries to be able to enjoy the benefits of independence and representative government institutions;

(b) Sense of Congress.—

(1) it is the sense of the Congress that the governments of the Russian Federation and Commonwealth of Independent States should immediately begin good faith negotiations toward an orderly, timely and complete withdrawal of their forces from Lithuania, Latvia, and Estonia and state that they have no long-term territorial interests in the Baltic States;

(2) good faith negotiations to accomplish these purposes should be a top priority of the United States, and should be raised as an urgent matter in bilateral discussions and appropriate international bodies, including at the Conference on Security and Cooperation in Europe;

(3) orderly, timely withdrawal of foreign forces from the territory of Lithuania, Latvia, and Estonia may require international supervision;

(4) the President should keep Congress fully advised about progress toward these goals on a regular and ongoing basis.

KERRY AMENDMENT NO. 2686

Mr. PELL (for Mr. Kerry) proposed an amendment to the bill S. 2532, supra, as follows:

On page 30, strike lines 1 through 8 and insert in lieu thereof the following:

"(c) Assistance to Azerbaijan.—The President may not provide assistance under this Act or any other provision of law to the Government of the Republic of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan—

"(1) is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabach;".

Explanation: This amendment modifies section 5(c) to enable the President to provide aid to Azerbaijan if he determines that the Government of Azerbaijan is taking demonstrable steps to end blockades and other offensive actions against Armenia and Nagorno-Karabach. The current language requires a total cessation of such blockades and offensive actions. The amendment does not affect other language requiring, as a condition of U.S. aid, that Azerbaijan respect human rights and participate constructively in international efforts to resolve peacefully and permanently the conflict in Nagorno-Karabach.

KENNEDY (AND SIMPSON) AMENDMENT NO. 2687

Mr. PELL (for Mr. Kennedy, for himself and Mr. Simpson) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following new section:

SEC. 21. INTERNATIONAL MIGRATION FUND FOR THE FORMER SOVIET UNION.

(a) Authorization—(1) The Secretary of State is authorized to make contributions on behalf of the United States to the Intergovernmental Organization for Migration, or other appropriate organizations, for the purpose of providing assistance in the independent states of the former Soviet Union—

(A) to assist and protect refugees, displaced persons, and other migrants;

(B) to address the root cause of migration; and

(C) to assist governmental institutions in the various independent states of the former Soviet Union in developing appropriate immigration laws and procedures and to protect the human rights of migrants.

(2) In selecting the international organization or organizations to which such contributions shall be made, the Secretary of State, in order to encourage contributions from foreign governments, shall consider contributing funds to any appropriate organization that has established or would establish an international migration fund for migration assistance in the independent states of the former Soviet Union.

(b) Funding.—Of the funds made available under this Act, up to $30,000,000 may be available for the provision of the assistance under subsection (a).

McCONNELL (AND OTHERS) AMENDMENT NO. 2688

Mr. PELL (for Mr. McConnell, for himself, Mr. Roth, and Mr. D'Amato) proposed an amendment to the bill S. 2532, supra, as follows:

At an appropriate place in the bill, add the following new section:

SEC. PROMOTION OF COMPETITIVE OPPORTUNITIES FOR UNITED STATES INSURANCE COMPANIES.

(a) The Commodity Credit Corporation and the Agency for International Development, when engaging in any transaction with any foreign government or private entity pursuant to the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act" shall seek to ensure that United States insurance companies afforded a fair and open competitive opportunity to provide insurance against risk of loss on connection with any transaction a loan, loan guarantee, insurance, reinsurance, or extension of credit is provided.

(b) In any case in which the Commodity Credit Corporation or the Agency for International Development become aware that a fair and open competitive opportunity is not available to any United States insurance company with respect to the insurance-related business stemming from any loan, loan guarantee, or extension of credit made under this Act the Commodity Credit Corporation or the Agency for International Development.

(1) may approve or deny the loan, guarantee, or extension of credit after considering whether such a denial would be likely to achieve competitive access for United States insurance companies; and

(2) shall forward information to the United States Trade Representative regarding the denial of a fair and open competitive opportunity to U.S. insurance companies;

(3) In any case in which the Commodity Credit Corporation or Agency for International Development approve a transaction, notwithstanding information regarding denial of competitive opportunities for United States insurance companies, the Commodity Credit Corporation, or the Agency for International Development shall include notice of such approval and reason for such approval to the appropriate committees of the U.S. Senate and the House of Representatives.

(c) For purposes of this section:

(1) The term United States insurance company—

(A) includes an individual, partnership, corporation, holding company, or other legal entity which is authorized (or in the case of a holding company, subsidiaries of which are authorized) by a State to engage in the business contracts or reinsuring the risk underwritten by insurance companies; and

(B) includes foreign operations, branches, agencies, subsidiaries, affiliates, or joint ventures of any entity described in clause (A).

(2) The term fair and open competitive opportunity means, with respect to the provision of insurance by a United States insurance company, that the company—

(A) has had notice of the opportunity to provide such insurance; and

(B) has been evaluated for such opportunity on a nondiscriminatory basis.

WIRTH AMENDMENT NO. 2689

Mr. PELL (for Mr. Wirth) proposed an amendment to the bill S. 2532, supra; as follows:

On page 35 of the amendment, line 14, strike out "and".

On page 35 of the amendment, line 19, strike out the period and insert in lieu thereof "; and".

On page 35 of the amendment, between lines 19 and 20, insert the following:

(10) to improve family planning and maternal health services in the independent states of the former Soviet Union in order to promote the health of women in those states.

MITCHELL AMENDMENT NO. 2690

Mr. PELL (for Mr. Mitchell) proposed an amendment to the bill S. 2532, supra; as follows:

On page 52, after line 13, add the following new section:

SEC. 21. DESIGNATION OF EDMUND S. MUSKIE FELLOWSHIP PROGRAM.

Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note), is amended by adding at the end the following new subsection:

"(f) Designation of Program.—(1) The scholarship program established by this section shall be known as the 'Edmund S. Muskie Fellowship Program'.

"(2) Scholarships provided under this section shall be known as 'Muskie Fellowships'.".

McCONNELL AMENDMENT NO. 2691

Mr. PELL (for Mr. McConnell) proposed an amendment to the bill S. 2532, supra; as follows:

Section 11 is amended by inserting "(a)" after the section heading and by adding at the end thereof the following new section:

SECTION 11. ROLE OF INTERNATIONAL FINANCE CORPORATION.

(b) The International Finance Corporation Act (22 U.S.C. 282 *et seq.*) is amended by adding at the end thereof the following new section:

"Sec. 14. The United States Governor of the Corporation is authorized to agree to amendments to the Articles of Agreement of the Corporation that would:

"(a) amend Article II, Section 2(c)(ii), to increase the vote by which the Board of Governors of the Corporation may increase the capital stock of the Corporation from a three-fourths majority to a four-fifths majority; and

"(b) amend Article VII (a) to increase the vote by which the Board of Governors of the Corporation may amend the Articles of Agreement of the Corporation from a four-fifths majority to an eighty-five percent majority."

KERRY AMENDMENT NO. 2692

Mr. PELL (for Mr. Kerry) proposed an amendment to the bill S. 2532, supra; as follows:

On pages 38–9, section 9 is amended:

By striking the word "children's" wherever it appears;

By inserting after the word "television", on line 4, the words ", for children and adults,"; and

By inserting "and a free market economy" after "society" on line 7 of page 38 and line 2 of page 39.

PELL (AND LIEBERMAN) AMENDMENT NO. 2693

Mr. PELL (for himself and Mr. Lugar) proposed an amendment to the bill S. 2532, supra; as follows:

On page 40, after line 24, add the following new subsection:

(c) Authorization of Appropriations.—(1) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the Department of Commerce $12,000,000 for fiscal year 1993 to establish and operate additional American Business Centers in countries being assisted under this Act.

(2) Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

LAUTENBERG (AND ROTH) AMENDMENT NO. 2694

Mr. PELL (for Mr. Lautenberg, for himself and Mr. Roth) proposed an amendment to the bill S. 2532, supra; as follows:

On page 28, line 1, insert ", including adequate and effective intellectual property protection," after "frameworks".

On page 31, lines 19 and 20, strike "and foreign investment codes" and insert in lieu thereof "foreign investment codes, and effective laws for the protection of patents, copyrights, trademarks, and other forms of intellectual property".

LUGAR AMENDMENT NO. 2695

Mr. PELL (for Mr. LUGAR) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following new section:

SEC. 21. MULTILATERAL INVESTMENT INSURANCE.

Not later than 60 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report describing the feasibility of establishing a multilateral facility, composed of members of the G-7 Group, for the issuance of guarantees against losses incurred in connection with investments, including large-scale and capital intensive investments, in the independent states of the former Soviet Union.

SARBANES AMENDMENT NO. 2696

Mr. PELL (for Mr. SARBANES) proposed an amendment to the bill S. 2532, supra, as follows:

Insert at an appropriate place in the bill:

"In pursuing the purposes of this Act, executive branch agencies should, to the maximum extent possible, utilize the resources and expertise of existing United States educational facilities in Europe."

KERREY (AND OTHERS) AMENDMENT NO. 2697

Mr. KERREY (for himself, Mr. BRADLEY, Mr. BOREN, Mr. WIRTH, Mr. BRYAN, Mr. REID, Mr. KENNEDY, Mr. HARKIN, Mr. DIXON, and Mr. WELLSTONE) proposed an amendment to the bill S. 2532, supra, as follows:

Strike all after the first word and insert the following:

II—FREEDOM EXCHANGE ACT

Subtitle A—In General

SEC. 201. SHORT TITLE.

This title may be cited as the "Freedom Exchange Act".

SEC. 202. STATEMENT OF PURPOSE.

The purpose of this title is—

(1) to bring young people of the former Soviet Union and the Baltic states to the United States so that they might experience first-hand how a free market democracy functions;

(2) to assist the skill-building process necessary for both institution-building and nation-building; and

(3) to ease immigration restrictions to allow the freer flow of scientists and others from the former Soviet Union knowledgeable in the production of nuclear weapons.

SEC. 203. DEFINITIONS.

As used in this title—

(1) the term "Baltic states" means Latvia, Lithuania, and Estonia;

(2) the term "Endowment" means the corporation described in section 211(b)(2);

(3) the term "institution of higher education" has the same meaning as is given to such term by section 1201(a) of the Higher Education Act of 1965;

(4) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenian, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(5) the term "secondary school" has the same meaning given to such term by section 1471(21) of the Elementary and Secondary Education Act of 1965.

Subtitle B—Educational Exchange Program

SEC. 211. AUTHORITIES FOR AWARDING GRANTS.

(a) GENERAL AUTHORITY.—The President shall establish and carry out an exchange program in accordance with this subtitle. In carrying out such a program, the President shall award, on a competitive basis, grants to eligible organizations to enable such organizations to finance—

(1) the exchange of secondary school students in accordance with section 212;

(2) the exchange of college students in accordance with section 213;

(3) the exchange of graduate students in accordance with section 214;

(4) visits and interchanges of professors and educators in accordance with section 215; and

(5) internships in accordance with section 216.

(b) ELIGIBLE ORGANIZATIONS.—For the purpose of this subtitle, the term "eligible organization" means—

(1) during fiscal year 1993, any private nonprofit organization which has experience in exchange programs and demonstrates a capacity to carry out such programs in the independent states of the former Soviet Union or in the Baltic States; and

(2) during fiscal year 1994, a private, nonprofit corporation to be established which shall be designated by the President to carry out the educational exchange program assisted under this subtitle through the awarding of grants to private, nonprofit organizations described in paragraph (1), which corporation shall be known as the Educational Exchange Endowment (hereafter in this title referred to as the "Endowment").

(c) DURATION.—The President shall award grants under this section during the period beginning on October 1, 1992, and ending on September 30, 1994. It is the intention of Congress to continue this initiative in future years.

(d) ADMINISTRATIVE EXPENSES.—Each eligible organization receiving a grant under this subtitle may use not more than 10 percent of such grant for administrative expenses.

(e) APPLICATION.—(1) Each eligible organization seeking a grant under this section shall submit an application to the President at such time, in such manner, and accompanied by such information as the President may reasonably require.

(2) Each application submitted pursuant to paragraph (1) shall—

(A) describe the activities for which assistance under this section is sought; and

(B) provide such additional assurances as the President determines to be essential to ensure compliance with the requirements of this section.

(f) MATCHING FUNDS.—The President is authorized to seek private funds to supplement or match public grants for the programs authorized by this title.

(g) ELIGIBILITY FOR GRANTS.—Grants may be made to eligible organizations only if such organizations agree to comply with the requirements specified in this subtitle.

(h) IMPLEMENTATION.—In carrying out this subtitle, the President shall—

(1) encourage colleges and universities receiving students to supplement public grants with their own resources, to the extent possible; and

(2) allow for a wide range of United States institutions to participate in programs under this subtitle.

(i) COMPLIANCE WITH BUDGET ACT.—The authority to make grants under this title shall be effective only to such extent or in such amount as are provided in appropriations Acts.

SEC. 212. SECONDARY SCHOOL STUDENTS.

(a) GRANT USES.—(1) Grants awarded under section 211(a)(1) shall be used to finance—

(A) visits to short duration by eligible secondary students, to the United States, to any of the independent states of the former Soviet Union, or to any Baltic state, with priority accorded to visits that take place during fiscal year 1993; or

(B) studies, instruction, and other educational exchange activities in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, for eligible secondary school students.

(2) Of the amount of grants awarded under section 211(a)(1), not more than 35 percent in fiscal year 1993 and not more than 15 percent in fiscal year 1994 may be used for the purpose of paragraph (1)(A).

(b) CONDITIONS.—(1) The President may require that a portion of a grant awarded under section 211(a)(1) be used only for educational activities that are conditioned on the reciprocal exchange of American students.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(1) may be used to finance educational exchanges of American students under this section.

(3) No grant awarded under section 211(a)(1) may be used to reimburse any United States citizen for hosting an eligible secondary student.

(c) DEFINITION.—For purposes of this section, the term "eligible secondary school student" means a secondary school student from the United States, any of the independent states of the former Soviet Union, or any Baltic state who—

(1) is at least 15 years of age;

(2) is attending school at a grade level equivalent to any of the grade levels 10 through 12 in United States secondary schools or has just completed secondary school in any of the independent states of the former Soviet Union or any Baltic state; and

(3) has a minimum level of proficiency in English, as determined by testing.

(d) ADMINISTRATION.—To the maximum extent practicable, a grant under this section shall be used to support the activities described in subsection (a) for secondary school students of widely divergent backgrounds.

(e) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $32,500,000 for fiscal year 1993 and $82,500,000 for fiscal year 1994.

SEC. 213. COLLEGE STUDENTS.

(a) GRANT USES.—Grants awarded under section 211(a)(2) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible college students in institutions of higher education in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with special emphasis on—

(1) those students who are studying to become English teachers; and

(2) those students who are seeking to acquire knowledge or skills applicable to restructuring the economy or building democratic institutions.

(b) CONDITION.—The President may require that an eligible organization in order to receive a grant under section 211(a)(2), agree to use a portion of such grant for educational activities that are conditioned on the institution of higher education providing an eligible college student with some financial resources, either in the form of room and board or as a waiver of tuition.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(2) may be used to finance educational exchanges of American students under this section.

(c) DEFINITION.—For purposes of this section, the term "eligible college student" means a student enrolled in four-year programs of study at a community college, college or university in the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any American-founded school in the former Soviet Union, and who—

(1) has completed at least one year of study and is not in the last year of such study; and

(2) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $27,000,000 for fiscal year 1993 and $45,000,000 for fiscal year 1994.

SEC. 214. GRADUATE STUDENTS.

(a) GRANTS USES.—Grants awarded under section 211(a)(3) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible graduate students in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with emphasis on those students who are seeking to acquire knowledge or skills applicable to restructuring an economy or building democratic institutions.

(b) CONDITION.—Not more than 15 percent of the total amount of grant funds awarded under section 211(a)(3) may be used to finance educational exchanges of American students under this section.

(c) DEFINITION.—For purposes of this section, the term "eligible graduate student" means a student from the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any student attending an American-founded university in the former Soviet Union, who—

(1) is enrolled in a graduate course of study at a college or university;

(2) has completed one year of such study; and

(3) in the case of a foreign student, has a minimum level of proficiency in English, as determined be testing.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $4,250,000 for fiscal year 1993 and $5,500,000 for fiscal year 1994.

SEC. 215. "SISTER" UNIVERSITY PROGRAM.

(a) GRANTS USES.—(1) Grants awarded under section 211(a)(4) shall be used to finance visits and other interchanges between professors and educators of eligible paired institutions for the purpose of developing curriculum and otherwise strengthening ties between the independent states of the former Soviet Union and the Baltic states and the United States at the institutional level.

(2) Each grant awarded under this subsection shall be in the amount of $50,000.

(3) Each grant awarded under this subsection to eligible paired institutions may be disbursed during a period of two fiscal years.

(b) DEFINITION.—For purposes of this section, the term "eligible paired institutions" means—

(1) in fiscal year 1993, a pairing by the President, or

(2) in any of the fiscal years 1994 through 1997, a pairing by the Endowment,

of one United States institution of higher education with a college or university in any of the independent states of the former Soviet Union or any Baltic state wherever such pairing is likely to promote a continuing relationship between the institutions after the termination of assistance under this subtitle.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $7,500,000 for fiscal year 1993 and $2,000,000 for fiscal year 1994.

SEC. 216. LEADERSHIP BY EXAMPLE GROUPS.

(a) GRANT USES.—(1) Grants awarded under section 211(a)(5) shall provide eligible persons with internships in enterprises in the United States for durations of six months or less.

(2) Such program may be referred to as the "Leadership by Example Groups (LEGS) Program".

(3) A portion of each grant may be used to provide limited advanced English language training to interns before coming to the United States.

(4) As used in this subsection, the term "enterprises" includes, but is not limited to, enterprises in the fields of agricultural production, agri-business, telecommunications, finance, health care, natural resource management, environmental protection, and oil and mineral exploration and extraction.

(b) CONDITION.—(1) Each eligible organization receiving a grant under section 211(a)(5) awarding internships shall require that a small business or appropriate chamber of commerce provide a portion of the costs of the internships, such as the costs of medical and dental insurance or housing for internship recipients.

(c) DEFINITION.—For purposes of this section, the term "eligible person" means a national of any of the independent states of the former Soviet Union or any Baltic state who—

(1) is under 40 years of age; and

(2) has a minimum level of training in the English language.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the President $10,000,000 for fiscal year 1993 and $30,000,000 for fiscal year 1994.

SEC. 217. AUTHORIZATION AND MANDATE.

(a) AUTHORIZATION AND MANDATE.—(1) The Congress authorizes and urges the President to establish a program of support for exchanges of governmental officials with the independent states of the former Soviet Union and Eastern Europe.

(2) Such program may be referred to as the "Partnership for Essential Governmental Services".

(3) As part of such program, the President is authorized to make available, on a volunteer basis and as appropriate, Federal civil service employees of departments and agencies of the United States for temporary duty in the independent states of the former Soviet Union and Eastern Europe to assist those countries in the development of essential governmental services.

(b) IMPLEMENTATION.—(1) The program authorized by subsection (a) should be carried out by existing agencies of United States Government and by volunteer-coordinating organizations such as the Citizens Democracy Corps, and should place upon each participating foreign government the primary responsibility for—

(A) identifying specific needs for such advisory assistance; and

(B) bearing in-country living expenses of American governmental officials seconded to advise that government.

(2) The President may provide assistance to those independent states of the former Soviet Union which cannot meet their share of the cost of this program.

SEC. 218. ADMINISTRATIVE REQUIREMENTS FOR THE ENDOWMENT.

In order to receive assistance under this subtitle, the Education Exchange Endowment shall comply with the following requirements:

(1) The Endowment shall have the capacity to receive, accept, solicit, and collect private funds to supplement Government grants received under this subtitle and shall agree actively to seek such private funds.

(2)(A) Officers of the Endowment may not receive any salary or other compensation from any source, other than the Endowment, for services rendered during the period of their employment by the Endowment.

(B) If an individual who is an officer or employee of the United States Government serves as a member of the Board of Directors or as an officer or employee of the Endowment, that individual may not receive any compensation or travel expenses in connection with services performed for the Endowment.

(3)(A) The Endowment shall not issue any shares of stock or declare or pay any dividends.

(B) No part of the assets of the Endowment shall inure to the benefit of any officer or employee of the Endowment, or any other individual, except as salary or reasonable compensation for services.

(4) The accounts of the Endowment shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Endowment are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and necessary to facilitate the audits shall be made available to the person or persons conducting the audits. The Endowment shall make available to such person or persons full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians.

(5)(A) The financial transactions of the Endowment for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Endowment are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment pertaining to its financial transactions and necessary to facilitate the audit. The Endowment shall make available to such representatives full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Endowment shall remain in the possession and custody of the Endowment.

(B) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Endowment, together with such recommendations with respect thereto as he may deem advisable. The report shall also identify any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this subtitle. A copy of each report shall be furnished to the President and to the Endowment at the time submitted to the Congress.

SEC. 219. EFFECTIVE DATE.

This subtitle shall take effect on October 1, 1992.

HARKIN (AND KASTEN) AMENDMENT NO. 2698

Mr. HARKIN (for himself and Mr. KASTEN) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following:

TITLE II—AMERICAN AGRIBUSINESS CENTERS AND PRACTITIONERS EXCHANGE ACT OF 1992

SEC. 201. SHORT TITLE.

This title may be cited as the "American Agribusiness Centers and Practitioners Exchange Act of 1992".

SEC. 202. FINDINGS; POLICY.

The Congress finds that—

(1) the transition from a command and control system in agriculture to a market system is critical to the success of the economic reforms in the independent states of the former Soviet Union and Baltic states;

(2) the command-driven agricultural system of the independent states of the former Soviet Union and Baltic states is in the process of including market incentives;

(3) it is in the interest of the United States to assist in the establishment of a free market agriculture system as well as improve the agriculture and food production, processing, storage and distribution systems in the independent states of the former Soviet Union and Baltic states;

(4) it is in the interest of the United States to help provide new market opportunities for United States agribusiness in the independent states of the former Soviet Union and Baltic states as well as increase United States exports in agricultural inputs, equipment, management systems and technology to those countries;

(5) American Agribusiness Centers and "hands on" experiences through expanded two-way exchanges will transfer the entrepreneurial attitudes as well as knowledge, skills and experiences of American farmers and agribusiness practitioners to their counterparts in the independent states of the former Soviet Union and Baltic states; and

(6) agribusiness practitioners from the independent states of the former Soviet Union and Baltic states will increase their understanding of the technologies, risks, and rewards of free market farming and agribusiness through "hands on" experience through expanded two-way exchange programs.

SEC. 203. STATEMENT OF PURPOSE.

The purpose of this title is to facilitate the establishment of—

(1) not less than three new American Agribusiness Centers during fiscal year 1993 and not less than four new American Agribusiness Centers during fiscal year 1994 in the independent states of the former Soviet Union and Baltic states;

(2) not less than three regional American Agribusiness Exchange Centers during fiscal year 1993 and not more than two regional American Agribusiness Exchange Centers during fiscal year 1994 at State Universities and Land Grant Colleges in the United States; and

(3) an expanded two-way exchange program of agribusiness practitioners not to exceed more than two thousand participants during fiscal year 1993, six thousand participants during fiscal year 1994 and ten thousand participants in 1995 and not less than one quarter of the maximum number of participants authorized in each fiscal year.

SEC. 204. AMERICAN AGRIBUSINESS CENTERS ABROAD.

(a) In General.—The President is authorized to fund established American Agribusiness Centers in the independent states of the former Soviet Union and Baltic states.

(b) Implementation.—To the maximum extent possible, the President shall provide for—

(1) not less than three new American Agribusiness Centers during fiscal year 1993 and not less than four new American Agribusiness Centers during fiscal year 1994 which have joint ventures in the independent states of the former Soviet Union and Baltic states;

(2) priority funding to be given to—

(A) centers with experience in operating such a joint venture Agribusiness Center in the former Soviet Union;

(B) centers which include the participation of private United States agribusiness or agricultural cooperatives, state universities and land grant colleges, and banks making appropriate contributions of equipment, materials and personnel for the operation of such centers;

(C) centers which have joint ventures in which host countries make appropriate contributions of transportation, personnel, construction and use of land; and

(D) centers which utilize United States agricultural equipment;

(3) joint ventures between American Agribusiness Centers and host entities to be established in various independent states of the former Soviet Union and Baltic states;

(4) centers to enhance the ability of agribusiness practitioners in the independent states of the former Soviet Union and Baltic states to better meet the needs of their people and make the transition from a command and control system in agriculture to a free market system such as through—

(A) training programs;

(B) education programs such as, but not exclusively, market economics, concepts in private property, marketing, agribusiness practices, credit and finance;

(C) technical assistance to increase the efficiency of the agricultural production, processing storage and distribution systems; and

(D) participation in exchange programs; and

(5) in the establishment of any new American Agribusiness Center, preference in funding to any such entity with experience in operating such a joint venture Agribusiness Center in the former Soviet Union if such entity includes the participation of private United States agribusiness and State university or land grant colleges.

(c) Authorization of Appropriations.—In addition to funds otherwise made available for such purposes, there are authorized to be appropriated $12,000,000 in fiscal year 1993 to carry out this section. Such funds are authorized to remain available until expended.

SEC. 205. AMERICAN AGRIBUSINESS EXCHANGE CENTERS IN THE UNITED STATES.

(a) In General.—The President is authorized and encouraged to establish five regional Agribusiness Centers at State universities and land grant colleges in the United States for the purpose of expanding two-way exchange programs among agribusiness practitioners.

(b) Implementation.—To the maximum extent possible, the President should direct—

(1) that such Centers act in consultation and coordination with such an agency as he may designate, to establish criteria for the selection of participants in the exchange program;

(2) that in establishing criteria for the selection of participants in the exchange program preference be given to agribusiness practitioners from the independent states of the former Soviet Union and the Baltic states who have participated in the program established pursuant to section 204 of this Act;

(3) that such Centers be responsible for recruitment of American exchange participants, United States host communities, families and agribusinesses;

(4) that such Centers ensure that American participants reflect a broad range of agricultural regions and agribusiness activities;

(5) that such Centers coordinate their activities with existing national and state-level farm and commodity groups, other States universities and land grant colleges, State and Federal agencies; and representatives of local communities;

(6) that such Centers be located in States or areas where family farmers and owner-operator agricultural production units are the primary structure of farming and where agricultural input and marketing cooperatives are well established;

(7) that such Centers be located in State universities and land grant colleges that have established strong research, instruction, and public service programs in areas of international development (particularly development directed at the independent states of the former Soviet Union and Baltic states), land tenure resolution (including privatization), and cooperative development and management;

(8) that such Centers encourage private United States agribusinesses, foundations, private organizations as well as State universities and land grant colleges to make appropriate contributions of space, materials and personnel for the establishment and operation of such Centers; and

(9) such Centers enhance the ability of agribusiness practitioners from the independent states of the former Soviet Union and

Baltic states to better meet the needs of their people and make the transition from a command and control system in agriculture to a free market system such as through—

(A) training programs;

(B) education programs such as, but not exclusively, market economics, concepts in private property, marketing, agribusiness practices; and

(C) internships.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds otherwise made available for such purpose, there are authorized to be appropriated $10,000,000, in fiscal year 1993 to carry out this section. Such funds are authorized to remain available until extended.

SEC. 206. DEFINITIONS.

As used in this Act—

(1) the term "Baltic states" means Latvia, Lithuania, and Estonia;

(2) the term "independent states of the former Soviet Union" means Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgystan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(3) the term "agribusiness practitioner" means farmers, agricultural specialist, suppliers, processors, marketers, handlers, transporters, processors, and others in engaged in the various facets of agribusiness.

SIMPSON AMENDMENT NO. 2699

Mr. SIMPSON proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert: "It is the Sense of Congress that the President should take those actions necessary to minimize disruption to the international market in the event of sale from the independent states of the former Soviet Union of defense-related commercial grade uranium."

BYRD (AND OTHERS) AMENDMENT NO. 2700

Mr. BYRD (for himself, Mr. DIXON, Mr. SASSER, Mr. SHELBY, Mr. RIEGLE, Mr. HOLLINGS, Mr. WIRTH, Ms. MIKULSKI, Mr. SARBANES, Mr. BENTSEN, Mr. DOLE, Mr. BOREN, and Mr. EXON), proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . SENSE OF THE CONGRESS CONCERNING THE SALE OF LTV.

(a) FINDINGS.—The Congress finds that the sale or other transfer to a foreign person of a United States business concern that is critical to the defense industrial base of the United States would be detrimental to the national security interests of the United States.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that, notwithstanding any other provision of law or any agreement to the contrary, no foreign person should be permitted to purchase or otherwise acquire the LTV Aerospace and Defense Company.

(c) DEFINITION OF "FOREIGN PERSON".—For purposes of this section, the term "foreign person" means any foreign organization, corporation, or individual resident in a foreign country, or any domestic or foreign organization, corporation, or individual, that is owned or controlled by the foreign organization, corporation, or individual.

BROWN AMENDMENTS NOS. 2701 THROUGH 2703

Mr. BROWN proposed three amendments to the bill S. 2532, supra, as follows:

AMENDMENT NO. 2701

At the appropriate place in the bill, add the following new section:

SEC. . JUNIOR ACHIEVEMENT.

(a) FINDINGS.—The Congress finds that—

(1) the free enterprise system is the foundation of, and necessary for the preservation of, democracy;

(2) educating the citizens of the newly independent states of the former Soviet Union in the principles of free enterprise will encourage economic productivity and provide opportunities for entrepreneurship;

(3) Junior Achievement International has 37 member nations and has pilot programs in 20 other countries with 1.7 million participants worldwide;

(4) In 1992, the first year of operation, Junior Achievement International programs expect to reach 200,000 young people in the newly independent states of the former Soviet Union;

(5) Junior Achievement's mission to provide young people with practical economic education programs and experiences is consistent with U.S. foreign policy objectives;

(6) Russian President Boris Yeltsin has recognized the high success of Junior Achievement—Russia and has requested that Junior Achievement be greatly expanded;

(7) Junior Achievement programs are a cost effective way to educate millions of young people in the newly independent states of the former Soviet Union in the free enterprise system.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that of the funds authorized to be expended by this bill, a portion should be made available for the purchase of books and materials and the development of educational programs by representative organizations of Junior Achievement International in the newly independent states of the former Soviet Union.

AMENDMENT NO. 2702

At the appropriate place insert the following new section:

"SEC. . PRIVATE SECTOR DEVELOPMENT INITIATIVE.

(a) FINDINGS.—Congress finds that—

(1) The single greatest privatization initiative undertaken in the history of the United States resulted from the Homestead Act of 1862 which offered free land to anyone twenty-one years of age or older who would live on it for a minimum of five years and improve it;

(2) the newly independent states of the former Soviet Union are faced with the need for privatization on an equally massive scale;

(3) the most effective means of creating a market economy in the newly independent states of the former Soviet Union will come as modes and methods of production are owned by private men and women who are responsible for the success of their farms and businesses and for the improvement of their homes and neighborhoods;

(4) essential to the privatization of the economies of these countries is the availability of capital for the purchase of homes, farms and small businesses;

(5) the development of a market-based financial sector is essential to the formation of a market-based economy in the newly independent states of the former Soviet Union;

(6) the United States should take the lead in encouraging the establishment of secondary markets in the newly independent states of the former Soviet Union, to assist in the long-term process of privatization of large-scale industry;

(7) in developing programs to assist the privatization of the newly independent states of the former Soviet Union, the United States should concentrate primarily on using the skills of the United States' private financial sector personnel.

(b) DEVELOPMENT OF PRIVATE FINANCIAL SECTOR.

(1) The United States shall assist in the development of a market-based private-sector economy in the newly independent states of the former Soviet Union by:

Assisting in the development of standards for certification of lending institutions; for the making of loans by certified institutions, including uniform underwriting, security, appraisal, accounting and repayment standards for qualified loans;

Assisting in the development of programs to encourage microenterprise loans for small businesses, home mortgages and small farms;

Assisting in the development of secondary markets, including the development of securities laws, banking laws and regulations for the newly independent States;

Assisting in the development of laws that enforce the equivalent of fee simple ownership in real property and the equivalent ownership in personal property;

Assisting in the development of laws that enforce liens and mortgages on personal property and real property.

AMENDMENT NO. 2703

On page 44, strike all after line 11 through line 2 of page 45 and insert the following:

SEC. . INTERNATIONAL MONETARY FUND POLICY AND STAFFING CHANGES; LIMITATION ON THE INCREASE IN THE UNITED STATES QUOTA IN THE FUND.

(a) POLICY AND STAFFING CHANGES WITHIN THE IMF.—The Secretary of the Treasury shall instruct the United States Executive Director to the International Monetary Fund (hereafter in this section referred to as the "Fund") to promote regulatory and vigorously in program discussions and quota increase negotiations the following policy and staffing changes within the Fund:

(1) The development of social, resource, and environmental information to be considered during the process that any country seeking financial assistance from the Fund is subject to and which shall be taken into account in policy formulations.

(2) The establishment of an independent audit department, that would include national development experts, free-market experts, poverty experts, and environmental experts, to review systematically the policy prescriptions recommended and required by the Fund. The purposes of such a department would be (A) to determine whether the fund's objective were met, and (B) to evaluate the impacts of the implmentation of the policy prescriptions. This department should have broad powers to review all ongoing programs and activities of the Fund and to assess the effects of Fund-supported programs, country-by-country, with respect to national economic development, poverty, free-market growth, natural resources, and the environment. The audits should be made public.

(3) The establishment of procedures that ensure the focus of future economic reform

programs approved by the Fund on policy options that increase the productive participation of the poor in the economy, the development of microenterprise businesses, development of small family farms, the promotion of fair access to economic resources and necessary social services for the population.

(4) The establishment of procedures for public access to information. These procedures shall seek to ensure maximum possible access of the public to information while paying due regard to appropriate confidentiality. Policy Framework Papers and the supporting documents prepared by the Fund's mission to a country are examples of documents that should be made public at an appropriate time and in appropriate ways.

(5) The institution of procedures to analyze the cost and benefits of structural adjustment and stabilization programs so as to reflect losses in the natural resources base and the contribution such resources make to the well-being of the local population to whom services are provided.

(b) PROGRESS REPORT.—No later than 30 days after the end of each fiscal year, the Secretary of the Treasury shall submit a report to Congress on the following:

(1) The actions that the United States Executive Director and other officials have taken to convince the Fund to adopt the elements of this Act through formal initiatives before the Board and management of the Fund, through bilateral discussions with other member nations, and through any further quota increase negotiations.

(2) The status of the progress being made by the Fund in implementing the objectives of subsection (a).

(3) The reasons why the United States Executive Director of the Fund supported or opposed a Fund program and an explanation of how such action is consistent with the purpose of this Act.

(c) STUDY.—The Secretary of the Treasury shall conduct a study to propose ways that, consistent with the Articles of Agreement, the Fund could broaden the involvement and participation of important ministries, national development experts, environmental experts, free-market experts, and other legitimate experts and representatives from the loan-recipient country in the development of Fund programs.

(d) PREFERENTIAL ALLOCATIONS WITHIN THE IMF.—The Secretary of the Treasury shall instruct the United States executive director of the Fund to promote, in the allocation of funding, a preferential allocation to each country that applies significant efforts to establish effective democratic processes that allow for active popular participation in the determination of a country's economic policies.

(d) AMENDMENT TO THE BRETTON-WOODS AGREEMENTS ACT.—The Bretton-Woods Agreements Act is amended by adding at the end thereof the following new sections:

"SEC. 56. QUOTA INCREASE.

"(a) INCREASE AUTHORIZED.—(1) The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund up to an equivalent to 8,608,500,000 Special Drawing Rights, except that the amount of such increase may not exceed an amount equal to the United States proportionate share of the increase in lending by the Fund to the independent states of the former Soviet Union.

"(2) As used in this subsection, the term 'United States proportionate share' means the proportion that the United States quota in the Fund bears to the aggregate amount represented by the quotas of all member countries of the Fund.

"(b) BUDGET ACT COMPLIANCE.—The authority of subsection (a) may be exercised only to such extent or in such amounts as may be provided in advance in appropriations Acts.

"SEC. 57. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

"The United States Governor of the Fund is authorized to consent to the amendments to the Articles of Agreement of the Fund approved in resolution numbered 45-3 of the Board of Governors of the Fund.

KASTEN (AND BROWN) AMENDMENT NO. 2704

Mr. KASTEN (for himself and Mr. BROWN) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13, add the following:

SEC. . INTERNATIONAL MONETARY FUND POLICY AND STAFFING CHANGES.

(a) POLICY AND STAFFING CHANGES WITHIN THE IMF.—The Secretary of the Treasury shall instruct the United States Executive Director to the International Monetary Fund (hereafter in this section referred to as the "Fund") to promote regularly and vigorously in program discussions and quota increase negotiations the following policy and staffing changes within the Fund:

(1) The development of social and environmental impact assessments as a required element of the process that any country seeking financial assistance from the Fund is subject to and which shall be taken into account in policy formulations.

(2) The establishment of an independent audit department, that would include poverty and environmental experts, to review systematically the policy prescriptions recommended and required by the Fund. The purposes of such a department would be (A) to determine whether the fund's objectives were met, and (B) to evaluate the social and environmental impacts of the implementation of the policy prescriptions. This department should have broad powers to review all ongoing programs and activities of the Fund and to assess the effects of Fund-supported programs, country-by-country, with respect to poverty, economic development and environment. The audits should be made public as appropriate with due respect to confidentially.

(3) The establishment of procedures that ensure the focus of future economic reform programs approved by the Fund on policy options that increase the productive participation of the poor in the economy.

(4) The establishment of procedures for public access to information. These procedures shall seek to ensure access of the public to information while paying due regard to appropriate confidentiality. Policy Framework Papers and the supporting documents prepared by the Fund's mission to a country are examples of documents that should be made public at an appropriate time and in appropriate ways.

(5) The institution of procedures to analyze the costs and benefits of structural adjustment and stabilization programs so as to reflect losses in the natural resources base and the contribution such resources make to the well-being of the local population to whom services are provided.

(b) PROGRESS REPORT.—As part of the annual report, the Secretary of the Treasury shall submit a report to Congress on the following:

(1) The actions that the United States Executive Director and other officials have taken to convince the Fund to adopt the elements of this Act through formal initiatives before the Board and management of the Fund, through bilateral discussions with other member nations, and through any further quota increase negotiations.

(2) The status of the progress being made by the Fund in implementing the objectives of subsection (a).

(3) The reasons why the United States Executive Director of the Fund supported or opposed a Fund program with a significant environmental impact, and an explanation of how much action is consistent with the purpose of this Act.

(c) STUDY.—The Secretary of the Treasury shall conduct a study to propose ways that, consistent with the Articles of Agreement, the Fund could broaden the involvement and participation of important ministries, national development experts, environmental experts, free-market experts, and other legitimate experts and representatives from the loan-recipient country in the development of Fund programs.

BYRD (AND OTHERS) AMENDMENT NO. 2705

Mr. BYRD (for himself, Mr. DOLE, Mr. PRESSLER, Mr. D'AMATO, Mr. KASTEN, and Mr. RIEGLE) proposed an amendment to the bill S. 2532, supra, as follows:

On page 52, after line 13 add the following new section:

SEC. 21. BALTIC STATES ELIGIBILITY FOR NONLETHAL DEFENSE ARTICLES.

(a) ELIGIBILITY.—Estonia, Latvia, and Lithuania shall each be eligible—

(1) to purchase, or to receive financing for the purchase of, nonlethal defense articles—

(A) under the Arms Export Control Act (22 U.S.C. 2751 et seq.), without regard to section 3(a)(1) of that Act, or

(B) under section 503 of the Foreign Assistance Act of 1961 (22 U.S.C. 2311), without regard to the Presidential finding in subsection (a) of that section; and

(2) to receive nonlethal excess defense articles transferred under section 519 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321m), without regard to subsection (a) of that section.

(b) DEFINITIONS.—As used in this section—

(1) the term "defense article" has the same meaning given to that term in section 47(3) of the Arms Export Control Act (22 U.S.C. 2794(3)); and

(2) the term "excess defense article" has the same meaning given to that term in section 644(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2403(g)).

PROVIDING FOR AN ADJOURNMENT OF THE HOUSE AND AN ADJOURNMENT OR RECESS OF THE SENATE

MITCHELL AMENDMENT NO. 2706

Mr. MITCHELL proposed an amendment to the concurrent resolution (H. Con. Res. 343) providing for an adjournment of the House from July 2 until July 7, 1992, an adjournment of the House from July 9 until July 21, 1992, and an adjournment or recess of the Senate from July 2 until July 20, 1992, as follows:

Page 1, line 10, insert after "1992," the following: "or Friday, July 3, 1992,".

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT

SPECTER AMENDMENTS NOS. 2707 AND 2708

(Ordered to lie on the table.)

Mr. SPECTER submitted two amendments intended to be proposed by him to the bill S. 2532, supra, as follows:

AMENDMENT NO. 2707

At the appropriate place in the bill, insert the following new section:

SEC. . INTERNATIONAL LENDING REQUIRED TO BE SECURED BY CERTAIN EXPORT EARNINGS.

(a) UNITED STATES ACTION.—By January 1, 1994, and for each calendar year thereafter, the President of the United States shall either (1) certify to Congress that the former Soviet Republics are adhering to the debt repayment schedules stipulated by the multilateral lending institutions described in this Act; or (2) direct the Secretary of the Treasury to instruct—

(A) the United States executive directors to the International Bank for Reconstruction and Development and to the European Bank for Reconstruction and Development to vote against the extension of any credit, or the issuance of any guarantee with respect to any credit, by the Banks for the purpose of assisting any of the independent states of the former Soviet Union, and

(B) the United States executive director to the International Monetary Fund to vote against any use of the resources of the Fund, including any use of United States currency under the Fund's general arrangements to borrow (GAB) as part of any currency stabilization fund or otherwise, for the purpose of assisting any of the independent states of the former Soviet Union, unless repayment of the credit or such other resources, as the case may be, is secured by the royalties or other revenues, if any, earned by state from the export of petroleum products, minerals, or other commodities.

(b) MULTILATERAL ACTIONS.—The Secretary of the Treasury shall instruct the United States executive directors to the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, and the International Monetary Fund to propose that such institutions establish policies in opposition to the use of resources as described in subsection (a) unless the repayment of such resources is secured in accordance with that subsection.

(c) DEFINITION.—As used in this section, the term "petroleum product" means crude oil, residual fuel oil, or any refined petroleum product (including any natural liquid and any natural gas liquid product).

AMENDMENT NO. 2708

At the appropriate place in the bill, insert the following new section:

SEC. . INTERNATIONAL LENDING REQUIRED TO BE SECURED BY CERTAIN EXPORT EARNINGS.

(a) UNITED STATES ACTION.—By January 1, 1994, and for each calendar year thereafter, the President of the United States shall either (1) certify to Congress that the former Soviet Republics are adhering to the debt repayment schedules stipulated by the multilateral lending institutions described in this Act; or (2) direct the Secretary of the Treasury to instruct—

(A) the United States executive directors to the International Bank for Reconstruction and Development and to the European Bank for Reconstruction and Development to vote against the extension of any credit, or the issuance of any guarantee with respect to any credit, by the Banks for the purpose of assisting any of the independent states of the former Soviet Union, and

(B) the United States executive director to the International Monetary Fund to vote against any use of the resources of the Fund, including any use of United States currency under the Fund's general arrangements to borrow (GAB) as part of any currency stabilization fund or otherwise, for the purpose of assisting any of the independent states of the former Soviet Union, unless repayment of the credit or such other resources, as the case may be, is secured by the royalties or other revenues, if any, earned by state from the export of petroleum products, minerals, or other commodities.

(b) MULTILATERAL ACTIONS.—The Secretary of the Treasury shall instruct the United States executive directors to the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, and the International Monetary Fund to propose that such institutions establish policies in opposition to the use of resources as described in subsection (a) unless the repayment of such resources is secured in accordance with that subsection.

(c) DEFINITION.—As used in this section, the term "petroleum product" means crude oil, residual fuel oil, or any refined petroleum product (including any natural liquid and any natural gas liquid product).

RIEGLE (AND OTHERS) AMENDMENT NO. 2709

Mr. RIEGLE (for himself, Mr. METZENBAUM, and Mr. LAUTENBERG) proposed an amendment to the bill S. 2532, supra, as follows:

At the appropriate place, insert the following new title:

TITLE —AID TO AMERICA

SEC. 01. SHORT TITLE.

This title may be cited as the "Aid to America Act".

Subtitle A—Medical Assistance

SEC. 11. SHORT TITLE.

This subtitle may be cited as the "Comprehensive Child Health Immunization Act".

SEC. 12. IMPLEMENTATION OF CENTERS FOR DISEASE CONTROL PRACTICE STANDARDS.

(a) IN GENERAL.—Subtitle 1 of title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended—

(1) by redesignating section 2106 (42 U.S.C. 300aa-6) as section 2111; and

(2) by inserting after section 2105 (42 U.S.C. 300aa-5) the following new section:

"SEC. 2106. IMPLEMENTATION AND COMPLIANCE WITH IMMUNIZATION PRACTICE STANDARDS.

"(a) DESIGNATION BY SECRETARY.—Not later than 6 months after the date of enactment of this section, the Secretary shall publish in the Federal Register a designation of those Standards for Immunization Practices, developed and published by the Centers for Disease Control under the auspices of the National Vaccine Advisory Committee (hereafter referred to in this section as the 'standards'), that the Secretary determines can be implemented without cost.

"(b) COMPLIANCE.—

"(1) IN GENERAL.—Not later than 18 months after the date of enactment of this section, the Secretary shall promulgate regulations that require all individuals or entities receiving assistance from the Secretary for public sector immunization and social service programs, or for private sector immunization services provided through reimbursements made under title XIX of the Social Security Act or with vaccines made available by the Centers for Disease Control, to comply with the standards designated under subsection (a).

"(2) STATES.—Regulations promulgated under paragraph (1) shall require States receiving Federal funds that are used to provide vaccines, to insure that the recipients of such vaccines adhere to the standards designated under subsection (a).

"(3) AUDIT PROCEDURES.—The Secretary shall utilize and expand existing audit procedures to monitor compliance with the requirements of this subsection.

"(c) OTHER STANDARDS.—

"(1) PROVISION OF ASSISTANCE.—The Secretary may provide assistance to entities that receive Federal immunization grant funds, to enable such entities to implement those Standards for Immunization Practices that the Secretary determines will necessitate the commitment of additional financial resources and to increase the access of children to immunizations.

"(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to provide assistance under paragraph (1), $10,000,000 for fiscal year 1993.".

(b) CONFORMING AMENDMENTS.—

(1) Section 2102(a)(9) of such Act (42 U.S.C. 300aa-2(a)(9)) is amended by striking out "2106" and inserting in lieu thereof "2111".

(2) Section 2111(a) of such Act (as redesignated by subsection (a)(1)) is amended by striking out "section 2102(9)" and inserting in lieu thereof "sections 2102(9), 2106, 2107, 2108, 2109, and 2110".

SEC. 13. INCREASED IMMUNIZATION THROUGH ENROLLMENT INFORMATION.

Subtitle 1 of title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by inserting after section 2106 (as added by section 12) the following new section:

"SEC. 2107. DEVELOPMENT OF ENROLLMENT AND REFERRAL INFORMATION.

"(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Agriculture and with appropriate organizations, shall develop—

"(1) model questions concerning immunization status and medical history; and

"(2) model packets of information concerning—

"(A) the risks and benefits associated with vaccines;

"(B) locations of immunization providers with respect to each State; and

"(C) other material determined appropriate by the Secretary;

for use by States in enrolling and recertifying individuals with respect to programs under this Act, part A of title IV and title XIX of the Social Security Act, the special supplemental food program under section 17 of the Child Nutrition Act of 1966, and other programs designated by the Secretary.

"(b) INCORPORATION AND PROVISION OF INFORMATION.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Secretary shall require States to—

"(A) incorporate the model questions developed under subsection (a)(1) into the forms and procedures utilized by such States with respect to the programs referred to in subsection (a); and

"(B) provide the appropriate information developed under subsection (a)(2) to recipients of benefits provided under the programs referred to in subsection (a).

"(2) OTHER ENTITIES.—The model questions and informational packets developed under subsection (a) shall be administered and provided to recipients of benefits under other Federally administered health programs, including benefits under the block grant program under title V of the Social Security Act, the preventive health block grant program under part A of title XIX of this Act, and benefits provided through community and migrant health centers.

"(c) REFERRAL PROCEDURES.—Not later than 1 year after the date of enactment of this section, the Secretary shall develop and apply, and require States to apply, procedures relating to the referral of individuals for immunization services, including a plan for the provision of transportation assistance for children eligible to receive assistance under title XIX of the Social Security Act.".

SEC. 14. REQUIREMENT OF IMMUNIZATIONS WITH RESPECT TO CHILD CARE.

(a) AFDC AND FAMILY SUPPORT SERVICES.—Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by adding at the end thereof the following new section:

"IMMUNIZATION STATUS OF CHILDREN

"SEC. 418 In addition to meeting the other requirements of this part, to be eligible to receive payments under this part, a State shall provide assurances to the Secretary that child care providers within the State that provide services for which assistance is provided under this part will utilize the questions concerning immunization status with respect to the children served by such providers, and provide such information to the parents or guardians of such children, as developed under section 2107 of the Public Health Service Act.".

(b) SOCIAL SERVICES BLOCK GRANTS.—Section 2005 of the Social Security Act (42 U.S.C. 1397d) is amended by adding at the end thereof the following new subsection:

"(c) To be eligible to receive payments under this part, a State shall provide assurances to the Secretary that child care providers within the State that provide services for which assistance is provided under this part will utilize the questions concerning immunization status with respect to the children served by such providers, and provide such information to the parents or guardians of such children, as developed under section 2107 of the Public Health Service Act.".

(c) CHILD CARE FOOD PROGRAM.—Section 17(a)(2) of the National School Lunch Act (42 U.S.C. 1766(a)(2)) is amended—

(1) in subparagraph (B), by striking out "and" at the end thereof;

(2) in subparagraph (C), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(D) will utilize the questions concerning immunization status with respect to the children served by such providers, and provide such information to the parents or guardians of such children, as developed under section 2107 of the Public Health Service Act.".

(d) CHILD CARE AND DEVELOPMENT BLOCK GRANTS.—Section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e(c)(2)) is amended by adding at the end thereof the following new subparagraph:

"(K) IMMUNIZATION STATUS.—Provide assurances that child care providers within the State that provide services for which assistance is provided under this subchapter will utilize the questions concerning immunization status with respect to the children served by such providers, and provide such information to the parents or guardians of such children, as developed under section 2107 of the Public Health Service Act.".

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of enactment of this Act.

SEC. ____15. INCREASED OUTREACH AND ACCESS TO IMMUNIZATIONS.

(a) INFANT IMMUNIZATION INITIATIVE PLANS.—Subtitle 1 of title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by inserting after section 2107 (as added by section ____13) the following new section:

"SEC. 2108. GRANTS FOR IMPLEMENTATION OF INFANT IMMUNIZATION PLANS AND SUPPORT OF INNOVATIVE PROGRAMS.

"(a) IN GENERAL.—The Secretary shall award demonstration grants to eligible State and local entities to enable such entities to fully implement the plans of such entities with respect to the Infant Immunization Initiative.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a), an entity shall—

"(1) be a State or local entity that has developed a plan under the Infant Immunization Initiative; and

"(2) prepare and submit to the Secretary an application, at such time, in such manner and containing such information as the Secretary determines appropriate, including a description of the activities the entity intends to carry out using amounts received under the grant.

"(c) MAINTENANCE OF SUPPORT.—The Secretary may not award a grant under this section to an entity unless the entity agrees to maintain the expenditures of the entity for activities of the type described in subsection (e), at a level equal to not less than the level of such expenditures maintained by the entity for the fiscal year preceding the fiscal year for which the entity is applying to receive the grant.

"(d) AMOUNT OF GRANT.—The amount of each grant provided under this section shall be determined by the Secretary based on the size and demonstrated need of the entity.

"(e) USE OF AMOUNTS.—Amounts received under a grant awarded under this section shall be utilized for the implementation of the immunization plan of the entity. Activities under such plan may include—

"(1) the establishment of express vaccination facilities in health clinics;

"(2) the provision of vaccinations in hospital emergency rooms, through in-home visits and in day or child care centers, Head Start institutions, and in schools;

"(3) the establishment of mobile vaccination teams; and

"(4) other activities determined appropriate by the Secretary.

"(f) INNOVATIVE LOCAL PROGRAMS.—The Secretary may make grants to local communities submitting applications that meet the requirements of subsection (b)(2), to assist such communities in carrying out innovative programs designed to increase access to immunizations.

"(g) REPORTING REQUIREMENT.—An entity that receives a grant under this section shall annually prepare and submit to the Secretary a report concerning the activities undertaken using amounts received under the grant. The Secretary shall compile information received in such reports, make such information available to the public, and provide for the use of such information in the immunization planning activities of other State or local entities.

"(h) AUTHORIZATION OF APPROPRIATIONS.—

"(1) GENERAL PROGRAM.—There are authorized to be appropriated to carry out this section, other than subsection (f), $20,000,000 for fiscal year 1993. A grant awarded with amounts appropriated under this paragraph shall not be for a period in excess of 3 years.

"(2) LOCAL INNOVATIVE PROGRAMS.—There are authorized to be appropriated to carry out subsection (f), $30,000,000 for fiscal year 1993.".

(b) COMPLIANCE WITH PRACTICE STANDARDS.—Section 2106 of such Act (as added by section 12) is amended by adding at the end thereof the following new subsection:

"(d) SUPPORT OF OPERATIONAL ACTIVITIES.—

"(1) IN GENERAL.—The Secretary, acting through the Centers for Disease Control, may provide assistance to entities of the type referred to in subsection (b)(1), to support the additional operational activities of immunization sites necessary to maintain compliance with the standards relating to infrastructure changes. Such assistance may also be provided to support innovative approaches designed to increase the access of children to immunization services.

"(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $5,000,000 for fiscal year 1993.".

(c) CONSUMER MATERIALS.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall provide for the development and distribution of consumer educational materials concerning childhood immunizations.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 1993, $5,000,000 to carry out this subsection.

(d) EARLY AND PERIODIC SCREENING, DIAGNOSIS AND TREATMENT PROGRAM.—The Secretary of Health and Human Services shall modify regulations with respect to the Early and Periodic Screening, Diagnosis and Treatment program under title XIX of the Social Security Act, to require States to undertake aggressive outreach efforts in contacting parents concerning the immunization of their children and in tracking the immunization status of children through information submitted to the State from immunization providers seeking reimbursement under such title XIX.

SEC. ____16. COMPREHENSIVE IMMUNIZATION TRACKING SYSTEM AND NATIONWIDE REGISTRY.

(a) NATIONAL HEALTH INTERVIEW SURVEY.—There are authorized to be appropriated to the Centers for Disease Control, $500,000 for fiscal year 1993, to pay the costs associated with the utilization of the National Health Interview Survey compiled by the National Center for Health Statistics.

(b) RESEARCH AND DEMONSTRATION PROGRAM.—Subtitle 1 of title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by inserting after section 2108 (as added by section ____15(a)) the following new section:

"SEC. 2109. NATIONWIDE COMPUTERIZED REGISTRY RESEARCH AND DEMONSTRATION PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish a research and demonstration grant program to award grants to States, or other entities determined appropriate by the Secretary, for the development of computerized immunization registries in such States.

"(b) APPLICATION.—To be eligible to receive a grant under this section, a State or other entity shall prepare and submit to the Secretary an application, at such time, in such manner and containing such information as the Secretary may require, including a description of the immunization registry that such State or entity intends to develop and implement through the use of amounts received under the grant.

"(c) USE OF AMOUNTS.—A State or entity shall use amounts received under a grant awarded under this section to—

"(1) develop and implement a computerized system for the identification and tracking of children for immunization purposes;

"(2) identify appropriate mechanisms for collecting, updating, maintaining and accessing data concerning the immunization of children;

"(3) implement procedures under which vaccine providers will have access to the current immunization records of their patients;

"(4) carry out any other activities determined appropriate by the Secretary.

"(d) REPORTING REQUIREMENTS AND NATIONAL COORDINATION.—Each State or entity that receives a grant under this section shall prepare and submit to the Secretary annual reports concerning the activities undertaken with amounts provided under this section. The Secretary shall utilize such reports to develop a nationwide, computerized registry containing immunization information concerning children throughout the United States. In developing such system, the Secretary shall establish procedures—

"(1) to collect information, through coordination with existing data gathering methods utilized by the Centers for Disease Control, from health care providers and State entities concerning the immunization status of individuals;

"(2) to enable health care providers to access information concerning their patients' immunization status; and

"(3) for tracking the immunization status of children.

"(e) COORDINATION WITH OTHER PROGRAMS.—The Secretary, and each State or entity that receives a grant under this section, shall coordinate the activities under such grant with activities carried out under section 2108.

"(f) AUTHORIZATION OF APPROPRIATIONS.—

"There are authorized to be appropriated to award grants under subsection (a), $12,000,000 for fiscal year 1993.

"(g) REPORT.—The Secretary shall annually prepare and submit to the appropriate committees of Congress, a report concerning the results of the implementation of various Statewide immunization tracking systems established under this section until such time as a nationwide system is fully implemented.".

SEC. ____17. VACCINE PURCHASE AND DISTRIBUTION DEMONSTRATION PROGRAMS.

(a) PUBLIC HEALTH SERVICE ACT.—Subtitle 1 of title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by inserting after section 2109 (as added by section ____16(b)) the following new section:

"SEC. 2110. PRIVATE PROVIDER VACCINE PURCHASE DEMONSTRATION PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish a demonstration program under which grants will be awarded to eligible States to enable such States to purchase vaccines for distribution to and use by private health care providers.

"(b) ELIGIBLE STATES.—To be eligible to receive a grant under this section a State shall prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require.

"(c) MAINTENANCE OF SUPPORT.—The Secretary may not award a grant under this section to a State unless the State agrees to maintain the expenditures of the State for activities of the type described in subsection (d), at a level equal to not less than the level of such expenditures maintained by the State for the fiscal year preceding the fiscal year for which the State is applying to receive the grant.

"(d) USE OF AMOUNTS.—

"(1) IN GENERAL.—A State shall use amounts received under a grant awarded under this section to purchase vaccines (in addition to those vaccines that such State would otherwise purchase), and distribute such vaccines at no cost to private health care providers for the immunization of children.

"(2) REQUIREMENTS OF PROVIDERS.—A private health care provider that receives vaccines purchased by the State under this section shall—

"(A) administer such vaccines to patients without assessing such patients for the cost of such vaccines;

"(B) with respect to any assessments made for the costs of administering such vaccines to patients—

"(i) prominently display information that indicates that no individual will be denied a vaccine made available under this section because of the inability of such individual to pay for the costs associated with the administration of such vaccine by the provider; and

"(ii) base such assessments on the ability of the patients to pay, consistent with applicable State requirements;

"(C) provide the State with information concerning the number of individuals treated with such vaccines; and

"(D) carry out any other activity determined appropriate by the State.

"(3) REPORTS.—A State that receives a grant under this section shall annually prepare and submit to the Secretary a report describing the findings of the State with respect to any decrease, during the period for which the report is prepared, in the number of individuals referred by private health care providers to public providers for immunization purposes.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for the fiscal year 1993.

"(f) REPORT.—Not later than September 30, 1995, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning the demonstration program established under this section. Such report shall include an assessment of whether the number of individuals referred by private health care providers to public providers for immunization purposes decreased in States awarded grants under this section during grant years.".

(b) SOCIAL SECURITY ACT.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by adding at the end thereof the following new section:

"PRIVATE PROVIDER VACCINE PURCHASE DEMONSTRATION PROGRAM

"SEC. 1931. (a) ESTABLISHMENT.—The Secretary shall establish a demonstration program under which grants will be awarded to eligible States to enable such States to purchase vaccines for distribution to and use by private health care providers and to provide such providers with increased reimbursements for immunization services provided under this title.

"(b) ELIGIBLE STATES.—To be eligible to receive a grant under this section a State shall prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require.

"(c) MAINTENANCE OF SUPPORT.—The Secretary may not award a grant under this section to a State unless the State agrees to maintain the expenditures of the State for activities of the type described in subsection (d), at a level equal to not less than the level of such expenditures maintained by the State for the fiscal year preceding the fiscal year for which the State is applying to receive the grant.

"(d) USE OF AMOUNTS.—

"(1) IN GENERAL.—A State shall use amounts received under a grant awarded under this section to—

"(A) purchase vaccines (in addition to those vaccines that such State would otherwise purchase), and distribute such vaccines at no cost to private health care providers, on a use and replacement basis, for the immunization of children who are eligible for medical care under this title; and

"(B) provide increased reimbursements under this title to private health care providers with respect to immunization services for which reimbursement is provided under this title.

"(2) REQUIREMENTS OF PROVIDERS.—A private health care provider that receives vaccines purchased by the State under this section shall—

"(A) provide the State with information concerning the number of individuals treated with such vaccines; and

"(B) carry out any other activity determined appropriate by the State.

"(3) REPORTS.—A State that receives a grant under this section shall annually prepare and submit to the Secretary a report describing the findings of the State with respect to—

"(A) any decrease, during the period for which the report is prepared, in the number of individuals referred by private health care providers to public providers for immunization purposes;

"(B) any increase in the number of individuals immunized under this title; and

"(C) any savings achieved by the State in the expenses of such State under this title.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 1993.

"(f) REPORT.—Not later than September 30, 1995, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning the demonstration program established under this section. Such report shall include an assessment of—

"(1) whether the number of individuals referred by private health care providers to public providers for immunization purposes decreased in States awarded grants under this section during grant years; and

"(2) the potential savings under this title with respect to immunized children.".

SEC. ____18. NATIONAL FUND FOR DISEASE OUTBREAK CONTROL.

Section 317(j) of the Public Health Service Act (42 U.S.C. 247b(j)) is amended—

(1) in paragraph (1)(A), by inserting "as provided in paragraph (3), and except" after "Except"; and

(2) by adding at the end thereof the following new paragraph:

"(3)(A) There are authorized to be appropriated $20,000,000 for fiscal year 1993 to be deposited in the National Fund for Disease Outbreak Control established under subparagraph (B).

"(B) The Secretary shall establish and administer a National Fund for Disease Outbreak Control. Such Fund shall be used by the Secretary to provide additional resources to enable the Centers for Disease Control to control the outbreaks of diseases requiring additional vaccine purchases.

"(C) Upon the determination by the Secretary that an unanticipated disease outbreak of the type described in subparagraph (B) occurs, the Secretary shall utilize the Fund established under such subparagraph to provide the Centers for Disease Control with the resources necessary to control the spread of such disease through the implementation of necessary preventive measures, including the reimmunization of children in disease-affected areas who have not yet received the recommended second-dose immunization against the disease.

"(D) Amounts appropriated under this paragraph shall remain available without fiscal year limitation.".

SEC. ____19. SUPPORT FOR SPECIAL VACCINE RESEARCH.

Section 2102(a) of the Public Health Service Act (42 U.S.C. 300aa-2(a)) is amended by adding at the end thereof the following new paragraph:

"(10) SPECIAL RESEARCH.—The Director of the Program shall enable such agencies to carry out special research with respect to—

"(A) the development of vaccines that are safe and effective in younger infants and newborns;

"(B) the development of vaccine combinations to decrease the number of injections and required vaccine provider visits; and

"(C) the development of new vaccines, including vaccines for chicken pox and rotovirus strains common throughout the United States.".

SEC. ____20. CENTERS FOR DISEASE CONTROL PROGRAM GUIDANCE.

The Centers for Disease Control shall develop a program guidance for all entities receiving a grant under this Act (or the amendments made by this Act), or any other childhood immunization grant under the Public Health Service Act, that shall require, as a condition of receiving such grants, that such grantees describe in detail the objectives, and plans for achieving such objectives, of such grantees and the specific activities to be undertaken by such grantees to reach out to high-risk populations for immunization purposes. Such program guidance shall also require such grantees to submit end-of-year reports to the Director of the Centers for Disease Control describing the success of such grantees in achieving such objectives and in carrying out such plans.

SEC. ____21. REPORT.

Not later than 6 months after the date of enactment of this Act, and annually thereafter, the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress a report concerning the immunization status of preschool and school-aged children nationwide. Such report shall contain a description of the major impediments to the attainment of desired levels of immunization and recommendations for necessary programmatic, policy and legislative changes.

Subtitle B—State Technology Extension Programs

SEC. ____31. STATE TECHNOLOGY EXTENSION PROGRAMS.

(a) ESTABLISHMENT.—Section 26(a) of the Act of March 3, 1901 (15 U.S.C. 278l(a)), is amended—

(1) by inserting immediately after "(a)" the following new sentence: "There is established within the Institute a State Technology Extension Program."; and

(2) by inserting "through that Program" immediately after "technical assistance".

(b) AUTHORITIES.—Section 26 of the Act of March 3, 1901 (15 U.S.C. 278l) is amended by adding at the end the following new subsection:

"(c)(1) In addition to the general authorities listed in subsection (b) of this section, the State Technology Extension Program also shall, through merit-based competitive review processes and as authorizations and appropriations permit—

"(A) make awards to State and conduct workshops, pursuant to section 5121(b) of the Omnibus Trade and Competitiveness Act of 1988, in order to help States improve their planning and coordination of technology extension activities;

"(B) support industrial modernization demonstration projects to help States create networks among small manufacturers for the purpose of facilitating technical assistance, group services, and improved productivity and competitiveness;

"(C) support State efforts to develop and test innovative ways to capabilities, including innovative methods for transferring Federal technology, for encouraging business networks and shared facilities among small manufacturers, for expanding the skill of the workforce, for identifying new manufacturing opportunities between small and large firms, and for working with the States and, as appropriate, private information companies, to provide small and medium-sized firms with assess to data bases and technical experts;

"(D) support cooperative research and technology assistance projects between the Institute and the States, particularly projects, funded on a matching basis, to help firms within the State to improve their manufacturing and process technologies, including manufacturing education institutes;

"(E) as appropriate, promote the creation of industry-led State quality laboratories or institutes.

"(2) Each application for financial assistance under this subsection shall demonstrate a commitment to derive at least 50 percent of the resources necessary to defray the total cost of the program from non-Federal Government sources, unless the Secretary, acting through the Director, determines that a State government lacks the required resources due to chronic financial difficulties.".

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to such sums as may be authorized to be appropriated by any other Act, there are authorized to be appropriated $110,000,000 for fiscal year 1993 to carry out the provisions of Section 26 the Act of March 3, 1901 (15 U.S.C. 278l).

Subtitle C—Assistance to Unemployed and Youth

SEC. ____41. JOB CORPS.

In addition to such sums as may be authorized to be appropriated by any other Act, there are authorized to be appropriated $236,000,000 for fiscal year 1993 to carry out the provisions of part B of title IV of the Job Training Partnership Act (relating to the Job Corps) (29 U.S.C. 1691 et seq.).

SEC. ____42. HOPE FOR YOUTH: YOUTHBUILD.

Title IV of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437aaa note et seq.) is amended by adding at the end the following new subtitle:

"Subtitle D—HOPE for Youth: Youthbuild

"SEC. 451. STATEMENT OF PURPOSE.

"It is the purpose of this subtitle—

"(1) to expand the supply of permanent affordable housing for homeless individuals and members of low- and very low-income families by harnessing the energies and talents of economically disadvantaged young adults;

"(2) to provide economically disadvantaged young adults with opportunities for meaningful work and service to their communities in helping to meet the housing needs of homeless individuals and members of low- and very low-income families;

"(3) to enable economically disadvantaged young adults to obtain the education and employment skills necessary to achieve economic self-sufficiency; and

"(4) to foster the development of leadership skills and commitment to community development among young adults in low-income communities.

"SEC. 452. PROGRAM AUTHORITY.

"The Secretary is authorized to make—

"(1) planning grants to enable applicants to develop Youthbuild programs; and

"(2) implementation grants to enable applicants to carry out Youthbuild programs.

"SEC. 453. PLANNING GRANTS.

"(a) GRANTS.—The Secretary is authorized to make planning grants to applicants for the purpose of developing Youthbuild programs under this subtitle. The amount of a planning grant under this section may not exceed $150,000, except that the Secretary may for good cause approve a grant in a higher amount.

"(b) ELIGIBLE ACTIVITIES.—Planning grants may be used for activities to develop Youthbuild programs including—

"(1) studies of the feasibility of a Youthbuild program;

"(2) establishment of consortia between youth training and education programs and housing owners or developers, including any organizations specified in section 457(2), which will participate in the Youthbuild program;

"(3) identification and selection of a site for the Youthbuild program;

"(4) preliminary architectural and engineering work for the Youthbuild program;

"(5) identification and training of staff for the Youthbuild program;

"(6) planning for education, job training, and other services that will be provided as part of the Youthbuild program;

"(7) other planning, training, or technical assistance necessary in advance of commencing the Youthbuild program; and

"(8) preparation of an application for an implementation grant under this subtitle.

"(c) APPLICATION.—

"(1) FORM AND PROCEDURES.—An application for a planning grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

"(2) MINIMUM REQUIREMENTS.—The Secretary shall require that an application contain at a minimum—

"(A) a request for a planning grant, specifying the activities proposed to be carried out, the schedule for completing the activities, the personnel necessary to complete the activities, and the amount of the grant requested;

"(B) a description of the applicant and a statement of its qualifications, including a description of the applicant's past experience with housing rehabilitation or construction and with youth and youth education and employment training programs, and its relationship with local unions and apprenticeship programs, and other community groups;

"(C) identification and description of potential sites for the program and the construction or rehabilitation activities that would be undertaken at such sites; potential methods for identifying and recruiting youth participants; potential educational and job training activities, work opportunities and other services for participants; and potential coordination with other Federal, State, and local housing and youth education and employment training activities including activities conducted by Indian tribes;

"(D) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located; and

"(E) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

"(d) SELECTION CRITERIA.—The Secretary shall, by regulation, establish selection criteria for a national competition for assistance under this section, which shall include—

"(1) the qualifications or potential capabilities of the applicant;

"(2) the potential of the applicant for developing a successful Youthbuild program;

"(3) the need for the prospective program, as determined by the degree of economic distress—

"(A) of the community from which participants would be recruited (such as poverty, youth unemployment, and number of individuals who have dropped out of high school); and

"(B) of the community in which the housing proposed to be constructed or rehabilitated would be located (such as incidence of homelessness, shortage of affordable housing, and poverty); and

"(4) such other factors that the Secretary shall require that (in the determination of the Secretary) are appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

"SEC. 454. IMPLEMENTATION GRANTS.

"(a) GRANTS.—The Secretary is authorized to make implementation grants to applicants for the purpose of carrying out Youthbuild programs approved under this subtitle.

"(b) ELIGIBLE ACTIVITIES.—Implementation grants may be used to carry out Youthbuild programs, including—

"(1) architectural and engineering work;

"(2) acquisition, rehabilitation, acquisition and rehabilitation, or construction of housing and related facilities to be used for the purposes of providing homeownership under subtitle B and subtitle C of this title; residential housing for homeless individuals, and low- and very low-income families; or transitional housing for persons who are homeless, have disabilities, are ill, are deinstitutionalized, or have other special needs;

"(3) administrative costs of the applicant, which may not exceed 15 percent of the amount of assistance provided under this section, or such higher percentage as the Secretary determines is necessary to support capacity development by a private nonprofit organization;

"(4) education and job training services and activities including—

"(A) work experience and skills training, coordinated, to the maximum extent feasible, with preapprenticeship and apprenticeship programs, in the construction and rehabilitation activities described in subsection (b)(2);

"(B) services and activities designed to meet the educational needs of participants, including—

"(i) basic skills instruction and remedial education;

"(ii) bilingual education for individuals with limited-English proficiency;

"(iii) secondary education services and activities designed to lead to the attainment of a high school diploma or its equivalent; and

"(iv) counseling and assistance in obtaining admission to and obtaining financial assistance for enrollment in institutions of higher learning;

"(C) counseling services and other activities designed to—

"(i) ensure that participants overcome personal problems that would interfere with successful participation; and

"(ii) develop a strong, mutually supportive peer context in which values, goals, cultural heritage, and life skills can be explored and strengthened;

"(D) opportunities to develop the decision-making, speaking, negotiating, and other leadership skills of participants, such as the establishment and operation of a youth council with meaningful decisionmaking authority over aspects of the program;

"(E) activities designed to maximize the value of the participants as future employees and to prepare participants for seeking, obtaining, and retaining unsubsidized employment; and

"(F) support services and need-based stipends necessary to enable individuals to participate in the program and, for a period not to exceed 12 months after completion of training, to assist participants through support services in retaining employment;

"(5) wage stipends and benefits provided to participants;

"(6) funding of operating expenses and replacement reserves of the property covered by the Youthbuild program;

"(7) legal fees; and

"(8) defraying costs for the ongoing training and technical assistance needs of the recipient that are related to developing and carrying out the Youthbuild program.

"(c) APPLICATION.—

"(1) FORM AND PROCEDURE.—An application for an implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

"(2) MINIMUM REQUIREMENTS.—The Secretary shall require that an application contain at a minimum—

"(A) a request for an implementation grant, specifying the amount of the grant requested and its proposed uses;

"(B) a description of the applicant and a statement of its qualifications, including a description of the applicant's past experience with housing rehabilitation or construction and with youth and youth education and employment training programs, and its relationship with local unions and apprenticeship programs, and other community groups;

"(C) a description of the proposed site for the program;

"(D) a description of the educational and job training activities, work opportunities, and other services that will be provided to participants;

"(E) a description of the proposed construction or rehabilitation activities to be undertaken and the anticipated schedule for carrying out such activities;

"(F) a description of the manner in which eligible youths will be recruited and selected, including a description of arrangements which will be made with community-based organizations, State and local educational agencies, including agencies of Indian tribes, public assistance agencies, the courts of jurisdiction for status and youth offenders, shelters for homeless individuals and other agencies that serve homeless youth, foster care agencies, and other appropriate public and private agencies;

"(G) a description of the special outreach efforts that will be undertaken to recruit eligible young women (including young women with dependent children);

"(H) a description of how the proposed program will be coordinated with other Federal, State, and local activities and activities conducted by Indian tribes, including vocational, adult and bilingual education programs, job training provided with funds available under the Job Training Partnership Act and the Family Support Act of 1988, and housing and community development programs, including programs that receive assistance under section 106 of the Housing and Community Development Act of 1974;

"(I) assurances that there will be a sufficient number of adequately trained supervisory personnel in the program who have attained the level of journeyman or its equivalent;

"(J) a description of the applicant's relationship with local building trade unions regarding their involvement in training, and the relationship of the Youthbuild program with established apprenticeship programs;

"(K) a description of activities that will be undertaken to develop the leadership skills of participants;

"(L) a detailed budget and a description of the system of fiscal controls and auditing and accountability procedures that will be used to ensure fiscal soundness;

"(M) a description of the commitments for any additional resources to be made available to the program from the applicant, from recipients of other Federal, State or local housing and community development assistance who will sponsor any part of the construction, rehabilitation, operation and maintenance, or other housing and community development activities undertaken as part of the program, or from other Federal, State or local activities and activities conducted by Indian tribes, including, but not limited to, vocational, adult and bilingual education programs, and job training provided with funds available under the Job Training Partnership Act and the Family Support Act of 1988;

"(N) identification and description of the financing proposed for any—

"(i) rehabilitation;

"(ii) acquisition of the property; or

"(iii) construction;

"(O) identification and description of the entity that will operate and manage the property;

"(P) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located; and

"(Q) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

"(d) Selection Criteria.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

"(1) the qualifications or potential capabilities of the applicant;

"(2) the feasibility of the Youthbuild program;

"(3) the potential for developing a successful Youthbuild program;

"(4) the need for the prospective project, as determined by the degree of economic distress of the community from which participants would be recruited (such as poverty, youth unemployment, number of individuals who have dropped out of high school) and of the community in which the housing proposed to be constructed or rehabilitated would be located (such as incidence of homelessness, shortage of affordable housing, poverty);

"(5) the apparent commitment of the applicant to leadership development, education, and training of participants;

"(6) the inclusion of previously homeless tenants in the housing provided;

"(7) the commitment of other resources to the program by the applicant and by recipients of other Federal, State or local housing and community development assistance who will sponsor any part of the construction, rehabilitation, operation and maintenance, or other housing and community development activities undertaken as part of the program, or by other Federal, State or local activities and activities conducted by Indian tribes, including, but not limited to, vocational, adult and bilingual education programs, and job training provided with funds available under the Job Training Partnership Act and the Family Support Act of 1988; and

"(8) such other factors as the Secretary determines to be appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

"(e) Priority for Applicants Who Obtain Housing Money From Other Sources.—The Secretary shall give priority in the award of grants under this section to applicants to the extent that they propose to finance activities described in paragraphs (1), (2), and (6) of subsection (b) from funds provided from Federal, State, local, or private sources other than assistance under this subtitle.

"(f) Approval.—The Secretary shall notify each applicant, not later than 4 months after the date of the submission of the application, whether the application is approved or not approved.

"(g) Combined Planning and Implementation Grant Application Procedure.—The Secretary shall develop a procedure whereby an applicant may apply at the same time and in a single application for a planning grant and an implementation grant, with receipt of the implementation grant conditioned on successful completion of the activities funded by the planning grant.

"SEC. 455. YOUTHBUILD PROGRAM REQUIREMENTS.

"(a) Residential Rental Housing.—Each residential rental housing project receiving assistance under this subtitle shall meet the following requirements:

"(1) Occupancy by low- and very low-income families.—In the project—

"(A) at least 90 percent of the units shall be occupied, or available for occupancy, by individuals and families with incomes less than 60 percent of the area median income, adjusted for family size; and

"(B) the remaining units shall be occupied, or available for occupancy, by low-income families;

"(2) Tenant protections.—

"(A) Lease.—The lease between a tenant and an owner of residential rental housing assisted under this subtitle shall be for not less than 1 year, unless by mutual agreement between the tenant and the owner, and shall contain such terms and conditions as the Secretary shall determine to be appropriate.

"(B) Termination of tenancy.—An owner shall not terminate the tenancy or refuse to renew the lease of a tenant of residential rental housing assisted under this title except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.

"(C) Maintenance and replacement.—The owner of residential rental housing assisted under this subtitle shall maintain the premises in compliance with all applicable housing quality standards and local code requirements.

"(D) Tenant selection.—The owner of residential rental housing assisted under this subtitle shall adopt written tenant selection policies and criteria that—

"(i) are consistent with the purpose of providing housing for homeless individuals and members of very low-income and low-income families;

"(ii) are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease;

"(iii) give reasonable consideration to the housing needs of families that would have a preference under section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)); and

"(iv) provide for the maintenance of a written waiting list in the chronological order of application, and give all applicants due consideration in appropriate sequence, notifying applicants promptly of the results of their applications.

"(3) Limitation on rental payments.—Tenants in each project shall not be required to pay rent in excess of that in accordance with section 3(a) of the Housing Act of 1937.

"(4) Tenant participation plan.—For each project owned by a nonprofit organization, the organization shall provide a plan for and follow a program of tenant participation in management decisions.

"(b) Transitional Housing.—Each transitional housing project receiving assistance under this subtitle shall adhere to the requirements regarding service delivery, housing standards, and rent limitations imposed on comparable housing receiving assistance under title IV of the Stewart B. McKinney Homeless Assistance Act.

"(c) Limitations on Profits for Rental and Transitional Housing.—

"(1) Monthly rental limitation.—Aggregate monthly rental for each eligible project may not exceed the operating costs of the project (including debt service, management, adequate reserves, and other operating costs) plus a 6 percent return on the equity investment, if any, of the project owner.

"(2) Profit limitations on partners.—A nonprofit organization that receives assistance under this subtitle for a project shall agree to use any profit received from the operation, sale, or other disposition of the project for the purpose of providing housing for low- and moderate-income families. Profit-motivated partners in a nonprofit partnership may receive—

"(A) not more than a 6 percent return on their equity investment from project operations; and

"(B) upon disposition of the project, not more than an amount equal to their initial equity investment plus a return on that investment equal to the increase in the Consumer Price Index for the geographic location of the project since the time of the initial investment of such partner in the project.

"(d) Homeownership.—Each homeownership project that receives assistance under this subtitle shall comply with the requirements of either subtitle B or subtitle C of this title.

"(e) Restrictions on Conveyance.—The ownership interest in a project that receives assistance under this subtitle may not be conveyed unless the instrument of conveyance requires a subsequent owner to comply with the same restrictions imposed upon the original owner.

"(f) Conversion of Transitional Housing.—The Secretary may waive the requirements of subsection (b) to permit the conversion of a transitional housing project to a permanent housing project only if such housing would meet the requirements for residential rental housing specified in this section.

"(g) Period of Restrictions.—A project that receives assistance under this subtitle shall comply with the requirements of this section for the remaining useful life of the property.

"SEC. 456. ADDITIONAL PROGRAM REQUIREMENTS.

"(a) Eligible Participants.—

"(1) In general.—Except as provided in paragraph (2), an individual shall be eligible to participate in a Youthbuild program receiving assistance under this subtitle if such individual is—

"(A) 16 to 24 years of age, inclusive;

"(B) economically disadvantaged; and

"(C) an individual who has dropped out of high school.

"(2) Exceptions.—Not more than 25 percent of the participants in a Youthbuild program receiving assistance under this subtitle may be individuals who—

"(A) do not meet the requirement of paragraph (1)(B), but who are members of low-income families; or

"(B) do not meet the requirement of paragraph (1)(C), but have educational needs despite the attainment of a high school diploma or its equivalent.

"(3) Participation limitation.—Any eligible individual selected for full-time participation in a Youthbuild program may be offered full-time participation for a period of not less than 6 months and not more than 24 months.

"(b) Minimum Time Devoted to Educational Services and Activities.—A

Youthbuild program receiving assistance under this subtitle must be structured so that 50 percent of the time spent by participants in the program is devoted to educational services and activities, such as those specified in section 454(b)(4) (B) through (F) of this subtitle.

"(c) AUTHORITY RESTRICTION.—No provision of this subtitle may be construed to authorize any agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

"(d) STATE AND LOCAL STANDARDS.—All educational programs and activities supported with funds provided under this subtitle shall be consistent with applicable State and local educational standards. Standards and procedures with respect to the awarding of academic credit and certifying educational attainment in such programs shall be consistent with applicable State and local educational standards.

"(e) WAGES, LABOR STANDARDS, AND NONDISCRIMINATION.—To the extent consistent with the provisions of this subtitle, sections 142, 143 and 167 of the Job Training Partnership Act, relating to wages and benefits, labor standards, and nondiscrimination, shall apply to the programs conducted under this subtitle as if such programs were conducted under the Job Training Partnership Act. Nothing in this section shall be construed to prevent recipients from using funds from other sources to pay reasonable wages and benefits at a higher level if appropriate.

"SEC. 457. DEFINITIONS.

"As used in this subtitle:

"(1) ADJUSTED INCOME.—The term 'adjusted income' has the meaning given the term in section 3(b)(5) of the United States Housing Act of 1937.

"(2) APPLICANT.—The term 'applicant' means a public or private nonprofit agency, such as—

"(A) a community-based organization;

"(B) an administrative entity designated under section 103(b)(1)(B) of the Job Training Partnership Act;

"(C) a community action agency;

"(D) a State and local housing development agency, including an agency of an Indian tribe;

"(E) a community development corporation;

"(F) a State and local youth service and conservation corps, including such a service or corps conducted by an Indian tribe; and

"(G) any other entity eligible to provide education and employment training under other Federal employment training programs.

"(3) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a private nonprofit organization that—

"(A) maintains, through significant representation on the organization's governing board and otherwise, accountability to low-income community residents and, to the extent practicable, low-income beneficiaries of programs receiving assistance under this subtitle; and

"(B) has a history of serving the local community or communities where a program receiving assistance under this subtitle is located.

"(4) ECONOMICALLY DISADVANTAGED.—The term 'economically disadvantaged' has the same meaning given the term in section 4(8) of the Job Training Partnership Act.

"(5) INDIVIDUAL WHO HAS DROPPED OUT OF HIGH SCHOOL.—The term 'individual who has dropped out of high school' means an individual—

"(A) who is neither attending any school nor subject to a compulsory attendance law; and

"(B) who has not received a secondary school diploma or a certificate of equivalency for such diploma.

Such term does not include any individual who has attended secondary school at any time during the preceding 6 months.

"(6) HOMELESS INDIVIDUAL.—The term 'homeless individual' has the meaning given the term in section 103 of the Stewart B. McKinney Homeless Assistance Act.

"(7) HOUSING DEVELOPMENT AGENCY.—The term 'housing development agency' means any agency of a State or local government, including an agency of an Indian tribe, or any private nonprofit organization that is engaged in providing housing for homeless or low-income families.

"(8) INCOME.—The term 'income' has the meaning given the term in section 3(b)(4) of the United States Housing Act of 1937.

"(9) INDIAN TRIBE.—The term 'Indian tribe' has the same meaning given such term in section 102(a)(17) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(17)).

"(10) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 1201(a) of the Higher Education Act of 1965.

"(11) LIMITED-ENGLISH PROFICIENCY.—The term 'limited-English proficiency' has the meaning given the term in section 7003 of the Bilingual Education Act.

"(12) LOW-INCOME FAMILY.—The term 'low-income family' has the meaning given the term 'lower income families' in section 3(b)(2) of the United States Housing Act of 1937.

"(13) VERY LOW-INCOME FAMILY.—The term 'very low-income family' means families whose income does not exceed 50 percent of the median family income determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

"(14) OFFENDER.—The term 'offender' means any adult or juvenile with a record of arrest or conviction for a criminal offense.

"(15) QUALIFIED PUBLIC OR PRIVATE NONPROFIT AGENCY.—The term 'qualified public or private nonprofit agency' means any nonprofit agency that has significant prior experience in the operation of projects similar to the Youthbuild program authorized under this subtitle and that has the capacity to provide effective technical assistance.

"(16) RELATED FACILITIES.—The term 'related facilities' includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities.

"(17) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

"(18) STATE.—The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Trust Territories of the Pacific Islands, or any other territory or possession of the United States.

"(19) TRANSITIONAL HOUSING.—The term 'transitional housing' means a project that has as its purpose facilitating the movement of homeless individuals and families to independent living within a reasonable amount of time. Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities and homeless families with children.

"(20) YOUTHBUILD PROGRAM.—The term 'Youthbuild program' means any program that receives assistance under this subtitle and provides disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

"SEC. 458. MANAGEMENT AND TECHNICAL ASSISTANCE.

"(a) SECRETARY ASSISTANCE.—The Secretary may enter into contracts with a qualified public or private nonprofit agency to provide assistance to the Secretary in the management, supervision, and coordination of Youthbuild programs receiving assistance under this subtitle.

"(b) SPONSOR ASSISTANCE.—The Secretary shall enter into contracts with a qualified public or private nonprofit agency to provide appropriate training, information, and technical assistance to sponsors of programs assisted under this subtitle.

"(c) APPLICATION PREPARATION.—Technical assistance may also be provided in the development of program proposals and the preparation of applications for assistance under this subtitle to eligible entities which intend or desire to submit such applications. Community-based organizations shall be given first priority in the provision of such assistance.

"(d) RESERVATION OF FUNDS.—The Secretary shall reserve 5 percent of the amounts available in each fiscal year under section 402 to carry out subsections (b) and (c) of this section.

"SEC. 459. CONTRACTS.

"Each Youthbuild program shall carry out the services and activities under this subtitle directly or through arrangements or under contracts with administrative entities designated under section 103(b)(1)(B) of the Job Training Partnership Act, with State and local educational agencies, institutions of higher education, State and local housing development agencies, or with other public agencies, including agencies of Indian tribes, and private organizations.

"SEC. 460. REGULATIONS.

"The Secretary shall issue any regulations necessary to carry out this subtitle.

"SEC. 461. AUTHORIZATION.

"Of the funds authorized to be appropriated for grants under title IV of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437aaa et seq.) for fiscal year 1993, not less than $40,000,000 is authorized for activities under this subtitle.".

SEC. _____43. COMMUNITY DEVELOPMENT BLOCK GRANTS.

Section 103 of the Housing and Community Development Act of 1974 (42 U.S.C. 5303) is amended by striking the second sentence and inserting the following: "For purposes of assistance under section 106, there are authorized to be appropriated $3,900,000,000 for fiscal year 1993. Of any amounts authorized to be appropriated under this section—

"(1) not less than $3,000,000 is authorized in fiscal year 1993 in the form of grants to institutions of higher education, either directly or through areawide planning organizations or States, for the purpose of providing assistance to economically disadvantaged and minority students who participate in community development work study programs and are enrolled in full-time graduate or undergraduate programs in community and economic development, community planning, or community management,

"(2) not less than $6,500,000 is authorized for fiscal year 1993 in the form of grants to historically black colleges, and

"(3) not less than $7,000,000 is authorized for fiscal year 1993 for grants in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.".

RURAL DEVELOPMENT AND ANCIENT FOREST ECOSYSTEM CONSERVATION ACT

CRANSTON AMENDMENT NO. 2710

(Ordered referred to the Committee on Agriculture, Nutrition, and Forestry.)

Mr. CRANSTON submitted an amendment intended to be proposed by him to the bill (S. 2895) to provide a program for rural development for communities and businesses in the Pacific Northwest and northern California, to provide retraining assistance for workers in the Pacific Northwest and northern California who have been dislocated from the timber harvesting, log hauling and transportation, saw mill, and wood products industries, to provide cost share and forest management assistance to private landowners in the Pacific Northwest and northern California in order to ensure the long-term supply of Pacific yew for medicinal purposes, to preserve Federal watersheds and late-successional and old-growth forests in the Pacific Northwest and northern California, to provide oversight of national forest ecosystem management throughout the United States, to provide for research on national forest ecosystem management, and for other purposes, as follows:

On page 10, line 1, strike "and" and all that follows through line 4 and insert "Mendocino, Modoc, Lassen, Plumas, Tahoe, Eldorado, Stanislaus, Sierra, Sequoia, Inyo, and Toiyabe national Forests, and the Lake Tahoe Basin Management Unit; or".

On page 61, lines 8 through 9, strike "Committee for" and insert "Committees for Region 5 and".

On page 61, line 14, insert "Region 5 and" after "in".

On page 62, line 23, strike "; and" and insert a semicolon.

On page 62, line 25, strike the period an insert a semicolon.

On page 62, after line 25, add the following new paragraphs:

(9) consider the effect of adopting for the Eastside forests in the State of California the strategy for the protection of the California spotted owl recommended in the report entitled "The California Spotted Owl: A Technical Assessment of Its Current Status", prepared by the Forest Service, dated May 8, 1992; and

(10) evaluate the applicability of adopting for the Eastside forests in the State of California the strategy recommended in the report entitled "Recommendations for Managing Late-Seral-Stage Forests and Riparian Habitats on the Tahoe National Forest", prepared by the Forest Service, dated February 1992.

On page 64, line 20, insert "and cold water fish" after "fish".

On page 66, line 17, strike "and".

On page 66, between lines 17 and 18, insert the following new clause:

(vii) an area in the State of California identified as roadless during the second Roadless Area Review and Evaluation (RARE II) process of the Forest Service; and

On page 66, line 18, strike "(vii)" and insert "(viii)".

On page 67, line 23, before the period, insert the following: "in the States of Washington and Oregon, and harvest of trees that are 30 inches or greater in diameter (measured at breast height) shall not be permitted in the State of California".

On page 68, line 17, before the period, insert the following: "or in an area in the State of California identified as roadless during the second Roadless Area Review and Evaluation (RARE II) process of the Forest Service".

• Mr. CRANSTON. Mr. President, today I am submitting an amendment to S. 2895, the Rural Development and Ancient Forest Ecosystem Conservation Act, to address the problems of the Sierra Nevada forests of California and to provide the same protection for these forest lands as the eastside forests of Washington and Oregon.

California is well known for its spectacular mountains—the Sierra Nevadas. As John Muir wrote a century ago:

> The Sierra Nevada seems to me above all others the Range of Light, the most divinely beautiful of all the mountain chains I have ever seen.

Extending 400 miles from north to south, the Sierra Nevada encompasses a remarkable diversity of forest types, wildlife habitats, watersheds, and geologic formations. Its ancient forests are characterized by large conifers, multilayered tree canopies, and a full range of tree ages and sizes. There one finds the giant sequoia and sugar pine, as well as ponderosa pine, incense cedar, Douglas fir, white and red fir, and black oak. These forests provide essential habitat for the rare Pacific fisher and pine marten as well as the California spotted owl, Wolverine, Sierra Nevada red fox, and many species of rare frogs and salamanders.

Unfortunately, over the past hundred years, the Sierra Nevada's ancient forests have been fragmented and devastated—until now less than 15 percent of the original pristine undisturbed forest remains.

Last fall, the Sacramento Bee in a Pulitizer-prize-winning series revealed that overlogging is irreversibly altering the Sierras, eliminating its ancient forests, and threatening the survival of the diverse species the range supports. "The problems have spread gradually, like the slow march of cancer," the Bee reported. "For years, few people even noticed. The Sierra Nevada seemed somehow immune—too big and too majestic to succumb to civilization and its pressures. But its vital signs—air, water, soil, wildlife, and timber—are failing fast." The Sierra Nevada, the Bee concluded, is in peril.

The Bee identified a host of factors contributing to the decline of the Sierra Nevada forests—logging, mining, air pollution, drought, fire, and urbanization. But most serious is the accelerated logging which is denuding the land, eroding mountain soil, and silting streams and rivers. Habitat for sensitive species like the California spotted owl, pine marten and Pacific fisher is being rapidly destroyed. Once clear streams which provided habitat for chinook salmon and Paiute cutthroat trout have been ruined, the fisheries choked to death by silt.

The Forest Service's own scientists have now confirmed that existing forest management is destroying the health of the Sierra Nevadas. On May 8, 1992, the Forest Service, in conjunction with the California Resources Agency, released a report of the Technical Assessment Team of the California Spotted Owl Interagency Steering Committee which indicts existing management, documents the need for strong interim protection of the ancient forest of the Sierra Nevada pending further study, and calls for a major change in management direction. According to the scientists:

> Selective logging of the largest trees from the most productive sites in the Sierra Nevada has resulted in significant changes in diameter distributions of trees, leaving relatively few very old, large trees that are clearly selected by the owls for nesting. Clear evidence from past logging practices and from the LMP's (Land Management Plans) for Sierrans NF's indicates that most of these stands will soon be gone if the direction of forest management in Sierran conifer forests is not changed.

S. 2895 is a comprehensive measure which addresses both the need to protect our ancient forests and to assist the people and rural communities who depend upon timber production from these forests. As introduced, the bill covers the westside forests of Washington, Oregon, and northern California which provide habitat for the northern spotted owl as well as the eastside forests of Washington and Oregon.

Mr. President, the need to address the problems of the ancient forests of the Sierra Nevada is equally urgent.

My amendment would include the Sierra Nevada forests in the S. 2895. Consistent with the recommendations of the California spotted owl report, my amendment would provide for a study of the old-growth forests of the Sierra Nevada and development of an ecosystem based approach to managing these forests. it also would afford interim protection of these forests during the study period and until the study recommendations for management and protection are implemented. And my amendment would ensure that Sierra Nevada communities and forest workers also receive adequate assistance during the tough transition period ahead as timber harvesting declines. This important assistance includes financial relief, job retraining, and grants and low-interest loans to small businesses to help implement diversification of local economies.

Mr. President, I applaud Senators Adams and Leahy for their leadership in sponsoring comprehensive legislation on the old-growth forest issue and I look forward to working with them closely to ensure that all of California's old-growth forests, including the Sierra Nevada, receive proper management, protection, restoration, and maintenance of biological diversity.•

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT

METZENBAUM (AND RIEGLE) AMENDMENT NO. 2711

Mr. METZENBAUM (for himself and Mr. Riegle) proposed an amendment to amendment No. 2709 proposed by Mr. Riegle (and Mr. Metzenbaum) to the bill S. 2532, supra, as follows:

Strike all after the first word and insert the following:

____—AID TO AMERICA

SEC. _____01. SHORT TITLE.

This title may be cited as the "Aid to America Act".

Subtitle A—Medical Assistance

SEC. _____11. SHORT TITLE.

This subtitle may be cited as the "Comprehensive Child Health Immunization Act".

SEC. _____12. IMPLEMENTATION OF CENTERS FOR DISEASE CONTROL PRACTICE STANDARDS.

(a) In General.—Subtitle 1 of title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended—

(1) by redesignating section 2106 (42 U.S.C. 300aa-6) as section 2111; and

(2) by inserting after section 2105 (42 U.S.C. 300aa-5) the following new section:

"SEC. 2106. IMPLEMENTATION AND COMPLIANCE WITH IMMUNIZATION PRACTICE STANDARDS.

"(a) Designation by Secretary.—Not later than 6 months after the date of enactment of this section, the Secretary shall publish in the Federal Register a designation of those Standards for Immunization Practices, developed and published by the Centers for Disease Control under the auspices of the National Vaccine Advisory Committee (hereafter referred to in this section as the 'standards'), that the Secretary determines can be implemented without cost.

"(b) Compliance.—

"(1) In general.—Not later than 18 months after the date of enactment of this section, the Secretary shall promulgate regulations that require all individuals or entities receiving assistance from the Secretary for public sector immunization and social service programs, or for private sector immunization services provided through reimbursements made under title XIX of the Social Security Act or with vaccines made available by the Centers for Disease Control, to comply with the standards designated under subsection (a).

"(2) States.—Regulations promulgated under paragraph (1) shall require States receiving Federal funds that are used to provide vaccines, to insure that the recipients of such vaccines adhere to the standards designated under subsection (a).

"(3) Audit procedures.—The Secretary shall utilize and expand existing audit procedures to monitor compliance with the requirements of this subsection.

"(c) Other Standards.—

"(1) Provision of assistance.—The Secretary may provide assistance to entities that receive Federal immunization grant funds, to enable such entities to implement those Standards for Immunization Practices that the Secretary determines will necessitate the commitment of additional financial resources and to increase the access of children to immunizations.

"(2) Authorization of appropriations.—There are authorized to be appropriated to provide assistance under paragraph (1), $10,000,000 for fiscal year 1993.".

(b) Conforming Amendments.—

(1) Section 2102(a)(9) of such Act (42 U.S.C. 300aa-2(a)(9)) is amended by striking out "2106" and inserting in lieu thereof "2111".

(2) Section 2111(a) of such Act (as redesignated by subsection (a)(1)) is amended by striking out "section 2102(9)" and inserting in lieu thereof "sections 2102(9), 2106, 2107, 2108, 2109, and 2110".

SEC. _____13. INCREASED IMMUNIZATION THROUGH ENROLLMENT INFORMATION.

Subtitle 1 of title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by inserting after section 2106 (as added by section _____12) the following new section:

"SEC. 2107. DEVELOPMENT OF ENROLLMENT AND REFERRAL INFORMATION.

"(a) In General.—The Secretary, in consultation with the Secretary of Agriculture and with appropriate organizations, shall develop—

"(1) model questions concerning immunization status and medical history; and

"(2) model packets of information concerning—

"(A) the risks and benefits associated with vaccines;

"(B) locations of immunization providers with respect to each State; and

"(C) other material determined appropriate by the Secretary;

for use by States in enrolling and recertifying individuals with respect to programs under this Act, part A of title IV and title XIX of the Social Security Act, the special supplemental food program under section 17 of the Child Nutrition Act of 1966, and other programs designated by the Secretary.

"(b) Incorporation and Provision of Information.—

"(1) In general.—Not later than 1 year after the date of enactment of this section, the Secretary shall require States to—

"(A) incorporate the model questions developed under subsection (a)(1) into the forms and procedures utilized by such States with respect to the programs referred to in subsection (a); and

"(B) provide the appropriate information developed under subsection (a)(2) to recipients of benefits provided under the programs referred to in subsection (a).

"(2) Other entities.—The model questions and informational packets developed under subsection (a) shall be administered and provided to recipients of benefits under other Federally administered health programs, including benefits under the block grant program under title V of the Social Security Act, the preventive health block grant program under part A of title XIX of this Act, and benefits provided through community and migrant health centers.

"(c) Referral Procedures.—Not later than 1 year after the date of enactment of this section, the Secretary shall develop and apply, and require States to apply, procedures relating to the referral of individuals for immunization services, including a plan for the provision of transportation assistance for children eligible to receive assistance under title XIX of the Social Security Act.".

SEC. _____14. REQUIREMENT OF IMMUNIZATIONS WITH RESPECT TO CHILD CARE.

(a) AFDC and Family Support Services.—Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by adding at the end thereof the following new section:

"IMMUNIZATION STATUS OF CHILDREN

"Sec. 418. In addition to meeting the other requirements of this part, to be eligible to receive payments under this part, a State shall provide assurances to the Secretary that child care providers within the State that provide services for which assistance is provided under this part will utilize the questions concerning immunization status with respect to the children served by such providers, and provide such information to the parents or guardians of such children, as developed under section 2107 of the Public Health Service Act.".

(b) Social Services Block Grants.—Section 2005 of the Social Security Act (42 U.S.C. 1397d) is amended by adding at the end thereof the following new subsection:

"(c) To be eligible to receive payments under this part, a State shall provide assurances to the Secretary that child care providers within the State that provide services for which assistance is provided under this part will utilize the questions concerning immunization status with respect to the children served by such providers, and provide such information to the parents or guardians of such children, as developed under section 2107 of the Public Health Service Act.".

(c) Child Care Food Program.—Section 17(a)(2) of the National School Lunch Act (42 U.S.C. 1766(a)(2)) is amended—

(1) in subparagraph (B), by striking out "and" at the end thereof;

(2) in subparagraph (C), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(D) will utilize the questions concerning immunization status with respect to the children served by such providers, and provide such information to the parents or guardians of such children, as developed under section 2107 of the Public Health Service Act.".

(d) Child Care and Development Block Grants.—Section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e(c)(2)) is amended by adding at the end thereof the following new subparagraph:

"(K) Immunization status.—Provide assurances that child care providers within the

State that provide services for which assistance is provided under this subchapter will utilize the questions concerning immunization status with respect to the children served by such providers, and provide such information to the parents or guardians of such children, as developed under section 2107 of the Public Health Service Act.".

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of enactment of this Act.

SEC. ____15. INCREASED OUTREACH AND ACCESS TO IMMUNIZATIONS.

(a) INFANT IMMUNIZATION INITIATIVE PLANS.—Subtitle 1 of title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by inserting after section 2107 (as added by section ____13) the following new section:

"SEC. 2108. GRANTS FOR IMPLEMENTATION OF INFANT IMMUNIZATION PLANS AND SUPPORT OF INNOVATIVE PROGRAMS.

"(a) IN GENERAL.—The Secretary shall award demonstration grants to eligible State and local entities to enable such entities to fully implement the plans of such entities with respect to the Infant Immunization Initiative.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a), an entity shall—

"(1) be a State or local entity that has developed a plan under the Infant Immunization Initiative; and

"(2) prepare and submit to the Secretary an application, at such time, in such manner and containing such information as the Secretary determines appropriate, including a description of the activities the entity intends to carry out using amounts received under the grant.

"(c) MAINTENANCE OF SUPPORT.—The Secretary may not award a grant under this section to an entity unless the entity agrees to maintain the expenditures of the entity for activities of the type described in subsection (e), at a level equal to not less than the level of such expenditures maintained by the entity for the fiscal year preceding the fiscal year for which the entity is applying to receive the grant.

"(d) AMOUNT OF GRANT.—The amount of each grant provided under this section shall be determined by the Secretary based on the size and demonstrated need of the entity.

"(e) USE OF AMOUNTS.—Amounts received under a grant awarded under this section shall be utilized for the implementation of the immunization plan of the entity. Activities under such plan may include—

"(1) the establishment of express vaccination facilities in health clinics;

"(2) the provision of vaccinations in hospital emergency rooms, through in-home visits and in day or child care centers, Head Start institutions, and in schools;

"(3) the establishment of mobile vaccination teams; and

"(4) other activities determined appropriate by the Secretary.

"(f) INNOVATIVE LOCAL PROGRAMS.—The Secretary may make grants to local communities submitting applications that meet the requirements of subsection (b)(2), to assist such communities in carrying out innovative programs designed to increase access to immunizations.

"(g) REPORTING REQUIREMENT.—An entity that receives a grant under this section shall annually prepare and submit to the Secretary a report concerning the activities undertaken using amounts received under the grant. The Secretary shall compile information received in such reports, make such information available to the public, and provide for the use of such information in the immunization planning activities of other State or local entities.

"(h) AUTHORIZATION OF APPROPRIATIONS.—

"(1) GENERAL PROGRAM.—There are authorized to be appropriated to carry out this section, other than subsection (f), $20,000,000 for fiscal year 1993. A grant awarded with amounts appropriated under this paragraph shall not be for a period in excess of 3 years.

"(2) LOCAL INNOVATIVE PROGRAMS.—There are authorized to be appropriated to carry out subsection (f), $30,000,000 for fiscal year 1993.".

(b) COMPLIANCE WITH PRACTICE STANDARDS.—Section 2106 of such Act (as added by section 12) is amended by adding at the end thereof the following new subsection:

"(d) SUPPORT OF OPERATIONAL ACTIVITIES.—

"(1) IN GENERAL.—The Secretary, acting through the Centers for Disease Control, may provide assistance to entities of the type referred to in subsection (b)(1), to support the additional operational activities of immunization sites necessary to maintain compliance with the standards relating to infrastructure changes. Such assistance may also be provided to support innovative approaches designed to increase the access of children to immunization services.

"(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $5,000,000 for fiscal year 1993.".

(c) CONSUMER MATERIALS.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall provide for the development and distribution of consumer educational materials concerning childhood immunizations.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 1993, $5,000,000 to carry out this subsection.

(d) EARLY AND PERIODIC SCREENING, DIAGNOSIS AND TREATMENT PROGRAM.—The Secretary of Health and Human Services shall modify regulations with respect to the Early and Periodic Screening, Diagnosis and Treatment program under title XIX of the Social Security Act, to require States to undertake aggressive outreach efforts in contacting parents concerning the immunization of their children and in tracking the immunization status of children through information submitted to the State from immunization providers seeking reimbursement under such title XIX.

SEC. ____16. COMPREHENSIVE IMMUNIZATION TRACKING SYSTEM AND NATIONWIDE REGISTRY.

(a) NATIONAL HEALTH INTERVIEW SURVEY.—There are authorized to be appropriated to the Centers for Disease Control, $500,000 for fiscal year 1993, to pay the costs associated with the utilization of the National Health Interview Survey compiled by the National Center for Health Statistics.

(b) RESEARCH AND DEMONSTRATION PROGRAM.—Subtitle 1 of title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by inserting after section 2108 (as added by section ____15(a)) the following new section:

"SEC. 2109. NATIONWIDE COMPUTERIZED REGISTRY RESEARCH AND DEMONSTRATION PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish a research and demonstration grant program to award grants to States, or other entities determined appropriate by the Secretary, for the development of computerized immunization registries in such States.

"(b) APPLICATION.—To be eligible to receive a grant under this section, a State or other entity shall prepare and submit to the Secretary an application, at such time, in such manner and containing such information as the Secretary may require, including a description of the immunization registry that such State or entity intends to develop and implement through the use of amounts received under the grant.

"(c) USE OF AMOUNTS.—A State or entity shall use amounts received under a grant awarded under this section to—

"(1) develop and implement a computerized system for the identification and tracking of children for immunization purposes;

"(2) identify appropriate mechanisms for collecting, updating, maintaining and accessing data concerning the immunization of children;

"(3) implement procedures under which vaccine providers will have access to the current immunization records of their patients;

"(4) carry out any other activities determined appropriate by the Secretary.

"(d) REPORTING REQUIREMENTS AND NATIONAL COORDINATION.—Each State or entity that receives a grant under this section shall prepare and submit to the Secretary annual reports concerning the activities undertaken with amounts provided under this section. The Secretary shall utilize such reports to develop a nationwide, computerized registry containing immunization information concerning children throughout the United States. In developing such system, the Secretary shall establish procedures—

"(1) to collect information, through coordination with existing data gathering methods utilized by the Centers for Disease Control, from health care providers and State entities concerning the immunization status of individuals;

"(2) to enable health care providers to access information concerning their patients' immunization status; and

"(3) for tracking the immunization status of children.

"(e) COORDINATION WITH OTHER PROGRAMS.—The Secretary, and each State or entity that receives a grant under this section, shall coordinate the activities under such grant with activities carried out under section 2108.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to award grants under subsection (a), $12,000,000 for fiscal year 1993.

"(g) REPORT.—The Secretary shall annually prepare and submit to the appropriate committees of Congress, a report concerning the results of the implementation of various Statewide immunization tracking systems established under this section until such time as a nationwide system is fully implemented.".

SEC. ____17. VACCINE PURCHASE AND DISTRIBUTION DEMONSTRATION PROGRAMS.

(a) PUBLIC HEALTH SERVICE ACT.—Subtitle 1 of title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by inserting after section 2109 (as added by section ____16(b)) the following new section:

"SEC. 2110. PRIVATE PROVIDER VACCINE PURCHASE DEMONSTRATION PROGRAM

"(a) ESTABLISHMENT.—The Secretary shall establish a demonstration program under which grants will be awarded to eligible States to enable such States to purchase vaccines for distribution to and use by private health care providers.

"(b) ELIGIBLE STATES.—To be eligible to receive a grant under this section a State shall prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require.

"(c) MAINTENANCE OF SUPPORT.—The Secretary may not award a grant under this section to a State unless the State agrees to maintain the expenditures of the State for activities of the type described in subsection (d), at a level equal to not less than the level of such expenditures maintained by the State for the fiscal year preceding the fiscal year for which the State is applying to receive the grant.

"(d) USE OF AMOUNTS.—

"(1) IN GENERAL.—A State shall use amounts received under a grant awarded under this section to purchase vaccines (in addition to those vaccines that such State would otherwise purchase), and distribute such vaccines at no cost to private health care providers for the immunization of children.

"(2) REQUIREMENTS OF PROVIDERS.—A private health care provider that receives vaccines purchased by the State under this section shall—

"(A) administer such vaccines to patients without assessing such patients for the cost of such vaccines;

"(B) with respect to any assessments made for the costs of administering such vaccines to patients—

"(i) prominently display information that indicates that no individual will be denied a vaccine made available under this section because of the inability of such individual to pay for the costs associated with the administration of such vaccine by the provider; and

"(ii) base such assessments on the ability of the patients to pay, consistent with applicable State requirements;

"(C) provide the State with information concerning the number of individuals treated with such vaccines; and

"(D) carry out any other activity determined appropriate by the State.

"(3) REPORTS.—A State that receives a grant under this section shall annually prepare and submit to the Secretary a report describing the findings of the State with respect to any decrease, during the period for which the report is prepared, in the number of individuals referred by private health care providers to public providers for immunization purposes.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 1993.

"(f) REPORT.—Not later than September 30, 1995, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning the demonstration program established under this section. Such report shall include an assessment of whether the number of individuals referred by private health care providers to public providers for immunization purposes decreased in States awarded grants under this section during grant years.".

(b) SOCIAL SECURITY ACT.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by adding at the end thereof the following new section:

"PRIVATE PROVIDER VACCINE PURCHASE DEMONSTRATION PROGRAM

"SEC. 1931. (a) ESTABLISHMENT.—The Secretary shall establish a demonstration program under which grants will be awarded to eligible States to enable such States to purchase vaccines for distribution to and use by private health care providers and to provide such providers with increased reimbursements for immunization services provided under this title.

"(b) ELIGIBLE STATES.—To be eligible to receive a grant under this section a State shall prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require.

"(c) MAINTENANCE OF SUPPORT.—The Secretary may not award a grant under this section to a State unless the State agrees to maintain the expenditures of the State for activities of the type described in subsection (d), at a level equal to not less than the level of such expenditures maintained by the State for the fiscal year preceding the fiscal year for which the State is applying to receive the grant.

"(d) USE OF AMOUNTS.—

"(1) IN GENERAL.—A State shall use amounts received under a grant awarded under this section to—

"(A) purchase vaccines (in addition to those vaccines that such State would otherwise purchase), and distribute such vaccines at no cost to private health care providers, on a use and replacement basis, for the immunization of children who are eligible for medical care under this title; and

"(B) provide increased reimbursements under this title to private health care providers with respect to immunization services for which reimbursement is provided under this title.

"(2) REQUIREMENTS OF PROVIDERS.—A private health care provider that receives vaccines purchased by the State under this section shall—

"(A) provide the State with information concerning the number of individuals treated with such vaccines; and

"(B) carry out any other activity determined appropriate by the State.

"(3) REPORTS.—A State that receives a grant under this section shall annually prepare and submit to the Secretary a report describing the findings of the State with respect to—

"(A) any decrease, during the period for which the report is prepared, in the number of individuals referred by private health care providers to public providers for immunization purposes;

"(B) any increase in the number of individuals immunized under this title; and

"(C) any savings achieved by the State in the expenses of such State under this title.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 1993.

"(f) REPORT.—Not later than September 30, 1995, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning the demonstration program established under this section. Such report shall include an assessment of—

"(1) whether the number of individuals referred by private health care providers to public providers for immunization purposes decreased in States awarded grants under this section during grant years; and

"(2) the potential savings under this title with respect to immunized children.".

SEC. _____18. NATIONAL FUND FOR DISEASE OUTBREAK CONTROL.

Section 317(j) of the Public Health Service Act (42 U.S.C. 247b(j)) is amended—

(1) in paragraph (1)(A), by inserting "as provided in paragraph (3), and except" after "Except"; and

(2) by adding at the end thereof the following new paragraph:

"(3)(A) There are authorized to be appropriated $20,000,000 for fiscal year 1993 to be deposited in the National Fund for Disease Outbreak Control established under subparagraph (B).

"(B) The Secretary shall establish and administer a National Fund for Disease Outbreak Control. Such Fund shall be used by the Secretary to provide additional resources to enable the Centers for Disease Control to control the outbreaks of diseases requiring additional vaccine purchases.

"(C) Upon the determination by the Secretary that an unanticipated disease outbreak of the type described in subparagraph (B) occurs, the Secretary shall utilize the Fund established under such subparagraph to provide the Centers for Disease Control with the resources necessary to control the spread of such disease through the implementation of necessary preventive measures, including the reimmunization of children in disease-affected areas who have not yet received the recommended second-dose immunization against the disease.

"(D) Amounts appropriated under this paragraph shall remain available without fiscal year limitation.".

SEC. _____19. SUPPORT FOR SPECIAL VACCINE RESEARCH.

Section 2102(a) of the Public Health Service Act (42 U.S.C. 300aa-2(a)) is amended by adding at the end thereof the following new paragraph:

"(10) SPECIAL RESEARCH.—The Director of the Program shall enable such agencies to carry out special research with respect to—

"(A) the development of vaccines that are safe and effective in younger infants and newborns;

"(B) the development of vaccine combinations to decrease the number of injections and required vaccine provider visits; and

"(C) the development of new vaccines, including vaccines for chicken pox and rotovirus strains common throughout the United States.".

SEC. _____20. CENTERS FOR DISEASE CONTROL PROGRAM GUIDANCE.

The Centers for Disease Control shall develop a program guidance for all entities receiving a grant under this Act (or the amendments made by this Act), or any other childhood immunization grant under the Public Health Service Act, that shall require, as a condition of receiving such grants, that such grantees describe in detail the objectives, and plans for achieving such objectives, of such grantees and the specific activities to be undertaken by such grantees to reach out to high-risk populations for immunization purposes. Such program guidance shall also require such grantees to submit end-of-year reports to the Director of the Centers for Disease Control describing the success of such grantees in achieving such objectives and in carrying out such plans.

SEC. _____21. REPORT.

Not later than 6 months after the date of enactment of this Act, and annually thereafter, the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress a report concerning the immunization status of preschool and school-aged children nationwide. Such report shall contain a description of the major impediments to the attainment of desired levels of immunization and recommendations for necessary programmatic, policy and legislative changes.

Subtitle B—State Technology Extension Programs

SEC. _____31. STATE TECHNOLOGY EXTENSION PROGRAMS.

(a) ESTABLISHMENT.—Section 26(a) of the Act of March 3, 1901 (15 U.S.C. 278l(a)), is amended—

(1) by inserting immediately after "(a)" the following new sentence: "There is established within the Institute a State Technology Extension Program."; and

(2) by inserting "through that Program" immediately after "technical assistance".

(b) AUTHORITIES.—Section 26 of the Act of March 3, 1901 (15 U.S.C. 278l) is amended by adding at the end the following new subsection:

"(c)(1) In addition to the general authorities listed in subsection (b) of this section, the State Technology Extension Program also shall, through merit-based competitive review processes and as authorizations and appropriations permit—

"(A) make awards to State and conduct workshops, pursuant to section 5121(b) of the Omnibus Trade and Competitiveness Act of 1988, in order to help States improve their planning and coordination of technology extension activities;

"(B) support industrial modernization demonstration projects to help States create networks among small manufacturers for the purpose of facilitating technical assistance, group services, and improved productivity and competitiveness;

"(C) support State efforts to develop and test innovative ways to capabilities, including innovative methods for transferring Federal technology, for encouraging business networks and shared facilities among small manufacturers, for expanding the skill of the workforce, for identifying new manufacturing opportunities between small and large firms, and for working with the States and, as appropriate, private information companies, to provide small and medium-sized firms with assess to data bases and technical experts;

"(D) support cooperative research and technology assistance projects between the Institute and the States, particularly projects, funded on a matching basis, to help firms within the State to improve their manufacturing and process technologies, including manufacturing education institutes;

"(E) as appropriate, promote the creation of industry-led State quality laboratories or institutes.

"(2) Each application for financial assistance under this subsection shall demonstrate a commitment to derive at least 50 percent of the resources necessary to defray the total cost of the program from non-Federal Government sources, unless the Secretary, acting through the Director, determines that a State government lacks the required resources due to chronic financial difficulties.".

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to such sums as may be authorized to be appropriated by any other Act, there are authorized to be appropriated $110,000,000 for fiscal year 1993 to carry out the provisions of section 26 the Act of March 3, 1901 (15 U.S.C. 2781).

Subtitle C—Assistance to Unemployed and Youth

SEC. _____41. JOB CORPS.

In addition to such sums as may be authorized to be appropriated by any other Act, there are authorized to be appropriated $236,000,000 for fiscal year 1993 to carry out the provisions of part B of title IV of the Job Training Partnership Act (relating to the Job Corps) (29 U.S.C. 1691 et seq.).

SEC. _____42. HOPE FOR YOUTH: YOUTHBUILD.

Title IV of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437aaa note et seq.) is amended by adding at the end the following new subtitle:

"Subtitle D—HOPE for Youth: Youthbuild

"SEC. 451. STATEMENT OF PURPOSE.

"It is the purpose of this subtitle—

"(1) to expand the supply of permanent affordable housing for homeless individuals and members of low- and very low-income families by harnessing the energies and talents of economically disadvantaged young adults;

"(2) to provide economically disadvantaged young adults with opportunities for meaningful work and service to their communities in helping to meet the housing needs of homeless individuals and members of low- and very low-income families;

"(3) to enable economically disadvantaged young adults to obtain the education and employment skills necessary to achieve economic self-sufficiency; and

"(4) to foster the development of leadership skills and commitment to community development among young adults in low-income communities.

"SEC. 452. PROGRAM AUTHORITY.

"The Secretary is authorized to make—

"(1) planning grants to enable applicants to develop Youthbuild programs; and

"(2) implementation grants to enable applicants to carry out Youthbuild programs.

"SEC. 453. PLANNING GRANTS.

"(a) GRANTS.—The Secretary is authorized to make planning grants to applicants for the purpose of developing Youthbuild programs under this subtitle. The amount of a planning grant under this section may not exceed $150,000, except that the Secretary may for good cause approve a grant in a higher amount.

"(b) ELIGIBLE ACTIVITIES.—Planning grants may be used for activities to develop Youthbuild programs including—

"(1) studies of the feasibility of a Youthbuild program;

"(2) establishment of consortia between youth training and education programs and housing owners or developers, including any organizations specified in section 457(2), which will participate in the Youthbuild program;

"(3) identification and selection of a site for the Youthbuild program;

"(4) preliminary architectural and engineering work for the Youthbuild program;

"(5) identification and training of staff for the Youthbuild program;

"(6) planning for education, job training, and other services that will be provided as part of the Youthbuild program;

"(7) other planning, training, or technical assistance necessary in advance of commencing the Youthbuild program; and

"(8) preparation of an application for an implementation grant under this subtitle.

"(c) APPLICATION.—

"(1) FORM AND PROCEDURES.—An application for a planning grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

"(2) MINIMUM REQUIREMENTS.—The Secretary shall require that an application contain at a minimum—

"(A) a request for a planning grant, specifying the activities proposed to be carried out, the schedule for completing the activities, the personnel necessary to complete the activities, and the amount of the grant requested;

"(B) a description of the applicant and a statement of its qualifications, including a description of the applicant's past experience with housing rehabilitation or construction and with youth and youth education and employment training programs, and its relationship with local unions and apprenticeship programs, and other community groups;

"(C) identification and description of potential sites for the program and the construction or rehabilitation activities that would be undertaken at such sites; potential methods for identifying and recruiting youth participants; potential educational and job training activities, work opportunities and other services for participants; and potential coordination with other Federal, State, and local housing and youth education and employment training activities including activities conducted by Indian tribes;

"(D) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located; and

"(E) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

"(d) SELECTION CRITERIA.—The Secretary shall, by regulation, establish selection criteria for a national competition for assistance under this section, which shall include—

"(1) the qualifications or potential capabilities of the applicant;

"(2) the potential of the applicant for developing a successful Youthbuild program;

"(3) the need for the prospective program, as determined by the degree of economic distress—

"(A) of the community from which participants would be recruited (such as poverty, youth unemployment, and number of individuals who have dropped out of high school); and

"(B) of the community in which the housing proposed to be constructed or rehabilitated would be located (such as incidence of homelessness, shortage of affordable housing, and poverty); and

"(4) such other factors that the Secretary shall require that (in the determination of the Secretary) are appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

"SEC. 454. IMPLEMENTATION GRANTS.

"(a) GRANTS.—The Secretary is authorized to make implementation grants to applicants for the purpose of carrying out Youthbuild programs approved under this subtitle.

"(b) ELIGIBLE ACTIVITIES.—Implementation grants may be used to carry out Youthbuild programs, including—

"(1) architectural and engineering work;

"(2) acquisition, rehabilitation, acquisition and rehabilitation, or construction of housing and related facilities to be used for the purposes of providing homeownership under subtitle B and subtitle C of this title; residential housing for homeless individuals, and low- and very low-income families; or transitional housing for persons who are homeless, have disabilities, are ill, are deinstitutionalized, or have other special needs;

"(3) administrative costs of the applicant, which may not exceed 15 percent of the amount of assistance provided under this section, or such higher percentage as the Secretary determines is necessary to support capacity development by a private nonprofit organization;

"(4) education and job training services and activities including—

"(A) work experience and skills training, coordinated, to the maximum extent feasible, with preapprenticeship and apprenticeship programs, in the construction and rehabilitation activities described in subsection (b)(2);

"(B) services and activities designed to meet the educational needs of participants, including—

"(i) basic skills instruction and remedial education;

"(ii) bilingual education for individuals with limited-English proficiency;

"(iii) secondary education services and activities designed to lead to the attainment of a high school diploma or its equivalent; and

"(iv) counseling and assistance in obtaining admission to and obtaining financial assistance for enrollment in institutions of higher learning;

"(C) counseling services and other activities designed to—

"(i) ensure that participants overcome personal problems that would interfere with successful participation; and

"(ii) develop a strong, mutually supportive peer context in which values, goals, cultural heritage, and life skills can be explored and strengthened;

"(D) opportunities to develop the decisionmaking, speaking, negotiating, and other leadership skills of participants, such as the establishment and operation of a youth council with meaningful decisionmaking authority over aspects of the program;

"(E) activities designed to maximize the value of the participants as future employees and to prepare participants for seeking, obtaining, and retaining unsubsidized employment; and

"(F) support services and need-based stipends necessary to enable individuals to participate in the program and, for a period not to exceed 12 months after completion of training, to assist participants through support services in retaining employment;

"(5) wage stipends and benefits provided to participants;

"(6) funding of operating expenses and replacement reserves of the property covered by the Youthbuild program;

"(7) legal fees; and

"(8) defraying costs for the ongoing training and technical assistance needs of the recipient that are related to developing and carrying out the Youthbuild program.

"(c) Application.—

"(1) Form and procedure.—An application for an implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

"(2) Minimum requirements.—The Secretary shall require that an application contain at a minimum—

"(A) a request for an implementation grant, specifying the amount of the grant requested and its proposed uses;

"(B) a description of the applicant and a statement of its qualifications, including a description of the applicant's past experience with housing rehabilitation or construction and with youth and youth education and employment training programs, and its relationship with local unions and apprenticeship programs, and other community groups;

"(C) a description of the proposed site for the program;

"(D) a description of the educational and job training activities, work opportunities, and other services that will be provided to participants;

"(E) a description of the proposed construction or rehabilitation activities to be undertaken and the anticipated schedule for carrying out such activities;

"(F) a description of the manner in which eligible youths will be recruited and selected, including a description of arrangements which will be made with community-based organizations, State and local educational agencies, including agencies of Indian tribes, public assistance agencies, the courts of jurisdiction for status and youth offenders, shelters for homeless individuals and other agencies that serve homeless youth, foster care agencies, and other appropriate public and private agencies;

"(G) a description of the special outreach efforts that will be undertaken to recruit eligible young women (including young women with dependent children);

"(H) a description of how the proposed program will be coordinated with other Federal, State, and local activities and activities conducted by Indian tribes, including vocational, adult and bilingual education programs, job training provided with funds available under the Job Training Partnership Act and the Family Support Act of 1988, and housing and community development programs, including programs that receive assistance under section 106 of the Housing and Community Development Act of 1974;

"(I) assurances that there will be a sufficient number of adequately trained supervisory personnel in the program who have attained the level of journeyman or its equivalent;

"(J) a description of the applicant's relationship with local building trade unions regarding their involvement in training, and the relationship of the Youthbuild program with established apprenticeship programs;

"(K) a description of activities that will be undertaken to develop the leadership skills of participants;

"(L) a detailed budget and a description of the system of fiscal controls and auditing and accountability procedures that will be used to ensure fiscal soundness;

"(M) a description of the commitments for any additional resources to be made available to the program from the applicant, from recipients of other Federal, State or local housing and community development assistance who will sponsor any part of the construction, rehabilitation, operation and maintenance, or other housing and community development activities undertaken as part of the program, or from other Federal, State or local activities and activities conducted by Indian tribes, including, but not limited to, vocational, adult and bilingual education programs, and job training provided with funds available under the Job Training Partnership Act and the Family Support Act of 1988;

"(N) identification and description of the financing proposed for any—

"(i) rehabilitation;

"(ii) acquisition of the property; or

"(iii) construction;

"(O) identification and description of the entity that will operate and manage the property;

"(P) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located; and

"(Q) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

"(d) Selection Criteria.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

"(1) the qualifications or potential capabilities of the applicant;

"(2) the feasibility of the Youthbuild program;

"(3) the potential for developing a successful Youthbuild program;

"(4) the need for the prospective project, as determined by the degree of economic distress of the community from which participants would be recruited (such as poverty, youth unemployment, number of individuals who have dropped out of high school) and of the community in which the housing proposed to be constructed or rehabilitated would be located (such as incidence of homelessness, shortage of affordable housing, poverty);

"(5) the apparent commitment of the applicant to leadership development, education, and training of participants;

"(6) the inclusion of previously homeless tenants in the housing provided;

"(7) the commitment of other resources to the program by the applicant and by recipients of other Federal, State or local housing and community development assistance who will sponsor any part of the construction, rehabilitation, operation and maintenance, or other housing and community development activities undertaken as part of the program, or by other Federal, State or local activities and activities conducted by Indian tribes, including, but not limited to, vocational, adult and bilingual education programs, and job training provided with funds available under the Job Training Partnership Act and the Family Support Act of 1988; and

"(8) such other factors as the Secretary determines to be appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

"(e) Priority for Applicants Who Obtain Housing Money From Other Sources.—The Secretary shall give priority in the award of grants under this section to applicants to the extent that they propose to finance activities described in paragraphs (1), (2), and (6) of subsection (b) from funds provided from Federal, State, local, or private sources other than assistance under this subtitle.

"(f) Approval.—The Secretary shall notify each applicant, not later than 4 months after the date of the submission of the application, whether the application is approved or not approved.

"(g) Combined Planning and Implementation Grant Application Procedure.—The Secretary shall develop a procedure whereby an applicant may apply at the same time and in a single application for a planning grant and an implementation grant, with receipt of the implementation grant conditioned on successful completion of the activities funded by the planning grant.

"SEC. 455. YOUTHBUILD PROGRAM REQUIREMENTS.

"(a) Residential Rental Housing.—Each residential rental housing project receiving assistance under this subtitle shall meet the following requirements:

"(1) OCCUPANCY BY LOW- AND VERY LOW-INCOME FAMILIES.—In the project—

"(A) at least 90 percent of the units shall be occupied, or available for occupancy, by individuals and families with incomes less than 60 percent of the area median income, adjusted for family size; and

"(B) the remaining units shall be occupied, or available for occupancy, by low-income families;

"(2) TENANT PROTECTIONS.—

"(A) LEASE.—The lease between a tenant and an owner of residential rental housing assisted under this subtitle shall be for not less than 1 year, unless by mutual agreement between the tenant and the owner, and shall contain such terms and conditions as the Secretary shall determine to be appropriate.

"(B) TERMINATION OF TENANCY.—An owner shall not terminate the tenancy or refuse to renew the lease of a tenant of residential rental housing assisted under this title except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.

"(C) MAINTENANCE AND REPLACEMENT.—The owner of residential rental housing assisted under this subtitle shall maintain the premises in compliance with all applicable housing quality standards and local code requirements.

"(D) TENANT SELECTION.—The owner of residential rental housing assisted under this subtitle shall adopt written tenant selection policies and criteria that—

"(i) are consistent with the purpose of providing housing for homeless individuals and members of very low-income and low-income families;

"(ii) are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease;

"(iii) give reasonable consideration to the housing needs of families that would have a preference under section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)); and

"(iv) provide for the maintenance of a written waiting list in the chronological order of application, and give all applicants due consideration in appropriate sequence, notifying applicants promptly of the results of their applications.

"(3) LIMITATION ON RENTAL PAYMENTS.—Tenants in each project shall not be required to pay rent in excess of that in accordance with section 3(a) of the Housing Act of 1937.

"(4) TENANT PARTICIPATION PLAN.—For each project owned by a nonprofit organization, the organization shall provide a plan for and follow a program of tenant participation in management decisions.

"(b) TRANSITIONAL HOUSING.—Each transitional housing project receiving assistance under this subtitle shall adhere to the requirements regarding service delivery, housing standards, and rent limitations imposed on comparable housing receiving assistance under title IV of the Stewart B. McKinney Homeless Assistance Act.

"(c) LIMITATIONS ON PROFITS FOR RENTAL AND TRANSITIONAL HOUSING.—

"(1) MONTHLY RENTAL LIMITATION.—Aggregate monthly rental for each eligible project may not exceed the operating costs of the project (including debt service, management, adequate reserves, and other operating costs) plus a 6 percent return on the equity investment, if any, of the project owner.

"(2) PROFIT LIMITATIONS ON PARTNERS.—A nonprofit organization that receives assistance under this subtitle for a project shall agree to use any profit received from the operation, sale, or other disposition of the project for the purpose of providing housing for low- and moderate-income families. Profit-motivated partners in a nonprofit partnership may receive—

"(A) not more than a 6 percent return on their equity investment from project operations; and

"(B) upon disposition of the project, not more than an amount equal to their initial equity investment plus a return on that investment equal to the increase in the Consumer Price Index for the geographic location of the project since the time of the initial investment of such partner in the project.

"(d) HOMEOWNERSHIP.—Each homeownership project that receives assistance under this subtitle shall comply with the requirements of either subtitle B or subtitle C of this title.

"(e) RESTRICTIONS ON CONVEYANCE.—The ownership interest in a project that receives assistance under this subtitle may not be conveyed unless the instrument of conveyance requires a subsequent owner to comply with the same restrictions imposed upon the original owner.

"(f) CONVERSION OF TRANSITIONAL HOUSING.—The Secretary may waive the requirements of subsection (b) to permit the conversion of a transitional housing project to a permanent housing project only if such housing would meet the requirements for residential rental housing specified in this section.

"(g) PERIOD OF RESTRICTIONS.—A project that receives assistance under this subtitle shall comply with the requirements of this section for the remaining useful life of the property.

"SEC. 456. ADDITIONAL PROGRAM REQUIREMENTS.

"(a) ELIGIBLE PARTICIPANTS.—

"(1) not less than $3,000,000 is authorized in fiscal year 1993 in the form of grants to institutions of higher education, either directly or through areawide planning organizations or States, for the purpose of providing assistance to economically disadvantaged and minority students who participate in community development work study programs and are enrolled in full-time graduate or undergraduate programs in community and economic development, community planning, or community management,

"(2) not less than $6,500,000 is authorized for fiscal year 1993 in the form of grants to historically black colleges, and

"(3) not less than $7,000,000 is authorized for fiscal year 1993 for grants in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.".

Subtitle D—Antitrust

SEC. ____44. APPLICATION OF ANTITRUST LAWS.

Nothing in this Act shall be construed to create any immunity to any civil or criminal action under any Federal or State antitrust law, or to alter or restrict in any manner the applicability of any Federal or State antitrust law.

This section shall become effective upon enactment of this Act.

KASTEN (AND OTHERS) AMENDMENT NO. 2712

Mr. KASTEN (for himself, Mr. LEAHY, Mr. BYRD, Mr. BOREN, Mr. DOMENICI, Mr. NICKLES, and Mr. BOND) proposed an amendment to the bill (S. 2532), supra, as follows:

On page 52, after line 13, insert the following new section:

SEC. 21. LIMITATION ON PROCUREMENT OF GOODS AND SERVICES OUTSIDE THE UNITED STATES.

(a) IN GENERAL.—Section 604 of the Foreign Assistance Act of 1961 (22 U.S.C. 2354) is amended to read as follows:

"SEC. 604. PROCUREMENT.—(a) It shall be the policy of the United States that, in the procurement of goods and services under this Act, the agency primarily responsible for administering part I of this Act shall give preference, except in the limited circumstances described in this section and section 636, to the procurement of goods which are produced, grown, or manufactured in the United States and of services which are provided by United States firms.

"(b) Funds made available under this Act may be used for procurement outside the United States only if—

"(1) the President determines that such procurement—

"(A) will not result in adverse effects upon American industries that have a competitive capability in international markets, and

"(B) will not otherwise adversely affect the economy of the United States, with special reference to any areas of labor surplus or to the net position of the United States in its balance of payments with the rest of the world,

which adverse effects would outweigh the economic or other advantages to the United States of less costly procurement outside the United States; and

"(2) only if the price of any commodity procured in bulk is 50 percent or more lower than the market price prevailing in the United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

"(c) No funds made available under this Act may be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

"(d) In providing for the procurement of any agricultural commodity or product available for disposition under the Agricultural Trade Development and Assistance Act of 1954 for transfer by grant under this Act to any recipient country in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such agricultural commodity only within the United States except to the extent that such agricultural commodity is not available in the United States in sufficient quantities to supply emergency requirements of recipients under this Act.

"(e)(1) In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II.

"(2) In the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities which are purchased with funds provided under this Act and which are destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

"(f) No funds made available under this Act may be used for the procurement of any agricultural commodity or product thereof outside the United States when the domestic price of such commodity is less than parity, unless the commodity to be financed could not reasonably be produced in the United States in fulfillment of the objectives of a particular assistance program under which such commodity procurement is to be financed.

"(g) No funds made available to carry out part I of this Act may be used under any commodity import program, or in connection with any cash transfer or similar program (except where such program or transfer is specifically provided for by law) to make any payment to a supplier unless—

"(1) the supplier has certified to the agency primarily responsible for administering such part I such information as such agency shall be regulation prescribe, including but not limited to, a description of the commodity supplied by the supplier, its condition, and its source and origin; and

"(2) on the basis of such information, such agency shall have approved such commodity as eligible and suitable for financing under this Act.

"(h) (1) None of the funds authorized to be appropriated or made available for obligation or expenditure under this Act may be made available for the procurement of construction or engineering services from advanced developing countries, eligible under the Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services.

(2) Paragraph (1) does not apply with respect to an advanced developing country which—

"(A) is receiving direct economic assistance under chapter 1 of part I or chapter 4 of part II of this Act, and

"(B) if the country has its own foreign assistance programs which finance the procurement of construction or engineering services, permits United States firms to compete for those services.

"(i) The requirements of this section do not apply to the procurement of goods or services in connection with the provision of assistance under chapter 9 of part I of the Foreign Assistance Act of 1961 (relating to international disaster assistance).

"(j)(1)(A) The Administrator, Deputy Administrator, any Associate Administrator, or any Assistant Administrator of the agency primarily reponsible for administering part I of this Act may, in order to authorize procurement from advanced developing countries or countries included under Geographic Code 935, waive the provisions of this section only with respect to specific procurement transactions and only if such person determines that to do so is vital to furnish assistance as effectively and expeditiously as possible.

"(B) The waiver authority conferred by subparagraph (A) may not be delegated to any officer or employee not specified in that subparagraph.

"(2)(A) The Administrator of such agency shall submit a quarterly report to the appropriate congressional committees setting forth any waivers made during the preceding calender quarter under this subsection and subsection (i), together with the reasons therefor.

"(B) As used in this paragraph, the term 'appropriate congressional committees' means the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

"(3) The exemption provided by this subsection shall not be construed to apply to the Comprehensive Anti-Apartheid Act of 1986.

"(k) The provisions of this section shall not be superseded except by a provision of law which specifically repeals, modifies, or supersedes the provisions of this section.".

(b) Procurement of Motor Vehicles.—Section 636(i) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(i)(1) Notwithstanding any other provision of law, none of the funds made available to carry out this Act shall be used to finance the purchase, sale, long-term lease, exchange, or guaranty of a sale of motor vehicles unless such motor vehicles are manufactured in the United States.

. "(2) Paragraph (1) shall not apply—

"(A) in cases of emergency where motor vehicles cannot be manufactured in the United States to meet demands when time is of the essence; or

"(B) where the total number of motor vehicles sought to be used in a foreign country by the agency primarily responsible for administering part I of this Act is six or fewer or, in excess of that number, if the Administrator, Deputy Administrator, any Associate Administrator or any Assistant Administrator of such agency determines that to do so is necessary for the effective administration of the agency's programs. The authority of this subparagraph may not be delegated to any other officer or employee of that agency.

"(3) Nothing in this Act may be construed as approval of any decision to not purchase a motor vehicle manufactured in the United States when such purchase is feasible and consistent with the purposes of the assistance being provided.".

(c) Repeal.—Section 496(b)(4)) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(n)(4)) is hereby repealed.

(d) Buy-America Advocate.—Part III of the Foreign Assistance Act of 1961 is amended by inserting after section 604 the following new section:

Sec. 604A. Buy-America Advocate.—(a) The Administrator shall establish within the agency an Office of the Buy-America Advocate for the purpose of maximizing the participation of United States businesses in the development process by ensuring that the agency adheres to 'Buy America' precepts in all its procurement activities.

"(b) The Office shall be headed by a Buy-America Advocate who shall be appointed by the Administrator from among career Senior Foreign Service officers having extensive experience in export transactions, commodity import programs, and privatization. The Advocate shall be directly responsible to the Administrator.

"(c) The Buy-America Advocate shall—

"(1) have access to and the authority to review all documentation involving procurement activities of the agency;

"(2) review all programs involving cash transfers to determine whether a commodity import program will accomplish the same policy objectives as the cash transfer; any disagreement with a determination by the Buy-America Advocate that the same policy objectives can be accomplished by a commodity import program shall be resolved by the Administrator;

"(3) have full and unimpeded access to all information provided under the Buy-American reporting system (BARS), or any successor system to BARS;

"(4) have full and unimpeded access to technical services and information involving procurement activities, particularly the procurement of commodities and the entering into contracts;

"(5) receive and review all justifications for any procurement of non-United States commodities and services, including those funded by the Development Fund for Africa and, based on that review, shall, on a case-by-case or class-of-procurement basis, recommend to the Administrator any corrective actions that are necessary to ensure that Buy-America procurement opportunities are maximized;

"(6) coordinate its efforts with agency officials who perform duties in the area of trade and investment promotion and information; and

"(7) be accessible to the United States business community, ensuring that the community is fully aware of opportunities for exports, investments, and joint ventures in developing countries.

"(d) Beginning 6 months after the date of enactment of this section, and every 12 months thereafter, the Administrator shall submit to the Congress a report prepared by the Advocate which—

"(1) details procurement by the agency of United States commodities and services during the preceding reporting period;

"(2) compares Buy-America procurement for the same period of the preceding year;

"(3) contains data for all agency activities that accurately reflects the percentages of commodities and services financed by the agency that are of United States sources or origin;

"(4) analyzes mission or bureau programs to identify shortfalls in performance in meeting Buy-America requirements contained in law and regulations; and

"(5) identifies remedial action to overcome such shortfalls.

"(e)(1) The agency shall assign to the Office such staff as may be necessary to carry out this section, including individuals who are expert in contracts and statistical analysis.

"(2) In addition, the agency shall provide the staff with all automation support requirements, including access to all relevant procurement- and financial management-related systems, databases, and files.

"(f) As used in this section—

"(1) the term 'Administrator' means the Administrator of the agency; and

"(2) the term 'agency' means the agency primarily responsible for administering part I of this Act.".

WALLOP (AND OTHERS) AMENDMENT NO. 2713

Mr. WALLOP (for himself, Mr. Domenici, Mr. Simpson, Mr. Johnston, Mr. Pressler, and Mr. Nunn) proposed an amendment to the bill (S. 2532), supra, as follows:

On page 30, insert after section 7, the following new section and renumber subsequent sections accordingly:

(a) In General.—The President, in consultation with the Secretary of Energy, the Secretary of State and the Chairman of the Nuclear Regulatory Commission, shall designate an agency of the Executive Branch to develop and implement a limited, phased program to enhance the near-term safety of

Soviet-designed nuclear power plants. Funds authorized to be appropriated by this Act may be used for this program. The program established in this section shall be integrated with similar efforts undertaken in cooperation with other industralized countries and international organizations, including the International Atomic Energy Agency. In implementing the program, the Secretary of Energy shall utilize United States industry expertise where appropriate.

(b) PROGRAM PRIORITIES.—In implementing any program under the authority of this section, the Secretary shall establish priorities for the implementation of safety upgrades based on the greatest incremental increase in reactor safety relative to the amount of funds expended.

(c) SAFETY UPGRADES.—Safety upgrades shall be consistent with the provisions of subsection (a) and may include, but are not limited to, plant improvements and modifications to reduce risk, training to personnel, and development and implementation of an effective independent regulatory organization.

(d) FUNDING.—The President is encouraged to establish an interagency group including the Department of the Treasury, the Department of Commerce, the Department of Energy and the Export-Import Bank, to coordinate United States and multilateral funding and financing mechanisms for the program established by this section.

(e) RECOMMENDATION.—The Secretary of State shall provide Congress with appropriate recommendations for revisions to United States export and trade statutes to expedite implementation of the program established in this section and related programs.

GRAHAM (AND OTHERS) AMENDMENT NO. 2714

Mr. GRAHAM (for himself, Mr. BIDEN, Mr. LIEBERMAN, Mr. WIRTH, and Mr. BRADLEY) proposed an amendment to the bill (S. 2532), supra, as follows:

On page 35, insert after line 19 the following new section and renumber the subsequent sections accordingly:

"NUCLEAR SAFETY ASSISTANCE PROGRAM

"SEC. 9. In addition to the program authorized in section 8, the Secretary of State, in consultation with the Secretary of Energy and the Nuclear Regulatory Commission, is authorized and encouraged to develop a program to provide for participation by the United States in international efforts including—

"(a) Implementing short-term measures to improve nuclear power plant operational safety, including the training of power plant personnel, implementation of improved procedures for nuclear power plant operation, the development of effective and independent regulatory authorities, and cost-effective hardware upgrades;

"(b) Developing and providing recommendations, in consultation with the affected states, for medium-term measures to assist in the development of comprehensive and market-based programs for cost-efficient supplies of electricity, including programs to improve the planning of energy supply and demand, to increase the efficiency of existing and future energy supplies and uses, to improve the management of demand, to develop market-based energy pricing, and to identify energy alternatives that will increase to shut down the nuclear power plants for which safety improvements would not be cost-effective beyond the short-term; and

"(c) Developing and providing recommendations, in consultation with the affected states, for long-term measures for the development of safe and cost-effective supplies of electricity.".

DOMENICI (AND OTHERS) AMENDMENT NO. 2715

Mr. DOMENICI (for himself, Mr. DOLE, and Mr. KASTEN) proposed an amendment to the bill (S. 2532), supra, as follows:

SEC. . AMERICAN CENTERS TO SUPPORT PEACEFUL TRANSITIONS LEADING TO FREE MARKET ECONOMIES AND DEMOCRATIC VALUES IN RUSSIA, THE UKRAINE, BELARUS, GEORGIA, ARMENIA, AND OTHER NEW INDEPENDENT STATES.

In order to demonstrate an American commitment to support the peoples of Russia, the Ukraine, Belarus, Georgia, Armenia, and other new independent States, the President should establish American Centers to promote commerical, professional, civic, and other partnerships between the people of the United States and the peoples of new independent states for the purposes of:

(1) establishing a liaison to facilitate exchanges between the peoples of the republics of the former Soviet Union and American business entities, state and local governments, and professional and civic institutions in the United States;

(2) providing a repository for commerical, legal, and technical (including environmental and export control) information;

(3) identifying existing or potential counterpart businesses or organizations that may require specific technical coordination or assistance; and

(4) helping to establish the legal and regulatory framework and infrastructure that is a critical prerequisite to the establishment of a market oriented economy and democratic institutions;

(5) such other objectives that the Center Directors and Coordinator may identify and have been approved by the Executive Board.

SEC. . EXECUTIVE BOARD AND DIRECTORS OF CENTERS.

(a) THE EXECUTIVE BOARD.—The President is authorized to appoint an Executive Board of no more than ten United States citizens to advise the President and to provide policy and technical direction to the American Centers. The Board Members should be chosen from individuals who have demonstrated leadership in business, professional, and civic organizations that engage in relevant international activities, in particular in the new independent States.

(b) DIRECTORS OF THE AMERICAN CENTERS.—Upon the appointment of an Executive Board as provided in Subsection (a), the President may designate, from a list of candidates submitted by the Executive Board upon his request, Directors of one or more American Centers to carry out the purposes of the Act. The Executive Board shall work as expeditiously as possible to respond to requests to establish additional American Centers in major cities of the Republics.

(c) POLICY COORDINATION OF AMERICAN CENTERS.—The President is encouraged to designate a coordinator to oversee, subject to the policy direction of the Secretary of State, activities conducted by the United States Government in connection with the American Centers and other activities authorized by the Freedom Support Act. The coordinator, the Deputy Secretary of State, and the Chairman of the Trade Promotion Coordinating Committee shall be ex officio members of the Executive Board.

(d) The Executive Board shall consult with and provide periodic reports to the President, the Secretary of State, and the appropriate committees of Congress.

(e) Nothing in this section shall be construed

(i) to make the Executive Board or any American Center an agency or establishment of the United States Government, or

(ii) to make any member of the Executive Board or director of an American Center officers of employees of the United States Government, for the purpose of title 5, United States Code or any law administered by the Office of Personnel Management. In addition, the provisions of the Federal Advisory Committee Act shall not apply to the Executive Board or any American Center.

SEC. . FUNDING FOR AMERICAN CENTERS AND FOR TECHNICAL SUPPORT FOR DEMOCRATIC GOVERNMENTS, PRIVATE INSTITUTIONS, AND PROFESSIONAL ORGANIZATIONS IN THE SOVIET REPUBLICS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts made available for assistance under the Freedom Support Act, not more than $5,000,000 for fiscal year 1993, and not more than $10,000,000 during any subsequent fiscal year shall be available for asssitance in accordance with this Act.

(b) TYPES OF ASSISTANCE AUTHORIZED.—Funds made available pursuant to this Act shall be used to establish and maintain the American Centers and to provide technical and related support assistance to any eligible recipients in the new independent States.

(c) ELIGIBLE RECIPIENTS.—As used in the Act, the term, "eligible recipient" means—

(1) the government of any republic, and any local government, within the new independent State (or any successor state) that was elected through open, free, and fair elections, and

(2) any nongovernmental organization that promotes democratic reforms, market oriented reforms, the rule of law (including the legal infrastructure prerequisite to the foregoing) or any other objctives of this Act.

(3) any governmental agencies that promote democratic reforms, market-oriented reforms, or the rule of law (except that no more than fifteen percentum of amount authorized in subsection (a) may be used for this category).

(d) RESTRICTIONS.—No cash grants may be made under this Act to any governmental agency or organization in the new independent States. Payments for rent or lease of office facilities for an American Center are to be made, to the extent practicable, from local currency provided for that purpose by the host government.

(e) Except to the extent inconsistent with this Act, technical assistance under this Act shall be considered to be assistance under part 1 of the Foreign Assistance Act for the purposes of making available the administrative authorities of that Act.

(f) The Centers are authorized to accept private contributions from United States citizens and organizations to be used pursuant to the provisions of this Act.

LUGAR (AND OTHERS) AMENDMENT NO. 2716

Mr. LUGAR (for himself, Mr. NUNN, Mr. WARNER, and Mr. PELL) proposed an amendment to the bill (S. 2532), supra, as follows:

At the appropriate place in section 8 of the bill, insert the following new section:

" . NUCLEAR SAFETY.

"The authority in this Act to establish programs for establishing verifiable safeguards against the proliferation of weapons may also be utilized, on the same basis, for programs for to promote nuclear reactor safety and to reduce the danger of nuclear accident.".

GLENN (AND SIMON) AMENDMENT NO. 2717

Mr. GLENN (for himself and Mr. SIMON) proposed an amendment to the bill (S. 2532), supra, as follows:

On page 29, line 8, after "(B)" insert the following: "any chemical or biological weapon or".

On page 29, strike lines 16 through 24 and insert in lieu thereof the following:

(5) has undertaken any of the activities with respect to which sanctions must be imposed under sections 669 or 670 of the Foreign Assistance Act of 1961 or section 506(a)(1) of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993; or

(6) has repeatedly provided support for acts of international terrorism.

The President may waive the application of the prohibition on assistance contained in this subsection—

(A) in the same manner as such waiver could be exercised under any other provision of law with respect to the same activity; or

(B) if no waiver authority under any other provision of law exists with respect to that activity, then only if the President certifies and justifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that to do so would serve the objectives of this Act.

On page 42, line 18, insert after "1990" the following: ", and section 5(b) of this Act".

DOLE AMENDMENT NO. 2718

Mr. LUGAR (for Mr. DOLE) proposed an amendment to the bill (S. 2532), supra, as follows:

On page 33, after line 18, insert the following:

"to improve the quality and availability of health care for citizens of the Independent States of the former Soviet Union, with particular emphasis on infants, children and people with disabilities. Up to $2,000,000 is authorized to be appropriated for the purposes of establishing programs that:

"support sister hospital expansion programs;

"promote program development for neonatal pilot projects and training of medical professionals; and

"promote greater institutional development".

KASTEN AMENDMENT NO. 2719

Mr. LUGAR (for Mr. KASTEN) proposed an amendment to the bill (S. 2532), supra, as follows:

Page 3, add the following new paragraphs to section 2:

Findings:

(5) serious environmental problems now exist within Russia and the other independent states of the former Soviet Union, including problems with depleted fisheries; heavily polluted rivers, lakes, and groundwater; contamination from both civilian and military nuclear programs; and degraded farmland and forests; but that notwithstanding the extent of these environmental problems, many forests, rivers, lakes, and watersheds are relatively undisturbed and are of great scientific and educational value and furthermore the region includes the largest virgin forest remaining on the Earth; and

(6) aid to Russia and the independent states of the former Soviet Union be carried out in such a way that avoids the degradation of the relatively unpolluted and undamaged natural resources, that affirmatively promotes the protection of critical lakes, rivers, watersheds and that is not used to finance unsustainable exploitation of forests or large-scale engineering projects which have significant adverse environmental impacts.

Page 29, under (b) INELIGIBILITY FOR ASSISTANCE add the following new paragraph:

(6) has failed to take constructive actions to protect the international environment, prevent significant transborder pollution, and to promote sustainable use of natural resources.

Page 35, line 7, add the following new paragraph (F) under section 7, Types of Activities:

(F) to preserve relatively undamaged rivers, lakes, forests and other areas of special environmental significance.

CRANSTON AMENDMENT NO. 2720

Mr. LUGAR (for Mr. CRANSTON) proposed an amendment to the bill (S. 2532), supra, as follows:

Page 31, on line 10, insert after "programs", the following language, "for these Republics and the nations of Eastern Europe."

D'AMATO (AND OTHERS) AMENDMENT NO. 2721

Mr. D'AMATO (for himself, Mr. HELMS, Mr. PRESSLER, Mr. BROWN, and Mr. MACK) proposed an amendment to the bill (S. 2532), supra, as follows:

At the appropriate place, add the following:

Findings:

(1) the Bush administration has indicated its support in principle for the concept of providing appropriate assistance to Israel to help it meet the urgent humanitarian needs associated with the massive influx of immigrants from the former Soviet Union;

(2) the recent elections in Israel have generated renewed hope for productive discussions between the United States and Israel on the issue of providing such assistance; and

(3) in the aftermath of the formation of a new Israeli Government, the Bush administration should be given a reasonable period of time to explore and implement such discussions: Now, therefore, it is the sense of the Senate:

(1) the Bush administration should pursue renewed, good faith discussions with the Israeli Government on the provision of the aforesaid assistance, as soon as a new Israeli Government is formed and is fully functioning.

(2) while monitoring and encouraging such discussions, it is the intention of the United States Senate to take up and favorably act on legislation involving appropriate assistance to Israel to help it meet the needs generated by the influx of immigrants from the former Soviet Union before the adjournment of the 102d Congress.

McCAIN (AND OTHERS) AMENDMENT NO. 2722

Mr. LUGAR (for Mr. McCAIN, for himself, and Mr. KASTEN) proposed an amendment to the bill (S. 2532), supra, as follows:

At the appropriate place, insert the following new section:

SEC. . PROMULGATION OF FINAL REGULATIONS ON CERTAIN AVIATION ISSUES.

(a) REQUIREMENT TO PROMULGATE FINAL REGULATIONS BY SEPTEMBER 1, 1992.—After September 1, 1992, the Secretary of Transportation shall no longer have authority to regulate airline computer reservation systems if by September 1, 1992, either—

(1) the Secretary of Transportation does not promulgate final regulations governing airline computer reservation systems; or

(2) the Administrator of the Federal Aviation Administration does not promulgate final regulations on the allocation and transfer of airline slots at high density traffic airports.

(b) FEDERAL TRADE COMMISSION AUTHORITY.—

(1) AMENDMENT TO FEDERAL TRADE COMMISSION ACT.—Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by striking "air carriers and foreign air carriers subject to the Federal Aviation Act of 1958,".

(2) REQUIREMENT TO PROMULGATE FINAL REGULATIONS.—If the authority of the Secretary of Transportation to regulate airline computer reservation systems is no longer in effect as a result of the operation of subsection (a), the Federal Trade Commission shall promulgate final regulations governing airline computer reservation systems not later than December 1, 1992.

(c) EFFECTIVE DATES.—The amendment made by subsection (b)(1) shall take effect on September 2, 1992, but only if the authority of the Secretary of Transportation to regulate airline computer reservation systems is no longer in effect as a result of the operation of subsection (a). The other provisions of this section are effective on the date of enactment of this Act.

RIEGLE AMENDMENT NO. 2723

Mr. LUGAR (for Mr. RIEGLE) proposed an amendment to the bill (S. 2532), supra, as follows:

At the end of the bill, add the following new section:

SEC. . DISASTER ASSISTANCE FOR TREES LOST DUE TO FIRE BLIGHT.

(a) IN GENERAL.—Section 2255(a) and 2256(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note) are amended by inserting "fire blight," after "earthquake," both places it appears.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective as of November 28, 1990.

MACK AMENDMENT NO. 2724

Mr. LUGAR (for Mr. MACK) proposed an amendment to the bill (S. 2532), supra, as follows:

At the appropriate place in the bill, add the following new section:

SEC. . PROVIDING FOR WITHDRAWAL OF RUSSIAN MILITARY PERSONNEL FROM CUBA.

The President would obtain a commitment from Russia to withdraw its combat troops and nonembassy military personnel from

Cuba as expeditiously as possible and by a date certain, and if necessary, should facilitate the withdrawal of said troops and personnel.

LUGAR AMENDMENT NO. 2725

Mr. LUGAR proposed an amendment to the bill (S. 2532), supra, as follows:

On page 33, line 14, strike "needs," and insert "needs (including the nutritional needs of infants by providing baby food as part of direct food assistance programs),".

SPECTER AMENDMENT NO. 2726

Mr. SPECTER proposed an amendment to the bill (S. 2532), supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . INTERNATIONAL LENDING REQUIRED TO BE SECURED BY CERTAIN EXPORT EARNINGS.

(a) UNITED STATES ACTION.—By January 1, 1994, and for each calendar year thereafter, the President of the United States shall either (1) certify to Congress that the former Soviet Republics are adhering to the debt repayment schedules stipulated by the multilateral lending institutions described in this Act; or (2) direct the Secretary of the Treasury to instruct—

(A) the United States executive directors to the International Bank for Reconstruction and Development and to the European Bank for Reconstruction and Development to vote against the extension of any credit, or the issuance of any guarantee with respect to any credit, by the Banks for the purpose of assisting any of the independent states of the former Soviet Union, and

(B) the United States executive director to the International Monetary Fund to vote against any use of the resources of the Fund, including any use of United States currency under the Fund's general arrangements to borrow (GAB) as part of any currency stabilization fund or otherwise, for the purpose of assisting any of the independent states of the former Soviet Union, unless repayment of the credit or such other resources, as the case may be, is secured by the royalties or other revenues, if any, earned by state from the export of petroleum products, minerals, or other commodities.

(b) MULTILATERAL ACTIONS.—The Secretary of the Treasury shall instruct the United States executive directors to the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development, and the International Monetary Fund to propose that such institutions establish policies in opposition to the use of resources as described in subsection (a) unless the repayment of such resources is secured in accordance with that subsection.

(c) DEFINITION.—As used in this section, the term "petroleum product" means crude oil, residual fuel oil, or any refined petroleum product (including any natural liquid and any natural gas liquid product).

KASTEN (AND INOUYE) AMENDMENT NO. 2727

Mr. LUGAR (for Mr. KASTEN, for himself and Mr. INOUYE) proposed an amendment to the bill S. 2532, supra, as follows:

On page 29, after line 19, insert the following:

"(6)(A)(i) denies its citizens the right or opportunity to emigrate,

(ii) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever, or

(iii) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice; and

(B) with respect to which a waiver has not been made under title IV of the Trade Act of 1974;

except that, commencing 120 days after enactment of this Act, such assistance may not be provided unless the President has furnished a report to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on Foreign Affairs and Appropriations of the House of Representatives on the extent of progress such states have made in respect of the criteria described in subparagraph (A).".

KASTEN AMENDMENT NO. 2728

Mr. LUGAR (for Mr. KASTEN) proposed an amendment to the bill S. 2532, supra, as follows:

On page 29, after line 19, insert the following:

"(6) is responsible for paying an equitable portion of the indebtedness incurred before December 25, 1991, by the former Soviet Union (including any agency, instrumentality, or political subdivision thereof) to United States firms, unless the President determines and reports to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on Appropriations and Foreign Affairs of the House of Representatives that such government has not adopted a policy of refusing to pay such equitable portion.".

SCHOOL BREAKFAST AND LUNCH PROGRAMS

LEAHY AMENDMENT NO. 2729

Mr. FORD (for Mr. LEAHY) proposed an amendment to the resolution (S. Res. 303) to express the sense of the Senate that the Secretary of Agriculture should conduct a study of options for implementing universal-type school breakfast and lunch programs, as follows:

Strike all after the resolving clause and insert the following:

It is the sense of the Senate that the Secretary of Agriculture should incorporate into the studies required under section 1779 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 1751 note) a study of various options for implementing universal-type school lunch and breakfast programs that includes consideration and assessment of—

(1) how to administratively structure universal-type school lunch and breakfast programs;

(2) how to increase the role of nutrition education;

(3) how to encourage schools to increase their participation in the school breakfast program;

(4) an appropriate a la carte food policy to be consistent with universal-type school lunch and breakfast programs;

(5) options for funding the cost of universal-type school lunch and breakfast programs;

(6) administrative costs and savings at Federal, State, and local levels as a result of not having to determine family income and do income-based meal counts; and

(7) the need for legislative changes to carry out universal-type school lunch and breakfast programs.

SEC. 2. As used in this resolution, the term "universal-type school lunch and breakfast programs" means school lunch and breakfast programs administered under the National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) under which the Federal reimbursement under the programs for each meal served consistent with United States Department of Agriculture guidelines is provided at an equal rate without regard to the income of the family of the student.

SEC. 3. The Secretary is requested to submit a final report on the information requested by this resolution to Congress with the final report submitted under section 1779(c)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 1751 note).

SEC. 4. A copy of this resolution shall be transmitted to the President, the Secretary of Agriculture, the Secretary of Education, the Secretary of Health and Human Services, and the Director of the Office of Management and Budget.

Strike the preamble and insert the following:

Whereas the national school lunch and breakfast programs are vital to protecting the health and well-being of the Nation's children;

Whereas these essential child nutrition programs help prepare children to learn and to combat childhood hunger;

Whereas the national school lunch program serves approximately twenty-five million children a day, and the school breakfast program serves approximately four million children a day;

Whereas there are several million eligible low-income students who are not participating in the free and reduced price school meal programs; and

Whereas Federal subsidies were reduced early in the last decade, United States Department of Agriculture bonus commodities have dramatically declined, the administrative complexity and cost of administering the national school lunch and breakfast programs have increased, and local indirect cost assessments are reported to be increasing in many local school districts: Now, therefore, be it

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a markup on Thursday, July 2, 1992, beginning at 9:30 a.m., in 485 Russell Senate Office Building on S. 2044, the Native American Languages Act; S. 1687, the Indian tribal government waste management; and S. 2836, a bill to promote economic development on Indian reservations by making loans to States and to assist States in constructing roads on Indian reservations; to be followed immediately by an oversight hearing on fractionated heirships, management of Indian trust funds, Indian probate, oil and gas royalty management, land consolidation demonstration programs. Another hearing will take place at 2:30 p.m. in the Russell Senate Office Building on the Indian Business Opportunities Enhancement Act.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that an oversight hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Wednesday, July 22, 1992, beginning at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the report and recommendations to the Director of the National Park Service from the steering committee of the 75th anniversary symposium, and on the status of the transition of the Presidio to the National Park Service.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact David Brooks of the subcommittee staff at (202) 224-9863.

Mr. BUMPERS. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Tuesday, July 28, 1982, beginning at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the health of the eastside forests in Oregon and Washington and amendment No. 1442 to S. 1156, the Federal Land and Families Protection Act of 1991. Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact Erica Rosenberg of the subcommittee staff at (202) 224-7933.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON JUVENILE JUSTICE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Juvenile Justice of the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, July 2, 1992, at 10 a.m., to hold a hearing on juvenile justice reauthorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2 p.m., July 2, 1992, to receive testimony on S. 2529, to provide for the transfer of certain lands to the government of Guam, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PERMANENT INVESTIGATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Permanent Investigations of the Governmental Affairs Committee be authorized to meet on Thursday, July 2, at 9 a.m. for a hearing on the subject: "Efforts To Combat Fraud and Abuse in the Insurance Industry."

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet on July 2, 1992, beginning at 9:30 a.m., in 485 Russell Senate Office Building, to consider for report to the Senate S. 2044, the Native American Languages Act; S. 1687, the Indian tribal government waste management; and S. 2836, a bill to promote economic development on Indian reservations by making loans to States and to assist States in constructing roads on Indian reservations; to be followed immediately by an oversight hearing on fractionate heirships, management of Indian trust funds, Indian probate, oil and gas royalty management, land consolidation demonstration programs; followed by a later hearing at 2:30 p.m. on the Indian Business Opportunities Enhancement Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON POW/MIA AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent for the Senate Select Committee on POW/MIA Affairs to meet on Thursday, July 2, at 9 a.m. in room 106 of the Senate Dirksen Office Building to discuss and vote on declassification of POW/MIA documents.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on women veterans' health care legislation and oversight. The hearing will be held at 10 a.m. on July 2, 1992, in room 216 of the Hart Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 2, at 8:30 a.m. to mark up Treaty Document 102-20, treaty between the United States and the U.S.S.R. on the reduction and limitation of strategic offensive arms—the START Treaty—and protocol thereto dated May 23, 1992, Treaty Document 102-32. The committee will also consider and vote on other noncontroversial business items.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE GETTYSBURG ADDRESS—A CALL TO REVEILLE

• Mr. WOFFORD. Mr. President, early in the day of July 1, 1863, 129 years ago yesterday, Gen. John Buford's Union cavalry clashed with Gen. A.P. Hill's Confederate cavalry west of a tiny Pennsylvania hamlet called Gettysburg. Thus began a monumental contest pitting commanding generals George G. Meade and Robert E. Lee and over 160,000 soldiers.

The battle raged for 3 days and resulted in more than 51,000 casualties. Finally, on the afternoon of July 4, Lee started his retreat back to Virginia. General Meade had stopped Lee's second invasion of the North.

Four months later, President Abraham Lincoln delivered a few appropriate remarks at the dedication of the Gettysburg National Cemetery. Historically, the Battle of Gettysburg sculpted forever the remarkable fortune of a United States.

Mr. President, each year at this time, the annual Gettysburg Civil War Heritage Days is celebrated. Heritage Days is a grand event—commemorating our democracy, freedom, and equality. I salute the citizens of Pennsylvania who participate in this event.

However, this year the celebration is marred. The 1½ million visitors who yearly tour the Gettysburg National Military Park, will not be able to see that great document which Carl Sandburg described as containing "the taller riddles of democracy" and which gave purpose to our revered countrymen's sacrifice—the address delivered by President Lincoln at the dedication of the cemetery at Gettysburg—known worldwide as the Gettysburg Address.

The Library of Congress controls two original draft copies of the Gettysburg Address, handwritten by President Lincoln. For the past 12 years, these copies have been loaned on a rotating basis to the Gettysburg National Military Park, for display. However, last December, the Library terminated the loan agreement.

The Library of Congress' staff has told me that the National Park Service has exercised extreme care in displaying the Gettysburg Address. However, the Library wants to show the copies solely in Washington, DC. This has led to a reveille call for those, like me, who believe that the Gettysburg Address should be displayed at its birth site. Several members of the Pennsylvania delegation and I are engaged in negotiations to make this happen.

As Garry Wills has written in his new book, "Lincoln at Gettysburg",

> The Gettysburg Address means what Lincoln told us it means * * * Lincoln not only presented the Declaration of Independence in a new light, as a matter of founding law, but put its central proposition, equality, in a newly favored position. By accepting the Gettysburg Address, and its concept of a single people dedicated to a proposition, we have been changed. Because of it, we live in a different America.

For Lincoln, this proclamation could only have been made at Gettysburg. Each year, visitors from around the Nation and the world tour the battlefield to pay their respect to those who gave the last full measure of devotion. Over the years, the immortal 10 sentences that make up the Gettysburg Address, written in President Lincoln's hand, have inspired the people who have come to Gettysburg. For those of us who have been working on this issue, the call to reveille was heard.

Currently, we are exploring with members of the Committee on the Library of Congress, which has jurisdiction over such matters, a solution that would require a renewal of the loan agreement between the Library and the National Park Service for an original copy of the Gettysburg Address.

Such a solution would ensure that during the summers to come, visitors to Gettysburg will get to see a cornerstone of their American history—written in Abe Lincoln's hand—the Gettysburg Address.•

C–17

• Mr. D'AMATO. Mr. President, if "The Picture of Dorian Gray" had a defense equivalent, it would be the C–17. With each mischaracterization, misexplanation, or misstatement by the contractor or the Air Force as to the past, present, or future of the program, a new and monstrous flaw appears somewhere on the C–17. At this point, the aircraft is little more than a collection of dollar-weeping sores. For the cash-strapped Air Force, the C–17 has proven a wound they cannot heal.

I ask that an article that appeared in the Wall Street Journal on June 26, 1992, entitled "Air Force General Says Problems Mount for McDonnell Douglas on C–17 Project" be entered into the RECORD at this point as if read in its entirety.

Interestingly, the projected $1.1 billion in overruns on the C–17 contract matches almost perfectly the request for the controversial, and frankly ill-considered, F/A–18E/F, also built by McDonnell Douglas. Are we robbing Peter to pay Paul?

The article follows:

[From the Wall Street Journal, June 26, 1992]

AIR FORCE GENERAL SAYS PROBLEMS MOUNT FOR MCDONNELL DOUGLAS ON C–17 PROJECT

(By Andy Pasztor)

WASHINGTON.—McDonnell Douglas Corp.'s C–17 transport faces escalating problems as a result of turmoil among many assembly-line workers and subcontractors, according to the Air Force general in charge of the program.

Gen. Kenneth Miller acknowledged in a recent interview that McDonnell Douglas's plan to lay off thousands of additional workers at its Long Beach, Calif., plant, which turns out both military and commercial jets, is likely to cause serious disruptions and further delays in building C–17s. Many workers currently assembling commercial jets will replace less senior workers slated to be laid off from the C–17 line. Such rapid turnover, Gen. Miller predicted, will lead to expensive assembly slowdowns and lengthy retraining efforts.

In addition, Gen. Miller said the Air Force considers it "a tremendous problem" that many subcontractors "are walking away from the program" because of its troubles on Capitol Hill and its on-again, off-again, funding. He also said engineers won't be certain for another year whether they have permanently fixed problems involving rivets and fuel leaks.

The Air Force acknowledged for the first time that it intends to reject nearly $300 million in contract claims filed by McDonnell Douglas, money the company was counting on to reduce the ultimate size of its loss on the first batch of C–17s.

PENTAGON CONCERNS

Breaking in new workers and finding replacement subcontractors are major reasons the Air Force now concedes McDonnell Douglas may exceed by as much as $1.1 billion its $6.6 billion fixed-price contract to deliver the first nine C–17s. Gen. Miller's comments highlight continuing Pentagon concerns about the extent of the financial, technical and personnel problems confronting the C–17, despite management and manufacturing shake-ups during the past two years.

In Long Beach, McDonnell Douglas spokesman Lawrence McCracken acknowledged that layoffs will have a "disruptive" effect and increase pressure on C–17 costs. But he said the company plans to adjust other spending to keep a lid on C–17 costs. Maintaining that McDonnell Douglas's cost projections for development and early production remain at less than $7.4 billion, he said the company and the Air Force have "agreed to disagree" over the issue.

Mr. McCracken also said that the government hasn't formally ruled on more than $200 million of the company's $300 million in claims, and that McDonnell Douglas is appealing some rejected claims. He said that only a few subcontractors have left the program, and that there has been "no significant cost or schedule impact" from subcontractor loss.

Despite the huge losses the company is facing to develop the C–17, McDonnell Douglas can't afford to turn its back on the four-engine transport, Gen. Miller said.

"This is probably the largest defense program McDonnell Douglas will have for the rest of the century." he said. "If they walk away from this, or default on it, you can imagine how much defense business they would ever see again."

CRITICAL TIME

The warnings come at a critical time for the C–17. The House already has voted to delay full-scale production and slash nearly 30% from the Pentagon's fiscal 1993 funding request for the plane, pending further tests and reviews. McDonnell Douglas, meantime, is revving up its lobbying and public relations campaign before the Senate Armed Services Committee takes up the issue next month.

Gen. Miller, who took over as C–17 chief in September, provided more details about the status of the $35 billion-plus program than any high-ranking Air Force officer in recent years. Contending that tighter quality control, new manufacturing procedures and upgraded software have solved longstanding riveting problems and other manufacturing deficiencies, he nevertheless said the fixes won't show up fully until the eighth production plane rolls off the line during the summer of 1993.

Spray coatings, for example, are being used to try to plug fuel leaks on the early batch of planes because the Air Force decided "we weren't going to go back and tear anything apart," Gen. Miller said. He put the blame for the manufacturing problems on McDonnell Douglas managers. "It took them a long time to work their way through this process," he said, "It has been very costly" for the company to try to fix individual deficiencies after they are spotted.

At the same time, he maintained that the fixes have enabled the C–17 to pass each of its early flight tests, including landing on a short runway. "It's predictable, stable and responsive," Gen. Miller said, and the Air Force remains confident it will meet every performance requirement.•

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

• Mr. SANFORD. Mr. President, it is required by paragraph 4 of rule 35 that I placed in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received a request for a determination under rule 35 for Jessica Gavora, a member of the staff of Senator MURKOWSKI, to participate in a program in China and Hong Kong, sponsored by the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, from July 4-19, 1992.

The committee has determined that participation by Ms. Gavora in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Senator CONRAD BURNS and his wife to participate in a program in the Republic of China, sponsored by the Chinese National Association, from July 13-18, 1992. At the conclusion of this trip, Senator and Mrs. Burns have been invited by Fuji America Co. to attend a program in Tokyo, from July 18-20, 1992.

The committee has determined that participation by Senator BURNS and his wife in these programs, at the expense of the Chinese National Association and Fuji America Co., respectively, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Cynthia M. Faulkner, a member of the staff of Senator COHEN, to participate in a program in Taiwan, sponsored by the Soochow University, from July 4-11, 1992.

The committee has determined that participation by Ms. Faulkner in this program, at the expense of the Soochow University, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Tom Fulton and Jack Ramirez, members of the staff of Senator CONRAD BURNS, to participate in a program in the Republic of China, sponsored by the Chinese National Association, from July 13-18, 1992. Mr. Fulton and Mr. Ramirez have also been invited to participate in a program in Tokyo, sponsored by Fuji America Co., from July 18-20, 1992.

The committee has determined that participation by Tom Fulton and Jack Ramirez in these programs, at the expense of the Chinese National Association and Fuji America Co., respectively, is in the interest of the Senate and the United States.•

A TRIBUTE TO THE DENVER REGIONAL OFFICE OF THE DEPARTMENT OF VETERANS AFFAIRS

• Mr. WIRTH. Mr. President, I would like to take this opportunity to recognize and commend the outstanding contribution made to the field of veterans' affairs by the Denver Regional Office of the Department of Veterans Affairs and its congressional unit staff.

The needs of veterans have changed tremendously since the establishment of the Veterans' Administration in 1930. The Department of Veterans Affairs administers programs ranging from posttraumatic stress disorder counseling and home loan guarantee programs to education benefit programs.

With the numerous inquiries many Federal agencies receive, it is sometimes difficult for the agency to retain the personal touch while processing many claims and appeals, but the staff at the Denver Regional Office go the extra mile in handling cases.

When I am contacted by a veteran with a question or problem, a staff assistant works with the congressional unit at the Denver Regional Office to respond quickly and efficiently. The congressional unit provides invaluable assistance in clarifying issues and facilitating problem resolution, and its staff members are sympathetic to veterans' concerns.

My office deals primarily with veterans who have been frustrated by the bureaucracy and believes they have nowhere else to turn. The congressional unit handles these cases with patience and thoroughness, maintaining contact with both my assistant and the constituent. Their efforts make my job easier, and help me to assure my constituents that veterans' concerns are, indeed, a priority.

Throughout American history, veterans have served our country with courage and loyalty, and they deserve the greatest respect and service we can offer them. The Denver Regional Office provides that respect and service, enabling my office to work effectively with veterans who come to me for assistance. The regional office staff answers all of our inquiries with courtesy and efficiency, always working for the fairest and most beneficial solutions to problems.

In particular, I would like to recognize Jack McReynolds, Director of the Veterans' Administration Regional Office, and the congressional unit staff: Carroll O'Brien, supervisor; Brenda Fulmer; Jill Groskopf; Mark Natalie; Sharon Shinkle; and Larry Woirhaye. I commend them for their dedication, and I hope that together we can continue to provide veterans with the service they deserve.•

S. 68—APPOINTMENT OF CHIROPRACTORS AS COMMISSIONED OFFICERS IN THE ARMED SERVICES

• Mr. D'AMATO. Mr. President, I rise today to cosponsor S. 68, a bill to authorize the appointment of chiropractors as commissioned officers in the Armed Forces of the United States. Doctors of chiropractic render valuable treatment services to those who serve in the Armed Forces. Because of what they do, it is only fair that they receive treatment commensurate with their work and expertise.

This bill, introduced by my distinguished colleague, Senator THURMOND, enjoys wide bipartisan support. And the reason, quite simply, is that it is a good bill. It corrects a longstanding bias against chiropractors that has only punished people for whom chiropractic treatment provides the only relief from painful and debilitating conditions. Passage of this bill will ensure that such treatment will be available to our armed services personnel from doctors who are available within the ranks of the services. The convenience and health benefit this will afford to our uniformed men and women will be significant indeed.

This bill will also provide compensation to commissioned chiropractors on a scale comparable to that of other health care professionals in the Armed Forces. The chiropractic profession is licensed in all 50 States and is an integral part of our Medicare, Medicaid, and Federal employees health care systems. Colleges of chiropractic are recognized by the U.S. Department of Education. Isn't it time the chiropractic profession received equal recognition within the U.S. armed services?

Mr. President, we ought to do the right thing and pass this bill without delay. We have waited more than long enough already. I urge my colleagues to join me in supporting this bill, and I recommend its swift passage.•

AMERICAN ENCOUNTERS

• Mr. BINGAMAN. Mr. President, I submitted the following article to the Albuquerque Journal, and it was published on June 25, 1992.

FOLKLIFE FESTIVAL

> I salute the hundreds of New Mexicans who are taking part in the American Folklife Festival, which allows Americans from across the nation to experience New Mexico's rich culture—arts, crafts, dance, music, and food—first-hand. I also commend those who helped bring New Mexican history and culture to the nation's capital with the new, permanent exhibit at the Smithsonian Institution titled "American Encounters," which features New Mexico.
>
> How do we as a nation integrate the talents of all our citizens while retaining the uniqueness of each culture? As this struggle continues to fulfill the dream of a truly united America, I believe the nation needs to look no further for a model for the diversity of cultures—it has one in New Mexico.
>
> And right now, we have a splendid opportunity to present this symphony of cultures to the rest of the nation.
>
> On June 24, a permanent New Mexico exhibit opened at the Smithsonian Institution's National Museum of American History in Washington. The culture of New Mexico will also be featured at the American Folklife Festival on the Washington Mall, June 25-29 and July 2-5.

The new exhibit, "American Encounters," coincides with the 500th anniversary of Columbus" landing in the New World and chronicles nearly 500 years of interaction among the many cultures that have flourished in New Mexico.

The metaphor of the melting pot is often used to described the evolution of the American culture. It is an apt description because it conveys the pain, turmoil, and intolerance that sometimes marks the adaptation of a new culture.

But the real theme of the exhibit is one of cultural perseverance, not confrontation. New Mexicans have changed, adapted and maintained their traditions, merged with one another and forced others to acknowledge their right to exist.

The Folklife Festival will bring more than 100 New Mexicans to Washington to share our crafts, cuisine, and stories. It will be held on the Washington Mall, America's front yard, not far from the Smithsonian Castle. Since the festival runs through the Independence Day holiday weekend, nearly 1 million visitors to the Mall will get a taste of New Mexico and its many cultures.

The permanent exhibit at the Smithsonian will be seen by millions of visitors over the next 10 years, and I believe it will also draw many tourists to the state.

The message behind the exhibit is one for all Americans and a powerful one at a time when racial tension threatens the cohesion of our nation. To quote the exhibit text:

"The people of New Mexico—Indian, Hispanic Anglo-American, African American, Asian American, Christian and Jew—know what it is like to live in a multicultural society. They inhabit the same space: sometimes near one another, sometimes distant. They share a history of conflict and connection, as individuals and as members of their cultures. Each has a vision of the future. Can these visions be reconciled?"

The answer to that question is a resounding "yes". Through our tradition of cooperation among and respect for diverse cultures, New Mexico is uniquely placed to lead the nation. New Mexico's history is a mosaic of many peoples, beliefs and creeds forging a rich multicultural state. I can't think of a better portrait to present to the rest of the nation."

In addition to New Mexico, the annual Festival of American Folklife also will highlight the Creativity and Resistance of the Maroon Culture in the Americas, the Changing Soundscape in Indian Country, and Workers at the White House.

I encourage everyone to avail themselves of this wonderful opportunity and attend the American Folklife Festival.•

PLANNED PARENTHOOD VERSUS CASEY AND THE COMMISSION ON AMERICA WITHOUT ROE

• Mr. PACKWOOD. Mr. President, I would like to join my colleagues in their remarks about the Supreme Court's recent decision in Planned Parenthood of Southeastern Pennsylvania versus Casey. As I see it, up front, the Court states it is upholding Roe. However, it then proceeds to decimate the very foundation of Roe, which is that abortion is a fundamental constitutional right. The Court in upholding all but one of the restrictions in Pennsylvania's Abortion Control Act, has given the American public a mixed message: A woman has the right to an abortion, but not without the threat of the State government meddling in her choice. In my opinion, the Court in OK'ing these restrictions says abortion is no longer a fundamental constitutional right.

In spite of the optimism some have about the Court's decision, in my mind what has come down is beyond our worst fears. In January this year, the National Abortion Rights Action League [NARAL] sensed we would be where we are today. They had the keen foresight to establish the National Commission on America Without Roe. It has been my privilege to serve on this distinguished panel, whose task is to strategize to keep abortion safe and legal. On July 1, 2 days after the Court's decision, the Commission issued a report, "Facing the Future Without Choice." We wanted to get the word out to all Americans about how bad things would be in this country if we no longer had Roe. Make no mistake about it, women died from back alley botched abortions before Roe. Without Roe, they will be dying again. We in Congress need to confront this reality. We must pass the Freedom of Choice Act, which will codify Roe versus Wade and ensure a woman's right to choose without interference, with all deliberate speed. We must move before States act on the Court's invitation to seriously curtail access to abortion.

I have been a strong proponent of a woman's right to choose an abortion without interference from the Government throughout my entire career in the Senate. We had come so far with Roe in 1973. In 1992, we should make sure we do not go back 20 years—we should pass the Freedom of Choice Act.•

SALUTE TO JOHN GUMMERE

• Mr. LIEBERMAN. Mr. President, John Gummere, chairman of the board and chief executive officer of Phoenix Home Life Mutual Insurance Co., has spent 43 years working to make the Phoenix the successful company it is today and the first mutual life insurance company of its size ever to undertake a merger. On July 1, Phoenix and Home Life Insurance Co. of New York merged to form Phoenix Home Life Mutual Insurance Co.

Mr. Gummere is a recognized leader in the industry, the former chairman of the Insurance Association of Connecticut, a director of the Health Insurance Association of America, and a past president of the Institute of Home Office Underwriters. He is the 1990 recipient of the institute's highest honor, the Emmett Russell, Jr., Award.

As a community leader he is a member of the board of directors and past chairman of the Greater Hartford Chamber of Commerce, a member of the boards of Connecticut National Bank, Connecticut Business for Education Coalition, the Institute for Living, Old State House Association, and Riverfront Recapture.

It is not surprising that John Gummere has also steered the Phoenix to its position of strength and into this merger. Phoenix Home Life Mutual Insurance Co. has a strong commitment to Hartford, to Connecticut, to its employees and policyholders and to the future of the insurance industry. The people of Connecticut welcome his continued leadership at the helm of Phoenix Home Life.•

HATE CRIMES

• Mr. SIMON. Mr. President, once again, I would like to call attention to the continuing problem of hate crimes throughout our Nation. In a previous statement, I made a brief reference to Vincent Chin's death. June 19, 1992, marks 10 years since he was brutally murdered.

This year, Vincent Chin would have turned 37 years old had he not been brutally murdered. Ten years ago he was celebrating his bachelor's party at a Detroit bar. Two white automobile factory workers, who had just been laid off, were also drinking at the bar. They began taunting Chin calling him "Chink," "Nip," "Jap," and various other obscenities. They blamed him for their loss of jobs and chased Vincent Chin out of the bar. When they caught up with him, they yelled out, "because of you [Chin] * * * we're out of work," while they struck him with a baseball bat numerous times in the head, chest, and knees. Four days later, Vincent Chin died.

In March 1983, the two murderers were each sentenced to 3 years of probation and fines of about $3,000. Since both defendants had clean records, the judge was lenient. He stated, "these men are not going to go out and harm somebody else. I just didn't think that putting them in prison would do any good for them or for society. You don't make the punishment fit the crime; you make the punishment fit the criminal." Mr. President, these attitudes and hate crimes are inexcusable.

The murder of Vincent Chin stands among the countless incidents that remind us of the heinous racially motivated crimes that continually reoccur and need to be prevented. These crimes perpetuate fear and isolation.

Since Vincent Chin's death, many organizations have joined together seeking an end to hate crimes. Most recently, we have seen an Asian coalition effort called the National Network Against Anti-Asian Violence which serves to publicize the horrendous suffering caused by hate crimes. The network helps increase crime awareness by alerting the public and talking about what can be done when hate crime is committed. The information will be distributed in several different languages along with a 1–800 number to report hate crimes.

It is my hope that some day soon we will see the end to crimes motivated by racial hatred. No one should suffer from any act of crime. It can be particularly disturbing to the community when it is solely motivated by prejudice. Instead, we should remember the demography of America and use our unique qualities to share and celebrate our differences.

Ten years ago, the murder of Vincent Chin alerted the Nation to hate crimes. Let us hope that 10 years from now we will have overcome this problem.•

FAMILY MEMBERS OF ALZHEIMER'S VICTIMS: THE INVISIBLE ARMY

• Mr. HOLLINGS. Mr. President, Alzheimer's disease is among the cruelest of human pathologies. It progresses gradually, insidiously, and irreversibly over a period of 5 to 10 years, slowly destroying the victim's mind and memory.

Obviously, it is a terrible individual tragedy for the man or woman affected with Alzheimer's. But what is not fully appreciated is that this disease is no less a tragedy for the spouse and family members who must witness the slow destruction of a loved one. Living in close quarters with an Alzheimer's victim can be, quite frankly, a living hell. It is not just the emotional stress of watching the loved one degenerate mentally. It is also the sheer physical toll from lost sleep, chronic worry, and the strain of living with someone whose behavior is increasingly erratic and unpredictable.

Mr. President, an extraordinarily moving account of what it is like to live with an Alzheimer's victim was recently published in the Colorado Alzheimer's Newsletter. The author is Beverly J. Murphy, whose husband, Tom, was stricken some 6 years ago.

Mrs. Murphy writes that "of the 8 million people suffering from Alzheimer's disease and other related dementias, there is another 6.4 million of us taking care of their every needs, by ourselves, alone, at home." She calls these millions of spouses and loved ones the "invisible army," and she describes the loneliness and strains that are their daily fate.

Mr. President, Mrs. Murphy's article is not pleasant reading. But it is an exceptionally eloquent and compelling account, and it deserves a wider readership. To that end, I ask that it be reprinted in the RECORD in its entirety.

The article follows:

ALZHEIMER'S "INVISIBLE ARMY"

(By Beverly J. Murphy)

It's going on 1 am. Tom has been ranting and raving on and off for the past three hours. He is now in his room, a room that has plexiglass windows, no cords or plugs or fixtures that he can grab on to, no mirrors to add to his confusion and no pictures on the walls with which he can harm himself. There is wall to wall carpeting, track lighting and a bed. The sliding closet doors have locks on them but that doesn't keep him from rattling them or kicking them, which he is now doing. He can no longer express himself in understandable speech but it is very apparent that something has made him very angry. I have no idea what. It appears that we will be in for a second 'bumpy' night.

I dread going into his room right now and am praying that whatever it was that has sent him into this state will disappear as dramatically as it occurred. I remember three months between May and August of 1989 when Tom didn't sleep an entire night once during that whole period. It ended with a full blown psychotic episode and one week in the hospital while doctors desperately played with medication. I don't know how I survived that time. I don't know how I have survived the past six years, for that matter. I hardly recognize myself at times. This is not the marriage we had hoped for. The only thing I am certain of is how much I still love this man. I continue to love him in spite of the fact that we often reside, for periods of time, in hell.

I didn't know what hell was until I was systematically and relentlessly deprived of sleep. I didn't know what prison was until I found myself the wife and primary caretaker of an Alzheimer's patient. Tom and I are both in prison and each of us is the other's keeper. I sometimes wonder which of us has the keys.

I pray for two things these days. I pray that God will finally release us both from this prison that we are in . . . this prison called Alzheimer's Disease and I pray for a good night's sleep.

I am part of the "Invisible Army". I am told that of the 8,000,000 people suffering with Alzheimer's Disease and other related dementias, that there is another 6,400,000 of us taking care of their every needs, by ourselves, alone, at home. We don't go to support groups because we don't have the money for respite care and what money there is for this luxury called 'time away', is used to run errands, buy groceries, and fix the car. Our friends have by now drifted off, because watching a friend deteriorate requires friendship made of steel. Those who hang in there aren't friends anymore, they are saints. Our families, for the most part and contrary to belief, do not rally. They do not come over to help and they are often hostile and openly resentful as if it is our fault that Dad and Mom can no longer function. Those who accept the challenge give credence to the expression that the exception proves the rule. They also experience the opportunity to feel the full expression and rewards of unconditional love. They are a small minority at best.

We have no voice in the government because we are too busy surviving on the most primitive of levels to write letters. I wonder how many of us vote. I wonder how many of us have the time to even wonder if Government gives a damn. I know there is little that I have seen of Government that speaks on any level to Tom's or my needs.

We are as a group depressed, in a chronic state of anxiety, alcoholic, assailed with the constant never ending needs of the sick spouse, plagued with money problems and weary of dealing with the bureaucracy that effectively keeps claims from being processed in a timely manner by insurance companies and Medicare. We are fearful of what new horror the next day is going to bring knowing that in varying degrees of intensity the horror always continues. We are deprived of sleep on a regular basis and of our dignity on levels beyond understanding. Our immune system is so battered that we are more susceptible to any and every illness that comes along and the money choices that we are forced to make often deprive us of the care and treatment we need because the daily needs of the Alzheimers patient take precedence. I spend $150.00 a month on diapers. If it comes down to a choice, what do I not buy so that I can continue to buy diapers?

Most of all, we also get to experience grief in it's rawest form. It is a mourning period that starts with the first realization that something is wrong with that person who is so important in our lives, and continues as each and every ability that allowed that light in our life to shine, is taken away. It is a mourning period that lasts for years. It is the loneliest of existences. Is it of any surprise that the well spouse often dies before the sick spouse?

This is a disease that claims at least two victims. It is also a disease that knows no mercy, no class system, no racial preference, and no social distinctions. It too is a death sentence.

In this election year, I call upon this "Invisible Army" to surface and let Government know that we not only exist, but we are a viable force in this nation. Make your needs known. Write letters. Tell Government what the cost is in money to you personally and tell them about the human toll Alzheimer's Disease has wreaked on you and your life with your loved one. Point out that today's legislative body may be tomorrow's Alzheimer's victims because with all their bravado, with all their power, they too are not immune. Give voice to the horror, and if you feel the energy is no longer there to do so because you simply cannot divide yourself into any more pieces, then at least let the Alzheimer's Association in your district know that you exist and WE will add your voice to our effort. Above all. . . . Vote! •

S. 2038, THE SOCIAL SECURITY AMENDMENTS OF 1992

• Mr. BENTSEN. Mr. President, S. 2038, the Social Security Amendments of 1992, was ordered reported by the Finance Committee on June 11. S. 2038 will substantially ease the Social Security earnings test, improve benefits for elderly widows and widowers, and exempt election workers from Social Security and Medicare coverage. Its costs to the Social Security trust funds are entirely paid for by a proposal to stabilize the Social Security contribution and benefit base.

As Senators know, this Congress has seen a number of proposals to ease or eliminate entirely the Social Security earnings test. Those offered recently in connection with legislation extending the Older Americans Act have had one unacceptable feature in common. They have sought to increase Social Security benefits without paying for the cost.

Now there seem to be those who think that the Social Security trust funds are a nearly bottomless cornucopia, available to dispense additional benefits for good causes—and for causes that are not so good—without any need for replenishment.

I am here to tell Senators that this is not the case. Not when the Social Security disability fund is projected to be exhausted in 1997, and perhaps as early as 1995. Not when the Social Security trustees estimate that the disability fund will require more than $75 billion in additional revenues during the next 10 years just to meet the trustees' short-term test of financial adequacy. And not when overall Social Security reserves are far short of the 18-month reserve level that is needed to ensure payment of benefits even during serious economic downturns.

I do not mean to suggest to anyone that payment of Social Security benefits is in danger. It is not. But I do very strongly mean to suggest to Senators that this is not the time to be expanding benefits without paying for the associated costs.

Mr. President, I am hopeful that Senators have already taken this message to heart, by recognizing that if we wish to provide additional Social Security benefits, we will pay for them. In my view, that is the meaning of the Senate's vote on April 7, when by an overwhelming majority of 94 to 3 it adopted my Social Security Trust Fund Protection Amendment to the budget resolution. The amendment assures that there will be a 60-vote point of order against any proposal that reduces the Social Security trust fund reserves and threatens the financial integrity of the funds.

S. 2038, the committee bill reported today, pays for every penny of its costs in full compliance with the Budget Act. Its costs to Social Security are financed with a provision that protects the trust funds from an unintended decline in their revenues. In order to assure that all of its non-Social Security costs are funded, the bill also contains a minor provision that increases the excise tax rate on ozone-depleting chemicals by 4 cents per pound in 1993 only.

Social Security revenues have suffered an unintended decline in recent years because the wages of individuals with high earnings have been increasing at a faster rate than the wages of people with middle and low incomes. This affects the total amount of earnings subject to taxation under the Social Security contribution and benefit base—what is usually called the wage base. Earnings below this base are subject to Social Security taxes; earnings above are not.

When the Social Security program started in 1935, the contribution and benefit base was $3,000. At that time, a $3,000 base was high enough to ensure that over 90 percent of the wages paid in employment covered by Social Security were subject to the Social Security contribution requirement. The base was not indexed and did not automatically increase every year. Over the years a series of legislated increases failed to maintain the 90-percent level of coverage.

When the Congress in 1977 considered the major amendments to Social Security that, among other things, established the current benefit formula, we deliberately set out to restore the level of wages covered under the wage base to at least 90 percent. We did so by enacting a series of legislated base increases to raise the base above 90 percent. Following the last legislated increase in the 1981 base, it was expected that subsequent indexing of the base by the annual increase in average wages would maintain the base at or above the 90-percent level of coverage.

From 1980 to 1986, these changes worked as expected. The high point was in 1983, when 91.2 percent of covered wages were included under the base. By 1987, however, covered wages had fallen below 90 percent, and they continued this decline until they reached 88.6 percent in 1990. This is the last year for which actual data are available. But both the Congressional Budget Office and the Social Security Administration estimate that the decline will continue. CBO projects that wages covered under the base will fall to 88.5 percent in 1992 and to 87.9 percent by 1997, the last year of the CBO estimating period. SSA projects a further decline to 87.4 percent by 2001.

How can this be? Why is the base, which is indexed annually by the increase in average wages, covering a declining percentage of all wages? The Social Security actuary sums it up by saying that wages at higher levels are growing at a greater rate than the rate of increase in the average of all wages. In other words, high wages are growing faster than middle and low wages, and the average can't keep up with the increase at the top end of the wage scale.

What is the effect on Social Security? The Social Security trust funds are losing billions of dollars of revenues that they were expected to receive. The current average wage indexing mechanism for the wage base, which was intended to stabilize the base, has been unable to keep the percentage of wages covered under the base from falling. If it were able to do so, the wage base would be higher and more earnings of higher income individuals would be subject to the Social Security tax.

Mr. President, I frankly wish that we could return the Social Security wage base to the 90 percent level of coverage that was intended by the Congress. This would not restore the $25 billion in revenues that the Social Security Administration estimates have already been lost through 1991, but would put the funds in a much healthier financial position for the future. For now, however, the Finance Committee believes that the Congress should take the steps needed to arrest the continuing decline in the percentage of wages covered under the base and stabilize that percentage in the future. This will at least arrest deterioration, halting even greater revenue losses to the Social Security trust funds.

The committee bill would do this with a new wage base stabilization mechanism. It would operate only if the current wage base indexing mechanism, which uses the increase in average wages, fails to prevent the percentage of wages covered by the base from falling. If, as CBO and SSA both predict, the percentage does continue to fall, then the stabilization procedure would adjust the index to halt the decline and stabilize the base.

This wage base stabilization proposal, which would be effective beginning with the 1993 base, is projected to stabilize the Social Security wage base at 88.2 percent of covered wages under CBO assumptions, and at 88.1 percent under the assumptions used by the Social Security actuary. While this is a far cry from the intended level of 90 percent, it at least prevents further deterioration.,

Mr. President, I would point out that this proposal would affect only the taxes paid by people who have relatively high earnings—$57,900 and above in 1993, rising to $69,300 and above by 1997. Next year an individual with wages above $57,900 would pay less than $20 in additional Social Security taxes under this proposal. By 1997, individuals with wages over $69,300 would pay about $112 additional. When Senators consider these amounts, which I believe to be quite modest, I would ask them to recall that it is precisely because the wages of individuals at the higher end of the income scale are rising more rapidly than those of middle and low income individuals that this proposal is needed at all.

Now earlier I said that S. 2038 contains some significant improvements. The first is in the Social Security earnings test.

A primary objective of this bill is to reduce significantly the burden of the Social Security earnings test on those individuals who choose to or have to work after they attain age 65. To do this, S. 2038 increases the earnings test exempt amount in every year from 1993 to 2001. In keeping with the funding available, the early increases are modest, but by 1997 the exempt amount is increased to $21,000—an amount $8,280 above present law. The exempt amount then continues to grow until it reaches $51,000 in 2001, compared with an estimated present law amount of just over $15,000.

I am offering this proposal with the endorsement of the committee because I believe that the earnings test we have today is neither equitable nor designed to meet the real needs of retirees now and in the future.

As Senators will recall, Social Security was never intended to be the sole source of retirement income. Rather, it is supposed to be one part of a triad, composed of private pensions, individual savings, and Social Security benefits. However, the percentage of the work force covered by private pensions has been declining since 1980. The rate of savings by American families is now at rock bottom. In order to maintain their standard of living, or even to meet their basic needs, some current Social Security retirees must work to supplement their benefits. The number who need to do so may well increase in the future.

Irrespective of financial need, work is an essential part of the lives of many older individuals. The ability to continue to work is important to the health and sense of well-being of millions of older Americans. Yet today's earnings test penalizes most severely those who choose to continue some form of meaningful employment after they reach age 65.

Demographic projections suggest that with the combination of a historically low birth rate and the aging of the baby boom population, many older workers could help to provide the skills and knowledge needed to drive our economy and increase our productivity. Lowering the barriers the earnings test poses to the continued participation of older, well trained and competent workers in America's work force will benefit us all.

Mr. President, for all of these reasons I believe that we should ease the earnings test to allow retirees who wish to do so to be active members of the work force.

S. 2038 also makes important improvements in the Social Security program that affect widows and widowers, and election workers.

The committee is concerned that some groups of Social Security beneficiaries—particularly elderly widows and widowers—receive benefits that are considerably lower than average. Widows frequently have little in the way of other, non-Social Security income. The average widow age 70 and older, for example, must depend on her Social Security benefit for 70 percent of her income. The average retiree age 70 and older, in contrast, derives almost half of his or her income from sources other than Social Security.

The benefits a widow receives are often based on the incomplete earnings record of her deceased husband. The widow may have had little choice but to claim benefits at the earliest possible time, or her husband may have elected to retire early. In either of these cases, the benefits she receives are permanently reduced because of early retirement, sometimes by as much as 28.5 percent. As a result, widows age 85 and over whose benefits were reduced for early retirement received an average monthly benefit of $484 in 1990—a benefit more than $87 lower than the average benefit paid to retired workers in this 85 and over group.

S. 2038 would assist many of the neediest elderly widows and widowers. It would do this by lessening the reductions for early retirement that now apply to the benefits of many widows and widowers who are 85 years of age and older. These are individuals who have lived beyond the life expectancy on which the actuaries based the reductions, yet must continue to rely on their reduced benefits for the rest of their lives. When effective, this change will provide a permanent benefit increase averaging between $12 and $21 a month for over 400,000 of these elderly widows and widowers.

The final program change included in S. 2038 increases the amount temporary election workers can receive and still be exempt from Social Security and Medicare coverage. Many Senators have heard from their State and local governments about this issue. It was not the intent of the Social Security law to cover these workers, who often work only a few days a year. This is what can happen, however, because the current $100 a year exemption in the law is now obsolete and inadequate.

Election workers are frequently newly hired for each election, are often retirees, and this type of occasional work may be their only attachment to the work force. Their coverage would present cumbersome record keeping problems and create unnecessary costs for State and local governments. The committee bill would solve the problem by raising the exemption for election workers to $500 for the period October 1 through December 31, 1992, and to $1,000 per year beginning in 1993.

Mr. President, last year Senator BREAUX introduced S. 1342, a bill that eliminated the provision of the Social Security Act that causes so-called disabled adult children to permanently lose their Social Security and Medicare benefits when they marry individuals who are not also Social Security beneficiaries. The committee had intended that its bill include Senator BREAUX'S proposal, eliminating what we viewed as an inequitable provision of law. Unfortunately, we ran into difficulties involving interpretation of the Budget Act.

The bill that we originally reported had sufficient revenues on a unified budget basis to more than pay for the costs of the disabled adult child provision and all of its other provisions. However, now that Social Security is off-budget, there are separate on-budget and off-budget totals. Although most of the costs and revenues for this bill are on the Social Security side of the ledger, there are some costs and savings that accrue to the on-budget ledger, including costs associated with the disabled adult child provision. Initially, the committee understood that an interpretation was permitted under the Budget Act that would allow the original bill to proceed on the basis that both the off-budget and on-budget sides of the ledger were deficit-neutral. However, after ordering that bill reported, the committee learned that such an interpretation could not be guaranteed for the on-budget portion of the bill, and that a 60-vote point of order might therefore lie against the entire bill. We were with great reluctance forced to drop the disabled adult child provision from the committee bill that I am reporting today in order to assure that there is no question that the bill is in full compliance with the Budget Act.

In my view, Mr. President, with this one exception the provisions of the Finance Committee's two bills—S. 2038, which I am reporting today, and S. 33, which was reported last Friday—focus on the most urgent improvements needed in Social Security this year. We need to stabilize the percentage of earnings covered under the Social Security wage base and stop the unintended loss of revenues to the trust funds. We need to ease substantially the earnings test for beneficiaries 65 and older. It is time—in fact, long past time—to make Social Security an independent agency, as the committee has proposed in S. 33. I hope that these changes, combined with the improvements provided for needy widows and widowers, and for others, will be approved by this 102d Congress.

I ask that an explanation of the provisions of the bill be printed in the RECORD immediately following my remarks.

The material follows:

SOCIAL SECURITY AMENDMENTS OF 1992

The Finance Committee bill, entitled the "Social Security Amendments of 1992," provides that the Social Security earnings test for individuals between normal retirement age (currently age 65) and age 69 will be eased substantially, benefits for elderly widows and widowers that were subject to reductions for early retirement will be improved, and the earnings exemption from Title II and Title XVIII coverage for election workers will be increased. The costs of these provisions to Social Security in both the short and long term would be fully funded by a proposal to stabilize the percentage of wages covered under the Title II contribution and benefit base. To assure that all of the non-Social Security costs resulting from these provisions are funded, the bill also contains a provision that increases the 1993 excise tax rate for certain ozone-depleting chemicals.

EXPLANATION OF PROVISIONS

Social Security earnings test

Present Law.—Social Security beneficiaries age 70 and older receive full benefits without regard to any earnings they may have. Those under age 70 are eligible for full benefits only if their earnings are lower than the earnings test exempt amounts determined by law. Individuals age 65 to 69 with higher earnings have their benefits reduced by $1 for every $3 earnings above the exempt amount.

The exempt amounts are indexed and increase annually by the rate of average wage growth in the economy. In 1992, the annual exempt amount for retirees and other beneficiaries age 65 to 69 is $10,200.

Present law provides that the dollar level of substantial gainful activity (SGA) for the blind, used in determining eligibility for disability benefits, is the same as the monthly earnings test exempt amount (i.e., one-twelfth of the annual amount) for individuals age 65 to 69. In 1992, the SGA amount is $850 per month for the blind and is $500 per month for the nonblind.

Committee Bill.—The Committee bill would increase the amount of earnings totally exempt from reduction for individuals between normal retirement age (currently age 65) and age 69 in every year from 1993 through 2001. The age 65–69 exempt amounts would be:

	Present law	Proposed change
Year:		
1993	$10,680	$11,100
1994	11,160	12,240
1995	11,640	13,560
1996	12,120	17,400
1997	12,720	21,000
1998	13,200	27,000
1999	13,920	32,040
2000	14,640	42,000
2001	15,360	51,000

Following 2001, annual indexing of the exempt amounts by the increase in average wages would resume.

In addition, starting in 1998 the rate of benefit reduction for the first $5,000 of earnings above the exempt amount would be lowered to $1 of benefits for every $4 of earnings. The present law rate of $1 for every $3 of earnings would continue to apply to earnings above that level.

The Committee bill would not change the measure of substantial gainful activity (SGA) for the blind. It would remain at the level of the age 65–69 earnings test exempt amount under present law, indexed by the annual increase in average wages.

Early retirement adjustment for elderly widows and widowers

Present Law.—The basic Social Security benefit for widows and widowers who first claim benefits at age 65 is 100 percent of the amount their deceased spouse would have received had he or she retired at age 65. However, widows and widowers are eligible to claim benefits as early as age 60. Those who claim benefits before age 65 have their basic benefit permanently reduced for every month in which they received early benefits. The reduction amounts to 5.7 percent per year, for a maximum reduction of 28.5 percent at age 60. The reduction is intended to compensate for the additional years of benefits they will receive in comparison to people who first take benefits at age 65. In addition, if the deceased spouse of a widow or widower received a reduced retirement benefit because he or she retired before age 65, the widow or widower cannot receive a benefit that exceeds the higher of the spouse's reduced benefit or 82.5 percent of the benefit the spouse would have received had he or she retired at age 65.

Committee Bill.—The Committee bill would apply only to widows and widowers age 85 and over. These are individuals whose Social Security benefits are, on average, substantially lower than the benefits paid to retirees of the same age.

Effective with benefits for September, 1993, the bill would change the reduction for those who claimed benefits before age 65 to an amount equal to 4 percent for each year of early benefits. It would also limit reduction for widows and widowers whose spouses retired early to a benefit level no lower than 90 percent of the spouse's full, age 65 benefit. Widows and widowers currently eligible for Medicaid based on their eligibility for Supplemental Security Income would retain their Medicaid eligibility, even if the increase in Social Security benefits resulting from this provision caused the loss of all SSI payments.

Coverage exemption for election workers

Present Law.—The 1990 reconciliation legislation requires State and local governments to cover under Social Security any of their employees who are not covered by a State or local government retirement program. Earlier legislation required them to cover newly hired employees under Medicare. However, other provisions of law allow State and local election workers who are paid less than $100 per year to be excluded from this coverage.

Committee Bill.—Concerns have been expressed by many States that the $100 coverage exclusion is no longer adequate to prevent Social Security and Medicare coverage of some State and local government election workers. These are often individuals who are retired.

Beginning in 1993, the Committee bill would increase the coverage exclusion so that election workers who are paid less than $1,000 per year would not be required to be covered under Social Security and Medicare. In addition, the earnings of election workers for the period October 1, 1992 through December 31, 1992 would be excluded from Social Security and Medicare coverage if they were less than $500. Earnings of under $500 in this period would not be additive to election workers' earnings earlier in the year for purposes of Social Security and Medicare coverage.

Stabilization of the contribution and benefit base

Present Law.—The amount of annual earnings subject to Social Security taxes and creditable for benefits is limited by a "contribution and benefit base." Wages and earnings in excess of the base are not subject to Social Security FICA and SECA taxes. The base is indexed by the annual rate of increase in average wages. It is $55,500 in 1992.

Reasons for Change.—The Committee is concerned that the Social Security trust funds are suffering significant, unintended losses of revenue due to a continuing decline in the percentage of wages and earnings in covered employment that are included under the contribution and benefit base. This decline is caused by the fact that the wages of high income individuals are growing at a faster rate than the rate of growth in average wages, the measure used to index the base.

The percentage of total wages in covered employment that were subject to taxation under the base was in excess of 90 percent in the early years of the Social Security program. The base was not then indexed, and over the years a series of legislated increases failed to maintain the 90 percent level of coverage. In 1977, the Congress enacted a new series of legislated base increases specifically intended to restore the base to a level that included 90 percent of total covered wages. It was expected that subsequent indexing of the base by the annual increase in average wage levels would maintain the 90 percent relationship in the future. However, the percentage of wages covered under the base fell below 90 percent in 1987, and had dropped to 88.6 percent by 1990, the last year for which actual data are presently available.

The Social Security administration estimates that between 1987 and 1991, the unintended decline of the base below the 90 percent level of wage coverage has caused the Social Security trust funds to lose approximately $25 billion in revenues. Both the Congressional Budget Office and SSA project that this decline will continue. The percentage of wages covered under the base is projected to fall to 88.5 percent in 1992 and 87.9 percent in 1997 under CBO assumptions, and to 87.4 percent in 2001 under SSA assumptions.

Committee Bill.—The Committee bill would establish an alternate indexing mechanism for the Social Security contribution and benefit base that would be used only when the average wage indexing mechanism fails to keep the percentage of wages subject to taxation under the base falling. Because the percentage of wages covered by the base is expected to continue to fall under both CBO and SSA assumptions, it is expected that this base stabilization mechanism would be used to determine the base in the years 1993–2001. It would arrest the unintended decline of the Social Security contribution and benefit base and stabilize it at 88.2 percent of wages under CBO assumptions for 1993–1997, and at 88.1 percent of wages under SSA assumptions for 1998–2001.

The decline in coverage under present law and the estimated effect of the proposal, effective in 1993, on the Social Security (OASDI) contribution and benefit base is:

	Present law		Proposed change	
	Base amount	Percent of wages covered	Base amount	Percent of wages covered
Year:				
1992	$55,500	88.5	$55,500	88.5
1993	57,900	88.2	58,200	88.2
1994	60,300	88.1	60,600	88.2
1995	63,600	88.1	64,500	88.2
1996	66,300	88.0	67,500	88.2
1997	69,300	87.9	71.100	88.2
1998	72,600	87.7	75,300	88.1
1999	76,500	87.6	79,800	88.1
2000	80,400	87.5	84.600	88.1
2001	84,600	87.4	89,700	88.1

A technical change would also be made in the current average wage indexing mechanism to add stability and make the base less subject to annual fluctuations due to arithmetic rounding. The separate, higher Medicare Hospital Insurance (HI) wage base would, as in the past, continue to be indexed by the percentages used to index the Social Security OASDI wage base.

Increase excise tax on certain ozone-depleting chemicals

Present Law.—An excise tax is imposed on certain ozone-depleting chemicals. The amount of tax is generally determined by multiplying the base tax amount applicable for the calendar year by an ozone-depleting factor assigned to the chemical. Certain chemicals are subject to a reduced rate of tax for years prior to 1994.

Between 1992 and 1995 there are two base tax amounts applicable, depending upon whether the chemicals were initially listed in the Omnibus Budget Reconciliation Act of 1989 or whether they were newly listed in the Omnibus Budget Reconciliation Act of 1990. The base tax amount applicable to initially listed chemicals is $1.67 per pound for 1992, $2.65 per pound for 1993 and 1994, and an additional 45 cents per pound per year for each year thereafter. The base tax amount applicable to newly listed chemicals is $1.37 per pound for 1992, $1.67 per pound for 1993, $3.00 per pound for 1994, $3.10 per pound for 1995, and an additional 45 cents per pound per year for each year thereafter.

Committee Bill.—The bill increases the base tax amount of both initially listed and newly listed ozone-depleting chemicals by $.04 per pound for 1993 only. This increase is effective January 1, 1993 for taxable chemicals sold (or used) during calendar year 1993. Floor stocks taxes are imposed on taxable chemicals held on the effective date of the changes in the base tax amounts.

Budgetary effect of the bill

The Committee believes that the bill is in compliance with the provisions of the Budget Act. The Committee agrees with the estimates of outlays and revenues attributable to the bill that have been provided by the Congressional Budget Office. The report prepared by CBO follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 2, 1992.

HON. LLOYD BENTSEN,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate of S. 2038, Social Security Amendments of 1992, that was ordered reported by the Committee on Finance on June 11, 1992. Because S. 2038 would affect direct spending and receipts, it would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM,
(for Robert D. Reischauer, Director).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, JULY 2, 1992

1. Bill number: S. 2038.

2. Bill title: Social Security Amendments of 1992.

3. Bill status: As ordered reported by the Committee on Finance on June 11, 1992.

4. Bill purpose: To amend the Social Security Act to improve benefits and coverage under title II, and for other purposes.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1993	1994	1995	1996	1997
Direct spending:					
Social Security (off-budget) estimated outlays	70	280	468	923	1,373
Supplemental security income (on-budget) estimated outlays	0	−5	−6	−11	−12
Total [1]	70	275	462	912	1,361
Amounts requiring appropriations:					
Social Security (on-budget) estimated outlays	7	−3	−8	−12	−21
Receipts:					
Social Security (off-budget)	93	280	504	997	1,437
Medicare (on-budget)	5	31	63	105	158
Other taxes (on-budget)	−5	−30	−57	−110	−160
Total	93	281	510	992	1,435

[1] Budget authority and outlays are equal in each fiscal year for the provisions that affect direct spending.

Note.—Off-budget and on-budget as defined in section 601(a)(1)and 607 of the Congressional Budget Act of 1974. That is, Hospital Insurance spending and revenues are on-budget, as are administrative costs of the OASDI trust funds.

Basis of Estimate: The section-by-section discussion of the budget effects of the bill follows. Only those sections with significant budget effects—more than $500,000 in any year during the 1993–1997 budget period—are included.

Section 2—Retirement Test Exempt Amount Increased: Under current law, workers eligible for Social Security benefits who are age 65 to age 69 in 1992 have some or all of the benefits withheld if their annual earnings exceed $10,200. For every three dollars of earnings above this level, benefits are reduced by one dollar. The exempt amount rises each year with the growth in average annual wages and, under the CBO's current economic projections, is expected to climb to $12,760 in 1997.

The proposed amendments would increase the exempt level to $11,100 in 1993, $12,240 in 1994, $13,560 in 1995, $17,400 in 1996, and $21,000 in 1997. The bill prescribes additional increases through the year 2001, when the exempt amount would be $51,000. These increases are projected to increase Social Security outlays by $70 million in fiscal year 1993, and by about $2.7 billion over the 1993–1997 period (See the table on the following page).

Raising the exempt amount also would reduce the administrative costs of implementing the retirement test because fewer workers would be subject to reductions or withholding of their monthly benefits. A recent estimate from the Social Security Administration (SSA) indicates that about $80 million of the $200 million annual cost of administering the earnings test is associated with those age 65 to age 69. Because the increase in the exempt amount is relatively small, the resulting savings in administrative costs are estimated to be about $2 million in 1993 and $57 million over the 1993–1997 period.

Section 5—Early Retirement Adjustments for Elderly Widows and Widowers: Under current law, widows or widowers who begin to receive benefits before reaching age 65 have their benefits reduced by 19/40 of one percent for each month they receive before reaching age 65. These reductions are capped at a maximum of 28.5 percent of the deceased spouse's primary insurance amount (PIA). There is a further limitation that the surviving spouse receive the deceased spouse's benefits (with any adjustments for early or delayed retirement), but in no instance can the survivor receive less than 82.5 percent of the deceased spouse's PTA.

This provision would lessen the actuarial adjustments (the 19/40 of one percent per month) for surviving spouses upon attainment of age 85 of ⅓ of one percent per month. In addition, the 82.5 percent limitation would increase to 90 percent at age 85. The combination of these two provisions (effective for months after August 1993) would increase Social Security benefit payments by $70 million in 1994 and by about $400 million over the 1993–1997 period. Because some of these recipients also participate in the Supplemental Security Income program, the increased Social Security benefits would result in reductions in SSI payments of about $5 million in 1994 and $34 million over the five-year period.

[By fiscal year, in millions of dollars]

	1993	1994	1995	1996	1997	5-year total
DIRECT SPENDING						
Earnings test increase to $21,000 by 1997 OASDI	70	210	380	810	1,230	2,700
Reduce actuarial reduction for widows age 85 to 4 percent annually (effective 9/93):						
OASDI	0	60	75	95	120	350
SSI	0	−5	−5	−10	−10	−30
Provision subtotal	0	55	70	85	110	320
Raise widow's limit at age 85 from 82.5 percent to 90 percent (effective 9/30):						
OASDI	0	10	13	18	23	64
SSI	0	0	−1	−1	−2	−4
Provision subtotal	0	10	12	17	21	60
Summary:						
OASDI	70	280	468	923	1,373	3,114
Other	0	−5	−6	−11	−12	−34
Total direct spending	70	275	462	912	1,361	3,080
RECEIPTS						
Rasie exemption for Election workers (Effective 10/92):						
OASDI	−15	−15	−15	−15	−15	−75
Medicare	−3	−3	−3	−3	−3	−15
Subtotal	−18	−18	−18	−18	−18	−90
Income Tax offset	2	2	2	2	2	10
Provision Subtotal	−16	−16	−16	−16	−16	−80
Stabilize Share of wages subject to OASD HI Payroll Taxes:						
OASDI	108	295	519	1,012	1,452	3,386

[By fiscal year, in millions of dollars]

	1993	1994	1995	1996	1997	5-year total
HI	8	34	66	108	161	377
Subtotal	116	329	585	1,120	1,613	3,763
Income tax offset	−12	−33	−58	−112	−162	−377
Provision subtotal	104	296	527	1,008	1,451	3,386
Increase Excise tax on Certain Ozone Depleting chemicals	5	1	−1	0	0	5
Summary:						
OASDI	93	280	504	997	1,437	3,311
HI	5	31	63	105	138	362
Other taxes	−5	−30	−57	−110	−160	−362
Total receipts	93	281	510	992	1,435	3,311
AMOUNTS SUBJECT TO APPROPRIATION						
Earnings test increase:						
Estimated authorization level	−2	−5	−10	−15	−25	−57
Estimated outlays	−2	−5	−10	−15	−25	−57
Widow increases at age 85:						
Estimated authorization level	9	2	2	3	4	20
Estimated outlays	9	2	2	3	4	20
Summary:						
Estimated authorization level	7	−3	−8	−12	−21	−37
Estimated outlays	7	−3	−8	−12	−21	−37

[1] Budget authority and outlays are equal in each fiscal year for the provisions that affect direct spending.

The changes in the surviving spouse's benefits at age 85 would entail recomputations effective with the September 1993 benefit for an estimated 410,000 recipients. Because most of these recomputations can be undertaken through rewriting portions of the computer programs that calculate benefits, the vast majority would be handled on an automated basis, although a few would still require manual calculations. The CBO estimates the additional resources required for the recomputations would total $9 million in 1993 and about $20 million over the five-year period.

Section 6—Increase Exemption for Election Workers: Election workers paid less than $100 per year are, at state option, generally exempt from paying Social Security and Hospital Insurance (HI) payroll taxes. This provision would increase this earnings exclusion to $500 in October 1992 for the remainder of 1992, and to $1,000 for years after 1992.

The revenue loss for this provision would amount to $16 million in 1993 and $80 million over five years. The $80 million revenue loss is the net of OASDI tax reductions of $75 million, HI tax reductions of $15 million, and increased income taxes of $10 million.

Section 7—Modification of the Contribution and Benefit Base: Section 7 would permit an alternative method to index the Social Security and HI contribution and benefit base. These elements limit both Social Security benefits and payroll taxes for Social Security and HI. Under current law, both the contribution and benefit bases are adjusted for wage growth by an average wage index. Under S. 2038, an alternative indexing method would be used if it results in a higher base. The base for any year after 1992 would equal the 1992 base of $55,550 multiplied by the higher of the average wage index for the year prior to the year of determination (for example, the year of determination for 1993 is 1992) divided by the average wage index in 1990, or by the percentage taxable index for the prior year to the year of determination divided by the 1990 base ($51,300). The percentage taxable index, which is defined in the bill, is calculated as the base wage amount such that the percentage of covered wages for a given future year subject to Social Security payroll taxes would stabilize. The CBO estimates this percentage to be 88.2 percent. Also, as under current law, the HI contribution and benefit base will be increased annually by the same percentage as the Social Security bases. This provision would increase net revenues by an estimated $104 million in 1993 and $3,386 million over the 1993–1997 period.

Section 8—Increase Excise Tax on Certain Ozone-Depleting Chemicals: Under current law, an excise tax is imposed on certain ozone-depleting chemicals, with differing rates for chemicals initially listed in the Omnibus Reconciliation Act of 1989 and for chemicals first listed in the Omnibus Reconciliation Act of 1990. Beginning in 1995, the tax rate will be the same for all listed chemicals.

S. 2038 would increase the tax rate in calendar year 1993 by $0.04 per pound for taxable chemicals old or used. The CBO concurs with the estimate of the Joint Committee on Taxation that the provision would increase net revenues by $5 million in 1993, and the same amount for the 1993–1997 period.

8. Pay-as-you-go considerations: The Budget Enforcement Act of 1990 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. Although Social Security outlays and revenues are specifically excluded from the pay-as-you-go calculations, S. 2038 also would affect Supplemental Security Income, Hospital Insurance revenues, and other federal revenues. These effects are displayed in the table below:

[By fiscal year, in millions of dollars]

	1992	1993	1994	1995
Change in outlays	0	0	−5	−6
Change in receipts	0	0	1	−6

8. Estimated cost to State and local government: Several provisions of the bill would affect the spending by state governments. The provisions increasing widows benefits would reduce the SSI supplements that many states pay the elderly and disabled.

9. Estimate comparison: None.

10. Previous CBO estimate: None.

11. Estimate prepared by: Paul Cullinan and Maureen Griffin.

12. Estimate approved by: C.G. Nuckols, Assistant Director for Budget Analysis.•

BALANCED BUDGET AMENDMENT

• Mr. BIDEN. Mr. President, I rise to direct my colleagues' attention to the apparently clear and uncomplicated language of section 7 of the balanced budget amendment now before us. It states, and I quote, "Total receipts shall include all receipts of the United States Government except those derived from borrowing."

As obvious as this simple declarative sentence may seem, it contains a hidden timebomb. Hidden in that definition is the fact that under the proposed amendment, contributions to the Social Security trust fund—indeed, to all of our Government's dedicated trust funds—will be counted, under the Constitution of the United States, as part of the budget of the Federal Government.

Surpluses in those funds, used to cover Social Security and other claims that will come due in the next century, will be counted against current spending, masking the true extent to which our real annual income does not match our annual expenditures.

Mr. President, as part of the 1990 budget enforcement agreement, we decided not to count dedicated Social Security funds as part of the overall budget. We decided that it was dishonest to count against current spending the money collected through Social Security contributions that was intended by law for individual workers' future retirement plans and other needs.

Despite the mistrust and alienation that mark Americans' attitudes toward their Government today, there is one program, Mr. President, that retains the trust of our citizens: the Social Security system. Ironically, under the guise of mandating courage and honesty in budgeting, the balanced budget amendment before us hides the true size of deficits behind the hard-earned funds that our citizens have placed in the Social Security retirement account and other dedicated trust funds.

In 1997, when this proposed amendment could come into effect, the so-called surplus in the Social Security system for that year alone will be $110 billion. If we include all other trust funds, for military and other Federal retirement programs, there will be reserves of $158 billion. On paper, the constitutional definition of the deficit under the proposed amendment would be $236 billion, when in fact the actual Federal funds deficit is estimated to be $395 billion.

In other words, this amendment will make the Federal deficit in 1997 appear 40 percent smaller that it actually will be. That means a total of $488 billion in spending cuts or tax increases over the next 5 years that will be postponed into the next century.

This amendment postpones the goal of a balanced budget by using dedicated trust fund reserves, funds that will have to be replaced in the next century. Far from protecting our children, this amendment virtually guarantees that we will continue to paper over budget imbalances, putting off real choices to an undetermined future date.

The day will come, Mr. President, when we will have to replace the funds that we borrow today from those trusts. When today's workers reach retirement age, in a little over 20 years, they will find that, under the terms of this amendment, we will have been counting their retirement funds as current income.

This year, a total of $280 billion is carried on the books of the Treasury as due to the Social Security system. If we were to count this year's share of that total under the terms of this amendment, our Federal deficit would appear to be $53 billion less than it actually is.

By the year 2015, when the baby boomer generation looks to the Social Security system for retirement and other needs, that part of the Federal debt owed to the Social Security system will total over $1.7 trillion. But, under the proposed amendment, we will have constitutional permission to use these funds over the intervening years to make our annual budgets appear to be in balance. In the end, however, after the legal claims of today's workers are paid out, we will have to raise taxes or default on obligations to the very children and grandchildren the advocates of this amendment claim they want to protect.

Of course, we cannot simply put the reserves from Social Security and other trust funds into the cookie jar or under the mattress. Some suggest that we should commit the reserves from those funds to the essential task of rebuilding our Nation's neglected infrastructure and to make other needed investments in our country's future. However, this is a matter for another debate. Whatever we do, we should not claim to be balancing our budgets while we continue to incur future obligations to Social Security and other trust funds.

Mr. President, during the past decade, as Federal deficits have exploded, I have called for dramatic action to rein our budget deficits. In 1984, I proposed, with Senators KASSEBAUM, GRASSLEY, and BAUCUS, a freeze on Federal spending. At that time, our deficit was $185 billion, less than half the anticipated shortfall for this year. A freeze, while putting a severe cap on spending, would have preserved Congressional priorities in the budget.

As it turned out, a majority of both parties voted against our freeze proposal. The shift of priorities away from domestic social needs continued, and the national debt continued to grow.

The following year, we again submitted our budget freeze proposal; again, a majority of both parties passed up the opportunity to control spending while preserving congressional priorities. That same year the Senate failed to invoke cloture on a proposal for a line-item veto, a plan I favored to place greater responsibility on the President in the budget process.

Last year, as chair of the Judiciary Committee, I supported sending Senator SIMON'S proposed amendment to the Senate floor, in the hope of fostering further debate on this crucial issue. At the time, however, I made clear in the committee report that the amendment had serious problems.

I argued at that time that the proposed amendment threatened a major shift of budget impoundment powers to the President. I also noted that it lacked clear enforcement provisions; the result of this ambiguity will be to throw the Federal budget into the court system. Ultimately, the courts will have to decide how to reconcile conflicts over Federal revenue and spending. This amendment will unhinge the constitutional separation of powers on the crucial issue of the power of the purse, in effect establishing a new set of constitutional relations among the branches of Government.

The consequences of this change, therefore, go far beyond the issue of budget deficits. Are we really prepared to launch into such a radical rewriting of our basic charter? Mr. President, this amendment aims at a runaway budget process, but it misses its mark by using the trust funds to mask the deficit.

Its real impact will be on the very heart of the American political system, a system of checks and balances that is enshrined in our Constitution and that has served our Nation well for over 200 years. This is not the reform we so clearly need to restore honesty and balance to the Federal budget.•

WOMEN AND ILLITERACY

• Ms. MIKULSKI. Mr. President, on this day honoring the goal of literacy for all Americans, I rise to call attention to the particular problems women face as a result of being unable to read. As we all know, the key to success in our Nation lies in education. Without education, a woman is at risk of living in poverty, and of never breaking that cycle.

But she is not alone—lacking the level of reading and math skills to function in everyday life, a woman cannot help her children to obtain these skills that are such a crucial part of succeeding in our society; and cannot earn the kind of living she needs to support her children. With these threats, today's children could become tomorrow's illiterate and impoverished adults. No one wants to see that happen, which is why the attention women's illiteracy deserves, must not be overlooked.

It is no secret that women face a greater struggle in earning a living above the poverty level than men. The glass ceiling still exists for women, and women lacking education are more at risk of living in poverty than their male counterparts. This is obvious in the fact that 75 percent of female heads of household without a high school diploma live in poverty, compared to 34 percent of men in the same situation.

If we are to break the cycle of poverty for women and increase their competitiveness in the workplace, we must provide them the with basic reading and math skills to earn a decent income for themselves and their children. In the process, we can help to secure the future of their children, keeping them out of the vicious cycle of poverty they face without such help.•

• Mr. CRAIG. Mr. President, in the debate this body had over the balanced budget amendment to the Constitution over the last couple weeks, those of us who supported the amendment did so, in part, because of the unconscionable debt with which the generation running the government is saddling our children. The Federal Government has been running amok on a 30-year spending spree, and most of the bills are going to be sent to our children.

Just this week, I received a letter from a 13-year-old young man in Salmon, ID, that proves what many of us have suspected: The next generation is getting wise to what our generation is doing to them. I would like to read that letter:

SALMON, IDAHO.

LARRY CRAIG,
U.S. Senator,
Senate Office Building, Washington, DC.

SENATOR CRAIG: I would like to know how large has our national deficit grown? I know each year our government spends much more than it receives; what will the deficit be this year?

Senator, why can our government spend more than they receive when I can't do that with my checking account or the business that I might have some day?

Senator, if the deficit is important to the economy, why isn't it the number one issue in this year's campaign?

Could you please answer some of these questions for me?

Sincerely,

RYAN ARFMANN.

Mr. President, I am despairing about just how to answer Ryan Arfmann's pointed and poignant questions. So I am asking my colleagues for help, for their ideas in coming up with some responsible answers.

How do I tell Ryan that, as of Wednesday, June 30, he owes the Government's creditors $15,513.01? That's a $15,513.01 debt that he did nothing to incur. Our generation did that for him, accumulating 89 percent of that debt over the last 30 years and 82 percent of it since 1977. That is how much he owes on the debt that has already been accumulated, and does not count the approximately $7,700 in additional debt that CBO estimates we will incur for Ryan over the next 5 years.

I do not know Ryan—he wrote to me as a Citizenship in the Nation merit badge project—but I understand how he is going to feel when he gets the answers to the questions in his letter.

We called his father to get permission to read his letter into the RECORD and found out that Ryan just opened his first checking account last year. He already understands what it takes to balance a checkbook. How do we explain to him that, before he will be old enough to vote, Ryan's portion of the national debt will be more than $23,000?

And we are only talking about the average amount of the debt assigned to every man, woman, and child in America. As a practical matter, those who are further along in life—I heard one colleague mention the term "chronologically advantaged" the other day—will bear less of that debt burden. Someone of Ryan's age will wind up paying off about twice as much of the national debt, through some combination of higher taxes, a lower standard of living, and a Government that accomplishes less and less because more and more of the budget is eaten up with interest payments.

Ryan and his siblings operate a shaved ice business, a lemonade-stand-type of enterprise, I am told, and he expects to own his own business someday. It is obvious that he has a much more profound understanding than most Members of Congress of how profligate spending and borrowing imperils the goose of free enterprise that lays the golden eggs of good living standards.

And why is it, Ryan asks, that the deficit is not the No. 1 issue in this year's campaign?

I know at least one of the many reasons: Over just the last 2 weeks, when some of my colleagues sought to bring this issue to the floor, in the form of the balanced budget amendment, we were told, "It's a waste of our time; the House has already decided the fate of that amendment this year; we need to get on with the 'real business' of the Senate."

I submit, Mr. President, that we were discussing the real business of the Senate when we tried to bring up the balanced budget amendment.

I wish I could write Ryan and say: "Congress has just passed an amendment to the Constitution requiring that we start balancing the budget; I expect three-fourths of the States to ratify it soon. I am happy to report that the Congress is already hard at work on a bill making other changes in the law to phase the deficit down to zero by 1998."

I am bitterly disappointed that I could not write that letter to Ryan. But, you know, I at least could have understood it if I would have had to write, instead: "We have honest differences of opinion here in the U.S. Senate and, on a direct vote on the balanced budget amendment, 34 Senators voted "no," because they did not think that amending the Constitution was the way to attack this problem. However, the debate on this amendment has brought the issue of the deficit to the forefront and the Congress is now hard at work on a bill making other changes in the law to phase the deficit down to zero by 1998."

But I cannot write either of those letters. And I dread the idea of writing about filibusters and cloture votes, and about how some Senators said it was a dead issue this year but will not be a dead issue next year, and how the balanced budget amendment "just did not come up under the right procedure."

In short, I do not know how I can write Ryan and tell him how the Senate killed the balanced budget amendment and make it sound like the Senate operates on a planet where there is intelligent life.

I know one thing I will not say, although this was the answer some of my colleagues were suggesting during the balanced budget amendment debate: I will not write, "The Senate can't really do anything; write the President instead, and ask him to lead."

I am not suggesting that we let this President, or the last one, or the one before that, off the hook. But I am not going to let anyone take Congress off the hook, either. There is plenty of blame to go around, among the President and Congress, Democrats and Republicans, the House and Senate. We all share the responsibility to lead and the failures of the system that have produced $400 billion deficits and $4 trillion in debt.

I see in yesterday's Congress Daily that, over in the other body, the Speaker, minority leader, Budget Committee chairman, and other budget leaders are meeting to discuss deficit reduction options to put forward this year. The House Budget Committee has been holding hearings and been meeting to actively discuss such packages. Who is at the table over there? The leading supporters and the leading opponents of the balanced budget amendment—both sides, putting their efforts where their mouths were.

Now I wonder, am I supposed to write to Ryan and say, "You know the Senate; besides waiting for the President to lead, we are also waiting for the House of Representatives to lead."

Mr. President, that is not why I became a Senator: To be part of a Senate that just sits on the curb waiting for the President or the House to happen by and take us in tow. But that is exactly the attitude I heard ad nauseam on this floor over the last 2 weeks: "The problem is Presidential leadership," and "the House has already voted on the balanced budget amendment."

If I sound angry, Mr. President, it is because I am. After two failed cloture votes led to the withdrawal of the balanced budget amendment for the remainder of this year, I walked back to my office trying to look at it philosophically: We made a good effort, and next year the Judiciary Committee will report out the amendment again, and then we will bring it to the floor under a different procedure and have a better chance.

But then, Mr. President, I read this young man's letter, and the more I thought about it, the angrier I got. And even more so, I am frustrated—frustrated with those who would rather retreat into excuses of how impotent this body is rather than try to lead us out of this deficit mess. This Senator's suggestion for the first step is and has been an effective and flexible balanced budget amendment. I invite those who disagree to step forward with an alternative plan that they really expect to become law.

In the meantime, I invite my colleagues who have ideas on how I can answer Ryan Arfmann's questions to share them with me. To do so will be in your own best interest, because every one of you has a Ryan Arfmann in your State, beginning to realize the mess our generation and our Government has created for him or her, and ready to ask you these same questions. In fact, there are millions of Ryan Arfmanns in our children's generation who will be demanding answers from all of us in this body, in very short order.•

THE MERGER OF PHOENIX MUTUAL AND HOME LIFE

• Mr. DODD. Mr. President, for more than 140 years, as a significant employer, a business leader and a respected corporate citizen, Phoenix Mutual Life Insurance Co. has been an important part of Connecticut.

With home office locations in Hartford and Enfield, the Phoenix has contributed to the State's economic well-being and stability. It is a company that has grown over the years, and the region has benefited from that growth.

As a mid-sized mutual life insurance company, the Phoenix has benefited the people of the region in other ways. Its quality products and services have been purchased by more than 87,000 people in Connecticut.

Late last year, the Phoenix announced its intentions to merge with Home Life Insurance Co. of New York, a merger that is effective yesterday, July 1, 1992. The result, Phoenix Home Life Mutual Insurance Co. is the 12th largest mutual life insurance company, with assets under management in excess of $16 billion.

The citizens of Connecticut welcome a larger and even stronger company that has pledged to continue to be a major employer in the region and a good corporate citizen.●

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to the provisions of Senate Concurrent Resolution 102 (102d Congress), appoints the following Senators to the Joint Congressional Committee on Inaugural Ceremonies: the Senator from Maine [Mr. MITCHELL], the Senator from Kentucky [Mr. FORD], and the Senator from Alaska [Mr. STEVENS].

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 4355(a), appoints the following Senators to the Board of Visitors of the U.S. Military Academy: the Senator from Nevada [Mr. REID], from the Committee on Appropriations; the Senator from Alabama [Mr. SHELBY], from the Committee on Armed Services; the Senator from New York [Mr. D'AMATO], from the Committee on Appropriations; and the Senator from Montana [Mr. BURNS], at large.

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 9355(a), appoints the following Senators to the Board of Visitors of the U.S. Air Force Academy: the Senator from Nebraska [Mr. EXON], from the Committee on Armed Services; the Senator from South Carolina [Mr. HOLLINGS], from the Committee on Appropriations; the Senator from Mississippi [Mr. COCHRAN], from the Committee on Appropriations; and the Senator from Mississippi [Mr. LOTT], at large.

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 6968(a), appoints the following Senators to the Board of Visitors of the U.S. Naval Academy: the Senator from Maryland [Ms. MIKULSKI], from the Committee on Appropriations; the Senator from Maryland [Mr. SARBANES], at large; the Senator from Oregon [Mr. HATFIELD], from the Committee on Appropriations; and the Senator from Arizona [Mr. MCCAIN], from the Committee on Armed Services.

ORDERS FOR MONDAY, JULY 20, 1992

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 2 p.m., Monday, July 20; that when the Senate reconvenes on Monday July 20, the Journal of proceedings be deemed to have been approved to date; the call of the calendar be waived, and no motions or resolutions come over under the rule; and that the morning hour be deemed to have expired; I further ask unanimous consent that following time for the two leaders there then be a period for morning business not to extend beyond 3 p.m., with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THANKS TO STAFF

Mr. SIMPSON. Mr. President, I wish to thank the staff on both sides of the aisle for a long day and their splendid work. It is indeed grueling for all, but particularly so for them.

Mr. FORD. It is always nice to have someone there to make the wheel turn.

ADJOURNMENT UNTIL MONDAY, JULY 20, 1992, AT 2 P.M.

Mr. FORD. If there is no further business to come before the Senate today, I now move that the Senate adjourn under the provisions of House Concurrent Resolution 343, until 2 p.m. Monday, July 20.

There being no objection, the Senate, at 11:16 p.m., adjourned until Monday, July 20, 1992, at 2 p.m.

NOMINATIONS

Executive nominations received by the Senate July 2, 1992:

THE JUDICIARY

ILANA DIAMOND ROVNER, OF ILLINOIS, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SEVENTH CIRCUIT VICE HARLINGTON WOOD, JR., RETIRED.

JOHN PHIL GILBERT, OF ILLINOIS, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF ILLINOIS VICE JAMES L. FOREMAN, RETIRED.

DEPARTMENT OF STATE

MARY C.PENDLETON, OF VIRGINIA, A CAREER MEMBER OF THE FOREIGN SERVICE, CLASS ONE, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF MOLDOVA.

MACK F. MATTINGLY, OF GEORGIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SEYCHELLES.

THE JUDICIARY

RICHARD CONWAY CASEY, OF NEW YORK, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK, VICE ROBERT W. SWEET, RETIRED.

DEPARTMENT OF ENERGY

JOHN J. EASTON, JR., OF VERMONT, TO BE AN ASSISTANT SECRETARY OF ENERGY (DOMESTIC AND INTERNATIONAL ENERGY POLICY).

DEPARTMENT OF STATE

STANLEY TUEMLER ESCUDERO, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF TAJIKISTAN.

KENT N. BROWN, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GEORGIA.

THE JUDICIARY

LARRY R. HICKS, OF NEVADA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF NEVADA VICE EDWARD C. REED, JR., RETIRED.

JOHN W. SEDWICK, OF ALASKA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF ALASKA VICE ANDREW J. KLEINFELD, ELEVATED.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 2, 1992:

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SHIRLEY GRAY ADAMOVICH, OF NEW HAMPSHIRE, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 1996.

NATIONAL SCIENCE FOUNDATION

RICHARD NEIL ZARE, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR THE REMAINDER OF THE TERM EXPIRING MAY 10, 1992.

F. ALBERT COTTON, OF TEXAS, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 1998.

CHARLES EDWARD HESS, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 1998.

JOHN HOPCROFT, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 1998.

JAMES L. POWELL, OF PENNSYLVANIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 1998.

FRANK H.T. RHODES, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 1998.

RICHARD NEIL ZARE, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 1998.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

HUGH HARDY, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 1996.

PAUL A. CANTOR, OF VIRGINIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 1998.

JOSEPH H. HAGAN, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 1998.

THEODORE S. HAMEROW, OF WISCONSIN, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 1998.

ALICIA JUARRERO, OF MARYLAND, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 1998.

ALAN CHARLES KORS, OF PENNSYLVANIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 1998.

CONDOLEEZZA RICE, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 1998.

JOHN R. SEARLE, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 1998.

BRUCE COLE, OF INDIANA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 1998.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

JOYCE A. DOYLE, OF NEW YORK, TO BE A MEMBER OF THE FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION FOR A TERM OF SIX YEAS EXPIRING AUGUST 30, 1998.

U.S. INSTITUTE OF PEACE

MAX M. KAMPELMAN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 1995.

CHRISTOPHER H. PHILLIPS, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. INSTITUTE OF PEACE FOR THE REMAINDER OF THE TERM EXPIRING JANUARY 19, 1993.

DEPARTMENT OF STATE

WILLIAM CLARK, JR., OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AN ASSISTANT SECRETARY OF STATE.

ROBERT L. BARRY, OF NEW HAMPSHIRE, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF INDONESIA.

DAVID C. FIELDS, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-

COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF THE MARSHALL ISLANDS.

PRINCETON NATHAN LYMAN, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SOUTH AFRICA.

JOSEPH CHARLES WILSON IV, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE GABONESE REPUBLIC, AND TO SERVE CONCURRENTLY WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE DEMOCRATIC REPUBLIC OF SAO TOME AND PRINCIPE.

JOSEPH MONROE SEGARS, OF PENNSYLVANIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CAPE VERDE.

ROBERT L. GALLUCCI, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF STATE.

KENNETH L. BROWN, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GHANA.

FRANK G. WISNER, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE UNDER SECRETARY OF STATE FOR COORDINATING SECURITY ASSISTANCE PROGRAMS.

CHARLES B. SALMON, JR., OF NEW YORK, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE LAO PEOPLE'S DEMOCRATIC REPUBLIC.

IRVIN HICKS, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE DEPUTY REPRESENTATIVE OF THE UNITED STATES OF AMERICA IN THE SECURITY COUNCIL OF THE UNITED NATIONS, WITH THE RANK OF AMBASSADOR.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

ALISON PODELL ROSENBERG, OF VIRGINIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

CORPORATION FOR PUBLIC BROADCASTING

RITAJEAN HARTUNG BUTTERWORTH, OF WASHINGTON, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR PUBLIC BROADCASTING FOR A TERM EXPIRING MARCH 26, 1997.

AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be brigadier general

COL. KURT B. ANDERSON, [redacted] REGULAR AIR FORCE.

COL. WILLIAM J. BEGERT [redacted] REGULAR AIR FORCE.

COL. ALLEN D. BUNGER, [redacted] REGULAR AIR FORCE.

COL. ROGER E. CARLETON, [redacted] REGULAR AIR FORCE.

COL. JOHN P. CASCIANO, [redacted] REGULAR AIR FORCE.

COL. JAMES S. CHILDRESS [redacted] REGULAR AIR FORCE.

COL. WILLIAM J. DONAHUE, [redacted] REGULAR AIR FORCE.

COL. MARVIN R. ESMOND, [redacted] REGULAR AIR FORCE.

COL. BOBBY O. FLOYD, [redacted] REGULAR AIR FORCE.

COL. GEORGE A. GRAY, III [redacted] REGULAR AIR FORCE.

COL. JEFFREY R. GRIME [redacted] REGULAR AIR FORCE.

COL. JOHN W. HAWLEY, [redacted] REGULAR AIR FORCE.

COL. WILLIAM S. HINTON, JR. [redacted] REGULAR AIR FORCE.

COL. WALTER S. HOGLE, JR. [redacted] REGULAR AIR FORCE.

COL. CLINTON V. HORN, [redacted] REGULAR AIR FORCE.

COL. HAL M. HORNBURG, [redacted] REGULAR AIR FORCE.

COL. DENNIS K. HUMMEL, [redacted] REGULAR AIR FORCE.

COL. ROBERT G. JENKINS [redacted] REGULAR AIR FORCE.

COL. LEONARD F. KWIATKOWSKI, [redacted] REGULAR AIR FORCE.

COL. LANCE W. LORD, [redacted] REGULAR AIR FORCE.

COL. STEPHEN C. MANNELL, [redacted] REGULAR AIR FORCE.

COL. MICHAEL J. MCCARTHY, [redacted] REGULAR AIR FORCE.

COL. THOMAS R. MIKOLAJCIK, [redacted] REGULAR AIR FORCE.

COL. GEORGE W. NORWOOD, [redacted] REGULAR AIR FORCE.

COL. RICHARD R. PAUL, [redacted] REGULAR AIR FORCE.

COL. DONALD L. PETERSON, [redacted] REGULAR AIR FORCE.

COL. RICHARD H. ROELLIG, [redacted] REGULAR AIR FORCE.

COL. DAVID A. SAWYER, [redacted] REGULAR AIR FORCE.

COL. ERVIN C. SHARPE, JR. [redacted] REGULAR AIR FORCE.

COL. THOMAS A. TWOMEY, [redacted] REGULAR AIR FORCE.

COL. DAVID L. VESELY, [redacted] REGULAR AIR FORCE.

COL. JOHN L. WELDE, [redacted] REGULAR AIR FORCE.

COL. JOHN R. WORMINGTON, [redacted] REGULAR AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. WALTER KROSS, [redacted] U.S. AIR FORCE.

ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. WILLIAM W. CROUCH, [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JERRY R. RUTHERFORD [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. DAVID M. MADDOX, [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. CROSBIE E. SAINT, [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. SAMUEL E. EBBESEN, [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. WILLIAM S. CARPENTER, JR. [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JOHN J. YEOSOCK [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTED TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JAMES R. ELLIS [redacted] U.S. ARMY.

MARINE CORPS

THE FOLLOWING NAMED OFFICER UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, FOR REASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY AS FOLLOWS:

To be lieutenant general

LT. GEN. HENRY C. STACKPOLE, III [redacted] USMC.

THE FOLLOWING NAMED OFFICER UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, FOR ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY AS FOLLOWS:

To be lieutenant general

MAJ. GEN. NORMAN E. EHLERT, [redacted] USMC.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. ROBERT J. WINGLASS [redacted] USMC.

NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5035:

To be vice chief of naval operations

To be admiral

VICE ADM. STANLEY R. ARTHUR, U.S. NAVY [redacted]

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

VICE ADM. HENRY H. MAUZ, JR., U.S. NAVY [redacted]

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. EDWARD M. STRAW, SUPPLY CORPS, U.S. NAVY, [redacted]

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. TIMOTHY W. WRIGHT, U.S. NAVY [redacted]

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

VICE ADM. WILLIAM A. OWENS, [redacted] U.S. NAVY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (SELECTEE) THOMAS J. LOPEZ, [redacted] U.S. NAVY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. JAMES G. REYNOLDS, U.S. NAVY [redacted]

THE FOLLOWING OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (LH) NORMAN W. RAY, U.S. NAVY [redacted]

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be admiral

ADM. LEON A. EDNEY, U.S. NAVY [redacted]

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

ADM. PAUL D. MILLER, U.S. NAVY [redacted]

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be admiral

ADM. JOHATHAN T. HOWE, U.S. NAVY [redacted]

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING MAJOR MILTON E. AMES JR. [redacted] AND ENDING MAJOR MICHAEL A. REOTT, [redacted] WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 13, 1992.

AIR FORCE NOMINATIONS BEGINNING MAJOR RONALD E. BAKER, [redacted] AND ENDING MAJOR LESLIE D. DYSARD, [redacted] WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 13, 1992.

AIR FORCE NOMINATIONS BEGINNING ABRAHAM A. ENGLEBERG, AND ENDING KEITH R. GABRIEL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 19, 1992.

AIR FORCE NOMINATIONS BEGINNING MERRITT G. DAVIS, JR, AND ENDING SHOBHA SEM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 2, 1992.

AIR FORCE NOMINATIONS OF LT. COL. BRIAN DUFFY, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 2, 1992.

AIR FORCE NOMINATIONS BEGINNING SHIRLEY A EUBANKS, AND ENDING BERNARD J STROUTH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 2, 1992.

AIR FORCE NOMINATIONS BEGINNING RAY C ADAMS, JR, AND ENDING BRUCE L UPTON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 2, 1992

AIR FORCE NOMINATIONS BEGINNING LYLE E ALLEN, AND ENDING CAROL M THOMAS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 11, 1992.

AIR FORCE NOMINATIONS BEGINNING MAJOR TERRY N. ALLEN, 520-52-8617, AND ENDING MAJOR MICHAEL R. HARRIS 545-62-9810, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 11, 1992.

IN THE ARMY

ARMY NOMINATIONS BEGINNING THURMAN C. ATKINSON, JR., AND ENDING PHILIP W. NUSS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON JANUARY 22, 1992, AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 24, 1992. [LIST REPORTED AND CONFIRMED MINUS ONE NAME: LEROY WEYRICK III, 459-80-3008]

ARMY NOMINATIONS BEGINNING HECTOR L. ACEVEDO, AND ENDING LEWIS F. ZERFOSS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 22, 1992 [LIST REPORTED AND CONFIRMED MINUS ONE NAME: LARRY R LEIBROCK, 214-50-6450]

ARMY NOMINATIONS BEGINNING BRIAN W. ADAMS, AND ENDING DONALD E. WIRTH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 18, 1992.

ARMY NOMINATIONS BEGINNING FRANCISCO B. IRIARTE, AND ENDING * DANIEL L. HOSSBACH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 28, 1992.

ARMY NOMINATIONS BEGINNING MARY T. DEARDORFF, AND ENDING ROBERT W. PIPKIN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 19, 1992.

ARMY NOMINATIONS BEGINNING ROBERT C. HUGHES, JR., AND ENDING LARRY F. WILSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 19, 1992.

ARMY NOMINATION OF GARY V. CASIDA, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 4, 1992.

ARMY NOMINATIONS BEGINNING JAMES T. CARPER, AND ENDING KEITH W. WEAVER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JUNE 11, 1992.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS OF THE MARINE CORPS FOR PERMANENT APPOINTMENT TO THE GRADE OF COLONEL UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

RICHARD D ALLEN, [redacted]
JAMES R BATTAGLINI, [redacted]
ROBERT A BEAUDOIN, [redacted]
CHARLES D BENNETT, [redacted]
THOMAS L BLICKENSDERFER, [redacted]
DAVID R BLOOMER, [redacted]
ROBERT B JR BLOSE, [redacted]
JAMES L SR BOOKER, [redacted]
JOHN F BOULDRY, [redacted]
WILLIAM G III BOWDON, [redacted]
WILLIAM L BOWLING, [redacted]
MICHAEL H BOYCE, [redacted]
DARRELL A BROWNING, [redacted]
THOMAS A CAUGHLAN, [redacted]
STEPHEN A CHENEY, [redacted]
JAMES P CHESSUM, [redacted]
JOHN S CIPPARONE, [redacted]
WAYNE A CLEMMER, [redacted]
ROBERT S COHEN, [redacted]
RAYMOND COLE, [redacted]
JOSEPH COMPOSTO, [redacted]
LARKIN E CONATSER, [redacted]
KEVIN A CONRY, [redacted]
MICHAEL A COULMAN, [redacted]
WALDO B JR CUMMINGS, [redacted]
WILLIAM C DARNER, [redacted]
MELVIN W JR DEMARS, [redacted]
HENRY M DENTON, [redacted]
ROBERT C JR DODT, [redacted]
CHARLES W DORMAN, [redacted]
PETER A DOTTO, [redacted]
THOMAS E DUNKELBERGER, [redacted]
JAMES M DURHAM, [redacted]
JAN M DURHAM, [redacted]
JAMES B EGAN, [redacted]
JAMES M II EICHER, [redacted]
ROBERT M FLANAGAN, [redacted]
TIMOTHY M GAHAN, [redacted]
JOHN M GAUTREAUX, [redacted]
JOHN F GOODMAN, [redacted]
JOSEPH P JR GORDON, [redacted]
VINCENT J JR GOULDING, [redacted]
BARRY P GRIFFIN, [redacted]
RANDALL B HAGLUND, [redacted]
WILLIAM L HAMMERLE, [redacted]
MARK K HAYDEN, [redacted]
JEFFREY F HAMLER, [redacted]
CARL M HERDERING, [redacted]
TIMOTHY J HIMES, [redacted]
RICHARD P JR HOBBS, [redacted]
JOHN D HOLDSTEIN, [redacted]
RICHARD A HUCK, [redacted]
RICHARD B INGHRAM, [redacted]
RICHARD L KELLY, [redacted]
MICHAEL M KEPHART, [redacted]
PIERCE R KING, [redacted]
STEPHEN J JR LABADIE, [redacted]
JOHN II LANGDON, [redacted]
LEE F II LANGE, [redacted]
JAMES A LASSWEL, [redacted]
ROBERT N LEAVITT, [redacted]
JAMES D LENARD, [redacted]
DAVID C LITCHFIELD, [redacted]
LAWRENCE A MACHABEE, [redacted]
HAROLD J MAHER, [redacted]
RICHARD A MALONEY, [redacted]
DENNIS C MCBRIDE, [redacted]
KEVIN J MCHALE, [redacted]
ROBERT G MELLON, [redacted]
OTTAVIO J MILANO, [redacted]
JOHN R MILLS, [redacted]
JAMES R MORRIS, [redacted]
CLIFFORD O III MYERS, [redacted]
DENNIS K OBERHELMAN, [redacted]
JAMES P ODONNELL, [redacted]
MICHAEL L OLSON, [redacted]
RICHARD L OWEN, [redacted]
CRUZ PARDO, [redacted]
RALPH E JR PARKER, [redacted]
WILLIAM H PARRISH, [redacted]
JOHN F PETTINE, [redacted]
MARK B PIZZO, [redacted]
RAYMOND L POLAK, [redacted]
JOSEPH J RIGGIO, [redacted]
JOHN F SATTLER, [redacted]
RICHARD Y SHINTANI, [redacted]
CLYDE H SLICK, [redacted]
BRYON E SMITH, [redacted]
MICHAEL H SMITH, [redacted]
WILLIE T SNOW, [redacted]
JOHN B SOLLIS, [redacted]
CURTIS B SOUTHWICK, [redacted]
WILLIAM R SPAIN, [redacted]
GRANT M SPARKS, [redacted]
CHRISTOPHE B STOOPS, [redacted]
JAMES N STROCK, [redacted]
LYNN A STUART, [redacted]
JONATHAN W STULL, [redacted]
LEONARD M SUPKO, [redacted]
DAVID J TURNER, [redacted]
GUY M VANDERLINDEN, [redacted]
GERALD J VARELA, [redacted]
JOHN H WAGNER, [redacted]
WILLIAM A WHITLOW, [redacted]
JIMMY L WHITSON, [redacted]
JOHN D WINCHESTER, [redacted]

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS OF THE MARINE CORPS FOR PERMANENT APPOINTMENT TO THE GRADE OF LIEUTENANT COLONEL UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

BRUCE A ALBRECHT, [redacted]
JOHN R ALLEN, [redacted]
MICHAEL F APPLEGATE, [redacted]
ROY A ARNOLD, [redacted]
DOUGLAS F ASHTON, [redacted]
WILLIAM S BARKLEY, JR, [redacted]
DAVID L BARRACLOUGH, [redacted]
JOHN R BATES, [redacted]
RONALD D BEAN, [redacted]
JAMES C BECK, [redacted]
DAVID L BEEMAN, [redacted]
WAYNE C BELL, [redacted]
KATHLEEN G BERGERON, [redacted]
BRUCE E BISSETT, [redacted]
MICHAEL J BLAINE, [redacted]
DAVID F BONWIT, [redacted]
CHARLES E BOYD, [redacted]
RUSSELL A BROOKS, [redacted]
ROY D BRYANT, [redacted]
DAVID L BULAND, [redacted]
JOSEPH F BURANOSKY, [redacted]
WILLIAM M BURGESS, [redacted]
MARK A CAGIANO, [redacted]
ANDREW H CAMPBELL, II, [redacted]
PAUL S CARIKER, [redacted]
JACK P CARTER, JR, [redacted]
ROXANNE W CHENEY, [redacted]
PAUL C CHRISTIAN, [redacted]
LOUIS J CIPRIANI, JR, [redacted]
ROBERT A COATES, [redacted]
MELVIN L COCHRAN, [redacted]
RUSSELL W COLMAN, JR, [redacted]
THOMAS L CONANT, [redacted]
JOSEPH E CONNELL, II, [redacted]
KAREN L CORBETT, [redacted]
RONALDO A COULTER, [redacted]
MICHAEL S CRAIG, [redacted]
DONALD G CROOM, [redacted]
ROBERT F CURTIS, [redacted]
DOUGLAS A DARLING, [redacted]
ROBERT G DAVID, JR, [redacted]
DAVID R DEAN, [redacted]
JOSEPH J DEFRANCO, [redacted]
JAMES E DERDEYN, [redacted]
CHARLES E DOLEJS, [redacted]
JOHN P DONATO, [redacted]
DOYLE G DOUGLAS, [redacted]
GLEN W DUNCAN, [redacted]
RICHARD H DUNNIVAN, [redacted]
ALFRED W ELLIS, III, [redacted]
PHILIP J EXNER, [redacted]
ALLIE C FELDER, III, [redacted]
BARRY R FETZER, [redacted]
GEROLD J FLOTTE, [redacted]
HAROLD H FOX, II, [redacted]
EUGENE J FRASER, [redacted]
THOMAS E FULTZ, [redacted]
WILLIAM H GAFFNEY, [redacted]
TIMOTHY M GASKINS, [redacted]
JOSEPH B GILBERT, [redacted]
TIMOTHY R GOLIKE, [redacted]
KEVIN L GORDON, [redacted]
STANTON R GOULD, [redacted]
JEFF D GRELSON, [redacted]
TERRY W GRIFFIN, [redacted]
GERALD M HAMMES, [redacted]
MYRON L HAMPTON, [redacted]
JACK R HARKINS, JR, [redacted]
THOMAS A HEFFNER, [redacted]
MARK S HELGESON, [redacted]
DOUGLAS C HERRINGTON, [redacted]
ROBIN L HIGGINS, [redacted]
PAUL R HILL, [redacted]
TERRY L HILL, [redacted]
CHARLES A HODGES, [redacted]
WILLIAM M HOFFMAN, [redacted]
DANNY L HOGG, [redacted]
OTIS L HOLLAR, II, [redacted]
WILLIAM P HOLLERICH, [redacted]
JAMES E HUNTER, JR, [redacted]
PHILLIP R HUTCHERSON, [redacted]
DENNIS J JACKSON, JR, [redacted]
MARY V JACOCKS, [redacted]
JOHN M JAGIELSKI, [redacted]
KEVIN P JANOWSKY, [redacted]
LARRY E JELLISON, [redacted]
ROBERT L JENKINS, JR, [redacted]
WILLIAM C JOHNSON, [redacted]
WILLIAM F JOHNSON, [redacted]
JAMES L JOHNSTON, [redacted]
DAVID L JONES, JR, [redacted]
JERRI L JONES, [redacted]
KEVIN B JORDAN, [redacted]
DENNIS JUDGE, [redacted]
GEORGE H KEATING, [redacted]
RICKI A KELISH, [redacted]
BRUCE R KELLY, [redacted]
TIMOTHY J KIRK, [redacted]
FREDERICK J KLAUSER, [redacted]
MARVIN A KNORR, JR, [redacted]
ROBERT F KUHLOW, [redacted]
JOHN C LADD, [redacted]
MARCJUS L LENDERMAN, [redacted]
ROLAND J LEVESQUE, JR, [redacted]
ROBERT W LIVINGSTON, [redacted]
JAMES M LOWE, [redacted]
AARON R MADDOX, [redacted]
BRON N MADRIGAN, [redacted]
MICHAEL A MALACHOWSKY, [redacted]
RONALD V MALDONADO, [redacted]
GEORGE P MANDIS, [redacted]
GARY L MCCLURE, [redacted]
A V MCCOY, JR, [redacted]
JOHN R MILES, [redacted]
STEVEN C MILLER, [redacted]
PAUL T MOFFETT, [redacted]
JOHN S MOORE, [redacted]
RICHARD S MOORE, [redacted]
JOE W MORRIS, [redacted]
MATT R MORRISON, [redacted]
GARY E MUELLER, [redacted]
GEORGE E MUELLER, JR, [redacted]
ARTHUR L NALLS, JR, [redacted]
THOMAS E NICOLL, [redacted]
KELLEY J NIELSEN, [redacted]
THOMAS J NIELSEN, [redacted]
MARK H OCONNOR, [redacted]
WILLIAM F OHARA, JR, [redacted]
ALLEN E OLIVER, [redacted]
RENE P ORTIZ, [redacted]
HARRY A PAGE, [redacted]
GRAIG T PATRANC, [redacted]
MARTIN D PEATROSS, [redacted]
FRANK D PELLI, [redacted]
ROSS D PENNINGTON, [redacted]
NICHOLAS C PETRONZIO, [redacted]
DIMAS PINZON, JR, [redacted]
CHRISTOPHE D PLATT, [redacted]
HAROLD E POOLE, SR, [redacted]
MARTIN POST, [redacted]
JOSEPH G RADZIKOWSKI, [redacted]
THOMAS D RANKIN, [redacted]
JAMES R REETZ, [redacted]
DENNIS W REILLY, [redacted]
STEPHEN C ROBB, [redacted]
MASTIN M ROBESON, [redacted]
WAYNE D ROBINSON, [redacted]
BONNIE J ROBISON, [redacted]

LEWIS W ROLLINS, [redacted]
BENNETT W SAYLOR, [redacted]
JOHN F SCHEINER, [redacted]
HOWARD P SCHICK, [redacted]
ROBERT E SCHMIDLE, JR, [redacted]
DANIEL C SCHULTZ, [redacted]
ELLETT M SMITH, [redacted]
PAUL SOFRANAC, [redacted]
JACK K SPARKS, JR, [redacted]

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS OF THE MARINE CORPS FOR PERMANENT APPOINTMENT TO THE GRADE OF MAJOR UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

EDUARDO ACOSTA, [redacted]
SCOTT R ADAMS, [redacted]
WILLIAM T AKANA, [redacted]
MARTIN S ALMQUIST, [redacted]
KENNETH W AMIDON, [redacted]
ROBERT V AMIRANTE, [redacted]
MICHAEL B ANDERSON, [redacted]
TRUMAN D ANDERSON, JR, [redacted]
STEVEN J ANDREWS, [redacted]
LYLE O ARMEL, III, [redacted]
TERRY R ARMSTRONG, [redacted]
JOEL K ASHINHURST, [redacted]
MICHAEL L BAKER, [redacted]
STEPHEN C BAKER, [redacted]
STEVEN J BAKER, [redacted]
MARK D BALLINGER, [redacted]
TIMOTHY M BARNES, [redacted]
MAUREEN A BASHAM, [redacted]
MITCHELL A BAUMAN, [redacted]
FRANK C BAYNARD, JR, [redacted]
MICHAEL A BERMUDEZ, [redacted]
KENNETH D BEST, [redacted]
STUART C BETTS, [redacted]
KENNETH L BEUTEL, [redacted]
DONALD F BIEDERMANN, JR, [redacted]
WAYNE W BIEMOLT, [redacted]
WILLIAM L BLAIR, II, [redacted]
MARK C BLAYDES, [redacted]
PAULA M BOGDEWIC, [redacted]
ROBERT G BONSIGNORE, [redacted]
DANIEL D CARY, [redacted]
ROBERT H CHASE, JR., [redacted]
DARLENE A BRABANT, [redacted]
JAMES R BRADEN, [redacted]
THOMAS C BRADEN, [redacted]
MARK A BRILAKIS, [redacted]
JAMES M BROCKMANN, [redacted]
DAVID E BROOKS, [redacted]
LORIN K BROWN, [redacted]
MARLON F BROWN, [redacted]
MARLON F BROWN, [redacted]
RONALD E BROWNING, [redacted]
DONALD S BRUCE, [redacted]
NEIL K CADWALLADER, [redacted]
JAMES E CALLAWAY, [redacted]
STEPHEN J CAMERON, [redacted]
ERIC H CARLSON, [redacted]
THOMAS P CARMODY, [redacted]
GREGORY A BOYLE, [redacted]
DANIEL J CHOIKE, [redacted]
MARK G CIANCIOLO, [redacted]
LISA M CICCHINI, [redacted]
MARK A CLARK, [redacted]
ROBERT D CLINTON, [redacted]
RAYMOND E COIA, [redacted]
PETER B COLLINS, [redacted]
RICHARD D COLVARD, [redacted]
CHARLES J COOGAN, [redacted]
ALAN D COPELAND, [redacted]
ROBERT A CREEDON, II, [redacted]
ANN L CRITTENDEN, [redacted]
JOHN P CROOK, [redacted]
KENNETH E CROSBY, JR, [redacted]
STEPHEN W CROWELL, [redacted]
FRANCIS X CUBILLO, [redacted]
JAMES C CUMMISKEY, [redacted]
MARK R CYR, [redacted]
JOSEPH H DAAS, [redacted]
MARTIN E DAHL, [redacted]
PETER K DAHL, [redacted]
DOUGLAS J DAILY, [redacted]
JAMES R DALEY, [redacted]
MICHAEL G DANA, [redacted]
MICHAEL R DARNELL, [redacted]
JOSEPH D DAUPLAISE, [redacted]
CARL E DAVIS, [redacted]
PETER B DAVIS, [redacted]
STEPHEN W DAVIS, [redacted]
JAMES A DAY, [redacted]
GERALD A DEPASQUALE, [redacted]
WILLIAM J DEVLIN, [redacted]
KEVIN M DEVORE, [redacted]
JAMES A DIXON, [redacted]
DEREK J DONOVAN, [redacted]
GARY C DOWNEY, [redacted]
THOMAS B DOWNEY, [redacted]
EDWARD J DUFFY, [redacted]
JOHN D DULLE, [redacted]
CHARLES R DUNLAP, [redacted]
BASCOM D EAKER, [redacted]
CHRISTOPHE M EKMAN, [redacted]
CHRISTOPHE H ELLIS, [redacted]
OWEN W ENGLANDER, [redacted]
LEO A FALCAM, JR, [redacted]
LESLYE J FALCAM, [redacted]
JOSEPH L FALVEY, JR, [redacted]
JOHN M FARLEY, [redacted]
RONNIE J FARMER, [redacted]
ALLAN M FAXON, JR, [redacted]
TIMOTEO R FIERRO, JR, [redacted]
DEAN E FISH, [redacted]
JOHN A FORQUER, [redacted]
DAVID G FRITZ, [redacted]
STEVEN H FUTCH, [redacted]
DANIEL P GANNON, [redacted]
JOHN C GAUTHIER, [redacted]
BART R GENTRY, [redacted]
STEVEN J GOTTLIEB, [redacted]
WILLIAM R GRACE, [redacted]
GLEN C GRAHAM, [redacted]
JACOB L GRAHAM, [redacted]
DAVID S GREENBURG, [redacted]
KENNETH C GRENIER, [redacted]
PAUL D GRENSEMAN, [redacted]
JUDY A GRETCH, [redacted]
ERIC W GUENTHER, [redacted]
CARL A GUMPERT, JR, [redacted]
ELLEN K HADDOCK, [redacted]
KEVIN J HAGENBUCH, [redacted]
JAMES E HALL, [redacted]
JEFFREY A HALTERMAN, [redacted]
STEVEN P HAMMOND, [redacted]
SCOTT P HANEY, [redacted]
DONALD K HANSEN, [redacted]
DANIEL F HARRINGTON, [redacted]
KATHLEEN V HARRISON, [redacted]
RICHARD M HASEY, [redacted]
KIP J HASKELL, [redacted]
MICHAEL G HAWKINS, [redacted]
MICHAEL R HENDERSON, [redacted]
JOHN E HICKEY, III, [redacted]
PAUL K HILTON, [redacted]
MARK P HINES, [redacted]
JOLENE L HOLLINGSHEAD, [redacted]
STEVEN E HOLMES, [redacted]
ERIC C HOLT, [redacted]
DAVID K HOUGH, [redacted]
KIRK W HOWARD, [redacted]
JERRY D HOWELL, [redacted]
CHARLES L HUDSON, [redacted]
TIMOTHY H HUETE, [redacted]
CHARLES G. HUGHES, II, [redacted]
DAVID W HUNT, [redacted]
THOMAS R HUNT, [redacted]
RONALD P IRICK, [redacted]
CHARLES H JAY, [redacted]
ERIC P JOHNSON, [redacted]
ROBERT E JOHNSON, [redacted]
RONN C JOHNSON, [redacted]
MATTHEW D JONES, [redacted]
RAY JONES, [redacted]
STANLEY J JOZWIAK, [redacted]
DANIEL P KAEPERNIK, [redacted]
JAMES A KAZIN, [redacted]
CHRISTIAN J KAZMIERCZAK, [redacted]
MICHAEL J KEEGAN, [redacted]
ROBERT G KELLY, [redacted]
PARRY P KEOGH, [redacted]
CAROL A KETTENRING, [redacted]
TIMOTHY J KIBBEN, [redacted]
DOUGLAS M KING, [redacted]
EDWIN T KING, [redacted]
MARK A KING, [redacted]
DAVID M KLUEGEL, [redacted]
JAMES J KNELL, [redacted]
EDWIN L KOEHLER, JR, [redacted]
DONNA J KRUEGER, [redacted]
MARCIA A KUEHL, [redacted]
STEPHEN G LEBLANC, [redacted]
WILLIAM P LEEK, [redacted]
WILLIAM G LEFTWICH, III, [redacted]
MICHAEL E LEWIS, [redacted]
FREDERIC W LICKTEIG, [redacted]
DANIEL E LIDDEL, [redacted]
BRADLEY C LINDBERG, [redacted]
GREGORY E LOCKE, [redacted]
KENNETH C LYLES, [redacted]
JACK A MABERRY, [redacted]
BRUCE D MACLACHLAN, [redacted]
MYRON J MAHER, JR, [redacted]
DAVID A MAHONEY, [redacted]
JAMES C MALLON, [redacted]
LESLIE C MARSH, [redacted]
NICHOLAS J MARSHALL, [redacted]
JAMES B MARTINEZ, JR, [redacted]
ROBERT A MARTINEZ, [redacted]
TIMOTHY P MASSEY, [redacted]
PETER D MATT, [redacted]
CAROL A MCBRIDE, [redacted]
PETER T MCCLENAHAN, [redacted]
RONALD E MCGEE, [redacted]
MARK D MCMANNIS, [redacted]
PETER B MCMURRAN, [redacted]
JEFFREY G MEEKS, [redacted]
LAWRENCE D MEYER, [redacted]
MICHEAL G MILLER, [redacted]
PAMELA D MILLER, [redacted]
RALPH F MILLER, [redacted]
RICHARD A MINOR, [redacted]
JAMES G MITCHELL, JR, [redacted]
WILLIAM R MITCHELL, [redacted]
STEVEN B MOLINE, [redacted]
JOSEPH MOLOFSKY, [redacted]
MICHAEL F MORGAN, [redacted]
EDWARD J MOSS, [redacted]
DENIS P MULLER, [redacted]
KEVIN J NALLY, [redacted]
DAVID A NEESEN, [redacted]
RONALD G NEILSON, [redacted]
WALTER L NIBLOCK, [redacted]
JAMES D ODWYER, [redacted]
JAMES G OHAGAN, [redacted]
JOHN C OKEEFE, [redacted]
DAVID P OLSEN, [redacted]
KURT S OWERMOHLE, [redacted]
STANLEY A PACKARD, [redacted]
STEVEN J PARKER, [redacted]
DINO PEROS, [redacted]
DANIEL J PETERS, [redacted]
STEVEN R PETERS, [redacted]
CHARLES A PETERSON, [redacted]
ILDEFONSO PILLOTOLIVE, II, [redacted]
MARK W PLACEY, [redacted]
JAMES J POLETO, JR, [redacted]
CARL R PORCH, [redacted]
MICHAEL D PORTER, [redacted]
RUSSEL O PRIMEAUX, [redacted]
JOSEPH D PROVENZANO, III, [redacted]
FRANCIS R QUIGLEY, [redacted]
THOMAS A QUINTERO, [redacted]
JOHN P RAYDER, [redacted]
JON W REBHOLZ, [redacted]
MICHAEL F REINEBERG, [redacted]
JAMES A REISTRUP, [redacted]
HARRIET S REYNOLDS, [redacted]
GREGORY J RHODES, [redacted]
DAVID M RICHTSMEIER, [redacted]
JEFFREY S RINGHOFFER, [redacted]
NEIL R RINGLEE, [redacted]
DAVID R ROBB, [redacted]
HERBERT M ROBBINS, [redacted]
JAMES A ROBERTS, [redacted]
JOSEPH M ROCHA, [redacted]
MICHAEL J RODERICK, [redacted]
THOMAS C ROSKOWSKI, [redacted]
JAMES E ROSS, [redacted]
JOSE D ROVIRA, [redacted]
DAVID D ROWLANDS, [redacted]
ROBERT R RUARK, [redacted]
ROBERT G SALESSES, [redacted]
DONALD W SAPP, [redacted]
BRADFORD M SARGENT, [redacted]
CLARK J SCHIFFER, [redacted]
RICHARD W SCHMIDT, JR, [redacted]
ALAN D SCHROEDER, [redacted]
SUE I SCHULER, [redacted]
MARK E SCHWAN, [redacted]
VERNON C SCOGGIN, [redacted]
JOHN C SEIBEL, [redacted]
JEFFREY M SENG, [redacted]
JOHN M SESSOMS, [redacted]
SCOTT E SHAW, [redacted]
ROBERT E SHELOR, [redacted]
JEFFREY R SHERMAN, [redacted]
JOHN L SHISSLER, III, [redacted]
JOHN E SHOOK, [redacted]
MICHAEL A SHUPP, [redacted]
MARK A SINGLETON, [redacted]
GARY E SLYMAN, [redacted]
BRENT A SMITH, [redacted]
MICHAEL J SMITH, [redacted]
TIMOTHY R SNYDER, [redacted]
ROBERT G SOKOLOSKI, [redacted]
ALFRED C SOTO, [redacted]
VICTOR F SPLAN, [redacted]
DAVID F STADTANDER, [redacted]
THOMAS A STAFSLIEN, [redacted]
GLENN T STARNES, [redacted]
TIMOTHY B STARRY, [redacted]
TERRY D STEELE, [redacted]
THOMAS N STENT, [redacted]
VINCENT R STEWART, [redacted]
DOUGLAS M STILWELL, [redacted]
JOHN P STIMSON, [redacted]
ARNOLD E STOCKHAM, [redacted]
ANTHONY J STOCKMAN, [redacted]
CHRISTOPHE L STOKES, [redacted]
JAY A STOUT, [redacted]
PETER J STRENG, [redacted]
MARK H STROMAN, [redacted]
JOSEPH A SUGGS, [redacted]
JOHN M SULLIVAN, JR, [redacted]
JOSEPH L SULLIVAN, [redacted]
STEVEN S SUTZ, [redacted]
GREGORY H SWAIN, [redacted]
ELIZABETH A SWEATT, [redacted]
ROLAND C SWENSEN, [redacted]
TIMOTHY N SZENDEL, [redacted]
NATHAN C TABBERT, [redacted]
TERRENCE S TAKENAKA, [redacted]
JAMES J TAYLOR, [redacted]
LLOYD G TETRAULT, [redacted]
ROBERT A THIBERVILLE, [redacted]
MICHAEL D THYRRING, [redacted]
JEFFREY P TOMCZAK, [redacted]
JAMES R TRAHAN, [redacted]
BRADLEY R TRIEBWASSER, [redacted]
RONALD E TUCKER, [redacted]
MARK W VANOUS, [redacted]
EDWARD E VAUGHT, [redacted]
PETER S VERCRUYSSE, [redacted]
SUSAN C VISCONAGE, [redacted]
ANDREW L VONADA, [redacted]
TIMOTHY J WAGAR, [redacted]
DONALD A WALTER, [redacted]
PETER M WALTON, [redacted]
LEAH B WATSON, [redacted]
JOHN M WEBB, [redacted]
KEVIN W WEBER, [redacted]
NATHAN O WEBSTER, [redacted]

JOHN F WEIGAND, [redacted]
TIMOTHY C WELLS, [redacted]
DAVID H WESSNER, [redacted]
JOHN R WEST, [redacted]
MARK E WHITED, [redacted]
SAMUEL T WIDHALM, [redacted]
GARY D WIEST, [redacted]
KEITH R WILKES, [redacted]
JOHN N WILLIAMS, JR, [redacted]
MARTIN J WRIGHT, [redacted]
GORDON D YATES, [redacted]
PAUL R YORIO, [redacted]
STEVEN R ZESWITZ, [redacted]

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS OF THE MARINE CORPS RESERVE FOR PERMANENT APPOINTMENT TO THE GRADE OF COLONEL UNDER TITLE 10, UNITED STATES CODE, SECTION 5912:

ROBERT J AGRO, [redacted]
ALAN L ALDRICH, [redacted]
RICHARD G AVERITT, III, [redacted]
RICHARD R BARNETT, [redacted]
JOHN M BARR, II, [redacted]
JOHN W BERGMAN, [redacted]
RAYMOND O BLUM, [redacted]
CLIFFORD A BRAHMSTADT, [redacted]
MATTHEW R CAMBPELL, [redacted]
WILLIAM A CAMPBELL, JR, [redacted]
TIMOTHY J CARNEY, [redacted]
JOHN E CODREA, [redacted]
FRANCIS L COLLINS, III, [redacted]
ROBERT M DANIEL, [redacted]
WILLIAM R DANIEL, [redacted]
JAMES W DARE, [redacted]
PETER A DOLAN, JR, [redacted]
DAVID D DZARA, [redacted]
STEPHEN M ENGLEHARDT, [redacted]
BILL J ENGLISH, [redacted]
ALAN E FABISZAK, [redacted]
PHILLIP F FARGOTSTEIN, [redacted]
GEOFFREY B FELTNER, [redacted]
DANIEL R FOLEY, [redacted]
MICHAEL J FORD, [redacted]
RODNEY A FORD, JR, [redacted]
MICHAEL J FURHRMANN, [redacted]
JAMES R GILL, [redacted]
JIMMIE W GLENN, [redacted]
JAMES D GORIAN, [redacted]
WILLIAM D GRIER, II, [redacted]
ROBERT L GRUBER, [redacted]
NATHAN S HALL, [redacted]
STEPHAN A HANVEY, [redacted]
MICHAEL W HENIG, [redacted]
CHARLES R HOBBS, [redacted]
DOLORES K HOFFMAN, [redacted]
HUGH J HOLLOMAN, [redacted]
WILLIAM D HOSMER, JR, [redacted]
JAMES R HUOVINEN, [redacted]
JOHN W JANDORA, [redacted]
DAVID C KURNER, [redacted]
RONALD W LARSON, [redacted]
CLINTON R LISTON, [redacted]
WILLIAM C LOOP, [redacted]
JOSEPH H MAHONEY, [redacted]
GERALD A MARACCHINI, [redacted]
EMIL H MESSIKOMER, III, [redacted]
SPENCER M MORROW, [redacted]
DAVID C MOYNIHAN, [redacted]
CHARLES T MUSE, [redacted]
ARNOLD E MYHRA, [redacted]
PAUL H PARILLA, [redacted]
THOMAS J PITMAN, [redacted]
JAMES T RAGSDALE, [redacted]
ROBERT D RAINES, [redacted]
KURT B REDFERN, [redacted]
JAMES E REIER, [redacted]
HARRY S RIDDICK, JR, [redacted]
EUGENE A RITTI, [redacted]
JOHN R ROE, [redacted]
JAMES M ROSEN, [redacted]
JOSEPH E SAWYER, JR, [redacted]
ROBERT W SCHIMMEL, [redacted]
COURTNEY C SCHRON, [redacted]
RICHARD N SHUCK, [redacted]
GARY R SLONE, [redacted]
EARL R SMITH, [redacted]
FRANKLIN B SMITH, [redacted]
WALTER H SMITH, JR, [redacted]
FRANCIS M STEC, [redacted]
JAN P THOMAS, [redacted]
PATRICK J TRAY, [redacted]
MARTIN R VANDENBROOK, [redacted]
GERALD A VIANELLO, [redacted]
LEO V WILLIAMS, III, [redacted]
LESLIE K WILLIAMS, [redacted]
ROBERT D WITHERS, [redacted]

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING THOMAS P ADISSI, AND ENDING JOHN S PAYNE, II, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MAY 19, 1992.

IN THE NAVY

THE FOLLOWING-NAMED COMMANDERS IN THE LINE OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF CAPTAIN, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFORE AS PROVIDED BY LAW:

UNRESTRICTED LINE OFFICERS

To be captain

ANDREW J ALLEN
DAVID ARCHITZEL
CLAUDIA LYNN BAILEY
THOMAS ALLAN BAKER
CHARLES MICHAEL BENN
ROBERT EUGENE BESAL
JOSE LUIS BETANCOURT, JR
ROBERT KEVIN BLANCHARD
DANIEL DAVID BOGDEWIC
JEFFREY LEE BOROFF
JAMES MICHAEL BRICK
MICHAEL JOSEPH BRINKAC
DAVID KEARNEY BROWN
BRUCE LYNN BULLOUGH
ROBER LOUIS BUSCHMANN
JAMES PAUL BUTLER
WARREN LEE CALDWELL, JR
JAMES ANTHONY CAMPBELL
LEONARD WILLIAM CAPELLO
LARRY JAMES CARTER
WILLIAM CHARLES CASTAN, JR
LEROY WINDSOR CHAPPLE
SUSANLEE PORTER CLEMENTS
ROBERT BARTLETT COOK, JR
WILLIAM ECKFORD COOK, JR
WILBUR ORLEAN COOKE, JR
ROBERT PAUL COONAN
LEWIS WOMACK CRENSHAW, JR
MARK ADREN CRIM
JAMES KILPATRICK CROSS
ORREN RAYBURN CROUCH
PAUL WILLIAM DAHLOUIST
THOMAS FRANCIS DARCY
MICHAEL ARTHUR DAVIDSON
JAMES COPELAND DAY
DENNIS ROSS DEAN
RONALD DEAN DEERING
FRANCIS DOMINICK DEMASI
STANLEY ALVIN DENHAM
JOHN CHARLES DEVLIN
JOHN FREDERICK DOHSE
STEPHEN EDWARD DONLON
STEPHEN LEE DRAKE
MICHAEL EDWARD DUFFY
BRUCE E DUNSCOMBE
MARK JACKSON EDWARDS
KENNETH LEE EICHELBERGER
ALAN YANCY ETTER
JAMES MARVIN EVANS
WILLIAM BARTON EVERS
MARK STEVEN FALKEY
KEVIN JAMES FERGUSON
JEFFREY ALLEN FISCHBECK
MICHAEL JOSEPH FITZSIMMONS
JOHN JOSEPH FLANAGAN, III
MICHAEL ELMO FLENNIKEN
JEFFREY LEE FLOOD
JOHN FIELDING FORD
DONALD ANDREW FRAHLER
FRANK MICHAEL GALLIC
PATRICK MARTIN GARRETT
WALLACE LEONARD GAVETT, JR
MICHAEL WARREN GEARHART
DONALD GENE GEIGER
EDWARD CHARLES GEIGER
GRECORY LAWRENCE GERARD
WILLIAM JOHN GERKEN
DENNIS MICHAEL GILLESPIE
BRENT BAKER GOODING
FREDERICK DAVID GORRIS
THOMAS HENRY GORSKI
JOSEPH JEFFERY GROSEL
JAMES C. GROVER
CAROL ANN HARRINGTON
JAMES DANIEL HARRIS
THOMAS FREDERICK HARTRICK
ALLISON CURTIS HAYES
THOMAS MATHER HAYES
DAVID WARREN HEARDING
CHARLES JAMES HEATLEY III
EDWARD RICHARD HEBERT
PAUL BARRETT HENNESSY
JOSEPH FERDINAND HERGER
PAUL MICHAEL HIGGING
CLARENCE EBBERT HILL
PHILIP GARY HOBBS
HUBERT DENNING HOPKINS, JR
ROBERT HENRY HOWE
JOHN HRENKO, JR
DAVID LEON JACKSON
DAVID EARL JARVIS
THOMAS MICHAEL JASKUNAS
CHARLES SCOTT JOHNSON
GARLAND RUSSELL JOHNSON, JR
DOUGLAS WAYNE KEITH
THOMAS MORKEN KEITHLY
JOHN MICHAEL KELLY
GENE ROGER KENDALL
DENNIE JAMES KERN
LAWRENCE VERNE KESTER
ROBERT LEE KIMMEL
GEORGE FINLEY KINDEL
KENDALL JAMES KING
DAVID RYAN KOHLER
ANTHONY JOSEPH KOPACZ
ROBERT BRADLEY LAMBERT
THOMAS CONLEY LANG
LINDA MARY LENTZ
LAWRENCE ANTHON LEWANDOWSKI
JAMES JOSEPH LOBUE
STEPHEN JOHN LOGUE
VINCENT JOSEPH LYNCH
STANLEY JOHN MACK
KENNETH THOMAS MARION
WILLIAM JAMES MARSHALL
COLIN LESLIE MARTIN
LEE CHARLES MASON II
MONTY GUWAIN MATHEWS
RONALD DEAN MCELRAFT
LEO FRANCIS MCGINN, JR
THOMAS ROSS MCGRATH
HUGH NEWTON MCWILLIAMS
WILLIAM ANTHONY MEELEY, JR
DANIEL HARRY MEYER
JOHN GREGORY MEYER
JOHN EARL MEYERS
JAMES BRENDON MORIN, JR
DENNIS GILBERT MORRAL
WILLIAM DENTON MORRIS
JOHN WALTER MULLARKY
CHARLES LYNDSEY MUNNS
DAVID EDWARD MYERS
CHARLES WILLIAM NEIHART, JR
LARRY WAYNE NELMS
JOHNNIE FRANK NEMEC
DOD ALAN NESTOR
ALAN MCLEOD NIBBS, JR
DAVID CHARLES NICHOLS, JR
LARRY REGAN PAPINEAU
ROBIN M. PARKER
LUTRELLE FLEMING PARKER, JR
ROBERT DALE PARLET
ROBERT PAUL PERRY
DONALD EUGENE PETERS
JON CHRISTOPHER PETERS
RICHARD MERLE PETERSEN
RUSSELL AMES PICKETT
ROGER ALLAN PIERCE
RAY C. PILCHER, JR
KENNETH ALAN POORMAN
RANDALL DILLS PRESTON
CAROLYN VIRGINIA PREVATTE
MICHAEL LEON PRICE
THOMAS KING QUIGLEY
THOMAS FRANCIS RADICH
ROBERT HOWELL RANKIN
JAMES DANA RICHARDSON
JOHN DAVID FREDERIC ROBERTS
JAMES ERNEST ROGERS
DAVID CAMPBELL ROLLINS
CHRISTIAN ROBER RONDESTVEDT
DONALD JACK SANTAPAOLA
MICHAEL SARRAINO
CHARLES RICHARD SCHMIDT
JONATHAN BLAKE SCHMIDT
WESLEY HENRY SCHMIDT, JR
DAVID ALAN SCHNEEGAS
DOROTHY ELLEN SCHOTT
RICHARD EDWARD SCHUKNECHT
PAUL STEWART SCHULTZ
DAVID ALAN SCHWIERING
BRUCE BOB SCOTT
ROBERT PETER SCOTT
ROBERT JOHN SCOTT
SIEGFRIED LEE SHALLES
ERIC BRUCE SHAVER
JOHN DAMON SHAW
JON VINCENT SHAY
MURAT SHEKEM
PAUL SHEMELLA
PAUL GARFIELD SHERLAND
ROGER RAYMOND SHERWOOD
ROBERT BISHOP SHIELDS
GLENNON LAMBERT SIEVE
RICHARD ALLAN SILVERS
GEORGE LOUIS SKIRM, III
MARY GRACE HEAGNEY SMART
DALE OGLESBY SNODGRASS
WILLIAM LESTER SNYDER
BRUCE ERIC SONN
MONTE ARTHUR SQUIRES
ELMER LAWRENCE J. STANDRIDGE
RICHARD ROBERT STARK
TERRY MICHAEL STARK
SCOTT LESLIE STEELE
ROBERT CARROLL STEPHENS
WALTER WADE STEPHENSON
DANIEL NICHOLAS STEWARD
LLOYD THOMAS STITES, JR
JAMES BENJAMIN STONE, JR
RICHARD HOWARD STRINGER
LLOYD FRANCIS KNAPP SWIFT
RUSSELL ERIC TATE
PAUL EDWIN TAYLOR
ALAN DOUGLAS THOMSON
JOHN ALVYN TILLRY, JR
PETER EWALD TOENNIES
GARY PAUL TORNATORE
JOHN WILLIE TOWNES, III
ROBERT JOSEPH TRABONA
TIMOTHY JOSEPH TRAVERSO
HENRY GEORGE ULRICH, III
EUGENE FRANCIS URICOLI
TED JEFFREY VENABLE
CHARLES SCOTT VOGAN, JR
JAMES CONANT VOTER
ALLAN DAVID WALL
JOHN JOSEPH WARD, JR
ALEXANDER YOUNG WATT, JR
DAVID WARD WEDDEL
GREGORY LOUIS WEDDING

DENNIS RALPH WHEELER
WILLIAM GARY WHEELER
RONALD ALLEN WILEY
DALLAS GEORGE WILFONG, III
JOSEPH BROOKS WILKINSON, JR
WILLIAM ROBERT WILLIAMS
THOMAS JOSEPH WILSON, III
DENNIS LEE WORLEY

ENGINEERING DUTY OFFICERS

To be captain

DALE ERIC BAUGH
ALAN JEFFREY BROWN
JOHN LEO CUZZOCREA
MICHAEL JOHN DALEY
JAMES PATRICK DUNN, JR
FREDERICK ROBERT HABERLANDT
GARY GEORGE MAHLE
JOHN TALBOT MANVEL, JR
LARRY LEROY MAYES
WILLIAM DONALD NEEDHAM
PAUL JEROME VIC OLECHNOVICH
WARREN LEIGH ROBERTS
WILLIAM RICHARD RUBEL
GREGORY BENSON SANFORD

AEROSPACE ENGINEERING DUTY OFFICERS (ENGINEERING)

To be captain

ALFRED GORDON HUTCHINS, JR
JAMES KEVIN MCDERMOTT
RICHARD GENE ZAJICEK

AEROSPACE ENGINEERING DUTY OFFICERS (MAINTENANCE)

To be captain

FREDERICK ALLEN BRAMAN
DAVID MICHAEL CUTTER
RICHARD THOMAS MACON
RICHARD DOUGLAS TIPPS

SPECIAL DUTY OFFICERS (CRYPTOLOGY)

To be captain

GREGORY RICHARD BLACKBURN
WILLIAM RUSSELL BRINKMANN
MICHAEL GORDON KETRON
KENNETH WESLEY KUEHNE
KAREN ANN LAINO
ALEXANDER AYWARD MILLER
RICHARD PATRICK ONEILL

SPECIAL DUTY OFFICERS (INTELLIGENCE)

To be captain

RICHARD COLIN BARKELL
MARTIN EDWIN COLLINS
WILLIAM CLARENCE HIRST, JR
FRANK BOULWARE KELLY
CHARLES THOMAS MAURO
TERRY LYNN MEEK
RICHARD BRUCE PORTERFIELD
RICHARD THOMAS SMITH
ROBERT WOODBRIDGE USTICK, II
ROBERT ALAN UTTERBACK

SPECIAL DUTY OFFICERS (PUBLIC AFFAIRS)

To be captain

CHARLES DEREK SMITH
TIMOTHY BARLOW TAYLOR

SPECIAL DUTY OFFICERS (OCEANOGRAPHY)

To be captain

KENNETH EICHER BARBOR
JOHN GEORGE HUGHES
FRED CORWIN KLEIN

LIMITED DUTY OFFICERS (LINE)

To be captain

JOHN MICHAEL CRANMER
FORTUNATO PICHARDO
EDWARD ERNEST RUNDBERG
CHESTER BURTON SMITH

IN THE NAVY

THE FOLLOWING-NAMED COMMANDERS IN THE STAFF CORPS OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF CAPTAIN, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

MEDICAL CORPS OFFICERS

To be captain

MYRON DAVID ALMOND
MARY ALICE ANDERSON
STEPHANIE KAY BRODINE
KATHRYN SLOMINS BUCHTA
JOSE FRANCISC CALDERON
ROBERT S CARNES
WILLIAM THOMAS COLLINS
NICHOLAS ANT DAVENPORT
RONALD L FOREHAND
JAMES R FRASER
BECKY LORETTE GILL
MARSHALL P HANSEN
ROBERT R JOHNSON
DAN MICHAEL JONES
MICHAEL JAMES LOGUE
RODERICK F LUHN
MARK EDWIN MURPHY
JAMES JOSEPH J NORCONK
PETER BENHAM PLATZER
JOSEPH N RAGAN
JERRY WADE ROSE
DENNIS ALAN ROWLEY
HOHN MICHAEL RUSSELL
JAMES R SOWELL
RICHARD STOCK
STEVEN R WARLICK
ROBERT J WELSCH
NATALIE A WILLENBERG
WILLIAM M YARBROUGH
THADDEUS RIC ZAJDOWICZ

SUPPLY CORPS OFFICERS

To be captain

JAMES SAMUEL ANDERSON
MAX FRANCIS BAUMGARTNER
WILLIAM RONALD BELL
THOMAS ALLEN BUNKER
ROBERT NORMAN BURTON, JR
KEVIN ROSS CARMAN
JANES EDWARD COOK
WYNN LEWIS COON
HAROLD THOMAS CRONAUER, JR
MARY ELLEN DAVIDSON
JAMES CLIFTON DAVIS, III
MICHAEL LEROY ERNO
MICHAEL EDWARD FINLEY
JOHN JOSEPH HUND
WILLIAM ANDREW JACKSON
WILLIAM JAMES MCMICAN
ROBERT LEE MILLIGAN
TIMOTHY OLIN MUNSON
STEWART ALBERT NELSON
JAMES SUMNER ROUNTREE
DAVID ALBERT SONA
JOHN HAROLD STEPHENS
RONALD FRANCIS VEROSTEK
CHARLES MAYS VINSON
CLIFFORD HOLLOWAY WAITS, JR
DAVID WINFIELD WALTON
KENNETH EDMUND WENZEL
MARK ALAN YOUNG

CHAPLAIN CORPS OFFICERS

To be captain

DONALD G BELANUS
THOMAS C CARTER
LOY BLANE HAMILTON
MARSHALL ROY LARRIVIERE
GARY VEIL LYONS
PETER ANDREW ODDO
EUGENE E OLESON
ARNOLD E RESNICOFF
STEPHEN BRENNAN ROCK

CIVIL ENGINEER CORPS OFFICERS

To be captain

LEE LAWRENCE ANDERSON, JR
JAMES HENRY AUGUSTIN, JR
THOMAS MATTISON BOOTHE
JAMES THOMAS CORBETT
STEPHEN WILLIAM DAIGNAULT
DAVID WILLIAM GORDEN
DONALD BRUCE HUTCHINS
JAMES BRUCE KENDALL
COURTNEY CRAIG KLEVEN
JOSEPH CARL KNOLL
MICHAEL WALLACE PRASKIEVICZ
RICHARD LEONARD STEINBRUGGE
BURTON LOYAL STREICHER
PETER MARTIN VANDYK

JUDGE ADVOCATE GENERAL'S CORPS OFFICERS

To be captain

WESTON D BURNETT
WILLIAM A DECICCO
GLENN NELSON GONZALEZ
CHARLES RONALD HUNT
TIMOTHY L LEACHMAN
THOMAS PETER TIELENS

DENTAL CORPS OFFICERS

To be captain

WILLIAM M DERN
WILLIAM B DURM, IV
ALFRED W FEHLING, JR
TIMOTHY J FLANIGAN
JOSEPH A GLORIA
ROBERT E HUTTO
LAWRENCE D KISELICA
THOMAS O MORK
ROBERT JEFFREY TURNER
RICHARD C VINCI
JOHN A WEISENSEEL

MEDICAL SERVICE CORPS OFFICERS

To be captain

JERRY THOMAS ANDERSON
JERRY WAYNE BRICKEEN
WILLIAM GLENN BROWN
DENNIS RALPH BROZOWSKI
DAVID ROYAL GERVAIS
ERNEST RICHARD GHENT
DAVID ALLEN HARGETT
LAYTON OSCAR HARMON
RODNEY DALE HICKEY
AARON MCCLERKLIN
THOMAS DALTON NUNN, JR
VERNON MELVIN PETERS
CARL WILLIAM STEIN

NURSE CORPS OFFICERS

To be captain

ELIZABETH R BARKER
ROSALIE DAY LEWIS
DAVID STEWART LOOSE
PATRICIA JEANNE OHARE
CHRISTINE ANNE PICCHI
JACQUELINE ELAI SHARPE
RONALD LAWRENCE VANNEST

IN THE PUBLIC HEALTH SERVICE

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING ROBERT A. GUNN, AND ENDING LANARDO E. MOODY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 10, 1992.

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING DAVID L. HEYMANN, AND ENDING RICHARD G. SCHULMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 10, 1992.

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING NOEL G. DELMUNDO, AND ENDING JASON J. WOO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 10, 1992.

EXTENSIONS OF REMARKS

TRIBUTE TO LT. GEN. DANIEL B. STRICKLER

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. WALKER. Mr. Speaker, one of the most distinguished citizens of Lancaster County, PA, recently died, and I want to note this passing to my colleagues. Lt. Gen. Daniel B. Strickler was one of the country's true military heroes, a former lieutenant governor of Pennsylvania, and a distinguished lawyer who practiced until late in his life.

I am sure that my colleagues will be interested in the following biography of General Strickler prepared by his family:

LT. GEN. DANIEL B. STRICKLER DIES AT 95: PENNSYLVANIAN FOUGHT IN TWO WORLD WARS

Lt. General Daniel B. Strickler, a hero of World War II's Battle of the Bulge and former Republican Lieutenant Governor of Pennsylvania, died on June 29, 1992 at his retirement residence in Lancaster, Pennsylvania. He was 95-year old. His death was due to complications from a debilitating heart condition. He has been in declining health for some time. Strickler was one of the State's best known military leaders, long associated with the Pennsylvania National Guard's 28th Infantry Division. He served with the Division on active duty, commanding troops, during four wars.

In the Mexican border campaign of 1916, he soldiered with the 28th Division in southern Texas near El Paso searching for Pancho Villa and rose to the rank of sergeant. During World War I, as a young lieutenant he commanded a machine gun company fighting with the Division in France, in battles along the Marne River, the Argonne, at Belleau Woods and at Chateau-Thierry. He was gassed and wounded. He was promoted to captain at the age of twenty-one, the youngest Army officer to hold that rank during the war. During World War II, first as battalion commander and later as a regimental commander, he fought with the 28th through France and Belgium, during the storming of the Siegfried Line, the battle of Hurtgen Forest, the Battle of the Bulge and in the Vosges Mountains. In the Bulge conflict he received a battlefield promotion from lt. colonel to full colonel. During the Korean War, he served as the 28th's commanding general when the Division was called to active duty and posted to Germany as part of the U.S. NATO commitment.

In one of the stirring moments of World War II, Strickler's regiment participated in the liberation of Paris in August 1944, marching twenty-four abreast past the Arc de Triomphe and down the Champs Elysees. His battalion was the first American unit to cross the German border during the war. His role in the liberation and defense of Luxembourg was probably his most important military achievement.

When not in active military service, Strickler practiced law in his home community of Lancaster, Pennsylvania. A Republican, he was long active in Pennsylvania politics. He was the state's Lt. Governor from 1947 to 1950 under the administration of Governor James Duff.

BULGE BATTLE HERO

On the morning of December 16, 1944, Lt. Colonel Strickler was serving with the 28th Division on the front lines as executive officer of the 110th Infantry Regiment, which was holding an extended twelve mile defensive position along the "quiet front", the border between Luxembourg and Germany, when the Germans launched their climactic surprise attack, soon known as the Battle of the Bulge. The 110th was holding the center of the Division's defensive line along the ridge road west of the Our River. It came under fierce attack by three German divisions, and elements of two others, whose objective was to break through the allied defenses, seize Bastogne by the night of December 16th and then spread out behind the allied forces in a drive towards Antwerp.

Vastly outnumbered, the 110th fought pitched battles with advancing German armor, often at point blank range, maintaining a determined resistance throughout the day from strong points along the defensive line. Communications had been disrupted by German espionage and artillery fire, so much of the fighting was done by individual units of the 110th in isolation from their comrades. Under orders to hold at all costs, Strickler's men were engaged in intense fighting which continued on through the night and the next day, slowing the German advance. By then heavy combat losses and exhausted ammunition supplies had reduced the effectiveness of the defense to small pockets of resistance in the face of the overwhelming German force.

During the first day, the regimental defensive position at the town of Consthum came under heavy German attacks, which continued on through the morning of December 18th. With ammunition supplies almost gone, a withdrawal under fire was effected. Strickler and his small surviving force moved back to Wiltz, a key crossroads town half way to Bastogne. There he was ordered to slow the German advance by defending the town, which had been serving as 28th Division headquarters, while the headquarters staff moved further to the rear. Supplementing the few combat troops available, Strickler assembled a defending force including cooks, clerks and drivers. Wiltz was soon completely surrounded and under constant attack by German artillery and armor. Finally, during the night of December 19th Strickler ordered the remaining American forces to break up in small groups and try to find their way back to the allied lines on foot. Hiding in the woods during the day, moving at night across roads heavily patrolled by the Germans, and after three days without food, Strickler and ten comrades finally reached the allied lines. The 101st Airborne Division had occupied Bastogne on the evening of December 18th, before it could be seized by the German troops, thus anchoring the U.S. defense position until General Patton's forces relieved Bastogne a few days after Christmas.

Of the 3,300 men in the 110th only 500 remained when the Battle of the Bulge was over. Strickler was given a battlefield promotion to full colonel and was decorated with the Silver Star. He reorganized the Regiment, which he continued to command through the balance of the war, fighting in the Vosges Mountains and in the heartland of Germany. In the spring of 1945 he was named Military Governor of the Saarland. There, he was responsible for sustaining and repatriating 40,000 Russians and Eastern Europeans who had been held by the Germans as prisoners of war and slave laborers. Strickler was known by his men for being fearless under fire, for his physical stamina and for never being flustered even under the most arduous combat conditions. He learned to take short cat naps during the day, so he would be alert during the bombardments and fighting at night. He could often be seen marching with his men, while his jeep and driver followed behind. His style differed from most combat commanders. He liked to be where the fighting action was taking place, influencing events, rather than staying at his headquarters in the rear.

Strickler received many military decorations for his World War II service, including the Bronze Star, the Silver Star with Oak Leaf Cluster and the Legion of Merit. The one that meant the most to him was the Combat Infantry Badge. He was also decorated by France, Belgium and Luxembourg.

WOUNDED AND AWOL

During the fighting in France in World War I, German artillery targeted a barrage on the trench from which Strickler was observing machine gun fire. A gas shell landed in the trench killing several of his comrades. Strickler was severely gassed and wounded. He was evacuated to a hospital in southern France. Although he was blind for a week, he soon recovered. He requested orders returning him to his front line company but was told he was being assigned to a staff position in the rear and would see no more fighting. When a Sergeant holding the orders releasing him from the hospital was out of the room, Strickler took the orders and left. Bluffing his way past conductors and railroad police, without a pass or a ticket, he boarded a train for Paris and then found a train from Paris back to the 28th Division railhead near Chateau-Thierry. He reported to his battalion commander and was reassigned command of his old company. He had been reported as AWOL but was exonerated when it was learned he had returned to the front.

COMMANDED PRIVATE SLOVIK

An ironic twist to Strickler's own AWOL experience involves Eddie Slovik, a private under his command in World War II who was executed by firing squad for desertion, the first soldier to be so executed since the Civil War.

In October 1944, Strickler's regiment was attempting to breach the Siegfried Line when a group of replacement soldiers, including Private Slovik, reported to him to be briefed and assigned to the front. Upon reaching his front line company, Slovik deserted during the night before an attack scheduled the following day. He was picked up by M.P.s and brought back to regimental

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

headquarters where Strickler dressed him down and ordered him to return to the front, telling him failure to do his job meant someone else would have to do it for him. This time, Strickler had Slovik escorted to a front line company where he was placed among fighting men, the day before an attack was planned. The next morning, as the attack was launched, Slovik deserted for a second time. He was picked up again and held for trial by court martial, which found him guilty of desertion. General Eisenhower approved the sentence, execution by firing squad. After his death, Slovik was buried in an unknown grave in Europe.

A PENNSYLVANIAN FROM LANCASTER

General Strickler was born in Columbia, Pennsylvania, near Lancaster, on May 17, 1897. His father was a local merchant. Strickler was one of the country's first boy scouts joining the Columbia troup in 1910, within a year after the international scouting movement was first founded. He became an eagle scout. During high school he was a scout master. Later, as an adult, he was President of his local scouting organization and was a regional executive committee member. Upon graduating from Columbia High School, where he was class President and highest honor student, he enlisted in the National Guard when it was called to active duty on the Mexican border.

After World War I, he attended Cornell University. At college he was the President of the senior class, President of the student council, President of the Quill and Dagger senior honor society, President of his fraternity and Captain of the track team. He was responsible for the instigation of the honor system at Cornell. He was a distance runner excelling in the mile event.

Upon graduation from Cornell Law School in 1922, Strickler returned to Lancaster to practice law. He became active in local politics. In the early 1930's he was a representative in Pennsylvania legislature. In 1932, during prohibition, he was named Lancaster's Commissioner of Police and was responsible for getting rid of the bootlegging that had infiltrated the community. During this period he was also active in the military reserves rising to the rank of full colonel. After the Pearl Harbor attack, he returned to active duty, taking a reduction in rank to lt. colonel so he could have a combat command.

After World War II, Strickler again returned to the practice of law in Lancaster. In 1946 he was a leading contender to be the Republican candidate for Governor of Pennsylvania but ended up on the ticket as Lt. Governor, behind Governor James Duff, in an election that was a Republican sweep.

FURTHER MILITARY SERVICE

When the Korean War started in 1950, Strickler resigned his office as Lt. Governor to take over as commanding general of the 28th Division, which was being called to active duty. The Division trained in Indiana and was then sent to Germany as one of five American divisions serving there with NATO forces under the command of General Eisenhower. Strickler remained in active military service, with the rank of major general, through most of the 1950's. He was assigned to the U.S. embassy in Rome as Chief of the Military Assistance Advisory Group, administering military and economic aid for Italy, when Claire Boothe Luce became the U.S. Ambassador to Italy. In 1955, he joined the Far Eastern Command staff of General Lyman Lemnitzer in Tokyo. He was Assistant Chief of Staff J-5 for the joint United Nations and Far East Commands, in charge of governmental relations between the military and Japan, Korea and the Ryukyu Islands including Okinawa. His toughest job in Japan was to personally negotiate a new master labor contract which established the working relationship between the U.S. forces there and the 157,000 Japanese employees, avoiding a threatened general strike.

RETURNING TO HIS LAW PRACTICE

After retiring from the military in 1957, as a lt. general, Strickler once again took up his law practice in Lancaster. A grass roots campaign to be the Republican candidate for governor failed. He was active in local civic causes ranging from President of the Chamber of Commerce, the YMCA and the Lancaster Bar Association to serving as an elder of his local Presbyterian Church. He headed several local charities and was active in many other community groups. Strickler was a strong public speaker and was often called on to speak at commemorative occasions. He had simple patriotic feelings and believed in serving his country and community, a message that many have seemed somewhat out of date to modern ears.

In his later years, Strickler remained active with his law practice. Even at the age of ninety, he could occasionally be seen at the local court house filing a brief or probating a will. Wartime comrades from around the country, including several whose lives he saved in combat, continued to visit him and reminisce about their war experiences.

General Strickler was married in 1924 to his college sweetheart Caroline Bolton from Oil City, Pennsylvania. She died in 1986. He is survived by a daughter, Nancy C. Strickler, who resides in London, and a son Daniel B. Strickler, Jr. living in New York City, and by three grandchildren and four great grandchildren.

Funeral services are being held at the First Presbyterian Church of Lancaster at 11:00 A.M. on July 11, 1992. A burial with military honors at Lancaster's Woodward Hill cemetery will follow the service.

RULE ON H.R. 5318, THE UNITED STATES-CHINA ACT OF 1992

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the rules of the Democratic Caucus, I wish to serve notice to my colleagues that I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 5318, the United States-China Act of 1992, as amended.

TRIBUTE TO REV. JAMES E. COATES

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Ms. NORTON. Mr. Speaker, I rise today to honor Rev. James E. Coates, pastor of the Bethlehem Baptist Church, for 34 years of distinguished public service and spiritual leadership in the District of Columbia and for his untiring commitment to the Anacostia community of my district.

Reverend Coates enjoys a lengthy and distinguished record of service to this city. He was president of the first elected board of education of the District of Columbia. During his tenure with the board of education, Reverend Coates was instrumental in the construction of innovative schools in Ward Eight and thus helped to alleviate substantial overcrowding of schools in this area. Reverend Coates was also elected to the first District of Columbia City Council under the Home Rule charter.

As pastor of the Bethlehem Baptist Church he provides an important urban ministry resulting in congregational participation in social action projects and volunteer services to numerous community agencies. Before there were government programs which addressed homelessness and hunger as a major concern in our city, Reverend Coates and his congregation had recognized the need and set about the task of formulating new approaches to the needs of the economically and socially disadvantaged of Washington.

Mr. Speaker, the accomplishments of my good friend, Rev. James E. Coates, are truly outstanding and deserving of recognition in the official record of this great body. Therefore, I invite my distinguished colleagues to join me as I salute one of the District of Columbia's great spiritual and civic leaders, Rev. James E. Coates.

THE FAA MAIL AND CARGO SECURITY STUDY RESOLUTION

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Ms. MOLINARI. Mr. Speaker, today I introduced a resolution to express the sense of Congress that U.S. Postal Service should not tender high threat mail of air carriers for transportation on passenger flights until the recommendations of the FAA mail cargo security study are implemented.

Two years ago, following the Pan Am Flight 103 tragedy that resulted in the death of 270 people, the Congress enacted the Aviation Security Improvement Act of 1990. This legislation directed the Federal Aviation Administration to undertake a number of studies on aviation safety matters. One of these studies was the mail and cargo security study. This study was to determine whether additional requirements should be imposed to enhance the security requirements for the transportation of mail and cargo on passenger aircraft. The mail and cargo security study was to be delivered to Congress by May 15, 1991. The study is now over a year late.

I have contacted the FAA on a number of occasions, as has Representative JAMES OBERSTAR, the Chairman of the House Subcommittee on Aviation. Time and time again I have heard it is almost ready. Sometimes I am told the post office has it. Sometimes I am told the FAA is making final changes. The most recent rumor is that it is now at OMB.

I recently spoke with Acting FAA Administrator Barry Harris about the mail and cargo security study. That was 2 weeks ago and I have not yet heard back from his office.

My frustration with the FAA's inability to produce this study is shared by many. Our concern goes beyond the bureaucratic backlog that often slows the production of government studies.

Our frustration does not extend to the airline industry. For they continue to do their job on a daily basis adhering to the FAA guidelines. However, I am sure our air carriers will join me in seeking the results of the study so they will have a better understanding of the existing threat and will no longer have to fly blind.

Mr. Speaker, as you may know, our passenger airlines carry U.S. Postal Service mail on domestic flights. The mail cargo security study was commissioned by Congress to determine the safety of this practice and/or what steps should be taken to ensure the safety of this practice. When the Persian Gulf war began in January 1991, and Postmaster General of the United States determined that the perceived increase in the terrorist threat warranted the removal of the high threat mail from passenger flights. The Postmaster General determined that mail weighing greater that 12 ounces constituted a high threat and this mail was transferred on to cargo planes, trucks, and trains.

It was the hope of those involved in this issue that the Postmaster General would maintain this policy until the FAA issued their study and implemented any recommended safety reforms. Unfortunately, in March of this year the U.S. Postal Service resumed transporting mail weighing greater than 12 ounces on passenger flights. This was done without the benefit of knowing the results of the mail and cargo security study.

As this study continues to travel between Federal agencies with no end in sight, I feel it is necessary to spur the production of this study. My resolution calls for reasonable and previously practiced protection of airline passengers until any recommendations made by the mail and cargo security study are implemented. I hope my colleagues will join me in reminding the FAA of the importance of this study and the need to complete to further protect the safety of the flying public.

RESOLUTION CALLING FOR FULL INVESTIGATION OF TAILHOOK SYMPOSIUM

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. KOSTMAYER. Mr. Speaker, today I am introducing, with the distinguished gentlewoman from Maryland, Mrs. MORELLA, a concurrent resolution condemning the reprehensible conduct that occurred at the annual symposium of the Tailhook Association in September 1991, calling on the Secretary of Defense to ensure that the ongoing investigation of the incident is full and uncompromising, and urging the Secretary of the Navy to recommend and initiate full disciplinary action against those responsible, including appropriate criminal prosecution pursuant to the Uniform Code of Military Justice. In addition, the resolution recognizes the importance of equality of opportunity for women and men in the Armed Forces, and urges the Secretary of Defense to provide equal opportunity for the women and men of the Armed Forces.

Mr. Speaker, many Members of this House, most notably the gentleman from Pennsylvania, Mr. MURTHA, have made clear their outrage at the events that took place at the Tailhook Convention and the Navy's subsequent failure to cooperate with investigators. I fully support the actions taken to date.

But I also believe it is important that we as a Congress express clearly both our outrage and our intention to ensure that those responsible are fully prosecuted and fully punished. Secretary Garrett's resignation was a welcome sign that the Navy recognizes the seriousness of this matter, but the matter is still far from being resolved.

Sexual harassment and assault of this kind cannot and will not be tolerated, and those responsible for it must be held accountable. I hope my colleagues will join me in sending that message to the White House and the Pentagon. I urge my colleagues to support this resolution.

AMBASSADOR ABBA EBAN SEES OPPORTUNITY FOR PEACE

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. RINALDO. Mr. Speaker, shortly before the elections in Israel that chose a new government, former Israeli Ambassador Abba Eban delivered a timely and perhaps prophetic view of the opportunity for a negotiated peace in the Mideast when he spoke to more than a thousand people at Temple Emanu-El in Westfield, NJ. The size of the turnout is not surprising in view of Ambassador Eban's reputation as a speaker and as a friend of the United States. Ambassador Eban's remarks were reported in the Jewish Horizon, and I ask that the report be reprinted in the RECORD.

EBAN ADDRESSES JEWISH COMMUNITY, NETS HONORS

(By Marcia F. Conron)

To an overflow crowd of more than 1,000 people Sunday at Temple Emanu-El in Westfield, Abba Eban, Israel's long-time Ambassador to the United States and the United Nations, said that "this is the time to do a deal" to negotiate a lasting peace with the Palestinians. Now is the opportunity for peace, he said. "It may not occur again."

Eban was brought to the area largely through the work of long-time community leader and Mountainside resident Herbert Ross and his wife, Selma. The address was partially underwritten by the Ross' Menorah Chapel at Millburn and the Union based Foundation for Jewish Arts and Heritage. Ross is president of both. The event was cosponsored by the Temple Emanu-El Men's Club and the Springfield Lodge of B'nai B'rith.

Speaking without notes after leaving Jerusalem 20 hours earlier, Eban said that the peace process "imaginatively initiated by the United States creates conditions that must be recognized. In these conditions we must understand that if the peace process fails, the situation will not be what it was before but will be much worse because the peace will be discredited by failure," he said.

"With the fall of the Soviet Union, the biggest challenge to us is to use the new international situation to gain peace settlements. This is the time to do a deal because our greatest enemy, Iraq, has been crushed on the battlefield, Syria has lost Soviet support, and Jordan wants peace, not war. The Palestinians are talking to us at the table.

"The question really is very largely how will the Israeli parliamentary system react to this opportunity. The status quo is the worst of all options because it cannot be durable, because it is structurally deficient. The fact that its deficiencies were created by Arab aggression does not make it thereby tolerable.

"The Six Day War in June, 1967, proved a great generalization of one of the great western philosophies: War cannot protect. It cannot create. It can prevent you from losing, but once its defensive position is fulfilled, it's a wonder how little it can do by itself," Eban said. "Therefore, it must be replaced as soon as possible by diplomacy and statecraft, by persuasion, and not by coercion. There are more opportunities for peace than ever before, but if the peace fails, the horizon points to a weapons race with weapons that are beyond calculation," Eban said.

"This is the time to do the deed to create the situation of peaceful coexistence," said the Ambassador.

Eban received three awards. Ross presented the Ambassador with the Yerusha Award for preserving Jewish life and guaranteeing it for future generations, on behalf of the Foundation for Jewish Arts and Heritage. He also received the B'nai B'rith Community Service Award for citizenship and civic affairs, and the Temple Emanu-El Men's Club Judaic Heritage Torch of Freedom Award.

FOREIGN TRAVEL

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. RAY. Mr. Speaker, the responsibility of a Member of the House of Representatives involves some foreign travel. During my 5 terms in the House of Representatives, and as a member of key subcommittees on the Armed Services Committee, it has been necessary to travel on 19 trips to U.S. bases or on special assignments.

I have always endeavored to travel on commercial aircraft whenever possible, and I have seldom traveled with large groups of Members of Congress. My visits have always been documented, made available to the press, and summarized in reports for the Armed Services Committee. In most cases my travel has led to positive amendments or necessary legislation. I have not participated in any so-called "junkets."

My foreign travel has involved four areas. In 1983 I was the only freshman Congressman appointed to the Arms Control Panel of the House Armed Services Committee. Through travel associated with my work on this panel I was involved in arms control talks and negotiations.

For several years I was the House Armed Services Committee point person on air base defense. Much of my work in this area led to the acquisition of the Hawk and Patriot missile defense systems for the defense of our European bases. In particular, my travel to European bases led to the development of an air base defense plan by the Department of Defense to protect our air bases in Europe.

My service on the North Atlantic Assembly Panel has allowed me the opportunity to contribute to NATO meetings. I was selected to attend four NATO meetings in Europe over a 2-year time period. This travel enabled me to better understand the House Armed Services Committee's funding of U.S. NATO commitments.

Finally, since 1985 I have chaired the House Armed Services Environmental Restoration Panel. This panel oversees the cleanup on U.S. military installations in Europe, the Pacific, and in the United States. Travel to national priority sites is the only way to understand the serious problems we face in cleaning up our bases. My travel in this area has led to the direct cleanup of U.S. military bases and a greater awareness of environmental restoration.

Mr. Speaker, I now disclose for the CONGRESSIONAL RECORD a comprehensive list of my foreign travel.

FOREIGN TRAVEL BY CONGRESSMAN RICHARD RAY ON BEHALF OF THE COMMITTEE ON ARMED SERVICES

Visits connected with the Arms Control Panel: Number of trips: 2.

Date: July 5-9, 1983.

Country: Austria.

Purpose: To participate in arms control discussions and negotiations.

Date: November 8-21, 1985.

Countries: Switzerland, Austria.

Purpose: To participate in arms control talks.

Visits connected with air base defense to establish and improve missile protection for U.S. and NATO bases and to promote procurement of the patriot missile for U.S. and allied forces: Number of trips: 3

Date: October 11-19, 1984.

Countries: West Germany, Italy, United Kingdom.

Purpose: To visit NATO air bases. Congressman Ray has been recognized as the point person for the House Armed Services Committee on air base defense. (traveled commercial)

Date: June 26-July 10, 1986.

Countries: Germany, Norway, Denmark, England.

Purpose: To assess the progress of implementing the air base defense plan. (traveled commercial)

Date: August 21-31, 1989.

Countries: Germany, United Kingdom, Italy, Belgium.

Purpose: To investigate the status of air base defense and implementation of the Patriot Missile Defense System. (traveled commercial)

Visits to Central America during the Nicaraguan conflict; Number of trips: 3.

Date: May 29-30, 1986.

Country: Honduras.

Purpose: To inspect the Contra camps during Contra the Congressional Contra debates. (traveled commercial)

Date: June 1-4, 1986.

Countries: Guatemala, Nicaragua, Costa Rica, Honduras, El Salvador.

Purpose: Led 12 Members of Congress to meet with the governments of these countries to discuss the Contra situation.

Date: January 30-31, 1988.

Country: Nicaragua.

Purpose: To participate in discussions with Nicaraguan officials and representatives of the U.S. State Department.

Visits associated with Congressman Ray's chairmanship of the Environmental Restoration Panel of the House Armed Services Committee: Number of trips: 2

Date: December 10-19, 1990.

Countries: Philippines, Japan, Korea.

Purpose: To review environmental problems involving U.S. bases in the Pacific. (traveled commercial)

Date: August 5-17, 1991.

Countries: Germany, Czechoslovakia, United Kingdom, Italy.

Purpose: To assess environmental problems at bases in these countries, particularly in light of base closure. On this trip Congressman Ray became one of the first Westerners to visit an abandoned Soviet base near Prague, Czechoslovakia. (traveled commercial)

Visits associated with Congressman Ray's position on the North Atlantic Assembly Panel (NATO Panel): Number of trips: 4.

Date: January 4-14, 1990.

Countries: Belgium, Italy, Hungary, Germany, Austria.

Purpose: To examine the Conventional Forces Reduction negotiations and the NATO Defense College.

Date: November 24-December 2, 1990.

Countries: United Kingdom, Austria.

Purpose: To participate in the North Atlantic Assembly meeting, get an update on the Conventional Forces Europe agreement, and get a briefing on the recently completed inspection of Iraqi nuclear facilities by the International Atomic Energy Agency.

Date: May 24-27, 1991.

Countries: Netherlands, Belgium.

Purpose: To participate in the North Atlantic Assembly Meeting.

Date: October 18-28, 1991.

Country: Spain.

Purpose: To participate in the North Atlantic Assembly Meeting.

Other Official House Armed Services Committee Travel: Number of trips: 5.

Date: September 23-29, 1983.

Countries: Cyprus, Lebanon.

Purpose: To accompany members of the Readiness Subcommittee to determine if the War Powers Act was being violated by stationing Marines in Beirut.

Date: November 8-21, 1984.

Countries: Singapore, Korea, Hong Kong, Japan.

Purpose: To meet with the leadership of the countries supporting the South Pacific Nuclear Free Zone.

Date: February 18-21, 1986.

Countries: Korea, Philippines.

Purpose: To follow up on military construction projects which had been authorized by the Armed Services Committee.

Date: November 10-15, 1986.

Countries: Philippines, Thailand, India, Nepal, Jordan, Pakistan.

Purpose: To receive overview briefings on U.S. military relations with these countries.

Date: January 7-18, 1989.

Countries: Hong Kong, Thailand, Turkey, Spain.

Purpose: To meet with U.S. government countertypes to discuss U.S. military support of these nations.

Total number of foreign trips taken: 19.

IN SUPPORT OF H.R. 3654

HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. BARNARD. Mr. Speaker, I want to thank the distinguished subcommittee chairman, Mr. TORRES for his leadership and assistance in reporting out a bill to assist our Olympic athletes and to help the United States host a successful Olympics. I would also like to thank FRANK ANNUNZIO and the distinguished ranking minority member, Mr. MCCANDLESS for their support and contributions.

Let me briefly state that the bill is designed to help provide funds for U.S. Olympic athletes and for the actual staging of the games. We have tried to carefully structure the bill to have as broad an appeal as possible. The Olympics in general and the centennial of the Olympics in particular, constitute an important national event—not just in economic terms, but in terms of our national identity. Anyone who watched the Winter Olympics could see how the host country manifested its national character to the world, and in a rapidly changing world, this is of immense importance.

The United States does not provide direct support to the Olympics, and we should be proud of that—our Olympics run on a shoestring compared to what many nations spend—virtually all of it from their taxpayer funds. However, we have to find ways to support our Olympians whenever we can, and the commemorative coin program has provided an effective way to do this.

As the subcommittee received testimony from our Olympians, we took note of the obstacles that several of them had to overcome in order just to compete, let alone excel and win. We noted that these athletes also pursued their education and careers under these same adverse conditions. While this may make their triumphs all the more rewarding, I don't think that it should be a prerequisite of Olympic competition. While I am proud of the fact that our athletes are not one-dimensional, we must be mindful of the fact that they frequently must compete with athletes raised and nurtured to do nothing but their particular sport. While we don't want to emulate this approach, we need to do more.

The bill before us is an attempt to provide some of that support. It is a very small amount of the total cost of the Olympics, but it is enough to make a difference.

The bill also contains important mint reforms that Chairman TORRES has worked out with the minority and which I heartily support. These changes will help all coin programs and I urge their adoption.

Again, Mr. Chairman, let me thank you for your leadership and your support, and I urge my colleagues to support our Olympic athletes and the 1996 Olympics.

RABBI ISRAEL MOWSHOWITZ

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mrs. LOWEY of New York. Mr. Speaker, on Tuesday, we lost a great leader, Rabbi Israel Mowshowitz. This very special man was both a rabbi to his congregation, of which I had the privilege to be a member for many years, and to the Nation. He was one of those unique individuals who had an ability both to serve as a spokesman and advocate for the Jewish community at large and to respond to the needs of individuals in a very personal way.

Looking back over the years, I can remember the words of Rabbi Mowshowitz. The Hillcrest Jewish Center in Queens echoed with his forceful admonitions—against persecution and hatred—urging support for charitable causes—building bridges to bring people together. And his message had an important impact far beyond the congregation he has served for over 30 years.

His was a respected voice to which people listened intently. Whether in New York or Moscow, Durham or the Vatican, Omaha or Berlin, the words of this inspirational leader were a powerful voice for justice and good. Likewise, he led by example. As Governor Cuomo said yesterday, his "greatest sermon was his life." Indeed, Rabbi Israel Mowshowitz lived every day of his life to the fullest. His life was filled with service to others and a devotion to a world of compassion and understanding. His deeds and his words inspired others to do as he did. He had the highest respect for public service and encouraged many of us to enter public life, and when we did, we knew that he would be there at our sides offering advice and counsel and always ready to remind us of why public service was and is important.

My family and I were fortunate to have been a part of the Hillcrest Jewish Center during Rabbi Mowshowitz' service. As we celebrated bar mitzvahs, bat mitzvahs, and other special family occasions with him, our lives were enriched by his wisdom, his confidence, and his friendship. As I began my own career in public service, I often turned to Rabbi Mowshowitz as a mentor and source of counsel. His passing is a personal loss to us as I know it is to thousands of others whose lives the rabbi touched in very special ways.

My thoughts are with his dear wife, Libby, and with his children at this difficult time. They can look back on his life with many memories of joy and admiration, and they can look forward to life in a world that is a much better place thanks to all that Rabbi Mowshowitz gave for others over 77 years.

SUPERVISORY GOODWILL AND THRIFT CAPITAL STANDARDS

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. SMITH of New Jersey. Mr. Speaker, in testimony delivered today in the Committee on Small Business, Marshall Kern, president of Jersey Shore Savings and Loan, outlined the impact FIRREA has had on the thrift, its customers and the other consumers in its community which seek credit at the institution. I would like to include a copy of his insightful comments in the CONGRESSIONAL RECORD so other members may assess these experiences and have the benefit of these observations on current banking law.

Mr. Speaker, Jersey Shore Savings and Loan Association is perilously close to being taken over by the Resolution Trust Corporation [RTC] because it fails to meet the tough capital standards required by the Financial Institutions Reform Recovery and Enforcement Act of 1989 [FIRREA].

This is unfortunate, since Jersey Shore was one of the thrifts which helped out the government by acquiring a failing S&L. As a result of its assistance to the Federal regulators, Jersey Shore was permitted to include supervisory goodwill on their books as an incentive to take control of the sick Keystone Savings and Loan.

The FIRREA standards are indeed unfair to Savings and Loans like Jersey Shore. Congress enacted a law which refuses to allow thrifts with supervisory goodwill on their books to include goodwill as an asset for meeting FIRREA's new capital standards. I regret that Jersey Shore Savings—and its employees—are now in jeopardy and may be taken over by the regulators because of this unfair change in the rules.

During August 1989 the House considered FIRREA, I supported the Hyde (R–IL) amendment which would have given the regulators the authority to judge the soundness of an S&L on a case-by-case basis, rather than automatically rejecting any goodwill held by a thrift.

If the Hyde amendment had been approved, Jersey Shore Savings and Loan might not be at risk today. In retrospect, adoption of this amendment would have clearly assisted those thrifts which aided the regulators.

When the House next considers legislation to recapitalize the RTC, I hope we will be given the opportunity to vote on an amendment to buy back supervisory goodwill from those thrifts which helped our Government. As my colleague BILL MCCOLLUM has stated, this action would actually save the taxpayers money and return fairness to the Federal regulatory process.

The following is a copy of his informed remarks:

TESTIMONY OF MARSHALL J. KERN

Mr. Chairman and members of the committee, I wish to thank you for allowing me the opportunity to give you one view of the current capital standards and their effect on credit availability and economic recovery.

BACKGROUND ON THE INSTITUTION

Jersey Shore Savings and Loan Association ("JSS") was incorporated in 1943 as a New Jersey state-chartered mutual association headquartered in Toms River, NJ. JSS is based approximately 70 miles south of New York City and 60 miles east of Philadelphia. JSS with $620 million in assets, positive earnings, a strong community position, conservative management and a valuable consumer franchise was at one time the largest thrift in our market.

JSS has always been a dedicated community based thrift that concentrates its lending within its market area. It serves a savings market through 14 locations providing a strong traditional savings and loan focus (i.e. providing mortgage credit for home ownership, while providing savings products to consumers). JSS also operates a profitable mortgage banking operation originating $200 million in residential mortgage loans per year.

Unprecendented high interest rates in the late 1970's and early 1980's created a financial crisis in the thrift industry. As an alternative to direct financial assistance, FSLIC approved supervisory mergers between thrifts by providing assistance in the form of "supervisory goodwill" allowing the merger of insolvent or troubled thrifts into healthy institutions at the lowest cost to FSLIC. This was done in accordance with Generally Accepted Accounting Principles ("GAAP"). Any excess in the cost of acquisition (liabilities assumed) over the fair market value of the acquired assets became "goodwill"—an intangible, non-earning asset that may be amortized. Goodwill recorded in connection with a supervisory merger is known as "supervisory goodwill".

On July 11, 1982, acting in cooperation with the regulators, JSS acquired Keystone Savings & Loan. Keystone's liabilities exceeded its worth by $39.4 million. The regulators allowed JSS to book that $39.4 million as supervisory goodwill. JSS had approximately $385 million in assets prior to the acquisition and assets were approximately $515 million immediately afterwards, resulting in regulatory capital of 2%. Under today's guidelines, the merger depleted Jersey Shore Savings' tangible capital from a positive $8.4 million to a negative $32 million, or negative 6.7% of its assets.

EFFECT OF FIRREA

Financial Institutions Reform, Recovery and Enforcement Act ("FIRREA") became effective August 9, 1989. It required thrifts to maintain "tangible capital" in an amount not less than 1.5% of its assets. FIRREA provides "tangible capital" shall not include goodwill. Because of FIRREA's provisions requiring goodwill to be excluded from capital, JSS immediately became a capital-deficient institution. Due to the Keystone merger, it is now impossible through earnings to reach the goal of 6% tangible capital for a well-capitalized institution within the next several years.

JSS has nevertheless worked diligently to restore the capital lost during that period. After the acquisition of Keystone, JSS improved regulatory capital to 50% above that required just before FIRREA's effective date.

Exhibit 1 shows that had the FIRREA capital definitions been in effect when JSS acquired Keystone, tangible capital would have been a negative 6.7%. As can be seen on a tangible basis, JSS's improvement has been dramatic. Tangible capital by the end of 1991 rose by over 6% of total assets to a negative 0.4%. Over the last ten audited fiscal years ending March 31, 1992 (March 31, 1983 to March 31, 1992), JSS has recorded a profit on a GAAP basis each and every year. GAAP net income totalled $33.5 million during that time frame. Additionally, Exhibit 1 shows the precipitous fall of regulatory capital from in excess of the capital requirement to capital insolvency overnight as a result of FIRREA.

THE POST FIRREA ENVIRONMENT

Having said all this, it is important to come back to the central focus of this hearing. What has been the impact of the capital standards on credit availability and economic recovery.

First, let me address credit availability:

Simply stated, for JSS & institutions like JSS, the credit door is closed due to FIRREA. A good case in point being Loans To One Borrower (LTOB) limitations. In fact, this requirement has severely reduced the credit available for weak and strong alike. Prior to FIRREA, a thrift could lend 100% of capital to a single credit verses the new limit, basically 15% of capital. I am not suggesting that lending 100% of capital to a single credit was prudent or that some further reduction was unreasonable. However, stopping institutions from completing projects in mid-construction did not achieve desired results. Once a commitment expired the maximum loan allowed was reduced to the amount of the outstanding balance. This created bad loans out of good loans. Had the definition of capital not changed, credit availability would not have been affected. JSS had a self-imposed maximum of 10% of capital, therefore, the 15% newly imposed would have been no problem. However, under the old definition of capital, JSS had a LTOB limit of $3.3 million. The new FIRREA definition wiped out the capital of JSS, therefore, the maximum loan was $500,000 for a new extension of credit or an existing commitment.

Further affecting credit availability, I submit that the risk weighed capital requirement retards business lending. As you know, business lending requires twice the capital of 1–4 family lending.

As an undercapitalized thrift, JSS can only make loans on 1–4 family residential properties. As an example of someone we could not help, last week an individual who has run a successful catering business for 15 years requested a loan to expand his business and build a small restaurant on the property he already uses and owns. The estimated loan to value is 50%. No institution, local or otherwise, has been willing to loan $300,000 for this minority owned business. In addition, our local for-profit community live summer theatre is in jeopardy due to lack of credit availability.

Other small businesses are likewise finding it difficult, if not impossible, to refinance their present debt and exploit today's low interest rates. The savings would go directly to the bottom line for these small businesses. Although JSS is a major lender to buyers of homes to be constructed by small local builders, we can no longer lend to the builder, curtailing credit further. This in turn would allow expansion and job creation.

Second, I would like to touch on the economic recovery:

As noted, the "get-tough" attitude sprawned by FIRREA and its attendant capital "crackdown" imposed vast new operating restrictions. Unfortunately, all institutions out of capital compliance are tainted by two common misconceptions. First, their management is either incompetent or dishonest, second, they will be seized by the RTC.

The renewed publication of news reports within the last three weeks that JSS is in danger of being taken over has accelerated the "silent run" which began with the passage of FIRREA. See Exhibits 2 and 3.

JSS is particularly susceptible to the public reports that it is "insolvent". This susceptibility is exacerbated because the community of Toms River, and Ocean County in general, has a large number of senior citizens who, with memories of the Depression, are quickly alarmed of talk of bank failure, even in this era of federally insured deposits.

The loss of bank deposits results in fewer dollars to loan and lower earnings. More liquidity must be kept available at low rates resulting in lower earnings and fewer funds available for the credit needs of the community. As a result of being branded "insolvent", a number of financial institutions refuse to do business with JSS or impose costly new conditions.

The disruption to the local economy is significant. JSS employs 290 individuals and contributes over $7 million a year in payroll and benefits to the local economy. JSS is headquartered in the same town that witnessed the collapse of the First National Bank of Toms River, in May 1991. This was the largest bank failure in the history of the state of New Jersey. The economy has been negatively affected with loss of jobs, loss of purchasing power and disruption of bank services to the community. Lending is severely restricted.

RECOMMENDATIONS

I have tried to touch on a few of the ways that I believe capital standards have affected credit availability and economic recovery as seen directly by JSS.

The JSS story is primarily one of supervisory goodwill; however, other institutions have been similarly affected. When evaluating institutions in light of capital standards, the economy and the credit crunch, I believe Congress and the regulators should make a distinction. Those institutions out of compliance with the capital regulations due to losses in operations should be separated from those institutions out of compliance due to FIRREA's new rules concerning which items qualify for capital. In addition to supervisory goodwill, Purchase Mortgage Servicing Rights (PMSR) and investment in nonqualifying subsidiaries no longer receive the same capital recognition.

FIRREA was written during and geared for a radically different economic environment. The recession and near freefall in real estate values has produced problems unforeseen when FIRREA was enacted. What is needed now is flexibility and time to respond to the current circumstances. Regulators need more discretion to make critical distinctions. Rigid, congressionally mandated prescriptions for seizing institutions does not allow the flexibility required to regulate a sophisticated ever changing industry.

JSS has been working very closely with the Office of Thrift Supervision (OTS) in actively seeking a merger partner. OTS has been very sympathetic to our particular situation, but FIRREA denies OTS the discretion it needs. I am here today to tell you we are extremely close to achieving a goal that seemed impossible when FIRREA was enacted in 1989, namely a recapitalization/acquisition of JSS *without* government assistance. It is my hope that within the next two weeks an agreement will be reached to facilitate the unassisted acquisition of JSS. If this does occur, it is an example where the private sector has been successful in saving taxpayer dollars. If, however, JSS is taken from the private sector, it is my belief the expense of liquidation or sale will result in a multi-million dollar resolution at the taxpayers expense.

CONCLUSION

JSS is just one example of the type of institution that is actually saving the taxpayer money everyday it remains open. Given our present profitability it is realistic to expect, even if the present negotiations fall through, that JSS can be resolved without capital assistance if it is given more time. This in turn assists credit availability and economic recovery for small businesses.

I wish to thank the committee for inviting me to testify on these important points. I would be glad to answer any questions you may have.

INTRODUCTION OF LEGISLATION REGARDING THE FCC's SYNDICATED EXCLUSIVITY AND NONDUPLICATION RULING

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. DOOLITTLE. Mr. Speaker, today my colleague, Mr. GUNDERSON, and I are introducing legislation which would remedy a situation of great concern to many of our constituents. Our legislation addresses flaws in the Federal Communications Commission's [FCC] syndicated exclusivity, or "Syndex", and non-duplication rulings. While the Syndex and nonduplication rulings are not overly disruptive for many areas of the country. They adversely effect some locales, such as the California side of Lake Tahoe in my district.

The Syndex and nonduplication rulings were designed to protect the legitimate financial interests of broadcasting companies by designating primary broadcast areas. "Syndex," for example, designates a radius of 35-miles in which the broadcaster can assert its rights over certain programs. The issue comes into play in areas where a cable company airs two channels, from diverse geographical areas, of the same network. In Lake Tahoe, for instance, the cable operators carry the NBC affiliates from both Reno, NV, and Sacramento, CA. Lake Tahoe falls within the 35-mile-radius of Reno's primary broadcast area. Therefore, if both stations air a program to which the Reno affiliate holds the exclusive broadcasting rights, the Reno stations may compel the cable operators to black out this program on the Sacramento affiliate.

The FCC contends that cable operators would be able to fill these black spots with community-oriented programming. Such programming was intended to give more choice to viewers while protecting the financial interests of broadcast companies. This objective is an admirable goal, and may be workable in most parts of the country. But, Mr. Speaker, in areas like Lake Tahoe, Syndex produces unacceptable results. The Syndex and nonduplication rulings create over 100 hours of black space on the largest cable system in the city of South Lake Tahoe. This space would be difficult for any large company to fill with programming, but for a smaller company such as those located in Lake Tahoe it is simply impossible.

In addition, the requirement forcing the California side of Lake Tahoe to watch Nevada television causes several unique problems for my constituents.

First, California residents are cheated out of higher quality programming associated with the Sacramento, CA, stations. Reno is a smaller market and therefore is limited in the services its stations can provide. For instance, not all Reno stations currently provide the same level of closed-caption and stereo television services as their counterparts in Sacramento. I'm sure our colleagues understand that not having closed-caption capabilities is an issue of particular concern to those who are hearing-impaired and rely on this service. It was this concern, in part, that brought about the Americans with Disabilities Act.

Second, my constituents have difficulty receiving news and weather applicable to their area. The outcry on this point cannot be ignored, and is totally justified. Why should someone pay taxes and vote in one State but be denied access to news and election information critical to their making informed decisions concerning that State; especially when one must pay to receive cable television services?

Finally, Mr. speaker, were it not for the cable companies in the Tahoe area, Reno stations could not be viewed at all in the Tahoe Basin. Lake Tahoe's Unique Physical Terrain makes it Extremely Difficult to Receive Broadcast Signals. Indeed, in most parts of Lake Tahoe, virtually no signal can be received without cable. Also, strict regulation imposed by the Tahoe Regional Planning Association [TRPA], a unique Federal Regulatory organization created for Lake Tahoe, makes it not only difficult but cost-prohibitive for most residents to erect large antennas or install satellite dishes. Despite this fact, Reno broadcast companies are neither cooperative nor sensitive to their viewing audience in the Lake Tahoe area.

Mr. Speaker, I want you and my colleagues to know that I have made a good faith effort to resolve these concerns directly with the FCC. Unfortunately, they have been unwilling to discuss this issue in a meaningful way. I would have preferred not to bring additional legislation before this body. In light of current circumstances, however, I have no alternative but to seek legislative remedy on behalf of those I represent.

Mr. Speaker, I hope that I have the support of our colleagues in taking quick action on this legislation. Those adversely effected by the Syndex and non-duplication rulings anxiously await relief.

TRIBUTE TO DUANE ERICKSON "SERVICE TO YOUTH" AWARD WINNER

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. SWETT. Mr. Speaker, I rise today to pay tribute to one of my outstanding constituents, Mr. Duane Erickson of Nashua, NH. Duane is this year's recipient of the "Service to Youth Award" given by the city of Nashua. This award recognizes worthy local volunteers who provide leadership and guidance to the young people of the community through programs which are under the direction of the Nashua Parks and Recreation Department.

Duane Erickson is being recognized this week for his outstanding volunteer work over the course of the past 12 years. Since 1980, he has been the coach, or an assistant coach, of a dozen Nashua youth sports teams, including baseball, football, and basketball. He has truly become a man for all seasons. During this time, he has continuously provided solid direction to the young people of Nashua on the virtues and values of sportsmanship and teamwork.

Duane is a family man who has helped raise two children of his own, and who is now a proud grandfather. He is also an independent businessman. As busy as he is, he could easily find excuses for not volunteering time to his community.

But understands well the notion that young people only mature into leaders and good citizens when adults are willing to give them the proper guidance to set them on the track of leadership and good citizenship. He recognizes that the future of our Nation lies in the hands of today's youth; and he knows that many valuable lessons, which will serve these young people in life, are often and best learned on the playing fields. He prepares each member of his teams to do one thing—to compete. By accepting the challenges of competition, people and nations grow stronger.

Mr. Speaker, I ask my colleagues to join me in paying tribute to Duane Erickson as he is recognized by Nashua, his home city, with the "Service to Youth Award" for 1992. We commend him for his volunteer spirit and his dedication to our youth, attributes which will stand as a shining example for others to follow.

REGULATORY ACCOUNTABILITY ACT OF 1992

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. HASTERT. Mr. Speaker, today on behalf of myself and Congressmen COMBEST, DELAY and EWING, I am introducing the Regulatory Accountability Act of 1992. This legislation promotes more effective and efficient regulation and accountability. In short, this initiative will force agencies to prioritize regulations.

According to a recent report published by Professor Thomas Hopkins of the Rochester Institute of Technology, entitled "The Costs of Federal Regulation," Federal Government regulation and related compliance currently costs American consumers over $400 billion per year. Moreover, this "hidden tax" is paid by the average household through higher prices, decreased product selection, increased paperwork, lost time, job loss, and other costs of compliance. Furthermore, Federal regulation and compliance costs are draining valuable resources that could instead be used for research and development and thereby keep America competitive in the world market. The legislation that I and my colleagues are introducing today proposes to lessen the additional financial burden that Federal regulations place on American families as well as to reduce Government's chokehold on America's productivity and thereby begin to provide the necessary environment for a renewed expansion of American jobs.

Specifically, this legislation places a 3-year cap on overall costs of regulation. Under this Act, in order for a new regulation to go into effect, any new costs associated with the regulation must be offset by equal regulatory savings. Such offsetting of any new costs may be achieved by revising existing regulations, revoking existing regulations, trimming and streamlining the paperwork burden, or by any other type of regulatory offsets. This act does not, however, preclude an agency from promulgating regulations that may be essential to the American people. Rather, it provides for a uniform review of costs, benefits, and alternative approaches while allowing for the implementation of the most important rules and the assessment of costly, inefficient regulations.

In conclusion, Mr. Speaker, new regulations must be prioritized. The "Regulatory Accountability Act of 1992" will accomplish this objective. This legislation forces Government agencies to regulate "smart," thereby promoting a more effective, efficient, and accountable regulatory process.

INTERNATIONAL AID: AN ORGANIZATION AND A MISSION

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. VANDER JAGT. Mr. Speaker, just a few days ago the House of Representatives passed a foreign assistance appropriations bill and forwarded it to the Senate. Of late, and during consideration of the bill, there has been expressed sentiment that the United States, in view of the new world order, reduce its foreign assistance and significantly withdraw from economic and military operations around the world.

I say that we would do so at our peril.

While we must continue to seek, and I applaud, adjustments in our foreign assistance programs and shifts in military support to our international partners, we must take great care not to imperil the peace by ignoring its needs.

I am especially proud of private organization efforts—which exemplify both the responsibilities we have to humanitarian objectives, and the need to involve ourselves in our ever changing and shrinking world.

International Aid, headquartered in Spring Lake, MI, in our Ninth Congressional District, recently published its annual report and I believe that its story of outreach and involvement is worthy of my colleagues attention—and notice as we consider human needs in our changing world.

And the needs are great—in less developed and Third World countries where death from starvation is a daily occurrence, where disease attributable to unsanitary conditions is pandemic, and where illness from treatable conditions is epidemic.

The United States, working through its multilateral and bilateral agreements, and through the United Nations, must continue to address these problems.

In addition to Government action, though, we must support and facilitate the activities of the many private organizations which provide assistance around the world. These groups, like International Aid, work to increase the well-being of people around the world through programs of economic and social development, relief, reconstruction, and environmental protection. They do so, most importantly, by tapping the innate sense of human compassion which we all share.

And, of course, they do so by developing and nurturing the generosity of those who may serve abroad, and of the institutions, businesses, and industries who can contribute goods and services to those less fortunate. It has been my personal pleasure to have been supportive of, and to recognize, the work of International Aid, which last year distributed $22 million in assistance around the world—and at a cost of just a bit over 2 percent in overhead. That is remarkable, and it is just one more reason why we all know that private assistance efforts can be so much more efficient and effective in meeting people's needs.

I offer the narrative from the annual report of International Aid for my colleagues' review, and as an encouragement to continue to support budgetarily reasonable and socially responsible foreign assistance efforts:

ENABLING, ENCOURAGING AND EMPOWERING—A YEAR OF GROWTH AND CHANGE

International Aid is a non-denominational Christian relief and development agency that provides food, health and hope to those who desperately need assistance in America and throughout the world. International Aid works in partnership with a worldwide network of more than 500 relief organizations, non-governmental organizations and indigenous churches in over 140 countries.

Our mission is "enabling those who serve", and we do so by supplying information, personnel and gifts-in-kind to worthwhile programs. We recognize that there is a significant synergism from relief to rehabilitation and development by supporting these five major programs which enable, encourage and empower.

GENERAL RELIEF

Relief supplies are shipped quickly in response to major man made and natural disaster areas. These tangible resources are provided to indigenous groups and service institutions who care for the needs of the poor and disadvantaged.

DEVELOPMENT PROGRAMS

The organization supports sustainable development programs which help people become self-sufficient by providing training, education, resource materials, and evaluation in various fields such as medicine, agriculture, etc. This promotes self-reliance, productivity and human dignity; moreover, this augments the proper stewardship of the earth's resources.

MEDICAL PROGRAMS

Strengthens medical services around the world by providing pharmaceuticals, medical supplies, textbooks, basic and technical medical equipment to clinics and hospitals. International Aid designs and manages integrated health-care projects, training for emergency and long-term development programs with a primary focus on training counterpart health personnel.

MISSION ASSISTANCE

Personal, health care, clothing, literature, and other tangible products are provided for both long-term and short-term missionaries and relief workers, for their individual use while on field assignments.

DOMESTIC PROGRAMS

Supplies of food, clothing, educational materials and other goods are provided to rural and inner-city agencies which care for the homeless and needy families in America. International Aid also responds to the general population in times of natural disaster.

Nineteen ninety-one was a year of tremendous growth and important change for the organization. Last year nearly $22 million of food, clothing, medical equipment and supplies and seeds were shipped. We have now served over 140 countries around the world. The 333 major shipments sent represent a 50% increase from the previous year's record of 222. We are grateful for the faithfulness of contributing partners that include individuals, churches, businesses and foundations.

The new leadership team is committed to the continued mission of providing hope to the needy in America and the world. The support of caring partners has enabled us to reach thousands with life-sustaining help.

The following summarizes some of International Aid's major efforts to meet these challenges during 1991:

Thousands of blankets and over 100,000 oral rehydration solution packets were provided to the Kurdish refugees under the Emergency Assistance Program.

International Aid joined with partner agencies to provide emergency relief to the survivors of the devastating floods in Bangladesh.

The Republics of the former Soviet Union were recipients of over $3 million worth of food, clothing and medical supplies and equipment. The Chernobyl children, victims of the radiation fallout from the nuclear disaster received special attention through packages of hope that included a blanket, personal hygiene items, a toy and other needed items.

To support sustainable development programs, vegetable seeds were sent to communities that desired self-reliance and self-dignity. In Eastern Europe this gift helps break the cycle of poverty and, moreover, enables them to work to provide for themselves.

Major shipments of food, clothing, medical equipment supplies and Christian literature were sent to China, Mongolia and Vietnam. With the democratic changes in Mongola, International Aid was one of the first Christian relief and development agencies to be recognized by the government officials.

Programs in the United States complement International Aid's global work. We have partnered with many U.S. agencies to provide tangible resources that give hope to needy families and encourage them in a time of economic disadvantage.

Together we reached out to provide hope to the orphans and widows; to help victims of disease; and enable the poor. As we joined with you our partners, we provided food, health, and hope to thousands around the world who desperately needed help. Thank you.

CONGRESSMAN MONTGOMERY CHARTS FUTURE OF VETERANS HEALTH CARE SYSTEM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. BROWN. Mr. Speaker, my distinguished colleague and chairman of the House Veterans Committee, SONNY MONTGOMERY, has published a very informative and powerful oped article about the future of our Nation's veterans health care system in today's edition of the Washington Post. In this article, Congressman MONTGOMERY makes a compelling case that the VA health care system has contributed mightily to the health care infrastructure of our entire Nation. More importantly, he argues that this system is a valuable asset to be viewed as part of the solution and not part of the problem in overhauling the delivery of affordable, high-quality health care to all Americans.

I insert Congressman MONTGOMERY's article in its entirety and I commend it for careful reading by all of my colleagues:

THE VA'S SICKBED

(By G.V. Montgomery)

The Department of Veterans Affairs (VA) health care system has never confronted a more critical watershed in its 62-year history than it does today. The course it charts over the next few years will determine its very survival. Considering the perennially deficient budgets and dwindling resources that have affected both its productivity and its reputation, considering that VA has become little more than a political afterthought in discussions of national health policy, the public and policy makers must be made aware of the department's contributions to medicine and what it can offer to help meet the nation's increasingly complex health care needs. VA must not stand on the curb and watch the healthcare reform parade march past.

To date, national health care reform proposals have either slighted VA or called for its dismantling. It is clear that VA cannot exist in a vacuum. It must either become more deeply interrelated with private-sector medicine and other government health care programs or face a gradual shutdown. To survive, VA must be an active contributor to any national health care package. For instance, it is a leader in geriatric care, treatment of post-traumatic stress disorder, spinal-cord injury care and research, and has had a considerable impact in many other fields. To survive, VA must retool its resources, restructure its priorities and look beyond its primary patient population. It can still be independent, but it must be a player.

To some veterans, such proposals will seem an act of heresy, but the hard truth is that if VA is going to be around in the 21st century, all sides of the so-called Iron Triangle—VA, Congress, and the national veterans' service organizations, as well as individual veterans—must reassess the system's mission and begin thinking of VA as a part of the whole health care solution.

Obviously, as our Armed Forces are reduced in size, fewer veterans will be coming out of them in the future. By the turn of the century, the veterans' population of 26.6 million will likely have declined to 24.1 million, and without 40 years after that to around 13 million. Judging by current VA hospital usage, only about 10 percent of those veterans will actually obtain VA medical care.

Thus it will be increasingly difficult in the future to defend the continuance of certain VA medical programs. It won't be a question of money but of quality—not enough patients for health professionals to maintain their proficiency, or enough to justify certain services, units or entire medical facilities and, ultimately perhaps, the system itself. Purely hypothetical, right? Well the VA inspector general recently targeted 33 surgical units for closing because of underutilization. It's beginning, it's here and it's now.

Though the size of the general veteran population will decline, there will be a dramatic increase in the number of older veterans. In the next eight years, two-thirds of America's male population over age 65—9 million individuals—will be veterans. This challenge raises many questions. Does VA have enough long-term care programs? Enough nursing home beds? How many of these veterans will seek and obtain VA-sponsored care? Are there feasible ways to expand this number? Would veterans agree to pay part of the cost to avoid being denied VA care altogether? VA must develop a strategic plan to address these and many other considerations, and it must have the means (money, staff, equipment, infrastructure) and the vision to do it.

VA cannot be all things to all people; its resources are limited. In calling on Congress to enact streamlined eligibility rules that provide certain veterans with all needed health care services, VA leaders have failed to launch the changes required to meet this broad objective.

Congress must establish explicit eligibility criteria, but this task has been complicated by VA's failure for more than a decade to position itself to effectively care for aging veterans. The expansion of its outstanding non-institutional care programs (adult day care, hospital-based home care etc.) to all VA hospitals, the restructuring of medical center missions, the conversion of hospital beds to nursing home beds and other logical changes have received far too little attention. VA officials project that these changes are five to eight years away. In my view, that's not soon enough.

Equally important is the question of whether the public will continue to support an independent health care delivery system for its veterans. There are very good reasons that it should.

This country and its veterans have traditionally looked to VA to treat combat-related injuries and disabilities and the postwar stress-related and rehabilitative needs of those who accept the nation's uniform. Its medicine is particularly sensitive to the unique concerns of the more than 1 million veterans who annually use its hospitals.

The VA patient population is composed of individuals with, at best, modest incomes who more often than not cannot afford private health insurance and who, in the case of its older patients, would further burden a Medicare program already bursting at its fiscal seams. Bottom line: Without VA, taxpayers would pay more for the care of veterans who are fortunate enough to make their way to it, and many others would fall through the cracks.

More than half the nation's practicing physicians have received at least a portion of their training in VA hospitals. Each year, VA trains approximately 100,000 health care professionals, and it is affiliated with more than 100 medical schools across the country. VA has one in every 16 hospital beds in the nation. Its medical research program benefits veterans and non-veterans alike.

Such a system is not one we can afford to lose by wholly fusing it into a national health care plan. We cannot allow VA health care to lose its identity, to be lost in the crowd of health care by voucher, but it can certainly complement the reform effort. It can and must be a part of the solution.

TOURISM MEANS DOLLARS FOR OREGON

HON. MIKE KOPETSKI

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. KOPETSKI. Mr. Speaker, the summer season is upon us. In Oregon this means tourism. This also mean jobs for Oregonians. A few of the points of interest in my congressional district are sites along the Oregon Trail, the Mount Hood Recreational Area, Silver Creek Falls, Opal Creek, Detroit Lake, numerous wineries, and the newly opened Oregon Coast Aquarium.

As a member of the U.S. congressional travel and tourism caucus, I am pleased to share with my colleagues an article from the Clackamas County Review, titled "Tourism: It Has Many Fine Points To Ponder." I encourage all Members to review this article and take a moment to recognize the important role tourism plays in the U.S. economy and in particular the benefits of tourism to each State in the country.

[From the Clackamas County Review, June 25, 1992]

TOURISM: IT HAS MANY FINE POINTS TO PONDER

(By Diane Quick)

Perhaps your business is doing well, but you attribute little of its success, if any, to the tourist industry. In fact you may think tourism only affects the "other guys," the restaurants, hotels and motels in your area. Well, think again.

Tourism is big business in Oregon, big business that helps us all. Here are some interesting facts:

According to the Economic Development Department, tourism is Oregon's third largest industry, topped only by forest products and agriculture. Statistics from the Oregon State Tourism Division's 1989 Economic Impact Study reflects not only the importance of tourism, but also its growth.

Consider the following:

1. Oregon's tourism industry has grown 33 percent in the past three years.

2. The state's tourist industry employs 43,000 people and has a payroll of $422 million.

3. Travel expenditures in the state (1989) grew to $233 billion.

4. Travelers who stayed in commercial accommodations were responsible for nearly 50 percent of all travel-related expenditures.

5. Nearly 25 percent of the travel-related expenditures occurred in retail sales firms. This figure totaled almost $757 million.

6. Visitors spent more than $550 million in eating and drinking establishments.

What these numbers mean are big bucks, big dollars for Clackamas County, Oregon and the United States.

These numbers mean dollars for the obvious tourist-related firms, such as car rentals, lodging, restaurants, airlines and other transportation providers. But let's not forget every year thousands of visitors attend attractions like the Rose Festival professional sporting events, movies, theaters, bowling all,eys, local historic sites, and so on. Visitors also attend special events, including fairs, rodeos, and festivals.

Tourism also is important to local agencies, clubs, and service organizations. Local clubs, such as the Lions Club, Rotary, and Kiwanis, play an important role in hosting annual state and national conventions. Conventions, we know, mean mega dollars for the local economy.

Tourism is big business. Every $1 spent in the country generates itself 24 times before it stops.

In fact, travel spending in the United States averages $959 million each day, $40 million each hour, $660,000 each minute and $11,000 every second.

That's a lot of money. Keep it in mind every time you see an out-of-state license plate and every time you meet a visitor, be ready with a warm smile and a quick handshake. This visitor is a vital key to the success of our own economy. We all profit either directly or indirectly from tourism.

FORT GEORGE G. MEADE CELEBRATES 75th ANNIVERSARY

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today to celebrate and commemorate the 75th anniversary of Fort George G. Meade. This illustrious military facility has experienced many wonderful moments throughout its history and I have had the distinct pleasure of serving Fort Meade in the House of Representatives. I wanted to elaborate to my colleagues a brief history of Fort Meade to illustrate how vital a role it has played in our Nation's military history.

The installation was originally authorized by Congress in 1917 as 1 of the 16 training cantonments to be built for troops drafted during World War I [WWI]. The Village of Admiral, on the Washington, Baltimore, and Annapolis Railroad, in Anne Arundel County, MD, was chosen as the site for the new cantonment. The U.S. Government commandeered 4,000 acres of land, bringing the installation's total size to 9,349 acres.

The installation was named Camp Meade in 1917 in honor of Maj. Gen. George G. Meade. During WWI, about 103,000 men were trained here. When the war ended in November 1918, the camp served as a demobilization center for troops returning from overseas. More than 96,000 men were processed out of the service. During the summer of 1918, the Franklin Cantonment, named in honor of Benjamin Franklin, was authorized and constructed within a mile of Camp Meade. Approximately 2 months after it opened, the 400-acre cantonment lost its independent status and was made a permanent part of Camp Meade.

During World War II, Fort Meade served as Prisoner of War Information Bureau. In 1943, the Army Ground Forces Replacement Depot No. 1 was organized. More than 1.5 million men were shipped overseas from Fort George G. Meade. In May 1945, this same organization was utilized as a separation center, processing more than 400,000 men back to civilian life.

The base supports a variety of wildlife species and is of particular importance to waterfowl, woodcock, woodpeckers, barred owls, songbirds, and upland game. Over 100 species of breeding birds have been recorded at

Fort Meade, and bald eagles have been observed in nest building activities. The forest and floodplain have acted as an extension of the adjacent Patuxent Wildlife Research Center [PWRC] habitats. Several research projects using Fort Meade land are currently being conducted by the PWRC. The Army has an existing cooperative agreement and management plan with the U.S. Fish and Wildlife Service and the Maryland Fish and Game Department to maintain a diverse habitat for migratory waterfowl and upland game species.

The old growth forest provides nesting habitat for 18 of 19 bird species considered as forest interior dwelling species by the State's forest, park, and wildlife service. To date, several species considered rare have been recorded on the property; they include the northern pine snake and the glassy darter.

I, once again, would like to reiterate my commitment to Fort George G. Meade and the men and women who serve there. As a Member of Congress, I am looking forward to working with Fort Meade so they can continue to protect the interests of the United States as well as they have for the past 75 years.

THE INTRODUCTION OF LEGISLATION TO ASSIST BLIND VETERANS

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. HORTON. Mr. Speaker, since the midthirties, New York State has paid blind disabled veterans a monthly annuity. Qualified veterans—of which there are slightly less than 2,000—receive monthly payments of $41.66, the same amount as has been paid since the program's inception.

There is a sentiment among lawmakers in Albany, NY, to increase the blind annuity. Unfortunately, should the State decide to increase the blind annuity, the Department of Veterans Affairs would respond by reducing Federal pensions paid to these individuals by the same amount. Thus, there would be no net benefit for New York's veterans receiving the annuity. Moreover, the State would, in practice, be assuming part of the Federal Government's responsibility.

The legislation I, along with the entire N.Y. State Congressional Delegation, am introducing today will prevent the Department of Veterans Affairs from penalizing New York's blind veterans should the State increase the blind annuity. Senator D'AMATO is introducing a companion bill today as well.

Our legislation will exempt any increase in the New York blind annuity from the determination of annual income for the purposes of the payment of VA pensions. Incidentally, the Internal Revenue Service already considers the blind annuity to be a gift rather than income. Because our legislation only exempts increases, it is budget neutral.

Mr. Speaker, this legislation will make our Government's policy toward blind veterans more equitable. It won't cost the Government a cent. And it is long overdue. I urge the House to expeditiously enact this legislation.

A TRIBUTE TO DR. DAVID L. WITMER

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. KOSTMAYER. Mr. Speaker, I rise today to recognize one of my constituents, Dr. David L. Witmer, of Bristol, PA, who will be retiring from the Pennsylvania school system on September 13, 1992, after 30 years of excellent service in the field of public education.

During his many years, Dr. Witmer has had a very productive and distinguished career, serving 6 years as a public high school teacher, 2 years as guidance counselor, and 22 years as superintendent of schools in 3 different school districts. In each district, he was instrumental in instituting positive community relations programs and recognition programs for students, staff, and community volunteers. In this capacity, he has served as a lecturer and an author of weekly newspaper columns.

Among his many community service activities, Dr. Witmer has served as director of the Foundation for Educational Excellence, a member of the Highland, PA, Presbyterian Church, and the Heart Association Fund drive.

As an entrepreneur, Dr. Witmer further demonstrated his dedication to the community, by assisting neighborhood groups through his prolific fundraising efforts on their behalf.

Mr. Speaker, these are just a few of Dr. Witmer's outstanding contributions to the Commonwealth of Pennsylvania. But as you can see by those I have cited, Dr. Witmer deserves every commendation and I ask my colleagues to join me in paying tribute to this outstanding individual from my congressional district.

TRIBUTE TO DENNIS CLIFTON ERVIN

HON. CLYDE C. HOLLOWAY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. HOLLOWAY. Mr. Speaker, I am pleased to pay tribute today to someone who is a credit to his family, his State, and his country. The individual of whom I speak is Mr. Dennis Clifton Ervin of Springfield, MO, who celebrated his 74th birthday last month.

Mr. Ervin is the former owner of an American Eaglet, an airplane whose sister craft is exhibited at the Smithsonian Institution. A lifelong aviator, Mr. Ervin's association with the industry is a reflection of his love of aircraft of all sorts. He spent decades helping break new ground in the aviation industry. I am proud to salute him today.

COMMENDING COOK, NEBRASKA, FOR DISTINCTION AS "AMERICA'S BEST SMALL TOWN"

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. BEREUTER. Mr. Speaker, this week a community in this Member's district was named America's Best Small Town. Cook, NE, a community of 340 people in southeast Nebraska was awarded this honor because of its "can do" approach, its good schools, and the ability of its people to pull together in good times and bad.

In making the award, the contest's sponsors said that "the past * * * is an important part of small town America * * * We found that Cook is a 'can do' community today, just as it was 100 years ago." Certainly, building on the past is an important part of life for all communities, large or small. Cook, NE is building a strong, proud future on its successful past.

Mr. Speaker, I congratulate the people of Cook for not only making their community America's Best Small Town, but also for representing the values of hard-work, community spirit and cooperation that all Nebraskans share and appreciate.

RULE ON H.R. 3603, THE FAMILY PRESERVATION ACT OF 1992

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the rules of the Democratic caucus, I wish to serve notice to my colleagues that I have been instructed by the Committee on Ways and Means to seek less than an open rule for the consideration by the House of Representatives of H.R. 3603, the Family Preservation Act of 1992, as amended.

"MACEDONIA" FOR GREECE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. GREEN of New York. Mr. Speaker, on June 26–27, the European Council met and issued a declaration on former Yugoslavia. On the problem of Macedonia, the Council stated:

> The European Council reiterates the position taken by the Community and its member States in Guimaraes on the request of the former Yugoslav Republic of Macedonia to be recognized as an independent state. It expresses its readiness to recognize that republic within its existing borders according to their Declaration on 16 December 1991 *under a name which does not include the term Macedonia* (my emphasis). It furthermore considers the borders of this republic as inviolable and guaranteed in accordance with the principles of the United Nations Charter and the Charter of Paris.

I hope this will provide the United States with important guidance on the issue of recognition of the Skopje regime, which remains a serious concern for Greece. On this issue, I commend to the attention of my colleagues the following piece by Leslie Gelb from the June 12, 1992, New York Times:

[From the New York Times, June 12, 1992]

"MACEDONIA" FOR GREECE

(By Leslie H. Gelb)

ATHENS.—What's in a name? Ghosts or real historical demons. Perhaps war or peace. Nothing and everything.

The name in question is Macedonia, birthplace of Alexander the Great and Aristotle. Some 1.9 million souls who used to constitute a republic within Yugoslavia now insist they must have that name for their newly independent state. Greece, with its own province of Macedonia, says it will recognize the new state, with its capital of Skopje—but only if "Macedonia" appears nowhere in its name.

From the Balkan wars of 1913 to the Greek civil war of 1946 to 1949, when Greek and Macedonian Communists tried to unite the two Macedonias into Yugoslavia, tens of thousands have died over this obscure pinch of land. And over the issue today, Greece is united as it has rarely been throughout what Greeks here call their 2,500 years of democracy.

This history and situation would be quite unremarkable save for one very curious occurrence: Most West European nations and the U.S. are not supporting Greece in the matter. That fence-sitting is curious, even mysterious, because the West has every incentive to back reform-minded Prime Minister Constantine Mitsotakis—whose two-seat majority in Parliament surely will collapse unless he can bring the Macedonian issue to a successful conclusion.

The question of Western neutrality and even quite opposition saturates newspapers, television and daily conversation in this low-slung, white city on the Aegean.

The conservative Mr. Mitsotakis is the most pro-American Greek leader in a very long time. He consummated a controversial naval base agreement with the U.S. He recognized Israel and got tough on terrorism. Surprisingly, he delivered Greek help for the war against Iraq. He has the full weight of the powerful Greek-American lobby behind him, a lobby with close ties to President Bush. Not least, the alternatives to Mr. Mitsotakis are the notoriously anti-American Socialists.

The 12-nation European Community, of which Greece is a member, also has strong reasons for helping Mr. Mitsotakis out. Greece has become the poorest E.C. nation, a basket case constantly in need of E.C. economic aid. And though E.C. leaders feel that this gentle Prime Minister has not gone far or fast enough in making reforms, they greatly prefer him to Andreas Papandreou, his old and bitter Socialist rival.

Mr. Mitsotakis does not have a good explanation for his plight either. "Perhaps Greece didn't provide enough historical information soon enough to the West" before their positions were staked out, he said in an interview in his office, sitting behind his desk flanked by the Greek and E.C. flags with tables adorned by proud pictures of his extensive family.

He recalled that months ago he offered compromise names like Slav-Macedonia, only to be rebuffed by Skopje and Greek politicians and ignored by the West. Pressed for further explanations, he responded: "I would prefer not to explain."

In the Balkans, answers are always elusive. Perhaps the West does not like the friendly relationship between Mr. Mitsotakis and President Slobodan Milosevic of Serbia. Though the Greeks fully supports E.C. sanctions against Serbia. Perhaps the West fears the two will divide Yugo-Macedonia between them. Though it is now known that Mr. Mitsotakis rejected just such a Milosevic offer. Perhaps the West thinks of Skopje as a democracy. Though it is run by a bunch of Communists who still look to Serbia. Perhaps the West reckons that independence for Skopje can work only if it has the name Macedonia. Though these "Macedonians" are mostly Slavs, and though Macedonia is largely a geographical expression and not a tribal reality. Perhaps Britain and Turkey are secretly conspiring against Greece, as many Greeks darkly suggest.

Or maybe the explanation for Western neutrality is tragically simple—Greece no longer counts. Once at the center of Western civilization, it now seems a backwater.

But such a judgment would be shortsighted. Greece is the one true democracy in the Balkans. And it is led by a man trying to rid the Greek economy of bureaucratic Socialism and who is also working with Turkey toward a solution of the long-festering Cyprus problem. These are not prospects to throw away over a name. Let the West tell Skopje to be "Skopje," and let "Macedonia" be Greek.

JULY 4 TRIBUTE TO THE AMERICAN FAMILY

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Ms. NORTON. Mr. Speaker, on July 4, 1992, we commemorate the birth of our great Nation. It is traditionally a day when families come together to celebrate our hard-won freedoms and the people that made them possible.

Mr. Speaker, for 9 years, this body has recognized July 4th as Family Celebration Day, initiated by a coalition of organizations in the Washington metropolitan area. July 4th is an especially appropriate time to celebrate the American family. The family is the vital core through which we nurture ourselves and our children and prepare them to be productive citizens. The family provides a center of unconditional care, love, and concern for its members.

Mr. Speaker, many families are struggling today and many others are finding it difficult to maintain family life. Our families need reinforcement and support from their national government. The July 4th Family Celebration links our Nation to its families. I therefore ask my distinguished colleagues to join me in recognizing July 4, 1992 as Family Celebration Day, a day to celebrate not only American independence, but its greatest national resource as well—the American Family.

TURKISH GOVERNMENT EXTENDS OPERATION PROVIDE COMFORT

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. SOLARZ. Mr. Speaker, I am pleased to call to the attention of this House the laudable action taken by the Turkish Parliament on June 26 to extend Operation Provide Comfort, the international program of protection for the Kurds of northern Iraq. The action, passed by the substantial margin of 228–136, provided for another 6-month extension, as the U.S. Government had hoped for.

In this vote, members of the Parliament displayed the humanitarian concern of the Turkish people for the Kurds of northern Iraq and others who live within the security zone above the 36th parallel and remain subject to attack by the forces of Saddam Hussein.

United States military forces and others in southern Turkey, by daily overflights of northern Iraq and by other means, prevent any ground incursions into the security zone by Iraqi forces and prevent overflights by all Iraqi aircraft, including helicopters.

The Turkish Parliament's vote, on a recommendation by the Turkish Council of Ministers, underscores yet again Turkey's willingness and ability to be a key player and trusted friend of the West in a critical, sensitive, and volatile Middle East.

The action on Operation Provide Comfort is consistent with Turkey's statesmanship and moderately role with respect to the Governments of Armenia and Azerbaijan regarding Nagorno-Karabagh and Nakhichevan. We are fortunate that our Turkish friends are willing to act as a stabilizing force—a force for peace and security—in the Transcaucasus.

Moreover, Turkey's role as a leader in the Black Sea region was highly visible when, the day before the Parliamentary vote on Provide Comfort, 11 nations led by Turkey—(including Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, and Ukraine)—signed the Black Sea Economic Declaration. This pact, originated by Turkey, is pledged to regional economic cooperation and an end to regional ethnic conflict.

Turkey's statesmanship is of great importance to the foreign policy interests of the United States: It is in the best interest of the United States to care for the Kurds of northern Iraq and to ensure that Saddam cannot carry out his policy of ethnic warfare. It is likewise in our interest to secure the Transcaucasus, Balkans, and the Black Sea region against further unrest and to bring an end to ethnic conflict.

It is extremely unfortunate that at the very moment when Turkey has been so helpful on these issues, the United States House of Representatives has voted to cut military aid to Turkey by $50 million. To make matters even worse, the House has also passed an amendment converting all military grants to NATO members to nonconcessional loans. While this approach may have some merit for the other NATO countries, it is quite onerous for Turkey, which will have great difficulty, given its current economic problems, repaying high interest loans. Therefore, it is my hope that when the Senate takes up the foreign aid appropriations bill in the near future, a way can be found to reverse both the aid cut and the ill-advised switch from grants to loans.

In conclusion, I'd like to once again commend the Turkish Parliament, and the leadership of the Turkish Government, for their initiatives and actions on behalf of regional peace and stability. At a time when Turkey's regional role is more important than ever, I will continue to do everything in my power as a senior member of the House Foreign Affairs Committee to strengthen the bilateral relationship between the United States and Turkey.

THE SAVINGS AND LOAN DEBACLE—FORCING CONGRESS TO ACT

HON. J. ALEX McMILLAN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. McMILLAN of North Carolina. Mr. Speaker, today, Banking Committee Republican Leader CHALMERS WYLIE and I introduced legislation designed to finish the cleanup of the savings and loan debacle. The Resolution Trust Corporation Cost Reduction Act attempts to compel Congress to appropriate the necessary funds to honor deposit insurance at the remaining insolvent thrifts.

Since 1989, the RTC has taken over 649 bankrupt institutions and protected the savings of some $206 billion in over 21 million accounts nationwide. However, the job is not completed. Nearly 5 million deposit accounts, amounting to nearly $45 billion, remain in RTC hands. In North Carolina alone, there are currently 46 thrifts with over 21,000 accounts, representing $116 million, under RTC management awaiting closure.

Earlier this year, Congress defeated a bill which would have appropriated the funds sufficient to allow the RTC to resolve the remaining failed thrifts through next April. Opponents of funding for deposit insurance obscure their reasoning by arguing that they are saving taxpayer dollars. The issue is simple. A failed thrift should be closed and the depositors paid.

The intent of the McMillan/Wylie bill is to persuade Congress to face up to its responsibility. The Resolution Trust Corporation Cost Reduction Act prohibits the RTC from delaying the closing of an insolvent thrift because of lack of appropriated funds. However, instead of fully paying off depositors, the RTC will issue them promissory notes until Congress appropriates sufficient funds. Actually, such notes could be discounted at many banks.

Politically, depositors will be able to take the Government IOU's to their Congressman for collection. Perhaps this will persuade Congress to act. This is not a matter of bailing out the rich, crooked thrift operators. It is a matter of stopping the bleeding and protecting depositors.

KATIE PAPUGA RECEIVES AWARD FOR CREATIVE MERIT IN THE CONGRESSIONAL ART COMPETITION

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. MACHTLEY. Mr. Speaker, it is my distinct pleasure to congratulate Katie Papuga, of Tiverton, as this year's recipient of the Award for Creative Merit in the Congressional Art Competition.

High schools from throughout the First District of Rhode Island submitted pieces of artwork to the competition. The award is presented to the student whose artwork is deemed most worthy.

Katie Papuga's collage, entitled Daydreaming, was selected for its aesthetic qualities. Daydreaming now hangs in the Nation's Capitol along with other pieces of artwork selected in the art competition.

I commend Katie Papuga for her outstanding artistic achievement, and wish her the best of luck in her senior year at Tiverton High School.

INTRODUCTION OF THE FOREST SERVICE APPEALS ACT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. RICHARDSON. Mr. Speaker, a proposed rule by the Department of Agriculture to eliminate the administrative appeals process for projects and activities on our National forests should sound a wake up call for everyone concerned about the proper management of our public lands and resources. The proposed rule, put forth in the shadow of overwhelming evidence against its merit, shows blatant disregard for the public's fundamental right to participate in Federal land management policy.

The Forest Service has had an administrative appeals process since 1907. The appeals process has helped the Agency's largest constituency, the American taxpayer, maintain a viable role in Forest Service decision-making activities. However, the administration claims that the appeals process has led to major delays in timber sales and other project level actions—a claim clearly not substantiated by the Forest Service's own data and recent reports by bipartisan Congressional support offices.

In fact, a recent report by the Office of Technology Assessment, one of the most respected and bipartisan arms of Congress, indicates that the Forest Service, not the appeals process, is to blame for slowing down timber sales. Specifically, the report indicates that appeals have not significantly decreased the volume of timber for sale. The same report calls the appeals process a "valuable check on Forest Service decision making." Referring to the number of successful appeals, the report concludes that most appeals appear to be justified.

Another recent report by the Congressional Research Service indicates that the current administrative process serves a useful purpose in pointing out flaws in similarly constituted sales before their processing has been completed. Specifically, the report mentions that "the Forest Service has stated that appeals have served as a means for correcting procedural and substantive flaws in its sales planning. Resolving one sale appeal affords the agency the opportunity to correct similar flaws on other sales."

There is no doubt that some abuse of the appeals process occurs. However, outright elimination of the entire process to address certain abuses is not only bad policy, but will no doubt breed distrust of the agency by the public. In fact, the proposed rule will more than likely worsen the very situation the Forest Service is trying to avoid—delayed and blocked decisions and increased costs—as the public is forced to go to court in lieu of the administrative process.

That is why I am introducing legislation to establish an administrative appeals process that is not only fair to both the public and to natural resource industries, but mandates an expedited time frame in which agency decisions will be made.

Specifically, the legislation directs the Forest Service to establish an administrative appeals process for project level decisions that provides at a minimum 1 level of administrative review. Someone wishing to appeal an agency decision must file the appeal within 45 days of the announcement of the decision. The Forest Service must then respond to the appeal within 45 days from the date the appeal was filed. An automatic stay of action is included, beginning when the appeal is filed, which means the agency cannot initiate action until the appeal is resolved. This will provide an incentive for the Forest Service to resolve the appeal expeditiously.

Support for this legislation by several major environmental groups is expressed in the following letter. I am hopeful that industry will also support this effort as well—a fair and expedited process can only help increase the predictability of timber supply and reduce costs as delays and prolonged litigation are avoided.

Mr. Speaker, Congress cannot in good conscience stand by as the administration attempts to bypass the American public in natural resource policy. After all, we are talking about public lands. I urge my colleagues to support this critical legislation.

JUNE 12, 1992.

The Hon. BILL RICHARDSON
204 Cannon HOB, Washington, DC.

DEAR REPRESENTATIVE RICHARDSON: We are writing to thank you for all of your good efforts to develop legislation to require the U.S. Forest Service to have an administrative appeals process for its national forest management activities. Your proposal represents the kind of process that the agency should be providing—one that is fair, efficient, and expeditious. We are pleased to support it.

As you know, the Forest Service has had an administrative appeals process since 1907. Although the agency is not required by statute to have such a process, it is a fundamental tenet of good government to provide organizations and individuals affected by government actions with an opportunity to seek supervisory review of lower level officials' decisions.

We believe that the agency's recent proposal to eliminate appeals of timber sales, oil and gas leases, and other project level activities is a slap in the face of democratic values. It is all the more onerous when juxtaposed with the administration's aggressive support for legislation that would severely limit judicial review of forest management decisions.

The appeals process is used by state and local governments, recreationalists, hunters, and anglers, as well as by environmentalists. Moreover, it has been instrumental in improving the agency's decision-making. In fact, the Office of Technology Assessment recently reported that:

"The administrative appeals process has been a valuable tool for the Forest Service. It has provided an internal mechanism for clarifying the legal requirements and for testing the soundness of decisions and the appropriateness of current policies and procedures. In addition, the appeals process can lead to better and more consistent decisions by encouraging more responsibility and accountability on the part of deciding officers."

Thank you again for working to ensure that this "valuable tool" for the Forest Service is not abolished.

Sincerely,

JIM BLOMQUIST,
Sierra Club.
BROCK EVANS,
National Audubon Society.
JIM OWENS,
Western Ancient Forest Campaign.
FRANCES A. HUNT,
National Wildlife Federation.
KEVIN KIRCHNER,
Sierra Club Legal Defense Fund.
MIKE FRANCIS,
The Wilderness Society.

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FOREST SERVICE ADMINISTRATIVE APPEALS PROCESS.

(a) IN GENERAL.—In accordance with this section, the Secretary of Agriculture shall establish an administrative appeals process for the appeal of decisions of the Forest Service concerning projects and activities implementing land and resource management plans developed under the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601 et seq.). The process shall provide, at a minimum, one level of administrative review.

(b) TIME FOR APPEALS.—A person may seek review of an agency decision described in subsection (a) by filing an appeal not later than 45 days after the date on which the decision is announced.

(c) AGENCY DECISION.—An appeal under subsection (b) shall be decided not later than 45 days after the date on which the appeal is filed. If the Forest Service fails to decide the appeal within the 45-day period, the decision on which the appeal is based shall be deemed to be final agency action for the purpose of chapter 7 of title 5, United States Code.

(d) AUTOMATIC STAY PENDING APPEAL.—An agency decision described in subsection (a) shall be stayed beginning on the date the decision is announced and ending—

(1) if no appeal of the decision is filed, 45 days after that date; or

(2) if an appeal of the decision is filed, 30 days after the earlier of—

(A) the disposition by the reviewing office of all appeals of the decision; or

(B) the end of the 45-day agency review period provided for in subsection (c).

SCIENCE EXCELLENCE BY LONG ISLAND STUDENT

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. HOCHBRUECKNER. Mr. Speaker, today I have the honor to recognize the outstanding achievements of Joshua B. Silverman from Stony Brook in the first Congressional District of Long Island, NY, for his work in the field of biochemistry.

Mr. Silverman, a senior at Ward Melville High School, is one of only 22 high school students to be recognized by the Secretary of the Navy as one of the Nation's most promising young scientists.

After being named the overall winner at the Long Island Science and Engineering Fair in Stony Brook, Joshua's biochemistry project on hormone adrenaline and its effects on energy metabolism in animals was entered in the International Science and Engineering Fair [ISEF] held May 12–15 in Nashville, TN. After studying many excellent projects, a panel of Navy and Marine Corps reservists, representing a cross section of engineering and scientific disciplines, and scientific officers from the Office of Naval Research Laboratory in Stennis, MS, chose Mr. Silverman's project to be recognized as outstanding work in the field of biochemistry.

In Tennessee, Mr. Silverman was presented with a certificate of merit, signed by Secretary of the Navy H. Lawrence Garrett III and Rear Adm. William C. Miller, by Comdr. Ronald E. Johnson of the U.S. Naval Reserve. An American flag was also flown over the U.S. Navy Memorial in recognition of Mr. Silverman's achievements.

It is very important that Mr. Silverman's work has been recognized, not only to encourage this exceptional young man to continue to strive for high achievement in science, but also because his work will have many lasting effects. Mr. Silverman's study sets the scene for further research on the effects of a range of regulatory agents.

I would like to extend my congratulations to all of the recipients of the prestigious award, especially Mr. Silverman and his family. I would also like to congratulate Joshua's science teacher, Melanie Krrieger, for her guidance and assistance in his difficult endeavor. I send my best wishes to Joshua in what I am sure will be a promising future.

A CONGRESSIONAL SALUTE TO DR. BEVERLY L. O'NEILL, 1992 CITIZEN OF THE YEAR

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. ANDERSON. Mr. Speaker, on Wednesday, July 8, 1992, the Long Beach Exchange Club's Book of Golden Deeds will name Dr. Beverly L. O'Neill as its 1992 Citizen of the Year. It is with great pride and pleasure that I rise today to pay tribute to this exceptional woman, who has distinguished herself as a community leader and outstanding educator.

Dr. Beverly O'Neill's 30-year tenure with Long Beach City College culminated in her selection as Superintendent-President in June 1988. Prior to this post, Beverly had been vice president of Student Services, dean of Student Affairs, dean of the Liberal Arts Campus, Women's Advisor, and Instructor. Her diligent efforts have produced remarkable results for the college. Under her direction, the Long Beach City College has established a Continuing Education Center for Women, a program designed to aid women returning to college. She was also a founder of the Long Beach City College Foundation, which has grown to have endowments which rank in the top 10 percent of all college foundations in the country.

As a lifelong resident of Long Beach, Dr. O'Neill received the greater part of her education from local schools. She graduated from Poly High School, received her A.A. degree from Long Beach City College, and her B.A. and M.A. from California State University, Long Beach. Dr. O'Neill received her Ph.D. from the University of Southern California in 1977. Beverly also completed post graduate work at the University of Vienna, Austria.

In addition to her scholastic achievements, Dr. O'Neill has made many notable contributions to our community. She is a member and former vice president of the Long Beach Rotary, a member of the YMCA board of directors, a member of the Memorial Hospital Foundation, and a member of the board of directors for the United Way. She is a former member of the board of directors for the Long Beach chapter of the National Conference of Christians and Jews and she is past president of the Association of California Community College Administrators.

Throughout her illustrious career and tireless community service, Dr. O'Neill has been the recipient of numerous awards and honors. She received the Chief Executive Officer Award for the pacific region presented by the Association of Community College Trustees, the Community Services Award from Community Services Development Corporation, Inc., the Harry Buttimer Award from the Association of California Community College Administrators, and the Humanitarian Award from the National Council of Christians and Jews. Additionally, Beverly has received the YWCA Women of Excellence Award, the Rick Rackers' Long Beach Woman of the Year, the Distinguished Alumni of the Year, California State University, Long Beach, and the Hannah Solomon Award from the National Council of Jewish Women. Beverly has been chosen Woman of the Year by the City of Long Beach Human Relations Commission and Business Woman of the Year by the Long Beach International Chapter, Business and Professional Women. She is in the Soroptomists International of Long Beach and the Long Beach City College's Hall of Fame.

Mr. Speaker, Dr. Beverly L. O'Neill's record of service to Long Beach City College and the community is exemplary and admirable. She is truly a very special individual. My wife, Lee, joins me in extending this Congressional salute to Beverly. We wish Beverly, her high school sweetheart husband, Dr. William F. O'Neill, and their daughter, Teresa, all the best in the years to come.

TRIBUTE TO HELENA AUGUSTINE DEJAN

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. DIXON. Mr. Speaker, I rise to pay homage to a wonderful and caring woman who passed away on June 17, 1992, in Los Angeles. Mrs. Helena Augustine Dejan, who celebrated her 74th birthday in May, was for 55 extraordinary years the wife of Leo John Dejan. Theirs was a union that embodied everything that is good about relationships and family and I am honored to have this opportunity to salute the life of Mrs. Dejan.

Born on May 28, 1919, in New Orleans, LA, to Odette and Joseph Charbonnet, Helena married Leo John Dejan on July 16, 1937. In 1947, Leo and Helena moved to Los Angeles with Leo, Jr., and Glynis. The family grew to five with the birth of Debbie.

Leo and Helena had a wonderful relationship and provided a stable and nurturing environment for their children. Together, they worked hard to ensure that their children received a good education and through the unity and strength of their marriage and a mutual commitment to excellence, provided a strong familial model for their children to emulate.

Helena worked as an investigator for the county of Los Angeles for 27 years. Leo was a jazz enthusiast and for many years, the couple traveled with various New Orleans Jazz ensembles throughout North and South America and Europe.

In July 1987, the Dejans celebrated their golden wedding anniversary. Helena and Leo were inseparable. At their anniversary celebration attended by a sizable group of family and friends, Leo brought tears to Helena's eyes when he sang a love song he had written for her. Yes, Leo and Helena were inseparable. They shared a union few of us are fortunate to experience.

Helena loved her church, St. John the Evangelist. She loved and helped to sustain the life of her mother, Odette—who at 98 years of age—survives her. She loved her children, her grandchildren, and her brothers and sister. She loved the couple's many friends, and she loved life and lived it to its fullest. Those who had the privilege of knowing her are especially blessed for the experience. Helena was bowling with her beloved Leo and some of their friends when she suffered a stroke on April 24, 1992. Her recovery was progressing nicely when a higher power prevailed.

Helena lived a rich and fulfilling life; a life more deserving of celebration than of sadness. Celebration for her contributions as a wife, mother, and caregiver. Celebration for the love she so selflessly gave to humanity. Celebration for all of the joy she brought to those around her and celebration for the love and commitment to her faith.

In addition to her cherished Leo, her mother, Odette, her children, Leo, Jr., Glynis Ann Morrow, and Debbie Maria Starkey, Helena is survived by her sister, Joyce Haywood and brothers, Joseph Charbonnet, Jr., and Nolan Charbonnet. Also surviving are her grandchildren: Carla Cavalier, Melvin Cavalier III, Brandon Starkey, Erik Starkey, Stephanie Starkey, and many friends.

DENISE PARKER'S SELECTION TO THE XXVTH OLYMPIAD IN BARCELONA, SPAIN

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. OWENS of Utah. Mr. Speaker, my home State of Utah has a deep reverence for the outdoors. Every year, hundreds of thousands of sportsmen flee to the hills for Utah's annual deer hunt. We take pride in that tradition. A few years ago, in fact, I took up bow hunting myself. One place you won't see me, though, is on the archery range trying to match the skill, the precision, and the commitment of Denise Parker.

Denise Parker, of South Jordan, UT, is one of America's most preeminent archers. In the 1988 Olympics, the then 14-year-old Denise Parker caught America's attention by helping the United States archery team capture a bronze medal. She might not get the same press attention as Michael Jordan or Carl Lewis this summer, but she done her family, her State, and her Nation proud. We wish her, and all of our Olympic athletes, the best of success in Barcelona.

TRIBUTE TO MR. RONALD ANDERSON

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. BAKER. Mr. Speaker, I rise today to give special recognition to a friend and constituent of mine, Mr. Ronald Anderson, who has shown remarkable vision and leadership in his capacity as president of Louisiana Farm Bureau Federation for 3 consecutive terms.

For the past 3 years as Farm Bureau President and from 1985 to 1989 as its second vice-president, Ronnie Anderson has fought hard for the issues that are vitally important to the livelihood of farmers in Louisiana. A native of Ethel, LA, Mr. Anderson operates a 120-head dairy farm, raises 300 head of beef cattle, and farms row crops in both east and west Feliciana Parish.

As an active member of both Southern Farm Bureau Casualty and Southern Farm Bureau Life Insurance Company Boards of Directors, as well as a member of the Board of Southern Farm Bureau Cash Fund, Ronnie Anderson deeply understands the precarious economic nature of the farmer. His role as chairman of the American Farm Bureau Wetlands Study Committee and as a member of the American Farm Bureau Trade Advisory Committee demonstrates that he has a deep commitment to the issues that are so vital to Louisiana farmers, such as wetlands reserve programs, cotton, and dairy prices, and free trade agreements.

Mr. Speaker, it is with honor that I rise to recognize Ronald Anderson. I ask my colleagues in the House of Representatives to join me in extending best wishes and congratulations to this distinguished community leader.

INTRODUCTION OF RESOLUTION TO DESIGNATE OCTOBER 8 AS NATIONAL FIREFIGHTERS DAY

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. WELDON. Mr. Speaker, I rise today to introduce a House Joint Resolution to designate October 8, 1992, as National Firefighter's Day. As the chairman of the Congressional Fire Services Caucus, I am pleased to sponsor this very important measure.

Few professions in our society do so much with so little recognition as firefighters. Three hundred and sixty-five days a year, 24 hours a day, these brave men and women risk their lives to save those of their friends, neighbors, and complete strangers.

In the United States, there are approximately 3 million firefighters; who respond to over 2,300,000 fires annually. These fires also result in almost 6,000 deaths and $10 billion in damages each year. If it were not for our nation's fire service, one could only wonder how much higher the cost would be to our society.

To honor these unsung heroes, we should set aside one day to remind all Americans about the daily contributions of the fire service. My resolution does exactly that.

As a former fire chief, I urge my colleagues to recognize our Nation's domestic defenders by joining the more than 120 original cosponsors by signing on to National Firefighters Day.

INTRODUCTION OF LEGISLATION TO ELIMINATE THE BUDGET DEFICIT

HON. TOM CAMPBELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. CAMPBELL of California. Mr. Speaker, the budget deficit is causing a crisis in this country that is both fiscal and spiritual in nature. This fact has been acknowledged by the vast majority of Members who supported the Balanced Budget Amendment.

The seemingly ever-increasing deficits are taking money from citizens either through taxes or through Federal borrowing, diverting money that might otherwise be spent on investing in America's future.

The hypocrisy of habitual overspending and missing or rescheduling budget cutting targets is causing the American people to lose faith in their Government. This attitude is as dangerous as the fiscal crisis.

We must restore the Government to a sound financial footing and regain the people's trust by realistically and responsibly bringing the budget into balance. I have introduced a bill to do just that.

This bill would create incentives to cut Government spending decisively, reduce taxes, and eliminate the deficit over the next 6 years. The spending limitation will put Government finances on a responsible path and would be enforced through a Gramm-Rudman-Hollings-type sequester.

The key element necessary for a sustainable spending limitation plan is giving citizens, and thereby their legislators, rewards for fiscal restraint. The incentive is that the spending cuts will automatically trigger corresponding tax cuts—for every 4 dollars in savings, personal income taxes would be cut by 1 dollar. For instance, a $40 billion cut in expenditures would result in an across-the-board 2 percent reduction in income tax rates.

By enacting this bill we will eliminate the constant pressure to increase Government spending and get to the real work of setting budget priorities. The voices of the special interests, each requesting more money for their pet projects and programs, would be balanced by the voice of the people united in the goal to lower the deficit and consequently their taxes. If I may be so bold, let me invoke the words of James Madison: "To secure the public good, and private rights, against the danger of * * * faction, and at the same time preserve the spirit and form of popular government, is the great object to which our inquiries are directed."

Mr. Speaker, budget deficits pose a serious and real threat to our Nation. Let us now direct our inquiries to the consideration of this bill, which could eliminate the deficit and heal the wounds it is causing.

MEDICARE GEOGRAPHIC CLASSIFICATION TECHNICAL AMENDMENTS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. VISCLOSKY. Mr. Speaker, today, I am introducing legislation to clarify and correct some technical problems in the Medicare Prospective Payment System. Many hospitals nationwide are experiencing serious problems with the Medicare Prospective Payment System and the Health Care Financing Administration's [HCFA] classification system. I share these concerns and believe the problems can be easily corrected.

Under the current system, hospitals are faced with an unfair differential in payments between urban and rural hospitals. These payments are based upon the statistical makeup of the county in which a hospital is located, and the how that county qualifies under the Census Bureau's Metropolitan Statistical Area [MSA] system.

The legislation I am introducing today, would restore the fairness and predictability intended by Congress when it established the current reclassification process for hospitals.

My bill will clarify the adjacency criteria, correct the runaway MSA problem, protect "disproportionate share" hospitals that are reclassified, and establish wage rate floors for hospitals affected by geographic reclassification. Each of these changes provides the predictability and fairness intended when Congress permitted hospitals to seek reclassification through the Review Board. Finally, this legislation accomplishes these important changes in a budget neutral fashion with the technical amendments to be effective for Medicare discharges occurring on or after October 1, 1992.

While the financial impact on the Medicare system as a whole is minor, the adjustments to the individual hospitals significantly affects their ability to provide quality health care services to the ever-increasing number of Medicare beneficiaries.

I urge your consideration and favorable action on this legislation. It is one more step toward a predictable and fair health care insurance program for our elderly citizens.

TRIBUTE TO INDIANA NATIVE LT KEN BOWERSOX

HON. FRANK McCLOSKEY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. McCLOSKEY. Mr. Speaker, yet another Lawrence County, IN, native is about to make space history. LT Ken Bowersox, of Bedford, IN, will follow in the footsteps of Virgil "Gus" Grissom and Charles Walker as he takes his place as one of the seven astronauts aboard the space shuttle *Columbia*.

The *Columbia*, which has just received a $120 million facelift, is now equipped to allow the crew to remain in flight for a historic 13 days. LT Bowersox and the six other astronauts on board will rotate 12-hour shifts conducting research on crystals, fluid drops, fires in sealed chambers, and the effect of weightlessness on humans. This research will be beneficial to scientists in understanding the mysteries of space exploration and mankind.

LT Bowersox, a 1974 graduate of Bedford High School, is not the first man from Lawrence County to venture into space, Virgil "Gus" Grissom was the second American to go up into space, and another Bedford resident, Charles Walker has also made the flight into space. He was the first civilian from a private industry to accompany astronauts on a space shuttle mission. These men have been excellent role models for the citizens of Lawrence County and will continue to provide inspiration to future space travelers.

INTRODUCTION LEGISLATION REGARDING INTERNATIONAL TRAVEL

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. SCHUMER. Mr. Speaker, the summer travel season is upon us. That should be good news for our international air carriers and airports, as more than 29 million international air passengers will travel to the United States this summer. Unfortunately, the airlines and airports are not the only ones involved. All arriving passengers are examined by the Immigration and Naturalization Service. I am very concerned that the wait for this processing may become intolerably long—several hours in our busiest airports.

Under an international agreement negotiated by the State Department, countries are supposed to complete examination of international passengers within 45 minutes after the passenger's arrival. I am informed by the managers of JFK Airport in New York—which is by far the largest gateway airport into the United States—that last summer, the INS exceeded the 45-minute standard for 1,700 flights at JFK alone. That is a terrible way to greet business travellers and foreign tourists, especially when you consider that international travel reduces our trade deficit by nearly $5 billion each year.

At the same time, American airports have become virtually open borders for illegal aliens. What happens is that an alien boards a plane destined for the United States, either without documents or with fraudulent documents. The INS's policy is to detain such individuals upon arrival in the United States, pending deportation. Because the INS lacks sufficient detention space, however, many such arrivals are paroled into the community with instructions to report several months in the future for a hearing before an INS officer. Most simply disappear.

Now that word has gotten out about this situation, the number of undocumented arrivals has mushroomed, from a few thousand 5 years ago to 37,500 last year. In addition to circumventing immigration laws, these individuals are also clogging airports still further.

Today I am introducing a bill that would deal with both of these problems. The bill would establish INS preinspection stations at overseas airports, so undocumented aliens are screened out before they get to the United States. That saves on detention costs, maintains the integrity of our immigration laws, and enables speedy processing of legitimate passengers here in the United States.

The bill would also make permanent the pilot Visa Waiver Program under which visitors from selected low-risk countries can travel to the United States without first having to obtain a Visa from a U.S. consular office overseas. This program has proven extremely successful in making it convenient for legitimate business-people and tourists to travel here, and it is time to make it permanent.

In addition, the bill would restore the citizen bypass procedure that INS suspended during the Persian Gulf war. The bill also contains a number of provisions that would enable the INS to fully modernize its examinations process by taking full advantage of new technologies.

I urge my colleagues to join me in sponsoring this bill.

"RESULTS" EFFECTIVE IN EFFORTS TO END HUNGER

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. PENNY. Mr. Speaker, I rise today to pay tribute to "RESULTS," an outstanding citizens' lobby committed to creating the political will to end hunger. Monday I spoke to over 250 members of RESULTS at their annual international conference here in Washington. Funding all their own travel expenses, volunteers came from across the globe to participate in the conference. RESULTS volunteers are personally motivated individuals who exhibit an exemplary drive to motivate and influence the political will of this country.

Since 1980, RESULTS has effectively lobbied for a number of significant social concerns. Its bipartisan effort includes the flight to end hunger, control rapid population growth and protect our environment. RESULTS spearheaded the Keeping the Promise campaign, designed to commemorate the 1-year anniversary of the World Summit for Children and redirect public attention toward the seven established goals for improving the lives of children. RESULTS was also involved with the Earth Summit in Rio this past month, conducting 30 national press conferences in which they evaluated the administration's role and performance at the summit. The RESULTS' efforts, as illustrated by their informative role for the media during the Rio Conference, focus not only on legislative lobbying, but also on informing the press and raising awareness of the issues.

I am proud of the RESULTS group in my own district in southeastern Minnesota. The local group works to inform and sensitize the media, conveying the belief that we need not accept hunger as a permanent reality. Local and global RESULTS groups encourage the public, the press and the policymakers to commit themselves to making a difference. The international effort of RESULTS belies the common belief that: "I can't make a difference." Instead it empowers individuals with the tools and the knowledge to fight world hunger and apathy. Mr. Speaker, I wish to commend RESULTS' achievements and encourage their continued efforts.

CONGRESSMAN KILDEE HONORS SISTER MARIA MAEZ

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. KILDEE. Mr. Speaker, I rise today to urge my colleagues in the U.S. House of Representatives to join me in paying tribute to an outstanding humanitarian from Ortonville, MI, Sister Maria Maez. Sister Maria Maez will be honored on August 8, 1992, at Our Lady of Mount Thabor Monastery in Ortonville, MI, to commemorate the 50th anniversary of her making her Perpetual Vows.

Sister Maria Maez was born in Colorado where she attended elementary and junior high school. After she finished junior high school, Sister Maria Maez's family moved to Grand Rapids, MI. During her high school years, she attended Marywood Academy in Grand Rapids. Following high school, she entered the Marywood Dominican Sisters Convent in Grand Rapids on August 4, 1942 and made her Perpetual Vows there. During this time, Sister Maria Maez also attended Aquinas College and received a degree in Elementary Education.

Throughout Sister Maria Maez's years of religious service she has been instrumental to the growth and development of education in Michigan, Peru, and New Mexico. Through 1962, she taught elementary school children in Michigan and New Mexico. In 1963, Sister Maria Maez was chosen as one of two to be sent to Chimbote, Peru to start a mission. She worked diligently to make the mission successful and educate the children of Chimbote. In 1970, Sister Maria Maez returned to Michigan where she taught and also did pastoral work in local parishes.

Because of her love for teaching, Sister Maria Maez taught children in Michigan until 1973 when she went to New Mexico and taught for 7 years. Sister Maria Maez received permission from her community in 1979 to enter a Dominican Contemplative Community, Our Lady of Mt. Thabor Monastery. Over the years, she has given outstanding service to the Dominican Contemplative Community and has devoted endless efforts into making it flourish.

In addition to her love of teaching, Sister Maria Maez has also been concerned about many national and international issues. Also with other sisters from Our Lady of Mt. Thabor Monastery, she was written me quite often expressing her concerns on many different pieces of legislation before the Congress. I have received letters from her on such diverse issues ranging from the Farm bill to the African Recovery Act. Her concern for the well being of others exemplifies her compassion as an admirable human being.

Wherever she has taught, Sister Maria Maez has committed herself to serving God and the people of her community. She has been a very positive influence on children and important part of their personal growth and formation. The children whom she has taught are better people for having known her and the places where she has taught are certainly better communities for having had her presence.

JIM THORPE, PART I

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. FALEOMAVAEGA. Mr. Speaker, through Public Law 102–188 (S.J. Res. 217, H.J. Res. 342), Congress and the President designated 1992 as the Year of the American Indian. This law pays tribute to the people who first inhabited the land now known as the continental United States. Although only symbolic, this gesture is important because it shows there is sympathy in the eyes of a majority of both Houses of the Congress for those Indian issues which we as a Congress have been struggling with for over 200 years. In support of the Year of the American Indian, and as part of my on-going series this year, I am providing for the consideration of my colleagues the first part of two parts of an article on Jim Thorpe, an American Indian who had a successful Olympic and professional career in athletics, and who has been called the greatest athlete in the world. The article was published in the July/August 1992 edition of American Heritage magazine.

[From American Heritage, July-August, 1992]

THE GREATEST ATHLETE IN THE WORLD

(By Joseph D'O'Brian)

Americans have always demanded that their heroes be more than human. George Washington had to have thrown the dollar across the Potomac. Davy Crockett had to have wrestled a grizzly. Babe Ruth had to have come through for a dying boy with a promised home run. We all know that these stories are Sunday truths, but somehow the men wouldn't be the same without them.

Likewise many of the stories about America's greatest Olympic hero. Damon Runyon once remarked, "More lies have been told about Jim Thorpe than about any other athlete." That may be true. Here are a few:

In the 1912 Olympics he won a gold medal in each event in which he competed—five, or eight, or ten events. He set records in each of those events, most of which stood for many years. He did this without having trained at all. In his twenty years of college and pro football, he never missed a tackle. He could run the length of a football field in ten seconds flat—in full pads. His average punting distance was eighty yards, and he could occasionally boot a hundred. On one long touchdown run he tucked a would-be tackler under his free arm and carried him the last twenty yards.

What actually is true is that without much question Thorpe was the best all-around athlete in modern history. He is best known for winning the pentathlon and the decathlon at the 1912 Olympics and for his exploits on the football field. He was one of only a half dozen men who ever played both major-league baseball and NFL football; indeed, he was the first president of the National Football League. He also excelled at billiards, bowling, golf, swimming, gymnastics, rowing, hockey, figure skating, hunting, fishing, horseback riding, and dancing.

And he is the man whose Olympic medals were revoked on dubious grounds—possibly as a result of class prejudice. Because of that, his story became irresistible: that of the honest man struggling all his life for vindication, and finding it only posthumously. Today, eighty years after his triumph at Stockholm, the legend is complete. Jim Thorpe's Olympic medals and records have been restored; Jim Thorpe's name adorns the trophy that goes annually to the National Football League's most valuable player; and Jim Thorpe is buried in a town named Jim Thorpe, Pennsylvania.

Thorpe was born—with a twin brother, Charlie—on May 28, 1888, near Prague, Oklahoma Territory (formerly Indian Territory), of an Indian and Irish father and an Indian and French mother. He was five-eighths Indian, descended from the Sac and Fox, Kickapoo, and Pottawatomi tribes, and was given the Indian name Wa-Tho-Huck, meaning Bright Path. His father, Hiram Thorpe—a large, strong athlete who excelled at running, swimming, and wrestling—married several times and sometimes lived with two wives at once.

Thorpe's parents were subsistence farmers who led a life that one biographer described as "English-speaking, but Indian-toned." They and their neighbors farmed in Indian style and observed many traditional Indian customs, but they wore whites' clothes and hunted with guns. Hiram Thorpe was an expert hunter. He also supplemented the family income by selling bootleg whiskey.

Jim Thorpe was close to both parents and inseparable from his twin brother. Charlie died of a fever at the age of eight, and after that Jim began to go through periods of craving solitude. Hiram had taught him to hunt, and Jim often went off alone with his gun and didn't return home for days.

However, for the most part his boyhood seems to have been one long effort to stay in the race. Hiram was his frequent hunting partner, and the older man set a breakneck pace, sometimes covering thirty miles in a day. Jim's favorite game with other Indian boys was follow-the-leader. He later wrote: "Our sports were not ordered or directed. They were just the spontaneous expressions of boys. They lay the physical foundation for future big performances."

Thorpe got his first schooling at the Sac and Fox Agency School near home. He was a good student when he chose to be, but that was seldom. He gained a reputation as a class clown—which he lived up to the rest of his school days—and often ran away for short periods, mainly to go hunting.

He was attending Garden Grove, another Indian school that was near Prague, when he began to attract notice as a track and field standout. Glenn Scobey ("Pop") Warner, who would become one of the greatest coaches in football history, was visiting Indian schools around the country to recruit athletes for the Carlisle Indian School, in Carlisle, Pennsylvania, where he was athletic director. He was eager to sign up Jim Thorpe.

Carlisle was the best known of the many Indian schools set up around the country in the last part of the nineteenth century to teach reservation children how to live like whites. Though only a high school, it admitted students as old as twenty-three, and its teams competed against the country's top colleges. When Jim Thorpe set off for Carlisle, his father reportedly told him, "Son, I want you to show other races what an Indian can do." Thorpe, like most Carlisle students, studied there briefly and then left to live with and work for a local white family for two years. When he had completed that stint of learning white ways in 1907, he was readmitted.

Some historians have portrayed Pop Warner as Thorpe's mentor during his time at Carlisle, but that's an exaggeration. If Jim Thrope had a guiding light at all, it was his father. Hiram Thorpe died shortly after Jim left for Carlisle, and from then on Jim seemed to provide his own inspiration.

Warner later recalled, "I never had to do much coaching with Jim. Like all Indians, his powers of observation were remarkably keen. I guess Carlisle * * * provided me with the easiest coaching job I every had." If Warner had had his way, Thorpe would never have played football. Warner wanted him to devote his energies to track and field and feared he might injure himself on the gridiron. But Thorpe insisted.

He was not modest about his abilities. On his return to Carlisle, when he was nineteen, he made the track team by high-jumping 5'9" in his street clothes. Warner informed him he had just broken the school record; Thorpe was unimpressed: "That's not very high. I could do a lot better in a track suit." And he did.

In 1908 Thorpe won the high jump at the prestigious Penn Relays. That fall he was named a third-team All-American running back. Then he took two years off from Carlisle. He had the chance to earn a little pocket money playing minor-league baseball in North Carolina, and he wanted to spend some time in Oklahoma hunting and fishing. Although he had no way of knowing it at the time, this innocent sojourn would be the biggest mistake of his life.

Pop Warner persuaded Thorpe to return to Carlisle for the 1911 football season with a promise to get him on the 1912 Olympic track team. Carlisle went 11-1 that year, routing such powerhouses as Penn, Brown, Pittsburgh, and Lafayette. Against Harvard, Thorpe gained 173 yards, more than half of Carlisle's total offense, and scored all of Carlisle's eighteen points—a touchdown and four field goals.

By now Thorpe had started to gain a national reputation. He was named a first-team All-American, and some experts started calling him one of the greatest halfbacks ever. The Pittsburgh Dispatch reported after one game: "This person Thorpe was a host in himself. Tall and sinewy, as quick as a flash and as powerful as a turbine engine, He appeared to be impervious to injury."

In track the next spring he competed in five to seven events at every meet. In one he won the high jump, the shotput, and 220-yard low hurdles, took second in the high hurdles and the long jump, and third in the 100-yard dash. He was a hands-down qualifier at the Olympic trials for the decathlon, pentathlon, high jump, and long jump.

The American Olympic team trained as it sailed for Stockholm on the Red Star liner SS Finland. The swimmers worked out in a huge canvas tank, and the runners practiced on a deck covered with cork to muffle the sound of their footsteps. The great sportswriter Grantland Rice, among others, promoted the story that Thorpe didn't train on board the Finland. And Johnny Hayes, who had won the gold medal for the United States in the marathon at the 1908 Olympics, claimed that Thorpe practiced for the long jump merely by drawing a chalk mark on the deck and staring at it from his hammock, before drifting off to sleep. But Thorpe's teammates, including his future nemesis Avery Brundage, unanimously asserted that he trained as hard on the journey as any of them.

The 1912 Olympics represented a major step into modern times for organized sports. Electric timing equipment was used for the first time; so was a public-address system. The first of the four events Thorpe competed in, the pentathlon, took place on the second day, Sunday, July 7, 1912. He was expected to do well and finish perhaps as high as third. The smart money for the gold medal was on Ferdinand Bie of Norway, followed by Hugo Wieslander of Sweden.

Thorpe immediately upset the conventional wisdom by winning the pentathlon's long jump, with a jump of 23'2.7". In the next event he was at a disadvantage: It was the javelin, and he only recently had thrown one for the first time in his life. Still, his throw of 153'2.95" was good enough to take third place. In the 200-meter dash Thorpe took another first, running the race in 22.9 seconds; the favorite, Bie, finished a poor sixth. Then he hurled the discus 116'8.4"; Brundage took second, with throw that landed more than two feet behind Thorpe's.

The final event, the 1,500-meter run, was expected by many to be Thorpe's downfall. He was well in the lead for the gold medal, but if he faltered and Bie won, the Norwegian would still have a chance. Bie started fast, and he and Thorpe were neck and neck at the three-quarter pole. But Bie finally faded and staggered in sixth; Thorpe kicked and won in a time of 4:44.8.

The scoring system for the pentathlon gave one point for first place in each event, two for second, and so on, with the lowest score winning; Thorpe finished with seven points: four firsts and a third. The silver medalist, Bie, was miles behind with twenty-four. The next day Thorpe competed in the high jump and the long jump (as separate events) and came in fifth and seventh respectively.

The decathlon, a ten-part event that incorporates every aspect of track and field, has always been considered the ultimate test of endurance and all-around ability; here the versatile Hugo Wieslander was Thorpe's main competition. A heavy downpour greeted the athletes on the first day of the decathlon, July 13—a blow to Thorpe's chances since he was known to be at his worst in foul weather. Sure enough, his American teammate E.L.R. Mercer nosed him out of first place in the 100-meter dash. Thorpe footfaulted twice in the long jump because the jumping board was slippery, and his final jump of 22' 2.35" fell several inches short of first place. In the shot put, however, his throw of 42' 5.45" beat Wieslander by just over two inches. In decathlon scoring, times and distances, rather than the order of finish, are what count. Mercer, Wieslander, and the others couldn't amass consistently high scores, and Thorpe ended the day well ahead in total points.

On the following day Thorpe came in first in the high jump, leaping 6'6". He finished second in the 400-meter, but in the 110-meter hurdles he was first again—this time with a recordsetting 15.6 seconds. By day's end his lead in total points appeared to be insurmountable.

The third day was a walkover. Thorpe came in second in the discus, third in the pole vault, and third in the javelin. In the final event, the 1,500-meter run, he finished first in a amazing 4:40.1—nearly five seconds better than his pentathlon time. His final point total was 8,412.955, a record that stood for twenty years.

Thorpe's prize for each event was a gold medal and a laurel wreath, supplemented by a life-size bust of Sweden's King Gustav V, presented by the king, and a silver chalice lined with gold and stones in the shape of a Viking ship, donated by Czar Nicholas II of Russia. Several pretty good stories came out of the presentation ceremonies. The most famous—and the only one generally accepted as true—is that when King Gustav presented Thorpe with his medals, he exclaimed, "Sir, you are the greatest athlete in the world!" and Thorpe, grinning shyly, replied, "Thanks, King."

Other reports—gleefully malicious—had it that Thorpe snubbed the king, through sheer arrogance. Thorpe wrote in his private memoirs: "Someone started a story that when King Gustav sent for me, I replied that I couldn't be bothered to meet a mere King. That story grew until it was related that the real reason I would not meet him was that I was too busy doing weight lifting stunts with steins of Swedish beer. The story was not true. I have pictures showing King Gustav crowning me with the laurel wreath and presenting me with the trophies and it is no fabrication that he said to me: 'Sir, you are the greatest athlete in the world.' That was the proudest moment of my life."

No athlete had ever captured the public imagination so quickly or so completely. On his return home Thorpe received a ticker-tape parade in New York, a banquet in Philadelphia, a personal letter of praise from President Taft, and a triumphal procession back to Carlisle. That Thorpe was an Indian didn't diminish his stature in the eyes of white fans, as being black certainly would have. In fact, his race was part of his appeal. The last Indian war was more than twenty years past, it was common knowledge that most Indians were having a miserable time on reservations, and there was some feeling of national guilt. Along with that guilt came a tendency to romanticize, to portray Indians as uniformly strong, brave, pure of heart, and indomitable of spirit. It was at about that time that sports teams began taking on nicknames like the Boston Braves and the Cleveland Indians. Thorpe would have been baffled by the notion that such names could seem demeaning.

That fall Thorpe was practically the whole Carlisle football team. The Indians tied one game and won the rest. In Carlisle's climactic 27-6 walloping of Army, Thorpe averaged more than ten yards per carry. In the last game of the season, against Brown, Thorpe scored three touchdowns and kicked two field goals. Once again—as if there had been any doubt—he was named a first-team All-American.

Then, on January 23, 1913, came the blow that was to cripple his career and, finally, break his spirit. As often happens, an insignificant incident ended up rocking the world. A reporter for the Worcester, Massachusetts, Telegram, interviewing a minor-league baseball manager named Charley Clancy, happened to notice a photograph in Clancy's office of a few of the payers he had managed in the Carolina League in 1909. The next day the story broke that Jim Thorpe had been a professional athlete.

The rule that only amateurs could compete in the Olympics dated back to antiquity. In ancient Greece Olympians never competed for money until the Romans conquered Greece and introduced cash prizes. The games then turned into brutal, corrupt circuses and were finally banned in the fourth century.

When the modern Olympics began in 1896, strict rules about amateurism were imposed. "In Thorpe's day the British aristocracy wrote the rules," says Pete Cava, press information director for the Athletics Congress, which governs track and field nationwide. "The main theory is that their attitude was intended to prevent the working classes from competing, to keep the aristocracy from competing against undesirables."

THOMAS P. McCOY STADIUM CELEBRATES 50TH ANNIVERSARY

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. REED. Mr. Speaker, I rise today to join fellow Rhode Islanders in celebrating the 50th anniversary the Thomas P. McCoy Stadium, home of the AAA International League Pawtucket Red Sox. Over the years, McCoy Stadium has served the athletic programs not only of the Red Sox, but also the Pawtucket schools and various organizations throughout the State of Rhode Island. Indeed, I fondly recall playing high school football at McCoy.

On a Sunday afternoon, November 3, 1940, then Mayor Thomas McCoy of the city of Pawtucket, laid the cornerstone foundation on what was once Hammond's Pond. Five decades ago this swampy land began its transition to one of the finest recreational facilities in southern New England. In 1942, construction was completed and Mayor McCoy brought the Pawtucket Slaters to the stadium for McCoy's first taste of baseball action.

The stadium was officially dedicated and named in honor of Mayor McCoy in 1946, and the Boston Braves became the first organized baseball team to arrive at McCoy Stadium in the spring of 1948. Through the years, McCoy Stadium could easily be considered Pawtucket's biggest tourist attraction and has brought countless hours of thrills and sporting enjoyment to generations of Rhode Islanders.

Ben Mondor and his team have established a solid organization at McCoy Stadium with the Pawtucket Red Sox. They develop talent for the Boston Red Sox while at the same time providing thrills and baseball memories for young and old alike.

Mr. Speaker, I ask you and my colleagues to join me in saluting the half-century of enjoyment that McCoy Stadium has brought to so many Rhode Islanders. I am indeed proud to join in celebrating this milestone in the proud history of one of the finest minor league ball parks.

Fifty years ago McCoy Stadium was dedicated "to the health, happiness and enjoyment for the people for all eternity," and it is indeed fitting that we rededicate the stadium this weekend with the same hopes, sentiments and aspirations for continued success.

INTRODUCTION OF THE INTEGRITY IN PRESCRIPTION DRUG ADVERTISING ACT OF 1992

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. STARK. Mr. Speaker, I recently introduced legislation, H.R. 5485, the Integrity in Prescription Drug Advertising Act of 1992, to deny all tax deductions for pharmaceutical drug company advertisements that are misleading or inaccurate.

The legislation follows a June 1992, HHS inspector general study, authored by Michael S. Wilkes, M.D. and Martin Shapiro, M.D., reporting that 92 percent of medical journal advertisements lacked compliance with FDA regulations. According to an FDA analysis of the HHS IG study, 44 percent of the medical journal ads "would lead to improper prescribing if the physician used only the information in the ad."

The HHS inspector general study of 109 medical journal advertisements appearing in early 1990 editions of 10 leading peer-reviewed medical journals such as the New England Journal of Medicine, the Annals of Surgery and the Journal of Family Practice and Pediatrics found that: 53 percent of the medical journal ads lacked information on efficacy; 50 percent lacked needed references; 38 percent lacked information on safety; 28 percent lacked information on side effects and contraindications; and on average, the reviewers cited 4.3 examples of inadequate, misleading, or inappropriate information per advertisement.

In addition, the reviewers rated 60 percent of the advertisements poor or unacceptable in terms of scientific references. The reviewers were asked to evaluate whether he or she would have accepted the advertisement for publication, accepted it contingent upon minor revisions, accepted it contingent upon major revisions, or rejected it. The reviewers were asked to use criteria consistent with those they would use for a scientific article. The reviewers agreed that 17 percent of the 109 advertisements would have been rejected, 24 percent would have required major revision, 26 percent would have required minor revision, and only 3 percent would have been accepted without change.

The Integrity in Prescription Drug Advertising Act, referred to the House Ways and Means Committee, establishes a new qualified nongovernmental review board of medical organizations, pharmacists, peer-reviewed medical journals, consumer groups, and the pharmaceutical industry to review all prescription-related advertisements and other written material mailed or otherwise distributed for purposes of encouraging the use of drugs or medical devices. The board is modeled after Canada's system for peer-reviewing all medical-related advertisements.

Drug company ads are the 1990's version of snake oil salesmen. In jeopardy from clearly inaccurate and misleading drug advertising are doctors and millions of patients. This legislation hits the drug companies where it really hurts—their pocketbooks. This bill guarantees truth in advertising, and puts real teeth in the FDA's ability to ensure accuracy in medical advertising.

Reacting to the bill, Sidney Wolfe, M.D., of the Public Health Citizen Group stated:

> "I strongly support the Integrity in Prescription Drug Advertising Act of 1992, introduced by Representative Stark.
>
> The need for review of prescription drug advertising has been unequivocally documented by a recent Government-funded study in which an alarming proportion of ads in leading American medical journals were found to have false or misleading information. When doctors are misinformed by misleading advertisements, patients may be injured or even killed.
>
> A nongovernmental but accountable review board, which the legislation would help

establish, builds on the highly successful Canadian model which has made drug advertising to Canadian physicians much more accurate and less potentially harmful than United States advertising. Passage of this legislation will offer an important protection to American patients whose physicians will no longer be subject to the distortions of unreviewed drug advertising."

In December 1990, Pharmaceutical Manufacturers Association president Gerald Mossinghoff, testifying before the Senate Labor and Human Resources Committee, stated:

"The best marketing that the detail—sales representatives—have is to provide the learned papers, the peer-reviewed papers that say that their drugs and their products are effective."

But a 1982 study in the American Journal of Medicine found that doctors who said they received information mostly or exclusively from scholarly journals—that is learned papers, peer-reviewed papers—which also contained printed advertisements often held views of specific drugs that were what the advertisements had actually claimed—not what the peer-reviewed articles had claimed.

Thus, if the PMA's Mossinghoff is right, we're in really big trouble now.

According to the Food and Drug Administration, this UCLA/HHS IG study showed "that 40 percent of these ads did not contain balanced risk/benefit information as required and that 44 percent of them would lead to improper prescribing if the physician used only the information in the ad. Moreover, the research concluded that many ads are deficient in areas for which FDA has explicit standards and that new strategies are needed to assure compliance with existing rules and to protect consumers."

Furthermore, "Dr. Kessler said that the studies' publication is important because it will serve to heighten awareness of the degree to which misleading information may pervade the 'informational marketplace' underlying physicians' prescribing decisions."

The FDA found that physicians' training is often insufficient to enable them to evaluate misleading advertisements because ads can be misleading in ways that even trained observers may not be able to recognize.

In conclusion, the FDA will continue to scrutinize such ads and is calling on the medical community and the industry to continue to cooperate in helping to resolve the problems as they arise.

If Mr. Mossinghoff is correct that the primary marketing device influencing doctors' prescribing practices is from the peer-reviewed papers, and Dr. Kessler is right that the advertisements included in the peer-reviewed medical journals are misleading and will lead to misprescribing and thus, likely patient harm, then the only reasonable policy answer is to create a nongovernmental, authoritative body to guarantee that medical advertising will be factual, sound, and credible.

The Integrity in Prescription Drug Advertising Act of 1992 meets this objective. I look forward to working with the medical membership organizations, the medical journal community, consumer groups, the advertising community, and the pharmaceutical manufacturers to correct this problem and restore the integrity of this industry.

The following is a Washington Post editorial of June 13, 1992, and a letter from the authors of the HHS IG study:

[From the Washington Post, June 13, 1992]

SELLING MEDICINE TO DOCTORS

How do doctors keep up to date on new drugs—and how much do they really know about the drugs they prescribe to patients? Such questions are being taken more seriously in the wake of recent medical scares and scandals about inadequately understood prescription drugs. Now a troubling new study has raised concerns about the reliability of one major source of doctors' information on drugs: ads placed in the medical journals that physicians rely on for research information. Researchers writing in the Annals of Internal Medicine—a journal that itself runs such ads—found that as many as 92 percent of 109 ads surveyed might fail to meet existing criteria of the Food and Drug Administration and that only 44 percent gave information that, taken by itself, would lead to the drugs' being prescribed accurately. The Department of Health and Human Services has issued its version of the same study.

If the ads constitute a major source of information for doctors, these numbers spell real trouble. How well do the readers of these journals make the distinction "between promotional and technical formats for information," as FDA head David Kessler puts it? Most doctors, when asked this, say they get information mostly or entirely from scholarly articles, not ads. But a 1982 study of just that phenomenon—in the American Journal of Medicine—found that doctors who said this often held views of specific drugs that accorded with what advertisers had claimed—not with what articles said.

If that's the case, then the content of ads becomes relevant to patients' well-being—but no review system exists to vet them, as it does for journal articles. The FDA's existing regulations on medical advertising basically require the information in ads to reflect the information in package inserts, which are closely vetted for completeness and scientific rigor. The nature of advertising, though, makes the match a difficult one to achieve. The present study found high proportions of ads that played down a drug's possible side effects, implied a new drug was "statistically" identical in function to a better-known one when the relevant studies didn't support the claim, or furnished references that proved misleading or impossible to locate. All these are violations of existing law; few, the study concludes, could have been reliably detected by a non-specialist reader.

The FDA has been renewing its attention to this neglected area, and the regulations give it the tools, at least theoretically, to control ad quality. But the landscape of interlocking interests among doctors, medical journals and pharmaceutical companies is too large to be policed effectively from any one office. If the journals can't police the ads directly either, then the proposal to set up a Canada-style industry panel to review all ads might be a good starting point. The stakes are sufficiently high for these drugs to require a bit more in the way of safeguards than reliance on doctors' native skepticism.

UNIVERSITY OF CALIFORNIA,
Los Angeles, June 25, 1992.

Congressman PETE STARK,
House of Representatives, Cannon House Office Building, Washington, DC.

DEAR CONGRESSMAN STARK: As authors of the recent study of the quality of pharmaceutical advertising published in the *Annals of Internal Medicine*, we wish to express our strong support for the Integrity in Prescription Drug Advertising Act of 1992. Our study found that a large proportion of advertisements in leading medical journals were judged by expert reviewers to have substantial deficiencies in areas in which the FDA has established explicit standards. Problems that were identified include misleading the reader about side effects and contraindications and claims about the medication that were not justified.

By amending the Internal Revenue Service code and requiring prior approval of advertisements by the FDA or by a qualified nongovernmental review board in order to be able to treat the advertisement as a deductible expense, your bill will provide powerful impetus to the industry to seek prior review for and approval of their advertisements. We are hopeful that this will go a long way toward rectifying the problem that we have identified.

MARTIN F. SHAPIRO, MD,
Associate Professor.
MICHAEL S. WILKES, MD,
Assistant Professor.

HOUSE OF REPRESENTATIVES—*Tuesday, July 7, 1992*

The House met at 12 noon and was called to order by the Speaker pro tempore (Mr. MONTGOMERY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 7, 1992.

I hereby designate the Honorable G.V. (SONNY) MONTGOMERY to act as Speaker pro tempore on this day.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

PRAYER

The Reverend Norman A. Hjelm, director of faith and order, National Council of the Churches of Christ in the United States, New York, NY, offered the following prayer:

Lord God of hosts, God of the nations:

By Your grace and in Your patience You have allowed this our land once again to celebrate its birth, its primal quest for liberty, justice, and equity. And we are grateful.

And once again by Your grace and in Your patience You have called this House—responsible men and women who are equally faithful and unfaithful, righteous and unrighteous before You, each other, and the people—You have called this House to the exercise of its solemn task of the legislation of law and the formation of the Nation.

Remind these Your servants that liberty, justice, and equity remain ahead of this Nation as tasks yet to be fulfilled and not as goals already reached.

Maintain before us a clear dedication to the needs of those in our midst who are on the outside because of age, ill health, race, sex, poverty, and urban or rural degredation.

And consecrate anew this Nation to the exercise of imaginative and sacrificial leadership in a restless and violent world which still struggles for authentic justice, peace, and a safe home in Your creation.

Accept now, O God, the labors of this day and the frail lives of Your servants in this House. To You be all honor and glory, world without end. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The gentleman from Kentucky [Mr. MAZZOLI] will please come forward and lead the House in the Pledge of Allegiance.

Mr. MAZZOLI led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill on Thursday, July 2, 1992:

H.R. 5260. An act to extend the Emergency Unemployment Compensation Program, to revise the trigger provisions contained in the extended unemployment compensation programs, and for other purposes.

URGING CONGRESS TO OVERRIDE THE MOTOR-VOTER VETO

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MAZZOLI. Mr. Speaker, the President's veto last week of the motor-voter bill, the bill that would allow Americans to register to vote more easily, was absolutely unnecessary, unfortunate, and I think it will add to the cynicism which people in America have regarding the political process. So often we say we want people to vote, we invite them to come in, we want them to take part in the process, and then on the other hand we say "But we will not let you register more easily. We will put barriers in your way, or not remove the barriers already there."

Mr. Speaker, the President says that this bill could, if enacted, provide fraud in the vote place. That does not happen in those 28 States that currently have a kind of motor-voter registration set up. Furthermore, it seems to me that what we ought to do is take advantage of any opportunity to invite people to come into the process. That is what this bill, sponsored in the other body by the senior Senator from Kentucky, Senator FORD, will do.

I hope that the House and the Senate take up the question of overriding the veto. I think it is very important that we do that to make a statement to the American people that we not only ask them to come into the process, but we are going to make it easier for them to come into the process and vote.

[From the Louisville Courier-Journal, July 4, 1992]

BUSH'S FIRECRACKER

When George Bush vetoed the so-called "motor-voter" bill on Thursday, the League of Women Voters quickly denounced his action, calling it "a terrible gift from the president for our nation's birthday."

You can believe what the League of Women Voters says—it's no radical, partisan group. Its purpose is to get everybody involved in the democratic process. That was also the purpose of the motor-voter bill.

Had the bill been signed, it would have made voter registration easier by allowing people to register by mail and when they renew drivers' licenses.

But the president claimed the legislation would "expose the election process to fraud and corruption." Experience shows something different 28 states already have enacted some provisions of the bill, and none have experienced an increase in voter fraud.

In May, the president of the League of Women Voters said, "Americans need national voter registration reform to break down the barriers that discourage and discriminate."

How can the leader of the world's greatest democracy justify being opposed to that?

[From the New York Times, July 6, 1992]

PRESIDENT BUSH IMPEDES DEMOCRACY

With his veto last week of common-sense legislation designed to make it simple and convenient for all Americans to register to vote, President Bush has demonstrated his opposition to expanded participation in government.

The measure, nicknamed "motor-voter," would have required states to allow citizens to register when they obtain or renew a driver's license. It also would have required states to offer registration by mail and at welfare, unemployment and other government offices. These steps, experts say, would boost registration to about 90 percent of all eligible voters—a big leap from the dismal 60 percent now signed up.

Why would anyone oppose making it easier to register and vote? To justify his veto, Mr. Bush offers a host of flimsy reasons. Most galling is his assertion that there's "no justification" for imposing new standards on the states. Surely the estimated 70 million eligible Americans left unregistered by the present system provide ample justification.

Mr. Bush also repeats the tired Republican argument that "motor-voter" would increase fraud, even though there has been no recorded increase in cheating in the 29 states that already sign up voters at motor-vehicle offices, or in the 27 states that permit registration by mail.

No matter how he tries to cloak it, it seems plain that Mr. Bush's veto decision was a blow to G.O.P. fears that easier reg-

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

istration might hurt Republicans by enrolling large numbers of low-income Democrats at accessible public offices. Yet the bill's provisions wouldn't become effective until after the 1992 election. This was an opportunity for Mr. Bush to show statesmanship, and he blew it.

There's only a slim chance that the bill's sponsors can muster the votes needed to override the veto. But with fully 40 percent of eligible Americans still unregistered, it's worth a real fight when Congress returns from the July 4th recess.

MEMBERS SHOULD COSPONSOR A FAIR, BIPARTISAN MOTOR-VOTER BILL

(Mr. THOMAS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of California. Mr. Speaker, I would ask my friend from Kentucky [Mr. MAZZOLI] to search his soul and examine the bill that passed this House on a bipartisan vote. If the Senate had returned that bipartisan-supported bill, I think the gentleman would not have had to take the well this morning to talk about the President's veto.

I told Members on the floor as we discussed this very partisan bill that the way in which it was structured; that is, they mandated, they required States to utilize welfare and unemployment offices to force people to go onto the voting rolls, and then not provide any money to the States to pay for it, and provide no required removal of names of people who have left the State or who have died, that was a partisan bill which deserved a veto.

I would ask my colleague to join me once again in cosponsoring a bill which is fair, a bill that passed the House on a bipartisan basis, and urge his senior Senator from Kentucky to move that bill through the Senate, and the gentleman would see a different result.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
July 6, 1992.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on Thursday, July 2, 1992 at 6:50 p.m.: That the Senate agreed to the Conference Report on H.R. 5260.

With great respect, I am
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, U.S. House of Representatives.

CONGRESSIONAL ACCOMPLISHMENT OR LACK OF IT

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, I rise to talk a little bit about accomplishment or lack of it. We are here in this Congress to serve. We are here in this Congress to solve problems. We spend an awful lot of our time talking about issues and debating. We have been diverted by partisan political kinds of bickering that have gone on here. We have been diverted by the kinds of administrative mischief that has gone on in the bank and the post office.

The fact is, we are here to solve problems, and it seems to me we ought to address ourselves to those problems that are most important to the people of this country. We have probably, at a maximum, 37 days yet to operate yet in this legislative session. That is not very many, so it seems to me we ought to have some leadership.

I urge the leadership to provide some leadership to deal with things like jobs, to deal with the economy, which affects more people in more ways than any other issue, and to do some things that provide incentives for the private sector to develop jobs, to do something about overregulation, which has caused us not to have the private sector develop jobs. We need to be talking about the deficit.

We have a great opportunity, at this time when we are going through appropriations bills which come into this place with 10- or 12-percent increases over last year. Do the Members know what a 10-percent increase is over last year if we did it on every bill? If we had a $1.5 trillion budget, that is a $150 billion increase over last year. I think we ought to address ourselves to the most important problems.

THE COST OF OVERREGULATION

(Mr. DUNCAN asked and was given permission to address the House for 1 minute.)

Mr. DUNCAN. Mr. Speaker, a few days ago in a hearing of the House Committee on Banking, Finance and Urban Affairs, Stephen Steinbrink, Acting Comptroller of the Currency, said this:

> Regulations that are more costly than necessary increase bank operating costs, reduce profitability, drive up the cost of services to bank customers, and make it more difficult for bank managers to run their institutions. To put it more plainly, bureaucrats are costing American consumers and hurting them where it hurts most, right in the pocketbook.

Then listen to these words from Mr. Steinbrink, himself a regulator, who is now the chief regulator of U.S. banks:

> If these problems become severe enough, regulation intended to reduce risk can actually impair the safety and soundness of the banking system. In other words, when regulation becomes over-regulation it causes more harm than good and sometimes makes the problem worse. Right now, the U.S. economy is suffering from over-regulation. Our Federal bureaucracy is so protected and immune from politics that it is out of control. It has now become the main roadblock to a strong recovery, second only to our national debt, most of which itself has been caused by a wasteful, inefficient Federal bureaucracy.

□1210

Yet the same man who points out this problem also told us that he has 60 task forces writing new regulations for just one law that we passed last year.

If we are going to keep from collapsing economically we must reduce the size and power of or unelected Federal bureaucracy.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote of the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, July 8, 1992.

USE OF UNOBLIGATED MONEYS IN CUSTOMS FORFEITURE FUND

Mr. GUARINI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3562) relating to the use of unobligated moneys in the Customs Forfeiture Fund, as amended.

The Clerk read as follows:

H.R. 3562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 613A(f) of the Tariff Act of 1930 (19 U.S.C. 1613b(f) is amended—

(1) by amending paragraph (1)—

(A) by inserting "(A)" after "Fund", and

(B) by striking out the period and inserting the following: "; and (B) for each fiscal year after September 30, 1991 (to the extent that moneys in the Fund are available after appropriations are made to carry out the purposes set forth in subsections (a) (1) and (3) and (b), and after paragraph (3) is complied with, with respect to such fiscal year), (i) $30,000,000 for use by the Department of Health and Human Services in providing drug treatment under title V of the Public Health Service Act for individuals under criminal justice supervision; and (ii) any amount in excess of such $30,000,000 for use by such Department in carrying out part D of title XII of the Public Health Service Act."; and

(2) by amending paragraph (3) to read as follows:

"(3) $15,000,000 (or such lesser amount that may remain in the Fund after expenditures or obligations to carry out the purposes set forth in subsection (a) (1) and (3) and (b) are made in a fiscal year) shall remain in the

Fund for the carrying out of such purposes in the next fiscal year.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey [Mr. GUARINI] will be recognized for 20 minutes, and the gentleman from California [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. GUARINI].

GENERAL LEAVE

Mr. GUARINI. Mr Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. GUARINI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first, I would like to thank my colleagues from the Ways and Means Committee—Chairmen ROSTENKOWSKI and GIBBONS—for their strong support and assistance in bringing H.R. 3562 to the floor. I want to thank Chairmen DINGELL and WAXMAN for their support as well.

H.R. 3562 would provide that, at the end of each fiscal year—any surplus amount remaining in the Customs forfeiture fund would be provided to programs administered by the Department of Health and Human Services. Presently, any surplus is deposited in the general fund of the Treasury of the United States.

The Customs forfeiture fund was established in order to direct the cash and assets seized in drug busts toward antidrug efforts. Permitted expenditures out of the fund for Customs and the Coast Guard are primarily law enforcement related, for construction of prisons, payments of informers, equipment, and expenditures such as overtime payments for joint operations with State and local authorities, among others.

Over the last several years, an average of $30 million has remained unobligated at the end of the fiscal year. This legislation is a modest attempt to direct these excess unobligated funds for prison drug treatment programs and to provide financial relief to trauma centers with uncompensated care costs.

Prison drug treatment is the single most effective weapon we have for fighting the war on crime and drugs.

Right now, over 70 percent of our Nation's prisoners are serving time for a drug-related offense; that figure is expected to rise to 90 percent by 1995.

Nine out of ten of these drug offending will be back in prison within 3 years of their release.

Our criminal justice system has become a revolving door that drug offenders walk through again and again. And, as a nation, we are spending billions of dollars each year to lock up prisoners that, upon release, go out and commit more violent crimes and injure more innocent people.

Prison drug treatment programs are a proven way to break this cycle of drugs and crime. Seven out of ten prisoners who get comprehensive treatment successfully reenter society to begin productive lives.

They are also extremely cost effective; every dollar we invest in treatment saves $12 in future incarceration costs. Yet, despite this established record, only 10 percent of drug offenders receive any form of treatment.

It only makes sense that we should take assets seized from the drug trade and put them toward a proven solution to our Nation's No. 1 problem. This legislation would do just that.

Violence attending the drug trade has had serious spillover effects in communities across the Nation, including threatening the viability of hospital trauma centers to cope with the impact. In 1989, over 80 percent of gunshot and stabbing victims treated in some urban centers were uninsured or eligible for medical cost assistance.

Directing excess customs forfeiture funds to trauma centers will address this urgent need. In the past few years, almost 100 trauma care hospital centers have closed due to uncompensated care costs, largely the result of the drug war. Our citizens are being denied emergency room care because of this crisis. This legislation would provide some relief to those financially distressed trauma centers.

The bill before us today won't take a single penny away from our law enforcement efforts. It is not only consistent with the goal of the forfeiture fund but will make it even more effective by reducing both the demand for drugs and the recidivism rate among violent criminals.

It is important to note that this concept has widespread bipartisan support. A similar proposal by Senators KENNEDY, HATCH, BIDEN, DECONCINI, SPECTER, GRAHAM, and KERRY was adopted by the Senate last year.

Additionally, the administration is recognizing the efficacy of drug treatment programs. They have proposed using money from the Justice forfeiture fund for expanding drug treatment programs.

The Office of Management and Budget has estimated that drug abuse drains $300 billion a year from our economy. Until we reduce the demand for drugs, the costs associated with substance abuse, violent crime, destruction of property, lost worker productivity, and health care costs will continue to escalate.

We cannot afford to ignore the relationship between drug use and crime. This legislation will help us attack this problem at its source. I urge my colleagues to support H.R. 3562.

U.S. SENATE,
Washington, DC, July 2, 1992.

Hon. THOMAS FOLEY,
Speaker of the House of Representatives, Washington, DC.

Hon. ROBERT MICHEL,
Minority Leader, House of Representatives, Washington, DC.

DEAR MR. SPEAKER AND CONGRESSMAN MICHEL: Last July, the Senate unanimously adopted our bipartisan amendment to the crime bill providing that unobligated Customs Service Asset Forfeiture Funds be used to prevent crime by getting drug addicts into treatment. It is our understanding that H.R. 3562, a House bill incorporating a similar proposal, will be considered by the House on Tuesday.

Our amendment would dedicate up to $30 million in unexpended money from the Customs Service Asset Forfeiture Fund to support drug treatment programs. If enacted into law, it would make a modest, additional sum of money available to activities that reduce the demand for drugs and thereby prevent crime. H.R. 3562 utilizes this same approach, but specifies that the money be used for drug treatment programs within the criminal justice system. H.R. 3562 also dedicates unobligated funds to reimburse trauma centers for costs arising from drug-related violence.

Neither our amendment nor H.R. 3562 would take a single dollar out of the hands of law enforcement. Under current law, money that the Customs Service does not use for its own purposes reverts to the General Treasury. Moreover, the Congressional Budget Office advised us that the amendment would not violate the Budget Enforcement Act nor count against the budget caps.

We hope that this bipartisan proposal will receive favorable consideration in the House.

Sincerely,

EDWARD M. KENNEDY,
ORRIN G. HATCH,
JOE BIDEN,
BOB GRAHAM,
ARLEN SPECTER,
JOHN KERRY.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a classic example of where the budget gimmickry that we have seen in the last several years leads us. The gentleman from New Jersey has just indicated a clear need for funds to be spent in drug rehabilitation programs. No one would argue with the intent of this legislation, and I oppose not what the gentleman wants to do but how he wants to do it.

If after reciting all of those statistics he is willing to leave the funding source to an open-ended, possibly zero amount, then I have to question whether or not he really believes that the program he wants funded is important enough to be funded. Why does he not go and secure fixed amounts of money for this program? Obviously, under the current budget structure he would either have to raise revenue or take funds from another source. He is taking funds from another source.

But the request is up to $30 million in unspent amounts. He is now sending a clear message to make sure that the Customs forfeiture fund has zero dollars in it.

What has been the purpose of the bulk of the Customs forfeiture fund? Members might recall that from 1968 when Congress passed the Omnibus Crime and Safe Streets Act that the Law Enforcement Assistance Administration set up a number of block grant programs to aid State and local governments in their fight against crime, because clearly, given the technological advances in the ability of various enforcement agencies to fund those costs, help was needed from the Federal level.

□ 1220

Those programs were useful principally throughout the 1970's. In the mid-1980's another source of funds was clearly needed, and an arrangement which has proven to be very satisfactory, a cooperative effort between State and local and Federal officials in seizing contraband valuables and assets and distributing a portion of the share back to those who participated in the activities, was clearly an incentive program that has worked.

A number of State and local law enforcement agencies have been provided with the necessary tools to fight crime through this program that they otherwise would not have had.

The gentleman from New Jersey says that the funds that he wants to use are excess unobligated funds. It is amazing to me that yet today with a budget deficit of $400 billion a year any funds would be defined as excess. Approximately that amount has been returned to the general fund to assist in reducing the deficit. Would that every agency, including this body, returned a portion of the funds that they received to assist in reducing the deficit.

I do not believe that the term "excess" is the proper definition to these funds. They are unobligated. We do not know the amount that will remain unobligated.

Rather than try to find a secure, funded source for this admittedly worthy effort that H.R. 3562 seeks to represent, driven by the current budget structure, they are attempting to produce funds which I am quite confident that, after a year or two, will not exist.

More importantly, it sets a precedent for others now to go after these excess unobligated funds for other good and worthy purposes. What you have is a degree of cannibalism which would then eat up what is now a very useful program assisting State and local government law enforcement agencies.

I have here a copy of a letter which was sent to the gentleman from New Jersey from the State of New Jersey, Department of Law and Public Safety, Division of State Police, a letter from Col. Justin J. Dentino, superintendent of the New Jersey State Police, and he says:

> I am writing to you to express my strong opposition to H.R. 3562, once again, not in terms of what it plans to do but because of the way in which it attempts to fund the program. If your bill becomes law, I fear we will see others use these funds for non-law enforcement programs. The obvious result would be to cap law enforcement spending of these funds to assure funding for these new "pet" projects.

This gentleman from New Jersey, as are other State police, is desperately in need of these funds and does not want that source raided.

Finally, let me say that you can quote the Congressional Budget Office all you want to about what these funds are. Clearly under the law the Office of Management and Budget is the ultimate arbiter. It is the determiner of whether or not the moneys are to be scored or not scored for budgetary purposes, and OMB makes it clear that this money will, in fact, come under pay-go. It will be a loss, and it needs to be made up if in fact you have to issue a sequester to make it up.

So it is not excess unobligated funds. It is not free money. It is money that will have to be replaced one way or another.

If, in fact, the worthy goals of the legislation offered by the gentleman from New Jersey should be funded, they should not be funded in the manner in which he suggests in this bill. The administration opposes the bill, and I oppose the bill.

I would ask my colleagues to vote "no" on H.R. 3562, not for what he wants to do but for how he wants to do it.

Mr. Speaker, I reserve the balance of my time.

Mr. GUARINI. Mr. Speaker, I yield such time as he may consume to my colleague, the gentleman from California [Mr. STARK].

Mr. STARK. Mr. Speaker, I thank the distinguished gentleman for yielding me this time, and I commend him on preparing this excellent legislation which enjoys broad bipartisan support in the other body, and hopefully will enjoy broad bipartisan support in this body.

As the Members have heard from the previous two speakers, there is, indeed, no criticism of the worthy purpose for which the funds are to be spent. They are to be spent for two purposes, both dealing very directly with law enforcement and preventing crimes from happening in the first place, particularly drug-related crimes.

The recidivism rate of people sent to prison for drug crimes is high. There is no question among drug experts, including the drug czar for the current administration, that drug counseling and drug training and drug rehabilitation in prisons would yield $20 in savings for every $1 invested in that worthy purpose. There is also no question that one of the biggest problems in our emergency rooms today are traumas inflicted by the violence related to drug crimes.

So the moneys spent under this bill go very directly toward reducing the problems of our drug-related crimes.

The issue that my distinguished colleague from California raises is one of budget technology. I would submit this: That these funds that are received from captured cars and contraband and turned into cash and are not now being entirely used up under the present very proscribed uses in Federal law. In other words, the Federal law now says that the money received from the forfeiture fund may only be used for specific purposes to further fighting crime; that which is not used in any one year is returned to the Treasury. The only change that this bill would make is to clarify that these two purposes, drug training and rehabilitation and trauma care, are related to fighting drug-related crime and, therefore, would qualify under this particular Federal law.

It would be a great leap of faith to suggest that somebody might try to do the same thing and, say, spend this money for other worthy purposes like education or unemployment compensation. I admit it could be done, but I think there would then be some questions as to the relevance.

So this money would continue to be spent for law enforcement, particularly related to the drug problem. It would expand in a very imaginative and creative way that definition, and I say that in all sincerity. This would help the law enforcement people. They have first claim on the money, should they need it for additional overtime or additional informant payments. It is there.

We are only touching that money which gets returned to the Treasury and spent in many ways with which many of us might disagree such as star wars, welfare, or on a whole host of things to which my colleagues might object. There is no objection voiced in the way the money in this bill is intended to be spent. There is only some concern over the technical language in the Budget Act.

I urge people of good faith who want to work together to minimize drug crime in this country and help our distressed hospitals who are overburdened particularly in their emergency rooms, to support the bill. I urge its support.

Mr. THOMAS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. ALLEN].

Mr. ALLEN. Mr. Speaker, I rise in opposition to H.R. 3562, which is a bill to permanently transfer up to $30 million in unspent amounts from the Customs forfeiture fund to the Department of Health and Human Services for spending on existing drug treatment grants.

This is a poor prioritization of these funds. These funds, these forfeited funds, come from drug-dealer assets, whether they are yachts, art objects, jewelry, estates, cars, and so forth.

I think it is a great idea that we get after these ill-gotten gains of drug dealers and then get it to the people in the front line on the war against drugs, which are law enforcement primarily at the State and local level so they can use these buzzards' ill-gotten gains to catch more buzzards.

☐ 1230

Now, what is happening here is they by this bill want to take these unspent amounts and roll them over into the general fund each year. Right now they are rolling over each year and used to reduce the deficit.

This amendment, though, first and foremost, is antilaw enforcement. It breaks a long standing practice of returning forfeited assets and proceeds derived from law enforcement activities back for law enforcement purposes so they can catch more drug dealers, also catch more users.

Over the years there have been many attempts up here at the Federal Government level to raid this forfeiture fund for numerous purposes.

Unfortunately, this bill now opens the floodgates for additional spending on every other cause and thereby jeopardizes substantial amounts which must now go and ought to go to State and local law enforcement agencies.

We have to allocate our ammunition in this war against drugs appropriately. We have to get it to those people who are on the front line in the war against drugs, which is your State and local law enforcement. They need that money to make undercover drug buys, to pay informants, to pay overtime surveillance costs. That is how we are going to win this war on drugs.

Second, this bill has some budget gimmickry to it and backdoor spending because it increases the deficit. Because of a mistake in the budget base line, the CBO assumed that no unspent forfeiture proceeds remain at the end of the year and ruled that the bill had no deficit effect; however, in the real world unspent forfeiture proceeds have consistently reduced the deficit over the last 7 years. Because of this fact, OMB has ruled that H.R. 3562 will increase direct spending and increase the deficit, besides being a poor priority.

As we all know, OMB makes the ultimate determination whether a budget sequester occurs at the end of each year.

Third the new direct spending on drug treatment under this bill is relatively insignificant compared to the overall Federal effort. The President's fiscal year 1993 budget already proposes $2.3 billion for drug treatment, which is a 12-percent increase. In fact, out of this fund they are already getting approximately $35 million for the national drug control policy special forfeiture fund for similar purposes. So we already have sufficient increases on drug treatment spending and those should be approved under normal appropriation processes.

Finally, Mr. Speaker, this bill is strongly opposed by the administration and the Customs Service for the above-stated reasons previously. It is opposed by anyone who understands how we are going to wage this war on drugs.

While it may be well-intended, this bill sets a troublesome precedent for the future. It is the wrong thing to do at this time. It is both antilaw enforcement, antibudget enforcement, and I urge my colleagues to vote no on this bill and support your local and State law enforcement and support having a solid budget agreement.

Mr. GUARINI. Mr. Speaker, I yield such time as he may consume to my colleague, the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Speaker, first let me just offer my congratulations to my friend and colleague, the gentleman from New Jersey [Mr. GUARINI] for offering this legislation.

I am not sure that we are talking about the same bill when I listened to some of the arguments on this side of the aisle.

It has not been very long ago, perhaps too long for some, that we passed the Comprehensive Crime Control Act and in that is a break with precedent and in that we do set aside some moneys for drug treatment, much like we are trying to do with the Customs forfeiture fund.

Now, it may be a surprise to some here, but many years ago when we wrote the legislation, and I was the prime sponsor of the forfeiture bill as we know it today, along with my good colleague, former colleague, the gentleman from Grand Rapids, MI, Hal Sawyer, who was the ranking Republican, we wrote the legislation, working with the Ways and Means Committee on the Customs forfeiture fund.

We then talked about and contemplated setting aside a small portion of these funds for treatment and for education. We decided not to because at that time we had tremendous problems in south Florida and it was decided that as a tremendous incentive to law enforcement to change their focus and to focus in on seizing assets, we decided to give 100 percent of the forfeited funds to law enforcement, but we contemplated there would be a time when we should take and put aside some of those funds for other purposes such as treatment, as is contained in this legislation.

Now, that is because anybody who has spent any time in law enforcement, I have spent 27 years of my life, most of my adult life, in law enforcement, either as a prosecutor or working on criminal justice issues, chairman of the Subcommittee on Crime for 10 years; anybody you would talk to would admit that we are not going to solve the substance abuse problems in this country until we deal with demand reduction. That is education in the schools and treatment.

It is disgraceful that we have tens of thousands of people in this country who are walking around who want help, need help, that we cannot reach because we do not have the resources to deal with the drug problem.

Our prisons today are full of habitual drug offenders. Look at the statistics; 60 percent of our inmate population, and it is growing, are there because of drug-related offenses. They have drug problems.

We are doing a far better job today of screening prisoners who came into the system through pre-trial services, understanding some of the problems and we are understanding more and more about their substance abuse problems, but we do not have the resources to deal with their drug problems when they are in the prison system, and that is shameful, because we know that when they leave prison, if they leave illiterate, without skills, with substance abuse problems, they are going to leave and come back in very shortly, and that is exactly what is happening. The recidivism rate in this country is very high, and that is because we are not dealing with their problems in the system.

This is a very modest effort. It retains $15 million as always contemplated in the legislation for continuing the program and it sets aside $30 million to deal with prisoners substance abuse problems.

Now, I heard the gentleman from California read the letter from Colonel Dintino, and I understand where the colonel is coming from, but Colonel Dintino would be the first one to acknowledge that the only way we are going to get a handle on the drug problem in this country is by dealing with those who have drug problems, serious problems, in and out of the prison system and through education.

This is a very modest effort to set aside $30 million, upwards of $30 million of unobligated funds. These are funds that the law enforcement community has not used. They have not used these funds.

Any police officer will tell you that we need to deal with this component of the problem, and this is an effort to do so just as we did in the context of the comprehensive crime control bill with the Justice forfeiture fund, which is administered by the U.S. Marshal's Service.

Now, come on, folks, we have got to deal with the total problem. Our hardcore user population is eating at the soul of America, and this is one modest way we can deal with that, just as if there are any funds above the $30 million it would go to hospitals for their trauma centers, uncompensated fund which is growing through the roof, to try to deal with the very same problems, to try to nip crime in the bud. If that is not law enforcement, I do not know what is.

Mr. Speaker, I thank the gentleman for yielding me this time. It is a good bill. I commend my colleague, the gentleman from New Jersey, for offering it. I urge my colleagues to strongly support it.

Mr. THOMAS of California. Mr. Speaker, I yield myself such time as I may consume.

It is all well and good for us to speak for law enforcement officials, put words in their mouths and explain why this is in fact something that it is not.

☐ 1240

But I think ultimately the law enforcement officials ought to speak for themselves.

In the letter that I mentioned earlier, which I will supply for the RECORD, the concluding paragraph of the superintendent of the State police of New Jersey, in response to my colleague from New Jersey's plea that they should speak for themselves and that they would feel good about this program, says, and I quote, "If the drug treatment program is worthy of funding as I believe it is, I urge you to seek funding another way."

The funding in this bill is wrong. Those people who agree with the program know it is wrong. And it is wrong because it is not, I would say as my colleague from California characterized it, my opposition is only on some budget technology.

No, the well-known vacuum cleaner from California in terms of Federal funds might believe that it is budget technology, but what we have done here by this bill is a major policy shift in how the monies are spent. And let me tell you you have put a floodlight out there for others who would stand in the well and argue this has some relationship to the initial spending of the money, it is good and worthy and it should be used as well.

This I believe is one of the primary reasons you see law enforcement aencies across the Nation opposing the way in which this bill is funded. This may be first; you can rest assured it will not be last because the argument that we are opposing it for some kind of, quote/unquote, budget technology will always be attempted to be used.

It is not budget technology; it is the law of the land. The scorekeeper is the OMB and you are in violation. That is where we are.

You can say all you want to about what law enforcement officers should be saying; what they are saying is "Don't fund it this way."

I would once again ask you to vote in opposition to this bill for mechanism and content because of a policy shift.

Mr. HUGHES. Mr. Speaker, will the gentleman yield to me?

Mr. THOMAS of California. I yield to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. I thank the gentleman for yielding to me.

Mr. Speaker, I have known Justin Dentino for many, many years, and I would suspect that Colonel Dentino if he understood that we are talking about unobligated funds and that they were basically funds that would be used to attempt to deal with the substance abuse problems of prisoners in the criminal justice system, he would feel differently. I really believe that.

Mr. THOMAS of California. I appreciate that.

Mr. Speaker, reclaiming my time, in the third paragraph of the letter—and apparently the gentleman has not read the letter from his good friend Colonel Dentino because he says "It is understandable that now under pay as you go rules that you would seek funding that would not require an offset but this is the wrong source." The gentleman has answered you before you have pondered the question.

The answer is he fully understands the funding mechanism, he fully understands the way in which you attempt to make this raid, and he opposes it as do the national sheriffs.

Once again you may be after laudable goals, but why do you not go through the appropriations process, get the money for the program, follow the rules like everyone else instead of raiding some money that was being used for the deficit?

I would urge you "Don't play budget technology games," and I would urge my colleagues to oppose this legislation.

The letter referred to follows:

STATE OF NEW JERSEY, DEPARTMENT OF LAW AND PUBLIC SAFETY,
DIVISION OF STATE POLICE,
West Trenton, NJ, July 6, 1992.

Hon. FRANK J. GUARINI,
Member of Congress, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN GUARINI: I am writing to you to express my strong opposition to HR 3562. Let me first compliment your efforts to secure funding for drug treatment of prisoners. I agree with you that money spent on these important programs is an investment. Any efforts to make the nation's prisons a place of rehabilitation and not simply a storage facility is commendable.

While the goal is worthwhile the means are potentially very damaging to law enforcement. I have studied your bill and while it only uses unobligated funds of the Customs' Forfeiture Fund, I believe it opens "Pandora's Box" and I doubt we could contain the inevitable effects.

It is understandable that now under "pay as you go" rules that you would seek funding that would not require an offset but this is the wrong source. When law enforcement forfeiture funds came about it was a national commitment to our nation's law enforcement officers. For the first time law enforcement could acquire the tools needed. Police officers no longer had to be on the streets with out bullet proof vests. Federal law enforcement agencies could reimburse state and local agencies for their assistance. Law enforcement agents and officers no longer had to be out gunned, they could replace very old weapons with weapons able to confront the threat. The uses and benefits of law enforcement forfeiture funds are too many to list.

If your bill becomes law I fear we will see others use these funds for non-law enforcement programs. The obvious result would be to cap law enforcement spending of these funds to assure funding for these new "pet" projects. Additionally, I fear that the states, who also are working with very limited resources, might follow this precedence.

If the drug treatment program is worthy of funding, as I believe it is, I urge you to seek funding another way.

Sincerely,

COL. JUSTIN J. DINTINO,
Superintendent.

Mr. GUARINI. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. I thank the gentleman for yielding.

Mr. Speaker, that is the point. The gentleman from California [Mr. THOMAS] just put his finger on the problem. It is a budgetary problem. It is the use of unobligated funds without going through the appropriations process.

Of course it is OK if we do that for law enforcement purposes, but it is not OK if we do that in an area where we do not have sufficient resources.

I think one of the worst things that I have seen in the last few years is the manner in which we unfortunately have changed that ratio between law enforcement—and I work in law enforcement. That is the area that I work in and have worked in for many years. But when we change that formula and only set aside a third for basically education and treatment programs and two-thirds for law enforcement, the ratio is out of sync.

Frankly, I did not hear from Colonel Dentino or anybody, really, when we changed the funding mechanism for the justice forfeiture fund; there did not seem to be any problem about that. It is only when we attempt to do the same thing in the context of the customs fund.

I do not think we are very consistent.

I thank the gentleman for yielding.

Mr. THOMAS of California. Mr. Speaker, finally I would say that this is a kind of microcosm of the debates we are going to have following the vote on the constitutional amendment for a balanced budget.

My colleagues rose and spoke vehemently against the need for a constitutional amendment to balance the budget, that the resources for doing so are present in this body, that all that is necessary is to exhibit the will and we could move in the direction of a balanced budget.

Mr. Speaker, I would say this is one of the first opportunities to exhibit that will. What we have seen characterized by these folks who voted against a balanced budget constitutional amendment is that these are excess funds. Mr. Speaker, when is returning money to the general fund to offset the deficit excess funds? If it is, we need more of them; not less.

Mr. Speaker, it has been described as budget technology that we are dealing with. I would grant you that the vacuum cleaners who are not used to having any hurdles anyway whatsoever in terms of sucking up funds, find the fact that they have to fund new programs as they develop a budget, technology that should simply be swept aside.

But what you have here is a real opportunity for my colleagues on the other side of the aisle to prove that their vote against a constitutional amendment to balance the budget was not a phony political vote, that they really believed in what they were saying, that in fact they are going to exercise the will and the discipline and that his worthy program will go through the ordinary appropriations process so it could be reviewed annually to determine whether or not it is meeting its needs or whether it actually needs more funding.

But in that process you operate under the budget rules.

Now you told us clearly by your vote that you do not want a constitutional amendment to balance the budget. You are also showing us through this somewhat hypocritical move that you also do not believe that the budget process ought to be followed.

OMB says this is scored as losing money and that there may need to be an enforcement of the Budget Act which would require a sequester. But this is budget technology to the vacuum cleaners who seek every penny they can find. And if any is returned to the general fund it is, quote-unquote, excess.

Here is your chance, colleagues; you vote this through, all of what you said about will and no need to have a constitutional amendment was just words.

Action does speak louder than words. A "no" vote against this measure will clearly prove that Congress does indeed have the will and that it was not political rhetoric that stopped the constitutional amendment for a balanced budget going to the States to determine if three-quarters of those States would prefer it as well.

I would ask you once again to oppose H.R. 3562, not just for budget technology, not just because it is excess funds, but because it is a major raid, a policy decision which should be funded in a different fashion. And if you are going to listen to those people on the front line, the people on the front line are agreeing; they say "no" as well.

Mr. Speaker, I yield back the balance of my time.

Mr. GUARINI. Mr. Speaker, I yield 1 minute to my colleague, the gentleman from California [Mr. STARK].

Mr. STARK. Mr. Speaker, I suspect I was referred to as a vacuum cleaner. I just wanted to suggest that I am aware of the distinguished people at Office of Management and Budget, whom I have often categorized as having the mind of a piranha fish and the heart of a Doberman pinscher.

But I will stipulate to my distinguished colleague from California that they do indeed follow budget rules very closely. They know the value of nothing and the cost of everything.

Whatever the cost of this program, it will prevent addicts from returning to commit crimes. And whatever the reason for opposing it, it does not seem to me to transcend the need to continue this program to expand drug abuse training in our prisons and to aid our destitute hospitals.

Mr. GUARINI. Mr. Speaker, I yield myself whatever remains of the time.

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. GUARINI] is recognized for 2 minutes.

Mr. GUARINI. Mr. Speaker, it seems no one said this is not a good idea, no one has said that the drug and the AIDS problem we have in our country is not one of our paramount issues. No one said that we are doing enough to treat these people, to help them come back into society as good citizens and safeguard our public that is out there, where our streets would be safer if these people are treated.

□ 1250

All we hear basically is: "It should be out of this pot instead of out of that pot. Why don't you go and have another funding system?" And it seems to me that, if it is a good idea, it is up to us, as Members of Congress, to make that idea work, not stand on these formalities and technicalities and be able to take $30 million of unobligated funds, $30 million, which is a pittance against a $1.4 trillion budget, where we in a budget spend $40 billion for star wars, and the space station and so many untold billions for supercollider, which I am sure my colleague, the gentleman from California [Mr. THOMAS] voted for, and $13 billion for prisons, which is an enormous sum of money just to incarcerate one person. It is perhaps over $40,000 a year, and here we have leverage. For every $1 that we spend, we get $12 back because that is how cost effective this program is.

I ask my colleagues, "Why can't we address the substance of the problem instead of arguing about some of the mere technicalities of the problem, the formalities? Why don't we get down to resolving in our Nation the real basic problems?" Seventeen States use forfeiture for prison drug treatment. There is a precedent that has already been established by the administration that is recommended for fiscal year 1992 and 1993, law enforcement from the justice assets forfeiture program to be appropriated from the treatment capacity expansion program.

Mr. Speaker, I urge support of this bill. There is precedent, there is substance, and it makes good sense.

Mr. RANGEL. Mr. Speaker, today we consider under suspension of the rules H.R. 3562, relating to the use of unobligated moneys in the customs forfeiture fund. This thoughtful legislation was introduced by my good friend and colleague on the Ways and Means Committee, Congressman FRANK GUARINI of New Jersey. In addition, Congressman GUARINI has served with distinction as a senior member of the committee which I am privileged to chair, the House Select Committee on Narcotics Abuse and Control. This is FRANK's last term in Congress, and I will miss his wise counsel in years to come, and wish him well as he begins a new chapter in his life.

Mr. Speaker, the customs forfeiture fund is financed with the proceeds from the sale of assets that have been seized by and forfeited to the U.S. Customs Service or Coast Guard in drug interdiction and other law enforcement actions. Moneys from the fund are used to pay informers, purchase law enforcement equipment—including vehicles and aircraft—and to cover other law enforcement costs.

Under current law, $15 million in unobligated funds are left in the fund at the end of each fiscal year as a carryover to ensure continuous operations. Any funds over that amount are transferred to the Treasury for debt reduction.

H.R. 3562 requires that excess unobligated funds remaining in the customs forfeiture fund at the end of each fiscal year be transferred to the Department of Health and Human Services for prison drug treatment programs and for assistance to hospital trauma centers. The bill does not alter current law which requires that $15 million be left in the fund at the end of each year to ensure continuous operations.

Of the amounts transferred to HHS, the first $30 million would be used to provide comprehensive drug treatment under title V of the Public Health Service Act to individuals under criminal justice supervision. Any amounts above that $30 million would be used to provide financial relief to hospital trauma centers to help cover otherwise unreimbursed health care costs.

One in three inmates convicted of robbery or burglary charges reported that they committed their crimes to obtain money to buy drugs. Mr. Speaker, drug offenders should be punished; however, while they are in prison or under criminal justice supervision, it makes sense to attempt to rehabilitate them. This is particularly true, because many people who are convicted on drug charges are relatively young, and could contribute many productive years to our society upon completing their sentence. According to the Federal Bureau of Prisons [FBP] in March 1991, 51 percent of Federal inmates were serving time for drug offenses. FBP also reported that 47 percent of its prison population had a substance abuse problem prior to incarceration. By 1995, the percentage of Federal inmates serving time for drug offenses is expected to rise from 51 to 90 percent.

According to testimony before the House Select Committee on Narcotics Abuse and Control in 1991, 70 percent of State prisoners had a history of drug use, and 50 percent had a problem requiring intensive treatment. Of that 50 percent—325,000—82,000 were receiving treatment; 15,000 were on waiting lists, and the remainder were not receiving any programmatic treatment. H.R. 3562 makes sense because it recognizes the importance that effective drug treatment programs can have in helping to reduce the high rates of recidivism by drug offenders and America's escalating drug problem.

One of the alarming effects of the drug crisis is the rise in drug-related violence and the overburdening of the Nation's emergency medical services. Drug overdoses and physical injuries resulting from drug violence have drastically reduced the quality of care emergency rooms can provide. This has strained a system already deteriorating in the face of the AIDS epidemic and the medical demands of 37 million uninsured Americans, and another 100 million whose insurance is inadequate for their needs. The United States spent an estimated $4.4 billion in treatment for gunshot wounds in 1990. According to a report of the American Nurses Association issued in 1991, drug-related emergency admissions increased by 121 percent between 1985 and 1989. After dropping in 1990, such admissions have risen steadily in each of the last three quarters for which data are available. In 1988, public hospitals lost $1 billion by providing trauma care for people without the means to pay. Many hospitals report annual loses of $1 million to $6 million in their trauma centers. Some public hospitals have been forced to shut down their trauma centers because of the cost of providing uncompensated for trauma care services, and without the money such hospitals would receive under H.R. 3562, many more might have to close their trauma centers.

I commend Congressman GUARINI for introducing H.R. 3562. I support it, and I encourage all of my colleagues to vote in favor of it.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from New Jersey [Mr. GUARINI] that the House suspend the rules and pass the bill, H.R. 3562, as amended.

The question was taken.

Mr. THOMAS of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ADDING TO CAPITOL POLICE LAW ENFORCEMENT AUTHORITY

Ms. OAKAR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5269) to add to the area in which the Capitol Police have law enforcement authority, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—LAW ENFORCEMENT AUTHORITY AND SUNDRY ADMINISTRATIVE PROVISIONS

SEC. 101. LAW ENFORCEMENT AUTHORITY OF THE CAPITOL POLICE.

The Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes", approved July 31, 1946 (40 U.S.C. 212a) is amended by inserting after section 9A the following new section:

"SEC. 9B. (a) Subject to such regulations as may be prescribed by the Capitol Police Board and approved by the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate, a member of the Capitol Police shall have authority to make arrests and otherwise enforce the laws of the United States, including the laws of the District of Columbia—

"(1) within the District of Columbia, with respect to any crime of violence committed within the United States Capitol Grounds;

"(2) within the District of Columbia, with respect to any crime of violence committed in the presence of the member, if the member is in the performance of official duties when the crime is committed;

"(3) within the District of Columbia, to prevent imminent loss of life or injury to person or property, if the officer is in the performance of official duties when the authority is exercised; and

"(4) within the area described in subsection (b).

"(b) The area referred to in subsection (a)(4) is that area bounded by the north curb of H Street from 3rd Street, N.W. to 7th Street, N.E., the east curb of 7th Street from H Street, N.E., to M Street, S.E., the south curb of M Street from 7th Street, S.E. to 1st Street, S.E., the east curb of 1st Street from M Street, S.E. to Potomac Avenue S.E., the southeast curb of Potomac Avenue from 1st Street, S.E. to South Capitol Street, S.W., the west curb of South Capitol Street from Potomac Avenue, S.W. to P Street, S.W., the north curb of P Street from South Capitol Street, S.W. to 3rd Street, S.W., and the west curb of 3rd Street from P Street, S.W. to H Street, N.W.

"(c) This section does not affect the authority of the Metropolitan Police force of the District of Columbia with respect to the area described in subsection (b).

"(d) As used in this section, the term 'crime of violence' has the meaning given that term in section 16 of title 18, United States Code.".

SEC. 102. CHANGE IN THE COMPOSITION OF THE CAPITOL POLICE BOARD.

Section 9 of the Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes", approved July 31, 1946 (40 U.S.C. 212a) is amended—

(1) by striking out "SEC. 9." and inserting in lieu thereof "SEC. 9. (a)";

(2) in the first sentence, by striking out ", consisting" and all that follows through "Architect of the Capitol,"; and

(3) by adding at the end the following new subsection:

(b)(a) The Capitol Police Board shall consist of—

(A) the chairman and the ranking minority party member of the Committee on House Administration of the House of Representatives;

(B) the chairman and the ranking minority party member of the Committee on Rules and Administration of the Senate; and

(C) the Sergeant at Arms of the House of Representatives and the Sergeant at Arms and Doorkeeper of the Senate, both ex officio and without the right to vote.

(2) The chairman of the Committee on House Administration of the House of Representatives and the chairman of the Committee on Rules and Administration of the Senate shall alternate, by session of Congress, as chairman of the Capitol Police Board.".

SEC. 103. UNIFIED PAYROLL ADMINISTRATION FOR THE CAPITOL POLICE.

The Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes" approved July 31, 1946 (40 U.S.C. 212a), as amended by section 101, is further amended by inserting after section 9B the following new section:

"SEC. 9C. Payroll administration for the Capitol Police and civilian support personnel of the Capitol Police shall be carried out on a unified basis by a single disbursing authority. The Capitol Police Board, with the approval of the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate, acting jointly, shall, by contract or otherwise, provide for such unified payroll administration.".

SEC. 104. TECHNICAL AMENDMENT.

Effective November 5, 1990, section 106(a) of Public Law 101–520 is amended by striking out "(a) The" and inserting in lieu thereof "Section 9 of the".

SEC. 105. EFFECTIVE DATE.

The unified payroll administration under the amendment made by section 103 shall apply with respect to pay periods beginning after September 30, 1992.

TITLE II—LUMP-SUM PAYMENT PROVISIONS

SEC. 201. DEFINITIONS.

For the purpose of this title—

(1) the term "officer" includes all personnel of the rank of lieutenant or higher, including inspector;

(2) the term "member" includes all personnel below the rank of lieutenant, including detectives; and

(3) the term "Clerk of the House of Representatives" or "Clerk" includes a successor in function to the Clerk.

SEC. 202. LUMP-SUM PAYMENT FOR ACCUMULATED AND CURRENT ACCRUED ANNUAL LEAVE.

An officer or member of the United States Capitol Police who separates from service within the 2-year period beginning on the date of the enactment of this title and who, at the time of separation, satisfies the age and service requirements for title to an immediate annuity under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, shall be entitled to receive a lump-sum payment for the accumulated and current accrued annual leave to which that individual is entitled, but only to the extent that such leave is attributable to service performed by such individual as an officer or member of the Capitol Police.

SEC. 203. PROCEDURES.

(a) IN GENERAL.—A payment under this title shall be paid—

(1) in the case of an officer or member whose pay (for service last performed before separation) is disbursed by the Clerk of the House of Representatives—

(A) by the Clerk;

(B) after appropriate certification is made to the Clerk by the Sergeant at Arms of the House of Representatives; and

(C) out of funds available to pay the salaries of officers and members of the Capitol

Police whose pay is disbursed by the Clerk; and

(2) in the case of an officer or member whose pay (for service last performed before separation) is disbursed by the Secretary of the Senate—

(A) by the Secretary of the Senate;

(B) after appropriate certification is made to the Secretary of the Senate by the Sergeant at Arms and Doorkeeper of the Senate; and

(C) out of funds available to pay the salaries of officers and members of the Capitol Police whose pay is disbursed by the Secretary of the Senate.

(b) CERTIFICATION.—Any certification under subsection (a)(1)(B) or (a)(2)(B) shall state the total of the accumulated and current accrued annual leave, to the credit of the officer or member involved, which may be taken into account for purposes of a computation under subsection (c).

(c) COMPUTATION.—(1) The amount of a lump-sum payment under this title shall be determined by multiplying the hourly rate of basic pay of the officer or member involved by the number of hours certified with respect to such officer or member in accordance with the preceding provisions of this section.

(2) The hourly rate of basic pay of an officer or member shall, for purposes of this title, be determined by dividing 2,080 into the annual rate of basic pay last payable to such officer or member before separating.

(d) TREATMENT AS PAY.—A lump-sum payment under this title shall be considered to be pay for taxation purposes only.

(e) CLARIFICATION.—For purposes of this title, the terms "officer" and "member" may not be construed to include any civilian employee.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Ohio [Ms. OAKAR] will be recognized for 20 minutes, and the gentleman from Kansas [Mr. ROBERTS] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I was proud to introduce H.R. 5269 and am pleased that the bill has the bipartisan support of members from the Committee on House Administration, and I would like to submit for the RECORD the cosponsors of the bill:

The gentleman from North Carolina [Mr. ROSE], the gentleman from Kansas [Mr. ROBERTS], the gentleman from Wisconsin [Mr. KLECZKA], the gentleman from Pennsylvania [Mr. KOLTER], the gentleman from New York [Mr. MANTON], the gentleman from Illinois [Mr. RUSSO], the gentleman from Alabama [Mr. DICKINSON], the gentleman from California [Mr. THOMAS], the gentleman from California [Mr. PANETTA], the gentlewoman from the District of Columbia [Ms. NORTON], the gentleman from South Carolina [Mr. DERRICK], and the gentleman from Idaho [Mr. LAROCCO].

If it were not for the invaluable assistance of the members of the committee and the support of the distinguished chairman, the gentleman from North Carolina [Mr. ROSE], and the members of the Subcommittee on Personnel and Police, we would never have reached this point today.

Mr. Speaker, H.R. 5269 is intended to assist the Capitol Police of the United States by, first, expanding jurisdictional boundaries in which the Capitol Police have law enforcement authority; second, enhancing Capitol Police arrest authority; third, reorganizing the Capitol Police Board; fourth, establishing a joint or unified payroll; fifth, providing for a lump sum payment for retiring members of the Capitol Police force.

The Capitol Police are among the most highly trained and best equipped police forces in the country. Providing our officers with the means necessary to ensure the successful and professional accomplishment of their respective assignments is our primary concern.

We daily read news accounts about random acts of violence that are occurring in every community in the country, including our own community on Capitol Hill, and we have had terrible tragedies in and around the Hill: a Senate aide that was killed, a car hijacking that resulted in another killing, the wife of a Senator who has been mugged, a Member of Congress who has been mugged, et cetera, and these acts of violence have affected individuals from all walks of life. We have recognized the need to make available on Capitol Grounds and in adjacent areas the highest degree of protection available to the staff, the Members, to the thousands of tourists who come to this great Nation's Capitol, to the visitors and the residents.

Under current law, loopholes in the police's jurisdiction have resulted in both wrongdoer's escaping detection, as well as potential civil liability to police for wrongful arrest. Enhancing their arrest authority means the Capitol Police will have the authority to make arrests and enforce Federal and D.C. laws in the District of Columbia under the following new circumstances:

First, anywhere in the District of Columbia for crimes of violence committed on Capitol Grounds;

Second, anywhere in the District of Columbia for crimes of violence witnessed by officers on duty;

Third, anywhere in the District of Columbia to prevent imminent injury to person or property or loss of life, if the officer is on duty.

Thus, in addition to the expanded map for Capitol Hill jurisdiction, Capitol Police will have expanded authority to make arrests throughout the District of Columbia. By expanding the geographic boundaries and enhancing arrest authority, members of the force can better perform their duties and carry out the mission of the Capitol Police.

Another area addressed in the bill is a change in the composition of the Capitol Police Board. Currently, the Board is comprised of the House Sergeant at Arms, the Senate Sergeant at Arms and the Architect of the Capitol. The legislation would change the composition of the Board to the chair and ranking minority party member of the Committee on House Administration and the chair and ranking minority party member of the Senate Committee on Rules and Administration.

The Capitol Police Board has certain responsibilities in formulating and implementing the policies of the U.S. Capital Police Force. Greater accountability will be achieved if that authority rests with a bipartisan group consisting of Members and Senators of the committees that set the internal policies of Congress. This will give members a more direct line into the general policies of the police.

The next component of the bill would establish a unified payroll administration. Currently, members of the Capitol Police Force are paid either by House or Senate funds. Through this legislation, a single disbursing authority for all members of the Capitol Police, including civilian support positions, would be established.

The final area addressed in the legislation is the lump-sum payment which would be available to sworn members of the Capitol Police who are separating from service because of retirement.

Currently, there are 96 officers who must retire on or before October 31, 1992 in accordance with the Capitol Police Retirement Act that became law on October 15, 1990. These officers must use their accumulated annual leave and compensatory time by the close of business October 31, 1992. Therefore, it will be necessary to carry some of these officers in a terminal leave status for a period of 5 or more months.

There is going to be a substantial cost to the department during this period of time. These officers, while on terminal leave, will continue to receive their salary and benefits until October 31, 1992. The overtime to cover the posts and assignments during this time is projected to cost $1.1 million. Therefore, by amending this and providing this provision, we can achieve substantial savings to the taxpayers.

Mr. Speaker, by enacting this legislation, we have met our goal by bringing to near completion the Capitol Police reform package that this Subcommittee on Personnel and Police, which I am proud to chair, and the Committee on House Administration have been working towards since the beginning of the 101st Congress. Since that time the subcommittee and the Committee on House Administration have enacted the Capitol Police Retirement Act, created the position of Director of Employment Practices so that police feel that they can be treated fairly as members of the police department, reviewed the revamped Capitol Police grievant procedures, made special technician positions competitive, instituted sensitivity training and educational assistance seminars, created 114 civilian positions to replace duties which do not mandate police skills and authorized pay compression for the Capitol Police.

□ 1300

Mr. Speaker, I want to say that I am very proud of these reforms and proud of the work that our staff and others have done.

Mr. Speaker, I reserve the balance of my time.

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join the gentlewoman from Ohio [Ms. OAKAR] in bringing this bipartisan Capitol Police reform package to the House floor for consideration, and I wish to associate myself with her remarks.

As underscored by Chair OAKAR, this package contains the final components of the comprehensive Capitol Hill Police reform effort that began many years ago when the gentleman from California [Mr. PANETTA] was chairman of the Subcommittee on Personnel and Police of the Committee on House Administration. Under the leadership of first Mr. PANETTA and now Chair OAKAR, the subcommittee has held hearings and addressed many issues in regard to the Capitol Hill Police. The subcommittee's accomplishments have been many, and the success and professionalism of the force has risen.

Yes, I believe there is further room for improvement, but while the steps to improve the force have been very difficult at times, the overall objective is being accomplished and an already good force is being improved even further.

H.R. 5269 does contain, as the gentlewoman has outlined, five basic components: First, it resolves existing jurisdictional questions for the force; second, it enhances the arrest authority of our officers; third, it does reorganize the Capitol Hill Police Board to make it even more Member responsive; and fourth, it establishes a joint and unified payroll for both House and Senate officers. It also provides a cost saving by authorizing a temporary lump-sum payment for Members who are retiring from the force.

As stated earlier, this is the final phase of a long-term effort to revamp the force. While the Senate has yet to act on many of these components, I am truly hopeful that the House and Senate leadership can agree to these fundamental and needed changes.

I again wish to thank my colleagues on the subcommittee for their attention in bringing this legislation to the floor, and particularly the gentlewoman from Ohio [Ms. OAKAR] and also the gentleman from Alabama [Mr. DICKINSON], who has spent much considerable time and personal effort in assisting to get the House leadership to move on this package.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. OAKAR. Mr. Speaker, I yield 4 minutes to the gentleman from South Carolina [Mr. DERRICK].

Mr. DERRICK. Mr. Speaker, we are all aware of the well-publicized acts of crime committed in recent months against public figures in the shadow of the Nation's Capitol. These crimes were senseless and brutal.

No less serious are the crimes committed on Capitol Hill that do not make the news, such as the ones committed against ordinary citizens who live, work, or visit here.

Many of these terrible acts could be prevented with better police protection. H.R. 5269 would provide better protection to the community by utilizing the U.S. Capitol Police Force.

Currently, the U.S. Capitol Police Force has only a small area of jurisdiction. Their patrol territory is so small that many Capitol office buildings and parking lots are outside the regular patrol area.

The men and women of the Capitol Police Force are highly trained and capable. It is something Congress should be proud of, but we can no longer be stingy with the force's expertise. The force is not being used to its full potential, and the community needs its help.

The people who live and work in the area deserve to be better protected. And the thousands of tourists who grace the Nation's Capitol every year warrant better protection as they visit the historic neighborhoods surrounding the Capitol.

H.R. 5269 would allow the community and its visitors to rest easier. Among other things, the bill would triple the area of the force's jurisdiction. It would also enhance the force's arrest authority throughout the entire District of Columbia.

Sadly, the area and its visitors need more protection. They deserve more protection. It would be unthinkable to deny them more protection when it is so readily available.

Mr. Speaker, I wish to commend the gentlewoman from Ohio [Ms. OAKAR] for her efforts in this area. And I commend as well the delegate from the District of Columbia [Ms. NORTON].

Ms. OAKAR. Mr. Speaker, I want to compliment the gentleman from South Carolina [Mr. DERRICK], who has certainly called the problems of crime to my attention over the years. I am very grateful for his input.

Mr. Speaker, I yield 5 minutes to another stalwart Member, one who has represented this area so well in Congress and who has called our attention to the problems of crime in Washington, the delegate from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Speaker, may I say how pleased I am that the leadership of both the Subcommittee on Personnel and Police and the House Administration Committee expedited action on H.R. 5269, a historic bill with bipartisan support to expand the jurisdiction of the U.S. Capitol Police. I strongly support this effort because it will bring additional police protection to tourists and visitors as well as to those who work and live in Washington, DC, at a time of unyielding crime, despite the best efforts of the D.C. Police Department. On behalf of the people of the District, I must say to the chair of the committee, Mr. ROSE, and of the Subcommittee on Personnel and Police, Ms. OAKAR, that District residents are enormously appreciative of your efforts to move this measure forward.

It cannot help but make a real difference to have the Capitol Police fully utilized in patrolling the area which reflects the Hill's real boundaries. The Capitol Police are a well trained force that, with the additional authority and jurisdiction this bill provides and without increasing or straining the present force, can help to increase public safety and allay public fear.

Although today's legislation is a quantum leap, as you know I am very much committed to the goal that the Capitol Police be given the same general law enforcement authority as other Federal police in the District. The U.S. Park Police and the uniformed division of the Secret Service already have general police authority and there is no good reason why the Capitol Police should be treated differently and denied the same authority. General police authority would allow an officer to exercise police powers to make an arrest, whether on or off duty, when she witnesses a crime against person or property beyond the Capitol Grounds. This is the same authority the D.C. police have and have shared with other Federal police for years, and which the D.C. Police Department believe the Capitol Police should have as well.

I prepared an amendment to H.R. 5269 that would give the Capitol Police general police authority, but, after consultation with the distinguished subcommittee chair, MARY ROSE OAKAR, I have agreed not to offer it at this time. I recognized that my amendment raised some issues which have not been fully discussed and thus could have encumbered this bill and delayed its consideration, something which, of course, I did not want to occur. The chair of the subcommittee suggested that I withhold my amendment, and that she would schedule an early hearing on the proposal. I believe that this suggestion is appropriate and fair in light of the issues that have not been explored before the subcommittee. I look forward to the opportunity a hearing will provide to fully investigate the merits of my proposal. I am confident that when this matter is fully investigated that the subcommittee, the committee and the Congress will want to give the Capitol Police the same authority to fully perform as is now routinely exercised by other Federal police officers.

A hearing will also allow an investigation of the possible consequences of not providing the additional authority. Capitol Police officers are required to carry their weapons 24 hours a day and when off duty, therefore, are capable of responding to serious crimes which occur in their presence. Consider the embarrassment and regret the Congress would suffer if a Capitol Police officer were found to have witnessed a hold up in the District of Columbia on her way home, but took no action, fearing personal liability because of the absence of police powers routinely given other officers in similar positions. Most people would find it difficult to understand why the officer was crippled in this manner, especially at a time when Members who live throughout the District and the region, regularly complain about crime here. Members, their families, staff, and the public alike are seeking greater law enforcement efficiency and effectiveness in the District. The Capitol Police should not be prohibited from contributing to this effort but should be allowed to fully do their job.

Mr. Speaker, the legislation before us takes a very important first step toward the full utilization of the Capitol Police in fighting and preventing crime in the areas that surround the Capitol grounds. H.R. 5269 will also assist the overburdened and understaffed D.C. Police Department which, until now, has had no support from the Capitol Police in patrolling the areas that abut the Capitol. I strongly urge Members to support this bill. Once again, I deeply appreciate the skill, diligence, and attention that you, Mr. Chairman, that subcommittee chair OAKAR, and that the members of your committee have brought to this issue of great concern to the Congress and to Washingtonians.

□ 1310

Mr. Speaker, the gentlewoman from Ohio has authored a bill which would allow the Capitol Police Force to more effectively perform its job by providing some much needed help to the Metropolitan Police who are primarily responsible for the protection of Members, residents, and visitors in the District of Columbia. A recent Washington Post editorial, published on July 1, 1992, offers an astute analysis of the issues inherent in this bill. Mr. Speaker, I include the editorial for the RECORD.

[From the Washington Post, July 1, 1992]

CAPITOL POLICE HELP FOR D.C.

There was a time when the Capitol Police force was filled with marginally prepared beneficiaries—strangers to Washington—of congressional patronage. But today it is a trained force of recruited officers—30 percent minority—who could be of assistance to the metropolitan police department's crime-fighting efforts. Because of antiquated limits in the law, however, these 1,300 officers can't even perform fully their designated duties of protecting members of Congress and staffs as well as tourists who visit the Hill area. Their boundaries of operation as well as their authority to perform as other federal police do in this city are restricted. They can't even respond to crimes within the outer boundaries of today's congressional facilities near the Capitol. That leaves much of this work for the city force, which could use some help.

Help is on the way if Congress approves a bill introduced by Rep. Mary Rose Oakar (D-Ohio), chairman of the House subcommittee on personnel and police, with the strong support of D.C. Del. Eleanor Holmes Norton. The bill would expand the patrol area from the current one-to-three-blocks around the Capitol to an area that would take in all congressional facilities in the vicinity. This would push out coverage to P Street SE, Seventh Street SE, Eighth Street NE and Third Street SW. The Capitol Police would not interfere with Metropolitan Police patrol or surveillance operations, nor would they become simply an escort service for members of Congress. Like other federal authorities here, the Capitol Police could help the neighborhoods in many ways.

Mrs. Norton proposes still more assistance. She seeks to give the force the same general policing authority as the U.S. Park Police and the Secret Service. Under the current restrictions, for example, Capitol Police officers witnessing violent crimes on their way to and from work may not make official arrests other than to attempt citizen arrests. The new authority would permit them to react in these situations. Again, the idea isn't to interfere with Metropolitan Police patrols or to get into investigative operations best left to the city force.

As Mrs. Norton has said, instead of more "bashing" of the city for its crime problems, "here's a way to do something about crime in this city while also expanding the full area that should be protected by the Capitol Police anyway." As it stands, the Capitol force is underused. The city—its residents and visitors—can certainly use the extra professional help.

Mr. Speaker, at this point, I would like to engage in a colloquy with my good friend, the chair of the Subcommittee on Personnel and Police, MARY ROSE OAKAR.

Is it correct that your subcommittee will be holding a hearing to consider the issues raised by further expansion of the Capitol Police's law enforcement authority?

Ms. OAKAR. In answer to the gentlewoman, if she will yield, yes I plan to hold a hearing as soon as possible on this important issue.

Ms. NORTON. I appreciate that the chair of the subcommittee, Ms. OAKAR, has scheduled an early hearing on my proposal to give the Capitol Police general police authority. I am grateful to her for moving so quickly to schedule the hearing and look forward to working with her on it. I deeply appreciate all of the excellent work she has done on this bill.

Ms. OAKAR. Mr. Speaker, again I want to thank the minority leader and members of the committee for their support and work on this bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentlewoman from Ohio [Ms. OAKAR] that the House suspend the rules and pass the bill, H.R. 5269, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the Senate bill (S. 1766) relating to the jurisdiction of the U.S. Capitol Police, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

Mr. ROBERTS. Mr. Speaker, reserving the right to object, I will not object, but under my reservation I would ask the gentlewoman from Ohio [Ms. OAKAR] for an explanation of her request.

Ms. OAKAR. Mr. Speaker, the text of the bill just passed will be substituted for the language of the Senate bill on the same subject, and the Senate bill will be returned to the Senate for consideration.

Mr. ROBERTS. Mr. Speaker, still under my reservation, I would simply like to add that I would like to associate myself with the previous remarks by the gentleman from South Carolina and the distinguished delegate from the District of Columbia [Ms. NORTON], and indicate strong minority support for fair and appropriate hearings in regard to police jurisdiction.

I would also like to state that this is a good package. This package, in fact, was introduced and first worked on as of May of last year. Chairwoman OAKAR and I have worked extremely hard on the package and would hope the Senate would certainly see the wisdom of passing the total package.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1766

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States Capitol Police Jurisdiction Reform Act".

SEC. 2. JURISDICTION OF CAPITOL POLICE.

(a) Section 9 of the Act of July 31, 1946, (40 U.S.C. 212a), is amended to read as follows:

"SEC. 9. (a)(1) The Capitol Police shall police United States Capitol Buildings and Grounds under the direction of the Capitol Police Board, consisting of the Sergeant at Arms of the United States Senate, the Sergeant at Arms of the House of Representatives, and the Architect of the Capitol, and shall have the power to enforce the provisions of this Act and regulations promulgated under section 14 thereof, and to make arrests within the United States Capitol Buildings and Grounds for any violations of any law of the United States, of the District of Columbia, or of any State, or any regulation promulgated pursuant thereto: *Provided*, That the Metropolitan Police force of the District of Columbia is authorized to make arrests within the United States Capitol Buildings and Grounds for any violations of any law of the United States, of the District of Columbia, or of any State, or any regulation promulgated pursuant thereto, but such authority shall not be construed as authorizing the Metropolitan Police force, except with the consent or upon the request of the Capitol Police Board, to enter such buildings to make arrests in response to complaints or to serve warrants or to patrol the United States Capitol Buildings and Grounds.

"(2) The Capitol Police shall have the power to make arrests within the area outside the United States Capitol Grounds described in subsection (c) of this section for any violations of any law of the United States or the District of Columbia, or any regulation promulgated pursuant thereto. The arrest authority of the Capitol Police under this paragraph shall be concurrent with that of the Metropolitan Police force of the District of Columbia.

"(b)(1) For the purpose of this section, the term 'Grounds' includes the House Office Buildings parking areas, and any property acquired, prior to or on or after the date of the enactment of this subsection, in the District of Columbia by the Architect of the Capitol, or by an officer of the Senate or the House of Representatives, by lease, purchase, intergovernmental transfer, or otherwise, for the use of the Senate, the House of Representatives, or the Architect of the Capitol.

"(2) The property referred to in paragraph (1) of this subsection shall be considered "Grounds" for purposes of this section only during such period that it is used by the Senate, House of Representatives, or the Architect of the Capitol. On and after the date next following the date of the termination by the Senate, House of Representatives, or Architect of the Capitol of the use of any such property, such property shall be subject to the same police jurisdiction and authority as that to which it would have been subject if this subsection had not been enacted into law.

"(c)(1) The area referred to in subsection (a)(2) within which the Capitol Police have arrest authority under subsection (a)(2) of this section concurrent with that of the Metropolitan Police force of the District of Columbia is the following described area:

"That area outside of the United States Capitol Grounds which is bounded by the north curb of H Street from 3rd Street, N.W. to 7th Street, N.E., the east curb of 7th Street from H Street, N.E., to M Street, S.E., the south curb of M Street from 7th Street, S.E. to 1st Street, S.E., the east curb of 1st Street from M Street, S.E. to Potomac Avenue S.E., the southeast curb of Potomac Avenue from 1st Street, S.E. to South Capitol Street, S.W., the west curb of South Capitol Street from Potomac Avenue, S.W. to P Street, S.W., the north curb of P Street from South Capitol Street, S.W. to 3rd Street, S.W., and the west curb of 3rd Street from P Street, S.W. to H Street, N.W.

"(2) Except to the extent that this section confers on the Capitol Police jurisdiction concurrent with that of the Metropolitan Police force of the District of Columbia to make arrests within the area described in paragraph (1) of this subsection, nothing in this section shall be considered to affect or otherwise limit the jurisdiction of the Metropolitan Police force within the area described in paragraph (1) of this subsection.".

(b) The authority granted by the amendments made by subsection (a) of this section shall be in addition to any authority of the Capitol Police in effect on the date immediately prior to the date of the enactment of this Act.

MOTION OFFERED BY MS. OAKAR

Ms. OAKAR. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Ms. OAKAR moves to strike all after the enacting clause of the Senate bill, S. 1766, and to insert in lieu thereof the provisions of H.R. 5269, as passed by the House.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Ohio [Ms. OAKAR].

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An act to add to the area in which the Capitol Police have law enforcement authority, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 5269) was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1766

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill, S. 1766, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio? The Chair hears none and, without objection, appoints the following conferees: Mr. ROSE, Ms. OAKAR, and Messrs. PANETTA, THOMAS of California, and ROBERTS.

There was no objection.

GENERAL LEAVE

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 5269 and S. 1766.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

PACIFIC YEW ACT

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3836) to provide for the management of Federal lands containing the Pacific yew to ensure a sufficient supply of taxol, a cancer-treating drug made from the Pacific yew, as amended.

The Clerk read as follows:

H.R. 3836

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the "Pacific Yew Act".

SEC. 2. FINDINGS, PURPOSES, AND DEFINITIONS.

(a) FINDINGS.—Congress finds the following:

(1) Over 12,000 women die each year from ovarian cancer and 44,500 women die from breast cancer.

(2) Taxol, a drug made from the Pacific yew (Taxus brevifolia), has been successful in treating ovarian cancer in clinical trials and shows promise in the treatment of breast cancer and other types of cancer.

(3) The production of small amounts of taxol currently requires the use of large numbers of Pacific yew.

(4) The Pacific yew is a slow-growing tree species found in the Western United States.

(5) Significant numbers of Pacific yew trees are found in old-growth forests on Federal lands in the Pacific Northwest.

(6) Before the importance of taxol was discovered, the Pacific yew was considered a trash tree and was often burned in slash piles after timber operations.

(7) Remaining Pacific yew resources must be carefully managed in order to ensure a steady supply of taxol for the treatment of cancer, while also providing for the long-term conservation of the species.

(8) Appropriate management guidelines must be implemented promptly in order to prevent any wasting of the Pacific yew in current and future timber sales on Federal lands, while successful and affordable alternative methods of manufacturing taxol are being developed.

(b) PURPOSES.—The purposes of this Act are to contribute to the successful treatment of cancer by ensuring that Pacific yew trees located on lands of the National Forest System and on public lands administered by the Bureau of Land Management are managed to—

(1) provide for the efficient collection and utilization of those parts of the Pacific yew that can be used in the manufacture of taxol for the treatment of cancer;

(2) provide for the sale of Pacific yew from such lands for the commercial production and subsequent sale of taxol at a reasonable cost to cancer patients;

(3) ensure the long-term conservation of the Pacific yew; and

(4) prevent the wasting of Pacific yew resources while successful and affordable alternative methods of manufacturing taxol are being developed.

(c) SECRETARY CONCERNED DEFINED.—For purposes of this Act, the term "Secretary concerned" means—

(1) the Secretary of Agriculture, with respect to land and interests in lands under the jurisdiction of the Forest Service; and

(2) the Secretary of the Interior, with respect to lands and interests in lands under the jurisdiction of the Bureau of Land Management.

SEC. 3. PACIFIC YEW CONSERVATION AND MANAGEMENT.

(a) PACIFIC YEW POLICY.—The Secretary of Agriculture and the Secretary of the Interior shall pursue a conservation and management policy with respect to lands and interests in lands under the jurisdiction of the Forest Service or the Bureau of Land Management, which contain the Pacific yew in order to—

(1) provide for the sustainable harvest of Pacific yew, or Pacific yew parts, in accordance with relevant land and resource management plans for the manufacture of taxol; and

(2) provide for the long-term conservation of the Pacific yew in the wild.

(b) Content of Policy.—The conservation and management policy required by subsection (a) shall ensure that—

(1) in planning harvests of the Pacific yew, priority be given first to areas in which timber has been cut but Pacific yew trees have not been removed, second to areas in which timber is already sold but remains uncut, third to areas scheduled for timber sale in the near future, and fourth to those other areas where commercial and salvage timber sales are allowed under existing laws;

(2) individual Pacific yew trees are utilized with little or no waste;

(3) to the extent that timber harvesters' health and safety will not be jeopardized, the bark is harvested from Pacific yew trees in timber sale areas before the harvest of other timber resources;

(4) whenever Pacific yew trees are harvested, they are—

(A) cut using methods designed to allow for resprouting from the stump; and

(B) replanted where necessary to maintain the species in the ecosystem; and

(5) timber management and harvest activities are carried out in a manner that will minimize any adverse effects on the survival and regeneration of Pacific yew trees.

(c) Application of Policy to Timber Harvesting.—

(1) Application.—The Secretary concerned shall ensure that timber sales awarded after the date of the enactment of this Act, and timber sales completed before that date but still unharvested on that date, are conducted in accordance with—

(A) the policy expressed in subsection (a); and

(B) the relevant land and resource management plans of the Secretary concerned.

(2) Consultation under Endangered Species Act.—If the Secretary concerned foresees the need to harvest Pacific yew in an area for which an opinion issued under subsection (b)(3)(A) of section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) has concluded that a commercial timber sale is likely to jeopardize the continued existence of an endangered or threatened species or destroy or adversely modify critical habitat identified for the species under that Act, the Secretary concerned shall immediately initiate consultation under that section to determine the effect on endangered and threatened species and critical habitat of harvesting only Pacific yew trees.

(d) Inventory of Pacific Yew.—Not later than 6 months after the date of the enactment of this Act, each Secretary concerned shall complete the ongoing inventory of Pacific yew on lands under the jurisdiction of the Secretary concerned.

SEC. 4. RESEARCH.

Each Secretary concerned shall encourage and, where appropriate, assist in research regarding—

(1) the ecology of the Pacific yew;

(2) the development of alternative methods of procuring taxol, including utilization of other yew parts in addition to bark, the sustainable harvest of yew needles, and the utilization of other yew species; and

(3) the propagation of Pacific yew and other yew species in agricultural or commercial settings.

SEC. 5. COLLECTION AND SALE OF PACIFIC YEW RESOURCES.

(a) Enforcement and Access.—The Secretary concerned shall ensure the development, implementation, and enforcement of processes for the collection and sale of Pacific yew resources that will minimize the illegal harvest and sale of such resources. The Secretary shall also ensure that access to Pacific yew resources is allowed in a timely manner such that collection of Pacific yew parts can occur before the taxol properties of such parts are degraded.

(b) Negotiated Sales.—

(1) Forest service sales.—Notwithstanding section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a), the Secretary of Agriculture may negotiate sales of Pacific yew on lands under the jurisdiction of the Forest Service at not less than appraised value, to parties manufacturing taxol in the United States in accordance with section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) for use in humans.

(2) Bureau of land management sales.—Notwithstanding the Materials Act of 1947 (30 U.S.C. 601–604), the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), and Act of August 28, 1937 (43 U.S.C. 1181a–1181f), the Secretary of the Interior may negotiate sales of Pacific yew on lands under the jurisdiction of the Bureau of Land Management at not less than appraised value, to parties manufacturing taxol in the United States in accordance with section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) for use in humans.

(3) Disposition of unutilized material.—The Secretary concerned shall, to the extent practicable, make material unutilized by purchasers of Pacific yew available to others.

(4) Limits on other sales.—Except as provided in paragraphs (1), (2), and (3), the Secretary concerned shall not sell Pacific yew for commercial use.

(5) Use of receipts.—The Secretary concerned may use amounts received from the sale of Pacific yew under this section to pay the costs incurred by the Secretary concerned associated with the harvest and sale of Pacific yew.

(c) Record Keeping.—The Secretary concerned shall keep accurate records of all sales, bark removal, or other harvest of the Pacific yew. The records shall include the following information:

(1) The date of sale (where applicable) and the date of harvest.

(2) The names of the persons performing the harvest.

(3) The record of authorization for the harvest.

(4) The location and size of the area in which the harvest occurred.

(5) The quantity of Pacific yew harvested, including, to the extent practicable, the number of trees harvested, volume of bark harvested, and weight of bark harvested.

(d) Effect on Prior Sales.—With respect to Pacific yew harvested before the date of the enactment of this Act on lands under the jurisdiction of the Forest Service or the Bureau of Land Management, the Secretary concerned may permit taxol derived from that Pacific yew to be used for purposes other than research if the Secretary of Health and Human Services certifies to the Secretary concerned that such permission—

(1) will increase patient access to taxol treatment; and

(2) will not result in insufficient supplies of taxol for clinical research.

SEC. 6. RELATION TO OTHER LAWS.

Nothing in this Act shall be interpreted as modifying the provisions of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.), the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), or the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), except as explicitly provided in section 3.

SEC. 7. REPORT TO CONGRESS.

Not later than one year after the date of the enactment of this Act (and annually thereafter), each Secretary concerned shall submit to the Committee on Merchant Marine and Fisheries, the Committee on Interior and Insular Affairs, and the Committee on Agriculture of the House of Representatives, and the Committee on Environment and Public Works, the Committee on Energy and Natural Resources, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the following:

(1) A judgment as to whether sufficient amounts of Pacific yew have been harvested, and can continue to be harvested for the next year, to supply necessary amounts of taxol required for medicinal purposes, together with a summary of the information on which the judgment is based.

(2) The results of the Pacific yew inventory required by section 3(d).

SEC. 8. EXPIRATION OF REQUIREMENTS.

The Secretary of Health and Human Services shall determine when quantities of taxol sufficient to satisfy medicinal demands are available from sources other than Pacific yew trees harvested on Federal lands and notify each Secretary concerned upon making such determination. If the Secretaries concerned concur, they shall jointly notify the relevant congressional committees, as listed in section 7, at which time the requirements of this Act shall expire.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts [Mr. Studds] will be recognized for 20 minutes, and the gentleman from California [Mr. Herger] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. Studds].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 3638, the Pacific Yew Act. It is designed to promote the availability of taxol, an important new anticancer drug, by requiring the Federal Government to improve its management of the Pacific yew tree.

Thousands of women die each year of ovarian and breast cancer. The statistics are staggering. We, in fact, have an epidemic on our hands—one in every nine women are certain to contract breast cancer in the course of their lifetime. In Massachusetts alone 1,400 women are expected to die of breast cancer this year—more than 10 percent of all cancer deaths in the State. In health care meetings I've held from Hingham to Yarmouth to Plymouth to Barnstable to New Bedford, I have heard from women the overwhelming sense of anxiety, fear, and frustration about this deadly disease.

Taxol promises to be the best available weapon in the fight against these killers and offers new hope to the victims of ovarian and breast cancer. It's main source is the bark of the yew tree found in the remaining old-growth forests of the Pacific Northwest. This tree historically has been burned as a worthless trash tree when harvesting forests for more commercially valuable timber. That practice must stop. The bark of the yew is treasure, not trash; we should be hoarding it like gold, not burning it. It is the goal of this bill to see to it that everything that is humanly possible is being done to conserve and to wisely manage that tree and to see to it that the maximum amount of taxol is extracted as long as it is needed. Second, the bill seeks to ensure that the drug is made available to as many women as possible and at a price that makes it genuinely accessible to cancer patients whose lives may depend on it.

This bill was referred jointly to the Merchant Marine and Fisheries Committee, the Agriculture Committee, and the Interior Committee. We conducted a joint hearing this spring, and received strong support and many constructive suggestions. The joint committee amendment before us today was drafted cooperatively by the three committees and incorporates many suggestions that were made at the hearing. For example, we heard repeatedly at the hearing that the most important step we can take to maximize the amount of taxol that is collected from our Federal lands is to ensure that yew trees are harvested before commercial timber harvesting takes place. The amendment makes that a strict requirement, except in cases in which the safety of timber workers would be in jeopardy.

Second, it deletes several procedural requirements that the administration believed would have delayed the harvest of yew trees. Third, it ensures that once the FDA approves taxol for commercial use, yew from Federal lands will be sold only to those who are authorized to produce taxol for the treatment of cancer. Fourth, the amendment contains a sunset clause under which the requirements of this act will expire once we are able to produce taxol synthetically—and, thankfully, there are reports that significant progress is being made on that front.

This bill has been favorably reported by the three committees to which it was referred. In a time when the legislative process is too often marred by pointless, unproductive bickering, this bill represents what can be accomplished promptly by several committees working in good faith with one another to solve problems. This is not a simple subject, and it touches on forest management in the Pacific Northwest—a controversial topic by any measure. For their efforts and good work, I want to commend the leadership of the two other committees and their staffs: Mr. DE LA GARZA and Mr. VOLKMER for the Agriculture Committee, and Messrs. MILLER, and VENTO for the Interior Committee. My thanks as well to Mr. JONES, the chairman of the Merchant Marine Committee, and Mr. YOUNG, the committee's ranking minority member.

Mr. Speaker, this bill will save lives and trees. It will ensure that yew bark is not wasted, and will expedite the availability of taxol to the cancer patients whose lives literally depend on it. I urge Members to support it.

□ 1320

Mr. Speaker, I reserve the balance of my time.

Mr. HERGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3836 and urge its adoption.

This bill is the result of a compromise between three committees of the House, including my own Committees on Merchant Marine and Fisheries, and Agriculture. Passage of this bill will not only provide a much-needed source of cancer-fighting drugs to the Nation, but also will demonstrate how we can create a reasonable balance between resource conservation and human needs. I hope that all of those individuals who constantly argue that resources should be locked away for their own protection will see this bill as an example of how we can promote wise use of our lands and forests.

Finally, Mr. Speaker, I want to compliment our colleague DAN YOUNG, who serves as ranking minority member of both the Fish and Wildlife Subcommittee and the Interior Committee for his help in getting this bill through. His concern for both cancer victims and sound resource management has enabled us to bring this bill before you today.

Mr. Speaker, I reserve the balance of my time.

Mr. STUDDS. Mr. Speaker, I yield 6 minutes to the gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. Mr. Speaker, I rise in support of this critical legislation, and I particularly want to commend our colleague, the gentleman from Massachusetts [Mr. STUDDS], for his outstanding work on this legislation.

This bill is designed to reduce waste in the harvest of the Pacific yew and increase accessibility to a critical drug for sick women across our country. Taxol, the active agent derived from the Pacific yew, may be the most potent cancer-fighting drug in the past 15 years, according to experts at the National Cancer Institute.

Reducing waste in the harvest of the yew and ensuring access to taxol for women suffering from breast and ovarian cancer has been a top priority for this Member since I learned 2 years ago that the Federal Government was considering entering into extraordinary contracts with Bristol Myers Squibb to develop taxol.

My subcommittee investigated those contracts and made a special analysis of those contracts with respect to their effect on management practices. We found that those contracts literally encouraged mismanagement, and during last year's harvest, the first under the new taxol contract with the Federal Government, questionable forestry practices were engaged in on a widespread basis.

Let us make it very clear why this legislation is so important. Last year, waste of the Pacific yew was the rule and not the exception. Burning, bulldozing, and high grading of the yew, where only the easily obtained bark was taken, was widespread. My staff went out and looked at the harvest and found that in many instances the waste last year frittered away one-third of each tree's potential.

For example, last year the Federal Government consistently allowed commercial loggers to go into an area before the yews were harvested, a practice that ensured that 60 percent to 75 percent of the yew bark was wasted. Allowing the commercial loggers in first virtually guaranteed a monumental amount of waste of this national treasure, and fortunately, this legislation would stop that.

Incredibly enough, instead of adopting tough rules to protect this resource, the Federal Government last year shirked its responsibility and let the agents of Bristol Myers Squibb decide which yews to harvest and which to leave behind. Repeatedly, these and other problems were pointed out to the Bureau of Land Management and the Forest Service last year. We showed them pictures of burned yew, and still the agencies maintained that waste was an isolated situation, rarely found.

Finally, in February 1992, my staff investigators came across an internal memo that showed that BLM management did not know or would not tell the real story about waste in the yew program. On February 3, 1992, Mike Trumball, general manager of the corporation that collects for Bristol Myers, wrote Mr. Tresidder, with the BLM in Portland, OR. Mr. Trumball actually proposed holding off the harvest altogether, because, and I would quote, because there was no policy for harvesting, and the prospect of a highly exposed error.

I think that was the memo that broke the camel's back. Later that month, we wrote the Bureau of Land Management. We learned in March that finally the Bureau of Land Management would adopt strong rules to protect this resource.

This legislation codifies those rules and goes beyond them. This legislation gives legal teeth, enforcement muscle, to the guidelines adopted by the Natural Resources this March to protect the yew.

In addition, the bill will also ensure that the Endangered Species Act is complied with. In my view, this legislation, if now we get real enforcement on the ground, will ensure that more cancer patients can get needed drugs from rare national resources and America's researchers will have the potential to save lives.

To move toward this goal, I recently brought together a citizens' committee made up of timber industry representatives, environmental agencies, and researchers to assist me in monitoring this year's harvest. We are also going to push hard to make sure that the health agencies build on this legislation and adopt standards to ensure that taxol can be purchased at reasonable prices. Sick women have already paid once for these trees to be maintained on Federal land. They cannot be gouged again on the price of taxol when it is available in our pharmacies and in our medical programs. This legislation moves us toward that goal. I want to thank the chairman, the gentleman from Massachusetts [Mr. STUDDS] for the chance to work with him and for all his fine work, and to thank our colleagues on the minority as well. This is a bill that in my view, is a victory for all Americans.

Mr. STUDDS. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise today in support of the Pacific Yew Act. I would like to express my thanks to Chairman STUDDS and the chairmen of the other committees who have worked to bring this critical legislation to the floor.

Taxol is a drug that offers new hope for the thousands of women who are diagnosed with ovarian cancer each year. Of all the cancers, ovarian cancer is one of the most lethal, with a 5-year survival rate of less than 39 percent. This year alone, 21,000 American women will be diagnosed with ovarian cancer and 13,000 will die from the disease.

As a survivor of ovarian cancer, I know the trauma that cancer represents. By passing this legislation, we have the opportunity to help women deal with the terrifying experience of ovarian cancer by ensuring a steady supply of taxol. The National Cancer Institute has declared the drug the most promising treatment for ovarian cancer in 15 years. Although it does not cure the disease, it has shown significant promise in shrinking tumors in women who do not respond to any other treatment.

The need to make taxol more widely available was made clear to me 2 weeks ago when I attended a benefit for the Julie Merle Epstein Cancer Fund in Connecticut. Julie Epstein was a 28-year-old woman from Connecticut who died of ovarian cancer a little more than 1 year ago. Julie's tragic death was made even more painful for her family because they were unable to obtain taxol for Julie, which was the only treatment that could have helped her.

Like so many others, Julie suffered because ovarian cancer is a silent disease, that is often discovered late in its development. Our first line of defense against ovarian cancer must be in improving techniques of early detection. Failing that, however, we must continue to develop therapies like taxol that can treat the disease at later stages.

Unfortunately, the only currently available source of taxol is the bark of the Pacific yew tree. Over the past year, there have been widespread reports of mismanagement of this precious resource. This cannot continue. Until we have fully developed alternative sources of taxol to meet the demand for the drug, we must make absolutely certain that we are utilizing the bark of the tree as efficiently as possible.

The Pacific Yew Act represents a sound policy of minimizing waste of the yew and ensuring adequate yields to meet the demand for taxol. Taxol has potential applications not only for ovarian cancer, but also for breast and other cancers, and we must have a flexible policy that will allow us to meet these needs if necessary.

Hopefully, we will not have to rely on the Pacific yew much longer. The search for alternative sources of taxol is moving forward rapidly, and we all hope that management of the Pacific yew will only be a short-term concern. In the meantime, it is vital that we pass this legislation to ensure a rational, balanced policy for managing the yew tree and for meeting our common goal—making taxol available to the thousands of cancer victims like Julie Epstein who are desperately looking for a new source of hope, optimism, and life.

I urge my colleagues to join me in supporting the Pacific Yew Act.

□ 1330

Mr. STUDDS. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey, [Mr. HUGHES].

Mr. HUGHES. Mr. Speaker, first let me congratulate my colleague on the Merchant Marine and Fisheries Committee, the gentleman from Massachusetts [Mr. STUDDS], and the Interior and Insular Affairs Committee and the Agriculture Committee for developing what in essence is a very good piece of legislation.

The bill directs the Agriculture and Interior Departments to carry out a policy that will provide for sustainable harvesting of the Pacific yew for the manufacture of the cancer-treating drug, as has been indicated, taxol, and for the long-term conservation of the Pacific yew in the wild.

The bill's provisions for the Pacific yew management would remain in effect until such time as the Department of Health and Human Services is able to determine that there is sufficient taxol to meet the medical demands in the future. It is interesting that the production of taxol requires large amounts of Pacific yew bark. Surprisingly, the bark of three 100-year-old yews is needed to treat just one cancer patient, so Members can see the dimension of the problem. And as my colleague from Massachusetts has indicated, we have been wasting this in logging operations particularly in the Pacific Northwest, and so this would put in place a conservation and management program that should serve us well.

Under the measure, the Agriculture and Interior Departments are to ensure that Pacific yew harvests in lands under their jurisdiction are carried out pursuant to certain policies. Among them, Pacific yews are to be utilized where their is little or no logging, and the bark is to be harvested prior to commercial logging, and the Pacific yews are to be cut with methods allowing new growth to resprout from the stump, and timber management harvest activities carried out in a manner that will minimize adverse effects.

In addition to that, Mr. Speaker, the bill does provide that both departments will complete an ongoing inventory of Pacific yews within 6 months of enactment. Also assist in research on Pacific yew ecology, develop and implement and enforce policies that will minimize their illegal harvest, and pursue the kind of alternative sources that are needed to service women who suffer from these dreaded diseases in the years ahead.

I urge my colleagues to support a very good bill.

Mr. STUDDS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman from Massachusetts for yielding the time and I want to rise to emphasize how difficult the job of the gentleman from Massachusetts has been and thank him very sincerely. As cochair of the congressional caucus on women's issues we have made the health issues of women a strong, strong priority. Obviously we could talk about them but when you come up with things that can treat them and then find them being wasted, this is a very difficult thing to get at, and that is exactly what the gentleman is doing in this bill, and I cannot thank him enough.

The other reason I know how hard it is is that I came from a family in the Northwest. I was born in Oregon and my father had a logging company. So I know when you walk into timber and you walk into logging you walk into all sorts of problems. So to have gotten through there, and gotten this bill out it really is an incredible milestone, and I thank the gentleman very sincerely, and I know that all of the people who will be able to benefit from this through proper treatment will thank him too.

Mr. STUDDS. Mr. Speaker, I thank the gentlewoman from Colorado for her kind words.

Mr. HERGER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I really want to thank the gentleman from Massachusetts [Mr. STUDDS] and others for this bill because we know, or we think we know that the yew tree may have a very, very valuable substance which I think in generic terms is called taxol, which has been found in some chemical trials to arrest cancer and other diseases, ovarian cancer in particular, as I understand it, and breast cancer, and lymphomatic cancers.

Apparently we cannot get the substance in great enough volume to really do the job, and this bill goes a long long way to finding cures for these diseases, more so than probably any other interrelated virus such as AIDS and others. So I want to really thank the gentleman for this bill. I think this will go a long way in finding cures to diseases.

We ought to be investing more in research when it comes to health needs, and this is a priority bill. I know that the scientific community as well as so many people who suffer from these diseases and their families will be very, very grateful.

I thank the gentleman for yielding me the time.

Mr. STUDDS. Mr. Speaker, I thank the gentlewoman from Ohio for her comments.

Mr. JONES of North Carolina. Mr. Speaker, the bark of the Pacific yew tree contains taxol, a promising drug for the treatment of cancer.

H.R. 3836 will decrease waste of Pacific yew tree bark, protect the tree's habitat, and increase the amount of taxol available for research and cancer treatment.

I urge my colleagues to support this bill. By doing so, we are promoting one of the most exciting and promising anticancer drugs of this decade.

Mrs. VUCANOVICH. Mr. Speaker, I rise today in strong support of the bill before us, H.R. 3836.

The bill would ensure that the bark found on the Pacific yew tree would not be wasted and would require Federal agencies to allow drug companies to harvest the yew trees before the area is available to commercial loggers. By taking such action, Congress is providing hope to women who have been inflicted with breast and ovarian cancer.

This year, I am saddened to say, 13,000 women are expected to die from ovarian cancer, and it is estimated that 46,300 women will lose the fight against breast cancer. As a breast cancer survivor myself, I know how difficult it is to take on this fight.

According to the National Cancer Institute, taxol is one of the most important cancer-fighting drugs of the past decade. This drug has produced a positive, reproducible response rate in clinical trials of women with ovarian cancer and has demonstrated a response rate of 50 percent for women with advanced breast cancer. Without the bark of the Pacific yew, taxol will not exist in the amounts needed.

Mr. Speaker, I am in strong support of this bill which will enable us to manage these lands in a way that researchers can take advantage of this natural and lifesaving resource. The Pacific yew and taxol are the hope we need, and the hope we must provide in ensuring good health to our Nation's women.

I urge my colleagues to vote in favor of this legislation.

Mr. YOUNG of Alaska. Mr. Speaker, I rise in strong support of H.R. 3836 and urge its adoption by the House.

This bill was reported by three separate committees, including two on which I serve. I am pleased to have assisted in the coordination of forest management practices with efforts to protect the health of human beings. This bill is an excellent example of how we can achieve a proper balance between resource conservation and human needs.

The medical value of taxol, which is made from the bark of the Pacific yew tree, was discovered in the late 1960's, and clinical trials were begun on patients with ovarian cancer in 1983. These studies showed that 30 to 40 percent of ovarian cancer patients responded favorably to taxol. Other, more recent studies, show that taxol can also be effective in treating breast cancer and lung cancer. According to the National Cancer Institute, taxol is the most important new cancer drug in 15 years.

The American Cancer Society estimates that in the United States alone there will be approximately 21,000 new cases of ovarian cancer diagnosed in 1992 and that an estimated 13,000 women will die from ovarian cancer this year. In my own State of Alaska, the American Cancer Society estimates that there will be 175 new cases of breast cancer diagnosed and an estimated 50 women will die from breast cancer in 1992. That is a lot of lives that can be saved through the sound forest management practices mandated by this bill.

Cancer is a disease which affects people of every description regardless of race, sex, age, or political preference. However, ovarian breast cancer are a particular plague on our Nation, and this bill will allow tens of thousands of American women to be saved through proper use of taxol. I am especially pleased that this legislation has allowed all of us—women and men, Republicans and Democrats—to work together for a common goal.

Mr. Speaker, passage of this bill is vital to American women, and I appreciate the cooperative efforts of these three committees in bringing H.R. 3836 to the floor.

Mr. DE LA GARZA. Mr. Speaker, I rise in support of H.R. 3836, as amended, and recommend its adoption by the House.

H.R. 3836, the Pacific Yew Act, is a bill intended to serve one simple, but critically important purpose—to help expedite the production of a potentially lifesaving drug that is derived from the bark of the Pacific yew tree.

Every year, over 12,000 women die from ovarian cancer and 44,500 die from breast cancer. In the search to find new drugs to treat these cancers, researchers have come upon a potential wonder drug—taxol. Interestingly, this drug, which remains an experimental treatment for these cancers, can only be produced from the bark of the yew tree.

The yew tree grows naturally in the western United States, often in the old-growth forests of the Pacific Northwest. Until the discovery of taxol, the yew tree, had no known commercial value. In fact, it has most often been destroyed as areas are cleared and burned to make way for new forest growth.

With the discovery of taxol, interest in the yew tree and its proper management and harvest has grown. H.R. 3836, as amended, would simply provide for the efficient collection, cultivation, and utilization of the Pacific yew to facilitate the manufacture of taxol at a reasonable cost to cancer patients.

Mr. Speaker, I believe there are two important lessons to be learned from our experience with taxol, the yew tree, and the legislation before us today.

The first lesson is that we must recognize the potential value of other parts of the forest beyond what is of known commercial importance today. The yew tree was considered a trash tree until its valuable role in fighting cancer was discovered. This experience argues for promoting a better understanding of the forest ecosystem than current management and research have provided.

The second lesson is that the Congress, and particularly the three committees of jurisdiction represented on the floor today, can work cooperatively and effectively to resolve issues of common interest and national concern. Our collective experience in resolving differences over H.R. 3836 can serve us well as we seek to resolve other issues affecting the old-growth forests of the Pacific Northwest.

I commend the author of the legislation, Mr. STUDDS, for his concern and his foresight in introducing this measure. In addition, I commend the chairman of the Merchant Marine and Fisheries Committee, Mr. JONES, and the chairman of the Committee on Interior and Insular Affairs, Mr. MILLER, for their efforts to join the Committee on Agriculture in expediting consideration of H.R. 3836 in their respective committees.

Mr. Speaker, I do not believe that there is any controversy regarding H.R. 3836, as amended. I would urge my colleagues to support this important legislation so that efforts to promote the production of taxol to aid in the battle against ovarian and breast cancer can continue unimpeded.

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 3836, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend ther remarks on H.R. 3836, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ROCKY MOUNTAIN ARSENAL NATIONAL WILDLIFE REFUGE ACT OF 1992

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1435) to direct the Secretary of the Army to transfer jurisdiction over the Rocky Mountain Arsenal, CO, to the Secretary of the Interior, as amended.

The Clerk read as follows:

H.R. 1435

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND DEFINITIONS.

(a) SHORT TITLE.—This Act may be cited as the "Rocky Mountain Arsenal National Wildlife Refuge Act of 1992".

(b) DEFINITIONS.—For purpose of this Act:

(1) The term "Arsenal" means the Rocky Mountain Arsenal in the State of Colorado.

(2) The term "refuge" means the Rocky Mountain Arsenal National Wildlife Refuge established pursuant to section 4(a).

(3) The term "hazardous substance" has the meaning given such term by section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(14)).

(4) The term "pollutant or contaminant" has the meaning given such term by section 101(33) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(14)).

(5) The term "response action" has the meaning given the term "response" by section 101(25) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(25)).

(6) The term "person" has the meaning given that term by section 101(21) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(21)).

SEC. 2. TRANSFER OF MANAGEMENT RESPONSIBILITIES AND JURISDICTION OVER THE ROCKY MOUNTAIN ARSENAL.

(a) TRANSFER OF MANAGEMENT RESPONSIBILITIES.—(1) Not later than October 1, 1992, the Secretary of the Army and the Secretary of the Interior shall enter into a memorandum of understanding under which—

(A) the Secretary of the Army shall transfer to the Secretary of the Interior, without reimbursement, all responsibility to manage for wildlife and public use purposes the real property comprising the Rocky Mountain Arsenal in the State of Colorado, except the property and facilities required to be retained under subsection (c) or designated for disposal under section 5; and

(B) the Secretary of Interior shall manage that real property as if it were a unit of the National Wildlife Refuge System established for the purposes provided in section 4.

(2) The management of the property by the Secretary of the Interior shall be subject to (A) any response action at the Arsenal carried out by or under the authority of the Secretary of the Army under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) and other applicable provisions of law, and (B) any action required under any other statute to remediate petroleum products or their derivatives (including motor oil and aviation fuel) carried out by or under the authority of the Secretary of the Army. In the case of any conflict between management of the property by the Secretary of the Interior and any such response action or other action, the response action or other action shall take priority.

(b) TRANSFER OF JURISDICTION.—(1) Upon receipt of the certification described in paragraph (2), the Secretary of the Army shall transfer to the Secretary of the Interior jurisdiction over the real property comprising the Arsenal, except the property and facilities required to be retained under subsection (c) or designated for disposal under section 5. The transfer shall be made without cost to the Secretary of the Interior and shall include such improvements on the property as the Secretary of the Interior may request in writing for refuge management purposes.

(2) The transfer of real property under paragraph (1) may occur only after the Administrator of the Environmental Protection Agency certifies to the Secretary of the Army that response action required at the Arsenal and any action required under any other statute to remediate petroleum products or their derivatives (including motor oil and aviation fuel) at the Arsenal have been completed, except operation and maintenance associated with those actions.

(3) The exact acreage and legal description of the real property subject to transfer under paragraph (1) shall be determined by a survey mutually satisfactory to the Secretary of the Army and the Secretary of the Interior. The Secretary of the Army shall bear any costs related to the survey.

(c) PROPERTY AND FACILITIES EXCLUDED FROM TRANSFERS.—

(1) PROPERTY USED FOR ENVIRONMENTAL CLEANUP PURPOSES.—The Secretary of the Army shall retain jurisdiction, authority, and control over all real property at the Arsenal to be used for water treatment; the treatment, storage, or disposal of hazardous substances, pollutants, or contaminants; or other purposes related to response action at the Arsenal and any action required under any other statute to remediate petroleum products or their derivatives (including motor oil and aviation fuel) at the Arsenal. The Secretary of the Army shall consult with the Secretary of the Interior regarding the identification and management of all real property retained under this paragraph and ensure that activities carried out on that property are—

(A) consistent with the purposes for which the refuge is to be established under section 4(c), to the extent practicable; and

(B) consistent with the provisions of sections 2(a)(2) and 4(e).

(2) PROPERTY USED FOR LEASE OF PUBLIC FACILITIES.—(A) The Secretary of the Army shall retain jurisdiction, authority, and control over the following real property at the Arsenal:

(i) Approximately 12.08 acres containing the South Adams County Water Treatment Plant and described in Department of the Army lease No. DACA 45-1-87-6121.

(ii) Approximately 63.04 acres containing a unanimous consent Postal Service facility and described in Department of the Army lease No. DACA 45-4-71-6185.

(B) Nothing in this Act shall affect the validity or continued operation of leases of the Department of the Army in existence on the date of the enactment of this Act and involving the property described in subparagraph (A).

SEC. 3. CONTINUATION OF RESPONSIBILITY AND LIABILITY OF THE SECRETARY OF THE ARMY FOR ENVIRONMENTAL CLEANUP.

(a) RESPONSIBILITY.—Notwithstanding the memorandum of understanding required under section 2(a), the Secretary of the Army shall, with respect to the real property at the Arsenal that is subject to the memorandum, continue to carry out (1) response action at that property under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) and other applicable provisions of law, and (2) any action required under any other statute to remediate petroleum products or their derivatives (including motor oil and aviation fuel). The management by the Secretary of the Interior of such real property shall be subject to any such response action or other action at the property being carried out by or under the authority of the Secretary of the Army under such provisions of law.

(b) LIABILITY.—(1) Nothing in this Act shall relieve, and no action may be taken under this Act to relieve, the Secretary of the Army or any other person from any obligation or other liability at the Arsenal under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) and other applicable provisions of law.

(2) After the transfer of jurisdiction under section 2(b), the Secretary of the Army shall retain any obligation or other liability at the Arsenal under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) and other applicable provisions of law and shall be accorded all easements and access as may be reasonably required to carry out such obligation or other liability.

(c) DEGREE OF CLEANUP.—Nothing in this Act shall be construed to restrict or lessen the degree of cleanup at the Arsenal required to be carried out under applicable provisions of law.

(d) PAYMENT OF RESPONSE ACTION COSTS.—Any Federal department or agency that had or has operations at the Arsenal resulting in the release or threatened release of hazardous substances, pollutants, or contaminants shall pay the cost of related response actions or related actions under other statutes to remediate petroleum products or their derivatives, including motor oil and aviation fuel.

(e) CONSULTATION.—In carrying out response actions at the Arsenal, the Secretary of the Army shall consult with the Secretary of the Interior to ensure that such actions are carried out in a manner—

(1) consistent with the purposes for which the refuge is to be established under section 4(c), to the extent practicable; and

(2) consistent with the provisions of sections 2(a)(2) and 4(e).

(f) RELATIONSHIP TO OTHER ENVIRONMENTAL LAWS.—(1) For purposes of response action at the Arsenal, each of the following laws, in addition to other environmental laws legally applicable or relevant and appropriate under section 121(d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9621(d)), shall be considered to be a Federal environmental law that contains a standard, requirement, criterion, or limitation that is legally applicable or is relevant and appropriate under such section:

(A) The Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(B) The Migratory Bird Treaty Act (16 U.S.C. 703 et seq.).

(C) The Act of June 8, 1940 (16 U.S.C. 668 et seq.; popularly known as the Bald Eagle Protection Act).

(2) In order to ensure that the continued existence of endangered and threatened species is not jeopardized, the Administrator of the Environmental Protection Agency shall, in administering the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) with respect to the Arsenal, consult with the Secretary of Interior pursuant to section 7 of the Endangered Species Act (16 U.S.C. 1536).

SEC. 4. ESTABLISHMENT OF THE ROCKY MOUNTAIN ARSENAL NATIONAL WILDLIFE REFUGE.

(a) ESTABLISHMENT.—Not later than 30 days after the transfer of jurisdiction under section 2(b), the Secretary of the Interior shall establish a national wildlife refuge that shall be known as the Rocky Mountain Arsenal National Wildlife Refuge and consist of the real property required to be transferred under such section. The Secretary of the Interior shall publish a notice of the establishment of the refuge in the Federal Register.

(b) ADMINISTRATION.—

(1) IN GENERAL.—The Secretary of the Interior shall manage the refuge in accordance with the National Wildlife Refuge System Administration Act of 1966 (15 U.S.C. 668dd et seq.) and other applicable law.

(2) CONSULTATION.—In developing plans for the management of fish and wildlife at and public use of the refuge, the Secretary of the Interior shall—

(A) consult with the Colorado Department of Natural Resources and local governments adjacent to the refuge; and

(B) provide an opportunity for public comment on such plans.

(3) The Secretary of the Interior and the Administrator of the Federal Aviation Administration shall confer from time to time as necessary to coordinate the management of the refuge with the operations of the Denver International Airport.

(c) PURPOSES OF THE REFUGE.—The refuge is established for the following purposes:

(1) To conserve and enhance populations of fish, wildlife, and plants within the refuge, including populations of waterfowl, raptors, passerines, marsh and water birds, and species presently or in the future listed as threatened or endangered.

(2) To provide maximum fish and wildlife oriented public uses at levels compatible with the conservation and enhancement of wildlife and wildlife habitat.

(3) To provide opportunities for compatible scientific research.

(4) To provide opportunities for compatible environmental and land use education.

(5) To conserve and enhance the land and water of the refuge in a manner that will conserve and enhance the natural diversity of fish, wildlife, plants, and their habitats.

(6) To protect and enhance the quality of aquatic habitat within the refuge.

(7) To fulfill international treaty obligations of the United States with respect to fish and wildlife and their habitats.

(d) LIMITATIONS.—

(1) PROHIBITION AGAINST ANNEXATION.—Notwithstanding section 4(a)(2) of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd(a)(2)), the Secretary of the Interior shall not allow the annexation of lands within the refuge by any unit of general local government.

(2) PROHIBITION AGAINST THROUGH ROADS.—Public roads may not be constructed through the refuge.

(e) RESPONSE ACTIONS.—(1) The establishment of the refuge shall not restrict or lessen in any way the ongoing response action under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or other applicable provisions of law, or any ongoing action required under any other statute to remediate petroleum products or their derivatives (including motor oil and aviation fuel), required to be carried out by or under the authority of the Secretary of the Army at the Arsenal and surrounding areas, including (but not limited to)—

(A) the substance or performance of the remedial investigation and feasibility study or endangerment assessments;

(B) the contents and conclusions of the remedial investigation and feasibility study or the endangerment assessments reports; or

(C) the selection and implementation of response action and any action required under any other statute to remediate petroleum products or their derivatives (including motor oil and aviation fuel) for the Arsenal and surrounding areas.

(2) All response action and action required under any other statute to remediate petroleum products or their derivatives (including motor oil and aviation fuel) carried out at the Arsenal shall attain a degree of cleanup of hazardous substances, pollutants, and contaminants that, at a minimum, is sufficient to permit access to all real property comprising the refuge by refuge personnel and wildlife researchers.

SEC. 5. DISPOSAL OF CERTAIN REAL PROPERTY AT THE ARSENAL FOR COMMERCIAL, HIGHWAY, OR OTHER PUBLIC USE.

(a) PROPERTY DESIGNATED FOR DISPOSAL UNDER THIS SECTION.—The following areas of real property at the Arsenal are designated for disposal under this section for commercial, highway, or other public use purposes;

(1) An area of real property consisting of approximately 815 acres located at the Arsenal, the approximate legal description of which is section 9, T3S–R67W, the W2W2 of section 4 and the W4E2W2 of section 4, T3S–R67W, and the SW4SW4 of section 33, the W4E2W2 of section 33, and the W2NW4 of section 33, T2S–R67W; except that the area designated shall not include the approximately 63.04 acres containing a United States Postal Service facility and described in Department of the Army lease No. DACA 45–4–71–6185 and the water wells located in buildings 385, 386, and 387 at the Arsenal and associated facilities and easements necessary to operate and maintain the water wells, which shall be treated in the manner provided in section 2.

(2) To permit the widening of existing roads, an area of real property of not more than 100 feet inside the boundary of the Arsenal on—

(A) the Northwest side of the Arsenal adjacent to Colorado Highway #2;

(B) the Northern side of the Arsenal adjacent to 96th Avenue; and

(C) the Southern side of the Arsenal adjacent to 56th Avenue.

(b) TRANSFER FOR HIGHWAY PURPOSES.—The Secretary of the Army shall convey those parcels of real property described in subsection (a)(2) to the State or the appropriate unit of general local government at no cost to allow for the improvement of public roads in existence on the date of the enactment of this Act or for the provision of alternative means of transportation.

(c) TRANSFER FOR SALE.—(1) The Secretary of the Army shall transfer to the Administrator of the General Services Administration those parcels of the area of real property described in subsection (a)(1). The transferred property shall be sold in advertised sales as surplus property under the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), except that the provisions of such Act relating to reduced or no-cost transfers to other governmental entities shall not apply to this property.

(2) Any amounts realized by the United States upon the sale of property as described in paragraph (1) shall be transferred to the Director of the United States Fish and Wildlife Service to be used, to the extent provided for in appropriation Acts, to supplement the funds otherwise available for construction of a visitor and education center at the refuge.

(d) LIMITATIONS.—

(1) PERPETUAL RESTRICTIONS.—(A) The disposal of real property under this section shall be subject to perpetual restrictions that are attached to any deed to such property and that prohibit—

(i) the use of the property for residential or industrial purposes;

(ii) the use of ground water located under, or surface water located on the property as a source of potable water;

(iii) hunting and fishing on the property, excluding hunting and fishing for nonconsumptive use subject to appropriate restrictions; and

(iv) agricultural use of the property, including all farming activities such as the raising of livestock, crops, or vegetables, but excluding agricultural practices used in response action or used for erosion control.

(B) Nothing in subparagraph (A) shall be construed to restrict or lessen the degree of cleanup required to be carried out under applicable provisions of law at the property designated for disposal under this section.

(2) DISPOSAL IN ACCORDANCE WITH CERCLA.—The disposal of real property under this section shall be carried out in compliance with section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)) and other applicable provisions of law.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Colorado [Mrs. SCHROEDER] will be recognized for 20 minutes, and the gentleman from Guam [Mr. BLAZ] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in very strong support of this refuge bill, and tell Members how terribly important and historic this moment is. If anyone had told me a couple of years ago we could turn the Rocky Mountain Arsenal into a wildlife refuge I would have thought that they were absolutely crazy.

This was some of the most polluted land in America. It was a Superfund site. It was a site that in World War II was used by the U.S. Army for chemical weapons, and then later on leased to companies to make herbicides and pesticides. And obviously in those days they never thought about it, so the waste was allowed to be stored, it was allowed to be buried, chemical weapons were stored, all sorts of things without really keeping maps, and without really understanding what they were doing.

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When they really realized the level of toxicity and the level of poisoning of the soil and everything around there, obviously it had already been done, so we have made incredible progress from that day forward trying very hard to figure out what to do.

For many years there were many people who thought the Rocky Mountain Arsenal could never be cleaned up. The interesting thing is that in this 27-square-mile area, only 15 percent was really heavily contaminated, and the wildlife must have figured that out, because they moved in on the rest of it, and the next thing we knew, as we were debating how to clean up that 15 percent, was this incredible diversity and density of wildlife suddenly blossomed all over the arsenal. In fact, there is no other area of comparable size that has the diversity and density of wildlife.

In 1989 the U.S. Fish and Wildlife entered into a wildlife management agreement with the Army, and we have all been very concerned from that day forward that we find a way to clean up polluted soil to meet all the criteria of the Federal law. That is why we have had amendments to the bill, and many people looking at this bill to make sure it gets cleaned up to the standard that we want, but also that we do not interrupt the wildlife. You do not want to totally dismantle it, because at that point you really would be making them homeless or sending them out somewhere else, and since it is almost totally surrounded by urban areas, there are not too many places they can go.

I want to really commend so many people who worked so hard in trying to make this happen. It has not been at all easy, but the gentleman from Colorado [Mr. ALLARD] has been wonderful in that he came forward on the Republican side and helped broker the very first compromise as to what we did to get the community to accept it more, and I also want to thank the gentleman from Massachusetts [Mr. STUDDS] for the terrific work his committee did on Merchant Marine and Fisheries, and the gentleman from North Carolina [Mr. JONES] for shepherding it through that committee to make sure that we finally got a package that everyone agreed to.

Over and over, I have said there is no hidden agenda here. We want to comply with all the Federal laws. We want the cleanup to be maximum, but we also want to make it very clear that when this is done, this wildlife refuge will be there, and it will not suddenly be bulldozed, or it will not be nibbled away or suddenly we find that people say we spent so much money cleaning it up that we have just got to pave it over. You know how that is. So this really is one of the very strong reasons, I think, so many people in the community worked together to make sure we made it clear what this land use was going to be and where we should go with it.

So I really am happy to be here today and to thank the many people for helping me get here, because it has been a long, long task. I think it was one of the very first issues that I got involved in as a young freshman when I came here, and I was not sure I was going to live long enough to see this ever happen.

I also want to thank Louis Walker, who has been the Deputy Assistant Secretary of the Army, who has helped shepherd this through, too. We have almost driven him nuts with meetings and all sorts of other things. There are many, many other people I should thank.

Once again, I will say that I think this is going to be a real national treasure. I stand very proudly here today saying I think my State of Colorado is learning how to do conversion, learning how to look at things we have not looked at with different eyes such as the military installations, to find out the wildlife significance they have, and these may be the last significant chunks of land we can put away for that kind of the breathing space of the next generation and to preserve many of the species that need certainly some space to be able to flourish in.

One of the groups that has flourished the best in our area have been the incredible beautiful bald eagle, and to go there and to winter and see all of those nesting bald eagles on an area that we thought was a total loss is just absolutely amazing.

So to have gone from this total loss to something we thought we would have to trash to something that we now recognize as a real treasure is a very historic moment, and we hope it is only the beginning of many more positive things that can be done as we go through this downsizing of the military and trying to figure out what to do with a lot of this land for the future.

I rise in support of H.R. 1435, the Rocky Mountain Arsenal National Wildlife Refuge Act. This version of the bill was ordered reported from the Merchant Marine and Fisheries Committee last week, and marks a continued improvement of the bill. I support it wholeheartedly.

H.R. 1435 creates a national wildlife refuge at the Rocky Mountain Arsenal, a former Army chemical weapons factory, in Adams County, CO.

I introduced H.R. 1435 on March 13, 1991. On September 9, 1991, the Armed Services Subcommittee on Military Installations and Facilities, which I chair, held a joint hearing on the bill in Denver with the Merchant Marine Subcommittee on Fisheries and Wildlife Conservation and the Environment. We had an excellent hearing and received many valuable suggestions for improving the bill. On February 19, 1992 the Armed Services Committee marked up the bill, and approved a substitute bill incorporating these improvements. The bill before us today represents an additional improvement of that bill.

After years of controversy, local, State, and Federal Governnment officials, and private citizens, have reached a compromise agreement on the wildlife refuge concept. The Army, Department of Interior, and the Environmental Protection Agency support the bill.

Rocky Mountain Arsenal has an interesting, yet controversial, history. During World War II, the Army opened the 19,000-acre arsenal in Adams County. CO, 10 miles from downtown Denver. It was created to produce and store chemical and conventional weapons during World War II. After the war, a portion of the arsenal was leased to a company later acquired by Shell Oil Co., for production of pesticides and herbicides. Rocket fuel also was blended at the arsenal.

Wastes produced by these operation at the arsenal were dumped directly into the ground. Although this was commonplace at the time, it was environmentally unsound. Contamination also resulted from the toxic materials and byproducts of the manufacturing operations. The result has been extensive contamination of soil and groundwater.

The arsenal was declared a Superfund site in the mid-1980's. Cleanup efforts have been, and continue to be, ongoing, funded by defense environmental restoration account appropriations and Shell Oil, under a Federal facilities agreement. Munitions are no longer manufactured or stored at Rocky Mountain Arsenal. The only mission left is environmental restoration.

For years many thought that the arsenal would never be cleaned up. And no one dared believe that the arsenal would ever be attractive to wildlife.

But because of its 27-square-mile size and the extensive contamination occurred on only approximately 15 percent of the site, the arsenal hosts a wide variety of wildlife. The arsenal has turned into an informal wildlife haven. No area of comparable size possesses of the diversity and density of wildlife that exists at the arsenal.

In 1989, the U.S. Fish and Wildlife Service entered into a wildlife management agreement with the Army and instituted public tours, a visitors center and a bald eagle observation point. Last year, over 40,000 visitors took wildlife tours at the arsenal.

H.R. 1435 will ensure that environmental cleanup of Rocky Mountain Arsenal will continue and be completed, in accordance with the Comprehensive Environmental Response, Compensation and Liability Act [CERCLA] and other applicable provisions of law. The bill does not require the selection of a particular cleanup remedy. The remedy will be selected using procedures set forth under CERCLA and the national contingency plan.

After environmental remediation is complete, then the arsenal will become part of the national wildlife refuge system. Until then, the Department of Interior will manage the arsenal as if it were a national wildlife refuge.

Mr. Speaker, there are many people to thank for helping to pass H.R. 1435. I first want to thank all of the interested parties in Colorado who worked with us in creating and refining the wildlife refuge concept. My colleague from Colorado, Mr. ALLARD, gave great assistance by brokering the first compromise on the issue. His bill, H.R. 2883, was an important step in bringing together all of the parties in Colorado and agreeing to transform the arsenal into a wildlife refuge.

I want to commend and thank the gentleman from Massachusetts, the chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, Mr. STUDDS, and the gentleman from North Carolina, the chairman of the full Committee, Mr. JONES, for shepherding this bill through the Merchant Marine Committee. I also want to extend my appreciation to the chairman of the Energy and Commerce Committee, the gentleman from Michigan [Mr. DINGELL] for working with both committees to resolve concerns in the bill relating to environmental restoration. They and their staffs were very helpful in resolving these matters.

I also want to thank the Department of the Army, the Department of Interior, the Fish and Wildlife Service and the Environmental Protection Agency for working with us to create a strong and workable bill. I especially want to thank Lewis D. Walker, the Deputy Assistant Secretary of the Army, who has worked with me on Rocky Mountain Arsenal for many years, and John Fomous, the Army's attorney on the arsenal, for their help.

H.R. 1435 represents one of those rare opportunities when the Congress can turn what could have been a tragedy into a triumph. I ask my colleagues for their support.

Mr. Speaker, I reserve the balance of my time.

Mr. BLAZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once in a while, we participate in the enactment of legislation that is a classic. I think today is one such instance.

We are dealing with a bill that has bipartisan support. We are dealing with a bill that is supported by the administration. We are dealing with a bill that converts, of all things, a war arsenal to a wildlife refuge. We are dealing with a bill that contemplates the cleaning of the contaminated areas and converting it so it would be suitable for nature. We are dealing with something that I think all of us would wish that we had been able to participate in, and that is working together in a bipartisan manner.

I cannot help but note the presence of the chairman, the gentleman from Michigan [Mr. DINGELL], because it reminds me of 7 years ago the first time I went to this well, the person on the other side was the chairman, the gentleman from Michigan [Mr. DINGELL], and on that day we had a major disagreement. I believe that today we may be on the same side of the issue.

I will soon yield to the gentleman who represents the district who will give many of the particulars that need to be heard.

At this moment, though, I would like to just say that I commend the gentlewoman from Colorado [Mrs. SCHROEDER], the chairman, for her work. She continues to do the kind of work that I think is the envy of many of us, of the manner in which she does it exquisitely well, and I also commend the gentleman from Colorado [Mr. ALLARD], who, in partnership with her, has gotten us this far.

Mr. Speaker, I reserve the balance of my time.

Mrs. SCHROEDER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Massachusetts [Mr. STUDDS], who has been so helpful in helping us rewrite this bill and making it very acceptable.

Mr. STUDDS. Mr. Speaker, I want to commend the gentlewoman. This is something which she did not let me forget until we got it done and went so far as actually going to Colorado and look at this.

As a general proposition, I do not think that Superfund sites make ideal wildlife refuges, so I began as a skeptic, and I ended as a thorough and enthusiastic convert of the gentlewoman and her dream.

I think this is going to be a magnificent piece of our future, and I am proud to be a very small part of it.

I commend both the gentleman and the gentlewoman from Colorado.

Mr. Speaker, I rise in strong support of H.R. 1435, legislation that would establish a National Wildlife Refuge at the site of the Rocky Mountain Arsenal.

My initial reaction to the proposal was one of skepticism. Our wildlife refuges have been severely criticized as actually being harmful to wildlife—and I was wary of adding the arsenal—which is a Superfund site—to the refuge system. However, before the subcommittee's field hearing in Denver last September, I had the opportunity to visit the arsenal. I came to realize that the diverse array of wildlife there—so close to a large urban center—is truly unique. There were bald eagles and hawks soaring overhead, prairie dogs poking out of their holes, herds of mule deer and white tail deer grazing, and the Denver skyline providing a backdrop only a few miles away. I was convinced that this property can be a valuable addition to the refuge system, once cleanup is complete.

I want to commend Mrs. SCHROEDER and Mr. DINGELL and their respective staff for their efforts and good work in on this legislation. Mr. Speaker, This is a good bill, and I urge Members to support it.

Mrs. SCHROEDER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. DINGELL], the chairman of the Committee on Energy and Commerce.

Mr. DINGELL. Mr. Speaker, I first would like to commend the distinguished gentlewoman for her forceful and able advocacy of this proposal. It is a good proposal. I support it, and I urge my colleagues to do likewise.

Mr. Speaker, I would also like to commend the distinguished gentleman from Wisconsin [Mr. ASPIN], chairman of the full Committee on Armed Services, and my good friend, the gentleman from Massachusetts [Mr. STUDDS], chairman of the subcommittee I used to have the honor of chairing in years past, which was a very happy time, for the cooperation and the effort which they have put into this very fine legislation.

I would like to ask the gentlewoman from Colorado a few questions to ensure that I correctly understand the intent and scope of the bill.

First, I want to ensure that we do not add contaminated sites to the National Wildlife Refuge System. Am I correct in my understanding that Rocky Mountain Arsenal will not officially become part of the National Refuge System until the site has been fully and properly cleaned up?

The Energy and Commerce Committee's concerns stem from the fact that this is the first time that Congress is legislating the ultimate land use at a Superfund site and that this determination precedes completion of the normal remedy selection process used for all Superfund sites. The risk assessments that are an integral part of the remedial investigation and feasibility study process have not yet been completed at Rocky Mountain Arsenal. Consequently, the appropriate remedy also has not yet been identified or considered. However, the Energy and Commerce Committee expects and intends that designating Rocky Mountain Arsenal as a wildlife refuge will not compromise the cleanup that otherwise was expected to occur at Rocky Mountain Arsenal.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I am happy to yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Yes. Rocky Mountain Arsenal will not become part of the Refuge System until the Administrator of the Environmental Protection Agency certifies that all response action required to be conducted has been completed. Until that time, the Fish and Wildlife Service will manage wildlife and public uses at Rocky Mountain Arsenal as if it were a refuge.

Mr. DINGELL. I am also concerned that the Fish and Wildlife Service not bear the costs of cleanup of contamination caused by the Department of the Army or any other Federal agency. Is it correct that those Federal agencies that may have caused the contamination will also pay the costs of cleanup?

Mrs. SCHROEDER. Yes, that is correct.

Mr. DINGELL. Lastly, I understand that nothing in this legislation prohibits hunting on the refuge. Is this correct?

Mrs. SCHROEDER. Nothing in this legislation prohibits hunting on the arsenal. In fact, it is my understanding from the Fish and Wildlife Service that hunting may be needed in the future to control the deer population.

Mr. DINGELL. I thank the gentlewoman for engaging in this constructive colloquy.

Mr. Speaker, I commend the gentlewoman for the vigorous job which she has done in pressing forward with this legislation and commend my good friend, the gentleman from Guam [Mr. BLAZ], for the job which he has done also on this, and I wish her well on her success in this matter.

Mrs. SCHROEDER. I thank the gentleman for his very kind words.

□ 1350

Mr. BLAZ. Mr. Speaker, I yield such time as he may consume to the gentleman from Colorado [Mr. ALLARD].

Mr. ALLARD. Mr. Speaker, first, I thank the gentleman from Guam for yielding me this time.

Mr. Speaker, today is an extraordinary day. Today the House of Representatives will consider H.R. 1435, a bill to designate the Rocky Mountain Arsenal in Colorado a National Wildlife Refuge. This is a complex bill which required the cooperation of many individuals. Seeing H.R. 1435 being voted on today, a piece of legislation that has been so carefully crafted and combines so many interests, truly reinforces my belief in the legislative process and what can be accomplished when working diligently on a bipartisan basis.

While the Rocky Mountain Arsenal is presently in the Fourth District of Colorado, which I represent, it will become part of Congresswoman SCHROEDER's district next year.

I can hardly proceed in discussing this legislation without mentioning and extending my gratitude to Congresswoman SCHROEDER, who has been an invaluable part of this entire process. It is because of her hard work and political acumen in this session of Congress and in the past, as well as the efforts by Senator HANK BROWN, who was the previous Representative of the Fourth District and the sponsor of this legislation on the Senate side, that a compromise was able to be forged among the myraid parties involved.

Those individuals who may be somewhat familiar with the Rocky Mountain Arsenal, unfortunately, may only know of the infamous scope of its pollution. It is listed on the national priority list for Superfund cleanup sites and has even been classified as one of the "most polluted areas in America." For too long this site has been a symbol of mankind's environmental degradation and ecological ignorance.

Yet, what some may not know is that the Rocky Mountain Arsenal is also acclaimed for the depth and diversity of the Wildlife System it fosters. As one of the few Federal lands residing on the edge of a major metropolitan center, this Superfund site is visited by thousands of tourists and lovers of nature each year. It is a symbol of natural splendor and has the unique honor of being the largest—perhaps best—urban wildlife refuge in the country.

The decision to designate this unique Superfund site into a wildlife refuge met virtually no opposition. It was a unanimous feat waiting to be achieved. The decision was on how that was to be accomplished.

However, the numerous parties involved and the wide ranging concerns and proposals offered to achieve this renowned transformation, posed innumerable conflicts and a host of competing interests that had to be reconciled in order to accomplish the forward thinking initiatives set forth in H.R. 1435.

The compromise legislation that was forged combined the interests of five separate municipalities, there different county governments, the Army, Shell Oil Co., and other Superfund participants, U.S. Fish and Wildlife, the Environmental Protection Agency, the Department of Justice, the Department of Transportation, citizen and environmental groups, and last but not least, numerous local businesses and surrounding landowners in the community. The concerns varied considerably on the role of cleanup, transportation development and land use. Clearly there have been many differing, but valid concerns associated with a wildlife refuge at the Rocky Mountain Arsenal.

As background of my involvement in this issue and the genesis of H.R. 1435, we have held dozens of individual meetings with many groups and have hosted two, public, roundtable discussions, we have asked for and received input from many, many groups.

I will say this repeatedly and earnestly: It has been my goal to neither dictate nor diminish the level of cleanup which will be required at this site. The Army and Shell Oil must be responsible for the cleanup which must proceed in the same manner and within the guidelines of Superfund cleanup procedure currently in existence. As Congresswoman SCHROEDER can attest, this was not an easy challenge. Consequently, the remedy selected, uses current laws and procedures set forth under the Comprehensive Environmental Response Liability Act [CERCLA].

I am confident that any previous concerns have been addressed by the additions made by the Armed Services Committee, and the Merchant Marine and Fisheries Committee. Also by the very technical and prompt work of the Energy and Commerce Committee.

Clearly, this bill represents a fragile balance of support, making the passage of this extraordinary legislation possible today. Bringing the bill to the floor has been, what some would say, a remarkable challenge. The opportunity to endorse this proposal and turn one of the most polluted Superfund sites in the Nation into one of the most spectacular wildlife refuges in existence, is here. It is an opportunity to have a wildlife research and education facility with endangered species juxtaposed to a metropolitan area. Truly a unique concept.

For this reason, I urge my colleagues to join the Colorado delegation and the many interested groups and support H.R. 1435.

Lastly, I just want to thank the following individuals:

Bill Porter, Gov. Roy Romer's office; Randall R. Bowman, U.S. Fish & Wildlife Service; Mike Brennan, U.S. Fish & Wildlife Service; James E. Rich, Shell Oil Co; Tom Lustig, National Wildlife Federation.

John Fomous, U.S. Department of the Army; Larry L. Ford, South Adams County Water & Sanitation; Kelly Drake, Colorado Wildlife Federation.

Steve Crowell, City of Commerce City; Connally Mears, EPA; Angela Medbery, Sierra Club; Bill McKinney, Shell Oil Co.

Pete Gober, U.S. Fish & Wildlife; Col. Eugene Bishop, PMRMA; Polly R. Reitz, Denver Audubon; Harold Kite, Adams County Commissioner; Bill Thomas.

Mr. BLAZ. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, I just want to close my remarks by saying once again what a magnificent commentary on our House, this great House of ours, that a bill of this nature could come with the kind of support that it does carry with it.

It also must be very reassuring to the environmentalists and people who are so concerned about what we are doing, because I think the Colorado delegation here has held clinic for all of us on what could be done.

I was an indirect participant in this thing. I was part of the committee that heard it, but it was so encouraging, it was so inspiring, that I think it should be a source, quite frankly, of inspiration to many other jurisdictions.

And of all places, Mr. Speaker, it is happening in Colorado. Why not, why not Colorado?

So I salute Madam Chair, the gentlewoman from Colorado [Mrs. SCHROEDER] and the gentleman from Colorado [Mr. ALLARD] for their fine work and their demonstration of how we can do things around this magnificent body.

Mrs. SCHROEDER. Mr. Speaker, I yield 2 minutes to the other distinguished gentleman from Colorado who is on the floor today [Mr. SKAGGS].

Mr. SKAGGS. Mr. Speaker, I thank the gentlewoman for yielding me this time.

I want to commend her and my colleague, the gentleman from Colorado

[Mr. ALLARD] for the leadership they have shown in moving this legislation.

Although my district does not come as near to the arsenal property as either of theirs, I want to express my support and enthusiastically urge my colleagues to vote for this bill, because it really represents a tremendous example of cooperation at all levels of government and a tremendous example of what can be done with property that otherwise seemed to pose an enormous burden and turn it into a great potential benefit.

All the people of Colorado, and really the Nation, who visit us in great numbers as tourists, are going to enjoy the very unique habitat and wildlife potential of the arsenal as it becomes a wildlife refugee.

Again my thanks and commendation to my colleagues for moving this legislation.

Mrs. SCHROEDER. Mr. Speaker, I yield myself the balance of the time. I do not think I will take all the time, but I want to thank the gentleman from Guam for his kind words.

I want to thank the gentleman from Colorado [Mr. ALLARD], too. As a young freshman here, we threw him into this fight, and as you can tell by his eloquent speech, he came out just fine and landed on his feet.

If it had not been for all these many meetings and all the sweat equity we put into this, plus his incredible expertise as a veterinarian, so he really did understand about the size and the scope of the habitat that was needed, and I am not sure that we would be here today but for that.

I just want to say, as you can tell from the number of speakers who have been here, from the gentleman from Michigan [Mr. DINGELL] and his very esteemed committee and the Merchant Marine and Fisheries Committee and everyone else, many people have worked on this.

We are hoping that this is one of the bright spots as we look forward to see this done.

I know both the gentleman from Colorado [Mr. ALLARD] and myself have called this a refugee area. I think it is probably because the distinguished chair today is head of the Refugee Committee, I am not sure; but the more I think about it, wildlife is a refugee anymore in our country as we see urban sprawl and everything.

□ 1400

So in a way this is a refugee area for eagles and coyotes and all sorts of things that are being displaced by other things that are happening.

So I guess it is, of a sort, although we meant to say refuge area.

I started a bad precedent there.

Anyway, I truly say I never thought I would be standing here to say this was all nailed down. It has been rather like nailing jello to the wall. But it appears that we have made it, really, very clear as to what we want to do.

It is a very historic and wonderful precedent. And I am very pleased it has the bipartisan support and the enthusiastic support of my State that likes to think of itself as a leader in this kind of area, and I think this time it indeed has.

Mr. JONES of North Carolina. Mr. Speaker, H.R. 1435 directs the Secretary of the Army to transfer the lands of the Rocky Mountain arsenal to the Secretary of the Interior for use as a wildlife refuge.

These lands are home to significant numbers of fish, birds, and wildlife. Its value as habitat and its proximity to Denver will make it a premier wildlife refuge.

The history of this site will also help educate our children about the environmental costs of war. Between 1942 and 1982, chemicals and weapons made at the arsenal so severely contaminated the soil and water that the area has been designated as a Superfund cleanup site.

My committee has worked cooperatively with the Armed Services and Energy and Commerce Committees to craft this bill. As reported from my committee, the objectives of full cleanup, refuge establishment, and environmental education will be well served.

I urge by colleagues to support Mrs. SCHROEDER in getting these lands cleaned up and transferred to the national wildlife refuge system.

Mrs. SCHROEDER. So with that, Mr. Speaker, I yield back the balance of my time.

Mr. BLAZ. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentlewoman from Colorado [Mrs. SCHROEDER] that the House suspend the rules and pass the bill, H.R. 1435, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1435, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

THIS YEAR PROVIDES OPPORTUNITY FOR CHANGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wyoming [Mr. THOMAS] will be recognized for 5 minutes.

Mr. THOMAS of Wyoming. I thank the Speaker.

Mr. Speaker, I want to talk a little bit about the direction this country is taking. It is a good time to do it, with the good attitude, the happy bunch that was here from Colorado, all seemed to be pleased.

So I would like to talk a little bit about the direction this country is taking, and specifically the role of the Government and the direction it is taking, and the role of the Federal Government which of course is often overstated, I think, in an election year such as we have now.

I want to talk a little bit about change, fundamental change, and suggest that in my view we are going to need a peaceful revolution to do things differently than we have been doing them. We talk a lot about that but we do not do much of it.

We are in the midst of a Presidential election as well as congressional elections. We have a great opportunity to make some fundamental change.

As I view it there currently are three candidates for the Presidency. One has a notion that we ought to have more Government, that we ought to do more Government spending; another, most of us are not certain what his plan is; and the third, I think, has a plan for less Government but it is not very well defined.

So I am not surprised that there seems to be a great deal of frustration in the country about Government programs and the fact that they have not brought about a great deal of satisfaction. And I find this everywhere I go.

I think if you talked about some of the programs that are most important to us you would find a certain lack of success felt in these programs. For example, the economy.

The economy of course is not satisfactory to many people; growing perhaps but very slowly.

We find ourselves in competition with the world, we find ourselves in a transition I believe from 50 years of a defense-oriented kind of economy to one that will be absent the cold war and be a peaceful kind of economy, very difficult.

Talk about the deficit, surely our success rate in the deficit is not one that is satisfactory. We have gotten deeper and deeper into the deficit each year and continue to do that.

Health care, I do not know of many people who are satisfied with what we have done in health care. We have a very strong program for almost everyone, but we do not have health care for 35 million people in the way that we would like to see it.

We have a health care program that is increasing at 12 to 13 percent a year in cost which is unsustainable over a period of time.

Welfare, I do not know of many people who are pleased with the success ratio in welfare.

Education, even, is one that is very seldom viewed as being most successful.

So I guess the point is that you cannot then expect success over a period of time if you are unwilling to change, you cannot continue to put more and more money into the same programs and have anticipation of change.

It seems to me we ought to examine what we expect of government as individuals. Maybe we ought to say to ourselves, "What do you really expect from government?" and more particularly "from the Federal Government." And further, "How deeply should the Federal Government be involved in our lives?" "How much government do you want? More or less?" And I suppose each of us might come up with something of a different answer.

But I think those are basic questions that we ought to ask ourselves. I am encouraged—I am not discouraged about where we are, certainly, because I think there are some fundamental changes that can be made and in my view fundamental changes that would be successful and would improve the success ratio of what we are doing.

And some of those things are being done now. They have to do with entrepreneurial government, for example, entrepreneurial government such as we use in the private sector that has to do with the use of resources, with the changing use of resources so that they become more effective.

I stopped in Denver on my way back from Wyoming yesterday and went to a company, the UPS. I was really impressed by a company that is well managed, one that has an outcome orientation, one that has an orientation totally toward customers. It seems to me that that is the kind of thing we need to do.

All the items that I mentioned, the economy, if we could provide some more impetus to the private sector I believe it would be more successful. In the deficit area, clearly we have to do something fairly simple; either you spend less or you tax more, or some combination.

It is fairly simple to do.

It seems to me if you like less government, you have to spend less; leave more money in the hands of the people to use in the private sector.

Health care, we can fix health care; basically we have not made the decision whether we want a national health care program or whether we want to strengthen the private delivery system.

I know where my position is. I am strongly in favor of the private delivery system.

We have not crossed that threshold.

So, Mr. Chairman, I think there are great opportunities for us to take a look at what we really expect, what our expectations, realistic expectations should be and frankly what we are willing to pay for. And those two things do go together.

Mr. Speaker, it is a great opportunity I think to make some fundamental change, indeed a private revolution to say that we think we can change government programs to make them more effective. We have to take the bull by the tail and look the problem in the eye. I think we can do that. It would provide for this fundamental change. And if we answer these basic questions I believe this election will be one really oriented toward results rather than the bells and whistles we often find in Presidential elections.

□ 1410

POLITICAL REFORM AND HUMAN RIGHTS PROTECTION NEEDED IN VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. SKAGGS] is recognized for 5 minutes.

Mr. SKAGGS. Mr. Speaker, today, I and five other Representatives—all of us veterans of the war in Vietnam—are introducing a resolution which expressed United States support for democratic reform and human rights in Vietnam.

Currently, Vietnam stands at a historic divide, with one foot rooted in its Communist past and the other tentatively feeling its way toward the greater openness that marks the post-cold-war world. We believe the United States can, and should, take the lead in encouraging Vietnam to move decisively to the democratic side of that divide through political reform.

While increased economic liberalization and recent improvements in resolving POW/MIA cases by the Government of Vietnam are heartening, Hanoi's Communist rulers continue to deny its citizens freedoms that are recognized as basic throughout the world. Our Government is moving toward lifting the economic embargo and establishing normal relations with Vietnam, and we support this road-map plan on proceeding with normalization. However, we believe it's critical to address the issue of human rights in Vietnam.

Our resolution seeks to close this gap in our policy, expressing the sense of Congress that the United States supports democratic reform in Vietnam, including the holding of free elections there. By supporting nonviolent democratic reform in Vietnam, the United States would be serving the interests of the Vietnamese people and remaining true to America's longstanding democratic ideals.

I invite my colleagues to cosponsor our resolution, House Concurrent Resolution 347, and join us in expressing Congress' support for peace and freedom in Vietnam.

GENERAL BERKMAN RETIRING AFTER 42 YEARS OF SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, Maj. Gen. William R. Berkman is retiring after more than 42 years of active and Reserve military service. His outstanding military career culminated in his assignment as the Military Executive of the Reserve Forces Policy Board in the Office of the Secretary of Defense. He was appointed in 1986, and has served continuously in that position as the senior member of the Board staff. The Board by law is the principal policy adviser to the Secretary of Defense on Reserve Force matters.

Previously, General Berkman served as the Chief of the Army Reserve from 1979 until the beginning of his current appointment in 1986. As Chief of the Army Reserve, he was responsible for the programming, budgeting, and administration of the Army Reserve members serving in Selective Reserve units or in the Individual Ready Reserve. During his tenure, he oversaw the growth of the Army Reserve from a strength of 390,000 to over 600,000. His leadership enabled the Reserve to absorb new missions, improve training, and maintain readiness during those turbulent times.

General Berkman, a native of Minnesota graduated from the University of California, Berkeley, majoring in economics. He received a law degree in 1957, from the University of California. He served as a law clerk in the U.S. Court of Appeals for the Ninth Circuit before joining a private law firm.

General Berkman was commissioned a second lieutenant from ROTC in 1950. He initially entered on active duty as a quartermaster supply officer for 2 years from 1952 to 1954. He subsequently served in Korea from 1953 to 1954 as an adviser to the Republic of Korea Army. After leaving active duty, he served in various assignments in civil affairs units from 1955 until 1979, culminating in his assignment in 1975, as commander of the 351st Civil Affairs Command, a major Army Reserve command.

General Berkman is a graduate of the Army Command and General Staff College and the Army War College. He is a member of various military associations, the State Bar of California, the Federal Bar Association, and the American Bar Association.

His decorations include the Distinguished Service Medal, Defense Superior Service Medal, Meritorious Service Medal, and the Army Commendation Medal.

I wish General Berkman and his wife Betty Ann success and best wishes in their retirement.

OVERRIDE THE VETO OF MOTOR-VOTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. MAZZOLI] is recognized for 5 minutes.

Mr. MAZZOLI. Mr. Speaker, I rise to speak again this afternoon on what I spoke about earlier today, and that is the very unfortunate and, I think, totally unnecessary veto by the President of the United States last week of the bill which we call the motor-voter bill, which is essentially the bill which eases the ability of the American people, many, many of them, too many of them, who remain unregistered, eases their ability to get on to the voter registration rolls and then, we hope, to exercise their precious right of franchise.

Mr. Speaker, the reason it is called the motor-voter bill is because, a la its title, among the many places where people could register to vote would be at the license bureau where they apply for or ask for a renewal of their drivers license. So, we call it the motor-voter bill.

I am very much unhappy that the President vetoed that bill, and I very much hope that we in the Congress will be able to override that veto. This may be a challenge on the raw numbers, but I think that that challenge ought to be undertaken regardless of the outcome because I think the principle is too important to turn away from, regardless of the outcome of the veto override fight. And I think the principle is simply: Do we trust the American people who come to the polls and vote? Do we trust the collective judgment of the American people? And if we do, then we should do everything possible to reduce the barriers that stand between the American people and the ballot box or the voting booth, whatever is in our States, and we should do nothing to put an additional barrier in their way.

I could recite, and I will not, but the sorry statistics of 60 to 70 percent, at best, of the American people who are registered to vote. In Kentucky, my home State, only about 70 percent are, of the even lesser percentage of the people who are qualified to vote and who do vote.

Those numbers, are, again, very dismal, and they are totally unacceptable. The whole idea of what we are trying to do in passing the motor-voter bill is to assist people in coming to vote, and I would salute the senior Senator from Kentucky, the majority whip in the other body whose bill primarily this is which the President vetoed last week and that this body had passed some weeks earlier.

Mr. Speaker, the senior Senator and I have been friends a long time, and colleagues in the Kentucky General Assembly and here in Congress, and he knows full well, as a former Governor, of the need to get people involved, the need to give people the chance to exercise their franchise, and that is what his bill will do, if it becomes a law of the land.

I would like to mention, Mr. Speaker, that this is not really an esoteric matter. There is nothing galactic or ethereal about this issue of voter registration. It is core central, it is fundamental, to the American political system's operating correctly. And, that is why I am so disappointed in the President's veto of the motor-voter bill which comes almost on the heels of his veto, and successful one at that because the veto could not be overridden, his veto earlier this year of the campaign finance reform bill which would put some limits on overall spending which would eliminate the influence that political action committees have over the operation of Congress and the operation of political bodies, would reduce the ability to bundle, in which persons pool together individual campaign checks, and it would eliminate largely this whole question of soft money which has brought into disrepute a lot of the activities connected with the White House.

I would like to mention, Mr. Speaker, that the President vetoed motor-voter because he was fearful of the fraud that might ensue from voter registration. I can say that in the 28 States that have a kind of voter registration along the lines of motor-voter there is not that fraud. The President says that somehow this bill would not lead to increased voter participation. He makes a judgment that, even though we increase voter registration, we would not necessarily increase voter participation. I dispute that, and I have some data here which I will put in the RECORD from the Congressional Research Service, February 23, 1990, memo which says not only that motor-voter will raise the level of voter registration, but that higher levels of registration lead to higher voter turnout, and that is the kind of thing we are looking for in America.

And I would mention, Mr. Speaker, that I just had sent to me from home a note that in Kentucky we are now using, under the aegis of the secretary of state of the Commonwealth of Kentucky, Mr. Bob Babbage, we are using a toll-free phone system for voter registration. All the 120 counties of Kentucky are linked by a phone system that allows people to call in and be registered by telephone. Forms are sent out, forms are filled out and sent back, but the essence of it is it is an 800 number: 1-800-925-VOTE. There are, we think, Mr. Speaker, 800,000 Kentuckians who are not registered who we hope will register as a result of these new procedures.

As I said earlier today, there was some concern raised about the purgation, the fact that maybe the States would be deprived of their ability to cleanse the voter rolls of people who have moved or people who have transgressed the law and, therefore, should not vote. My experience and my research have shown that in fact the local voter purgation rules would still apply. People could not be purged simply because they did not vote in one general election, and they should not because sometimes people move unexpectedly, and they have a business trip, but certainly, if a person leaves the precinct, if a person is no longer there, then a purgation would show that and that person could be taken off the vote rolls.

□ 1420

Mr. Speaker, I appreciate having the time for this special order, and I would just say in closing that when we take up the question of the President's veto, for the good of America and the good of the political system, I hope that veto of motor-voter is overridden.

Mr. Speaker, I include the following material for the RECORD.

[From the Congressional Research Service, Feb. 23, 1990]

VOTER REGISTRATION AND TURNOUT IN STATES WITH MAIL AND MOTOR-VOTER REGISTRATION SYSTEMS

(By Royce Crocker)

(1) States with motor-voter registration have higher registration rates than States without such systems in all election years for both Presidential and non-Presidential elections * * * On average, registration rates for States with motor-voter registration systems is about 10 percentage points higher than for States without motor-voter registration (p. 23).

(2) States with motor-voter registration systems consistently have a higher percentage of their voting age populations turning out to vote than did States without such registration systems (p. 25).

(3) A comparison of voter registration and turnout rates between States with and without a motor-voter registration system consistently shows that States with motor-voter registration have higher voter registration and turnout rates than do States without such a registration system (p. 27).

(4) For each Federal election year since 1976, States with motor-voter registration systems have exhibited higher voter registration and turnout rates than States without motor-voter registration (from the summary of the study, p. II).

[From the Louisville Courier-Journal, July 4, 1992]

BUSH'S FIRECRACKER

When George Bush vetoed the so-called "motor-voter" bill on Thursday, the League of Women Voters quickly denounced his action, calling it "a terrible gift from the President for our nation's birthday."

You can believe what the League of Women Voters says—it's no radical, partisan group. Its purpose is to get everybody involved in the democratic process. That was also the purpose of the motor-voter bill.

Had the bill been signed, it would have made voter registration easier by allowing people to register by mail and when they renew drivers' licenses.

But the President claimed the legislation would "expose the election process to fraud and corruption." Experience shows something different: 28 states already have enacted some provisions of the bill, and none have experienced an increase in voter fraud.

In May, the president of the League of Women Voters said, "Americans need national voter registration reform to break down the barriers that discourage and discriminate."

How can the leader of the world's greatest democracy justify being opposed to that?

[From the New York Times, July 6, 1992]

PRESIDENT BUSH IMPEDES DEMOCRACY

With his veto last week of common-sense legislation designed to make it simple and convenient for all Americans to register to vote, President Bush has demonstrated his opposition to expanded participation in government.

The measure, nicknamed "motor-voter," would have required states to allow citizens to register when they obtain or renew a driver's license. It also would have required states to offer registration by mail and at welfare, unemployment and other government offices. These steps, experts say, would boost registration to about 90 percent of all eligible voters—a big leap from the dismal 60 percent now signed up.

Why would anyone oppose making it easier to register and vote? To justify his veto, Mr. Bush offers a host of flimsy reasons. Most galling is his assertion that there's "no justification" for imposing new standards on the states. Surely the estimated 70 million eligible Americans left unregistered by the present system provide ample justification.

Mr. Bush also repeats the tired Republican argument that "motor-voter" would increase fraud, even though there has been no recorded increase in cheating in the 29 states that already sign up voters at motor-vehicle offices, or in the 27 states that permit registration by mail.

No matter how he tries to cloak it, it seems plain that Mr. Bush's veto decision was a blow to G.O.P. fears that easier registration might hurt Republicans by enrolling large numbers of low-income Democrats at accessible public offices. Yet the bill's provisions wouldn't become effective until after the 1992 election. This was an opportunity for Mr. Bush to show statesmanship, and he blew it.

There's only a slim chance that the bill's sponsors can muster the votes needed to override the veto. But with fully 40 percent of eligible Americans still unregistered, it's worth a real fight when Congress returns from the July 4th recess.

[From the Washington Post, May 25, 1992]

VOTING MADE EASIER

Half the states and the District of Columbia have moved in recent years to simplify voter registration, and last week the Senate moved to impose reforms nationwide. It passed a bill to require every state to adopt registration by mail procedures and allow citizens to register in connection with drivers' licensing and renewal. In addition, registration services are to be made available in the office of direct-service government agencies like libraries, welfare centers and unemployment offices. Will this measure increase voter participation, as its sponsors claim? It's not certain, but it's worth a try.

In 1990, only 36 percent of eligible American citizens went to the polls—the lowest percentage since 1942. Reformers point out that a full 40 percent of eligible citizens can't vote because they are not even registered. Based on figures from states that have adopted streamlined procedures, they estimate that 90 percent of those eligible will register if the process is simplified.

Will federal standards unduly burden the states, as opponents claim? There will be start-up costs and some continuing expense, but in the District of Columbia, which adopted the so-called motor-voter system a couple of years ago, the cost was only 6 cents per registered voter. Would the bill increase opportunities for fraud and coercion? Again, experience in the states doesn't bear out this fear. There is cause for some concern that recipients of government benefits might feel pressured not only to register but to register in a certain party if the agency offering registration is the same one that confers benefits. But the bill contains strong new federal penalties for fraud and intimidation, which should take care of the problem.

The House is expected to pass this bill overwhelmingly, probably along party lines; with a handful of exceptions, this is what the Senate did. But the president is likely to veto it. Democrats charge that Republican opposition is grounded in the fear that almost all those added to the voting rolls will be Democrats. That outcome is far from a certainty, but partisan advantage is certainly not a valid reason to tolerate roadblocks in the registration process.

In this century, this country has greatly extended the franchise, first to women, then to 18-year-olds. Congress has also made good the Constitution's promise to secure the rights of minorities to participate in the electoral process. Yet there are still charges, in some quarters, that government red tape, unnecessary regulation and burdensome requirements keep citizens from the ballot box. This bill addresses those complaints directly and comprehensively. The president should sign it.

[From the New York Times, May 20, 1992]

LICENSES, AND LIBERTY

The legislation is called "motor voter" for short, and by approving it today the Senate can enlarge democracy. Exhorting citizens to vote is mere piety without doing what this bill would do, make it easier to register to vote.

Barely half the eligible voters participated in the 1988 Presidential election and, given wide expressions of disgust with politics, there's no reason to think turnout will improve this year. Indeed, it can't improve much so long as only 60 percent of eligible voters are registered.

The "motor voter" measure holds tremendous promise for increasing registration—to an estimated 90 percent. It would require states to allow citizens to register to vote when they apply for or renew a driver's license.

The bill is sponsored by Senator Wendell Ford, Democrat of Kentucky, and Senator Mark Hatfield, Republican of Oregon. It would also require states to permit registration by mail, instead of forcing citizens to appear in person at some municipal office, the discouraging requirement still exacted in 25 states. States would also be required to distribute registration forms and give assistance at public agencies like unemployment and welfare offices.

These common sense steps deserve the support of all who care about expanding democracy. Indeed, a similar bill passed the House in 1990 with strong bipartisan support. Yet Senate Republicans, evidently out of fear that unregistered voters are more likely to vote Democratic, have succeeded in blocking "motor voter" from even getting to the floor—that is, until today.

By joining the present honorable bank of Republicans who support the measure, Republicans like Alfonse D'Amato of New York and Arlen Specter of Pennsylvania can show the kind of bipartisanship "motor voter" needs if it's to have a realistic chance of avoiding a veto.

Opponents of "motor voter" say they're worried about cost and vote fraud. But these concerns are exaggerated. What's hard to exaggerate is the shame Americans confront in a system that leaves only six of every ten eligible voters registered. The Senate today can vote to efface that shame and enfranchise the other four.

THE ROSTOW GANG

The SPEAKER pro tempore. (Mr. ANDREWS of New Jersey). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, today I will provide an update on the Rostow gang which will reveal that President Bush, his legal adviser, Boyden Gray, and National Security Adviser Brent Scowcroft, were all directly involved in the efforts to thwart the congressional investigation of the Iraq policy. I will also detail some of the more prominent examples of why the President is continuing to thwart the Banking Committee's inquiry of the Banca Nazionale del Lavoro. These include new evidence that shows that 2 days prior to winning approval for a $1 billion fiscal year 1990 Commodity Credit Corporation program for Iraq—those are taxpayer-guaranteed programs—the National Security Council and the State Department received a detailed secret CIA report on BNL indicating that BNL loans were used to fund Iraq's clandestine missile and nuclear weapons procurement program.

The report concludes that a failure to approve the $1 billion fiscal year 1990 CCC program for Iraq would harm the United States-Iraq relations. The White House staff intervened in the BNL investigation being conducted by the U.S. attorney in Atlanta GA. Critical intelligence information about the BNL scandal was withheld from prosecutors in Atlanta until after the Iraqi invasion of Kuwait.

In my floor statement of March 16 this year I revealed how the Bush administration had set up a high-level interagency group of lawyers to thwart or obstruct these congressional investigations of prewar Iraq policy. I did not have evidence that the President or most of his closest advisers had direct involvement in the attempt to stem the flow of Iraq information to the Congress. We did know that the President, both as President and before as Vice President, has intervened in behalf of aid to Iran. We did not have the documentation showing his participation in this elaborate net that was initiated by the lawyer for the NSC, Rostow, in order to keep Congress in ignorance.

Last week I obtained new evidence showing that the President and at that time his principal adviser, John Sununu, and Brent Scowcroft and Mr. Robert Gates, the Director of the CIA, and Boyden Gray, all had direct roles in limiting congressional access to Commerce Department export licensing information on Iraq. These were the licenses that were doctored before they were given to another Member, a distinguished Member of our Congress, of the House of Representatives, in which the purpose, for military purposes, of those licenses were blotted out.

Before I get into the details of the new evidence, let me refresh my colleagues' memories about what I call the Rostow gang. In April 1991, the National Security Council's legal adviser, Mr. Rostow, called a high-level, interagency meeting to discuss congressional investigations of Iraq policy prior to the invasion of Kuwait on August 2, 1990. The meeting was chaired by Nick Rostow, the individual referred to, the General Counsel to the NSC. Mr. Rostow's previous experience includes playing a key role in the White House efforts to cover up the Iran-Contra scandal and to obstruct a 1988 GAO investigation of then-Vice President Bush's ties to Panamanian leader and drug lord, one Gen. Manuel Antonio Noriega. Also at the meeting were President Bush's General Counsel, Boyden Gray, and the top lawyers for the Departments of Justice, Defense, State, Treasury, Commerce, Agriculture, Energy, and the CIA. Each of the agencies had received requests for information from the Congress, and these lawyers were responsible for overseeing the collection and submission of the information. That is where I referred to this high-level legal team as the "Rostow gang."

The Rostow gang established a process whereby a congressional investigation had to hurdle a series of increasingly difficult barriers in order to obtain information from an executive branch agency. Ostensibly the function of the group was to review documents and information applicable to congressional requests for Iraq-related information and to establish a coordinated approach for the dissemination of this information.

On the surface, that is understandable. If you are in the executive branch and you have requests from various committees and members of the committees from the Congress, yes, what is wrong with coordinating? That is one thing. But in reality this gang was established to limit and control and otherwise deprive this flow of information to the Congress, to delay it through dilatory practices, as they did with our Banking Committee. That was true even after the Banking Committee had issued about 50 documents or subpoenas, and we still are not getting the information. In reality, this was the main purpose of this gang, as well as to permit the White House to also regulate the flow of potentially embarrassing Iraq-related information to the Congress.

Now, all executive branches have done this. I have been in this Congress and I have been very fortunate and blessed to have been a Member of this great body known as the U.S. House of Representatives for 30 years and 7 months, and I can recall the 1974 episodes. I also remember the so-called Houston memorandum, Houston then being one of President Nixon's highly placed Security Council, and there were other related agency leaders. I remember the memorandum he prepared. Then, believe it or not, there were other side Executive promulgations all under the secrecy of the President's National Security Council, either advisory or as memorandums, which were even intended to suspend the 1974 general elections, if necessary.

The whole point of all this basically, and the reason I am triggered off in my interest, is that we are at this time and period in our country's development facing the greatest constitutional crisis since the adoption of the Constitution, including the Civil War. Now, that has not come true yet, but that does not diminish our responsibility. We are charged under the Constitution to respect the integrity and the independent coequality and separateness of this body.

So the records obtained by the committee indicate that the Rostow gang met at least eight times during April, May, and June last year, 1991. The Banking Committee recently received documentation indicating that President Bush participated directly in the process of the Rostow gang. On June 5, 1991, there was a meeting of the Rostow gang chaired by the President's legal adviser, Boyden Gray. Lawyers from the State, Treasury, Commerce, and Justice Departments were in attendance. The meeting was called to discuss a long pending Commerce Department request for Iraq licensing information and to discuss congressional requests for data, including my own Banking Committee's request.

□ 1430

Most of the meeting was dedicated to the different strategies that could be used to limit the flow of information to Congress. Claims of executive privilege, which we received one from Treasury, were mentioned most often.

It is clear from interviews, documents, and notes that the strategy of the Rostow gang was to try to claim executive privilege or deliberate the process over as many documents as possible. The Congress was not to have the entire story on the administration's Iraq policy. It was hoped that making these claims would work to deny Congress the most embarrassing and damaging information on Iraq.

As I said before, not only executive agencies, but all people in power, whether it is political power, money power, or religious power, will do everything to try to not disclose an embarrassing mistake. We know that.

The Houston memorandum, for instance, was highly secret. It was kept from the American people. Everybody else knew about it. Finally it was published intact in a book by the assistant to J. Edgar Hoover, Mr. Sullivan, who died under, some people claim, mysterious circumstances. There he has it in the book.

So here is the Congress though, the Representatives of the people, supposedly, denied information through this highly secure state of national matters, that they alone, the American people and the Congress do not know about, but everybody outside of the United States knows. Let me tell you about that later on.

Congressional challenges to the fallacious executive privilege claims only worked to deny the submission of information. One agency's notes indicate that Robert Kimmett of the State Department advocatd the delaying of a request for information as long as possible so that the congressional subpoena authority would lapse at the end of the 1st session of the 102d Congress.

They knew that. As a matter of fact, we in the Banking Committee unanimously passed out these subpoenas and renewed them. This way the committee would have to go to its members for subpoena authority which would delay the production of documents for still more months.

The following quote from notes of a Rostow gang meeting provides a feel for the strategy that this group deployed. "By Monday, identify the most sensitive documents in each agency. We will go to the mat. There are many of these that will head toward denial."

Several Cabinet members, including Secretary of State James Baker and Education Secretary Lamar Alexander, were apparently opposed to certain aspects of the Rostow gang process. Notes indicate that they thought better of obstructing the Congress to the point of being subpoenaed.

Secretary Baker also did advocate withholding information related to the State Department's position on certain Commerce Department export licenses that were to be submitted to Congressman GEJDENSON.

On October 26, 1991, Commerce Department memorandum states, "Note: Kimmett/Baker (per Matheson): Do not want agency recommendations to be provided but will not argue for Executive privilege."

Other agency documents indicate that Brent Scowcroft played a prominent role in determining what information should be provided to the Congress. I should say that is Gen. Brent Scowcroft, the National Security Directory for this administration.

For example, a Commerce Department note related to the submission of a sanitized list of export license information to subcommittee Chairman DOUG BARNARD of the Government Affairs Committee states, "Up to Scowcroft at the NCS."

Other Commerce Department notes state, "Scowcroft willing to stand up and be counted."

Yet others state, "Scowcroft will take the lead on asserting executive privilege."

Mr. Robert Gates is also listed as a recipient of several Commerce Department memos dealing with the submission of information to Congress. So is Mr. Mosbacher, the former Secretary of Commerce from Texas. In fact, notes related to Mr. Mosbacher's response to a congressional subpoena for documents related to National Security Directive 315, NSD–315, and National Security Review 17, NSR–17, are rather interesting.

The notes state:

> Secretary Mosbacher will have to appear before Congress or run the risk of contempt, or appear without documents and still run risk of contempt. Able to say President directed him to withhold. No criminal risk. Burford, U.S. Attorney, will not prosecute when officials withhold at direction of President on Executive privilege grounds.

The previous quote appears to indicate that the Rostow gang was contemplating what potential criminal liabilities lay ahead if Commerce Department Secretary Mosbacher refused to comply with a congressional subpoena. It certainly appears that the President is willing to allow his name to be used as a defense for not complying with the law.

What could the White House and the Commerce Department be hiding that would be that sensitive? The question arises, did the President know his top advisers were using his name and good office as a shield?

So far I have shown that Brent Scowcroft, Robert Mosbacher, James Baker, and other Cabinet-level members of the Bush administration participated in the efforts to limit the flow of information to the Congress.

What is most astonishing and disturbing is that the President of the United States appears to have been directing this effort. Notes from one Rostow gang meeting quotes the President's legal adviser, C. Boyden Gray:

> The President will want to meet with all Cabinet Secretaries one-to-one to work it out adequately internally. Very sensitive. Sununu impressed with the significance.

That is not the only occasion that the President had a lead role in the Rostow gang process. A Commerce Department memorandum dealing with the submission of information to Congressman GEJDENSON again states:

> This memorandum is to report that Counsel to the President, C. Boyden Gray indicated this week it may be necessary to have Cabinet level discussions with the President on Executive privilege issues.

The same Commerce Department memorandum states:

> On June 4, 1991, Chairman GEJDENSON sent you, Secretary Mosbacher, a letter reiterating his request and complaining that we had not provided any documents. We, Commerce, will soon seek to meet with his staff to discuss a possible accommodation under which we would begin providing information. Any such accommodation will have to be cleared by the White House.

Any such accommodation would have to be cleared by the White House. These notes indicate that the President has participated in the effort to stem the flow of Iraq-related information to the Congress. The fact that President Bush would require his Cabinet to go along with the scheme is startling. With all the responsibilities associated with the Presidency of the United States, it is reminiscent of the Watergate days, that the President and his top advisers should have time to consider such trivial matters. The time and effort spent on developing schemes to thwart congressional oversight is monumental.

□ 1440

It is too bad the President didn't put as much effort into high level interagency meetings designed to ensure that law enforcement agencies had enough resources to track down and prosecute companies that violated United States export control laws related to illegal export to Iraq.

Now come these notes, and the question is, how come there are no indictments of these companies like Matrix-Churchill that were helping to arm Iraq? Where is the Carlos Cardoen indictment? Sadly there has been no high-level Presidential directive aimed at bringing the United States companies that armed Iraq to justice. Instead, scarce resources are spent on coverup.

The President and his top advisers took an oath of office to uphold the Constitution, as we all do. The courts have repeatedly ruled that the Constitution granted the Congress a legitimate right to executive branch information, yet the President and his closest advisers have shown a complete disdain for the Congress and the Constitution.

These are frightened officials who apparently cannot face having their actions judged by the Congress. They hide behind the cloak of secrecy rather than facing up to their actions. The President, or at least people acting in his name and apparently with his knowledge, has conspired to keep the truth about his Iraq policy from the very public that elected him and fought and died to support his efforts in the gulf.

After reading the Rostow gang documents and seeing the great lengths to which the President has gone to stop investigations of his Iraq policy one can only wonder what everybody is hiding. Did the President do more than just coddle, powder, and diaper Saddam Hussein? As Frank Lemay said in his now famous October 13, 1989, memo, "If smoke indicates fire we may be facing a four alarm blaze."

I will now provide some details on the secrets that the President does not want the public to know about the BNL scandal and his handling of the CCC Program for Iraq.

A CIA report of November 6, 1989, indicates termination of the $1 billion fiscal year 1990 CCC Program will harm United States-Iraq relations.

In recent weeks President Bush has been characterizing his administration's actions for Iraq as proper and above board. "We were just trying to bring Iraq and Saddam Hussein into the society of law-abiding nations." What a funny way to do that, by arming them, arming him in a way that I will show later on was unparalleled with any other country outside of the top two superpowers. He states that his plan was to woo Saddam Hussein with agriculture credits in order to encourage Iraq to join the family of nations, as I said. At least the President is now admitting that his policy failed, but he is still intent on misleading the public about certain aspects related to the CCC Program for Iraq and the BNL scandal and how the credits were multiplied, obtained through the BNL scheme of financing and this elaborate network of procurement that Iraq built up for military hardware, including chemical weaponry and nuclear.

In particular, the President claims that the decision to approve the $1 billion fiscal year 1990 CCC Program for Iraq in November 1989 was a well thought out, prudent approach to allocating taxpayer resources. He also vehemently claims that the United States did not help enhance Iraq's missile and nuclear, biological, and chemical weapons capability. Both of these assertions are untrue.

While recently addressing an agriculture group the President stated:

> I think we properly used these (CCC) credits for what they were designed to do, and I think it's been beneficial to American agriculture and I'm going to continue to use them in a way that's beneficial to American agriculture with the national interest of the United States foremost in my mind. So I can't say it's been perfect, but I do think that the department and I hope the White House has done a good job in the implementation of the law and the using of these credits.

It is obvious that the White House and the State Department did not act properly in granting the $1 billion in CCC credits to Iraq in November 1989. They ignored many warning signs in granting agricultural credits to Iraq as well as what I am not mentioning here, and that is quite a number of hundreds of millions of dollars in export-import guarantees, on which Iraq has defaulted. For example, Iraq was not creditworthy, and this was known and set forth, when the decision was made to give them $1 billion in those new credits in 1989. The Iraq CCC Program was rife with corruption. We brought that out in the hearing we had in the committee, which at that time nobody was paying much attention to last year, and there was no proof that commodities destined for Iraq in the shape of agriculture commodities ever arrived in Baghdad.

The Lemay memo of October 13, 1989, indicated that there was a risk that

Iraq was diverting agriculture credits to pay for weapons and nuclear equipment. In fact, just this morning it was announced on the radio that the United Nations is demanding access to the Iraqi Ministry of Agriculture's records. Clearly the United Nations suspects that Saddam Hussein used the CCC Program to acquire weaponry.

Well, I would like at this point in the RECORD, and I ask consent to do so, to refer to an article that I first read before the firing started in the Persian Gulf. And it was from, it is from the Bulletin of the Atomic Scientist. So many of my colleagues and others in the news media seem to think that I came across this and that the documents that I have been putting in the RECORD would be the exclusive source. Absolutely not. I had been triggered by such articles as this and others.

This article is entitled "Fueling the Fire: How We Armed the Middle East." And in it it says on the very first page, "The arms-trade danger is underscored by the relative ease with which Saddam Hussein was able to assemble a massive arsenal of conventional weapons. Between 1981 and 1988," that was the Iran-Iraq war in which, I think, very few Americans realized we were wholeheartedly committed by the Reagan administration on the side of Iraq, "Iraq purchased an estimated 46.7 billion dollars' worth of arms and military equipment from foreign suppliers, the largest accumulation ever of modern weapons by a Third World country. Included in the largesse were some 2,300 modern Soviet and Chinese tanks, 64 Mirage F-1 fighters armed with Exocet missiles," and it was one of those from Iraq that killed 37 of our sailors in the Persian Gulf, "2,650 armed personnel carriers, and 350 Scud-B surface-to-surface missiles."

Now, this article appears, and it is very extensive, and I am going to put it in the RECORD, I brought it to the attention of the staff.

□ 1450

I analyzed it, and I wondered how in the world we could have helped the very country that the President was already engaged in one of the largest expeditionary forces in the history of our Armed Forces against. The date of this article was December–January; that is, 1990–91. So it had to be prepared and printed before, long before any shooting started. I read it before the shooting started. It was after that that I introduced my impeachment resolution.

If the Members will read further they will see in this article where they precisely bring out the help that continued to go to Iraq or Saddam Hussein; that is, after the cessation of the active shooting war between Iran and Iraq. At this time I include that material in the RECORD:

FUELING THE FIRE: HOW WE ARMED THE MIDDLE EAST

(By Michael T. Klare)

(Michael T. Klare is the five-college associate professor of peace and world security studies based at Hampshire College, Amherst, Massachusetts. He is the author of American Arms Supermarket (1985).)

Warning that "the virtually unrestrained spread of conventional weaponry threatens stability in every region of the world," President Jimmy Carter attempted in the mid-1970s to constrain U.S. military sales in the Third World and to negotiate a mutual curb on arms exports with the Soviets. These efforts failed. Carter's attempt to limit U.S. military sales collided with the use of arms transfers as an instrument of diplomacy—especially in the Middle East—and his overtures to Moscow were forestalled by a resurgence of Cold War tensions. Since then, no serious effort has been made to curb international arms trafficking, and sales to the Third World have skyrocketed. As Carter predicted, unrestrained commerce in conventional arms has fueled local arms races and inspired aggressive powers like Iraq to employ their bulging arsenals in unprovoked attacks on neighboring countries. If the present crisis in the Persian Gulf is to have any positive outcome, therefore, it should be to demonstrate the urgent need to curtail the global arms trade.

The arms-trade danger is underscored by the relative ease with which Saddam Hussein was able to assemble a massive arsenal of conventional weapons. Between 1981 and 1988, Iraq purchased an estimated $46.7 billion worth of arms and military equipment form foreign suppliers, the largest accumulation ever of modern weapons by a Third World country.[1] Included in this largess were some 2,300 modern Soviet and Chinese tanks, 64 Mirage F-1 fighters armed with Exocet missiles, 2,650 armored personnel carriers, and 350 Scud-B surface-to-surface missiles.[2] These and other imported weapons enabled Baghdad to prevail in the Iran-Iraq War and subsequently fed Hussein's vision of Iraqi dominion over Kuwait and the western Gulf area.

U.S., French, and British troops now face the unappealing prospect of head-on conflict with Hussein's well-armed forces, but Western officials and arms suppliers are understandably reluctant to discuss their role in enlarging the Iraqi arsenal. Although direct U.S. arms sales to Iraq have been largely blocked since the late 1950s when Iraq became a client of the Soviet Union, Washington has on occasion permitted sales of military-related science and technology. Soviet leaders are also tight-lipped about Moscow's contributions to Hussein's military capabilities. But Iraq would not represent such a powerful threat to global peace and stability if world leaders had agreed to the mutual restraints Jimmy Carter proposed in 1977.

On the basis of this experience, U.S. officials should be wary of transferring more arms to the Middle East—at least until some multilateral constraints are in place. Instead, the Bush administration has decided to proceed with a new round of multibillion-dollar sales to friendly nations in the region. In August, Bush authorized the transfer of 150 M-60A3 tanks, 24 F-15 aircraft, and 200 Stinger anti-aircraft missiles to Saudi Arabia (a $2.2 billion deal), and in September he approved a $21 billion package of tanks, aircraft, and missiles. The White House subsequently agreed to downsize the second package in order to allay congressional concerns, but the items removed from this sale are incorporated into another package scheduled for early 1991. Bush also agreed in principle to sell $1 billion worth of additional military hardware to Israel, and forgave a $7 billion Egyptian arms debt in order to allow new military sales to Cairo. Meanwhile, as Aerospace Daily reported in early September, other major suppliers—including France and Britain—have been flocking to the Middle East, looking for new military sales of their own, helping to insure that 1990 and 1991 will break all existing records for arms sales to the region.

In approving new arms exports, the administration maintains that the weapons will help deter further Iraqi aggression. But most of the weapons ordered in 1990 and 1991 will not be delivered until 1992, 1993, or thereafter—long after the present crisis in the Gulf has been resolved by one means or another. these new arms shipments will then be available for other military purposes, regardless of the administration's claims. The intended beneficiaries of these sales will continue to pursue their own political and military objectives—often risking armed combat with their neighbors in the process. The most likely outcome of fresh arms deliveries to the middle East will thus be intensified regional tensions and a heightened risk of armed conflict.

This prospect dampens hope that the Persian Gulf crisis will help usher in a new era of peace and stability, as some in Washington suggested. "Out of these troubled times," George Bush told a joint session of Congress on September 12, "a new world order can emerge," on in which "the rule of law supplants the rule of the jungle, [and] nations recognize the shared responsibility for freedom and justice," While the Gulf crisis has engendered an extraordinary degree of international cooperation, it has not resulted in any talks on controlling the conventional arms trade. As long as contentious regional powers are able to obtain large quantities of sophisticated weapons, the prospects for averting future conflicts are not promising.

The risk of escalating conflicts in volatile Third World areas has led nations to agree on the need to prevent sales of chemical and nuclear weapons and to curb the diffusion of ballistic missile delivery systems. Despite repeated crises, however, there are no such constraints on conventional weapons—especially on modern tanks and aircraft that can be used for aggressive military moves of the sort undertaken by Iraq. Are curbs on arms transfer possible?

"REVERSE DEPENDENCY"

Many countries offer some type of weapon for sale, but the trade in major combat systems is highly concentrated. According to the Congressional Research Service of the Library of Congress, in the 1980s the United States and Soviet Union accounted for three-fifths of all arms sales to the Third World, and five other nations—France, Great Britain, West Germany, Italy, and China—shared another 22 percent. These nations remain the source of most heavy weapons supplied to Middle Eastern countries, and it is their sales policies that must be addressed if the flow of combat gear is to be constrained.

Many factors—political, economic, and military—figure in these nations; rems export behavior. For the superpowers, economic considerations have generally played a secondary role to political and strategic considerations. Samuel Huntington suggested in 1987 that U.S. and Soviet involvement in the Third World reflects "the bipolar structure of world politics and the competitive relationship they have with each other." In their mutual quest for strategic advantage, each superpower has sought to expand its own perimeter of influence while "minimizing the power and influence of the other."[3] As part of this process, each side has used arms transfers to lure new allies into its own camp or to discourage existing allies from breaking away.

This use of arms transfers began in the Middle East in 1955, when President Gamal Abdel Nawser of Egypt turned to Moscow for the modern weapons the West had denied him. By giving Egypt advanced weapons, Moscow forged a de facto alliance with Cairo, and succeeded, for the first time, in leaping over the ring to hostile states organized by the United States to contain Soviet power in Eurasia. This feat prompted Washington to establish arms-supply relationships with other countries in the region, including Iran, Israel, Jordan, and Saudi Arbai. These moves, in turn, aroused anxiety among the more radical Arab regimes, leading Syria, and the Iraq to forge military ties with the Soviet bloc. Egypt switched sides following the October War of 1973, but the Middle Eastern arms acquisition patterns established in the mid-to-late 1950s have remained essentially intact to this day.

In justifying U.S. arms transfers to the Middle East, U.S. leaders repeatedly asserted that supplier and recipient were bound by common opposition to communist expansionism. For their part, Soviet leaders stressed the common struggle against imperialism. However, the recipients' principal motive for acquiring arms was not the struggle between communism and imperialism, but rather a desire to offset the military might of their regional rivals or to deter attack by an antagonistic neighbor. As Stephen M. Walt suggested in his masterful study of Middle East alliance patterns, "The superpowers sought to balance each other, [while] their clients sought outside support to counter threats from other regional states."[4]

At first glance, this system has a certain logic: each party receives something it wants, and the various arms deliveries balance each other out. In reality, however, the system is fundamentally unstable. No recipient is content with balancing its rivals, but seeks a margin of advantage—either to allow for a preemptive strike (should that be deemed necessary), or to compensate for the other side's perceived advantages. Any major weapons delivery to one side automatically triggers a comparable but larger delivery to the other, prompting a new round of deliveries to the first party, and so on. The only break in this grim pattern occurs when one side or the other seeks to forestall an imminent shift in military advantage to the opposing side by launching a preemptive attack—as has occurred again and again in the Middle East.

This instability is mirrored in the relations between client and supplier. By agreeing to provide arms to a client, the supplier seeks a local ally for its ongoing struggle against the other superpower. Once the relationship has been forged, however, the recipient comes to expect continuing and even expanded arms deliveries in exchange for its continued loyalty to the supplier—and any reluctance on the part of the supplier will be condemned as evidence of inconstancy and unreliability. Such charges usually have the effect of prying additional or more advanced weapons out of the supplier's hands.

The result is "reverse dependency." The patron finds itself beholden to the good will of the client, and must satisfy the client's appetite for modern arms. As Walt points out, "A large [military] aid relationship may actually be a reflection of the client's ability to extort support from its patron, rather than being a sign of the patron's ability to control its client." For the Soviet Union, the principal beneficiaries of reverse dependency were Egypt (until 1973), Syria, and Iraq; for the United States, they were Iran (until 1978), Israel, and Saudi Arabia.

CARTER, IRAN, AND CATT

It was the U.S. arms-supply relationship with Iran that first prompted U.S. policymakers to perceive a need for restraints. The relationship was initially forged in 1954, after the U.S. Central Intelligence Agency engineered the overthrow of Mohammed Mossadeq and installed Shah Mohammed Reza Pahlavi as virtual dictator. During the late 1950s and throughout the 1960s, Washington provided Iran with a steady, but not exorbitant, supply of munitions in order to balance Soviet military deliveries to neighboring Iraq. In the early 1970s, however, there was a sharp increase in U.S. arms deliveries as the Shah, with mounting oil revenues at his disposal, sought to greatly enhance Iran's overall military capabilities. Iran's desire for arms was complemented, moreover, by a U.S. desire to recover some of the petrodollars sent to the Middle East in the aftermath of the 1974 OPEC oil price increase, and to implement the so-called Nixon Doctrine, which called for Third World allies to shoulder more of the burden of regional defense against Soviet-backed insurgents and regimes.

Between 1972 and 1978, Teheran ordered $20 billion worth of advanced U.S. armaments—the largest arms export endeavor ever concluded with a Third World nation up to that point. For the first time, U.S. officials agreed to transfer front-line U.S. combat equipment, including F-14 aircraft, Spruance-class destroyers, and Phoenix air-to-air missiles. These sales were widely applauded by Defense Department officials and American arms makers. But Congress became concerned when the scale of the transactions were revealed and when it was disclosed that U.S. companies were using bribes to get Iranian officials to sign military orders. According to a 1976 Senate Foreign Relations Committee staff report, "U.S. arms sales to Iran were out of control" in the early 1970s, with senior administration officials routinely approving the Shah's extravagant arms purchases.

Suggesting that the United States had become "a kind of arms supermarket into which any customer can walk and pick up whatever he wants,"[5] Sen. Hubert H. Humphrey in 1975 sponsored legislation to give Congress veto power over major U.S. military sales. The resulting measure, later incorporated into Section 36(b) of the Arms Export Control Act of 1976, gives Congress some control over arms transactions, but unfavorable court decisions, and a waive allowing the President to overrule congressional reservations when he concludes that critical national security issues are at stake—which Bush used to rush tanks and aircraft to Saudi Arabia in September—have diluted congressional power.

With Carter's election in 1976, the momentum shifted to the White House. On May 13, 1977, Carter formally adopted an "arms export restraint policy"—Presidential Directive No. 13 (PD-13)—which imposed an annual ceiling on the dollar value of U.S. arms sales to all non-NATO nations except Israel, Japan, South Korea, Australia, and New Zealand, and restricted the export of certain high-technology weapons to Third World countries. "I have concluded," Carter affirmed on May 19, "that the United States will henceforth view arms transfers as an exceptional foreign policy implement, to be used only in instances where it can be clearly demonstrated that the transfer contributes to our national security interest."[6]

The Carter policy also called for negotiations with other suppliers—including the Soviet Union—that might lead to the adoption of multilateral curbs on arms transfers. Carter made clear that the United States would adhere to self-imposed limits only so long as it appeared likely that other major suppliers would follow suit. "I am initiating this policy," Carter noted, "in the full understanding that actual reductions in the worldwide traffic in arms will require multilateral cooperation."

At Carter's urging, U.S. and Soviet representatives began the Conventional Arms Transfer Talks (CATT). Most observers expected little progress, and were surprised when the first few rounds of talks, held in Washington and Helsinki in December 1977 and May and July 1978, resulted in agreement on parameters of a regime to restrain conventional arms transfers. In October 1978, U.S. negotiator Leslie Gelb testified that "harmonized national guidelines" similar to those of the London Suppliers' Group (for nuclear technology) were "realistic possibilities."[7] But before further progress could be achieved, CATT fell prey to a souring international environment and to bureaucratic wrangling within the Carter administration that pitted Gelb against the President's hawkish security adviser, Zbigniew Brzezinski; no further talks were held after a fruitless negotiating session in December 1978.[8]

By late 1979, Carter's unilateral arms restraint policies and the CATT process had been essentially abandoned. The decline in presidential enthusiasm for these measures was prompted, to a considerable degree, by Iran's Islamic revolution and the Soviet invasion of Afghanistan—events that largely erased any public or congressional support for U.S. initiatives of this type. In a more fundamental way, however, the policy of restraint was doomed from the start by the administration's failure to question the politics of arms sales. Washington still viewed arms transfers as an effective tool for diplomacy—one of the few such tools available—and Carter was never able to significantly reduce the role of military sales in U.S. relations with such allies as Egypt, Iran, Israel, Jordan, and Saudi Arabia.

The fate of Carter's initiatives became apparent early on. In February 1978, only nine months after PD-13 was signed, the White House approved a multibillion-dollar sale of advanced jet fighters to Egypt, Israel, and Saudi Arabia. The "aircraft sale of the century," as it was called at the time, had been in the works for several years, and its cancellation would have provoked howls of dismay from the nations involved, along with threats to shop elsewhere—threats Carter was not prepared to face. For much the same reason, Carter then approved a new $8 billion arms request from the Shah, despite Iran's internal unrest, which his advisers warned could result in chaos. Any hopes of keeping arms exports under the ceiling Carter had set were dashed in 1979, when, as part of the Camp David Accords, the United States agreed to provide billions of dollars worth of new arms to Israel and Egypt.

"ARMS REPLACE SECURITY PACTS"

By the time Ronald Reagan became president in 1981, arms export restraint was no longer a major objective of U.S. foreign policy. Nonetheless, Reagan felt compelled to denounce his predecessor's initiatives and to promulgate a new, open-door approach to foreign military sales. In a May 1981 speech unveiling the new policy, Undersecretary of State James L. Buckley affirmed that "this administration believes that arms transfers, judiciously applied, can complement and supplement our own defense efforts and serve as a vital and constructive instrument of our foreign policy."[9] Reagan quickly approved the sale of F-16 fighters to Pakistan, F-15s and AWACS radar patrol planes to Saudi Arabia, AH-1 Cobra helicopter gunships to Jordan, and similar items to other U.S. clients in the Middle East and Asia.

U.S. arms flowed to the Third World in record amounts. Capped by a $5 billion sale of F-15s and AWACS to Saudi Arabia, total U.S. military sales rose to $19.1 billion in fiscal 1981, an all-time record. Only the oil-induced recession of 1983-84, which greatly constricted the spending ability of would-be Third World arms buyers, prevented new records from being set in subsequent years. The recession notwithstanding, Washington continued to use arms sales to extend U.S. influence abroad and to counter similar efforts by the Soviet Union. "Arms sales are the hard currency of foreign affairs," an unidentified State Department official told U.S. News and World Report in 1983. "They replace the security pacts of the 1950s."[10]

What was true for Washington was true for Moscow. Lacking funds to offer economic assistance or capital investment, Soviet leaders employed the one foreign policy tool available to them in seeking influence abroad: arms transfers. According to the Congressional Research Service, Soviet arms transfers to the Third World from 1981 to 1988 amounted to a whopping $139 billion (in constant 1988 dollars), an amount that exceeds the U.S. total by a significant margin. The major recipients of Soviet arms in the 1980s were clustered in the Middle East and South Asia, with the largest deliveries going to Algeria, India, Iraq, Libya, Syria, and the two Yemens.

As in past years, both superpowers also sought to woo away each other's allies and clients, often using arms transfers in the process. The Soviet Union, for instance, has readily supplied Jordan and Kuwait with modern weapons when leaders of these countries encountered difficulty in obtaining high-tech systems from the West. The United States, for its part, has encouraged several long-standing Soviet allies, including India and Iraq, to diminish their military dependence on the Soviet Union. Consistent with this policy, the Reagan administration raised no objection to French sales of advanced missiles and aircraft to Iraq, or to Brazilian sales of multiple-launch rocket systems. In a further effort to pull Baghdad out of the Soviet orbit, Reagan (and later Bush authorized the sale to Iraq of $1.5 billion worth of sophisticated U.S. scientific and technical equipment—much of which has apparently been used in the development of conventional, nuclear, and chemical weapons. Indeed, so eager was Washington to forge links with Iraq that Reagan and Bush continued to allow deliveries of such equipment even after it had become evident that this technology was being diverted for military purposes, and long after Iraq had used chemical weapons in attacks on Iran and its own Kurds.

As a result of these deeply entrenched arms-supply patterns, many Middle Eastern nations now possess arsenals comparable or superior to those found among the front-line states in NATO and the Warsaw Pact. But if the genesis of these arms-supply relationships was the early Cold War, it would seem logical for them to fade as the Cold War draws to a close. U.S. and Soviet leaders have lent some credence to this assumption. In an August 1990 letter to U.N. Secretary-General Javier Perez de Cuellar, Soviet Foreign Minister Eduard Shevardnadze wrote that "the Soviet Union considers that the inclusion on the U.N. agenda of the problems of restricting international sales and supplies of conventional weapons is a logical development of the trend toward the internationalization of the dialogue on most important questions of world politics."[11] President Bush and Secretary of State James Baker have made similar comments, noting that the control of conventional arms transfers should be considered along with efforts to curb the proliferation of nuclear arms, chemical weapons, and ballistic missiles.

Despite progress on the rhetorical front, however, the superpowers have taken no steps to curb their exports of conventional arms to the Third World. As noted above, the United States has announced record-breaking sales to Saudi Arabia, and sales of sophisticated arms to Egypt, Israel, Turkey, and the United Arab Emirates are in the offing. The Soviet Union continues to supply major equipment to India, Libya, and Syria, and was pouring arms into Iraq until the moment Saddam Hussein ordered the invasion of Kuwait.

Economic conditions have something to do with this. The Soviet Union is desperately in need of hard currency for its industrial rehabilitation, and weapons are among the few commodities it can successfully market abroad. Arms exports give U.S. weapons manufacturers an attractive "safety valve" at a time of declining military spending at home. But political factors remain a major determinant of the superpowers' arms transfer policies. Moscow and Washington once sought Third World allies in their struggle with one another; today they seek allies in order to better position themselves for global influence in an uncertain, polycentric era.

In the view of senior U.S. strategists, this era is likely to witness the emergence of regional powers, many of which will be armed with weapons of mass destruction, and some will be hostile to long-term U.S. interests. "The emergence of regional powers is rapidly changing the strategic landscape," President Bush noted in an address to the U.S. Coast Guard Academy in May 1989. "In the Middle East, in South Asia, in our own hemisphere, a growing number of nations are acquiring advanced and highly destructive capabilities," posing a significant threat to U.S. security. In this environment, any effort by the United States to protect its overseas interests through military means—as in Operation Desert Shield—will require the cooperation of friendly Third World powers. "Where American intervention seems necessary," the U.S. Commission on Integrated Long-Term Strategy affirmed in 1988, "it will generally require far more cooperation with Third World countries than has been required in the past."[12]

And cooperation is secured through arms transfers. In arguing for congressional approval of the administration's September 1990 emergency arms package for Saudi Arabia, Under-secretary of State for International Security Affairs Reginald Bartholomew told the House Foreign Affairs Committee that these sales are intended to "develop the interoperability that will allow the U.S. and other friendly forces to reinforce the Saudis more effectively should that ever again be necessary," and to "help contribute to stronger and more stable post-crisis security arrangements."[13] In other words, arms sales are the essential glue for the "regional security structure" that Secretary of State James Baker told the House Foreign Affairs Committee on September 4 the administration wants to establish in the Middle East.

Whether the Soviet Union has similar intentions cannot be determined. It is clear that Soviet leaders want to maintain close ties with regional powers like Syria and India, and to establish new ties—cemented by arms transfers if necessary—with other powers in the region. Potential buyers are still able to play one suitor off against the other, obtaining favorable conditions for the acquisition of ever more capable weapons. Whatever impact the end of the Cold War may have in other areas, it has not diminished the intensity of local arms races—or the likelihood of regional conflict—in the Middle East.

SEVEN WAYS TO CURB ARMS

There is no escape from this pattern if the major powers continue to view arms exports as tools of convenience in their quest for political advantage, and if regional powers continue to rely on military means to resolve disputes with their neighbors, U.S. and Soviet leaders—and subsequently, the leaders of France, Britain, and China—must be convinced that a stable international order cannot be achieved in a world of uncontrolled arms transfers, and that curbs on arms are essential to post-Cold War stability. At the same time, Middle Eastern leaders must be persuaded that the best hope for long-term protection against dissension and bloodshed lies with a regional peace agreement that respects the national aspirations of unrepresented peoples, eliminates nuclear and chemical weapons, and limits the acquisition of offensively oriented conventional weapons.

These objectives may take years of effort, but intermediate goals could build momentum for more sweeping and long-lasting objectives. Seven measures could produce real improvements in global security:

Reconvene the CATT talks. As the only U.S.-Soviet negotiations ever undertaken in this field, the Conventional Arms Transfer Talks are a useful mechanism. At the original sessions, CATT negotiators reportedly reached agreement on many basic elements of nomenclature, scope, and applicability which could save months of future talks and consultations. Resuming CATT talks would also send a powerful signal to other suppliers and to recipients that the two superpowers had agreed on the need to constrain the arms traffic.

If the talks are resumed, the two sides should agree to set a mutual ceiling on arms transfers (perhaps $8-10 billion each per year) while pledging to negotiate lower levels in subsequent talks, after experience has been gained in implementation and verification. The superpowers should also agree to ban or restrict the sale of particularly inhumane and destabilizing weapons such as wide-area cluster bombs, fuel-air explosives, incendiary devices, shoulder-fired anti-aircraft missiles, and long-range bombers.

Expand and enhance the MTCR. The Missile Technology Control Regime, established in 1987 to restrict exports of ballistic missile technology, represents an important precedent for multilateral action. But it has critical defects: several countries that have played a vital role in the transfer of missiles and missile technology to areas of conflict are not signatories—notably Argentina, Brazil, China, and the Soviet Union. And the MTCR generally exempts technology used in developing missiles for space exploration, most of which can be converted to military use.

To be effective, the MTCR needs to be substantially strengthened. Including the Soviet Union should be the most immediate priority, particularly as Soviet officials have already met with their U.S. counterparts to discuss possible cooperation in this area, and an agreement would be consistent with policy statements issued by Soviet leadership. It would then be easier to persuade other holdouts to join. Restrictions on the transfer of sensitive technology, including space-related technology, should be tightened.

Establish controls on other advanced military systems. Instruments similar to the MTCR should be established for controlling the export of other destabilizing weapons, including cruise missiles, submarines, and deep-penetration strategic bombers.

Convene an international conference on nuclear and chemical disarmament in the Middle East. No lasting progress toward regional security can be made unless the nations of the Middle East agree to restrict possession of weapons of mass destruction and their means of delivery. A Middle East agreement will require progress in other areas, including boundary disputes. But the history of East-West negotiations demonstrates that progress on arms control will not occur unless countries talk to one another, and preliminary negotiations can often result in the adoption of confidence-building measures that help set the stage for political accommodation.

When the crisis in the Gulf is resolved, efforts should be made to convene a U.N.-sponsored regional conference on nuclear and chemical disarmament, which might also provide the impetus for adopting confidence-building measures tailored to the Middle East. These could include international inspection and monitoring of nuclear and chemical facilities; establishing "hot lines" for communication between hostile nations in a crisis; and mutual promises to sign and abide by the Nuclear Non-Proliferation Treaty and the proposed Chemical Weapons Convention. A U.N. conference could also develop into an ongoing negotiating process, as did the Conference on Security and Cooperation in Europe.

Impose economic and trade sanctions against nations developing nuclear weapons. The U.N. trade embargo has prevented the transfer of materials and technology to Iraq's weapons development and production facilities, including its nuclear and chemical installations. These sanctions should be maintained until Baghdad agrees to dismantle its nuclear and chemical weapons facilities under international inspection. When the current crisis is over, the United Nations should develop an array of trade and economic sanctions to apply against nations that persist in developing such weapons after international norms are established. Sanctions could be limited to a ban on transfers of military technology in the case of states that agree to participate in regional negotiations, or entail more stringent measures if states refuse to participate in such a process.

Reduce or restrict international aid to nations developing domestic arms industries. Many of the more affluent Third World countries are developing elaborate military-industrial complexes modeled on those found in the major military powers of the industrialized "North."

These complexes contribute to the worldwide diffusion of conventional weapons, and, in the case of Iran and Iraq, help to sustain regional wars of great duration and ferocity. Most of these countries receive significant technical and economic assistance from the North that enables them to divert scarce national resources to pet military projects. In the future, such assistance—whether provided by individual governments or by multilateral agencies like the World Bank—should be denied to states that divert an excessive share of their national income to military-industrial purposes.

Establish an international clearinghouse for intelligence on clandestine arms technology transfers. Iraq's apparent success in acquiring sophisticated arms-making technologies through black market arms channels highlights the need to collect and process intelligence on clandestine arms operations. A clearinghouse could track suspicious "front" operations in target countries and inform police and military authorities of any apparent wrongdoing. Such a mechanism might draw on the staff and experience of COCOM (the Co-ordinating Committee for East-West Trade Policy), the Western agency established to intercept transfers of high-technology goods to the Soviet bloc.

In the absence of controls, the arms trade will continue to operate as in the past, and there will be a continuing series of regional crises and conflicts. But these seven measures could significantly improve the global security environment and set the stage for a comprehensive solution to the Middle East's outstanding security concerns.

Presidents Bush and Gorbachev have spoken glowingly of the new world order they hope to construct on the ruins of the Cold War system. But a new order cannot be built on the premises that have guided international behavior in the past. Obsolete practices will have to be abandoned, particularly the practice of supplying implements of war in return for political promises and favors. Only when munitions are eschewed as an instrument of statecraft and diplomacy will a more peaceful order be possible.

FOOTNOTES

[1] Richard F. Grimmett, *Trends in Conventional Arms Transfers to the Third World by Major Supplier, 1981–1988* (Washington, D.C.: Congressional Research Service, Library of Congress, 1989), p. 51.

[2] Stockholm International Peace Research Institute, *SIPRI Yearbook 1990* (Oxford and New York: Oxford University Press, 1990), and earlier editions.

[3] Samuel P. Huntington, "Patterns of Intervention: America and the Soviets in the Third World," *The National Interest* (Spring 1987), pp. 19–20; for a discussion of supplier and recipient motives, see Andrew J. Pierre, *The Global Politics of Arms Sales* (Princeton: Princeton University Press, 1982).

[4] Stephen M. Walt, *The Origins of Alliances* (Ithaca, N.Y.: Cornell University Press, 1987), pp. 50–103.

[5] Quoted in *New York Times*, Oct. 19, 1975.

[6] U.S. Congress, House Committee on Foreign Affairs, *Changing Perspectives on U.S. Arms Transfer Policy*, Report by the Congressional Research Service, 97th Cong., 1st sess., 1981.

[7] U.S. Congress, House Committee on Armed Services, *Indian Ocean Arms Limitations and Multilateral Cooperation on Restraining Conventional Arms Transfers*, Hearings, 95th Cong., 2d sess., 1978, p. 17.

[8] See Jo L. Husbands and Anne Hessing Cahn, "The Conventional Arms Transfer Talks," in Thomas Ohlson, ed., *Arms Transfer Limitations and Third World Security* (Oxford; Oxford University Press, 1988), pp. 110–25.

[9] James L. Buckley, address, Aerospace Industries Association meeting, Williamsburg, Va., May 21, 1981 (U.S. State Department transcript).

[10] Quoted in *Wall Street Journal*, June 19, 1983.

[11] *Izvestiya*, Aug. 16, 1990 (translated in *Foreign Broadcast Information Service-Sov-90–159*, Aug. 16, 1990, p. 6).

[12] U.S. Commission on Integrated Long-Term Strategy, *Discriminate Deterrence* (Washington, D.C.: U.S. Government Printing Office, 1988), p. 10.

[13] Testimony, October 3, 1990 (State Department text).

Here is the President telling us now that he would continue, and depend on him to protect the national interest, these agricultural credits. Here are the records, which we have already published in the CONGRESSIONAL RECORD, from the Federal Reserve Board members at the Advisory Council, the National Advisory Council to the Export-Import, the professional credit analyzer saying, "But look, Iraq has defaulted with six other countries," most of those that had obtained these arms that I just referred to in the bulletin of the Atomic Scientist, and it is not creditworthy, but then here comes the Vice President at that time and then later the President, Bush; here comes the Deputy Secretary of State, one Eagleberger; and here comes Secretary of State James Baker and says, "No, no, this is essential to maintain our relations with Iraq. We have to do this. It is essential to our political foreign policy."

This is where I came in. This is where I still am, because at this moment there is no telling how many BNL's and BCCI's which incidentally, Mr. Speaker, our committee is not finished with yet, there are right now, because of our lax defense of our national interests from the standpoint of safety and soundness, not only of our banking system, but the use of our credit and our Government's credit. We have learned nothing since then. We are now doing the same thing with other countries that conceivably, and God forbid, I pray daily does not happen, the so-called Balkan area in flames, yet it has enlarged and it is headed that way. We are exposed with millions of dollars in guarantees to some of these countries that might be on the opposite side before too long, such as with China.

We not only consider China as a favored nation trading partner, but we have also extended some governmental guarantees that I think are just absolutely fantastic and unbelievable.

Our committee has jurisdiction, in accordance with the definition of the rules providing its jurisdiction, on all credit-issuing activities. This is where we come in. This is why some colleagues seem surprised when I say, "We have jurisdiction over Farmer Mac, the credit-issuing secondary banking system, and all of this system is shaky." It is very shaky. We are in an acute critical condition.

However, there seems to be no general awareness, like in 1988 there seemed to be and there was a planned effort not to reveal the serious conditions of the S&L's. Incidentally, the banking system, too, even though it has been denied, but today it is the banking system, and still continuing S&L conditions.

How can the Federal Reserve Board, which is our monetary policymaking body, be able to set the right monetary policy for a country if it has no knowledge about $1 trillion of this kind of money floating around in this country? I am not talking about the external money, international, I am talking about that that can be leveraged with just a small chunk of it. My estimate is that in this there is at least $1 trillion involved in the drug money laundering illegality that is so nefariously adverse to the best interests of our country, and at the bottom of it all is financing, banking. That is why we are concerned.

I am not interested in the foreign policy, but I am if that politics of foreign policy is used to cancel out the policy of the monetary-setting bodies, and our central bank, as it is known. That is where I come in and that is where I have stayed.

The main memo of October 1990, indicated that there was a risk that Iraq was diverting, as I said and repeat, credits to pay for weapons and nuclear equipment. In fact, just this morning, I repeat, the United Nations certainly suspects it and they are there now in Baghdad, camping out. They have been refused access, but they are still there.

It is clear that the administration violated its own policy and used food as a political tool. All these years we have been denying it to the world, and here it is. Ambassador April Glaspie admitted that, and I placed the record in the CONGRESSIONAL RECORD. The decision to approve the fiscal year 1990 CCC Program for Iraq is not without cost. To date the taxpayer is out more and still in default over $400 million, but 10 American banks have already been paid out $1.2 billion of taxpayers' money, so the exposure to the taxpayer for these activities, not counting the Export-Import Bank, will be around $2 billion. How desperately our States, our cities, our communities, our school system needs just a little chunk of that $2 billion, which could make a big difference to any one of our more seriously detrimentally impacted communities. We are out. The taxpayer is going to have to make up for the default on those guarantees.

The Italian bank, and nobody seems to realize, even some of the people, the regulatory authorities, do not seem to realize that when we talk about foreign banks, like the BNL, we are not talking about an entity like a United States bank or a private bank. These are all government-owned banks.

The Italian Government, the Italian Senate, to which, incidentally, I owe a great debt of gratitude, particularly to the chairman, Senator Carta of Rome, who did a magnificent job in its investigating committee. They came over and I met with them. In fact, when the Federal Reserve Board would not give me some documents we found a way to get them from this other source, so that the Italian Government and the taxpayers of Italy will be out about another $2 billion on BNL for that and other involvement, incidentally, where BNL and BCCI dovetail. It is like a giant web, a big web. We touch one end and the whole thing quivers.

The decision to approve that fiscal year 1990 CCC Program for Iraq is not without cost, I repeat. That is not the end to this costly story of imprudent and improper management. It gets worse. Two days prior to winning approval for $1 billion, the National Security Agency and the State Department received a detail secret CIA report on BNL. The CIA report is entitled, "Iraq-Italy, Repercussions of the BNL-Atlanta Scandal." The report was prepared by the CIA's special division, the Office of the Near East and Southeast Asia Analysis.

□ 1500

I am writing and I have sent a letter to the CIA Director asking him to declassify this report so that it can be made public, to wit: to us, the Congress.

The secret report indicates that BNL loans were used to fund Iraq's clandestine military procurement network which was operating in the United States and Europe. The report indicates that several of the BNL-financed front companies in the network were secretly procuring technology for Iraq's missile programs and nuclear, biological, and chemical weapons programs.

The President recently denied point blank that the White House or the State Department knew of the charges that Iraq was diverting United States assistance to build nuclear weapons. The President was quoted as saying:

> We didn't know that. The State Department didn't know that. You can talk about what one State Department employee * * * and if we had known it wouldn't have happened.

Given the contents of the CIA report the President's statement seem rather disingenuous. The White House and State Department were keenly aware that BNL loans were tied to Iraq's highest priority weapons programs. The CIA also had plenty of information in its files showing that the Iraqis involved in the BNL scandal represented the highest levels of the Iraqi Government.

For example, one of the unindicted coconspirators in the BNL scandal is Hussain Kamil. Mr. Kamil is Saddam Hussein's son-in-law and at the time he was in charge of Iraq's massive military industrialization effort. At the time of the BNL scandal the CIA listed him as the second most powerful man in Iraq. At this point I would like to place a telex in the RECORD showing Kamil wishing the employees of BNL a happy Easter.

The telex referred to is as follows:

> MARCH 26, 1989.
>
> For the attention of Mr. C. Drougol:
>
> I would like to express my greetings and personal good wishes for you and your family and all your staff at Del Lavoro Bank-Atlanta on the occasion of the Easter festivities. Wishing you all happiness, good health, and prosperity.
>
> HUSSAIN KAMIL HASAN,
> *The Ministry of Industry and Military Production.*

Another example is Safa Al Habobi, one of the Iraqis indicted for his role in the BNL scandal. Al Habobi was the head of Iraq's secret military technology procurement network. He directed how much of the BNL money was spent and at the time of the BNL raid the CIA lists him as an Iraqi intelligence agent.

It is important to note that the BNL investigation in Atlanta was not provided access to the CIA report on BNL or the CIA information on Mr. Kamil and Mr. Al Habobi and others. In fact, the committee has been told that requests for CIA information went unanswered until after the Iraqi invasion of Kuwait—1 year after the BNL raid.

The lack of CIA cooperation with the prosecutors in Atlanta was a calculated administration effort to conceal the true nature of the BNL scandal and to hide the level of Iraqi Government complicity in the scandal. The CIA could have easily opened its files and allowed the Atlanta prosecutors to know what they were up against. New leads could have been pursued, but that is not what happened. Instead the CIA was silent. It is downright criminal that the CIA did not help the prosecutors in Atlanta understand BNL's role in funding Iraq's military technology procurement network. Astonishingly, it appears that the Bush administration wanted Iraq's clandestine procurement activities to continue.

It is beyond me how the President and his advisors can claim that the decision to approve $1 billion in CCC credits for Iraq was prudent. Providing Iraq with a billion dollars in additional credit while knowing of Iraq's sinister intentions is inexplicable. How can the administration explain that? Clearly they don't want to.

The CIA report also sheds light on the reasons why the President authorized the release of the CCC credits for Iraq despite all the ominous warning signs.

In the late summer of 1989 Iraq was in dire financial straits. Iraq badly needed the $1 billion allocation of CCC credits in order to meet the food demands of its people. When the BNL raid occurred in August 1989, investigators found over $4 billion in unreported loans to Iraq—$4 billion, not million, billion—three quarters of a billion of the loans were guaranteed by the CCC Program. One of the main focuses of the investigation was fraud against the CCC Program.

Starting in August 1989, it was obvious that the new fiscal year 1990 CCC

Program for Iraq was in trouble. On top of the BNL scandal the Treasury Department, OMB, and the Federal Reserve doubted that Iraq could make good on $1 billion in new guarantees that had been planned for fiscal year 1990. In September 1989, these agencies balked at that Agriculture Department proposal to go ahead with the full $1 billion program.

The State Department and White House were stunned. Together they were just completing work on a new Bush administration policy for the Middle East called National Security Directive 26. The publicly available part of NSD 26, which was signed by the President on October 3, 1989, states:

> Normal relations between the U.S. and Iraq would serve our long-term interests and promote stability in both the Gulf and the Middle East. The U.S. Government should propose both economic and political incentives for Iraq to moderate its behavior and to increase our influence with Iraq.

The CCC Program for Iraq was the largest economic incentive the United States had to offer—termination of the program would frustrate the President's orders. A State Department memo to Secretary Baker dated October 26, 1990, states:

> Earlier this month the President signed NSD-26 mandating pursuit of improved economic and political ties with Iraq. Our ability to influence Iraqi policies in areas important to us, from Lebanon to the Middle East peace process, will be heavily influenced by the outcome of the CCC negotiations.

Consequently, the White House and NSC devised a strategy to win approval for the corruption riddled program. In early November, Secretary of State James Baker called Agriculture Secretary Clayton Yeutter pledging his support for the full $1 billion program. At the same time Deputy Secretary of State Lawrence Eagleburger called his counterparts at the OMB and Treasury Department to ask for their support for the full $1 billion program for Iraq.

What is generally not known is the role the CIA report played in the decision to grant the CCC credits for Iraq. The CIA report states that a failure to approve the full $1 billion CCC Program for Iraq will harm United States-Iraq relations. It was with that secret information in hand that the White House and State Department went to the NAC Deputies Committee meeting of November 8, 1989. The various agencies discussed the proposal for the CCC Program for Iraq. Notes of the meeting state:

> The State Department's Robert Kimmitt stated that his comments reflected the views of Secretary Baker who believed that the program in Iraq was crucial to the U.S. bilateral relationship with Iraq. He noted that in National Security Directive 26 the President had called for improvement of the U.S. relationship with Iraq and bilateral trade expansion offered a good means to achieve that end. To abruptly terminate the CCC program in Iraq would, he said, clearly run counter to the President's intention and would further more cause a deterioration in our relationship with the Iraqis.

The high level lobbying effort paid off. This time the CCC Program for Iraq was approved. The CIA report shows that unless the full $1 billion CCC Program was approved, the President's goal of improving relations with Saddam Hussein as spelled out in NSD-26 would be frustrated. Making NSD-26 work appears to be the main motive and driving force behind the decision to release the CCC credits. The problem was that NSD-26 was flawed—closer relations with the brutal Saddam Hussein was not a prudent strategy.

It is reasonable to infer that the President himself authorized the release of the CCC Program for Iraq and it is the President who should answer to the taxpayers for this faulty judgment. That inference is supported by recently acquired Treasury Department notes of November 7, 1989, which state: "Non-attributable: Rumor: White House ordered release of the $1 billion."

These revelations are important for several reasons. First and foremost is the striking stupidity in giving Saddam Hussein $1 billion in credit when he is obviously intent on building weapons of mass destruction. The administration clearly had more in mind than helping American farmers.

The Bush administration had a policy of not allowing food to be used as political weapons, yet clearly the CCC Program was used as a political tool and not a market enhancement mechanism as the highest levels of the administration have claimed in recent congressional testimony.

□ 1510

The decision to approve the CCC credits also shows that prudent management was abandoned for political expediency, and yet in recent testimony before the Banking Committee Mr. Lawrence Eagleburger stated:

> I intend to make clear that the administration followed a prudent policy toward Iraq, including the management of the CCC Program.* * *

Now, this is the same Mr. Eagleburger, Deputy Secretary of State, when in his appearance before a committee, looks at me and says, "Well, it was not until I saw in the CONGRESSIONAL RECORD in preparation for this hearing the cable memorandum that you put in the RECORD that I did not even know existed." I said, "Well, you signed it." He said, "That is true." It is signed as Acting Secretary of State. But somebody sent that cable. To whom? To our Ambassador in Baghdad. What did the cable say? It said, "Hey, we are going to get that help for Saddam Hussein. Be sure to tell him," but then the last paragraph said, "But do not tell anybody back here in the States."

So when we bring this out, the Deputy, with great ado, alams the document on the table in our committee hearing room and says, "That proves I did not know about this. I would never have written such a stupid paragraph." Well, who then is acting? Who is responsible for anything then?

If I should send a cablegram like that and it is over my signature, I should not be answerable for that? I should blame some unknown, undetermined, unidentified, locally placed State Department Foreign Service Officer somewhere? Of course not.

But those are the times we are living in. Yes, we made a mistake, but nobody is taking responsibility, no accountability.

What are we waiting for in our country? What is the net dead-end result of all of this on levels reflected, as I can tell you in hearing after hearing in the Banking Committee, from the high and the low and the banking and big financial experts and all? "Yes, sure, but we are not responsible," because, you know, everybody was riding that merry-go-round at the time. You know, that was the thing to do. But who answers for it? And what are you going to do to make up for these crass errors, and if not greedy, greed-driven activities, and redeem such as it can the national interest? No volunteer there.

The scandal does not end here. The committee has learned that in late October-early November 1989 the White House called the assistant U.S. attorney in Atlanta to discuss the BNL case.

Last week the committee was provided access to a pile of long lost Treasury Department notes on the NAC. The committee asked for them in October 1990, and they were recently uncovered and turned over by an honest Treasury Department lawyer.

These meticulous and comprehensive notes were taken by a dedicated career Treasury Department employee who was assigned responsibility for monitoring the BNL scandal and the NAC decision on the fiscal year 1990 CCC Program for Iraq.

Last, the committee staff, and let me here give credit to the staff that has been the most rewarding. We have very limited staff, but Mr. Dennis Kane, who has been in the forward of this, under the most able direction of the staff director, Mr. Meek, Kelsay Meek, with credit for painstaking night after night all night, weekends all night, poring through these documents, assembling them, and then consulting and identifying.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I am happy to yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, I wanted to observe that I have watched the gentleman in the well, the gentleman from Texas [Mr. GONZALEZ], take the floor over recent months on this same subject, and I think that the House of Representatives owes the gentleman from Texas [Mr. GONZALEZ] a debt of gratitude for the work he has done.

Mr. GONZALEZ. I thank the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Clearly something strange has gone on here under the cloak of great secrecy in which billions of dollars have flowed in unusual ways that have apparently ended up buying weapons for Saddam Hussein, and the gentleman from Texas [Mr. GONZALEZ] has been determined to find the answer to these questions that have been posed, and I think the House owes him a debt of gratitude. I do not know where this all leads. I do not know where it all ends up, nor I suspect does the gentleman from Texas, but the American people deserve the truth. They wanted to know what has happened.

Mr. GONZALEZ. The gentleman is correct.

Mr. DORGAN of North Dakota. What happened, why it happened, under what conditions it happened, who authorized it. That is what the gentleman from Texas seeks, and I hope that he will pressure all of the forces in the House and in the whole Congress and in the executive branch to make sure the mechanisms are available for you to get at the truth so that the American people can understand what the truth is.

Mr. GONZALEZ. I thank the gentleman very much, I say to the gentleman from North Dakota [Mr. DORGAN]. I deeply appreciate that, and particularly coming from a gentleman I honor and esteem highly. I want him to know that he has succinctly stated the main underlying motivation that guides us here, and as I said, insofar as these collateral issues touch on the banking and financial and the safety and soundness of our system, which unfortunately and sadly is not so safe and so sound, as the gentleman well knows, and the gentleman has developed quite an expertise in that line even though he is not a member of the Banking Committee, and we respect him very much. But I thank the gentleman again for his generous words.

So we had last week finally provided a look at a pile of Treasury Department notes on the NAC. It resisted, denied, in fact, I had one letter in which Treasury interposed executive privilege, but we persisted and finally, last week, the staff was permitted to look at some of these documents, not all that we are still looking for, and the committee asked for them in October 1990. That is over a year and a half ago.

We were told that, "Well, we did not know"; they did not know they had them. So here they uncovered them last week, and they were turned over to an honest Treasury Department lawyer, probably a career.

You know, we always forget how many dedicated career, what we used to call civil service, but which has been undone, that on the subleadership level, and I know in the case of the regulators and the old Home Loan Bank Board how many heroically performed despite facing either the loss of their careers or the removal of their jurisdiction if the big cheeses up in D.C. did not like what they were doing.

Now, what I have said all along is that secrecy by its very, very identification is an enemy of democracy.

I have served, and I have been privileged, as I have said before time and time again, to serve on the local legislative level 3 years, 39 years and 8 months ago city council of my city, State senate 5 years, and 30½ years here, 30 years and 7 months here on this level, and I can honestly tell anybody that I know of no occasion in which I would participate or know of any participation in any matter that had to be secret, that the doors could not be thrown open, the windows opened, and I cannot for the life of me understand all of this penchant for secrecy other than the fear of ridicule for being shown up to have made a very dumb mistake.

Well, we all make mistakes, but if we then try to deny it, and then what is worse, cover up or obstruct the legitimate jurisdictionally wise organ of our Government that is directly responsible to the people itself, the knowledge and the inclination that men such as J. Madison and the ones who wrote the Constitution say is indispensable.

This employee had regular contact with the various agencies involved in the handling of the BNL scandal and the decision to approve the CCC Program for Iraq. This includes regular contact with the State Department, Agriculture Department, Federal Reserve, and the Justice Department. The contacts also included the White House.

On November 7, 1989, this individual had a conversation with a fellow Treasury Department employee and the assistant U.S. attorney in Atlanta, Ms. Gail McKenzie. The notes of the conversation read:

> McKenzie: She has been called by the White House—got impression (they are) concerned about embarrassment level.

It is clearly improper for the White House to be calling an assistant U.S. attorney to talk about an open criminal case—especially a case as sensitive as the BNL case. A call from the White House could certainly be perceived as threatening.

This revelation raises a myriad of questions:

Who at the White House made the call?

Who at the White House authorized the call?

Was the prosecutor required or asked to reveal grand jury secrets?

Who at the Justice Department was aware of the call?

Did the Justice Department approve of the call?

Why was the call made in the first place?

It is interesting to note that during recent hearings before the Judiciary Committee whether to appoint an independent counsel Attorney General Barr did not inform the committee that the White House called the prosecutor in Atlanta to discuss the BNL case. Clearly someone at the White House wanted the prosecutor to know that the BNL investigation was an extremely important case.

ROSTOW GANG STILL ACTIVE

I am sorry to report that the President's efforts to thwart the Banking Committee's investigation of BNL and Iraq policy are still quite active. On May 15, 1992, the Attorney General sent me a letter stating that the Banking Committee would not be provided access to classified information. The Attorney General spuriously claimed that I harmed the national security by placing documents in the CONGRESSIONAL RECORD during my floor statements on BNL.

I should note that the Attorney General did not send his letter until nearly 4 months after I entered the first documents in the CONGRESSIONAL RECORD. In fact, the Attorney General's letter arrived just after the Bush administration started getting negative press for its failed policy toward Iraq.

On numerous occasions I have asked the Attorney General and the State Department to demonstrate how the documents I placed in the CONGRESSIONAL RECORD harmed the national security. Not surprising, neither has replied and I bet they never will because the documents in no way harmed the national security.

The truth is that the President and his advisers are hiding behind the cloak of national security to cover up embarrassing and potentially illegal activity related to his policy toward Iraq.

INDEPENDENT COUNSEL

The Judiciary Committee is now contemplating appointment of an independent counsel to investigate potential criminal activities associated with the Bush administration's policy toward Iraq. It is now clear that the President, Brent Scowcroft, and other top advisers had their hands in the effort to thwart congressional oversight of Iraq policy.

We know that the administration submitted false Commerce Department export licensing information to the Congress. Before today all we knew was that Dennis Kloske was pointing his finger in the direction of the White House.

We now know that the White House called the assistant U.S. attorney in Atlanta just prior to deciding to approve the $1 billion fiscal year 1990 CCC Program for Iraq in November 1989. That was clearly improper.

We know that the White House and State Department had CIA information showing how the loss of BNL loans could harm Iraq's procurement effort which apparently was the linchpin of the policy to mollify Saddam Hussein, a man who a few months later would be referred to as Adolf Hitler by President Bush.

The White House wanted to keep the money and the technology flowing to Saddam Hussein. And naturally, today they do not want to talk about it. But it will not go away. The people of this country are entitled to know what happened and why.

□ 1520

THE FUTURE OF AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota [Mr. DORGAN] is recognized for 60 minutes.

Mr. DORGAN of North Dakota. Mr. Speaker, yesterday I was in my district in the State of North Dakota and I met someone who said that they had been involved in some investments in the country of Poland. I was thinking about that on the airplane yesterday coming back to Washington, DC, thinking a bit about Poland and thinking about an experience I had here in the House of Representatives about 2 or 3 years ago. It was kind of an unusual experience.

As you know, Mr. Speaker, we have joint sessions of Congress in which the Senate comes over in this Chamber, meets with the House, the diplomatic corps comes, the President's Cabinet arrives, the Supreme Court shows up, and then we have an address. Typically, the address is by the President of the United States to give a State of the Union or some other special address. In other cases, it is from a head of state.

In this case, several years ago the Speaker of the House recognized and the Doorkeeper announced from the back door of the Chamber a gentleman from Poland. The Doorkeeper said "Mr. Speaker, Lech Walesa from Poland," and Lech Walesa marched in that back door and walked to the front of the room and stood at the podium, just beneath where the Speaker now sits, and the joint session of Congress rose and gave him a long standing ovation.

This rather short, pudgy man, with a mustache and red cheeks, was not a politician. He was not a diplomat. He was not an intellectual. He was not a scholar. He was an electrician, an unemployed electrician at the shipyard in Gdansk, Poland, who 10 years earlier had been beaten by the Communist Secret Police in Poland because he tried to lead a labor strike for a free labor movement in Poland.

Lech Walesa stood at that microphone and told us of the experience. Ten years earlier he had been beaten in the shipyard in Gdansk for trying to lead a labor strike. They took him and threw him over the fence outside of the shipyard, and Lech Walesa lay there bleeding, unemployed, beaten, wondering what to do next, wondering about the future, his family, his country, and this common man, this ordinary man with extraordinary courage pulled himself up off the ground, climbed back over the fence and went back into that shipyard once again, and 10 years later he showed up at the door of this House of Representatives as a leader of Poland, now President of Poland.

From that podium he said something to us that I shall never forget. He said, "You know, we didn't even break a window pane in Poland. The Communists had all the guns. The Communists had all the soldiers. We had no bullets. What we had was an idea and ideas are more powerful than weapons, the idea that free men and women should be free to make their own choices."

And the power of an idea toppled communism in Poland, and then, too, it toppled communism in East Germany, Czechoslovakia, and Romania. Eastern Europe is largely free and democratic as a result of the courage and leadership of common people willing to exhibit uncommon courage to stand for freedom.

I was thinking of that yesterday because I was thinking about the political trouble in our country, all of the nail biting, all of the knashing, all of the concern, all of the fretting that goes on at the White House and here in Congress and in the cafes all around the country, in the small town restaurants, wondering what is becoming of this country. How do we fix what is wrong? What on Earth has happened to America?

I wondered yesterday, thinking about all of this, where is the courage? Where is the courage in the White House, in Congress; yes, even in the restaurants across the country for all of us to stand together and decide that we are as good in this country as anybody else in the world? We took on the world and beat them economically. We became the most powerful economic center in the world. We made the best products, sold them at the best prices. We outcompeted everybody. We outtraded everybody and we became No. 1.

I grew up in a town of 350 people, went to school there for my first 18 years. Every day that I walked to school, I knew this with certainty. This country was the biggest, the best, the strongest, the most important, and we were No. 1. I knew it without a debate as I walked to school and as I came home from school. I did not think much about it. I, like everybody else in this country, just took it all for granted, but it is not true anymore. We live in a different world. We now face enormous challenges.

We had the chief economist of the Deutschbank in Japan come to Congress and testify a couple weeks ago and here is what he said, and it reaffirms the knot of fear in the stomachs of most Americans. It is why people are worried. It is why they are biting their fingernails about the future. Here is what the chief economist of the Deutschbank in Japan said:

> By the year 1997, Japan will become the world's No. 1 manufacturing power, and just after the year 2000 Japan will become the world's economic leader.

Is it inevitable that happens? No.

Will it happen if nothing else changes? Yes.

So the question is, What do we do about that?

Well, the chief economist of the Deutschbank said this, and here is why it is happening. In Japan every year they are investing $440 billion more in new plants and equipment than we are.

What does that mean? It means their plants and equipment are newer, therefore more productive, therefore they produce better products at a cheaper price and outcompete us in the international marketplace. It is very simple.

Why do we not invest that much in new plants and equipment? Because we are spending money we do not have on things we do not need. This generation of Americans, yes, this Congress, and certainly this President, and yes, this group of American people living here today have decided collectively one way or another that we want all these things, but we are unwilling to pay for them, so we would charge them, and we will rack up deficits and debts that is terribly unhealthy to this country and is threatening this country's future.

Now, is it inevitable that this continue? No, it is not, not if we like Lech Walesa and others demonstrate a little courage and decide that it is not our careers that are at stake, it is the country's future that is at stake, and we have got to begin making different kinds of decisions to put this country back on track.

I am guessing that if you went around the country today and asked folks, "Do you know about the dream team?" They would all say, "Oh, of course we do. The dream team is America's basketball team." It is the finest in the world. It does not just beat everybody. Heck, it just creams and smothers everybody, 50 or 60 points.

Why, it has got Larry Bird, it has got Michael Jordan, it has got Magic Johnson, it has got everybody on it. It is America's pride. They wear the USA jersey. They are going to go to the Olympics and they are going to win the gold medal, and they will march beneath that flag just like our other athletes will and we will have an American team there.

The American team is a team that will all say USA on the front of their jackets.

Well, that is fine, I am going to sit on the edge of my couch watching television and rooting for our team just like everybody else is, and I support the Olympics, but there is another competition going on that is a whole lot more important than the effort in the Olympics, and frankly, we are not winning, and honestly, we do not even have a team. That is the economic competition. It is the competition that determines who has the jobs, who has the economic growth, who has the bright future of opportunity as opposed to who lives in economic stagnation and decline. That is the competition that matters. That is the competition that we need to worry about, and we do not even have a team.

Do we have an economic strategy in this country? No.

Why not? Well, President Reagan, now President Bush, have said, "We don't want any kind of a plan. God forbid. That would represent some government involvement in picking winners and losers, so we won't have an economic plan."

We are the only country in the industrial world without a national economic strategy, the only one.

Every other country must pick Japan. They not only have a strategy, they have got their starting lineup. They have got the corporation. That corporation is affiliated with other corporations in their corporate group. They are joined with their bankers as part of the team. The government is part of the team.

□ 1530

And it is called the keiretsu. That keiretsu, the affiliated group, the government, the banker, the corporation and related companies, they move out into the world to do what their objective is, and that is to get business and sell Japanese products around the world.

What do we do? Well we have a government and business that fight each other most of the time. There is no cooperation. We have a government without a plan. We have a corporate economic structure that has tentacles all around the globe; they are not saying the Pledge of Allegiance. They are interested in international profits, not national economic recovery.

What we need in this country is a plan to compete, one that marshals all of our resources together that says we are all in this together, it is this country's future and we have got to change gears and start deciding to compete to win.

How do we do that? Well first of all, before I talk about the steps that we need to take to do that, and I think we can. If I did not think the future is going to be better than the past I would not have the energy to do this job. But before I talk about those steps—and there are very certain steps that I think we can take to improve this country's future—let me just say I think everybody in this Congress understands the need for programs to help those who are down and out and need a helping hand. That is a given.

Yes, we have to do that.

Mr. Speaker, we had a 10-year-old boy testify before the Committee on Hunger, and I will never forget it, 10-year-old boy who said to us, "I have to put my head down on my desk in the middle of the afternoon at school because it hurts to be hungry." Ten-year-old kids should not be hungry at school.

He lives in a homeless shelter with his mother and does not have enough to eat, he says. Ten-year-old kids should not have to tell Members of Congress they are hungry. Programs ought to be developed to take care of that.

I had a veteran who fought in the Second World War come to a town meeting of mine one time. He said he needed a new set of teeth. He had teeth in his mouth that were 19 years old.

He fell through the cracks at the VA. The VA said, "Well, we can't pay for new teeth." His teeth did not fit anymore. He had cracks on both sides of his mouth.

Well, I checked with the VA and sure enough he did not fit the guidelines. For years, he fought with the Air Corps in the Second World War but this poor old guy did not fit the guidelines and did not have a cent to his name.

I went to a dentist friend of mine who volunteered his time and a dental lab that volunteered the teeth and as a consequence this fellow has new teeth, which is nice.

But the pity is that this fellow in his seventies had to stand up at a town meeting and beg for a set of teeth. This is a person who fought for his country.

It is disgraceful that sort of thing happening here in this country.

My point is there are people who are down and out in this country who need a helping hand, and there ought not to be any debate about it. Of course we have to offer a helping hand to help them step up and out to opportunity.

But once we get past that, the funding of Head Start, the funding of WIC, the early intervention with children who live in poverty, the help for impoverished veterans; once we get all those things that are necessary for us to do, the question is what do we do to put the country back on track? The most important social program in this country's future is a program that expands this economy to create new jobs.

How do we do that? Today, President Bush is in Europe once again. He has traveled close to 400,000 miles on this new 747 of his. As you can tell, I am not the biggest supporter. I did not vote for President Bush. I do not happen to think that all the problems in the world are to be hung around his back either. The fact is he ran for President and the sad fact is he does not have a plan for this country. He has a plan for Russia, he has a plan for Saudi Arabia, he has a plan for Kuwait and a plan for Egypt; he just does not have a plan for us.

When he comes back from Europe he will say, "Well, I have had a plan that Congress just won't pass it." That is not a plan; it is the same baloney, "Give the rich another tax break." That does not substitute for an economic plan to help expand the American economy.

What we need in this country is an American plan in which all of us participate, Democrats and Republicans, and decide as a President and a Congress we are going to pull the oar together and move this country ahead.

I fault the President but I fault this Congress as well. We have not done as well as we should. We can say the President's fiscal policy is not any good; but that means that we have got to create one that is better.

Yes, the President is a leader. He stands for election; but we also stand for election and we have to meet our responsibilities.

I voted against the President's budget this year. He proposed a budget deficit of $440 billion, approximately, for next year.

The Democrats' budget was marginally better but still awful and I voted against that as well.

I want radical and complete economic change that puts this country back on track. I do not want to quibble about the yard lines. We are playing in the wrong stadium here. We have to have fundamental change.

I would like to talk a little bit about what that is. First of all, we will not find the necessary capital to invest in this country unless we control the Federal deficits. It is at the root of this country's economic problem.

How do you control deficits? Well, you can ask some to pay more if they are not paying enough. I happen to support a higher tax rate on the rich. Some say that is easy to do. Well, maybe it is. But the fact is that 31-percent tax rate on the richest Americans is not high enough. When I came here the top tax rate was 70 percent; then it went to 50 percent, and now it is 31 percent. If you make $20 million a year—and some people do—you ought to pay more money in taxes than 31 percent in my judgment.

I happen to think we ought to cut spending—and cut a lot of spending.

Mr. Speaker, I spent a year working on this booklet which is called, "Task Force on Government Waste." We just finished it. From this book we have been on the floor in the last couple of weeks with amendment after amendment cutting spending. And I am going to continue to do that.

Last Thursday we had the defense bill on the floor. From this booklet on waste I offered an amendment from this podium that cut $500 million in spare parts for the defense system. I offered an amendment that passed that cut $200 million in consulting fees down at the Pentagon.

I have offered amendments cutting other appropriations bills in other agencies. I have supported amendments cutting appropriations for this Congress. The spending for this Congress for next year is going to be 6 percent below this year. And that is the way it ought to be.

We ought not stand here and say, "Cut everybody else but increase ours." Frugality starts at home. Cutting starts here. That is why the legislative appropriations bill passed this year with a substantial cut.

Now this document on waste suggests that we can save up to $85 billion a year by cutting waste. We are starting on that now, appropriation bill after appropriation bill.

Let me give you some examples. We have got 1.2 million bottles of nasal spray in storage down at the Department of Defense. It will take a century of plugged noses to use 1.2 million bottles of nasal spray. That makes no sense.

Do you know we had money for 10 years in a bank not earning interest that was appropriated in the foreign aid bill to build water projects and road projects in Egypt but they were not built. So the money sat there not earning interest.

Well, I am pleased to say that that recommendation is now embodied in the bill we passed a week or so ago that is gong to bring that money back and use it to reduce the deficit, hopefully. The examples of waste are extraordinary.

We need to consolidate offices in USDA. We have an ASCS office in almost every county in the country. The richest county in Connecticut has an ASCS office for farmers, except there are no farmers enrolled in the farm program in that county; there are only six dairy producers; there are more polo players than there are people who call themselves farmers. And the only thing they could bring out in that office was to provide a $3.5 million loan on a manure-loading chute at a polo pony facility.

Now you know that is waste. We can cut these things and should and will. To reduce the deficit the first place to start is cutting waste. Second, we can reduce the deficit if we decide as Americans that we are not going to pay for everybody else's defense anymore. Why should we pay for the defense of Japan and Western Europe?

Do you know we have 150,000 to 250,000 American troops right now in Western Europe? I guess they are there, they say, to protect France from invasion from Poland despite the fact that Poland is free and most Poles want to shop in France, not fight in France.

Look, things have changed and we have to change. We do not need those troops in Western Europe. We cannot afford as American taxpayers to pay $100 billion a year to defend our allies. Let them defend themselves or let them pay us for defending them. One way or another that could make an enormous dent in this country's deficit.

Another area that we have to begin making significant policy changes in is trade. We have a system of international trade in this country that in my judgment cheats and shortchanges the American consumer, the American producer, and the American worker.

It seems to me that our trade policies ought to be to say, "Yes, we support free trade, our markets are open. We want American consumers to have available goods from around the world." But we expect at the same time that when we import goods from Japan that the Japanese market be open to American products. When we import goods from Singapore then we want American products to be able to get into Singapore. When we import goods from Korea we want American cars and American goods and American production to be able to go into Korea. It seems to me our trade policy ought to be able to say to other countries that we agree with reciprocal trade and fair trade. Yes, free trade, but it has to be fair.

□ 1540

The President went up and negotiated the free trade pact with Canada. Might be free, but it is fundamentally unfair. The President is now negotiating a free trade pact with Mexico. If he gets it, he is going to have a devil of a fight on the floor of this House.

Mr. Speaker, I ask, "How do you integrate the economies of a country in which the wage paid is 50 cents an hour with a country whose wage base is $12 to $15 an hour? How do you integrate countries in which a garage door manufacturer in Chicago pays a wage rate that is a decent, good living wage for its workers and cannot dump raw chemicals into the river, cannot pollute the air, cannot hire 12-year-old kids with a country which has no such restrictions, or at least has no enforcement of laws that do restrict it?"

The President, under the conditions he is discussing now, enacts a free-trade agreement with Mexico, and we will see hundreds of thousands of American jobs moving from this country to Mexico. That is not this country's future in my judgment.

This administration is over-negotiating a GATT agreement. It is negotiated in secret, behind closed doors, with people wearing monogrammed shirts, I suppose, who say they are working for us, they are on our side. Unfortunately, every time we see their scoresheet, they have been keeping score for the other side. I have never seen an agreement in which they stand up for the economic interests of the producers and the workers of this country. I would like just once for our negotiators to have a little courage and a little strength to say to other countries, "We expect you to allow the products of the American workers and the American producers and American companies into your country to compete on a fair and equal basis."

Some while ago I read an article that the two largest imports in the east coast ports in this country were automobiles and electronics. The two largest exports were used paper and scrap metal. A country cannot remain a strong economic country with that kind of trading pattern. We need fundamental reform in our approach to trade policy, and that reform ought to be to say we do not believe that we want to shut our borders and become isolationist and keep products out. Quite the contrary. We support free, open, and fair trade, but we insist that it be reciprocal and fair. We will treat them like they treat us and say, "Make sure you treat the American worker and the American producer fairly."

In addition, Mr. Speaker, this country needs to pay attention on a partnership basis between programs and the private and public sector to product quality. Frankly, I say to my colleagues, "You compete and win around the world when you have open markets and you're producing the best products. If you're producing the best products at competitive prices, then you're going to win."

Our product quality has suffered in the last decade. Why? Because a whole lot of people that are producing things in this country were too busy worrying about leveraged buyouts, junk bonds, hostile takeovers, and the orgy of greed of the private sector, especially on Wall Street and, in some cases, in the corporate boardroom. They spend a lot of time worrying, not about how to build better products and sell them at better prices, but how to buy somebody out, how to carve a bigger slice out of the existing pile for themselves. It was greed unlike any we have seen in this country, perhaps since the 1920's.

Fortunately, Mr. Speaker, we are getting beyond that at this point, but we cannot return to it. We have got to build the best products. We cannot do that with financial speculation. We do that by paying attention to detail, by investing in research and development and by developing programs that encourage product quality in this country.

I say to my colleagues, "There isn't anybody, in my judgment, that can do better than we can. There is no one that can outproduce us. There is no one that is going to produce better quality, if we decide that's our mission and our goal in this country."

The genesis of most progress in this country has always been, and always will be, education. We cannot have recovery in the long term in America to put this country back on track unless we have an education system that competes with any around the world. If we do not and will not dedicate ourselves to have the finest education in the world, we simply will not win.

I have told my colleagues many times, and I am going to tell them again, that the first time I walked into the office of the oldest Member of Congress, Claude Pepper, I saw two plaques above his chair on his wall. One was an autographed picture of Orville and Wilbur Wright making the first airplane flight, and it was autographed from Orville Wright to old Claude Pepper before Orville died. It said, "To Congressman Pepper, best wishes, Orville Wright."

Beneath that, Mr. Speaker, was an autographed picture of Neil Armstrong standing on the Moon, autographed to Congressman Pepper, and it occurred to me that those two pictures represent from the ground, to the air, to the Moon, the most incredible burst of technology ever seen in the history of civilization.

How did that happen in America? Education, massive investment in the human mind, in the education of the American people. It is the genesis of all progress. From it flowers all of the development and progress in this country, and we must, it seems to me, decide to commit ourselves to being No. 1 again in education.

Another policy area that we have to pay attention to and do something about is health care. A colleague of ours recently in Pennsylvania asked the rhetorical question: "If in a country where when you are charged with a crime you have a right to see a lawyer, shouldn't you, if you are sick, have a right to see a doctor?"

The answer is: Of course.

We have 34 to 37 million Americans who are uninsured, who have no health care opportunities at this point. Wonder, if they get sick tomorrow, what will become of them.

Health care has had price increases that outstrip inflation by three and four times year after year. Health care is being priced out of the reach of too many of the American people.

So, Mr. Speaker, what do we do about that? There are a dozen plans, maybe two or three dozen plans in this Chamber. The President has a plan, the Congress has a plan. Look. The root of the problem is prices are increasing too rapidly and competition does not work in health care.

I studied economics and I taught economics briefly in college, and one of the things we taught was that in a system, a market system, price was a competitive regulator. In health care it is not. In my State of North Dakota there are six places to get open-heart surgery—six different locations. It is a State of only 640,000 people. We certainly do not need six separate locations for open-heart surgery.

Why do we have it? Competition.

In health care competition means higher prices because it means one provider must duplicate what the other provider does in order to compete, and the result is higher prices.

In my judgment the Government role in health care is to use price controls and cost containment to keep a lid on prices where the market system, where the competitive system, does not work. We must find a way to extend health care coverage to those who are now not covered, but we also must use, it seems to me, our ability to impose price controls and cost containment so that we bring the price of health care into line so that most of the American people can afford health care and those who cannot will be covered by the auxiliary program.

We cannot wait. We cannot have people in this country, the vulnerable, who are going without health care. It does not work that way. We cannot in a country as good as this decide that health care is not a right.

I had an 85-year-old woman telling me the other day that she takes half the prescription of the medicine her doctor prescribed for her heart trouble and diabetes because she does not have enough money to take the full prescription. So, she takes half the dose the doctor asks. It lasts her twice as long.

Mr. Speaker, that should not happen in this country.

Drug prices are too high as well. There are a lot of component parts of this problem. In some areas drug prices, I think, have represented price gouging. Let me give my colleagues some examples.

A common blood thinner called Coumadin has been on the market for a long while. It increased in price over 100 percent in 3 years. Tylenol with codeine, not a new drug, increased in price over 100 percent in 3 years.

That is not right. That should not happen. That is price gouging in my judgment, and this Government needs to do something about that as well.

We have got a lot of other problems: crime, welfare.

As for the crime problem, I say to my colleagues, "You can go blocks from this building, the U.S. Capitol, and take a look at houses, and almost every house, without exception, will have bars on its windows, and you wonder who the prisoners are, those inside or those outside." Why in a city like ours, blocks from the U.S. Capitol, do all of the houses have to have bars on their windows? Because of crime.

□ 1550

This country is awash in crime. Now, there are a lot of reasons for it and a lot of things we can do. It relates to values, it relates to economics, it relates to a lot of things. But I am somebody who believes that even while we address all those other things that give hope and opportunity to people, that we also have to have a criminal justice system that takes those who are prone to violent crime off the streets and keeps them off.

About 8 percent of the criminals commit two-thirds of all the violent crimes in this country. Those are the career criminals. They have got rap sheets as long as my arm down here at city hall. And those are the people that are in jail and out of jail, in jail and out of jail, just like a revolving door.

For those career criminals who have decided to make repeat felonies a career, we need to put them in jail and keep them in jail. We do not want them on the street. The public should not have them on the street and have to worry about them.

One of the things we ought to do in order to accomplish that is we are going to close about 100-some military bases, and many of them are outside of a community someplace. We can turn some of those into minimum security prisons and take some of the less dangerous prisoners out of prison systems, put them in minimum security institutions, and open up those cells for the violent criminals, and put them in and keep them in. At least with respect to that small number of criminals that commit most of the violent acts in this country, we can get them off the street and keep them off the street.

In the area of welfare, I said earlier I do not think there is any question but we have a responsibility. We have a responsibility to reach out and give a helping hand to those who need a hand.

I think of almost nothing that I agree with when I hear Pat Buchanan speak, with a single exception. Pat Buchanan, with whom I disagree on almost everything, says that the welfare system has become a cycle of dependency.

Frankly, I agree with that. It was never meant to be that. I think we need to reform the welfare system to break that cycle.

Our responsibility in welfare would be to hold out a hand and say we want to give you a hand to step up and step out. Now, two-thirds of the people on welfare are kids under 16. No one is suggesting that we say to a kid under 16 years of age to get out of here and get work.

But to those who are able bodied on welfare, it seems to me we ought to say we are going to make you a contract. Yes, you need a helping hand. Yes, we are going to offer a helping hand. But in conjunction with that helping hand, there is going to be a contract, and you are going to keep your end of it or that helping hand is no longer a helping hand. The end of it is we will give you some welfare payments in exchange for some training, some education to step up and step out onto a payroll somewhere. If we can't find a payroll in the short run, we will find something to do to clean up our parks, to do a dozen different things that need doing, because I think that gives those who receive that money a much greater sense of self-worth.

Most of the people I have met on welfare would much prefer a decent job. I would like to find a way to establish a contract in our welfare system that says we are going to offer a hand to you because that is the American way, but that hand has an obligation to help you step up and out of that cycle of dependency to a productive life of opportunity and hope.

Mr. Speaker, there is a book that was written, kind of a trendy book, which I usually do not read, but this one I kind of enjoyed, written by Fulghum entitled "All I Really Need to Know I Learned in Kindergarten." It had a lot of interesting discussion and advice about a lot of things.

In it he described in the 1700's a man named Josef Mont Golfier, who one night in France was sitting in front of his fireplace sitting in a big easy chair in a small town outside of Paris, and he was watching his fireplace burn. And as he watched that evening the fireplace burn he saw sparks and he saw smoke go up their fireplace.

He thought to himself, "I wonder if I could capture those sparks and that smoke with something and have this something go up in the air?"

A couple of months later Mr. Mont Golfier, who was kind of a dreamer, had put together a crude sort of balloon made out of some unusual material, had put together some wet straw and burned it so that he developed smoke and some sparks, and there ensued the first balloon flight known in history by a man who saw sparks and smoke go up a chimney and felt if he could put a bag around it, he could fly.

The first flight, as I understand it, had a goat and a chicken and a duck. I understand that Ben Franklin was there and someone, Ben Franklin was stationed in France at that time in some diplomatic post, and someone turned to Ben Franklin and said, "Of what possible value could this be?" Seeing this crazy man burning straw trying to get a bag to fly.

Ben Franklin said, "Of what use is a newborn baby?" I guess pretty effectively he made his point.

Then he said, "This will open the skies to mankind." And in that small village in France when Josef Mont Golfier caused the first balloon to fly, and like others before him, the inventors and dreamers began standing on one another's shoulders to go from the ground to the balloon, to the Moon, they moved this country forward in ways that he could never have dreamed of.

Now, instead of standing on each other's shoulders dreaming about what can be, this country, a country I think with the richest legacy in the history of the world of people who dream and invent and do things, this country seems mired, questioning itself, wondering about itself, criticizing each other, and spending most of its time worrying about the future.

This country's responsibility in my judgment now is to decide the future is going to be exactly what we make it. There is not anybody better qualified than we are in this country, now, all of us, to seize the opportunity and work together to make this a better future.

This election in 1992 is the most interesting election in my lifetime. It is interesting for a lot of reasons. Partly because Ross Perot is apparently going to run as an Independent candidate. So we will have a Republican candidate, Mr. Bush, a Democratic candidate, Mr. Clinton, and an Independent candidate, Mr. Ross Perot.

I am not going to give a commentary on the three here today. Frankly, I do not know much about Ross Perot, and I do not worry much about Ross Perot. I think Ross Perot's entrance into the race is not unhealthy. It is a manifestation that the American people do not like what is happening. They want something different. Is Ross Perot something different? Lord, nobody knows what is different at this point or who is different or what Ross Perot is about.

But I know this: The fact we are asking all of these questions these days about public policy, the fact there is such turmoil in our political system that we have now spawned a third party candidate who has a legitimate chance to win the Presidency, demonstrates that the political will of this people is moving once again.

George Bush will be a better candidate because of it. He will be forced to be more aggressive, forced to make difficult choices, forced to develop a program that competes. So will Bill Clinton. I think this country will have a better Presidential race because of all this.

I don't think it threatens the country. I think this is an opportunity we ought to welcome. The only way things will change in this country is if the disciples of change, the apostles of change in this Chamber, in the other Chamber, in the White House, and among all of those who compete for public office, decide this is the year we are going to force that dialog.

Now, the press always says, you know, nobody talks about issues. That is nonsense. The press just does not report issues.

Bill Clinton could have press conferences from here to Timbuctoo talking about what he believes on world trade, what his trade policies will be. I guarantee you it is just not going to get attention. It is not of great interest.

What is of great interest is scandal. What is of interest is what the periodicals are writing, what the tabloids are writing. Scandal is what interests people.

That is sad, but that is part of the dialog today that drives the disgust the American people have with the system.

There is a curiosity about all of this scandal that drives the press to want to run it and all the people flock to it. Then everybody says why doesn't anybody talk about issues? Issues don't get covered.

The best thing that can happen to this country and the most important thing that can happen to this country this year is that this Presidential race, every Senate race, and every House race in this country, is decided on the basis of a competition of ideas, ideas expressed between opposing candidates who tell the American people here is what we stand for, here is what we fight for, here is what we believe must be done to put this country back on track.

□ 1600

If we give the American people that opportunity to make choices on international trade, on deficit reduction, on crime, on welfare, on education, on health care, then this country, I think, will make the right choices and will move this place ahead.

We do not have any choice anymore. Yes, I am concerned about Russia. Yes, I am concerned about a dozen other things around the world. But I am a lot more concerned about this country's economic future. I am a lot more concerned about whether my children are going to have an opportunity to get out of a good school and get a good job in an economy that is growing and a country that is expanding and providing hope to the American people.

And the decisions that we will make to determine whether that will be true in the future are decisions that will be made between now, in my judgment, and the end of the year in this political system.

Everybody says politics is awful; politicians are all alike. That is a lot of baloney. That is a copout.

John F. Kennedy used to say that every mother wants her child to be able to grow up to be President, as long as they do not have to be involved in politics.

The fact is, and the proud fact is in this country, politics is the arena in which we make choices. And when Lech Walesa walked up that aisle and took that microphone, he told us a story of a man who had the courage to risk his life just to have those kinds of choices in his country. His country is free today. This country is free today. But the future of his country and ours will be determined by us, those of us who run it, and that is the American people, not the Congress, not the President.

When I say "us," I mean all of us in this country who have a responsibility to put this country back on track.

Mr. Speaker, once again, if I did not think that tomorrow is going to be better than yesterday and that the future is going to be better than the past, it would be awfully hard to have the energy to do these kinds of jobs. But I do not think there is much wrong with this country that some policy changes and a new spirit of determination among the American people to make the right choices, to make sacrifices and to have shared responsibilities cannot fix. I am convinced that this will be a year in which we make those choices, Mr. Speaker.

INTERNATIONAL KIDNAPING BAN

The SPEAKER pro tempore (Mr. ANDREWS of New Jersey). Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, today I am introducing legislation prompted by the recent Supreme Court decision in United States versus Alvarez-Machain, which held that international abductions for the purpose of criminal prosecution are not unconstitutional.

This decision is an outrage. It is a terrible affront to the progress our Nation has made in our international conduct and in particular, our relations with Mexico.

The Alvarez case involved a Mexican national who was wanted by the United States for allegedly murdering a drug enforcement agent. The United States forcibly kidnaped Dr. Alvarez, and Mexico protested the abduction as a violation of the extradition treaty between Mexico and the United States. The Court held that because the treaty does not contain a specific provision prohibiting forcible abduction, the treaty was not violated.

The bill I am introducing—the International Kidnaping and Extradition Treaty Act—restores the word of the United States in our treaties by barring the prosecution of a person who is forcibly abducted from a foreign place by an agent of the U.S. Government where an extradition treaty is in effect.

The United States has an extradition treaty with Mexico which requires the United States to repatriate a defendant. It is a grave insult to our ally to deny the Mexican Government the opportunity to prosecute Dr. Alvarez. Essentially, the Supreme Court decision holds that the extradition treaty we have with Mexico has no force. Yet, as Justice Stevens pointedly states in the dissent:

> If the United States, for example, thought it more expedient to torture or simply to execute a person rather than to attempt extradition, these options would be equally available because they, too, were not explicitly prohibited by the Treaty.

Until the forcible kidnaping of Dr. Alvarez, the United States enjoyed a very good and friendly relationship with Mexico. Because of the administration's unyielding desire to prosecute Dr. Alvarez in the United States, the norms of international law with respect to extradition treaties were violated.

The legislation I am introducing today restores our respect for other nations' sovereignty, respect that is so critical to preserving and improving the United States' relations with our allies. It confirms that which ought not to be in doubt—that extradition treaties are written precisely in order to establish procedures for the seizure and prosecution of persons whose crimes cross international borders.

Mr. Speaker, this country has always stood for the principle of law in our dealings with all nations. In particular, where we have defined our relationship by treaty, we have an obligation to stand by our word. The majority of the Supreme Court has established the possibility that regardless of a treaty, we can do whatever we please. That really sends the wrong message to the world at exactly the wrong time—when the family of nations is joining together to advance the rule of law, not the rule of force.

This legislation is desperately needed. I invite my colleagues' review and cosponsorship of this important legislation and urge its timely adoption by the full House. For the convenience of my colleagues the text of the bill is printed below.

H.R. 5565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Kidnapping and Extradition Treaty Enforcement Act of 1992".

SEC. 2. PROHIBITION ON PROSECUTION OF UNLAWFULLY ABDUCTED PERSONS.

"(a) IN GENERAL.—A person who is forcibly abducted from a foreign place which has in effect an extradition treaty with the United States—

(1) by the agents of a governmental authority in the United States for the purposes of a criminal prosecution; and

(2) in violation of the norms of international law;

shall not be subject to prosecution by any governmental authority in the United States.

"(b) FOREIGN GOVERNMENTAL CONSENT.—An abduction is not, for the purposes of this section, a violation of the norms of international law if the government of the foreign place consents to that abduction, but such consent may not be implied by the absence of a prohibition on such abductions in a treaty regarding extradition.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. ALLARD) to revise and extend their remarks and include extraneous material:)

Mr. THOMAS of Wyoming, for 5 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. SKAGGS, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. JONTZ, for 5 minutes each day, on July 8 and 9.

Mr. DORGAN of North Dakota, for 60 minutes, today.

Mr. BROWN, for 60 minutes, on July 9.

(The following Member, at the request of Mr. DORGAN of North Dakota) to revise and extend his remarks and include extraneous material:)

Mr. PANETTA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. STARK, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,492.

(The following Members (at the request of Mr. ALLARD) and to include extraneous matter:)

Mr. DUNCAN.
Mr. VANDER JAGT.
Mr. WELDON.
Mr. RIDGE.
Ms. SNOWE.
Mr. LEWIS of California.
Mr. GINGRICH.
Mr. BROOMFIELD.
Mr. LEWIS of Florida.
Mrs. BENTLEY in two instances.
Mr. HORTON.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. CLEMENT.
Mr. FALEOMAVAEGA in 10 instances.
Mrs. BOXER.
Mr. MINETA.
Mr. TRAXLER.
Ms. LONG in two instances.
Mr. BLACKWELL in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2566. An act to establish partnerships involving Department of Energy laboratories and educational institutions, industry, and other Federal agencies, for purposes of development and application of technologies critical to national security and scientific and technological competitiveness; to the Committees on Science, Space, and Technology and Energy and Commerce.

ENROLLED BILL SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 5260. An act to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment compensation program, and for other purposes.

ADJOURNMENT

Mr. PANETTA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 5 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 8, 1992, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the U.S. dollars utilized by them for official foreign travel during the second quarter of 1992, pursuant to Public Law 95–384, and a report by a miscellaneous House group concerning expenditures during the second quarter for official foreign travel, are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1992

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Gary Parker	4/9	4/18	Budapest, Hungary		[3] 1,035.00		1,216.00				2,251.00
Stacey Kincaid	4/10	4/18	Budapest, Hungary		[4] 828.00		1,223.40				2,051.40
Committee total					1,863.00		2,439.40				4,302.40

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] 5 official days.
[4] 4 official days.

HENRY GONZALEZ, Chairman, June 30, 1992.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON HOUSE ADMINISTRATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1992

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Charlie Rose	4/3	4/5	Luxembourg		620.00		(3)				620.00
Committee total					620.00						620.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military transportation.

CHARLIE ROSE, Chairman, June 26, 1992.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON HUNGER, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1992

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Mary C. Byers	4/7	4/17	Ethiopia	4,931	2,400.00						2,400.00
Commercial travel (IAD, FRA, ADD, NBO, CDG, IAD).							3,307.40				3,307.40
Mary C. Byers	6/11	6/23	Ethiopia	6,169	3,003.00						3,003.00
Commercial air travel (IAD, FRA, ADD, FRA, IAD).							4,771.50				4,771.50
Liesl Leach	6/12	6/23	Ethiopia	5,695	2,772.00						2,772.00
Commercial air travel (IAD, LHR, ADD, FRA, IAD).							4,767.80				4,767.80
Committee total					8,175.00		12,846.70				21,021.70

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

TONY P. HALL, Chairman, July 1, 1992.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO THE NORTH ATLANTIC ASSEMBLY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 14 AND MAY 18, 1992

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Jack Brooks	5/14	5/18	Canada		972		(3)				972
Hon. Charles Rose	5/14	5/18	Canada		972		(3)				972
Hon. Frank Horton	5/14	5/18	Canada		972		(3)				972
Hon. Gerald Solomon	5/14	5/18	Canada		972		(3)				972

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO THE NORTH ATLANTIC ASSEMBLY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 14 AND MAY 18, 1992—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Lawrence Smith	5/14	5/18	Canada		972		(3)				972
Hon. Thomas Bliley	5/14	5/18	Canada		972		(3)				972
Hon. J. Alex McMillan	5/14	5/18	Canada		972		(3)				972
Hon. Sherwood Boehlert	5/14	5/18	Canada		972		(3)				972
Hon. Ronald Coleman	5/14	5/18	Canada		972		(3)				972
Hon. Thomas Lewis	5/14	5/18	Canada		972		(3)				972
Hon. Ralph Regula	5/14	5/18	Canada		729		423				1,152
Robert E. Shea	5/14	5/18	Canada		972		(3)				972
Ronald Lasch	5/14	5/18	Canada		972		(3)				972
Sharon Matts	5/14	5/18	Canada		972		(3)				972
Dean Curran	5/14	5/18	Canada		972		(3)				972
Committee total					14,337		423				14,760

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military transportation.

[4] Commercial and military transportation.

DANTE B. FASCELL, June 3, 1992.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3871. A letter from the Secretary of Defense, transmitting a letter to resolve the current impasse over the expenditure of fiscal year 1992 funds for the V-22 tiltrotor aircraft; to the Committee on Armed Services.

3872. A letter from the President, Resolution Trust Corporation, transmitting the audited financial statements of the Resolution Trust Corporation as at December 31, 1991, and for the year then ended; to the Committee on Banking, Finance and Urban Affairs.

3873. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3874. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1997 resulting from passage of S. 756, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–582); to the Committee on Government Operations.

3875. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3876. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3877. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3878. A letter from the Secretary of Health and Human Services, transmitting the 25th in a series of reports on refugee resettlement in the United States covering the period October 1, 1990 through September 30, 1991, pursuant to 8 U.S.C. 1523(a); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1435. A bill to direct the Secretary of the Army to transfer jurisdiction over the Rocky Mountain Arsenal, CO, to the Secretary of the Interior; with an amendment (Rept. 102–463, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 3836. A bill to provide for the management of Federal lands containing the pacific yew to ensure a sufficient supply of taxol, a cancer-treating drug made from the pacific yew; with an amendment (Rept. 102–552, Pt. 2). Ordered to be printed.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 3836. A bill to provide for the management of Federal lands containing the pacific yew to ensure a sufficient supply of taxol, a cancer-treating drug made from the pacific yew; with an amendment (Rept. 102–552, Pt. 3). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPIN: Committee on Armed Services. H.R. 4400. A bill to provide the Administrator of the Small Business Administration continued authority to administer the Small Business Innovation Research Program, and for other purposes; with amendments (Rept. 102–554, Pt. 3). Referred to the Committee of the Whole House on the State of the Union.

Mr. CLAY: Committee on Post Office and Civil Service. H.R. 2828. A bill to amend the Ethics in Government Act of 1978 to remove the limitation on the authorization of appropriations for the Office of Government Ethics; with an amendment (Rept. 102–586, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KILDEE (for himself and Mr. FORD of Michigan):

H.R. 5560. A bill to extend for 1 year the National Commission on Time and Learning and for other purposes; to the Committee on Education and Labor.

By Mr. DANNEMEYER:

H.R. 5561. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish provisions regarding the composition and labeling of dietary supplements; to the Committee on Energy and Commerce.

By Mr. FALEOMAVAEGA:

H.R. 5562. A bill to restore and extend Federal recognition to the Catawba Nation; to the Committee on Interior and Insular Affairs.

By Mr. HORTON:

H.R. 5563. A bill to amend title XIX of the Social Security Act to provide for management improvements in the Medicaid Program; to the Committee on Energy and Commerce.

By Mr. JONES of North Carolina (for himself, Mr. DAVIS, and Mr. FIELDS):

H.R. 5564. A bill to amend the Shipping Act of 1984 to prohibit controlled carriers from entering into service contracts that require a shipper or shippers' association to resolve legal disputes in the country of the controlled carrier; to the Committee on Merchant Marine and Fisheries.

By Mr. PANETTA:

H.R. 5565. A bill to give effect to the norms of international law forbidding the abduction of persons from foreign places in order to try them for criminal offenses; to the Committee on the Judiciary.

By Mr. SPRATT:

H.R. 5566. A bill to provide additional time to negotiate settlement of a land dispute in South Carolina; to the Committee on Interior and Insular Affairs.

By Mr. SKAGGS (for himself, Mr. CARPER, Mr. KOLBE, Mr. PETERSON of Florida, Mr. GILCHREST, and Mr. RHODES):

H. Con. Res. 347. Concurrent resolution concerning the process of democratization of Vietnam; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

496. By the SPEAKER: Memorial of the Senate of the State of Louisiana, relative to the imported red fire ant; to the Committee on Agriculture.

497. Also, a memorial of the House of Representatives of the State of Louisiana, rel-

ative to adequate fire protection in high-rise building owned or used by the U.S. Government; to the Committee on Public Works and Transportation.

498. Also, memorial of the Senate of the State of Louisiana, relative to the Caernarvon fresh water diversion structure; to the Committee on Public Works and Transportation.

499. Also, memorial of the Senate of the State of Louisiana, relative to the Mississippi River gulf outlet; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 75: Mr. GINGRICH.

H.R. 371: Mr. KOPETSKI and Mr. BREWSTER.

H.R. 372: Mr. BROWN.

H.R. 1049: Mr. TAUZIN.

H.R. 1393: Mrs. BYRON.

H.R. 2410: Mr. ERDREICH.

H.R. 2797: Mr. McCURDY and Mr. GUNDERSON.

H.R. 3281: Mr. SHUSTER.

H.R. 3943: Mrs. LLOYD.

H.R. 4396: Mr. McMILLAN of North Carolina, Mr. HANCOCK, and Mr. MICHEL.

H.R. 4399: Mr. WEISS.

H.R. 4401: Mr. WOLPE and Mr. OBERSTAR.

H.R. 4427: Mr. EVANS and Mr. ROSE.

H.R. 4924: Mrs. BOXER.

H.R. 5014: Mr. KOPETSKI.

H.R. 5051: Mr. WHEAT.

H.R. 5106: Mr. HALL of Texas and Mr. HOCHBRUECKNER.

H.R. 5115: Mr. SHAYS.

H.R. 5155: Mr. THORNTON and Mr. FOGLIETTA.

H.R. 5156: Mr. WELDON and Mrs. KENNELLY.

H.R. 5209: Ms. NORTON.

H.R. 5321: Ms. SNOWE, Mr. SMITH of Texas, Mr. SABO, and Mr. GLICKMAN.

H.R. 5456: Mr. GILLMOR.

H.R. 5507: Mr. ESPY, Mr. TOWNS, and Mr. WAXMAN.

H.J. Res. 152: Mr. FEIGHAN, Mr. FAWELL, and Mr. BONIOR.

H.J. Res. 398: Mr. DeLAY, Mr. MONTGOMERY, Mr. HORTON, Mr. DWYER of New Jersey, Mr. WAXMAN, Mr. McMILLEN of Maryland, Mr. CARDIN, Mr. PAYNE of New Jersey, Mr. DICKINSON, Mr. BILIRAKIS, Mr. BREWSTER, Mr. BILBRAY, Mr. DONNELLY, Mr. COYNE, Mr. FALEOMAVAEGA, Mr. DORNAN of California, Mr. DORGAN of North Dakota, Mr. DURBIN, Mrs. MEYERS of Kansas, Mr. McNULTY, Mr. ESPY, Mr. EDWARDS of Texas, Mr. RANGEL, Mr. MURPHY, Mr. OWENS of Utah, Mr. PAXON, Mr. ROHRABACHER, Mr. SAWYER, Mr. YATRON, Mr. SOLOMON, Mr. SPRATT, Mr. JOHNSON of South Dakota, Mr. GUNDERSON, Mr. LEWIS of California, Mr. LEACH, Mr. BENNETT, Mr. LEHMAN of Florida, Mr. LANCASTER, and Mr. HUBBARD.

H.J. Res. 399: Mr. SHAW, Mr. BILIRAKIS, and Mr. STENHOLM.

H.J. Res. 411: Mr. KLUG.

H.J. Res. 463: Mr. HAYES of Illinois, Mr. LEVIN of Michigan, and Mr. SMITH of New Jersey.

H.J. Res. 474: Mr. FAWELL, Mr. GRANDY, Mr. KLUG, Mr. TANNER, and Mr. WHEAT.

H.J. Res. 486: Mr. MILLER of California, Mr. BEVILL, Mr. WYDEN, Mr. SCHUMER, and Mr. DARDEN.

H. Res. 484: Mr. HANCOCK, Mr. COX of California, Mr. WILSON, and Mr. ZELIFF.

H. Res. 502: Mr. PORTER, Mr. GOSS, Mr. RIGGS, Mr. WALSH, Mr. SANTORUM, and Mr. ZELIFF.

PETITIONS, ETC.

Under clause 1 of rule XXII:

166. The SPEAKER presented a petition of the U.S. Conference of Mayors, Washington, DC, relative to the "Urban Aid Bill"; which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5518

By Mr. MICHEL:

—At the end, insert the following new section:

SEC. . DEFICIT REDUCTION.

Any savings achieved under discretionary spending limits established under section 601(a)(2)(C) of the Congressional Budget Act of 1974 for fiscal year 1993 as a result of appropriations under this Act or any other appropriation Act shall be applied to reducing the Federal deficit for that fiscal year.

EXTENSIONS OF REMARKS

THE MEDICAID MANAGEMENT IMPROVEMENT ACT OF 1992

HON. FRANK HORTON

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. HORTON. Mr. Speaker, today I am introducing legislation, the Medicaid Management Improvement Act of 1992, which will give States more of a role in designing and implementing improvements to this Nation's primary health care delivery system for the poor.

Medicaid is a program that is rapidly increasing in expense and decreasing in effectiveness. Its escalating expenditures are consuming more than 15 percent of State budgets and more than 12 percent of the total health care spending in this country.

Medicaid was enacted as a joint Federal-State program. This legislation will correct the inequities and restore the balance in the decisionmaking between the Federal Government and the States.

Mr. Speaker, we are all aware of the burden that Federal mandates without Federal money imposes on our cities, towns and counties. The Medicaid Management Improvement Act will prohibit changing Medicaid regulations without providing funding. In addition, it will prohibit the practice of issuing new regulations and having them countermanded by subsequent rulings several times a year.

This legislation is also essential to correct the inequities in the funding process for Medicaid. Present funding is based on per capita income, which is a faulty indicator of poverty. The funding formula in this legislation based on a State's total taxable resources, a more comprehensive method of determining financial capacity.

Mr. Speaker, Medicaid is a major component of our health care system, a system where costs are spiraling out of control and reform is still being debated. This legislation will give States the required authority to restructure Medicaid to control expenditures while maintaining quality. I urge my colleagues to support this bill.

MEDICAID MANAGEMENT IMPROVEMENT ACT

First, creation of a permanent panel to provide State officials with a formal role in Medicaid policymaking. The panel would have the authority to review possible regulations and State waiver requests and make recommendations for changes to HCFA, Congress, and State Medicaid officials. The members of the panel would include; two executive branch representatives, one designated by the Secretary of HHS, the other designated by the Director of OMB, a representative from the General Accounting Office, State representatives designated by the National Conference of State Legislators, the National Governors Association, and the National Association of State Budget Officers, and local representatives from the U.S. Conference of Mayors, the National League of Cities, and the National Association of Counties.

Second, for regulatory and mandate relief, the States would have the option of delaying implementation of new program requirements until HCFA issues final regulations. The costs of new mandates would be fully absorbed by the Federal Government for 2 years after the implementation date, after that period it would revert to the Federal-State matching ratio. No final new regulations can be amended until the next fiscal year.

Third, the process of applying for a waiver from HCFA should be streamlined with a definite deadline—90 days. If no ruling is released by that set time period, the State is allowed to adopt the reform. When considering applications from the States for a waiver, the Secretary shall consult with the Medicaid Advisory Panel.

Fourth, change the formula that determines the States Medicaid matching ratio from the current system based on per capital personal income, to a system based on the States fiscal capacity.

Fifth, enforce the use of parental health insurance coverage by absent or noncustodial parents, instead of Medicaid for coverage of children's services.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicaid Management Improvement Act of 1992".

SEC. 2. STATE MEDICAID ADVISORY PANEL.

(a) ESTABLISHMENT.—There is hereby established a State Medicaid Advisory Panel (in this section referred to as the "Panel").

(b) COMPOSITION.—The Panel shall be composed of the following:

(1) FEDERAL REPRESENTATIVES.—(A) One individual designated by the Secretary of Health and Human Services.

(A) One individual designated by the Director of the Office of Management and Budget.

(B) One individual designated by the Comptroller General.

(2) REPRESENTATIVES OF STATES.—(A) One individual designated by the National Conference of State Legislatures.

(B) One individual designated by the National Governors Association.

(C) One individual designated by the National Association of State Budget Officers.

(3) REPRESENTATIVES OF LOCAL GOVERNMENTS.—(A) One individual designated by the United States Conference of Mayors.

(B) One individual designated by the National League of Cities.

(C) One individual designated by the National Association of Counties. Each designating entity shall inform the Secretary of Health and Human Services of the individual so designated.

(c) FUNCTIONS.—

(1) IN GENERAL.—The Panel shall review proposed regulations affecting the medicaid program under title XIX of the Social Security Act and shall make recommendations to the Secretary of Health and Human Services regarding changes in such regulations appropriate to take into account the concerns of State and local governments in the operation and financing of the medicaid program.

(2) ADDITIONAL RECOMMENDATIONS.—The Panel also may make such recommendations to the Congress for changes in legislation relating to the medicaid program as the Panel deems appropriate.

(3) REVIEW OF WAIVER REQUESTS.—The Panel shall review, and make recommendations to the Secretary regarding, State requests for waivers of requirements applicable to State plans approved under title XIX of the Social Security Act.

(d) NO ADDITIONAL COST.—Members of the Panel shall serve without additional compensation and shall be responsible for own expenses.

(e) PERMANENT.—Section 14 of the Federal Advisory Commission Act shall not apply to the Panel.

SEC. 3. DELAY IN APPLICATION OF NEW REQUIREMENTS.

(a) DELAY IN IMPLEMENTATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, no change in law—

(A) which has the effect of imposing a requirement on a State under a State plan under title XIX of the Social Security Act, and

(B) with respect to the Secretary of Health and Human Services is required to issue regulations to carry out such requirement,

shall take effect until the date the Secretary promulgates such regulation as a final regulation.

(2) STATE OPTION.—Except as otherwise provided by the Secretary, a State may elect to have a change in a law described in paragraph (1) apply with respect to the State during the period (or portion thereof) in which the change would have taken effect but for paragraph (1).

(b) PROHIBITION OF CHANGES IN FINAL REGULATIONS DURING A FISCAL YEAR.—

(1) IN GENERAL.—Except as provided in paragraph (2), any change in a regulation of the Secretary of Health and Human Services relating to the medicaid program under title XIX of the Social Security Act shall not become effective until the beginning of the fiscal year following the fiscal year in which the change was promulgated.

(2) STATE OPTION.—Except as otherwise provided by the Secretary, a State may elect to have a change in a regulation described in paragraph (1) apply with respect to the State during the period (or portion thereof) in which the change would have taken effect but for paragraph (1).

(c) SENSE OF CONGRESS REGARDING FEDERAL PAYMENT FOR NEW MEDICAID MANDATES.—It is the sense of Congress that if a State is required by future legislation to provide for additional services, eligible individuals, or otherwise incur additional costs under its medicaid program under title XIX of the Social Security Act, the Federal Government shall provide for full payment of any such additional costs for at least the first 2 years in which such requirement applies.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

SEC. 4. DEADLINE ON ACTIONS ON WAIVER APPLICATIONS.

(a) IN GENERAL.—In considering applications for medicaid waivers—

(1) the application shall be deemed granted unless the Secretary of Health and Human Services, within 90 days after the date of the submission of the application to the Secretary, either denies the application in writing or informs the applicant in writing with respect to any additional information which is needed in order to make a final determination with respect to the application, and

(2) after the date the Secretary receives such additional information, the application shall be deemed granted unless the Secretary, within 90 days of such date, denies such application.

(b) CONSULTATION WITH PANEL.—In considering such applications, the Secretary shall consult with the State Medicaid Advisory Panel (established under section 2).

(c) MEDICAID WAIVERS.—In this section, the term "medicaid waiver" means the request of a State for a waiver of a provision of title XIX of the Social Security Act (or of another provision of law that applies to State plans under such title), and includes such a waiver under the authority of section 1115 or section 1915 of the Social Security Act or under section 222 of the Social Security Amendments of 1972 and section 402(a) of the Social Security Amendments of 1967.

SEC. 5. CHANGE IN FEDERAL MEDICAL ASSISTANCE PERCENTAGE FORMULA; APPLICATION TO ADMINISTRATION EXPENSES.

(a) CHANGE IN FMAP FORMULA.—Subsection (b) of section 1905 of the Social Security Act (42 U.S.C. 1396d(b)) is amended to read as follows:

"(b)(1)(A) Except as provided in paragraph (3), the term 'Federal medical assistance percentage' means, for each of the 50 States and the District of Columbia, 100 percent reduced by the product of the applicable percentage (as specified in subparagraph (B)) and the ratio of—

"(i)(I) for each of the 50 States, the total taxable resources (TTR) ratio of the State specified in subparagraph (C), or

"(II) for the District of Columbia, the personal income ratio specified in subparagraph (D), to—

"(ii) the population in poverty ratio of the State or District, as described in subparagraph (E).

"(B)(i) For the purposes of this subsection, the applicable percentage is a percentage estimated by the Secretary with the advice of the Comptroller General that, when applied under subparagraph (A), would result in an amount of aggregate payments under section 1903(a) for calendar year 1993 equal to the amount of aggregate payments that would have been made under such section for quarters in such years if this subsection were applied as in effect immediately preceding the date of the enactment of the Medicaid Management Improvement Act of 1992.

"(ii) The applicable percentage estimated by the Secretary under clause (i) shall continue to apply with respect to quarters after fiscal year 1993.

"(C) For purposes of subparagraph (A)(i)(I), the total taxable resources (TTR) ratio for each of the 50 States is—

"(i) an amount equal to the most recent 3-year average of the total taxable resources (TTR) of the State, as determined by the Secretary of the Treasury, divided by

"(ii) an amount equal to the sum of the 3-year averages determined under clause (i) for each of the 50 States.

"(D) For purposes of subparagraph (A)(i)(II), the personal income ratio of the District of Columbia is—

"(i) an amount equal to the most recent 3-year average of the total personal income of the District of Columbia, as determined in accordance with the provisions of section 1101(a)(8)(B), divided by

"(ii) an amount equal to the total personal income of the continental United States (including Alaska) and Hawaii, as determined under section 1101(a)(8)(B).

"(E) For purposes of subparagraph (A), with respect to each of the 50 States and the District of Columbia, the population in poverty ratio is—

"(i) an amount equal to the 3-year-average of the number of individuals in the State (or the District of Columbia) whose family income is below the income official poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981), divided by

"(ii) the total of the averages determined under clause (i) for the 50 states.

"(2) The Federal medical assistance percentage for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa shall be 50 percent.

"(3)(A) Except as provided in subparagraph (B), the Federal medical assistance percentage shall in no case be less than 50 percent or greater than 83 percent.

"(B) The Federal medical assistance percentage shall be 100 percent with respect to amounts expended as medical assistance for services which are received through an Indian Health Service facility whether operated by the Indian Health Service or by an Indian tribe or tribal organization (as defined in section 4 of the Indian Health Care Improvement Act).

"(4) For purposes of any provision of law other than a provision of this title, unless otherwise specifically provided, any reference to the 'Federal medical assistance percentage' as defined in this section shall be considered a reference to such term as defined under this subsection before the date of the enactment of the Medicaid Management Improvement Act of 1992.".

(b) CONFORMING AMENDMENT.—Section 1118 of the Social Security Act (42 U.S.C. 1318) is amended by striking "(as defined in section 1905)" and inserting "(as defined in section 1905(b), as in effect immediately preceding the date of the enactment of the Medicaid Management Improvement Act of 1992)".

(c) APPLICATION TO ADMINISTRATION EXPENDITURES.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking "75 per centum" and inserting "the Federal medical assistance percentage";

(B) in subparagraph (B)—

(i) by striking "notwithstanding paragraph (1) or subparagraph (A),", and

(ii) by striking "50 percent" and all that follows through "25 percentage points)" and inserting "the Federal medical assistance percentage";

(C) in subparagraph (C), by striking "75 percent" and inserting "the Federal medical assistance percentage"; and

(D) in subparagraph (D), by striking "for each calendar quarter" and all that follows through "of so much" and inserting "an amount equal to the Federal medical assistance percentage of such much";

(2) in paragraph (3)—

(A) in subparagraph (A)—

(i) by striking "(A)(i)" and inserting "(A)";

(ii) by striking "90 per centum" and inserting "the Federal medical assistance percentage";

(iii) by striking "and the plan of any other state approved under this title, and" and inserting "and the plan of any other State approved under this title; plus"; and

(iv) by striking clause (ii);

(B) in subparagraph (B), by striking "75 per centum" and inserting "the Federal medical assistance percentage";

(C) in subparagraph (C), by striking "75 per centum" and inserting "the Federal medical assistance percentage"; and

(D) in subparagraph (D), by striking "75 percent" and inserting "the Federal medical assistance percentage";

(3) in paragraph (4), by striking "100 percent" and inserting "the Federal medical assistance percentage";

(4) in paragraph (5), by striking "90 per centum" and inserting "the Federal medical assistance percentage";

(5) in paragraph (6), by striking "an amount equal" and all that follows through "with respect to costs" and inserting "an amount equal to the Federal medical assistance percentage of the sums expended with respect to costs"; and

(6) in paragraph (7), by striking "subject to section 1919(g)(3)(B), an amount equal to 50 per centum" and inserting "subject to section 1919(g)(3)(C), an amount equal to the Federal medical assistance percentage".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made to States with respect to calendar quarters beginning on or after January 1, 1993.

SEC. 6. HEALTH INSURANCE COVERAGE OF CHILDREN BY ABSENT PARENTS.

(a) STATE PLAN REQUIREMENTS.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (54);

(2) in the paragraph (55) inserted by section 4602(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (in this subsection referred to as "OBRA–1990"), by striking the period at the end and inserting a semicolon;

(3) by redesignating the paragraph (55) inserted by section 4604(b)(3) of OBRA–1990 as paragraph (56), by transferring and inserting it after the paragraph (55) inserted by section 4602(a)(3) of such Act, and by striking the period at the end and inserting a semicolon;

(4) by placing paragraphs (57) and (58), inserted by section 4751(a)(1)(C) of OBRA–1990, immediately after paragraph (56) as redesignated by paragraph (3);

(5) in the paragraph (58) inserted by section 4751(a)(1)(C) of OBRA–1990, by striking the period at the end and inserting a semicolon;

(6) by redesignating the paragraph (58) inserted by section 4752(c)(1)(C) of OBRA–1990 as paragraph (59), by transferring and inserting it after the paragraph (58) inserted by section 4751(a)(1)(C) of such Act, and by striking the period at the end and inserting "; and"; and

(7) by inserting after such paragraph (59) the following new paragraphs:

"(60) provide assurances satisfactory to the Secretary that the State has in effect laws applicable to health insurers and insurance policies or programs subject to the laws of the State that—

"(A) require insurers to permit enrollment at any time under the health insurance of a noncustodial parent, upon application either by such parent or (where such parent fails to make application) by the custodial parent or the State agency administering the program under this title, of any child for whom such noncustodial parent is required by court or administrative order to provide support; and

"(B) in any case where a child is covered under the health insurance of a noncustodial parent, require insurers, at the option of the custodial parent—

"(i) to permit the custodial parent (or service provider, with the custodial parent's approval) to submit claims for covered services without the approval of the noncustodial parent, and

"(ii) to make payment on claims submitted in accordance with clause (i) directly to the custodial parent or the service provider; and

"(61) to provide assurances satisfactory to the Secretary that the State has in effect laws authorizing the State agency to garnish the wages, salary, or other employment income of, and to withhold amounts from the State tax refunds to, any person who—

"(A) is required by court or administrative order to provide coverage of the costs of medical services to an individual eligible for medical assistance under this title,

"(B) has received payment from a third party for the costs of medical services to such individual, and

"(C) has not used such payments to reimburse, as appropriate, either such individual or the providers of such services,

to the extent necessary to reimburse the State agency for expenditures for such costs under its plan under this title, but any claims for current or past-due child support shall take priority over any such claims for the costs of medical services.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this Act apply to calendar quarters beginning on or after October 1, 1992, except as provided in paragraph (2).

(2) EXTENSION FOR STATE LAW AMENDMENT.—In the case of a State plan under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

A TRIBUTE TO MAJ. STEVEN F. VANOUS, USAF

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Ms. SNOWE. Mr. Speaker, I rise today to honor an individual who has provided many years of outstanding service and dedication not only to myself but to the entire Congress.

Maj. Steven F. Vanous has nearly completed a 3-year tour in the Inquiry Division of the Legislative Liaison Office in the Office of the Secretary of the Air Force. On July 25, he will be reassigned from the Pentagon to the Air Command and Staff College at Maxwell Air Force Base in Alabama.

As an action officer and branch chief, Major Vanous has provided exceptional service to me and to many of my colleagues. His calm, logical, and thorough method of handling unique situations and constituent concerns, some of which were extremely time sensitive, resulted in the successful resolution of over 8,000 cases in each of his 3 years on the job. His can-do attitude repeatedly attained favorable results.

Major Vanous was also very helpful in areas not directly related to constituent inquiries. A seasoned traveler with a myriad of Members of Congress and their staffs, Major Vanous was among the first to escort large delegations to the Middle East, Africa, Japan, and Korea. His efficiency, professional planning, and attention to detail assured that these trips were successful.

I join with my colleagues in congratulating Major Vanous on a job extremely well done and wish him and his wife Tiffany, as well as their children Tyler and Courtney, the very best in the future. Maj. Steven Vanous is a professional among professionals and his job performance brings credit to himself and the Air Force.

CELEBRATING 100 YEARS OF HEALTHFUL LIVING

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention today seven amazing individuals who have one particular thing in common: Each have reached or will soon be reaching the magical age of 100.

Tomorrow, many senior citizens in Loma Linda, CA, will gather to celebrate and honor the lives of these dear people—May Brewer, Celia Brines, Cleve Taylor, Faith Potter, Arthur E. Nelson, Artha Jenny Zoller, and Beulah Madsen. Over the years, each has touched and made a real difference in the lives of many people. Their contributions as grandparents, parents, brothers, sisters, and in so many other roles has been deeply felt and appreciated through the years.

Mr. Speaker, I ask that you join me, our colleagues, and the many fine people of Loma Linda in paying tribute to each of them. In a small way, this gesture expresses our respect and admiration for 100 years of healthful living. And as we honor them, let us also wish each one continued blessings and good health.

KESSLER, ANNALS OF INTERNAL MEDICINE PROPOSED SOLUTIONS TO MISLEADING DRUG ADVERTISING

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. STARK. Mr. Speaker, the inspector general's office of the Department of Health and Human Services [HHS] recently released a study showing that 92 percent of all medical journal advertisements by pharmaceutical companies lacked compliance with FDA regulations. More distressing, the study found that 44 percent of the medical journal ads would lead to improper prescribing if the physician used only the information in the ad.

In an editorial in the Annals of Internal Medicine, Food and Drug Administration [FDA] Commissioner David A. Kessler states, "* * * in the long run, the pharmaceutical industry itself will have the greatest influence on the quality of drug promotion. By and large, this industry wants to comply with the law. I would hope to see the industry take a closer look at its marketing practices and reaffirm its commitment to providing accurate, nonmisleading information about its products." I do too.

In another Annals editorial, Editors Robert Fletcher, M.D., and Suzanne Fletcher, M.D., write, "A larger multidisciplinary review body is needed in the United States" to review advertising prior to publication. I also agree, and have incorporated that objective in H.R. 5485, the Integrity in Prescription Drug Advertising Act of 1992.

I hope the industry accepts the principles outlined in my recently introduced legislation and works to foster honesty and integrity in pharmaceutical drug advertising and marketing. The editorials of Commissioner Kessler and the editors of the Annals of Internal Medicine follow:

[From Annals of Internal Medicine, June 1, 1992]

ADDRESSING THE PROBLEM OF MISLEADING ADVERTISING

In this issue of Annals, Wilkes and colleagues (1) report a study of 109 prescription drug advertisements published in major medical journals in early 1990. The study found that a disturbingly high proportion of those advertisements contained misleading information and appeared to violate existing Food and Drug Administration (FDA) regulations governing the accuracy and balance of prescription drug advertisements. The investigators suggest that new strategies, including increased scrutiny from the FDA, are needed to ensure that pharmaceutical advertisements meet accepted scientific and regulatory standards.

The study serves an important purpose. It heightens awareness of the degree to which misleading information may pervade the "informational marketplace" underlying physicians' prescribing decisions. It also suggests the great efforts needed to address this problem. Advertisements of prescription drugs present problems that are not encountered in advertisements for other products.

The agency's assessment of an advertisement begins with a comparison of the advertisement to the product's package insert at the time the advertisement is published. Except under very special circumstances, the agency does not review or approve advertising and promotional materials before their dissemination by a drug firm. All advertising and promotional materials are a representation of the content of the package insert and thus are intimately linked to the scientific basis for statements contained in the package insert. The FDA commits an enormous amount of time and resources to the development of a package insert that will fully inform the practicing physician about the risks, limitations, and benefits related to a product's use.

Moving beyond the package insert into advertising and promotional activities raises inherent questions about evaluating the accuracy and balance of the scientific information presented in a promotional, rather than a technical, format. There is no place for misleading information or puffery that exaggerates a product's usefulness or understates its risks.

Misleading advertisements can result in significant adverse consequences: For example, increased health care costs result when physicians have been persuaded to prescribe expensive new drugs over equally effective lower-cost drugs or nonpharmaceutical treatments; also, needless injury or even death may occur because physicians have been persuaded to prescribe products for uses for which they have not been adequately tested or to substitute therapies that may be less safe or less effective than the alternatives.

Although a physician's training can often help him or her to discount unsupported and biased claims and overly optimistic benefit-to-risk assessments, prescription drug advertisements sometimes distort information in ways that may be difficult to detect by even the trained observer. Unless the individual physician is an expert in the particular disease or therapeutic class linked to the drug advertisement, it is unlikely he or she will engage in a critical analysis of the evidence supporting every new drug claim, such as that done by reviewers used in the study by Wilkes and colleagues (1). Thus, enormous potential exists for misleading advertisements to reach the physician and influence prescribing decisions.

In October 1991, the FDA's Division of Drug Marketing, Advertising and Communication, in cooperation with the Division of Biometrics, initiated a project to identify the types of clinical-statistical problems most frequently found with studies cited to support product claims that were determined to be misleading after a review of the data. Two examples, related to comparative studies on competing drug products, can be put forth to show the type of inferences made from these studies that results in a misleading advertisement.

In the first example, a promotional claim is made that the advertised product is comparable in safety and effectiveness to a competing product. This type of claim is typically based on the results of a clinical study, which is often designed to detect a difference between the two products; however, in our example, the study fails to show a statistically significant difference between the competing products. Possible reasons for not detecting a difference may be that the sample size in the study did not provide sufficient power to detect a clinically significant difference or that a large variability in response occurred among patients in one or both treatment arms. In any event, the results of the study are offered in support of a claim of comparability, when, in fact, there may be clinically important differences in the two products that were not detected in the cited studies.

In the second example, a promotional claim of superiority is made and supported by "statistically significant" results from a comparative study of the two products in which the putative advantage is related to an end point that was not the primary hypothesis tested by the study. Such claims of superiority often depend on an analysis of multiple undeclared end points, a practice often referred to as "data dredging." Although such a practice may be useful in generating new hypotheses, it is certainly not acceptable support for a promotional claim of superiority to a competing product.

As the study by Wilkes and coworkers indicates, the problem of misleading drug advertisements is real. The problem of physicians being misled is, moreover, not limited to journal advertisements and other traditional promotional activities. The FDA has discovered instances in which drug companies use nontraditional means of promotion; such promotions often appear to be medical or consumer education, market research, or simply "news," and may have an even greater potential to mislead than traditional advertising techniques.

The problem of misleading prescription drug promotion must be addressed jointly by the FDA, the pharmaceutical industry, and the medical community. We are committed to investigating violations of the statutory and regulatory requirements applicable to drug promotion and to imposing meaningful penalties. To support this effort, we have significantly increased the size of the staff that regulates these promotional activities. We have heightened our scrutiny of these activities, attempted to define the rules and standards more clearly, and have taken action where warranted, including court actions and agreements to conduct remedial campaigns.

The FDA, however, cannot and should not do the job alone. In the long run, the pharmaceutical industry itself will have the greatest influence on the quality of drug promotion. By and large, this industry wants to comply with the law. I would hope to see the industry take a closer look at its marketing practices and reaffirm its commitment to providing accurate, non-misleading information about its products. We hear that the industry is now allocating more resources to review of the scientific and statistical sources of promotional material. We welcome this change.

The long-term success of our efforts to eliminate promotional abuses in the pharmaceutical industry will also depend, at least in part, on increasing the ability of practicing physicians and medical students to recognize misleading promotional activities, especially those disguised as research or medical education. Medical schools can greatly help physicians by incorporating courses that teach students to critically examine promotional information.

Our primary interest in patient care requires that we all—practitioners, academia, industry, and government—work together to improve the quality of information about prescription drugs.

—David A. Kessler, M.D., Commissioner, Food and Drug Administration, Rockville, MD 20857.

Requests for Reprints: David A. Kessler, M.D. Division of Drug Marketing, Advertising, and Communication, Food and Drug Administration, 5600 Fisher's Lane, HFD-240, Parklawn Building, Rockville, MD 20857.

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[From Annals of Internal Medicine, June 1, 1992]

PHARMACEUTICAL ADVERTISEMENTS IN MEDICAL JOURNALS

All aspects of medical journals should be open to scrutiny, including articles, reviews, editorials, the peer review process—and even advertisements. Opinions about advertisements have been aired through the years, mostly in letters and editorials (1). Until now, however, few researchers have bothered to subject advertisements to rigorous study (2).

In this issue of Annals, Wilkes and colleagues (3) take up the challenge. They report a study of how well pharmaceutical advertisements appearing in medical journals meet some basic standards for accuracy, completeness, and balance. The authors selected advertisements from 10 leading medical journals and had two experts in the clinical content area and a clinical pharmacologist review each for how well, in their opinions, the advertisements met basic standards for reporting based on Food and Drug Administration (FDA) guidelines. Not surprisingly, the authors found that some of the advertisements fell short of the ideal.

This research concerns an integral part of medical journals—and indeed of medicine. Advertisements, most often for pharmaceutical products, appear in virtually all medical journals large enough to attract them. Altogether, the pharmaceutical industry spent about $352 million on advertisements in medical-surgical publications in 1991 (4). Revenue from advertisements is an important source of support for journals and for the professional societies and publishers that sponsor them.

The results of the study by Wilkes and colleagues (3) are likely to make some of us uncomfortable. They imply criticism of the pharmaceutical industry, the FDA, and journal editors, who together are responsible for the quality of advertisements in journals. Dr. David Kessler, Commissioner of the FDA, can speak for his agency and has done so ably in an editorial in this issue (5). We speak for Annals, and perhaps indirectly for other journals as well.

At the root of the problem is the fact that the editorial and the advertising contents of journals have fundamentally different purposes. Articles are written to inform and educate, perhaps even to entertain (6). Advertisements, on the other hand, are intended mainly to persuade. They may very well provide useful information and also educate and entertain, but their main purpose is to induce readers to prescribe the products. Nothing is wrong with that per se. Advertisements are an integral part of our free enterprise system and appear in most communications media, including newspapers, television, and radio. Why not, then, have them in medical journals for drugs that have been shown to be safe and effective?

In the study by Wilkes and colleagues, advertisements were judged by the sort of people who review scientific articles, not by FDA staff, journal editors, or readers. The design and measurements of the study imply that advertisements should meet standards similar to those for articles. Many would disagree. Advertisements are deliberately made to look very different from articles, and nearly all readers know the differences—in source, intention, and review process—between the two. Also, scientific articles themselves are not perfect. When carefully scrutinized using explicit criteria for scientific completeness and accuracy, they too fall short of the ideal (7.8), even though much effort has been expended to get them right.

How can advertising in journals be carried out responsibly? At Annals, several policies are in place to safeguard the process. First, all advertisements are placed at the front and back of the journal, and none is interspersed between articles. Annals is one of the few medical journals to have this policy. Thus, readers can easily skip any advertising or, for that matter, editorial pages they do not care to read. Second, ad pages must not resemble editorial pages; readers must easily see which is which. Third, Annals accepts advertisements only if the product is related to the practice of medicine and pharmaceutical advertisements only if the drug has been approved by the FDA. Fourth, the editorial staff reviews advertisements to ensure that they are not offensive or otherwise in bad taste. Fifth, Annals' staff does not tell advertisers when an article for or against their product is scheduled to appear, so that their decision to place an ad in Annals is based on other considerations. Sixth, advertisements for a specific product are not located next to articles about that product. Finally, our goal is that, in the course of a year, the number of advertising pages does not exceed the number of editorial pages. This does not mean that every issue has an equal number of advertising and editorial pages. An unexpected upturn in the ad market caused some issues, notably that for 15 March 1992, to have a larger number of advertising pages. Some readers have telephoned or written (9) complaining about the number of advertisements in that issue.

Is it feasible for each journal to independently review advertisements more carefully? We doubt it. If each journal did this on its own, it would be inefficient and costly for all; advertisers would have to meet a different standard for each journal, and small journals, which make up most of the medical literature, would have great difficulty in meeting this responsibility at all. Even the larger journals would have to either establish expertise in clinical pharmacology and FDA policies within their own staff or solicit the opinions of external peer reviewers, who are already overtaxed with reviews of articles. The additional work would take more time and cost more money. In our opinion, large increases in the rigor with which advertisements are reviewed by individual journals before publication would not be worth the extra effort and resources when we already know that so much more needs to be done with articles and when journals already cost so much.

Other countries have found ways for interested parties to work together to assure high standards for pharmaceutical advertisements in journals. The Canadians, for example, formed in 1975 the Pharmaceutical Advertising Advisory Board (PAAB), an "autonomous, multidisciplinary body * * * to provide a mechanism for the independent review and clearance of pharmaceutical advertising and various other promotional materials prior to exposure to the health professions" (10). The Board "comprises equal representation from those organizations, representing health professions and institutions, consumers, pharmaceutical manufacturers . . . the professional media" and others, including the federal government.

A larger, multidisciplinary review body is needed in the United States. Reviewing advertisements in this way seems more responsible and efficient; however, if such a body were established it should gather data on whether it gets better end results than the present system. Meanwhile, we hope that the journals themselves, and the FDA, can find ways to maintain even higher standards for pharmaceutical advertisements in medical journals. The pharmaceutical industry can be expected to police itself (11), but they should not be alone in the process.

Readers too have a role and always will. They must be critical, whether it be of advertisements or of research, review, and opinion articles. They can expect others, especially the journals, to do their best to assure quality and to tell readers how they do it. But no quality assurance effort is perfect, and critical readers are the last line of defense against misinformation of any kind.

—Robert H. Fletcher, M.D.; Suzanne W. Fletcher, M.D., Editors.

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TRIBUTE TO WESLEY COOK

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. TRAXLER. Mr. Speaker, I rise to honor an outstanding member of Croswell, MI, Wesley Cook who soon will step down as the American Legion representative for Sanilac County to the Michigan Veterans Trust Fund. During a special dinner in his honor on September 1, 1992, Wesley will be recognized for his strong interest and success in improving veterans lives. He built his foundation of community service especially to the people of Croswell community as a public official and civic leader as a past mayor and city council member. He is an outstanding citizen and person of integrity.

The Michigan Veterans Trust Fund was established shortly after World War II when the Michigan State Legislature committed $50 million as a trust for veterans. Each county has three members who manage the trust, one each representing the Veterans of Foreign Wars [VFW], the Disabled American Veterans [DAV], and the American Legion. These three representatives, along with the county veterans counselor, handle Sanilac County's share of the trust fund. It provides grants on a temporary emergency basis to meet the needs of returning veterans and their families' needs. Wesley Cook, as the American Legion representative, must investigate the backgrounds of applicants to the trust fund.

Wesley Cook was born in December 1923 to Ira and Myrtle Cook in Croswell, MI. After graduating from Croswell High School in 1941, he served in the U.S. Army, European theater from 1942–45. After an honorable discharge from the Army, Wesley married Bette Rae Griffith in 1948. They are blessed with four children: Jim, Jerry, Jane, and Janice, collectively known as the "four J's," plus six grandchildren.

In addition to his civic career, Wesley owned his own insurance business, Wes Cook Insurance Agency and worked as a licensed independent insurance agent. Prior to entering the insurance business, he was involved in various aspects of service station work, eventually owning his own station. Wesley belongs to several Masonic bodies, including the Shrine. He was a charter member of Cros-Lex Jaycees and has been a member of the Lions.

Please join me in wishing congratulations and best wishes to Wesley Cook upon his retirement as the American Legion representative for Sanilac County to the Michigan Veterans Trust Fund.

HE SPOKE FOR ALL AMERICANS

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. BLACKWELL. Mr. Speaker, it is with the greatest sense of honor and dignity that I respectfully submit the following article on Justice Thurgood Marshall composed by my good friend, A. Leon Higginbotham, Jr. I firmly believe that it is our duty here in Congress to perpetuate the work of Justice Marshall, to insure that civil rights and justice will always be afforded to all Americans.

HE SPOKE NOT JUST FOR BLACKS, BUT ALL AMERICANS

(By A. Leon Higginbotham, Jr.)

To laud Thurgood Marshall solely for improving the options of African Americans would be too simplistic a tribute for a person who has touched so many lives. Most Americans, not only African Americans, have benefited from the extraordinary catalytic and ripple effects of Brown v. Board of Education and its thrust for a more equalitarian society. Other victims of systemic discrimination, particularly white women, have probably benefited more than blacks from the civil rights revolution of the 1950s and 1960s and from the related civil rights legislation. John Hope Franklin put Thurgood Marshall's accomplishments in perspective when he noted that Justice Marshall spoke not only "for black Americans but for Americans of all times."

Today I write to ensure that the significance of Thurgood Marshall's achievements and of the evolution of American civil rights will be neither forgotten nor undervalued.

To understand the magnitude of institutional racism that Marshall challenged, begin with 1896, when Grover Cleveland was President and Plessy v. Ferguson was decided. At that time, the false rumor that a "colored man" had attended a White House function evoked the following response from the President: "It so happens that I have never in my official position, either when sleeping or walking, alive or dead, on my head or on my heels, dined, lunched or supped or invited to a wedding reception any colored man, woman or child."

When a moderate black leader, Booker T. Washington, had lunch with President Theodore Roosevelt in 1901, a Memphis Tenn., newspaper wrote: "The most damnable outrage which has ever been perpetrated by any citizen of the United States was committed yesterday by the President when he invited a nigger to dine with him in the White House." Sen. Benjamin Tillman of South Carolina said: "Now that Roosevelt has eaten with that nigger Washington, we shall have to kill a thousand niggers to get them back to their places."

Given such racist public pronouncements, it is no surprise that Southern lawyers unabashedly referred to blacks in court as "niggers" and "pickaninnies" and that inferior treatment was meted out to blacks in courts throughout the nation.

When Thurgood Marshall litigated cases in the '30s, '40s and '50s, he was the target of harassment and threats of violence.

Institutional racism also pervaded the armed forces. In 1951, President Truman sent Thurgood Marshall to the Far East "to review treatment of black soldiers under Gen. Douglas MacArthur." When Marshall asked "why there were no blacks in the elite group guarding the general," MacArthur replied that "none were qualified by their performance on the field of battle." Marshall noted that not even one black played in MacArthur's military band. In anger, Marshall said to MacArthur: "Now, general, just between you and me: Goddammit, don't you tell me that there's no Negro that can play a horn." MacArthur responded by ordering Marshall to leave.

Only the persistent challenges by "radicals" like Marshall forced the armed services to desegregate. Because of those challenges, which decades ago were considered militant, a talented and dedicated person like Gen. Colin Powell can today hold the highest position in the U.S. armed forces—chairman of the Joint Chiefs of Staff.

During Thurgood Marshall's career and during most of mine, the phrase "black conservatives" would have been a wild contradiction of terms, insofar as it means blacks who advocate the status quo. Consequently, advocates of equal opportunity for African Americans have always been perceived as radicals, not conservatives, by those in power. Thurgood Marshall recognized that progress in this country had occurred only when the oppressed have adopted the wisdom of Frederick Douglass' admonition:

Power concedes nothing without a demand. It never did and it never will. Find out just what any people will quietly submit to and you have found out the exact measure of injustice and wrong which will be imposed upon them . . . The limits of tyrants are prescribed by the endurance of those whom they oppress.

My personal reminiscences here are not unique; they and thousands of similar vignettes illustrate the inspirational impact that Thurgood had on so many of us. In September 1949, I entered Yale Law School. Upon seeing me, a janitor rushed up with pride in his face and tears in his eyes. He put his arms firmly around my shoulders and said, "Son, it is so good to see all of these colored kids in laws school. You are the reason why I have scrubbed these floors for 25 years." There were only three of "us" in my class—but that was three times as many as had entered the previous year. In September 1949, there was not one black on the faculty of any Ivy League law school and there was not even a single black federal judge.

Although I had often read about Thurgood Marshall in black newspapers, my first opportunity to see him did not come until April 4, 1950. My constitutional law professor, John P. Frank, arranged through Justice Hugo L. Black the coveted opportunity for me to sit with the justice's law clerks to hear oral arguments in Swett v. Painter. This seminal 14th Amendment case challenged the denial of admission of blacks to the University of Texas Law School. As I listened to Thurgood Marshall's articulate and forceful argument he seemed almost superhuman.

He seemed to be asking why, four years after black veterans like Herman Sweatt and others helped crush Hitler and Hirohito on foreign battlefields, they still had to plead for the rudimentary justice available to other citizens without reservation.

As I left the court that afternoon, I looked up again at the portals of that magnificent marble structure where "Equal Justice Under Law" was etched. I felt confident that Thurgood Marshall and the NAACP would someday make the precept of equal justice a reality for all Americans, and I committed myself to join lawyers who would challenge this nation to eradicate governmentally enforced racism.

If one recognizes the dynamic interrelationship between the black protest movements and the subsequent assurance of human rights for other Americans, then it becomes evident that in many ways Thurgood Marshall saved the soul of America. Through Brown, he broadened America's equalitarian base and helped our nation achieve greater credibility than it otherwise would have had in the court of world opinion. The core of Brown was articulated in Thurgood Marshall's closing argument when he said:

"Why of all the multitudinous groups of people in this country [do] you have to single out Negroes and give them this separate treatment? . . . We submit the only way to arrive at [a] decision [adverse to Negroes] is to find that for some reasons Negroes are inferior to all other human beings."

The Supreme Court's opinion in Brown condemned state "separate treatment" of discrete groups on the presupposition that they are inferior. The implicit overruling of the Plessy rationale and Brown's equalitarian thrust became the catalyst for successful protests challenging discrimination based on age, disability, gender, religion, and national origin.

It is frightening to speculate what America would be like if Plessy were still the law of the land. If Brown had reaffirmed Plessy, would there be any black students at any of the major Southern universities today? And in the North, would the number of blacks still be minuscule at the most prestigious universities? Would there ever have been a confrontation with Govs. George Wallace of Alabama and Ross Barnett of Mississippi?

If Plessy were the law of the land, would more than a few blacks or a few women have been appointed to the federal courts during the last thirty years? Would either Thurgood Marshall or Sandra Day O'Connor have been appointed to the Supreme Court? Without the imprimatur of Brown prohibiting state-imposed racism, would the Rev. Dr. Martin Luther King Jr.'s protests in Montgomery, Ala., and in hundreds of other Southern cities have succeeded? If these protests had failed, would the Civil Rights Act of 1964 and the Voting Rights Act of 1965 ever have been enacted?

Would white women be represented on college campuses and in the professions in the same percentage as they are now? If there had been no Brown would the University of Virginia have ever accepted its first female undergraduate? And without the 1964 civil rights law that prohibits gender discrimination, would white women have risen from 13 percent of all managers and administrators in 1950 to 36 percent in 1990? Would white women today constitute 14 percent of all lawyers and judges and 34 percent of all college professors, presidents and instructors?

We need to ask today's critics of the old-line civil rights organizations and of Thurgood Marshall's views what their underlying values are. We need to question whether their values differ from those of conservatives who fought the implementation of Brown, condemned the Warren Court, and opposed the enactment of the key civil rights acts. When major human rights were an issue and their support would have been invaluable, were Thurgood Marshall's critics ever supportive of expanding opportunities for blacks, women or the poor?

For example, in 1964 George Bush, then the Republican candidate for the United States Senate from Texas, stated that the 1964 Civil Rights Act "transcends civil rights and violates the constitutional rights of all people." At that time, he also opposed federal aid for education and Medicare. In 1966, then-Republican candidate for governor of California Ronald Reagan stated that he opposed the enactment of the Civil Rights Act of 1964 and the Voting Rights Act of 1965 because they had "legislative flaws and faults and parts of them were, in [his] view, unconstitutional." Fortunately, the Warren Court rejected George Bush's and Ronald Reagan's views on constitutional law.

These reflections on the richness and diversity of Thurgood Marshall's legacy lead me to question where our nation is headed. Who will provide the model and the inspiration for today's generation of law students that Thurgood Marshall gave to me?

Will their models be the new conservatives who seem to think that, now that they have benefitted from anti-discrimination laws or affirmative action, the remaining barriers of poverty, malnutrition, racism, sexism, and powerlessness are not a real problem for those who follow them?

Will future generations strive for the kind of world that Dr. King envisioned when he said, "I have the audacity to believe that peoples everywhere can have three meals a day for their bodies, education and culture for their minds, and dignity, equality and freedom for their spirits"?

I do not concede that the dreams of Dr. King, Thurgood Marshall and the legions who joined them will ultimately be defeated, although the future is troublesome. To those persons who despair about the present and believe that the future of human rights is bleak, I say they should recognize that this generation does not face any tasks as formidable and as awesome as those that confronted William Hastie, Charles Hamilton Houston, Thurgood Marshall and their contemporaries.

The legacy of Thurgood Marshall has probably been best explained by one of his own mentors, Judge William H. Hastie, who concluded his seminal article by stating:

"St. Francis of Assisi is said to have prayed: 'God grant me the serenity to accept the things I cannot change, the courage to change the things I can and the wisdom to know the difference.' But at times it may be better for the Omnipotent One to give men the wit and the will to continue to plan purposefully and to struggle as best they know how to change things that seem immutable."

America is a far better nation today than it otherwise would have been because Thurgood Marshall asked the difficult questions, challenged injustice everywhere, and had the courage, tenacity and the temerity to struggle as best he knew how to change things that to many seemed immutable. He has been an exemplar for all Americans. In my view, the greatest tribute to Thurgood Marshall would be to live as he lived.

KOSOVO—THE NEXT TARGET FOR SERBIAN AGGRESSION?

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. BROOMFIELD. Mr. Speaker, the ongoing tragedy in former Yugoslavia has captured the attention of the world. While international efforts are now focused on halting the fighting in Bosnia, opening the Sarajevo airport, and expanding U.N. peacekeeping efforts in Croatia, another potential disaster is waiting to happen.

For years, the ethnic Albanians in Kosovo, who make up 92 percent of the populaiton, have struggled to gain self-determination and freedom. Serbian authorities took away the semiautonomous status of Kosovo and brutally crushed protest demonstrations in Pristina, killing scores and jailing thousands. Belgrade removed hundreds of ethnic Albanians from schools and jobs, closed down radio stations and newspapers, and turned the province into a police state. Political leaders have been intimidated and some even killed.

As the various ethnic groups in the former Soviet Union and Eastern Europe gain the independence they have dreamed about for so long, Belgrade has let it be known that Kosovo will stay under Serbian control, and that it will impose more repression, not less, if the ethnic Albanian community continues to demand independence. Serbia is determined to halt the rising tide of democracy in Kosovo. Fortunately, ethnic Albanian leaders have taken a prudent and nonviolent approach toward attaining their goals and are minimizing violent confrontations.

Already, the Serbian strongman, Slobodan Milosevic, had shifted 4,000 more federal army troops to Kosovo, and tensions there are buiding. In recent weeks, the European Community warned Milosevic that he should exercise restraint in dealing with Kosovo and called for international observers to be sent there before the carnage in Bosnia spreads. Unlike the Croatians, Serbs, and Muslims in Bosnia, the ethnic Albanians are not armed. A conflict there could result in a bloody massacre and spread the fighting to adjoining countries, including Albania, where the Tirana government has already expressed concerns about human rights violations in Kosovo. I believe that it is time for the international community; namely, the United Nations, to send a team of observers to Kosovo in an effort to preempt an outbreak of fighting in yet another area of former Yugoslavia.

I commend the following Wall Street Journal article to my colleagues in the Congress.

[From the Wall Street Journal, June 29, 1992]

KOSOVO COULD TRIGGER A BALKAN WAR

(By Robert L. Keatley)

BELGRADE.—Southern Serbia is a hardscrabble region of marginal farms whose rugged hills, known mainly for producing too many people, too much poverty and—like the rest of the Balkans—fierce grievances. What it's likely to do before long is give the world yet another small but vicious Yugoslav war to worry about.

If it does, there will be one distinct difference from those brutal fights already under way to the north, in Croatia and Bosnia: This war would tempt nearby nations to join in. The region is called Kosovo, a theoretically autonomous region of Serbia, but one whose people are 90 percent Albanian and mostly Muslim, rather than Slav and Orthodox like their rulers in Belgrade. They want independence, and many hope to combine Kosovo with Albania and the ethnically Albanian portions of Montenegro. That would give Europe a five-million strong Muslim state, long on pride, short on resources and terribly poor.

FIGHT ALBANIANS

The Serbian response is blunt: Never. And the Serbs vow to fight to the last underarmed Albanian to keep it from happening.

"In actual fact, what they want is secession and under no conditions will it be allowed," insists Radoman Bozovic, prime minister of Serbia under President Slobodan Milosevic. If Kosovans try to break away, Mr. Bozovic warned during an interview last week, "they will be answered by force and most energetically."

But the problem is that Mr. Milosevic may apply that force no matter what the Kosovans do, and despite great costs to the whole Balkan region. That's because his opportunistic and nationalistic policies have brought him such enormous trouble on all fronts—wars that aren't going well, an economy under international siege and a political base that is eroding as the costs of fighting mount.

Therefore, say some who know their president, he'll seek new justification for staying in office, and saving Kosovo for Serbia could be his battle cry. "He would hope to buy another two years by stirring up that fight," says one of these worriers.

It's a cause that would resonate outside Belgrade, where the sour political tone is set largely by disaffected intellectuals and former officials. In more remote Serb villages, the world view of most people is shaped by the propagandistic style of the evening newscasts on state-controlled television. There it still seems possible to whip up the nationalistic fervor that remains a key source of Mr. Milosevic's strength. And Kosovo, as any Serb can explain, is where the medieval Serbian kingdom got its start, is full of ancient Serbian monuments, and is the site of the bloody battle where the kingdom lost its independence to the Ottoman Turks in 1389. It remains the seat of the Orthodox patriarchate.

Such things matter here. Citizens cling tenaciously to their bloody history, and seem ever ready to defend past glories or revenge past slights. Pursuing the cause of nationalism often serves as an end in itself, without great regard—in rational terms—for what the gains or losses might be. Many Yugoslavs contend it's futile to seek sensible explanations for any of the wars now raging in their former country, and they say a Kosovo war likewise would be mostly about power and pride, not about tangible gains for anyone.

The Kosovo question, like all the other divisive Yugoslav issues, is of course complicated and it's difficult to distinguish clearly between right and wrong.

Serbia did have its origins in this troublesome region; Serbs once referred to what is now the Belgrade area as the "northern provinces." But that was centuries ago; throughout more recent Serb efforts to found a nation, Kosovo was mainly a neglected backwater. Moreover, it was populated more and more by non-Slavic Muslims who seemed "Turkish" and who spoke the strange Albanian language (probably descended from Iryllian) that proper Slavs can't understand. The place grew increasingly unfriendly, if not downright hostile, to Serbs; in recent years, some 400,000 Serbs have left.

Thus Kosovo became a kind of Serb colony, alternately neglected, exploited and oppressed by outsiders. By the 1960s, the ethnic Albanians began striking back through popular protests which sometimes grew violent. Tito gave Kosovo autonomy in 1974 but Serbs saw this as an insult and have since taken it back. Serbs still living there feel besieged in what they consider their homeland, and neither side has leaders who show much talent for resolving things peacefully. Mr. Milosevic himself started his own grab for power by upholding—in demagogic fashion—the rights of Serbs in Kosovo over the demands of ethnic Albanians.

"We continue to clap for democracy, but we need more tolerance and rules of fair play in our society," says a Milosevic ally who remains able to find occasional fault with his actions.

Democracy is what Belgrade claims to be offering. It says Kosovans should rejoin the Serbian political system, send delegates to the national parliament and otherwise enjoy full minority rights inside Serbia. "All these things can be discussed," says Prime Minister Bozovic.

But by all outside accounts, Serbia's efforts to run Kosovo remain arbitrary, highhanded and sometimes brutal. Stressing that they make up an overwhelming 90% majority in their own region, ethnic Albanians reject the idea of remaining a minority inside a greater Serbia. They want out.

They're well on their way. In May Kosovans held their own elections (considered illegal by Belgrade) and formed a shadow government, complete with a "president" who once studied at the Sorbonne and who operates from an office of the local writer union. They've abandoned most of the state school system and established a rival network which uses Albanian and ignores the official curriculum. And they have the beginnings of a guerrilla force, with some members getting rudimentary training across the border in Albania.

If the official Serb news agency is correct, these guerrillas already strike occasionally. On June 12, for example, it says an armed attack on a Serb garrison killed a soldier who was playing basketball and wounded others.

Yet in some ways, an independent Kosovo doesn't make much sense. The region is small and isolated, with Europe's highest birth rate but few material resources other than low grade coal and poor farms. Combining all Albanians into a single state—the ultimate goal of many—would be a unity of poverty; Albania proper is in desperate condition, while Albanians in Macedonia are at the bottom of the economic heap there. None of them have many people trained to run a modern state.

Many foreign diplomats and Yugoslavs expect an independence war anyway. It may be started by the Belgrade government in a desperate effort to renew its popular and nationalistic mandate, or it could be a Kosovan attempt to break free by force. Either way, it likely would follow an inconclusive pattern of few pitched battles, many bloody skirmishes and no clear results.

SERB INCURSIONS

But it could grow. It's assumed Albanians would do what they could to help their brothers fight the Serbs; at a minimum, they could offer supply lines and might be rewarded by Serb military "incursions" like those of the Indochinese wars a few decades ago. Some analysts think Turkey would send those supplies; it once ran the Balkans, would sympathize with fellow Muslims and could hope to outflank Greece. Meantime, if independent Macedonia came unglued because its Albanians also went to war, neighboring Bulgaria and Greece could feel compelled to pursue historical interests in that bit of former Yugoslavia.

It's all a bit irrational. But it's hard to find thoughtful folks here who don't expect the first step—fighting in Kosovo, no matter how it starts. And it's useful to remember that Otto von Bismarck was all too right when he predicted a century ago that "some damned foolish thing in the Balkans" would start the next European war. Even if on a much smaller scale, he could be correct once again.

TO PROVIDE ADDITIONAL TIME FOR SETTLEMENT FOR AN INDIAN LAND CLAIM

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. SPRATT. Mr. Speaker, I am filing today a bill to prevent massive disruption in my congressional district, disruption which would surely result if approximately 28,000 lawsuits were commenced against landholders in York, Lancaster, and Chester Counties, SC. To prevent the commencement of these suits, this bill must be enacted before the congressional recess in August.

While the history of this matter is long and complex, I need to provide a summary to explain the purpose of this legislation and its urgency. On October 28, 1980, a case entitled "Catawba Indian Tribe of South Carolina, Inc. versus State of South Carolina, et alia" was filed in the U.S. District Court for South Carolina. The plaintiff sued 76 defendants, alleging that a treaty made with the State of South Carolina in 1840 was void under the Indian Non-Intercourse Act because it was never ratified by Congress. The treaty ceded 144,000 acres of land to the State of South Carolina, and 150 years later, the plaintiff seeks to recover the land. Among the 76 defendants are the State of South Carolina, local government entities, and major landholders. I was among the defendants named, because I then owned approximately 830 acres of land within the area claimed, and now owned approximately 810 acres. When the suit was filed in 1980, the plaintiff moved to have the named defendants certified as a class representing not only their own interests but also the interests of all other landholders similarly situated in the claim area. The district court did not rule on plaintiff's motion for class action certification at the time, but instead granted the defendants' motion for dismissal. In 1986, the Supreme Court reversed the district court in part, but held that the land claim alleged buy the plaintiff was subject to the statutes of limitation of State of South Carolina after July 1, 1962.

When the suit was finally remanded to the district court, the plaintiff renewed its motion for class action certification, which the court denied in February 1991. Because of the court's denial of class action certification, plaintiff's attorneys have announced that the plaintiff will have to sue an estimated 28,000 landowners in York, Lancaster, and Chester Counties, SC. Attorneys for the plaintiff calculate that the 20-year period of limitations will run out on October 19, 1992; consequently, the plaintiff is preparing to file thousands of lawsuits by late August of this year.

The bill I am introducing would suspend the running of any period of limitations that has not already expired until October 1, 1993. Thus it would grant both parties additional time within which to work out terms of settlement.

It goes without saying that 28,000 lawsuits would create chaos. Even though the vast majority of landowners would probably have a successful defense, they would have to retain an attorney to search their title, prepare affidavits, and file and argue a motion for summary judgment. All of this would be costly; and while the suits were pending, it would be difficult to transfer land and obtain title insurance.

Since the fall of 1989, Governor Carroll A. Campbell, Jr., and I have sought to settle the entire suite out-of-court. We have made progress and narrowed the gap on most of the major issues. However, we have not yet reached full agreement; and even if we had, we would not be able to consummate a settlement agreement by enacting State and Federal legislation before October 19, 1992. At this point, the only way to avoid thousands of lawsuits, and the disruption they would cause, is to give the parties more time to negotiate and implement a settlement agreement.

This is the sole purpose of this legislation. It would not prevent the plaintiff from bringing thousands of lawsuits before October 19, 1992, if it chooses; but it would give the plaintiff another option: not suing now and negotiating instead for settlement. The bill would suspend until October 1, 1993, only those periods of limitation that have not run out by the effective date of this act. It would not revive, renew, or extend any claim barred by any period of limitation or repose, or any other time bar, as of the effective date of this act.

Before preparing this bill, I, along with Senator THURMOND and Senator HOLLINGS, sent a proposed draft of it to the Attorney General for review. I am submitting for the RECORD a copy of our letter to the Attorney General and a copy of the favorable opinion letter received from Assistant Attorney General W. Lee Rawls, on June 24, 1992. I will submit these documents for the RECORD immediately following my statement.

In addition, I submitted the bill for review to our South Carolina attorney general, Travis Medlock; to Hale and Dorr, the law firm representing the State of South Carolina in this suit; in developing the bill, I worked from the outset with the law firm representing the plaintiff, the Native American Rights Fund [NARF] of Boulder, CO. As I already mentioned, we submitted the draft legislation to the Attorney General for his review and opinion at the specific request of NARF. The draft of the bill I am filing today differs somewhat from the draft submitted to the Attorney General; but the changes were sought by the Native American Rights Fund in order to strengthen the bill. The Native American Rights Fund is satisfied that the bill, as drawn, protects their client's interests as much as legally possible.

Mr. Speaker, I fully realize that the legislative days remaining before the August recess are limited; but this bill addresses a matter of utmost urgency in my district. I urge the House to give this bill expeditious consideration and approval before the August recess.

I have disclosed to the House that I am a landowner in the area claimed by the plaintiff and a defendant in the suit now pending. I have a substantial interest in the outcome of this litigation. For the past 2 years, I have kept the House Committee on Official Standards of Conduct informed of my personal interest in the suit and my efforts to settle the claim. Within certain constraints, the committee has advised me that I may work for settlement of the claim, though I should not introduce settlement legislation. In regard to this bill, a staff attorney with the committee has advised me that since I am a named defendant already, this legislation will not affect my status in the pending suit, and I can introduce the bill and support its passage. To the extent that this bill allows more time for negotiation and settlement, it serves my personal interests, but it also clearly serves the interests of some 30,000 other landowners in the claim area.

HOUSE OF REPRESENTATIVES,
Washington, DC, June 16, 1992.

Hon. WILLIAM P. BARR,
Attorney General of the United States, U.S. Department of Justice, Washington, DC.

DEAR ATTORNEY GENERAL BARR: We are writing to request an opinion from the Justice Department as to the constitutionality of draft legislation affecting a claim by the Catawba Indian Tribe of South Carolina against approximately 27,500 landowners in South Carolina. A copy of the proposed legislation is enclosed.

In 1980, the Catawba Indian Tribe of South Carolina brought suit against 76 defendants alleging that a treaty made with the State of South Carolina in 1840 was void under the Indian Non-Intercourse Act because it was never ratified by Congress. The treaty ceded 144,000 acres of land to the State, and the Catawbas seek to recover the land. The Catawbas moved to have the named defendants certified as a class, but the district court denied their motion for class action certification. The Catawbas have, therefore announced that the tribe will sue approximately 27,500 individual landowners in York, Lancaster and Chester Counties, South Carolina. Lawyers for the tribe are convinced that the 20-year statute of limitations, applicable under South Carolina law, runs out October 19, 1992; consequently, they are preparing to file their suits by late August 1992. The draft legislation we are proposing would grant the Catawba Indian Tribe of South Carolina an additional eight months in which to sue.

Obviously, 27,500 lawsuits would create chaos. Even though the vast majority of landowners would have a successful defense, they would have to retain an attorney to search their title, prepare affidavits, and file and argue a motion for summary judgement. All of this would be costly; and while the suits were pending, it would be difficult to buy or sell land and virtually impossible to obtain title insurance.

Governor Campbell and Congressman John Spratt have been negotiating since the fall of 1989 to settle the entire suit out-of-court. They have made significant progress and believe that they are close to an agreement. However, they will not be able to settle the suit and have an agreement consummated by state and federal legislation by October 19, 1992. The only way to avoid some 27,500 suits is to extend the deadline for eight additional months. This is what the draft bill is designed to accomplish.

The South Carolina Attorney General's office, the attorneys representing the State, and attorneys for the title insurance companies have all reviewed the legislation and find it in acceptable form. Attorneys for the tribe have also reviewed the legislation. In principle, they do not oppose an extension and are willing to refrain from filing the suits if Congress extends the deadline.

The Catawbas' suit came before the Supreme Court in 1986 on appeal of an order of dismissal. The Court noted that the Catawbas' relationship with the federal government had been terminated as of July 1, 1962; and in the termination act, Congress provided that as of the date of termination "all statutes of the United States that affect Indians because of their status as Indians shall be inapplicable to them, and the laws of the several States shall apply to them in the same manner they apply to other persons or citizens in their jurisdiction." Consequently, the Supreme Court held that South Carolina statutes of limitation as to suits for recovery of land applied to the Catawbas. As indicated above, the Catawbas' attorneys now believe that the applicable South Carolina statute will run on October 19, 1992.

There is no federal statute of limitation applicable to their claim; but the tribe's attorneys believe that Congress probably has the authority under the Constitution to extend the time for filing the individual suits. However, they are not convinced of this conclusion, and they are concerned that if Congress passed a law extending the statute, a court might find that the deadline remained October 19 because the law is unconstitutional. The tribe's attorneys have requested a letter opinion from the Department of Justice confirming Congress's authority to provide additional time.

As you will see, the draft legislation cites Congress's authority under the Commerce Clause. There is no question that the filing of these suits would cause a significant impact on commerce in the claim area of 225 square miles, and specifically on interstate commerce since York and Lancaster Counties lie on the North Carolina border. However, if necessary, the legislation could also cite Congress's plenary authority over Indian matters.

If we are to avoid the suits and gain time for negotiating settlement, this bill must be passed before the August recess. Therefore, time is of the essence. We would appreciate your response within a week, at the latest. Thank you very much for your assistance.

Respectfully

STROM THURMOND,
U.S. Senator.
ERNEST F. HOLLINGS,
U.S. Senator.
JOHN M. SPRATT,
Member of Congress.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDING.

The Congress finds that the commencement of lawsuits against tens of thousands of individual landowners in the area surrounding Rock Hill, South Carolina, would impose an undue burden upon commerce within the area claimed in the lawsuit Catawba Indian Tribe of South Carolina v. State of South Carolina, et al., Civil Action 80-250 (check citation. . . .)

SEC. 2. STATUTE OF LIMITATIONS.

(a) Applicability—Any period of limitation, repose, or time bar which has expired, elapsed, or which otherwise would bar a claim against any person holding title to land in York, Lancaster or Chester Counties, South Carolina, by a person or persons asserting rights under the Federal Non-Intercourse Act as of the date of the enactment of this Act shall be effective to bar any claim against any person entitled to claim the benefit of such period of limitation, repose or time bar without regard to whether such person is, on the date of the enactment of this Act, a defendant in such case and whether or not such case has already been filed.

(b) Inapplicability—With respect to any claim or claims against any person holding title to land in York, Lancaster or Chester Counties, South Carolina by a person or persons asserting rights under the Federal Non-Intercourse Act, if any period of limitation, repose or time bar has not expired, elapsed or barred plaintiff's claim as of the date of the enactment of this Act, any action by a plaintiff shall be treated as commenced on the date of the enactment of this Act if such action is commenced on or before April 15, 1993 and any amendment to an existing claim, if otherwise permissible, shall be treated as if commenced on April 15, 1993.

Report Language:

Congress intends in passing this statute to ensure that parties negotiating a settlement to *Catawba Indian Tribe of South Carolina v. State of South Carolina*, pending as Civil Action No. 80-2050 have sufficient time to complete the talks without the need for the filing of thousands of lawsuits against landowners in York, Lancaster and Chester Counties.

U.S. DEPARTMENT OF JUSTICE,
Washington, DC, June 24, 1992.

Hon. JOHN C. SPRATT,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN SPRATT: This is in response to your request for the views of the Department of Justice on the constitutionality of draft legislation affecting a claim by the Catawba Indian Tribe of South Carolina against approximately 27,500 landowners in South Carolina. The draft bill would have the effect of tolling the statute of limitations applicable to the Tribe's claims if the statute has not already run. We have briefly analyzed the draft bill in light of pertinent legal and constitutional issues. In our view, the legislation is constitutional.

The purpose of the proposed legislation is to preserve, for a brief period, the current legal status of the Tribe's claims under the applicable statute of limitations so that the parties have time to complete settlement discussions, and thereby avoid massive and burdensome litigation of the claims. The bill would provide that if the applicable statute of limitations has run by the date of its enactment, then all claims subject to it, filed or unfiled, will remain barred. However, if the applicable statute of limitations has not run by the date of enactment, then "any action by a plaintiff shall be treated as commenced on the date of the enactment of this Act if such action is commenced on or before April 15, 1993[,] and any amendment to an existing claim, if otherwise permissible, shall be treated as if commenced on April 15, 1993."

The fundamental issue is whether Congress has the power to alter the statute of limitations applicable in this case. We would conclude that Congress has that power. First, the cause of action in the Catawba case is one "arising under" federal law for purposes of 28 U.S.C. 1331. The Fourth Circuit explicitly so held in Catawba Indian Tribe versus South Carolina, 865 F.2d 1444 (4th Cir. 1989) (en banc), and the Supreme Court so stated in South Carolina versus Catawba Indian Tribe, 476 U.S. 498, 507 (1985), although the issue was not squarely before the Supreme Court.

The Supreme Court first squarely recognized the federal character of such Tribal land claims in Oneida Indian Nation versus County of Oneida, 414 U.S. 661 (1974), and generally stated that the rules for decision of such claims were federal in character. Id. at 674. In a subsequent decision in that case, the Court specifically ruled that state statutes of limitation do "not apply of their own force to Indian land title claims." County of Oneida versus Oneida Indian Nation, 470 U.S. 226, 240 n.13 (1985). Instead, such statutes are "borrowed and applied to the federal claim * * *" if the application of the state statute is not inconsistent with federal law. Id. at 240.[1]

This conclusion would appear to resolve two potential constitutional issues. First, it makes clear that the draft bill would effect no violation of the Tenth Amendment or other principles of state sovereignty. Congress clearly has the power under the Commerce Clause of Article I to regulate in this area. Tolling the statute of limitations applicable in this case would be merely an exercise of that power. It would do nothing more than alter a "borrowed" statute of limitations that, absent congressional action, has served as the applicable bar. The bill thus neither commandeers state legislative processes nor contains a direct mandate to states. Compare New York versus United States, Slip Op. at 28-29 (Supreme Court,

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[1] The Supreme Court in a variety of contexts has held that state statutes of limitations are "borrowed" in cases where gaps are left in federal law. These borrowed statutes of limitations thus apply as a matter of federal law, rather than of their own force and effect. The Supreme Court has applied this general "state borrowing" doctrine in countless cases, including the Catawba case. 476 U.S. at 507 & n. 18 (citing cases). See also Lampf, Pleva, Lipkind, Pruis & Petgrow versus Gilbertson, 111 S. Ct. 2773, 2778-82 (1991) (recognizing borrowing rule but holding that state statute of limitations does not apply where Congress intended federal bar to apply); Del Costello versus International Brotherhood of Teamsters, 462 U.S. 151, 158-63 1983) (same).

June 19, 1992) (invalidating federal statutory provision requiring states that do not provide for disposal of low-level radioactive waste generated in state to take title to and assume liability for that waste). Cf. Hodel versus Virginia Surface Mining and Reclamation Association, 452 U.S. 264 (1980) (exercise of federal powers that preempt state law does not impermissibly intrude on state sovereignty).

Second, the bill does not appear to create separation of powers problems by interfering with the judicial function. By changing the applicable statute of limitations, Congress in the draft bill is compelling a change in the law, rather than a particular result or finding under old law. The Supreme Court has upheld this type of congressional action where it has been challenged as improperly affecting pending litigation. See *Robertson* versus *Seattle Audubon Society*, 112 S. Ct. 1407 (1992). In *Robertson*, the Court upheld a federal statute that altered the legal standard required under certain environmental statutes with respect to certain timber sales in the Pacific Northwest. The Court rejected the plaintiffs' claim that the provision at issue was an impermissible "statutory directive," holding that "[a] statutory directive binds *both* the executive officials who administer the statute and the judges who apply it in particular cases * * *. Here, our conclusion [is] that what Congress directed—to agencies and courts alike—was a change in the law, not specific results under old law." *Id.* at 1414 (emphasis in original).

Because it is within Congress's plenary power to alter a federal statute of limitations, we do not believe that accomplishing that end through a "deeming" provision such as proposed section 2(b) would interfere with judicial powers in violation of Article III of the Constitution. Since Congress could state that "any statute of limitations that has not expired on the date of enactment of this bill is extended to April 15, 1993," it would not be problematic for Congress to provide that any claims subject to such an unexpired statute of limitations on the date of enactment of the bill shall be treated *as if* filed before the date of enactment.

In conclusion, in our view the draft bill would not violate any applicable constitutional principles. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

W. LEE RAWLS,
Assistant Attorney General.

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds the following:

(1) Suits on possessory land claims may be commenced against tens of thousands of citizens in York, Lancaster, and Chester Counties, South Carolina, within the area claimed in the suit Catawba Indian Tribe of South Carolina against State of South Carolina, et al., Civil Action No. 80-2050 (D.S.C.).

(2) Tens of thousands of such suits would be costly to all parties, including the Federal judicial system, and would create a burden upon interstate commerce.

(3) The filing of such suits may be averted by settlement if additional time is made available for the parties to negotiate and implement the terms of settlement.

(4) The Congress has authority to enact this legislation under the Indian Commerce Clause and the Interstate Commerce Clause of the Constitution; and the Department of Justice concurs in this construction of Article I of the Constitution.

SEC. 2. PURPOSE.

The purpose of this Act is to prevent the social, economic, and judicial disruption that would result from the commencement of law suits against tens of thousands of citizens in York, Lancaster, and Chester Counties, South Carolina, and the burden on interstate commerce that such suits would impose. The parties to the above referenced suit require additional time in which to negotiate and implement the terms of settlement; and if such time is made available, it may avert the necessity of thousands of law suits. The purpose of this Act is not to revive, renew, or extend any claim barred by any period of limitation, repose, or time bar as of the effective date of this Act.

SEC. 3. STATUTE OF LIMITATION.

(a) If any period of limitation or repose, or any other defense based wholly or partly on the passage of time, bars any claim brought by or on behalf of any Indian, Indian nation, or tribe or band of Indians claiming or asserting damages or an interest in land in York, Lancaster, or Chester Counties, South Carolina, under section 2116 of the Revised Statutes (25 U.S.C. 177; commonly known as the Indian Non-Intercourse Act), the Constitution of the United States, common law, or any treaty, as of the date of enactment of this Act, such period of limitation or repose, or other defense based wholly or partly on passage of time, shall bar any such claim, without regard to whether such claim has already been filed.

(b) If any period of limitation or repose, or any other defense based wholly or partly on the passage of time, has not barred any claim, filed or unfiled, by or on behalf of an Indian, Indian nation, or tribe or band of Indians claiming or asserting damages or an interest in land in York, Lancaster, or Chester County, South Carolina, under section 2116 of the Revised Statutes (25 U.S.C. 177; commonly known as the Indian Non-Intercourse Act), the Constitution of the United States, common law, or treaty, as of the date of the enactment of this Act, the running of any such period of limitation or repose, or any other defense based wholly or partly on the passage of time, shall be suspended as of the date of the enactment of this Act until October 1, 1993. On October 1, 1993, the time upon which any such defenses are based shall resume running. The period of time remaining for any time-related defense to become a bar to any such claim shall be the same on October 1, 1993, as it was immediately prior to the date of the enactment of this Act. Nothing in this subsecton shall be construed to affect the application of any period of limitation, repose, or time bar to the claim of any individual Indian which is pursued under any Federal or State law generally applicable to non-Indians as well as Indians.

THE NEED TO REFORM CHILD SUPPORT LAWS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. GINGRICH. Mr. Speaker, single parent families are struggling to make it in our society. Parents are being forced to work to support the family and are unable to give their children all of the attention which they need and deserve. Moreover, children are often deprived of the strong traditional family values that can be instilled by having two parents in a family.

According to recent media reports, there are some 10 million children who should be receiving child support payments.

Mr. Speaker, this is a tragedy. There are currently many State legal provisions which are designed to ensure that the absent parent is not free of the responsibility to help raise the child. However, these laws must be much more stringent. I strongly believe that the burden of payment must be bourne by the person who is legally responsible, and that we should not force the person with the child to bear all of the courts costs, penalties, or past interest.

Too many times ex-spouses have fled in order to avoid making child support payments. The process of finding and pursuing a delinquent parent is tedious and burdensome, and is most difficult on the people that it is supposed to help.

Recently I received a letter from Sherry Ringo which very clearly illustrates the need for tougher, stronger, stricter laws with regard to child support. I strongly urge my colleagues to read the following letter and keep Ms. Ringo's frustrations in mind as Congress seeks to tighten and improve child support laws so that children and single parents are not left without the support which they need and deserve.

APRIL 21, 1992.

NEWT GINGRICH,
Morrow, GA.

DEAR CONGRESSMAN GINGRICH: I am writing to you in hopes that someone will listen and help all the single parents out there that are desperately seeking help in tracking down ex-spouses that refuse to honor court orders in paying child support. I am a single parent, one who is a bit more fortunate than most, that I have a great family and a job to help keep us above the water line. I know this is not a new issue, but it does not seem to be getting any better and I do not see that it will get better in the near future. I do not think it is acceptable that good taxpayers take up the burden of those who refuse to pay. Luckily, I have not gone on welfare, and with my health and my ability to work more than one job at a time, I hope never to have to go on welfare.

Something drastic must be done to alleviate this problem that is growing on a daily basis. I have been constantly hunting down my ex-husband for child support for 4 years. I have an ongoing case with the Gwinnett County Child Support Recovery Unit. It took six months the first time I turned it over, and my support was reduced at that time for 2 children. (I was only supposed to receive $400 per month for 2 children and they reduced it to 386.00 per month). Now my ex-husband has moved to another state and defied yet another court order out of Florida. He is now in Las Vegas where I hope they can track him down. Each time he moves on, I must make a new appointment, fill out the paperwork again, and start anew. This means taking time out from my job, which is very precious to me, in the hopes that I may get the support my children deserve. It has been six months now since I refiled, and I am told it may be another 3 months before we get a response from Nevada. What am I supposed to do when he decides to leave and I have to start all over again?

As a taxpayer, I think we need very strict laws enacted with regard to this issue. Enough is not being done. Look at all the women and children that are homeless, have no food or clothing, that are tossed aside, as these ex-spouses move about freely without any penalties even when they are found. It seems as though they are slapped on the hand, told to pay, and that is that.

I would be very interested to know what is being done on this issue and what I, as a taxpayer and voter, can do to help this situation.

Sincerely,

SHERRY L. RINGO.

HONORING BILL KLEEPER OF CROWELL, TX

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 7, 1992

Mr. SARPALIUS. Mr. Speaker, today I wish to honor a man who has a devoted, and distinguished, career in the media industry of rural America. Mr. Bill Kleeper of Crowell, TX, has retired after 40 plus years as publisher of the Foard County News.

Mr. Kleeper is no stranger to the publishing business. He was born the son of the late T.B. Kleeper who began working for the News in 1907 as a type setter and who later became the paper's owner.

Before joining his father at the paper, Bill served his country from 1943 to 1946 in World War II. Upon returning to the United States, he attended the Southwest School of Printing in Dallas where he learned to operate the Linotype machine. Since those humble beginnings, Mr. Kleeper has witnessed technology advance to today's finest.

Bill has worked in almost every capacity of the paper—writing stories, setting type and editing. He and his wife, Dorothy, assumed publishing duty in 1968. Their integrity and work ethic have made them an example for others in the newspaper business to follow. Bill has remarked that he would not trade his career with the Foard County News for any other profession.

Not only is the Foard County News the county's oldest business institution, but it has a subscriber roster of over 1,500—each of whom Bill knows personally. With such a rich work history, and sense of community, Bill has been able to record the joys and sorrows of rural America. Most vividly, however, he has captured a piece of Americana with his pen—a piece that will not soon be forgotten. Bill Kleeper's sense of duty has truly touched the future with a rich documented history of Foard County.

Mr. Speaker, I ask my fellow colleagues to join me in saluting Bill Kleeper for a job well done. I commend him for his sincere desire to preserve the rich heritage of rural America.

COMMEMORATING THE 500TH ANNIVERSARY OF THE AMERICAS

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. MARKEY. Mr. Speaker, I rise today to commemorate the 500th anniversary of the discovery of the Americas and welcome all the guests who will be participating in the weeklong festivities focusing around the Tall Ships Grand Regatta in Boston, MA.

Benvenuti! I am especially honored that Alberto Aiardi, Configliere Nazionale dell' Aiccre, and the Orchestra da Camera "Giovani D'Europa—Carta di Parigi" from the Instituto Europeo di Integrazione Culturale, which will be performing on board the Italian tall ship *Amerigo Vespucci* will be special guests of our country. I also would like to extend special thanks to Mr. Filippo Frattaroli of Winchester, MA, for hosting our distinguished guests from Italy at his Ristorante Filippo in Boston. I hope they will find Massachusetts as comfortable as their homeland of Italy. La patria e dove si sta bene.

Boston last hosted the tall ships in 1976 to honor our country's bicentennial; this year on July 11 over 150 tall ships from more than 25 countries will participate in this international event. It is expected that the tall ships will be greeted by more than 2 million spectators. Many exciting and educational featuring international themes of the participating vessels have been planned, including an international pavilion at the World Trade Center. Along with these festivities, Boston will enjoy an exciting display of fireworks over Boston Harbor.

I am very proud that Massachusetts has the honor of hosting our many guests from around the globe to join in the celebration of the Grand Regatta Columbus '92 Quincentenary. It is quite a tribute for Boston Harbor to be selected as one of the two ports to be selected for his distinction, and I look forward to the upcoming week of activities and celebration.

VACLAV HAVEL'S WORDS OF WISDOM

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. SOLARZ. Mr. Speaker, President Vaclav Havel of Czechoslovakia, the internationally eminent moral and political leader, recently addressed a conference in Prague on anti-Semitism in modern Europe. The conference was sponsored by the Franz Kafka Center and the American Jewish Committee.

Excerpts of President Havel's address were reprinted last week in a public service announcement published by the American Jewish Committee, the Nation's first intergroup relations agency.

President Havel's message is eloquent, impassioned and compelling, and I commend it to my colleagues.

"I AM ASHAMED . . . OF THE HUMAN RACE, OF MANKIND, OF MAN"

Recently, homage was paid in Prague, in the presence of an honored guest, President Chaim Herzog of Israel, to the memory of the Jews who had been tortured to death in concentration camps. I said on that occasion that I feel strangely paralyzed whenever I am confronted with a situation that calls for a comment on the endless suffering of the Jewish people, and that paralysis "proceeds mainly from a deep—I would even say a metaphysical—feeling of shame. I am ashamed, if I may say so, of the human race, of mankind, of man. I feel that this is his crime and my disgrace. It is as if that paralysis suddenly threw me to the very bottom of the perception of human guilt and of my own co-responsibility for human actions and for the condition of the world in which we live and which we build."

I deem it extremely important that your deliberations will focus not only on the past, however cruel it has been, but first and foremost on issues of the day; on anti-Semitism here and now. I am referring here to the whole of post-totalitarian Europe where anti-Semitism has suddenly reemerged with its characteristic bigotry, limited outlook and aggressiveness. . . .

The point is not whether anti-Semitism is more widespread in our part of the world than elsewhere; you are certainly well aware that we could also find many disgraceful cases in advanced democracies as well. In another respect, however, we could find a difference—a difference in the ways in which the more experienced democracies deal with this phenomenon and in the attitudes they adopt toward it. It is extremely dangerous for the new democracies to underestimate manifestations of anti-Semitism, to play them down, to fail to take action against them, and, above all, to remain silent about them. . . .

I have been told recently about a pub in an area where a large part of the Gypsy population live. On the door of that pub there is a sign which says something to the effect that Gypsies are not welcome in that establishment. . . . In my mind, this kind of conduct, which bears a striking resemblance to the anti-Jewish instructions issued under the Nazi regime, is clearly intolerable. More than that, it is also a case in point reminding us of the breeding ground which produced the Holocaust, of the thousands of inconspicuous, non-murdering anti-Semites who helped send their fellow citizens to the gas chambers.

I should like to pay tribute to all those who contribute to a climate in which people will not enjoy drinking beer in a pub which has on its door a sign like the one I mentioned above, even if official authorities may prove unable to have the sign immediately removed.

I hope that your voice will be heard, and I wish your deliberations all success.

SALUTE TO MARGARET ANN BONNER VERNAM

HON. THOMAS J. RIDGE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. RIDGE. Mr. Speaker, it is with great pleasure that I rise today to recognize Margaret Ann Bonner Vernam who has served her community diligently for many years in various capacities. Mr. Speaker, Mrs. Vernam is being honored this evening for her contributions by family and friends with a "This Is Your Life Program" at Jackson Grange #1506, Jackson Center, PA.

After growing up in the small railroad and mining town of Stoneboro, Mrs. Vernam's service to the community began upon graduating from Jameson School of Nursing. She worked in the operating room at the Mercer Cottage Hospital and also at the Mercer County Home.

Mrs. Vernam's gift for music prompted her to play piano and organ for her church and she served as choir director. She was also pianist for Jackson Grange #1506, Mercer County Pomona Grange #25, and the Pennsylvania State Grange.

As a member of the Grange, Mrs. Vernam served 6 years as Pomona Lecture and twice received State Lecture of the Year Award. She served as chairperson for the Mercer County Grange Deaf Committee and was a member of the State Grange Deaf Committee. Mrs. Vernam was instrumental in promoting deaf awareness by sponsoring sign language classes and raising money for special equipment used by hearing impaired children. She served for many years on the Mercer County Pomona Grange Fair Board and organized various programs as a Grange member.

Mrs. Vernam remains quite active with her church and Grange as well as the Eastern Star and the Sandy Lake/Stoneboro Music Club.

Residing on Woodbridge Farm in Jackson Center, PA, Mrs. Vernam and her husband William C. Vernam, who is also very active with community work, have been married for 46 years and have 4 children and 8 grandchildren. Mr. Speaker, it is with great pleasure that I honor Margaret Ann Bonner Vernam for her many years of outstanding community service. Her commitment and numerous contributions have certainly benefited people in many ways and I wish her the very best.

REQUEST FOR SUPPORT IN FIGHTING AMYOTROPHIC LATERAL SCLEROSIS

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. WELDON. Mr. Speaker, I rise today to urge my colleagues in the House to join me in advocating the fight against amyotrophic lateral sclerosis [ALS], that unyielding disease which leads to complete paralysis or death for its victims. This is a battle that cannot be won without greater public involvement.

ALS is a progressive, degenerative disease in the central nervous system and the most common form of motor neuron disease. The cause and cure of ALS are still unknown, and, despite years of study, significant and unanswered questions about ALS remain. It is unfortunate that we do not fully understand the true course of ALS. That is why the work of the ALS Association and its Greater Philadelphia chapter is so important.

The ALS Association is the only not-for-profit voluntary health organization whose research is dedicated solely to ALS, more commonly known as Lou Gehrig's disease. The ALS Association has made $12 million in research grants aimed at finding the cause and cure of ALS. It has a network of 150 chapters and support groups across the United States, which work with ALS patients and their caregivers. On May 16, 1992, the ALS Association recognized its Greater Philadelphia chapter for their excellence in fundraising, communication and awareness, and fiscal responsibility.

It is estimated that ALS is responsible for 1 out of every 100,000 deaths in people over 20. Each year over 5,000 people in the United States alone are newly diagnosed with ALS. And it is projected that over 300,000 Americans will eventually die from ALS. What can we do? According to reports from the international conference of ALS, what ALS patients need is more information, more help, and more understanding. How can we do it? It is imperative that we help fund aggressive research to find the cure for ALS and find solutions to the long-term health care needs of people with ALS, so that their quality of life can be improved as much as possible.

Essentially, ALS patients are a group of people who have a unique disease for which there is no intervention. More research can certainly provide guidelines for future interventions and for further understanding of this puzzling disease. Only research holds out the hope for prevention, and a cure of ALS, as well as provide knowledge of other neurodegenerative diseases. Public awareness and community support can help promote research through the National Institutes of Health [NIH] and the National Institute of Neurological Disorders and Stroke [NINDS]. We can help find the answer, and we must stop ALS in its tracks.

ALS's motto is: "Hope Through Research * * * Support Through Caring." The financial cost to families of persons with ALS is exceedingly high. Entire savings of relatives of patients are quickly depleted because of the extraordinary costs involved in the care of ALS patients. Eight of ten American families have already experienced a long-term care problem, or will in the near future, and families are carrying a greater portion of the financial burden for long-term care. We need to find solutions to the tremendous emotional and financial demands of providing long-term care.

In closing, I commend my colleague, DANTE FASCELL from Florida, for introducing House Joint Resolution 318, legislation to designate May 1992 as "National ALS Awareness Month," and as a cosponsor of this bill, I also applaud the ALS Association for their hard work. I look forward to working with them to support a health care system that will conduct promising research and effectively deal with long-term care concerns.

CONGRATULATIONS TO VINCE ALOISE

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mrs. BOXER. Mr. Speaker, I am pleased to recognize Vince Aloise, who will retire from the Teamsters Union after more than 45 years of dedicated service.

Because of his keen instincts as a negotiator, Mr. Aloise is often called upon by other Teamsters locals to assist them with negotiations and is currently chairman of UPS with the Western Conference of Teamsters.

Mr. Aloise joined Teamsters Local 70 in 1946 while employed with the produce commission markets. He was a member of Local 70's bylaws committee in the 1960's and was instrumental in obtaining one of the first dental plans ever negotiated.

In 1965, he transferred to Local 315 and was elected to the position of business agent after only 2 years. He later became the president of that local and served as secretary/treasurer through 1984, when he joined the staff of the Western Conference of Teamsters.

Today, Mr. Aloise serves as vice president of the Teamsters Joint Council 7, which he joined in 1975. And, in addition to chairing the UPS Western Conference of Teamsters, Mr. Aloise remains a trustee with Local 315.

I applaud him for his longstanding efforts to negotiate better benefits and working conditions for his coworkers and I offer Vince, his wife, Terry, and his children, Angela, Rome, and Gina, my warmest wishes.

MEMORIAL BY THE HONORABLE LUCIEN E. BLACKWELL FOR B. SHIRLEY CUMMINGS

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. BLACKWELL. Mr. Speaker, it is with deep sorrow that I announce the passing of one of Philadelphia's most respected and loved teachers, and my close friend, B. Shirley Cummings.

Mr. Speaker, Ms. Cummings gave 30 years of her life to the education of our young people. Her devotion to the art of teaching earned her unmatched respect and admiration in Philadelphia's public schools. Without a doubt, the students held the highest priority in her life; students knew that when they stepped into room 218, they had to be ready to work hard and learn well. Colleges sent future teachers to her in the Heston neighborhood to learn from her experience and her wisdom.

Shirley Cummings was equally dedicated in her personal life. She and her husband, Orlando, enjoyed 34 years of marriage and together shared their love with two children, Orlando III and Stacey, and with other family members. Despite often poor health, she never turned away a family member or neighbor who was in need of support or assistance. Through her involvement in the Northeasterners, MYOB, and Jack and Jill, Inc., and during her time as a den mother for the Cub Scouts, she strove to provide for a better quality of life for her fellow Philadelphians, especially the youngest citizens of our city.

Mr. Speaker, B. Shirley Cummings was a delight to all who knew her. Though she has left us in body, her spirit will live forever in her contributions to the city of Philadelphia, in the minds of students whom she touched, and in the hearts of those who counted on her as a dear friend. I ask my colleagues to join me in honoring the continuing memory of B. Shirley Cummings.

RECOGNITION OF INDIANA'S TURKEY INDUSTRY

HON. JILL L. LONG

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Ms. LONG. Mr. Speaker, Hoosiers have always taken great pride in their agricultural heritage, and we recognize the role agriculture continues to play in our economy. Our agriculture industry today is diverse and dynamic, and I comment for the RECORD today to recognize some of our best and brightest agricultural leaders—the men and women who breed, hatch, grow, and process turkeys in Indiana.

This recognition is particularly appropriate at this time, because last month, the Indiana State Poultry Association and the National Turkey Federation joined forces to celebrate "June Is Turkey Lovers' Month."

The 30-day celebration was designed to spotlight the new, modern turkey industry, an industry that produces products consumers can enjoy all year. Gone forever is the image of turkey as a holidays-only meal. The traditional whole bird is being replaced by a variety of products that are nutritious, easy-to-prepare, and perfectly suited for today's active, health-conscious lifestyles. Many of these products, in fact, are tailor made for grilling, which is another reason why the industry chose a summer month to stage its most important celebration.

To see just how far turkey has come in the last few decades, one needs only look at two statistics. Just 30 years ago, 90 percent of the turkeys consumed in the United States were in the form of a whole bird, eaten during the last 2 months of the year. Today, only 17 percent of all turkeys consumed in this country are in the form of a whole bird.

Indiana's turkey industry has been among the best at responding to this increased national demand. Indiana growers last year raised almost 15 million turkeys, making the Hoosier State the seventh largest turkey producing State in the Nation. Thousands of Hoosiers are employed in the industry, which contributes more than $120 million annually in production value. Many of the Nation's leading turkey companies have facilities in Indiana, so the odds are excellent that it will continue to play a major role in the industry for years to come.

TRIBUTE TO THE U.S.S. "SC-1354"

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today in honor of the valiant efforts of the U.S.S. *SC-1354* during World War II. The veterans of the U.S.S. *SC-1354* and their wives congregate in Newport, RI, over the weekend of September 17–19.

The *SC-1354* was built at Milford, DE, fitted out at Philadelphia Navy Yard, and placed in commission on September 30, 1943. She conducted shakedown training out of Miami, followed by sonar training at Key West. She was initially assigned to the Eastern Sea Frontier, the naval command responsible for the maritime defense of the Atlantic coast of the United States, until April 1944. She was then ordered to the 12th Fleet, the naval command operating in European waters under Adm. Harold Stark, which was then preparing for the invasion of France.

In September 1945, the *SC-1354* was temporarily assigned to the 5th Naval District, headquartered at Norfolk for placing in good operating condition. She then reported to Jacksonville, FL, where she was decommissioned and placed in service for duty with the Naval Air Operational Training Command [NAOTC].

During operation the submarine chaser *SC-1354* earned the American Campaign Ribbon, the European-African-Middle Eastern Campaign Ribbon, 1 Star in Normandy on June 25, 1944, and the World War II Victory Ribbon.

The dedication and courage exhibited by the entire crew of the U.S.S. *SC-1354* was extraordinary and deserves our deepest appreciation and respect. I am proud to be able to congratulate the attendees of the fourth reunion of the U.S.S. *SC-1354*.

10TH ANNIVERSARY OF THE VILLAGE OF RYE BROOK

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mrs. LOWEY of New York. Mr. Speaker, it gives me great pleasure to commemorate the 10th anniversary of the incorporation of the village of Rye Brook. Westchester County has been blessed with a rich and lengthy history, and the town of Rye, from which Rye Brook has most recently sprung, is one of the earliest communities to have been founded in the county. From its original settlement by the Brown family over 300 years ago to its culmination as an incorporated village in 1982, Rye Brook has thrived as both a residential and a commercial center within Westchester.

Most recently, Rye Brook's attractive scenery and proximity to New York City have made it an alluring locale for private and corporate citizens alike. I am proud to represent in Congress such a diverse, hardworking cross section of Americans.

The incorporation of the village of Rye Brook on July 9, 1982, was but the final step in a planning process which has yielded an attractive and vibrant community known throughout Westchester for its excellent schools and its diverse recreational programs reaching all Rye Brook residents. This 10th anniversary of the village of Rye Brook is another milestone along the town of Rye's continued course of growth, vitality, and diversification. As the Nation approaches the 21st century and Rye Brook enters her second decade, I am proud to rise today in celebrating this occasion.

INTRODUCTION OF LEGISLATION TO RESTORE AND EXTEND FEDERAL RECOGNITION TO THE CATAWBA TRIBE

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce legislation to restore and extend Federal recognition to the Catawba Tribe of American Indians.

Mr. Speaker, the Catawba people originally lived in portions of areas now known as North and South Carolina, and they have lived in this region for hundreds of years. In 1760, Catawba tribal leaders signed the Treaty of Pine Tree Hill with Great Britain, ceding all but a 15-mile square tract of land in exchange for a promise of protection from encroachment by European settlers. After the Revolutionary War, the United States agreed to honor the promises made by Great Britain.

The U.S. Government did not keep its end of this bargain, and by the early 1960's, Catawba land was down to 724 acres, and the government-to-government relationship between the United States and the Catawba Nation was terminated.

The U.S. Government no longer follows its prior termination policy with regard to Indian tribes, and in fact, almost all of the tribes which were terminated in the 1950's and early 1960's have had their rights restored. The Catawba Tribe is one of the few which has not, and this bill will correct at least that injustice.

Mr. Speaker, a copy of the bill is attached for the consideration of my colleagues.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds the following:

(1) The Catawba Nation was a federally recognized Indian tribe which was subjected to the termination policy of the United States Government by the Act of September 21, 1959 (25 U.S.C. 931 et seq.).

(2) The Federal termination policy, established by House Concurrent Resolution 108 on August 1, 1953, was detrimental to the Catawba Nation and to many other Indian tribes subjected to this policy.

(3) Congress has repudiated the termination policy and restored many Indian tribes as federally recognized tribes.

(4) It is in the best interest of the United States and the Catawba Nation to restore the government-to-government relationship which formerly existed between the United States and the Catawba Nation.

SEC. 2. DEFINITIONS.

For the purposes of this Act—

(1) the term "Tribe" means the Catawba Nation that was a party to the Treaty of Pine Tree Hill in 1760 and the Treaty of Augusta in 1763 and was the subject of the Act of September 21, 1959 (25 U.S.C. 931 et seq.), enacted as part of the termination policy of the United States Government;

(2) the term "member" or "tribal member" means—

(A) those persons listed on the tribal membership roll published by the Secretary in the Federal Register on February 25, 1961 (26

Fed. Reg. 1680–1688; relating to notice of final membership roll);

(B) any person who was entitled under Catawba tribal membership law to be on the tribal membership roll, but was not listed; and

(C) any individual who is a descendant of a person described in subparagraph (A) or (B);

(3) the term "Secretary" means the Secretary of the Interior;

(4) the term "Reservation" means lands held in trust by the State for the benefit of the Tribe since 1842 and all lands subsequently acquired and placed in trust by the Secretary for the benefit of the Tribe;

(5) the term "State" means the State of South Carolina; and

(6) the term "constitution and bylaws" means the constitution and bylaws of the Tribe (adopted on August 30, 1975) as in effect on the date of the enactment of this Act.

SEC. 3. RESTORATION OF FEDERAL RECOGNITION; RESTORATION OF RIGHTS AND PRIVILEGES; FEDERAL SERVICES AND ASSISTANCE.

(a) Federal Recognition.—Notwithstanding any provision of law, Federal recognition is hereby restored and otherwise extended to the Tribe and the Federal trust relationship between the United States and the Tribe is hereby restored. Except as otherwise provided in this Act, all laws and regulations of the United States of general application to Indians and Indian nations, Indian tribes or bands of Indians (not inconsistent with any provision contained in this Act), including the Act of June 18, 1934 (25 U.S.C. 461 et seq.; commonly known as the Indian Reorganization Act), shall be applicable to the Tribe and to its members due to their status as Indians.

(b) Restoration of Rights and Privileges.—All rights and privileges of the Tribe and tribal members which may have been abrogated or diminished as a result of the Act of September 21, 1959, are restored, and the provisions of such Act shall be inapplicable to the Tribe and members of the Tribe on and after the date of the enactment of this Act, except that this subsection shall not affect any rights to land which were vested in parties other than the Tribe or tribal members prior to the date of the enactment of this Act.

(c) Federal Services and Benefits.—Notwithstanding any other provision of law, the Tribe and tribal members shall be eligible for all Federal services and benefits furnished to federally recognized Indian tribes and their members on and after the date of the enactment of this Act. In the case of Federal services available to tribal members residing on or near the Reservation, members of the Tribe residing in the State of South Carolina and in Mecklenburg County in North Carolina shall be deemed to be residing on or near the Reservation.

SEC. 4. TRIBAL AUTHORITY.

The constitution and bylaws of the Tribe shall remain in full force and effect and nothing in this Act shall affect the power of the Catawba nation to take any action under its constitution and bylaws or to revise the same in accordance with tribal law. The Tribe shall have full authority and capacity, in conformity with Federal laws of general application to Indian tribes and their members, to exercise any and all powers generally available to Indian tribes, and nothing in this Act shall affect in any manner any hunting, fishing, trapping, gathering, or water rights of the Tribe and its members.

SEC. 5. PROVISIONS RELATING TO TRIBAL RESERVATION.

(a) Federal Reservation Established.—Effective on the date of the enactment of this Act, the Reservation shall be treated as a Federal Indian reservation without regard to whether legal title to such lands is held in trust by the Secretary.

(b) Conveyance of Land by State.—The Secretary shall—

(1) accept any offer from the State to convey title to any land held in trust by the State for the benefit of the Tribe to the Secretary; and

(2) hold such title, upon conveyance by the State, in trust for the benefit of the Tribe.

CONGRATULATIONS TO AL COSTA

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mrs. BOXER. Mr. Speaker, I would like to take this opportunity to congratulate Mr. Al Costa on his retirement after over 40 years of distinguished service to the Teamsters Union.

Mr. Costa joined the Teamsters when he was only 15 years old and employed in the warehouse of the Fruitvale Cannery. In 1966, while employed with Lucky Stores, he accepted his first union assignment as a steward.

Since that time, he has served in many important leadership positions. He was elected recording secretary of the Teamsters Local 853 in 1968 and four years later served as secretary/treasurer of that same local. In 1979, he served as a trustee of the Teamsters Joint Council No. 7.

Currently, Mr. Costa serves as cochairman of the Teamsters, ILWU, Northern California Warehouse Council, chairman of Teamsters Benefit Trust, trustee of the Western States Teamsters Representative Retirement Fund, and trustee of the Supplemental Income Plan Trust Fund.

In addition, he has served his fellow union members while appointed to the policy committee of the Teamsters National Warehouse Division, the policy committee of the Teamsters Food, Warehouse, Industrial, and Miscellaneous Division, and the Western Conference of Teamsters.

Mr. Costa chose not to simply work hard for himself, but to better the lot of his fellow employees. For this, I congratulate him, and send my best wishes to Al, his wife, Barbara, and his sons, Al, Jr., and Dan.

REVENUE ACT OF 1992—H.R. 11

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. LEWIS of Florida. Mr. Speaker, last week, the House passed H.R. 11, the Revenue Act of 1992. While I understand the need for many of the measures in this bill, I reluctantly opposed this legislation.

To be succinct, while there are some good points to this bill, I am simply not comfortable with many of the funding mechanisms, and the last minute nature of many details.

Specifically, the good points include; the repeal of the luxury tax and a change to passive loss real estate rules, which I have fought for since their inception; the concept of enterprise zones, amortization of depreciable property, the extension of many expiring tax provisions, especially the mortgage revenue bonds, small issue industrial bonds, and the research and experimentation tax credit.

However, my policy has already been to look at the budget implications of any bill. This bill violated budget rules by adding $5.7 billion to the deficit over the next 5 years. I could not, in good conscience, support that.

This means to me that the bill is underfunded going to the Senate.

While I understand the rationale for many of my colleagues on this side who have raised the possibility of opposing this bill when it comes back from the Senate if it is not approved, I still cannot support a bill—even coming out of the House—that I believe to be fiscally unsound.

SUPPORT FOR THE MASTER GARDENER PROGRAM

HON. JILL L. LONG

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Ms. LONG. Mr. Speaker, as a member of the House Agriculture Committee, I am particularly pleased today to bring attention to the Master Gardener Program and to the approximately 60,000 volunteer master gardeners throughout the country.

The Master Gardener Program is offered through each State cooperative extension service office. Volunteers receive training free of charge. In return, once these individuals are certified as master gardeners, they donate time and knowledge to their communities. With the assistance of master gardeners, State cooperative extension services are able to operate more effectively and efficiently. In a large urban area, such as Indianapolis in my State, master gardeners may answer up to 300 phone calls each day. Master gardeners also provide a number of other services. They work as guides for park departments, given lectures at various home and garden shows, and work with children through the 4–H Windowsill Program. In addition to these valuable services, master gardeners often donate thousands of hours and knowledge to their local botanical conservatories.

The Master Gardener Program, made available through land grant colleges with contributions from local, State, and Federal governments, is of great value to our country. Because of devoted master gardeners, our communities are enriched with beautiful plant life and knowledgeable volunteers. For these reasons, I support the Master Gardener Program and extend my gratitude to the nearly 60,000 master gardeners who unselfishly donate thousands of hours to their communities.

ON THE GRAND OPENING OF THE MONO BASIN NATIONAL FOREST SCENIC VISITOR CENTER

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. MINETA. Mr. Speaker, in my hometown of San Jose, CA, my constituency includes Richard and May Belle Gaines, a family active in bettering our community and our environment. We are proud of the contributions and accomplishments of Dick and May Belle, and we are especially proud of their departed nephew, David Gaines, whose legacy as a champion of the environment is recognized throughout California.

On May 30, 1992, in Lee Vining, CA, the U.S. Forest Service Scenic Area Visitor Center at Mono Lake was officially opened and dedicated to the memory of David Gaines, founder of the Mono Lake Committee.

Mono Lake is an environmental treasure. Described by Mark Twain as "The Dead Sea of the West," Mono is a high desert lake located near the Sierra and Yosemite National Park. It serves as a vital breeding ground for 90 percent of California's seagulls and as a critical resting point for migratory birds on a 14,000-mile journey between Canada and Argentina. Mono Lake is visited by more than 70 species of waterfowl; it is an ecological wonder.

Mono Lake's beauty and service to its dependent bird population began to disappear slowly as a result of the pipeline built in 1941 to carry water from northern California to the growing population of arid Los Angeles. In 1978, a science teacher named David Gaines recognized the destructive results of water loss on Mono and decided to act by forming the Mono Lake Committee. For the next 10 years, until his life ended prematurely in an automobile accident, David Gaines led the fight against powerful water interests to save this ecosystem. His crusade led to a series of landmark court rulings which require that water be returned to the creeks that had been piped dry on their way to Mono Lake.

Today, Mr. Speaker, after 6 years of planning and construction, the Mono Basin National Forest Scenic Visitor Center looks over the beautiful Mono Lake and its tributaries, now flowing to restore the basin to its original splendor. The $5 million center features a 98-seat theater, research library, bookstore, photo galleries, administrative offices, and close to 3,000 square feet of exhibit space. Yet, this great center for education and exhibition is only a tribute to the real treasure of Mono: The basin itself, and the man who led the fight to save it.

Mr. Speaker, I ask that my colleagues in the House of Representatives join me in honoring the memory of David Gaines and in recognizing the success of the effort to which he dedicated his life.

CONGRATULATIONS TO DON MALONE, RETIRING ROBERTSON COUNTY AGRICULTURE EXTENSION AGENT

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. CLEMENT. Mr. Speaker, I rise today to recognize a resident of the Fifth Congressional District who has been a tremendous positive influence on his profession, community, and the State as a whole.

Don Malone, retiring agricultural extension agent in Robertson County, TN has served one of the top agriculturally producing areas of Tennessee with wisdom, skill, and at all times the highest degree of professionalism.

He was born in Donelson, TN, the son of a farmer and ASC agent. By naturally assuming a leadership role in 4–H Club and athletic activities, he demonstrated early the love of farming and the natural leadership abilities that would later make him a successful county agent.

After receiving his degree from the University of Tennessee and serving a tour in Korea as a first lieutenant in the U.S. Army, Don returned home to become assistant county agent in Montgomery County, TN. For 9 years he worked closely with 4–H youth in a variety of areas including livestock, dairying, field crops, gardening, and leadership. His efforts were rewarded with recognition and awards for the local 4–H chapter, improved volunteer participation and strengthened community support for 4–H.

In 1964 Don became county agent for Robertson County. In a county of 255,000 acres of farm land and 1,543 farms, he soon demonstrated his ability to develop programs to meet the agricultural needs of the people in his community. His skill in the use of extension teaching methods and knowledge of subject matter have enabled the people of Robertson County to improve their incomes and raise the standard of living for themselves and their community.

Realizing that areas other than production are necessary to achieve success in agriculture, Don Malone has been instrumental in helping to improve the marketing of local yields. He worked to enlarge a stock company in order to raise enough money to finance the construction of a stockyard that could service north central Tennessee, helped to organize the DHIA in Robertson County, was instrumental in the creation of an agricultural expo to provide producers with a venue for educational materials and a chance to see the latest products, and assisted the chamber of commerce in the development of a farmer's market.

In addition to his duties as extension leader, Don and his wife of 37 years, Carrie, have found time to raise three children. Both are active members of the Springfield First United Methodist Church. Don's numerous community activities include the Kiwanis, coaching Little League, and the University of Tennessee Alumni Association.

Although his professional skills are extensive, many would agree that his greatest attribute is his ability to communicate with people from all walks of life. From the 4–H member to the large commercial farmer producing a portion of Robertson County's multimillion dollar agricultural income, Don Malone has been at all times an advisor, confidante, and most importantly, a friend.

WALSH'S SILVER LINING

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. DUNCAN. Mr. Speaker, I think it is a total waste of taxpayer's money to continue the investigation being conducted by Lawrence Walsh. Already, $40 to $50 million has been spent on this investigation with no benefit to the taxpayers whatsoever.

I would like to call to the attention of my colleagues and readers of the RECORD the editorial on this which was published in the Wall Street Journal recently.

WALSH'S SILVER LINING

For all of his hapless zealotry, Iran-Contra prosecutor Lawrence Walsh may yet serve one useful political purpose: He may help destroy the independent counsel law that was born during Watergate 20 years ago.

Mr. Walsh hardly intends this, but his endless probe is daily making the case that the special prosecutor statute is an affront to civil liberties and the separation of powers. Though the statute expires this year, neither Congress nor President Bush seems eager to renew it now. Perhaps even the Washington political class is learning the dangers of handing unlimited time and money to a prosecutor with only a single case.

Mr. Walsh has been serving so long that he's become the first independent counsel in effect to bequeath his job to a handpicked successor. The 80-year-old admits that his deputy, 40-year-old Craig Gillen, is now "running the office." Mr. Walsh told the Legal Times this week that, "I rarely make a suggestion." He spends most of his time now in Oklahoma, not in Washington, and he didn't even bother to show up in court for last week's indictment of Caspar Weinberger.

"For months now," write Legal Times, Mr. Gillen "has been in charge of all facets of the independent counsel's office, making key decisions on legal strategy, hiring new prosecutors, and managing the day-to-day affairs of the 43-member staff."

This isn't how the law was supposed to work. A three-judge panel is given the job of choosing a special counsel precisely because the cases are so politically sensitive. In Iran-Contra, Mr. Walsh was the choice in large part because as a former judge at the end of his career he was unlikely to let personal ambition interfere with legal judgment.

Mr. Gillen, by contrast, is a highly ambitious career prosecutor eager to make a name for himself. He wasn't around for Mr. Walsh's early Iran-Contra prosecutions, and it's unlikely he'd want to devote two years of his life to come up empty-handed. "These are the kind of trials I like because it's a like a war," Mr. Gillen once told the Fulton County Daily Report, referring to politically charged cases.

Such ambition may help explain the remarkable tendentiousness of Mr. Gillen's indictment of Mr. Weinberger. It's clear to anyone who reads the document that his goal is less to convict Mr. Weinberger of lying than to imply a conspiracy to protect Ronald Reagan.

For example, paragraph 29 of the indictment declares that on November 23, 1986, "Prince Bandar bin Sultan, the Saudi Arabian Ambassador to the United States," met with Mr. Weinberger. Prince Bandar went on to tell Mr. Weinberger that Nancy Reagan has suggested that then Secretary of State George Shultz "had been disloyal to the president during the crisis" of Iran-Contra and "should be replaced" by Mr. Weinberger. This fascinating ancedote might be suitable for a book by Bob Woodward, but what does Nancy Reagan have to do with perjury?

Paragraph 30 recounts a November 24, 1986, meeting among senior Reagan officials, including Mr. Weinberger. Then Attorney General Ed Meese told the group that President Reagan hadn't known about a certain arms shipment to Iran. "No one contradicted Mr. Meese's incorrect statement concerning President Reagan's lack of knowledge," declares the indictment, as if this is relevant to anything but Mr. Gillen's imagination. If Mr. Gillen thinks there was a conspiracy, why didn't he charge someone with it?

All of this has cooler heads wondering if the entire exercise has been worth it. Judge Walsh "has accomplished virtually nothing," declared ABC's David Brinkley this past Sunday. "I have thought for some time he should pack his bags and leave town."

Congress, too, seems to be figuring out that no one will be exempt from the new Walsh-Gillen standards for prosecutors. Malcolm Wilkey has been giving Congress a taste of what it's like with his thorough investigation of the House bank. Judge Wilkey is in fact less independent than Judge Walsh because he serves at the sufferance of the attorney general. Yet the Members have still been screaming, and Rep. Henry Gonzalez this week took the House floor to denounce Judge Wilkey. We'd have more sympathy, and the Members would have more credibility, if they'd spoken up earlier against Judge Walsh's depredations.

Mr. Wilkey's efforts have already made Congress less inclined to renew the independent counsel statute when it expires later this year. Some will try again in the next Congress, but any future president can kill the law by insisting it apply equally to both the executive and legislature. If that isn't enough, we trust Judge Walsh and his heirs will still be offering themselves as living examples of a special prosecutor run amok.

PAUL ROEDEL—THE METTLE TO MAKE A SUCCESS OF SPECIALTY STEEL

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1992

Mr. VANDER JAGT. Mr. Speaker, here's a novel idea: "* * * the best decision is in the hands of the people closest to the problem." There are more than a few of us in the Congress who share that idea—and wish that we had a guy like Paul Roedel, who said those words, to remind us.

Indeed, American industry, by grabbing hold of that concept, will soon, once again, exert its force as the premier industrial and business establishment in the world.

But it's taken a while to get that to sink in—and some would say that we in the Federal Government still have not quite gotten the message.

Paul Roedel not only got the message, but he preached the word—and led the choir at Carpenter Technology Corp. for the past decade. It is rare that someone completes his entire working life at one company, but that is what Paul Roedel has done, and done with distinction.

The phrase "captain of industry" is often overworked—but in this case Paul Roedel represents the very best, and truly is a leader in his field. His captaincy of Carpenter, and his special philosophy, led that company through a decade of transition into a new era.

And now he is stepping down, to continue to serve on several corporate boards, to contribute to the educational excellence of his community, and who knows what all else. Maybe even lower his golf score.

For Paul Roedel is going to stay close to the problem and my bet is that the problem won't be around that long.

I offer, for my colleague's review, the Paul Roedel story—and, I'm sure, our appreciation for his insight and leadership:

A MAN OF METTLE

(By Tony Lucia)

On Wednesday, the reins of power at Carpenter Technology Corp. will be handed over quietly to Robert W. Cardy, and Paul R. Roedel, chairman and chief executive officer, will retire after having guided the specialty-steel maker safely through one of its most difficult decades.

Although Roedel has spent his entire working life at Carpenter, nothing about him suggests a sense of regret or loss of vitality. To the contrary, he leaves with his batteries fully charged, ready to take on his next challenge.

Relaxing in his wood-paneled office at the firm's Front and Bern streets headquarters, the former Carpenter accountant stressed the need for an orderly transition and said the choice of Cardy as president, chairman and CEO should provide the company with the new ideas it will need to succeed throughout the '90s.

"I am out of the mainstream now," said Roedel, leaning back in his chair, hands behind his head. "It's his (Cardy's) show now. We are different people—no way should he be in the Roedel mold. And that's the way the process should work.

"But I'm still CEO (until Wednesday)," he added, eyes widening, "and if something happens I don't like, it's not gonna happen on my watch."

Roedel, a native of Millville, N.J.—his wife June is also from Millville—came to Carpenter straight out of Rider College, then in Trenton, N.J., after graduation in December 1948 with a bachelor's degree in accounting. His salary: $215 a month.

He jokes that his numbers-crunching background has given him the reputation and nickname of "the bean-counter," but admits unapologetically, "I think of things in terms of numbers and results.

Recruited by Carpenter's Bill Roberts, who was also a Rider grad, Roedel was part of a small group of accountants whose mission was to set up a financial organization at Carpenter, which then relied on accountants outside the firm for its monthly statements.

"The financial data base has always let the company know what's good in the product line," Roedel said. "And we always have put great importance in the integrity of the financial data disseminated to the public.

"People in the financial world say Carpenter is forthright with its financial results," he said with some pride. "There's an ethical overlay to that."

Roedel's background in "bean-counting" has informed some of the most vital decisions of his tenure. For instance, in the mid-'80s, the company switched from a volume-bonus—or piece-rate—system to profit-sharing, a changeover that was highly controversial within the plant.

Since we changed systems, we have been able to make more improvements and make more process flow than we were able to do before that," he said. "On balance I gather there's recognition we had to do it. To retain a No. 1 position in this industry and maximize quality product, you must be customer driven."

Such decisions were dictated by what Roedel termed the globalization movement in the 1980s, a decade in which many American businesses found that they had to make changes rapidly or else fall out.

Carpenter, Roedel said, was faced with challenges from international firms—not just those that made specialty steels, but those whose products *used* specialty steels.

"The world has changed, and we had to change with it," he said. "I said time and time again, we (businesses in the United States) were blindsided by our success."

When Roedel was named CEO in 1981, Carpenter was at its peak performance, its results the envy of the industry.

But by mid-decade, things were changing, things that could not be chalked up to the usual fluctuations in the business cycle.

"By 1986, 1987, it was obvious that something had changed," he recalled. "I had to refocus the company."

That involved getting Carpenter to commit $400 million to improvements, as well as taking on the profit-sharing changeover. As a result, the company maintained its No. 1 position as well as its dividend, and remains a strong and vital steelmaker in a more complex international marketplace.

Roedel doesn't claim all the credit: His definition of leadership is geared toward participative involvement.

"I have seen successful tyrants; I have seen successful people who work in a low-key way," he said. "My leadership style is to get people to climb aboard and make decisions. I've always believed the best decision is in the hands of the people closest to the problem.

"At the same time, there are critical issues in which a leader must make up his mind and move on."

What Roedel has tried to keep uppermost in his mind are the qualities of fairness and dedication to the company and its people that he observed in the four men who preceded him as CEO in his years at Carpenter.

"If you did what was right and then made a mistake, you'd get called on it, but the people at the top were always supportive," he said.

Just as he touts Carpenter's ability to adjust to change by developing new products and processes, Roedel now finds himself about to embark on one of the most radical changes of his life: retirement.

But, he said, "I can't just turn it off and go play golf."

He will continue to serve on the boards of directors of Carpenter, General Public Utilities, Meridian Bancorp and P.H. Gradfelter Co., Spring Grove, York County. And he has made a commitment to the Berks Business Education Coalition, of which he is the chairman.

The coalition is a 22-member board comprised of corporate leaders and educators who are determined to make an impact on the future of education in Berks County, with an eye to making sure today's students can find their place in tomorrow's work force.

"I'm really excited about this," he said—a statement rendered redundant by his impromptu discourse on the state of modern education, various authors' theories about how to effect change in the educational system, the way the brain receives knowledge and various other related topics.

"I have to have myself focused on something important, challenging, something where I'm working with people to stimulate the system and get things done," he said.

So don't expect Paul Roedel to walk off into the sunset and go gently into that good night. Odds are that his most important work is still ahead of him.

PAUL R. ROEDEL

Position: Chairman and chief executive officer of Carpenter Technology Corp.

Age: 65.

Birthplace: Millville, N.J.

Background: Hired as accountant by Carpenter Technology Corp. in 1948; named assistant controller in 1957, controller in 1965, treasurer in 1972, vice president of finance in 1973, executive vice president in 1975, president and chief operating officer in 1979, and chairman and chief executive officer in 1987. Elected to Carpenter board of directors in 1973.

Education: Bachelor's degree in accounting from Rider College, Trenton, N.J.

PHARMACEUTICAL ADVERTISEMENTS IN LEADING MEDICAL JOURNALS: EXPERTS' ASSESSMENTS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1992

Mr. STARK. Mr. Speaker, the inspector general's office of the Department of Health and Human Services [HHS] recently released a study showing that 92 percent of all medical journal advertisements by pharmaceutical companies lacked compliance with FDA regulations. More distressing, the study found that 44 percent of the medical journal ads "would lead to improper prescribing if the physician used only the information in the ad."

I have introduced legislation, H.R. 5051, to end the abuse of life-threatening deceptive ads.

The complete study follows:

PHARMACEUTICAL ADVERTISEMENTS IN LEADING MEDICAL JOURNALS: EXPERTS' ASSESSMENTS

(By Michael S. Wilkes, MD, MPH; Bruce H. Doblin, MD, MPH; and Martin F. Shapiro, MD. PhD)

Objective: To assess both the accuracy of scientific data presented in print pharmaceutical advertisements and the compliance of these advertisements with current Food and Drug Administration (FDA) standards.

Design: Cross-sectional survey.

Measurements: Each full-page pharmaceutical advertisement (n=109) appearing in 10 leading medical journals, along with all available references cited in the advertisement (82% of the references cited were available) were sent to three reviewers: two physicians in the relevant clinical area who were experienced in peer review and one academic clinical pharmacist. Reviewers, 95% of whom responded, were asked to evaluate the advertisements using criteria based on FDA guidelines, to judge the educational value and overall quality of the advertisements, and to make a recommendation regarding publication.

Results: In 30% of cases, two or more reviewers disagreed with the advertisers' claim that the drug was the "drug of choice." Reviewers felt that information on efficacy was balanced with that on side effects and contraindications in 49% of advertisements but was not balanced in 40%. Reviewers agreed with advertisements' claims that the drug was safe in 86% of the cases but judged that headlines in 32% of the advertisements containing headlines misled the reader about efficacy. In 44% of cases, reviewers felt that the advertisement would lead to improper prescribing if a physician had no other information about the drug other than that contained in the advertisement. Fifty-seven percent of advertisements were judged by two or more reviewers to have little or no educational value. Overall, reviewers would not have recommended publication of 28% of the advertisements and would have required major revisions in 34% before publication.

Conclusion: In the opinion of the reviewers, many advertisements contained deficiencies in areas in which the FDA has established explicit standards of quality. New strategies are needed to ensure that advertisements comply with standards intended to promote proper use of the products and to protect the consumer.

In 1981, the Food and Drug Administration (FDA), the federal agency charged with regulating pharmaceutical advertising, established that "advertisements must present true statements relating to side effects, contraindications, and effectiveness" and that advertisements not meeting this requirement would be considered false or misleading (1). In addition, FDA regulations state that advertisements must present a fair balance between information relating to side effects and contraindications and information relating to effectiveness of the drug (1). These rules were established because pharmaceutical advertising, although primarily promotional, also has an educational effect (2). Practicing physicians often learn about medications from material supplied directly by the drug manufacturers (3-8). Journal advertisements are one of the major sources of such information (3, 6).

Over the past several years, concerns have been expressed about inaccuracies or misleading claims made by drug advertisements (2, 9-11). The possibility that some published advertisements are misleading or dishonest raises two issues. First, such advertisements could lead to inappropriate prescribing practices. Second, the publication of such advertisements suggests that the FDA is unable or unwilling to enforce adequately its rules relating to drug advertising. It has been suggested that enforcement is hampered by a combination of budgetary restraints, limited manpower, and lack of regulatory authority to penalize pharmaceutical manufacturers for violating rules (12). Recognizing their limited ability to respond to potential problems, FDA regulators have advocated that medical journals play a larger role in assuring the quality of pharmaceutical advertising (Feather K. Personal communication).

No information is available about how often advertisements currently meet the FDA standards, or about other measures of advertisement quality. In an as yet unpublished study, we found that few medical journals, including leading peer-reviewed journals, make any attempt to formally screen pharmaceutical advertisements, believing that this function is not their responsibility.

In contrast to pharmaceutical advertising, reports of scientific research that appear in medical journals usually undergo "peer review" before publication. In part, the time-consuming process of peer review is the product of strong professional obligations to honesty, accuracy, and constructive criticism (13). Although the specifics of peer review differ from journal to journal, most respected medical journals rely on it to help assure quality.

We undertook this study to answer four questions: First, do pharmaceutical advertisements meet the criteria established by the FDA? Second, what is the assessment of a group of expert peer reviewers of the quality and educational value of drug advertisements published in leading medical journals? Third, do reviewers feel that drug advertisements meet current standards that they consider consistent with publication in leading medical journals? Finally, in advertisements that fall below the reviewers' standards for publishability, what deficiencies are identified?

METHODS

Selection of advertisements

We identified 10 peer-reviewed journals, 9 of which are leading specialty journals and 1 of which is a leading general medical journal (Table 1). We obtained three original copies of each journal's first issue of 1990 (in the case of Annals of Surgery, copies of the second issue were obtained because the journal was unable to provide original copies of the first issue). In these issues, we identified all pharmaceutical advertisements of at least 1 page in length. If an advertisement appeared more than once among the journal issues, duplicate advertisements were eliminated. However, if two different advertisements appeared for a drug product, then both were included in the study. One hundred forty-three advertisements met our criteria. After the elimination of duplications, our sample consisted of 109 unique advertisements. No references were cited in 40 advertisements. For the remaining 69 advertisements, if we were unable to find the reference in the regional National Library of Medicine Reference Library, we made at least three additional attempts to obtain the references. These efforts included at least two phone calls and a follow-up letter to the manufacturer. Following these procedures, we were able to obtain 82% of the references cited in these 69 advertisements; in 47 of 69 cases (68%), all references cited in the advertisement were obtained.

Table 1. Advertisements by Specialty and Journal

Variable:	Advertisements, n
Specialty:	Advertisements, n
Infectious diseases	24
Cardiology	20
Psychiatry	18
Gastroenterology	12
Neurology	11
Pediatrics	6
Gynecology	6
Pulmonary diseases	5
Rheumatology	3
Dermatology	2

	Advertisements, n
Endocrinology	2
Total	109
Journal:	
American Journal of Psychiatry	17
Annals of Emergency Medicine	7
Annals of Internal Medicine	18
Annals of Surgery	5
Archives of Neurology	12
Archives of Surgery	8
Journal of Family Practice	8
The New England Journal of Medicine	19
Obstetrics and Gynecology	18
Pediatrics	20
Total[1]	143

[1] Total includes redundant advertisements: there were 109 unique advertisements.

Instrument

We developed a survey instrument containing 36 questions to evaluate various aspects of the pharmaceutical advertisements. The format included 28 specific questions based directly on FDA regulations and more general questions relating to demographic factors and to reviewers' overall impression of the advertisement. Questions relating to reviewers' impressions were similar in format to those used by medical journals for peer review of journal articles.

In addition to requiring that advertisements present a fair balance between information on side effects and contraindications and that on effectiveness, current FDA regulations (1) specify that advertisements "*are* false, lacking in fair balance, or otherwise misleading" if they (1) make claims about relative safety and efficacy or about the populations in which the drug is useful that are not supported by the current literature; (2) use literature or references inappropriately to support claims in the advertisement; (3) use statistics erroneously; or (4) use headlines, subheadlines, or pictorial or other graphic material in a way that is misleading.

The guidelines also specify that advertisements "*may be* false, lacking in fair balance, or otherwise misleading" if they (1) use "statistical significance" to support a claim lacking known clinical significance; (2) cite studies inadequate in design to support claims; (3) use tables or graphs in a way that is misleading; (4) contain claims about the mechanisms or sites of actions that are not supported by scientific evidence; (5) fail to provide sufficient emphasis on side effects and contraindications; (6) fail to present information relating to side effects and contraindications with a prominence and readability comparable with the presentation of information relating to efficacy; or (7) promote use in a particular class of patients without emphasizing significant side effects and contraindications or dosage considerations applicable to the class of patients.

To evaluate compliance of the advertisements with FDA regulations, reviewers were also asked the extent to which they agreed or disagreed with a series of statements about the claims made in the advertisement, the presentation of information on efficacy and adverse reactions, and the use of headlines, subheadlines, statistics, references, graphs, tables, and images in the advertisement. Wording in the questions was alternately negative and positive. If reviewers agreed that the advertisement made a certain claim (for example, that the pharmaceutical was "the drug of choice" for a given condition), they were then asked whether the claim was in keeping with current scientific knowledge about the drug or condition. Items were evaluated on a 4-point scale: strongly agree, agree, disagree, and strongly disagree.

Each reviewer was also asked to rate the overall educational value of the advertisement and its overall quality in four specified areas: factual accuracy, clarity, honesty of claims, and use of references. Finally, after carefully reviewing each advertisement and using the survey instrument as a guide, the reviewers were asked the following question: "If this advertisement were subject to the same review criteria as a scientific article, would your overall suggestion to a journal editor of a leading medical journal be to accept in present form, accept contingent upon minor revisions, accept contingent upon major revisions, or reject the advertisement?" If the reviewer felt the advertisement needed modifications before publication, he or she was asked to select, from a list, those changes that he or she would require.

Questionnaires took reviewers an average of 20 minutes to complete, but the time taken to complete the questionnaire varied greatly, depending on the length of the advertisement and the number of references cited.

Physician reviewers

Lists of experienced peer reviewers who covered the range of medical expertise required for our study were provided by the editors of three journals (Archives of General Psychiatry, Annals of Internal Medicine, and Obstetrics and Gynecology). For example, the editors of Annals of Internal Medicine were asked for the names of 64 experienced reviewers trained in infectious diseases who were qualified to review advertisements for antibiotics. We sent "nominated" peer reviewers a cover letter describing the study and asking whether they wished to participate. In addition, we enclosed a letter from the journal editor who had nominated them, encouraging them to participate. We then randomly telephoned 125 reviewers, stratified by clinical expertise, before obtaining the 113 reviewers required for the analysis. Ninety percent of those contacted agreed to participate in the study. Reviewers were sent advertisements in their area of expertise. For example, psychiatrists with expertise in depression were sent advertisements for antidepressants. Infectious disease specialists were sent advertisements for antibiotics, and cardiologists were sent advertisements for drugs intended to treat angina.

Initially, we intended to exclude all physicians who had accepted consulting fees, honoraria, or research funds in excess of $300 from the pharmaceutical industry during the previous 24 months. Careful screening revealed an insufficient number of physicians who met this criterion. We dropped this exclusion criterion but did collect data on consulting fees, honoraria, and research funding from pharmaceutical manufacturers.

Clinical pharmacist reviewers

We contacted seven university medical centers with established and well-respected drug information programs (two in Connecticut and five in California). The director of each program was informed about the research project and was asked to provide a list of experienced clinical pharmacists at his or her institution who were involved in physician edcuation about pharmaceutical products. All seven programs agreed to participate, supplying a total of 54 clinical pharmacists. Pharmacists also were asked to review advertisements in their areas of clinical expertise. All of the clinical pharmacists agreed to participate in this study.

Physician and pharmacist reviewers differed in several respects. Physicians were older (mean age, 52 years compared with 34 years: $P < 0.01$) and were much more likely to be men (98% compared with 51%; $P < 0.01$). All of the physicians had academic appointments, with 75% holding the title of either full or associate professor. All of the pharmacists worked in teaching hospitals, and 75% had doctorates in pharmacy. Consistent with these differences in their professional activity, the physicians were much more likely than the pharmacists to have written or reviewed scientific papers. In the 3 years before their participation in this study, the physician reviewers had published an average of 15 ± 16 (SD) articles in peer-reviewed journals (compared with 2 ± 3 articles for pharmacists) and had acted as peer-reviewers of an average of 11 ± 4 papers (compared with 0 for the pharmacists). Seventy-one percent of the physicians had received money from pharmaceutical companies during the preceding 2 years, and 53% of those had accepted more than $5000. Far fewer pharmacists had received money from drug companies, and of those who had, nearly all accepted less than $200. A subanalysis revealed that the level of remuneration had no relation to a reviewer's responses to our survey.

In addition to the advertisements, reviewers received copies of all obtainable reports referenced in the advertisements, review forms, and an honorarium of $20. In a cover letter, the reviewer was asked to assess each advertisement, keeping in mind the intended reader of the journal (often the clinician with little research or statistical expertise).

Of the 113 physician reviewers, 107 (95%) returned at least one review; seven of eight who were assigned one advertisement returned their review, and 100 of 105 who were assigned two advertisements also reponded, but 2 of these reviewers completed only one review. Of 54 pharmacist reviewers, 53 were sent two advertisements to review and 1 reviewer was sent three advertisements; 52 (96%) responded, with all completing two reviews. This yielded 309 reviews: Three reviews were obtained for 92 advertisements (84%); two reviews for 16 advertisements (15%); and one review for 1 advertisement (1%).

TABLE 2. REVIEWERS' JUDGMENTS ABOUT THE ACCURACY OF ADVERTISER CLAIMS[1]

Advertiser Claim	Advertisements considered by at least two reviewers to make the claim (n)	Cases in which at least two reviewers disagreed with the advertiser claim[2]	Cases in which no agreement was obtained among reviewers[2]	Cases in which at least two reviewers agreed with the advertiser claim[2]
The "drug of choice" for at least one condition	53	30	42	28
More effective than another drug	23	39	26	35
Effective in a broad range of patients (for example, different age groups	44	14	18	68
Useful in a broad range of conditions and diseases	20	15	15	70
Safe	48	8	6	86

[1] All 109 advertisements were evaluated.

[2] Percentage of advertisements judged by at least two reviewers to have made the claim.

TABLE 3. REVIEWERS' ASSESSMENTS OF COMPLIANCE OF ADVERTISEMENTS WITH FOOD AND DRUG ADMINISTRATION GUIDELINES

Variable	Advertisements for which at least two reviewers considered the statement applicable (n)[1]	Unfavorable review[2,5]	Split judgment[3,5]	Favorable review[4,5]
Information on side effects and contraindications:				
Presents fair balance between information relating to efficacy and side effects and contraindications	104	40	11	49
Appropriately highlights side effects and contraindications in special patient populations	49	47	27	26
Presents information on side effects and contraindications with prominence and readability that are reasonably comparable to presentation of information on effectiveness	95	57	13	30
Use of headlines and subheadlines:				
Misleads the reader about efficacy	94	32	11	57
Misleads the reader about side effects and contraindications	95	19	22	59
Is supported by the written text	92	42	14	44
Encourages appropriate use of the drug	90	26	17	57
Adequately referenced	64	48	14	38
Use of statistics and citation of studies:				
Uses statistics derived from inconclusive, dissimilar, or poorly designed studies	27	30	22	48
Uses "statistical significance" to support a claim not demonstrated to have clinical relevance or validity	26	4	12	84
Makes claims based on studies in which subjects differed substantially from the population at whom advertisement is directed	55	13	11	76
Contains favorable information from a study adequate in design, scope, or method to justify application in practice	39	28	23	49
Graphs and tables:				
Misrepresent conclusions of clinical studies	23	9	9	82
Not adequately referenced	23	30	26	44
Likely to lead reader to misleading conclusion	21	30	17	53
Promote appropriate use of the drug	16	25	38	37
Images:				
Minimize concerns about side effects or adverse reactions	85	58	11	32
Are used in manner which misleads the reader about efficacy	90	24	16	60
Are offensive, demeaning, or insulting[3]	95	4	6	90
Promote use of the drug in appropriate populations	87	31	16	53
Promote use of the drug in a manner consistent with the written text	90	21	20	59

[1] Among all 109 advertisements in the sample.

[2] At least two reviewers felt the advertisement fell below accepted standards.

[3] Two reviewers judged the question to be applicable, with one reviewer judging the advertisement favorably and the other reviewer judging it unfavorably.

[4] At least two reviewers felt the advertisement was acceptable.

[5] Percentage of those advertisements to which at least two reviewers considered the statement applicable.

TABLE 4. RECOMMENDATIONS REGARDING PUBLICATION OF ADVERTISEMENTS

[In percent]

Recommendation	Analysis by individual reviews			Analysis by advertisement (n = 76)[1]
	All reviews (n = 306)	Physician reviews (n = 205)	Pharmacist reviews (n = 101)	
Accept	8	10	4	4
Accept contingent on minor revision	34	30	43	35
Accept contingent on major revisions	34	34	34	34
Reject	24	27	20	28

[1] Refers to the 76 cases in which two or more reviewers agreed on a recommendation regarding publication of the advertisement. There were 33 other cases in which two or more reviewers did not agree. Among these, 29% favored rejection; 32%, major revisions; 26%, minor revisions; and 13%, acceptance. Three pharmacist reviewers did not make a recommendation regarding publication, each for one advertisement.

RESULTS

Our sample included 109 advertisements (representing 103 different drug products) in 11 specialty areas (*see* Table 1). Most advertisements in the sample were for products used in the fields of infectious diseases (for example, antibiotics), cardiology (for example, antihypertensives), and psychiatry (for example, antidepressants).

Compliance with FDA standards

In 53 cases (49%), two or more reviewers judged that the drug was promoted as "the drug of choice" for at least one condition. In 16 of these 53 cases (30%), two or more reviewers disagreed with this claim. In another 15 cases (28%), two or more reviewers agreed with the claim, and in the remaining 22 cases (42%), two reviewers judged that the advertisement made the claim but disagreed about whether the claim was supportable. Similarly, two or more reviewers disagreed with the claim that the drug "is more effective than other drugs" in 9 of 23 (39%) instances where advertisements made such a claim. Reviewers were less likely to disagree with claims regarding the range of patients or conditions in which the drug was stated to be effective or with claims regarding the drug's safety (Table 2).

At least two reviewers felt that a fair balance between information on efficacy and that on side effects and contraindications was achieved in 51 of 104 advertisements (49%), whereas at least two reviewers felt that such balance was lacking in 40% of advertisements. Reviewers felt that side effects and contraindications in special populations were not appropriately highlighted in 47% of the 49 advertisements in which such information was considered relevant. Only 30% of 95 advertisements were felt to present information on side effects and contraindications with a prominence and readability that was reasonably comparable to the presentation of information on the drug's effectiveness (Table 3), whereas 57% of advertisements were judged negatively in this respect.

Statistical analysis

The study was designed to gain an understanding of pharmaceutical advertising in general. Therefore, we did not carry out subgroup analyses by journal or drug category. The unit of analysis for our study was the advertisement. Most questions used a 4-point Likert scale (strongly agree, somewhat agree, somewhat disagree, strongly disagree). Responses were analyzed for each question that at least two of three reviewers had judged applicable to the advertisement. Responses to these answers were dichotomized by combining "strongly agree" and "somewhat agree" into one category and "somewhat disagree' and "strongly disagree" into another category. For advertisements with two reviewers, agreement was based on the concurrence of both reviewers. For advertisements with three reviewers, agreement was based on concurrence of at least two of the three reviewers. Responses to questions about quality were dichotomized by combining ratings of "poor" and "unacceptable" into one category and ratings of "satisfactory" and "higher quality" into another category. For educational value, we assigned the advertisement to the category on which at least two reviewers agreed.

For the question regarding acceptance, revision, or rejection, we again used a "majority rules" criterion. The agreement of two or more reviewers on the exact category (accept, accept with minor revisions, accept with major revisions, or reject) constituted a final decision. We excluded from our analysis the advertisements for which there was no exact agreement among reviewers. Reviewers rendered a judgment about acceptability for publication in 306 of 309 responses (99%). There was exact agreement about whether to accept, reject, or require revisions in the advertisements among all three reviewers for 14 of the 89 advertisements (16%), for which three reviewers completed a review form and answered the question about acceptability; there was agreement between two reviewers for 55 advertisements (62%), and no agreement among reviewers for 20 advertisements (22%). For the 19 advertisements for which two reviewers answered the question about acceptability, the two reviewers agreed in 7 cases. To evaluate the pattern of responses to this question, we assessed agreement within one category. For each group of reviewers we compared agreement within one category using the 4-category scale (reject, major revisions, minor revisions, accept): For example, if one reviewer recommended rejection, the other reviewer was considered to agree, within one category, if he or she recommended rejection or major revision. The concordance rates among reviewers, using pairwise kappa statistics, were fair to good: 0.68, 0.56, and 0.52 for each of the three reviewer pairs in advertisements with three reviewers.

Chi-square tests were used to test for significance of differences between physician and pharmacist reviewers' recommendations regarding publication (*see* Table 4) and of differences in rates of deficiencies requiring correction before publication among reviewers favoring minor revision, major revision, or rejection (*see* Table 5). For reasons of simplicity, we have not reported CIs. Our data were not intended to allow us to make inferences about all advertisements but rather to evaluate a select population of advertisements published in several leading medical journals.

At least two reviewers felt that headlines and subheadlines were present in more than 80% of advertisements. The reviewers judged that these headlines and subheadlines would mislead the reader about efficacy in 32% of advertisements, and would mislead the reader about side effects or contraindictions in 19%. The reviewers also felt that headlines and subheadlines did not encourage appropriate use of the drug in 26% of advertisements. However, most advertisements were judged favorably in each of these dimensions.

One fourth of advertisements incorporated statistics in the written text. At least two reviewers felt that the statistics were derived from inconclusive, dissimilar, or poorly designed studies in 8 of 27 cases (30%). Only 4% of advertisements that cited statistical significance were judged to have done so to support claims that had no clinical relevance or validity. Fifty-five advertisements made claims based on particular studies, and in most cases (76%) the study subjects the cited study were not substantially different from the population at whom the advertisement was directed. Reviewers judged studies cited in 39 advertisements to be adequate 49% of the time to justify the use of the drug in clinical practice and inadequate 28% of the time.

Graphs or tables were identified in 23 advertisements and were used most often to highlight a drug's efficacy. Reviewers judged that 9% of such advertisements distorted or misrepresented the conclusions of studies regarding the drug. More often, these advertisements were judged to have used tables and graphs that were inadequately referenced (30%) and that were likely to lead a reader to a misleading conclusion (30%) (*See* Table 3).

Images, (photographs, drawings, or medical illustrations) were identified in more than 80% of advertisements. The overall assessment of images were favorable. Most advertisements included images that were consistent with the written text and that would promote the use in the appropriate patient population (*see* Table 3). Reviewers felt images were misleading regarding drug efficacy in 24% of advertisements and not misleading in 60%. However, in 58% of advertisements containing images, reviewers felt that images inappropriately minimized concerns about side effects and adverse drug reactions. Finally, in only 4% of advertisements were images found to be offensive, demeaning, or insulting (although an advertisement with such characteristics is not necessarily in violation of existing FDA regulations).

Reviewers' responses (agree or disagree) to 28 questions that related to subjects explicitly addressed in or implied by FDA criteria indicated that 92% of advertisements were not in compliance in at least one area. Reviewers' answers indicated a mean of 4 ± 3 (SD) areas in which the advertisements were not in compliance. Sixteen advertisements (15%) had eight or more ares that were not in compliance.

Educational value and quality

Among advertisements reviewed by two or more experts, 20 percent were judged to have no educational value. At least two reviewers felt there was little educational value in 37 percent, some educational value in 33 percent, and a great deal of educational value in 4 percent of advertisements. There was no agreement for 6 percent of the advertisements. Only 44 percent of reviewers felt that the advertisement would lead to proper prescribing if a physician had no other information about the medicine other than that presented in the advertisement. The percentage of advertisements rated as "poor" or "unacceptable" in specified areas by two or more reviewers was 19 percent for factual accuracy, 16 percent for clarity, 21 percent for honesty of claims, and 45 percent for the advertisement's references.

Recommendations regarding publication

In 76 cases, two or more reviewers agreed regarding a publication recommendation. On the basis of this agreement, 28 percent of advertisements would have been rejected, 34 percent would have required major revision, 35 percent would have required minor revision, and 4 percent would have been accepted without change (Table 4). for the advertisements on which there was no exact agreement, the pattern of recommendations was similar, with 61 percent of reviewers favoring rejection or major revision before publication (Table 4).

When reviewers who did not recommend outright acceptance were asked what revisions were needed, they most often cited deficiencies in the areas of referencing and information on safety, efficacy, and the appropriate patient populations. As expected, those who recommended rejection noted deficiencies in most categories at a substantially higher rate than those favoring major revisions, whereas those favoring minor revisions felt that fewer deficiencies needed to be addressed in most categories (Table 5).

TABLE 5. AREAS OF DEFICIENCY JUDGED BY REVIEWERS TO NEED CORRECTION BEFORE PUBLICATION

Deficiency	Recommendation		
	Minor revisions (n=104)[1]	Major revisions (n=104)[1]	Rejection (n=74)[1]
Lacks information on safety[2]	34	56	69
Lacks information on efficacy[2]	40	72	72
Lacks information on appropriate populations[2]	31	53	71
Lacks information on side effcts and contraindications[3]	28	50	56
Lacks needed references[2]	44	63	71
Contains misleading references[3]	4	10	15
Contains misleading statements in the text[2]	5	24	44
Contains misleading graphs and tables	4	10	8
Contains misleading images[2]	7	16	27
Other correction needed	19	12	11

[1] Percentage.

[2] $P<0.001$ for differences across all three groups (test for trend).

[3] $P<0.05$ for differences across all three groups (test for trend).

DISCUSSION

Each year, pharmaceutical manufacturers spend hundreds of millions of dollars to advertise their products in medical journals. The large budgets of pharmaceutical manufacturers for drug promotion (estimated at $5000 per physician per year) (14) suggest that current drug promotional activities are effective in changing physician behavior. One recent study, commissioned by five pharmaceutical companies, concluded that "pharmaceutical manufacturers can have confidence that . . . when sales messages are communicated through journal advertising market shares of new prescriptions will increase" (8).

Our findings suggest that, in the judgment of expert reviewers, a sizable number of pharmaceutical advertisements published in leading medical journals contain deficiencies in areas for which the FDA has established explicit standards for quality. In our study, experts identified areas suggesting potential lack of compliance with FDA regulations in 92% of the advertisements, with a mean of four areas not in compliance with these regulations. In addition, reviewers frequently found the advertisements to be misleading, judged most to have little or no educational value, and found the quality of a substantial minority to be poor or unacceptable in several areas. The large proportion of advertisements (62%) that the reviewers judged to need major revisions before publication or that they would have rejected outright should arouse concern.

Some limitations of the study deserve note. Reviewers did not receive any formal training on current FDA regulations relating to pharmaceutical advertising. However, we formulated direct questions based on the regulations, often using the exact wording of the regulations, which reviewers were asked to answer after carefully reviewing the advertisements. Reviewers' judgments were based on their knowledge of the drugs used in their areas of expertise and on the information presented in the advertisement and in referenced materials. Second, about 15% of physicians contacted decided not to participate in the study. Even if all these physicians had participated and all had had favorable responses to the advertisements, the effect on the proportion of reviewers judging the advertisements negatively would have been modest (no more than 7% for any item). Third, some questions in our survey instrument addressed areas that are more important than others. For example, that reviewers disagreed that an advertised drug was not "the drug of choice" as claimed should not arouse as much concern as deficiencies in the areas of drug safety, side effects and contraindications, and misleading statements. Fourth, much has been written about the lack of inter-rater reliability among reviewers assessing scientific articles for medical journals (15). Our reviewers did not always agree, but they did agree about as often as do reviewers of biomedical articles (13, 16). Fifth, we found that nearly three quarters of physicians had received money from pharmaceutical companies within the preceding 12 years. Such payments might decrease or increase receptivity to advertisements, but we found no correlation between the amount of renumeration and responses to the survey. Sixth, our inability to locate all of the references cited in the advertisements may have affected our conclusions regarding the adequacy of referencing. However, references that cannot be found, even with extensive efforts, provide little assistance to practicing physicians in evaluating the accuracy of pharmaceutical advertising. Finally, our finding that only a small proportion of advertisements are acceptable in their current form should be interpreted with some caution. Many peer reviewers for scientific journals often feel compelled to make minor revisions in a manuscript. Therefore, it may be reasonable to pay less attention to judgments that minor revisions are needed than to the other, more negative evaluations. Indeed, the concerns of the reviewers about specific aspects of the advertisement are probably more important than their overall judgments about publishability.

The finding of problems in a large proportion of pharmaceutical advertisements is troublesome, given research suggesting that drug advertising serves as a major source of information for practicing physicians. In an era where several similar drugs are often available for a given condition many of which serve the same function, it is more important than ever that physicians be provided with accurate, truthful information.

Some investigators argue that too much attention has already been focused on regulating advertisements that they claim are never read (17, 18); however, many physicians scan advertisements before reading the scientific articles in medical journals (17). Most doctors have little opportunity to learn about new drugs from nonindustry sources once they complete formal training. The major problem areas in advertisements identified by our reviewers included inaccurate statements and inadequate information on side effects and contraindications, the effect of the drugs in particular populations, efficacy, and safety. Although these faults take various forms, existing FDA regulations already address most of these problems. There is some evidence that the FDA has very recently begun to look more carefully at some misleading advertising (19); however, until existing regulations are applied rigorously, the public is at risk, because advertisements may be misleading about a drug's appropriateness or they may lack adequate information on potential adverse effects. Furthermore, patients may end up taking medicines that are far more costly than equally effective alternatives (2, 20).

References used in the advertisements to support the claims made and data presented received the poorest evaluations in our study. In addition, several reviewers expressed surprise that we could not obtain more references. Extensive efforts (library research, letters, and telephone calls) were made to track down all references mentioned in advertisements. Unfortunately, many references were to unpublished papers, confidential reports, or studies from journals that could not be obtained either from the manufacturers or from a major reference library. The nature, quality, and availability of references cited in advertisements is an important problem meriting further investigation.

How can the problems identified in our study be addressed? One approach would be to ban pharmaceutical advertising from journals. However, such an approach would likely lead manufacturers to put resources into forms of promotion that are even more difficult to regulate. If pharmaceutical advertising in medical journals is allowed to continue, the public must be protected. Such protection will only by possible if the quality of the advertising can be assured. Existing regulations may be adequate if combined with stricter federal enforcement (perhaps through requiring federal approval of an advertisement before publication), larger penalties for improprieties, and the involvement of journals and professional organizations in the monitoring of drug advertising.

Currently, scrutiny of advertisements by Medical journals is minimal. Pharmaceutical advertising is usually handled by the business branch of the journal, whereas scientific content is handled by the editors. As long as advertisements are not offensive, it is accepted policy for the journals to leave the policing of drug advertisements to the FDA (21).

There are several potential problems with involving medical journals in the process of monitoring advertisements. First, such involvement would entail new expenditures, although advertising costs could be raised to cover the expense of evaluating advertisements. Second, leading medical journals derive substantial income from advertisements in an arena of shrinking advertising dollars and increased competition. Thus, the pharmaceutical industry has the potential to exert enormous influence over peer-reviewed medical journals (22), and, as one leading, physician said, there is a "marriage of mutual regard" between the journals and the advertisers (17). It is not certain that journals would ever subject advertisements to a truly rigorous review process unless there were incentives for them to do so; such incentives might take the form of fines for publishing advertisements not meeting a specified standard.

Standards for honesty, accuracy, and balance in pharmaceutical advertising currently exist in the form of FDA regulations, but these regulations appear to go unheeded. New strategies are needed to assure that pharmaceutical advertisements appearing in medical journals meet acceptable scientific standards and comply with existing FDA regulations, the goal of which is to promote proper use of the products and to protect consumers. To assure such compliance, a meaningful program of surveillance must be developed by the FDA, the journals, or both. The costs of various strategies (including the possibility that costs would be borne by the manufacturers) should be assessed.

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HOUSE OF REPRESENTATIVES—*Wednesday, July 8, 1992*

The House met at 10 a.m.

The Reverend W. Douglas Tanner, Jr., executive director, Faith and Politics Institute, Washington, DC, offered the following prayer:

O Lord, we gather this morning as very human beings in a setting that often discourages our humanity. We labor in an environment where trust is confused with naivete, where truth is confused with foolishness, where image is confused with substantive accomplishment.

We spend many hours away from our families—those with whom we yearn to fully share the gifts of life. We find ourselves fatigued for days on end. And time for quiet reflection can seem to be an unaffordable luxury.

Grace us, we pray, with the wisdom to find ways to deepen our humanity in this context in which we can too easily become shallow. Move within us and among us, and grant us Your peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. TRAFICANT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. TRAFICANT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 242, nays 115, not voting 77, as follows:

[Roll No. 269]

YEAS—242

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Atkins
AuCoin
Bacchus
Bateman
Beilenson
Bennett
Berman
Bevill
Bilbray
Blackwell
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell (CO)
Cardin
Carper
Carr
Clement
Clinger
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Conyers
Cooper
Costello
Cox (CA)
Cox (IL)
Coyne
Cramer
Davis
de la Garza
DeFazio
DeLauro
Derrick
Dicks
Dooley
Dorgan (ND)
Dornan (CA)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
English
Erdreich
Evans
Fascell
Fazio
Feighan
Fish
Flake
Ford (MI)
Frank (MA)
Gaydos
Gejdenson
Gephardt
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Gradison
Green
Guarini
Gunderson
Hamilton
Hammerschmidt
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jenkins
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
Lantos
LaRocco
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McGrath
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Montgomery
Moran
Morrison
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nichols
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parker
Pastor
Payne (VA)
Pease
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Poshard
Price
Rahall
Ravenel
Ray
Reed
Richardson
Ritter
Roemer
Rose
Rostenkowski
Roth
Rowland
Roybal
Russo
Sabo
Sangmeister
Santorum
Sarpalius
Sawyer
Scheuer
Schiff
Schulze
Schumer
Serrano
Sharp
Sisisky
Skeen
Skelton
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Spratt
Staggers
Stallings
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Thornton
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walsh
Waxman
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—115

Allard
Allen
Armey
Ballenger
Barrett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Bunning
Burton
Camp
Campbell (CA)
Clay
Coble
Coleman (MO)
Coughlin
Crane
Cunningham
Dannemeyer
Doolittle
Dreier
Duncan
Edwards (OK)
Emerson
Ewing
Fawell
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gingrich
Goodling
Goss
Grandy
Hancock
Hansen
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Hunter
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Kolbe
Kyl
Lagomarsino
Leach
Lewis (CA)
Lightfoot
Livingston
Machtley
Marlenee
McCandless
McCollum
McCrery
McDade
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Molinari
Morella
Murphy
Nussle
Oxley
Paxon
Porter
Quillen
Ramstad
Regula
Rhodes
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Saxton
Schaefer
Schroeder
Sensenbrenner
Shays
Shuster
Sikorski
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vucanovich
Walker
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—77

Alexander
Aspin
Baker
Barnard
Bonior
Chandler
Chapman
Condit
Darden
DeLay
Dellums
Dickinson
Dingell
Dixon
Donnelly
Dymally
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Foglietta
Ford (TN)
Frost
Geren
Gibbons
Hall (OH)
Hall (TX)
Harris
Hastert
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Lewis (FL)
Lipinski
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Miller (WA)
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Moorhead
Mrazek
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Patterson
Payne (NJ)
Perkins
Pursell
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Ridge
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Roe
Sanders
Savage
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Skaggs
Slattery
Solarz
Stark
Torres
Traxler
Washington
Waters
Weber
Weiss
Wheat
Whitten
Williams
Wilson
Wise

□ 1029

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. MONTGOMERY). The Chair will ask the gentleman from Michigan [Mr. UPTON] if he would kindly come forward and lead the membership in the Pledge of Allegiance.

Mr. UPTON led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills and concurrent resolutions of the House of the following titles:

H.R. 158. An act to designate the building in Hiddenite, NC, which houses the primary operations of the U.S. Postal Service as the "Zora Leah S. Thomas Post Office Building";

H.R. 4505. An act to designate the facility of the U.S. Postal Service located at 20 South Montgomery Street in Trenton, NJ, as the "Arthur J. Holland United States Post Office Building";

H.R. 5412. An act to authorize the transfer of certain naval vessels to Greece and Taiwan;

H. Con. Res. 156. Concurrent resolution concerning the emancipation of the Baha'i community of Iran; and

H. Con. Res. 328. Concurrent resolution providing for the printing of the book entitled "Year of the American Indian, 1992: Congressional Recognition and Appreciation" as a House document.

The message also announced that the Senate had passed bills, joint resolutions, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2834. An act to designate the U.S. Post Office Building located at 100 Main Street, Millsboro, DE, as the "John J. Williams Post Office Building";

S. 2917. An act to amend the National School Lunch Act to authorize the Secretary of Agriculture to provide financial and other assistance to the University of Mississippi, in cooperation with the University of Southern Mississippi, to establish and maintain a food service management institute, and for other purposes;

S. 2984. An act to authorize financial assistance for the construction and maintenance of the Mary McLeod Bethune Memorial Fine Arts Center;

S.J. Res. 270. Joint resolution to designate August 15, 1992, as "82d Airborne Division 50th Anniversary Recognition Day";

S.J. Res. 326. Joint resolution designating the beach at 53 degrees 53′51″N, 166 degrees 34′15″W to 53 degrees 53′48″N, 166 degrees 34′21″W on Hog Island, which lies in the Northeast bay of Unalaska, AK, be named "Arkansas Beach" in commemoration of the 206th regiment of the National Guard who served during the Japanese attack of Dutch Harbor, Unalaska on June 3 and 4, 1942; and

S. Con. Res. 81. Concurrent resolution expressing the sense of the Congress regarding visionary art as a national treasure and regarding the American Visionary Art Museum as a national repository and educational center for visionary art.

□ 1030

CONFERENCE REPORT ON HIGHER EDUCATION REAUTHORIZATION ACT HOLDS PROMISE FOR MIDDLE-CLASS YOUTH

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, today, we have a chance to tell working, middle-class America that we understand: Families across this country fear they will not be able to afford to send their kids to college. The conference agreement on the Higher Education Reauthorization Act, that we take up this afternoon, will make a college education a reality for millions of Americans who could not otherwise afford to attend school.

In the last decade, working families have been battered by increased taxes, soaring health care costs, and college tuitions that have gone through the roof. At the same time, Federal support for education has withered away. Fewer and fewer middle-class families are eligible for grants or loans, and those who do qualify for aid are burdened with mountains of debt.

Education cannot be available only to the few. Poverty and wealth cannot be the only standards for access to education. Education and opportunity must be universal for those who will work to achieve.

Mr. Speaker, I urge the Members to stand up for education. Stand up for middle America. Support the conference agreement.

INDEPENDENCE WITH AN ASTERISK

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, on July 4, 1776, as our Founding Fathers adopted the Declaration of Independence, I am sure they did not envision 100 percent smooth sailing for free America. Some of them had foresight enough to predict that budgetary red ink would cause problems for the Federal Government. However, it seems unlikely that even the most clairvoyant founder could have anticipated the degree to which our country by 1992 would become hostage to Congress' profligate spending habits. During the 60 seconds that I speak here today, America's debt will shoot up by more than three-quarters of a million dollars. We seem to be addicted to over-spending.

On the Fourth of July this past Saturday we remembered that independence for 216 years has been a precious gift, a gift that must be preserved. But the cold hard fact is that every second of every day our independence gets more and more threatened as the debt obligation rises. Saturday's Fourth of July should be an alarm call to reverse this trend—to make America flourish once again, independent from debt and to make Congress cure itself from overspending and waste.

A LEVEL PLAYING FIELD FOR U.S. PRODUCTS

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, the United States needs a level playing field in the very worst way so that American-made products made by American workers such as the Explorer vans and the Ford trucks made in the two Ford assembly plants in my district can have a fair chance to be sold in international as well as national markets.

We can establish this level playing field and create U.S. jobs by passing later today H.R. 5100, the Trade Expansion Act. It contains a revival of the Super 301 sanctions which can be leveled against countries that do not treat our products fairly.

There is a difference, I understand, with regard to the amendment to be offered by the majority leader, the gentleman from Missouri [Mr. GEPHARDT]. I tend to favor that amendment which puts into law the levels of imports established under the current voluntary restraint agreement which we have with Japan. But, whether or not that amendment is agreed to, and I hope it is, we must pass H.R. 5100 to establish a level trade playing field and to create American jobs here in the United States.

INTRODUCTION OF THE "DEPARTMENT OF SCIENCE, SPACE, ENERGY, AND TECHNOLOGY ORGANIZATION ACT OF 1992"

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, last Wednesday, July 1, with my Science Committee colleagues, the chairman, the gentleman from California [Mr. BROWN] and the gentleman from California [Mr. PACKARD], together with my friend, the gentleman from Pennsylvania [Mr. KOLTER], I introduced a bill which if enacted into law would establish a Department of Science, Space, Energy, and Technology.

The Department of Science, Space, Energy, and Technology Organization Act of 1992 builds upon the existing structure of the Department of Energy and its network of national laboratories, much of whose work is already devoted to general scientific pursuits.

The bill would combine three independent agencies, and some of the current scientific capabilities of the Department of Commerce, into one operating unit reducing needless waste and duplication entailed by the now separate administrative, legal, congressional, and public affairs apparatuses of the existing agencies and thus save some money.

In my view, the Department of Science, Space, Energy, and Technology's main function would be to help prepare the United States for the future. It would be the one area of Government that would be devoted to acting for future benefit rather than reacting to the mistakes of the past. Its goals would be to help build our scientific research and technology base together with the private sector to create our next generation of wealth and jobs. This new Department would be an advocate within the councils of Government to promote U.S. competitiveness internationally and internal cooperation domestically. This new Department would provide focus to fundamental building blocks of our future: Energy, science, math, environment, space, technology, and research, and allow these elements of our future to work together, giving these components of our future prosperity the high profile they deserve.

SUPPORT THE CONFERENCE REPORT ON HIGHER EDUCATION ACT

(Mrs. LOWEY of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LOWEY of New York. Mr. Speaker, across America parents dream of a better life for their families and their Nation. They dream of a growing economy, restored competitiveness, plentiful jobs, and increased prosperity.

Today, we can help make those dreams a reality.

In the long term, there is only one way to make our economy grow, and that is to build a highly skilled work force that can go head to head with any other nation of the world—and come out on top.

The conference report on the Higher Education Act is the tool we need to make this happen.

It will provide millions more young people with vital college aid. It will help us build a lean, mean economic machine, and it will help us restore the American dream.

Mr. Speaker, if we are really serious about an economic renewal in this Nation, let us renew our commitment to the workers of the future. Let us pass today's conference report enthusiastically and unanimously.

SOAKING THE RICH IS SOAKING THE MIDDLE CLASS

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, Americans are bracing for a storm to blow out of New York City next week. We are ready to hear a barrage of soak the rich rhetoric that will have very little to do with reality.

We will hear that the rich have not paid their fair share to taxes for the past 12 years.

We will hear that the other party is the guardian of the middle class.

We will hear that the economic boom of the eighties was an illusion.

Unfortunately, we will not hear solid facts to back up any of these claims. We will not hear how cutting taxes and eliminating special loopholes raise the percentage the top fifth of Americans pay from 56 to 61 percent.

We will not hear that the top fifth of income earners being targeted for tax increases will include Americans making $56,000 a year. That is a solid middle-class two-income family, Mr. Speaker.

We will not hear how the economy grew for 7 straight years until the raise the taxes crowd got their way; but Americans know that when the other party talks about soaking the rich, the middle class can prepare to get very, very wet.

INVESTING IN THE WORK FORCE

(Mr. HOAGLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOAGLAND. Mr. Speaker, as the House of Representatives this week votes on S. 1150, the higher education amendments, a very important bill, we are reaffirming that the American dream of access to and opportunity for a college education becomes a reality.

America faces one of its toughest challenges in recent years—revitalizing our economy. With the end of the cold war, the national strength and status of the United States as a great power depends on our ability to compete in an international economy. To compete effectively we must invest in education.

Yet unfortunately, middle-class working families, the traditional source of productive workers, are seeing the dreams of higher education slip away as our standard of living declines. In the last decade those with incomes below the top 20 percent saw their incomes either stagnate or decline when adjusted for inflation. Meanwhile costs at public and private colleges have increased two to three times faster than the growth in median family income. Many families can simply not afford to pay for their children's education.

To meet the needs of working families this bill:

Increases the maximum Pell grant from $2,400 to $3,700;

Revises the programs that serve those nontraditional students who are older, independent of their parents, working and attending school part-time or going back to college for the first time;

Allows all students regardless of family income to borrow up to the maximum Stafford Loan;

Improves early outreach and intervention efforts because students and their families are frequently not well informed about financial assistance.

Bill Clinton is also proposing to make college affordable to all students. Governor Clinton's plan, the domestic GI bill, would enable all Americans to borrow money for college, so long as they are willing to pay it back as a percentage of their income over time or through national service addressing unmet community needs. Such needs might include a police officer, an inner-city teacher or taking care of children in a day care center.

Education is the key to opportunity and to jobs. For students of all ages in community colleges, universities and trade schools, their postsecondary education will mean increased job opportunities, higher salaries, and a better way of life.

□ 1040

PROTECTIONISM CITED AS KEY TO PROVINCIAL TAX IN CANADA

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, just weeks after a recent beer trade agreement between the United States and Canada, the Province of Ontario—the location of most major Canadian brewers—has slapped a 10-cent per can tax on beer sold in aluminum cans. Most Canadian beer is sold in bottles.

Ontario claims such a tax is necessary for environmental reasons. Why, then, is the tax imposed only on cans of beer and not cans of nonalcoholic beverages?

Even with the high recovery rate of glass, because glass is bulkier than aluminum, and few bottle caps are recycled, refillable bottles actually result in more solid waste than aluminum cans. Ontario's environmental justification for this obvious trade barrier is cute, but it just does not hold water or beer, for that matter.

If Canada wants tit-for-tat protectionism, I am sure America can ante up, too.

PROPOSED LEGISLATION WOULD EXPAND EDUCATION REFORM TO NEW LEVELS

(Mr. JOHNSTON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON of Florida. Mr. Speaker, the reasons that so many of today's children are at-risk of failure have less to do with our education system than with the problems those children bring to school with them every day.

Yet, even as we recognize that a hungry child, a sick child, or an abused child, cannot concentrate on his lessons, we continue to neglect those problems in proposals for education reform.

Today I am introducing legislation which will provide grants to States and localities that develop plans to integrate noneducational services with the public school system. Schools are so often the place where a problem is first identified, yet we continue to leave teachers stranded as they attempt to deal with the numerous problems that fall outside the realm of their training and resources.

My legislation will also achieve systemic reform at the State and Federal levels. It is not enough to provide yet another demonstration grant to a local school district; we must be committed at all levels to reforming a fragmented system that allows too many of our children to fall through the cracks.

From now on, let us address the whole child when we speak of education reform and recognize that, as always, the unmet needs of today will become the tragic and expensive social ills of tomorrow.

SPACE STATION "FREEDOM"—GATEWAY TO THE FINAL FRONTIER

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DORNAN of California. Mr. Speaker, when our space shuttle *Columbia* completes another successful U.S. space mission today, we can all take pride in this historic accomplishment which reflects the dedication and commitment to excellence of our astronauts, NASA ground crews, and our aerospace workers throughout the country who made this mission possible. Unfortunately, such missions are limited due to the small amount of time a space shuttle can remain in space.

According to shuttle commander Richard N. Richards, what the astronauts needs is "more time in space in order to give them a platform to conduct the experiments and work and research needed to get some of the answers" to questions posed by our scientists. With a space station, commander Richards further commented, "we can stay up here in measures of months, rather than days."

We must push forward with a space station if we are going to successfully and aggressively explore the final frontier of space. We cannot turn back now just as we approach the threshold of space exploration. We cannot limit ourselves to shortsighted, short-term cost savings that would result from cancellation of the station. Instead, we must look forward to the long-term gains which will result from space exploration. We must look forward as explorer Christopher Columbus did 500 years ago when he brought two amazing worlds together.

If we accept this challenge, we must press forward with space station *Freedom*—it will be the rock upon which we build the future of U.S. and world space exploration.

[From the Washington Post, July 4, 1992]

COLUMBIA ASTRONAUTS CITE THEIR NEED FOR SPACE STATION

CAPE CANAVERAL, July 3.—Space shuttle *Columbia* commander Richard N. Richards made a pitch today for the space station *Freedom* when he said astronauts on NASA's longest schedule shuttle flight need more time in orbit.

"They've already been complaining here that they're looking at the calendar and seeing the de-orbit date coming up here and their work really isn't done," Richards said in a radio interview.

"What they need is more time in space in order to give them a platform to conduct the experiments and work and research needed to get some of the answers" to scientific questions, he said of the seven astronauts.

Freedom is a perennial target in Congress, but NASA plans to start building the $30 billion-plus laboratory in orbit in late 1995 and have astronauts living there full time by 2000.

With a space station, "we can stay up here in measures of months, rather than days," Richards said.

Today, two of the four astronauts splitting 12-hour shifts inside the shuttle laboratory worked through part of their breaks. NASA gave each of the four a four-hour "vacation" to help relieve the strain of such a long flight. Shuttle astronauts have never spent more than 10 days and 21 hours in space at a time. *Columbia's* crew will pass that record on Monday and is scheduled to remain aloft until Wednesday.

Lawrence DeLucas, the crew's crystal expert, sounded harried as he set up more protein crystal growth experiments.

"I'm trying to do as many as I can as quickly as I can because I really have so much more to get done and it takes between five and seven days for most of these to grow. So time is of the essence here," DeLucas told payload controllers at NASA's Marshall Space Flight Center in Huntsville, Ala.

Among the crystals DeLucas activated were interferon, an antiviral substance used to treat AIDS; a protein that regulates blood pressure, and a serum that transports iron from the liver to immature red blood cells.

Researchers hope to develop better drugs with *Columbia's* protein crystals. Crystals produced in space are bigger and purer than those cultivated on Earth, where gravity hampers growth.

Astronaut Carl Meade, one of those who shunned time off, spent part of the day stirring up dust. He used bursts of compressed air to shoot quartz particles, the size of grains of sand, into small containers. Some of the specks clumped together, while others clung to the chamber walls or just floated.

Scientists want to see how small particles cluster in weightlessness. They hope the tests will help them better understand atmospheric cleansing after major dust storms, volcanic eruptions, meteorite strikes and, potentially, nuclear explosions.

RUSSIA GETS CASH—AMERICA GOES BROKE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Boris Yeltsin crashed the G–7 summit. Yeltsin was not even wearing a black tie.

Mr. Speaker, he said, "Russia needs cash. If you do not believe me, just take a look at Chernobyl."

Meanwhile, needed trade reforms were once again put on the back burner. Now, think about it: Russia gets cash, America goes broke. California is passing out IOU's not paychecks; in New York they are in a riot situation: and the child poverty rate in America is exploding, and the truth is most parents cannot get a decent job. Most parents write in and they say, "I can't understand it." Well, the truth is, Mr. Speaker, it is easy to understand; most of the American politicians are more concerned about Red Square than they are about New York and the children in America living in poverty.

It is as simple as that.

WE MUST FUND THE RTC

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, the news which just came out this week of the closure of the eighth largest thrift is very distressing to all of us. San Diego-based HomeFed was taken over by the RTC, as announced by the Office of Thrift Supervision. That decision and the effect it will have on the 750,000 depositors sends a very important message to this Congress. We cannot stand by and ignore the necessity to fund the Resolution Trust Corporation. I am not enthusiastic about blindly sending tax dollars in there, but we have got to remember that the full faith and credit of the U.S. taxpayer is behind those who have deposits up to $100,000.

Mr. Speaker, we owe it to the American people to keep our promise, the promise that was made years ago. So let us address the RTC funding question as soon as possible.

TEN MILLION UNEMPLOYED: A SERIOUS NATIONAL PROBLEM

(Mr. OWENS of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS of New York. Mr. Speaker, 10 million people without jobs is a serious national problem. For each of the 10 million families this unemployment is a personal disaster. For all humane and moral decisionmakers in the Congress and the executive branch these 10 million workers without a paycheck must be treated as a national emergency. Ten million unemployed is an emergency. Ten million unemployed is an emergency which requires immediate action. The administration must join with the Congress in addressing the issue now. You don't need to be a genius to understand the first steps which must be taken to cope with this emergency. Certain time-tested, effective, and workable remedies can be implemented without delay: Accelerate the distribution of mass transit and highway funds. Pass emergency block grant legislation for education to allow school budget cuts to be restored and laidoff school workers to be rehired. Block grants for health care and hospitals would permit the rehiring of laidoff hospital staff. New initiatives to get on top of the escalating environmental crises would hire many scientific and technical workers. Ten million jobless workers can't wait for the new world order free market economics to gear up. Ten million families must eat now. We need the old fashion public sector stimulant. It is the sacred duty of the Congress and the administration to act mercifully and to act swiftly. Ten million families need jobs now.

□ 1050

REVIVING THE AMERICAN AUTOMOBILE INDUSTRY

(Mr. BLACKWELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLACKWELL. Mr. Speaker, no one in this Chamber can deny the fact that the American auto industry has been losing jobs for the last 15 years at an unprecedented rate. The industry that led this country into the 20th century is rapidly losing steam, and many would say that Congress has simply sat here in Washington, and watched.

Today we have the direct opportunity to reverse this downward trend, and set the U.S. auto industry back on its feet.

The Gephardt-Levin amendment to H.R. 5100, the Trade Expansion Act, will finally let us compete on a level playing field, by putting the number of Japanese imports accepted into the United States on par with the number of American cars they allow into Japan.

Mr. Speaker, I wholeheartedly reject, as do my constituents, any argument that this legislation is protectionist.

Is it protectionist to want to put Americans back to work? Is it protectionist to try and stimulate our ailing economy?

And please, Mr. Speaker, tell me if it is protectionist to put the needs of Americans as our most primary and crucial concern.

If the European Community can craft such an agreement with Japan then we must as well. The time has come for the President to stand firm on this issue, and the passage of this amendment will give him little choice, but to stand up for the U.S. auto industry.

I urge my colleagues to vote in support of this amendment today. Let us make a difference and pass this much-needed and long-awaited legislation that can directly revive the industry that made our country great.

SPACE SHUTTLE "COLUMBIA," A PRECURSOR TO SPACE STATION "FREEDOM"

(Mr. BROWN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN. Mr. Speaker, I join my colleague, the gentleman from California [Mr. DORNAN] in noting that the space shuttle *Columbia* will land at Edwards Air Force Base in California after a record-breaking 14-day mission in Earth orbit.

While this mission may not have generated as much interest in the press and among the general public as the last space shuttle mission in which a stranded commercial communications satellite was rescued, this mission may in fact be of greater long-term importance to the country.

That is because this mission was a technological investment in the future. The purpose of this mission is to carry a unique microgravity research laboratory into space, and to conduct experiments in that laboratory that can only be performed in the weightless conditions that exist in space.

The specific experiments that were conducted on this mission could lead to improved drugs, medical treatments, engineering materials, computers, infrared detectors, water desalination equipment, chemical and industrial processes, and the development of such wonders as artificial skin, blood vessels, and other parts of the body.

This mission was also significant, in that it was a precursor to the types of missions and experiments that will be conducted on space station *Freedom* when it is placed into orbit later this decade.

One difference in the space station however, is that after going to the expense of placing laboratory experiments into orbit, they will not be constrained to a mere 13 days of operation—on the space station, these experiments will be able to operate for many months or even years.

Accordingly, the payoff that we receive for our investments in such research will be greatly enhanced.

Mr. Speaker, I hope that all Members will join me in congratulating NASA and the crew of the space shuttle *Columbia* for this important pathfinding mission.

UNEMPLOYMENT AMONG HIGH SCHOOL GRADUATES

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, today, while Mr. Bush talks with the leaders of the G-7 nations in Munich, back home in America we face an unemployment crisis among our youth. Today over 1 in 4 of the kids that graduated high school last year and are not in college are unemployed. That rate is higher than it has been since 1983, and most of those who eagerly received their diplomas in May or June of this year with the thought of immediately entering the workplace will be sadly disappointed because job opportunities for them just are not there.

Mr. Speaker, these facts are dismal without any interpretation, but what they say about the future for a majority of America's youth is tragic. In years past, a high school diploma might not have insured wealth, but it often led to a decent job on which one could support a family. For today's high school grad that prospect is quite unlikely.

It is my hope, Mr. Speaker, that when the so-called education President, Mr. Bush, discusses the future of the Soviet Union and Yugoslavia, the youth of America and their parents will be watching as their prospects for a real future quickly disappear. America's youth deserve and need better than this.

EXPAND THE TALENTED TEACHER ACT

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDEN. Mr. Speaker, later today the House will consider the Higher Education Act, and I would like to commend the gentleman from Michigan [Mr. FORD] for bringing a first-rate bill to this House. I am especially pleased that the conference has chosen to expand the original Talented Teacher Act of 1984 which I authored with then House Member PAUL SIMON and our colleagues, the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Missouri [Mr. COLEMAN]. We envisaged that unless the Federal Government did more to attract bright young people to teaching, the rest of the school reform agenda would have limited impact.

Mr. Speaker, our bill has acted like educational ROTC. There are scholarships for bright youngsters in return for their teaching in underserved areas, and there are fellowships that we can recognize the excellent contributions of outstanding teachers now in the classroom.

By expanding our original program in today's Higher Education Act, Mr. Speaker, the House can send a strong message to bright high school students. This country wants those young people in front of our classrooms in the battle for excellence in education. We need our bright youngsters as teachers, the Higher Education Act makes that possible, and I urge my colleagues to support it later today.

GEPHARDT-LEVIN AMENDMENT ENSURES THAT JAPAN LIVES UP TO THEIR COMMITMENTS

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, today the House will have a chance to vote on the Gephardt-Levin amendment to the trade bill to open Japan's closed automotive trade practices. Simply this amendment puts the weight of law behind the automotive agreements President Bush negotiated in Japan last January. It calls on our Trade Representative to negotiate a comprehensive auto sector agreement with Japan, and it sets up a monitoring and enforcement system to ensure Japan lives up to the commitments it made last January.

What this amendment is about is opening markets, opening Japan's closed procurement practices, assuring United States-Japan trade reciprocity in automotive goods and putting our foot down after 7 years of United States-Japan trade talks fraught with delay, meager results, and a worsening trade deficit.

Japan's market is closed. Less than 3 percent of the goods, automotive goods, in Japan's market are imported from anywhere else in the world, while one-third of our market is now penetrated by foreign automotive goods. Japan cleverly marks up by 33 percent the sticker price of foreign cars in its market, and it excludes non-Japanese products in its marketplace, as well as excluding United States cars and other foreign cars from its dealerships.

The U.S. Congress must stand fully behind the agreement the President negotiated last January. Vote for the Gephardt-Levin amendment.

WE MUST CREATE JOBS FOR THE PEOPLE WHO WANT TO WORK

(Mr. HAYES of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYES of Illinois. Mr. Speaker, seven of the wealthiest nations in the world are concluding a 3-day conference in Munich, Germany, discussing the world's economy. It looks very much like the only winner in this situation is going to be Russia.

Mr. Speaker, while they are discussing this issue, economy and economic tragedy overseas, poverty, as has been stated, is on the rise here in this great Nation of ours. I do hope that this Congress of ours will begin to focus some attention on some real programs to put people back to work.

Mr. Speaker, we need to look back on the Roosevelt days and start some public work programs, some civilian conservation programs, and I say, "Call them what you may, but let them be jobs for people who want to work."

My colleagues, let us remember that charity begins at home and we here in this Congress ought to begin to do something about it. I do hope, as a delegate to my own party's convention next week in New York, that we will come out of that with the kind of platform that is going to give hope to those people who are suffering in this great Nation of ours today.

THANK YOU FOR HELPING THE PEOPLE OF FRITCH, TX

(Mr. SARPALIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SARPALIUS. Mr. Speaker, for the 3½ years that I have been a Member of this institution very seldom do I hear a Member stand up and say, "Thanks." But that is why I rise today.

I went home this weekend and toured the town of Fritch, the town that was devastated by a tornado that destroyed and damaged over 50 percent of the homes in that small rural town. I went in the rubble of a large brick home, and the only thing that was left remaining was a small bathroom in the middle of that home. The sheetrock had been pulled off of all sides of that bathroom, and it was amazing that in the middle of that bathroom there were seven people that survived that tornado.

Thank God nobody lost their lives, but the investment that this Government has made to try to help rebuild that community, I think, was a wise investment, and I stand here before my colleagues to say, "Thank you for your help in helping the people of Fritch, TX."

MAKING THE DREAM OF A COLLEGE EDUCATION A REALITY

(Mr. AUCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AUCOIN. Mr. Speaker, today we will vote on the Higher Education Act, and I want to applaud the gentleman from Michigan [Mr. FORD] and his committee for their excellent work on that legislation. While the bill expands Federal financial aid programs, it does, however, fall short by not providing grants to all working and middle-class students who qualify.

The original bill, the bill I cosponsored, made Pell grants an entitlement. If we can make health care available to the elderly, and I think we should, we surely can afford to make Pell grants an entitlement for our students of middle-income families. If we do not, we risk our future. We simply cannot afford to risk an education system that is accessible only to the rich. If we keep going like we are right now, soon only millionaires will be able to send their kids to college.

In Oregon, Mr. Speaker, tuition at State schools is expected to climb nearly 20 percent in the next 2 years. This is on top of a 30-percent hike just last year.

□ 1100

For many students Federal financial aid is the only ticket they have to a college degree. It is time for new national priorities.

Mr. Speaker, I think we should pass this bill, but let us continue to push for the expanded financial aid that our students in this country from middle-income families richly deserve. This Nation's youth deserve a real commitment from this Congress and from this country, one that makes the dream of a college education for everyone who needs it and qualifies a reality.

LOCAL GOVERNMENTS, PRIVATE SECTOR PRESSURED BY UNFUNDED FEDERAL MANDATES

(Mr. MORAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORAN. Mr. Speaker, this past week marked the beginning of a new fiscal year for 46 States and most localities around the country, and they have to look forward to a miserable fiscal year, one that will be probably worse at the end of the fiscal year from which they have just concluded. The fact is that the Federal Government is liable in some ways to make it even worse on them because we are undoubtedly going to pass legislation that imposes on those States and localities, as well as the private sector, programs for which we will take credit but for which we will provide insufficient funding, if any.

The growth of unfunded Federal mandates upon State and local governments and the private sector has increased with every successive year, and with the constraints on the Federal budget, there is no doubt that it is going to increase at an even faster rate.

I have introduced legislation that would require that a complete fiscal year analysis be included in any bill reported out of committee, an analysis that would show us how much it is going to cost State and local governments and the private sector to implement the legislation being enacted. It would also require that we take the least cost alternative method of fully implementing the intent of the legislation. It would also apply to executive branch rulemakings and regulations as well.

Mr. Speaker, I urge my colleagues to support this legislation.

REPUBLICAN MEMBERS URGED TO SUPPORT AMERICAN AUTO CONTENT AMENDMENT TO TRADE BILL

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, shortly we are going to be considering H.R. 5100 and a particular amendment that goes to the commitment that was made to President Bush during his trip to Japan. I think that was a very productive meeting, a very productive trip. During that meeting the President received a commitment from Japanese leaders to increase the American content, that is, the part of cars that are manufactured in transplant facilities in the United States, to increase the American content, the part manufactured by American workers, to 70 percent.

They made that commitment, and since they have made that commitment we have all seen television commercials across the country by some of those transplants that advertise the fact that the cars in fact are made in America. The auto amendment that will come up to H.R. 5100 allows us to codify the commitments that were made to President Bush in Tokyo.

It would behoove those of us on the Republican side of the aisle to adhere to the Republic philosophy of supporting the American worker and, therefore, supporting that particular amendment.

Six spinoff jobs are created for every job that is created in the automobile industry in this country.

Mr. Speaker, the most important thing we can do to pull the country out of recession is to get the automobile industry back on track.

SUPPORT URGED FOR GEPHARDT AMENDMENT TO TRADE BILL

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, more than 10 million Americans are unemployed. They are unemployed from real jobs. The Republicans say there are 115 million Americans who are working, and that may be true. But flipping hamburgs and frying french fries? Is that going to bring America back? Is it going to balance the budget? I say that it is not going to do it.

The Reagan-Bush trade policies over the last 12 years have undermined the American economy, and now President Bush wants to export more of our jobs to Mexico and to China.

H.R. 5100, the trade bill, which is going to be on the floor today will be a good bill if it includes the Gephardt amendment. That is a good start. But we know, I know, and you know that if this bill is going to be passed and it is worth anything, President Bush is going to veto it, just like he has done in so many instances where legislation helps American workers.

Mr. Speaker, I say it is time to stop exporting American jobs and put Americans back to work in real jobs, not flipping hamburgs and cooking french fries. That is the answer to America's economic problems.

DEFICIT REDUCTION SHOULD BE GOAL OF SAVINGS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I rise today to express my concern that some in Congress would again like to debate whether the budget firewalls should be torn down in 1993.

The purpose of the firewalls is to help to reduce the deficit—not to create a reserve to spend later.

We debated this issue on March 31 and the House decided that if savings result in any one area such savings should be applied to reduce the deficit.

The savings should not be used for additional spending in another category.

But, today I am hearing that once again the Democratic majority is pursuing a strategy to use savings achieved in one area for more spending in the Transportation appropriations bill.

How will we ever get control of the spiralling Federal deficit if, whenever some savings are achieved in one area, Members feel compelled to spend those savings in another area?

Let us apply those savings to reduce the deficit. This is precisely why we face an ever growing Federal deficit.

The majority party just cannot resist the urge to spend, spend, spend. When we should save, save, save.

PROVIDING FOR CONSIDERATION OF H.R. 5100, TRADE EXPANSION ACT OF 1992

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 510 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 510

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5100) to strengthen the international trade position of the United States, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and the amendments made in order by this resolution and which shall not exceed one and one-half hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered as having been read, and all points of order against said substitute are hereby waived. No amendment to the said substitute shall be in order except the amendments printed in the report of the Committee on Rules accompanying this resolution. Said amendments shall be considered en bloc and shall be considered as having been read. Said amendments en bloc shall be debatable for the period specified in the report, equally divided and controlled by the proponent and a Member opposed thereto. Said amendments en bloc shall not be subject to amendment, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as having been ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. DREIER], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

□ 1110

Mr. DERRICK. Mr. Speaker, House Resolution 510 makes in order the consideration of H.R. 5100, the Trade Expansion Act of 1992. The rule provides for 90 minutes of general debate time equally divided and controlled by the chairman and ranking minority member of the Ways and Means Committee.

The rule makes in order the Ways and Means Committee amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment. The rule waives all points of order against the substitute.

The rule makes in order only one en bloc amendment, the Gephardt-Levin amendment, which is printed in the report of the Committee on Rules. The Gephardt-Levin amendment will be debatable for 1 hour, equally divided and controlled by the proponent and an opponent. The en bloc amendment is not subject to amendment nor to a demand for a division of the question. Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, H.R. 5100, the Trade Expansion Act of 1992 strengthens the international trade position of the United States through a 5-year extension of Super 301 authority. Super 301 requires the administration to identify priority countries and to investigate their unfair trade practices. It also requires the administration to negotiate the elimination of foreign barriers to American products and to retaliate if negotiations fail.

H.R. 5100 also strengthens existing law by requiring the U.S. Trade Representative to review foreign compliance with bilateral trade agreements if requested by private interested parties. Under existing law, private parties can petition USTR to investigate, but USTR is not required to do so.

The bill also requires USTR to consult with foreign countries where a burden on U.S. trade is not found to exist now, but is likely to be found if the foreign practice or policy continues.

H.R. 5100 institutes certain trade actions against Japan to assist the United States automobile industry. Last year, our trade deficit was nearly $65 billion, and Japan accounted for two-thirds of the total. H.R. 5100 attempts to open the Japanese market to American automobiles and automobile parts through the mandatory initiation of a section 301 investigation and negotiation of an access agreement.

Finally, the bill contains certain antidumping measures and requires the International Trade Commission to consider the actual and potential decline in the order backlog of a U.S. industry as evidence of potential dumping.

Mr. Speaker, House Resolution 510 is a fair rule that will expedite consideration of this important legislation. I urge my colleagues to support the rule and the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, many of us on this side of the aisle consistently argue on behalf of open rules, but there is a clear recognition as I sit upon the Committee on Rules that on occasion as we review legislation there, sometimes, especially bills from the Committee on Ways and Means, they should be considered under restrictive rules, which may be necessary. This may be one such occasion, but I strongly oppose this rule.

Mr. Speaker, the rule fails to make in order an amendment that is both germane and relevant to H.R. 5100. The basic premise of this bill is that the United States trade deficit is primarily due to unfair trading practices with Japan. It seems to me that the one best way to address this problem is through fair and free trade.

Last week, I urged my colleagues on the Committee on Rules to make in order an amendment to require the President to begin consultations with the Government of Japan on negotiations for a United States-Japan free trade agreement. My motion received bipartisan support, but, unfortunately, it was defeated on a 4-to-4 tie.

The amendment would give our trade negotiators a second tool for eliminating barriers and expanding trade.

Mr. Speaker, the gentleman from South Carolina [Mr. DERRICK] has said this bill is designed to move against the Japanese. What we are offering here is a positive approach. It is only sensible that we debate the merits of the United States-Japan free trade agreement as part of a bill to provide American exporters equal access to the Japanese market. Therefore, I urge my colleagues to join me in voting to defeat the previous question on this rule so that this one additional amendment can be made in order.

Mr. Speaker, the U.S. Trade Representative has stated that she will recommend a veto of H.R. 5100 because it will, among other things, destroy jobs and undermine the Trade Representative's negotiating authority.

Many of my colleagues would argue that it does not serve our interests to approve a bad bill that the President intends to veto, but that is really not the issue here. Mr. Speaker, the issue is whether this body will be on record in support of a positive solution to what 40 years of multilateral negotiations have failed to achieve; that is, an opening up of the Japanese market.

Mr. Speaker, a vote for fair and free trade would signal the world that the United States does not intend to blindly follow the slippery slope of managed trade. A debate on free trade will move the discussion away from simply picking winners and losers and toward a trading system that benefits everyone.

Mr. Speaker, there is more to our economic relationship with Japan than just auto parts and rice. Japan is a critical market for some things that come from my State of California: aircraft, agricultural products, and entertainment services, which are exported from California and other parts of the United States. Our two countries together are responsible for about 50 percent of global GNP, a figure that could grow with a free trade agreement.

Mr. Speaker, the February 17 issue of Business Week magazine contained the headline, "U.S. Industry Is a World Class Contender Again." A free trade agreement with Japan would help to lock in our competitive advantage while opening up markets for United States exports. At a minimum, we should be allowed to debate the question of whether the President should begin just preliminary discussions on the feasibility of such an arrangement with the Government of Japan.

To do so, Mr. Speaker, I again urge my colleagues to defeat the previous question and allow this amendment to be made in order.

Mr. Speaker, I reserve the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the amendment of the gentleman from California [Mr. DREIER] goes in a different direction from the focus of the bill. The chairman of the subcommittee with jurisdiction has agreed to hold hearings on this measure. If that does not suffice, the gentleman from California [Mr. DREIER] has the option of using the motion to recommit for his purposes.

Mr. Speaker, for purposes of debate only, I yield 6 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Speaker, well, here we are at long last talking about a critical issue—the economy in general and trade in particular. We have not really had a thorough airing of these issues since 1988, since the trade bill. There was not such in the presidential campaign of 1988, and there really has not been since then.

Some might ask, why? They might say, well, the trade deficit is not quite as large as it used to be. But $60 to $70 billion a year is very large, with an accumulated $1 trillion trade deficit in the decade of the eighties.

Mr. Speaker, 10 years, $1 trillion, and now $60 to $70 billion a year, most of it with Japan.

Mr. Speaker, there are two views of how we approach this. One view was expressed in the letter from Mrs. Hills. This is not a partisan matter. She expresses one view. Here is what she says:

> Working together we have made tremendous progress in creating jobs at home and new export opportunities abroad.

She says "making tremendous progress in creating jobs at home." Where are those jobs? Good jobs are being shipped away. Per capita income dropped in the decade of the eighties.

She also goes on to say, "H.R. 5100 is not the right way to open the Japanese market. Yes, more needs to be done, but we are on the right track."

On the right track? What was the record of the first 4 months? The United States had a trade deficit the first 4 months of $16.7 billion—not million—billion, and of that, $15 billion was with Japan.

□ 1120

On the right track? A persistent trade deficit? And we are continuing to lose ground in key areas.

Third, she says since 1988 we have opened the Japanese market for many of America's most competitive exports, including, she says, opening up the Japanese market for autos and auto parts, for semiconductors and for wood products. Autos, foreign penetration in the second largest market in the world, Japan, is 3 percent; 30 percent in the United States, by Japan alone.

Auto parts. The gentlewoman from Ohio [Ms. KAPTUR] and I have been working with others on this for 6 years. American auto parts penetration in the Japanese domestic market is about 1 percent. It is less than that. That is opening up the Japanese market?

Mrs. Hills' view, and I continue quoting from her letter, is that "H.R. 5100 could lead to retaliation and trade contraction." There is another view, and that is that the United States should stop quivering in its boots. We are in the largest open market in the world. Japan relies on that. Every time somebody says "trade war" or "there will be retaliation," it is not becoming, attractive, appropriate, or effective for the United States to say "we are worried somebody may retaliate."

In January in Tokyo the President expressed concern. In June what we hear from Mrs. Hills is complacency. There is something basically wrong. Trade policy is not the whole case. No one claims it is. When we have a $16 billion deficit the first quarter in trade and $15 billion is with Japan, there is something wrong.

This bill attempts to strengthen our trade laws. H.R. 5100, for example, will renew Super 301, something a few of us have been working on for several years. What is wrong with Super 301? Mrs. Hills in her letter says we have made progress in supercomputers. We did so because they utilized Super 301. The same was true of wood products.

This bill is not protectionist, H.R. 5100. It is antiprotectionist. It does not close markets, it will open them up. It will not stimulate a trade war. Instead, it will reduce unfair trade practices.

Trade is not a Michigan problem. Our auto amendment comes later. Automobiles are not a Michigan problem or a regional problem, they are a national problem, as is our overall trade deficit.

The time has come to end talk. The time has come to end rosy, rosy predictions. The time has come to stop saying things are better when they are worse. People do not want Mr. Goodfeel or Feelgood from us. They want us to fix what is broken.

The trade laws are not ample, they are not strong enough. H.R. 5100 is a step forward toward a more open trade policy and a stronger one. I urge adoption of H.R. 5100 as well as the Gephardt-Levin amendment that will come thereafter.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I simply say to my colleague, the gentleman from South Carolina [Mr. DERRICK], that it is difficult to imagine that he is opposed to free and fair trade that is embodied in the amendment that I hope to offer. At the very least I would hope that he is committed to the concept of free and fair debate, and that is exactly what I am trying to bring about here. I would hope very much that he would support it.

Mr. DERRICK. Mr. Speaker, will the gentleman yield?

Mr. DREIER of California. I am happy to yield to the gentleman from South Carolina.

Mr. DERRICK. Mr. Speaker, I am not opposed to what the gentleman is doing. I am just telling him that there is a way to do it without working against the rule.

Mr. DREIER of California. Mr. Speaker, I yield 1 minute to the distinguished Republican chairman emeritus of the Committee on Rules, the gentleman from Tennessee [Mr. QUILLEN].

Mr. QUILLEN. Mr. Speaker, I thank the gentleman from California [Mr. DREIER], a very valuable member of the House Committee on Rules, for yielding time to me.

Mr. Speaker, the gentleman made a valiant effort to get his amendment made in order in the Committee on Rules and it failed on a tie vote. It has merit. It should be made in order. I hope the previous question is voted down so that he can offer his amendment.

Whether or not we believe in fair trade, free trade, we all know that the fence around the borders of Japan should be cut down and American products go into that nation. We know that our fence is open to them, and fair is fair. He has pointed out very ably that agricultural products and fruits and other items of trade should be negotiated, allowing that input through that fence which has been outstanding for years and years and years. I hope the previous question is voted down. I hope he has an opportunity to offer his amendment.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, we have waited too long to attack the unfair trade practices of the Japanese, but for the sake of the American auto industry and our entire national economy, I say, "Better late than never."

Japan's auto and auto parts markets are still closed to American manufacturers. The keiretsu supply system, which shuts out non-Japanese companies, is the reason the United States exported less than $1 billion of auto parts to Japan in 1990 at the same time they exported $10.6 billion in auto parts to the United States. That trade deficit costs us 200,000 middle-class manufacturing jobs.

The Gephardt amendment sets a limit on Japanese car exports to the United States and requires cars made in Japanese transplant factories in the United States to have 70 percent United States content. By adopting Japan's own voluntary export limit and the content goal they themselves pledged to achieve, we can be fair to Japan and protect our own interests at the same time.

The people I represent have seen too many factories close, too many hard working neighbors lose their jobs while our Government sticks its head in the sand. Japan will not change its trade practices on its own. If we want fair trade, we have to take strong action and take it now. Vote for the Gephardt amendment and protect American jobs.

Mr. DREIER of California. Mr. Speaker, I am happy to yield 2 minutes to the gentleman from Illinois [Mr. CRANE], the distinguished ranking member of the Subcommittee on Trade of the Committee on Ways and Means.

Mr. CRANE. Mr. Speaker, I rise in support of the motion offered by the gentleman from California [Mr. DREIER] to defeat the previous question so as to open the door up for what he has already described as positive debate on a very thorny question. That is resolving some of our trade differences with Japan.

The fact of the matter is, trying to mandate legislatively, as is going to be proposed later this afternoon, percentages of numbers is not the right solution. I have Motorola in my district, and Motorola labored for years to penetrate that Japanese market, and today a majority of the cellular telephones used in Japan are manufactured by Motorola. They have demonstrated it is not an easy market to get into, there are impediments, but the positive approach is the one recommended by my colleague, the gentleman from California [Mr. DREIER].

Last year the chairman of our Subcommittee on Trade of the Committee on Ways and Means, the gentleman from Florida [Mr. GIBBONS] and I cosponsored a bill to do exactly what the gentleman is calling for. We have a broader bill in this year that would include all of the Pacific rim countries from Japan, South Korea, Taiwan, Hong Kong, Malaysia, Thailand, Australia, New Zealand, to begin free trade negotiations with all of them.

☐ 1130

That is a positive approach, and a positive approach in the most dynamic, explosive, economic, growth-oriented section of the world.

The fact of the matter is this kind of an approach holds out hope for positive change. And the gentleman is not mandating that there is going to be any resolution of this. What he is calling for is the administration to start the talks. It is going to take time to achieve the result he is trying for, but on the other hand, this is the way to go about it.

I would like to also just insert very quickly here some figures that appeared in yesterday's New York Times Business Day, dealing with automobiles, which is another part of the debate that we will have later this afternoon. It says:

> * * * The Big Three captured 71.8 percent of all sales in June, up from 69.7 percent of all sales in the month a year earlier. That left the Japanese automakers with 22.7 percent of sales, including output from North American based transplants, down from 24.5 percent a year earlier.

We are making progress. The Dreier approach would guarantee that we have the opportunity for tapping into our second largest market. And I would urge my colleagues to support the defeat of the previous question so that we can make the gentleman's amendment in order.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the distinguished gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in support of this rule, legislation I authored and the Energy and Commerce committee acted on unanimously last year would extend authority for Super 301—perhaps the most effective weapon in our country's entire arsenal of trade laws. This important authority, which requires our Government to prioritize unfair foreign trade practices and to take action if they are not corrected, has been included in the trade bill we will be considering today.

For those trade problems with foreign governments currently not being addressed by the administration, the extension of Super 301 is a critically important step that Congress, and hopefully the President, must take.

But in other areas such as Japan's efforts to open its market to competitive American autos and auto parts, the issue is not identification of problems, but instead, enforcement of commitments already made to deal with the problem. Earlier this year, the President went to Japan and obtained a commitment to increase dramatically Japan's purchases of American made auto parts. This agreement included a commitment to increase to 70 percent by 1995 the percentage of American-made auto parts that would be used in vehicles produced at Japan's transplant manufacturing facilities located in the United States.

Japan has made important commitments to the President that should benefit the United States auto and auto parts industry. Administration officials have told me that the 70 percent commitment is clearly the most important commitment Japan has made on autos, and must therefore be carefully monitored and enforced.

The trade bill now before us, unfortunately, does not contain sufficient authority to ensure Japan lives up to the commitment it made. Unless we adopt the proposed amendment which I have worked closely with the majority leader in developing, we may never even know for ourselves whether Japan has implemented the commitment to produce vehicles in the United States with 70 percent American parts. Japan's commitment and the potential it holds for creating American jobs is so great that it should not fail for lack of enforcement.

Unless Japan makes dramatic changes soon to increase its purchase of auto parts in the United States, the American auto industry, the most important manufacturing industry in our economy, will face certain and irrevocable decline.

The American auto and auto parts industry employs directly more than 1 million workers and millions more indirectly. One out of every six American workers are employed in jobs related to the auto and auto parts industry.

The auto industry accounts for 12 percent of our gross national product and is a major consumer of steel, semiconductors, glass, textiles, machine tools, rubber, and other important products.

But, this, our biggest manufacturing industry, is in serious trouble. General Motors, the world's largest auto manufacturers, announced last December that it would close 21 of its plants and lay off more than 70,000 workers around the country. And, in 1990, the United States ran up a $31.1 billion auto trade deficit with Japan. Autos and auto parts account for about 75 percent of our current total trade deficit with Japan.

The United States-Japan auto parts trade deficit has gone from $1 billion in 1980 to $10 billion in 1990. Projections by the University of Michigan are that our auto parts trade deficit with Japan will jump to $22 billion in 1994.

And why is this deficit increasing so rapidly? There are really two reasons. First, the Japanese market continues to be closed to American auto parts suppliers. Our firms exported less than $1 billion in auto parts to Japan last year.

The second reason is that even though the major Japanese automakers have set up assembly operations in this country, they import most of what they assemble here. And that's not all: In addition, they buy a great deal of auto parts from Japanese suppliers located right here in the United States. These Japanese suppliers also import a great deal of the components, parts, and materials sold to the transplants. Estimates are that only 20 percent of the total value of a Japanese transplant vehicle is actually sourced from American-owned parts suppliers that do not have an equity relationship with Japanese firms.

Two witnesses at the Commerce Subcommittee's hearings, formed joint ventures with Japanese firms, at the request of Honda and Toyota, in a vain effort to sell them auto parts for use in their assembly plants here in the United States. In both cases, the Japanese partner insisted the joint venture use Japanese equipment and components. And in both cases, prices were held below fair market levels, resulting in huge losses that ultimately the American partner had to bear.

In one case, Variety Stamping of Cleveland, OH, an American firm that attempted to sell to Honda, actually went bankrupt. Not only did it incur tremendous losses from the work it did for Honda, but it also lost contracts it had with American automakers, because of the demands Honda put on it.

One case involved Intermet, a foundry company based in Atlanta, GA, with operations worldwide, serving European and Asian as well as American automakers. According to Intermet's President, a Japanese firm that belonged to the Toyota keiretsu, or family, used his company to foot the major costs of establishing a foundry here in the United States, and then purposely bankrupted the operation so that it could take it over at a fraction of its true value.

The agreement the President got from Japan in January correctly says that Japan has got to buy more auto parts from American auto parts firms. The best place to start implementing that policy is with the seven Japanese auto transplant firms right here in the United States.

Japan itself recognizes this fact. Japan has called on all of its auto transplant firms in our country to increase the American content of the cars they produce to 70 percent. This is an important goal. But, experience has clearly shown that goals Japan has set in the past are rarely achieved. That is why we need to enact this amendment.

Under the amendment, a system would be established to monitor the progress of Japan's transplant manufacturers in achieving the 70 percent commitment. A determination that a transplant manufacturer has failed to increase the American content of the cars they produce to 70 percent would trigger mandatory retaliation by the United States under section 301.

In addition, the amendment authorizes the President to enter into negotiations with Japan to limit Japanese auto exports to the United States to 1.65 million units annually, for 7 years or until Japan's export limit to the European Community expires. Exports to the United States of 1.65 million units is the limit Japan has voluntarily set for its 1993 fiscal year ending March 31, 1993.

American auto parts sell strongly in every market of the world, except Japan. Our firms manufacture high quality auto parts. And, a recent study has shown that United States parts producers have substantial cost advantage over the Japanese parts industry. There is no reason Japan should not buy from us, as does the rest of the world. I urge my colleagues to vote for this rule, the Gephardt amendment, and for the bill.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume to say that I am extraordinarily sympathetic with many of the concerns that have been raised here. And I think that Members are trying to take what they believe is the best approach. But what I am trying to offer with the amendment that I have proposed is a positive approach to eliminate barriers in both Japan and the United States so that we can in fact have a greater opportunity to get into the Japanese market.

Mr. Speaker, I yield 2 minutes to my very good friend, the gentleman from Del Mar, CA, [Mr. CUNNINGHAM], a hardworking member of the Committee on Armed Services.

Mr. CUNNINGHAM. Mr. Speaker, there are 400 million folks in Europe who are going to get involved in the trade market. The Asian community is very protectionist, and if we do not get involved in trade in the next decade, in fair trade and not free trade, then I think our economy is lost.

Japan trade is free trade for the United States, and I agree with my colleagues on the other side of the aisle. And I am not only sympathetic but I am supportive of many of the ideas that are coming across, the 1 percent auto penetration on parts and the industries that have been destroyed, I agree with my colleagues fully.

I do see the amendment of the gentleman from California [Mr. DREIER] as trying to open up our lines so that we can trade in the other direction. I know that we are concerned about the jobs. In the Merchant Marine and Fisheries Committee we just had an issue come up where we have lost 157 tuna boats, and we are down to 3 now because of not only trade with Mexico, but because of environmental concerns. We are losing about 600 jobs in San Diego, and my own administration is fighting that. So I am looking very closely at how many jobs we lose.

But I think we really need to look as we get involved in trade in the future, which I believe this country is going to do; we need to establish a fair trading practice, and the Dreier amendment does this. That is why I support the Dreier amendment. And it is a bipartisan amendment. It failed by a tie vote in the Rules Committee, a 4-to-4 vote. So we need to take and at least debate this issue on the floor.

I would support and ask my colleagues from the other side and this side as well to support the defeat of the previous question and to allow us to trade in the other direction, toward Japan, and make it fair trade, not free trade, because Japan is skinning the United States alive.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, today the House will tackle the Super Bowl issue of world trade; namely, Japan's closed market practices in automotive trade. And let me just say that the link between trade and jobs is absolutely direct. For every $1 billion of goods that America exports someplace else, we create 23,500 jobs here at home.

□ 1140

For every billion dollars of goods that we import, we create those jobs someplace else. As you look at how America has done over the last several years, we have moved into trade balance with most nations of the world.

With Western Europe, we hold a surplus, last year of over $16 billion. All those jobs were created here because we sell those goods elsewhere. And we have moved into trade balance with the Soviet Union, with Egypt, with Mexico, with Turkey, with Kuwait—and with Korea and Taiwan—our deficits have severely narrowed.

But of all the 150 nations in the world, the United States deficit continues to grow with one nation and significantly, and that nation is Japan.

If you look at the composition of that deficit, last year it totaled over $66 billion, and resulted in jobs created there, not here. Most of that deficit—nearly half—was in the automotive sector.

This is the big nugget that we have to crack. If you think about the decade of the 1980's, our auto gap with Japan cumulatively totaled $282 billion, a overall loss of 5 to 7 million jobs in this country.

This chart tells it all. It demonstrates which market is open and which market is closed to automotive goods.

In our country today, nearly one-third of our auto market is composed of Japanese goods, but in Japan less than 3 percent of its automotive market comes from anyplace else in the world.

Support the Gephardt-Levin amendment to H.R. 5100. It is a market-opening mechanism. America has waited long enough. Vote for Gephardt-Levin. Vote for jobs in America and open Japan's closed procurement practices.

Mr. DREIER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE], a very strong proponent of free trade.

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I do rise in opposition to this rule and urge that we defeat the previous question so that we can debate and discuss the amendment which my colleague, the gentleman from California, offered in the Committee on Rules. That amendment is a sense of Congress that we ought to have, or we ought to negotiate, a free-trade agreement with Japan.

It is interesting that I am speaking immediately following my friend and colleague, the gentlewoman from Ohio, with whom I share the cochairmanship of the congressional competitiveness caucus. We agree on a lot of things, but we have a very fundamental disagreement on the issue of how do we open up markets for trade, and what is the best approach for doing that.

I think we see here today very clearly the juxtaposition in the approach being taken by the Gephardt-Levin amendment over on that side with the positive approach offered by Mr. Dreier. One side says we are fearful of the future, we do not believe American industry can compete, we must raise barriers, we must stop goods from coming into the United States, we have to raise those barriers, retaliate. It is the negative approach to opening up markets.

As my colleague from Ohio pointed out, we have a surplus with a number of other countries, with Mexico, with Egypt, with other countries such as that.

What would we say if they were to say to us, "Well, you have a surplus and we have a deficit with the United States. We must stop the United States from selling more goods in our country."

Trade is not a zero-sum game. Trade is not something that you can absolutely even out with every single country.

The point is we are moving in the right direction, that of narrowing the trade gap.

When are the people on the other side of the aisle ever going to understand that Smoot-Hawley did not work in the 1930's, and it is not going to work today?

The answer is a positive approach, something that helps make our industrial sector more competitive. That is what the gentleman from California [Mr. DREIER] is suggesting here today. It is the flip side of that negative approach offered by the Democrats. It is one that says, yes, American industry can compete; yes, we can open markets; yes, consumers can have choices and can have lower prices; and, yes, the people who work at the Honda plants in the United States and the Toyota plants in the United States can be proud of their jobs and proud of the products that they produce.

I urge us to defeat the previous question and debate a positive approach to trade in this country.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. DREIER of California. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I am going to support the rule and support the bill. It is going to make us all feel good. It is going to do very little.

America does not need another trade law. America should start out by enforcing the trade laws that we have. That would be a novelty.

I think it is time for Congress to ask themselves a question here today: Why would you invest $100 billion in your own hometown to manufacture widgets? You have OSHA, EPA, workmen's compensation, unemployment, pension law, banking regulations, security regulations, minimum wage, health inspectors. Why not just go to Mexico with no regulations and hire people all day at 50 cents an hour, and they are standing up in line?

Now, that is where I do agree with the gentleman from California [Mr. DREIER]. Instead of Congress developing a so-called free-trade agreement with a nonregulated, bankrupt economy that has no reason to buy our goods, why are we not trying to penetrate Japan? And I give him credit.

And I hope the leadership is telling me the truth, because I am going to stay with my leadership on this, but I do intend to follow through and make sure that the gentleman from California [Mr. DREIER] has an opportunity to bring his program to the floor.

I just want to state this. Today I was supposed to have a little more time, but I usually get screwed.

I object to the selling off of America. I appreciate the time.

I will say that again: I object to the selling off of America piece by piece to foreign interests who are beginning to own us lock, stock, and barrel. I object to the illegal trade practices of Japan and other nations who have taken this so-called free-trade business and made it a free-ride gravy train. I object to this free-trade agreement with Mexico and would advise Congress to follow the ideas of the gentleman from California [Mr. DREIER] on this issue and look at a free-trade agreement with Japan, and as a priority, before that.

But, more importantly, this might get me in some trouble, but I object to a wimp Congress who has allowed our jobs to go overseas in record numbers, allowed bankruptcies in record numbers and come back with token legislative initiatives that might make us feel good, make us go home and tell everybody about what we are doing for our workers while they are in an unemployment line, stone cold busted.

I will support the rule. I am going to support the bill. I am a little disturbed, as many people are in my district, with the fact that these laws are relatively streamlined with but few Americans writing them who seem to have a lock on what is good for our country.

Our country is going to hell, and I object to these elitists who are writing all of our laws.

This will be the last trade bill I will support, because Congress does not enforce the damn trade law that we have. We need a little more enforcement and less legislation.

Mr. DREIER of California. Mr. Speaker, I yield 2½ minutes to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. Mr. Speaker, I thank the gentleman for yielding me this time. I think eastern Ohio is going to have its word.

I rise to support the Dreier approach to this, but in order to get to that, we have to defeat the previous question.

I am going to support the bill, and I may well support the rule on this. But simply, I think what he wants to do is just to open up the Japanese ports of entry to American productivity, to open it up to free and fair trade. That is all we are asking for, to eliminate discriminatory practices, unfair practices which the Japanese practice against U.S. products.

Now, what is the matter with that? There is nothing wrong with that at all, and that is all that American industry, that is all American workers are asking to do.

Let me tell you this. America produces a better quality product than any other country in the world including Japan, and we can do it at a better cost. America gets more out of their workers than the Japanese get. They get more out of their workers than any other country in the world gets. Yes, that is right.

But, you know, the Japanese only play by their rules. They do not play by the American rules. They do not play by what is fair, and they certainly do not play by ours.

The Japanese call the shots in the world market today on trade, and the White House and the Congress fall flat on their face every time the issue comes up.

When are Americans going to wake up and tell their President and tell the Members of Congress that represent them to get the hell off their duffs and do something for them for a change?

You know, they have a Japanese keiretsu, and that is a closed corporate society. Try to get into it. Ask T. Boone Pickens when he invested $1.25 billion in buying a company over there.

☐ 1150

You cannot get in. They know how to play the game and the United States is nothing but a patsy to them. We allow them to buy our banks, our farms, our timber; Columbia Pictures, all those beautiful movies that we have looked at for so many years; Houston, New York, they buy everything that they want.

Well, try to do that in Japan. I guarantee you, they will throw you out of the country. That is what they did with Mr. Pickens.

I say let us do something right for a change. Let us vote for America.

I say support H.R. 5100. It may not be the best bill in the world, but at least it is a start.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I rise in support of the rule to consider H.R. 5100 and urge Members to vote for it and vote for the previous question.

Frankly, the proposal being offered by our colleagues on the other side of the aisle is simply more good intentions. If there is anything we can do less than legislate, it is to pass a sense-of-Congress resolution, and that is what my colleague proposes as his major tool to help out and for us to address this particular issue.

Mr. DRIER of California. Mr. Speaker, will the gentleman yield?

Mr. VENTO. I have very little time, but I will yield to the gentleman from California.

Mr. DRIER of California. I would say to the gentleman, Mr. Speaker, this is not a sense-of-Congress resolution which I am hoping to offer.

It calls on the President within 60 days of enactment to begin negotiations with the Japanese.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. DERRICK. Mr. Speaker, I yield 1 additional minute to the gentleman from Minnesota.

Mr. VENTO. This President, as a Vice President and President, Mr. Speaker has had 12 years to address this particular issue, so I really do not think we ought to postpone this for 60 days and then come back and try to revisit it. I think that is a policy path that offer little prospect of hope to the American people.

Mr. Speaker, what we need in this country is an economic strategy to deal with the problems as we have, and clearly part of that is a tough, effective, fair foreign trade policy, not the assembly plants in this country with foreign parts, Mr. Speaker. We need a real manufacturing base in this country. Every modern nation has established that as a criteria. We need it in terms of jobs. We need it in terms of our defense industries, we need it in terms of the welfare of this country and of our future, whether it is in textiles, or a whole host of areas. We need the National Government engaged in trying to provide decent jobs and good wages and work for the people of this country, rather than jobs in boutiques and hamburger shops flipping burgers.

We need real jobs, and the way we are going to get them is by pulling together and recognizing where we are.

I have had plenty of problems in my area of Minnesota where Honeywell under the intellectual property process, under court cases, lost the entire camera business because someone took that intellectual property and used it. We get back a couple hundred million dollars and lost a multibillion-dollar industry to a country that did not respect the rights of our agreement.

Mr. Speaker, it is time for a change. It is time to pass H.R. 5100 and this rule.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I might consume to say to my good friend, the gentleman from Minnesota, that what he has done is raise some very important concerns and questions, and what I am offering is a very positive approach to try and deal with those concerns.

Mr. Speaker, I am very pleased to yield 3 minutes to my friend, the gentleman from Copper Canyon, TX, Mr. ARMEY.

Mr. ARMEY. Mr. Speaker, we are in for a treat today. We are going to discuss the issue of trade. It is in the discussion of trade more than any other discussion we might have that a Democratic majority, dominated as they are by the liberals in their caucus, will show their penchant for misinformation, incorrect data, which they will pose as facts, and their utter contempt for the understanding of the American people, as they advocate protectionism, the destruction of consumer rights, and the destruction of jobs in America.

What is sad is that on this subject issue, normally sane and rational people on our side of the aisle sometimes tend to join them in their misunderstanding, their misrepresentation, and their misinformation.

Be that as it may, Mr. Speaker, what we have is a bill brought by the Ways and Means Committee, with 23 Democrats and 13 Republicans, a bill that the committee used to delete a provision offered by the majority leader which is absolutely insane and seen to be so by the committee.

Now the majority leader has gone to the Rules Committee with its nine Democrats and its four Republicans and asked to have this insane provision that will destroy jobs all over America included in the rule and permitted on the floor to be offered and debated, while at the same time the Rules Committee denied the right of the gentleman from California [Mr. DREIER] to offer one of the most sensible propositions ever brought to this body to expand trade, expand job opportunities, expand consumer rights of the American people.

We are not even allowed to introduce and discuss this positive thinking option, while at the same time we are required by this rule to discuss an option offered by the gentleman from Missouri [Mr. GEPHARDT], the distinguished majority leader, that is so insane that it was even rejected by the majority of 23 people on the Ways and Means Committee.

Now, we like to characterize this as the greatest debating society in the world. Mr. Speaker, it cannot be that if free, open, and complete debate is not allowed by the implementation of Democrat rules by the Democrat majority on the Rules Committee.

The only recourse left to the gentleman from California [Mr. DREIER] if we are going to entertain any discussion about a sensible option for the American people is to ask us to vote "no" on the moving of the previous question so he can win the right assumed by most Americans to be his right, assumed by most Americans to be a right that will be naturally honored in a democratic institution, he can win that right by a vote to offer his amendment so that the majority of Americans can have debated on this floor the amendment that might save their jobs and save their rights as consumers.

Mr. Speaker, I say vote "no" on the previous question; vote for democracy.

Mr. DREIER of California. Mr. Speaker, I am very happy and privileged to yield 2 minutes to my very good friend, the gentleman from California [Mr. RIGGS], a hard-working freshman Member of the so-called Gang of Seven.

Mr. RIGGS. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, we are going to hear a lot of comments made today that will obviously smack of regional chauvinism, so let me get my disclaimer out of the way at the outset, with no disparaging comments meant toward my colleagues from the Rust Belt.

Let me just join with my colleagues from the Rules Committee, the gentleman from California [Mr. DREIER], in stating that we are concerned about the impact of this legislation on our State of California, the gateway to the Pacific rim. Asian trade is obviously crucial to the welfare and the future of our regional economy in California.

Therefore, Mr. Speaker, those of us who represent California believe that it is vitally necessary that we move in the direction of reciprocity in trade relations with the Japanese. We see the world as an ever smaller place and understand that our businesses and industries more than ever before are competing in a global economy. That is exactly why we need an amendment, such as the Dreier amendment. It would incentivize our trading relations with the Japanese and narrow our trade gap with Japan.

□ 1200

And incidentally, Mr. Speaker and colleagues, if we are further concerned about narrowing the trade deficit with the Japanese, it seems to me that we ought to get our fiscal house in order here in our Nation's Capital and stop relying on the Japanese and other foreign investors to finance our budget deficit.

Mr. Speaker, free trade does mean fair trade, but without the need to resort to protectionistic tactics such as we see in the Gephardt/Levin amendment, without the need to resort to tariffs, quotas, and duty fees.

Let us have a fair rule, one that would permit the gentleman from California [Mr. DREIER] to offer his amendment, not a closed rule that would recognize our economic relationship with Japan entails more than just automobile parts and rice.

Let us give our trade negotiators every means, let us put at their disposal every means to tackle the tough job of prying open foreign markets within Japan.

Vote to defeat the previous question on the rule so that we can debate the merits of the Dreier amendment on the House floor.

Mr. DREIER of California. Mr. Speaker, I am happy to yield 3 minutes to my very good friend, the chairman of the Republican Research Committee, the gentleman from California [Mr. HUNTER], who was originally from Colorado but now in from San Diego.

Mr. HUNTER. I thank the gentleman for yielding.

Mr. Speaker, I am going to vote against the previous question not because I think that the trade amendment is too tough but because I think it is not tough enough. My amendment that would have limited the Japanese entry into the United States to about 80,000 units a year, or about 150 percent of what they allow into their country, was denied by the Committee on Rules. But I am going to support the Gephardt amendment.

And I guess the question I would ask my Republican colleagues is: "Do you want to come out of the recession?" I think we all do. With the auto industry being as important as it is and yet operating today at about 62 percent of capacity, the conclusion that we must reach is if we do not bring about the recovery of the American automobile industry, we are going to be in a recession for a long time.

Now, I thought the Economic Strategy Institute's report was quite a good report, and that is going to be used by a number of people on both sides of the aisle to support H.R. 5100 and the domestic-content provision.

But one point I would make to my Democrat friends is this: One aspect that Mr. Prestowitz addressed in that particular report was to the effect that the automobile industry suffers also not just because of unfair trading practices with Japan but also because of the cost of capital in the United States to the tune of about $400 per vehicle.

So while a number of Republicans are agreeing with that particular amendment that is going to be offered, I think it is important for members of the Democrat leadership to realize that the cost of capital is something that ultimately they are going to have to come to grips with.

Right now, the automobile industry provides about 4.5 percent of our gross national product; it provides about 1 in 6 jobs in America; it employs about 6 percent of our engineers and scientists. And the idea that we can sit idly by while this industry disappears under the weight of unfair Japanese trading practices is not one that we should embrace.

You know, it is ironic that the Members on the Democrat side of the aisle are offering this amendment in concert with a number of Republicans, but that it is not a Republican, primarily, sponsored amendment because the President received a commitment from Japanese leaders in January of 1992, when they said that they would, and they put this in writing, that they would increase domestic content in their transplant plants in America to 70 percent.

That meant that more Americans would be working.

What this amendment does is codify that commitment made by the Japanese. It gives meaning and value to the President's trip to Japan.

Now, we as Republicans should want to do that, and we should be supporting the Theodore Roosevelt/Abraham Lincoln/Prescott Bush position on tough trade and not adhering to the Grover Cleveland position that Mr. ARMEY referred to and now embraces.

If you want to give value to the President's trip and to his negotiations with the Japanese in this year, then support that amendment.

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there have been some very legitimate concerns raised here on the House floor. They have been raised in the Committee on Ways and Means and upstairs in the Committee on Rules, and I am sympathetic with the concerns that are shared throughout this country.

Mr. Speaker, we are treated unfairly in markets throughout the world. It seems to me that the only way that we can deal with the unfair treatment that we have gotten in the past is to try and negotiate free-trade agreements.

Mr. Speaker, anyone who is opposed to this concept is literally sticking their head in the sand. As we have witnessed over the past several years, the explosion of satellite technology, cellular telephones, jet travel, we have clearly seen the world shrink. We know that the United States of America cannot stand alone.

Yes, we are the world's only complete superpower, militarily, economically, and geopolitically. But that will fade if we believe that we can stand alone. We cannot. We are watching, as my friend from California, Mr. CUNNINGHAM, said earlier, the emergence of EC '92 on December 31 of this year. We have seen countries in Latin America unite in free trade agreements.

We are right now in the midst of negotiations for a North American free trade agreement among Canada, the United States, and Mexico. We have seen nations in the Pacific rim unite as trading blocs. And if we are going to try and benefit consumers and producers, we have got to try to reduce trade barriers that exist between Japan and the United States of America.

The proposal in H.R. 5100 is a very strong, harsh, and negative approach which, quite frankly, I oppose. It penalizes American workers, it has other provisions in it which I believe would be very bad for U.S. consumers and producers.

What I am trying to offer as an alternative is a positive sign.

Yes, my amendment goes in the opposite direction of H.R. 5100. That is because this bill goes in the opposite direction of 40 years of U.S. trade policy.

My amendment offers what I truly believe is a very positive approach to a serious problem. It is not some brilliant new idea that I came up with.

Back in 1988 Mike Mansfield, the former majority leader of the United States Senate, who was ambassador to Japan, said that the wave of the future would be for us to move in the direction of a United States/Japan free trade agreement.

In the summer of 1988, in Foreign Affairs magazine, two former Secretaries of State, Cyrus Vance and Henry Kissinger, united and wrote an article which strongly supports the concept of a free trade agreement with Japan.

We have seen a wide range of people on both sides of the aisle support the concept of reducing those barriers. What it is that I am trying to do here, I am simply trying to get an opportunity to offer my amendment. Mr. Speaker, up in the Committee on Rules, as has been said, we had bipartisan support, which is, frankly, very unusual, bipartisan support for my attempt to offer this amendment. I failed on a 4-to-4 tie.

My friend from South Carolina, Mr. DERRICK, managing this rule has said that I have an opportunity on the recommittal motion to bring this forward. But I really do not, because I am not a member of the Committee on Ways and Means, I am not the senior member of that committee who opposes this bill.

So my right is not there. It has been ignored.

We do, every Member of this House has an opportunity coming up to defeat the previous question so that I can insert my amendment and do what many people on both sides of the aisle have argued in support of over the past several minutes, and that is the establishment of negotiations, just negotiating to bring about that agreement so that we can have the American producers say, "Yes, I do have an opportunity to sell this terrific product which I am manufacturing in Japan."

That is all we want to create. I just want the chance to argue it here on the House floor.

So, Mr. Speaker, I urge opposition to the previous question so that we will have an opportunity to insert this, and then we will be able to proceed with what I think should be a very clear and very fair debate.

Mr. BROOMFIELD. Mr. Speaker, less than a week before the opening of the Democratic Convention, we are presented today with a bill that seeks to make a partisan issue out of our current efforts to open up foreign markets and liberalize the rules of global trade.

Just when our trade negotiators are within reach of agreements that will increase our exports and create more jobs in this country, we are being asked to vote on a measure that moves us in the opposite direction of adversarial trade in which every country loses.

With the recent growth in the U.S. trade deficit, it is very tempting to turn away from the administration's market-opening trade strategy and start down the road of managed trade solutions to the problems facing our auto industry.

The bill before us today, H.R. 5100, the Trade Expansion Act of 1992 offers Members a clear choice on the future of our trade policy: We can follow the present course of opening up foreign markets, including the Japanese auto market. Or, we can lock in mandatory trade investigations and procedures that will only invite retaliation from Japan and the European Community and jeopardize the progress of the ongoing Uruguay round of global trade talks.

I am well aware that last year was the worst year on record for the Big Three, and, as the supporters of this legislation point out, the Japanese market is not sufficiently open to our auto and auto parts exporters.

But the majority of the companies making cars in this country have said that they do not need or want this legislation. I would also point out to my colleagues that any attempts today to freeze the total number of Japanese vehicles sold in this country will pit one company and its workers against another and invite retaliation against United States exports in overseas markets.

Some have maintained that restrictions on imported Japanese vehicles and those manufactured in American transplant facilities are no different than restrictions the European Community established in its 1991 voluntary restraint agreement with Japan.

The text of the EC agreement, however, tells a very different story: There are no restrictions on Japanese transplant production in the EC. The United Kingdom in particular insisted that no limits be put on the growing number of Japanese auto factories springing up in the English countryside.

Faced with rising unemployment, local government authorities in Great Britain cannot afford to turn their backs on the jobs these plants create. Likewise, our local and State governments find that it is in their interest to promote the construction of new transplant facilities in Michigan, Tennessee, Ohio, and other States.

Mr. Speaker, I am concerned that implementation of this bill could provoke foreign counterretaliation against our exports. If, for example, Japan and the European Community were to impose higher tariffs against the largest United States export sectors, we could lose up to $35 billion in exports—and some 400,000 export-related jobs in my State of Michigan alone.

This bill represents a shotgun approach to the problem, with our own auto industry as the target. It is being touted as a shot across the bow of the Japanese. In reality, however, its adoption could mean higher costs to the American consumer and increased profits for all car manufacturers, including those based in Japan.

I urge my colleagues to vote against this market-closing, partisan bill that could jeopardize future job growth in this country.

Mr. DREIER of California. Mr. Speaker, I yield back the balance of my time and urge a "no" vote on the previous question.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DREIER of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 247, nays 167, not voting 20, as follows:

[Roll No. 270]

YEAS—247

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bacchus
Barnard
Beilenson
Berman
Bevill
Bilbray
Blackwell
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Ray
Reed
Richardson
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Waxman
Wheat
Whitten
Williams
Wilson
Wolpe
Wyden
Yates
Yatron

NAYS—167

Allard
Allen
Applegate
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Broomfield
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hunter
Hyde
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lewis (CA)
Lightfoot
Livingston
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Oxley
Packard
Paxon
Petri
Porter
Pursell
Quillen
Ramstad
Ravenel
Regula
Rhodes
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—20

Alexander
Bonior
Engel
Frank (MA)
Hatcher
Hefner
Jefferson
LaFalce
Lent
Lewis (FL)
Mollohan
Nowak
Ridge
Savage
Slattery
Traxler
Washington
Waters
Weiss
Wise

□ 1229

The Clerk announced the following pair:

On this vote:

Mr. Weiss for, with Mr. Lewis of Florida against.

Mr. MORRISON changed his vote from "yea" to "nay."

Mr. PENNY changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DREIER of California. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 252, noes 163, not voting 19, as follows:

[Roll No. 271]

AYES—252

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Barnard
Beilenson
Bennett
Berman
Bevill

Bilbray
Blackwell
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Campbell (CO)
Cardin
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Ray
Reed
Richardson
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Scheuer
Schroeder
Schulze
Schumer
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Waxman
Wheat
Whitten
Williams
Wilson
Wolpe
Wyden
Yates
Yatron

NOES—163

Allard
Allen
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Broomfield
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hunter
Hyde
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lewis (CA)
Lightfoot
Livingston
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McDade
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Oxley
Packard
Paxon
Petri
Porter
Pursell
Quillen
Ramstad
Ravenel
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—19

Alexander
Bonior
Byron
Carper
Engel
Frank (MA)
Hatcher
Hefner
Jefferson
Lent
Lewis (FL)
Ortiz
Savage
Slattery
Traxler
Washington
Waters
Weiss
Wise

□ 1448

The Clerk announced the following pair:

On this vote:

Mr. Weiss for, with Mr. Lewis of Florida against.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5100, the Trade Expansion Act of 1992.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Illinois?

There was no objection.

TRADE EXPANSION ACT OF 1992

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to House Resolution 510 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5100.

□ 1250

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5100) to strengthen the international trade position of the United States, with Mr. VALENTINE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 45 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 45 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 5100, The Trade Expansion Act of 1992, a bipartisan bill designed to strengthen the international trade position of the United States. When the bill was introduced 2 months ago, I expressed the hope that H.R. 5100 would provide the vehicle for all of us to come together to tackle our Nation's trade problems. We have listened carefully to concerns which were expressed about the introduced bill by the administration and others. As a result, the bill was improved significantly as it moved through the Committee on Ways and Means.

The most significant change to the introduced bill was the deletion of the most controversial provision, which called for negotiated limits on the sales of Japanese automobiles in the United States. The committee also deleted a sense-of-the-Congress provision which called on the President to look at countries that maintain persistent trade surpluses with the United States in designating priority countries and practices under the renewed Super 301 authority. In addition to these significant deletions, the committee adopted several amendments, offered by Members on both sides of the aisle, to further improve our U.S. trade laws, particularly as they relate to nonmarket economies and foreign unfair trade practices.

Mr. Chairman, I am disappointed that, notwithstanding the significant changes in the introduced bill, the administration continues to be unwilling to work with the Congress to enact a meaningful trade bill. The administration continues to oppose this bill as if none of these improvements had been made. I am gratified, however, that a number of my colleagues on both sides of the aisle now recognize this bill for what it is—a useful tool to open markets abroad without closing them here at home.

Unfortunately, the administration would prefer not to have any trade bill this year, preferring for us to wait until the Uruguay round of the GATT and a North American Free-Trade Agreement can be successfully negotiated. As a Member who supported the extension of fast-track authority to pursue such negotiations and who worked diligently for its passage, I don't believe we can afford to wait any longer. We have waited patiently for over 18 months while one deadline after another has passed in Geneva. In my opinion, passage of this legislation will send a strong signal to our trading partners about the importance the United States places on open markets and could well provide the necessary impetus to get the GATT negotiations finally moving forward again.

Furthermore, we all recognize that neither the Uruguay round nor the NAFTA, even if successfully negotiated, will fundamentally address our major trade problem—that is, our country's persistent trade deficit with Japan. As the Uruguay round continues at an impasse with the European Community over agricultural subsidies, our economic situation continues to deteriorate. Increasing numbers of United States jobs are being lost due to layoffs and plant closings as the United States continues to absorb more and more Japanese imports, while the Japanese market has been opening only slowly, if at all, for United States exports, particularly in the automotive sector.

While the United States trade deficit with the world has been cut in half in recent years, our deficit with Japan remains stubbornly high. The United States trade deficit with Japan was $57 billion in 1987. Despite the administration's claims of success about opening the Japanese market, the trade deficit with Japan remained at $43 billion last year. Over two-thirds of that deficit was in autos and auto parts. Our trade deficit with Japan is expected to worsen again this year. Meanwhile, Japan's trade surplus with the rest of the world was $78 billion last year, up from $64 billion in 1990.

Mr. Chairman, I believe that H.R. 5100, as reported by the Committee on Ways and Means, is both responsive to the trade problems this country is facing and is responsible. The provisions are consistent with our international trade obligations.

The bill would extend the Super 301 authority which was enacted in the 1988 omnibus trade bill and proved effective in opening markets during its 2-year existence. Its extension will give the administration an important tool to pry open foreign markets which are now closed to U.S. exports. The bill also incorporates the provisions of the Trade Agreements Compliance Act, which provides an effective mechanism for private parties to work with the Government to ensure that market-opening commitments made by our trading partners are fully carried out.

The bill seeks to open the Japanese market to United States exports of automobiles and automobile parts through the mandatory initiation of a section 301 investigation and negotiation of an access agreement. Such an agreement should remove existing barriers to United States exports of motor vehicles and parts, and provide for the prompt implementation and enforcement of prior commitments made by the Japanese Government in this important sector.

The bill also creates a more effective mechanism for preventing circumvention of outstanding antidumping and countervailing duty orders. It also includes a number of other provisions to strengthen these laws in a GATT-consistent manner. The bill also expresses the congressional position that the administration must remain strong in resisting efforts to fundamentally weaken the dumping and countervail laws in the Uruguay round.

Among the other important provisions in the bill are the Customs Modernization Act, which the Committee on Ways and Means carefully crafted, in consultation with all interested parties, to streamline customs procedures for processing merchandise to the benefit of both the Government and the private sector. The bill also includes a mandate to negotiate international agreements to address the trade problems resulting from private anticompetitive behavior, a strengthening of the authorities to promote adequate protection of intellectual property rights by foreign countries, and a provision to extend the enforcement authority for the recently negotiated agreements on machine tools with Japan and Taiwan.

Mr. Chairman, I recognize that H.R. 5100, even in its improved form, is not the answer to all of our Nation's trade problems. I strongly believe, however, that this bill represents a critically important step forward in resolving these problems. We must work together to put our economic house in order and this legislation can contribute significantly to that end.

I urge bipartisan support for this vitally important trade bill.

□ 1300

Mr. Chairman, I reserve the balance of my time.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I strongly oppose H.R. 5100.

Thump, thump, thump. Here we go again, the sound of the approaching drums ordering our forces to the front lines of protectionism. Enactment of this legislation would threaten U.S. competitiveness and undermine current bilateral and multilateral negotiations.

Mr. Chairman, protectionism historically has never worked to achieve the goals of its proponents. This legislation discriminates against some American workers and erodes our export potential, export potential that has created over 70 percent of all of the new jobs in this country in the last 40 months. The President is certain to veto it.

Why do some advocate legislation that carries such risks? The answer is simple. Japan. Because of aggressive production and export policies, Japan has established an economy that is both admired and feared.

But, let's get the facts straight. Japan does account for a large part of our overall trade deficit; however, the United States trade imbalance with Japan fell from a peak of $60 billion in 1987 to about $40 billion in 1990.

The fact remains that Japan is our largest market for exports of agricultural products and our second largest export market overall.

In auto parts alone, Japan has increased its purchases from $1.7 billion in 1986 to $10.5 billion in 1991. Japanese firms have pledged to buy $19 billion by 1994.

Yes, there has been progress. Not enough, but we must continue to pursue this aggressive approach to open the Japanese markets and to encourage more purchases of our products.

H.R. 5100, however, has generated opposition from U.S. businesses, farmers, and consumers. It is opposed by more than 30 trade associations and other groups.

Later today, a discriminatory auto amendment, offered by Congressmen GEPHARDT and LEVIN on behalf of domestically owned auto producers, will likely be added.

American workers in transplants firms, already disadvantaged in the bill as reported, will suffer further harm. We cannot allow the dead weight of this legislation to drag down our economy and to pit one American worker against another.

U.S. trade policy should be grounded in tough negotiations and trade laws that protect all workers equally.

This bill does none of these things. Also, the bill relies on directed scorekeeping, a violation—a clear violation—of the budget agreement.

This is not the time to undermine our efforts in the Uruguay round and the NAFTA. Senior advisors to the President, including Ambassador Hills, have stated clearly that they will recommend a veto.

I strongly urge my colleagues to oppose H.R. 5100.

Mr. Chairman, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I rise in strong support of H.R. 5100.

As world events continue to unfold, it is becoming clearer and clearer that our national security in the 21st century will be as dependent on our economic vitality as our military might. We have already demonstrated that we are the preeminent military power in the world. Now, we must concentrate on expanding our economic opportunities throughout the world.

We can start today by passing the Trade Expansion Act. This legislation begins the process of putting teeth back into our trade laws. It requires the administration to be more aggressive in removing unfair trade barriers. It makes it clear that the U.S. Congress is serious about opening new markets and creating new job opportunities for Americans.

Our success overseas was one of the few bright spots of 1991. When the rest of the economy was fairly static, U.S. exports continued to increase. The United States sent 422 billion dollars' worth of goods overseas last year—a new record. This success was achieved despite the many and pervasive barriers to trade that exist in Europe, Asia, and South America.

But, we can and should do more. American industries can compete with anybody if the international marketplace is fair. Our Government must give them that opportunity. This bill will put Government back on the side of American industry and American workers.

Mr. Chairman, I also want to highlight a particular provision of H.R. 5100 which is very important to rice growers in northern California. Section 103 of the bill seeks to open up new markets in Japan, Korea, and Taiwan for American rice products.

Freer rice trade has the potential to bring in an additional $1 billion in revenue for the U.S. rice industry. That means jobs at the farm level, jobs at the service level, and jobs in the trucking and shipping industries.

These barriers to rice trade are in clear violation of the GATT as well as our own trade laws. Yet, each of these countries has rejected overture after overture to negotiate freer trade for U.S. rice products.

The Trade Expansion Act will force the United States Trade Representative to bring Japan, Korea and Taiwan to the table to negotiate an agreement on rice trade. If they do not, then the Trade Representative will be required to respond through trade sanctions or through the suspension of existing trade concessions.

Finally, I want to commend Chairman ROSTENKOWSKI and Majority Leader GEPHARDT for their leadership in bringing a sound trade bill to the floor today. H.R. 5100 is a fair trade bill that promotes business and job opportunities in the United States. I urge my colleagues to support this important measure.

Mr. ARCHER. Mr. Chairman, I yield 3½ minutes to the gentleman from Illinois [Mr. CRANE], the respected ranking member on the Subcommittee on Trade of the Committee on Ways and Means.

Mr. CRANE. Mr. Chairman, I thank my minority leader for yielding me the time.

Mr. Chairman, this bill is little more than a rag tag collection of special interest trade provisions. Antagonizing our trading partners, on the eve of the culmination of two major trade negotiations, amounts to nothing more than election year mischief making. We owe our constituents more than to sacrifice the greater good of export-led economic growth for the isolationist trade policies of H.R. 5100.

I wish to remind my colleagues that the stakes are high. Designed to undermine the President's trade policy, H.R. 5100 would jeopardize the outcome of the Uruguay round of trade talks. Scheduled for completion early next year, 108 nations are seeking agreement on rules to modernize and strengthen the global trade system. No one disagrees that it has been a tedious and difficult process trying to find common ground among so many cultures and governments.

But success is within sight. The draft text, if ratified, holds the potential for a one-third reduction in tariffs and quotas worldwide. As the world's greatest exporter, the U.S. economy has the most to gain of any country. Prying open these foreign markets to U.S. exports is anticipated to create $1.2 trillion of growth in our economy. Ambassador Hills reminds us this is like issuing a check to every American family of four for $17,000, payable over the next 10 years.

H.R. 5100, however, darkens the sky for this prospect. By extending the Super 301 statute so that USTR is required to post a list of trading enemies and threaten retaliation weeks before the President must come to closure on the Uruguay round agreement is to doom the effort. It also seriously threatens the NAFTA negotiations where the United States has even more to gain.

Similarly, it makes no sense to legislate unilaterally in the dumping area at this delicate time. U.S. negotiating objectives in dumping have been hammered out between the administration, Congress, and the business community. Balancing the interests of all concerned, domestic producers as well as U.S. industries who are battling protectionist dumping statutes in their export markets, has been a hard fought exercise.

We need to let the negotiations on dumping and subsidies be completed. Otherwise, we disrupt these negotiations and subject our own producers and exporters to unpredictable and ever changing rules. H.R. 5100 would expand the current circumvention law so that many innocent firms would be subject to fines for engaging in normal business practices. These rules would have to be changed again next year when Congress implements the results of the Uruguay round.

Another onerous provision of this bill is the mandatory 301 action in only two sectors—rice and auto parts. This is clearly discriminatory and diminishes the market access objectives of a myriad of other U.S. industries. All sectors of the economy deserve equal protection under our trade laws. In my view, it is not appropriate to give foreign governments the impression that Congress cares most about only two sectors of our vast economy.

Arguments over the auto and auto parts issue have been vocal and intense. This industry, which is supplying the momentum behind H.R. 5100, has become increasingly expansive in its demands for special treatment. Already, it has enjoyed more than 10 years of quota protection. As we found with the steel industry, such protection merely breeds noncompetitiveness and the desire for more protection.

Furthermore, discrimination against auto workers employed by Japanese owned auto parts firms still haunts the bill. Under the provision demanding a mandatory section 301 for auto parts, USTR is charged with negotiating improvements in market access only for U.S.-owned auto parts companies. The economic future of U.S. workers employed by foreign owned firms—even if these workers do the same job just across the street in the same town—is apparently not important.

The list of problems in H.R. 5100 is a long one. It includes a unilateral increase in bound tariff rates on iron and steel pipe and tube that could entitle our trading partners to retaliate against other U.S. industries of their choosing. Also in the bill is a provision creating a redundant review of existing trade agreements that would cost money and tie up even more of USTR's resources in redtape.

Rather than pursuing the failed policies of H.R. 5100, Congress should move on proposals that will enhance U.S. trade interests, benefit the U.S. economy, add to the export-led recovery, and create jobs. Completing and implementing the NAFTA and the Uruguay round, early passage of the Customs Modernization Act and enactment of procedures to more effectively deal with State-controlled economies in the post-U.S.S.R. era are more appropriate priorities for Congress than H.R. 5100.

I urge my colleagues to vote no on H.R. 5100 because it is a counterproductive, inward looking piece of legislation which will damage the American economy.

□ 1310

Mr. ARCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SCHULZE], a respected member of the Committee on Ways and Means.

Mr. SCHULZE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I am pleased that the legislation before us, H.R. 5100, incorporates proposals which I have been working on for many years.

The first such provision serves to enhance the protection of U.S. intellectual property rights by amending the existing special 301 statute.

Current special 301 is geared more toward ensuring protection for patents after they have already been granted. This is especially important in dealing with patent piracy in developing nations.

We must now realize that many developed nations have become quite adept at using so-called pre-grant patent abuses to unfairly delay or prevent the issuance of patents to foreigners, thus stifling trade.

Because effective intellectual property protection is key to a firm's ability to market products abroad, I have long stressed the need for global patent law harmonization.

With harmonization comes more predictability and better intellectual property protection; and with better protection U.S. exports and U.S. jobs will flourish.

My proposal directs the U.S. Trade Representative to enter into negotiations with those countries using their patent systems as barriers to U.S. goods. This proposal will prod stalled global harmonization talks and help defend American exporters.

I am also pleased to have authored modifications to section 406, a provision of the 1974 Trade Act designed to redress U.S. market disruption caused by imports from Communist—and now, state controlled economy—countries. Given ongoing changes in Eastern Europe and elsewhere, H.R. 5100 enhances the ability of U.S. industry to seek relief from market disruption and injury caused by imports from state-controlled economies.

While most of the so-called economies in transition have little to export to the United States now, the increasingly dire need these countries have for hard currency will lead them to dump as many products as quickly as possible, into the hospitable U.S. market. When this occurs, the value of a strengthened section 406 will become more apparent.

The Trade Expansion Act also includes an important proposal advanced by Mr. MCGRATH to combat the circumvention of U.S. antidumping and countervailing duty orders. When a U.S. producer spends several hundred thousand dollars to prove a foreign competitor is dumping or subsidizing, that producer deserves a guarantee that the orders will be enforced.

Lastly, including both the Trade Agreements Compliance Act and a super 301 extension in H.R. 5100 represent positive steps. These provisions will put our trading partners on notice that our market access efforts are not merely a passing fancy, but are here to stay. Foreign countries will also know that when they do sign trade agreements with the United States, foreign compliance with such agreements is going to be subject to even greater scrutiny.

H.R. 5100 is not perfect, and the fact that it is being debated in a heated election year certainly complicates matters. However, it makes no sense for us to sit back and wait for the everelusive GATT Holy Grail to protect our interests, especially when the very survival of that body remains in serious doubt.

At this stage of the consideration process, I will support H.R. 5100.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman from Illinois [Mr. ROSTENKOWSKI] for yielding me this time, and I commend him on bringing the bill up, and commend, too, the gentleman from Florida [Mr. GIBBONS], chairman of the Trade Subcommittee.

Mr. Chairman, I rise in very strong support of this bill. I think that it could be fairly said that H.R. 5100 is a trade crowbar to pry open Japanese markets which are today closed to quality-made United States products.

H.R. 5100 is also a trade bulldozer to bulldoze down those hills and level the trade playing field in order that our quality-made U.S. goods, such as the Ford big trucks and the Ford Explorer vans which are made in Jefferson County, my district, are able to find a proper niche in the foreign markets to which they are entitled.

So this trade crowbar, this trade bulldozer is very important for my community and all communities in America.

I want to salute particularly the revival for 5 more years of the Super 301 provision. Under it, investigations are ordered of countries which practice unfair trade tactics against the United States.

If negotiations do not end those unfair tactics, then trade retaliation is provided. A special 301 investigation is ordered under the bill, H.R. 5100, dealing with the U.S. auto and auto parts industries and how they are affected by Japanese trade practices.

I would say that of all the bills we will have in this Congress that have a very positive effect on U.S. trade positions in the world and on the jobs of American workers making American products, I can think of no other bill than H.R. 5100 which will enable these U.S. products and these working men and women to have a better future.

I, therefore, rise in very strong support of the gentleman's bill. I am also in favor of the Gephardt-Levin amendment which will come up later. This is an excellent bill, and I urge its support.

Mr. ARCHER. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. THOMAS], a respected member of the Committee on Ways and Means.

Mr. THOMAS of California. Mr. Chairman, I thank the gentleman from Texas, the distinguished ranking member of the Ways and Means Committee, for yielding me this time.

Mr. Chairman, a few moments ago one of our colleagues took the well and talked about the preeminence of American military power and how proud he was of that. I know from watching his votes he has done a pretty good job of bringing that about.

But I have to tell you that a number of people who are going to vote for this measure did not help us bring about the preeminence of American power. That we did it despite the way they voted. I guess we are going to have to do the same thing on this trade bill. History is going to repeat itself.

Despite their best intentions, I hope we do not allow them to screw up our trade structure. The logic of this bill is as twisted as the soon to be offered, mandated, voluntary restraint agreement, and that is right, I did not make a mistake, it is a mandated, voluntary restraint agreement. It has to do with automobiles.

If anybody thinks the automobile business is easy to understand today, they simply do not know the business. For example, if you will take a look at the top 10 cars being purchased in the United States today, guess what is the No. 1 seller. A pickup truck made by Ford Co. In fact, if you look at Ford, they have four cars in the top 10, excuse me, not cars as we know them historically. They have only one car, and that is a Taurus. They have the Ford pickup that I mentioned, they have the Ford Explorer, which is a sports-utility vehicle, and they have the Ford Ranger, which is a smaller pickup. Those are the cars that people are buying.

We have talked about Chrysler, and if you look at the old Big Three, back in 1981, Chrysler was in front of this body asking for a bailout so they could have enough money to build the K-car platforms. Guess what, this fall, 1993, they are introducing the LH body, which is the follow-on to the K-car.

☐ 1320

That is more than 10 years between a white sheet of paper car in as competitive a business as automaking.

Why is it called the LH? Some people refer to it as the "last hope" of the Chrysler Corp., with good reason.

What we hear about GM is that they are closing plants all over the United States. What you are not hearing is that they are looking for additional line capacity to produce a car, additional line capacity for the Saturn. The Saturn is more revolutionary for how it is built, rather than what it is.

Frankly, if the American automobile industry would understand that putting on voluntary restraints would put them back to sleep, would put us back to the early eighties when the Japanese were told they had to have voluntary restraints, fails to focus on success and dwells on failure.

New cars as Chrysler is doing and new ways of making them as GM's Saturn is the right way.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ARCHER. Mr. Chairman, I yield 1 additional minute to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. I thank the gentleman. What happened the last time we had true voluntary restraints from the Japanese was that they went up market, simply made a ton of money, reinvested that in the automobile sector and Toyota wound up producing the Lexus and Nissan wound up producing the Infiniti, and I wonder where those cars are today in terms of the upper market level. As you might guess—leading the pack.

Please, do not repeat the mistake. Do not put on a mandated voluntary restraint so that the American automobile industry falls even farther behind. Competition is what produces the vehicles that allow us to sell in the marketplace.

For those of you who are concerned about possible retaliatory aspects of this bill, especially those of you in the agricultural sector, be fully aware that the American Farm Bureau opposes this bill. Farm interests are not helped by this bill. They oppose this bill.

I would urge you to vote no on the amendment to include mandated voluntary restraints, and I would urge you to vote no on the bill itself.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, today, I rise in support of H.R. 5100, the 1992 Trade Expansion Act, or more appropriately put, the Jobs for Americans Act.

The No. 1 concern of our constituents is the economic future of our Nation and its impact on jobs.

From forging plants to computer facilities the key to prosperity is job producing growth. Protectionism does not preserve and expand employment. As opponents of this bill are quick to state, 70 percent of U.S. growth has come from exports over the past 4 years, which are creating over 2 million jobs.

President Bush has led our Nation to become the No. 1 exporter in the world, with over $610 billion in goods and services expected this year. Each $1 billion in exports means an additional 20,000 jobs for Americans. It is the goal of H.R. 5100 to increase that mount.

Yet the industries which have led this surge in growth are the same ones now at risk to unfair trade practices by offshore producers. Free and fair trade does not mean ignoring these abuses with a naive belief that the market will heal itself. If we are to have true market access for all producers such aberrations cannot be allowed to continue. We must become pragmatic toward trade. Despite our efforts the United States trade imbalance with Japan increased $2.4 billion in 1991. The bill makes it easier for American companies to prove material injury resulting from unfair trade practices, now required under U.S. law before relief can be obtained. This means jobs for Americans. This is especially true for manufacturers such as steel, bearings, textiles and semiconductors, that find it difficult to prove injury due to the nature of their business cycle. Pragmatism means arming ourselves to respond when countries act irresponsibly in how they conduct trade.

For the past 4 years I have been involved with the Uruguay round and NAFTA negotiations. Opponents argue this bill will compromise those talks. In fact, H.R. 5100 will improve our negotiating posture. It will convince other nations that the U.S. will not tolerate unfair trade practices.

Our Government has already agreed to a provision in the existing GATT±Dunkel text that will mandate congressional changes to U.S. domestic laws in order to comply with GATT panel decisions. This is an abrogation of our constitutional legislative authority.

H.R. 5100 corrects that matter. Included is a change to U.S. negotiating objectives regarding the dispute settlement process. It directs our negotiators to refuse any foreign demands for the creation of an international tribunal that would mandate congressional action on their decisions.

These reforms embodied in H.R. 5100 are vitally important to U.S. manufacturers and to the preservation of jobs in the United States.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. SUNDQUIST], a respected member of the Committee on Ways and Means.

Mr. SUNDQUIST. Mr. Chairman, I thank the ranking Republican Member for yielding me this time so generously.

Mr. Chairman, I rise in opposition to H.R. 5100. There obviously are good features in this piece of legislation, but there are also some bad features in this legislation, and I rise in opposition to H.R. 5100 for the simple reason that it is a job killer, not a job creator.

Let me give you an example. It contains a provision which attacks nearly every U.S.-based manufacturing plant owned by a foreign company. One of these facilities is in my district, a Brother typewriter plant in Bartlett, TN, a plant that provides 800 very good jobs to Tennesseans and creates an investment of more than $27 million for our local economy.

Brother would not have been able to do that if legislation like H.R. 5100 had been in effect, and it may not be able to continue providing good jobs in Tennessee if H.R. 5100 becomes law.

It is one thing to pass trade laws which require our foreign partners to play fair. I am for that. We are all for that, but we can be tough with our trade partners without making things tough on American workers.

This bill is a prime example of why Americans view us with suspicion. It is political posturing to say that H.R. 5100 is aimed at foreign companies, when it will be American workers who get it right between the eyes.

Mr. Chairman, I urge rejection of H.R. 5100.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I would like to commend Chairman ROSTENKOWSKI for putting together this trade bill, and I wish to express my gratitude for his inclusion of language from H.R. 3272. This is a measure which I introduced during the first session of the 102d Congress and which is designed to improve the administration of domestic antidumping and countervailing duty laws. I think it is safe to say that many have felt for quite some time that the U.S. trade code on dumping and subsidies has been in need of the sort of adjustment and fine tuning that this language aims to achieve.

Additionally, would like to note that H.R. 5100 contains language from another bill I was involved in writing, that is H.R. 3935, the Customs Modernization and Informed Compliance Act. This measure was crafted through many long hours of tough negotiations among the joint industry group, the U.S. Customs Service, the National Treasury Employees Union, the customs brokers, and other interested parties. In short, H.R. 3935, as incorporated into H.R. 5100, strikes a good and fair balance among the likes and dislikes of all affected players and in so doing serves as an example of how legislative policy should be made.

Finally, I would like to express my support for the Gephardt-Levin amendment to H.R. 5100. This amendment would merely attempt to hold the Japanese to the promises they made with regard to automotive trade in January of this year. Congressmen GEPHARDT's and LEVIN's amendment is crafted in such a way to accomplish this without establishing quotas and without negatively impacting transplant production or American workers employed in Japanese transplants.

It is my belief that we cannot ignore the fact that in 1991, the United States ran a $66.2 billion trade deficit, and more importantly, that 45 percent of this imbalance was due to United

States-Japan trade in automobiles and auto parts. Furthermore, foreign producers have been able to capture only 3 percent of the Japanese domestic car market.

To add insult to injury, the European Community now has a market share agreement with Japan, the effect of which is likely to be the direction of more Japanese auto products toward the United States market.

This amendment provides a measured approach to a longstanding problem in United States-Japan trade relations, that is, a market access problem, which, without direct legislative attention, has not improved over time.

□ 1330

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. GRANDY], a respected member of the Committee on Ways and Means.

Mr. GRANDY. Mr. Chairman, I rise today in reluctant opposition to H.R. 5100. While I support several components of this bill, including the Customs Modernization and Trade Agreement Compliance Acts, and provisions regarding end use certificates for imported grains and strengthened provisions regarding the threat of injury from foreign trade practices—the remainder of this bill requires me to oppose it. It is untimely, highly discriminatory, possibly violative of our international obligations, and adverse to our Nation's economic interests. Instead of promoting the flow of exports from our country, the sole motivation of this bill is to close our borders to products from other nations, particularly one nation, Japan.

My primary concerns with H.R. 5100 are retaliation and precedent. Japan is our No. 1, by far, agricultural export market. In 1991 we had a trade surplus in agriculture with Japan of $7.4 billion—$7.7 billion of United States exports versus less than $300 million in Japanese imports. United States agricultural commodities have a 28-percent share of the Japanese import market. This is higher than the 22 percent market share the Japanese have of the United States car market and Japanese ag products represent well less than 3 percent of United States ag imports—does this mean that the Japanese Parliament should enact legislation asking the United States to voluntarily restrict the export of ag products to Japan and that Kelloggs cornflake facilities in Japan should be required to source their corn from the Pacific rim instead of the United States Midwest?

Retaliation from Taiwan and South Korea are also likely due to the mandated 301 investigation of their rice policies. The United States has an agricultural trade surplus of $1.7 billion with Taiwan—with ag exports growing by 48 percent in value over the past 5 years—and a similar surplus of just over $2 billion with South Korea. South Korea is now the fifth largest United States agricultural export market. All three of these markets—Japan, Taiwan, and South Korea—represent the most promising markets for processed agricultural products. Such exports mean additional jobs at home. Current agricultural exports to these markets are responsible for over 300,000 United States jobs.

Let us stand back and look at what we are doing here. I share Mr. Dreier's idea of negotiating a free trade agreement, not a restrictive trade agreement, with Japan. How many times do we need to emphasize that once a market is lost, it is very difficult to get it back. Over the past decade, the United States agricultural industry, with the help of the United States Trade Representative's Office, have spent hundreds of hours and millions of dollars on opening Japanese markets and promoting United States products. I shudder to think that we seem to be willing to hand over these markets to our competitors by enacting such discriminatory legislation as the bill before us today. A number of agriculture and other business interests share this concern for retaliation and I have included at the end of my comments their letter in opposition to H.R. 5100.

My second primary concern is the very ill-advised precedents which H.R. 5100 and the Gephardt-Levin amendment are setting. These precedents are the apparent need to legislate the initiation of section 301 investigations and the application of section 301 for the first time to the conduct of American companies—unwise and dangerous to say the least. H.R. 5100 mandates the initiation of section 301 investigations for autos, auto parts, and rice. This is especially peculiar since the Bush administration has never been requested to initiate such actions. It is one thing to be asked and turned down thus requiring a resort to the legislative process, it is another to never have asked in the first place.

While section 301 investigations can be frustrating, as the U.S. oilseeds sector has found out, no one can fault the USTR's office for their record on implementation and enforcement of this trade tool. I am concerned that if we begin to require congressional action for the implementation of a 301 case, we will discourage many less politically powerful groups from thinking their cases will receive serious consideration. I believe there is little justification why the auto, auto parts, or rice industries should receive any special treatment in the 301 process.

As we have seen in the agricultural sector, section 301 in its current form, without the need for mandates from Congress, and other trade pressures have resulted in significant progress in several sectors. Beef and citrus exports to Japan have more than doubled over the last 4 years as a result of the 1988 United States-Japan beef and citrus agreement. Ongoing structural impediments initiative [SII] talks aimed at reforming restrictive feed grains sector policies in Japan are progressing well. USTR has issued a retaliation list for European Community products in response to the EC's failure to change its GATT-illegal oilseeds subsidy program. The record is clear—where injustice exists, the USTR is not afraid to act and no congressional action is needed. Why are we starting to stick our nose in the process now?

I strongly recommend, despite some positive aspects of H.R. 5100, that it be defeated at this time. In the next year we will be afforded several opportunities to amend our trade laws and we will have more time then to make sure that all parties are a part of the negotiations and we can ensure that the impact on our economy will be positive, not negative, as I am afraid H.R. 5100 would be. I urge a no vote on final passage and on the Gephardt-Levin amendment.

JUNE 30, 1992.

Hon. FRED GRANDY,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE GRANDY: We are writing to express our opposition to H.R. 5100 as approved by the Ways and Means Committee. While some provisions of the bill have merit, others do not.

We do not want to see this legislation enacted because its overall impact is likely to close U.S. export markets, be costly to U.S. consumers and undermine prospects for successful conclusion of the Uruguay Round and the North American Free Trade Area (NAFTA) negotiations. These two negotiations are of paramount interest to the U.S. business and farm communities because of their potential to substantially increase U.S. exports.

Business, farm, and consumer groups cooperated closely with the Congress in fashioning and enacting the Omnibus Trade and Competitiveness Act of 1988. This comprehensive legislation authorized the Uruguay Round and NAFTA negotiations and substantially amended U.S. statutes on fair and unfair trade to provide more effective protection for U.S. companies, workers, and farmers.

Congress will have ample opportunity to review and, if necessary, adjust U.S. trade laws when it considers the results of the Uruguay Round and NAFTA negotiations. Business, farm, and consumer groups are prepared to be full participants in that process at that time. With the major exception of customs modernization, consideration of trade legislation now seems both untimely and duplicative of the effort the Congress will have to undertake in considering the comprehensive trade bills that will be necessary to implement the NAFTA and Uruguay Round trade agreements.

In addition to our serious concerns about the contents of H.R. 5100, we are also concerned that the bill will quickly become a legislative vehicle for additional trade restrictive proposals that will further undercut the U.S. negotiators in their effort to achieve the negotiating objectives spelled out carefully by the Congress in the 1988 Omnibus Trade Act.

We believe it important to note that exports are now the most buoyant aspect of the

U.S. economy. Exports are pulling us out of the recession and creating new job opportunities. Since 1988 nearly 70 percent of U.S. growth has been export-driven, generating nearly 2 million jobs for U.S. workers. The United States is currently running trade surpluses with a number of our important trading partners. Our trade surplus with the EC, for example, was $16 billion last year. Enactment of H.R. 5100 would raise the threat of significant retaliation against U.S. industrial and farm exports.

For the above and other reasons, H.R. 5100 is not in the U.S. national economic interest.

Sincerely,

American Association of Exporters & Importers, American Association of Port Authorities, American Business Conference, American Furniture Manufacturers Association, American Paper Institute, Analytical Instrument Association, The Business Roundtable, Computer and Business Equipment Manufacturers Association, Computer and Communications Industry Association, Chocolate Manufacturers Association, Coalition for Open Markets and Expanded Trade, Construction Industry Manufacturers Association, Consumers for World Trade.

Emergency Committee for American Trade, International Mass Retail Association, Millers National Federation, National Association of Stevedores, National Cattlemen's Association, National Foreign Trade Council, National Forest Products Association, National Grain Trade Council, National Grange, National Retail Federation, National Turkey Federation, North American Export Grain Association, Petroleum Equipment Suppliers Association, Pro Trade Group, Retail Industry Trade Action Coalition, Southeastern Poultry and Egg Association, U.S. Council for International Business.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Chairman, why H.R. 5100? H.R. 5100, because the nineties cannot be a repeat of the eighties. The trade imbalance with Japan has been persistent. Anybody who thinks the eighties are good enough simply ignores the results of the eighties in terms of our trade imbalance.

We have heard all the labels and all the arguments, the old, worn-out arguments brought out, the specter of isolationism. You know, the greatest boon to isolationism is being inactive on grievances in trade. That is what feeds the feelings of some people in this country that we should turn our back on internationalism. I do not want us to turn our back on that. But the best way for us to be able to compete globally and convince the American people that it is worth it is to make sure there is a level playing field, as the President said he wanted in Tokyo, to make sure that trade is a two-way street and not a one-way street.

The studies show—CRS recently indicated—that in 44 different sectors that they studied, in 42 of them there was a decline in market share in this country by American companies.

Oh, it is said, the Uruguay Round will solve it. The Uruguay Round will not open up the Japanese markets to American or Western European goods, period. It does not pretend to do that.

I ask specifically, someone tell me where it would.

Oh, it has been said, why pick out, under mandatory 301 action in the bill, rice and auto parts? The reason is—it is not special treatment we are asking for, it is fair treatment. There has been an iron curtain against rice. All we want is not special-interest legislation, but fair treatment.

With auto parts, we are not asking that we respond to a special interest in this country, it is a $100 billion-plus industry. We are asking that they get fair treatment. The special treatment they have been receiving has been from the Japanese, and that is, "We will buy only from within our own country, and we keep out foreign goods."

The distinguished gentleman from Iowa talked about agriculture. The breakthroughs that have been made there are in part because Congress was strong. But there is so much more to be done. The Japanese market remains very much closed to a lot of agricultural goods.

Then it is suggested we are dividing American workers against American workers. It is said that under our amendment 301 applies in the auto industry to transplanted but not to American companies?

□ 1340

What is happening is that the transplants are not discriminating against transplant auto parts companies but against traditional American suppliers. In the case of 12 of the largest transplant suppliers, the transplant manufacturers own part of the parts manufacturers that have come over here.

No, it is not special interests, it is not special treatment we are asking. It is national interest and fair treatment for American companies.

The gentleman from California [Mr. THOMAS] talked a bit about the automotive sector, and we are going to get into that during the amendment. Let me just say two things quickly:

This does not mandate in law a VRA, period. What it says is: "When you negotiate an umbrella agreement, Mr. President, in the motor vehicle sector with the Japanese, negotiate to keep the VRA at its present level."

This relates only to exports from Japan, as long as the European Community has a 16-percent ceiling on Japanese sales. These sales now represent 30 percent of the U.S. market.

Also let me say once again this bill is to open markets, not to close them. That is true in the auto sector, the auto part sector, as well as any other. It is not an effort to raise barriers. It is an effort to tear them down.

We have not achieved nearly enough. The last 4 months, the report shows, our trade deficit is $16½ billion with Japan. Fifteen of it is in the automotive sector.

We cannot stand still. We cannot say that bad is good enough. Let us adopt 5100 and then the Gephardt-Levin amendment.

Mr. ARCHER. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], a respected member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in opposition to this bill. There are many provisions in it that I support, but the No. 1 concern of the people in my district at this time is jobs, and by the measure of its impact on jobs this bill fails to address the peoples' most serious concern. Let us look at the record.

The United States is the No. 1 exporter in the world. We send more goods into other markets than any other nation. Seventy-five percent of the growth in our economy has been a consequence of growth in exports. At this time our standard of living is directly tied to our success in the global market.

In my State that is very, very evident. Hundreds and thousands of jobs depend on exports, and our success abroad is the only thing that has kept my State from suffering the most extreme depression in her history.

Not only do exports create millions of jobs in America, those jobs pay 17 percent more than the average U.S. wage and so are the jobs of the future as well as the growth of the present.

Now, let us look at the record with Japan since Japan is the target of this bill. Yes, we have had a persistent problem with Japan, but we have now a persistently declining trade problem with Japan. Japan now is our second largest customer. Japan buys more per capita than any of our trading partners. Last year Japan bought more United States goods than Ireland, Germany, France, and Italy combined, billions of dollars of American products.

And what will this bill do in that context of an increasingly powerful American exporting nation? This bill invites the termination of the very negotiations that have over and over again opened markets and brought us the rising standard of living that we have come to assume.

It is not so much the individual provisions of this bill, some of which I support, that are disastrous to America's trading status. It is the combination of all of them and the targeted hostility of some of them that assures that this bill will close markets to U.S. products at a time we need to expand our markets.

Just as we are trying to consummate the GATT negotiations, which will mean a trillion dollars of business to America, just as we are entering the final months when the toughest deals have to be negotiated, Mr. Chairman, this bill would mandate our taking harsh actions that any nation with any self-respect would have to respond to through retaliation against American goods. That is no atmosphere in which to make the final tough tradeoffs that will consummate a GATT agreement and assure to America a trading community that will allow our goods more markets, broader range, and a higher standard of living for Americans.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, Members of the House, I want to congratulate the gentleman from Illinois [Mr. ROSTENKOWSKI] for his tireless work in the area of trade which produced this bill and in the past, in 1988, produced a very important piece of legislation which the Congress passed and the President supported.

I also want to commend the gentleman from Florida [Mr. GIBBONS], my friend who is the chairman of the Subcommittee on Trade, for yeoman work in this area, and I want to recommend to the Members this trade bill which has a number of very important features in it.

First, Mr. Chairman, is the extension of Super 301, which I think most observers would agree, and even critics of Super 301 are now saying, that it had a great impact on getting us better access to foreign markets. It has got a provision called the Trade Agreements Compliance Act which will help us get better compliance with trade agreements. It has an anticircumventive provision which will help us keep other countries in compliance with trade negotiations. It has a study of our administration's aerospace trade policy. A lot of us believe that we need a better policy in the aerospace area as we are continuing to lose jobs in that important industry. Finally, it helps establish a congressional trade unit so that we can begin looking more intensively at trade from the congressional perspective.

Mr. Chairman, this is a good bill with or without the amendment that I am proposing. I urge Members to vote for this legislation. I do urge Members to listen to the debate on my amendment, the amendment by the gentleman from Michigan [Mr. LEVIN].

Since the early 1980's, Mr. Chairman, we have lost over 300,000 jobs in the automobile industry directly and countless others indirectly. Part of the reason for this loss in my opinion is that we have not had as good an access to the Japanese market as we should have. The Gephardt-Levin amendment is an attempt to better deal with that situation. It does not solve all of the problems, but it begins to solve a lot of the problems.

Mr. Chairman, I urge Members to listen to the debate that will come in the next hour on that amendment, and I urge Members to support that amendment and to support the entire bill.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. MCMILLAN].

Mr. MCMILLAN of North Carolina. Mr. Chairman, I rise today in opposition to H.R. 5100.

I share the concerns of my colleagues with the slow progress of our negotiators in opening Japanese markets to American exports. Our message to the Japanese must be loud and clear: we must have reciprocal market access for United States exports to Japan.

The intent of H.R. 5100 is understandable in light of Japan's unwillingness to open its markets to many United States products. But, let us bear in mind that the United States is experiencing its biggest expansion of exports ever. Exports to Japan have more than doubled since 1985.

In recent years, 75 percent of our economic growth has come from exports. In effect, exports have become the keystone to our economic recovery.

The proposed legislative solution to our trade problem with Japan is the kind of thing that spawns retaliation and ultimately works to our detriment. Many sectors of the United States economy remain protected against foreign imports. Are we prepared to risk foreign retaliation against these United States trade barriers?

The proposed amendment to H.R. 5100 would impose quotas on automobiles from Japan for the rest of this decade. It would also require that Japanese cars built here in the United States have 70 percent domestic content—a requirement not even imposed on United States automakers.

When we discriminate against Japanese automobile plants in the United States, we ignore the 32,000 American jobs that were created by these transplants.

My region of the country serves as a perfect example of the benefits afforded by foreign auto investment in this country. It was just recently announced that BMW would build a plant in Spartanburg, SC. Here is one of the great German automakers deciding to hire American workers to build American-made BMW's to be sold in America and exported as well. Surely if the Germans and Japanese can compete with cars made in the United States, so can the Big Three. But what incentive exists for such an investment if the Congress mandates business decisions and outcomes?

While I agree with supporters of H.R. 5100 who say it is time to get tough with the Japanese, I believe this bill will do more harm than good. I am all for hard-nosed trade negotiations with Japan. I support the extension of 301. But protectionist legislation like H.R. 5100 fails to take into account what the president of the Spartanburg Chamber of Commerce has come to realize: "We're living in a global economy."

□ 1350

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. BLACKWELL].

Mr. BLACKWELL. Mr. Chairman, I rise today in strong support of the Gephardt-Levin amendment.

Last year the United States compiled a ridiculous $43.4 billion trade deficit with Japan. That means that everything was coming from Japan and nothing was going back. So I do not know where these people get their figures from.

Two-thirds of this figure stems directly from the trade of automotive vehicles and parts.

Mr. Chairman, since its inception, the automotive industry has represented the heart and soul of America's manufacturing base.

The industry built and gave birth to new towns throughout the country, and employed generations of American workers.

I do not need however, to tell my colleagues that things have changed. American automobile workers continue to lose their jobs at unprecedented rates. Plants are closing and essentially killing the communities where they reside.

All the while, Japan's trade surplus has grown to a remarkable $78 billion. Everything going over, nothing coming back.

There are issues at hand which must be addressed now. And today, we have the opportunity to finally accomplish the level playing field.

In 1990, Japan exported 60 times more passenger cars into the United States than we exported there. This alarming statistic can be attributed to special taxes, obscene government inspection procedures, poor distribution, and complicated adaptations to Japanese auto standards.

In other words, when we send our cars over there, they cannot even get off the docks. They are so restricted, the rules that they have over there will not allow our cars to even get to the market. I do not know where you get your figures from.

The Gephardt-Levin amendment will finally restore dignity to an industry which has been disintegrating before our eyes, while we here in Congress have sat idle.

The economic future of our Nation is at stake. One in six American manufacturing jobs is associated with the automotive industry. I urge my colleagues, especially those who repeatedly voice their support for family values, give families jobs. We will have more values. Vote in support of this crucial legislation.

Unfair trade practices cut at the core of the American family. Lost jobs equal lost health insurance, lost pension funds, and an overall loss of hope.

Let's pass the Gephardt-Levin amendment, and tell the American auto industry that we support you, and will not stop fighting for your right to work each and every day.

Mr. ARCHER. Mr. Chairman, I yield 5½ minutes to the gentleman from Illinois [Mr. MICHEL], the distinguished minority leader.

Mr. MICHEL. Mr. Chairman, I rise in opposition to this bill. It has been labeled the Trade Expansion Act of 1992 by its sponsors, but in some quarters of economic activity, that might be considered false labeling, punishable by fines or imprisonment.

A more accurate label for this bill would be the Trade Contraction Act of 1992. It represents another effort by the protectionists in this body to have the United States club other countries into submission on trade.

The problem with this theory, of course, is that the United States does not rule the world, and any heavy-handed action by us usually brings counter action from strong nations at whom it is aimed.

Despite all the expressed concern over closed markets, the fact is the United States today, as has been pointed out so eloquently by speakers preceding me on this side of the aisle, is the world's top exporting country. That is us. That is what we are doing.

Our $422 billion in annual exports account for over 8 million jobs. And that does not count the contribution to the livelihood of America's farmers and other small businesses.

Since this bill is largely a Japan-bashing effort orchestrated by the protectionists, there are some important facts to keep in mind regarding trade with the Japanese. Others have alluded to it in different terminology.

In my eyes, I see over the past 3 years that our exports to Japan have risen 25 times as fast as our imports from Japan. How can you discount that?

Japan is currently importing more on a per capita basis from us than we are from them.

Our manufactured exports to Japan are growing at a rate 33 percent faster than our exports to the rest of the world. Some of you folks have blinders on out there when you are bashing Japan day-in and day-out for whatever reason back home.

Procurement of United States parts and materials by Japanese automakers has risen more than fivefold since 1985.

Japan imports more United States-made passenger cars than any other country except Canada and Taiwan.

Japanese auto firms have invested more than $13 billion here in the United States, providing jobs for 78,000 people.

I cite these figures not to defend Japan so much as to show that significant progress is obviously being made. This progress is taking place not because of punishing trade laws enacted by Congress, but due to the basic forces of the free market system that we have been advocating here at home—or should be—and abroad, and those countries that are seeking to emulate what we have been doing so well.

Our negotiators have done yeomanlike work in seeking to open foreign markets. Where retaliation has been necessary, we have not been afraid to use it, such as in the case of China on intellectual property and in Europe over their oilseed subsidies.

But mandated retaliation, as this bill calls for in varying degrees, would only serve to undermine the ability of our negotiators to achieve results, and make much more difficult the ability of our private industry to penetrate foreign markets.

In concluding my remarks, let me cite the case of my largest employer and industry in Peoria, Caterpillar Tractor Co.

Caterpillar is one of our Nation's largest exporting companies. Fifty percent of its U.S. production is sold abroad, accounting for nearly 60,000 U.S. jobs between CAT and its suppliers.

Japan is Caterpillar's second largest exporting market, accounting for sales of more than $400 million in United States-produced equipment just last year alone. In fact, in the product line it produces, CAT outsells its nearest worldwide competitor, Komatsu of Japan, right in its own backyard, and claims more than 50 percent of the Japanese market.

How does Caterpillar do it? Not through Government mandates, for heaven's sake. In fact, had our Government entered the picture and tried to crash the door open, CAT would almost assuredly not have achieved the degree of penetration it has today.

No, Caterpillar achieved what it has through hard work, by paying attention to special Japanese needs, catering to those needs, producing for the consumer out there, and through its reputation for quality and service.

It took the auto industry an awfully long time to come around to recognizing that they had to produce for a different set of people and a different market in order to export. Caterpillar recognized that over 25 or 30 years ago when they had one of the first joint ventures, Caterpillar and Mitsubishi, and they were ahead of everybody. And they have stayed ahead, because they have known what it is to compete in an international market.

Caterpillar has joined with numerous businesses and farm organizations in opposing this bill, and rightly so, because Caterpillar knows that its enactment would undermine much of the progress the company has made to date, and make more difficult its future export sales efforts.

This has become an interdependent world in which the economic development of individual nations, such as our own, and the world as a whole will depend on the furthering of that interdependence, the knocking down of barriers, and the expansion of free trade.

This bill may have that objective, but I will tell you, it is certainly going at it in a roundabout way, and the results would be just the opposite. It definitely needs to be defeated.

□ 1400

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 6 minutes to the chairman of the Subcommittee on Trade, the gentleman from Florida, Mr. SAM GIBBONS.

Mr. GIBBONS. Mr. Chairman, I have listened carefully to the debate here and listened carefully to the debate in the subcommittee and full committee on this matter. I have some mixed thoughts about this piece of legislation. There are some good things in this legislation. The provision that modernizes the Customs procedures is very good. The provision that extends the private right of action for review of trade agreements, I think is a good provision.

The provision that extends Super 301 I believe is needed and in today's bargaining world, we need that kind of leverage.

There is an awful lot of baggage also in this legislation that I just think we could do just as well without. I will probably end up voting against this bill because I think the Levin amendment is going to be adopted. The Levin amendment, I think, does not make good economic policy for the United States. It will not solve the problems that the United States faces in world trade. It will only make matters worse. But I will go into that when we get into the Levin amendment.

Let me now expand on what I think we ought to do to really improve America's competitiveness in the world trading system. The first thing we ought to do is look at our domestic health care program.

Let me give my colleagues an illustration. I had a hearing the other day, the Big Three came in and testified, the Big Three auto makers, that there was $1,000 worth of health care cost in each automobile they produced, $1,000.

A week later, someone representing the transplant imports came in and I asked the same question. The answer I got was anywhere from $50 to $100 per car in health care costs.

Now, American manufacturers just cannot compete in that kind of environment. It is not that the transplant employees get some lousy health care costs. It is the fact that years ago we tied health care to employment and retired health care to one's former employment. And when we look at the problem in the Big Three, it is the fact that they have so many retirees. And it will be 20, 25 years before the transplants have any kind of retirees that they are obligated to pay their health care costs.

Our domestic automobile companies simply cannot compete in that kind of disadvantaged trading area or playing area. That is one thing.

Another thing is our revenue system. I think we ought to abolish our payroll taxes, our corporate income taxes and about 90 percent of our personal income taxes and substitute for it a modern tax system called a value-added tax. The value-added tax has been in existence since 1965. The system that we are now following in this country is a hodgepodge of now outdated ideas that began 150 years ago. It is pulling us down.

Let me give my colleagues an illustration. If a car is manufactured in the United States or a bushel of wheat is grown in the United States and has to be exported, when it leaves this country, it carries with it the full cost of the U.S. Government. But if it is grown in a foreign country or manufactured in a foreign country, the same product, when sold in our country, carries with it practically no cost of government.

So our goods, developed under our revenue system, when consumed by the foreigner, carry the full cost of government. Their goods, developed under their revenue system, when consumed in our country carry no cost of government with it.

In effect, despite what we feel, we are exporting our job opportunities in the United States because of the way we collect our revenue. I am not complaining about the amount of revenue. I am not trying to change the tax burden between taxpayers. But I am trying to get us to collect our revenue in a more rational manner so that we can be competitive in a world environment.

So we must control our health care costs and get our health care costs disconnected from employment. No other industrialized nation on Earth connects their health care costs of employment. We must get control of our health care costs.

And second, we must get control of our revenue-collecting system and bring it into a more modern position to compete. That would be the best trade legislation that we could enact. That would be a partial solution, a major solution to our biggest economic and competitive problems.

Of course, there are other things. Our educational system has not measured up. The way we do business is subject to criticism.

I would encourage those who would like to learn about what is the trouble with America to read the current book "Head to Head" by Lester Thurow. They will then learn that the problems in the auto industry and the problems in other industries are not so simplistic as they have been discussed here today. And I would hope that we would give serious consideration to the Levin amendment when it comes up. I hope that amendment will be defeated.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes and 30 seconds to the ranking Republican on the Joint Economic Committee, the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, the Democrat majority wants the American people to believe that the manufacturing base in the United States is eroding and our standard of living is declining because of the conniving, predatory traders of Japan and the economic policies of Ronald Reagan. Mr. Chairman, the economic data simply do not support this delusion.

Consider these facts which, incidentally, happen to be accurate. Manufacturing productivity increased 3.5 percent during the 1980's, versus only 2.3 percent in the 1970's. Today, manufacturing's share of the GNP is 23 percent, a post-World War II high. Moreover, the American worker is still 30 percent more productive than his Japanese counterpart.

Even more importantly, the United States is experiencing an export boom, which is propping up our sluggish economy. In the last several years, 75 percent of our economic growth has been export-driven. The United States is once again the No. 1 exporter in the world and the livelihoods of millions of Americans depend on international trade.

The bill we have before us today is a protectionist measure that places an economic recovery and millions of American jobs at risk by inviting retaliation from our trading partners. H.R. 5100 undermines the ongoing GATT negotiations and sacrifices consumer rights to shield a few obsolete industries from international competition.

I might add that it is a little ironic that the Democrat Majority chases other nations' trades policies, given the majority party's support for overtly unfair U.S. tariffs and quotas on sugar, milk, peanuts, infant formula, antibiotics, clothing, and hundreds of other commodities. Regrettably, low-income Americans bear a disproportionate burden of these unfair U.S. trading policies, which cost American consumers $80 billion a year.

The supporters of this bill are also plain wrong to argue that the mere existence of a trade deficit prima facie evidence of discriminatory trade practices.

If legislators in the European Community, which has a $16 billion trade deficit with the United States, use the same logic, they will get exactly the kind of retaliation that we have been warning about. And it will be justified on this basis of U.S. law passed by the Democrats.

□ 1410

Our economic problems are not due to international trade, and this Gephardt, Perot, Iacocca, Smoot-Hawley protectionist bill will bring economic distress, not economic growth. I urge my colleagues to vote "no" on the bill and vote "no" on the even more ill-conceived Gephardt-Levin amendment.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HOBSON].

Mr. HOBSON. Mr. Chairman, I rise today in opposition to H.R. 5100, particularly the Gephardt-Levin amendment. I have heard from thousands of my constituents in Ohio who believe this bill threatens their jobs and I agree with them. Not only will this legislation discriminate against a growing number of Americans working in America, it will limit the choices available to American consumers and be totally ineffective in improving the American economy or market access to Japan.

I recently received a letter from a constituent, a father of three children and an employee of Honda of America for 9 years. He wrote:

> I feel that we * * * are probably some of the most patriotic and God-fearing Americans that could be found anywhere in this great country of ours * * * why are we now being treated like we are foreigners in our own country * * *. I know that this country got where it is now by allowing progress through free enterprise. I know that I am just one of the little people, but I still believe in this country and what it was built upon.

Mr. Chairman, H.R. 5100 is bad public policy. It will devastate American economic expansion by discouraging investment in the United States. It will limit the ability to transplant companies to continue to compete as an American-based company in world markets. It will strangle job-creating export growth by forcing the Japanese, our second largest trading partner, to take retaliatory measures.

These responses will penalize hard-working Americans by jeopardizing Ohio's estimated 470,000 export-related jobs and increasingly limiting the world market for their goods. As we continue to develop new markets for American-made products, we cannot limit our possibilities and become isolated from the global economy.

Even more disastrous is the Gephardt-Levin amendment which singles out automotive transplant companies and punishes the Americans who work for those companies, including over 10,000 hard-working residents in Ohio's Seventh District.

The most offensive measure of this amendment is the domestic-content requirement which discriminates based on the nationality of company ownership, instead of where the product was actually manufactured. Cars made by transplants in Ohio will have to meet a 70-percent domestic content requirement, while cars made by the same transplant in Canada will have to meet only a 50-percent domestic content requirement and be sold here. Canadian production will be treated more favorably than American production. So-called domestic producers would be exempt from this requirement even though much of their production would fail to meet these guidelines. This is precisely the kind of barrier the United States is seeking to eliminate in international negotiations. Fair is fair. Mr. Chairman, this amendment is not fair.

The transplant companies and their suppliers in Ohio's Seventh Congressional District have been good employers and good corporate citizens. These companies have been working to increase their usage of American-made parts. Therefore, instead of passing legislation such as H.R. 5100 that will cap growth, and is anticonsumer, and is anti-American, Congress should pass pro-growth, pro-consumer, pro-job creation legislation to provide employment for American workers.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman, I have the feeling that some of my colleagues get so caught up with the idea of solving the trade deficit that they miss the larger purpose which should be a part of any legislation.

We in Congress are supposed to care about the welfare of the people. How is the peoples' welfare improved when they have to pay thousands of dollars more for household necessities each year because we in Congress are artificially raising the prices?

Explain to me how preventing American consumers from obtaining higher quality goods at lower prices serves the general welfare?

The economic principles mandating that the provisions in this bill will hurt our citizens and disrupt our economy could be explained at length to you today in Moscow, in Prague, in Budapest, in Warsaw, and in other parts of the world that have long experience with centralized controlled trade. These countries are giving it up. They're tired of having standards of living that are unacceptable.

Where in this world can you find one government body that continues to believe that increasing Federal control over trade, decreasing Executive ability to make trade agreements, and heightening protection of domestic industries is a positive step?

It's truly remarkable, but I believe there is only one place today that seems determined to move in this anti-free-market direction and that is this body of Congress.

While the rest of the world struggles to open doors, expand ties and trade, to negotiate in good faith and lower barriers, this bill wrecks negotiating possibilities, encourages intransigence and retaliation, narrows overseas markets for American goods and increases hurdles for companies wishing both to import and export with the United States.

And let's not kid ourselves, Mr. Chairman, you hear a lot about Japanese protectionism and how the United States is getting the raw end of the deal. To the extent that's true, they've simply improved on our example.

The United States continues to thwart its best own interests with trade policies that are decidedly protectionist. Our consumers already pay more than $80 billion a year as a result of trade barriers—that's about $800 for every American family—to keep these policies and the special interests they protect insulated from competition.

There's hardly an economist that would say we're getting our money's worth or even a fraction of our money's worth for this protection. It is a recognized truism that protectionist policies save jobs in the protected industry only at the cost of an even greater number of jobs in the economy at large. And trade barriers routinely cost American consumers 8 to 10 times as much as they benefit American producers.

And so in the end we burden our consumers, lower the standard of living for our citizens, and put Americans out of work all in order to prove to the Japanese that we're tough on trade.

Mr. Chairman, this bill will be tough on trade alright and it will be tough on our constituents and on our economy.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, if history is a guide, protectionism belies its name. It provides job security for candidates, not workers. Just as in Pogo's terms, the enemy is us, in trade policy the enemy is politicians, usually one's own.

The problem with this legislation is that it will evoke copycat actions around the globe; it will jeopardize not only our export-dependent farm economy, but the manufacturing sector as well. Why we would want to undercut our status as the No. 1 exporting country in the world is simply beyond my ken.

One of the lessons of the 1930's was that protectionist legislation lengthened and deepened the Great Depression. By reverse logic, in recessionary times, promoting policies which impede the growth of international trade is likely to serve as an economic stimulant.

Instead of moving to increase trade by bolstering GATT and advancing regional free-trade agreements, the majority party is serving up a convention-eve protectionist stew.

Let's compete, not capitulate; stand up to challenges in the real world, not succumb to the politics of retaliation and counterproductivity.

As far as protectionist legislation is concerned, this bill is not radical; it is moderately bad. As the gentleman from Indiana [Mr. PEASE] noted, the bill isn't designed to penalize foreign companies producing in this country, or, by inference, joint ventures operating here. Yet the fact that the bill is only moderately bad is no reason to take legislative solace. As our distinguished Trade Representative, Carla Hills, notes, isn't it indefensible to set a new legislative standard: Object only to the blasphemous, not the incrementally bad.

This legislative effort is an understandable reflection of political frustration. It should be respected, but nonetheless defeated.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I thank the distinguished floor leader and chairman of the Committee on Ways and Means for yielding time to me.

Mr. Chairman, the central question here is why can't we sell cars to Japan? The administration has not been able to adequately answer this question, so the Gephardt-Levin amendment will require the U.S. Trade Representative to negotiate an agreement that ensures us access to this market.

This is a serious subject. In 1991, the United States' total trade deficit was $66 billion—$43 billion of that was with Japan—$30 billion of our deficit with Japan was in automobiles and auto parts; 45 percent of the United States total trade deficit in 1991 was with Japan in automobiles and auto parts.

In contrast, during the same year the United States posted a nearly $17 billion trade surplus with the European Community. We held surpluses with the former Soviet Union, Australia, Mexico, Turkey, Egypt, Kuwait, and others. At the same time, we greatly reduced our deficit with Korea and Taiwan. If we can hold a automotive trade surplus with the rest of the world and remain competitive, why can't we sell cars to Japan?

Japan has replaced the United States as the world's leading producer of automobiles and has the world's second largest market. Yet, Japan imports less than 3 percent of its cars. In the United States, more than 50 percent of all cars sold this year will be imports or from Japanese transplant companies. If our markets are open, why can't we sell cars to Japan?

The city of Detroit, once the automotive capitol of the world and a leader in manufacturing technology, now has one of the highest unemployment rates in the country. Thousands of workers have been laid off, plants are closed and buildings are boarded up. A healthy automotive industry is crucial to the well-being of the entire Nation, and could rebuild the city of Detroit. So I ask you, why can't we sell cars to Japan?

Simply put, our problems with Japan have nothing to do with the alleged inferiority of American cars or the alleged laziness of American workers. J.D. Power & Associates' annual quality survey showed that from 1987 to 1991, the quality of American cars improved by 12 percent while the quality of autos manufactured by the top five Japanese companies remained constant. In fact, there was a negligible difference between the quality of American and Japanese cars in 1991.

This is not anticompetitive act that we are committing here. We are trying to change a closed market into a fair market. Our problems with Japan are rooted in their practice of denying American companies access to Japanese markets, coupled with the systematic targeting and gutting of the United States automotive industry.

This bipartisan amendment confronts our persistent trade deficit with Japan and the threat to United States industry. It calls on the United States Trade Representative to negotiate a comprehensive automotive sector trade agreement with Japan. It will offset the anticipated glut of Japanese autos in the United States market as Japanese auto producers look to sell off their excess capacity because of limits imposed by the European Community.

In addition, the Gephardt-Levin amendment will provide the President the necessary tools to ensure the Japanese honor the commitments they made at the Tokyo summit last January. Chief among these was Japan's commitment that sourcing at their transplant facilities would result in increases in the use of domestic parts to a level of 70 percent.

Finally, this amendment will establish a monitoring system and an enforcement mechanism that addresses the question of what to do if Japan fails to follow through on its promises.

It has been said that every $1 billion invested translates into thousands of new jobs. Therefore, our $30 billion automotive trade deficit with Japan represents a loss of hundreds of thousands of jobs. If we fail to close this gap, our competitive edge will continue to rust, our manufacturing base will continue to erode, and our unemployment rates will continue to soar.

The Gephardt-Levin automotive sector amendment is the critical component of a comprehensive trade policy that will save American jobs and American industry. This amendment addresses Japan's egregious trade policies and practices that have denied American companies the opportunity to compete fairly, and have devastated the American work force. As a representative from the great State of Michigan, which employs nearly 35 percent of the Nation's automotive production workers, I ask that this body confront this crisis head-on with strong legislation. Please support this amendment.

□ 1420

Mr. SUNDQUIST. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I just wanted to briefly answer the gentleman from Ohio [Mr. PEASE] who had made some comments and referred to my comments in terms of the loss of jobs that would occur in this country if this legislation had passed or will pass and become law. I hope it will not. I am opposed to the legislation.

I want to tell the gentleman from Ohio [Mr. PEASE], who is a friend of mine and for whom I have great respect that what we find in this legislation is punishment to those companies who have been associated with an original dumping problem, and they will get tainted as a result of that, and without evidence. So that will be a problem in terms of loss of jobs in and of itself.

Companies that have done business on a normal business relationship, have not been part of dumping, but are associated with it.

In addition to that, Mr. Chairman, we see in this legislation comments like "is significant," "a pattern of circumvention," and also "historically supplied the parts." Those are very difficult to quantify, and I think this is a very serious problem.

So I would answer my colleague and friend from Ohio by saying that this is the section I was referring to in my earlier comments. I think it is dangerous to create legislation that is hard to define and that will touch companies that have not been a direct part of the problem, and it is going to overflow onto them and will end some jobs in this country.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I thank my chairman for yielding me the time.

I would say to my colleague from Tennessee that I just have to say I have listened to his comments just now carefully and still did not see anything in there that directly would affect American companies. Surely if there is dumping of products below their cost in this country having an adverse effect on American companies and workers, that ought to be stopped. And I am the author of the language strengthening the antidumping and the anticountervailing duty sections, and I can assure the gentleman that it was not my intent, nor does the language in my opinion provide for any kind of adverse effects on American companies. Quite the contrary.

Mr. SUNDQUIST. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. CRANE], a senior member of the committee.

Mr. CRANE. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I simply want to reiterate a few basic statistics, some of which may be somewhat repetitious but warrant reexamination routinely because H.R. 5100 threatens our export-driven growth in our economy which has really been increasingly dependent upon it for the last 2 or 3 years.

Since 1988, Mr. Chairman, exports of goods and services have accounted for over 75 percent of U.S. economic growth.

Second, the United States is now the world's No. 1 exporter, with over $610 billion in exports of goods and services expected just this year alone. Each $1 billion in exports generates nearly 20,000 export-related jobs, and those jobs pay almost 17 percent more than the average U.S. wage.

Turning to our relations with Japan, the United States exported nearly $50 billion worth of goods to Japan in 1991, and that is more than to Germany, Ireland, France, and Italy combined. Exports to Japan have risen nearly 25 times as fast as imports from Japan in the last 3 years.

United States exports of manufactures to Japan have grown 30 percent faster than on a global basis. Finally, United States exports of services have grown 13 percent faster to Japan than globally.

I would urge my colleagues to take a long hard look at the evidence and the facts. It is overwhelmingly conclusive that this is well-intentioned but misguided legislation, and I would urge a "no" vote.

Mr. SMITH of New Jersey. Mr. Chairman, I rise in support of H.R. 5100, the Trade Expansion Act of 1992. Not only will this bill give U.S. businesses a fighting chance at access to closed foreign markets, but the bill will reform our international trade laws to cultivate fair trade in the domestic marketplace.

Mr. Chairman, I also support the Trade Expansion Act because it includes legislation which I authored earlier this Congress.

On April 16, 1991, I introduced H.R. 1835 to strengthen the international competitiveness of the U.S. commercial communication satellite industry. I was pleased that after consideration and markup by the Subcommittee on Trade, my bill—H.R. 1835—was embraced by Chairman ROSTENKOWSKI and included in the House trade expansion package.

Under current law, entire communication satellites and most parts may be imported into the United States free of duty as long as the satellite is subsequently reexported or launched into orbit. However, certain components which are necessary for the domestic manufacture of communication satellites have different tariff classifications and are therefore subjected to high import duties. The importer may put up a bond in exchange for paying the duty and can have the bond and the tariff excused if the manufacturer launches or reexports the satellite within 3 years. This procedure is known as temporary importation under bond [TIB].

Unfortunately, Mr. Chairman, the shuttle *Challenger* disaster and other launch failures played havoc with communication satellite launch schedules. As my colleagues know, the schedules for launches are determined years in advance and the repercussions from these past failures are still being felt by the industry.

My bill would provide satellite manufacturers with an additional 2 years—for a total of 5 years—to launch their satellites without the builders sacrificing the bond or suffering the impact of liquidation damages as long as the delay was no fault of their own.

Mr. Chairman, if enacted, my reform of TIB will ease the burden on those manufacturers who face harsh penalties for no fault of their own.

I am grateful that General Electric's astro-space division in East Windsor, NJ, brought this situation to my attention. While passage of my measure will provide substantial benefits to a local constituent, I see broad positive implications from this legislation.

According to a statement submitted to the House Subcommittee on Trade in support of my bill, the added time to launch or reexport commercial satellites will enable satellite manufacturers to purchase the critical parts in larger quantities, thereby taking advantage of the reduced cost of such quantities. Dr. Lawrence R. Greenwood, then-division vice president and general manager of astro-space said, "The ability to purchase at lower cost in 'quantity' would make U.S. satellite manufacturers more competitive in the world market, with positive effects on the balance of trade."

Among other satellite makers, Loral Corp. has expressed support for my measure.

Mr. Chairman, the benefits provided by passage of my legislation will clearly enhance the economic strength of U.S. commercial satellite firms in an increasingly competitive world market. I urge approval of this bill without further delay.

Mr. GALLO. Mr. Chairman, I will vote against H.R. 5100, the Trade Expansion Act of 1992, because I firmly believe that it would result in the exact opposite of what its title would suggest.

Over the course of the last 3 years, the United States has recaptured our position as the world's largest exporter, with over $610 billion in exports projected this year. Exports fuel 75 percent of our economic growth. We should not abandon the policies that have led to this success.

I recognize, as some of my colleagues have pointed out, that we have a way to go in our trade relationship with some countries, especially Japan. For example, there is no doubt that our automobile industry is hurting because they are playing on an uneven playing field.

But we have made progress over the last 3 years. Our exports to Japan have risen nearly 25 times as fast as our imports from Japan. We should not tie the hands of our negotiators while they are making this sort of positive progress.

In my home State of New Jersey, some 270,000 export-related jobs would be threatened if this bill becomes law. I have met with countless employers and employees in my district whose jobs depend on exports and who do not want us to resort to the kind of protectionism that will result in retaliatory measures and massive job loss.

Enactment of this bill would hurt U.S. trade abroad and would hinder U.S. economic growth at home. Our economy benefits significantly from exports—exports that would shrink if we adopted the protectionist, retaliatory stance that this legislation represents. Each billion dollars in exports supports 20,000 American jobs—jobs we need here at home.

Among the leading New Jersey job sectors that could be subject to retaliatory trade action are our chemical products industry, our computer and industrial machinery industry, our electric and electronic equipment industry, and our scientific and measuring equipment industry. These four sectors account for more than $6 billion in exports from New Jersey every year.

During my 8 years in Congress, I have worked hard to help small and medium businesses increase their export opportunities. Let's not throw another roadblock in the way of these business people who are trying to expand their opportunities overseas.

As the international economy becomes increasingly interconnected, we must not hurt our competitive position by adopting the protectionist, retaliatory trade strategy represented by this bill. I urge its defeat.

Ms. OAKAR. I rise in support of H.R. 5100, the Trade Expansion Act of 1992. America needs this legislation to combat unfair trading practices and to make a level playing field for global competition.

This bill addresses our main trade problem, our country's trade deficit with Japan. Last year Japan accounted for two-thirds of the United States trade deficit, with the United States-Japan trade deficit of $43.4 billion. Automobiles and auto parts make up the largest part—75 percent—of our deficit with Japan.

Our trade deficit with Japan in automobiles and auto parts is having a devastating impact on American workers. One out of every six American workers is employed in a job related to the auto and auto parts industry. The auto industry accounts for 12 percent of our gross national product and is a major consumer of steel, semiconductors, glass, textiles, machine tools, rubber, and other important products.

We must not allow this mainstay of American industry to be destroyed by unfair, predatory trading practices. The Trade Expansion Act initiates high level negotiations with Japan on automobiles and auto parts and makes the United States Trade Representative more responsive to complaints of unfair trading practices by industry groups.

I urge Members to support this legislation.

Mr. RAMSTAD. Mr. Chairman, I rise today in opposition to H.R. 5100, the so-called Trade Expansion Act.

Mr. Chairman, at a time when the United States is engaged in sensitive trade negotiations around the globe, H.R. 5100 sends the wrong message.

Passage of this measure would signal to the world that the United States has given up on the possibility that international agreements can be reached and prosperity and growth can be realized by all nations working to open their markets.

In addition, H.R. 5100 discriminates against American workers in automotive parts transplant firms—those not owned or controlled by Americans—pitting one American worker against another.

This kind of blatant discrimination against foreign investment violates a long-standing U.S. policy of nondiscrimination toward foreign investment and discourages future investment. As foreign investment falls, so do the number of American jobs. And because the United States remains the world's largest foreign investor, it is critical that we not provoke foreign governments around the world into trade wars that would destroy jobs.

In my home State of Minnesota, exports generated $6.3 billion for the economy in 1990. Foreign retaliation provoked by H.R. 5100 could jeopardize Minnesota's 170,000 export-related jobs, in industries ranging from computers and electronics to agriculture and paper products. Minnesota is proud of its strong history of exporting and free trade. This bill could destroy that legacy, and vital exporting industries nationwide.

Mr. Chairman, across the country, U.S. exports have almost singlehandedly driven this economy during recent years, accounting for 75 percent of our economy's growth. Passage of H.R. 5100 could result in all-out retaliation by our trading partners, causing them to close their markets to our goods, and destroying this critical component of our economy.

Every $1 billion in exports translates into 20,000 export-related American jobs—jobs that pay 17 percent more per hour than the average United States wage. If Japan and the EC imposed prohibitive tariffs on the five largest surplus sectors in the United States economy, a loss of $35 billion in U.S. exports and 700,000 high wage jobs could result.

Mr. Chairman, this bill is just one more example of politics as usual. My colleagues tout H.R. 5100 as a trade expansion initiative, when the real result would be trade destruction. Destroying trade opportunities eliminates American jobs, not just in export industries, but across the economy, as unemployed workers face truncated purchasing power and the spread of economic stagnation. Lost jobs translate into higher deficits as tax revenues fall and recession-related spending rises. Finally, and perhaps most importantly, these effects translate into a severe blow to our Nation's morale as every family is touched by job loss and economic despair.

I urge my colleagues to consider the devastating effects of this bill and reject politics as usual. This is not a trade expansion initiative, it's a job destruction ploy, at a time when our Nation can least afford it. I strongly urge my colleagues to reject H.R. 5100.

Mr. JONES of North Carolina. Mr. Chairman, the fundamental purpose of H.R. 5100, the Trade Expansion Act of 1992, is to strengthen the United States' international trade position. Title II, the Customs Modernization Act, is one of the most effective tools in the bill for increasing American competitiveness.

Many of the navigation laws that the U.S. Coast Guard and the U.S. Customs Service enforce are almost as old as our country. Eight significant navigation laws, including the basic foreign vessel clearance laws and the laws governing entry and clearance for vessels moving between U.S. ports, were enacted before 1800.

The Committee on Merchant Marine and Fisheries played an active role in crafting title

II, because the provisions fall within the committee's jurisdiction over the Coast Guard, common carriers engaged in maritime transportation, and navigation and related laws. Title II would modernize the procedures for enforcing vessel entry, clearance, and movement laws. The bill would amend statutes within the jurisdiction of the Committee on Merchant Marine and Fisheries, including the Act to Prevent Pollution from Ships and certain other laws in the appendix to title 46, United States Code.

The Coast Guard and Customs work under a memorandum of understanding in enforcing these entry and clearance statutes. The Coast Guard has primary enforcement authority for areas outside customs waters while Customs has primary responsibility for shore-side enforcement of customs laws. The two agencies share enforcement responsibility within customs waters.

Under current law, Customs has to enforce obsolete laws that bear no relationship to modern shipping. For example, under present law a vessel master is required to report the number of cannons mounted on a ship to have the vessel cleared, and Customs is required to examine 1 out of every 10 packages in a shipment. This bill would repeal those unnecessary provisions.

Current law does not reflect technological advances in information resource management that have been made since the laws were enacted in the 1800's. The title would allow the Customs Service to purchase and use modern technology information effectively, such as an automated filing system for importers. These information resource management tools would give Customs the ability to gather information, analyze risk, recall data, and send information all over the United States. The title would improve Customs enforcement and allow Customs to handle imported merchandise quickly and efficiently. This streamlined merchandise processing would consequently benefit the private sector.

Finally, title II would establish penalties for recordkeeping and drawback violations, increase the minimum transaction amount Customs collects from $10 to $20, liberalize the definition of goods qualifying for customs duty drawbacks, and require interest to be paid on merchandise revaluations after goods have been entered through Customs.

In summary, it is imperative that Congress give Americans the implements needed to compete effectively in the world market. This bill would also update our statutes, bringing them into the 20th century. It would also allow the Customs Service to use modern technology the United States needs to succeed in a highly competitive, complex world economy.

Mr. McGRATH. Mr. Chairman, I rise in support of H.R. 5100.

I applaud the hard work of Chairman ROSTENKOWSKI and Chairman GIBBONS in crafting this piece of legislation that will open markets and create jobs. H.R. 5100 strengthens U.S. trade laws and closes loopholes, particularly in the area of antidumping and circumvention.

Unfortunately, our negotiators have tried and failed to achieve our trade goals and it is time to implement legislation that will demand reciprocity from our trading partners.

This legislation also includes provisions that modernize customs procedures by computerizing customs service transactions. It will improve customs enforcement. This is crucial to our global competitiveness.

The Committee on Ways and Means has worked hard to make this a bipartisan bill and I urge you to support this tough, but fair, legislation.

Mr. GRADISON. Mr. Chairman, I rise today in strong opposition to the Gephardt-Levin amendment and the underlying bill, H.R. 5100.

H.R. 5100, the Trade Expansion Act of 1992, is poor trade policy which would actually harm America's economic interests. This bill is a unilateral attack on the Japanese at a time when we are negotiating with them bilaterally and multilaterally through the Uruguay round of the General Agreement on Tariffs and Trade [GATT].

The administration has been and will continue to negotiate with Japan on market opening measures for autos, auto parts, and rice. All three product areas are covered under the on-going structured impediments initiative, and the market opening sector specific [MOSS] talks have been expanded to include autos as well as auto parts. Furthermore, Japan's rice policies are currently under intense negotiation at the GATT. Imposing mandatory Super 301 retaliation would not help bring these negotiations to a successful conclusion. Choosing which unfair trade practices to investigate is likely to have an adverse impact on U.S. trade relations. Allowing any interested party to request, and get, the U.S. Trade Representative to investigate alleged abuses will lead to a much more confrontational and unfriendly trading environment, which can only hurt American business and U.S. jobs since America is the world's No. 1 exporter.

The Gephardt-Levin amendment would make H.R. 5100 even worse. The amendment would require the administration to negotiate a Japanese auto import quota of 1.65 million units, which would remain in effect indefinitely. This would raise import prices and Japanese profits, making Japanese auto manufacturers even more competitive. It would also remove needed pressure on U.S. auto manufacturers to improve their products and conduct research and development.

The Gephardt-Levin amendment would also unilaterally impose domestic content requirements on foreign-owned auto manufacturing facilities located here in the United States. This is an unfair requirement which is likely to discourage needed future foreign investment in the United States. With the United States savings rate at drastically low levels, we should be encouraging foreign investment, which creates jobs here in the United States, not imposing restrictions on it.

There are many good parts of the bill which were worked out in a bipartisan manner, like the Customs modernization and the reauthorization of the Customs Service, USTR, and the International Trade Commission, which I support. It is unfortunate that the Democrat leadership chose to put together a partisan package which has no chance of becoming law.

I urge my colleagues to defeat the Gephardt-Levin amendment and H.R. 5100.

Mr. KOLBE. Mr. Chairman, its an election year, so it must be time for another trade bill. Democrats believe they have an election year issue—and they are willing to clear the decks here in the House to prove it. Despite the need to get spending bills passed to avoid a continuing resolution at the end of the year—another Democrat favorite I should add—we will instead take up a protectionist trade bill that feeds on the fears of Americans who are concerned about their jobs.

This bill is snake-oil doled out at the House carnival—guaranteed to cure all the Nation's ills, even while the real cause of our economic sickness—skyrocketing Federal debt—goes unchecked. This bill will play well with the Democratic special interests in New York next week, which is the sole reason why we are bringing it up today. But, my friends on the other side of the aisle should be warned, this poison pill will not be swallowed by the American people in November.

This bill will cost American jobs. it will cost jobs for American autoworkers who are proud of their work for Honda of America or at Toyota plants here in the United States. But it will also cost American steelworkers, electrical workers, computer makers, engineers, and others who will suffer as domestic manufactured good prices skyrocket and demand falls. That's what protectionism does and that's what this bill will do. It hurts consumers who buy goods by limiting choices and causing price increases. And it hurts the people—Americans in this case—who make those goods.

As we emerge from this recession, a driving force has been our increase in exports. Indeed, our export growth during the last few years has been the only part of the economy that has prevented an even deeper recession. Fred Bergsten of the Institute for International Economics recently told Congress that if it weren't for exports, the fourth quarter of 1991 would have been the worst in postwar history.

We are in the midst today of negotiating two landmark trade agreements. The North American Free-Trade and the Uruguay round of the GATT both promise to bolster the United States economic position in the world. A position that has already been enhanced by exports. At $610 billion, we are the No. 1 world exporter. And exports are forecasted to grow even further and projected to account for one-third of U.S. growth over the next 10 years. My colleagues should keep in mind that each billion dollars in exports creates 20,000 jobs. In addition, we have only begun to explore the long-term potential of the new markets opening up in the former Soviet Union and Eastern Europe. The potential to increase our economic standing while at the same time giving a jump-start to budding free market economies around the globe has never been better.

This bill, by mandating Super 301 procedures, by changing antidumping laws and by violating existing GATT agreements, would jeopardize these possibilities—especially GATT. This bill is the vehicle for the Democrats' self-fulfilling prophecy. Democrats believe the round will fail, therefore, we must pass legislation to guarantee it.

Some 120,000 jobs in my State depend on exports. In Michigan, California, Illinois, Pennsylvania, New York, Ohio, and other States, that figure is many times as large. And yet it is Members from these States who will jump on the protectionist bandwagon in order to coddle a few, well-connected, special interests.

Members from those States should carefully consider their actions here today. It will be your workers who will lose their jobs and your local economies that will suffer—all in order to get that endorsement, or to be mentioned in that newsletter.

This is a purely political bill—on the eve of the Democratic convention. It is not a jobs bill, or an economic growth bill, or even a trade bill for that matter—trade has been booming. This is a bill about endorsements and appeasements, about special interests and election year politics. These are not good reasons for passing a Trade Expansion Act that after November will only contract trade, close markets, increase prices, and force American layoffs.

I urge my colleagues to vote against this bill.

Mr. LEWIS of Florida. Mr. Chairman, I rise in opposition to H.R. 5100, the Trade Expansion Act of 1992.

Quite simply, I believe this bill should actually be titled the "Trade and Employment Contraction Act of 1992." Our Nation's economy is largely driven by our exports, and over the past year, the United States has regained its position as the world's No. 1 exporter, with over $600 billion in exports of goods and services this year.

In recent years, almost three-fourths of our economic growth has come from exports, and each $1 billion in exports supports roughly 20,000 jobs, which pay, on average, more than the average U.S. wage. In the case of my State, Florida exports totaled over $16 billion in 1990, and supported over 300,000 jobs. By threatening these exports, we are threatening the very heart of the Nation's, and Florida's, economy.

As many in this House know, I have not been reticent in aggressively criticizing the administration when I believe they are not properly pursuing fair-trade agreements. However, they must be free to do their job, and this legislation denies that right—to the detriment of our economy.

Finally, this legislation violates the Budget Enforcement Act by directing the President to use Congressional Budget Office [CBO] scoring. The President has flatly stated that he would veto any legislation using CBO scoring. His advisors have also threatened a veto of this bill on trade grounds. These scoring provisions, along with many of the trade provisions, have led me to the unfortunate conclusion that this bill is designed for a veto as an election year device. Therefore, I cannot, in good conscience, support this bill.

In addition, I also oppose the Gephardt amendment for many of these same reasons. This amendment, like the underlying bill, will not achieve its publicly stated goals. It will cost jobs, and harm our economy, and I urge its defeat.

Mr. BONIOR. Mr. Chairman, I rise to express my strong support for H.R. 5100, the Trade Expansion Act of 1992, and the automotive policy amendments being offered here today. This amendment is long overdue.

We must focus on achieving results in our trade with Japan. The automotive policy amendment will bring results. We should pass it without delay.

By any measure, the automotive products industry is critical to our economy and the economic well-being of our people. One in every seven jobs is tied to the automotive products industry, which accounts for 4.5 percent of all goods and services produced in the United States. Moreover, the industry supports production and employment in important U.S. industries, consuming 40 percent of all machine tools, 25 percent of glass production, and 20 percent of all semiconductors sold in the United States, among others.

Despite the industry's importance, nearly a decade of inaction has characterized administration policy. What we have had is rhetoric that espouses free trade, but policies that have locked the American auto industry out of Japan's market.

The administration's decade of inaction allowed Japan to rack up ever higher market share gains in the United States while continuing to protect its home market. Japan's market share in 1991 amounted to 3.1 million vehicles, which includes Japanese-owned transplant vehicles in North America—in all, capturing 30 percent of the United States automobile market. The situation is much the same in automotive parts trade, where Japan shipped $9.8 billion more to the United States in 1990 than it bought here.

By contrast, total import penetration into Japan for all vehicles during the past 3 years, 1989, 1990 and 1991, is less than 3 percent. For United States exports to Japan, the reality is even more stark, with exports hovering around 0.4 percent of the Japanese market during the period. And when only Big Three exports are considered, market share amounts to less than one-twentieth of 1 percent. United States auto parts exports amounted to $800 million in a Japanese market of over $100 billion in 1990.

The result of Japan's protective policies is a United States-Japan trade deficit of $43 billion in 1991, of which 65 percent is in automotive products trade.

The reality then is we cannot reduce the deficit unless we deal with automotive products trade. And the history in this respect is not good. This administration talks and talks some more. Japan makes a change here and then a change there. The end result is the same. Japanese market share in the United States continues to grow, and the Japanese market remains closed. The U.S. trade deficit in autos and auto parts continues to grow.

Nearly a decade of talk makes one conclusion inescapable: Without strong action on the part of Congress, Japan will not change.

The time for action is long overdue. The automotive policy amendment will cause this administration to deal directly with our automotive trade problems with Japan.

The amendment directs the USTR to negotiate the continuation of the existing VRA on autos with Japan for as long as the Japan-European community agreement remains in effect. This is a responsible solution to the Japan-European Community agreement.

In addition, the amendment would hold the Japanese to the commitments made as part of the action plan during the President's trip to Tokyo this January.

I urge my colleagues to support the automotive policy amendment. It is good policy. The American people have waited too long for a trade policy that gets tough with Japan. We should pass this amendment now.

Mr. SMITH of Florida. Mr. Chairman, I rise in support of H.R. 5100.

This legislation seeks to correct a glaring imbalance which threatens to seriously erode our industrial base. The auto industry employs 2 million workers and accounts for 4.5 percent of our GNP. Last year, our $30.1 billion automotive trade deficit with Japan alone amounted to a whopping 45 percent of our $66.2 billion merchandise trade deficit with the entire world. The status quo is hurting us and helping Japan at our expense.

There is something wrong when the Japanese are allowed to import 60 times more cars here than we are allowed to export to Japan. The Japanese sold 2.4 million cars here last year—including 1.3 million imports and 1.1 million transplants. The United States was allowed to sell just 30,128 cars in Japan. Is it fair to give Japan 33 percent of our market while we get a measly 1 percent of theirs? I do not think so. This is why I am an original cosponsor of this legislation.

Economics texts may prescribe policy for perfect competition. But we are dealing with imperfect competition here, and unfair trade. This has gone on too long.

By extending for 5 years the Super 301 provisions of the 1988 Trade Act, H.R. 5100 requires the United States Trade Representative [USTR] to annually report to Congress on countries that are trading unfairly with the United States. Once these countries are identified, constructive solutions to the trade barriers may be found. In recent years negotiations have successfully removed trade barriers, with retaliation used only as a last resort.

While the administration continues to rely on promises, this legislation seeks concretely to rectify the one-way flow of trade in the United States-Japan automotive and auto parts trade. It requires the USTR to conduct a Super 301 investigation into Japanese trade policies and practices, such as the keiretsu cartel, which prevent United States autos and autos parts from entering the Japanese market.

USTR also would have to negotiate with the Japanese an end to Japan's trade obstacles. We must stop the harmful status quo of United States-Japan trade relations before they do further harm to our economy and our workers. With a recession dragging on, now is not the time to let empty Japanese promises dictate our trade policy.

And yet, agreements are subject to Japan's willingness to abide by them. In testimony before Congress in April of this year, the administration asked Congress to wait until the global partnership plan of action negotiated during the President's January trip to Japan goes into effect.

But the Japanese Government has yet to provide the promised results. No financial incentives to promote car imports and foreign investments in Japanese markets have been issued. The structural impediments initiative [SII] negotiations to open Japan's markets to United States exports is uncertain, and unenforceable anyway. A joint United States Department of Commerce/Japan Ministry of Trade and Industry [MITI] motor vehicle study due July 1992 is not ready.

H.R. 5100 codifies all trade agreements between the United States and Japan. Rather than obstructing the administration's trade policies, Congress is merely trying to implement the commitments that the administration received from the Japanese in January.

The provisions of the Gephardt-Levin amendment are another important part of this legislation. I urge my colleagues to support it. This amendment would put into law the voluntary export limit of 1.65 million autos set by Japan on Japanese automobile exports to the United States. It also would require Japanese transplants in the United States to meet their commitment to increase their purchases of United States-made auto parts to 70 percent.

Failure to act could jeopardize 600,000 American jobs and result in a $22 billion deficit with Japan in the auto parts sector alone. Failure to act would allow the 300 to 400 Japanese auto parts firms to continue to profit enormously from their business with Japanese transplants in the United States while United States auto parts makers have just 2 percent of the Japanese market.

Mr. Chairman, this is an important first step. I urge my colleagues to support the Gephardt-Levin amendment and to support the bill.

Mr. BACCHUS. Mr. Chairman, I rise today in reluctant opposition to H.R. 5100. There is much good in the bill. I especially support the customs modernization provisions in the bill, and I commend Mr. GEPHARDT on these and other needed reforms.

My foremost concern is with the timing of this measure. This is the wrong bill at the wrong time. This is simply not the time to lash out at our trading partners, however much they deserve it. After 5 years, we seem finally on the verge of completing the long and exceedingly difficult Uruguay round of multilateral trade negotiations involving the General Agreement on Tariffs and Trade [GATT]. A historic treaty among more than 100 nations may at last be imminent. Passage of this bill now could risk undermining the success of these trade negotiations that are so critical to our economic growth and to the prosperity of the entire world.

"The Economist" recently predicted that approval of the Uruguay round would immediately raise global income by at least $120 billion a year—roughly one-half percent of today's gross world product. Reportedly, the United States would receive $35 billion of this new income. Will this bill produce such lucrative results? Why risk the tremendous potential benefits of the Uruguay round for American business and American workers for the sake of what is in many ways merely an exercise in legislative ventilation? The success of the Uruguay round is far more important than anything we are likely to achieve as a result of passing this bill.

Furthermore, while we must of course do all we can to fight unfair trade practices and to pry open foreign markets where American firms have been denied fair access, the fact remains that where our true long-term economic interests are concerned, multilateral trade negotiations are far, far preferable to unilateral actions such as those contemplated by H.R. 5100. We will have ample opportunity to review and, if necessary, adjust our trade laws when we consider the results of the Uruguay round as well as the results of the ongoing negotiations for a free-trade agreement among the United States, Canada, and Mexico.

Finally, despite its title, I fear that this Trade Expansion Act is really a trade reduction act. This bill will boomerang against U.S. exporters by provoking retaliation by our trading partners.

As a Representative from Florida, I know the importance of exports to the U.S. economy. More than 300,000 jobs in Florida are export-related. Exports generated approximately $16 billion for Florida businesses in 1990. Nationally, exports have accounted for 75 percent of our economic growth since 1988. Each $1 billion in exports supports about 20,000 export-related jobs. And these export-related jobs pay 17 percent more per hour than the average American wage.

We must not forget that even with our trade deficit with Japan, Japan remains America's second largest export market. Furthermore, we have a trade surplus with the European Community. Retaliation by Japan and the EC against the unilateral actions envisioned by H.R. 5100 could be particularly destructive to American agriculture and to aerospace and other American manufacturing sectors at a time when exports alone seem to be propelling our economy. The so-called Trade Expansion Act could end up shrinking our economy and shrinking our future.

Mr. STOKES. Mr. Chairman, I rise today in support of H.R. 5100, the Trade Expansion Act, which will extend Super 301 trade authority for 5 years, and also toughen our Nation's current antidumping and countervailing duty laws. I also strongly support the Gephardt-Levin amendment, which seeks to codify the agreements reached between the President and the Japanese Prime Minister in their joint action plan, regarding trade in automobiles and automobile parts. In short, these proposals will strengthen the hand of the President in his negotiations with foreign nations to open up markets and ensure free and fair trade worldwide.

I want to take this opportunity to commend the work of the chairman of the Ways and Means Committee, Congressman ROSTENKOWSKI, for his work in shepherding this bill to the floor. H.R. 5100 is balanced legislation that will give the administration additional tools to improve the international trading position of the United States, and ensure access for U.S. goods in foreign markets. The gentleman's efforts to hold this bill together, and bring meaningful, responsible trade legislation to the floor this year, deserves the thanks of all Members of the House.

H.R. 5100 contains a number of provisions to assist U.S. manufacturers to compete on an equal basis in international trade. Reauthorization of Super 301 procedures for 5 years will provide a systematic and ordered policymaking and negotiation framework for reducing foreign trade barriers. In addition, H.R. 5100 includes improvements in our Nation's antidumping and countervailing duty laws, which will help to prevent circumvention of these laws by foreign companies seeking to gain market share in the United States, at the expense of domestic producers.

Mr. Chairman, nowhere is the issue of market access for American products more acute than in United States-Japan trade relations. President Bush traveled to Tokyo this January to meet with the Japanese Prime Minister on the issue of trade negotiations between our two nations. The main focus of the talks was on the United States trade deficit with Japan in automobiles and automobile parts. The President and the Prime Minister announced a joint action plan at the end of their summit, where the Japanese manufacturers pledged to try to increase the U.S. content of their cars produced in the United States from the current level of 50 percent to 70 percent by 1994. The Japanese also pledged to voluntarily limit the number of cars they export to the United States to 1.65 million per year.

The Gephardt-Levin amendment to H.R. 5100 merely seeks to reinforce the pledges made by the Japanese in the joint action plan by codifying them into United States trade laws. The Gephardt-Levin amendment statutorily limits the number of cars Japan may import into the United States at 1.65 million per year as long as the automobile agreement between the European Community and Japan remains in force. The Gephardt-Levin amendment also simply codifies the Japanese pledge to produce cars with at least 70 percent domestic content at their transplant operations in the United States by 1994. It is a reasonable amendment which should receive the support of all Members of the House.

At a time when we have just completed enactment of yet another emergency unemployment benefits extension bill, and the announcement that unemployment has jumped to its highest level in more than 8 years, I believe that it is imperative that we pass legislation which will improve the ability of American manufacturers to export their products overseas, and thus employ more Americans to produce these products.

Mr. Chairman, I have listened to many members on the other side of the aisle argue that extending emergency unemployment benefits did not address the causes of unemployment, and therefore would not really help the unemployed worker. Well, to those Members I would say that insuring market access for American goods, and strengthening laws to prevent unfair foreign competition in the United States certainly addresses some of the causes of unemployment in our country. I would hope that those Members who have argued that preservation of existing jobs, and creation of new jobs is the answer to the unemployment problem will stand up today and show their commitment to helping America's unemployed workers by voting in support of H.R. 5100, and in support of the Gephardt-Levin amendment.

Mr. LIPINSKI. Mr. Speaker, I rise in support of H.R. 5100, the Trade Expansion Act. This legislation will help resolve the many important international trade issues we are facing today. With the end of the cold war, I believe international trade is the most critical issue effecting our Nation's future strength and prosperity and am pleased we are finally taking steps to put teeth into our trade policy.

The Super 301 provisions of the bill will revive the process by which our industries and government can identify and retaliate against unfair trade practices. I have often been frustrated by the inattention of the U.S. Trade

Representative to foreign trade violations, and this bill will require that office to respond. It is time the USTR acts as an advocate for American business rather than greasing the wheels for foreign competitors to enter our markets.

I also strongly support the Gephardt-Levin amendment which will bring fair trade to the auto industry. It is not radical or protectionist, but simply gives force of law to the commitments the Japanese made to President Bush in Tokyo. It will require Japanese transplants to use 70 percent American parts by 1994, as they promised. It also caps Japanese imports at a level the Japanese Government voluntarily established.

I believe this amendment will save jobs in the American auto industry, which is our most important industry in terms of jobs and GNP. Last year the United States accumulated more than a $30 billion auto trade deficit with Japan—a level that has not decreased in 5 years—despite the fact that our industry has made substantial gains in other markets and had a surplus with the European Community. Our continuing deficits with Japan are a direct result of unfair trading practices which limit access to the Japanese market.

I should also point out that the amendment does nothing to affect the production levels of Japanese transplants and will not negatively impact the thousands of American workers at those plants. There is no reason to fear that the amendment will cause job losses among American workers.

I congratulate Mr. ROSTENKOWSKI and the members of the Ways and Means Committee for their excellent work on this legislation and Mr. GEPHARDT and Mr. LEVIN for their amendment. American industries and workers will greatly benefit from their efforts.

Mr. SUNDQUIST. Mr. Chairman, we have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill shall be considered as an original bill for the purpose of amendment, and shall be considered as read.

The text of the committee amendment in the nature of a substitute is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Trade Expansion Act of 1992".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—MARKET ACCESS PROVISIONS

Subtitle A—Enforcement of United States Rights Under Trade Agreements and Response to Certain Foreign Trade Practices

Sec. 101. Extension of "Super 301" authority for 5 years.
Sec. 102. Review of the compliance by foreign countries with bilateral trade agreements.
Sec. 103. Increased access of United States rice and rice products to the Japanese, Korean, and Taiwanese markets.
Sec. 104. Consultations for purposes of preventing certain foreign actions that may become actionable under title III.
Sec. 105. Protection of intellectual property rights under "special 301" provisions.
Sec. 106. Denial of entry of certain reciprocal products.

Subtitle B—International Trade in Motor Vehicles and Motor Vehicle Parts

Sec. 111. Increased access of United States motor vehicles and motor vehicle parts to the Japanese market.
Sec. 112. Foreign-trade zone operations of producers in the motor vehicle and motor vehicle parts industry.

TITLE II—CUSTOMS MODERNIZATION

Sec. 201. Short title.
Sec. 202. Reference.

Subtitle A—Improvements in Customs Enforcement

Sec. 211. Penalties for violations of arrival, reporting, entry, and clearance requirements.
Sec. 212. Failure to declare.
Sec. 213. Customs testing laboratories; detention of merchandise.
Sec. 214. Recordkeeping.
Sec. 215. Examination of books and witnesses.
Sec. 216. Judicial enforcement.
Sec. 217. Review of protests.
Sec. 218. Repeal of provision relating to reliquidation on account of fraud.
Sec. 219. Penalties relating to manifests.
Sec. 220. Unlawful unlading or transshipment.
Sec. 221. Penalties for fraud, gross negligence, and negligence; prior disclosure.
Sec. 222. Penalties for false drawback claims.
Sec. 223. Interpretive rulings and decisions; public information.
Sec. 224. Seizure authority.

Subtitle B—National Customs Automation Program

Sec. 231. National Customs Automation Program.
Sec. 232. Drawback and refunds.
Sec. 233. Effective date of rates of duty.
Sec. 234. Definitions.
Sec. 235. Manifests.
Sec. 236. Invoice contents.
Sec. 237. Entry of merchandise.
Sec. 238. Appraisement and other procedures.
Sec. 239. Voluntary reliquidations.
Sec. 240. Appraisement regulations.
Sec. 241. Limitation on liquidation.
Sec. 242. Payment of duties and fees.
Sec. 243. Abandonment and damage.
Sec. 244. Customs officer's immunity.
Sec. 245. Protests.
Sec. 246. Refunds and errors.
Sec. 247. Bonds and other security.
Sec. 248. Customhouse brokers.
Sec. 249. Conforming amendments.

Subtitle C—Miscellaneous Amendments to the Tariff Act of 1930

Sec. 251. Administrative exemptions.
Sec. 252. Report of arrival.
Sec. 253. Entry of vessels.
Sec. 254. Unlawful return of foreign vessel papers.
Sec. 255. Vessels not required to enter.
Sec. 256. Unlading.
Sec. 257. Declarations.
Sec. 258. General orders.
Sec. 259. Unclaimed merchandise.
Sec. 260. Destruction of merchandise.
Sec. 261. Proceeds of sale.
Sec. 262. Entry under regulations.
Sec. 263. American trademarks.
Sec. 264. Seizure.
Sec. 265. Customs forfeiture fund.
Sec. 266. Limitation on actions.
Sec. 267. Collection of fees on behalf of other agencies.
Sec. 268. Authority to settle claims.
Sec. 269. Use of private collection agencies.

Subtitle D—Miscellaneous Provisions and Consequential and Conforming Amendments to Other Laws

Sec. 281. Amendments to the harmonized tariff schedules.
Sec. 282. Amendment to the Internal Revenue Code of 1986.
Sec. 283. Amendments to title 28, United States Code.
Sec. 284. Amendments to the Revised Statutes of the United States.
Sec. 285. Amendments to title 18, United States Code.
Sec. 286. Amendment to the Act to prevent pollution from ships.
Sec. 287. Amendments to the Act of November 6, 1966.
Sec. 288. Repeal of obsolete provisions of law.
Sec. 289. Reports to Congress.
Sec. 290. Applicability of amendments to entry or withdrawal of goods.

TITLE III—CUSTOMS AND TRADE AGENCY AUTHORIZATIONS FOR FISCAL YEARS 1993 AND 1994

Sec. 301. Customs and trade agency authorizations.
Sec. 302. Customs forfeiture fund.
Sec. 303. Repeal of east-west trade statistics monitoring system.
Sec. 304. Fees for certain customs services.
Sec. 305. Customs personnel airport work shift regulation.

TITLE IV—OTHER TRADE PROVISIONS

Subtitle A—Nontariff Provisions

CHAPTER 1—MISCELLANEOUS NONTARIFF PROVISIONS

Sec. 401. Market disruption.
Sec. 402. End-use certificates.
Sec. 403. Negotiations on anticompetitive practices.
Sec. 404. Machine tool import arrangements.
Sec. 405. Simplification of certain United States international trade laws.
Sec. 406. Congressional Research Service Special Trade Unit.
Sec. 407. Report regarding secondary Arab League boycott.

CHAPTER 2—IMPORT SANCTIONS TO CONTROL NUCLEAR PROLIFERATION

Sec. 411. Short title.
Sec. 412. Imposition of sanctions.
Sec. 413. Definitions.

Subtitle B—Foreign Subsidies and Countervailing and Antidumping Duty Amendments

Sec. 421. Administrative review of determinations.
Sec. 422. Material injury.
Sec. 423. Dual pricing of inputs.
Sec. 424. Report, and access to data, regarding countervailing and antidumping duty collections.
Sec. 425. Prevention of circumvention or diversion of antidumping and countervailing duty orders.
Sec. 426. Study by the administering authorities on ways to simplify initiation of countervailing and antidumping duty actions.
Sec. 427. Reports by United States Trade Representative on operation of commercial aircraft agreement.
Sec. 428. International trade agreements on antidumping.
Sec. 429. Trade distorting subsidies by foreign governments.
Sec. 430. Nonmarket economy country antidumping investigations.
Sec. 431. Material injury.
Sec. 432. Threat of injury standard.

Sec. 433. Principal trade negotiating objectives of the United States concerning dispute settlement mechanisms with respect to United States countervailing duty and antidumping actions.
Sec. 434. Change in effective date for certain administrative reviews.

Subtitle C—Other Tariff Provisions

Sec. 441. Generalized system of preferences.
Sec. 442. Implementation of Annex D of the Nairobi Protocol.
Sec. 443. Miscellaneous tariff provisions.
Sec. 444. Cost estimate.

TITLE I—MARKET ACCESS PROVISIONS

Subtitle A—Enforcement of United States Rights Under Trade Agreements and Response to Certain Foreign Trade Practices

SEC. 101. EXTENSION OF "SUPER 301" AUTHORITY FOR 5 YEARS.

Section 310(a)(1) of the Trade Act of 1974 (19 U.S.C. 2420(a)(1)) is amended by striking out "calendar year 1989, and also the date in calendar year 1990," and inserting "each of calendar years 1993, 1994, 1995, 1996, and 1997".

SEC. 102. REVIEW OF THE COMPLIANCE BY FOREIGN COUNTRIES WITH BILATERAL TRADE AGREEMENTS.

(a) AMENDMENT TO TITLE III.—Chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2411 et seq.) is amended by inserting after section 306 the following new section:

"SEC. 306A. REQUESTS FOR REVIEW OF FOREIGN COMPLIANCE.

"(a) DEFINITIONS.—For purposes of this section—

"(1) The term 'interested person' means any person that has a significant economic interest that is being, or has been, adversely affected by the failure of a foreign country to comply materially with the terms of a trade agreement.

"(2) The term 'trade agreement' means any bilateral trade agreement to which the United States is a party; except—

"(A) the United States-Canada Free-Trade Agreement entered into on January 2, 1988, and

"(B) the Agreement on the Establishment of a Free Trade Area between the Government of the United States of America and the Government of Israel entered into on April 22, 1985.

"(b) REQUEST FOR REVIEW.—

"(1) An interested person may request the Trade Representative to undertake a review under this section to determine whether a foreign country is in material compliance with the terms of a trade agreement.

"(2) A request for the review of a trade agreement under this section may be made only during—

"(A) the 30-day period beginning on each anniversary of the effective date of the trade agreement; and

"(B) the 30-day period ending on the 90th day before the termination date of the trade agreement, if the first day of such 30-day period occurs not less than 180 days after the last occurring 30-day period referred to in subparagraph (A).

"(3) The Trade Representative shall commence a review under this section if the request—

"(A) is in writing;

"(B) includes information reasonably available to the petitioner regarding the failure of the foreign country to comply with the trade agreement;

"(C) identifies the economic interest of the petitioner that is being adversely affected by the failure referred to in subparagraph (B); and

"(D) describes the extent of the adverse effect.

"(4) If 2 or more requests are filed during any period described in paragraph (2) regarding the same trade agreement, all of such requests shall be joined in a single review of the trade agreement.

"(c) REVIEW.—

"(1) If 1 or more requests regarding any trade agreement are received during any period described in subsection (b)(2), then within 90 days after the last day of such period the Trade Representative shall determine whether the foreign country is in material compliance with the terms of the trade agreement.

"(2) In making a determination under paragraph (1), the Trade Representative shall take into account—

"(A) the extent to which the foreign country has adhered to the commitments it made to the United States;

"(B) the extent to which that degree of adherence has achieved the objectives of the agreement; and

"(C) any act, policy, or practice of the foreign country, or other relevant factor, that may have contributed directly or indirectly to material noncompliance with the terms of the agreement.

The acts, policies, or practices referred to in subparagraph (C) may include structural policies, tariff or nontariff barriers, or other actions which affect compliance with the terms of the agreement.

"(3) In conducting any review under paragraph (1), the Trade Representative may, if the Trade Representative considers such action necessary or appropriate—

"(A) consult with the Secretary of Commerce and the Secretary of Agriculture;

"(B) seek the advice of the United States International Trade Commission; and

"(C) provide opportunity for the presentation of views by the public.

"(d) ACTION AFTER AFFIRMATIVE DETERMINATION.—

"(1) If, on the basis of the review carried out under subsection (c), the Trade Representative determines that a foreign country is not in material compliance with the terms of a trade agreement, the Trade Representative shall determine what action to take under section 301(a).

"(2) For purposes of section 301, any determination made under subsection (c) shall be treated as a determination made under section 304.

"(3) In determining what action to take under section 301(a), the Trade Representative shall seek to minimize the adverse impact on existing business relations or economic interests of United States persons, including products for which a significant volume of trade does not currently exist.

"(e) INTERNATIONAL OBLIGATIONS.—Nothing in this section may be construed as requiring actions that are inconsistent with the international obligations of the United States, including the General Agreement on Tariffs and Trade.".

(b) CONFORMING AMENDMENTS.—

(1) CONGRESSIONAL NOTIFICATION.—Section 309(3)(A) of the Trade Act of 1974 (19 U.S.C. 2419(3)(A)) is amended by striking out "section 302," and inserting "sections 302 and 306A(c),".

(2) TABLE OF CONTENTS.—The table of contents of the Trade Act of 1974 relating to chapter 1 of title III is amended by inserting after the item relating to section 306 the following:

"Sec. 306A. Requests for review of foreign compliance.".

SEC. 103. INCREASED ACCESS OF UNITED STATES RICE AND RICE PRODUCTS TO THE JAPANESE, KOREAN, AND TAIWANESE MARKETS.

(a) INITIATION OF "SECTION 301" INVESTIGATION.—Within 45 days after the date of the enactment of this Act, the United States Trade Representative shall initiate an investigation under section 302(b)(1) of the Trade Act of 1974 (19 U.S.C. 2412(b)(1)) regarding all those acts, policies, and practices of Japan, Korea, and Taiwan that affect the access of rice and rice products produced in the United States to the market of each of such countries.

(b) NEGOTIATIONS.—During the period of the investigation required under subsection (a), the United States Trade Representative shall seek the elimination of the acts, policies, and practices referred to in subsection (a), either—

(1) pursuant to the Uruguay Round of multilateral trade negotiations under the General Agreement on Tariffs and Trade; or

(2) on a bilateral basis with the governments of each of the countries referred to in subsection (a).

(c) REPORT ON NEGOTIATIONS.—No later than March 1, 1993, the United States Trade Representative shall submit to Congress a report that states whether, and to what extent, the negotiations required under subsection (b) have been successful and, if such negotiations have not been successful, the report shall also—

(1) state in detail the reasons therefor; and

(2) set forth those actions that will be taken to achieve the purposes of this section.

SEC. 104. CONSULTATIONS FOR PURPOSES OF PREVENTING CERTAIN FOREIGN ACTIONS THAT MAY BECOME ACTIONABLE UNDER TITLE III.

(a) IN GENERAL.—Section 302(a) of the Trade Act of 1974 (19 U.S.C. 2412(a)) is amended by inserting after paragraph (4) the following:

"(5) If the Trade Representative—

"(A) makes, with respect to a petition containing an allegation referred to in section 301(a)(1)(B)(ii) or (b)(1), a negative determination under paragraph (2) on the basis that a burden or restriction on United States commerce currently does not exist, but

"(B) considers that such a burden or restriction is likely to exist if the foreign country concerned either continues to apply, or implements a heretofore unexecuted aspect of, the act, policy, or practice involved,

the Trade Representative shall request consultations with the foreign country for purposes of preventing circumstances that may lead to renewed allegations that the act, policy, or practice burdens or restricts United States commerce.".

(b) EXPEDITED CONSULTATIONS.—Section 303 of such Act (19 U.S.C. 2413) is amended—

(1) by striking out "commenced," in subsection (a)(2)(B) and inserting "commenced (or the 90th day after the day on which consultation was commenced if previous consultation with the foreign country concerned regarding any issue under investigation was requested or engaged in under section 302(a)(5)),";

(2) by inserting after subparagraph (B) of subsection (b)(1) the following flush sentence:

"The Trade Representative may not delay consultations under the authority of this subsection if previous consultation with the foreign country concerned regarding any issue under investigation was requested or engaged in under section 302(a)(5)."

(c) REPORT.—Section 309(3)(A) of such Act (19 U.S.C. 2419(3)(A)) (as amended by section 102(b)(1)) is further amended by inserting after "306A(c)," the following: "and, if consultations are requested or engaged in under section 302(a)(5), the response of the foreign government to the request or the progress in, or results of, such consultations, as the case may be,".

SEC. 105. PROTECTION OF INTELLECTUAL PROPERTY RIGHTS UNDER "SPECIAL 301" PROVISIONS.

Section 182 of the Trade Act of 1974 (19 U.S.C. 2242(d)(2)) is amended—

(1) by amending subsection (a)(1)—

(A) by striking out "or" at the end of subparagraph (A),

(B) by striking out "and" at the end of subparagraph (B) and inserting "or", and

(C) by inserting after subparagraph (B) the following:

"(C) deny adequate substantive standards, and";

(2) by amending subsection (b)(1)(A)—

(A) by striking out "or" at the end of clause (i),

(B) by inserting "or" after the comma at the end of clause (ii), and

(C) by inserting after clause (ii) the following:

"(iii) deny adequate substantive standards,"; and

(3) by amending subsection (d) by adding at the end thereof the following:

"(4) A foreign country denies adequate substantive standards if the country enforces or permits procedures under its patent approval system that result in, among other practices—

"(A) patent applications being subject to pre-grant opposition,

"(B) the extended deferral beyond 3 years of patent examination,

"(C) an inordinately long period of time being required for approval of applications,

"(D) an issued patent term of less than 17 years from date of grant or 20 years from date of file, or

"(E) inordinate delay in obtaining or unavailability of judicial review of denied applications.".

SEC. 106. DENIAL OF ENTRY OF CERTAIN RECIPROCAL PRODUCTS.

(a) IN GENERAL.—

(1) IDENTIFICATION OF RECIPROCAL PRODUCTS.—If the Trade Representative—

(A) identifies a foreign country as a priority foreign country under section 182(a)(2) of the Trade Act of 1974 (19 U.S.C. 2242(a)(2)); and

(B) as a result of an investigation commenced under section 302(b) of the Trade Act of 1974 (19 U.S.C. 2412(a)) pursuant to the identification referred to in subparagraph (A), makes an affirmative determination under section 304(a)(1) of such Act that the denial of adequate and effective protection of intellectual property rights by such country is an act, policy, or practice that is unreasonable and burdens or restricts United States commerce;

the Trade Representative shall identify each product (hereinafter referred to in this section as a "reciprocal product") or group of reciprocal products that—

(i) is manufactured, prepared, propagated, compounded, or processed in one or more establishments within such country, and

(ii) is directly related to the denial of adequate and effective protection of intellectual property rights that is determined under subparagraph (B) to be unreasonable and a burden or restriction on United States commerce.

(2) NOTICE OF RECIPROCAL PRODUCT IDENTIFICATIONS.—At the time an affirmative determination referred to in paragraph (1)(B) is made, the Trade Representative shall cause to be published in the Federal Register a notice containing the reciprocal product identifications made under paragraph (1) as a consequence of such determination.

(b) DENIAL OF ENTRY TO RECIPROCAL PRODUCTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall deny entry to each reciprocal product.

(2) EXCEPTION.—The Secretary may not deny entry under the authority of paragraph (1) to any reciprocal product of a foreign country if the Trade Representative determines that—

(A) such country is taking satisfactory steps to provide adequate and effective protection of intellectual property rights,

(B) such country has agreed to an imminent solution, that is satisfactory to the Trade Representative, to the burden or restriction on United States commerce,

(C) such country has agreed to provide compensatory trade benefits that are satisfactory to the Trade Representative, or

(D) in an extraordinary case, where the taking of action under this subsection would have an adverse impact on the United States economy substantially out of proportion to the benefits of such action, taking into account the impact of not taking such action on the credibility of the provisions of this section.

The Trade Representative shall cause to be published in the Federal Register a notice of any determination made under this paragraph.

(3) NOTIFICATION.—The Secretary shall notify the appropriate importer of record or consignee of each denial of entry imposed under the authority of paragraph (1).

(4) EXPORTATION OR DESTRUCTION.—The Secretary shall destroy any reciprocal product for which entry is denied under paragraph (1) unless the product is exported from the United States, in accordance with regulations prescribed by the Secretary, within the 90-day period (or such longer period as may be permitted under regulation) after the day on which notice regarding the product is issued under paragraph (3).

(c) REGULATIONS.—The Trade Representative and Secretary shall each prescribe such regulations as are necessary or appropriate to carry out the respective functions given them under this section.

(d) DEFINITIONS.—As used in this section—

(1) The term "entry" includes a withdrawal from warehouse for consumption.

(2) The term "Secretary" means the Secretary of the Treasury.

(3) The term "Trade Representative" means the United States Trade Representative.

Subtitle B—International Trade in Motor Vehicles and Motor Vehicle Parts

SEC. 111. INCREASED ACCESS OF UNITED STATES MOTOR VEHICLES AND MOTOR VEHICLE PARTS TO THE JAPANESE MARKET.

(a) INITIATION OF "SECTION 301" INVESTIGATION.—Within 45 days after the date of the enactment of this Act, the United States Trade Representative shall initiate an investigation under section 302(b)(1) of the Trade Act of 1974 (19 U.S.C. 2412(b)(1)) regarding all those acts, policies, and practices of Japan, including, but not limited to—

(1) the acts, policies, and practices utilized in the Japanese automotive distribution system;

(2) the toleration of systematic anticompetitive activities by or among private firms (including the relationships commonly known as "Keiretsu");

(3) exclusionary business practices; and

(4) testing requirements and other government regulations;

that affect the access to the Japanese market of motor vehicles and motor vehicle parts produced by manufacturers, other than those that are Japanese owned or controlled, that are located in the United States (hereafter in this section referred to as "United States manufacturers").

(b) TRADE AGREEMENT.—During the period of the investigation required under subsection (a), the United States Trade Representative shall enter into negotiations with the Government of Japan for the purpose of concluding a trade agreement that—

(1) eliminates or modifies those aspects of the acts, policies, and practices referred to in subsection (a) that act as barriers to the Japanese market for exports of motor vehicles and motor vehicle parts produced by United States manufacturers;

(2) provides for the prompt implementation and enforcement by the Government of Japan of its commitments under the Structural Impediments Initiative (SII), the Market-Oriented Sector Specific (MOSS) agreements, the Market-Oriented Cooperation Plan (MOCP), and the Action Plan announced at the Tokyo Summit in January 1992 with respect to trade in, and the purchase of, motor vehicles and motor vehicle parts;

(3) establishes longer term goals for the purchase by Japanese motor vehicle manufacturers of high value-added motor vehicle parts and accessories from United States manufacturers through immediate parts sourcing arrangements and "design-in" projects aimed at new model development; and

(4) establishes procedures for the exchange of information between the appropriate agencies of the United States and Japanese Governments that will permit the accurate assessment of the bilateral trade in motor vehicle parts, particularly with respect to the extent of the purchase of motor vehicle parts produced by United States manufacturers for use by Japanese sources in the Japanese market.

The United States Trade Representative should seek the support of other interested foreign governments in obtaining a trade agreement under this subsection.

(c) REPORT IF NEGOTIATIONS UNSUCCESSFUL.—If the negotiations undertaken pursuant to subsection (b) are not successful, the United States Trade Representative shall submit to the Congress a report that—

(1) states in detail the reasons why the negotiations were not successful; and

(2) sets forth those actions that will be taken, or will be proposed for congressional consideration, to achieve the objectives sought in the negotiations.

Such report shall be submitted no later than the date by which the determinations under section 304 of the Trade Act of 1974 are required with respect to the investigation initiated under subsection (a).

SEC. 112. FOREIGN-TRADE ZONE OPERATIONS OF PRODUCERS IN THE MOTOR VEHICLE AND MOTOR VEHICLE PARTS INDUSTRY.

In the administration of the Act of June 18, 1934 (commonly known as the "Foreign-Trade Zones Act"), the Board established by such Act shall—

(1) review the operations of United States and foreign motor vehicle and motor vehicle parts producers to determine whether the foreign trade zones (including subzones) of such producers have a net positive economic effect on the United States, according to the standards set forth in such Act and the regulations issued by such Board on October 8, 1991 (15 CFR Part 400); and

(2) on the basis of its review, take appropriate action authorized by existing law and regulations, including the possible revocation or modification of a zone or subzone grant, with respect to any producer referred to in paragraph (1) whose operations in a foreign trade zone are determined not to have a net positive effect on the United States economy.

TITLE II—CUSTOMS MODERNIZATION

SEC 201. SHORT TITLE.

This title may be cited as the "Customs Modernization and Informed Compliance Act".

SEC. 202. REFERENCE.

Whenever in subtitle A, B, or C of this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a part, section, subsection, or other provision, the reference shall be considered to be made to a part, section, subsection, or other provision of the Tariff Act of 1930 (19 U.S.C. 1202 et seq.).

Subtitle A—Improvements in Customs Enforcement

SEC. 211. PENALTIES FOR VIOLATIONS OF ARRIVAL, REPORTING, ENTRY, AND CLEARANCE REQUIREMENTS.

Section 436 (19 U.S.C. 1436) is amended—

(1) by amending subsection (a)—

(A) by striking out "433" in paragraph (1) and inserting "431, 433, or 434 of this Act or section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91)",

(B) by amending paragraph (2) to read as follows:

"(2) present or transmit, electronically or otherwise, any forged, altered, or false document, paper information, data or manifest to the Customs Service under section 431(e), 433(d), or 434 of this Act or section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91) without revealing the facts; or", and

(C) by amending paragraph (3) to read as follows:

"(3) to fail to make entry or to obtain clearance as required by section 434 or 644 of this Act, section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91), or section 1109 of the Federal Aviation Act of 1958 (49 U.S.C. 1509); or"; and

(2) by striking out "**and entry**" in the section heading and inserting "**entry, and clearance**".

SEC. 212. FAILURE TO DECLARE.

Section 497(a) (19 U.S.C. 1497(a)) is amended—

(1) by inserting "or transmitted" after "made" in paragraph (1)(A); and

(2) by amending paragraph (2)(A) to read as follows:

"(A) if the article is a controlled substance, either $500 or an amount equal to 1,000 percent of the value of the article, whichever amount is greater; and".

SEC. 213. CUSTOMS TESTING LABORATORIES; DETENTION OF MERCHANDISE.

(a) AMENDMENT.—Section 499 (19 U.S.C. 1499) is amended to read as follows:

"SEC. 499. EXAMINATION OF MERCHANDISE.

"(a) ENTRY EXAMINATION.—

"(1) IN GENERAL.—Imported merchandise that is required by law or regulation to be inspected, examined, or appraised shall not be delivered from customs custody (except under such bond or other security as may be prescribed by the Secretary to assure compliance with all applicable laws, regulations, and instructions which the Secretary or the Customs Service is authorized to enforce) until the merchandise has been inspected, appraised, or examined and is reported by the Customs Service to have been truly and correctly invoiced and found to comply with the requirements of the laws of the United States.

"(2) EXAMINATION.—The Customs Service—

"(A) shall designate the packages or quantities of merchandise covered by any invoice or entry which are to be opened and examined for the purpose of appraisement or otherwise;

"(B) shall order such packages or quantities to be sent to such place as is designated by the Secretary by regulation for such purpose;

"(C) may require such additional packages or quantities as the Secretary considers necessary for such purpose; and

"(D) shall inspect a sufficient number of shipments, and shall examine a sufficient number of entries, to ensure compliance with the laws enforced by the Customs Service.

"(3) UNSPECIFIED ARTICLES.—If any package contains any article not specified in the invoice or entry and, in the opinion of the Customs Service, the article was omitted from the invoice or entry—

"(A) with fraudulent intent on the part of the seller, shipper, owner, agent, importer of record or entry filer, the contents of the entire package in which such article is found shall be subject to seizure; or

"(B) without fraudulent intent, the value of the article shall be added to the entry and the duties, fees and taxes thereon paid accordingly.

"(4) DEFICIENCY.—If a deficiency is found in quantity, weight, or measure in the examination of any package, the person finding the deficiency shall make a report thereof to the Customs Service. The Customs Service shall make allowance for the deficiency in the liquidation of duties.

"(b) TESTING LABORATORIES.—

"(1) ACCREDITATION OF PRIVATE TESTING LABORATORIES.—The Customs Service shall establish and implement a procedure, under regulations promulgated by the Secretary, for accrediting private laboratories within the United States which may be used to perform tests (that would otherwise be performed by Customs Service laboratories) to establish the characteristics, quantities, or composition of imported merchandise. Such regulations—

"(A) shall establish the conditions required for the laboratories to receive and maintain accreditation for purposes of this subsection;

"(B) shall establish the conditions regarding the suspension and revocation of accreditation, which may include the imposition of a monetary penalty not to exceed $100,000 and such penalty is in addition to the recovery, from a gauger or laboratory accredited under paragraph (1), of any loss of revenue that may have occurred, but the Customs Service—

"(i) may seek to recover lost revenue only in cases where the gauger or laboratory intentionally falsified the analysis or gauging report in collusion with the importer; and

"(ii) shall neither assess penalties nor seek to recover lost revenue because of a good faith difference of professional opinion; and

"(C) may provide for the imposition of a charge for accreditation and periodic reaccreditation.

The collection of any charge for accreditation and reaccreditation under this section is not prohibited by section 13031(d)(6) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(d)(6)).

"(2) APPEAL OF ADVERSE ACCREDITATION DECISIONS.—A laboratory applying for accreditation, or that is accredited, under this section may contest any decision or order of the Customs Service denying, suspending, or revoking accreditation, or imposing a monetary penalty, by commencing an action in accordance with chapter 169 of title 28, United States Code, in the Court of International Trade within 60 days after issuance of the decision or order.

"(3) TESTING BY ACCREDITED LABORATORIES.—When requested by an importer of record of merchandise, the Customs Service shall authorize the release to the importer of a representative sample of the merchandise for testing, at the expense of the importer, by a laboratory accredited under paragraph (1). The testing results from a laboratory accredited under paragraph (1) that are submitted by an importer of record with respect to merchandise in an entry shall, in the absence of testing results obtained from a Customs Service laboratory, be accepted by the Customs Service if the importer of record certifies that the sample tested was taken from the merchandise in the entry. Nothing in this subsection shall be construed to in any way limit or preclude the authority of the Customs Service to test or analyze any sample or merchandise independently.

"(4) AVAILABILITY OF TESTING PROCEDURE, METHODOLOGIES, AND INFORMATION.—Testing procedures and methodologies used by the Customs Service, and information resulting from any testing conducted by the Customs Service, shall be made available as follows:

"(A) Testing procedures and methodologies shall be made available upon request to any person unless the procedures or methodologies are—

"(i) proprietary to the holder of a copyright or patent, or

"(ii) developed by the Customs Service for enforcement purposes.

"(B) Information resulting from testing shall be made available upon request to the importer of record and any agent thereof unless the information—

"(i) is proprietary to the holder of a copyright or patent; or

"(ii) reveals information developed by the Customs Service for enforcement purposes.

"(5) MISCELLANEOUS PROVISIONS.—For purposes of this subsection—

"(A) any reference to a private laboratory includes a reference to a private gauger; and

"(B) accreditation of private laboratories extends only to the performance of functions by such laboratories that are within the scope of those responsibilities for determinations of the elements relating to admissibility, quantity, composition, or characteristics of imported merchandise that are vested in, or delegated to, the Customs Service.

"(c) DETENTIONS.—Except in the case of merchandise with respect to which the determination of admissibility is vested in an agency other than the Customs Service, the following apply:

"(1) IN GENERAL.—Within the 5-day period (excluding weekends and holidays) following the date on which merchandise is presented for customs examination, the Customs Service shall decide whether to release or detain the merchandise. Merchandise which is not released within such 5-day period shall be considered to be detained merchandise.

"(2) NOTICE OF DETENTION.—The Customs Service shall issue a notice to the importer or other party having an interest in detained merchandise no later than 5 days, excluding weekends and holidays, after the decision to detain the merchandise is made. The notice shall advise the importer or other interested party of—

"(A) the initiation of the detention;

"(B) the specific reason for the detention;

"(C) the anticipated length of the detention;

"(D) the nature of the tests or inquiries to be conducted; and

"(E) the nature of any information which, if supplied to the Customs Service, may accelerate the disposition of the detention.

"(3) TESTING RESULTS.—Upon request by the importer or other party having an interest in detained merchandise, the Customs Service shall provide the party with copies of the results of any testing conducted by the Customs Service on the merchandise and a description of the testing procedures and methodologies (unless such procedures or methodologies are proprietary to the holder of a copyright or patent or were developed by the Customs Service for enforcement purposes). The results and test description shall be in sufficient detail to permit the duplication and analysis of the testing and the results.

"(4) SEIZURE AND FORFEITURE.—If otherwise provided by law, detained merchandise may be seized and forfeited.

"(5) EFFECT OF FAILURE TO MAKE DETERMINATION.—

"(A) The failure by the Customs Service to make a final determination with respect to the admissibility of detained merchandise within 30 days after the merchandise has been presented for customs examination, or such longer period if specifically authorized by law, shall be treated as a decision of the Customs Service to exclude the merchandise for purposes of section 514(a)(4).

"(B) For purposes of section 1581 of title 28, United States Code, a protest against the decision to exclude the merchandise which has not been allowed or denied in whole or in part before the 30th day after the day on which the protest was filed shall be treated as having been denied on such 30th day.

"(C) Notwithstanding section 2639 of title 28, United States Code, once an action respecting a *detention is commenced, unless the Customs Service establishes by a preponderance of the evidence that an admissibility decision has not been reached for good cause, the court shall grant the appropriate relief which may include, but is not limited to, an order to cancel the detention and release the merchandise.".*

(b) EXISTING LABORATORIES.—Accreditation under section 499(b) of the Tariff Act of 1930 (as added by subsection (a)) is not required for any private laboratory (including any gauger) that was accredited or approved by the Customs Service as of the day before the date of the enactment of this title; but any such laboratory is subject to reaccreditation under the provisions of such section and the regulations promulgated thereunder.

SEC. 214. RECORDKEEPING.

Section 508 (19 U.S.C. 1508) is amended—

(1) by amending subsection (a) to read as follows:

"(a) REQUIREMENT.—Any—

"(1) owner, importer, consignee, importer of record, entry filer, or other party who—

"(A) imports, files a drawback claim, or transports or stores merchandise carried or held under bond, or

"(B) knowingly causes the importation or transportation or storage of merchandise carried or held under bond into or from the customs territory of the United States;

"(2) agent of any party described in paragraph (1); or

"(3) person whose activities require the filing of a declaration or entry, or both;
shall make, keep, and render for examination and inspection such records (including, but not limited to, statements, declarations, documents and electronically generated or machine readable data) which—

"(A) pertain to any such activity, or to the information contained in the documents, records or electronically generated or machine readable data required by this Act in connection with such activity; and

"(B) are normally kept in the ordinary course of business."; and

(2) by amending subsection (c) to read as follows:

"(c) PERIOD OF TIME.—The records required by subsections (a) and (b) shall be kept for such period of time, not to exceed 5 years from the date of entry or exportation, as appropriate, as the Secretary shall prescribe; except that records for any drawback claim shall be kept until the 3rd anniversary of the date of payment of the claim.".

SEC. 215. EXAMINATION OF BOOKS AND WITNESSES.

Section 509 (19 U.S.C. 1509) is amended as follows:

(1) Subsection (a) is amended—

(A) by striking out "and taxes" wherever it appears and inserting ", fees and taxes";

(B) by inserting "or electronically generated or machine readable data," after "other document," in paragraph (1);

(C) by striking out the semicolon at the end of paragraph (1) and inserting ", except that—

"(A) if such record, statement, declaration, document, or electronically stored or transmitted information or data is required by law or regulation for the entry of the merchandise (whether or not the Customs Service required its presentation at the time of entry) it shall be provided to the Customs Service within a reasonable time after demand for its production is made, taking into consideration the number, type, and age of the item demanded; and

"(B) if a person of whom demand is made under subparagraph (A) fails to comply with the demand, the person may be subject to penalty under subsection (g);";

(D) by amending that part of paragraph (2) that precedes subparagraph (D) to read as follows:

"(2) summon, upon reasonable notice—

"(A) the person who—

"(i) imported, or knowingly caused to be imported, merchandise into the customs territory of the United States,

"(ii) exported merchandise, or knowingly caused merchandise to be exported, to Canada,

"(iii) transported or stored merchandise that was or is carried or held under customs bond, or knowingly caused such transportation or storage, or

"(iv) filed a declaration, entry, or drawback claim with the Customs Service;

"(B) any officer, employee, or agent of any person described in subparagraph (A);

"(C) any person having possession, custody or care of records (including electronically generated or machine readable data) relating to the importation or other activity described in subparagraph (A); or"; and

(E) by striking out the comma at the end of subparagraph (D) and inserting a semicolon.

(2) Subsections (b) and (c) are redesignated as subsections (c) and (d), respectively.

(3) The following new subsection is inserted after subsection (a):

"(b) REGULATORY AUDIT PROCEDURES.—

"(1) In conducting a regulatory audit under this section (which does not include a quantity verification for a customs bonded warehouse or general purpose foreign trade zone), the Customs Service auditor shall provide the person being audited, in advance of the audit, with a reasonable estimate of the time to be required for the audit. If in the course of an audit it becomes apparent that additional time will be required, the Customs Service auditor shall immediately provide a further estimate of such additional time.

"(2) Before commencing an audit, the Customs Service auditor shall inform the party to be audited of his right to an entry conference at which time the purpose will be explained and an estimated termination date set. Upon completion of on-site audit activities, the Customs Service auditor shall schedule a closing conference to explain the preliminary results of the audit.

"(3) Except as provided in paragraph (5), if the estimated or actual termination date for an audit passes without the Customs Service auditor providing a closing conference to explain the results of the audit, the person being audited may petition in writing for such a conference to the appropriate regional commissioner, who, upon receipt of such a request, shall provide for such a conference to be held within 15 days after the date of receipt.

"(4) Except as provided in paragraph (5), the Customs Service auditor shall complete the formal written audit report within 90 days following the closing conference unless the appropriate regional commissioner provides written notice to the person being audited of the reason for any delay and the anticipated completion date. After application of any exemption contained in section 552 of title 5, United States Code, a copy of the formal written audit report shall be sent to the person audited no later than 30 days following completion of the report.

"(5) Paragraphs (3) and (4) shall not apply after the Customs Service commences a formal investigation with respect to the issue involved.".

(4) Subsection (d) (as redesignated by paragraph (2)) is amended—

(A) by striking out "or documents" in paragraph (1)(A) and inserting "documents, or electronically generated or machine readable data";

(B) by inserting ", unless such customhouse broker is the importer of record on an entry" after "broker" in paragraph (1)(C)(i);

(C) by striking out "import" in each of paragraphs (2)(B) and (4)(B);

(D) by inserting "described in section 508" after "transactions" in each of paragraphs (2)(B) and (4)(B); and

(E) by inserting ", fees," after "duties" in paragraph (4)(A).

(5) The following new subsections are added at the end thereof:

"(e) LIST OF RECORDS AND INFORMATION.—The Customs Service shall identify and publish a list of the records or entry information that is required to be maintained and produced under subsection (a)(1)(A).

"(f) RECORDKEEPING COMPLIANCE PROGRAM.—

"(1) IN GENERAL.—After consultation with the importing community, the Customs Service shall by regulation establish a recordkeeping compliance program which the parties listed in section 508(a) may participate in after being certified by the Customs Service under paragraph (2). Participation in the recordkeeping compliance program by recordkeepers is voluntary.

"(2) CERTIFICATION.—A recordkeeper may be certified as a participant in the recordkeeping compliance program after meeting the general recordkeeping requirements established under the program or after negotiating an alternative program suited to the needs of the recordkeeper and the Customs Service. Certification requirements shall take into account the size and nature of the importing business and the volume of imports. In order to be certified, the recordkeeper must be able to demonstrate that it—

"(A) understands the legal requirements for recordkeeping, including the nature of the records required to be maintained and produced and the time periods involved;

"(B) has in place procedures to explain the recordkeeping requirements to those employees that are involved in the preparation, maintenance, and production of required records;

"(C) has in place procedures regarding the preparation and maintenance of required records, and the production of such records to the Customs Service;

"(D) has designated a dependable individual or individuals to be responsible for recordkeeping compliance under the program and whose duties include maintaining familiarity with the recordkeeping requirements of the Customs Service;

"(E) has a record maintenance procedure approved by the Customs Service for original records, or, if approved by the Customs Service, for alternative records or recordkeeping formats other than the original records; and

"(F) has procedures for notifying the Customs Service of occurrences of variances to, and violations of, the requirements of the recordkeeping compliance program or the negotiated alternative programs, and for taking corrective action when notified by the Customs Service of violations or problems regarding such program.

"(g) PENALTIES.—

"(1) DEFINITION.—For purposes of this subsection, the term 'information' means any record, statement, declaration, document, or electronically stored or transmitted information or data referred to in subsection (a)(1)(A).

"(2) EFFECTS OF FAILURE TO COMPLY WITH DEMAND.—Except as provided in paragraph (4), if a person fails to comply with a lawful demand for information under subsection (a)(1)(A) the following provisions apply:

"(A) If the failure to comply is a result of the willful failure of the person to maintain, store, or retrieve the demanded information, such person shall be subject to a penalty, for each release of merchandise, not to exceed $100,000, or an amount equal to 75 percent of the appraised value of the merchandise, whichever amount is less.

"(B) If the failure to comply is a result of the negligence of the person in maintaining, storing, or retrieving the demanded information, such person shall be subject to a penalty, for each release of merchandise, not to exceed $10,000, or an amount equal to 40 percent of the appraised

value of the merchandise, whichever amount is less.

"(C) In addition to any penalty imposed under subparagraph (A) or (B) regarding demanded information, if such information related to the eligibility of merchandise for a column 1 special rate of duty under title I, the entry of such merchandise—

"(i) if unliquidated, shall be liquidated at the applicable column 1 general rate of duty; or

"(ii) if liquidated within the 2-year period preceding the date of the demand, shall be reliquidated, notwithstanding the time limitation in section 514 or 520, at the applicable column 1 general rate of duty;

except that any liquidation or reliquidation under clause (i) or (ii) shall be at the applicable column 2 rate of duty if the Customs Service demonstrates that the merchandise should be dutiable at such rate.

"(3) AVOIDANCE OF PENALTY.—No penalty may be assessed under this subsection if the person can show—

"(A) that the loss of the demanded information was the result of an act of God or other natural casualty or disaster beyond the fault of such person or an agent of the person;

"(B) on the basis of other evidence satisfactory to the Customs Service, that the demand was substantially complied with; or

"(C) the information demanded was presented to and retained by the Customs Service at the time of entry or submitted in response to an earlier demand.

"(4) PENALTIES NOT EXCLUSIVE.—Any penalty imposed under this subsection shall be in addition to any other penalty provided by law except for—

"(A) a penalty imposed under section 592 for a material omission of the demanded information, or

"(B) disciplinary action taken under section 641.

"(5) REMISSION OR MITIGATION.—A penalty imposed under this section may be remitted or mitigated under section 618.

"(6) CUSTOMS SUMMONS.—Nothing in this subsection shall limit or preclude the Customs Service from issuing, or seeking the enforcement of, a customs summons.

"(7) ALTERNATIVES TO PENALTIES.—

"(A) IN GENERAL.—When a recordkeeper that—

"(i) has been certified as a participant in the recordkeeping compliance program under subsection (f); and

"(ii) is generally in compliance with the appropriate procedures and requirements of the program;

does not produce a demanded record or information for a specific release or provide the information by acceptable alternative means, the Customs Service, in the absence of willfulness or repeated violations, shall issue a written notice of the violation to the recordkeeper in lieu of a monetary penalty. Repeated violations by the recordkeeper may result in the issuance of penalties and removal of certification under the program until corrective action, satisfactory to the Customs Service, is taken.

"(B) CONTENTS OF NOTICE.—A notice of violation issued under subparagraph (A) shall—

"(i) state that the recordkeeper has violated the recordkeeping requirements;

"(ii) indicate the record or information which was demanded; and

"(iii) warn the recordkeeper that future failures to produce demanded records or information may result in the imposition of monetary penalties.

"(C) RESPONSE TO NOTICE.—Within a reasonable time after receiving written notice under subparagraph (A), the recordkeeper shall notify the Customs Service of the steps it has taken to prevent a recurrence of the violation.

"(D) REGULATIONS.—The Secretary shall promulgate regulations to implement this paragraph. Such regulations may specify the time periods for compliance with a demand for information and provide guidelines which define repeated violations for purposes of this paragraph. Any penalty issued for a recordkeeping violation shall take into account the degree of compliance compared to the total number of importations, the nature of the demanded records and the recordkeeper's cooperation.".

SEC. 216. JUDICIAL ENFORCEMENT.

The second sentence of section 510(a) (19 U.S.C. 1510(a)) is amended by inserting "and such court may assess a monetary penalty" after "as a contempt thereof".

SEC. 217. REVIEW OF PROTESTS.

Section 515 (19 U.S.C. 1515) is amended by inserting at the end the following new subsections:

"(c) If a protesting party believes that an application for further review was erroneously or improperly denied or was denied without authority for such action, it may file with the Commissioner of Customs a written request that the denial of the application for further review be set aside. Such request must be filed within 90 days after the date of the notice of the denial. The Commissioner of Customs may review such request and, based solely on the information before the Customs Service at the time the application for further review was denied, may set aside the denial of the application for further review and void the denial of protest, if appropriate. If the Commissioner of Customs fails to act within 30 days after the date of the request, the request shall be considered denied. All denials of protests are effective from the date of original denial for purposes of section 2636 of title 28, United States Code. If an action is commenced in the Court of International Trade that arises out of a protest or an application for further review, all administrative action pertaining to such protest or application shall terminate and any administrative action taken subsequent to the commencement of the action is null and void.

"(d) If a protest is timely and properly filed, but is denied contrary to proper instructions, the Customs Service may on its own initiative, or pursuant to a written request by the protesting party filed with the appropriate district director within 90 days after the date of the protest denial, void the denial of the protest.".

SEC. 218. REPEAL OF PROVISION RELATING TO RELIQUIDATION ON ACCOUNT OF FRAUD.

Section 521 (19 U.S.C. 1521) is repealed.

SEC. 219. PENALTIES RELATING TO MANIFESTS.

Section 584 (19 U.S.C. 1584) is amended—

(1) by amending subsection (a)—

(A) by striking out "appropriate customs officer" wherever it appears and inserting "Customs Service",

(B) by striking out "officer demanding the same" in paragraph (1) and inserting "officer (whether of the Customs Service or the Coast Guard) demanding the same", and

(C) by inserting "(electronically or otherwise)" after "submission" in the last sentence of paragraph (1); and

(2) by amending subsection (b)—

(A) by striking out "the appropriate customs officer", "he" (except in paragraph (1)(F)), and "such officer" wherever they appear and inserting "the Customs Service";

(B) by striking out "written" wherever it appears (other than paragraph (1)(F)),

(C) by inserting "or electronically transmit" after "issue" wherever it appears, and

(D) by striking out "his intention" in the first sentence of paragraph (1) and inserting "intent".

SEC. 220. UNLAWFUL UNLADING OR TRANSSHIPMENT.

Section 586 (19 U.S.C. 1586) is amended—

(1) by inserting ", or of a hovering vessel which has received or delivered merchandise while outside the territorial sea," after "from a foreign port or place" wherever it appears; and

(2) by amending subsection (f)—

(A) by striking out "the appropriate customs officer of the" and "the appropriate customs officer within the" and inserting "the Customs Service at the"; and

(B) by striking out "the appropriate customs officer is" and inserting "the Customs Service is".

SEC. 221. PENALTIES FOR FRAUD, GROSS NEGLIGENCE, AND NEGLIGENCE; PRIOR DISCLOSURE.

Section 592 (19 U.S.C. 1592) is amended—

(1) by inserting "or electronically transmitted data or information" after "document" in subsection (a)(1)(A)(i);

(2) by inserting "The mere nonintentional repetition by an electronic system of an initial clerical error does not constitute a pattern of negligent conduct." at the end of subsection (a)(2);

(3) by amending subsection (b)—

(A) by amending the first sentence of paragraph (1)(A)—

(i) by striking out "the appropriate customs officer" and inserting "the Customs Service",

(ii) by striking out "he" and inserting "it", and

(iii) by striking out "his" and inserting "its", and

(B) by amending paragraph (2)—

(i) by striking out "the appropriate customs officer" wherever it appears and inserting "the Customs Service",

(ii) by striking out "such officer" wherever it appears and inserting "the Customs Service", and

(iii) by striking out "he" wherever it appears and inserting "it";

(4) by amending subsection (c)(4)—

(A) by striking out "the appropriate customs officer" wherever it appears and inserting "the Customs Service",

(B) by striking out "his" wherever it appears and inserting "its", and

(C) by inserting after the last sentence the following: "For purposes of this section, a formal investigation of a violation is considered to be commenced with regard to the disclosing party and the disclosed information on the date recorded in writing by the Customs Service as the date on which facts and circumstances were discovered or information was received which caused the Customs Service to believe that a possibility of a violation of subsection (a) existed."; and

(5) by amending subsection (d)—

(A) by striking out "the appropriate customs officer" and inserting "the Customs Service",

(B) by striking out "duties" wherever it appears and inserting "duties, taxes, or fees"; and

(C) by inserting ", TAXES OR FEES" after "DUTIES" in the sideheading.

SEC. 222. PENALTIES FOR FALSE DRAWBACK CLAIMS.

(a) AMENDMENT.—Part V of title IV is amended by inserting after section 593 the following new section:

"SEC. 593A. PENALTIES FOR FALSE DRAWBACK CLAIMS.

"(a) PROHIBITION.—

"(1) GENERAL RULE.—No person, by fraud, or negligence—

"(A) may seek, induce or affect, or attempt to seek, induce, or affect, the payment or credit to that person or others of any drawback claim by means of—

"(i) any document, written or oral statement, or electronically transmitted data or information, or act which is material and false, or

"(ii) any omission which is material; or

"(B) may aid or abet any other person to violate subparagraph (A).

"(2) EXCEPTION.—Clerical errors or mistakes of fact are not violations of paragraph (1) unless they are part of a pattern of negligent conduct. The mere nonintentional repetition by an electronic system of an initial clerical error does not constitute a pattern of negligent conduct.

"(b) PROCEDURES.—

"(1) PREPENALTY NOTICE.—

"(A) IN GENERAL.—If the Customs Service has reasonable cause to believe that there has been a violation of subsection (a) and determines that further proceedings are warranted, the Customs Service shall issue to the person concerned a written notice of intent to issue a claim for a monetary penalty. Such notice shall—

"(i) identify the drawback claim;

"(ii) set forth the details relating to the seeking, inducing, or affecting, or the attempted seeking, inducing or affecting, or the aiding or procuring of, the drawback claim;

"(iii) specify all laws and regulations allegedly violated;

"(iv) disclose all the material facts which establish the alleged violation;

"(v) state whether the alleged violation occurred as a result of fraud or negligence;

"(vi) state the estimated actual or potential loss of revenue due to the drawback claim, and, taking into account all circumstances, the amount of the proposed monetary penalty; and

"(vii) inform such person that he shall have a reasonable opportunity to make representations, both oral and written, as to why a claim for a monetary penalty should not be issued in the amount stated.

"(B) EXCEPTIONS.—The Customs Service may not issue a prepenalty notice if the amount of the penalty in the penalty claim issued under paragraph (2) is $1,000 or less. In such cases, the Customs Service may proceed directly with a penalty claim.

"(C) PRIOR APPROVAL.—No prepenalty notice in which the alleged violation occurred as a result of fraud shall be issued without the prior approval of Customs Headquarters.

"(2) PENALTY CLAIM.—After considering representations, if any, made by the person concerned pursuant to the notice issued under paragraph (1), the Customs Service shall determine whether any violation of subsection (a), as alleged in the notice, has occurred. If the Customs Service determines that there was no violation, the Customs Service shall promptly issue a written statement of the determination to the person to whom the notice was sent. If the Customs Service determines that there was a violation, Customs shall issue a written penalty claim to such person. The written penalty claim shall specify all changes in the information provided under clauses (i) through (vii) of paragraph (1)(A). Such person shall have a reasonable opportunity under section 618 to make representations, both oral and written, seeking remission or mitigation of the monetary penalty. At the conclusion of any proceeding under section 618, the Customs Service shall provide to the person concerned a written statement which sets forth the final determination, and the findings of fact and conclusions of law on which such determination is based.

"(c) MAXIMUM PENALTIES.—

"(1) FRAUD.—A fraudulent violation of subsection (a) of this section is punishable by a civil penalty in an amount not to exceed 3 times the actual or potential loss of revenue.

"(2) NEGLIGENCE.—

"(A) IN GENERAL.—A negligent violation of subsection (a) is punishable by a civil penalty in an amount not to exceed 20 percent of the actual or potential loss of revenue for the 1st violation.

"(B) REPETITIVE VIOLATIONS.—If Customs Service determines that a repeat negligent violation occurs relating to the same issue, the penalty amount for the 2d violation shall be in amount not to exceed 50 percent of the total actual or potential loss of revenue. The penalty amount for each succeeding repetitive negligent violation shall be in an amount not to exceed the actual or potential loss of revenue. If the same party commits a nonrepetitive violation, that violation shall be subject to a penalty not to exceed 20 percent of the actual or potential loss of revenue.

"(3) PRIOR DISCLOSURE.—If the person concerned discloses the circumstances of a violation of subsection (a) before or without knowledge of the commencement of a formal investigation of such violation, any monetary penalty to be assessed under subsection (c) shall not exceed an amount equal to the actual or potential loss of revenue of which the United States is or may be deprived if the violation resulted from fraud; or interest if the violation resulted from negligence (computed from the date on which drawback claim was paid at the prevailing rate of interest applied under section 6621 of title 26, United States Code) on the amount of actual loss of revenue of which the United States is or may be deprived to the date on which the overpayment was tendered, so long as any such amount is tendered at the time of disclosure or within 30 days thereafter or such longer period as the Customs Service may provide, after notice by the Customs Service of its calculation of such overpaid amount. The person asserting lack of knowledge of the commencement of a formal investigation has the burden of proof in establishing such lack of knowledge.

"(4) COMMENCEMENT OF INVESTIGATION.—For purposes of this section, a formal investigation of a violation is considered to be commenced with regard to the disclosing party and the disclosed information on the date recorded in writing by the Customs Service as the date on which facts and circumstances were discovered or information was received which caused the Customs Service to believe that a possibility of a violation of subsection (a) existed.

"(5) EXCLUSIVITY.—Penalty claims under this section shall be the exclusive civil remedy for any drawback related violation of subsection (a).

"(d) DEPRIVATION OF LAWFUL REVENUE.—Notwithstanding section 514, if the United States has been deprived of lawful duties and taxes resulting from a violation of subsection (a), the Customs Service shall require that such drawback claim be restored whether or not a monetary penalty is assessed.

"(e) DRAWBACK COMPLIANCE PROGRAM.—

"(1) IN GENERAL.—After consultation with the drawback trade community, the Customs Service shall establish a drawback compliance program which claimants and other parties in interest may participate in after being certified by the Customs Service under paragraph (2). Participation in the drawback compliance program is voluntary.

"(2) CERTIFICATION.—A party may be certified as a participant in the drawback compliance program after meeting the general requirements established under the program or after negotiating an alternative program suited to the needs of the party and the Customs Service. Certification requirements shall take into account the size and nature of the party's drawback program and the volume of claims. In order to be certified, the participant must be able to demonstrate that it—

"(A) understands the legal requirements for filing claims, including the nature of the records required to be maintained and produced and the time periods involved;

"(B) has in place procedures to explain the Customs Service requirements to those employees that are involved in the preparation of claims, and the maintenance and production of required records;

"(C) has in place procedures regarding the preparation of claims and maintenance of required records, and the production of such records to the Customs Service;

"(D) has designated a dependable individual or individuals to be responsible for compliance under the program and whose duties include maintaining familiarity with the drawback requirements of the Customs Service;

"(E) has a record maintenance procedure approved by the Customs Service for original records, or, if approved by the Customs Service, for alternate records or recordkeeping formats other than the original records; and

"(F) has procedures for notifying the Customs Service of variances to, and violations of, the requirements of the drawback compliance program or any negotiated alternative programs, and for taking corrective action when notified by the Customs Service for violations or problems regarding such program.

"(f) ALTERNATIVES TO PENALTIES.—

"(1) IN GENERAL.—When a party that—

"(A) has been certified as a participant in the drawback compliance program under subsection (e); and

"(B) is generally in compliance with the appropriate procedures and requirements of the program;

commits a violation of subsection (a), the Customs Service, shall, in the absence of fraud or repeated violations, and in lieu of a monetary penalty, issue a written notice of the violation to the party. Repeated violations by a party may result in the issuance of penalties and removal of certification under the program until corrective action, satisfactory to the Customs Service, is taken.

"(2) CONTENTS OF NOTICE.—A notice of violation issued under paragraph (1) shall—

"(A) state that the party has violated subsection (a);

"(B) explain the nature of the violation; and

"(C) warn the party that future violations of subsection (a) may result in the imposition of monetary penalties.

"(3) RESPONSE TO NOTICE.—Within a reasonable time after receiving written notice under paragraph (1), the party shall notify the Customs Service of the steps it has taken to prevent a recurrence of the violation.

"(g) REPETITIVE VIOLATIONS.—

"(1) A party who has been issued a written notice under subsection (f)(1) and subsequently commits a repeat negligent violation involving the same issue is subject to the following monetary penalties:

"(A) 2d VIOLATION.—An amount not to exceed 20 percent of the loss of revenue.

"(B) 3rd VIOLATION.—An amount not to exceed 50 percent of the loss of revenue.

"(C) 4th AND SUBSEQUENT VIOLATIONS.—An amount not to exceed 100 percent of the loss of revenue.

"(2) If a party that has been certified as a participant in the drawback compliance program under subsection (e) commits an alleged violation which was not repetitive, the party shall be issued a 'warning letter' and then be subject to the same maximum penalty amounts stated in paragraph (1).

"(h) REGULATION.—The Secretary shall promulgate regulations and guidelines to implement this section. Such regulations shall specify that a 3-year timeframe shall constitute the maximum period for which a single repetitive violation can be counted.

"(i) COURT OF INTERNATIONAL TRADE PROCEEDINGS.—Notwithstanding any other provision of law, in any proceeding commenced by the United States in the Court of International Trade for the recovery of any monetary penalty claimed under this section—

"(1) all issues, including the amount of the penalty, shall be tried de novo;

"(2) if the monetary penalty is based on fraud, the United States shall have the burden of proof to establish the alleged violation by clear and convincing evidence;

"(3) if the monetary penalty is based on negligence, the United States shall have the burden of proof to establish the act or omission constituting the violation, and the alleged violator shall have the burden of providing evidence that the act or omission did not occur as a result of negligence.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to drawback claims filed on and after the nationwide operational implementation of an automated drawback selectivity program by the Customs Service. The Customs Service shall publish notice of this date in the Customs Bulletin.

SEC. 223. INTERPRETIVE RULINGS AND DECISIONS; PUBLIC INFORMATION.

Section 625 (19 U.S.C. 1625) is amended to read as follows:

"SEC. 625. INTERPRETIVE RULINGS AND DECISIONS; PUBLIC INFORMATION.

"(a) PUBLICATION.—Within 90 days after the date of issuance of any interpretive ruling (including any ruling letter, or internal advice memorandum) or protest review decision under this chapter with respect to any customs transaction, the Secretary shall have such ruling or decision published in the Customs Bulletin or shall otherwise make such ruling or decision available for public inspection.

"(b) APPEALS.—A person may appeal an adverse interpretive ruling and any interpretation of any regulation prescribed to implement such ruling to a higher level of authority within the Customs Service for de novo review. Upon a reasonable showing of business necessity, any such appeal shall be considered and decided no later than 60 days following the date on which the appeal is filed. The Secretary shall issue regulations to implement this subsection.

"(c) MODIFICATION AND REVOCATION.—A proposed interpretive ruling or decision which would—

"(1) modify (other than to correct a clerical error) or revoke a prior interpretive ruling or decision which has been in effect for at least 60 days; or

"(2) have the effect of modifying the treatment previously accorded by the Customs Service to substantially identical transactions;

shall be published in the Customs Bulletin. The Secretary shall give interested parties an opportunity to submit, during not less than the 30-day period after the date of such publication, comments on the correctness of the proposed ruling or decision. After consideration of any comments received, the Secretary shall publish a final ruling or decision in the Customs Bulletin within 30 days after the closing of the comment period. The final ruling or decision shall become effective 60 days after the date of its publication.

"(d) PUBLICATION OF CUSTOMS DECISIONS THAT LIMIT COURT DECISIONS.—A decision that proposes to limit the application of a court decision shall be published in the Customs Bulletin together with notice of opportunity for public comment thereon prior to a final decision.

"(e) PUBLIC INFORMATION.—The Secretary may make available in writing or through electronic media, in an efficient, comprehensive and timely manner, all information, including directives, memoranda, electronic messages and telexes which contain instructions, requirements, methods or advice necessary for importers and exporters to comply with the Customs laws and regulations. All information which may be made available pursuant to this subsection shall be subject to any exemption from disclosure provided by section 552 of title 5, United States Code.".

SEC. 224. SEIZURE AUTHORITY.

Section 596(c) (19 U.S.C. 1595a(c)) is amended to read as follows:

"(c) Merchandise which is introduced or attempted to be introduced into the United States contrary to law shall be treated as follows:

"(1) The merchandise shall be seized and forfeited if it—

"(A) is stolen, smuggled, or clandestinely imported or introduced;

"(B) is a controlled substance, as defined in the Controlled Substances Act (21 U.S.C. 801 et seq.), and is not imported in accordance with applicable law; or

"(C) is a contraband article, as defined in section (1) of the Act of August 9, 1939 (49 U.S.C. App. 781).

"(2) The merchandise may be seized and forfeited if—

"(A) its importation or entry is subject to any restriction or prohibition which is imposed by law relating to health, safety, or conservation and the merchandise is not in compliance with the applicable rule, regulation, or statute;

"(B) its importation or entry requires a license, permit or other authorization of an agency of the United States Government and the merchandise is not accompanied by such license, permit, or authorization;

"(C) it is merchandise or packaging in which copyright, trademark, or trade name protection violations are involved (including, but not limited to, violations of section 42, 43, or 45 of the Act of July 5, 1946 (Public Law 95–410; 15 U.S.C. 1124, 1125, or 1127), section 506 or 509 of title 17, United States Code, or section 2318 or 2320 of title 18, United States Code);

"(D) it is trade dress merchandise involved in the violation of a court order citing section 43 of such Act of July 5, 1946 (15 U.S.C. 1125);

"(E) it is merchandise which is marked intentionally in violation of section 304; or

"(F) it is merchandise for which the importer has received written notices that previous importations of identical merchandise from the same supplier was found to have been marked in violation of section 304.

"(3) If the importation or entry of the merchandise is subject to quantitative restrictions requiring a visa, permit, license or other similar document, or stamp from the United States Government or from a foreign government or issuing authority pursuant to a bilateral or multilateral agreement, the merchandise shall be subject to detention in accordance with section 499 unless the appropriate visa, license, permit, or similar document or stamp is presented to the Customs Service; but if the visa, permit, license or similar document or stamp which is presented in connection with the importation or entry of the merchandise is counterfeit, the merchandise may be seized and forfeited.

"(4) If the merchandise is imported or introduced contrary to a provision of law which governs the classification or value of merchandise and there are no issues as to the admissibility of the merchandise into the United States, it shall not be seized except in accordance with section 592.

"(5) In any case where the seizure and forfeiture of merchandise are required or authorized by this section, the Secretary may—

"(A) remit the forfeiture under section 618, or

"(B) permit the exportation of the merchandise, unless its release would adversely affect health, safety, or conservation or be in contravention of a bilateral or multilateral agreement or treaty.".

Subtitle B—National Customs Automation Program

SEC. 231. NATIONAL CUSTOMS AUTOMATION PROGRAM.

Part I of title IV is amended—

(1) by striking out

"PART I—DEFINITIONS

and inserting

"PART I—DEFINITIONS AND NATIONAL CUSTOMS AUTOMATION PROGRAM

"Subpart A—Definitions"; and

(2) by inserting after section 402 the following:

"Subpart B—National Customs Automation Program

"SEC. 411. NATIONAL CUSTOMS AUTOMATION PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish the National Customs Automation Program (hereinafter in this subpart referred to as the 'Program') which shall be an automated and electronic system for processing commercial importations and shall include the following existing and planned components:

"(1) Existing components:

"(A) The electronic entry of merchandise.

"(B) The electronic entry summary of required information.

"(C) The electronic transmission of invoice information.

"(D) The electronic transmission of manifest information.

"(E) Electronic payments of duties, fees, and taxes.

"(F) The electronic status of liquidation and reliquidation.

"(G) The electronic selection of high risk entries for examination (cargo selectivity and entry summary selectivity).

"(2) Planned components:

"(A) The electronic filing and status of protests.

"(B) The electronic filing (including remote filing under section 414) of entry information with the Customs Service at any location.

"(C) The electronic filing of import activity summary statements and reconciliation.

"(D) The electronic filing of bonds.

"(E) The electronic penalty process.

"(F) The electronic filing of drawback claims, records, or entries.

"(G) Any other component of the Program initiated by the Customs Service after the date of the enactment of this section.

"(b) PARTICIPATION IN PROGRAM.—The Secretary shall by regulation prescribe the eligibility criteria for participation in the Program. Participation in the Program is voluntary.

"SEC. 412. PROGRAM GOALS.

"The goals of the Program are to ensure that all regulations and rulings that are administered or enforced by the Customs Service are administered and enforced in a manner that—

"(1) is uniform and consistent;'

"(2) is as minimally intrusive upon the normal flow of business activity as practicable; and

"(3) improves compliance.

"SEC. 413. IMPLEMENTATION AND EVALUATION OF PROGRAM.

"(a) OVERALL PROGRAM PLAN.—

"(1) IN GENERAL.—Before the 180th day after the date of the enactment of this Act, the Secretary shall develop and transmit to the Committees an overall plan for the Program. The overall Program plan shall set forth—

"(A) a general description of the ultimate configuration of the Program;

"(B) a description of each of the existing components of the Program listed in section 411(a)(1); and

"(C) estimates regarding the stages on which planned components of the Program listed in section 411(a)(2) will be brought on-line.

"(2) ADDITIONAL INFORMATION.—In addition to the information required under paragraphs (1)(A), (B), and (C), the overall Program plan shall include a statement regarding—

"(A) the extent to which the existing components of the Program currently meet, and the planned components will meet, the Program goals set forth in section 412; and

"(B) the effects that the existing components are currently having, and the effects that the planned components will likely have, on Customs Service occupations, operations, processes, and systems.

"(b) IMPLEMENTATION PLAN, TESTING, AND EVALUATION.—

"(1) IMPLEMENTATION PLAN.—For each of the planned components of the Program listed in subsection (a)(2), the Secretary shall—

"(A) develop an implementation plan in consultation with the trade community, including importers, brokers, shippers, and other affected parties;

"(B) test the component in order to assess its viability;

"(C) evaluate the component in order to assess its contribution toward achieving the program goals; and

"(D) transmit to the Committees the implementation plan, the testing results, and an evaluation report.

"(2) IMPLEMENTATION.—The Secretary may implement on a permanent basis any Program component referred to in paragraph (1) on or after the 60th day after the date on which paragraph (1)(D) is complied with.

"(3) EVALUATION AND REPORT.—The Secretary shall—

"(A) develop a user satisfaction survey of parties participating in the Program;

"(B) evaluate the results of the user satisfaction survey on a biennial basis (fiscal years) and transmit a report to the Committees on the evaluation by no later than the 90th day after the close of each 2nd fiscal year; and

"(C) with respect to the existing Program component listed in section 411(a)(1)(F) transmit to the Committees—

"(i) a written evaluation of such component before the 180th day after the date of the enactment of this section and before the implementation of the planned Program components listed in section 411(a)(2) (B) and (C), and

"(ii) a report on such component for each of the 3 full fiscal years occurring after the date of the enactment of this section, which report shall be transmitted not later than the 90th day after the close of each such year.

"(c) COMMITTEES.—For purposes of this section, the term 'Committees' means the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

"SEC. 414. REMOTE LOCATION FILING.

"(a) CORE ENTRY INFORMATION.—

"(1) IN GENERAL.—A Program participant may file an entry of merchandise with the Customs Service from a location other than the district designated in the entry for examination (hereinafter in this section referred to as a 'remote location') if—

"(A) the Customs Service is satisfied that the participant has the capabilities referred to in paragraph (2) regarding such method of filing; and

"(B) the participant elects to file from the remote location.

"(2) REQUIREMENTS.—In order to qualify for filing from a remote location, a Program participant must have the capability to provide, on an entry-by-entry basis, for the following:

"(A) The electronic entry of merchandise.

"(B) The electronic entry summary of required information.

"(C) The electronic transmission of invoice information (when required by the Customs Service).

"(D) The electronic payment of duties, fees, and taxes.

"(E) Such other electronic capabilities within the existing or planned components of the Program as the Secretary shall by regulation require.

"(3) ALTERNATIVE FILING.—Any Program participant that is eligible under paragraph (1) to file entry information electronically from a remote location but chooses not to do so in the case of any entry must file any paper documentation for the entry at the designated location referred to in subsection (d).

"(b) ADDITIONAL ENTRY INFORMATION.—

"(1) IN GENERAL.—A Program participant that is eligible under subsection (a) to file entry information from a remote location may, if the Customs Service is satisfied that the participant meets the requirements under paragraph (2), also electronically file from the remote location additional information that is required by the Customs Service to be presented before, and including, the acceptance by the Customs Service of entry summary information for an entry.

"(2) REQUIREMENTS.—The Secretary shall publish, and periodically update, a list of those capabilities within the existing and planned components of the Program that a Program participant must have for purposes of this subsection.

"(3) FILING OF ADDITIONAL INFORMATION.—

"(A) IF INFORMATION ELECTRONICALLY ACCEPTABLE.—A Program participant that is eligible under paragraph (1) to file additional information from a remote location shall electronically file all such information that the Customs Service can accept electronically.

"(B) ALTERNATIVE FILING.—

"(i) IF INFORMATION NOT ELECTRONICALLY ACCEPTABLE.—If the Customs Service cannot accept additional information electronically, the Program participant shall file the paper documentation with respect to the information at the appropriate filing location. For purposes of this clause, the 'appropriate location' is—

"(I) before January 1, 1997, the designated location referred to in subsection (d); and

"(II) after December 31, 1996, a remote location designated by the Customs Service or such designated location.

"(ii) OTHER.—A Program participant that is eligible under paragraph (1) to file additional information electronically from a remote location but chooses not to do so must file the paper documentation with respect to the information at the designated location referred to in subsection (d).

"(c) POST-ENTRY SUMMARY INFORMATION.—A Program participant who is eligible to file electronically entry information under subsection (a) and additional information under subsection (b) from a remote location may file at any remote location designated by the Customs Service any information required by the Customs Service after entry summary.

"(d) DEFINITION OF DESIGNATED LOCATION.—For purposes of this section, the term 'designated location' means a customs office located in the customs district designated by the entry filer for purposes of customs examination of the merchandise.".

SEC. 232. DRAWBACK AND REFUNDS.

(a) AMENDMENTS.—Section 313 (19 U.S.C. 1313) is amended as follows:

(1) Subsection (a) is amended—

(A) by inserting "or destruction under customs supervision" after "Upon the exportation";

(B) by inserting "provided that those articles have not been used prior to such exportation or destruction," after "manufactured or produced in the United States with the use of imported merchandise,";

(C) by inserting "or destruction" after "refunded upon the exportation"; and

(D) by striking out "wheat imported after ninety days after the date of the enactment of this Act" and inserting "imported wheat".

(2) Subsection (b) is amended—

(A) by striking out "duty-free or domestic merchandise" and inserting "any other merchandise (whether imported or domestic)";

(B) by inserting ", or destruction under customs supervision," after "there shall be allowed upon the exportation";

(C) by inserting "or destroyed" after "notwithstanding the fact that none of the imported merchandise may actually have been used in the manufacture or production of the exported";

(D) by inserting ", but only if those articles have not been used prior to such exportation or destruction" after "an amount of drawback equal to that which would have been allowable had the merchandise used therein been imported"; and

(E) by inserting "or destruction under customs supervision" after "but the total amount of drawback allowed upon the exportation".

(3) Subsection (c) is amended to read as follows:

"(c) MERCHANDISE NOT CONFORMING TO SAMPLE OR SPECIFICATIONS.—Upon the exportation, or destruction under the supervision of the Customs Service, of merchandise—

"(1) not conforming to sample or specifications, shipped without the consent of the consignee, or determined to be defective as of the time of importation;

"(2) upon which the duties have been paid;

"(3) which has been entered or withdrawn for consumption; and

"(4) which, within 3 years after release from the custody of the Customs Service, has been returned to the custody of the Customs Service for exportation or destruction under the supervision of the Customs Service;

the full amount of the duties paid upon such merchandise, less 1 percent, shall be refunded as drawback.".

(4) Subsection (j) is amended to read as follows:

"(j) UNUSED MERCHANDISE DRAWBACK.—

"(1) If imported merchandise, on which was paid any duty, tax, or fee imposed under Federal law because of its importation—

"(A) is, before the close of the 3-year period beginning on the date of importation—

"(i) exported, or

"(ii) destroyed under customs supervision; and

"(B) is not used within the United States before such exportation or destruction;

then upon such exportation or destruction 99 percent of the amount of each duty, tax, or fee so paid shall be refunded as drawback.

"(2) If there is, with respect to imported merchandise on which was paid any duty, tax, or fee imposed under Federal law because of its importation, any other merchandise (whether imported or domestic), that—

"(A) is commercially interchangeable with such imported merchandise;

"(B) is, before the close of the 3-year period beginning on the date of importation of the imported merchandise, either exported or destroyed under customs supervision; and

"(C) before such exportation or destruction—

"(i) is not used within the United States, and

"(ii) is in the possession of, including ownership while in bailment, in leased facilities, in transit to, or in any other manner under the operational control of, the party claiming drawback under this paragraph (if that party paid the duty tax, or fee on the imported merchandise (established by means of either an entry summary or a certificate of delivery));

then upon the exportation or destruction of such other merchandise the amount of each such duty, tax, and fee paid regarding the imported merchandise shall be refunded as drawback, but in no case may the total drawback on the imported merchandise, whether available under this paragraph or any other provision of law or any combination thereof, exceed 99 percent of that duty, tax, or fee.

"(3) The performing of any operation or combination of operations (including, but not lim-

ited to, testing, cleaning, repacking, inspecting, sorting, refurbishing, freezing, blending, repairing, reworking, cutting, slitting, adjusting, replacing components, relabeling, disassembling, and unpacking), not amounting to manufacture or production for drawback purposes under the preceding provisions of this section on—

"(A) the imported merchandise itself in cases to which paragraph (1) applies, or

"(B) the commercially interchangeable merchandise in cases to which paragraph (2) applies,

shall not be treated as a use of that merchandise for purposes of applying paragraph (1)(B) or (2)(C).".

(5) Subsection (l) is amended by striking out "the fixing of a time limit within which drawback entries or entries for refund under any of the provisions of this section or section 309(b) shall be filed and completed," and inserting "the authority for the electronic submission of drawback entries".

(6) The following new subsections are inserted after subsection (p):

"(q) PACKAGING MATERIAL.—Packaging material, when used on or for articles or merchandise exported or destroyed under subsection (a), (b), (c), or (j), shall be eligible under such subsection for refund, as drawback, of 99 percent of any duty, tax, or fee imposed under Federal law on the importation of such material.

"(r) FILING DRAWBACK CLAIMS.—

"(1) A drawback entry and all documents necessary to complete a drawback claim, including those issued by one customs officer to another, shall be filed or applied for, as applicable, within 3 years after the date of exportation or destruction of the articles on which drawback is claimed, except that any landing certificate required by regulation shall be filed within the time limit prescribed in such regulation. Claims not completed within the 3-year period shall be considered abandoned. No extension will be granted unless it is established that a customs officer was responsible for the untimely filing.

"(2) A drawback entry for refund filed pursuant to any subsection of this section shall be deemed filed pursuant to any other subsection of this section should it be determined that drawback is not allowable under the entry as originally filed but is allowable under such other subsection.

"(s) DESIGNATION OF MERCHANDISE USED OR POSSESSED BY PREDECESSOR.—

"(1) For purposes of subsection (b), a drawback successor may designate imported merchandise used by the predecessor before the date of succession as the basis for drawback on articles manufactured by the drawback successor after the date of succession.

"(2) For purposes of subsection (j)(2), a drawback successor may designate imported merchandise upon which the predecessor, before the date of succession, paid the duty, tax, or fee related to the importation of the merchandise as the basis for drawback on merchandise possessed by the drawback successor after the date of succession.

"(3) For purposes of this subsection, the term 'drawback successor' means an entity to which another entity (in this subsection referred to as the 'predecessor') has transferred by written agreement, merger, or corporate resolution all or substantially all of the rights, privileges, immunities, powers, duties, and liabilities of the predecessor, or all or substantially all of the assets and other business interests of a division, plant, or other business unit of such predecessor, but only if in such transfer the value of the transferred realty and personalty exceeds the value of all transferred intangibles.

"(4) No drawback shall be paid under this subsection until either the predecessor or the drawback successor (who shall also certify that it has the predecessor's records) certifies that—

"(A) the transferred merchandise was not and will not be claimed by the predecessor, and

"(B) the predecessor did not and will not issue any certificate to any other person that would enable that person to claim drawback.

"(t) DRAWBACK CERTIFICATES.—Any person who issues a certificate which would enable another person to claim drawback shall be subject to the recordkeeping provisions of this chapter, with the retention period beginning on the date that such certificate is issued.

"(u) ELIGIBILITY OF ENTERED OR WITHDRAWN MERCHANDISE.—Imported merchandise that has not been regularly entered or withdrawn for consumption shall not satisfy any requirement for use, exportation, or destruction under this section.

"(v) MULTIPLE DRAWBACK CLAIMS.—Merchandise that is exported or destroyed to satisfy any claim for drawback shall not be the basis of any other claim for drawback; except that appropriate credit and deductions for claims covering components or ingredients of such merchandise shall be made in computing drawback payments.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to—

(1) any drawback entry made on or after the 15th day after the date of the enactment of this Act; and

(2) any drawback entry made before such 15th day if the liquidation of the entry is not final as of such 15th day.

SEC. 233. EFFECTIVE DATE OF RATES OF DUTY.

Section 315 (19 U.S.C. 1315) is amended—

(1) by striking out "appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury," in the first sentence of subsection (a) and inserting "Customs Service by written, electronic or such other means as the Secretary by regulation shall prescribe,";

(2) by striking out "customs custody" in the first sentence of subsection (b) and inserting "custody of the Customs Service"; and

(3) by striking out "paragraph 813" in subsection (c) and inserting "chapter 98 of the Harmonized Tariff Schedule of the United States".

SEC. 234. DEFINITIONS.

Section 401 (19 U.S.C. 1401) is amended—

(1) by amending subsection (k) to read as follows:

"(k) The term 'hovering vessel' means—

"(1) any vessel which is found or kept off the coast of the United States within or without the customs waters, if, from the history, conduct, character, or location of the vessel, it is reasonable to believe that such vessel is being used or may be used to introduce or promote or facilitate the introduction or attempted introduction of merchandise into the United States in violation of the laws of the United States; and

"(2) any vessel which has visited a vessel described in paragraph (1)."; and

(2) by inserting at the end thereof the following new subsections:

"(n) The term 'electronic transmission' means the transfer of data or information through an authorized electronic data interchange system consisting of, but not limited to, computer modems and computer networks.

"(o) The term 'electronic entry' means the electronic transmission to the Customs Service of—

"(1) entry information required for the entry of merchandise, and

"(2) entry summary information required for the classification and appraisement of the merchandise, the verification of statistical information, and the determination of compliance with applicable law.

"(p) The term 'electronic data interchange system' means any established mechanism approved by the Commissioner of Customs through which information can be transferred electronically.

"(q) The term 'National Customs Automation Program' means the program established under section 411.

"(r) The term 'import activity summary statement' refers to data or information transmitted electronically to the Customs Service, in accordance with such regulations as the Secretary prescribes, at the end of a specified period of time which enables the Customs Service to assess properly the duties, taxes and fees on merchandise imported during that period, collect accurate statistics and determine whether any other applicable requirement of law (other than a requirement relating to release from customs custody) is met.

"(s) The term 'reconciliation' means an electronic process, initiated at the request of an importer, under which the elements of an entry, other than those elements related to the admissibility of the merchandise, that are undetermined at the time of entry summary are provided to the Customs Service at a later time. A reconciliation is treated as an entry for purposes of liquidation, reliquidation, and protest.".

SEC. 235. MANIFESTS.

Section 431 (19 U.S.C. 1431) is amended—

(1) by amending subsections (a) and (b) to read as follows:

"(a) IN GENERAL.—Every vessel required to make entry under section 434 or obtain clearance under section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91) shall have a manifest that complies with the requirements prescribed under subsection (d).

"(b) PRODUCTION OF MANIFEST.—Any manifest required by the Customs Service shall be signed, produced, delivered or electronically transmitted by the master or person in charge of the vessel, aircraft, or vehicle, or by any other authorized agent of the owner or operator of the vessel, aircraft, or vehicle in accordance with the requirements prescribed under subsection (d). A manifest may be supplemented by bill of lading data supplied by the issuer of such bill. If any irregularity of omission or commission occurs in any way in respect to any manifest or bill of lading data, the owner or operator of the vessel, aircraft or vehicle, or any party responsible for such irregularity, shall be liable for any fine or penalty prescribed by law with respect to such irregularity. The Customs Service may take appropriate action against any of the parties."; and

(2) by inserting after subsection (c) the following new subsection:

"(d) REGULATIONS.—

"(1) IN GENERAL.—The Secretary shall by regulation—

"(A) specify the form for, and the information and data that must be contained in, the manifest required by subsection (a);

"(B) allow, at the option of the individual producing the manifest and subject to paragraph (2), letter and documents shipments to be accounted for by summary manifesting procedures;

"(C) prescribe the manner of production for, and the delivery for electronic transmittal of, the manifest required by subsection (a); and

"(D) prescribe the manner for supplementing manifests with bill of lading data under subsection (b).

"(2) LETTER AND DOCUMENTS SHIPMENTS.—For purposes of paragraph (1)(B)—

"(A) the Customs Service may require with respect to letter and documents shipments—

"(i) that they be segregated by country or origin, and

"(ii) additional examination procedures that are not necessary for individually manifested shipments;

"(B) standard letter envelopes and standard document packs shall be segregated from larger

document shipments for purposes of customs inspections; and

"(C) the term 'letters and documents' means—

"(i) data described in General Headnote 4(c) of the Harmonized Tariff Schedule of the United States,

"(ii) securities and similar evidences of value described in heading 4907 of such Schedule, but not monetary instruments defined pursuant to chapter 53 of title 31, United States Code, and

"(iii) personal correspondence, whether on paper, cards, photographs, tapes, or other media.".

SEC. 236. INVOICE CONTENTS.

Section 481 (19 U.S.C. 1481) is amended—

(1) by amending subsection (a)—

(A) by amending the matter preceding paragraph (1) to read as follows: "IN GENERAL.—All invoices of merchandise to be imported into the United States and any electronic equivalent thereof considered acceptable by the Secretary in regulations prescribed under this section shall set forth, in written, electronic, or such other form as the Secretary shall prescribe, the following:",

(B) by amending paragraph (3) to read as follows:

"(3) A detailed description of the merchandise, including the commercial name by which each item is known, the grade or quality, and the marks, numbers, or symbols under which sold by the seller or manufacturer in the country of exportation, together with the marks and numbers of the packages in which the merchandise is packed;", and

(C) by amending paragraph (10) to read as follows:

"(10) Any other fact that the Secretary may by regulation require as being necessary to a proper appraisement, examination and classification of the merchandise.";

(2) by amending subsection (c) to read as follows:

"(c) IMPORTER PROVISION OF INFORMATION.—Any information required to be set forth on an invoice may alternatively be provided by any of the parties qualifying as an 'importer of record' under section 484(a)(2)(B) by such means, in such form or manner, and within such time as the Secretary shall by regulation prescribe."; and

(3) by inserting before the period at the end of subsection (d) the following: "and may allow for the submission or electronic transmission of partial invoices, electronic equivalents of invoices, bills, or other documents or parts thereof, required under this section".

SEC. 237. ENTRY OF MERCHANDISE.

Section 484 (19 U.S.C. 1484) is amended to read as follows:

"SEC. 484. ENTRY OF MERCHANDISE.

"(a) REQUIREMENT AND TIME.—

"(1) Except as provided in sections 490, 498, 552, 553, and 336(j), one of the parties qualifying as 'importer of record' under paragraph (2)(B), either in person or by an agent authorized by the party in writing, shall, using reasonable care—

"(A) make entry therefor by filing with Customs Service—

"(i) such documentation or, pursuant to an electronic data interchange system, such information as is necessary to enable the Customs Service to determine whether the merchandise may be released from customs custody, and

"(ii) notification whether an import activity summary statement will be filed; and

"(B) complete the entry by filing with the Customs Service the declared value, classification and rate of duty applicable to the merchandise, and such other documentation or, pursuant to an electronic data interchange system, such other information as is necessary to enable the Customs Service to—

"(i) properly assess duties on the merchandise,

"(ii) collect accurate statistics with respect to the merchandise, and

"(iii) determine whether any other applicable requirement of law (other than a requirement relating to release from customs custody) is met.

"(2)(A) The documentation or information required under paragraph (1) with respect to any imported merchandise shall be filed or transmitted in such manner and within such time periods as the Secretary shall by regulation prescribe. Such regulations shall provide for the filing of import activity summary statements, covering entries made during a calendar month, within such time period as is prescribed in regulations but not to exceed the 20th day following such calendar month.

"(B) When an entry of merchandise is made under this section, the required documentation or information shall be filed or electronically transmitted either by the owner or purchaser of the merchandise or, when appropriately designated by the owner, purchaser, or consignee of the merchandise, a person holding a valid license under section 641. When a consignee declares on entry that he is the owner or purchaser of merchandise the Customs Service may, without liability, accept the declaration. For the purposes of this Act, the importer of record must be one of the parties who is eligible to file the documentation or information required by this section.

"(C) The Secretary, in prescribing regulations to carry out this subsection, shall establish procedures which insure the accuracy and timeliness of import statistics, particularly statistics relevant to the classification and valuation of imports. Corrections of errors in such statistical data shall be transmitted immediately to the Director of the Bureau of the Census, who shall make corrections in the statistics maintained by the Bureau. The Secretary shall also provide, to the maximum extent practicable, for the protection of the revenue, the enforcement of laws governing the importation and exportation of merchandise, the facilitation of the commerce of the United States, and the equal treatment of all importers of record of imported merchandise.

"(b) RECONCILIATION.—A party that electronically transmits an entry summary or import activity summary statement may at the time of filing such summary or statement notify the Customs Service of his intention to file a reconciliation pursuant to such regulations as the Secretary may prescribe. Such reconciliation must be filed by the importer of record within such time period as is prescribed by regulation but no later than 15 months following the filing of the entry summary or import activity summary statement. Before filing a reconciliation, an importer of record shall post bond or other security pursuant to such regulations as the Secretary may prescribe.

"(c) RELEASE OF MERCHANDISE.—The Customs Service may permit the entry and release of merchandise from customs custody in accordance with such regulations as the Secretary may prescribe. No officer of the Customs Service shall be liable to any person with respect to the delivery of merchandise released from customs custody in accordance with such regulations.

"(d) SIGNING AND CONTENTS.—Entries shall be signed by the importer of record, or his agent, unless filed pursuant to an electronic data interchange system. If electronically filed, each transmission of data shall be certified by an importer of record or his agent, one of whom shall be resident in the United States for purposes of receiving service of process, as being true and correct to the best of his knowledge and belief, and such transmission shall be binding in the same manner and to the same extent as a signed document. The entry shall set forth such facts in regard to the importation as the Secretary may require and shall be accompanied by such invoices, bills of lading, certificates, and documents, or their electronically submitted equivalents, as are required by regulation.

"(e) PRODUCTION OF INVOICE.—The Secretary may provide by regulation for the production of an invoice, parts thereof, or the electronic equivalents thereof, in such manner and form, and under such terms and conditions, as the Secretary considers necessary.

"(f) STATISTICAL ENUMERATION.—The Secretary, the Secretary of Commerce, and the United States International Trade Commission shall establish from time to time for statistical purposes an enumeration of articles in such detail as in their judgment may be necessary, comprehending all merchandise imported into the United States and exported from the United States, and shall seek, in conjunction with statistical programs for domestic production and programs for achieving international harmonization of trade statistics, to establish the comparability thereof with such enumeration of articles. All import entries and export declarations shall include or have attached thereto an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and exported and the value of the total quantity of each kind of article.

"(g) STATEMENT OF COST OF PRODUCTION.—Under such regulations as the Secretary may prescribe, the Customs Service may require a verified statement from the manufacturer or producer showing the cost of producing the imported merchandise, if the Customs Service considers such verification necessary for the appraisement of such merchandise.

"(h) ADMISSIBILITY OF DATA ELECTRONICALLY TRANSMITTED.—Any entry or other information transmitted by means of an authorized electronic data interchange system shall be admissible in any and all administrative and judicial proceedings as evidence of such entry or information.".

SEC. 238. APPRAISEMENT AND OTHER PROCEDURES.

Section 500 (19 U.S.C. 1500) is amended—

(1) by striking out "The appropriate customs officer" and inserting "The Customs Service";

(2) by striking out "appraise" in subsection (a) and inserting "fix the final appraisement of";

(3) by striking out "ascertain the" in subsection (b) and inserting "fix the final";

(4) by amending subsection (c)—

(A) by inserting "final" after "fix the", and

(B) by inserting ", taxes, and fees" after "duties" wherever it appears; and

(5) by amending subsections (d) and (e) to read as follows:

"(d) liquidate the entry and reconciliation, if any, of such merchandise; and

"(e) give or transmit, pursuant to an electronic data interchange system, notice of such liquidation to the importer, his consignee, or agent in such form and manner as the Secretary shall by regulation prescribe.".

SEC. 239. VOLUNTARY RELIQUIDATIONS.

Section 501 (19 U.S.C. 1501) is amended—

(1) by striking out "the appropriate customs officer on his own initiative" and inserting "the Customs Service";

(2) by inserting "or transmitted" after "given" wherever it appears; and

(3) by amending the section heading to read as follows:

"SEC. 501. VOLUNTARY RELIQUIDATIONS BY THE CUSTOMS SERVICE.".

SEC. 240. APPRAISEMENT REGULATIONS.

Section 502 (19 U.S.C. 1502) is amended—

(1) by amending subsection (a)—

(A) by inserting "(including regulations establishing procedures for the issuance of binding

rulings prior to the entry of the merchandise concerned)" after "law",

(B) by striking out "ports of entry, and" inserting "ports of entry. The Secretary",

(C) by inserting "or classifying" after "appraising" wherever it appears, and

(D) by striking out "such port" and inserting "any port, and may direct any customs officer at any port to review entries of merchandise filed at any other port"; and

(2) by striking out subsection (b) and redesignating subsection (c) as subsection (b).

SEC. 241. LIMITATION ON LIQUIDATION.

(a) AMENDMENTS.—Section 504 (19 U.S.C. 1504) is amended—

(1) by amending subsection (a)—

(A) by striking out "Except as provided in subsection (b)," and inserting "Unless an entry is extended under subsection (b) or suspended as required by statute or court order,",

(B) by striking out "or" at the end of paragraph (2),

(C) by inserting "or" after the semicolon at the end of paragraph (3), and

(D) by inserting the following new paragraph after paragraph (3):

"(4) if a reconciliation is filed, or should have been filed, the date of the filing under section 484 or the date the reconciliation should have been filed;"; and

(2) by amending subsections (b), (c), and (d) to read as follows:

"(b) EXTENSION.—The Secretary may extend the period in which to liquidate an entry if—

"(1) the information needed for the proper appraisement or classification of the merchandise, or for insuring compliance with applicable law, is not available to the Customs Service; or

"(2) the importer of record requests such extension and shows good cause therefor.

The Secretary shall give notice of an extension under this subsection to the importer of record and the surety of such importer of record. Notice shall be in such form and manner (which may include electronic transmittal) as the Secretary shall by regulation prescribe. Any entry the liquidation of which is extended under this subsection shall be treated as having been liquidated at the rate of duty, value, quantity, and amount of duty asserted at the time of entry by the importer of record at the expiration of 4 years from the applicable date specified in subsection (a).

"(c) NOTICE OF SUSPENSION.—If the liquidation of any entry is suspended, the Secretary shall by regulation require that notice of the suspension be provided, in such manner as the Secretary considers appropriate, to the importer of record and to any authorized agent and surety of such importer of record.

"(d) REMOVAL OF SUSPENSION.—When a suspension required by statute or court order is removed, the Customs Service shall liquidate the entry within 6 months after receiving notice of the removal from the Department of Commerce, other agency, or a court with jurisdiction over the entry. Any entry not liquidated by the Customs Service within 6 months after receiving such notice shall be treated as having been liquidated at the rate of duty, value, quantity, and amount of duty asserted at the time of entry by the importer of record.".

SEC. 242. PAYMENT OF DUTIES AND FEES.

(a) AMENDMENT TO SECTION 505.—Section 505 (U.S.C. 1505) is amended to read as follows:

"SEC. 505. PAYMENT OF DUTIES AND FEES.

"(a) DEPOSIT OF ESTIMATED DUTIES, FEES, AND INTEREST.—Unless merchandise is entered for warehouse or transportation, or under bond, the importer of record shall deposit with the Customs Service at the time of making entry, or at such later time as the Secretary may prescribe by regulation, the amount of duties and fees estimated to be payable thereon. Such regulations may provide that estimated duties and fees shall be deposited before or at the time an import activity summary statement is filed. If an import activity summary statement is filed, the estimated duties and fees shall be deposited together with interest, at a rate determined by the Secretary, accruing from the first date of the month the statement is required to be filed until the date such statement is actually filed.

"(b) COLLECTION OR REFUND OF DUTIES, FEES, AND INTEREST DUE UPON LIQUIDATION OR RELIQUIDATION.—The Customs Service shall collect any increased or additional duties and fees due, together with interest thereon, or refund any excess moneys deposited, together with interest thereon, as determined on a liquidation or reliquidation. Duties, fees, and interest determined to be due upon liquidation or reliquidation are due 30 days after issuance of the bill for such payment. Refunds of excess moneys deposited, together with interest thereon, shall be paid within 30 days of liquidation or reliquidation.

"(c) INTEREST.—Interest assessed due to an underpayment of duties, fees, or interest shall accrue, at a rate determined by the Secretary, from the date the importer of record is required to deposit estimated duties, fees, and interest to the date of liquidation or reliquidation of the applicable entry or reconciliation. Interest on excess moneys deposited shall accrue, at a rate determined by the Secretary, from the date the importer of record deposits estimated duties, fees, and interest to the date of liquidation or reliquidation of the applicable entry or reconciliation.

"(d) DELINQUENCY.—If duties, fees, and interest determined to be due or refunded are not paid in full within the 30-day period specified in subsection (b), any unpaid balance shall be considered delinquent and bear interest by 30-day periods, at a rate determined by the Secretary, from the date of liquidation or reliquidation until the full balance is paid. No interest shall accrue during the 30-day period in which payment is actually made.".

(b) CONFORMING AMENDMENT.—Subsection (d) of section 520 (19 U.S.C. 1520(d)) is repealed.

SEC. 243. ABANDONMENT AND DAMAGE.

Section 506 (19 U.S.C. 1506) is amended—

(1) by striking out "the appropriate customs officer" and "such customs officer" wherever they appear and inserting "the Customs Service";

(2) by amending paragraph (1)—

(A) by striking out "not sent to the appraiser's stores for" and inserting "released without an",

(B) by striking out "of the examination packages or quantities of merchandise",

(C) by striking out "the appraiser's stores" and inserting "the Customs Service", and

(D) by inserting "or entry" after "invoice"; and

(3) by amending paragraph (2)—

(A) by inserting ", electronically or otherwise," after "files", and

(B) by striking out "written".

SEC. 244. CUSTOMS OFFICER'S IMMUNITY.

Section 513 (19 U.S.C. 1513) is amended to read as follows—

"SEC. 513. CUSTOMS OFFICER'S IMMUNITY.

"No customs officer shall be liable in any way to any person for or on account of—

"(1) any ruling or decision regarding the appraisement or the classification of any imported merchandise or regarding the duties, fees, and taxes charged thereon;

"(2) the collection of any dues, charges, duties, fees, and taxes on or on account of any imported merchandise, or

"(3) any other matter or thing as to which any person might under this Act be entitled to protest or appeal from the decision of such officer.".

SEC. 245. PROTESTS.

Section 514 (19 U.S.C. 1514) is amended—

(1) by amending subsection (a)—

(A) by striking out "appropriate customs officer" in the text preceding paragraph (1) and inserting "Customs Service",

(B) by inserting "or reconciliation as to the issues contained therein," after "entry," in paragraph (5),

(C) by striking out "and" and inserting "or" at the end of paragraph (6),

(D) by striking out the comma at the end of paragraph (7) and inserting a semicolon; and

(E) by striking out "appropriate customs officer, who" in the text following paragraph (7) and inserting "Customs Service, which";

(2) by amending subsection (b) by striking out "appropriate customs officer" and inserting "Customs Service";

(3) by amending the first sentence of subsection (c)(1) to read as follows: "A protest of a decision made under subsection (a) shall be filed in writing, or transmitted electronically pursuant to an electronic data interchange system, in accordance with regulations prescribed by the Secretary. A protest must set forth distinctly and specifically—

"(A) each decision described in subsection (a) as to which protest is made;

"(B) each category of merchandise affected by each decision set forth under paragraph (1);

"(C) the nature of each objection and the reasons therefor; and

"(D) any other matter required by the Secretary by regulation.";

(4) by redesignating paragraph (2) of subsection (c) as paragraph (3) and by striking out "such customs officer" in such redesignated paragraph and inserting "the Customs Service";

(5) by designating the last sentence of paragraph (1) of subsection (c) as paragraph (2);

(6) by striking out "customs officer" in subsection (d) and inserting "Customs Service"; and

(7) by amending the section heading to read as follows:

"SEC. 514. PROTEST AGAINST DECISIONS OF THE CUSTOMS SERVICE.";

SEC. 246. REFUNDS AND ERRORS.

Section 520 (19 U.S.C. 1520) is amended—

(1) by inserting "or reconciliation" after "entry" in paragraphs (1) and (4) of subsection (a); and

(2) by amending subsection (c)—

(A) by striking out "appropriate customs officer" wherever it appears and inserting "Customs Service",

(B) by inserting "or reconciliation" after "reliquidate an entry", and

(C) by inserting ", whether or not resulting from or contained in electronic transmission," after "inadvertence" the first place it appears in paragraph (1).

SEC. 247. BONDS AND OTHER SECURITY.

Section 623 (19 U.S.C. 1623) is amended—

(1) by inserting "and the manner in which the bond may be filed with or, pursuant to an authorized electronic data interchange system, transmitted to the Customs Service" after "form of such bond" in subsection (b)(1); and

(2) by inserting at the end of subsection (d) the following new sentence: "Any bond transmitted to the Customs Service pursuant to an authorized electronic data interchange system shall have the same force and effect and be binding upon the parties thereto as if such bond were manually executed, signed, and filed.".

SEC. 248. CUSTOMHOUSE BROKERS.

Section 641 (19 U.S.C. 1641) is amended—

(1) by adding at the end of subsection (a)(2) the following new sentence: "It also includes the preparation of documents or forms in any format and the electronic transmission of documents, invoices, bills, or parts thereof, intended

to be filed with the Customs Service in furtherance of such activities, whether or not signed or filed by the preparer, or activities relating to such preparation, but does not include the mere electronic transmission of data received for transmission to Customs.";

(2) by amending subsection (c)(1) to read as follows:

"(1) IN GENERAL.—Each person granted a customs broker's license under subsection (b) shall be issued, in accordance with such regulations as the Secretary shall prescribe, either or both of the following:

"(A) A national permit for the conduct of such customs business as the Secretary prescribes by regulation.

"(B) A permit for each customs district in which that person conducts customs business and, except as provided in paragraph (2), regularly employs at least 1 individual who is licensed under subsection (b)(2) to exercise responsible supervision and control over the customs business conducted by that person in that district.";

(3) by inserting at the end of subsection (c) the following new paragraph:

"(4) APPOINTMENT OF SUBAGENTS.—Notwithstanding subsection (c)(1), upon the implementation by the Secretary under section 413(b)(2) of the component of the National Customs Automation Program referred to in section 411(a)(2)(B), a licensed broker may appoint another licensed broker holding a permit in a customs district to act on its behalf as its subagent in that district if such activity relates to the filing of information that is permitted by law or regulation to be filed electronically. A licensed broker appointing a subagent pursuant to this paragraph shall remain liable for any and all obligations arising under bond and any and all duties, taxes, and fees, as well as any other liabilities imposed by law, and shall be precluded from delegating to a subagent such liability.";

(4) by amending subsection (d)(2)(B)—

(A) by striking out "appropriate customs officer" and inserting "Customs Service" in the first and third sentences,

(B) by striking out "he" and inserting "it" in the third sentence,

(C) by striking out "15 days" and inserting "30 days" in the third sentence,

(D) by striking out "the appropriate customs officer and the customs broker; they" and inserting "the Customs Service and the customs broker; which" in the sixth sentence,

(E) by striking out "his" and inserting "the" in the seventh sentence, and

(F) by striking out "for his decision" and inserting "for the decision" in the eighth sentence"; and

(5) by amending subsection (f) by striking out "United States Customs Service." and inserting "Customs Service. The Secretary may not prohibit customs brokers from limiting their liability to other persons in the conduct of customs business. For purposes of this subsection or any other provision of this Act pertaining to recordkeeping, all data required to be retained by a customs broker may be kept on microfilm, optical disc, magnetic tapes, disks or drums, video files or any other electrically generated medium. Pursuant to such regulations as the Secretary shall prescribe, the conversion of data to such storage medium may be accomplished at any time subsequent to the relevant customs transaction and the data may be retained in a centralized basis according to such broker's business system.".

SEC. 249. CONFORMING AMENDMENTS.

(a) PLACE OF ENTRY AND UNLADING.—Section 447 (19 U.S.C. 1447) is amended by striking out "the appropriate customs officer shall consider" and inserting "the Customs Service considers".

(b) UNLADING.—Section 449 (19 U.S.C. 1449) is amended by striking out "appropriate customs officer of such port issues a permit for the unlading of such merchandise or baggage," and inserting "Customs Service issues a permit for the unlading of such merchandise or baggage at such port,".

Subtitle C—Miscellaneous Amendments to the Tariff Act of 1930

SEC. 251. ADMINISTRATIVE EXEMPTIONS.

Section 321 (19 U.S.C. 1321) is amended—

(1) by amending subsection (a)(1)—

(A) by striking out "of less than $10" and inserting "of an amount specified by the Secretary by regulation, but not less than $20,",

(B) by inserting ", fees," after "duties" wherever it appears, and

(C) by striking out "and" at the end thereof;

(2) by amending subsection (a)(2)—

(A) by striking out "shall not exceed—" and inserting "shall not exceed an amount specified by the Secretary by regulation, but not less than—",

(B) by striking out "$50" and "$100" in subparagraph (A) and inserting "$100" and "$200", respectively,

(C) by striking out "$25" in subparagraph (B) and inserting "$200",

(D) by striking out "$5" in subparagraph (C) and inserting "$200", and

(E) by striking the period at the end thereof and inserting "; and", and

(3) by inserting a new paragraph (3) at the end of subsection (a) to read as follows:

"(3) waive the collection of duties, fees, and taxes due on entered merchandise when such duties, fees, or taxes are less than $20 or such greater amount as may be specified by the Secretary by regulation."; and

(4) by amending subsection (b)—

(A) by striking out "to diminish any dollar amount specified in subsection (a) and"; and

(B) by striking out "such subsection" wherever it appears and inserting "subsection (a)".

SEC. 252. REPORT OF ARRIVAL.

Section 433 (19 U.S.C. 1433) is amended—

(1) by amending subsection (a)(1)—

(A) by striking out "or" at the end of subparagraph (B),

(B) by inserting "or" after the semicolon at the end of subparagraph (C), and

(C) by adding after paragraph (C) the following:

"(D) any vessel which has visited a hovering vessel or received merchandise while outside the territorial sea;";

(2) by striking out "present to customs officers such" in subsection (d) and inserting "present, or transmit pursuant to an electronic data interchange system, to the Customs Service such information, data,"; and

(3) by amending subsection (e) to read as follows:

"(e) PROHIBITION ON DEPARTURES AND DISCHARGE.—Unless otherwise authorized by law, a vessel, aircraft or vehicle after arriving in the United States or Virgin Islands may, but only in accordance with regulations prescribed by the Secretary—

"(1) depart from the port, place, or airport of arrival; or

"(2) discharge any passenger or merchandise (including baggage).".

SEC. 253. ENTRY OF VESSELS.

Section 434 (19 U.S.C. 1434) amended to read as follows:

"SEC. 434. ENTRY; VESSELS.

"(a) FORMAL ENTRY.—Within 24 hours (or such other period of time as may be provided under subsection (c)(2)) after the arrival at any port or place in the United States of—

"(1) any vessel from a foreign port or place;

"(2) any foreign vessel from a domestic port;

"(3) any vessel of the United States having on board bonded merchandise or foreign merchandise for which entry has not been made; or

"(4) any vessel which has visited a hovering vessel or has delivered or received merchandise while outside the territorial sea;

the master of the vessel shall, unless otherwise provided by law, make formal entry at the nearest customs facility or such other place as the Secretary may prescribe by regulation.

"(b) PRELIMINARY ENTRY.—The Secretary may by regulation permit the master to make preliminary entry of the vessel with the Customs Service in lieu of formal entry or before formal entry is made.

"(c) REGULATIONS.—The Secretary may by regulation—

"(1) prescribe the manner and format in which entry under subsection (a) or subsection (b), or both, must be made, and such regulations may provide that any such entry may be made electronically pursuant to an electronic data interchange system;

"(2) provide that—

"(A) formal entry must be made within a greater or lesser time than 24 hours after arrival, but in no case more than 48 hours after arrival, and

"(B) formal entry may be made before arrival; and

"(3) authorize the Customs Service to permit entry or preliminary entry of any vessel to be made at a place other than a designated port of entry, under such conditions as may be prescribed.".

SEC. 254. UNLAWFUL RETURN OF FOREIGN VESSEL PAPERS.

Section 438 (19 U.S.C. 1438) is amended—

(1) by striking out "section 435" and inserting "section 434";

(2) by inserting ", or regulations issued thereunder," after "of this Act"; and

(3) by striking out "the appropriate customs officer of the port where such vessel has been entered." and inserting "the Customs Service in the port in which such vessel has entered.".

SEC. 255. VESSELS NOT REQUIRED TO ENTER.

Section 441 (19 U.S.C. 1441) is amended—

(1) by amending the text preceding paragraph (1) to read as follows: "The following vessels shall not be required to make entry under section 434 or to obtain clearance under section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91):";

(2) by amending paragraph (3) to read as follows:

"(3) Any vessel carrying passengers on excursion from the United States Virgin Islands to the British Virgin Islands and returning, if—

"(A) the vessel does not in any way violate the customs or navigation laws of the United States;

"(B) the vessel has not visited any hovering vessel; and

"(C) the master of the vessel, if there is on board any article required by law to be entered, reports the article to the Customs Service immediately upon arrival.";

(3) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and inserting after paragraph (3) the following:

"(4) Any United States documented vessel with recreational endorsement or any undocumented United States pleasure vessel not engaged in trade, if—

"(A) the vessel complies with the reporting requirements of section 433, and with the customs and navigation laws of the United States;

"(B) the vessel has not visited any hovering vessel; and

"(C) the master of, and any other person on board, the vessel, if the master or such person has on board any article required by law to be entered or declared, reports such article to the Customs Service immediately upon arrival;"; and

(4) by amending the section heading to read as follows:

"SEC. 441. EXCEPTIONS TO VESSEL ENTRY AND CLEARANCE REQUIREMENTS.".

SEC. 256. UNLADING.

Section 448(a) (19 U.S.C. 1448(a)) is amended—

(1) by amending the first sentence—

(A) by striking out "enter)" and inserting "enter or clear)",

(B) by striking out "or vehicle arriving from a foreign port or place" and inserting "required to make entry under section 434, or vehicle required to report arrival under section 433,",

(C) by inserting "or transmitted pursuant to an electronic data interchange system" after "issued", and

(D) by striking out the colon after "officer" and the proviso and inserting a period;

(2) by amending the second sentence—

(A) by striking out ", preliminary or otherwise,", and

(B) by inserting ", electronically pursuant to an authorized electronic data interchange system or otherwise," after "may issue a permit";

(3) by striking out the last sentence and inserting the following: "The owner or master of any vessel or vehicle, or agent thereof, shall notify the Customs Service of any merchandise or baggage so unladen for which entry is not made within the time prescribed by law or regulation. The Secretary shall by regulation prescribe administrative penalties not to exceed $1,000 for each bill of lading for which notice is not given. Any such administrative penalty shall be subject to mitigation and remittance under section 618. Such unentered merchandise or baggage shall be the responsibility of the master or person in charge of the importing vessel or vehicle, or agent thereof, until it is removed from the carrier's control in accordance with section 490."; and

(4) by striking out "the appropriate customs officer" and "such customs officer" wherever they appear and inserting "the Customs Service".

SEC. 257. DECLARATIONS.

Section 485 (19 U.S.C. 1485) is amended—

(1) by amending subsection (a)—

(A) by inserting "or transmit electronically" after "file", and

(B) by inserting "and manner" after "form";

(2) by amending subsection (d)—

(A) by striking out "A importer" and inserting "An importer", and

(B) by striking out "a importer" and inserting "an importer"; and

(3) by inserting after subsection (f) the following new subsection:

"(g) EXPORTED MERCHANDISE RETURNED AS UNDELIVERABLE.—With respect to any importation of merchandise to which General Headnote 4(e) of the Harmonized Tariff Schedule of the United States applies, any person who gained any benefit from, or met any obligation to, the United States as a result of the prior exportation of such merchandise shall, in accordance with regulations prescribed by the Secretary, within a reasonable time inform the Customs Service of the return of the merchandise.".

SEC. 258. GENERAL ORDERS.

Section 490 (19 U.S.C. 1490) is amended—

(1) by amending subsection (a) to read as follows:

"(a) INCOMPLETE ENTRY.—

"(1) Whenever—

"(A) the entry of any imported merchandise is not made within the time provided by law or by regulation prescribed by the Secretary;

"(B) the entry of imported merchandise is incomplete because of failure to pay the estimated duties, fees, or interest;

"(C) in the opinion of the Customs Service, the entry of imported merchandise cannot be made for want of proper documents or other cause; or

"(D) the Customs Service believes that any merchandise is not correctly and legally invoiced;

the carrier (unless subject to subsection (c)) shall notify the bonded warehouse of such unentered merchandise.

"(2) After notification under paragraph (1), the bonded warehouse shall arrange for the transportation and storage of the merchandise at the risk and expense of the consignee. The merchandise shall remain in the bonded warehouse until—

"(A) entry is made or completed and the proper documents are produced;

"(B) the information and data necessary for entry are transmitted to the Customs Service pursuant to an authorized electronic data interchange system; or

"(C) a bond is given for the production of documents or the transmittal of data.";

(2) by amending subsection (b)—

(A) by amending the heading for subsection (b) to read as follows: "(b) REQUEST FOR POSSESSION BY CUSTOMS.—", and

(B) by striking out "appropriate customs officer" and inserting "Customs Service"; and

(3) by adding at the end the following new subsection:

"(c) GOVERNMENT MERCHANDISE.—Any imported merchandise that—

"(1) is described in any of paragraphs (1) through (4) of subsection (a); and

"(2) is consigned to, or owned by, the United States Government;

shall be stored and disposed of in accordance with such rules and procedures as the Secretary shall by regulation prescribe.".

SEC. 259. UNCLAIMED MERCHANDISE.

Section 491 (19 U.S.C. 1491) is amended—

(1) by amending subsection (a)—

(A) by striking out "customs custody for one year" in the first sentence and inserting "in a bonded warehouse pursuant to section 490 for 6 months",

(B) by striking out "public store or bonded warehouse for a period of one year" in the second sentence and inserting "pursuant to section 490 in a bonded warehouse for 6 months", and

(C) by striking out "estimated duties and storage" in the first sentence and inserting "estimated duties, taxes, fees, interest, storage,",

(D) by inserting "taxes, fees, interest," after "duties," wherever it appears, and

(E) by striking out "duties" in the last sentence and inserting "duties, taxes, interest, and fees";

(2) by redesignating subsection (b) as subsection (e) and inserting after subsection (a) the following new subsections:

"(b) NOTICE OF TITLE VESTING IN THE UNITED STATES.—At the end of the 6-month period referred to in subsection (a), the Customs Service may, in lieu of sale of the merchandise, provide notice to all known interested parties that the title to such merchandise shall be considered to vest in the United States free and clear of any liens or encumbrances, on the 30th day after the date of the notice unless, before such 30th day—

"(1) the subject merchandise is entered or withdrawn for consumption; and

"(2) payment is made of all duties, taxes, fees, transfer and storage charges, and other expenses that may have accrued thereon.

"(c) RETENTION, TRANSFER, DESTRUCTION, OR OTHER DISPOSITION.—If title to any merchandise vests in the United States by operation of subsection (b), such merchandise may be retained by the Customs Service for official use, transferred to any other Federal agency or to any State or local agency, destroyed, or otherwise disposed of in accordance with such regulations as the Secretary shall prescribe. All transfer and storage charges or expenses accruing on transferred merchandise shall be paid by the receiving agency, otherwise the charges and expenses on such merchandise shall be paid out of the Customs Forfeiture Fund.

"(d) PETITION.—Whenever any party, having lost a substantial interest in merchandise by virtue of title vesting in the United States under subsection (b), can establish such title or interest to the satisfaction of the Secretary within 30 days after the day on which title vests in the United States under subsection (b), or can establish to the satisfaction of the Secretary that the party did not receive notice under subsection (b), the Secretary may, upon receipt of a timely and proper petition and upon finding that the facts and circumstances warrant, pay such party out of the Customs Forfeiture Fund the amount the Secretary believes the party would have received under section 493 had the merchandise been sold and a proper claim filed. The decision of the Secretary with respect to any such petition is final and conclusive on all parties."; and

(3) by amending subsection (e) (as so redesignated) by striking out "appropriate customs officer" in paragraph (3) and inserting "Customs Service".

SEC. 260. DESTRUCTION OF MERCHANDISE.

Section 492 (19 U.S.C. 1492) is amended—

(1) by inserting ", retained for official use, or otherwise disposed of" after "destroyed"; and

(2) by striking out "appropriate customs officer" and inserting "Customs Service".

SEC. 261. PROCEEDS OF SALE.

Section 493 (19 U.S.C. 1493) is amended—

(1) by inserting "taxes, and fees," after "duties,";

(2) by striking out "by the appropriate customs officer in the Treasury of the United States" and inserting "in the Customs Forfeiture Fund"; and

(3) by striking out "such customs officer" and inserting "the Customs Service".

SEC. 262. ENTRY UNDER REGULATIONS.

Section 498(a) (19 U.S.C. 1498(a)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Merchandise, when—

"(A) the aggregate value of the shipment does not exceed an amount specified by the Secretary by regulation, but not more than $2,500; or

"(B) different commercial facilitation and risk considerations that may vary for different classes or kinds of merchandise or different classes of transactions may dictate;"; and

(2) by striking out "$10,000" in paragraph (2) and inserting "such amounts as the Secretary may prescribe".

SEC. 263. AMERICAN TRADEMARKS.

Section 526(e)(3) (19 U.S.C. 1526(e)(3)) is amended—

(1) by striking out "1 year" and inserting "90 days"; and

(2) by striking out "appropriate customs officers" and inserting "the Customs Service".

SEC. 264. SEIZURE.

Section 612 (19 U.S.C. 1612) is amended—

(1) by amending subsection (a)—

(A) by striking out "the appropriate customs officer", "such officer" and "the customs officer" wherever they appear and inserting "the Customs Service", and

(B) by striking out "the appraiser's return and his" and inserting "its"; and

(2) by amending subsection (b) to read as follows:

"(b) If the Customs Service determines that the expense of keeping the vessel, vehicle, aircraft, merchandise, or baggage is disproportionate to the value thereof, the Customs Service may promptly order the destruction or other appropriate disposition of such property under regulations prescribed by the Secretary. No customs officer shall be liable for the destruction or other disposition of property made pursuant to this section.".

SEC. 265. CUSTOMS FORFEITURE FUND.

Section 613A (19 U.S.C. 1613b) is amended—

(1) by redesignating subparagraphs (E) and (F) of subsection (a)(3) as subparagraphs (G) and (H), respectively;

(2) by inserting after subparagraph (D) of subsection (a)(3) the following new subparagraphs:

"(E) the payment of transfer and storage charges and expenses under section 491(c);

"(F) the payment of claims against employees of the Customs Service settled by the Secretary under section 630;"; and

(3) by striking out "shall" in subsection (d) and inserting "may".

SEC. 266. LIMITATION ON ACTIONS.

Section 621 (19 U.S.C. 1621) is amended—

(1) by inserting "any duty under section 592(d), 593A(d), or" before "any pecuniary penalty"; and

(2) by striking out "discovered:" and all that follows thereafter and inserting the following: "discovered; except that—

"(1) in the case of an alleged violation of section 592 or 593A, no suit or action may be instituted unless commenced within 5 years after the date of the alleged violation or, if such violation arises out of fraud, within 5 years after the date of discovery of fraud, and

"(2) the time of the absence from the United States of the person subject to the penalty or forfeiture, or of any concealment or absence of the property, shall not be reckoned within the 5-year period of limitation.".

SEC. 267. COLLECTION OF FEES ON BEHALF OF OTHER AGENCIES.

The Tariff Act of 1930 is amended by inserting after section 528 the following new section:

"SEC. 529. COLLECTION OF FEES ON BEHALF OF OTHER AGENCIES.

"The Customs Service shall be reimbursed from the fees collected for the cost and expense, administrative and otherwise, incurred in collecting any fees on behalf of any government agency for any reason.".

SEC. 268. AUTHORITY TO SETTLE CLAIMS.

The Tariff Act of 1930 is amended by inserting after section 629 the following new section:

"SEC. 630. AUTHORITY TO SETTLE CLAIMS.

"(a) IN GENERAL.—Notwithstanding any other provision of law and subject to subsection (b), the Secretary may settle, for not more than $50,000 in any one case, a claim for personal injury, death, or damage to, or loss of, privately owned property caused by an investigative or law enforcement officer (as defined in section 2680(h) of title 28, United States Code) who is employed by the Customs Service and acting within the scope of his or her employment.

"(b) LIMITATIONS.—The Secretary may not pay a claim under subsection (a) that—

"(1) concerns commercial property;

"(2) is presented to the Secretary more than 1 year after it occurs; or

"(3) is presented by an officer or employee of the United States Government and arose within the scope of employment.

"(c) FINAL SETTLEMENT.—A claim may be paid under this section only if the claimant accepts the amount of settlement in complete satisfaction of the claim.".

SEC. 269. USE OF PRIVATE COLLECTION AGENCIES.

The Tariff Act of 1930 is amended by inserting after section 630 the following new section:

"SEC. 631. USE OF PRIVATE COLLECTION AGENCIES.

"(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary, under such terms and conditions as the Secretary considers appropriate, shall enter into contracts and incur obligations with one or more persons for collection services to recover indebtedness arising under the customs laws and owed the United States Government, but only after the Customs Service has exhausted all administrative efforts, including all claims against applicable surety bonds, to collect the indebtedness.

"(b) CONTRACT REQUIREMENTS.—Any contract entered into under subsection (a) shall provide that—

"(1) the Secretary retains the authority to resolve a dispute, compromise a claim, end collection action, and refer a matter to the Attorney General to bring a civil action; and

"(2) the person is subject to—

"(A) section 552a of title 5, United States Code, to the extent provided in subsection (m) of such section; and

"(B) laws and regulations of the United States Government and State governments related to debt collection practices.".

Subtitle D—Miscellaneous Provisions and Consequential and Conforming Amendments to Other Laws

SEC. 281. AMENDMENTS TO THE HARMONIZED TARIFF SCHEDULES.

(a) RETURN SHIPMENTS.—General Note 4 of the Harmonized Tariff Schedule of the United States is amended—

(1) by striking out "and" at the end of subdivision (c);

(2) by inserting "and" after "1930," in subdivision (d);

(3) by inserting after subdivision (d) the following:

"(e) articles exported from the United States which are returned within 45 days after such exportation from the United States as undeliverable and which have not left the custody of the carrier or foreign customs service,"; and

(4) by adding at the end the following new sentence: "No exportation referred to in subdivision (e) may be treated as satisfying any requirement for exportation in order to receive a benefit from, or meet an obligation to, the United States as a result of such exportation.".

(b) ENTRY NOT REQUIRED FOR LOCOMOTIVES AND RAILWAY FREIGHT CARS.—

(1) The Notes to chapter 86 of such Schedule are amended by inserting after note 3 the following new note:

"4. Railway locomotives (provided for in headings 8601 and 8602) and railway freight cars (provided for in heading 8606) on which no duty is owed are not subject to the entry or release requirements for imported merchandise set forth in sections 448 and 484 of the Tariff Act of 1930. The Secretary of the Treasury may by regulation establish appropriate reporting requirements, including the requirement that a bond be posted to ensure compliance.".

(2) The U.S. Notes to subchapter V of chapter 99 of such Schedule are amended by inserting after note 8 the following new note:

"9. Railway freight cars provided for in subheadings 9905.86.05 and 9905.86.10 are not subject to the entry or release requirements for imported merchandise set forth in sections 448 and 484 of the Tariff Act of 1930. The Secretary of the Treasury may by regulation establish appropriate reporting requirements, including the requirement that a bond be posted to ensure compliance.".

(c) INSTRUMENTS OF INTERNATIONAL TRAFFIC.—The U.S. Notes to subchapter III of chapter 98 of such Schedule is amended by inserting after note 3 the following new note:

"4. Instruments of international trade, such as containers, light vans, rail cars and locomotives, truck cabs and trailers, etc. are exempt from formal entry procedures but are required to be accounted for when imported and exported into and out of the United States, respectively, through the manifesting procedures required of all international carriers by the United States Customs Service. Fees associated with the importation of such instruments of international trade shall be reported and paid on a periodic basis as required by regulations issued by the Secretary of the Treasury and in accordance with International Conventions on Instruments of International Trade.".

SEC. 282. AMENDMENT TO THE INTERNAL REVENUE CODE OF 1986.

Section 9505(c) of the Internal Revenue Code of 1986 (26 U.S.C. 9505(c)) is amended to read as follows:

"(c) EXPENDITURES FROM THE HARBOR MAINTENANCE TRUST FUND.—

"(1) Amounts in the Harbor Maintenance Trust Fund shall be available, as provided by appropriations Acts, for making expenditures—

"(A) to carry out section 210(a) of the Water Resources Development Act of 1986 (as amended by the Water Resources Development Act of 1990),

"(B) for payments of rebates of tolls or charges pursuant to section 13(b) of the Act of May 13, 1954 (as in effect on April 1, 1987), and

"(C) for the payments of all administrative expenses incurred by the Department of the Army, the Department of the Treasury and the Department of Commerce in administering the tax imposed by section 4461.

"(2) There are authorized to be appropriated to the Department of the Army, out of the Harbor Maintenance Trust Fund established by subsection (a), for each fiscal year up to $5,000,000 to be used by the Department of the Army to provide payment of all administrative expenses incurred by the Department of the Army, the Department of the Treasury, and the Department of Commerce in administering the tax imposed by section 4461.".

SEC. 283. AMENDMENTS TO TITLE 28, UNITED STATES CODE.

(a) AMENDMENTS RELATING TO ACCREDITATION OF PRIVATE LABORATORIES.—Title 28 of the United States Code is amended as follows:

(1) Section 1581(g) is amended by—

(A) striking out "and" at the end of paragraph (1);

(B) by striking out the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) any decision or order of the Customs Service to deny, suspend, or revoke accreditation of a private laboratory under section 499(b) of the Tariff Act of 1930.".

(2) Section 2631(g) is amended by inserting at the end the following new paragraph:

"(3) A civil action to review any decision or order of the Customs Service to deny, suspend, or revoke accreditation of a private laboratory under section 499(b) of the Tariff Act of 1930 may be commenced in the Court of International Trade by the person whose accreditation was denied, suspended, or revoked.".

(3) Section 2636 is amended—

(A) by redesignating subsection (h) as subsection (i); and

(B) by inserting after subsection (g) the following new subsection:

"(h) A civil action contesting the denial, suspension, or revocation by the Customs Service of a private laboratory's accreditation under section 499(b) of the Tariff Act of 1930 is barred unless commenced in accordance with the rules of the Court of International Trade within 60 days after the date of the decision or order of the Customs Service.".

(4) Section 2640 is amended—

(A) by redesignating subsection (d) as subsection (e); and

(B) by inserting after subsection (c) the following new subsection:

"(d) In any civil action commenced to review any order or decision of the Customs Service under section 499(b) of the Tariff Act of 1930, the court shall review the action on the basis of the record before the Customs Service at the time of issuing such decision or order.".

(5) Section 2642 is amended by inserting before the period the following: "or laboratories accredited by the Customs Service under section 499(b) of the Tariff Act of 1930".

(b) APPLICATION OF SUBSECTION (a) AMENDMENTS.—For purposes of applying the amendments made by subsection (a), any decision or order of the Customs Service denying, suspending, or revoking the accreditation of a private laboratory on or after the date of the enactment of this title and before regulations to implement section 499(b) of the Tariff Act of 1930 are issued shall be treated as having been denied, suspended, or revoked under such section 499(b).

(c) JURISDICTION OF COURT.—Section 1582(1) of title 28, United States Code, is amended by inserting "593A," after "592,".

(d) FILING OF OFFICIAL DOCUMENTS.—Section 2635(a) of title 28, United States Code, is amended to read as follows:

"(a) In any action commenced in the Court of International Trade contesting the denial of a protest under section 515 of the Tariff Act of 1930 or the denial of a petition under section 516 of such Act, the Customs Service, as prescribed by the rules of the court, shall file with the clerk of the court, as part of the official record, any document, paper, information or data relating to the entry of merchandise and the administrative determination that is the subject of the protest or petition.".

SEC. 284. AMENDMENTS TO THE REVISED STATUTES OF THE UNITED STATES.

(a) ENROLLED OR LICENSED VESSELS.—Section 2793 of the Revised Statutes of the United States (19 U.S.C. 288; 46 U.S.C. App. 111, 123) is amended by striking out the first semicolon and all the text that follows thereafter and inserting a period.

(b) REGISTERED VESSELS AT FOREIGN PORTS.—Section 3126 of such Revised Statutes (19 U.S.C. 293) is amended—

(1) by striking out "Any vessel, on being duly registered in pursuance of the laws of the United States," and inserting "Any United States documented vessel with a registry and coastwise endorsements"; and

(2) by striking out all the text occurring after the first sentence.

(c) CLEARANCE REQUIREMENTS.—Section 4197 of such Revised Statutes (46 U.S.C. App. 91) is amended to read as follows:

"SEC. 4197. CLEARANCE; VESSELS.

"(a) WHEN REQUIRED; VESSELS OF THE UNITED STATES.—Except as otherwise provided by law, any vessel of the United States shall obtain clearance from the Customs Service before proceeding from a port or place in the United States—

"(1) for a foreign port or place;

"(2) for another port or place in the United States if the vessel has on board bonded merchandise or foreign merchandise for which entry has not been made; or

"(3) outside the territorial sea to visit a hovering vessel or to receive merchandise while outside the territorial sea.

"(b) WHEN REQUIRED; OTHER VESSELS.—Except as otherwise provided by law, any vessel that is not a vessel of the United States shall obtain clearance from the Customs Service before proceeding from a port or place in the United States—

"(1) for a foreign port or place;

"(2) for another port or place in the United States; or

"(3) outside the territorial sea to visit a hovering vessel or to receive or deliver merchandise while outside the territorial sea.

"(c) REGULATIONS.—The Secretary of the Treasury may by regulation—

"(1) prescribe the manner in which clearance under this section is to be obtained, including the documents, data or information which shall be submitted or transmitted, pursuant to an authorized data interchange system, to obtain the clearance;

"(2) permit the Customs Service to grant clearance for a vessel under this section before all requirements for clearance are complied with, but only if the owner or operator of the vessel files a bond in an amount set by the Secretary of the Treasury conditioned upon the compliance by the owner or operator with all specified requirements for clearance within a time period (not exceeding 4 business days) established by the Secretary of the Treasury; and

"(3) authorize the Customs Service to permit clearance of any vessel to be obtained at a place other than a designated port of entry, under such conditions as he may prescribe.".

SEC. 285. AMENDMENTS TO TITLE 18, UNITED STATES CODE.

Section 965(a) of title 18, United States Code, is amended—

(1) by striking out "sections 91, 92, and 94 of Title 46" and inserting "section 431 of the Tariff Act of 1930 (19 U.S.C. 1431) and section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91),";

(2) by striking out "the collector of customs for the district wherein such vessel is then located" and inserting "the Customs Service"; and

(3) by striking out "the collector like" and inserting in lieu thereof "the Customs Service like".

SEC. 286. AMENDMENT TO THE ACT TO PREVENT POLLUTION FROM SHIPS.

Section 9(e) of the Act to Prevent Pollution from Ships (94 Stat. 2301, 33 U.S.C. 1908(e)) is amended by striking out "shall refuse or revoke" and all of the text following thereafter and inserting "shall refuse or revoke the clearance required by section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91). Clearance may be granted upon the filing of a bond or other surety satisfactory to the Secretary.".

SEC. 287. AMENDMENTS TO THE ACT OF NOVEMBER 6, 1966.

Sections 2(e) and 3(e) of the Act of November 6, 1966 (46 U.S.C. App. 817d(e) and 817e(e)) are each amended—

(1) by striking out "The collector of customs at" and inserting "At"; and

(2) by inserting ", the Customs Service" after "subsection (a) of this section".

SEC. 288. REPEAL OF OBSOLETE PROVISIONS OF LAW.

(a) REVISED STATUTES.—The following provisions of the Revised Statutes of the United States are repealed:

(1) So much of section 2792 as is codified at 19 U.S.C. 289 and 46 U.S.C. App. 110 and 112 (as in effect on the date of the enactment of this Act).

(2) Section 3111 (19 U.S.C. 282).

(3) Section 3118 (19 U.S.C. 286).

(4) Section 3119 (19 U.S.C. 287).

(5) Section 3122 (19 U.S.C. 290).

(6) Section 3124 (19 U.S.C. 291).

(7) Section 3125 (19 U.S.C. 292).

(8) Section 4198 (46 U.S.C. App. 94).

(9) Section 4199 (46 U.S.C. App. 93).

(10) Section 4201 (46 U.S.C. App. 96).

(11) Section 4207.

(12) Section 4208 (46 U.S.C. App. 102).

(13) Section 4213 (46 U.S.C. App. 101).

(14) So much of section 4221 as is codified at 46 U.S.C. App. 113 (as in effect on the date of the enactment of this Act).

(15) Section 4222 (46 U.S.C. App. 126).

(16) Section 4332 (46 U.S.C. App. 274).

(17) Section 4348 (46 U.S.C. App. 293).

(18) Section 4358 (46 U.S.C. App. 306).

(19) Section 4361 (46 U.S.C. App. 307).

(20) Sections 4362 through 4369 (46 U.S.C. App. 308 through 315).

(21) Sections 4573 through 4576 (46 U.S.C. App. 674 through 677).

(b) TARIFF ACT OF 1930.—The following sections of the Tariff Act of 1930 are repealed:

(1) Section 432 (19 U.S.C. 1432).

(2) Section 435 (19 U.S.C. 1435).

(3) Section 437 (19 U.S.C. 1437).

(4) Section 439 (19 U.S.C. 1439).

(5) Section 440 (19 U.S.C. 1440).

(6) Sections 443, 444, and 445 (19 U.S.C. 1443, 1444, and 1445).

(7) Section 465 (19 U.S.C. 1465).

(8) Section 482 (19 U.S.C. 1482).

(9) Section 583 (19 U.S.C. 1583).

(10) Section 585 (19 U.S.C. 1585).

(c) MISCELLANEOUS PROVISIONS.—The following provisions are repealed:

(1) The last undesignated paragraph of section 201 of the Act of August 5, 1935 (19 U.S.C. 1432a), is repealed.

(2) The Act of June 16, 1937 (19 U.S.C. 1435b).

(3) Section 1 of the Act of July 3, 1926 (46 U.S.C. App. 293a).

(4) The Act of May 4, 1934 (46 U.S.C. App. 91a).

(5) Section 1403(b) of the Water Resources Development Act of 1986 (Public Law 99-662; 26 U.S.C. 4461 note).

SEC. 289. REPORTS TO CONGRESS.

(a) ANTIDUMPING AND COUNTERVAILING DUTY COLLECTIONS.—The Commissioner of Customs shall before the 60th day of each fiscal year after fiscal year 1992 submit to Congress a report regarding the collection during the preceding fiscal year of duties imposed under the antidumping and countervailing duty laws.

(b) CES FEE REPORT.—

(1) AMENDMENT.—Section 9501(c) of the Omnibus Budget Reconciliation Act of 1987 (19 U.S.C. 3 note) is amended by adding at the end the following new paragraph:

"(3) The Commissioner of Customs is authorized to obtain from the operators of centralized cargo examination stations information regarding the fees paid to them for the provision of services at these stations.".

(2) REPORT.—Within 9 months after the date of the enactment of this subsection, the Commissioner of Customs shall submit to the Committees referred to in section 9501(c) of the Omnibus Budget Reconciliation Act of 1987, a report setting forth—

(A) an estimate of the aggregate amount of fees paid to operators of centralized cargo examination stations during fiscal year 1992; and

(B) the variations, if any, among customs districts with respect to the amounts of the fees charged for centralized cargo examination station services.

(c) COMPLIANCE WITH CUSTOMS LAWS.—Section 123 of the Customs and Trade Act of 1990 (19 U.S.C. 2083) is amended—

(1) by redesignating subsection (d) as subsection (e), and

(2) by inserting after subsection (c) the following:

"(d) COMPLIANCE PROGRAM.—The Commissioner of Customs shall—

"(1) devise and implement a methodology for estimating the level of compliance with the laws administered by the Customs Service; and

"(2) include as an additional part of the report required to be submitted under subsection (a) for each of fiscal years 1993, 1994, and 1995, an evaluation of the extent to which such compliance was obtained during the 12-month period preceding the 60th day before each such fiscal year.".

(d) COURIER SERVICES COMPLIANCE REPORT.—The Commissioner of Customs shall initiate a compliance review of certain courier services which may not be eligible for benefits under the regulations of the Customs Service prescribed in part 128 of title 19 of the Code of Federal Regu-

lations and shall submit a report to Congress on the results of such review within 1 year after the date of the enactment of this title.

SEC. 290. APPLICABILITY OF AMENDMENTS TO ENTRY OR WITHDRAWAL OF GOODS.

Any amendment made by this title that is applicable to the entry, or withdrawal from warehouse for consumption, of goods applies to any such entry or withdrawal that is made on or after the 15th day after the date of the enactment of this title.

TITLE III—CUSTOMS AND TRADE AGENCY AUTHORIZATIONS FOR FISCAL YEARS 1993 AND 1994

SEC. 301. CUSTOMS AND TRADE AGENCY AUTHORIZATIONS.

(a) United States International Trade Commission.—Section 330(e)(2) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended to read as follows:

"(2)(A) There are authorized to be appropriated to the Commission for necessary expenses (including the rental of conference rooms in the District of Columbia and elsewhere) not to exceed the following:

"(i) $45,152,000 for fiscal year 1993.

"(ii) $48,042,000 for fiscal year 1994.

"(B) Not to exceed $2,500 of the amount authorized to be appropriated for any fiscal year under subparagraph (A) may be used, subject to the approval of the Chairman of the Commission, for reception and entertainment expenses.

"(C) No part of any sum that is appropriated under the authority of subparagraph (A) may be used by the Commission in the making of any special study, investigation, or report that is requested by any agency of the executive branch unless that agency reimburses the Commission for the cost thereof.".

(b) United States Customs Service.—Section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)) is amended to read as follows:

"(b) Authorization of Appropriations.—

"(1) For noncommercial operations.—There are authorized to be appropriated for the salaries and expenses of the Customs Service that are incurred in noncommercial operations not to exceed the following:

"(A) $536,582,000 for fiscal year 1993.

"(B) $552,680,000 for fiscal year 1994.

"(2) For commercial operations.—(A) There are authorized to be appropriated for the salaries and expenses of the Customs Service that are incurred in commercial operations not less than the following:

"(i) $790,505,000 for fiscal year 1993.

"(ii) $814,221,000 for fiscal year 1994.

"(B) The monies authorized to be appropriated under subparagraph (A) for any fiscal year, except for such sums as may be necessary for the salaries and expenses of the Customs Service that are incurred in connection with the processing of merchandise that is exempt from the fees imposed under section 13031(a)(9) and (10) of the Consolidated Omnibus Budget Reconciliation Act of 1985, shall be appropriated from the Customs User Fee Account.

"(3) For air interdiction.—There are authorized to be appropriated for the operation (including salaries and expenses) and maintenance of the air interdiction program of the Customs Service not to exceed the following:

"(A) $138,983,000 for fiscal year 1993.

"(B) $143,152,000 for fiscal year 1994.".

(c) Office of the United States Trade Representative.—Section 141(g)(1) of the Trade Act of 1974 (19 U.S.C. 2171(g)(1)) is amended to read as follows:

"(g)(1)(A) There are authorized to be appropriated to the Office for the purposes of carrying out its functions not to exceed the following:

"(i) $21,697,000 for fiscal year 1993.

"(ii) $22,435,000 for fiscal year 1994.

"(B) Of the amounts authorized to be appropriated under subparagraph (A) for any fiscal year—

"(i) not to exceed $98,000 may be used for entertainment and representation expenses of the Office; and

"(ii) not to exceed $2,500,000 shall remain available until expended.".

SEC. 302. CUSTOMS FORFEITURE FUND.

Section 613A(f)(2)(B) of the Tariff Act of 1930 (relating to certain authorized expenditure from the Customs Forfeiture Fund) is amended to read as follows:

"(B) Of the amount authorized to be appropriated under subparagraph (A), not to exceed the following shall be available to carry out the purposes set forth in subsection (a)(2):

"(i) $15,000,000 for fiscal year 1993.

"(ii) $15,450,000 for fiscal year 1994.".

SEC. 303. REPEAL OF EAST-WEST TRADE STATISTICS MONITORING SYSTEM.

(a) Repeal.—Section 410 of the Trade Act of 1974 (19 U.S.C. 2440) is repealed.

(b) Conforming Amendment.—The table of contents for such Act of 1974 is amended by striking out the following:

"Sec. 410. East-West Trade Statistics Monitoring System.".

SEC. 304. FEES FOR CERTAIN CUSTOMS SERVICES.

Section 13031(b)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(9)(A)) is amended—

(1) by striking out "centralized hub facility or" in clause (i); and

(2) by amending clause (ii)—

(A) by striking out "facility—" and inserting "facility or centralized hub facility—",

(B) by striking out "customs inspectional" in subclause (I), and

(C) by striking out "at" in subclause (I) and inserting "for".

SEC. 305. CUSTOMS PERSONNEL AIRPORT WORK SHIFT REGULATION.

Section 13031(g) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(g)) is amended—

(1) by striking out "In addition to the regulations required under paragraph (2), the" and inserting "The";

(2) by striking out paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

TITLE IV—OTHER TRADE PROVISIONS

Subtitle A—Nontariff Provisions

CHAPTER 1—MISCELLANEOUS NONTARIFF PROVISIONS

SEC. 401. MARKET DISRUPTION.

Section 406 of the Trade Act of 1974 (19 U.S.C. 2436) is amended as follows:

(1) Subsection (a)(1) is amended by inserting "or a country with a state-controlled economy" after "which is the product of a Communist country".

(2) Subsection (b)(2) is amended—

(A) by striking out "and" at the end of subparagraph (A);

(B) by striking out the period at the end of subparagraph (B) and inserting a semicolon; and

(C) by adding after subparagraph (B) the following new subparagraphs:

"(C) the President may alter the form of relief recommended by the Commission if such alternative relief is equivalent to that recommended by the Commission; and

"(D) the President shall provide the relief recommended by the Commission, or equivalent relief as provided for in subparagraph (C), unless he determines such relief would seriously impair the national security of the United States.".

(3) Subsection (c) is amended by inserting "or a country with a state-controlled economy" after "the product of a Communist country".

(4) Subsection (e) is amended—

(A) by redesignating paragraph (2) as paragraph (3), and

(B) by inserting the following new paragraph (2):

"(2) The phrase 'country with a state-controlled economy' means a country regarding which the President, or his designee, determines that the state controls the economy. In making any such determination, the President shall consider, among other factors, whether the country has an economy in which—

"(A) private property has not been instituted,

"(B) a legal system to enhance economic efficiency and to specify and enforce property rights has not been instituted,

"(C) regulatory reform to enhance microeconomic flexibility and economic efficiency has not been instituted,

"(D) price liberalization and market formation of scarcity prices has not been implemented,

"(E) a convertible currency has not been established,

"(F) a competitive capital market to allocate savings efficiently has not been implemented, and

"(G) a labor market strategy to create a highly mobile labor force that can react to price signals has not been implemented.".

(5) The following new subsection is added at the end:

"(f) For the purposes of subsection (e)(2), the President or his designee shall promptly publish a list of countries determined to be countries with state-controlled economies and shall periodically revise the list when considered appropriate.".

SEC. 402. END-USE CERTIFICATES.

(a) In General.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall implement a program requiring that end-use certificates be included in the documentation covering the entry into, or the withdrawal from warehouse for consumption in, the customs territory of the United States of any wheat or barley that is a product of any foreign country or instrumentality that requires end-use certificates for imports of wheat or barley that is a product of the United States.

(b) Regulations.—The Secretary shall prescribe such requirements regarding the information to be included in end-use certificates as may be necessary and appropriate to carry out this section.

(c) Producer Protection.—

(1) Determination.—At any time after the close of the 18-month period beginning on the date of the implementation of the program under subsection (a), the Secretary may, subject to paragraph (2), suspend the operations of such program upon making a determination that the program has directly resulted in—

(A) the reduction of income to United States producers of agricultural commodities; or

(B) the reduction of competitiveness of United States agricultural commodities in the world export markets.

(2) Period for congressional review.—The Secretary may not suspend the operations of the program established under subsection (a) before the close of the 90-day period beginning on the date on which the report under subsection (d) is submitted to Congress. Such 90-day period shall be computed by excluding the days described in section 154(b)(1) and (2) of the Trade Act of 1974 (19 U.S.C. 2194(b)(1) and (2)).

(d) Report to Congress.—Prior to suspending the program implemented under subsection (a) pursuant to a determination made under subsection (c)(1), the Secretary shall submit a report to the Congress detailing the determination made under subsection (c)(1) and the reasons for making such determination.

SEC. 403. NEGOTIATIONS ON ANTICOMPETITIVE PRACTICES.

As soon as practicable, the President shall enter into negotiations for the purpose of concluding trade agreements that—

(1) eliminate the adverse effects of private anticompetitive practices on international trade;

(2) harmonize national laws on competition policy, and the implementation of those laws as they relate to international trade;

(3) establish mechanisms for the effective enforcement across national boundaries of national laws on competition policy as they relate to international trade; and

(4) make the General Agreement on Tariffs and Trade compatible with these new agreements and United States law on competition policy.

The President shall no later than March 31, 1993, submit to the Congress a written report on the status of such negotiations.

SEC. 404. MACHINE TOOL IMPORT ARRANGEMENTS.

(a) IN GENERAL.—Section 1501(c) of the Omnibus Trade and Competitiveness Act of 1988 is amended—

(1) by striking "The Secretary of Commerce is authorized to request the Secretary of the Treasury to" in the first sentence of paragraph (1) and inserting "The Secretary of the Treasury shall, at the request of the Secretary of Commerce,";

(2) by inserting after the first sentence in paragraph (1) the following new sentence: "Notwithstanding any other provision of law, until a bilateral agreement is negotiated with Taiwan pursuant to the President's December 27, 1991, decision, the Secretary of the Treasury shall enforce the quantitative limitations and other provisions of bilateral arrangement negotiated with Taiwan in effect on December 31, 1991, pursuant to the President's machine tool decision of May 20, 1986."; and

(3) by inserting ", and December 27, 1991" after "May 20, 1986" each place it appears.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that any bilateral agreement negotiated with Taiwan pursuant to the President's December 27, 1991, decision shall be effective for 2 years from the date it is signed.

SEC. 405. SIMPLIFICATION OF CERTAIN UNITED STATES INTERNATIONAL TRADE LAWS.

(a) REPORT.—Before January 1, 1994, the United States International Trade Commission shall prepare and submit to the Congress a report that contains suggested legislative proposals for consolidating and simplifying the international trade laws of the United States. The objectives that the Commission should seek to achieve in preparing the suggested legislative proposals include, but are not limited to—

(1) the logical arrangement of provisions;

(2) the elimination of anomalous, duplicative, and illogical existing provisions;

(3) simplification of language; and

(4) no substantive or procedural change from existing provisions.

(b) DEFINITION OF INTERNATIONAL TRADE LAWS.—For purposes of subsection (a), the international trade laws of the United States are those laws of the United States (other than the Harmonized Tariff Schedule of the United States) under which tariffs or quantitative or other restrictions may be imposed on goods imported into the United States, including title VII of the Tariff Act of 1930 (relating to the imposition of countervailing and antidumping duties), section 337 of such Act (relating to the exclusion of goods found to be used in unfair methods of competition or unfair acts in importation), section 338 of such Act (relating to the imposition of additional duties in response to discriminatory trade actions by foreign country), and title III of the Trade Act of 1974 (relating to the enforcement of United States rights under trade agreements and responses to certain foreign trade practices).

SEC. 406. CONGRESSIONAL RESEARCH SERVICE SPECIAL TRADE UNIT.

Within 120 days after the date of the enactment of this Act, the Director of the Congressional Research Service shall make recommendations to the Congress concerning the establishment of a special unit that would—

(1) integrate the capabilities and resources of the Congressional Research Service, the International Trade Commission, and other appropriate agencies; and

(2) serve as a central and objective source of information and analysis for the Congress on data and trends in trade between the United States and foreign countries.

SEC. 407. REPORT REGARDING SECONDARY ARAB LEAGUE BOYCOTT.

It is the sense of the Congress that boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person are discriminatory trade barriers to international trade, and that the United States should encourage major trading nations of the world engaged in the export of goods or technology to refuse to take action which would have the effect of furthering or supporting boycotts imposed by any foreign country or association against a country friendly to the United States or against any United States person. In view of the foregoing, the United States Trade Representative is commended for including the Arab boycott in the 1992 National Trade Estimate Report on Foreign Trade Barriers that is required under section 181 of the Trade Act of 1974, but should expand the boycott provision within such report—

(1) to include a country-by-country analysis on the extent to which each government permits or encourages companies in that country to comply with the secondary Arab boycott of United States companies;

(2) to identify the activities of specific governments of these countries to enforce the boycott; and

(3) to discuss the differences in how countries blacklist companies and enforce the boycott.

CHAPTER 2—IMPORT SANCTIONS TO CONTROL NUCLEAR PROLIFERATION

SEC. 411. SHORT TITLE.

This chapter may be cited as the "Omnibus Nuclear Proliferation Control Act of 1992".

SEC. 412. IMPOSITION OF SANCTIONS.

(a) DETERMINATION BY THE PRESIDENT.—

(1) IN GENERAL.—Except as provided in subsection (b)(2), the President shall impose the sanction described in subsection (c) if the President determines that a foreign person, on or after the date of the enactment of this section, has materially and with requisite knowledge contributed—

(A) through the export from the United States of any goods or technology that are subject to the jurisdiction of the United States, or

(B) through the export from any other country of any goods or technology that would be, if they were exported from the United States, subject to the jurisdiction of the United States,

to the efforts by any individual, group, or non-nuclear-weapon state to acquire unsafeguarded special nuclear material or to use, develop, produce, stockpile, or otherwise acquire any nuclear explosive device, whether or not the goods or technology is specifically designed or modified for such purpose.

(2) PERSONS AGAINST WHICH SANCTIONS ARE TO BE IMPOSED.—A sanction shall be imposed pursuant to paragraph (1) on—

(A) the foreign person with respect to which the President makes the determination described in that paragraph;

(B) any successor entity to that foreign person;

(C) any foreign person that is a parent or subsidiary of that person if that parent or subsidiary materially and with requisite knowledge assisted in the activities which were the basis of that determination; and

(D) any foreign person that is an affiliate of that person if that affiliate materially and with requisite knowledge assisted in the activities which were the basis of that determination and if that affiliate is controlled in fact by that foreign person.

(3) OTHER SANCTIONS AVAILABLE.—The sanction which may be imposed for activities described in this subsection is in addition to any other sanction which may be imposed for the same activities under any other provision of law.

(4) DEFINITION.—For purposes of this subsection, the term "requisite knowledge" means situations in which a person "knows", as "knowing" is defined in section 104 of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd–2).

(b) CONSULTATION WITH AND ACTIONS BY FOREIGN GOVERNMENT OF JURISDICTION.—

(1) CONSULTATIONS.—If the President makes the determinations described in subsection (a)(1) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of the sanction pursuant to this section.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations with that government, the President may delay imposition of the sanction pursuant to this section for up to 90 days. Following these consultations, the President shall impose the sanction unless the President determines and certifies to the Congress that that government has taken specific and effective actions, including appropriate penalties, to terminate the involvement of the foreign person in the activities described in subsection (a)(1). The President may delay the imposition of the sanction for up to an additional 90 days if the President determines and certifies to the Congress that that government is in the process of taking the actions described in the previous sentence.

(3) REPORT TO CONGRESS.—Not later than 90 days after making a determination under subsection (a)(1), the President shall submit to the Committee on Foreign Relations, and the Committee on Finance of the Senate, and to the Committee on Foreign Affairs and the Committee on Ways and Means of the House of Representatives a report on the status of consultations with the appropriate government under this subsection, and the basis for any determination under paragraph (2) of this subsection that such government has taken specific corrective actions.

(c) SANCTION.—

(1) DESCRIPTION OF SANCTION ON FOREIGN PERSONS.—The sanction to be imposed on a foreign person pursuant to subsection (a)(1) is, except as provided in paragraph (2) of this subsection, that the importation into the United States of products produced by any foreign person or any parent, subsidiary, affiliate, or successor entity thereof, as described in subsection (a)(2), shall be prohibited.

(2) EXCEPTIONS.—The President shall not be required to apply or maintain the sanction under this section—

(A) in the case of the importation of defense articles or defense services—

(i) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy operational military requirements of the United States, the North At-

lantic Treaty Organization (NATO), or major allies who are not members of NATO;

(ii) if the President determines that the person or other entity to which the sanction would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(iii) if the President determines that such articles or services are essential to the national security under defense coproduction agreements;

(B) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose sanctions;

(C) to—

(i) spare parts which are essential to United States products or production,

(ii) component parts, but not finished products, essential to United States products or production, or

(iii) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(D) to information and technology essential to United States products or production; or

(E) to medical or other humanitarian items.

(d) TERMINATION OF SANCTION.—The sanction imposed pursuant to this section shall apply for a period of at least 12 months following the imposition of the sanction and shall cease to apply thereafter only if the President determines and certifies to the Congress that—

(1) reliable information indicates that the foreign person with respect to which the determination was made under subsection (a)(1) has ceased to aid or abet any individual, group, or non-nuclear-weapon state in its efforts to acquire unsafeguarded special nuclear material or any nuclear explosive device, as described in that subsection; and

(2) the President has received reliable assurances from the foreign person that such person will not, in the future, aid or abet any individual, group, or non-nuclear-weapon state in its efforts to acquire unsafeguarded special nuclear material or any nuclear explosive device, as described in subsection (a)(1).

(e) WAIVER.—

(1) CRITERION FOR WAIVER.—The President may waive the application of any sanction imposed on any person pursuant to this section, after the end of the 12-month period beginning on the date on which that sanction was imposed on that person, if the President determines and certifies to the Congress that the continued imposition of the sanction would have a serious adverse effect on vital United States interests.

(2) NOTIFICATION OF AND REPORT TO CONGRESS.—If the President decides to exercise the waiver authority provided in paragraph (1), the President shall so notify the Congress not less than 20 days before the waiver takes effect. Such notification shall include a report fully articulating the rationale and circumstances which led the President to exercise the waiver authority.

SEC. 413. DEFINITIONS.

For purposes of this chapter—

(1) the term "foreign person" means—

(A) an individual who is not a citizen of the United States or an alien admitted for permanent residence to the United States; or

(B) a corporation, partnership, or other nongovernment entity which is created or organized under the laws of a foreign country or which has its principal place of business outside the United States;

(2) the term "goods or technology" means nuclear materials and equipment and sensitive nuclear technology (as defined in section 4 of the Nuclear Non-Proliferation Act of 1978), all export items designated by the President pursuant to section 309(c) of such Act, and all technical assistance requiring authorization under section 57b. of the Atomic Energy Act of 1954;

(3) the term "IAEA safeguards" means the safeguards set forth in an agreement between a country and the International Atomic Energy Agency, as authorized by Article III(A)(5) of the Statute of the International Atomic Energy Agency;

(4) the term "nuclear explosive device" means any device that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT);

(5) the term "non-nuclear-weapon state" means any country which is not a nuclear-weapon state, as defined by Article IX (3) of the Treaty on the Non-Proliferation of Nuclear Weapons, signed at Washington, London, and Moscow on July 1, 1968;

(6) the term "special nuclear material" has the meaning given to that term by section 11aa. of the Atomic Energy Act of 1954 (42 U.S.C. 2014aa); and

(7) the term "unsafeguarded special nuclear material" means special nuclear material which is held in violation of IAEA safeguards or not subject to IAEA safeguards (excluding any quantity of material that could, if it were exported from the United States, be exported under a general license issued by the Nuclear Regulatory Commission).

Subtitle B—Foreign Subsidies and Countervailing and Antidumping Duty Amendments

SEC. 421. ADMINISTRATIVE REVIEW OF DETERMINATIONS.

Section 751 of the Tariff Act of 1930 (19 U.S.C. 1675) is amended by inserting at the end of subsection (a)(1) the following: "The review must be completed by the 270th day after the day on which the request for the review was received by the administering authority.".

SEC. 422. MATERIAL INJURY.

(a) LONG LEAD TIME FACTOR.—The last sentence of section 771(7)(C)(iii) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iii)) is amended by inserting ", including contracts with long lead time," after "competition".

(b) DETERMINATION OF THREAT OF INJURY.—Section 771(7)(C) of such Act is amended—

(1) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively, and

(2) by inserting after clause (ii) the following new clause:

"(iii) STANDARD FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to evaluate under this subparagraph shall not necessarily give decisive guidance with respect to the determination by the Commission of the threat of material injury.".

SEC. 423. DUAL PRICING OF INPUTS.

Section 773(a)(4) of the Tariff Act of 1930 (19 U.S.C. 1677b(a)(4)) is amended by adding at the end the following new sentence: "No allowance shall be made to account for differences in input costs that are based on whether the end product made from the input is sold in the home market or exported.".

SEC. 424. REPORT, AND ACCESS TO DATA, REGARDING COUNTERVAILING AND ANTIDUMPING DUTY COLLECTIONS.

Section 777(a) of the Tariff Act of 1930 (19 U.S.C. 1677f(a)) is amended by adding at the end the following:

"(5) REPORT, AND ACCESS TO DATA, REGARDING COLLECTIONS.—

"(A) ANNUAL REPORT ON COLLECTIONS.—Not later than 60 days after the close of each calendar year, the United States Custom Service shall prepare and transmit to the administering authority a report setting forth the amount of duties collected during that calendar year under each countervailing duty order and antidumping duty order.

"(B) ACCESS TO COLLECTION DATA.—Upon receipt of an application from an interested party that initiated a petition that resulted in a countervailing duty order or antidumping duty order, the administering authority shall make available the data regarding the payment of duties under the order. Subsection (c) applies to the disclosure of any such data that is proprietary information.".

SEC. 425. PREVENTION OF CIRCUMVENTION OR DIVERSION OF ANTIDUMPING AND COUNTERVAILING DUTY ORDERS.

(a) MERCHANDISE COMPLETED OR ASSEMBLED IN THE UNITED STATES.—Section 781(a) of the Tariff Act of 1930 (19 U.S.C. 1677j(a)) is amended to read as follows:

"(a) MERCHANDISE COMPLETED OR ASSEMBLED IN THE UNITED STATES.—

"(1) IN GENERAL.— In determining whether imported parts or components are circumventing an antidumping or countervailing duty order or finding and whether to include such parts or components in that order or finding, the administering authority shall consider—

"(A) the pattern of trade,

"(B) the value and sources of supply of parts or components historically used in completion or assembly of the merchandise subject to an antidumping or countervailing duty order,

"(C) whether the manufacturer or exporter of the parts or components is related to the person who assembles or completes the merchandise sold in the United States from the parts or components produced in the foreign country with respect to which the order or finding described in paragraph (2) applies, and

"(D) whether imports into the United States of the parts or components produced in such foreign country have increased after the issuance of such order or finding.

"(2) MERCHANDISE THAT MAY BE INCLUDED IN ORDER OR FINDING.—If—

"(A) merchandise sold in the United States is of the same class or kind as any other merchandise that is the subject of—

"(i) an antidumping duty order issued under section 736,

"(ii) a finding issued under the Antidumping Act, 1921, or

"(iii) a countervailing duty order issued under section 706 or 303,

"(B)(i) such merchandise sold in the United States is completed or assembled in the United States from parts or components supplied by the exporter or producer with respect to which such order or finding applies, from suppliers that have historically supplied the parts or components to that exporter or producer, or from any party in the exporting country supplying parts or components on behalf of such an exporter or producer, and

"(ii) the value of the imported parts and components referred to in clause (i), whether considered individually or collectively, is significant in relation to the total value of all parts and components used in the assembly or completion operation, excluding packing, of the imported merchandise covered by the order or finding, or

"(C) consideration of the factors set forth in paragraph (1) otherwise establishes a pattern of circumvention with the effect of evading an antidumping or countervailing duty order or finding,

the administering authority, after taking into account any advice provided by the Commission under subsection (e), may include within the scope of such order or finding the imported parts or components referred to in subparagraph (B) that are used in the completion or assembly of the merchandise in the United States at any time such order or finding is in effect.".

(b) MERCHANDISE COMPLETED OR ASSEMBLED IN OTHER FOREIGN COUNTRIES.—Section 781(b) of the Tariff Act of 1930 (19 U.S.C. 1677j(b)) is amended to read as follows:

"(b) MERCHANDISE COMPLETED OR ASSEMBLED IN OTHER FOREIGN COUNTRIES.—

"(1) IN GENERAL.—In determining whether merchandise completed or assembled in a foreign country is circumventing an antidumping or countervailing duty order or finding and whether to include such merchandise in that order or finding, the administering authority shall consider—

"(A) the pattern of trade,

"(B) the value and sources of supply of parts or components historically used in completion or assembly of the merchandise subject to an antidumping or countervailing duty order,

"(C) whether the manufacturer or exporter of the merchandise described in paragraph (2)(B) is related to the person who uses the merchandise described in paragraph (2)(B) to assemble or complete in the foreign country the merchandise that is subsequently imported into the United States, and

"(D) whether imports into the foreign country of the merchandise described in paragraph (2)(B) have increased after the issuance of such order or finding.

"(2) MERCHANDISE THAT MAY BE INCLUDED IN ORDER OR FINDING.—If—

"(A) merchandise imported into the United States is either of the same class or kind or incorporates an essential component that is of the same class or kind as merchandise produced in a foreign country that is the subject of—

"(i) an antidumping duty order issued under section 736,

"(ii) a finding issued under the Antidumping Act, 1921, or

"(iii) a countervailing duty order issued under section 706 or section 303; and

"(B)(i)(I) before importation into the United States, such imported merchandise is completed or assembled in another foreign country from merchandise which is subject to such order or finding, is produced in the foreign country with respect to which such order or finding applies, or is supplied by the exporter or producer with respect to which such order or finding applies, or by suppliers that have historically supplied the parts or components to that exporter or producer, and

"(II) the merchandise referred to in subclause (I) which is used in the assembly or completion of the imported merchandise has a value that is significant in relation to the total value of all parts or components used in the assembly or completion operation, excluding packing, or

"(ii) consideration of the factors set forth in paragraph (1) otherwise establishes a pattern of circumvention with the effect of evading a countervailing or antidumping duty order or finding, and

"(C) the administering authority determines that action is appropriate under this paragraph to prevent evasion of such order or finding,

the administering authority, after taking into account any advice provided by the Commission under subsection (e), may include such imported merchandise within the scope of such order or finding at any time such order or finding is in effect.".

(c) CONSTRUCTION PROVISION.—Section 781 of the Tariff Act of 1930 (19 U.S.C. 1677j) is amended by adding at the end the following new subsection:

"(f) CONSTRUCTION PROVISION.—Nothing in this title shall be deemed to limit the authority of the administering authority to include provisions in any final order issued pursuant to—

"(1) an antidumping duty order issued under section 736,

"(2) a finding issued under the Antidumping Act, 1921, or

"(3) a countervailing duty order issued under section 706 or section 303,

the purpose of which is to prevent the evasion of any remedy provided for in such finding or order or to otherwise safeguard the integrity of such finding or order.".

SEC. 426. STUDY BY THE ADMINISTERING AUTHORITIES ON WAYS TO SIMPLIFY INITIATION OF COUNTERVAILING AND ANTIDUMPING DUTY ACTIONS.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Commerce and the International Trade Commission shall transmit to the Congress a study, including recommendations, regarding the modification of standards applicable to the initiation of countervailing and antidumping duty actions in order to make petitioning for such initiations less costly and more accessible for domestic petitioners. In conducting such study, the Secretary and the Commission shall give due consideration to the obligations of the United States under international trade agreements.

SEC. 427. REPORTS BY UNITED STATES TRADE REPRESENTATIVE ON OPERATION OF COMMERCIAL AIRCRAFT AGREEMENT.

(a) GENERAL REQUIREMENT.—The United States Trade Representative shall submit to the Congress a report on the operation of the Agreement Concerning the Application of the GATT Agreement on Trade in Civil Aircraft (in this section referred to as the "Agreement"), entered into between the United States and the European Community—

(1) before the expiration of the 60-day period beginning on the date of the enactment of this Act; and

(2) not later than March 31, 1993, and March 31 of each succeeding year that the Agreement is in effect.

(b) CONTENTS.—Each report required by this section shall describe—

(1) the operation of the Agreement, including—

(A) a full listing of all subsidies or other assistance provided to the aerospace industry, directly or indirectly, by the nations of the European Community that are parties to the Agreement; and

(B) an analysis of any beneficial effect of the Agreement with respect to the United States aerospace industry; and

(2) any subsidies provided by the European Space Agency to Arianespace in the field of commercial launch services.

SEC. 428. INTERNATIONAL TRADE AGREEMENTS ON ANTIDUMPING.

It is the sense of the Congress that the President should not enter into any international trade agreement on antidumping requiring changes in United States antidumping laws which would reduce the effectiveness of such laws as a remedy against injurious dumped imports. In this regard, the Congress strongly urges the President to review carefully the provisions on antidumping contained in the Draft Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations proposed by the Director-General of the General Agreement on Tariffs and Trade on December 21, 1991, and to seek those changes in such provisions that are necessary to maintain and to strengthen the effectiveness of United States antidumping laws, including, but not limited to, changes in the provisions dealing with cumulation of injury and dispute settlement.

SEC. 429. TRADE DISTORTING SUBSIDIES BY FOREIGN GOVERNMENTS.

It is the sense of the Congress that the United States Government should not, as a matter of official policy, condone or legitimize the use by foreign governments of trade distorting subsidies, including development subsidies, that cause material injury to industries in the United States.

SEC. 430. NONMARKET ECONOMY COUNTRY ANTIDUMPING INVESTIGATIONS.

If, in any antidumping proceeding involving merchandise from a nonmarket economy country, the administering authority finds that the conditions set forth in paragraph (1)(A) and (B) of subsection (c) of section 773 of the Tariff Act of 1930 (19 U.S.C. 1677b(c)(1)) exist, the administering authority shall determine the foreign market value of such merchandise as prescribed by such subsection (c) on the basis of the value of all factors of production in the appropriate country or countries selected pursuant to paragraph (4) of such subsection (c), if such information is available. To the extent that any final determination made since August 23, 1988 (date of the enactment of the Omnibus Trade and Competitiveness Act of 1988), is contrary to this requirement and is under judicial review on the effective date of this Act, the administering authority shall take appropriate steps to resolve such litigation in accordance with the previous sentence.

SEC. 431. MATERIAL INJURY.

Section 771(7)(C) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(C)) (as amended by section 422 of this subtitle) is amended by adding at the end of clause (iv) the following new sentences: "Where actual decline or actual negative effect under subclause (I), (III), or (IV), as appropriate, is sufficient to warrant an affirmative determination, the Commission need not evaluate potential decline or potential negative effect under such subclauses. In subclause (I), the term 'potential decline' means the decline that can be reasonably deduced by comparing actual performance to the performance that could have been expected but for the economic factors (including unfairly traded imports) which have a bearing on the state of the industry. In subclauses (III) and (IV), the term 'potential negative effects' means the adverse effects that can be reasonably deduced by comparing actual performance to the performance that could have been expected but for the economic factors (including unfairly traded imports) which have a bearing on the state of the industry.".

SEC. 432. THREAT OF INJURY STANDARD.

Section 771(7)(F)(i) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(F)(i)) is amended—

(1) in subclause (IX), by striking the period at the end and inserting a comma;

(2) in subclause (X), by striking the period at the end and inserting ", and"; and

(3) by adding at the end the following:

"(XI) the actual and potential decline in order backlog of the domestic industry.

For purposes of this subparagraph, the Commission shall consider monthly or quarterly trend information during the 12 months preceding the filing of the petition. In considering such information, the Commission shall not make a negative determination based on postinitiation changes in trends where trends to the time of filing would support an affirmative determination.".

SEC. 433. PRINCIPAL TRADE NEGOTIATING OBJECTIVES OF THE UNITED STATES CONCERNING DISPUTE SETTLEMENT MECHANISMS WITH RESPECT TO UNITED STATES COUNTERVAILING DUTY AND ANTIDUMPING ACTIONS.

Section 1101(b)(1) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2901) is amended—

(1) by striking "The principal" and inserting "(A) Subject to subparagraph (B), the principal";

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(3) by adding at the end the following new subparagraph:

"(B) With respect to review of countervailing duty and antidumping duty actions taken by a signatory to the General Agreement on Tariffs and Trade (GATT) under its national laws, the dispute settlement mechanisms and procedures described in subparagraph (A) shall not allow—

"(i) the review of issues that were not properly presented to the investigating authorities for resolution during the administrative proceeding conducted under such laws;

"(ii) the review of issues before the conclusion of the administrative proceeding conducted under such laws;

"(iii) the conducting of an independent de novo investigation of the circumstances leading to such actions; and

"(iv) where a signatory to the GATT provides for the administrative or judicial review, by an independent body, of factual issues with respect to countervailing duty and antidumping actions, the extension of the review beyond whether the laws and regulations of that signatory, and the interpretation of such laws and regulations by that signatory, are consistent with the General Agreement on Tariffs and Trade.

In reaching the principal negotiating objectives described in subparagraph (A), all necessary actions shall be taken to promote strong and effective limitations on the scope of and standards applicable to any review of countervailing duty or antidumping duty actions under the dispute settlement mechanisms and procedures described in such subparagraph.".

SEC. 434. CHANGE IN EFFECTIVE DATE FOR CERTAIN ADMINISTRATIVE REVIEWS.

Section 1337(c) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 1671 note) is amended to read as follows:

"(c) INVESTIGATIONS AND REVIEW AFTER ENACTMENT.—(1) The amendments made by sections 1324 and 1330 shall only apply with respect to—

"(A) investigations initiated after the date of the enactment of this Act, and

"(B) reviews initiated under section 736(c) or 751 of the Tariff Act of 1930 with respect to merchandise which—

"(i) is the product of any country that is a party to a free trade agreement with the United States which entered into force and effect before January 1, 1987, and

"(ii) was the subject of an investigation initiated on or after the date of the enactment of the United States-Israel Free Trade Agreement Implementation Act.

"(2) In reviews in which the amendments made by sections 1324 and 1330 apply only as a result of the enactment of paragraph (1), such enactment shall be deemed to constitute changed circumstances sufficient to warrant review with respect to investigations initiated before the date of the enactment of this Act.".

Subtitle C—Other Tariff Provisions

SEC. 441. GENERALIZED SYSTEM OF PREFERENCES.

(a) TREATMENT OF REPUBLICS FORMERLY WITHIN THE SOVIET UNION.—The table in section 502(b) of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended by striking out "Union of Soviet Socialist Republics".

(b) ELIGIBLE ARTICLES.—Section 503 of the Trade Act of 1974 (19 U.S.C. 2463) is amended—

(1) by amending subsection (c)(1)—

(A) by striking out "and" at the end of subparagraph (F),

(B) by redesignating subparagraph (G) as subparagraph (H), and

(C) by inserting after subparagraph (F) the following new subparagraph:

"(G) any agricultural article the importation of which will render ineffective, or materially interfere with, a loan or purchase program of, or other industry-wide operation of, the Department of Agriculture, and"; and

(2) by adding at the end the following new subsection:

"(d)(1) The President shall prescribe procedures under which articles may be granted eligible article status, including procedures under which interested persons may submit petitions requesting that articles be granted such status.

"(2) If—

"(A) an article is denied eligible article status under this title, or

"(B) a petition requesting such status for the article is withdrawn,

then eligible article status may not be granted to the article under this title any sooner than the 3rd anniversary of the date on which such denial or withdrawal occurred.".

SEC. 442. IMPLEMENTATION OF ANNEX D OF THE NAIROBI PROTOCOL.

(a) IN GENERAL.—U.S. Note 6 of subchapter X of chapter 98 of the Harmonized Tariff Schedule of the United States is amended as follows:

(1) Paragraphs (a) and (b) are amended to read as follows:

"(a) For the purposes of subheading 9810.00.60 and its superior text—

"(i) the term 'scientific' means pertaining to the physical or life sciences and, unless otherwise precluded by the terms of this note, to applied sciences, but excluding therapeutic and diagnostic applications, other specialized applications, skills, knowledge or uses pertaining solely to or developed principally for commerce, business or professional or vocational training; and

"(ii) the term 'instruments and apparatus' means devices, instruments, machines or similar contrivances specially designed for generating data useful for scientific experimentation or research or for collecting information therefrom, by means of sensing, analyzing, measuring, classifying, recording, separating, or similar operations; but the term does not include instruments and apparatus principally used in the production of merchandise, ordinary equipment suitable for use in building construction or maintenance, or equipment or materials of the type used in the supporting activities of the applicant institution or its administrative, eating, residential, or religious facilities.

"(b) An institution desiring to enter an article under subheading 9810.00.60 shall make an application therefor to the Secretary of Commerce that shall include, in addition to such other information as may be prescribed by regulation—

"(i) a description of the apparatus or instrument,

"(ii) a statement of the purpose for which the instrument or apparatus is intended to be used,

"(iii) the basis for the institution's belief that no instrument or apparatus of equivalent scientific value for that purpose is being manufactured in the United States, and

"(iv) a statement that the institution either has already placed a bona fide order for such instrument or apparatus or has a firm intention, in the event of favorable action on its application, to place an order therefor on or before the final day specified in paragraph (f) of this U.S. note.

If the Secretary considers that the instrument or apparatus covered by an application, and the purpose intended by the applicant for such instrument or apparatus, are in accordance with this U.S. note and pertinent regulations, the Secretary shall regard the instrument or apparatus as eligible for further consideration under this U.S. note and shall promptly forward a copy of the application to the Secretary of Health and Human Services. If, at any time while its application is under consideration by the Secretary of Commerce or on appeal from a finding by the Secretary before the United States Court of Appeals for the Federal Circuit, an institution cancels an order for the instrument or apparatus covered by its application, or if it no longer has a firm intention to order such instrument or apparatus, it shall promptly so notify the Secretary or the Court, as the case may be.".

(2) Paragraph (f) is repealed.

(3) Paragraphs (c) through (e) are redesignated as paragraphs (e) through (g), respectively, and the following new paragraphs are inserted after paragraph (b):

"(c) Notwithstanding U.S. note 1 to this subchapter, an instrument or apparatus found otherwise eligible for duty-free entry under this U.S. note shall not be disqualified on the basis of commercial use if—

"(i) such use comprises shared instrumentation, funding, or research under joint venture, consortium or other cooperative arrangement between a qualifying institution and one or more private participants provided that the qualifying institution retains title and control of the instrument or apparatus and retains control over publication or research results. An agreement to delay publication for a reasonable period to allow for timely filing of patent applications shall not be deemed relinquishment of control over publication, or

"(ii) a qualifying institution patents or otherwise commercializes its research results.

"(d) The applicant institution shall have the burden of proving the eligibility of an instrument or apparatus under this U.S. note, including the burden of proving that no instrument or apparatus of equivalent scientific value for that purpose is being manufactured in the United States.".

(4) Paragraph (e) (as redesignated by paragraph (3) of this subsection) is further amended—

(A) by striking out "Upon receipt of the application, the Secretary of Commerce" and inserting "If the Secretary of Commerce considers that an application made under paragraph (b) meets all the requirements of that paragraph, the Secretary";

(B) by amending the penultimate sentence to read as follows: "Each finding by the Secretary of Commerce under this paragraph shall be promptly certified to the Secretary of the Treasury and reported to the applicant institution."; and

(C) by striking out "of the Treasury" in the last sentence.

(5) The following new paragraph (h) is inserted at the end:

"(h) The Secretary of Commerce may prescribe regulations to carry out the functions under this U.S. note.".

(b) RELATED AMENDMENTS.—Subchapter X of chapter 98 of such Schedule is further amended—

(1) by striking "this U.S. note" in U.S. Note 1 thereto and inserting "this U.S. note and U.S. note 6 to this subchapter";

(2) by amending the superior text to subheadings 9810.00.60 through 9810.00.67 to read as follows: "Articles entered for the use of any nonprofit institution established for educational or scientific purposes or for the use of any governmental entity:"; and

(3) by amending the article description of subheading 9810.00.60 to read as follows: "Scientific instruments and apparatus, if no instrument or apparatus of equivalent scientific value for the purposes for which the instrument or apparatus is intended to be used is being manufactured in the United States, certified by the Secretary of Commerce under the terms of U.S. note 6 to this subchapter".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to any article that is—

(1) certified by the Secretary of Commerce on the basis of an application filed under U.S. Note 6 to subchapter X of chapter 98 of such Sched-

ule, on or after the 60th day after the date of enactment of this Act, and

(2) entered, or withdrawn from warehouse for consumption, on or after such 60th day.

SEC. 443. MISCELLANEOUS TARIFF PROVISIONS.

(a) REFERENCE.—Whenever in this section an amendment is expressed in terms of an amendment to a chapter, subchapter, additional U.S. note, heading, subheading, or other provision, the reference shall be considered to be made to a chapter, subchapter, additional U.S. note, heading, subheading, or other provision of the Harmonized Tariff Schedule of the United States.

(b) CERTAIN MOTOR FUEL AND MOTOR FUEL BLENDING STOCK.—

(1) IN GENERAL.—Chapter 27 is amended—

(A) in additional U.S. Note 3, by striking "subheading 2710.00.15," and inserting "subheading 2707.50.10 or 2710.00.15,";

(B) in additional U.S. Note 4, by striking "subheading 2710.00.18," and inserting "subheading 2707.50.20 or 2710.00.18,"; and

(C) by inserting after subheading 2707.50.00 the following, with the article description for subheading 2707.50.10 having the same indentation as the article description for subheading 2707.91.00:

"	2707.50.10	Motor fuel	52.5¢/bbl	Free (IL) 10.5¢/bbl (CA)	$1.05/bbl	
	2707.50.20	Motor fuel blending stock	52.5¢/bbl	Free (IL) 10.5¢/bbl (CA)	$1.05/bbl	".

(2) STAGED RATE REDUCTIONS.—Any staged rate reduction of a special rate of duty set forth in subheading 2707.50.00 that was proclaimed by the President before the date of enactment of this Act and that takes effect after the date of enactment of this Act shall apply to the corresponding special rates of duty in subheadings 2707.50.10 and 2707.50.20 (as added by paragraph (1)(C)).

(c) LINEAR ALKYLBENZENESULFONATES AND LINEAR ALKYLBENZENESULFONIC ACIDS.—

(1) IN GENERAL.—Chapter 34 is amended by striking subheading 3402.11.10 and inserting in numerical sequence the following new superior text and subheadings, with such new superior text having the same degree of indentation as the article description in subheading 3402.11.50:

"		Aromatic or modified aromatic:				
	3402.11.15	Linear alkyl-benzene- sulfonates and linear alkylbenzenesulfonic acids	3.7¢/ kg+15.9%	Free (E,IL) 1.4% (CA)	15.4¢/ kg+53%	
	3402.11.30	Other	7.2%	Free (A,E,IL) 1.4% (CA)	15.4¢/ kg+53.5%	".

(2) STAGED RATE REDUCTIONS.—Any staged rate reduction of a special rate of duty set forth in subheading 3402.11.10 that was proclaimed by the President before the date of enactment of this Act and that takes effect after the date of enactment of this Act shall apply to the corresponding special rates of duty in subheadings 3402.11.15 and 3402.11.30 (as added by paragraph (1)).

(d) IRON AND STEEL PIPES AND TUBES.—

(1) NONALLOY IRON AND STEEL PIPES AND TUBES.—

(A) The superior text for subheadings 7306.30.30 and 7306.30.50 is amended to read as follows: "Having a wall thickness of 1.65 mm or more, not galvanized:".

(B) Subheadings 7306.30.30 and 7306.30.50 are redesignated as subheadings 7306.30.35 and 7306.30.55, respectively.

(C) Subheadings 7306.10.10, 7306.20.60, 7306.30.55 (as redesignated by subparagraph (B)), and 7306.90.10 are each amended—

(i) by striking "1.9%" in column 1 General and inserting "4.9%"; and

(ii) by striking "5.5%" in column 2 and inserting "20%".

(D) Subheadings 7306.20.20 and 7306.60.10 are each amended—

(i) by striking "0.5%" in column 1 General and inserting "4.9%"; and

(ii) by striking "1%" in column 2 and inserting "20%".

(E) Chapter 73 is amended by inserting in numerical order the following new subheading having the same degree of indentation as the superior text for subheadings 7306.30.35 and 7306.30.55 (as redesignated by subparagraph (B):

"	7306.30.60	Having a wall thickness of 1.65mm or more, galvanized	6.5%	Free (C, E, IL) 1.1% (CA)	21.5%	".

(2) ALLOY IRON AND STEEL PIPES AND TUBES.—Subheadings 7306.50.50 and 7306.90.50 are each amended—

(A) by striking "4.9%" in column 1 General and inserting "9.5%"; and

(B) by striking "10%" in column 2 and inserting "28%".

(3) STAINLESS STEEL PIPES AND TUBES.—

(A) Subheading 7306.40.10 is amended by striking "7.6%" in column 1 General and inserting "10.1%".

(B) Subheading 7306.40.50 is amended—

(i) by striking "5%" in column 1 General and inserting "10.1%"; and

(ii) by striking "11%" in column 2 and inserting "29%".

(4) NEGOTIATING AUTHORITY.—In the event that a claim for compensation under any provision of the General Agreement on Tariffs and Trade or any other trade agreement to which the United States is a party is made by any Contracting Party to that agreement as a result of the amendments made by this subsection, the United States Trade Representative is authorized to negotiate such reasonable compensation as may be appropriate.

(5) APPLICABILITY OF STAGED RATE REDUCTIONS UNDER THE UNITED STATES-CANADA FREE-TRADE AGREEMENT.—

(A) Any staged reduction under the United States-Canada Free-Trade Agreement of special rates of duty for Canada set forth in subheading 7306.30.30 applies to the corresponding special rate of duty set forth in subheading 7306.30.35.

(B) Any staged reduction under the United States-Canada Free-Trade Agreement of special rates of duty for Canada set forth in subheading 7306.30.50 applies to the corresponding special rate of duty set forth in subheading 7306.30.55.

(C) Any staged reduction under the United States-Canada Free-Trade Agreement of special rates of duty for Canada set forth in subheading 7306.30.55 (as redesignated by paragraph (1)(B)) also applies to the corresponding special rate of duty set forth in subheading 7306.30.60.

(6) EFFECTIVE DATE.—Except as provided in paragraph (7), the amendments made by paragraphs (1), (2), and (3) shall apply with respect to goods entered, or withdrawn from warehouse for consumption, beginning on July 1, 1993.

(7) WAIVER.—In the event that—

(A) negotiations on market access and tariffs in the General Agreement on Tariffs and Trade provide for a tariff rate elimination schedule on steel products that will remove the tariff rate inversion on certain pipe and tube products; and

(B) the President or the United States Trade Representative certifies in writing to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that such schedule will eliminate such tariff inversion,

the provisions of this subsection shall not take effect.

(e) WAGE CERTIFICATES ISSUED TO CERTAIN PRODUCERS OF WATCHES AND WATCH MOVEMENTS.—

(1) IN GENERAL.—Additional United States Note 5(h) to chapter 91 is amended by adding at the end of subparagraph (v) the following new sentence: "At the election of the certificate holder, the Secretary of the Treasury shall pay to the holder the face value of the certificate less the value of—

"(A) any duty refund claimed by the holder under the certificate; and

"(B) any duty refund under the certificate that is sold by the holder under subparagraph (vi).".

(2) APPLICABILITY.—The amendment made by paragraph (1) applies with respect to wage certificates issued under paragraph (h) of such additional United States note 5 or headnote 6(h) to subpart E of part 2 of schedule 7 of the Tariff Schedules of the United States (19 U.S.C. 1202) that are in effect on or after the date of the enactment of this Act.

(f) INCREASE IN DUTY-FREE TOURIST ALLOWANCES.—

(1) DUTY-FREE ALLOWANCE FOR RETURNING RESIDENTS.—U.S. Note 4 of subchapter IV of chapter 98 of the Harmonized Tariff Schedule of the United States is amended by inserting "and Bermuda" before the period.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to residents of the United States who arrive in the United States on or after the 15th day after the date of the enactment of this Act.

(g) CERTAIN SWEATERS ASSEMBLED IN GUAM.—

(1) IN GENERAL.—Heading 9902.61.00 of the Harmonized Tariff Schedule of the United States is amended—

(A) by striking "Sweaters that—" and inserting "Sweaters—";

(B) in clause (i), by inserting "that" before "do not";

(C) in clause (ii)—

(i) by inserting "that" before "are assembled";

(ii) by striking ", exclusively" and all that follows through "aliens,"; and

(iii) by striking the semicolon and inserting a comma; and

(D) by inserting after clause (ii) the following:

"(iii) for which the number of United States citizens, nationals, or resident aliens who perform the assembly operation comprises at least 50 percent of the total number of assembly production workers; and".

(2) CONDITIONS.—Subchapter II of chapter 99 is amended—

(A) by redesignating U.S. Notes 8, 9, 10, 11, and 12 as U.S. Notes 9, 10, 11, 12, and 13, respectively; and

(B) by inserting after U.S. Note 7 the following new note:

"8. Notwithstanding any other provision of law, subheading 9902.61.00:

"(a) shall only apply to Guam; and

"(b) shall not apply in the case of any sweaters assembled by workers paid less than the United States minimum wage.".

(h) PROCESSING OF CERTAIN REFUNDS BY CUSTOMS.—Notwithstanding section 514 of the Tariff Act of 1930, or any other provision of law, upon proper request filed with the customs officer concerned within 180 days after the date of the enactment of this Act, the entry of any stuffed dolls with or without clothing classified in item 737.23, renumbered item 737.18 effective June 1, 1988, and item 912.30 of the Tariff Schedules of the United States (19 U.S.C. 1202) which was made on or after December 31, 1985, and before October 1, 1988, shall be liquidated as though such entry had been made on October 1, 1988.

(i) REISSUANCE OF PRODUCTION INCENTIVE CERTIFICATE.—The production incentive certificate numbered PIC–EV–89, issued jointly by the Secretary of Commerce and the Secretary of the Interior, as provided in subdivision (h)(i)(B) of Additional U.S. Note 5 to chapter 91 of the Harmonized Tariff Schedule of the United States shall be deemed to have been reissued on the 15th day after the date of the enactment of this Act, in the amount of its balance remaining on February 28, 1990, and shall expire 1 year after such 15th day.

(j) EXEMPTION OF SEMICONDUCTORS FROM COUNTRY OF ORIGIN MARKING REQUIREMENTS.—Section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) is amended—

(1) by striking "Except as hereinafter provided," at the beginning of subsection (a) and inserting "Except as otherwise provided in this section,";

(2) by redesignating subsections (f), (g), and (h) as subsections (g), (h), and (i), respectively; and

(3) by inserting after subsection (e) the following new subsection:

"(f) EXEMPTION FROM MARKING FOR SEMICONDUCTORS.—Articles provided for in headings 8541 and 8542 of the Harmonized Tariff Schedule of the United States and their containers are exempt from the marking requirements of subsection (a).".

(k) RENEWAL OF EXISTING CUSTOMS EXEMPTION APPLICABLE TO BICYCLE PARTS IN FOREIGN TRADE ZONES.—

(1) IN GENERAL.—Section 3(b) of the Act of June 18, 1934, commonly known as the Foreign Trade Zones Act (19 U.S.C. 81c(b)), is amended by striking "on or before December 31, 1992" and inserting "on or before December 31, 1994".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on January 1, 1993.

(l) CUSTOMS TREATMENT OF CERTAIN FABRIC.—

(1) IN GENERAL.—Any fabric wholly of polyamide covered by an entry listed in paragraph (3) shall be treated as having been exported from the United States in accordance with the temporary importation bond applicable to that entry and all obligations of The Umbrellas: Joint Project for Japan and U.S.A. Corporation, a California corporation, (referred to in this subsection as the "importer of record") under such bond with respect to the fabric shall be treated as having been satisfied, if—

(A) before the first anniversary of the date of the enactment of this Act, the importer of record donates the fabric to an organization (referred to in this subsection as the "donee organization") within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under subtitle A of such Code of 1986; and

(B) before donation under paragraph (1), the donee organization enters into an agreement with the Secretary of the Treasury that meets the requirements in paragraph (2).

(2) AGREEMENT REQUIREMENTS.—Any agreement entered into under paragraph (1)(B) shall be subject to such terms and conditions as the Secretary of the Treasury considers necessary or appropriate to carry out the purposes of this subsection, including, but not limited to, the following:

(A) With respect to any of the fabric donated under paragraph (1)(A), the donee organization shall be liable for—

(i) the duty that would have been assessed on the fabric at the time of entry but for the duty-free temporary importation under bond, and

(ii) a penalty in the amount of the duty referred to in clause (i),

if the donee organization, at any time before the tenth anniversary of the date of donation—

(I) sells the fabric, or

(II) uses, or permits the use of, the fabric in the production of any article that is sold, or otherwise entered, into commerce.

(B) The donee corporation may, at any time within the 10-year period referred to in subparagraph (A) and under Customs supervision, destroy the fabric or export the fabric from the United States.

(3) AFFECTED ENTRIES.—The entries referred to in paragraph (1), made at the port of San Diego, California, are as follows:

Entry No.	*Date of Entry*
11–44451–5	*9/16/90*
11–44719–8	*10/28/90*
11–44964–6	*11/09/90*
11–44836–2	*11/09/90*
11–17258–3	*12/13/90*
11–17274–9	*12/27/90*
11–18025–2	*1/14/91*
11–10889–6	*1/10/91*
11–18135–8	*2/28/91*
11–18155–2	*3/07/91*
11–10100–2	*3/16/91*
11–18221–8	*3/23/91*
11–18237–3	*3/28/91*
11–18279–7	*4/11/91*
11–18333–8	*4/18/91*
11–18366–8	*5/02/91*
11–10684–9	*6/21/91*

(4) DENIAL OF CHARITABLE DEDUCTION.—No deduction shall be allowed under section 170 of the Internal Revenue Code of 1986 for any donation referred to in paragraph (1)(A).

(m) REEXPORTATION OF COMMUNICATIONS SATELLITE ARTICLES.—

(1) IN GENERAL.—(A) The first sentence of U.S. Note 1(a) to subchapter XIII of chapter 98 of the Harmonized Tariff Schedule of the United States is amended—

(i) by striking "and (2)" and inserting "(2)"; and

(ii) by striking the period at the end and inserting the following: ", and (3) for articles imported under heading 9813.00.05, the time for exportation may be extended for 1 or more further periods which, when added to the initial 1 year, shall not exceed a total of 5 years, but any application for an extension beyond the 3rd year must be accompanied by the importer's certification that the articles are dedicated for incorporation into a communications satellite.".

(B) The amendments made by subparagraph (A) apply with respect to goods entered on or after the date that is 3 years before the date of the enactment of this Act.

(2) EXPEDITED MITIGATION OF PENALTY ASSESSMENTS ON REEXPORTATIONS DELAYED BY LAUNCH SYSTEM FAILURES.—Goods imported under heading 9813.00.05 of the Harmonized Tariff Schedule of the United States after January 1, 1983, and before the effective date established under paragraph (1)(B) that are certified by the importer—

(A) as having been dedicated for incorporation into a communications satellite; and

(B) as not having been exported within the time required for exportation under the applicable bond directly or indirectly as a result of launch schedule delays resulting from any launch failure, launch system failure, or technical delay;

are subject to liquidated damages not exceeding 1 percent of the liquidated damages established in the applicable bond.

(n) DUTY-FREE ENTRIES FOR PARTICIPANTS AND OTHERS ASSOCIATED WITH THE XXVI SUMMER OLYMPIAD.—

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

"	9902.98.04	*Personal effects of participants in, officials of, and other individuals associated with the XXVI Summer Olympiad or the Cultural Olympiad associated with the XXVI Summer Olympiad; and other articles associated with the XXVI Summer Olympiad or the Cultural Olympiad:*				

	(1) Personal effects of participants in, officials of, or accredited members of delegations to the XXVI Summer Olympiad or the Cultural Olympiad associated with the XXVI Summer Olympiad, or of individuals who are members of the immediate families or servants of any of the foregoing persons. *(2) Any article for which entry is sought by participants in, officials of, or accredited members of delegations to the XXVI Summer Olympiad and which is to be used or consumed at or in connection with the Olympiad.* *(3) Any article for which entry is sought by participants in, officials of, or accredited members of delegations to the Cultural Olympiad associated with the XXVI Summer Olympiad and which is to be used at or in connection with the Cultural Olympiad.* *(4) Subject to regulations prescribed by the Secretary of the Treasury, any other article for which entry is sought for use at or in connection with the XXVI Summer Olympiad ....*	*Free*	*No change*	*Free*	*On or before 10/4/96* ".

SEC. 444. COST ESTIMATE.

The applicable cost estimate of this Act for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

Fiscal year	*1992*	*1993*	*1994*	*1995*
Changes in outlays	*Not applicable*			
Changes in receipts	*0*	*21*	*21*	*21*

The CHAIRMAN. No amendment to said substitute shall be in order except the amendments printed in House Report 102–652. Said amendments shall be considered en bloc, shall be considered as read, shall not be subject to amendment, and shall not be subject to a demand for a division of the question. Debate time specified for the amendments en bloc shall be equally divided and controlled by the proponent of the amendment and a Member opposed thereto.

AMENDMENTS EN BLOC OFFERED BY MR. GEPHARDT

Mr. GEPHARDT. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc are as follows:

Amendments en bloc offered by Mr. GEPHARDT: Page 20, lines 4 and 5, strike out "a trade agreement" and insert "as promptly as practicable a comprehensive trade agreement affecting the automotive sector (or, if appropriate in order to achieve each of the objectives listed below, two or more trade agreements)".

Page 20, line 25, strike out "and".

Page 21, strike out lines 8 through 24, inclusive, and insert the following:

Japanese sources in the Japanese market; and

(5) offsets any detrimental impact of the European Community-Japan Automobile Agreement on the United States motor vehicle industry by addressing, to the greatest extent practicable, the problem of excess Japanese motor vehicle manufacturing capacity and committing the Government of Japan to effect annually a voluntary limitation of no more than 1.65 million units (which is the voluntary limitation for that Government's fiscal year ending March 31, 1993) on the export of Japanese motor vehicles to the United States for so long as limitations are in effect under the European Community-Japan Automobile Agreement regarding Japanese motor vehicle exports to, and sales within, the European Community.

(c) REPORTS.—

(1) STATUS OF NEGOTIATIONS REPORTS.—The United States Trade Representative shall submit to the Congress written reports that describe the progress of the negotiations under subsection (b). The first such report shall be submitted on or before the 90th day after the date of the enactment of this Act and reports shall be submitted thereafter on a 90-day basis for so long as such negotiations are engaged in. The United States Trade Representative shall include in such reports any recommendation for action that the Trade Representative considers appropriate to promote the international competitive position of United States manufacturers.

(2) MARKET ACCESS REPORT.—The President shall direct the appropriate agency in the executive branch to evaluate the extent to which motor vehicle parts produced by United States manufacturers are—

(A) achieving market access in Japan; and

(B) being utilized by motor vehicle manufacturers located in the United States that are Japanese owned or controlled (hereinafter in this section referred to as "transplant vehicle manufacturers").

The report required under this paragraph shall be submitted to the Congress no later than the 180th day after the date of the enactment of this Act.

(d) MONITORING SYSTEM.—

(1) IN GENERAL.—The President shall direct the appropriate agency of the executive branch to develop and administer a system for monitoring the implementation of the commitments in the Action Plan, announced by the President of the United States and the Prime Minister of Japan in Tokyo in January 1992, to achieve fair trade in motor vehicles and motor vehicle parts, including the commitment in such Plan that transplant vehicle manufacturers will increase their use of motor vehicle parts produced by United States manufacturers so that the United States parts content of motor vehicles produced by transplant vehicle manufacturers will be at least 70 percent by the close of Japanese fiscal year 1994.

(2) EXCLUSIVITY.—The monitoring system under paragraph (1) shall be developed and administered notwithstanding the carrying out of any negotiation, or the entering into of a trade agreement under subsection (b) that might apply to—

(A) the commitments referred to in paragraph (1); or

(B) the monitoring of the implementation of such commitments (unless, in the case of a trade agreement so entered into, such agreement specifically provides for a monitoring system that is at least equivalent to the system provided for under this subsection, including the reporting requirements under paragraph (4)).

(3) SYSTEM CHARACTERISTICS.—The monitoring system under paragraph (1) shall include procedures for measuring the United States parts content of motor vehicles (whether by model, line, or class) produced by transplant vehicle manufacturers. Such procedures shall be based on the methodologies developed to measure the national content of motor vehicles under the United States-Canada Free-Trade Agreement or, if and when implemented, the methodologies developed to measure the regional content of motor vehicles under an agreement establishing a North American free trade area.

(4) REPORTS.—The United States agency that administers the monitoring system required under this subsection shall submit to the United States Trade Representative written reports on the results of such monitoring, including an evaluation of the progress being made, on a facility-by-facility basis, by transplant vehicle manufacturers in meeting the commitment referred to in paragraph (1) regarding increased United States content. The first report required under this paragraph shall be submitted on the 270th day after the date of the enactment of this Act, and an additional report submitted on June 30 of each calendar year after 1993 and before 2001. To the extent practicable, each such report shall make evaluations regarding United States parts content as of March 31 of the year the report is submitted. Such United States agency shall also submit a copy of each report prepared under this paragraph to the Congress and make copies of each such report available to the public.

(e) ENFORCEMENT.—

(1) DETERMINATIONS BASED ON REPORTS.—Within 30 days after receiving any report under subsection (d) (or any monitoring report provided under a trade agreement referred to in paragraph (2)(B) of that subsection), the United States Trade Representative shall determine whether each commitment that is addressed in the report is being implemented.

(2) TITLE III TREATMENT.—If the United States Trade Representative determines under paragraph (1) that any commitment referred to in subsection (d)(1) is not being implemented, such failure to implement shall, for purposes of title III of the Trade Act of 1974, be considered as an act, practice, or policy that is unjustifiable and burdens or restricts United States commerce. The United States Trade Representative shall immediately proceed to determine, in accordance with section 3404(a)(1)(B) of such Act, what action to take under section 301(a) of such Act in response to such act, practice, or policy. In carrying out the preceding sentence, the United States Trade Representative shall take action under such section 301(a) against

the foreign goods or economic sector involved in the act, practice, or policy that is the subject of such action, but excluding goods produced by parent corporations of transplant vehicle manufacturers that are in compliance with the commitment referred to in subsection (d)(1) regarding increased United States parts content.

(f) CONSTRUCTION.—Nothing in this Act may be construed to have the effect of—

(1) terminating or limiting to any extent the production of motor vehicles by transplant vehicle manufacturers; or

(2) limiting or reducing jobs of United States workers at the facilities of such manufacturers.

(g) 5-YEAR EXTENSION OF FAIR TRADE IN AUTO PARTS ACT OF 1988.—Section 2125 of the Fair Trade in Auto Parts Act of 1988 (15 U.S.C. 4704) is amended by striking out "1993" and inserting "1998".

The CHAIRMAN. Pursuant to the rule, the gentleman from Missouri [Mr. GEPHARDT] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Is the gentleman from Illinois [Mr. CRANE] opposed to the amendment?

Mr. CRANE. Yes, I am opposed to the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois [Mr. CRANE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I yield 4 minutes to begin our debate to the gentleman from Michigan [Mr. LEVIN], a cosponsor of the amendments.

Mr. LEVIN of Michigan. Mr. Chairman, let us forget the slogans. We are not interested in bashing the Japanese or anybody else. By the way, let no one bash America.

This is not protectionism. This is antiprotectionism. Let us forget the fears of retaliation. America is really tired of acting scared.

Let us look at the facts. I wrote down a few figures, and I would like Members to focus on them: 30 percent, 16 percent, 3 percent. Let us take those first.

The 30 percent is the Japanese share of the American motor vehicle market; 16 percent is the ceiling negotiated by the European Community and Japan for Japanese sales of motor vehicles in Europe; 3 percent is the amount of foreign motor vehicle sales in Japan, the second largest market for motor vehicles in the world.

The next set of figures, $10 billion plus, $3 billion minus, and $1.5 billion minus. In 1990 the Japanese auto companies made $10 billion in their domestic motor vehicle market. They lost $3 billion in the U.S. market, and they lost $1.5 billion in the European market.

What does that mean? What it means is that they took the profits from their sheltered domestic market where there is only 3-percent penetration, and they used them taking losses in the United States and in Europe to gain market share.

□ 1430

The 6 million figure represents excess capacity today in Japan among their motor vehicle manufacturers.

So what does this add up to? There is a real problem here, and sticking one's head in the sand is not the answer.

Let me just read what was said by the United States-Canada auto panel cochaired by a conservative Republican free trader, Mr. Peterson:

> The issues raised by trading partners between North America and Japan that have developed over the last two decades require immediate government attention. Past negotiations on these issues have proven unsuccessful. A new approach is required to address what has become a serious problem after two decades of procrastination and delay * * * Government to government negotiations between the U.S. and Japan must reach closure on a plan to reduce rapidly the existing $43 billion trade deficit (of which over 70 percent is automotive related.)

Part 1 of the Gephardt-Levin amendment says to the United States to negotiate that kind of comprehensive motor vehicle trade agreement with Japan. It does not write into law the VRA or anything else. It says negotiate it.

The second part of our amendment says that the Japanese should live up to the agreement, to the declaration that was issued by President Bush and the Japanese in Tokyo. That is all it says. Live up to it. It places this declaration within the texture of section 301 where the President has full discretion as to what response there would be if they do not live up to it.

It does not limit transplant production, and I want to make this so clear.

I come from Michigan. I am proud to be from Michigan, but the motor vehicle industry is a national industry. There is not a single auto assembly plant in my present district. It is a national, national industry, and you say, well, it cannot happen here, that we could lose the No. 1 industry. It has happened with other industries. It could happen here.

This amendment says to America, "Wake up." There is a threat to a major industry. That is what it says, "Wake up."

Vote for the Gephardt-Levin amendment.

Mr. CRANE. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. GIBBONS], the distinguished chairman of our Subcommittee on Trade.

Mr. GIBBONS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, the gentleman from Michigan [Mr. CONYERS] asked a very good question here a while ago: Why can we not sell cars in Japan? The answer is very simple. We never tried.

Years ago I invited the heads of the Big Three to come in and testify before the Committee on Ways and Means, and I sat for hours with them in my office discussing the problems of the auto industry. Two of the Big Three attended. Mr. Iacocca elected not to.

I cannot quote exactly what they told me, but the gist of the conversation, as I remember it, was this: "Our strategy, Mr. GIBBONS, as you know, is to make money. Our strategy as far as the Japanese market is concerned is that it is not a good market for us. We cannot compete in their market. It is not a big market. We prefer to make money in the Japanese market by investing in Japanese auto producers." That was their strategy. Perhaps it has changed. I do not know. They have never come back to tell me that it has changed.

So we have never tried, as far as I am concerned, to sell cars in the Japanese market.

Second, it is obvious that we have never tried to sell cars in the Japanese market, because I think, as all people know here, the Japanese drive and have driven all their lives down the left-hand side of the road, and I do not know of an American manufacturer that is producing a car for the Japanese market. Perhaps there are one or two, but I am not aware of them.

Yes, we have tried to sell parts there. The gentleman from Michigan [Mr. LEVIN] and the gentlewoman from Ohio [Ms. KAPTUR] have done a good job. The American industry has done a good job trying to sell parts in Japan.

But when you look at Japan and you look at America, we are two vastly different countries in the way that we organize our industries. The Japanese industries are organized under their law according to their law and ours are organized and operating under ours, according to our laws.

The Japanese have a lifetime employment. They have long relationships with their suppliers. The suppliers and the lifetime employees work every closely together, and they make a very tight-knit organization.

It is very difficult to penetrate a Japanese organization in Japan because of that. There are many things that are good about the Japanese system. It seems to be highly productive. They do make a good car.

Actions have been brought in this country to limit the number of cars that are sold here, and as you know, just 2 weeks ago, the International Trade Commission turned down a dumping case on the grounds that the American industry, the complaining industry, could not prove that it had been injured by the Japanese imports. The International Trade Commission is a bipartisan group of professionals that looks at the evidence that is presented to them before it makes its decision. Whether its decision is right or wrong I am not here to complain about.

It made the decision after properly hearing the evidence that was presented to it.

There are many things that we need to do. The Japanese revenue system is different than ours. The Japanese health care system is different than ours. Those are two things I touched on in my earlier remarks.

If we really want to make America competitive and do the best we can for trade in this country, it is not to adopt this amendment, but it is to adopt a better health care system than we have got here and a better revenue system than we currently operate under.

Mr. GEPHARDT. Mr. Chairman, I yield 4 minutes to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the President and the Japanese cannot have it both ways. Either the Tokyo accords, reached during the President's visit to Japan last January are an agreement, or they are not.

When one of the President's chief trade officials, Michael Farren, the Under Secretary of Commerce for International Trade, testified on April 8, before the Subcommittee on Commerce, Consumer Protection, and Competitiveness, which I chair, he referred to the January accords as an "agreement * * * embraced by the Government of Japan during the President's trip."

Furthermore, Mr. Farren said the most important part of this agreement is Japan's commitment to increase to 70 percent by 1995, the percentage of American-made auto parts used in the cars Japanese auto manufacturers make at their transplant facilities in the United States.

When public reports indicated that perhaps the Japanese were not willing to stand behind the commitments contained in the agreement, the Prime Minister of Japan himself, in meetings with President Bush, dismissed those reports. He said Japan stood fully behind the commitments made.

So if the January accord is an agreement with the kind of important commitments the administration believes it contains, the President ought to have adequate authority to ensure that it is properly implemented.

That is primarily what this amendment does. Under the Gephardt-Levin amendment, the President is required to set up a system to monitor Japan's compliance with the commitments it made, including, especially, the commitment to achieve 70 percent United States content in the cars Japan produces at its transplant auto facilities in the United States by the end of the Japanese 1994 fiscal year which is March 31, 1995.

Some have complained that only the Japanese would have to comply with 70 percent. However, let me point out that the Big Three U.S. automakers already manufacture vehicles with a U.S. content much higher than 70 percent. General Motors cars produced here in the United States contain 97 percent U.S. content. Chrysler's U.S. production contains 92 percent U.S. content. Ford's worldwide production has 89 percent U.S. content.

A determination that Japan has failed to implement its commitments in the agreement would result in the United States Trade Representative taking action under section 301 of the Trade Act. Section 301 is designed to be used when benefits due the United States under trade agreements are denied.

The administration is being asked to use the same authority if Japan fails to fully implement the market access commitments it made under the United States-Japan Semiconductor Agreement. Under that agreement, Japan is supposed to take actions that would enable United States semiconductor manufacturers to achieve at least a 20-percent market share by the end of this year.

Finally, this amendment authorizes the President to negotiate an agreement that would offset damage to United States automakers from restrictions the European Community has placed on Japanese imports into the European market. Unless the President negotiates such an agreement, the United States market will likely become the place where Japan's surplus auto production will be dumped at unfair prices.

In conclusion, it should be noted that this amendment specifically states that nothing in this proposal shall be construed to limit production of the seven Japanese auto transplants operating in our country.

Mr. Chairman, I urge my colleagues to support the Gephardt-Levin amendment so the President will have the means to enforce the agreement he got from Japan.

□ 1440

Mr. CRANE. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. ARCHER], our distinguished ranking minority member of the Committee on Ways and Means.

Mr. ARCHER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, the Gephardt-Levin amendment is thinly veiled protectionism for one special interest sector and should be opposed. Despite protests of good intentions, the amendment places an indefinite freeze on automobile imports and establishes a statutory procedure that discriminates against American workers in transplant firms.

The so-called voluntary quota mandated by this bill would be tied to the existence of auto restraints—at any level—in the European Communities. How can such an irrational policy be defended? Are the Europeans to set our standards for competitiveness?

Yes, Japan has offered to voluntarily restrain auto imports as the EC transitions to a unified market. Initial restraints are substantially higher than the number of autos allowed into that market in previous years and will expand each year until they disappear altogether in 1998. There is no domestic content requirement for parts and components and there will be no monitoring of purchases by transplant firms.

The proponents of the Gephardt-Levin amendment mischaracterize the EC program and use it as an excuse to impose protectionist quotas in our market. The United States is not a residual market for autos that cannot be sold in the EC. Japan entered our market with high-quality cars that consumers loved. Japanese auto manufacturers have huge investments in this country and develop their market strategies for American buyers.

Even more nefarious, is the discrimination against workers in transplant firms that is a clear element of the Gephardt-Levin amendment. It establishes a 70-percent domestic content requirement only for transplant firms, making such firms less competitive and less able to expand U.S. employment. The Big Three would not have to have 70-percent domestic content.

Furthermore, the amendment transforms a good-faith agreement on the part of Japanese auto manufacturers to voluntarily increase their purchases of United States auto parts into a unilaterally enforced trade agreement. It sets requirements for compliance on a facility-by-facility basis and imposes mandatory sanctions for violations. The goals of the commitment are put in a straitjacket that will result in failure and retaliation.

Mr. Chairman, this amendment pits one American worker against another, raises prices for consumers and threatens our exports.

I urge my colleagues to oppose the Gephardt-Levin amendment.

Mr. GEPHARDT. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Missouri [Mr. GEPHARDT] and the gentleman from Michigan [Mr. LEVIN], and in support of H.R. 5100.

I think it should be noted that the amendment offered by the gentleman from Missouri does not limit any import cars from Japan. The 1.65 million unit limit is the very same limit that is accepted voluntarily by Japan under the voluntary restraint agreement, and which has been agreed to by the President at the Tokyo action meetings which occurred earlier this year.

Also, the amendment does not affect Japanese transplants so long as they produce cars that have 70 percent domestic content, and I do not think that is an unlikely or unreachable goal for them to achieve.

In fact, they have accepted that goal voluntarily.

Last, but not least, I think that what this amendment does is to improve the bill and make it even more, as I said earlier today, a trade crowbar or sledgehammer to open up locked markets, a bulldozer to level the trade playing field.

Mr. Chairman, I rise in support of the amendment and of the bill and urge its passage.

Mr. CRANE. Mr. Chairman, I yield 3 minutes to our distinguished colleague from the Committee on Ways and Means, the gentleman from Washington [Mr. CHANDLER].

Mr. CHANDLER. Mr. Chairman, I rise in opposition to the Gephardt amendment.

In pushing for this bill, supporters of the Gephardt amendment are rallying around the America first rhetoric that pleads for isolationism and protectionist trade policies.

While the stated purpose of the Gephardt amendment is to protect auto industry jobs, the result of this legislation will be lost jobs for thousands of American workers in other industries.

Let us remember, we run a trade surplus with European countries. If this legislation is passed today, what is going to stop the European Community from imposing protectionist legislation against American companies: Pharmaceuticals, electronics, heavy equipment makers, agricultural products that farmers all across this country export to Europe, paper, and paper products.

And if the Europeans retaliate against us because of this legislation, will the supporters of the Gephardt amendment rally again with another bill that further erodes our market share throughout the world?

When will the nonsense stop? Will it stop when thousands of aerospace workers at Boeing lose their jobs?

Will it stop when American computer firms such as Microsoft and Hewlett-Packard close plants and lay off workers because of unfair tariffs in foreign countries?

If the goal of the Gephardt amendment is to help American auto workers, it's missing the mark.

I own an American-made car, Mr. Chairman. I purchased that car because it was the best car on the market at the best price.

Building quality cars and selling them at competitive prices are the keys to American dominance of the automobile markets—not enacting protectionism legislation in Washington, DC.

But, Mr. Chairman, if the goal of the Gephardt amendment is to force worldwide trade retaliation tactics, I believe that the supporters of this legislation will be successful in their quest.

Passage of this legislation is a slap in the face to our foreign competitors—a slap that will lead to retaliation, and lost American jobs.

Mr. Chairman, this bill is the wrong approach. It comes at the worst possible time for our fragile economy, and could serve to torpedo our efforts to transform the world into a global marketplace.

This bill would be particularly destructive at a time when the U.S. economy and job creation are being significantly supported from strong exports growth.

I want Americans to know the facts:

Seventy percent of the economic growth in America in the last 4 years has come from expanding exports.

One million eight hundred thousand new jobs were created in America because of our open trade policies.

For my home State of Washington, this bill is likely to jeopardize an estimated 200,000 export-related jobs and exports totaling over $28 billion annually in exports.

Earlier, the distinguished minority leader talked about the importance of trade with Japan for Caterpillar—one of the biggest employers in his district.

Washington State-based Boeing has a similar positive relationship with Japan.

Through 1991, the total value of Japanese orders of United States transports was $30 billion. Boeing garnered $24.8 billion of that $30 billion, and expects its sales to Japan to increase to $35 billion in the next decade.

Mr. Chairman, before I close, let me just say that the effect of the Gephardt amendment is to politicize trade issues at a time when the United States needs to project a united front in negotiations and application of U.S. trade law.

Next year, Congress will have considerable opportunity to review and if necessary, adjust United States trade laws when it considers the Uruguay round and the NAFTA negotiations.

Mr. Chairman, I urge my colleagues to take a stand against protectionism. Vote "no" on the Gephardt amendment.

□ 1450

Mr. GEPHARDT. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. KILDEE] who has been very active on this legislation.

Mr. KILDEE. Mr. Chairman, I rise today to express my strong support for the Gephardt amendment of which I am a cosponsor.

The Gephardt amendment is important to our Nation's economic security. This legislation goes a long way toward giving American automakers a fair chance at cracking the closed Japanese market. It has reached a point today, where United States auto suppliers are effectively prevented from selling to Japanese transplants even here in the United States.

Mr. Chairman, I have long argued that our country needs to have a strong industrial policy—a policy that helps American industries better compete in the international marketplace.

The auto industry is an industry that affects virtually every district in the country. American automakers are major purchasers of textiles, steel, and semiconductors. The jobs created by the auto industry are good paying jobs. They are jobs that are important to keep so we can maintain a decent standard of living for our children. We have lost hundreds of thousands of these high paying jobs, and many communities across the country have been devastated.

And Mr. Chairman, we are in danger of losing thousands of more good paying jobs because our Government is unwilling to enforce current U.S. trade laws that would eliminate unfair trade and business practices.

The Japanese have long recognized that Government can play a key role in promoting the exports of Japanese products. They have done virtually everything in their power to ensure that its industry is healthy and internationally competitive. They have blocked the entry of foreign products into their markets while the Government backs predatory trade practices abroad.

As a result, over 40 percent of the entire United States trade deficit in 1991 was directly related to our auto and auto parts trade deficit with Japan. And if the current trends continue, our trade deficit with Japan will increase to $48 billion in 1992.

But I do not blame Japan for promoting its auto industry. But I do blame our own Government which refuses to promote—or even defend—the interests of our domestic auto industry. This amendment seeks fairness for American businesses and American workers.

That is why I strongly support the Gephardt amendment. It is a good amendment, a fair amendment—and it supports the commitments the President received from the Japanese to change their unfair trading practices.

I urge my colleagues to support this amendment.

Mr. CRANE. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, quotas do not work. That is the message we ought to be hearing today. That is the message we ought to understand.

We do not want the Japanese to place quotas on celluar phones made in the United States, on refined copper that comes from this country, on microchips, or on the wheat or corn that we sell to them. But that is exactly what will happen if we adopt this amendment. Not only that, we are going to put U.S. autoworkers out of work.

Oh, yes, I know the amendment says there is no limit on the production of automobiles that are produced by transplant companies. But what about retaliatory action against the products from those transplant companies? What about the different domestic content rules for the transplant firms? Why is it, as the chairman of the subcommittee pointed out, why is it that we are pitting one American autoworker against the other autoworkers? Why do we pit the General Motors worker against the worker from Honda or Toyota?

Why do we put a fig leaf over what is clearly a quota we are talking about? The amendment says: "We direct the President to negotiate," a limit of 1.65 million automobiles. How do you negotiate when you are told what you have to have as the end result?

And what about the consumer? Does anybody speak for the consumer? The voluntary quotas that have been in effect all these years have cost every American who has bought a car, whether a foreign car or an American car, hundreds of dollars on every single car that has been sold. The American consumers have had to pay billions of extra dollars over the last several years for their autos, all because of the voluntary quotas that we have imposed.

So, who speaks for the consumer today? H.R. 5100 is bad legislation. This amendment is bad legislation heaped on bad legislation. Let us have confidence in the American workers, confidence that we can produce goods that can compete with other countries' products.

Let us defeat this amendment. Then, let us defeat this bill.

Mr. LEVIN of Michigan. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Indiana [Mr. JONTZ].

Mr. JONTZ. Mr. Chairman, I rise in support of the bill and of the Gephardt-Levin amendment.

Mr. Chairman, over the last decade the U.S. automotive industry has made intense efforts to improve the quality of their product and they have succeeded. But now our auto industry finds that even with world-class product, Japanese markets are closed. In auto parts, our firms from the United States compete worldwide. We have a $17 billion surplus with Western Europe. Why then do we have a $30 billion auto trade deficit with Japan? Because Japan engages in various unfair trade practices which we need to address if we are to have the opportunity to compete on a fair basis.

The Gephardt-Levin amendment does two very important things. First of all it directs our trade representative to enter into negotiations to achieve a comprehensive auto sector agreement.

This is important, in part because the Europeans have a comprehensive auto sector agreement with Japan. Absent such an agreement between the United States and Japan, the temptation will be for Japan to use American markets to absorb their excess capacity.

The second very important thing the Gephardt-Levin amendment does is to put into law a process to monitor and enforce the agreements or the commitments which Japan made when President Bush was in Tokyo earlier this year.

The 70-percent figure for the consumption of domestically produced parts at the transplants is not the figure that Mr. GEPHARDT and Mr. LEVIN came up with, but rather this is what Japan committed themselves to.

But we know from our experience that if we do not have some process to monitor compliance with that agreement and bring about its enforcement, that the prospects of its being achieved are very slim.

In fact, the Big Three auto makers in our country have about an 85-percent domestic parts situation at the present time, and we should keep a close eye on them to make sure that that number is improved.

But this amendment is very important to see that the 70-percent agreement is adhered to that the Japanese have suggested they can achieve.

Mr. JONTZ. Mr. Chairman, I rise today to express my support for H.R. 5100, the Trade Expansion Act of 1992 and for the Levin amendment. As the name indicates the purpose of this legislation is to open foreign markets to U.S. products.

America finds itself in a new era in international trade—an era for which we are not fully prepared. The military competition that dominated our foreign and domestic policies for half a century has suddenly disappeared, and we are faced with a new international economic competition. Today's competition is qualitatively different from that which we have seen before. In Europe and on the Pacific rim, our competitors have developed national and multinational policies designed to win economic hegemony while we cling to a laissez-faire philosophy that is not only ineffective but tends to remove us from the playing field altogether. Some European and Japanese economists already discount a United States role in the 21st century world economy. If we are going to remain internationally competitive, this Congress must take our trade policies in hand and demand that our trade negotiators act in the interests of America's working people. H.R. 5100 moves us in the right direction.

The Trade Expansion Act takes necessary and timely steps toward correcting our foreign trade deficit, particularly with Japan, and toward establishing fair international trade. I support the extension of the Super 301 authority for the period from 1993 to 1997. Super 301 is an important tool which we have used too little. H.R. 5100 requires the U.S. Trade Representative to target priority countries and practices for trade liberalization negotiations and to back up those negotiations with the initiation of section 301 investigations. Too often we fail to back up our trade talks with actions that signal our seriousness.

Additionally, it is time to initiate a section 301 investigation of the practices that Japan uses to protect its domestic markets from foreign penetration, particularly their keiretsu relationships and other systematic anticompetitive practices. I am continually frustrated by the failure of our trade negotiators to press for United States access to the Japanese market with the same intensity and determination that Japan's trade leaders obviously approach the penetration of our market. The USTR 1992 report on foreign trade barriers says that "contractual as well as informal understandings between Japanese automakers and their domestic dealers have effectively denied United States automobile manufacturers the opportunity to market through existing dealer outlets." We have participated in the market-oriented sector specific talks with Japan on motor vehicles and auto parts since 1986, and all we have to show for it is an agreement by Japan to participate in a pair of studies on the issue. Meanwhile the United States share of their auto parts market remains less than 2 percent, and only 30,000 United States assembled autos were sold in Japan in 1991, almost half of them United States-manufactured Hondas.

H.R. 5100 takes important steps to open previously closed markets to U.S. automotive products. The bill requires the USTR to initiate a section 301 investigation of Japanese business policies and practices that affect access to the Japanese market for United States-made vehicles. Additionally, the bill instructs the USTR to negotiate a trade agreement with Japan which would:

First, eliminate or modify those acts, policies, and practices that act as barriers to U.S. exports of motor vehicles and motor vehicle parts;

Second, provide for the prompt implementation of the commitments made to the President last January for the purchase of United States auto parts by Japanese vehicle manufacturers;

Third, establish long-term goals for the purchase of high value-added auto parts; and

Fourth, establish a procedure for the exchange of information between the Japanese and United States Governments regarding auto and auto parts trade.

But, Mr. Chairman, I believe we must go further to secure the future of the U.S. auto and auto parts industry in the world market, so I also support the Levin amendment to H.R. 5100.

The U.S. auto and auto parts industry directly or indirectly employs one working American in six and it accounts for 12 percent of our gross national product, over $200 billion a year. But the auto industry is in trouble. General Motors announced last December its decision to lay off over 70,000 workers and close 21 or more plants. In 1991, the U.S. market share for the Big Three dropped below 50 percent of total sales. This is in large part due to intense and often unfair foreign competition.

Over the last decade the U.S. industry has made intense efforts to improve the quality of their product, and they have succeeded. They are now finding, however, that even with a world-class product, Japanese markets are closed to them. In auto parts, U.S. firms compete worldwide. We have a $16.7 billion surplus with Western Europe. Why then do we have a $30.1 billion auto trade deficit with Japan?

The 15,000 U.S. auto parts companies comprise the most competitive sector of our industry. It employs twice as many workers as auto assembly plants and contributes twice as much to the GNP. While United States auto parts are marketed throughout the world, attempts to break into Japan's market as well as into the Japanese transplant market here at home have met with nearly insurmountable nontariff barriers.

Because of their restricted home markets, Japanese auto companies are able to use inflated profits in their home market to purchase increased shares of the U.S. auto market. Since 1987, the Japanese have lost money in the United States market but captured a larger and larger market share. Worldwide penetration of the Japanese auto market is a puny 3 percent, the United States share of that is only 0.5 percent. To make matters worse, the Japanese recently agreed with the European Community to restrict their European market share to about 16 percent, a circumstance which portends increased Japanese efforts to expand their United States market share because of their historic excess capacity.

We have for years negotiated with the Japanese about opening their market. The only results we have to show are additional studies. Without stiffer legislative action such as the Levin amendment, Japan will not change its practice.

Without the amendment, H.R. 5100 does not sufficiently address the role that transplants play in Japan's overall auto manufacturing strategy. The investment of the Japanese in assembly plants in the United States has in many ways brought benefits to this country, but this investment has also brought traditional Japanese business practices which are often at odds with our own. We cannot ignore the fact that these transplant companies are an integral part of their parent companies' growth and marketing strategies, just the same way that General Motors' decisions to invest in Mexican plants are a part of their business strategy here at home. Japanese transplants are here to take advantage of the American market. Their pricing structures, both internal and external, are designed to use the strength of their closed domestic market to leverage market share here. Figures produced by the Auto Parts Advisory Committee show that this is particularly true in the auto parts sector. H.R. 5100 needs to address the closed nature of the Japanese auto and auto parts sector both in Japan and here in the United States.

Mr. Chairman, H.R. 5100 needs the Levin amendment. The amendment has two basic purposes. First, it would call on the USTR to negotiate a comprehensive auto sector agreement with Japan, including the continuation of the current voluntary restraint agreement [VRA]. That VRA would have to remain in force as long as the Japanese/European Community agreement is in force, thereby countering the pressure on the Japanese to increase United States market share to make up for lost market share in Europe. Second, the amendment would assure that the commitments the Japanese made to President Bush when he visited Japan in January are kept. That agreement included a commitment that sourcing at the transplant facilities in the United States would increase the use of U.S.-made parts to 70 percent.

Additionally, the Levin amendment would extend for 5 years the authority for the Auto Parts Advisory Committee established by the Fair Trade in Auto Parts Act of 1988. The Auto Parts Advisory Committee has played a vital roll in enhancing our understanding of the anticompetitive practices our companies have faced as they try to gain access to Japanese markets both in Japan and in the United States. I hope that it will be able to continue that roll, but I believe that we should do more than simply extend the present committee and the Fair Trade in Auto Parts Act. The Department of Commerce should be mandated to coordinate U.S. policies on trade, trusts, taxes, et cetera, to underscore our intolerance of anticompetitive and other unfair practices both here and abroad. The act should be further amended to clarify that the intended beneficiaries of the act are traditional United States auto parts manufacturers and not transplanted Japanese companies.

Overall, Mr. Chairman, H.R. 5100 is positive legislation and long overdue. I urge its adoption, and I urge the adoption of the Levin amendment because we must do our part to assure the international competitive position of the U.S. auto and auto parts industry.

Mr. CRANE. Mr. Chairman, I yield 3 minutes to our distinguished colleague, the gentleman from Kentucky [Mr. HOPKINS].

Mr. HOPKINS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the amendment.

My district is the home of Toyota Motor Manufacturing, U.S.A., located in Georgetown, KY, where 4,000 Americans—96 percent of whom are Kentuckians—produce 240,000 Camrys and 300,000 engines each year.

This operation has been so successful that after only 4 years of production, construction is underway to expand both production and engine capacity by another 200,000 each and raise employment to 6,000 workers and an annual payroll of $150 million.

That expansion will bring Toyota's total investment in Kentucky to more than $2 billion and, frankly, we resent the fact that there are some who suddenly want to change the rules and try to handicap this Kentucky operation, as this amendment would.

The 6,000 jobs Toyota is bringing to our part of America isn't the only direct benefit that is being realized; 37 Kentucky companies are supplying parts, components, and materials to the Georgetown plant; and 174 American suppliers are involved.

And hear this, please: According to the domestic content criteria established by the Environmental Protection Agency in connection with our fuel economy requirements, the Camrys that are rolling off the assembly line in Kentucky have 75 percent of domestic content after just 4 years of production. And that percentage is increasing each year.

But for that remarkable record, the Kentucky plant is subjected to a punitive attempt to change the rules of the game and substitute a method of measuring domestic content known only to the authors of this amendment, a method of measuring content that has not been debated in committee, on which no hearing has been held.

So why is this punitive, discriminatory amendment being offered today? Why is the gentleman from Michigan trying to impose a domestic content requirement on the plant in my district that other plants in my State and elsewhere wouldn't have to meet?

Well, I will tell you why. The dirty little secret behind this amendment is that it discriminates against my plant simply because of its Japanese parentage.

After all we have been through in this country in trying to stamp out racism and discrimination, and after all we thought we had learned about segregation, here is an ugly, despicable amendment that dares to suggest to this body that you place the Georgetown, KY, Camry plant in an economic internment camp.

Is that what this House wants to do today, go back 50 years to those "bad days at Black Rock"? The Japanese-American internment camps were wrong, and this Congress and this Government has recognized that.

Putting Kentuckians—Americans—in an economic internment camp today is just as wrong and even more despicable because we should have learned from our past mistakes.

The insulting intent of this amendment doesn't stop there. It establishes a nebulous domestic content requirement and a 1994 deadline, which the sponsors know is probably impossible for my Kentucky plant to meet.

The gentleman from Michigan represents an automotive State; he knows that parts sourcing involves long lead times. But knowing that, what does his amendment do if the Georgetown plant does not meet his unrealistic requirements?

He establishes a retaliation process under section 301 of the U.S. trade laws, a process that will jeopardize the jobs of 4,000 to 6,000 Kentuckians, men and women who work hard, pay their taxes, and hope for a better life for themselves and their children.

These Kentuckians are an exceptional group. They have amazed everyone in the automotive industry with their adaptability, their productivity, and the excellence of their work. The cars they are building in Georgetown are so good that they are being exported.

In recognition of their outstanding work, they will be the primary producer of the new Camry wagon, which will be exported to Japan, Europe, and Canada. This will be the first time a Toyota vehicle built outside Japan will be sold in Japan.

Total car exports from the Georgetown plant will exceed 20,000 units, and that helps to lower the U.S. trade deficit.

In a perverse and ironic way, I suppose it could be said that this terrible amendment pays the ultimate compliment to the men and women who work at the Georgetown plant. And it's the ultimate insult to the men and women of Detroit's automotive industry.

This amendment is the gentleman from Michigan's public assertion that the workers in this State can't compete with their Kentucky counterparts. Think of that.

He thinks Detroit, with a 100-year head start, can't cut it in competition with a group of Kentuckians who've been building cars for only 4 years.

His amendment says, "Please, Congress give us more than a level playing field; handicap our competition." He's saying, "Please, Congress * * * you've proven you could screw up almost anything; now, go down to Kentucky and tell those people how to build a car, and who to buy their parts from, and where to get their materials. And by the way, Congress just overlook the fact that those workers you're going to discriminate against happen to be Americans because they work for foreigners.

"So that makes it all right to discriminate against them. It's alright to impose a requirement on them that is not imposed on any domestic company, any German company, any Korean company, any Canadian company, any British company, any Italian company. It's alright for Congress to meddle and micromanage and undercut all the noble talk about fair play and a level playing field and a global economy and fair trade."

That's what this amendment is saying, and that's why it should be rejected.

This amendment is an insult to all that America stands for. It is an insult not just to the Kentuckians I represent; it's an insult to the auto workers in Michigan.

And, yes, I know something about those men and women. Sixty years ago, a young couple named Glenn and Louise Hopkins left western Kentucky and moved to Detroit, MI, in search of jobs during the depth of the depression. And like a lot of Kentuckians, they found jobs there, and they began their family there.

Their son, born in Detroit in 1933, stands among you today, telling you that the auto workers and parts suppliers of Detroit do not need this amendment, do not need Big Brother in Washington imposing a handicap on the competition in order for them to succeed.

I urge you to honor the automotive workers in Michigan and Kentucky and throughout America by rejecting this amendment today. I ask you not to punish thousands of good Americans just because they happen to work at a plant in Georgetown, KY.

Do not make an economic internment camp out of the Camry plant in my district. Say "no" to this unprecedented, unwarranted, dangerous intrusion by the Federal Government. Say "no" to this transparent attempt to isolate America from the realities and opportunities of a competitive global economy. Say "no" to this bad amendment.

□ 1500

Mr. LEVIN of Michigan. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, I just want to answer the comments of the gentleman from Kentucky [Mr. HOPKINS]. All the amendment does is suggest that the Japanese should carry out the agreement announced at Toyko. That is what it says, and to start throwing around epithets I think is so totally unwarranted in this Congress.

Mr. Chairman, I yield 2½ minutes to the distinguished gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I thank the gentleman from Michigan [Mr. LEVIN] for yielding this time to me, and I want to give congratulations to him and to our majority leader, the gentleman from Missouri [Mr. GEPHARDT] for bringing this Super Bowl of trade issues before the Congress of the United States today.

In fact, it is important that we tackle this issue because it is the most important question that divides us as two superpowers in the world today. The automotive segment of the deficit between the United States and Japan is the Super Bowl trade issue of the day.

Mr. Chairman, the Gephardt-Levin amendment simply puts the weight of law, through this amendment, behind the agreements that President Bush negotiated with Japan last January. The amendment is about opening Japan's market, opening their procurement practices and the way that their companies behave here, ensuring that there is a two-way street with our goods going there, and their goods coming here, allowing our firms and their firms to bid on parts of production equally. And, it is also about putting our foot down after 7 years of United States-Japan trade talks in the automotive sector that have been fraught with delay, meager results, and a worsening trade deficit.

Mr. Chairman, this chart says it all. It indicates that in the United States today a minimum of one-third of our market is consumed by imported vehicles, at least 29 percent of them from Japan in any given year. In Europe, of course, they cap their imports at about 16 percent. But in Japan, less than 3 percent of their market is composed of automotive goods from anywhere else in the world. There are 150 nations in the world today, but the United States holds a massive trade deficit with only one of them: Japan. And half of that deficit is in the automotive sector.

That is why I call this the Super Bowl issue of trade. What this amendment is about is opening up Japan's market, not just for the sake of the United States, but for the sake of the world.

Japan marks up the cost of our vehicles by 33 percent when we are allowed to get them in there. They exclude our spare parts from their various retail stores. They do not allow our cars to be sold in their dealerships, yet they have their cars in over 4,000 U.S. dealerships.

By golly, one of our companies offered them free spark plugs in production back in 1975. They refused to take them.

What this amendment is about is saying enough is enough. Trade has to be a two-way street. Support the Gephardt-Levin amendment.

Mr. CRANE. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I rise in opposition to the Gephardt amendment and to H.R. 5100, the so-called Trade Expansion Act. This is nothing but a flawed protectionist bill with a very misleading title. It is no coincidence that the Democratic leadership has brought to the floor less than a week before the Democratic National Convention this special interest measure which unless significantly modified will only result in a showdown with and veto by President Bush.

Today's tough economic challenges demand real solutions to effectively improving trade, not this election year political grandstanding which panders to certain unions and special interest constituencies. The sad irony is the Democratic majority is using this measure to claim it is creating jobs and bolstering U.S. productivity when, in reality, their own bill could do just the opposite. Cynically, the worst results would most likely take effect after the November election and the Democrats will gear up their propaganda machines to blame the Republicans, especially President Bush, for their own folly. Let's recognize this measure for what it really is: political expediency, not good trade policy.

Since 1989, the United States has regained its position as the world's No. 1 exporter, selling a record of $422 billion in merchandise exports abroad last year. It is expected that this year will result in over $610 billion in exports of goods and services. Seventy-five percent of our economic growth has come from exports. Each $1 billion in exports supports roughly 20,000 export-related jobs, and these jobs pay 17 percent more per hour than the average U.S. wage. We are seriously risking these promising developments with today's bill all for the sake of political expediency.

History has proven time and time again that further improvements in trade come not from increasing protectionism, but through expanding free and fair trade. Our experiences with the disastrous Hawley-Smoot Tariff Act which helped trigger the great depression of the 1930's is just one example. H.R. 5100 represents more of the former problem, not the latter solution.

It is no wonder that this Democratic special interest legislation is opposed by a wide spectrum of the American business and agricultural and consumer communities, including many in my district. These are key industries like auto retailers—and, ironically, this bill claims to help the auto industry—consumer goods producers like Procter and Gamble and the National Cattlemen's Association. It is also strongly opposed by the State Department and the U.S. Trade Representative resulting in a much deserved veto by President Bush. For the record, I am submitting a letter I received from Ambassador Carla Hills, the U.S. Trade Representative, providing further details about the administration's concerns.

Enactment of this bill will, most likely, be viewed by our trading partners as an opening salvo in a new trade war triggering retaliation by our trading partners. That, in turn, hurts U.S. exporters and U.S. economic growth.

At present, we are successfully negotiating new fair trade agreements both bilaterally with countries like Japan and multilaterally through the GATT Uruguay round. The mandatory extension of Super 301 provisions and the mandatory 301 investigations of specific concerns, like Japanese auto trade, would undermine our flexibility in negotiating new market-opening efforts and lead to counter retaliation.

Specifically, I am concerned that the extension of Super 301 assumes the failure of the Uruguay round. It has not failed. I am not opposed to considering a new Super 301 statute, but only after we have finished our best negotiating efforts and it is determined then that such legislation is necessary. Clearly, there are countries, like India and Japan, which are not trading fairly with the United States and should be investigated and pressured to change their policies. The Bush administration is doing just that through a variety of means and has assured me it will use whatever tool would be most effective, including reciprocal, punitive tariffs, and other trade barriers. Congress should not be micromanaging these efforts and unilaterally deciding there will only be one tool available. But, in essence, that is what this bill does.

Congress will have ample opportunity to review and, if needed, adjust United States trade laws when considering the results of the Uruguay round and the North American Free Trade Agreement negotiations. Unfortunately, this bill is prejudging an incomplete process and, in fact, adding constraints that could jeopardize our gains in these negotiations and their promising results for the future. In no way does that really help U.S. jobs and the economy, it only helps pave the path to failure and recession.

I am opposed to H.R. 5100's continued discrimination against American automotive parts workers in so-called transplant firms. While the bill requires negotiations to open Japan's market for American automotive parts, the bill only protects plants owned by and controlled by United States citizens. Hence, American workers in other plants are treated as second-class citizens forced to find their own export markets. That is not fair.

I am also very concerned that because this bill specifically addresses the concerns of only the rice and auto parts industries, it sends a very erroneous message that these are our only market access concerns. That's not so, especially in my district. Why are these industries given first-class protection at the expense of others? That is not fair either.

I am shocked that the Ways and Means Committee deleted a provision in the bill expressing the sense of Congress that the United States embargo of Cuba should be maintained. This is a purely political move to pander to the leftwing elements in the Democratic Party who want to lessen the pressure on one of the last Communist dictatorships in the world, Castro's in Cuba. There is no better time than today to increase the pressure on Castro, who has been losing all his Communist allies including the Soviet Union. In fact, making its way through Congress with strong support is a measure to further strengthen the embargo and, hopefully, expedite Democratic change in Cuba. The deletion of the anti-Castro language in the bill undermines this effort and sends the wrong conciliatory message to Castro at the absolutely wrong time.

I am also opposed to new tariffs in the bill. As I have pointed out, new tariffs and nontariff barriers like mandatory quotas have repeatedly proven to be the absolutely wrong prescription for improving trade. Some of these tariffs will actually decrease revenue, further exacerbating the trade and Federal budget deficits.

It is the consumer who ultimately pays for the increase in tariffs, not the foreign producer. That is particularly true for raising the tariff on foreign minivans and other vehicles. The last time this issue was raised, it was for an increase on the tariff on sport utility vehicles. Many of the same arguments were made. What was the result of the tariff? The consumer ended up paying more for the same vehicle and, consequently, purchased fewer. That hurt the American producers of sport utility vehicles. Even more disturbing was that instead of taking advantage of the tariff to undersell Japanese vehicles, substantially improve the quality of American made vehicles and increase their market share, the United States manufacturers simply raised their prices. Unions and management did not effectively use this gift from the Government to address the underlying problems of their competitiveness, they merely prolonged them. Ultimately, only consumers and auto retailers were hurt.

The Port of Hueneme, which is associated with my district, is a major import point for foreign vehicles, including Mazdas. My district, like much of California, contains many quality auto retailers who sell foreign made vehicles. New tariffs, quotas, and other restrictions will directly and negatively affect these important sources of local employment, particularly since the vehicles in question represent over 16 percent of gross sales profits for many local dealerships. They will not provide any new local employment opportunities to offset these losses.

For consumers, competition would be reduced further. I understand that domestic manufacturers already have 89 percent of the market. With less competition, certainly there will be less incentive to keep prices down and quality up. Consumer choice would also be reduced.

These basic factors, coupled with the sport utility experience, makes the bill a lose-lose proposition for my constituents and millions of other Americans. Under these conditions, this measure just does not make sense.

While this bill does contain a few positive measures, such as customs modernization, these merits are significantly outweighed by its unacceptable costs. Despite the slick rhetoric, this is not a trade expansion bill, it is a trade contraction bill based on election-year political expediency. While it may give some politicians short-term gains, it will saddle the American public and economy with long-term costs. I urge my colleagues to join me in opposing this flawed legislation.

U.S. TRADE REPRESENTATIVE,
Washington, DC, July 2, 1992.

Hon. ROBERT J. LAGOMARSINO,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE LAGOMARSINO: I am writing to express the Administration's strong opposition to H.R. 5100, the Trade Expansion Act of 1992, which was reported favorably by the Ways and Means Committee on Tuesday, June 16. For the reasons explained below, if this bill is presented to the President, I would recommend that he veto it.

Despite its title, the effect of this legislation will be trade contraction, not trade expansion. Many of the bill's provisions threaten to close markets, not open them. Thus, this bill would be particularly destructive at a time when the U.S. economy and job creation are enjoying sustained support from strong export growth:

Since the Bush Administration took office in 1989, the United States has regained its position as the world's Number 1 exporter, with over $610 billion in exports of goods and services expected this year;

In recent years, 75 percent of our economic growth has come from exports;

Each $1 billion in exports supports roughly 20,000 export-related jobs, and these export-related jobs pay 17 percent more per hour than the average U.S. wage.

H.R. 5100 would jeopardize that job-creating export growth and send the United States down an ill-conceived path that would lead to cycles of adversarial trade retaliation and economic contraction.

I have had the opportunity to study this legislation carefully and believe it would fail to meet its goals. H.R. 5100 contains provisions that would: eliminate the flexibility required to negotiate market-opening agreements and could lead to retaliation by our trading partners; boomerang against U.S. exporters; be challenged by our trading partners as inconsistent with our GATT obligations leaving us vulnerable to forced compensation or retaliation; and, undermine ongoing bilateral negotiations as well as the Uruguay Round of global trade talks.

This Administration shares with you an understanding of the importance of trade. Indeed, working together, we have made tremendous progress in creating jobs at home and new export opportunities abroad. However, this progress would be threatened by the bill before you. (Enclosed is a fact sheet outlining the bill's potential adverse impact on U.S. exports generally, and your state's exports in particular.)

We are convinced that the market-opening negotiations we have underway, and the aggressive use we are making of existing trade laws, are the best way to ensure continued trade expansion abroad and job creation at home. We are fully engaged in the Uruguay

Round of global trade talks, and are on the verge of completing the North American Free Trade Agreement. We are also expanding trade with the emerging democracies of Central and Eastern Europe, the former Soviet Union, and Latin America, and are opening markets throughout the dynamic Pacific Rim, including Japan.

At the same time, the Administration is aggressively implementing U.S. trade laws: we have initiated 19 section 301 investigations; we have never rejected a section 301 petition; and we have not hesitated to take strong action to address trade barriers when warranted, working closely with industry and the Congress.

In sum, then, we are opening markets worldwide; now is not the time to abandon a successful strategy and begin to raise barriers to trade. Instead, the Administration and Congress should continue to work together to support the entrepreneurial, market-oriented, economic policies that have made the United States the world's top exporter.

Sincerely,

CARLA A. HILLS,
U.S. Trade Representative.

Mr. CRANE. Mr. Chairman, I yield 3 minutes to our distinguished colleague, the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Chairman, this bill and this amendment might be better titled the Trade Reduction Act of 1992 or, more importantly, the Job Reduction Act of 1992.

I recently returned from my State where I visited a plant that supplies, not only Honda, but Ford Motor Co. and General Motors as well, and it employs 300 people, and I had an opportunity to meet almost all of those people, good, hard-working Americans, who reside in northwest Ohio, who are very proud of their jobs and who would be threatened, if not concerned, about the elimination of their jobs under this particular proposal. I have a Ford plant in Lima, OH, that employs 2,500 people; a General Motors plant in Mansfield, 3,200; Honda engine plant which employs over 2,000, and Honda alone employs over 10,000 people in the State of Ohio. That is just direct employment. They are very concerned about this type of protectionist legislation. Why? Because they have been successful.

We said, "We're really worried," a few years ago, "about the flow of imports into this country, and so, Japan, you better get it right. You better build plants over here and employ Americans," and they did exactly that. They did exactly that, and they came to my State, and they became, not only a large builder of American automobiles, but even export 7,000 vehicles to Japan. Those are high-quality, high-paid, high-technical jobs that are being threatened under this particular legislation.

I heard one of my colleagues who speaks for the consumer talk about where are those great consumer groups that propose to speak for the consumer that we hear from all the time in committee. I have not heard a word from them. Apparently they are not particularly concerned about consumer choice and what they have to pay in the marketplace as to what kind of automobile they want to drive. This is essentially the oldest trick in the book to try to limit the ability of these companies, these transplants, to grow and prosper.

How am I going to go back to those people in Ohio and say, "Well, the Congress has a better answer. We're going to cripple you so that the other companies can compete." It would not be so bad if I felt this would be effective in preserving some jobs in the American auto sector, but it will not.

Make no mistake about it. This will not preserve any jobs. It will just simply make us less competitive in a world economy.

Mr. Chairman, I recently saw an editorial in the Marion Star that I think accurately points out the situation. It says, and I quote:

> Honda of Ohio has been a great benefit to the economy of the area and the quality of life in the area, and is a major factor that will influence our present population and future generations to stay and raise their families and work in our community.

That really says it all. Defeat the Gephardt-Levin amendment. Defeat this legislation.

Mr. LEVIN of Michigan. Mr. Chairman, I yield 1 minute to the very distinguished gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. Mr. Chairman, let me say to my distinguished colleagues that we are losing our domestic auto industry. The unrelenting onslaught of foreign competition from the Japanese has whittled down the United States industry's share of the domestic auto market. At the same time—our companies still face formidable barriers to sales in the Japanese market.

U.S. auto manufacturers have seen their share of the U.S. auto market drop tremendously from over 99 percent in 1951 to less than 67 percent today. In the past 10 years, we have accumulated over $1 trillion in trade deficits. Over $400 billion of this is attributable to Japan—much of which is in the automotive industry.

We simply cannot afford to let this continue. The automotive industry is an essential part of our economy and a vital part of our manufacturing base; 14 million jobs depend on it.

If the automotive industry were to go under, 1 out of 7 Americans would be put out of work. And with it would go our capability to build heavy machinery, tanks, and vehicles—the most essential components of a strong defense.

I strongly support the Gephardt-Levin amendment. In fact, I think we should be going even further. I had wanted to offer an even more forceful amendment to actually establish the standard set in the European Community-Japan Agreement on Market Penetration as the basis for Japanese access to United States markets.

Japan's share of the EC market is presently 11 percent. Under the new EC-Japan accord, Japan has agreed that its share of the EC motor vehicle market should be a maximum of 16 percent by 1999.

The EC and Japan have, in effect, established a world standard for determining Japan's fair market share in a country's motor vehicle market and use of domestically produced parts.

Japan's share of the United States motor vehicle market is currently 30 percent, without any limits.

I would like our country to use these same definitions of market share and domestic content—and actually set a target for Japan's share of the United States market at 16 percent by 1999.

Mr. Chairman, what this debate is really about is jobs, jobs, jobs. Manufacturing jobs in the automotive industry are an important component of our economic security. The automotive industry is not just the people who are involved in the direct production of cars. It is also the people who work in industries crucial to the production process: steel, rubber, plastics, glass, textiles, aluminum, machine tools, chemicals, and electronics. The auto sector directly and indirectly accounts for about 12 percent of U.S. gross national product.

It is time that we recognize that our economic security is a vital part of our national security and take steps to ensure that our manufacturers and businesses are on equal ground with worldwide practices. The Gephardt-Levin amendment is an important first step in this direction. I urge my distinguished colleagues to support it.

□ 1510

Mr. LEVIN of Michigan. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of the amendment because of the critical importance for jobs in this country and to our whole economy of the U.S. auto industry. I think it is very important for us to understand that worldwide there is excess production capacity, and what is happening is people are being squeezed back around the world, except not everywhere, and the fact is we have already been squeezed dramatically in this country, we have already seen a scaling back of jobs, of productive investment in this country, and seen a transformation of our industry to be more competitive.

Mr. Chairman, what we are talking about here is simply the compliance with the public pledges that were made by the Japanese Government with the Bush administration on how they would behave. This should not invite any kind of retaliation, because all we are doing is writing into law what they said they would do anyway.

The fact is as long as the European market restricts itself and restricts Japanese imports there, the pressures only grow to push those imports into our market.

Mr. Chairman, this is fair. This is critical to jobs in this country, and I believe will lead to an international fairer situation for all concerned.

Mr. LEVIN of Michigan. Mr. Chairman, may I inquire how much time each side has remaining.

The CHAIRMAN. The gentleman from Michigan [Mr. LEVIN] has 13 minutes remaining and the gentleman from Illinois [Mr. CRANE] has 12 minutes remaining.

Mr. LEVIN of Michigan. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Chairman, I thank the gentleman for yielding time and also for his leadership role on this very important amendment.

Mr. Chairman, in January, the Government of Japan promised President Bush one more time to cooperate with the United States on the importation of auto parts. This amendment supports that promise with a monitoring system which will ensure that the commitments made by Japan are implemented.

No rhetoric, no economic theory can replace the need for this country to demand respect from other nations in any of its negotiations. The pattern of broken Japanese promises is well documented in the microelectronics industry. The cases of dumping and pillaging through our marketplace by that nation goes back to the destruction of our domestic television industry in a conspiratorial action by the major Japanese electronics companies in the late 1970's.

Then there were the machine tools and ball bearings. Now, it is the automotive parts industry.

All along the way we have been sweet-talked by the Japanese that the high level of exports to the United States will drop. Yet, every month the gap increases. A recent MITI statement suggests that the way to lower Japanese exports to the United States will be to have more Japanese companies onshore in this country export their products back to Japan. There was no call from MITI for Japan to buy more United States-produced products by United States-owned companies—no—only from their own.

Similar calls were made to Japanese-owned firms in other countires—export more to the homeland to keep its trade deficit down.

The Japanese intent is clear. What is theirs is theirs, what is ours should be theirs also.

Let us put a stop to this, here and now. Vote for the Gephardt-Levin amendment. Support American jobs.

Mr. CRANE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Indiana [Mr. BURTON].

Mr. LEVIN of Michigan. Mr. Chairman, I yield 1½ minutes to the gentleman from Indiana [Mr. BURTON].

Mr. CHAIRMAN. The gentleman from Indiana [Mr. BURTON] is recognized for 2½ minutes.

Mr. BURTON of Indiana. Mr. Chairman, I thank both of my colleagues for yielding. This spirit of camaraderie is unusual.

Mr. Chairman, let me just say that I have always been a free trader and believed in free trade, but I think that we have been raked over the coals, by the Japanese for a long time and I think it is long enough.

In 1991, the total U.S. trade deficit was $67 billion worldwide, down from $102 billion in 1990. That is a $35 billion decrease, and that is good, because that meant American jobs were coming back home. We were producing things here and exporting them.

But the fact of the matter is at the same time that our trade deficit was improving with Japan it went from $41 to $43 billion. That $43 billion trade deficit represents 860,000 American jobs. For every $1 billion in trade deficit, it cost us Americans 20,000 jobs. You multiply 43 times 20,000, and you get 860,000 Americans who have lost their employment because of this trade deficit.

The Japanese Government promised the President of the United States that they would import $2 billion more in auto parts from the United States of America. What is wrong with putting that into law? They have made promises in the past that they have not kept, so why do we not put this under 301 and make the President force the Japanese to adhere to the promises they made?

They promised to increase their importation of automobile products, their importation of automobile parts, and their importation of cars from $10 billion to $19 billion, which would further close that trade deficit. What is wrong with putting that into law? They said they would do it, so if we put it into law we will just make sure it gets done.

They promised before, but they did not comply. They said they were going to increase from 50 to 70 percent the amount of American-made parts that would be put into Japanese cars here in the United States, manufactured and produced here. What is wrong with putting that into law?

Now, in the case of an economic emergency, the President under section 301 can circumvent what we are doing here today. If it is a real economic calamity he can say this is not in the best interest of the country and we do not have to comply with this. But if we are not in an economic emergency, he can force the Japanese to live up to the commitment they made.

If we are really concerned about American jobs and really concerned about the economy, which is in the doldrums right now, we should pass the Gephardt-Levin amendment.

Mr. LEVIN of Michigan. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Chairman, I rise in support of this measure. The opponents of the measure kind of remind me of the football coach who goes on television Sunday morning and says that his team had the most first downs and the fewest fumbles, but fails to mention that they not only lost, but lost big.

They say we are the world's biggest exporter. They fail to mention that we are the world's biggest importer, with over a $100 billion trade deficit last year, $45 billion of which was to the nation of Japan alone.

They say that 70 percent of the new jobs are caused by exports. I think that 99 percent of the jobs that are lost are caused by imports.

Go to the store. See what is on the shelves. We invented the fax machines in this country; they are made in Japan. We invented the VCR's; they are made in Japan. Bit by bit we are giving away the American dream, because the American dream has been American manufacturing.

Mr. Chairman, if you care about this country, I encourage you to vote for this measure. It is a weak measure, but it is certainly better than no measure at all.

Mr. CRANE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California [Mr. HUNTER].

Mr. LEVIN of Michigan. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. HUNTER].

The CHAIRMAN. The gentleman from California [Mr. HUNTER] is recognized for 4 minutes.

Mr. HUNTER. Mr. Chairman, I thank the gentlemen for yielding.

Mr. Chairman, I think the first question we as Republicans have to ask ourselves is do we want to pull out of the recession? Because if we want to pull out of the recession, we are going to need, whether we live in San Diego, CA, in Indiana, New York, or wherever, to look at the automobile industry, because the automobile industry accounts for about 4.5 percent of the gross national product of this country. It has a six to one multiplier ratio, and that means that one job in the auto industry produces six jobs in other supportive industries.

Let me just ask my colleagues, do you care about the semiconductor industry, do you care about the steel industry, do you care about the glass industry, do you care about the rubber industry? Do you care about the hundreds of other attendant industries that support the auto industry? If you do, you are going to have to come to the conclusion that we cannot pull out of this recession with a 62-percent plant capacity utilization by the auto industry.

The auto industry is darned important. It is darned important to conservative Republicans in San Diego who have no auto industry or workers in their district, and it is important across the length and breadth of this country.

Time after time my colleagues have strode to this well and spoken of the Republican idea of free trade.

□ 1520

Let me set the record straight. The Republican idea and the Republican tradition is not one of free trade. The founder of this party, Abraham Lincoln, was adamantly against free trade. And he said, and I quote:

> The abandonment of the protective policy—

That is a bad word now but a good word then—

> The abandonment of the protective policy by the U.S. Government must result in the increase of both useless labor and idleness and so, in proportion, must produce want and ruin among our people.

Theodore Roosevelt, who brought this country into the biggest economic resurgence in its history in the early part of this century, opened up one of his speeches with the words, "Thank God I'm not a free trader." Teddy Roosevelt said:

> One consideration which must never be omitted in a tariff change is the imperative need of preserving the American standard of living for the American working man.

Prescott Bush, the father of the President of the United States, as a U.S. Senator voted against the John Kennedy free trade bill of 1962, along with a couple of other conservatives, STROM THURMOND and Barry Goldwater. And he also helped put the plank in our party that provided for a consideration against injury by foreign goods coming into this country. That was the noninjury clause that our party carried proudly for over 100 years.

So if we as Republicans want to ask ourselves who do we stand with in terms of Republican leadership, it is probably not with the guy wearing the alligator shoes who represents the auto parts industry of Japan. It is probably with the Republican founders who are on Mount Rushmore.

The Republican tradition has traditionally been and should continue to be one that calls for quid pro quo. That means getting something for that which one gives. We have a business deal with Japan. The business deal that they think we had is that they have an advantage of $40 billion a year which translates into 1 million jobs lost for Americans. They are not going to change that deal until we use some leverage to make them change it.

President Bush got a commitment from the Japanese in January. We are codifying and enforcing that commitment. We are supporting the President. We are supporting 2,000 young people who are getting out of the service every week who need jobs. We are supporting the traditional Republican position on trade. Vote for this amendment.

Mr. CRANE. Mr. Chairman, I yield 2 minutes and 30 seconds to our distinguished colleague, the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, as one of the original founders of the auto parts caucus, I rise in opposition to this amendment. The work that we have done through the caucus, coupled with the negotiating leadership of our Government, has moved us toward resolution of the problems we face. By negotiating solutions rather than protecting industries, we have required our own companies to upgrade their equipment, to produce products of top quality and to be sensitive to the Japanese market as we seek for them to be sensitive to our needs to enter their market.

It is absolutely true, the Japanese market has had unfair trade barriers that have kept American products out. It is also absolutely true that the American automobile companies have not been willing to make an automobile that was sensitive to the needs of Japanese consumers.

But look where we are today. All three of the big auto companies in America for the first time have announced that they are going to produce a car that Japanese consumers will find to be appropriate to the way that they drive and their driving needs. One of those companies will have that car this year. The other companies will not even have such a car for a couple of years.

Meanwhile, let us see what is happening on the negotiating front. Through the process of negotiations, through the pressure that our Government has put on the Japanese, Japanese automakers have eliminated prior consultation clauses in contracts with dealerships. In addition several important standards and certification requirements that have impeded the access of U.S. vehicles have been eliminated. Problem after problem, unfair trade barrier after unfair trade barrier has been negotiated away.

In sum, by the time our cars are ready to be marketed in Japan, that market will be prepared to receive them.

I want to make one other point. My interest in this has been not so much with the American auto industry as with the American auto parts industry, which is critical to the industrial base in America that supports every other manufacturing sector. And in that area, I report to you that it took the auto parts caucus the first 3 years of our existence, from 1983 to 1986 to get the American auto parts industry to decide what their agenda would be if the American negotiators would engage Japan in talks on their behalf. It took us that many years of their meeting in Washington for them to figure out what they would want their Government to do with them. At the same time we pressed the Reagan administration to put auto parts on the Moss agenda and finally Moss talks, with an industry-directed agenda commenced.

As a result of those efforts, our negotiators now never go to Japan without American auto parts people consulting closely with them. We have a very active auto parts advisory committee to the Department of Commerce that is involved in every step of the way of setting negotiating objectives, documenting the need for changes and being a part of accomplishing them. So auto parts has been very much at the top of the United States agenda with Japan and with good results over time.

In fact, MEMA, the organization that represents American auto parts makers, has experienced just in the last year, just since the President's agreement with Japan, an 80 percent increase in activity and a clear increase in United States contracts between United States parts suppliers and Japanese buyers. So in auto parts it is happening. We are accomplishing our goals of getting into the Japanese market at the design stage and selling more American auto parts to Japanese transplants.

In the auto industry, opening the market would not have mattered if our own companies had not been willing to create the products that would serve Japanese consumers. Now, with products being developed and markets being opened as a direct result of Presidential leadership, we can assume the same success.

Trade is a two-way street. The threat of mandatory actions by one party does not create reciprocal trade, and it certainly does not create the kind of friendship that, in the international community, provides prosperity and security.

Mr. CRANE. Mr. Chairman, I yield 2½ minutes to the distinguished chairman of the Subcommittee on Trade, the gentleman from the great State of Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Chairman, the figures I have just taken down are correct. I do not disagree with them. As I said in my opening remarks, one of the reasons we did not sell cars in Japan is because we just did not try. It was not our strategy, and we did not make it at the business level a big push to sell cars in Japan.

I hope we are trying. I hope we are really trying to sell parts there.

The question, though, that arises is, Why does the great majority of the rest of the American business community oppose the Levin amendment? Because they see it as a violation of a cardinal principle that we have developed in our international trade policy. That is, national treatment.

What do I mean by national treatment? I mean by national treatment that we will treat the foreign subsidiaries, those subsidiaries doing business in our country, the same way we treat our own subsidiaries, our own businesses. And likewise, on a reciprocal basis, they will treat our foreign subsidiaries doing business in their country the same way they treat their national companies. National treatment.

If my colleagues stop and think about it, it makes good sense. It is what has allowed us to vastly expand our trade opportunities around the world. Where were we just 20 years ago? Just 20 years ago the total exports of the United States were only about $20 billion or $25 billion. Today the exports of the United States are half a trillion dollars, $500 billion. From $25 billion to $500 billion, they have grown that much with a concomitant employment that goes along with it.

This has raised our position in the whole world trading system from second or third largest exporter to the largest exporting country on Earth.

□ 1530

Yes; we have got some problems. One of the reasons we have done so well is that our currency has been appropriately valued. For many, many years our American products had to labor under a vastly overvalued dollar. That overvalued dollar caused us to be very uncompetitive as far as products are concerned. Our dollar is now perhaps only slightly overvalued, not massively overvalued, as it was.

Mr. GEPHARDT. Mr. Chairman, I yield 30 seconds to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, there is one point of ambiguity in the statute, and that is whether or not the amendment is intended to militate against companies that may be partly foreign-owned as long as 100 percent of the production is American.

Under that circumstance, is that kind of joint venture a U.S. company?

Mr. LEVIN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. Mr. Chairman, I would say to the gentleman from Iowa [Mr. LEACH] that the amendment does not distinguish in meeting the 70 percent that the Japanese Government pledged between American companies, Japanese transplant parts companies here, or combinations thereof, so there is no discrimination between Japanese companies and American or hybrids, none.

Mr. LEACH. As long as they are produced here. So the answer is no discriminaiton is intended?

Mr. LEVIN of Michigan. If the gentleman will continue to yield, yes, the answer is none is intended.

Mr. LEACH. I appreciate that answer from the gentleman from Michigan.

Mr. CRANE. I would ask the Chair how much time we have remaining.

The CHAIRMAN. The Chair will advise the Members that the gentleman from Missouri [Mr. GEPHARDT] has 5 minutes remaining, and the gentleman from Illinois [Mr. CRANE] has 4 minutes remaining, and the gentleman from Illinois [Mr. CRANE] will have the right to close.

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to this amendment and to the idea that sweeping quotas on automobiles should be a permanent part of U.S. economic and trade policy. This bill would directly undermine market openings achieved by the President in his recent trip to Japan.

It offers instead a return to the failed VRA policies of the past and a program of discrimination against transplant auto and auto parts manufacturers.

A mandatory VRA on auto imports from Japan will, as it did during the 1980's, cost consumers billions of dollars in increased car prices. The Congressional Research Service has shown that the 1981 VRA's inflated car prices by $1,200 for United States cars and $1,700 for Japanese cars.

American families cannot afford to pay the bill for another Detroit-sponsored round of protectionism.

The result of the auto VRA of the 1980's was increased competitiveness of Japanese manufacturers who pushed forward with development of the Lexus and Infinity models. At great cost, this period of protection only delayed competitive adjustments crucial to the long-term survival of Big Three automakers.

The amendment also undermines recent achievements made by the President in bilateral negotiations with the Japanese on autos. By unilaterally redefining the understanding reached with the Japanese auto manufacturers who, have voluntarily agreed to increase purchases of United States parts, we would jeopardize the President's credibility in conducting negotiations. For Congress to change the nature of the understanding between the two leaders, and subject it to unilateral enforcement mechanisms of trade retaliation, will only be interpreted by Japan as an act of bad faith.

Finally, imposing a 70 percent domestic content requirement on U.S. firms because they are foreign owned goes against the grain of American values of equal treatment under the law. Without the ability to source worldwide, the value and future outlook of their enterprises is severely eroded. The Big Three themselves use large amounts of foreign parts, as competitors in this international industry.

The Journal of Commerce reported earlier this week that Customs is currently beginning an investigation to determine whether a Big Three auto manufacturer is using sufficient domestic components to claim duty-free status under the Canada Free-Trade Agreement. To constrain sourcing of components is discriminatory and puts a noose around the neck of Japanese manufacturers who employ United States workers.

We cannot afford to further intimidate job-creating foreign investment in the United States.

Furthermore, U.S. firms have over $400 billion of investments abroad which would be in jeopardy of facing mirror sourcing restrictions aimed against U.S. parts and components.

Mr. Chairman, I oppose this amendment because it creates different economic treatment for employees in auto factories in Kentucky or Ohio depending on whether they are owned by foreign investors.

Their management will no longer have the freedom to source their parts worldwide—or even from foreign-owned firms that make auto parts in this country.

In my view, the international competitiveness of Detroit auto producers and their future viability depends on their exposure to international market forces.

Mr. Chairman, I would remind my colleagues, too, that it was Grover Cleveland, a Democrat President, who pointed out that protectionism, which unfortunately was embraced by my party under William McKinley, exacts its toll by the sweat of the brow of that person who earns his daily bread that way in the marketplace.

Our distinguished Ways and Means chairman, Mr. ROSTENKOWSKI, wisely saw fit to strike this appallingly misguided legislation from H.R. 5100 in committee. Please follow his committee leadership and vote no on the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I yield myself the balance of our time.

The CHAIRMAN. The gentleman from Missouri [Mr. GEPHARDT] will be recognized for 5 minutes.

Mr. CRANE. If the gentleman from Missouri is going to close, Mr. Chairman, I yield back the balance of my time.

Mr. GEPHARDT. Mr. Chairman, the distinguished chairman of the Subcommittee on Trade said a few minutes ago that the reason that we have not sold cars in Japan is that we have not tried, and there is truth in his statement. But I would like to address Members' attention today to why we have not tried.

I was in 10 automobile plants in the United States in January, and I asked that very question in each plant. I asked that question of the heads of our three auto companies:

> Why have you not tried harder to sell automobiles in Japan? As the chart shows, there is only a 3-percent penetration of the Japanese market, 15 percent in general of the European market, the largest market in the world, and 30 percent of the American market. The obvious answer to our problem is to do better in Japan. Why have you not tried?

The answer that consistently came back was, the reason they did not put the wheel from the left to the right or the right to the left or move the various things around was because it would do no good. They said to me, "It is impossible to penetrate the Japanese market." One of the auto executives said to me, "They add $12,000 of costs to an American car coming there that are not added to a Japanese car coming here," so they said, "No matter what we do, we will not be able to penetrate that market."

This issue is the key to this amendment. How do we get our auto manufacturers to do the hard work over the next 10 and 20 years that will get them adequate success and access to the Japanese market? We think this amendment does that. It asks the President to go negotiate an auto policy with Japan. Europe, the largest market in the world, has one. They did not negotiate it. They sent a letter to Japan and they said, "You get 15 percent of the largest automobile market in the world. Thank you, and have a nice day." No negotiation, no communication with the United States, unilaterally achieved. That is the largest market.

Japan is the largest producer of automobiles and automobile parts in the world. If they are limited to 15 percent of the largest market, Europe, where do we think the rest of the cars are going to go? And at the same time we do not have access to their market. So we ask the President to go negotiate with Japan an auto policy.

Second, we say, "Please, Mr. President, let us enforce the agreement we already have, which is a good one. Let us make sure they live up to it, that we actually get the kind of purchase of American automobile parts and the transplants that the Japanese have pledged to try to reach." So this is a reasonable approach. It is not protectionism. It is the opposite of protectionism.

□ 1540

Final point. When Members go to vote on this amendment think of the people in this country employed in the auto industry, one of eight jobs, the second most important industry in this country when we take the direct and indirect jobs. We have lost 300,000 direct automobile jobs in the last 10 years. General Motors, our largest manufacturer, just some months ago said 75,000 people are going lost their jobs.

So as Members vote on this, think of the people that depend on this industry. Think what it is going to be to look them in the eye and say that we did not do our best to try to give them a fair shake to be able to earn a decent living in the second most important industry in this country.

I urge Members to vote for this amendment. It is reasonable, it is sensible, it gets us fair trade, and last but not least, it stands with the American people and gives them a chance to compete in this most important industry.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Chairman, H.R. 5100, the trade bill we will consider this week, is a wide-ranging, aggressive piece of legislation that will help put America back on track. It is good for American industry, and good for our Nation's workers, farmers, and other producers.

The legislation will help to sharpen the focus of administration officials who represent our trade interests—and of our Nation as a whole—on achieving fair, reciprocal trade with our major trading partners.

The bill is a mandate for our Government to be aggressive in getting a fair deal in foreign trade for our producers. The United States has absorbed a $550 billion trade deficit in the past 5 years, so it is clear that we need better access to foreign markets if we are going to continue a liberal policy toward imports.

There has been a lot of attention paid to the get tough provisions of this bill, and, in fact, they are important for our economy. However, the bill also provides for expansion of trade for both our own producers and our foreign trading partners. It liberalizes our trade policies and removes barriers to trade.

For example, the bill will convert much of the processing of imports from paper to computer, speeding the process of shipping products into the United States. It also terminates the restriction on former Soviet republics from enjoying the favorable trade terms of our generalized system of preferences.

In the same vein, a provision that I sponsored will allow railroad grain cars to move freely from Canada into the United States, just as United States railroad cars have been sent into Canada without tariff since the implementation of the United States-Canada Free-Trade Agreement. My provisions will terminate a merchandize processing fee, which has made the leasing of Canadian cars prohibitive to United States railroad companies in recent years. This change is good for Canadian companies who have cars to lease, but it also means better opportunities for United States farmers to ship their products to market when farm prices are favorable.

In another section of the bill, I tried to safeguard our export promotion program administered by the Department of Agriculture. Our Federal law requires, and our taxpayers expect, that any funds our Government spends to boost export sales of farm products must be spent on domestic farm products, not on foreign produce. I sponsored a section of the trade bill that will require imports of foreign grain to carry an end-use certificate, specifying the destination and final use of the grain, so that our own grain export program can be administered according to law.

It is important, I think, when we consider this bill to remember that it addresses much more than the auto manufacturing sector or our trade deficit with Japan, important as those matters are. There are many provisions to help American producers throughout our economy, and it is important that this legislation go forward.

Mr. KILDEE. Mr. Chairman, I rise today to express my strong support for the Gephardt amendment and H.R. 5100.

The Gephardt amendment is important to our economic security. This legislation goes a long way toward giving American automakers a fair chance at cracking the close Japanese market. It has reached a point today, where United States auto suppliers are even prevented from competing for business from Japanese transplants here in the United States.

Mr. Chairman, the United States is the only industrialized country practicing free trade, every other nation has some sort of industrial policy. And I have long argued that our country needs to have a strong industrial policy—a policy that helps American industries better compete in the international marketplace.

I represent Flint, MI, which is the birthplace of GM, and my constituents have a deep interest in a healthy domestic auto industry. But the auto industry is an industry that affects virtually every district in the country.

Nearly 15 percent of all U.S. workers are employed in some way by the auto industry and the U.S. auto and auto parts makers are a major consumer of products textiles, steel, electronics, glass, and semiconductors.

The jobs created by the auto industry are good paying jobs. They are jobs that are important to keep so we can maintain a decent standard of living for our children. We have lost hundreds of thousands of these high paying jobs, and many communities across the country have been devastated. Automobile production represents one of the key value-added industries to the U.S. industrial base.

Yet, Mr. Chairman, we are in danger of losing thousands of more good paying jobs because our Government is unwilling to enforce current U.S. trade laws that would eliminate unfair trade and business practices.

The Japanese have done virtually everything in their power to ensure that its industry is healthy and internationally competitive. Japan's auto industry operates from a protected home market where imports account for less than 3 percent of the vehicle sales, it is allowed to have monopolistic associations with other firms, and its predatory trade practices are strongly backed by the Government.

As a result, over 40 percent of the entire United States trade deficit in 1991 was directly related to our auto and auto parts trade deficit with Japan. And if the current trends continue, our trade deficit with Japan will increase to $48 billion in 1992.

A decade ago, when the domestic automobile industry was asking for help against imports, they were told their problem was their inefficient manufacturing and low-quality product, not imports.

In fact, the quality of American cars today equals or exceeds many Japanese models; 8 of the 10 most productive plants in the world are American facilities; and capital spending by the domestic auto industry has exceeded net income by $44 billion over the past 3 years.

The American automobile industry is in a race where the competition has a headstart over them before the starting gun sounds. It can barely get in the Japanese market, let alone be competitive when the nontariff barriers can raise the price of an imported vehicle by as much as $12,000 once it arrives in Japan.

After 5 years of negotiations with Japan over the trade barriers to their market and their business practices in the United States, the only results have been studies of the problem. Its high powered lobby has been successful in keeping the status quo and making sure our executive looks the other way over trade disputes.

This is evidenced by the 1989 Treasury decision lowering the tariff on multipurpose vehicles—costing the United States taxpayers over $200 million annually—and the recent ITC decision which determined that imported Japanese minivans sold in the United States for less than fair market value did not materially injure domestic producers. Whose side are they on?

I do not blame Japan for promoting its auto industry. But I do blame our own Government which refuses to promote—or even defend—the interests of our domestic auto industry. This amendment seeks fairness for American businesses and American workers.

It is time for the U.S. Government to do its part and ensure that the American automobile industry is given a fair chance to compete not only abroad, but also in the United States.

Mr. Chairman, the Gephardt amendment will not establish an import quota, a domestic content requirement, nor will it limit the production by, or employment at, transplant facilities. It merely seeks to make sure Japan lives up to the commitments it gave to President Bush in Tokyo and to ensure that the United States will not be a dumping ground for Japan's excess auto production in light of its market-share agreement with the EC.

The Gephardt amendment is a good amendment, a fair amendment—and it supports the commitments the President received from the Japanese to change their unfair trading practices.

The passage of H.R. 5100 is necessary because America can no longer afford to accept hollow promises of fair trade, or inaction in the face of unfair trade practices. We must enforce our trade laws against unfair trade and business practices because the American workers deserve—at least—to have a fair chance to compete and keep their jobs.

I urge my colleagues to support this legislation because it will go a long way toward establishing direction and fairness for Americans in U.S. trade policy.

Mr. DINGELL. Mr. Chairman, I rise in strong support for the bipartisan Gephardt amendment, which I have cosponsored. I also strongly support H.R. 5100, the Trade Amendments Act of 1992, and I commend Chairman ROSTENKOWSKI and his committee for initiating this legislation and bringing it to the House floor at this time.

Mr. Chairman, the Gephardt amendment builds on the negotiations undertaken earlier this year by President Bush with the Japanese in Tokyo. It calls on the U.S. Trade Representative to negotiate one or more comprehensive auto sector trade agreements with Japan and to implement the commitments the Japanese made to President Bush during his trip to Asia last January.

This is not a content amendment, as some have suggested, but a mechanism to develop additional agreements with the Japanese in an effort to open up their markets and reduce our trade deficit. Indeed, the content level plan mentioned in the amendment was volunteered by the Japanese in Japan, and is unchanged in the amendment. The plan merely referenced the commitment and made it subject to monitoring and enforcement. This monitoring and enforcement is consistent with the Commerce Department's statement in a letter that the administration plans to closely monitor the 70-percent commitment to preserve any shortfall that develops. Under this amendment and commitment the content levels are far below the levels now adhered to by the Big Three companies—General Motors, Chrysler, and Ford—which is troubling. However, that is the Japanese agreement. The amendment does not change it.

Nor is this amendment a quota amendment. It does recognize that there is a closed Japanese market, and that there is a European Community agreement which places a rigid 16-percent ceiling on sales of Japanese vehicles for the remainder of this century. The amendment calls on the U.S. Trade Representative to negotiate an extension of the present voluntary restraint by the Japanese on auto exports to the United States and other matters for the term of the EC agreement. It recognizes that there is overcapacity in Japan and seeks to ensure that that overcapacity will not flood the United States market with more exports.

It should be emphasized that the Japanese have already established a voluntary quota of 1.65 million autos for this Japanese fiscal year. This level is substantially more than is now being exported to the United States. The amendment merely seeks to extend that generous voluntary restraint by the Japanese through the remainder of this century. It will not adversely affect U.S. auto dealers, as our hearings on a companion bill, H.R. 4100, showed.

The amendment contains the following disclaimer:

> Nothing in this act may be construed to have the effect of, first terminating or limiting to any extent the production of motor vehicles by transplant vehicle manufacturers; or second, limiting or reducing jobs of U.S. workers at the facilities of such manufacturers.

I want to emphasize the importance of this disclaimer, since a number of people representing the transplants in the United States have contended erroneously that the objective of H.R. 4100, H.R. 5100 and this amendment is to harm the transplants and the American people who work there. This disclaimer makes it clear that that contention is not only not intended, but is expressly prevented. Whatever might happen to the transplants in the future will not be determined by the provisions of this legislation. It will be up to the administration in their negotiations with Japan, under H.R. 5100 as reported, and under this amendment, to deal with matters related to the transplants.

Mr. Chairman, early this year President Bush and a number of executives from various industrial sectors traveled to Japan and other countries in Asia, to engage in trade negotiations involving several industrial sectors, including the all-important automobile sector. That sector alone accounts for, directly and indirectly, about 12 percent of the gross national product of this country. The industry includes not only the auto manufacturers, such as the Big Three and the transplants, but also the many suppliers of that industry: rubber, glass, steel, aluminum, electronics, textiles, and machine tools. When the auto industry suffers, as it is today, its suppliers and the people working for them also find themselves in difficulty.

The trade negotiations with Japan were important not only because they included Government personnel but also representatives of this industry and the business community. While the negotiations themselves produced few commitments by the Japanese, it is these commitments that the administration tells us are helping to open Japanese markets and improve the trade picture in the United States. However, as my June 2, 1992, letter to the administration shows, too many of these commitments are already behind schedule.

This amendment compliments the actions taken by the Japanese themselves with the European Community last year. It is interesting to know that at a recent meeting televised on C–SPAN, the Japanese Ambassador indicated that in fact no agreements were reached with the Europeans last year that would deal with exports to the EC. This is strange because we have correspondence with the administration that clearly indicates that such an agreement exists between the Japanese and the EC.

I strongly urge support for this amendment.

Mr. WOLPE. Mr. Chairman, I rise today in support of the Gephardt-Levin amendment to the Trade Expansion Act. This amendment is both modest in its scope and essential in its message.

All the amendment asks is that commitments which both our Government and the Japanese Government entered into be honored. If those commitments are not honored, then the President is given the authority to correct such a breach of faith and trust.

There are many reasons for our current trade deficit. I think it is irresponsible to point the finger of blame only at our trade partners. We have certainly seen domestic failures in trade and industrial policy. We have witnessed a dangerous shortsightedness in both Washington and in private industry.

However, Mr. Chairman, over the past 45 years, while the United States has been busy defending the world against various threats, real or perceived, our principal trade partners have been investing in themselves. Our trade partners and trade competitors have been investing in the education of their children, in worker training and retraining, in public infrastructure, and in research and development. As a result, our trade partners have been able to enhance their international efficiency and competitiveness while we have fallen behind.

It is time for the United States to get to the business of refocusing our priorities. We have tremendous advantages in this Nation. We have a willing and trained work force. We have a history of innovation. We have vast human and natural resources. Now, let us focus our attention on using our resources in an efficient and competitive way.

Yet, it is equally clear that there are significant barriers to our products and that some of our trade partners enjoy highly protected domestic markets. By refusing to confront those barriers and practices, we are simply burying our heads in the sand. This ostrichlike approach to our trade relations will only undermine our hopes for a more prosperous economic future.

The Gephardt-Levin amendment is entirely reasonable and modest. Since the early 1970's, over two decades ago, every United States President has gone to Japan and has entered into solemn agreements. The Japanese have pledged to do better, and the various administrations have assured the American people that all was well. All has not been well. This amendment simply requires the administration to monitor and enforce the commitments which the Japanese made to the President last January. If enforcement is necessary, restrictions would be limited to the auto sector. If American subsidiaries of Japanese companies are in compliance with the agreements the Japanese Government made, there would be no effect on those subsidiaries.

This amendment represents a small step toward a fair trading system, but it is an important step. It deserves the full support of the House.

Mr. GILCHREST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the marketplace, and especially the international marketplace, are very difficult things to understand. Obvious solutions often prove counterproductive, and protection of one group usually penalizes another. I believe that this amendment and probably this entire bill reflect this.

We will hear today from Members who claim that their other goal is to create a level playing field with the Japanese. Where were these Members when we voted on the rule? Congressman DREIER tried to offer an amendment to create a level playing field—through a free-trade agreement—with Japan, and yet these same Congressmen and Congresswomen voted to support the rule and block this. Mr. Chairman, the advocates of this amendment do not want a level playing field, they want a captive market.

There are things we could do to level the playing field. Japan has a much lower cost of capital than we do, and this helps their corporations immensely. They do not suffer from the punitive capital gains tax our firms face. If we were to cut the capital gains tax, it would help our companies reinvest and add to their competitiveness, creating jobs. But the protectionists all oppose this, saying it would only help the rich. Since when are the United Auto Workers the rich?

Our deficit takes a huge chunk out of national savings, driving the cost of capital up further. And yet when we offered a balanced budget amendment, many protectionists opposed it. Do the Japanese have to run a $400 billion deficit to provide us a level playing field?

The fact is, our own Tax Code and our own regulatory policies are the main impediments to our competitiveness. Yet most Members on the other side of the aisle will continue to tax and regulate our businesses into noncompetiveness, and then blame the Japanese.

And yet despite this, our exports to Japan are growing at a rapid rate, and our trade deficit with that country is shrinking. The United States is the largest exporter in the world, and our exports are growing far faster than those of our competitors. The process of international negotiation is working, as our farmers, our high-technology industry, and other competitive American industries gain increased access to foreign markets. It is our policy of opening markets, and not closing them, that has produced 70 percent of our economic growth in recent years.

Mr. Chairman, we have made tremendous gains in international trade lately. American businesses have proven that they can compete, and international negotiations are providing them with markets. Just as we are beginning to win the trade war, proponents of this amendment and this bill want to admit defeat and close our markets. I urge my colleagues to oppose the amendment and the bill.

Mr. AuCOIN. Mr. Chairman, I rise in support of this amendment and this bill because they will help break down trade barriers and unfair trade practices.

Some argue that the Gephardt amendment requires quotas on Japanese auto imports and domestic content of autos built in the United States. Nothing could be further from the truth.

This amendment holds the Japanese to their own promises to open up their cartel, or keiretsu, to American competition. Just as antitrust laws a century ago targeted domestic cartels, so our trade negotiations must target international trade cartels.

The Gephardt amendment does exactly that. Far from erecting trade barriers, it will help break them down.

This amendment also brings within the scope of section 301 the U.S. Trade Representative's negotiations with Japan on the extension of voluntary auto import limits. This prevents Japanese auto keiretsu from making us pay for their existing trade agreement with the European Community.

Taken together, this bill and the Gephardt amendment are measured steps to ensure that American firms are allowed to compete in the global market.

Some argue these steps are not necessary. They are wrong. Allowing the rules of the game to remain the same will only continue to leave us crumbs when the U.S. Trade Representative goes to the negotiating table. It's time we come to that table on an equal footing.

I urge my colleagues to support this amendment, and the bill.

Mr. MFUME. Mr. Chairman, I rise in support of the amendment offered by the distinguished majority leader and our colleague from Michigan, Mr. LEVIN. In April of this year, Representative HELEN BENTLEY and I introduced the Automobile Labeling Act of 1992, H.R. 4228. Senator BARBARA MIKULSKI introduced the companion bill in the Senate.

H.R. 4228 would make it easier for consumers to determine the exact percentage of American-made parts and labor which went into the final product. Our legislation specifies that each manufacturer of a new automobile for sale in the United States shall affix and the auto dealer shall maintain on such automobile a label indicating the percentage of auto equipment which originated in the United States.

Additionally, the label shall indicate the percentage—by man hour—of labor on such automobiles performed by workers in the United States in assembling the automobile and indicating the name of any country, other than the United States, where at least two-thirds of the automobile equipment by value in such automobile originated.

Mr. Chairman, both in concept and principal the Gephardt-Levin amendment supports the spirit of our automobile labeling legislation. The amendment ensures that the Japanese have at least the same access to our auto market as they have negotiated with the Europeans and it attempts to codify agreements reached between our two nations last January.

The Gephardt-Levin amendment, as with H.R. 4228, is designed to save jobs, expand trade and opportunity, and inform concerned consumers. It is my hope that many of our colleagues will recognize the significance of this legislation and move to include this provision within the Trade Expansion Act of 1992.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Missouri [Mr. GEPHARDT].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 260, noes 166, not voting 8, as follows:

[Roll No. 272]

AYES—260

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Annunzio
Applegate
Aspin
Atkins
AuCoin
Bennett
Bentley
Bevill
Bilbray
Bilirakis
Blackwell
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Burton
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Coleman (MO)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dingell
Donnelly
Dorgan (ND)
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fazio
Feighan
Flake
Foglietta

Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gallegly
Gaydos
Gejdenson
Gephardt
Geren
Gilman
Glickman
Gonzalez
Goodling
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hertel
Hoagland
Hochbrueckner
Holloway
Horn
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Jacobs
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Mavroules
Mazzoli
McCloskey
McDade
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Poshard
Price
Rahall
Rangel
Ravenel
Ray
Reed
Regula
Richardson
Ridge
Rinaldo
Ritter
Roe
Roemer
Rogers
Rose
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Serrano
Sharp
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (NJ)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stokes
Studds
Swett
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Yates
Yatron
Young (AK)

NOES—166

Allard
Allen
Andrews (TX)
Anthony
Archer
Armey
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bereuter
Berman
Bliley
Boehner
Broomfield
Bunning
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (TX)
Cooper
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Dicks
Dixon
Dooley
Doolittle
Dornan (CA)
Downey
Dreier
Fawell
Fields
Fish
Franks (CT)
Gallo
Gekas
Gibbons
Gilchrest
Gillmor
Gingrich
Gordon
Goss
Gradison
Grandy
Green
Gunderson
Hammerschmidt
Hancock
Hansen
Herger
Hobson
Hopkins
Houghton
Hutto
Hyde
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kopetski
Kyl
Lagomarsino
Leach
Levine (CA)
Lewis (CA)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Machtley
Marlenee
Martin
Matsui
McCandless
McCollum
McCrery
McCurdy
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Mrazek
Myers
Neal (NC)
Nichols
Nussle
Olin
Oxley
Packard
Panetta
Paxon
Penny
Petri
Pickett
Pickle
Porter
Pursell
Quillen
Ramstad
Rhodes
Riggs
Roberts
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Saxton
Schaefer
Schiff
Schulze
Schumer
Sensenbrenner
Shaw
Shays
Skeen
Smith (IA)
Smith (OR)
Smith (TX)
Solomon
Stearns
Stenholm
Stump
Sundquist
Swift
Synar
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Waxman
Weber
Wolf
Wyden
Wylie
Young (FL)
Zeliff
Zimmer

NOT VOTING—8

Alexander
Hatcher
Hefner
Lent
Lewis (FL)
Moran
Smith (FL)
Traxler

□ 1602

The Clerk announced the following pair:

On this vote:

Mr. Traxler for, with Mr. Lewis of Florida against.

Mr. GONZALEZ changed his vote from "no" to "aye."

So the amendments en bloc were agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HOYER) having assumed the chair, Mr. VALENTINE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5100) to strengthen the international trade position of the United States, pursuant to House Resolution 510, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the Committee amendment in the nature of a substitute? If not, the question is on the Committee amendment in the nature of a substitute, as amended.

The Committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ARCHER

Mr. ARCHER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. ARCHER. I am, in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ARCHER moves to recommit the bill, H.R. 5100, to the Committee on Ways and Means.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 280, nays 145, not voting 9, as follows:

[Roll No. 273]

YEAS—280

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Aspin
Atkins
AuCoin
Beilenson
Bennett
Bentley
Berman
Bevill
Bilbray
Blackwell
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Browder
Brown
Bruce
Bryant
Burton
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gilman
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hertel
Hoagland
Hochbrueckner
Holloway
Horn
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Jacobs
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McGrath
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey

Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickle
Poshard
Price
Rahall
Rangel
Ravenel
Ray
Reed
Regula
Richardson
Ridge
Rinaldo
Ritter
Roe
Roemer
Rogers

Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spratt
Staggers
Stallings

Stark
Stokes
Studds
Swett
Synar
Tallon
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NAYS—145

Allard
Allen
Anthony
Archer
Armey
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bereuter
Bilirakis
Bliley
Boehner
Broomfield
Bunning
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Dicks
Doolittle
Dornan (CA)
Dreier
Edwards (OK)
Emerson
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gibbons
Gilchrest
Gillmor
Gingrich

Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Herger
Hobson
Hopkins
Houghton
Hyde
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Klug
Kolbe
Kopetski
Kyl
Lagomarsino
Leach
Lewis (CA)
Lightfoot
Livingston
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McDermott
McEwen
McHugh
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison

Myers
Nichols
Nussle
Olin
Oxley
Packard
Paxon
Pickett
Porter
Pursell
Quillen
Ramstad
Rhodes
Riggs
Roberts
Rohrabacher
Ros-Lehtinen
Roth
Saxton
Schaefer
Schiff
Shaw
Skeen
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Swift
Tanner
Taylor (NC)
Thomas (CA)
Thomas (WY)
Valentine
Vander Jagt
Vucanovich
Walker
Weber
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—9

Alexander
Brooks
Hatcher

Hefner
Lent
Lewis (FL)

Smith (FL)
Traxler
Whitten

□ 1624

The Clerk announced the following pair:

On this vote:

Mr. Traxler for, with Mr. Lewis of Florida against.

Mr. DICKS and Mr. SWIFT changed their vote from "yea" to "nay."

Mr. PETRI changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 1150, HIGHER EDUCATION AMENDMENTS OF 1992

Mr. FORD. Mr. Speaker, pursuant to the order of the House of Wednesday, July 1, 1992, I call up the conference report on the Senate bill (S. 1150) to reauthorize the Higher Education Act of 1965, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. TORRES). Pursuant to the order of the House of Wednesday, July 1, 1992, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of June 29, 1992, at page 16717.)

The SPEAKER pro tempore. The gentleman from Michigan [Mr. FORD] will be recognized for 30 minutes, and the gentleman from Missouri [Mr. COLEMAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on S. 1150, the Senate bill we are about to debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Speaker, I would like to engage in a colloquy with the chairman of the Committee on Education and Labor, the gentleman from Michigan [Mr. FORD].

Mr. Speaker, is it your understanding that students enrolled in credit bearing distance learning courses that are delivered by video cassette or disk are entitled to full financial aid, provided that the same or equivalent courses are offered in any form on campus during the same award or academic year?

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Speaker, that is correct. These individuals which the gentleman from Michigan [Mr. KILDEE] described will qualify for full financial aid under this bill.

Mr. KILDEE. Mr. Speaker, I thank the gentleman from Michigan [Mr. FORD].

I rise today to express my strong support for the conference agreement on S. 1150, the Higher Education Amendments of 1992. I want to commend the chairman of the House Education and Labor Committee, Mr. WILLIAM FORD, for his leadership in bringing this legislation to the House for final approval. During his years in the U.S. House of Representatives, Chairman FORD has been a leading expert in higher education in our country, and this bill is another testament to his commitment to improving education in America.

Mr. Speaker, the legislation before the House today will increase access to higher education for all Americans. Under this bill, all students will be able to borrow the maximum Stafford loan, regardless of family income. The bill also significantly increases the maximum Stafford loan limit for second through fourth year students, and graduate students. Moreover, the most financially needy students will have the interest on these loans paid for by the Federal Government, and the 4 million Pell grant recipients will receive an increase in their financial aid.

The legislation also establishes a direct loan program that will enable institutions of higher education to become more involved in the Federal Student Loan Program. While I would have preferred a much larger direct loan program, I believe this demonstration project will prove that a much broader direct loan program is warranted.

Mr. Speaker, as a member of the House Subcommittee on Post-Secondary Education, I would like to comment on a few specific provisions in this legislation that I personally worked on, and I believe will improve both quality and access to higher education in our country.

I worked very closely with members of the library community to ensure that title II of this bill, the academic libraries and informational services, would provide the necessary resources to meet the challenges facing our Nation's higher education libraries. The conference agreement includes language that significantly increases the authorization levels for parts A, B, C, and D of title II. The changes in title II will assist college and university libraries to acquire technology and equipment to improve research capabilities in many different areas, including informational technology. In addition, this bill provides funding for the education and training of persons in library and information science, and enhanced informational delivery systems.

The conference agreement also helps the Nation's largest research libraries in maintaining and strengthening their research collections, and allowing those resources to be used by libraries across the country. Finally, the bill assists historically black colleges and universities and other minority-serving institutions in developing stronger library programs, and to help train individuals in these fields.

I am also pleased that the conference agreement contains strong provisions in title VIII, the section pertaining to cooperative education. I worked with the members of the cooperative education community, including representatives from GMI Engineering & Management Institute in my district, to ensure that cooperative education programs are allowed to expand in the future. I strongly believe that the work experience gained through cooperative education is important in helping students access the work force. Cooperative education also benefits companies who are able to hire graduating students who they have personally trained and have had the opportunity to view their capabilities on a first-hand basis.

The conference agreement raises the authorization levels for cooperative education programs to all-time levels. This money will be used to help institutions of higher education to establish and expand cooperative education programs. S. 1150 also authorizes funding for demonstration and innovative projects, as well as for training personnel in the field of cooperative education, providing technical assistance, and resource centers and basic research.

Mr. Speaker, I was very pleased that I was able to work out a compromise on provisions relating to the definition of economic hardship as an eligible criterion for receiving a loan deferment. Working with such diverse groups as the International Liaison of Lay Volunteers in Mission and the American Medical Association, I was also able to draft a provision that protects those who engage in full-time, low-paid community service work and high-debt medical resident students who can not afford to immediately pay back their loans.

Under this provision, the Secretary of Education is directed to implement regulations, through the negotiated regulation process, that establish the minimum wage rate and the poverty line as a floor for economic hardship. In addition, the language specifically states that the Secretary shall consider the borrower's income and debt-to-income ratio as primary factors in drafting these regulations. I would urge the Secretary to work with those interested parties, including the International Liaison of Lay Volunteers in Mission and the American Medical Association, to draft regulations that are fair and equitable. Moreover, I strongly supported a provision in the conference agreement that continues to allow deferments for those medical residents who had already obtained student loans prior to July 1, 1993. This provision will ensure fairness and continuity in the financial aid program.

Mr. Speaker, I am also very supportive of the provisions in the conference agreement that allows for full financial aid for those students enrolled in credit bearing distance learning courses that are delivered by video cassette or disk as long as the same or equivalent courses are offered in any form on campus during the same award or academic year. A few minutes ago, I engaged in a colloquy with the chairman of the House Education and Labor Committee, Mr. FORD, to reaffirm this issue. I believe this provision will enable many smaller and rural schools that do not have large financial resources, to offer a broader range of classes for its students.

Mr. Speaker, there is one issue, however, that I am deeply concerned with that was not resolved during the conference committee. The 1990 OBRA legislation prevents schools from receiving title IV, part B loans if their three most recent cohort default rates exceeded an established trigger. The law excluded historically black colleges and universities and tribally controlled schools because of the large at-risk populations. The law also allowed institutions to appeal its loss of eligibility, based upon certain criteria, including exceptional mitigating circumstances. Unfortunately, many schools across the country that served a majority of at-risk students, but were not granted exemptions, were caught in a unique situation.

I was deeply concerned when I saw the Secretary's regulations that, in effect, disqualified all schools from meeting the exceptional mitigating circumstances criteria. I would urge the Secretary to review the exceptional mitigating circumstances regulations, and implement new guidelines that are more reasonable for those schools who serve a majority of economically vulnerable students.

Finally, I want to express my support for a provision in the conference agreement that allowed for the eligibility of short-term programs in the Student Financial Aid Program. These short-term programs serve a valuable purpose, and schools should not be summarily punished because they offer short-term programs. The House bill initially eliminated the eligibility for these short programs, and I was pleased to work with my colleague, Mr. GOODLING, to restore the eligibility of these programs. In my own district, the Ross Medical School offers several worthy classes that have helped train many unemployed people in the Flint area.

Mr. Speaker, I believe the Higher Education Amendments of 1992 are an important step in ensuring all Americans can afford to attend an institution of higher education. As our country continues to compete in the international marketplace, we need to ensure our work force is ready and able to meet those challenges. This legislation gives our country's students the needed resources to prepare for the future.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield myself 4½ minutes.

Mr. Speaker, I am pleased that the House is considering the conference report on S. 1150, the Higher Education Amendments of 1992. I urge my colleagues to join me in support of this important legislation.

We started the process of reauthorizing the Higher Education Act over 18 months ago. The conference report before us today reflects many hours of hard work and compromise by Republicans and Democrats in the Congress, the Department of Education and the White House. I am pleased that we, in the Congress, and those in the administration have been able to work out our differences on this vital piece of legislation. Our agreement demonstrates that legislative gridlock can be overcome and that Government can be responsive to the needs of the American people.

I commend my colleagues in both Houses of Congress and on both sides of the aisle, especially Chairman BILL FORD, and ranking Republican BILL GOODLING. I also commend Secretary Alexander and President Bush for their willingness to work with the Congress to ensure that this legislation, so vitally important to students and their families, is enacted this year.

S. 1150 reauthorizes the Higher Education Act for 5 years. It makes a number of significant and fundamental changes in the scheme of Federal support of higher education.

The bill improves student aid opportunities for hard-pressed middle-income families who increasingly find paying for a college education beyond their financial means, by:

Eliminating consideration of home and family farm equity from the calculation of a student's eligibility for student grant or loan assistance;

Revising the Pell Grant Program, so that when funded at the $3,700 maximum award, a family of four with an income of up to $42,000 will be eligible to receive a Pell grant award. Under S. 1150, an additional 1 million students are expected to become eligible to receive Pell grant awards in the first year of the authorization;

Expanding eligibility for guaranteed student loans to an additional 900,000 students, most of whom will come from middle-income families;

Adding an additional education savings protection allowance so that families who have saved for their children's education will not be punished for doing so. This allowance is equal to the amount of the family's expected family contribution;

Creating a new, unsubsidized loan program which will ensure that educational loans are available to families who may not meet the needs test in the regular loan program but need help paying for their children's college education. Approximately 800,000 students are expected to borrow federally guaranteed loans under this program in fiscal year 1993, and up to 1.3 million are expected to be participating by fiscal year 1997.

Students and their families are frequently not well-informed about the availability of Federal student aid, the range of postsecondary education options, and the appropriate high school programs that lead to postsecondary education. The bill improves outreach and early intervention by:

Creating a pre-eligibility form to provide early notice to students of their potential for Federal aid;

Strengthening the existing TRIO programs;

Creating a new Federal-State partnership to provide tutoring and student advisement;

Developing a national computer network of financial aid information.

Many students and their families are denied access to student aid because they cannot navigate through the bewildering complexity of student-aid forms and delivery systems. The bill seeks to address these problems by:

Providing for a single, free Federal student application form;

Allowing students to update their application from the prior award year rather than file a completely new form each year;

Developing a single system of needs analysis for assessing a student's financial need;

Providing for a straightforward system of student loan deferments.

Perhaps most important, the bill goes beyond trying to correct the problems with our student aid programs which have already occurred and emphasizes preventing problems in the future. The bill includes nearly 100 provisions to strengthen controls over schools to ensure an end to waste and abuse and minimize loan defaults. Many of these provisions are a direct outgrowth of recommendations made by the Department of Education's inspector general. For example, it:

Spells out minimum standards for State licensing. Although State licensure has long been a requirement for title IV eligibility there have never been any clear expectations of what State licensure should entail. These new standards will ensure that the State licensure will really mean something.

Under the bill, the Secretary of Education must review all institutions wishing to participate in the Federal student aid programs against criteria such as: default rates; compliance with Department of Education title IV requirements, and; student complaints. Through his review, the Secretary identifies institutions who meet this criteria and refers them to the State for an in-depth review with the State postsecondary review agency authorized to conduct such a review. Under this State review, institutions are required to meet published State standards which address: the quality and content of the schools programs; financial and administrative capability; success with regard to student completion; student withdrawal and student placement rates. Schools that do not meet these State standards will be terminated from eligibility for continued participation in Federal student aid programs.

Strengthens the Department of Education's hand in its review of institutions seeking eligibility for participation in title IV funds. Under this bill, every institution seeking participation in student aid programs must be recertified by the Department of Education and regularly re-reviewed. The bill also requires that institutional eligibility is contingent upon meeting strong administrative and financial capability tests.

Requires standards by which accreditation agencies are to be judged by the Secretary. Like State licensure, the Department of Education has often overrelied on accreditation in the review of institutions. Setting out a clear articulation of standards for accreditation will enhance their role as a title IV gatekeeper.

Strengthens criminal penalties for program fraud;

Prohibits the use of commissioned salesmen and recruiters;

Adds new restrictions on branch campuses;

Removes schools from eligibility who have default rates above 25 percent;

Requires institution's to provide fair and equitable complete tuition refunds;

Tightens the definition of independent student.

These are but a few of the changes that the bill has included to protect the substantial Federal investment in higher education authorized by this bill for the next 5 years.

The bill also revises title V of the act to include some initiatives based upon America 2000, for improving the quality of teaching in our Nation's schools. It:

Adopts an alternative certification program by which States will develop new routes to teacher certification;

Authorizes national teacher academies to provide inservice training for teachers in English, math, science, history, geography, government, and foreign languages.

S. 1150 contains a provision for a direct-loan demonstration project. I originally opposed this provision when it was proposed in the House and remain skeptical that direct Federal funding of student loans is a step in the right direction. Nonetheless in view of the significant interest in this approach, I agree it ought to be tested.

While the demonstration program authorized in this bill is somewhat larger than I believe is necessary, it will give Congress concrete information on the viability of this concept.

I urge the Department of Education to implement the demonstration project and I look forward to having an opportunity to consider the project's results.

Finally, the conference report contains a few provisions which, if isolated by themselves, I would not support. However, resolving the over 1,500 points of difference in the House/Senate conference required a great deal of negotiation and compromise and in a situation like this, one cannot get everything one wants. I believe that the end product contained in S. 1150 is overwhelmingly favorable enough to warrant my support and that of my colleagues in this House.

In closing, I want to thank all of the conferees, their staffs and the staff of the Office of Legislative Counsel and the Office of Education and Public Welfare at the Congressional Research Service for the tremendous effort that was put forth to bring us to the point we are at today.

□ 1630

Mr. Speaker, I would like to enter into a colloquy with the chairman of the committee at this particular time, and again commend the gentleman from Michigan [Mr. FORD] for his extraordinary leadership in this bill, providing the good faith effort to resolve the differences that we have had between parties and between the branches of Government. It is always a pleasure to work with the gentleman from Michigan [Mr. FORD], and I am so glad to be able to ask him these questions in a colloquy.

Mr. Speaker, I would like to ask the distinguished gentleman from Michigan a question regarding provisions amending section 438(b)(2)(B) which establish a minimum special allowance on loans financed with the proceeds of tax-exempt obligations. My question is whether it is the gentleman's understanding that the term "applicable interest rate" as it appears in section 438(b)(2)(B) as amended and under current law means the net interest rate to the borrower after rebate of any excess interest required to be rebated under section 427A.

Mr. FORD of Michigan. Mr. Speaker, if the gentleman will yield, I thank the gentleman from Missouri [Mr. COLEMAN] for his kind remarks. I will talk about it more later, but once again it has been a great pleasure to work with a truly bipartisan coalition of our committee led by the gentleman from Missouri.

The term "applicable interest rate" in section 438(b)(2)(B) means the rate paid by the borrower after receipt of any excess interest under section 427A. Thus, as an example, the "applicable interest rate" on a Stafford loan with a stated interest rate of 10 percent on which a 2-percent interest rebate was paid to the borrower under section 427A, would be 8 percent.

Mr. COLEMAN of Missouri. Mr. Speaker, I thank the gentleman for engaging in the colloquy.

Mr. FORD of Michigan. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Speaker, it is my understanding that our goal in section 481(b)(3) of the Higher Education Act Amendments of 1992 was to prohibit an institution from relying wholly on funds provided under this title to support the institution's educational programs and other activities. It was not our intent to impair the ability of institutions to maintain and enhance the quality of the programs they offer, to restrict choice in quality postsecondary education, or to penalize the population being served by this title because they are financially in need. Therefore, I believe that the Secretary should include a waiver process for those institutions that provide quality outcomes in the form of verifiable retention and placement rates.

Mr. Speaker, I rise in support of the conference report to reauthorize the Higher Education Act of 1965. This crucial legislation helps many students realize their dream of a college education, including the nontraditional student, who more often than not is a woman, is older, or is a single parent. I note there is a provision in the current law which specifically excludes from the determination of a student's base-year income the income of a spouse who has died, or from whom the student has been separated or divorced. This is important, since a student's base-year income is the basis on which their projected income during the award year is determined. Thus, in the case of a woman who has been recently divorced, separated, or widowed, this provision ensured that her spouse's income—to which she no longer has access—would not be included in the calculation of her financial aid. The bill passed by this body dealt with this issue by using the projected-year income, rather than the base-year income, for all independent students. The Senate bill maintained the specific exclusion for widowed, divorced, and separated students. Mr. Speaker, let me ask the committee chairman, is my understanding correct that financial aid administrators will use their professional judgment to adjust the income of students who are recently divorced, separated, or widowed by excluding from calculation their former spouse's income?

Mr. FORD of Michigan. Mr. Speaker, if the gentlewoman will yield, yes, that is correct. The individuals you just described certainly deserve access to a college education, and should not have their former spouse's income included in the determination of their financial need. The financial aid administrator's professional judgment in excluding the income of a former spouse is certainly appropriate in these cases.

Mrs. UNSOELD. Mr. Speaker, I rise in strong support of the Higher Education Act Amendments of 1992, legislation that will expand opportunities so all Americans can attend college, trade, and technical schools.

This legislation not only increases grants and extends loans to more middle class families, but eases the way for nontraditional students by raising child care allowances, removing home equity from the needs analysis and making aid available to part-time students. It also simplifies the application process and strengthens the integrity of our Federal financial aid program.

I wish the bill could go further. But in view of the budget crisis—a $400 billion deficit and a $4 trillion Federal debt—we just cannot afford this year to do that. This legislation does invest the money we have more effectively and does make every family in America eligible for some form of financial aid to help students continue their education. This is an investment that will pay dividends for all of us.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 3½ minutes to the gentleman from Pennsylvania [Mr. GOODLING], the ranking member on the Committee on Education and Labor. This gentleman helped bring us together again to resolve our differences on this particular bill, and I thank the gentleman for his leadership on the Higher Education Act.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, first I want to compliment the chairman and ranking member. If anybody did not get to be heard on this issue, then it is their fault. The chairman had 44 hearings, some in Washington, some all over the country. So if anybody was denied an opportunity to be heard, they sure must have been alseep at the switch. Both the chairman and the ranking member worked long hours to bring what I think is an outstanding higher education bill.

Mr. Speaker, I would also be remiss if I did not thank the staff members, because they spent probably hundreds of hours here and also dealing with the other body, and our membership on the House side can certainly be proud of their work. Rose DeNapoli, Jo-Marie St. Martin, Andy Hartman, Jay Eagen, Lynn Selmser, Linda Castleman, Tom Wolanin, Diane Stark, Maureen Long, Helen E. McGinnis, Gloria Wastson, and Steve Cope, the legislative counsel. If I missed anybody, I apologize.

Mr. Speaker, I rise in support for many, many reasons. First of all, as was mentioned, the needs analysis has been changed. That means middle income America has a much better opportunity to avail themselves of these opportunities in higher education.

Second, it simplifies the program for students and financial aid administrators. We heard a lot of people asking to please do that.

Third, it includes some parts of bills that I had introduced: changes in title V, educator recruitment, retention, and development, which are programs for teacher education and recruitment through State and local programs. Also additions to title I, articulation agreements between 2-year colleges and 4-year colleges in order to assure that academic credit earned by a student at a 2-year institution will be transferable to a 4-year institution. Also, as was mentioned, the program integrity section has been increased dramatically and should help us with our default problems.

Finally, I am pleased that the bill includes an amendment to retain eligibility for quality short-term programs, those of less than 600 clock hours.

I would like to engage the gentleman from Michigan, the chairman of the Education and Labor Committee, in a colloquy regarding the amendment to restore eligibility for title IV student loans to students attending programs of less than 600 hours. Is it the chairman's understanding of the amendment that institutions with less than 600 hour programs, that are currently eligible under the Higher Education Act, will remain eligible until July 1, 1993, and that after July 1, 1993, only those institutions providing courses of less than 600 hours which have met the standards of the Secretary's regulations will be eligible?

Mr. FORD of Michigan. The gentleman is correct. That is my understanding.

Mr. GOODLING. Second, is it the chairman's understanding that we expect the Secretary to define completion rates as they are defined in the Student Right to Know Act and to define placement rates in a comparable manner?

Mr. FORD of Michigan. The gentleman is correct. That is my understanding.

Mr. GOODLING. Finally, is it also the chairman's understanding that the Secretary should expedite the promulgation of regulations to provide institutions with a reasonable opportunity to satisfy the conditions contained in the regulations prior to July 1, 1993?

Mr. FORD of Michigan. The gentleman is correct. That is my understanding.

Mr. GOODLING. Mr. Speaker, I thank the chairman and the ranking member for all the hard work that has been put into a very, very fine piece of legislation. Without that leadership, of course, we would not be here today. I thank the gentleman very much because it means a lot to an awful lot of Americans.

□ 1640

Mr. FORD of Michigan. Mr. Speaker, I yield 2 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, the legislation before us is entitled the Higher Education Amendments of 1992. It could also be appropriately called the Middle Income Student Assistance Act. For that is what it is. This bill opens up the Federal student aid programs to students from middle income, working families. It is an important bill for every Member of Congress who wants to do something that will actually help those families. Earlier in this Congress I introduced a bill that expanded Federal student aid programs to the middle class. That legislation was cosponsored by 71 Members of this body. The legislation before us today incorporates the major provisions of that bill.

There are a number of provisions in this bill that by themselves would make this legislation deserving of support. The bill provides assistance to our Nation's college libraries. It makes improvements in teacher training programs. It supports programs that blend school and work. And it enhances foreign language training. But make no mistake about it, the heart and soul of this bill is what it does for middle income, working families, the bedrock of our Federal tax system, who are finding it increasingly difficult to finance their children's college education. This bill makes these families eligible for Federal college aid.

Mr. Speaker, we are all aware of recent reports that have chronicled what actually happened economically to families during the past decade. We know that the rich got richer, and the poor poorer. And middle income folks have been caught in the middle of that income squeeze. Nowhere is this more apparent than when it comes time to pay for their kids' college education. Middle income, working families have seen college tuition rise four times as fast as their disposable income, and total college costs three times as fast. These families have now gotten to the point where they can no longer provide their children with better opportunities than their parents provided for them. We are close to losing that covenant that has inspired this country, where each new generation of Americans have more opportunities and better chances and bigger hopes than previous ones. That was the American dream and for middle income, working folks, that dream is quickly disappearing. Today we act to restore that dream.

Let me comment briefly on one of the provisions in this bill that would help families in my State. I live in a State that has a lot of folks who live in rural areas and on farms. These families have suffered quite a bit through the 1980's. These families are good, hard working folks, and they want to send their kids to college. But they find that the current student aid system makes them ineligible for student aid. The system assumes that they can mortgage their home or the family farm to raise money to pay for college. I do not think a family should have to make that choice—to choose whether they will mortgage their home, or their farm, or not send their kid to college. This is not a fair choice. And every farmer I have talked to in Montana tells me that the cost of operating a farm has become far greater than the return most farmers are receiving on their products, so that even if they wanted to mortgage their farm to pay for college, they would find few lenders willing to lend them the money. We must change this, so that the value of a family's home or farm will not be counted as an asset available to be used to pay for college. This bill makes that change.

Mr. Speaker, this bill makes an investment in our most precious national resource, the American people. It opens up our current system of student aid to the children of middle income, working families. With its adoption, every family will be eligible to borrow at low interest rates to pay for college under my new Federal Student Loan Program beginning this fall. And starting next July, the value of a family home or farm will no longer be counted in determining eligibility for the rest of the Federal student aid programs, including Pell grants. These amendments represent a big victory for middle income folks struggling to pay college bills.

I urge my colleagues to support this legislation.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin [Mr. PETRI], whose ideas are incorporated in this conference report. The gentleman has given us a lot of good ideas, and he has been a very active member of our subcommittee.

Mr. PETRI. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, I rise today in support of the conference report. As a member of the subcommittee with jurisdiction, I went into this reauthorization recognizing that our system of postsecondary education is the best in the world. The job before us was to keep it that way, and to ensure that every American has access to it.

This bill is a big step toward these goals, and I would like to commend our colleagues BILL FORD, BILL GOODLING, and TOM COLEMAN. Without their leadership, our success here wouldn't have been possible.

An educated work force is a crucial key to a dynamic economy. One very efficient way to encourage that, I have long argued, is to make all Americans eligible for student loans on which the repayment is related to the borrowers' postschool income and collected as income taxes by the IRS. Therefore, I'm excited by the bill's major strides in that area, especially the authorization for converting defaulted and endangered loans to income-dependent repayment.

Clearly, former students who are having trouble repaying their loans are most in need of income-dependent repayment. These two provisions, sections 416(t) and 429, will not only help such borrowers, but should eventually eliminate the whole problem of student loan defaults.

Note that these provisions cannot be put into effect unless the Secretary of Education can establish an effective collection mechanism and unless they will clearly save money.

It is the intent of the backers of these provisions that the terms of collection mirror as closely as possible those found in H.R. 2336, the Income-Dependent Education Assistance Act. The basic model in H.R. 2336 is simply the only one yet proposed that will work, and I stand ready to assist the administration in the development of this program.

It is the further intent of income-dependent repayment supporters that the Secretary should reach agreement with the IRS to have the IRS collect these loans. Realistically, this is the only way income dependence can work well.

Clearly, this must be discussed with the House Ways and Means and Senate Finance Committees, which could prohibit IRS involvement through an amendment to a tax bill. It is neither our intent, nor is it possible, for us to infringe on another committee's jurisdiction.

Finally, the conference report contains a direct lending pilot program, in which 35 percent of the participating schools will offer students the option of income-dependent repayment. If the IRS is to be involved in the collection of converted defaulted and endangered loans, then it is reasonable for it to collect all income-dependent loans. However, it may not be practical for the IRS to collect income-dependent loans under more than one set of terms.

Therefore, I believe that the conference report allows the same set of terms set out in H.R. 2336 to be applied to all of these programs.

I am pleased that this conference report contains these forward looking provisions and I am hopeful we can develop them into a successful operating program and an exciting model for the future.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I commend the gentleman for his statement. For 30 years I have had a bill in to permit students to repay NDSL or Perkins loans as a percentage of their income as an alternative to the rigid 10-percent program that we have had. This is the most advanced thing that we have done in the way of student loans. We are getting back $600 per year. If we had expanded that program with the new repayment feature, college financial officers would now have far more adequate resources for needy students and there would not be any defaults. I commend the gentleman for his statement in support of this appoach.

Mr. PETRI. Mr. Speaker, I commend the gentleman. We will have to work with the Committee on Appropriations and the Committee on Ways and Means in perfecting this.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. Mr. Speaker, I rise in strong support of the conference report.

Mr. Speaker, the American success story was built on the foundation of education. From Jefferson's northwest ordinance schools to Lincoln's land grant colleges to Truman's GI bill for education to Johnson's student aid programs, education has transformed the

Nation to build a better future. Study after study shows that education is far, far more important than virtually any other factor in building economic change. Quite simply, jail costs more than Yale—and Yale pays better for the individual and for the Nation.

For the past 12 years the policies of the current and the past administrations have been building the Great Divide between those able to afford the best private schools and those of us who hope for a restoration of the schools that have built the American community and that helped make America a world leader.

Those administrations have pursued policies and politics that put college out of reach not only for the poor, but even for many in the middle class.

The proportion of blacks and hispanics in college has actually fallen.

In fact, this year for the first time in a long time, total spending on higher education—including expenditures by the States—is less than the year before.

When it comes to education, the American people want to know "where in the world is the education President?" Let me give you an example. TRIO has been highly effective in boosting college success of low-income students.

Two years ago the Department of Education recognized East Los Angeles College as having one of the 10 best TRIO Upward Bound Programs in the Nation. This was confirmed again last October when the Department of Education provided funds to expand the program. Today, the Department is canceling funding for this program that it has called one of the best in the Nation.

As a result of the current administration's policies that East Los Angeles College Upward Bound Program that placed 97 percent of the students who completed its program in colleges—including in institutions such as the University of California at Berkeley and MIT—is being shut down. It would simply be silly if it were not so sad.

There are problems with other TRIO programs as well. While more Americans live in California than in any other State, there is not a single TRIO Educational Opportunity Center in the entire State of California.

The administration shows the same lack of responsiveness to educational needs at the national level.

As Ben Franklin said, education is the best investment—yet the administration demanded that provisions assuring adequate funding for Pell Grants for low-income students be stripped from this bill. I regret that Congress surrendered on this initiative to invest in America.

And even though Congress gave in to the President on the issue of student aid for low income students, the President still threatened to veto this bill until a few days ago because of a pilot program for direct lending to college students—something that America has successfully done for decades through the Higher Education Act's Perkins Loan Program. The President threatened to veto this bill because it used money for student aid rather than for bankers' fees. Only after cosmetic changes were made in that provision was the President finally able to find his way to supporting higher education.

Again, America must wonder where in the world is our education president? He certainly is not in America's schools, he certainly is not supporting real change to demand educational excellence for all Americans. Educational excellence and accountability require more than speeches from distant shores or cheerleading in the Rose Garden. I urge that my colleagues on both sides of the aisle join in supporting this vital legislation that expands access to higher education—and I urge that we continue to work together to build the foundations of a better America that ensures quality education and opportunity to every American.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2½ minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA], whose contributions to this bill are many and I thank her for her contributions leading to the success of this effort.

Mrs. ROUKEMA. Mr. Speaker, I rise in strong support of the conference report on the higher education bill—S. 1150.

Mr. Speaker, we have before us today the product of nearly 2 years of work. This measure to reauthorize for 5 years the Higher Education Act is the single most significant education initiative to come before this—the 102d Congress. And earn for this House the title, the Education Congress. The Higher Education Amendments of 1992 will ensure that millions of low and middle-income students have access to Federal student aid dollars. This legislation is good news for parents and students who have been closed not of the program in recent years. Through the complete elimination from the needs analysis of home and family farm equity—effective beginning with the 1993-94 school year—this legislation expands access to hundreds of thousands of additional students. This change—which I proposed—is particularly welcome in high cost areas of the country such as mine, where many families are house-rich, but cash-poor. Unless we expect people to sell their family home or take out a second mortgage to cover the high cost of a college education, it is not appropriate to consider home equity in determining eligibility for student's aid programs. With this change we eliminate the regional bias of the previous formula.

Mr. Speaker, some may say that this conference agreement will harm the proprietary trade school sector. How can we go too far to protect taxpayer dollars and students' own money? I say that we cannot go far enough, nor move swiftly enough when we are losing $3.6 billion annually in defaulted student loans. In fact, to date we have amassed a loss of approximately $17 billion in student loan defaults.

This conference agreement contains nearly 100 sorely needed program reforms—they are good for students and good for taxpayers. Numerous and well-documented accounts of unscrupulous, for-profit trade schools have finally led both Houses of Congress to recognize that we need to institute serious program reforms. These reforms are intended to put an end to risk-free Federal subsidies for those who promise students a good education that leads to a good job and then fail to deliver on that promise—at the expense of both students and the American taxpayer.

Many of the program integrity provisions that I sought were included in the bill that was developed by the Education and Labor Committee. These include my proposals to preclude the use by schools of commissioned salesman and recruiters and to require pro rata tuition refunds, increased information from borrowers, and improved exit interviews.

Also, I was pleased to join with our able colleague from California, Ms. WATERS—whose commitment to protecting the interests of students cannot be questioned—and our very able colleague from Tennessee, Mr. GORDON, in seeking additional program reforms on the floor of this House. A number of our proposals, which were strongly supported by the Bush administration, were adopted on the House floor. Unfortunately, not all of these provisions survived the conference. A number of these reforms did, however, and I can assure my colleagues that many of the constructive program reforms that were included in the Senate bill are also part of this conference agreement.

Among the most important program reforms is the reduction to 25 percent of the so-called 3 consecutive year cohort default rate threshold—initially adopted by the House pursuant to my floor amendment. Presently, under the Omnibus Budget Act of 1990 the default rate cutoff of 35 percent will drop to 30 percent in fiscal 1993. This conference agreement will reduce that threshold to 25 percent effective in fiscal year 1994. No longer will fraudulent trade schools continue to defraud the taxpayers year after year and victimize the students.

This conference report—like the House-passed bill—will trigger a careful State review of schools that—based on certain indicators—may not be providing a quality educational program and/or may be mismanaging Federal student aid dollars. One of the indicators that is included in the conference agreement—pursuant to my floor amendment—is a 25-percent default rate in any given year.

Another important reform that was sponsored by Congresswoman WATERS is included in this conference agreement. This amendment precludes nondegree granting proprietary schools that receive more than 85 percent of their total revenues from title IV student aid programs from future participation in such programs—subject to regulations developed by the Secretary of Education.

Both on the House floor last March, and as a conferee, I strongly supported Mr. GORDON's proposal to cutoff eligibility in the Pell grant program to schools that lose their student loan eligibility due to 3 consecutive years more of unacceptably high default rates. Unfortunately, the amendment was deleted in conference, despite the overwhelming wisdom and logic of our position. Why should these schools be given grant money when they are disqualified from student loans. This is a weak provision but not enough to warrant a rejection of this legislation.

Another amendment—which received the overwhelming support of the House—is not included in the conference agreement. This proposal to eliminate Pell grant awards to incarcerated individuals—that was sponsored by our colleagues, Mr. GORDON and Mr. COLEMAN—was strongly opposed by a large majority of the conferees. Thankfully, at least the Senate bill's restrictions on prisoner eligibility are included in this conference report. At least we can tell our constituents that those on death row will no longer receive the Pell grants their sons and daughters need to pursue their educations.

I am particularly pleased to point out to my colleagues that this conference report—unlike the bill that passed this House on March 26—increases Stafford loan limits for students who have successfully completed their first year of study—effective beginning with the 1993-94 school year. Stafford loan limits have not been increased since 1987. Yet, over the last decade college costs have increased dramatically. The cost of attendance at 4-year public institutions has increased by 85 percent and the cost of attendance at our Nation's private colleges has increased by more than 107 percent.

In very recent years, we have seen tremendous increases in the tuitions at a number of public institutions whose revenues have eroded due to the States' budgetary shortfalls. In fact, tuitions charged by many public institutions now rival those charged by many private institutions.

Last fall, during Education and Labor Committee markup of the higher education bill, I offered an amendment to increase Stafford loan limits. My amendment was defeated on a party line vote. Last March, I offered a floor amendment to increase Stafford loan limits. My amendment was supported by the Bush administration and a large number of higher education organizations, including the American Council on Education [ACE], the National Association of Independent Colleges and Universities [NICU], the National Education Association [NEA], the Association of American Medical Colleges [AAMC], the American Association of Dentistry Schools [AADS], and the American Association of Colleges of Pharmacy [AACP].

Unfortunately, even though I proposed to offset the cost of the proposed loan limit increases, my amendment was brought down by a point of order. Thus, today I am pleased to tell my colleagues, the higher education community, and students and their families that we have finally prevailed.

I would have liked to provide for even larger increases in Stafford loan limits particularly for first year students.

This was not financially feasible. However, this conference agreement provides for much-needed increases in Stafford loan limits for second-year undergraduates from $2,625 to $3,500; for undergraduates who have successfully completed their second year of study from $4,000 to $5,500; and for graduate study from $7,500 to $8,500.

The conference report also provides for a floating interest rate on Stafford loans, capping interest at a maximum rate of 9 percent for the life of the loan. Any so-called windfall that results when Treasury bill rates are low—as they have been in recent months—will no longer accrue to the lenders. Under this conference report, students will pay lower rates when T-bill rates are low. Students—rather than lenders—will benefit.

This conference report also addresses the concerns expressed by many medical students and residents who must incur significant debt in order to finance their medical education. Although both the House and Senate bills eliminated a number of the 12 specific student loan deferment categories, this conference agreement includes the most advantageous provisions from both bills from the perspective of medical students and physician residents. First, in response to the legitimate concerns raised by those pursuing their medical degrees, language was added to the House bill directing the Secretary of Education to consider debt-to-income ratio as a primary factor in determining economic hardship—one of three new deferment categories. In fact, this language was developed by the Association of American Medical Colleges.

Further, inclusion in this conference agreement of the Senate bill's grandfather clause—will ensure that this change will not apply to those borrowers who are already in the pipeline—those who take out their first loan prior to fiscal year 1993.

Like the House-passed bill, the conference agreement establishes a new, so-called unsubsidized loan program that will function just like the Stafford program with two important differences. First, unlike the Stafford program, students who cannot demonstrate financial need will be eligible for this new program. Second, the interest on such loans will be capitalized during the in-school period. Student borrowers will have the option of paying the interest while they are in school or having the interest added to their outstanding loan balance. Students who are unable to qualify for a full Stafford loan will be able to borrow an additional amount—up to the applicable Stafford limit—under this new, less subsidized program. These new loans—which were developed by our committee chairman, Mr. FORD, and the ranking member of the Postsecondary Education Subcommittee, Mr. COLEMAN, to provide a new financial aid option for middle-income students who are deemed ineligible for need-based aid—will become available October 1, 1992.

This conference agreement—like the House-passed bill—expands the borrowing capacity of parents under the PLUS Program. Creditworthy parents will be able to borrow up to the cost of attendance less other financial aid. Also, the current interest cap on PLUS is reduced from 12 to 10 percent.

The conference report also expands the borrowing capacity of independent students under the Supplemental Loans for Students [SLS] Program. Annual SLS limits for undergraduates who have successfully completed their second year of study are increased from $4,000 to $5,000. The limits for graduate students are increased from $5,000 to $10,000. The interest rate cap for SLS loans is reduced from 12 to 11 percent.

Effective for the 1993-94 school year, the measure before us also increases the maximum Pell grant to $3,700 and the minimum Pell grant to $400. In contrast to current law, there will no longer be a separate needs analysis used to determine Pell eligibility. The same new needs analysis established by the conference report to determine Stafford loan eligibility—that eliminates consideration of home and family farm equity—will also be used to determine eligibility for Pell awards.

This conference agreement—like the House-passed bill—simplifies greatly the student aid application form. Further, this new Federal form will be free—students will no longer have to pay to have their applications for Federal student aid processed. States will be permitted to add eight nonfinancial questions to this Federal form and will be able to access the data from the new form without charge. Further, students need not file a complete new application form each year—they can simply update the pertinent information on their prior year form. This is certainly welcome news to every student and parent who has ever struggled with lengthy, complicated financial aid application forms.

The conference agreement also includes the House-passed provision to create a new, direct loan pilot program. Clearly, this direct loan proposal is the most controversial provision in the bill. I maintain substantial skepticism regarding the implementation and administration of a direct loan program through the colleges.

Although this is a reasonable pilot to test this concept—and the concept of income-contingent repayment of student loan debt—I believe that we must take a very cautious approach to direct lending. By and large, I believe that our current system—in which private lenders generate the significant capital needed to provide federally guaranteed loans for students—is a sound one. Obviously, loan defaults have posed a problem and no one has argued more strenuously than I for appropriate and necessary program reforms to curb defaults. I fail to see, however, how a direct lending program will address that problem. In fact, in the absence of certain constraints, a direct lending program may exacerbate the default problem.

This is where income-contingent repayment plans—such as that proposed by our very able colleague from the Education and Labor Committee, Mr. PETRI—may be best applied. Under the pilot program in the conference agreement, one-third of the direct loans that are made will potentially be repaid under an income-contingent scheme.

It is also important to note that the Congressional Budget Office has reported that the administrative costs of running a direct lending program—even a pilot—may prove to be far greater than direct lending proponents would suggest. Thus, I will be watching closely the development and implementation of this pilot program.

Mr. Speaker, I wish to congratulate and commend Mr. RAMSTAD and Ms. MOLINARI for their efforts to ensure that each and every college campus has a policy on campus sexual assault. I can certainly attest to the fact that during the hearings that preceded the development of the Higher Education Amendments of 1992, we received very compelling testimony from witnesses who urged us to legislate in this area. I am very pleased that this conference report does, indeed, address the very legitimate, and urgent, concerns of those witnesses.

Mr. Speaker, each and every one of us who has worked on this bill has had to compromise. I do not believe that any one of us has in this conference report every provision that we sought. Perhaps that speaks well for the process that has brought us to this point. This bill is the product of give and take. It is a good, balanced bill. Most importantly, this bill puts the interests of students first. It is, without a doubt, the most significant educational initiative produced by this Congress. I wish to commend and congratulate the distinguished chairman, Mr. FORD, and the ranking members of the full Education and Labor Committee and the Postsecondary Education Subcommittee, Mr. GOODLING and Mr. COLEMAN, respectively, for all their hard work on this bill. I also wish to thank them and their very able staffs for all the courtesies they have extended to me throughout this process.

Mr. Speaker, I strongly urge my colleagues to lend their unanimous support to this conference agreement. This is a good news bill for American higher education.

□ 1650

Mr. FORD of Michigan. Mr. Speaker, I yield 30 seconds to the gentleman from Arizona [Mr. PASTOR].

Mr. PASTOR. Mr. Speaker, in 1947, President Truman's Commission on Higher Education reported that equal educational opportunity for all persons is a major goal of American democracy. President Lyndon Johnson solidified that goal upon enactment of the Higher Education Act of 1965. Today, Congress has an historic opportunity to reaffirm our commitment by approving the higher education conference report.

For nearly three decades, the Higher Education Act assisted scores of individuals to pursue education or training beyond high school. Low-income and disadvantaged students had access to Pell grants, guaranteed student loans, teacher training, work study programs, and a variety of other educational services and programs.

The Higher Education conference agreement, which we are considering today, enhances financial aid to the working class. More importantly, it significantly expands access to higher education for students from middle-income families, with about 1 million of them eligible for financial aid in the first year alone.

We can be proud of the way we support postsecondary education in this country. The American system of higher education is the envy of most nations in the world. Let us continue our high standard of providing quality education by reinvesting in the programs included in this conference agreement.

As a former teacher, I believe that our people must be provided with quality education and training opportunities. In today's increasingly competitive world marketplace, we cannot afford to turn our backs away from our education needs and our competitive goals.

Keep the 1947 and 1965 promises alive by joining me in support of the Higher Education conference report. I applaud Chairman FORD and my colleagues on the Education and Labor Committee for a superb job in crafting this comprehensive contribution to higher education as we approach the year 2000.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Speaker, we have been struggling to pass an economic growth package, searching for ways to help the struggling middle class, and battling for improvements in our education system.

The pending conference report helps us accomplish all three objectives at once. This unsung legislation is one of the crowning achievements of this Congress.

If our goal is to train a highly skilled work force that will leave our foreign competitors in the dust, this conference report will do it.

If our goal is to assist the ailing middle class of this Nation—the hard-working, taxpaying citizens who make this Nation great—this conference report will do it.

If our goal is to create the foundation for sustained growth that will last long into the future, this conference report will do it.

Mr. Speaker, this conference report promises to aid the middle class and boost the economy. Any dissent from those goals would be an abomination, and I strongly urge my colleagues to join in unanimous support to this worthy legislation.

I would also like to commend Chairman FORD for the extraordinary work he has done shepherding this bill through the legislative process under circumstances that were often very trying. His leadership, his long years of experience with Federal student aid, and his legislative acumen are among the major reasons why the final agreement is so beneficial to students and their families across this Nation.

This conference report makes dramatic strides that will breathe new life into higher education and expand opportunities for all American citizens.

Where there is now only ignorance and defeatism, the conference report offers early outreach and intervention.

Where there is now only confusion and complexity, the conference report calls for simplicity.

Where there are now programs aimed primarily at traditional students, the conference report recognizes the nontraditional student.

Where there is now insufficient emphasis on teacher recruitment and development, the conference report offers a comprehensive new support system for the educator of the future.

Where there is now a vexing problem with student loan defaults, the conference report demands accountability, cracks down hard on waste, fraud, and abuse, and saves tax dollars.

And where cost now poses an obstacle to college attendance for the poor and the middle class, the conference report offers a major expansion of student aid for all American students.

It sends this message loud and clear: If you work hard and persevere, you can receive a higher education at the school of your choice; you can succeed in college and beyond; you can be a part of the American dream.

I would also like to take this occasion to mention several specific proposals which I have advocated and consider to be of crucial importance.

First, I am extremely pleased that the final conference agreement maintains the fundamental provisions contained in my bill, H.R. 2350, which proposed a State-Level Matching Grant Program for expanded early intervention services and comprehensive grant aid.

Under this new program, to be known as the National Early Intervention Scholarship and Partnership Program, States will receive matching grants from the Federal Government for two fundamental purposes: Partnership designed to keep students in school and prepare them for postsecondary education, and scholarships designed to remove cost as an obstacle to higher education for disadvantaged students.

This new program is based largely on New York State's Liberty Partnership and Scholarship Program, crafted by Gov. Mario Cuomo. I would like to take this occasion to once again thank the Governor for his assistance in drafting and pressing for this important new program, which has the potential to achieve a dramatic turnaround in college completion rates among disadvantaged youth.

Second, I am extremely pleased that the final conference report also preserves the essential provisions contained in the bill I proposed jointly with Mr. GOODLING, H.R. 2716, to significantly expand the State role in oversight and approval of postsecondary education institutions.

We all know by now that more than half of all funds for the Guaranteed Student Loan Program are devoted to paying costs associated with student loan defaults. In fact, the default crisis will cost our Nation more than $3.6 billion this year alone. Testimony before our committee made clear that the default problem was created by substandard schools seeking to profit from Federal student aid programs without providing a quality education. The problem was then exacerbated by a history of weak oversight.

The final provisions contained in the conference report will help us solve this problem once and for all. Institutions showing specific warning signs will be identified by the Secretary of Education and will be carefully scrutinized by the States. These which do not meet minimum standards will be terminated from participation in all Federal student aid programs.

These new program integrity provisions get tough on institutions which have violated the public trust—without imposing an undue burden on high quality institutions which have been conscientious in administering title IV student aid programs. The result will be increased accountability, reduced default costs, and a growing confidence that title IV aid is serving those it was intended to serve: our Nation's students.

It is important to note that State approval is only one leg of the triad of institutional eligibility and oversight which exists under the Higher Education Act. The other two legs, Department of Education certification and accreditation, are also considerably strengthened by this bill, and the bill incorporates key suggestions which I made with respect to increased minimum standards for accrediting agencies.

Third, I am pleased that my bill to expand opportunities for women and minorities in science and mathematics, H.R. 2142, has been incorporated into the final agreement. Women and minorities will make up more than 80 percent of new entrants into the work force during the next decade, yet they are drastically underrepresented in science courses and careers. These provisions will help women and minorities succeed in these crucial fields, and help our Nation become more competitive.

Finally, I am pleased that the final agreement incorporates my bill, H.R. 2065, the Higher Education Disclosure Act, to reinstate a provision of law which required institutions to disclose large gifts from foreign entities, as well as any conditions which are attached to them. This important sunshine provision was sunset without reason and deserves to be restored to the act.

We all know that our Nation is facing an economic crisis as we head into the 21st century.

At the individual level, American families are hard pressed to make ends meet, let alone afford the high and rising costs of postsecondary education.

And at the national level, we face a shortage of skilled workers who are urgently needed if we hope to remain competitive in the global marketplace.

This conference report responds directly to these pressing concerns.

To our Nation's young people and their families, it offers hope that their dreams of a college education and a brighter future will become a reality.

And to our Nation, it offers the prospect of a revitalized economy, spurred forward by a surge in the number of highly trained college graduates entering the work force.

This legislation will expand individual opportunity and national prosperity, and it will create a better future for all Americans.

These are not only worthy goals, they are among the most important goals we can set as a nation. It is my sincere hope that the entire Congress will embrace them as wholeheartedly as I do.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island [Mr. REED].

Mr. REED. Mr. Speaker, I rise in enthusiastic support for the conference report. I want to commend the gentleman from Michigan [Mr. FORD], the chairman, and the gentleman from Missouri [Mr. COLEMAN] for their efforts, and all my colleagues on this committee.

This conference report represents a recommitment to providing opportunities for all Americans, particularly middle-income Americans. I am particularly proud that my proposal to eliminate home equity was included in this proposal because it will open up for thousands and thousands of Americans, middle-income Americans, opportunities to send their children to school and to send themselves to school. That is an extraordinary opportunity for this country and for many, many Americans.

Education is the engine which pulls this country forward. Today we provided a stronger, more dynamic engine to pull us ahead to face the challenges of competition, to provide a work force that is trained, and provide a citizenry which understands their rights, understands their responsibilities, and will lead us forward into the next decade and into the next century.

I am very proud to be associated with this committee, this conference report, and again I commend all of my colleagues for their extraordinary efforts.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin [Mr. GUNDERSON], who has really given us his input on the issue of nontraditional students. Much of what he has proposed in the past is contained in this conference report.

Mr. GUNDERSON. Mr. Speaker, allow me to join with those who have spoken before me from the Committee on Education and Labor in commending the chairman, the gentleman from Michigan [Mr. FORD], the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from Missouri [Mr. COLEMAN], my colleagues, and the education committee staff, especially Tom Wolanin, Maureen Long, Diane Stark, Gloria Gray-Watson, Jo-Marie St. Martin, Rose DiNapoli, and Linda Castleman for spending the last year and a half in drafting a higher education bill that addresses the needs of our present and future work force.

This bill may very well be the most important legislative initiative that Congress will pass this session. The

1992 Higher Education Act provides significant changes in student financial aid programs and in other services that assist those enrolled in postsecondary education. Perhaps one of the more critical areas that we address in this bill focuses on expanding access to higher education to middle-income families by excluding the family farm or home from one's assets when calculating financial need.

Those of us on the Education and Labor Committee began working on this bill in the spring of 1991. The first hearing the committee held focused on demographics and the cost of postsecondary education. It is that first hearing that laid the foundation for the bill we are passing in this body today. At that hearing, we heard from Dr. Arnold Packer, coauthor of "Work force 2000." In his testimony, he told the committee that "between now and the year 2000, for the first time in history, a majority of all new jobs, will require postsecondary education." On that same day, we also heard from several witnesses who specifically discussed the changing age component on postsecondary school campuses. Today, over 40 percent of all undergraduate students are now 22 years of age or older, compared to less than 25 percent when the Higher Education Act was first enacted in 1965. Part-time students now constitute over one-third of all undergraduate enrollments, compared to less than one-quarter in 1965. Over half of all student aid recipients now qualify as financially independent.

We also conducted hearings throughout the United States and heard from students and parents about the challenges they face in pursuing higher education. Last July, the committee held a hearing in my State of Wisconsin. One of the witnesses at that hearing, Mahrie Hightower, a student at Viterbo College in La Crosse, exemplified the importance of not limiting the Higher Education Act to the traditional 4-year, 18- to 22-year-old college student. She is over 30 years of age, a single parent, and is scheduled to graduate this year.

We also heard from students with disabilities who were encountering difficulties regarding access to necessary educational materials. One such student was Paul Frank, then a student at the University of Wisconsin—La Crosse, who was encountering problems in locating certain scientific textbooks on tape. His difficulty led to exploring other problems that students with disabilities were finding on college campuses.

The final 1992 higher education package is a reflection of the testimony that we heard in the 40-plus hearings the committee conducted and perhaps, most importantly, a reflection of the concerns that we heard from parents and students attending postsecondary schools and universities in our congressional districts. The 1992 Higher Education Act includes several key provisions that should ease the financial burden and increase the accessibility of seeking a postsecondary education. Under the bill, the maximum Pell grant award will be increased to $3,700. A very significant provision, I mentioned previously, will exclude the family farm or home from one's assets when calculating financial need. Another important component of the bill is the establishment of the new Federal Family Education Loan Program that increases loan limits. The Higher Education Act also includes a major change in the PLUS Program where parents will now be able to borrow up to the expected family contribution. Prior to the enactment of this bill, there was a $4,000 limit on PLUS borrowers.

One of the key sections of the bill recognizes the changing demographics I discussed earlier. We have included various components that will benefit nontraditional students. One provision will enable less than half-time students to qualify for Pell grant eligibility. College work study and Perkins loan programs will become more accessible to nontraditional students. In order to accommodate the schedules of nontraditional students, both libraries and counseling services will have extended hours. For the first time, the Department of Education will gather data on nontraditional students, assessing the availability of programs and making recommendations.

The 1992 Higher Education Act also recognizes the needs of students with disabilities. Services will be expanded to create partnerships between secondary and postsecondary schools. This will encourage students with disabilities to seek higher education opportunities. Another important section of the bill will increase the availability of educational materials to students with disabilities, especially those who are visually impaired.

This bill also recognizes the challenges faced in graduate education. In the math and science arenas, over 50 percent of graduate degrees have been earned by foreign students. We are delighted to have international students on our college campuses and we are enriched by their multicultural perspective. However, the increasing number of degrees awarded to international students presents us with a challenge to find mechanisms that will enable American students to pursue graduate education. We have begun to meet that challenge in this bill by having the Department of Education conduct a study examining the various factors presenting obstacles to American students in seeking graduate degrees.

This bill is a bipartisan effort and symbolizes the purpose of the original 1965 Higher Education Act which stated:

> The committee has not set age limitations with respect to recipients, nor is a preference accorded to any specific academic discipline or year of study.

This bill represents a commitment to education and to our future work force, an investment in America's future. I am proud to have been able to participate in the drafting of this bill and ask all of you to support final passage.

Mr. FORD of Michigan. Mr. Speaker, I yield 30 seconds to the gentleman from Missouri [Mr. CLAY], chairman of the Committee on Post Office and Civil Service.

Mr. CLAY. Mr. Speaker, I rise in support of S. 1150, the Higher Education Amendments of 1992, which reauthorizes and improves the Higher Education Act of 1965.

The conference report contains the major Federal programs supporting postsecondary education in this country. This conference report continues our Federal commitment to access in postsecondary education and to educational opportunity. I believe that we have an obligation to our young people in providing the opportunity for all who want to go on to institutions of higher learning.

The programs in this legislation will greatly help our young people, including an improvement of our financial aid system. The financial aid program in this conference report provides an opportunity in terms of making certain that financial impediments will not deter qualified students who wish to pursue higher education. This vital and historic legislation serves as a conduit in expanding and sustaining the American dream that the ancient barriers of poverty and class will not inhibit, restrict, circumscribe, or deny opportunities for higher education for deserving young people throughout our Nation.

Additionally, the conference report contains an improved and strengthened teacher training effort focusing on, among others, State and local programs for teacher excellence, national teacher academies, teacher scholarships and fellowships, as well as minority teacher recruitment.

There are also provisions which will strengthen our historically black colleges and universities. Among these provisions is the Historically Black Colleges and Universities Capital Financing Act. This act will help historically black colleges and universities secure private capital for much-needed institutional improvement and capital projects. More specifically, it will help in building and renovating classroom facilities, libraries, dormitories, and other facilities. The colleges and universities served by this legislation are generally small in size and typically serve students from socially and economically disadvantaged backgrounds. These schools generally experience difficulty securing private capital. This act serves the objective of facilitating access to the private credit sector to finance worthy and essential capital projects, which enable colleges and universities serving disadvantaged black students to continue and expand upon their educational mission and meet the demands of producing the kind of work force necessary for America to successfully compete in the 21st century.

The record of students who have matriculated at these institutions of higher education and who have attained national recognition in the arts and humanities, the natural science, medicine, law, teaching, and other professional and technical fields is highly impressive. These colleges and universities have an opportunity to build upon this record through support for capital projects. In addition, the graduates of black colleges and universities make a significant contribution through their specialized knowledge and technical skills to the GNP of our Nation. It is most important, as a part of the multiplier effect, that this contribution of service continue to go forward with the support of the Congress. It is clear that without these colleges and universities, thousands of black students will be denied the opportunity of higher education. The historically black colleges and universities have admitted young people who are viewed as nonproductive in our society and have nurtured, sustained, and developed them into productive and resourceful college graduates.

In addition to the Historically Black Colleges and Universities Capital Financing Act, I also sponsored a study of civilian aviation education training programs. This study is to be conducted by the National Academy of Sciences' Commission on Behavioral and Social Sciences Education in consultation with the Secretary of Education. This is a study of the air transportation industry and the education of airline pilots and other aviation management personnel. The over-arching focus of this study is to meet projected shortages of qualified personnel in the air transportation industry in the year 2000 and beyond.

The study will also include a thorough investigation of recruitment, aviation training outside the military context, financial and other incentives and disincentives which affect the flow of people, and especially minorities and women, into the industry. Congress intended that the National Academy of Sciences' Commission on Behavioral and Social Sciences and Education will also include representatives of historically black colleges and universities, the Organization of Black Airline Pilots, and the Tuskegee Airmen, Inc., as members of the advisory committee.

It has been cited that there is a severely reduced role of the military as a source of supply of trained pilots and mechanics and other personnel for commercial aviation; that approximately 50 percent of the 52,000 commercial pilots currently flying will retire by the year 2000 and that an additional 8,000 to 10,000 pilots will be needed by then; and that there is a significant underrepresentation of minorities and women currently working in the aviation industry. Blacks constitute less than 1 percent of pilots with the Nation's scheduled air carriers.

Congress intends that the Secretary of Education shall enter into a contract or grant with the National Academy of Sciences within 60 days of the passage of this legislation for the purposes of this study.

It is important, as you well know, that as we face global competition from abroad in the area of high technology and cybernetics, all of our institutions of higher education should be in the best possible position to add to our economic strength by ensuring that we have graduates of high quality.

I believe that, in a time of an economic downturn and growing dependence on foreign products, this legislation will serve as a catalyst or a multiplier effect for our economy. In brief, I believe that this legislation is a prudent investment in our Nation's future.

Further, I believe that this legislation vitalizes hope, energizes the life of the mind, and expand human possibilities, and the annals of higher education are enriched and expanded by this conference report.

It is in our national interest that this legislation should be supported by all enthusiastically, and I urge my colleagues to give their support.

Mr. FORD of Michigan. Mr. Speaker, it is a pleasure to yield 1 minute to the gentleman from Ohio [Mr. SAWYER], a very valuable member of our committee.

(Mr. SAWYER asked and was given permission to revise and extend his remarks.)

Mr. SAWYER. Mr. Speaker, our Federal Government created America's land grant colleges in the last century. America was changing, and higher education helped to elevate the Nation and its people, and to lead the world through this century.

We are again seeing human, economic, and technological change unparalleled in a century. This bill responds to that sweeping change. It increases the availability of grants and loans for students who today are often trying to support families of their own.

It offers real guidance to make sure that students know early that with this help they can afford a college education and real job training.

It recognizes that, for the first time, more than three-fourths of us live in cities, and provides funds to urban universities to work in partnership for real change and renewal in our cities.

In short, this is a bill that offers genuine promise in addressing some of America's most pressing challenges for the next century. You can vote for it with pride.

Mr. COLEMAN of Missouri. Mr. Speaker, many people had a role to play in this conference report, and there were great contributions, not the least of which were made by the gentleman from Michigan [Mr. HENRY].

I yield 2½ minutes to the gentleman from Michigan [Mr. HENRY].

(Mr. HENRY asked and was given permission to revise and extend his remarks.)

Mr. HENRY. Mr. Speaker, I rise in strong support of the higher education reauthorization, and I commend the chairman of the Education and Labor Committee [Mr. FORD] for the skillful leadership he has demonstrated in shaping the conference report so ably.

Mr. Speaker, the media tend to focus on the negative. We hear altogether too much about gridlock between the two political parties, or the stalemate between the legislative and executive branches of Government. I wish the media would report what we are doing here today. Today, we celebrate reaching consensus not only between the House and Senate via the conference process, but agreement on substance in which both majority and minority, both executive and legislative, take pride in shared contribution and ownership.

There are many worthy reforms and initiatives in the conference report now before us. Perhpas most importantly, Federal support for students from middle America, middle-income families is being restored. Over the years, middle-income students gradually saw their ability to participate in these student financial support programs eroded by inflation, savings disqualifications which penalized families which had saved for higher education expenses, and disqualifications based on home equity and business and farm equity tests. All the while, the costs of education were rising while eligibility for financial assistance had been shrinking.

Second, this legislation addresses many of the problems associated with student loan defaults, as well as those associated with a small, but financially significant, number of institutions who exploited student grant programs for their own gain at the expense of both students and the public Treasury. The so-called integrity reforms included in this legislation will save significant sums which, in turn, can be utilized to provide additional support for worthy students attending worthy institutions without significant costs being passed on to the taxpayer. While I had hoped we could also further reform the ability-to-benefit provision in the student grant and student loan programs, I nonetheless wish to acknowledge that many of the abuses about which I have expressed concern over the years are indeed being addressed.

Third, I want to note that the conference report includes the provision requiring uniform reporting of athletic program revenues and expenditures by those institutions engaged in NCAA division I and division II programs. For the first time, the public, State legislatures, and institutional boards of control will have truly comparable data upon which to make judgments as to whether student athletic programs are being properly administered and in keeping with the primary educational purposes of our colleges and universities. I also want to acknowledge the support of the NCAA in helping us draft the final language which is included in the conference report; their participation in this process gives testimony to the NCAA's commitment to good faith effort at implementing the Knight Commission report.

Finally, I want to commend all parties—Chairman FORD, Secretary Alexander, President Bush, Representative COLEMAN, Representative PETRI, as well as others in both House and Senate—for coming to constructive closure on the direct loan innovations in this bill. Whether it be the giant University of Michigan, or smaller liberal arts colleges such as Calvin College, in my district, there are many institutions which I am sure will want to avail themselves of this pilot project which holds some hope of reducing paperwork and costs associated with the student loan programs.

Certainly, this legislation is not without its flaws. Some would question the costs associated with new program initiatives while we still bemoan the fact that existing core programs in the student grant and loan programs are not sufficiently funded to serve existing demonstrated need. Others might question the wisdom of initiating a new unsubsidized Stafford loan program for students when the private sector is already beginning to enter into this financing arena on its own. And it may well be that in a year or two, we'll have to examine the Federal exposure associated with this new program. But by the large, we have shown that Government can work, and that both the Congress and the administration can be responsive to the challenges facing this country.

Mr. Speaker, I urge Members to join with me in support of this legislation.

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Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentlewoman from Hawaii [Mrs. MINK], and I would observe that she was one of the cosponsors of this legislation when it was originally passed in the Johnson administration.

Mrs. MINK. Mr. Speaker, I thank the gentleman for yielding me the time and I want to join my colleagues in commending Chairman FORD and the ranking Republican and the other members of the committee for their outstanding work. I consider it a point of very high privilege to have been able to return to be a part of this deliberation.

Mr. Speaker, this is a bill which looks to the future. It acknowledges the changes that have occurred on the campus, the transformation of the student body to part-time students, most of whom are working and who come to the campuses for renewed energy, looking toward their greater participation in our economy. It looks to the broadened support of the middle class in order to enable our students to better participate in the future of this country by being better educated and technologically capable of looking toward the demands of the future.

We have built upon the whole idea of rejuvenating the country's commitment to education, and therefore I am really proud to have been part of this conference, and ask for a very large and outstanding vote in favor of this conference report.

Mr. Speaker, I join my colleagues today in strong support of the conference report on S. 1150, the Higher Education Act amendments of 1992. This bill represents the most important investment our country can make—an investment in its people.

The Higher Education Act amendments will help ensure that every student, young and old, has the opportunity for affordable, quality postsecondary education. It will provide financial assistance to more middle-class students, help women and minorities gain access to higher education in the fields of science and math, improve outreach programs to minorities and low-income students and simplify the application process for Federal financial aid.

Mr. Speaker, some of the most important provisions of this legislation are those that address the needs of nontraditional students, who now make up about 40 percent of our postsecondary population. These are older students, attending school at night and on weekends, often working full time and raising a family. They are housewives who are interested in reentering the workplace, workers who have been laid off and need further training to get a job, or single parents who need more education to obtain a higher paying job to support their family.

I believe that an investment of Federal financial aid in these hardworking individuals will result in many positive returns for this Nation. This is why I included a provision in this bill which will allow students who attend school on a less-than-half-time basis to be eligible for Pell grants. Other provisions in the bill help provide child care for parents attending school and require student support services to be more accessible to those attending school at night and on weekends.

Mr. Speaker, I am pleased that two other provisions that I have authored are included in this final version of the Higher Education Act amendments. The exclusion of home and farm equity from the financial need analysis will eliminate the current bias against families who live in States with inflated real estate values. With the highest average sales price of a single family home, Hawaii residents often have difficulty in meeting the requirements of the current need analysis formula.

The bill also will provide loan forgiveness under the Perkins loan program for students who become nurses or medical technicians. Our country currently faces a shortage of nurses and other medical personnel. It is estimated that 200,000 nurses are needed across the Nation to keep up with the rising demand for health care. Incentives, such as student loan forgiveness, are essential to encourage students to fill this great need in our country's health care system.

Mr. Speaker, this is a sound bill that will provide millions of students with new educational opportunities. I urge all my colleagues to invest in America's future and vote for the conference report on the Higher Education Act.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Speaker, I thank my chairman and compliment him and the ranking member and all of the members of the conference committee both in the House and the Senate for the masterful job they did in crafting this higher education extension, offering hundreds of thousands of young Americans in the very near future a real opportunity to further their educational opportunities. And I urge the President to sign this. I understand that he has reviewed the legislation, and I certainly urge the President to join us in Congress in taking a great stride forward to show us that the Education and Labor Committee in the House and the Education and Labor Committee in the Senate and the President can work together for the welfare of millions of young Americans in the future.

Mr. Speaker, I rise today to call upon this body to support and quickly pass the conference report to reauthorize the Higher Education Act. As Members of Congress, we owe a great debt of gratitude to the conferees who diligently and carefully crafted such a thorough and balanced report. Today we are acting on behalf of our most important constituents, children, by taking a stand on the important issue of education. This debate is not about who wins or loses this November, it's about which child goes on to college or which is destined to live a short, mean life on the streets because of lack of opportunity.

There is another component, however, haunting today's debate. We must also call upon the President to lay aside campaign politics and work with us and not against the interests of America's students. The lives and futures of America's young adults should never become props in political campaign ads. If this becomes the case, then we are doing a grievous injustice to our youth.

In only a few short years, the United States will enter the 21st century. At present, we are witnessing a remarkable change among the world's superpowers. Can we remain the strongest power in the world only by virtue of our military prowess? Can we expect to remain the leading symbol of political and economic success to the rest of the world if we fail to properly support and nurture our youth? We all know that the answer is no. We must agree that this type of shortsighted policy is the quickest route to ruin. I, for one, will not let opportunities like we have here today be sacrificed to partisan politics.

Many of those who will be most affected by the outcome of this debate are too young to vote, and too naive to understand the motives behind our motions. Although they do not know it, for many of them their future is being decided today. I do not want to take part in a partisan battle that will send the wrong message to them and do irreparable damage to our future. For this reason, I call upon all of my colleagues here today to resist the urge to take the low road of politics as usual, and work together to see that this excellent legislation becomes law.

Mr. COLEMAN of Missouri. Mr. Speaker, I want to assure my colleague that there is no question the President does support this conference report and intends to sign it.

Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Ms. MOLINARI], a new and valued member of our Committee on Education and Labor.

Ms. MOLINARI. Mr. Speaker, I rise today in strong support of the conference report on the Higher Education Act Amendments of 1992, S. 1150. As a member of the House Education and Labor Committee, I am proud to have played a role in the important mission and vision embodied in this legislation.

The challenge, to recapture and maintain America's economic momentum, amid global competition, requires a highly educated labor force. Our country cannot afford to have a shortage of adequately trained people who can master the jobs that are necessary to remain competitive. This reauthorization legislation is the blueprint for access to education as the means of increasing national economic growth and individual economic achievement.

Let us look back over the past decade. The costs of a college education have escalated 135 percent, while family income has risen by only half of that. Our committee recognized the importance of keeping the doors of opportunity open for middle-income families who simply do not have the financial means to pay for a college education. That is why I am proud to vote in favor of this important legislation before us today.

Passage of this conference report will go a long way toward restoring the promise of opportunity that is the foundation of our economic strength. It will provide real assistance to families who need it—so that working and middle-income families will not have to see the dream of college education slip out of their reach.3

The conference report we are considering includes many important provisions designed to help the tax-paying working and middle-income families. Regardless of family income all students can borrow up to the maximum Stafford loan, with eligibility for the in-school interest subsidy based on financial need.

The maximum Stafford loan for the 1993-94 school year will be $2,625 for first-year students, $3,500 for second-year students, compared to $2,625 currently; $5,500 for third- and fourth-year students, compared to $4,000 currently; and $8,500 for graduate students, compared to $7,500 currently. All parents with no adverse credit history will be able to borrow up to the total college cost minus other financial aid through the Parent Loans to Undergraduate Students [PLUS] Program.

In the past, many hardworking Staten Island and Brooklyn families have not qualified for student financial aid because of the inclusion of the value of a family home in the calculation of need. In this conference report we eliminate the equity in a family's home or farm in determining eligibility for financial assistance. We increase the maximum Pell grant award from $2,400 to $3,700, and a family of four with an income of $42,000 will be eligible for the minimum Pell grant at full funding—compared to a family of four with an income of $35,000 currently.

Because the current application process for financial aid is extremely complex and discourages many students from applying for aid, the conference report simplifies the current students aid form for applying for Federal student aid and a single needs analysis for all Federal student financial aid programs.

One of the most serious issues the conference report addresses is to end waste and abuse in the student loan program. Over the past 5 years, we have seen an unacceptable increase in loan defaults. To stop this hemorrhaging of the taxpayer's money, the bill includes nearly 100 provisions to strengthen controls on colleges and universities to end waste, fraud, and abuse.

By the year 2000, two out of three new entrants into the work force will be women or minorities, and 86 percent of jobs available will require postsecondary education or training. For these reasons, the conference report includes outreach programs to increase the number of women and minorities enrolled in science and engineering programs. In addition, the bill revises the programs that serve nontraditional students, many of whom are single women with families, more effectively by increasing support for child care expenses and extending eligibility for Pell grants to less-than-half-time students.

I want to thank the chairman and the ranking minority member for including in the conference report a number of provisions that I introduced during consideration of this legislation. The first provision establishes a prefreshman summer program to supplement existing Federal and State efforts to help disadvantaged students. Years of experience in New York State's opportunity programs demonstrate that for economically disadvantaged students, prefreshman summer programs are closely correlated with academic success.

The second provision requires colleges and universities to formulate and distribute a campus sexual assault policy. College and university campuses are seeing an alarming rise in the instances of date and acquaintance rape. The statistics are horrific: From 60 to 80 percent of rapes are date or acquaintance rapes. Although campus rape is reported every 21 hours, studies reveal that the actual incidence of rape is much higher. It is time to assign the role of responsibility for campus safety to colleges and universities. I am particularly pleased that this provision will be there to protect our daughters and sisters as they head off to college.

The third provision increases the amount of money for the Student Literacy Corps [SLC], a program to increase literacy and other educational skills by having college students tutor in public community agencies which serve educationally or economically disadvantaged individuals. As well as additional funding levels, each institution will now be allowed to receive one grant for each branch campus affiliated with it. This will allow schools that have multiple campuses in various cities to have a SLC program at each location.

I believe that this conference report goes a long way in giving the families of our country the hope that their children will be provided new and greater educational and economic opportunities. A nation is as strong as the people that inhabit it. I urge all my colleagues to support passage of this conference report.

With regard to the reauthorization of the Higher Education Act, I would like to ask my distinguished colleague a few questions about a specific amendment agreed to by the House and Senate conferees relating to the eligibility of foreign medical schools to participate in the Stafford student loan program. It is my understanding that section 481(a)(2)(A)(i) was amended by adding the words "or (ii) the institution's clinical training program was approved by a State as of January 1, 1992."

Mr. ANDREWS of New Jersey. If the gentlewoman will yield, that is correct.

Ms. MOLINARI. It is my understanding that when the amendment was drafted we understood that it would include at least four institutions, two of which are American University of the Caribbean Medical School in Montserrat, West Indies, and St. Georges University Medical School in Grenada.

It is also my understanding that in section 481(a)(2)(A) that foreign medical schools have to comply with either category (i) (I) and (II) or category (ii). Is that the Congressman's understanding as well?

Mr. ANDREWS of New Jersey. Yes, it is. Under section 481(a)(2)(A) all foreign medical schools will have to fully comply with either category (i) which requires the foreign institution to maintain 60 percent of their enrollment as non-U.S. citizens and the foreign institution must have a 60-percent passage rate of their foreign medical graduates during the course of 1 year, or be able to meet the criteria set forth in category (ii) of having had an approved clinical training program in any State in the United States as of January 1, 1992.

Ms. MOLINARI. I thank the gentleman for clarifying the intention of this amendment. If this amendment were misinterpreted it could have a devastating effect upon the American University of the Caribbean Medical School and St. Georges University Medical School, which have educated hundreds of medical doctors who have come back to urban areas in our States. These doctors make a significant difference in the availability of health care for hundreds of people in my home State as well as throughout the country. Thus, I have taken additional time today to make clear the intention of the conference report language, so that there is no misunderstanding as to what the word "approved" means in section 481(a)(2)(A)(ii).

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE of New Jersey. Mr. Speaker, I rise to express my strong support for S. 1150, the conference agreement on the higher education reauthorization.

Last year at the beginning of the reauthorization process, before the 44 hearings that were conducted, many people were saying that the reauthorization of the Higher Education Act is one of the most important pieces of social legislation of the 102d Congress. I wholeheartedly believe that this measure is of vital importance to our entire society.

As we approach the year 2000, everyone must be prepared for a society that is becoming increasingly dependent on advanced technology. This means that access to a quality education for every citizen of this country is imperative.

Therefore we had to address the needs of as many different types of students as possible. This measure ambitiously seeks to expand Federal financial aid to students from middle-class families and redresses the current imbalance between reliance on loans and grants, improves integrity of Federal financial aid programs without arbitrarily eliminating institutions that may have higher default rate because of economic trends and the populations they serve, as we know default rates are not necessarily a key indicator of educational quality.

It also contains provisions to minimize waste and abuse and loan defaults and to serve nontraditional students more effectively, simplifies student aid programs, and improves early intervention and outreach programs.

I am very pleased that the bill also contains some of my provisions intended to improve library programs that serve historically black colleges and universities and other minority-serving institutions, to improve teacher training, recruitment and retention, and assist low-income and minority students to pursue a legal education.

Additionally, I look forward to the inclusion of Hispanic serving institutions in title III of the act.

Thousands of students from all over the world come to the United States to take advantage of our excellent system of postsecondary education. Through the efforts of this bill to increase access to postsecondary education, we can now encourage and help our own students take advantage of some of these opportunities, especially as the competition in the global marketplace increases.

Also, I would like to commend Chairman BILL FORD for his leadership and all of his hard work during this reauthorization process, and I commend also the minority leader, the gentleman from Pennsylvania [Mr. GOODLING].

Mr. Speaker, I certainly support this conference agreement and it deserves to pass the House without any major changes.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Speaker, today I rise in strong support of the conference agreement on the Higher Education Act amendments which will enable more high school graduates from middle- and low-income families to afford a college education. The reauthorizing legislation before us today represents the result of bipartisan efforts to ensure students and their families are not excluded from educational opportunities.

Too often these days I hear that high school graduates are putting their college education on hold. Indeed, this summer the question for too many of these bright students is not, "Which college to attend?" but, "Can I afford to go?" Many families are faced with impossible choices—like depleting their hard-earned retirement savings so they can send their child to college.

This new bill will help these families. It underscores the Nation's commitment to assist middle-income families in attaining their educational goals. More than 1.5 million new students will be eligible for financial aid through the restructuring of loan eligibility procedures, including:

The development of an unsubsidized Stafford Loan Program that would make eligible all students, regardless of family income:

The amendment of the need analysis to allow families with an annual income of up to $70,000 to be eligible for subsidized student loans;

The elimination of income limitations for PLUS loans—guaranteed loans for parents of students—to allow more than 3 million families to borrow increased amounts under this program; and

The establishment of a single need analysis for all Federal financial aid programs which excludes from assets the equity on a home or family farm.

In addition, more than 4 million families and students will be able to borrow increased amounts annually.

Stafford loan limits will increase to $3,500 for full-time second year students, from $4,000 to $5,500 for undergraduate juniors and seniors, and from $7,500 to $8,500 for full-time graduate students.

Supplemental loans for students [SLS] limits for full-time graduate students, will rise from $4,000 to $10,000 per year.

It is time to make these proposals a reality for the millions of Americans who will benefit from them. We must allow students returning to school the liberty of concentrating on their studies, not their finances.

This legislation also represents a commitment to the future of our Nation. Ensuring that our people are educated and our work force is trained to allow for greater productivity and a rising standard of living in this increasingly competitive and changing world.

I urge my colleagues to join me in strong support today of this vital legislation.

□ 1710

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. OLVER], a valuable new member of the committee and a contributor to this report.

Mr. OLVER. Mr. Speaker, today I rise in support of the Higher Education Amendments Act of 1992 conference bill, S. 1150. This legislation will maintain and expand broad access to higher education for many of the students in western Massachusetts as well as provide for much needed Federal investment in our Nation's economic growth. I would like at this time, to congratulate Chairman FORD for his leadership on this important legislation. His perseverance and determination brought this legislation to the floor today.

This education bill contains several key provisions to expand access to student financial assistance not only to the neediest students, but also to middle income families. Since the burden of the soaring costs of college reach not only our neediest students but our middle class students as well.

Two portions of this bill directly help middle-class families, particularly in New England—expanded access to loans for middle-class families and the exclusion of a family's home or farm equity when determining financial aid eligibility.

This bill will make the financing of a college education available to many middle-income families raising the Pell grant level and increasing the amount of student loans.

First, the maximum Pell grant is increased from $2,400 to $3,700. Next year students in western Massachusetts could receive grants totaling nearly $8 million if Pell grants are fully funded—almost twice the amount awarded last year.

Second, a 50-percent increase in the student loan program will allow students who go to college in western Massachusetts to be eligible to receive over $30 million next year, up from the $20 million they received last year.

In addition the legislation contains a new set of program integrity provisions to curb waste, fraud, and abuse, and will ensure that taxpayer's money will be properly invested in support of quality education for all of our citizens.

At a time when the United States needs a highly educated work force to compete in a world economy, we must ensure that higher education be accessible to all Americans. This legislation makes dramatic steps in achieving this goal, therefore I ask for swift passage and urge the President to sign it.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Speaker, I rise in strong support of this conference report.

Mr. Speaker, I rise today in support of the higher education conference report. As a former teacher and a father of five, I recognize the importance of a good education, and the financial difficulty families face in providing their children an education. This legislation recognizes the need for the Federal Government to assist low- and middle-income families with the cost of a college education. College tuition costs have skyrocketed, growing up to three times faster than the growth in median family income. At a time when higher education is becoming a must, hard working middle income families are finding it difficult to provide their children with a college education. We must not let our children's dreams of a college education drift out of reach. This legislation recognizes the need to address this concern.

This conference report will allow all students regardless of family income to borrow up to the maximum Stafford loan. A family's home will not be considered in determining a student's eligibility for financial assistance. Families will be provided with incentives to save for a college education. The maximum Pell grant award will be increased from $2,400 to $3,700. Under this legislation, a family of four with an income of $42,000 will be eligible for Pell grants. Six million students will be assisted by the $21.5 billion authorized in this legislation. These facts display how this conference report has taken significant steps forward to assist the American family in financing a college education.

I am pleased that the conference agreement restores eligibility to programs of less than 600 clock hours. This measure is of great concern to many of my constituents who are entering the fields of welding, trucking, computers, automotive repair, health care, and paralegal services. However, I am disappointed that the conference report also severely restricts access to Federal student aid for those who attend these programs. The bill reduces Stafford loan limits for less than 12-month programs, from $2,625 to $875, for programs between 300 to 599 clock hours, and $1,750 for programs between 600–899 clock hours. In addition, the legislation eliminates supplemental loan for students for programs between 300 and 449 clock hours. Students in these programs are dependent on financial aid. These actions will eliminate education and threaten the future of many academic institutions.

I am concerned about the definition of an eligible program under this legislation. The bill mandates the minimum length for a program to maintain eligibility. The bill defines one-third of an academic year as 10 weeks, two-thirds of an academic year equals 15 weeks, and then jumps to define a full academic year as 30 weeks. The result is that it will unnecessarily extend the length of a full-time student's course of study. To put undue burden on students and especially retraining adults contradicts the goal of the overall bill to best serve and assist those seeking a higher education. Defining an academic year as 24 weeks would better reflect the number of weeks necessary to ensure that students in short-term programs are ready to enter the job market with the proper skills and training. I would like the committee to review this issue when it considers technical corrections.

I commend the work of the committee, especially Chairman FORD and the ranking Republican, my colleague from Pennsylvania, BILL GOODLING. They have brought before us a conference report which will greatly assist American families in meeting the rising cost of a college education.

PARLIAMENTARY INQUIRY

Mr. FORD of Michigan. Mr. Speaker, I have a parliamentary inquiry, so that it does not come out of the gentleman's time or my time.

The SPEAKER pro tempore (Mr. TORRES). The gentleman will state his parliamentary inquiry.

Mr. FORD of Michigan. Mr. Speaker, is my understanding correct that the unanimous-consent agreement that I relieved at the beginning before the debate protects all Members who happen to come over here to the floor and who want to insert their remarks in the RECORD?

The SPEAKER pro tempore. The gentleman is correct.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. BARRETT], again, a newer member and a very valued and constructive member of our committee.

Mr. BARRETT. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of the conference report on the Higher Education Amendments of 1992. It represents a true bipartisan effort, which is a rare bird in an election year.

We have been able to increase loan and grant limits, and still stay within our paygo rules. In fact, there will be a $40 million expected surplus in the guaranteed student loan program.

We have simplified the financial aid process for students and families, by having just one form for them to complete for Federal financial aid.

Middle-income families who are trying to send a son or daughter to college, or who are trying to go back to school themselves, have told me repeatedly that they are being ruled out of obtaining even a student loan, because of the divestments they have made in the farm, home, or small business.

Well, the conference report on S. 1150 takes us in the right direction, by excluding farm and home equity in determining eligibility for student aid. As well, for small business owners we have updated the formula used to determine small business equity.

While I would like to have small business assets totally eliminated, as we do for farms and homes, and as my bill, H.R. 3411 does—I am pleased nevertheless that two out the three provisions from H.R. 3411 did make the final cut. Maybe in the next reauthorization we can make that change.

And what has drawn a lot of attention in the student aid program—$3.6 billion in defaulted student loans—is addressed head-on in this conference agreement. We have strengthened the hand of Federal and State regulators to take action against troubled schools, but leave the colleges and universities that are doing the job in providing quality education, to continue to do so without too much interference. This stranglehold of defaulted student loans that is denying needy students access to student loans must be resolved, and I am confident that this conference report will help release that grip.

I congratulate the gentleman from Missouri [Mr. COLEMAN], the gentleman from Pennsylvania [Mr. GOODLING], and the gentleman from Michigan [Mr. FORD] and their staffs for their hard work in attaining a good bill.

Mr. FORD of Michigan. Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Speaker, I, too, would like to commend the chairman of the committee and the ranking minority member for the good job they have done in getting this legislation before us.

Mr. Speaker, I rise today to express my full support for the conference agreement on higher education. As you know, this measure reauthorizes the major Federal programs supporting postsecondary education, including over $18 billion in student aid to help financially needy students attain a higher education.

As a member of the committee, our initial goal in this reauthorization was to ease the burden low- and middle-income families must carry in order to educate our youth. Successfully earning a higher education is becoming more and more financially difficult for most, and almost totally impossible for many minority youth. We must reinvest in the people of this Nation so that we are adequately prepared to compete with our minds instead of with military weaponry.

That is what we have done today in this conference report. We have been successful in increasing student aid fund for Pell grants, as well as for student loans. While I regret that we were not successful in retaining language creating the Pell grant as an entitlement, which is truly what we ought to do for this Nation's students, I am pleased that we have made strides in improving access and opportunity to a higher education for millions of Americans.

Included in this measure are two provisions which I authored. The first provision establishes an Institute for International Public Policy, which will hopefully encourage greater representation of African-Americans and other minorities in international service, including the Foreign Service. Additionally, this measure includes a new demonstration program which encourages female and minority elementary and secondary students to pursue higher education in science and engineering. This provision was modeled after effective and innovative outreach programs for female and minority students at the Illinois Institute of Technology on the South Side of Chicago.

I encourage the support of my colleagues today because it is my belief that this is the first true economic relief package that has been considered in this body. With the riots in Los Angeles, and other disturbances nationwide, indelibly etched in our memories, we must continue in our efforts to improve educational opportunities for this Nation.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER], another new and valuable member of the committee.

Mr. ROEMER. Mr. Speaker, I would like to begin my remarks by saluting and commending our distinguished chairman for his hard work over the last year and a half. I commend also the ranking minority member and the gentleman from Pennsylvania [Mr. GOODLING], who has worked so hard, as well as the staffs on both sides of the aisle on this bill.

Mr. Speaker, I rise in strong support of the conference report on S. 1150, the Higher Education Amendments of 1992. I would like to take this opportunity to commend the chairman of the Subcommittee on Postsecondary Education, BILL FORD, for his tireless efforts in shepherding this landmark bill through the Congress over the past year and a half.

As a member of the Subcommittee on Postsecondary Education who is deeply concerned about education, I was pleased to participate in this reauthorization process. One of the committee's primary goals in this process was to increase financial aid, both in terms of grants and loans, for low- and middle-income working families. The legislation before us today will enable millions of Americans to realize their lifelong dream of attending college by providing the assistance necessary to help finance their education.

One of the most important aspects of this legislation is the Pell grant award, which is the true foundation of higher education. Although we raised the Pell grant maximum from the current level of $2,500 to $3,700 for the 1993–94 school year, I am disappointed that we were not able to increase the award to $4,500 until 1997. Over the past decade the cost of attending a public or private institution has risen twice as fast as the median family income. While many families struggle over how they are going to be able to finance their children's education, too often they watch those dreams fade out of their reach because of cost. Many of the changes in this legislation, including the elimination of home equity and family farm in the needs analysis, will expand access for all families regardless of economic status.

In addition to expanding access for middle-income working families who have been squeezed out of the program in the past decade, the legislation also simplifies the student aid application process; significantly expands the early intervention programs, such as TRIO; improves program integrity: more effectively serves nontraditional students; and strengthens the antifraud, abuse provisions in the bill which have led to increased loan defaults in recent years.

As we look toward the 21st century, the workplace will require highly skilled and educated workers. This measure is an integral part of our efforts to improve our competitiveness in a global economy.

Mr. Speaker, I believe that this legislation reaffirms our strong commitment to enhance higher education opportunities for all Americans, and I urge my colleagues to support this important bill.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. MICHEL], the distinguished Republican leader.

Mr. MICHEL. Mr. Speaker, I would like to commend the members of the Education and Labor Committee for their excellent work on this important legislation to reauthorize the Federal higher education programs.

The 5-year authorization we are considering today will provide over $100 billion in financial assistance to students pursuing a higher education.

An important new component of the Stafford Loan Program established by this legislation provides unsubsidized loans to middle-income students.

Although students must begin repaying these loans while still in school, it does provide access to federally guaranteed funds which would not otherwise be available to such students.

I am glad to see middle-income families at last get some attention from us.

The rich can afford elite schools. The very needy benefit from Pell grants.

But the great, hard-working, too often—ignored middle-income families are lost amidst our other concerns.

The society that neglects the higher education of the poor lacks a heart.

But the society that neglects the higher education of its most effective workers—the vital center of our national life—lacks a brain as well.

This bill remembers the forgotten strength of America in higher education—and it is about time.

There are other aspects to the bill that deserve our attention:

The supplemental loans for students program provides unsubsidized loans to independent undergraduate, graduate and professional students;

And the PLUS Program provides unsubsidized loans to parents of dependent undergraduate students.

The bill also increases the maximum grants under the Federal Pell Grant Program for the truly needy pursuing a higher education.

There is an important reform in terms of the needs analysis of students. I refer to the elimination of the family home or family farm when calculating such need.

It is monstrous to ask hard-working people to be penalized because they have the gumption and the work ethic to own a farm or a home.

The legislation also deals with the important issues of program integrity and State oversight.

We have seen alarmingly high default rates in recent years. Part of the problem comes from the usual deadbeats who exploit any good program.

But part of the default problem can be traced to schools that fail the students.

Under the proposed reforms, States must designate postsecondary review agencies which will review institutions based on certain criteria.

If a State agency disapproves an institution, Federal student aid will be withdrawn.

Diploma mills and fly-by-night education rackets should not be allowed to rip off decent American kids. We have a responsibility to help these students.

I ask my colleagues to join me in voting on this important legislation to continue to improve federal financial assistance for post secondary education.

It seems at times that we can say of education what someone once said about the weather: Everybody talks about it but nobody does anything about it.

Well, in this bill we are doing something about it.

Excellence and performance and discipline and ambition will have to come from the schools and the students and the parents.

But we can at least help a bit.

The President has stated that he will sign this bill when it is presented to him.

□ 1720

Mr. FORD of Michigan. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. ANDREWS], one of our superstars on the committee. The gentleman is a new Member from New Jersey who set about to become and has become the expert in this body or the other body on the new concept, the one new concept that we are bringing to you of a Direct Student Loan Program, saving the Federal Government, we hope, in the future, as this project works out, billions of dollars a year.

Mr. ANDREWS of New Jersey. Mr. Speaker, I begin by thanking my colleagues on both the majority and the minority side, particularly the ranking minority person, the gentleman from Missouri [Mr. COLEMAN], for their excellent work, the staff on both sides, for their tireless work in making this a reality, and especially to Chairman FORD for his guidance and leadership and personal commitment in making this bill a reality.

I am real proud to be part of this, because I think this is an example where government listened and understood for a change.

We understood that people from different political parties have to put aside their differences and do something to move the country forward, and we did in this bill, and both parties should feel very good about that.

We understood that middle class people should do more than just pay for college financial aid. They ought to participate in it as well, and we did something about that, with the unsubsidized program, with the expansion of the Stafford Program, and we believe ultimately with our direct lending demonstration program.

We understand that everybody does not live like Ozzie and Harriet, that there are a lot of people who are single parents who need to get higher education. There are a lot of people who have to go back to higher education in the middle of our lives or in the middle of their careers, and we did something about that. We began to change the formula so those individuals can get back into higher education.

We understood that as we expand education, we do not look to the taxpayers, and we do not look to cutting other worthy programs to pay for it.

This bill begins to say to those who have not done their fair share that they should pay for the expansion of Federal financial aid. If you are receiving bank fees or commitment fees that are a wasteful subsidy, you should pay to expand Federal financial aid, not the taxpayers.

If you are a defaulter on your loan, if you are a school that would exploit this process, you should pay to expand Federal financial aid.

Finally, the thing that I think we should feel most good about is that we are hearing everywhere we go in our districts across this country that Americans want to go back to work. We understood that for many Americans you cannot go back to work until you go back to school, until you get into school, and for many Americans this is the way back to school. It is the way back into school and it is an accomplishment that we should feel very good has been accomplished.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLUG]. It seems that our committee has been blessed by a number of good outstanding new members on both sides of the aisle. I want to commend all those members, and especially the gentleman from Wisconsin [Mr. KLUG] who is one of those new members who have made valuable contributions to this product.

Mr. KLUG. Mr. Speaker, again I want to congratulate Chairman FORD and the gentleman from Missouri [Mr. COLEMAN] and also the gentleman from Pennsylvania [Mr. GOODLING] for their hard work on this bill.

Like many of the speakers before me, let me single out in particular what this bill does for the middle class. By finally removing homes and farms from the need analysis, it is going to reopen loan programs to many middle-income families which have been cut out for the last decade.

Today 80 percent of the financial aid at American universities and colleges goes to families which make less than $20,000 a year. This bill is now going to make aid available to families with say two people working, both of whom make modest salaries, $16,000 or $17,000, $35,000 combined, who are now cut out of the aid program. Instead, with the bill before us today, it is going to expand eligibility perhaps up to $50,000.

I also in particular want to express my delight that we are going to make more money available for the construction of scientific buildings, many of which now on our university campuses were built in the Sputnik era and are beginning to deteriorate.

Earlier today we had a long debate about foreign trade issues, and let us make it clear that it is our scientific research facilities in the United States, and the scientific research done on American campuses which makes us the world power which we are today.

This bill will guarantee that the University of Wisconsin and other major universities will remain the best research facilities in this country as we gradually begin to rebuild our scientific infrastructure.

Keep one fact in mind from the debate about what happened to incomes in the 1980's. Those who prospered were people who had the ability and the access to education, and this piece of legislation in front of us today, done on a bipartisan basis, will guarantee that it will open up education and open up opportunities for the next generation of Americans about to enter our colleges and universities.

Mr. FORD of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Speaker, I rise in support of the conference report on the higher education reauthorization.

A college education is a key to opportunity in our society. Unfortunately, over the last decade the cost of education has increased while the amount of financial aid available to middle-income families has decreased. This legislation helps reverse that trend, and I commend the committee's efforts—and Chairman FORD's leadership—in bringing this bill before the House.

One provision included in this bill is troubling to me, however. Under title IV, proprietary schools are subject to an 85–15 rule. This rule mandates that if a proprietary school receives more than 85 percent of its revenue from Federal financial assistance, then the institution would be ineligible for future Federal funds.

I support efforts to address waste and abuse of Federal dollars in postsecondary institutions. But this provision is extremely discriminatory to proprietary schools that serve financially underprivileged areas—such as the proprietary schools in my district in West Virginia.

I strongly believe the 85–15 rule must be broadened. It must take into consideration such criteria as: the population being served; the demographics of the region; outcomes or placement assessment; and the evaluation of program content.

With such modifications, the 85–15 rule would accomplish its goal without punishing proprietary schools that provide a great service to financially needy citizens. I hope that this modification can be accommodated in future legislation.

Mr. FORD of Michigan. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the committee chairman for yielding me this time.

I must say as one who went to the University of Denver, as the distinguished chairman did, I am very, very proud and honored that he came forward with this bill. It is a real tribute to the gentleman, because as I hear many people talking about what a great bill it is on both sides of the aisle, it was Chairman FORD who really made this all happen, and I think we cannot forget that.

I would like to engage the gentleman from Michigan, the chairman of the Committee on Education and Labor, in a brief colloquy regarding the issue of loan eligibility. I wanted to make sure that I am correct in stating that for the purposes of determining a student's Stafford and SLS loan limits under both the current law and the conference report, students who are enrolled in a program for which 2 years of postsecondary education are a prerequisite are considered to be third-year undergraduate students?

Mr. FORD of Michigan. Mr. Speaker, if the gentlewoman will yield, the gentlewoman from Colorado is correct.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for making that clarification, and I certainly hope the bureaucrats get the message on that clarification, because we have had a great problem with some excellent schools dealing with that, so I really thank the gentleman.

Again I want to sincerely say, I know how long the gentleman has been working on this and here we are with an hour and it all goes by, but the gentleman really has been a terrific friend of young people trying to ascertain the American dream, and that is what this bill is about. It is making that brass ring, making that hope, making those job skills, making all those things that someone needs available to everyone, and not just people who belong to the lucky sperm club and have a wealthy father.

So I thank the gentleman very much for remembering all Americans as we plan this and opening the door to higher education for all Americans. I think it is very important, and I thank the gentleman very sincerely.

Mr. FORD of Michigan. Mr. Speaker, the gentlewoman from Colorado is overly kind and makes me blush.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding this time to me.

I rise just to point out that those Members who voted to drop the Solomon amendment from this conference report, which would have required the suspension of education assistance for individuals convicted of drug sales or possession, unless they enrolled in a rehabilitation course.

Mr. Speaker, I rise today to express my disgust with my colleagues on the other side of the aisle who voted to strip my amendment from the higher education conference report.

My amendment suspends education assistance for individuals convicted of drug sales or possession. When these individuals obtain rehabilitation, they once again become eligible for educational assistance. This approach encourages individuals with drug problems to seek assistance.

This strategy for fighting drugs has the support of the President, the Secretary of Education, the drug czar, and the overwhelming majority of Americans.

Additionally, all the House Republicans on the conference supported this provision.

The House Democrats on the conference, on the other hand—voting straight party line—moved behind closed doors to strip this commonsense, antidrug provision from the conference report. These Democrats include Mr. FORD, Mr. WILLIAMS, Mr. HAYES, Mr. MILLER, Mr. SAWYER, Mr. PAYNE, Mr. WASHINGTON, Mr. SERRANO, Mrs. MINK, Mr. JEFFERSON, Mr. REED, Mr. ROEMER, and Mr. KILDEE.

In addition to these members of the majority party on the conference, there are several other Democrats who—with this latest action—have spoken out of two sides of their mouth when it comes to issue of drugs.

I am talking about those Democrats on the Education and Labor Committee who only 2 years ago supported an identical Solomon drug amendment to the one which they opposed and voted to strip from this bill during conference.

To refresh your memory, 2 years ago, I offered the same exact drug amendment to the excellence in Education Act. The House overwhelmingly approved the measure by a vote of 315 to 59. Earlier this spring, the House adopted the same amendment to the higher education reauthorization by voice vote.

In both instances, the vote on the amendment was clear-cut. The language and intent was the same. The context was an educational bill both times. Same issue, same language, different vote. What happened? These members who flip-flopped and voted "no" once behind closed doors include Mr. GAYDOS, Mrs. LOWEY, Mrs. UNSOELD, and Mr. ANDREWS.

I want to assure those Members that I intend to offer this amendment again and again because the drug problem will never be solved unless the social and economic penalties attached to drug use are made intolerable. At the very least, drug users must learn that they cannot break the laws of government and still expect to enjoy that government's benefits.

The liberal Members of the House who vote against these cost effective, commonsense solutions to reduce the demand for drugs in this country are going to be held accountable to the voters.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. RAMSTAD], who brought to the attention of the committee the needed improvements in campus security police which have been incorporated into this bill.

☐ 1730

Mr. RAMSTAD. I thank the gentleman for yielding this time to me.

Mr. Speaker, this higher education reauthorization conference report contains an important provision requiring colleges and universities to develop sexual assault policies.

This provision was based on legislation I introduced a year ago last May, H.R. 2363, the Campus Sexual Assault Victims' Bill of Rights Act. This measure gathered the strong bipartisan support of 191 cosponsors and received the endorsement of many organizations, including Security on Campus, Inc., the National Victim Center, the Law Enforcement Alliance of America, the National Network for Victims of Sexual Assault, and National Action Against Rape. It also has the endorsement of the United States Student Association, Safe Campuses Now, Inc., Students Together Against Acquaintance Rape, and many other student organizations across the country.

In the course of my work on this bill, I learned of hundreds of tragic cases of campus rape victims who were unable to obtain justice for the crimes against them. Too often, Mr. Speaker, their greatest obstacle was the indifference of the college officials they had sought out for assistance after the attack.

Mr. Speaker, rape is rape. Whether it occurs in a dark alley or an ivory tower, the crime of rape must be dealt with seriously.

Tragically, the incidence of rape on campus has reached epidemic levels. A campus rape is reported every 21 hours. However, because rape is probably the most underreported of all crimes, one study estimates that 6,000 rapes occur each year on campuses across the Nation.

An even darker picture, however, is painted by the most respected study to date, a 1987 National Institute of Mental Health Study conducted by Dr. Mary P. Koss, professor of psychiatry at the University of Arizona Medical School. The NIMH study found that one in four college women is the victim of rape or attempted rape during her college career. Further, the study found that fewer than 5 percent of rape victims report their assaults to police.

These statistics—and the violence, trauma, and physical pain they represent—are truly shocking. Adding to the problem, a growing number of campus sexual assault victims and their parents have expressed anger and frustration with the way college administrators have handled incidents of sexual assault. Too often, victims are unaware of their legal rights and options and frustrated in exercising their legal rights. Too often, these crimes go completely unreported.

Underreporting occurs for a number of reasons. Some victims feel ashamed and afraid, some are unaware of their legal rights, and some doubt the accused will ever be punished. The result is that while so many women continue to be victimized, only 1 of every 100 campus rapists is ever prosecuted.

While it is tragic enough that these women are physically violated and forced to bear severe emotional scars, many of these women also report they are traumatized a second time when their allegations are mishandled by campus authorities. In fact, less than 40 percent of campus rape allegations result in any institutional penalty.

Mr. Speaker, passage of this legislation will ensure that campus sexual assault survivors are not traumatized this second time. Campus officials can no longer remain indifferent to these traumas—or worse, sweep them under the rug.

I want to extend my deepest thanks to Representative SUSAN MOLINARI, who coauthored this provision as an amendment to H.R. 3553 last March. Her counsel, dedication, and inspiration helped make this provision a reality.

Mr. Speaker, the provision I have been talking about amends the Crime Awareness and Campus Security Act, which requires colleges and universities to report crime statistics and develop a campus security policy. This provision adds the requirement of a campus sexual assault policy.

Each institution of higher education would be required to develop and distribute a statement of policy regarding that institution's sexual assault programs aimed at prevention and education, as well as the procedures to be followed once a sexual assault has occurred.

The provision further requires such policies to set forth general procedures to guide student victims once a sex offense has occurred; namely, who should be contacted; the importance of preserving evidence as may be needed for proof of criminal sexual assault; and to whom the alleged offense should be reported.

Underlying this provision is the belief that victims of campus sexual assault should be permitted to pursue redress for their attack either through the criminal justice system or on-campus disciplinary proceedings. The option to choose one or both of these alternatives should rest with the victim. Students should be informed of these options and receive assistance in notifying campus or local police.

Under this provision, campus sexual assault policies would be required to address the procedures to be followed if the victim chooses to pursue an on-campus disciplinary proceeding. Such policies shall include a clear statement that both parties, the accuser and the accused, are entitled to the same opportunities to have others present during a campus proceeding, and both shall be informed of the outcome of such a proceeding.

The provision also requires higher education institutions to have a procedure regarding notification to students of existing counseling, mental health or student services for victims of sexual assault, both on campus and in the community.

Further, sexual assault policies would be required to address notification to students of options and available assistance in changing classes and living situations subsequent to an alleged sexual assault, provided such options are reasonably available.

Finally, this provision clarifies that no private right of action is to be conferred upon any person to enforce the provisions of this law.

Never again should a young rape victim be left in the dark about her rights and made to feel like a victim for a second time. With the passage of this bill, it is hoped this will never happen again.

Mr. Speaker, I want to thank also the members of the conference committee, the gentleman from Missouri [Mr. COLEMAN], the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from Michigan [Mr. FORD], the chairman, and other members for their bipartisan support. It shows at least in this instance that the process works.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this process began about 18 months ago. I can only say, without the guidance of BILL FORD we would not have gotten to where we are today. I say that not that we did not have our differences, we did; not that we did not have some problems along the line, we did; but as some of the Members have said today, here is a good example of how legislative process is supposed to work. You have your differences, you try to resolve as many as you possibly can, you go to the floor on votes, you go to the conference committee, and the majority rules.

Not everybody won everything they wanted in this bill on either side, or any philosophy, or any party, or any branch of Government. What we have crafted and come up with is a bill which puts the public interest first; the special interests, the partisan interests, though many, many are secondary and down the line.

I just want to point out to my colleagues that we can still make this system work on other pieces of legislation. It just takes people of good will and good effort on all sides to do that.

So again I thank the President, I thank the Secretary, I thank the Secretary of Education, the gentleman from Michigan [Mr. FORD], the gentleman from Pennsylvania [Mr. GOODLING], and all Members who played such an active role in making this a success story today.

Again, two members of the staff I would especially like to thank by name—on our side, Rose Di Napoli, who has been our lead Republican staff person; and Tom Wolanin, on the Democratic side—who have put in a lot of hours behind the scenes to make sure that this bill has gone forward.

I want to thank them on behalf of all of us.

Mr. FORD of Michigan. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, the conference report on S. 1150, the Education Amendments of 1992, reauthorizes the Higher Education Act of 1965 for 5 years into the future. It authorizes more than $115 billion over that 5 years, and represents the biggest commitment to the future of education made at any one time in the history of this country.

It is a very great pleasure for me to serve as chairman of this committee, with the kind of talent you have seen here on both parties on that committee.

But what we have here today is consistent with a 20-year history of that committee, long before I became chairman, of reaching a bipartisan consensus on good legislation before we brought it to you on the floor and when we brought it to you back from conference.

This legislation passed the House of Representatives 365 to 3. The sister bill to it passed the Senate 93 to 1.

The day it was voted on here, we were operating with a kind of a, in my opinion, a silly threat of a veto coming from unelected, appointed people who intervened between us and the President.

I think I have to say at the outset we would not be here today if it were not for the hard work and conviction of the Republican members of my committee, who were willing, when push came to shove, to go directly to the President and tell them how they felt about the issues that are contained in this legislation and give them their best counsel on what ought to happen.

Immediately after they did that, the signal came to me, "It is time to talk, it is time to get serious about coming to a conclusion."

We settled with each other very quickly and since then, even the Secretary has said that it is a good bill. He says it rather grudgingly in the press release that he sent to you in the last day or two, but it is the first step in all this process where I have not been confronted with a stamping of the foot, "I will hold my breath and tell the President to veto your bill if you don't," sort of attitude from the Department of Education.

I hope we will be able to work better in the future. We can, if they will listen to their own Republicans on my committee. They overlook the fact that the committee is four and five deep with experienced people who understand these programs and are going to hold out for what they believe to be right.

None of this has been easy to reach. As a matter of fact, the final compromise, as it was dubbed by some people in part as a face-saving mechanism, was a compromise that TOM COLEMAN and I reached before we ever came to the floor with this legislation. And they asked us, as a compromise, to return to what TOM and I brought you. We had worked that out after the bill came from the committee and when the committee was still very well split.

The members of both parties on this committee certainly should have demonstrated to all but the most cynical people in this country that there is not in fact gridlock in Washington. If there is a will to get it done, if there is an objective to be obtained and you can come to agreement on where you want to end up, we can in fact roll up our sleeves, slug it out and come up with an answer that is in the best interests of the American people. Every single member of the committee on both sides of the aisle at every stage of the way has been a contributing person and a positive force.

In my extension of remarks, I would like to take the time that I will not take here on the floor, to give credit where credit is due to both Democrats and Republicans for constituent parts of this legislation that they brought to us and insisted upon.

And when you look at the contributions of all these members right down the line to the newest members of the committee, from the very highest in seniority on the committee, you will see that every member of this committee was a contributing player in the final mosaic that came together and now has the approval not only of both Houses of the Congress, I am sure, but the President of the United States as well.

We can work with the President when we put our minds to it—and when we get to him and get past the people who would stand in his way.

I would want to close with one more thing. A phone call came to my office yesterday from the State of Pennsylvania. I do not even know who the fellow was. He talked to a person in my office. He had some questions about how I got along with the ranking member of my committee. I do not know whether he was Democrat or Republican. But he seemed to suggest that he wanted to hear that we were fighting all the time.

Well, I hope that person in Pennsylvania is watching C-SPAN today because I want to say that he deserves to have this said, and I hope this does not hurt you, BILL, with your Republican friends, but I have never worked with a better, more honest gentleman of integrity than BILL GOODLING. TOM COLEMAN is right there with him, but he is not any better.

And BILL GOODLING is the reason that we can reason together on that committee. He is an invaluable member of the committee. And no one of either party should wish him anything but good luck and Godspeed to return to us.

The conference report on S. 1150, the Education Amendment of 1992, reauthorizes the Higher Education Act of 1965 for 5 years. In authorizing more than $115 billion over 5 years, this bill promises the largest single investment in our Nation's history in the education, training, and retraining of the work force for America's future.

In the first year alone, the school year 1993–94, this bill would provide for increased aid to pay for college to more than 10 million students and their parents. We know that this investment in America's future will pay off. A recent study determined that for each dollar of Federal student aid we will recoup more than $4 in increased taxes alone.

The hallmark of this bill is increased loans and grants for students from the hard-pressed working and middle-income families who pay America's bills. In the last decade, these middle-income families, faced with stagnant incomes and soaring college costs, have seen the dream of a college education for their children slipping away.

To meet the needs of these middle-income families the conference report provides that:

All students regardless of family income can borrow up to the maximum Stafford loan;

All parents with no adverse credit history will be able to borrow up to the total college cost minus other financial aid through the Parent Loans to Undergraduate Students [PLUS] program.

The equity in a family's home or farm will no longer be considered in determining eligibility for financial aid;

The Stafford loan limits would be substantially increased; and

The maximum Pell grant award will be increased from $2,400 to $3,700 for the 1993–94 school year.

The conference report also addresses other important issues. Nearly 100 provisions in the bill strengthen controls on schools and colleges to end waste and abuse and to minimize loan defaults. This bill ensures that an increased investment in student aid will be well spent.

The conference report dramatically simplifies the often bewildering complexity of the current student aid forms and delivery system.

Nontraditional students—those who are older, independent of their parents, working or attending school part time—are now the majority in postsecondary education. S. 1150 revises the programs to more effectively serve these students. It is important to note that fully one-third of all student aid goes to students for direct job training and retraining in occupational and vocational courses. That makes the Higher Education Act the Federal Government's largest job training program.

Mr. Speaker, I would like to take this opportunity to make some remarks clarifying several provisions in the conference report.

First, a number of associations representing institutions of higher education have expressed concerns to me and other conferees with respect to the impact of some of the changes in need analysis. It is their view that these changes will result in a significant number of independent students, and dependent students who work, not being eligible for the same amount of aid they are now receiving in the Pell Grant Program if the maximum award remains at $2,400. The Congressional Budget Office does not agree with their analysis, and these effects were certainly not intended by the conferees. If the changes in need analysis are proven to have the unintended consequences which they fear, we will certainly take expeditious remedial action.

Second, the conference report contains an important new Direct Loan Demonstration Program. Under this program loan capital will be provided directly by the Federal Government rather than through private lenders. Like the current guaranteed student loans, the new direct loans will be funded as an entitlement under the mandatory part of the budget and there will be no limit on the amount of capital that will be available to the institutions participating in the demonstration. Capital availability will be determined by student and parent eligibility, just as in the guaranteed student loan program. With respect to the allocation of capital to institutions, I would expect the demonstration program to operate like the Federal Pell Grant Program, with institutions able to adjust their requests for funds according to actual student eligibility throughout the year.

On behalf of the Government, institutions will determine student and parent eligibility, prepare necessary promissory notes and allocate funds to students following procedures similar to those used in the Federal Perkins Loan Program. As under the Federal Perkins Loan Program, an institution will be liable for determining student eligibility, executing promissory notes and disbursing funds to borrowers. However, unlike the current Federal Perkins Loan Program, the institution will not be liable for a Federal direct loan during the repayment period if the promissory note was properly executed.

Profitmaking firms, nonprofit organizations, State entities, guarantee agencies and institutions of higher education will be eligible to apply for servicing and collection contracts. I would expect the Secretary to take advantage of the existing expertise of those involved in student loan servicing in awarding these contracts. In addition, I would expect the Secretary to permit, to the extent practicable, each institution to select a contractor which it believes will best serve the institution and its students.

Third, the conference report requires that accreditors which accredit institutions of higher education for purposes of title IV eligibility be separate and independent both administratively and financially of any related, associated or affiliated professional association or membership organization. It was not intended that this requirement apply to accrediting agencies which accredit programs for the purpose of establishing the eligibility of these programs to participate in other nontitle IV programs administered by the Department of Education or other Federal agencies. Unfortunately, through a drafting error this requirement was applied to both types of accrediting bodies. I will seek to correct this error at our earliest opportunity.

Finally, let me make it clear that this bill does not change current law with respect to the dental residents' eligibility for in-school loan deferment. Among those in postgraduate dental residencies, there are: Persons who pay tuition and receive a stipend; persons who pay tuition but receive no stipend; persons who pay no tuition but receive only a nominal stipend; and persons who neither pay tuition nor receive a stipend.

All of these dental residents would be considered to be students for purposes of eligibility for in-school deferment of their student loans if the institution at which they are receiving training considers them to be students.

Mr. Speaker, an equal opportunity to obtain a college education regardless of the economic circumstances of an individual or a family has long been the dream and the goal of Federal policy. In signing the Higher Education Act of 1965, President Johnson said that this law "means that a high school senior anywhere in this great land of ours can apply to any college or any university in any of the 50 States and not be turned away because his family is poor." In his higher education message to Congress in 1970, President Nixon said, "No qualified student who wants to go to college should be barred by lack of money." This bill accelerates our advance toward the goal of equal educational opportunity.

Let me remark on the role of the administration in producing this bill. The administration and all the President's men have been whining and carping about this bill and resisting our efforts to aid middle-income families since our hearings began over a year ago.

At our May 8 hearing last year, Secretary of Education Alexander proposed on behalf of the administration to narrow eligibility for the maximum Pell grant to those with incomes below $10,000. This proposal would have excluded 400,000 currently eligible students from the program. Meanwhile our efforts pointed in the opposite direction, expanding the program to serve students from middle-income families.

Last October after subcommittee markup, the Secretary sent a letter threatening to recommend a veto of this bill because of the Pell grant entitlement and the replacement of the guaranteed student loan program by a direct loan program.

As the bill was considered by the House this March, the statement of administration policy indicated that the President's senior advisors would recommend a veto, despite the fact that the Pell grant entitlement had been dropped and the direct loan program was reduced to a demonstration and a study. Now the first reason for the veto threat was the extension of financial assistance to students from middle-income families.

This May as the bill went to conference the veto threat was renewed this time because the direct loan demonstration program was too big, although the administration refused to tell us how big was too big and what size would be acceptable to them.

As the conference meeting concluded the Secretary of Education issued a particularly ill-tempered and petulant veto threat again ignoring the important benefits in the bill for students from middle-income families and narrowly focusing on the size of the direct loan demonstration program.

Now at last, after having stood in the way for the entire process, the administration has concluded that this is "a good bill" that the President should sign.

The unelected political appointees purporting to speak for the Bush administration have been an obstacle around which we have had to navigate and an anchor that we have been dragging through this entire process, and I think everyone should know it.

In concluding, I would like to pay special tribute to the many Members, particularly the members of the Education and Labor Committee, who introduced legislation that has been incorporated into S. 1150. These bills, incorporating many innovative and thoughtful ideas, were essential ingredients in the development of S. 1150. Following my statement I am including in the RECORD a list of the bills and their sponsors which were drawn upon for contributions to S. 1150.

I urge all of my colleagues to support the conference report.

BILLS INCORPORATED IN S. 1150

Andrews, Robert—H.R. 3211 establishing a direct loan program incorporated as a demonstration program in Part D of Title IV.

Ballenger, Cass—H.R. 2943 requiring an evaluation by the Secretary of Education of programs which offer guarantees of assistance to elementary and secondary school students included in Title XIV.

Barrett, Bill—H.R. 3411 to preclude the consideration of nonliquid assets in the determination of need for Federal student financial assistance included in Title IV.

Clay, Bill—H.R. 1503 to provide financing for capital facilities at Historically Black Colleges and Universities included in Title VII.

Cunningham, Duke—H.R. 3957, "The Higher Education Access Act," to provide assistance to needy students to cover the cost of fees associated with taking Advanced Placement examinations included in Title XV.

Frank, Barney—H.R. 2171 to require notice to borrower by both seller and new holder when a loan is sold included in Title IV.

Gaydos, Joseph—H.R. 3129 to clarify the difference between study by telecommunications and correspondence incorporated in Title IV.

Goodling, William—H.R. 2495, "The Teacher Leadership Act of 1991," contributed to the development of Title V particularly with respect to the Mini-Corps, job banks and business partnerships.

H.R. 2627 (by request), Administration's Higher Education Act reauthorization proposal, contributed a variety of proposals particularly with respect to student aid, program integrity and Title III.

H.R. 2716, "Integrity in Higher Education Act of 1991," substantially included in Part H of Title IV, "Program Integrity TRIAD."

H.R. 2852 to encourage articulation between two- and four-year postsecondary education programs included in Title I.

Gordon, Bart—H.R. 3239 to improve the integrity of the student aid programs. Most of the provisions of this comprehensive integrity legislation are included in S. 1150.

H.R. 3372 to create a comprehensive student aid data system included in Title IV.

Gunderson, Steve—H.R. 3241, "Nontraditional Student Opportunity Act," substantially incorporated into Title IV.

H.R. 3426 to improve access to postsecondary education for students with disabilities substantially incorporated into Title IV and other programs.

Hayes, Charles—H.R. 3362 to establish a program for minority international service professional development included in Title VI.

Henry, Paul—H.R. 2433, "The National College Athletics Accountability Act," to require institutional reporting of expenditures for college athletics included in Title IV.

Horton, Frank—H.R. 3437 to require a study of the use of Pell Grants by prisoners included in Title XIV.

Jefferson, William—H.R. 3032 revises Title III, provides for increases in the Pell Grant maximum and a Pell Grant entitlement, modifies the Perkins program, need analysis and general provisions, and includes revisions to Titles II, V, VI and IX substantially incorporated into Titles II, III, IV, V, VI and IX.

H.R. 3244 revises Title III included in Title III.

Kildee, Dale—H.R. 3179 amends the cooperative education programs substantially included in Title VIII.

H.R. 3181 amends the college library programs included in Title II.

H.R. 3455, "Tribal Development Student Assistance Act," and H.R. 3456 included in Title XIII.

Klug, Scott—H.R. 2952, provides Perkins loan forgiveness for providers of services to individuals with disabilities included in Title IV.

H.R. 3182 amends Title VII included in Title VII.

Lipinski, William—H.R. 3136 to provide for evaluation of the TRIO programs included in Title IV.

Lowey, Nita—H.R. 2065 requires institutions of higher education to disclose foreign gifts included in Title XII.

H.R. 2142 expands focus of programs under the Higher Education Act to promote access to the sciences for women and minorities included in part in S. 1150.

H.R. 2350, "National Liberty Scholarship and Partnership Act of 1991," incorporated in Subpart 2 of Part A of Title IV.

Machtley, Ronald—H.R. 1141, "Education Partnerships Act," to permit students to use College Work Study funds for mentoring activities included in Title IV.

Miller, George—H.R. 907 allows the use of state assessment system in the determination of eligibility for Title IV of ability-to-benefit students incorporated in Title IV.

Mink, Patsy—H.R. 2300 provides for cancellation of Perkins loans for borrowers entering nursing included in Title IV.

H.R. 2331 provides Pell Grant eligibility for less-than-half-time students incorporated in Title IV.

Molinari, Susan—H.R. 3261 authorizes prefreshman summer outreach programs for at-risk youth incorporated in Subpart 2 of Part A of Title IV.

Owens, Major—H.R. 3189 provides for support for minority students and faculty members to complete doctoral studies included as Part E of Title IX.

Panetta, Leon—H.R. 1154, "Global Education Opportunities Act," to facilitate the participation of students in programs of study abroad included in Title IV.

Payne, Donald—H.R. 3364 revises several programs to expand postsecondary opportunities for low-income and minority students substantially included in S. 1150.

Perkins, Carl—H.R. 3632, "Work Colleges Act," to provide increased College Work Study support for work colleges included in Title IV.

Reed, Jack—H.R. 3078 removes home equity from the determination of expected family contribution included in Title IV.

H.R. 3274 and H.R. 3275 alternative approaches for excluding from need analysis assets in accounts which have been frozen included in Title IV.

H.R. 3329 amends the TRIO programs to encourage more efficient and effective administration and to strengthen early intervention services for disadvantaged youth included in Subpart 2 of Part A of Title IV.

Richardson, Bill—H.R. 2009, "Higher Education Tribal Grant Authorization Act," and H.R. 2821, "Critical Needs for Tribal Development Act," to improve the postsecondary educational opportunities of Native Americans incorporated in Title XIII.

Roe, Robert—H.R. 190 to remove home equity from the calculation of expected family contribution included in Title IV.

Roemer, Tim—H.R. 3279 increases Pell Grant maximum and the allowance for child care in need analysis included in Title IV.

H.R. 3396 amends the Fund for the Improvement of Postsecondary Education included in Title X.

Roukema, Marge—H.R. 1117, "Student Financial Aid Improvement Act of 1991," revises independent student definition, prevents double counting of student income, excludes home, family farm and small business assets from need analysis, provides for overaward tolerance in College Work Study, restricts eligibility for Title IV assistance of parents of a dependent student and reduces amount of dependent student's contribution from income substantially incorporated in Title IV.

H.R. 1118, "Student Loan Default Prevention Act of 1991," includes provisions for exchange of information between guaranty agencies and state licensing boards, increased information from borrowers, improved exit interviews, restrictions on commissioned recruiters, academic year definition and application of tuition refunds to repayment of Federal funds substantially included in Title IV.

Sawyer, Tom—H.R. 1524, "Student Counseling and Assistance Network Act of 1991," incorporated in Subpart 2 of Part A of Title IV.

H.R. 2531 provides for Urban Community Service and Urban College, University, and School Partnerships programs included in Title XI.

Serrano, José—H.R. 2938 establishes a Teacher Opportunity Corps to enable paraprofessionals working in schools to become teachers incorporated in Title V.

Weiss, Ted—H.R. 3334, "Perkins Loan Improvement Act," to allow cancellation for teachers who teach in any Chapter 1 school included in Title IV.

Williams, Pat—H.R. 2561, "Middle-Income Student Assistance Act of 1991," expands eligibility for student loans, provides for an assurance of Pell Grant funding and excludes home and family farm equity from consideration in need analysis included in Title IV.

H.R. 2597 authorizes support for the National Board for Professional Teaching Standards included in Title V.

H.R. 2912 authorizes support to institutions of higher education for programs to recruit and retain students preparing to become teachers largely incorporated in Title V.

Wise, Robert—H.R. 4260 increases maximum Pell funding, excludes home, farm and small business equity and establishes single need analysis system substantially included in Title IV.

Mr. JEFFERSON. Mr. Speaker, I want to join my colleagues in commending you and your staff for the outstanding work you have done on the reauthorization of the Higher Education Act. I am in strong support of the conference report, S. 1150.

One of the major barriers to participation in postsecondary education has been the rising cost. Over the last 10 years, the cost of a college education has doubled, outpacing the rate of inflation. At the same time, most family's incomes have remained stagnant, and their purchasing power has eroded. One important change in the legislation to address this trend is that the formula for determining how much a student or a family is expected to contribute toward higher education has been made more realistic, in particular, by excluding home and farm equity from consideration. The result is that middle-income students are brought back into eligibility for Federal student aid programs.

I am also pleased to note that the higher education conference report contains several provisions which I authored that will strengthen graduate education at historically black colleges and universities.

Mr. Speaker, since its establishment in 1965, the Higher Education Act has been the primary vehicle for expanding access to postsecondary education for all Americans, and I believe that the amendments made to the legislation under your leadership further the goal of keeping the doors of the Nation's colleges and universities open to low- and middle-income people.

Mr. DURBIN. Mr. Speaker, I rise today to commend the Education and Labor Committee for their fine work on the Higher Education Act, S. 1150. I believe this measure is an important step toward improving middle-class access to postsecondary education.

I would particularly like to express my support for the inclusion of the work-college provision in this bill. Work-colleges such as Blackburn College in my own district, offer students a unique program of education and community service. Blackburn's program helps students gain valuable work experience and take an active role in their community while furthering their education. The work-college provision of this bill is intended to recognize, encourage, and promote the use of such comprehensive work-learning programs.

There are now five schools operating under the work-college model but language contained in S. 1150 allows for the addition of other institutions that want to adopt the work-college approach.

Again, I support the higher education bill and the inclusion of the work-college provision.

Mr. DOWNEY. Mr. Speaker, I rise in support of the conference report. Over the past decade, middle-class students have been squeezed out of most Federal higher education aid programs. At the same time, the cost of attending college has risen dramatically, and sending children to college has become prohibitively expensive for too many families. For many people, the decision on what college to attend is not based entirely on academic preference. Cost has become as significant a factor in their decision as anything else. It is intolerable that qualified students are being denied the best possible education simply because they cannot afford it.

I have heard from many concerned families from my district on Long Island. They have written to me over the past several months pleading that Congress do something to help them send their children to college. This bill responds to their need.

I strongly support the provision in the bill which excludes the equity a family has in its home from determining how much they are expected to contribute toward higher education. This will enable a significant number of families in my district to be eligible for Federal loans. It will also allow more families to be eligible for Pell grants. Plain and simple, removing home equity from the needs formula is a much more realistic way of determining a family's ability to contribute toward higher education.

Another provision which directly assists my constituents is the provision which makes everyone eligible to borrow the maximum Stafford loan, regardless of family income. Students from a family of four attending an average-priced college with an income up to $70,000 will be eligible to have the Federal Government pay the interest on at least part of their Stafford loan.

Mr. Speaker, this legislation reaches out to people who need help. The future of our Nation rests on our ability to have the brightest, most able work force in the world. Providing access to higher education is critical if we are going to meet that goal.

Mr. SERRANO. Mr. Speaker, I rise in support of the Higher Education Act amendments of 1992, H.R. 3553. I am proud to have been involved in the crafting of this important legislation that will determine how we prepare our youth for the future.

The Los Angeles, and New York riots sent us an unmistakable message that our system is failing millions of young Americans. All across the Nation citizens are concerned. They recognize the need and importance of a quality education.

This bill responds to the urgent needs and demands of our diverse student population. Included in this measure is a provision to create a new authorizing $45 million program in part A of title III for Hispanic-serving institutions.

I am especially gratified that an innovative program which I authored—the new teaching careers, which will aid paraprofessionals achieve their teaching certificates or licenses—has been authorized at $30 million in fiscal year 1993.

Mr. Speaker, I am disappointed that we were not successful in our attempts to make the Pell grant an entitlement program this Congress. However, increases were made in the amounts of Federal student financial aid available to all students and families. Conferees also agreed to raise the Pell grant award to $3,700—and allow a summer Pell award to cover summer courses required for matriculation.

Additionally, I am still concerned about language in the bill that would eliminate eligibility for title IV funds for any institution in which more than 85 percent of the institution's revenues are derived from Federal funds. Many of my constituents would be unnecessarily penalized due to their inability to fund their own education. I am worried that we may restrict an individuals ability to choose what may be their best option for a postsecondary education.

I am pleased that this conference report incorporates several recommendations from the Hispanic Caucus, including the expansion of early intervention programs, and the national survey of factors associated with participation. Such a survey will provide a biennial report on academic participation of disadvantaged, minority, and language-minority students. As many educators are aware, the lack of data on Latinos and other minority students is a significant barrier to developing appropriate educational remedies.

The higher education amendments of 1992 reprioritize this Nation's spending. The development of our human resources should be a priority because it will guarantee our future ability to compete in the global market. Only by enhancing the educational attainment of our competitiveness in the world market can we strengthen the state of our economy. I urge my colleagues to vote for this important legislation.

Mr. OWENS of New York. Mr. Speaker, I rise in support of the conference report offered here today to S. 1150. While the conference report does not contain everything I and my constituents would have liked to see in the reauthorization of the Higher Education Act, it is a good bill and will help the students of this country achieve their goals to obtain a quality education while providing additional safeguards to protect the financial interests of the taxpayers of our country.

For many, if not most, young Americans today, higher education will be an essential component in their quest to realize the American dream—or just to lead a happy and successful life. For decades now, higher education has been important in helping people enter the middle class from the lower class and has been increasingly important in opening up new career options for women and minorities.

This conference report is good for middle-income students and their families. It removes home or farm equity from calculations of family need thus saving the one permanent resource many middle-class families have. It also increases maximum income to $42,000 for a family of four to eliminate the pitfall an increasing number of middle-class families found themselves in. Too many middle-class families trying to raise the funds to put their children through college found that they earned too much to qualify for financial aid, but did not have the resources to be able to pay for college without such help. Too many of these students had to delay or deny their dreams of a quality postsecondary education.

For lower-income families the bill simplifies the paperwork needed to be completed in order for students to qualify for financial aid, extends eligibility for Pell grants to less-than-half-time students, and increases the maximum Pell grant to $3,700. Unfortunately, this bill does not include a provision I strongly supported when the bill was originally drafted—a provision to make the Pell Grant Program an entitlement.

I felt that making the Pell Grant Program an entitlement was one of the single most important changes we could have—and should have—made in our higher education statutes. Over the last few decades the loan-grant imbalance has grown drastically. Students now get far less out of their grant dollars than they did 20 years ago. Even the poorest students must take out thousands of dollars in loans in order to afford a quality education. When the financial aid programs were originally created the intent was to provide grants to the poorer students and give middle-income students access to federally guaranteed loans to help them obtain the extra money they needed to pay for their education. Now, however, even the poorest students leave college owing $10,000 or more for their education—and to many students entering college the prospect of this level of indebtedness is prohibitive.

Many of us wanted to return the program to its original goals; however, we were defeated in this attempt by those in this Congress who are not interested in fairness, access, and success for low-income students.

I was also very disappointed that we were not able to include in this bill a new direct loan program to replace the current system of financing student loans that enables the banking industry to run away with Government funds. A direct loan program has the potential to save the Government billions of dollars—however, the banking industry has a chokehold on this Congress on several issues, and the Guaranteed Student Loan Program is one of those issues. I was, however, glad to see that this conference report changes the way interest payments are made to the banks that participate in the program to make the subsidy more flexible along with the flexibility of interest rates.

Despite these disappointments, this conference report will help the thousands of students who are from working class or middle-class families who have been wondering in recent years if they would be able to afford to go to college like they had dreamed. All students will now be able to borrow money for college regardless of family income; however, eligibility for in-school subsidization will still be based on financial need. Loan limits will be raised so that more undergraduate and especially graduate students will be able to pay fully for their education.

The conference report helps older, nontraditional students by increasing loan limits, extending Pell grant eligibility to less-than-half-time students and increasing support for child care expenses. With this increased assistance, more older, independent people will be able to attend school while still supporting their families, thus enabling them to get better paying jobs after completing their education.

The conference report also improves early outreach and intervention programs to encourage students to succeed in elementary and secondary school so that they can make the most of postsecondary education. It strengthens TRIO programs and creates a new Federal-State partnership to encourage collaboration between school districts, institutions of higher education, businesses, and community organizations to provide early intervention services to low-income and at-risk students. It authorizes $200 million to provide such services as tutoring, advising, mentoring, and parental involvement activities. It will also establish a need-based financial assistance program for students who participate in these programs. These programs will help establish a stronger pipeline through students' early years to have greater access to higher education.

The conference report also authorizes $65 million in fiscal year 1993 for college and university library programs and includes increased fellowship funds to increase access to graduate programs for women and minority students.

Mr. Speaker, I strongly support this conference report and urge my colleagues to support it as well. I also hope that in future years, we will be able to accomplish the goals we were not able to accomplish this year. Our low-income students need a guarantee that their Pell grant funds will be available to them—and the only way to do that is to make the program an entitlement. And the taxpayers need this body to do its best to reduce costs in the student loan program—and the way to accomplish that goal is to cut the banks out of the program and make it truly a people's—and students'—program.

Again, I urge my colleagues to vote for this conference report. The students we help to obtain a higher education through this bill will be the government, business, and community leaders of tomorrow that will help this country remain strong. Support our students. Support the conference report.

Mr. POSHARD. Mr. Speaker, I am pleased to rise in strong support of the Higher Education Act reauthorization conference report. Education is the key to our economic future and our future as a civilized society. This bill makes an important investment toward those ends. Every American who wishes to pursue their goals in life will now be better able to take advantage of the educational opportunities as a result of this bill.

This conference report is worthy of our support for a number of reasons. It makes all students, regardless of their income, able to borrow up to the maximum Stafford loan, with eligibility for the in-school interest subsidy based on financial need. All parents, regardless of income with no adverse credit history, will be able to borrow up to the total college cost minus other financial aid through the PLUS program. Approximately 3 million families of students will be able to borrow increased amounts. A family's home and farm equity will not be considered in determining a student's eligibility for assistance and increases the maximum Pell grant award to $3,700 making a student from a family of four with an income of $42,000 eligible for the minimum Pell grant.

The report also makes several improvements in the effectiveness of student aid, simplifying the student aid application process and delivery system and addresses the needs of nontraditional students.

Speaking as a Member from a rural area and a State where we depend upon the presence of institutions of higher education to provide economic development and educational opportunities, I am well aware of the importance of this legislation. Our ability to compete in a changing international marketplace will depend upon our commitment to provide the next generation with a quality education. I commend the authors of this legislation for their wise course of action and lend my strong support to this bill.

Mr. ORTIZ. Mr. Speaker, I rise in support of the conference agreement on S. 1150, reauthorization of the Higher Education Act. I commend Congressman WILLIAM D. FORD, chairman of the Education and Labor Committee, for his leadership in crafting this important legislation.

As chairman of the congressional Hispanic caucus, I am particularly pleased that S. 1150 contains a number of provisions to increase the number of Hispanic, minority, and other low-income students in higher education. Several of these provisions were developed by the congressional Hispanic caucus as part of H.R. 3098, the Hispanic Access to Higher Education Act of 1991.

Among the important programs established in S. 1150 for Hispanic students are an early intervention program to reach out to students before they are at risk of dropping out, several teacher training programs designed to increase the number of qualified, minority teachers, and a new study to increase our understanding of why Hispanics, minorities, and other low-income individuals participate or succeed in higher education.

In addition to these programs, S. 1150 also contains a new $45 million institutional development program for Hispanic serving institutions [HSI's]. This program will help to ensure that our system of higher education meets the unique needs of the Nation's large and growing Hispanic community.

In sum, Mr. Speaker, S. 1150 will help to ensure that Hispanics and all Americans have an equal opportunity to benefit from the Nation's system of higher education.

Mr. FAZIO. Mr. Speaker, I rise in support of S. 1150, the conference report for the Higher Education Amendments of 1992. If this bill is enacted, students from working families—for whom the right to a college education has been slowly but surely drifting out of reach—will have better access to this part of the American dream.

The Higher Education Act is the backbone of Federal aid to higher education. It is the bill that enables America's students to pursue their education past high school. Half of all of the students at the University of California receive some form of financial support. And half of this support comes from Federal funding, to the tune of $214 million in the 1989–90 academic year alone. At the California State University [CSU], nearly 200,000 students applied for financial aid in 1990–91, a 17-percent increase over the previous year, and Federal financial aid accounted for 76 percent of the assistance that these CSU students received.

Unfortunately, there has been a decline in Federal student aid over the last decade. This decline has been compounded by the fact that college tuitions have risen four times faster than the average family's disposable income during the same period. The administration's current student aid policies allow only the children of the very wealthy to go to any college they want, and limit Federal financial aid to only the poorest of the poor. The right to a college education has become more of a dream, and less of a reality, for the children of hard-working American families.

But, the children of hard-working middle-income families should have the same chance to fulfill their dreams as children from wealthy families. S. 1150 will extend that opportunity to these children. S. 1150 is the bill that reauthorizes and enhances the Higher Education Act, bringing Federal loans and grants for college and trade school degrees within closer reach of students from our middle-income families.

Forty-five percent of the students at the University of California depend on the Government's guaranteed loan program to help finance their education costs. Twenty thousand out of 1.5 million students at California community colleges received guaranteed student loans in 1990–91. S. 1150 will enable all students, regardless of income, to borrow up to the maximum limit allowed in this program. It will also permit more middle-income students to borrow more money each year. If it becomes law, 1.1 million current borrowers will be able to borrow more money for their education. And 1.4 million new students will be eligible to borrow—with 1.2 million of these students from families with incomes over $35,000.

Depending upon their financial need, some students will be eligible for the in-school interest subsidy—the Government will pay the interest on their loans for as long as they are in school. For example, a student from a family of four, attending an average priced college, with a family income up to $70,000, will be eligible to have the Federal Government pay the interest on at least part of his or her Government loan.

The limits on guaranteed loans have also been raised—from $2,625 to $3,400 for full-time second year students, from $4,000 to $5,500 for full-time undergraduate students, who have finished 2 years, and from $7,500 to $8,500 for full-time graduate students.

There are also no limits at all on PLUS loans—loans to parents for the education of their dependent children. This means that parents with good credit histories can now borrow what they need for their children's education, minus other financial aid, regardless of their income. As a result, about 3 million families with an average income of $44,000 will be able to borrow increased amounts.

Borrowing limits are also increased for the Perkins loan program—loans for low income students. Students who participate in this program are eligible to have their loans forgiven if they enter certain careers—for example, teaching in schools in which 30 percent of the students' families are at or below the poverty level; teaching disabled infants, toddlers or children; or working for family service agencies that serve high-risk children.

Approximately 70 percent of all Pell grants—the primary source of Federal student aid for low-income students—go to families with annual incomes below $15,000. But, if S. 1150 becomes law, it is estimated that students from families of four with incomes up to $42,000 would be eligible for the minimum Pell grant. Additionally, the authorized maximum grant would jump from $2,400 to $3,700 during the first year, and this would increase to $4,500 over the next 5 years. Another 1 million students would be eligible for Pell grants, and the 4 million students currently receiving Pell grants would be eligible for increased awards. California has historically received 7.5 percent of total Pell grant funds. Ninety-seven thousand California community college students received Pell grants in 1990–91.

S. 1150 also introduces a new way of determining need—a different means of calculating how much each family should contribute toward educational expenses—opening the door even wider for middle-income parents. Equity in the family home or farm is no longer included in the needs assessment, and there is an educational savings protection allowance that will aid families who have been able to plan ahead and save for their children's education.

The bill streamlines the whole application process for students so that they only have to fill out one form for all their Federal applications. And students may also just update their applications annually, instead of filling out an entire new form each year.

S. 1150 also reaches out to nontraditional students—who are usually older, working, and returning to school for a degree—by making less-than-half-time students eligible for grants, by including a child care allowance when determining grant eligibility, and by not limiting a student's length of study, but instead allowing students to remain eligible for grants so long as they are making satisfactory progress.

S. 1150 also establishes a demonstration program for direct loans to students, eliminating banks and other lending institutions and permitting the schools themselves to originate loans. It is anticipated that this pilot program of direct lending will save the Government $47 million over the next 5 years.

S. 1150 contains provisions that will end fraud, waste, and abuse in the system. For example, S. 1150 now requires that State agencies review schools that wish to participate in the Federal program. And, in an effort to reduce loan defaults, it introduces graduated repayment schedules for borrowers.

What adds to the importance of the bill is the fact that, although loans and grants for students and families are the heart of S. 1150, this bill is much more far reaching. S. 1150 supports college work study programs involving part-time work for graduate and undergraduate students. It also supports teacher training and recruitment through programs that recruit and train badly needed teachers for elementary and secondary schools. Examples are the new national teacher academies in English, math, science, history, and foreign language, and the career and educational opportunities for support workers in elementary and secondary schools who want to become certified as teachers.

S. 1150 also supports sexual offense education and prevention grants on campus. It maintains partnerships—between school districts, institutes of higher education, businesses, and community organizations—to provide tutoring, mentoring, and parental involvement activities that will encourage students to go to college. S. 1150's programs also sustain and strengthen historically black colleges and universities, as well as college and university libraries.

Every American child should be allowed to pursue a higher education. If this is indeed prominent on our list of priorities, we cannot permit our Nation's educational programs to be jeopardized by inadequate funding. S. 1150 is the tool that will help us to meet our responsibility to provide our children with basic access to the variety of postsecondary education options that this country has to offer.

Mr. Speaker, I once again commend Chairman FORD and the members and staff of the House Education and Labor Committee, as well as the Subcommittee on Postsecondary Education and their colleagues in the Senate, for their ongoing work in developing and formulating the Higher Education Amendments of 1992. Moreover, I urge my colleagues on both sides of the aisle to support this important piece of legislation.

Mr. GEJDENSON. Mr. Speaker, our higher education system is the most extensive in the world, preparing students for a wide variety of career paths. However, it is not without its faults. The current student loan system has some serious problems that need to be addressed, one being that over $1 billion is wasted annually on interest subsidies to banks offering student loans. Additionally, those students lucky enough to get loans find themselves strapped with huge loan payments after graduation. The debt burdens and difficult repayment schedules these borrowers face are often unbearable and the major reason our default rate continues to skyrocket.

The direct lending pilot program, included in the reauthorization package of the Higher Education Act, is a sensible solution to the problems plaguing current financial aid programs. The direct lending provisions of the legislation authorize the Secretary of Education to pick a combination of schools which collectively lent $500 million in student loans last year, to start direct-lending programs. Some 35 percent of the schools in the pilot program would be able to offer students the opportunity to pay back their loans on an income-contingent basis.

Removing banks from the student loan system will drastically curb waste in our financial aid programs. Currently, student loans are financed by using private capital, for which the Government is charged market interest rates. With this pilot program, however, students will receive loans directly from the Government and costly interest subsidies will be eliminated.

Since 35 percent of the schools involved in the pilot program will offer students an income-contingent repayment schedule, borrowers will find that their loan payments are more reasonable. This progressive system guarantees that borrowers at all income levels will not pay more per month than they can afford. It also means that college graduates taking lower paying jobs in teaching or social services can make smaller loan payments at lower interest rates for a longer time than someone who takes a high-paying job.

Another major advantage of the income-contingent repayment schedule is that loan defaults, which last year cost the taxpayers over $3.6 billion, will be reduced significantly. Since borrowers will only pay a manageable percentage of their income, there will be no need to default.

As you may know, I have been a long-time supporter of direct lending and income-contingent repayment schedules. These innovative programs save hard-earned taxpayer dollars and make the current financial aid system more efficient. Additionally, they give students trying to finance their educations a better deal.

Not only will the direct-lending portion of the pilot program give every student, regardless of family income, the chance to finance their college education, but the income-contingent repayment provisions will reduce the number of defaults.

While I would like to see a more comprehensive income-contingent loan program implemented, I believe that this proposal is a step in the right direction. I urge my colleagues to support the reauthorization package and give this important loan program the chance it deserves.

Mr. PICKETT. Mr. Speaker, I rise in support of the conference report for S. 1150, the Higher Education Act Amendments of 1992.

At a time when over 7 percent of our people are out of work, and our basic industries are struggling to compete effectively with those in Japan, the European Economic Community, and much of the Third World, the Higher Education Act represents a wise investment in our economic future. It has helped millions of Americans develop their full potential by giving them a chance to attend college or vocational school. Without a doubt, the Higher Education Act is one of the best programs ever devised by Congress to help build a highly qualified work force and promote economic growth.

The Higher Education Act Amendments of 1992 will greatly improve upon current law by expanding the availability of Federal student financial aid to students from middle-class families. During the 1980's, the cost of a college education increased far more rapidly than either average wages or the general rate of inflation, making it difficult—and in some cases impossible—for middle-income families to keep their children in school. The conference report recognizes this.

I am particularly pleased that this conference report contains language to establish early intervention programs and scholarships to enable disadvantaged, at-risk students to enter and complete courses of study on the postsecondary level. The legislation would establish a Federal-State partnership using the State Student Incentive Grant Program [SSIG] as a model, to fund scholarships for students who successfully complete precollegiate early intervention programs.

In implementing this program, the legislation calls upon the Secretary of Education to "encourage the State to ensure that the tuition assistance provided pursuant to this section is available to an eligible student for use at any eligible institution." I strongly urge the Secretary to take this instruction very seriously and ensure that States enable students to participate in any and all tuition assistance programs funded by this legislation, should they choose to attend either independent or public 4-year colleges and universities.

Public and private 4-year colleges have shown that they are equally capable of educating poor and disadvantaged students. Those participating in the new early intervention scholarship programs will have overcome great odds and should be permitted to study at the institution of higher education which they believe offers them the greatest chance of fulfilling their goals. Poor and disadvantaged students should have a choice.

I also commend my House and Senate colleagues for their efforts to further combat fraud and abuse in the Federal student loan programs. Fraud and abuse cannot and will not be tolerated. In our efforts to eliminate fraud and abuse, however, we should be careful not to hinder the efforts of those career colleges which are striving to provide quality education programs to students who choose not to attend a traditional 2- or 4-year college or university.

I have had the opportunity to visit several career colleges in my district and to talk with the students who attend these institutions. Many are the nontraditional students which this conference report strives to aid. Many come from disadvantaged backgrounds and are trying to avoid welfare dependency. Others are young people who want specialized training that will provide them immediate access into the work force. In my district, many of these students are, and will be, individuals affected by the military drawdown who will need retraining before they can enter the civilian work force. I am familiar with many career colleges which have been quite successful in preparing students for immediate work, and I believe that this is the kind of career preparation that we should encourage rather than discourage.

I am concerned that the language contained in this legislation which eliminates eligibility for title IV funds for any institution which derives more than 85 percent of its revenues from Federal funds, may result in restricting a student's ability to attend the postsecondary institution of his or her choice. I would urge my colleagues to be careful in enacting legislation which restricts the ability of career colleges to participate in the Federal student aid programs when these schools serve a large number of students who need financial assistance the most.

I commend Chairman FORD and the members of the conference committee for their efforts and I urge my colleagues to support the conference report.

Mr. GREEN of New York. Mr. Speaker, I rise in support of the conference report on S.1150, the Higher Education Reauthorization, which is the main source of Federal assistance for our Nation's higher education programs. However, while I support the bill, I should like to take this opportunity to object to one of the revisions to current law made by this legislation. Like the House adopted bill, the conference report discriminates against renter households. Under this new legislation the homeowner family will not have to include the value of its home in the financial aid application but the renter household that has $100,000 in savings will have to include that amount. The 1986 tax bill already provided a break to homeowners by allowing them to deduct second mortgages for other purposes, including education, so why are we enacting a provision that further discriminates against renter households? For my constituents, many of whom are renters, this change is grossly unfair and I feel an obligation to point it out.

Mr. GAYDOS. Mr. Speaker, as a member of the conference committee, I rise in support of this conference report to reauthorize the Higher Education Act of 1965 because it will go a long way toward giving students the chance to achieve their educational dreams. It will also ensure that taxpayers' dollars are spent wisely and effectively.

Too many students have seen their dreams of attending college fade away as college costs steadily increased at a rate that has outpaced the rate of inflation and also increased at a rate that is two to three times faster than the growth in the median family income. During this same period, families who are not considered to be in the top 20 percent of the economic ladder have seen their incomes stagnate or decline.

All of this is happening at a time when the Federal commitment to higher education has not even come close to keeping pace with the rate of inflation. Just look at the Pell Grant Program, for example. In 1979, the last year the program was fully funded, a student from a family of four having an income of $25,000 could receive a minimum Pell grant.

If overall funding for the Pell Grant Program and the 1979 maximum Pell grant of $1,800 had kept pace with inflation, the maximum grant today would be about $4,500 and would provide a minimum grant of $400 for a student from a family of four earning about $49,000 per year.

While the maximum Pell grant is currently authorized at $3,100, because of funding shortfalls, the maximum grant students actually receive is only $2,400. This level of support provides a minimum grant to a student from a family of four having an income of $35,000. In other words we are failing to reach students we originally intended to help by some $14,000 in family income.

The conference agreement before us attempts to correct this situation and to increase students' buying power in all of the assistance programs. As a result of this bill:

Four million current Pell grant recipients would receive larger awards; 1 million additional students would be eligible for Pell grants, with students from a family of four having an income of $42,000 eligible to receive a minimum grant of $400; 1.1 million current Stafford loan borrowers would be able to borrow larger amounts; 1.4 million additional students would be eligible to borrow under the Stafford Loan Program with 1.2 million—or 86 percent—of these new borrowers coming from middle class families; and, approximately 3 million families would be able to borrow more money from the Parent Loans for Undergraduate Students Program.

While all of this means that students will have more money available to finance their educations, it does concern me that a great deal of this money seems to be in the form of loans—not grants.

When the student assistance programs were first created, grants represented about 75 percent of a student's Federal assistance package and loans made up the other 25 percent. Today, those figures are reversed—loans comprise about 75 percent of a student's package and grants about 25 percent.

This grant and loan imbalance has created serious debt burdens for many students and their families, especially those students from middle income backgrounds who have been forced to rely almost exclusively on loans in recent years.

How well Federal education dollars for higher education are used is another critical issue. It is no secret that the integrity of the assistance programs has come under serious scrutiny in recent years.

The conferees who worked on this report embraced a wide variety of provisions that will strengthen existing laws and regulations and add several new ones that are aimed at eliminating fraud and abuse in the student assistance programs. These provisions are also geared toward increasing the quality of services provided by all of the players involved with these programs—including schools, lenders, secondary markets, and guaranty agencies.

I think we are all familiar with the tabloid news articles and the investigative television programs that focused on a few lousy schools in the career training sector of our higher educational system. These accounts seemed to indicate and in some cases blatantly stated that the student assistance programs were riddled with fraud and abuse and that virtually every school was guilty of some impropriety.

After the media blitz died down, many people were able to sit down and separate true fact from sensationalized fact.

They discovered what I have been saying for many years now. Sure there is some fraud and abuse in the programs—but not to the extent that people had been led to believe and not just on the part of career training schools—and that an unhealthy share of the fraud and abuse was brought about by a severe lack of oversight on the part of States and the Department of Education.

They also learned that no all career training schools are lousy. In fact, not only are the vast majority of schools doing an outstanding job of educating and placing their students, but many of these schools are far superior to their neighboring, completely tax-supported, community colleges.

We have come a long way in a few short years because fewer people are calling for the complete elimination of career training schools, and more people are realizing that students must have a wide variety of educational options—including choosing a quality career school over a mediocre community college.

While we have come a long way, we still have an even farther way to go because there are still individuals who refuse to look at the facts and wrongly insist that virtually every career school is in business solely to rip off students and taxpayers simultaneously.

Unfortunately, the reputations of many fine career schools have been tainted because they have been painted with the same indiscriminating brush as that which was properly used to paint a handful of their colleagues.

Even though many of the integrity provisions are targeted toward career training schools, several of my colleagues tried to ensure that students attending all types of schools would be treated fairly and equitably. And, for the most part, the integrity provisions are rational and defendable.

I am confident that most of the schools which are performing exceptional services to their students and communities will have little difficulty in meeting the new standards. Unfortunately, no matter how fair we tried to be, some good schools will not be able to meet them. Hopefully, the number of good schools which will be forced to close will be very low because we really cannot afford to lose even one good school.

I urge my colleagues to join me in supporting the conference report because the provisions in it will ensure that students have the necessary finances to attend postsecondary programs of their choice, and will ensure that their money is well spent by eliminating both real and perceived fraud and abuse practiced by all of the entities having an interest in the assistance programs—including schools, lenders, secondary markets, and guaranty agencies.

Mr. PANETTA. Mr. Speaker, I rise to express my strong support for this measure for which the chairman of the House Education and Labor Committee, Mr. WILLIAM FORD, has worked so tirelessly. His tremendous efforts will result in expanded access of middle-class families to student financial aid. Although the real heart and soul of this bill centers on financial aid, I want to highlight some specific provisions in the legislation.

Of particular significance is title V regarding teacher training. This title provides for the inclusion of teaching academies in the foreign language subject area. Foreign languages and international education are areas that I have long been involved and supported. My most recent effort in this area was legislation I introduced last year called the Global Education Opportunities Act, H.R. 1154.

Provisions from both titles of my bill were ultimately incorporated into the reauthorization measures in both the House and Senate. As a result, this country will have more teachers trained at the elementary and secondary level, and the resources to accomplish this goal. Also included are provisions to make it easier for students to use their financial aid moneys to study abroad, which is an activity already allowed under current financial aid rules.

All of this would not have been possible without the support of Chairman FORD, the 100 cosponsors of this legislation, and the support of my colleague, Senator CHRISTOPHER DODD, who introduced the companion bill. Mr. DODD and I also cochair the House/Senate International Education Study Group which is an informal group of members who work to increase congressional and national awareness of the importance of foreign languages and international education to the quality of life, national security, and economic prosperity of the United States.

The need for these foreign language and international education provisions is more than evident. Only 17 percent of public elementary schools offer any form of language instruction and more than 35 States are experiencing or projecting shortages of foreign language teachers. Too few Americans study abroad, in fact, fewer than 17 percent of American undergraduate students study abroad. Furthermore, far too few American students in the sciences, engineering, business, and other disciplines crucial to our economic well-being study a foreign language or study abroad.

I believe that the inclusion of these provisions of my original legislation will address these needs and truly help in setting this country on a course toward proficiency in other languages and cultures to cope on an everyday basis, beginning with elementary and secondary language acquisition, and qualified teachers.

At no time in history have events in one country or on one continent had more pervasive and lasting impact on the rest of the world. Changing world conditions are focusing the attention of America on the inescapable reality of cultural and linguistic diversity. Our vision for the world must include a global perspective and global knowledge if we hope to improve our Nation's competitive edge in the global marketplace.

Mr. DORGAN of North Dakota. Mr. Speaker, today we are given the unique opportunity to help average Americans realize the dream of sending their children to college. The conference report on the Reauthorization of the Higher Education Act represents the culmination of efforts of all those who made it a priority to expand access to higher education to include all Americans, including middle-income and farm families.

For many average families in this country, the dream of higher education was becoming more and more distant. These middle-income families often were ineligible to receive student financial aid, even though no one reasonably suggested that their incomes were adequate to cover the rising costs of college tuition. The very taxpayers who bear the brunt of paying for Federal financial aid programs were foreclosed from participating in it.

Many families found themselves ineligible because of equity that they had built in their homes or farms. The financial aid program expected parents to sell their homes and farms in order to send their children to college. This unfair policy had the effect of excluding many middle-income families from realizing their dreams of higher education.

The legislation that we are considering today finally treats farm families and other middle-income Americans fairly in the distribution of financial aid. This bill increases income eligibility limits for guaranteed student loans and Pell grants, increases Pell grant award amounts, and revises the eligibility determination formula to exclude home and farm equity. At last, average Americans will be able to afford to send their children to college without giving up their homes and their livelihoods.

As a cosponsor of the Middle-Income Student Assistance Act, much of which is incorporated into this bill, I support the conference report's efforts to finally make a college education affordable to all Americans. This bill restores the dream of higher education for thousands of middle-income and farm families, and deserves the support of every Member of this House.

Mr. BUSTAMANTE. Mr. Speaker, today this House will consider the conference report on S. 1150, the Higher Education Amendments of 1992. As a former educator, I strongly support this legislation, which will provide financial assistance for middle-income Americans.

Included in this conference report is a title III provision establishing a postsecondary network of Hispanic institutions of higher education.

This provision is based on legislation I introduced 4 years ago and is the culmination of my efforts to enhance the educational opportunities of Hispanic-Americans.

In this regard, I would like to thank the chairman of the Education and Labor Committee for his support in including this provision in the conference report which I urge all Members to support.

Mr. Speaker, I rise in strong support of the conference report on S. 1150, the Higher Education Amendments of 1992. As a former educator, I strongly support this legislation which will expand educational opportunities of middle-income and low-income Americans.

I would like to express my thanks to Chairman FORD and the entire Education and Labor Committee for fighting so vigorously in conference to have included in the final conference report the title III provision establishing a postsecondary network of Hispanic institutions of higher education [HSI's].

This provision is based on legislation I introduced on March 22, 1989, H.R. 1561. I have worked for the adoption of the basic concept behind this bill for the past 4 years and am extremely pleased that my many years of work have finally come to fruition.

I have pressed for the inclusion of this legislation in the Higher Education Reauthorization bill in order to enhance the educational opportunities of Hispanic-Americans.

It is the view of this Congress that the establishment of this HSI network represents a monumental step in Hispanic higher education—one which will provide Federal and State government, as well as the private sector, with a federally supported and recognized Hispanic student network that will make it easier for such public and private entities to target education resources and programs for the purpose of improving Hispanic educational achievement. In the years to come, Hispanic-Americans will constitute a substantial portion of our work force, and it is the intention of this Congress that this legislation will act as a vehicle for ensuring that this important segment of the population will be educationally prepared to meet the challenge of working in an increasingly technology-driven society. In this regard, I would like to thank the chairman of the Education and Labor Committee for his support in including this Hispanic postsecondary provision in the conference report. The Hispanic community greatly appreciates and will long remember the educational assistance it has received from Chairman FORD. I urge all Members to support this crucial education legislation and submit the following documentation as legislative history on this measure.

COMMITTEE ON
EDUCATION AND LABOR
Washington, DC, April 18, 1989.

Hon. ALBERT G. BUSTAMANTE,
Longworth House Office Building, Washington, DC.

DEAR AL: Thanks for writing me concerning H.R. 1561, the "Hispanic-serving Institutions of Higher Education Act of 1989."

I think this is an important bill. It addresses a very real need facing this country, namely the necessity of improving educational opportunities and achievements for Hispanic Americans. I am personally interested in this issue, and want to do what I can to be helpful. This Congress, we have several authorizations expiring, and thus we have a very busy hearing schedule already planned. However, the most appropriate context for the consideration of your bill might be the hearings leading to the reauthorization of the Higher Education Act. At that time, I would like to hold a hearing on your bill and the issue of Hispanic Americans and higher education, and I think the best location for such a hearing would be on a college campus in Texas.

I hope we can work together at putting these hearings together and at making sure that Congress gives this legislation and the issue it addresses the attention and support it deserves.

Best regards.

Sincerely,

PAT WILLIAMS.

H.R. 1561

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Hispanic-Serving Institutions of Higher Education Act of 1989".

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) Hispanic Americans have suffered from de jure segregation at American elementary and secondary public schools;

(2) failures of elementary and secondary school systems to meet the educational needs of Hispanic students are mirrored in postsecondary institutions;

(3) therefore, Federal efforts should be launched at the postsecondary level to address the deleterious effects of discrimination against Hispanics in education;

(4) until the era of the civil rights movement, Hispanics (like black Americans) were often excluded from higher education, but unlike black and Indian groups, have received no support for developing their own Hispanic colleges and universities;

(5) to address discrimination against Hispanics in education a federally supported network of institutions of higher education, which have a student body that has traditionally had a significant portion of Hispanic students, should be established;

(6) the number of Hispanics enrolled in higher education has increased steadily over the past decade;

(7) nevertheless the rate of higher education enrollment by Hispanic high school graduates has declined substantially over the past decade, despite a slight recovery between 1985 and 1986;

(8) the rate at which Hispanic children drop out of elementary and secondary schools is substantially higher than the national average for all students;

(9) higher education institutions play a constructive and critical role in helping the entire educational pipeline better serve persons of Hispanic origin; and

(10) in order to undertake and carry out activities designed to improve Hispanic educational attainment, these Hispanic-serving institutions will need additional financial assistance.

SEC. 3. PURPOSE.

It is therefore the policy of the Congress and the purpose of this Act to provide Hispanic-serving institutions of higher education with financial assistance to improve the educational attainment of Hispanic Americans.

SEC. 4. DEFINITIONS.

As used in this Act—

(1) the term "Hispanic-serving institution of higher education" means an institution of higher education which—

(A) has a student enrollment that is at least 25 percent Hispanic;

(B) is duly accredited by an agency recognized for that purpose by the Secretary;

(C) provides a four-year program leading to a baccalaureate degree or a two-year program leading to an associate's degree; and

(D) is a public or nonprofit private institution of higher education; and

(2) the term "Secretary" means the Secretary of Education.

SEC. 5. AUTHORIZED ASSISTANCE.

(a) TYPES OF PROGRAMS AUTHORIZED.—The Secretary shall provide such financial and related assistance to Hispanic-serving institutions of higher education as he finds necessary or appropriate to help them plan, develop, undertake, and carry out programs in any of the following areas:

(1) Student financial aid programs targeted for Hispanic students at all collegiate levels based on need. The purpose of such programs shall be—

(A) to provide financial assistance to Hispanic high school graduates who wish to enroll at institutions participating under this Act; and

(B) to provide financial assistance to students enrolled at institutions participating under this Act so those students can remain enrolled until the completion of their degree work.

(2) Hispanic recruitment and retention programs designed to increase the recruitment of Hispanic students at all collegiate levels by providing financial and academic support services designed to assist Hispanic students in completing academic requirements necessary for graduation in any degree program.

(3) Academic tutoring and academic counseling programs designed to assist Hispanic students at all collegiate levels in the selection of a suitable degree program, and provide such students with any additional instruction as may be necessary for them to complete their degree requirements.

(4) The implementation of special educational initiatives, such as—

(A) establishment of pre-freshman orientation programs on campus to ease Hispanic students' transition into higher education by providing counseling on critical study skills, academic resources, and personal budgeting techniques;

(B) establishment of pre-freshman instruction programs designed to help Hispanic students complete introductory college-level courses in core curricula such as math, science, and English; and

(C) establishment of academic support services for Hispanic students enrolled in fields where Hispanics are traditionally underrepresented such as math, science, and engineering.

(5) Collaborative activities with local educational agencies to identify Hispanic students at risk of dropping out, to implement programs to prevent dropping out, and to attract Hispanic dropouts back into the classroom.

(b) CONDITIONS FOR ASSISTANCE.—(1) The Secretary shall not provide assistance under this Act to any two-year institution unless such institution agrees to reserve at least 25 percent of its funding under this Act to assist graduates of the institution to continue and complete their college educations at duly accredited four-year institutions of higher education.

(2) The Secretary shall not provide assistance under this Act to any four-year institution unless such institution agrees to reserve at least 25 percent of its funding under this Act to recruit graduates from two-year institutions participating under this Act.

SEC. 6. APPLICATION PROCESS.

(a) INSTITUTIONAL ELIGIBILITY.—Any institution of higher education desiring to receive assistance under this Act shall submit to the Secretary such enrollment data as may be necessary to prove that it is a Hispanic-serving institution of higher education as defined in section 4, along with such other information and data as the Secretary may by regulation require.

(b) APPLICATIONS.—Any institution which is determined by the Secretary to be an eligible Hispanic-serving institution of higher education (on the basis of the information and data submitted under subsection (a)) may submit an application for assistance under this Act. The application shall include—

(1) a 5-year plan for improving the assistance provided by the institution to Hispanic students at the collegiate and pre-collegiate levels;

(2) satisfactory evidence that the institution will, if provided with assistance, enter into a collaborative arrangement with at least one local educational agency to provide that agency with assistance in reducing Hispanic dropout rates, improving Hispanic rates of academic achievement, and increasing the rates at which Hispanic high school graduates enroll in higher education; and

(3) such other information and assurances as the Secretary may require to carry out the purpose of this Act.

(c) ADDITIONAL COLLABORATIVE ARRANGEMENTS PERMITTED.—In addition to the collaborative arrangement required by subsection (b)(2), an eligible institution may enter into collaborative arrangements with nonprofit organizations or private sector business entities, or both, in order to carry out the purposes of such subsection.

SEC. 7. AWARDS OF ASSISTANCE.

(a) IN GENERAL.—Upon approving the application of any Hispanic-serving institution of higher education submitted under section 6, the Secretary shall enter into arrangements with such institution to provide it with financial assistance in such form, and for such period not exceeding 5 years (subject to subsection (b) and subject to the availability of appropriations), as he may deem appropriate to carry out the purpose of this Act.

(b) ANNUAL REVIEW OF INSTITUTIONAL PROGRAMS.—The Secretary shall annually review the conduct of each institutional recipient of assistance under this Act of the programs and activities for which such assistance is being provided, and shall terminate the provision of such assistance if, pursuant to any such review, he determines that such programs and activities are not achieving their objectives.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

To enable the Secretary to carry out this Act, there are authorized to be appropriated the sum of $70,000,000 for the fiscal year 1990 and such sums as may be necessary for each of the succeeding 4 fiscal years.

COMMITTEE ON
EDUCATION AND LABOR,
Washington, DC, June 22, 1992.

Hon. ALBERT BUSTAMANTE,
U.S. House of Representatives,
Washington, DC.

DEAR ALBERT: Thank you for the letters of May 6 and June 8 commenting on the reauthorization of the Higher Education Act on which you joined as a member of the Congressional Hispanic Caucus. I have delayed responding until the conference committee on this legislation completed its deliberations so that I could report to you the actions of the conference with respect to the issues on which you commented.

I am very pleased to report that the conference committee accepted the provision to create a program for Hispanic-Serving Institutions in Part A of Title III. At the initiative of Congressman Serrano the full authorization of $45 million was accepted. In addition, the definition of Hispanic-Serving Institutions as those with an enrollment of at least 25% Hispanic students was also retained.

The conference agreement includes the provision from the House bill to grant states the flexibility to develop their own methods of determining whether a student possesses the "ability to benefit" from higher education. The provision that would have excluded institutions from the Pell Grant program as well as the Stafford Student Loan program based on high default rates was dropped as you recommended. The requirement that institutions derive not more than 85% of their revenues from the student aid programs was retained. However, it is important to note that this provision applies only to proprietary schools and would therefore not affect institutions in Puerto Rico, which are primarily private non-profit institutions, or tribally-controlled community colleges.

Finally, the recommendations which you made concerning data collection, TRIO, early intervention, teacher training and graduate education were all substantially accepted in the conference.

Finally, let me also respond to the letter of May 15 concerning loan access for students attending private career schools on which you joined as a member of the Texas Congressional Delegation. The conference agreement adopted the strongest language that was available to enhance the lender of last resort program in each state to ensure that all students have access to loans to enable them to pursue postsecondary education.

I appreciate very much your support for the reauthorization of the Higher Education Act when this legislation was considered by the House in March. I hope that you will support the conference report (S. 1150) when it is taken up by the House in the near future.

With kind personal regards,

Sincerely,

WILLIAM D. FORD,
Chairman.

CONGRESS OF THE UNITED STATES,
June 8, 1992.

Hon. WILLIAM D. FORD,
Committee on Education and Labor.

DEAR MR. CHAIRMAN: As you know, the Hispanic-Serving Institutions (HSI) provision under Part A of Title III of the Reauthorization of the Higher Education Act is of extreme importance to the nation's Hispanic community. The new section will provide:

> * * * grants and related assistance to Hispanic-Serving Institutions to improve and expand their capacity to serve Hispanic and other low-income students.

Your assistance is needed and respectfully requested to help ensure that this new subpart is enacted into law. Three issues are essential to the success of this proposal.

First, it is essential that the authorization level for HSIs remain at $45 million. This authorization will ensure that HSIs receive the assistance they need to make a difference with the mission to provide our Hispanic youth with the financial resources to pursue an education.

Second, the 25 percent enrollment level is important to ensure that a sufficient number of institutions are prepared to meet the needs of a large and growing Hispanic community. Increasing the threshold to 40 percent, for example, would eliminate more than half of the mainland institutions eligible under the 25 percent threshold.

Third, tying the HSI provision to full funding for Part A is not acceptable because such a "hold harmless" clause would prevent the funding of the HSI provisions. We would like to state that the HSI provision is a NEW and separate funding authority, and is not designed to impact Part A.

The Congressional Hispanic Caucus is very supportive of the HSI language as it currently exists in S. 1150. We respectfully urge your support of this provision, which is of the utmost importance to our nation's Hispanic youth.

Thank you in advance for your cooperation.

Sincerely,

Solomon P. Ortiz, Esteban E. Torres, E (Kika) de la Garza, Matthew G. Martinez, Ileana Ros-Lehtinen, Ed Pastor, Edward R. Roybal, José E. Serrano, Albert G. Bustamante, Bill Richardson, Ron de Lugo.

CONGRESS OF THE UNITED STATES,
April 14, 1989.

Hon. PAT WILLIAMS,
Subcommittee on Postsecondary Education, Washington, DC.

DEAR MR. CHAIRMAN: We wish to respectfully request a hearing on H.R. 1561, the "Hispanic-Serving Institutions of Higher Education Act of 1989," which was introduced on March 22 of this year by Rep. Albert G. Bustamante.

This legislation is supported by the Congressional Hispanic Caucus, and would greatly assist us in improving the educational attainments of Hispanic Americans. As a rapidly increasing segment of our general population, Hispanic students have traditionally not done as well as other students at the postsecondary level. H.R. 1561 would address this problem by authorizing $70 million for colleges and universities with at least 25 percent Hispanic enrollment. We believe the federally supported network of hispanic institutions established under this bill would help provide Hispanic students with much needed supplementary financial assistance and academic support services. These services would in turn help to retain and recruit Hispanic college students.

Enclosed is a copy of the bill which has been endorsed by the National Council of La Raza, the National Association of Latino Elected and Appointed Officials, and the Hispanic Association of Colleges and Universities. We would support combining a hearing on H.R. 1561 with any other relevant measures pertaining to Hispanic education. We would also welcome and appreciate any field hearings you could hold on the bill in Texas, where the need for this legislation is most apparent.

We look forward to working with you on this vital educational initiative.

Sincerely,

ALBERT G. BUSTAMANTE,
Member of Congress.
JAIME B. FUSTER,
Chairman, Congressional Hispanic Caucus.

Mr. CAMPBELL of Colorado. Mr. Speaker, I'm happy to be here today to discuss reauthorization of the Higher Education Act. Passage of this legislation is an important step in helping low- and middle-income students achieve the dream of a college degree.

Providing Americans with the opportunity to earn an education is essential if this Nation is to prosper. We will not maintain our competitiveness on the world scene if we fail to prepare for the competition.

This bill is important because it recognizes the current imbalance between grants and loans for students trying to finance their education, and attempts to correct that problem. By supporting this legislation, we have the opportunity to give students a real chance at putting themselves through school—without forcing them to graduate strapped with an unmanageable debt.

The cost of higher education has increased dramatically in the past 10 years, but we have not provided more financial aid to help cover these costs.

Today we can reverse that trend by supporting this bill. It raises the maximum Pell grant in the academic year 1993–94 to $3,700, eventually reaching $4,500 by 1997–98. The number of students receiving grant assistance would be increased by raising family income for minimum grant eligibility to $42,000. While this increase would still cover less than half of the average costs of a year's education, it will increase access to education for the people who need it the most.

As much as an increase in Pell grants will help lower income students in their quest for a college degree, the middle class is also the winner in this proposal.

This bill creates new incentives for families to save for their kids' education. Students are protected from losing eligibility for aid if their parents have saved for their education. Currently, any such savings are counted twice: as savings and parental contribution. This change reflects the reality that savings are a one-time infusion of cash and will not be a yearly contribution.

Availability of guaranteed student loans are expanded for those with middle income, by allowing all students, regardless of family income, to borrow the maximum Stafford loan.

Most importantly, by passing this legislation, we can change the calculation for determining financial need to help middle-income Americans. It is unreasonable to expect a family to sell their home, farm, or small business to pay for their kids' education. But under current law, these assets are considered when determining eligibility for financial aid. Changing this calculation alone will give many kids access to financial aid that they have not had for 10 years, and help eliminate some of the squeeze felt by middle-income Americans.

I'd like to thank the members of the conference committee for their work on this bill, and urge my colleagues to support it. Giving all Americans a chance for an education is key if we expect to retain our strength and opportunity as a nation.

Mr. SANTORUM. Mr. Speaker, I am happy to rise today in support of this landmark legislation. Both the chairman and my good friend, the ranking member of the Education and Labor Committee, have a lot to be proud of in this bill. Unfortunately, there is one provision in the bill which I believe was maintained as an oversight. There were over 1,600 points of difference between the House and Senate versions of the bill. That one bad provision should slip through in conference is understandable, but no less regrettable.

The provision to which I refer is the so-called 85–15 rule. This provision requires title IV funding be cut off from any institution where 85 percent of the students receive financial aid. Although I understand the intentions of the provision, I believe the measure is fundamentally misguided. It will unnecessarily punish vocational and proprietary schools and the students who benefit from them.

That more students at proprietary schools benefit from title IV funding relative to other postsecondary institutions should not be misunderstood. It merely proves the point that these schools serve a needier population of students. The 85–15 rule will hurt these students in a number of ways. First, it will restrict their ability to choose a quality postsecondary institution by removing one of the choices. Second, it will penalize these students for their inability to pay for their own funding. The sad fact of the matter is that a school in danger of approaching the 85-percent mark will simply refuse entrance to a prospective student rather than risk the severe penalty of crossing the artificial 85–15 line of death. By doing so, they will force perspective students to forgo the job-related training they may have otherwise received.

Moreover, if the intent of the rule is to have proprietary schools conform with similar Federal regulations to monitor the spending of Federal dollars, a complete cutoff of title IV funds should only come after default rates, placement rates and other outcome indicators have been evaluated as well. As it is, the 85-percent mark is not a trigger but a threshold. If a school crosses that threshold, they automatically lose all future funding. For this reason, the 85–15 rule is bad public policy. When the President signs this bill and regulations are drafted, I expect this fact will become all the more evident.

I would like to raise one more point. When I last spoke on this matter, I stated that destroying the orchard was a poor way to get rid of a few bad apples. I would ask my colleagues to consider the following story which I was told a few months ago. It emphasizes the difficulties these schools confront and the potentially misleading inferences we draw from their problems.

A president of one of the vocational schools in my district was asked to make a reaccreditation visit to a school in Newark, NJ. He expected the worse. The school had extremely high default rates, low placement rates and was in all ways what one would expect of a bad apple school. As we all know, however, statistics seldom tell the whole story.

When he arrived, he and the other visitors found that in the midst of some of the worst urban blight in the United States, this school was doing its best to provide job-related opportunities to the young men and women in the community. The school was well-run and clean. Remedial training in both reading and mathematics was included in its curriculum. The teachers were dedicated and the students motivated. With all its problems, this school was doing what no one else would. It was serving a community and a population of students that would not otherwise be served. By focusing on dry statistics, we miss the point that title IV funding was meant for schools and communities like this one. After all, if even 10 percent of the students graduate and are placed in a job, there are that many more productive citizens added to our economy.

Although this school was reaccredited, it will go out of business as soon as the 85–15 rule is enacted. The community will lose one of its only functioning institutions and many prospective students will lose their only opportunity to better themselves. It is my hope that in the next Congress, after these amendments have become law, that my colleagues will join me in passing a technical amendment to remove this unfortunate provision.

Mr. STOKES. Mr. Speaker, I rise in support of the conference report on S. 1150, the Higher Education Act Amendments of 1992. I would like to commend the gentleman from Michigan [Mr. FORD] for the skill and leadership he has exhibited in bringing this vital measure to the floor for consideration.

S. 1150 reauthorizes the Pell grant, Guaranteed Student Loan Program, Federal student financial aid, institutional aid, and other Higher Education Act programs which are scheduled to expire at the end of fiscal year 1992. This measure expands Federal student financial aid to students from middle-class families and attempts to correct the imbalance between student reliance on loans versus grants.

More specifically, many of the provisions of S. 1150 are consistent with provisions included in the previously passed House bill which I supported. For instance, they are similar in that both include provisions to expand access by students from middle-income families to Federal financial aid programs. A special focus is placed on improving the integrity of these programs and to minimize waste and abuse. Moreover, both measures address the needs of nontraditional students and attempt to simplify the application process.

Conversely, the conference report differs from the House-passed version of this bill in that the report increases the authorized maximum Pell grant at amounts less than that provided in the House bill. Furthermore, the conference agreement allows students to borrow more under the Guaranteed Student Loan Program than does the House bill.

Relevant features of the agreement provide a maximum Pell grant of $3,700 for the 1993–94 academic year, representing a $1,300-increase over the current maximum level. The maximum level will increase by $200 each year, reaching a $4,500 ceiling in the 1997–98 academic year.

Additionally, the agreement expands middle-class access to guaranteed student loans by creating an unsubsidized loan program that would allow students, regardless of family income, to borrow up to a maximum limit. The measure also simplifies the needs analysis process and establishes a direct loan demonstration program that would include institutions of higher education that represent a cross-section of all institutions.

Finally, the bill also contains provisions intended to improve programs that serve historically black colleges and universities [HBCU's]. HBCU's enroll approximately 300,000 students, the majority of whom are from low-income families and require the assistance of Federal financial aid in order to pursue a higher education. The expansion of the student aid programs in S. 1150 should provide much needed assistance to these students.

Mr. Speaker, throughout the 1980's, college costs have increased much faster than both median family income and federal student financial assistance. Between 1980 and 1990, college costs increased by 27 percent for public universities, and 54 percent for private universities. However, during this period, the value of Federal financial aid has increased by only 23 percent, and the median family income has increased by only 15 percent.

The value of grant awards also has declined. In fiscal year 1979, the maximum Pell grant award covered almost half of the average cost of attendance. Currently, it covers about one-fourth of these costs. As a result of these trends, many students, particularly low-income students, increasingly have relied on loans to finance their education. Currently, 64 percent of the $18.4 billion in aid available to students will be in the form of loans, while 36 percent will be in the form of grants and work opportunities. This is the opposite of what was true a little over a decade ago.

Mr. Speaker, the conference report we have before us today addresses these trends and will put programs in place which will allow all students an equal opportunity to receive a higher education. It is for this reason that I support the conference agreement on S. 1150. I ask my colleagues to join me in support of its final passage.

Mr. PENNY. Mr. Speaker, I rise in support of the Higher Education Amendments of 1992, S. 1150, and urge my colleagues to support this conference report.

This measure is a 5-year renewal of Federal student financial assistance grant and loan programs and continuing education, library services, and other important postsecondary programs.

Of particular interest to me is a requirement that educational institutions use a portion of their college work study [CWS] dollars to fund community service jobs. During consideration of the reauthorization in the House earlier this year, I offered an amendment expanding the definition of community service and encouraging schools to fund more community service jobs provided under the CWS Program. Under S. 1150, schools participating in the CWS Program will now be required to use 5 percent of CWS funding for community service jobs, although they are allowed to apply for a waiver of this provision if a hardship could result. Long overdue, this change will provide many challenging new opportunities for students to address the educational, social, and environmental needs of their communities.

I am also pleased that S. 1150 increases the loan limits in the Stafford Loan Program and establishes a new unsubsidized loan program. This new loan program will provide many students and their families who currently do not qualify for a Stafford loan with the aid necessary to pay school expenses. In another important and long overdue change, the reauthorization allows most nontraditional students to apply for Pell grants—a change in policy I have fought for for over 5 years. In addition to these changes, the reauthorization removes the value of a family's home or farm from the determination of student aid eligibility, simplifies, and streamlines the student aid application and needs analysis, and establishes new student loan default provisions to ensure the integrity of the student loan programs.

Despite the Bush administration's initial opposition, the conference report establishes a direct loan pilot program that will enable a cross section of postsecondary institutions to determine the financial need of students and originate loans to those students. This program holds great hope in eliminating many steps in the student aid process that in the final analysis make loan programs complicated for students and their parents and costly to the taxpayer paying the attendant subsidies and indirect costs. The GAO has estimated this program could save millions of dollars, and in any case, the conference report requires GAO to report by May 1998 to the Congress with an evaluation of this demonstration program.

Mr. Speaker, there are few programs available today more important than the student aid programs of the Higher Education Act. These programs are a very wise investment in our children's future, and provide the only avenue for many needy students to gain a postsecondary education. The conference report before us makes a number of long overdue changes in the law that will result in many more students becoming eligible for student assistance and for that reason I urge an "aye" vote on this vitally important legislation.

Mr. HAYES of Illinois. Mr. Speaker, I rise today to express my full support for the conference agreement on higher education. As you know, this measure reauthorizes the major Federal programs supporting postsecondary education, including over $18 billion in student aid to help financially needy students attain a higher education.

As a member of the committee, our initial goal in this reauthorization was to ease the burden low- and middle-income families must carry in order to educate our youth. Successfully earning a higher education is becoming more and more financially difficult for most, and almost totally impossible for many minority youth. We must reinvest in the people of this Nation so that they are adequately prepared to compete with their minds instead of with military weaponry.

That is what we have done today in this conference report. We have been successful in increasing student aid funds for Pell grants, as well as for student loans. While I regret that we were not successful in retaining language creating the Pell grant as an entitlement, which is truly what we ought to do for this Nation's students, I am pleased that we have made strides in improving access and opportunity to a higher education for millions of Americans.

Mr. Speaker, I would like to share my concern about a few provisions which may be quite detrimental to my constituency. As you know, the conferees agreed to eliminate for-profit institutions participating in title VI programs in which 85 percent of the institution's revenues are derived from Federal funds. While I may understand the basic intent of this provision, it concerns me because private career schools often serve a large number of students who need Federal assistance the most. This provision seemingly undermines our efforts to increase access to a higher education. While it has been said over and over again, we must understand that all of our students do not have as an option the ability to attend a traditional 4-year institution. Through this provision, we may, in fact, penalize the very students we allegedly intend to assist through this legislation.

Additionally, Mr. Chairman, I am pleased that the conferees agreed to retain title IV eligibility for programs of less than 600 clock hours. I would like to align myself with the comments of my good colleague, Mr. GOODLING, during his earlier colloquy with Chairman FORD specifying the intent of the conferees as it concerns program eligibility for these short-term programs. I believe that it is critical, as well as simply logical, that we permit quality short-term programs to operate.

Finally, I am concerned about the likely outcome of the cohort default rate provisions in the conference agreement. As was repeated time and again throughout the hearing process, cohort default rates do not always reflect the quality of the educational institution. Given the fact that cohort default rate data is not always accurate, I am unclear as to whether or not it is fair that we establish these cohort cutoffs. Moreover, we end up penalizing current students for the defaults of prior students. I encourage the Department of Education to closely consider program reviews, audits, guarantee agency reviews, and the historic mission of institutions when assessing institutional quality. I additionally suggest that the Department again reconsider its regulation as it concerns an institution's use of the mitigating circumstances appeal process, so as to require a broader view of the institution in determining participation in student aid programs.

In conclusion, Mr. Speaker, included in this measure are three provisions which I authored. The first provision establishes an institute for international public policy, which will hopefully encourage greater representation of African-Americans and other minorities in international service, including the U.S. Foreign Service. I was pleased that this provision originated from the field hearing held in my district as part of the reauthorization process. The president of Chicago State University, Dr. Dolores Cross, eloquently spoke in support of this addition to S. 1150. It is my opinion that institutions such as Chicago State University will be likely candidates to participate in this new program. I also want to briefly commend my colleague from the District of Columbia, ELEANOR HOLMES NORTON, for her assistance in originally introducing this concept of H.R. 3362 last September. It is clear that people of color are grossly unrepresented in the field of international affairs, and this inequity must be addressed. This provision is an effort to complement current activities in the international field to increase minority participation.

Additionally, this conference document includes a new demonstration program which encourages female and minority elementary and secondary students to pursue higher education in science and engineering. This provision was modeled after effective and innovative outreach programs for female and minority students at the Illinois Institute of Technology [IIT], located in my district on the south side of Chicago. IIT has a well-established record of success in designing and administering science and engineering outreach programs for elementary and secondary students on the south side of Chicago. It is my hope and desire that institutions of higher education across the Nation will look at IIT's model programs as they develop their own outreach efforts in this area.

Finally, this legislation establishes a demonstration program through partnerships with institutions of higher education to provide training and technical assistance for school-based decisionmakers for school systems which are in the process of systemic reform. As nationwide reform efforts continue to develop, with the encouragement of this Congress, this provision is a specific effort to assist local education agencies in preparing parents, teachers, and other concerned citizens that are making critical staffing, management, and budgetary decisions under decentralized reform programs. Various locales, including the Chicago public school system, are certain to benefit from this provision.

I encourage the support of my colleagues today because it is my belief that this is the first true economic relief package that has been considered in this body. With the riots in Los Angeles, and other disturbances nationwide, indelibly etched in our memories, we must continue in our efforts to improve educational opportunities for this Nation.

Ms. NORTON. Mr. Speaker, I am very pleased to rise in support of the conference agreement on S. 1150, the Higher Education Amendments of 1992, and to commend Chairman WILLIAM FORD, ranking Republican member WILLIAM GOODLING, and the other members of the Committee on Education and Labor for their diligence, wisdom, and skill in crafting this legislation. This bill is the result of many long and arduous hours of effort by many individuals to fashion legislation that would be a fitting and thorough update to the Higher Education Act of 1965. The Higher Education Amendments of 1992 are worthy of our support both now and in the future when we are faced with bills to appropriate funds for the programs established in this legislation.

This bill has been fashioned with the 21st century in mind and with the realization that today this Nation is too educationally underprepared to become occupationally prepared. The opportunity for education and training more than any others that Government can provide is the fundamental prerequisite for meeting the challenge of competitiveness where we have fallen short. This bill takes up the challenge and points us in the direction of the future.

I am especially gratified that the Institute of International Public Policy, which my colleague from Illinois, Mr. HAYES, and I proposed as an amendment to H.R. 3553, has been included in the conference agreement. We hear constant regret from public officials and from people of color that there are not more people of color available to represent the United States in a world that is predominantly nonwhite. As a former Chair of the Equal Employment Opportunity Commission, I understand the importance of mandating equal opportunity. But my experience also has taught me that we must facilitate the pursuit of equal opportunity. The primary purpose of the Institute will be to diversify our Nation's Foreign Service Corps by actively aiding the development of minority foreign service professionals. Key features of my amendment include a junior-year abroad program, fellowships for study at the master's degree level, and a cooperative program to prepare graduates for the foreign service examination. Because Washington, DC, is the seat of government and the home of a large black and Hispanic population, I particularly hope that the institutions of higher learning in the District of Columbia and their students will benefit from this program.

In a bill with many sections that address vital present and future needs, it is difficult to select some for special mention. However, I think this bill especially warrants praise because it includes Pell grant eligibility for less-than-half-time students, reauthorization of special child care services for disadvantaged college students, grants for sexual offenses education, grants to institutions to encourage women and minority participation in graduate education, programs to encourage minority students to become teachers, and provision to create a women and minorities science and engineering outreach demonstration program.

While I support this legislation, I must express a note of caution to my colleagues as we attempt to revamp the student loan and financial aid system to provide increased and improved access to financial aid for our Nation's college students. Let us not lose sight of our longstanding commitment to provide educational opportunities to those who otherwise would have none. As we increase the access of middle-income students to financial aid funds, let us be mindful of the students who continue to be in greatest need of financial assistance and who are often least equipped to tap into available resources. The pool of funds has not been expanded in proportion to the number of hands that will be reaching in. If young Americans in search of opportunity are required effectively to mortgage their future to finance their education, many will be discouraged. We must make sure that our efforts do not result in zero sum gain.

Education is fast becoming as great a necessity as food and shelter simply to maintain our present place in the global economy, much less move forward. Congress and the Nation are finally giving education higher priority with the understanding that education is an absolute necessity if the United States is to be a world leader in the next century and beyond.

Everyone, especially our youth, deserves the chance to learn, to dream, achieve, and to excel. Education offers this chance. It is our job to make sure that every American who wants to learn has access to educational opportunities. This bill will open doors for many. I urge my colleagues to adopt the conference agreement and to vote to reauthorize the act.

□ 1740

Mr. FORD of Michigan. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FORD of Michigan. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 419, nays 7, not voting 8, as follows:

[Roll No. 274]

YEAS—419

Abercrombie
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Cunningham
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—7

Armey
Burton
Crane
Dannemeyer
DeLay
Doolittle
Stump

NOT VOTING—8

Ackerman
Alexander
Hatcher
Hefner
Hyde
Lent
Lewis (FL)
Traxler

☐ 1801

Mr. ARMEY changed his vote from "yea" to "nay."

Mr. ROSE changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENDING THE NATIONAL COMMISSION ON TIME AND LEARNING

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from further consideration of the bill (H.R. 5560) to extend for 1 year the National Commission on Time and Learning and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentleman from Michigan?

Mr. GOODLING. Mr. Speaker, reserving the right to object, I will not object. I want to give the chairman an opportunity to describe the bill and also give him an opportunity to repeat what we said in committee, that if this becomes a Christmas tree with lots of ornaments on it, we will not support it later on.

Mr. Speaker, I rise in support of this legislation. It is very noncontroversial and would correct several current problems in Federal education legislation. I hope that the Senate will act on it expeditiously.

The provisions of the act are:

First, schoolwide projects in chapter 1 are those in which at least 75 percent of the students in the school are chapter 1 eligible. The law stated that a school district not reduce funding below the previous year. Since then, however, some districts have had budget cuts which will affect all schools—a situation we did not foresee. A number of schoolwide project schools will drop out this year if we don't fix this problem.

The amendment would simply say that if all schools' funding is reduced, then schoolwide projects can be reduced at the same rate. The Department of Education [ED] supports this amendment.

Second, with a recent reorganization at ED, some Assistant Secretaries [AS] are getting paid less than others. This provision would give them all the same pay level.

Again, this is a provision that the Department supports.

Third, we created a Commission on Time and Learning last year to study extending the school day and year. By the time it was organized, its authorization was almost used up. This amendment would extend the Commission 1 more year.

ED supports this amendment as well.

Fourth, in current law there is an authorization for a grant to support education programs on civics and government. Currently it only mentions elementary education. The group that has the grant would like to expand their work to secondary schools. The amendment would insert the words "and secondary" as well as make a few other technical amendments. This seems pretty straightforward.

ED does not object to this amendment.

Mr. KILDEE. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Speaker, I concur with the statement of the ranking minority member, the gentleman from Pennsylvania [Mr. GOODLING] on this bill. I urge the passage of this legislation, which extends the Commission on Time and Learning for 1 year and proposes several minor and straightforward changes to existing law.

With that in mind and with the words of the gentleman from Pennsylvania [Mr. GOODLING] in mind, I would move the previous question.

Mr. Speaker, H.R. 5560 is a simple bill which proposes several minor and straightforward changes to existing laws.

The first change simply amends the Education Council Act of 1991 to extend the authorization for the National Commission on Time and Learning for an additional year.

This will ensure that this Commission has sufficient time in which to complete its statutorily mandated responsibilities.

The second change modifies the Elementary and Secondary Education Act provisions authorizing the "We the People Program."

These changes clarify that the Secretary of Education may provide assistance through grants as well as contracts, and this program should be available in secondary as well as elementary schools.

The third provision amends title V of the United States Code to require that all 10 Assistant Secretaries in the Department of Education are compensated at the same level.

This responds to a formal administration proposal.

Finally, the bill amends the Elementary and Secondary Education Act to modify the maintenance of effort requirements for chapter 1 schoolwide projects.

This provision ensures that school districts will not have to reduce funding to their other schools in order to maintain the funding levels for schoolwide projects.

I urge the adoption of the bill.

Mr. GOODLING. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF COMMISSION.

Section 102(h) of Public Law 102-62 is amended by striking "and 1993" and inserting "1993, and 1994".

SEC. 2. TECHNICAL AND CONFORMING AMENDMENTS.

(a) CIVIC EDUCATION PROGRAM.—Section 4609 of Public Law 89-10, as amended (20 U.S.C. 3156 (b)), is amended—

(1) in paragraph (3) of subsection (a)—

(A) by striking the heading and inserting the following new heading: "CONTRACT OR GRANT AUTHORIZED.—"; and

(B) by inserting "or grant" after "contract";

(2) by amending paragraph (3) of subsection (b) to read as follows:

"(3) an annual national competition of simulated congressional hearings for secondary students who wish to participate in such program."; and

(3) in subsection (c) by inserting "and secondary" after "elementary".

(b) ADMINISTRATIVE PROVISIONS.—

(1) Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Education (6)" and inserting "Assistant Secretaries of Education (10)".

(2) Section 5316 of title 5, United States Code, is amended by striking "Additional Officers, Department of Education (4)".

(3) The amendments made by paragraphs (1) and (2) shall take effect on the first day of the first pay period that begins on or after the date of the enactment of this Act.

(c) SCHOOLWIDE PROJECTS.—(1) Section 1015(b)(6)(B) of Public Law 89-10, as amended (20 U.S.C. 2725(b)(6)(B)), is amended to read as follows—

"(B) the average per pupil expenditure in schools described in subsection (a) (excluding amounts expended under a State compensatory education program) for the fiscal year in which the plan is to be carried out will not be less than such expenditure in the previous fiscal year in such schools, except that—

(i) the cost of services for programs described in section 1018(d)(2)(A) shall be included for each fiscal year as appropriate only in proportion to the number of children in the building served in such programs in the year for which this determination is made; and

(ii) if the average per pupil expenditure of the local educational agency is less than such expenditure in the previous fiscal year, the average per pupil expenditure of schools described in subsection (a) may be reduced by the local educational agency in the exact proportion to the average reduction of expenditures for all schools in such agency.

(2) APPLICATION.—The amendment made by paragraph (1) shall be effective on or after July 1, 1992.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISTRICT OF COLUMBIA SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1992

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 509 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 509

Resolved, That all points of order against consideration of the bill (H.R. 5517) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes, for failure to comply with the provisions of clause 7 of rule XXI are waived. During consideration of the bill, all points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived. Points of order under clause 2 of rule XXI against the amendment printed in the report of the Committee on Rules accompanying this resolution are waived. Such amendment and any amendments thereto shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. WHEAT] is recognized for 1 hour.

Mr. WHEAT. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. McEWEN], pending which I yield myself such time as I may consume. During consideration of this resolution all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 509 provides for the consideration of H.R. 5517, the District of Columbia appropriations bill for fiscal year 1993.

The resolution waives points of order under clause 7 of rule XXI against consideration of the bill. Clause 7 requires relevant printed hearings and committee reports to be available for 3 days prior to the bill's consideration on the floor.

The resolution also waives points of order under clause 2 of rule XXI against the bill and against the amendment to be offered by Mr. McEWEN printed in the report accompanying this resolution.

The amendment is debatable for 20 minutes, with the time equally divided between proponents and opponents of the amendment. Clause 2 of rule XXI prohibits unauthorized appropriations or legislative provisions in general appropriations bills.

Mr. Speaker, House Resolution 509 is a straightforward rule allowing for free and open debate on appropriations for the District of Columbia.

In line with the formula enacted in Public Law 102-102 last year, H.R. 5517 appropriates a Federal payment equal to 24 percent of the local revenue collected 2 years previously. The measure also approves appropriations from local D.C. revenues.

Mr. Speaker, I reserve the balance of my time.

Mr. McEWEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to join the distinguished member of the Rules Committee from Missouri, Mr. WHEAT, in support of House Resolution 509, the rule for the consideration of H.R. 5517, the District of Columbia Appropriations Act for Fiscal Year 1993.

I commend the chairman of the Rules Committee, Mr. MOAKLEY, and our Republican leader, the gentleman from New York [Mr. SOLOMON], for reporting a rule for the D.C. appropriations bill which permits motions to strike funding.

It has historically been the right of Members to offer amendments striking funding from appropriations bills on the House floor. The right to offer those amendments is a fundamental aspect of the appropriations process. Any deviation from this open process relating to motions to strike, such as the rules brought to the floor for the Legislative and Foreign Operations Appropriation Acts, is very troublesome.

Again, I applaud this rule for permitting an open process for floor consideration of amendments striking funds from the bill.

As my friend from Missouri has described, House Resolution 509 waives all points of order against consideration of the bill for failure to comply with clause 7 of rule XXI, and all points of order against provisions of the bill for failure to comply with clause 2 of rule XXI.

Finally the rule also waives clause 2 of rule XXI against the McEwen amendment printed in the report.

Mr. Speaker, I would like to recognize the chairman of the Appropriations Subcommittee on the District of Columbia, the distinguished gentleman from California [Mr. DIXON], for his fine work in bringing this bill to the floor. The chairman, and the ranking member, Mr. GALLO of New Jersey, have worked with diligence and a commitment to improving life in our Nation's capital.

I commend the chairman and ranking member for coming to Rules Committee and asking for what is essentially an open rule.

This appropriations bill is within the subcommittee's budget allocation. It appropriates $713.7 million for the District Government in fiscal year 1993, a 2-percent increase over fiscal year 1992 funding, and $763,000 above the President's request.

Mr. Speaker, the Appropriations Subcommittee on the District of Columbia has labored for years to improve conditions in this city. Our Nation's Capital, the capital of the free world, is a troubled city—this subcommittee works hard to return this city to its past glory as a city every American can be proud of.

Mr. Speaker, this rule makes in order an amendment that I will offer to prohibit any funds in this bill from being used to enforce the current prohibition on the possession or use of mace within the District.

Now, Mr. Speaker, it is no secret that our Nation's Capital suffers from a very serious crime problem. The threat of violent crime is something that District residents, and those who work in this city, must live with on a daily basis. An increasing number of our congressional staff members, often dedicated young people who come from across the country to work in D.C. for Members of Congress from their home States, have suffered from violent attacks.

Simply put, mace is a nonlethal defensive weapon that many law-abiding individuals, especially women, would like to have the right to carry.

Unfortunately, D.C. law does not give them that right. Mace is currently considered a dangerous weapon in the District of Columbia. It is illegal for the very women who walk in fear in D.C. to carry mace to protect themselves. This prohibition is patently absurd.

My amendment to this appropriations bill will prohibit any appropriated funds from enforcing this prohibition on carrying mace. This amendment has bipartisan support, including the support of the subcommittee chairman and ranking member.

Mr. Speaker, carrying mace should not be illegal in Washington, DC. The upstanding citizens of the District, the overwhelming majority in this and every other city threatened by crime, should be able to defend themselves with this nonlethal weapon.

Mr. Speaker, I would like to insert a copy of the administration's statement of policy on this D.C. appropriations bill in the RECORD at this time. The administration objects to section 114 of the bill dealing with abortion, and I look forward to that controversy being resolved.

Again, it is a great pleasure to be able to rise and join with my friend from Missouri in support of an open rule. I urge support for House Resolution 509, I look forward to consideration of the D.C. Appropriations Act, and I reserve the balance of my time.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 1, 1992.

STATEMENT OF ADMINISTRATION POLICY

(H.R. 5517—District of Columbia Appropriations Bill, FY 1993—Sponsors: Whitten, Mississippi; Dixon, California)

This Statement of Administration Policy expresses the Administration's views on H.R. 5517, the District of Columbia Appropriations Bill, FY 1993, as reported by the Committee.

The Administration objects to section 114 of the Committee bill, which would permit the use of Congressionally-appropriated local funds to finance abortions. The President vetoed the FY 1990 and FY 1992 District of Columbia Appropriations Bills because they contained language identical to the language included in this bill. The Congress ultimately passed bills containing abortion language acceptable to the Administration.

The Administration urges the House to adopt language concerning abortion that was included in the FYs 1989-92 District of Columbia Appropriations Acts. The language of these Acts prohibits the use of Federal and local funds to perform abortions, except where the life of the mother would be endangered if the fetus were carried to term. The President will veto any District of Columbia Appropriations Bill that does not include this language.

On the basis of OMB's initial scoring, the Administration finds that the Committee bill is within the House and Senate 602(b) allocations for the Federal payment to the District. In aggregate, the House and Senate 602(b) allocations are consistent with the statutory spending limits enacted in the Budget Enforcement Act.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. WHEAT. Mr. Speaker, I thank the gentleman from Ohio for his support of this resolution. I also urge adoption of the resolution.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1810

Mr. DIXON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5517) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New Jersey [Mr. GALLO] and myself.

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

□ 1811

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5517, with Mr. MFUME in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from California [Mr. DIXON] will be recognized for 30 minutes, and the gentleman from New Jersey [Mr. GALLO] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I yield myself such time as I may consume.

Mr. DIXON. Mr. Chairman, I am pleased to present to the House today the District of Columbia appropriations bill for fiscal year 1993.

I will be very brief in my remarks.

First, I want to thank the members of the subcommittee for their support and assistance—especially the gentleman from New Jersey [Mr. GALLO], the ranking member, for his diligence and hard work.

This bill is different from the other 12 appropriation bills in two ways—First, it is balanced with budget authority equal to revenues; and second, it includes the appropriation of three distinct kinds of funding:

First, it includes Federal money of $714 million;

Second, it includes local taxes and fees of $2.8 billion; and

Third, it includes long-term borrowing authority of $380 million.

These amounts from three different sources total $3.9 billion which is the total amount in this bill.

The other 12 appropriations bills the House considers are all funded from the Federal Treasury.

It is important that Members keep this difference in mind as we debate this bill this afternoon.

This bill does not draw all of its funds from the Federal treasury as the other 12 appropriations bills do.

We also recommend a net increase of $37 million in supplemental appropriations and rescissions for fiscal year 1992 consisting of $154 million in rescissions and $190 million in increases. These are all District funds—there are no Federal funds involved in the District's fiscal year 1992 supplemental.

For fiscal year 1993, the $714 million in Federal funds is $14 million above last year's appropriation and $763,000 above the request.

This $714 million in Federal funds falls into five major categories—$624.9 million for the Federal payment to the general fund based on the formula Federal payment authorization approved last session in Public Law 102–102; $52.1 million as a Federal contribution to the police, fire, teachers, and judges retirement funds; $30.8 million for major crime and youth initiatives; $763,000 for special police, education, and health programs; and $5.5 million for the January 1993 Presidential inauguration.

I will take a moment to explain each of these five categories briefly.

First, the Federal payment of $624.9 million is the amount authorized by Public Law 102–102 that established a formula for determining the Federal payments for fiscal years 1993, 1994, and 1995.

The formula is 24 percent of general fund local revenues collected by the District government 2 years prior to the budget year.

The recommended amount of $624.9 million is $30.8 million below the request and $5.6 million below last year's appropriation.

Second, we recommend $52.1 million for the Federal contribution to the police, fire, teachers, and judges retirement system.

This is the 14th of 25 annual payments authorized by Public Law 96–122.

Third, for crime and youth initiatives, the bill includes $30.8 million which cannot be obligated or spent until the committee approves a joint report by the Mayor and council detailing the policy objectives, programs, and funding requirements for these initiatives.

Our committee is greatly concerned about the serious problems of crime and violence in the District.

Authorizing legislation (H.R. 5520) for these funds is pending in the Committee on the District of Columbia with action expected very soon.

We are urging the Mayor and council to try new and innovative approaches and submit a joint report to the committee before they obligate or spend any of these funds.

Fourth, included in this bill is $763,000 for special police, health, and education programs; $250,000 is for police training; $150,000 will provide jobs under the direction of the police department for at least 75 young people between the ages of 14 and 18; $40,000 is for a program to teach self-discipline, motivation, and respect to 300 children between the ages of 6 and 11 at seven elementary schools here in the District.

The program uses a form of martial arts and is taught by black-belt instructors who conduct classes twice a week during the school day.

The amount of $43,000 will allow volunteers to provide one-to-one confidential instruction to working-age adults who cannot read or write well enough to fill out a simple job application.

The amount of $140,000 is for the D.C. Institute for Mental Health to provide professional mental health care to low-income, underinsured, and indigent children, adults and families in the District of Columbia.

The amount of $140,000 is for Children's Hospital for a cost-shared National Child Protection, Trauma and Research Center estimated to cost $50 million with most of those funds being raised from the private sector.

Fifth, the bill includes $5.5 million to reimburse the District government for expenses it will incur in connection with the upcoming Presidential inauguration in January 1993.

We recommend $946 million for public safety and justice programs which include fire and police protection, ambulance service, and support for the city's criminal justice system.

The police department presently has 4,503 uniformed personnel. We recommend funds and bill language mandating a police force of not less than 4,889 sworn officers.

In the fire department we recommend abolishing four battalion chiefs and one deputy chief. This is in addition to a reduction of 19 positions already abolished by the Mayor.

In the area of human support services, the bill includes $887 million for programs such as drug treatment and education, foster care, mental health programs, and the operation of senior citizen programs.

For public education, the bill includes $714 million which includes $514 million for the public schools and $21 million for the District's library system.

For the various public works activities which include the metrorail and metrobus operations as well as the taxicab commission and funds for the city's streets and highways, we recommend $228 million.

The bill includes $252 million for the water and sewer enterprise fund which is used to provide safe drinking water and to collect, treat, and dispose of wastewater as well as solid waste for the District.

The construction program is funded at a level of $380 million and includes $102 million for the department of public works and $62 million for the public education system.

Under general provisions, we recommend language under section 114 of the bill that restricts the use of Federal funds for abortions except to save the life of the mother.

First, a language under section 133 of the bill requires the District to close the Cedar Knoll Youth Detention Center in Laurel, MD, by June 1, 1993.

A consent decree signed by the District in July 1986, required the facility to be closed by December 1, 1987, almost 5 years ago.

Second, the issue of unpaid traffic violations owed by foreign embassies is addressed in section 135 of the bill.

The language prohibits the registration of vehicles whose owner or authorized user has not paid outstanding balances.

Third, bill language in section 136 would prohibit the District from imposing a payment-in-lieu-of-taxes—which is commonly referred to as a "PILOT"—on suburban consumers in Maryland and Virginia.

In the face of falling revenues, the new District leadership is making some hard decisions to keep costs down and balance their budget.

The bill includes language they requested that requires all District employees, with limited exceptions for public safety and health workers, to be furloughed 12 days in fiscal year 1993—1 day a month—to save $36 million.

All within-grade salary increases are being denied in fiscal year 1993 to save $13 million.

And no funds were included in the District's budget for employee pay raises—including a 14-percent increase for police officers over 2 years based on an arbitration award which was estimated to cost $34 million.

Even with these cost-cutting measures, the District government has had to propose selected increases in taxes and fees of $82.9 million to partially offset lower property and income tax collections.

As far as the budget resolution is concerned, this bill is within the 602(b) allocations of $714 million in budget authority and $724 million in outlays.

In closing, I want to thank all of the members on our subcommittee for their assistance in bringing this bill to the floor today.

Mr. NATCHER of Kentucky, who served for 17 years as chairman of this subcommittee and is marking his 37th year of service on our subcommittee, Mr. STOKES of Ohio, Mr. SABO of Minnesota, Mr. AUCOIN of Oregon, Mr. DWYER of New Jersey, Mr. GALLO of New Jersey, the ranking member of our subcommittee, Mr. REGULA of Ohio, and Mr. DELAY of Texas.

Mr. Chairman, this is a good bill, and I recommend it favorably to the Members.

□ 1820

Mr. Chairman, I reserve the balance of my time.

Mr. GALLO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the bill, H.R. 5517, the fiscal year 1993 appropriations for the District of Columbia, as described by the chairman of the subcommittee, Mr. JULIAN DIXON.

I wish to thank and recognize Chairman DIXON for his diligent work on this subcommittee. Quite frankly, it is a thankless job and he does his work with patience, attention to detail, and in a true bipartisan spirit of cooperation.

I also want to thank members of the subcommittee, Mr. RALPH REGULA, who keeps a watchful eye on the school system, and Mr. TOM DELAY, for his interest in economic development issues.

I also want to thank members of the D.C. authorizing committee, including the chairman, Mr. RON DELLUMS, ranking member Mr. TOM BLILEY, and District Delegate Ms. ELEANOR HOLMES NORTON, who have worked closely with us in development of this bill.

And, we could not do our work without the help of our staff. I would like to recognize Migo Miconi, Mary Porter, and Donna Mullins for all their hard work and assistance.

As members of this subcommittee, it is our responsibility to oversee and approve the budget of the District, provide the Federal payment to the District in accordance with the formula bill, and address critical issues facing our Nation's Capital.

I believe we have done these things.

We have preserved the Federal formula bill. Although some District officials continue to argue what the amount should be, the authorizing committee and the Appropriations Committee are in full agreement with the amount provided in this bill.

The formula bill provided for a Federal payment equal to 24 percent of local revenues. We have provided that amount in this bill.

We have also provided $30 million dollars for anticrime efforts in this city—each year the District sets a new record for the number of murders and violent crimes. District residents, our constituents, our staffs, and our colleagues have all been affected by this crime wave.

These moneys are provided to support the Mayor's crime youth initiative as well as increased foot patrols, advanced training, and other anticrime programs of the Metropolitan Police Department.

The bill requires that our committee approve the District's plan for using this money before the funds are released.

And, now let me make a few comments about the District's budget.

While we have approved the District's budget with a few changes, I do have some serious concerns.

Despite the Mayor's efforts, there is still a perception that the bureaucracy serves themselves—not the people of the District.

For instance, the District still doesn't know how many employees they have. And, there are over 3,500 positions that are fully funded but vacant.

This is no way to balance a budget.

The Mayor, I believe, underestimated what it would take to get the city's budget under control. Mayor Kelly needs to get that shovel out and use it, and she needs the council's support to make it work.

Some progress has been made—the schools have new playgrounds, over half of the fire code violations in the schools have been fixed, the Mayor has successfully revived the Summer Youth Employment Program, and some vacant positions have been eliminated. It's a start, but that's all it is.

This is my candid assessment of this bill. I believe we have fulfilled our responsibilities.

I have no doubt that there will be other controversial issues on the floor today.

With regard to abortion, as the chairman has stated, the bill restricts the use of Federal funds for abortion except in the case of the life of the mother.

The bill does not restrict the District's funds, which I believe is fully consistent with the Supreme Court's decision in Webster and the recent Casey decision.

The Office of Management and Budget has, however, indicated that the President will veto the bill unless this prohibition extends to District funds as well.

There may also be amendments to cut funding in this bill. Let me make it clear that OMB does not have any objections to the funding levels in this bill—and the funding is within our 602(b) allocation.

Again, I want to thank my colleagues on the subcommittee for their work on this bill. I ask may colleagues to join us in supporting it today.

Mr. Chairman, I reserve the balance of my time.

Mr. DIXON. Mr. Chairman, I yield 3 minutes to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I want to begin with a special round of gratitude to the chairman, Mr. DIXON, and to the ranking member, Mr. GALLO, for their extraordinary work on the D.C. budget this year. The Chair of the authorizing committee, Mr. DELLUMS and the ranking member, Mr. BLILEY of the District Committee, are due great thanks as well. These gentlemen had to figure out how to keep faith with the landmark Federal formula legislation passed last year in a budget year when all bets are off. They did indeed figure it out. Chairman DIXON, ranking member GALLO and the subcommittee have produced an appropriations bill that leaves the D.C. budget as passed by the city council largely intact.

This was an extremely difficult year for the District which, like virtually every other city, has a shortfall of revenue as a result of an unusually long recession. It was an equally difficult year for the subcommittee, which was faced with a District budget that was precariously balanced, and with a subcommittee shortfall of its own. Most important, it was the first year in which the Federal payment to the District has been determined by a formula. The subcommittee, as a matter of first impression, had to decide what the legitimate components of the formula were. Despite these challenges, the subcommittee managed to meet the District's most urgent needs, including earmarking significant additional funds, $31 million, for Mayor Sharon Pratt Kelly's new anticrime and youth initiatives. Since the Mayor's skillfully balanced anticrime program implicates many agencies of the D.C. government, I trust and believe that the earmarking can be made to track her program initiatives.

Mr. Chairman, I appreciate that the committee has not attempted to tell the District how to solve the crime crisis. Last year, Mayor Kelly took her entire administration through a detailed planning process which produced an excellent package of proposals that seek both short- and long-term solutions to crime. While the subcommittee has required the mayor and city council to submit a joint report detailing the objectives and funding requirements of the Mayor's anticrime program, that information is available, effectively has the council's endorsement through the budget process, and needs only the council's imprimatur before submission to the Congress.

The District of Columbia strives to be free to enact its own budget and laws, and believes its citizens have as much right to the full prerogatives of citizenship as the citizens of the 50 States and that only statehood can assure our rights. Until the day when we enjoy American democracy as other Americans do, there could be no fairer and more diligent oversight of the District's fiscal affairs than that provided by D.C. Appropriations Subcommittee Chairman DIXON, ranking minority member DEAN GALLO, and the members of the subcommittee. Out of respect for the work of the bipartisan team that comprises the subcommittee, and on behalf of the residents of the District, I ask that you let the work of the Appropriations Subcommittee on the District of Columbia stand and support this bill.

□ 1830

Mr. GALLO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Virginia [Mr. BLILEY], who is the ranking member of the authorizing committee.

Mr. BLILEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 5517, the District of Columbia Appropriations Act for fiscal year 1993. I commend chairman Dixon and the ranking republican, Mr. GALLO, for their hard work on this bill and their efforts to be fair to the District and to be faithful to the congressional process we established in law just last year.

The predictability of a formula payment had been sought for a number of years. Mr. DELLUMS and I developed the idea into legislation over a long period of time. The Blue Ribbon Rivlin Commission embraced the concept. Finally, this body adopted a Federal formula payment last year on a voice vote and it was signed into law by the President as Public Law 102–102.

While the formula bill was being developed over the years, the District government had acknowledged that a formula based on revenues could be a two-edged sword as a decline in revenues could result in a lower Federal payment. But this possibility was generally discounted. Then along came Operation Desert Shield which caused a severe reduction in the tourist industry quickly followed by an economic slowdown. District revenue projects proved to be wishful thinking and collections dropped substantially. In 1990, the Barry administration had estimated that local revenues for fiscal year 1991 would be $2.77 billion. But now, 2 years later, the actual local revenues are over $175 million lower than expected. The Kelly administration inherited an economic nightmare. Sales and issue taxes, income and franchise taxes, and business licenses and permits all generated less revenue than projected.

The result is that the formula Federal payment, 24 percent of local revenues raised 2 years prior, for fiscal year 1993 is $624.8 million. This is over $5 million less than the fiscal year 1992 payment. While this reduction is a difficult and undesirable circumstance for the District to bear, it is the only proper course for Congress to follow.

I appreciate the willingness of the Appropriations Subcommittee to stick with the formula law we enacted and come to us with a Federal payment that is the actual amount authorized. Let no one be confused about the Federal payment appropriation for the District of Columbia for fiscal year 1993. It is fully in line with Public Law 102–102 and the baseline for the authorized Federal payment is upheld.

H.R. 5517 contains an additional $30 million separate and apart from the Federal payment to combat the unprecedented and unacceptable violent crime rate in our Nation's Capital. In my opinion, this one-time, special Federal contribution to the District for crime and youth initiatives is necessary to restore public safety to the District for all of those who live, work, and visit here.

Anyone who reads the newspapers around here knows that I have been rather outspoken about crime in this city. But as the saying goes, talk is cheap. Congress does have a responsibility to help end the violence. I support this special contribution and I support the subcommittee's efforts to ensure that the money is put to the best possible use by requiring the Mayor to submit an expenditure plan before the funds are released.

I have worked closely with the chairman and the ranking Republican of the subcommittee on this special contribution and I am fully confident that the funds will improve public safety in both the short- and the long-term. I believe the city particularly owes Mr. DIXON and Mr. GALLO its gratitude for going the extra mile to secure these funds.

Mr. Chairman, I support H.R. 5517 and I ask all of my colleagues to join me in supporting passage of this vital funding bill for the District of Columbia.

Mr. DIXON. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to take this opportunity to express my deep gratitude to the subcommittee and particularly to the chairman, the gentleman from California [Mr. DIXON], and the ranking member, the gentleman from New Jersey [Mr. GALLO], for their support on issues that are very important to me and to the metropolitan area including the District of Columbia.

I have worked with the chairman and the subcommittee on several issues including police pay, the police and firefighters' clinic, and the fire department staffing, but there are two critical provisions in the bill which I want to discuss and I believe merit the substantive attention of the Congress. They project the legitimate interests of suburban residents, and they protect the long-term interests of the District of Columbia. There is, for the most part, a strong disinclination to micromanage the District's internal affairs on this committee, a sentiment that I strongly share.

On two issues in particular I believe that the Congress has both statutory and an appropriate practical authority to act, however. The result will be in the long-term best interests of the city and the region.

This bill, as the chairman has expressed, prevents the District of Columbia from using any funds to operate the escape-plagued Cedar Knoll Juvenile Detention Center located in Anne Arundel County, MD, as of June 1, 1993. I had introduced legislation and requested the committee to make that date January 1, 1993. The chairman and the gentleman from New Jersey [Mr. GALLO] both believed an additional 5 months would be appropriate, and I understand and concur in that judgment.

In 1986, Mr. Chairman, the District entered into a consent decree, a decree under the jurisdiction of the D.C. Superior Court, that mandated the facility be closed on or before December 1, 1987, some 5 years ago. It has remained open, frankly, in contempt of that order since that time and, worse, has averaged three to five escapes a month by sometimes dangerous offenders.

The District government has admitted the facility is inadequate. I want to thank and congratulate Mayor Kelly and the very distinguished Representative, the gentlewoman from the District of Columbia [Ms. NORTON], our colleague, whom I might say has done such an outstanding job for the District of Columbia, and is one of the most effective Representatives that we have in the Congress for working to improve short-term security at the facility.

But this facility needs to be closed, and the bill prevents the city from operating it subsequent to June 1, 1993. The bill also precludes, happily, the city from paying the contempt fines that they have paid over the past 5 years.

The second issue I would like to discuss is the provision preventing the city from breaching a 1985 agreement with the suburban users of the Blue Plains waste water treatment facility, an agreement also incorporated in the consent decree and that ended years of protracted litigation.

If the District had gone forward with this payment-in-lieu-of-taxes, the so-called PILOT, it would have reopened a campaign in the sewer wars of the past by levying a tax on suburban residents to help fund the District's general operating expenses. The chairman and our colleagues on the committee reviewed my testimony before the subcommittee, and following their discussions with city administrators, made the judgment that the PILOT was not an appropriate solution to the city's financial difficulties.

In closing, I want to again express my deep appreciation to the gentleman from California [Mr. DIXON], the chairman, and the gentleman from New Jersey [Mr. GALLO], for their willingness to listen, to balance, and to make a fair judgment about our concerns and those of the communities I represent.

Mr. Chairman, I think this is a good bill. I will oppose any amendment to cut further from the funds that have been allocated. I think that the gentleman from New Jersey [Mr. GALLO] is correct: Careful judgments have been made. I am pleased that we have followed the formula for the Federal payment, and I think this is a good bill for the District and for the Congress.

Mr. Speaker, I want to express my appreciation to the chairman of the subcommittee, JULIAN DIXON, and the ranking Republican member, DEAN GALLO, for their labors with respect to the bill now before this body.

Although I am no longer a member of the subcommittee, I have seen first hand the long hours, the frustrations, and the complexity of leading the effort to craft this bill, and then defend it before the House. It is difficult. It is often also believed to be thankless, but not entirely so.

I want to express my personal appreciation to the subcommittee, and to Chairman DIXON, in particular, for the attention given to issues that are of concern to me, a few of which affect both the city and local jurisdictions, some of which I represent.

A provision in this bill prevents the District of Columbia from using any funds to operate the escape-plagued Cedar Knoll Juvenile Detention Center, located in Anne Arundel County, MD, as of June 1, 1993.

In 1986, the District entered into a consent decree under the jurisdiction of the D.C. Superior Court—a decree mandating that the facility be closed on or before December 1, 1987. It has, however, remained open and unfortunately has averaged 3 to 5 escapes a month of sometimes dangerous offenders.

The District government has admitted that the facility is inadequate. It is obsolete and poses a safety threat for families who live in surrounding communities like Jessup and Laurel.

Another provision in this bill which relates directly to the residents of Maryland and Virginia, is the stipulation that the city government is not allowed to implement a new payment-in-lieu-of taxes it sought to impose on suburban users of the Blue Plains waste water treatment facility.

The city, breaching a 1985 agreement with the suburban users of Blue Plains that ended years of protracted litigation, and threatening to reopen a campaign in the sewer wars of the past, sought to levy a tax on suburban residents to help fund the District's general operating expenses.

The chairman and our colleagues on the committee reviewed my oral testimony before the subcommittee, and following their discussions with city administrators made the judgment that the pilot was not an appropriate solution to the city's financial difficulties.

The Mayor of the District of Columbia has a tough job, and I want to express my strong support for her efforts and those of the council in trying to improve not only the budgetary problems residents of this community face, but also their genuine efforts to enhance the quality of life in the Nation's capital.

There is a strong disinclination to micromanage the District's internal affairs on this committee, a sentiment that I share. On these two issues, however, we disagree. I believe that the Congress has both the statutory and appropriate practical authority to intervene, and the result, will be in the long-term interests of the city and the region.

There are three other issues which also concern me that relate to the police and fire departments. And I would again like to express my gratitude to the chairman for his interest and responsiveness regarding my concerns:

First, the police and fire fighters clinic, which administered 26,000 medical and surgical treatments in fiscal year 1991 to members of the police and fire departments, was eliminated in the budget approved by the District Council. The council budget included no provision for providing these services to firefighters and police officers, and I appreciate the subcommittee's restoration of funds for the clinic.

Second, the council budget received on the Hill, contrary to the recommendations of its Judiciary Committee, also included a provision eliminating 12 batallion fire chief and assistant chief positions along with one of the 8 batallions protecting the city. I worked with the subcommittee on this issue, and although we did not achieve an ideal solution to this problem from my personal point of view, I am very grateful to the chairman and Mr. GALLO for the subcommittee's strong effort to protect the interests of the residents of the city and the front line firefighting capacity of the department.

The third issue which concerns me is the matter of the arbitration award providing a salary increase to the city's police force. The police, like many other District employees have received no salary increase since 1989. I believe this stringent belt tightening is having adverse long-term consequences on the police force and on public safety. The salaries of District police officers, for example, are lower than those in most area jurisdictions; experienced police officers are thus encouraged to retire or seek employment in higher salaried jobs in other jurisdictions. This particular problem is compounded when you consider that the District is left with less experienced officers.

The subcommittee was able to exercise little flexibility because Federal funds in its allocation were limited, and although I've recommended that the subcommittee take action on this matter, I understand that there is no recent precedent for such direct congressional involvement in salary issues. Given the circumstances, I urge the Mayor and city council to revisit this issue in as timely a manner as possible.

In closing, I want to again express my deep appreciation to Chairman DIXON and to Representative DEAN GALLO for their willingness to listen, to balance and to make fair judgments about my concerns and those of the communities I represent.

I urge every Member to support this bill, and I look forward to working with Chairman DIXON, Representative GALLO and the other members of the committee as we complete action on the D.C. appropriations bill for fiscal year 1993 in the weeks ahead.

Mr. GALLO. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. REGULA], who has been in the forefront of education as far as the District of Columbia is concerned.

□ 1840

Mr. REGULA. Mr. Chairman, I thank the ranking member for yielding me this time.

First of all, Mr. Chairman, I want to commend Chairman DIXON and the ranking member GALLO. They have done a superb job of working on this bill; they have listened to a lot of testimony and really made a dedicated effort to help solve the problems of the city of Washington.

Washington, DC, has all the problems that are characteristic of our cities today, but it has a special role, in that it is the Capital of this Nation. Therefore, I think it is a challenge and a responsibility that we in the Congress share with the city administration to make it a shining example of how we can change our cities and make them more workable, more livable, and improve the quality of life for the residents. It seems to me that this effort to start with the education system. That is the basis for the future, and if we can make changes in the education program in our cities across this Nation, we will take a giant stride toward solving their problems.

I, particularly as a member of the subcommittee, have focused on the education system simply because that is what I see as the future in addressing the needs of our cities and making them more habitable.

I particularly want to mention a few people who I think are doing a superb job. First of all, Mr. McAfee, who is a relatively new director of facilities and maintenance.

School students reflect their surroundings, and if they have a dingy building, if they have classrooms that are not attractive, it has a substantial impact on the learning experience, therefore it is important to start with a suitable school building to have an effective education program. Mr. McAfee has worked hard and provided leadership in trying to make a difference, and he has made a difference based on our observation of some of the buildings. He has recognized the problems. He has made a straightforward assessment of the needs and he is trying to do something about it; but there are still many problems. I think it is incumbent upon the school administration with the cooperation of the people in the city to close some of the buildings. The school system has far too many buildings to maintain them in a high-quality environment, therefore the only answer would be to close down and consolidate the facilities and make those remaining, attractive for students. This has to be done by getting the school board, the city administration and the people in the communities to cooperate.

I think Mr. McAfee is working on it and the administration is trying.

Second, I think we need to commend the Parents United, because they are picking up the challenge that I have just addressed. Particularly Mary Levy and Delabian Rice-Thurston as leaders of this group working with principals like Ms. Belle who are out there every day trying to make change. They deserve our commendation, because that is the only way we will have improvements in the system.

Also, Superintendent Smith has recognized the need to reduce the number of people who are not teaching and put more in the classrooms. One of the problems as I view the Washington, DC, system is that too many people are not in a teaching role and there is too much expenditure for nonteaching services. There needs to be a change in the ratio of teaching to nonteaching personnel in favor of more teachers.

Another challenge that confronts the administration is that they have in this city two separate administrations for Federal programs, the equivalent of a State system and the equivalent of a city system, so it is redundant and it is duplicative. I think perhaps about 100 positions could be eliminated by merging the systems. I know it takes time to do this. However, the additional resources made available could improve the quality of the experience of the child in the classroom. That is what education is all about.

I know that Superintendent Smith is very much aware of this and is working in that direction.

I want to particularly applaud the superintendent for his efforts to make the curriculum and the length of the school day more relevant.

We hear a lot about the need to give our young people a greater opportunity in the educational experience, and certainly we should recognize that that effort is being made here in the District of Columbia. Hopefully, over the next year or two this will bear fruit in improving the educational experience, and as these young people get greater opportunities, as their course become more relevant, they in turn will be able to participate in the leadership in this community in the years ahead, participate in the economic opportunities, improve their quality of life and perhaps with a lot of effort on the part of the Congress, on the part of groups like the Parents United, on the part of people responsible for the governance of this city, we can at some future time see a city that we can all take pride in, as our Nation's Capital.

Mr. DIXON. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. PANETTA], the distinguished chairman of the Committee on the Budget.

Mr. PANETTA. Mr. Chairman, I rise in support of H.R. 5517, the District of Columbia appropriations bill for fiscal year 1993. This is the 8th of the 13 annual appropriations bills to be considered by the House.

The bill provides $714 million in discretionary budget authority and $724 million in estimated discretionary outlays, which is identical to both the level of domestic discretionary budget authority and outlays as set by the 602(b) spending subdivision for this subcommittee.

I commend the chairman and ranking member of this subcommittee for bringing this bill to the House in a timely fashion.

As chairman of the Budget Committee, I will inform the House of the status of all appropriations bills compared to their 602(b) subdivision as they are considered on the House floor.

I look forward to working with the Appropriations Committee as it completes action on the remaining appropriation bills.

Mr. Chairman, I include the following factsheet:

Factsheet

H.R. 5517, DISTRICT OF COLUMBIA APPROPRIATIONS BILL, FISCAL YEAR 1993 (H. REPT. 102–638)

The House Appropriations Committee reported the District of Columbia Appropriations bill for Fiscal Year 1993 on Wednesday, July 1, 1992. Floor consideration of this bill is scheduled for Wednesday, July 8, 1992, subject to a rule being adopted.

COMPARISON TO THE 602(b) SUBDIVISION

The bill provides $714 million of discretionary budget authority and $724 million in estimated discretionary outlays, the same as the Appropriations 602(b) subdivision for this subcommittee. A comparison of the bill with the funding subdivisions follows:

[In millions of dollars]

	District of Columbia appropriations bill		Appropriations Committee 602(b) subdivision		Bill over (+)/ Under (—) committee 602(b) subdivision	
	BA	O	BA	O	BA	O
Discretionary	714	724	714	724	....	....
Mandatory[1]	....	....	....	....	....	....
Total	714	724	714	724	....	....

[1] Conforms to the budget resolution estimates for existing law.

BA=New budget authority.
O=Estimated outlays.

The House Appropriations Committee filed the Committee's subdivision of budget authority and outlays on June 11, 1992 in House Report 102–556. These subdivisions are consistent with the allocation of spending responsibility to House committees contained in House Report 102–529, the conference report to accompany H.Con.Res. 287, Concurrent Resolution on the Budget for Fiscal Year 1993, as adopted by the Congress on May 21, 1992.

Following are major program highlights for the District of Columbia Appropriations bill for fiscal year 1993, as reported:

PROGRAM HIGHLIGHTS

[In millions of dollars]

	Budget Authority	New Outlays
Federal payment to the District of Columbia	625	625
Federal contribution to retirement funds	52	52
Crime and youth initiative	31	31
Presidential inauguration expenses	6	6

The House Appropriations Committee filed the Committee's subdivision of budget authority and outlays on June 11, 1992. These subdivisions are consistent with the allocation of spending responsibility to House committees contained in H. Con. Res. 287, Concurrent Resolution on the Budget for Fiscal Year 1993, as adopted by the Congress on May 21, 1992.

Mr. GALLO. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I thank my friend and colleague, the gentleman from New Jersey, for yielding me this time.

Mr. Chairman, 88 percent of the moneys to be appropriated in the District of Columbia appropriation bill are by formula.

The Federal Government is legally obligated to contribute 24 percent of the total revenues the District of Columbia government collected 2 years ago.

This year, that Federal payment is $624 million.

The other 12 percent of appropriated moneys are directed to the police officers' and fire fighters' retirement fund, crime and youth initiatives, the Metropolitan Police Department, and the board of education.

In total, these contributions amount to $83 million.

The retirement fund contribution is more than 60 percent or $52 million of that total.

The budget justifications of the District of Columbia leave Congress without a substantial foothold to weigh the costs incurred in operating the District of Columbia government.

Using a different and apparently less precise budget object classification system than the Federal Government, the District of Columbia's accounting for its direct and indirect costs is simply unacceptable.

Its lack of specificity prevents Congress from meeting its obligations to scrutinize taxpayer dollars.

For example, the committee's report does not address the subject of the District's direct and indirect or overhead costs.

Under operating expenses, the report follows a set format for each agency.

It sets forth the committee's recommendation for staff positions in the first paragraph.

And in the second, it summarizes the agency's mission.

No cost analysis.

No cost control recommendations.

To not have the benefit of the committee's recommendations on how Congress may control costs should be of concern to every Member.

Like many of our own Federal agencies, the District of Columbia government has its share of bureaucratic waste.

That the bill before the House does not offer the Members an opportunity to lend their support to some practical, common sense cost controls is a serious omission.

I say this not in criticism of the Appropriations Committee, but rather to lend additional support to their efforts.

Their task is a difficult one.

To support reform we need a bill that encourages and gives common sense direction to the task of cost cutting.

To achieve that objective, we need better information.

It is my hope that these comments will contribute in a small way to the committee's work with the District of Columbia government on the 1994 fiscal year budget.

□ 1850

Mr. DIXON. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. MCMILLEN].

Mr. MCMILLEN of Maryland. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today in support of H.R. 5517. I am particularly pleased that this bill includes language that will finally close the oft-troubled Cedar Knoll detention facility which is located in my district, Anne Arundel County.

This detention facility has a long history of public safety problems. According to the human services department, 319 youths were lost from January 1988 to January 1989, and on any given day 30 percent of detention facility inmates are missing. Those missing range from juveniles convicted of homicide to lesser charges. These problems hit an all-time high last spring when 11 juveniles escaped the Cedar Knoll facility on 1 night.

This language evolved from legislation which Mr. HOYER, my Maryland colleague, and I introduced earlier this year. This legislation was a response to the D.C. government's failure to bring the facility under control and ensure proper public safety.

Today's language follows years of allowing the District the opportunity to rectify this problem. This youth detention facility has been subject to multiple investigations by the General Accounting Office, the Federal Bureau of Investigation, and the courts. In fact, in 1986, a court consent decree ordered the District of Columbia to close Cedar Knoll by December 1, 1987.

Mr. Chairman, the Cedar Knoll detention facility detains youth which offer real risks to our society and the failure to detain these youths has been a consistent threat to the safety of my constituents. Today's bill finally guarantees that public safety will be ensured. This language achieves the solution which was agreed to by the District of Columbia government in 1986—it closes Cedar Knoll.

I commend my colleague, the gentleman from Maryland [Mr. HOYER], for all his work on this legislation and I urge my colleagues to join us in supporting its passage.

Mr. GALLO. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. DIXON. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. STEARNS].

The CHAIRMAN. The gentleman from Florida [Mr. STEARNS] is recognized for 7 minutes.

Mr. STEARNS. Mr. Chairman, I rise for the purpose of entering into a colloquy with the distinguished chairman of the subcommittee, the gentleman from California [Mr. DIXON].

Mr. Chairman, it is my understanding that the District of Columbia is embarking on a pilot program that includes the distribution of contraceptives to high school students and provides clean needles for intravenous drug users. Is that true?

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. I yield to the gentleman from California.

Mr. DIXON. I thank the gentleman for yielding.

Mr. Chairman, that is true.

Mr. STEARNS. I am having difficulty, my staff and I, in identifying the funding level for this program and what guidelines and regulations are being formulated for the implementation of the program.

Mr. Chairman, I would like clarification from the committee or the District authorities as to where this appropriations bill contains this program that is being funded.

I would like to know how this program is going to be administered and by whom? Is it the Commission of Public Health? The Alcohol and Drug Abuse Administration? The Preventive Health Care Services Administration?

More importantly, how much is going to be spent on this effort?

Mr. Chairman, could you or the ranking member give this Member assurance that this information is possible to be provided before consideration of the conference report?

Mr. DIXON. If the gentleman will yield further, I would respond to the gentleman by saying this: I will be very glad to provide him with all of the details of both the condom program and the needle exchange program prior to House action on the conference agreement on this bill.

Further, let me just give some background on the programs and some general information about their administration.

Dr. Akhter, the commissioner of public health in Washington, DC, indicated to us that 1 in 57 men in the District were diagnosed with AIDS, 6 times the national average; that 1 in 67 District mothers tests HIV-positive, 10 times the national average. A survey by the Children's National Medical Center on District adolescents seeking care found that 1 in 100 teenage girls, 1 in 75 teenage boys, and 1 in 40 boys between the ages of 18 and 19 were found to be infected with HIV.

What this has meant to the District and what it certainly means to me is that there is an epidemic here as it relates to being HIV-positive or having AIDS.

I think the District should be congratulated for taking, yes, a bold but nevertheless a necessary step to try to bring this epidemic under control.

Therefore, by executive order the Mayor was able to promulgate rules and regulations that would allow for the dispensing of condoms in the public schools. I think it is clear for the record that no one is encouraging sexual intercourse among teenagers. But the fact of the matter is that many teenagers are contracting either AIDS or becoming HIV-positive through sexual intercourse.

So those students in junior and senior high schools, grades 7 through 12, will be dispensed condoms. Also, it is no secret that many of those who are illegally injecting drugs of one form or another have a strong likelihood of becoming HIV-positive and ultimately contracting AIDS.

The number of deaths in the District from AIDS has increased from 1,676 in 1990 to 2,227 in 1991, an increase of 33 percent in the number of deaths from AIDS.

Because of this bleak situation, the District has the strong desire to issue sterile needles, not because they are condoning the use of drugs, but because they want to save lives.

Mr. Chairman, this program is in effect under emergency legislation. Permanent legislation has passed out of the city council and is on the Mayor's desk for her signature. It will have the required layover time here in the Congress.

I will certainly provide the gentleman from Florida with specific information as to the exact method that these condoms and needles are to be dispensed, the costs and who will be in charge of the programs. And I will provide this information prior to the conference as he has requested.

Mr. STEARNS. I want to thank the chairman, the gentleman from California [Mr. DIXON]. I think his outlining of the details will help all Members understand why the program is being implemented, and I want to thank him for getting that information prior to the conference.

Mr. GALLO. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. I yield to the gentleman from New Jersey [Mr. GALLO].

Mr. GALLO. I thank the gentleman for yielding.

Let me simply say I understand the concerns of the gentleman regarding this program. It is very difficult to figure out the District's budget in its total aspect, particularly where the money for these kinds of programs is located and in what amounts.

I join with the chairman of our subcommittee in assuring the gentleman that we will get that information beforehand, and I thank him for his interest in this serious issue.

Mr. STEARNS. I thank my colleagues for allowing me the time.

Mr. DIXON. Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

Mr. GALLO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. I thank the gentleman for yielding this time to me.

Mr. Chairman, there is no question whatsoever that H.R. 5517 authorizes taxpayer-funded abortion on demand for the District of Columbia. There is no question whatsoever that the language in the bill reverses current law and that the President will veto this legislation unless the pro-abortion language is removed.

Pro-life members will mount, I can assure you, a vigorous effort to sustain the President's veto.

Of course, the unpleasant fact that some pro-abortionists would like to divert our attention from—and this has been true throughout the years as we have debated this issue—has been an appeal to home rule. I would suggest that respect for home rule is not absolute and certainly does not take precedence over respect for human life.

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Mr. Chairman, abortion on demand is the very antithesis of respect for life. It is death. It is child abuse that masquerades as a progressive policy. Every abortion stops a beating heart. Every abortion robs a baby girl or baby boy of a chance to be loved and to love, to learn or read a book, or to sing, or dance, or even to kick a soccer ball. Every abortion robs a child of the most precious gift of all: life.

Members should be advised that abortion methods that would be paid for with tax dollars, if this legislation is enacted, would cut, dismember and rip the innocent child apart. Suction machines 30 times more powerful than the typical vacuum cleaner would be subsidized in order to destroy the child. And there are other equally gruesome methods such as poisoning the baby with high concentrated salt solution or other chemicals, and that is what we are being asked to subsidize in this legislation.

I remain confident, Mr. Chairman, and full of hope that in the end a prudent and a pro-life policy will prevail and the distinguished chairman and my good friend, the gentleman from New Jersey [Mr. GALLO], will bring back to the floor legislation all of us can support and the President can sign.

Mr. DIXON. Mr. Chairman, I yield 2 minutes to the distinguished delegate from the District of Columbia [Ms. NORTON].

Ms. NORTON. Let me say first, Mr. Chairman, that the residents of the District of Columbia do not request abortion on demand. Abortion on demand is recognized nowhere in this country. We wish only what other Americans have the privilege of enjoying.

The gentleman carries his campaign against abortion far from his own district, and yet we have been reminded only in recent days by the Supreme Court of the United States, dominated by members of his own party, that there should be, at the very least, local options on the troublesome question of abortion, and so what we have in the United States is local option for everyone, every one of the 50 States and all of the territories except for the District of Columbia.

Mr. Chairman, it would appear that nothing settles this dispute, not even the decision of the Supreme Court of the United States, which has the final word unless this body approves the Freedom of Choice Act, which I pray it will.

This is a pluralistic country. We will almost surely never be a country where a woman cannot get an abortion anywhere. For this is not the America of the 1950's or the 1960's. This is a new day.

But it is not a new day yet for the poor women of the District of Columbia. Only they, it would appear, have the distinction of being treated more invidiously than any women anywhere else in the United States. It is a shame to have to ask that of the women of the District of Columbia, especially the poor women who will feel a Presidential veto greatest. They should be recognized to have the same right of privacy as all other women in the United States can now claim.

Mr. GALLO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Chairman and my colleagues, just a word about the quality of leadership on this committee. Because of the nature of the whole structure of the District of Columbia home rule, the fact that many of the Members of the Chamber and the other body live inside the confines of the District, because of the crime that has attacked all major cities in America, all major cities, this can be a very passionate debate, and it generally is not because of the quality of leadership here, and I want to just tip my hat to that leadership, the gentleman from California [Mr. DIXON] and the gentleman from New Jersey [Mr. GALLO].

On the issue of abortion, no one, and this has been a great source of comfort to me in a rather passionate debate, no one has ever questioned in my 15-year span here my dedication to this issue on principle and beyond just religious belief or theological conviction, my belief on scientific, and medical grounds and, yes, even sociological grounds.

When I first managed to win a Republican primary in 1976, our bicentennial year, and I have told this story several times using this Committee's debate as a forum to do it, I was driving past the Lincoln Memorial and the Washington Monument, looking at those 50 flags flying for each State, and I heard over the radio that the District of Columbia has become the first city in America where there were more abortions tolerated than live births, and that has gone on ever since 1976. Pretty soon it will be two decades. There were 1,600,000 abortions last year with a piddling, a tragically tiny, 25 to 30,000 adoptions.

Mr. Chairman, something is wrong. If I were of African-American heritage, and I would be very proud of it, I would question country club Republicans who always say, "How we going to feed them?" Economic abortions are the worst of all. It is a form of national suicide, of giving up and saying, "We can't feed these people, so let's kill them," and we cannot go along with infanticide, yet some people say, "So, let's kill them in the womb."

No, I think it will be a proud day when the District of Columbia sets a standard for American women and protects every child born and unborn in this beautiful District that I think is one of the finest cities to visit and live in the world. We are all trying to make it better, but I am afraid this issue of when life begins, when it is really sanctified, when we should respect it, nurture it, and protect it is a debate that is going to be with us as long as this country exists.

Mr. GALLO. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. HOLLOWAY].

Mr. HOLLOWAY. Mr. Chairman, I take the well today to try to instill in the minds of the Members of this House what has happened here in the District of Columbia.

I offered an amendment, and the Committee did not waive the point of order to allow me to offer it, and my amendment simply said it inserted at the end of page 41 after line 5: None of the funds made available in this Act may be used to implement, or enforce, or administer the District of Columbia's Act 9–188, the Health Care Benefit Expansion Act of 1992.

Now we had received this bill from the District of Columbia. It was transmitted to us on April 28, and I offered a resolution of disapproval, and I went through the procedures that we do here in the House, going to the Committee on the District of Columbia. I guess I would say the deck was stacked, and I was not allowed to offer the bill on the floor.

But I do want to let the House know a little more about what is in this bill. When the Committee is asked to rise, I will ask that the Members vote against the motion to rise. I will ask that the Members vote not to rise in order to allow me to offer this amendment. This amendment, to me, is a direct assault on the family unit of this country and of the world.

Mr. Chairman, this was first called a domestic partnership act, and, when they saw there was opposition to it, it was revised to be a health care bill. It has been portrayed as a harmless way to extend health care benefits. In fact, it would undermine the institution of marriage and will send shock waves through society.

The D.C. act would allow two persons 18 years or older to register with the city as domestic partners, and I want to stop here and tell my colleagues exactly what this does. There is no oversight. Nobody knows if there is actually a domestic partner. As far as I am concerned, a person with a contagious illness could go to someone and say, "I'd like to be your domestic partner. I'd like to go down and register." It is much like getting a parking permit, just as simple. "I'd like to go down and register as your domestic partner to where I can get the benefits of the health insurance of this city."

Now I think that is one of the smaller items, the fact that there is no oversight. I think the fact that disturbs me the most is the fact that both heterosexual, homosexual, lesbian are all allowed to be, and I think they feel very strongly that the original intent of this bill was to make it legal to have same-sex marriages in this country.

I think it is very sad that we would come from our Nation's Capital, and I have to tell my colleagues that I did not come up with this bill to say I want to beat up on anyone. But I had many of the black pastors of this District—and I stress black pastors of this District—come to me and ask me would I please offer this bill because to them it destroyed the families of this District as well as the families of this Nation.

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Now, in the committee we tried to bring up the point that the gentleman from California [Mr. ROHRABACHER] was trying to make it a racial issue by saying that the opposition to the bill brought two white Episcopalian priests and Presbyterian ministers to testify for it. We had in my opinion the vast majority of the black ministers in this country in support.

Mr. Chairman, I will close my argument by saying that I hope Members will vote with us for this committee not to rise, and to give an opportunity to offer this amendment. To me it basically stands for what we know is missing in this country, and that is the destruction of the family in this Nation, to say that we no longer have respect, that we no longer differentiate between same-sex relationships and commitments from a man and a woman in a marriage who bring up children and try to teach them right and wrong.

Mr. Chairman, I tell you today, as I stand in this well, I think this is a very important amendment. I think I should have the opportunity to offer it. I think I should have had that opportunity in the Committee on Rules. I was not granted it.

So I would ask this body to vote against the motion to rise and give me an opportunity to offer this amendment, which just says let us retain what this Nation was founded so greatly upon, and that is belief in God and belief that man and woman make a commitment for life through the relationship of marriage.

Mr. DIXON. Mr. Chairman, I yield 2 minutes.

Mr. Chairman, the gentleman from California [Mr. DELLUMS], the chairman of the authorizing committee, took exception to the word "stacked," and I think rightfully so.

Mr. Chairman, the local legislation that the gentleman from Louisiana [Mr. HOLLOWAY] has talked about was approved by the city council and signed by the Mayor on April 15, 1992. It was transmitted to Congress on April 28 of 1992 for the 30-day congressional layover period. The bill was referred by the Speaker to the committee of jurisdiction, the one chaired by the gentleman from California [Mr. DELLUMS]. That committee held a hearing. The committee voted 6 to 3 to defeat the resolution of disapproval. So the bill became law on June 11, 1992.

Mr. Chairman, that process by no means deserves to be described by the word "stacked." And because the Committee on Rules disagreed with the gentleman from Louisiana [Mr. HOLLOWAY], that does not mean the process was stacked. It was all done in an open process where everyone was given the opportunity to make their case.

In my view, and I think in everyone's view, the bill the gentleman is talking about, regardless of his feeling about it, does not discriminate based on sex. The coverage provided by the bill is available to heterosexuals as well as to homosexuals. The bill does not violate the Constitution; it does not violate home rule; and it does not involve a Federal interest.

Mr. Chairman, on those bases, I think we should support the motion to rise.

Mr. Chairman, I yield 1 minute to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I have only this to say: I am proud to live in a district which would not exclude people from health benefits based on their sexual orientation. I am proud to live in a district that regards homophobia as unacceptable and as racism and sexism.

Mr. GALLO. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. HOLLOWAY].

Mr. HOLLOWAY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to simply respond to say, of course, one can say it does not discriminate. I made that statement myself.

Mr. DIXON. Mr. Chairman, if the gentleman would yield, I was using the gentleman's words. He said anyone could apply for this; it did not discriminate.

Mr. HOLLOWAY. Mr. Chairman, reclaiming my time, that is correct. It pertains to heterosexuals as well as homosexuals, as well as lesbians and other groups.

Mr. Chairman, basically my opposition to the bill is the fact that anyone can go down and register as a domestic partner. I am simply saying that laws like this destroy the moral structure of our Nation. To say that they were "stacked" probably is a poor use of words, because I guess basically as Republicans, we normally come out on the short end of most affairs. So I guess to say the committee was "stacked" was a poor word to use, because the chairman did give me an opportunity to submit it through the subcommittee as well as the committee. So I was not referring to the chairman as not being fair to me as an individual, but simply saying that we not too often have an opportunity to offer an amendment like this, which I think was worthy to go to the floor and be debated here on the floor.

Mr. Chairman, I simply have to say that if we consider that we are going to move this in, that there are enticements in this bill which would allow it to be offered to businesses, offer them tax exemptions if they will start offering the same type of benefits, I just have to say that maybe I am old, maybe I am an old crony that thinks that our Nation is great because of the greatness of the family and the greatness of the family structure of it.

Mr. Chairman, I do not think anyone that is homosexual can stand here on this floor and openly tell me that homosexuality is good for the future of America. I do not think anyone can stand here on the floor and tell me that it is good for the future of our country. If they do, I have to argue and say that what made this country great is our Judeo-Christian beliefs, our belief in marriage, our belief in commitment for life. I think this bill totally goes toward destroying that, and I will ask Members to vote to disapprove the motion to rise.

Mr. DIXON. Mr. Chairman, might I inquire how much time is left?

The CHAIRMAN. The Chair advises that each side as 1 minute remaining in general debate.

Mr. GALLO. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. DIXON. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I yield myself this time just to address the gentleman from Louisiana [Mr. HOLLOWAY]. I understand that the issue the gentleman is addressing is a very emotional one, one that is certainly controversial in our society. However, that is not the issue before us.

The issue before us is whether this community, the District of Columbia, has, as States have, a right to promulgate its own rules and regulations.

Mr. Chairman, from the comments I have heard from the gentleman from Louisiana [Mr. HOLLOWAY], he does not like the District's decision to extend certain health benefits to partners. That is not the issue here today. The issue is whether or not this District has the right to promulgate rules and regulations governing benefits for its citizens. It has decided to do so. It has nothing to do with homosexuality, one way or the other.

Mr. Chairman, in closing let me thank my staff. My chief of staff, Americo Miconi always does outstanding work, and let me also thank Donna Mullins and Mary Porter for their fine assistance, as well as that of all the members of the staff of the full Committee on Appropriations. They are always very professional, very courteous, and very responsive, even in the most difficult of situations and circumstances.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment printed in House Report 102-651, and any amendments thereto, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent of the amendment.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia for the fiscal year ending September 30, 1993, and for other purposes, namely:

TITLE I

FISCAL YEAR 1993 APPROPRIATIONS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For payment to the District of Columbia for the fiscal year ending September 30, 1993, $624,854,400, as authorized by section 502(a) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 47-3406(a).

FEDERAL CONTRIBUTION TO RETIREMENT FUNDS

For the Federal contribution to the Police Officers and Fire Fighters', Teachers', and Judges' Retirement Funds, as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96-122), $52,070,000.

FEDERAL CONTRIBUTION FOR CRIME AND YOUTH INITIATIVES

For a Federal contribution for crime and youth initiatives in the District of Columbia, $30,798,600: *Provided*, That this appropriation shall not be obligated or expended until the Committees on Appropriations of the House of Representatives and the Senate have approved a detailed plan as to the use of these funds.

PRESIDENTIAL INAUGURATION

For payment to the District of Columbia in lieu of reimbursements for expenses incurred in connection with Presidential inauguration activities, $5,514,000, as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 1-1803).

METROPOLITAN POLICE DEPARTMENT

For a Federal contribution to the District of Columbia for the Metropolitan Police Department, $400,000, of which $250,000 shall be for training and continuing education programs and $150,000 shall be for a summer youth program.

BOARD OF EDUCATION

For a Federal contribution to the District of Columbia, $83,000, of which $43,000 shall be for an adult literacy program and $40,000 shall be for a program to teach self-discipline, motivation, and respect in public schools.

DISTRICT OF COLUMBIA INSTITUTE FOR MENTAL HEALTH

For a Federal contribution to the District of Columbia Institute for Mental Health to provide professional mental health care to low-income, underinsured, and indigent children, adults, and families in the District of Columbia, $140,000.

CHILDREN'S NATIONAL MEDICAL CENTER

For a Federal contribution to the Children's National Medical Center for a cost-shared National Child Protection Center, $140,000.

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, $115,591,000: *Provided*, That not to exceed $2,500 for the Mayor, $2,500 for the Chairman of the Council of the District of Columbia, and $2,500 for the City Administrator shall be available from this appropriation for expenditures for official purposes: *Provided further*, That $10,200,000 of the revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992" shall be available for the Mayor's youth and crime initiative, but shall not be obligated or expended until the Mayor submits to the Council a plan for the allocation and use of the funds: *Provided further*, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: *Provided further*, That notwithstanding any other provision of law, there is hereby appropriated from the earnings of the applicable retirement funds $10,292,000 to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board, of which not to exceed $400,000 of this appropriation, subject to the enactment of authorizing legislation, shall be used to reimburse the general fund for expenses incurred by the general fund during the fiscal year ending September 30, 1993, in rendering services related to the Retirement Board, including, but not limited to, determining retirement eligibility, calculating pension benefits, preparing and distributing pension checks, filing reports and related activities: *Provided further*, That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: *Provided further*, That the District of Columbia Retirement Board shall provide the Mayor, for transmittal to the Council of the District of Columbia, an item accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report.

ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, $102,888,000: *Provided*, That the District of Columbia Housing Finance Agency, established by section 201 of the District of Columbia Housing Finance Agency Act, effective March 3, 1979 (D.C. Law 2-135; D.C. Code, sec. 45-2111), based upon its capability of repayments as determined each year by the Council of the District of Columbia from the Finance Agency's annual audited financial statements to the Council of the District of Columbia, shall repay to the general fund an amount equal to the appropriated administrative costs plus interest at a rate of four percent per annum for a term of 15 years, with a deferral of payments for the first three years: *Provided further*, That notwithstanding the foregoing provision, the obligation to repay all or part of the amounts due shall be subject to the rights of the owners of any bonds or notes issued by the Finance Agency and shall be repaid to the District of Columbia government only from available operating revenues of the Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses: *Provided further*, That upon commencement of the debt service payments, such payments shall be deposited into the general fund of the District of Columbia.

PUBLIC SAFETY AND JUSTICE

Public safety and justice, including purchase of 135 passenger-carrying vehicles for replacement only, including 130 for police-type use and five for fire-type use, without regard to the general purchase price limitation for the current fiscal year, $945,951,000: *Provided*, That the Metropolitan Police Department shall maintain a force of not less than 4,889 officers and members: *Provided further*, That $188,200,000 shall be allocated for the Police Officers and Fire Fighters' Retirement Fund and $4,300,000 shall be allocated for the Judges' Retirement Fund: *Provided further*, That the Metropolitan Police Department is authorized to replace not to exceed 25 passenger-carrying vehicles and the Fire Department of the District of Columbia is authorized to replace not to exceed five passenger-carrying vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths of the cost of the replacement: *Provided further*, That not to exceed $500,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: *Provided further*, That the Metropolitan Police Department shall provide quarterly reports to the Committees on Appropriations of the House and Senate on efforts to increase efficiency and improve the professionalism in the department: *Provided further*, That notwithstanding any other provision of law, or Mayor's Order 86-45, issued March 18, 1986, the Metropolitan Police Department's delegated small purchase authority shall be $500,000: *Provided further*, That the District of Columbia government may not require the Metropolitan Police Department to submit to any other procurement review process, or to obtain the approval of or be restricted in any manner by any official or employee of the District of Columbia government, for purchases that do not exceed $500,000: *Provided further*, That $299,000 of the amount appropriated under this heading shall be available at the discretion of the Chief of Police for outside training and continuing education programs for the Metropolitan Police Department: *Provided further*, That $150,000 of the amount appropriated under this heading shall be available for the Metropolitan Police Department for expenses necessary for the establishment and operation of a summer youth jobs program under the direction of the Chief of Police: *Provided further*, That funds appropriated for expenses under the District of Columbia Criminal Justice Act, approved September 3, 1974 (88 Stat. 1090; Public Law 93-412; D.C. Code, sec. 11-2601 et seq.), for the fiscal year ending September 30, 1993, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1975: *Provided further*, That funds appropriated for expenses under the District of Columbia Neglect Representation Equity Act of 1984, effective March 13, 1985 (D.C. Law 5-129; D.C. Code, sec. 16-2304), for the fiscal year ending September 30, 1993, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1985: *Provided further*, That funds appropriated for expenses under the District of Columbia Guardianship, Protection Proceedings, and Durable Power of Attorney Act of 1986, effective February 27, 1987 (D.C. Law 6-204; D.C. Code, sec. 21-2060), for the fiscal year ending September 30, 1993, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1989: *Provided further*, That not to exceed $1,500 for the Chief Judge of the District of Columbia Court of Appeals, $1,500 for the Chief Judge of the Superior Court of the District of Columbia, and $1,500 for the Executive Officer of the District of Columbia Courts shall be available from this appropriation for official purposes: *Provided further*, That the District of Columbia shall operate and maintain a free, 24-hour telephone information service whereby residents of the area surrounding Lorton prison in Fairfax County, Virginia, can promptly obtain information from District of Columbia government officials on all disturbances at the prison, including escapes, fires, riots, and similar incidents: *Provided further*, That the District of Columbia government shall also take steps to publicize the availability of the 24-hour telephone information service among the residents of the area surrounding the Lorton prison: *Provided further*, That not to exceed $100,000 of this appropriation shall be used to reimburse Fairfax County, Virginia, and Prince William County, Virginia, for expenses incurred by the counties during the fiscal year ending September 30, 1993, in relation to the Lorton prison complex: *Provided further*, That such reimbursements shall be paid in all instances in which the District requests the counties to provide police, fire, rescue, and related services to help deal with escapes, riots, and similar disturbances involving the prison: *Provided further*, That none of the funds provided in this Act may be used to implement any staffing plan for the District of Columbia Fire Department that includes the elimination of any positions for Administrative Assistants to the Battalion Fire Chiefs of the Fire Fighting Division of the Department: *Provided further*, That the Mayor shall reimburse the District of Columbia National Guard for expenses incurred in connection with services that are performed in emergencies by the National Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly determined and certified as due and payable for these services by the Mayor and the Commanding General of the District of Columbia National Guard: *Provided further*, That such sums as may be necessary for reimbursement to the District of Columbia National Guard under the preceding proviso shall be available from this appropriation, and the availability of the sums shall be deemed as constituting payment in advance for the emergency services involved.

PUBLIC EDUCATION SYSTEM

Public education system, including the development of national defense education programs, $713,675,000, to be allocated as follows: $513,635,000 for the public schools of the District of Columbia, of which $43,000 shall be for the Washington Literacy Council and $40,000 shall be for the Joy of Discipline Program; $98,800,000 shall be allocated for the District of Columbia Teachers' Retirement Fund; $71,995,000 for the University of the District of Columbia, of which $2,000,000 shall be derived from revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992"; $20,978,000 for the Public Library, of which $200,000 shall be transferred to the Children's Museum; $3,527,000 for the Commission on the Arts and Humanities; $4,500,000 for the District of Columbia School of Law; and $240,000 for the Education Licensure Commission: *Provided*, That the public schools of the District of Columbia are authorized to accept not to exceed 31 motor vehicles for exclusive use in the driver education program: *Provided further*, That not to exceed $2,500 for the Superintendent of Schools, $2,500 for the President of the University of the District of Columbia, and $2,000 for the Public Librarian shall be available from this appropriation for expenditures for official purposes: *Provided further*, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, 1993, a tuition rate schedule that will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area.

HUMAN SUPPORT SERVICES

Human support services, $886,777,000: *Provided*, That $19,015,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: *Provided further*, That the District shall not provide free government services such as water, sewer, solid waste disposal or collection, utilities, maintenance, repairs, or similar services to any legally constituted private nonprofit organization (as defined in section 411(5) of Public Law 100-77, approved July 22, 1987) providing emergency shelter services in the District, if the District would not be qualified to receive reimbursement pursuant to the Stewart B. McKinney Homeless Act, approved July 22, 1987 (101 Stat. 485; Public Law 100-77; 42 U.S.C. 11301 et seq.).

PUBLIC WORKS

Public works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and purchase of passenger-carrying vehicles for replacement only, $227,622,000: *Provided*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business.

WASHINGTON CONVENTION CENTER FUND

For the Washington Convention Center Fund, $13,250,000.

REPAYMENT OF LOANS AND INTEREST

For reimbursement to the United States of funds loaned in compliance with An Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, approved August 7, 1946 (60 Stat. 896; Public Law 79-648); section 1 of An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; D.C. Code, sec. 9-219); section 4 of An Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system, approved June 12, 1960 (74 Stat. 211; Public Law 86-515); sections 723 and 743(f) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973, as amended (87 Stat. 821; Public Law 93-198; D.C. Code, sec. 47-321, note; 91 Stat. 1156; Public Law 95-131; D.C. Code, sec. 9-219, note), including interest as required thereby, $291,299,000.

REPAYMENT OF GENERAL FUND RECOVERY DEBT

For the purpose of eliminating the $331,589,000 general fund accumulated deficit as of September 30, 1990, $38,342,000, as authorized by section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973, as amended (105 Stat. 540; Public Law 102-106; D.C. Code, sec. 47-321(a)).

OPTICAL AND DENTAL BENEFITS

For optical and dental costs for nonunion employees, $3,423,000.

INAUGURAL EXPENSES

For reimbursement for necessary expenses incurred in connection with Presidential inauguration activities as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, approved December 24, 1973 (87 Stat. 824; D.C. Code, sec. 1-1803), $5,514,000, which shall be apportioned by the Mayor within the various appropriation headings in this Act.

Facilities Rent/Leases

For the purpose of funding costs associated with the rental and leasing of facilities for governmental purposes, $16,682,000.

Furlough Adjustment

Each agency, office, and instrumentality of the District, except the District of Columbia Courts, shall furlough each employee of the respective agency, office, or instrumentality for one day in each month of the fiscal year ending September 30, 1993, or a proportional number of hours for part-time employees. The personal services spending authority for each agency, office, and instrumentality subject to this section is reduced in an amount equal to the savings resulting from the employee furloughs required by this section, for a total reduction of $36,000,000. The Council shall enact legislation to implement this section which may include but shall not be limited to procedures to ensure that public health and safety functions are carried out.

Within-Grade Salary Adjustments

Notwithstanding any other provision of law, no employee of any agency, office, or instrumentality of the District shall receive within-grade salary increases during the fiscal year ending September 30, 1993, and no time during the fiscal year ending September 30, 1993 shall accrue toward the waiting period for advancement to the following rate within the grade. The spending authority for each agency, office and instrumentality is reduced in an amount equal to the savings resulting from the adjustments required by this section, for a total reduction of $13,000,000.

Capital Outlay

For construction projects, $333,639,000, as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58-140; D.C. Code, secs. 43-1512 through 43-1519); the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 101; Public Law 83-364); An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; D.C. Code, secs. 9-219 and 47-3402); section 3(g) of the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved August 20, 1958 (72 Stat. 686; Public Law 85-692; D.C. Code, sec. 40-805(7)); and the National Capital Transportation Act of 1969, approved December 9, 1969 (83 Stat. 320; Public Law 91-143; D.C. Code, secs. 1-2451, 1-2452, 1-2454, 1-2456, and 1-2457); including acquisition of sites, preparation of plans and specifications, conducting preliminary surveys, erection of structures, including building improvement and alteration and treatment of grounds, to remain available until expended: *Provided*, That $8,232,000 shall be available for project management and a decrease of $2,734,000 for design by the Director of the Department of Public Works or by contract for architectural engineering services, as may be determined by the Mayor: *Provided further*, That funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: *Provided further*, That all funds provided by this appropriation title shall be available only for the specific projects and purposes intended: *Provided further*, That notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968, approved August 23, 1968 (82 Stat. 827; Public Law 90-495; D.C. Code, sec. 7-134, note), for which funds are provided by this appropriation title, shall expire on September 30, 1994, except authorizations for projects as to which funds have been obligated in whole or in part prior to September 30, 1994: *Provided further*, That upon expiration of any such project authorization the funds provided herein for the project shall lapse.

Water and Sewer Enterprise Fund

For the Water and Sewer Enterprise Fund, $251,630,000, of which $39,602,000 shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects, and $12,200,000 collected as payment in lieu of taxes pursuant to the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992" shall be transferred to the general fund to provide $10,200,000 for the Mayor's youth and crime initiative, and $2,000,000 for the University of the District of Columbia.

For construction projects, $45,908,000, as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58-140; D.C. Code, sec. 43-1512 et seq.): *Provided*, That the requirements and restrictions that are applicable to general fund capital improvement projects and set forth in this Act under the Capital Outlay appropriation title shall apply to projects approved under this appropriation title: *Provided further*, That not to exceed $22,705,000 in water and sewer enterprise fund operating revenues shall be available for pay-as-you-go capital projects.

Lottery and Charitable Games Enterprise Fund

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation Act for the fiscal year ending September 30, 1982, approved December 4, 1981 (95 Stat. 1174, 1175; Public Law 97-91), as amended, for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Code, secs. 2-2501 et seq. and 22-1516 et seq.), $8,450,000, to be derived from non-Federal District of Columbia revenues: *Provided*, That the District of Columbia shall identify the source of funding for this appropriation title from the District's own locally-generated revenues: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board.

Cable Television Enterprise Fund

For the Cable Television Enterprise Fund, established by the Cable Television Communications Act of 1981, effective October 22, 1983 (D.C. Law 5-36; D.C. Code, sec. 43-1801 et seq.), $2,500,000.

Starplex Fund

For the Starplex Fund, an amount necessary for the expenses incurred by the Armory Board in the exercise of its powers granted by An Act to establish a District of Columbia Armory Board, and for other purposes, approved June 4, 1948 (62 Stat. 339; D.C. Code, sec. 2-301 et seq.) and the District of Columbia Stadium Act of 1957, approved September 7, 1957 (71 Stat. 619; Public Law 85-300; D.C. Code, sec. 2-321 et seq.), of which $1,847,000 shall be transferred to the general fund: *Provided*, That the Mayor shall submit a budget for the Armory Board for the forthcoming fiscal year as required by section 442(b) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 824; Public Law 93-198; D.C. Code, sec. 47-301(b)).

General Provisions

SEC. 101. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 102. Except as otherwise provided in this Act, all vouchers covering expenditures of appropriations contained in this Act shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

SEC. 103. Whenever in this Act, an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 104. Appropriations in this Act shall be available, when authorized by the Mayor, for allowances for privately-owned automobiles and motorcycles used for the performance of official duties at rates established by the Mayor: *Provided*, That such rates shall not exceed the maximum prevailing rates for such vehicles as prescribed in the Federal Property Management Regulations 101-7 (Federal Travel Regulations).

SEC. 105. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor: *Provided*, That the Council of the District of Columbia and the District of Columbia Courts may expend such funds without authorization by the Mayor.

SEC. 106. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments that have been entered against the District of Columbia government: *Provided*, That nothing contained in this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved March 31, 1956 (70 Stat. 78; Public Law 84-460; D.C. Code, sec 47-1812.11(c)(3)).

SEC. 107. Appropriations in this Act shall be available for the payment of public assistance without reference to the requirement of section 544 of the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Code, sec. 3-205.44), and for the non-Federal share of funds necessary to qualify for Federal assistance under the Juvenile Delinquency Prevention and Control Act of 1968, approved July 31, 1968 (82

Stat. 462; Public Law 90-445; 42 U.S.C. 3801 et seq.).

SEC. 108. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 109. No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

SEC. 110. The annual budget for the District of Columbia government for the fiscal year ending September 30, 1994, shall be transmitted to the Congress no later than April 15, 1993.

SEC. 111. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations, the House Committee on the District of Columbia, the Subcommittee on General Services, Federalism, and the District of Columbia of the Senate Committee on Governmental Affairs, and the Council of the District of Columbia, or their duly authorized representative: *Provided*, That none of the funds contained in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name and salary are not available for public inspection.

SEC. 112. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, effective September 23, 1977 (D.C. Law 2-20; D.C. Code, sec. 47-421 et seq.).

SEC. 113. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

SEC. 114. None of the Federal funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

SEC. 115. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: *Provided*, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowing and spending progress compared with projections.

SEC. 116. The Mayor shall not borrow any funds for capital projects unless the Mayor has obtained prior approval from the Council of the District of Columbia, by resolution, identifying the projects and amounts to be financed with such borrowings.

SEC. 117. The Mayor shall not expend any moneys borrowed for capital projects for the operating expenses of the District of Columbia government.

SEC. 118. None of the funds appropriated by this Act may be obligated or expended by reprogramming except pursuant to advance approval of the reprogramming granted according to the procedure set forth in the Joint Explanatory Statement of the Committee of Conference (House Report No. 96-443), which accompanied the District of Columbia Appropriation Act, 1980, approved October 30, 1979 (93 Stat. 713; Public Law 96-93), as modified in House Report No. 98-265, and in accordance with the Reprogramming Policy Act of 1980, effective September 16, 1980 (D.C. Law 3-100; D.C. Code, sec. 47-361 et seq.).

SEC. 119. None of the Federal funds provided in this Act shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia.

SEC. 120. None of the Federal funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in the Automobile Fuel Efficiency Act of 1980, approved October 10, 1980 (94 Stat. 1824; Public Law 96-425; 15 U.S.C. 2001(2)), with an Environmental Protection Agency estimated miles per gallon average of less than 22 miles per gallon: *Provided*, That this section shall not apply to security, emergency rescue, or armored vehicles.

SEC. 121. (a) Notwithstanding section 422(7) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(7)), the City Administrator shall be paid, during any fiscal year, a salary at a rate established by the Mayor, not to exceed the rate established for level IV of the Executive Schedule under 5 U.S.C. 5315.

(b) For purposes of applying any provision of law limiting the availability of funds for payment of salary or pay in any fiscal year, the highest rate of pay established by the Mayor under subsection (a) of this section for any position for any period during the last quarter of calendar year 1992 shall be deemed to be the rate of pay payable for that position for September 30, 1992.

(c) Notwithstanding section 4(a) of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; Public Law 79-592; D.C. Code, sec. 5-803(a)), the Board of Directors of the District of Columbia Redevelopment Land Agency shall be paid, during any fiscal year, per diem compensation at a rate established by the Mayor.

SEC. 122. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code, sec. 1-601.1 et seq.), enacted pursuant to section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(3)), shall apply with respect to the compensation of District of Columbia employees: *Provided*, That for pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5 of the United States Code.

SEC. 123. The Director of the Department of Administrative Services may pay rentals and repair, alter, and improve rented premises, without regard to the provisions of section 322 of the Economy Act of 1932 (Public Law 72-212; 40 U.S.C. 278a), upon a determination by the Director, that by reason of circumstances set forth in such determination, the payment of these rents and the execution of this work, without reference to the limitations of section 322, is advantageous to the District in terms of economy, efficiency, and the District's best interest.

SEC. 124. No later than 30 days after the end of the first quarter of the fiscal year ending September 30, 1993, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia the new fiscal year 1993 revenue estimates as of the end of the first quarter of fiscal year 1993. These estimates shall be used in the budget request for the fiscal year ending September 30, 1994. The officially revised estimates at midyear shall be used for the midyear report.

SEC. 125. Section 466(b) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 806; Public Law 93-198; D.C. Code, sec. 47-326), as amended, is amended by striking "sold before October 1, 1992" and inserting "sold before October 1, 1993".

SEC. 126. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Code, sec. 1-1183.3), except that the District of Columbia Public Schools may renew or extend sole source contracts for which competition is not feasible or practical, provided that the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated Board of Education rules and procedures.

SEC. 127. Nothing in this Act shall be construed to authorize any office, agency or entity to expend funds for programs or functions for which a reorganization plan is required but has not been approved by the Council pursuant to section 422(12) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(12)) and the Governmental Reorganization Procedures Act of 1981, effective October 17, 1981 (D.C. Law 4-42; D.C. Code, secs. 1-299.1 to 1-299.7). Appropriations made by this Act for such programs or functions are conditioned on the approval by the Council, prior to October 1, 1992, of the required reorganization plans, including but not limited to: the Office of Tourism, the Office of Banking and Financial Institutions, and the transfer of the functions of the Unclaimed Property Unit within the Department of Finance and Revenue to the Office of the Controller.

SEC. 128. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended, the term "program, project, and activity" shall be synonymous with and refer specifically to each account appropriating Federal funds in this Act, and any sequestration order shall be applied to each of the accounts rather than to the aggregate total of those accounts: *Provided*, That sequestration orders shall not be applied to any account that is specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended.

SEC. 129. In the event a sequestration order is issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended, after the amounts appropriated to the District of Columbia for the fiscal year involved have been paid to the District of Columbia, the Mayor of the District of Columbia shall pay to the Secretary of the Treasury, within 15 days after receipt of a request therefor from the Secretary of the Treasury, such amounts as are sequestered by the order: *Provided*, That the sequestration percentage specified in the order shall be applied proportionately to each of the Federal appropriation accounts in this Act that are not specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99–177), as amended.

SEC. 130. Section 133(e) of the District of Columbia Appropriations Act, 1990, as amended, is amended by striking "December 31, 1992" and inserting "December 31, 1993".

SEC. 131. For the fiscal year ending September 30, 1993, the District of Columbia shall pay interest on its quarterly payments to the United States that are made more than 60 days from the date of receipt of an itemized statement from the Federal Bureau of Prisons of amounts due for housing District of Columbia convicts in Federal penitentiaries for the preceding quarter.

SEC. 132. None of the funds provided in this Act may be used by the District of Columbia to provide for the salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiative of 1979, effective March 10, 1981 (D.C. Law 3–171; D.C. Code, sec. 1–113(d)).

SEC. 133. None of the funds made available in this Act may be used by the District of Columbia to operate, after June 1, 1993, the juvenile detention facility known as the Cedar Knoll Facility. The Mayor shall transmit a plan and timetable for closing the Cedar Knoll Facility to the Committees on Appropriations of the House of Representatives and the Senate by January 15, 1993.

SEC. 134. (a) An entity of the District of Columbia government may accept and use a gift or donation during fiscal year 1993 if—

(1) the Mayor approves the acceptance and use of the gift or donation; and

(2) the entity uses the gift or donation to carry out its authorized functions or duties.

(b) Each entity of the District of Columbia government shall keep accurate and detailed records of the acceptance and use of any gift or donation under subsection (a) of this section, and shall make such records available for audit and public inspection.

(c) For the purposes of this section, the term "entity of the District of Columbia government" includes an independent agency of the District of Columbia.

(d) This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.

SEC. 135. (a) None of the funds appropriated by this or any other Act may be used to issue or renew a registration certificate or identification tag for any motor vehicle if unpaid fines, penalities and other costs for traffic violations in the District of Columbia are outstanding against any registered owner of such vehicle or against any authorized user of any vehicle of such registered owner.

(b) Subsection (a) shall not apply to an issuance or renewal if the Director of the Department of Public Works of the District of Columbia—

(1) determines that special circumstances require a waiver of such subsection with respect to such issuance or renewal;

(2) issues such waiver in writing, setting forth such circumstances; and

(3) submits a written notification of such waiver and circumstances to the Committees on Appropriations of the House of Representatives and the Senate and to the governmental agency having authority to approve such issuance or renewal.

SEC. 136. None of the funds made available in this Act may be used by the District of Columbia to impose, implement, collect, administer, transfer, or enforce a payment in lieu of taxes on the Water and Sewer Utility Administration that would increase payments required of suburban jurisdictions in Maryland or Virginia under the Blue Plains Intermunicipal Agreement of 1985.

This title may be cited as the "District of Columbia Appropriations Act, 1993".

TITLE II

FISCAL YEAR 1992 SUPPLEMENTAL DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

(INCLUDING RESCISSION)

For an additional amount for "Governmental direction and support", $3,177,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102–111; 105 Stat. 560), $5,427,000 are rescinded for a net decrease of $2,250,000: *Provided further*, That of the remaining funds, $1,724,000 shall be for the Mayor's youth and crime initiative in the City Administrator's Office, but shall not be obligated or expended until the Mayor submits to the Council a plan for the allocation and use of the funds, and $476,000 shall be for the Office of Personnel to conduct a management audit of personal and nonpersonal services: *Provided further*, That notwithstanding any other provision of law, there is hereby appropriated from the earnings of the applicable retirement funds an additional $1,694,000 to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board: *Provided further*, That of the $10,020,000 appropriated to the Retirement Board from the earnings of the applicable retirement funds, not to exceed $400,000 of this appropriation, subject to the enactment of authorizing legislation, shall be used to reimburse the general fund for expenses incurred by the general fund during the fiscal year ending September 30, 1992, in rendering services related to the Retirement Board, including, but not limited to, determining retirement eligibility, calculating pension benefits, preparing and distributing pension checks, filing reports and related activities.

ECONOMIC DEVELOPMENT AND REGULATION

(INCLUDING RESCISSION)

For an additional amount for "Economic development and regulation", $6,361,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102–111; 105 Stat. 561), $5,094,000 are rescinded for a net increase of $1,267,000.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

For an additional amount for "Public safety and justice", $114,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102–111; 105 Stat. 561), $22,356,000 are rescinded for a net decrease of $22,242,000.

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSION)

For an additional amount for "Public education system", $300,000, of which $260,000 is for the public schools of the District of Columbia and $40,000 is for pay-as-you-go capital projects for the public schools: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102–111; 105 Stat. 563), $48,000 for the Education Licensure Commission are rescinded for a net increase of $252,000.

HUMAN SUPPORT SERVICES

(INCLUDING RESCISSION)

For an additional amount for "Human support services", $45,565,000: *Provided*, That $2,196,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: *Provided further*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102–111; 105 Stat. 564), $3,405,000 are rescinded for a net increase of $42,160,000.

PUBLIC WORKS

(RESCISSION)

Of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102–111; 105 Stat. 564), $31,308,000 are rescinded.

WASHINGTON CONVENTION CENTER FUND

(RESCISSION)

Of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102–111; 105 Stat. 564), $560,000 are rescinded.

REPAYMENT OF LOANS AND INTEREST

(RESCISSION)

Of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102–111; 105 Stat. 564), $2,544,000 are rescinded.

REPAYMENT OF GENERAL FUND DEFICIT

For an additional amount for "Repayment of general fund deficit", $2,245,000.

RESIZING

For the purpose of funding costs associated with the Temporary Appeals Board, downsizing, and early-outs, $5,510,000, to be apportioned by the Mayor of the District of Columbia within the various appropriation headings in this Act from which costs are properly payable.

FACILITIES RENT/LEASES

For the purpose of funding costs associated with the rental and leasing of facilities for governmental purposes, $16,667,000.

CAPITAL OUTLAY

For an additional amount for "Capital outlay", $11,000,000, to remain available until expended: *Provided*, That of the amounts appropriated under this heading in prior fiscal years for the Law School Facility, $10,000,000 are rescinded for a net increase of $1,000,000.

WATER AND SEWER ENTERPRISE FUND

(INCLUDING RESCISSION)

For an additional amount for "Water and sewer enterprise fund", $62,327,000, of which $28,287,000 shall be transferred to the general fund to finance general fund operating expenses: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992, approved October

1, 1991 (Public Law 102-111; 105 Stat. 566), $35,820,000 are rescinded for a net increase of $26,507,000: *Provided further*, That $38,834,000 of the amounts available for fiscal year 1992 shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects instead of $38,006,000 as provided under this heading in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 566).

The following provision under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 566) is repealed: "*Provided further*, That $25,608,000 in water and sewer enterprise fund operating revenues shall be available for pay-as-you-go capital projects."

STARPLEX FUND

For the Starplex Fund, an amount necessary for the expenses incurred by the Armory Board in the exercise of its powers granted by An Act To establish a District of Columbia Armory Board, and for other purposes, approved June 4, 1948 (62 Stat. 339; D.C. Code, sec. 2-301 et seq.) and the District of Columbia Stadium Act of 1957, approved September 7, 1957 (71 Stat. 619; Public Law 85-300); D.C. Code, sec. 2-321 et seq.), of which $584,000 shall be transferred to the general fund.

GENERAL PROVISIONS

SEC. 201. Section 134 of the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (105 Stat. 571) is amended by inserting after subsection (c) the following new subsection:

"(d) This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor."

Mr. DIXON (during the reading). Mr. Chairman, I ask unanimous consent that the bill through line 5 of page 41 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill? If not, are there any amendments to be offered?

Mr. HOLLOWAY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I simply want to clarify the fact that we say there are no Federal interests. If my understanding is correct, one-third of the District of Columbia's budget is paid for by the Federal Government. If that is incorrect, it is a portion of the District's budget that is paid for by the Federal Government.

The employees of this city pay 25 percent of their health benefits. The city pays the other 75 percent. Of that 75 percent, we are paying one-third of it.

Mr. Chairman, I am simply offering an amendment that says no Federal funds would be used for this purpose. So I have to say that I think this amendment does fit within this bill. It does apply to this bill. I think I should be allowed to offer it.

Mr. Chairman, I yield to the gentleman from Florida [Mr. STEARNS] for the purpose of entering into a colloquy.

Mr. STEARNS. Mr. Chairman, I rise in support of the Holloway amendment which would prohibit the use of funds to implement the District of Columbia's health care benefits expansion plan. I agree with the gentleman, and I believe he should be allowed to offer his amendment.

Mr. Chairman, I would like to ask the gentleman from Louisiana [Mr. HOLLOWAY], what happens when these domestic partners break up? Will they be required to unregister? What if they do not notify the city that they are no longer domestic partners? How is the city going to be able to seriously enforce such situations?

Mr. Chairman, they clearly are not going to be able to. It will likely result in enormous fraud and abuse of this program.

Mr. Chairman, I would ask if the gentleman from Louisiana [Mr. HOLLOWAY] agrees with that?

□ 1920

Mr. HOLLOWAY. First of all, this is only a 6-month commitment here. Basically you are going down, signing up your domestic partner for a 6 months stay. So this is as we said, it does not discriminate. It allows heterosexuals as well as homosexuals to register for their 6 months. After the 6 months is up, there is no oversight. There is no cutting off. There is no disapproval of any kind during this 6 months. That domestic partner has 6 months of insurance.

After the 6 months is up, they simply go down and either register that same partner or they can register whoever they want to as their domestic partner. I think it is as terrible legislation as I have ever seen.

I think if the people of this District had the opportunity to vote on it, they would declare it to be that terrible, and to me there is no commitment whatsoever in this.

Mr. STEARNS. Mr. Chairman, if the gentleman will continue to yield, I would like to also put into the RECORD a statement from James Cardinal Hickey, the Archbishop of Washington, DC.

He states about this act, "* * * would only encourage and legitimize transitory relationships and discourage the establishment of stable families dedicated to the raising of mature and healthy citizens." I wholeheartedly agree with what his quote is.

Mr. HOLLOWAY. Mr. Chairman, I would just like to say that the bishop came before the cardinal and spoke on behalf of our resolution of disapproval as well as the Committee of 100, a group of pastors that represents a broad perspective of citizens here in the District of Columbia, a majority of the District of Columbia, came and spoke on behalf of the resolution of disapproval.

I think the community here, particularly the Judeo-Christian community, is in strong support of or was in strong support and would love to see this amendment offered. Naturally, there are going to be exceptions to the rule because there are exceptions always in special interests. There are people that come for reasons to lobby. But I think that the amendment that we have offered is fitting here and should have had an opportunity to be offered.

Mr. DORNAN of California. Mr. Chairman, will the gentleman yield?

Mr. HOLLOWAY. I yield to the gentleman from California.

Mr. DORNAN of California. Mr. Chairman, is the gentleman going to try and get a vote?

Mr. HOLLOWAY. We will have a vote on the motion to rise. We will ask Members to vote against the motion to rise, where we will have a chance to offer it. It is a limiting amendment.

Mr. DORNAN of California. Mr. Chairman, if the gentleman will continue to yield, is the gentleman going to ask for a quorum call, if he does not get enough Members to stand?

Mr. HOLLOWAY. Mr. Chairman, yes, we will.

Mr. DORNAN of California. Mr. Chairman, it looks like the membership is going to be involved.

I just want to clarify something for America, Mr. Chairman, if they are listening. Here is where the whole concept of domestic partners breaks down.

Does everybody remember the name of the young sailor, Hartwig, who was blamed for many months for the blowing up of the gun turret on the *Iowa*? Why the Navy appears to have erroneously jumped to that conclusion was that he had bonded a strong friendship that had nothing to do with homosexuality with his bunkmate and put him into a $150,000 life insurance policy.

The reason I bring that up is all my life I have seen women form friendships with other women that had nothing to do with lesbianism. I have seen men, many men, particularly coming out of combat situations, bond.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. HOLLOWAY] has expired.

Mr. DORNAN of California. Mr. Chairman, I move to strike the last word.

Let me close the circle here. I said that I had seen women bond in friendship for life that had nothing to do with sexual contact. And I have seen men, particularly coming out of combat situations, who were so bonded in deep friendship for life, they did not see one another for 10 years, it was like 10 minutes had passed.

Suppose we have two friendships of two young men who go all the way through college together. They are really close friends, and they go to work for the District of Columbia. And they are both, for the sake of my example, orphans. And they want to apply for this domestic partnership arrangement for health benefits, for hospital visitation, for insurance benefits.

Do my colleagues know what they have to be asked by these great District city officials? Do they have sex? And if they do not have what some people consider immoral, illicit, or perverted sex, let us forget all those adjectives, if they do not touch one another in a sexually intimate way, they do not qualify. So it is the state saying, "If you have a roomie and you want part of this program, you had better have sexual contact with the same sex."

Mr. Chairman, I yield to the distinguished gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding to me.

I would just say to the gentleman, I would rather seek my own time. And if the gentleman is going to conclude this part of the discussion momentarily, the gentleman is prepared to move aside.

Mr. MAVROULES. Mr. Chairman, will the gentleman yield?

Mr. DORNAN of California. I yield to the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, I thank the gentleman for yielding to me.

I had the responsibility, along with our subcommittee, to investigate the U.S.S. *Iowa* incident. Actually, the Navy used very poor judgment in rushing to judgment.

What the gentleman has stated perhaps is a little inaccurate. I just want to clear the record.

The gentleman and I are great friends. We go back many years.

Mr. DORNAN of California. Mr. Chairman, I did say the Navy had rushed to judgment because they could not believe people could be that good of friends.

Mr. MAVROULES. Mr. Chairman, if the gentleman will continue to yield, not exactly for the reasons that the gentleman stated.

If the gentleman would go back into the investigation, he would find they rushed to judgment because of some technical data that they thought they could apply to that young man and his so-called partner. Actually, the insurance policy was $100,000 rather than $150,000. But when they rushed to judgment, they did a great disservice to that young man.

Mr. DORNAN of California. Mr. Chairman, I agree.

Mr. MAVROULES. Mr. Chairman, the point I am trying to make here is that we ought to have an open mind in this Congress. We ought not to be rushing to judgment here. That is what we are doing.

Mr. DORNAN of California. Mr. Chairman, reclaiming my time, the gentleman makes my point. He has cleaned up the inaccuracy.

It was $100,000. But the Navy liaison here told me off the record what triggered their suspicion was a young bunkmate taking out an insurance policy for $100,000.

The point I am making is that friendships like that do exist. But if one files for domestic partnership, they are asked, "Do you have intimate sexual perverted contact with one another? Because if you don't, you are out the door. We only go for the people that have sex."

Mr. MAVROULES. Mr. Chairman, if the gentleman will continue to yield, just so I can clarify another point, if the gentleman was at those hearings, he would have heard from the young man who had the policy out on Mr. Hartwig. When the gentleman heard his testimony, I think it would probably change his attitude on the entire matter. I am not here to be critical. I am here to clarify a point.

Mr. DORNAN of California. That they were not friends anymore. They were not talking.

Mr. MAVROULES. Mr. Chairman, there is a lot more to it.

Mr. DORNAN of California. Mr. Chairman, the point I am making is, we do have, maybe I will use the poet's words "dear and close" friendships that do not involve abnormal or perverted sex. Therefore, the whole domestic partner thing, whether it is the beautiful city by the bay in San Francisco or right here in this gorgeous District of Columbia, it is founded on a fraudulent premise that one must establish illicit sex, what some people consider mortal sinning, or one does not get to qualify with their partner. I rest my case.

Mr. HOLLOWAY. Mr. Chairman, will the gentleman yield?

Mr. DORNAN of California. I yield to the gentleman from Louisiana.

Mr. HOLLOWAY. Mr. Chairman, I just want to clarify my statement. The chairman was fair to me, and I want to restate that. I guess just my frustration of the minority here and knowing that we lose, it seems every time we go to rules, every time we go to committee. So in no way was I not treated correctly by the subcommittee as well as the Committee on the District of Columbia. So the gentleman was very fair to me.

In no way did I intend to lead Members to believe that he handled it in a way that I was not allowed to have mine.

The CHAIRMAN. The time of the gentleman from California [Mr. DORNAN] has expired.

Mr. DELLUMS. Mr. Chairman, I move to strike the last word.

☐ 1930

Mr. Chairman, I thank the gentleman from Louisiana [Mr. HOLLOWAY] for his explanation, because the reason why I rose earlier to ask the gentleman to yield was because this gentleman takes a great deal of pride in the reputation that I have worked for 22 years to develop and maintain in this institution, and that is one of openness and one of fairness and attempting to deal with my colleagues with dignity.

It is precisely in that manner that I dealt with my distinguished colleague. Mr. Chairman, there is a certain degree of surrealness about this debate. We are not here to be super city councilpersons for the District of Columbia. We are not here to be super Mayors of the District of Columbia. We were elected from our respective congressional districts to come together in the spirit of comity and consensus to address the myriad social, economic problems that confront this Nation and this world.

There are duly elected persons in the District of Columbia more than capable of dealing with the problems that confront people in the District. There is not one Member of this Chamber that would take these steps in any other city in the Nation. They do so in the District of Columbia because of the unique nature of it.

My distinguished colleague, the gentleman from Louisiana [Mr. HOLLOWAY] introduced a resolution of disapproval, which was immediately referred to the District of Columbia. In my capacity as chair of that committee I met with my distinguished colleague, assured him that within the appropriate time frame that the subcommittee and the full committee would address the resolution of disapproval.

Over the years, Mr. Chairman, in order to handle resolutions of disapproval we developed three criteria in looking at the resolution of disapproval, because we said that we should not address the substantive issues.

We have developed three criteria to look at all the resolutions of disapproval.

Question: Does the act of the local government violate the Home Rule Act? In this instance the answer was no.

Does it violate the Constitution of the United States? Even the proponents of the resolution of disapproval did not assert that. The answer at the subcommittee level, in the report to the full committee, the answer: No.

Did it violate the Federal interest? There was some controversy in that regard, but I would suggest, with all due respect to my distinguished colleague, the gentleman from Louisiana, that what the gentleman propounded a few moments ago as being violative of the Federal interest does not address the condition. That is not a substantive argument to the question of whether the Federal interest is violated.

So, Mr. Chairman, we decided that based upon the fact that the Congress of the United States, and an act signed into law by the President precludes us from being city councilpersons, why do the residents of the District of Columbia not have the same rights as any other citizens?

I would respect any person here if they introduced an organic piece of legislation so we could deal with it at a national level. But I believe in democracy, Mr. Chairman. Why then do we trample so powerfully on the rights and prerogatives of the residents of the District of Columbia, who have a Representative that is not even capable of voting on the floor of Congress?

We should preserve and protect the rights of the residents of the District of Columbia with great care. If the gentleman were to introduce an organic piece of legislation so we could debate these matters, I could respect that. I came here to fight. I came here to offer my point of view and let the majority work its will. But to attempt to use a piece of legislation dealing with the District of Columbia to address what otherwise one is not willing or capable of addressing at a national level, because the citizenry of the District of Columbia cannot vote for or against one, I would suggest is an absurd act. In this gentleman's opinion it lacks courage and it lacks dignity. It lacks respect for the rights and the prerogatives of people in this District who are also Americans. The Members do not attempt to raise these questions at the city council and the mayors' levels of the communities in which they serve.

The CHAIRMAN. The time of the gentleman from California [Mr. DELLUMS] has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Why the District of Columbia? We should be a beacon of light to the world. We should be showing the world, trying to emerge and embrace the principles of democracy that we believe in in this country, even in the District of Columbia, and that we believe in people's right to even disagree with us.

The people in the District of Columbia passed an act. That is their right. What makes us so arrogant as to assume that the residents of the District of Columbia, if they did not like that act, they could not take onto themselves the political act of defeating a candidate? Some of us have been defeated here, and in November some more of us will be defeated in here. That is what the process is about. What makes us think we are more intelligent, more moral, and more ethical than people in the District of Columbia who have these rights and prerogatives?

Mr. Chairman, I thank the gentleman for agreeing that this gentleman did not in any way stack anything. We gave them their opportunity. We voted and made our decision. I would suggest that we move beyond this rather absurd and ridiculous debate. We should not be discussing these matters on the floor of Congress against the backdrop of the District of Columbia bill.

Mr. STEARNS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that the sentiments that my colleague, the gentleman from California [Mr. DELLUMS] expressed are equally recognized on this side. However, I think we have also on this side an opportunity to express our sentiments up or down. We can express how we feel.

I think in this case a lot of us on this side are wondering about whether we can promulgate this, whether this kind of policy is good. I think we have a right to comment on it. Frankly, I believe the District of Columbia can come up with a plan that does not legitimize nonlegal partnerships and still extend benefits to uninsured individuals. I think it is a recognizable way to debate this issue on the House floor to talk about it.

I think what the gentleman from Louisiana [Mr. HOLLOWAY] is trying to do is to bring this debate out in the open and try and let the colleagues here understand what is happening with this bill. If we support such efforts like the District of Columbia's Health Care Benefits Expansion Act, we are only wiping our feet all over the institution of marriage and family values.

I would urge my colleagues to support the Holloway amendment, and I guess he will not get his amendment, so I would ask my colleagues to vote no on the motion to rise.

Mr. DORNAN of California. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. Mr. Chairman, I yield to the gentleman from California.

Mr. DORNAN of California. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, if I could just address one thing to my distinguished colleague, the gentleman from California [Mr. DELLUMS], arguably the finest orator in this splendid Hall, once during a debate I said to him something about Selma, AL, and I think he thought I was trying to be clever or cute or smart-alecky, and I was not. I meant it from the bottom of my heart, with all of my conviction, that the road to Selma was not, was not, the road to Sodom. He took exception to it.

Let me add something that I know for a fact, that those great freedom riders bowed to no man. Do you get and capture my drift there? They bowed to no man. They were fighting in God's name, and many of them specifically in the name of their Christian commitment, like the Southern Christian Leadership Council. So I say it with conviction, the road to Selma was not the road to Sodom.

The CHAIRMAN. The Clerk will read the last two lines of the bill.

The Clerk read as follows:

This title may be cited as the "District of Columbia Supplemental Appropriations and Rescissions Act, 1992".

AMENDMENT OFFERED BY MR. MCEWEN

Mr. MCEWEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCEWEN: Page 41, after line 7, add the following:

TITLE III—GENERAL PROVISIONS

SEC. 301. None of the funds made available in this Act may be used to enforce any prohibition or restriction on the possession or use of mace in the District of Columbia.

□ 1940

The CHAIRMAN. Pursuant to the rule, the gentleman from Ohio [Mr. MCEWEN] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Does the gentleman from California [Mr. DIXON] stand in opposition?

Mr. DIXON. I am opposed to the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from California [Mr. DIXON] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Ohio [Mr. MCEWEN].

Mr. MCEWEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment made in order under the rule simply is a commonsense amendment. It is a good, sound policy. But most importantly, it does what is right for the law-abiding citizens of the District who have come to work every day in this city, and those great Americans who visit our Nation's Capital.

My amendment would prohibit funds appropriated under this bill from being used to enforce the current prohibition on the possession and use of mace within the District of Columbia.

It has come to my attention that mace was illegal in this city when visitors from Ohio and elsewhere have had it confiscated upon visits to either the White House or our Nation's Capital. In fact, this afternoon, while standing on the Capitol steps, a young lady was tearful, and the conversation turned as to what the difficulty was. She had purchased a can of mace for her carrying keys to keep in her purse just some hours before coming to this city and had it confiscated at the steps downstairs. This is done on a regular, daily basis, thousands of dollars from women in this city who seek to protect themselves when they are here within the city and have it confiscated whenever their purses are opened upon entering any Federal building.

Our staff has been attacked as well as many other people, and we know well the crime situation in the city. Two female interns were robbed at gunpoint it is stated in our most recent issue of Roll Call.

I think that common sense mitigates that young women especially who are those who tend to use this as a form of protection, especially when walking the streets at night or some other time have a sense of security, at least some permission to use something that would give them a sense of independence.

This amendment has the support of the National Association of Black Women, the Concerned Women of America, the Delta Sigma Theta Sorority, the Honorable Shirley Chisholm of the National Political Congress of Black Women, as well as others.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from California, chairman of the subcommittee.

Mr. DIXON. Mr. Chairman, I thank the gentleman for yielding.

It would appear that the gentleman's amendment does make good sense. However, I think the District can better promulgate the necessary rules and regulations regarding the carrying of mace by the average citizen.

I know the gentleman has been in dialog with the city council chairman and has received a letter from him indicating that he will immediately not only move on emergency legislation, but will also move on permanent legislation so that your desire and I think the desire of many citizens of the District will be accomplished no later than December 31, 1992. And based on the Council chairman's letter I would ask the gentleman to withdraw his amendment.

Ms. NORTON. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I am pleased to yield to the distinguished delegate from the District of Columbia.

Ms. NORTON. Mr. Chairman, I appreciate very much the way in which the Member has handled this matter, and I would ask that Members who have similar concerns raise them in the manner that the gentleman from Ohio has. It may well be that a local initiative can take care of the problem, and I thank the gentleman very much.

Mr. McEWEN. I thank my colleagues.

Mr. Chairman, I include for the RECORD a letter from Mr. John A. Wilson, chairman of the Council of the District of Columbia with a copy of the proposed law change.

The documents referred to follow:

COUNCIL OF THE
DISTRICT OF COLUMBIA,
Washington, DC, July 7, 1992.

Hon. BOB McEWEN,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN McEWEN: Enclosed is a copy of a draft bill, entitled "The Legalization of Mace Amendment Act of 1992," which I will introduce at tonight's legislative meeting of the Council of the District of Columbia. I will immediately refer the measure to committee so that the committee can report and mark-up the bill and the Council can schedule two readings on the bill before December 31, 1992. At final reading on this bill, I intend to move identical emergency legislation which will take effect immediately upon signature by the Mayor.

The District, like other large urban jurisdictions throughout the United States, is experiencing an unacceptable number of criminal attacks against innocent persons. I share your concern that these innocent persons have the ability to possess mace and similar compounds designed to ward off attackers. I am glad that you brought your concerns to my attention and I appreciate your deferring action on an amendment to the District's appropriation act to give the Council an opportunity to consider my legislation.

Please be assured that I will do everything that I can do to ensure enactment of this legislation before the end of this calendar year. Please feel free to contact me or Brigid Quinn, Chief of Staff, at 724-8177, if I can be of further assistance.

Sincerely yours,

JOHN A. WILSON,
Chairman.

[Draft Bill]

A Bill to amend the Firearms Control Regulations Act of 1975 to remove mace from the definition of destructive devices to legalize its possession and use in the District of Columbia

Be it enacted by the Council of the District of Columbia, That this act may be cited as the "Legalization of Mace Amendment Act of 1992".

SEC. 2. Paragraph (7)(C) of the Firearms Control Regulations Act, effective September 24, 1976 (D.C. Law 1-85, D.C. Code §6-2302) is amended by adding the following phrase at the end to read as follows: "except that this shall not include the chemical compound identified as mace or by whatever name known;"

SEC. Effective date.

This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto) as provided in section 602(c)(1) of the Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code §1-233(c)(1)), and publication in either the District of Columbia Register, the District of Columbia Statutes-at-Large, or the District of Columbia Municipal Regulations.

If I may, Mr. Chairman, I will read two relevant sentences. It says:

> I share your concern that these innocent persons have the ability to possess mace and similar compounds designed to ward off attackers. I am glad that you brought your concerns to my attention and I appreciate your deferring action on an amendment to the District's Appropriation Act to give the council on opportunity to consider my legislation.

Mr. Wilson, as I stated, has introduced legislation to repeal this section of the law here within the District. Our desire as Members of Congress simply is to be able to have people visiting the Capitol without having this confiscated, and the way that is most expedient, and most efficient, and gives the most protection for the sanctity of home rule is what we would like to accomplish here.

So I wish to thank the chairman of the D.C. Subcommittee, the gentleman from California, Mr. DIXON, and also the distinguished Delegate, Ms. ELEANOR HOLMES NORTON, as well as the chairman of the council who have expressed their willingness to have this enacted immediately.

If I may phrase it this way, I would ask the gentleman from California, my understanding is that if we do not act on this tonight and give the D.C. Council time to act, that if the D.C. Council chooses not to act that I will be protected in the right to bring this again before the body, and perhaps in this bill in conference, and that I would be given that consideration.

Mr. DIXON. If the gentleman will yield, that is correct.

Mr. McEWEN. I thank the gentleman.

Mr. GALLO. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from New Jersey.

Mr. GALLO. Mr. Chairman, I would like to congratulate the gentleman from Ohio for bringing this amendment to the floor. I know that when we were going through the Rules Committee it was the general feeling by both the chairman and myself and other members that we talked to that this legislation was something that was needed for the protection of the individuals that come into the District. And I want to compliment the gentleman for also understanding that the council is going to address this issue. I believe the D.C. Council also feels that there is a need for a change in their law. But I thank the gentleman for bringing this amendment forward.

Mr. McEWEN. I thank my colleague.

Mr. GREEN of New York. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from New York.

Mr. GREEN of New York. Mr. Chairman, I thank the gentleman for yielding and want to compliment him on his willingness to accept this process this evening as he raises this important issue. I hope the gentleman will indulge me for a couple of minutes because I was not able to get to the floor during the debate which just ended on the Holloway amendment.

My feeling is, frankly, that while I have deep respect for my friend from Louisiana, I do feel strongly that family arrangements have changed since 40 years ago.

There was a time when every household essentially had a father out at work, a mother at home raising the children. But the fact of the matter is that is not true today, and that raises significant issues as to how we proceed with health care legislation and other kinds of legislation affecting households.

The late Justice Brandeis once said that one of the great geniuses of our Federal system was that the States were laboratories of social experiment, and I think in this case the District is conducting an important social experiment, though not a State, and under home rule provisions it ought to be permitted to conduct that social experiment. And I think in the end we shall have a great deal to learn in Congress from how that social experiment works out.

So I hope my colleagues will support the motion to rise and oppose the Holloway amendment.

Again I thank the gentleman for his indulgence.

Mr. MCEWEN. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. MCDADE. Mr. Chairman, I would first like to thank Chairman DIXON, and the ranking Republican, DEAN GALLO, for their unselfish and conscientious efforts on this subcommittee. There is no other bill that demands such patience and dedication while providing so little opportunity to help the constituents back home. This is truly yeoman's work, and I congratulate and take great pride in the efforts of all my colleagues on this subcommittee.

This year was supposed to be the first year that we would not have to wrangle over the amount of the Federal payment to the District.

As mandated by legislation passed last year, the subcommittee calculated a payment of $624.8 million, which is $31 million less than the payment as calculated by the District. I regret that our calculation, approved by both sides here and both sides on the authorizing committee, has drawn criticism from the District, particularly considering the other contributions we have made in this bill, including $31 million to the police department and the mayor's office to combat crime and fund the mayor's youth crime initiative. Considering this year's spending constraints, and the fact that we are cutting many programs this year, I believe this level of spending is very supportive, and should be appreciated by the District.

In addition to the Federal payment and the $31 million for crime and youth initiatives, the bill includes a $52 million contribution to the retirement fund, $5.5 million to reimburse the District for expenses related to preparation, security, and cleanup of President Bush's inauguration in January, $400,000 for the police department, $140,000 for the D.C. Institute for Mental Health, $140,000 for the great work being done at Children's National Medical Center, and $83,000 for two education initiatives in the District.

Mr. Chairman, I'd like to take a minute to share some good news about last year's efforts to improve conditions at the D.C. public schools. After hearing testimony from parents and teachers about dangerous fire code violations and playgrounds that had nothing—not even swings, DEAN GALLO and RALPH REGULA included funds and report language directing that improvements be made. This year, parents and school officials testified that most of the fire violations have been eliminated and that renovations to playgrounds at all the schools will be completed before school starts in September.

These improvements are a victory for DEAN and RALPH and the subcommittee and a great reward for the children and parents in the District.

In conclusion, this bill meets the subcommittee's 602(b) allocation and provides the District with the Federal payment as prescribed by law. Although this bill once again attempts to expand the availability of publicly funded abortions with language guaranteed to invite a veto, I nevertheless support the bill for the purpose of moving it along in the process. Once again, my congratulations to Chairman DIXON and ranking member GALLO for crafting a solid bill.

Ms. PELOSI. Mr. Speaker, I rise in strong support of the District of Columbia's appropriations bill which permits the use of local funds for abortion services. This bill does include language prohibiting Federal funds from being used for abortion services except in the case of the life of the mother but intentionally omits any mention of the use of District funds. I urge my colleagues to support this bill and allow the District to make the decision on how its money is to be spent.

Mr. Speaker, the District of Columbia has been prohibited from using local funds to pay for Medicaid abortions since 1988. This body has since voted twice to repeal the restriction but the President has vetoed the bill both times due to the revocation. We must not allow the President to prevail this year.

This issue is not about abortion or reproductive rights, it is about the right to self determination for a city and an individual. It is about the right of D.C. citizens to think and decide what is best for themselves and their city. Let the residents of the District of Columbia debate this issue and come to a consensus about the options and alternatives that are most appropriate for themselves. I urge my colleagues to grant the District of Columbia the power of self determination and permit them the right to think for themselves. Others in this country are granted this right, the District of Columbia must not be excluded.

I urge my colleagues to vote for this bill and allow the citizens of the District of Columbia to make their own decisions on this important question.

Mr. DIXON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The CHAIRMAN. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HOLLOWAY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 231, noes, 181, not voting 22, as follows:

[Roll No. 275]

AYES—231

Abercrombie
Anderson
Andrews (ME)
Andrews (NJ)
Annunzio
Applegate
Aspin
Atkins
AuCoin
Bacchus
Beilenson
Berman
Bevill
Bilbray
Blackwell
Bliley
Boehlert
Borski
Boucher
Boxer
Brewster
Brooks
Brown
Bruce
Bryant
Bustamante
Campbell (CA)
Campbell (CO)
Cardin
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coughlin
Cox (IL)
Coyne
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (TN)
Frank (MA)
Frost
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Green
Guarini
Gunderson
Hamilton
Hayes (IL)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hughes
Jacobs
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
LaFalce
Lantos
LaRocco
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moody
Moran
Morella
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Pastor
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Rahall
Rangel
Reed
Richardson
Roemer
Rose
Rostenkowski
Roybal
Russo
Sabo
Sanders
Sangmeister
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Shays
Sikorski
Sisisky
Skaggs
Slattery
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Stark
Stokes
Studds
Swett
Swift
Synar
Tanner
Tauzin
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Vento
Visclosky
Washington
Waters
Waxman
Weiss
Wheat
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NOES—181

Allard
Allen
Andrews (TX)
Armey
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Bilirakis
Boehner
Browder
Bunning
Burton
Byron
Callahan
Camp
Carper
Chandler
Clinger
Coble
Coleman (MO)
Combest
Costello
Cramer
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan

Edwards (OK)
Emerson
English
Erdreich
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gekas
Gilchrest
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Hall (OH)
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hunter
Hutto
Inhofe
Ireland
James
Kasich
Kyl
Lagomarsino
Lancaster
Laughlin
Leach
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Marlenee
Martin
McCandless
McCollum
McCrery
McDade
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Morrison
Myers
Nichols
Nussle
Ortiz
Oxley
Packard
Parker
Patterson
Paxon
Penny
Petri
Porter
Poshard
Pursell
Quillen
Ramstad
Ravenel
Ray
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Skeen
Skelton
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Staggers
Stallings
Stearns
Stenholm
Stump
Sundquist
Tallon
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—22

Ackerman
Alexander
Anthony
Archer
Bonior
Broomfield
Cox (CA)
Fish
Ford (MI)
Hatcher
Hefner
Horton
Hyde
Johnson (TX)
Jones (GA)
Lent
McGrath
Price
Roe
Schulze
Traxler
Whitten

□ 2008

Messrs. ENGLISH, HAYES of Louisiana, SKELTON, CRAMER, BROWDER, and ORTIZ changed their vote from "aye" to "no."

Mr. AUCOIN changed his vote from "no" to "aye."

So the motion was agreed to.

The result of the vote was announced as above recorded.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. McCLOSKEY) having assumed the chair, Mr. MFUME, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5517) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 2010

USE OF UNOBLIGATED MONEYS IN CUSTOMS FORFEITURE FUND

The SPEAKER pro tempore (Mr. McCLOSKEY). The unfinished business is the question of suspending the rules and passing the bill, H.R. 3562, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. GUARINI] that the House suspend the rules and pass the bill, H.R. 3562, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 173, nays 243, not voting 18, as follows:

[Roll No. 276]

YEAS—173

Abercrombie
Andrews (ME)
Annunzio
Atkins
AuCoin
Bacchus
Berman
Bilbray
Blackwell
Boehlert
Borski
Boucher
Boxer
Brown
Bryant
Campbell (CO)
Cardin
Clay
Collins (IL)
Collins (MI)
Conyers
Cooper
Cox (IL)
Coyne
Darden
de la Garza
DeFazio
DeLauro
Dellums
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Engel
English
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (TN)
Frank (MA)
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Guarini
Hayes (IL)
Hayes (LA)
Hertel
Hochbrueckner
Horn
Houghton
Hoyer
Hughes
Jacobs
Jefferson
Jenkins
Johnston
Jones (GA)
Jones (NC)
Jontz
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Lehman (FL)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
McCurdy
McDade
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Mineta
Mink
Moakley
Mollohan
Moody
Moran
Mrazek
Murphy
Nagle
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olver
Ortiz
Owens (NY)
Payne (NJ)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Price
Rangel
Reed
Richardson
Rostenkowski
Roybal
Russo
Sabo
Sanders
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sikorski
Skaggs
Slattery
Slaughter
Smith (FL)
Smith (IA)
Solarz
Staggers
Stark
Stokes
Studds
Swift
Synar
Tauzin
Torres
Torricelli
Towns
Traficant
Unsoeld
Vander Jagt
Vento
Washington
Waters
Waxman
Weiss
Wheat
Williams
Wise
Wolpe
Wyden
Yates

NAYS—243

Allard
Allen
Anderson
Andrews (NJ)
Andrews (TX)
Applegate
Armey
Aspin
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Bevill
Bilirakis
Bliley
Boehner
Brewster
Brooks
Browder
Bruce
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Carper
Carr
Chandler
Chapman
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Condit
Costello
Coughlin
Cox (CA)
Cramer
Crane
Cunningham
Dannemeyer
Davis
DeLay
Derrick
Dickinson
Dicks
Dooley
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Edwards (TX)
Emerson
Erdreich
Ewing
Fawell
Fields
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Glickman
Goodling
Gordon
Goss
Gradison
Grandy
Green
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hefley
Henry
Herger
Hoagland
Hobson
Holloway
Hopkins
Hubbard
Huckaby
Hunter
Hutto
Inhofe
Ireland
James
Johnson (CT)
Johnson (SD)
Johnson (TX)
Kanjorski
Kasich
Klug
Kolbe
Kolter
Kyl
Lagomarsino
LaRocco
Leach
Lehman (CA)
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Machtley
Marlenee
Martin
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McEwen
McMillan (NC)
Meyers
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Morella
Morrison
Murtha
Myers
Natcher
Nichols
Nussle
Olin
Orton
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (VA)
Penny
Petri
Pickett
Pickle
Porter
Poshard
Pursell
Quillen
Rahall
Ramstad
Ravenel
Ray
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Rowland
Sangmeister
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Skeen
Skelton
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stallings
Stearns
Stenholm
Stump
Sundquist
Swett
Tallon
Tanner
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Upton
Valentine
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Weber
Weldon
Wilson
Wolf
Wylie
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—18

Ackerman
Alexander
Anthony
Archer
Bonior
Broomfield
Fish
Ford (MI)
Hatcher
Hefner
Horton
Hyde
Lent
Roe
Schulze
Sisisky
Traxler
Whitten

□ 2030

Mr. DONNELLY and Mr. MOAKLEY changed their vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

TRANSFER OF FUNCTIONS AND ENTITIES TO DIRECTOR OF NONLEGISLATIVE AND FINANCIAL SERVICES

Mr. HOYER. Mr. Speaker, I ask unanimous consent that the transfer of functions and entities to Director of Nonlegislative and Financial Services pursuant to section 7 of House Resolution 423 be effected not later than September 11, 1992.

The SPEAKER pro tempore (Mr. MCCLOSKEY). Is there objection to the request of the gentleman from Maryland?

Mr. THOMAS of California. Mr. Speaker, reserving the right to object, I do so to allow a brief explanation.

Mr. HOYER. Mr. Speaker, if the gentleman will yield, this is simply a unanimous-consent request to extend the time to transfer the functions to a new Administrator, which office was created by House Resolution 423, simply because the search committee has not come up with a nominee. As soon as they do and we can put someone on board, that will be done.

We have extended the time until September 11, 1992. That is 65 days from today. The only reason it is not 60 days from today is because we will not be back from the August recess for the convention.

Mr. THOMAS of California. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1900

Mr. UPTON. Mr. Speaker, I ask unanimous consent that the gentleman from Arizona [Mr. KOLBE] be removed as a cosponsor of H.R. 1900.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE RESOLUTION 194

Mr. HASTERT. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Resolution 194.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 5518, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES ACT, 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-659) on the resolution (H. Res. 513) waiving certain points of order against the bill (H.R. 5518) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ANNOUNCEMENT REGARDING SUBMISSION OF AMENDMENTS ON H.R. 4850, CABLE TELEVISION PROTECTION AND COMPETITION ACT OF 1992

(Mr. MOAKELY asked and was given permission to address the House for 1 minute.)

Mr. MOAKLEY. Mr. Speaker, the Rules Committee may meet and grant a rule to H.R. 4850, the Cable Television Protection and Competition Act of 1992, in the near future. A request has been made for a structured rule, which would permit only those floor amendments designated in the rule.

Earlier today, the committee circulated a "Dear Colleague" that requests all amendments to the bill be submitted to the Rules Committee no later than 12 noon on Tuesday, July 21, 1992.

In order to ensure Members' rights to offer amendments under the rule that may be requested, they should submit 55 copies of each amendment, together with a brief explanation of each amendment, to the committee office at H-312, the Capitol, by 12 noon on Tuesday, July 21.

WOMEN'S ATHLETICS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, 20 years ago, the Congress voted approval of title IX of the Education Amendment of 1972, which calls for equal access to sports opportunities for men and women who attend colleges and universities that receive Federal funds. But it is difficult to celebrate the 20th anniversary of title IX when there remains so much inequality for women in sports.

Why has it taken so long for many of these colleges and universities to obey a Federal law? It has taken this long because the Office for Civil Rights, the agency responsible for enforcing title IX, has failed to consistently do so. For the past 12 years, Republican Presidents have waged war against civil rights and equal rights for women in sports.

The Office for Civil Rights should simply tell colleges and universities: "Provide equal opportunities for women athletes or be prepared to operate without Federal funds. Period. No excuses."

Title IX paved the way for dramatic increases in female participation in both intercollegiate and scholastic sports. For example, between 1972 and 1981, women's participation in intercollegiate sports increased from 7 to 35 percent. But without enforcement, the early progress has not been sustained.

A recent study by the National Collegiate Athletic Association reveals that while women made up more than 50 percent of the overall student population at division I schools, they made up just under 31 percent of all student athletes. At these schools, women athletes accounted for 30.4 percent of scholarships, 22.6 percent of travel and game budgets and 17.2 percent of recruiting expenses.

Despite such dreary statistics, there are some recent indications that women athletes might get a fair shake in spite of the lack of support from the Office of Civil Rights. The NCAA, the governing body that regulates major intercollegiate athletics, under the leadership of Dick Schultz has shown a willingness to have its member schools comply with title IX or be excluded from NCAA sanctioned events.

The Big Ten Conference, one of the Nation's major college sports conferences, recently approved a gender equity proposal that promises to increase the women's athletics to 40 percent of the conference intercollegiate programs. One of the Big Ten schools, the University of Iowa, has gone a step better. It has set a 5-year goal of 50-50. Washington State University has been recognized nationally as having a model sports gender-equity program. I applaud them all.

It is too bad it has taken two decades for this kind of movement to occur. It is imperative for all universities to now fully commit themselves to nothing short of gender-equity compliance with title IX. Mr. Speaker, I will continue to speak about the need for institutions receiving Federal funds to comply with title IX as we observe the 20th anniversary of this important law.

□ 2040

FOREIGN TAX LOOPHOLES

The SPEAKER pro tempore (Mr. ROWLAND). Under a previous order of the House, the gentleman from Indiana [Mr. JONTZ] is recognized for 5 minutes.

Mr. JONTZ. Mr. Speaker, too many good jobs are leaving our country. We must end the taxpayer subsidy of this threat to our economy by passing H.R. 5042 to eliminate provisions now in the Tax Code which encourage foreign investment by U.S. corporations.

Today it is very attractive for American businesses to relocate overseas. Encouraged by an ample supply of cheap labor offshore, American companies continue to export jobs at a disturbing rate. This evening I want to call attention to the fact that the U.S. Tax Code actually encourages corporations to go overseas by offering tax breaks and incentives for foreign investment.

Today if a company in Kokomo, IN, dismantles a plant, loads it on railcars, ships it to Mexico and rebuilds it there, any and all costs incurred by the company in relocating the plant are tax deductible as a legitimate business expense. Throwing American workers out of their jobs is not a legitimate business expense and should not be classified as one.

If a company's stockholders want to move jobs overseas, let them pay for it, not charge it to the American taxpayers.

Mr. Speaker, American corporations increased their foreign investment by 10 percent last year to a record $67 billion. But domestic investments by these same corporations rose only one-half of 1 percent. This has been steadily worsening as a trend over several years.

Investments overseas by U.S. corporations rose 19 percent in 1990, 21 percent in 1989 and 24 percent in 1988. United States manufacturing in Mexico increased 30 percent in 1990 and another 20 percent in 1991. Today United States investments in Mexico are at an all time high: more than $1 billion. This is absolutely unacceptable. We are losing too many American jobs to Mexico, Brazil, and other foreign countries. We have to stop providing companies with so many incentives to move American jobs overseas. At the very least we need to make investing in America just as attractive as investing abroad. Our Nation's tax policy should encourage investment at home, not overseas.

H.R. 5042 would eliminate provisions in current tax law that encourage the export of American jobs. This bill would disallow deductions for expenses in moving factories abroad. By forcing corporations to rely on their own funds for the money to relocate, we can discourage businesses from exporting American jobs, not subsidize them.

H.R. 5042 would also eliminate the foreign tax credit provisions in the Tax Code.

If a firm conducts its overseas investment through a subsidiary corporation chartered abroad, it can defer the payment of U.S. taxes on its overseas income indefinitely. The U.S. foreign tax credit provisions permit U.S. firms to credit foreign taxes they have paid against the U.S. taxes they would otherwise owe on that foreign-source income. If a company pays income tax in Indiana or Georgia or any other State, it is allowed a tax deduction as a business expense. But if that company pays income tax in Mexico or France or any other country, it can credit every penny paid against United States Federal income tax. This is just not right. A company should be able to deduct income tax paid to another country as a business expense, not as income tax already paid. Under the present Tax Code, we are asking the American taxpayer to pay the tax bills of the corporations that abandoned them. We are telling those companies that it's OK to export jobs to other countries—that we will even pay their American income taxes while they are gone. Those companies move overseas, acquire inexpensive labor, export their products back to us at higher profits and we will pay their Federal income tax. Income taxes paid to other countries do not benefit the American people; they benefit the foreign government. Those taxes are expenses, not receipts for U.S. taxes already paid—they should be deductions, not credits.

Most economists agree that CEN or capital export neutrality is the correct policy for foreign income taxation. This is based on the idea that the most important goal for U.S. taxation of international income is to remove tax considerations as a factor influencing siting decisions of American corporations. The goal is a set of tax rules that guarantee U.S. companies pay the same taxes no matter where they locate their plants. This is not the case, regrettably, under present tax law.

H.R. 5042 reforms the current tax laws of our country to benefit the American taxpayer, not the businesses which export jobs looking for cheap labor. That U.S. tax policy should encourage and support the creation and retention of American jobs is unconscionable. Our tax policy favors moving jobs overseas rather than favoring investment in the United States here at home. This legislation would help turn around that situation, keep American jobs for American workers.

Cumulatively, U.S. corporations have $1.5 trillion invested overseas. With an unemployment rate of almost 7.8 percent, we would be well-served if only a fraction of this investment were redirected to the United States. I believe H.R. 5042 can do just that, and I urge my colleagues to support the bill.

YUGOSLAVIA: THE TRUTH AT LAST

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, today the New York Times lead editorial headlines "Croatia, the Butcher's Apprentice." The editorial which I will read into the RECORD states:

> While strongman Slobodan Milosevic carves up most of the tiny neighboring republic of Bosnia, Franjo Tudjman of Croatia is trying to slice off his own slab.

At last. The truth is coming out.

For over 6 months, Mr. Speaker, I have come to this floor trying to call attention to the many factions responsible for the terrible fighting not only in Bosnia but earlier in Croatia. I have warned that putting pressure and blame on the Serbs alone would not stop the fighting since they were not the only combatants and not the only invaders of Bosnian soil.

There has been evidence aplenty—for at least 3 months—of Croatian soldiers fighting inside Bosnia, seizing villages and territory for the flag of Croatia, and of being supplied with arms from Germany.

These intentions were telegraphed before Bosnia-Hercegovina was recognized, and in the hullaballoo created at the time that fighting erupted in Bosnia, the counsel of former Secretary of State Cyrus Vance that Bosnia-Hercegovina not be recognized was forgotten.

Experienced hands realized that once Bosnia-Hercegovina was on its own, ethnic rivalries would break out—that any Serbian move would trigger a Croatian countermove or vice versa, and that the Moslems would be jumping in the middle, and finally, that every one of them would be fighting each other.

Secretary Vance feared this and counseled against it, but when European nations began to interfere—first with our recognition of Bosnia-Hercegovina and then, most recently, with sanctions against Serbia—rather than leading, the United States followed into the maelstrom.

Knowledge of the area, its history, and its people would have suggested that any sanctions enacted to stop the fighting would have stopped the supplies of arms and munitions to all combatants coming from any nation.

But, at the time of the sanctions, the Western press, particularly the American reports, rarely mentioned the Croatian involvement and certainly no mention was made of their territorial conquests.

As a matter of fact, Mr. Speaker, the news stories that came out after the sanctions were voted by the U.N. pointed out that a report of the U.N. pointing to the violations of Croatia had been hidden, had been covered up. And the Security Council was not given the opportunity to have it before they voted.

□ 2050

However, this oversight was compounded by the attitude of some of the staff in the United States Embassy in Belgrade, quoting an American citizen, Mrs. Margaret Ann Jevtic, on the treatment she received—as a refugee from Sarajevo—from the United States Embassy in Belgrade.

This is a story written by John Shatlan, a freelance writer living in Belgrade, Yugoslavia, and its headline is: "U.S. Embassy in Belgrade Shocks, Angers Americans."

It starts out with:

"I'm so angry I don't care if I ever go back there," said the feisty American woman referring to the U.S. Embassy in Belgrade, Yugoslavia. Margaret Ann Jevtic, 53, who was born in Arizona, lived in California, but who fled war-stricken Sarajevo recently with her husband Rajko and their Yorshire terrier, Toshia, said her visit July 1 with the U.S. Embassy's Counsel General Robert Tynes triggered shock, anger, and tears. Mrs. Jevtic says Tynes said it was his recommendation that all Americans leave Yugoslavia. And he recommended that she also leave.

"His aggressive, arrogant attitude caught me off guard," she said. He blamed everything on the Serbs and didn't want to hear about injustices committed by others. "If Serbia is so bad, what are you (Tynes) still doing here," she thought.

I went there as an American citizen to see what help they could offer me as a refugee from the old section of Sarajevo and to report on Muslim injustices, she said. (The Jevtics were forced from their Sarajevo home in May due to deteriorating events: Their lives were threatened by a Muslim civilian. They were harassed by some Muslim police. Their family Kiosk Grill business was destroyed. And their car badly damaged. Recently Mrs. Jevtic learned a mortar shell penetrated the roof of their Sarajevo house but luckily the shell did not explode. Another shell killed their Bosnian hunting dog.)

I told Tynes Muslim police moved Muslims into our home in Sarajevo, as well as moving four Muslim families into my brother-in-law's home there. Mrs. Jevtic said Tynes' answer of what could be done about that was: "* * * write to Izetbegovic, write to Bush, write to Tudjman, and write to Karadzic." I told him that the Serbs weren't the only ones fighting in Bosnia, but he said "Yes, they are."

I could see soldiers firing mortars from a park in Sarajevo controlled by Muslims, but he said, "That is not true." Mrs. Jevtic, who is now living with her husband's relatives in Belgrade, said Tynes told her the Serbians are the only ones that have those guns and are shelling apartment buildings, hospitals, etc. in Sarajevo.

"What about the Croatians shelling Trebinje," she asked. "I don't want to hear about that," Tynes reportedly said.

He (Tynes) tells me only the Serbs have those guns, and I know the Muslims shelled Osmice, a small private hotel in Sarajevo, for four days because they claimed Chetniks were there.

She said Tynes told her: "There are barbarians in the hills around Sarajevo."

Apparently the Counsel General of the U.S. Embassy only believes the Western press, she said. Mrs. Jevtic thinks there is far too much bias against the Serbs in the media. For example, "Dan Damon of Sky News, in my opinion, is not a fair reporter," she said, "as he often only reports from one side." She recalled Sky News apologized for incorrectly reporting that Serbs had killed Muslims in the village of Olovo (when the reverse was true), though the damage to Serbia had already been done. Earlier reports that the Sarajevo Hospital had been bombed were also inaccurate, Mrs. Jevtic said, as she called a relative who was a patient there who said it had not been.

According to Mrs. Jevtic, Tynes told her: "Serbs are making Muslims leave their villages of 500 to 600 years." She responded by saying Serbs have lived there equally as long and that her husbands family was in Sarajevo over 350 years. "The Serbs are entitled to as much area as the Muslims," Mrs. Jevtic said. "Bosna is not just a Muslim area."

"Before the embargo against Yugoslavia, why was Boutros Ghali's letter sharing blame held back for 2 days before the U.N. vote." Mrs. Jevtic asked. She thought it was too much of a coincidence when T.V. cameras just happened to be at the site of two recent bombings—the Breadline and Titov St. tragedies—in Sarajevo. Mrs. Jevtic is one of the few Americans who experienced the war in Sarajevo. The war broke out there April 10 and the Jevtics escaped by car to nearby Pale before arriving in Serbia on May 19.

But when it comes to the U.S. Embassy in Belgrade, Mrs. Jevtic has no intentions of going back soon. Because she doesn't feel that she was treated fairly. "I cried for two days after visiting there," she said. "When I'm angry, I cry."

Mr. Speaker, I refer to the editorial that appeared in the New York Times this morning. As I said, the headline on it is "Croatia, the Butcher's Apprentice."

[From the New York Times, July 8, 1992]

CROATIA, THE BUTCHER'S APPRENTICE

Croatia, once seen as a victim of Serbian aggression, has now become a villain itself. While the Serbian strongman Slobodan Milosevic carves up most of the tiny neighboring republic of Bosnia, Franjo Tudjman of Croatia is trying to slice off his own slab.

His brazen lawlessness threatens to throw away what little international good will Croatia may have built up. If Mr. Tudjman does not withdraw his troops from Bosnia, he will deserve a stern international rebuke, including sanctions as tough as those imposed on Serbia.

Croatia's troops, which have held onto Croat-dominated areas of Bosnia near its borders, have now stormed into the interior and seized Mostar, a scenic city of Muslim mosques and Turkish bridges that is populated by Slavs of all backgrounds—Muslim, Serbian and Croatian. They're also moving on Sarajevo, still besieged by Serbian troops, putting U.N. peacekeepers in an even more precarious position.

As part of his expansionist program, Mr. Tudjman has encouraged Croats in Croatian-occupied Bosnia to proclaim their own "independent" republic, opening the way to incorporating that piece of Bosnian territory into Croatia at the expense of Muslim Slavs, the country's largest group.

Meanwhile, the United Nations is trying its best to prevent Bosnia from being carved up. It's not about to let Croatia become the protector of Croats in Bosnia, any more than in can permit Serbia to be the savior of Serbs there.

Within Croatia itself, Mr. Tudjman has unleashed his army against Serbian villages in the region of Krajina, disrupting the fragile cease-fire in the area. For that bit of bloody-mindedness he has justly earned the condemnation of the U.N. Security Council.

A statesman would seek to reassure the Serbs who still reside in Croatia by prosecuting violations of their rights. But Mr. Tudjman is instead encouraging the expulsion of Serbs from some Croatian-held areas. That means Serbs won't feel safe without a sustained international police force throughout Croatia.

Mr. Tudjman is behaving like the Communist general he once was, not the democrat his supporters like to portray. He's muzzling what's left of the independent press in Croatia by threats of imprisonment, and stifling election opponents by denying them television time.

Mr. Milosevic, the Serbian dictator, surely deserves the bulk of the blame for turning Bosnia into a slaughterhouse. He may be the butcher of Bosnia, but Franjo Tudjman is now his blood-spattered apprentice.

It is a sorry story, Mr. Speaker. The only thing that we can say, the bright light is that the humanitarian aid airplanes have been getting into Sarajevo Airport. There is a lot of humanitarian aid being received there that is helping the citizens. The roadways are reported to be open so that the convoys can go through. There is a lot of work that needs to be done, but I am glad that at long last people are realizing that it is more than just one group that is creating the problems there.

At this point I include for the RECORD another story of Monday, July 6, from the New York Times; one from the Baltimore Sun of July 3; and an editorial from the Washington Post of July 7, 1992:

[From the New York Times, July 6, 1992]

CROATS CLAIM THEIR OWN SLICE OF BOSNIA

(By John F. Burns)

SARAJEVO, BOSNIA and HERZEGOVINA, July 5.—With nearly two-thirds of this newly independent state already occupied by Serbian nationalists who have proclaimed their own republic, Croatian nationalists have delivered a major blow to the Bosnian Government by declaring their own independent state on the remaining third of the territory.

The move on Friday by the Croats, who are Bosnian citizens with strong links to the Government of the neighboring state of Croatia, has come at the worst possible time for the Government of President Alija Izetbegovic. With Serbian forces surrounding the capital, Sarajevo, Mr. Izetbegovic has been left in effective control of only the heart of Sarajevo, and a few provincial towns, the most important of which is the industrial center Tuzla, also besieged by Serbian forces, about 50 miles north of here.

If sustained, the proclamation of an independent Croatian republic within the borders of Bosnia and Herzegovina, coupled with the declaration of a Serbian republic by Serbian nationalists in May, would mean the effective partitioning of this country between national groups whose eventual aim is to annex portions of the republic to Croatia and Serbia. The main losers would be the Muslims, who make up 51 percent of the population of 4.4 million.

MUSLIMS HAVE SUFFERED

The Muslims, descendants of people who adopted the faith during four centuries of rule by the Ottoman Turks, have already suffered huge losses in the three-month war launched by the Serbian nationalists, with as many as 50,000 people killed and wide swaths of property destroyed.

The Serbs' campaign of "ethnic cleansing" has driven nearly half a million Muslims from their traditional stronghold in western Bosnia, and the new Croatian republic would make them a minority in the southern, western and northeastern regions claimed by the Bosnian Croats. The Croats make up 17 percent of the population of Bosnia and Herzegovina.

As many Muslim Slavs have feared since the Yugoslav federation began to disintegrate last year, the division of Bosnia and Herzegovina between Serbs and Croats would be the end of the Muslims' hope of being the dominant partners in the state. It would also raise more fundamental questions about the Muslims' survival.

"Does this mean the end of us as a people," one senior Bosnian Government official said after an emergency meeting called here to discuss the proclamation of the Croatian republic.

Also cast as a loser, if Croatian moderates are unable to reverse the proclamation, would be the large numbers of Bosnian Serbs and Croats who have hoped that a multi-ethnic democracy might somehow survive the war—a partnership patterned after Sarajevo itself, where Muslims, Serbs and Croats are living intermingled under siege.

Both the Serbian and Croatian republics declared by the nationalists in Bosnia and Herzegovina have adopted laws intended to make them preserves of the dominant local group, with powers to punish other groups.

REPUTED TO BE ARMS DEALER

The Croatian leader who declared the new Croatian republic to be called the Community of Herzeg-Bosnia, is Mate Boban. Mr. Boban, in his early 50's, is a businessman who senior Bosnian officials said had made millions of dollars as a weapons supplier to Croatian forces during the fighting between Croatia and Serbia last year.

In declaring the new republic, Mr. Boban is widely thought to have acted as an agent of Franjo Tudjman, the President of Croatia, who has made no secret of Croatia's territorial ambitions in Bosnia and Herzegovina. Mr. Tudjman, along with many Croation nationalists, has taken the view that Muslims here are Croats, a contention that many Muslims dispute.

Last autum, Mr. Tudjman met in Serbia with the Serbian President, Slobodian Milosevic, and officials of the two governments let it be known that an understanding had been reached on the partitioning of Bosnia and Herzegovina.

After Bosnia and Herzegovina's independence was formerly recognized by the United States and the 12-nation European Community in early April, partitioning was impeded by a fear of international repercussions. But Serbia went ahead with a military offensive here, attributing responsibility to the Bosnian Serbs, and Croatia dispatched its regular army to support Bosnia Croats in their battles with Serbian forces, particularly in southwestern and northeastern parts of the republic.

Mr. Boban emerged as the leader of a 30,000-man army of Croats and Muslims called the Croatian Defense Council, but it was armed, trained and financed by Croatia.

Because the Croats were fighting the Serbian nationalists, who were regarded as the principal threat to the Muslims, Mr. Izethegovic, the Bosnian President, announced as recently as a month ago that he had worked out an understanding with Mr. Tudjman under which the Croatian Army was fighting on Bosnian territory with Bosnian permission.

But behind the scenes, the Bosnian President was coming under intense pressure from Mr. Tudjman and from his own associates who wanted Mr. Izetbegovic to commit the Bosnian Government to joining a confederation with Croatia.

This would place 1.9 million Muslims from Bosnia in a nation in which there would be nearly six million Croats, who are overwhelmingly Roman Catholic. It would also complicate, if not permanently block, a reconciliation between Muslims and Serbs that might open the way for hundreds of thousands of Muslim refugees to return to their homes along the Drina River valley in eastern Bosnia, from which they have been driven by Serbian forces.

For those and other reasons, Mr. Izetbegovic has resisted the pressure from Croatia. But about two weeks ago, he received what amounted to an ultimatum from Mr. Boban: that if he did not join with Mr. Tudjman, the Croatian President, in proclaiming a confederation, the Croatian forces fighting here would not come to the aid of Sarajevo from strongholds as close as 25 miles away.

Mr. Boban's troops are more numerous and better equipped than the Bosnian Government's defense forces, and, unlike the Government forces, have lots of tanks and other heavy armor.

For two months, Mr. Boban increased the pressure by blocking shipments of arms and ammunition that the Sarajevo Government, working around a United Nations embargo on all arms shipments to the former Yugoslavia, had secretly bought. Last week he seized 38 truckloads of weapons and ammunition that had been traveling toward Sarajevo at the town of Busovaca, about 40 miles northwest of here. Senior military officials have said that the Sarajevo defenses will collapse in a matter of weeks without fresh ammunition.

The territory claimed by Mr. Boban for the new Croatian state is composed primarily of a region about 80 miles deep and up to 70 miles wide that encompasses most of Herzegovina, along the western and southern flank of this republic, and additional areas, including a section of Sarajevo called Stup, which lies east of Herzegovina in the Sarajevo region.

The new state also claims the Posavina region in northeastern Bosnia, adjacent to Croatia.

[From the Baltimore Sun, July 3, 1992]

EARLY RECOGNITION OF BOSNIA FUELED VIOLENCE, SERBIAN DISSIDENT SAYS

(By Mark Matthews)

WASHINGTON.—A Serbian opposition leader charged yesterday that American and European recognition of Bosnia-Herzegovina in April doomed prospects of agreement among its three ethnic groups and thus contributed to the current fighting.

"Premature recognition of Bosnia-Herzegovina by Europe and the United States in large measure contributed to the unfortunate situation we see today," Dragoljub Micunovic, president of Serbia's Democratic Party, said in an interview.

At the time of recognition, agreement was "within reach" among Bosnia's Serbs, Croats and Muslims at European Community-sponsored talks in Portugal. Mr. Micunovic said. The talks, aimed at setting up Swiss-type cantons, collapsed the same week.

The United States also failed to take into account the effect on the Yugoslav army based in Bosnia, he said. After recognition, part of the army was withdrawn to Serbia. The rest became a force acting in behalf of Bosnian Serbs and no longer totally under Belgrade's control, he said.

The United States in fact argued for keeping Yugoslavia intact as its member republics prepared to secede, and lagged behind the Europeans for several months before recognizing Croatia and Slovenia. It recognized those two independent republics and Bosnia-Herzegovina at once. The EC recognized an independent Bosnia the day before.

Mr. Micunovic nevertheless said the United States should have clung to its one-Yugoslavia policy longer.

"No question Yugoslavs were the main villains," he said. But the U.S. policy shift "contributed" to the strife.

Mr. Micunovic leads a long-suppressed party founded in 1901 that was reconstituted in 1990 and now forms the largest opposition parliamentary group.

A dissident since his youth, he was imprisoned for 1½ years by the Tito regime in 1949. His visit to Washington this week included meetings with Deputy Secretary of State Lawrence S. Eagleburger, the National Security Council's top European expert, David C. Compert, and House Majority Leader Richard A. Gephardt.

His criticism of U.S. policy drew only a mild response yesterday from a State Department official who has followed Yugoslav developments.

"These are important arguments that we need to hear," the official said, reflecting the U.S. government's frustration in trying to influence events in the former Yugoslavia and an unwillingness to debate past events.

But the official took issue with Mr. Micunovic's suggestion that the Serbian army in Bosnia wasn't led by Belgrade. "The primary responsibility for this violence resides in Belgrade. It has organized and supplied these forces," he said.

United Nations-imposed sanctions, Mr. Micunovic says, hurt the populace more than the regime of Serbian President Slobodan Milosevic. If prolonged, they could have a "devastating effect" with unintended consequences: "Dissatisfaction might get out of control. It's conceivable Milosevic could be replaced by something worse."

In his meeting with Mr. Eagleburger, Mr. Micunovic pressed for a peace conference on Bosnia-Herzegovina that would include its warring ethnic groups and representatives of Serbia and Croatia. The aim, he said, should be a federation or confederation, with autonomy for Croat- and Serb-dominated areas.

With rising domestic discontent and growing opposition even among Mr. Milosevic's fellow Socialists in parliament, the Serbian president is "politically dead" and won't remain in power at year's end, Mr. Micunovic claimed.

The Bush administration is far less confident.

"As long as he controls the army—or the army controls him—he'll stay in power," the State Department official said.

[From the Washington Post, July 7, 1992]

THE STAKES IN BOSNIA

A bitter irony unfolds in Sarajevo. Just as the United Nations opens up a humanitarian air bridge to the beleaguered city, the country—Bosnia—of which it is the capital is disappearing. Two-thirds of its territory is held by Serbs, who have proclaimed an independent ethnic Serbian state that looks to federation with Serbia. The other third is held by Croats, who have now proclaimed their own independent ethnic Croatian state that looks to federation with Croatia. Muslims, the largest community in Bosnia and the one with the most to gain from keeping Bosnia multi-cultural and multi-religious, have been killed in the thousands, uprooted in the hundreds of thousands and reduced territorially and politically to near zero.

In the West, Serbia is commonly seen as the villian of the Yugoslav piece. Certainly the extremist government of Slobodan Milosevic so deserves. But do not overlook the extremist Croatian government of Franjo Tudjman. It has enjoyed largely uncritical favor on the basis of lying on the Western, anti-Communist, Christian side of Yugoslavia's cultural divide. But, in fact, President Tudjman has conspired as an equal with President Milosevic to carve up Bosnia, although his depredations are less well known.

Bosnia now is close to being erased from the map. Increasingly in respect to Yugoslavia the policy question is framed as a choice between military intervention and hand-wringing. But there are other alternatives. Right now the seven most powerful nations of the world, democracies all, are meeting in Munich; Boris Yeltsin is about to drop by. The eight could make the simple electrifying statement that they will not accept as a fact the forceful disappearance of the state of Bosnia, any more than they accepted the eradication of Kuwait. They could extend to Croatia the economic sanctions now in force against Serbia, and on the same grounds of a violation of a basic international rule compelling one nation to respect another's territorial and political integrity.

Let no one imagine that Muslim Bosnians, swallowed by Serbia and Croatia, will go gently into the night. The carving up of Bosnia means virtually endless war there and the almost certain escalation of Kosovo and Macedonia. Up to now it has been a matter of the relative standing of this ethnic group or that. Now it becomes a matter of the fate of nations. Coming to grips with the change is the task before the eight at Munich.

□ 2100

CREATION OF A NATIONAL EARTHQUAKE INSURANCE AND HAZARD MITIGATION PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 60 minutes.

Mr. DREIER of California. Mr. Speaker, over the past week and a half my State of California, and specifically southern California has been victimized by a number of rather serious earthquakes. Clearly, our thoughts and prayers are with those who have been victimized. Tragically there was a death and a number of people were rather seriously injured, and it is clearly a very difficult time.

I just got back late last night from California, and I have to say that having experienced a number of aftershocks there is a great deal of uncertainty. When one retires it is difficult to get to sleep because you do not know how intense the aftershock is going to be, or if something more serious might come about.

Actually, when most Americans think of earthquakes, they think of the Golden State, California. Not many people are aware of the fact that there are 39 States that are prone toward earthquakes. We know that in the middle part of the last century the most serious quake in the history of this country took place on the New Madrid fault line.

The thing that has happened is that we in California have rigorous building standards, but few States outside of California require that buildings meet the earthquake construction standards. On that New Madrid fault line in the Midwest which I just mentioned, an earthquake half the strength of the one that struck Joshua Tree, CA, on June 28 could cause massive destruction and leave hundreds of thousands of people homeless.

The message coming out of southern California, and of course we are very grateful that this quake and the aftershocks have been out in the desert rather than in downtown Los Angeles where it could have been devastating, but the message which has come from California is we all need to be prepared, everyone in this country because, as I said, there are 39 States which are prone toward earthquakes.

It is for that reason that I have joined with 62 of my colleagues in cosponsoring H.R. 2806 which is designed to create a national earthquake insurance and hazard mitigation program.

Mr. Speaker, what it does is establish a partnership with the private insurance industry to provide affordable earthquake insurance coverage for all homeowners. A number of people could say that I as a Republican am advocating some massive Government program here. But actually the opposite is the case. And I say that because when we look at natural disasters such as the earthquakes which take place, where is it that the victims look for relief? They really look to only one spot, and that is the Federal Government, right here.

In fact, as we look at the programs provided, we all know about the Federal Emergency Management Agency and the Small Business Administration which are always on the scene following a large earthquake or other natural disaster. That assistance all costs money. It costs all of us a great deal of money.

For example, we all remember October 17, 1989, the so-called World Series earthquake when the World Series was being played in San Francisco and the ground shook. Well that Loma Prieta, or World Series or San Francisco earthquake in October 1989 cost every working American $32.

The point I am making is that if one looks at the fact that every working American had to, through the emergency appropriation that we provided here, and in California a special quarter percent sales tax was imposed on all consumers in California, then the cost is tremendous. So what H.R. 2806 advocates is a risk-based national insurance program that will provide greater protection and reduced premiums for homeowners. It will reduce the need for Federal disaster assistance and free up State and local money for very important infrastructure repair that needs to be addressed.

Earthquake disasters are a very costly national problem which obviously need a comprehensive national response. The so-called Big One, which so many people have been anticipating, could cost over $60 billion in property damage alone. That is why establishing a national earthquake insurance and hazard mitigation reduction program should be one of our Nation's top priorities, because what it does is it creates a joint partnership, a partnership so that the U.S. taxpayer does not carry the sole burden for meeting the needs of those who are victimized by disasters.

I am not alone in this assessment, Mr. Speaker. In fact, the U.S. Conference of Mayors has passed a resolution just recently on June 24 that includes a wide range of mayors. This was submitted by the mayor of Los Angeles, Tom Bradley, Donna Smith, the mayor of Pomona, the mayor of Portland, Mayor Clark, Frank Jordan, the mayor of San Francisco, Bob Holcomb, the mayor of San Bernadino, Norman Rice, the mayor of Seattle, Karen Vialle, mayor of Tacoma, Louise Gardner, mayor of Jefferson City and James Perron, the mayor of Elkhart. They basically have taken a very strong position, Mr. Speaker, with their resolution in support of earthquake preparedness and damage mitigation.

Mr. Speaker, I include that resolution at this point in the RECORD:

RESOLUTION NO. 13

EARTHQUAKE PREPAREDNESS AND DAMAGE MITIGATION

Whereas the United States Geological Service has determined that a portion of all 50 states are vulnerable to the hazards of earthquakes and that 39 states are especially susceptible to major or moderate quakes; and

Whereas many of America's great cities in almost every region of the country are at substantial risk of a catastrophic earthquake; and

Whereas scientists agree that a catastrophic earthquake (8.0 or larger on the Richter Scale) is inevitable and will likely strike somewhere across the country within the next forty years; and

Whereas scientists conclude that this catastrophic earthquake is as likely to occur east of the Rocky Mountains as it is in the western states; and

Whereas such a catastrophic earthquake striking in a metropolitan area could cause thousands of fatalities and upwards of $50–$60 billion in damages; and

Whereas such a catastrophic earthquake would destroy public infrastructure, lifelines such as sewer, water systems, and pipelines, and severely cripple other important city services; and

Whereas such a catastrophic earthquake would have national impact on the economy, financial markets, and the lifelines and infrastructure well beyond the quake's epicenter; and

Whereas much of the country's emergency management services, particularly at the local level, are ill-prepared to respond to earthquakes; and

Whereas efforts should be pursued by cities, counties, states, and the federal government in a cooperative fashion to save lives and prevent losses from future earthquakes; and

Whereas few homeowners, even in high-risk metropolitan areas, purchase earthquake insurance because of low awareness and high cost: Now, therefore, be it

Resolved, That the United States Conference of Mayors supports efforts to better prepare our cities and the entire country for earthquakes by establishing a federal earthquake hazards reduction program that prepares emergency management systems at the local level to handle the crisis following a catastrophic earthquake, helps to save lives and mitigate losses from future earthquakes, provides funding for local earthquake preparedness and response efforts, and makes earthquake insurance affordable and available.

Projected Cost: Unknown.

Basically H.R. 2806 encourages States in those earthquake-prone areas to institute cost-effective hazard mitigation procedures in the area of building codes, land use planning and seismic strengthening of existing structures. It creates a universal earthquake insurance program in order to make coverage both available and affordable. And, Mr. Speaker, it creates an industry-financed reinsurance program to protect insurance companies from excess losses that could lead to widespread bankruptcies and disruptions in the underwriting of new insurance policies.

When we look at the tremendous cost that exists today, it seems to me, Mr. Speaker, that this is the most balanced and fair approach that we can take. Contrary to the way that it may appear, there is no doubt about the fact that this program would create a dramatic savings for the U.S. taxpayer. Why? Because we will not have people simply looking to us as their sole source of relief.

So I am happy that we have as many cosponsors as we do, Mr. Speaker, and I would like to encourage as many of our colleagues to continue bipartisan Democrat and Republican support for this legislation. I would encourage them to contact our office at 225-2305 and put their names on as cosponsors of this bill so that we can address the concerns not just of Californians, not just of Alaskans, but of others throughout the Nation who are clearly faced with the potential for an earthquake.

Mr. Speaker, I yield back the balance of my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HYDE (at the request of Mr. MICHEL) for today from 5 p.m. on account of family medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCEWEN) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 60 minutes each day, on August 3, 4, 5, 6, 7, 10, 11, and 12.

Mrs. BENTLEY, for 60 minutes each day, on August 3, 4, 5, 6, 7, 10, 11, and 12.

Mr. RIGGS, for 60 minutes each day, on today and July 9, 21, 22, 23, and 24.

(The following Members (at the request of Mrs. COLLINS of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LAFALCE, for 20 minutes today, and 20 minutes on July 9.

Mr. GONZALEZ, for 60 minutes, on July 9.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCEWEN) and to include extraneous matter:)

Mrs. BENTLEY in two instances.
Mr. BILIRAKIS.
Mr. HASTERT.
Mr. LAGOMARSINO.
Mr. PORTER in two instances.
Mr. CLINGER.
Mr. WALSH.
Mr. GILMAN.
Mr. RHODES.
Mr. RIGGS.
Ms. ROS-LEHTINEN in two instances.
Mr. SOLOMON.

(The following Members (at the request of Mrs. COLLINS of Illinois) and to include extraneous matter:)

Mr. BROWN.
Mr. TOWNS.
Mr. HAMILTON in two instances.
Mr. SOLARZ.
Mrs. BOXER.
Mr. MCHUGH.
Mr. TORRES in two instances.
Mr. MONTGOMERY.
Mr. WEISS.
Mr. ROSE in two instances.
Mr. DORGAN of North Dakota.
Mr. VENTO.
Mr. EDWARDS of California.
Mr. MCCURDY.
Mr. BONIOR.
Mr. GUARINI.

SENATE BILL, JOINT RESOLUTIONS, AND CONCURRENT RESOLUTION REFERRED

A bill, joint resolutions, and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2834. An act to designate the United States Post Office Building located at 100 Main Street, Millsboro, Delaware, as the "John J. Williams Post Office Building"; to the Committee on Post Office and Civil Service.

S.J. Res. 270. Joint Resolution to designate August 15, 1992, as "82nd Airborne Division 50th Anniversary Recognition Day", to the Committee on Post Office and Civil Service.

S.J. Res. 326. Joint Resolution designating the beach at 53 degrees 53′51″N, 166 degrees 34′15″W to 53 degrees 53′48″N, 166 degrees 34′21″W on Hog Island, which lies in the Northeast Bay of Unalaska, Alaska be named "Arkansas Beach" in commemoration of the 206th regiment of the National Guard who served during the Japanese attack of Dutch Harbor, Unalaska on June 3 and 4, 1942; to the Committee on Interior and Insular Affairs.

S.Con. Res. 81. Concurrent resolution expressing the sense of the Congress regarding visionary art as a national treasure and regarding the American Visionary Art Museum as a national repository and educational center for visionary art; to the Committee on Education and Labor.

ENROLLED BILLS SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 158. An act to designate the building in Hiddenite, North Carolina, which houses the primary operations of the United States Postal Service as the "Zora Leah S. Thomas Post Office Building";

H.R. 4505. An act to designate the facility of the United States Postal Service located at 20 South Montgomery Street in Trenton, New Jersey, as the "Arthur J. Holland United States Post Office Building"; and

H.R. 5412. An act to authorize the transfer of certain naval vessels to Greece and Taiwan.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 324. Joint resolution to commend the NASA Langley Research Center on the celebration of its 75th anniversary on July 17, 1992.

ADJOURNMENT

Mr. DREIER of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 9 minutes p.m.) the House adjourned until tomorrow, Thursday, July 9, 1992, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3879. A communication from the President of the United States, transmitting amendments to the fiscal year 1992 request for appropriations for the Department's of Defense, Housing and Urban Development, Justice, Labor, and Veterans Affairs; the Commission on Civil Rights; the Equal Employment Opportunity Commission; and the National Commission on Libraries and Information Science, pursuant to 31 U.S.C. 1107 (H. Doc. No. 102-358); to the Committee on Appropriations and ordered to be printed.

3880. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice that the Department of Defense has provided defense articles and services to the Persian Gulf region under the authority of Presidential Determinations 91-26 and 91-31, pursuant to 22 U.S.C. 2318(b)(2); to the Committee on Foreign Affairs.

3881. A letter from the Secretary of Health and Human Services, transmitting a report on the development of uniform needs assessment instruments in consultation with panel of experts in delivery of posthospital extended care services and home health services, pursuant to 42 U.S.C. 1395x note; jointly to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of July 7, 1992]

Mr. BROWN: Committee on Science, Space and Technology. H.R. 3215. A bill to reinvigorate cooperation between the United States and Latin America in science and technology; with an amendment (Rept. 102-654, Pt. 1). Ordered to be printed.

[Submitted July 8, 1992]

Mr. BROOKS: Committee on the Judiciary. H.R. 4312. A bill to amend the Voting Rights Act of 1965 with respect to bilingual election requirements; with an amendment (Rept. 102-655). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on the Judiciary. H.R. 5236. A bill to amend the Voting Rights Act of 1965 to clarify certain aspects of its coverage and to provide for the recovery of additional litigation expenses by litigants (Rept. 102-656). Referred to the Committee of the Whole House on the State of the Union.

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 3428. A bill to authorize capital contributions for certain international financial institutions in order to enhance international economic stability and economic growth, to provide for the alleviation of poverty, the protection of the environment, and energy efficiency, to provide for the implementation of the Enterprise for the Americas Initiative, to provide assistance in the financing of U.S. exports, and for other purposes; with an amendment (Rept. 102-657). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 5318. A bill regarding the extension of most-favored-nation treatment to the products of the People's Republic of China, and for other purposes; with amendments (Rept. 102-658, Pt. 1). Ordered to be printed.

Mr. GORDON: Committee on Rules. House Resolution 513. Resolution waiving certain points of order against the bill (H.R. 5518) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes. (Rept. 102-659). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LIVINGSTON:

H.R. 5567. A bill to amend title 18, United States Code, to provide mandatory life imprisonment for persons convicted of a third violent felony; to the Committee on the Judiciary.

By Mr. ANDREWS of New Jersey:

H.R. 5568. A bill to amend the Internal Revenue Code of 1986 to provide estate tax relief for victims of the terrorist-caused airplane crash near Lockerbie, Scotland, in 1988; to the Committee on Ways and Means.

By Mr. DEFAZIO:

H.R. 5569. A bill to require the President to impose economic sanctions against countries that engage in commercial whaling; jointly, to the Committees on Foreign Affairs, Merchant Marine and Fisheries, and Ways and Means.

By Mr. DORGAN of North Dakota (for himself, Mr. Penny, Mr. Orton, Mr. Durbin, Mr. Bryant, Mr. Bacchus, Ms. Long, Mr. Johnson of South Dakota, Mrs. Boxer, and Mr. Glickman):

H.R. 5570. A bill to authorize and direct the Director of the Office of Management and Budget to develop a plan to reduce Federal overhead costs by 10 percent and to report to Congress and the President by Feburary 1, 1993; jointly, to the Committees on Government Operations, the Judiciary, and House Administration.

By Mr. EDWARDS of California:

H.R. 5571. A bill to create American jobs, deregulate American industry, and reduce taxes; jointly, to the Committees on Ways and Means, Rules, the Judiciary, Merchant Marine and Fisheries, Interior and Insular Affairs, Education and Labor, Energy and Commerce, Public Works and Transportation, Government Operations, and House Administration.

By Mr. HORTON (for himself, Mr. Mineta, Mr. Matsui, Mr. Faleomavaega, Ms. Molinari, Mrs. Mink, Mr. Abercrombie, and Mr. Blaz):

H.R. 5572. A bill to designate May of each year as Asian/Pacific American Heritage Month; to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON of Florida (for himself, Mr. Miller of California, Mr. Neal of North Carolina, Mrs. Collins of Michigan, Mr. Peterson of Florida, Mr. Bacchus, Mr. Smith of Florida, Mr. Lehman of Florida, and Mr. Gibbons):

H.R. 5573. A bill to provide grants to States and local entities to integrate education, medical, and social and human services to at-risk children; to the Committee on Education and Labor.

By Mr. ROSE:

H.R. 5574. A bill to authorize the Library of Congress to provide certain information products and services, and for other purposes; to the Committee on House Administration.

H.R. 5575. A bill to authorize certain uses of real property acquired by the Architect of the Capitol for use by the Librarian of Congress and for other purposes; to the Committee on House Administration.

By Mr. SHARP (for himself and Mr. Synar):

H.R. 5576. A bill to amend title XIX of the Social Security Act to reform the Medicaid quality control system for administrative expenses; to the Committee on Energy and Commerce.

By Mr. SHAYS (for himself and Mr. Mfume):

H.R. 5577. A bill to amend the United States Housing Act of 1937 to revise the method of calculating the amounts paid by public housing agencies in lieu of State, city, county, and local taxes, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GUARINI (for himself, Mr. LaFalce, and Ms. Kaptur):

H.R. 5578. A bill to assure fair international trade in motor vehicles; to the Committee on Ways and Means.

By Mr. SHAYS (for himself and Mr. Mfume):

H.R. 5579. A bill to assist distressed cities with large, abandoned factories and hazardous waste sites; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. DINGELL (for himself, Mr. Rostenkowski, Mr. Swift, Mr. Ford of Michigan, Mr. Conyers, Mr. Rose, Mr. Brown, Mr. Miller of California, and Mr. Carr):

H.J. Res. 524. Joint resolution proposing an amendment to the Constitution of the United States to permit the Congress to limit expenditures in elections for Federal office; to the Committee on the Judiciary.

By Mr. SOLARZ (for himself, Mr. Leach, Mr. Lagomarsino, Mr. Blaz, Mr. Faleomavaega, Mr. Lantos, Mr. Foglietta, Mr. Ackerman, and Mr. Torricelli):

H. Con. Res. 348. Concurrent resolution to commend the people of the Philippines for successfully conducting peaceful general elections and to congratulate Fidel Ramos for his election to the Presidency of the Philippines; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 50: Mr. Roybal, Mr. Weiss, Mr. Stark, and Mr. Visclosky.

H.R. 81: Mr. Mfume, Mr. Slattery, Mr. Rose, Mr. Vento, and Mr. Bryant.

H.R. 402: Mr. Frank of Massachusetts.

H.R. 917: Mr. Washington.

H.R. 1168: Mr. Dornan of California, Mr. Towns, Mr. Jefferson, Mr. Dannemeyer, and Mr. Spence.

H.R. 1218: Mr. Browder, Mr. Cramer, and Mr. Colorado.

H.R. 1495: Mr. Erdreich and Mr. Chandler.

H.R. 1582: Ms. Oakar.

H.R. 1633: Mr. Torricelli and Mr. McCurdy.

H.R. 1771: Mr. Bustamante.

H.R. 1969: Mr. Shaw, Mr. Machtley, and Mr. Mfume.

H.R. 2205: Mr. Gingrich.

H.R. 2695: Mr. Richardson, Mr. Gibbons, Mr. Ramstad, and Mr. Geren of Texas.

H.R. 2766: Mr. BOUCHER.

H.R. 2798: Mr. MOLLOHAN.

H.R. 2854: Mr. PANETTA.

H.R. 2872: Mr. IRELAND.

H.R. 2890: Mr. KILDEE.

H.R. 2966: Mr. NUSSLE.

H.R. 3160: Mr. HEFNER, Mr. KOSTMAYER, Mr. MANTON, Mr. MAVROULES, Mrs. SCHROEDER, and Mr. SWIFT.

H.R. 3501: Mr. HUBBARD, Mr. HOCHBRUECKNER, and Mr. HENRY.

H.R. 3509: Mr. FISH, Mr. GALLO, Mrs. MORELLA, Mr. WELDON, Mr. SCHUMER, Mr. REED, Mr. GUARINI, Mr. ZELIFF, and Mr. SAXTON.

H.R. 3878; Mrs. BOXER.

H.R. 4141: Mr. CHAPMAN, Mr. GUARINI, Mr. POSHARD, Mr. DORGAN of North Dakota, Mr. BROWDER , Mr. ABERCROMBIE, Mrs. MINK, Mr. MURPHY, Mr. NEAL of North Carolina, Mr. GEJDENSON, Mr. SCHUMER, Mr. PENNY, Mr. JOHNSON of South Dakota, Mr. ESPY, Mr. SPRATT, Mr. WISE, Mr. BRYANT, Mr. TAYLOR of Mississippi, Mr. TANNER, Mrs. COLLINS of Illinois, Mr. KOPETSKI, Mr. COLEMAN of Texas, Mr. DONNELLY, Mr. ATKINS, Mr. MCNULTY, Mr. JEFFERSON, Mr. KILDEE, Mr. MORRISON, Mr. WILLIAMS, Mr. BUSTAMANTE, Ms. SLAUGHTER, and Mr. MCMILLEN of Maryland.

H.R. 4169: Mr. JOHNSON of South Dakota.

H.R. 4218: Mr. ENGLISH.

H.R. 4259: Ms. DELAURO, Mr. BARRETT, and Mr. GRANDY.

H.R. 4279: Mr. LIGHTFOOT.

H.R. 4312: Mr. SABO, Mr. DIXON, Ms. SLAUGHTER, and Mr. HAYES of Illinois.

H.R. 4483: Mr. BLAZ, Mr. BENNETT, Mr. JEFFERSON, and Mr. PALLONE.

H.R. 4507: Mr. SPENCE and Mr. BACCHUS.

H.R. 4761: Mr. FRANK of Massachusetts.

H.R. 4848: Mr. MCDERMOTT.

H.R. 4884: Mr. WEISS.

H.R. 4963: Mr. WYDEN, Mrs. JOHNSON of Connecticut, Mr. MATSUI, Mr. JONES of North Carolina, and Mr. RICHARDSON.

H.R. 5020: Mr. POSHARD, Mr. HATCHER, Mr. ALEXANDER, Mr. MONTGOMERY, Ms. HORN, Mr. BACCHUS, Mr. AUCOIN, and Mr. BLACKWELL.

H.R. 5097: Mr. GINGRICH.

H.R. 5121: Mr. HAYES of Illinois.

H.R. 5193: Mr. GINGRICH.

H.R. 5196: Mr. EVANS and Mr. FOGLIETTA.

H.R. 5198: Mr. GALLEGLY.

H.R. 5216: Mr. BLACKWELL.

H.R. 5238: Mr. SKEEN.

H.R. 5273: Mr. TANNER.

H.R. 5290: Mr. GILMAN.

H.R. 5294: Mr. MOLLOHAN.

H.R. 5320: Mr. MOLLOHAN.

H.R. 5405: Mr. CAMPBELL of Colorado, Mr. ALLEN, and Mr. SCHEUER.

H.R. 5407: Mr. MAVROULES.

H.R. 5502: Mr. MAZZOLI and Ms. DELAURO.

H.R. 5508: Mr. SMITH of New Jersey, Mr. PALLONE, and Mr. ROE.

H.R. 5529: Mr. FAWELL.

H.J. Res. 411: Mr. HATCHER.

H.J. Res. 440: Mr. COLEMAN of Texas and Mr. HOYER.

H.J. Res. 453: Mr. ABERCROMBIE, Mr. ANTHONY, Mr. ARCHER, Mr. BACCHUS, Mr. BILIRAKIS, Mr. BOUCHER, Mr. BROWDER, Mr. BUSTAMANTE, Mr. CALLAHAN, Mr. CHAPMAN, Mr. COLEMAN of Texas, Mrs. COLLINS of Illinois, Mr. COSTELLO, Mr. COYNE, Mr. CRAMER, Mr. DEFAZIO, Mr. DE LA GARZA, Mr. DINGELL, Mr. DONNELLY, Mr. DOOLITTLE, Mr. DOWNEY, Mr. ESPY, Mr. EWING, Mr. FASCELL, Mr. FORD of Michigan, Mr. FROST, Mr. GIBBONS, Mr. GILMAN, Mr. HAMILTON, Mr. HOYER, Mr. HUTTO, Mr. JEFFERSON, Mr. JENKINS, Mr. JOHNSON of South Dakota, Ms. KAPTUR, Mr. KILDEE, Mr. KLECZKA, Mr. KOLTER, Mr. KOPETSKI, Mr. LANCASTER, Mr. LAUGHLIN, Mr. LENT, Mr. MCNULTY, Mr. MAZZOLI, Mr. MILLER of Ohio, Mr. MONTGOMERY, Mr. MOORHEAD, Mr. MORRISON, Mr. NATCHER, Ms. OAKAR, Mr. PICKETT, Mr. QUILLEN, Mr. RAVENEL, Mr. REED, Mr. REGULA, Mr. ROE, Mr. SAWYER, Mr. SISISKY, Mr. SKELTON, Mr. SLATTERY, Mr. SMITH of Texas, Mr. SPENCE, Mr. TANNER, Mr. THOMAS of Georgia, Mr. WOLF, Mr. WOLPE, Mr. ZELIFF, Mr. RITTER, Mr. SCHUMER, Mr. HALL of Ohio, Mr. PARKER, Mr. ANDERSON, Mrs. MINK, and Mr. HERTEL.

H.J. Res. 469: Mr. AUCOIN, Mr. ORTON, Mr. ROE, Mr. HYDE, Mr. MARKEY, Mr. MONTGOMERY, Mr. MURPHY, Mr. CALLAHAN, Mr. MCCOLLUM, Mr. BLILEY, Mr. MAVROULES, Mr. DONNELLY, Mr. RAVENEL, Mr. KOLTER, Mr. ROEMER, Mr. CARDIN, Mr. RAHALL, Mr. SMITH of Iowa, Mr. STALLINGS, Mr. BACCHUS, Mr. BATEMAN, Mr. LANTOS, Mr. MANTON, Mr. POSHARD, Mr. EARLY, Mr. HALL of Ohio, Mr. GILCHREST, Mr. MCDADE, Mr. YATRON, Mr. KASICH, Mr. PARKER, Mr. PICKETT, Mr. ANNUNZIO, Mr. BERMAN, Mr. HATCHER, Mr. BREWSTER, Mr. SAWYER, and Mr. PANETTA.

H.J. Res. 474: Mr. MACHTLEY.

H.J. Res. 479: Mr. HOYER, Mr. FAWELL, Mr. MCDERMOTT, and Mr. DIXON.

H.J. Res. 483: Mr. MCDERMOTT, Mrs. VUCANOVICH, Mr. BEVILL, and Mr. KASICH.

H.J. Res. 489: Mr. PAXON, Mr. COOPER, Mr. EMERSON, Mr. GINGRICH, Mr. PAYNE of Virginia, and Mr. CHANDLER.

H.J. Res. 505: Mr. LIPINSKI, Mr. RANGEL, Mr. FROST, Mr. JEFFERSON, Mr. WALSH, Mrs. VUCANOVICH, Mr. HUGHES, Mr. MAZZOLI, Mr. ESPY, Mr. CRAMER, Mrs. ROUKEMA, Mr. JACOBS, Mr. DELLUMS, Mr. MANTON, Mr. POSHARD, Mr. YOUNG of Alaska, Mr. BORSKI, Mr. CARR, Mr. EDWARDS of Texas, Mr. EVANS, Mr. COX of California, Ms. NORTON, Mr. BILBRAY, Mr. SARPALIUS, Mr. DONNELLY, and Mr. HOBSON.

H.J. Res. 520: Mr. BARNARD, Mr. CALLAHAN, Mr. FALEOMAVAEGA, and Mr. RANGEL.

H. Con. Res. 180: Mr. DERRICK.

H. Con. Res. 344: Ms. PELOSI, Mr. SWETT, and Mr. AUCOIN.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1900: Mr. KOLBE.

H. Res. 194: Mr. HASTERT.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

S. 167. By the SPEAKER: Petition of the board of selectmen of the town of Eliot, ME, relative to the U.S. Naval Shipyard at Kittery, ME; to the Committee on Armed Services.

168. Also, petition of the city council of the city of New York, relative to the establishment of a Medicare policy which extends coverage for long-term health care; jointly, to the Committees on Ways and Means and Energy and Commerce.

169. Also, petition of the council of the city of New York, relative to adding to the existing Medicare payment program to cover acupuncture and dental treatments; jointly, to the Committees on Ways and Means and Energy and Commerce.

EXTENSIONS OF REMARKS

TRIBUTE TO KISAYO TAMIYASU

HON. MIKE KOPETSKI

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. KOPETSKI. Mr. Speaker, I rise today to pay tribute to a great woman who is celebrating her "beijun"—her 88th birthday celebration this summer in Lincoln City, OR.

Kisayo Tamiyasu came to America from Japan in 1921, a 16-year-old bride seeking a new life with her young husband, Shigeto Tamiyasu. Transcending cultures and continents, Kisayo's life story is filled with courage and strength, pathos, and adversity. Beginning married life together in the hop fields and potato farms of Multnomah and Clackamas Counties in Oregon, through the establishment of their family in Brooks, OR, the Japanese relocation camps of Tule Lake and Minidoka, resettlement in Portland, OR and well-earned retirement in Palo Alto, CA, Kisayo and her husband exemplify a unique generation of immigrants which made positive contributions to their adoptive country and became outstanding Americans.

Mr. Speaker, I am including in the Record a biography of Kisayo Tamiyasu which describes her remarkable life in greater detail. On behalf of all Oregonians, I want to extend to Mrs. Tamiyasu very best wishes on her 88th birthday.

Kisayo (Sadakuni) Tamiyasu

Kisayo Sadakuni Tamiyasu was born on October 15, 1904 (the 14th year of the reign of Emperor Meiji) to Kosaburo and Katsuyo Sadakuni in a farmhouse in Hiroshima Prefecture, Japan. She was second in the birth order with one older and two younger brothers.

Her childhood was typical for the Japanese peasantry of the time. The Sadakunis grew crops on a very small plot so there was ample food for the family's sustenance with some excess to barter for other essential goods and services. In the year Kisayo was born, Japan became involved in the Russo-Japanese War (1904-5) and the farmers bore the brunt of providing manpower and revenue for this national commitment.

In spite of her family's modest circumstances, Kisayo recalls a very happy childhood. Her paternal grandmother deplored her tomboyish demeanor and considered formal education for girls as unnecessary. However, Kisayo completed junior high school, which was three years more than the compulsory requirement of 6 years. As a child in rural Japan, she was a devout Buddhist and indoctrinated with the traditional values of individual and collective pride, strong family and community cohesiveness, honesty, respect for elders, authority and learning, self-sufficiency, and a rigorous work ethic.

Kisayo's formal education was interrupted when she received a marriage proposal from Shigeto Tamiyasu. Tamiyasu, who had earlier emigrated to America, returned to his ancestral home in the spring of 1921 to seek a bride. Kisayo was married to Shigeto Tamiyasu on March 16, 1920. To avoid conscription into Japanese military service, Shigeto returned to America immediately following the wedding reception. Four months later, at the tender age of 16 years and 9 months, Kisayo said her final farewells to her mother and brothers whom she would never see again and journeyed across the Pacific Ocean aboard the S.S. *Alabama Maru*, arriving in Seattle, Washington, on August 20, 1921.

With the somewhat naive optimism of a teenager, Kisayo looked forward with anticipation to her new life in the United States. Like most immigrant Japanese (Issei), Kisayo neither spoke nor understood English, a language which was not only unfamiliar but totally unrelated to her native tongue. She was also unfamiliar with Western customs and laws. Compounding these problems, the United States was in the midst of the Great Depression and, during the first half of this century, anti-Japanese agitation and legislation was prevalent in the West Coast States. Federal law disallowed naturalization privileges to Japanese immigrants. Capitalizing on this circumstance, state governments enacted Alien Land Laws which prohibited the ownership or the leasing of property by persons ineligible for citizenship. Other legislation restricted employment opportunities of ethnic Japanese to only the most menial tasks which did not compete with Americans of European descent.

The Tamiyasus began married life under these onerous conditions as migrant workers in the hop fields and potato farms of Multnomah and Clackamas Counties in the Oregon of the 1920s. As an itinerant farm worker, Mrs. Tamiyasu labored in the fields, doing men's work from dawn to dusk, after which she handled domestic chores. Under these rigorous circumstances, Mrs. Tamiyasu had five children, four of whom survived (Masao, Pauline Haruye, Mikio and Toshio). With the arrival of each child, Mrs. Tamiyasu was able to take off only enough time from work for delivery. Out of sheer necessity, the infant children were left unattended, at home or in the field, and fed and diapered only as breaks in field work permitted.

Life was a little more settled and began to improve when the Tamiyasus became contract farmers in Brooks, Oregon. There the family, at long last, occupied a house and began to have an active social life in a stable Japanese-American community. A fifth child, Susie, was born in Brooks. The children participated in Brooks Grade School and Salem High School activities and the family enjoyed annual post-harvest vacations at Netarts and other Oregon beaches. Although they were prohibited by law to purchase the land which they cultivated, they acquired a new truck, farm machinery and some home appliances.

Just as their economic well-being was improving, Japanese Imperial Navy bombers attacked Pearl Harbor and the new-found dreams of the Tamiyasu family were sunk just as surely as the U.S.S. *Arizona*. In the war hysteria which followed, with no hard evidence, all ethnic Japanese in America were considered potential spies and saboteurs.

This fear and war hysteria, combined with an existing element of anti-Japanese agitation, led to the creation of Executive Order 9066 signed by the President on February 19, 1942. By this Presidential Order all persons of Japanese ancestry were evacuated from the Pacific Coast States.

On June 1, 1942, Mrs. Tamiyasu and all of the law-abiding members of the small farming community of Brooks, Oregon, were removed from their homes and transported to the Tule Lake Relocation Center for incarceration. They had committed no crimes. They were incarcerated for no other reason than the nonvolitional accident of being of Japanese ancestry.

The Tamiyasu family remained in Tule Lake until October 1943. At that time, the Tule Lake Center's purpose changed. It then became a segregation center for those Japanese-Americans whose response to the injustices perpetrated against them by the United States Government was to apply for repatriation to Japan. As they wanted to remain in America and someday fulfill their dream of becoming American citizens, the Tamiyasus moved to the Minidoka Center in Idaho. Two of the seven Tamiyasu children were born in these concentration camps, Eddy at Tule Lake and Lynn at Minidoka.

On August 15, 1945, the family left Minidoka for return to Portland, Oregon, where, initially, they operated a hotel business and later a Chinese/Japanese cuisine restaurant. During these years, Kisayo was busily involved in the family enterprises. At this time, she became a conscientious student of the culinary arts and, to this day, she is an outstanding practitioner of everyday and classical Japanese cooking.

Sometime after the end of World War II, Mrs. Tamiyasu learned that her younger brothers, who remained Japanese citizens, were killed during the War. One was killed in the atomic bombing of Hiroshima, and the youngest went down with a Japanese warship somewhere in the Pacific. Ironically, two of her own sons served in the Military Intelligence Service of the United States Army during World War II.

In 1952, the final racial barrier to naturalization was removed when Japanese immigrants finally became eligible for citizenship. After more than 34 years of residence, at the age of 51, on December 8, 1955, Kisayo Tamiyasu became a naturalized citizen of the United States of America.

In 1964, the Tamiyasus moved to Palo Alto, California, where Shigeto enjoyed 23 years of retirement before passing away on February 13, 1987, just one day before his 88th birthday. Mrs. Tamiyasu is in excellent health and lives alone in a home next to her eldest daughter, Pauline. Her activities center around family members, handicrafts and the Palo Alto Buddhist Church. She is often visited by her grandchildren who enjoy her experience, wisdom, kindness, good humor and great cooking!

Life in America for Kisayo Tamiyasu can be roughly partitioned into two somewhat contrasting parts. The first three-plus dec-

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ades, from 1921 into the 1950s, financially were extremely arduous and the recent four-plus decades were more rewarding. Rewards in the early years came from the many simple pleasures of raising children and from tending a family. Through these early years of privation, she persevered without complaint. To this day, she is not bitter about "the early days" and speaks of them almost as badges of merit. She emphasizes the positive and speaks appreciatively of the benefits of life in America and the satisfaction of seeing her seven children grow successfully into adulthood. She has eighteen grandchildren who adore her, and she has experienced the joy of interacting with 12 very active great-grandchildren without the responsibility for their care or upbringing.

Mrs. Tamiyasu is one of the few remaining members of a rapidly diminishing Issei generation who were, in most fundamental respects, unique among immigrants to America. Through innovation and hard work, they turned wasteland into productive farmland. As rewards for their resourcefulness and industry, they were despised and prevented by law to own the very land which they had developed. Faced with organized agitation and legislation which was designed to drive them out of the country, the overwhelming majority of Issei patiently persevered and remained industrious, honest and law-abiding, and made valuable contributions to American agriculture.

More importantly, however, the Issei were the keystone to the success of their descendants in America. In addition to being outstanding role models of tenacity in the face of adversity, they raised their offspring, the Nisei, to be disciplined, industrious and studious so that they were better prepared to compete in what they knew to be a hostile society. The transition of ethnic Japanese in America from a despised and oppressed group to a model minority could not have occurred were it not for the wisdom, perseverance, courage and indomitable spirit of Mrs. Tamiyasu's generation.

I congratulate Mrs. Tamiyasu on the auspicious rite of passage, her 88th birthday. I also salute her as an outstanding representative of a unique generation of immigrants which made positive contributions to their adoptive country and provided the guidance which helped move Japanese-Americans from the backwaters to the mainstream of America.

Mr. Speaker, I have observed that there are no greater zealots than converts. This is especially true of those Americans who choose to come to the United States, who endure much to become one of our fellow citizens. In reviewing the 88 years of Mrs. Tamiyasu's life: her resolve to remain in America, to build a better community, and her commitment to her family and to the values America offers, the quest for civil liberties for herself and her family, I do not know a greater American alive today than Kisayo Sadakuni Tamiyasu.

In closing, I thank Mr. Francis "Mas" Fukuhara for his help in preparing most of this statement. Mas is married to Patricia "Toshi" Fukuhara, one of Mrs. Tamiyasu's daughters. In addition, I thank Mr. Richard Zahniser for his assistance as well. Rich is married to Cheryl Fujii Zahniser, one of Mrs. Tamiyasu's granddaughters.

ASIAN-PACIFIC AMERICAN HERITAGE MONTH

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. HORTON. Mr. Speaker, today I have the privilege of introducing legislation that calls upon the Congress and the President to set aside the month of May as Asian-Pacific American Heritage Month.

On June 30, 1977, I had the unique honor and pleasure of introducing House Joint Resolution 540 and later House Joint Resolution 1007 which for the first time in this Nation's history, asked the Congress and the people of the United States to set aside a period in May as "Asian-Pacific American Heritage Week." On November 21, 1989, I introduced H.R. 3802 to expand the observance period from a week to a full month. For 1990, 1991, and 1992, Congress designated and the President proclaimed the month of May as "Asian-Pacific American Heritage Month."

I am joined in this motion by my distinguished colleague from California, Mr. NORMAN MINETA, who was also the original sponsor with me in 1977. Joining with us in support of this measure are Mr. MATSUI of California, Mr. FALEOMAVAEGA of American Samoa, Ms. MOLINARI of New York, Mrs. MINK and Mr. ABERCROMBIE of Hawaii, Mr. BLAZ of Guam.

More than 15 years ago, a woman came to my office and told my administrative assistant, Ruby Moy, and me a very compelling and persuasive story. Today, I share the origin of this landmark legislation.

The celebration of Asian-Pacific American Heritage Month has a very deep and personal place for Jeanie Jew and her family. Their story began sometime in the 1860's when a young man, M.Y. Lee left Tosihan, Canton, China to find a better life in America. Mr. Lee was one of the first Chinese pioneers to help build the transcontinental railroad. He later became a prominent California businessman. When the Chinese were having difficulties in Oregon, Mr. Lee traveled to Oregon and was killed during that period of unrest. It was a time of anti-Chinese and anti-Asian sentiment. The revelations about Mr. Lee and the story of the Asian-Americans led this one woman to believe that not only should Asians understand their own heritage, but that all Americans must know about the contributions and histories of the Asian-Pacific American experience in the United States. Jeanie Jew, the creator of the idea for a heritage month is the granddaughter of M.Y. Lee, the early pioneer.

The original resolution designated the week beginning May 4 as "Asian-Pacific, American Heritage Week" because that week included two significant occasions in the proud history of Asian-Americans. May 7, 1843, marks the date of the first arrival of the Japanese in the United States. May 10, 1869, or "Golden Spike Day" was the day on which the transcontinental railroad was completed largely by Chinese-American pioneers. Both dates will fittingly be included in Asian-Pacific American Heritage Month.

I want to commend the two women who made this event possible. Mrs. Jew turned a personal tragedy in her family history into a positive force.

Asian-Pacific American Heritage Month will now be observed by All Americans. I also want to thank Ruby Moy, my administrative assistant, for her efforts to pass this legislation. She holds the highest professional position to a Member of Congress and is a second generation Asian-American.

In 1977, Mrs. Jew and Ms. Moy cofounded the congressional Asian-Pacific Staff caucus, an organization which collectively worked for the establishment of the first heritage proclamation and supports yearly efforts to perpetuate its recognition. The caucus, a group of professional staff members of Asian descent, periodically discusses and reviews legislation and issues of concern to Asian-Pacific Americans.

I hope my colleagues will join me in supporting this resolution and in recognizing the history and contributions of Asian-Pacific Americans, particularly during Asian-Pacific American Heritage Month.

TRIBUTE TO CAPT. DONALD W. SAPP

HON. H. MARTIN LANCASTER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. LANCASTER. Mr. Speaker, Capt. Donald W. Sapp, U.S. Marine Corps, is completing his tour of duty as liaison officer at the Department of the Navy's Congressional Liaison Office, U.S. House of Representatives. I would like to take this opportunity to recognize his superlative accomplishments.

Hailing from Columbia, MO, Don was commissioned a Marine officer and attained the designation—combat engineer. He has been assigned only the toughest of assignments which include platoon commander, 1st Combat Engineer Battalion, Camp Pendleton, CA, and company commander, A Company, 8th Engineer Support Battalion, Camp Lejeune, NC. His professional conduct, leadership, and desire for perfection, made him the ideal choice to represent the Marine Corps on Capitol Hill.

Don organized and flawlessly executed numerous congressional delegations which covered the entire globe. Trips to Saudi Arabia, Russia, and the Pacific rim were made successful through efficient planning, in concert with his meticulous tact and diplomacy. Don has been instrumental in maintaining the flow of information between the Navy and Congress. He promptly resolved thousands of time sensitive congressional inquires. His calm demeanor combined with his can do attitude and indepth knowledge of the Marine Corps doctrine has favorably enhanced the Marine Corps image on Capitol Hill.

Capt. Don Sapp is respected for both his knowledge and honesty by my colleagues on both sides of the aisle. I know that they as well as I will miss him and wish him fair winds and following seas.

LIBRARY OF CONGRESS FUND ACT OF 1992

HON. CHARLIE ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. ROSE. Mr. Speaker, today at the request of the Librarian of Congress, I am introducing a bill to authorize the Library of Congress to provide certain information products and services and for other purposes.

The legislation enables the Library of Congress to extend the range of services it can offer, in order to meet demands for specialized products and services which should not be funded through public moneys. So the act creates the mechanism—a revolving fund—through which the Library can recover its costs for providing products and services designed to meet the specialized information needs of individuals or discrete groups. The General Accounting Office has recommended the creation of such a revolving fund.

Second, the act reaffirms the Library's role as the Nation's Library, assuring that it will continue to protect the provision of free core services. Third, the act also modernizes the Library's 1902 authority under section 150 of title 2, United States Code, to reflect current and future formats for bibliographic and technical products distributed to the Nation's libraries. This is a vital service, saving our public and academic libraries as estimated $370 million in this fiscal year alone by distributing centralized cataloging records for materials the libraries would otherwise have to catalog themselves. This is more than the entire Library budget. The Library recovers approximately $7.3 million for these catalog products, representing only the costs of distribution.

The legislation includes safeguard for the Library's current practices relating to copyright protection and distribution of Library publications to the depository library system. It also provides strong controls for the operation of the revolving fund; for example, obligations for fund service activities are limited to the total amounts specified in the appropriations process; the act directs the Librarian to report annually to Congress on fund activities and financial transactions; and provides for a General Accounting Office audit. Further, the Librarian will publish notice of new fund service activities in the Federal Register and provide an extended public comment period.

In this era of fiscal restraints, the Library needs this legislation if it is to maintain its unique supporting and leadership role in the network of libraries which preserve this country's intellectual and cultural heritage and foster its future. The Librarian's goal to extend the services of the Library and expand its community of users will be greatly facilitated by this legislation.

HONORING CALIFORNIA'S CITY: SANTA FE SPRINGS

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. TORRES. Mr. Speaker, on June 25, the city of Santa Fe Springs, CA, was bestowed the honor of receiving the Federal Emergency Management Agency's [FEMA] Outstanding Public Service Award. The city of Santa Fe Springs was given this honor for their efforts in developing a model emergency preparedness network [EPN]. Santa Fe Springs implemented its EPN 3 years ago to provide for self-sufficiency in preparing for an emergency or disaster.

Santa Fe Springs' EPN developed out of lessons learned from the disastrous and confusing experiences of the 1987 Whittier earthquake. This destructive force of nature prompted the city to develop its EPN Program, in order to allow the city to sustain itself for a minimum of 72 hours following the isolation created by a major local disaster. The system is broken up into four quadrants of the city. Each quadrant is selected and identified by the locations of their fire station areas and are headed up by area coordinators and assistants. In case of an emergency or disaster, the area coordinators would report all information and damage assessments to the main EPN coordinator located at the city emergency operation center.

All information and assessments would be transmitted by radios and moved by runners. Color flags are placed to show the severity of damages to facilities caused by the emergency or disaster. At that time trained volunteers, of the EPN Program, follow their checklists that direct them to their actions and locate essential supplies and critical medical resources needed.

Mr. Speaker, I know that my colleagues in the House of Representatives would join me in congratulating the city of Santa Fe Springs in receiving the FEMA's Outstanding Public Service Award. I am honored to represent the people of Santa Fe Springs in Congress, even more so for their outstanding efforts.

TRIBUTE TO GRACE UHLE

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. GILLMOR. Mr. Speaker, I want to take this opportunity to pay tribute to Grace Uhle of Port Clinton, OH.

Grace Uhle recently received the "Volunteer Ohio" Volunteer of the Year Award. I can say with confidence that she is most deserving of this high honor.

There are many examples that illustrate how Grace Uhle has made an enormous contribution to society through voluntarism, whether it is her tireless work on behalf of homeless children in Cleveland or answering phones at a local United Way office's social services hotline. Grace Uhle's concern for the most vulnerable among us is inspiring.

I am proud to represent Grace Uhle as a Member of Congress. Her spirit and values are an important part of what has made the United States a wonderful country. I wish her all the best.

VA RESEARCH CONTINUES TO UNRAVEL MEDICAL MYSTERIES

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. MONTGOMERY. Mr. Speaker, I am pleased to share with my colleagues news of yet another medical breakthrough by Department of Veterans Affairs researchers. A team at the VA hospital in San Francisco has identified traits that enable physicians to predict the likelihood of postoperative heart attacks in patients who undergo nonheart surgery.

Hardly a month goes by that we don't read of some new and exciting discovery by VA scientists, and there are numerous other developments that aren't covered by the media. This most recent achievement is another fine illustration of VA's continuing contributions to the delivery and advancement of medicine in this country and why it must be a key component of any health care reform blueprint.

[From the Washington Post, July 8, 1992]

RESEARCHERS LINK SEVERAL TRAITS TO POST-SURGERY HEART ATTACKS

CHICAGO, July 7.—Researchers have identified five major traits that predict which patients who undergo non-heart surgery are most likely to be stricken with heart attacks after the operation.

The nation spends $22 billion annually to treat cardiac complications after operations ranging from blood vessel repairs to hip replacement, researchers said.

Each year, 50,000 people have heart attacks after non-heart operations. But little long-term research has focused on such patients.

"Finally, we may be able to get a handle on this problem of heart attacks and surgery. It's a problem that's been with us for a long time," said Dennis T. Mangano of the Veterans Affairs Medical Center in San Francisco.

He and colleagues at the VA hospital and the University of California at San Francisco have written about five new studies on the subject in Wednesday's Journal of the American Medical Association.

One study, a two-year follow-up of 444 patients released in stable condition after non-heart operations, found the key trait predictive of later heart problems is a condition called ischemia, a reduction of blood flow to the heart muscle, Mangano said. It was associated with a 2.2 times greater likelihood of death or complications from heart problems in the two years after non-heart surgery, he said.

Ischemia, which has no clear symptoms, can be detected by a portable electrocardiograph, a device that records the heart's electrical impulses. It can be worn on a belt for up to three days after surgery to monitor the patient's heart condition, Mangano said, noting that having patients wear the device is not currently standard procedure.

A second trait is having had a heart attack or severe heart pain while still in the hospital. Patients who did were 20 times more likely to be stricken in the next two years with cardiac death, another heart attack or severe chest pain.

Other traits that predicted later heart complications are blood-vessel disease, congestive heart failure and coronary artery disease. Some heart problems are not predictive, including temporary heart-rhythm irregularities and rapid heartbeat after surgery.

Expensive technologies such as echocardiography, a method of taking pictures of the heart using sound waves, are a waste of money for many patients and should be done very selectively, the researchers found.

THE MONTFORD POINT MARINE

HON. H. MARTIN LANCASTER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. LANCASTER. Mr. Speaker, 50 years after the enlistment and training of the first African-American marines at Montford Point, Camp Lejeune, NC, one of the Marine Corps' African-American generals, Brig. Gen. George H. Walls, Jr., was the guest of honor at the anniversary celebration at the American Legion in Jacksonville, NC.

General Walls received his commission in the Marine Corps in 1965, 24 years after Howard P. Perry of Charlotte, NC, the first African-American recruit arrived at Montford Point and 16 years after the Montford Point special recruit depot was desegregated by the order of President Harry S. Truman.

The Montford Point marines called themselves the chosen few, and the original goal of the Marine Corps at the point was to form a complete battalion of 900 African-American marines. From August 26, 1942, until September 9, 1949, more than 20,000 African-Americans became marines by way of boot training at Montford Point. They were then, as they are now, fiercely proud of the title "Montford Point Marine."

The last Montford Point Marine to retire was M.Gy.Sgt. Norman D. Epkins, who was honored in ceremonies at the Marine Corps barracks at 8th and I Streets in Washington, DC, on June 14, 1979.

But the most famous Montford Point marine of all was Sgt. Maj. Gilbert H. "Hashmark" Johnson. Through the efforts of then Assistant Secretary of the Navy, James E. Johnson, himself a Montford Pointer, and the Montford Point Marine Association, the Marine Corps school/training complex now bears the name: Camp Gilbert H. Johnson, Montford Point, Camp Lejeune, NC.

Sergeant Major Johnson had a deep reverence for the Marine Corps and for the Montford Point tradition. He was one of the first drill instructors at the point. His stern discipline, love of the corps, and respect for his men is ingrained in the hearts of the thousands of raw recruits he helped to transform into marines.

Sergeant Major Johnson died of a heart attack in 1972 while addressing his beloved Montford Point Marine Association in Jacksonville, NC, the home of Camp Lejeune. The sergeant major was fond of calling Montford Point hallowed ground in memory of the blood, sweat, and tears shed there by African-American marines.

His final words were, "My dear friends, I have gone as far with you as I can go."

I am proud to represent Montford Point and to pay tribute to the thousands of African-American marines who passed through its gates beginning 50 years ago this summer.

TRIBUTE TO DAVID WAKSBERG

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mrs. BOXER. Mr. Speaker, it gives me great pleasure to honor a member of the Soviet Jewry movement who has been one of its key advocates for the last 20 years: David Waksberg, the executive director of the Bay Area Council for Soviet Jews.

Throughout my years in Congress, I have worked with David on numerous individual cases to bring families and spouses residing in my district, who were separated at the hands of the former Soviet Government, back together. While the political situation in the former Soviet Union has changed dramatically, David has continued to strive for the freedom of Soviet Jews, and he remains an invaluable resource and adviser to me and my staff.

I know of few people who have demonstrated the kind of personal commitment and dedication to the cause of human rights in the former Soviet Union that David has. He visits refuseniks and others denied or awaiting permission to leave, and he was the instrumental force in opening three offices, in Moscow, St. Petersburg, and Kiev, to provide assistance to them. Last year, he began a newsletter monitoring the human rights situation throughout the new republics.

I congratulate David on 20 years of compassionate yet forceful advocacy on behalf of Soviet Jews. I hope that we can count on 20 more.

LIBRARY OF CONGRESS REAL PROPERTY USE AUTHORIZATION

HON. CHARLIE ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. ROSE. Mr. Speaker, today I am introducing legislation, at the request of the Librarian of Congress, to authorize certain uses of real property acquired by the Architect of the Capitol for use by the Library of Congress and for other purposes.

The original legislation authorizing the purchase of the 601 East Capitol facility—Public Law 101–520—passed the House 2 years ago. It permits the use of the property as a day care center for children of Library of Congress and other legislative branch employees, and for staff training and development programs for Library of Congress employees.

This measure seeks to expand the existing authorization to include use of the facility for: First, external training programs including those designed to serve congressional staff; second, general assembly and education programs of the Library; and third, temporary lodging for visiting scholars using the Library's materials or participating in Library programs. The bill would also authorize the establishment of a special deposit account with the Treasurer of the United States for funds generated from these uses.

Expedient passage of this bill is necessary to accomplish the purpose of the original authorizing legislation as well as to increase access to the Library's collections. As you may recall, the establishment of a day care center at the Library of Congress has been a longstanding concern of the Congress. If the center is to open April 1993 as scheduled, final construction must be completed by February 1993. However, the license to operate the center cannot be obtained until a fire sprinkler system is in place, which in turn requires plans for the completion of major construction on the upper floors of the building. These plans cannot be completed until the additional uses for the upper floors have been authorized by Congress. In addition to the implications for the day care center, this legislation has consequences for the ongoing restoration and renovation of the older Library buildings. Some of the books that are stored in these buildings are to be temporarily stored at the East Capitol facility. However, if adequate modifications are not made to the facility that in order to allow the temporary transfer, continuation of renovations in the older buildings may be delayed.

The Library of Congress is the world's greatest research library. Its preeminence as a repository of knowledge and information cannot be overstated. Teaching researchers and other patrons to navigate through increasingly sophisticated and multidisciplinary methods for information retrieval is vital to the Library's goal of serving as a catalyst in the information explosion. Like the external training programs, the proposed lodging quarters would augment the Library's efforts to increase access to this institution. The provision of spartan but convenient temporary quarters is designed to facilitate use of the Library's resources by those persons who might otherwise experience great difficulty in obtaining sufficient access to the Library because of the inability to secure temporary housing. Since the facility will have a maximum capacity to accommodate 17 people, this will not result in a significant diversion from the other available accommodations on Capitol Hill. Rather, this bill will provide a special service to those whose financial resources and pragmatic needs justify it. Dr. James H. Billington, the Librarian of Congress, seeks to increase national and international access to the Library's vast resources. This measure is consistent with that goal.

Mr. Speaker, this measure contains no controversial provisions, nor does it contain a request for additional funds. I urge my colleagues to support this legislation.

HONORING THE DEL HAVEN COMMUNITY CENTER AND THE SEAL FAMILY

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. TORRES. Mr. Speaker, I rise today to recognize Del Haven Community Center of La Puente. Started in June 1972, Del Haven is celebrating its 20th anniversary.

"Building Better Tomorrows," by meeting the needs of the community is the theme of the Del Haven Community Center. Founded by Barbara and Wyatt Seal, Del Haven Community Center began as a 2-week summer day camp for 28 children, and 7 leaders. Today, Del Haven is an established agency, offering a wide range of services to the community. Del Haven's services include: extensive programs for children, recreation programs, vacation and summer day camps, leadership programs, a social service club, and athletic competitions.

The center also offers programs for the developmentally disabled. Included among those programs are: weekly recreation, a social service club, summer resident camps, a conservatorship program, and the Special Olympics, to name a few. Del Haven Community Center also takes responsibility in addressing other social needs of the community. Del Haven offers social welfare programs, emergency food and clothing assistance, programs for high risk youth, and programs for seniors.

Today, Del Haven continues to stand upon its original foundation, the volunteer. Over 3,000 volunteers have unselfishly given their time to the center over the past 20 years. This past year, nearly 700 people have given their time to Del Haven. I commend the spirit of voluntarism at the center.

Del Haven has been recognized for its tremendous accomplishments in the eastern San Gabriel Valley. The center has been named outstanding nonprofit agency in District 13 of the California Parks and Recreation Department and by West Covina Human Services. The cities of La Puente and West Covina have proclamined Del Haven Weeks in honor of the center's service to the community. The Seal's are community leaders, having received the San Gabriel Valley Humanitarian Award for Outstanding Community Service.

Mr. Speaker, on June 11, 1992, family, friends, and civic leaders gathered to honor the Del Haven Community Center and the Seal family for their 20 years of exemplary service to the eastern San Gabriel Valley. I ask my colleagues to join me in saluting the Del Haven Community Center and the Seal family for their contributions to our community.

THE READY-TO-LEARN ACT OF 1992

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. PRICE. Mr. Speaker, I am pleased to be introducing, with my colleague from Oregon, RON WYDEN, H.R. 5357, the Ready-To-Learn Act of 1992.

The bill is based on the recommendations of the Carnegie Foundation for the Advancement of Teaching in their 1991 report, "Ready-To-Learn: A Mandate for the Nation." The report is a call to action in a number of areas—health, education, the workplace, television, neighborhoods—to reach the goal President Bush and the Nation's Governors have set: That every child in America should start school ready-to-learn by the year 2000.

To meet this goal, we must find ways to better support families, build stronger neighborhoods and communities, and open up opportunity for our Nation's youngest citizens so they have a fighting chance as they enter school. Too often lost in the swirl of debate about Murphy Brown and family values is attention to the initiatives that could make a genuine difference in the lives of parents and children.

The statistics concerning our Nation's children are indeed startling and frightening. More than one-third of our Nation's children come to school ill-prepared to learn because of educational deficiencies or health problems, and the percentage has increased over the past 5 years according to a Carnegie Foundation survey of kindergarten teachers. One out of every four children under the age of 6 is growing up in a family that cannot afford safe housing, good nutrition, or quality health care.

We have had some success stories in dealing with this problem. Innovative approaches are underway in many States and cities to address the condition of preschool children. At the national level, programs like Head Start and WIC have made a significant difference and they need to be fully funded. It is estimated that each of these programs saves more than $4 for each dollar invested.

But the Carnegie report persuasively argues we must do much more. We must make a commitment to broaden the children's agenda in this country, dealing with all the impediments facing our children as they become ready to learn. We know this bill won't become law next month, but we do know we must begin to work on this agenda. There will be opportunities to make progress over time in a number of areas, and we will take advantage of them.

In the Carnegie report, the Federal Government has a carefully targeted but important leadership role. The Carnegie report argues for full funding of many of the programs we know are essential to the health and well-being of preschool children, WIC and Head Start in particular. But it argues that we need a broader agenda, one which will inspire and help States, communities, and families throughout this country to work on identifying the needs of children in their area, coordinating services to these children, and finding innovative solutions to their problems.

It is this broader agenda that our bill addresses. The first part of the bill provides grants to States to evaluate and inventory existing health and education services for preschool children. As part of this process, States would promote the establishment of local ready-to-learn councils composed of local government agencies, service providers, parents, and others critical to the well-being of children in an area.

We have a fine example of this in the Charlotte-Mecklenberg area of North Carolina. They have organized a children's services network, which brings together all community agencies concerned with children to coordinate services, increase support for these services and prepare a report card on progress. We need to encourage these kind of initiatives throughout this country.

After evaluating the needs of preschool children, the State working with the local ready-to-learn councils will develop a strategic plan to address these needs, set goals, and create yardsticks to measure progress in these areas. This is not an idle exercise. The Carnegie report found that in 1 State 37 different State agencies are administering 160 separate programs for children and youth. The State of Texas, in conducting an inventory of programs for handicapped children, found that parents had to visit as many as 11 different State agencies for help. We can make a difference by promoting such an assessment and improved coordination for all children's programs.

The Federal Government can then identify promising plans and stimulate local efforts by providing qualifying States with ready-to-learn challenge grants. These grants are meant to be flexible sources of funds for these States, allowing them to meet the agenda set out in their strategic plan.

Grants can be used for multiple purposes—to expand access to health care services, support education programs for parents, fund volunteer programs using students and senior citizens to work with preschool children, establish or expand education programs in libraries, museums, and parks, or promote family-oriented literacy programs. I just visited an innovative educational play facility called PlaySpace in Raleigh. PlaySpace is a former commercial building that has become an indoor park with places to climb and activity zones for imaginary play. Kids love it, and we want to replicate such efforts nationwide.

The bill also encourages providing education and health services to parents and children at one central location. For instance, States could use these funds to expand the ability of WIC offices to offer parent seminar series, a series which would cover all dimensions of school readiness, from physical well-being to moral development. Or they could use these funds to establish or build upon existing health centers and offer prenatal and maternal care for mothers as well as other health services like immunizations for children. There are already examples of these efforts in same States. One particularly promising one appears to be in Kentucky where family service centers have been established. These centers coordinate health, education, and social-service programs in all school districts where 20 percent of the children participate in the school lunch program.

Finally, the bill recognizes the reality of television's impact on our Nation's children. The Carnegie report suggests that next to parents, television is perhaps a child's most influential teacher. We have incorporated into our bill a series of recommendations to turn television into a positive educational resource or, in some cases, a more benign one.

The bill will establish a preschool children's television division within the Corporation for

Public Broadcasting to develop educational television for preschool children and instructional programming for parents and child-care providers. In addition, the Corporation for Public Broadcasting will be required to establish a ready-to-learn channel on their new satellite which will provide educational and instructional programming for parents and their children.

The bill also will require cable companies to carry public television programming, including educational television programming for preschool children as they add to their channel or programming capacity. Finally, the bill will require commercial television broadcast stations, as a condition for television license renewal, to provide at least 1 hour per week of educational television programming for preschool children and 1 minute of ready-to-learn public service announcements along with whatever else they are broadcasting on Saturday mornings. Millions still remember the song "Conjunction-Junction" and the history lesson taught by an animated Thomas Jefferson that can serve as examples for efforts in this area. These modest requirements are not too much to ask of this multibillion dollar industry.

In all, this bill attempts to rally Federal support for the tremendous challenges we face in ensuring that all American children are ready to learn. We're not throwing money at the problem; we're not dictating that the Federal Government take over local programs; we're not creating costly, unnecessary bureaucracy. Rather, we're forming a partnership for children, setting a realistic agenda for children, and acting as a catalyst to address specific needs of children in each community.

This must be a partnership; the job cannot be done by the Federal Government alone. We need the leadership of parents, community leaders, churches, and other concerned citizens if we are to improve our Nation's future. The bill is just one step, but it is time to forge ahead. Mr. WYDEN and I invite colleagues to join us.

TRIBUTE TO TERRY AND MARION PERKINS

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. GILLMOR. Mr. Speaker, I want to take this opportunity to pay tribute to Terry and Marion Perkins of Sandusky, OH.

When Terry and Marion Perkins married in 1959, they not only committed themselves to each other. They also made an admirable commitment to the Margaretta school system. After 33 years of distinguished service as teachers there, Terry and Marion Perkins have retired. They can look back on their years of outstanding work with special pride.

A life in education placed Terry and Marion Perkins at the heart of America's future. They have done enormous good for their communities and their country through a solid dedication to the power of learning and knowledge that our young people need.

Mr. Speaker, I am proud to represent Mr. and Mrs. Perkins as a Member of Congress. I hope their retirement is filled with happiness, and I wish them all the best.

OPERATION PROVIDE COMFORT EXTENDED BY TURKEY

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. MCHUGH. Mr. Speaker, I would like to take this opportunity to publicly commend the Government of Turkey for its recent decision to extend Operation Provide Comfort for another 6 months.

As you know, Operation Provide Comfort is the international program of protection and assistance for the Kurds of northern Iraq. On June 26, by a vote of 228 to 136, the Turkish Parliament approved this latest extension as our own Government had been urging.

At your direction, Mr. Speaker, I led a bipartisan congressional delegation to the region last year to assess the plight of the Kurds following the conclusion of Operation Desert Storm. The situation the Kurds faced at the time of our visit was desperate and it was quite apparent that no effort to assist them could succeed without the cooperation and support of the Turkish Government.

That support was promptly forthcoming and Operation Provide Comfort has been successful in providing protection and assistance to the Kurds. By approving this latest 6-month extension, the Turkish Parliament has once again displayed the humanitarian concern of the Turkish people for the Kurds of northern Iraq.

KANE BLACK CHERRY FESTIVAL

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. CLINGER. Mr. Speaker, I am pleased to take this opportunity to pay tribute to Kane, PA, and recognize the weekend of July 17–19 as the "Kane Black Cherry Festival."

Pennsylvania has supplied the United States with plentiful timber since colonial times. The variety and quality of the woods available, the accessibility to major ports, and the experience and knowledge of the loggers combine to create an abundant resource in the forests of Pennsylvania.

Kane is located in the rural Allegheny region of northwestern Pennsylvania. As many of you may know, timber is one of Pennsylvania's largest industries, having more hardwood than any other State in the country. With more than 80 percent of its land covered by forest, the Allegheny region is an incredibly rich area, producing nearly one-third of the State's hardwood. As a result, the economy of communities such as Kane thrives on the timber industry.

The black cherry flourishes on the hillsides surrounding Kane where the trees grow larger, more densely, and of a higher quality than in any other part of the country. The Allegheny region is centered around Kane and is responsible for producing one-fourth of the black cherries grown in the United States. Buyers from Europe to the Far East have been known to select trees only from specified hillsides in the Kane area to ensure the highest standard of quality, citing this black cherry as the finest in the world.

Kane is a close-knit, family oriented community with enormous pride in its hard-working people. This summer, the Kane Chamber of Commerce will sponsor the Kane Black Cherry Festival to celebrate the resource from which this community has reaped so many benefits. Mr. Speaker, on behalf of the people of Kane, I urge my colleagues to recognize and honor the tremendous resources, both natural and human, found amidst these great hardwood forest by declaring Kane, PA, to be "The Black Cherry Capital of the United States."

IN HONOR OF 75 YEARS OF THE SANTA CRUZ COUNTY FARM BUREAU

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. PANETTA. Mr. Speaker, I rise today to pay tribute to the Santa Cruz County Farm Bureau as it celebrates 75 years of service to the community. At the close of these 75 years, members of Farm Bureau can look back with pride on their commendable success, and I am proud at being given this chance to honor them.

In 1917, Farm Bureau was established as a means of gathering information on new and improved farming and marketing methods. The members have taken this far and beyond, and have created an organization that has brought farmers together.

Throughout the years, Farm Bureau has been consistent in contributing their time and hard work toward the well-being of the agricultural community. They have accomplished the preservation of this essential industry with dedication and support for all those involved. Whether it be assisting farmers during the floods of 1956 or the freeze of 1990, Farm Bureau has remained a strong force in the Santa Cruz community.

Following the devastating earthquake in October 1989, Farm Bureau established the Agriculture Earthquake Relief Fund as a means of organizing financial assistance for sustained agricultural losses in the community and its immediate areas. This in itself is a prominent example of the capability of Farm Bureau in adapting to the needs of the agricultural industry, regardless of what they may be.

Farm Bureau symbolizes progress, yet never losing sight of the preservation and protection of agriculture. Farm Bureau members have contributed numerous volunteer hours to carry out the goals of the organization and it is with this that I am proud to honor their 75th anniversary celebration.

Mr. Speaker, I would like to point out that Farm Bureau is not only celebrating 75 years of unwavering support, but also recognizing all those that participate in the industry. They have designated this year to nominate all agriculture employees as 1992 Farmer of the Year, and I would like to ask my colleagues to join me now in thanking these employees and the members of Farm Bureau for their contribution to the communities of this Nation. Agriculture is the building block of our Nation and plays an integral part in the American way of life. I am truly thankful that agriculture has been represented so strongly within the 16th Congressional District, and it is my hope that Farm Bureau will continue to play an important role in the community, the State, and the Nation as a whole.

NORWAY'S WHALING RESUMPTION ECHOS TONE UNITED STATES SET AT UNCED

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. PORTER. Mr. Speaker, last week's announcement by Norway and Iceland that they were prepared to part with the International Whaling Commission and begin whaling anew was not made in a vacuum.

Restoring limited whaling is a very popular political move in Iceland and Norway, but those nation's leaders have maintained the moratorium largely due to strong international pressure to preserve the ocean's biodiversity, much of it from the United States.

The United States uninspired performance at the UNCED conference in Brazil sent a clear message to the Icelanders, Norwegians and others: it is now acceptable to put domestic political concerns above global conservation and biodiversity.

Hey, if the Americans can do it, why can't we?

Mr. Speaker, there is an unmistakable synergism between the United States failed leadership at UNCED and the Norwegians' decision. And I believe that unless the United States reaffirms a leadership role on environmental issues, other nations, like Iceland and Norway, will bend to political expediency and leave a legacy of environmental devastation for future generations.

TRIBUTE TO EUNICE DIAZ

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. LAGOMARSINO. Mr. Speaker, I rise to pay tribute to Ms. Eunice Diaz, a member of the National AIDS Commission, who was recently nominated to receive the Pathfinders Award for her contributions in the fight against the AIDS virus.

Ms. Diaz, in conjunction with the National AIDS Commission, is involved in extensive research on AIDS and AIDS-related issues affecting the Nation. She is also currently the vice-chair of the Los Angeles County Commission on AIDS, a member of the AIDS Advisory Committee, the Health Resources and Service Administration, the Task Force on AIDS, as well as very many other valuable programs.

Ms. Diaz is involved in communities throughout the Nation providing technical assistance to various education and prevention projects. She has been well recognized by a number of respected organizations for her excellent work and has received numerous awards and honors.

Ms. Diaz has devoted the focus of her energies on reaching many of the minority and underprivileged groups in our Nation that have been particularly hard hit by the spread of AIDS. Her compassion, dedication and skills are invaluable to our Nation's continuing struggle against this deadly disease. Therefore, I ask the House to join me in paying tribute to Ms. Eunice Diaz.

TRIBUTE TO PAUL GOLD AND HANK NEWCOME

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. GILLMOR. Mr. Speaker, I want to take this opportunity to pay tribute to Paul Gold and Hank Newcome, both of Bowling Green, OH.

Paul Gold and Hank Newcome recently received the Boy Scouts of America Silver Beaver Award. I can say with confidence that both men are most deserving of this high honor.

Paul Gold and Hank Newcome have received the Silver Beaver for demonstrating outstanding leadership qualities along with a commitment to good citizenship and traditional American values. Through their actions and leadership, they have set a fine example for the young people in their community.

While both men have won other Boy Scout awards, Gold and Newcome do not confine their good deeds to only the Boy Scouts. Whether one looks at Gold's work with the Toledo Autistic Society or Newcome's involvement with the United Way, these men believe in voluntarism and lending a hand to a neighbor.

Mr. Speaker, I am proud to represent people like Paul Gold and Hank Newcome as a Member of Congress. I congratulate them, and wish them all the best in the years ahead.

AMERICAN INDIANS AND THE 20TH CENTURY

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. FALEOMAVAEGA. Mr. Speaker, through Public Law 102–188 (S.J. Res. 217, H.J. Res. 342), Congress and the President designated 1992 as the Year of the American Indian. This law pays tribute to the people who first inhabited the land now known as the continental United States. Although only symbolic, this gesture is important because it shows there is sympathy in the eyes of a majority of both Houses of the Congress for those Indian issues which we as a Congress have been struggling with for over 200 years.

In support of the Year of the American Indian, and as part of my ongoing series this year, I am providing, for the consideration of my colleagues, an article from the June 28, 1992, edition of the Washington Post, entitled, "On Apache Homeland, Nuclear Waste Seen as Opportunity." The article shows rather poignantly that leadership of Indian reservations is not as simple as it once was.

[From the Washington Post, June 28, 1992]

ON APACHE HOMELAND, NUCLEAR WASTE SEEN AS OPPORTUNITY

(By Thomas W. Lippman)

MESCALERO, NM.—The ancestral homeland of the Mescalero Apache tribe was blessed by nature with an awesome beauty. Pine-forested peaks, still snowcapped in June, thrust up into a crystal sky over a landscape of rushing streams and abundant wildlife.

But scenery alone does not create jobs for the reservation's 3,000 people. In their quest for economic self-sufficiency, the tribe's leaders have developed a sawmill and a cattle ranch, in addition to a ski area and a sumptuous resort with lake and golf course nestled amid the 8,000-foot mountains.

Now the industrious Apaches are looking at a new kind of business opportunity: the possibility of big money in storing the nation's growing mountain of nuclear waste. If they are convinced that nuclear waste means jobs, education and revenue, the Apaches seem prepared to assert their sovereignty against strong local opposition and welcome the material nobody else wants.

The federal government is seeking a place to store thousands of tons of used fuel from 112 nuclear power plants until a permanent underground repository is built, probably in Nevada, in the next century. Federal law requires the Energy Department to take title to the highly radioactive, spent fuel beginning in 1998, but the earliest a permanent repository could be ready is 2010. The nation's nuclear utilities, their on-site waste storage pools filling rapidly, have been clamoring for development of the temporary and permanent federal storage sites mandated by Congress.

When White House nuclear waste negotiator David H. Leroy asked every county, state and Indian tribe in the United States to study the idea of hosting the radioactive wastes until the permanent disposal site is built, the Mescalero Apaches were the first to respond.

They have received $300,000 from the Energy Department to evaluate the safety, environmental impact and economics of constructing a Monitored Retrievable Storage (MRS) facility on their reservation. Now they must decide whether to seek an additional $2.8 million to identify a specific site and begin technical studies.

San Juan County, Utah; Apache County, Ariz.; Fremont County, Wyo.; and 13 other Indian tribes have applied for similar grants. In Grant County, N.D., the county supervisors were ousted by the voters after applying for a study grant, and that project was terminated. Oklahoma's Chickasaw and Sac and Fox tribes applied for grants but then decided not to accept them.

Members of the Mescalero Tribal Council insist that they are far from a decision on whether to seek the MRS facility. To them, they said, it's just another business proposition, to be accepted or rejected on its merits after an unemotional evaluation.

But nothing is that straightforward when nuclear power and nuclear waste are involved. New Mexico's entire congressional delegation and Gov. Bruce King (D) are trying to block the tribe from going further, arguing that New Mexico, site of the nation's first nuclear explosion and the first repository for plutonium wastes, has "done its part" for nuclear energy.

Prominent citizens of Ruidoso, a tourist town next to the Mescalero reservation, have strongly opposed the idea of nuclear waste storage, regardless of what the Mescaleros' evaluation discovers. The twice-weekly Ruidoso News—owned by Washington Redskins owner Jack Kent Cooke—ran a mammoth seven-part series about nuclear waste in which the first sentence set the tone: "It is the nightmare that will never go away."

Tribal leaders appear unmoved by the predictable reaction from Ruidoso or by the politicians' concern. Under the law, they can ask Leroy for whatever they want—additions to tribal land, money to build their own high school, guaranteed job training for tribe members—as part of their price for "volunteering." Congress would have to approve any agreement.

"People always say they want us to be self-supporting. That's what we're trying to do," said Silas Cochise, a member of the Tribal Council, an elected body that is both government of the reservation and board of directors of the tribe's business ventures.

"We're a tribe, into perpetuity," said Tribal Council Secretary Fred Peso. "We have no interest in jumping into the melting pot and the mainstream." The tribe wants to keep its young people at home, he said, and "this may be an opportunity to help us. If not, we won't do it."

Tribal leaders want it understood that they are not some downtrodden group driven by poverty into a Faustian bargain.

"No one will exploit us," President Wendell Chino said in a speech last December to the National Congress of American Indians. "We can afford to walk away from this dialogue at any time. The government timetable is not our timetable. The government's needs are negotiable. Our requirements are not."

The Mescalero reservation covers 720 square miles—about half again as large as Montgomery County—in south-central New Mexico, between Tularosa and Ruidoso. An MRS facility, where more than 10,000 metric tons of irradiated fuel rods would be stored above ground in sealed containers approved by the Nuclear Regulatory Commission, would cover less than 1 square mile.

Used nuclear fuel is intensely hot and remains dangerously radioactive for thousands of years. It must be sealed off from human contact or exposure to the environment.

But there is virtually no danger of a nuclear explosion because a storage facility is not a reactor. It would be, in Chino's words, "the world's most expensive warehouse, with elaborate security monitoring."

An MRS facility would cost about $2 billion to construct, by Energy Department estimates. Whatever jurisdiction hosts it would expect to receive property taxes—because it would be privately owned—plus millions of dollars in direct federal payments and whatever else is obtained in negotiations with Leroy.

"We are attracted to projects with long-term benefits for our people," Chino said. "They must be facilities that will provide substantial future financial returns, as well as training, jobs and growth opportunities for our young people. * * *

"Nuclear energy is a fact of life for all of us," he added. "We all have to deal with it in one way or another. This time, we as tribe have chosen to meet it on our terms. Like our lands, our integrity is sacred to us. We believe that our values can help create a new approach to one of the nuclear problems facing our government and our country."

Chino's integrity came under heavy fire in the Ruidoso News series. "'Shady,' 'scheming,' and 'unethical' are words used by other reservation neighbors to describe the relationship'" between Chino and Pacific Nuclear Corp., the tribe's technical consultant, the paper said, without attribution. "Whispers of under-the-table bribes and rumors of payola haunt the ranchers whose land is close to the reservation."

There is no evidence to support any such allegations. But whatever its merits as journalism, that kind of writing appears to reflect a strained relationship between the tribe and some of its non-Indian neighbors. last winter, the tribe threatened to close its Ski Apache resort, the area's cold-weather economic mainstay, if demonstrators from Ruidoso came onto the reservation.

Some environmental groups, led by the Natural Resources Defense Council, oppose the development of an MRS facility at any site. They fear it would become a de facto permanent storage site and ease the pressure on the Energy Department to develop an underground repository.

Chino said that will not happen if the MRS facility is built here. The tribe would demand a formal treaty with Washington, he said, requiring that "these nuclear containers be removed within 40 years * * * or else we will shut the facility down."

OPENING OF CONGRESSIONAL HIGH SCHOOL ART COMPETITION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. WEISS. Mr. Speaker, the opening ceremony for the 11th annual Congressional High School art exhibition this year was a tremendous success. With more than 140 of the winning students and their families attending, participants included famed actor Tom Cruise, Speaker of the House THOMAS FOLEY, and Dr. Marina Whitman of General Motors—the corporate sponsor of the exhibition and opening ceremony.

The exhibition, "An Artistic Discovery," simply could not take place without the efforts of Speaker FOLEY and General Motors. While I have previously entered Mr. Cruise's into the RECORD, I would like to share with my colleagues the thoughtful comments of Speaker FOLEY and Dr. Marina, vice president and group executive, public affairs and marketing group of General Motors, and I include their statements in the RECORD.

SPEAKER THOMAS S. FOLEY

I am very proud to be a part of this celebration and I would like to welcome each of you, particularly the student artists and their families.

Each year, all of us on Capitol Hill wait anxiously to see the winning artworks. And each year everyone is overwhelmed by the talent and insight embodied in the works. This year is no exception. I congratulate each of you on your accomplishment.

Those involved in the Congressional High School Art Competition should realize that this project is no small matter, because this congressional recognition of artists—of young artists—speaks to the type of nation we are. Only a nation which encourages individual expression and which helps to develop and preserve its works of art and its culture can be truly great.

President John Kennedy once stated:

"I look forward to an America which will reward achievement in the arts as we reward achievement in business or statecraft. I look forward to an America which will steadily raise the standards of artistic accomplishment and which will steadily enlarge cultural opportunities for all of our citizens. And I look forward to an America which commands respect throughout the world not only for its strength but for its civilization as well."

This year, as the Congressional High School Art Exhibition enters its second decade, we find ourselves in a diverse and rapidly changing world. This is a time in which the arts are more important than ever because art has the power to bridge gaps between people and cultures and to communicate in a way which words alone can never watch. Art is an outlet for emotion and a vehicle for understanding.

This exhibition of the work of our young artists is representative of the value our nation places on art and culture, and our belief in the importance of individual expression. Throughout the coming year, we will encounter these works as we travel back and forth from the Capitol, and each time we will be impressed by the talent and artistic vision of our nation's young artists. I urge each of you to continue to develop and exercise your artistic talent, and congratulate each of you on all that you have already accomplished.

DR. MARINA WHITMAN

GM is pleased and proud to be associated once again with the Congressional Arts Caucus and with this extraordinary exhibition.

What we see here is the result of talent, craftsmanship, and patient, hard work.

If you're going to do something that's really worthwhile, it seems to me, you have to have all three—and plenty of each.

The name of the exhibition—"An Artistic Discovery"—refers to the fact that through this competition, we've found a rich new vein of artistic talent.

But that's not the only kind of discovery I see going on here.

These young artists are revealing themselves to us, in the distinctive way each one of them has put his or her head . . . hands . . . and heart into the painting in this exhibit.

And when that happens, there's a very special kind of discovery.

Artists make us look at things through their eyes; they make things visible to us that we wouldn't otherwise see.

And in the process, we discover something new about ourselves and our world.

So, we all owe these outstanding young people our thanks for sharing their sensitivities and their revelations with us.

Congratulations to each of this year's contestants.

I hope your talent continues to flourish and grow.

And I hope that the creation and enjoyment of art will be a source of pleasure—and of self-discovery—for the rest of your lives.

DeBUNKING THE CASE AGAINST GAYS IN THE MILITARY

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. FRANK of Massachusetts. Mr. Speaker, the debate over the unfair policy of preventing gay men and lesbians from serving their country in the U.S. Armed Services has been substantively very one-sided. Few in the Bush administration are willing to defend this policy, although they lack the political and moral courage to overturn it. On the other hand, there have been a number of powerful, well reasoned critiques of the policy and one of these recently appeared in the Washington Post on Tuesday, July 7. Colbert King of the Washington Post editorial staff provides a thoughtful rebuttal of the unmade case for the Bush administration's policy on this regard. Because this issue has become one that has been discussed widely in this campaign, I think it is important to make sure that Members have the benefit of Mr. King's reasoning and I include his very thoughtful article at this point in the RECORD.

DEBUNKING THE CASE AGAINST GAYS IN THE MILITARY

(By Colbert I. King)

The military's racial exclusion policies of 50 years ago were based on nothing more than fear and raw prejudice. Finally with the bold and courageous action of President Truman in 1948, racial segregation in the military was brought to an end. The current Department of Defense ban on gays and lesbians in uniform hangs on similar phobias and narrow-mindedness. Unfortunately, there is no Harry Truman in the White House today.

Bill Clinton has already said that he will repeal the ban if he reaches the Oval Office. "I don't think it's right. People should have a right to serve their country. And if denied the right . . . it should be on the basis of behavior, not status," Clinton has said repeatedly since declaring his candidacy.

Ross Perot's position is a little harder to follow. Having first told Barbara Walters on May 29 on ABC News "20/20" that he didn't think allowing gays in the military was "realistic," Perot backed off only a few days later when asked by NBC "Today's" Katie Couric if he favored such a ban. Saying his earlier position had been misstated, Perot boasted about the homosexuals who had worked for him ("they were brilliant people, did outstanding work"), declaring that he never interfered with a person's private life. President Bush is keeping his hands off the ban.

But a president wanting to issue an executive order lifting the ban need look no farther for a strong justification that the just-released General Accounting Office study on the Department of Defense's Policy on Homosexuality. The GAO confirms what many critics of the Defense Department policy have maintained all along—that the ban on gays rests on the flimsiest of grounds.

All of the old chestnuts on which the military once relied—officially and unofficially—have been either blown out of the water by the GAO study or conceded by the Defense Department. There is agreement that the ban on gays can't be justified on psychological grounds—homosexuality is not a mental disorder. Neither can the Pentagon bar gays as security risks, especially since the secretary of defense and the chairman of the Joint Chiefs of Staff have publicly said they are no longer concerned about that.

And the Defense Department's stance can't be buttressed by medical or sociological analysis because there is no credible scientific evidence to support the discrimination. Finally, the Defense Department can hardly draw comfort from the practice of other nations, since, as the GAO notes, some allies have more enlightened policies toward gays in their military, as do some fire and police departments in the United States—apparently without any significant decline in discipline, order or morale.

But perhaps worst of all, the military's bias has exacted a terrible price. The GAO reports that in 1990 alone, the military wasted $27 million replacing the men and women it hounded out of the services for being gays or lesbians. Pentagon officials strenuously dispute that estimate. But there is no disputing the fact that the military's witch hunts have caused untold pain and unnecessarily wasted thousands of lives.

Stripped of much of a rationale for the exclusion policy, the Defense Department has been left with its fall-back position, which comes down to a sort of: It's-a-military-thing, you-just-wouldn't-understand. "The policy is a matter of judgment, not scientific or sociological analysis," wrote the Department of Defense in response to the GAO's report. Even if gay service members have exemplary performance records, their homosexuality seriously impairs overall combat effectiveness, the Pentagon said. And besides that, adds the military, gays and lesbians aren't generally accepted by the public—a questionable assertion—and especially in the military, where there are confined living and working conditions.

That argument is hard to follow, since strict enforcement of rules against uninvited sexual approaches, harassment or misconduct should more than adequately protect the rights of individuals to be left alone. In fact, the Pentagon ought to think about doing that anyway, given the nightmare and terror of Navy Lt. Paula Coughlin and 26 other Navy women who were sexually assaulted by at least 70 male Navy and Marine Corps officers—their presumably straight comrades in arms—at the infamous Tailhook convention last September. And to hear Army reserve specialist Jacqueline Ortiz tell her story about sexual abuse by her sergeant, Iraqi troops weren't the only soldiers to catch hell from U.S. forces during Desert Storm.

Ironically, the Navy of the 1940s was an unrepentant in its racism as today's Pentagon is in its prejudice against gays. The Navy then defended its discrimination on the grounds that whites would never accept blacks as equals, let alone in positions of authority. Said the Navy in a now-declassified 1942 defense of the anti-blacks policy. "These concepts may not be truly democratic, but it is doubted if the most ardent lovers of democracy will dispute them." Harry Truman did. But then again, that president had guts.

THE FUTURE OF ENVIRONMENTAL DIPLOMACY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues a recent Los Angeles Times op-ed article written by Prof. Richard N. Gardner of Columbia University. Professor Gardner, a respected international legal scholar and former diplomat, offers several valuable observations about the practice of environmental diplomacy in the aftermath of last month's Earth summit in Brazil.

The article follows:

[From the Los Angeles Times, June 16, 1992]

THE ERA OF ECO-DIPLOMACY IS BORN; WILL IT SURVIVE?

(By Richard N. Gardner)

The just-concluded U.N. Conference on Environment and Development has launched the world into a new era of international eco-diplomacy, eco-negotiation and eco-lawmaking. We will be pondering its meaning for months, but here are one observer's provisional conclusions:

First, eco-diplomacy can be even harder than the diplomacy of peace and security. When dealing with Iraq, Cambodia or Yugoslavia we have a Security Council of 15 countries that can lay down the law for the whole world community. Moreover, the United States is protected by its veto power. But in the new world of "sustainable development" negotiations, there is no equivalent to the Security Council and no way to create one.

In eco-diplomacy, we do not want majority voting in which poor countries would regularly outvote us, so we have to settle for unanimous outcomes in U.N. meetings. For the Earth Summit and in its preparations, this has meant achieving consensus from 178 countries on an action plan called Agenda 21—800 pages covering 40 large subjects from atmosphere, soil, water and forests to population growth, toxic waste disposal, technology transfer and financing. That would challenge the ingenuity of a Metternich, even of a Kissinger.

As the delegates found out in Rio, lowest common denominator diplomacy can be exceedingly frustrating. In one key area after another, Agenda 21 was diluted by veto coalitions of objecting countries. Saudi Arabia, Kuwait and Iran watered down references to energy taxes and energy efficiency. Malaysia and India prevented an agreement to negotiate a treaty on the protection of the world's forests. Even before Rio, the Vatican, supported by Argentina and Ireland, had eliminated references to family planning and contraception. And, of course, the United States successfully resisted commitments to additional contributions of foreign aid.

Second, and this is the good news, eco-coalitions of the willing do not need to be blocked by veto coalitions of the unwilling. Even in its watered-down form, Agenda 21 provides a useful framework for future action by countries that are prepared to show a higher level of ecological responsibility. Despite the Vatican, for example, the Agenda 21 document calls for universal access to "information, education and means" to ensure that women and men "have the same right to decide freely and responsibly on the number and spacing of their children." Agenda 21 cites the estimate of the Secretariat that funds made available for this purpose should be doubled by the year 2000 from the present $4.5 billion a year to $9 billion. These references in the action plan will help encourage family planning programs supported by international aid in more than 60 developing countries.

Third, international eco-law will come in installments. The failure of the United States to accept binding targets and deadlines in the Framework Convention on Climate Change was a disappointment, but hardly a tragedy. The convention commits the United States and other nations to cooperate in stabilizing greenhouse gas concentrations in the atmosphere, and to report on the domestic programs they undertake to achieve this goal.

Six months after the convention comes into force, the parties can add national targets and timetables in the light of scientific evidence. As in the case of the Vienna Convention on the Ozone Layer, subsequent protocols can tighten up national commitments.

Fourth, eco-diplomacy requires our best. The Biodiversity Convention, negotiated in Nairobi in the weeks before Rio, contained unacceptable provisions on biotechnology, intellectual property and financial arrangements. The Bush Administration should not be faulted for its refusal to sign, but rather for its incompetence in negotiation. We sent a low-level and inexpert delegation to Nairobi and exercised insufficient diplomatic leverage in key capitals. Worse still, we failed to forge a common position with other industrialized democracies who shared our misgivings on the final document. As a result, we were isolated and humiliated at Rio.

It is too early to call the Rio conference a success or a failure. It was meant to launch a global partnership in which, for the first time, all countries, East and West, North and South, will be obliged to harmonize economic development with environmental protection. The new "high-level" Commission on Sustainable Development that Rio recommended is supposed to ensure that countries and international organizations like the World Bank will carry out their responsibilities in the Agenda 21 program.

One of our first clues to whether they will do so will come next year when we see who U.N. members and international agencies will sent to the first meeting of the commission and what will be the nature of their instructions. What the United States decides to do will have enormous influence on others. It will provide an early test in eco-diplomacy for President Bush, or Clinton, or Perot.

REINHOLD NIEBUHR CENTENNIAL

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. PRICE. Mr. Speaker, this year we observe the centennial of the birth of Reinhold Niebuhr, one of our country's preeminent theologians and political theorists. Born in Missouri on June 21, 1892, Niebuhr served in Detroit as a pastor for 13 years before coming to Union Theological Seminary in New York in 1928 for what was to be a distinguished and highly influential 32-year career.

Niebuhr's ideas profoundly influenced my own understanding of my inherited religious faith and its implications for political life—and similarly shaped the thinking of thousands in my generation. I first encountered his writings as a student at Yale Divinity School where their influence was widespread, ranging from his magisterial "The Nature and Destiny of Man" in theology, to "The Irony of American History" in American religious thought, to "Moral Man and Immoral Society" in social ethics. His Christian realism offered not so much a fixed system as a way of thinking, tempering idealism with a realization that all human endeavors are subject to the taint of pridefulness and the will-to-power. "The worst form of intolerance," Neibuhr once wrote, "is religious intolerance, in which the particular interests of the contestants hide behind religious absolutes." At the same time, he rejected that cynicism which would dismiss ideals as illusory and settle for a realpolitik that made sin and self-interest normative. The religious ethic of love, although it could never be perfectly embodied in politics, nonetheless compelled its adherents to constantly pursue justice as a proximate public expansion of love. Thus did Niebuhr seek to put political realism into the service of justice.

Such applications were not always simple or straightforward. In the years prior to World War II, for example, Niebuhr challenged those who interpreted the love ethic to counsel nonresistance and pacifism. Such a view, he argued, owed more to enlightenment notions of human perfectibility than to that Christian realism that, in taking full account of human sin and the will-to-power, recognized "that justice could be achieved only by a certain degree of coercion on the one hand, and by resistance to coercion and tyranny on the other hand."

While Niebuhr's ideas were deeply rooted in a theology of divine transcendence and human fallibility, they were accessible to and influential among people of diverse religious and philosophical backgrounds. "He persuaded me and many of my counterparts," writes the distinguished historian Arthur Schlesinger, Jr., "that original sin provides a far stronger foundation for freedom and self-government than illusions about human perfectibility."

Professor Schlesinger participated in a centennial celebration of Reinhold Niebuhr's life and work at Union Seminary in November and has recently summarized his throughts in an editorial tribute to Niebuhr, which I ask be included at this point in the RECORD. It is fitting to pause and honor the life and work of this remarkable American, and perhaps even more important to reflect on how his ideas speak to the perplexities of our own day.

[From the New York Times, June 22, 1992]

REINHOLD NIEBUHR'S LONG SHADOW

(By Arthur Schlesinger, Jr.)

Yesterday marked the centennial of Reinhold Niebuhr—preacher, theologian, political philosopher, educator, one of the great Americans of the century. He cast an intellectual spell on my generation; though his Christian realism passed out of fashion in the hippie 60's and 70's and yuppie 70's and 80's, it is enjoying a revival in the disenchanted 90's. Niebuhr is currently a subject of acrid dispute between liberals and conservatives, each claiming him.

He was a minister's son, born in Missouri. Deciding to become a minister, he went to Yale Divinity School where he felt like "a mongrel among thoroughbreds." He came to Union Theological Seminary in New York in 1928 and taught there for the next third of a century—taught there and taught everywhere. Until he suffered a stroke in 1952, he swept across the country and around the world, delivering sermons, lectures, political speeches, pouring out books and articles on theology, history, foreign policy, politics and culture.

What gave his activities unity and power was his passionate sense of the tragedy of life, irony of history and fallibility of humans—and his deep conviction of the duty, even in face of these intractable realities, to be firm in the right as God gives us to see the right. Humility, he believed, must temper, not sever, the nerve of action. Lincoln was his ideal as a statesman because he combined "moral resoluteness about the immediate issues with a religious awareness of another dimension of meaning."

I first heard him preach in the winter of 1940–41 in the midst of the bitter national debate between the isolationists and the interventionists. Man was sinful, Niebuhr said. The self cannot always do the good it intends. But even sinful man had the duty of acting against evil in the world. Our sins could not justify our standing apart from the European struggle.

This emphasis on sin startled my generation, brought up on optimistic convictions of human innocence and perfectibility. But nothing had prepared us for Hitler and Stalin, the Holocaust, concentration camps and gulags. Human nature was evidently as capable of depravity as of virtue. Niebuhr made us think anew about the nature and destiny of man.

Traditionally, the idea of the frailty of man led to the demand for obedience to ordained authority. But Niebuhr rejected that ancient conservative argument. Ordained authority, he showed, is all the more subject to the temptations of self-interest, self-deception and self-righteousness. Power must be balanced by power.

He persuaded me and many of my contemporaries that original sin provides a far stronger foundation for freedom and self-government than illusions about human perfectibility.

Niebuhr's analysis was grounded in the Christianity of Augustine and Calvin, but he had, nonetheless, a special affinity with secular circles.

His warnings against utopianism, messianism and perfectionism strike a chord today. We are beginning in this distraught decade to remember what we should never have forgotten: We cannot play the role of God to history, and we must strive as best we can to attain decency, clarity and proximate justice in an ambiguous world.

Niebuhr the man? He was high-spirited, great-hearted, devoid of pomposity and pretense, endlessly curious about ideas and personalities, vigorous in his enthusiasms and criticisms, filled with practical wisdom and for all his robust ego, a man of endearing humility. "I had a few thoughts and a tremendous urge to express myself," he wrote his friend Bishop Will Scarlett. "I spoke and wrote all over the place and now when the stuff is reviewed most of it turns out to be slightly cockeyed and partly askew."

Of all his thoughts, I treasure this the most: "Man's capacity for justice makes democracy possible; but man's inclination to injustice makes democracy necessary."

ETHANOL RALLY

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. HASTERT. Mr. Speaker, on Monday, the people of Illinois made it clear that they want to help reduce America's dangerous dependence on foreign oil.

Hundreds of people joined me and the distinguished Republican leaders of both Chambers to rally in Peoria for the expanded use of ethanol, a home-grown renewable fuel source made from agricultural products, primarily corn.

Ethanol blends are cleaner burning than pure gasoline and reduces emissions of carbon monoxide and hydrocarbons. Ethanol adds 20 cents a bushel to the market price for corn. It creates jobs and expands markets for our Nation's farmers. And corn used by the ethanol industry will save taxpayers $7 billion in government-funded farm products.

At a time when America is trying to achieve energy independence, it is critical that the Government support alternative fuel programs. But the EPA's reformulated gasoline proposal would establish a regulatory roadblock to the use of ethanol-blended gasolines in clean air nonattainment areas, such as Chicago.

Mr. Speaker, during the debate on the Clean Air Act, we in Congress made it clear that our efforts to promote increased ethanol use were consistent with the desire to reduce harmful emissions into the air. Now the EPA has created rigid requirements for reformulated gasoline that shut ethanol out of the market, and it doesn't take into account the primary environmental benefit of ethanol: A 20-percent reduction in carbon monoxide emissions.

Mr. Speaker, as the EPA considers revising gasoline rules, I hope it asks the following question: Would we rather be reliant on the American farmer for fuel or Arab oil sheiks?

THE SUCCESSFUL LAUNCH OF SAMPEX DEMONSTRATES NASA'S COMMITMENT TO REDUCING THE COST OF THE SPACE PROGRAM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. BROWN. Mr. Speaker, I am pleased to announce the successful launch on Friday, July 3, of NASA's Solar, Anomalous and Magnetospheric Particle Explorer spacecraft—or SAMPEX for short. This scientific spacecraft, which was rocketed into space from Vandenberg Air Force Base in California, will collect important data that will lead to increased understanding of the cosmic rays that incessantly bombarded the Earth's magnetic field and also may affect the ozone layer. In addition, SAMPEX will help us to better understand the formation of the Sun and the solar system.

Yet SAMPEX is important for another reason, too. It is the first of the small explorer line of scientific spacecraft that NASA has created as one way of reducing the cost of doing significant scientific research in space. The small explorers are intended to be relatively low-cost spacecraft that can be developed and launched quickly—while still delivering high-quality science. The SAMPEX mission demonstrates that NASA has been able to achieve the goals of the Small Explorer Program. SAMPEX cost $27 million, and it was designed, built, and launched within a 3-year-period.

Mr. Speaker, SAMPEX and the Small Explorer Program offer visible proof of NASA's drive to reduce the cost and increase the efficiency of the Nation's civil space program. NASA currently is in the midst of a wide-ranging internal review of all of its major programs—including space station *Freedom* and the Earth Observing System—to see where costs can be cut and management streamlined. The NASA Administrator has recognized that budgets will be constrained over the foreseeable future, and he is moving aggressively to structure a lean, forward-looking, and affordable space program. I support him in that effort. He is providing an example that other agencies of the Federal Government would do well to emulate.

However, we must remember that cutting costs is not the only answer. An important reason for the success of the SAMPEX mission was the provision of stable funding to the program. As the House considers the NASA appropriation later this month, I urge Members to join with me in assuring that NASA receives sufficient funding for the important programs—including space station *Freedom*—that the Congress and the administration have directed NASA to carry out.

Meanwhile, I would like to offer my congratulations to the scientists and engineers involved with SAMPEX, and I look forward to the exciting discoveries that are likely to result from the mission in the days ahead.

CONGRATULATIONS TO TRACY RUDE

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today to honor Tracy Rude of Barrington, RI, who has just been named to represent the United States on the Olympic rowing team this summer in Barcelona.

Tracy began her training at the Narragansett Boat Club in Providence and has been highly rewarded for her efforts since then. She has placed in four events in both the United States and World Rowing Championships for the past 2 years and has most recently been named the National Champion for the Women's Eight boat in 1991.

Tracy earned her position as a sweep on the Olympic team by being selected to attend a camp run by the coaches of the U.S. National Team. At the camp, she was judged to be one of the fastest and most powerful rowers in the country, and offered a spot on the prestigious team.

I would like to congratulate Tracy on her outstanding accomplishments thus far and wish her the best of luck in Barcelona. I am proud to have her representing the United States at the Olympic games.

A SALUTE TO WARREN THOMPSON

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. TOWNS. Mr. Speaker, today I rise to pay tribute to a man who exemplifies achievement and commitment, Mr. Warren Thompson.

Finalized this summer, Warren M. Thompson, the majority owner of Thompson Hospitality Inc., purchased 31 Bob's Big Boy outlets in the Baltimore-Washington area totaling $13.1 million. The transaction renders Thompson Hospitality the largest black-owned restaurant business and the largest black franchiser in the United States. Thompson plans to reach a goal of $40 million between the 31 restaurants. This large acquisition represents a tremendous achievement for the franchiser; however, he refuses to stop there. Thompson vows to utilize the services of as many qualified minority vendors as possible. In addition, Thompson has proposed an adopt-a-school program to reach out and expose children in the communities nearing his franchises to the food-service industry and management.

Mr. Thompson has a history of dedication and success. For 9 years, he trained and worked for the Marriott Corp. He began as an assistant manager trainee at a Virginia-based Roy Rogers outlet and later managed Marriott outlets. He served as a rising manager and became Marriott's top black executive, where he first implemented the successful adopt-a-school program.

Mr. Thompson, now 32, graduated with an MBA from the University of Virginia. He has left an impact on the Marriott Corp., where he paved the way for relations between Marriott and women and minorities. Most importantly, Thompson is an asset to our community and a successful contributor to education, our Nation's economy and the betterment of business in the United States.

In the spirit of black entrepreneurs such as A.G. Gaston, John Merrick, Percy Sutton, and Reginald Lewis, I salute Warren Thompson for carrying on the tradition of combating overwhelming obstacles over which black Americans have survived and prevailed. I hope that the knowledge of his struggle and triumph will inspire yet another generation to work to overcome any obstacle which may be encountered on the long and arduous road to prosperity.

VOTER PARTICIPATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 8, 1992, into the CONGRESSIONAL RECORD:

VOTER PARTICIPATION

A century ago, 80 percent of all eligible voters regularly turned out for American presidential elections. Today the United States, the birthplace and beacon of modern democracy, ranks behind almost every other free country in terms of voter participation. Just 50 percent of the adult population voted in the presidential election of 1988. I believe that strong measures must be taken to improve the dismal record of voter turnout in America, or politics will become increasingly a spectator sport.

THE PROBLEM

Low levels of voter participation are disturbing for several reasons.

First, low participation can distort the electoral process. Voting is the most direct connection between citizens and their representatives. Citizens can register their preferences about issues and candidates by voting. When people abstain, their views are not fully considered in the electoral process. The preferences of non-voters are usually similar to the preferences of voters, but in certain elections the level of turnout may influence the outcome. Every vote matters.

Second, low turnout makes governing more difficult. Elections are the primary source of political support in a democracy. Candidates for office cannot win the votes of even a bare majority of the voting-age public when half of the people abstain. Only 27 percent of voting-age Americans actually voted for George Bush in 1988. Under such conditions, it is difficult for public officials to credibly claim that they have a popular mandate. Their ability to govern is damaged.

Third, while the act of voting draws citizens into the political system, abstention reinforces the disillusionment that so many Americans feel about politics. The act of voting makes people feel like they have a stake in the system. It leads people to invest the time and effort necessary to learn about issues and candidates. In contrast, current turnout rates signal that a large portion of the electorate may never participate fully in the American political system.

BACKGROUND

There are many reasons why people do not vote. In some elections, the issues are not very pressing. Young people, often lacking roots in a community, are less likely to turn out. But people also have become more cynical about government in recent years. Many people believe it no longer matters who gets elected. They dislike the candidates, the political parties, and politics in general.

Certain voter registration laws also discourage voting. The problem of low voter turnout is mainly one of low voter registration: 80-90 percent of registered voters typically vote in presidential elections. The problem is that at least one-third of all eligible voters—70 million people—are not registered to vote in this country.

A substantial number of potential voters in the U.S. choose not to register because it can be inconvenient, time-consuming or difficult. One-third of our adult population moves every two years and different state and local registration practices can pose barriers to voter registration. Many Hoosiers tell me that busy home and work schedules give them little time for extras—even for important duties like registering to vote.

Other electoral practices can discourage turnout. For example, turnout tends to be higher the longer the polls are open. In Indiana the polls close at 6:00 p.m. before many potential voters can get home from work or finish the things they need to do to take care of a home and family. Burdensome registration procedures and other obstacles to voting keep millions of Americans from the polls.

RECOMMENDATIONS

State electoral laws should be reformed to promote voter participation. Indiana, for example, might consider keeping the polls open later into the evening. Currently Hoosiers can vote between 6:00 a.m. and 6:00 p.m. Indiana is only one of three states where the polls close this early, and over half of the states keep their polls open more than 12 hours. Hoosiers should be able to vote later in the evening. Currently Hoosiers must also register at least 29 days before the general election. I believe Indiana should consider moving voter registration dates closer to elections. In addition, many other states allow mail-in registration cards, or sign up new voters at polling places on election day. Voter participation might be increased by easier registration, a 24-hour voting period, or even a holiday on election day.

The federal government can take steps to make voter registration more convenient. One recent proposal, known as the "motor-voter" bill, would permit citizens to register at the same time they apply for a driver's license or other types of permits, such as hunting and marriage licenses. It also would allow registration through the mail and would require states to have registration forms available at a variety of locales, including welfare offices. States would be banned from purging their voter rolls of those who do not vote. Many citizens would benefit from a simplified, more accessible registration system, including the elderly and persons with disabilities.

We also need to promote in people a greater sense of civic duty and confidence in the political process. Parents, educators, and religious leaders should renew their efforts to teach young people about the responsibilities of citizenship. The media should adopt a more balanced approach to covering elections—one that explores the positive aspects of American politics in addition to the negative. The campaign finance system should be thoroughly revamped so that ordinary citizens can be confident that candidates for office are responding to them, rather than to special interests.

Voter participation ultimately depends on the accountability and performance of government institutions. Few Americans feel that the issues they care about are being adequately confronted by public officials and candidates. Politicians need to articulate clearer positions on the important issues of the day and explain these positions to the American people. They also need to listen more carefully to what citizens are saying. If public officials make the system work better, then people will vote.

FORT GEORGE G. MEADE CELEBRATES 75TH ANNIVERSARY

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mrs. BENTLEY. Mr. Speaker, my fellow colleagues, I rise today to recognize Fort George G. Meade, MD, on the occasion of its 75th anniversary.

By an act of Congress in May 1917, Fort George G. Meade was authorized and the present site selected the following month. In honor of Maj. Gen. George Gordon Meade, the post was originally named Camp Meade. Commander of the Army of the Potomac during the Civil War, Major General Meade's strategy at the Battle of Gettysburg provided a victory that marked a turning point in the war.

Fort Meade has a rich history and always has been a vital part of our national defense. More than 100,000 men and women passed through Camp Meade in World War I and, in 1919, the Tank Corps Headquarters and Tank School was established at the camp. On March 5, 1929, by an act of Congress, this facility was renamed Fort George G. Meade and designated a permanent installation.

During World War II, Fort Meade served as a major training center. Approximately 3.5 million men and women passed through the post from 1941 to 1946. During this time, the post also served to house prisoners of war. After the war, in June 1947, the Headquarters 2d U.S. Army was transferred from Baltimore to Fort Meade.

Some years later, on January 1, 1966, 2d U.S. Army merged with the 1st U.S. Army and Fort Meade became the location for the consolidated headquarters. In addition, the same year, the 11th Armored Cavalry Regiment from Fort Meade was assigned to South Vietnam.

For over seven decades the men and women of Fort Meade have answered the call to duty. Today Fort Meade provides support to Active Army, Army Reserve, and National Guard units. Fort Meade also provides post support services to Headquarters, 1st U.S. Army, the National Security Agency, and other Department of Defense organizations.

A dedicated and integral part of our national defense, Fort Meade has served this country with an unparalleled degree of professionalism and excellence. Mr. Speaker, my fellow colleagues, I commend the hard working men and women who have passed through Fort Meade. I ask that you join me in congratulating Fort Meade on the occasion of its 75th anniversary.

RAY KRAMER: MAN OF THE YEAR FOR A LIFETIME OF GOOD WORKS

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. PALLONE. Mr. Speaker, on Wednesday, July 8, 1992, the Kiwanis Club of Neptune-Ocean in Monmouth County, NJ, will honor one of the most distinguished and beloved members of our community, Mr. Ray Kramer of Spring Lake, NJ. The occasion for tonight's tribute to this great man is the Kiwanis Club's annual fundraising day at the Woodlake Country Club in Lakewood, NJ. Although my duties as a Member of this House preclude me from being home in my district today to personally join in honoring Ray Kramer, I would like to take this opportunity to pay tribute to a man whom I consider a friend, a valued colleague, and a role model for all public servants.

The list of Ray Kramer's many accomplishments and leadership activities would probably fill at least half the pages of today's CONGRESSIONAL RECORD. Thus, I will try to summarize some of his more prominent achievements. Mr. Kramer was a member of the Monmouth County, NJ, Board of Chosen Freeholders for 9 years, during which time he served as director for 4 years and deputy director for 2 years he served as mayor of the city of Asbury Park, NJ, from 1973 to 1985, having been a city councilman for 5 years prior to becoming mayor. He was the president of the New Jersey Conference of Mayors in 1978 and 1979, and also served that organization as treasurer, member of the board of trustees and member of the Legislative Action Committee. He has also served on numerous other boards and commissions at the local, county, and State levels, bringing his unique combination of intelligence and compassion to these public service positions.

Mr. Kramer's accomplishments in the private sector are equally impressive and diverse. For nearly five decades, he has been a successful restaurateur in Monmouth County. His keen understanding of how to make a business work has been a major factor in his work in government. He has brought to his public policy initiatives the results-oriented sensibilities of a businessman, and has shown an ability to relate to the economic concerns of the working people and small business owners who are the backbone of our economy.

Ray Kramer has been a lifelong resident of Monmouth County. He is a graduate of Asbury Park High School. He went on to get his B.S. Degree in business administration at the University of South Carolina. He subsequently served as an ensign at the U.S. Navy Midshipmen's School at Columbia University. Ray Kramer served his country in the Navy during World War II, attaining the rank of lieutenant, senior grade. He is a member of Congregation Sons Of Israel in Ocean Township, NJ, and has been its vice president for 23 years. The range of his memberships and affiliations with benevolent, cultural, philanthropic, and public service organizations is extensive to say the least.

Ray and his wife Leilani have three children, Kris, Kally, and Kasey. Ray is also the father of two sons, Jeffrey and Kevin. The Kramer family certainly has much to be proud of, as do all of us who are lucky enough to call Ray Kramer a friend. Through his hard work and commitment to community service, Ray Kramer has touched and enriched the lives of thousands of people living on the Jersey Shore. I take great pride in joining with the Kiwanis Club of Neptune-Ocean in paying tribute to the Man of the Year, the Honorable Ray Kramer.

SMALL AND MEDIUM MANUFACTURERS ARE A VITAL ASSET TO OUR NATION'S ECONOMIC HEALTH

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. BROWN. Mr. Speaker, small and medium manufacturers are a vital asset to our Nation's economic health. These manufacturers comprise 355,000 firms and 8 million workers who account for 40 percent of our manufacturing work force. However, to compete with firms in nations that have access to lower-cost labor and firms in nations that are rapidly adopting and advancing state-of-the-art manufacturing techniques, our firms are finding that it is increasingly critical to operate at the frontiers of manufacturing to be competitive.

Although there is strength in our numbers, there are weaknesses in the access to needed resources and to needed training and information. Governments of other advanced nations have realized this and have developed extensive programs to assist their manufacturers in monitoring and adopting the best international practices. In Japan, for example, a country the size of California, the government has established 170 manufacturing extension centers to assist small- and medium-size manufacturers, which operate with a total annual budget of $500 million. In the United States, by comparison, the Federal Government committed a meager $16.3 million to civilian manufacturing extension services in fiscal year 1992.

The small scale of the U.S. effort reflects only the newness of the programs and not their success, which has been dramatic. In a review by the Government Accounting Offices of the first three manufacturing technology centers, it was found that in the first 2½ years of operation, $144 million of productivity improvements were identified, with a Federal investment over the first 3 years of $22 million: A tremendous and immediate return on the investment of Federal dollars.

The operation of technology extension services across the United States and in other countries has been thoughtfully analyzed by Dr. Philip Shapira and summarized in two articles in Issues in Science and Technology. In the first article, "Helping Small Manufacturers Modernize," (fall 1990) Dr. Shapira confirms the success of these programs and the importance in innovation. He notes that the expertise made available by these centers are critical because the transition from old to new technologies requires not just the purchase of new equipment, but knowledge about how the equipment can be most effectively used in a firm's processes. He notes that the manufacturing extension services provide important information about the overall management of the enterprise, including work force training, quality control, shop-floor organization, management systems, and inventory control, and can do so in a pragmatic fashion that realizes the constraints of these firms.

Finally, about a government role, Dr. Shapira draws the following conclusion:

> Public commitment is vital. Industrial extension is not a "quick-fix" jobs program. Rather, it works over the long term to improve productivity and quality, technological capability and flexibility, and management and labor skills."

In the second article, "Lessons from Japan: Helping Small Manufacturers," (spring 1992) Dr. Shapira evaluates the programs in Japan and finds extensive participation by the industry, filling precisely the roles identified above.

The needs identified by Dr. Shapira are precisely those being addressed in the legislation contained in the American Technology Competitiveness Act of 1992 (H.R. 5230) and the National Competitiveness Act of 1992 (H.R. 5231). The former, H.R. 5230, is a bill that I have introduced and the latter, H.R. 5231, is legislation introduced by Mr. VALENTINE which was recently approved and ordered reported by the Committee on Science, Space, and Technology. The report will be filed this week. These bills call for a number of carefully considered measures that would assist our firms in adopting the best practices in the industry, including the more substantial support of manufacturing extension services, the promotion of manufacturing outreach centers, and the creation of an electronic information network that would speed the flow of knowledge across industries.

Dr. Shapira's article describing the manufacturing extension program in Japan is highly informative of the successful implementation of an activity that is widely used by industry, and that provides broad support in keeping their small- and medium-size manufacturers at the technological forefront. The article also describes the stark contrast with the small scale of activity in the United States. I would like to submit excerpts from this article to the RECORD.

[Excerpts from Issues in Science and Technology, spring 1992]

LESSONS FROM JAPAN: HELPING SMALL MANUFACTURERS

(By Philip Shapira)

In seeking to understand Japan's manufacturing prowess, Americans usually have focused on Japan's large industrial companies and on government policies toward these corporate giants. But, although there is much to learn from the big firms, the spotlight on the Toyotas and Matsushitas has obscured a key factor in Japan's success: a broad, robust base of small manufacturers aided by a comprehensive local and regional system of technological support.

Today in Japan, hundreds of thousands of small manufacturing companies are not only providing high-quality inputs to Japan's larger firms but also becoming innovators in their own right. Many of these small firms benefit from close, long-term relationships with their larger customers. They also can turn to an array of publicly sponsored centers and programs that help to promote manufacturing best practice, diffuse technology, enhance worker skills, and encourage interfirm linkages. Japan's public technology infrastructure for its small manufacturers far exceeds what is available for comparable companies in the United States and plays a vital role in Japan's overall economic success.

The system of support for technology development and application for small Japanese firms includes favorable loans, credit guarantees, and equipment leasing programs provided by public agencies, cooperative organizations, and private institutions. Tax incentives for equipment investment are also offered. The central government, through the Ministry of International Trade and Industry (MITI) and other ministries, sponsors numerous regional technology projects as well as initiatives to stimulate technology information exchange, diffusion, and sharing among smaller firms. Prefectural and local governments are pursuing similar strategies, generally in partnership with the central government. The variety of programs makes it hard to calculate total spending for small-firm technology assistance in Japan, but estimates run into billions of dollars.

At the heart of Japan's system of technological support for small manufacturers is a nationwide network of 170 public centers that extend research services, technology assistance, testing, training, and guidance to enterprises with 300 or fewer workers. They are called Kohsetsushi centers, an acronym from the Japanese words for public (koh), establishment (setsuritsu), and testing laboratory (shikenjo). With their easy access and nominal fees, the Kohsetsushi centers provide small Japanese firms with an effective source of assistance to improve their manufacturing operations and products.

Ironically, the model for the Kohsetsushi centers is an American one—the agricultural extension system that, for more than three-quarters of a century, has helped U.S. farmers adopt new techniques and increase agricultural productivity. Although some U.S. technology extension initiatives are under way, they are patchy, fragmented, and lack the stability, scale, and scope of Japan's centers. Given the problems of U.S. manufacturing—and the valuable contribution of extension-type programs here and in Japan—the United States should examine the Japanese Kohsetsushi system as an example of how a comprehensive network of industrial extension can support its small manufacturing firms.

SMALL IS BIG IN JAPAN

The Japanese manufacturing economy is built on a foundation of small firms. There are more than 870,000 producers with 300 or fewer workers in Japan—more than twice as many as in the United States. Just over half of these employ fewer than four workers, leaving a core of about 418,000 companies with between 4 and 299 employees, versus 200,000 such firms in the United States. Once considered a backward part of the Japanese economy, small manufacturers have risen steadily in importance since the 1950s. Today, they comprise nearly three-quarters of manufacturing employment and more than half of manufacturing value-added.

The small manufacturing sector in Japan is not, of course, homogeneous. Numerous labor-intensive, low-technology operations still exist, and some firms are labor-only subcontractors, with no plant or equipment of their own. At the same time, a large and growing number of small Japanese producers are directly engaged in modern manufacturing, frequently using advanced technologies. Overall, small manufacturers in Japan are more likely to use new manufacturing technologies than their counterparts in the United States. For example, compared with similar U.S. plants, one-half again as many small Japanese manufacturers use numerically or computer-controlled machine tools, and four times as many Japanese companies use advanced machining centers and handling robots. Work-force training—a key element in the effective use of new technology—also is more prevalent in small Japanese firms than in American ones.

THE KOHSETSUSHI SYSTEM

Just after the turn of the century, the United States pioneered a public system to link agricultural researchers with farmers, thereby accelerating the diffusion of new farm technologies and techniques. A federal-state-county agricultural extension service was established, using county field agents and technical support staff to bridge the gap between farmers and experts as agricultural experiment stations and land-grant universities. Although a parallel system for industrial extension was also discussed at the time, only agricultural extension was widely implemented.

In Japan, then as now keen to bolster economic modernization, the value of extension was more broadly perceived. With central government support, prefectural experimental stations and services spread rapidly, first in agriculture and then in manufacturing. Many Kohsetsushi centers were founded in the 1920s and 1930s. For example, Tokyo's large Metropolitan Industrial Technology Center, specializing in the electrical, electronics, machinery, metalworking, and chemical fields, dates to 1921. And new centers are still being formed. For example, the Hokkaido Industrial Technology Center was set up in 1986 as part of a regional strategy to revitalize industry in the northern port city of Hakodate.

Today, each of Japan's 47 prefectures has at least one Kohsetsushi center. In major industrial areas, the numbers are higher. Aichi prefecture, which includes the industrial metropolis of Nagoya, has eight centers. Kohsetsushi centers typically specialize in the industries active in their areas. Some focus on agricultural or traditional crafts, others on high technology. However, most have expertise in manufacturing, especially in machinery, metals, chemicals, apparel and textiles, electronics, ceramics, and food processing. The services and activities of Kohsetsushi centers include the following:

Applied research

About 6,900 people work at the centers, including 5,300 engineers and other technical personnel. About one-half of Kohsetsushi staff time is spent on research, mostly on industrially oriented projects and cooperative activities with local manufacturers. Projects can involve one or several firms. Companies frequently send one or two of their staff to a center to work on a project, which gives them research experience, updates their technical knowledge, and helps transfer technology back to their firm.

Information dissemination

Most Kohsetsushi centers run seminars, study groups, and even exhibitions to spread information on research and new technology. Centers also publish newsletters and research reports and maintain technical libraries.

Testing

Center labs test materials and products, verify whether products comply with Japanese and foreign standards, calibrate measuring instruments, and make sophisticated testing equipment available. These services help small firms to enhance quality, precision, and product development, as well as resolve problems with materials and components. Nominal fees are charged. In some centers, staff teach courses on quality control and statistical techniques and visit companies to provide quality assistance. Firms use Kohsetsushi analysis, testing, and inspection services more than 900,000 times each year.

Advice and guidance

Each center provides help in solving technical problems and implementing new technology. Many simple requests are dealt with by telephone or by manager visits to centers. For more complex problems, center staff provide assistance on site. In 1989, Kohsetsushi centers provided technical advice in 450,000 instances, including 25,000 in which experts were sent to firms. The centers also administer a program in which 3,900 registered private technology advisers, usually engineers or professors, are matched with companies and provide technology consulting services.

Training and use of laboratories

Small manufacturers send employees to the Kohsetsushi centers for training in the use of new technologies. Many centers also provide lab space and equipment, allowing companies to use specialized and advanced equipment for research, prototype development, employee training, and even actual manufacturing. Kohsetsushi facilities and equipment are used by small firms about 64,000 times annually.

Technology diffusion groups

Kohsetsushi centers, as well as many other local organizations, sponsor groups of small companies that meet to exchange information and cooperate on sharing technology and developing new products and markets. Efforts to organize these groups began in the mid-1980s, as part of MITI-sponsored initiatives to promote small-firm networking and increase the role of small firms in regional development. Participating Kohsetsushi centers often organize several groups, with up to 30 local firms involved in each.

Spending on Kohsetsushi centers totals about $500 million a year. Most of this funding comes from prefectural and local governments, with a small amount of revenues generated by fees. The central government typically provides 10 to 20 percent of each center's budget.

LESSONS FOR THE UNITED STATES

Although concern has grown in the United States in recent years about lagging industrial modernization, especially in smaller firms, efforts to develop industrial extension and technology deployment programs have for the most part been limited. About 40 industrial extension programs have been established in 28 states, including five federally aided Manufacturing Technology Centers (MTCs). In addition, several states and regional organizations are starting small-firm networks to promote shared approaches to modernization. Administered by a range of educational institutions, state agencies, and nonprofit organizations, most of these initiatives are small and their services vary greatly.

Several of the more successful U.S. programs, however, offer services akin to those provided by the Kohsetsushi centers. For example, in Georgia and Maryland, state-funded, university-administered industrial extension services employ technical field agents to help firms solve technology and production problems and improve productivity. Pennsylvania supports a series of industrial resource centers, some of which match firms with private technical consultants. The federally sponsored MTCs adapt and transfer information and technology, help solve problems and introduce new manufacturing technology, and conduct demonstrations and applied projects with regional firms. But such programs are exceptions; in comparison with Japan's approach, overall U.S. efforts are lacking in several critical areas:

Scale and extensive geographic coverage

In 1990, only 11,800 of the 355,000 U.S. manufacturers with fewer than 500 employees were helped in any demonstrable way by extension services, according to the National Governor's Association. Ten local programs accounted for more than two-thirds of these assisted firms. Many states have no substantial industrial extension effort at all. Additionally, although there are some 50 industrial networks in 14 U.S. states, involving about 1,500 firms, this pales in comparison to

Japan, where MITI reports that more than 2,000 technology diffusion groups exist, with a membership of 70,000 firms.

Comprehensive basic services

In contrast to the wide range of basic services offered to Japanese small firms, most U.S. efforts are limited in scope. For instance, only a dozen U.S. extension programs use field staff to work directly on site with firms. Similarly, few U.S. programs effectively integrate technology with training, put a major emphasis on measurement and quality, or promote collaborative, yet pragmatic, research links with small firms.

Long-term stability and core public financial support

Although industrial modernization is a big problem that requires a long-term approach, program support in the United States is generally inadequate and short-term. Total funding for existing U.S. industrial extension programs is only about $79 million, including state, federal, university, and industry sources—much less than that allocated to Japan's Kohsetsushi program. In addition, although funding for the Kohsetsushi centers is regular and predictable, for U.S. extension efforts it is often shaky. Kohsetsushi managers sometimes complain that they do not get as much money as they would like, but they are not preoccupied with fundraising—in contrast to their U.S. counterparts who often must expend inordinate efforts to generate enough money to allow programs to continue. Recently, several state programs have suffered budget cuts and a few, including the well-regarded Michigan Modernization Service, have been eliminated. Even in the flagship MTC program, federal funding is to be reduced after the third year and ended in the sixth. A number of U.S. programs are now seeking fee income from firms to cover costs. However, although fee generation can discipline programs to provide those services most valued by firms, the important spillover aspects of industrial extension need a consistent and sufficient core of public support to be fully realized.

A national commitment

To a large extent, difficulties facing U.S. efforts reflect a lack of national leadership and consensus in the United States about the importance of manufacturing in general, and industrial extension in particular. Financial support is inadequate and policy coordination and continuity is weak at the federal level and in most states. Japan's industrial policy commitment at central as well as local levels is demonstrably stronger, and there is more robust political and financial support for a comprehensive industrial extension system. Indeed, perhaps the fundamental lesson to be learned from Japan's programs is that modernization and extension initiatives need to be thoroughly implemented to be effective. The United States achieved this comprehensiveness in agricultural extension, which reaches out at the county level to almost every farm in all states. Federal, State, and industry collaboration is now needed to craft a comprehensive system for the nation's manufacturing firms.

Although success in manufacturing depends on many factors, the U.S. lag in establishing systems to assist small firms to deploy modern technology and improve manufacturing puts these firms at a disadvantage in comparison with their small Japanese counterparts and weakens the overall manufacturing base. This is not to say that new U.S. efforts should be narrowly modeled on the Kohsetsushi approach; U.S. industrial, regional, and institutional conditions will require a different mix of strategies. However, the United States does need to make sure that its policy and programmatic responses to lagging small firm modernization are not only innovative, but—like the Kohsetsushi centers—are also effective and comprehensive, with the scale, coverage, and long-term stability to make a difference.

TRIBUTE TO ERMON K. JONES

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. PALLONE. Mr. Speaker, the New Jersey State Federation of Colored Women's Clubs, Inc., will hold its 77th annual convention from July 11 to July 13 in Bridgeport, NJ. On Saturday evening, July 11, the federation will hold the 1992 awards banquet, featuring as guest speaker a distinguished former Member of this body, the Honorable Shirley Chisolm.

I would like to pay a special tribute to Mr. Ermon K. Jones of Neptune, NJ, who will receive the Outstanding District Citizen's Award at Saturday's event for his community activities and his church participation. Mr. Jones was born and raised in Neptune. After graduating from Neptune High School, he completed a year at Monmouth College, West Long Branch, NJ, and then served 3 years in the Army. In 1945, Mr. Jones received a basketball scholarship from Morgan State University, Baltimore, where he earned a B.A. degree. He subsequently received a masters degree from Teachers College, Columbia University, New York. He served as a field engineer at Fort Monmouth from 1951–69, and was then selected by the commanding general to serve as chief of the office of equal opportunity, where he served until his retirement.

Mr. Jones has a record of accomplishment on civil rights and community service that is second to none. He was president of the Advancement of Colored People from 1966–70, and also served as chairman of the committee on education and the committee on life membership. In 1963, Mr. Jones brought a housing bias suit against an area developer that resulted in a landmark New Jersey State Supreme Court decision that had a profoundly positive effect on prospective black homeowners throughout the State. As chairman of the NAACP's education committee, he was directly responsible for instituting in 1964 the suit which ended public school racial imbalance in Nepture. He also led the struggle for the first minority teacher at Neptune High School; the hiring of the first black parimutuel cashier at Freehold Raceway; the organizing of demonstrations against discriminatory practices of the Nepture Volunteer Fire Co. and First Aid Units; instituting a summer program at Fort Monmouth for the employment of black youth and school personnel; the recruiting and successful hiring of the first minorities in the Post Fire Department at the fort; and leading the struggle on for equity on behalf of the sanitation employees of Neptune township.

Mr. Jones' long list of past and present affiliations includes, in particular, his work with the Second Baptist Church of Asbury Park, where he has been a school teacher and superintendent of the Church Sunday School. He currently serves as chairman of the church's board of trustees. A complete list of Mr. Jones' other affiliations with educational, fraternal, community, civil rights, civic and political organizations would literally fill up several pages of the Congressional Record. Suffice it to say that, whenever a worthy cause has needed a competent, caring and effective leader, Ermon Jones has been there to get the job done. That would explain his list of awards, which would also fill several pages of this Record, including commendations from the NAACP, the township of Neptune, and the State of New Jersey.

Mr. Jones is married to the former Blanche E. Hillen of Baltimore, MD. The Joneses have two daughters, Geneva Jones-Williams of Detroit, and Janet J. Jones of Los Angeles.

Mr. Speaker, the Jones family has every reason to be proud of Mr. Ermon Jones for his lifetime of good works for the community. He has left the community a better place for his involvement, and he has immensely enriched the lives of many people, particularly young people, who may not even know his name. His name is certainly well known to me, and it is indeed an honor and a privilege to share this partial list of his many achievement accomplishments with the Members of this House.

THE MIDDLE GROUND OF ROE VERSUS WADE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. EDWARDS of California. Mr. Speaker, as the abortion debate heats up in the wake of the Casey decision, I commend to my colleagues' attention the following article on the real meaning of Roe versus Wade. This article from Sunday's Washington Post debunks the many myths about Roe and reveals the compromise at the heart of that seminal decision. I urge my colleagues to read this informative piece before voting on H.R. 25, the Freedom of Choice Act, a bill to codify the standard established in Roe.

[From the Washington Post, July 5, 1992]

A Truce for the Abortion War

(By Robert S. McElvaine)

So the abortion wars continue. The Supreme Court has kept Roe v. Wade alive for a while yet, though nibbling at the edges. Now combatants are digging in for the next round on Capitol Hill and in the streets. The presidential and congressional campaigns will be full of fury. Increasingly, abortion seems to be a classic either/or conflict that defies compromise.

Yet a satisfactory middle ground does exist—and in fact is already on the books—if only we would take notice of it. That middle-ground is Roe v. Wade itself.

Before proceeding, let's take a test. Ask yourself what you think the Supreme Court actually said in its historic 1973 abortion decision. How about this: that "the woman's right is absolute and that she is entitled to terminate her pregnancy at whatever time, in whatever way, and for whatever reason she alone chooses." Or maybe this: that "one has an unlimited right to do with one's body as one pleases."

Those words probably sum up what millions of Americans believe the court ruled—in brief, that women have a fundamental right to "abortion on demand." If you're among them, you're wrong. Indeed, the court specifically rejected those very arguments made by appellants in Roe. With this we do not agree," it said.

Ironically, what the court did rule in Roe could provide a way out of the abortion morass. Most Americans clearly are somewhere in the middle on this question, torn by feelings both for the woman with an unwanted pregnancy and for the potential life in her. Most of us yearn for a way to avoid identifying with the extreme proponents of either side. Roe avoids those extremes, leaning toward the interests of the mother early in the pregnancy and then increasingly toward more equal interests of mother and fetus as birth approaches.

The starting point in finding a sensible middle ground is to understand that both sides in this rancorous dispute base their arguments upon the same fundamental assumption, one that is a central and most troubling feature of the modern world view. Both have so completely brought into the modern idea of humans as separated, isolated individuals or "selves" that they seem incapable of perceiving two lives tied together.

The antiabortion people have gone so far into modern disconnection and atomization that they see the fetus, the embryo, even the just-fertilized ovum, as a separate "individual"—despite the plain fact that it is intimately combined with and utterly dependent upon the body of the mother. Many argue further that life begins at conception and that the embryo therefore is an actual (not just potential) human life equal to that of the mother—even though a fertilized egg or embryo is obviously not yet the same thing as a fully developed person.

When the subject is not abortion, almost everyone recognizes the difference between a potential life and an actual life. No one confuses an acorn with an oak tree or an egg with a chicken. Even our churches make a clear distinction between a potential life and a complete human being. When a woman has a miscarriage in the early stages of pregnancy, no religion of which I am aware suggests that she should search for the fertilized ovum, give it a name, have a clergyman perform a ceremony to prepare it for entry into heaven and place it in a grave. Rather, an early miscarriage is understood by all to be an event that produces sorrow because it ends a potential human life.

For their part, the extreme abortion-rights advocates insist that the "individual" concerns of the woman are the only consideration, that a woman's control over her body is an absolute right and should never be abridged in any way. As much modern believers in disconnection as their antiabortion opponents, they refuse to acknowledge that there are two interests to be considered. I have even heard some refer to the embryo or fetus as a "parasite"—transforming one's own potential off-spring into an alien organism and making "its" destruction acceptable.

This would seem to be a classic dualistic argument, pitting two mutually antagonistic and irreconcilable principles against each other. So everyone must pick a side and be either for it or against it; there can be no middle ground, just as one cannot have a "partial abortion" or be "a little pregnant." But in fact this analogy is an excellent one for showing how absolutist, dualistic positions can be avoided by taking into account that two, connected "interests" are involved and both deserve consideration.

On one hand, we might agree that just as an embryo is not a parasite, neither is it merely a bit of organic matter that, like a toenail, may be cut off and discarded without a second thought. It is a potential human being. What happens to it ought to be a matter of very careful consideration. On the other hand, we might also agree that the life to which it is tied is more than a potential one; its interests—her interests—must take precedence.

Therefore, once the interests of the potential human life are weighed, if those of the existing human life are found to be clearly incompatible with the bringing of the potential life to fruition, an *early* abortion is justified. But the further into a pregnancy one (or "one plus") gets, the more nearly the interests of the potential life come to equaling those of the existing life, and so the less justified an abortion is. Approaching this most difficult question with some understanding of the connectedness of the mother and the potential life inside her enables us to realize that there is, after all, such a thing as "a partial abortion"—one which is performed on someone who is "a little pregnant"—and that this is much more acceptable than "a full abortion" on someone who is "very pregnant."

In the end, the final either/or choice cannot be avoided—but it is made only after a good deal of thinking about the combined interests of the existing life and the potential life has been done first. If only we could find a way to put this moderate approach into effect . . . .

But the middle way has already been found. It is precisely the basis of *Roe v. Wade*, antiabortion forces have managed to convince most Americans, regardless of their viewpoint on the issue, that *Roe* was an extreme, pro-abortion ruling. It was not. Given the mythology that has been constructed around this decision, most Americans probably would be surprised to read what it actually says.

The little-recognized fact is that Justice Harry Blackmun's majority opinion in *Roe* made every effort to balance the two intertwined interests of mother and potential child. This is why Blackmun and the court concerned themselves with "viability" of the fetus and came up with their division of a pregnancy into trimesters. In the first, the interests of the mother are plainly paramount. In the last, those of the fetus are held to be nearly equivalent to those of the mother.

The state's "legitimate interest in protecting the potentiality of human life," Blackmun wrote, ". . . grows in substantiality as the woman approaches term and, at a point during pregnancy, [it] becomes 'compelling.'" He continued: "With respect to the State's important and legitimate interest in potential life, the 'compelling' point is at viability. This is so because the fetus then presumably has the capability of meaningful life outside the mother's womb."

The court was less comfortable dealing with the middle trimester and the question of when viability occurs. But it concluded that in "the stage subsequent to viability the State, in promoting its interest in the potentiality of human life, may, if it chooses, regulate, and even proscribe, abortion," except in cases where the mother is endangered.

This is hardly the extreme "pro-abortion" stance that most people have been led to believe the court took. The *Roe* decision was in fact a remarkable attempt to avoid the sort of either/or, only-one-side-can-prevail thinking that has dominated the abortion debate for nearly two decades.

Americans looking for a middle way in the abortion debate should realize that they already have one. It is called *Roe v. Wade* and, despite last week's disturbing shift away from the trimester system, it is still the law of the land. What is needed is a reaffirmation of *Roe*—the real, moderate, balanced *Roe* decision that Mr. Justice Blackmun wrote in 1973, not the extreme ruling that exists in the popular imagination.

A CONGRESSIONAL SALUTE TO OLIVERIO DE LA CRUZ CODY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. ANDERSON. Mr. Speaker, on Thursday, July 9, 1992, the Wilmington Chamber of Commerce will hold its 88th annual installation of officers' dinner. It is with great pleasure that I rise today to pay tribute to an exceptional man, their outgoing president, Mr. Oliverio De La Cruz Cody.

Oli's life story is as interesting as it is remarkable. Born in the small mountain village of Tixlancingo, Mexico, in 1954, Oli recalls seeing an airplane flying overhead before he ever saw an automobile. His family was extremely poor and he often went hungry but, they instilled in Oli the value of hard work and the need for a good education. In order to assist with the family finances, Oli, at the tender age of 9, operated a corner stand.

As a young teenager, Oli was selected, on the basis of his excellent grades at school, to be sponsored by an American family, the Cody's. This sponsorship opened up a new world for Oli. At the age of 13, he was placed on a bus and without comprehending any English was sent to live with the Cody's in California. His new family could not speak Spanish, so Oli studied very hard and mastered English in just 6 short months. Over the next 5 years, he truly became a member of the Cody family and they legally adopted him. He graduated from Gardena High School in June 1972 and attended California State University, Dominquez Hills, where he majored in mathematics. Although Oli became a permanent resident in 1977 and a United States citizen in 1986, he never severed ties with his natural family, who still reside in Mexico.

From this inauspicious start, Oli has made a name for himself in southern California. Over the years, he has held many diverse and challenging positions. Oli has been a tutor at California State University, Dominquez Hills, the manager of several finance companies, a collector for the county of L.A., and a maker and installer of wrought ironwork. In 1987, he became the proprietor of Harbor Furniture Store. Oli has succeeded in all of his business ventures due to his diligent efforts, dedication, knowledge, skill, and charm.

Oliverio De La Cruz Cody has always felt very fortunate and most importantly thankful to the family and country that accepted him with open arms. He demonstrates this appreciation by his involvement with community activities. He is a member of the Wilmington Chamber of Commerce, the citizens advisory board of Wilmington, and the Rotary Club.

As Oli's term as president draws to a close, he is secure in the knowledge that under the guidance of president-elect, Rodger S. Hunt, the chamber will continue the fine traditions established 88 years ago. Mr. Speaker, my wife, Lee, joins me in extending this congressional salute to Mr. De La Cruz Cody. We wish Oli, his wife, Carol, and their children, Heather and Marcos, all the best in the years to come.

MOUNDS VIEW PIPELINE ACCIDENT: 6 YEARS LATER

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. VENTO. Mr. Speaker, 6 years ago today, the residents of Mounds View, MN, awoke to find their streets in flames after a gasoline pipeline ruptured and exploded. This tragedy claimed the lives of a young mother, Beverly Spano, and her 7-year-old daughter, Jennifer. Another woman, Diane Balk, was severely burned. I have not forgotten these victims and neither should my colleagues. We have learned since then that this was a tragedy that could have been avoided if the Federal Government had required more frequent inspections and more inspectors, if it had required rapid shutoff valves on pipelines, this accident might never have happened.

Since that July day in 1986, both Congress and the Minnesota Legislature have passed significant new laws to improve the safety of hazardous liquid and natural gas pipelines.

Recently, both the Energy and Commerce as well as the Public Works and Transportation Committees reported the bill H.R. 1489, the Pipeline Safety Reauthorization Act, which includes several additional key provisions to assure the safety of these pipelines. This legislation will soon reach the House floor for action. I want to commend my colleagues, subcommittee Chairman SHARP, Chairman DINGELL, and Chairman ROE for their leadership in moving forward on this important legislation.

For the first time, the proposed new pipeline bill recognizes protection for environmentally sensitive areas as a key goal of the law and requires an inventory of pipeline facilities in those areas. The measure's most important proviso requires the Department of Transportation [DOT] to issue new regulations for the installation of emergency flow restricting devices and automatic shutoff valves. Other provisions include increased civil penalties for violations of the pipeline safety laws, improved coordination and communication between DOT, the Environmental Protection Agency [EPA], and the Occupational Safety and Health Administration [OSHA]. Finally, the new bill calls for the much-needed hiring of five additional Federal safety inspectors.

Mr. Speaker, I look forward to supporting this important measure and commend all who have helped to shape and advance this improved pipeline policy.

PASTIME ATHLETIC CLUB CELEBRATES 100TH ANNIVERSARY

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. WALSH. Mr. Speaker, today I ask my colleagues to consider that in my home district this weekend hundreds of my fellow central New Yorkers and I will be celebrating the 100th anniversary of the Pastime Athletic Club of Syracuse, an institution as respected among sports enthusiasts in my district as any other.

Its prominence has been mostly local, sometimes statewide and on several occasions national. Opened in July 1892 by a few young men on the north side of Syracuse, the demand for space intensified until new quarters were acquired—doubling the space necessary within months.

At a time in our Nation when the novel game of basketball was first generating interest, the Pastime Athletic Club in effect introduced the sport to Syracuse. As many of my colleagues from other big-name university basketball regions know, Syracuse has learned the game well.

The Pastime members did not limit themselves to indoor sports. They participated in baseball, crew racing, track, and cross-country. Meanwhile bowlers, handball players, and boxers became local legends. The tandem cycle team won a handsome trophy in 1989 which still graces the trophy case.

The history of the club is a fascinating look at my district. The love of tradition and the dedication to competition that still exists in my fellow central New Yorkers, in many ways traces itself back to the earliest days of the old Salt City and the Pastime Athletic Club.

The physical changes in the club facilities have kept up with the times. The social aspect and extra activities such as the pitch league and travel club have helped to include all members in the camaraderie and espirit that has spread the warmth of friendship among many Syracuse area families.

I am very proud to be able to spend this time at home this weekend with people who are truly representative of the values our community thrives on.

I want to ask my colleagues to join me in wishing the members of the Pastime Athletic Club a happy 100th anniversary. We wish the best of luck in a second decade of celebrating the spirit of athletics and the values that spirit embraces.

INTRODUCTION OF LEGISLATION TO REDUCE THE FEDERAL DEFICIT

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. DORGAN of North Dakota. Mr. Speaker, today I am introducing legislation to take action to reduce the Federal deficit and to rein in the growth of Government. The goal of the bill is to cut bureaucracy and overhead, not to gut vital programs and services. I believe that Government has a role in dealing with many of our national problems. But excessive and wasteful costs for overhead saps the programs our Nation needs. Many Americans have lost faith in the ability of Government to work effectively for them. The Federal Government should do some belt-tightening as so many organizations and people have had to do during the difficult recession.

When revenues are down and expenses are up as is so clearly the case with the Federal Government, we should follow the example of the private sector and cut overhead costs. Right now, the Federal Government spends $270 to $300 billion annually for services such as printing and copying, travel, rent, communications, utilities, supplies and other overhead. One of every five dollars spent by the Federal Government goes for overhead costs—not for programs, benefits, and services. These overhead costs are a source of significant potential savings.

The economic foundation and international competitiveness of the Nation is threatened by the extraordinary growth of annual Federal budget deficits and a tripling of national debt during the last decade. Current forecasts by the Office of Management and Budget are for the largest deficit in U.S. history in fiscal year 1992, and proposed deficit spending of $1 billion per day over the next 5 years by the administration.

The doubling in spending by the Federal Government during the past 10 years has not been matched by revenues needed to finance such expenditures. The result has been a steep rise in the cost of financing the national debt to the point that net interest costs approach one-half of what is available for discretionary spending in the current fiscal year. We must begin to address this serious issue with meaningful action.

A reduction of 10 percent in expenditures for overhead costs could reduce the deficit by approximately $25 to $30 billion. This legislation would require each Department and independent agency in all three branches of Government to reduce overhead costs by an average of 10 percent by the beginning of fiscal year 1996 when compared to fiscal year 1992 levels. The reductions need not be across-the-board, but rather may be flexible at the discretion of the Department or independent agency, as long as the overall 10-percent reduction is achieved. This permits a planned, orderly approach to cutting costs and allows the managerial people in the executive branch to manage. No loss of services or essential functions is intended.

The traditional method of formulating Federal budgets has been to take last year's expenditures, add inflation, and then consider that the starting point for next year's budget. This has contributed to a creeping growth in bureaucracy that costs us dearly. We must reverse this manner of doing business and instead start working in the opposite direction, trimming bureaucracy rather than passively allowing it to grow.

We must face up to the fact that hard choices must be made. If enough of us say no to business as usual, we can make a difference. If we will stand and exhibit some courage to change the road we are on, we can put our country on track.

CEREBRAL PALSY ASSOCIATION OF MIDDLESEX COUNTY, NJ, TO HOST RECEPTION AND CONCERT

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. PALLONE. Mr. Speaker, on Sunday, July 12, 1992, the Cerebral Palsy Association of Middlesex County, NJ, will host a reception and concert, featuring the popular entertainers Regis Philbin and Kathy Lee Gifford, at Waterloo Village in Stanhope, NJ. The purpose of Sunday's event is to raise funds for a wonderful new addition to the Lakeview School, a private school for students with multiple disabilities providing special education, rehabilitation, medical care, and social service support to 150 children from 11 counties around our State.

Proceeds from Sunday's event will benefit the Andy Martin Memorial Fund. Andy Martin attended the Lakeview School for 5 years until he passed away in 1989 when he was just 8 years old. Andy, who could neither walk nor talk, had a quick mind and a great sense of humor. He thrived at the Lakeview School. Receiving intense therapy, he was able to compensate for some of his disability. But most exciting was Andy's use of computers. Through a sophisticated, yet simple to operate system, Andy was able to communicate. By turning his head, pushing a button or focusing his eyes on a special board, Andy would convey his needs and feelings. Looking for some way to preserve the love which Andy brought into their lives, his parents, Chuck and Liz Martin, established the Andy Martin Memorial Fund. Their fond hope is that the new computer laboratory, which will be dedicated to Andy, would make their son proud.

Sunday's event will also honor Andy's grandfather, Mr. Walter Wechsler. A well-respected State official, Mr. Wechsler served as the comptroller of the treasury and budget director for the State of New Jersey. He also served on the board of directors of the Waterloo Village for 26 years.

Mr. Speaker, there are growing numbers of children with disabilities. This startling reality has prompted the Lakeview School to begin a building and renovation campaign to raise $5.2 million to double the size of its existing school and to provide care, services, and opportunities for special children to develop a brighter and richer life.

A CONGRESSIONAL SALUTE TO MR. CARROLL WEBERG

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an exceptional nonagenarian whose name is synonymous with the Bellflower Lions Club, Mr. Carroll Weberg. On Sunday, July 12, 1992, the Lions Club will host Mr. Weberg's 90th birthday celebration. It is with great pleasure that I bring this gentleman to your attention.

For over 47 years, Mr. Weberg has served as a Lion leader. When the Bellflower Lions Club received its charter in 1945, Carroll was chosen its first president. This month marks the end of his second term as president. The Bellflower Lions Club is part of an international organization founded in 1917, listing over 1.4 million members in 171 countries. Lions are renowned for their work with the visually impaired. In the past, Carroll has served a 2-year term on the Lions International Board. In this capacity, he traveled throughout the world to meetings and conventions, making new friends wherever he went. In 1965 with the assistance of Carroll Weberg, the Bellflower Host Lions Club created the Noon Lions Club, with a record membership of 120 people. Recently another honor was bestowed upon Carroll, he was chosen to preside as speaker for the Huntington Park Lion's Club 70th anniversary dinner.

Mr. Weberg's service to the community is not limited to his involvement with the Lions Club. He has served as an officer for the Los Angeles County Spring Fair for many years and as its president for 3 years. In addition, Carroll was the local chairman for the Reagan for Governor Committee in 1966.

Mr. Speaker, it is because of these and the many other accomplishments of Carroll Weberg that I take great pride in joining with all those attending this momentous occasion in expressing the gratitude he so richly deserves. My wife, Lee, joins me in extending this congressional salute and special birthday greeting to Mr. Carroll Weberg. We wish him and his daughters, Janet and Jean, all the best in the years to come.

SPACE TECHNOLOGY ENABLES EQUAL ACCESS TO HEALTH CARE

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. HALL of Texas. Mr. Speaker, the Nation's space program has delivered many benefits to our citizens since its inception more than 30 years ago. Communications satellites, weather satellites, and remote sensing satellites are just some of the fruits of space research that we now take for granted but have immeasurably improved the quality of life here on Earth.

I firmly believe that biomedical research in space has the potential to deliver equally impressive terrestrial benefits. In a recent hearing in Houston, TX, we heard compelling testimony that the space environment provides for biomedical research that may allow us to significantly increase our knowledge of the nature and possible treatment of diseases and other medical conditions.

The spinoffs from our space program continue to benefit terrestrial biomedical research and improve our quality of life in wondrous ways. For example, an area of great concern to our Nation is adequate health care to rural and underserved communities. NASA is about to issue a patent license to a not-for-profit medical foundation in New Orleans to manufacture and sell devices that can reduce the amount of information needed to transmit x rays over conventional telephone lines. This space technology will enable rural and underserved areas to send x rays quickly to specialized experts located in metropolitan areas. While head injuries often require diagnosis by highly specialized medical teams, a rural clinic can transmit cranial x rays quickly to top national experts at a large city hospital and receive initial diagnosis and treatment instructions. Here, technology NASA originally developed for satellite navigation can now reach out to and benefit all Americans in emergency and life threatening situations.

Just as NASA met the challenge to develop technologies to navigate satellites precisely, NASA is developing the technologies necessary for space station *Freedom*. Based on past benefits derived from the space program, I am confident space station technologies will provide us with new tools for medical diagnosis and treatment, crop growth, waste management, and breakthroughs in computers and information systems that will help us address a whole host of issues we face on Earth. The benefits we derive as a Nation from our space program will continue to enhance our quality of life and make possible that which we thought impossible.

JOHN I. HENDRICKS, JR., NATIONAL ABE ADMINISTRATOR OF THE YEAR AWARD

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I wish to bring to the attention of the House and the American public the achievements of one of my constituents, John I. Hendricks, principal of the South Dade Adult Education Center.

Mr. Hendricks is one of Florida's most seasoned educational administrators. He has attained an honor for himself and the State of Florida by receiving the 1992 ABE Administrator of the Year Award from the American Association for Adult and Continuing Education Commission on Adult Basic Education.

Mr. Hendricks' devotion and commitment to the field of education has been recognized by other awards. He was chosen as Dade County's first Principal of the Year in the area of adult, vocational, technical, community, and career education in 1988. He was subsequently inducted into the Florida Adult Education Association Hall of Fame.

Mr. Ramon E. Rasco, a constituent of my district made me aware of the honor that was bestowed on Mr. Hendricks. He was notified by an attentive colleague, Mr. Larry Santovenia, who works with Mr. Hendricks.

Due to his commitment to the educational field, and to adult education in particular, Mr. Hendricks has met the criteria for the National ABE Administrator of the Year Award. He has supported the notion of education as a never ending process in a person's lifetime.

Mr. Hendricks has been described by Ms. Marian M. Dean, curriculum coordinator for the Dade County Public Schools, as being one of the most versatile, creative, and daring of educators to serve the adult basic education population.

Mr. Hendricks started his educational career as a social studies teacher and subsequently as a counselor at Miami Southwest Adult Center.

In 1973 with only three classes offered, he established an adult center in Homestead, FL, which today is the largest freestanding adult education center in the State. People from all walks of life have benefited from his programs. These include military personnel, inmates at Federal and State institutions, refugees, migrant workers, the gifted, the handicapped, the homeless, battered victims, the elderly, and recovery drug and alcohol addicts.

Mr. Hendricks' devotion to helping others continues. His future plans include a strategy for meeting the educational needs of illiterate immigrants, chemically dependent individuals, court-assigned offenders, and AIDS victims. He aspires to develop the first holistic adult education center in Florida.

It is a privilege for our community to have a person such as Mr. Hendricks. He is a motivated and caring individual who has worked hard for his community. It is an honor to make the House and the American public aware of the attainments of Mr. Hendricks.

TOM SALVADORE: PILLAR OF HIS COMMUNITY IN MECHANICVILLE, NY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. SOLOMON. Mr. Speaker, I think you can judge a man by how much he gives back to his neighbors and community. By that standard, Tom Salvadore of Mechanicville, NY, is a giant.

Mr. Speaker, I'd like to stand today to congratulate Tom Salvadore on his recent retirement after 20 years with the Mechanicville Police Department. But I'd also like to express my gratitude for the fact that he's still a relatively young man and will continue to be active in the community for a long time.

Some time after serving in Vietnam as a Navy Seabee, Salvadore joined the Mechanicville Police Department. As you all know, law enforcement is a tough and often dangerous profession. It was plenty just to be a good police officer, as Tom Salvadore was, earning a promotion to sergeant in 1981 and serving as an officer of the Police Benevolent Association. But the point I want to make is that he found time to do many other things.

He found time to earn two associate degrees from Hudson Valley Community College, one in criminal justice, in 1975, and another in mortuary science in 1980. The first degree enhanced his skills as a police officer, the second degree enabled him to get his New York State funeral director's license and start his own funeral home. He started Devito-Salvadore in 1982, and has been running the business full-time since his retirement from the police department.

But that wasn't all. He was a volunteer fireman and member of the rescue squad. He was past director of Mechanicville-Stillwater Little League, and was active in Veterans of Foreign Wars, American Legion, Sons of Italy, Elks, Rotary, Pop Warner Football, the Raider Flag Football League, and Mechanicville Football Booster Club.

Tom and his wife, Donna, are the parents of three sons, Michael, Marc, and Matt. He will have more time to spend with them. And for the first time he will be able to attend Mechanicville's Family Day. Up to now, Tom Salvadore has always been on duty to make sure everyone else would enjoy the event.

Mr. Speaker, I ask you and other members to join me in saluting Tom Salvadore, and in expressing our "job well done" to someone who has given generously of himself to his community.

A TRIBUTE TO RICHARD SMITH—PATHFINDERS AWARD NOMINEE

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. PANETTA. Mr. Speaker, during these times of restricted State and Federal resources, there is a critical need for gifted individuals willing to confront today's problems head on. One individual who every day meets a profound challenge in my district is Richard Smith, a coordinator for the Santa Cruz AIDS project.

The success of the Santa Cruz AIDS project would be unattainable without the dedication and expertise of workers and volunteers such as Richard Smith. Recognizing his innovative leadership in the fight against the spread of AIDS and HIV-infection, Mr. Smith was recently named a Pathfinders Award Nominee.

By mobilizing over 100 volunteers in Project Firsthand, his efforts have succeeded in promoting awareness and behavior change among a large number of intravenous drug users, street people, and others engaged in HIV/AIDS risk-taking behaviors. His leadership has joined AIDS and HIV-infected individuals with members of high-risk communities to facilitate positive change. The strong impact of Project Firsthand and the Santa Cruz AIDS project is clear. This year alone, close to 10,000 individuals have been reached with over 60 individuals subsequently entering drug treatment programs.

Mr. Speaker, only through the efforts of individuals like Richard Smith will we be successful in meeting the growing AIDS pandemic. I ask my colleagues to join in a salute to Richard Smith, who has exhibited bold leadership in the fight against the spread of AIDS.

CARACAS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. PORTER. Mr. Speaker, the Caracas delegation was adopted by the participants to the Fourth World Congress on National Parks and Protected Areas when they met in Venezuela in February of this year. The Congress was convened by the World Conservation Union.

Well-managed national parks and protected areas are of vital importance to the plants and animals that they protect. Protected areas are also important to human needs including agriculture, medicine, and industry.

The Caracas declaration is the product of participants who want to reaffirm humanity's responsibility to safeguard the living planet.

PARTS, PROTECTED AREAS AND THE HUMAN FUTURE

THE CARACAS DECLARATION

We, over fifteen hundred leaders and participants deeply committed to world conservation, brought together by the World Conservation Union for the Fourth World Congress on National Parks and Protected Areas in Caracas, Venezuela, between 10 and 21 February 1992, ADOPT this Declaration of our belief in the vital importance of well-managed national parks and protected areas to all people.

We recognize that:

Nature has intrinsic worth and warrants respect regardless of its usefulness to humanity;

The future of human societies depends upon people living in peace among themselves, and in harmony within nature;

Development depends on the maintenance of the diversity and productivity of life on Earth;

This natural wealth is being eroded at an unprecedented rate, because of the rapid growth in human numbers, the uneven and often excessive consumption of national resources, mistaken and socially harmful styles of development, global pollution and defective economic regimes, so that the future of humanity is now threatened;

This threat will not be averted until these problems have been redressed, the economies of many countries have been strengthened, and poverty has been conquered through processes of sustainable development;

Many people must modify their styles of living and the world community must adopt new and equitable styles of development, based on the care and sustainable use of the environment, and the safeguarding of global life-supporting systems;

We consider that the establishment and effective management of networks of national parks and other areas in which critical natural habitats, fauna and flora are protected must have high priority and must be carried out in a manner sensitive to the needs and concerns of local people. These areas are of crucial, and growing, importance because:

They safeguard many of the world's outstanding areas of living richness, natural beauty and cultural significance, are a source of inspiration and are an irreplaceable asset of the counties to which they belong;

They help to maintain the diversity of ecosystems, species, genetic varieties and ecological processes (including the regulation of water flow and climate) which are vital for the support of all life on Earth and for the improvement of human social and economic conditions;

They protect genetic varieties and species, which are vital in meeting human needs, for example in agriculture and medicine, and are the basis for human social and cultural adaptation in an uncertain and changing world;

They may be home to communities of people with traditional cultures and irreplaceable knowledge of nature;

They may contain landscapes which reflect a long history of interaction between people and their environment;

They have immense scientific, educational, cultural, recreational and spiritual value;

They provide major direct and indirect benefits to local and national economies and models for sustainable conservation which may be applied elsewhere in the world.

Accordingly, and bearing in mind the message of Caring for the Earth: A Strategy for Sustainable Living, the Global Biodiversity Strategy launched at this Congress, and the earlier messages of the World Conservation Strategy, the World Charter for Nature and the World Commission on Environment and Development, we, the participants of the Caracas Congress:

1. Reaffirm the responsibility of humanity to safeguard the living world;

2. Emphasize the spiritual, social, economic, scientific and cultural importance of national parks and other kinds of protected area;

3. Stress that the conservation of global biological diversity and the achievement of sustainable development depends upon effective and vigorous international action to reform the world's economic and trading systems, and to halt the global pollution that threatens to bring about climate change;

4. Strongly urge all governments, regional and local authorities and international institutions to include protected areas as integral elements in development policies, programmes, plans and projects;

5. Encourage communities, non-governmental organizations, and private sector institutions to participate actively in the establishment and management of national parks and protected areas;

6. Urge all governments, local authorities, international institutions and non-governmental organizations to inform and educate all sectors of society about the importance of protected areas, and the economic, social and environmental benefits they provide, and so make the public active partners and supporters in their protection;

7. Insist that industry (including tourism, agriculture, forestry and the extraction of oil and minerals) must adopt the highest standards of environmental protection and eliminate damaging impacts on protected areas;

8. Strongly urge industry, especially multinational corporations, and governments, to ensure that any exploitation of biodiversity conforms with rigorous controls established by the sovereign State concerned.

9. Emphasize the vital role of environmental education and urge all governments to strengthen their programmes, especially in and relating to national parks and protected areas, constituting appropriate national organizations to develop and coordinate this process.

10. Emphasize that although national parks and other protected areas are of special importance, all lands and seas should be managed so as to maintain (or restore) the highest environmental quality.

11. Stress the need for international cooperation and assistance to place the latest knowledge and best available technology at the disposal of all governments and especially their protected area managers.

To these ends we strongly urge all governments and appropriate national and international bodies:

1. To take urgent action to consolidate and enlarge national systems of well-managed protected areas with buffer zones and corridors, so that by the year 2000 they safeguard the full representative range of land, freshwater, coastal and marine ecosystems of each country and allow these ecosystems space to adapt to climate change.

2. To ensure that the environmental and economic benefits which protected areas provide are fully recognized in national development strategies and national accounting systems.

3. To support the development of national protected area policies which are sensitive to customs and traditions, safeguard the interests of indigenous people, take full account of the roles and interests of both men and women, and respect the interests of children of this and future generations.

4. To ensure that effective international, national, regional and local administrative, legal, accounting and financial mechanisms for supporting protected areas and established as a matter of priority and regularly reviewed.

5. To allocate adequate financial and other resources so that, once designated, protected areas are managed effectively, to achieve their intended objectives.

6. To strengthen environmental education, and to provide training that will improve professionalism in the management of protected areas.

7. To facilitate the establishment of effective and efficient networks of NGOs cooperating at a local, national and international level to further national park and protected area objectives.

8. To recognize the significance of demographic change and its consequences for the survival of biological diversity and to take appropriate actions to reduce this threat.

9. To foster publically funded scientific research and monitoring that will improve the planning and management of protected areas, and to use such areas as sites for studies that will improve understanding of the environment.

10. To develop mechanisms that will allow all sectors of society, especially long-standing local populations, to be partners in the planning, establishment, and management of protected areas, and will ensure they share equitably in the associated costs and benefits.

11. To participate actively in global and regional Conventions and other legal instruments, action programmes, and procedures to promote protected terrestrial, coastal and marine areas and the conservation of biological diversity.

12. To work energetically to safeguard the world's tropical forests, particularly those of Amazonia which are reservoirs of outstanding biological diversity and under severe pressure.

13. To strengthen international technical and financial cooperation that will assist developing countries to establish and manage protected areas and to safeguard biological diversity.

14. To cooperate to safeguard species, ecosystems, and landscapes that extend across national borders and therefore require protection through the collaboration of neighbouring countries.

Recognizing that action to safeguard the living riches and natural beauty of the Earth depends on the commitment of all people, we pledge ourselves to work wholeheartedly to implement the provisions of this Declaration.

Emphasizing that the establishment and maintenance of protected areas is essential to sustaining human society and conserving global biological diversity, we invite the President of the Republic of Venezuela to convey this Declaration to the Earth Summit, to be held at Rio de Janeiro, Brazil, in June 1992 with the purpose of ensuring that its conclusions are incorporated in Agenda 21, the agreed world action plan for the next century.

INTELLIGENCE COMMITTEE LOSES KEY AIDE

HON. DAVE McCURDY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. McCURDY. Mr. Speaker, the Intelligence Committee recently lost the services of one of the most effective members of its staff when Larry Prior resigned to accept a position in private industry. Larry made many contributions to the work of the committee and he will be sorely missed.

Larry joined the committee's staff after a distinguished 11 year career as an officer in the U.S. Marine Corps. His military service gave him extensive experience in a variety of activities related to intelligence, and the committee benefited enormously from the experience.

On the committee staff Larry served as the program and budget analyst responsible for the general defense intelligence program and a collection of defense programs know as tactical intelligence and related activities. During his tenure, these programs had to respond to rapidly changing events including the collapse of the Warsaw Pact, Operations Desert Shield and Desert Storm, and the implosion of the Soviet Union. Larry was able to fashion budgetary and programmatic recommendations which enabled the committee to take a leadership role in urging the termination of activities made irrelevant by global change, and increased investment in areas where deficiencies were evidence as a result of the war against Iraq. Larry's knowledge, and his well-deserved reputation for thoroughness, gave the committee great confidence in his recommendations on all issues for which he was responsible.

Larry's departure was viewed with both pride and regret by the committee. The opportunity for career and personal advancement which he accepted reflected, at least in part, a judgment by others on the quality of his work at the committee. While we shared that judgment we knew that as its consequence, Larry's considerable talents and uncommon commitment would no longer be at our disposal. As I am sure his new employer has already realized, the committee's loss with Larry's departure was truly private industry's gain.

Mr. Speaker, on behalf of the Intelligence Committee, I want to extend best wishes for continued success and happiness to Larry, his wife, Mary Kay, and his daughters Megan and Emily.

A TRIBUTE TO DR. LEE MOSKOWITZ

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I wish to bring to the attention of the House and the American public the loss of one of my constituents, Dr. Lee Moskowitz. This outstanding physician was the victim of a long bout with cancer.

I would also like to thank Ms. Karen Buchsbaum, Dr. Henry I. Glick, Mr. Brian Keely, and Dr. Azorides Morales for being so kind as to bring this lamentable event to my attention.

Dr. Moskowitz, a pathologist, was a partner in the practice of Drs. Reimer, Barrow, Moskowitz and Gould. He practiced at Baptist Hospital and was an associate clinical professor at the University of Miami School of Medicine, Department of Pathology.

During his successful career, Dr. Moskowitz did some of the early research and publishing on the diverse infectious agents identified with the AIDS virus. His interest in promoting health welfare led him to Haiti in the early 1980's where he traveled with the Centers for Disease Control and wrote some of the first articles on AIDS in the Haitian population.

Dr. Moskowitz passed away at 37 years of age and was at the prime of his career. Before his death, Dr. Moskowitz was vice chairman of the pathology department at Baptist Hospital and chairman of the Infectious Disease Committee as well as a member of several other hospital committees.

He has served Dade County by being past treasurer and current executive council member of the Florida Society of Pathology and past president of the South Florida Society of Pathology.

Dr. Moskowitz is survived by his wife, Michelle; mother, Rena Gottlieb; stepfather, Sheldon Gottlieb; father, Jerry Moskowitz; grandmother, Nettie Zimring; sister, Terri Goodman; brother, Edward Gottlieb; niece, Michelle Goodman; and nephew, Scott Goodman.

Dr. Moskowitz taught and lectured extensively and authored a myriad of medical papers. He was a highly active and caring individual who spent a lifetime delving into the research of pathological diseases so that he might better serve his fellow man. He will be deeply missed by all who knew him.

A TRIBUTE TO COL. EVO RIGUZZI, JR.

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. GILMAN. Mr. Speaker, it is an honor to call to the attention of all our colleagues the achievements of Col. Evo Riguzzi, Jr., commander of the 800th Military Police Brigade, Uniondale, NY. He will be promoted to the rank of brigadier general in the U.S. Army Reserve on July 11, 1992.

Colonel Riguzzi is a 24-year veteran of military service and has served his country faithfully. He entered the Army in May of 1968, after completing the Reserve officer training course at Cannon College, Erie, PA, where he earned a degree in sociology. Following graduation Colonel Riguzzi served as a security platoon leader with the 69th Ordnance Company, 559th Artillery Battalion, in Vicenza, Italy.

During his 24 years of outstanding service; Colonel Riguzzi graduated from the Military Police Corps officer basic and advance courses, the civil affairs advance course, Command and General Staff College, and the Army War College. In addition he has been decorated with the Bronze Star Medal, Four Meritorious Service Medals, Three Army Commendation Medals, four Army Reserve Component Achievement Medals, the National Defense, Service Medal, the Armed Forces Reserve Medal with Hourglass Device, the Southwest Asia Campaign Medal with two Campaign Stars, the Army Service Ribbon and the Overseas Service Ribbon.

Last year Colonel Riguzzi served as executive officer of the 800th Military Police Brigade during Operation Desert Storm. Currently, Colonel Riguzzi is the Director of Corporate Security and Consumer Affairs for the House Insurance Co., where he is responsible for overseeing all security requirements of his firm.

Mr. Speaker, I invite my colleagues to join me in extending congratulations to Col. Evo Riguzzi, Jr., on his promotion to Brigadier General. Colonel Riguzzi has for 24 years meritoriously served his nation with dignity and I am certain that he will continue to do so in the future.

AUTOMOTIVE TRADE EQUITY ACT OF 1992

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. GUARINI. Mr. Speaker, we are losing our domestic auto industry. The unrelenting onslaught of foreign competition from the Japanese has whittled down the United States industry's share of the domestic auto market at the same time that our companies still face formidable barriers to sales in the Japanese market. U.S. auto manufacturers have seen their share of the U.S. auto market drop tremendously from over 99 percent in 1951 to less than 67 percent today.

In the past 10 years, we have accumulated over $1 trillion in trade deficits. Over $400 billion of this is attributable to Japan—much of which is in the automotive industry.

We simply cannot afford to let this continue. The automotive industry is an essential part of our economy and a vital part of our manufacturing base; 14 million jobs depend on it. If the automotive industry were to go under, one out of seven Americans would be put out of work. And with it would go our capability to build heavy machinery, tanks, and vehicles—the most essential components of a strong defense.

Today, I am introducing the Automotive Trade Equity Act of 1992, legislation which uses the model of the accord on market penetration established in a recent European Community-Japan agreement as the basis for Japanese access to United States markets.

The European Community has recognized the importance of its auto industry and recently negotiated with Japan an understanding on market penetration in the auto industry. Under this accord, Japan has agreed that its share of another country's motor vehicle market should be a maximum of 16 percent. This 16-percent import penetration figure is based on the total of imports plus production of their transplant operations. Both the EC and Japan also have recognized the necessity for substantial use of domestically produced parts in Japan's finished motor vehicles.

In its accord, the EC and Japan have agreed on specific import penetration levels for Japanese plus transplant production beginning January 1, 1993, and extending through 1999. Japanese import penetration of the EC market in 1993 can be 10.1 percent. In 1999, Japan's penetration of the EC motor vehicle market can be no more than 16 percent. Japan's share of the United States motor vehicle market is currently 30 percent, and no limits apply to growth in that market share.

The European Community-Japan understanding was accompanied by assurances of use of certain levels of EC-produced parts. Japanese transplant producers in the United States use a very low level of United States produced parts. In the EC, local content is approximately 60 percent, with Japan's agreement to increase local sourcing for some countries to as much as 80 percent.

Through this agreement, the EC and Japan have, in effect, established a world standard for determining Japan's fair market share in a country's motor vehicle market and use of domestically produced parts.

The Automotive Trade Equity Act of 1992 will bring us in line with this new standard. The legislation builds upon the Japan-European Community agreement by setting a target for Japan's share of the United States market at 16 percent by 1999. The bill provides a transition period from January 1, 1993, through the end of 1999. This transition period allows Japanese imports, plus transplant production, to adjust from Japan's current 30-percent market share.

Both the United States and the EC have a current domestic market of 12 to 13 million motor vehicles—cars and light trucks. Japan is expected to export approximately 1.2 million motor vehicles annually to the EC from 1993 through 1999. Any growth in Japan's penetration of the EC market is expected to come from transplant production.

Japan currently exports approximately 2.1 million motor vehicles to the United States market. This bill will cap Japan's exports to the United States at 1,900,000 annually.

The bill also provides an incentive for transplant producers to increase the use of domestically produced automotive parts. Market share is calculated by combining the number of direct imports with the number of cars produced by transplant companies. The incentive works by not counting in the calculation of Japan's market share those cars which contain at least 75 percent domestically produced parts.

For computations of market share, the Secretary of the Treasury must calculate the actual domestic consumption and market penetration of the U.S. motor vehicle market every 6 months and publish the results in the Federal Register.

Mr. Speaker, this bill is about jobs. Manufacturing jobs in the automotive industry are an important component of our economic security. The automotive industry is not just the people who are involved in the direct production of cars. It's also the people who work in industries crucial to the production process—steel, rubber, plastics, glass, textiles, aluminum, machine tools, chemicals, and electronics. Add to that the service-producing sectors dealing with the finished product in the wholesale and retail business. The sector directly and indirectly accounts for about 12 percent of U.S. gross national product and generates more than $200 billion a year in revenue.

It is time that we recognize that our economic security is a vital part of our national security and take steps to ensure that our manufacturers and businesses are on equal ground with worldwide practices. This legislation is an important step in that direction.

REVENUE ACT OF 1992

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1992

Mr. RAY. Mr. Speaker, I want to bring to the attention of my colleagues a situation that arose as a result of the way H.R. 11 was considered by the House.

In an effort to skirt Members wishing to attach an unrelated amendment to H.R. 11 which would alter the notch in Social Security benefit levels, the House considered H.R. 11 under suspension of the rules. Consideration of H.R. 11 under suspension of rules precluded any amendments from being offered.

H.R. 11 contains provisions which permit nonunionized airlines to offer their pilots more generous benefit packages than are available to other employees. Members of the House did not have an opportunity to debate this provision and offer an amendment to H.R. 11 to counter this provision due to the bill's consideration under suspension of the rules.

I believe the House should have had the opportunity to consider amendments germane to H.R. 11. Actions to counter antics to attach unrelated provisions to H.R. 11 prevented the House from serving the American people who elected us and rendered the function of the Committee on Rules obsolete. In my opinion, such actions deprive the House of the legitimate amendment process and should be avoided.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, July 9, 1992, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 20

2:00 p.m.

Armed Services

Defense Industry and Technology Subcommittee

Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

JULY 21

9:30 a.m.

Armed Services

Conventional Forces and Alliance Defense Subcommittee

Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings to examine instances of auto repair fraud.

SR-253

Select on Indian Affairs

To hold hearings on proposed legislation to establish a National Indian Policy Research Institute.

SR-485

10:00 a.m.

Governmental Affairs

To hold hearings to examine the role of Federal technology policy with regard to environmental protection.

SD-342

2:30 p.m.

Armed Services

Readiness, Sustainability and Support Subcommittee

Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

Select on Indian Affairs

To hold hearings on S. 2746, to extend the purposes of the Overseas Private Investment Corporation to include American Indian Tribes and Alaska Natives.

SR-485

4:00 p.m.

Armed Services

Manpower and Personnel Subcommittee

Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-232A

JULY 22

9:00 a.m.

Armed Services

Projection Forces and Regional Defense Subcommittee

Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-232A

9:30 a.m.

Environment and Public Works

Nuclear Regulation Subcommittee

To hold hearings to examine the effects of the Chernobyl nuclear accident.

SD-406

Rules and Administration

To hold hearings on S. 2748, to authorize the Library of Congress to provide certain information products and services.

SR-301

10:00 a.m.

Finance

To hold hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.

SD-215

Veterans' Affairs

To hold hearings on proposed legislation relating to veterans housing and the Court of Veterans Appeals.

SR-418

10:30 a.m.

Armed Services

Strategic Forces and Nuclear Deterrence Subcommittee

Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

2:00 p.m.

Armed Services

Closed business meeting, to mark up S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

Governmental Affairs

Government Information and Regulation Subcommittee

To hold hearings on S. 1258, to establish minimum standards for the hiring by the Federal Government of security officers, and to establish a grant program to assist States in establishing standards for the hiring of security officers by public and private employers.

SD-342

2:30 p.m.

Select on Indian Affairs

To hold hearings on the proposed Yavapai-Prescott Water Rights Settlement Act, and the Ft. Mojave Water Use Act.

SR-485

JULY 23

9:00 a.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

9:30 a.m.

Governmental Affairs

To hold oversight hearings on the implementation of the Chief Financial Officers Act (P.L. 101-576), and to review the Army audit.

SD-342

Rules and Administration

To hold joint hearings with the Committee on House Administration on S. 2813 and H.R. 2772, bills to establish in the Government Printing Office a single point of online public access to a wide range of Federal databases containing public information stored electronically.

SR-301

Select on Indian Affairs

To hold hearings on S. 2833, to resolve the 107th Meridian boundary dispute between the Crow Indian Tribe, the Northern Cheyenne Indian Tribe and the United States and various other issues pertaining to the Crow Indian Reservation.

SR-485

2:00 p.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

2:30 p.m.

Governmental Affairs

General Services, Federalism, and the District of Columbia Subcommittee

To hold hearings on S. 2080, to clarify the application of Federal preemption of State and local laws.

SD-342

JULY 24

9:00 a.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

10:00 a.m.

Environment and Public Works

Environmental Protection Subcommittee

To hold hearings on S. 1491, to provide for the establishment of a fish and wildlife conservation partnership program between the United States Fish and Wildlife Service, the States, and private organizations and individuals.

SD-406

2:00 p.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

JULY 29

9:30 a.m.

Governmental Affairs

Permanent Subcommittee on Investigations

To resume hearings to examine efforts to combat fraud and abuse in the insurance industry.

SD-342

10:00 a.m.

Finance

To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.

SD-215

JULY 30

9:30 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings to examine cosmetic standards and pesticide use on fruits and vegetables.

SR-332

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings to examine efforts to combat fraud and abuse in the insurance industry.

SD-342

AUGUST 4

9:30 a.m.

Select on Indian Affairs

To hold hearings on S. 2617, to provide for the maintenance of dams located on Indian lands in New Mexico by the Bureau of Indian Affairs or through contracts with Indian tribes.

SR-485

AUGUST 5

10:00 a.m.

Finance

To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.

SD-215

Governmental Affairs

Business meeting, to consider pending calendar business.

SD-342

Veterans' Affairs

Business meeting, to consider pending calendar business.

SR-418

AUGUST 12

9:30 a.m.

Select on Indian Affairs

To hold oversight hearings on Indian trust fund management.

SR-485

HOUSE OF REPRESENTATIVES—*Thursday, July 9, 1992*

The House met at 10 a.m.

The Reverend Kirk Monroe, Mount Zion United Methodist Church, Washington, DC, offered the following prayer:

Good morning, God.

O Eternal Father strong to save, we love You. And once again this morning we resume our daily ritual of asking for Your omnipotence, mercy, and righteousness to circle us. We hope that if it is Your will we would be so inspired to go about our business today as servants of the people of America. Bless our Nation and help us to work together and to get along with each other. Bless those who are now working to repair our cities but whether city or suburb, valley, plain, or mountain bless America's children.

When we are confused and sorrowed by circumstances beyond our reach, let us be mindful that when we lift up our dilemmas unto You, You reach down with solutions unto us.

Help us to walk the hallways of peace, as we stride them may our canter be one of integrity and our gait one of justice. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from West Virginia [Mr. WISE] come forward and lead the House in the Pledge of Allegiance?

Mr. WISE led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

A SUMMIT CONFERENCE FOR AMERICA

(Mr. WISE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WISE. Mr. Speaker, the President is returning from the G–7 Conference, attended by President Yeltsin of Russia, and while the President is returning from the G–7 Conference I would like to suggest that he convene a US–50 conference, the 50 States, Mr. Speaker. Just as there has been a summit with President Yeltsin and there has been a summit with the G–7 leaders, so it is time to have a summit here at home on the same things they talked about abroad.

In Munich they talked about investment. I would like to talk about investment here at home, investment in our public transportation, investment in our schools, the public investment that has fallen so far behind in our country.

Did the President realize as he talked to the G–7 leaders that every one of those nations has some kind of national health care plan? Perhaps he could have asked advice for here at home. When they talked about jobs and unemployment in all the other countries, did he say that the unemployment had gone up in this country?

The fact of the matter is, Mr. Speaker, until the President holds those kinds of summit meetings at home with our leaders, then we are not going to be able to promise much at summit meetings abroad.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces he will limit to 10 Members on each side the number of 1-minute requests.

TRUST FUND SAVINGS CAN CREATE JOBS, BUILD ASSETS FOR AMERICA

(Mr. SHUSTER asked and was given permission to address the House for 1 minute.)

Mr. SHUSTER. Mr. Speaker, today we have the opportunity to keep faith with the American people by fulfilling a commitment we made last year when we overwhelmingly passed the transportation bill. We can keep faith and begin to rebuild America, America's infrastructure, by supporting the bipartisan Obey-Gephardt-Roe-Hammerschmidt-Mineta-Shuster amendment which will be on the floor today, which reduces foreign operations spending and applies that money instead to transportation, to create 125,000 real jobs.

Many of the Members have come to us and asked for our help in projects and efforts that were important to them in their districts. Today, we are asking them, and especially to my conservative colleagues, I say do not be a knee-jerk naysayer. Listen to the logic of our argument. We hope they will read the "Dear Colleague" letter which we sent out which indicates that this is trust fund money. The money is there. It should be spent to create real jobs to build assets for America.

We urge the Members to carefully consider this and do what is right for America.

THE COMPASS SHOULD POINT HOME TO AMERICA

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, once again George Bush has demonstrated where his heart is and it is not here in the United States.

President Bush has spent the past few days playing world leader while our pressing domestic needs continue to be neglected. He is busy at work dealing with the economic problems of our allies and of our new friend Russia but he has no program to put Americans back to work.

And equally distressing, this administration may be on the edge of getting the United States involved in a civil war in what used to be Yugoslavia.

This administration has broken its political compass. The Bush administration's compass needle keeps pointing east and west when it should be pointing home.

Mr. Speaker, it is time to park Air Force One and pay attention to the unemployment rate in the United States. It is time for this President to come home and stay home. The American people need a President who cares about America.

IT'S ELEMENTARY, WATSON

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, the Sherlock Holmeses of the Committee on the Judiciary are going to demand a special prosecutor, costing our American taxpayers millions to dredge up the ancient history of the Iraq policy. Seven committees in Congress, three U.S. attorneys, and the entire Justice Department have spent untold tax dollars and countless hours of staff probing and have come up empty-handed; nothing, cipher, zero, zip.

"Well, Sherlock, why are they doing this?"

"Elementary, my dear Watson. Trying to smear Ronald Reagan for

□This symbol represents the time of day during the House proceedings, e.g., □1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Irangate fell through, and the election is less than 4 months away. We Democrats have to find an issue somewhere."

"But Dr. Holmes, didn't the Congress know about the Iraq policy?"

"Hush, Watson, the election is coming."

"My dear Watson, that is the great mystery."

GOVERNOR CLINTON'S VISIONARY ECONOMIC STRATEGY FOR AMERICA

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE. Mr. Speaker, Bill Clinton has made a serious and substantial contribution to this year's political debate with his proposal of an economic plan that would massively reduce the Federal deficit by cutting nonessential spending, paring the Federal bureaucracy, closing corporate tax loopholes, making the wealthy pay their fair share of taxes, and implementing rigorous health care cost control. At the same time, it would make carefully targeted national investments in jobs, education, and improved health care.

This is a well-conceived and persuasive blueprint for our economic future, and Bill Clinton is the only candidate for President who has put such a plan on the table. From the other candidates we get the same old smoke-and-mirrors and evasion.

On television last Sunday Richard Darman, the President's Budget Director, had the gall to criticize Governor Clinton for relying on "favorable growth projections." We get this from the fellow who has made an art form of blue-sky growth projections over the past 4 years.

Mr. Darman also suggested that the President had a comparable plan that had been "subject to serious scrutiny"—presumably in Congress—"for over a year." I would like to know where this plan has been hiding. Is Mr. Darman talking about the President's 1993 budget, which was a mere $352 billion in deficit and which drew a grand total of 42 Republican votes on the House floor? And where is the President's plan for investment here at home? If the President's plan is so convincing, why is it we read in this morning's paper that Mr. Darman has ordered a rewrite of the midsession review of the budget as part of the administration's "election year effort to blame the Congress for the economy"?

Mr. President, such rhetorical obfuscation cannot hide the fact that this administration has nothing remotely comparable to Governor Clinton's economic strategy. The American people understand that. That is why they are responding so favorably to this visionary plan to get our Nation's priorities in order.

ANOTHER ONEROUS FEDERAL REGULATION BURDENING SMALL BUSINESS

(Mr. RAMSTAD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAMSTAD. Mr. Speaker, I rise today as part of the regulatory relay of the gentleman from Texas [Mr. DELAY] to call attention to a particularly onerous Federal regulation that is affecting a constituent small business.

The Fritz Co. is a third-generation small business that has been in existence in Minnesota for over 50 years. Recently they received a letter from the FDA threatening to seize their candy. What is the crime? Fritz calls its candy Fritzie Fresh. It has been their brand name for over 50 years. The name has been trademarked and received a U.S. patent registration, but the FDA decided that "fresh" was misleading the public. The candy was simply not sufficiently fresh for the FDA's taste.

Mr. Speaker, there has not been a single consumer complaint to Fritz or to the FDA about the use of the word "fresh," and removing this brand name from this small business would simply kill the business.

Certainly the original intent of the law to prevent fraudulent labeling is correct, but interpreting the statute in this ludicrous way is a clear departure from this intent. It is another example of the bureaucracy run amok, an unaccountable bureaucracy which could destroy this small business and the many jobs that go with it.

It is no wonder the American people are turned off by government which seeks to impose its will through such capricious and ridiculous rules.

□ 1010

BRIBES FOR WAR

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. It is bad enough, Mr. Speaker, that America exports jobs, but now it appears that America exports war. That is right, war.

According to recent indictments, the U.S. Ambassador to Bahrain and William Kennedy, former owner of the Conservative Digest, got 8 million dollars' worth of bribes in cash to promote American involvement in the war.

Then comes Hill & Knowlton, powerful public relations firm that gets $12 million from Kuwait to promote the war.

Mr. Speaker, let us get out of Disney World. Are we trying to make the American people believe that the CIA does not know what is going on around here? I think there should be a thorough investigation.

It is bad enough when American soldiers have to die to protect liberty, but die for money and bribes? Congress should find out if this was naked aggression or stone-cold cash bribes that put America at war.

LEGISLATION TO DISCONTINUE PAYMENTS TO FORMER SPEAKERS

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute.)

Mr. THOMAS of Wyoming. Mr. Speaker, Speakers, as well as Members of Congress, earn a good salary while they are working here. You can easily question the results, but we work hard for it, through long days, heavy schedules, and busy weekends. But there is no reason the taxpayers should continue to pay for administrative benefits to those who no longer serve the people of their State. Unfortunately, the taxpayers are continuing to foot the bill for expenses for former Speakers of the House—and that is wrong.

In 1970, the House gave the retiring Speaker an account to finance office space, mailing privileges, and staff salaries to conclude his official duties. This is in addition to regular retirement benefits. Well, these official duties have gone on for 20 years and that is too long.

I am the cosponsor of a bill that will stop payments to former Speakers after 3 years. This is an effort to halt an annual bill of over $500,000 to maintain staffs and offices for former Speakers. While some expenses after leaving the House may be legitimate, I am sure most would agree that Speakers should not be able to collect indefinitely.

Once again, though, the leadership is depriving Americans of having a say in how their taxes are spent by not even allowing the full House to vote on this issue. I call on the leadership to be fair—let the representatives of the people vote.

THE VICE PRESIDENT'S COUNCIL ON COMPETITIVENESS DOES NOT LISTEN TO THE PEOPLE

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, last week along with a very large majority of the House I voted against the Vice President's Council on Competitiveness. The Council may have begun with a benign and useful purpose of having the regulations of this Nation evaluated for their burden on business, but it became very quickly a means and a mechanism for very heavy financial hitters, big donors, to have entree to rulemakers and to get their ears.

I represent a community in southwest Jefferson County, Mr. Speaker, which would love to have the same opportunity to bend the ears of the regulation makers, particularly in the environmental field, about the processes by which hazardous waste is burned for heat in the cement making process. I would be willing to believe, Mr. Speaker, that my people would make a very compelling case that such burning should not be permitted in their area.

However, these are very modest people, blue collar people. They will never be invited to the White House, certainly never to the Council on Competitiveness.

Mr. Speaker, if the American people are ever going to have a revived interest in the body politic, they have to be convinced that all rules and all regulations are made with the interests of the public broadly at heart, and not of a few heavy hitters.

HONORING RETIRING CAPITOL POLICE OFFICER, SGT. LEROY GARFIELD TAYLOR

(Mr. ALLEN asked and was given permission to address the House for 1 minute).

Mr. ALLEN. Mr. Speaker, I rise to pay tribute to one of our own Capitol Police officers, Sgt. Leroy Garfield Taylor, who will soon enter his retirement after 43 years of faithful, dedicated service to the Navy and the U.S. Congress.

Born in 1928, Sergeant Taylor enlisted in the U.S. Navy at the age of 17, where he served honorably for over 20 years, attaining the rank of chief bosun's mate. Sergeant Taylor met and married his wife Yolanda, affectionately known as Paddy, 24 years ago. They lived in her native Ireland for a short period, then returned to the United States where he joined the Capitol Police in 1970. Spending his entire career at the Capitol Building, Sergeant Taylor became increasingly indispensable as his knowledge of the building and the workings of Congress grew. Always ready to serve, Sergeant Taylor's extensive knowledge and experience made getting around in this building much easier, whether one was a Member of Congress, staff member, or visitor to the Capitol.

Now, after 22 years of service as a Capitol Police officer, with a total of 43 years of Government service, Sergeant Taylor will retire. We all wish him the best and I know that his presence will be greatly missed. Congratulations on a job well done, Sergeant Taylor.

CONGRATULATING TURKEY ON EXTENSION OF OPERATION PROVIDE COMFORT

(Mr. BILBRAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILBRAY. Mr. Speaker, this morning, I would like to take the opportunity to congratulate the people of Turkey and in particular their parliament under the leadership of Prime Minister Suleyman Demirel for their courageous vote to extend Operation Provide Comfort. By a vote of 228 to 136, coalition forces will be allowed to continue their overflights and provide safety and security for the hundreds of thousands of Kurdish refugees that remain in northern Iraq.

This vote continues to show Turkey's desire to be a partner with the United States and to join forces with us to bring democracy and stability to the region. Their acknowledgement of the Kurdish situation and their efforts to alleviate and resolve the problem have clearly placed them as a leader of a democratic and peaceful Middle East.

Again, my thanks and those of all the Members of this Congress who have joined me in supporting the Kurdish people go to the people of Turkey. I look forward to the continued partnership between our two countries and to Turkey's assistance as we strive to find a peaceful and democratic solution for the future of the Kurds.

AGRICULTURE DEPARTMENT THROWS QUITE A PARTY

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, many of us are very concerned about the spending habits of this institution, and in order to focus on this each week I give on a radio program I do a porker-of-the-week award, and I would like to share these with my colleagues from time to time.

This week I could not resist the opportunity of giving the award to the Agriculture Department for a party they threw for their employees last month. The party that they claim was needed to boost employee morale cost the taxpayers a whopping $500,000. We paid over $400,000 for transportation to and from Washington, $8,000 for key chains, pens, lapel pins, tote bags, and mugs; $24,000 for hotel costs and reception; $8,000 for plaques; $13,000 for badges, agendas, certificates, signs, and banners; and thousands more on miscellaneous expenses.

With the economy in a slump and the Nation's deficit on the rise, I find it hard to believe that the Agriculture Department would dump this kind of money into a party. I think employee morale is important, and that those who do an effective job should be commended. But throwing a big party at taxpayers' expense is not the way to do it.

The Agriculture Department gets my vote for the porker-of-the-week award.

THE MEANING OF LIFESTYLE

(Mr. ABERCROMBIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ABERCROMBIE. Mr. Speaker, the newspapers have been quoting the President with respect to lifestyle and sexual orientation of individuals such that a requirement about the lifestyle of the President and the Vice President would be the way in which we should conduct ourselves; otherwise, our lives are not normal. A statement was made that he could not see that people could be parents if they were gay or lesbian.

Mr. Speaker, I regret that the President and the Vice President in all of their discussions of family values could not have attended the funeral of a young child in the District of Columbia recently, a child who was born into this world the victim of crack, the victim of addiction, afflicted with AIDS. No one would take this child, no one would love this child, no one would help to raise this child for the life that it had before it, and this child died before the age of 4, but brought great love and affection into this world, and was given love and affection by the foster care of a gay couple.

If you want to talk about family values, if you want to talk about being a Christian, if you want to talk about compassion in this country, do not require that lifestyle be the criterion upon which you judge another person. If you genuinely believe in family values, Mr. President, take a look at the people who are raising the children in illness, take a look at the children who need love and compassion and are being given it not by someone who has a particular lifestyle, but someone whose heart is filled with love.

□ 1020

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The PRESIDENT pro tempore (Mr. McNULTY). Members are reminded to address their remarks to the Chair.

ACCEPT THE BLAME FOR THE UNEMPLOYMENT PROBLEM

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, for some time now the other side has talked about the unemployment problem as if this was unexpected. They do not understand that this was largely created by Congress.

This is the result of defense cuts, ask the people in California, and other budget cuts. We did it.

They call it the peace dividend. If we had invested this money in job creation, things would not be so bad, but we in Congress put money into things like the bureaucracy.

If you want to place the blame for unemployment problems, look in the mirror. You tax, you spend, you regulate.

Accept the blame.

A TRIBUTE TO SENATOR GORE, DEMOCRATIC PARTY VICE PRESIDENTIAL NOMINEE

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, it is with great pleasure that we learn that a former colleague of ours, Senator AL GORE of Tennessee, will be the Vice Presidential nominee of the Democratic Party this fall.

Senator GORE brings to the ticket an extraordinary amount of experience and expertise—on the environment, on foreign policy, and on national security.

Senator GORE and I headed the Senate and House delegations to the recent Earth summit in Rio de Janeiro, and his role at the conference was enormously impressive.

He is an American leader who is known, respected, and listened to by the leaders of the world community. They have read his insightful book on the global environmental crisis. They listened carefully to his keynote speech to the parliamentary summit meeting. And they sought his advice on the issues of global warming, biodiversity, and forest protection.

I cannot help contrasting the warm reception given this American environmental leader with the aloof response to President Bush that same week.

In AL GORE, the world, and the American people, have a leader for the future; a thoughtful and serious legislator who understands the seriousness of the crises facing the future of our planet; a bold activist who is willing to propose dramatic changes whether on arms control or the environment, to protect our children and the world they will inhabit.

By selecting AL GORE, Governor Clinton has drawn a clear distinction between his ticket and the inactive, business-as-usual, indifferent administration of George Bush and DAN QUAYLE.

The American people will recognize that difference, and vote for the future in November by electing Bill Clinton and AL GORE.

WE CANNOT AFFORD TO BAIL OUT THE CIS

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, when we return after the Democratic Convention, we will be asked to vote on a package of Russian aid. We will have to borrow billions to finance this at a time when our own Nation is losing over a billion dollars a day on top of a $4 trillion national debt.

There are three things I would hope that we would consider in this regard: First, the head of the International Monetary Fund, the strongest supporter of this aid, estimates that the former Soviet states will require $100 billion in additional aid over the next 4 years. We simply cannot afford this. Second, Russia and the other CIS states combined have greater natural resources than we do. Forbes magazine recently estimated Russian oil reserves as being equal to those of Saudi Arabia. Yet they cannot develop these resources because they still have a Government-run system rather than free enterprise. Third, the Russian national debt is just a small fraction of our own.

If we keep spending billion after billion after billion that we do not have, we are going to crash. I wonder who will send us foreign aid then. Will the Russians? I doubt it.

THE GILDERNEW ARREST

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, on April 16, 1992, my constituent, Mr. Francis Gildernew was arrested by FBI and INS agents. With guns drawn, they shackled him in Poughkeepsie, NY, and jailed him in New York City.

Why was he arrested?

The INS warrant charged him with fraud. Applying for a green card in 1984, he denied ever being convicted of a crime in his home country of Northern Ireland.

In 1976, Gildernew had been arrested by the British police, charged with planting a land mine and of being a member of the Irish Republican Army. He was convicted and imprisoned. The conviction was based on a confession extracted from him after brutal interrogation under torture. Under British law, Gildernew was a special status or political prisoner. He was released from prison in 1984.

Gildernew maintains his innocence. I believe him.

Why after 8 productive, law-abiding years in America, did the INS suddenly discover his so-called fraud, handcuff him and haul him away to a jail cell in New York City?

Gildernew believes his activities to win passage of the McBride principles made him a high profile target of the British Government.

The McBride principles would penalize United States firms doing business in Northern Ireland unless they adhere to certain nondiscriminatory practices toward the Catholic minority.

As the author of the McBride principles bill in the House of Representatives, I am sensitive to the British dislike for the idea. What concerns me is the possibility that the failed and brutal British policies in Northern Ireland may have enjoyed as willing handmaidens our own Department of Justice, FBI, and INS. There must be no special relationship with Britain which blunts our sense of justice. After waiving in millions of illegal aliens under special legislation, we should cease harassing and attempting to deport a hardworking, respected businessman, like Francis Gildernew.

While my outrage at the handling of Francis Gildernew by our Government agents is new, my sense of the injustice of the British handling of the Catholic minority in Northern Ireland is not. My outrage is ever greater when the civil rights conflict which has tragically torn the social fabric of Northern Ireland bears its bitter fruit in my congressional district in upstate New York.

AL GORE, DEMOCRATIC VICE PRESIDENTIAL NOMINEE

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, I rise in a sense of absolute delight and pride and joy at the announcement that AL GORE will be the Vice Presidential candidate of the Democratic Party.

I think this reflects enormous credit on Governor Clinton for having picked a running mate of such distinction.

I served with AL GORE at the Rio environmental conference along with the gentleman from California [Mr. MILLER], and I can attest to the respect and the credibility that AL GORE has engendered with experts in the environment, people who care about the Earth, this fragile planet we live on. He is highly respected, and he and I and the gentleman from California [Mr. MILLER] spend most of our time trying to explain the President's dismal performance in shooting down the biodiversity treaty.

The contrast between the great respect and affection with which AL GORE was held and the rage and resentment at the President's role was palpable.

Two years ago, long before any Presidential campaign, AL GORE was elected as chairman of Global Legislators' Organization for a Balanced Environment [GLOBE] composed of legislators from Europe, Japan, and the United States. He has served in that role for 2 years with great knowledge, great expertise, and great distinction.

He adds luster and dignity and credibility in the very important field of environment to the ticket, and I look forward with great pleasure to working with him and Governor Clinton.

INTRODUCTION OF EDUCATION SAVINGS PLAN LEGISLATION

(Mr. CHANDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHANDLER. Mr. Speaker, I am introducing legislation today that will help and encourage thousands of young Americans to save money for college.

For the student who works after school in the grocery store, or during the summer on the farm, my bill makes the money they earn go farther.

My goal is to reward students who go the extra mile to earn money for college. It is not a handout, but a program that says to those students who work and save for college: "Your hard work will not go unnoticed."

Under my plan, working students could save up to $2,000 tax free, and have those savings partially matched by the Federal Government, as long as the money is used for college expenses.

Mr. Speaker, with college expenses expected to rise rapidly in the coming decade, it is vital that we begin planning now for the higher education costs of our children.

My education savings plan provides a positive incentive for children to work and save money for college, and invest in their future.

I urge my colleagues to help families plan for the future by cosponsoring the education savings plan.

□ 1030

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McNULTY). According to an agreement with both sides of the aisle, the Chair will entertain up to four more 1-minute statements from each side of the aisle.

A SAD LOSS FOR THE AMERICAN AIRCRAFT INDUSTRY

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, this morning's Wall Street Journal has a story that United Airlines has ordered as many as 100 Airbus jets valued at about $3 billion in a blow to Boeing, United's long-time jet supplier.

The carrier, United, will lease the planes from a group of financial companies that will actually buy the aircraft.

The Wall Street Journal said that for Airbus, a French-European consortium, the deal is a major victory in the European consortium's campaign for recognition in the U.S. market.

Then this morning, the Wichita Eagle, the newspaper in my hometown, says that the Boeing Co. faces the loss of $5.7 billion of its commercial aircraft orders as the world's largest airline buyer seeks to withdraw from commitments for 129 Boeing planes.

The fact of the matter is that tens of thousands of jobs in America's dominant export industry, aviation, are threatened to be lost to Airbus and other companies perhaps because of preferential financing provided by those foreign governments that our Government cannot provide, jobs in Wichita, jobs in Seattle, jobs all over the country.

Mr. Speaker, it is time that our Government fight for the interests of American aircraft workers, and today I will be asking for the Special Trade Representative, Carla Hills, to do a formal review of the financing that Airbus has provided to United Airlines in this deal to see if it violates our trade laws.

NEW CHILD POVERTY STATISTICS

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, this week new figures were released by the children's defense fund that are both disturbing and inexcusable. The figures indicate that while some people were prospering and living well during the last decade, the number of children who live in poverty actually rose in most States.

Now maybe I should consider myself and my constituents lucky because Illinois is not among the top 10 States with astronomical poverty rates. Maybe I should even consider my State fortunate because it ranks only 27th instead of 1st or 2d. But instead of feeling lucky, Mr. Speaker, I am angered.

I am angered that the number of kids living in destitute conditions increased not only in my State, but 32 others during the Reagan-Bush administration. Such statistics are a blemish—no, a cancer on the face of America.

While the White House is busy attacking social programs from past years, and repeating the same old nonsense about aiding the rich as a way to help the middle class and the needy in our country and keeping up with appointments and meetings around the globe, the children of America are sinking deeper and deeper into poverty. They are malnourished, without heat, without adequate medical care, without even the hope of a brighter future.

A BAD NOMINATION TO ELEVENTH CIRCUIT COURT OF APPEALS

(Mr. CONYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, * * * the Senate Judiciary Committee has recommended by a 10-to-4 vote the approval of the nomination of Edward Carnes to the 11th Circuit Court of Appeals.

The simple fact is that Edward Carnes is unfit to serve on the Federal bench. His executioner mentality and active support for racial discrimination with the Alabama criminal justice system and his failure to understand the concept of equal——

Mr. SENSENBRENNER. Mr. Speaker, I demand that the gentleman's words be taken down.

The SPEAKER pro tempore (Mr. McNULTY). The gentleman's reference to the Senate committee in a derogatory fashion is not permitted under the House rules, the Chair would advise the Member.

Mr. CONYERS. Mr. Speaker, if there is any impropriety——

PARLIAMENTARY INQUIRY

Mr. SENSENBRENNER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. SENSENBRENNER. Mr. Speaker, has the Chair ordered the words objected to stricken from the RECORD?

The SPEAKER pro tempore. That is what the Chair would suggest to the gentleman.

Mr. SENSENBRENNER. Mr. Speaker, I demand that the gentleman's words be taken down.

□ 1035

The SPEAKER pro tempore (Mr. McNULTY). The Clerk will report the gentleman's words.

The Clerk read as follows:

> In continuing its downhill slide, the Senate Judiciary Committee has recommended by a 10-to-4 vote approval of the nomination of Edward Carnes to the 11th Circuit Court of Appeals. The simple fact is that Edward Carnes is unfit to serve on the Federal bench. His executioner mentality and active support for racial discrimination with the Alabama criminal justice system, and his failure to understand the concept of equal * * *.

The SPEAKER pro tempore. According to Jefferson's Manual section 371, page 175, the Chair rules that critical references to the Senate or committees of the Senate are not permitted under the rules of the House.

Without objection, the Member's words will be stricken.

There was no objection.

The SPEAKER pro tempore. Without objection, the gentleman may proceed in order for his remaining time, for 15 seconds.

There was no objection.

Mr. CONYERS. Mr. Speaker, I ask unanimous consent to revise and extend my 1-minute statement.

The SPEAKER pro tempore. Without objection.

There was no objection.

Mr. CONYERS. Mr. Speaker, I wish to personally apologize to the sensibilities of the gentleman from Wisconsin [Mr. SENSENBRENNER], who apparently was offended by my reference to the Senate Judiciary Committee. But in Mr. Carnes's own testimony before the Senate Judiciary Committee Mr. Carnes admitted that as the chief of the capital litigation division of the Alabama Attorney General's office, he played the key role in an effort to protect a pattern and practice by Alabama prosecutors of using peremptory strikes to remove blacks from trial juries, in clear violation of the 1986 Supreme Court decision in Batson versus Kentucky.

Mr. Carnes is following the Clarence Thomas scenario. This administration will reward those young lawyers who demonstrate the most disregard for the rights of African-Americans, other racial minorities and women with elevation to the Federal bench.

It is no accident that Mr. Carnes' nomination comes up in the midst of the Presidential campaign. With the economy in shambles, this nomination is part of the President's new strategy to get the Southern white vote in the general election by once again, playing the crime and race card, as he did during the last general election with the Willie Horton campaign.

But Democrats are playing into the President's hands by bringing this nominee to the Senate floor for a vote. The Congressional Black Caucus and its friends plans to make this nomination a central issue at the Democratic Convention next week.

RUSSIAN JAILED FOR "SPECULATION" UNDER OLD SOVIET LAW

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKAGGS. Mr. Speaker, I welcome President Boris Yeltsin's visit to the United States last month, and commend him for his pledge to transform Russia into a country where individual rights, economic freedom, and the rule of law are honored and protected. President Yeltsin came here hoping to convince the administration, the Congress, and the American people that he is serious about reform and that, with our help, he can be successful.

I want to believe him; I believe we all want to believe him. But a case that has recently come to my attention makes me concerned about the future of economic reform in Russia.

In May, 19 of my colleagues joined me in writing to President Yeltsin about Mark Glizer, a Russian Jew, who had been incarcerated for 10 months in a Moscow jail for allegedly arranging the sale of a privately owned automobile for profit. I received word last week that Mr. Glizer has been sentenced to spend 5 years at hard labor for breaking an old Soviet law against capitalistic activities.

There are many aspects of this case and the Moscow court's decision that concern me. Mark Glizer was sentenced under a Soviet law that supposedly has been taken off the books in Russia. The so-called crime of speculation was pushed through the U.S.S.R. Supreme Soviet in October 1990, by the eventual leaders of the unsuccessful coup. However, the law was invalidated by the Charter of the Commonwealth of Independent States, which purported to abolish all laws of the former Soviet Union. Further, the action by the Russian Federation Government to eliminate the crime of speculation from the Federation criminal code clearly indicates that the Government of Russia no longer considers such acts a crime.

If this antifree enterprise Soviet law does not exist anymore according to the Yeltsin government, then how can Russian citizens still be prosecuted for its violation? For Mark Glizer, 5 years confinement will be the price for introducing a friend interested in selling his car to a prospective buyer. That is not a crime, it is an activity that occurs on a daily basis in driveways and auto dealerships around the world. President Yeltsin has promised to encourage this kind of entrepreneurship in Russia.

Now, President Yeltsin has come to America to enlist support for a major aid package under consideration by Congress. One of the central selling points being made by the Bush administration and by Mr. Yeltsin himself is that this aid is necessary to safeguard economic reform in Russia. There is also much talk of the tremendous opportunities that liberalization will provide American investors. But how can United States companies or individuals feel confident about entering the Russian marketplace when their Russian partners may be jailed for engaging in normal business activities?

Today, many of my colleagues have joined me in sending President Yeltsin another letter, asking that he answer these concerns by releasing all economic prisoners, and by guaranteeing that Russian courts will respect the rights of all citizens under the law. Good intentions will not suffice; real reform requires real action. Economic assistance can provide seed money; but without the ground of freedom, neither democracy nor market economics can take root and flourish.

LIFE IMPRISONMENT FOR EGREGIOUS RECIDIVISTS ACT

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, studies show that 6 percent of all violent offenders actually commit 70 percent of all violent crimes. So I have introduced a bill that is intended to get to the root of violent crime in America. It is called the Life Imprisonment for Egregious Recidivists Act. That is a fancy name, but the acronym is the LIFER Act, H.R. 5567.

My LIFER Act would impose a mandatory life sentence on anyone convicted of a Federal violent felony if that person has two previous violent felonies, Federal or State, on his record. The evidence is clear, these violent criminals are far gone enough to make violent crime a habit and, if so, they will keep preying on our families again and again throughout this country unless we stop them. Stop them we must. It is true our country optimistically puts great stock in rehabilitation of criminals, but even those with the highest hopes along those lines should recognize that three strikes means you're out. Three convictions, and it is sayonara. Let us make our streets safe again, pass H.R. 5567.

PERMISSION FOR OBSERVANCE OF DISTRICT OF COLUMBIA DAY ON WEDNESDAY, JULY 29, 1992, INSTEAD OF MONDAY, JULY 27, 1992

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that the District of Columbia Day be observed under clause 8, rule XXXIV, on Wednesday, July 29, of this year instead of Monday, July 27, 1992.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. BLILEY. Mr. Speaker, reserving the right to object, under my reservation I yield to the chairman of the Committee on the District of Columbia to explain his request.

Mr. DELLUMS. Mr. Speaker, I thank the gentleman from Virginia for yielding.

Mr. Speaker, I am sure the Members of the House are aware, the rules of the House permit that the second and fourth Mondays are designated as "District Days" on which our committee can bring local legislation to the floor of the House. However, we are making this request for District Day to be on Wednesday, July 29, because the House will not be in session on Monday, July 27, 1992, the fourth Monday of the month.

Mr. Speaker, at this time it would be my intention to call up four pieces of legislation on July 29. They are:

First, H.R. 2694, a bill to amend title 11, District of Columbia Code, to remove gender-specific references;

Second, H.R. 3581, a bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to eliminate congressional review of newly passed District laws, to provide the District of Columbia with autonomy over budgeting its locally raised revenues, and for other purposes;

Third, H.R. 5520, a bill to authorize to be appropriated a Federal payment to the District of Columbia of an additional $30,798,600 for crime and youth initiatives in the District of Columbia, which has already been included by the Appropriations Committee; and

Fourth, H.R. 5540, a bill to waive the congressional layover period for certain council acts authorizing the issuance of revenue bonds for nonprofit organizations.

Mr. BLILEY. Mr. Speaker, further reserving the right to object, let me say to my colleagues that not all of these bills that the chairman of the Committee on the District of Columbia intends to bring up are bipartisan and noncontroversial. This will not be a District Day where the committee is unanimously in support of all the legislation brought up and where matters can be resolved with voice votes.

The minority strongly opposes H.R. 3581, which would completely do away with the congressional review of District acts before they become law, and remove the majority of the District budget from review and approval by the Congress. This bill contains issues of the utmost importance to this House and its constitutional responsibilities under the District clause of the Constitution and its obligation to 250 million Americans who all share citizenship in our Nation's capital.

Mr. Speaker, I intend to fully debate these issues, and I urge defeat of the legislation.

Further reserving the right to object, Mr. Speaker, just yesterday the House passed a fiscal year 1993 appropriations bill for the District of Columbia. That bill included a number of important amendments addressing congressional concerns over crime and certain taxes. It would be ironic if this House were to give up legislative authority that it found frequent need to exercise by passing H.R. 3581.

Mr. Speaker, I do not intend to object to this unanimous-consent request. In fact, I support the request because I look forward to a vigorous debate and serious consideration by this House.

Mr. DELLUMS. Mr. Speaker, will the gentleman yield briefly?

Mr. BLILEY. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding further to me.

Mr. Speaker, first I would concur; at least three of the four pieces of legislation are indeed noncontroversial and will be presented to my colleagues on the floor of the House in a bipartisan fashion.

With respect to the fourth piece of legislation, the bill that will be controversial, I simply say to my colleague that I appreciate working with him, and I look forward to a vigorous discussion and debate to allow the House to work its will on that piece of legislation. I thank my colleague.

Mr. BLILEY. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1050

EXPRESSING CONTINUED SUPPORT FOR THE TAIF AGREEMENT

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 129) expressing continued support for the Taif Agreement, which brought a negotiated end to the civil war in Lebanon, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from Indiana?

Mr. GILMAN. Reserving the right to object, Mr. Speaker, I do not intend to object, but under the reservation I yield to the gentleman from Indiana [Mr. HAMILTON], the distinguished chairman of our Subcommittee on Europe and the Middle East.

Mr. HAMILTON. Mr. Speaker, I rise in support of Senate Concurrent Resolution 129, a resolution expressing continued support for the Taif Agreement, which brought a negotiated end to the civil war in Lebanon, and for other purposes.

Senate Concurrent Resolution 129 is almost identical to House Concurrent Resolution 339, introduced in the House of Representatives by our colleague from Michigan, Mr. BONIOR, and cosponsored by the gentlewoman from Ohio [Ms. OAKAR], and the gentleman from West Virginia [Mr. RAHALL]. I appreciate their leadership in working to help Lebanon and ensure that issues involving Lebanon receives proper attention and consideration in the House.

Mr. Speaker, the Taif Agreement concluded in 1989 was an important document for Lebanon. It is not a perfect agreement in the eyes of many Lebanese, but it is a compromise and it provides the best hope for that country which has endured so much pain and conflict over the last two decades. The Taif Agreement provides the basis for promoting greater reconciliation, pace, and security in Lebanon.

This resolution supports the Taif Agreement and its full implementation. The resolution stresses three points. First the resolution highlights the importance of the withdrawal of Syrian troops by the end of September 1992, from most of Lebanon and the redeployment of those Syrian troops to the Biqa Valley as a prelude to complete withdrawal from Lebanon. Second, the resolution supports the development of alternative means to ensuring security in Beirut, including a UN presence or another multinational force. Finally, the resolution urges the holding of free and fair elections in Lebanon, witnessed by international observers, and conducted after a Syrian withdrawal to the Biqa Valley.

I urge adoption of this resolution.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I am pleased to support Senate Concurrent Resolution 129, a resolution expressing continued support for the Taif Agreement, which brought a negotiated end to the 16-year civil war in Lebanon, and for other purposes.

Permit me to commend the distinguished chairman of our Europe and Middle East Subcommittee, the gentleman from Indiana [Mr. HAMILTON], as well as the distinguished majority whip, the gentleman from Michigan [Mr. BONIOR] for their efforts in providing expeditious consideration of this measure.

Mr. Speaker, as we all know, the Taif Accord brought a negotiated end to 16 years of civil war in Lebanon. The purpose of that historic agreememt was to lead to full restoration of Lebanon's sovereignty, independence, and territorial integrity. Unfortunately, Syria continues to maintain undue influence upon the Government of Lebanon and maintains over 40,000 troops in that strife-ridden nation.

Under the Taif Agreement those troops must be redeployed to the gateway of the Bakaa Valley by September 1992. This is the only possible way to ensure free and fair elections in Lebanon.

This resolution calls upon Syria to live up to its responsibilities, as articulated in the Taif Agreement and urges the consideration of alternatives to ensuring Lebanese security, such as a United Nations, or other multinational means to guarantee an end to the violence that has plagued Lebanon for far too long. In addition, it calls for free and fair elections to be held in the presence of international observers.

Mr. Speaker, this is an appropriate, timely measure and accordingly, I urge its unanimous adoption.

Mr. BONIOR. Mr. Speaker, I am pleased to join my colleagues, LEE HAMILTON and BEN GILMAN, in bringing this resolution to the House floor. I'd like to thank the Foreign Affairs Committee for acting so expeditiously.

Lebanon is emerging from years of terrible civil war and foreign intervention. The world must stand together with the people of Lebanon as they struggle to rebuild their country and restore their sovereignty. The Taif Agreement, which ended the bloodshed, must now help Lebanon to full independence.

Under the Taif Agreement, Syria is scheduled to withdraw its armed forces to the Bekaa Valley in September. The resolution before us today calls upon Syria to honor the terms of the agreement.

This will allow truly free and fair elections to take place without outside interference. It is my sincere hope that soon, all foreign forces will be removed from Lebanon, and true sovereignty will be achieved. I urge my colleagues to support passage of this resolution to express our support for a free and independent Lebanon.

Mr. BROOMFIELD. Mr. Speaker, I want to salute my colleagues on the Foreign Affairs Committee, Chairman FASCELL and Congressman HAMILTON, for expeditiously bringing this resolution to the floor. Also to be commended are Senators MITCHELL and DOLE for their work in crafting this important resolution.

Senate Concurrent Resolution 129 is an important resolution which supports the Taif Agreement and calls for further steps in bringing a lasting peace to Lebanon.

Since 1975, when civil war caused widespread destruction and paralyzed Lebanon, we have witnessed the terrible agony of the millions who were forced to flee. In recent years, progress has been made to stop the fighting, expand the authorities of the Government, and fulfill the promises of the Taif Agreement.

Before further progress can be achieved, however, major decisions have to be made by the Government of Syria if Damascus is truly committed to peace. Lebanon can never truly be sovereign if Syria continues to maintain 40,000 troops there. Free elections cannot be held in areas of foreign military control. In a sense, the ball is in Syria's court, and I hope that the Syrian military will withdraw their forces to the Bekaa Valley by September—in keeping with the Taif accords.

Resolving the longstanding Lebanon crisis will also contribute to the Middle East peace process and will clearly show that disputes can never be resolved through the barrel of a gun, but only through the process of negotiations.

I know that the Lebanese-American community has been saddened by the terrible devastation of their motherland. I share their deep concerns and hope that peace and stability can return to that long-suffering nation.

I urge my colleagues to join me in supporting this timely resolution.

Mr. RAHALL. Mr. Speaker, I rise in support of Senate Concurrent Resolution 129, as passed by the Senate. I appreciate my colleague, Representative LEE HAMILTON, for his seeking unanimous consent to bring this resolution up and to urge its adoption today. I am a cosponsor of the House companion resolution, House Concurrent Resolution 339, which was introduced by Representative DAVID BONIOR, and which is cosponsored by the gentleman from Indiana [Mr. HAMILTON], and others.

Mr. Speaker, the resolution calls for free and fair democratic elections in Lebanon.

On October 22, 1989, the Arab League brokered what is known as the Taif Agreement, ending Lebanon's 16-year civil war. The Taif Agreement is intended to lead to the full restoration of Lebanon's sovereignty, independence, and territorial integrity.

While Syria did assist in restoring peace in Lebanon, that country still continues to exert significant and perhaps inappropriate influence upon the Government of Lebanon. It does so in many ways, but none more effective than keeping an estimated 40,000 Syrian troops there—a presence not easy to ignore, and one that does not lead to a true sense of independence, much less than Lebanon has been or soon will be recognized as a sovereign nation.

Under the Taif Agreement, Mr. Speaker, it was clearly understood that Syria would withdraw its troops to the gateway of Bekaa Valley by September 1992, and the success of any reforms under the agreement, and particularly the scheduling of timely, free, and democratic elections, depends solely upon that withdrawal.

It stands to reason that truly free and fair elections in Lebanon cannot take place in areas of foreign military control, such as that reflected by the presence of Syria's 40,000-strong troop deployment.

It has been broadcast about, in the print media and in other forums, that Syria remains in Lebanon, and expects to remain in Lebanon, until after elections are held, and that Syria's remaining in Lebanon until then has been decided based on a request from Lebanon's Government. This is not true, and should not be accepted by the United States Government, but seen for what it is—Syria's continued intent to remain in Lebanon for purposes of influencing the outcome of those elections—in direct contravention of the Taif Agreement.

After 16 years in which Lebanon was bowed down by civil strife, its economic circumstances deteriorated in the extreme. Those 16 years saw the Lebanon pound plunge to unprecedented levels against the dollar, yet it managed to honor its financial dues and obligations on loans from the United States and other international organizations.

Lebanon has no debts in arrears with the IMF or the World Bank with which it has had dealings since 1955. Lebanon has paid in full its foreign military sales loans to the United States. Lebanon has honored and continues to honor its housing loans from AID, and will have paid all installments in full by the year 2000.

Lebanon, Mr. Speaker, is not a beggar nation, but a proud one. Lebanon is not seeking extraordinary economic assistance from the United States, unlike some in the region.

With its history of honoring its debts to others while being shackled by the economic straitjacket brought about by a protracted civil strife, a situation greatly exacerbated since 1985 by economic sanctions imposed by our own Government and which remain in place today, and in doing so causing Lebanon's social and human suffering to continue—it is within all reasonable expectations for Lebanon to hope that the United States Government will call upon Syria to withdraw its presence there, as agreed to under the Taif Agreement, so that free and fair elections can be scheduled expeditiously.

Mr. Speaker, I call upon the Congress to express its continuing support for the Taif Agreement, signed in 1989, and to call for Syria's withdrawal of its troops to the gateway of the Bekaa Valley not later than September 1992 as required by that agreement.

I further call upon my colleagues to urge the Arab League to consider immediately the possible alternatives to ensuring security in Beirut following the Syrian departure, including the establishment of an Arab League presence in Beirut if necessary.

I call upon the Congress to urge the Government of Lebanon to hold elections only if they can be free and fair, conducted without outside interference and witnessed by international observers.

For Lebanon to attempt to reform its election processes and to hold those elections as agreed to under Taif, the Syrian presence must be removed. To do otherwise, or even seem to support a theory that first elections be held as a condition for Syria's withdrawal, is counterproductive in the extreme, and most assuredly there is little that would be free and fair about elections held under those circumstances.

I call upon Congress to urge Lebanon's Government to delay scheduling of its elections until Syria's withdrawal, even as difficult as it might be to take a position against elections there, because it has now become a question of timing and a question of control over those elections, which must be left in the hands of only Lebanon—not her occupiers.

Mr. Speaker, as we continue in our quest for peace in the Middle East, it is well to recognize that Lebanon has a huge stake in the outcome of the peace talks now going forward. So does Syria. Free and fair elections, duly held under the Taif Agreement, are widely viewed as one of the key steps in the overall peace process. Hopefully, the peace talks will produce a real peace and freedom in Lebanon as well.

As Americans, we recognize fully that truly free and democratic elections require freedom of speech and assembly, freedom of political expression and party affiliation, freedom for candidates to come forward without fear and campaign, and that they have unimpeded access to print and broadcast media, freedom of movement, and, above all, guarantees of their physical security.

It is understandable that the people of Lebanon would be more at ease and more assured of those guarantees if Syria withdraws in strict accordance with terms agreed to under the Taif.

Lebanon expects nothing more, and nothing less.

I strongly support the resolution calling for free and fair elections in Lebanon, and I urge its adoption.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 129

Whereas Lebanon's sixteen-year civil war finally was ended by the Taif Agreement, brokered by the Arab League on October 22, 1989;

Whereas the Taif Agreement is intended to lead to full restoration of Lebanon's sovereignty, independence, and territorial integrity;

Whereas Syria continues to exert undue influence upon the government of Lebanon and maintains an estimated 40,000 Syrian armed forces in Lebanon;

Whereas truly free and fair elections in Lebanon will not be possible in areas of foreign military control;

Whereas under the Taif Agreement the Syrians must withdraw their armed forces to the gateway of the Bekaa Valley by September 1992; and

Whereas the success of the Taif Agreement depends upon timely Syrian withdrawal: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring)—

(1) expresses continuing support for the Taif Agreement, signed in 1989;

(2) calls upon Syria to withdraw its armed forces to the gateway of the Bekaa Valley in September 1992, as required under the Taif Agreement, and as a prelude to complete withdrawal from Lebanon;

(3) urges immediate consideration of possible alternatives to ensuring security in Beirut following the Syrian withdrawal, including the establishment of a United Nations or other multilateral presence in Beirut, if necessary; and

(4) urges the government of Lebanon to hold elections if they can be free and fair, conducted after the Syrian withdrawal and without outside interference, and witnessed by international observers.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that all Members may have 7 legislative days to revise and extend their remarks on Senate Concurrent Resolution 129, the Senate concurrent resolution just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 5518, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Mr. GORDON Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 513 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 513

Resolved, That during consideration of the bill (H.R. 5518) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes, all points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived except as follows: beginning with "*Provided*" on page 4, line 24, through page 5, line 2; beginning on page 63, line 20, through page 64, line 24; and beginning on page 67, line 4, through line 16. Where points of order are waived against only part of a paragraph, a point of order against matter in the balance of the paragraph may be applied only within the balance of the paragraph and not against the entire paragraph. Unless otherwise specified in the report of the Committee on Rules accompanying this resolution, debate on each amendment to title I or title II of the bill, and any amendments thereto, shall be limited to twenty minutes. It shall be in order to consider the amendment printed in the report of the Committee on Rules accompanying this resolution. Each amendment printed in the report may be offered only by the named proponent or a designee, shall be considered as read when offered, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against amendments printed in the report are waived. The amendments specified in the report to be offered by Representative Oberstar of Minnesota or his designee may be considered en bloc. The amendments specified in the report to be offered by Representative Obey of Wisconsin or his designee may be considered en bloc. The chairman of the Committee of the Whole may recognize for the consideration of the amendments printed in part 1 of the report at any time, but not sooner than one hour after the chairman of the Committee on Appropriations announces from the floor a request to the effect. The amendments printed in part 1 of the report shall be considered in the order printed. If both of the amendments numbered 1 and 2 in part 1 of the report are adopted, then only the second to be adopted shall be considered as finally adopted and reported to the House.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. GORDON] is recognized for 1 hour.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. MCEWEN], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. GORDON. Mr. Speaker, House Resolution 513 waives all points of order against provisions of the bill for failure to comply with clauses 2 and 6 or rule XXI with three exceptions.

If a point of order is made against a partially protected paragraph, the point of order will apply only to that portion of the paragraph which is unprotected.

While this resolution does not limit amendments, debate on each amendment to title I and II of the bill, and each amendment to an amendment, is limited to 20 minutes.

All amendments printed in the report which accompanies this rule shall be considered as read and are debatable for the time specified in the report which is to be equally divided between the proponent and an opponent. The amendments printed in the report are not subject to amendment, and are not subject to a demand for a division of the question in the House or in the Committee of the Whole. All points of order are waived against the amendments printed in the report.

The amendments printed in the report which are to be offered by Representative OBERSTAR of Minnesota and Representative OBEY of Wisconsin or their designees shall be considered en bloc. The Michel and Obey amendments are debatable for 60 minutes each.

The amendments in part 1 of the report—the Michel, Obey, and Tauzin amendments—will be considered in the order in which they are printed in the report, and will be considered no sooner than 1 hour after the floor manager announces the House his intention to consider such amendments.

Finally, if both of the amendments numbered 1 and 2 in part 1 of the report are adopted, then only the second to be adopted will be considered as adopted and reported to the House.

Mr. Speaker, the chairman and members of the Transportation Appropriations Subcommittee and their staff should be commended for bringing this comprehensive bill to the floor. In considering this bill, the subcommittee received testimony from hundreds of witnesses which is contained in over 8 published volumes totally over 8,300 pages.

Each year Chairman LEHMAN and his subcommittee have the task of producing a bill which maintains the current transportation system and provides for new technologies which will make our Nation's transportation system intermodal, efficient and cost effective. This year, all of this had to be achieved with a much tighter budget.

Before I yield to my friend from Ohio, Mr. MCEWEN, I would like to acknowledge the chairman, BILL LEHMAN, and ranking Republican on the subcommittee, Mr. COUGHLIN. Both men will be retiring at the end of this Congress. They both will undoubtedly be missed and have led their committee well.

I would also like to express my sincere thanks and gratitude to BILL LEHMAN. His friendship and advice have been important to me, and I want him to know how much I appreciate both.

□ 1100

Mr. MCEWEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is a pleasure to rise and join the gentleman from Tennessee [Mr. GORDON] in support of this rule.

House Resolution 513 is an open rule that will permit the House to consider the Fiscal Year 1993 Transportation Appropriation Act in a fair and open manner.

I would like to recognize the fine work of the chairman of the Rules Committee, Mr. MOAKLEY, and the distinguished ranking member from New York, Mr. SOLOMON, for their fine work in crafting this rule that respects the rights of the members of the House, and permits us to effectively address the many important issues encompassed by this appropriation measure.

As the gentleman from Tennessee has described, following general debate, the bill will be open to amendment. Points of order are waived against six amendment which are printed in the report, including the Obey amendment to bring down the budget firewalls, and the amendment of the minority leader, Mr. MICHEL, to reaffirm our commitment to deficit reduction.

The rule waives clause 2, rule XXI against provisions of the bill, except for three sections—one dealing with the Office of Commercial Space Transportation, section 328 continuing the Collegiate Training Initiative Program, and section 338 reducing random drug testing.

Mr. Speaker, I am pleased that this rule does not restrict the essential right of the Republicans to offer a motion to recommit with instructions. The rule also permits the minority leader to offer his responsible alternative to tearing down the spending firewalls. Finally, motions to strike funding from this appropriations bill are not restricted by the rule.

Again, I thank the chairman and ranking member of the Rules Committee for their fine work.

This Transportation appropriations bill is one of the most important measures that we deal with each year. Our national infrastructure, especially our transportation network, lies at the very heart of our economic and international competitiveness.

The chairman and ranking member of the Appropriations Subcommittee on Transportation have each served with tremendous distinction in this body. We will greatly miss Chairman LEHMAN and Mr. COUGHLIN, who have decided that they will return to Florida and Pennsylvania respectively.

They have always worked exceptionally hard in bringing excellent pieces of legislation before us to effectively meet the needs of our Nation. They have consistently exercised fiscal responsibility, working within their budget allocations, and prioritizing as best they could. They have not only protected our interests, but those of our children and grandchildren, who will inherit the national infrastructure we build.

Chairman LEHMAN and ranking member COUGHLIN have always been exceedingly fair, and we will miss you both greatly next year.

H.R. 5518 appropriates $13.036 billion for transportation purposes, within the 602(b) budget allocation. This represents a decline of 8.8 percent from last year's appropriations, is a mere .6 percent more than requested by the President.

I do regret that one of the most important accounts within this bill, highway spending, is $1.2 billion below the 1992. Highways remain the primary arteries of our great Nation. Highway spending of $14.4 billion is $3 billion below authorization and $2 billion below the request.

Mr. Speaker, there is likely to be an amendment offered to this bill to eliminate the budget firewalls that were established in the 1990 budget deal to establish spending ceilings for domestic, defense, and foreign assistance spending. The amendment will take savings that we recently achieved in the foreign aid appropriation, and shift it to transportation programs.

Yes; this sounds appealing. For many years, I have been a strong advocate of using the highway and airport trust funds for their intended purposes—to improve infrastructure. It can and should be done. I have always supported full funding for infrastructure improvement.

However, we should not need to use transportation as an excuse to eliminate the last vestige of fiscal responsibility that the 1990 budget agreement established.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. McEWEN. I am pleased to yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Speaker, I thank my friend for yielding.

The gentleman referred to eliminating the firewalls. I would ask the gentleman, would it not be more accurate to say that the Obey amendment does not eliminate the firewalls; rather, it opens and closes the door to permit one specific amendment to be dealt with in this House? Once that is dealt with, the firewalls are back up and just as firm as they always have been, and if anybody tries to do something else to take down the firewalls, it would require a fight on this floor to accomplish that.

So I would respectfully suggest to my friend that the Obey amendment does not eliminate the firewalls. The firewalls will still be in place. It does in the meantime open the door and then closes the door just as quickly and just as firmly.

Mr. Speaker, does the gentleman not agree with me?

Mr. McEWEN. Mr. Speaker, the gentleman is absolutely correct.

Mr. SHUSTER. I thank the gentleman.

Mr. McEWEN. It lets the cow out of the barn, and then it closes the door behind the cow.

Mr. SHUSTER. And it keeps all the other cows in the barn so they cannot get out. But, of course, if the gentleman is against highway spending, I find it rather inconsistent that my good friend would start his speech out by saying we are not spending enough money on highways and in fact refer to the President and Mr. Darman, by the way, who sent a letter up here complaining that the Transportation Appropriation Bill does not spend enough money on transportation, and then we try to correct that by taking money away from foreign aid and spending it on America's infrastructure, and we find people with a Pavlovian response opposed to it. I think that is inconsistent, I would say to my good friend.

Mr. McEWEN. Mr. Speaker, I thank the gentleman, and I am more than willing to yield because he makes his point so well, and the question, very simply, is this:

In October 1990, Mr. Darman and Mr. Brady led the President into the slaughter in which he made a deal with this side of the aisle which said this: "Mr. President, you said that if the Congress pushed you would say no, and if the Congress pushed for more taxes, you would say no, and then when the Congress pushed again, you would say, 'Read my lips, no new taxes.'"

So Mr. Darman and Mr. Brady and the leadership of the other side of the aisle came with this marvelous package that said this: "Mr. President, your goal and desire is to keep the Government out of the borrowing market, to leave money out in the marketplace to buy homes, and to buy automobiles, and to buy refrigerators, and to decrease the deficit. So we have a deal with you, Mr. President. If you will just go back on your commitment for no new taxes, if you will just allow this to be crammed down your throat and you will swallow this pill of no new taxes, we have got a great deal for you. Here is what we will do, Mr. President: You are committed to two things: You are committed to standing for freedom and democracy internationally, and you are committed to keeping America free in the area of defense, and, of course, we want to spend unlimited amounts of money on domestic ideas. So here is what we will do: We will categorize those in three specific areas, and, Mr. President, we will put what we will call caps—they are not floors; they will be ceilings—we will put ceilings on defense spending, and we will put ceilings on domestic spending, and we will put ceilings on foreign aid. And, Mr. President, if you will allow those taxes to go through, then any savings that take place in defense, we guarantee you, because we are committed to cutting defense as rapidly as possible, that anybody that has got a career in the Army, the Navy, or the Air Force, we are committed to throwing them out on the street as fast as we can get there, as well as we can cancel any programs.

"And so, Mr. President, any savings we make in defense, we promise not to squander that in some domestic spending. We give our word that we will build a firewall between those two ideas, and, therefore, anything that is saved in defense will go to the taxpayer, it will go to reduce the deficit, and it will go to reduce the borrowing, and, Mr. President, we also know you are committed to standing for freedom and democracy around the world, and we know you have reduced over the last few years significantly the percentage of money going to aid those causes, but if there is any savings also in aid to Israel or any other area, that any savings there also will not be squandered on some inner-city program that has proven to be wasteful. We guarantee you that that savings will go directly to the taxpayer and to the deficit, and for that commitment we will establish these firewalls."

Now, this year, 2 years later, there are some—and I will say to my good friend, the gentleman from Pennsylvania, that he is just like me, he has been here long enough to know that they "ain't going to honor that commitment." As soon as they get the taxes——

Mr. SHUSTER. Mr. Speaker, will the gentleman yield? The gentleman referred to me.

Mr. McEWEN. I am trying to respond to the gentleman.

We knew that once they got their taxes, they were going to go whole hog, and that commitment and that promise, that promise that they would allow those savings to go to the taxpayer, once they got those taxes in 1990, come 1992, come July 1992, they were going to take that money and they were going to cut defense and they were going to leapfrog and open the door and let that savings not go to the taxpayer but allow to go to domestic spending. And then on foreign aid, with the bill we just passed last week in which we saved at least $800 million, rather than allowing it to go to the taxpayer, we are going to open the door and allow it to go to domestic spending.

□ 1110

Of course, it would not go to inner city spending, it would go for some very noble cause. And what is the most noble cause? The gentleman knows that my commitment has always been as to what Government can and should do, and that is for infrastructure. It is to do the things that people cannot do for themselves. It is to build highways, bridges, and that sort of thing. So they will do it for a very noble cause, and they will do what? They will refuse to abide by the commitment and the word which they gave.

We said, you said, I said, we all said, that, guaranteed in 1990, they are going to come back in 2 years, and that is exactly what they will do, and that is exactly what they are trying to do at this moment.

Mr. SHUSTER. Mr. Speaker, if the gentleman will yield further, I think I hear the gentleman from Ohio [Mr. McEWEN] saying that the noblest of causes is building America's infrastructure, but today the gentleman is standing here opposing our doing that.

Mr. McEWEN. Mr. Speaker, reclaiming my time, the gentleman from Pennsylvania [Mr. SHUSTER] knows that is not what I said. I did not say I oppose infrastructure at all. I just say that you should abide by your word. Having already snookered the American people, now the gentleman should abide by it.

Mr. SHUSTER. Mr. Speaker, is the gentleman from Ohio [Mr. McEWEN] for the so-called budget summit that passed 2 years ago?

Mr. McEWEN. Absolutely not.

Mr. SHUSTER. The gentleman voted against it, and I voted against it.

Mr. McEWEN. Absolutely, because we know this would happen.

Mr. SHUSTER. So why should we today support what was a bad deal then and is a bad deal today?

Mr. McEWEN. Mr. Speaker, the reason we support it now is because the American taxpayer every April 15 has to pay for that mistake, and I am going to make sure that any savings that take place goes back in their pocket and not to increase spending, which was part of the deal that we knew would not be honored when the time came.

Well, Mr. Speaker, we will have ample time to get into all of this. I support this rule, and urge Members to join with me and the gentleman from Tennessee in support of its passage. I look forward to thoughtful consideration of the Transportation bill, and I again commend Mr. LEHMAN and Mr. COUGHLIN for their work. They have left a lasting bright mark on this House.

Mr. Speaker, I reserve the balance of my time.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 5 minutes to my friend, the gentleman from Michigan [Mr. CARR].

Mr. CARR. Mr. Speaker, I thank the gentleman for yielding. I want to thank the gentleman for his leadership in the Committee on Rules and all members on the Committee on Rules, on both sides of the aisle, for giving us this rule.

Mr. Speaker, I rise in support of the rule. I only want to rise right now to take a very small exception to the rule, and it is probably the fault of some of us who should have gotten to the Committee on Rules and made a more forceful explanation of why we thought one particular section should have been protected from a point of order.

Mr. Speaker, I am referring to that section of the bill, section 332, for which the point of order was lodged essentially by the gentleman from Minnesota [Mr. OBERSTAR]. The Committee on Rules enables the gentleman to come to the floor with an amendment. We are going to be debating that amendment. I am not going to take the time on the rule right now to debate the merits of that amendment. All I want to say, however, is that we ought to correct something in the authorization statute that has a dire consequence for the appropriations of money for our Federal Government.

In that particular section, in the wake of the Pan Am 103 disaster, the authorization committee, in its wisdom, included a section which would require background criminal checks and fingerprinting of all airline employees. That is 500,000 employees throughout the United States.

Mr. Speaker, anyone who knows anything about criminal background checks and fingerprinting knows that the value of work that would have to be done to fingerprint and do criminal background checks on all 500,000 airline employees, from CEO's down to ramp and maintenance personnel, knows that the Federal Government right now does not have the staffing capable of doing those background checks.

While the authorization bill did say that the Government's work in background checks and fingerprinting would be reimbursed by the airlines, we know that there is no way that it would be totally reimbursed. So speaking not just for the Transportation Appropriations Subcommittee, but the other subcommittees on which I serve, the Subcommittee on Commerce, Justice, State Department, and the Judiciary, we simply in these tight budget times do not have the money to ramp up the sections in both FAA and the FBI that would be necessary to engage in such a massive, massive check of people and fingerprinting.

Mr. Speaker, with that sole exception, I rise in support of the rule and recommend its adoption.

Mr. McEWEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. COUGHLIN], the ranking member of the Subcommittee on Transportation.

Mr. COUGHLIN. Mr. Speaker, the bill the Subcommittee on Transportation is bringing before us today is basically a good bill. It is not everything all of us might want. It is not everything that I might want. It is a tough bill because we are under spending restraints because of the budget deficit that we have. Not every program that I would like to see funded was funded at the level that I would like to have seen.

Mr. Speaker, it is a good bill, but I am going to vote against the rule and I urge my colleagues to vote against the rule because an amendment has been allowed, the Obey amendment, which is yet another example of the chicanery that we used to get around our own self-imposed limits on spending and the deficit.

Mr. Speaker, all of us would like to spend more money on our transportation infrastructure, as well as many other well-meaning programs. But we have a problem. We have a problem of a deficit that is eating us alive.

The Obey amendment would transfer $400 million in foreign aid outlays to transportation projects and this is a clear violation of the 1990 budget agreement, the law that we passed to help control deficit spending. This contravenes the law which says any savings in the foreign aid category will be applied to reducing the deficit, not to other spending programs.

In addition, the $400 million in outlays transferred by the Obey amendment will result in some $2.6 billion in increased budget and obligation authority, further exacerbating the deficit in future years.

Mr. Speaker, the tight spending limits in the appropriations bill are not the result of a dispute over favorite programs between the authorizing and appropriations committees. They result from tight budget allocations necessary to restrain the deficit.

Regardless of the worthiness of the spending programs, we should not scrap the firewalls which provide the only hope of using funds saved from defense and foreign aid to reduce the deficit rather than provide new spending.

Mr. Speaker, I do not understand how any Member can say they give a hoot about the deficit if they vote for the Obey amendment. I am going to say this again and again as we go through this today. This is a travesty on the budget process if we vote for the Obey amendment.

Do we not have one ounce of courage to resist the siren call of more spending? Not one ounce?

Do we not have one shred of shame over the deficit we are leaving for our children? Not one shred?

Do we not have one iota of honor for the agreements we have made to control the budget deficit?

If we have one ounce of courage, if we have one shred of shame, if we have one iota of honor, then we have to vote against the Obey amendment, and I hope we will vote against the rule as well that permits that amendment.

Mr. GORDON. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would simply like to respond to the gentleman from Pennsylvania [Mr. COUGHLIN] by saying this: The Obey amendment which I will offer today is very, very simple. It simply says that we will take $400 million in outlays which my committee last week cut out of foreign aid, and instead use it to fund high priority job creation programs in our own country by accelerating construction for highways and accelerating construction for transit.

This amendment has absolutely no effect on the deficit. It is a red herring to pretend that if this money is not used here, that it will be somehow applied to the deficit.

First of all, CBO will not score it that way. Second, OMB will not score it that way.

□ 1120

I know, because last year I cut $135 million out of the foreign aid bill and I tried to apply it to the deficit, and CBO said, "Sorry, fellows, nice try but it does not work, because this money is still available for expenditure for other programs."

Where is the money going to be spent if it is not used here for job creation on our transportation programs? The Senate is set, the administration is set, to wipe out the $1.3 billion in cuts which we made last week in foreign aid and put that money right back into the foreign aid bill. They want more military aid for Turkey, they want more military aid for Greece, they want more military aid for Portugal, they want more military aid for our NATO allies, they want at least $1.3 billion in additional spending.

We eliminated the free lunch for our NATO allies by saying, "No more are you going to get give-away military assistance for Uncle Sam." We saved that money.

The fact is, despite the fact that the Michel amendment which will be offered will pretend that that money will be dedicated for deficit reduction, under the budget rules it cannot be done that way. You know that as well as I do. We were told that last year by CBO and OMB, who are the official scorekeepers. We have no control over that.

The second point I want to make is that I have insisted that this amendment be kept clean. There is not one project in this amendment. There is not 1 ounce of pork in this amendment. However the money is spent, it will be spent in accordance with the authorization bill of last year, and we have insisted, despite numerous efforts, that we keep all pork out of the amendment, so the issue is very simple. If you want to leave this money available for the other body to glom onto to restore foreign aid, vote against the Obey amendment. If you want to dedicate it to job creation here at home, vote for it.

Mr. MCEWEN. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. BROOMFIELD], the distinguished ranking member of the Committee on Foreign Affairs.

Mr. BROOMFIELD. Mr. Speaker, I oppose this rule because it makes in order an amendment to take unused budget authority and spend it on transportation. Based upon action already taken in the House, it is clear that this measure will add to the deficit.

Let there be no mistake about it—this amendment is not going to cut one cent from the foreign aid. The foreign aid spending level was decided last week in an appropriations bill.

What this amendment will do is force the U.S. Treasury to borrow more money from foreign banks to pay our bills.

One month ago we debated, voted, and were defeated on a balanced budget amendment to the Constitution. It is a grave matter to amend the Constitution, yet many of us felt it was this Nation's only hope for fiscal responsibility.

We moved that legislation forward knowing that it was the last desperate step that we could take.

There were several arguments against this measure—many by the supporters of the Obey amendment. They said the President's budget is not balanced. They said that Congress can balance the budget without an amendment to the Constitution.

In the course of the debate one Member stated that the balanced budget amendment would add to the confusion, add to the frustration, and add to the public cynicism. The result, it was said, would be less faith by the American people in the system.

Well, here we are—just 1 month after defeating the balanced budget amendment—and to nobody's surprise, we are busting the budget. I hope the American people are taking note.

In 1990 Congress and the President negotiated a painful but necessary budget agreement to protect ourselves from measures such as this. At that time the President was widely criticized, especially from my side of the aisle, for raising taxes in exchange for limits on spending. Today we and the American people have the opportunity to see the proof of the President's leadership and the failure of the Congress.

The Congress must live by its agreements. We must balance the budget. I urge my colleagues to vote no on the rule, and no on the Obey amendment.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 1 additional minute to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I have a great deal of respect and affection for the gentleman who just spoke, but I would respectfully urge him to read the amendment. If he reads the amendment, he will see that it cannot add one cent to the deficit. I read subsection (c):

> The Congress reaffirms that the deficit reduction assigned to the Committees on Appropriations in the 1993 Concurrent Budget Resolution (H. Con. Res. 287) shall be achieved. The total of the first four domestic discretionary appropriations bills passed by the House is $154 million below their outlay targets. Additional savings are expected to be made from the six remaining non-defense bills. The Congress intends and commits that the final appropriations bills for fiscal year 1993 sent to the President will fully comply with their existing deficit reduction target.

That is the language of the amendment. It makes quite clear the budget resolution spending limits are not changed one dime. We will fully comply with them. We are required to do so by the language of the amendment, so there is no legal way that any dime can be added to the deficit. I repeat, there is no way under this amendment that any dime can be added to the deficit.

Mr. GORDON. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. Mr. Speaker, I would ask the gentleman from Wisconsin [Mr. OBEY], is it not true that if his amendment passes we will be reducing spending out of the general fund and will be spending a like amount of money out of the highway trust fund?

So we are not simply talking here, and the gentleman makes an excellent point, we are not talking about increasing deficit spending. It is beyond that. We are talking about reducing general fund spending and spending the money, a like amount, out of the trust fund, which has enormous multibillion-dollar balances.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, that is the important point. I want to read from the administration's letter to show the Members what will happen to this money if we do not pass this amendment. The administration's letter to the Congress last week reads as follows on foreign aid:

> The administration hopes that the bill will move forward through the legislative process so that necessary changes can be made to gain administration support for final passage.

Among the changes they list is the restoration of the $1.2 billion in cuts which we made last week, and a restoration of the $800 million in free military aid which we ended in that bill last week.

Mr. McEWEN. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, this is a rule where it is everything that is wrong with politics and politicians in the view of the American people. We often as politicians lament the fact that we are not trusted. This rule represents one of the reasons why we are not trusted. We cover up what we are doing with a lot of gobbledygook on the floor, trying to convince people that what we are doing is not what we are doing, and what we are not doing is what we are doing. It just makes absolutely no sense and it is the reason why people are just absolutely disgusted with what they see here.

Last week when the Committee on Rules was on the floor with appropriations bills attempting to keep the minority from even offering amendments on bills, I said that I thought that they were behaving like Nazis and they were behaving like Bolsheviks and they were behaving like slaverunners and so on. I apologized for those remarks because I have decided here that I was wrong. That is not the problem. The problem is that the Democratic leadership and the Committee on Rules that they control are so weak and pathetic that they cannot stand up for honor and they cannot stand up for law.

The fact is that we are operating here under an agreement that was made with the President of the United States back in 1990.

□ 1130

The President of the United States has suffered a good deal politically both in the primary season and throughout this political year for having broken his word, and it is received by the American people as he having said, "No new taxes," and then going back on it. And the Democrats are delighted with the fact that the President is suffering that way, and in fact have even had the gall to use it against him in a couple of instances.

And do the Democrats want to suffer at all for that? No. Whenever the deal, whenever the question of honor comes up for them they simply change it. There is no honor. We are not to be trusted. Everything you said in that agreement is being broken right here in this rule.

What we are saying here is that there is no law which is enforceable because it can be done away with by the Rules Committee in the House of Representatives. There is no word of honor that is too sacred to break, and we can break it with any rule we want to pass in the House of Representatives.

That is just wrong, and we have got to do something better than what we are doing here.

Now I am not talking about the appropriations process. I will say to the gentleman from Florida [Mr. LEHMAN] for whom I have the deepest respect and affection, and for my friend, the gentleman from Pennsylvania [Mr. COUGHLIN] they have tried their best to bring a bill to the floor which works within the limits that they were given, and I think that they have done on the whole a pretty good job. And I thank them for the work that they did.

What we have here though is a case where a subcommittee chairman who just a week or so ago did not want any amendments to his bill brought to the floor, now comes back with an amendment to their bill which totally breaks the agreement that was made with the President of the United States. I just do not understand why the Rules Committee cannot stand up for what their leadership had told us they would do just a matter of a few months ago. Why can you not at least have the guts to stand up for real deficit reduction and for the budget process? But that is not happening.

And then to hear that there is no pork in this, that there are no projects and so on. Let me tell you what the Members are being told. The Members are being told that unless you vote for the Obey amendment there probably will not be enough money available to do your project that you got in the authorization bill last year. So to suggest that this is going to follow the authorization process, oh, yes, it may. But the fact is that what the Members are being individually told is you probably have to vote for this in order to get your project that was in last year's authorization bill.

Now do not tell me what is going on here. Once again we weasel a word, we use gobbledy-gook. It is a shame we are breaking out past the budget agreement. This rule should be defeated, the previous question should be defeated, and obviously the Obey amendment should be defeated.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McNULTY). Members are reminded to refrain from characterizing the actions or motivations of other Members of the House.

Mr. GORDON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I find it a great irony that the gentleman from Pennsylvania, who comes to this floor almost daily ranting and raving about having the opportunity to debate more, to open up issues to discuss, now comes today and says no, please, let us not talk about some element of this bill. No, cut off debate. No, we cannot talk about that. We cannot talk about a bill that I voted against a few years ago, a great irony indeed.

Mr. McEWEN. Mr. Speaker, I yield 1 additional minute to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for his remarks a minute ago. This gentleman does believe that we ought to have wide-ranging debate in the House. But this gentleman also believes that we have an obligation to the rules that you adopt. I do not vote for the rules; you do.

And the point is that what you are doing is doing an end run around your own rules process, an end run about the law, and an end run around the word given by your leadership to the President of the United States.

Now I think that those questions of honor ought also to be addressed, and I do come out here. I think we ought to have a very open debate, and the fact is the Obey amendment would not be eligible under the regular processes of the House, an open rule. If you had brought us just a simple open rule to the floor, we could have had the broadest-ranging debate on what the gentleman from Florida and the gentleman from Pennsylvania are bringing us. But no, you crafted a rule that goes even further than that, that breaks your honor, that breaks your word, that breaks your law, and breaks your own rules, and that is wrong.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded not to characterize the actions or motivations of other Members of the House.

Mr. GORDON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again the gentleman from Pennsylvania gets it wrong. The Rules Committee does not set the rules for this House, this House does, this body will set the rules with the majority vote which we will soon have. Once again the gentleman is wrong.

Once again the gentleman shows that he defines an open debate as a debate on matters that he wants to discuss, not that the House wants to discuss. So, once again we see that he is wrong.

Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I long for the day when I hear the gentleman from Pennsylvania offer a contribution to the debate of this House which elevates the debate rather than doing something else with it.

But I simply want to say that when someone suggests that it is an offense of honor for Members of Congress to want to reduce spending in foreign countries and use that to create jobs here at home, I find that definition of honor to be quaint indeed.

The fact is that this amendment is very simple. It simply says let us bring a little bit of the money home that we are spending abroad and use it to respond to our own economic problems.

Last week we were told that we had added another 150,000 people to the unemployment rolls in this country. This institution has an obligation to do something other than to offer incense to a budget agreement that was designed 2 years ago before this country's economy went into the toilet.

It is about time that we recognize that the economy has changed, that our requirements have changed, and we need to change with them.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I am glad to yield 30 seconds to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Speaker, I just want to respond to the gentleman from Wisconsin and say that what we are concerned about is honoring the budget agreement. This does not honor the budget agreement. There is no question about the fact that this takes money from one category under the budget agreement and puts it in another. That is not honoring the budget agreement.

Mr. GORDON. Mr. Speaker, I yield 30 seconds to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I would much prefer to honor our obligation to put American citizens to work than to be worrying and to put on an accountant's eye shade and blindly adhering to an agreement which is 2 years out of date and needs adjustment. This retains the firewalls. It makes a tiny adjustment in them, and I see nothing whatsoever wrong with that.

Mr. COUGHLIN. I am glad we have admitted we have not honored the budget agreement.

Mr. MCEWEN. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, the reason we have high unemployment is because the private sector does not have the capital necessary for expansion to create jobs. It is because of the regulation the Federal Government continues to put on the back of the businessman and the entrepreneur that his counterparts overseas do not have to deal with.

We pass those regulations. The bureaucracy puts those regulations on the businessman. We are the ones that take the money away from him in higher taxes, and that is why they cannot create jobs.

The way to get control of the economic problem we have today is to cut spending and apply the cuts in spending to deficit reduction.

I do not know how many of my colleagues have read this, but this is the state of the economy as put out by several Government agencies. I want my colleagues to see this. The growth in Federal debt, right now we are at $4 trillion plus in debt. The interest on the national debt is over $300 billion a year. If Members look at the projections for the next 8 years, it shows that we will be $13.5 trillion in debt if we do not get control of our appetite for spending.

That is why these kinds of rules are so bad, because they put in report language that you cannot get to, and additional pork barrel projects and wasteful spending that these guys want to take back home to their districts so that they can get reelected.

□ 1140

Let me just give you some other information. A lot of my colleagues say, "Well, as long as GNP to debt is OK, we are going to be all right." The fact of the matter is that that is a percentage of our gross national product, and that is what we collectively produce in this country, and that was 33 percent in 1980. It is 57 percent today. That means we are incurring so much debt that no matter how much we produce as a nation, we are not going to be able to survive economically in the next 10 years if we do not get control of spending in this place.

In this bill we have 52 demonstration projects that are in the report language that are going to cost $152 million. Ten years ago, in 1982, we had 10 total projects totaling $386 million. Last year we had $5 billion in demonstration projects scattered over the next 5 years, and today we are adding to that another $153 million.

Those are all special pork-barrel projects going back home to their district so that guys can say, "Look what I did for you," and then they get reelected.

This deficit is out of control. It is out of control. If we do not get control of it, our kids are going to really reap the whirlwind.

Do you know what the interest on the Federal debt is going to be by the year 2000, and that is just 8 years from now, well, it is 7½ years from now? Right now the interest on the debt we are paying is $304 billion a year. That is the biggest expense in the budget, bigger than health insurance, health care, bigger than the military, it is bigger than anything, just the interest. That is just the interest.

Do you know what it is going to be in 7½ years if we do not change? I will tell you that most appropriations are higher than last year. It is going to be $1.2 trillion.

I know that these figures are so large that the American people and many of my colleagues cannot comprehend it, but let me just tell you this: It will take more than 100 percent of all the personal income taxes paid in this country just to pay the interest on the debt in 7½ years.

What does that mean? It means that we will not be able to pay the interest on the debt, so the Federal Reserve Board is going to have to get rid of the cause of the interest. That means that they are going to have to pay off part of the debt. If we are at $13 trillion in debt, they are going to have to say that we are going to have to print more money to pay off half the debt to cut the interest down, because we will not have to pay interest on the part that we do not owe.

So if they put $6.5 trillion in new currency into the system, do you know what that will do to people on Social Security, on fixed incomes and everybody else? They will have plenty of money, but it will not buy anything. You will be paying $20 for a loaf of bread or worse.

We have got to get control of spending around here.

Mr. MCEWEN. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, this is basically a pretty fair rule. It accomplishes and it protects as many efforts as were made to prevent legislating on an appropriation act. It gives the minority an opportunity for a motion to recommit stating our cause.

As the debate has centered here on the rule, it is a very cleverly crafted amendment. It is an amendment that absolutely appeals to the heart of many of us, that is, we believe Government should do a limited number of things, and one of the things that it can do is to increase our productivity by increasing our infrastructure.

It is something that has been tremendously reduced over the last decade. During the 1960's and early 1970's, there was a tremendous increase in infrastructure. America's competitiveness increased dramatically.

And now, as we face the 1990's, we see a crumbling of that infrastructure.

I am strongly, strongly committed to seeing that that happens. That is why I oppose every year the effort to put caps on the trust funds. Nine cents out of every gallon of gasoline that is purchased at a pump every day, every time you buy a gallon of gasoline, 9 cents goes in the trust fund for highways. Every time you purchase an airline ticket, 8 percent goes into the airport trust fund. Both of those funds are very massive. There are tremendous amounts of money in those funds for the very purpose for which we have paid the taxes, and that is what we ought to do.

Therefore, when the amendment is suggested that we take money from foreign aid and use it for that purpose, it pulls at the very heart of many of us that believe that as one of the handful of things that Government should be doing and of which we should be doing more; however, when we are speaking of domestic spending, we think of everything that is being spent domestically.

In the three categories of which the agreement was made in which the words were given, in which many of us sat here very skeptical and said that the day will come in mid-1991-92, "You watch, every dime that we save from tearing down the walls in Berlin, every dime we save from bringing troops home from Europe, every dime we save from canceling the B-2 bomber and the other defense programs, there will be an effort to break down that firewall and continue the spending and increasing the deficit," and every dime that is saved in foreign aid, just as we did just last week, whether it be $800 million or $1.2 billion, that every effort to save money from foreign aid will not go back to the taxpayer and the deficit, but it will go for a purpose.

Now, in this middle purpose, you can choose anything you want, but naturally, it is just like at the local level when you want to increase taxes, what do you increase taxes for, only one thing, it is always for schools. Every time you want to increase local property taxes, always for schools. And so when you want to increase spending on a domestic level, we are not going to talk about the tea tasters down at the Department of Commerce that have been there since 1883 still testing tea or whatever it is that they do, we are not going to talk about those programs this Congress refused to cut.

We are going to talk about one of the most responsible, necessary items that America needs to be involved in, and that is making sure our crumbling highways are working, our airports that are overcrowded and way behind development are progressing.

And so, therefore, this amendment is so clever. It is so good. It is so noble. It is something that I would strongly, strongly support, increasing the spending for the domestic level, but I do not want to destroy the package, that is, I want the deficit's benefit to go to the taxpayers and, therefore, this firewall that is established here was given our word. Now what do people say? "Well, we are only tearing down the firewall for a little bit. We are going to just let the fire in for a little bit, and then after the fire takes off and consumes the $1.2 billion of America's tax dollars, we are going to build a firewall back up until the next time we need it."

There are only three categories: defense, foreign aid, and domestic. We went through this fight with defense. We are now going through it with foreign aid.

If anyone has any word at all, if anyone has any belief in the word that they gave in 1990 that if they would only get more taxes from the pocketbooks of the American people, we promise to not increase spending; that was the word that was given, and we should honor it today by opposing the Obey amendment when it comes before us.

In the meantime, I say we should support the rule.

Mr. Speaker, I yield back the balance of my time.

Mr. GORDON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just quickly agree with my friend, the gentleman from Ohio, in his categorization of this rule as a fair rule.

I think that anytime you have a bill on the floor there are going to be some amendments that could very well be controversial. That is the case today.

In this body we will have the opportunity, in fair and open debate, to make that determination so we can deal with the amendments as they come forward, but for right now, I agree with my friend from Ohio that this is a fair rule.

Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, we have heard much today about honor and honoring our commitments.

I would point out that we have made a commitment to the American people, and that was that we told them, "When you pay your gasoline tax dollars into the highway trust fund, and you pay your aviation tax into the aviation trust fund," we said, "we are going to spend that money to improve highways and to improve aviation." So we have a trust with the American people.

Unless we spend the money that is there, we are not keeping our trust with the American people.

In conclusion, I say: Which is better, to keep our trust with the American people or to supposedly honor here an agreement that was a bad agreement when it was made? Many of us voted against it then. It was bad then. It is bad now.

Let us honor our commitment to the American people and spend highway and aviation trust fund dollars where the money is supposed to be spent.

Mr. GORDON. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

Mr. WALKER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 269, nays 149, not voting 16, as follows:

[Roll No. 277]

YEAS—269

Abercrombie
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Bateman
Bennett
Berman
Bevill
Bilbray
Blackwell
Boehlert
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden

Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hayes (IL)

Hayes (LA)
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Hoyer
Hubbard
Huckaby
Hughes
Jacobs
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCurdy
McDermott
McGrath

McHugh
McMillen (MD)
McNulty
Mfume
Michel
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Poshard
Price
Quillen
Rahall
Rangel
Reed
Richardson
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schiff
Schroeder
Schumer
Serrano
Sharp
Shuster
Sikorski
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Waters
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (FL)

NAYS—149

Allard
Allen
Armey
Baker
Ballenger
Barrett
Barton
Beilenson
Bentley
Bereuter
Bilirakis
Bliley
Boehner
Broomfield
Bunning
Burton
Callahan
Camp
Campbell (CA)
Coble
Coleman (MO)
Conyers
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Engel
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Houghton
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McDade
McEwen
McMillan (NC)
Meyers
Miller (OH)
Miller (WA)
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Packard
Paxon
Porter
Pursell
Ramstad
Ravenel
Ray
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Scheuer
Schulze
Sensenbrenner
Shaw
Shays
Sisisky
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (AK)
Zeliff
Zimmer

NOT VOTING—16

Ackerman
Archer
Barnard
Bonior
Hatcher
Hefner
Lent
Lowery (CA)
McCloskey
Owens (UT)
Oxley
Riggs
Savage
Solarz
Traxler
Washington

□ 1212

Mrs. ROUKEMA, Mr. ENGEL, and Mr. RAY changed their vote from "yea" to "nay."

Messrs. DAVIS, PETRI, and OWENS of New York changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEHMAN of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and that I may include extraneous and tabular material, on H.R. 5518, the bill about to be considered.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from Florida?

There was no objection.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Mr. LEHMAN of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5518) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania [Mr. COUGHLIN] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

□ 1215

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5518, with Mr. BOUCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from Florida [Mr. LEHMAN] will be recognized for 30 minutes and the gentleman from Pennsylvania [Mr. COUGHLIN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. LEHMAN].

Mr. LEHMAN of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is a pleasure to submit for the consideration of the Committee of the Whole House the bill, H.R. 5518, making appropriations for the Department of Transportation and related agencies for fiscal year 1993.

Before I get into the details of this particular bill, let me express my appreciation to the Members who serve on the transportation appropriations subcommittee. The gentleman from Michigan [Mr. CARR], the gentleman from Illinois [Mr. DURBIN], the gentleman from Minnesota [Mr. SABO], the gentleman from North Carolina [Mr. PRICE], and the gentleman from Texas [Mr. COLEMAN] all provided valuable insight and perspective during the 4-month in-depth review we gave to Federal transportation programs and policies during our hearing process. It is my privilege and good fortune to serve with them.

The subcommittee minority members are also very special. We are pleased to have on the subcommittee, as an ex officio member, the ranking minority member of the full Appropriations Committee, the gentleman from Pennsylvania [Mr. MCDADE]. The gentleman from Virginia [Mr. WOLF] and the gentleman from Texas [Mr. DELAY] have both been on the subcommittee for several years, and display determination and a strong commitment to a safe and effective transportation system for this Nation. I believe we are as bipartisan as a committee can be, and I appreciate very much the hard work of every member. The bill before you today is a bipartisan one.

Let me now make special mention of our ranking minority member, the gentleman from Pennsylvania [Mr. COUGHLIN], who has for many years spent long hours in hearings doing the difficult and time-consuming work of our committee. As a result of this tireless effort, he has developed a strong and comprehensive understanding of our transportation programs and policies. With this bill, LARRY and I have now had the honor to bring before this body, on behalf of the committee, 10 regular transportation appropriations bills. We have served together on the subcommittee since 1979. I have the highest admiration for his knowledge, dedication, and character, and I want him to know of my sincere appreciation for his work over these many years. He is a class act, and he is my special friend. The House will lose one of its greatest, most valuable Members when LARRY retires at the end of this Congress.

Now I want to thank our full committee chairman, the gentleman from

Mississippi [Mr. WHITTEN] for his efforts on our behalf. As he often reminds us, our Nation's public works represent the real and lasting wealth of this country. Our transportation system has served our country well—and we must continue to preserve and enhance it.

Mr. Chairman, in preparation for this bill the committee reviewed 2,247 pages of budget and grant justification documents and developed a hearing record contained in six published volumes amounting to 6,063 pages. Testimony was received from hundreds of witnesses in over 8 weeks of hearings. Requests were received from a large number of Members of Congress representing all geographic areas of this Nation.

SUMMARY OF THE BILL

Let me take a brief moment to summarize the bill. In total, it provides spending for Federal transportation programs of about $35.1 billion, of which approximately $13 billion is new budget authority, $2.6 billion is for highway programs exempt from the Federal aid-highways obligation limitation, and $19.2 billion is comprised of various limitations on contract authority obligations.

In total obligational authority, the bill is $369 million below the amount provided in the Transportation and Related Agencies Appropriations Act in fiscal year 1992.

BUDGET RESOLUTION TARGET

I would direct the Members' attention to page 185 of the committee report, which shows that this bill does not exceed our section 602(b) allocation for discretionary budget authority or outlays. As the Members know, under the Budget Act, the committee is provided a lump sum allocation pursuant to section 602(a), and the Appropriations Committee then subdivides that among its 13 subcommittees. The 602(b) totals are within the limits set forth in the 1990 budget summit agreement with the White House. Let me repeat: This is a fiscally responsible bill which meets the requirements of the House-passed budget resolution in both discretionary budget authority and outlays.

BUDGET REQUEST

Mr. Chairman, some Members here will undoubtedly feel that this bill is inadequate because it provides less funding than the President requested for highways. Let me point out to those Members that the funding available for transportation spending is less than last year, and less than the outlays in the President's budget. Some of you may recall my "Dear Colleague" letter of March 18, 1992, in which I advised Members that without passage of the firewalls bill—H.R. 3732—we would not be able to provide funding for highways even close to the levels approved in the Surface Transportation Act. The House did not bring down the firewalls—and now we are faced with the consequences of that decision, as I forewarned.

But let me also point out that the President's budget was only able to include large growth—$1.6 billion—in the highway program by making dramatic reductions in two other areas which have historically been rejected by the Congress: Amtrak and mass transit. The cuts proposed by the administration would result in the termination of Amtrak and pose an additional financial burden on mass transit systems in our urban areas. This body has overwhelmingly rejected past proposals to shut down Amtrak, and I see little sentiment to do that now that Amtrak is improving its financial performance. Seeing the lack of transportation alternatives, the economic problems, and recent social unrest in our inner cities, it makes no sense to cut transit spending so low that cities are forced to raise fares, cut bus routes, and reduce service.

I would have preferred additional funding for highways. I know additional funds are needed to solve the serious economic development, congestion, and safety problems facing us in many States. However, as I have stated in past years, we have the responsibility to provide a balanced transportation system within the funding available. All segments of our transportation system are vital to the prosperity of this country. The bill before you restores funding for a balanced transportation system. This was not easy to accomplish.

SELECTED MAJOR RECOMMENDATIONS

With respect to the major recommendations in this bill, I would call the attention of the Members to pages 2 and 3 of the report. A table comparing the bill to fiscal year 1992 and the President's request appears beginning on page 188 of the report. The major highlights of this bill include:

First, a 2-percent increase in total FAA funding—$162 million more than last year's level. This includes $1.8 billion for grants-in-aid for airports, $4.5 billion for FAA operations—a 4-percent increase—and $2.4 billion for facilities and equipment—a 2-percent increase.

Second, obligational authority of $17.1 billion for Federal-aid highways and exempt programs, an increase of $100 million over fiscal year 1992;

Third, funding for the Mass Transit Formula Grant Program at a level of $1.8 billion;

Fourth, obligations of not to exceed $1.6 billion for the Discretionary Grants Program of the Federal Transit Administration, including $320 million for buses and bus facilities, $640 million for fixed guideway modernization, and $640 million for new systems;

Fifth, $405 million for grants to the National Railroad Passenger Corporation [Amtrak], which is $208 million above the level for comparable expenses in the President's budget request;

Sixth, funding of $120 million for operations and research activities of the National Highway Traffic Safety Administration, a reduction of $2.5 million from the fiscal year 1992 level;

Seventh, an increase of $58.2 million—2 percent—over the fiscal year 1992 appropriation for overall Coast Guard funding, excluding Department of Defense funding; and

Eighth, funding of $165 million for construction of the Washington, DC, metrorail system, an increase of $41 million over the fiscal year 1992 level.

OFFICE OF THE SECRETARY OF TRANSPORTATION

Mr. Chairman, for salaries and expenses of the Office of the Secretary of Transportation, the bill provides a total of $63 million, which is less than the fiscal year 1992 enacted level. In addition, office-by-office dollar breakdowns are specified in the bill as has been one in the past. The bill also provides an obligation limitation of $38.6 million, as requested in the budget, for payments to air carriers and $111.9 million for GSA rental payments.

Payments to air carriers. With respect to the "payments to air carriers" appropriation, the committee has tried to strike a fair balance between the transportation needs of rural America and the need to rid this program of the excess subsidies that have taken place in the past. The committee remains concerned over the continuing high levels of subsidy in this program. Therefore, the bill continues a limitation against expanding the program unless certain criteria are met, or for upgrading service levels.

COAST GUARD

With respect to the Coast Guard, we recommend a total program level of $3.5 billion. Including $206.6 million to be transferred from the Department of Defense, this total level is $58 million more than the total Coast Guard program level for fiscal year 1992. The bill specifies that $48.8 million be derived from the oilspill liability trust fund, which was established by the Oil Pollution Act of 1990.

Operating expenses. For Coast Guard operating expenses, the bill provides a program level of $2.5 billion for fiscal year 1993, including $156.6 million to be transferred from the Department of Defense for the defense readiness activities of the Coast Guard. This total amount is $39 million, or 2 percent, more than the amount appropriated for similar activities in fiscal year 1992. It is $102 million below the budget request. The reduction from the budget request is primarily due to budget constraints, and the committee has targeted many of the reductions to areas in which the Coast Guard could reduce or eliminate the impact by making management changes or other program efficiencies.

Acquisition, construction, and improvements. For acquisition, construction, and improvements, we are recommending an appropriation of $384 million for fiscal year 1993. The total program level is comprised of $104.5 million for vessels; $122.5 million for shore and aids to navigation facilities; $53.4 million for aircraft; $67.6 million for other equipment; and $36.5 million for personnel. The recommended level includes funding to begin procurement of a new coastal buoy tender, continue the 210-foot cutter overhaul, and continue the procurement of essential search and rescue and drug interdiction helicopters. The recommended level provides sufficient funding to allow the highest priority, most well justified projects to proceed.

Alteration of bridges. The bill also includes $11 million to alter or remove bridges that may be unreasonable obstructions to the waterborne commerce of the United States. This sum will support the alteration of five railroad and highway bridges over the Mississippi, Pascagoula, and Brunswick Rivers.

Retired pay. The sum of $519.7 million, as requested in the 1993 budget, would be appropriated for the pay of retired military personnel of the Coast Guard and Coast Guard Reserve. This is based on an average of 27,293 personnel on the retired rolls.

Reserve training. For reserve training, the bill provides a program level of $74.1 million, including $50 million to be transferred from the Department of Defense. This is approximately the same as provided in fiscal year 1992, and will provide for a Ready Reserve of 18,500, including a Selected Reserve of 10,850.

Research, development, test, and evaluation. The bill includes $27.9 million for the applied scientific research, development, test, and evaluation projects necessary to maintain and expand the technology required for the Coast Guard's operational and regulatory missions. This is a $1.2 million, 4-percent decrease from the fiscal year 1992 level.

Boat safety. For the State recreational boating safety program, we have included $30 million, which is $5 million less than the level provided for fiscal year 1992.

FEDERAL AVIATION ADMINISTRATION

For the Federal Aviation Administration, we are recommending a total program level of $9 billion, including a $1.8 billion limitation on the use of contract authority for fiscal year 1993. This is $162 million—or 2 percent—more than the fiscal year 1992 level. While this is larger than many other parts of the bill, I believe it is essential to continue safe operation of the air traffic control system, continue modernization of the national airspace system, improve our airports, and continue important safety regulatory and research initiatives.

Aviation trust fund. The bill before you specifies that approximately 50 percent of the funding for FAA operations is to be derived from the aviation trust fund. In total, the amounts in the bill are estimated to result in total trust fund spending; that is, outlays, of approximately $6.4 billion, which is approximately $800 million higher than estimated trust fund tax receipts in fiscal year 1993.

Operations. For FAA operations, we recommend a total program level of 4.5 billion. This represents an increase of $178 million over the fiscal year 1992 program level. This would provide for 52,251 positions including 22,863 controllers, supervisors, and support personnel for air traffic centers and towers, and 4,120 flight service station personnel.

Controller staffing: Under the committee recommendation, actual air traffic controller end-of-year employment would increase to the requested level of 17,871 personnel by September 30, 1993. This is 150 controllers above the level projected for September 30, 1992.

Facilities and equipment: For facilities and equipment, the bill contains $2.4 billion for fiscal year 1993—an increase of $65 million—2 percent—over fiscal year 1992. This account finances modernization and improvements to our air traffic control system. I want to stress that, although the FAA's capital investment plan [CIP] is behind schedule, those delays are due to technology development and contractor deficiencies—not to lack of funding. For example, the General Accounting Office reports that 10 of the CIP's 12 largest programs experienced either cost growth or schedule delays in the past year alone. Two particular programs account for about one-third of all facilities and equipment funding in the fiscal year 1993 budget, and both are experiencing delays. To provide a larger increase, given the state of individual F&E programs and the deficit problems facing the Nation this year, would not be fiscally responsible. However, as the equipment is developed, adequately tested, and ready to purchase, the funds will be provided—and our record proves this. I direct the Members' attention to pages 64 and 65 of the committee report for a detailed discussion of the status of the FAA's modernization program.

Research, engineering, and development: With respect to FAA research, engineering, and development, we recommend $237 million, an increase of $7 million over the budget request and $19 million over fiscal year 1992.

Airport improvement program: The bill also includes a $1.8 billion obligation limitation for airport development and planning grants. This represents a decrease of $100 million from the fiscal year 1992 level. This is consistent with funding for other grant programs in the bill, which were virtually all reduced from the fiscal year 1992 level due to budget constraints.

Aircraft purchase loans: We also recommend continuing the FAA's authority to borrow from the Treasury to pay defaulted aircraft purchase loans at the requested level of $9.9 million.

FEDERAL HIGHWAY ADMINISTRATION

Under the Federal Highway Administration, the bill provides for a total fiscal year 1993 program level of $17.4 billion in highway aid. The limitation on Federal-aid highway contract authority obligations and funding for obligations exempt from this limitation total $17.1 billion, which is $132 million above the fiscal year 1992 funding for those programs.

Mr. Chairman, this is one of the most important transportation programs that we have. Over 90 percent of total interstate passenger-miles and 20 percent of total interstate freight ton-miles move on the Nation's highway system. As I mentioned earlier, congestion delays on our highways are in the billions of hours each year. Despite its importance, however, the severe budget restraints facing the committee this year prevent us from providing a higher level of funding. The administration's proposal, while proposing a greater increase in highway spending, would do so only at the expense of other critical transportation programs, which is unacceptable and does not provide adequately for a balanced national transportation system.

Federal-aid highways: Mr. Chairman, for the Federal-aid highways obligation limitation, we are recommending a ceiling of $14.4 billion. The budget proposed $18.8 billion. However, the budget included funds for minimum allocation, $1.1 billion, and for ISTEA demonstration projects, $450 million, under this head. The committee's recommendation exempts such funds from the obligation limitation, consistent with fiscal year 1992 congressional action.

Administrative expenses: Mr. Chairman, the bill also provides a total of $351.2 million for FHWA administrative expenses, $67.8 million less than the fiscal year 1992 level. Of the recommended amount, $30 million is for the intelligent vehicle highway systems [IVHS] program. When combined with $113 million in contract authority provided in the ISTEA legislation, the committee's recommendation would provide a total program level of $143 million in fiscal year 1993 for IVHS.

Miscellaneous highway programs: The bill also contains an appropriation of $4.5 million for railroad-highway crossings demonstration projects at three different locations. For highway-related safety grants, an obligation limitation of $10 million is recommended, a 7-percent increase over the fiscal year 1992 funding level. We also recommend a limitation on direct loans for the right-of-way revolving fund of $42.5 million and appropriations totaling $167 million for a number of specific highway projects, all of which have been funded in a previous Transportation Appropriations Act.

Motor carrier safety: For motor carrier safety, the bill includes $51.5 million to continue the activities of the Office of Motor Carrier Safety. This is an increase of $3.9 million over the fiscal year 1992 level. The bill also provides a $65 million limitation on obligations for the motor carrier safety grant program, the same as the fiscal year 1992 funding level.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

For the National Highway Traffic Safety Administration, the bill includes a total program level of $258.1 million. This is $2.5 million less than the level provided for fiscal year 1992. The bill specifies that $181.2 million of this amount is to be derived from the highway trust fund, with the balance from the general fund.

Operations and research. Mr. Chairman, the committee's recommendation of $120.1 million pares down the excessive growth requested in some areas of this appropriation in order to reduce or defer low priority activities and to fund critical but unbudgeted activities in the areas of rulemaking, emergency medical services, and trauma research. The largest reduction, $9.4 million, would defer additional funding for the national advanced driving simulator.

State and community highway safety grants. We also recommend a limitation on obligations for the State and community highway safety grant program of $138 million, the same as the fiscal year 1992 level. While this is less than the authorized level, it is more than the funding recommended for some other grant programs, which due to budget constraints were funded below the fiscal year 1992 level.

FEDERAL RAILROAD ADMINISTRATION

Mr. Chairman, for the Federal Railroad Administration, major recommendations include $40 million for railroad safety, $14.8 million for railroad research and development, $146 million for mandatory rail passenger service payments, $17.3 million for Office of the Administrator expenses, and $7 million for Conrail commuter transition assistance.

Amtrak. We are recommending $331 million for Amtrak operating expenses in fiscal year 1993. The President's budget proposed $123 million for comparable expenses, and assumed significant savings from legislation which has not been enacted. The committee's recommended level represents the same operating subsidy as provided in fiscal year 1992. Mr. Chairman, the Members should know that Amtrak's financial performance continues to improve. Despite the economic downturn which has negatively affected business revenues in all modes of transportation, Amtrak is requesting no increase in its operating subsidy. I would direct the Members' attention to the discussion and graphs on Amtrak's financial performance on pages 139 and 140 of the report.

In addition, the committee's recommendation includes $74 million for Amtrak's capital program, which is the same amount as the administration's proposal, but far below last year's level of $175 million.

Northeast corridor improvement program. No funding is recommended for this program due to budget constraints. No separate appropriation for this purpose was included in the President's budget proposal. Funding of $205 million was provided in fiscal year 1992. The committee remains concerned that an overall plan has not been developed to allow the reduction of Amtrak travel time to 3 hours between New York and Boston, and that cost estimates and ridership projections need further refinement. Because of these concerns, the committee has directed the Department to conduct a study of the costs and ridership potential of 3-hour New York to Boston service.

The bill also includes a loan of not to exceed $3.5 million for track work in Illinois. This will be of direct benefit to Amtrak, and continues a project funded in several prior appropriations acts.

FEDERAL TRANSIT ADMINISTRATION

For the Federal Transit Administration, a total program level of $3.8 billion is recommended for fiscal year 1993. This is $789 million more than the budget request, and $27 million more than the fiscal year 1992 program level.

Formula grants. Under the formula grant program, we recommend an appropriation of $1.8 billion. This is $280 million more than was provided for fiscal year 1992.

Operating assistance. The committee recommends that $720 million of the formula grant appropriation be made available for operating assistance. This is $82.2 million less than the level provided last year and $503 million above the budget request.

Discretionary grants. The bill also includes language limiting obligations for transit discretionary grants to $1.6 billion. This is $600 million above the budget estimate. This account is financed from the mass transit account of the highway trust fund. I invite the Members' attention to pages 151 through 154 of the report for a detailed description of how these funds are to be distributed. The bill includes separate funding levels specified for each new start transit program.

Interstate transfer—transit. The bill also includes $75 million for transit projects that have been substituted for interstate highway projects. These funds will be distributed as outlined on page 159 of the report.

R&D/administrative expenses. The bill also provides a total of $125.5 million for research and administrative expenses of FTA.

Washington Metro. The bill provides $165 million to continue construction of the Washington, DC Metrorail system. This is $41 million, 33 percent, above the fiscal year 1992 level, and $17 million below the budget request.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The bill includes an appropriation of $11.1 million from the harbor maintenance trust fund to finance operations and maintenance of the St. Lawrence Seaway, a 5-percent increase over the fiscal year 1992 level.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

For the Research and Special Programs Administration, the bill contains appropriations totaling $36.6 million. This represents an 8-percent increase over the fiscal year 1992 level. Of this amount, $14.1 million is provided for the pipeline safety program, including funding for the State grants-in-aid program at the requested level of $7 million. The recommended level includes $850 thousand to develop a training curriculum for a new emergency preparedness grants program—funded in other legislation through a permanent appropriation—and $360 thousand for salaries and expenses of the Alaska pipeline task force.

INSPECTOR GENERAL

For the Office of the Inspector General, the bill includes an appropriation of $38 million, a 3-percent increase over the fiscal year 1992 level.

TITLE II—RELATED AGENCIES

Title II of the bill contains new budget authority for six transportation-related agencies and commissions. Specifically, we recommend $3.2 million for the Architectural and Transportation Barriers Compliance Board, $36 million for the National Transportation Safety Board, $43.9 million for salaries and expenses of the Interstate Commerce Commission, limitations on the Panama Canal Commission of $51.1 million for administrative expenses and $530 million for operating and capital expenses, $10.4 million for the Department of the Treasury to rebate St. Lawrence Seaway tolls, and $51.6 million for the Federal share of interest payments for the bonded indebtedness of the Washington Metropolitan Area Transit Authority.

TITLE III—GENERAL PROVISIONS

Mr. Chairman, there are a number of general provisions in this bill that will be of interest to the Members, and I direct their attention to pages 176 and 177 of the report for a discussion of these provisions.

CLOSING

Mr. Chairman, the bill before the body is a fiscally responsible one which provides balanced funding for our transportation programs and will significantly improve the infrastructure of this Nation. It restores adequate funding for Amtrak and mass transit operating subsidies, and at the same time provides overall increases for aviation and the Coast Guard. I say again that it does not exceed the section 602(b) ceiling for discretionary budget authority and outlays. I ask for its favorable consideration and approval.

Mr. Chairman, I reserve the balance of my time.

Mr. WHITTEN. Mr. Chairman, I want to pay tribute to the gentleman from Florida [Mr. LEHMAN] and the gentleman from Pennsylvania [Mr. COUGHLIN] and my other colleagues on the Transportation Subcommittee for the great job in putting together this bill.

TRANSPORTATION BILL IS INVESTMENT IN OUR FUTURE

We are recommending a bill which provides nearly $35 billion in investments for our Nation's future. Money in this bill is indeed an investment in America—in the real wealth of our country. It will produce both immediate and long-term dividends. It will help us to compete in the world marketplace and regain our normal share of domestic and world markets. Transportation is vital to a strong nation and economy, and we must make every effort to maintain a high level of investment in national assets—highways, railways, and airports.

I am proud to be a member of the subcommittee which recognizes the importance of transportation in a strong nation on which all else depends.

Within this bill there are programs of special interest to my area and State.

This bill provides continued funding for the highway safety and economic development demonstration projects for east-west highways. Funding is included to continue the alteration of the railroad bridge over the east Pascagoula River. For aviation, high priority consideration for funding of improvements is provided for the airports at Philadelphia and Meridian.

Mr. Chairman, this bill is important to maintaining America's wealth. I strongly urge its adoption.

□ 1220

Mr. COUGHLIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we all know, Chairman LEHMAN and I have sung a pretty good duet for a number of years, and I only wish the finale could be in harmony. Chairman LEHMAN has left his mark on this Congress. He has left his mark on transportation, and he has left his mark on this country.

All one has to do is look at transportation and transit in his city of Miami, in his State of Florida, and indeed across the Nation to see that mark. It has been a great mark. But more than that, he has left his mark on people with an abundance of warmth and thoughtfulness, and with great integrity. I cannot tell the Members how much it has meant to me personally and professionally to have had the opportunity to work with the chairman of this subcommittee and, as I have said before, with the other members of our subcommittee.

As I have said before, I strongly believe that the Subcommittee on Transportation has worked on a bipartisan basis and in the best interest of this great country. Its members and its staff are professionals in the best sense of the word and we are grateful to them for the work they do and the service they provide to our country.

□ 1230

I salute the gentlemen from Pennsylvania, Mr. McDADE, Virginia, Mr. WOLF, Texas, Mr. DeLAY, Michigan, Mr. CARR, Illinois, Mr. DURBIN, Minnesota, Mr. SABO, North Carolina, Mr. PRICE, and Texas, Mr. COLEMAN. It has indeed been a pleasure to serve on our subcommittee with them, but a particular pleasure to work with you, Chairman LEHMAN, my very dear friend and colleague.

Let me also thank the staff for the good work they have done on the bill: Kenny Kraft, Lorraine Howerton, and John Blazey for the minority. Tom Kingfield, Rich Efford, Lucy Hand, Linda Muir, and Zee Latif for the majority. They are also true professionals.

This bill is different from last year's bill in many respects.

It is different because last year we received a generous 602(b) allocation. This year we did not.

It is different because last year there was something for just about everyone. This year, every program, excluding FAA, was either frozen at last year's level or received a cut.

It is different because last year we had $141.9 million for new highway demonstration projects. This year there is no funding for new starts.

Some refer to these projects as pork, but in reality they are projects that are going to be built, and are going to be built from the highway trust funds.

This year the bill represents $13 billion in new budget authority, an increase of $84 million over the almost $13 billion requested in the budget. But when you take into account obligation ceilings, this year the bill represents $35.2 billion, which is $1.5 billion less than the budget request, and $4 billion less than fiscal year 1992. So it is a very tight bill indeed.

The chairman has outlined some highlights. Let me just go through a couple. It has $3.6 billion overall for the Coast Guard budget, including $206 million in transfer from DOD. This represents $2.5 billion in operating expenses, which is $133 million less than the budget request and $58 million more than fiscal year 1992.

It has $4.5 billion for FAA operations, an increase of $178 million over fiscal year 1992. It has $2.5 billion for facilities and equipment, and $1.8 billion for airport grants, $17 billion for the highway obligation ceiling, $405 million for Amtrak grants, $1.8 billion for the Federal Transit Administration, $165 million for the Washington Metro, and $162 million for existing highway demonstration funds.

This is not a perfect bill. There are things I would change if I could. In fact, two issues are of great concern to me. One issue is language in the bill that is legislative in nature which reduces the Department of Transportation's airline employee drug and alcohol sampling rates from 50 percent to 10 percent. At a time in which we are trying to ensure a safe travelling public we are simply moving too far too fast. We cannot afford to grossly reduce the only safeguards we have to deter and detect illegal drug and alcohol use in safety sensitive positions and I would hope this will be rectified.

The other issue is the big hit the Coast Guard took. We are proposing a funding level of $3.6 billion which is $133,161,000 less than the budget request. I think we all remember what happened in 1988 when we underfunded the Coast Guard, and it was not a pretty picture.

Mr. Chairman, I am most concerned about two amendments that are going to be introduced to this bill. One, the so-called Obey amendment which was discussed in connection with the rule, would transfer money from the foreign operations account to the transportation account, in flagrant violation of our own self-imposed rules of the firewall that we ourselves established, and in a time of tight spending limits, would not use money to reduce the deficit, but again to increase spending.

Mr. Chairman, if we are ever going to get any kind of a grip on the deficit, any kind of grip on the budget, we cannot simply ignore the rules we impose on ourselves every time they pinch a little bit. The Obey amendment, Mr. Chairman, should be defeated.

The second is an amendment which would impose bill legislation in regard to flight attendant work rules. Those flight attendant work rules are the proper subject of either legislation through the legislative committee or negotiation between labor and management. They do not belong in this bill.

So, Mr. Chairman, I would urge my colleagues to resist the attempts to amend this bill and adopt what is a very good bill, the very best bill that we could produce, by voting for the bill as it is now, by voting against the amendments, and voting for the bill that we have produced.

Mr. Chairman, I reserve the balance of my time.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I rise in support of this bill which, as the other bills which have come out of the Committee on Appropriations, this is the ninth of 13 annual appropriations bills, and this bill meets the targets that were established by the budget resolution and by the budget agreement. As a matter of fact, it provides about $301 million less on the 602(b) spending subdivision in budget authority and it is right on with regard to outlays.

Mr. Chairman, while I share some of the concerns about the amendments that were made here that will be coming up, I think the bill itself does an outstanding job of meeting the targets that we have established.

It is not easy, but I commend the chairman and the ranking member for the job they have done in meeting the targets provided by the budget resolution.

I rise in support of H.R. 5518, the Department of Transportation and Related Agencies appropriations bill for fiscal year 1993. This is the ninth of the 13 annual appropriations bills to be considered by the House.

The bill provides $12.499 billion in discretionary budget authority and $33.375 billion in discretionary outlays, which is $301 million less than the 602(b) spending subdivision for this subcommittee in budget authority and equal to the subdivision in estimated outlays.

I commend the chairman and ranking member of the subcommittee for bringing this bill to the floor in a timely fashion.

As chairman of the Budget Committee, I will inform the House of the status of all appropriations bills compared with their 602(b) subdivisions as they are considered on the House floor.

I look forward to working with the Appropriations Committee on its remaining bills.

[Fact Sheet]

H.R. 5518, Department of Transportation and Related Agencies Appropriations Bill, Fiscal Year–1993 (H. Rept. 102–639)

The House Appropriations Committee reported H.R. 5518, the Department of Transportation and Related Agencies Appropriations Bill for Fiscal Year 1993 on Wednesday, July 1, 1992. The bill is scheduled to be considered by the full House on Thursday, July 9, 1992, subject to a rule being adopted.

COMPARISON TO THE 602(b) SUBDIVISION

The bill provides $12,499 million of discretionary budget authority, $301 million less than the Appropriations 602(b) subdivision for this subcommittee. The bill provides $33,375 million of discretionary outlays, which equals the discretionary outlay subdivision for this subcommittee. A comparison of the bill with the funding subdivisions follows:

[In millions of dollars]

	Transportation and related appropriations bill		Appropriations committee 602(b) subdivision		Bill over (+) under (−) committee 602(b) subdivision	
	BA	0	BA	0	BA	0
Discretionary	12,499	33,375	12,800	33,375	−301	....
Mandatory[1]	564	566	564	566	....	....
Total	13,063	33,941	13,364	33,941	−301	....

[1] Conforms to the Budget Resolution estimates for existing law.

Note.—BA—New Budget Authority; 0—Estimated Outlays.

The House Appropriations Committee filed the Committee's subdivision of budget authority and outlays on June 11, 1992 in House Report 102–556. These subdivisions are consistent with the allocation of spending responsibility to House committees contained in House Report 102–529, the conference report to accompany H. Con. Res. 287, the Concurrent Resolution on the Budget for Fiscal Year 1993, as adopted by the Congress on May 21, 1992.

PROGRAM HIGHLIGHTS

Following are the major program highlights for the Department of Transportation and Related Agencies Appropriations bill for Fiscal Year 1993, as reported:

[In millions of dollars]

	Budget authority	New outlays
Department of Transportation:		
Coast Guard operations[1]	2,292	1,834
Coast Guard acquisition, construction and improvement	385	65
Reserve training[1]	24	22
Federal Aviation Administration:		
Operations	4,538	3,993
Facilities and equipment	2,460	492
Research and engineering	237	142
Airport improvement programs (obligation limit)	(1,800)	288
Amtrak	551	488
Northeast Corridor Improvement Program.		
Urban Mass Transportation Administration:		
Formula grants[2]	755	487
Interstate transfer grants	75	2
Washington Metro	165	3
Discretionary grants (obligation limit)	(1,600)	32
Federal-aid highways: (obligation limit)[3]	(14,440)	2,588

[1] Assumes transfer from Department of Defense of additional budget authority: $156.6 million for operations and $50.0 million for reserve training.

[2] Additional obligational authority of $1,065 million is also made available for total formula grant obligations of $1,820 million.

[3] Additional $2.7 billion in obligations exempt from limit also available.

Mr. COUGHLIN. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the fiscal year 1993 transportation appropriations bill and I want to commend the chairman, Mr. LEHMAN, and the ranking member, Mr. COUGHLIN, for their hard work in crafting this bill. It is a bill that does address our Nation's infrastructure needs without violating, and I stress that word, the fiscal limitations that have made this appropriations cycle extremely difficult for every subcommittee.

Of course, not everyone is happy with this bill. Everyone, myself included, would like to have more funds to apply to roads mass and aviation. But this is a bill that balances competing interests for limited funds as well as honoring obligations from previous years. This is a bill that takes a balanced approach to the intermodal infrastructure system that is so critical to the economic well-being of our country and the quality of life for citizens.

To achieve this fairness and balance in tough economic times is testimony to the effective leadership of our chairman and ranking member, both of whom are bringing their last transportation bill to the floor today. I want to take this opportunity, Mr. Chairman, to salute Mr. LEHMAN and Mr. COUGHLIN for the effective, bipartisan way they have conducted the operations of the transportation subcommittee.

As has been observed in the minority, that is very important, because many times in this body the minority does not get treated very fairly. Yet on this subcommittee, they do.

Mr. Chairman, I have been honored to serve on this subcommittee with this kind of leadership. Both of these gentlemen will be tough acts to follow.

I also want to commend all the members of the subcommittee for their willingness to work together to achieve this bill. I would be remiss if I did not express appreciation for the outstanding staff. There is not a finer subcommittee staff in the Congress, and I want them to know we appreciate their knowledge of the subject matter and their yeoman's work.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise to address a question to my good friend, the chairman of the subcommittee. In the 1989 Transportation appropriations bill, you and I worked together to get Long Beach Transit an exemption from the UMTA charter service rule. That exemption is enshrined in Public Law 100–457, section 330(a) which explicitly states, "Notwithstanding any other provision of law or regulation, the Urban Mass Transportation Administration charter service rule and any subsequent Federal regulations shall not apply to the Long Beach Public Transportation Company." Recently, the Federal Transit Administration has ignored this law and has forced Long Beach Transit to halt charter service, with the threat of the loss of Federal funding if they do not comply with FTA's dictates. I find FTA's actions outrageous as the law is perfectly clear on this matter. But in the search for absolute clarity, and to reverse FTA's actions, I ask you these questions. Is it your understanding that Long Beach Transit's exemption from the charter service rule is statutory law, notwithstanding the objections of FTA? Furthermore, is it your understanding that Long Beach Transit is also exempt from 49 CFR 604, subsection 604.9(b) which states that a public transit operator may provide charter service with UMTA funded equipment and facilities to the extent that there are no willing and able private charter operators?

Mr. LEHMAN of Florida. Mr. Chairman, if the gentleman will yield, the gentleman from California is absolutely correct.

Mr. ANDERSON. Mr. Chairman, I thank the subcommittee chairman very much for that clarification and for his help. I compliment him on his leadership on this bill, especially considering the difficult fiscal situation. It has always been an honor and a pleasure to work with the gentleman.

☐ 1240

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from

New Jersey [Mr. GALLO], a member of the committee.

Mr. GALLO. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise for the purpose of entering into a colloquy with the gentleman from Florida [Mr. LEHMAN].

Mr. Chairman, as the gentleman knows, I offered an amendment during full committee markup on this bill to freeze the salaries of FAA employees who are responsible for Federal air noise policies until the FAA releases its mandated environmental impact statement on air noise over northern New Jersey and the tristate area.

Although my amendment was not included in this legislation, I want to take this opportunity to thank you, and my colleagues on both sides of the aisle for understanding my strong feelings concerning the importance of gaining FAA cooperation in our 5-year fight against aircraft noise in the skies over northern New Jersey.

The problem has gone on for too many years without a viable solution coming from the FAA.

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. GALLO. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, I thank the gentleman for his kind words, and appreciate his frustration with the delays that he has experienced. I know the gentleman would not offer an amendment of this type unless he felt that he had exhausted all other avenues in his efforts to resolve the situation.

Mr. GALLO. That is correct, Mr. Chairman. The people of New Jersey have been looking for a reduction in air noise levels since 1988, when the FAA changed the traffic patterns over our area without taking into account the impact that these changes would have on our area.

In 1990, Congress required a study, which was to have been completed in May 1991. We are still waiting for that report.

Given the continuing delays, Mr. Chairman, may I solicit the gentleman's support for our continuing efforts to solve this problem, if these delays continue?

Mr. LEHMAN of Florida. Mr. Chairman, if the gentleman will continue to yield, I understand the gentleman's concern, and I stand ready to work with him to push for an appropriate and timely resolution to this longstanding item of concern to the people of New Jersey.

Mr. GALLO. Mr. Chairman, I thank the gentleman for his understanding of our situation and his cooperation. I have no further questions.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. CARR].

Mr. CARR. Mr. Chairman, I thank the gentleman for yielding time to me, and I want to associate myself with the remarks of the gentleman from Virginia [Mr. WOLF] regarding the work that has been done by our distinguished chairman and ranking member.

I do not think the Congress or the country for that matter fully appreciates the time and effort that these two gentlemen, in particular, assisted by our able staff, have put into putting this bill together.

The meetings and the hearings were long, but outside the hearing room, we know that there were many other meetings, visits by people from all over the Nation, visits by Members of Congress to their offices, trying to do what is best for the transportation of the country.

A lot of that focused in the offices of the gentleman from Pennsylvania [Mr. COUGHLIN] and the gentleman from Florida [Mr. LEHMAN]. So they made our job very easy, and we are in their debt.

I would also just like to say, Mr. Chairman, that in the past several years there is a new buzzword in transportation, "intermodalism." And we talked about it a lot in the last few transportation authorization bills, last year in the IST bill in particular. The word "intermodal" was one of the most frequent words in the entire debate.

I would just like to remind our colleagues that this committee, this Appropriations Subcommittee on Transportation, in fact, is really the only truly intermodal committee in the Congress of the United States. We have good friends and able leadership on all the authorizing committees that we work with.

Airways and highways are authorized out of the Committee on Public Works and Transportation. Railways are authorized out of the Committee on Energy and Commerce. The maritime and Coast Guard is authorized out of the Committee on Merchant Marine and Fisheries. Commercial space and the various modes of research and development is authorized out of the Committee on Science, Space, and Technology. But when it comes to money and when it comes to allocating the country's scarce resources, this is the only committee where all the modes are in the jurisdiction of one committee.

That makes our job very tough because our authorizing committees set very high standards, many of which we agree with, in charting a course for America and its transportation needs.

Nonetheless, our friends in the authorizing committees are spared the difficult duty of trying to prioritize between the modes, trying to figure out how efficiently to spend the money between highways, transit, airways, railways, waterways, and research and development.

The prioritization of all of these competing demands comes to rest before the Appropriations Subcommittee on Transportation, the only committee in the Congress that has that jurisdictional responsibility. As a result, particularly in these tough budgetary times, with allocations which are conservative, to say the least, we have not been able to meet the demands of our friends in the authorizing committees. We are going to hear some amendments from some members of those committees here on the floor later on in the day.

We would plead with our colleagues throughout the Congress to support the work of this committee. We have tried to be fair. We have looked at the intermodal needs of the country.

☐ 1250

We have tried to be fair. We have tried to do what is in the best interest of all America, not segmented pieces of the transportation system, so we plead with the colleagues now throughout the country to support this bill.

One final and very quick word. There are going to be a number of amendments on specific projects. I would like to just have the RECORD show that there were a lot of projects proposed to this committee. This committee looked at those individual projects with a great deal of care. We took testimony. We did investigations. We did research. While some of the projects may be criticized, and it is valid for any Member to amend to try to delete those projects, we support those projects. I would support them by saying that for every project that made it into the bill, there were 10 or 20 projects which we found lacking.

This committee has done its stewardship in trying to bring to the committee a bill that is fair and can be substantiated.

Mr. COUGHLIN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Indiana [Mr. MYERS], the second-ranking member on the Committee on Appropriations.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. COUGHLIN] for yielding time to me.

Mr. Chairman, I compliment both the chairman and the ranking member, the gentleman from Pennsylvania, as well as members of the committee for bringing as good a bill as is possible under these conditions. As has already been expressed, we all realize the budgetary restraints that the entire Committee on Appropriations has worked under this year. It has made it really difficult.

I particularly have had discussion both with the chairman and with the gentleman from Pennsylvania [Mr. COUGHLIN] about a problem in Indianapolis with the Indianapolis airport. The Indianapolis Airport is built on Interstate 465, which is the beltway around Indianapolis. Traffic going into the airport and out of the airport has to come off of this very high-density, congested area. It is becoming an increasing safety hazard.

Recognizing this, Indianapolis Airport Authority has engaged in a study how they might remedy this. The recommendations have come up, and it has been approved, to move the terminal to the other end of the airport, away from this congested area off of I-465. The entry would have to be off of Interstate 70 about 2 miles west of the present location, which would necessitate some expense, of course, to the Federal Government as well as the State of Indiana and the city of Indianapolis to locate an access off of I-70.

I realize this year it is just impossible for this committee to fund this and I compliment again the fine job the Members have done. A lot of good projects have been pushed aside. I realize we just did not have the money. The only thing I am asking is that we be able to work with the subcommittee as we try to develop plans for the future and be able to relieve this hazard to the Interstate 465 and the city of Indianapolis and those who must drive continuously in this traffic, that we will be able to work together.

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, I thank my friend, the gentleman from Indiana, for yielding to me.

Mr. Chairman, myself and our subcommittee are well aware of the congestion problems at the Indianapolis Airport, and we are just sorry that our limited budget prevented this subcommittee from including funds for the new interchange in our bill. In fact, to the best of my knowledge we did not have any new highway demos in this bill that were not already underway. Nevertheless, let me say to the gentleman that I am prepared to listen to him and other parties in advance of construction of the new I-70 interchange. If people cannot get to the airport, they cannot fly.

Mr. MYERS of Indiana. Mr. Chairman, I thank the chairman, and I yield to my friend, the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Chairman, I thank the gentleman for yielding time to me. The gentleman has been very diligent in representing his great State and in bringing these matters to our attention. We want to work with him in any way that we can, as we have in the past. We will continue to do that in the future.

Mr. MYERS of Indiana. Mr. Chairman, I thank each of the Members for their cooperation in the past on so many projects that we have worked together on. If there is any place that we should not or could not afford to cut for the infrastructured, this is it. This committee has given through the years attention to the transportation needs of our country. This is the last place, looking to the future, which we should reduce. However, realizing that we had no choice, I compliment the Members, and I thank them for their testimony.

Mr. LEHMAN of Florida. If the gentleman will continue to yield, I would ask him, is everything all right in Terre Haute?

Mr. MYERS of Indiana. It was when I left it last. I will be back there tomorrow.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of H.R. 5518, the Department of Transportation and related agencies appropriations bill for fiscal year 1993.

This bill is a testimony to the strength and ability of our chairman, Mr. LEHMAN. He is an outstanding chairman, and I am honored to have had the opportunity to work closely with him. We will miss him on the subcommittee next year, but he will leave a legacy of good work in Congress and for the country.

We also will miss LARRY COUGHLIN. He has been a good defender of the administration's priorities and interests, but he has also been fair and willing to work with Members from the other side of the aisle. Both LARRY and BILL have made the subcommittee a very good and productive place to work.

I also want to thank the staff of this subcommittee. Tom Kingfield, Rich Efford, Linda Muir, and Zee Latif, are a very talented and professional group of staffers, and I have enjoyed working with them. I also want to thank Lucy Hand of Chairman LEHMAN's staff, who is of great assistance to members of the subcommittee.

This bill is one of the most important bills we will have before us in this Congress because of its direct impact on our Nation's economic competitiveness. This bill provides the funding necessary to maintain and improve our Nation's infrastructure, which is critical to our continued economic prosperity. I am especially pleased that the bill responds to the needs of large urban areas and interurban areas like the research triangle area of North Carolina which are growing rapidly and face the challenge of minimizing traffic congestion, meeting clean air standards, and planning intelligently for the future.

Safety is also a primary concern of this subcommittee, and we have taken steps to make certain that travel, whether by car, rail, or air, is made safer. Research on important safety questions as well as enhanced facilities and equipment will help protect every American who is traveling.

This bill has not been crafted easily. Our subcommittee faced severe constraints this year, and this is reflected in reduced funding levels from FY92 for the Federal Highway Administration, the Federal Railroad Administration, and the National Highway Traffic Safety Administration. In general, we worked to minimize the damage to any one agency, making tough but fair cuts and ensuring that each agency could perform its critical functions.

I would also point out to Members that the subcommittee cut the Office of the Secretary by more than $9 million from the President's request and about $1 million below the fiscal year 1992 level. The subcommittee has already responded, then, to the concerns that many Members have expressed about the Administration's ever-increasing appetite for headquarters pencil-pushers and bureaucrats. In particular, our bill cuts or eliminates travel, overhead costs, and free fitness facilities from the President's request. It is a very responsible package.

I urge my colleagues to support this bill. It is a well-crafted and balanced bill and deserving of every Member's support.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DELAY], a member of the Subcommittee on Transportation of the Committee on Appropriations.

Mr. DELAY. Mr. Chairman, I thank the ranking member of the Subcommittee on Transportation for yielding this time to me.

Mr. Chairman, I rise in support of the Transportation appropriations bill for fiscal year 1993.

I would just like to say at the outset that we will miss two of the finest gentlemen that have ever served this committee. My chairman, the gentleman from Florida [Mr. LEHMAN] and my ranking member, the gentleman from Pennsylvania [Mr. COUGHLIN] will be sorely missed. The work these two gentlemen have put into this bill and their efforts over the years have many times been a very thankless job, but I believe that this Nation's transportation system is better off because of the efforts of these two gentlemen. They might be leaving, but they certainly will not be forgotten.

Mr. Chairman, last year during this same exercise I took the floor, oddly enough, in opposition to a transit project that was in my own district. The Houston monorail was a project that in my opinion would have strapped onto the backs of my constituents a financial burden that was simply unacceptable. The city was not united in support of this monorail project, nor were the State and local politicians. Most importantly, the people were not behind this major undertaking.

Since that time, and in just a matter of a few short months, the city of Houston has developed a strong consensus from all sides on a regional mobility plan including a comprehensive regional bus plan program. As a result of this support, the committee approved the release of Houston's previously earmarked funding for this project in 1993.

As the Federal Transit Administrator, Brian Clymer, has stated during hearings earlier this year, Houston is the leader in mass transportation and intelligent vehicle highway systems. They serve as a model for the rest of the Nation. I could not agree more. Houston has the most technologically advanced traffic management programs, has more enhanced city street maintenance programs, neighborhood infrastructure systems, such as hike-and-bike trails and street and sidewalk improvements, than any other city in America.

As the members can tell from that list of transportation programs, Houston addresses its transportation efforts in a very comprehensive manner. All of the projects are designed to support this core bus system and improved vehicular and pedestrian mobility.

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They do not just look at one problem area and try to fix it with a Band-Aid. It is this comprehensive philosophy that has enabled Houston to provide the best service for the lowest cost, and I commend their efforts.

Mr. Chairman, I just want to say I am one who opposes the already discussed Obey amendment. I think it is very unfortunate that this amendment is going to be considered to this bill. I think Members ought to seriously look at the Obey amendment and consider what is in the bill for them, because I feel that the President will veto this bill if the amendment passes.

Other than that, I support this bill and I urge my colleagues to do so.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. SABO], a member of the subcommittee.

Mr. SABO. Mr. Chairman, I just want to rise in support of this bill and to pay my compliments to the chairman and ranking member. They have been two outstanding Members to work with for the last 14 years. They take a bill that requires lots of choices and where one has to set lots of priorities and they do an exceptional job in guiding this bill through the committee and to the floor. There are lots of good provisions in here and I want to simply say thank you to both of them, and it is a good bill.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Chairman, I rise in favor of the bill and in the hopes that we can do more for programs of truck safety.

Mr. Chairman, I rise in support of the Transportation appropriations bill for fiscal year 1993. Residents in the Washington Metropolitan area will experience less traffic congestion and improved air quality in the region thanks to metro funding provisions in the bill. I thank the committee members who had the difficult task of deciding which requests to fund.

I do have a reservation, however, about the reduction in funding for the Federal highway safety grant programs. I understand that funding for many domestic discretionary programs will be reduced in fiscal year 1993, but a 24-percent reduction in Federal nonconstruction highway safety grant programs is a disproportionately large amount. Many States, facing financial problems of their own, will not be able to replace the lost Federal highway safety grant moneys.

A major part of these safety grant programs is the section 402 State and Community Highway Safety Grant Program. Section 402 is a national program in which funds are allocated to every State for use in addressing a wide range of highway safety issues. The 402 program has been a major contributor to the decline in the Nation's motor vehicle-related fatality rate over the last decade while the number of licensed drivers, registered vehicles, and vehicle miles of travel have all substantially increased.

States can use their 402 grants to fund traffic records programs; bicycle, motorcycle, and pedestrian safety programs; enforcement programs; and roadway safety programs. The Surface Transportation Act also required States to use 402 grants for school bus safety programs and speed enforcement programs.

Mr. Chairman, I urge conferees for the bill to develop a final version that funds the NHTSA portion of the 402 program at the fiscal year 1992 level of $118 million. This amount in the bill is $112 million, only $6 million less, and yet, that small sum of $6 million would go a long way to maintaining good State safety programs. I would hope that the Federal highway portion of the 402 grants be funded at a minimum of $15 million. The 402 base programs have served us well. Let us continue to fund them adequately.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 1½ minutes to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I thank the distinguished chairman for yielding time to me, and I would like to take this time to engage the chairman in a colloquy.

Mr. LEHMAN of Florida. If the gentleman will yield, I would be glad to answer any questions the gentleman may have.

Mr. STOKES. Mr. Chairman, statistics show that every year about 80 percent of the fatal aviation accidents involve pilot error, yet not enough progress has been made toward discovering psychological factors that cause the pilots to make these errors. I understand that the committee increased funding for Federal Aviation Administration research into human factors and aviation medicine to $27 million for fiscal year 1993, is that correct?

Mr. LEHMAN of Florida. The gentleman is correct. The committee fully funded the administration's request of $27 million for human factors and aviation medical research for fiscal year 1993.

Mr. STOKES. The Cleveland Clinic Foundation, in conjunction with Ohio State University and a prominent aeronautical university, has proposed a study which would develop a series of tests to determine the specific character traits that may make some pilots more prone to those errors in judgment, which can and do lead to accidents. It is my understanding that the Cleveland Clinic would need a total of $3 million over 4 years to complete this study, of which $500,000 in fiscal year 1993 would permit them to initiate the study. I understand that the committee would not object to this use of human factors research money.

Mr. LEHMAN of Florida. The gentleman is correct. I would encourage the FAA to consider providing $500,000 in fiscal year 1993 for the Cleveland Clinic Foundation study, and would work with the gentleman toward that end.

Mr. STOKES. I thank the gentleman for his support for this worthwhile study, which will help identify and evaluate the psychological factors which lead to pilot error, and which may help save lives.

Mr. Chairman, I also want to join in saluting both the gentleman from Florida [Mr. LEHMAN] and the gentleman from Pennsylvania [Mr. COUGHLIN] for the great work they have done on behalf of this Congress.

Mr. LEHMAN of Florida. Mr. Chairman, I thank the gentleman.

Mr. COUGHLIN. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Chairman, today I rise in strong support of H.R. 5518, the Transportation appropriations bill for fiscal year 1993. This legislation contains many fine provisions, but there is one provision included in the bill which I would like to bring to my colleagues' attention.

This provision is a tunnel that would be constructed under the intercoastal waterway in Fort Lauderdale, FL, called the 17th Street Tunnel project. I am enthused that the Transportation Appropriations Subcommittee has included $6.14 million in this bill for this much-needed project.

Because this project is of such great importance to the people of south Florida, there has been some controversy over whether a tunnel, a bascule bridge, or a fixed span would be the best replacement for the present obsolete structure. I strongly support a tunnel because the alternatives to a tunnel, a fixed bridge, or another bascule bridge, were shown by a Florida Department of Transportation study to be inadequate. A fixed bridge would have to be at least 85 feet high to conform with a Coast Guard directive. A bridge that height would still exclude many vessels from entering the intercoastal waterway, and would also destroy property values in that area. Additionally, the cost and the resultant destruction of land for construction of approach ramps leading to such a bridge makes a fixed bridge an unattractive option.

Another bascule bridge would have to be at least 65 feet high, and even at that height, studies have shown that the bridge would have to be opened almost as frequently as the present bridge. Additionally, a 65-foot bridge would encounter most of the problems associated with an 85-foot fixed structure. By the process of elimination, a tunnel was deemed the best long-term solution to the intolerable traffic problems now plaguing the 17th Street Causeway, the most heavily traveled bridge in Broward County. Finally, a July 7 editorial in the Miami Herald agrees with the assessment that a tunnel is the best option.

My colleagues may recall that this is the fourth year in a row that the House has included funds in its annual transportation bill for the 17th Street Tunnel project. Last year this project was included as part of the Intermodal Surface Transportation Efficiency Act (Public Law 102-240).

Although I am extremely gratified that this project finally seems to be coming to fruition, I am saddened that this will be the last transportation appropriations bill produced by the distinguished chairman of the Transportation Appropriations Subcommittee, Hon. BILL LEHMAN of Florida. Since becoming chairman in 1982, BILL has certainly left his mark on transportation policy in our Nation. Nowhere is this more evident than in our home State of Florida. Metrorail and People Mover are but some of the legacies of Representative LEHMAN's tenure as a Member of Congress that the people of Florida will long remember. Thanks to his strong support, and with the assistance of his able staff, especially Lucy Hand, I know that one day soon the 17th Street Tunnel will be added to that distinguished list. I hope I can convince BILL to come out of retirement for a day so he can help me cut the ribbon on this project when it is completed.

Mr. Chairman, although this year's budget is tighter than ever, my colleague from Florida and the subcommittee he chairs has once again crafted an excellent piece of legislation. I urge my colleagues to vote "yea" on H.R. 5518.

Mr. Chairman, I would like to express my thoughts to the committee and to the House as to my personal feelings with regard to the gentleman from Pennsylvania [Mr. COUGHLIN], and of course, my good friend the gentleman from Florida [Mr. LEHMAN], chairman of the subcommittee. They are definitely going to be missed. We have had such a responsible Appropriations Subcommittee under the head of both of these gentlemen throughout the years, and I want to express my personal gratitude, particularly to the gentleman from Florida [Mr. LEHMAN] for helping so much through the years in the Congress passing responsible legislation to take care of many of the transportation needs of south Florida. My hat is off to both of these gentlemen, and my gratitude goes to them for their help during these periods of time.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Arkansas [Mr. ALEXANDER], a member of the Committee on Appropriations.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman for yielding time to me and compliment the leadership of the gentleman from Florida. It has been a pleasure working with him over these years. As he knows, I was once a member of this subcommittee.

Mr. LEHMAN of Florida. If the gentleman will yield, for too short a time.

Mr. ALEXANDER. I have followed the subcommittee right along.

Mr. Chairman, I would like to engage in a colloquy with you on two projects that are pending in my home State. One is the DeValls Bluff bridge across the White River which is an extension of U.S. Highway 70. It is my understanding that this project in the bill last December, the so-called ISTEA bill authorized the construction of a replacement bridge across the White River at DeValls Bluff, and that money is in progress with which to begin planning and design for that replacement, is that correct?

Mr. LEHMAN of Florida. The gentleman is correct. The projects are in progress, and they are good projects, and I would like to see them happen.

Mr. ALEXANDER. Another project that is very important to our continued progress in the northeast region is the completion of the construction of three overpasses across the U.S. Highway 63 bypass on the south side of Jonesboro, AR. It is my understanding that the authorization bill authorizes three projects, and that the funding is in progress, is that correct?

Mr. LEHMAN of Florida. The gentleman is correct.

Mr. ALEXANDER. I thank the gentleman.

Mr. Chairman, I rise in support of this bill providing funding for the investments in transportation which are essential to our Nation's economy and future. This is an economic development bill. It will help provide jobs for Arkansans and other Americans. It will help Arkansas and American businesses and industries compete in the national and international economy.

This is a good bill. It deserves the support of the House.

This bill has been accomplished through the leadership of our Appropriations Subcommittee on Transportation chairman, the gentleman from Florida [Mr. LEHMAN]; the ranking minority member, the gentleman from Pennsylvania [Mr. COUGHLIN] with the support of the subcommittee's outstanding staff.

Funding which would be provided under this bill is crucial to efforts to modernize the Nation's transportation infrastructure. It is a key to achieving the revitalization of the economy in communities, towns and cities across Arkansas and the Nation.

Our Nation's transportation network is essential to the operations of the businesses and industries which provide jobs to millions of Arkansas and American workers.

Without transportation, businesses and industries do not get the materials they need to produce U.S. products and services. And, without transportation they cannot move the products of American workers to market.

Two examples of the critical importance of the funding in this bill can be found in two projects in Arkansas' First Congressional District. One is at DeValls Bluff and the other is at Jonesboro.

The project at DeValls Bluff would replace the U.S. Highway 70 bridge over the White River. Federal participation in this project was authorized late last year when the Congress passed the Intermodal Surface Transportation Efficiency Act of 1991. Funding in this bill can be used to get this project underway.

The current bridge was built in 1922. It was rated functionally obsolete in 1988. Twice since 1972 it has been closed for extended periods. Many drivers must use it on a daily basis.

The bridge has additional national importance because this U.S. Highway 70 bridge over White River in rural Arkansas is the alternate route for users of Interstate 40, a vitally important east-west route across our State and Nation.

If I-40 is closed for any reason, or use is substantially restricted, travelers must use the U.S. 70 route, or make substantial detours at significant costs in terms of dollars and time.

Developing States like Arkansas need capital investments to improve transportation links in the national transportation system. Instrument landing system improvements at the Jonesboro Regional Airport and completion of the U.S. Highway 63 bypass overpasses are important to future development. These capital investments are essential for economic growth, job development, and continued progress.

Late last year, as a part of the Intermodel Surface Transportation Efficiency Act of 1991, the Congress authorized continued Federal participation in the construction work on the U.S. Highway 63 bypass overpasses. Funding in today's transportation appropriations bill can be used to push these overpasses forward.

Jonesboro is a regional economic center. U.S. Highway 63 is a critical part of the local, regional, and national transportation system. Increasing usage of the highway bypass has stretched to the limit its capacity for safely moving vehicle traffic. Completion of the overpasses is needed to improve the efficiency of the highway and reduce the frequency of and potential for traffic accidents.

In the last 10 years about $350 million in Federal transportation funds have been invested in projects in Arkansas' First Congressional District which I represent. These funds have been indispensable to economic development in this region.

Congresses provided these funds at the same that they were appropriating less than Presidents requested. In fact, in the last 23 years, Congresses have appropriated $93.8 billion less than Presidents wanted.

I urge that the House approve this appropriations bill.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, today I rise in support of H.R. 5518. This bill includes funds that will help Chicago residents by improving roads and in the building of the downtown circulator light-rail project that we so badly need.

However, I do have some serious concerns about the cavalier manner in which the Federal Transit Administration has monitored the grantees in region V. In 1989 I asked the GAO to investigate the FTA's management of Federal funds in that region, which is headquartered in Chicago, and whose biggest grantee is the Chicago Transit Authority.

What they found was appalling. The FTA has provided very-poor-to-nonexistent oversight of the taxpayers' money spent in region V. This has resulted in fraud, waste, abuse and mismanagement of Federal funds; as well as a gross underserving of the transportation needs of senior citizens, and especially of workers who must travel through this megalopolis in order to find employment and/or to keep their jobs.

Among other things, the GAO found that: First, the Chicago Transit Authority had $800 million in unspent funds, second, they had an inadequate inventory of bus parts and third, were paying unnecessarily high amounts for capital projects.

Other glaring abuses found by the GAO and other Federal agencies that were due to the lack of FTA oversight, range from some questionable personnel policies at the highest level, to bidrigging and to the CTA's knowingly giving contracts to unqualified vendors.

The real losers from the waste and mismanagement afforded by the FTA's lax oversight are the American taxpayer, Chicago and suburban commuters and mass transit users. Mr. Chairman, at the same time that the Chicago Transit Authority had millions of dollars in unspent capital funds, they threatened to close down the Lake Street elevated train line, which is a major transportation artery for a large portion of urban Chicago as well as an important route for suburban commuters; and also attempted to increase fares and eliminate vital bus routes all in the name of cost control.

It is my understanding that the region V FTA Office is beginning to institute better management and auditing controls. I can only hope this is very true, because in these critical economic times when we are so concerned about getting a good return from every Federal dollar we spend, the American taxpayer deserves more for his money spent in Chicago and its suburbs. The Federal Transit Administration must do a much better monitoring process in the future.

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Mr. LEHMAN of Florida. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I want to commend the Transportation Subcommittee for its work this year, and specifically commend the subcommittee for including report language on the National Wildflower Research Center in Austin, TX.

The National Wildflower Research Center is the leading institution in the United States for native plants. Throughout the country, with the help of the center's expertise, our highways are lined with beautiful wildflowers that liven up the road. Wildflowers do much more, however. They lessen the need for mowing along roads, which saves money on maintenance. They also reduce soil erosion and promote biodiversity. This approach makes planting wildflowers along our roads a money saver for the taxpayer.

While existing law sets aside one-quarter of a percent of highway landscaping funds for wildflowers, some States have been slow in using this money to plant wildflowers. This bill's report directs the Federal Highway Administration to work with States to develop guidelines to promote better roadside vegetation management, which would include expanded use of wildflowers.

Wildflowers lining our highways give us the unseen—but important—benefit of lower maintenance costs and less soil erosion. Let us also recognize the benefits we see: the great variety of wildflowers and collage of colors we see as we drive along the highways of our great and beautiful country.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 1 minute to the distinguished dean of our delegation, the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Chairman, this is a great bill. It is a bill that improves the quality of life for all Americans. It is a bill which helps industry and business in our country. I would say at this particular juncture of history, it is extremely important because it provides jobs in an era of time in which there is a great need for jobs.

So I hope we can even improve the legislation. I certainly favor this legislation.

But before I close, I would like to say that the main reason why I am speaking now is to pay tribute to a wonderful guy, BILL LEHMAN, who despite the fact of very serious illness, did not let it stop him, and he went ahead and did what he needed to do for his country and did it in a very magnificent and exemplary way. I think we are all in his debt. We all owe a lot to him for what he did against great adverse situations. He and the gentleman from Pennsylvania, both, epitomize integrity, thoughtfulness, concern for others, concern for our country, and I am very, very deeply grateful that we have had them through the years. I think they have left behind them a tremendous monument, in the wonderful things they have done for our country. I do not know of anybody who has done more.

Mr. McDADE. Mr. Chairman, I want to congratulate and thank Chairman LEHMAN and the subcommittee's ranking Republican member, LARRY COUGHLIN, and all the members of the subcommittee for reporting a balanced bill under tight fiscal constraints.

The measure before us provides necessary funding to support, maintain, and expand our Nation's infrastructure. The bill contains a total Federal-aid highway obligation of $17.1 billion. This vital appropriation means jobs for our citizens and improvements to a transportation system that is threatened by obsolescence.

The bill also provides $9 billion for the Federal Aviation Administration, $3.8 billion for the Federal Transit Administration, $3.6 billion for the Coast Guard, and $405 million for Amtrak.

The bill is within its 602(b) allocation for budget authority and outlays, and I fully expect the President to sign the legislation into law in its current form. Accordingly, I urge my colleagues to vote "aye."

Mr. Speaker, let me also recognize the fine efforts of the gentlemen from Florida and Pennsylvania, Mr. LEHMAN and Mr. COUGHLIN. These men have served in this body for 20 years and 24 years, respectively. They have served with honor and distinction. They have been great friends to transportation. Both men are leaving this institution at the end of this session. I hope that in their retirement they are able to travel across the Nation's highways and byways—that they made possible.

I wish them Godspeed—but I urge them to keep it below 55 miles an hour.

Mr. FAZIO. Mr. Chairman, I rise in strong support of this legislation. I also want to commend Chairman LEHMAN, the members of the subcommittee, and the subcommittee staff for the outstanding job they did in crafting this bill under very tough circumstances.

As everyone knows, last year, Congress adopted overwhelmingly a 6-year reauthorization of our Nation's transportation programs. The Intermodal Surface Transportation Enhancement Act [ISTEA] established our spending priorities for rehabilitating, improving, and expanding our Nation's highways, roads, bridges, and mass transit systems. The subcommittee has made a very laudable effort to comply with this law with limited resources.

Unfortunately, we are unable to keep pace with the priorities established under the ISTEA legislation because of the enormous fiscal problems we face and because of the constraints imposed by the 1990 budget agreement. In fact, we are unable to even keep pace with the money we allocated for transportation in the current fiscal year. H.R. 5518 is $370 million below the current year spending level. This funding reduction is a real cut in one of the few areas of Federal spending that has an undisputed and positive effect on our economy. Every economist agrees that investment in public infrastructure pays for itself many times over in greater productivity in the future.

I have long advocated an increase in our public infrastructure investment, and I am pleased that my colleague from Wisconsin, Mr. OBEY, will be offering an amendment to achieve this goal. The Obey amendment takes savings we made in our foreign assistance budget and applies that savings to creating jobs and improving transportation systems here at home. The Obey amendment will not add to the deficit and will create over 125,000 jobs for Americans. This is just the kind of boost our sluggish economy needs at this time, and I urge my colleagues to support the amendment.

Mr. Chairman, I would also like to highlight some specific initiatives in the bill that provide enormous benefits in northern California. H.R. 5518 includes $4 million for right-of-way acquisition associated with a new bridge in Yuba City, CA. This bridge is a crucial part of planned highway expansion through Sutter and Yuba Counties. The right-of-way acquisition funding will enable the State and local governments to move this project along earlier than anticipated.

The bill also includes funding for an alternatives analysis for the new southern extension of light rail service in Sacramento. Additionally, the bill will jump start a new electric trolley bus system for Sacramento. The electric trolley bus will be a joint venture between the Sacramento Regional Transit District and the Sacramento Municipal Utility District. Electric trolley buses will help alleviate the air quality problems that the Sacramento area now faces by fielding cleaner running buses in the local transit system.

On the whole, H.R. 5518 is a fair and balanced bill. I commend Chairman LEHMAN and the ranking member, Mr. COUGHLIN, for their leadership on transportation issues. We will miss them both as they are retiring at the end of this year. I wish them both well in the future.

Mr. Chairman, I urge my colleagues to support the bill.

Mr. BEREUTER. Mr. Chairman, this Member rises in support of H.R. 5518.

This Member would like to direct commendations to the distinguished gentleman from Florida [Mr. LEHMAN], the chairman of the subcommittee, and the distinguished gentleman from Pennsylvania [Mr. COUGHLIN], the ranking member of the subcommittee, for their exceptional work in bringing this bill to the floor. This Member is very grateful for the support they have shown to Nebraska over the years and also for their overall efforts to improve the country's infrastructure. They have certainly made a positive difference in Congress and in this country and their tireless dedication will be greatly missed since they have chosen not to seek reelection.

This appropriations bill strikes an appropriate balance between dire concerns about the Federal deficit and transportation needs of the United States. The bill also reflects an emphasis on the overall needs of the Nation as well as addressing local and regional transportation issues and projects.

Specifically, this Member would like to thank the committee and subcommittee for recognizing and proposing to act upon the long-term need for a bridge between Newcastle, NE, and Vermillion, SD. For six decades, the prospect of constructing a bridge in the Newcastle-Vermillion area has enjoyed widespread support. An impressive coalition of community organizations, local governments, businesses, and individuals from both Nebraska and South Dakota has joined together in support of this bridge.

Such a bistate consensus is possible because the benefits resulting from the bridge's construction are so clear. These benefits include increased economic development, enhanced recreational opportunities, improved access to health care, and a reduction in transportation costs. Also, the construction of this bridge will improve the general quality of life for the area's residents by creating additional opportunities for higher education and cultural and social activities.

Due to the current lack of a bridge, communities in northeast Nebraska and southeast South Dakota—including Vermillion, SD, the location of the University of South Dakota—have remained isolated from each other despite their proximity. As a result, economic activity in the region has been hampered and labor and commerce options have been limited. Clearly, the completion of this bridge across the Missouri River will be a significant aid in attracting new businesses to the area.

This Member would also like to thank his distinguished colleague from South Dakota [Mr. JOHNSON] for his outstanding efforts and cooperation with this Member on behalf of this bridge project. The completion of this bridge will play an important role in facilitating an interdependence between communities in Nebraska and South Dakota and Mr. JOHNSON deserves recognition for the important role he has played in bringing this goal closer to reality. It has been a pleasure to continue the close and good cooperation on this and other bistate projects and issues.

This Member also wished to express his appreciation for the report language which urges priority status for grant applications for a number of airport projects including Nebraska City and York, NE. This language is added to cause the Nebraska Department of Aeronautics and the Federal Aviation Administration to give priority to these projects in order to better ensure quality air service for these communities. This Member hopes that the agencies will take quite seriously this expression of legislative intent rather than repeating excuses why action cannot be taken expeditiously.

This Member would like to briefly explain the circumstances which necessitate this statement of proposed priority. Prior to construction of the airport in York, this Member made the case that the runway should be built of sufficient length to handle the company jets of businesses vital to the economic development of the area. This, however, was not approved by Nebraska's Department of Aeronautics. Now, year after year, the community's needs for such a runway is frustrated by a priority system which does not elevate this project high enough to receive approval.

Second, a higher priority is necessary for the Nebraska City Airport so that sufficient funds will be available for buying an FAA-approved parcel. The airport authority is currently unable to purchase the parcel due to an appraisal that was substantially higher than initially planned due to court challenges of the initial land appraisals. Without additional funds, the scope of the airport project and the air safety of the airport will be greatly and unacceptably limited. The current level of funds would require one runway to be a much shorter runway than will eventually be required. It would be causing the same mistake and inadequacies made when the York Airport was constructed.

Mr. Chairman, in conclusion, this Member urges strong support for H.R. 5518 and urges his colleagues to approve it.

Mr. GOSS. Mr. Chairman, I am here to defend the integrity of the budgetary firewalls, part of the so-called budget deal that I voted against 2 years ago. Make no mistake, the 1990 budget agreement was a grave error. We were promised that this agreement was the tool we needed to reduce the deficit; what we have seen over the past 2 years is that it was the tool the majority of Congress needed to justify raising taxes and increase spending.

Let's cut through the rhetoric and take a look at the numbers: In 1989, the year before the agreement was struck, the deficit stood at $152 billion, down from 155 billion the previous year. Since then, the figure has rocketed upward, to $220 billion, $269 billion, and now to $400 billion—and with no end in sight.

Given the history of the budget agreement, some may ask why I am supporting any part of it. The answer is simple and unoriginal, but bears repeating: The firewalls that were established between the three budget categories are now the only barrier preventing the majority of these two bodies from spending this country even further into debt. They are the last modicum of protection that the American taxpayers have against further encroachment on their pocketbooks.

Mr. Chairman, we have heard many members stand up in support of allowing this temporary breach of the budget agreement. We have heard the usual rationalization for excessive spending, namely: Jobs for the American worker. Behind the scenes, lobbyists and interest groups have been hard at work trying to convince me to sell out my principles and my constituents for a promised $77 million aimed in the general direction of the State of Florida.

There's no doubt that Florida deserves an increased share of the Federal pie—especially when it comes to transportation dollars—our State holds the dubious honor of being 56th out of the 56 State and territorial tax entities in terms of return on our tax dollars. Many of my colleagues will remember how hard this Member and our entire delegation fought to change the unfair and discriminatory funding formulas that leave Florida in the donor-State rut year after year after year, despite our size and tremendous growth. We fought and we lost—and we will continue fighting to bring fairness back into the system.

But we will not be bought off. Yes, Florida deserves more Federal highway funds, but not at the expense of all budget constraint and responsibility. This Congress has proven over and over that it is incapable and unwilling to curb spending—to live within our Nation's means and to make tough choices. This amendment to break down the firewalls is just one more example of that trend.

I urge my colleagues to look beyond the short-term, short-sighted goals of the Obey amendment, and to reaffirm our commitment to jobs and security for the American people through sound fiscal policy, rather than the smoke-and-mirrors approach being considered today.

Mrs. UNSOELD. Mr. Chairman, last year I supported the transportation appropriations bill even though it contained requirements that pilots be tested for drug use. For the last year, I have been intending to educate this body on the concept of performance testing in lieu of the invasive, humiliating requirement of drug testing.

Performance testing does not analyze urine, blood, or hair. A computer specifically measures proper neuromuscular response time and coordination based on the individual's normal reactions. The computer immediately registers impairment of any type, including emotional trauma, alcohol consumption, or drug use. With this program, employees could be tested when they report for work or a supervisor can pull a person from his or her job immediately—rather than waiting for the results of a drug test from a lab to be returned.

More lives can be saved and more of our constitutional protections against Government invasion salvaged with performance testing. While we do not have the option of voting for performance testing in today's bill, I urge my colleagues to explore with me how we can move away from the very false security of drug testing and toward performance testing.

Mr. RAHALL. Mr. Chairman, I rise in support of H.R. 5518, the transportation appropriations bill for fiscal year 1993.

Mr. Chairman, over the past year or more, the Committee on Public Works and Transportation worked intensely to fashion a reauthorization of the Federal-aid to Highways Program—the Surface Transportation Act—addressing the transportation infrastructure needs of this Nation.

Known popularly as ICE–TEA, the Intermodal Surface Transportation and Efficiency Act enacted into law in December last year, held out the only hope of getting funds down to the States that would, in absolute effect, create millions of jobs. For every one of the $151 billion authorized, 50,000 jobs could be created, if the bill is fully funded over the next 6 years.

Mr. Chairman, I know how difficult it was for you to try to find a sufficient amount of money in our budget to adequately fund necessary transportation and transit programs under pay-as-you-go budgetary requirements.

I wholeheartedly support the Obey amendment which, technically, takes down the firewalls in the 1990 budget agreement, and I can do so with impunity since I voted against the 1990 budget summit agreement that put up firewalls in the first place.

As we worked long nights and weekends putting ISTEA together late last year, the unemployment situation was worsening, and we were still deep in the recession. Now, today, while we make an effort to secure additional, desperately needed funds for ISTEA, unemployment has risen once again to the highest rates since the recession began.

ISTEA, Mr. Chairman, is and always was, in the words of our esteemed subcommittee chairman NORMAN MINETA, a jobs bill. That is what it was intended to be, and it is the only such bill this Congress has thus far produced that can, and will if funded, give States and localities the chance to create jobs, put people to work, and help provide millions of unemployed with the dignity of a paycheck and a quality life that has been too long deferred.

Mr. Chairman, I strongly support the amendment offered by the gentleman from Wisconsin [Mr. OBEY], as a substantive measure to use decisions already made by the House on foreign aid to allow additional investment in American infrastructure and jobs.

The amendment does not come near to restoring the $5.5 billion cut in funding in the appropriations bill as reported to the House, that figure representing a 23-percent cut in trust fund supported highway programs. But the amendment will give us $2.5 billion—creating almost 250,000 new jobs. The amendment does not use new money. It is a tightly targeted use of the $400 million in outlays that was cut by the House from the foreign operations appropriations for investment in our own Nation—boosting the economy from one end of this country to the other.

Just last year, the Federal Highway Administration reported that more than $40 billion is needed simply to maintain our highways and bridges, our transit systems, in their current conditions.

Of the new dollars made possible under the Obey amendment, we will use 90 percent of the budget authority for the highway programs, and 10 percent for transit.

Mr. Chairman, let me once again convey to you my thanks and appreciation for the appropriations bill you have reported. No one, and least of all me, thinks that you could have done more under the circumstances, given the spending caps imposed on your subcommittee. You did the best you could and that was very good indeed.

H.R. 5518 as reported, increased the funding level for our State demonstration projects by 18 percent of the total costs of all such projects. This is immensely important to my State and my district.

The bill as reported provides a total of $3.789 billion for transit, an increase of some $27.5 million more than in fiscal year 1992. During our committee's work on ISTEA, it was my privilege to have won approval of increases in allocations for section 9b and section 18, small urban and rural transit programs. Because my State suffered heavy losses in population under the new census counts, these increases in funding allocations have not yet shown up on the transit side in West Virginia, but I believe that, if we are able to continue even modest increases in transit funding over the next few years, my State's transit allocations will begin to improve. I hope so, because West Virginia has no large urban areas, which receive 85 percent of transit funds. Under ISTEA, I was able to get section 9b, small urban allocations, increased from 8.6 percent to 9.36 percent, and for section 18, rural, the increase went from 2.9 percent to 5.5 percent of appropriated funds.

In order for transit programs to work as envisioned under ISTEA we must consider the financial bind that States and localities find themselves in with regard to matching fund requirements. In an amendment to be offered today, and which I support, we will permit the FTA to waive State and local matching requirements for certain mass transit programs in fiscal year 1993. There is a requirement that these matching funds be repaid at a later date. This amendment will give State and local transit officials the breathing room they need to go forward with improved and upgraded transit services, without having to delay such projects because matching State and local funds are not available to trigger use of the Federal transit allocations.

Aviation programs under the bill, as reported, were given a total funding level of $9.034 billion for the FAA, an increase of $162 million from fiscal year 1992 levels.

Also under consideration today, Mr. Chairman, is an amendment requiring the FAA to issue regulations which establish specified time limits on the amount of time that airline flight attendants must be on duty, as well as minimum required rest periods. As a strong supporter of H.R. 14 which passed the House last August, I also strongly support adoption of this amendment. I commend the chairman of our Surface Transportation Subcommittee for bringing this matter up for consideration at this time.

Mr. Chairman, there will be an amendment offered today to shift any funds saved under the international—foreign—affairs function of the budget to deficit reduction, rather than for our use here at home to help stabilize the economy and create jobs.

It is good to keep in mind, and to remind our colleagues, that surface transportation programs are financed to a large extent by dedicated taxes, collected from highway users to improve the roads and bridges upon which they rely for business, for industry, for pleasure. If it were not for budget walls and pay-as-you-go, along with spending ceilings and caps throughout the 1990 budget agreement, perhaps we could obligate more of the trust funds to highways and transit, making the Obey amendment unnecessary.

Why can't we? Because the highway users who are paying an extra 5 cents per gallon at the gas pump in order to maintain and improve the transportation system they use and depend upon, have had one-half of that nickel arbitrarily taken away from its dedicated use, and placed in the general fund for deficit reduction instead of in the highway trust fund where it could do the most good. I have no need to stand on this floor today to hear demands that a mere $400 million in foreign aid outlays should not be sent on transportation, when the House has already voted not to spend it overseas. The American people are kicking in 2½ cents on every gallon of gasoline they buy to help us reduce the deficit and I daresay every one of them would applaud our use of both foreign aid dollars and defense dollars, if they could, for domestic needs.

I would be remiss here, if I did not again thank our able Public Works and Transportation Committee chairman, BOB ROE, for his unstinting efforts last year to secure approval of a Nickel for America which allows us to be here today even talking about increased funding for our Nation's transportation needs. I applaud his courage in calling for the Nickel for America to help pay for the Nation's infrastructure needs.

The ISTEA was intended to obligate the trust fund surpluses to the greatest extent possible, to fund highway, bridge, and transit system improvements. It was understood that for every dollar authorized, jobs would be created and economic development would be assured.

I cannot stress too often that one of the major side effects of full and adequate funding for the highway bill is that it does, it will, create jobs—and this Congress must do something in that direction before it is too late. The only chance for job creation we have this year, and for the next 5 years, is to fullly fund ISTEA. It's that simple, Mr. Chairman, for despite our calls for enactment of a jobs bill, we see nothing on the horizon that even comes close to what is possible under ISTEA.

I want to thank Chairman LEHMAN, for his valiant efforts to stretch the budget he was given to work with, and for doing so in a manner that, even with funding shortfalls, would have still made a big difference in our States and congressional districts with respect to creating jobs and boosting the economy nationally. I know that he used the dollars he was given in the best possible way, for I know that he takes seriously the mantle of responsibility he wears in the name of transportation year-in and year-out for these many years.

Mr. Chairman, I pause to pay tribute to you and the wisdom you have brought to the debate on highway development over the years. You have announced your retirement, and you will be sorely missed. I take this opportunity to tell you that your contribution to our Nation's transportation system is too enormous to put into words—but words won't be necessary for we will always remember and think of you each time we take to the roads and byways of this country. In the coming decades, we and our children and grandchildren will look upon the remarkable improvements in transportation we have achieved, made possible solely as a result of your able stewardship as chairman of the Transportation Appropriations Subcommittee, it will be your name, Mr. Chairman, that comes most to mind. You have left us a great legacy, and we are grateful.

Mr. Chairman, I support H.R. 5518, and the Obey amendment, and I commend that gentleman, as well as the leadership of our Public Works and Transportation Committee, for their efforts to fashion this use of foreign aid funds so that all of America can benefit. I can think of no better or wiser use of foreign aid dollars, than their use here at home at a time when our people are in such great need.

I recommend this bill to my colleagues, urge their support, and hope that the bill do pass.

Mr. RAMSTAD. Mr. Chairman, I rise today in reluctant opposition to the transportation appropriation bill for fiscal year 1993.

Transportation appropriations bills are notorious for the level of pork barrel spending they include. Regrettably, considering our Nation's $400 billion budget deficit and $4 trillion debt, this bill is no different.

Some of the most notable pork projects in this bill include $1 million for two bike paths in Florida, $680,000 for a bypass in the Virgin Islands, $800,000 for a transportation center in Missouri, $4 million for a bridge linking Nebraska and South Dakota, $3 million for an access ramp in New Jersey, and others. Funding for these parochial projects undercuts important programs through which States can apply funds flexibly to areas with greatest transportation needs.

In addition, this bill appropriates hundreds of millions of dollars for light rail and other mass transit projects from Baltimore to Dallas to Honolulu. The $640 million funded and earmarked by the bill will be spent on projects that have not been thoroughly reviewed and properly analyzed.

For example, the bill would provide $18 million for a Seattle-Tacoma commuter rail project for which an alternatives analysis has not been initiated and which appears to compete with high-occupancy-vehicle lanes and a rail system proposed for the same traffic corridor.

Mr. Chairman, I don't dispute the merit of every single project I have noted, but I reject the method by which they were inserted into the bill by the committee, without careful consideration and without regard to their costly impact on the already serious fiscal crisis facing our Nation.

Mr. Chairman, H.R. 5518 punctuates this body's inability to move away from politics-as-usual. Just last month, Congress rejected a balanced budget amendment, with opponents arguing that constitutional action was unnecessary because the deficit crisis could be solved with congressional discipline. They contended that a constitutional amendment would delay action, when immediate action was desperately needed.

This pork-filled bill demonstrates the emptiness of this argument. Passage of this bill is another example of the continuing lack of fiscal discipline and dedication on the part of Congress to taking action on the deficit.

Mr. Chairman, it is time for Congress to start making tough decisions, replace smart politics with good policy, and vote against a bill that could cut more spending and lift some of the excessive burden from American taxpayers. I urge my colleagues to reject H.R. 5518.

Mr. RICHARDSON. Mr. Chairman, today I rise to express my strong support for the fiscal year 1993 transportation appropriations bill. I commend my colleague, Chairman WILLIAM LEHMAN, for his hard work and dedication in putting forth a strong appropriations bill that will go a long way in supporting, expanding and improving our Nation's infrastructure. I think it is also appropriate to point out that, in these current economic times and budgetary constraints, that this legislation falls within the caps set by the 1992 budget agreement.

I am particularly pleased that funds have been provided to implement mass transit programs in both Santa Fe and Rio Rancho, New Mexico. It is vital to our Nation's economy that we work to link our urban and rural areas together. The funding provided in this legislation will greatly benefit the citizens of New Mexico by making programs and services more accessible. Additionally, funds have also been provided to assist both the Santa Fe Airport and the Albuquerque International Airport. This funding is important for improvements in safety and services for New Mexico's residents and visitors.

These and other provisions included in this legislation provide much needed improvements to New Mexico's roads, highways, and airports. Mr. Chairman, this legislation is critical for the residents of my district, the State of New Mexico and our Nation's infrastructure. I urge my colleagues to support it.

Mr. AUCOIN. Mr. Chairman, I rise in support of H.R. 5518 and I urge my colleagues to support this bill. I want to express my appreciation to the members and staff of the Transportation Appropriations Subcommittee for their outstanding work on this bill. As a former subcommittee member, I know from personal experience that the subcommittee works very hard at a demanding job.

I want to commend Chairman BILL LEHMAN, who is quite simply a model chairman—dedicated, diligent, and fair. I value his friendship and I have the highest respect for his efforts to defend sound transportation policies throughout the 1980's and 1990's. His work on transit issues has been very important to the entire nation and to my home city of Portland.

Portland is justifiably proud of its MAX light rail system, which has been a spectacular popular success since it opened in 1987. BILL LEHMAN is one of the heroes of this story because of his strong support for the Federal Transit Program and his help for MAX on appropriations bills going back to 1981. Mr. Chairman, thank you. The House and the Nation will miss you.

One of the subcommittee's strengths has been the close relationship between Chairman LEHMAN and LARRY COUGHLIN, the ranking Republican. I am also grateful for Mr. COUGHLIN's help and friendship over the years.

Finally, my thanks to Tom Kingfield, Rich Efford, Linda Muir, and Lucy Hand for their work.

Mr. COUGHLIN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. LEHMAN of Florida. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, unless otherwise specified in House report 102-659, debate on each amendment to title I or title II of the bill, and any amendments thereto, shall be limited to 20 minutes.

It shall be in order to consider the amendments printed in House Report 102-659. Each amendment may be offered only the proponent or a designee, shall be considered as read, shall be debatable for the time specified, equally divided and controlled by the proponent and an opponent of the amendment, shall not be subject to amendment and shall not be subject to a demand for a division of the question.

The amendments specified in House report 102-659 to be offered by the gentleman from Minnesota [Mr. OBERSTAR] and the gentleman from Wisconsin [Mr. OBEY] may be considered en bloc.

The Chairman of the Committee of the Whole may recognize for the consideration of the amendments printed in part 1 of the report a proponent at any time, but not sooner than 1 hour after the floor manager of the bill announces from the floor a request to that effect.

The amendments printed in part 1 of the report shall be considered in the order printed. If both of the amendments numbered 1 and 2 printed in part 1 of the report are adopted, only the second to be adopted shall be considered as finally adopted and reported to the House.

The Clerk will read.

The Clerk read as follows:

H.R. 5518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes, namely:

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

IMMEDIATE OFFICE OF THE SECRETARY

For necessary expenses of the Immediate Office of the Secretary, $1,435,000.

IMMEDIATE OFFICE OF THE DEPUTY SECRETARY

For necessary expenses of the Immediate Office of the Deputy Secretary, $427,000.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, $7,140,000.

OFFICE OF THE ASSISTANT SECRETARY FOR POLICY AND INTERNATIONAL AFFAIRS

For necessary expenses of the Office of the Assistant Secretary for Policy and International Affairs, $9,080,000.

OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS

For necessary expenses of the Office of the Assistant Secretary for Budget and Programs, $2,921,000, including not to exceed $40,000 for allocation within the Department of official reception and representation expenses as the Secretary may determine.

OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

For necessary expenses of the Office of the Assistant Secretary for Governmental Affairs, $2,340,000.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary expenses of the Office of the Assistant Secretary for Administration, $31,268,000, of which $3,668,000 shall remain available until expended.

OFFICE OF THE ASSISTANT SECRETARY FOR PUBLIC AFFAIRS

For necessary expenses of the Office of the Assistant Secretary for Public Affairs, $1,546,000.

EXECUTIVE SECRETARIAT

For necessary expenses of the Executive Secretariat, $965,000.

CONTRACT APPEALS BOARD

For necessary expenses of the Contract Appeals Board, $636,000.

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, $1,520,000.

OFFICE OF ESSENTIAL AIR SERVICE

For necessary expenses of the Office of Essential Air Service, $1,545,000.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

For necessary expenses of the Office of Small and Disadvantaged Business Utilization, $953,000: *Provided*, That, notwithstanding any other provision of law, funds available for the purposes of the Minority Business Resource Center in this or any other Act may be used for business opportunities related to any mode of transportation.

OFFICE OF INTELLIGENCE AND SECURITY

For necessary expenses of the Office of Intelligence and Security, $1,265,000.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, and development activities, including the collection of national transportation statistics, to remain available until expended, $3,025,000.

OFFICE OF COMMERCIAL SPACE TRANSPORTATION

OPERATIONS AND RESEARCH

For necessary expenses for operations and research activities related to commercial space transportation, $4,364,000, of which $1,200,000 shall remain available until expended: *Provided*, That, notwithstanding any other provision of law, there may be credited to this account up to $300,000 received from user fees established for regulatory services.

POINT OF ORDER

Mr. BROWN. Mr. Chairman, I make a point of order with regard to the language at line 24 on page 4 and continuing to line 2 on page 5, that it constitutes legislation in an appropriation bill and is in violation of clause 2 of rule XXI.

The CHAIRMAN. Does the gentleman from Florida [Mr. LEHMAN] desire to be heard on the point of order?

Mr. LEHMAN of Florida. Mr. Chairman, the gentleman is correct, and the subcommittee concedes the point of order.

The CHAIRMAN (Mr. BOUCHER). The point of order is conceded and sustained.

The Clerk will read.

The Clerk read as follows:

WORKING CAPITAL FUND

Necessary expenses for operating costs and capital outlays of the Department of Transportation Working Capital Fund not to exceed $94,000,000 shall be paid, in accordance with law, from appropriations made available by this Act and prior appropriations Acts to the Department of Transportation, together with advances and reimbursements received by the Department of Transportation.

PAYMENTS TO AIR CARRIERS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for payments to air carriers of so much of the compensation fixed and determined under section 419 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1389), as is payable by the Department of Transportation, $38,600,000, to remain available until expended and to be derived from the Airport and Airway Trust Fund: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs in excess of $38,600,000 for the Payments to Air Carriers program in fiscal year 1993: *Provided further*, That none of the funds in this Act shall be available for service to communities not receiving such service during fiscal year 1991, unless such communities are otherwise eligible for new service, provide the required local match and are no more than 200 miles from a large hub airport: *Provided further*, That none of the funds in this Act shall be available to increase the service levels to communities receiving service unless the Secretary of Transportation certifies in writing that such increased service levels are estimated to result in self-sufficiency within three years of initiation of the increased level of service.

AMENDMENT OFFERED BY MR. SABO

Mr. SABO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SABO: Page 6, line 2, strike "provide the required local match and are no more than 200 miles from a large hub airport:" and insert "and provide the required local match:".

Mr. SABO. Mr. Chairman, the amendment simply makes technical corrections in the essential air service. It does not increase the funding in the program.

Mr. LEHMAN of Florida. Mr. Chairman, the chairman of the subcommittee has no objections to this amendment. We accept the amendment as far as the Chair is concerned.

Mr. COUGHLIN. Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. SABO].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RENTAL PAYMENTS

For necessary expenses for rental of headquarters and field space and related services assessed by the General Services Administration, $111,970,000: *Provided*, That of this amount, $16,225,000 shall be derived from the Highway Trust Fund, $29,887,000 shall be derived from the Airport and Airway Trust Fund, $481,000 shall be derived from the Pipeline Safety Fund, and $16,000 shall be derived from the Harbor Maintenance Trust Fund.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

For the cost of direct loans, $300,000, as authorized by 49 U.S.C. 332: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $7,500,000. In addition, for administrative expenses to carry out the direct loan program, $400,000.

COAST GUARD

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed eight passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and section 229(b) of the Social Security Act (42 U.S.C. 429(b)); and recreation and welfare; $2,515,739,000, of which $156,600,000 shall be transferred from the Department of Defense; of which $25,000,000 shall be derived from the Oil Spill Liability Trust Fund; and of which $30,000,000 shall be expended from the Boat Safety Account: *Provided*, That the number of aircraft on hand at any one time shall not exceed two hundred and twenty-three, exclusive of planes and parts stored to meet future attrition: *Provided further*, That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States: *Provided further*, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109, except to the extent fees are collected from yacht owners and credited to this appropriation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, $384,600,000, of which $19,250,000 shall be derived from the Oil Spill Liability Trust Fund; of which $104,500,000 shall be available to acquire, repair, renovate or improve vessels, small boats and related equipment, to remain available until September 30, 1997; $53,400,000 shall be available to acquire new aircraft and increase aviation capability, to remain available until September 30, 1995; $67,650,000 shall be available for other equipment, to remain available until September 30, 1995; $122,550,000 shall be available for shore facilities and aids to navigation facilities, to remain available until September 30, 1995; and $36,500,000 shall be available for personnel compensation and benefits and related costs, to remain available until September 30, 1993.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

For necessary expenses to carry out the Coast Guard's environmental compliance and restoration functions under chapter 19 of title 14, United States Code, $21,500,000, to remain available until expended.

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges, $11,000,000, to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C. ch. 55), $519,700,000.

RESERVE TRAINING

(INCLUDING TRANSFER OF FUNDS)

For all necessary expenses for the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services; $74,100,000, of which $50,000,000 shall be transferred from the Department of Defense.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, $27,930,000, to remain available until expended, of which $4,550,000 shall be derived from the Oil Spill Liability Trust Fund: *Provided*, That there may be credited to this appropriation funds received from State and local governments, other public authorities, private sources, and foreign countries, for expenses incurred for research, development, testing, and evaluation.

BOAT SAFETY

(AQUATIC RESOURCES TRUST FUND)

For payment of necessary expenses incurred for recreational boating safety assistance under Public Law 92-75, as amended, $30,000,000, to be derived from the Boat Safety Account and to remain available until expended.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development, establishment of air navigation facilities and the operation (including leasing) and maintenance of aircraft, and carrying out the provisions of the Airport and Airway Development Act, as amended, or other provisions of law authorizing the obligation of funds for similar programs of airport and airway development or improvement, lease or purchase of four passenger motor vehicles for replacement only, $4,538,000,000, of which $2,279,321,000 shall be derived from the Airport and Airway Trust Fund: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, foreign authorities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities and for issuance, renewal or modification of certificates, including airman, aircraft, and repair station certificates, or for tests related thereto, or for processing major repair or alteration forms: *Provided further*, That none of these funds shall be available for new applicants for the second career training program: *Provided further*, That, of the funds available under this head, $2,000,000 shall be made available for the Mid-American Aviation Resource Consortium in Minnesota to operate an air traffic controller training program: *Provided further*, That funds may be used to enter into a grant agreement with a non-profit standard setting organization to assist in the development of aviation safety standards.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities and equipment as authorized by the Federal Aviation Act of 1958, as amended (49 U.S.C. App. 1301 et seq.), including initial acquisition of necessary sites by lease or grant; engineering and service testing including construction of test facilities and acquisition of necessary sites by lease or grant; and construction and furnishing of quarters and related accommodations of officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; and the purchase, lease or transfer of aircraft from funds available under this head; to be derived from the Airport and Airway Trust Fund, $2,459,860,000, of which $2,275,903,000 shall remain available until September 30, 1995, and of which $183,957,000 shall remain available until September 30, 1994: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: *Provided further*, That with appropriations made for the Airway Science program, as authorized below in this section, the Federal Aviation Administration may hereafter enter into competitive grant agreements with institutions of higher education having airway science curricula, for the Federal share of the allowable direct costs of the following categories of items, to the extent that such items are in support of airway science curricula: (a) the construction, purchase, or lease with option to purchase, of buildings and associated facilities, and (b) instructional materials and equipment. Such funds are hereby authorized to be appropriated and may remain available until expended. The Federal Aviation Administration shall establish guidelines for determining the direct costs allowable under grants to be made pursuant to this section. The maximum Federal share of the allowable cost of any project assisted by such grants shall be 50 percent.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, in accordance with the provisions of the Federal Aviation Act of 1958, as amended (49 U.S.C. App. 1301 et seq.), including construction of experimental facilities and acquisition of necessary sites by lease or grant, $236,856,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for grants-in-aid for airport planning and development under section 14 of Public Law 91-258, as amended, and under other law authorizing such obligations, and obligations for noise compatibility planning and programs, $1,800,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the commitments for which are in excess of $1,800,000,000 in fiscal year 1993 for grants-in-aid for airport planning and development, and noise compatibility planning and programs, notwithstanding section 506(e)(4) of the Airport and Airway Improvement Act of 1982, as amended, of which not to exceed $196,313,800 shall be available for letters of intent issued prior to June 30, 1992.

Aviation Insurance Revolving Fund

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to section 1306 of the Federal Aviation Act of 1958, as amended (49 U.S.C. App. 1536), and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program set forth in the budget for the current fiscal year for aviation insurance activities under title XIII of the Federal Aviation Act of 1958.

Aircraft Purchase Loan Guarantee Program

The Secretary of Transportation may hereafter issue notes or other obligations to the Secretary of the Treasury, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury may prescribe. Such obligations may be issued to pay any necessary expenses required pursuant to any guarantee issued under the Act of September 7, 1957, Public Law 85-307, as amended (49 U.S.C. 1324 note). None of the funds in this Act shall be available for activities under this head the obligations for which are in excess of $9,970,000 during fiscal year 1993. Such obligations shall be redeemed by the Secretary from appropriations authorized by this section. The Secretary of the Treasury shall purchase any such obligations, and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force. The purposes for which securities may be issued under such Act are extended to include any purchase of notes or other obligations issued under the subsection. The Secretary of the Treasury may sell any such obligations at such times and price and upon such terms and conditions as he shall determine in his discretion. All purchases, redemptions, and sales of such obligations by such Secretary shall be treated as public debt transactions of the United States.

FEDERAL HIGHWAY ADMINISTRATION

Limitation on General Operating Expenses

Necessary expenses for administration, operation, and research of the Federal Highway Administration not to exceed $351,200,000 shall be paid in accordance with law from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: *Provided*, That not to exceed $115,000,000 of the amount provided herein shall remain available until expended: *Provided further*, That, notwithstanding any other provision of law, there may be credited to this account funds received from States, counties, municipalities, other public authorities, and private sources, for training expenses incurred for non-Federal employees.

Highway-Related Safety Grants

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 402 administered by the Federal Highway Administration, to remain available until expended, $10,000,000 to be derived from the Highway Trust Fund: *Provided*, That not to exceed $200,000 of the amount appropriated herein shall be available for "Limitation on general operating expenses": *Provided further*, That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of $10,000,000 in fiscal year 1993 for "Highway-Related Safety Grants".

Railroad-Highway Crossings Demonstration Projects

For necessary expenses of certain railroad-highway crossings demonstration projects as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, to remain available until expended, $4,580,000, of which $3,053,333 shall be derived from the Highway Trust Fund.

Federal-Aid Highways

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $14,440,000,000 for Federal-aid highways and highway safety construction programs for fiscal year 1993.

Federal-Aid Highways

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For carrying out the provisions of title 23, United States Code, that are attributable to Federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursements for sums expended pursuant to the provisions of 23 U.S.C. 308, $18,800,000,000 or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended.

Right-of-Way Revolving Fund

(LIMITATION ON DIRECT LOANS)

(HIGHWAY TRUST FUND)

During fiscal year 1993 and with the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $42,500,000.

Motor Carrier Safety

For necessary expenses to carry out the motor carrier safety functions of the Secretary as authorized by the Department of Transportation Act (80 Stat. 939-940), $51,500,000, of which $3,929,000 shall remain available until expended.

Motor Carrier Safety Grants

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of section 402 of Public Law 97-424, $65,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $65,000,000 for "Motor Carrier Safety Grants", of which not to exceed $3,000,000 shall be available for activities authorized by section 4008 of Public Law 102-240.

Baltimore-Washington Parkway

For necessary expenses, not otherwise provided, to carry out the provisions of the Federal-Aid Highway Act of 1970 and section 1069 of Public Law 102-240 for the Baltimore-Washington Parkway, to remain available until expended, $10,000,000.

Intermodal Urban Demonstration Project

(HIGHWAY TRUST FUND)

For necessary expenses to carry out the provisions of section 124 of the Federal-Aid Highway Amendments of 1974, $4,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

Highway Safety and Economic Development

Demonstration Projects

(HIGHWAY TRUST FUND)

For necessary expenses to carry out construction projects as authorized by Public Law 99-500 and Public Law 99-591, $8,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

Highway Safety Improvement Demonstration Project

(HIGHWAY TRUST FUND)

For the purpose of carrying out a coordinated project of highway improvements in the vicinity of Pontiac and East Lansing, Michigan, that demonstrates methods of enhancing safety and promoting economic development, $7,500,000, to be derived from the Highway Trust Fund and to remain available until expended.

Highway Widening Demonstration Project

For necessary expenses to carry out a demonstration project to improve U.S. Route 202 in the vicinity of King of Prussia, Pennsylvania, as authorized by Public Law 100-202, $800,000, to remain available until expended.

Highway Widening and Improvement Demonstration Project

(HIGHWAY TRUST FUND)

For up to 80 percent of the expenses necessary to carry out a highway project between Paintsville and Prestonsburg, Kentucky, that demonstrates the safety and economic benefits of widening and improving highways in mountainous areas, $1,680,000, to be derived from the Highway Trust Fund and to remain available until expended.

Climbing Lane and Highway Safety Demonstration Project

(HIGHWAY TRUST FUND)

For 80 percent of the expenses necessary to carry out a highway project on U.S. Route 15 in the vicinity of Tioga County, Pennsylvania, for the purpose of demonstrating methods of improved highway and highway safety construction, $4,800,000, to be derived from the Highway Trust Fund and to remain available until expended.

Alabama Highway Bypass Demonstration Project

(HIGHWAY TRUST FUND)

For 80 percent of the expenses necessary for the construction of a highway bypass project in the vicinity of Jasper, Alabama, for the purpose of demonstrating methods of improved highway and highway safety construction, $4,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

Kentucky Bridge Demonstration Project

(HIGHWAY TRUST FUND)

For 80 percent of the expenses necessary to replace the Glover Cary Bridge in

Owensboro, Kentucky, for the purpose of demonstrating methods of improved highway and highway safety construction, $8,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

VIRGINIA HOV SAFETY DEMONSTRATION PROJECT

(HIGHWAY TRUST FUND)

For 80 percent of the expenses necessary to construct High Occupancy Vehicle lanes on Interstate Route 66 between U.S. Route 50 and U.S. Route 29, including the construction of an interchange at Interstate Route 66 and the Route 234 Manassas bypass for the purpose of demonstrating methods of increasing highway capacity and safety by the use of highway shoulders to construct HOV lanes, $2,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

URBAN HIGHWAY CORRIDOR AND BICYCLE TRANSPORTATION DEMONSTRATION PROJECTS

(HIGHWAY TRUST FUND)

For 80 percent of the expenses necessary to improve and upgrade the M-59 urban highway corridor in southeast Michigan for the purpose of demonstrating methods of improving congested urban corridors that have been neglected during construction of the Interstate system, $3,860,000, to be derived from the Highway Trust Fund and to remain available until expended, together with $380,000, to be derived from the Highway Trust Fund and to remain available until expended, to provide for 80 percent of the expenses necessary for a bicycle transportation demonstration project in Macomb County, Michigan.

URBAN AIRPORT ACCESS SAFETY DEMONSTRATION PROJECT

(HIGHWAY TRUST FUND)

For 80 percent of the expenses necessary to improve and upgrade access to Detroit Metropolitan Airport in southeast Michigan, $4,800,000, to be derived from the Highway Trust Fund and to remain available until expended, for the purpose of demonstrating methods of improving access to major urban airports.

PENNSYLVANIA RECONSTRUCTION DEMONSTRATION PROJECT

(HIGHWAY TRUST FUND)

For 80 percent of the expenses necessary to upgrade, widen, and reconstruct the sections of Pennsylvania Route 56 known as Haws Pike and the Windber By-Pass, for the purpose of demonstrating methods of promoting economic development and highway safety, $8,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

PENNSYLVANIA TOLL ROAD DEMONSTRATION PROJECT

(HIGHWAY TRUST FUND)

For necessary expenses for the Monongahela Valley Expressway, $4,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That these funds, together with funds made available from the Highway Trust Fund, for Federal participation in the toll highway project being carried out under section 129(j) of title 23, United States Code, in the State of Pennsylvania shall be subject to section 129(j) of such title, relating to Federal share limitation.

HIGHWAY DEMONSTRATION PROJECTS

(HIGHWAY TRUST FUND)

For up to 80 percent of the expenses necessary for certain highway and bicycle transportation projects and parking facilities, including feasibility and environmental studies, that demonstrate methods of improving safety, reducing congestion, or promoting economic development, $90,600,000, to be derived from the Highway Trust Fund and to remain available until expended.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under the Motor Vehicle Information and Cost Savings Act (Public Law 92-513, as amended) and the National Traffic and Motor Vehicle Safety Act, $76,890,000, to remain available until September 30, 1995.

OPERATIONS AND RESEARCH

(HIGHWAY TRUST FUND)

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under 23 U.S.C. 403 and section 2006 of the Intermodal Surface Transportation Efficiency Act of 1991, to be derived from the Highway Trust Fund, $43,250,000, to remain available until September 30, 1995.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred carrying out the provisions of 23 U.S.C. 153, 402, 406, 408, and 410, section 2007 of the Intermodal Surface Transportation Efficiency Act of 1991, and section 209 of Public Law 95-599, as amended, to remain available until expended, $152,000,000, to be derived from the Highway Trust Fund: *Provided*, That, notwithstanding subsection 2009(b) of the Intermodal Surface Transportation Efficiency Act of 1991, none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which, in fiscal year 1993, are in excess of $130,300,000 for programs authorized under 23 U.S.C. 402, of which $112,000,000 shall be for "State and community highway safety grants", $12,000,000 shall be for section 153 "Safety belt and motorcycle helmet use" grants, $2,000,000 shall be for section 410 "Alcohol-impaired driving countermeasures" grants, and $4,300,000 shall be for the "National Driver Register": *Provided further*, That none of these funds shall be used for construction, rehabilitation or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures: *Provided further*, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which are in excess of $7,700,000 for "Alcohol safety incentive grants" authorized under 23 U.S.C. 408: *Provided further*, That not to exceed $5,153,000 may be available for administering "State and community highway safety grants" and $150,000 may be available for administering section 410: *Provided further*, That, notwithstanding any other provision of law, none of the funds in this Act shall be available for the planning or execution of programs authorized under section 209 of Public Law 95-599, as amended, the total obligations for which are in excess of $4,750,000 in fiscal years 1982 through 1993.

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, $17,385,000, of which $1,895,000 shall remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of a program making commitments to guarantee new loans under the Emergency Rail Services Act of 1970, as amended, and that no new commitments to guarantee loans under section 211(a) or 211(h) of the Regional Rail Reorganization Act of 1973, as amended, shall be made: *Provided further*, That, as part of the Washington Union Station transaction in which the Secretary assumed the first deed of trust on the property and, where the Union Station Redevelopment Corporation or any successor is obligated to make payments on such deed of trust on the Secretary's behalf, including payments on and after September 30, 1988, the Secretary is authorized to receive such payments directly from the Union Station Redevelopment Corporation, credit them to the appropriation charged for the first deed of trust, and make payments on the first deed of trust with those funds: *Provided further*, That such additional sums as may be necessary for payment on the first deed of trust may be advanced by the Administrator from unobligated balances available to the Federal Railroad Administration, to be reimbursed from payments received from the Union Station Redevelopment Corporation.

RAILROAD SAFETY

For necessary expenses in connection with railroad safety, not otherwise provided for, $40,090,000, of which $1,335,000 shall remain available until expended: *Provided*, That there may be credited to this appropriation funds received from non-Federal sources for expenses incurred in training safety employees of private industry, State and local authorities, or other public authorities other than State rail safety inspectors participating in training pursuant to section 206 of the Federal Railroad Safety Act of 1970.

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, $14,800,000, to remain available until expended: *Provided*, That up to $600,000 shall be made available to support, by financial assistance agreement, railroad-highway grade crossing safety programs, including Operation Lifesaver: *Provided further*, That $100,000 is available until expended to support by financial assistance agreement railroad metallurgical and welding studies at the Oregon Graduate Institute.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation for operating losses incurred by the Corporation, capital improvements, and labor protection costs authorized by 45 U.S.C 601, to remain available until expended, $405,000,000, of which $331,000,000 shall be available for operating losses incurred by the Corporation and for labor protection costs, and of which $74,000,000, not to become available until July 1, 1993, shall be available for capital improvements: *Provided*, That none of the funds herein appropriated shall be used for lease or purchase of passenger motor vehicles or for the hire of vehicle operators for any officer or employee, other than the president of the Corporation, excluding the lease of passenger motor vehicles for those officers or employees while in official travel status: *Provided further*, That the Secretary shall make no commitments to guarantee new loans or loans for new purposes under 45 U.S.C. 602 in fiscal year 1993: *Provided further*, That no funds are required to be expended or reserved for expenditure pursuant to 45 U.S.C. 601(e):

Provided further, That, notwithstanding any other provision of law, the National Railroad Passenger Corporation shall not operate rail passenger service between Atlantic City, New Jersey, and the Northeast Corridor main line unless the Corporation's Board of Directors determines that revenues from such service have covered or exceeded 75 per centum of the short-term avoidable costs of operating such service in the third year of operation: *Provided further*, That none of the funds provided in this or any other Act shall be made available to finance the acquisition and rehabilitation of a line, and construction necessary to facilitate improved rail passenger service, between Spuyten Duyvil, New York, and the main line of the Northeast Corridor unless the Secretary of Transportation certifies that not less than 40 per centum of the costs of such improvements shall be derived from non-Amtrak sources.

MANDATORY PASSENGER RAIL SERVICE PAYMENTS

To enable the Secretary of Transportation to pay obligations and liabilities of the National Railroad Passenger Corporation, $146,000,000, to remain available until expended: *Provided*, That this amount is available only for the payment of: (1) tax liabilities under section 3221 of the Internal Revenue Code of 1986 due in fiscal year 1993 in excess of amounts needed to fund benefits for individuals who retired from the National Railroad Passenger Corporation and for their beneficiaries; (2) obligations of the National Railroad Passenger Corporation under section 358(a) of title 45, United States Code, due in fiscal year 1993 in excess of its obligations calculated on an experience-rated basis; and (3) obligations of the National Railroad Passenger Corporation due under section 3321 of the Internal Revenue Code of 1986.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided*, That no new loan guarantee commitments shall be made during fiscal year 1993: *Provided further*, That, notwithstanding any other provision of law, for fiscal year 1989 and each fiscal year thereafter all amounts realized from the sale of notes or securities sold under authority of this section shall be considered as current year domestic discretionary outlay offsets and not as "asset sales" or "loan prepayments" as defined by section 257(12) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That any underwriting fees and related expenses shall be derived solely from the proceeds of the sales.

CONRAIL COMMUTER TRANSITION ASSISTANCE

For necessary capital expenses of Conrail commuter transition assistance, not otherwise provided for, $7,000,000, to remain available until expended.

AMTRAK CORRIDOR IMPROVEMENT LOANS

For the cost of direct loans to the Chicago, Missouri and Western Railroad, or its successors, to replace existing jointed rail with continuous welded rail between Joliet and Granite City, Illinois, $844,200: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $3,500,000: *Provided further*, That any loan authorized under this section shall be structured with a maximum 20-year payment at an annual interest rate of 4 per centum: *Provided further*, That the Federal Government shall hold a first and prior purchase money security interest with respect to any materials to be acquired with Federal funds: *Provided further*, That any such loan shall be matched on a dollar for dollar basis by the State of Illinois: *Provided further*, That any such loan shall be made available no later than thirty days after enactment of this Act.

NATIONAL MAGNETIC LEVITATION PROTOTYPE DEVELOPMENT

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the planning or execution of the National Magnetic Levitation Prototype Development program as defined in subsections 1036(b) and 1036(d)(1)(A) of the Intermodal Surface Transportation Efficiency Act of 1991.

HIGH-SPEED GROUND TRANSPORTATION

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of the High-Speed Ground Transportation program as defined in subsections 1036(c) and 1036(d)(1)(B) of the Intermodal Surface Transportation Efficiency Act of 1991, $2,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $5,000,000 for the "High-Speed Ground Transportation" program.

FEDERAL TRANSIT ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the Federal Transit Administration's programs authorized by the Federal Transit Act and 23 U.S.C. chapter 1 in connection with these activities, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, $13,400,000: *Provided*, That no more than $38,550,000 of budget authority shall be available for these purposes.

FORMULA GRANTS

For necessary expenses to carry out the provisions of sections 9, 16(b)(2), and 18 of the Federal Transit Act, to remain available until expended, $755,125,000: *Provided*, That no more than $1,820,000,000 of budget authority shall be available for these purposes: *Provided further*, That, notwithstanding any other provision of law, of the funds provided under this head for formula grants no more than $720,000,000 may be used for operating assistance under section 9(k)(2) of the Federal Transit Act.

UNIVERSITY TRANSPORTATION CENTERS

For necessary expenses for university transportation centers as authorized by section 11(b) of the Federal Transit Act, to remain available until expended, $2,025,000: *Provided*, That no more than $6,000,000 of budget authority shall be available for these purposes.

TRANSIT PLANNING AND RESEARCH

For necessary expenses for transit planning and research as authorized by section 26 of the Federal Transit Act, to remain available until expended, $29,000,000: *Provided*, That no more than $85,000,000 of budget authority shall be available for these purposes.

TRUST FUND SHARE OF TRANSIT PROGRAMS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out section 21(a) of the Federal Transit Act, $1,150,000,000, to remain available until expended and to be derived from the Highway Trust Fund: *Provided*, That $25,150,000 shall be paid from the Mass Transit Account of the Highway Trust Fund to the Federal Transit Administration's administrative expenses account: *Provided further*, That $1,064,875,000 shall be paid from the Mass Transit Account of the Highway Trust Fund to the Federal Transit Administration's formula grants account: *Provided further*, That $3,975,000 shall be paid from the Mass Transit Account of the Highway Trust Fund to the Federal Transit Administration's university transportation centers account: *Provided further*, That $56,000,000 shall be paid from the Mass Transit Account of the Highway Trust Fund to the Federal Transit Administration's transit planning and research account.

DISCRETIONARY GRANTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $1,600,000,000 in fiscal year 1993 for grants under the contract authority authorized in section 21 (b) of the Federal Transit Act: *Provided further*, That, notwithstanding any other provision of law, of that amount there shall be available for new fixed guideway systems—

not less than $35,000,000 for the Atlanta MARTA North Line Extension Project;

not less than $25,000,000 for the Baltimore LRT Extensions Project;

not less than $45,000,000 for the South Boston Piers Transitway Project;

not less than $25,000,000 for the Chicago Central Area Connector Project;

not less than $1,500,000 for the Cleveland Dual Hub Corridor Project;

not less than $50,000,000 for the Dallas South Oak Cliff LRT Project;

not less than $40,000,000 for the Honolulu Rapid Transit Starter Line of Projects;

not less than $40,000,000 for the Houston Regional Bus Plan Program of Projects;

not less than $10,000,000 for the Jacksonville ASE Extension Project;

not less than $110,000,000 for the Los Angeles Metro Rail MOS-2 and MOS-3 Projects;

not less than $10,000,000 for the Maryland Commuter Rail Project, of which $3,000,000 shall be available for the Waldorf Corridor;

not less than $5,434,000 for the Miami Metromover Stage I Completion-Omni/Brickell Project and not less than $2,966,000 to restore urban initiative funds provided to Miami in Public Law 98-473 but transferred to the Metromover Project in 1989;

not less than $35,000,000 for the New Jersey Urban Core Project;

not less than $10,000,000 for the New York Queens Connection Project;

not less than $2,900,000 for the Orlando OSCAR LRT Project;

not less than $700,000 for the Philadelphia Cross County Commuter Rail Project;

not less than $17,000,000 for the Pittsburgh Busway Projects;

not less than $49,000,000 for the Portland Westside LRT Project;

not less than $1,000,000 for the Sacramento LRT Extension Project;

not less than $2,000,000 for the San Diego Mid-Coast Extension Project;

not less than $45,000,000 for the San Francisco Airport BART Extension Project and the Tasman Corridor LRT Project;

not less than $18,000,000 for the Seattle-Tacoma Commuter Rail Project;

not less than $3,000,000 for the Salt Lake City South LRT Project;

not less than $51,000,000 for the St. Louis METRO Link Projects; and

not less than $5,500,000 for the Florida Tri-County Commuter Rail Project.

Mass Transit Capital Fund

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out section 21 (b) of the Federal Transit Act, administered by the Federal Transit Administration, $1,500,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

Interstate Transfer Grants—Transit

For necessary expenses to carry out the provisions of 23 U.S.C. 103(e)(4) related to transit projects, $75,000,000, to remain available until expended.

Washington Metro

For necessary expenses to carry out the provisions of section 14 of Public Law 96-184 and Public Law 101-551, $165,000,000, to remain available until expended.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year.

Operations and Maintenance

(HARBOR MAINTENANCE TRUST FUND)

For necessary expenses for operation and maintenance of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation, $11,100,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99-662.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

Research and Special Programs

For expenses necessary to discharge the functions of the Research and Special Programs Administration, and for expenses for conducting research and development, $21,335,000, of which $165,000 shall be derived from the Pipeline Safety Fund, and of which $1,824,000 shall remain available until expended: *Provided*, That, notwithstanding 31 U.S.C. 3302, there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, for reports publication and dissemination, and for airline statistics; and up to $1,600,000 in funds received from user fees established to support the electronic tariff filing system: *Provided further*, That not less than $1,282,000 in fees shall be collected under section 106(c)(11) of the Hazardous Materials Transportation Uniform Safety Act of 1990 (49 U.S.C. App. 1805(c)(11)) and deposited in the general fund of the Treasury as offsetting receipts.

Pipeline Safety

(PIPELINE SAFETY FUND)

For expenses necessary to conduct the functions of the pipeline safety program and for grants-in-aid to carry out a pipeline safety program, as authorized by section 5 of the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979, $14,100,000, to be derived from the Pipeline Safety Fund, of which $7,700,000 shall remain available until expended.

Emergency Preparedness Grants

(EMERGENCY PREPAREDNESS FUND)

For necessary expenses to carry out a training curriculum as authorized by section 117A of the Hazardous Materials Transportation Act, as amended, $850,000, to be derived from the Emergency Preparedness Fund and to remain available until expended.

Alaska Pipeline Task Force

(OIL SPILL LIABILITY TRUST FUND)

For necessary expenses to support a Presidential Task Force audit of the Trans-Alaska Pipeline System, as required by title VIII of the Oil Pollution Act of 1990, $360,000, to be derived from the Oil Spill Liability Trust Fund and to remain available until expended.

OFFICE OF THE INSPECTOR GENERAL

Salaries and Expenses

For necessary expenses of the Office of the Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, $38,000,000.

□ 1320

Mr. LEHMAN of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title I of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there points of order against the remainder of title I?

Are there amendments to the remainder of title I?

Mr. PENNY. Mr. Chairman, if I might, and this is strictly for discussion purposes only, I ask unanimous consent to return to page 11, line 2, for purposes of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PENNY: Page 11, line 2, strike "$4,538,000,000" and insert "$4,537,000,000".

The CHAIRMAN. Under the rule, the gentleman from Minnesota [Mr. PENNY] will be recognized for 10 minutes, and a Member opposed will also be recognized for 10 minutes.

Is there a Member seeking the 10 minutes in opposition to the amendment?

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Minnesota [Mr. PENNY] will be recognized for 10 minutes, and the gentleman from Florida [Mr. LEHMAN] will be recognized for 10 minutes in opposition.

The Chair recognizes the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I simply want to take this time to discuss the issue of flight training lessons that are provided to personnel at the Department of Transportation.

As the chairman and the ranking member will recall, last year together with the gentleman from North Dakota [Mr. DORGAN] we suggested an amendment in this area because of our concern that far too many high-level Department officials at the Department of Transportation were benefiting from flying lessons. Our view was that we should not have all of America's taxpayers subsidizing flying lessons for these top level bureaucrats.

I do understand the underlying purpose of this flight training program is to provide training services to many, many personnel in the Department who are involved in testing the safety of airplanes and other safety-related purposes.

We frankly understand the need for that kind of ongoing training and were not out last year to cut the ability of the Department of Transportation to provide for appropriate personnel in that regard; however, we did want to draw attention to the issue. We were disappointed last year to be rebuffed by the committee in our effort to make some cost reductions in this area.

I would simply ask the chairman of the committee to respond if he might in terms of the work that the committee has done this year to address reductions in this budget as a way of cutting the part of the expenditures for flight training that were making it possible for some of these high-level executives in the Department to get free flight lessons at the taxpayers expense.

Mr. LEHMAN of Florida. Mr. Chairman, if the gentleman will yield, I think the gentleman's concern is sincere; however, I think the gentleman also realizes that we have reduced this appropriation by $1.5 million, which should be enough to resolve this problem. I will continue to work with the gentleman.

Mr. PENNY. Mr. Chairman, I would yield to the gentleman from Pennsylvania [Mr. COUGHLIN] in further discussion of this point. I think here again it is my understanding that there was a $1.5 million reduction from the request of the Department for $7.3 million in this area, leaving the final appropriation at $5.8 million. That reduction was designed to eliminate the free flight lessons that were available to those who were not directly involved in the kind of safety and inspection programs that the Department needs to carry out.

Mr. COUGHLIN. Mr. Chairman, if the gentleman will yield, the gentleman is correct in terms of the reduction that was made.

I do think it is a little misleading to say that these funds are for free flight lessons. By far the vast majority of these funds are to maintain the proficiency of FAA employees who are indeed pilots who need to use the airways to have the experience of how the aviation and the air traffic control system works. It is very important that these employees of the Department have hands-on experience in operating in the system. These funds are primarily to provide that experience.

Mr. PENNY. Mr. Chairman, I thank the gentleman for his response.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. CARR].

Mr. CARR. Mr. Chairman, I appreciate the gentleman yielding me this time.

I want to join with my colleague, the gentleman from Pennsylvania, in objecting to the amendment and objecting to the trivialization of an important element of oversight that the executive management of the FAA has over the aviation system, even though it includes sometimes their own training in proficiency, their own check rides, their biannual check rides to make sure they are current and safe.

I can assure the gentleman from Minnesota that if any such trivial examples come to our attention in the future, we will pursue them with vigor, because we do not want the taxpayers' money being used in frivolous and trivial ways.

□ 1330

But I have looked into this myself. The gentleman and I might disagree over which level of executive needs to know and how that is helpful in their day-to-day duty. As of yet, I have not been able to find a specific example of free flight lessons, trivial flight lessons.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Again, Mr. Chairman, I do want to acknowledge that the committee has achieved a $1.5 million cut in this part of the budget, and I do acknowledge that the vast majority of the funding in this area does go to help our aviation safety inspectors. That is something we would all want to support. To the degree that there have been others, including high-level executives in the department who have received flight training, with less money next year it is going to be less likely that anyone other than the inspectors will be funded in this flight training category.

I appreciate the work of the committee in this regard.

Mr. Chairman, I ask unanimous consent that I be permitted to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. Are there further amendments to the balance of title I?

For what purpose does the gentleman from Florida rise?

Mr. LEHMAN of Florida. Mr. Chairman, pursuant to the requirements of the rule, I notify the House that amendments printed in part 1 of the Rules Committee report be called up no sooner than 1 hour.

The CHAIRMAN. Pursuant to the rule, the gentleman's notice is received.

Are their additional amendments to the balance of title I?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II—RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, $3,200,000: *Provided*, That, notwithstanding any other provision of law, there may be credited to this appropriation funds received for publications and training expenses.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902), $36,000,000, of which not to exceed $1,000 may be used for official reception and representation expenses.

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Interstate Commerce Commission, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b), and not to exceed $1,500 for official reception and representation expenses, $43,930,000: *Provided*, That joint board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their official duties as such: *Provided further*, That $7,300,000 in fees collected in fiscal year 1993 by the Interstate Commerce Commission pursuant to 31 U.S.C. 9701 shall be made available to this appropriation in fiscal year 1993.

PAYMENTS FOR DIRECTED RAIL SERVICE

(LIMITATION ON OBLIGATIONS)

None of the funds provided in this Act shall be available for the execution of programs the obligations for which can reasonably be expected to exceed $475,000 for directed rail service authorized under 49 U.S.C. 11125 or any other Act.

PANAMA CANAL COMMISSION

PANAMA CANAL REVOLVING FUND

For administrative expenses of the Panama Canal Commission, including not to exceed $11,000 for official reception and representation expenses of the Board; not to exceed $5,000 for official reception and representation expenses of the Secretary; and not to exceed $30,000 for official reception and representation expenses of the Administrator, $51,150,000, to be derived from the Panama Canal Revolving Fund: *Provided*, That none of these funds may be used for the planning or execution of non-administrative and capital programs the obligations for which are in excess of $530,000,000 in fiscal year 1993: *Provided further*, That funds available to the Panama Canal Commission shall be available for the purchase of not to exceed thirty-five passenger motor vehicles for replacement only (including large heavy-duty vehicles used to transport Commission personnel across the Isthmus of Panama), the purchase price of which shall not exceed $18,000 per vehicle.

DEPARTMENT OF THE TREASURY

REBATE OF SAINT LAWRENCE SEAWAY TOLLS

(HARBOR MAINTENANCE TRUST FUND)

For rebate of the United States portion of tolls paid for use of the Saint Lawrence Seaway, pursuant to Public Law 99-662, $10,400,000, to remain available until expended and to be derived from the Harbor Maintenance Trust Fund, of which not to exceed $200,000 shall be available for expenses of administering the rebates.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

INTEREST PAYMENTS

For necessary expenses for interest payments, to remain available until expended, $51,663,569: *Provided*, That these funds shall be disbursed pursuant to terms and conditions established by Public Law 96-184 and the Initial Bond Repayment Participation Agreement.

TITLE III—GENERAL PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902)

The CHAIRMAN. For what purpose does the gentleman from Minnesota [Mr. OBERSTAR] rise?

POINT OF ORDER

Mr. OBERSTAR. Mr. Chairman, I make a point of order against section 338 of the bill as legislation in an appropriations bill, in violation of clause 2 of rule XXI of the rules of the House of Representatives.

The CHAIRMAN. The Chair would inform the gentleman that the committee has not reached that point in the bill as of this moment.

The Clerk will read.

The Clerk read as follows:

SEC. 302. Funds for the Panama Canal Commission may be apportioned notwithstanding 31 U.S.C. 1341 to the extent necessary to permit payment of such pay increases for officers or employees as may be authorized by administrative action pursuant to law that are not in excess of statutory increases granted for the same period in corresponding rates of compensation for other employees of the Government in comparable positions.

SEC. 303. Funds appropriated under this Act for expenditures by the Federal Aviation Administration shall be available (1) except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236-244), for expenses of primary and secondary schooling for dependents of Federal Aviation Administration personnel stationed outside the continental United States at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and (2) for transportation of said dependents between schools serving the area that they attend and their places of residence when the Secretary, under such regulations as may be prescribed, determines that such schools are not accessible by public means of transportation on a regular basis.

SEC. 304. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18.

SEC. 305. None of the funds for the Panama Canal Commission may be expended unless in conformance with the Panama Canal Treaties of 1977 and any law implementing those treaties.

SEC. 306. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 307. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.

SEC. 308. None of the funds in this or any previous or subsequent Act shall be available for the planning or implementation of any change in the current Federal status of the Volpe National Transportation Systems Center, and none of the funds in this Act shall be available for the implementation of any change in the current Federal status of the Turner-Fairbank Highway Research Center: *Provided*, That the Secretary may plan for further development of the Volpe National Transportation Systems Center and for other compatible uses of the Center's real property: *Provided*, That any such planning does not alter the Federal status of the Center's research and development operation.

SEC. 309. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 310. (a) For fiscal year 1993 the Secretary of Transportation shall distribute the obligation limitation for Federal-aid highways by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction that are apportioned or allocated to each State for such fiscal year bear to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction that are apportioned or allocated to all the States for such fiscal year.

(b) During the period October 1 through December 31, 1992, no State shall obligate more than 25 per centum of the amount distributed to such State under subsection (a), and the total of all State obligations during such period shall not exceed 15 per centum of the total amount distributed to all States under such subsection.

(c) notwithstanding subsections (a) and (b), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction that have been apportioned to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1, 1993, revise a distribution of the funds made available under subsection (a) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those States having large unobligated balances of funds apportioned under sections 103(e)(4), 104 and 144 of title 23, United States Code, and under sections 1013(c) and 1015 of Public Law 102-240; and

(3) not distribute amounts authorized for administrative expenses, the Federal lands highway program, the intelligent vehicle highway systems program, and amounts made available under sections 1040, 1047, 1064, 5003, 6001, 6004, 6005, 6023, and 6024, of Public Law 102-240, and not more than $6,800,000 for section 6006 of Public Law 102-240.

(d) The limitation on obligations for Federal-aid highways and highway safety construction programs for fiscal year 1993 shall not apply to obligations for emergency relief under section 125 of title 23, United States Code; obligations under section 157 of title 23, United States Code; projects covered under section 147 of the Surface Transportation Assistance Act of 1978, section 9 of the Federal-Aid Highway Act of 1981, sections 131(b), 131(j), and 404 of Public Law 97-424, and sections 1103 through 1108 of Public Law 102-240; projects authorized by Public Law 99-500, Public Law 99-591 and Public Law 100-202; or projects covered under subsections 149 (b) and (c) of Public Law 100-17.

(e) Subject to paragraph (c)(2) of this General Provision, a State which after August 1 and on or before September 30 of fiscal year 1993 obligates the amount distributed to such State in that fiscal year under paragraphs (a) and (c) of this General Provision may obligate for Federal-aid highways and highway safety construction on or before September 30, 1993, an additional amount not to exceed 5 percent of the aggregate amount of funds apportioned or allocated to such State—

(1) under sections 104 and 144 of title 23, United States Code, and 1013(c) and 1015 of Public Law 102-240, and

(2) for highway assistance projects under section 103(e)(4) of title 23, United States Code,

which are not obligated on the date such State completes obligation of the amount so distributed.

(f) During the period August 2 through September 30, 1993, the aggregate amount which may be obligated by all States pursuant to paragraph (e) shall not exceed 2.5 percent of the aggregate amount of funds apportioned or allocated to all States—

(1) under sections 104 and 144 of title 23, United States Code, and 1013(c) and 1015 of Public Law 102-240, and

(2) for highway assistance projects under section 103(e)(4) of title 23, United States Code,

which would not be obligated in fiscal year 1993 if the total amount of the obligation limitation provided for such fiscal year in this Act were utilized.

(g) Paragraph (e) shall not apply to any State which on or after August 1, 1993, has the amount distributed to such State under paragraph (a) for fiscal year 1993 reduced under paragraph (c)(2).

SEC. 311. None of the funds in this Act shall be available for salaries and expenses of more than one hundred and twenty political and Presidential appointees in the Department of Transportation: *Provided*, That none of the personnel covered by this provision may be assigned on temporary detail outside the Department of Transportation.

SEC. 312. Not to exceed $400,000 of the funds provided in this Act for the Department of Transportation shall be available for the necessary expenses of advisory committees.

SEC. 313. The limitation on obligations for the programs of the Federal Transit Administration shall not apply to any authority under section 21 of the Federal Transit Act, previously made available for obligation, or to any other authority previously made available for obligation under the Discretionary Grants program.

SEC. 314. Notwithstanding any other provision of law, none of the funds in this Act shall be available for the construction of, or any other costs related to, the Central Automated Transit System (Downtown People Mover) in Detroit, Michigan.

SEC. 315. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

SEC. 316. Every 30 days, the Federal Transit Administration shall publish in the Federal Register an announcement of each grant obligated pursuant to sections 3 and 9 of the Federal Transit Act, including the grant number, the grant amount, and the transit property receiving each grant.

SEC. 317. Notwithstanding any other provision of law, funds appropriated in this or any other Act intended for studies, reports, training, salaries, or research, and related costs thereof including necessary capital expenses, including site acquisition, construction and equipment, are available for such purposes to be conducted through contracts, grants, or financial assistance agreements with the educational institutions that are specified in such Acts or in any report accompanying such Acts.

SEC. 318. The Secretary of Transportation shall permit the obligation of not to exceed $4,000,000, apportioned under title 23, United States Code, section 104(b)(5)(B) for the State of Florida for operating expenses of the Tri-County Commuter Rail Project in the area of Dade, Broward, and Palm Beach Counties, Florida, during each year that Interstate 95 is under reconstruction in such area.

SEC. 319. ESSENTIAL AIR SERVICE COMPENSATION.—Notwithstanding any other provision of law, the Secretary of Transportation shall make payment of compensation under subsection 419 of the Federal Aviation Act of 1958, as amended, only to the extent and in the manner provided in appropriations Acts, at times and in a manner determined by the Secretary to be appropriate, and claims for such compensation shall not arise except in accordance with this provision.

SEC. 320. The authority conferred by section 513(d) of the Airport and Airway Improvement Act of 1982, as amended, to issue letters of intent shall remain in effect subsequent to September 30, 1992. Letters of intent may be issued under such subsection to applicants determined to be qualified under such Act: *Provided*, That, notwithstanding any other provision of law, all such letters of intent in excess of $10,000,000 shall be submitted for approval to the Committees on Appropriations of the Senate and the House of Representatives; the Committee on Commerce, Science, and Transportation of the Senate; and the Committee on Public Works and Transportation of the House of Representatives.

SEC. 321. The Secretary of Transportation is authorized to transfer funds appropriated for any office of the Office of the Secretary to any other office of the Office of the Secretary: *Provided*, That no appropriation shall be increased or decreased by more than 8 per centum by all such transfers: *Provided further*, That any such transfer shall be submitted for approval to the House and Senate Committees on Appropriations.

SEC. 322. Such sums as may be necessary for fiscal year 1993 pay raises for programs funded in this Act shall be absorbed within the levels appropriated in this Act.

SEC. 323. VESSEL TRAFFIC SAFETY FAIRWAY.—None of the funds in this Act shall be available to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than five miles wide between the Santa Barbara Traffic Separation Scheme and the San Francisco Traffic Separation Scheme.

SEC. 324. Notwithstanding any other provision of law, airports may transfer, without consideration, to the Federal Aviation Administration instrument landing systems (along with associated approach lighting equipment and runway visual range equipment) which conform to Federal Aviation Administration design and performance specifications, the purchase of which was assisted by a Federal airport aid program, airport development aid program or airport improvement program grant. The Federal Aviation Administration shall accept such equipment, which shall thereafter be operated and maintained by the Federal Aviation Administration in accordance with agency criteria.

SEC. 325. NATIONAL WEATHER GRAPHICS SYSTEM.—None of the funds made available in this Act may be used by the Federal Aviation Administration for a new National Weather Graphics System.

SEC. 326. None of the funds in this Act shall be available to award a multiyear contract for production end items that (1) includes economic order quantity or long lead time material procurement in excess of $10,000,000 in any one year of the contract or (2) includes a cancellation charge greater than $10,000,000 which at the time of obligation has not been appropriated to the limits of the government's liability or (3) includes a requirement that permits performance under the contract during the second and subsequent years of the contract without conditioning such performance upon the appropriation of funds: *Provided*, That this limitation does not apply to a contract in which the Federal Government incurs no financial liability from not buying additional systems, subsystems, or components beyond the basic contract requirements.

SEC. 327. REVOCATION OR SUSPENSION OF DRIVERS' LICENSES OF INDIVIDUALS CONVICTED OF DRUG OFFENSES.—

(a) IN GENERAL.—Section 159 of title 23, United States Code, is amended to read as follows:

"§ 159. Revocation or suspension of drivers' licenses of individuals convicted of drug offenses

"(a) WITHHOLDING OF APPORTIONMENTS FOR NONCOMPLIANCE.—

"(1) BEGINNING IN FISCAL YEAR 1994.—For each fiscal year the Secretary shall withhold 5 percent of the amount required to be apportioned to any State under each of paragraphs (1), (3), and (5) of section 104(b) on the first day of each fiscal year which begins after the second calendar year following the effective date of this section if the State does not meet the requirements of paragraph (3) on such date.

"(2) BEGINNING IN FISCAL YEAR 1996.—The Secretary shall withhold 10 percent (including any amounts withheld under paragraph (1)) of the amount required to be apportioned to any State under each of paragraphs (1), (3), and (5) of section 104(b) on the first day of each fiscal year which begins after the fourth calendar year following the effective date of this section if the State does not meet the requirements of paragraph (3) on the first day of such fiscal year.

"(3) REQUIREMENTS.—A State meets the requirements of this paragraph if—

"(A) the State has enacted and is enforcing a law that requires in all circumstances, or requires in the absence of compelling circumstances warranting an exception—

"(i) the revocation, or suspension for at least 6 months, of the driver's license of any individual who is convicted, after the enactment of such law, of—

"(I) any violation of the Controlled Substances Act, or

"(II) any drug offense; and

"(ii) a delay in the issuance or reinstatement of a driver's license to such an individual for at least 6 months after the individual applies for the issuance or reinstatement of a driver's license if the individual does not have a driver's license, or the driver's license of the individual is suspended, at the time the individual is so convicted; or

"(B) the Governor of the State—

"(i) submits to the Secretary no earlier than the adjournment sine die of the first regularly scheduled session of the State's legislature which begins after the effective date of this section a written certification stating that the Governor is opposed to the enactment or enforcement in the State of a law described in subparagraph (A), relating to the revocation, suspension, issuance, or reinstatement of drivers' licenses to convicted drug offenders; and

"(ii) submits to the Secretary a written certification that the legislature (including both Houses where applicable) has adopted a resolution expressing its opposition to a law described in clause (i).

"(b) PERIOD OF AVAILABILITY; EFFECT OF COMPLIANCE AND NONCOMPLIANCE.—

"(1) PERIOD OF AVAILABILITY OF WITHHELD FUNDS.—

"(A) FUNDS WITHHELD ON OR BEFORE SEPTEMBER 30, 1995.—Any funds withheld under subsection (a) from apportionment to any State on or before September 30, 1995, shall remain available for apportionment to such State as follows:

"(i) If such funds would have been apportioned under section 104(b)(5)(A) but for this section, such funds shall remain available until the end of the fiscal year for which such funds are authorized to be appropriated.

"(ii) If such funds would have been apportioned under section 104(b)(5)(B) but for this section, such funds shall remain available until the end of the second fiscal year following the fiscal year for which such funds are authorized to be appropriated.

"(iii) If such funds would have been apportioned under paragraph (1), (3), or (5) of section 104(b) but for this section, such funds shall remain available until the end of the third fiscal year following the fiscal year for which such funds are authorized to be appropriated.

"(B) FUNDS WITHHELD AFTER SEPTEMBER 30, 1995.—No funds withheld under this section from apportionment to any State after September 30, 1995, shall be available for apportionment to such State.

"(2) APPORTIONMENT OF WITHHELD FUNDS AFTER COMPLIANCE.—If, before the last day of the period for which funds withheld under subsection (a) from apportionment are to remain available for apportionment to a State under paragraph (1), the State meets the requirements of subsection (a)(3), the Secretary shall, on the first day on which the State meets the requirements of subsection (a)(3), apportion to the State the funds withheld under subsection (a) that remain available for apportionment to the State.

"(3) PERIOD OF AVAILABILITY OF SUBSEQUENTLY APPORTIONED FUNDS.—Any funds apportioned pursuant to paragraph (2) shall remain available for expenditure as follows:

"(A) Funds which would have been originally apportioned under section 104(b)(5)(A) shall remain available until the end of the fiscal year succeeding the fiscal year in which such funds are apportioned under paragraph (2).

"(B) Funds which would have been originally apportioned under paragraph (1), (3), or (5)(B) of section 104(b) shall remain available until the end of the third fiscal year succeeding the fiscal year in which such funds are so apportioned.

Sums not obligated at the end of such period shall lapse or, in the case of funds apportioned under section 104(b)(5), shall lapse and be made available by the Secretary for projects in accordance with section 118(b).

"(4) EFFECT OF NONCOMPLIANCE.—If, at the end of the period for which funds withheld under subsection (a) from apportionment are available for apportionment to a State under paragraph (1), the State does not meet the requirements of subsection (a)(3), such funds shall lapse or, in the case of funds withheld from apportionment under section 104(b)(5), such funds shall lapse and be made available by the Secretary for projects in accordance with section 118(b).

"(c) DEFINITIONS.—For purposes of this section—

"(1) DRIVER'S LICENSE.—The term 'driver's license' means a license issued by a State to any individual that authorizes the individual to operate a motor vehicle on highways.

"(2) DRUG OFFENSE.—The term 'drug offense' means any criminal offense which proscribes—

"(A) the possession, distribution, manufacture, cultivation, sale, transfer, or the attempt or conspiracy to possess, distribute, manufacture, cultivate, sell, or transfer any substance the possession of which is prohibited under the Controlled Substances Act; or

"(B) the operation of a motor vehicle under the influence of such a substance.

"(3) CONVICTED.—The term 'convicted' includes adjudicated under juvenile proceedings.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) of this section shall take effect November 5, 1990.

SEC. 328. COLLEGIATE TRAINING INITIATIVE.—

(a) The Administrator of the Federal Aviation Administration may hereafter continue the Collegiate Training Initiative program, by entering into new agreements, and by maintaining existing agreements, with postsecondary educational institutions, as defined by the Administrator, whereby such institutions prepare students for the position of air traffic controller with the Department of Transportation, as defined in 5 U.S.C. 2109.

(b) The Administrator may establish standards for the entry of institutions into such program and for their continued participation in it.

(c) The Administrator may appoint persons who have successfully completed a course of training in such program to the position of air traffic controller noncompetitively in the excepted service, as defined in 5 U.S.C. 2103. Persons so appointed shall serve at the pleasure of the Administrator, subject to 5 U.S.C. 7511(e) (pertaining to adverse actions). However, an appointment under this subsection may be converted from one in the excepted service to a career-conditional or career appointment in the competitive civil service, as defined in 5 U.S.C. 2102, when the incumbent achieves full performance level air traffic controller status, as determined by the Administrator. The authority conferred by this subsection to make new appointments in the excepted service shall expire at the end of five years from the date of enactment of this Act, except that the Administrator may determine to extend such authority for one or more successive one-year periods thereafter.

SEC. 329. CONTROL OF OUTDOOR ADVERTISING.—Section 131(n) of title 23, United States Code, is amended by adding at the end the following new sentence "Funds apportioned to a State under section 104 of this title shall not be treated for purposes of the preceding sentence as being available to the State for making such a payment except to the extent that the State, in its discretion, expends such funds for such a payment.".

SEC. 330. None of the funds in this Act shall be available for planning or executing any rules or regulations to add Passenger Facility Charges to the cost of travel benefits commonly known as "frequent flyer award certificates" or any other bonus program offered by any airline.

SEC. 331. None of the funds provided in this Act shall be made available for planning and executing a passenger manifest program by the Department of Transportation that only applies to United States flag carriers.

SEC. 332. None of the funds provided in this Act shall be made available for any criminal history records check program under the Federal Aviation Act of 1958, as amended.

SEC. 333. None of the funds in this Act shall be available for the planning or implementation of any change in the current Federal status of the Federal Aviation Administration's flight service stations at Red Bluff Airport in Red Bluff, California, Tri-City Airport in Bristol, Tennessee, and Bert Mooney Airport in Butte, Montana.

SEC. 334. Section 1064(e) of Public Law 102–240 is amended by adding "For further purposes of this section, the access road from United States Business Route 75 to the Sugar Island Ferry Service in Chippewa County, Michigan, and the access road from Michigan State Route 31 to the Beaver Island Ferry Service in Charlevoix County, Michigan, shall be treated as principal arterials.".

SEC. 335. From funds appropriated to the Department of Transportation or made available by this Act or any other Act, the Secretary of Transportation shall, notwithstanding any other provision of this Act or any other Act, make available not to exceed $3,000,000 for a transportation resource center at Barry University, Miami Shores, Florida.

SEC. 336. Of the amounts available under the urban high density program for the project designated in the State of Indiana, such amounts may be used for the reconstruction of an interchange of the subject project with the Borman Expressway.

SEC. 337. Notwithstanding any other provision of law, funds made available from the withdrawal of the I-205 bus lanes under section 142 of Public Law 100–17, and previously appropriated funds from the withdrawal are available for locally designated transit projects in Portland, Oregon until expended.

SEC. 338. (a) None of the funds provided in this Act shall be available to implement title V, section 3 of Public Law 102–143 until the Federal Aviation Administration has published a Final Rule reducing the sampling rate for random drug testing of airline employees to 10 percent annually.

(b) Section 614(a)(1) of the Federal Aviation Act of 1958, 101 Stat. 953, is amended by inserting the following before the last sentence therein: "Regulations under this subsection or any other authority shall not require the rate of random testing to exceed, (i) for the use of alcohol, 10 percent annually, or (ii) for the use of controlled substances, 10 percent annually.".

Mr. LEHMAN of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title III of this bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there points of order against the balance of title III of the bill?

For what purpose does the gentleman from Minnesota [Mr. OBERSTAR] rise?

POINT OF ORDER

Mr. OBERSTAR. Mr. Chairman, I make a point of order against section 338 of the bill which is legislation in an appropriation bill and a violation of clause 2 of rule XXI of the rules of the House of Representatives.

The CHAIRMAN (Mr. BOUCHER). Does anyone seek recognition in opposition to the point of order?

If not, for the reasons stated, the Chair rules that the point of order is sustained and the section is stricken.

Are there further points of order to the balance of title III of the bill?

For what purpose does the gentleman from New York [Mr. MCNULTY] rise?

POINT OF ORDER

Mr. MCNULTY. Mr. Chairman, I raise a point of order against the language contained in section 328 on pages 63 and 64 of the bill.

Mr. Chairman, I raise a point of order against the language on the ground that it constitutes legislation on an appropriations bill and, therefore, violates clause 2 of rule XXI.

Section 328 authorizes the Administrator of the Federal Aviation Administration to make certain noncompetitive appointments to the position of air traffic controller and, thereafter, to convert such appointments to the competitive service. Under existing law, applicants for air traffic controller positions must pass a competitive examination administered by the Office of Personnel Management in order to be eligible for appointment.

The legislation clearly proposes to change existing law and, therefore, violates clause 2 of rule XXI.

The CHAIRMAN. Does any Member seek recognition in opposition to the point of order?

For what purpose does the gentleman from Minnesota [Mr. SABO] rise?

Mr. SABO. Mr. Chairman, I frankly have to concede the point of order, but I have to express my deep disappointment that the point of order is raised. This is a provision which deals with a very specialized program of collegiate training of air traffic controllers. It is a unique, experimental program that is working; it is being a model for a new training system for air traffic controllers in this country and a very cost-effective method, a method that provides for well-trained air traffic controllers.

The program is being frustrated by archaic rules of OPM which they are unwilling to change.

So I am disappointed that the point of order is being raised. I think OPM is just clearly wrong. On the other hand, I concede the point of order and would hope that the committee of jurisdiction would be able to get OPM to change their archaic rules which are preventing a very worthwhile and useful program from progressing.

Frankly, what it does is it leaves in the lurch a number of young students who have gone through an extensive training program. Thirty-five of them are currently waiting, who have done their academic training, whom FAA wants to place around the country in needed air traffic controller jobs and simply cannot do it because of archaic OPM rules.

So I express my disappointment.

Mr. Chairman, Members of the House, and Chairman CLAY, I ask that you withdraw your point of order against section 328 of the bill. This provision provides noncompetitive appointments by the Administrator of the Federal Aviation Administration for the position of air traffic controller. This program is very important to the future of our Nation's air traffic control system.

In April 1990, Minnesota began a unique program to train air traffic controllers in an academic setting at the Mid-American Aviation Resource Consortium [MARC]. This was done as an alternative to the Federal Aviation Administration's [FAA] Academy. The program has been supported by Congress for the past 4 years and $2,000,000 has been included in fiscal year 1993.

To date the MARC program has graduated 56 students. The FAA has hired 46 of them and an additional 35 graduates are eligible but unable to be hired because of a hiring freeze in place at the FAA. However, the FAA has positions available for the students and wants to place them. Students have even been asked to choose the area of the country they would prefer once hiring authority is granted. If this provision is not allowed we will lose these highly trained graduates, future graduates, and an opportunity to find a better way to train air traffic controllers. The MARC program is 100 percent federally funded and if we cut it we will have wasted more taxpayer money.

The FAA has been trying to recruit more minorities and women into the field of air traffic control and the Minnesota program is leading the way. Over 50 percent of its students are in these categories. The program does this by targeting minority institutions, providing assistance to the needy, and recruiting nationally.

All MARC students have a 2 or 4-year college degree prior to admittance and the program itself takes 6 months to complete. The curriculum has been developed in direct cooperation with the FAA and graduates are able to productively contribute the first day they report to work for the FAA.

With all the successes, however, problems continue to exist. The most difficult of these are connected with the hiring process. Because of the closing of the register and the FAA hiring freeze, new MARC graduates cannot be hired. That is why I asked section 328 be included.

The MARC program was developed as a cost-effective alternative to the FAA's Academy. Employing these graduates is imperative to testing the validity of these alternative prehire training initiatives. Not providing this language will destroy this and other programs. Not letting this and other programs continue will cost the Federal Government a chance to find out if air traffic control candidates can be trained better by institutions outside the FAA and before they are hired. There are indications that these alternative schools actually do a better job. For example, over 50 percent of the FAA's graduates wash out while all the Minnesota graduates are still working at the agency.

By providing highly motivated, well-trained air traffic control candidates and an excellent research and development site for development and testing of innovative instructional techniques and technologies, the MARC program is performing a valuable service to the Federal Government. This effort should be continued.

The MARC program continues to meet or exceed every requirement set forth by the FAA. While the program has not attempted to change FAA policies and procedures, the FAA has itself identified the need to change some policies and procedures. With this in mind, I ask that the point of order be withdrawn.

The CHAIRMAN. For what purpose does the gentleman from New York [Mr. MCNULTY] rise?

Mr. MCNULTY. Mr. Chairman, I just wish to state to my distinguished colleague that I make this point of order on behalf of another Member, the chairman of the Post Office and Civil Service Committee.

The CHAIRMAN (Mr. BOUCHER). The point of order is conceded and sustained, and section 328 is stricken from the bill.

Are there additional points of order to this title?

If not, are there amendments to title III of the bill?

For what purpose does the gentleman from Minnesota [Mr. OBERSTAR] rise?

AMENDMENTS EN BLOC OFFERED BY MR. OBERSTAR

Mr. OBERSTAR. Mr. Chairman, I offer amendments en bloc made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. OBERSTAR:

Page 65, strike line 9 and all that follows through line 22.

Page 65, line 23, strike "333" and insert "330".

Page 66, line 4, strike "334" and insert "331".

Page 66, line 11, strike "335" and insert "332".

Page 66, line 18, strike "336" and insert "333".

Page 66, line 23, strike "337" and insert "334".

The CHAIRMAN. Under the rule, the gentleman from Minnesota [Mr. OBERSTAR] will be recognized for 10 minutes, and a member in opposition will be recognized for 10 minutes.

Does any Member seek to be recognized in opposition to the amendments en bloc?

For what purpose does the gentleman from Michigan rise?

Mr. CARR. Mr. Chairman, I am in opposition to the amendments en bloc.

The CHAIRMAN. The gentleman from Michigan [Mr. CARR] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, these amendments en bloc strike three sections of the bill. Section 332 of the bill prohibits funding for any program, any program, to check criminal histories of aviation employees for security purposes.

□ 1340

This provision directly, clearly, and as a blunt instrument undermines security legislation, now law, that grew out of the Pan Am 103 bombing in 1988.

A year and a half ago the Congress passed the Aviation Security Act of 1990 that implemented the recommendations of the Presidential Commission on Aviation Security and Terrorism, on which I served, and on which the gentleman from Arkansas [Mr. HAMMERSCHMIDT] served and on which we spent nearly 10 months of inquiry and deliberation to make recommendations to tighten up security so that a tragedy of this kind that killed 270 people could never again happen.

The provision in this bill would undermine one of the key features of that legislation and of the Commission's recommendations, and that is to make sure that criminals do not get into the security system. There was a very clear directive in that 1990 legislation that the FAA, quote: "issue regulations to require employment investigations, including criminal history and record checks," as the administrator determines necessary.

I understand that the airline industry is opposed to these checks, and I understand, I concede, that the FAA's initial rulemaking proposal may have been overly broad. But the FAA Administrator has clearly indicated that the agency is reviewing that original proposal, and they are going to be making changes in it. The rulemaking process is not yet complete. It is only in progress.

The industry has taken a throw-out-the-baby-with-the-bathwater approach, by including language in this appropriation bill to prohibit any background check program.

Mr. Chairman, I cannot in conscience agree with that. I cannot face the families of the victims of Pan Am 103 and say, "We have made the world less secure. Your loss was somehow in vain." I cannot stand idly by and let that happen.

The better solution is through legislation from our committee. The Subcommittee on Aviation and the full Committee on Public Works and Transportation, have reported out just a week ago legislation clarifying that the law gives the administrator of FAA discretion to determine the situations in which criminal history checks will be required; that approach is far better than taking this blunt instrument approach and saying, "Don't do any background checks at all." The approach of the committee, in this provision in the appropriation bill, would simply open up the security system for criminals to penetrate, and I do not think we want to do that.

Section 331 prohibits funding for planning and executing a passenger manifest program, unless it applies to foreign airlines, as well as U.S. airlines. Well, one of the biggest problems that the families of the victims of Pan Am 103 faced was trying to find out if one of their loved ones who was supposed to be on that flight was in fact on that flight, was in fact among the victims. The passenger manifest information was in disarray. The State Department did not have it; the airline did not want to give it out or did not have complete information. The Commission report recommended and the legislation enacting the recommendations of that commission required the planning and development of a program for issuing of passenger manifests and then be put into place. We cannot regulate what foreign carriers do, except under internationally-negotiated documents in a manner of international accords. What we could legislate upon we did legislate upon.

The families of the victims of Pan Am 103 strongly support the development of the passenger manifest program, and they want to see it implemented, they want to see this program carried out in the way that we have proposed, the way the law sets forth, and now comes this provision in the appropriation bill. It ways, "Don't go forward with the rulemaking until you impose the same requirement on foreign carriers."

The negotiations to accomplish that purpose are under way. They take time; I understand that diplomatic negotiations always take time, but we should not stop a program just because foreign carriers are not immediately doing exactly the same thing.

Finally, Mr. Chairman, section 330 would prohibit levying of passenger facility charges on passengers who travel with a frequent flyer ticket. I agree that should not be done. The 1990 legislation did not envision any such levy of passenger facility charges. We have reported legislation out of the Committee on Public Works and Transportation that will soon come to the floor which makes it very clear in a proper authorizing process that such PFC should not be imposed. We must not take that step in an appropriation bill when the authorizing committee has acted, and when, first of all, the law is very clear. We do not think that the law ought to be reinterpreted in an appropriation bill. In the legislation reported out of the full Committee on Public Works, we simply reemphasize the clarity of the law respecting PFC's and frequent flyer tickets. I do not think we ought to legislate in the appropriation bill a matter that is clearly within the jurisdiction of the Committee on Public Works and Transportation and upon which this committee has taken appropriate action.

Mr. Chairman, I reserve the balance of my time.

Mr. CARR. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Subcommittee of the Committee on Appropriations, the gentleman from Florida [Mr. LEHMAN].

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the en bloc amendment. The amendment would strike three sections from the bill that deal with passenger facility charges, the passenger manifest program, and criminal background checks.

I believe that the legislative history on passenger facility charges is clear. Congress did not intend that PFC's should be collected on frequent flyer and other tickets on which no fare is paid. Since the intent of Congress is not being followed, passengers are being subjected to unwarranted PFC collections. I believe the prohibition in the bill will be a clear statement by the Congress that this practice should be stopped.

With regard to the passenger manifest program, the bill language prohibits the Department of Transportation from issuing a final rule that only applies to U.S. carriers. The Department has issued an ANPRM which would require U.S. airlines to compile manifests for international flights that include the name of the passenger, the name of a next of kin and an emergency contact number. We believe that if the Department anticipates that this regulation will be beneficial to the U.S. citizens flying internationally, then it should apply to both U.S. and foreign flag carriers.

The imposition of such a regulation only on U.S. airlines could provide a competitive advantage to foreign flag carriers. Those carriers would not have to bear the cost associated with implementation of the regulation or cope with the operational irregularities and passenger inconvenience resulting from passengers being confronted with the requirement to confirm this additional information prior to boarding international flights.

The bill language does not prohibit a final rule. It merely requires that the rule apply to both foreign and domestic carriers. I believe this is fair.

Finally, the bill contains language prohibiting the FAA from issuing a final rule requiring criminal background checks for 500,000 airline and airport employees. We support the FAA's efforts to improve security, but believe the pending NPRM will not effectively contribute to efforts to combat terrorism or upgrade airline security.

We believe the airline industry's track record shows that the current system works. I am not aware of any incident of aviation terrorism that has been caused by a U.S. airline or airport employee. I am concerned that the rule, as proposed, would subject employees to unnecessary and intrusive investigations. It would also involve operational and civil rights costs with no demonstrated improvement to aviation security. Therefore, I believe that further action on the rulemaking is unwarranted.

I urge that the en bloc amendment be defeated.

Mr. OBERSTAR. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, I thank the gentleman from Minnesota [Mr. OBERSTAR] very much for yielding this time to me, and I rise in very strong support of this amendment.

Sympathetic as I am to the objectives of the provisions that we seek to strike in this amendment, this is clearly the wrong place to be dealing with these issues. These are issues that have already been fully considered in the Committee on Public Works and Transportation. We have, in fact, included similar provisions in a piece of pending legislation, and I would be very sympathetic to having them included in another piece of legislation more likely to be enacted into law, since the bill which includes the provisions presently has not moved to the floor and may not. But this is clearly an inappropriate place for these items to be considered.

On the background checks, the bill prohibits funding for any program to check the criminal history of aviation employees for security purposes. This is way beyond anything I think we should be considering. The provision undermines legislation that grew out of the Pan Am 103 bombing which the gentleman from Arkansas [Mr. HAMMERSCHMIDT] and the gentleman from Minnesota [Mr. OBERSTAR] were members of the commission that studied the tragedy, and the Aviation Security Act of 1990 implemented recommendations of the Commission on Aviation Security and Terrorism, and among the provisions was a requirement imposed on FAA to issue regulations to require employment investigations, and criminal history and record checks as the administrator determines necessary. So, I think that is clearly a provision that I would agree with the industry that FAA's proposed rule is too expansive, and I do not believe that the current employees with many years of service should be subject to the same background checks as new applicants.

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So as I say, I am sympathetic to the objectives of the committee provisions, but must protest the inclusion of legislation in this appropriations bill. Its a terrible precedent.

Mr. Chairman, I rise in very strong support of this amendment.

Mr. CARR. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. GINGRICH], the distinguished minority whip.

Mr. OBERSTAR. Mr. Chairman, I yield 30 seconds to the gentleman from Georgia.

The CHAIRMAN. The gentleman from Georgia [Mr. GINGRICH] is recognized for 2½ minutes.

Mr. GINGRICH. Mr. Chairman, let me say that I rise with some reluctance, because as someone who has served on Public Works, I understand these kinds of jurisdictional fights and where it is right to do something. But I have to say that I thought the Federal Aviation Administration so grotesquely overreached and proposed rules that were so absurd and so counterproductive and at a time when our airline industry is in such economic trouble, that I regard this as a jobs vote.

Representing one of the largest airports in America and having a real interest in ensuring that our airlines industry remains healthy and viable, and knowing that we just in the last few weeks had another small airline go bankrupt, that we have several airlines that are in severe economic distress, the regulations that were proposed would have cost literally over $1 billion if implemented and provide almost no useful information.

The fact is that the terrorism problem we are concerned about is in Greece and Germany. It is not in the United States. The FBI will report routinely that we do a remarkable job of containing potential terrorism in the United States. To spend over $1 billion on Government-mandated regulatory red tape for no achievement in an industry which is in economic straits I think would be a major mistake.

So on behalf of the jobs that currently exist in the aviation industry and on behalf of defending those jobs, and frankly in opposition to totally unnecessary regulation that I think would not accomplish anything at the security level, I am reluctantly but firmly urging a no vote.

I always hesitate to disagree with my good friends from the committee, but I just think in this case this is the right time to do it, because we know it will be enacted. So I strongly ask for a "no" vote.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I do not differ with the gentleman from Georgia [Mr. GINGRICH] that the FAA was overly broad in the NPRN. There is no question that they did reach too far. They are revising that NPRN.

Would the gentleman not agree that imposing a requirement that no background check be undertaken is too far in the other direction?

Mr. GINGRICH. Mr. Chairman, I think that would be right, if in fact it was not already correct that the airlines themselves engage in background checks. I just think that the language in the appropriations bill is legitimate language, given the economic problems of the airlines, and I cannot imagine any security advantage worth the jobs that will be killed if this, even in this modified form, goes into effect.

So, Mr. Chairman, I respectfully urge a "no" vote, and hope my colleagues will join me in defense of jobs.

Mr. OBERSTAR. Mr. Chairman, I yield 1 minute to the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Chairman, I strongly support this amendment. Its adoption is needed to ensure the continued safety of our airlines.

Mr. Chairman, I want to identify myself with the remarks of the distinguished chairman of the subcommittee and the ranking member of the subcommittee.

Mr. Chairman, the purpose of this amendment is to strike provisions that would undermine safety and security laws recently passed by Congress. While the provisions to be struck address important aviation issues, most of them are already addressed in H.R. 5466, which was approved by the Public Works and Transportation Committee last week. This bill should be brought to the floor later this month.

When one looks at each of the provisions individually, it is apparent that the bill before us now takes the wrong approach.

For example, this bill would prevent all criminal background checks of aviation employees. While I agree that the FAA went too far in proposing that all employees should be checked, it would be wrong to take the totally opposite approach and prohibit all background checks. In my view, the Public Works bill takes the proper approach by directing FAA to be more selective in deciding which employees should be subject to background checks.

With respect to drug testing, again we have a situation where the FAA may have gone too far in requiring a 50-percent random testing rate for aviation employees. However, this bill goes too far the other way. There is no basis for the 10-percent testing rate in this bill. Adopting it could undermine aviation safety. The more appropriate response is the one in the Public Works Committee's bill. That requires FAA to adopt a rule within 1 year establishing the appropriate lower testing rate.

In addition to my concerns about the merits of each of the items here, I am also concerned about the procedure. Although many of these provisions are structured as funding limitations, they are really legislative in nature. Moreover, they intrude into areas recently considered, or currently being considered, by both the Foreign Affairs Committee and the Public Works and Transportation Committee. It is wrong to allow these sorts of items to be included in an appropriation bill. They should go through the normal legislative process.

Therefore, I urge this body to strike these provisions by voting "aye" on the Oberstar amendment.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, I would just like to make the point, if it has not already been made in this debate, that the administration is strongly supportive of this amendment and is opposed to the provisions in the appropriations bill.

Mr. CARR. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in responding, particularly with respect to the criminal background checks, we know that the Presidential commission did a good job and it was the job of the Subcommittee on Aviation of the Committee on Public Works to implement those recommendations.

With all due respect to my good friends on the authorization side, reading through the language of their handiwork it is really very confusing, at least, and mandatory at worst, that fingerprints of all 500,000-some airline employees would be required under this legislation.

Mr. Chairman, I have heard the statement of the gentleman from Minnesota [Mr. OBERSTAR], and I know him to be very concerned about this issue, both from the standpoint of security and from the standpoint of legislation doing the right things. But I have had numerous conversations with people at the FAA who have read the language, as have I, and really cannot determine whether fingerprints are mandated or merely suggested.

In some portions of the authorization language it says "may." In some other sections it says "shall."

There has probably been over 2 million dollars' worth of lawyers' time trying to figure out what our good friends on the authorization committee really are requiring of the FAA. It may be well and clear in the mind of the chairman of the subcommittee, but I would tell the gentleman that it is not clear in the minds of so many who are going to have to implement this.

Mr. Chairman, I want to also reluctantly associate myself with the reasoning of my good friend, the gentleman from Georgia [Mr. GINGRICH], just as he was reluctantly opposing the committee.

The fact of the matter is we have an airline industry that is in deep economic straits right now. In these pieces of legislation coming out of the Committee on Public Works, both the drug testing and the manifest issue where ticket agents are going to have to ask people coming before them, this flight is about to leave for London, and in case it does not get there, who do you want us to notify, a requirement that will not be required of foreign carriers, and then these criminal background checks.

We are imposing burdensome regulations which have very little, if any, positive output and a great deal of cost to an already overburdened industry. There is absolutely no evidence that the kinds of terrorists who caused the tragedy of Pan Am flight 103 would ever be caught by fingerprints. Terrorists do not operate in an environment where they get fingerprinted.

In point of fact, we have never had a case where these fingerprints would have prevented a tragedy. There is only one example, a PSA flight in California, where a disgruntled employee took a handgun on a plane and shot the crew in the middle of a flight, a tragedy. Because this individual had never been arrested and had never been convicted of a felony, his fingerprints were not on file and he would not have been caught in this screen.

Mr. Chairman, we would ask Members to support the bill and support our chairman.

Mr. Chairman, I yield 1 minute to my good friend, the gentleman from Michigan [Mr. CONYERS].

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Mr. CONYERS. Mr. Chairman, fingerprints is another issue that is really quite disturbing. It is my impression, as has already been testified here and supported by the CIA Director, who was also the former Director of the FBI, that we are not going to improve airline security. And we are going to increase the costs immeasurably.

Although I am not clear on why the authorizing subcommittee chairman would be as adamant as he apparently is about this subject, I am very, very hopeful that we would vote against any amendment to strike these provisions that have been proposed to be removed en bloc by the gentleman from Minnesota.

Mr. CARR. Mr. Chairman, I yield my remaining minute to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, we hear a lot about unnecessary and counterproductive regulation, and this is an example of what that is all about. When we come to regulating an industry, we have to take the costs and the benefits in mind. And what we have is a proposal to regulate an industry, and the benefits do not outweigh the costs.

What this will do will take $1 billion out of the hide of the airline industry. Who is going to pay for that?

Well, the consumers are going to pay for that, and the airline employees are going to pay for that. Are the benefits that we derive from this type of regulation worth that type of cost? No way.

The fact is, there will be a minimal amount of benefit to the public in terms of added security, but a great deal of added cost at a time when the airlines are on the verge of going bankrupt.

The last thing we need to do is impose upon them needless and counterproductive regulation that will add to their costs but will not benefit the consumer or the air traveling public. What we are going to do is protect the public and protect the public by driving our airlines right into bankruptcy. It is not worth the cost.

I rise in opposition to this amendment.

Mr. OBERSTAR. Mr. Chairman, one brief point, the smallest minute detail leaves a criminal investigation to the criminal. Do not remove that one opportunity.

Mr. Chairman, I yield the balance of my time to the gentleman from Florida [Mr. FASCELL].

The CHAIRMAN. The gentleman from Florida [Mr. FASCELL] is recognized for 30 seconds.

Mr. FASCELL. Mr. Chairman, I thank the gentleman for yielding time to me, and I rise in support of the pending amendment.

I have never heard so much chaff thrown in the radar screen in listening to the arguments against this amendment in all my life. It is one simple proposition: We either want to protect the traveling public or we do not.

And after 2 years of studying and a recommendation by a Presidential commission, two authorizing committees, actions of the Congress of the United States, all we are saying is, give the opportunity to protect the families that are traveling.

I rise in support of the Oberstar-Clinger en bloc amendment and wish to speak specifically on the passenger manifest provision.

The passenger manifest issue was a major recommendation of the Pan Am 103 Commission and favorably considered by the Foreign Affairs and Public Works Committee during hearings on the legislation.

The passenger manifest provision of the Pan Am 103 legislation represented a compromise with the airlines and the Departments of State and Transportation.

The horrible experiences of the victims' families with the airline, The Department of State, Transportation and other Federal agencies compounded the tragedy of the Pan Am 103 disaster.

The provision which was enacted and which the DOT appropriations bill seeks to prohibit would ensure that the families of victims of an aviation disaster outside the United States would be treated in a humane and dignified way by the Federal Government and by the airlines. One of the most glaring problems in dealing with the Pan Am 103 disaster was the U.S. Government's inability to contact the next of kin in a timely and orderly fashion because of the inadequacies and inaccuracies in the airlines system for maintaining records of who is on board a particular flight.

If the prohibition of funds concerning passenger manifest information requirement and procedures for turning over manifest to the Department of State are not implemented, how will the airlines and DOT respond to the families of the new victims of yet another aviation terrorism tragedy when it is business as usual and all the positive changes of the Pan Am 103 legislation are rescinded?

With regard to the concern that the passenger manifest requirement is only the U.S. airlines, let me set the record straight. The legislation made it clear that foreign carriers are to be covered by the law. The Pan Am 103 legislation calls on the DOT and State to either use regulatory procedures under part 129 of the Federal Aviation Act and/or negotiate with foreign governments under the on going bilateral aviation talks or additionally on a multilateral level at the ICAO. The provision was always intended to be extended to foreign air carriers. The reality is that the U.S. Government must first promulgate regulations for U.S. carriers to set the standard and then the coverage can be extended to foreign carriers. I have always made it clear that we should require the foreign carriers to adopt as high a level of security as U.S. carriers. DOT has been dilatory in implementing the requirements to begin with.

However I am pleased to note that today I received a copy of the OMB approved Department of Transportation's regulation for the passenger manifest requirement, it clearly states this regulation applies to covered flights operated by air carriers and foreign air carriers. Therefore, the Department of Transportation is finally going to promulgate the regulation concerning passenger manifest and it will be on an equivalent basis. Therefore, the argument made by U.S. air carriers that the passenger manifest applies only to U.S. air carriers puts the U.S. air carrier at an economic disadvantage is not valid.

In the last 10 years over 800 Americans have been involved in an international airlines disaster. In addressing the needs of the victims' families, the United States does not differentiate the nationality of the airline, that point is irrelevant to the families facing their grief.

The passenger manifest requirement is a means to an end. The information required is for the Department of State to better respond in a more timely and humane way to the victims' families.

There are many ways of collecting such information, it does need to be an expensive costly endeavor. For example, a passenger could fill out a form prior to departure, similar to a customs form or the baggage claim. That form would be kept until the plane arrives at its next destination; otherwise the information would be used to compile the passenger manifest.

The bottom line is that we owe the American public to not turn back change but to implement the provisions of the Pan Am 103 legislation which would have improved procedures and accountability. We cannot turn the clock back, and I am sorry to say there will be more terrorism. This scourge has subsided but is not over.

I have said so many times but will reiterate, I fully appreciate that no law or regulation however perfectly implemented, will provide a 100-percent guarantee against heinous acts of international terrorism. However, we must do everything in our power to protect the traveling American public. It is appalling that the regulations have not been implemented at this late date. Let's get off the dime, and move ahead in concert, the Government and airlines. The traveling American public expects no less. Support the Oberstar-Clinger amendment.

The CHAIRMAN. All time has expired.

The question is on the amendments en bloc offered by the gentleman from Minnesota [Mr. OBERSTAR].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. OBERSTAR. Mr. Chairman, I demand a recorded vote.

A recorded vote was orderd.

The vote was taken by electronic device, and there were—ayes 68, noes 348, not voting 18, as follows:

[Roll No. 278]

AYES—68

Abercrombie
Allard
Anderson
Andrews (NJ)
Applegate
Bacchus

Ballenger
Beilenson
Bentley
Borski
Clement
Clinger
Cooper
de la Garza
DeFazio
Doolittle
Duncan
Early
Emerson
English
Evans
Fascell
Fawell
Gekas
Gephardt
Gillmor
Gilman
Gonzalez
Goodling
Goss
Gradison
Hammerschmidt
Hancock
Hobson
Inhofe
Jones (NC)
Kanjorski
Kyl
Lipinski
Marlenee
McCollum
Meyers
Mineta
Molinari
Nowak
Oberstar
Payne (VA)
Petri
Pickett
Roe
Rostenkowski
Roukema
Sangmeister
Savage
Sensenbrenner
Shays
Shuster
Stump
Sundquist
Swift
Taylor (NC)
Traficant
Upton
Vento
Vucanovich
Waxman
Williams
Young (AK)

NOES—348

Alexander
Allen
Andrews (ME)
Andrews (TX)
Annunzio
Anthony
Armey
Aspin
Atkins
AuCoin
Baker
Barrett
Barton
Bateman
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Dwyer
Dymally
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Engel
Erdreich
Espy
Ewing
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gejdenson
Geren
Gibbons
Gilchrest
Gingrich
Glickman
Gordon
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harris
Hastert
Hayes (IL)
Hefley
Henry
Herger
Hertel
Hoagland
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jontz
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mink
Moakley
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nussle
Oakar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Rowland
Roybal
Russo
Sabo
Sanders
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schumer
Serrano
Sharp
Shaw
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Swett
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Unsoeld
Valentine
Vander Jagt
Visclosky
Volkmer
Walker
Walsh
Washington
Waters
Weber
Weiss
Weldon
Wheat
Whitten
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)
Zeliff
Zimmer

NOT VOTING—18

Ackerman
Archer
Barnard
Bonior
Campbell (CO)
Gaydos
Hatcher
Hayes (LA)
Hefner
Johnson (TX)
Lent
Livingston
Lowery (CA)
Oxley
Ray
Schulze
Solarz
Traxler

□ 1425

Messrs. WISE, DYMALLY, BUSTAMANTE, NEAL of Massachusetts, MAVROULES, LEWIS of Florida, SYNAR, and BROWN changed their vote from "aye" to "no."

Messrs. INHOFE, PAYNE of Virginia, KYL, UPTON, McCOLLUM, and STUMP changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. OBERSTAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the overwhelming vote on the preceding amendment is evidence that the committee has spoken. It is also evidence of what can happen when two very powerful and often at-odds interests join forces.

I take this moment to emphasize for my colleagues what happened just a moment ago. This body approved retaining in the transportation appropriation bill a prohibition against the FAA to issue any rulemaking that provides for any criminal background investigation of any airline or airport employee. It opens a huge gap in aviation security. God forbid that another Pan Am 103 should occur in the time while this limitation is in effect.

But I just want my colleagues to understand that in a kind of quiet legislative hysteria generated by two interests who thought that they were being disadvantaged by a lousy notice of proposed rulemaking—a notice of proposed rulemaking, not a final rule, not a final law issued by the FAA but a notice which is in process of being changed, on which the authorizing committee has just said to the FAA, you should change that rulemaking in legislation that we will soon bring to the floor; in contrast, this is a total prohibition against doing anything. That is wrong.

Members have voted to open a gap in the aviation security network. I hope none of us will live to regret it. I hope that, in conference, this provision will be fought by the other body.

□ 1430

The administration was right in opposing the language in the appropriation bill. The FAA should proceed with a rulemaking. It should be modest and responsive and responsible.

But this was not responsible, this preceding vote. I regret the action of the House only because I spent a solid 10 months on the Presidential Commission on Aviation Security and Terrorism investigating the tragedy of Pan Am 103, joined by my colleague, the gentleman from Arkansas [Mr. HAMMERSCHMIDT], and the gentleman from Florida [Mr. FASCELL], chairman of the Committee on Foreign Affairs, working to plug the gaps in security for air travelers. We put an awful lot of ourselves into this issue on behalf of the families of the victims of Pan Am 103, and to prevent future tragedies. I regret to see that work undermined and undercut by the just preceding vote.

AMENDMENT OFFERED BY MR. MINETA

Mr. MINETA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MINETA: Page 67, after line 16, insert the following new section:

SEC. 389. (a) Title VI of the Federal Aviation Act of 1958 (49 U.S.C. App. 1421-1433) is amended by adding at the end the following new section:

"SEC. 614. DUTY TIME OF FLIGHT ATTENDANTS.

"(a) RULEMAKING PROCEEDING.—Not later than 60 days after the date of the enactment of this section, the Secretary shall initiate a rulemaking proceeding for the purpose of establishing limitations on duty time for flight attendants, including minimum rest requirements.

"(b) FINAL REGULATIONS.—Except in any case in which the prohibitions referred to in subsection (c) take effect, the Secretary shall issue, not later than 240 days after the date of the enactment of this section, final regulations establishing limitations on duty time for flight attendants, including minimum rest requirements as follows:

"(1) For domestic and international flights, at no point during a duty period shall a flight attendant exceed a maximum of 14 hours of scheduled duty time, plus a maximum of 2 additional hours spent deadheading to return to the flight attendant's domicile. A scheduled minimum rest period (after such duty period) shall equal at least 10½ consecutive hours, block-in to block-out.

"(2) For short-range intercontinental flights, at no point during a duty period shall a flight attendant exceed a maximum of 16 hours of scheduled duty time, plus a maximum of 2 additional hours spent deadheading to return to the flight attendant's domicile. A scheduled minimum rest period (after such duty period) shall equal at least 12½ consecutive hours, block-in to block-out.

"(3) For long-range intercontinental nonstop flights, duty time shall not exceed the scheduled duty time by more than 4 hours and, in any event, shall be no greater than 20 hours of actual duty time. A scheduled minimum rest period (after such duty period) shall equal the scheduled length of the duty period.

"(4) For all flight attendants, a minimum of eight 24 consecutive hour rest periods block-in to block-out per bid month, and at least one 24 hour consecutive rest period within every 7 calendar days. For trip pairings exceeding 7 days in length with no scheduled 24-hour rest period, a minimum of a scheduled 48-hour consecutive rest period will be provided upon return to domicile.

"(5) For all flight attendants, at least a continuous 1 hour rest break on any flight or segment thereof scheduled for 9 hours or more of flight time in a designated rest area.

"(c) MANDATED PROHIBITIONS.—If the Secretary does not initiate a rulemaking proceeding under subsection (a) before the 60th day following the date of the enactment of this section or does not issue final regulations under subsection (b) before the 240th day following such date of enactment, no air carrier may after such date operate an aircraft using a flight attendant who has been on duty more hours, or who has had fewer hours of rest, than those required by paragraphs (1) through (5) of subsection (b).

"(d) MODIFICATION OF MANDATED PROHIBITIONS.—The Secretary may issue regulations modifying the prohibitions contained in paragraphs (1) through (5) of subsection (b) if the Secretary determines that such modifications are in the interest of safety and transmits a copy of the modifying regulations to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives. The modifying regulations may not take effect until the expiration of the 90-day period beginning on the date of the transmittal of the modifying regulations to such committees.

"(e) DEFINITIONS.—In this section, the following definitions apply:

"(1) AIR CARRIER.—The term 'air carrier' means any air carrier which is subject to the provisions of part 121 or part 135 of title 14 of the Code of Federal Regulations.

"(2) DESIGNATED REST AREA.—The term 'designated rest area' means a passenger seat of an aircraft assigned for crew rest purposes.

"(3) DOMESTIC FLIGHT.—The term 'domestic flight' means any flight or segment of a flight worked by a flight attendant totally within the continental United States.

"(4) DUTY TIME.—The term 'duty time' means all time worked for an air carrier with respect to flight duties and shall begin at the required report time and shall end when released by the carrier. Duty time accrues until the crewmember is scheduled for a required rest period by the carrier. Time spent deadheading, either on an aircraft or by surface transportation, to or from an assignment by an air carrier, time spent ferrying, and time spent attending meetings and training shall also be considered duty time. Duty time continues—

"(A) throughout a rest period of a shorter duration than that contained in subsection (b)(1), (b)(2), or (b)(3), as the case may be; and

"(B) during in-flight rest periods contained in subsection (b)(5).

"(5) INTERNATIONAL FLIGHT.—The term 'international flight' means any flight worked by a flight attendant for which a take off or landing is scheduled outside the continental United States, excluding intercontinental flights.

"(6) SHORT-RANGE INTERCONTINENTAL FLIGHT.—The term 'short-range intercontinental flight' means a transcontinental flight scheduled for less than 14 hours flight time.

"(7) LONG-RANGE INTERCONTINENTAL NONSTOP FLIGHT.—The term 'long-range intercontinental nonstop flight' means a single nonstop intercontinental flight scheduled for 14 hours or more of flight time.

"(8) REPORT TIME.—The term 'report time' means a time period of at least 30 minutes prior to the scheduled departure time of the first flight or segment of flight in a flight attendant's duty period or the time the flight attendant is required to report to work, whichever is earlier.

"(9) REST.—The term 'rest' means uninterrupted time free from all duty, block-in to block-out.

"(10) SCHEDULED FLIGHT TIME.—The term 'scheduled flight time' means the elapsed time of a flight of an air carrier based on the times shown in schedules published for the air carrier.

"(11) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.

"(f) TREATMENT OF DUTY PERIOD WITH DOMESTIC AND INTERNATIONAL FLIGHT SEGMENTS.—A duty period with both domestic and international flight segments shall be treated as international flying for the purpose of calculating duty and rest requirements under this section if the majority of the flight time during that duty period is on an international segment and domestic flying if the majority of the flight time during that duty period is on a domestic segment.".

(b) The table of contents contained in the first section of the Federal Aviation Act of 1958 is amended by adding at the end of the matter relating to title VI the following:

"Sec. 614. Duty time of flight attendants.
"(a) Rulemaking proceeding.
"(b) Final regulations.
"(c) Mandated prohibitions.
"(d) Modification of mandated prohibitions.
"(e) Definitions.
"(f) Treatment of duty period with domestic and international flight segments.

The CHAIRMAN. Under the rule, the total time for debate on this amendment is limited to 20 minutes.

The gentleman from California [Mr. MINETA] will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

Does a Member seek recognition in opposition?

Mr. CARR. Mr. Chairman, I rise in opposition, and I seek the time.

The CHAIRMAN. The gentleman from Michigan [Mr. CARR] will be recognized for 10 minutes in opposition.

The Chair recognizes the gentleman from California [Mr. MINETA].

MODIFICATION TO AMENDMENT OFFERED BY MR. MINETA

Mr. MINETA. Mr. Chairman, I ask unanimous consent that my amendment be modified.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment offered by Mr. MINETA: Page 67, after line 16, insert the following new section:

SEC. 399. (a) Title VI of the Federal Aviation Act of 1958 (49 U.S.C. App. 1421–1433) is amended by adding at the end the following new section:

"SEC. 614. DUTY TIME OF FLIGHT ATTENDANTS.

"(a) RULEMAKING PROCEEDING.—Not later than 60 days after the date of the enactment of this section, the Secretary shall initiate a rulemaking proceeding for the purpose of establishing limitations on duty time for flight attendants, including minimum rest requirements.

"(b) FINAL REGULATIONS.—Except in any case in which the prohibitions referred to in subsection (c) take effect, the Secretary shall issue, not later than 240 days after the date of the enactment of this section, final regulations establishing limitations on duty time for flight attendants, including minimum rest requirements as follows:

"(1) For domestic and international flights, at no point during a duty period shall a flight attendant exceed a maximum of 14 hours of scheduled duty time, plus a maximum of 2 additional hours spent deadheading to return to the flight attendant's domicile. A scheduled minimum rest period (after such duty period) shall equal at least 10½ consecutive hours, block-in to block-out.

"(2) For short-range intercontinental flights, at no point during a duty period shall a flight attendant exceed a maximum of 16 hours of scheduled duty time, plus a maximum of 2 additional hours spent deadheading to return to the flight attendant's domicile. A scheduled minimum rest period (after such duty period) shall equal at least 12½ consecutive hours, block-in to block-out.

"(3) For long-range intercontinental nonstop flights, duty time shall not exceed the scheduled duty time by more than 4 hours and, in any event, shall be no greater than 20 hours of actual duty time. A scheduled minimum rest period (after such duty period) shall equal the scheduled length of the duty period.

"(4) For all flight attendants, a minimum of eight 24 consecutive hour rest periods, block-in to block-out per bid month, and at least one 24-hour consecutive rest period within every 7 calendar days. For trip pairings exceeding 7 days in length with no scheduled 24-hour rest period, a minimum of a scheduled 48-hour consecutive rest period will be provided upon return to domicile.

"(5) For all flight attendants, at least a continuous 1 hour break on any flight or segment thereof scheduled for 9 hours or more of flight time in a designated rest area.

"(c) MANDATED PROHIBITIONS.—If the Secretary does not initiate a rulemaking proceeding under subsection (a) before the 60th day following the date of the enactment of this section or does not issue final regulations under subsection (b) before the 240th day following such date of enactment, no air carrier may after such date operate an aircraft using a flight attendant who has been on duty more hours, or who has had fewer hours of rest, than those required by paragraphs (1) through (5) of subsection (b).

"(d) Modification of Mandated Prohibitions.—The Secretary may issue regulations modifying the prohibitions contained in paragraphs (1) through (5) of subsection (b) if the Secretary determines that such modifications are in the interest of safety and transmits a copy of the modifying regulations to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives. The modifying regulations may not take effect until the expiration of the 90-day period beginning on the date of the transmittal of the modifying regulations to such committees.

"(e) Definitions.—In this section, the following definitions apply:

"(1) Air carrier.—The term 'air carrier' means any air carrier which is subject to the provisions of part 121 or part 135 of title 14 of the Code of Federal Regulations.

"(2) Designated rest area.—The term 'designated rest area' means a passenger seat of an aircraft assigned for crew rest purposes.

"(3) Domestic flight.—The term 'domestic flight' means any flight or segment of a flight worked by a flight attendant totally within the continental United States.

"(4) Duty time.—The term 'duty time' means all time worked for an air carrier with respect to flight duties and shall begin at the required report time and shall end when released by the carrier. Duty time accrues until the crewmember is scheduled for a required rest period by the carrier. Time spent deadheading, either on an aircraft or by surface transportation, to or from an assignment by an air carrier, time spent ferrying, and time spent attending meetings and training shall also be considered duty time. Duty time continues during in-flight, rest periods contained in subsection (b)(5).

"(5) International flight.—The term 'international flight' means any flight worked by a flight attendant for which a take off or landing is scheduled outside the continental United States, excluding intercontinental flights.

"(6) Short-range intercontinental flight.—The term 'short-range intercontinental flight' means a intercontinental flight scheduled for less than 14 hours flight time.

"(7) Long-range intercontinental nonstop flight.—The term 'long-range intercontinental nonstop flight' means a single nonstop intercontinental flight scheduled for 14 hours or more of flight time.

"(8) Report time.—The term 'report time' means a time period of at least 30 minutes prior to the scheduled departure time of the first flight or segment of a flight in a flight attendant's duty period or the time the flight attendant is required to report to work, whichever is earlier.

"(9) Rest.—The term 'rest' means uninterrupted time free from all duty, block-in to block-out.

"(10) Scheduled flight time.—The term 'scheduled flight time' means the elapsed time of a flight of an air carrier based on the times shown in schedules published for the air carrier.

"(11) Secretary.—The term 'Secretary' means the Secretary of Transportation.

"(f) Treatment of Duty Period With Domestic and International Flight Segments.—A duty period with domestic, international and intercontinental flight segments shall be treated as intercontinental flying for the purpose of calculating duty and rate requirements under this section if the majority of the flight time during that duty period is on an intercontinental segment and domestic international flying if the majority of the flight time during that duty period is on a domestic or international segment.".

(b) The table of contents contained in the first section of the Federal Aviation Act of 1958 is amended by adding at the end of the matter relating to title VI the following:

"Sec. 614. Duty time of flight attendants.
"(a) Rulemaking proceedings.
"(b) Final regulations.
"(c) Mandated prohibitions.
"(d) Modification of mandated prohibitions.
"(e) Definitions.
"(f) Treatment of duty period with domestic and international flight segments.".

Mr. MINETA (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. COUGHLIN. Mr. Chairman, reserving the right to object, we have not seen the modification yet. Could we reserve the right to object until we could observe or look at the modification?

Mr. MINETA. Mr. Chairman, if the gentleman will yield, the copies were distributed to the minority.

Mr. COUGHLIN. Mr. Chairman, we have just this minute received them.

Mr. MINETA. I am sorry; we distributed it earlier to the minority side, and I apologize for the inadequacy of your own staff then to provide it, because it was very specifically told to my own staff to be distributed, and it was distributed earlier.

Mr. COUGHLIN. Mr. Chairman, under my reservation of objection, could I ask the gentleman to explain?

Mr. MINETA. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. Further reserving the right to object, I yield to the gentleman from California.

Mr. MINETA. Mr. Chairman, we made technical changes to the amendment to carry the term intercontinental through the legislation. We added the category of intercontinental duty time as the result of our negotiations to compromise with Delta Air Lines.

Mr. Chairman, again, I am sorry because of the noise here, but we made technical changes to the amendment to carry the term intercontinental throughout the legislation. We added the category of intercontinental duty at the time as the result of our compromise in negotiations with Delta Airlines.

Mr. COUGHLIN. Mr. Chairman, if I might object for the moment until we have a chance to review this and then ask the gentleman from California to renew his request. I am not trying to hold up the proceedings. I am just trying to make sure we understand what is being done.

The CHAIRMAN. Does the gentleman from California withdraw his request for the modification at this time?

Mr. MINETA. No; at this time we will just proceed, I assume, on the basis of the modifications with the gentleman from Pennsylvania reserving the right to object.

Mr. COUGHLIN. Reserving my right to object.

The CHAIRMAN. Does the gentleman from Pennsylvania object?

Mr. COUGHLIN. I object at this time.

The CHAIRMAN. Does the gentleman from Pennsylvania object to the unanimous-consent request concerning the reading of the modification?

Mr. COUGHLIN. No; no. I do not object concerning the reading of the modification.

The CHAIRMAN. Is there objection to the request of the gentleman from California that the modification be considered as read and printed in the Record?

There was no objection.

The CHAIRMAN. Does the gentleman from Pennsylvania insist on his reservation with regard to the modification itself?

Mr. COUGHLIN. Mr. Chairman, I object at this time to the modification.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from California.

Mr. MINETA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am offering an amendment to include an amended version of H.R. 14, the Flight Attendant Duty Time Act, as a provision in the 1993 transportation appropriation legislation.

During the first session of this Congress, the House of Representatives approved H.R. 14 with the bipartisan support of the House Public Works and Transportation Committee leadership.

Our colleague, Transportation Appropriations Chairman Bill Lehman, also supported this important safety legislation during last summer's consideration.

Mr. Chairman, this amendment will limit the amount of time flight attendants can be on duty to 14 hours for domestic flights and 16 hours for international flights.

Surveys of foreign countries with flight attendant duty time regulations show that 14 hours of domestic duty is the general standard. The U.S. could be falling well below the international safety standard.

Flight attendants perform important safety duties and have been designated by the Federal Aviation Administration [FAA] as safety sensitive employees.

However, the Federal Aviation Administration has been unable to move on the duty time issue for 12 years. This lack of action on a safety issue is extremely distressing.

I have correspondence from the FAA dating back as far as April 21, 1978, which states that the FAA planned to issue a notice of proposed rulemaking [NPRM] on flight duty time rules by the end of that year.

As some of you know, Delta Airlines expressed some concerns about this proposal. During several meetings with the Delta Airlines representatives, we were able to isolate their concerns and address them in this agreement.

Specifically, we revised the classification of international flight to reflect intercontinental trips. We also changed the lengths of rest periods to bring them in line with the pilots regulations.

As you all know, safety is, first and foremost, my greatest priority and I refuse to compromise it. Legitimate concerns were raised by Delta Airlines and I believe that we are adequately addressing these concerns in this amendment.

Mr. Chairman, I must stress that this is not a labor-management issue. As I said before, the FAA recognizes the importance of the safety duties performed by flight attendants and have designated flight attendants as safety sensitive employees.

Mr. Chairman, the United States should be the world leader on aviation issues. Our air travel system is a source of pride for our Nation. We must continue this tradition when addressing all aviation safety issues.

Mr. Chairman, I urge my colleagues to support this amendment to the 1993 Transportation appropriations legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. COUGHLIN. Mr. Chairman, if the gentleman from California wishes to renew his unanimous-consent request to modify his amendment, I will not object to the modification, although I do oppose the amendment.

The CHAIRMAN. The Chair would advise the gentleman that request is pending.

Is there objection to the request of the gentleman from California to modify his amendment?

There was no objection.

Mr. CARR. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first and foremost, I would like to congratulate my good friend and colleague from California. He has worked very, very hard on this issue for a number of years. He has looked into this in greater detail than most Members of Congress, and I know that he holds his beliefs about the legislation very firmly and with great intellectual fervor.

The original amendment that the gentleman sought to amend the Transportation appropriation bill, in my judgment, was flawed, and in the committee when it was offered there, I opposed it.

□ 1440

This is a case of line drawing. It is indeed true that flight attendants are safety sensitive employees and we need them for safe air travel.

They are also employees, and there is the employer-employee relationship.

I think it is all too frequent sometimes that those people who are safety employees use the safety angle of their employment a little broader than they really ought to. They use it to gain some leverage and some advantage in the labor-management negotiations, and I think that is understandable.

So the gentleman from California and I might draw that line a little differently, and indeed on his amendment before our subcommittee as it was presented I in fact did oppose the amendment; however, the gentleman from California is also an outstanding legislator. He is a person who will meet someone halfway. He is a person who will try to get the job done and do the best he can under the circumstances at the time.

So Mr. Chairman, in the spirit of the gentleman's compromise and with the modifications of his amendment which I have reviewed and find less objectionable than the amendment as originally offered in committee, I would join the gentleman in support of his amendment, as modified.

Mr. Chairman, since I have not had any requests for time, I yield back the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I thought the gentleman from Michigan was in opposition. If he is not, I am.

Mr. CARR. Mr. Chairman, I yield the remaining time that I have to the gentleman from Pennsylvania.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. COUGHLIN] is recognized.

Mr. COUGHLIN. Mr. Chairman, I thank the gentleman for the time.

I understand and appreciate the great concern of the gentleman from California, who is indeed an expert in this area and who is a splendid colleague and a good friend. I am, however, constrained to object to this amendment.

There is no indication, according to the Federal Aviation Administration, that this amendment and the imposition of these work rules for flight attendants would create any increase in safety. By mandating protections in excess of those for pilots and imposing new reporting and other compliance costs, it could cost the airlines $1 billion over 15 years and severely damage an industry already suffering significant financial hardship, and all this for no safety gain. There is no demonstrable safety gain as a result of this legislation.

When the legislation was before us once before, and this is purely legislation on an appropriations bill, it was indicated that should this be part of our bill it would be cause for a suggested veto. It seems to me we are unduly burdening this bill with something that could cause a veto or be an additional reason for causing a veto.

There is other legislation to which supporters of this amendment could attach it. The Public Works Committee has just reported H.R. 5466 dealing with airline economic matters. That would be an appropriate measure for this amendment. The Senate is certain to take up that subject.

This is not the appropriate way to do it, if indeed the subject is an appropriate thing for legislation. This is probably a labor-management matter that should be resolved between labor and management in the aviation industry, but certainly should not be resolved in the bill in the way that we are going about it at the moment, with changes that we still do not fully understand.

This is not an amendment that should be here. I would hope that we would oppose the amendment and I would hope that the amendment will be voted down so that we can pass the bill as it was, as I indicated initially and, as it was reported from the committee.

We have had a good bill. If we start adding other things to it, we are going to get a bill that will cause some real problems. I hope that we can go ahead with the bill because it is an important bill for transportation in the United States of America and I hope we will pass it unburdened.

Mr. MINETA. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. LEHMAN], the distinguished chairman of the Subcommittee on Transportation of the Committee on Appropriations.

Mr. LEHMAN of Florida. Mr. Chairman, I thank the gentleman from California for yielding me this time.

I rise in support of this amendment. As the gentleman from California has previously stated, I have supported similar legislation in the past and I certainly support his position.

The gentleman from California has worked long and hard to work out accommodations and compromises to make his amendment viable, and I urge that the amendment be agreed to.

Mr. COUGHLIN. Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

Mr. MINETA. Mr. Chairman, I would like to enter into a colloquy with the gentleman from Georgia [Mr. LEWIS]. I yield myself such time as I may consume, and I yield to the gentleman.

Mr. LEWIS of Georgia. Mr. Chairman, I want to thank my friend for yielding to me.

Will the gentleman from California explain the meaning of the term "scheduled duty time" as used in section 614(b)(1) and throughout the amendment?

Mr. MINETA. The term "scheduled duty time" as used in the flight attendant duty time amendment is a term the Federal Aviation Administration has used for many years in enforcing its current work and rest restrictions for pilots. The FAA considers scheduled duty time to mean the scheduled work day of a pilot which encompasses the time between when a pilot is required to report to work and the time such pilot is released from flight duties.

In enforcing the pilot rules, the FAA has established a practice of calculating the number of scheduled work hours by adding the amount of time actually worked on any given flight or flights during a work period to the amount of time projected to be worked during the same flight or flights during a work period to the amount of time projected to be worked during the same flight or flights subject to these regulations.

Although this legislation is intended to impose flight attendant duty and rest requirements on the basis of duty time rather than the flight time regulation presently applicable to pilots, it is also intended to require the FAA to use comparable work and rest time calculation methods in enforcing flight attendant work and rest requirements which the FAA currently uses for pilots.

Mr. LEWIS of Georgia. Mr. Chairman, I thank the gentleman from California for this explanation, and again I thank my chairman.

Mr. MINETA. Mr. Chairman, I yield 2 minutes to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Chairman, this amendment affects the safety of every member of the flying public. This is most emphatically not a labor-management issue as such.

It requires the FAA to set duty time standards for flight attendants, just as it does for pilots.

Flight attendants are the crucial safety link between passengers and the cockpit.

Their response can literally mean the difference between life and death for hundreds of passengers.

For skeptics, I can point to one incident in my own State of Hawaii when the skin of the aircraft literally peeled away from the frame.

Tragically, one flight attendant lost her life. But not a single passenger was lost.

This was attributed to the coolness and courage of the surviving flight attendant.

This amendment recognizes the vital safety role of these trained, skilled professionals.

The passengers who fly with them are entitled to the assurance that their flight attendants are as alert and rested as their pilots.

Let us adopt this amendment today.

☐ 1450

Mr. COUGHLIN. Mr. Chairman, I will only say that the matters cited by the distinguished gentleman from Hawaii do not relate to flight attendants' rest and duty time, particularly. The FAA has performed a survey of the practices of flight attendants, and they reveal most of them are covered by collective bargaining agreements. Again, there is no quantifiable safety benefit that would relate to adopting this amendment that the Federal Aviation Administration can determine. To adopt an amendment and a standard for which there is no quantifiable safety benefit does not seem justified.

Mr. MINETA. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. I thank the gentleman for yielding, and I say that I appreciate very much the gentleman from California having worked very closely with one of the major corporations in Georgia that I work with a great deal, which is Delta Air Lines. And as this bill has been improved, I think that many of us who opposed it earlier on the floor now find something we can vote for. I want to thank my friend from California for working diligently on this and for shaping this amendment in a form I can support it. So I am going to vote for it.

Mr. COUGHLIN. Mr. Chairman, I yield back the balance of my time.

Mr. MINETA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment as modified, offered by the gentleman from California [Mr. MINETA].

The amendment as modified, was agreed to.

The CHAIRMAN. Are these further amendments to title III of the bill?

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to talk for just a brief minute about a section of the law that the FAA, Department of Transportation, administers, called the International Air Transportation Competition Act of 1979.

I cannot offer an amendment to the bill, because it would probably be legislating on an appropriations bill. But this legislation is commonly referred to as the Wright amendment, named after our former Speaker, Jim Wright. The effect of the language in the law—and I have raised this issue in previous legislative times—has to do with the field airports in Dallas, TX, particularly with respect to the airport at Dallas Love Field. The Wright amendment would and does restrict air traffic out of Dallas Love Field to points within the State of Texas and to the contiguous State of Texas.

The net effect of this, which was done about 12 or 13 years ago, is to restrict competition for air fares and service throughout vast parts of this great country of ours. Love Field is the only airport in America in which the Federal Government tells you where you can fly to.

And so I bring my colleagues this issue right now because just last week, on June 30, the Federal Trade Commission issued a report on the Wright amendment. And this lengthy report concludes by saying that the analysis shows that removing the restrictions of the Wright amendment may result in lower air fares both at DFW and at Love Field as well as reduced delays and commuting costs to air passengers.

The FTC study is a lengthy one, but it clearly and unequivocally shows the Wright amendment restricts competition and raises air fares not only for people in places like Wichita, Omaha, Memphis, and St. Louis, but also in the State of Texas as well.

So, while I cannot offer the amendment today, I urge my colleagues to read the Federal Trade Commission report and I will do my best to continue to fight for the elimination of this restrictive anticompetitive piece of legislation which has been on the books far too long.

The CHAIRMAN. Are there additional amendments to title III of the bill?

Mr. COUGHLIN. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. COUGHLIN] is recognized for 5 minutes.

Mr. COUGHLIN. Mr. Chairman, we have, as I understand it, two additional 20-minute amendments that are still to be considered and then we have the amendment by the distinguished Republican leader, the gentleman from Illinois [Mr. MICHEL], also ahead of us, which I hope would be supported by the body. And then we will be following that with an amendment by the gentleman from Wisconsin [Mr. OBEY] which I hope would be opposed by the body.

I hope that we can get through with this bill before the evening becomes too late. Our chances of getting through with it will be much enhanced if we can keep the bill intact and not unduly amend the bill. That will also enhance our chances of having a bill that will be passed and signed by the President and will expedite the proceedings for this House and for the Committee on Appropriations.

Mr. Chairman, I again want to urge my colleagues, as they look at the further amendments to the bill, in particular the Obey amendment which will be coming up, to remember that this bill is a good bill as it stands. It does not need further amendment. I hope we will not start taking funds from other areas and trying to transfer them into the transportation area, as has been suggested by the gentleman from Wisconsin, in a way that violates the budget agreement.

Mr. Chairman, it has been said that this does not tear down the firewalls, but it certainly does at least replace the firewalls for this purpose, which will be most certainly requiring a veto by the administration.

It has also been said that the amount of money would not be applied to the deficit. Well, obviously, money that we do not spend, if we do not spend it, is applied to the deficit. If indeed we do not spend the money that is in the foreign operations account, then that will result in a decrease in the deficit. On the other hand, if we transfer it to the transportation account and spend it, it will increase the deficit.

So I hope that as we proceed that we do the right thing in trying to restrict our spending and restrict the deficit.

I understand that the gentleman from Texas may be seeking recognition.

AMENDMENT OFFERED BY MR. MINETA

Mr. MINETA. Mr. Chairman, I offered an amendment made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MINETA: Page 67, after line 16, insert the following:

SEC. 339. TEMPORARY MATCHING FUND WAIVER

(a) INCLUSION OF TRANSIT PROJECTS.—Section 1054(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 120 note: 105 Stat. 2001) is amended—

(1) by inserting "for payment with funds apportioned" after "the Secretary";

(2) by inserting "or for payment with funds apportioned or allocated under section 3, 9, or 18 of the Federal Transit Act" before "and of";

(3) by inserting "or under section 3, 9, or 18 of the Federal Transit Act" before "during the"; and

(4) by striking "the State" and inserting "the recipient of such funds".

(b) REPAYMENT.—Section 1054(b) of such Act is amended—

(1) by striking "any State" and inserting "any recipient of funds described in subsection (a)";

(2) by striking "the State" each place it appears and inserting "the recipient";

(3) by striking "1994" and inserting "1995";

(4) by inserting "or the General Fund of the Treasury, as appropriate," after "Highway Trust Fund"; and

(5) by striking "or allocation" after "apportionment".

(c) DEDUCTION FROM APPORTIONMENTS.—Section 1054(c) of such Act is amended—

(1) by striking "a State" and inserting "a recipient of funds described in subsection (a)";

(2) by striking "the State" and inserting "the recipient";

(3) by inserting "or from funds apportioned or allocated to the recipient under section 3, 9, or 18 of the Federal Transit Act, as appropriate," after "United States Code," the first place it appears;

(4) by striking "1995 and 1996" each place it appears and inserting "1996 and 1997";

(5) by inserting "under title 23, United States Code, or a pro rata share of apportioned or allocated funds under section 3, 9, or 18 of the Federal Transit Act, as appropriate" before the period at the end of the first sentence;

(6) by inserting "or reapportioned or reallocated under section 3, 9, or 18 of the Federal Transit Act, as appropriate," after "United States Code," the second place it appears; and

(7) by striking "those States" each place it appears and inserting "those recipients".

(d) QUALIFYING PROJECT DEFINED.—Section 1054(d) of such Act is amended—

(1) by inserting "before, on, or" after "obligated to pay"; and

(2) by striking "the Governor of the State" and inserting "the recipient of funds described in subsection (a)".

(e) APPROVAL OF WAIVER REQUESTS.—Section 1054 of such Act is amended by adding at the end the following new subsection:

"(e) APPROVAL OF WAIVER REQUEST.—The Secretary shall approve any request submitted to the Secretary under this section for an increase in the Federal share of the cost of a project on or before the 45th day after the date of receipt of such request.".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect December 18, 1991.

□ 1500

The CHAIRMAN. The Chair inquires of the gentleman from California [Mr. MINETA] if he is offering the amendment on behalf of the gentleman from Iowa [Mr. NAGLE].

Mr. MINETA. That is correct, Mr. Chairman.

The CHAIRMAN. The gentleman from California [Mr. MINETA] under the rule will be recognized for 10 minutes, and a Member in opposition will also be recognized for 10 minutes.

Is there a Member who seeks to be recognized for 10 minutes in opposition?

Mr. COUGHLIN. Mr. Chairman, I am in opposition to the amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. COUGHLIN] will be recognized in opposition, and the Chair first recognizes the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment extends to transit projects the temporary matching fund waiver provisions that were included under section 1054 of the Intermodal Surface Transportation Efficiency Act of 1991 for highways.

The recipient of Federal funds for highway and transit projects would be provided the authority to request a temporary waiver of the non-Federal share for transportation projects.

Mr. Chairman, the Congress made a commitment to the Nation last year when we approved the Intermodal Surface Transportation Efficiency Act of 1991 [ISTEA].

This legislation laid the groundwork for an innovative and effective transportation network. It is now time to make this vision a reality.

However, we are seeing that the States and localities are facing the severest budget crises in their histories. ISTEA won't work unless our State and local partners get some help.

This amendment comes at a time when it is desperately needed—in terms of our infrastructure—and our Nation's economic health.

At a time when the White House is in economic disarray—when they continue to deny the effects of the economic recession, we have before us an amendment that will help the ISTEA legislation achieve one of its major goals: creating at least 2 million jobs.

And while the people of 1600 Pennsylvania Avenue haven't seen or felt the effects of the recession, Mr. Chairman, you have only to ask the people of Bethlehem, PA, if there is a recession.

Or the people of Chicago, IL.

Or the people of Lafayette, LA.

Or the people of San Jose, CA, and they will tell you that our economy is hungry for stimulation. These people are counting on the economic and infrastructure benefits and improvements that this temporary match waiver will generate.

It is now absolutely essential that America do more than reverse the collapse of our annual transportation investment from 2.3 percent of our gross national product in the 1960's and 1970's to four-tenths of 1 percent from the 1980's to this very day.

Mr. Chairman, this amendment is fair.

The repayment of the non-Federal share would not have to be made until March 30, 1995. This is just an extension of just 1 year before the repayment must be made.

If the repayments are not made by March 30, 1995 and credited to the appropriate apportionment or allocation accounts, the Secretary must deduct the necessary repayment amounts from apportionments or allocations made for fiscal years 1996 and 1997.

This amendment will help States and localities get over the hump—and get to the business of rebuilding America.

Mr. Chairman, I urge my colleagues to support the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. COUGHLIN. Mr. Chairman, my colleagues, this is a really bad amendment, waiving the local match. Not only is it a bad amendment because it does not require the States and local communities to put up their share of the match of projects, but in a very real way, in a very real way, this may actually delay the expenditure of Federal money, delay the jobs, delay the projects because, as the investment is postponed, the States do not have to reinvest the waived match in infrastructure projects until March 1995.

In other words, Mr. Chairman, if they delay the match this year, but they have to repay it next year, they may not have to pay it until March 1995, and nothing would then be done in ensuing years. This can cost jobs and money would go unspent, and that is an important factor.

The amendment also does not give, does not give, the Secretary of Transportation any discretion in the approval of a waiver. Now that is very important because some of these projects, in the case of transit projects, for example, are worth hundreds of millions of dollars, and there is no guarantee that there will be future year funds to withhold if the waiver is not repaid.

What we are saying here is: "You waive the funds for this year, but they'll have to be repaid by the local governments next year, or you withhold Federal funds, but the Federal funds won't be there to withhold in these multimillion dollar projects if you don't have a local waiver."

So, Mr. Chairman, this is a really very bad amendment. This is something we fought out in the dire emergency supplemental in the conference with the Senate where they tried to waive the match there. We were successful in succeeding to defeat this there.

Again, Mr. Chairman, we are just mounting up the things that would call for a veto of this bill. I would hope my colleagues would not include again legislation in an appropriations bill. We are just overburdening the bill, and this is a bad idea, one that has not been thought through carefully and one that I hope my colleagues will defeat.

Mr. Chairman, I reserve the balance of my time.

Mr. MINETA. Mr. Chairman, I yield 1 minute to the very distinguished chairman of the Subcommittee on Transportation of the Committee on Appropriations, the gentleman from Florida [Mr. LEHMAN].

Mr. LEHMAN of Florida. Mr. Chairman, I thank the gentleman from California [Mr. MINETA], my friend, for yielding this time to me.

Mr. Chairman, I rise in support of this amendment. It essentially provides an additional year of time to repay the match and that gives the States additional flexibility. It will probably expedite jobs for the highway program.

I urge adoption of the amendment.

Mr. COUGHLIN. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Michigan [Mr. CARR].

Mr. CARR. Mr. Chairman, I reluctantly rise in opposition to the amendment. I understand what the proponents of the amendment are trying to do, and I think they have some good ideas. I also understand that States and localities are having some initial difficulty ramping up to the new requirements of the ISTEA legislation.

Mr. Chairman, the thing that I worry about is somebody who, hopefully, down the line will be making some decisions on this kind of thing. The thing I worry about the most is that some of these communities are really not going to surmount the political courage necessary to do the things required to get these matches, and they are going to postpone their own discipline in getting the matches together, and then we will be back here in a year or so, maybe 2 years, being asked to forgive the matches, and those communities that mustered the political courage to do those things necessary to get the matches early will be penalized, and I just think this is an unwise way to proceed, and I oppose the amendment.

Mr. MINETA. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. NAGLE], the coauthor of the amendment.

Mr. NAGLE. Mr. Chairman, I think it is time we face the reality that it is not just the Federal Government that is broke, but that States, and municipalities and counties are broke too. MPO's are as broke as we are here in the Nation's Capital; 35 of 50 States, in fact, are running deficits. Sixty percent of the cities and towns of this country are running deficits. To tell them that in order to get a needed road project or a needed public works project started they have to find 20 percent and put it on the front end, in order to bring the 80 percent that the Federal Government is matching into play, in essence is to deny them the opportunity to ever start the project.

Flint, MI, for example, has a $17 million road project. Flint is forced to choose between raising taxes or not doing the road project on an already strapped budget. It puts them in the same difficult quandary many of our States and cities are finding themselves in.

Mass transit repairs in Chicago are not being done because the city cannot find the 20 percent.

□ 1510

This legislation opens the spigot of Federal construction across this country, which was the commitment of ISTEA. It makes it possible for States to get those projects started, for cities to initiate those efforts, and then put their 20 percent in on the end. It makes it possible to use the economic activities and revenues generated by those activities to complete those projects, put people to work, and make ISTEA a reality, and to make jobs in construction in this country to rebuild our infrastructure a reality.

It has the strong support of the Black Caucus, the strong support of the Urban Caucus, the strong support of the U.S. Conference of Mayors and other organizations that are involved within the construction industry and are concerned about jobs in this country, and which are concerned about jobs in this country now.

It does not forgive the 20 percent; it simply gives States flexibility to put the money in when they need to and when they can and when they can afford to, and get people to work today.

Mr. COUGHLIN. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. DELAY], a member of the subcommittee.

Mr. DELAY. Mr. Chairman, I reluctantly rise to oppose this amendment, especially in the face of the gentleman from California [Mr. MINETA].

I concur with the gentleman from Michigan [Mr. CARR] in his opposition to this amendment and all the issues the gentleman raises about matching funds. I just want to add, No. 1, that this is bad policy; and, No. 2, this does not guarantee that the waiver will ever be paid back.

First off, it is bad policy, because we are allowing locals to determine what happens with Federal funds, and directly determine where those funds are allocated. I think that is very bad policy, because all the locals have to do is apply for a waiver, meet certain criteria, and the Secretary of Transportation has no discretion but to make this waiver. I think that is terrible policy.

Second, the amendment does not preclude the waiving the amounts larger than what a recipient will receive in future years. There may be, therefore, insufficient funds against which to deduct the repayment if the waived funds are not repaid. So once again there is no guarantee that a local match would ever be paid.

The CHAIRMAN. The Chair would advise that the gentleman from California [Mr. MINETA] has 3½ minutes remaining, and the gentleman from Pennsylvania [Mr. COUGHLIN] has 5 minutes remaining.

Mr. MINETA. Mr. Chairman, I yield such time as he may consume to the gentleman from Montana [Mr. WILLIAMS], who would like to enter into a colloquy with the distinguished chairman of the Subcommittee on Transportation of the Committee on Appropriations, the gentleman from Florida [Mr. LEHMAN].

Mr. WILLIAMS. Mr. Chairman, I appreciate the gentleman allowing me to interrupt the debate on his amendment for this purpose.

I appreciate the chairman's help in addressing the situation we have at Butte. Butte, MT, sits at 5,500 feet and is surrounded by peaks reaching up to 9,000 feet. The flight service station at Butte provides a critical service to pilots by providing advice about the best pathway through the Rocky Mountains of that area. The problem is that the initial study of flight service stations only considered the statistical weather directly above the airport; in Butte, the airport has reasonably stable weather patterns, but in the surrounding mountains the weather changes constantly. For example, the standard route from Bozeman to Butte passes over the town of Whitehall, yet it's commonplace for the flight service people to advise pilots into alternative routes to avoid pockets of difficult mountain weather. Unfortunately, we've not been successful in persuading the FAA that this circumstance requires specific attention, and so the evaluation of services at Butte have not reflected the actual needs of pilots.

It would be my understanding, Mr. Chairman, that under this provision the FAA would be required to take a careful look at the circumstances posed by mountainous weather at Butte, and whether the particular circumstances indicate the need to maintain a flight service station there.

Mr. Chairman, am I correct in that understanding?

Mr. LEHMAN of Florida. Mr. Chairman, the gentleman is correct in his understanding. There are areas of this country where we must be very careful where they are attempting to close flight service stations, for safety reasons.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking member of the Committee on Public Works and Transportation.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise to express concern about the amendment offered by my respected colleagues, Mr. MINETA, Mr. GEPHARDT, and Mr. NAGLE.

Although I understand the goal of the amendment, I believe it is unnecessary at this time. The Public Works and Transportation Committee currently is working on technical amendments to the Intermodal Surface Transportation Efficiency Act. In this process we are looking at ways to extend the temporary local share waiver to additional transit programs, and I believe the Public Works Committee's technical corrections' measure is the appropriate place to make such a change.

My second concern with this amendment is the extension of the State or local share payback requirement for both highway and transit programs by 1 year. I believe the existing payback provisions are quite reasonable and there has been no demonstration of the need to give States an additional year.

The longer these funds are out of circulation, the more our Nation's overall transportation funding is diminished. If less funding is available, important transportation projects must be postponed—and the desperately needed jobs these projects can stimulate will be postponed right along with them.

My third concern relates to the payback requirement for transit discretionary programs. Because of the discretionary nature of the section 3 program, we cannot be assured that adequate future funds would be due to section 3 recipients in order to enforce the payback requirements.

I believe this amendment is intended to permit waiver of the local share for section 3 programs only in cases where the Federal Transit Administration is able to determine that sufficient funds could be withheld from the recipient in future years to ensure that the local share is repaid. However, I believe this point needs clarification in the amendment.

Again, I wanted to express these concerns and emphasize that these issues would be best addressed in the context of the technical corrections measure currently under consideration by the Public Works and Transportation Committee.

Mr. MINETA. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I rise in strong support of the amendment.

This amendment will allow States the flexibility to use its funds not to match the Federal funds, but to compliment the funds. Our State of Ohio is still a donor State though we get more than a $1 for every $1 because of the discretionary funds. In addition, our State needs the funds because we have the third oldest infrastructure in the country. For these and other reasons, this is a fine amendment.

Mr. MINETA. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of this amendment.

Given that the current unemployment rate is approaching 8 percent, it is time for this Congress to develop a comprehensive jobs package. This amendment will facilitate job creation.

Many of the jobs that were promised by the Intermodal Surface Transportation Efficiency Act may not be created, because State and municipal governments can not meet the match requirements to receive needed Federal funds. Thirty-five of our States and over 60 percent of our cities are facing budget difficulties. In these troubled times, we should not hinder our cities with unreasonable fiscal requirements.

This amendment would extend the existing match waiver as part of the ISTEA to include transit programs for fiscal year 1993. It also gives States and municipalities flexibility in the repayment of the match requirements. Lastly, it streamlines the process for waiver requests so that cities might begin creating transportation and infrastructure jobs as soon as possible. For this reason, this amendment is endorsed by the U.S. Conference of Mayors, the Congressional Black Caucus, and the Congressional urban caucus.

Mr. Chairman, the Nagle-Mineta amendment is a godsend in the absence of any Federal leadership to renew and improve our infrastructure in this country. We urgently need jobs, and what better application for American workers than to improve our infrastructure.

Mr. Chairman, in this case it is transit. For New York City and other urban centers it could be mass transit. These funds could be used to repair and renovate subways. What a godsend at this time when our subways are falling further and further into disrepair.

It could mean that we would buy new buses in New York City to replace the antiquated buses that we have now.

This is a godsend in time of need to enable us to put workers to work improving the quality of life in America by improving our decaying and deteriorating infrastructure. I urgently ask my colleagues to support this amendment.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from North Carolina [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I stand reluctantly to oppose this amendment. I appreciate the difficulties that led to this amendment and I appreciate the crunch that our States are experiencing in their financing of roads and transit projects. But I think to pass this amendment here today would be to invite trouble later.

We would likely be back here a couple of years from now dealing with requests for further delays in cost sharing, or dealing with requests for forgiveness.

This amendment also raises grave questions of fairness. After all, there are States in this Union that have met their obligations, that have come up with the matching funds, that have moved ahead with their highways and transit programs. They have come up with the matching funds, and there is no reason that other States should not do likewise. But this amendment would provide incentives to delay these obligations.

Requiring a State match for highway and transit programs is a longstanding and sound feature of this country's transportation policy. It promotes accountability and it promotes fiscal responsibility. The cost sharing provisions in present law and in this bill are fair and sufficiently flexible, and I urge they be retained.

Mr. COUGHLIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just say that as is obvious from the discussion here, this is a very complicated matter that we should not be treating on an appropriations bill in this fairly cavalier fashion. It is bad policy. It is unfair to some communities. I hope the amendment will be defeated.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Texas.

□ 1520

Mr. DELAY. I just want the Members to understand that if this amendment passes, the pot that goes to States all over this country is going to be diminished. If we have certain communities that cannot come up with the 20 percent, they are going to get projects and project moneys and not having to meet a local match. So the pot for those legitimate, viable projects will be greatly diminished by this amendment.

Mr. MINETA. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Chairman, I rise in support of the Mineta-Gephardt amendment.

Mr. Chairman, I rise in support of the Mineta-Gephardt-Nagle amendment to allow State and local governments to waive their share of the match for transportation projects.

Last year's transportation infrastructure bill promised to rebuild America. But most importantly, it promised thousands of new jobs.

The recession has hit city governments hardest. They simply can't afford to put up their share to get their transportation projects off the ground. And they need relief.

Currently, match waivers are only allowed for highway programs. This amendment would allow waivers for transit programs as well.

Importantly, this waiver includes funding for mass transit operating subsidies—the basic funding systems need just to keep running.

Finally, it allows cities and metropolitan planning organizations who receive Federal transportation funds to speak for themselves—and not wait for the Governor to request all waivers.

As chairman of the congressional urban caucus, I support this amendment. It is good for my own city of Philadelphia and for cities across the country. It funds big-city transit systems. It puts people back to work. And it gets critical infrastructural projects off the ground. Vote "yes" on Mineta-Gephardt-Nagle.

Mr. MINETA. Mr. Chairman, I yield the balance of my time to our distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

The CHAIRMAN. The gentleman from Missouri [Mr. GEPHARDT] is recognized for 1 minute.

Mr. GEPHARDT. Mr. Chairman, I urge Members to vote for this amendment. The reason for it is very, very simple. We passed a highway bill last year that a lot of States and local governments need to use.

Some have not been able yet to put together the local match, but they are in the process of doing that. The bill we passed said States could get a waiver. This amendment simply says that in other instances, waivers can be achieved. It allows local governments as well as State governments to achieve a waiver.

It allows it for transit projects as well as highway projects, as the bill did last year. And finally, it simply says there will be an additional year in which to make the match.

It makes sense. It does not diminish the pot for other States. In fact, if we do not pass this amendment, there is going to be money that will be left over that cannot be spent because the waivers are not available enough.

I urge Members to vote for this simple, straightforward and needed amendment so we can fulfill the promise of the highway and mass transit legislation of last year.

Mr. TOWNS. Mr. Chairman, I rise in support of the ISTEA amendment to H.R. 5518, the fiscal year 1993 Department of Transportation appropriations, offered by my good friends, Chairman NORM MINETA and Representative DAVE NAGLE.

This amendment addresses two major problems that we are facing as a Nation. We are losing money every year due to the diminishing quality of our Nation's bridges and roadways. The House Public Works Committee has cited the need to rebuild and rehabilitate our infrastructure. There is also that problem of high unemployment. Considering the current unemployment rate which now stands at almost 8 percent, Congress needs to enact legislation that will provide jobs for the American people. This amendment would help to do just that while also aiding the commencement of rehabilitation projects for our infrastructure.

The Intermodal Surface Transportation Efficiency Act [ISTEA] of 1991 which was approved by Congress was supposed to produce the jobs that we still seek today. However, many of these jobs may not be created due to the inability of State and local governments to meet the match requirement to receive Federal transportation funding.

We must eliminate the current impediments that the local and State governments have been facing in attempting to acquire Federal transportation funding and thus facilitate our efforts to create jobs and rebuild our infrastructure. I urge its adoption.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from California [Mr. MINETA].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MINETA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 184, noes 229, not voting 21, as follows:

[Roll No. 279]

AYES—184

Abercrombie
Anderson
Andrews (ME)
Andrews (NJ)
Annunzio
Applegate
Aspin
Atkins
AuCoin
Bacchus
Beilenson
Bennett
Bentley
Berman
Bevill
Bilbray
Blackwell
Bonior
Borski
Boucher
Boxer
Browder
Brown
Bruce
Bustamante
Cardin
Clay
Clement
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Coyne
Cramer
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dwyer
Dymally
Eckart
Edwards (CA)
Edwards (TX)
Engel
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Gejdenson
Gephardt
Gibbons
Guarini
Hall (OH)
Hamilton
Harris
Hayes (IL)
Hochbrueckner
Horn
Hoyer
Hubbard
Jacobs
Jefferson
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lantos
LaRocco
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Markey
Marlenee
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDermott
McMillen (MD)
Mfume
Miller (CA)
Mineta
Mink
Moakley
Moody
Moran
Mrazek
Murphy
Nagle
Neal (MA)
Nowak
Oakar
Oberstar
Olin
Olver
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Pastor
Payne (NJ)
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Poshard
Quillen
Rahall
Rangel
Ravenel
Reed
Roe
Roemer
Rostenkowski
Roybal
Russo
Sabo
Sanders
Sangmeister
Sawyer
Scheuer
Schumer
Serrano
Sharp
Sikorski
Skelton
Slaughter
Smith (FL)
Smith (IA)
Staggers
Stallings
Stokes
Studds
Swett
Swift
Synar
Tanner
Torres
Torricelli
Traficant
Unsoeld
Vento
Washington
Waters
Waxman
Weiss
Wheat
Williams
Wise
Wolpe
Wyden
Yates

NOES—229

Allard
Allen
Andrews (TX)
Anthony
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Brewster
Brooks
Broomfield
Bryant
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Carper
Carr
Chandler
Chapman
Clinger
Coble
Coleman (MO)
Coleman (TX)
Combest
Coughlin
Cox (CA)
Cox (IL)
Crane
Cunningham
Dannemeyer
Darden
Davis
DeLay
Dickinson
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Early
Edwards (OK)
Emerson
English
Ewing
Fawell
Fields
Fish
Franks (CT)
Frost
Gallegly
Gallo
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hertel
Hoagland
Hobson
Holloway
Hopkins
Horton
Houghton
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Jones (GA)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Lancaster
Laughlin
Leach
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Luken
Machtley
Manton
Martin
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McNulty
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison
Murtha
Myers
Natcher

Neal (NC)
Nichols
Nussle
Obey
Orton
Oxley
Packard
Parker
Patterson
Paxon
Payne (VA)
Pease
Penny
Petri
Pickett
Pickle
Porter
Price
Pursell
Ramstad
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Rowland
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Slattery
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Sundquist
Tallon
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Weber
Weldon
Whitten
Wilson
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—21

Ackerman
Alexander
Archer
Barnard
Campbell (CO)
Gaydos
Hatcher
Hayes (LA)
Hefner
Johnson (TX)
Lent
Lowery (CA)
Ray
Savage
Schulze
Solarz
Stark
Thornton
Towns
Traxler
Yatron

☐ 1544

The Clerk announced the following pairs:

On this vote:

Mr. Towns for, Mr. Johnson of Texas against.

Ms. SNOWE and Messers. McCANDLESS, HALL of Texas, GLICKMAN, RICHARDSON, and GORDON changed their vote from "aye" to "no."

Mr. YATES and Mr. FASCELL changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. COUGHLIN. Mr. Chairman, I move to strike the last word, and yield to the gentleman from Nebraska [Mr. Bereuter] for the purposes of a colloquy.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding.

Before proceeding with the colloquy, Mr. Chairman, I want to express my great appreciation and admiration for the years of exceptional public service to the gentleman from Florida [Mr. Lehman] and the gentleman from Pennsylvania [Mr. Coughlin] for their service in the U.S. House of Representatives.

Mr. Chairman, I would like to clarify the committee report language concerning the Newcastle-Vermillion Bridge. I want to ask both the gentleman from Florida and the gentleman from Pennsylvania, am I correct in understanding that the $4.12 million appropriation included in the bill for a bridge across the Missouri River is for the proposed authorized bridge between Newcastle, NE, and Vermillion, SD, even though there was an inadvertent reference to the site of another bridge for which appropriations were enacted during fiscal year 1992? I would ask the distinguished chairman.

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, the gentleman is correct.

Mr. BEREUTER. I thank the Chair. I would also ask the gentleman from Pennsylvania, am I correct?

Mr. COUGHLIN. The gentleman is correct. That was our intention.

Mr. BEREUTER. I thank the gentleman.

AMENDMENT OFFERED BY MR. SMITH OF TEXAS

Mr. SMITH of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Smith of Texas, Page 67, after line 16, insert the following new section:

Sec. 339. The amounts otherwise provided in this Act for the following accounts and activities are hereby reduced by the following amounts:

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Immediate Office of the Deputy Secretary

Expenses, $5,000.

Office of the General Counsel

Expenses, $17,500.

Office of the Assistant Secretary for Policy and International Affairs

Expenses, $131,000.

Office of the Assistant Secretary for Budget and Programs

Expenses, $2,500.

Office of the Assistant Secretary for Governmental Affairs

Expenses, $2,000.

Office of the Assistant Secretary for Administration

Expenses, $625,360.

Contract Appeals Board

Expenses, $2,700.

Office of Civil Rights

Expenses, $4,100.

Office of Essential Air Service

Expenses, $4,200.

Office of Intelligence and Security

Expenses, $25,300.

Transportation Planning, Research, and Development

Expenses, $60,500.

Office of Commercial Space Transportation

Operations and Research

Expenses, $87,280.

Working Capital Fund

Expenses $1,880,000.

COAST GUARD

Operating Expenses

Expenses, $5,031,480.

Acquisition, Construction, and Improvements

Expenses, $2,500,000.

Environmental Compliance and Restoration

Expenses, $430,000.

Research, Development, Test, and Evaluation

Expenses, $558,600.

FEDERATION AVIATION ADMINISTRATION

Operations

Expenses, $9,076,000.

Facilities and Equipment

(airport and airway trust fund)

Expenses, $4,575,000.

Research, Engineering, and Development

(airport and airway trust fund)

Expenses, $4,737,120.

FEDERAL HIGHWAY ADMINISTRATION

Limitation on General Operating Expenses

Expenses, $7,024,000.

Federal-Aid Highways

(liquidation of contract authorization)

(highway trust fund)

Expenses, $1,802,000.

Motor Carrier Safety

Expenses, $78,580.

FEDERAL RAILROAD ADMINISTRATION

Office of the Administrator

Expenses, $347,700.

Railroad Safety

Expenses, $801,800.

Railroad Research and Development

Expenses, $296,000.

OFFICE OF THE INSPECTOR GENERAL

Salaries and Expenses

Expenses, $685,400.

RELATED AGENCIES

PANAMA CANAL COMMISSION

Panama Canal Revolving Fund

Expenses, $1,023,000.

Limitation on operating and capital expenses, $5,837,000.

Mr. SMITH of Texas (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LEHMAN of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Debate time for this amendment will be limited to 20 minutes.

The gentleman from Texas [Mr. Smith] will be recognized for 10 minutes and a Member in opposition will be recognized for 10 minutes. Does any Member rise in opposition to the amendment?

Mr. LEHMAN of Florida. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Florida [Mr. Lehman] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Texas [Mr. Smith].

□ 1550

Mr. SMITH of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, by supporting this amendment, Members will challenge Federal managers to find additional savings in their overhead costs.

The amendment makes overhead spending reductions agency by agency. Reductions are based on each agency's actual overhead spending on travel, transporting things, utilities, communications, rent, other services and supplies, and materials. None of the Appropriations Committee funding for programs or personnel is reduced by a single dollar.

The amendment totals $53 million in overhead reductions, which is less than one-fifth of 1 percent of the total $35 billion in spending.

Agency reductions in no instance exceed 2 percent of a given agency's total spending. Where the committee specifically targeted overhead reductions, they are credited in the amendment, and in no instance does a reduction reduce an agency's total funding below 1992 funding levels.

This amendment is a practical, commonsense first step to bringing Government costs under control.

Across America, families and businesses have been meeting the challenge to control their costs in recent years. Americans understand what it means to act to control overhead costs.

On behalf of citizens, Congress should now take the lead to see that the Federal Government does the same thing.

This is an amendment that all Members can and should support. It picks no favorites. It only asks of one agency what it asks of other agencies. It is flexible. There are no personnel cuts. Rather, this amendment empowers Federal managers. They are challenged to reduce their overhead costs and then allowed to decide how best to achieve those savings on behalf of the American people.

There are no program cuts. Rather, this amendment challenges managers to discover new ways to make programs more efficient and effective. To citizens, that means better service and a more responsive Government.

It defies common sense to believe that Federal managers will not be able to find less than one-fifth of 1 percent in overhead savings, or $53 million.

It is a good first step.

To summarize, the amendment's overhead reductions are based on each agency's spending, do not exceed more than 2 percent of an agency's total funding, do not reduce any agency funding below 1992 levels, and are one-fifth of 1 percent of the bill's total spending. The overhead reductions cut no programs and do not reduce funding for personnel.

It is endorsed by Citizens Against Government Waste and the National Taxpayers' Union, and I hope this amendment will be endorsed by my colleagues as well.

Mr. Chairman, I reserve the balance of my time.

Mr. LEHMAN of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to this amendment.

While attractive in appearance, this type of amendment is not necessary. The bill before us today is already below the House-passed budget resolution levels and the subcommittee's 602(b) allocations. Funding in this bill is less than last year's level for outlays.

Most of the overhead accounts in the bill are at or below last year's level already. The FAA and Coast Guard operating budgets would receive increases, but only very small ones—4 percent and 2 percent, respectively. I do not believe these accounts should be considered overhead.

I urge the Members not to accept this amendment, since it would cut funds for operation of the air traffic control system, for response to oilspills, for the life-saving and drug interdiction mission of the Coast Guard, for railroad safety inspections, and for other critical activities. These are the kinds of activities which fall under overhead in the gentleman's amendment. The reductions are not necessary, and would lead to delays in airline travel and reduce safety on our highways, airways, and waterways. This amendment should be defeated.

Mr. Chairman, I reserve the balance of my time.

Mr. SMITH of Texas. Mr. Chairman, I yield myself such time as I may consume.

Let me make a couple of additional points. I am not sure I understood everything the chairman just said.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Texas. I am happy to yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I appreciate the gentleman yielding.

Maybe the gentleman could clarify a question that has come up on the part of several Members. There was a question about the level of funding for the FAA administrative account and where that funding level ends up as a consequence of this amendment.

Mr. SMITH of Texas. Mr. Chairman, let me try to respond to my friend's inquiry.

In regard to the Federal Aviation Administration, within FAA operations spending, my amendment targets the overhead spending of two activities, human resource management and headquarters administration only. No programs or projects are cut. No personnel slots are out.

Total spending on travel, transporting things, utilities, supplies, materials by these two activities exceeds $138 million a year, and what my amendment does is to reduce that spending by less than 2 percent of the total funding for FAA operations.

Mr. PENNY. If the gentleman will yield further, is it fair then to say that the reduction in this area is focused strictly on administrative overhead, and that the reduction would not affect or impair the ability of the FAA to perform its operational functions?

Mr. SMITH of Texas. I would say to my colleague that that is absolutely correct.

Mr. PENNY. Mr. Chairman, I support the amendment.

Mr. Chairman, I rise in support of the Smith amendment, and I commend the gentleman from Texas for again taking the floor to reduce overhead and indirect spending. I am happy to join him in urging adoption of this amendment.

This amendment, to the fiscal year 1993 transportation appropriations bill, reduces total spending in this bill $59 million and should be overwhelmingly embraced by the House. As it's been pointed out, the Smith amendment does not touch one dime of spending for transportation projects or personnel. It will not disrupt any agency function or slow down any activity at any agency funded by this bill.

What it does cut is overhead spending agency-by-agency for travel, utilities, communications, rent, other services, supplies and materials. Overall, the amendment saves a total of $59 million, which is two-tenths of 1 percent of the bill's total new obligational authority. In no instance does any reduction exceed 2 percent of a given agency's total funding, and in no single account, does a reduction reduce an agency's total funding below 1992 funding levels. And as Mr. SMITH has indicated, where the subcommittee specifically targeted overhead reductions, they are credited in the amendment.

Earlier this year, I was involved in a task force that concluded that a reduction of between 5 and 10 percent in overhead/indirect spending at Federal agencies was possible and would not result in any reduction in services or programs. What we're talking about here is $59 million in a $13 billion measure. That comes out to something like .004 percent of the total. This reduction will hardly undermine any program or activity.

Mr. Chairman and Members, with a deficit of over $400 billion—and the national debt near $4 trillion, we must make reductions everywhere we can, every chance we get. As any American can understand, overhead expenses, are among the first expenditures that should be reduced. This amendment is a modest step and I urge its adoption.

Mr. SMITH of Texas. Mr. Chairman, I thank the gentleman for his support.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. CARR].

Mr. CARR. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise to oppose the amendment.

While I understand the sincere intentions of my friends who offer the amendment, I have to say simply that they are wrong. For example, in discussing the office of the Secretary, if everyone here would like to get a copy of the report and turn to page 4, you can easily see that recommended in this bill that our committee has worked on for so long and so hard, it is below 1992. It is below 1992 in new budget authority. It is below 1992 in limits on obligations.

I can tell the Members of the Congress that we sat and went over each and every one of these accounts, and some of these recommendations we even made in committee, but what we ended up with was a different mix.

We in fact cut the office of the Secretary below 1992.

Going on even further, these cuts in this particular amendment will affect vital safety. Now, I know that the authors of the amendment have to say that it will not, because they know that if the Congress believes that it will, they will not support the amendment.

But let me tell the Members that when you cut human resources as was just mentioned in the colloquy here a few minutes ago, it may sound sort of neutral, that is something we can get rid of, who cares, human resources. Let me tell you what human resources is: Human resources in the Federal Aviation Administration is training for air traffic controllers.

The FAA is human-resource intensive. That is the budget that they do the training out of. That is safety.

We have already cut the operations and facilities and equipment and research and development in the FAA.

This is another $18 million. This budget and the safety required in the FAA cannot afford this amendment. The Coast Guard, and everyone who has looked at this including our friends on the Committee on Merchant Marine and Fisheries, will tell you that this committee unfortunately, and we did not want to do it, but we cut the Coast Guard. The Coast Guard has a very important role for maritime safety, for law enforcement, drug interdiction, and it is very important that we not cut the Coast Guard any further.

This particular amendment would take another $5 million out of what is already about a $100 million cut in the Coast Guard. They just cannot take this. We have cut them to the bone.

So I know that my friends want to economize. You know, they want to have a vote on the floor so that everybody can go home and say they voted to whack it to the Department of Transportation, but let me tell you that the committee did a lot of work and tried very hard in juggling the competing priorities across the board, and we did the best we could.

We would like the Congress to support the subcommittee's judgment.

Mr. SMITH of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to respond to the point made by my friend, the gentleman from Michigan. He argued that the human resource management deals with safety, and I would say that it certainly does not do that.

It is basically a personnel department, and on page 54 of the report, it says this:

> This activity includes administration of FAA employee recruitment, compensation (including federal employees' compensation payments and unemployment compensation), training, and labor-management relations programs.

The point here is that given the line-item figures that we have studied here, we are not talking about cutting any programs or personnel. I want to make that very, very clear. What we are talking about is cutting Government overhead that has never been specifically targeted before.

□ 1600

Within the Federal budget, Government overhead has now ballooned to be over one-quarter of that Federal budget, $320 billion.

In no case, and I will repeat this, in no case are any of these agency cuts below the 1992 level.

What we are doing is targeting such items as travel and supplies that have never been targeted before.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan [Mr. CARR].

Mr. CARR. Mr. Chairman, just in response and rebuttal, the gentleman can read very well and he read it very quickly.

The word "training" was in there. If you go on and read, and I invite everybody to read page 54, this is training of our air traffic controllers. That is safety.

Mr. Chairman, I must respectfully disagree with the gentleman.

Mr. SMITH of Texas. Mr. Chairman, I yield myself such time as I may consume.

Let me respond once again and try to clarify exactly what this amendment does. It targets Government overhead spending. It does not target any programs for safety, training, or any personnel involved with any of those programs.

What it targets again is five object classifications, such as travel and supplies.

Let me tell my colleagues why we have targeted those particular categories, and I will give you one example. Let us take travel, since that is a particularly large item.

What we discovered in our analysis was that incredibly in the last month of the fiscal year the travel expenditures suddenly go up 48 percent. Very clearly, Federal managers are trying to use up their travel allotment. It is those types of expenditures that we are trying to control. If we do not control Government overhead spending, there is nothing that we possibly can control. It has never been scrutinized before. It needs to be targeted right now, tonight, and this is just the beginning.

The advantage of targeting overhead spending is that everybody benefits. The taxpayers benefit. The deficit is reduced or can be reduced.

We also have a situation where we are not cutting the important programs of agencies, not cutting personnel. We are only talking about overhead expenditures, such as those items of travel and supplies.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I have a great deal of respect for the gentleman from Texas. He has had similar amendments in the past, but I urge my colleagues to listen closely as this amendment is described.

Most of us are sitting here waiting for the opportunity to head out to the closest airport and to take a plane home. Many of the people listening to this debate are in the same circumstance.

We want to know that when we get on that plane that there will be an air traffic controller hired by the Federal Aviation Administration, properly trained, on the job, doing professional work.

The gentleman from Texas insists that he can make a cut of $9 million in the Federal Aviation Administration which will have no impact whatsoever on the delivery of their services. I would like to echo what my colleague, the gentleman from Michigan, said earlier. We went through this appropriation bill very closely. We made some rather spectacular cuts in some areas. I can say that many Members on the floor will tell you they are unhappy with the cuts, but I can just tell you point blank that with this amendment you are going to make cuts in areas that are going to affect the quality of service that is provided.

The gentleman from Texas said earlier, we play no favorites. He said: We have no favorites in our cuts. Well, I will readily confess that the committee did play favorites. When it came to the question of public safety, we played favorites. We said when it comes to the Federal Aviation Administration, we want the FAA to do its job professionally, do it well, make sure that the American public using our airplanes, are safe and can rely on air traffic controllers who are properly trained.

The gentleman's amendment goes a little bit too far. I urge my colleagues to oppose it.

Mr. SMITH of Texas. Mr. Chairman, let me say once again that this amendment does not cut one air traffic controller. The legislative history that we are establishing now will show that is the case.

What I am simply saying to the Federal managers, for example, is that instead of taking 10 trips next year, you can take 9 trips this year. I think the American people would support that.

Once again, this amendment only cuts one-fifth of 1 percent of the total spending.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Chairman, I am reluctant to oppose my good friend, the gentleman from Texas [Mr. SMITH], but I can only say that this subcommittee went through months and months of hearings on this legislation. We went through every item in great detail. We were faced with a very tight 602(b) allocation. We produced a bill that is $1.5 billion less than the budget request and $4 billion less than fiscal year 1992.

In particular, what the gentleman is targeting is outlays, and we were looking for every penny we could save in outlays, because that got us additional budget authority. If we have not combed for every penny in travel and for every penny in overhead, for every penny that we could get out of this in all these cases, the Secretary's Office is lower than last year. We really worked very hard to get this down as far as we could.

Reluctantly, Mr. Chairman, I have got to say that doing anything further would be a tragic mistake, and I urge defeat of the amendment.

Mr. SMITH of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the comments of my friend, the gentleman from Pennsylvania, and in reply I want to repeat once again that no agency is cut more than 2 percent in spending, that once again the total cuts by this amendment are less than one-fifth of 1 percent of the total spending in the bill.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, I rise in opposition to the amendment.

Lest there be any doubt about it, this amendment will take an additional $5 million out of the operating account of the Coast Guard, when the bill as it is written now already takes away $87 million out of the operating account.

If you want to know what that means, that means search and rescue stations will be shut down. That means air patrols will be curtailed. Cutters will be decommissioned. That means safety at sea, not only for mariners, but recreational boaters will be threatened. Have no mistake about it. This amendment further cuts the Coast Guard when later on we will be trying to restore a little bit back to the Coast Guard's budget.

Mr. Chairman, I urge that we reject this amendment.

Mr. SMITH of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me reply to the remarks of my friend.

Within the Coast Guard's operation expenses, my amendment targets a reduction only in the overhead spending of headquarters administration.

My amendment leaves the Coast Guard's operating expenses account with a $37 million, rather than a $39 million increase in spending over 1992. It goes from $39 million to $37 million.

Mr. LEHMAN of Florida. Mr. Chairman, I just urge this amendment be defeated, and I yield back the balance of my time.

Mr. SMITH of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will close by making three points for my colleagues.

Once again, first of all, the amendment cuts do not exceed more than 2 percent of any agency's total spending.

Second, they do not reduce any agency's funding below the 1992 levels.

Third, and most importantly, the total cuts in this amendment amount to less than one-fifth of 1 percent of the bill's total $35 billion in spending for 1993.

Mr. DORGAN of North Dakota. Mr. Chairman, I rise in support of the Smith amendment which cuts $59 million in overhead from the Department of Transportation and its agencies.

I commend our colleague, Mr. SMITH of Texas, for his leadership on reducing Government waste. I also want to note the excellent work of Mr. PENNY of Minnesota on this issue. I would further observe that the amendment is in keeping with a recommendation of the Democratic Task Force on Government Waste, which I chaired, to cut Federal overhead expenses by up to 10 percent. So I would like to associate myself as a cosponsor of the Smith amendment.

The amendment offers a challenge to Federal managers: Find ways to reduce spending on administrative support by 10 percent. With the Federal deficit exceeding $400 billion this year, we must get control of agency support costs, which account for $1 of every $5 spent. Cutting back on these expenditures by 5 to 10 percent would save $15 to $30 billion a year.

The amendment reduces overhead spending on an agency-by-agency basis, based on what it actually spends on items such as printing, communications, travel, transportation of goods, and office supplies and materials. It applies to the Federal Government a prudent rule of private management: When you must tighten your belt, cut overhead first.

The total reduction in the amendment amounts to $59 million. It does not cut any personnel, eliminate any programs, or cancel any projects. Those are separate questions which should be decided on their merits. The amendment does trim the overhead which has grown relentlessly over the past two decades.

The amendment recognizes the good work of the committee in scaling back certain agency budgets. In those cases, there are no cuts or very modest cuts. Moreover, no reduction brings an agency's spending level below its current funding level. So this is a modest, albeit necessary, step in our deficit reduction efforts.

Last year, Congressman PENNY and I offered a similar, though more limited, amendment to reduce Transportation Department overhead costs. It failed passage. This year we have teamed up with our colleagues, Mr. GLICKMAN, Mrs. BOXER, Mr. SMITH of Texas, and others, to successfully reduce overhead spending in several other appropriations bills by over $1 billion. This is not a partisan issue and that's why it has enjoyed wide bipartisan support.

I urge my colleagues to continue the deficit cutting effort in this bill. I can assure them that adopting the Smith amendment will not result in canceled highway projects, reduced airline safety, or other imagined horrors. It will simply require the Department of Transportation and its sister agencies to follow the same businesslike practices that we have demanded of other departments in prior appropriations bills.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. SMITH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SMITH of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 175, noes 236, not voting 23, as follows:

[Roll No. 280]

AYES—175

Allard
Allen
Andrews (TX)
Armey
Aspin
Atkins
Bacchus
Baker
Ballenger
Barrett
Barton
Beilenson
Bilirakis
Bliley
Boehlert
Boehner
Brewster
Bunning
Burton
Byron
Camp
Campbell (CA)
Carper
Chandler
Clement
Clinger
Coleman (MO)
Combest
Condit
Cooper
Cox (CA)
Cox (IL)
Crane
Cunningham
Dannemeyer
DeLauro
Dickinson
Dooley
Doolittle
Dorgan (ND)
Dreier
Duncan
Eckart
Edwards (OK)
Edwards (TX)
Erdreich
Ewing
Fawell
Fish
Franks (CT)
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodling
Gordon
Goss
Gradison
Grandy
Guarini
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hoagland
Holloway
Hopkins
Horn
Houghton
Huckaby
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jefferson
Johnson (CT)
Jontz
Kaptur
Kasich
Kennedy
Klug
Kolbe
Kyl
Lagomarsino
Lancaster
LaRocco
Leach
Lewis (FL)
Lloyd
Luken
Marlenee
McCandless
McCloskey
McCollum
McCrery
McCurdy
McEwen
McMillen (MD)
Meyers
Mfume
Michel
Miller (OH)
Molinari
Moody
Moorhead
Murphy
Neal (NC)
Nichols
Nussle
Olver
Orton
Packard
Pallone
Pastor
Patterson
Paxon
Penny
Peterson (FL)
Petri
Porter

Poshard
Pursell
Ramstad
Reed
Rhodes
Ridge
Ritter
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Sanders
Santorum
Sarpalius
Saxton
Schaefer
Scheuer
Schiff
Sensenbrenner
Shays
Sisisky
Slattery
Smith (OR)
Smith (TX)
Snowe
Solomon
Spratt
Stallings
Stearns
Stenholm
Stump
Tanner
Thomas (CA)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Wylie
Young (FL)
Zeliff
Zimmer

NOES—236

Abercrombie
Anderson
Andrews (ME)
Andrews (NJ)
Annunzio
Anthony
Applegate
AuCoin
Bateman
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Blackwell
Borski
Boucher
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bustamante
Callahan
Cardin
Carr
Chapman
Clay
Coble
Coleman (TX)
Collins (IL)
Collins (MI)
Conyers
Costello
Coughlin
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dornan (CA)
Downey
Durbin
Dwyer
Dymally
Early
Edwards (CA)
Emerson
Engel
English
Espy
Evans
Fascell
Fazio
Feighan
Fields
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gallo
Gejdenson
Gephardt
Geren
Glickman
Gonzalez
Green
Hall (OH)
Hamilton
Hammerschmidt
Harris
Hayes (IL)
Hertel
Hobson
Hochbrueckner
Horton
Hoyer
Hughes
Hyde
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Kanjorski
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
LaFalce
Lantos
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Long
Lowery (CA)
Lowey (NY)
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McDade
McDermott
McGrath
McHugh
McMillan (NC)
McNulty
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Morrison
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Panetta
Parker
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (MN)
Pickett
Pickle
Price
Quillen
Rahall
Rangel
Ravenel
Regula
Richardson
Riggs
Rinaldo
Roe
Rogers
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sangmeister
Savage
Sawyer
Schroeder
Schumer
Serrano
Sharp
Shaw
Shuster
Sikorski
Skaggs
Skeen
Skelton
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Spence
Staggers
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tallon
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolf
Wolpe
Wyden
Yates
Young (AK)

NOT VOTING—23

Ackerman
Alexander
Archer
Barnard
Bonior
Boxer
Campbell (CO)
Gaydos
Hatcher
Hayes (LA)
Hefner
Hubbard
Johnson (TX)
Kolter
Lent
Ray
Schulze
Solarz
Stark
Towns
Traxler
Wilson
Yatron

□ 1630

Messrs. VOLKMER, MILLER of Washington, and ESPY changed their vote from "aye" to "no."

Messrs. PETERSON of Florida, LAROCCO, and MCCRERY, Ms. KAPTUR, and Mr. COX of California changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. FOGLIETTA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise for the purposes of a colloquy with Chairman ROE, Chairman MINETA, and Congressman BORSKI. I want to congratulate Chairman MINETA and Chairman ROE for their work on the Obey-Roe amendment, which would put thousands of Americans to work and at the same time build new highway and mass transit systems. However, the real need in cities such as Philadelphia, New York, and Boston is for funds to repair older existing mass transit systems in these cities.

It is my understanding that you will work to expand this program and push for additional funding for the revitalization of old mass transit systems—namely section 9 capital improvements, rail modernization, and operating subsidies—in this bill.

Mr. BORSKI. Mr. Chairman, if the gentleman will yield, I too want to applaud Chairman ROE and Chairman MINETA for their work on behalf of mass transportation systems around the country. The work of Chairman ROE and Chairman MINETA will lead to a more mobile America.

Like my colleague from Philadelphia, I am concerned about the lack of mass transit funding in this amendment for older cities. We wish to confirm that when we get to conference that you will work to expand this program to include enhanced funding for mass transit systems that do not have the resources to engage in new start projects.

Mr. MINETA. Mr. Chairman, if the gentleman will yield, I appreciate the concerns of my friends from Philadelphia. I assure you that you have my commitment that we will address your concerns with the conferees to obtain more funding for the rehabilitation of older mass transit systems.

Mr. ROE. Mr. Chairman, if the gentleman will yield, let me thank the gentlemen from Pennsylvania for bringing these very valid concerns to our attention. To the best of our abilities, we will work with you and the conferees on this bill to ensure that your concerns are addressed.

The CHAIRMAN. Are there further amendments to title III?

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 67, add the following new section:

"SEC. . Notwithstanding any other provision in the bill, the account Highway Demonstration Projects, (Highway Trust Fund) referred to on page 25, line 8, is hereby reduced by $3,135,000."

Mr. LEHMAN of Florida. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto be limited to 10 minutes.

Mr. HUGHES. Mr. Chairman, reserving the right to object, I would inquire, is the chairman just requesting a time limit on this amendment and any amendments to this amendment?

Mr. LEHMAN of Florida. Mr. Chairman, the request just concerns this amendment.

Mr. HUGHES. Mr. Chairman, I withdraw my reservation of objection.

Mr. BURTON of Indiana. Mr. Chairman, reserving the right to object, as the author of the amendment I would like to say I do not intend to use the entire time, but I think it would be inappropriate to limit the time right now because there may be Members who do want to say something on this amendment. So I do object.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida [Mr. LEHMAN]?

Mr. BURTON of Indiana. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

POINT OF ORDER

Mr. CARR. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. CARR. Mr. Chairman, I am under no illusion that I will be sustained, but I feel constrained to speak out that this amendment is fetching back to a previous title which we have already passed. As a matter of parliamentary procedure, to allow this parliamentary device means that essentially any bill on the floor is never done. It essentially means that the bill is open to amendment at any point. We passed the provision that the gentleman from Indiana [Mr. BURTON] is seeking to amend. The gentleman was not here at the time and did not raise his amendment to that section at the time.

Mr. Chairman, I know what the rules are and I anticipate that the Chair is going to rule against me, but I did want to raise the point and say that we should not have this kind of parliamentary procedure that essentially meaningfully lays the entire bill open for amendment at any point.

The CHAIRMAN. Does the gentleman from Indiana [Mr. BURTON] seek recognition on the point of order?

Mr. BURTON of Indiana. Mr. Chairman, I do not.

The CHAIRMAN (Mr. BOUCHER). The Chair is prepared to rule. Due to the general nature and effect upon funds of title III of the bill now open to amendment, a reach-back amendment in this form is germane and is not in violation of clause 2, rule XXI. The point of order is not sustained.

The gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

PARLIAMENTARY INQUIRY

Mr. BURTON of Indiana. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BURTON of Indiana. Mr. Chairman, I thought there were 20 minutes on each amendment.

The CHAIRMAN. The gentleman is incorrect in that assumption. There are certain amendments designated in the rule with 20-minute limits. This amendment is not one of those.

Mr. BURTON of Indiana. Mr. Chairman, we have talked on the floor many times about the deficit, and I am not going to prolong this, because I know my colleagues on the Democrat side of the aisle are anxious to get to the Democratic Convention in New York and my other colleagues want to go home, so I will not take much time.

But the projection of the Federal debt is that by the year 2000 we are going to be $13.5 trillion in debt. We will not even be able to pay the interest on the debt if we do not get control of spending. That portends economic chaos for the country. So I feel compelled to come to the floor to try to cut wasteful spending wherever we find it, regardless as to who may be involved.

Mr. Chairman, the amendment that I am proposing right now would cut $3.135 million out of an access road to an airport in Ontario, CA, at the Ontario National Airport.

The reason I think this is very important to cut is because the authorizing committee only authorized $865,000 for this project, yet the Appropriations Committee has put almost five times that amount in the bill, $4 million.

So what I am doing with this amendment is trying to cut everything over the authorization. The project would still get the $865,000 it was authorized, but the excess over that in the amount of $3.135 million would be cut from the funding.

Mr. Chairman, that is the purpose of the amendment. I hope Members will support it. It is a step in the right direction toward getting control of spending in this place.

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the bill contains $167 million in new budget authority for highway demonstration projects. All of these projects have been funded in previous years. There are no new highway demonstration projects in this year's bill.

In developing the bill the committee received requests from Members for highway projects amounting to about $1.5 billion. As I mentioned, the bill includes $167 million, which is $434 million less than was appropriated for similar projects in fiscal year 1992.

Because of the fiscal constraints under which the committee was operating we decided to fund only ongoing demonstration projects. With regard to these continuations, I think most Members would agree that once Congress gives its approval to start a project, it should not turn around the next year and stop it in its tracks unless there are good, sound environmental, or engineering, or cost reasons to do so. No such arguments are being made here.

These new projects represent a relatively small amount, less than 1 percent of the total recommended highway funding. We have received testimony or correspondence from many of the House Members whose areas are affected by these projects. I am sure they can all discuss the benefits of each of these projects. I believe they are all justified on the basis of safety or economic development. It is easy for a Member to criticize a project in someone else's district as being unjustified. There is no reason why Members should not decide on the allocation of this small amount of our Federal highway spending.

Mr. Chairman, we have developed a balanced bill. It is within our 602(b) allocation. These projects have been included within our overall budget allocation—they are not budget busters. The projects are important to the Members and their districts.

□ 1640

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I thank the gentleman for yielding to me.

I rise simply because I am frankly a bit startled that this amendment is on the floor. I think the gentleman may know that Ontario, at least the edges of the town, are currently in my own district. It is not going to be in my district after reapportionment, the next election, but nonetheless, it does dramatically affect the economy of my area.

I was in a markup downstairs, working on a supplemental on a defense bill. I had worried about Ontario Airport years before. I would have hoped the gentleman might have talked to me about affecting my district. Even though I might have agreed with him on an amendment, I am not certain of that, I have not had the privilege of even reading it.

But by way of background, Mr. Chairman, I think usually it is a matter of courtesy to discuss an item that does affect a Member's district. It is the collegial thing to do. But in this case, we are talking about a project that is most interesting.

The Ontario International Airport Ground Access Program utilizes an extensive public/private cooperative financing partnership. The program is providing in excess of $101 million of highway transportation infrastructure projects.

The program essentially consists of five freeway interchange projects, four highway-railroad grade separations projects, and over 11 miles of major arterial highway construction around all sides of Ontario International Airport.

The program's initial funding began late in 1986 with the allocation of $4.0 million in Federal continuing resolution funds, since reduced to $2.45 million. Additional funding with $14.5 million of Federal demonstration grant funds and $8.7 million of Secretary of Transportation discretionary funds was obtained under the Transportation and Uniform Relocation Assistance Act of 1987. The current Federal support of $25.65 million has been leveraged with both local public and private funding of $65.78 million. To successfully complete a comprehensively ground access program, these funds are critical. If this amendment fails, the total Federal contribution to the program will be $35.65 million of 35.1 percent of the total program cost.

The program is essentially a 5-year program with all projects currently underway in environmental reviews, design, or actual construction.

The program's present level of success is the result of an extensive cooperative public/private funding effort which includes Federal, State, and local agencies, as well as private interests.

The Ontario Airport is the major alternative to the Los Angeles International Airport. This is a project that has been going forward for several years, as quickly as possible in order to save taxpayers' money.

There is not any doubt that these access roads are going to be needed for that international airport. There is absolutely no doubt that now is the time to do this because the area involved is almost totally undeveloped. It is a rapidly growing area. The more land is developed around the region, the higher the price goes to purchase the property to build the roads.

And so to cut this off arbitrarily, first of all, I am really not worried about the gentleman not talking to me about my district, but to cut this off with little knowledge about the region one is dealing with to eliminate a small amount of money, to say the least, will be penny-wise and pound-foolish. There is no doubt the committee has used a great foresight in connection with its spending money as reasonably as possible here, because every dollar we spend now we save lots of dollars on a project we have obviously begun and need to complete.

I really do appreciate the sincerity of the gentleman from Indiana in the way he goes about trying to eliminate porkbarrel projects. In this case I think he happens to be mistaken. He may not serve on the Subcommittee on Transportation and, therefore, has not had a chance to look this project in detail. If he wants to withdraw his amendment, I would appreciate it. Because actually, it looks kind of silly in this form. We definitely have a responsibility to complete this project.

If we do not go forward, it is going to cost us an endless amount of percentage increase due to the increase in land cost. The House should reject this amendment.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Without objection, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

There was no objection.

Mr. BURTON of Indiana. Mr. Chairman, I would just like to close by saying that every project that we talk about on this floor is important to somebody.

The fact of the matter is, I have said time and time again, we have to prioritize. And we have cut a number of projects because of amendments proposed by my colleagues.

I apologize to my colleague from California for not apprising him or making him aware of this amendment, but many times we are in such a dither around here, trying to get things done, we do not have the luxury of that time.

The fact of the matter is, this project was authorized to the tune of $865,000. It is 4½ times what was authorized.

I am not trying to cut the authorization. I am saying, go ahead with the $865,000. But $3.135 million is in excess of that, and at a time when we have a $4 trillion national debt, a $420 billion deficit this year, we have to start looking at everything and trying to cut, economize, and prioritize.

I just say to my colleague, come back next year and try to get the additional funding for this. This is four and one-half times what was authorized. It should not be passed.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred forty Members are present, a quorum.

The pending business is the demand of the gentleman from Indiana [Mr. BURTON] for recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. HUGHES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wonder if I can engage the distinguished chairman of the subcommittee and the ranking member, the gentleman from Pennsylvania [Mr. COUGHLIN] in a colloquy.

I note that there are four different requests of the administration that have not been funded in this appropriations bill. I would like to ask the chairman and the ranking Republican about them.

The National Air System Support Lab, $3.5 million was not funded. That would reduce the amount of money available to the FAA needed to contract for various recabling jobs in the computer labs. These labs are used continually for a wide variety of purposes, to accommodate the different programs. It is not necessary to have it rewired periodically. That is done by contractors on an as-needed basis, and not funding the $3.5 million puts that particular mission in jeopardy.

I wonder if my colleague can tell me on that, and the $5.2 million program request in the ARTS III-A system for the FAA, which is again the ARTS computer system which handles simulations and R&D for the FAA's terminal approach computer systems in the field, this also is an essential system for the ongoing advanced automation systems program.

The lab is now running around the clock with three full shifts a day, and this is just going to slow that system down, I say to my colleague.

Those are two areas in the facilities and equipment program.

I am also concerned about two areas that were not funded in research, engineering, and development. Recently the Congress mandated that the FAA evaluate and seek to prevent catastrophic failures in flight. That is an essential program, mandated by the Congress.

As I understand it, $2.83 million was zero-funded in this particular appropriation.

Finally, there is a small program, a half a million dollars, for cooperative research which deals with technology transfers, small business innovation, research programs, joint grants with NASA and other similar activities. These are the spinoffs from research and development in the area of aviation that enable small firms to basically develop in the private sector as an adjunct to the FAA. That, too, was not funded.

I ask the distinguished chairman and the ranking Republican if, in fact, they will take another look at this between now and conference, because these seem to be four areas of basic research and technology transfer that will be essential.

☐ 1650

Mr. LEHMAN of Florida. Mr. Chairman, if the gentleman will yield, let me assure the gentleman that these cuts were not made lightly. We had to make many decisions in markup and we had to cut some hard programs, but let me also assure the gentleman from New Jersey [Mr. HUGHES] that we will try and deal with this in conference as best we are able to.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I share the gentleman's remarks, that these have been difficult times and difficult decisions, but we certainly will look at this again.

Mr. HUGHES. When we start cutting back on basic research and slowing the NAS plan down, we are basically not advancing, really, our economic agenda in this country.

Mr. COUGHLIN. If the gentleman will continue to yield, I appreciate the gentleman's concern, and we want to work with him.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MICHEL: At the end, insert the following new section:

SEC. . DEFICIT REDUCTION.

Any savings achieved under discretionary spending limits established under section 601(a)(2)(C) of the Congressional Budget Act of 1974 for fiscal year 1993 as a result of appropriations under this Act or any other appropriation Act shall be applied to reducing the Federal deficit for that fiscal year.

The CHAIRMAN. Under the rule, the debate on this amendment is limited to a total of 60 minutes. The gentleman from Illinois [Mr. MICHEL] will be recognized for 20 minutes, and a Member in opposition will be recognized for 30 minutes.

Is there a Member who seeks recognition in opposition to the amendment offered by the gentleman from Illinois [Mr. MICHEL]?

Mr. OBEY. Mr. Chairman, I am opposed to the amendment.

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] will be recognized for 30 minutes in opposition.

The Chair recognizes the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the choice today is very simple. If the Members vote for my amendment, they are voting to reduce the deficit by $2.6 billion over the long term. If they vote for the Obey-Gephardt amendment, they are voting to spend $2.6 billion over the long term. It is as simple and as profound as that.

A vote for my amendment is a reaffirmation of the old congressional virtue that a deal is a deal. A vote for the Obey-Gephardt amendment is a vote to scuttle the budget enforcement agreement. It puts the lie, quite frankly, to all this talk about hard and fast budget enforcement agreements.

Perhaps one of the reforms the House urgently needs is memory training for the majority, which seems to suffer increasingly from selective amnesia. Less than 2 years ago this Congress voted for a budget deal which had as its primary feature a very strong enforcement mechanism. That is one of the reasons I supported it. I thought it was good, hard, and fast. This thing has teeth in it. Both the majority and the gentleman from Wisconsin [Mr. OBEY], my dear friend, voted for this agreement. Remember?

The agreement set out three spending limits: For domestic discretionary, for international, and for defense spending through fiscal year 1993. The deal was that these spending limits could not be exceeded. Does that sound familiar to the majority? Does it ring a bell? Are their memories now jogged a bit, hopefully?

Further, the deal was that if savings were achieved within any of these categories, those savings would be applied to reduce the deficit and could not be spent in any other category. That was only just 2 short years ago.

I am reminded of the scene in the old movies where Jimmy Durante is trying to steal an elephant, and he is leading the giant creature out of the tent. The policeman stops him, and he points to the elephant and he says, "Where are you going with that elephant?" And Durante, with all injured innocence, replies, "What elephant?"

The majority seems to be saying, like Durante, "Deal? What deal?" But in terms of keeping their word to the people, in terms of the honor of our word that a deal is as big as an elephant and we cannot just ignore it, and the majority, whose wild, exultant cheers filled this Chamber when they killed the balanced budget amendment, confirms this very day the reason why such an amendment is necessary.

Yes, the Members will hear about the merits of this additional transportation spending today. There is always a reason. There is always an excuse. There is always an alibi. There is always some supposed greater good to be served. But the Federal Government is running deficits at a rate roughly $400 billion this year, which will be added to the already existing total Federal debt of $3.8 trillion. How many times have we heard Members on both sides of the aisle decrying what is happening and what that figure is? Here we are, attempting to add to it again.

All the polling data indicates the House of Representatives is at a historic low point in the public esteem. Yet at the very time when we ought to begin to reestablish trust, the majority today is asking us to break our word.

Our country's Founders pledged to each other their lives, their fortunes, and their sacred honor. All we are asking the majority to do today is to keep the pledge of our word to one another on both sides of the aisle. Is that really asking too much today? I do not think so, so I would ask the Members to support our amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I really hesitated to rise in opposition to the gentleman, or to the amendment of my good friend, the gentleman from Illinois [Mr. MICHEL], because in general I think everybody in the House supports the principle. We all certainly want to see any savings in the budget used for deficit reduction.

In a sense I really do not have a problem with the Michel amendment. If people want to vote for it, that will not bother me any, because it has virtually no effect or no relationship to the amendment which will be coming later that I will offer.

The Michel amendment attempts to say that whatever savings are achieved in the appropriations cycle will be dedicated to deficit reduction. But the fact is that that is not what will happen, because we already have letters, official letters from the administration indicating that what they want to do is to take the $1.3 billion which we cut from the foreign aid bill just a couple of weeks ago on this floor, and they want to use their opportunities in the Senate to try to restore those cuts, reinflate the foreign aid bill, reestablish the free grant military assistance to Portugal and to Turkey and to Greece and to other NATO allies which we think ought not to get a free lunch any more in terms of free grant military aid. That is most definitely what the administration has made quite clear they are going to do.

I am not going to take a good deal of time, but will simply say that there are a lot of promises which this House has made. One of the promises was in a vote of almost 6 to 1 just a few months ago. This House voted for the first highway authorization bill which told every State in the Union they would be getting a specific amount of highway funding, and yet without this amendment no State in the Union will even come close.

As we have made quite clear in the Obey amendment, we make certain that there will not be a dime added to the deficit in the amendment which we will shortly offer. I do think it is important to understand that we all share the same goal enunciated by our good friend, the gentleman from Illinois. We all want the deficit to go down. Those of us who will be offering our amendment after the Michel amendment is voted on simply, I think, recognize the fact that we can stand here like King Canute and order the tides to go down, but without additional economic growth they will not do that.

Regardless of our preachments on the deficit, unless we make the kind of investments that are necessary to strengthen the fiscal infrastructure of this country, to improve the economic efficiency of the country, we simply are not going to see that deficit go down because our economy is not going to be as competitive as it needs to be in order to keep jobs in this country, which is the true way that we achieve economic growth and therefore achieve deficit reduction.

As I say, it is not going to hurt my feelings if people want to embrace the Michel amendment, but it seems to me that the amendment that we will offer next will in a sense maintain roughly the principle of the Michel amendment with a $400 million exception on the outlay side. So I really do not think there is a very big disagreement between us.

☐ 1700

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. MCDADE].

Mr. MCDADE. Mr. Chairman, I rise in strong support of the Michel amendment. This amendment by the distinguished leader, considered in isolation, is easy. It is current law. It is stated policy of our Government. It is bedrock principle. It is our mantra for deficit reduction: Savings will be used for deficit reduction, not for new spending.

We just concluded a markup in the Defense Appropriations Subcommittee which will produce $12 billion more for deficit reduction in savings out of the defense budget—$12 billion applied to the basic principle of deficit reduction.

But the Michel amendment, in the context of the Obey amendment to follow, is really a test of will. Do we follow the principle consistently or do we follow it only when it becomes convenient?

Both supporters and detractors of the budget agreement of 1990 agree on one benefit of that agreement. It imposed discipline on this body.

As all of my colleagues know, for appropriation purposes there are three categories of spending, and within each category, be it international, domestic or defense, we can only spend up to the agreed ceiling. We cannot go beyond that. That is the agreement that my good friend from Illinois referred to.

So far this year, I would say to my friends, we are doing a pretty doggone good job. Defense spending, as indicated, is way below the caps, and it will be $12 billion further below as a result of actions taken just a few minutes ago in our markup. International spending, headed by my good friend on the Subcommittee on Foreign Operations, DAVE OBEY, is significantly below the ceiling. And even in the domestic discretionary account, we are, as we sit here today as a body, below those spending caps. We are below the ceilings on domestic discretionary. So far, we are a total of $6.4 billion in budget authority and $4.7 billion in outlays below the allocation to the Appropriations Committee. My friends, that is real deficit reduction. That is something that we in the House can be proud of. That is the principle that we signed up to, and that is what we agreed to do, and we are doing it.

Now, my dear friend, and he is my dear friend from Wisconsin, wants to take a portion of those savings, tear down the discipline, and provide $2.5 billion in new spending, $2.5 billion over those ceilings.

The argument is made that the Obey amendment does not really break the walls, it just kind of adjusts them.

Well, what good is a wall if it is full of holes? What good is a wall if it has a door that you can open and walk through every hour on the hour?

The argument can be made that, if we do not take the $400 million in international outlay savings and spend them in the domestic accounts, the Senate, and we have heard my good friend refer to that, and the administration will spend it on foreign aid. My friends, that is a red herring. The amount of $190 million of those funds were already assumed to be used for deficit reduction in the budget resolution that this House passed. Those funds were not even allocated to the Appropriations Committee to spend. They have already been allocated to deficit reduction and cannot be spent on foreign aid, just as the Defense Subcommittee is limited by an allocation well below the caps.

As for the remaining $210 million of that $400 million, Congress has made it abundantly clear at this juncture that that money will not be spent on foreign aid.

Can something happen down the road? Oh my word, yes. We sat in conference last year right before the Ukrainians were to vote on whether or not they would be a free nation, and we added in the conference with the Senate $400 million in the defense accounts to take down nuclear weapons in the Ukraine. Do my colleagues know why? Because the Russians and the Ukrainians came to this country and said please show us how to denuke these systems. Of course we used that money.

There could be something out there. Not today.

The choice, my friends, under the amendment by my good friend from Wisconsin is not domestic spending versus international spending. The choice is busting the spending caps versus deficit reduction. We can and we should do more for infrastructure in this country. We can all agree with that. In fact, as we sit here, there is about $150 million in unused domestic discretionary outlays available if we had the will to try to figure out how to use it. Just look back at the bills that we have handled and you can tote it up, $150 million sitting there.

But in our rush to do what is right for the moment, let us not trample on the one and the only principle that we agreed to to guide us along the path of deficit reduction. Nobody said it better than my good friend from Illinois [Mr. MICHEL]. We made that agreement. Let us keep it.

I urge a vote for the Michel amendment.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. LEHMAN], chairman of the Subcommittee on Transportation.

Mr. LEHMAN of Florida. Mr. Chairman, I thank my friend from Wisconsin for yielding me the time.

I rise in opposition to the amendment for three reasons. Unemployment remains too high, transportation infrastructure is continuing to deteriorate, and third, the funding allocations available to the committee for transportation were simply not adequate to address the requirements of our Nation's transportation system.

I have the greatest respect for my friend from Illinois [Mr. MICHEL]. However, I believe that the Obey amendment at this time is better for our Nation and, therefore, I urge the defeat of the Michel amendment.

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Chairman, I would like to commend my friend, the distinguished minority leader, Mr. MICHEL, for offering this important amendment. It says, in effect, that if you don't spend it—use it to pay off your bills. Believe it or not, this is not only sound accounting theory—it is plain good common sense.

If the Congress ran this country the same way the average American runs their household we would all be better off. The fact of the matter is, when you have leftover cash you use it to pay your bills.

The Michel amendment would require, in that rare instance when the Congress spends less than the budget would allow, that the leftover funds be used to finance the deficit.

I know that the Obey amendment, which we will consider next, does not increase the deficit—but it eliminates an important opportunity to cut the deficit.

It is true that the Obey amendment if adopted could prevent additional peacekeeping assistance for Yugoslavia this year, could stop supplemental assistance for famine relief in Africa, or it could prevent subsidy costs of housing guarantees to settle Soviet Jews within the 1967 borders of Israel.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am glad to yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, why does the gentleman say it would stop peacekeeping since my subcommittee has no jurisdiction over peacekeeping, and the funds that I am cutting in foreign aid are coming only from my subcommittee?

Mr. BROOMFIELD. The gentleman has already passed the foreign aid bill, and you are actually taking the extra money for this highway bill.

Mr. OBEY. But will the gentleman yield further?

Mr. BROOMFIELD. I am glad to yield to the gentleman from Wisconsin.

Mr. OBEY. The subcommittee that has jurisdiction over peacekeeping forces is the State, Justice, Commerce Committee headed by the gentleman from Iowa [Mr. SMITH]. So any requests for peacekeeping forces would go to his subcommittee, not to mine. I am not touching the money of the subcommittee of the gentleman from Iowa [Mr. SMITH]. I am simply taking the money which I cut out of my bill last week on foreign aid and using that portion of the foreign aid funds.

So I fail to see how this would have any relevance to any peacekeeping requests.

Mr. MCDADE. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am happy to yield to the gentleman from Pennsylvania.

Mr. MCDADE. Mr. Chairman, I just want to say to my friend that he is absolutely correct. International funding, known as the 150 account, is the account that governs peacekeeping, among other things, and that one, as my good friend from Wisconsin knows, is being drawn down to the bone by the gentleman's amendment. So my good friend from Iowa, should he wish to put in additional dollars for peacekeeping, as he may well wish to do, does not currently have that flexibility.

Mr. OBEY. If the gentleman will yield, I am completely agreeing to the 602 numbers, and our subcommittee voluntarily gave up some funds to the Smith subcommittee so that they could deal with issues like this.

Mr. MCDADE. But if the gentleman will yield further, I want to say what the gentleman from Michigan is directly addressing is the 150 account and whether funds remain for emergency uses thereof, and there is no flexibility. The gentleman from Michigan is right.

Mr. BROOMFIELD. Back in 1990 the Democrat leadership and the President negotiated a painful agreement to protect the budget from measures such as the Obey amendment. At that time the President was widely criticized, especially from our side of the aisle, for raising taxes in exchange for promised limits on spending. I myself opposed the agreement because I never thought it would hold.

Regardless of the merits of that agreement, a deal is a deal, and the Obey amendment would break that understanding. Today we and the American people have the opportunity to see the proof of President Bush's leadership and the failure of the Congress.

I urge my colleagues to vote "yes" on the Michel amendment, and "no" on the Obey amendment.

□ 1710

Mr. MICHEL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding this time.

Mr. Chairman, in 1990 the gentleman from Wisconsin well knows that a compromise budget summit agreement was reached, and in that agreement taxes for the people of this country were raised to the tune of $181 billion, the largest tax increase in American history. The reason that tax increase took place, which I opposed then and oppose now, was because we had a deficit in excess of $220 billion, and everybody was saying, "If we do not get control of the deficit, the economy of the United States is in dire peril. We are going to have economic chaos."

Well, you folks voted for that. We raised taxes $181 billion. And what do we have today because of the increase in taxes? The economy has taken a downturn. We do not have a $220 billion deficit anymore. We have a $420 billion deficit, and every man, woman, and child in this country is in dire economic peril because we continue to head toward a $13.5 trillion deficit by the year 2000 based upon statistics that the Federal Reserve has put out.

Now, if that happens, we are going to have an economic calamity in this country. So what did that bill say in 1990? It said that if any money is cut from certain areas of government, we are building a firewall; "You cannot use it for more spending in some other area. We are going to use it for deficit reduction to cut the deficit down so that the economy does not face this kind of peril" that I have been talking about.

Now, those people on the Democrat side of the aisle, the gentleman from Wisconsin [Mr. OBEY] included, promised to adhere to that agreement.

Here we are less than 2 years later and they want to tear down that firewall, cut $400 million out of foreign assistance, which is all right with me. But what do they want to do with it? They want to spend it just like we thought they would back in 1990. They want to spend it on some more programs. They will find more and more ways to spend it.

The fact of the matter is this, ladies and gentlemen, my colleagues, and anybody else who is paying attention, the debt-to-gross-national-product ratio in this country, which is Greek to most people, has gone from 33 percent of GNP to 57.4 percent in less than 10 years. That means that the amount of total output that all the workers in America produces, over half of it goes just to pay the Federal debt, just to deal with the Federal debt, and it is going to, by the year 2000, it is going to exceed all the gross national product, everything we produce in this country. We are going to have economic chaos if we do not get control of spending.

Yet my colleague, the gentleman from Wisconsin [Mr. OBEY], and others continue to head down that road toward economic calamity.

Now, I want to say one more thing: The interest on the national debt right now is $303.9 billion.

That is more than all the health care costs that the Government pays, it is more than Social Security, it is more than defense; the largest item in the budget today is the interest on the national debt. Do you know what it is going to be like in 7½ years according to the economic projections by our Government? It is going to be $1.2 trillion in 7½ years. The total amount of money we bring into the Treasury right now, all income taxes, all business taxes, is $1.2 trillion, and in 7½ years the interest on the debt is going to exceed all the money we are bringing in today.

In fact, Peter Grace, the head of the Grace Commission, said that by the year 2000 all personal income taxes, 102 percent of total personal income taxes, are going to be needed just to pay the interest on the debt.

I want to say this one more time to my colleagues: What will happen if we reach this?

The year 2000, the Federal Reserve Board, who does not have to have any help from this Congress, will have to make a choice, and that choice will be either to print money to pay off part of the debt, because the interest is so high, or to default on obligations this Government has.

What they will do is they will opt to print money. Can you imagine what it is going to be like printing $13 trillion and putting that into circulation or $6.5 trillion, half of the debt, so we will not have half as much interest as we are going to have to pay? What it is going to mean is hyper-inflation. People on fixed income, Social Security recipients, welfare recipients, they will have money, but when a loaf of bread costs $20 or $30, it will not buy very much. That is called hyper-inflation.

We have got to get control of spending. Support the Michel amendment. Taking money and tearing down the firewalls and using it for more spending is the wrong approach to solving the problem.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I hope my friend, the gentleman from Indiana, has not left the floor, because I have heard his economic-chaos class speech now on three different occasions.

The gentleman came and spoke against the parking garage in Newark and gave the speech, and he spoke a few minutes ago against a highway in Ontario, CA, and gave the speech. Now he is giving it on this particular amendment.

Mr. Chairman, I would just say to the gentleman that I think it is a good speech, but I am puzzled by the fact that the gentleman opposed my amendment just a few days ago to cut $700 million out of star wars, and then the gentleman turned around and voted against an effort to cut over $1 billion out of the B-2 bomber. We were talking about real deficit reduction, and this gentleman was nowhere to be found.

Would the gentleman like to explain that?

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I am happy to yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I will be more than happy to explain that. The people on this side of the aisle, if the gentleman will just give me a minute——

Mr. DURBIN. I just have a few seconds.

Mr. BURTON of Indiana. You want to slash defense, and you say there is no peril out there. There are many on this side of the aisle who believe that the No. 1 concern of this Government should continue to be the defense of this Nation. We can cut defense, and I am for cutting defense, but not into the muscle and bone like Jimmy Carter did that imperils this Nation.

Mr. DURBIN. Reclaiming my time, I will just say to the gentleman that cutting star wars, a program that is obsolete, does not strike me as cutting into the defense of this Nation. I wish the gentleman's zeal for budget-cutting would extend to the Department of Defense.

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. COUGHLIN], the distinguished ranking member on the subcommittee.

Mr. COUGHLIN. Mr. Chairman, why is it that the American people are so disillusioned with the Congress of the United States? I would like to suggest that in large measure it is because we are congenitally unable to restrain our urge to spend money. Why is it that every time we find a few dollars that we can save in one area, we always apply it to spending in another area, never to reducing the deficit?

In my 24 years, and lots of you have been here lots longer than I have, but in my 24 years here, I have seen measure after measure to try to reduce the deficit. All of them have failed. All of them have failed because we have found some way to get around them.

Just a couple of weeks ago we had the conference committee on the dire emergency supplemental which my colleague, the gentleman from Pennsylvania, will remember, and the gimmick we tried there to get around the budget limitations was to declare a lot of emergency spending so it would fall outside the budget limitations. That did not work there.

Now we are at it again. We are trying to find another way around our spending limitations, a way around the firewalls that we have erected.

It has been said that this amendment does not eliminate the firewalls.

Our colleague from Ohio said it best earlier today that all it does is open the door and let the horse out and then close the door again. So the horse is out of the barn.

It is said that this does not reduce the deficit. But if we do not spend the money, it does reduce the deficit. Money we do not spend reduces the deficit.

Why are we always trying to get around everything that we enact ourselves to impose some discipline on our fiscal house?

That is why the American people are disillusioned. If we do not support the Michel amendment and say that we are at least going to take this money that has been saved in the international category and apply it to deficit reduction, but we are going to transfer it to some other category and spend it, they are going to say, "You are all fools down there. You are trying to fool us when you say you are really serious about reducing the deficit. You are trying to fool us with measures that are not reducing the deficit, new programs, new ideas that say you will get everything under control."

□ 1720

The American people are not going to be fooled. The deficit is real and it is eating us alive.

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume to conclude here.

I thank the gentleman for his comments, and I simply want to buttress the point that one of the reasons for offering the amendment is that there has been so much talk of late around here about enforcing agreements on spending. Of course, if agreements can be changed by a whim of Congress this day or that day, then they do not mean two hoots.

My feeling, as I said in my very opening remarks, is that we had what I thought was a very solemn agreement between the two parties, established by the Congress itself, on these three basic spending categories and we ought to stick to our word. That is the key question today.

Mr. OBEY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as those of you who know me know, I often quote my favorite philosopher, Archie the Cockroach. One of the sayings that Archie said once was this: "Proportion is very important. Of what use is it for a queen bee to fall in love with a bull?"

I really believe that we need a sense of proportion in discussing this amendment here this afternoon. This amendment is not going to have any noticeable effect one way or another on the deficit. Politicians can issue preachments in the form of congressional amendments anytime we want about the deficit; but let us take a look at the facts.

As the gentleman from Pennsylvania indicated, we have seen appropriation subcommittees so far take actions which would reduce allowable spending by roughly $14 billion in budget authority terms.

All that the Obey amendment is going to suggest when we get to it next is that we take approximately 15 percent of that and use it to attack the deficit in a different way.

Now, what we suggest we ought to do is to use that 15 percent to try to get the economy moving.

Reference has been made and incense has been duly burned and vows have been made to the budget summit agreement of 1990, but the fact is that a few things have changed since then.

Now, the budget summit agreement of 1990 was adopted at a time when we had a $200 billion deficit, as has been correctly pointed out; now we have a deficit of about $400 billion.

Did that happen because George Bush went nuts on spending? Of course not.

Did it happen because the Congress added large amounts to spending? No; they did not.

We basically adhered to that agreement, but the deficit nonetheless has doubled because a couple things got in the way. One was called the S&L crisis, which had to be funded and which was, responsibly, by both parties.

Second, the economy fell apart. When the budget agreement was passed, unemployment levels in this country were 5.7 percent. Today they are 7.8 percent. That means that we have hundreds of thousands of additional families who are not working. If they are not working, they are not making money. If they are not making money, they are not paying taxes. If they are not making money, they are not buying things. They are not buying houses. They are not buying cars. They are not buying steel. They are not buying a whole bunch of other products.

So what we are suggesting in a very modest amendment is that, yes, we will retain the budget walls. Yes, we will devote the overwhelming share of spending reductions to deficit reduction. We all endorse that, but we do believe that since last month alone we lost another 117,000 jobs in this economy, and all we ought to do is say OK, because we have an opportunity here in the private sector, operating at the local level through State governments, to provide additional employment to move the economy forward, to give it an extra kick. We are suggesting a very modest proposal, a transfer of $400 million in outlays in order to create roughly 150,000 construction jobs. That is what we are doing, and it has nothing to do with any attack on the budget ceilings, because our amendment will keep the budget ceilings in place. We will not spend one dime more than the budget resolution that we have signed on to would allow us to spend, and the amendment makes that quite clear.

So as I said, we can have this theological debate about how best to attack the deficit. The fact is we agree with the gentleman from Illinois [Mr. MICHEL]. There would be no great harm in the Michel amendment being adopted, but the amendment that comes afterward simply tries to buttress the direct deficit reduction with a little help to jump-start the economy through adding a few construction jobs so that in the process we might keep our promise to every State in the Union in terms of construction levels for the coming year.

Mr. MICHEL. Exercising my right to close, Mr. Chairman, as the author of the amendment authorized by the rule, may I simply say in conclusion that I doubt very much whether I would have introduced the amendment had it not been for the intelligence we received earlier that there might very well be offered to this bill an amendment that will follow this one, the Obey-Gephardt amendment, which for all practical purposes breaks a solemn agreement. Had it not been for the suggestion that that might be offered, you would not have been voting on this amendment of mine, because it would not have been necessary; but sometime we have to come to grips with whether or not we are going to abide by our word around here, and that is the reason for our offering the amendment.

I ask for support for the amendment when we vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MICHEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 268, noes, 143, not voting 23, as follows:

[Roll No. 281]

AYES—268

Alexander
Allard
Allen
Andrews (TX)
Anthony
Applegate
Armey
Aspin
Baker
Ballenger
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Boucher
Brewster
Brooks
Broomfield
Browder
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Carper
Chandler
Clement
Clinger
Coble
Coleman (MO)
Combest
Condit
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Cramer
Crane
Cunningham
Dannemeyer
Davis
de la Garza
DeLauro
DeLay
Derrick
Dickinson
Dicks
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Durbin
Eckart
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Ewing
Fawell
Feighan
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hefley
Henry
Herger
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (SD)
Jones (NC)
Kanjorski
Kaptur
Kasich
Kennelly
Klug
Kolbe
Kyl
Lagomarsino
Lancaster
LaRocco
Laughlin
Leach
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Long
Lowery (CA)
Luken
Machtley
Manton
Martin
Mavroules
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Moran
Morella
Morrison
Murphy
Murtha
Myers
Natcher
Neal (NC)
Nichols
Nussle
Olin
Ortiz
Orton
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Patterson
Paxon
Payne (VA)
Penny
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Ramstad
Ravenel
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stallings
Stearns
Stenholm
Stump
Sundquist
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torricelli
Upton
Vander Jagt
Volkmer
Vucanovich
Walker
Walsh
Weber
Weldon
Whitten
Wilson
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—143

Abercrombie
Anderson
Andrews (ME)
Andrews (NJ)
Annunzio
Atkins
AuCoin
Bacchus
Berman
Blackwell
Bonior
Borski
Brown
Cardin
Carr
Chapman
Clay
Coleman (TX)
Collins (IL)
Collins (MI)
Conyers
Coyne
Darden
DeFazio
Dellums
Dingell
Dixon
Donnelly
Downey
Dwyer
Dymally
Early
Edwards (CA)
Engel
Espy
Evans
Fascell
Fazio
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gejdenson
Gephardt
Hamilton
Hayes (IL)
Hertel
Hoyer
Hughes
Jefferson
Jenkins
Johnston
Jones (GA)
Jontz
Kennedy
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lantos
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lowey (NY)
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McHugh
McNulty
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moody
Mrazek
Nagle
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olver
Owens (NY)
Pastor
Payne (NJ)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Rahall
Rangel
Reed
Richardson
Roe
Rose
Rostenkowski
Roybal
Russo
Sabo
Sanders
Savage
Scheuer
Schumer
Serrano
Sharp
Slaughter
Smith (FL)
Smith (IA)
Staggers
Stokes
Studds
Swett
Swift
Synar
Torres
Traficant
Unsoeld
Valentine
Vento
Visclosky
Washington
Waters
Waxman
Weiss
Wheat
Williams
Wise
Wolpe
Wyden
Yates

NOT VOTING—23

Ackerman
Archer
Barnard
Boxer
Campbell (CO)
Gaydos
Gordon
Hatcher
Hayes (LA)
Hefner
Hubbard
Huckaby
Hyde
Johnson (TX)
Lent
Marlenee
Ray
Schulze
Solarz
Stark
Towns
Traxler
Yatron

□ 1750

The Clerk announced the following pair:

On this vote

Mr. Ray for, with Mr. Towns against.

Messrs. AUCOIN, KENNEDY, SERRANO, MCHUGH, and MOODY, Mrs. LLOYD, and Ms. SLAUGHTER changed their vote from "aye" to "no."

Messrs. THOMAS of Georgia, ECKART, and TORRICELLI, and Ms. DELAURO changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there additional amendments to title III of the bill?

AMENDMENTS EN BLOC OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer amendments en bloc made in order by the rule.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. OBEY:

On page 7, line 14, strike "$2,515,739,000" and insert "$2,553,739,000".

On page 14, line 15, strike "$1,800,000,000" and insert "$1,850,000,000".

On page 18, line 6, strike "$14,440,000,000" and insert "$16,690,000,000".

On page 36, strike out line 15 through line 24, and insert the following:

"For necessary expenses for discretionary grants as authorized by section 21(b) of the Federal Transit Act, to remain available until expended, $132,000,000: *Provided*, That no more than $1,857,000,000 of budget authority shall be available for these purposes: *Provided further*, That, notwithstanding any provision of law there shall be available for fixed guideway modernization $640,000,000, there shall be available for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities $320,000,000, and there shall be available for new fixed guideway systems $897,000,000 of which—".

On page 67, after line 16, insert:

"SEC. 339. ADDITIONAL INVESTMENT IN AMERICA.—(a) Effective upon the date of enactment of this Act, the fiscal year 1993 discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 are amended for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 and the Congressional Budget and Impoundment Act of 1974, as follows:

(1) the outlay limit for the domestic category shall be increased by $400,000,000; and

(2) the outlay limit for the international category shall be reduced by $400,000,000.

(b) Notwithstanding any other provision of law, the Office of Management and Budget and the Congressional Budget Office shall recalculate all adjustments to fiscal year 1993 discretionary spending limits required under section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 based on the amendments required in subsection (a) and shall report the revised limits to the Congress in the report to Congress for this Act that is required under section 251(a)(7) of the Balanced Budget and Emergency Deficit Control Act of 1985, and such revised limits shall be valid as if made pursuant to section 251(b) of the Act.

(c) The Congress reaffirms that the deficit reduction assigned to the Committees on Appropriations in the 1993 Concurrent Budget Resolution (H. Con. Res. 287) shall be achieved. The total of the first four domestic discretionary appropriations bills passed by the House is $154,000,000 below their outlay targets. Additional savings are expected to be made from the six remaining non-defense bills. The Congress intends and commits that the final appropriations bills for fiscal year 1993 sent to the President will fully comply with their existing deficit reduction target.

POINT OF ORDER

Mr. WALKER. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WALKER. Mr. Chairman, the gentleman from Wisconsin [Mr. OBEY] raises his amendment under the provisions of the rule adopted by the House, House Resolution 513.

House Resolution 513 under the provisions of rule XXII of the House is a resolution which speaks to the procedures of the House of Representatives, and therefore related directly to the House.

If in fact the gentleman was raising his amendment under the provisions of rule XXI, my point of order would not stand because under rule XXI, where it says, "No provision changing existing law shall be reported in any general appropriation bill except germane provisions which retrench expenditures by the reduction of amounts of moneys covered by the bill," and so on, a House resolution can speak to that.

The amendment of the gentleman from Wisconsin [Mr. OBEY] also speaks to a change in public law. Public Law 93-344, section 311, states that an amendment that would cause the appropriate level of total new budget authority or total budget outlays set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year to be exceeded, that public law also prevents such an amendment from coming to the floor.

A House resolution such as House Resolution 513 has no basis on which to waive provisions of public law. It can only waive those things which are within the jurisdiction of the House to waive.

Section 311 of Public Law 93-344 makes it very clear, quoting from the public law, that this is either in the House of Representatives or in the Senate. So therefore the public law makes it impossible for such amendments to come to the floor.

The gentleman from Wisconsin [Mr. OBEY] would have us work on an amendment which is in fact a violation not only of the House rules, but also of public law, and my point of order relates to the provisions of Public Law 93-344 that the amendment is ineligible for consideration in the House of Representatives.

The CHAIRMAN. Does the gentleman from Wisconsin [Mr. OBEY] seek recognition?

Mr. OBEY. Mr. Chairman, I would simply note that the House has the right to try to amend public law at any time it chooses. I would simply read from House Resolution 513, which reads as follows:

> Each amendment printed in the report may be offered only by the named proponent or a designee, shall be considered as read when offered, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against amendments printed in the report are waived.

Mr. Chairman, I think that is self-explanatory.

Mr. WALKER. Mr. Chairman, I wish to be heard further. The gentleman from Wisconsin [Mr. OBEY] quotes only from House Resolution 513. House Resolution 513 under the rules of the House, under the provisions of rule XXII, can relate only to procedures of the House of Representatives. What the gentleman is attempting to do here is not just change the procedures of the House of Representatives, but also change provisions of public law.

Therefore, I insist that my point of order be upheld as a violation of public law, not only a violation of the House rules.

The CHAIRMAN (Mr. BOUCHER). The Chair is prepared to rule on the point of order offered by the gentleman from Pennsylvania [Mr. WALKER].

Under the Constitution, article 1, section 5, each House has the authority to change its rules at any time, even rules enacted into law and specifically contained in the Budget Act. In fact, section 904 of the Budget Act acknowledges that title III of the Budget Act is enacted as an exercise in rulemaking, subject to the constitutional authority of either House to change those rules at any time.

The House has adopted House Resolution 513. On page 2, lines 21 to 23 of the rule, all points of order against all amendments granted in the report accompanying H.R. 513 are waived.

The pending amendment is printed in the report, and, accordingly, the point of order is not sustained.

The gentleman from Wisconsin [Mr. OBEY] will be recognized under the rule for 30 minutes in support of his amendment, and a Member in opposition will be recognized for 30 minutes.

Does a Member rise in opposition?

Mr. COUGHLIN. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. COUGHLIN] will control the 30 minutes in opposition.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, last week the Government's economic reports indicated that another 117,000 people lost their jobs. As I look around, all of us, at least certainly all of the males, are wearing rather nice looking suits, nice looking clothing. We are in a comfortable atmosphere. It seems to me that we have a special obligation to remember that there are an awful lot of people who are not.

Mr. Chairman, I think this institution has an obligation and the Government itself has an obligation to get off its collective duff and not to be, as Franklin Roosevelt used to say, "frozen in the ice of its own indifference."

Mr. Chairman, I think we have an obligation to recognize that the economy is in trouble and that we need to find a way to deal with the unemployment losses that we have seen all across the country.

Mr. Chairman, we have a very simple choice: we can do nothing, or we can try to do something. This amendment suggests that we do a very modest something. It will create roughly 150,000 jobs by taking money which we have previously saved, largely from the foreign aid bill just 2 weeks ago, and instead use it to try to create jobs for our own people who desperately need them. It guarantees that we will not add one dime to the deficit in doing so because of subsection (c) of the amendment.

Mr. Chairman, we are told that the administration opposes this amendment, and I want to tell you why.

The administration claims that this bill would increase the deficit. The administration prepared its statement in attacking a different amendment, but it certainly does not describe this one, because this amendment specifically indicates that the deficit cannot be raised by one dime.

□ 1800

Second, the administration suggests that this amendment takes down the firewalls. It does no such thing. The firewalls in the budget remain. We simply adjust them to the tune of $400 million down for foreign aid and $400 million up for domestic discretionary spending. What is the real reason that the administration, in my view, wants to oppose this amendment? It is because they still hope to restore the cuts in foreign aid which this House made on a bipartisan basis just 2 weeks ago.

I have another statement of administration policy right here, which indicates that they are unhappy because we cut the foreign aid bill by $1.2 billion. They indicated that they want to use the legislative process to make additional changes to repair that damage. And that means, in plain language, going to the Senate and having that spending restored.

If the membership of the House wants to guarantee that that money will not be spent for foreign aid, this is the best thing to do with it. It guarantees it. It is spent in a very disciplined and modest effort to create construction jobs in the private sector here in this country. I would urge my colleagues to support it.

Mr. Chairman, I reserve the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I yield 5 minutes and 30 seconds to the distinguished ranking member of the Committee on the Budget, the gentleman from Ohio [Mr. GRADISON].

Mr. GRADISON. Mr. Chairman, the Michel amendment just approved overwhelmingly by the House and the Obey-Gephardt-Roe amendment now before us present the House with an opportunity to put its words into action.

In March, and again in June, the House voted on fundamental budget concepts—in essence, deciding what budget rules would be applied later to specific spending decisions.

In March, the House voted 238–187 to keep the firewalls that separate defense, international and domestic discretionary spending. We debated vigorously whether the deficit was likely to be lower with or without those firewalls. Members on the losing side argued that if we kept the firewalls, the tendency would be to spend every last dime available in each respective category. Members on the prevailing side argued that retaining the firewalls would require any money that could be saved to go for deficit reduction.

In June, the House voted 280–153 for a balanced budget constitutional amendment. The vote fell just a handful short of the two-thirds majority needed for passage. The proponents of the amendment argued that Congress seems incapable of self-discipline when it comes to spending, and that something stronger is needed. Opponents of the amendment argued that Congress already has more than sufficient power to reduce the deficit; our powers only need to be exercised.

The votes today give Members on both sides of these two debates a chance to put their money where their mouths were. Those who voted for the Michel amendment and later today vote against the Obey-Gephardt-Roe amendment, reaffirm their determination to live within the existing deficit control rules, sending two messages to our constituents, to the other body, and to ourselves. First, we would be saying that if we find it possible not to spend every last dime allocated to defense and international programs, any leftovers should be used to reduce the deficit. Right now those leftovers from House-passed bills amount to nearly $12 billion. Second, we would be saying that $206 billion in budget authority and $225 billion in outlays is enough to spend in 1 year on domestic discretionary programs. If we decide to spend more on some areas—such as highways, mass transit, and the Coast Guard—then, like almost every family in America, we will have to spend less on other things.

On the other hand those who voted against the Michel amendment and later vote for the Obey-Gephardt-Roe amendment will be sending some very troubling messages. They would be saying that they have changed their minds on the firewall votes. They would be saying that even though last March we voted to apply any leftovers to deficit reduction, now we have decided to spend them on things that will have election day appeal—and never mind the long-term consequences. And even though we said in June that we did not need a constitutional amendment—because we could reduce the deficit by making tough votes on spending decisions—voting for Obey-Gephardt-Roe would be saying, in effect: "Well, we aren't going to make the tough votes just yet."

I looked through the CONGRESSIONAL RECORD to see what some of my colleagues said in June about taking tough votes. If they truly meant what they said then, the Obey-Gephardt-Roe amendment will be overwhelmingly defeated. For example, here are statements from a high ranking member of the Budget Committee:

> The only way you reduce the deficit is through tough votes on issues, tough votes. If you are not willing to make those choices, there is not a constitutional amendment in the world that is going to give you the guts to do it.

Another member of the Budget Committee said:

> If Members of the House are truly serious about balancing the budget, then let us begin right here and now to work toward that goal in the proper and responsible way. By voting on a plan of spending cuts and tax increases that will produce those results.

And yet another member of the Budget Committee:

> What a balanced budget amendment will do is to avoid the real responsibility of having to make the hard choices. * * * The budget can begin to be balanced right now. Gimmicks won't do it. Political will and courage is what it will take.

A member of the Public Works Committee said:

> A constitutional amendment to balance the budget is simply unnecessary. It is unnecessary because we can do the very same job on our own, without a constitutional amendment.

Another Member of the House said:

> The fundamental question before this body today is whether we are ready to lead this Nation by making the tough choices that will build a better future, or whether we will choose to rely on a budget gimmick to hide our inaction and indecision.

Yet another Member:

> The budget cannot be balanced by words promising fiscal responsibility. The budget can only be balanced through a systematic plan of action which requires that the elected officials of this country make the difficult choices.

Mr. Chairman, I could continue for quite a while with these quotes, but I'm sure everyone gets the point. In March and June we were voting on how we would proceed in the future to deal with the deficit. Today, we are not dealing with hypotheticals. We have real choices before us—to spend or not to spend, to increase the deficit, or not to.

The sponsors of the Obey-Gephardt-Roe amendment describe it as a trade off between spending on Americans and spending on foreigners. In reality it is a choice between spending and not spending. The fiscal year 1993 budget resolution provides an outlay level for international programs that is $189 million below the cap. Two weeks ago, when the House passed the fiscal year 1993 foreign operations appropriation bill, the outlays were reduced to a level $231 million below the allocation. These combined decisions put outlays for international programs $411 million below the cap. In other words, if this money is not spent, the deficit will be lower by $411 million. The Obey-Gephardt-Roe amendment, instead of reducing the deficit, would raise the domestic discretionary cap by $400 million and spend the money.

The vote on the Obey amendment is one of the key budget votes that will occur this year. If we vote to scoop up $400 million from leftover international funds and spending it on transportation, then it will be hard to argue that we should not also scoop up billions more left over from the defense caps and spend that money too. This will lead us right back to the uncontrolled spending that forced us into the Budget Enforcement Act of 1990.

I urge my colleagues to vote against the Obey-Gephardt-Roe amendment.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. ROE].

Mr. ROE. Mr. Chairman, the effect of our amendment is to restore funding to a number of surface transportation programs in an amount at or close to, as the case may be, levels provided for those programs by this Congress 8 months ago in the Intermodal Surface Transportation Efficiency Act of 1991, and to increase funding for the Airport Improvement Program authorized in H.R. 4691, as passed by the House of Representatives on May 19 of this year.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, the gentleman is correct. The amendment increases fiscal year 1993 funding above the level reported by the Appropriations Committee for the programs covered by the amendment. In addition to the ISTEA programs addressed by the chairman of the Committee on Public Works and Transportation, the amendment also increases funding for operating expenses of the Coast Guard by $38 million for fiscal year 1993.

Mr. ROE. Mr. Chairman, it is our intent that the covered programs under ISTEA being restored in the amendment are the Federal-aid highway obligation ceiling by $2.25 billion and mass transit discretionary grants by $257 million. Is this the understanding of the gentleman from Wisconsin?

Mr. OBEY. Mr. Chairman, if the gentleman will continue to yield, the gentleman from New Jersey is correct.

Mr. ROE. Mr. Chairman, concerning the mass transit discretionary grants, we further intend in the amendment that the additional $257 million being provided for fiscal year 1993 be used to restore new start funding to the fiscal year 1993 levels designated, and in the manner described, in existing law under the Intermodal Surface Transportation Efficiency Act of 1991.

Mr. OBEY. The chairman is correct. For funds being added by this amendment, the previously approved ISTEA language governs. That language was approved by the Congress and signed into law by the President.

Mr. ROE. Mr. Chairman, I thank the gentleman.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

□ 1810

Mr. SCHUMER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the Obey amendment. I do it from a different basis than that of my friend from Ohio. That is on the basis that we need really a pot of money, some on the foreign affairs side. No one in this room can say without equivocation that there will not be an emergency somewhere in the next 6 months for which some dollars are needed. For instance, there may be a problem in Yugoslavia, there might be a problem in Latin America, there might be a problem elsewhere. Of course, the problem that I am most concerned about is the problem in the Middle East, the problem of tens of thousands, maybe hundreds of thousands of Soviet citizens, Russian citizens, Ukrainian citizens, no longer Soviet citizens, who may wish to leave that country and cannot because we do not have loan guarantees.

As the gentleman from Wisconsin [Mr. OBEY] has noted, the State of Israel has said that under normal conditions they would pay whatever set-asides there need be for the loan guarantees, and I believe that to be true. But let us say there is an abnormal condition. Let us say for some reason either OMB or CBO says we needed 10 or 12 percent of a reserve fund. We might not get it.

I do want to say to my colleagues that many of us who care about Israel are split on this issue. The gentleman from Florida [Mr. SMITH], the gentleman from Connecticut [Mr. GEJDENSON], are voting for this amendment, so I must tell my colleagues that I do not think it is a life-or-death issue, particularly in light of what our majority leader has said, and our Democratic leadership in the House. That is that they will try to come up with the extra money if it is needed, and that alleviates some of my concern.

Nonetheless, I think if is foolhardy and a mistake for us to take every last nickel, with the exception of $22 million, out of the foreign affairs pot and spend it all now, so I am going to vote no on this amendment.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I thank the very distinguished gentleman from Wisconsin for yielding me this time.

Mr. Chairman, I rise in strong support of the en bloc amendments offered by the majority leader, Mr. GEPHARDT, and our colleagues, Mr. ROE and Mr. OBEY.

Six months ago, the Congress authored, and the President signed into law, a 6-year blueprint for investing in transportation for America.

The President did not veto that bill, as he has so many other of our initiatives, because he knew that our Intermodal Surface Transportation Efficiency Act—if funded fully—would create millions of jobs to build and rebuild America's roads, bridges, and transit systems.

Today, Mr. Chairman, 10 million Americans are out of work. Congress and the President must respond, and we can do that here and now.

Americans want jobs—not rhetoric.

Americans want better roads and better transit service—not fiscal paralysis in the face of historical change.

Mr. Chairman, make no mistake about it. This amendment breaks down what has come to be called a firewall. The term is a misnomer. There is no protection here.

At a time when America desperately needs funding for its infrastructure, this so-called firewall is nothing more than a wall that impedes rather than protects.

So far, however, many of our colleagues have seemed more interested in preserving this firewall, born of the cold war, than in investing in America.

By fighting and winning the cold war, America paid a great price.

We did without.

We did without many needed roads.

We did without many needed improvements to our transit systems and safety programs.

We did without many needed jobs.

Now, Mr. Chairman, we must begin to reward that sacrifice with investment in America and in Americans.

We all know that winning the cold war gave us fewer Federal dollars to work with today.

We all know that Congress must adopt a pay-as-you-go budget policy.

But that's the beauty of transportation funding, Mr. Chairman: it already is pay as you go.

The highway trust fund, including its mass transit account, is entirely self-supporting through Federal motor fuel taxes.

All we need is the budget authority to spend the money that Washington has already collected at the pump to invest in transportation.

And all we are asking for is common sense.

Our amendment does not take a penny away from foreign aid.

Our amendment does not interfere with deficit reduction.

The highway trust fund is in surplus. We do not need to find the money to spend on transportation.

All the American people want is for the money they have paid for transportation to be spent on transportation and create jobs.

That is what Congress promised we would do last year.

The Gephardt-Obey-Roe amendment will make it possible for us to keep our word—and Congress must keep its word.

Our transportation vision for the 1990's is a model of how to rebuild America the way Americans want it built.

Just 6 months ago, Congress and the President made that vision the law of the land. Failing to fund that vision is a failure of leadership masquerading as fiscal responsibility.

The Gephardt-Obey-Roe-Hammerschmidt-Mineta-Shuster amendment to H.R. 5518 restores $257 million of spending authority to the Federal Transit Act, section 3, New Start Program to fully fund all projects designated in the Intermodal Surface Transportation Efficiency Act of 1991 (P.L. 102-240) for fiscal year 1993 funding.

The $257 million is the exact amount necessary to provide full funding for the 21 projects specifically designated in sections 3030 through 3035 of ISTEA for fiscal year 1993 funding that did not receive full funding in H.R. 5518 as reported by the Committee on Appropriations.

ISTEA requires that these projects receive the full amount designated. The restoration of the $257 million will fulfill that requirement.

These projects differ from other projects authorized in sections 3030 through 3035 of ISTEA that do not have specific year-by-year funding designations. The conferees on the Intermodal Surface Transportation Efficiency Act of 1991 intended that only those projects without specific year-by-year funding designations be subject to annual funding decisions by the Committee on Appropriations.

The Public Works and Transportation Committee has been empowered to provide contract authority for the Federal-Aid Highway Program and the Federal Transit Program by the Federal Highway Act of 1958, title 23 United States Code, the Federal Transit Act, and by congressional budget scorekeeping rules and practices originating in 1979.

A complete list of the 21 transit projects to be funded by the $257 million follows:

Additional funds for new start projects provided in Obey amendment

	Millions
Baltimore LRT extension project	$5
Chicago central area connector project	30

Additional funds for new start projects provided in Obey amendment—Continued

	Millions
Cleveland dual hub corridor project	.5
Maryland commuter rail project	50
New Jersey urban core project	36.7
New York Queens connection project	8.7
San Diego mid-coast extension project	3
San Francisco Airport BART extension project and Tasman Corridor LRT project	55
Detroit light rail project	10
Kansas City light rail project	4.4
Chattanooga downtown trolley project	1
Suspended light rail system technology pilot project	4
Hawthorne, New Jersey-Warwick Commuter Rail Service	11.156
North Bay Ferry Service Demonstration Program	9
Staten Island-Midtown Manhattan Demonstration Program	11
Lakewood-Freehold-Matawan or Jamesburg rail project	3
Charlotte, North Carolina, light rail study	.375
Northeast Ohio feasibility study	.8
Dallas/Fort Worth Railtran System	3.2
Largo, Maryland, rail extension project	5
Los Angeles-San Diego rail corridor improvement project	5
Total	256.831

And that is why I urge my colleagues to invest in America and support the Gephardt-Obey-Roe amendment.

Mr. COUGHLIN. Mr. Chairman, I yield 4½ minutes to the gentleman from Pennsylvania [Mr. MCDADE], the very distinguished ranking member of the full Committee on Appropriations.

Mr. MCDADE. Mr. Chairman, I thank my colleague for yielding time to me.

Mr. Chairman, we have had this debate before. This is not a new debate, trying to use defense or international savings for other purposes, particularly domestic purposes. The Members voted in March not to do that by a vote of 238 to 187. They voted not to take down the walls in fiscal year 1993. Apparently the message was not clear, and my friend, in his amendment, still hopes to increase Federal spending. My friends, try as you might, I do not think it is going to work.

Back in March we had the opportunity to send a sorely needed message to the American people about our ability to save money and make tough decisions. We had the opportunity to show that we do care about deficit reduction, and that we understand the impact of long-term persistent deficit spending. We had the opportunity to show the American people that Congress can strap down and live within its own limitations with the balanced budget amendment.

Today my colleague offers an amendment to use funds slated for international spending on the highway program. One can only guess what is coming tomorrow. Today, let me bring this to the Members' attention, if I may: Today this transportation bill that we will soon vote on, contains $33.4 billion in fiscal year 1993 outlays, an increase of $1.6 billion in outlays over last fiscal year and it provides on the face of it 1.3 million jobs in the United States of America.

That should not surprise anybody. We already voted to do that. We did that in the budget resolution. We voted for $33 billion for transportation in the 1993 budget resolution. That is what was voted on, $33 billion.

Guess what the total of this bill is: It is $33.4 billion. Should we be surprised that we are complying with what the House has voted to do time, and time, and time again?

Some people say yes, we need to spend more, more than the $17.4 billion in here for highways, more than the $9 billion in here for the FAA, more than the $3.8 billion in here for transit programs, and more than the $3.6 billion in here for the Coast Guard.

Some say that the subcommittee did not fully fund last year's intermodal surface transportation bill that we all embraced with great glee. The truth of the matter is we do not have the resources to do that. Where are the savings when the budget deficit is $400 billion in the current year and the debt is $4 trillion?

The tightness of the budget was not created by the defeat of the firewalls bill; it was an agreement that we all signed onto. The leadership of the House and the administration agreed on a budget summit to try to keep the Federal deficits in some kind of balance. Entitlement spending, as everybody in this Chamber knows, is two-thirds of the budget and is off budget, not subject to our vote.

While tightening budget constraints is tough for all of us to deal with, it is important to point out the context: Our national debt is $4 trillion. One out of every four dollars this Government spends is borrowed.

This amendment is just another effort to take down the firewalls. I am sure it is not going to be the last. Somebody else is going to try.

I said this is a 1.3 million jobs bill. If we put the Obey amendment in it, and we risk a certain veto, we are putting in jeopardy 1.3 million jobs for Americans.

Listen to this. When we were debating the Michel amendment, I told the Members because of actions taken to date there is roughly $150 million in domestic discretionary outlays available. That yields $1 billion in budget resources and 55,000 new jobs. Bring it up as a standing bill and we will vote on it after we come back from the convention.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the distinguished ranking Republican of the Committee on Public Works and Transportation.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of the Obey amendment. This amendment will use $400 million in outlay savings from the foreign operations appropriations bill to restore about $2.5 billion in transportation spending. Insofar as highways and transit are concerned, this represents a partial restoration of funding that was provided in the Intermodal Surface Transportation Efficiency Act of 1991 just 7 months ago. And, in aviation, the amendment would partially restore the reduction in airport improvement funds from fiscal year 1992 levels.

Let me focus specifically on the highway issue. The amount provided in the appropriations bill for the basic Federal-aid Highway Program is woefully inadequate: About $4 billion less than provided in ISTEA and nearly $2 billion less than the level proposed by the President. By raising the highway obligation ceiling by $2.25 billion, the Obey amendment would merely restore the highway obligation ceiling to roughly the amount in the President's budget.

So, while the amendment would still leave us about $2 billion below the obligation authority in ISTEA, it is a vast improvement over the inadequate level in the appropriations bill.

The Gephardt-Obey-Roe-Hammerschmidt-Mineta-Shuster amendment to H.R. 5518 restores $257 million of spending authority to the Federal Transit Act Section 3 New Start Program to fully fund all projects designated in the Intermodal Surface Transportation Efficiency Act of 1991, Public Law 102-240, for fiscal year 1993 funding.

The $257 million is the exact amount necessary to provide full funding for the 21 projects specifically designated in sections 3030 through 3035 of ISTEA for fiscal year 1993 funding that did not receive full funding in H.R. 5518 as reported by the Committee on Appropriations.

ISTEA requires that these projects receive the full amount designated. The restoration of the $257 million will fulfill that requirement.

These projects differ from other projects authorized in sections 3030 through 3035 of ISTEA that do not have specific year-by-year funding designations. The conferees on the Intermodal Surface Transportation Efficiency Act of 1991 intended that only those projects without specific year-by-year funding designations be subject to annual funding decisions by the Committee on Appropriations.

The Public Works and Transportation Committee has been empowered to provide contract authority for the Federal-aid Highway Program and the Federal Transit Program by the Federal Highway Act of 1958, title 23 United States Code, the Federal Transit

Act, and by congressional budget scorekeeping rules and practices originating in 1979.

A complete list of the 21 transit projects to be funded by the $257 million follows:

Additional funds for new start projects provided in Obey amendment

	Millions
Baltimore LRT extension project	5
Chicago central area connector project	30
Cleveland dual hub corridor project	5
Marylnd commuter rail project	50
New Jersey urban core project	36.7
New York Queens connection project	8.7
San Diego mid-coast extension project	3
San Francisco Airport BART extension project and Tasman Corridor LRT project	55
Detroit light rail project	10
Kansas City light rail project	4.4
Chattanooga downtown trolley project	1
Suspended light rail system technology pilot project	4
Hawthorne, New Jersey-Warwick Commuter Rail Service	11.156
North Bay Ferry Service Demonstration Program	9
Staten Island-Midtown Manhattan Demonstration Program	11
Lakewood-Freehold-Matawan or Jamesburg rail project	3
Charlotte, North Carolina, light rail study	.375
Northeast Ohio feasibility study	.8
Dallas/Ft. Worth Railtran System	3.2
Largo, Maryland, rail extension project	5
Los Angeles-San Diego rail corridor improvement project	5
Total	256.831

I know that there will be concerns about shifting money from the international spending account to the domestic spending account. Some will fear that this will set a bad precedent and will lead to efforts to raid the defense budget to fund other domestic programs.

I do not believe that this will be the case. We have a unique opportunity here to take advantage of savings that were made with broad bipartisan support and to shift those savings to programs that also enjoy broad bipartisan support, as evidenced in the overwhelming votes in favor of the ISTEA legislation. It is very unlikely that similar circumstances will occur again in the 102d Congress.

In addition, this is not the final word on the subject. Ultimately, the conference committees on the foreign operations appropriations bill and the DOT appropriations bill will have to decide how much of a shift will actually take place. During this process, the administration will have ample time to have its views carefully considered in this matter.

In summary, by adopting this amendment, Congress will be taking a positive step toward at least partially restoring the job creation and infrastructure improvement potential of ISTEA. It will also be averting the severe criticism, to which I fear Congress will be subjected, if it funds the program at a level so far below what the President recommended and what is in the ISTEA legislation.

Mr. Chairman, I urge Members to support the amendment.

□ 1820

Mr. COUGHLIN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, I thank the gentleman for yielding me the time.

I rise in opposition to the Obey amendment. And I say this for the Members to consider exactly what is happening here: The Budget Enforcement Act sets the international affairs cap at a certain level. The budget resolution passed by both Houses reduces that by $200 million in outlays. The bill that Chairman OBEY presented last week, that I supported, that had what I thought was an excellent mix in terms of supporting the kinds of foreign aid programs that I think are important and cutting the ones I do not think are important reduced that bill in outlays an additional $20 million, $1.2 billion below the President's budget in budget authority.

Now we have an amendment which would suggest lowering the Enforcement Act to the figure, within $20 million of that figure in outlays before the Senate has acted. This is not the way to handle international relations. This is not the way to provide a level of flexibility.

If the Senate decides they want to plus up the military aid account, every penny of that is going to have to come out of one of the programs, the Development Assistance Program, the Refugee Program, the Peacekeeping Program that will be funded on the House side. There is no flexibility left in this.

There is $7 billion of totally unused defense cuts between the cap and the budget resolution, and a lot of money in the defense appropriation that has already passed on Star Wars and on unneeded five new B-2 bombers and other things like that from which this money could come.

God knows I think transportation increases are important. I think they are so important that I am prepared to support a gas tax to fund them. But why transportation in terms of this shift? Chairman NATCHER of the Labor-HHS Subcommittee had tremendous pressures on education and health. Why the decision that all of this money will go to transportation and not to other allocations within the domestic budget?

This is a very inflexible amendment. Things can occur in the context of the next 2 or 3 months in the area of peacekeeping or loan guarantees to provide tremendous flexibility.

I want to make one last comment. There are proponents of this amendment, in fact sponsors of this amendment who are strong supporters of the United States-Israel relationship. There are opponents of this amendment who could not care less about that, and would do things to sever that relationship. This is not a test of that. But to take away the flexibility for $50, $100, $150 or $200 million based on what might happen in this world is just pure crazy.

I think this amendment should be defeated. I think this is the wrong approach. We have $7 billion in defense spending if we want to make this transfer, if this is the only way to do it.

This is a political response to a serious problem, and I would urge the Members to defeat it.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Chairman, in March I voted against the first firewalls bill. I intend to vote for the Obey amendment tonight.

Why am I doing so? Because of the changed conditions which have intervened, and particularly the 7.8 percent unemployment which was announced for the month of June. That translates into 100,000 fewer jobs that we had in June and into 10 million Americans who are unemployed.

We need to put Americans, Kentuckians, Louisvillians back to work. We need to put them to work on construction programs right now even as we are, concurrently, doing our best to balance the budget and to reduce deficits.

As I understand it, the $400 million which is shifted from foreign aid translates into 2.5 billion dollars' worth of highway, mass transit and airport projects. With respect to Louisville, we have right now 30 million dollars' worth of ready-to-go projects that could immediately put Kentuckians and Louisvillians to work under this bill.

The Obey amendment does not raise the deficit one penny. The Obey amendment does put people back to work. The Obey amendment should be passed tonight.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Chairman, I rise in support of the Obey amendment. Supporting this amendment does not come easy for me. I am a member of the Budget Committee who voted against bringing down the firewalls separating domestic and defense spending earlier this year. I am also a member of the coalition in support of a balanced budget amendment the House considered just last month.

I strongly believe that we can and should be doing more to reduce our Federal deficit, and am working toward that goal with Chairman PANETTA and other members of the Budget Committee. Had there been some other manner in which to access the money in the highway trust fund for the purposes for which it was intended, I would have preferred it.

But the budgeting process is such that, in order to make use of the trust funds, it is necessary to raise the obligation ceiling in this amendment. And so, I support this effort to invest in our Nation's infrastructure, which lies at the heart of Federal responsibility for our Nation's well being.

The most important factor in my decision is that most of the programs in the Intermodal Surface Transportation Efficiency Act, now known as ISTEA, will pay for themselves. The funding program incorporated in the bill which we passed overwhelmingly last year was designed to draw down the highway trust fund from its surplus of over $11 billion to about $2.5 billion, the amount needed to keep the fund solvent. In addition, Congress extended the 2½ cent-per-gallon gas tax to keep revenues flowing into the fund, and to keep the program self-financing.

Mr. Chairman, it is for these reasons that I find the transportation appropriations bill before the House today so extremely disappointing and so much in need of amendment. Not only does it break faith with the 372 Members who voted for the conference report on ISTEA last November, but more importantly, it breaks faith with the American people who have been paying into the highway trust fund all of these years expecting that the money would actually be used to improve our nation's highways.

Last November, when Congress passed ISTEA, I was confident that we had finally taken the initiative on an ambitious program for our future, and our ability to sustain economic growth.

The Public Works and Transportation Committee and the Subcommittee on Surface Transportation spent over 2 years holding hearings and investigating the status of our country's infrastructure.

These hearings uncovered a pattern of deterioration and neglect of our infrastructure needs. We learned that investment in infrastructure has become the orphan child of the budgeting process, receiving proportionally less funding as our fiscal situation has become more severe.

Our annual Federal transportation investment has plunged from 2.3 percent of our gross national product in the 1960's and 1970's to four-tenths of 1 percent in the 1980's. This makes our investment in infrastructure a smaller percentage of GNP than any other industrialized nation in the world.

According to the Department of Transportation, in 1989: About 265,000 miles of pavement were at or below accepted engineering standards; about 134,000 bridges were rated as structurally deficient; over 5,000 bridges were closed; and congestion created over 8 billion hours of delay on the interstate system, adding billions of dollars to the cost of interstate commerce.

Passage of ISTEA was intended to address all of these concerns. For the first time, we embraced as a national goal the development of a national intermodal transportation system designed to move people and goods in an energy-efficient manner. ISTEA created an economic blueprint for the future, and was designed to substantially improve our competitiveness in the world economy.

In addition, the bill should create over 2 million jobs in the construction segment of our economy that serves as the foundation for our economic growth, and which has been hit the hardest by this period of recession.

Investing in infrastructure provides returns to our economy far greater than any other expenditure of Federal dollars. For every $1 invested in transportation infrastructure, $10 is returned to the economy. We would be hard pressed to find any other program that returns such benefits to our Nation.

The new Labor Department statistics show unemployment has now reached 7.8 percent. Almost 10 million of our fellow Americans are out of work. We should not fail to adequately fund the only bill passed by this Congress which has been endorsed by the administration that will create jobs—that is the ISTEA legislation passed last year.

Approving the Obey amendment will create good jobs for 125,000 Americans while providing the kind of infrastructure we need to be competitive around the world.

We must amend this bill to provide for an adequate level of funding for our public infrastructure. I urge my colleagues to support the Obey amendment.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in opposition to the Obey amendment, which would lower the fiscal year 1993 discretionary spending cap for international affairs by $400 million in outlays and increase the 1993 domestic cap by that same amount.

The Obey amendment removes all fiscal flexibility in international affairs. This measure could require Senate-passed increases in military assistance to be accommodated in conference by cuts in population control programs, AIDS prevention, and child survival.

The Obey amendment categorically precludes any possibility of subsidy appropriations for immigrant absorption loan guarantees to Israel, if an agreement can be reached between the Israeli Government and the administration.

Let us bear in mind that if we are going to get into the business of breaching the firewalls, there are also $7 billion in outlays behind the defense firewall, unusable in any way under the budget resolution.

I ask my colleagues, in considering your vote on the Obey amendment, is it your intention to erode and decimate the budget firewalls which you previously supported.

I submit that this is an inappropriate amendment.

Accordingly, I urge defeat of the Obey amendment.

□ 1830

Mr. OBEY. Mr. Chairman, I yield one-half minute to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I rise in strong support of the Obey amendment.

Mr. Chairman, I cannot imagine our going home, and I voted for the foreign aid bill the other day and a lot of people did not, but I cannot imagine that we cannot vote to transfer money from surplus money really that is left over from the foreign aid bill to create American jobs. I cannot imagine that anybody would vote against this amendment.

I know in my own State of Ohio where we have tremendous needs in infrastructure repairs this is an essential amendment.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, there is not a Member of this House who has not walked down the street in their district and had a constituent tell them that it is time to change priorities in America, not a person in this Chamber who has not looked in the eyes of people they represent and agreed that it is time to invest again in America.

This vote is about that commitment, and yet we are told that the 1990 budget agreement stands between us and keeping faith with those constituents.

My friends, the world between 1990 and today could not have changed more. The security commitments, the foreign commitments, the need to help others could not be more different.

This amendment comes just in time. A quarter of a million substandard bridges, hundreds of miles of deteriorating roads, urban and mass transportation systems that are older than the people who ride them by a generation, and it is only a token change, just a beginning of a change, but it is a change, the first of many amendments which must come.

We have done our duty in the foreign assistance bill for others. This amendment does duty for our own constituents.

I urge Members to adopt it.

Mr. COUGHLIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, today I rise in opposition to breaking down the firewalls and shifting budget savings from one appropriation category to make higher spending available in another category.

My friend and learned colleague from Wisconsin, Mr. OBEY, is correct in asking us to reevaluate our spending priorities, and fund the most critical spending first. Our current spending levels in various categories reflect neither the changing world situation nor our domestic needs.

However, it is our budget process itself which is flawed. It is the process which leads to exaggerated overfunding in one category and disastrous underfunding in another.

Last month we attempted but failed to pass a balanced budget amendment. Those who opposed it said that we didn't need to amend the Constitution, that we could accomplish the necessary change by statute. Unless and until we do make substantive changes to the budget process which will ensure fiscal responsibility and a balanced budget, any transitory shifting of appropriations between segments of the budget will simply compound the problems.

Let us revise the budget process and incorporate changes such as: First, a unified capital budget, second, biennial, zero based budget, third, sunset laws, four, enhanced rescission process, and fifth, an enforcement mechanism, which will provide the tools necessary to balance the budget. Then I will stand at the front of the line to set new priorities for spending to meet the very real and immediate needs of our country.

I urge you to vote "no" on the Obey amendment, and to support real budget process reform.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of the Obey-Gephardt-Hammerschmidt-Roe amendment.

The issue we are debating here today is really rather simple. It is about jobs and economic growth and their relationship to the highway trust fund.

As my colleagues all know, last year we passed the Intermodal Surface Transportation Act, and when the House overwhelmingly voted in favor of that legislation, we all praised it as an investment in America.

The highway bill would create jobs, and it would make improvements in our infrastructure. Now is the time to fund that worthwhile new law, and we need to fund it and fund it well.

This year the House has already voted to cut over $400 million in fiscal 1993 foreign aid outlays under the 1993 budget summit cap enacted into law, and moves them over into transportation spending authority. So it does not add to the deficit as some are here arguing.

The funding source for our transportation needs comes from the highway trust fund, and the taxpayers who pay those taxes want it spent for the purposes for which it is levied.

I urge a strong vote for the Obey-Gephardt amendment.

Mr. Chairman, the issue we are debating today is rather simple; it is about jobs and economic growth and their relationship to the highway trust fund. As my colleagues all know, last year we passed the Intermodal Surface Transportation Efficiency Act of 1991. When the House overwhelmingly voted in favor of this legislation, we all praised it as an investment in America. The highway bill would create jobs, and it would make vast improvements in our infrastructure and transportation needs. Now is the time to fund this worthwhile and desperately needed program which the American people strongly support.

Last week we passed an economic incentives bill to help get the Nation rolling—let's continue to build on the momentum by passing this amendment to this transportation appropriations bill. This amendment is a fiscally responsible approach concerning our Federal budget restraints and infrastructure necessities. This year, the House has already voted to cut over $400 million in fiscal year 1993 foreign aid outlays under the 1993 budget summit cap enacted into law, and moves them over into transportation spending authority so it does not add to the deficit, as some are here arguing. The funding source for our transportation needs come from the highway trust fund and the taxpayers who pay into it want it spent for the purpose for which it is intended—highways—not used as a foil to mask the true size of the deficit. The trust fund is sound. It has a surplus.

Mr. Chairman, the battlecry on this legislation is loud and clear: Invest in America's future—our infrastructure. Invest in American jobs now, to get on with building that infrastructure that is our door to economic development and growth, to enhancing our trade opportunities.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. SARPALIUS].

Mr. SARPALIUS. Mr. Chairman, we have been hired by our constituents to be their voice. Well, listen to their voice. They do not like deficit spending. They do not like the priorities of where we spend our money.

They believe in the challenge that John F. Kennedy gave us when he said, "Ask not what your country can do for you, but ask what you can do for your country," and, boy, have they given. Over 5 months of their hard-earned paycheck every year comes to us to spend.

Today there are over 10 million persons out of work, 10 million persons that are worried about how they are going to pay their mortgage, 10 million persons that are worried about providing health care for their children and putting their kids through school. There are 10 million Americans that are not living the American dream. They are living in a nightmare.

Today you have an opportunity to put some of these people back to work. Wake them up out of that nightmare and give them hope to dream dreams and make those dreams come true.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Chairman, although I voted to tear down the firewalls, I must oppose this amendment, because this is not the way to tear down the firewalls.

At a time when we are witnessing, as other speakers have mentioned, unprecedented changes in the world, this amendment would place a straitjacket on U.S. policymakers. It would eliminate the flexibility we may need to respond to events in Eastern Europe and the Middle East and Africa and elsewhere.

For example, this amendment would eliminate any flexibility that we might need to come to the aid of the Yugoslavian people. It would tie the hands of policymakers wishing to ease the transition to democracy and capitalism for the nations of the former Soviet Union, and it slams the door on further aid for international AIDS prevention and treatment programs.

Foreign aid is always a convenient whipping boy, no more so than it is today, but the purposes sought to be achieved here could be better achieved through other approaches.

This amendment does nothing to transfer billions of unneeded defense dollars. Instead, it targets spending which is most often used to ease the suffering of the poor, the hungry, and the sick abroad. While they may be an easy target, they are the wrong target.

While I have the greatest respect and admiration for my colleagues who are offering this amendment, I oppose it. There are other better ways to finance the rebuilding of our transportation system and create jobs here at home for Americans.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, we have a very serious credibility problem with regard to financing highways.

Now, I do not think there is a way to overcome it unless we pass the Obey amendment. First, we have an authorization bill. The President went to Texas, got a good photo opportunity, Members of Congress were down there. They talked about 2½ million jobs, that they could not be provided unless the firewalls were torn down or unless there was a raise in the cap. So it was a false expectation.

Next came the President's budget. He proposed $2.2 billion increase for highways. But what he did not tell you was that depended upon a $550 million decrease for mass transportation and for Amtrak and an overall tax or user fee increase of $4 billion, or the highway bill could not be funded. Also, sell the assets at Elk Hills. That was raising false expectations.

Then the budget resolution. It alleged to increase the funding for highways, but it assumed a $4.14 billion, whatever you call legislative savings and fees, which cannot pass this Congress, so it raised expectations falsely.

The bottom line is the expectations to the American people have been raised one, two, three, four times. There is no way to get out of this unless we shift some money, I do not think, from one side of the international account over to the domestic account.

□ 1840

Since that budget agreement was passed 2 years ago, the world has changed. Priorities have changed. We have got 7.8 percent unemployment that we did not have at that time.

Surely in 2 years time with the changes we have had, we ought to look again at our priorities, shift some from that international side where we do not need as much anymore over to this domestic discretionary side and meet the expectations of the American people that have been built up both by the administration and the Congress.

Mr. Chairman, I urge a yes vote.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I rise to urge support of the amendment offered today by Congressmen OBEY, GEPHARDT, ROE, HAMMERSCHMIDT, MINETA, and SHUSTER which will increase funding for highway, transit, airports, and Coast Guard programs by $2.6 billion nationally. These are responsible amendments which appropriately transfer over $400 million from foreign aid outlays to vital domestic infrastructure programs. These programs will create more than 125,000 jobs for Americans.

Mr. Chairman, the latest unemployment figures are a warning to begin to shift national priorities from unnecessary or lower priority expenditures abroad and toward clear, essential, and long neglected investment in Americans and their towns and cities. This is, after all, the longest recession since World War II.

This amendment provides the double dose of medicine the doctor has ordered—targeted development of infrastructure whose existing condition poses a clear and present danger to our place in the global marketplace; and the measured economic stimulus that is a proven remedy for unemployment.

Each additional billion dollars spent on new construction of bridges, roads, sewers, information networks, and technologies creates 46,800 jobs in the construction, supplier, and service industries. Not only do contractors, subcontractors, and suppliers benefit but countless services are similarly benefited.

Of the 17,000 unemployed workers in the District of Columbia at the end of 1990, nearly 2,000—11.8 percent of our work force—were in construction. I am sure that after the latest unemployment figures, every Member could point to similar devastation.

As a member of the Public Works and Transportation Committee, I joined my colleagues to support unanimously the bipartisan Intermodal Surface Transportation Efficiency Act because we were strongly committed to bringing jobs and new infrastructure to the American people. If this appropriations bill is funded at the proposed level, we will have actually reduced highway and transit funding below that of prior years. Our crippled economy cannot afford such disinvestment.

I support this vital amendment for investment and jobs in America, and urge my colleagues to support it as well.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, when the House Democratic leadership pulled out all the stops to defeat the balanced budget amendment June 11, they argued that the amendment was an unnecessary gimmick because Congress already has the authority it needs to balance the budget—authority defined by statutory guidelines and fiscal discipline.

Applying that standard today—the 1990 budget agreement is the statutory guideline and a vote for the Michel amendment is the fiscal discipline. Failure to observe either of these principles—which some would have us do today in voting for the Obey amendment—is fiscal irresponsibility, pure and simple.

If we vote for the Obey amendment, we junk the caps on spending in the budget agreement. That is the only restraint on spending we have. In essence—we bust the budget and prove once again to the American public that we are incapable of exerting fiscal responsibility.

How many times do we need to hear that our deficit stands at $350 billion, that our national debt is close to $4 trillion, that interest payments on the national debt now consume nearly $200 billion. These are lost dollars—gone to pay for our past spending habits, not new roads and bridges.

The plain and simple fact is that we are operating under a law that says savings in one account cannot be transferred to another. They are to be applied to deficit reduction. Period. We must not do what the Obey amendment wants. We must not break the firewalls to transfer dollars—dollars that should be used for deficit reduction—for new spending. The Obey amendment would turn this law on its head. It would put us on a slippery slope toward increased deficits and higher taxes.

The debate today is not about the merits of foreign aid spending, that just happens to be the source Obey taps into. Rather, the debate is about the integrity of a law that maintains budget firewalls to allow defense or international affairs savings to be used for deficit reduction—not new spending.

Less than a month ago, nearly every Member of this House spoke out against deficit spending. Yet the Obey amendment at its core is simply a proposal to increase the fiscal year 1993 deficit, something completely contradictory to these earlier proclamations. It is no wonder the American people hold Congress in such disregard and that our deficit continues to soar.

It should be clear to Members who support deficit reduction which amendment to support. Let us put leadership behind our rhetoric and vote for fiscal discipline for a change. I urge my colleagues to oppose the Obey amendment.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Chairman, I thank the distinguished gentleman for yielding me some time.

Mr. Chairman, I rise in strong support of the amendment by the distinguished gentleman from Wisconsin [Mr. OBEY], and my chairman, the gentleman from New Jersey [Mr. ROE], my ranking Republican member, the gentleman from Arkansas [Mr. HAMMERSCHMIDT], and the majority leader, the gentleman from Missouri [Mr. GEPHARDT].

As has been stated earlier, ISTEA is a jobs bill and I believe the result of what the Appropriations Committee has done in drastically slashing the authorized funding levels in ISTEA is to keep a significant number of American workers on the unemployment rolls.

I have been and continue to be opposed to breaching the firewalls, but by adjusting the ceiling levels of international and domestic spending, we will be able to stimulate the American economy, put Americans back to work, rebuild America's crumbling transportation infrastructure—making our highways and bridges safer—and, ultimately, improve and enhance our Nation's ability to move commercial goods and commuter traffic with greater efficiency.

If these are not reasonable and rational justifications for this Body to make this small adjustment to the budget firewalls, then we do not deserve the respect and support of the American people.

A yea vote for this amendment is a vote for the American worker and the American economy.

A no vote is a vote for continuation of our stagnant economy, a continuation of high unemployment, and a continuation of the Band-aid repairs to our transportation infrastructure, daily becoming less safe and in an increasing sad state of disrepair.

Mr. Chairman, I urge my colleagues to vote for the Obey-Roe-Gephardt-Hammerschmidt amendment.

Mr. OBEY. Mr. Chairman, I yield 30 seconds to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Chairman, I support the Obey amendment.

I voted against breaking down the firewalls in an earlier vote, but I think times have changed since then. This is a critical jobs issue. The unemployment rate nationally is 7.8 percent. I fear it can go up another half percent before November. A yes vote will put thousands of people to work with moneys saved from foreign aid spending.

I still believe the budget agreement is good, but it should not be locked in stone when tens of thousands of Americans are finding themselves out of work every day.

So Mr. Chairman, I think a responsible vote is a vote for the amendment.

Mr. OBEY. Mr. Chairman, I yield 30 seconds to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, priorities are heck sometimes in choosing them. The President just came back with much flare from G-7. It is time he drives Route 7 and sees the potholes, sees the orange barrels, sees the traffic snarls.

The priorities are very clear here. Without increasing the deficit, you shift some money from foreign aid to the United States of America. You shift some money from overseas to here at home.

I think our constituents know what they want. Ten million Americans are out of work. Roads and bridges are crumbling. Traffic is snarled hopelessly. They want the Obey amendment, and I urge its adoption.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to the Obey-Gephardt amendment. The Obey-Gephardt amendment would in my opinion flagrantly violate the Budget Enforcement Act of 1990 by changing the spending caps inscribed in that law and by burning down the firewalls between the domestic and international discretionary categories. These firewalls were erected to achieve a deficit reduction. Savings under the caps in any one category is under the terms of the laws supposed to be supplied to deficit reduction. Instead, the Obey amendment would pirate away the money remaining in the international account to increase spending in the other categories.

The Obey amendment in my viewpoint raises the limitation on obligations of the highway trust fund by $2.3 billion. This translates into a $400 million increase in outlays by fiscal year 1993, and will require subsequent increased outlays in the future.

Worse, the Obey amendment authorizes a $400 million raid on the general fund? Why? Because apparently there are not enough transportation fund taxes, I gather, to support the desired spending for fiscal year 1993 in the transportation fund.

□ 1850

So what do we do? We do what we always do, we borrow from the general fund. More accurately, we borrow from our children and grandchildren. In light of the fact that the Federal Government is now paying $300 billion a year just to pay interest on the $4 trillion national debt, this ought to be absolutely unacceptable.

The amendment is a fraudulent scheme Congress is pulling on the American taxpayers. Congress promised in 1990 that in exchange for $164 billion in higher taxes, Congress would restrain its appetite for higher spending. The caps are that promised restraint. The Obey amendment conspires to break that promise.

If this conspiracy to circumvent the law was being perpetrated in the private sector, it would be deemed a criminal conspiracy. But because we in Congress make the laws, we do not have to conspire to avoid them, we simply conspire to eliminate them and then continue to conspire to avoid our clear moral obligation.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. SHUSTER], a member of the Committee on Public Works and Transportation.

Mr. SHUSTER. Mr. Chairman, in 1990 a majority of the Congress and the White House entered into a deal, a budget deal. And now we are told, 2½ years later, a deal is a deal.

Well, Mr. Chairman, in 1991, a year after that 1990 deal, this Congress overwhelmingly entered into another deal with the American people. This Congress overwhelmingly voted in favor of the transportation bill. And we said on a bipartisan basis, "We are going to extend the gas tax. Not only are we going to extend it, we are going to increase it by 2½ cents. But our deal with you, Mr. and Mrs. America, is that we promise that this money in the highway trust fund that you are paying as a user fee is going to be spent on transportation." And we also said overwhelmingly as we voted for that bill, we promised that $18.3 billion is going to be spent next year out of the highway trust fund "for your transportation needs."

And now, what do we have before us? Instead of the $18.3 billion that we promised, we have only $14 billion; so we have a 22-percent reduction in our promise. Indeed, this means significant cuts in highway programs.

Mr. Chairman, do not come to our committee and ask for help with your problems; if the money is not there, we may want to help you but we cannot.

Further, I suggest check what we put out in terms of the money that goes back to your States by formula if this passes. Every State will receive several millions of dollars more for their highway programs. And, yes, we will create in America over 125,000 real jobs.

So let us keep faith with the American people, let us deliver on our promise to spend trust fund dollars. Let us take general fund money from foreign aid and begin to spend an equivalent amount of trust fund money rebuilding America.

Mr. COUGHLIN. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, the Obey amendment to the transportation appropriations bill is yet another example of chicanery to get around our own self-imposed limits on spending in the deficit. All of us—all of us—would like to spend more money on our transportation infrastructure as well as many other well-meaning programs. But we have a problem: The deficit is eating our lunch.

In clear violation of the 1990 budget agreement—the law we passed to help control deficit spending—the Obey amendment would transfer $400 million in foreign aid outlays to transportation projects. This contravenes the law, which says that any savings in the foreign aid category will be applied to reducing the deficit, not other spending programs.

In addition, the $400 million outlays transferred by the Obey amendment will result in some $2.6 billion in increased budget authority and obligation authority, further exacerbating the deficit in future years.

Regardless of the worthiness of the spending programs, we should not scrap the firewalls. I cannot understand how anyone can say, how any Member of this body can say they give a hoot about the deficit if they vote for the Obey amendment. If we have one ounce of courage to resist the siren call for more spending, if we have one shred of shame over the deficit we are leaving for our children, if we have one iota of honor for the agreements we have made, we should defeat the Obey amendment and pass the bill as it is.

Mr. Chairman, I urge defeat of the Obey amendment.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Committee on Public Works and Transportation, the gentleman from New Jersey [Mr. ROE].

Mr. ROE. Mr. Chairman, the night is late, and I want to just run down, in the 2 minutes, quickly two points. Bedrock principle, a deal is a deal, honor and commitment, test of will, American people disillusioned, conspiracy and chicanery.

God, you are bad people around here.

We are engaged in conspiracy and chicanery. By God, BUD SHUSTER is right: We made the deal on this floor and passed the iced tea, the transportation bill, with 378 votes. We did not break one rule.

We went and we expanded and extended the 2½ percent gasoline tax. We provided, under the budget agreement with the White House, precisely what we were supposed to do. We raised the money to support the transportation bill. That is what you did.

Now, the thing that happened, however, that 5.5 billion dollars' worth of budget authority was taken away from the transportation program in the budget agreement. So, we are not putting new money into transportation, we are simply transferring part of that fund back to transportation, which was the true deal with the American people. We taxed them for that purpose.

Now we say can we afford to spend this? It is costing us, not by our figures, but by the White House figures and the Department of Transportation, $34 billion annually is lost in the metropolitan areas alone because of traffic congestion problems.

Would it not be right to try to correct them?

Just last week we voted $7.6 billion more for unemployment compensation just to keep people off the breadline. Would it not be more sense to invest in jobs for the people of America?

That is what this debate is about. So we are not breaking faith, we are not breaking down walls; we are simply taking the tax money that the people were charged for transportation purposes, that they are paying moment by moment on their gasoline, and we are doing the construction program we promised on this floor to do.

So I would hope that the Members would set the nonsense aside and vote, this time, for the American people.

If there was ever a point, by God, it is time that we said to the people overseas, "Pay some of your own damn bills and let us spend our tax dollars with our own people."

That is what the issue is before us today.

Mr. Chairman, I am proud to join with the bipartisan sponsors of the Gephardt-Obey-Roe-Hammerschmidt-Mineta-Shuster amendment to restore the vital and essential transportation funding that is being diverted to other purposes.

I express my compliments to the majority leader, Mr. GEPHARDT; the gentleman from Wisconsin [Mr. OBEY], a member of the committee; our ranking Republican member, JOHN PAUL HAMMERSCHMIDT; the chairman of our Surface Transportation Subcommittee, NORMAN MINETA, and the subcommittee's ranking Republican member, BUD SHUSTER, for their outstanding efforts on this amendment.

Just 7 months ago, an overwhelming majority of this House, 372 Members, supported the Intermodal Surface Transportation Efficiency Act, a $151 billion 6-year bill that will create millions of jobs throughout the Nation.

The rallying cry, from the President's signing ceremony in Dallas to Member after Member on the floor, was, "Jobs, jobs, jobs."

We labored for months to increase investment in our transportation system. The committee proposed the nickel for America. It didn't fly. Instead, we extended the existing taxes and modified our proposal. We played by the rules and received an overwhelming, bipartisan endorsement in both the House and Senate.

Now, we find that $5.2 billion is being cut from our bill. Our budget authority, the authority to spend money collected from American taxpayers and placed in a trust fund for that purpose, has been sent to other programs. We want that budget authority returned to transportation, so that the trust fund money can be spent to create American jobs, not sent overseas.

This amendment, by restoring $2.5 billion in budget authority from foreign aid to transportation, will create almost 125,000 real productive jobs in this country. We have talked about meager tax breaks but they mean nothing to people who don't have jobs. Let's produce jobs for the American people.

Last month's unemployment figures were absolutely devastating. A national unemployment rate of 7.8 percent; California, 9.5 percent; New Jersey, 9.2 percent; New York, 9.2 percent; Massachusetts, 8.8 percent; Michigan, 8.8 percent; Illinois, 8.6 percent; Texas, 8.2 percent.

The only bill we have before us to help create jobs, to help lower those unacceptably high unemployment rates, is the surface transportation bill.

This amendment will provide full funding for the fiscal year 1993 transit new start projects, and it will pump an additional $2.25 billion into the highway program.

We are not breaking any agreements. We are simply restoring in a partial way the funding that Congress voted for the Intermodal Surface Transportation Efficiency Act. As our unemployment rate continues to soar, we cannot afford not to approve this amendment. This is highway trust fund money that is dedicated to transportation. I urge all Members to support the Gephardt-Obey-Roe-Hammerschmidt-Mineta-Shuster amendment.

The Gephardt-Obey-Roe-Hammerschmidt-Mineta-Shuster amendment to H.R. 5518 restores $257 million of spending authority to the Federal Transit Act section 3 new start program to fully fund all projects designated in the Intermodal Surface Transportation Efficiency Act of 1991—Public Law 102–240—for fiscal year 1993 funding.

The $257 million is the exact amount necessary to provide full funding for the 21 projects specifically designated in sections 3030 through 3035 of ISTEA for fiscal year 1993 funding that did not receive full funding in H.R. 5518 as reported by the Committee on Appropriations.

ISTEA requires that these projects receive the full amount designated. The restoration of the $257 million will fulfill that requirement.

These projects differ from other projects authorized in sections 3030 through 3035 of ISTEA that do not have specific year-by-year funding designations. The conferees on the Intermodal Surface Transportation Efficiency Act of 1991 intended that only those projects without specific year-by-year funding designations be subject to annual funding decisions by the Committee on Appropriations.

The Public Works and Transportation Committee has been empowered to provide contract authority for the Federal-aid Highway Program and the Federal Transit Program by the Federal Highway Act of 1958, Title 23, United States Code, the Federal Transit Act, and by congressional budget scorekeeping rules and practices originating in 1979.

A complete list of the 21 transit projects to be funded by the $257 million follows:

Additional funds for new start projects provided in Obey amendment

	Millions
Baltimore LRT extension project	$5
Chicago central area connector project	30
Cleveland dual hub corridor project	5
Maryland commuter rail project	50
New Jersey urban core project	36.7
New York Queens connection project	8.7
San Diego mid-coast extension project	3
San Francisco Airport BART extension project and Tasman Corridor LRT project	55
Detroit light rail project	10
Kansas City light rail project	4.4
Chattanooga downtown trolley project	1
Suspended light rail system technology pilot project	4
Hawthorne, New Jersey-Warwick Commuter Rail Service	11.156
North Bay Ferry Service Demonstration Program	9
Staten Island-Midtown Manhattan Demonstration Program	11
Lakewood-Freehold-Matawan or Jamesburg rail project	3
Charlotte, North Carolina, light rail study	.375
Northeast Ohio feasibility study	.8
Dallas/Ft. Worth Railtran System	3.2
Largo, Maryland, rail extension project	5
Los Angeles-San Diego rail corridor improvement project	5
Total	256.831

Mr. OBEY. Mr. Chairman, I yield myself 1½ minutes.

Mr. Chairman, the fact is that America is losing its investment race with out global competitors. By the end of the eighties Japan and Germany were investing 12 times as much as a percentage of their economy as we are in bridges, sewers, information networks, and technology. That cannot continue if we are going to continue to be an economic leader in this world. We are simply taking money which we have already saved in foreign aid and using it to try to do something about that problem.

Reference has been made to the budget summit. I voted for the budget summit. But I did not realize that voting for the budget summit required us to stop hearing, stop seeing, and stop thinking. We ought to see what is going on around us. This economy has collapsed. This country needs both jobs and deficit reduction. This amendment gives us both.

We ought to vote for it.

□ 1900

The CHAIRMAN. The Chair will advise that the gentleman from Pennsylvania [Mr. COUGHLIN] has 5 minutes remaining, the gentleman from Wisconsin [Mr. OBEY] has 4½ minutes remaining, and the gentleman from Wisconsin will conclude debate.

Does the gentleman from Pennsylvania seek recognition at this time?

Mr. COUGHLIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. OBEY] and in strong support of deficit reduction.

Mr. COUGHLIN. Mr. Chairman, I yield the balance of the time on our side to the very distinguished Republican leader, the gentleman from Illinois [Mr. MICHEL], the author of the amendment that was previously passed by this House.

Mr. MICHEL. Mr. Chairman, obviously I rise in opposition to the amendment offered by my friends: the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT], and the gentleman from Wisconsin [Mr. OBEY].

Mr. Chairman, in spite of all the good reasons that have been advanced by Members on both sides of the aisle, I think there is good reason for opposing this particular amendment. I want to give my colleagues my reason for voting against it. I have to go back to that voting tally on the last vote in support of my amendment.

Mr. Chairman, I was happy to have 108 Democrat Members on that side of the aisle come to join and vote in support of my amendment. I say to them, "I love you. You're not always with me, but I really love you today."

Now let me tell my colleagues on that side of the aisle that, when we craft some of these rules under the king-of-the-hill procedure, we know what is going to happen: "Schedule MICHEL first, you know, and, fine, adopt it. Give the majority leader the second bite of the apple, and he prevails. I get swept off the board. Great day!"

Well, Mr. Chairman, let me say to my colleagues, "If you're going to do that, tell you what I'm going to do: I'll come back in a motion to recommit. I'm going to offer the same amendment that you adopted by this overwhelming vote on 268 to 143."

Now, Mr. Chairman, those of my colleagues on the Democrat side, particularly those who supported me the first time, do not want to turn around within 1 hour and vote on the other side of the equation. Mr. Chairman, I ask them, "How can you do that in good conscience?" Of course they cannot do that.

Mr. Chairman, their easiest vote would save them some time tonight. I say to them, "You don't have to go through that vote on the motion to recommit. Simply vote against Gephardt-Obey, and you have got it made. Then we'll be finished with business, and we will have done what the majority wanted in the first place by supporting my amendment."

That is my simple request tonight as we wrap up the debate on our side of the aisle. There have been pretty good arguments for the Obey amendment, but I say to my colleagues, "You want to be consistent. It's a campaign year. I wouldn't ever raise the specter that it may be turned around on you in any way.

"Just do the right thing. Do what you did before. Support that unanimous vote on the Republican side. On our side it probably won't be unanimous on this amendment because there will be some defections."

Mr. Chairman, that is the way this body ought to operate. It does not have to be a straight party-line vote on any of these measures.

I say to my colleagues, "Let your conscience be your guide once in a while around here. Just do the right thing."

My friend, the gentleman from Kentucky [Mr. NATCHER] is looking very serious here, and how much we respect the distinguished gentleman for his having served on the Appropriations Committee for so long. I am reminded that the gentleman was making the point of the commitment we made on the authorization bill. My gosh, over the period of years how many times have we authorized at this level, and then finally come to our senses and say we authorized too much. It was a good thing to vote for a high authorization level, but let's appropriate only that amount which we think we ought to appropriate—a lower level? Having served on that committee for 20 years, we did that time and time again.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I say to the gentleman, "Just a minute, my dear friend."

I voted for the tax increase. I am for the highway bill. I gave all the support I possibly could. There is always that reservation to come back the second time in the appropriation process and say, "Well, maybe given the times that we're confronted with, maybe we'll spend just a little bit less so it can be spent a little more wisely."

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, I thank the gentleman from Illinois [Mr. MICHEL], my good friend, and I would point out that the reason many of us voted for his amendment was because, in the event that Obey failed, then we wanted to have his amendment in place, and that is the reason.

Mr. MICHEL. I understand that.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MICHEL] has expired.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield the balance of my time to the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, members of the committee, I would like to start tonight with a little history. We have had some revisionism tonight, and I would like to set the history straight.

We had a vote a couple of years ago on a budget summit, and I voted for the budget summit, I voted for the second iteration of the budget summit, because I believe we needed to make those changes, and in that summit we set walls, but no one ever said the walls were inviolate, that they can never be changed. We obviously have a Congress here that can deal with changed facts and circumstances, if the President agrees to that change.

We had a vote on a budget this year. It set certain ceilings, and then we just had a vote on the walls, the so-called walls vote, and the decision of the Congress at that time was to use the budget scenario that kept the walls in place. So, in other words, if any money was saved in a year, it could be used for deficit reduction, and we have saved money, $7 billion in defense, over a billion dollars in foreign affairs, and to date we have saved $675 million in domestic programs.

Tonight we have a chance to readdress the question: Do we want to keep all of those decisions inviolate, or has there been a change in circumstances so that we can deal with the recession that is in front of us, a recession that has gone on for over 2 years, a recession that now finds over 10 million Americans out of work, wanting work, not able to find work?

And now we are told that, even if we saved much more money in foreign affairs and foreign aid than the President wanted us to spend, that it is impossible for the Congress in its wisdom tonight to change the wall by that much, $400 million, to now spend it to get the highway money up to the level the President asked us to spend on highways.

I say to my colleagues, "If you think about that history, and you think about the 10 million people that are out of work in the longest recession since the Great Depression, I think you can easily come to the conclusion that the sensible, wise course for the American people tonight is to take this $400 million out of foreign aid that we have already saved and assign it to getting highways where they need to be and mass transit where it needs to be."

Now people have said to me, "Well, what if we assign this money to that? What if an emergency comes up in foreign aid?" Well, obviously we can deal with that, and we will. If the President comes and says there is an emergency here or there, loan guarantees, something happens with refugees, we need to do something, obviously we will figure out a way to do it.

But let us not shackle ourselves by walls that were put up 2 years ago, by decisions we made 2 months ago, if now we have saved more money than we thought we were going to save. Surely we have the capacity to take this money and spend it on a great need.

Let me end with how great this need is. This year the United States of America will spend $60 billion on highways, and the country of Japan will spend $72 billion, a country with half our population, a country the size of Montana. They will spend more money than we will on highways. Is it any wonder that they are beating us in the world marketplace? They understand how to make an economy work. They have made a commitment to rebuilding their infrastructure, and we need to make that commitment tonight.

Mr. Chairman, I urge Members to vote for this very good and sensible amendment for the people in their districts.

Mr. SOLOMON. Mr. Chairman, I rise in opposition to the Obey amendment. I think the overwhelming vote in support of the Michel amendment is a clear repudiation by this House of what the Obey amendment is trying to do which is to breach the firewalls and increase the deficit.

The Michel amendment reiterates the terms of the 1990 budget agreement that any savings from any of the three discretionary categories shall be devoted exclusively to deficit reduction. The House has just reaffirmed that position by a substantial majority vote.

When we were presented with these two amendments in the Rules Committee, it was made clear by Mr. MICHEL that his amendment was being offered as an alternative to the Obey amendment. And he made clear that if the Rules Committee did not make the Obey amendment in order, he did not wish to offer his amendment.

The Rules Committee recognized that these were being offered as alternatives, and, in order to give the House a chance to vote on both, structured this king-of-the-hill procedure.

This is an either/or proposition, not a perfecting or complementary situation.

Anyone who thinks they can vote for both amendments in clear conscience, and get away with it, is ignoring the realities of both the procedural and substantive situation. You can't claim you are in favor of reducing the deficit and then turn around on the same bill and increase it. That just won't wash.

Mr. Speaker, the American people are already disillusioned and cynical enough about this institution without us having to further contribute to that mood by voting on both sides of the same issue. The House has spoken with a clear tongue by its vote on the Michel amendment. Let's not turn it into a forked tongue by adopting the Obey amendment.

Mr. LIGHTFOOT. Mr. Chairman, I rise in opposition to the Obey amendment.

Today, we have heard that we should be faithful to the commitment we made in last year's highway bill. I would remind Members, particularly Members on my side of the aisle that we have a higher commitment, to the long term economic health of our Nation.

I did not vote the budget agreement of 1990 because I knew this day would come. We raised taxes and are about to avoid yet another opportunity to control the deficit.

I am proud to be a member of the Appropriations Committee. Mr. LEHMAN of Florida has presented this House with a responsible bill. Sure there's not enough money in it, but that's the consequence of years of reckless spending. His subcommittee made tough choices, just as other appropriation subcommittees have presented the House with equally tough spending bills.

Now we have the Obey amendment. This amendment says we shouldn't put money toward reducing the balance on the Nation's visa card because the other body may spend these funds for unnecessary foreign aid.

Since when has this House ever been afraid of the other body? And frankly, it doesn't say much for the negotiating skills of the Foreign Operations appropriations subcommittee. If members of that subcommittee really don't believe we should spend more on foreign aid, I am confident they could carry the day in conference.

Heaven forbid, Mr. Chairman, this House make an early payment or two on the deficit.

My friends, make no mistake about it: voting for the Obey amendment sends the wrong message. It means Congress can't resist temptation and says to the American people, "Look—the pigs are at the trough again."

Mr. JONES of North Carolina. Mr. Chairman, I rise to support additional funding for the Coast Guard. During my tenure in Congress, the role of the Coast Guard has changed dramatically. Twenty-five years ago, the Coast Guard was primarily responsible for vessel inspections, lifesaving, and the maintenance of aids to navigation. Since then, the Coast Guard has been given an expanded role in drug and migrant interdiction, oil spill cleanup, and boating safety. Unfortunately, funding has not kept pace with these new duties.

This year, the gap between funding and missions is particularly serious. The funds appropriated by H.R. 5518 will not permit the Coast Guard to do its job. It will force the Coast Guard to close stations, decommission ships, and ground aircraft. It will cause lost lives, a surge in illegal drugs, and a rise in damage from oil spills.

You will hear many figures today. I ask you to remember one—$132 million. H.R. 5518 provides the Coast Guard with $132 million less than the President requested—$132 million less than the House authorized just 2 weeks ago.

Simply put, H.R. 5518 does not provide sufficient funds for the Coast Guard.

I strongly urge my colleagues to support the Obey amendment which will provide $38 million more for the Coast Guard and mitigate some of the damage to the Coast Guard that we currently envision. Even if the Obey amendment is approved, the Coast Guard will be hamstrung; without the Obey amendment, the Coast Guard will be severely crippled.

Mr. BORSKI. Mr. Chairman, I rise in strong support of the Obey-Gephardt-Roe amendment to H.R. 5518.

This amendment would add $2.25 billion to our major highway program, $257 million for mass transit discretionary grants, $38 million for Coast Guard operations, and $50 million for airport improvements for fiscal year 1993.

That money would go for what is needed right now as our country struggles to recover from the current recession. It would create 125,000 jobs at a time when many Americans are desperate.

Those jobs would come in the best possible way: investing in our Nation's infrastructure and enabling us to literally rebuild America.

Mr. Chairman, America is in the grips of our worst recession since World War II. Unemployment is at its highest rate since 1984. These are not statistics America can brag about, these are numbers that must prompt us into action if our country is to regain its dominant position in the international business community.

The one sure cure for an ailing economy is the creation of more jobs and the opportunity to create those jobs is right within our grasp.

Over 125,000 Americans could be put to work by passing this amendment and the best news of all is that the money used to create those jobs would come from foreign aid cuts which have already been approved by the House.

Mr. Chairman, the cold war is over but the battle for economic stability rages on in streets all across our Nation. It is time to take money from foreign operations and pump those funds into America's lifeline: its infrastructure. Our global competitors are winning the race in infrastructure investment. Japan and Germany are investing 12 times more than America to redevelop their roads, bridges, and sewers. We cannot allow this to happen if America is to have the best transportation system in the world.

My only disappointment is in the area of mass transit spending. This amendment would invest $257 million of the $2.5 billion to mass transit. As a major supporter of investment in mass transportation, I would have preferred a more generous split in terms of highways and transit. I am also disappointed that all of the transit funding goes to new starts.

In the appropriations bill before us, new start funding increased from $536 million in fiscal year 1992 to $640 million in fiscal year 1993. At the same time, the section 9 formula program used for operating assistance and capital expenditures is being cut from $1.9 billion in fiscal year 1992 to $1.7 billion in fiscal year 1993, including a reduction in operating assistance from $802 million to $720 million.

As a representative of Philadelphia, I am concerned about the lack of mass transit funding in this amendment for older cities with older transit systems in need of refurbishing. I am concerned that more money will not be devoted to improving those older transit systems.

Our needs in Philadelphia are for operating assistance, capital expenditures, and rail modernization.

Operating assistance is imperative to older systems like the Southeastern Pennsylvania Transportation Authority System [SEPTA] in Philadelphia. I am hopeful that, in conference, we can find the additional money for operating assistance which is vital in order to keep older transit systems running in safe condition.

While I am disappointed this amendment doesn't live up to the commitment for transit that was outlined in the Intermodal Surface Transportation Efficiency Act [ISTEA], I still support this amendment. It is an important first step toward removing the firewalls for transportation overall in this country and I urge its passage.

It is time to put America's future first and this amendment will pave the way for an investment that is not only wanted, but desperately needed.

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Mr. PAYNE of New Jersey. Mr. Chairman, I rise in strong support of the Obey-Gephardt-Roe amendment. In the wake of our sagging national economy, disappointing unemployment figures, and crisis conditions in our cities, the need to reorder our budget priorities is obvious.

This bill will not only create 125,000 jobs, it will also provide important improvements to our transportation system and infrastructure.

In my district, an urban area of New Jersey, more funding would be available to make improvements so that working people could have easier access to public transportation. Allocation of the funding would be a sound economic investment which would spur growth and help modernize our State's largest city.

I want to commend all of the authors of this amendment, in particular my good friend and colleague, Chairman ROE. It was through his tireless work that the Intermodal Surface Transportation Efficiency Act was approved last fall.

I hope that my colleagues will support the effort by Chairman ROE and the other authors of the amendment so that our efforts to improve our Nation's transportation system, and our national economy, can move forward.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. COUGHLIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 213, noes 190, not voting 31, as follows:

[Roll No. 282]

AYES—213

Abercrombie
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Annunzio
Applegate
Aspin
Atkins
AuCoin
Bacchus
Bennett
Bentley
Bevill
Bilbray
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Brown
Bruce
Bustamante
Cardin
Carr
Chapman
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Conyers
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dickinson
Dingell
Dixon
Donnelly
Downey
Durbin
Dwyer
Dymally
Eckart
Edwards (CA)
Emerson
Engel
English
Espy
Evans
Fascell
Fazio
Feighan
Flake
Foglietta
Ford (MI)
Ford (TN)
Frost
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hayes (IL)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hughes
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDermott
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Moody
Moran
Morrison
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olver
Ortiz
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Petri
Poshard
Price
Quillen
Rahall
Rangel
Reed
Richardson
Rinaldo
Roe
Rose
Rostenkowski
Roth
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Schroeder
Serrano
Sharp
Shuster
Sikorski
Skaggs
Skelton
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Staggers
Stokes
Studds
Swett
Swift
Synar
Tallon
Thornton
Torres
Torricelli
Traficant
Unsoeld
Valentine
Vento
Volkmer
Washington
Waters
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates

NOES—190

Allard
Allen
Andrews (TX)
Anthony
Armey
Ballenger
Barrett
Barton
Bateman
Beilenson
Bereuter
Berman
Bilirakis
Bliley
Boehner
Broomfield
Browder
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Carper
Chandler
Coble
Combest
Condit
Cooper
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dicks
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Erdreich
Ewing
Fawell
Fields
Fish
Frank (MA)
Franks (CT)
Gallegly
Gallo
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Hancock
Hansen
Harris
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Lancaster
Lantos
LaRocco
Leach
Levine (CA)
Lewis (FL)
Lightfoot
Livingston
Luken
Machtley
Martin
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Michel
Miller (OH)
Miller (WA)
Montgomery
Moorhead
Morella
Myers
Nichols
Nussle
Olin
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Patterson
Paxon
Penny
Pickett
Pickle
Porter
Ramstad
Ravenel
Regula
Rhodes
Ridge
Riggs
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rowland
Santorum
Saxton
Schaefer
Scheuer
Schiff
Schumer
Sensenbrenner
Shaw
Shays
Sisisky
Skeen
Slattery
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stallings
Stearns
Stenholm
Stump
Sundquist
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Upton
Vander Jagt
Visclosky
Vucanovich
Walker
Walsh
Waxman
Weber
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—31

Ackerman
Archer
Baker
Barnard
Boxer
Bryant
Campbell (CO)
Early
Edwards (TX)
Gaydos
Hatcher
Hayes (LA)
Hefner
Hubbard
Huckaby
Hyde
Johnson (TX)
Lent
Lewis (CA)
Lowery (CA)
Marlenee
Pursell
Ray
Roukema
Schulze
Solarz
Stark
Towns
Traxler
Weiss
Yatron

□ 1929

The Clerk announced the following pairs:

On this vote:

Mr. Weiss for, with Mr. Ray against.

Mrs. Roukema for, with Mr. Marlenee against.

Mr. Towns for, with Mr. Lewis of California against.

Mr. MACHTLEY changed his vote from "aye" to "no."

Mr. MARKEY changed his vote from "no" to "aye."

So the amendments en bloc were agreed to.

The result of the vote was announced as above recorded.

Mr. CARR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I beg the indulgence of the House for just 1 or 2 more minutes.

The great orator and legislator Daniel Webster once said:

> Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also, in our day and generation, may not perform something worthy to be remembered.

Of all the Members I have had the privilege to serve with, Mr. Webster's statement brings most to mind our chairman, the gentleman from Florida, BILL LEHMAN, and our ranking minority member, the gentleman from Pennsylvania, LARRY COUGHLIN.

BILL and LARRY brought unique qualities to this institution. Soft-spoken, thoughtful, concerned about the people they served and the people they serve with, they made the Subcommittee on Transportation of the Committee on Appropriations a place where it was a genuine pleasure to serve, and they set a pattern of common dealing which those of us who follow will adhere to.

Of the gentleman from Florida, BILL LEHMAN, the Almanac of American Politics describes him this way:

> There is such a thing as a shy, self-effacing used car dealer. Bill Lehman proves it. When he gets up to talk, smiling meekly and speaking in a soft drawl, it is hard to believe he once sold Buicks in Miami under the name "Alabama Bill."

The Fort Lauderdale News dubbed him the "unpolitician." The Politics of America manual says of LARRY:

> Coughlin looks every bit the Main Line gentleman he is. His bow tie, upper class accent and prestigious education are the correct trappings for the representative from the State's most affluent district. This role comes naturally to the patrician Republican.

Both of these gentleman will be missed. Forty-four years of experience in our committee will be gone overnight. Both have served their public, both in times of war and in times of peace. LARRY was in the Marine Corps and BILL in the Army Air Corps in World War II. Both have a deep and abiding commitment to transportation and to urban affairs, and to the people they serve. We will sorely miss them.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. CARR. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I want to second the comments of my colleague, the gentleman from Michigan [Mr. CARR] and salute Chairman LEHMAN and the ranking member, the gentleman from Pennsylvania [Mr. COUGHLIN]. The gentleman from Florida [Mr. LEHMAN] has been extremely fair, and for someone who has served in the minority, and someday hopefully those Members over there will get to serve in the minority so they will understand how it feels, Mr. COUGHLIN and Mr. LEHMAN have worked together in a bipartisan way and Mr. LEHMAN has been extremely fair.

I want to say, "BILL, God bless you. I wish you the very best."

To the gentleman from Pennsylvania [Mr. COUGHLIN], I was a staff member for a Republican Member, Congressman Pete Biester, years ago, and Mr. COUGHLIN was elected then and Mr. COUGHLIN was a tremendous person then. I remember him when he came in the office that first day and we met him.

I want to wish both of them, God bless you. We wish the very best to both of them.

Mr. LEHMAN of Florida. Mr. Chairman, if the gentleman will yield, I deeply appreciate my dear friend, the gentleman from Michigan [Mr. CARR] and the gentleman from Virginia [Mr. WOLF]. It has been a pleasure to serve with them. I must be retiring at the right time. Also, I deeply appreciate the ovation from my colleagues in the House of Representatives. I never expected anything like that.

Mr. COUGHLIN. Mr. Chairman, if the gentleman will yield, I just want to say my thanks both to the gentleman from Michigan [Mr. CARR] and the gentleman from Virginia [Mr. WOLF], and every single one of my colleagues in this great institution, the U.S. House of Representatives.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> This Act may be cited as the "Department of Transportation and Related Agencies Appropriations Act, 1993".

Mr. LEHMAN of Florida. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. DE LA GARZA) having assumed the chair, Mr. BOUCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5518) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

□ 1939

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

□ 1940

MOTION TO RECOMMIT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. DE LA GARZA). Is the gentleman opposed to the bill?

Mr. MICHEL. With the adoption of the last amendment I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. MICHEL moves to recommit the bill, H.R. 5518, to the Committee on Appropriations with instructions to report it back forthwith with the following amendment:
>
> At the end, insert the following new section:
>
> SEC. DEFICIT REDUCTION.
>
> Any savings achieved under discretionary spending limits established under section 601(a)(2)(C) of the Congressional Budget Act of 1974 for fiscal year 1993 as a result of appropriations under this Act or any other appropriation Act shall be applied to reducing the Federal deficit for that fiscal year.

Mr. OBEY. Mr. Speaker, I reserve a point of order on the motion to recommit.

The SPEAKER pro tempore. The gentleman from Wisconsin reserves a point of order.

The gentleman from Illinois [Mr. MICHEL] is recognized for 5 minutes.

Mr. OBEY. Mr. Speaker, will the gentleman yield for a question?

Mr. MICHEL. Yes, I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Speaker, is this amendment identical to the amendment the gentleman offered earlier?

Mr. MICHEL. The gentleman is correct.

Mr. OBEY. Then as we see it, it has no real impact on the Obey amendment just adopted, which amends the discretionary spending limits in section 601(a)(20)(C) in a deficit-neutral manner. It simply says any further reductions achieved from these limits would be used for deficit reduction, and we would have, or at least I would have no objection to that.

The SPEAKER pro tempore. The gentleman from Wisconsin withdraws his point of order.

Mr. MICHEL. Mr. Speaker, the amendment does have effect. I mean there are 108 Democrats who supported every Republican on this side thinking there was some substance to the amendment. For that reason I have to insist on it being made in order as a motion to recommit under the rule during consideration of the bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993.

Mr. OBEY. Mr. Speaker, I think the gentleman misunderstood. I am not objecting to the amendment. I am saying we can adopt it 5 times or 10 times, it has no effect on the amendment just passed, and we would be happy to accept it.

Mr. MICHEL. Well, I disagree with the gentleman and would ask to be recognized for the 5 minutes that I am allotted under my motion to recommit.

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. OBEY] withdrew his reservation of a point of order. The gentleman from Illinois is, therefore, recognized under his motion for 5 minutes.

Mr. MICHEL. Mr. Speaker, my motion to recommit the transportation appropriation bill provides that the bill be reported back forthwith with the amendment that I offered earlier today. I feel so strongly about the fact that we are not abiding by our word in terms of the budget agreement that I feel we must revisit the issue before we have a final vote on the bill.

I noticed that a significant number of Members voted both for my amendment and the Obey-Gephardt amendment. To me that seems somewhat inconsistent, but then those who did so must have some good reason for doing so.

As I see it, Members either believe that we should break the budget agreement and spend more, or we should abide by the agreement and let savings within the categories go to reduce the deficit in each category.

We have been forced into a procedural king-of-the-hill procedure which made it easy for Members to vote "yes" on both amendments. And of course I have decried this procedure any number of times from a minority point of view. I now would like to know, and I think quite frankly the American people would like to know where Members really stand on the issue of reducing the deficit. And so those 108 Members on that side who supported what I was proposing initially, it seems to me, ought to be consistent and vote for my motion to recommit, as I would hope all of the Members on our side would join in doing. Then we could prevail again with that vote that earlier in the day was 268 ayes and 143 noes.

Mr. Speaker, with that I will rest my case, hoping that Members will have been persuaded by my arguments.

Mr. GEJDENSON. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding.

I would simply explain that the effect of the amendment, since it does not strike the Obey amendment which was adopted earlier, is that it is supplemental to the Obey amendment. What that means is that it affects only any further reductions adopted after the passage of the Obey amendment. So, therefore, it has no effect on our amendment, and I think I can speak for most of us in saying that we would therefore accept it, because it has no impact, and we can pass it five times but it still will have no impact.

Mr. FROST. Mr. Speaker, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from Texas.

Mr. FROST. Mr. Speaker, I would like to ask the gentleman from Wisconsin [Mr. OBEY] a question if I may. Does this amendment have the effect of lowering the amount that is available for appropriation bills that have already passed the House if those appropriation bills did not reach the 602(a) allocation?

Mr. OBEY. If the gentleman from Connecticut will yield, which amendment?

Mr. FROST. The Michel substitute. Does it have the effect of lowering the budget allocation for those appropriation bills that have already passed the House prior to this date?

Mr. OBEY. That is not my understanding.

Mr. FROST. It seems to apply to all appropriation bills, that is my question, not just this appropriation bill. It appears to apply to every single appropriation bill.

Mr. OBEY. It does not apply to this amendment, which is the point in question.

Mr. FROST. Let me ask the question of the gentleman from Illinois [Mr. MICHEL] if I may. I would like to ask the minority leader if it is his intent, or the intent of his amendment to apply to every single appropriation bill, or is it the intent of his amendment to only apply to this appropriation bill?

Mr. MICHEL. If the gentleman from Connecticut will yield, I think it might be a very good idea. My original intent, however, was to have it apply only to this appropriation bill. And as we consider other appropriation bills, we might see fit to do likewise. It is a good start and a good beginning.

Mr. GEJDENSON. Reclaiming my time, I yield to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. I would simply reiterate that since the amendment does not strike the Obey amendment, it does not apply to the Obey amendment. The Obey amendment has been adopted. It may apply to other actions, but it does not apply to the amendment that was just adopted by the House.

Mr. GEJDENSON. Mr. Speaker, I yield back the balance of my time.

PARLIAMENTARY INQUIRY

Mr. BURTON of Indiana. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BURTON of Indiana. Mr. Speaker, there has been some confusion. The gentleman from Wisconsin [Mr. OBEY] has indicated that the Michel motion will have no bearing on what we have previously done. Many of us feel that it will supersede the action taken. My parliamentary inquiry that I would like to make to the Chair is that I want to find out, is it the opinion of the Chair that this will supersede the Obey amendment?

The SPEAKER pro tempore. The Chair does not rule on the consistency of such amendments, nor does he construe amendments.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MICHEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage.

The vote was taken by electronic device, and there were—ayes 268, noes 115, not voting 51, as follows:

[Roll No. 283]

AYES—268

Alexander
Allard
Allen
Andrews (TX)
Anthony
Armey
Aspin
Ballenger
Barrett
Barton
Bateman
Beilenson
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Boucher
Brewster
Broomfield
Browder
Bruce
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Carper
Chandler
Chapman
Clement
Clinger
Coble
Coleman (MO)
Combest
Condit
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Cramer
Crane

Cunningham
Dannemeyer
Davis
de la Garza
DeLauro
DeLay
Derrick
Dickinson
Dicks
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Eckart
Edwards (TX)
Emerson
Engel
English
Erdreich
Ewing
Fawell
Feighan
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Goodling
Gordon
Goss
Gradison
Grandy
Green
Gunderson
Hall (OH)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hefley
Henry
Herger
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kasich
Kennelly
Kleczka
Klug
Kolbe
Kyl
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lewis (FL)
Livingston
Lloyd
Long
Lowey (NY)
Luken
Machtley
Martin
Mavroules
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nagle
Natcher
Neal (NC)
Nichols
Nowak
Nussle
Olin
Ortiz
Orton
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Quillen
Ramstad
Regula
Rhodes
Richardson
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Sangmeister
Santorum
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Schumer
Sensenbrenner
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stallings
Stearns
Stenholm
Stump
Sundquist
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torricelli
Upton
Vander Jagt
Volkmer
Vucanovich
Walker
Walsh
Weldon
Whitten
Wilson
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—115

Abercrombie
Anderson
Andrews (ME)
Andrews (NJ)
Annunzio
Atkins
AuCoin
Bacchus
Bennett
Berman
Blackwell
Bonior
Borski
Brooks
Brown
Cardin
Carr
Clay
Coleman (TX)
Collins (IL)
Collins (MI)
Conyers
Coyne
Darden
DeFazio
Dellums
Dingell
Dixon
Donnelly
Dwyer
Dymally
Edwards (CA)
Espy
Evans
Fascell
Fazio
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gephardt
Gonzalez
Guarini
Hall (TX)
Hamilton
Hertel
Hoyer
Jenkins
Johnston
Jones (GA)
Jones (NC)
Kennedy
Kildee
Kolter
Kopetski
Kostmayer
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Markey
Martinez
Matsui
McCloskey
McHugh
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mrazek
Murphy
Neal (MA)
Oakar
Oberstar
Obey
Olver
Owens (NY)
Payne (NJ)
Pease
Perkins
Rahall
Rangel
Reed
Roe
Roybal
Sabo
Sanders
Sarpalius
Scheuer
Serrano
Sharp
Smith (IA)
Staggers
Stokes
Studds
Swett
Swift
Torres
Traficant
Valentine
Vento
Visclosky
Washington
Waters
Waxman
Wheat
Williams
Wise
Wolpe
Wyden
Yates

NOT VOTING—51

Ackerman
Applegate
Archer
Baker
Barnard
Boxer
Bryant
Campbell (CO)
Early
Edwards (OK)
Gaydos
Hatcher
Hayes (IL)
Hayes (LA)
Hefner
Hubbard
Huckaby
Hyde
Jefferson
Johnson (TX)
LaFalce
Lent
Lewis (CA)
Lightfoot
Lipinski
Lowery (CA)
Manton
Marlenee
Moody
Morrison
Owens (UT)
Pursell
Ravenel
Ray
Ridge
Rostenkowski
Roukema
Rowland
Russo
Savage
Schulze
Smith (FL)
Solarz
Stark
Synar
Towns
Traxler
Unsoeld
Weber
Weiss
Yatron

□ 2004

Mr. SMITH of Texas changed his vote from "no" to "aye."

So the motion to recommit was agreed to.

The result of the vote was announced as above recorded.

Mr. LEHMAN of Florida. Mr. Speaker, pursuant to the instructions of the House in the motion to recommit, I report the bill back to the House with an amendment.

The SPEAKER pro tempore (Mr. DE LA GARZA). The Clerk will report the amendment.

The Clerk read as follows:

Amendment: At the end, insert the following new section:

SEC. . DEFICIT REDUCTION.

Any savings achieved under discretionary spending limits established under section 601(a)(2)(C) of the Congressional Budget Act of 1974 for fiscal year 1993 as a result of appropriations under this Act or any other appropriation Act shall be applied to reducing the Federal deficit for this fiscal year.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 306, noes 74, not voting 54, as follows:

[Roll No. 284]

AYES—306

Abercrombie
Alexander
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bacchus
Barrett
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bunning
Bustamante
Byron
Callahan
Camp
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Conyers
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dingell
Dixon
Donnelly
Dooley
Downey
Duncan
Durbin
Dwyer
Dymally
Eckart
Edwards (CA)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hughes
Hutto
Jacobs
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lloyd
Long
Lowey (NY)
Machtley
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moran
Morella
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Pickle
Poshard
Price
Quillen
Rahall
Rangel
Reed
Regula
Rhodes
Richardson
Riggs
Rinaldo
Ritter
Roe
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Roybal
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Schaefer
Scheuer
Schiff
Schroeder
Schumer
Serrano
Sharp
Shaw
Shuster
Sikorski
Sisisky

Skaggs
Skeen
Slaughter
Smith (IA)
Smith (NJ)
Snowe
Spence
Spratt
Staggers
Stallings
Stokes
Studds
Sundquist
Swett
Swift
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Traficant
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Yates
Young (AK)
Young (FL)

NOES—74

Allard
Armey
Ballenger
Barton
Boehner
Burton
Campbell (CA)
Coble
Combest
Condit
Cox (CA)
Crane
Cunningham
Dannemeyer
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Fawell
Fields
Franks (CT)
Gallegly
Gallo
Goss
Gradison
Grandy
Gunderson
Hancock
Hefley
Holloway
Hopkins
Hunter
Inhofe
Ireland
James
Kasich
Kyl
Lagomarsino
Lewis (FL)
Livingston
Luken
McEwen
McMillan (NC)
Miller (OH)
Moorhead
Nichols
Nussle
Oxley
Packard
Pallone
Penny
Petri
Pickett
Porter
Ramstad
Roberts
Rohrabacher
Saxton
Sensenbrenner
Shays
Slattery
Smith (OR)
Smith (TX)
Solomon
Stearns
Stenholm
Stump
Thomas (CA)
Vucanovich
Walker
Weber
Wylie
Zeliff
Zimmer

NOT VOTING—54

Ackerman
Applegate
Archer
Baker
Barnard
Boxer
Bryant
Campbell (CO)
Dicks
Early
Edwards (OK)
Gaydos
Hatcher
Hayes (IL)
Hayes (LA)
Hefner
Hubbard
Huckaby
Hyde
Jefferson
Johnson (TX)
Jones (GA)
LaFalce
Lent
Lewis (CA)
Lightfoot
Lipinski
Lowery (CA)
Manton
Marlenee
McCrery
Morrison
Owens (UT)
Panetta
Pursell
Ravenel
Ray
Ridge
Rostenkowski
Roukema
Rowland
Russo
Savage
Schulze
Skelton
Smith (FL)
Solarz
Stark
Synar
Towns
Traxler
Unsoeld
Weiss
Yatron

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The Clerk announced the following pairs:

On this vote:

Mr. Synar for, with Mr. Johnson of Texas against.

Mr. Ackerman for, with Mr. Lewis of California against.

Mr. Barnard for, with Mr. Lowery of California against.

Mrs. Unsoeld for, with Mr. Pursell against.

Mr. Solarz for, with Mr. Ridge against.

Mrs. Roukema for, with Mr. Schulze against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SYNAR. Mr. Speaker, because of a previous commitment I was not present for rollcall No. 283, the Michel motion to recommit H.R. 5518 to the Committee on Public Works and Transportation with instructions. Had I been present I would have voted "no." Nor was I present for rollcall No. 284 to pass H.R. 5518, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993. On that vote I would have voted "aye."

Mr. OXLEY. Mr. Speaker, I was unavoidably detained and was not present for rollcall votes numbered 277 and 278.

Had I been present for rollcall No. 277, I would have voted "nay."

Had I been present for rollcall No. 278, I would have voted "nay."

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 5518, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Mr. LEHMAN of Florida. Mr. Speaker, I ask unanimous consent that the Clerk may be permitted to make technical and conforming changes, including section renumbering, during engrossment of the bill, H.R. 5518.

The SPEAKER pro tempore (Mr. DE LA GARZA). Is there objection to the request of the gentleman from Florida?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF A JOINT RESOLUTION AND A BILL RELATING TO THE MOST-FAVORED-NATION TREATMENT FOR THE PEOPLE'S REPUBLIC OF CHINA

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-665) providing for consideration of a joint resolution and a bill relating to most-favored-nation treatment for the People's Republic of China, which was referred to the House Calendar and ordered to be printed.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Madam Speaker, I asked unanimous consent to proceed for 1 minute that I might inquire of the distinguished majority leader, the gentleman from Missouri, the program as we return after our break.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the distinguished majority leader.

Mr. GEPHARDT. I thank the gentleman for yielding.

Madam Speaker, obviously our votes are finished for today. There will be no votes on tomorrow.

All of next week the House will not be in session because of the Democratic Convention.

On Monday, July 20, the House will not be in session.

On Tuesday, July 21, the House meets at noon on the Private Calendar. There will be three bills under suspension. Recorded votes on the suspensions will be postponed until the end of the legislative day.

They are, first, H.R. 2735, relating to miscellaneous, noncontroversial tax provisions; House Resolution unnumbered, to concur in Senate amendment to H.R. 2607, Rail Safety Enforcement and Review Act, with an amendment; and H.R. 5377, the Cash Management Improvement Act.

We will then consider House Joint Resolution 502, the China MFN disapproval, subject to a rule; H.R. 5318, United States-China Act of 1992, subject to a rule; and H.R. 2637, the Waste Isolation Pilot Land Withdrawal Act of 1992, open rule, 1 hour of debate.

On Wednesday, July 22, and the balance of the week, the House meets at 10 a.m., to take up H.R. 5503, Interior and related agencies appropriations for fiscal year 1993, subject to a rule; H.R. 4850, Cable Television Consumer Protection and Competitiveness Act of 1992, subject to a rule; H.R. 4312, Voting Rights Improvement Act of 1992, subject to a rule; H.R. 5236, Voting Rights Extension Act of 1992, subject to a rule; and H.R. (unnumbered), urgent supplemental appropriations, 1992.

Conference reports may be brought up at any time. Any further program will be announced later.

Mr. MICHEL. I thank the distinguished majority leader, and I yield back the balance of my time.

H. RES. 514

Resolved, upon adoption of this resolution it shall be in order to consider in the House the joint resolution (H.J. Res. 502) disapproving the extension of nondiscriminatory treatment (most-favored-nation) to the products of the People's Republic of China. The joint resolution shall be debatable for one hour, to be equally divided and controlled by Representative Solomon of New York and Representative Rostenkowski of Illinois or their designees. Pursuant to sections 152 and 153 of the Trade Act of 1974, the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion. All points of order against consideration are hereby waived with respect to the measures specified in this section and section 3 of this resolution.

SEC. 2. The provisions of sections 152 and 153 of the Trade Act of 1974 shall not apply to any other joint resolution disapproving the extension of most-favored-nation treatment to the People's Republic of China for the remainder of the One Hundred Second Congress.

SEC. 3. After disposition of the joint resolution (H.J. Res. 502), it shall be in order to consider in the House the bill (H.R. 5318) regarding the extension of most-favored-nation treatment to the products of the People's Republic of China, and for other purposes. The bill shall be debatable for one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The previous question shall be considered as ordered on the amendments recommended by the Committee on Ways and Means now printed in the bill, which shall be considered en bloc and which shall not be subject to a demand for a division of the question, and on the bill to final passage without intervening motion except one motion to recommit.

AUTHORIZING THE SPEAKER AND MINORITY LEADER TO ACCEPT RESIGNATIONS, AND MAKE APPOINTMENTS, NOTWITHSTANDING ADJOURNMENT

Mr. GEPHARDT. Madam Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Tuesday, July 21, 1992, the Speaker and the minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

The SPEAKER pro tempore (Mrs. BYRON). Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JULY 22, 1991

Mr. GEPHARDT. Madam Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, July 22, 1992.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL 5 P.M., THURSDAY, JULY 16, 1992, TO FILE REPORTS ON SUNDRY BILLS

Mr. DE LA GARZA. Madam Speaker, I ask unanimous consent that the Committee on Agriculture have until 5 p.m. on Thursday, July 16, 1992, to file reports to accompany the bills H.R. 4059, the Enterprise for the America's Initiative Act, H.R. 4906, the Agricultural Credit Improvement Act of 1992, and H.R. 5237, the Rural Electrification Administration Improvement Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

RTC FUNDING

(Mr. HOAGLAND asked and was given permission to address the House for 1 minute and to include extraneous matter.)

Mr. HOAGLAND. Mr. Speaker and colleagues, on Monday of this week we learned the very unfortunate news that the eighth largest savings and loan in the country, a thrift called HomeFed Bank of San Diego, was taken over by the Government.

This thrift has 206 branches in California and total assets of $13.5 billion, the largest institution ever taken over by the Government.

The reason this news is so unfortunate is because Mr. Ryan, the Director of the Office of Thrift Supervision, had placed the institution in the accelerated resolution program, which is a way of resolving thrifts in a way that does a minimum amount of damage to the taxpayer, but because of the administration's and this body's failure to enact additional funding for the RTC several months ago, the Office of Thrift Supervision was forced to place this institution into receivership and take it out of the accelerated resolution program.

Now, as a result of this action involving this and other thrifts, the price tag of the taxpayers is going to be millions if not billions more than it would have been otherwise.

I call on the administration and on both parties of this Congress to provide the RTC the funds it needs to finish cleaning up the S&L crisis because by not funding the RTC, we are adding millions and millions of dollars to the taxpayer's total bill.

REGULATORS SEIZE BIG CALIFORNIA THRIFT

(By Susan Schmidt)

HomeFed Bank of San Diego was taken over by the federal government yesterday, the largest savings and loan yet to fail in the four-year-old thrift crisis that has cost taxpayers hundreds of billions of dollars.

The long-ailing California thrift, with 206 branches and $13.5 billion in assets, fell victim to the 1980s' search for profits in high-risk lending on land and commercial real estate. Such loans, along with foreclosed real estate, made up 40 percent of HomeFed's holdings, federal officials said.

HomeFed is the eighth-largest S&L in the country. It is one of a handful of very large institutions that have been teetering on the brink of survival in Southern California, where the results of years of real estate recession are now hitting hard.

HomeFed lost $268 million in 1990 and a staggering $732 million in 1991. It showed a profit of $31 million early this year, largely because of asset sales and tax credits.

The government will continue to operate the thrift indefinitely until Congress approves funds to cover the S&L's losses, pay off depositors and shut it down. Depositors remain federally insured up to the $100,000 limit.

The Office of Thrift Supervision announced the government takeover yesterday after attempts to put together a plan to bring in a private buyer for HomeFed's deposit and some of its assets were frustrated.

Three months ago, OTS regulators placed HomeFed in the Accelerated Resolution Program, or ARP, which was designed to avoid a government takeover. It would have saved the government money, the agency maintains, by bringing in a new operator instead of placing HomeFed under government conservatorship. ARP is intended to preserve some of the institution's value by averting a deposit drain that generally occurs when an S&L is open but operating in government hands.

OTS has had to all but abandon its ARP program in the aftermath of Congress's refusal this spring to approve any more money to close down dying S&Ls. The government is taking over insolvent institutions, but it cannot close HomeFed or any other S&L until Congress approves more money to cover losses and pay off depositors.

The longer an institution operates in government hands, the bigger the loss to taxpayers, federal officials say.

"Clearly, the taxpayers could have been saved millions, even billions of dollars, if funding had been approved to resolve HomeFed and other troubled institutions through ARP," said OTS Director Timothy Ryan in a prepared statement last night. "The lack of congressional initiative on this matter is troubling, as OTS cannot allow deteriorating thrifts to continue operating in the private sector."

Two other California thrifts with souring loan portfolios, California Federal Bank and Glendale Federal Bank, recently announced agreements with regulators that give them a year to raise capital substantially before risking possible seizure.

For California, with 1.3 million people unemployed and a deepening recession, yesterday's announcement was the latest in a string of gloomy economic development.

Last week, giant Hughes Aircraft Co. announced it would lay off 9,000 workers, and the state began handing out IOUs instead of paychecks as it wrestled with budgetary problems.

Against this backdrop, the takeover of the giant S&L was not even the top story on nightly TV news reports there, with commentators noting that at least with HomeFed, depositors enjoyed federal insurance for their savings.

HOMEFED'S SEIZURE WON'T SPEED SALE BECAUSE REGULATORS STILL LACK FUNDING

(By Sam Zuckerman)

After a federal takeover on Monday, San Diego-based HomeFed Bank's much-ballyhooed sale remains clouded by the thrift-bailout agency's funding crisis.

HomeFed, with about $12.4 billion in assets, failed after an ill-fated venture into construction lending left it virtually without capital and with a bulging portfolio of sour loans. It is the nation's eighth-largest savings institution and the biggest ever to be put into receivership.

As in the case of other failed thrifts, HomeFed's sale will be delayed until Congress provides the Resolution Trust Corp. funds to dispose of seized institutions. The agency ran out of money for thrift resolutions in April.

WAITING FOR CONGRESS

The timing of HomeFed's sale depends on how quickly Congress acts, said Elisabeth N. Spector, the RTC's director of accelerated resolutions.

"If we got the money today, we could resolve it by the end of October," she said.

Regulators previously tried to sell HomeFed under the accelerated resolution program, a procedure aimed at selling troubled institutions without putting them through formal federal takeovers.

HomeFed, with its network of some 200 branches in California, was one of the accelerated program's crown jewels.

After HomeFed was put up for sale last April, a bevy of investment bankers and thrift acquisition specialists descended on the institution. But, without money, regulators could not proceed, forcing a takeover.

Receivership may further erode HomeFed's franchise and increase costs to the government, but it will not substantially alter regulators' plans for selling the thrift. "Not all that much will change," said Ms. Spector.

The RTC plans to sell HomeFed under what it calls the "coordinated institution marketing" procedure.

Under the program, an institution's deposits, branches, and assets, including nonperformers, are put up for sale at the same time, though they may be sold to separate buyers. The program aims to rid the RTC of problem assets quickly as possible.

Previously, the RTC sold only branches, deposits, and high-quality loans, keeping problems assets for later sale.

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SAN FRANCISCO MOURNS THE LOSS OF JOE PASSEN

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Madam Speaker, I rise today to pay tribute to and celebrate the life of my good friend Joe Passen who died on June 6. Joe was very special to our San Francisco community, and he was a person who contributed much to make our country great.

Madam Speaker, Joe Passen was a San Francisco labor and neighborhood activist, a decorated war veteran. He was awarded the Bronze Star in World War II. He was a retired member of the ILWU.

Madam Speaker, I say to my colleagues, "When you know about Joe Passen, you know more about San Francisco." His proudest boast about our city was:

> San Francisco is proud to be the first city in the world to become a trade union town. To understand San Francisco is to look beyond its physical beauty and value its commitment to grassroots participation, to its neighborhoods not always visited by the tourist and the television cameras, and to the value it places on the workers in the society.

That is what Joe Passen's life was all about. It was also about his wonderful wife, Ruth, their family and their new granddaughter, Natalie.

Joe was a handsome, proud man who was loved by his friends. We are fortunate to have known him. He will be greatly missed.

Born in Chicago, Mr. Passen came to California in 1927, and moved to San Francisco in 1939, where he was a rank-and-file activist in a wide variety of unions.

As shop steward for a ship repair union while working in the Bethlehem Shipyards at the beginning of World War II, Mr. Passen was instrumental in securing promotional opportunities for women workers. Before his intervention, women had been kept in a lower paid helper status, but when Mr. Passen observed women working without supervision, he fought to win them higher paying jobs.

And as part of a rank-and-file caucus in Teamster Taxi Drivers Local 265, Mr. Passen helped issue an underground newsletter, The spokesman, during the San Francisco taxi drivers' strike in the late 1940's.

At the time of his retirement in 1978, he had worked on the city's waterfront as a ship's clerk for 14 years and had been active in local 34 of the International Longshoremen's & Warehousemen's Union. He served yearly as part of the local's honor guard during the commemoration of Bloody Thursday, the anniversary of the July 1934, San Francisco general strike.

Preservation of the city's waterfront for maritime use and public access was a major commitment for Mr. Passen, and in 1990 he helped to spearhead the drive for proposition H, which banned hotels on the city's waterfront.

He had also been active in efforts to defeat measures that would have required public funds to be spent for a baseball stadium. And despite declining health, he continued to be passionate about expressing his point of view. When newly elected Mayor Frank Jordan spoke on Potrero Hill April 8, Mr. Passen received enthusiastic applause from the neighborhood crowd when he stressed that "what made San Francisco a world class city was not a baseball team. San Francisco is proud to be the first city in the world to become a trade union town."

Throughout his decades of activity on the labor, political and neighborhood fronts, Mr. Passen was known for his outspoken and firm commitment to principle.

"Joe Passen was a great San Franciscan," said former Mayor Art Agnos, a family friend. "He always put the neighborhoods first without compromising his progressive politics."

While Mr. Passen served in the Army Air Corps in the Pacific during World War II, winning the Bronze Star, he strongly opposed the Korean war, and was a cofounder of Vets for Peace. He was attacked on a local radio talk show for his efforts and became the target of a spate of threats in 1951. He went on to be active in opposing the Vietnam war, coordinating the hundreds of monitors who worked in the massive 1967 and 1969 peace demonstrations in San Francisco.

Mr. Passen worked for many years on the staff of the Potrero View newspaper, and also served as vice president of the board of directors of the Potrero Hill Neighborhood House. Upon his retirement, Mr. Passen and a group of fellow retired union activists formed the Fort Point Gang, who walk weekly by the bay under the shadow of the Golden Gate Bridge.

Mr. Passen is survived by his wife Ruth, son and daughter-in-law Marc and Dianne and granddaughter Natalie.

THE MULTIPURPOSE AUBURN DAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DOOLITTLE] is recognized for 5 minutes.

Mr. DOOLITTLE. Madam Speaker, today the gentleman from California [Mr. LEHMAN] and I have introduced a very important bill for California. It is a bill to authorize the multipurpose Auburn Dam.

Madam Speaker, for 6 years Californians have alternatively faced the twin threats of flood and drought. These problems can be cured by a multipurpose facility done in stages which provide the flood control the Sacramento area so desperately needs, and is seeking, and which will also then allow for a second stage to be added which will provide for tremendous environmental enhancements to our fisheries, improvements to the recreational areas in the Sacramento area and which will also relieve our drought, now in the sixth year, and which will provide a new source of clean hydroelectric power.

All of those benefits can be achieved, and I would just observe that the debate about this issue seems to be centering around how shall we use the Federal flood control money that is available to build the project, and it is our belief that this money should be used in the way that makes it stretch the furthest and provides the greatest benefit to our constituents and that way will allow for a multipurpose facility.

We require in this bill that the first stage will be built in such a way as to allow for later a convenient and easy expansion into a multipurpose dam. That means we have got to have the facility designed and built to include openings with gates and also built in such a way that it can be added on to conveniently, and we have in there a proviso that says that the structure that is built in two stages must be no more expensive than what it would cost if we started right from scratch and built a multipurpose Auburn Dam right from the outset.

Now I would say just by way of observation that this is a facility that has been much talked about. The study is now complete for the flood control portion of it. I wish the study were ready so that we could move ahead immediately on the multipurpose features, but I will say that finally, at long last, our local entities are prepared to step forward and to pay for the multipurpose features of this dam.

Madam Speaker, that is a big breakthrough. It will be all local money, and it will enable us, and all non-Federal money, will enable us to relieve the condition of drought that has been so difficult for us in these recent years.

California has a history, a recorded history, back from the first part of the 20th century. We have had a 10-year drought, and it is important that we plan for the future. The recreation at Fulsome Lake will be devastated beginning in the very near future as the reoperation of Fulsome begins to provide interim flood control storage. The fish are being killed by the warm water as a result of the low lake level. The flows that we are accustomed to in the Lower American River will be increasingly diminished until and unless we increase our supply of water. California has had nearly a 20-percent increase in population over the last decade, and yet we have developed no new water for the region.

Madam Speaker, it is now becoming a question of either making the pie larger, the water pie, or of reallocating shares, and, if the reallocation occurs, it is going to be very harmful to our State's No. 1 industry, which is agriculture.

Interestingly enough, we can develop Auburn Dam water for about $100 an acre foot, a bargain at today's prices. The people of Sacramento County have voted in 1990 in measure T overwhelmingly in support of a multipurpose Auburn Dam, and the surrounding counties support the dam. It is merely a matter now of putting our shoulders to the wheel and moving forward, and in that spirit we have introduced today this legislation.

Madam Speaker, hearings will be held before the Committee on Interior and Insular Affairs and the Committee on Public Works and Transportation on July 23.

Madam Speaker, I appreciate the opportunity to address the House on this measure of importance to us.

NEW ASSURANCES FOR AMERICAN CONSUMERS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Madam Speaker.

Mr. Speaker, a little over 1 year ago I stood in this well and reported to this body that Canadian meat imported to our country was improperly inspected. I am happy to inform my colleagues that I have received assurances from Secretary of Agriculture Edward Madigan that he has personally taken steps to address deficiencies in the procedures used to inspect Canadian meat imported into the United States. At hearings before the Subcommittee on Commerce, Consumer Protection, and Competitiveness last year, public advocacy groups, a Department of Agriculture [USDA] meat inspector, and the General Accounting Office [GAO], criticized the current inspection system, raising concerns that the public health is not being properly protected.

During a meeting in my office early last week, Secretary Madigan explained that he had only recently become aware that Canada has tougher inspection rules for United States meat imports than the United States has for inspecting Canadian meat products. In Canada, every truckload of United States meat is required to stop and be subject to inspection; but only one of ever eight or nine truckloads of Canadian meat must stop for inspection in the United States.

Secretary Madigan assured me that under a new inspection program which he hopes to negotiate with Canada by August 1, there will no longer be any skiploads—every load of Canadian meat will have to stop and be subject to inspection. In addition, Canadian packers will not be told in advance which shipments will be inspected; and the practice of having Canadian inspectors pull the samples United States inspectors are allowed will also stop.

The new program is expected to be modeled after the Canadian program of inspection. There will be no reduction in the number of meat inspectors.

Concerns about the inspection program for Canadian meat were first raised in a hearing the subcommittee held on May 15, 1991. A USDA import meat inspector testified at the hearing that the lack of controls under USDA's current inspection program threatens public health.

The subcommittee's investigations revealed that Canadian meat packers are attempting to ship large quantities of meat into the United States that do not comply with USDA standards. The USDA inspector who testified said that he alone had rejected over 1 million pounds of Canadian meat in 1990. The General Accounting Office confirmed his claim in an investigation I requested.

The GAO also criticized the USDA's streamlined inspection system which was adopted as a result of the United States-Canada Free-Trade Agreement. According to the GAO, the USDA's practice of notifying Canadian meat packers in advance as to which of their shipments will be inspected together with allowing Canadian meat inspectors, rather than USDA inspectors, to pull the samples for inspection, severely undermines the credibility of USDA's inspection program.

In testimony before the subcommittee, GAO expressed concern over the practice of relying on Canadian officials to do the job that USDA inspectors have traditionally done. GAO said:

> To have the person being evaluated pull his or her own sample creates the appearance that the sampling process lacks independence and objectivity. In our opinion, the streamlined inspection procedures, as currently designed, will be a continuing source of allegation, controversy, and criticism.

As a result of testimony given at the hearing, in letters to Secretary Madigan dated May 23, 1991; January 22, 1992; May 14, 1992; and June 17, 1992, I recommended that the Department of Agriculture do away with the streamlined inspection program. USDA meat inspectors, not foreign nationals who have no responsibility to our government or the American public, must be given complete authority to pull samples and conduct frequent and thorough inspections of Canadian meat.

The bottom line is that the health and safety of American consumers must not be jeopardized in the name of free trade with Canada or any other country.

I am very pleased that Secretary Madigan has taken my concerns seriously and is personally involved in this matter. I have great confidence in his commitment to do the right thing for the American consumer on this issue. The subcommittee will watch closely to see that the goals set by the Secretary are in fact achieved.

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REGIONALISTIC POLITICS

The SPEAKER pro tempore (Mrs. BYRON). Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

Mr. WALKER. Madam Speaker, I would like to begin this evening by congratulating AL GORE on his selection as the Vice Presidential candidate for the Democratic ticket. I worked with AL on the Science, Space, and Technology Committee over a number of years. I enjoyed the experience. He is a capable person who has a lot to offer from his viewpoint, but I must say that his philosophical viewpoint and mine were considerably different and we often had a real difference of views over the issues before the committee.

What I do know now is that this is a ticket which is heavily balanced toward the liberal viewpoint, and the American people need to understand that in the dialog which is about to occur.

I must say that I think the issues raised by the Gore nomination are more issues relating to Bill Clinton than they are to AL GORE. It seems to me that the Clinton campaign has at this point abandoned semblance of a national campaign strategy. It appears as though they have taken the roll of the dice toward having a purely southern strategy, and that their hopes are that when the campaign comes down to the fall, that it will be purely a campaign between George Bush and Bill Clinton, and they will be able to eat into a base of the Republican Party that is purely southern.

But understand for those of us in States like Pennsylvania, it does mean that there is no real balance here, the kind of balance that George Bush did when he picked DAN QUAYLE from the Midwest to be on the ticket, who brought a little different perspective.

All of us, regardless of our credentials as national politicians, do as well tend to be regional politicians, and we do tend to have experiences based upon those areas of the country where we were raised and where our political roots are. In this particular case the entire base of the ticket will be southern in nature.

There have been many people watching Governor Clinton to find out whether or not Governor Clinton is going to be able to expand his fairly narrow political base. What is now clear is that Governor Clinton does not want to do that, that Governor Clinton has made the decision that he is going to keep his base right where it is.

It is certainly clear to me in this nomination that the Democratic Party has decided to not pursue its opportunities in the Northeast, in the Midwest, and in the West, and has instead decided that they will pursue a purely southern strategy in their quest for the Presidency.

I note from some of the reactions on the Democratic side that there are some Democrats who are also worried about this. Speaker FOLEY spoke to it saying that he thinks that the old notion of geographical balance has been weakened in the modern political environment. He may be right on that, except, as I say, the experience level of politicians is very much tied to their regions, and this is very narrow.

Jesse Jackson was quoted as saying, they will have their hands full to expand their base beyond the Southern Democratic Leadership Council territory.

That, I think, is the concern when you take a look at what happened here.

So I do congratulate AL GORE. As I say, he is a very capable individual. But it does raise real concerns I think amongst many Americans about whether Governor Clinton has the national viewpoint that is required of a President.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. JONTZ] is recognized for 5 minutes.

[Mr. JONTZ addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 5 minutes.

[Mrs. BENTLEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

SHIPBUILDING IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. TAYLOR] is recognized for 5 minutes.

Mr. TAYLOR of Mississippi. Madam Speaker, I come tonight to address a matter of great importance, and that is Secretary of Transportation Carr's maritime revitalization program that he recently unveiled to the House Merchant Marine and Fisheries Committee.

The Transportation Secretary at least should be credited with trying to improve the merchant marine, but, unfortunately his program, like the program of Secretary of Defense Cheney and so many programs of our Trade Representative Carla Hills, continues a bias against Americans, and that is at the heart of Secretary Carr's proposal, is to take American taxpayer dollars and use it to subsidize ships that were built in foreign shipyards with foreign subsidies and then give those ships an American flag and the protection of the United States.

I say he follows the bias of Secretary Cheney because that is precisely what Secretary Cheney has been doing for the past 4 years now as year after year the Congress of the United States, the House Armed Services Committee, the House Appropriations Committee, appropriates money for a fast Sealift program so we can have the ships in order to move our troops and supplies to a different area of the world in a time of war. For the past 4 years the Secretary has refused to spend the money in the hopes that the Congress will back down and allow him to purchase those ships from foreign shipyards, again at a time in the past 10 years that this Nation has lost 300,000 shipbuilding-related jobs since the Reagan administration asked and unfortunately this Congress approved a cut in shipbuilding subsidies for our Nation.

It troubles me additionally that the National Oceanographic and Atmospheric Administration now has a budget of $1.2 billion for shipbuilding. They also want to build their ships overseas.

Bit by bit, they are giving away the American dream. On the day I was born our nation ranked second in the entire world in shipbuilding. Today we are 24th and 98 percent of all the ships that are built in America are for the Department of Defense.

□ 2040

There are 16 countries in the world that get foreign aid from the United States that build more ships than we do. Combined they get over $3.8 billion. There are 9 countries in the world that build more ships than we do that have American troops stationed there, and between the 9 of them that is 380,000 young American men and women who are protecting their country at the expense of Americans, for the sake of their nations, and at the expense of our jobs.

It troubles me to hear Secretary Carr making statements to the effect that we can have those ships built cheaper overseas, that the American worker is getting too much money. It really troubles me to hear that coming from a person who is paid $142,000 a year, who in his inner staff has 120 political and Presidential appointees, who budget for just his inner staff is $1,280,000, who drives around in a chauffeur-driven limousine and talks about the American worker making too much money, when at the same time he was giving that testimony people were lined up in places like Morgan City, LA, Pascagoula, MS, San Diego, CA, who would have gladly given the shirt off their backs for an $8 or $10 an hour job at any of our shipyards.

I want to invite Secretary Cheney, Secretary Carr, our chief trade negotiator, Carla Hills to get out of the limousine, to go into the Kmart in Morgan City, LA, or the grocery store in Pascagoula or maybe the Wal-Mart out in San Diego and look the people in the eye that they say are too lazy and too incompetent to build ships, remind them that their boss is up for reelection in November and that he has appointed each one of them knowing what their policies were.

I want to remind the American people, who are being constantly told by this administration that they are too lazy, too inefficient to build things here that they have a chance to remind the person who is telling them that that maybe he does not deserve his job come this November.

My colleagues, the United States of America can only be a great nation if we are a great manufacturer, if we are a great maritime power. Every great nation of the world before us has been so. Every great nation after us will also. It is time for these people in the administration to quit giving away the American dream. It is time for this Congress to quit agreeing with them. And above all, it is time for those of us who are on the public payroll to start having some confidence in the people who pay our salaries.

VACATING OF SPECIAL ORDER AND REINSTATEMENT OF SPECIAL ORDER

Mr. DREIER of California. Madam Speaker, I ask unanimous consent to vacate my 60-minute special order tonight and, in lieu thereof, be permitted to address the House for 5 minutes.

The SPEAKER pro tempore (Mrs. BYRON). Is there objection to the request of the gentleman from California?

There was no objection.

CONGRATULATIONS TO PRESIDENT BUSH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER of California. Madam Speaker, I take this special order to extend very hearty congratulations to President Bush on an issue which tragically has not gotten the kind of support that I believe is warranted.

The Group of Seven in Munich several days ago focused a great deal of attention on the plight of the people of the former Soviet Union and other emerging democracies and the whole issue of economic growth and trade. Unfortunately, some in the media have portrayed this meeting as something less than a success for President Bush.

Clearly, the President, in going to Munich, made a very strong case in behalf of the American people. I say it was on behalf of the American people because clearly the goals which the President had set forth for economic growth for the world will have a very strong beneficial impact on the United States of America.

And by that, I am referring, of course, to the goal of trying to remove trade barriers which exist in many parts of the world. There has been much criticism over what some have referred to as the new world order, but by definition, what the President wants to bring about with the new world order is simply self-determination and obviously sovereignty for people within their countries and, as it appears in some parts of the world now, the States which are attempting to declare their independence.

Madam Speaker, it seems to me that as we look at what came from that summit, we could not have been better represented because as we successfully implement the goals which the President was calling for, that being the reduction of those trade barriers, we create for American consumers and, yes, American workers, too, the opportunity to produce and to purchase the best quality products at the lowest possible price.

We know that as we create more and more competition, it will create that benefit and that has been the resounding message of President Bush at the G-7 summit.

One of the key items that came out of the summit was, of course, the very positive news that Boris Yeltsin, the President of the Russian Republic, had. And that news was debt relief. We all know that clearly foreign aid is not something that is particularly attractive in this institution or among the American people. I am not an enthusiastic supporter of massive foreign aid packages which have in the past emanated from this Congress. But it seems to me, as we look at those people who are struggling to emerge from totalitarianism in the republics of the now Commonwealth of Independent States, that trying to provide some kind of relief is necessary.

Remember, it was not relief that is coming from the American taxpayer. It was an agreement that was struck by the seven leaders of that group with me in Munich. So I would say that it is essential for us to do what we can to provide assistance to the emerging democracies because we clearly do not want to see them shift back to a pattern of having despotic leaders. And I hope very much that the agreement that was struck will be beneficial all the way around.

I would like to make one brief comment, Madam Speaker, about the appointment, the selection by Bill Clinton of our colleague here in the Congress, former House colleague, AL GORE. I certainly extend congratulations to him and, as Secretary Baker said today, I wish him the worst of luck in the goals that he will now be pursuing because I do not want to see him become Vice President.

But I do say this of the appointment that Mr. Clinton made: This has clearly become a campaign which is regional. Bill Clinton talked throughout his primary campaign of the effort to bring about a national campaign. I happen to come from a State that has 31 million people, the largest State in the history of the Republic. We will have the largest congressional delegation come January 1993, in the history of the Republic with 54 Members, 52 House Members and 2 Members of the other body, the U.S. Senate. It seems to me that concerns of the West have been ignored with the selection of our friend AL GORE.

I also am concerned, while I am very proud of the record that I have had in dealing with environmental issues, I am concerned that AL GORE clearly represents what I consider to be environmental extremism which poses a very serious threat to economic growth and job creation.

So I just wanted to say those things. Congratulations to President Bush for his very strong and successful work at the G-7 summit, and I also congratulate AL GORE on having been selected by Bill Clinton. But as I said earlier, I hope very much that he is not successful as he heads toward November.

TALKS SIGNAL HOPE FOR RECONCILIATION CONCERNING NORTHERN IRELAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. FOLEY] is recognized for 5 minutes.

Mr. FOLEY. Madam Speaker, last week comprehensive talks were launched between the British and Irish Governments and the main constitutional parties in Northern Ireland. These talks aim at nothing less than a total redefinition of the relationships between the Protestant majority and Catholic minority within Northern Ireland and of the roles of the Irish and British Governments in and concerning Northern Ireland. They follow on earlier talks between the constitutional parties proposed and chaired by the British Government.

These comprehensive talks must be seen with hope by all who follow Irish affairs and who desire to see peace and reconciliation replace the cycle of futile and tragic violence in Northern Ireland. The talks offer such hope because they include the voluntary participation of all the parties who must be involved in any lasting settlement in the north, and because they are being conducted on the basis of principles calculated to produce agreements that genuinely reflect the consent of all the parties. I sincerely trust that this process can lead to new and imaginative structures which will give full and fair expression to the two political aspirations on the island of Ireland.

This House has consistently shown its concern and willingness to assist constructively in the resolution of the problem of Northern Ireland. It is my fervent hope—one shared, I believe, by all my colleagues in the House—that these comprehensive talks will result in an early and peaceful resolution of the Northern Ireland conflict, the last residual issue of Anglo-Irish history. Such a resolution has proven elusive in the past. I devoutly pray that this is the hour it can be realized.

I commend both governments and all the constitutional political parties in Northern Ireland for their renewed dedication to this process of peace.

IN HONOR OF JUANITA JACKSON MITCHELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes.

Mr. HOYER. Madam Speaker, I rise today to pay tribute to one of Maryland's as well as one of this Nation's real heroes, Juanita Jackson Mitchell. Mrs. Mitchell was the matriarch of one of America's great families, the wife of Clarence Mitchell, Jr., one of America's great leaders.

Mrs. Mitchell, who was a longtime fighter against racial discrimination and injustice, died Tuesday at the age of 79.

□ 2050

With her passing, this country has lost one of its finest advocates of social justice and racial harmony. Juanita Mitchell was the daughter of Lillie Carroll Jackson, a local Baltimore NAACP leader. She was the mother of four sons: George Davis Mitchell, Dr. Keiffer Jackson Mitchell, Senator Clarence M. Mitchell III, and Senator Michael Bowen Mitchell. She instilled in all of them the same thirst for the destruction of hatred and bigotry that gripped this Nation in the fifties and sixties, and which, unfortunately, is still with us today.

Madam Speaker, if it were not for the courage of Juanita Jackson Mitchell and those like her, this Nation would no doubt be under the cloud of segregated neighborhoods and schools, restricted department stores, and white only public accommodations.

After being the first African-American woman to graduate from the University of Maryland Law School, Mrs. Mitchell was faced with a city bar association that up until that point admitted not one single black. As an attorney, Juanita Mitchell used the legal system to help topple the barriers of racism and discrimination wherever she found them. As legal counsel and head of the Maryland NAACP, she convinced the city of Baltimore to hire African-American librarians and police officers.

In 1953, she, along with Thurgood Marshall and two other lawyers, was instrumental in abolishing segregated schools. She can also be credited, Madam Speaker, with registering thousands of new African-American voters.

In 1940 Juanita Mitchell was named by President Roosevelt to be a member of the White House Conference on Children. In 1963 President Kennedy appointed her to the White House Conference on Women and Civil Rights. In 1966 President Lyndon Johnson appointed her to the White House conference to fulfill these rights.

Juanita Jackson Mitchell, known to Presidents and known to her neighbors. Madam Speaker, Juanita Jackson Mitchell was the embodiment of all the hopes and desires of those people who were unable to stand up for themselves. She was the voice of the oppressed and the meek. She fought for their dignity and through her sacrifices helped achieve a better life, not only for her fellow African-Americans but for all people of all races and all creeds.

Those of us who knew her will miss her. Those of us who respect her know that Maryland and the Nation have lost a great leader. Those of us who relied on her conscience, her voice, and her hand on behalf of every American, high and low, rich and poor, young and old, black and white, Jew and Gentile, know that she will not be soon replaced. We wish her Godspeed.

We extend our sympathy to her loving family, and we will on Saturday join, I am sure, hundreds and perhaps thousands of people at the memorial service as we say goodbye to not just a great Marylander, not just a great American, but a great member of the human race.

INTRODUCTION OF THE CHILDREN'S INITIATIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Madam Speaker, 2 days ago the children's defense fund released the findings that rank each State by the poverty level of its children. The statistics and its ramifications for the youngest, most vulnerable, and most innocent in this society, our children, are absolutely appalling. Hopelessness and a brutal future are the realities these children will face if action is not taken. And now is the time.

I direct this call to action to all of my colleagues and to the President of the United States, who should be the leading advocate for strengthening families and ensuring our children start school ready to learn and to keep learning. However, the President has done little to prevent the swelling levels of unemployment, homelessness, disintegration of family and hungry children, and some would argue that the recession is not yet over. It is a sad and ironic observation to note that these disaffected groups comprise a literal Third World country within our so-called developed Nation. How can this administration have allowed such outrageous levels of poverty and hunger to happen in this society?

I encourage my colleagues to look closely at the findings the children's defense fund released which indicate that child poverty went up in 33 states between 1979 and 1989, and the number of poor American children grew by 1.1 million, to a total of 11.2 million, between the censuses of 1980 and 1990. The child poverty rate increased by more than 11 percent from the 1980 to 1990 census, and by almost 19 percent since the 1970 census. The youngest Americans had the greatest likelihood of being poor in 1989: 20.1 percent for children younger than 6, compared with 17.3 percent for those ages 6 to 17.

These dreary statistics apply to all States and all races in our society. The problems are extremely prevalent and are becoming increasingly worse. A black child had a 2 in 5 chance of being poor in 1989, a white child had a 1 in 8 chance and an Hispanic child had a 1 in 3 chance. And since 1989, the situation has gotten worse due to the recession and figures from the yearly current population survey show that the number of poor children nationwide rose by 841,000 between 1989 and 1990 alone. These trends must end.

The Congress has truly taken the lead to address these problems with the introduction of legislation today that combines two key measures. Two initiatives, the Family Preservation Act, authored by my colleague Mr. DOWNEY, and the Mickey Leland Childhood Hunger Relief Act, which I authored, will have a lasting and critical importance for families and childhood hunger prevention in this country. Together they will be known as the children's initiative. I am most pleased to be joining Mr. DOWNEY in his efforts, along with Mr. DE LA GARZA, Mr. HALL, Mr. TALLON, and Mr. ESPY, who have been tireless supporters of this issue, to solve some of these critical problems. As many of you know, I have been involved in childhood issues for over a decade.

Mr. DOWNEY's legislation will speak to the States' growing responsibility to strengthen and preserve families. The bill would address urgent and substantial resource needs among State and local child welfare agencies, and encourage State and local innovation in designing programs to keep families intact and prevent expensive and unnecessary foster care placements. Provisions also include addressing the needs of abandoned children, children at high risk, and children exposed to drugs. As a result, States will be able to deal with the dismal status of our child welfare system, and allow States to develop necessary and cost-effective services that will avoid immense social and economic costs in the years to come.

The Mickey Leland bill, which enjoyed bipartisan support and garnered over 100 cosposors, will help the neediest of families and addresses the highest priority concerning the prevalence and revages of hunger and its consequences. It is a national disgrace that about 5 million American children under age 12 go hungry every month with millions more at risk. These hungry children are two to three times more likely to have suffered recent health problems, and these problems are associated with higher school absenteeism.

The bill's antihunger provisions will help the neediest of families and children by assisting those families with high shelter costs so that more income is available to purchase food. Recent data show that 56 percent of poor renters spend at least half of their incomes on shelter versus the Federal standard of 30 percent. It is these families who often are at risk of homelessness and must often choose between heating and eating.

Other major provisions also target assisting families with children and preventing homelessness. The provisions include providing incentives for payment of child support and allowing families that live together to save on shelter costs, to be considered separate Food Stamp households, and not be penalized by overcounting household income.

This entire initiative, which represents scaled down versions of the two original bills, will be fully paid for in each and every year and over the 5 years covered by the legislation, according to CBO cost estimates, by a surtax on the wealthiest in our society. In addition, the financing of this measure would result in an overall reduction in the deficit of $1.2 billion over 5 years. With the outstanding leadership of both Chairman ROSTENKOWSKI and TOM DOWNEY, the House Ways and Means Committee recently approved the family preservation legislation and the financing mechanism.

This is an important opportunity to help our children develop and reach their full potential. The time to help is now. I urge all of my colleagues to join me in these efforts to help the neediest of families, and to strengthen and preserve the families by supporting the family preservation and hunger relief initiative.

THE SUPERCONDUCTING SUPER COLLIDER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. BROWN] is recognized for 60 minutes.

Mr. BROWN. Madam Speaker, 3 weeks ago, the House voted to terminate the superconducting super collider [SSC], which by the end of the decade promises to be the world's largest, most expensive, and in all likelihood most productive scientific facility. Whether the House's action will hold up in the Senate, or through conference, is at this moment uncertain. But we do know that an effort will be made to revive the SSC in the other body and that there is a very good chance that Members of the House—come September—will have another opportunity to vote on the question of whether the SSC should be built.

I am speaking on this issue today in anticipation of that future vote. When it comes, it will be essential for the Members of the House to have a clear understanding of the implications of termination of the SSC not only on high-energy physics, but also on this Nation's leadership in science and technology, on our future economic performance, and ultimately on our vision of ourselves.

I hope that, when that second vote comes, Members will consider the fact that abandoning our pursuit of the next frontier in high-energy physics would in fact be a monumental decision. I can think of no comparable situation in which the United States—or indeed human society—consciously decided that it could not afford the next level of understanding in a premier field of science. The urge to pursue knowledge is an unharnessable one; ultimately, if we turn our backs on the next frontier, others will take up the quest.

I make this plea because, although the June 17 floor debate on the SSC was far reaching, the overriding issue in that debate was a simple one: money. The SSC vote followed within a week of an emotional and extended debate on the balanced budget amendment. Many Members were highly receptive to the opportunity to eliminate funding for a large, visible project—especially one with benefits perceived to be regional rather than national. In my mind, it was the coincidence of these circumstances which explains why 78 Members—nearly 20 percent of those voting—changed from SSC supporters in 1991 to SSC opponents 1 year later.

The SSC, although expensive, was a solid, well-managed program in 1991. The Department of Energy's cost estimate for completing the project has not changed by 1 penny over the past 18 months. The record shows that in 1992, the SSC is still a solid, well-managed program—expensive but worth the investment. In short, nothing of substance has changed in the management of the project over the past year to explain a switch of 78 votes.

Today, in laying the groundwork for a second vote on the SSC in the House later this section, I would like to review the costs and benefits, and the criticisms and justifications, of this project. If we vote on the SSC again this year, we should do so based on a clear understanding of both costs and benefits. The costs—billions of tax dollars, potentially deferred opportunities in other scientific fields—are easy to understand. The benefits—international prestige, pushing the frontiers of basic research—are more nebulous and ephemeral. That, however, does not make them any less important.

In reviewing the floor debate of June 17, I found that there were three basic criticisms of the project:

First, the SSC is a low-priority science and technology project.

Second, the construction of the SSC is being mismanaged by the Department of Energy and its contractors.

Third, we simply cannot afford the SSC.

I would like to review each of these issues in turn, focusing ultimately on the importance and benefits of fundamental research of the type represented by the SSC to U.S. economic and political leadership.

IS THE SSC LOW-PRIORITY SCIENCE?

During the June 17 debate, many Members argued that the funding demands of the SSC are such that they will squeeze out many diverse and important scientific projects, including other worthwhile efforts in high-energy physics. This is a legitimate concern, and one that I expressed myself on the floor in a colloquy with Mr. BEVILL, the chairman of the Energy and Water Development Subcommittee.

In the end, however, I was convicted the risk was worth taking.

The history of high-energy physics in one of fundamental and startling discoveries made possible by a progression of larger and more powerful particle accelerators. As each new generation of accelerators is built, the older accelerators become obsolete. This is the nature of the fields; this is how progress is made. If the SSC is ultimately built, and if 10 years from now the mix of high-energy physics facilities is different than it is today, we should consider it a sign of progress, and certainly not a cause for alarm.

In the short term, will funding for the SSC, in fact, squeeze out funding for other scientific projects that have higher priority? This is a very difficult question to answer, since each Member will have his or her own set of priorities. For some, the top priority might be health research; for others, research into renewable energy or environmental technologies; for others, the SSC.

But in any discussion of priorities, we must remember one crucial fact. Any money that is saved by terminating the SSC will not necessarily flow to other scientific projects, regardless of whether they are high or low priority. In fact, despite rhetoric to the contrary, terminating the SSC may not even lead to deficit reduction. Because of the nature of the appropriations process, it is just as likely that any SSC savings will be expended on nonscientific programs such as water development. Good public policy would seem to dictate that, rather than considering each project piecemeal, the Congress should decide upon the overall funding level and on the mix of projects that comprise our total science and technology portfolio. We probably should weigh projects like the SSC against possible increases in funding for cancer research or critical technology development. But we don't operate that way. We operate through individual appropriations bills, of which at least six deal extensively with matters related to science and technology. And in the system we have, there is no guarantee that money saved from the SSC will go to higher priority science. It is just as likely that money saved from the SSC will only serve to reduce the overall level of funding that science and technology receive.

What about the narrower question of whether the SSC is high-priority physics? On this question, the record is clearer. The executive board of the American Physical Society strongly confirmed its support of the SSC after the House vote. In addition, there are many nonphysicists who understand the importance of the breakthroughs that the SSC will foster. Robert Galvin, chairman of Motorola, has stated that:

> The SSC, by providing energies 20 times greater than any previous accelerators, permits nuclear collisions that examine very small distances and thus magnifies twentyfold our ability to look at the most basic interactions of matter. There is no other way to reach such small dimensions with adequate intensity in the laboratory than by building the SSC. It will provide a tremendous advance in scientific understanding of natural laws.

What about the contention that by disrupting funding for smaller projects, the SSC will, in the words of the Washington Post, "leave physics weaker rather than stronger in this country"? The best answer to this question comes from the high-energy physics community itself, which was asked by the Department of Energy to lay out programs for United States high-energy physics through the 1990's under several budget scenarios. Under all budget guidelines, the High Energy Physics Advisory Panel [HEPAP] said that the SSC was central to a forward-looking physics program:

> In all our plans, we consider construction of the SSC to have the highest priority in the U.S. particle physics program and to be absolutely essential for continued progress in our field into the 21st century. The energy and luminosity of the SSC will provide a unique opportunity to answer some of the most fundamental questions about the structure of matter.

It is appropriate that we in the Congress do our best to set priorities for science and technology in a system which does not permit easy comparisons or trade-offs. But as we do, we should remember that the SSC's strong support from within the Nation's high-energy physics community is no accident, but the result of a very difficult and protracted priority-setting exercise within that community itself. We should also remember that a vote against the SSC does not by itself set scientific priorities; rather, it sacrifices a science project to politics in the name of fiscal responsibility, with no assurance that the elimination of that project will in fact ease funding pressure elsewhere in the research budget.

IS THE SSC MISMANAGED

During the floor debate, there were charges that the SSC is being mismanaged by the Department of Energy and its contractors. Many of these charges were based on investigative work carried out over the past 1½ years by the Investigations and Oversight Subcommittee of the Committee on Science, Space, and Technology. As chairman of the Science Committee, I strongly support a vigorous Investigations and Oversight Subcommittee, and I salute the hard and probing work that the chairman of the subcommittee, Mr. WOLPE, and the ranking Republican member, Mr. BOEHLERT, have done on this and on other issues. Strong congressional oversight is essential on programs like the SSC. Without it, public trust in our $70 billion annual Federal R&D investment would be minimal.

In reviewing the record, it would seem that all the charges of mismanagement essentially boil down to two basic contentions. First, the Department of Energy has consistently low-balled its estimates of project costs. Two, even today, the project cost and claims are not believable. What is the evidence to support each of these charges?

There is evidence to support the contention that project costs have consistently escalated over the past 5 years. But some of the claims of cost overruns are in themselves wildly exaggerated. A reading of the floor debate would lead one to believe that the cost of the SSC has escalated from less than $4 billion to more than $11 billion in the past 5 years. In fact, the first serious estimate of the SSC's cost was made in 1988. That estimate—$5.3 billion in as spent dollars—is about $3 billion less than the current estimate of $8.25 billion. Some of the cost growth since 1988 is legitimate and excusable; some is not. In the excusable category, we should recall three factors.

First, the $5.3 billion estimate was not site specific or design specific.

Second, since the $5.3 billion estimate was made, full annual appropriations have not been provided by the Congress, a factor which stretches the time of construction and therefore the cost of the project.

Third, to provide greater reliability and to enhance the level of experimentation possible, the SSC underwent a significant redesign in 1990.

These are all mitigating and legitimate reasons for changing the cost estimate. Removing these factors, I would estimate that the degree of cost overruns in this project is on the order of 20 to 25 percent over the last 4 years. These are matters for concern, but they are not, in and of themselves, evidence of severe mismanagement. The level of overruns over the past 18 months is zero.

An issue related to the question of overall project cost is the extent to which foreign contributions may offset Federal obligations. I agree with many that the Department has been overly optimistic about foreign contributions for at least 5 years. It is in fact for this reason that on June 17, Mr. WALKER and I offered—and the House adopted—an amendment that would tie SSC appropriations to certification by the President of substantial foreign commitments. I stated then that the SSC is affordable and worthwhile, but only if a substantial amount of the total project cost is defrayed by State and foreign contributions. This requirement for foreign participation was also a key component of the SSC authorization bill which passed the House in 1990.

What about the second charge of mismanagement—that even today claims about the project's total cost are not believable? Much of this case rests on a statement contained in a letter written in January this year by Assistant Secretary of Energy W. Henson Moore, who complained to the project manager that "* * * the overrun problems are continuing or may even be getting worse."

The letter in question refers not to the entire project, but to the work of the architect/engineering contractor on the project. It refers to problems that are now 6 to 12 months old. According to the Secretary of Energy these problems did occur but have been corrected by a number of means, including a reduction of contractor staff.

These are not easy matters to resolve. According to the Secretary of Energy, the contractor is now working within budget and schedule. According to the project's critics, the system employed to track project cost and schedule is insufficiently sensitive to make this determination. Where does the truth lie? The best guidance probably comes from an examination of representative contracts. On that score the project's record is generally good. The most technically challenging components in the program—the state-of-the-art superconducting magnets—are being developed ahead of schedule. Conventional construction contracts, including tunneling, have come in below the baseline estimate. Although the project is really just beginning, and problems may yet appear—for example, in full-scale industrial production of the magnets—there do not appear to be any obvious show stoppers that would justify termination of the project.

In short, although a variety of investigations have revealed some transitory problems in program management, there is no clear evidence to date that would lead one to conclude that the project will exceed the estimated project cost of $8.25 billion.

IS THE SSC AFFORDABLE

I have tried to restate the case that I made on the floor on June 17, that "there is only one dispute about the SSC. That dispute, pure and simple, is about money." The cutting-edge nature of the physics research that will occur at the SSC facility is undeniable. So is the wisdom of providing good jobs for our scientists and engineers at a time when defense cutbacks have eliminated many high-technology jobs. But the question remains. In light of the fact that we cannot afford everything, and therefore that we must make choices, can we afford the SSC? Or to put it another way, will our investment in the SSC pay off?

Answering this question requires a fair amount of distance and perspective. Answering this question requires an appreciation of the long-term benefits, both tangible and intangible, of basic research.

Those on both sides of the SSC issue have engaged in an often misguided debate about the specific technological advances that will or will not flow from the SSC. It is easy to debunk some of these claims. The fact is that there is no way that we can predict with any certainty how the SSC will or will not improve the economy or the quality of life of the American people in the next century. But as Nobel Laureate Leon Lederman testified before the Senate last week, the same arguments could have been raised about the work of Newton, Faraday, Maxwell, Planck, and other renowned physicists "whose pure, basic abstract research today accounts for a large part of our gross national product."

What we do know is that the scale of the SSC, and the powerful way in which it will investigate the most fundamental laws of nature, virtually guarantee that it will ultimately have a major impact on the quality of our lives. We also know that the engineering that leads to industrial improvement and productivity is based on cutting-edge science. Robert Galvin of Motorola made this case last week before the Senate. In his testimony, "The Importance of the SSC to Science, Engineering, and Economic Development," Mr. Galvin noted:

> Engineering for industrial improvement is based on science. Occasionally, basic discoveries have almost immediate application to the marketplace; a good example was the discovery of the transistor in the basic research of Bardeen and Brattain. Usually, many discoveries fit together to give an increasingly profound understanding of phenomena and then the engineers use this understanding to develop practical devices. The engineers, as the problem solvers of our society, must have close connection with the scientists in order to apply scientific understanding to give useful and marketable products.
>
> Combined with information from many other sources, the SSC will give discoveries that will set the tone for the science of the next century. The engineering of the next century will then be transformed by science just as our engineering has been.

I know that many Members are not comfortable with these rather abstract arguments about the necessity and efficacy of investments in basic research. That they are hard to quantify does not make them any less true. One day, we may have the economic tools to understand the exact relationship between investments in basic research and industrial productivity. But for now we will have to be satisfied with some extremely intriguing, albeit preliminary, studies.

Robert M. Solow won the Nobel Prize for Economics in 1987 for his work in the early fifties on the relationship between technology, innovation, and economic growth. Prior to Solow, most economic theory posited that investment of savings was the key to growth. Solow showed with statistics on wage and property income between 1909 and 1957, however, that neither capital investment nor increase in workers was the key factor in economic growth. Rather, it was a residual factor, an undefined broad category that has come to be known as innovation or technology. Solow's findings led directly to the notion that support for basic research, particularly at universities, is a key factor in generating the new knowledge which ensures continued technological innovation.

In the decades since Solow published his Nobel-winning work, a generation of economists has struggled to break down the residual technology factor to get a clearer picture of the specific processes that promote growth. There are a number of possible factors at work, including basic research, applied research, education, on-the-job training, and unstructured on-the-job learning. The work of Edwin Mansfield of the University of Pennsylvania is most noteworthy in explaining the relevance of basic research to productivity increases. Mansfield used a random sample of 76 major American firms in 7 manufacturing industries to understand both the extent to which technological innovations are based on recent academic research, and the time lags between the investment in academic research and industrial utilization of these findings. Mansfield's findings are very interesting in light of the ongoing SSC debate:

> About one-tenth of the new products and processes commercialized during 1975–1985 * * * Could not have been developed without recent academic research. The average time lag between the conclusion of the relevant academic research and the first commercial introduction of the innovations based on this research was about 7 years. A very tentative estimate of the [annual] social rate of return from academic research during 1975–1978 is 28 percent * * *.

But what does this economic research have to do with the SSC? Even if we accept the argument that technology and innovation are the keys to growth, and that basic research is a key element in technology and innovation, how do we know that the SSC is the kind of basic research that will be useful to our economy and to our society?

One answer to this question is that any research as fundamental and as high-quality as that occurring at the SSC will be useful to society simply because of the tremendous underinvestment by the U.S. economy in research and development. We are well behind our economic competitors in these investments, and the trends are worsening. These are the themes that the Committee on Science, Space, and Technology emphasized in its "Views and Estimates" submission to the Budget Committee in February of this year. In that report, we made the basic point that R&D funding trends suggest a strong rationale for additional targeted investments in civilian high-technology programs.

For most of the past 10 years, defense R&D soared while Federal civilian R&D failed to keep pace with inflation. During the same period, with no coherent Federal technology policy in place, private R&D investment fell behind levels set by our competitors. Today, as a result, these competitors far outstrip the United States in percentage of GNP devoted to civilian R&D investments. As a percentage of GNP, the United States' 1.9 percent, is only investing about two-thirds as much as Japan, 3.0 percent, or Germany, 2.9 percent, on civilian R&D. Even with defense R&D included, the United States is still slightly behind Japan in total R&D expenditures as a percentage of GNP. In many high-technology industries, it is not unusual for Japanese companies to spend up to 15 percent of their profits on cutting-edge R&D—often two to three times as much as their United States counterparts.

Actually, according to two stories by Bill Broad which appeared earlier this year in the New York Times, I may even be underestimating the extent of our comparative decline in research and development. These stories highlight several disturbing trends. First, in the past 2 years, the amount of total R&D conducted in the United States has declined for the first time in over 20 years. In 1990, as a result of restructuring and recession, industrial R&D in the United States showed its biggest drop in three decades. Second, it is becoming clear that the Federal Government has been using inappropriate currency conversion rates and systematically underestimating the strength of Japan's support of industrial R&D. Using actual exchange rates between the dollar and yen, Japan—with half the population of the United States and an economy only two-thirds as large as that of the United States—is spending over $80 billion annually on industrial R&D, an amount which is larger than that spent by United States industry. In short, at a time when Japan is outspending the United States on capital investment, $586 billion versus $524 billion in 1990, it has also become the world's leading patron of industrial R&D.

It is compelling to note that this period of growing civilian R&D commitment by our competitors, which was unmatched by the United States, correlates with the decline in our industrial competitiveness. Furthermore, in those areas where U.S. R&D expenditures have remained strong, such as biotechnology, pharmaceuticals, and aeronautics, our competitive position has remained strong.

In light of the critical importance of R&D to economic growth, the Science Committee has recommended as a fundamental national goal that the total Federal R&D commitment at least maintain pace with inflation over the next 10 years. This should be done in two ways. First, tax policies should be structured so that within a decade, private R&D investment will grow sufficiently to enable our overall civilian R&D investment level to approach that of our economic competitors.

Second, we should accelerate the ongoing shift of resources and personnel from defense R&D programs to civilian R&D programs. Historic trends suggest that this shift is overdue. While our civilian R&D expenditures stagnated over the past 10 years, defense R&D experienced 76 percent real growth. In 1979, the ratio of Federal defense to civilian R&D was 48:52. The ratio steadily rose to a peak of 69:31 in 1986 and has been slowly decreasing since. In fiscal year 1992, the ratio stands at 60:40, and in the President's fiscal year 1993 budget submission, despite the greatly diminished Soviet threat, the ratio drops only one additional point to 59:41. Given that the total annual Federal R&D investment is well over $70 billion, small percentage shifts from defense to civilian R&D have the potential to yield large returns in technological investment. Reversing the current 60:40 defense: Civilian ratio to a 40:60 ratio would reallocate a total of $14 billion from defense R&D to civilian R&D programs.

In short, we can afford the SSC, if we consider it to be a crucial part of a long-term strategy to redress some very disturbing investment trends in the United States. If these trends are allowed to proceed unchecked, they cannot fail to eat away at our standing in a world which will be increasingly dominated by science and technology.

CONCLUSION

Madam Speaker, I would like to close this special order with a few words on the problems that we in the Congress face in dealing with big science—projects like the SSC, fusion reactors, and the space station that are increasingly controversial because of their size, their expense, and the multiyear commitment necessary to bring them to fruition. Big science facilities are not big because of pork-barrel considerations. They are large because shared, complex facilities have become essential to scientific progress in a whole range of disciplines, including astronomy, oceanography, computing, and biology, as well as physics.

If we expect to continue to be world leaders, we can not expect to revolutionize science by watching apples fall from a tree. We will need an appropriate balance of small and big science. It is mindless to oppose all big science projects simply because they are big. In doing so, we virtually guarantee that many fundamental breakthroughs in our understanding of nature will not occur in the United States. By rejecting all big science, we demonstrate that we are unable or unwilling to play the role of the steady, scientific leader in a new world order where security will be based as much on economic and technological strength as on military weaponry.

I know that in the face of huge budget deficits, it is not easy to support a program whose benefits are as uncertain and long-term as the SSC's will be. But ultimately, even if we lose our will, the scientific promise of the SSC will prove to be so intriguing that the work will be done, albeit on other shores. And when that happens, we will send the signal that we knew what a great society should do, but we lacked the will to get it done. This would be a message to the youth of America—and to the world at large—that we are a nation in decline.

□ 2110

SCOWCROFT IMPROPERLY INTERVENED IN CCC PROGRAM AND MANY MORE LIES TO CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, earlier today my colleagues at the Judiciary Committee called upon the Attorney General to seek the appointment of an independent counsel to investigate the conduct of officials and private parties involved in the Iraggate affair. There are just reasons for this, and I will provide new details today.

I will provide new information showing that the White House improperly intervened in the Agriculture Department's operation of the Commodity Credit Corporation [CCC] in order to appease Saddam Hussein. In the process they violated their own policy of not using food as a political weapon. I will also discuss new evidence that several high-ranking Bush administration officials have repeatedly misled the Congress and U.S. farmers about the suspension of the CCC Program.

SCOWCROFT IMPROPERLY INTERVENES IN USDA ADMINISTRATIVE REVIEW

In previous statements I have revealed a great deal about the November 8, 1990, National Advisory Council decision to approve the $1 billion CCC Program for Iraq that year. I showed that the White House, National Security Council, and the State Department used their power to win approval for the full billion dollar program for Iraq despite serious concerns by the Treasury Department, the Office of Management and Budget, and the Federal Reserve that Iraq probably could not repay the credits and that the program was rife with corruption as evidenced by the BNL scandal.

Today I will show that White House and State Department intervention in the operation of the CCC Program for Iraq did not end in 1989. In fact, their intervention escalated as 1990 unfolded. As an example, in April 1990 the State Department told the USDA not to publicly announce that Iraq had broken numerous CCC regulations. At the time the USDA acquiesced, but they again pressed for a public announcement of the suspension in May 1990. May 1990 is just a few months before August 2, 1990, when Iraq invaded Kuwait.

On May 18, 1990, the White House itself intervened to stop the public announcement. Brent Scowcroft, the President's top National Security Adviser, asked USDA Secretary Clayton Yeutter to hold off on announcing the suspension of the program. Yeutter went along with the scheme to mislead the public and on May 21, 1990, a press release issued by the USDA did not mention that the program was suspended. There never was a public announcement of the suspension.

It is clear that the White House and the State Department were running the CCC Program for Iraq. They did eventually agree to suspend the program in late May 1990, but they kept the suspension a secret from both the Congress and everyone else. I can now shed light on those events and show that the White House's heavy hand overrode sound management principles for political reasons. The White House's actions were anything but "prudent," as President Bush is trying to insist now.

SCOWCROFT GETS VISIT FROM IRAQI AMBASSADOR

Mr. Brent Scowcroft was heavily involved in the decision to approve the $1 billion CCC Program for Iraq, and he was also involved in the manipulation of that program until Iraq invaded Kuwait in August 1990. His staff at the NSC had frequent contact with the staff of the USDA team investigating the BNL scandal. When it was necessary, Mr. Scowcroft himself intervened to win his way with the USDA. Indeed, he was a key decisionmaker in the CCC Program, which is illustrative of how foreign policy dominated the foreign credit program.

To illustrate these points let me quote from a March 5, 1990, State Department memorandum.

> National Security Council Staff contacted USDA March 2 to inquire about the delay (in the CCC Program) after the Iraqi Ambassador complanied to General Scowcroft. Iraq needs the second tranche now. USDA's present delay in releasing the second tranche damages the interests of U.S. producers that sell to Iraq as well as our political relationship with that important country. * * * it appears that it will take a high-level NAC decision to move USDA any more quickly.

Pressed for action by Iraq, and anxious to mollify Saddam Hussein, Scowcroft and the State Department hatched a plan to use the CCC Program as a political weapon against the increasingly belligerent Iraq. The President and Mr. Scowcroft now have to answer to the public as to why they allowed Iraq to utilize the first $500 million installments of CCC credits prior to suspending the program.

CONSPIRACY TO DEFRAUD

As the memo I just read from indicates, by March 1990 the USDA had serious doubts about going forward with the second $500 million tranche of CCC credits for Iraq, but the White House and State Department were opposed to suspending the program because they were using the program in an effort to modify, or mollify Iraq and Saddam Hussein.

□ 2120

The USDA's Under Secretary, Richard Crowder, was responsible for the CCC Program. He apparently believed that the CCC regulations required the program for Iraq to be suspended, as indicated by an April 5, 1990, USDA memorandum, which reports:

> Dick Crowder and I met with Under Secretary McCormack (a State Department official) late yesterday afternoon. We advised State of our plans and they more or less concurred, but would ask that we not use the term "suspend" regarding Iraq's [CCC] program. Instead we can talk in the press release about the existence of any further guarantees awaiting resolution and additional information regarding the pending questions.

A USDA-prepared draft press release dated April 1990 states:

> Under Secretary Richard T. Crowder announced today that the Department's fiscal year 1990 CCC program for Iraq would be suspended after the $500 million line of export guarantees, announced in November 1989 is exhausted. * * * USDA review of the Iraqi program has raised a number of questions regarding conduct of the program, and USDA has therefore notified Iraq of its intention, at the current time, to suspend the program for fiscal year 1990 at the current $500 million level.

In fact, Crowder went as far as telling several Capitol Hill staffers that the CCC Program was suspended. Notes from a May 17, 1990, briefing of Senate Agriculture Committee staffers state:

> We have enough evidence to suspend program * * * Crowder will not recommend further CCC credits until OIG (Office of Inspector General) and criminal investigations are completed. USDA is not going forward with the second $500 million.

The assertion that the USDA had enough evidence to suspend the program is supported by a May 7, 1990, letter from Mr. Crowder to the USDA Inspector General regarding after-sales services, which is a fancy word for kickbacks:

> According to Iraqi officials, this practice occurred primarily in conjunction with sales of wood products, but we understand after-sales services have been a common strategy of many Iraqi state enterprises. Iraq identified several U.S. exporters in the wood products industry that provided after-sales services * * *.

To summarize the situation in April/May 1990 the USDA wanted to shut down the Iraq program because of numerous program violations. The USDA had concerns about the diversion of U.S. commodities for weapons for military purposes. The USDA had proof that it was Iraqi Government practice to solicit bribes, and the USDA found evidence of overpricing of commodities to include freight charges in violation of program regulations.

In addition, the U.S. attorney in Atlanta had found numerous violations of the laws related to the CCC Program and Iraq and the U.S. attorney in Raleigh, NC, found eight BNL financed tobacco companies had improperly included foreign source tobacco shipments to Iraq and that three had paid bribes to Iraqi officials to win contracts with Iraq.

In other words the CCC Program for Iraq was rife with corruption, Iraq had violated numerous CCC Program regulations, and there was concern that Iraq had diverted commodities to pay for weapons. It is clear that the USDA had plenty of evidence to shut down the program. Despite that evidence, Brent Scowcroft and Clayton Yeutter stopped Mr. Crowder from suspending the CCC Program and then conspired to keep that information secret.

SCOWCROFT-YEUTTER AXIS

Notes from a Treasury Department conversation with the National Security Council on May 17, 1990, state that the USDA sent a 33-page report to the Justice Department, State Department, and the National Security Council. The notes state: "Agriculture planning to shut program down." The notes go on to say that the USDA will release the news after the commodities markets close on Friday, May 18, 1990.

Armed with its recently completed administrative review, which clearly showed problems in the CCC Program, the USDA was ready to shut it down on May 18, 1990, but Mr. Scowcroft intervened to stop that action. Notes from a Treasury Department conversation with the National Security Council dated May 18, 1990, are astonishing. The notes state:

> Scowcroft called Yeutter and asked him not to put out press release today saying "terminating program." Not to do that until we have an interagency review. Agriculture may still put out report since it doesn't have any policy recommendations.

Let me repeat that: "Scowcroft called Yeutter and asked him not to put out a press release today saying program terminated."

The Treasury Department's notes are supported by Commerce Department notes from a Rostow Gang meeting held in June 1991. The Rostow Gang participants that day were discussing the various information that they were going to deny to the Congress, and we are trying to figure out how they could do that. The notes of the meeting reveal the existence of a May 18, 1990, letter from Scowcroft to the Department of Agriculture.

The notes indicate that the President was going to protect that letter. In other words the President would claim Executive privilege on the Scowcroft-Yeutter letter. The Banking Committee has made numerous requests for information to the USDA. I have signed many a letter. The Scowcroft letter was never turned over to the committee, and I have written Agriculture Secretary Madigan asking him to explain that oversight.

PRESS RELEASE MISLEADS

Apparently Clayton Yeutter does not like to disappoint his superiors. On May 21, 1990, the USDA issued its administrative review. The press release accompanying the review did not mention that the program was suspended. Obviously Mr. Yeutter complied with Scowcroft's request to say nothing. It would be interesting to know if Scowcroft was acting on his own or the request was cleared by the President himself. The President should answer that question.

On the same day the U.S. Ambassador to Iraq, April Glaspie, sent a secret cable to Mr. Scowcroft which expressed alarm about reports that the CCC Program would be cut off. She pointedly stated:

> Word has reached the Embassy here in Baghdad—but not the Government of Iraq—that Agriculture has decided to turn down the second tranche of CCC credits for Iraq. * * * from a foreign policy perspective the decision is difficult to justify. My own thinking is that unless Agriculture has uncovered a legal hornets' nest, we will want to proceed with the second tranche of credits. It remains unclear why we would want to use food as a weapon.

Referring to the planned suspension, Ambassador Glaspie protested that a cut-off would undermine efforts to convince Saddam Hussein that the United States really wanted to work with him:

> Turning down the CCC credits would send the signal that the administration has decided to join those in Congress who had already reached the conclusion that the U.S. had no option but to pursue a policy of sanctions and containment. A sudden shift now will be read by the Iraqis as purely political—part of the U.S. conspiracy against Iraq.

What the cable shows is that the CCC Program for Iraq was first and foremost a foreign policy tool and that Glaspie did not want the program suspended because she feared it would send Iraq the wrong signal. Her superiors obviously and evidently agreed.

Mr. Crowder went along with the decision to say nothing about the suspension which meant that American farmers, the commodities markets and the public had to be deceived. There is some evidence that indicates that Crowder may not have like the idea. In a memorandum to Brent Scowcroft on May 23, 1990 Crowder states:

> Notwithstanding the above considerations, additional CCC credit guarantees to Iraq should not be made over and above the $500 million already authorized in fiscal 1990 until the question concerning program irregularities with sales to Iraq are cleared up. * * * it cannot overemphasized that any constraint on CCC credit guarantees must not be based on foreign policy considerations.

□ 2130

But it appears Mr. Scowcroft, with April Glaspie's advice in hand, had different plans. Treasury Department talking points for a May 29, 1990, NSC meeting on Iraq state:

> Meeting has been initiated by NSC staff because they want to prevent the CCC Credit Program from being canceled as it would exacerbate the already strained foreign policy relations with Iraq.
>
> Agriculture had planned to put out a press release on May 21 that said the program was being suspended until the investigations into improprieties in the program were completed.
>
> The NSC prevailed on Agriculture to say only that their investigation showed that improprieties may have occurred and remain silent on a suspension.
>
> In fact, there is a suspension in effect, Agriculture has already briefed Congress on this prospect.
>
> We believe that further CCC programming for Iraq should be suspended if USDA believes it is warranted under its own statutes.

The NSC Deputies Committee meeting was held on May 29, 1990, to discuss potential strategies for dealing with Iraq. In preparation for that meeting the State Department formulated a list of policy options that could potentially be used as a tool to modify Iraq's actions. Regarding the CCC Program the paper states:

> CCC Program: This is the largest program we currently have with Iraq. All the sanctions legislation on the Hill, aside from Inouye-Kasten, exempts CCC. PRO: Since Iraq's record of repayment on CCC-guaranteed loans is good and USDA's review will probably give Iraq a fairly clean bill of health, suspension of CCC at this point would be a strong political statement. CON: It would violate our policy against using food as a political weapon and hit some U.S. agricultural exporters hard. It might also lead Iraq to default on CCC-insured loans. Other countries would sell these commodities to Iraq.

Apparently, at the conclusion of the meeting, it was decided that the second

$500 million installment would not be released. It was a too little, too late effort to get tough on Saddam Hussein. Iraq had already utilized $400 million of the first tranche and the taxpayers got stuck with the tab for that mistake.

For the White House and State Department the decision to suspend the program on May 29, 1990, meant that the Bush administration violated its own policy against using food as a political weapon. This amounted to Orwellian Double Speak since food was used for precisely political purposes—namely to entice Saddam Hussein into becoming a respectable world citizen, or at least a facsimile of one.

What disturbs me today is the hypocrisy and arrogant attitude of the administration. They repeatedly tell the Congress and the public that they don't engage in such primitive practices as using food as a political weapon. As an example look at an April 10, State Department letter commenting on Congressman BERMAN'S Iraq sanctions bill introduced in early 1990. The letter very primly says:

> It has been the strong and repeated position of the Administration not to use food as an economic weapon of foreign policy through the imposition of embargoes on agricultural exports, or otherwise to place limits on our export programs for political reasons.

The USDA chimed in on the effort to deceive about the foreign policy nature of the CCC Program when on April 18, 1990, the USDA's General Counsel, Alan Raul was quoted as stating:

> Raul is loath to release the NAC record. That's internal document and doesn't want to see link to foreign policy * * * released publically.

Lies like these are used so often I sometimes wonder if the White House, State, and Agriculture Departments actually believe that it is true. The evidence surely does not support their pious public statements.

STRATEGY TO DECEIVE ORIGINATED AT STATE DEPARTMENT

The strategy to deceive the public about the suspension of the CCC Program appears to have been spawned in the State Department by Mr. Jock Covey. An April 1990 State Department memorandum from Covey to State Department Under Secretary Robert Kimmitt states:

> Given the Administration's policy that food will not be a political weapon, we may not be in a position to make a formal announcement that there will be no second tranche of CCC credits this year. We can in fact place the program under prolonged review, resulting in the same end. The Iraqis will get the message as will agricultural exporters and farm state Congressmen.

This strategy to mislead the public about the use of the CCC program and the lies that accompany the strategy are downright shameless. Lies like these hurt real people. One cost of the suspension lie is that the Bush administration had to mislead farmers, the commodity markets, particularly for rice, the Congress and the public about its real policy toward Iraq.

NO PUBLIC ANNOUNCEMENT OF SUSPENSION AND LIES TO CONGRESS

The decision to keep secret the decision to suspend the program led to many more lies. The USDA had to deceive U.S. farmers, Members of the Congress, and the public. The Banking Committee has numerous letters which the USDA wrote to Congressmen between April 1990 and August 1990, and none of the letters mention that the CCC Program for Iraq was suspended.

For example:

May 4, 1990, USDA to Senator HOWELL HEFLIN;

May 21, 1990, USDA to Senator LLOYD BENSTEN;

May 24, 1990, USDA letter to House Judiciary Chairman JACK BROOKS and Congressman MIKE ANDREWS of Texas;

June 15, 1990, USDA letter to Senator TRENT LOTT; and

July 6, 1990, USDA letter to Senator RICHARD SHELBY.

These Members all had hard working farmers in their districts that were concerned about losing the sales of agricultural commodities to Iraq. They had plans to make and resources to reallocate if there was not going to be sale to Iraq. In other words they had to run their businesses. The administration must be required to answer why they misled U.S. farmers and their representatives in Congress.

CROWDER AVOIDS ISSUE OF NSC INTERVENTION

In recent testimony before the Banking Committee Mr. Crowder purposely failed to answer the committee's questions about NSC and White House involvement in the handling of the CCC Program for Iraq. In a latter of invitation of May 21, 1992, the committee asked Mr. Crowder to answer for his written statement the following questions:

Question No. 2: How did foreign policy considerations affect the USDA's position related to the consideration of the fiscal year 1990 CCC Program for Iraq?

Question No. 3: How did Iraq's human rights record affect the USDA's position related to the consideration of the fiscal year 1990 CCC programs for Iraq?

Question No. 6: Please explain the National Security Council's role in the USDA's administrative review of the BNL scandal?

Question No. 7: Please explain the White House's and National Security Council's role in USDA decision making process related to the fiscal year 1990 CCC Program for Iraq?

Close scrutiny of Mr. Crowder's testimony reveals that he failed to address any of these questions in his written submission to the committee. In fact Mr. Crowder misled the committee about the administrative review and when he testified on May 21, 1992, he stated:

> I instructed the team to prepare a report and we met again on May 7, 1990. At that meeting, I determined that I would make a public announcement disclosing the results of the administrative review and my determination not to proceed on any further credit guarantees in connection with sales to Iraq until conclusion of the BNL investigation. Our proposed report and announcement was provided to the U.S. Attorney in Atlanta and to USDA's Office of Inspector General and was circulated within the administration to other interested agencies. The final report was released on May 21, 1990.

All true statements, but thoroughly misleading. I maintain that the reason Mr. Crowder so conveniently failed to address the questions posed and the reason he conspired to mislead the committee is that he was protecting Mr. Yeutter, Mr. Scowcroft, and the State Department from embarrassment related to their obviously political manipulated of the CCC Program for Iraq. In short, he lied to cover up for his superiors.

As I have revealed in previous statements Mr. Crowder repeatedly misled the Congress about the foreign policy nature of the CCC Program for Iraq and about the pressure he was receiving from the State Department. There is more to say about this deception, and I will provide more details as time permits.

CONCLUSION

I must restate the President's recent comments about the CCC program for Iraq. While addressing an agricultural group the President stated:

> I think we properly used these (CCC) credits for what they were designed to do, and I think it's been beneficial to American agriculture and I'm going to continue to use them in a way that's beneficial to American agriculture with the national interest of the United States foremost in my mind. So I can't say it's been perfect, but I do think that the Department, and I hope the White House, has done a good job in the implementation of the law and the using of these credits.

Could it be that the President is misinformed about the White House's manipulation of the CCC Program? I doubt it. After all the President's top national security adviser, Brent Scowcroft, was intimately involved in making decisions related to the CCC Program for Iraq.

On Tuesday I showed how Mr. Scowcroft led the charge to deny Iraq-related information to the Congress. It is now becoming increasingly clear that Mr. Scowcroft was the key figure in the manipulation of the CCC Program for Iraq. It is hard to imagine that Mr. Scowcroft did not also have a role in White House calls to the assistant U.S. attorney in Atlanta or the Justice Department's handling of the BNL scandal.

Linking Mr. Scowcroft so firmly to the CCC Program and the BNL scandal raises the question of President Bush's knowledge of Mr. Scowcroft's activities. It is hard to believe that the

President was not aware of his top national security adviser's activities. It is hard to believe that the President was unaware that the CCC Program was being used as a political weapon in violation of the President's own policy.

In my March 16 floor statement I showed that USDA and State Department officials repeatedly lied to the Congress about the use of the CCC Program for Iraq. They came before Congress and say that the CCC Program for Iraq was not used as a foreign policy tool and that the State Department was not pressuring the USDA to go ahead with the program despite concerns of Iraqi wrongdoing. Both the USDA and State Department were aware that they were misleading the public about the CCC Program.

As I mentioned at the outset, the Judiciary Committee announced today that it would recommend to the Attorney General that a special prosecutor be appointed to investigate the high-level Bush administration wrongdoing involving Iraq. I commend Chairman BROOKS and the rest of the committee for having the courage to take such a step.

It has become an all too common practice of the highest level of the Bush administration to lie to the Congress and the American public about its anemic performance in running our Federal Government. The very fabric of our democratic system is torn when people in positions of authority, from the cop on the street to the President of the United States, determine that the best course of action is deception. Regarding Saddam Hussein, President Bush, and his top advisers chose the course of deception instead of owning up to their policy failures.

I think the appointment of an independent counsel is important to remind all those in power that choosing the path of deception will result in investigation, and if warranted, prosecution. Our democratic society needs such checks and balances and the citizens of our Nation deserve the truth—even if it is politically painful.

There is more to say about all this, and I pledge to continue these reports as time allows and circumstances require.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, July 9, 1992.

Hon. WILLIAM P. BARR,
Attorney General, Department of Justice, Washington, DC.

DEAR MR. ATTORNEY GENERAL: Pursuant to the Ethics in Government Act, 28 USC §592(g), we, the undersigned, constituting a majority of the majority Members of the House Committee on the Judiciary, write to formally request that you, as Attorney General, seek appointment of an Independent Counsel to investigate serious allegations of possible violations of Federal criminal statutes by highranking officials of the Executive Branch. The potential criminal conduct in question relates to activities by both current and former officials to illegally assist the regime of Saddam Hussein prior to the August 1990 invasion of Kuwait, and to attempt to conceal information about potential criminal activity from Congress through the making of false statements, the nonproduction, falsification or alteration of official records and other documents, and through otherwise misleading and obstructing Congress in its investigation of such matters.

As you are well aware, this Committee—as well as at least four other Committees in both the House and Senate—has endeavored to examine the allegations described above through hearings, requests for production of documents, and requests for answers to questions propounded in writing. As a result of these congressional oversight efforts, as well as other information which has now entered the public domain, it appears that there may have been violations by persons in the White House and in various departments of the Executive Branch of government of provisions of the United States Code, including but not limited to: 18 USC §371 (conspiracy to defraud the United States or commit an offense against the United States); 18 USC §1001 (making a false statement); 18 USC §1505 (obstruction of justice); 18 USC §2071 (concealment or falsification of records); 18 USC §1621 (perjury); 18 USC §1341 (mail fraud); 18 USC §1343 (wire fraud); and 18 USC §207 (financial conflict-of-interest by high Executive Branch officials).

Obviously, the Legislative Branch is not constitutionally empowered to either prosecute wrongdoing or adjudicate illegality. For this reason, the enumerated list or potential criminal violations cannot be considered exhaustive, and certainly is not restrictive of the ultimate jurisdictional mandate of an Independent Counsel. Moreover, as the statute provides, the Independent Counsel should be charged with investigating and prosecuting all persons involved in criminal activities under §591(a)-(c). Such persons would include at least all White House and other Executive Branch officials compensated at levels specified in subsection (b) of §591 as well as other officials the investigation of which by the Department would present a conflict of interest within the meaning of subsection (c).

It should be noted that the growing imperative for this request is itself the result of the willful and repeated failure of the Executive Branch to comply with this and other Committees' requests for both documents and witnesses needed to shed light on the lines of inquiry clearly raised by Congressional investigations extending back to 1986. The failure of the Executive Branch to produce witnesses from the White House and National Security Council, the refusal of the Executive Branch to produce numerous requested documents from at least four agencies, and the failure of the Executive Branch to reconcile on-the-record contradictory assertions made by different Executive Branch officials before various Committees, have only reinforced our view that the Judiciary Committee needs to request an Independent Counsel with full subpoena and prosecutorial authority. In this regard, the contradictory Administration testimony is particularly troubling in the areas of the alteration of official records, the "formalized" procedures for screening or rebuffing Congressional requests for information, the possible diversion of government-financed loan proceeds for military purchases, and the apparent misuse of third country arms transfers to Iraq.

Finally, allegations of irregularities in the Department's handling of a host of investigations touching upon U.S. policy to Iraq must be considered carefully from the standpoint of the Ethics in Government Act. Of most obvious concern is the Department's actions in the Banca Nazionale del Lavoro ("BNL") litigation—including the scope and timing of the indictment finally brought, the circumstances surrounding the appointment and recusal of the U.S. Attorney in the district in which the matter was handled, the possible political interference of high Executive Branch officials with the line attorneys handling the case, the possible delay or withholding of classified information from the Atlanta prosecutors, and the sudden and unexpected plea bargaining arrangement by the Department reached with defendant Paul Drogoul—an arrangement which the presiding Federal district judge severely and publicly criticized as mysterious and unseemly, and in his view, warranting the appointment of an Independent Counsel. Because the ethics in Government Act prudently contains a mechanism by which to avoid a situation where a Departmental investigation might result in a "personal, financial, or political conflict of interest" for the Atttorney General or any officer of the Department of Justice (28 USC §5919(c)), we concur in this recommendation. And as you are further aware, this subsection would also apply to any possible criminal violation of persons in or outside of government who are not high-level Executive Branch officials as defined in subsection (b).

Despite your understandable and deserved pride in the generally high professional standards of the Department's personnel, both at Main Justice and in the field, the overriding need to reassure the American public that justice has, in fact, been done in the handling of this case would appear to militate strongly against the Department investigating its own handling of this most controversial matter in addition to the other allegations discussed above.

We know of your abiding and sworn commitment to uphold the law of the United States. In the circumstances presented, we sincerely believe that the law as well as the public trust would best be served by the appointment of an Independent Counsel.

Sincerely,

Jack Brooks, Chairman, Charles E. Schumer, Dan Glickman, Patricia Schroeder, Harley O. Staggers, Jr., Edward F. Feighan, Bill Hughes, John Bryant, Peter Hoagland, Craig A. Washington, Don Edwards, Romano L. Mazzoli, Howard L. Berman, George E. Sangmeister, Barney Frank, Mike Synar, John Conyers, Jr., Mel Levine, Jack Reed, Mike Kopetski.

COMMERCE DEPARTMENT NOTES FROM ROSTOW GANG MEETING

Rostow & Rademaker.

B has gone down that made cuts list.

NSDD 315. NSC will send letter to Fascell.

NSR 17.

Wolf to Cheney 4/17/90.

Scowcroft to Dept. Ag. May 18, 1990.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
Washington, DC, June 1, 1990.

Memorandum for the Secretary.

From: Alan Charles Raul, General Counsel.

Subject: End of Week Report.

2. Iraq. I received a further briefing this week from the Department of Justice regarding the Atlanta investigation into the Banca Nazionale del Lavoro and related matters. I briefed the Deputy Secretary on certain new issues in the investigation.

There was an NSC "Deputies Committee" meeting on the Iraq GSM program this week. I thought I should attend that meeting, but the Deputy Secretary determined that Ann Veneman should attend and that I should not. I have not been briefed any on the meeting yet, but I understand that it was decided that no additional guarantees beyond the first $500 million would be provided to Iraq this year. The decision apparently turned on the various investigations that my office has been monitoring closing. Last night, the NSC's Special Assistant to the President for Asian Affairs, Richard Haass, mentioned to me that there was supposed to be a cable sent to Iraq this week informing them of the decision.

END OF WEEK REPORT, JUNE 1, 1990

THE UNDER SECRETARY OF AGRICULTURE FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS,
Washington, DC, May 23, 1990.

[Secret]

Memorandum for: The Honorable Brent Scowcroft, Assistant to the President for National Security Affairs.

From: Richard T. Crowder, Under Secretary.

Subject: USDA's Position on Options in NSC/Deputies Committee Review of PCC Paper on Iraq(S).

The options paper properly characterizes the impact of sanctioning Iraq with respect to CCC export credit guarantees. Iraq is an important market for over twenty U.S. agricultural commodities sold under the credit guarantees of the GSM-102 program. However, it cannot be overemphasized that any constraint on CCC credit guarantees must not be based on a foreign policy rationale.

Notwithstanding the above considerations, additional GSM-102 and GSM-103 credit guarantees to Iraq should not be made over and above the $500 million already authorized in fiscal 1990 until the questions concerning program irregularities with sales to Iraq are cleared up.

USDA wants to sell as many agricultural commodities abroad as possible, including to Iraq, but integrity of the program supersedes the desire to sell at any cost.

IRAQ—TALKING POINTS FOR MAY 29 ORAL BRIEFING FOR NSC MEETING

Meeting has been initiated by NSC staff because they want to prevent the CCC credit program from being cancelled as it would exacerbate the already strained foreign policy relations with Iraq.

Agriculture had planned to put out a press release on May 21 that said the program was being suspended until the investigations into improprieties in the program were completed.

The NSC prevailed on Agriculture to say only that their investigation showed that improprieties may have occurred and remained silent on a suspension.

In fact, there is a suspension in effect, Agriculture has already briefed congress on this prospect, and the press has reported on the investigation.

We believe that further CCC programing for IRAQ should be suspended if USDA believes it is warranted under its own statutes.

The likelihood that Iraq will stop paying on the CCC credits may depend on whether Assad feels that there is the possibility of new credits under the program at a later date.

If Iraq does stop paying there will be a budget cost as USDA starts paying off claims of the banks whose credits were insured.

Iraq may want to reschedule its repayments, but will only do so under a bilateral agreement, while the U.S. will only go through the Paris club.

Source: Treasury Department.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
Washington, DC, April 5, 1990.

Memorandum for: Kevin Brosch.

From: Alan Charles Raul, General Counsel.

Subject: Iraq.

Dick Crowder and I met with Under Secretary McCormack on late yesterday afternoon (Wednesday). We advised them of our plans and they more or less concurred, but would ask that we not use the term "suspend" regarding Iraq's GSM program. Instead, we can talk in the press release about the extension of any further guarantees awaiting resolution and additional information regarding the pending questions.

Also, you will be excited to learn that the State Department strongly recommends that we go to Baghdad to ask relevant questions. They believe it will have certain diplomatic benefits, as well as provide better access to the necessary Iraqi officials and documents.

I will be in Seattle on Thursday and Friday, but I would like to be kept apprised of any developments on the Iraq front. I will call in periodically but Kathy will also know how to reach me and how to fax things to me, if necessary.

When the "Qs and As" are done, please get a copy to me somehow.

Thanks.

PRESS RELEASE

APRIL 1, 1990.—Under Secretary Richard T. Crowder announced today that the Department's Fiscal Year 1990 GSM-102 program for Iraq would be suspended after the $500 million line of export credit guarantees, announced in November, 1989, is exhausted. The GSM-102 program for Iraq had been operating, during each of the two prior fiscal years, at a level of approximately $1 billion annually.

The Department launched its own administrative review of the Iraq GSM-102 program late last summer after allegations of lending irregularities involving Iraq surfaced in an investigation by the Office of the United States Attorney for the Northern District of Georgia of the Atlanta agency of Banco Nazionale del Lavoro (BNL). The BNL investigation has allegedly uncovered more than $2 billion dollars in unauthorized loans to Iraq made by the Atlanta branch of BNL. At the time the Atlanta Investigation began, approximately $720 million of that amount were loans to pay for agricultural purchases made under the GSM-102 program.

Various federal agencies, including USDA, have been cooperating with the U.S. Attorney in that investigation which has reportedly involved issues of banking irregularities. In addition, USDA has conducted its own inquiry into past transactions in connection with the Iraq GSM program. That inquiry has raised a number of questions regarding contract pricing, purchasing practices, shipment, requests for additional services and imposition of special taxes and fees. USDA has raised its concerns about these issues with representatives of the Government of Iraq, including Iraq's Ambassador to the United States. USDA expects to work with the Government of Iraq, which has indicated its willingness to cooperate and provide information about these issues.

Under the GSM-102 program, the Commodity Credit Corporation (CCC), a federal corporation within the Department of Agriculture, assists agricultural exporters by providing guarantees which encourage private financing of export sales of agricultural sales for which repayment is made generally over a three year period. There are no direct outlays of funds unless and until there has been a default in payment. In the case of Iraq, no claims have ever been made on the CCC as a result of guaranteed sales to Iraq. The Iraq GSM program began in 1983, and has expanded since that time. Currently, CCC has outstanding guarantees on approximately $2.2 billion worth of sales made over the past three years.

Any lending irregularities that may have occurred at BNL do not affect the risk undertaken by the CCC in issuing the guarantees, because the risk undertaken relates to repayment by the foreign purchaser. Under the GSM program, CCC assumes no risk with respect to the bank in the United States financing the sale. Nonetheless, USDA review of the Iraq program has raised a number of questions regarding conduct of the program, and USDA has, therefore, notified Iraq of its intention, at the current time, to suspend the program for FY 1990 at the current $500 million level.

Source: Department of Agriculture.

COMMITTEE ON BANKING,
FINANCE AND URBAN AFFAIRS,
Washington, DC, April 16, 1992.

Mr. RICHARD T. CROWDER,
Under Secretary, International Affairs and Commodity Programs, Department of Agriculture, Washington, DC.

DEAR MR. CROWDER: The Committee on Banking, Finance and Urban affairs will hold a hearing on the National Advisory Council on International Monetary and Financial Policy (NAC) and its role in approving the $1 billion FY 1990 U.S. Department of Agriculture (USDA) Commodity Credit corporation (CCC) program for Iraq.

The Committee respectfully requests that you testify at this hearing on May 21, 1992, at 9:30 a.m. in Room 2128, Rayburn House Office Building. The Committee would like you to address the following questions in your written testimony:

1. Please explain the USDA's role in the NAC process.

2. How did foreign policy considerations affect the USDA's position related to the consideration of the FY 1990 CCC program for Iraq?

3. How did creditworthiness concerns affect the USDA's position related to the consideration of the FY 1990 CCC program for Iraq?

4. How did Iraq's human rights record affect the USDA's position related to the consideration of the FY 1990 CCC program for Iraq?

5. What influence did the Banca Nazionale del Lavoro (BNL) scandal have on the USDA's position related to the consideration of the $1 billion FY 1990 CCC program for Iraq?

6. Please explain the National Security Council's (NAC's) role in the USDA's Administrative Review of the BNL scandal.

7. Please explain the White House's and NSC's role in the USDA's decision making process related to the FY 1990 CCC program for Iraq.

Please feel free to submit any further comments that you may have on the above topics. Banking Committee rules require your written testimony be made available to Members of the Committee twenty-four hours in advance of a hearing. Accordingly, please deliver 200 copies of your written testimony to Room 2129 Rayburn House Office Building by 9:30 a.m. May 20, 1992.

Thank you for your time and consideration of this request. The Committee looks forward to your testimony.

With best wishes.

Sincerely,

HENRY B. GONZALEZ,
Chairman.

DEPARTMENT OF STATE,
Washington, DC, April 10, 1990.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget.

DEAR MR. DARMAN: This letter forwards the State Department's views on the Berman bill imposing sanctions on Iraq, as you requested.

The bill imposes open-ended sanctions against Iraq without linking them to any policy objective. Thus it would eliminate any Presidential flexibility in dealing with an important but difficult country, without specifically furthering any U.S. national interests.

The President has made clear concern at the recent Iraqi attempts to smuggle capacitors—with possible use in nuclear weapons—out of the U.S. He has made clear his outrage at the irresponsible threats issued by Iraq's President Saddam Hussein. There have always been significant U.S. concerns about Iraqi behavior, and in fact the U.S. Government has long imposed many of the measures the legislation would mandate. The State Department generally prohibits the sale or transfer of U.S. Munitions List items to Iraq. Fifty chemicals identified as potentially usable in chemical weapons programs are prohibited for export to Iraq. Items on the Commodity Control List deemed likely to aid Iraq's nuclear, missile, or other proliferation programs are denied.

Of the other sanctions envisioned by the bill, we note that Iraq is one of the largest markets for U.S. agricultural exports. The primary objective of our agriculture credit programs with Iraq has been to increase sales of U.S. farm products abroad. This GSM program, which has run about $1 billion annually in recent years, provides credit guarantees to U.S. exporters of agricultural commodities. It has been the strong and repeated position of the Administration not to use food as an economic weapon of foreign policy through the imposition of embargoes on agricultural exports, or otherwise to place limits on our export programs for political purposes.

The short-term U.S. Export-Import Bank credit insurance is intended to promote the export of U.S. industrial goods. On January 17 President Bush signed a waiver to the FY 89 Foreign Operations Appropriations Act to enable this program to continue on national interest grounds.

Regarding U.S. votes in International Financial Institutions such as the IMF, which seeks to support a stable, market-oriented economy, the United States has traditionally tried to avoid politicization of the IMF, which would undermine the Fund's technical and monetary character. By basing IMF actions on political criteria, the United States would create a precedent others would inevitably try to exploit in ways inimical to U.S. interests. For example, important U.S. allies such as Israel could be subject to similar efforts by other countries. Such politicization would divert the IMF's attention from pressing needs in the international economic system, including debt strategy and restructuring of Eastern Europe. In addition, it is the opinion of the Department of Justice that legislation mandating U.S. votes in International Financial Institutions would be unconstitutional.

The State Department opposes the virtually total economic embargo of Iraq which would result from this Bill. The President needs flexibility in dealing with Iraq on such important issues as the Arab-Israeli Peace Process, in which Iraq has the capability to play a positive—or negative— role. The Administration maintains an active review of our policy towards Iraq with a view towards assessing how best to further our interests in this thorny bilateral relationship. The Administration's approach to Iraq has been to deal firmly with problems as they arise within the context of broad, many-faceted relations. Imposition of rigid, legislated sanctions will not support vital U.S. interests in the region, and might well undercut important U.S. objectives.

Experience has shown sanctions are most effective when imposed multilaterally. At this point our allies are not contemplating sanctions against Iraq. Any sanctions imposed would therefore be symbolic only, with the costs borne by the United States.

For the above reasons, the State Department opposes the Berman bill.

Sincerely,

JANET G. MULLINS,
Assistant Secretary,
Legislative Affairs.

Madam Speaker, I yield to the gentleman from North Carolina [Mr. ROSE].

Mr. ROSE. Madam Speaker, I thank the gentleman for yielding.

I would like to compliment our friend, the gentleman from Texas [Mr. GONZALEZ] for the great work he has done in this very important area and to tell him how very much I have enjoyed working with him to the end that we have achieved. I know there will be many other opportunities in the future for us to work together on similar projects such as this.

But I want to pay the gentleman from Texas the compliment of saying that because of his chairmanship and his abilities with this very difficult issue, what we worked on, what I worked on, what my committee members worked on many years ago, it has been paid attention. And I want to thank him for putting his reputation and his expertise to work to bring this whole question of aid to Iraq, the CCC's involvement and the documents that he has provided for us which have made many things possible. I will forever be in his debt for this great piece of work that he has done.

Mr. GONZALEZ. I thank the chairman very much. Let the record show clearly that Chairman ROSE has been in the forefront in this matter as the chairman of the Subcommittee on Department Operations, Research, and Foreign Agriculture of the Committee on Agriculture, the subcommittee of pertinent jurisdiction, and has been in fact indispensable in aligning himself with our efforts from the Committee on Banking, Finance and Urban Affairs' standpoint, and I think the record ought to clearly show that.

I also want to say that I have provided with my presentation a copy of the documentation I have referred to, plus a copy of the letter of the Committee on the Judiciary that was sent today under Chairman BROOKS's signature to the Attorney General.

Madam Speaker, I thank the Speaker for her patience.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HYDE (at the request of Mr. MICHEL), from 4:30 p.m. today, on account of family medical reasons.

Mr. JOHNSON of Texas (at the request of Mr. MICHEL), from 12:30 p.m. today, on account of knee surgery.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GOSS) to revise and extend their remarks and include extraneous material:)

Mr. DOOLITTLE, for 5 minutes, today.

Mr. WALKER, for 5 minutes, today.

Mrs. BENTLEY, for 60 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. TAYLOR of Mississippi, for 5 minutes, today.

Mr. FOLEY, for 5 minutes, today.

Mr. HOYER, for 5 minutes, today.

Mr. MCCLOSKEY, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PANETTA, for 6 minutes, today.

Ms. PELOSI, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. STENHOLM, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,492.

(The following Members (at the request of Mr. GOSS) and to include extraneous matter:)

Mr. DUNCAN.

Mr. WALSH.

Mr. FISH in two instances.

Mr. HORTON in two instances.

Mr. COBLE in two instances.

Mr. BROOMFIELD.

Mr. ROGERS.

Mr. GRADISON.

Mrs. JOHNSON of Connecticut in three instances.

Mr. BILIRAKIS.

Mr. GILMAN.

Mr. COLEMAN of Missouri.

Mr. IRELAND.

Mr. LIGHTFOOT in two instances.

Ms. ROS-LEHTINEN in two instances.

Mr. WELDON.

Mr. VANDER JAGT.

Mr. OXLEY.

Mr. LOWERY of California.
Mr. GREEN of New York.
Mr. GILMAN.
Mr. MCEWEN.
Mr. MCCOLLUM.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter.)

Mr. PASTOR.
Mr. BONIOR.
Mr. STOKES in three instances.
Mr. TRAFICANT.
Mr. STARK.
Mr. NEAL of Massachusetts.
Mr. SWETT.
Mr. SLATTERY.
Mr. MCCLOSKEY.
Ms. SLAUGHTER.
Mr. MCMILLEN of Maryland.
Mr. LEVINE of California in two instances.
Mrs. SCHROEDER.
Mr. PANETTA.
Mr. DE LUGO.
Mr. BLACKWELL.
Mr. WEISS.
Mr. SKELTON.
Mrs. KENNELLY.
Mr. KOLTER.

ADJOURNMENT TO TUESDAY, JULY 21, 1992

Mr. ROSE. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 343 of the 102d Congress, the House stands adjourned until 12 noon, Tuesday, July 21, 1992.

Thereupon (at 9 o'clock and 35 minutes p.m.) pursuant to the House Concurrent Resolution 343, the House adjourned until Tuesday, July 21, 1992, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3882. A letter from the Assistant Secretary of Defense (Force Management and Personnel), transmitting the annual review on adequacy of pay and allowances for members of the uniformed services, pursuant to 37 U.S.C. 1008(a), 1009(f); to the Committee on Armed Services.

3883. A letter from the Deputy Counsel, Department of Defense, transmitting a report of individuals who filed DD Form 1787, Report of DOD and Defense Related Employment, for fiscal year 1991, pursuant to 10 U.S.C. 2397(e); to the Committee on Armed Services.

3884. A letter from the Department of Defense, Acting General Counsel, transmitting a draft of proposed legislation "To amend sections 4342(a), and 9342(a) of title 10, United States Code, to clarify the procedures for nominating candidates for admission to the U.S. Military, Naval, and Air Force academies; to the Committee on Armed Services.

3885. A letter from the Assistant Secretary of Defense for Health Affairs, transmitting a report concerning services to treat post-traumatic stress disorder in its troops since the completion of the Gulf war, pursuant to Public Law 102–25, section 335; to the Committee on Armed Services.

3886. A letter from the Director, Test and Evaluation, Office of the Under Secretary of Defense, transmitting notification for funding to test conventional defense equipment manufactured by major allies of the United States, pursuant to 10 U.S.C. 2350a.(g); to the Committee on Armed Services.

3887. A letter from the Deputy, Office of the Under Secretary of Defense, transmitting a report on both ongoing and proposed projects under the International Cooperative Research and Development Program; to the Committee on Armed Services.

3888. A letter from the President, Thrift Depositor Protection Oversight Board, transmitting the annual report of the Oversight Board for the calendar year 1991, pursuant to Public Law 101–73, section 501(a) (103 Stat. 387); to the Committee on Banking, Finance and Urban Affairs.

3889. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled "Review of Contracts and Contracting Procedures within the Department of Correction," pursuant to D.C. Code, section 47–117(d); to the Committee on the District of Columbia.

3890. A letter from the Secretary of Education, transmitting a copy of final regulations—Individuals with Disabilities Education Act Amendments of 1991, Public Law 102–119, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3891. A letter from the Secretary, Department of the Treasury, transmitting a copy of the Student Loan Marketing Association annual report which includes financial statements for the year ended December 31, 1991, pursuant to 20 U.S.C. 1087–2(k); to the Committee on Education and Labor.

3892. A letter from the President, National Railroad Passenger Corporation, transmitting a report on the economic feasibility of providing new rail service to areas not presently served as of July 6, 1992, pursuant to Public Law 101–322, section 11 (104 Stat. 298); to the Committee on Energy and Commerce.

3893. A letter from the Secretary of Energy, transmitting a report on enforcement actions and comprehensive status of Exxon and stripper well oil overcharged funds; to the Committee on Energy and Commerce.

3894. A communication from the President of the United States, transmitting a report on developments since his last report of January 10, 1992, concerning the national emergency with respect to Libya, pursuant to 50 U.S.C. 1641(c); to the Committee on Foreign Affairs and ordered to be printed.

3895. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions of Stanley Tuemler Escudero, of Florida, to be Ambassador to the Republic of Tajikistan; and of Kent N. Brown, of Virginia, to be Ambassador to the Republic of Georgia, and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3896. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions of Mary C. Pendleton, of Virginia, to be Ambassador to the Republic of Moldova; and of Mack F. Mattingly, of Georgia, to be Ambassador to the Republic of Seychelles, and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3897. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting certification that Kazakhstan is committed to the course of action described in the Soviet nuclear risk reduction legislation, pursuant to Public Law 102–229, section 211(b); to the Committee on Foreign Affairs.

3898. A letter from the Assistant Administrator, U.S. Agency for International Development, transmitting a summary of three additional activities proposed for funding in Peru during fiscal year 1992, pursuant to 22 U.S.C. 2151u(e); to the Committee on Foreign Affairs.

3899. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3900. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3901. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3902. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3903. A letter from the Deputy Postmaster General, transmitting notification of the permanent incorporation of expedited appeal procedures for the sender of mail matter which is refused entry on the basis of "incorrect mail preparation, postage due, or addressing," pursuant to Public Law 101–524, 3(3) (104 Stat. 2302); to the Committee on Post Office and Civil Service.

3904. A letter from the Assistant Secretary (Civil Works), Department of the Army, transmitting a report providing the views and recommendations of the Secretary of the Army on a study done by the Army Corps of Engineers of possible stream bank erosion improvements at Connecticut River, Turner Falls to State Line, MA; to the Committee on Public Works and Transportation.

3905. A letter from the Acting Secretary of Commerce, transmitting the 1992 annual update of the national implementation plan for the modernization and associated restructuring of the National Weather Service, pursuant to 15 U.S.C. 313 note; to the Committee on Science, Space, and Technology.

3906. A letter from the Assistant Secretary, Department of Energy, transmitting notification that the report which summarizes the expenditures of funds disbursed from the low-level radioactive waste surcharge escrow account for calendar year 1991 is currently under internal review, pursuant to 42 U.S.C. 2120e(d)(2)(E)(ii)(II); jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

3907. A letter from the Comptroller General, transmitting the financial audit of the Resolution Trust Corporation's 1991 and 1990 financial statement (GAO/AFMD–92–74, June 1992); jointly, to the Committee on Government Operations and Banking, Finance and Urban Affairs.

3908. A letter from the Chairman, Physician Payment Review Commission, transmitting a report commenting on the Secretary of Health and Human Services' 1992 report on access to care in the Medicare Program; jointly, to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROE: Committee on Public Works and Transportation. H.R. 5431. A bill to designate the Federal building located at 200 Federal Plaza in Paterson, NJ, as the "Robert A. Roe Federal Building" (Rept. 102-660). Referred to the House Calendar.

Mr. ROE: Committee on Public Works and Transportation. H.R. 5432. A bill to designate the Federal building and U.S. courthouse located at the corner of College Avenue and Mountain Street in Fayetteville, AR, as the "John Paul Hammerschmidt Federal Building and United States Courthouse" (Rept. 102-661). Referred to the House Calendar.

Mr. FORD of Michigan: Committee on Education and Labor. H.R. 1063. A bill to amend the Occupational Safety and Health Act of 1970 to establish an Office of Construction Safety, Health, and Education, to improve inspections, investigations, reporting, and recordkeeping on construction sites, to require the appointment of project constructors to monitor safety on construction sites, to require construction employers to establish safety and health programs, and for other purposes; with an amendment (Rept. 102-662). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Education and Labor. H.R. 3160. A bill to revise the Occupational Safety and Health Act of 1970; with an amendment (Rept. 102-663, Pt. 1). Ordered to be printed.

Mr. BROWN: Committee on Science, Space, and Technology. H.R. 3953. A bill to establish national electromagnetic fields research and public information dissemination programs, and for other purposes; with amendments (Rept. 102-664, Pt. 1). Ordered to be printed.

Mr. FROST: Committee on Rules. House Resolution 514. Resolution providing for consideration of a joint resolution and a bill relating to most-favored-nation treatment for the People's Republic of China (Report No. 102-665). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 4731. A bill to require the Secretary of the Treasury to conduct a study and report to the Congress regarding the insurance industry in the United States; referred to the Committee on Energy and Commerce for a period ending not later than July 31, 1992, for consideration of such provisions of the bill as fall within the jurisdiction of that committee pursuant to clause 1(h), rule X. (Rept. 102-666, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BORSKI:

H.R. 5580. A bill to establish an infrastructure reinvestment fund for the purpose of funding intermodal surface transportation programs, and for other purposes; jointly, to the Committees on Ways and Means, Public Works and Transportation, and Government Operations.

By Mr. CHANDLER:

H.R. 5581. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for amounts contributed to an education savings account, and for other purposes; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. COLEMAN of Missouri:

H.R. 5582. A bill to amend the Internal Revenue Code of 1986 to provide incentives for increased economic growth, and for other purposes; to the Committee on Ways and Means.

By Mr. DE LUGO (for himself and Mr. MILLER of California):

H.R. 5583. A bill to provide terms for the future status of the Territory of the Pacific Islands; jointly, to the Committees on Interior and Insular Affairs, Foreign Affairs, and Armed Services.

By Mr. DOOLITTLE (for himself and Mr. LEHMAN of California)

H.R. 5584. A bill to authorize and direct the Secretary of the Army to carry out and construct a project for flood control on the Sacramento and American Rivers, California, and to authorize and direct the Secretary of the Interior and the Secretary of the Army to enter into agreements to allow the State of California or other non-Federal sponsors to construct, without cost to the United States, a multipurpose dam and related facilities at Auburn on the American River; jointly, to the Committees on Public Works and Transportation and Interior and Insular Affairs.

By Mr. FAZIO (for himself, Mr. DELLUMS, Ms. PELOSI, and Mr. MILLER of California):

H.R. 5585. A bill to establish U.S. policy relating to wetlands, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. GRADISON:

H.R. 5586. A bill to promote safety and health in workplaces owned, operated, or under contract with the United States by clarifying the United States' obligation to observe occupational safety and health standards and clarifying the United States' responsibility for harm caused by its negligence at any workplace owned by, operated by, or under contract with the United States; to the Committee on the Judiciary.

By Mr. GREEN of New York (for himself, Mr. RICHARDSON, Mr. SCHIFF, and Mr. SKEEN):

H.R. 5587. A bill to establish a program, to be known as the ADEPT Program, for the provision of international assistance in the deployment of energy and energy-related environmental practices and technologies, and for other purposes; jointly, to the Committees on Science, Space, and Technology and Foreign Affairs.

By Mr. HERGER:

H.R. 5588. A bill to provide for the conveyance of lands to certain individuals in Butte County, CA; to the Committee on Interior and Insular Affairs.

By Mr. HOAGLAND:

H.R. 5589. A bill to amend title II of the Social Security Act to increase the retirement test exempt amount, to lower the reduction factor with respect to certain earnings, and to increase the OASDI contribution and benefit base; to the Committee on Ways and Means.

By Mr. HORTON:

H.R. 5590. A bill to improve the quality of agency regulations, to increase agency accountability for regulatory actions, and for other purposes; to the Committee on Government Operations.

By Mr. HORTON (for himself, Mr. SHAYS, and Mr. SCHIFF):

H.R. 5591. A bill to provide mandate relief and assistance to State and local governments, and for other purposes; jointly, to the Committees on Government Operations, Rules, and the Judiciary.

By Mrs. JOHNSON of Connecticut (for herself, Mr. LEWIS of California, Mr. FRANKS of Connecticut, Mr. SUNDQUIST, Mr. FISH, Mr. FRANK of Massachusetts, Mr. LIGHTFOOT, Mr. JEFFERSON, Mr. LIPINSKI, Mr. HORTON, Mr. LENT, Mr. KLUG, Mr. BLAZ, Mr. HOCHBRUECKNER, and Mr. BUSTAMANTE):

H.R. 5592. A bill to provide for a demonstration program to test improvements to the financing system for the veterans' health care system; to the Committee on Veterans' Affairs.

By Mr. JONTZ:

H.R. 5593. A bill to provide for the protection of certain benefits of military retirees and their dependents and survivors residing in the vicinity of military bases scheduled for closure, and for other purposes; to the Committee on Armed Services.

By Mr. LEVINE of California:

H.R. 5594. A bill to designate certain lands in the State of California as the Sequoia National Monument, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LEWIS of Georgia:

H.R. 5595. A bill to modify the boundary of Martin Luther King, Jr., National Historic Site and Preservation District, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LIGHTFOOT (for himself, Mr. IRELAND, Mr. GINGRICH, Mr. HUNTER, Mr. ROBERTS, Mr. HANCOCK, Mr. LEWIS of Florida, Mr. ALLARD, Mr. FIELDS, Mr. LAGOMARSINO, Mr. DORNAN of California, Mr. LIVINGSTON, Mr. SENSENBRENNER, Mr. ARMEY, and Mr. DELAY):

H.R. 5596. A bill to amend the Internal Revenue Code of 1986 to provide small businesses a credit for the cost of complying with certain Federal regulations; to the Committee on Ways and Means.

By Mr. MACHTLEY:

H.R. 5597. A bill to remove the District of Rhode Island from the U.S. Trustee System until 2002; to the Committee on the Judiciary.

By Mr. MARLENEE:

H.R. 5598. A bill to amend the Internal Revenue Code of 1986 to provide a credit for physicians commencing medical practice in rural areas; to the Committee on Ways and Means.

By Mr. MAZZOLI:

H.R. 5599. A bill to amend title III of the Immigration and Nationality Act to make changes in the laws relating to nationality and naturalization; to the Committee on the Judiciary.

By Mr. DOWNEY (for himself, Mr. PANETTA, Mr. DE LA GARZA, Mr. TALLON, Mrs. KENNELLY, Mr. MCDERMOTT, Mr. ANDREWS of Texas, Mr. HALL of Ohio, and Mr. ESPY):

H.R. 5600. A bill to promote family preservation and the prevention of foster care with emphasis on families where abuse of alcohol or drugs is present, to improve the quality and delivery of child welfare, foster care, and adoption services and to alleviate childhood hunger; jointly, to the Committees on Ways and Means and Agriculture.

By Mr. MAZZOLI:

H.R. 5601. A bill to amend the Immigration and Nationality Act to make changes in the laws relating to immigrants; to the Committee on the Judiciary.

By Mr. McCLOSKEY (for himself, Mr. BENNETT, Mr. ROWLAND, Mr. LEWIS of Georgia, Mr. HUBBARD, Mr. BARNARD, Mr. RAY, and Mr. GORDON):

H.R. 5602. A bill granting the consent of the Congress to the Interstate Rail Passenger Network Compact; to the Committee on the Judiciary.

By Mr. McCOLLUM:

H.R. 5603. A bill to provide additional funding for the Resolution Trust Corporation, to reduce the amount of losses of such Corporation through the establishment of the supervisory goodwill buy-back program, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McCRERY:

H.R. 5604. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit discrimination based on race, color, religion, sex, disability, national origin, or age in employment in the legislative or judicial branches of the Federal Government; and to establish the Employment Review Board composed of senior Federal judges, which shall have authority to adjudicate claims regarding such discrimination; jointly, to the Committees on Education and Labor House Administration, and the Judiciary.

By Mr. McDERMOTT (for himself, Mr. MILLER of Washington, Mrs. UNSOELD, and Mr. MORRISON):

H.R. 5605. A bill to authorize and direct land ownership consolidation in the Cedar River Watershed, Mt. Baker-Snoqualmie National Forest, WA; jointly, to the Committees on Interior and Insular Affairs and Agriculture.

By Mr. McEWEN:

H.R. 5606. A bill to amend title 23, United States Code, and the Intermodal Surface Transportation Efficiency Act of 1991 to repeal provisions establishing a national maximum speed limit; to the Committee on Public Works and Transportation.

By Mr. McMILLEN of Maryland:

H.R. 5607. A bill to establish a program to provide financial assistance for research relating to oyster diseases; to the Committee on Merchant Marine and Fisheries.

By Mr. McNULTY:

H.R. 5608. A bill to amend the Truth in Savings Act to repeal the maximum amount limitation on certain recoveries for violations of such act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. OWENS of Utah:

H.R. 5609. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to establish fault-based liability, numerical cleanup standards, and deadlines for remedial action, and to amend the Internal Revenue Code of 1986 to apply the Superfund minimum tax to additional corporations to provide additional revenue to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; jointly, to the Committee on Energy and Commerce, Public Works and Transportation, and Ways and Means.

By Mr. OXLEY (for himself and Mr. McMILLAN of North Carolina):

H.R. 5610. A bill to reduce health costs through uniform claims and electronic billing; jointly, to the Committees on Ways and Means, Energy and Commerce, and Education and Labor.

By Mr. PANETTA:

H.R. 5611. A bill to direct the Secretary of the Interior to conduct a study on the suitability and feasibility of establishing the California San Antonio Mission as a unit of the National Park System; to the Committee on Interior and Insular Affairs.

By Mr. PEASE:

H.R. 5612. A bill to restrict the use of certain State or local tax incentives; jointly, to the Committees on Banking, Finance and Urban Affairs and Public Works and Transportation.

By Mrs. SCHROEDER (for herself, Mr. LEHMAN of Florida, Ms. NORTON, Mr. MAZZOLI, Mr. MAVROULES, Mr. DELLUMS, Mr. OWENS of Utah, Mr. BACCHUS, Mr. DE LUGO, Mr. KENNEDY, Mr. JOHNSON of South Dakota, Ms. KAPTUR, and Ms. OAKAR):

H.R. 5613. A bill to amend the Federal Food, Drug, and Cosmetic Act to require ingredient labeling for malt beverages, wine, and distilled spirits, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SLATTERY:

H.R. 5614. A bill to amend title XIX of the Social Security Act to repeal the use of the best price mechanism to determine rebates for covered outpatient drugs under the Medicaid Program, and to require manufacturers of such drugs to enter into discount pricing agreements with the Department of Veterans Affairs in order to receive payment for such drugs under the Medicaid Program; to the Committee on Energy and Commerce.

By Mr. STARK:

H.R. 5615. A bill to amend title 18, United States Code, to preserve personal privacy with respect to information contained in prescription drug records; to the Committee on the Judiciary.

By Mr. STOKES:

H.R. 5616. A bill to amend the Internal Revenue Code of 1986 to provide an investment tax credit for increases in investments in American-made equipment, with an additional credit for equipment made by union labor; to the Committee on Ways and Means.

By Mr. STUDDS (for himself and Mr. YOUNG of Alaska):

H.R. 5617. A bill to provide congressional approval of a governing international fishery agreement; to the Committee on Mechant Marine and Fisheries.

By Mr. WELDON (for himself, Mr. HOBSON, Mr. PARKER, Mr. RAVENEL, Mr. LIGHTFOOT, Mr. HORTON, Mr. BLILEY, Mr. SANTORUM, Mr. KASICH, Mr. GEREN of Texas, and Mr. ANDREWS of New Jersey):

H.R. 5618. A bill to amend the Internal Revenue Code of 1986 to assist families by increasing the amount of the personal exemption for certain dependents, increasing the IRA deduction, allowing a credit for first-time homebuyers, allowing a deduction for interest on certain education loans, and for other purposes; to the Committee on Ways and Means.

By Mr. COLEMAN of Missouri:

H.J. Res. 525. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriations bills; to the Committee on the Judiciary.

By Mr. HUCKABY:

H.J. Res. 526. Joint resolution proposing an amendment to the Constitution of the United States providing for direct popular election of the President and the Vice President; to the Committee on the Judiciary.

By Mr. LOWERY of California (for himself, Mr. BILIRAKIS, Mr. GINGRICH, and Mr. MORAN):

H.J. Res. 527. Joint resolution to designate the week beginning July 19 and ending July 26, 1992, as "National Invent America Week"; to the Committee on Post Office and Civil Service.

By Mr. PANETTA:

H.J. Res. 528. Joint resolution designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day"; to the Committee on Post Office and Civil Service.

By Mr. PASTOR (for himself and Mr. BRYANT):

H.J. Res. 529. Joint resolution supporting the planting of 500 redwood trees from California in Spain in commemoration of the quincentenary of the voyage of Christopher Columbus and designating the trees as a gift to the people of Spain; to the Committee on Foreign Affairs.

By Mrs. VUCANOVICH (for herself, Mr. CARPER, and Mr. ASPIN):

H.J. Res. 530. Joint resolution designating the week beginning January 3, 1993, as "National Law Enforcement Training Week"; to the Committee on Post Office and Civil Service.

By Mr. SANDERS:

H. Res. 515. Resolution expressing the sense of the House of Representatives regarding the need for the President to seek the Senate's advice and consent to ratification of the United Nations Convention on the Rights of the Child; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Ms. MOLINARI, Mr. GEREN of Texas, Mr. MRAZEK, Mr. FOGLIETTA, Mr. BOEHLERT, Mr. COLEMAN of Texas, Mr. CRAMER, and Mr. MOORHEAD.

H.R. 252: Mr. BERMAN and Mrs. BENTLEY.

H.R. 501: Mr. COYNE, Mr. CHAPMAN, Mr. SCHUMER, Mr. BENNETT, Mr. LEHMAN of Florida, Mr. ENGEL, Mr. MAVROULES, and Mr. SAVAGE.

H.R. 766: Mrs. JOHNSON of Connecticut.

H.R. 840: Mr. KLUG.

H.R. 1311: Mr. BUNNING, Mr. HENRY, Mr. McCANDLESS, Mr. IRELAND, Mr. HUCKABY, and Mr. THOMAS of Georgia.

H.R. 1312: Mr. BUNNING, Mr. HENRY, Mr. McCANDLESS, Mr. IRELAND, Mr. HUCKABY, and Mr. THOMAS of Georgia.

H.R. 1495: Mr. ENGLISH.

H.R. 1522: Mr. PASTOR and Mr. DEFAZIO.

H.R. 1969: Mr. COSTELLO and Mr. GILCHREST.

H.R. 2164: Mr. GEREN of Texas, Mr. HARRIS, Mr. JENKINS, Mr. TAUZIN, Mr. VALENTINE, Mr. CRAMER, Ms. HORN, Mr. ERDREICH, Mr. SHARP, Mr. ENGLISH, Mr. MATSUI, and Mr. McCURDY.

H.R. 2362: Mr. BILIRAKIS.

H.R. 2797: Mr. TORRES.

H.R. 2840: Mr. COYNE.

H.R. 2872: Mr. LIGHTFOOT.

H.R. 3164: Mr. HUTTO and Mr. SMITH of Texas.

H.R. 3176: Mr. VISCLOSKY.

H.R. 3198: Mr. HOCHBRUECKNER.

H.R. 3236: Mr. PETERSON of Florida.

H.R. 3360: Mr. VENTO.

H.R. 3373: Mr. DOOLITTLE and Mr. WOLPE.

H.R. 3462: Mr. GEREN of Texas, Mr. MATSUI, Mr. MAVROULES, Mr. SCHUMER, Mr. ATKINS, and Mrs. KENNELLY.

H.R. 3545: Mr. OLIN.

H.R. 3561: Mr. VANDER JAGT and Mr. UPTON.

H.R. 3578: Mr. JOHNSTON of Florida.

H.R. 3627: Mr. WYDEN.

H.R. 4045: Mr. OLVER.

H.R. 4083: Mr. BRYANT.

H.R. 4224: Mr. ROHRABACHER, Mr. PAXON, Mr. HEFLEY, Mr. PACKARD, Mr. COX of California, and Mr. SOLOMON.

H.R. 4299: Mr. PAYNE of New Jersey.

H.R. 4350: Mr. WEISS.

H.R. 4399: Mr. MINETA.

H.R. 4434: Mr. JOHNSON of South Dakota.

H.R. 4528: Mr. MILLER of California, Mr. JOHNSON of South Dakota, Mr. OWENS of New York, and Mr. ATKINS.

H.R. 4613: Mr. ALLEN.

H.R. 4755: Mr. CLINGER and Mr. ERDREICH.

H.R. 4895: Mr. NEAL of North Carolina, Mr. LANCASTER, Mr. PARKER, and Mr. MAZZOLI.

H.R. 5010: Ms. NORTON and Mr. FOGLIETTA.

H.R. 5013: Mr. BEILENSON.

H.R. 5020: Mr. SOLARZ, MR. MEYERS of Indiana, Mr. PETERSON of Minnesota, Mr. LAUGHLIN, and Mr. SKAGGS.

H.R. 5083: Mr. COLEMAN of Texas, Mr. PETERSON of Minnesota, Mr. DAVIS, Mr. HORTON, Mr. TOWNS, Mr. BLAZ, Mr. ATKINS, Mr. MORRISON, Mr. BUSTAMANTE, Mr. STALLINGS, Mr. PASTOR, Mr. BENNETT, Mr. MINETA, Mr. HAYES of Illinois, Mr. RICHARDSON, Mr. GILMAN, Mr. ABERCROMBIE, Mrs. UNSOELD, Mr. FORD of Michigan, Mr. WILLIAMS, Mr. OWENS of Utah, Mr. SAWYER, Mr. JEFFERSON, Mr. GIBBONS, Mr. ORTIZ, Mr. GEJDENSON, Mr. BLACKWELL, Mr. LEWIS of Georgia, Ms. OAKAR, Mr. SMITH of Florida, Mr. MILLER of California, Mr. PAYNE of New Jersey, and Mr. SERRANO.

H.R. 5110: Mr. McCANDLESS and Mr. LEHMAN of California.

H.R. 5112: Mr. ENGLISH.

H.R. 5136: Mr. CARDIN.

H.R. 5170: Mr. ATKINS, Ms. NORTON, and Mr. BLACKWELL.

H.R. 5230: Mr. BERMAN, Mr. BUSTAMANTE, Mr. DE LUGO, Mr. JEFFERSON, Mr. HUGHES, Mr. NEAL of Massachusetts, Mr. RINALDO, Mr. PASTOR, Mr. TORRES, Ms. KAPTUR, Mr. ATKINS, Mr. LANCASTER, Mr. DICKS, Mr. JOHNSON of South Dakota, and Mr. KOPETSKI.

H.R. 5231: Mr. BERMAN, Mr. BUSTAMANTE, Mr. DE LUGO, Mr. JEFFERSON, Mr. MOLLOHAN, Mr. HUGHES, Mr. NEAL of Massachusetts, Mr. RINALDO, Mr. PASTOR, Mr. TORRES, Mr. SABO, Ms. KAPTUR, Mr. ATKINS, Mr. LANCASTER, Mr. DICKS, Mr. JOHNSON of South Dakota, and Mr. KOPETSKI.

H.R. 5299: Mr. FROST, Mr. DE LA GARZA, and Mr. POSHARD.

H.R. 5317: Mr. SABO.

H.R. 5318: Mr. LEVIN of Michigan, Mr. MOODY, Mr. BUNNING, Mr. McGRATH, Mr. BONIOR, Mr. WHEAT, Mr. SERRANO, Mr. WALSH, Ms. SLAUGHTER, Mr. JEFFERSON, Mr. SCHIFF, Mr. POSHARD, Mr. DIXON, Mrs. LLOYD, Mr. BALLENGER, Mr. McNULTY, Mr. RAVENEL, Mr. SANDERS, Mr. SMITH of New Jersey, Mr. WELDON, Mr. KLUG, Mr. NEAL of Massachusetts, Mr. COX of California, Mr. LEHMAN of California, Mr. RIGGS, Mr. WEISS, Mr. SPRATT, Mr. KOSTMAYER, Mrs. MORELLA, Mr. TRAFICANT, Mr. MARTINEZ, Mr. SOLOMON, Ms. NORTON, Mr. FROST, Mr. WAXMAN, Mr. CARPER, and Mr. ATKINS.

H.R. 5321: Mr. THOMAS of Wyoming and Mr. MOORHEAD.

H.R. 5323: Mr. McCOLLUM and Mr. RITTER.

H.R. 5326: Mr. BONIOR, Ms. PELOSI, Mr. STARK, Mr. STOKES, Mr. CLAY, Mr. MFUME, Mr. JEFFERSON, Mr. EVANS, Mr. SANDERS, and Mr. TORRES.

H.R. 5380: Mr. GALLEGLY, Mr. LEWIS of Florida, Mr. SAXTON, Mr. GOSS, Mr. LAGOMARSINO, Mr. KYL, Mr. ALLEN, and Mr. MOORHEAD.

H.R. 5401: Mr. WELDON.

H.R. 5419: Mr. ACKERMAN, Mr. SPRATT, Mr. McDERMOTT, Mr. McCLOSKEY, Mr. RIGGS, Mr. WELDON, Mr. BACCHUS, Mr. TOWNS, Mr. BEILENSON, Mrs. PATTERSON, Mr. PETERSON of Minnesota, Mr. GREEN of New York, Mr. HORTON, Mr. KOPETSKI, Mr. HUGHES, Mrs. ROUKEMA, Mr. MRAZEK, Mr. MILLER of Ohio, Mrs. MORELLA, Mr. ANDREWS of Maine, Mr. LEWIS of Florida, Mr. SOLARZ, Mr. TORRES, Mr. CHANDLER, Mr. JEFFERSON, and Mr. BERMAN.

H.R. 5434: Mr. AuCOIN, Mr. WAXMAN, Mr. RAMSTAD, Mr. McNULTY, Mr. TOWNS, Mr. STARK, Mr. ACKERMAN, Mr. KOPETSKI, Mr. SAXTON, Mr. CAMPBELL of Colorado, Mr. LEHMAN of California, Mr. HUGHES, and Mr. SHAYS.

H.R. 5466: Mr. ABERCROMBIE, Mr. JONTZ, and Mr. DAVIS.

H.R. 5478: Mr. HATCHER, Mr. RIGGS, Mr. MATSUI, Mr. ROE, Mr. BRYANT, Mr. EDWARDS of Texas, and Mr. CHAPMAN.

H.R. 5498: Mr. BEILENSON, Mr. LEVINE of California, Mr. WAXMAN, Mr. RANGEL, Mr. VISCLOSKY, Mr. HUGHES, and Mr. KOSTMAYER.

H.R. 5500: Mr. FORD of Tennessee and Mr. BUSTAMANTE.

H.R. 5506: Mr. EVANS.

H.J. Res. 152: Mr. LIVINGSTON, Mr. HALL of Ohio, and Ms. HORN.

H.J. Res. 237: Mr. MAVROULES, Mr. VOLKMER, Mr. TANNER, Mr. SARPALIUS, Mr. HOCHBRUECKNER, Mr. FRANKS of Connecticut, Mr. ATKINS, Mr. McGRATH, Mr. SKELTON, Mr. RAHALL, Mr. McMILLEN of Maryland, Mr. BILIRAKIS, and Mr. ROSE.

H.J. Res. 239: Mr. DORGAN of North Dakota.

H.J. Res. 271: Mr. SABO, Mr. FAWELL, and Mrs. COLLINS of Michigan.

H.J. Res. 353: Mr. BROWDER, Mr. COUGHLIN, Mr. LEVINE of California, Mr. McCLOSKEY, Mr. MFUME, Mr. MORAN, Mr. SARPALIUS, Mr. SAXTON, Mr. SKELTON, Mr. SPRATT, Mr. TRAFICANT, and Mr. WOLF.

H.J. Res. 380: Mr. CARR, Mr. MAZZOLI, Mr. SABO, Mr. HAMILTON, Mr. FORD of Tennessee, Mr. OLVER, Mr. PAYNE of New Jersey, Mr. TALLON, Mr. McDERMOTT, and Mr. TRAXLER.

H.J. Res. 399: Mr. McDERMOTT.

H.J. Res. 411: Mr. LEACH.

H.J. Res. 422: Mrs. BENTLEY, Mr. BACCHUS, Mr. ANDERSON, Mr. TAYLOR of Mississippi, Mr. HUTTO, Mr. PERKINS, Mr. BILIRAKIS, Mr. KANJORSKI, and Mr. LANCASTER.

H.J. Res. 431: Mr. EDWARDS of Oklahoma, Mr. GRADISON, and Mr. LUKEN.

H.J. Res. 450: Mr. FRANKS of Connecticut, Mr. KASICH, Mr. WALSH, Mr. HUGHES, Mr. ZELIFF, Mr. SKELTON, Mr. KOSTMAYER, Mr. FRANK of Massachusetts, Mr. DIXON, Mrs. MORELLA, Mr. FAZIO, and Mr. ROSE.

H.J. Res. 453: Mr. WHEAT, Ms. WATERS, Mr. TRAFICANT, Mr. FRANKS of Connecticut, Mr. FORD of Tennessee, and Mr. WASHINGTON.

H.J. Res. 474: Mrs. LLOYD, Mr. PICKLE, Mr. ROEMER, Mr. KASICH, Ms. HORN, Mr. BROWDER, and Mr. LaFALCE.

H.J. Res. 478: Mr. PRICE, Mr. MACHTLEY, Mr. TAYLOR of Mississippi, Mr. SANDERS, and Mr. BLACKWELL.

H.J. Res. 486: Mr. CARPER, Mr. SANDERS, Mr. TRAFICANT, Mr. MARKEY, and Mrs. COLLINS of Michigan.

H.J. Res. 495: Mr. SPENCE, Mr. LEVIN of Michigan, Mr. GINGRICH, Mrs. BYRON, Mr. LEWIS of Florida, Mr. OXLEY, Mr. ROSE, Mr. SWETT, Mr. DIXON, Mr. McDERMOTT, and Mr. LaFALCE.

H.J. Res. 500: Mr. ACKERMAN, Mr. ANNUNZIO, Mr. ATKINS, Mr. AuCOIN, Mr. BEVILL, Mrs. BENTLEY, Mr. BERMAN, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BOEHLERT, Mr. CARPER, Mr. CLEMENT, Mrs. COLLINS of Illinois, Mr. CONDIT, Mr. CONYERS, Mr. COSTELLO, Mr. COUGHLIN, Mr. COYNE, Mr. CRANE, Mr. DeFAZIO, Mr. DINGELL, Mr. DOOLITTLE, Mr. EVANS, Mr. FAZIO, Mr. FOGLIETTA, Mr. FRANKS of Connecticut, Mr. GEREN of Texas, Mr. GREEN of New York, Mr. HARRIS, Mr. HOAGLAND, Mr. HUBBARD, Mr. HUGHES, Mr. HYDE, Mr. JEFFERSON, Mr. JONES of North Carolina, Mr. KANJORSKI, Mr. KENNEDY, Mrs. KENNELLY, Mr. LANCASTER, Mr. LEACH, Mr. LEHMAN of Florida, Mr. LENT, Mr. LIVINGSTON, Ms. LONG, Mr. McCLOSKEY, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mr. MOORHEAD, Mrs. MORELLA, Mr. MURPHY, Mr. MURTHA, Mr. NEAL of North Carolina, Mr. OBERSTAR, Mr. OWENS of New York, Mr. PASTOR, Mrs. PATTERSON, Mr. PAXON, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. POSHARD, Mr. PRICE, Mr. RITTER, Mr. ROYBAL, Mr. SAVAGE, Mr. SAWYER, Mr. SKELTON, Mr. SMITH of New Jersey, Mr. SMITH of Iowa, Mr. SPENCE, Mr. STOKES, Mr. TORRICELLI, Mr. WASHINGTON, and Mr. WAXMAN.

H.J. Res. 503: Mr. ALEXANDER, Mr. ANDERSON, Mr. AuCOIN, Mr. BACCHUS, Mr. BLAZ, Mr. BORSKI, Mr. CLEMENT, Mr. COUGHLIN, Mr. CRAMER, Mr. DE LUGO, Ms. DeLAURO, Mr. DIXON, Mr. DONNELLY, Mr. DOOLITTLE, Mr. ECKART, Mr. EDWARDS of Texas, Mr. ENGEL, Mr. EVANS, Mr. FAWELL, Mr. FISH, Mr. GALLEGLY, Mr. GEREN of Texas, Mr. GILCHREST, Mr. GORDON, Mr. GRANDY, Mr. HAMMERSCHMIDT, Mr. HARRIS, Mr. HERTEL, Ms. HORN, Mr. HUTTO, Mr. JONES of North Carolina, Mr. JONTZ, Mr. KANJORSKI, Mr. KENNEDY, Mr. KILDEE, Mr. LaROCCO, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. LIGHTFOOT, Mr. LIVINGSTON, Ms. LONG, Mr. McCRERY, Mr. McDADE, Mr. McDERMOTT, Mr. MFUME, Mr. MILLER of Ohio, Ms. MOLINARI, Mr. MOORHEAD, Mr. MURPHY, Mr. NEAL of North Carolina, Ms. NORTON, Mr. ORTIZ, Mr. PRICE, Mr. PURSELL, Mr. RAHALL, Mr. RAVENEL, Mr. REGULA, Mr. RHODES, Mr. RIGGS, Mr. ROE, Mr. ROSE, Mr. SANDERS, Mr. SAVAGE, Mr. SAWYER, Mr. SCHAEFER, Mr. SLATTERY, Mr. SOLARZ, Mr. STALLINGS, Mr. STOKES, Mr. SUNDQUIST, Mr. TALLON, Mr. TANNER, Mr. TAUZIN, Mr. TAYLOR of Mississippi, Mr. TRAFICANT, Mrs. VUCANOVICH, Mr. WAXMAN, Mr. WOLPE, Mr. WYDEN, and Mr. YOUNG of Alaska.

H.J. Res. 523: Mr. DIXON, Mr. TANNER, Mr. SCHAEFER, Mr. MARTIN, Mr. HOBSON, Mr. GEKAS, Mr. CRAMER, Mr. PARKER, Mr. HATCHER, Mr. ROSE, and Mr. PETERSON of Florida.

H. Con. Res. 246: Mr. LaFALCE, Mr. ROE, and Mr. VISCLOSKY.

H. Con. Res. 318: Mr. OWENS of Utah.

H. Con. Res. 335: Mr. HUNTER and Mr. TORRICELLI.

H. Con. Res. 344: Mr. CAMPBELL of Colorado, Mr. MRAZEK, Mr. STARK, Mr. LEHMAN of California, Mr. McDERMOTT, Mr. POSHARD, Mr. HOCHBRUECKNER, Mr. JOHNSON of South Dakota, and Mr. MAZZOLI.

H. Con. Res. 345: Mr. BOUCHER, Mr. BILBRAY, Mr. FRANK of Massachusetts, Mr. GUARINI, Mr. KOLTER, Mr. MILLER of California, Mr. LaFALCE, Mrs. LLOYD, and Mr. VISCLOSKY.

H. Res. 465: Mr. ZELIFF.

H. Res. 490: Mr. RAMSTAD and Mr. PURSELL.

PETITIONS, ETC.

Under clause 1 of rule XXII,

170. The SPEAKER presented a petition of the Board of Selectmen of York, ME, relative to the naval shipyard at Kittery, ME; which was referred to the Committee on Armed Services.

EXTENSIONS OF REMARKS

PAYROLL TAX DEPOSITS AND SMALL BUSINESS: IRS SIMPLIFICATION SYSTEM MISSES THE MARK

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. IRELAND. Mr. Speaker, as our colleagues are no doubt aware, on May 18, the Internal Revenue Service issued a proposed rule to help untangle its wholly unintelligible payroll tax deposit system. In doing so, the agency claimed a great victory in the battle against Government redtape.

I rise today to inform—and warn—the House that these triumphant assertions greatly overstate the case.

My initial studies of the proposal reveal only a small victory in the making: A system based on absolute chaos may be replaced by one notable for its mere complexity.

Mr. Speaker, I applaud the IRS for its effort, but I am discouraged and disappointed that the opportunity for true reform, for the creation of a system that is simple and fair, may be lost among all the hyperbolic statements and self-congratulation.

For this reason, I would like to insert in the CONGRESSIONAL RECORD my recent letter to Commissioner Peterson which outlines my concerns about the proposal. I hope our colleagues read it with their hometown businesses in mind.

At the same time, Mr. Speaker, I also encourage our colleagues to read the proposal itself as it appears in the May 18 Federal Register. If they agree with my assessment—that the changes do not simplify the payroll tax deposit system and do not help as many small businesses as they should—then I urge them to write the Commissioner and ask for real reform.

Mr. Speaker, small enterprises, the great job creators, producers, and innovators of our country, are suffocating under piles of Government redtape, from coast to coast, border to border. We can pipe some oxygen to them by helping the IRS develop a truly simple, workable tax deposit system. I hope our colleagues will join in this campaign on behalf of America's small businesses.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC, July 8, 1992.

Hon. SHIRLEY D. PETERSON,
Commissioner, Internal Revenue Service, Washington, DC.

DEAR MS. PETERSON: As you know, on May 18th your agency announced that it was simplifying its federal employment tax deposit rules with the laudable goal of easing the regulatory burden imposed on small businesses.

As part of that announcement, the IRS states that formal comments are due by July 20th and a hearing is scheduled for August 3rd. I will be filing a more complete, formal statement by the due date and will also ask to appear at the hearing.

My purpose in writing today, however, is to express my immediate disappointment with your agency's proposal. My initial review of the recommended changes suggests they do not simplify the payroll tax deposit system to any great advantage and do not help as many small businesses as they should.

Let me digress for a moment, first, to note that I am flabbergasted that a proposal touted as helping small business would declare that the Regulatory Flexibility Act, the Administrative Procedure Act, and a Regulatory Impact Analysis do not apply.

As to the latter, to suggest, as the IRS does, that the proposal does not constitute a "major rule" when it affects hundreds of millions of payroll tax dollars truly defies reason: If this proposal is not a "major rule", I really have to wonder what the IRS thinks a "major rule" is?

Further, your agency's determination that the Regulatory Flexibility Act does not apply, either, takes us back to the rather tiresome argument over the scope of the Act and whether the IRS is covered by it. Very simply, the Act covers regulations affecting small businesses; your proposal very specifically affects small businesses; so it would logically follow that the Regulatory Flexibility Act applies to the agency's recommendations. If you could explain why the IRS doesn't follow that straightforward logic, I would appreciate it.

As to the proposal itself, my crude calculations indicate businesses—and this is an outside figure—employing seven workers or less, and this estimate applies only if everyone makes $20,000 per year, including the business owner. In real life, the proposed ceiling of $12,000 in quarterly payroll tax deposits may grant relief only to the very smallest enterprises, probably just those employing two to three workers.

As such, the scope of the revisions is rather contracted, denying the monthly deposit option to as many as two million, perhaps three million, small businesses that employ 10 or fewer workers. It seems to me that our purpose here should be to help as many small enterprises as possible, thus allowing them to direct their time and capital into job creation and production, rather than figuring out and filling out IRS forms.

Finally, if it is only the very smallest enterprises the IRS is seeking to help—however misguided that may be—we should note that these businesses typically can't afford to hire accountants and tax attorneys. As such, the proposed revisions should be as simple and understandable as humanly possible.

From my reading of the proposal, however, it seems to me that these small business owners won't be able to understand the revisions and requirements by themselves. In fact, I'm not altogether sure I understand such statements as this: "Because the employment taxes accumulated by A during each quarter in the base period do not exceed $12,000, A is a monthly depositor pursuant to paragraph (b)(2) of this section. Pursuant to paragraph (c)(1) of this section, A is subject to the Monthly rule for the entire first quarter of 1993 regardless of the amounts accumulated, unless the amounts trigger the $100,000 One-Day rule in paragraph (c)(3) of this section."

And please note that this is the agency's idea of an example aimed at clarifying how the proposal works.

As I suggested, these are only a few, initial observations about the proposal. As you probably gather, I'm not very enthusiastic about the scope or style of the changes, and frankly, I'm not very optimistic about what else might turn up under closer scrutiny.

Still, let me hasten to note that if my quick interpretation of the changes is not accurate, I hope you will not hesitate to correct me.

If, however, my understanding is basically on target, I hope your agency will use the public comments and the hearing to the advantage of small enterprises, and will move quickly to create a clear, simple, understandable payroll tax deposit system that will truly help small businesses help America.

I have taken the liberty of enclosing an article that appeared in the Washington Post ten years ago and which described in painful detail the mind-boggling complexity of our payroll tax system. From my conversations with small businessmen and women throughout the country, it seems clear that we have made little or no progress over the last decade. I hope we seize the opportunity to change the system the right way now before another decade passes.

Thank you for your time and consideration.

Sincerely,

ANDY IRELAND.

[From the Washington Post, Nov. 13, 1983]

15 FORMS TO HIRE A DOMESTIC?

(By Spencer Rich)

God help you if you ever hire a domestic employee such as a housekeeper or maid for any length of time. You will be snowed under by a blizzard of federal and state paperwork. Can't somebody unite all this stuff into a single form and make it easy for people to obey the law?

In the State of New York, for example, where I've had some recent experience helping an elderly aunt with her accounts, 12 federal or state forms must be sent in to different agencies during the year if during the year you employ a nurse's aide or housekeeper for any time.

If a domestic workers works for you for a few months, earns a certain amount, then quits and you hire another one, the number of required filings jumps to 15, and it can rise higher if this happens several times a year—and this doesn't count the task of obtaining initial employer ID numbers from the federal and state governments.

My aunt was ill and needed help around the house and with her medicines, so she employed a succession of women as domestic workers.

For several quarters her total outlays to pay all the workers averaged about $2,400 a quarter. She was too ill and old to under-

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

stand the forms or to know what to do. Letters from the Internal Revenue Service and New York Department of Labor piled up demanding payment of taxes.

When I arranged to help with her forms, this is what the IRS and New York State officials told me:

Under New York law, if you employ a domestic worker, you must obtain a worker's compensation policy so that if the worker is injured on the job, medical and other bills may be taken care of. It took several phone calls and a filled-out form with a check before the policy could be purchased from the insurance agency designated by the state.

The state also imposes unemployment insurance tax on people who hire domestic workers for at least $500 a quarter, and you must send in form 1A5D with a check four times a year after sending in an initial form to get an employer identification number.

The Internal Revenue Service takes its bite too. You must obtain a federal employer ID number and four times a year file IRS form 942, summarizing how much you have paid employees, how much federal income tax you have withheld and how much Social Security tax is owed, then send a check. This brings federal and state filings to nine, not counting the ID applications.

At the end of the year, you must send each employee a W–2 form, showing how much Social Security tax and federal tax were withheld. You must also send IRS a copy of that W–2. Your annual filings are now up to 11.

The IRS also requires unemployment insurance payments and forms to cover the portion of the overall federal-state UI tax that goes to the federal government. Once a year you must file a form 940, stating how much you paid in wages and calculating how much tax you were required to pay and enclosing the check. Normally, unemployment taxes for workers in businesses are paid quarterly, but the tax for anyone employing one domestic worker at a time is normally so low the IRS lets you make one yearly payment.

That makes, with one employee during the year, 12 filings, not counting the initial ID applications.

If you have two or more workers, a W–3 form must be sent annually to the Social Security Administration summarizing the W–2 information so that Social Security can credit each person with Social Security coverage.

I submit that is heavy paperwork for having household employees, and particularly difficult for an older person.

The picture is much the same if you live in the District of Columbia, Maryland or Virginia, according to officials from those states. All three require unemployment taxes be paid quarterly if you employ a household worker for substantial amounts of time on a regular basis.

Officials from Maryland and the District said worker's compensation insurance is also required, in Maryland if the pay is $250 a quarter, in the District if the employee works at least 240 hours a quarter (about 19 hours a week). In Virginia, worker's compensation insurance is not required for a household employee.

Even a paperwork innocent could figure out a single form that could give most state and federal agencies the information and records they need.

All it would need would be the amount paid the person each quarter, how much was deducted for Social Security and income taxes. A separate section of the same form could include state and federal tables for UI. The individual could send that amount with the form, perhaps to the IRS as lead agency, which could send the forms and money electronically to other federal and state agencies.

It is taken for granted among those who work for the Social Security Administration that many who employ domestic workers don't pay Social Security tax and submit records. It's probably a safe bet that many don't buy worker's compensation for their employees or pay unemployment insurance tax.

Sometimes the employer wants to cheat and avoid the cost; sometimes the employee is evading federal income taxes and doesn't want the government to find out he or she is earning anything, so the boss agrees not to send in the forms.

But in a lot of cases, it's pretty certain the employer just finds the whole burden just too much.

The result isn't just a bit of tax cheating. Some of the lowest-paid workers in society may end up being cheated out of their full Social Security benefits when they reach retirement age, or out of unemployment insurance or worker's compensation.

So anything that makes it easier to file these forms—such as the creation of some central master form that could cut the paperwork—would not only help the government on taxes, but make it easier to give these low-paid workers the Social Security and unemployment insurance protection they need.

THE LIBYAN PEOPLE ARE TIRED OF QADHAFI'S FOLLIES

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. BROOMFIELD. Mr. Speaker, the Libyan masses are growing weary of Qadhafi's follies. They have paid a high price for his failed domestic and international policies and are beginning to think that anyone could do a better job of ruling Libya than the mad colonel.

Since coming to power, Qadhafi has engaged in military adventures against some of his neighbors, Tunisia and Chad, and even briefly clashed with Egypt. He has assassinated opponents of his regime overseas and made Libya a home for international terrorists, including Abu Nidal and Abu Abbas. His intelligence services destroyed Pan Am 103 and a French airliner, killing nearly 500 innocent people in those two mindless terrorist operations. Tripoli's role in backing this lawless international violence has earned Libya a spot on the Export Administration Act's official list of states supporting terrorism.

In a tasteless show of resentment toward the U.S. Government in 1979, Qadhafi ordered a group of Libyans to burn the American Embassy in Tripoli, a compound he was obliged to protect under international law. He ordered the attack to display his solidarity with the new Iranian Government of the late Ayatollah Khomeini. Qadhafi later promised to rejoin the family of nations by moderating his policies, but promptly turned around and pursued his own radical agenda. Even Libya's friends are embarrassed by his bizarre policies.

Libya is now feeling the effects of recently-imposed U.N. Security Council sanctions designed to compel him to surrender two Libyan terrorists accused in the bombing of Pan Am 103. Those sanctions may now be tightened. Rather than surrender the two suspects, Qadhafi is engaging in an elaborate dance designed to gain him time in his dispute with the international body.

While Qadhafi lives in luxury, the average Libyan is beginning to pay a high price for his leader's mismanagement of the country's domestic and international policies. Qadhafi claims that Libya should be run by the people, but chaos is rampant as people's committees attempt to undertake the challenging task of managing a country. Some products are difficult to find, and many basic services are unavailable.

The Libyan people know that both their leader and their country are increasingly subjects of international derision. Even the Arab world does not take Qadhafi seriously. If the Libyan leader does not soon mend his ways, his people may decide that he should be returned to the desert to while away his remaining years in a remote oasis.

I commend the following New York Times article concerning Libya and Qadhafi to my colleagues in the Congress.

LIBYAN DOUBTS ABOUT QADDAFI ARE GROWING

(By Chris Hedges)

TRIPOLI, LIBYA.—The United Nations sanctions that went into effect against Libya last April are turning out to be more than a symbolic gesture. While they have not yet accomplished their purpose of compelling Libya to turn over two suspects wanted in the 1988 bombing of a Pan Am jumbo jet over Lockerbie, Scotland, they have been politically damaging to the mercurial Libyan leader, Col. Muammar el-Qaddafi.

The Libyan military is struggling with serious shortages. Many Libyans openly call for Colonel Qaddafi's removal and the official information media now admit that the Arab solidarity that was the cornerstone of Colonel Qaddafi's foreign policy was "a mirage."

The sanctions have succeeded in banning flights in and out of Libya and in prohibiting the sale of military equipment. They have also brought a reduction in the diplomatic staff Libya maintains abroad. Western diplomats say the departure of 1,700 Russian advisers and technicians has devastated the military's infrastructure, rendering the air defense system ineffective while much of Libya's hardware rests idle.

One result is that the littered streets and back alleys in Tripoli, where young men once shied away from foreigners because they feared the pervasive security apparatus, are seething with open resentment.

If Colonel Qaddafi were to turn the suspects over, a subsequent lifting of the embargo might permit him to halt the deterioration of his popular support. But Arab and Western diplomats say the extradition of the two men is unacceptable to his security apparatus—the organization that has held him in power for 23 years.

These diplomats also believe that if Libya was involved in an operation of the magnitude of the Lockerbie bombing, it could not have been carried out without Colonel Qaddafi's approval. "Colonel Qaddafi has no desire to see two of his intelligence agents describe the inner workings of his regime to the West and directly tie him to state terrorism," one Arab ambassador said.

The Libyan leader appears to be hoping to bargain his way out of his predicament; he has been trying to meet the sanctions requirements half-way by giving the West some satisfaction in hopes it will drop its demand for the two men. "The Libyans know little about how the outside world works," a senior diplomat said, "and so they are vainly trying to work out a compromise."

The United Nations, in addition to the extradition of the two suspects, has called on Libya to end support for international terrorism and assist in the investigation into the bombing of a French airliner over Africa in 1989. The two bombings killed 441 people. In response, Libyan officials have turned over information about the Irish Republican Army, for which they provided training and funds, to British officials. They have expelled the Palestinian terrorists Abu Nidal and Abul Abbas, and have closed several Palestinian training camps.

The Libyans are hoping that these actions will at least stave off the imposition of stiffer sanctions when the United Nations reviews the measures in August.

Diplomats say this tactic may work; a senior Egyptian official who travels frequently to Libya said that if Colonel Qadhafi can avoid further sanctions he will probably retain power. The Egyptians believe that despite the erosion of Colonel Qadhafi's grip on the country he does not yet have any serious rivals.

When Libyan officials are questioned about the extradition demand, they appear to be stalling for time. In a letter sent last month to the United Nations Secretary General, Boutros Boutros-Ghali, Foreign Minister Ibrahim M. al-Bishari promised that the Libyan parliament would "take an appropriate stand regarding the matter as soon as possible." But the 631-member body, which met for 10 days that ended last Tuesday, skirted the issue for most of the meeting. And at the conclusion, it reiterated the standard Libyan demand that the two suspects be turned over to the Arab League or the United Nations, rather than the United States or Britain. Similar offers were rejected before the sanctions went into place.

A CATALYST FOR ANGER

Within Libya, the sanctions have become a catalyst for popular outrage. After two decades in which efforts to follow bizarre economic and political theories have left many Libyans without basic services such as water or garbage collection, even some Libyan officials admit that they are in trouble.

The problems are evident in one of Colonel Qadhafi's most lavish schemes, a $25 billion effort called "the Great Man Made River Project." After spending $6 billion to channel water from aquifers to reservoirs built for the project, the Libyans have discovered that the desert heat is evaporating the stored water. Many Libyans, watching as planners scramble to build roofs over the reservoirs, have begun calling it "the Great Mad Man River Project."

Such feelings do not sit well with the older bureaucrats who dominated the recent session of the parliament. Most spent much of the nationally televised debate attacking the younger generation for advocating change. But younger delegates, while making sure never to attack Colonel Qadhafi by name, complained of shortages in everything from school desks to electricity.

While the sanctions have eroded Colonel Qadhafi's hold on power, his decision to hold onto the suspects while trying to give the West enough to keep the United Nations from imposing tougher measures might just work. "He has been weakened," said an Arab ambassador, "but if he can maintain the status quo, he might survive."

A TRIBUTE TO THE NORTHERN LIVINGSTON COUNTY RED CROSS

HON. LOUISE M. SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Ms. SLAUGHTER. Mr. Speaker, it is my honor today to pay special tribute to the Northern Livingston County Chapter of the American Red Cross on its 75th anniversary.

The greater part of the work of the American Red Cross is carried on and financed by dedicated local chapters with the assistance and support of the national organization. Today there are over 3,000 local Red Cross chapters throughout the United States.

Founded during World War I, on July 9, 1917, the Northern Livingston County chapter has continued, over more than seven decades, to assist the public through a variety of services. Through disaster assistance, community blood drives, first aid programs, service to the military and their families, water safety programs, nursing and health services, and educational activities for young people, the Northern Livingston County Chapter of the Red Cross has made significant contributions to the quality of life in upstate New York and has become an integral part of the community in Livingston County.

More than 300 active volunteers in the Northern Livingston County chapter have committed themselves to providing comfort, food, lodging, and clothing to families whose homes were destroyed by fire or other disaster. These dedicated volunteers recently undertook another worthy project to help the families of U.S. Service men and women locate relatives on active duty who had become isolated from contact.

I proudly salute the work of these caring individuals on the 75th anniversary of their organization and, on behalf of the people I represent in Livingston County, I thank them for their service to the community.

INTRODUCTION OF THE SMALL BUSINESS REGULATORY COST RELIEF ACT OF 1992

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. LIGHTFOOT. Mr. Speaker, how many times have Members of Congress heard their constituents complain about expensive Federal regulations placed on their small businesses—raising their overhead costs, resulting in higher consumer prices and inhibiting expansion?

Congress and Federal agencies enact dozens of new laws and regulations which affect small businesses every year. Making a small business viable is difficult enough without having to contend with the burden of expensive Federal regulations.

In an effort to relieve some of these federally mandated financial burdens, I am introducing the Small Business Regulatory Cost Relief Act of 1992. This legislation will provide tax relief for small businesses forced to comply with Federal regulations.

My legislation is modeled after the disabled access credit, included in the Americans With Disabilities Act [ADA] but is applicable to all Federal regulations, not just those expenses incurred to provide access to persons with disabilities.

When Congress passed the ADA, it realized that mandating such regulations would impose a costly burden on business and would result in lost jobs and hamper economic growth. Small businesses, which do not have the resources to comply with the expense of regulations imposed by the Federal Government, would have been hit the hardest.

Congress provided the disabled access credit to help businesses comply with the new regulations mandated by the ADA. While this has provided some assistance, many small businesses still suffer from the burden of compliance.

Congress routinely imposes laws on small business yet fails to provide relief for the cost of compliance, with adverse effects on businesses, jobs and ultimately, consumers, who have the costs passed onto them. According to the Rochester Institute of Technology, Federal regulations cost each household in the United States between $4,000 and $5,000 annually.

My legislation would allow small businesses a nonrefundable tax credit equal to 50 percent of verifiable compliance expenses over $250—the same as the disabled access credit. However, my legislation is not limited to the first $10,250 of expenses. My legislation is applicable for all Federal regulations which became final 5 years before the enactment of this legislation. In addition, the eligibility of small businesses to take advantage of the credit is expanded by having small businesses defined by the Small Business Act rather than the more limited definition used by the ADA.

We in Congress must do more for job creation. Small businesses produced 39 percent of the gross national product and employed 58 percent of the work force in 1991. In 1990, small businesses accounted for 90 percent of nonagricultural, net private job growth. Congress and Federal agencies seem to forget this when mandating new regulations on small business.

The Small Business Regulatory Cost Relief Act of 1992 will help small businesses reduce their costs of complying with Federal regulations. By making compliance more affordable, small businesses will be able to implement Federal regulations faster, easier, and more extensively. We all want a cleaner and safer environment, but it can and should be achieved without suffocating small businesses. My legislation will help us achieve both goals.

INTRODUCTION OF THE OYSTER DISEASE RESEARCH ASSISTANCE ACT

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today to introduce legislation to establish a Federal program that will provide financial assistance for research relating to oyster diseases.

As many of my colleagues know, oyster diseases have devastated the oyster stocks of this Nation. In the Chesapeake Bay, which once provided almost half of this country's oysters, current harvests are at a historical low. It is estimated that 90 percent of the Chesapeake Bay's oyster beds are infected. However, this problem is not isolated to the bay; the Gulf of Mexico, the Carolina coast, and the west coast have also been ravaged by the diseases MSX, Dermo, and SSO. The situation has worsened over the past 5 years, highlighting how very little is known about oyster disease. The national scope of this problem demands increased Federal assistance and improved coordination between the numerous Federal agencies that work to protect oysters and the Nation's water resources.

Most people recognize the economic benefit oysters provide. Oysters mean jobs, especially in areas such as the Eastern Shore of Maryland. However, what is sometimes overlooked is the fact that oysters are also of vital importance to the environment as well. Oysters support many marine organisms and filter pollutants from the water. Researchers have estimated that at the turn of the century the oyster population of the Chesapeake Bay filtered the entire volume of the bay every 3 to 6 days. By contrast, it is estimated that the current oyster population takes nearly a year to complete this function. It is quite possible, if not probable, that the decline in oysters has significantly contributed to the decline in water quality of the bay.

To date, Federal action to address this problem has been limited. Some research has been conducted and Federal resources have been allocated to assist in the construction of oyster reefs. While this is a worthy effort, little benefit is gained by continuing to repopulate our waters only to feed the diseases which plague them. The reality is we know very little about the diseases afflicting oysters; the life cycle of the diseases and how they are spread remains a mystery. Other questions remain as well, about the ability to make oyster disease resistent, as some have claimed of the Japanese oyster.

The legislation I am introducing today would create a comprehensive, coordinated Federal effort to conduct research on oyster diseases. The legislation would require the Administrator of the Environmental Protection Agency [EPA] to establish and administer, in consultation with an advisory committee, an oyster disease research program that will provide grants to eligible institutions to support research in this area. The Administrator would also be mandated to identify those diseases that should be made a priority for research.

The advisory committee would be composed of nine members with representatives from each of the regions that has experienced oyster disease problems and would be responsible for providing information and advice to the EPA in designing and implementing this new program. Members would serve for 2-year terms and would not be paid.

Perhaps most importantly, this legislation would provide for coordination among all Federal agencies including: the Department of the Interior, the National Institutes of Health, the Food and Drug Administration, the National Science Foundation, and the National Oceanographic and Atmospheric Administration. In addition, all information concerning oyster disease gathered through this program would be shared with other research entities and interested individuals thereby ensuring full dissemination of information.

Mr. Speaker, this legislation will be a serious step in addressing the problem of oyster disease. In Maryland, nearly four centuries of watermen have harvested oysters. It is a way of life for these individuals. But equally important, oysters are an important segment of the Maryland economy and are vital to the health and preservation of the Chesapeake Bay. Other States, I know, are in an identical situation. The situation is beyond crisis, there is no time to spare. It is time for the Federal Government to end its half-hearted efforts and make a real commitment to achieving progress in the area of oyster disease research. I look forward to working with my colleagues on this legislation.

RELAXING THE EARNINGS TEST

HON. PETER HOAGLAND

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. HOAGLAND. Mr. Speaker, I am introducing a bill today to reduce significantly the burden of the Social Security earnings test on those individuals who choose to work after age 65.

The primary purpose of the Social Security Program since its origin has been to provide income protection to workers over age 65 who have retired. To target benefits to the retired elderly, the program since its origin has included an earnings test to determine whether a person is retired. The earnings test is a provision of the Social Security law that reduces the amount paid to senior citizens who continue to work after they begin to claim retirement benefits. Today, when a person earns over the exempt amount—$10,200 for 1992—benefits are reduced by $1 for every $3 of earnings.

The objective of my bill is to reduce the burden of the earnings test on those senior citizens who choose to remain working. It would increase the amount of money Social Security recipients are allowed to earn without a cut in their benefits. By 1997, the bill would enable an individual to earn more than twice the $10,200 he or she can earn this year without any reduction in benefits.

CURRENT LAW

Under current law, Social Security beneficiaries age 70 and older receive full benefits without regard to any earnings. Those under age 70 are eligible for full benefits only if their earnings are lower than the amount they are allowed to earn, $10,200 this year. The amounts allowed without benefit reduction are indexed and increase annually by the rate of average wage growth in the economy. In 1992, the annual exempt amount for retirees and other beneficiaries age 65 to 69 is $10,200 and it is projected to reach $12,600 by 1996. Individuals with higher earnings will have their benefits reduced by $1 for every $3 of earnings above the exempt amount.

PROPOSED IMPROVEMENTS

First, my bill would increase the amount of earnings exempt from reduction and modify the rate of benefit reduction for earnings above the exempt amount for individuals age 65 to 69. The age 65 to 69 exempt amounts would be increased to $11,760 in 1993, $13,800 in 1994, $16,680 in 1995, $20,760 in 1996 and $24,120 in 1997. The proposed 1997 level would be almost double that projected under present law. Following 1997, annual indexing of the exempt amounts would resume.

Second, starting in 1993 the rate of benefit reduction for the first $5,000 of earnings above the exempt amount would be lowered to $1 of benefits for every $4 of earnings. The present law rate is $1 for every $3 of earnings and would continue to apply to earnings above $5,000.

FINANCING

To protect the fiscal integrity of the Social Security trust fund, my bill pays for the costs of relaxing the earning test by gradually raising the contribution and benefit base subject to Social Security taxes. The base establishes the amount of annual wages or self-employment income subject to the Social Security payroll tax. Increasing the contribution and benefit base has a progressive effect, affecting only those individuals with earned incomes next year of over $55,500.

FAIRNESS AND EQUITY

The earnings test we have today is not designed to meet the real needs of retirees now or in the future. We must update the law. The percent of retirees with private pensions has been slowly declining since 1980. The rate of savings declined by half during the 1980's and is now at rock bottom, barely 3 percent of household disposable income. In order to maintain their standard of living—or even to meet their basic needs—some current retirees must work to supplement their income from Social Security benefits and from other sources. Many more may need to do so in times to come. Thus, we need to allow Social Security beneficiaries to earn more to maintain their standard of living, to pay the expenses they face today. It is time to bring this law up to date.

But there is more to it than financial need. Our society has come to recognize that work at some level is vital if we are to maintain our health and sense of well-being. And its a two-way street. Many senior citizens are able and willing to work today. And many businesses would like to hold on to their most experienced and competent older workers. Our economy—all of us—benefit from having the experience and skills of older workers in the work force.

The elderly can be used to train future workers, while bringing in more tax dollars and helping to keep America competitive. Yet today's earnings test is a serious work disincentive for many seniors and penalizes most of those who want to or need to continue some form of meaningful employment.

I believe the changes in the test that I have proposed in this bill are ones that are necessary to meet the very real needs of today's and tomorrow's Social Security retirees—and ones that will benefit society as a whole.

ECONOMIC GROWTH ACT OF 1992

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. COLEMAN of Missouri. Mr. Speaker, as I have visited with north Missourians over the past few months, they have made clear their foremost concerns: good jobs, good wages, lower taxes, and a growing economy. Today, in response to their comments and the need to get the country working and growing at an acceptable, and sustainable, pace, I am introducing the Economic Growth Act of 1992. This measure, coupled with other legislation I have introduced and am cosponsoring, provides a comprehensive blueprint for recovery and sustained economic growth.

As the recession worsened, one of the most important actions by Congress was the extension of unemployment benefits for those unable to find work. I continue to support efforts to provide extensions for those whose benefits have expired. However, simply providing unemployment compensation to those seeking jobs is clearly only a treatment for joblessness, not the solution.

The solution is to create jobs—and good jobs at good wages require business and industrial expansion. Research and investment are two of the keys to economic growth in today's competitive global environment. My economic revival plan will stimulate research and investment through a permanent extension of the research tax credit, and a restoration of the investment tax credit. Extending the research tax credit could free up an estimated $7.8 billion through 1997, and restoring the investment tax credit could return $30 to $40 billion to the economy per year.

The real estate and construction industries continue to be economic bellwethers. Assisting first-time home buyers into the housing market will not only make the dream of home ownership a reality for millions of Americans, it will directly stimulate jobs in the real estate and construction industries, and in related fields as well. My growth proposal calls for a $10,000, dollar-for-dollar tax credit for the purchase of a new home by first-time home buyers.

Economic growth will be further encouraged through a straightforward reduction in the capital gains tax rate. About half of all Americans report capital gains during their lifetime, and nearly 65 percent of all those who reported capital gains in 1990 had incomes of under $50,000. Cutting the gains tax rate will directly benefit farmers, seniors, small business owners and families, and will unleash job-creating investment as well as boost productivity. And since our most fierce international competitors—including Japan and Germany—impose no or only nominal capital gains taxes, a reduction will further improve our international competitiveness, and provide an incentive to keep jobs here at home.

Another key to sustained economic growth and competitiveness is education. To help make education more affordable, my package restores the income tax deduction for interest on student loans, and creates education savings accounts. Similar to IRA's, these are tax free education savings accounts that will help families save to meet the expenses of higher education.

Americans should be able to plan for their futures over the long term. My proposal includes reinstating full deductibility for individual retirement account contributions, and offers penalty free withdrawals for education expenses, for the first-time purchase of a home, and for medical emergencies.

Neither should Americans have to worry about the security of their pensions; thus, I am cosponsoring legislation to help the Federal program which guarantees company pension plans remain solvent.

Furthermore, I believe older Americans who want to work should be able to do so, and my plan includes specific language repealing the unfair and discriminatory Social Security earnings test. This limitation requires that seniors give up $1 in Social Security benefits for every $3 they earn over the arbitrary income limit of $10,200. If the test were eliminated, an estimated 700,000 seniors could enter the work force, generating some 15 billion dollars' worth of goods and services, and paying an additional $4.5 billion in taxes.

The Federal Government, like families, individuals, and businesses across America, must live within its means. The huge Federal deficit destroys economic growth and results in lost job opportunities. The majority of you join me in that belief, and recently voted accordingly. Although we were stifled by a minority of the Members of this body, I have introduced additional legislation calling for a constitutional amendment to mandate a balanced Federal budget, and to provide for the systematic repayment of the accumulated national debt. I have also introduced legislation providing the President with a power enjoyed by Governors across the Nation—the line-item veto power.

High Federal taxes limit the ability of wage earners and families to plan for their futures, and to survive today. Lower taxes mean more dollars returned to the economy as savings, investment, or spending. In addition to the changes in the Tax Code I've already discussed, I am proposing, as part of my growth package, that the dependent deduction for children under the age of 18 be increased by $500. I am also cosponsoring legislation to make the income tax deduction for the health insurance costs of the self-employed permanent, and phasing in an increase in the allowable deduction, so that it hits 100 percent in 1994. And I continue to believe that Congress should enact no new taxes of any kind.

American business and industry can create the jobs we need to turn our economy around and set us once again on the road to sustained economic growth, but only if they are given the necessary tools. The legislation I've outlined here on the floor today provides those tools. I urge my colleagues to join me in this effort to secure a positive economic future for our children, and a better today for our Nation.

B'NAI JACOB MARKS 100 YEARS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. NEAL of Massachusetts. Mr. Speaker, I take this opportunity to recognize the 100th year anniversary of Congregation B'nai Jacob of Longmeadow, MA. One of the oldest Jewish congregations in the Springfield area, B'nai Jacob was formed when a small group of men separated from the Agudass Achem early in 1891 to form their own congregation. This congregation has evolved into one of the most respected and hard-working organizations in the Springfield area.

Although the founding of the congregation was marked with uncertainty, the founders were determined to press through the tough times and produce a caring and dedicated congregation. The tenuous inception of B'nai Jacob was interrupted in 1920 when the congregation erected its own synagogue on Congress Street in Springfield. Until 1920, B'nai Jacob had met in several different private buildings in the neighborhood. The congregation originally met in a small room above member Benjamin Rosenstein's clothing store on Worthington and Water Streets—Columbus Avenue. Although the congregation was burdened with difficulties, they were able to intensify their commitment to the temple and to each other in order to establish a very pious and supportive congregation.

Mr. Speaker, in 1962, the congregation faced another important crossroad: The synagogue and most of the other buildings in the Jewish neighborhood were being torn down as part of a federally funded urban renewal project. The congregation remained committed, and by 1964 they had built a new synagogue on Eunice Drive in Longmeadow. This new synagogue is where they are presently worshiping.

Currently, the conservative temple is serving over 250 families. The youth director provides a steady list of educational opportunities and social activities for the young folks of the congregation. From classroom study to trips to the ball park, the children of B'nai Jacob have always participated in activities with the other members of the congregation. In addition, the older members have excellent opportunities to participate in the social functions of B'nai Jacob.

Mr. Speaker, the congregation is celebrating its centennial anniversary with a 3-month exhibit through September 6 at the Connecticut Valley Historical Museum. The exhibit features a wide array of both religious and ornamental artifacts that chronicle the congregation's history from its earliest meetings in the 1890's to the original temple and its current location. Religious objects on display include the old Torah, the handwritten scrolls of the five books of Moses, and the silver crowns from the 1920's and 1930's which fit on the Torahs. The 1920 cornerstone is also in the museum. It was picked up in 1963 from the demolition of the temple on Congress Street by Sadie Norkin, who is now one of the oldest members of the congregation at 96. The people who comprise the congregation of B'nai Jacob all enjoy their connection to the temple with great pride.

The preservation of their heritage and the sacred relics of the church are very important to the congregation. They have an intense pride of their history and their future. Recently, a time capsule marking their 100-year anniversary was lowered into the ground and not to be disturbed until the year 2042. The contents of the time capsule included prayer books, yarmulkes, pictures of people and events that have taken place at the synagogue, a book of sentiments, advice, and best wishes. Mr. Speaker, this congregation has expended their time and energy to give the future generations a sense of our history which is their history. They deserve to be recognized for their tremendous efforts in building and maintaining a temple that has the truly noble characteristics to commitment and to hard work.

INTRODUCTION OF THE INFRASTRUCTURE REINVESTMENT AND ECONOMIC REVITALIZATION ACT OF 1992

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. BORSKI. Mr. Speaker, today I will be introducing the Infrastructure Reinvestment and Economic Revitalization Act of 1992. This legislation will rebuild our roads and bridges, spur economic growth, increase productivity, and put thousands of Americans back to work.

In the last few decades, our investment in infrastructure has declined dramatically. At its peak in the late 1960's, U.S. investment in infrastructure neared 2.4 percent of the gross national product [GNP]. However, by the 1980's, investment had plunged to less than 0.3 percent of the GNP.

Not surprisingly, the standard of living of working American families has simultaneously declined. Since 1980, Americans have seen prices increase, wages decrease, and their savings disappear.

Furthermore, our disinvestment in infrastructure has strangled our ability to create the economic growth needed to end the current recession. Without a substantial influx of new capital, our infrastructure will continue to decay, our economy will continue to stagnate, and Americans' standard of living will continue to decline.

Our trading partners are certainly aware of the inherent link between infrastructure and economic productivity. For example, Japan is investing $3.5 trillion in the next 15 years to rebuild its roads, bridges, and airports. Coincidently, Japan's productivity rates continue to exceed our Nation's rates. Even Taiwan—a nation only a fraction of the size of the United States—is embarking on a 6-year, $300 billion investment program.

In order to compete in the global marketplace of the 1990's we must make similar investments. Unfortunately, our antiquated system of financing infrastructure falls far short of providing the resources needed for investment.

To begin with, not all of the resources in the transportation trust funds are being spent on infrastructure. Working Americans who pay taxes every day at the gasoline pumps are not getting the investment they paid for.

Simply put, the trust in the trust funds is being violated. Because of deficit reduction pressures, it appears unlikely that any of the 5-cent gasoline tax authorized by the Budget Agreement of 1990 will ever be used for highways and transit. Half of that tax is already being used for deficit reduction, and the other half may never be appropriated for infrastructure.

In addition, our Federal Government is not using the proven, innovative means of capital financing needed to maximize the amount of resources spent on infrastructure. By limiting annual infrastructure expenditures to the annual amount of revenue from the gasoline tax, we cannot rebuild America. However, by leveraging trust fund revenue into a larger investment, we will be able to meet the needs of our infrastructure and our economy.

The Infrastructure Reinvestment and Economic Revitalization Act of 1992 will revolutionize the way we finance public works projects by moving beyond today's infrastructure financing system. It will create a new infrastructure reinvestment fund [IRF] which will be kept completely separate from other trust funds and from the unified Federal budget. The IRF will issue Treasury bonds in order to finance a one-time, massive nationwide investment in infrastructure construction and revitalization.

The bonds will generate an estimated $50 billion for new spending on infrastructure and will be spent and apportioned proportionately on the programs authorized by the Intermodal Surface Transportation Efficiency Act [ISTEA]—roughly $40 billion for highway programs and $10 billion for mass transit. This money will provide jobs for the thousands of middle-income Americans who are eagerly looking for work.

In order to finance this new spending, my bill will recapture the 5-cent gasoline tax authorized by the Budget Agreement of 1990 and dedicate it solely for the purpose of capitalizing and servicing the debt on the bonds from the IRF.

Under this proposal, revenue collected from a gasoline tax will, for the first time, be leveraged in order to finance massive capital investment. A 5-cent gasoline tax generates roughly $5 billion in revenue. My bill will leverage that $5 billion to generate 50 billion dollars' worth of bonds for spending on infrastructure.

As our trading partners have demonstrated, investment in infrastructure is money well spent. For every $1 we invest in infrastructure, our economy gets a $10 return. Furthermore, every $1 billion in investment will create 48,000 jobs.

We can no longer afford to wait to rebuild America. We must begin today. If we wait any longer, our infrastructure will continue to decay beyond repair, our economy will flounder, and more middle-income Americans will be out of jobs. America cannot be a prosperous and productive country without this investment.

Mr. Speaker, I hope my colleagues will join me in this effort to rebuild our country for the American worker and family.

COMMENDING DR. LLOYD D. KONYHA, PRESIDENTIAL RANK AWARD WINNER

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. BILIRAKIS. Mr. Speaker, I want to take this opportunity to call attention to the vital and dedicated work of Dr. Lloyd D. Konyha, southeastern regional director for Veterinary Services, in the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture.

Recently Dr. Konyha, who lives in Land O' Lakes, FL, was named a 1992 Presidential Rank Award winner. The Presidential Rank Award is designed to recognize Federal career members of the Senior Executive Service whose performance for at least 3 years merits the favorable attention of the President of the United States.

Dr. Konyha received the rank of meritorious executive in recognition of his contribution to the protection, maintenance and improvement of the health of this country's food and animal populations. Of particular note has been his success in reducing the incidence of brucellosis in the Southeastern United States.

Mr. Speaker, Dr. Konyha is directly responsible for preventing the introduction of foreign animal diseases into this country, for actively working with the poultry industry on disease surveillance and prevention in an area of very heavy poultry production and for maintaining a harmonious working relationship with livestock producers and producer groups to enhance American agriculture.

Dr. Konyha, a native of Michigan, earned a doctor of veterinary medicine degree from Michigan State University in 1960. He began his career with the U.S. Department of Agriculture in 1963 as a field veterinarian in Michigan. He was transferred to Ohio in 1965 as a field veterinarian where he conducted research on equine tuberculosis and earned a master's degree in microbiology at Ohio State University. In 1970, he transferred to Wisconsin as the assistant area veterinarian in charge.

In 1972, Dr. Konyha became the staff tuberculosis epidemiologist at the Animal and Plant Health Inspections Service in Hyattsville, MD. During this period he aggressively promoted a campaign to increase the epidemiologic tracing of infected herds or lesioned animals and brought the bovine tuberculosis incidence down to the lowest point in the program's history. Dr. Konyha developed the comparative cervical tuberculin test that is now used nationwide to differentiate between bovine, avian and other nonspecific tuberculin reactions.

From 1979 through 1980, Dr. Konyha was a staff veterinarian in the plant protection and quarantine staff in Hyattsville, where he acted as a regional staff veterinarian and had responsibility for setting policy for inspecting imported products and passenger baggage at U.S. ports of entry. From 1980 through 1984, Dr. Konyha was the area veterinarian in charge of Oklahoma. In 1984 he became the assistant regional director in the northern region and regional director for the southeast region in 1986.

When Dr. Konyha began as regional director in the southeast region, many severely brucellosis infected states were in this region. On January 1, 1988, there were 1,028 infected herds in the region and 866 of those were in Florida. By October 1, 1988, all class C brucellosis States or areas had to demonstrate significant improvement in reducing incidence of infection.

Under Dr. Konyha's leadership, a task force was formed consisting of Federal, State and industry representatives to devise a plan to improve the status of the area. Today there are only 243 infected herds in the region—a decrease of 76 percent. The task force was recognized for its fine work, receiving a U.S. Department of Agriculture Group Superior Service Award.

Mr. Speaker, Dr. Konyha deserves our gratitude and praise. He exemplifies a special kind of commitment to the public good which we need to recognize and nurture. His service to our Nation cannot be overstated and I am proud to call attention to his remarkable career achievements today.

A BILL TO ADVANCE WORKPLACE SAFETY

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. GRADISON. Mr. Speaker, I rise today to introduce legislation designed to correct a serious inequity in the Federal Tort Claims Act. Current law protects the Federal Government against suit by citizens pursuing damages due to Federal negligence of its own health or safety standards.

In recent years, there has been considerable controversy and litigation concerning the role of the Federal Government in the unnecessary exposure of citizens to risks associated with a number of health and safety hazards. In a number of cases, there exists considerable documentation which suggests that the Federal Government behaved in a negligent manner and was often lax in its enforcement of Federal health and safety standards in workplaces it owned, operated, or controlled. This is particularly true in cases of unnecessary exposure to asbestos.

For example, in those cases involving exposure to asbestos, it has been documented repeatedly that the Federal Government violated its own health and safety standards at the time of the Second World War, and that it failed to warn, or provide protection for, workers in Government and contract shipyards. The courts have found that Government officials and safety inspectors were well aware of the hazards associated with prolonged asbestos exposure and of the dangerous conditions in the shipyards under their control.

Unfortunately, citizens pursuing their cases in the courts have found that the Federal Government can escape any liability for violating its own health and safety standards by exercising a technical legal defense. By invoking the defense of discretionary function provided under section 2680(a), title 28, United States Code, the Federal Government effectively is able to escape liability.

Numerous challenges have been turned aside by the courts. In many cases, the courts have acknowledged explicitly that the Federal Government had been negligent and was responsible, in whole or in part, for injuries and deaths resulting from accidents in the workplace or from the exposure to hazardous materials. Nevertheless, the courts have routinely denied redress—not on the merits of the cases, but based on the Federal claim of immunity grounded in discretionary function.

Mr. Speaker, the discretionary function immunity was provided to the Federal Government by Congress as part of the Federal Tort Claims Act of 1946. Essentially, this defense was incorporated into the FTCA to immunize the Federal Government against suit by citizens for decisions made by high level officials in the course of conducting public policy. An objective review of the record reveals the clarity of congressional intent. Congress intended that this protection would allow principal Government policymakers to conduct an effective public policy without fear of being sued for the ramifications of policy judgment.

For over 45 years, the Federal Government has expanded the application of the discretionary function defense beyond what was initially intended by Congress. The erosion of the right of a citizen to seek redress through the courts for injuries incurred as a result of Federal negligence must end. I can envision no reasonable situation in which it is deemed to be effective public policy for the Federal Government to permit unsafe, unhealthy, and hazardous working conditions in the workplaces it owns, operates, or controls.

Private individuals and concerns, in similar cases of negligence, have been found liable and ordered to compensate plaintiffs. Litigation, or the threat of litigation, is a deterrent. The public, and particularly citizens who have been wronged by the Federal Government, should insist on a similar check on the power of the Government.

This legislation would make it possible for citizens who are injured as a result of the Federal Government's violation of its own occupational health and safety standards, or by its negligence in workplaces under its control or supervision, to seek to recover damages for those injuries.

I want to stress that this legislation makes no judgment about the merits of any case that may be pending before the courts. It merely asks that the Federal Government be required to prove its case on the merits rather than hiding behind the law. If the Government did not act with negligence, I am certain that the courts will recognize that fact. However, if the Government did act in a negligent fashion, it is irresponsible, unjust, and unacceptable for the Federal Government to absolve itself of any responsibility for its actions.

I urge my colleagues to join me in support of this legislation.

HAIL "COLUMBIA"

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mrs. JOHNSON of Connecticut. Mr. Speaker, our Nation's manned space flight program reaffirmed itself again as the space shuttle *Columbia* landed this morning at Cape Canaveral after a historic and robust 14-day mission that broke the previous shuttle duration record by more than 2 days.

The refitted space shuttle *Columbia* is NASA's first extended duration orbiter. It includes equipment and fuel for extra energy production, additional nitrogen tanks for cabin air, and a regeneration system to remove carbon dioxide—equipment that eventually may permit shuttle missions up to 30 days long.

Columbia's regenerating carbon dioxide removal system, I might add, performed admirably during the mission. It's a system that allows the shuttle to carry less expendables into orbit, a system that's a stepping stone to the advanced regeneration systems that will make space station *Freedom* a reality. A system that was produced with great pride by the fine people of Hamilton Standard in Windsor Locks, CT.

The great success of STS-50 was that it allowed for an extended, round-the-clock investigation of the effects of weightlessness on plants, humans, and materials. In 31 experiments over those 13 days—ranging from the manufacture of crystals for possible semiconductor use to the behavior of weightless fluids—the mission compiled information that will be invaluable in helping the United States maintain world leadership in microgravity research and development.

The success of the *Columbia* mission and the *Endeavour* mission in May of this year that included the dramatic rescue, repair, and redeploy of an Intelsat telecommunications satellite, typifies what this country can do with a strong space industry.

I urge my colleagues to remember these recent triumphs—and to look to the future's continued success in the manner space arena through the space station *Freedom* program—when the NASA appropriations bill comes before us later this month.

Space station *Freedom* is the stepping stone to our future in manned space exploration. Let's not discount the benefits we've received and the pride we've felt from a 30-year history of space triumphs. At the same time, let's not turn our back on the enormous potentials yet to be discovered.

TRIBUTE TO THE BRAZOSWOOD BUCCANEERS

HON. GREG LAUGHLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. LAUGHLIN. Mr. Speaker, I rise today to honor the 1992 Texas 5A State Baseball Champions, the Brazoswood Buccaneers. This baseball team not only had an amazing season by winning their last 19 games in a row, but they were able to make history as well. The Brazoswood pitchers threw back-to-back no hitters in the final tournament which was a first in the State tournament's history. The team managed to keep things in perspective and stay focused, a characteristic of all true champions, until the final game against the South San Antonio Bobcats.

Mark Senterfitt was at the top of the pitching list due to his outstanding 6 inning no hitter in the semifinal round against El Paso Coronado, and he also pitched 2⅔ innings in relief of Justin Bowles and Jason Ferguson's efforts to save the title and the no-hitter record.

Despite the outstanding efforts of the pitching staff, the title could not have been won without the efforts of the defensive players. Both Jason Rendon and Chad Blessing had excellent defensive plays throughout the tournament. Rendon and Blessing also had key runs. Other big hitters were Scott Merritt, Brian Stone, Keith Whitten, and Eric Atkins.

I would like to congratulate all the champions individually: James Ferguson, Chad Blessing, John David Perry, Justin Bowles, Rodney Colon, Keith Whitten, John Dewey, Creighton Collier, Heath Collins, Cody Dingee, Scott Merritt, Brian Guillot, Ryan Chapple, Brian Johnson, Jason Rendon, Cory Townsend, Mark Senterfitt, Cory Gibson, Brian Stone, Eric Atkins, Tobey Stevens, and coaches Bill Poland and Bobby Williams. These players should all be commended for their team effort in securing the State championship.

I rise today to call this body's attention to the hard work and determination that these champions have exemplified. I commend the Brazoswood Buccaneers for their perseverance and exemplary play in their pursuit of the Texas State 5A title.

INTRODUCTION OF THE MANDATE AND COMMUNITY ASSISTANCE REFORM ACT

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. HORTON. Mr. Speaker, today I am introducing the Mandate and Community Assistance Reform Act, a measure that I believe will help significantly over the short- and long-term to relieve the fiscal distress under which many of our States and communities are trying to operate.

This bill addresses major concerns that State and local officials have voiced for years in testimony before the Government Operations Committee and other committees as well—specifically, that the out-of-control Federal practice of mandating activities or services and requiring non-Federal governments to foot the bill, and the lack of flexibility in Federal assistance programs for our communities, are hindering their ability to provide efficiently and effectively for their low-income citizens. I am confident that our State and local partners will find this bill provides welcome relief from the burdens of unfunded Federal mandates, and allows them to try innovative approaches to the problems of their low-income residents.

Titles I and II of the Mandate and Community Assistance Reform Act establish a Commission on Unfunded Federal Mandates. The Commission is required to study this growing practice and make recommendations to Congress regarding the termination, temporary suspension, or consolidation of reporting requirements of up to 30 existing mandates. The Commission also is charged with identifying mandates that should be carried out in whole or in part by the Federal Government instead of States and localities. Because I intend these recommendations to serve as more than a mere discussion piece, I have provided that they will take effect automatically if Congress does not enact a joint resolution disapproving them within 60 days of their submittal.

To discourage the passage of new unfunded mandates, I propose to close a loophole in the Congressional Budget Act of 1974 which enables unfunded mandates to be included in legislation in the absence of Congressional Budget Office estimates of their impact on States and localities. This title amends the Congressional Budget Act to delete language stating that cost estimates are required only if submitted in a timely manner. Further amendments I have proposed require that a cost estimate accompany the conference report of legislation to ensure that any major changes made on the floor or in conference will be reported, and require committees to include in their directions to the conference committees the total cost of their provision to all levels of Government. Adequate cost estimating procedures will benefit all Members working to make informed and responsible decisions on legislation that will affect States and localities.

Expensive regulations often have a significant impact on small towns with limited resources available to pay for compliance with complex rules and mandates. The Regulatory Flexibility Act, designed to mitigate such impacts, directs an agency to perform analyses which estimate the economic and administrative impacts of their proposals on small businesses and governments and to identify alternatives to the proposed rule. However, this act contains a loophole as well—an analysis need not be performed if the head of an agency certifies that their rule will not have a significant economic impact on a substantial number of small entities. To minimize this loophole, I have proposed to modify the act's provisions for judicial review of agency rules. I believe this change will prompt Federal agencies to give more consideration to the effects of their rules on small governments with limited economic resources.

Finally, I have a great deal of enthusiasm for a title of my bill that will restore innovation and creativity to existing Federal assistance programs for local governments. Communities often are stifled in their attempt to provide benefits and services to their low income citizens by inconsistent and incompatible program requirements that prevent an integrated approach toward the problems of needy residents. This title would enable local governments to integrate federally funded programs under community based assistance plans, tailored for their distinct needs and constituencies and structured to address the broad spectrum of problems affecting America's low income citizens. The appeal of this proposal is that it allows a community to design its own social service program or programs using money it already receives from the Federal Government—I emphasize that no additional obligations will be incurred by the Federal Government as a result of this title. Local government leaders have always been a force for innovation and change, and I believe they will be effective and creative in implementing this much needed program flexibility to the benefit of their low income residents.

Mr. Speaker, States and communities have long been asking for the Federal Government to abdicate the role of dictator and assume its rightful place as a partner in the intergovernmental system. The Mandate and Community Assistance Reform Act is a fiscally responsible measure, a vehicle through which we can respond to the call for less Federal intervention and more Federal cooperation. I urge my colleagues to join me in this initiative to relieve the fiscal burdens on States and localities and improve the way the Federal Government does business with its State and local counterparts.

THE NEW MISS KENTUCKY: A REPRESENTATIVE OF THE MOUNTAINS

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. ROGERS. Mr. Speaker, the area I call home, eastern Kentucky, is known for its beauty and the determination of her people. And those two qualities are combined in one individual whom I take pride in recognizing today: Tawnya Dawn Mullins.

This 25-year-old from the community of Kimper in Pike County was recently crowned Miss Kentucky, and I can think of no one who could better represent our mountains and, indeed, our entire commonwealth.

Miss Mullins is certainly beautiful. But she also possesses warmth, intelligence, charm and determination in addition to her stunning good looks. And it is her inner beauty and strength that make her an outstanding role model for the young women of Kentucky.

Tawnya Dawn earned a bachelor's degree in political science from the University of Kentucky and originally intended to become an attorney. But after working for a year in a law office, she chose to study sports medicine and enrolled at Virginia's Radford University.

At the same time, this bright young woman was competing in pageants. While at Radford, she was named first runner-up in the Miss Virginia Pageant. Back home, this former Miss East Kentucky was competing for the fourth time for the title of Miss Kentucky when she was chosen last month to represent our commonwealth in the Miss America Pageant.

Persistence and determination have certainly paid off—not only in recognition but in education. Miss Mullins has put herself through school on the scholarships she received from those pageants.

Her parents, Stoney and Brenda Mullins, have every right to be proud of Tawnya's accomplishments. So do the people of Pike County, who take special pride in having one of their own selected for the first time ever as Miss Kentucky.

Perhaps Tawnya's mother said it best: "She'll do a good job for Kentucky, especially East Kentucky. She's just a little hometown girl."

I wish to congratulate this fine young woman, Mr. Speaker, and hope my colleagues will join me in wishing this "little home town girl" well at the Miss America Pageant.

INTRODUCTION OF LEGISLATION REGARDING THE VA HOSPITAL SYSTEM

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mrs. JOHNSON of Connecticut. Mr. Speaker, this Independence Day was sweeter than any other in recent memory for me and I suspect for many other Members as well, as it was the first Fourth of July since the fall of the Soviet Union. As we celebrate the end of the cold war, we should be careful not to forget the men and women who served in the Armed Forces and made this event possible. And as we honor them for their valor, we must reaffirm our strong commitment to providing them with quality health care in the future.

During the past decade, the VA's inadequate medical budget has been unable to address the system's needs. As a result, VA hospitals have not been able to upgrade critical life-saving resources, and many men and women who suffer from service-connected injuries are not receiving prompt attention.

To remedy this situation, today I am introducing a bill, along with 13 of my colleagues, to change the way the largest hospital system in the Nation conducts business. My proposal will allow the VA to collect from all public payers, including Medicare, Medicaid, and CHAMPUS, while waiving certain copayments to entice veterans to utilize VA hospitals. The goal of this proposal is to increase funding to boost staffing and upgrade facilities and equipment. Yet, unlike Secretary Derwinski's rural health care proposal, mine keeps the VA hospital system open to veterans only and is supported by national veterans groups such as AMVETS and the American Legion.

We owe it to those who fought to preserve the virtues of freedom and democracy to assure that the VA hospital system fulfills its mission to provide highest quality health care to our veterans so they can celebrate many more July Fourths and Memorial Days.

JOSEPH BARBER

(Director and Supervisor of the Office of Advocacy and Assistance CDVA).

I am excited that it will increase VA revenue.

This bill will give the VA the additional money it needs to allow it to do more research and accommodate more veterans.

The VA should be allowed to collect from new payers. I believe in the concept.

The VA is not getting enough money from the federal government. This is good P.R. for veterans who have lost faith in the system. It will enhance the capacity of the health care system.

ROBERT PERREAULT

(Director, Department of Veterans Affairs Medical Center, Newington, CT).

This pilot proposal is both appropriate and welcome. It will determine whether money from federal payers will be sufficient (to make up for years of underfunding).

It is very well structured as it doesn't compromise the well-being of the mandatory care veterans while treating more non-mandatory veterans.

I am optimistic that it will help to counter system underfunding and it will be consistent with the position of the VA nationally to keep the hospital system open to veterans only.

She responded to the kinds of things she heard at the veterans town meeting very well and that is represented in this bill.

MS. BARBARA JACKET NAMED HEAD COACH FOR THE 1992 WOMEN'S TRACK AND FIELD OLYMPIC TEAM

HON. GREG LAUGHLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. LAUGHLIN. Mr. Speaker, I rise today to honor a woman from the 14th Congressional District whose many accomplishments on the track and field have brought her a tremendous honor. Barbara Jacket has been named the head coach for the 1992 Women's Track and Field Olympic Team in Barcelona this summer. Ms. Jacket is only the second African-American to be named an Olympic team head coach.

She has led Prairie View A&M University women's track to win an amazingly large number of national championships, including the Association for Intercollegiate Athletics National Championship and the National Association for Intercollegiate Athletics National Championship and the National Association for Intercollegiate Athletics for both outdoor and indoor track for numerous years.

As a result of all her dedication and love for track and field, she has been recognized by multiple organizations for her success in coaching women's track. Ms. Jacket was the Southwest Athletic Conference Coach of the Year for 7 years for cross country, 9 years for indoor track, and 6 years for outdoor track.

On a more international level, Barbara Jacket has been the assistant coach, head manager, and head coach for the World University Games for a number of years. Likewise, in 1987, she was the head coach for the World Championships in Rome, Italy, and now the 1992 Olympics.

I rise today to call this body's attention to Ms. Jacket's competitiveness and adoration of track and field. I hope her inspiring qualities spread throughout the United States as we watch her coach our Nation's best in track and field in Barcelona this summer.

Coach Jacket is an inspiration to not only the student athletes she works with, but to Prairie View A&M University, to the State of Texas and to our Nation.

REGULATORY IMPROVEMENT AND ACCOUNTABILITY ACT OF 1992

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. HORTON. Mr. Speaker, as long ago as 1974 Congress recognized the need to reduce burdensome Government regulations and to secure control of the burgeoning Federal bureaucracy. That year, we enacted the Commission on Federal Paperwork as a means to measure and reduce the level of Government paperwork and redtape.

As many Members know, I chaired that commission and proudly reported our findings in 1977 to President Jimmy Carter. One of the findings of that Commission was that most of the paperwork, in fact, 80 percent, came from the regulatory process. Regulation causes paperwork.

As a result of the Commission's recommendations, the Committee on Government Operations, on which I am the ranking minority member, created the Office of Information and Regulatory Affairs as a means to manage the regulatory agenda of the Federal Government. Agencies were having difficulties in resolving their regulatory disputes, so it was our considered judgment that an office in the Office of Management and Budget keep those regulations on track, eliminate duplication, and make sure that government regulations do not result in additional paperwork requirements.

Under the Paperwork Reduction Act of 1980, OIRA has broad authority to control the collection of information by Government agencies. It is responsible for setting Government wide information policies and ensuring that agency information collection and recordkeeping requirements are consonant with Government policies.

Since 1980, OIRA has been responsible for reducing the paperwork burdens on all Americans by millions of hours and, as a result, saved the economy billions of dollars. Unfortunately, OIRA has not been as successful as it could have been due to the continuing debate over its reauthorization. OIRA has not been reauthorized since 1989 and has not had a Senate-confirmed administrator since early in the Bush administration.

For those who support efforts to reduce the ever-increasing burdens of Government mandates, I ask that you join me in support of the Regulatory Improvement and Accountability Act of 1992. This legislation provides for the long overdue reauthorization of OMB's Office of Information and Regulatory Affairs. It amends the Paperwork Reduction Act to bring regulatory review, in addition to pure paperwork concerns, within its scope. And, it overturns the 1990 Dole versus Steelworkers Supreme Court decision, which held that regulations requiring only disclosure of information to third persons were outside the reach of the Paperwork Reduction Act.

To provide accountability and to guarantee that this authority will not be abused, this bill also subjects OIRA review of proposed regulations to a 90-day time limit and subjects its decisions to court review under the Administrative Procedures Act.

The enactment of this bill should end altogether the debate on the Competitiveness Council as it reauthorizes OMB's Office of Information and Regulatory Affairs in a fair and responsible way. This bill is the product of countless hours of hard work and negotiation put in by Senator WILLIAM ROTH and his fine staff. I thank them for their contribution to this effort.

Finally, Mr. Speaker, let me add that the Paperwork Reduction Act and the Office of Information and Regulatory Affairs were endorsed and used efficiently by Democratic President Jimmy Carter as well as Republican President Ronald Reagan.

It is time to reauthorize this legitimate regulatory review function, create jobs by promoting the competitive position of U.S. industry, and get the Government's regulatory burden off the backs of all Americans.

I am attaching a summary of the Regulatory Improvement and Accountability Act of 1992 to this statement. I urge all Members to support this important legislative proposal.

SUMMARY OF PROVISIONS—REGULATORY IMPROVEMENT AND ACCOUNTABILITY ACT OF 1992

REAUTHORIZES OIRA

The Office of Information and Regulatory Affairs (OIRA), located at OMB, would be reauthorized through FY 1997. OIRA was originally established in 1980 to implement the provisions of the Paperwork Reduction Act (PRA), but has been operating without statutory authorization since 1989.

PLACES REGULATORY REVIEW WITHIN PAPERWORK REDUCTION ACT

The bill amends the PRA to bring "regulatory review" within its scope. When the PRA was first enacted in 1980, Congress did not fully contemplate the reality which soon emerged, which is that about 90% of all of the "information collection requests" (the government actions causing the paperwork burden) were contained in regulations. This revealed an inescapable relationship between paperwork and regulations, and almost immediately caused the new Reagan Administration, in two Executive Orders, to try to limit the burden of regulations themselves, in addition to any pure paperwork concerns.

The bill places the provisions of Executive Orders 12291 and 12498, and hence the regulatory review function, into statute.

REVERSES STEELWORKERS DECISION

The bill implicitly overturns the 1990 *Dole v. Steelworkers* Supreme Court decision, which held that information collection requests requiring only disclosure to third persons (i.e. such as workplace safety fliers) were outside the scope of the PRA. This decision obliterated a very large percentage of OIRA's jurisdiction to lower burdensome government action. Since almost all such disclosures are implemented through regulations, this bill would clearly establish the sorts of information collection requests as within the scope of the PRA.

INCREASES ACCOUNTABILITY

The bill takes several steps to guarantee that OIRA remains accountable and that the regulatory review process is not abused. It limits the amount of time OIRA has to review a regulation to a 90 days. It subjects OIRA decisions to court review under the Administrative Procedures Act. And, finally, it codifies the so-called 1986 "Gramm Memo," in which OIRA subjected itself to certain disclosure requirements concerning OIRA communications with outsiders and agencies.

OTHER PROVISIONS

The bill adds competitiveness criteria into regulatory oversight decisions;

"Independent" agencies could still override OIRA decisions;

Regulations would be "sunset" after three years, requiring new OIRA review.

TRIBUTE TO DEB SWIFT—THE "DREAM MAKER" OF SALEM'S "FIELD OF DREAMS"

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. SWETT. Mr. Speaker, I rise today to pay tribute to a very special lady, Deb Swift of Salem, NH. She is a homemaker, wife of a Salem police detective, and the mother of two small children. She is also a woman of great vision and determination.

Four years ago, Deb had a dream of a place where she could take her children to play and climb and do all those things that small children love to do. At that time, there were no community parks, and playgrounds were limited to swing sets and jungle gyms in schoolyards.

With her dream in mind, Deb Swift approached the local government boards and committees of Salem to gain their approval and support for such a project. She asked the town to help her locate a parcel of property. Ultimately, the town of Salem donated the property.

Mr. Speaker, locating the property and receiving the blessing of the town fathers was just the beginning. Bob Leathers, "The Pied Piper of Playgrounds," was hired for the design work. His work was based on the ideas and concepts of the children, teenagers, and young adults of Salem. The project grew from a small playground to a multigenerational, multifunctional, one-of-a-kind community park with an entertainment amphitheater, playground area, and nature trails. Deb Swift rallied her community, local corporate sponsors, and volunteers to raise $225,000 to build Salem's first community park and playground, now aptly named the "Field of Dreams."

Recently, Deb saw her dream become a reality. In an organized effort, similar to an old-fashioned barn raising, approximately 1,000 volunteers gathered to build the playground structure. I was fortunate enough to be one of these volunteers and found this to be one of the most uplifting experiences I've had in a long time. When the final piece was put into place, a cheer went up. Four years had passed, and thousands of volunteer hours had been spent organizing and fundraising in preparation for that day. It happened because one woman had the determination and courage to see her dream through. Because of Deb Swift and her dream, Salem, NH, now has place for all of the children to play and the entire community to enjoy.

Mr. Speaker, I ask my colleagues to join with me in honoring Deb Swift, the "Dream Maker" of Salem's "Field of Dreams."

BATTLE OF GUADALCANAL REMEMBRANCE DAY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. PANETTA. Mr. Speaker, as our country reflects on the heroism of those who bravely served the United States in celebrations marking the 50th anniversary of World War II, it is appropriate that we pay a long-awaited tribute to those who fought valiantly in the campaign to recapture the Island of Guadalcanal between August 7, 1942 and February 9, 1943.

The distinguished Senator from North Dakota, [Mr. CONRAD], has introduced Senate Joint Resolution 248 to designate August 7, 1992, as the Battle of Guadalcanal Remembrance Day. The measure I am introducing today is a companion to the Senate resolution.

Beginning on August 7, 1942, the United States embarked on a pivotal campaign in the Solomon Islands. This offensive was essential to stem the tide of the Japanese imperial advance. Following the tragic fall of Corregidor in the Philippines, the landing on Guadalcanal was a vital American offensive in the Pacific theater during World War II. The ensuing 6-month battle proved devastatingly fierce. During this period, American forces fought what is regarded as some of the most intense combat during World War II. The brutal engagements at Bloody Ridge, around Henderson field and during the naval battle of Guadalcanal from November 12 to 15, 1942 exemplified the true resolve of the American forces. It was at Guadalcanal that the Japanese advance was squarely confronted and set back.

The U.S. Armed Forces distinguished themselves by their brave fortitude during the campaign. The dedication and ultimate sacrifice of those who served in the Solomon Islands of the South Pacific is similarly notable. More than 9,400 Army, Navy, and Marine casualties were suffered during the Guadalcanal campaign. Tragically, 4,343 were killed in action.

Mr. Speaker, it is only fitting that our Nation pay tribute to those who fought at Guadalcanal and whose efforts resulted in the turning point of the war in the Pacific. The planned activities of the U.S. Marine Corps on August 7, 1992, represent an appropriate impetus to extend the commemoration to all who served in the Solomon Islands in the effort to recapture Guadalcanal between August 7, 1942 and February 9, 1943.

It behooves us to join the efforts of Senator CONRAD to honor those who served our country with pride, strength, and loyalty. The veterans of Guadalcanal justly deserve the symbolic day of August 7, 1992, as a day when all Americans can reflect on the sacrifice of our American forces in the Army, Navy, and Marines who fought in the landing and campaign to recapture Guadalcanal. I urge my colleagues to join me in declaring August 7, 1992, as the Battle of Guadalcanal Remembrance Day.

The text of the resolution follows:

H.J. RES. —

Whereas the focus of the military campaign of the Allied forces in the Solomon Islands of the South Pacific during World War II was the island of Guadalcanal;

Whereas the military invasion of the island of Guadalcanal by the United States began on August 7, 1942, with an amphibious landing of Major General Alexander A. Vandergrift's 1st Marine Division;

Whereas, on October 13, 1942, the commitment of ground forces of the United States to the Battle of Guadalcanal began with the landing of the 164th Infantry Regiment of the American Division, making the regiment the 1st unit of the United States Army to engage in offensive combat action in the Pacific theatre during World War II;

Whereas the South Pacific Naval Task Force, under the command of Vice Admiral William F. Halsey, was the principal naval force during the Naval Battle of Guadalcanal in November 1942;

Whereas, throughout the 6-month campaign on Guadalcanal, the United States Navy provided the naval support that was critical to the victory of the armed forces of the United States on the island of Guadalcanal;

Whereas, during the campaign on Guadalcanal, there were more than 9,000 Army, Marine, and Navy casualties;

Whereas, on August 7, 1992, the United States Marine Corps will conduct a ceremony at the Iwo Jima Memorial in the District of Columbia to commemorate the landing of Marines on Guadalcanal; and

Whereas the Department of Defense will recognize the contributions made by all military personnel of the United States during the operations on Guadalcanal as part of its commemoration of the 50th anniversary of World War II: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 7, 1992, is designated as "Battle of Guadalcanal Remembrance Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

TRIBUTE TO STAN STREAKS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. BONIOR. Mr. Speaker, on the evening of June 12, Stan Streaks will be honored at a special dinner at the Van Dyke Manor Restaurant. I am very pleased to join UAW Local 160 in honoring a longtime friend of the working men and women of our community.

In many ways, Stan Streaks has come to symbolize our commitment to fairness and justice in the workplace and society. For more than 35 years, Stan has been an important figure and voice in the labor movement in Michigan. His long record of distinguished service has proven him to be a natural and effective leader. Stan's vision and guidance have always impressed those of us who have had the privilege to know and work with him. His contributions will be truly missed.

Mr. Speaker, on this special occasion of his retirement, I ask that my colleagues join me in saluting Stan Streak's many years of service and dedication to the labor community in Michigan.

ENHANCING RACIAL HARMONY, YOUTH AGAINST RACISM, ELEANOR ROOSEVELT CENTER AT VAL-KILL

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. FISH. Mr. Speaker, recent events in Los Angeles have exposed an urban human condition that cannot be tolerated. Congress is considering what is the appropriate response to inner city unemployment, lack of opportunity, and dispair. Racism is blamed by many for these conditions.

For 2½ years, citizens of Dutchess County, NY, have actively come together to address racial discrimination in their community. There are currently two programs sponsored by the Eleanor Roosevelt Center at Val-Kill in Hyde Park, NY, called Enhancing Racial Harmony and Youth Against Racism. Both programs were developed with national replicability in mind and I salute the creativity and broadminded efforts made by the many citizens committed to these programs.

Enhancing Racial Harmony came into being in October 1989 in Dutchess County, NY. Its mission: First, identify racial discrimination; and second, make recommendations as to how to improve the situation in five areas: criminal justice, education, employment, housing, and the media.

A steering committee of 30 sets policy and coordinates the activities of the 5 focus groups. Eighty persons sit on the focus groups, while an additional 300 persons have participated in programs initiated by the focus groups. The participants are racially and ethnically diverse, representing leadership in the community, education, business, government, media, and not-for-profit sectors.

One very important aspect of this project has been the process of bringing together groups of people, on a regular basis, who together discuss and address the sensitive and challenging issues of racial discrimination. Another aspect of this project is the programs that have been initiated by each of the groups. Following is a summary of the findings and activities of each of the five focus groups:

CRIMINAL JUSTICE

A racially and ethnically mixed membership on the criminal justice focus group has determined that racial bias and discrimination exists in every element of the criminal justice system from a lack of minorities on police forces, to a predominantly white, male judicial system, to a disproportionate number of minorities in jail and prison.

Two action-based goals have been articulated:

I. REGENERATE THE COMMUNITY

Prevent crime through proactive efforts to address employment and educational opportunities; through a community-based policing initiative; through appropriate programs to stifle drug use and provide drug and alcohol treatment; and a systematic approach to the preservation of families. Encourage the business sector to hire, train, and promote minorities.

II. REDESIGN THE CRIMINAL JUSTICE SYSTEM

Redesign the criminal justice to be responsible to a multicultural community through its enforcement officers and judicial institutions. The system must rely upon a broad spectrum of punishment and intermediate sanctions including community service, probation, and alternatives to incarceration. Restore the community as the keeper of order and the maintainer of justice.

EDUCATION

The mission of the education focus group [EFG] is to assist the local school community to prepare students for citizenship in a culturally diverse world through the development of an understanding and appreciation of all people. To accomplish this mission, the EFG engages in activities to increase multicultural staffing at all levels in the educational system. Also, the EFG recognizes the need for schools to initiate a genuinely multicultural program implemented with enthusiasm, commitment, and sensitivity. Specific projects sponsored by the EFG are a workshop designed to expand the pool of qualified candidates for professional positions. Additionally, the EFG is supporting training for teachers and administrators and recommending policies and procedures that would institutionalize school district multicultural commitments.

EMPLOYMENT

The employment focus group conducted a major study to learn more about racial discrimination in the employment sector. More than 100 citizens participated representing youth, the unemployed, community leaders, the employed, CEO's, and human resources specialists. The results of this study confirmed that racial bias does exist in many aspects of the employment environment in Dutchess County, including hiring practices, promotional opportunities, and management practices.

Twenty-six recommendations resulted from the study. Following are the top two: First, community and business leaders made cultural diversity a personal and public priority; and second, develop coalitions of business, government, and education to provide clear skills training and value development.

The focus group is working on two projects: First, development of a user-friendly publication on the destructive nature of racism in the workplace; and second, development of a workplace awareness program, which will be relevant for both management and the work force, and which will demonstrate the value and economic importance of having a positive, culturally diverse work force.

HOUSING

The housing focus group has a vision of Dutchess County where no one would be denied the right to live in a neighborhood or community they choose, if housing is available. The constant challenge has been to distinguish between economic and racial discrimination.

A major study was conducted to determine the extent to which racial discrimination existed in the housing sector. Participants in the study included: banking professionals, housing specialists, government leaders, homeowners and tenants, realtors, developers, and landlords. Incidents of racial discrimination were revealed on many levels. Resulting recommendations included: First, better public awareness through public service announcements; second, an 800 number guaranteeing confidentiality that would encourage reporting of discrimination cases; third, better education, including consumer education and creation of support groups; and fourth, support for human rights commission as the best formal structure which can collect data, investigate complaints, followup enforcement, and initiate a broad-based public education campaign.

MEDIA

The mission of the media focus group is to eliminate racial bias and promote racial harmony in the local media. Projects which have been completed include: First, a workshop to inform minority organizations how to better access the media; and second, media seminars for media managers and members of the working press which included sessions on personal bias, equal employment opportunity hiring, semantics, and stereotypes.

A current project of the media focus group is to develop a public service library of antiracism print ads and radio and television public service announcements. The themes will cover housing, employment, education, and criminal justice.

Youth Against Racism is a high school program which was established in 1989 to provide opportunities for teenagers in Dutchess County, NY to explore issues of racism. At weekend seminars and single day workshops led by community leaders and faculty advisors, students address specific issues such as the psychology of racism, institutional racism, as well as racism in education, the media, religion, and the legal system. They heighten their own awareness of racism, explore how it has touched each student, and develop courses of action to foster greater understanding and tolerance.

Students have responded by organizing clubs in their high schools and developing information programs to take to elementary school students. They designed a brochure and a poster which have been distributed to each high school in the country, created a media watch check list, and developed one television and two radio public service announcements. Radio station WKIP submitted the radio spots to the New York State Broadcasters Association where they won first place in 1991. Students also designed an annual T-shirt and a business card that states "I am a Youth Against Racism"; both are awarded at the end of the year to every student who has participated in the program.

The program has been effective not only for the participating students but also for the county and the region. To date, almost 300 students from 10 high schools have participated; an additional 200 elementary school pupils have been part of programs presented by YAR students. In response to painful racist incidents in their buildings, two high schools have asked Youth Against Racism students to help them start the program. The program is also known beyond Dutchess County; a college and two high schools in Ulster County have asked for presentations on Youth Against Racism.

The success of the program can be attributed to four factors: The increasing need to understand and deal with the growing diversity of our communities, the support of the established Eleanor Roosevelt Center at Val-Kill, the strong contributions of community leaders who volunteer their services for seminars and workshops, and the excellent program guidance from participating students who are fully in touch with the changes and emotions of the school community.

Mr. Speaker, the Enhancing Racial Harmony and Youth Against Racism programs of Dutchess County have made a difference. It is the intention of Eleanor Roosevelt Center at Val-Kill to develop models which can be replicated nationwide, bringing the benefit of Dutchess County's experience to communities across the country. The Eleanor Roosevelt Center at Val-Kill [ERVK] is a private, not-for-profit educational organization dedicated to carrying out the humanitarian work of Eleanor Roosevelt. ERVK acts as a catalyst in creating change for the betterment of humanity, all within the context of Eleanor Roosevelt's philosophy and example. More information on Enhancing Racial Harmony or Youth Against Racism is available by contacting Alexa Ward, ERVK executive director, at 914–229–5302, address: ERVK, P.O. Box 255, Hyde Park, NY 12538.

We, in Dutchess County, look forward to helping other organizations and community-minded individuals actively work toward the racial harmony that is necessary for creating an environment of hope and a better future—a nation where there is equal justice and equal opportunity for all Americans.

TRIBUTE TO LEONARD VINCENT

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. LEVINE of California. Mr. Speaker, I rise to pay tribute to a remarkable man on the occasion of his retirement. I refer to Leonard Vincent who, this year, decided to move on to new challenges after a long and distinguished career as a teacher in the Santa Monica schools.

Leonard Vincent has dedicated his life to teaching and inspiring young people. He is the personification of everything educators should be. He truly believes that knowledge is power. That belief motivated him to become a vehicle for transferring knowledge to his students.

He has the unique ability to make history and great social issues come alive for his students. He is able to explain to young people why they should be concerned about events that occurred hundreds of years ago or hundreds of miles away. He makes learning enjoyable and rewarding.

Teachers like Leonard Vincent are a national asset. His retirement is a great loss to the Santa Monica/Malibu school system, but is an even greater loss to children who will never have the opportunity to spend time with him, to learn from him, to catch the enthusiasm which he imparts for the subject he teaches, to have a teacher who cares as deeply and passionately about his students as Leonard Vincent does, and to listen to and groan at his excruciating puns.

Leonard's ability to make his students laugh, to find humor in history and current events is one of the reasons why he is an outstanding teacher. Put simply, he makes learning fun. He makes the time his students spend in his classroom enjoyable rather than excruciating.

This year he delivered the commencement address to the Santa Monica High School graduating class of 1992. It was the kind of upbeat, energizing speech which those who know Leonard Vincent have come to expect. The love of his students, his concern for their future, and his commitment to making our society better all are present in his address. It was the kind of inspiring speech which we used to hear from public officials but hear all too rarely now. It exemplified why he is such a special person and why he meant so much to his students.

I include Leonard Vincent's speech in the RECORD so that my colleagues will have the opportunity to read and reflect on it. I also ask my colleagues to join with me in recognizing Leonard and congratulating him on a lifetime of service to our children:

GRADUATING SPEECH, JUNE 18, 1992

To the staff of Samohi, to our distinguished guests . . . to the members of our board of education . . . to my associate retirees, including Superintendent Tucker, to you, the parents, friends and family members, and most especially, to the extraordinary class of 1992 . . . congratulations and well done!

But first could we get everyone in our audience to take a moment to share the unique one-ness of this event. Turn to someone you may not know . . . reach out and shake a hand, give a pat on the back or administer a major squeeze. Everyone . . . go ahead . . . do it . . . share with each other the common cause of this special time . . . for we are here to celebrate the past achievements, perseverance, and present passage of the class of 1992 here assembled.

The four high school years are not easy ones . . . the changes experienced between the ages of 14 and 18 are among the most difficult, sometimes traumatic, and exciting in the life-span of an individual.

Reflecting back on my own high school years there were many times when my parents thought I'd never make it. On occasion they might have been heard to say, "my God, out of 2 million sperm cells how could this one have been the fastest swimmer? But somehow, with the help of caring teachers, I managed to keep my head above water, at least most of the time.

The graduates assembled here have done at least as well, if not much better. They are ready to move on . . . so what lies ahead?

It has been said that the most important fact about our spaceship earth and the life upon it is that it didn't come with a definitive book of instructions. We humans, lacking these instructions, have often stumbled our way over its face. Some we call experts are telling us that we've done too much damage to our planet and some predictions are filled with gloom and doom.

However, while the experts are doing their best . . . and while they can serve as early warning systems, their problem is that they restrict themselves to facts alone while our human experience, our history, is as much shaped by unpredictables as by hard facts. Experts just have no way of knowing where or when human hopes or fears might suddenly be transformed into enormous energy sources that could forever change our lives.

The simple fact is that the most important force at work for us in the future is the way in which the human mind reacts to crisis, and a great force is set in motion when you, and classes like yours across America decide to go out and face the challenges of the 21st century.

Some say the most serious problem facing this nation is not unemployment or recession or wasteful use of natural resources . . . they say the greatest problem right now is that we appear to be running out of hope for the future . . . that we have lost our sense of direction, our energy to act . . . that our sensitivities are narrowed, our values destroyed.

This is not true! If it were true we would no longer be capable of reaching out to and caring for one another—our faces would be frozen to each other.

But they are not! There is to be found, everywhere, among the members of the class of 1992 enough caring to restore hope to the severist critic—and enough warmth of feeling to thaw the most frozen face.

There is great talent among these young men and women. It is to be found in every form imaginable. That talent will find its way. It won't be easy. Success is not permanent—the same is true of failure. Each of today's graduates has something special to do, something unique to do and to be, and there is much to be accomplished. Nothing is done, finally and right, nothing is known positively and completely. The times in which we live are full of things to do, to find out, to do over, to do right.

We have not now nor have we ever had a government that couldn't be improved upon, there is not now and there never has been a perfectly run bank, factory, school, airline, or business.

What is true of business and politics is true of the professions. The arts and crafts, the sciences and sports. The best picture has not yet been painted, the finest cabinet is still to be crafted, the greatest novel or play remains unwritten, the most important things remain to be done.

In breaking through some of the obstacles we face there are a few thoughts I hope you will consider:

Question authority—Be an agitator, for the agitator is the person who insists that our community, nation and world, as they stand, are not good enough.

Reach out and seek understanding of your brothers and sisters of all colors, creeds and origins, for we are their keepers and they are ours.

Commandment No. 1 of any truly civilized society is this: Let people be different! We must remember, said Colin Powell, that America is a family. There may be many differences and disputes in our family, but we must not allow them to be broken into warring factions. Find strength in your diversity. Fight racism and prejudice in all its crippling forms. We have to make sure that racism withers and dies in this country once and for all. Because every time history repeats itself, the price doubles.

Finally, to this class of 1992 a wish from the hearts of all of us who care for you and love you unconditionally—may the directions you take and may the decisions you make in these difficult, but far from impossible times, lead to the fulfillment of your most deeply held hopes and dreams.

And, so to all of you here assembled, the time has come to say farewell in the loving hope that you will fill your minds with things that never were and demand, why not?

Thank you for allowing me to share this time and these thoughts with you, whom I hold in the highest regard. It is an honor I will long remember. Again, farewell.

INTRODUCTION OF LEGISLATION REGARDING TAX ABATEMENT

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. PEASE. Mr. Speaker, today I am introducing legislation designed to put an end to the use of tax abatement as an economic development tool. Cities and States have been engaged in a bidding war to encourage businesses to locate or remain in their jurisdictions. These bidding wars threaten the tax bases needed in these localities to support the school systems.

Companies are pitting city against city in an effort to increase the enticements being offered. I cannot say that I blame companies for pursuing the most beneficial arrangements that are available to them under the law. The business community faces tough competition in the changing global economy. I do believe, however, that encouraging or even demanding tax abatements will in fact hamper the ability of U.S. companies to compete. The loss of school revenue makes developing an educated, literate work force all the more difficult.

Recently, Elyria, OH's City Council adopted a resolution urging the Congress to ban tax abatements on a nationwide basis. While expressing their distaste for the use of tax abatements as a means to retain or attract business, members of the city council realize that unilaterally banning tax abatement would put the city at a competitive disadvantage with other cities and towns.

Indeed, any effort to stop the tax abatement problem is useless unless all jurisdictions stop. For that to occur, it seems that the Federal Government must take action.

Mr. Speaker, the bill that I am introducing today provides that no State or political subdivision thereof shall be eligible to receive any grant for economic development purposes under title I of the Housing and Community Development Act of 1974 or the Public Works and Economic Development Act of 1965 if such State, any political subdivision thereof, or any agency or instrumentality of such State offers, permits, or grants a tax incentive that relieves a taxpayer from paying any State or local tax which would otherwise be payable for the direct or indirect support of primary and secondary education.

If all jurisdictions were prohibited from giving these tax breaks, then no area would be at a competitive advantage or disadvantage. Companies would base their location decisions on economic factors, not on how much of a tax break a city or town is willing to provide.

I urge my colleagues to join me in supporting this measure.

INTRODUCTION OF THE AMERICAN JOBS INVESTMENT ACT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. STOKES. Mr. Speaker, it is my pleasure today to introduce the American Jobs Investment Act. This legislation would reestablish the investment tax credit, which was repealed by the Tax Reform Act of 1986, but with an emphasis on investment that creates jobs for American workers. The American Jobs Investment Act would not permanently reestablish the ITC, but create a temporary credit effective for a period of 5 years, beginning in 1992.

Numerous analysts and commentators have advocated a temporary investment tax credit as an important element to any economic recovery package passed by Congress. I believe an investment tax credit can be a positive economic tool, if it is designed to encourage wise investment decisions focused on long-term growth, and if the investment generates additional economic activity in the United States. Every Member of this body will acknowledge the fact that increased investment by the private sector is needed to both stimulate the economy, and to foster increased international competitiveness, for American companies. The American Jobs Investment Act will promote just such investment by rewarding companies that invest in new equipment to increase efficiency, competitiveness, and create jobs for American workers.

The American Jobs Investment Act provides a 10-percent investment tax credit for the purchase of new and used equipment which has been produced in America. This is achieved by requiring that equipment eligible for the credit have been constructed or assembled with at least 70 percent domestic content. In addition, the American Jobs Investment Act will reward companies that provide good jobs by granting an additional 5-percent credit for the purchase of new or used equipment which was produced substantially with union labor, and for the cost of installation of equipment for which union labor is utilized.

Mr. Speaker, in light of the discouraging economic news of the last 2 months, with the unemployment rate jumping three-tenths of 1 percent in both May and June, and the announcement that the Department of Labor had undercounted by one-third the number of payroll jobs lost during the current recession, it is imperative that we pass legislation to provide economic stimulus, and create good jobs for American workers.

The American Jobs Investment Act will not only provide an incentive for American companies to increase investment, but it will reward those companies which invest in equipment which provides good jobs, with good pay and good benefits for American workers. I urge all my colleagues to support incentives for investment that benefits all Americans by cosponsoring the American Jobs Investment Act.

HEALTH CARE NEEDS OF OUR NATION'S VETERANS

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. WALSH. Mr. Speaker, I rise today to address the health care needs of our Nation's 27 million veterans, and to call for adequate funding of the massive health care delivery system run by the Department of Veterans Affairs.

As Members of the House have heard time and again from their constituents, health care in our Nation is in some difficulty. Nearly 36 million Americans today have no health care insurance and millions more are considered to be underinsured. For those fortunate enough to have health care coverage, the cost is increasing at four to five times the annual rate of inflation. In central New York, rising health care costs are creating severe financial problems and forcing many families to choose between buying adequate coverage and putting food on their tables.

Perhaps no group has been affected more by this crisis than our Nation's veterans—especially our Nation's older veterans who brought us great victories in World War II and stemmed the tide of communism by winning the cold war. As a nation, and as individuals, we owe an awesome debt to these brave men and women who have given so much in days past to ensure that each of us can enjoy freedom today. In my view, Mr. Speaker, we must translate our appreciation of these veterans into action by providing adequate financial resources so that no veteran is denied quality health care by the Department of Veterans Affairs.

Earlier this year, Cleveland Jordan, the national commander of the 1.4 million-member Disabled American Veterans, told Congress that our actions have fallen short in this area. "Veterans are still being denied care; waiting times for certain clinical appointments are as long as 9 months; inequities in access to care still persist; and the needs of aging veterans are being largely unmet," commander Jordan said.

Mr. Speaker, we in Congress can no longer allow such conditions to exist. We have a statutory duty and a moral obligation to care for those courageous men and women who have borne the battle. We must act now to provide the financial resources necessary to ensure that the health care needs of our Nation's veterans are fully addressed. To do less would be immoral and inexcusable.

OMNIBUS CONSTITUTIONAL AMENDMENT

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. DUNCAN. Mr. Speaker, Dudley Brewer, a well respected journalist from Knoxville, TN, has presented me with a proposed omnibus constitutional amendment, which is printed below. I want to take this opportunity to call his ideas to the attention of all my colleagues and other readers of the RECORD.

Dudley Brewer is one of the most thoughtful and intelligent men I know. He spent many years on the staff of the Knoxville Journal, a daily morning newspaper in my district, and has written numerous thought-provoking articles which have stimulated the interests and helped thousands of people throughout Tennessee to make informed decisions on various issues.

I hope everyone will take the time to read his proposal:

(NOTE.—The purpose of this proposed omnibus* amendment is to correct the following perilous faults in federal government as it is being conducted today in the United States of America: congressional corruption: fiscal irresponsibility: judicial tyranny and its abetment of moral degeneration: the undermining of true representative democracy)

SAMPLE AMENDMENT—ARTICLE XXVIII

Section 1. Affected existing provisions of the United States Constitution are hereby amended to accord with the following determinations of the people.

Section 2. The House of Representatives shall be composed of members chosen every fourth year by the people of the several States.

Section 3. No Representative shall be elected to more than three consecutive terms, nor any Senator to more than two consecutive terms.

Section 4. Except in national emergency, appropriations by Congress for any fiscal period shall not exceed anticipated revenues for the same period.

Section 5. Members of Congress shall not establish or maintain perquisites for themselves at taxpayer expense, nor exempt themselves from legislation that affects the public generally. But Congress shall pass laws to control contributions to political candidates and officeholders from persons, groups, corporations or associations.

Section 6. Judges of both the Supreme Court and inferior federal courts who are appointed after ratification of this Amendment shall hold their offices during good behavior for terms of ten years, and may be eligible for reappointment.

Section 7. Whereas there is no provision in the United States Constitution that empowers the Supreme Court or the inferior federal courts to invalidate or to declare unconstitutional laws duly enacted by Congress or the legislatures of the States, those courts shall cease and desist from so doing.

Section 8. The term freedom of speech in this Constitution shall always mean freedom of verbal expression only, and the freedoms of speech, of the press, and of peaceable assembly to petition for redress of grievances shall be subject to abridgement when there is violation of federal, state or local law that prohibits public defamation, libel, indecency, disorder or sedition.

Section 9. Sections 2 and 3 above shall be in effect for individual incumbents at the time when they complete the terms in which they were serving on the date of the ratification of this Amendment. All other sections of this Amendment shall take effect upon ratification.

(The above prepared by Dudley E. Brewer, Knoxville, Tennessee.)

A CONGRESSIONAL SALUTE TO GLADYS ALMEDA BONNER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. ANDERSON. Mr. Speaker, on July 12, 1992, the family and friends of Mrs. Gladys Almeda Bonner will gather together to celebrate her 100th birthday. It is with great pleasure that I rise today to pay tribute to such an extraordinary lady.

Born in a farmhouse in Republican City, NE, on July 16, 1892, Gladys received her grade school education from the local one room school. In her early teens, she moved to Colorado and graduated from high school in Colorado Springs. At a time when most women did not consider continuing their education, Gladys enrolled in Greeley College in Greeley, CO, and graduated with a degree in pedagogy (education) in 1914.

Returning to Nebraska, Gladys became a high school principal working in schools in Palisade and Kenesaw. While Gladys was serving as a principal in Kenesaw, she determined that her school was in need of a chemistry and physics teacher. Little did she know that the man she had hired for this position was her husband-to-be, James Norris Bonner. They were married on May 19, 1928, in Minden, NE, and soon after moved to the land of golden opportunities, Long Beach, CA.

For the past 57 years, Mr. and Mrs. Bonner have been residents of Bellflower. Gladys worked for the Bellflower School System, retiring after 20 years of service. The tradition of teaching has been firmly established with the Bonner family as the grandchildren have entered the profession.

Mr. Speaker, on this momentous occasion, my wife, Lee joins me in extending this congressional salute and special birthday greeting to Gladys Almeda Bonner. We wish Gladys, and her husband, Jim, and their son John, grandchildren, Esther and Paul, and great-grandchildren, Susy and Marc, all the best in the years to come.

SEQUOIA NATIONAL MONUMENT

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. LEVINE of California. Mr. Speaker, anyone who has visited a forest containing giant Sequoias and who has been awed by their beauty will understand why these forests must be saved. They are a national treasure and one of the great wonders of the world. This monument will contain some of the world's oldest and largest trees, many of which are hundreds and even thousands of years old. These magnificent trees are a remnant of a species whose ancestors once stretched as far north as Idaho. As climatic and other conditions have changed, the habitat of these giants has been reduced to their current range. These ancient trees are a part of our heritage which should be handed down to our children and grandchildren.

Today I am introducing legislation to establish the Sequoia National Monument in the Sequoia National Forest. My bill would prohibit logging on approximately 365,000 acres of Federal lands within the monument boundaries in order to protect the giant Sequoia groves and contiguous forests. The Forest Service would be required to manage the monument in a manner which will restore the forest to its natural state, and enable giant Sequoias to flourish in the Sierra Nevada range again.

It is enough to prohibit logging in the groves. Despite their massive size, giant Sequoia are extremely sensitive to disturbances in their ecosystem. Sequoias have evolved with very specific needs for soil, water flow, and temperature. Leaving Sequoias intact in isolated groves, while allowing disturbances in the surrounding forests may imperil the entire species over the long term. In order to preserve the species, great care must be taken to protect their watersheds, soils, and even the microclimates surrounding the trees.

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* Omnibus in its basic meaning of "for all".

Watersheds disturbed by logging and roadbuilding can create changes in surface water flow downslope that can alter the amount of water reaching Sequoias. In addition, clearcut logging and roadbuilding can cause severe erosion, which can deplete soils and deposit silt in watersheds. Logging, particularly clearcutting, creates openings in the forest where temperatures can be significantly higher than in the deep forest. Over time, such increases in temperature also affect the temperature of adjacent forest.

Logging near the trees themselves damages their shallow root structure, which can cause the trees to die. Similarly leaving Sequoias isolated and surrounded by clearcuts leaves them vulnerable to blowdown in severe storms, which are not uncommon in this part of the Sierras.

If only the isolated groves are protected, the species may not be able to migrate throughout their entire habitat and potential habitat. Millions of years ago, the trees grew to the north of their present range and east of the Sierra Nevada range. The species will certainly die over the long term if trees cannot grow beyond the narrow confines of the groves. There are also concerns that if groves become too isolated, there will be inadequate genetic diversification to maintain the species.

Mr. Speaker, I ask my colleagues to join me in this endeavor. A national monument which protects not only the Sequoia groves themselves, but the contiguous forests is necessary to support the continued health and vitality of the species for generations to come.

A TRIBUTE TO JOSE LUIS RODRIGUEZ, "EL PUMA"

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, a constituent of my congressional district, José Luis Rodriguez, popularly known as El Puma, adds to his already successful collection a new album, "Piel de Hombre." Sony Music, El Puma's record label, has just announced that José Luis Rodriguez has been awarded a gold record in Spain for this album. This is another milestone for El Puma, who is presently on tour in Europe.

The success of this famous artist from Venezuela stems not only from his singing talent, but from his incredible stage presence as well. He has been featured in numerous programs on Spanish television, reaching audiences across the globe. His charisma has allowed him to cross over into the field of television, where he has starred on 17 different soap operas.

The door of opportunity seems to open very easily for the popular José Luis Rodriguez. Admirers in his home country of Venezuela now want El Puma to venture into the political world, placing him as their first choice for governor of the state of Zulla. He has stated that his first priority right now is his upcoming trip to Mexico, where he will act in "El Patio."

Mr. Speaker, I commend Mr. José Luis Rodriguez for his constant success, especially his most recent gold record. He has earned a large following entertaining many around the world. His many accomplishments are the result of a great talent and continuous hard work. Best wishes to José Luis Rodriguez for continued success and further development of his many talents.

A SPECIAL TRIBUTE TO WO OFFICER MICHAEL E. JOHNSON

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. STOKES. Mr. Speaker, I rise today to express my deepest sympathy and condolences to the family and friends of WO Michael E. Johnson who was tragically killed on July 2, 1992, while taking part in a training mission for the U.S. Marine Corps.

Born on July 23, 1953, Mike was raised in the Washington, DC, area and graduated from T.C. Williams High School where he was known statewide for his outstanding track and field abilities. He spent most of his adult life serving his country in the Marine Corps, but always called this area home.

During his lengthy career with the USMC, Mike, better known as Gunny J to his fellow marines, was stationed in South Weymouth, MA, and at Andrews AFB. Mike was respected and admired by all of his fellow marines.

In 1986, Mike made the difficult decision to leave active duty to spend more time with his children, yet he remained active in the Marine Corps with the 4th Civilian Affairs Group Reserve Unit. In 1986, Mike joined the U.S. Capitol Police and obtained the rank of technician in the K–9 unit.

Responding to the call of his country, Mike returned to active duty to serve with his fellow marines in Desert Storm. Remaining in the gulf region for 8 months, Mike combined his police and military skills to coordinate the searching and processing of thousands of POW's.

Mike was decorated for service to his country throughout his career. Most recently he was decorated with the Combat Action Ribbons, the Kuwaiti Liberation Medal, and the Humanitarian Service Medal for his actions in the Persian Gulf.

Mike returned to the United States in 1991 and resumed his position with the USCP. Mike's love of the Marine Corps convinced him to return to active duty in January 1992, where he served as the aviation ordinance officer for the MAG 42 Naval Air Station in Marietta, GA.

Mike is survived by his three children: Alex, Michael II, and Megan and innumerable friends. He will be greatly missed by everyone who knew and loved him. The country has lost one of its bravest and proudest marines. Semper Fi.

SOUTHERN ALAMANCE HIGH SCHOOL GIRLS SOFTBALL TEAM WINS 3–A STATE CHAMPIONSHIP

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. COBLE. Mr. Speaker, the Southern Alamance High School girls softball team from the Sixth District of North Carolina recently won the North Carolina 3–A State championship. I am proud to congratulate this team for the leadership and excellence which it has displayed.

This State title capped off an excellent 1992 season in which the Patriots compiled a record of 27–5. This title has established Southern Alamance as a true competitor in softball, since they have won the State championship 2 out of the last 3 years.

The players who completed this tremendous accomplishment include Jenny Coble, Sherry Briggs, Gina Herring, Crissy Herring, Lynne Knighten, Kimberly Shoffner, Honda Gwynn, Nikki Pritchett, Stephanie Oakes, Melinda Lutterloh, Julie McVey, Anitra Dodson, Tracey Norris, Robin Isley, Frances Woody, Heather Dean, Tennille Robertson, Misty Robbins, and Kasey Griffin. They were directed by the fine coaching of Danny Pope and his assistants Mike Johnson and Annie Loflin.

Southern Alamance Principal Ben F. Howard and all of the faculty, staff, students and fans of Southern Alamance High School can take pride in the softball team's accomplishment. The entire Sixth District is proud of these young women who have achieved this admirable title. Congratulations to all of those involved.

FAMILY RENEWAL AND SUPPORT ACT OF 1992

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. WELDON. Mr. Speaker, I rise today to introduce important legislation designed to assist the sometimes ignored and often overlooked middle-income family. In normal times, most American families experience financial hardships, and they have great difficulty buying their first homes, sending their children to college or vocational school, and saving enough money for retirement. During a period of economic stagnation, these families have even greater difficulty making ends meet.

For this reason, I am introducing a package of familiar and popular initiatives that will help financially strapped families to invest and to save again. This legislation, which includes the first-time homebuyer tax credit, the super IRA, an increase in the personal exemption for children, and the restoration of the deductibility of certain student loans, is badly needed.

These four provisions enjoy very broad bipartisan support and represent a real opportunity to break the legislative gridlock we currently face. With the failure of Congress and the Bush administration to agree on a comprehensive economic growth package, the American public is justifiably angry, as well as disillusioned about the political process. Our constituents need serious help, and even though we are now fully engaged in the quadrennial Presidential circus, there is no excuse not to take action on these widely supported tax measures.

The American family, Mr. Speaker, could easily become an endangered species unless the Federal Government takes the necessary steps to support this fragile institution, the problems of our Nation will surely multiply. With both parents working to earn enough money to barely survive, it is certainly no wonder why there has been a decline in family values. There is simply not enough time in the day for many parents to help children with their homework and to provide them with moral guidance.

While this legislation will not solve the complex problems confronting the American family, it is the right place to start. Therefore, I urge my colleagues to support this legislation. In particular, I would encourage the Committee on Ways and Means to hold hearings and to report out this bill as soon as practicable. The committee is familiar with these provisions. All I have done is to put them together in a package that could move quickly through the House and Senate and be signed by the President. The American people are waiting for results.

IN HONOR OF RITA MORGAN AND IN MEMORY OF CHRISTOPHER BAKER, JULIE DICKS, AND ROB CASH

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. LEVINE of California. Mr. Speaker, it is with deep sorrow that I rise today to pay tribute to four young people; three whose lives were ended abruptly and one who is valiantly struggling to live. Rita Morgan, Julie Dicks, Rob Cash, and Christopher Baker were hit by a drunk driver on the morning of June 7, 1992. This has been the worst accident in Santa Monica's history.

Rita Morgan, the group's designated driver, has been in a coma since the accident. On June 30, 1992, she was disconnected from a respirator and began to breathe on her own. Rita graduated from California State University at Northridge with a degree in physical therapy last May. She previously worked as a physical therapist for the Los Angeles Clippers. In addition to her educational and professional accomplishments, Rita has been a great asset to the community. Her greatest joy has been her community service work as a clown. Rita, also known as Titi the clown, performed extensively with the volunteer organization visiting convalescent homes, children's hospitals and the Special Olympics.

Julie Dicks and Rita Morgan had been friends since they attended Notre Dame High School. Julie graduated from San Diego State University in May 1992. She served this past year as a resident assistant in her dormitory, helping the in-coming freshman to adjust to college life. Julie planned to continue her education in order to establish a career in teaching. Although Julie lived in San Diego while attending school, she drove home every Sunday to visit her family and friends. She was also active in her church, singing in the choir and setting an example to all who knew her.

Rob Cash had returned home to Santa Monica on June 2, after spending a year studying and working in Germany. Fluent in German, Rob graduated from the School of International Training in Brattlboro, VT in June 1992 after completing his course of study and internship under the World Issues Program at that institution. Before transferring to the School of International Training, Rob attended Santa Monica College. While living in Santa Monica, he worked as a teaching assistant at the neighborhood nursery school. Mr. Rob, as he was known to the children, also volunteered much of his time to various programs at the local YMCA. He also possessed great love for an talent in soccer, having competed in the sport for much of his life.

Christopher Baker spent his life teaching and caring for the children in the community. Christopher worked full time as a teacher at the neighborhood nursery school. Known to the children as Mr. Chris, Christopher, along with Rob Cash, provided the nursery school children with the rare experience of having male role models at that level. Following his work each day at the nursery school, Christopher had a second job as a coach at St. Joan of Arc School teaching athletics. He also taught tumbling at the YMCA on a voluntary basis. Even more than teaching, however, Christopher loved baseball. Christopher was involved with Santa Monica Little League for 16 years. He was manager and coach of a number of teams throughout those years and took great pleasure in the achievements of all of his players. He also took time out to give the players extra practice sessions and batting practice and to provide transportation to and from the games if necessary. In addition, Christopher played on three different softball teams, one of which plays in the Santa Monica Men's League.

The loss of these three young people who made such great contributions to the community is particularly tragic. The families, friends, coworkers, and countless children and young adults whose lives they touched feel a great loss. They have now rallied together to encourage Rita to continue her struggle for survival.

Julie, Rob, and Chris will be sorely missed. They provide a vivid reminder of the human cost of the crime of drunk driving. Congress must continue to find ways to get drunk drivers off the road and punish anyone who continue to drink and drive. And, I urge my colleagues to join with me in sending our wishes to Rita Morgan and her family for a swift recovery in the hope that she may live a long, healthy, and productive life.

I would like to submit for the RECORD a copy of the speech given by one of Christopher Baker's colleagues from the Santa Monica Little League. Dr. Barry Weichman helped Christopher coach his 1992 team and made these remarks at the dedication of the new batting cages at Memorial Park in Santa Monica to Christopher R. Baker.

> On Sunday I was informed of the tragic and senseless death of someone who had just recently become a friend and teacher, Chris Baker. Chris was my son Jeff's baseball coach this year. As assistant coach, I was fortunate to spend time with Chris both in the dugout and on the field. Chris knew baseball. Chris loved baseball. He imparted his knowledge of and love for the game with great zeal and great dignity. He was respectful of his players and would relish in their accomplishments. He had coached my oldest son, Jerry, as an all-star and he had befriended my youngest son, Joseph, whom he hoped to coach in the future. Chris had no children of his own. He was 26 years old.
>
> Chris Baker was the ultimate volunteer. He nearly always chose to say yes. In a world of take, I only saw Chris give. From his player he asked only that they do their best. Chris always gave them his best. So in losing Chris, what answers had I found? My friends, life is short. No one can predict when or even if we as individuals will be able to impact the world in which we live. From my perspective, Chris Baker impacted my life profoundly, my family's lives, as well as the lives of many other children and families in Santa Monica by doing something that he chose to do, by saying yes to coaching and teaching the children. It was not his job, he received no payment. Coaching the children was not a stepping stone to advance his career. He gave of himself because Chris Baker did not have a concept in his life in which he did not give. Sure, there were plenty of other things that he could have done with his time and energy, but Chris' concept of himself included giving of himself to help others, and it felt good.

CUBAN WOMEN'S CLUB HONORS TWO MIAMI WOMEN

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, this year the Cuban Women's Club observed Women's History Month with a celebration of achievement and tradition. The club honored two outstanding Miami women who exemplified community service. The women were Ms. Essie D. Silvia and Ms. Arva Moore Parks.

Ms. Silvia, a woman who helped cultivate cultural unity, was posthumously honored for her lifetime of achievement. A native Floridian, Ms. Silvia held many positions throughout her life which enabled her to help the youth of our Nation. For 15 years, Ms. Silvia acted as the youth coordinator for Dade County. She organized a multitude of recreational, athletic, and job-related activities for the young people of south Florida. She designed a project for the youth called the Urban Corps, which became known as the third largest of its kind in the country. Ms. Silvia's unique talent of uniting people across cultural boundaries was exemplified by her founding and producing of the popular Sunstreet Festival and Parade. As the first black president of women in radio and television, she was able to highlight Afro-American issues in light of the other cultural issues facing south Florida. Ms. Silvia passed away in 1991, so her daughter, Ms. Jolita Dorsett, who is the Tri-City Cultural Center executive director, accepted her mother's honor.

In addition to honoring Ms. Silvia, the Cuban Women's Club recognized the outstanding accomplishments of Ms. Arva Moore Parks, historian and activist. Ms. Parks, a native of Miami, has been a historian of the State of Florida for the past 20 years. Ms. Parks both records events which occur in south Florida and participates in many of them. She has authored several award-winning books and is the editor of "Tequesta", a journal produced by the Historical Association of South Florida. Ms. Park's willingness to give of herself to the community is highlighted by the fact that she donates proceeds from her books to charity. In 1983, she received the Robert B. Knight. Outstanding Citizen Award, and in 1985, Ms. Parks was inducted into the Florida Hall of Fame.

The events for the Cuban Women's Club were organized by its chairperson, Eugenia Rivero Sierra and its coordinators, Mercy Diaz Miranda and Dolores F. Rovirosa. Ms. Miranda was also the mistress of ceremony for the event.

A SPECIAL TRIBUTE TO JUANITA JACKSON MITCHELL

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. STOKES. Mr. Speaker, I was saddened to learn of the recent passing of Mrs. Juanita Jackson Mitchell. Mrs. Mitchell, a Baltimore lawyer and pioneer in the civil rights movement, died on July 7 at the age of 79. With her passing, our Nation has lost a great leader.

Juanita Jackson Mitchell was a dynamic individual who accomplished a great deal during her lifetime. She graduated from the University of Pennsylvania and Maryland School of Law. Juanita Mitchell was admitted to the bar and became the first black woman to practice law in the State of Maryland. She also served as President of the Maryland Conference of the NAACP where she was credited with filing cases that led to the desegregation of public schools throughout Maryland.

Those who knew Juanita Jackson Mitchell will remember her as a pioneer, a strong leader, and a determined individual. She was a woman I greatly admired and she was a good friend. I was also privileged to maintain a close friendship with her husband, Clarence Mitchell, Jr., during his lifetime. Clarence was a well known civil rights leader whom friends and associates affectionately referred to as the "100th Senator."

Mr. Speaker, I extend my deepest sympathy to the Mitchell family upon the loss of Juanita Jackson Mitchell. She lives on in our hearts and will never be forgotten. I want to share with my colleagues Juanita Mitchell's obituary as it appeared in the July 8, 1992, edition of the Washington Post.

JUANITA MITCHELL DIES AT 79; CIVIL RIGHTS LEADER

Juanita Jackson Mitchell, 79, a lawyer in Baltimore for many years who was a pioneer in the civil rights movement, died July 7 at the University of Maryland Hospital.

A grandson, Clarence Mitchell IV, said Mrs. Mitchell, who had been in poor health in recent years, was taken to the hospital yesterday after apparently suffering a heart attack and stroke at her west Baltimore home.

Mrs. Mitchell, a 1932 graduate of the University of Pennsylvania, entered the University of Maryland's law school in the late 1940's, passed the bar examination in 1950 and became the first black woman to practice law in Maryland.

She was born in Hot Springs, Ark., and came to Baltimore with her family as a child.

Her mother, Lillie Carroll Jackson, was president of the Baltimore branch of the NAACP and oversaw all of Maryland's branches. Mrs. Mitchell worked with her mother in the civil rights cause for many years and was president of the Maryland Conference of the NAACP.

She was credited with filing the cases that, in the wake of the Supreme Court's 1954 ruling on segregation in public schools, desegregated public schools in Maryland.

Her husband, Clarence Mitchell Jr., who died in 1984, was a nationally known civil rights leader because of his longtime role as Washington lobbyist for the NAACP.

Mrs. Mitchell was the first national director of the NAACP's youth and college division.

In a statement issued last night, Benjamin L. Hooks, executive director of the NAACP, called her "one of the greatest freedom fighters in the history of Maryland and the nation."

"She was a strong proponent of civil rights and truly was a leader, never losing her vision in what she believed," the Associated Press quoted Maryland Gov. William Donald Schaefer as saying. "She was an inspiration, a fighter, and she never deviated from her principles."

Survivors include a sister, Bowen Jackson of Baltimore; a brother; Virginia Jackson Kiah of Savannah, GA.; four sons, Clarence Mitchell III, Michael Bowen Mitchell, George Davis Mitchell and Keiffer Jackson Mitchell, all of Baltimore; 15 grandchildren; and two great-grandchildren.

A CONGRESSIONAL SALUTE TO NORMONT TERRACE AND THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. ANDERSON. Mr. Speaker, on Saturday, July 18, 1992, the community of Normont Terrace will celebrate its golden anniversary. On behalf of the residents of Normont Terrace and the Housing Authority of the city of Los Angeles, I would like to share with you the roots of this unique and very special community.

One year following President Roosevelt's signing of the Housing Act of 1937, the Housing Authority of the city of Los Angeles was established. Normont Terrace was one of the first public housing communities owned and operated by this newly created commission. Originally intended as temporary housing for war workers, Normont Terrace opened on July 1, 1942. Since that time, this community has been home to scores of low-income families and continues to provide housing for hundreds of people.

Throughout the years, the residents of Normont Terrace have demonstrated exceptional pride in their community. They have organized a coordinating council and elected council officers to oversee community projects and activities. In addition, this council has served as a positive and productive force in the establishment of a new Normont Terrace community. Recently, Normont Terrace received a technical assistance grant from the U.S. Department of Housing and Urban Development and is entering into the initial phase of an ambitious resident management training program. This program will empower the community's low-income tenants to take an active roll in the control of their environment.

Mr. Speaker, on this momentous occasion I congratulate the Housing Authority of the city of Los Angeles on 50 years of providing quality housing for the residents of Normont Terrace. I also congratulate the residents and coordinating council of Normont Terrace on the 50th anniversary of their community. My wife, Lee, joins me in wishing them continued years of growth, development, and success in their ventures.

A TRIBUTE TO JULIA CUDDEBACK KENISTON, M.D.

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. GILMAN. Mr. Speaker, it is an honor to bring to the attention of all our colleagues the dedicated service of Dr. Julia Cuddeback Keniston at Mercy Community Hospital, Port Jervis, NY. Dr. Keniston will be retiring this year after 45 years of service.

Dr. Keniston started her career as a member of the medical staff of Mercury Community Hospital in June 1947. Throughout her 45 years of service, Dr. Keniston has served meritoriously as president of the medical staff, vice president of the medical staff, secretary-treasurer of the medical staff, chief of pediatrics, and various other committees.

Dr. Keniston has served our community faithfully for 45 years and has earned the admiration of those people she has been associated with over her career. Dr. Keniston's retirement is a great loss not only to the staff and patients of Mercury Community Hospital but to our Nation. Dr. Keniston's service to our community is a perfect example of a person dedicating her life to the betterment of society. Her unselfish actions will be sorely missed and I would hope that she is a role model for younger people in our country to serve in some capacity their communities.

Mr. Speaker, I invite my colleagues to join me in honoring Dr. Julia Cuddeback Keniston for her service to her community, and wishing her a long and fruitful retirement.

NATIONAL INVENT AMERICA! WEEK

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. LOWERY of California. Mr. Speaker, it is with great pride that I rise today with three of my distinguished colleagues to introduce legislation designating the week of July 19 through July 26, 1992, as National Invent America! Week. Invent America! is a nationwide program which encourages young inventors in kindergarten through 8th grade to develop problemsolving and advanced thinking skills by sponsoring State, regional, and national invention programs and competitions. Invent America seeks to inspire in our youth what has always made America great: innovation, imagination, and excellence.

Where are the ingenious inventors of yesterday, people like Thomas Edison, Alexander Graham Bell, Eli Whitney? Where are all the gadgets and machines—the cotton gin, the electric light bulb, the phonograph—that made life simpler as well as more fun and put money in our national pocket to boot? The inventive spirit in America is not gone, but as a Nation we have been resting on our laurels.

Stories about how America is losing its technological edge have become all too common in recent years. Today it is imperative that we focus the Nation's attention on the critical pursuit of ideas in a global marketplace where America no longer is considered the undisputed leader.

To respond to these developments, Invent America! was launched in 1987 by then-Vice President George Bush—who remains honorary chairman—and the United States Patent Model Foundation, a private nonprofit organization enjoying generous support from good corporate citizens like Polaroid, Kmart, 3M, and Pepsi, and private contributors.

Invent America! invites students to create, to explore their dreams, and to improve life for themselves and their country. As we in Congress continue to wrestle with excruciating budget decisions, Invent America! offers this program to more than 87,000 schools free of charge. They provide the materials, educator training, and support to establish invention programs to every classroom, and administer an invention competition at the State, regional, and national level. This simple yet brilliant program touches the lives of 15 million young people each year and recognizes the importance of nurturing curiosity and spreading the joy of discovery throughout the United States.

Invent America! succeeds because it allows students to learn and have fun at the same time. Last year more than 300,000 students from California and millions more nationwide entered the competition with ideas as diverse as an assist-a-chef apron, battery-powered ski lights, disposable bibs, and a devise which extracts prizes from cereal boxes with uncanny speed. Three years ago, I was delighted when a student from my district became one of the regional finalists. Her roadside accident screen is but one shining example of the tremendous potential Invent America! unleashes.

National prizes in past years have gone to a puddle detecting cane for the blind, a biodegradable golf tee that fertilizes the lawn, and a remember clock to help Alzheimer's victims with their daily needs. The first national prize in 1987 went to a young man from Brooklyn, NY for his invention, the Swivel Head Rest. As he explained to David Letterman on the late night talk show, his invention was designed for people to rest their head without falling over when sleeping on an airplane.

This summer, Invent America! will again bring its 45 regional finalists to Washington, DC, to showcase their ideas and to celebrate the 1992 competition. Among this year's finalists are two Californian's: Brian Nowell of Spring Valley and Michael Chan of Monterey Park. Brian is in first grade and calls his invention, the "Speedee Seeder." He has designed a gardening tool that makes holes in the ground—at just the right planting depth—without the usual dirt under the fingernails. Michael's entry is a tri-level commuter car train called CATS that can transport both the commuter and his or her car to and from work. Michael knows that sometimes you need your car for errands during and after work. As these kids so aptly demonstrate, American ingenuity is not lost.

The highlights of Invest America! Week are the annual congressional ice cream social and the national awards ceremony announcing the nine best student inventors in America. I invite all of my colleagues to come out and meet the pioneers of tomorrow in 2 weeks. In addition, the winning entries will earn a distinguished exhibitions spot at the Smithsonian Institution's National Museum of American History in Washington, DC.

Mr. Speaker, Invent America! has the enthusiastic support of the U.S. Departments of Education and Commerce, as well as the National Science Foundation. In fact, Invent America! was singled out for recognition from among 140,000 such programs in the Secretary of Education's special report to the President, "America's Schools: Everybody's Business." This successful public-private partnership is proof that government and industry can work together, hand-in-hand, with tremendous results.

Invent America! shows what our children will offer our future if properly motivated and challenged. Creativity builds creativity and this program embodies the idea that the objective in life is not to pass, but to surpass. Congressional recognition of Invent America! Week draws attention to a program that works by harnessing the boundless energy of the mind.

I urge all of my colleagues who envision a bright and challenging future, who can see the potential in young minds, and who want to ensure that our young people are prepared to meet the future's challenges, to support this resolution. We need to further encourage the young dreamers, discoverers, and doers among us. Our future rests with them.

IN MEMORY OF ALFRED CLARK

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. LEVINE of California. Mr. Speaker, I rise today to pay tribute to Alfred Clark, a 17-year-old high school senior who was tragically slain in Los Angeles on June 17. I do so with deep regret and anger. Alfred's family, community, and the Nation have lost a loving son and brother, loyal friend, and a promising young leader.

Alfred was celebrating the achievement of reaching the conclusion of his senior year of high school with his classmates when his life was taken by senseless violence. While having lunch with his friends in a McDonald's near campus, Alfred was fatally shot after refusing to surrender his compact disc player to two unidentified robbers. It is a pathetic statement on the breakdown of our society's value system when this kind of senseless, random violence occurs over something as insignificant as a CD player.

Alfred was an extraordinary young man, and left a remarkable and memorable impression upon all whose lives he touched. He exemplified academic excellence. Alfred received a Principal's Award for merit, and was a member of the Science Club at Paramount High School, from which he was to graduate a day after his tragic death. He served as a congressional youth representative in 1991. Alfred was an outstanding athlete, starring on the football field and on the track team. The University of California at Los Angeles, where Alfred was scheduled to enroll as a scholarship winner this fall, was deprived of these and many other talents that Alfred had to offer. In the words of a school administrator, Alfred "was truly an all-American young man."

His leadership reached all segments of his community. He was respected and admired by his peers. As a friend commented, "He always cheered you up," and was well known for his "ready smile and ready laugh." As his friends mourned his passing many grieved that they lost a positive role model for whom they held much admiration.

Alfred's death must spark a recommitment to the fight for hope in our cities, safety for our citizens, and opportunity for young people like Alfred who represent the best hope for our Nation's future. His murder is yet another reminder of the terrible price the residents of the inner city are paying for our failure to protect the public safety and ensure law and order. They are on the front lines of the war being waged between law enforcement and the law breakers in our society.

While there is no question that job opportunities and economic growth must be a fundamental part of any program to improve the quality of life for inner city residents, our first priority must be to stop the killing and violence which has become part of every day life for many of its residents.

To these ends, we must commit ourselves today, and every day, to honoring the memory of Alfred Clark with the same sense of duty to our responsibilities as elected leaders, and with the strong sense of kindness, that he carried on in his life during his 17 years.

I ask my colleagues to join with me in sending my deepest sympathies to Alfred's family, his classmates and other members of his community who grieve his loss.

FACILITATING THE USE OF ENVIRONMENTALLY SOUND TECHNOLOGY WORLDWIDE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. GREEN of New York. Mr. Speaker, today it is my pleasure to introduce legislation, along with Representatives BILL RICHARDSON, STEVEN SCHIFF, and JOE SKEEN, that would establish the "Assisting Deployment of Energy and Environmental Practices and Technologies" Program [ADEPT] at the Department of Energy. The objective of this bill is to enable the Department of Energy national laboratories to use their expertise to adapt environmentally sound technologies to the needs of developing countries who request assistance.

As a congressional observer to the recent U.S. Conference on Environment and Development, the "Earth Summit" in Brazil, I am especially pleased to champion this legislation in the House, as an essential step in implementing goals expressed at that conference.

Under this bill, the DOE national labs would provide leadership in soliciting, reviewing, and funding development proposals from officials of foreign countries. In addition to national lab scientists, DOE would draw from the skills and knowledge of representatives of U.S. businesses and industry, educational institutions, governmental agencies, and nonprofit organizations to create environmentally should technology for developing nations. At a time when the United States is making the transition from a defense-oriented to a peacetime economy, this legislation will go far to accomplish that aim.

As this effort is a global one, I believe the costs as well as the benefits should be shared. This legislation will require, where feasible, that program participants share at least half a project's cost. Foreign governments or other qualified foreign organizations, non-Federal governmental agencies, U.S. business or educational institutions will all be required to contribute to the funding of ADEPT projects. The bill authorizes funding for the program at $14 million for fiscal year 1993, increasing gradually to $30 million by 1997.

The ADEPT Program has the potential to take the fertile seeds sowed at Rio and bring forth a fruitful crop of sustainable development. I urge my colleagues to cosponsor.

A section-by-section summary of the ADEPT Program legislation follows:

SUMMARY OF PROPOSED DEPARTMENT OF ENERGY NATIONAL LABORATORY INTERNATIONAL ENERGY AND ENVIRONMENTAL TECHNOLOGY DEVELOPMENT ACT

Overview (sections 1 & 2): This bill establishes the "Assisting Deployment of Energy and Environmental Practices and Technologies" program within the Department of Energy. The bill authorizes and directs the DOE national laboratories to take the lead in addressing global environmental and energy issues. The program establishes a mechanism to coordinate the laboratories with other government agencies, private businesses, industries and educational institutions, to promote environmentally friendly technology development projects in "cooperating countries."

Section 3. Important definitions: "Cooperating countries" are developing and transitional countries with sufficient scientific infrastructure to share research activities and project costs, such as many countries in Latin America and the Warsaw Pact; "National laboratory" means a DOE multi-purpose laboratory, including the 11 listed; "Qualified foreign organization" means appropriate foreign businesses, foreign educational and international institutions.

Section 4. Summary of purposes: (1) to increase participation in and enhance the potential of the national laboratories in technology cooperation to benefit the global environment (2) to ensure adaptation of ADEPT technologies and creation of new markets by early involvement of and cost sharing with the private sector and foreign partners.

Section 5. How ADEPT projects are encouraged, proposed, reviewed and funded: The Secretary authorizes the national laboratories, in coordination with U.S. and cooperating country partners, to negotiate, develop and present proposals for ADEPT projects. The project proposals should involve the laboratories in developing cost-effective technology to solve environmental and energy related environmental problems in cooperating countries. Project may also be cooperation supporting activities such as a clearinghouse, or technology demonstrations to provide information on energy and environmental technology alternatives to potential ADEPT partners in the U.S. and abroad. Officials of foreign countries—including appropriate scientists and planners—representatives from industry, educational institutions, non-governmental organizations or any governmental agency may also submit proposals. Small business proposals shall be given preference as in previous technology transfer legislation.

An intra-DOE Management Panel, an Interagency Working Group and non-governmental business and scientific reviewers will advise the Secretary on project assessment and approval. These groups will also help to coordinate projects within the government, with foreign nations and organizations and with U.S. business and educational institutions. The Management Panel, chaired by the Secretary's designee and composed of the national laboratory directors and appropriate DOE officials, will oversee and support the ADEPT program. This Panel will also, as necessary, implement policies to protect intellectual property rights. The Working Group, comprised of the Secretary's designee and representatives from the Department of Commerce, EPA, U.S. A.I.D., OSTP, the NSC and other federal agencies the Secretary deems appropriate, is responsible for ranking the project proposals and integrating information from their respective jurisdictions.

In any case feasible, the Secretary is to require 50 percent non-federal funding of ADEPT projects. This non-Federal share may come partially or wholly from any one of the following: foreign government or other qualified foreign organizations, including businesses and educational institutions or international organizations, U.S. business or educational institutions or non-Federal governmental agencies. The bill also encourages coordination and cost-sharing with other federal programs—but it requires that ADEPT programs be managed independently of foreign assistance programs.

Section 6. The Management Panel will prepare a "consolidated plan", with input from the Interagency Group, which evaluates the program and suggests additional legislative or administrative actions.

Section 7. Existing international technology cooperation projects which are qualified to be ADEPT projects may be funded under the ADEPT program.

Section 8. The program is authorized to be funded at $14 million for FY 1993, $18 million for FY 1994, $22 million for FY 1995, $27 million for FY 1996 and $30 million for 1997.

INTERNATIONAL CONFERENCE FOR A FREE VIETNAM

HON. WAYNE T. GILCHREST

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. GILCHREST. Mr. Speaker, I would like to call to the attention of our colleagues the activities of the Vietnamese Council for a Free Vietnam and the American Committee for a Free Vietnam. Members of these organizations sponsored an International Conference for a Free Vietnam in Washington, DC, on June 29, 1992. More than 300 Vietnamese, Americans, Canadians, Australians, and Europeans gathered to discuss human rights in Vietnam.

At this point I wish to enclose in the RECORD the minutes from the conference, and the reports adopted by the members of the conference:

REPORT ON THE INTERNATIONAL CONFERENCE ON VIETNAM HELD ON JUNE 29, 1992, AT THE SENATE DIRKSEN OFFICE BUILDING AUDITORIUM, WASHINGTON, DC.

The conference was called to order at 12 noon by Co-Chairman Dr. Le Phuoc Sang.

Welcoming remarks were made by the Co-Chairman, Ambassador William E. Colby.

Remarks were also made by the Honorable Allen Rocher, M.P. Federal Australian Parliament, Mr. Saad al-Jabr, Chairman, Iraqui Opposition Forces Council and messages from former Presidents Nixon, Carter and Reagan were read by Ambassadors Colby, Lehmann and Rear Admiral Earl Yates, USN (Ret.). Mr. James Shafer, Associate Director of the Office of Public Liaison of the White House and the Asian-American Deputy Assistant Secretary from the Department of the Interior brought greetings of the Bush Administration.

The reports of the Political Issues, Human Rights and Religious Freedoms and Social and Economic Reconstruction Committees were read by Ambassador Wolf Lehmann, Rev. Andrew Nguyen Huu Le and Rear Admiral Earl Yates, USN (Ret.). A lively discussion ensued with many of the 300 attendees participating. The reports, with minor amendments, were unanimously adopted. A copy of the reports is attached.

At 4 p.m. speechmaking by Members of Congress and other dignitaries commenced. Dr. Z. Michael Szaz from the U.S. Joint Congressional Task Force introduced Mr. Stanley Roth, Counsel, House Subcommittee on Asian and Pacific Affairs, representing his Chairman, Rep. Stephen Solarz who had to remain in New York. He was followed by Rep. Dana Rohrabacher (R., Ca.), a member of the Task Force, by Rep. David Skaggs (D., Colo.), and Mr. John Summer, Executive Director of the Washington office of the American Legion. The next speaker was the Executive Director of the Congressional Human

Rights Caucus, Ms. Alex Arriaga, representing the ranking Democratic member of the House Subcommittee on Asian and Pacific Affairs, Rep. Tom Lantos, who also was in New York on that day hosting a delegation of the European Parliament. General Erle Cocke, USA (Ret.), former National Commander of the American Legion also made remarks to the conference. Before introducing the other speakers, Dr. Szaz gave a short outline of the objectives and activities of the U.S. Joint Congressional Task Force. Thereupon short remarks were made by Senator Charles Robb (D., Va.). Around 5:30 p.m. the Republican co-chairman of the U.S. Joint Congressional Task Force, Rep. Wayne T. Gilchrest delivered a speech on U.S.-Vietnamese relations praising the commitment of the overseas Vietnamese community. Finally Senator John Seymour, the sponsoring Senator, sent a representative to excuse his absence and to assure the conference of his wholehearted support. The Senator was in California on that day.

Co-Chairman Dr. Le Phuoc Sang then outlined the program for a Coalition of Vietnamese, American and International forces for a Free Vietnam which would not only include lobbying efforts to promote freedom and democracy in Vietnam, but the organization of human rights and religious freedom committees on local, country and international levels and charitable projects to help the needy in the refugee camps and in Vietnam.

At the end of the session, it was unanimously resolved to declare the formation of a Coalition of Vietnamese, American and International Forces for a Free Vietnam desirable and to charge the Vietnamese Council for a Free Vietnam to establish such a Coalition trying to include all forces sharing the common objective: a free and democratic Vietnam. The resolution also called for the opening of a permanent headquarters in Washington, DC. Dr. Le announced that ten national non-Vietnamese councils from Europe have already announced in fax messages their willingness to join and Rear Admiral Earl Yates, USN (Ret.) announced that 24 organizations represented at the conference already signed up for the Coalition before the end of the meeting.

The meeting ended at 6:20 P.M.

[The International Conference for a Free Vietnam]

REPORT OF THE POLITICAL COMMITTEE (AS AMENDED DURING THE DEBATE AT THE CONFERENCE)

As Communist dictatorships collapse all over the world Vietnam remains, as one recent newspaper headline put it: "The Land that Freedom Forgets".

The country is ruled by a closed group of Communist ideologues who make decisions affecting the lives of millions in secret conclave. The so called constitution confers a monopoly of power on the Communist Party.

Modest steps toward economic liberalization have not been matched by even minimal progress toward political liberalization. On the contrary, multiplying reports of arbitrary arrests, imprisonment and harassment of anyone voicing even mild dissent or, in some cases, associating with foreigners indicate that the regime remains firmly committed to a course of political repression.

Political prisoners continue to be held in camps and other prisons. Religious liberty has not been fully, restored. President Yeltsin's recent statement and General Vessey's testimony to the Congress make it clear that the regime in Hanoi has not been dealing in good faith with the United States in efforts to resolve the fate of Americans missing in action during the Vietnam war.

In recognition of these realities and dedicated to the cause of freedom and democracy in Vietnam—

The International Conference for a Free Vietnam meeting in Washington, DC on June 29th, 1992

1. Calls for prompt action to restore human rights to the Vietnamese people to include but not limited to:

Release of all political prisoners regardless of where they are incarcerated and cessation of arbitrary arrests and harassment for political reasons;

Freedom of speech and expression;

Freedom of the press;

The right to form political parties and meet in peaceful assembly;

Freedom of religion;

2. Declares that Article IV, which in the present Constitution of Vietnam reserves all political activity and power to the Communist Party, must be rescinded and replaced by a provision for a multi party political system. Along with this constitutional change there should be a timetable for free elections, monitored by international observers, and held after an interim period to permit the organization of political parties and allow them to conduct election campaigns without restrictions on speech, freedom of the press, access to media and peaceful assembly.

3. Calls on Vietnamese communities in exile and governments of free and democratic countries everywhere to support by all peaceful means at their disposal the Vietnamese people in Vietnam in the struggle for freedom and democracy in their country.

4. Urges governments of democratic countries to refrain from any actions which would serve to strengthen the political position of the regime in Hanoi, a dictatorship which rules without the consent of the governed.

5. Requests the United States Government and other governments whose citizens have given their lives for the cause of freedom in Vietnam to insure that their policies toward the present regime are not forgetful of continued repression of human rights and political liberties in Vietnam, and that genuine normalization of relations cannot occur until there are clear and irreversible steps to restore freedom and democracy to the Vietnamese people.

6. Invites attention to the report of the Committee on Human Rights and Religious Freedom and its recommendations.

OPERATION PROVIDE COMFORT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. GILMAN. Mr. Speaker, following the gulf war, the world was faced with a refugee crisis when Iraqi Kurds, fearing their fate at the hands of a defeated dictator, fled to the borders of Iran and Turkey. As a response, the allies established a security zone in northern Iraq and encouraged Kurds to return to their homes. The United States, with international cooperation, organized a relief effort which became known as Operation Provide Comfort. In order to facilitate this operation, the Turkish Government agreed to station United States military forces in southern Turkey. This decision was heroic, given the possibility of Iraqi retaliation. The agreement was first extended through June 1992 with the Understanding that, because Turkey is a parliamentary democracy, additional extensions would have to be approved by Parliament.

Mr. Speaker, many of us in the Congress are pleased that our Turkish friends in Parliament voted decisively this month to extend the agreement authorizing support for Operation Provide Comfort. This vote, the most recent example of Turkey's cooperation with the West, will encourage stability in the region and give new hope to tens of thousands of people.

This reaffirmation of support for Operation Provide Comfort underscores Turkey's importance in the region. Turkey, whose cooperation was essential to the success of the international coalition during the gulf crisis, will play a crucial role in building a peaceful future. Turkey is a good role model, not just for the newly independent republics of the former Soviet Union, but for the Arab world as well. Committed to the idea of peace through greater economic cooperation and trade, Turkey recently hosted leaders of 11 nations, including those of six former Soviet republics, to sign a Black Sea economic cooperation declaration. Included in the group were Armenia and Azerbaijan, two countries at odds over Nagorno-Karabaugh.

Mr. Speaker, Turkey's decision to extend the Operation Provide Comfort agreement will give Iraqi Kurds new hope. Turkey's decisive stand is a reminder that the West can count on Turkey and that it will play an increasingly important role in regional and world affairs.

SIXTH DISTRICT SCHOOLS RECEIVE STATE TITLES OF ACADEMIC EXCELLENCE IN ATHLETICS

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. COBLE. Mr. Speaker, recently two schools from the Sixth District of North Carolina achieved State titles of academic excellence in athletics. This award is presented to the teams with the highest academic averages in our State among class 1A–4A girls' and boys' basketball teams. I am proud to congratulate these two teams who have demonstrated leadership and excellence both on and off the court.

The girls' winner is Central Davidson High School basketball team with a team academic average of 3.68. The players who achieved this tremendous feat include Charlotte Hedrick, Kim Reagan, Keesha Scott, Sandy Tysinger, Elizabeth Crook, Carrie Garner, Shelly Peters, Jacqualine Black, Mandy Everhart, Holly Lookabill, Anna Brady, and Michelle King. They are coached by head coach Danny Davis and his assistant Danny Robertson. Assistants and volunteers include Jimmy Beck, Don Palmer, and Tia Grubb. Congratulations to Principal D. Bert Wagner and all of the faculty, staff, students and fans of Central Davidson High School.

The boys' winner is the Ledford Senior High basketball squad with a team academic average of 3.47. These outstanding student athletes include Adam Craven, Ryan Christian, Brian Hege, Matt Ridge, Brett Speight, Scott Dunbar, Matt Jacobs, Steve Haskins, Scott Newton, Jason Reich, T.G. Smith, and Jason Younts. Head Coach Robert Kent and Burke Miller were aided by a number of volunteers and assistants including Scott Young, Michael Martin, Chad Bowman, Erin Smith, Angela Chamberlain, Chris Curry, and Stuart Hunter. Ledford Principal Max T. Cole and all of the faculty, staff, students and fans of Ledford Senior High School can take pride in the basketball team's accomplishment.

In fact, the entire Sixth District is proud of the young men and women who have achieved this most admirable status. Congratulations to all those involved.

THE 10TH ANNIVERSARY OF THE FREE THEATER PROJECT IN NEW YORK CITY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. WEISS. Mr. Speaker, I would like to share with my colleagues a very special event that I will soon have the pleasure of participating in.

On July 16, 1992, I will have the privilege of introducing actors Eli Wallach and Anne Jackson who will be offering a special performance to celebrate the 10th anniversary of the Free Theater Project in New York City.

Ten years ago, Stanley Eugene Tannen founded the Free Theater Project to promote the arts, literacy, and cultural democracy. He has done so by bringing internationally renowned writers, actors, musicians, and other artists to his theater to perform free for the public. The remarkable success of his efforts have allowed thousands of people who might never have had the opportunity to attend the theater to enjoy some of the finest performances available anywhere.

The remarkable array of talent that has performed, or had its works performed, at the Free Theater Project is testament to the extraordinary success of the theater. At a time when the arts are under assault for being a luxury the Nation can do without, the Free Theater Project has demonstrated the ability of the arts to educate and enrich all of our lives.

ADELAIDE "ADA" ROSENSCHEIN CELEBRATES 100TH BIRTHDAY

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. LEVINE of California. Mr. Speaker, I rise today to honor a lifelong family friend and great American, Adelaide "Ada" Rosenschein, as she celebrates her 100th birthday on July 14, 1992.

Ada Rosenschein has been described by her friends and family as a 4-foot 9-inch dynamo, a liberated woman, a businesswoman always interested in the day's events—especially business issues. As a young woman, Ada worked at Bloomingdales in New York as a buyer of children's wear. Later, she owned and managed her own store on Madison Avenue, "Ada's Inc. . . ." From Pram to Prom. During her busy life with family and friends, she still found the time to travel to Europe on buying trips with the knowledge that her shop would have the most current in style and trends for children and teens.

Ada Naftal grew up with her two brothers, Wesley and Adrian Naftal, in New York City. She attended Hunter College and married David Rosenschein in 1917. They raised a lovely family of two children, Jane Rosenschein Lane, and Robert Rosenschein. Unfortunately, tragedy struck the Rosenschein's during World War II when Robert, a member of the Army Air Corps, did not survive a plane crash while on a test flight in the United States. In 1960, Ada lost her daughter, Jane, to cancer.

In early 1960's Ada and David moved to the west coast and set up household. Sadly, David Rosenschein passed away in 1963. In the meanwhile, Ada had an office at the California Apparel Mart in downtown Los Angeles. Here she continued her business interests as a manufacturer's representative of children's wear. Ada retired at the age of 89.

Throughout all her endeavors, Ada has enjoyed the love and support of her family, especially that of her grandchildren and great-grandchildren. They are: Patricia Lane Greene of Woodinville, WA, and husband Gary Green, parents of Gregg; Robin Lane LaBonge of Irvine, CA, and husband Denis LaBonge, parents of Lindsay and Kevin; Jack H. Lane III of Dunwoody, GA, and wife, Deborah, parents of Brent, Todd, and Chad.

I am pleased to join Ada's loving family as they celebrate the wondrous occasion of the 100th anniversary of her birth. I wholeheartedly ask my colleagues in the U.S. House of Representatives to join me in saluting this fine lady, Ada Rosenschein.

A TRIBUTE TO THE SOJOURNER COUSINS: THE FAMILY HISTORY

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. BLACKWELL. Mr. Speaker, I rise today to pay tribute to a truly remarkable family: the Sojourner Cousins. The Sojourner Cousins have delighted audiences for 13 years. They have performed many concerts and have made guest appearances locally and nationwide rendering selections that are soul-stirring and enriching old-time favorites, basic hymns, and contemporary gospel.

The Sojourner clan began in Denmark, SC, which is located south of Orangeburg, north of Bamberg, between the South and North Fork Edisto River.

Daniel Sojourner, a sharecropper put the wheels into motion when he married Cornelia Riley. The couple was united at the Jericho A.M.E. Church where Daniel served as a trustee. Since that time, Daniel and Cornelia have shared their love with 10 children: Agnas, Bunyan, Georgia, Jim, Julia, Leta, Marie, Paul, Rebecca, and Sarah Ann.

Mr. Speaker, over the years, the Sojourner Cousins have used their family reunions as outlets for exercising their musical talents. During their reunions, they engage in spiritual devotional services, thereby remembering their deceased and sick ones with prayers and gospel songs.

The Sojourner Cousins work together and assist each other at church; and they are well known for sponsoring concerts and donating the proceeds to the church members. God has truly blessed this family with the ability to sponsor benefits, and has enabled them to travel around the country utilizing their musical talents at other churches.

Presently, the Sojourner family members are researching information to complete the development of their family tree. The Sojourners are striving to collect, create, and preserve their heritage of artifacts, heirlooms, and keepsakes as they are passed from one generation to the next. The family surname of Sojourner will continue to be honored by generations yet unborn.

The Sojourner Cousins, near 25 strong, is home-based at the New Bethel A.M.E. Church in Germantown, with members at Triumph, Foster Memorial, and Vine Memorial Baptist Churches in Philadelphia.

Mr. Speaker, today, July 11, 1992, the Sojourners will celebrate their 13th Family Reunion. The Sojourner Cousins offer these valuable words of inspiration: "We love the Lord, and He's our strength. With His blessings we shall continue on praising His name in gospel songs, until God calls us home."

Mr. Speaker, it is a tremendous honor for me to present this family to my colleagues. The Sojourners have given themselves to their churches and to their community. I ask my colleagues to rise and join me in extending our best wishes and future success to the Sojourner Cousins.

MEDICAID PRESCRIPTION DRUG PRICING

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. SLATTERY. Mr. Speaker, today I am introducing legislation to address a serious problem that has developed as a result of efforts to help lower the cost of prescription drugs for State Medicaid programs.

In the last Congress, I was an original cosponsor of H.R. 5589, the Medicaid Prescription Drug Fair Access and Pricing Act of 1990. This bill was an attempt to provide States with an opportunity to design their own price negotiating plan for prescription drugs and was intended to encourage State-level Medicaid administrators to drive harder bargains with drug manufacturers. The core provisions of H.R. 5589 were included in Public Law 101-508, the Omnibus Budget Reconciliation Act of

1990 [OBRA 1990]. A specific goal was to obtain the same sharp discounts on drugs for the Medicaid Program that often were obtained by hospitals, health maintenance organizations [HMO's], long-term-care pharmacies, group purchasing organizations [GPO's], and even another Federal agency, the Department of Veterans Affairs [DVA]. Under the OBRA 1990 amendments, essentially, manufacturers were required to provide drugs to Medicaid at the best price available in the market.

Unfortunately, implementation of the OBRA 1990 provisions prompted many drug manufacturers, to significantly increase prices charged to hospitals, HMO's, and others, including DVA, who were already receiving discounts—clearly not what Congress intended nor the type of behavior the drug companies had promised. Because prices charged to these large purchasers, such as the DVA, were often the best prices offered on drugs, these manufacturers dramatically increased the prices charged to DVA in order to avoid being required to significantly lower prices charged to Medicaid customers. Some estimates place the cost of the price hikes to the DVA alone at roughly $150 million per year. These price hikes are increasing prescription drug costs to consumers at a time when health care costs are already soaring.

I believe that this is the kind of abuse that OBRA 1990 was designed to stop. I have cosponsored H.R. 2890, legislation that would solve the problems created by the OBRA amendments for the DVA, but that alone is not enough. I am offering this legislation in an attempt to address the real problem: Inappropriate pricing behavior by prescription drug manufacturers in response to the incentives created by OBRA 1990. I believe the problem lies in setting the Medicaid rebate requirements at best price levels. Manufacturers are not restricted from raising the best prices, and, as we have seen, the best prices are disappearing.

I feel one way to correct this problem would be to set the Medicaid discounts at a flat rate. Using recent budget information from the Congressional Budget Office, my legislation would establish a flat-rate discount, phased in over 4 years, for State Medicaid programs that would capture the OBRA 1990 intended savings for Medicaid. The discount rate included in my legislation is budget neutral. I would, of course, be willing to work with my colleagues to set a fixed-flat-rate discount, instead of the phased in rates, that capture the intended savings for Medicaid. Further, I am interested in obtaining similar relief from rising drug prices for community health centers and other public health service grantees, and will work with my colleagues to achieve this goal.

With the elimination of the best price from the Medicaid discount formula, large purchasers of pharmaceuticals, including the DVA, would again be able to negotiate discounts with the manufacturers based upon the volume of their purchases. Medicaid's flat discount rate would have no impact on these negotiated prices.

Mr. Speaker, I believe a flat-rate discount for the Medicaid Program is essential to reestablishing a competitive market for pharmaceuticals and restoring the negotiating position of pharmaceutical purchasers. As I indicated above, I will be pleased to work with my colleagues to develop a comprehensive solution to this pressing problem.

THE HIGHER EDUCATION ACT AMENDMENTS

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. BALLENGER. Mr. Speaker, I want to comment briefly regarding to the Higher Education Act amendments [HEA]. I supported passage of the conference report to the HEA because the legislation is important to students across the country who depend on Federal student aid; however, my support was reluctant. Specifically, I am concerned with the provision of the bill that establishes a direct loan demonstration project. First, let me explain why I supported the bill.

As approved by the House, the HEA includes provisions that will assist institutions of higher learning in establishing teacher training programs, improving library resources, and developing new education and information services programs. In addition, the bill reauthorizes valuable programs at historically black colleges and universities.

The major goal of the bill, however, is to reauthorize title IV student assistance programs—the Federal Pell Grant Program and the Federal Family Education Loan Program, and to beef up program integrity and eligibility requirements for institutions under title IV.

Primarily, the bill would simplify the needs analysis by using the same needs test for all Federal student aid programs. Under the new formula, the legislation eliminates home and family farm equity and all minimum student contributions from the needs test. Easing the needs analysis will allow more students to participate in the programs in order to achieve the goal of a college education.

As originally passed by the House Committee on Education and Labor, the bill would have made the Pell Grant Program as entitlement. I opposed this provision, and was happy to support legislation that maintained the current grant program. Under the legislation passed by the House, the maximum Pell grant is increased from the current $3,700 to $4,500 by fiscal year 1997 with the minimum grant being $400. And, the bill raises to $42,000 the maximum income a family of four may earn and still qualify for a grant—currently the maximum amount is $30,000.

The legislation also reauthorizes the Federal student loan programs and increases the maximum loan amounts for students in their second year of school or higher. Also, the bill phases of the current 5-percent loan origination fee for borrower. In addition, the legislation establishes a new unsubsidized loan program for all students, regardless of family income. The difference from the subsidized loan program would be that the student, not the Federal Government, would pay banks the interest on their loans while they are in school, and the student would be required to pay a 6.5-percent combined loan origination and insurgence fee to the Government.

I also support reforms to the program integrity provisions of the bill, part H. Part H requires each State to designate a postsecondary approving agency that would be responsible for the review and approval of institutions of higher education with the State.

Specifically, the legislation establishes a two-tier system for reviewing the eligibility of institutions. An initial review is done by the Secretary of Education based on a list of ten criteria including the institution's default rate, the amount of title IV funding it receives, and the number of student complaints. If an institution passes all of these criteria, the state takes no further action; however, should a school fail one of these, a deeper review is undertaken. Under deeper review the State judges the institution based on such criteria as the quality and content of the school's courses on programs, the adequacy of space, equipment, personnel and student support services, and enforcement of attendance and academic progress standards. Should the school not meet the second list of criteria, the state may work with the school to come into compliance or the state will disapprove the school and the institution will be terminated from participation in title IV programs.

Finally, the bill places strict requirements on eligibility under title IV for proprietary school. Specifically, to be eligible, a proprietary school can receive no more than 85 percent of its revenues from under title IV, and requires these schools to offer courses of 30 weeks on 900 clock hours in order to be eligible.

These provisions are particularly important in removing the fraud and abuse that currently plague the system. For example, in 1980, defaults represented 10 percent of the total program costs. In 1991, defaults represented 62 percent of the total costs. Further, of the total $52 billion in outstanding loans guaranteed by the Federal Government, currently, $17 billion is in default.

As stated, I have strong reservations regarding the 5-year direct loan demonstration project included in the legislation. Under the demonstration project, independent leaders would no longer participate in the program, but instead, the loans would be administered directly by the Federal Government through the Department of Education. The Secretary of Education would be responsible for accepting applications from the schools, and ensuring that an adequate number of schools participate. Under the project, 500 schools would be selected to participate; however, once selected, there is no cap on the dollar volume of the loans that could be originated. In addition, if a sufficient number of schools do not apply, the Secretary is required to designate additional institutions.

Although proponents of the program claim that the direct loan project will save Federal dollars, I am concerned that the lack of a cap on the loan volume of the participating schools could result in the Federal Treasury borrowing unknown billions of dollars in future years. In addition, I do not like the idea of the Secretary of Education drafting schools into the program that do not want to participate. And finally, I am concerned that the Department of Education will not have the necessary resources needed to administer the program. This again, could result in additional funding needs for the Department.

Again, I supported the bill because of its positive aspects. The legislation reauthorizes needed programs and increases access to these programs to members of the middle class. I am glad that as a member of the House Committee on Education and Labor I was able to pay an active role in the drafting of the bill, and look forward to its swift enactment.

INTRODUCTION OF LEGISLATION TO EXPAND THE MARTIN LUTHER KING, JR., HISTORIC SITE AND PRESERVATION DISTRICT

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. LEWIS of Georgia. Mr. Speaker, today I am introducing legislation that would expand the Martin Luther King, Jr., Historic Site and Preservation District in Atlanta, GA. Visitors from all over the world as well as residents of Atlanta come to this important historic site to understand better the legacy of Martin Luther King, Jr.

The King Historic Site is the 10th most visited national park site in the country. Last year, 2.8 million people visited the site. Visitation at the site has grown each year since its creation in 1980 and will continue to grow. Record numbers of visitors are expected to the site when Atlanta hosts the summer Olympics in 1996. During that time an estimated 100,000 to 150,000 people will visit the site each day.

Althought the site was created more than 10 years ago, it still needs some essential components including a visitors' center and a maintenance facility. Additionally, the majority of the homes on the block with Dr. King's birth home are in need of rehabilitation and the site needs adequate parking facilities.

It is imperative that we make the necessary improvements and expansion to the site before the 1996 Olympics when Atlanta, and the United States, will be under international scrutiny. The story of Martin Luther King, Jr., the civil rights movement and the history of "Sweet Auburn" Avenue must be told in its entirety. This is part of American history that we must preserve and present.

INTRODUCTION OF THE CALIFORNIA SAN ANTONIO MISSION NATIONAL HISTORIC PARK STUDY ACT OF 1992

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. PANETTA. Mr. Speaker, I rise upon the introduction of legislation to direct a park study for the Mission San Antonio de Padua in the State of California.

Mission San Antonio, founded in 1771, is well recognized as a historic site of national significance. The mission is an important component of the Juan Bautista de Anza National Historic Trail and is on the National Historic Register of Historic Places. Yet the mission is only one part of the area's historic appeal. Unlike most missions of the west, the area surrounding Mission San Antonio de Padua remains undisturbed and preserved in its original state. The surrounding area is also unique in that it has significant artifacts from all stages of California's development dating back from the settlements of the pre-Columbian Indians, to the Spanish missionaries, and the pioneers of the western expansion. Few areas in our Nation can boast such historical value and offer such an opportunity for historical research.

Furthermore, because of its undeveloped state, the area offers unparalleled opportunities for recreation and historic interpretation in a realistic setting.

The legislation directs the National Park Service to study the San Antonio Mission and surrounding historical areas to determine the suitability and feasibility of designating the area as a national historic park. In conjunction with the Friends of Historic San Antonio Mission, the National Park Service is conducting a historic landmark study of the mission for designation as a national historic landmark. The landmark study is expected to be completed early this fall. Early findings of the study strongly indicate that the mission warrants a historic landmark designation.

I would also point out that there is a great deal of support within the local community, and throughout the State of California, for the designation of a national historic park at the San Antonio Mission. The Friends of Historic San Antonio Mission have worked very hard to protect the mission and its surrounding historical sites and have made a very convincing case for designating this area as a national historic park.

Although they are an important part of the history of this country, the profound role of the Franciscan missions has gone unheralded and unrepresented in our National Park System. Sadly, Mr. Speaker, there are not many places like San Antonio Mission left in our country. It is rare that we find a centuries old operating mission preserved in its original isolated state. Congress should take advantage of this opportunity by acting to commemorate this time period of our history and protect this area through a national historic park designation. I hope my colleagues will join me in this effort by supporting this legislation. A copy of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "California San Antonio Mission National Historic Park Study Act of 1992".

SEC. 2. AUTHORIZATION OF STUDY.

(a) AUTHORIZATION.—The Secretary of the Interior shall conduct a study of area described in subsection (d) to determine its significance in illustrating and commemorating the role of pre-Colombian Indians, Franciscan Missionaries, post-mission Mexican ranchos, and pioneers of the western expansion in the development of the State of California. As part of the study, the Secretary shall provide recommendations on the suitability and feasibility of establishing the area as a unit of the National Park System.

(b) CONTENTS OF STUDY.—The study of the Secretary shall contain, but not be limited to, findings with respect to—

(1) measures for preserving and interpreting historic resources associated with the Mission San Antonio de Padua, including its architectural and cultural resources;

(2) measures for preserving and interpreting historic and prehistoric archaeological features of the area;

(3) opportunities within the area to memorialize and interpret four stages of California history, including pre-Colombian Indians, Franciscan Spanish Missionaries, post-mission Mexican ranchos, and pioneers of the western expansion; and

(4) natural and recreational values of the area.

(c) CONSULTATION.—In preparing the study under this section, the Secretary shall consult with the Friends of Historic San Antonio Mission, San Antonio Valley Historical Association, other interested historical organizations and appropriate local, State, and Federal agencies.

(d) AREA STUDIED.—The area studied pursuant to subsection (a) shall include the Mission San Antonio de Padua in California and its surrounding historic and prehistoric archeological as described in map entitled "San Antonio Historic Park District" and dated July 1992.

(e) CONGRESSIONAL REVIEW.—The Secretary shall transmit the study to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate within one year after the date on which funds are appropriated for the study.

(f) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

INTRODUCTION OF LEGISLATION REGARDING ALCOHOLIC BEVERAGE LABELING

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mrs. SCHROEDER. Mr. Speaker, today, I am pleased to introduce a very low-cost proposal that requires makers of alcoholic beverages to label each beverage container with the alcohol, other ingredients, and calories it contains. Several colleagues join me in proposing to amend the Federal Food, Drug, and Cosmetic Act to provide consumers with the information they need to use alcoholic beverages safely.

The Surgeon General, Antonia Novello, identified the need for labeling alcohol contents at a Select Committee on Children, Youth, and Families' hearing, entitled "Preventing Underage Drinking." Committee members learned that beer and malt liquor makers are not permitted to disclose the percentage of alcohol by volume, while wine and distilled spirits are required to list this information. The inconsistency dates back to a law passed in 1935. As the Surgeon General pointed out, today's consumer is vastly different from the prohibition era consumer of the 1930's, and has the right to be informed about what she or he is consuming.

To clarify the meaning of percentage of alcohol, the proposal also requires labels to include a straightforward, user friendly unit of serving size called the drink. A drink equals 0.6 ounces of alcohol—the amount usually found in one beer, or one shot of distilled spirits, or one glass of wine. We must keep in mind that children have died from overdosing on fortified wines that contain the equivalent of five shots of hard liquor in a container the size of a beer can. Failing to make the alcoholic contents of these products perfectly clear is courting disaster for our kids, as well as for adults.

In addition, the bill requires that a toll-free help line number be listed on each alcohol container. Consumers can call the number for referrals for help with a drinking problem. This much-needed service is administratively very simple and has been estimated to cost $500,000.

Last year, Congress passed legislation requiring the labeling of contents of foods. I urge my colleagues to join me in support of this next logical step toward safeguarding the health of American consumers—especially our most vulnerable teens.

SUMMARY OF ALCOHOL CONTENTS LABELING PROPOSAL

This bill amends section 403 of the Federal Food, Drug, and Cosmetic Act to require:

SECTION 1

Disclosure of alcohol content by volume in a non-promotional manner.

Disclosure of the number of drinks per container.

The statement: "If you or someone you know has a drinking problem, a call may be made to (a toll-free number established by the Secretary) for help."

That label information is located in a conspicuous place, in legible type, and offset by borders.

SECTION 2

Authorization of $500,000 for establishment of a toll-free number in FY93, and for each succeeding year.

SECTION 3

Submission of a report mandated in 1988 by Section 206 of the Alcoholic Beverage Labeling Act on the effectiveness of warning labels required at that time.

TRIBUTE TO ALEX R. MURPHY

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. TRAFICANT. Mr. Speaker, I would like to pay tribute to an outstanding individual in my 17th District of Ohio. He has served the Mahoning County educational needs for over 25 years and contributed monumentally.

Mr. Murphy began his career in the education field as a teacher at Science Hill Elementary School and progressed through the administrative system to assistant principal at Hillman Junior High. Eventually, Mr. Murphy earned a position as principal at Chaney High School and, 11 years later, he was selected as principal of the Rayen High School. During his tenure at each school, Mr. Murphy made significant strides integrating the city schools as well as installing a positive approach to the field for those on staff at each school.

Mr. Murphy not only puts both feet forward in the field of education, but also finds additional feats to accomplish in the community. He is a member of the Phi Delta Kappa fraternity and trustee of the Third Baptist Church as well as recipient of the Outstanding Community Role Model Award given by the Martin Luther King Jr. Holiday Committee. In 1987, the Buckeye Lodge #73 made Mr. Murphy an honorary member.

Mr. Speaker, on July 24, 1992, the Oak Hill Athletic Club will sponsor a dinner in Mr. Murphy's honor. I send to Mr. Murphy and his good friends who speak so highly of him my best wishes and congratulations for such outstanding contributions to the field and for maintaining his position with integrity and honor.

A TRIBUTE TO THE LATE ABE P. MORRIS

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. PASTOR. Mr. Speaker, I rise before my colleagues in the U.S. House of Representatives to memorialize the late Abe P. Morris of Arizona.

Mr. Morris, an Arizonan for 40 years, was a true renaissance man. He was an outstanding copper mining engineer known for imaginative and innovative ideas, with credentials recognized worldwide. He was interested in people and concerned for their welfare. He was a friend to laborers in the mine as well as to engineers, university presidents, lawyers, bankers, and scientists. He was a benefactor of education at all levels from kindergarten to university graduate school.

Mr. Morris helped to make Arizona history by serving as the guiding force behind the building of the town of Kearny in Pinal County. In its early days, Kearny was unique among mining towns. Most mining towns got their beginnings as company towns where the mining company owned the house that the miners and their families inhabited, owned the stores in which they shopped, and paved the streets they traveled. In other words, the miner had to rely on the company to satisfy every basic human need. The town of Kearny, through the efforts of Abe Morris, succeeded in offering miners the opportunity to own homes and to enjoy all of the other opportunities of urban life.

Mr. Speaker, it is my honor to offer this belated tribute to Abe P. Morris, a great Arizonan and a great human being.

THE ALTON AREA MERGED BRANCH 309 CELEBRATES 100TH ANNIVERSARY

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. COSTELLO. Mr. Speaker, I rise today to recognize the 100th anniversary of a branch of the National Association of Letter Carriers in my congressional district in Illinois. The Alton Area Merged Branch 309 will celebrate their 100th anniversary on August 22, 1992.

The Alton Branch has been dedicated in their service to the community through the past 100 years. Numerous current and former residents of southwestern Illinois greatly appreciate the activism of this organization.

Although they currently have only 127 active and retired members, the Alton Branch was able to raise over $10,000 for the Muscular Dystrophy Association. Their commitment to fundraising earned them the recognition of "No. 1 Fundraiser" in the State of Illinois.

I ask my colleagues to join me as I salute the Alton Area Merged Branch 309 on their 100th anniversary for their exceptional dedication to the community of southwestern Illinois.

NORTH AMERICAN FREE-TRADE AGREEMENT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. TORRES. Mr. Speaker, the Bush administration appears ready to notify Congress of its intent to sign a North American Free-Trade Agreement with Mexico and Canada.

Notification date, we are told, will be later this month.

We have also been told that the NAFTA will be a historic trade agreement.

Yet, bilateral trade with Mexico is already at $60 billion a year. And Mexico is our third largest trading partner.

Mr. Speaker, the NAFTA is not a trade agreement, it's an investment agreement.

The NAFTA is about the elimination of barriers to United States investment in Mexico.

Under a NAFTA U.S. firms will no longer have to worry about laws governing maximum foreign ownership which in some cases is at 49 percent. Nor will major firms worry about import licensing requirements, restrictions on sales in Mexico, or worse, the nationalization of their property.

Because Members of Congress are not permitted to review the current negotiations, I worry that the investment agreements being reached will not extend to individuals. Today, individuals choosing to invest in Mexico, face losing their investment capital due to the lack of any judicial recourse or their own unfamiliarity with Mexico's customs or laws.

Mr. Speaker, many small businesses and individual investors have been led to believe that the NAFTA will extend benefits to them. I call on my colleagues to join me in working to ensure that it does.

DEFEND THE SCOUTS

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. ROHRABACHER. Mr. Speaker, scouting in America is under attack. Leftwing organizations, pressure groups and some large corporations including Levi Strauss, Wells Fargo, and the Bank of America have joined forces to demand that the Boy Scouts lower their longstanding moral standards. The following editorial that appeared in the Orange County Register is an eloquent and forceful defense of the Scouts and I ask that it be incorporated in the RECORD:

MEMO TO THREE BANKS: BE PREPARED TO LOSE SOME ACCOUNTS

(By Harold Johnson)

Boy Scouts of America: 378; spineless San Francisco bankers: 5.

That's the lopsided score recorded on my voice-mail over the past couple of weeks. On June 19, I wrote a column about how three San Francisco firms—Wells Fargo (corporate telephone number, 415-396-3606), Bank of America (415-953-1411), and Levi Strauss (800-872-5384)—announced they were canceling future donations to the Boy Scouts because the Scouts don't allow homosexual scoutmasters. I said I was closing my own Wells Fargo accounts in protest, and I asked readers who had any comments to give me a buzz.

Well, a monsoon ensued. My line was jammed for days, and the calls are still coming. Nearly 400 so far. (If you left a message asking me to call back, and I haven't, I apologize, but now you know why.)

Most everybody who phoned is mad as H at the three wimpy companies that caved to Politically Correct pressure lobbies, suddenly announcing they couldn't accept Boy Scout policies that have been around for 80 years. (Actually, it's four companies now: First Interstate has joined the dishonorable parade). By the way, Judge Robert Frazee of Orange County, who forced a local Cub Scout pack to admit two kids who won't recite the Scout Oath's pledge to God, should take note of my phone-call tally; it suggests his next retention vote, in June '94, might not be a slam-dunk.

The ironies in the funding cutoff are exquisite. Kids are up against harrowing dangers these days—gangs, drugs, pregnancy, suicide. And how do these four corporate giants respond? By targeting the Crips or Bloods? No, by going after a really cutthroat bunch—the Boy Scouts! Seems they're determined to protect kids from Scouting and its dangerous values. All that stuff about duty, honor, reverence, and "helping other people at all times" might warp impressionable young minds, don't you know.

If you ask me, an assault on the Scouts, especially at a time when the fabric of community in this country is already fraying, is nothing short of an anti-social act. My college political-philosophy class comes to mind. There we learned about the theorists who've taught that a free society requires the cultivation of humane virtues—precisely the kind of self-discipline and regard for others that the Boy Scouts try to instill.

Now, you'd think that captains of big business, concerned about the bottom line and, by extension, about the health and prosperity of the neighborhoods where they try to turn a buck, would see the importance of groups that nurture the old verities, a catechism of personal responsibility. You'd think. But apparently not at BofA, Wells Fargo, Levi Strauss, and, now, First Interstate.

No, these companies are ahead of the rest of us in the sophistication department. Or, on the other hand, is it that they're far behind? Could it be that, staring out from ritzy homes in posh, guarded residential enclaves, these wealth execs have forgotten about the fragility of the social landscape beyond their gates? Is it arrogance or naivete that makes them think they can mock our civilizing institutions, and the traditional values such groups impart, without doing harm?

They spout a lot of platitudes, but there's nothing redeeming about what these four firms have done to the Scouts—no code of values affirmed, just pure cowardice.

They say they're against "discrimination." Yet they apply the word selectively, just broadly enough to satisfy the homosexual and other left-wing activist groups to whom they're kowtowing. If they're really against discrimination, why do at least a couple of these companies boast about supporting the Girl Scouts, who, of course, don't admit boys?

They also tell protesting callers they still give to the United Way, and that the United Way in most communities gives to the Boy Scouts. Well, that argument is the smoking evasion, proving their hypocrisy. If they have a genuine ethical problem with Scout policies, why support Scouting even indirectly? I'd have a tad more respect for them if they were at least consistent, instead of trying to have it both ways. But their funding cutoff isn't about principle, it's about absence of principle.

I called LA County Supervisor Mike Antonovich to talk about the issue, because he has helped get Scout troops off the ground in several rough neighborhoods around LA, hoping to counter the gangs. "It's very sad that good corporations would be so narrow-sighted as to miss entirely the overall societal good that groups like the Boy Scouts accomplish," he said.

Some of the people who called me weren't as measured in their comments.

An LA County sheriff's sergeant said he's "real angry," and he's urging fellow officers to beef to the offending banks and pull their accounts.

An elderly Orange County woman who took her (substantial) savings account out of Wells Fargo said she "hadn't had the enjoyment of doing something so right in a long time."

"I was somewhat shocked—I am going to close my $10,000-plus Wells Fargo account," said an Orange County man. "I've had the account for four years; I hate to close it, but it's something I have to do."

Bob French, a businessman in Stockton, is going to do more than just close his accounts with Bank of America, where he has nearly $1 million. A local Scouting leader, he'll be taking out half-page ads in area newspapers publicizing what these jelly-fish companies have done.

Where will he transfer his funds? He's not necessarily looking for a bank that gives to the Scouts, he says, because it's not the funding cutoff itself that's the real problem, it's the way the cutoff was handled—publicly, politically. Many firms shift contribution priorities from one year to the next without airing the matter to the world. But these San Francisco companies made sure to let the press know they were giving the Scouts the kiss-off, and they shouted about their ideological motivations.

In short, they attacked the Scouts through a megaphone. They had to do it this way, of course, if the were to be fully submissive to the pressure groups that were leaning on them. A public shaming of the Scouts, for the crime of holding traditional values, is what those groups want.

No other banks have done anything comparable. So every bank looks good by comparison, no matter what non-profit agencies it does or doesn't subsidize.

For my part, I switched to Union Bank, and was pleased to learn they waive service charges on checking accounts for a year if you come from Wells Fargo.

What now for the Boy Scouts? Will they buckle under the organized pressure? Doesn't look like it. "The silent majority of this country have been becoming less silent, and we believe will become quite vocal about (these) attempts to manipulate American values," said Buford Hill, Western regional director for the Boy Scouts.

July Fourth is coming up. What better time to stand with the Boy Scouts—by sharing your thoughts with the companies that are standing with the Boy Scouts' enemies?

THOMAS HUTCHINSON: A LEADER WITH VISION

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. GORDON. Mr. Speaker, our Nation was built by men and women with vision, a vision not just of how the world is but how it should be. Their leadership has made our country great, building a bright future for generations who will follow them.

Thomas Hutchinson is one of those men of vision. Mr. Hutchinson can take credit for much of the growth that made Rutherford County, TN, one of the 50 fastest growing counties in the country during the 1980's.

For example, Mr. Hutchinson recognized more than two decades that a plentiful water supply was the key to attracting new business and industry that would complement the area's strong agricultural base. He helped form the Consolidated Utility District and still serves as president of the utility, which now serves more than 15,000 customers.

His efforts to bring a reliable water supply to underserved areas was a natural extension of his service as a trustee with the Middle Tennessee Electric Membership Corp., a post he first assumed in 1962. He served as chairman of the board of directors from 1976 to 1990. He also served in a variety of posts with the Tennessee Electric Cooperative Association, which has been instrumental in bringing electricity to rural and urban areas throughout Tennessee.

While Mr. Hutchinson's leadership has provided the foundation for growth in all segments of Rutherford County's economy, his heart has remained with the farm community that has been his life since childhood. He served on the board of the Rutherford Farmers Co-Op for a dozen years. In addition, he served another 12 years as the organization's president, during which time it grew more than tenfold to a $17 million-a-year operation.

As president of the Rutherford County Farm Bureau and a member of its board for more than 20 years, he's fought for policies important to the farming industry. Today, Mr. Hutchinson still farms full time on 600 acres outside Murfreesboro, TN.

On July 25, Mr. Hutchinson will be honored by dozens of friends and business associates at a roast in Murfreesboro. I join them in thanking Mr. Hutchinson for the contribution he has made to building a better America. He is a perfect example of how one person still can make difference.

MODIFY FUTURE STATUS ARRANGEMENT WITH PALAU

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. DE LUGO. Mr. Speaker, the distinguished chairman of the full Interior and Insular Affairs Committee, GEORGE MILLER, and I are today introducing legislation to modify the future status arrangement which has been negotiated with leaders of the remaining part of the territory that our Nation is responsible to the United Nations for developing: The western Pacific islands of Palau.

The free association arrangement has not been approved by Palau in seven referenda to date. The territory's leaders have said for over a year that their people cannot be expected to approve it unless modifications are made.

The bill that we are introducing would make the two modifications that Palau's leaders have said are essential.

One would provide that the United States could use specific areas of the islands for military purposes—rather than any area. The areas that would be available are those which are already specified for possible military use in the arrangement. They would not, however, include areas which have not been specifically identified in the current arrangement, unless further agreement with Palau is reached.

The other modification would provide that these areas could be used for 15 years—rather than 50 years. Fifteen years is the period over which Palau would be provided assistance by the United States under the current arrangement. The areas could only be used for a longer period if further agreement with Palau is reached.

Mr. Speaker, these modifications are reasonable and would not compromise vital U.S. interests. And, based on what administration officials have told Palau's leaders and the Insular and International Affairs Subcommittee about the issues involved, I believe that the administration can accept them. I note in this regard that the minority leadership of our committee joined Chairman MILLER and I in urging the administration to work out modifications based on these proposals, believing that they were worthy of serious consideration.

I am disappointed that the administration has not itself proposed modifications to the arrangement based on these proposals, apparently believing that Palauans would accept the free association arrangement as is if it did not.

But, since the administration is authorized to implement the arrangement through legislation, it is not essential that the administration propose the modifications. We can initiate them.

And, in this connection, it should be remembered that many of the terms of the current arrangement are ones that we initiated through the authorization law that I am proud to have sponsored with the support of Chairman MILLER and other Members.

Our Nation's primary obligation in Palau is to develop the territory into a self-governing status based upon the wishes of its people. There is ample evidence that they want a free association relationship containing the modifications that Chairman MILLER and I have now joined their leaders in proposing. We, in this House, have an obligation to consider and act on them as does our Government as a whole.

IRA-TYPE SAVINGS THAT WORK: INDIVIDUAL RESPONSIBILITY ACCOUNTS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. VANDER JAGT. Mr. Speaker, recently, while holding office hours in our Muskegon district office, I had the truly good fortune to visit with Mr. Doug Kepner, of Muskegon, MI, regarding his thoughts—and a plan—for encouraging individual savings and taking advantage of the private financial markets to provide a broad range of personal financial security and opportunity.

This Congress has recently attempted to grapple with savings incentives and the need for a national economic growth program. I believe that we can all agree that, whenever possible, individuals, not Government, ought to provide for their own long-term security.

Parallel with this idea, of course, is that Government has an interest in encouraging such individual planning—both because it relieves Government of a potential burden and because such planning involves savings and investment which fuel the economic engine of the Nation.

As a member of the House Committee on Ways and Means, I am, of course, supportive of the prudent use of our tax system to provide the appropriate incentives to individuals to engage in personal planning. Doug Kepner has developed a broad-ranging approach to the use of a familiar personal savings tool, the Individual Retirement Account, to meet personal growth and financial security objectives.

A clear advantage of Mr. Kepner's plans is that they infuse capital into financial markets at the same time that they provide for personal needs. The merits of shifting a major share of certain health, education, and retirement burdens to the system of tax incentives rather than tax consumption are also clear.

Because of what I believed to be the unique nature of the range of Mr. Kepner's ideas, I asked our minority committee staff to do a brief analysis. As anticipated, it was pointed out that these ideas would lose significant amounts of revenue. However, what was not said, and what would clearly be the case, is that the medical and educational savings incentives, in addition to the unique retirement program, would save government, Federal and local, billions of dollars.

And, in addition to the savings, the programs would permit individuals to control their own destiny. Finally, of course, such an approach would permit the allocation of scarce, and growing scarcer, Government resources to those who are truly disadvantaged in programs which could offer true hope for the future.

I recommend to my colleagues' careful review the suggestions and analysis of Glen Kepner which follows. I have included, at the conclusion, the comments of staff which demonstrate both the validity of the concepts and their uniqueness. I look forward to the opportunity to explore these ideas, and to a future opportunity to use them as the basis for a true reform of Government's incentives for individual responsibility and for economic growth.

Three things I was never taught:

1. You are responsible for your own financial security.
2. You can do it!
3. Here is how you do it.

To help each individual to take charge and improve his/her financial security, I propose three new types of individual accounts:

1. IDA—Individual Development Account. This account would be designed to provide funds for the individual's education and development.

2. ISA—Individual Security Account. This account would allow the individual to build personal and family wealth. It would eventually replace the present Social Security system, but would continue to be backed up by a new system that would guarantee that the individual would come out as good as or better than now.

3. IMA—Individual Medical Account. This account would provide a way for the individual to accumulate the funds needed to pay the deductibles and co-payments not covered by insurance, especially those required by the higher-deductible, lower-cost policies. Those who are fortunate enough to not need to spend these funds on medical costs would accumulate individual and family wealth in this account. These accounts could grow to substantial amounts and could pave the way for significantly changing the role of medicare and medicaid.

These three accounts, together with retirement accounts—IRA, 401k, 403b, Keough plans, employer sponsored plans, etc.—will provide the foundation for an individually based cradle-to-grave security system. Government programs will still have to supplement for some, but hopefully not as many as now. This is not a quick fix solution, but will take time. Results and benefits will grow gradually as the individual accounts grow. Full benefits of some of these programs will come in only a few years, others will take 20 or 30 years to develop—but the real benefits will be realigned by our next and succeeding generations through the controlled and forced growth of individual and family wealth and through the firmer financial foundation that this makes for our entire country. We are talking billions and trillions of dollars in savings and investments.

IDA—INDIVIDUAL DEVELOPMENT ACCOUNT

Invest up to $2000 at birth: 6% for 20 years equal $6,400; 9% for 20 years equals $11,200; 12% for 20 years equals $19,300; and 15% for 20 years equals $32,700.

Invest up to $2000 per year for 20 years: 6% equals $74,000; 9% $102,000; 12% equals $144,000; and 15% equals $205,000.

Contributions to come from gifts, individual earnings

Contributions not tax-deductible.

Even those on welfare or other assistance would be able to invest in an IDA for each child without affecting their eligibility. (Wouldn't it be great if they would put the cigarette and beer money into an IDA instead to help break the cycle of poverty for their children?)

Adults would, of course, be expected to use their IDA to stay off of or get off of assistance.

Account grows tax-free.

Proceeds are tax-free when used for:

Education. Funds would be paid through Financial Aid department of school.

Volunteer and charitable service. Funds would be paid through church or other organization.

Spouse's or children's education.

If there is sufficient money left in account, up to $20,000 could be used, tax-free, for down payment on home, but this would affect taxable basis of home.

Proceeds could also be available for "emergencies", but only under very limited conditions.

Funds not used for above purposes could be transferred to ISA, IMA, or IRA subject to conditions.

At death:

25% to IRS

Balance to spouse's, children's, relative's IDA.

Much of this can be done now within the IRA program, but it requires an extreme amount of creativity, only a few can "get away with it legally", and proceeds are subject to a 10% penalty and are taxable when withdrawn.

The President's proposal for $25,000 in student loan guarantees would be an excellent transition to this IDA program.

ISA—INDIVIDUAL SECURITY ACCOUNT

Invest 6% of gross wages. (Funded from present Social Security contributions, individual and employer.)

Half retained by IRS or SSA in individual interest-bearing account, government securities.

Half could be transferred once/year to an individual, private account.

Encourage individuals to use equity mutual funds for their individual accounts to provide capital investment funds for the growth of the economy and to provide for the possibility/probability of higher investment return. The role of Social Security and of the government would be to insure that the individual would get at least as much as under the present program. The government would, in effect, be guaranteeing the economy. Instead of encouraging individuals to preserve capital, this would encourage them to go for growth, and with this amount of capital being continuously invested, the chances of major recession or depression are greatly reduced.

The balance of the Social Security contributions would be used for the insurance aspects of the program and for transition from the present program.

Money can be drawn out only for retirement or disability.

Retirement would be at age 65, or it could be earlier if and when the individual account reaches an amount sufficient to provide adequate lifetime income. (If you could invest 6% of your earnings at a 12% rate of return for 25 years, you could live forever from the proceeds—if you could live forever.)

Individual Security Income would be based on the higher of:

Amount determined from present Social Security formula.

Amount determined from account value.

Amount determined from future changes to Individual Security/Social Security programs.

Payments to the individual would come first from the individual account.

If/when the individual account is exhausted, Social Security would take over as insurance to continue payments at the appropriate level.

Income would be partially taxed, as at present or as determined to be appropriate. There would be no "earnings test". It would be your money in the individual account, your money that paid for the insurance part of the program.

At Death:

25% to IRS.

Balance to family IDA's and ISA's.

This program requires major legislation and major changes in thinking, but would be a true win-win program!

IMA—INDIVIDUAL MEDICAL ACCOUNT

The individual would choose own health insurance policy—this can be self-paid, employer-paid, government-subsidized, or whatever. (Tax deductible.)

The ideal policy would be a major medical policy with a high deductible, say $3000.

Deposit $2000 per year in IMA, an interest bearing account, managed and administered privately. (Tax deductible.)

Use a "Health Care Card" to pay for care. (Similar to Visa, Mastercard, etc., but prepaid.)

Insurance, government subsidy would also be channeled through health care card.

If costs exceed $2000, individual pays difference up to $3000 level. (Tax deductible.)

Funds not used can be left to accumulate for future needs or used to replace/reduce future premiums and contributions.

These "excess funds" could be invested in equity mutual funds for better growth and for better growth of the economy.

The incentive is for the individual to control and reduce own costs and to find the most cost-effective care and treatment and insurance, because what you save, you keep. For those in good health, the accumulation could be substantial.

No tax on accumulation or on funds used for medical insurance or for medical care.

At Death:

25% to IRS.

Balance to family IMA's.

Most of this could be done now except that the tax deductibility of funds depends on who pays them, and growth of the fund is usually taxable.

IRA—INDIVIDUAL RETIREMENT ACCOUNT

Optional, supplementary retirement account.

IRA, 401K, Keough plans, employer plans, etc. Plans are good now, no major changes needed.

Allow funds to be transferred to IMA without penalty or taxation.

GLEN W. KEPNER.

JUNE 1, 1992.

COMMITTEE ON WAYS AND MEANS,
Washington, DC, June 30, 1992.

MEMORANDUM

To: The Honorable Guy Vander Jagt.
From: Paul M. Auster, Assistant Minority Tax Counsel.
Re: Correspondence of Mr. Glen Kepner.

Mr. Kepner's correspondence contains three proposals that are modeled after the current IRA provisions and are intended to assist taxpayers in the following areas—financing educational expenses, providing for their retirement by establishing an alternative to the current Social Security system, and providing financing for their medical expenses. In general, the proposals call for the establishment of an IRA type account to which contributions would be made. Contributions would be deductible only in the case of the medical account. However, earnings in all three accounts would be tax-exempt. After reviewing the applicable materials it would appear as if the tax-free income accumulation and the tax deductible contributions to only one account would, because of the amounts involved, result in a significant revenue loss. Of course, only a revenue estimate from the Treasury or Joint Committee on Taxation could verify this.

It should be noted that each proposal raises significant tax policy and technical tax issues. At this stage of discussion, a review of these issues is premature. However, a brief review of one proposal should be done here. Mr. Kepner proposes three separate accounts—an Individual Development Account, an Individual Security Account and an Individual Medical Account. Of these three, the Individual Security Account appears to be the most unique. More specifically, this account would be used to supplement and replace our current Social Security system. While the other two accounts do address legitimate areas of need—education and medical—the use of IRAs for these purposes has been attempted in numerous proposals. On the other hand, few proposals have attempted to use the IRA to replace the Social Security system. Thus, the ISA represents a new and innovative use of IRA accounts. In this regard you may be aware of the fact that Mr. Thomas has introduced H.R. 5159 which also uses the IRA to supplement and replace our current Social Security system. Thus, Mr. Kepner appears to have developed a proposal that is one of the first to use the IRA in this unique way.

In summary, Mr. Kepner's proposals raise a number of technical and tax policy issues. In addition, it appears as if the proposals would lose significant amounts of revenue. While each of his proposals seeks to provide taxpayers with additional funds to meet various needs, one account, the ISA, represents a new unique way of using IRAs to allow people to meet the financial needs of their retirement years.

Please contact me if I may be of further assistance.

A TRIBUTE TO CAPT. DONALD HENDRIX NASH, USN—FAREWELL CAPTAIN NASH

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. SKELTON. Mr. Speaker, in 1969 a young man from a Navy family graduated from the U.S. Naval Academy in Annapolis, MD. That young man was Donald Hendrix Nash. Since November 1989 Captain Nash has served as the Director of House Congressional Liaison for the Secretary of the Navy. Over the past 2½ years, Capt. Don Nash has been the Navy's man to the House of Representatives. Equally important, maybe even more so, he has also been the key individual who has represented the varied views of the House of Representatives about Navy matters to the Navy leadership.

Over these past few years, I have had the opportunity to observe the performance of Captain Nash on both a formal and informal basis. In one word he is a leader—an individual who understands that the job comes first, but the people he leads come a very close second. He is intelligent, friendly, professional.

The Navy has done well to have him as Director of its House Congressional Liaison Office. The most important quality that any individual who holds that position can bring to the job is integrity. It is the essential ingredient that is necessary if good relations are to exist between the executive and legislative branches. Don Nash has helped to promote that relationship. It is not always an easy task, but his unfailing determination to foster an honest exchange between Navy leaders and Members of Congress is vitally important in helping ensure that the wheels of Government turn in a smoother fashion.

Captain Nash will leave his present position to assume command of the newest Aegis cruiser, the U.S.S. *Cape St. George*. This will be the third ship that he has commanded. From November 1979 to January 1982 he commanded the U.S.S. *Impervious*, a minesweeper. He later commanded the U.S.S. *Scott*, a guided missile destroyer, from July 1987 until October 1989. I have every reason to expect that he will perform in an outstanding fashion getting the U.S.S. *Cape St. George* ready to join the fleet.

During Captain Nash's duty at sea and challenging staff positions, he has been supported by his devoted wife Donna and his three children—Meredith, Joseph, and Anne Marie. The world little knows—and even less appreciates—the sacrifice of a Navy family. To Don's wife and children go heartfelt gratitude. I am fortunate to consider Don a friend and wish him and his family well as he prepares to go on to a new assignment.

ANDRE AGASSI WINS WIMBLEDON

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. BILBRAY. Mr. Speaker, this past weekend, an American from Las Vegas brought the glory of the Wimbledon championship back to the United States by conquering the grass courts of England. Andre Agassi took the championship this past weekend and brought the Wimbledon trophy back to the United States where it had not been since 1984.

Since his entrance into the pro ranks in 1986, Andre Agassi has taken the tennis world by storm with his style of play and his fresh breath of youth which has captured the interests of both tennis fans and sports enthusiasts worldwide. His hard hitting game has brought a new aggressiveness and athleticism to the court, pushing tennis to new levels of power and play.

Yet, this world renowned superstar remains a Vegas boy, making his home his native Las Vegas. Whether training with coaches at the University of Nevada Las Vegas, where I myself played during college, or spending time with his family, Andre remains a part of the Las Vegas community.

I can remember when Andre was just a kid and would come to my house to spend time with my daughter. To see a young boy grow into a man and achieve his life's ambition is about as satisfying a feeling as any in life. Watching him win Wimbledon was like watching my own son win. I am proud for him and for the people of Las Vegas who all consider him their son.

As I have told my colleagues many times in the past, Las Vegas is a world-class city, and now one of its jewels is shining even brighter. I ask my colleagues to join me in congratulating Andre Agassi, the new American Wimbledon champion. As we look to the U.S. Open and other upcoming tournaments, I am sure that Andre will not only make the citizens of Las Vegas proud, but all American sports fans as well.

INTERNATIONAL CENTER FOR AEROSPACE AND AVIATION TECHNOLOGIES

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. ROE. Mr. Speaker, I appreciate the opportunity to address my colleagues today on a matter of major importance to the aviation and aerospace industries in both our country and abroad.

Today, more than ever, there are compelling reasons for the United States to maintain a forward-looking position in aerospace and aviation technologies. The military importance of aerospace and aviation technology was amply demonstrated by Desert Storm. Of equal significance is the paramount role of aviation in the global economy. Commercial aviation is by far the largest contributor to U.S. exports of any industry with a net favorable balance of trade in 1990 of $30 billion. Air commerce contributes $200 billion annually to the U.S. economy, and its efficiency in moving passengers and freight is vitally important to the commercial infrastructure of our country.

United States leadership cannot, however, be taken for granted, and there is growing evidence of the difficulties of U.S. companies relying solely on U.S. resources. New initiatives are required. International cooperation in education and research can provide a fresh stimulant to U.S. industry.

Mr. Speaker, the Congress has the unique opportunity to fund such an initiative which will greatly increase international cooperation in education and research. In the past several months, the Florida Institute of Technologies in Melbourne, FL, and the University of Limerick, located near Shannon International Airport and the Shannon World Aviation Park in the Republic of Ireland, have worked hard to develop an International Center for Aerospace and Aviation Technologies in conjunction with corporate partners in each country. The Harris Corp., long a leader in air traffic control systems in the United States, and the Guinness Peat Aviation Co. in the Republic of Ireland, which is the largest commercial purchaser of United States built aircraft in the world, are to be commended for their support of this Center. Further, I understand conversations are currently underway with the Stevens Institute of Technology in my home State of New Jersey to incorporate the world-class research capabilities of the Stevens Institute into this Center, further adding to the impressive capabilities of the Florida Institute of Technology and the University of Limerick.

Mr. Speaker, several months ago I met with our colleague, the chairman of the Transportation Appropriation Subcommittee, and we had hoped to secure funding this year to further the development of this mutually beneficial venture in the legislation before us today. Apparently, the subcommittee was not able to fund the Center at this stage, but I remain confident that we will prevail this year to get this Center moving forward. Certainly today is an historic day in aviation and aerospace, given the successful and safe completion of the historic mission of the *Columbia* space shuttle. If we are to maintain the capabilities of our aerospace and aviation industries as evidenced by this shuttle mission, we must maintain both industry and university research within our country and with our friends in other countries of the world.

I remain committed to securing adequate funding for the International Center for Aerospace and Aviation Technologies [ICAAT] and look forward to working with my good friend from Florida, Chairman BILL LEHMAN and other Members of the Congress to insure this worthy endeavor moves forward.

CEDAR RIVER WATERSHED AND THE CITY OF SEATTLE

HON. JAMES A. McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. McDERMOTT. Mr. Speaker, along with my colleagues from Washington State, Representatives JOHN MILLER, JOLENE UNSOELD, and SID MORRISON, I am introducing legislation today to consolidate the city of Seattle's control over the Cedar River watershed through an exchange of lands with the U.S. Forest Service. The exchange authorized in this bill will achieve important public benefits for both the city and the United States.

The Cedar River watershed in the Mount Baker-Snoqualmie National Forest encompasses more than 100,000 acres east of Seattle and is the primary source of water for about 1.2 million people in the Seattle metropolitan area. Over the past 100 years, the city of Seattle has worked to expand its ownership of the watershed in order to gain full control over the quality of this vital resource. At present, the only other remaining owner is the U.S. Forest Service, which retains 17,000 acres of land.

For the last several decades, the city of Seattle has worked with the Forest Service to consolidate city ownership of the watershed. In 1947, the city of Seattle initiated the first of three land exchanges with the Forest Service. The third exchange was completed in 1985 after 17 years of effort and resulted in city ownership of 81 percent of the watershed.

In 1962, the Forest Service and the city signed a cooperative agreement that detailed the responsibilities and goals of each party with respect to the management of the Cedar River watershed. According to the agreement, the Forest Service's ultimate objective within the watershed is to exchange National Forest lands therein to the city in order thereby to consolidate National Forest holdings elsewhere. Pursuant to this agreement, the city has acquired roughly 17,500 acres of land for exchange with the Forest Service. Each parcel was acquired with the knowledge and approval of the Forest Service.

Over the years, Congress has encouraged the exchange of land between the Forest Service and the city of Seattle. In 1911, Congress supported the city of Seattle's goal to consolidate its ownership of the Cedar River watershed and gave the city the right to ownership of the watershed through acquisition. Most recently, Congress reiterated its support in section 318 of the 1990 Interior appropriations bill when it endorsed the city's policy to engage in comprehensive negotiations between the city and the Forest Service to achieve land and timber exchanges.

Both the city of Seattle and the Nation will benefit from the exchange proposed in this legislation. Strict and total control over the watershed will enable the city to manage the watershed for the sole purpose of protecting water quality and avoiding treatment facilities that would require a $160-million investment. In addition, the city will manage the watershed in a manner that will contribute significantly to the preservation of biological diversity, protection and regeneration of old-growth forest ecosystems, and conservation of declining species and plants dependent on or associated with old-growth forests.

In return, the public will obtain lands outside the watershed that are better suited to long-term multiple use management. The offered lands possess important recreational, wildlife, fisheries, watershed, wilderness, and timber production values desirable for acquisition by the United States.

Disputes over the management of our natural resources have divided residents of the Pacific Northwest for several years now. I am pleased that, in this instance, environmental groups and small mill owners alike have contributed to this legislation and will support its passage. This land exchange provides an opportunity for all sides to benefit—an opportunity that the Northwest cannot afford to pass up.

TRIBUTE TO PETER J. O'CONNOR

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. CARDIN. Mr. Speaker, today I rise to pay a very special tribute to a man who has dedicated his life to saving lives. Peter J. O'Connor, who recently retired as chief of the Baltimore City Fire Department, has had a distinguished career serving his community.

Since 1954, Mr. O'Connor has dedicated his life to the Baltimore City Fire Department. During his long, distinguished career, Mr. O'Connor has received many honors for his courage, compassion, and dedication. He has been awarded the Distinguished Service Medal, the Meritorious Conduct Medal, and the Police Department Citizens Award. He has also been named the Firefighter of the Year by the Highlandtown Exchange Club.

Mr. O'Connor has also played a strong leadership role in instituting a strong fire prevention policy in Baltimore and Maryland. He was a charter appointee of the Maryland Fire Rescue Education and Training Commission and was appointed to the Governor's Emergency Management Commission. He did an outstanding job chairing the chief's council, regional planning commission and the combined charities campaign.

As chief of the Baltimore City Fire Department for 12 years, Mr. O'Connor has set a record of excellence that will be hard to match. Baltimore's transportation network coupled with our high-density population and environmental concerns have made firefighting a high-technology skill. Chief O'Connor has worked tirelessly to ensure that our department is continually up to date with new equipment and personnel training. Chief O'Connor has ensured our safety—citizens and firefighters. Those of us who are privileged to know him personally as well as professionally know what a loss his retirement is to our community.

Baltimore City is lucky to have had 38 years of Mr. O'Connor's public service. I think it will be a long time before Baltimore is graced by someone of Peter O'Connor's personal and professional qualities. Mr. Speaker, I hope that you and my colleagues will join me and the citizens of Baltimore in paying tribute to this very special public servant.

EQUAL CIVIL RIGHTS REMEDIES FOR PEOPLE WITH DISABILITIES: THE TIME HAS COME

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mrs. KENNELLY. Mr. Speaker, I would like to commend to my colleagues an article by Charles D. Goldman, Esq., that appeared recently in Horizons, a newspaper by and for people with disabilities serving the Washington, DC, metropolitan area. A copy of his article follows my statement.

As Mr. Goldman points out, the women's movement and the disabilities community share common goals and common obstacles. Although the landmark Americans with Disabilities Act [ADA] has now become law, people with disabilities who sue under the ADA are subject to caps on compensatory and punitive damage awards—the same caps to which victims of intentional discrimination on the basis of gender or religious belief are subject.

Mr. Speaker, it is by joining together to meet common ends that we can bring parity and justice to civil rights law. That is why I introduced the Equal Remedies Act, H.R. 3975, that would remove the damage limitation imposed on victims of international discrimination. I urge my colleagues to read Mr. Goldman's thought-provoking article and to cosponsor H.R. 3975.

LEGAL ACCESS: THANKS TO THE WOMEN'S MOVEMENT!

(By Charles D. Goldman, Esq.)

Christine Franklin. Barbara Kennelly. Gloria Steinem.

These are not exactly three household names in the community of persons with disabilities. But they should be as each in her own way has made a major contribution. Let me explain.

Christine Franklin is the high school student who filed an action under Title IX of the Education Amendments alleging sexual harassment in a federally funded school in Georgia. She complained of being forced to have involuntary intercourse with a teacher, who resigned on condition that all charges against him be dropped, which led the school to close its investigation. Christine Franklin persevered and filed suit. In a landmark decision the United States Supreme Court held that plaintiffs have the right to file private lawsuits to compel compliance with Title IX and, most significantly, can recover monetary damages! Franklin v. Gwinnett County, 12 S.Ct. 1028 (1992), is a major victory in support of a longstanding principle of civil rights law: where legal rights have been invaded and a federal statute provides for the general right to sue for such invasion, federal courts may use any and all available remedies, including monetary damages, to redress the wrong.

The implications of Christine Franklin's lawsuit are profund. It could lead to awards of damages under Section 504 of the Rehabilitation Act, which like Title IX, has a general right to sue for its violation. Damages and Section 504 is an issue which has never reached the United States Supreme Court. Hopefully, after Franklin, it won't have to get that far as all the courts will follow the rationale of Franklin and award damages. (Some lower courts had already awarded damages under the Rehabilitation Act but other courts have not.)

One key in the Franklin case was the absence of a congressional limitation on remedies. And that brings us to Barbara Kennelly, who is at the forefront (along with other civil rights stalwarts—men and women) in trying to reverse the congressional limitation on remedies that is in the Civil Rights Act of 1991, P.L. 102–166. Ms. Kennelly's bill, H.R. 3975, would eliminate the caps on the awards of damages that now is in effect for victims of discrimination based on sex; certain religious beliefs, or disability.

The Women's Political Caucus has been quite active in marshalling support for the bill. The consortium of Citizens with Disabilities also has been actively supporting the bill. The Bush Administration is opposed to it. There is a real possibility of an election year showdown on this bill. Give Congresswoman Kennelly credit. She is at the forefront of trying to legally empower persons with disabilities to be on the same tier as minorities and other persons protected by civil rights laws.

"Empowerment" is a concept that runs rampant through Gloria Steinem's best seller, "Revolution from Within." While this wonderful book is not a "disability" book, it is must reading because of its message for all pesons—whether or not they have a disability. Ms. Steinem explores at length concepts of self esteem and our ability to empower ourselves by creating adult selves with self-esteem. The self-esteem which "Revolution from Within" describes is epitomized in people such as Christine Franklin and Congresswoman Kennelly.

Reading "Revolution from Within" led me to reflect on the exponential empowerment that persons with disabilities experienced when the Americans with Disabilities Act was signed. There has been an unprecedented ground swell of pride, of self esteem that began with the signing ceremony at the White House lawn.

Laws, such as ADA, the Rehabilitation Act, and Title IX of the Education Act, shaping how we view ourselves, can help us—disabled or able-bodied, female or male—empower ourselves. Laws can provide the legal fabric, which in turn gives each of us, including Christine Franklin, the right to assert our self esteemed selves to ensure vindication of our legal protections. These same laws lead to a political climate in which persons such as Barbara Kennelly can be in responsible positions to advocate for further progressive change. The self esteem and empowerment which Gloria Steinem addresses are inextricably interwoven in a mutually reinforcing paradigm with the movements for progressive legal and social change.

The women's movement does not benefit only women—or men. The women's movement benefits people—women and men, able-bodied or disabled, black or white, of whatever faith. And in this day of scrutinizing activities for their bottom line benefit, it is refreshing to recognize a movement which benefits us all.

MARIO CUOMO'S ADDRESS AT 1984 DEMOCRATIC CONVENTION

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. KOLTER. Mr. Speaker, I rise today to speak to my colleagues on the eve of the Democratic National Convention in New York, where we Democrats will nominate Gov. Bill Clinton for President. Before rushing headlong into the campaign maelstrom, and with this momentous start looming in front of us, I would ask my colleagues to pause for just a moment to reflect on past political conventions.

One of my—and many others'—most vivid memories is of Gov. Mario Cuomo's 1984 keynote address. His electrifying oratory is memorable for its eloquent description of who we Democrats are, what we stand for, our accomplishments and our goals. His near poetic speech paid tribute to the democratic principles that we all represent, and I would ask that the text of Mr. Cuomo's address be entered into the RECORD at this time:

[Official Proceedings of the 1984 Democratic National Convention]

(George R. Moscone Convention Center, San Francisco, CA, July 16–19)

KEYNOTE ADDRESS, GOV. MARIO M. CUOMO

Governor CUOMO: Thank you very much. On behalf of the great Empire State and the whole family of New York, let me thank you for the great privilege of being able to address this Convention. Please allow me to skip the stories and the poetry and the temptation to deal in nice but vague rhetoric.

Let me instead use this value opportunity to deal immediately with the questions that should determine this election and that we all know are vital to the American people.

Ten days ago, President Reagan admitted that although some people in this country seem to be doing well nowadays, others were unhappy, even worried, about themselves, their families and their futures. The President said that he didn't understand that fear. He said, "Why, this country is a shining city on a hill." And the President is right. In many ways we are "a shining city on a hill."

But the hard truth is that not everyone is sharing in this city's splendor and glory. A shining city is perhaps all the President sees from the portico of the White House and the veranda of his ranch, where everyone seems to be doing well.

But there is another city. There is another part of the shining city—the part where some people can't pay their mortgages and most young people can't afford one; where students can't afford the education they need and middle class parents watch the dreams they hold for their children evaporate.

In this part of the city there are more poor than ever, more families in trouble, more and more people who need help but can't find it. Even worse, there are elderly people who tremble in the basements of the houses there, and there are people who sleep in the city streets in the gutter where the glitter doesn't show.

There are ghettos where thousands of young people, without a job or an education, give their lives away to drug dealers every day. There is despair, Mr. President, in the faces that you don't see, in the places that you don't visit in your shining city. (Applause)

In fact, Mr. President, you ought to know that this Nation is more a "Tale of Two Cities" than it is just a "shining city on a hill." (Applause)

Maybe—maybe—Mr. President, if you visited some more places; maybe if you went to Appalachia, where some people still live in sheds; maybe if you went to Lackawanna, where thousands of unemployed steel workers wonder why we subsidize foreign steel; (Applause)—maybe, maybe, Mr. President, if you stopped in at a shelter in Chicago and spoke to the homeless there; maybe, Mr. President, if you asked the woman who had been denied the help she needed to feed her children because you said you needed the money for a tax break for a millionaire or for a missile we couldn't afford to use—maybe then you'd understand (Applause)—maybe, maybe, Mr. President.

But I'm afraid not, because the truth is, ladies and gentlemen, that this is how we were warned it would be. President Reagan told us from the very beginning that he believed in a kind of social Darwinism—survival of the fittest. Government can't do everything, we were told. So it should settle for taking care of the strong and hope that economic ambition and charity will do the rest.

Make the rich richer, and what falls from the table will be enough for the middle class and those who are trying desperately to work their way into the middle class.

You know, the Republicans called it trickle-down when Hoover tried it. Now they call it supply side. But it is the same shining city for those relative few who are lucky enough to live in its good neighborhoods. But for the people who are excluded, for the people who are locked out, all they can do is stare from a distance at that city's glimmering towers.

It is an old story. It is as old as our history. The difference between Democrats and Republicans has always been measured in courage and confidence. (Applause)

The Republicans believe that the wagon train will not make it to the frontier unless some of the old, some of the young, some of the weak are left behind by the side of the trail. (Applause)

The strong, they tell us, will inherit the land. We Democrats believe in something else. We Democrats believe that we can make it all the way with the whole family intact, and we have, more than once. (Applause)

Ever since Franklin Roosevelt lifted himself from his wheelchair to lift this Nation from it knees, wagon train after wagon train, to new frontiers of education, housing, peace, the whole family aboard, constantly reaching out to extend and enlarge that family, lifting them up into the wagon on the way, Blacks and Hispanics, and people of every ethnic group, and Native Americans—all those struggling to build their families and claim some small share of America.

For nearly 50 years, we carried them all to new levels of comfort and security and dignity, even affluence. And remember this. Some of us in this room today are here only because this Nation had that kind of confidence, and it would be wrong to forget that. (Applause).

So, here we are at this Convention to remind ourselves where we come from and to claim the future for ourselves and for our children. Today our great Democratic Party, which has saved this Nation from depression, from fascism, from racism, from corruption, is called upon to do it again—this time to save the Nation from confusion and division, from the threat of eventual fiscal disaster and, most of all, from the fear of a nuclear holocaust. (Applause)

But that's not going to be easy. Mo Udall is exactly right, it won't be easy. And in order to succeed we must answer our opponent's polished and appealing rhetoric with a more telling reasonableness and rationality. We must win this case on the merits. We must get the American public to look past the glitter, beyond the showmanship, to the reality, the hard substance of things—and we will do it not so much with speeches that sound good as with speeches that are good and sound, not so much with speeches that will bring people to their feet as with speeches that will bring people to their senses. (Applause)

We must make the American people hear our "Tale of Two Cities." We must convince them that we don't have to settle for two cities, that we can have one city, indivisible, shining for all of its people. (Applause)

Now, we will have no chance to do that if what comes out of this Convention is a babel of arguing voices. If that is what is heard throughout the campaign, dissonant sounds from all sides, we will have no chance to tell our message.

To succeed we will have to surrender some small parts of our individual interests to build a Platform that we can all stand on at once and comfortably—proudly singing out. (Applause)

We need a Plato we can all agree to, so that we can sing out the truth for the Nation to hear in chorus, its logic so clear and commanding that no slick Madison Avenue commercial, no amount of geniality, no martial music will be able to muffle the sound of the truth—and, we Democrats must unite. (Applause)

We Democrats must unite so that the entire Nation can unite, because surely the Republicans won't bring this country together. Their policies divide the Nation into the lucky and the left-out, into the royalty and the rabble.

The Republicans are willing to treat that division as victory. They would cut this Nation in half, into those temporarily better off and those worse off than before, and they would call that division "recovery." (Applause)

We should not be embarrassed, or dismayed, or chagrined if the process of unifying is difficult, even wrenching at times. Remember that unlike any other Party, we embrace men and women of every color, every creed, every orientation, every economic class.

In our family are gathered everyone from the abject poor of Essex County in New York to the enlightened affluent of the Gold Coast at both ends of the Nation and in between is the heart of our constituency—the middle class, the people not rich enough to be worry-free but not poor enough to be on welfare. (Applause)

The middle class, those people who work for a living because they have to, not because some psychiatrist told them it was a convenient way to fill the interval between birth and eternity. (Applause)

White collar and blue collar, young professionals, men and women in small business desperate for the capital and contracts that they need to prove their worth.

We speak for the minorities who have not yet entered the mainstream. We speak for ethnics who want to add their culture to the magnificent mosaic that is America. (Applause)

We speak for women who are indignant that this Nation refuses to etch into its governmental commandments the simple rule "thou shalt not sin against equality," a rule so simple—I was going to say, and I perhaps dare not, but I will—it is a commandment so simple it can be spelled in three letters: E-R-A! (Applause) (Chants of E-R-A!)

We speak for young people demanding an education and a future. (Applause)

We speak for senior citizens. We speak for senior citizens who are terrorized by the idea that their only security, their Social Security, is being threatened. (Applause)

We speak for millions of reasoning people fighting to preserve our environment from greed and from stupidity, and we speak for reasonable people who are fighting to preserve our very existence from a macho intransigence that refuses to make intelligent attempts to discuss the possibility of nuclear holocaust with our enemy. (Applause) They refuse. They refuse because they believe we can pile missiles so high that they will pierce the clouds and the sight of them will frighten our enemies into submission.

Now, we are proud of this diversity as Democrats. We are grateful for it. We don't have to manufacture it the way the Republicans will next month in Dallas by propping up mannequin delegates on the convention floor. (Applause)

But we, while we are proud of this diversity, we pay a price for it. The different people that we represent have different points of view, and sometimes they compete and even debate and even argue. That is what our primaries were all about.

But now the primaries are over and it is time, when we pick our candidates and our Platform here, to lock arms and move into this campaign together. (Applause)

If you need any more inspiration to put some small part of your own difference aside to create this consensus, then all you need to do is to reflect on what the Republican policy of divide and cajole has done to this land since 1980.

Now, the President has asked the American people to judge him on whether or not he has fulfilled the promises he made four years ago. I believe as Democrats we ought to accept that challenge, and just for a moment let us consider what he has said and what he has done.

Inflation is down since 1980, but not because of the supply-side miracle promised to us by the President. Inflation was reduced the old fashioned way, with a recession—the worst since 1932. (Applause)

Now, we could have brought inflation down that way. How did he do it? Fifty-five thousand bankruptcies; two years of massive unemployment; 200,000 farmers and ranchers forced off the land; more homeless—more homeless than at any time since the Great Depression in 1932; more hungry, in this Nation of enormous affluence, the United States of America, more hungry; more poor—most of them women; and he paid one other thing, a nearly $200 billion deficit threatening our future. (Applause)

Now, we must make the American people understand this deficit because they don't.

The President's deficit is a direct and dramatic repudiation of his promise in 1980 to balance the budget by 1983. How large is it? The deficit is the largest in the history of the universe. President Carter's last budget had a deficit less than one-third of this deficit. It is a deficit that according to the President's own fiscal advisor may grow to as much as $300 billion a year for as far as the eye can see.

And ladies and gentlemen, it is a debt so large that almost one-half of the money we collect from the personal income tax each year goes just to pay the interest. It is a mortgage on our children's futures that can be paid only in pain. And that could bring this Nation to its knees.

Now, don't take my word for it. I am a Democrat. Ask the Republican investment bankers on Wall Street what they think the chances of this recovery being permanent are. (Applause) You see, if they are not too embarrassed to tell you the truth, they will say that they are appalled and frightened by the President's deficit.

Ask them what they think of our economy now that it has been driven by the distorted value of the dollar back to its colonial condition—now we are exporting agricultural products and importing manufactured ones.

Ask those Republican investment bankers what they expect the rate of interest to be a year from now. And ask them, if they dare tell you the truth, you will learn from them what they predict for the inflation rate a year from now—because of the deficit.

Now, how important is this question of the deficit? Think about it practically: what chance would the Republican candidate have had in 1980 if he had told the American people that he intended to pay for his so-called economic recovery with bankruptcies, unemployment, more homeless, more hungry, and the largest government debt known to humankind? If he had told the voters in 1980 that truth, would American voters have signed the loan certificate for him on election day? (A chorus of noes) Of course not! That was an election won under false pretenses. It was won with smoke and mirrors and illusions, and that is the kind of recovery we have now as well. (Applause)

What about foreign policy?

They said that they would make us and the whole world safer. They say they have: by creating the largest defense budget in history—one that even they now admit is excessive; by escalating to a frenzy the nuclear arms race; by incendiary rhetoric; by refusing to discuss peace with our enemies; by the loss of 279 young Americans in Lebanon in pursuit of a plan and a policy that no one can find or describe. (Applause)

We give money to Latin American governments that murder nuns, and then we lie about it. (Applause)

We have been less than zealous in support of our only real friend, it seems to me, in the Middle East, the one democracy there, our flesh and blood ally, the state of Israel. (Applause)

Our policy, our foreign policy drifts with no real direction other than an hysterical commitment to an arms race that leads nowhere—if we are lucky—and if we are not, it could lead us into bankruptcy or war.

Of course we must have a strong defense! Of course Democrats are for a strong defense. Of course Democrats believe that there are times that we must stand and fight—and we have. Thousands of us have paid for freedom with our lives, but always, when this country has been at its best, our purposes were clear. Now they are not. Now our allies are as confused as our enemies.

Now we have no real commitment to our friends or to our ideals, not to human rights, not to the refuseniks, not to Sakharov, not to Bishop Tutu and the others struggling for freedom in South Africa. (Applause)

We have in the last few years spent more than we can afford. We have pounded our chests and made bold speeches, but we lost 279 young Americans in Lebanon, and we live behind sand bags in Washington.

How can anyone say that we are safer, stronger, or better? (Applause)

Now, that is the Republican record. That its disastrous quality is not more fully understood by the American people I can only attribute to the Presidents amiability and the failure by some to separate the salesman from the product. (Applause)

Now, it is up to us, now it is up to you and to me to make the case to America and to remind Americans that, if they are not happy with all that the President has done so far, they should consider how much worse it will be if he is left to his radical proclivities for another four years, unrestrained. (Applause) Unrestrained. (Applause)

Now, if July brings back Anne Gorsuch Burford, what can we expect of December? (Applause)

Where would another four years take us? Where would four years more take us? How much larger will the deficit be? How much deeper the cuts in programs for the struggling middle class and the poor to limit that deficit? How high will the interest rates be? How much more acid rain killing our forests and fouling our lakes?

And ladies and gentlemen, please think of this. The Nation must think of this. What kind of Supreme Court will we have? (Applause)

We must ask ourselves what kind of Court and country will be fashioned by the man who believes in having government mandate people's religion and morality; the man who believes that trees pollute the environment (Laughter); the man that believes that the laws against discrimination, against people, go too far; the man who threatens Social Security and Medicaid and help for the disabled.

How high will we pile the missiles?

How much deeper will the gulf be between us and our enemies?

And, ladies and gentlemen, will four years more make meaner the spirit of the American people?

This election will measure the record of the past four years. But more than that, it will answer the question of what kind of people we want to be.

We Democrats still have a dream. We still believe in this Nation's future, and this is our answer to the question. This is our credo:

We believe in only the government we need, but we insist on all the government we need. (Applause)

We believe in a government that is characterized by fairness and reasonableness—a reasonableness that goes beyond labels, that doesn't distort or promise to do things that we know we can't do.

We believe in a government strong enough to use words like love and compassion and smart enough to convert our noblest aspirations into practical realities. (Applause)

We believe in encouraging the talented, but we believe that while survival of the fittest may be a good working description of the process of evolution, a government of humans should elevate itself to a higher order. (Applause)

Our government, should be able to rise to the level where it can fill the gaps that are left by chance or by a wisdom we don't fully understand.

We would rather have laws written by the patron of this great city, the man called "the world's most sincere Democrat," St. Francis of Assisi, than laws written by Darwin. (Applause)

We believe, we believe as Democrats, that a society as blessed as ours, the most affluent democracy in the world's history, one that can spend trillions on instruments of destruction, ought to be able to help the middle class in its struggle; ought to be able to find work for all who can do it; room at the table; shelter for the homeless; care for the elderly and infirm; and hope for the destitute.

And we proclaim as loudly as we can, the utter insanity of nuclear proliferation and the need for a nuclear freeze, if only to affirm the simple truth that peace is better than war because life is better than death. (Standing ovation)

We believe in firm, we believe in firm but fair, law and order. We believe proudly in the union movement. (Applause)

We believe, we believe in privacy for people, openness by government. We believe in civil rights, and we believe in human rights. (Applause)

We believe in a single, we believe in a single, fundamental idea that describes better than most textbooks, and any speech that I could write, what a proper government should be. The idea of family, mutuality, the sharing of benefits and burdens for the good of all: feeling one another's pain; sharing one another's blessings reasonably, honestly, fairly—without respect to race or sex or geography or political affiliation.

We believe we must be the family of America, recognizing that at the heart of the matter we are bound one to another, that the problems of a retired school teacher in Duluth are our problems. (Applause) That the future of the child in Buffalo is our future. (Applause) That the struggle of a disabled man in Boston to survive and live decently is our struggle. (Applause) That the hunger of a women in Little Rock is our hunger. (Applause) That the failure anywhere to provide what reasonably we might, to avoid pain, is our failure. (Applause)

For 50 years, for 50 years, we Democrats created a better future for our children using traditional Democratic principles as a fixed beacon, giving us direction and purpose, but constantly innovating, adapting to new realities: Roosevelt's alphabet program; Truman's NATO and the GI Bill of Rights; Kennedy's intelligent tax incentives, and the Alliance for Progress; Johnson's civil rights; Carter's human rights, and the nearly miraculous Camp David Peace Accord. (Applause)

Democrats did it. (Applause) Democrats did it, and Democrats can do it again. We can build a future that deals with our deficit. Remember this, that 50 years of progress under our principles never cost us what the last four years of stagnation have. (Applause) And we can deal with the deficit intelligently by shared sacrifice with all parts of the Nation's family contributing, building partnerships with the private sector, providing a sound defense without depriving ourselves of what we need to feed our children and care for our people.

We can have a future that provides for all the young of the present by marrying common sense and compassion.

We know we can, because we did it for nearly 50 years before 1980, and we can do it again if we do not forget, if we do not forget that this entire Nation has profited by these progressive principles, that they helped lift up generations to the middle class and higher, that they gave us a chance to work, to go to college, to raise a family, to own a house, to be secure in our old age, and before that, to reach heights that our own parents would not have dared dream of.

That struggle to live with dignity is the real story of the shining city, and it is a story, ladies and gentlemen, that I didn't read in a book or learn in a classroom. I saw it and lived it like many of you. I watched a small man with thick calluses on both his hands work 15 and 16 hours a day. I saw him once literally bleed from the bottoms of his feet, a man who came here uneducated, alone, unable to speak the language, who taught me all I needed to know about faith and hard work by the simple eloquence of his example. I learned about our kind of democracy from my father, and I learned about our obligation to each other from him and my mother. They asked only for a chance to work and to make the world better for their children. (Applause) And they asked to be protected in those moments when they would not be able to protect themselves.

This Nation and this Nation's government did that for them, and that they were able to build a family and live in dignity and see one of their childrendden go from behind their little grocery store in south Jamaica on the other side of the tracks where he was born, to occupy the highest seat in the greatest state in the greatest Nation in the only world we know (Applause)— is an ineffably beautiful tribute to the democratic process.

And, ladies and gentlemen, on January 20, 1985, it will happen again, only on a much, much grander scale. We will have a new President of the United States, a Democrat born not to the blood of kings, but to the blood of pioneers and immigrants. (Applause)

And we will have America's first woman Vice President. (Applause) The child of immigrants. (Applause) she will open with one magnificent stroke, a whole new frontier for the United States.

Now, it will happen. (Applause) It will happen if we make it happen, if you and I make it happen.

And I ask you now, ladies and gentlemen, brothers and sisters, for the good of all of us, or the love of this great Nation, for the family of America, for the love of God, please make this Nation remember how futures are built.

Thank you, and God bless you.

(Standing ovation)

Governor COLLINS. Thank you, Governor Cuomo. (Applause) Thank you, Governor Cuomo. (Applause).

Governor CUOMO. Let me ask you one question.

Are you ready for this campaign? (a chorus of yesses) (Applause)

Governor COLLINS. Thank you, Governor Cuomo.

Let's clear the aisles, please. Would the Sergeant-at-Arms please clear the aisles?

And now, ladies and gentlemen, let's demonstrate our support for the tradition of civil rights and the memory of Dr. Martin Luther King.

I am pleased to welcome to the podium a remarkable leader in both civil rights and education. He lives and works in the great State of Alabama. He has been in the forefront of the battles for civil and human rights.

It is my pleasure to introduce the respected educator, the Chairman of the Alabama Democratic Caucus, the Honorable Joe Reed. (Applause)

While Governor Cuomo spoke glowingly of America's better side, there were other, somber, undertones. He warned of a darker spirit slowly invading our national psyche. I often think of how prophetic that ominous description was, especially during these currently difficult economic times. When Mario Cuomo spoke of his tale of two cities he was referring to a nation slowly being divided by wealth and poverty. And let me tell you, conditions have not improved since his 1984 clarion call, they have gotten worse. The growing chasm of economic disparity in this country between rich and poor has created despair in those who have not equally shared in our bounty, a mean-spiritedness in those who have been refused justice and fair treatment, and doubt in those unable to find a job in this depressed market. None of these increasingly pervasive emotions can help this country in its recovery, nor aid us in our future achievements.

It has been these unpleasantries I have been continuously reminded of during these past months as our economic recovery has faltered. I point them out to my colleagues to let them ruminate for themselves the corrective actions this country needs to take. Let us identify the true corrosive conditions creating anguish in our family members, so we may properly eradicate them and erase these destructive thoughts from our minds. But most importantly I highlight this grave situation for those who may be President; to ask for your help, to refrain from inflicting anymore needless wounds, to heal our pain and to face the daunting task ahead. I wish that person success.

TRIBUTE TO THE REVEREND DR. RICHARD W. MOSLEY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. KILDEE. Mr. Speaker, it is an honor for me to rise before you today to recognize the lifetime accomplishments of a religious fulcrum for the community of Pontiac, MI, the Reverend Dr. Richard W. Mosley of God's Tabernacle of Truth Church. On July 11, 1992, church and community members will honor the work that he has done in the name of the Lord for over 23 years.

Dr. Mosley received an honorable discharge from the U.S. Army in 1964. He attended the Detroit College of Commerce in Macomb County, MI, Wayne State University in Detroit, and has received a doctorate of divinity. In

1969, Reverend Dr. Mosley founded God's Tabernacle of Truth Church with a seven-member congregation. Since that time, the church has grown physically and spiritually through the strength and guidance of Reverend Dr. Mosley. He has been the copastor of Wings of Truth Gospel Church since 1982. Both congregations respect and appreciate the years of dedicated work he has done for his community.

Through his church, Dr. Mosley has begun scholarship and tuition assistance programs for area youths. Moreover, Reverend Mosley provides food, medication, and eyeglasses to children from needy families. The lives of hundreds of young people in Pontiac have been touched by his good works. All this he has contributed of himself, not for public recognition and acclaim. Reverend Mosley seeks only to satisfy the Lord. His community dearly loves him and has been edified through his example. He has truly been a good shepherd of his flock in the city of Pontiac.

Mr. Speaker, it is with great pride that I ask my colleagues in the House of Representatives to join me in saluting the Reverend Dr. Richard Mosley of God's Tabernacle of Truth. Our State and our community is a better place in which to live due to his good work and shining example. A true community leader, he has devoted his life to helping others for the Lord and deserves all our respect.

TRIBUTE TO LT. ELAINE M. HOGG

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. McEWEN. Mr. Speaker, Lt. Elaine M. Hogg, U.S. Navy, has completed her tour of duty as liaison officer at the Department of the Navy's Congressional Liaison Office, U.S. House of Representatives. I would like to take this opportunity to recognize her superlative accomplishments.

Hailing from Long Island, NY, Elaine was selected for this sensitive position based on her exemplary record as a naval aviator. As a CH–46 Sea Knight helicopter pilot, serving aboard the U.S.S. *Butte*, U.S.S. *Concord*, U.S.S. *Mount Baker*, and U.S.S. *Saturn*, she transferred by vertical replenishment literally thousands of tons of critical supplies to deployed ships. She never lost her calm, even while transferring pallets of supplies to ships navigating in rough seas during the night.

During her tenure as liaison officer, she proved to be instrumental in planning and flawlessly executing numerous tasks for congressional delegations which observed naval operations around the world. Elaine has been a vital link in maintaining the flow of information between the Navy and Congress. She promptly resolved thousands of sensitive congressional inquires. Elaine could always be counted on no matter how complex the task.

Elaine is respected for both her knowledge and honesty by my colleagues on both sides of the aisle. I know that they, as well as I, wish ther "fair winds and following seas."

THE RESOLUTION TRUST CORPORATION LOSS REDUCTION AND FUNDING ACT OF 1992

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. McCOLLUM. Mr. Speaker, today I introduced a bill entitled "The Resolution Trust Corporation Loss Reduction and Funding Act of 1992." The following is a section-by-section analysis of this bill:

SECTION 1. SHORT TITLE.

The Resolution Trust Corporation Loss Reduction and Funding Act of 1992.

SEC. 2. FUNDING.

The Resolution Trust Corporation Refunding and Improvement Act of 1991 is amended to eliminate the April 1, 1992 deadline for use of appropriated funds by the Resolution Trust Corporation (RTC). This frees the remaining $17 billion which was appropriated last year but not used by the RTC by the deadline.

The Secretary of the Treasury shall provide to the RTC additional funding up to $25 billion to carry out its functions until April 1, 1993.

These appropriated funds will be reduced by the amount the Secretary determines to be the net savings achieved by the supervisory goodwill buy-back program.

SEC. 3. REDUCTION OF RTC LOSSES.

A Supervisory Goodwill Buy-Back Program is established for the purpose of reducing the amount of taxpayer funds needed by the RTC and the number of savings associations closed at taxpayer expense through buying back supervisory goodwill from savings associations that would be healthy and viable but for the goodwill they received in resolving failed savings and loans in the 1980s.

This law will not affect any litigation regarding supervisory goodwill between the United States and any savings associations ineligible for the buy-back program.

A savings association qualifies for the buy-back if: (1) unless it participates in the buy-back, the Office of Thrift Supervision (OTS) will close it and appoint the Resolution Trust Corporation (RTC) as conservator or receiver, (2) it has supervisory goodwill on its books, (3) the Director of OTS determines it will be viable and not fail if it participates in the buy-back, and (4) it agrees to waive all claims against the Federal Government resulting from legal changes in the treatment of goodwill since the association received the goodwill.

In buying back an association's goodwill, the Director will pay the association the replacement amount from RTC funds, and in turn, the association will reduce the amount of its supervisory goodwill by the amount of the payment. The replacement amount is the lesser of (1) the amount required to make the association adequately capitalized under all fully phased-in capital requirements, and (2) an amount determined appropriate by OTS which is at least the amount of goodwill the association then has and is at most the amount it had at the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA).

If the buy-back brings the association into compliance with fully phased-in capital standards, then it must continue to meet those standards from that time forward. Otherwise, the OTS can establish additional capital requirements as needed to ensure that the association is taking appropriate steps to meet required capital standards.

The Director shall impose an annual assessment on an association that participates in the buy-back. The assessment is for the repayment of the entire buy-back amount and begins on the date the Director determines the association to be sufficiently viable to begin paying it. The amount of the annual assessment will be determined by the Director considering the viability and profitability of the association, the amortization period for the supervisory goodwill when it was first placed on the association's books, and the amount of the buy-back.

All amounts received in repayment of the supervisory goodwill buyback will be transferred to the Secretary of the Treasury, deposited in the general fund of the Treasury and used solely for the reduction of the national debt.

No savings association may make a capital distribution or pay dividends until its buyback funds have been repaid.

The Office of Thrift Supervision (OTS) can establish additional requirements needed to ensure the safety and soundness of qualified savings associations.

The RTC shall provide the necessary funds to implement the supervisory goodwill buyback program from the funds appropriated in this bill.

For associations which OTS has already decided to close but for which the RTC has not yet been appointed conservator or receiver, the Director will determine whether they qualify for the buy-back when this bill is enacted.

FINDING AND RECOMMENDATIONS OF THE FIRST ANNUAL MENTAL HEALTH FORUM

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Ms. NORTON. Mr. Speaker, on February 3 of this year, I hosted the First Annual Congressional Mental Health Forum, along with the Coalition for Adequate Mental Health, Alcohol and Drug Abuse Services and the Washington Foundation for Psychiatry. This focus was overdue because mental health and drug abuse problems traditionally have been kept in a dark closet, hidden like a family secret not to be mentioned in public. It is time for us to bring these important issues out of the closet into the light of day.

Most existing insurance actually discriminates against individuals with mental illness. Amazingly, despite the deep concern about drug and alcohol abuse today, insurers limit access to treatment as they do for few other conditions. The result is to force the spending of millions of dollars because treatment can be provided if at all only when the problems become so serious as to require institutional treatment.

Mental illness comes in a variety of forms that plague millions of Americans. Anxiety orders, such as phobias, panic disorders and obsessive compulsive disorders, affect nearly 26 million Americans, yet 75 percent of them never seek treatment. Depression affects 11.2 million Americans—resulting in the suicides of more than 18 children each day and 6,000 older Americans each year. Yet 90 percent of those suffering from depression can be cured in weeks with appropriate treatment. The homeless have become a reality of daily life in our cities. Thirty-three percent of them have persistent and severe mental illness and over half suffer from either alcohol or drug addictions. Many of these people were once in State mental hospitals. Having been deinstitutionalized, they have ended up on our streets, ill-equipped and unable to function independently. These statistics reveal the widespread nature of mental illness and drug abuse. Yet individuals are not receiving the treatment they need. Why? Lack of insurance coverage, lack of access to treatment, fear of stigma of mental illness, or a combination of all these things. The narrow-minded and regressive attitude that pervades the policies of our Nation's insurance companies only exacerbates what are already crises situations for many ailing individuals.

We must develop and pass legislation to improve delivery of treatment for mental illness and to make treatment more accessible to those who need it. We must actively work to eliminate discrimination against the mentally ill, particularly in the insurance industry. As the House considers the various national health care reform proposals on the table, it is especially crucial that mental health and substance abuse issues be included on the national health care agenda. Whatever proposals are ultimately adopted must require that mental health and drug abuse problems be treated as the legitimate illnesses that they are and that those who suffer these problems are able to obtain the help they need.

I am pleased to submit for my colleagues' review the findings and recommendations from this year's Congressional Mental Health Forum. I encourage my colleagues to review this insightful summary and to take stock of these ideas as they consider the larger issue of health care reform.

FIRST ANNUAL CONGRESSIONAL MENTAL HEALTH FORUM FINDINGS AND RECOMMENDATIONS

FINDINGS

The Forum identified pervasive discrimination in the delivery of treatment services to victims of mental illness and substance addiction. Discrimination is perpetuated in coverage and benefits, by third party payers and under self-insurance schemes. Federal subsidies discriminate along with federal financing guidelines. Discrimination exists in programs such as Medicare and Medicap and extends to Health Maintenance Organizations, CHAMPUS and to virtually all federally approved or supported treatment settings.

A few examples of how such discrimination is manifested:

I. Outpatient Care and Hospitalization. Patients diagnosed with the most severe forms of mental illness or substance addiction, unlike all other patients, are not afforded treatment on the basis of medical or psychological necessity. They are limited to artificial, arbitrary and unjustified restrictions imposed by insurance companies, managed care providers and governmental agencies.

["We need the decision about treatment to be based on the condition of the patient, not on the basis of some arbitrary law or insurance contract which is not clinically based."][1]

["Where the 20 visit number comes from is a mystery. Twenty visit outpatient coverage is like adopting a rule that says all surgery must stop after one hour."]

II. More Enlightened State Policy. Policies of many states, including the District of Columbia and Maryland, require access to health care for victims of mental disease and substance addiction. These state-imposed mental illness benefits may be avoided under federal ERISA provisions. Moreover, virtually all proposals pending in Congress which purport to improve access to health care preempt these more generous state policy mandates and perpetuate discriminatory benefits.

III. Pre-Existing Conditions. A history of mental illness or substance abuse stigmatizes victims through unfair disclosure requirements and bars them from access to adequate health care unlike victims of other health problems.

["People who need treatment will not seek treatment because they are fearful of the future impact on their insurability; people diagnosed with depression cannot get life insurance."]

IV. Managed Care. Managed care including the HMO settings and utilization review strategies unjustifiably preempt medically necessary treatment of serious mental disease and substance addiction. The lack of review standards further exacerbates such discrimination.

["Accountability should be placed across the board; utilization review companies and managed care companies have to be brought out into the open. The cost to us, the patients in terms of truncated treatment, treatment aborted, treatment interfered with is enormous. Then there is the cost in terms of paperwork, of an extra-percentage of the health care dollar going to forms and to these utilization reviews."]

["Many of the most seriously ill patients cannot get care in the HMO's."]

["There are no published review standards."]

V. Cost—A Myth Used to Justify Discrimination. Is there a scientific basis supporting the premise that non-discriminatory treatment for mental illness costs proportionately more than the treatment of other illnesses? Not according to most studies. Too often one hears the argument that the reason for discriminating against the delivery of mental illness services is the cost. Somehow the cost of these services as compared with services for other illnesses, it is urged, justifies artificial caps and treatment interruptions. But there is no data supporting this premise. In fact, there is a strong scientific case that costwise, non-discriminatory treatment of mental-based disease does not inflate costs.

["By diagnosing and treating mental illness early, there is a strong likelihood that there will be less treatment of other illnesses later. Further, there is increasing recognition that treatment of mental illnesses plays a substantial role in mitigating other diseases including heart disease."]

["Studies support the notion that affording mental treatment based on "medical or psychological necessity" and without discrimination is cost effective."]

["Another aspect of this issue has to do with the reduction in more costly hospitalization by providing non-discriminatory coverage for less costly office treatment."]

VI. All Health Access Proposals Now Pending in Congress Would Perpetuate Discrimination. Without exception, every health care access proposal now pending in Congress flatly discriminates against treatment programs for victims diagnosed with mental diseases and substance addiction.

At best, these proposals provide a few outpatient visits and some hospitalization for victims of the most severe mental disorders. For mental disease, not one of the pending proposals employs a treatment access standard based upon medical psychological necessity, as they do for other medical problems.

RECOMMENDATIONS

1. All Relevant Committees of Congress as a high priority should examine the issue of health care discrimination against victims of mental illness and substance addiction, conduct hearings and otherwise employ their resources to end such discrimination.

2. Model legislation should be developed and enacted specifically to eliminate existing discrimination in the delivery of mental illness and substance abuse services.

3. Pending legislation should be amended to eliminate and correct those provisions which perpetuate discrimination in access to health care by victims of mental illness and substance addiction.

REFORM THE SUPERFUND LAW

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. OWENS of Utah. Mr. Speaker, I rise to introduce legislation to reform the Comprehensive Environmental Response, Compensation, and Liability Act, which is commonly known as the Superfund law.

The Superfund law is a super disappointment. This law was supposed to ensure cleanup of contaminated hazardous waste sites and to make polluters responsible for cleaning up the contamination. In practice, the Superfund law has wasted public resources while private lawyers and consultants clean up at the bank.

The Superfund law has been on the books for more than 10 years and Congress has appropriated billions of dollars for the Superfund Program. Despite the time and money that has gone into the program, only about 70 sites out of the most contaminated sites have been fully cleaned up. That's only 5 percent of the more than 1,200 Superfund sites identified by EPA as the most serious threats to public health and the environment.

A 5-percent return over a 10-year period would be unacceptable to most businesses. When the health and safety of our citizens and the protection of our environment is at stake, a 5-percent cleanup rate is not only intolerable but also a tragic failing that must be corrected.

The Superfund law was also intended to make polluters pay for the environmental damage they cause. No doubt some real polluters get caught in the Superfund liability net. But the law has also been used to force innocent parties to pay for cleanup of contaminated waste sites.

Under the Superfund law's strict liability scheme, it's been said that "no good deed goes unpunished." The experiences of two Utah businessmen who I know personally provide graphic illustrations of how Superfund unfairly punishes individuals and businesses for wrongs they did not commit.

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[1] Quotations in brackets are from expert testimony at the Forum proceedings which have been transcribed. Copies of transcripts are available. Contact CAMADAS—(202) 682-6270.

One of the Superfund law's victims, David Early, owns several auto service centers. Over the years, used oil from these centers was sent to Ekotech for recycling. Ekotech was licensed by the State of Utah as a recycling facility, and this company picked up used oil from Mr. Early's auto centers for that purpose. Subsequently, Ekotech ceased operations and its property was discovered to be contaminated.

Last year, the Ekotech property became a Superfund site and EPA identified Mr. Early as a party responsible for cleanup of the site. It did not matter that he did nothing illegal or negligent that caused the Ekotech site to become contaminated. All that mattered was that used oil from David Early's auto centers had ended up at the site and that Mr. Early had money and Ekotech didn't.

Nor did Mr. Early's innocence prevent EPA from treating him like a criminal. EPA told Mr. Early that if he did not contribute to the cleanup of the Ekotech site by April 30 of this year, he would face penalties of $25,000 per day. Not surprisingly, Mr. Early agreed to contribute to the Ekotech cleanup.

Another of my constituents, Kevin Steiner, now finds himself in a predicament similar to Mr. Early's. Only Mr. Steiner has the misfortune to be identified as a potentially responsible party at one of the most costly Superfund sites in the country, the Lowry landfill in Colorado. The estimated cost of cleaning up this site ranges as high as $4.5 billion. So even though the waste the Steiner Corp. sent to the Lowry landfill is a fraction of a percent of the total, the company must pay hundreds of thousands of dollars in cleanup costs.

What did the Steiner Corp. do to incur this liability? Did the company break the law? Did it dump toxic waste at the Lowry landfill? The answer to both these questions is "no."

Steiner, a linen supply company, hired licensed carriers to ship about 75,000 gallons of dirty wash water that was eventually deposited at the Lowry landfill. This waste water was a mixture of dirt, sand, lint and other by-products from Steiner's washing of textiles.

Mr. Steiner would like to fight the EPA but he cannot take the risk because, if he loses, his company could be forced to pay hundreds of millions of dollars in cleanup costs. In order to protect his rights, Mr. Steiner would have to bet the ranch and he can't afford that gamble.

Every Member of Congress has probably heard similar stories from constituents about the inherent unfairness of the Superfund law. The fact that these stories are common shows that the Superfund liability scheme must be reformed.

Congress needs to make the Superfund law fairer, so that innocent parties like Mr. Early and Mr. Steiner are not caught up in the Superfund liability net. And Congress needs to make the Superfund law work more effectively so that more than a handful of contaminated sites are cleaned up each year.

The legislation I am introducing today is designed to do just that. First, it changes the liability standard so that only real polluters pay for Superfund cleanups. Parties who violated applicable environmental laws or negligently disposed of hazardous waste would remain fully liable for cleanup. But parties who complied with all legal requirements and were not negligent in disposing of their wastes would no longer be required to pay for cleanup merely because their wastes ended up at a contaminated site.

My bill also contains provisions that would speed up cleanups at Superfund sites. Instead of spending years determining the appropriate cleanup levels before active cleanup even begins, my bill requires EPA to develop cleanup standards that would answer the "how clean is clean" question upfront, so cleanup would get underway sooner. And, to ensure that cleanup proceeds expeditiously, EPA would also establish deadlines for responsible parties to design and implement a remedy for the site.

Finally, my bill provides additional revenue to fund cleanups at Superfund sites by expanding the coverage of the corporate environmental tax currently used to provide part of the funding for Superfund cleanups. This will be a fairer means of ensuring that EPA has sufficient funding to conduct cleanups than its current practice of shaking down innocent parties like Mr. Early and Mr. Steiner and forcing them to remedy environmental problems they did not cause.

The legislation I am introducing today is itself a remedy for the deficiencies in the Superfund Program. It's time to clean up Superfund so that it can accomplish the objectives Congress intended the law to achieve.

BALANCED BUDGET AMENDMENT

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Mr. STENHOLM. Mr. Speaker, I would like to submit additional explanatory materials regarding House Joint Resolution 290, the balanced budget amendment to the Constitution, for the permanent RECORD of June 10, 1992. It is my hope that this information will make the record on the amendment complete.

The most important document is a memo answering several questions raised by Budget Committee Chairman LEON PANETTA regarding the substitute amendment that I offered on behalf of Representatives BOB SMITH, TOM CARPER, OLYMPIA SNOWE, and JIM MOODY. Chairman PANETTA and I agreed that this information would be submitted for the RECORD at the point of a colloquy between Mr. PANETTA and myself, on June 10, on the questions. I am also submitting for the RECORD several editorials by columnists George Will and Michael Kinsley, as well as information on the national debt prepared by the National Taxpayers Union.

ANSWERS TO THE "TOUGH QUESTIONS"—SUBMITTED BY CHAIRMAN LEON PANETTA ABOUT THE STENHOLM-SMITH-CARPER-SNOWE-MOODY BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

(By Congressman Charles W. Stenholm)

Is the text in the Record (of June 9, 1992) the final version?

That certainly is the intent of the principal authors, with the caveat that two errors need to be corrected that are purely typographical:

First, H.J. Res. 290, as introduced, was printed without most of the Resolving clause; this, of course, is boilerplate, and will be restored to the official text of the substitute that is sent to the desk. Obviously, there will be no surprises here.

Second, the word "principal" was misspelled in section 7. We wanted to make sure to get the final text in the Congressional Record for June 9, to make sure that our colleagues—and all other interested parties—had the maximum amount of time possible to review the amendment. This way, all members will have had two full days to review the language of the substitute before we vote on it.

I want to re-emphasize that the substitute makes no substantial changes in the joint resolution, as introduced.

SECTION 1

1. What is a "specific excess of outlays over receipts"? Is this a set amount for the entire year or does this refer to each bill that might cause a deficit?

The exact nature and amount of the "specific excess of outlays over receipts", and the legislative vehicle which will carry it into law, is going to depend on several things.

Most important of those is the final design of the legislation that will implement and enforce this amendment, which I expect the Chairman of the Budget Committee will have a pivotal role in shaping. Whether the excess to be voted on is contained in a single bill or set out piecemeal in more than one bill will be determined the way any such procedure should be, in that implementing legislation.

In general, at its parameters, this language requires Congress to vote on the specific, maximum, allowable amount of the deficit for the fiscal year in question. That excess amount needs to be approved by three-fifths of the whole number of members of both Houses and presented to the President for signature or veto. As is obvious from the context of the rest of Section 1, which addresses measuring total outlays of one fiscal year against total receipts for the same fiscal year, the excess would be approved for no more than that same fiscal year.

One additional procedure will be obvious. After a fiscal year has begun, all appropriations and any other direct spending laws for that year have been enacted, and either a balance has been planned or a deficit amount already approved, an additional exigency may raise the possibility of an additional excess. For example, a natural disaster may occur, an economic downturn may increase certain benefit payments, armed hostilities may erupt, or some other emergency may arise. At that point, Congress and the President must decide—much as they do today under the pay-as-you-go process in the 1990 Budget Enforcement Act—whether this unanticipated need should be met by rescinding other planned spending or by approving a specific, additional excess amount of outlays. The former option may be approved by a simple majority and the latter by a three-fifths majority of each House.

SECTION 2

1. The gentleman refers to the "limit on the debt held by the public." What does this mean? Does this establish a whole new test for the debt limit? What happens to debt held by trust funds?

As the Chairman of the Budget Committee knows, "* * * debt of the United States held by the public * * * " is a widely used and understood measurement tool. The Congressional Budget Office defined "publicly held federal debt" in its 1992 Economic and Budget Outlook: Fiscal Years 1993–1997 book as "Debt issued by the federal government and held by nonfederal investors (including the Federal Reserve System)." The "debt held by the public" differs from the gross federal debt or the "public debt", in that it does not include the securities issued to government trust funds.

The amendment would establish a new statutory limit on debt held by the public which would require a three-fifth vote to increase. Congress may or may not wish to continue to set by statute a limit on the public debt. Congress may choose to include an increase in the current, statutory limit on public debt in legislation to increase the debt held by the public (which would require a three-fifths vote), or choose to continue passing increases in the public debt in separate legislation (which would require a simple majority). (A separate increase in the public debt, which would reflect primarily just trust fund surpluses in the future, would become a more ministerial, less controversial, function.)

The authors of the amendment chose to use the formulation "debt held by the public" because we did not wish to require a three-fifths vote when a trust fund surplus necessitates an increase in the public debt. In addition, common sense suggests, and CBO states, that the most appropriate benchmark to use is debt held by the public, the federal government's borrowing from all non-federal-government sources.

SECTION 3

1. The gentleman requires that "a" balanced budget be submitted "prior to each fiscal year." Could the President submit an unbalanced budget in January or February, and then wait until September 30th to submit a document that purports to be a balanced budget?

The amendment does not change existing statutory provisions establishing a deadline for submission of the President's budget. As the Chairman knows, the current statutory deadline is in February. Our amendment provides simply that Congress could not enact a statutory deadline for submission of the President's budget later than the beginning of the fiscal year.

SECTION 4

1. What is "a bill to increase revenue"? Is this a net test or a gross test?

The clear intent of the amendment is to look at the overall revenue effect of a bill. Section 4 therefore requires a net test. For a further definition, see the following question.

2. Why does the gentleman use the word "receipts" in section 1 and "revenue" in section 4? What is the difference in meaning, if any?

Our amendment uses the words "receipts" and "revenue" in exactly the same way the Constitution already does.

In Article I, Section 9, Clause 7, "Receipts" are treated as a quantitative description of money received by the Treasury in consequence of the exercise of the government's sovereign power to compel payments to the Treasury. That clause states, in part: "* * * a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."

In Article I, Section, 7, "Revenue" is described as the subject of legislation enacted by Congress setting or changing tax rates, tax bases, fee structures, formulas for fines, and other such policies. That section begins: "All Bills for raising Revenue shall originate in the House of Representatives. * * *"

Our intent is that these words mean the same things in our amendment as they already do elsewhere in the Constitution.

Obviously, a "bill to increase revenue" is legislation that would make a change in law calculated on a net basis to raise more revenue than current policy at any given time.

3. What would the test be for the President's capital gains proposal, which cuts tax rates but which, according to OMB, raises revenues? Is it subject to this requirement?

This essentially represents a decision about scorekeeping and scorekeepers that would have to be resolved in implementing legislation.

4. If a single tax provision has the effect of reducing revenues in one fiscal year and raising them in another, is that provision subject to this section? Does it matter in which fiscal year the increase would occur?

The intent of the provision is to measure the revenue impact of a tax bill over the period of time most relevant for the purposes of scoring the legislation. This, too, is obviously the type of procedure best established in implementing legislation. Under current law, the five year period over which CBO scores spending and tax legislation normally would apply, except in instances in which legislation has an obvious revenue impact that will not occur until after the five year window.

SECTION 5

1. The gentleman states that the Congress may waive the provisions of this article for any fiscal year when there is a declaration of war in effect. Does this mean that this can be done by concurrent resolution, without Presidential involvement?

No. Article 1, Section 7 of the Constitution provides that "Every Order, Resolution or Vote to which the Concurrence of the Senate and the House of Representatives may be necessary (except on a question of adjournment) shall be presented to the President of the United States" for signature or veto. Generally, this clause also has been interpreted to exempt from presentment to the President legislation passed by both Houses in concurrence that has no impact beyond the internal operations of either House, such as the committee targets set out in a budget resolution. Therefore, a Congressional waiver of the amendment during a declared war would have to be submitted to the President for his signature or veto.

2. Would the gentleman share with the House the meaning of the second sentence in this section, relating to national security?

The waiver is not a waiver for any threat to national security, but for a threat to national security caused by a military conflict. This provision would apply only to an engagement of military forces in active hostilities. Congress would be given appropriate discretion in deciding when a military conflict constituted an "imminent and serious military threat to national security" under the plain meaning of this phrase.

3. Would the "cold war" meet the test for this national security waiver? If not, why not?

The cold war clearly would not meet the requirement for a waiver under Section 5 under any reasonable interpretation of the language. As I stated in response to the previous question, the operative language in Section 5 is "military conflict", which requires that military forces be engaged in active hostilities.

4. What about Grenada, Panama, Kuwait, or the reflagging effort several years ago?

The provisions could have been waived, one fiscal year at a time, if U.S. military forces were engaged in active hostilities, as they were in Grenada, Pamama and Kuwait. In each of those instances, Congress would have had the responsibility to decide whether or not the military conflict resulted in an increase in expenditures and an imminent threat to national security significant enough to necessitate waiving the provisions of this article by a joint resolution. For example, Congress could have chosen to include a waiver of the amendment in H.J. Res. 62, the joint resolution authorizing Desert Storm, if it was the will of the House and Senate to do so.

SECTION 6

1. Does this section modify section 1, so that the requirement is not actual outlays against actual receipts, as in section 1, but estimated outlays against estimated receipts?

Section 6 clarifies that Congress has the flexibility to rely on reasonable estimates when appropriate in complying with section 1. Over the course of the year, outlays may not exceed receipts unless specifically approved under the terms of section 1. On the other hand, a temporary dip in receipts or jump in outlays need not trigger a sequester, rescission or other offsetting action it is reasonable to assume that such a "glitch" will be offset in the near-term by normal economic or budgetary fluctuations.

2. Could the legislation provide for measuring estimated receipts against actual outlays or actual receipts against estimated outlays, or must it be both estimated outlays and estimated receipts?

The provision does not require that Congress utilize estimated outlays or estimated receipts. It allows Congress the discretion to rely on estimates in, or pursuant to, implementing and enforcing legislation, where appropriate. There are certain cases in which Congress almost certainly would wish to rely on estimates, and others in which actual measurements are more appropriate. For example, under Gramm-Rudman-Hollings, a sequester would be triggered by aggregate estimates of outlays, while the sequester itself would affect actual amounts of specific outlays.

3. Whose estimates would these be?

Estimates would be determined and used pursuant to legislation passed by Congress to implement and enforce the amendment, as has been the case under the 1974 Budget Act, Gramm-Rudman-Hollings, and the 1990 Budget Enforcement Act.

Congress has various options for the procedure it may use in establishing estimates. This is an issue most appropriately addressed in implementing legislation. It is the expectation of the authors of the amendment that any implementation legislation will include a mechanism for arriving at accurate and responsible estimates.

4. What is the constitutional requirement if the Congress does not adopt the legislation contemplated in this section? Is the test then actual receipts and actual outlays?

This section creates a positive obligation on the part of Congress to enact appropriate implementing and enforcing legislation. If Congress does not pass implementing and enforcing legislation, it has made a decision by default not to utilize estimates as provided for in Section 6. In this unlikely event that there was no clarifying legislation, section 1 would provide for a test of actual receipts and outlays.

OTHER

1. The gentleman does not include a time limit on ratification, as he did in the 101st Congress version of a balanced budget amendment, in either the text of his amendment in the Record in the introduced bill. In light of the recent experience with the 27th amendment, does he intend to do so?

Yes. As noted above, the resolving clause, which includes the time limit, was inadvertently omitted from the text of the amendment as introduced. The customary 7-year limit will be included in the final text of the amendment that is offered at the desk as a substitute.

2. What does the gentleman contemplate with respect to the issue of whether the amendment gives the President impoundment authority?

The amendment does not broaden in any way the current powers of the President. Absent some other process being legislated, the President would have the same non-discretionary duty to order that no funds be disbursed from the Treasury, at the point in time when actual outlays would otherwise exceed the maximum amount allowed, just as the President has such a duty today in the event appropriations have not been enacted in time to keep programs going. This does not envision in any way any sort of discretionary impoundment power on the part of the President or courts. The President could not order that funding for certain programs be halted while allowing funding to continue for other programs.

3. What does the gentleman think the role of the court would be in enforcing the amendment?

4. Who would have standing to sue under this amendment? What about taxpayers or Members of Congress?

5. Professor Tribe of Harvard and Professor Dellinger of Duke advised the Senate Budget Committee that taxpayers probably would have standing. Do you think they are wrong? Do you think taxpayers shouldn't have standing?

6. What kinds of remedies will be available to the courts to enforce this amendment? Could they enjoin passage of legislation that would cause a deficit?

These four questions are answered completely and eloquently in a memo prepared by Joseph Morris of the Lincoln Legal Foundation. I am inserting this memo for the record. This memo accurately states both the intent and the understanding of the authors of the amendment as to how our amendment will operate in this regard.

The attachment memo concludes, ". . . It is our view that there is virtually no danger that the constitutional balanced budget amendment contemplated by H.J. Res. 290 would cede the power of the purse to a runaway judiciary. . . If ratified and made part of the Constitution, the balanced budget amendment would retain responsibility and accountability for all Federal outlays squarely to the Congress.

THE LINCOLN LEGAL FOUNDATION,
Chicago, IL, June 5, 1992.

Hon. L.F. PAYNE
House of Representatives, Washington, DC.

DEAR MR. PAYNE: On behalf of the Lincoln Legal Foundation, let me extend my thanks to you for providing this opportunity to comment on the proposed Balanced Budget Amendment outlined in H.J. Res. 290. We at the Foundation take pride in serving as advocates for the broad public interest in defending liberty, free enterprise, and the separation of powers. It is in this capacity that we have undertaken our evaluation of the proposed Amendment.

We have confined our remarks to the prospects for judicial enforcement of the Balanced Budget Amendment. Critics have charged that the Amendment will unleash an avalanche of litigation, thereby paving the way for the micro-management of budgetary policy by the federal judiciary. As defenders of the Madisonian system of checks and balances, we at the Foundation take such charges seriously and have scrutinized them in light of the relevant case law.

We begin with a brief overview of standing doctrine and its impact on the justiciability of the proposed Amendment. We than consider the political question doctrine and the barriers it creates to judicial review. We conclude with our recommendations for refining and implementing the Amendment.

I. STANDING UNDER THE BALANCED BUDGET AMENDMENT

Standing refers to a plaintiff's interest in the issue being litigated. Generally speaking, in order to have standing a plaintiff must have a direct, individualized interest in the outcome of the controversy at hand. Persons airing generalized grievances, common to the public at large, invariably lack standing.

Limitations on standing stem from two sources. Article III, Section II of the Constitution restricts the jurisdiction of the federal judiciary to "cases" and "controversies." As a result, only plaintiffs with a personal stake in the outcome of a particular case have standing to litigate. The general prohibition against advisory opinions also can be traced to Article III.

In addition to Article III restrictions, federal courts have outlined certain "prudential" restrictions on standing, premised on non-constitutional policy judgments regarding the proper role of the judiciary. Unlike Article III restrictions on standing, prudential restrictions may be altered or overridden by Congress.

Standing requirements under the proposed Balanced Budget Amendment will vary according to the type of litigant. Potential litigants fall into three categories: (1) Members of Congress, (2) Aggrieved Persons (e.g. persons whose government benefits are reduced or eliminated by operation of the Amendment), and (3) Taxpayers.

A. MEMBERS OF CONGRESS

The federal courts by and large have denied standing to members of Congress to litigate issues relating to their role as legislators.[1] Only when an executive action has deprived members of their constitutional right to vote on a legislative matter has standing been granted.[2]

Accordingly, members of Congress are unlikely to have standing under the proposed Balanced Budget Amendment, unless they can claim to have been disenfranchised in their legislative capacity. Assuming that Congress does not ignore the procedural requirements set forth in the Amendment, the potential for such disenfranchisement seems remote.

B. AGGRIEVED PERSONS

Standing also seems doubtful for persons whose government benefits or other payments from the Treasury are affected by the Balanced Budget Amendment. In order to attain standing, such persons must meet the following Article III requirements: (1) They must have sustained an actual or threatened injury; (2) Their injury must be traceable to the governmental action in question; and (3) The federal courts must be capable of redressing the injury.[3]

Assuming a plaintiff could meet the first two requirement, he still must show that the federal courts are capable of dispensing a remedy. Judicial relief could take the form of either a declaratory judgment or an injunction. A declaratory judgment, stating that Congress has acted in an unconstitutional manner, would do little to redress the plaintiff's injury. On the other hand, injunctive relief could pose a serious threat to the separation of powers.

For example, an injunction ordering Congress to reinstate funding for a particular program would substantially infringe upon Congress's legislative authority. Similarly, an injunction ordering all government agencies to reduce their expenditures by a uniform percentage—would undermine the independence of the Executive Branch. It is unlikely that the present Supreme Court would uphold a remedy that so blatantly exceeds the scope of judicial authority outlined in Article III.

C. TAXPAYERS

Taxpayers may have a better chance of attaining standing under the proposed Balanced Budget Amendment. Traditionally, the federal courts refused to recognize taxpayer standing. However, in 1968 the Warren Court held in Flast v. Cohen that a taxpayer plaintiff does have standing to challenge Congress's taxing and spending decisions if the plaintiff can establish a logical nexus between his status as a taxpayer and his legal claim.[4]

The logical nexus test consists of two distinct elements. First, the plaintiff must demonstrate that the congressional action in question was taken pursuant to the Taxing and Spending Clause of Article I, Section 8 of the Constitution. Second, the plaintiff must show that the statute in question violates a specific constitutional restraint on Congress's taxing and spending power.[5]

Taxpayers suing under the proposed Balanced Budget Amendment probably could meet both prongs of the logical nexus test.[6] In order to satisfy the first prong, potential litigants would have to tailor their complaint to challenge the unconstitutional enactment of a law by Congress (e.g. an appropriation bill), not the unconstitutional execution of a law by the Executive. Litigants could satisfy the second prong by demonstrating that the statute in question violates the Balanced Budget Amendment, an express restriction on Congress's taxing and spending power.

Even if a taxpayer satisfies Flast's logical nexus test, more recent opinions like Valley Forge suggest that the Supreme Court also would expect taxpayer plaintiffs to fulfill the

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[1] *Harrison v. Bush*, 553 F. 2d 19 (D.C. Cir. 1977) (standing denied to a senator seeking declaratory and injunctive relief against the CIA for its allegedly unlawful activities).

[2] *Kennedy v. Sampson*, 511 F. 2d 430 (D.C. Cir. 1974) (standing granted to a senator challenging the constitutionality of the President's pocket veto).

[3] See, e.g., *Simon v. Eastern Kentucky Welfare Rights Organization*, 426 U.S. 26 (1976); and *Allen v. Wright*, 468 U.S. 737 (1984).

[4] *Flast v. Cohen*, 392 U.S. 83 (1968).

[5] *Valley Forge Christian College v. Citizens United for the Separation of Church and State*, 454 U.S. 464 (1982) (standing denied because an executive agency's sale of surplus federal land to a religious college was not an exercise of Congress's taxing and spending power).

[6] See Note, Article III Problems in Enforcing the Balanced Budget Amendment, 83 Columbia L. Rev. 1064, 1079–80 (1982).

Article III standing requirements. In other words, in order to have standing, a taxpayer would have to demonstrate that he has sustained an actual or threatened injury traceable to a specific congressional action.

In theory, a taxpayer could claim that excess spending in violation of the Balanced Budget Amendment will harm him by undermining the national economy or by increasing the national debt. However, a majority of the Supreme Court probably would find the connection between the excess spending and the alleged injuries too tenuous to grant standing. As a result, standing would be limited to taxpayers with concrete injuries, stemming directly from the congressional action in question.

II. THE AMENDMENT AND THE POLITICAL QUESTION DOCTRINE

Even if a litigant attained standing under the proposed Balanced Budget Amendment, a federal court could refuse to hear the case on the grounds that it raises a political question. The leading case with respect to political questions remains *Baker v. Carr.*[7] In *Baker*, the Supreme Court held that the constitutionality of a state legislative apportionment scheme did not raise a political question. In doing so, the Court identified a number of contexts in which political questions may arise.

Foremost among these are situations in which the text of the Constitution expressly commits the resolution of a particular issue to a coordinate branch of government. The Judicial Branch will refrain from adjudicating an issue in such circumstances. However, this textual constraint would not preclude judicial review of the proposed Balanced Budget Amendment, since H.J. Res. 290 does not assign responsibility for enforcing the Amendment to either the President or the Congress.

The Baker court also identified the following prudential considerations in deciding whether to invoke the political question doctrine as a bar to judicial review:[8]

(A) Is there a lack of discernable or manageable judicial standards for resolving the issue?

(B) Can the court resolve the issue without making an initial policy determination that falls outside the scope of judicial authority?

(C) Can the court resolve the issue without expressing a lack of respect for the coordinate branches of government?

(D) Will judicial intervention result in multifarious pronouncements on the same issue from different branches of government?

Each of these considerations creates an impediment to judicial review of the proposed Balanced Budget Amendment. In particular, courts may find the fiscal subject matter of the Amendment difficult to administer. For example, what happens if "estimates receipts" fall short of projections halfway through a fiscal year? On what data and accounting methods would the courts be expected to rely? Given the lack of concrete standards, apparently rudimentary determinations (e.g. When do "total outlays" exceed "estimated receipts"?) may prove beyond the competence of the judiciary.

Moreover, the potential judicial remedies for violations of the Amendment may undermine the separation of powers. As discussed above, various forms of injunctive relief almost certainly would infringe upon the prerogatives of Congress and the Executive Branch. Given the Supreme Court's structalistic adherence to the separation of powers doctrine in cases like *I.N.S. v. Chadha*[9] and *Bowsher v. Synar*,[10] it is almost impossible to imagine a majority of the justices on the present, or a future, Court jumping at the opportunity to become embroiled in a partisan wrangle over the size and scope of the federal budget. Instead, one would expect the Court to make every effort to avoid such an intrusion.

III. CONCLUSIONS

The constraints imposed by standing requirements and the political question doctrine by no means preclude judicial review of the Balanced Budget Amendment. Nevertheless, they do place substantial barriers to litigation. In light of these impediments the foundation believes that the prospects for a flood of new litigation and the specter of budgeting by judicial fiat have been greatly exaggerated.

The Amendment proposed in H.J. Res. 290 would clearly invite judicial review of any spending or taxing legislation purportedly enacted in violation of the formal requirements (e.g. a supermajority for increasing the debt limit, a full majority on recorded for a tax increase) set forth in the text. This is no different from the status quo, for even now we would expect a court to strike down an act that was somehow enrolled on the statute books without having properly cleared the requisite legislative process of votes, presentment, and the like.

What the Amendment would not do is to confer upon the judiciary an authority to substitute its own judgment as to the accuracy of the revenue estimates, the needfulness of taxes, or the prudence of a debt limit. The courts would merely police the formal aspects of the work of the political branches: Did they enact a law devoted solely to an estimate of receipts? Are all outlays held below that estimate? Were measures passed by requisite majorities voting, when required, on the record?

Sections 2 and 4 of the proposed amendment clearly invite only limited judicial scrutiny of this kind, and then only of the process, and not of the substance, by which the political branches have acted.

Section 3 seems to be purely hortatory, and probably provides no predicate at all for judicial action. Whatever the political ramifications of a failure on the part of a President to propose a balanced budget in any given year may be, there appear to be no legal implications whatsoever. No act of lawmaking depends in any constitutional sense upon the President's compliance with this requirement, let alone upon the substance that any such proposal may contain.[11]

Section 1 is the crucial text, then, but even here the boundaries of justifiability would be tightly limited. A purported enactment might be struck down by the courts if it provided for outlays of funds in excess of the level of estimated receipts established for the year in the annual estimates law, or if it called for such an excessive outlay without having been passed on a roll-call vote by the required super-majority, or if it attempted to avoid the balanced budget limit applicable to the fiscal year of its enactment by purporting to be within the limits of receipts estimated for another year, past or future.

But there is no basis in the text of Section 1 for a court to pick and choose among congressional spending decisions on any basis. That is, the proposed amendment would confer no authority on the judiciary to choose which appropriations would be satisfied from the Treasury and which would not, but only to say that once outlays had reached the level established in the estimates law then the officials of the Treasury must cease disbursing any additional funds.

Because Section 6 of the proposed amendment would define "total outlays" to "include all outlays of the United States Government except for those for repayment of debt principal", the amendment would abolish permanent indefinite appropriations, revolving funds, and the funds, such as the Judgment Fund, from which they are disbursed.[12] This would decisively prevent the courts from invading the Federal fisc in the guise of damages awards against the United States Government. Upon effectuation of this amendment, damages awards against the Government in all cases (except for repayment of debt principal) would have to be part of the outlays voted each year by Congress, and the current congressional practice of waiving the sovereign immunity of the United States on a blanket basis in the adjudication of various kinds of damages against the Government would have to end.

In short, it is our view that there is virtually no danger that the constitutional balanced budget amendment contemplated by H.J. Res. 290 would cede the power of the purse to a runaway judiciary. To the contrary, it would eliminate certain authorities that courts currently have to order the disbursement of Federal funds without appropriations. If ratified and made part of the constitution, the balanced budget amendment would return responsibility and accountability for all Federal outlays squarely to the Congress.

Sincerely yours,

JOSEPH A. MORRIS,
President and General Counsel.[13]

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[7] 369 U.S. 186 (1962).

[8] *Baker v. Carr*, 369 U.S. at 217.

[9] 462 U.S. 919 (1983) (legislative veto held unconstitutional for violating the Bicameralism and Presentment Clauses of Article I Section 7).

[10] 478 U.S. 714 (1986) (Gramm-Rudman Deficit Reduction Act violated the separation of powers by placing responsibility for executive decisions in the hands of an officer who is subject to control and removal by Congress).

[11] Section 3 would confer constitutional dignity upon a practice that has evolved on an extra constitutional basis in this century, the submission of a Presidential budget each year. The practical and political wisdom of the practice is debatable, as is the wisdom of the contents of any particular budget. But the practice, even with the constitutional sanction that H.J. Res. 290 would give it, in no way derogates from the responsibility of Congress to account for the power of the purse or from the procedural rules adopted by the Framers for safeguarding the separation of powers respecting the fisc, such as the requirement that bills for raising revenue originate in the House of Representatives. The President would now have a constitutional duty to propose an annual balanced budget, but his submission would be only a proposal, and the existing ground rules of Articles I and II would continue to define the procedures by which laws are made and the separation of powers maintained.

[12] It is our view that this would also abolish other permanent indefinite appropriations arrangements and revolving funds as they now stand, including those for the Social Security, Medicare, and Civil Service Retirement Systems. They all involve "outlays" within the comprehensive meaning of Section 6, and so would all require affirmative congressional action for each year's disbursements. Congress could continue to provide that outlays be made on formulaic bases (e.g., as "formula payments"), but they would be subject to the total annual ceiling on outlays and mere qualification of an individual to receive a payment would no longer automatically work to raise the spending limit.

[13] I would like to thank Charles H. Bjork, a third-year law student at Northwestern University and a student intern at the Lincoln Legal Foundation, for his invaluable assistance in the preparation of this analysis.

FACTS ABOUT THE NATIONAL DEBT

In fiscal year 1993, interest on the National Debt is expected to total $316 billion.

This is:

the largest item in the budget (21% of all Federal spending).

more than the total revenues of the Federal government in 1976.

105% of Social Security payments.

$7,005 per family of four.

$6,077 million per week, $866 million per day, $601,218 per minute, or $10,020 per second.

27% of all Federal revenues.

61% of all individual income tax revenues.

The National Debt has now topped $3.9 trillion.

The Federal government has run deficits in 53 out of the last 61 years and 30 out of the last 31 years.

The national debt has increased 1240% since 1960, 620% since 1975, 329% since 1980 and 114% since 1985.

During the 1960's, deficits averaged $6 billion per year.

During the 1970's, deficits averaged $35 billion per year.

During the 1980's, deficits averaged $156 billion per year.

During the 1990's, deficits have averaged $296 billion per year.

It took over 200 years to accumulate our first trillion dollars in national debt. FY '91, FY '92, and FY '93 will increase the national debt with an additional $1 trillion.

[From the Washington Post, May 14, 1992]

THE LIBERAL CASE FOR A BUDGET AMENDMENT

(By Michael Kinsley)

"It is the Congress that tells the executive how to spend every dime," said President Bush, attacking "the spending habits of the Congress" at a Bush-Quayle fund-raiser the other day.

To call this hoary Republican bluff is one reason I'm for Sen. Paul Simon's balanced budget constitutional amendment. Each year, it declares, "the President shall transmit to the Congress a proposed budget * * * in which total outlays do not exceed total receipts." Neither Ronald Reagan nor George Bush has ever come close.

The amendment also would require Congress to enact a deficit-free budget, unless a three-fifths majority in both houses voted not to. Congress, terrified of the sour public mood, is near-certain to pass some kind of balanced budget amendment next month. But voting for a balanced budget amendment is not just a desperate short-term political expedient. For Democrats, it is good long-term politics.

The voters are hypocrites about federal spending: hating it in general, cherishing it in the particular. The deficit is the concrete expression of this voter hypocrisy. Politicians of both parties cater to it. But, by and large, it is Republicans who since 1980 have made this hypocrisy the central feature of American politics and Republicans who have benefited politically from it.

A balanced budget amendment, if it worked, might lead to lower spending or higher taxes or some combination. But at least it would lead to an honest debate. That would not just be hygienic. It would be helpful to the party that's been losing the dishonest debate of the past decade.

Of course, mere pastisan advantage is not a good enough reason to amend the Constitution. There are those who think that the goal of a balanced budget is neither necessary nor wise. And there are those who support the goal but doubt the means.

The argument against the desirability of a balanced budget has many byways, but the main point is the traditional Keynesian one that the stimulus of a deficit should be available during recessions: The proper goal is balance over the course of an economic cycle. Simon's three-fifths escape clause is intended to allow for deficits during bad times. If exercised promiscuously, this escape clause could make the amendment worthless. But the medicine is there if needed.

What's driven some liberals to support a balanced budget amendment, however, is the realization that deficit spending has become a medicine we Americans can't be trusted with. We use it when we're sick, then when we're healthy we just increase the dosage. When, inevitably, we get sick again, even gargantuan doses don't have their usual therapeutic effect. Even to use this drug properly in the future, we first will have to clear it out of our system.

The deficit also makes new forms of government activism nearly impossible. If liberal politics is to be anything more than a holding action ("reactionary liberalism," in Kevin Phillips's devastating phrase), the nation's deficit addiction must first be cured.

As a general rule the Constitution ought to dictate the procedures of democracy and the protection of individual rights, not specific policy outcomes. As Justice Holmes famously put it, "a constitution is not intended to embody a particular economic theory. * * * It is made for people of fundamentally differing views."

But have you read the Constitution lately? Many of its clauses address concerns that now seem trivial. See the Third Amendment, about quartering soldiers. We should only be so lucky that fiscal responsibility seems a passe issue in future years. And the balanced budget amendment, despite its name, is arguably procedural, not substantive. It doesn't mandate a balanced budget, but amends the legislative process to counteract the current bias against one.

Robert Reischauer, head of the Congressional Budget Office, calls the balanced budget amendment a "cruel hoax" on the public because—like Gramm-Rudman before it—it substitutes procedure for substance. It allows politicians to pretend they're addressing the deficit while actually putting off the painful slicing for later. (The amendment takes effect two years after ratification by the states, which also could take years.)

Reischauer is right that the amendment is a hoax on the public, which is not being told what a balanced budget would actually entail. But is it a cruel hoax? It would be if the three-fifths escape clause became a routine exercise. But if the amendment actually produced genuine fiscal discipline even four or five years down the road, it would be kind hoax, not a cruel one—sort of like enticing beloved relative into a drug treatment program.

It is cowardly, to be sure, for today's politician to support a balanced budget amendment instead of actually taking action toward a balanced budget. But that cowardice will catch up with them one way or another. They'll either have to face the music in four or five years or retire in order to avoid it. In fact, the balanced budget amendment could make that other constitutional cure-all term limits—superfluous.

[From the Washington Post, May 24, 1992]

PEDIGREE OF THE BUDGET AMENDMENT

(By George F. Will)

What's new? Not much. At least not in American political argument. Follow the thread of most current controversies back into American history, and you reach arguments from the 1790s. Today's argument about a constitutional amendment requiring a balanced budget rekindles an argument that engaged Madison and Jefferson against Hamilton, as William Niskanen knows.

As economics professor at Berkeley and UCLA before joining President Reagan's Council of Economic Advisers, Niskanen now is chairman of the Cato Institute and an advocate of "a new fiscal constitution." A balanced budget amendment would, he says, restore what was lost when America abandoned two linked understandings, one of the Constitution and one of fiscal morality.

During the nation's first 140 years, he says, government growth was restrained and budget discipline was maintained by a constitutional interpretation and an "informal rule." The interpretation was of Article I, Section 8's enumeration of Congress's powers. It said Congress could spend only to exercise powers specifically enumerated in Section 8.

Niskanen, in the Jeffersonian tradition, construes that section as empowering Congress to spend pursuant to "only 18 rather narrowly defined powers," few of which—establishing post offices and post roads, raising an army and navy—involve the potential for substantial expenditures. (President Jefferson, doubting the constitutionality of most public works spending, reluctantly signed the national road bill but urged Congress to initiate a constitutional amendment specifically authorizing such activities.) Strict constriction of Section 8's enumerated powers accorded with the informal rule" that government should borrow only during recessions and wars.

Niskanen's fidelity to the Madisonian motion of enumerated powers (one of Madison's last acts as president, was to veto a roads and canals bill on the ground that "such a power is not expressly given by the Constitution") may seem of merely antiquarian interest. History has long since settled the constitutional question in the Hamiltonians favor, with a permissive construction of the first of Section 8's clauses. That clause, which says Congress has the power to act for "the general welfare," has become a loophole large enough for Leviathan to stride through.

In 1936 the Supreme Court, stepping out of the way of the New Deal, formally interred the doctrine of enumerated powers. The court opened the way to the modern state by asserting that "the power of Congress to authorize appropriations of public money for public purposes is not limited by the direct grants of legislative power found in the Constitution."

Still, Niskanen notes that as late as the Eisenhower administration there was rhetorical deference to the doctrine of enumerated powers. Thus when creating the Interstate Highway System, Congress called the legislation the National Defense Highway Transportation Act, a title linking the project to the enumerated power to "provide for the common defense." Similarly, the federal government's first major education program, providing loans for college students, was called the National Defense Education Act.

Nowadays government, unlimited by constitutional enumeration of its proper purposes, permeates life, and there is no longer even a nod toward the old idea of limited congressional powers to spend. The dissolution of political and constitutional restraints on Congress has been a boon to legislative careerists. They have a permanent vocational incentive to borrow to finance current expenditures, thereby pleasing current voters by passing burdens on to future voters.

Niskanen, says a balanced budget amendment would restore the constitutional values trampled since the overthrow of the strict construction of Congress's enumerated powers. The Constitution's substantive limits on the purposes for which Congress may spend, and the old political culture's "informal rule" about borrowing have both been abandoned. Therefore, Niskanen says, a balanced budget amendment, with more constraining rules on voting that affects budget totals, is a conservative means to achieve a traditional end: limited government.

There are two basic ways to limit a government that is based on popular sovereignty. One is by a constitution that authorizes government to exercise its powers by simple majority rule but enumerates only a narrow range of powers. The other way is to grant government a broad range of purposes, and all power necessary thereto, but to require super majorities for particularly important decisions. Niskanen says that because we have abandoned strict construction of enumerated powers, the correct road back to the constitutional goal of limited government is an amendment requiring votes of two-thirds of the membership of both houses of Congress to raise the debt ceiling or to impose a new tax or raise an existing one.

The intellectual pedigree of Niskanen's argument underscores the unconvincing nature of most opposition to the amendment. Many opponents simply assert that "it won't work." But, no one claims the current attempt to limit government is "working." And the most fervid opponents of the amendment (public employees organizations, lobbies for the elderly, cities and other grasping interests) are not fervid because they fear the amendment might be ineffectual. The intensity of their opposition testifies to their belief that the amendment would work too well to limit government.

Meanwhile, Democratic leaders defend the status quo. And if there is one absolute certainty in the entire budget debate, it is that the status quo is indefensible. Whatever happened to guts and tough choices?

Mr. Panetta and others say their package would be an attempt to bring realism into the debate. But is it wise to make spending decisions, including drastic cuts, after one or two weeks of closed-door, partisan discussions? Is this the leaderships idea of realism?

Of course not. It is cynical and unreasonable, designed not to effect any budget reform or spending control, but to frighten the balanced budget amendment's supporters. That brand of political gamesmanship is what got us into this fiscal mess to begin with.

The balanced budget amendment, on the other hand, is eminently reasonable. The amendment would take effect two years after ratification by the required 38 states, which itself is expected to take from two to three years. In other words. Congress would have four to five years to make rational, comprehensive budget reforms that gradually bring the budget into balance.

The amendment is, in fact, a fundamental change in fiscal policy. It would put an end to the idea that whenever the federal government cooks up a new spending program it can simply be tacked onto the deficit, imposing order and discipline on a body wholly lacking in either.

Best of all, the amendment would control spending by requiring that new programs be financed by new taxes or by cutting existing programs. Congress won't spend what it has to pay for because Congress hates to ask the American people for the money. That fact alone will act as a curb on spending.

In other words, the balanced budget amendment would require Congress to make tough choices. Messrs. Mitchell, Panetta and others claims to support making those tough choices, but cannot seem to get around to doing it in a Congress they run. Congress never will make those tough choices unless it is required to do so.

The Democratic leadership's gripes notwithstanding, the balanced budget amendment is sensible and effective. On this point, 277 members of the House of Representatives, including 118 Democrats, agree.

And so do the American people. In a 1990 poll taken nationwide, more than 75 percent of the respondents supported the balanced budget amendment.

Support is wide and deep, coming from every quarter except that occupied by the Democratic leadership.

Considering the troubles it has had, it would seem the leadership cannot afford to defend an indefensible system, to hold back progress on the nation's most threatening economic problem while the Congress and the country move ahead.

[From the Philadelphia Inquirer, Apr. 30, 1992]

THE TIME HAS ARRIVED FOR CONGRESS TO ADOPT A BALANCED-BUDGET AMENDMENT

(By George F. Will)

What House Speaker Tom Foley recently said would have sent shivers down Washington's spine, if it had one. He predicted the end of civilization, as Washington has known it. He predicted Congress this year would pass a constitutional amendment to require the federal government to balance its budget.

The unlikely Robespierre of this revolution is Illinois' mild-mannered Sen. Paul Simon, who calls himself a "pay-as-you-go" Democrat. With the patience learned in nearly four decades in politics, he has been visiting colleagues one at a time, warning that the federal government's gross interest costs, which were just $74 billion in fiscal 1980, are projected to be $315 billion in fiscal 1993, when interest—the rental of money—will be the largest federal expenditure.

Discerning conservatives know that huge deficits make big government cheap for current consumers of its services, thereby reducing resistance to the growth of government. Sentient liberals recognize that huge deficits involve regressive transfer payments. We are transferring $315 billion from taxpayers to buyers of Treasury bills—generally rich individuals and institutions—in America and places like Tokyo and Riyadh.

These are among the reasons why in 1986 the Senate cast 66 votes—just one short of the two-thirds needed—for a balanced-budget amendment. And in 1990 the House fell just seven votes short. Today, Congress is battered by scandal, by anti-incumbent fever and by the term-limits movement, and is bracing to be the villain in President Bush's campaign rhetoric. So a balanced-budget amendment is indeed likely to be sent to the states.

Will the necessary three-fourths of the states ratify it? Forty-nine of them—all but Vermont—operate under similar requirements. And a vote against the amendment looks like a vote for big government.

A balanced-budget amendment would serve Congress' institutional interests by requiring the president to propose a balanced budget, something neither Reagan nor Bush has come close to doing. Thus the amendment would end the tiresome presidential posturing—"Only Congress can spend money"—that places on Congress exclusive blame for deficits. In fact, in states as well as in Washington, executive branches generally determine the level of spending, and legislatures merely modify—and not very much—spending patterns.

Some people predict that a balanced-budget amendment would be used as an excuse for large tax increases. That is possible but, given today's taxaphobia, not likely.

Other people predict that an amendment would result in cuts in program X, or Y, or Z. Such predictions are implicit confessions that if Congress is forced to enforce priorities, then X, or Y, or Z will be deemed dispensable. When $400 billion deficits are permitted, marginal, even frivolous programs get funded because costs can be shoved onto future generations.

Anyway, it is wrong to make support for a constitutional change contingent on guesses about particular short-term policy consequences. A sufficient reason for a balanced-budget amendment is to impose, on both the legislative and executive branches, a regime of constitutionally compelled choices.

Simon's amendment has a clause permitting escape from restraint by vote of a supermajority. Sixty percent of the full membership of both Houses can vote an imbalanced budget for, say, countercyclical purposes.

An unsolved and perhaps ultimately insoluble problem for any balanced-budget amendment is enforcement. What will be the penalties for noncompliance? An unenforceable amendment is less a law than an expression of intention. No one, least of all conservatives, can equably contemplate involving courts in enforcement of such an amendment, and evasion of it would deepen public cynicism.

But at certain points, and this is one, the governed must simply presuppose a sufficiency of honor among the governors. Furthermore, elevating fiscal responsibility to the rank of a constitutional duty will heighten public scrutiny of budgeting behavior and will intensify public indignation about any disregard of the duty.

I have hitherto (July 25, 1982) argued against a balanced-budget amendment on the ground that it is wrong to constitutionalize economic policy. Since then there have been 2.9 trillion reasons for reconsidering—the 2.9 trillion dollars added to the nation's debt. My mistake was in considering deficits merely economic rather than political events. In fact, a balanced-budget amendment will do something of constitutional significance: It will protect important rights of an unrepresented group, the unborn generations that must bear the burden of the debts.

The Constitution is fundamental law that should indeed deal only with fundamental questions. But as the third president said, "The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves." Simon's amendment is, in Jefferson's language, an emphatic withdrawal of an authorization government has wrongly assumed.

SALUTE TO THE GRADUATING CLASS OF THE ACTION TO REHABILITATE COMMUNITY HOUSING TRAINING CENTER

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1992

Ms. NORTON. Mr. Speaker, I would like to take this opportunity to apprise my colleagues of an outstanding vocational educational training program for young adults of the District of Columbia who aspire to enter the building trades industry.

On Friday, July 10, 1992, approximately 70 men and women will complete their training in two specialized skills-building programs conducted by the Action to Rehabilitate Community Housing [ARCH] Training Center. For many of the students the activities will symbolize their first completion of any educational program, and all are looking forward to rewarding futures in the building trades.

The trainees of ARCH's Mini Cycle 9 specialized training program for electrical house wiring are: Leroy P. Dade, Jr.; Donald Deans; Michael M. Ferguson; James A. Harris; Ernie O. Hines; David F. Jackson; Melody D. Lawson; Richard Marshall; Sean McLaughlin; Daniel Philson; John M. Quick; Erik E. Robert; Sean P. Ward; and Henry Williams.

Trainees completing the broader Cycle XI training program in the areas of floors, walls and ceilings, interior finishings, electrical wiring, weatherization, and maintenance are: Bernard Akinyode; John Atterbury; Melvin A. Barnwell; Marie A. Beal, Calvin Bellamy; Amida Betts; Walter Allen Beynum; Vashon Bolden; Claude B. Brooks; Shawn Brooks; Robert Brown; Thomas E. Brown; Calvin T. Buggs; Paul Carter; Roy A. Chapman; Clarence N. Cherry; Robert F. Conner; David R. Crowell; Ian Cruickshank; Roderick Davis; Lolita E. Fitzgerald; Christopher Franklin; William C. Greenfield; Gregory A. Henderson; Michael A. Hines; James Jackson; Clifton Johnson, Jr.; Michelle A. Johnson; Charles H. Jones; Reginald Jones; David E. King; Timothy P. King; Mauricio Lopez; Ray B. Louden; William A. Majette; Marsha L. McDowney; Jeffrey R. Moore; Stephen Morten; Randy Powell; Kevin M. Reed; Calvin L. Ridley; Joanne Rogers; Eugene Ross; Kenneth Saunders; Dennies L. Simmons; Arntae Smith; Ethel Smith; Paul A. Swann, Jr.; Joseph Thomas; Omar T. Thomas; Michael B. Walker; Thomasine Watkins; Derek A. West; Sandra Wilkinson; James E. Williams; Tanya C. Williams; and Leonard Yates.

ARCH is a program which operates under the Cooperative Employer Education Program [CEEP]. Since its beginning in 1986, as a joint venture of Pepco, District of Columbia Public Schools, and the District of Columbia Department of Employment Services, ARCH has had a profound effect on the lives, education, and well-being of the hundreds of students and the neighborhoods it serves.

Mr. Speaker, I ask my distinguished colleagues to join me in saluting the dedicated staff and leadership of ARCH, Mr. C. Duane Gautier, president of the board of directors, and Ms. Annette Banks-Moseley, executive director for their untiring efforts to bring economic independence to the residents of the District of Columbia.

SENATE—*Monday, July 20, 1992*

(Legislative day of Thursday, March 26, 1992)

The Senate met at 2 p.m. and was called to order by the Honorable RICHARD H. BRYAN, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

And it shall be, if thou do at all forget the Lord thy God, and walk after other gods, and serve them, and worship them, I testify against you this day that ye shall surely perish. As the nations which the Lord destroyeth before your face, so shall ye perish; because ye would not be obedient unto the voice of the Lord your God.—Deuteronomy 8:19–20.

Almighty God, Lord of Heaven and Earth, this sober warning from Moses in the Torah, though addressed to Israel, applies to all the nations of history. It rarely occurs to us in America that the real problem, from which all others derive, is Godlessness. We do not diagnose economic, political, social decay as a spiritual, moral problem. The Supreme Court permits desecration of the American flag and forbids prayer in the schools. It permits provocative, inflammatory words to be spoken in public but forbids the name of God to be spoken in a graduation.

Patient, forgiving Father in Heaven, how long will You abide our perversity? We are a pagan culture, while we boast of our sophisticated, modern, upbeat ways. Loving Lord, arouse us to the real error of our times, quicken us to repentance and renewal before it is too late.

In the name of Him who incarnated love, sacrifice, and forgiveness. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 20, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICHARD H. BRYAN, a Senator from the State of Nevada, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. BRYAN thereupon assumed the chair as Acting President pro tempore.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 3 p.m. with Senators permitted to speak therein for up to 10 minutes each.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

GIVE THE PEOPLE THE FACTS

Mr. DOLE. Mr. President, you can tell by the latest Presidential polls that the Democratic Party had a very successful convention in New York City, and I want to congratulate the party leaders for their hard work. It obviously has paid off. I watched almost every minute of the convention, and there was genuine excitement and some good speeches and, all in all, it was good television. I also want to congratulate my colleague, AL GORE, who also had a pretty good convention.

He looks like a good pick for Bill Clinton. Senator GORE and I differ on almost every issue, but I do respect him and wish him well. He will be a tough campaigner.

Now, I did say that the Democrats' convention was successful—successful for the Democratic Party, yes.

But good television, good theater, and good rhetoric do not have anything to do with good policy, or what is good for America.

So, despite all the hype coming out of Madison Square Garden last week, the basic Democratic product has not changed at all, unless you fell hook, line, and sinker for Bill Clinton's week-long campaign ad and hour-long speech.

Unfortunately, many reporters already have, as they gush and swoon over how moderate, centrist, and even conservative the Clinton-Gore ticket is. In fact, it looks like some reporters have become eager accomplices, sounding more like Clinton-Gore spin doctors than objective journalists.

Despite all the media-approved makeovers at the Democratic Convention, the Clinton-Gore ticket is still a liberal ticket—a very liberal ticket.

It is a liberal ticket that will cost working America dearly, with billions and billions of dollars in new taxes, wild spending, and the biggest Government the taxpayers' money can buy.

Now I understand why the Democratic Party was so eager to shed its image of liberalism, to look and sound more like mainstream America for a change.

That is why the Democrats turned Madison Square Garden into a giant repair shop where old, broken-down liberals became shiny new moderates, and where a tired old agenda became a fresh new covenant.

But all the body work, and all the makeup in the world cannot conceal a voting record, unless, like some in the media, voting records are already off limits.

You cannot talk about voting records. That is negative campaigning. You cannot say how anybody voted. That is negative. It is true but it is negative if they voted that way.

Let us face it, Clinton-Gore is really Clinton/more: More taxes, more spending, more government and more of the failed liberal agenda the American people have rejected by landslide after landslide.

Bill Clinton calls for tax increases twice as big as those proposed by Mondale and Dukakis combined. And Clinton backs Federal spending increases three times as large as those proposed by Mondale and Dukakis combined.

Governor Clinton calls his own budget proposal putting people first, but it looks more like putting people on the unemployment line. The Clinton plan would jack up taxes $150 billion in 4 years, and boost spending by $220 billion. Now, Governor Clinton and his handlers will tell you that their taxes are aimed at the fat cats on Wall Street, but they are really hitting the little guy on Main Street.

Let me tell you why. You see, the Clinton tax plan mandates nearly $70 billion in new payroll and employer taxes on small- and medium-size businesses to fund extravagant spending programs. Reportedly, his new taxes, and radical defense cuts, would cost working and earning America 2½ million jobs.

As for spending cuts, Governor Clinton has specifically targeted only two programs out of 1,800 Government accounts—the Pentagon, which is already being sensibly downsized, and the Honey Bee Program. In a still uncertain world, Governor Clinton would gut national defense by nearly $60 billion—that is on top of the $50 billion in defense savings already proposed by President Bush, and above what the

Democrat chairmen of the Senate and House Armed Services Committees say they can support. Ask the more than 1 million service men and women, and defense workers who would be thrown out on the street by these radical cuts, and they will tell you gutting—not cutting—defense hardly puts people first.

Governor Clinton even proposes to save $10 billion with the line-item veto. I am all for the line-item veto—it is too bad Governor Clinton's allies in Congress, and his own running mate, are not. Governor Clinton must be assuming that the American people will elect Republican majorities in both Houses of Congress, Republican majorities that are dedicated to deficit fighting tools like the line-item veto and the balanced budget amendment.

More taxes, more spending and fewer jobs does not sound like putting people first—it all sounds like putting America down.

The bottom line is, Bill Clinton wants the American people to believe he is driving them down the middle of the road. But look at his map—the Democratic platform—and the American people will see there is a sharp turn to the left coming.

It is the same old left turn to its traditional leftwing, out-of-touch, special interest agenda: It is antibusiness, antifamily, antidefense, antijobs, antigrowth and antisuccess.

That is why the Democratic delegates soundly defeated the pro-business, pro-growth planks forwarded by Paul Tsongas supporters, planks described by the New York Times as "minority planks." The bottom line is still the same: If it is not liberal, forget it.

But do not take my word. Listen to our former colleague, George McGovern, a dedicated liberal who knows one when he sees one, and this is how he sees Clinton-Gore: "I have a hunch they are much more liberal underneath, and they will prove it once they are elected."

Now, the media can label the Democrat ticket moderate, and then they can look at the record.

While the moderates were voting "yes", Bill Clinton's running mate was voting against the Reagan budget cuts, the Reagan tax cuts, the balanced budget amendment, the line-item veto, the capital gains tax cut, entitlement spending caps and cutting the *Seawolf* submarine.

While the moderates were voting "yes", Bill Clinton's running mate was voting against tough anticrime measures such as habeas corpus reform and exclusionary rule reform.

While the moderates were voting "yes", Bill Clinton's running mate was voting against education choice, workfare, the flag amendment, school prayer, AIDS notification by infected doctors, and consideration of the national energy policy.

And, while the liberals were voting "yes", Bill Clinton's running mate was right there, too, voting for the democrats' tax increase bill, the Democrats' quota bill, taxpayer campaign funding, and Pell grants to prisoners.

So, if you look at the records of the Democrat ticket, they have already proved their first-class liberal credentials.

Nothing wrong with that; do not misunderstand me. Nothing wrong with that at all. We have liberals, we have moderates, we have conservatives, and we have others on the fringes. Nothing wrong with that, so long as you stand by that voting record, and do not run from it when it is time for election.

So I would just suggest we are going to have the Republican Convention later, and I am certain many of my colleagues will not be totally enthused about what happens in Houston, TX. But let us have a little truth in advertising. Let us have a vigorous debate on the issues, and let the American people decide. But let us make certain they have the facts and not the fakes.

I would just say in conclusion, we cannot change our records. They are public records. They are in print. They have been available. We cannot say things when we run for one office or change to another office: Well, I really did not mean that; I really meant this, or something else. And we cannot change our philosophy. Try as you may, you cannot change philosophy.

So I just suggest, as I said at the outset, they had a good convention. I watched it. I enjoyed it. I like to see people get excited. In this case, they were excited about their party. And that is good. That is America. That is the way it works. Hopefully, Republicans will have the same good fortune next month in Houston, TX.

But the question is not how much excitement or how many flags or how many bands or how many speakers or how long they talk. The question is policy, policy for America, what is good for America, what is good for American families, what is good for American children, what is good for American farmers and businessmen and businesswomen up and down the line. That is what the American people are concerned about.

Did Ross Perot make a contribution? Maybe. Maybe if the Perot forces release their economic package and maybe if the Perot forces then say to everybody running for Congress: Will you vote for this economic package? As I understand, it is a very tough economic package. But unless I am just totally wrong, speaking not in a partisan way, the number one concern of the American people—Republicans, Democrats, Independents, whatever—is how do we control the Federal deficit? How do we get a handle on spending. It is not what party we are in. It is how do we get a handle on spending.

That is the contribution made by Ross Perot to getting the American people, or at least millions, to focus on the deficit. The deficit is Public Energy No. 1. When you look at all that happened in the past week, notwithstanding all the success the Democrat Party enjoyed in New York, when it came to dealing with the deficit, they struck out—struck out.

I think that will be one of the main issues between now and November.

Mr. President, I reserve the remainder of my time.

Mr. CRAIG addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I would like to associate myself with my leader's remarks as they relate to the Democratic Convention just recently held in New York.

The ACTING PRESIDENT pro tempore. The distinguished Senator from West Virginia is recognized.

INHUMANITY AND HUMAN VALUES

Mr. BYRD. Mr. President, the recent riots in Los Angeles stunned this Nation.

But in our hazy attempts to fathom that violence, burning, and carnage, I believe that we should look beyond the particular economic and social problems confronting Los Angeles to an underlying decay besetting our country's social values.

Day after day, week after week, and month after month, our news media are filled to the point of numbness with stories of random violence—to the point that increasing numbers of otherwise decent men and women are ceasing to be shocked by incidents that once might have left them incredulous and sickened.

Mr. President, the word "civilization" is rooted in the Latin *civis*. A *civis*—a citizen—was a man who lived in a *civitas*—a city. To the classical mind, to be civilized was to live in a city—to practice the arts of the city, to dress as did people in the city, to practice the language and etiquette of the city, to observe the feasts and festivals of the city, and to observe the decorum of the city. Just by being in the city, the style of a rustic could be transformed and his values improved, or so the ancients thought.

Currently, our cities are increasingly viewed as sinister places in which decadence, depravity, and self-indulgence can flourish with impunity.

Currently, scenes and stories flashed around the world brand our cities—the great metropolitan centers of gleaming skyscrapers that mark America as the paramount product of centuries of Western civilization—as embodiments in steel and concrete of the barbarism that our ancestors sought to flee in ages past. Unfortunately, millions around the world believe that American cities are now ruled by the law of claw and fang.

In the wake of the looting and burning rampage in Los Angeles following the Rodney King court decision, a London tabloid came forth with an aerial photograph of burning Los Angeles and the word "Finished!" blazened across the cover.

In effect, many people around the world, in sorrow and glee alike, interpret the accumulations of unrest, drug-related crimes, drug addiction, mass and serial murders, the national divorce rate, the ominous expansion of the numbers of AIDS babies and drug-dependent newborns, crumbling urban areas, troubled schools and falling educational levels, decaying highways and bridges, lack of adequate health care, and a shrinking industrial base—all of these, Mr. President, as evidence that America is "Finished!"

Only the outplaying of history can answer that supposition with certainty.

But I remain a man of hope. The hour may be late, but I do not believe that America has reached the limits of its potential and possibility.

I believe that there is still time to reverse the negative flow of history and resume our country's forward movement.

But that reversal and resumption will demand the commitment of millions of Americans.

Mr. President, some decades ago, masses of people in the Western world, America included, believed sincerely in the moral perfectability of mankind. In fact, one French "pop psychologist," É'mile Coué, recommended that a person might increase his moral quality by looking in the mirror each morning and repeating aloud, "Every day, in every way, I am getting better and better."

At the same time, a number of American intellectuals held to a notion that, through the increased moral enthusiasm of masses of citizens, the virtual Kingdom of God was on the verge of becoming a reality—that all crime, all "psychological maladjustment," all "sin," all injustice, all slums, all poverty, and all wars would cease in the foreseeable future. All that was needed were higher salaries, regular trash pickup, a few more parks and playgrounds, increased diligence, more college-educated people, several scientific breakthroughs in medicine, and more people attending upper middle class churches.

Be that as it may, World War I, World War II, international communism, the Great Depression, nuclear weapons, the social turmoil of the 1960's, the drug plague, the murder epidemic, street gangs, and the whole range of the modern world's crises and disasters make that earlier picture of the incoming Kingdom of God look hopelessly simplistic and naive.

But is that simplistic and naive view of society—the hope for a utopian community through mass moral earnestness—more unrealistic than the secular gospel of the sixties?

In effect, we are currently reaping the harvest of an era—our own era—in which the historic Western tradition of individualism has been pushed beyond the bounds of reason.

Whether we like it or not, human society and community are fragile entities. Democracy, too, is fragile. And democracy is more than a condition in which everybody's "individual rights" are safeguarded.

At root, democracy—indeed, any voluntary human society—cannot function without "self-government."

I do not mean by that phrase "self-government" merely the assembling of elected representatives to make and enforce laws for their neighbors.

Though that is certainly one meaning of the phrase "self-government," I mean here by "self-government" the ability of people as individuals to hold themselves individually responsible for the obedience of just laws, without the need of a tyrant's heavy hand or the constant presence of a police force to make them obey the laws.

By "self-government," I mean men and women who do not steal, even when nobody is looking; who do not kill, even when nobody is looking; who do not vandalize their neighbor's property, even when nobody is looking; who do not rape, even when nobody is looking; who do not ignore traffic lights—even at 3 o'clock in the morning, when no other automobiles are at an intersection, and when nobody is looking.

By the phrase "self-government," I mean that democracy and voluntary human association can only be made to work by "selves" willing to "govern" themselves.

Mr. President, if we are to maintain our two centuries plus experiment in representative democracy to its fullest potentiality, millions of American will need to commit themselves anew to the governing of their own passions, envies, frustrations, fantasies, and darkest imaginings.

If necessary, we may need to remind ourselves that the promise of the American dream has never been "excess, license, and the pursuit of selfishness"; that the obverse of "individual rights" is "individual responsibilities"; and that American citizenship is more than doing anything that one wants until he gets caught at it by somebody in authority.

But, Mr. President, if we are to turn around the urban rot; end the drug epidemic; stop the spread of AIDS; and terminate the violence and inhumanity of street thugs—if there be any hope of correcting these malignancies and threats to the very continued existence of our society—all well-intended laws, social programs, and stiffened criminal penalties aside—then millions of Americans must again internalize values that preclude those actions and attitudes that make barbarism and outlawry possible.

A cursory examination of great codes of human conduct, the advice of sages, the great law codifications, and the holy writings of all of the great religious traditions—Hammurabi's Code, the Twelve Tables of Ancient Rome, Justinian's Code, the Koran, Confucius, and others—boil the formula for civilized human life down no better than do the teachings that we call the Ten Commandments, and I paraphrase and add others—thou shalt not kill, thou shalt not steal, thou shalt not covet, thou shalt not lie, thou shalt not dishonor and reject the wisdom of the past, thou shalt not treat the words and symbols of supreme value disrespectfully and venally, and, above all, thou shalt give worthship—worship—only to a Deity and values that are eternal and imperishable.

A close reading of history will demonstrate that civilizations that respect those and similar laws of value are long of life, and those civilizations that forget or mock those laws perish, either by the sword or by their own internal decay and rot.

Paramount to our moral recovery as a nation is the recovery first of a sense of personal obligation to others in the communities in which we live, and then our recovery of a sense of personal answerability to standards that transcend selfish whim, self-indulgence, sensual thrills, materialism, and impulse.

We do have individual rights, yes. But those individual rights can only be guaranteed by a society that is strong and stable enough to defend and uphold those rights. If a society or nation is too demoralized, too fragmented, too ambivalent about its own values, too racked by egoistic interest groups, too obsessed with rights as against responsibilities, and weakened by dissension and chaos, that society or nation is beyond protecting or ensuring the lives of its citizens, much less an advanced quality of life and equal rights.

Mr. President, the United States is currently emerging from a cast of mind and outlook necessitated by more than a half century of vigilance and militance against two of the most horrific challenges thrown against any civilization or culture at any time in history before.

For roughly five decades, we endured first the threats of Nazi Germany and Imperial Japan, and then of the Soviet Union. We have mourned the deaths of hundreds of thousands whom we lost on the battlefields of Europe and Asia. We have lived under the gnawing anxiety of nuclear annihilation. We have poured our treasure, energy, and military sinew into preserving for all mankind the possibility of free, unthreatened, unoppressed, and peaceful human life.

Let us now avail ourselves of the respite from external threat and international conflict afforded us by the ending of the cold war—a different sort of peace dividend, as it were—to reflect on means for truly ensuring that the core of American life be renewed, refreshed, nurtured, nourished, and strengthened. That task cannot be guaranteed by government, although sound government can help.

At root, Mr. President, this task amounts to a virtual recovery of America's mental health—a recovery of the down-to-earth, sound, humane, and health-giving perspective on life that has made this country a beacon of hope and a model for older nations seeking a better life, and better way of governing themselves the world over.

At root, Mr. President, this task of national renewal, refreshment, and strengthening also amounts to a recovery of America's spiritual health.

In the Book of Judges, at the period of greatest turmoil and lawlessness in the Old Testament Holy Land, at the time of oppression by the Philistines, we read these words, "In those days there was no king in Israel, but every man did that which was right in his own eyes." (Judges 17:6, KJV.)

Without a common, transcendent moral and spiritual referent—at times when every man does "that which was right in his own eyes"—the result is anarchy, chaos, savagery, inhumanity, nightly murders in the streets, decent people being forced to hide and lock themselves in their homes at night, babies born with crack-cocaine addiction, multiple births out of wedlock, unbridled materialism, corruption in business and Government, cultural decadence, and epidemics of sexually transmitted diseases.

As a species, man is a spiritual creature. If that spirituality is ignored—if man's soul is allowed to starve—the result is spiritual death. And no task of national renewal will be possible unless that effort is also a task of spiritual renewal.

That task is the duty of the family. That task is the duty of the church. That task should be the duty of the school. That task is the responsibility also of every man and woman and child in this country—to ensure that new generations rise in whose hearts are enshrined personally the values and self-governance without which America cannot long endure, "one and indivisible, with liberty and justice for all."

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Idaho is recognized.

TODAY'S "BOXSCORE" OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, it is interesting and somewhat appropriate that I am standing at the desk of the Senator from North Carolina this afternoon, Senator JESSE HELMS, who is still home recuperating from his open heart surgery. And, of course, we here in the Senate send him our very best for a speedy recovery. But while he has gone through this personal ordeal, he has asked if I would—and I have for the last month—put for him in the RECORD the "Congressional Irresponsibility Boxscore."

My colleague from Kansas just finalized comments on the Democratic Convention remarking that they could not, nor were they able, to deal with this Government's and this country's No. 1 problem, the Federal deficit. And it is that score box and that score and those numbers that I have entered into the RECORD for this last month for my colleague and friend from North Carolina, Senator JESSE HELMS. So it is this afternoon that I would like to again enter into the RECORD some of those most important figures.

At the close of business Thursday, July 16, our Federal debt now stands at $3,980,220,685,811.05. That is the number most difficult for any of us to deal with, even to comprehend—trillions of dollars. We cannot associate it with our mind. I think most of us lose track of value if we cannot put value and item together. Very few of us can in any way picture something worth $3.980 trillion. It is not a car, it is not a house, it is not a piece of land, it is not an item that we can readily identify.

I think not only is that true of the average citizen, but it certainly is true of most Members of Congress. I think this Congress has, in fact, lost track of the size, the immensity, and the impact of a debt of that nature. But here is what it means to the average man, woman, and child in this country. It means that they, as citizens of this Republic, are responsible for that debt to the tune of $15,495.74 per citizen. This is an overwhelming number. I doubt that few young people today recognize that they have that kind of responsibility already when they have hardly had the opportunity or time to incur debt. But this Government, this Congress, has incurred it for them, some would argue in their behalf. Interest paid on this massive debt now averages $1,127.85 per year per citizen. The total of interest and debt impact, of course, is a substantial figure.

I enter those thoughts into the RECORD on behalf of my colleague, Senator JESSE HELMS, of North Carolina.

IN MEMORY OF THE FIRST ANNIVERSARY OF MR. CHIANG HSIAO-WU'S DEATH

Mr. CRAIG. Mr. President, on June 30, 1991, Mr. Chiang Hsiao-wu, the second son of the late President Chiang Ching-kuo of the Republic of China on Taiwan, died unexpectedly. After Mr. Chiang Hsiao-wu's death, his half-brother, vice Foreign Minister John Chang of the Republic of China, wrote a moving eulogy to his brother. This eulogy summarizes the difficulties of Mr. Chiang Hsiao-wu's short title life and sheds lights on the histories of both men. This piece is a credit to both Mr. Chiang Hsiao-wu and the author, showing the true love and affection of two men whose time to share the bond of brotherhood was all too short.

John Chang expressed his thoughts in an epistolary-style memorial piece, which is a unique Chinese literary genre. Through the work of Prof. Nathan Mao of Shippensburg University, an English translation of this very moving tribute now exists. In honor of the first anniversary of Mr. Chiang Hsiao-wu's death, I would like to share Mr. Chang's epistle to his departed brother with friends both here in Washington and the best of the English-speaking world.

I ask unanimous consent that epistle be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

IN MEMORIAM

(By John Chang of the Republic of China; excerpts translated by Nathan K. Mao)

BROTHER HSIAO-WU: Even though I am three years older than you (you were born in the year of the Rooster and I in the year of the Horse), I still called you Elder Brother the day before you died.

After you resigned your post as the Republic of China's Representative in Japan, you looked much more energetic than before. On June 14, you were scheduled to arrive at the CKS Airport at 7:25 p.m., but the plane was delayed. It was not until 11:30 p.m. or so that you deplaned, supporting your wife Hui-mei with one arm and walking briskly. You saw me from a distance. Like all the other times, you had a big smile and waved. You seemed to be especially happy that evening—very much like a homesick child finally returning home. Tightly you held my hand and excitedly you said, "Brother Hsiao-yen, this time, I have really come home. I feel very relaxed. I would not want to leave again."

Your words are still fresh with me but you have left me. This time you have gone much faster and much farther than ever before.

It seems that you never liked your post in Japan. In 1990 you invited my wife Mei-lun, my children and me to spend the lunar holidays with you in Tokyo. At the time, you and Hui-mei were staying at the Imperial Hotel. As soon as we arrived in Tokyo, you took us to the same hotel. You said that would allow us to spend more time together. Late one evening you invited me to your room for some conversation. We talked about a lot of things, and you mentioned, with a wry smile, your assignment as the Republic of China's Representative in Japan: "Brother Hsiao-yen, how could I have ever guessed that one day I would be assigned this post in Japan? You know how grandfather and father felt about the Japanese. In days past we have suffered grievously at the hands of the Japanese, and we have been victimized by them time and time again. Yet, today, my job is to strengthen our relationship with them and I have to please them." Indeed, few people would truly understand the pressure and conflicting emotions that you must have experienced as our Representative in Japan. Yet you bore the pain, gritted your teeth, and wholeheartedly devoted yourself to your job. Your dedication was clear to us all.

A little more than two years ago, we began to get to know each other. At first, whenever the Generalissimo and President Ching-kuo were mentioned, you would always refer to them as "my grandfather" or "my father." Sometimes you would diplomatically use the honorific "HE." But soon after, every time either the Generalissimo or the late President was mentioned, you would directly call them "grandfather" or "father." Your true intent was obviously to include me as a member of the family. But even now every time I mentioned President Chiang Ching-kuo, either with you or with anyone else, I would still deferentially refer to him as "Mr. Ching-kuo." I had no particular reason, other than I did not want to overstep my bounds of decorum, even though many times in the past I would scream for "father, father" in my dreams—only to wake up in a start, my face streaked in tears.

More than once you spoke to me about "restoring my last name." You felt that it was something that should be done but hadn't been done. You worried that I was getting impatient; you did not want me to have any complaints. That time when you returned from Singapore, you must have seriously thought about the matter for a long time. In a serious tone of voice you said that it was a matter that must be attended to and that you had discussed it with Sister Hsiao-chang. But because of your mother's poor health, you were afraid that with the media's bent towards sensationalism, any act related to restoring my last name would add to your mother's distress. You wanted to know if I could wait a little longer. You even went so far to ask if I could wait until after your mother's death. My reply was that it was a matter without any time constraints, that it was not that urgent and that you should not worry about it at all. My twin brother Hsiao-chi and I both believe that this matter should let time take its course and that it should not embarrass or hurt anyone, including the living and the deceased. I concurred totally with your suggestion of not taking any immediate action. Brother Hsiao-wu, you knew perfectly well that before Mr. Ching-kuo died, he had instructed that Hsiao-chi and I have our last name properly restored. He said this approximately a year and a half before his death. He confided this matter to a close Kuomintang elder. On January 17, 1988, four days after Mr. Ching-kuo died, this elder invited me to his office and told me what Mr. Ching-kuo had said. He also added that he had given you the same message on the afternoon of the 14th.

This matter of restoring my last name is from the beginning without music or script. After forty-some years of vicissitudes we have neither the need nor the ability, at this time, to cover up, remedy or change anything for anyone. It would be much better to follow a natural course of action. Brother Hsiao-wu, who could have guessed that you would leave us before your mother?

Very few people really know that you and I had a very harmonious relationship for more than two years. During those days, both of us seemed to want to redouble our efforts to recapture the affections we should have felt for each other. Could it be that you sensed that your days were numbered? Could that be the reason that you were so direct in confessing to me your distress and your depression? Brother Hsiao-wu, you left me too soon. The times we spent together were too brief; the assistance I offered you was too meager. Two years ago in Singapore, you gave me a scroll of plum flowers painted by Mr. Ching-kuo. You said: "This was a painting by father. Many other scrolls are with Brother Hsiao-yung. Hsiao-chang also has a few scrolls. You too need to have one." My eyes welling up in tears and staring silently at the scroll, I felt speechless at the time. This scroll is the only item I have that belonged to Mr. Ching-kuo.

The you of more than three years ago I knew very little. Like everyone else, all I knew about you was either from gossip or from press reports. More than ten years ago, you were a symbol of special privilege. Many people denigrated you behind your back. It seemed a lot of people did not like you. Certainly a number of people were jealous of you. They could not put up with you; they even hated you. One late evening in April, 1991, you talked to me about your past. You admitted that you were a spoiled young man, that you had fights with people and that you had girlfriends. Even though you admitted your indiscretions with a smile, you did not look like you were proud of them. On the other hand, you showed that you were a little remorseful for what you did. If you had faults in the past, no one would deny that they were the result of your environment. I don't know anyone else, who, under the same circumstances, would not have behaved the way you did.

In the past, you had very little understanding of me either. The funny thing is that what you knew about me was also from gossip or press reports. I know for a fact that many troublemakers would say all kinds of things about me before you. More than ten years ago, after I returned from my tour of duty in the Chinese Embassy in Washington, D.C., I worked in the Department of North American Affairs in the Foreign Ministry and I gradually attracted the attention of many people, including the press. During those days a number of non-Kuomintang periodicals had all sorts of articles about my background. People told me that you were extremely uncomfortable about those reports and you wanted to thwart my career. As much as I heard that gossip, I never paid any attention to it. I never believed that you would do anything to harm me. Even if you could not tolerate me, it must be the result of other people's stirring you up. It couldn't be your intention. To tell you the truth, I was never jealous of you. On the other hand, I had much compassion and concern for you.

Brother Hsiao-wu, I have often thought that if as you were growing up, you could have omitted the appellation of being "Generalissimo's grandson" or "the President's son," you would have lived a more realistic, more substantial and more common but practical existence. The right to live a normal life, common to everyone, unfortunately had been taken away from you at birth. Because of your background, merciless destruction had always been your constant companion.

In the last two to three years you had changed a great deal. After a number of conversations with you, I sensed that you were pursuing a freedom, one that comes with everyone else. Yet this freedom became an unattainable goal for you. It was "a freedom to be ordinary." Your many sufferings and pain nearly all originated with the fact that you couldn't be an ordinary man, that you couldn't have an ordinary life, and even to the point that you couldn't have ordinary thoughts. This could probably be the reason why you became a Buddhist. You hoped that in the Buddha's world that you could capture the happiness of being a mere mortal and that you could be like everyone else. I seem to hear you screaming from the depth of your heart: "Give me the liberty of being an ordinary mortal."

The morning of July 1 was like any other morning. I was up before 6 a.m. But that morning, in a very strange way I was in no hurry to get into my car or to leave home. Soon the phone rang. Mei-lun and I almost simultaneously picked up the phone. All we heard was a man wailing. I heard Mei-lun say, "Some nut." Then she hung up the phone. Still holding the phone, I was stunned. I had a unprecedented bad feeling, wondering who would call at such an early hour and wail on the phone. As I was mulling over the matter, the phone rang again. Brother Hsiao-wu, it was your security man, Mr. Chou. He sobbed: "Vice Minister Chang, please hurry to Room 117, Veterans Hospital. Something's happened to Hsiao-wu. Please hurry, hurry." Then I knew that he had made the first call and that he was too distraught to have made any sense. Hurriedly I rushed to the Veterans Hospital. On the way there I thought you must be in some critical condition. It never occurred to me that you had died. Entering your hospital room, I saw Hui-mei holding your head and calling your name. You looked peaceful. I held your ice-cold arm, I shook you but you had no motion. You had truly left us. I remember two days ago that you, Hui-mei, Mei-lun and I were chatting happily in your in-laws' second floor living room. You looked fine, you spoke of the current political situation, and you mentioned that you would be leaving for Singapore on July 4th to spend some time with your children. Every time you talked about your children, you showed true happiness and satisfaction on your face. Your love for your children far surpassed that of many parents for their children. You were innocent and pure. Sometimes you appeared to be shy and you didn't care to make speeches in public. In fact, you were not good with words and you certainly could not be ranked among orators. Yet you could listen. You had an excellent memory, and you had a very amiable personality.

I knew that your health had not been good for a long time. After I returned from Japan in April, I told Mei-lun that you were sustained by medication. I can never forget the day before you died and the wonderful time we had together. When it was 7 p.m., you asked me to stay for dinner. I said I couldn't because I had an engagement at 7:30 that evening. Had I known that you would have a mere few hours in the human world, I would have given up everything to be with you. Your last words to me were "See you tomorrow." You were to be at a ceremony the next day to begin your new duties at the China Television Corporation. Who would know that you would be ice cold and dead the next day? That evening you went to the Veterans Hospital, not because of any medical urgency but because you wanted to feel perked up for the ceremony. You apparently intended to come home right away, because you did not even bother to lift up the covers on your hospital bed. Yet after taking two shots, you fell into a coma and never woke up again. The negligence of the staff at the Veterans Hospital was astounding.

Brother Hsiao-wu, your forty-six years on earth were filled with wind and rain, tidal waves and storm. Yet your last moments were calm, unperturbed, without pain and affliction. My sole regret is that I hadn't been able to spend more time with you and that I hadn't been able to make Mr. Ching-kuo's spirit in heaven feel a bit happier. In remembering you I am reminded of Han Yü's "Lament for Shih-erh Lang" and especially the last sentences: "Alas, though words fail, love endureth. Dost thou hear or dost thou not hear. Woe is me. Heaven bless thee!" Brother Hsiao-wu, if you had any knowledge at all, I believe that you would know that I have sadly missed you and my longing for you is endless. Your sudden departure made me more deeply realize the evanescence of life. For many nights I could not fall asleep, so I silently mouthed the ode to the tune of "Green Jade Cup," penned by Sung poet Huang Ta-lin. This ode richly captures the sorrow of bidding farewell to a brother, and I am moved to tears as I read it:

"Thousand peaks hundreds mountains road to Yee Chou heavens sad, best friend gone. At dawn left my house Huang Shih-tu.

"Brother gray hair, distant mountains, calm waters one day return same place.

"Many cups wine drink farewell pavillion. Words of parting too distraught to make sense.

"Intestines broken how much more sorrow?

"Water village mountain inn, evening late, no sleep listen fully raindrops on empty steps."

Brother Hsiao-wu, you lightly waved your sleeve and managed to struggle free from the hustle of the human world. The way you left us was so calm. Finally you could leave the human world just like any ordinary mortal, taking with you the blessings of your family and friends—forever resting in peace. In pace requiescat! Brother Hsiao-wu. Respectfully, Hsiao-yen the evening of July 28th, 1991.

Mr. CRAIG. I yield the remainder of my time.

Mr. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia [Mr. BYRD] is recognized.

THE LATEST NATION'S REPORT CARD IS IN

Mr. BYRD. Mr. President, in the late 1960's, in concern for the quality of educational achievement being attained by students in our public schools, Congress mandated a periodic national assessment of educational progress report. As instructed by Congress, the report measures student abilities and results in a variety of subjects and related influences on staggered annual bases.

Subsequently, this report was dubbed the Nation's report card.

The last national assessment of educational progress surveying reading was issued in 1990 and covered statistics collected in 1988.

The summary of reading-achievement portion of the latest national assessment of educational progress, which covers 1990, was recently published, indicating mixed performances by the students surveyed.

On the positive side, the latest Nation's report card in reading revealed a slight drop from 1988 in the percentage of the average number of hours of television viewing reported in 1990.

In 1990, 62 percent of fourth graders surveyed admitted that they spent 3 hours or more daily watching television, as opposed to 69 percent of this same age group owning up to such viewing times in 1988.

Similarly, 64 percent of 8th graders reported watching 3 hours or more of television daily compared with 71 percent from this group in 1988, and with 40 percent of the 12th graders watching 3 hours or more in 1990, versus 49 percent in 1988.

Though 19 percent of the 8th graders and 18 percent of the 12th graders said they read for fun during some of their leisure time in 1988, those percentages had increased in 1990 to 30 percent and 29 percent respectively.

Unfortunately, that was almost the only good news in the latest reading report.

Paradoxically, because 13,000 students were sampled in 1988 and 25,000 in 1990, the numbers of students who admitted to never reading for pleasure increased in 1990.

Of the fourth graders surveyed, one-quarter—25 percent—reported watching 6 or more hours of television daily.

Sixty-three percent of the 8th graders and 59 percent of the 12th graders said that they read 10 or fewer pages each day for their school work, while one-third of the 8th and 12th graders confessed to reading fewer than 5 pages per day for their school work in 1990.

Worse, as compared to 1988, in spite of efforts to encourage increased homework, more 12th graders reported that they did not have homework assigned or that they did not do the homework that was assigned.

Significantly, this report found that in homes in which reading material is readily available, in which children see their parents reading, and in which parents read to their children and even listen to their children's reading, students from those homes performed measurably better at reading than did students from homes in which those factors were absent or considerably lower.

Once again, reportedly, those students who watched less than 2 hours of television daily earned higher marks in their studies than did those who watched more than 2 hours of television daily.

Mr. President, though these latest findings on reading do offer some signs of encouragement in comparison to the 1988 statistics, I am still discouraged by their implications.

With all of the publicity that has been given to poor U.S. school performance; with the continuing theme broadcast that poor school achievement bodes ill for our future competitive foreign trade position; with the warnings again and again that job success will demand better and better education and training; with surveys continuing to connect chronic joblessness and even much homelessness with little or no education and poor schooling; and with businesses and industries reiterating their plaint that too many job-seekers come to them out of the public schools with less-than-adequate entry-level educations, one would think that the message might have gotten through.

Unfortunately, too many students are still treating their educational opportunities as obstacles to their recreation and social lives and frittering away learning possibilities and hours of instruction for which some of their forefathers might have paid almost any price.

At certain times and in certain places in the past, schooling was the province of the select few—an elite—and those of insufficient funds, improper caste, wrong gender or race, or dissenting religions were prohibited from attending certain schools or even being educated at all.

Part of American lore is the tale of young Abraham Lincoln, living on the frontier, far from an established school, borrowing books and educating himself by the light of a cabin fireplace.

As a child, Andrew Carnegie himself burned with a love of reading but lacked funds to buy books and suffered the nonavailability of public libraries through which he might have satisfied his hunger. Fortunately, a well-to-do and concerned Pittsburgh man with a large personal library allowed neighborhood children into his home weekly to browse and borrow books. There Carnegie went week by week as a young boy, thankful that someone cared enough for him and his comrades to open to them a library door, even if but for an hour or so weekly. Out of that passion for learning once denied, grew Carnegie libraries across the country—one man's living witness to the value of reading, learning, and education.

Perhaps if our public education system collapsed; if for a generation of more only the wealthiest, most privileged, or most gifted were permitted the benefits of education; if only a third-grade education were made available at taxpayers' expense to everybody and the remainder had to be paid out of the students' parents' pockets; if schools became so scarce that, once again as in the past, some children had to walk 3 or 4 or 5 miles just to reach a classroom; or if for 20 years no teachers came forth to meet their classes during the first week of September—perhaps then more people—adults as well as their children—would understand the value of our school system and the opportunity that a state-supported educational system affords to the descendants of men and women who longed for an education on other shores but were denied that privilege.

Aside from the practical and career-related dividends that a good educational foundation can afford students, I am also concerned about the potential impoverishment that is occurring in the lives of so many of our children—bright, unlimited, alert young boys and girls who face the real possibility of maturing into adulthood; never having experienced for themselves the joys of reading, the wonder of poetry and language, and the acquisition of perceptive talents that will allow them to differentiate cant and mediocrity from brilliance and worth, whether in books and magazines and newspaper stories or in the speeches of demagogues and the drivel that purports to be drama on television and in most movies. All of those resources of discrimination and judgment are the fruits of reading and learning to think about the subjects and topics concerning which one reads.

But whatever remedy one might hope for, one would think that at some point a society that makes millionaires out of semi-literate and quasi-articulate rock musicians, and that uncomplainingly pays baseball and football players salaries in annual seven figures, would get its priorities straight and put into proper perspective the value of our schools, our teachers, and the education that our children will need to survive in the world that is even now taking shape for them.

Mr. President, as with perhaps no other institution, a school is a covenant that conjoins three generations. In our schools, we repay the precious heritage that our parents bequeathed to us—the ideals, the dreams, the visions, the skills, the knowledge, the questions, and the values—by passing that heritage on to the next generation. Across the generations, from grandparents to parents to children, we share solutions that have worked in the past, persistent questions that need answers, hopes awaiting fulfillment, skills seeking perfection, and possibilities searching for embodiment and realization. More than any duty that one generation can perform for its predecessor or any responsibility that one generation can meet for the next, the education of our children demands a national commitment to quality and sacrifice.

If our children are our future, the quality of our schools will largely determine the quality of the future that our children will or will not enjoy. Good schools are the key to a fulfilling, prosperous future, both for our children and for the society in which they will have to live. Poor schools and wasted classtime are potential handicaps that have the power to condemn millions of American children to lives of near Third World poverty, public dependency, unproductivity, unemployment, crime, drug addiction, and desperation. A good education is the best life-quality insurance program that we can bequeath to our children and the best national economic security program that we can afford for our country.

As this decade moves forward, then, I hope that more and more Americans will again understand the imperative of education and the value of our schools, and that we will restore education to its rightful position as the primary key that opens doors onto the classic American dream of fulfillment in life as individuals and as a society. I hope that increased numbers of parents will become involved in monitoring their children's learning progress, in encouraging better performance at all levels of their children's schoolwork, and in holding up the arms and applauding the achievements of good and great teachers. I hope that increased numbers of children will rediscover the joys of reading, that increased percentages of students will find unfathomed challenges in mathematics and the sciences, and that a new generation of well-educated, keenly interested, and dedicated and industrious students will emerge from our schools to regain America's preeminence in every field of learning, business, industry, and endeavor known to man, and many fields yet unknown but waiting for some blade-sharp American intellects to invent and open doors to them.

LEAVE OF ABSENCE

Mr. STEVENS. Mr. President, I ask unanimous consent that I be excused from attendance in the Senate from 3 p.m., July 21, until the beginning of the session on July 27.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. STEVENS. Mr. President, that is because of a serious illness of a member of my family.

Thank you.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

TRIBUTE TO J. NEIL "SKIP" STAHLEY

Mr. SYMMS. Mr. President, I will ask unanimous consent that at the end of these remarks the obituary of the late J. Neil "Skip" Stahley be printed in the RECORD.

Skip Stahley spent a good number of years at the University of Idaho both as head football coach and director of athletics, as well as at Portland State University as director of athletics, and as a professor, and was named by the State of Oregon as a professor emeritus when he completed his career.

He was very proud of that fact, in addition to his distinguished athletic career which started at Penn State University as an all-American football player, to coaching at Brown University and Yale University, the Chicago Cardinals, which are now the Phoenix Cardinals, George Washington University, the University of Washington, University of Idaho, and many others.

He was very proud of the fact that he was an English major in college and loved to associate with the faculty and teach, and he had a big impact, on many, many students.

I know for myself and all of the people who had the privilege to know Skip Stahley during the 1950's and in the early 1960's when we were at the University of Idaho, that he had a lasting impact on lives of many of us.

I well recall, Mr. President, when Coach Stahley guided Idaho to the first victory over Washington State in some 25 years in the fall of 1953, and they wanted to draft him immediately to run for Governor. His response was: Why would I want to do that? We already have a very good Governor, and he is a Republican in addition to that fact. So, the State is in good hands.

And that influence I think carried through to some of us that had the privilege to work with him as football players, because of his basic free enterprise philosophy that he exuded.

I know on behalf of many of the old Bengals from the 1950's that we mourn his loss and send our sympathy to Shirley his wife, his two daughters, his two stepsons, and Tim Kime, who I was in college with.

The family lost a truly great patriot, a great American, and a person who had a big positive influence on the lives of countless young people throughout his career.

Mr. President, I might just say that when I had the privilege with Senator SPECTER who brought the NCAA champion Penn State Nittany Lions here to the Capitol and I met Coach Paterno, I mentioned to him that I played for Skip Stahley in college. And he immediately picked up on that and said that Skip was his grand mentor, because Skip Stahley was the mentor for Rip Engle, who was Joe Paterno's mentor, and I am sure I speak for Joe as well that there is a great deal of sadness throughout the country for the loss of this great man.

Mr. President, I ask unanimous consent the obituary be printed in the RECORD at this point.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

J. NEIL "SKIP" STAHLEY

J. Neil "Skip" Stahley, 83, a former University of Idaho athletic director, died of age-related causes Saturday at St. Vincent Hospital at Portland Ore.

He was a football coach at the UI from 1954 to 1961 and served as athletic director from 1960 to 1964.

"He was an outstanding football mind and had a lot of good friends in the state of Idaho," remembered Wayne Anderson, the current acting athletic director at the UI.

Anderson, who was baseball coach and assistant football coach during Stahley's tenure, recalled that Stahley led the UI football team to its first victory over Washington State College (now University) in nearly 30 years.

"That was a big deal at the time, people were very excited about it."

Stahley was born Sept. 22, 1908, at Lebanon, PA., to Jacob Stahley. His mother's name was unavailable. He grew up in Pennsylvania and attended Pennsylvania State University at University Park.

While a student there, he was an honorable mention All American in football and captain of both the basketball and lacrosse teams. He graduated in 1931.

During his career, Stahley also was football coach at Western Maryland University at Westminister, the University of Delaware at Newark, Harvard University at Cambridge, Mass., Brown University at Providence, R.I. George Washington College (now University) at Washington, D.C., the University of Toledo in Ohio and the University of Washington at Seattle.

He also served as assistant coach with the Chicago Cardinals (now the Phoenix Cardinals) in the National Football League.

After leaving the UI, Stahley moved to Portland and served as director of athletics at Portland State University until retiring in 1972.

He was a member of the Idaho Hall of Fame, the Western Pennsylvania Hall of Fame and the National Association of Collegiate Athletic Directors Hall of Fame.

He was married and divorced.

He married Shirely Kime on July 1, 1950, at Toledo, Ohio.

Survivors include his wife of Beaverton, Ore.; two daughters, Shirley Butler and Lynne Hunt both of Maryland; two stepsons, Tim Kime of Toledo and David Kime of Tucson, Ariz.; and eight grandchildren.

The funeral was Wednesday at Portland.

The family suggests memorials to the Skip Stahley Endowment Scholarship, in care of the University of Idaho Foundation in Moscow.

RODNEY A. HAWES

Mr. SYMMS. Mr. President, it brings sadness to me to report to the Senate that Rodney A. Hawes, an Idaho legend, died Monday, July 6, while we were out on recess. Rodney Hawes was the publisher of the Owyhee Nugget, one of the oldest newspapers in Idaho, and he has had a very big impact on southwestern Idaho in the development of this part of the State.

To his family, his wife Leona, and his three sons, Rodney, Robert, and Stanton, we extend our sympathy. I might just say as a personal note when I announced for the Congress 20 years ago, in February of 1972, my original announcement statement was printed on Rodney Hawes' printing press in his office at the Owyhee Nugget. He helped me edit it. I still have a copy of that on my office wall and I will cherish that printed statement. Rodney had a big impact on southwestern Idaho and he surely will be missed. I extend my sympathies to his family.

Mr. President, I ask unanimous consent that this obituary be printed in the RECORD at this point.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

RODNEY A. HAWES

Rodney A. Hawes, an Idaho legend, died Monday, July 6, 1992, at the age of 75. He and his wife Leona, were publishers of the Owyhee Nugget Newspaper in Owyhee County for 47 years.

Funeral services will be held at 10 a.m. Friday, July 10, at Boone Memorial Presbyterian Church, Caldwell. Private graveside services will follow in Pioneer Cemetery, Boise, where he will be buried next to his mother and father.

Mr. Hawes was born Dec. 1, 1916, at Boise, a son of Fletcher A. and Eva Strickland Hawes. He was proud of his Idaho and Owyhee County heritage. His family first came to the Bruneau Valley in the 1860s. His grandfather, Benjamin F. Hawes, had a homestead which is now 16th and State Streets in Boise.

Rodney attended schools in Portland, Longview, Wash., and graduated from Bruneau High School where he was Valedictorian. He and Leona Strong married in Mountain Home in 1937. They purchased the Owyhee Nugget Newspaper from Charles Pascoe. The paper was founded in the Owyhee mountain town of DeLamar in 1891. They moved the Owyhee Nugget to Marsing from Bruneau in 1940.

Rodney, Leona and the Owyhee Nugget made its mark on Idaho history. The late U.S. Senator, Len Jordan, once stated, "Politics and journalism both have been admirably served by Rodney Hawes throughout his career in Idaho. His dedication to the state, to responsive government and to responsible journalism, are surpassed by none. On top of all that, he is a fine friend."

The late Senator Frank Church said, "The Owyhee Nugget has been a force for a long time in the development of southwestern Idaho, and few men have worked as tirelessly as Rodney Hawes for the good of his community and state."

Governor Cecil Andrus once described the paper as "honorable and venerable." And so too, does Rodney Hawes.

Through his front page editorials and tireless efforts he promoted new schools, paved roads, improved telephone systems and organized the Marsing-Homedale Cemetery District. He was Secretary/Treasurer of the Gem Highway District for 47 years.

An editorial in the Idaho Statesman Feb. 9, 1964, declared: "It's a good thing for Owyhee County, yea, even for Idaho, that Rodney Hawes is not content to graze peacefully in his pasture south of the Snake River."

His editorials are largely responsible for putting Highway 78 on the state system. Idaho flags now fly at the county seats of all 44 counties as a result of his efforts in 1963. He also promoted his beloved Bruneau Sand Dunes as a state park. He helped save the Guffy River Bridge from destruction.

In face of opposition he helped assure that placement of the Marsing Job Corp on the Snake River, saying, "Everybody deserves a chance." He was also instrumental in placing the County Agents Office, Soil Conservation, and Farmers Home Administration Offices in Marsing.

He was featured as the Idaho Statesman Distinguished Citizen in 1969 and was named "Honored Civic Leader" by the Marsing Chamber of Commerce in 1977. Upon retirement from the Owyhee Nugget, Rodney and Leona contributed most of their print shop to the Idaho Historical Society. It is on permanent display at the Old Penitentiary museum in Boise.

Rodney was proud of what he, Leona and the Owyhee Nugget has accomplished during his lifetime. What gave him the greatest pleasure was his family and friends. He was known by many, liked by most, loved by those who were close, and respected by all.

The list of Rodney's accomplishments and civic involvement is a long one. He helped incorporate Marsing and was the first chairman of the village board. He was one of the first presidents of Marsing Chamber of Commerce; president of the PTA; a member of the volunteer fire department; Rod & Gun Club, Elks Club; charter member of the Marsing Lions Club; president of the Southwestern Idaho Development Association; board member of the Idaho Press Club, Knife and Fork Club International, Owyhee County Fair Board, and the Children's Home Society of Idaho. He was active in Owyhee County Historical Society and was named as honorary lifetime member of the Owyhee Cattlemen's Association.

Survivors include Leona, his constant companion for 55 years; his three sons, Rodney Jr. of New Canaan, Conn., Robert of Kaloa, Kuai, Hawaii, and Stanton of Boise; his sister, Margaret Hall of Mountain City, Nev., two daughters-in-law, Beverly Eddy Hawes and Roma Richard Hawes; the grandchildren he dearly loved, Kimberly Oaks, Kelly Scott, Bill Hawes, Steve Hawes, Tammy Hawes, Tommy Hawes, Robert Hawes Jr., Angela Montellano, Raymond Hawes, Andrew Hawes, Allision Hawes, Richard Hawes Surber and Sara Surber Hawes; his great-grandchildren, Katherine Oaks, Matthew Oaks, Matthew Hawes, Elizabeth Hawes, and Courtney Scott.

Memorials may be made to the Marsing Ambulance Fund, Marsing 83639; or to a favorite charity.

Friends may call from 4 to 8 p.m. Thursday, July 9, at Dakan Funeral Chapel, Caldwell.

CHANGE

Mr. SYMMS. Mr. President, I want to associate myself with the remarks that the distinguished Republican leader made today. I, too, would join in my congratulations to our colleagues from the other side of the aisle for a very successful convention.

I do think, however, that now that the conversation is over it is time for Americans one and all to really analyze just what it is that those candidates offer the American people, and I hope that as we get into this election process this year that we will see a real debate of the philosophies and of the issues that stand before us, because I think if you get past the cover and the veneer of the Clinton ticket, what you find is more taxes, more spending, more Government. And from what I hear from my constituents that is what they are disgusted with, that is what they are tired of, that is what they want less of.

I would hope that if the American people really want change they will recognize that what they need to do is to change the leadership here in the Congress which has basically been dominated by the Democrats for the last 50 years. And I will hope that the President will make that case as he goes forth with his campaign this fall to make the case that if the people want him to accomplish what it is he campaigns on he needs support in the Congress, and if they are not willing to do that, to get rid of divided Government, vote for the Republicans both in House and Senate races to back up the President, then it is a losing proposition for them if they think they can elect a Republican President, with a big majority, particularly in the House of Representatives, the way the rules work and ever accomplish the agenda that they think a Republican President can accomplish.

So I hope the President will get the issue back to basics with the American people, and simply invite them if they are not willing to vote for giving him support in the House of Representatives and the Senate then go lead and vote for the Clinton-Gore ticket and get a full pledge of big government and big high taxes, and then they can really see what it is all about and maybe in 4 years there will be another day.

Again, I want to compliment Senator DOLE on what I thought were excellent cogent remarks that he made, and share that point of view, and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, under the order do I have 5 minutes?

The ACTING PRESIDENT pro tempore. The Senator may speak until 3 o'clock, which is the scheduled hour for morning business to conclude.

Mr. DOMENICI. If they are not ready on the bill I can seek consent for additional time?

The ACTING PRESIDENT pro tempore. That is the Chair's understanding.

Mr. DOMENICI. I thank the Chair.

THE ECONOMY

Mr. DOMENICI. Mr. President, I come to the Senate floor to talk a little bit about the economic situation in our country and the plan that Governor Clinton has put forth for the American people. I congratulate the Democratic Party and Senators from the other side of the aisle for their splendid national convention. They obviously feel good today. We will have ours soon, and then we will begin the battle and see how this is all going to turn out in November.

But frankly it seems to me that we should not wait until our convention to talk about the realities of the fiscal and tax proposals in the economic plan that Governor Clinton has put forth. So let me first say to those who care to listen that Governor Clinton says he is going to put the people first. Frankly, I am absolutely convinced that Governor Clinton is going to put taxes first, not people.

Let me just put it into perspective. The largest first year and 4-year tax increase in the history of the Republic is offered by Governor Clinton. I repeat, the largest 4-year tax increase. Now I think that is putting taxes first.

Mr. President, for the last 7 or 8 years the discussion in the U.S. Congress has been whether we should put on taxes to get rid of the deficit. It has been the Federal deficit that has put a drag on the American economy and is going to deny the legacy to our children of a higher standard of living.

Well, it might be a surprise that Governor Clinton's largest tax increase in the history of the Republic for 4 years is not going to be applied to the deficit. That might shock some people.

The second thing that this plan does is it puts $220 billion in new programs on the books of this country. Let me repeat. In 4 years this proposal asks not for $1 billion, not for $10 billion, not for $40 billion, but $220 billion in new programs for the American taxpayer to bear.

And now, Mr. President, if I were a honeybee I would be frightened to death, because the only program out of 1,800 or more that are already on the books of this great country, the only one being affected with a cancellation is no more subsidy for the honeybee. A program that costs the American taxpayer a grand sum of $40 million. I almost started this discussion by calling the proposals of Governor Clinton the saga of the honeybee, but I chose to say I thought people were what he was putting first while in truth he is putting taxes first. So I do not think this fiscal plan, this so-called blueprint for prosperity for the American people, is going to fix the economy. If anything, it is going to invest in more and bigger Government, more taxes and bigger spending.

If anyone is thinking that this proposal is going to revitalize America, I submit that you better look again because it will really revitalize Government intervention. It is a Government revitalization program, $220 billion more of revitalization and intervention in the lives of the American public.

I repeat that out of 1,800 or more programs during a major critical deficit period with many new programs being proposed, the only one that could be found for termination is a small program that affects the poor honeybee. And I might suggest, as our Republican leader has indicated, Governor Clinton's running mate has voted not once, twice, or three times, but a final check finds that Senator GORE has voted to keep the humble honeybee program four times. So we already have a little bit of nonassurance that even that that one program would ever be terminated.

Frankly, I think when you add up all of the new taxes, and an additional $61 billion in defense cuts—doubling the President's proposals and larger than those supported by the distinguished chairman of the Armed Services Committee, and twice as much as the President has requested, with the additional Federal taxes on the workplace, and the so-called tax on the upper income people which is really taxes on 72 percent of the small businesses out there—jobs will be lost not created.

The ACTING PRESIDENT pro tempore. The Chair would inform the Senator that the hour of 3 o'clock has arrived.

Mr. DOMENICI. I ask unanimous consent that I may have 3 additional minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. Let me make this last point.

I believe this plan will not add jobs. It will cut jobs. Let me tell the Members of the Senate why.

The President submitted an additional $50 billion reduction in defense expenditures on top of the $170 billion we put in during the 1990 summit. This plan says double that $50 billion and more, put $61 billion on top of it. The best estimates that I can get is that will put the military men and women, civilian military, and defense industry workers out of work; that is 1 million.

The taxes that are going to be imposed on upper income Americans in that $150,000 bracket is actually going to fall between 62 and 77 percent on small business, small joint ventures, partnerships that elect to be treated as corporations, corporations that elect to be treated as partnerships in America and file as individuals. We think that is going to cost about 800,000 less jobs, rather than more.

Then we have a payroll tax of 1.5 percent, again hard hitting small businesses. When you add it up with other job losers the best estimate that we could put together is that 2.5 million Americans will be put out of work. This from a plan that is called stimulation to the economy and putting people to work.

So every way I look, I hope that the other side of the aisle and the opposition to President Bush understand that right now they have it kind of their way, but before long we will make sure the American people understand there is more than one side to this approach to revitalizing America and not the least of which is how big should Government be. It seems to me Governor Clinton is on the wrong track.

I am delighted to have had an opportunity to review it for a few moments. There is much more to be said about it.

I thank the Senate for the time and I yield the floor.

TRIBUTE TO BENJAMIN A. ATKINS, MORGANTOWN, WV

Mr. ROCKEFELLER. Mr. President, I rise in acknowledgement of the outstanding achievements of Benjamin A. Atkins of Morgantown, WV. This May, Ben earned the distinction of being the valedictorian of the U.S. Naval Academy.

Since Ben's entry into the Naval Academy in July 1988, his performance has been exceptional. Ben majored in systems engineering, focusing on two academic tracks, robotics, and communications. He was invited to join Tau Beta Pi, an engineering honorary, and Phi Alpha Theta, a history honorary, in the spring of 1991; later that year he joined Phi Kappa Phi, an academic honorary, and was elected president of his senior year.

Ben graduated on May 27, 1992, finishing first in his class academically, with a 3.99 grade point average, and overall, reflecting his academic, professional, and physical abilities. He received the Blaney Award—top systems engineer—and the FitzGerald Scholarship, the latter enabling him to study philosophy, politics, and economics at Oxford University.

Ben also excelled in naval activities at the Academy. During his senior summer he was a battalion commander for the plebe summer detail, during which he worked with 80 upperclass midshipmen in training the battalion of 560 plebes. In the second semester of his senior year, he served as deputy brigade commander, second in command of the 4,300-member brigade.

During his sophomore year, Ben served for 10 weeks on the U.S.S. *Queenfish* [SSN 651], a nuclear fast attack submarine, earning his qualifications for enlisted submarines and leading him to choose nuclear submarines as his warfare specialty. After completing his 2 years at Oxford, he will train in the Navy's submarine program.

Despite the rigorous requirements of a naval experience, Ben finds time to exercise and enjoy leisure sports. A self-described avid audiophile, Ben also enjoys a number of West Virginia's outdoor activities, including hiking at Cooper's Rocks State Park, backpacking through Blackwater Falls and Canaan Valley, and white water rafting on the Cheat River.

Ben currently plans to serve as a career naval officer, but would eventually like to get involved in policymaking. The dedication to his country displayed by Ben should be a model to all. As a fellow West Virginian, I am proud to honor Ben for his past achievements and future potential. Mr. President, I ask my distinguished colleagues to join me in wishing Ens. Benjamin A. Atkins every success.

THE LEWIS AND CLARK NATIONAL TRAIL: PRESERVING AN AMERICAN LEGACY

Mr. PRESSLER. Mr. President, America's 17 National Scenic and Historic Trails play an important role in the protection and preservation of our Nation's heritage. One of these trails, the Lewis and Clark National Trail, passes through my State of South Dakota. As a symbol of one of the most significant explorations in U.S. history, the Lewis and Clark Trail deserves to be developed for the education and enjoyment of all Americans.

In 1804, President Thomas Jefferson commissioned an expedition of the newly purchased Louisiana Territory. Jefferson selected experienced Army officers Meriwether Lewis and William Clark to lead a corps of discovery through the unexplored land. Throughout the 8,000-mile journey from St. Louis, MO, to the Pacific Ocean and back again, Lewis and Clark meticulously recorded observations about the characteristics of the land they viewed and the culture of the Native American tribes they encountered.

Few explorers in all of history have matched Lewis and Clark in the accuracy and thoroughness of their records. On September 23, 1806—2 years, 4 months and 9 days after their departure—the Lewis and Clark Expedition returned to St. Louis with knowledge of the new land that would profoundly impact international boundaries and relationships around the world.

Mr. President, it is imperative that such a significant and dramatic episode in U.S. history be fully interpreted and preserved. In 1968, Congress passed the National Trails System Act establishing a commitment to the creation and development of a national system of scenic and historic trails. Regrettably, while other Midwestern States such as Nebraska and Iowa already are proceeding with the final phases of their interpretation projects along the Lewis and Clark Trail, the segments of the trail in South Dakota remain largely uninterpreted and undeveloped.

Many historic events occurred along the South Dakota portion of the trail. Near the present-day city of Yankton, SD, Lewis and Clark first encountered the Sioux Indians. A council was held to negotiate peace and to arrange for a meeting between the chiefs and President Jefferson. A similar council with the chiefs of the Teton Sioux was held near the modern-day State capitol of Pierre. Encounters with American Indian tribes in South Dakota were instrumental in providing the expedition with information about the land and in promoting peace between the Indians and the new American Government. These significant events in American history deserve public recognition and appreciation.

I have made two requests for funding to support the development of the Lewis and Clark Trail. In March 1992, I contacted the Senate Appropriations Subcommittee on Interior to request a $40,000 appropriation in fiscal year 1993 to develop an interpretive plan for the South Dakota segment of the trail. In the near future, the subcommittee will be receiving a letter from myself, Senator KOHL, and a number of other Senators requesting additional funding for all 17 national scenic and historic trails. By allocating $250,000 per trail, the Federal Government can support one full-time individual to administer each trail and to plan better coordination between Federal, State, and local governments on trails projects. I am confident that such appropriations, if passed, will better enable National Park Service officials, as well as interested parties at the State and local levels, to move forward with the development of the Lewis and Clark Trail in South Dakota and other States.

Mr. President, these trails are an effective and appropriate means of preserving the treasure of our Nation's history. I urge my colleagues to join me in supporting adequate funding for our national scenic and historic trails for the education and enjoyment of future generations.

THE 1992 MIDYEAR REPORT

The mailing and filing date of the 1992 mid-year report required by the Federal Election Campaign Act, as amended, is Friday, July 31, 1992. All principal campaign committees supporting Senate candidates must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116. Senators may wish to advise their campaign committee personnel of this requirement.

The Public Records Office will be open from 8 a.m. until 9 p.m. on the filing date for the purpose of receiving these filings. In general, reports will be available the next business day after receipt. For further information, please do not hesitate to contact the Office of Public Records on (202) 224–0322.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The ACTING PRESIDENT pro tempore. The Senate will now proceed to the consideration of S. 2877, which the clerk will now report.

The legislative clerk read as follows:

A bill (S. 2877), Interstate Transportation of Municipal Waste Act of 1992.

The Senate proceeded to consider the bill.

Mr. BAUCUS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I am pleased that today we are considering legislation to address the issue of interstate transportation of municipal waste.

Mr. President, I want my colleagues to understand and appreciate the significance of the bill before us. Absent action by the Congress, the States cannot impose restrictions on the interstate flow of municipal waste from another State. The commerce clause of the Constitution gives the Congress, not the States, power to regulate these movements.

As recently as last month, the Supreme Court struck down State restrictions on receipt of out-of-State waste as unconstitutional impediments to interstate commerce because Congress has not authorized such State action.

The bill before us fills that void. It authorizes States to impose substantial controls on the interstate flow of waste.

In doing so, it attempts to accommodate the needs of all States—those with acceptable interstate waste arrangements as well as those who have asked for more control of their borders. For this purpose, the legislation provides discretionary authority to both local authorities and to Governors.

This bill is the result of extensive hearings, meetings, and long negotiations to find a solution that accommodates the needs and concerns of all States and localities.

It does not give all States everything that they want. If does give them everything they need. The bill before us today is a sound and workable solution to the problem of interstate transportation of municipal waste.

BACKGROUND

The interstate transportation of waste issue has become known as the civil war of waste.

Today's waste war is being fought because some communities are being forced to take a disproportionate share of out-of-State trash. That is, a few States are not taking care of their own trash.

It seems that a few exporting States have taken the old adage, "it's better to give than to receive," to the extreme. They have been giving a lot of waste to other States.

In recent years, Mr. President, when it comes to trash, there has been too much giving and too much receiving—especially when those receiving the trash have had no say in the matter.

And the problem is exacerbated because we all are generating more garbage.

On average, we each toss out—that is each American—about 1,500 pounds of trash a year, or almost 200 million tons. More disturbing than the total amount is the trend in waste generation.

Thirty years ago, we threw out about half as much as we do today—some 88 millions tons. In 1970, we threw out 122 million tons. In 1980, we tossed out almost 150 million tons. In 1990, we Americans disposed of or at least put in our trash cans almost 200 million tons of trash.

Ten years from now, if present trends continue, each of us will throw out some 300 pounds more each year, nearly a ton of trash for each American.

We discard enough office and writing paper alone to build a 12-foot high wall from Los Angeles to New York each year. Maybe we should build this wall from New York to Florida so we can keep unwanted trash from moving west, where most of it is going.

Or maybe we should simply allow States to erect walls around their borders.

That would be the simple answer. But, as H.L. Mencken said, "For every problem there is a simple solution, and it is usually wrong."

The fact is that this is a complex problem which requires a solution that reflects the needs of all 50 States. There are at least four critical components of a long-term solution to the interstate waste problem.

First, less waste must be generated in the first place. We need to help communities and States develop real waste reduction programs. And we need to stimulate and maintain reliable recycling markets so that recovered paper and packaging is actually reused in new products. Not only will this save resources, it will reduce the need for landfills, incinerators, and waste exports.

Second, we need to ensure that all landfills are upgraded. The fact is, many landfills are nothing more than inexpensive, open dumps with no environmental controls. This makes these landfills attractive to exporting States. After all, it is cheaper to export to States that have very little or virtually no control.

But by establishing minimum environmental standards for all landfills, it will no longer be possible to move waste to inexpensive substandard facilities far from the States of origin in order to avoid the cost of sound environmental management.

Third, we need to be sensitive to the historical waste management arrangements that benefit both importing and exporting communities and States. Some 15 million tons of municipal waste is exported each year by 43 States. Forty-two States also import some waste.

The point is, nearly every State relies on other States to handle some portion of its waste.

Let me repeat that. Nearly every State relies on other States to handle some portion of its waste, because almost every State in this Nation either imports or exports solid waste. Once EPA's new landfill regulations go into effect in October 1993, some States may find that regional landfills serving communities in more than one State are the best or only way to provide the economies of scale necessary to meet the costs of new landfills.

Finally, we need to ensure that States and communities site new disposal facilities so that they can deal with their own municipal waste.

In many cases, however, intense local opposition has blocked new facilities. As a result, community officials export their trash out-of-State instead of dealing with the underlying problem—shortage of disposal capacity.

No State should be forced to take another State's trash because the exporting State does not have the political will to deal with its own waste.

"Not in my backyard" simply is not a protected right of the Constitution. Those who generate waste have a responsibility to find safe ways to dispose of it, in their own backyards or in other communities that welcome it.

S. 2877

Mr. President, since the Senate first debated this issue in 1990, we have made great progress in fashioning a sound, solid solution to the problem.

This bill grew out of our efforts on RCRA to deal with this issue. And with the exceptions of these provisions, I will detail later, it is identical to the interstate portion of S. 976 reported from the Environment and Public Works Committee in May.

Unfortunately, this interstate waste bill does not address the Nation's fundamental solid waste problems, as does the RCRA reauthorization, S. 976. But it does address an immediate need of some States. Let me describe the provisions of the bill now before the Senate.

The legislation before us gives States authority that they do not have now. That is, it allows the Governor of any State to prohibit and limit out-of-State waste at landfills and incinerators under certain circumstances.

There are two prerequisites for the use of the authority granted each Governor to impose limitations on out-of-State waste.

First, a Governor must receive a written request to restrict out-of-State waste, from both the local government that is home to the landfill or incinerator, and the local solid waste planning unit, if any exists under State law.

I realize that certain Governors would prefer to have unconditional, unfettered authority. But it is the local government and its citizens who live next door to a landfill or incinerator who are directly impacted by imports of out-of-State waste.

If it is the judgment of the local community that it should accept out-of-State waste, that judgment should not be overridden by a Governor.

Moreover, if Governors are given authority to immediately and unconditionally stop out-of-State waste it will likely create chaos in many of our Nation's cities. As I mentioned earlier, nearly every State exports some of its waste to other States. If this option is taken away, then our trash will end up dumped on the side of the road or piled up on city streets. And that is not what we are trying to do.

I should also emphasize that all of the current authorities of the Governor to regulate waste remain intact. The Governor and State agencies will continue to issue permits, set and enforce standards, and exercise all of their powers to protect health and the environment.

Second, a Governor may not exercise the authority to ban or limit out-of-State waste in a manner that would prevent performance of preexisting contracts for out-of-State waste disposal between waste generators and public or private entities.

This bill clarifies, however, that this constitutional protection applies only to written, legally binding contracts. Additionally, to assist States in administering their interstate authority, the bill allows a Governor to require that all such contracts be filed with an appropriate agency in the State.

I am aware that some of my colleagues want to give Governors the authority to ban out-of-State waste without regard to preexisting contractual obligations. However, such a ban would be unconstitutional and inequitable.

The Constitution states explicitly that "no State shall pass any law impairing the obligation of contract."

The enactment of Federal legislation to provide authority under the commerce clause of the Constitution does not also absolve a State from its obligations under the contract clause.

In addition, it seems only fair that we should protect disposal arrangements that were made in good faith reliance on the commerce clause of the Constitution.

The decision as to whether a preexisting contract is legally binding will, of course, depend upon the facts, circumstances, and law of the State.

In some cases, for example, a renewal of a contract at a newly negotiated rate will be deemed a new contract that would not be protected. This bill leaves that decision to State law, as it should.

Once these two conditions have been met, a Governor may ban all out-of-State waste at any landfill or incinerator that did not receive out-of-State waste in 1991.

Now, for those facilities that did receive out-of-State waste during 1991, a Governor may ban waste at any facility that does not meet the State standards for operating such sites.

In addition, it allows any Governor to freeze municipal waste imports to those sites at 1991 or 1992 levels, whichever is less.

This is an expansion of the authority that was available under the bill reported by the Environment Committee. It allows any Governor to freeze municipal waste imports at 1991 or 1992 levels, whichever is less.

This gives States the authority to prevent imports from growing unless they chose to let them do so. And it protects those States, like Indiana, whose imports have dropped this year, from growing back to 1991 levels.

Governors of States that received more than 1 million tons of municipal waste in 1991 are authorized to impose additional restrictions. Governors of these States namely Virginia, Pennsylvania, Ohio and Indiana, may, with or without a local request, freeze municipal waste imports at 1991 or 1992 levels.

Governors of these States may also limit the amount of municipal out-of-State waste received at certain landfills to 30 percent.

This applies to landfills that took in more than 100,000 tons of out-of-State waste in 1991, if that accounted for at least 30 percent of the total amount of municipal waste received.

In addition, if requested by the local government, a Governor in a State that received more than 1 million tons in 1991, may also require that out-of-State municipal waste be disposed of in a landfill that meets the State's requirements for newly constructed landfills.

All Governors, however, must treat State-wide restrictions evenhandedly regardless of the origin of final destination of the waste.

Finally, in an effort to encourage all States to upgrade their landfills, beginning on January 1, 1997, a Governor will lose authority to restrict out-of-State waste unless one of two actions are taken.

Either all operating landfills in the State must meet Federal requirements for newly constructed landfills, or landfills that do not meet these standards must be on an enforceable schedule to shut down prior to January 1, 2000.

In the committee bill, States only had until 1995 to take one of the two actions. Because this was a problem for some States, this bill gives States two additional years to comply. This should provide adequate time to get a permit necessary to construct a new landfill cell or close the landfill.

In short, this bill empowers local communities in Montana and all other states to decide how much out-of-State municipal waste they will accept, whether it be none or a limited amount. And it is up to communities to let their Governor know whether or not they want to accept out-of-State waste.

For example, my bill allows a city like Billings or a town like Miles City to petition the Governor of Montana to freeze, ban or accept out-of-State waste into their communities. The same goes for Missoula, Glendive, Bozeman, Helena, Butte, and all towns and cities across Montana and across America.

Mr. President, these are the key elements in the interstate waste bill now before us. As I said before, I know they do not give everyone everything.

But I believe that the legislation provides States with the authority necessary to control out-of-State municipal waste in an orderly fashion, without seriously disrupting interstate commerce and without creating chaos in our municipal waste disposal system.

THE NEED FOR ACTION

Let me turn now, Mr. President, to some comments on the overall context of this legislation and how Senator CHAFEE and I would like to proceed.

Mr. President, if we are truly going to get to the heart of the interstate and other waste problems facing this Nation and not just treat the symptoms, we must enact comprehensive national waste reduction and recycling legislation.

That is why I had hoped that we could address the interstate waste issue as part of S. 976, the comprehensive Resource Conservation and Recovery Act bill reported by the Environment and Public Works Committee on May 20.

In addition to addressing the interstate waste issue, that bill also includes provisions to address a broad range of recycling and other solid waste issues.

For instance, it expands the reporting requirements under the very successful Community Right-to-Know Program, and requires pollution prevention planning by manufacturers.

It sets national recycling targets and for the first time requires companies, not just taxpayers, to help pay for recycling.

It directs the Federal Government, including the Congress and the judicial branch, to buy recycled products—even if they cost a little bit more.

It requires truth in environmental labeling so that consumers have complete and accurate information when it comes to environmental claims on products. It includes waste management requirements for scrap tires, used oil and batteries, and other orphan wastes; and it includes a number of other important provisions like research and development, and technical assistance to States.

I am, however, fully aware of the complexity of the reported RCRA bill and the need for more consultations with my colleagues before we are ready to proceed to that bill. I also understand the need for expeditious action on the issue of interstate waste transportation this year.

So in considering S. 2877, Senator CHAFEE and I will strongly oppose any amendments that are not directly related to interstate transportation of municipal solid waste.

My experience with S. 976, that is the larger bill reported out of the committee, suggests that such amendments would not be adopted without extensive controversy and expenditure of substantial time.

That would delay and possibly prevent passage of a solution to the interstate waste problem, and it would render even more difficult the effort to proceed with effective comprehensive RCRA legislation.

I still intend to work with my colleagues to bring S. 976 to the floor so we can debate the fundamental recycling issues that are not addressed in this bill. But using this bill as a vehicle for a broader debate on recycling would not be a constructive use of the Senate's time, as I see it.

Mr. President, tomorrow after the party conference lunches, I will try to get the Senate to agree to a unanimous-consent agreement to limit amendments on S. 2877 to those that deal with the interstate transportation of municipal waste.

I yield now to my distinguished colleague, who I see is not here, but I think the Senator from Indiana is probably standing in for Senator CHAFEE. I might add at this point, Mr. President, that Senator CHAFEE, the ranking member of the committee, is a wonderful person to work with. This is a bipartisan bill and bipartisan effort. We worked very, very closely together. I can think of no person I would rather work with in crafting legislation and working with to get legislation passed than the Senator from Rhode Island [Mr. CHAFEE]. He is not here at this moment.

The Senator from Indiana has also been very, very helpful in working with Senator CHAFEE and myself in crafting this interstate issue now on the floor, and I see he wishes to address the Senate. I say to the Senator from Indiana, as he well knows we have come a long way. It has been a year we have worked on this project. I think we finally have a solution. I look forward to working with the Senator to see this interstate issue finally resolved this year.

Mr. President, I yield the floor.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. ROCKEFELLER). The Senator from Indiana.

Mr. COATS. Mr. President, it is my understanding that the minority leader may shortly be on the floor to address another subject for a brief period of time. I will be happy to yield to him when he comes to the floor. Let me begin, though, in the meantime by thanking my colleague from Montana for his comments and for his willingness as chairman of the Environment and Public Works Committee to deal with this difficult, contentious, controversial issue that has been the subject of many of my concerns and other Members' concerns for a period now of more than 2 years.

It has been a long battle to bring this particular issue to the floor. We have addressed it in amendment form to other legislation out of frustration in terms of our ability to bring it to the floor on a stand-alone basis. We have worked carefully with the chairman and the ranking member, Senator CHAFEE, who have been very helpful to us in addressing this concern and working this through the legislative process.

Let me, if I could, Mr. President, begin at the beginning: How did all this start; how did it come about? In my State of Indiana a decade ago we had no problem with out-of-State trash, but in the past several years, and just the past several years, a trickle of trash has become a deluge. In a few more years, any solution will be too late for my State. That explains our urgency and my persistence in pursing this issue. Once a State with 150 operating landfills just in 1980, we have seen that number reduced in half with plans to reduce it perhaps up to 40 to 50 percent more in just the next several years. So our capacity is declining as jurisdiction after jurisdiction determines that it will not site a new landfill.

It is one thing to site a new landfill if you are dealing with the waste disposal from your own jurisdiction. Many county councils, county commissioners, other jurisdictional bodies in Indiana have faced the very difficult political question and environmental question of whether or not to expand their landfill or to establish a new one. The effort is sometimes successful, sometimes not successful.

Often it is not successful because of what has become a growing problem, and that is importation of out-of-State trash. It is one thing to establish a new landfill for the purpose of dealing with your own trash. One community in my State was approached by its county council indicating that its current landfill was rapidly filling up and they wanted permission from the population of that area to create a new landfill. They received that permission on the promise that it would serve the needs of the community for 40 years. They projected the amount of waste generated over the next 40 years—this was about 12 years ago—and indicated that the amount of space they were seeking to add would take care of the community's needs for a 40-year period of time. And on that basis, permission was granted.

Now just 12 years later, the remaining capacity of that 40-year landfill is down to 3 years because it was discovered by out-of-State interests and a deluge of out-of-State trash has come into that particular landfill.

Now the plea to the community is, well, we need to expand again. The response is, what happened to the 40-year capacity? And the answer is, we have no control over the amount of waste going into that landfill because it is unconstitutional for us, under the commerce clause, to prohibit any trash coming from anywhere in this country into that landfill.

That is the problem that we seek to address here today and that is a problem that plagues State after State after State as some States have found an easy way to solve their own waste disposal problems: Simply transport it somewhere else, get it out of town, get it out of State, dump it in another State, dump it in someone else's landfill and that solves our problem.

In Indiana today, for every man, woman, and child in the State, we receive 525 pounds of out-of-State garbage. That is not uncommon in many Midwestern States and increasingly many States across our country.

New York State, for instance, according to a recent report by New York's Commission on Solid Waste Management, indicated that their exports of solid waste have increased 400 percent in just the past 5 years. The total amount of waste that was generated in New York State did not increase more than 2 percent in 1991, but its exports increased 19 percent. Fifty landfills in that State, the State of New York, stopped taking waste in 1991 and not a single new landfill opened. A New York assemblyman by the name of Maurice Henchey, who chairs that commission, sums up the obvious when he says: "We are relying more and more on out-of-State disposal."

In the next few years, Fresh Kills, which is New York City's principal, and the world's largest landfill, will close its door to the waste that once went to that location. All of that waste that goes to Fresh Kills will now need a new home. We might ask where that home will be.

Consider the case of Sainte Genevieve, MO, and I think you will begin to understand the problem that exists in many of our States and in many of our communities.

In Sainte Genevieve, MO, a trash company recently bought 170 acres of land under the name Sainte Genevieve County Lake Estates, Inc. Many assumed that harmless condos would be built and many were excited in the community as it appeared that an out-of-State developer, or at least some developer, would come in and under the name Sainte Genevieve County Lake Estates, Inc., bring growth and development into that community that many had been looking for.

After the purchase was approved, however, the company changed names from Sainte Genevieve County Lake Estates, Inc., to Sainte Genevieve Development and declared its public intention to site a landfill on the 170 acres.

An east coast trash hauler is located just across the highway from the new

Sainte Genevieve Development, a very convenient arrangement.

The residents of Sainte Genevieve now fear the worst, a flood of east coast trash, and they have every reason to fear.

Mr. President, I first discovered this concern in Indiana when, as a new Senator traveling around the State, a number of people raised concerns to me about sudden influxes of trash, they were not sure from where, coming in to fill up their landfills. And so I visited some of those landfills and watched truck after truck after truck, and sometimes convoys of trucks, line up for opening time, which is usually 6 or 7 a.m., and dispose of truckload after truckload of trash in local landfills.

In a landfill in Centerpoint, IN, which was brought to my attention by a very courageous Hoosier women by the name of Teri Moore, I watched a local landfill that had previously received 2 truckloads of trash per day serving the local community of Centerpoint, IN, suddenly be inundated with up to 50 truckloads of trash on a daily basis. I saw, hour after hour after hour, truckload after truckload after truckload backing up to the landfill and unloading that trash.

Under Teri Moore's guidance and some courageous efforts by the people of Centerpoint, IN, 24 hours a day, 365 days a year, a citizen watch group was established, and through hot summer days and freezing winter nights, snowstorms, and hailstorms, and rainstorms, and thunderstorms that passed just outside, the Centerpoint landfill was manned every minute, every hour, every day for an entire year. Every truck coming into the Centerpoint landfill was monitored; a picture was taken of its registration and license plate, surveys were taken of various drivers, and it was determined and documented that the disposal coming to that particular landfill was primarily from the east coast and almost exclusively from out of State.

What was once a landfill designed to receive two or three truckloads of local trash to serve local needs on a daily basis, there for a long, long period of time, suddenly became a landfill with a very short life span, receiving dozens and dozens and dozens of truckloads of trash.

I have since that time surveyed and visited a number of sites throughout Indiana and found that was a common experience.

It was that experience which led me to offer an amendment, now at least 2 years ago, after a futile attempt to bring legislation to the floor of the Senate for debate as we are doing today, which was then filibustered and finally pulled down but then offered again and finally voted on by the Senate in September 1990.

The vote in the Senate was surprising. It was 68 to 31. It was not a partisan vote; as many Members on the other side of the aisle supported it as opposed it. I believe 27 Members of the opposite party supported it along with a number of Senators from my party for a total of 68 votes, a clear indication that the Senate believed something needed to be done to address this growing problem.

Subsequently, that legislation was, unfortunately, stripped in conference and did not make it into law, and it was then in the 102d session of Congress that I reintroduced revised legislation.

The argument in 1990 was that the legislation was too draconian, that it did not address some of the concerns just raised by the chairman of the Environment and Public Works Committee relative to the nationwide extent of our interstate waste problem.

We worked closely with the chairman and the distinguished ranking member from Rhode Island, who I am pleased to see is on the floor, to try to fashion legislation which would address both problems: the problem that those of us in Indiana, Ohio, Kentucky, Pennsylvania, Kansas, and other States were experiencing relative to unwanted out-of-State trash, and the national problem of the generation of trash and the problems of disposing of it in the local community. We attempted to fashion a solution to address that problem.

I have introduced a number of different pieces of legislation. Finally, in working with the Environment and Public Works Committee, we worked through a process which has brought S. 2877 to the floor today. I commend the chairman of the committee as well as the ranking member for their efforts in doing this. It has been a long, difficult, arduous process. The negotiation has been intense, sometimes contentious, but always in a spirit of let us go forward and see if we can get this accomplished.

I have heard from colleague after colleague on the Senate floor about new Centerpoint experiences or Sainte Genevieve experiences. I have heard from Governors who have written or called indicating that they are unable to successfully implement their own in-State waste management programs because they have been inundated by out-of-State problems.

Many a Governor has told me: we will deal with our own, we have a significant problem but we will deal with it, but any attempts that we have to put a comprehensive waste management plan in place, which involves source reduction, which involves recycling, which involves sometimes siting new landfills, which involves responsible measures to deal with their own environmental problems, have been frustrated in that they are then asked to not only solve their own problem but solve some other State's problem because another State, whatever its intent, has not discouraged part of the solution for their problems as loading their material on a truck or a train and shipping it to another State.

My colleagues have given me story after story; I have heard from citizens in small towns across this country who feel powerless to stop this unwanted intrusion into their communities. Our message, which we have tried to ring loud and clear again and again, is to control our environmental future we need the ability to place limits on the amount of trash imported from other States.

What we really want to do is have the ability to sit down at the table and negotiate. We want to say we are willing to address what many consider is a national problem, and that is an explosion of solid waste and a significant decline in the number of landfills that will accept solid waste.

But we want to be at the table when the negotiations are being undertaken. We want to be able to sit down and place reasonable limits and reasonable fees on the amount of trash that is coming into our State, and we may also need the ability to either freeze or ban the amount of trash coming in if we simply do not have any more room for it.

Right now, under the commerce clause of the Constitution, a State may simply load municipal solid waste, declare it interstate commerce and send it anywhere, and the receiver has absolutely no say in terms of how it is disposed, where it is disposed, what the fee for disposition is, and whether or not it can be disposed in a particular place.

Whenever States have attempted to pass reasonable limitations in terms of the amount of trash coming in or fees, inevitably those State laws are thrown out by the Supreme Court or Federal courts as a violation of the commerce clause.

As the Governor of the State of Indiana has said on many occasions, every time we pass a law which effectively limits the amount of out-of-State waste coming into our State, the court declares it unconstitutional. And every time we pass a law which meets constitutional standards, it is ineffective in restricting the flow of out-of-State waste.

A series of Supreme Court decisions have held that the U.S. Congress can authorize States to address this problem, and address it in a constitutional way. But absent specific congressional authority, our States and our communities are powerless to address this issue.

So the legislation before us gives States and local communities that power.

The chairman of the committee outlined effectively and correctly the legislation that we will be dealing with and the powers that will flow both to State Governors and to local communities. It is important that local communities, those front line receivers of the trash, have the first say in the matter. It is important that they have the power to petition the Governor to say that under these conditions we cannot accept any more trash, and we are asking you to ban it, or under these conditions we need to limit the amount of trash coming in and we are asking you to exercise your authority to limit it.

It is important for us to say to those communities and to States that, if we grant this power, there are some corresponding responsibilities that you have to undertake, and that is you have to bring landfills up to certain minimum standards so that we are not creating health hazards, so that we are addressing what we all recognize as the serious environmental problem, and so that we are taking steps on a phased planned orderly basis to bring all landfills up to a certain level of performance.

The question was raised by the chairman relative to modifications to the legislation that is before us. We have worked closely with the Senator from Montana, and the Senator from Rhode Island, and others, in attempting to work out remaining concerns and difficulties, and some of those have been resolved. I appreciate their willingness to work on that, and to resolve those issues.

I had hoped that we would be able to resolve all outstanding concerns so that we could go forward here in a relatively expeditious manner and deal with this interstate waste bill.

I was pleased to hear the chairman indicate that he and the Senator from Rhode Island will work to table noninterstate waste amendments to their bill because this should not be viewed as a vehicle to deal with the whole ranges of problems that exist both under RCRA and perhaps even beyond that.

I understand the potential as well as the frustration in attempting to deal with that broader question because it is a question that needs to be dealt with. But it raises a number of issues that cause considerable concerns to a number of parties and to a number of Senators, and clearly would have defeated this effort this year. I want to stress how important it is to go forward this year.

There are many States like Indiana where the landfill time clock is ticking, and the amount of space left is very little. And if action is not taken this year, if we wait until the next Congress and get well into the next Congress, it may be too late for States like Indiana to chart their environmental future.

So I commend them for their efforts to keep this subject on subject, and I will support them in that effort.

Having said that, there are still some concerns relative to the legislation before us. Primarily, this Senator is concerned about language which allows contracts in existence as of the date of the enactment of the bill to be grandfathered. That is, in my opinion and in the opinion of many, a loophole which effectively supersedes authority given to Governors to control their borders including Governors' ability to freeze imports at specified levels. I have heard from a number of attorneys general in a number of States indicating their concerns relative to this particular clause. We need to discuss that, and we need to address that, and hopefully we can resolve that issue.

Attorneys general have told me that this particular clause that exempts private existing contracts from the authority granted under this legislation confuses the discreet areas of State common law of contracts and Federal legislation, and that the section elevates private action over public law unnecessarily.

That section would include so many types of contracts and related agreements that it almost makes the authority granted under the bill meaningless.

The provisions allow private law to preempt public law. There is no public record of many of these contracts, and there is no legal duty to make them public. As a result, it is nearly impossible to determine how much of an exemption this creates. But privately negotiated instruments entered into within public scrutiny should not trump the public policy choices made by Congress to address the solid waste issues facing the United States.

If we look under common law, it is clear that contracts contemplating the performance of an activity which then becomes unlawful by subsequent legislation are illegal and void. The basis of this common law is critical to understanding why the provisions of section 4011 should not grant special protection to existing contracts between private entities.

As one of the leading treatises under contract law "Murray on Contracts" explains:

> When a statute prohibits the doing of certain things, a contract to do those things is illegal, not because the statute makes it so but because it is deemed to be contrary to public policy to enforce the contract since to enforce it would tend to encourage violations of the statute.

The public policy choices to require comprehensive solid municipal waste planning will be eroded by protecting those contracts. Congress has enacted laws that affect existing contracts which the courts have found to be sound legislation.

So we are not breaking new ground here today. We regularly enact laws that affect existing contracts. Private parties, for instance, cannot include racially discriminatory restrictive covenants and deeds. Congress can act to protect the indebted from foreclosure and employees from wage freezes. Congress can impose liability on prior owners of contaminated property despite contractual provisions which attempted to pass on responsibility for this contamination.

The reauthorization could similarly operate to affect existing contracts based on the legitimacy of the public policy inherent in solid waste management efforts. The Constitution, Mr. President, does not categorically protect contracts. Regulation of future action based upon rights previously acquired by the regulated entity is not prohibited by the Constitution.

Waste contracts include provisions in which one party agrees to bear the risk of a changing law. Many of the contracts that exist set forth provisions clearly indicating where the risk will fall and how it will be apportioned, if Congress acts. There is not a waste contractor in this country that has not known over the past 2 or 3 years that Congress is attempting to regulate and deal with this issue. Many of those contracts have provisions in them readjusting the contract if that in fact happens.

Mr. President, I will at the appropriate time, if we cannot resolve the issue, offer an amendment which would adjust section 4011 to what I think more clearly indicates the intent of not only this Senator from Indiana, but many, many Senators representing a number of States.

I will at that time further discuss the commerce clause power and its effects on private contracts. I am also aware, Mr. President, of other concerns that Senators may have, and they may or may not offer amendments to the bill at hand. I have indicated to the chairman and ranking member, and will here publicly do so, that I will make every effort I can to resolve those concerns and conflicts without having to force the Senate to a lengthy debate and vote on the issue.

However, I must say at this particular point that the concern about the contract language is such that not only the Senator from Indiana, but many Senators from many States, and many Governors from many States, as well as their attorneys general, have indicated to me that without a modification of that particular contract clause, the legislation will not be effective for their State. Therefore, they could not support it without that change.

So I hope that we can negotiate on that matter and resolve it. If not, we will have to let the Senate work its will on that.

I want to close at this particular point in my opening comments here by again thanking the chairman of the Environment and Public Works Committee, and the ranking member, for their untiring work in attempting to resolve what started out to be a single seemingly isolated issue in the State of Indiana and now has become a national concern for many, many of our States. The game of pass the trash must end. There have to be negotiations between the parties. There have to be protections provided for local communities and States. Congress needs to address this very important issue. I am pleased that we are on the floor today addressing it.

Mr. President, I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

PRIVILEGE OF THE FLOOR

Mr. BAUCUS. If the Senator will yield, I ask unanimous consent that Jim MacCarthy from the Congressional Research Service be permitted to be on the floor during consideration of S. 2877 and during the votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, it is my understanding that the Republican leader would like to make some comments, and this is an appropriate time for him to do that. I will soon suggest the absence of a quorum, with the understanding that the Republican leader will be coming forward, and following the Republican leader's comments I would like to make some comments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask that I may be able to proceed as in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW HOPE IN THE MIDDLE EAST

Mr. DOLE. Mr. President, all of us hoped that the stunning electoral victory of Israel's Prime Minister Rabin would help ease some recent strains in United States-Israeli relations, and at the same time open the door to progress in the Middle East peace process.

While it is too early to break out any champagne, it is not too early to conclude that there are real, concrete grounds for new hope on both counts. It is also not too early to consider what that might mean in terms of Israel's request for assistance in resettling Jews immigrating from the former Soviet Union.

Secretary of State Baker has just concluded cordial and promising talks in Israel. Without doubt, the focus of those discussions was the apparent new flexibility in Israeli settlements policy. A breakthrough on that issue could reinvigorate the peace process. It could also remove some, or all of the objections that President Bush raised in regard to the knee-jerk, blank-check approach on loan guarantees advocated by some last fall and earlier this year.

Amidst all the politicking, posturing, and preaching on the issue of loan guarantees, President Bush, and some of us in the Senate, have tried to keep our eye on the ball. We wanted to do it right, rather than do it immediately.

You would not know it from some of the ill-tempered remarks of a few overzealous supporters of Israel, but all of us are friends of Israel. We all recognize the critical importance of a special United States-Israeli relationship. And we all want to help Israel bear the enormous burden of resettling those hundreds of thousands of new immigrants.

But some of us have insisted that we consider Israel's request for help in an orderly way; in a form that we can afford, and the American taxpayer will support; in a program that does not take resources from urgent domestic needs; and in a way that does not undermine the peace process and thereby jeopardize Israel's own long-term security.

I think the results of Israel's elections, the serious and responsible discussions underway with Israel's new Government, and the new hope for progress in the peace talks, all testify to the wisdom of the President's approach.

The bottom line is that the President's determination, patience, and good sense appear to be paying off. We do not have a breakthrough yet, but there is real hope that we might.

So, while it is still too early for the Senate to actually take up a loan guarantee proposal, it is not too early for us to begin thinking and talking about the kind of loan guarantee proposal that will advance America's own interests; will help Israel meet its real needs; will help promote, or at least not compromise the peace process; and will not detract from our capacity to deal with the very real problems we face in this country. I look forward to taking an active role in discussing this with President Bush, with Secretary Baker, and with my colleagues on both sides of the aisle.

I thank my colleagues for permitting me to make this statement.

The PRESIDING OFFICER (Mr. WELLSTONE). The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, will the distinguished Republican leader yield for a question?

Mr. DOLE. I yield.

Mr. CHAFEE. Mr. President, it is my view that if President Bush had not stood firm on his principle, which was no loan guarantees as long as the settlements continue—that was the President's position—if the President had not stood firm on that position, it is my belief that Mr. Shamir would still be Prime Minister of Israel. And, as Mr. Shamir has stated—or it has been stated since the election—that he was not, in effect, serious about peace negotiations with the Palestinians, would the distinguished Republican leader agree with me that the chances for peace would have been vastly diminished had not the President stood the way he did on those loan guarantees?

Mr. DOLE. Mr. President, if the Senator will yield, I would say that he has it exactly correct. Had the President not stood firm, had Shamir prevailed, we would have been deadlocked in the Congress and there would not have been any loan guarantees. The former Prime Minister said—or at least was quoted as saying—he never did intend to have real peace negotiations; he was going to drag it on for 10 years or more.

We have a chance with the new Prime Minister Rabin of really serious talks. In fact, he has taken the offensive; in fact, putting others on the defensive: Let us come together and talk about peace in the Middle East. I think it is a step in the right direction.

I never got involved in the political process between Shamir and Rabin. But it seems to me that the best result was obtained in the election of someone who has flexibility, someone who understands the importance of good United States-Israeli relations, and somebody, I think, who appreciates the President's position.

Mr. CHAFEE. Will the distinguished Republican leader also agree that the President underwent a pillorying for his position of standing firm against those loan guarantees, and in retrospect we are finding he was right?

Mr. DOLE. The Senator is exactly correct. I could probably dig up all the quotations from my colleagues, who were beating President Bush over the head on a daily basis because he would not give in—he would not give in—because of the powerful lobby.

As it turned out, the President was right. And even the powerful lobby has been a bit diminished because of their ties to Shamir. In any event, we may do the right thing. We are all friends of Israel. We demonstrated that time and again. But to some in this body, and others, you cannot deviate 1 percent, or somehow you miss the point.

But the President is right; he stood firm. And I think it is going to be a stronger relationship now with Israel than we had in the past because of it.

I thank my colleague.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with the consideration of the bill.

Mr. CHAFEE. Mr. President, at this time, I would like to return to the interstate transportation of waste bill, which is S. 2877, which is the matter we have under consideration here today.

First, I want to commend the Senator from Indiana [Mr. COATS] for bringing to the attention of the Senate this very complex and difficult problem. I must say that the Senator from Indiana is a true bulldog as far as this issue goes. He has gnashed his teeth into this, and against all kinds of difficulties and challenges and contrary problems posed by other States. The Senator from Indiana represents a State that is a receiver. In this complex matter of municipal waste or garbage, his State is a receiver. And so when he wants to ban the interstate shipments, of course, he has to deal with the exporters; in this case, principally New York State, and a few other States, likewise.

So the Senator from Indiana has been pursuing this for the benefit of his State for, it seems to me, 2 years anyway. It may be longer. But he has camped on our doorstep in the Environment and Public Works Committee, trying to seek a resolution of this problem, and he has done it very, very successfully with the legislation that we have before us.

I know he has some amendments to this, and we will consider those amendments in due course. But I do think the Senator deserves a tremendous amount of credit for the careful attention and tenacity with which he has confronted this problem.

I would also like to pay tribute to the chairman of our subcommittee who had dealt with this. That is the distinguished senior Senator from Montana [Mr. BAUCUS]. He has put a lot of hours on this. It is a difficult problem, as I mentioned before. When you try to satisfy one group, you get the other group upset. And sometimes it seems like the Gordian knot that cannot be united. But as a result of the careful attention of the Senator from Montana, the distinguished chairman of this subcommittee, I think we have arrived at as good a solution as we can.

Now, there are several points I would like to make. And perhaps these have been made earlier, but I would like to reiterate them if I could.

First, the bill we are considering today and will vote on amendments to tomorrow deals exclusively with the transport across State borders of municipal waste, commonly known as garbage. Municipal waste has a better ring to it than garbage. What is the U.S. Senate doing discussing garbage? So we call it municipal waste. Sometimes it is called trash.

Now, we have not dealt with other types of waste, such as hazardous waste. We have not dealt with industrial waste, or we have not dealt with construction or demolition debris. You might say this is really a refinement. Can you break waste down into four separate categories? Indeed, we can; and we are.

We used to deal within our committee with hazardous waste. And, indeed, that was what RCRA, the Resource and Conservation Recovery Act, was all about, that we dealt with about 4 or 5 years ago. That dealt with hazardous waste, principally. So that is taken care of. And we have dealt with industrial waste, and we have dealt with construction and demolition debris.

The legislation of the Senator from Indiana is not involved with that. Those are different topics, and require different approaches.

The proposal that we have before us, I think, comes pretty close to the solution that has been sought by Senator BAUCUS and Senator WARNER and Senator DOLE and Senator COATS, as I mentioned earlier, and Senator SPECTER from Pennsylvania, Senator MOYNIHAN from New York, and Senator LAUTENBERG from New Jersey. All of these Senators have been deeply involved with the legislation, as well as my having been, likewise.

With a few minor changes which we will consider tomorrow, we have a bill that it seems to meet the needs of both importing and exporting States. Now, the conflict that we are dealing with is, it seems to me, a symptom of a far larger solid waste problem. And that is that in the United States of America, we are generating more and more waste every year. We are a throwaway society and, unfortunately, our landfills are filling up.

Communities across the Nation are reluctant to do two things: First, to authorize new landfills; or second, to authorize incinerators. They are slow in developing—that is, our communities are slow in developing—recycling programs. And so the result is what we have today: A garbage crisis. And we are going to drown in this garbage if we do not do something about it.

Now, we have a four-part solution to this problem in the RCRA legislation which we have developed and which is not now before us. First, we have tried to reduce the amount of waste we produce. Second, we try to encourage more recycling. Third, we try to encourage the States and municipalities to take responsibility for their municipal waste, and to try to dispose of it in a safe manner. Somehow, we have to restore public confidence in waste disposal technology. And, finally, when and if new disposal facilities are built, they must be protective of the environment.

Now, this legislation which we have before us, subject to certain exceptions, allows the Governor of the receiving State to prohibit shipments of out-of-State waste if the affected local government submits a request to the Governor to do so.

What makes this all so complicated? It is complicated because, as I mentioned earlier, it tries to accommodate the interests of the exporters and the reluctant importers, and also it recognizes that interstate waste is not an issue that just involves a couple of States in our Nation. It affects our entire country.

We have struggled to provide States some control over imported garbage without unduly limiting the interstate commerce. As you know, there is an interstate commerce provision in our Constitution. Now some say, why do we not just do it simply and say to a State that is an importer, "You're allowed to ban it."

Well, that is very simple. H.L. Mencken, the noted critic of the early part of this century, was fond of saying that for every complex problem there is a simple solution, and that simple solution is probably wrong. And regarding interstate waste, that is clearly the case.

Listen to these statistics. In the United States we generate about 180 million tons of waste every year; municipal waste—garbage, trash—180 million tons. You might say, well, there are only a few States that export or import. Forty-three States ship some 15 million tons out of State every year; 43 States, every State in the Nation except 7—I suppose Alaska does not ship out of State—43 States ship it out, and 42 States import some waste every year.

Nearly every State relies on at least one other State to handle some portion of its waste. The vast majority of these so-called border waste shipments are noncontroversial because they are just traveling a short distance over State lines and they have done this for years. We do not want to unnecessarily upset these arrangements.

The problem arises, the problem we are trying to deal with here today is some States, such as Pennsylvania or Indiana or Kentucky, are forced to accept what they rightfully believe is far more than their fair share, while other States are left free to export far more than what seems reasonable.

We have tried to find a solution that will reduce its exports and yet give the exporting States some time to reduce the amount of waste generated, some time to increase recycling, and some time to locate new in-State storage facilities, whether it is an appropriate designed waste disposal facility or even an incinerator.

We believe the legislation we have before us, while not perfect, is fair and will provide a reasonable solution to this problem. In this area, we have a new sense of urgency. This comes about because of two recent Supreme Court decisions which reaffirmed, stated again, that States cannot, absent some action by the Congress of the United States, regulate the movement of interstate waste. In other words, absent us doing something, a State cannot interfere with interstate commerce in this area. Others will undoubtedly speak to greater detail about those cases, so I will not belabor them here.

I know that many Senators will be tempted to offer what is known as RCRA [Resource Conservation and Recovery Act] amendments to this bill. We have worked for a couple of years now in the Environment Committee, we have reported to the floor a very complicated RCRA piece of legislation. It has many provisions to it. Some Senators have the temptation to try and add those provisions through this very simple—I should not say simple—but this modest provision which we have here on the floor today. I must say I have several I would like to offer myself. But I do not believe that this is the proper vehicle, the one we have before us now, S. 2877, I do not believe this is the proper vehicle to add RCRA-related amendments to.

The Committee on Environment and Public Works, as I said before, has reported out a Resource Conservation Recovery Act amendment also, S. 976, which, as I mentioned before, has many fine provisions in it, although there is some detriments to the legislation, likewise. Despite valiant efforts in connection with that legislation by the Senator from Montana and myself and others, I think it is safe to say that the RCRA amendments reported by the committee, S. 976, probably will not come to the floor for consideration this year. And if it does, I have some doubt as to whether the legislation would pass. So probably we are going to be considering that next year.

But this particular problem, the problem that Senator COATS has brought before us, is not an issue that can wait until next year. It is crying for a solution now. As I mentioned, it is not solely the distinguished Senator from Indiana that is wrestling with this problem and has brought it to our attention, but there are Senators from other regions of the country likewise that have expressed support for the measure we are considering.

People might say, well, if you have some good provisions in RCRA, why do you not bring them up and attach them to this bill before us?

I do not think a that a law as significant as the Resource Conservation Recovery Act, which is one of our most important environmental statutes, should be brought before us piecemeal, nor amended. We have a basic statute and what S. 976 does is amend that.

Some say, we will take some parts of that S. 976 and add them to the basic underlying law. I do not think that is the way to proceed. I think that that basic, underlying law, the Resource Conservation Recovery Act, should be amended in a very, very throughtful manner and not narrowly and with haphazard amendments that I or others might take out of the underlying measure, S. 976, that I mentioned before.

Therefore, I agree with the proposal of the Senator from Montana [Mr. BAUCUS] and I join in the request to our colleagues to refrain from offering any amendments which do not deal with the interstate transport of municipal waste. Now if they want to offer amendments to that, so be it. If they want to offer amendments to the interstate transport of municipal waste, that certainly is thoroughly germane. But I would hope that other amendments, be they RCRA amendments or other amendments, would not come before us at this time.

Again, I commend all Senators who have worked so diligently to try to craft a solution to the problem of interstate waste shipments, and particularly I want to single out, as I have, Senator COATS, and I would also like to mention the senior Senator from Pennsylvania [Mr. SPECTER] who has worked very hard on this likewise.

I thank the Chair.

If no one else is wishing to speak, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I rise in strong support of the legislation before this body at this time. That legislation is designed to control the interstate transportation of municipal waste, and my State has experienced both the importation of undesired and unwanted waste as well as the importing of waste that was to be disposed of in accordance with contracts, so we have some communities on both sides of this issue.

I wish to add my support to an amendment to be offered by Senator COATS and others to strengthen this bill. The Senator from Indiana has been a leader on this. He has been before the committee on which I am privileged to serve, the Environment and Public Works Committee, on a number of occasions and I personally commend him for the leadership he has shown on this difficult issue.

Mr. President, since this issue first came before the Senate in 1990, I have introduced three pieces of legislation to address this matter. Virginia is one of the four States which currently receives over 1 million tons of out-of-State waste annually, but this issue has affected the citizens of Virginia in both positive and negative ways.

On the positive side, in two circumstances, Virginia localities have entered into agreements with either waste companies or regional entities to receive for disposal municipal waste generated outside the affected local jurisdiction. Such agreements have allowed the local government to negotiate various forms of financial advantages which have been positive for the economic development of the community.

On the negative side, for example, in rural Selma, VA, in Alleghany County, citizens waged a 20-month battle while 65 tractor trailer loads of trash per day carried tons of waste over rural roads to a privately owned landfill. This landfill accepted out-of-State waste despite the wishes of the local government and citizens and caused serious damage to the water quality of the Jackson River.

In the first situation, the local community was actively involved in the planning, siting, and operation of the landfill because the private company sought their participation. This approach fostered an atmosphere of mutual trust and cooperation between the private sector and host community. The local government was ensured an environmentally protective facility that was a significant economic benefit to the community.

In the second situation, the local community was expressly denied any participation in the operations of the landfill and excluded from regulating the amount of out-of-State waste that was disposed in the Kim-Stan landfill in Selma. This approach fostered an atmosphere of contempt between the local community and the privately owned facility that left extensive damage to the environment even after the facility was forced to close.

Mr. President, my interest in this issue is to ensure that those communities which wish to participate in these arrangements with private landfill companies to improve their economy should be allowed to do so.

It is also my goal to ensure that the local government, which has primary responsibility over local land use decisions, should be able to say no to garbage coming into their communities.

Above all, we must ensure that any facility meets the highest standards to protect human health and the environment.

With these two distinct contrasting—good and bad—experiences in Virginia, I felt that early legislative approaches which allow States to ban all waste regardless of the wishes of local governments did not fully protect the interests of all communities in Virginia. also, I recognize that States must be provided a clear role in this issue as planning for landfill capacity becomes an increasingly important task in the years ahead.

It is because of a lack of political will to adequately plan for capacity and the divergent economic factors of disposal between the Northeast and other regions of the country that the interstate shipment of municipal wastes has become such a volatile issue.

The approach that Senators COATS and BAUCUS offer today, which has resulted from many months of discussions between significant importing States like Virginia, the exporting States, and private industry, is the best effort to recognize the many legitimate viewpoints.

For exporting States, the approach grandfathers many existing facilities with disposal arrangements in an effort to avoid immediate disruption of the marketplace.

For importing States, this approach grants the authority to States and local governments to reject out-of-State waste from coming into their communities unless localities participate in the process and provide their approval.

For the private sector, it provides protection to existing contractual arrangements and protection from State or locally imposed bans on disposal of wastes.

Mr. President, I am pleased that the Senate is considering this important issue. I urge my colleagues to support the efforts by the Senator from Indiana, the Senator from Montana, and the distinguished ranking member of our committee, the Senator from Rhode Island.

I thank each for the opportunity to participate in supporting their efforts, and I hope that the Senate will act favorably.

Mr. President, I yield the floor.

IMPROVED ENERGY EFFICIENCY

MOTION TO PROCEED

CLOTURE MOTION

Mr. BAUCUS. Mr. President, on behalf of the majority leader, and in concurrence with the previous consent agreement, I now move to proceed to Calendar No. 493, H.R. 776, the energy bill, and I send to the desk a cloture motion on the motion to proceed.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of H.R. 776, an act to provide for improved energy efficiency:

J. Bennett Johnston, David L. Boren, Alan Cranston, Fritz Hollings, Bob Kerrey, Robert Byrd, Howell Heflin, John Breaux, George Mitchell, Howard M. Metzenbaum, J. Lieberman, J.R. Biden, Jr., F.R. Lautenberg, Jim Sasser, Slade Gorton, Warren B. Rudman, Phil Gramm, Connie Mack, Jake Garn, Frank H. Murkowski.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the mandatory live quorum as required under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I now withdraw the motion to proceed.

The PRESIDING OFFICER. The Senator has that right. The motion is withdrawn.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with the consideration of the bill.

Mr. LAUTENBERG. Mr. President, first, I want to compliment my colleague, the distinguished Senator from Montana [Mr. BAUCUS], for trying to resolve a very contentious issue, the issue surrounding interstate shipment of waste.

Today we are considering legislation, S. 2877, the Interstate Transportation of Municipal Waste Act. It is an attempt to address this very serious issue. We want to resolve the so-called garbage wars in a responsible manner. When we talk about garbage wars, it sounds a little bit whimsical, but it is not at all. It is a very serious problem.

While there are aspects of this bill with which I disagree, it represents a reasonable compromise that addresses longstanding concerns over the interstate transport of municipal waste, and I support it.

Mr. President, S. 2877 is based on the interstate waste provisions developed by the Environment and Public Works Committee during its consideration of S. 976, the RCRA Amendments of 1991. The committee worked in good faith to develop an environmentally protective proposal that is sensitive to all States, without being unduly harsh to any one of them.

The committee proposal leaves to local governments the choice of whether to build new landfills to receive waste. Many local officials have shown that they can deal with the issue responsibly and permit landfills that are built to meet rigorous environmental standards.

The committee provision was authored by Senators BAUCUS and CHAFEE and supported by Senators WARNER and WOFFORD, who represent large garbage-importing States.

The committee provision gives exporting States time to reduce exports; but it also ensures that there will be limits on exports, and exporting States are on notice that they must reduce their shipments of garbage.

S. 2877 makes a couple of changes to the committee proposal. The most significant allows all States to freeze imports of municipal waste at 1991 or 1992 levels.

The interstate waste provisions under consideration today are critical to New Jersey. As a small but densely populated State, New Jersey has had an acute waste problem, partly caused by the fact that for years we took waste from other States.

As a matter of fact, the Supreme Court rejected New Jersey's effort to reduce the importation of wastes from other States.

New Jersey has also been the focus of attacks by my colleague, the Senator from Indiana, and others.

I think that we have tried earnestly to work out a compromise, and I would like to do that if we can by taking this bill, which as I said earlier is not something I fully agree with but in the spirit of compromise I would support it. I am going to take a few minutes just to go over the record.

New Jersey has the most aggressive recycling programs in the country. But, we have virtually run out of space to dispose of our own waste. It would be unfair to suddently impose arbitrary and misguided restraints on New Jersey, as we move to address our waste proposal needs within our own borders. It would not only be unfair, but it could create future environmental problems by forcing environmentally damaging waste disposal practices.

Mr. President, for most of the century until the mid-1980's, New Jersey was an importer of solid waste. As recently as the period of 1980 to 1982, more than 10 million tons of New York and Pennsylvania garbage was sent to New Jersey for disposal. We did not like it, and, as I mentioned, tried to stop it. We were told by the Supreme Court that we could not. The Court said that one State could not isolate itself in the stream of interstate commerce from a problem shared by all. And our landfills were increasingly filled.

Today, New Jersey is an exporter. Mr. President, New Jersey does not like this situation any more than we liked it when we took other State's garbage. We do not want to continue our dependence on other States for garbage disposal. For one, it is unpredictable. And it is very costly, too—New Jerseyites already pay more for garbage disposal than the citizens of any other State in the Union. New Jersey wants to be self-sufficient, but we need time to do so.

Self-sufficiency is a major component of New Jersey's solid waste policy. That is why New Jersey is implementing the most aggressive recycling program in the Nation. New Jersey now recycles 52 percent of its total waste stream and over one-third of its municipal waste. Its goal is 50 percent of its municipal garbage and 60 percent of its total waste stream by 1995.

New Jersey has added more than 1 million tons of disposal capacity over the last year and a half. And New Jersey's Commissioner of the Department of Environmental Protection, Scott Weiner, testified at an Environment Committee hearing that New Jersey is ready to complete the job of ending garbage exports.

New Jersey is now evaluating additional applications for disposal capacity and recycling facilities that will further increase the amount of recycling. New solid waste facilities, together with additional recycling efforts will assist New Jersey in attaining its goal of self-sufficiency.

Mr. President, the issue of interstate garbage has been the subject of much misinformation. I still hear widely inflated figures for New Jersey exports of municipal waste. But New Jersey has already significantly reduced its garbage exports, down to 21 percent of its waste, not the more than 50 percent that is so often quoted. By 1991, New Jersey had reduced its municipal garbage exports to 1.65 million tons, not the 5.5 million ton figure that is so often cited.

As recently as a June 1 press conference, the junior Senator from Indiana was still blaming New Jersey for the bulk of Indiana's garbage exports, and I see the Senator here, and I hope that he will take note of this.

But, Mr. President, New Jersey is not permitting the disposal of even 1 ounce of New Jersey trash to Indiana, not 1 ounce.

In addition, just last August, the Governors of New Jersey and Indiana signed an agreement to join forces to stop any illegal disposal of New Jersey garbage in Indiana. And Indiana and New Jersey took joint action to stop a number of companies from illegally shipping garbage to Indiana.

New Jersey is taking enforcement action against those companies.

Bruce Palin, chief of the Indiana Department of Environmental Management's solid waste branch, is quoted in the May 27, 1992, issue of Integrated Waste Management, as saying that all parties concur that the agreement is working well. Even more importantly, Mr. Palin confirms that waste shipments from New Jersey have ceased.

In fact, according to the article, of the six landfills that receive the overwhelming bulk of waste imported in Indiana in 1991, today only one still receives any waste imports.

I ask unanimous consent that a copy of the Indiana-New Jersey agreement, and newspaper articles about the enforcement action and Indiana municipal waste imports be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INDIANA/NEW JERSEY SOLID WASTE ENFORCEMENT PLAN

I. HISTORY OF THE PROBLEM.

For the past few years, substantial volumes of municipal solid waste have been sent from many eastern states, including New Jersey, for disposal in Indiana. New Jersey's waste flow law allows only a small amount of solid waste to be disposed of in Indiana and it appears that substantial amounts of the waste received by Indiana from New Jersey may be illegal shipments. Out-of-state waste shipments have created enormous problems for Indiana, including the overburdening of its regulatory system, the illegal receipt of infectious medical waste and other improper wastes with trash shipments, the loss of its landfill capacity, traffic and safety problems, and the hindering of Indiana's recycling programs, among other problems.

New Jersey having been a major solid waste receiving state itself until just the last few years, understands that this situation is intolerable to Indiana. Indiana understands that such shipments are equally intolerable to New Jersey, which has in place a policy to manage its own waste emphasizing source reduction, recycling and in-state disposal capacity.

Indiana is barred by the U.S. Constitution from imposing a flat prohibition on out-of-state waste or from imposing regulations on out-of-state waste that would improperly impair the flow of solid waste across its borders. Both Indiana and New Jersey, along with a host of other states, have had laws that could have restricted the flow of solid waste across their borders struck down under the Constitution's interstate commerce clause.

Governors Florio and Bayh recognize that interstate waste shipments present an issue of national significance which should be addressed by Congress in the context of a national policy. However, they believe that by coordinating the enforcement of existing laws in effect in New Jersey and Indiana, the two states can eliminate illegal shipments for disposal in Indiana of New Jersey waste. Environmental officials from the two states suspect that a substantial portion of the waste coming to Indiana from New Jersey does so in violation of New Jersey's unique waste flow law or in violation of one or more of Indiana's newly enacted solid waste laws.

II. PURPOSE OF THE AGREEMENT

To stop the flow of illegal waste to Indiana, the States of Indiana and New Jersey agree to cooperate in law enforcement efforts to identify and prevent those responsible from illegally transporting and disposing of solid waste in Indiana. The purpose of this agreement is to formalize a cooperative relationship among the governors and state regulatory officials in New Jersey and Indiana to facilitate the sharing of information, the conduct of joint investigations, and the coordination of enforcement activities related to their solid waste laws. This agreement will further the goal of both states to effectively manage their solid waste and to provide for the appropriate and environmentally sound transportation and disposal of solid waste in accord with the laws and regulations of each state.

This is not an agreement to regulate interstate commerce. Instead, it represents a recognition of the fact that various solid waste laws of both states require facts and information from other states to facilitate enforcement. Active cooperation among states, in addition to the simply supply of information, may make the difference between effectiveness and ineffectiveness for many of these laws.

Only Congress can regulate interstate commerce. Each governor reserves the right to assert on behalf of his state a position on federal interstate waste legislation that he believes is in the best interest of his state.

III. TERMS OF THE AGREEMENT

1. To assist Indiana in its "good character" determinations under Chapter 10.2 of the Indiana Environmental Management Act, New Jersey shall provide Indiana with the notices of license revocation of waste companies or individuals who are to be revoked, debarred or precluded from engaging in the waste industry.

2. New Jersey shall provide relevant investigative information of any waste company or individual upon request, subject to applicable laws of each state. Each state shall reciprocally exchange investigative information upon the request of either state.

3. To assist New Jersey in its enforcement efforts, Indiana shall provide New Jersey with the following:

(a) relevant information and documentation relating to shipments of improper wastes, including medical wastes;

(b) relevant information relating to the disposal of New Jersey waste in Indiana landfills obtained from manifests required by Indiana law;

(c) relevant information relating to the disposal of New Jersey waste in Indiana landfills obtained from quarterly disposal facility reports required by Indiana law.

4. In order to assist Indiana in the implementation of its newly enacted uniform transfer station inspection law, Indiana will consult with New Jersey on the preparation of the program's regulations. Furthermore, New Jersey shall assist Indiana in the conduct of inspections of New Jersey facilities pursuant to the law. Consideration will also be given to the development of an interstate compact to provide for the reciprocal delegation of investigative authority.

5. For the purpose of acquainting Indiana with the New Jersey border checkpoint inspections program, New Jersey will invite Indiana to participate in future border inspections. To assist this activity, each state shall develop an inspection checklist so that the inspection officials of each state can effectively determine whether a vehicle is operating within the regulations of each state.

6. New Jersey shall provide to Indiana information on solid waste which is properly designated for disposal in Indiana landfills in accord with the franchises, waste flow directives and disposal contracts of New Jersey's transfer stations.

7. Indiana and New Jersey shall, as soon as practical, develop and conduct a cross-training program so that its solid waste enforcement, permitting and operations personnel are trained to identify activities which are not in conformance with each state and to undertake appropriate communication and enforcement action.

8. Indiana and New Jersey shall communicate on a regular basis on the development of effective and mutually beneficial solid waste manifest forms and other documents as are necessary to improve the enforceability of each state's solid waste regulations.

9. Indiana and New Jersey shall evaluate each state's regulations and statutes in order to facilitate and improve enforcement and vehicle safety activities.

10. Indiana and New Jersey shall, as soon as practical, develop a protocol to allow for the gathering, marking and preservation of suspect materials for future enforcement actions.

11. Indiana will give New Jersey prompt notice of apparent violations of New Jersey's laws, regulations and directives. New Jersey will respond to this information including, when appropriate, the dispatching of enforcement personnel.

IV. IMPLEMENTATION

Governors Florio and Bayh agree, this 18th day of August, 1991, to immediately initiate actions in their respective states to implement the program described herein.

JIM FLORIO
Governor, State of New Jersey.
EVAN BAYH,
Governor, State of Indiana.

[From Integrated Waste Management, May 27, 1992]

INDIANA OFFICIALS SEE MAJOR PROGRESS IN CAMPAIGN AGAINST IMPORTED WASTE

Indiana regulators appear on the verge of victory in their crusade against out-of-state solid waste.

In 1991, six landfills handled 80% of all solid waste imported into the Hoosier state, much of it from the East Coast and Canada (Integrated Waste Management, 8 Jan., 3). Now only T.H. Landfill in Miami County continues to accept such long-haul waste.

In recent months, two of the landfills—Northside and Spring Valley—have closed because they ran out of space. And three others stopped taking out-of-state waste voluntarily. They are Center Point, Wabash Valley and United Refuse, the latter still clinging to life despite a closure order from the state.

Bruce Palin, chief of the Indiana Department of Environmental Management's solid-waste branch, told Integrated Waste Management he is a bit hesitant to claim victory because he measures success in ridding Indiana of out-of-state waste "one landfill at a time." Clearly, though, Palin is confident the trend is moving in what he sees as the right direction.

Palin said T.H. Landfill, which receives about 1,000 tons of waste daily, mostly from the East Coast, also may be operating on borrowed time. "T.H. has a limited lifetime," he said, adding the landfill is filling up and eventually may be forced to close.

Solid waste, particularly that emanating from out of state, has been a front-burner item for first-term Gov. Evan Bayh, a Democrat seeking re-election this year. Indiana has signed reciprocal agreements with New York and New Jersey to monitor shipments of waste between the states.

All parties agree the accords are working well. According to Palin, waste shipments from New Jersey have ceased altogether. Indiana regulators recently issued suspension orders to several New York generators who did not have proper permits.

Under the Bayh administration, the General Assembly has enacted legislation aimed at restricting or more tightly regulating waste haulers, waste brokers and transfer stations both inside and outside of the state.

And IDEM has been actively enforcing those laws. "Our plan seems to be working," said Palin.

Some landfill operators blame politics for what they contend are nit-picking violations hammered at by the regulators. Dallas Schnitzius, president of United Refuse landfill in Fort Wayne, said the state shut the facility April 1 because of a clerical error in a permit application almost 10 years ago, when the landfill was under different ownership.

United Refuse tried but failed to get a court to issue a temporary restraining order blocking the state's action. The 112-acre landfill reopened April 6, however, after the company won a stay until late August from Wayne Penrod, an administrative law judge for IDEM.

A hearing will be held this summer at which United Refuse essentially will have to prove it has not run out of space, as the state contends. "We say we have 1.4 million cubic yards left in the first cell and about 1 million cubic yards in the second," said Schnitzius. "That would give us about 15 years of life."

IDEM Assistant Commissioner Timothy Method disagrees. "Our position is they've pretty well filled up the space under their permit."

To avoid unnecessary controversy, United Refuse recently stopped accepting out-of-state waste from New York and Pennsylvania. The state didn't order it to do so, acknowledged Schnitzius. "Obviously, the state has made no bones about the fact it didn't want (the waste) there. . . . We knew the state didn't like it."

Palin claimed surprise at some of the unilateral decisions by landfills to cease taking out-of-state waste. Wabash Valley, where concerns over groundwater contamination have bubbled to the surface, said it would quit handling out-of-state waste as of April 27 and attempt to replace it with local trash.

[From the Star-Ledger, Sept. 11, 1991]

INDIANA BARS GARBAGE FROM 14 JERSEY FIRMS

(By Tom Johnson, P.L. Wyckoff, and Ted Sherman)

Indiana has blocked all garbage shipments from 14 New Jersey waste haulers and recycling centers charged yesterday with illegally exporting trash from New Jersey.

The action took officials here by surprise, but enforcement action was promised by the end of the week.

Gov. Jim Florio and Indiana Gov. Evan Bayh just last month signed a cooperative enforcement pact to stop unlicensed out-of-state dumping after Indiana complained that garbage from the Northeast was choking its overburdened disposal facilities.

"Today we're taking the first law enforcement steps to begin to crack down on illegal dumping in Indiana," Bayh said at a news conference in Indianapolis yesterday. "I think this sends a loud and clear message that Indiana won't accept illegal loads."

Indiana state police and environmental officials were sent to the Indiana landfills to inspect trucks and waste manifests to make certain that none of the waste was coming from the New Jersey companies, which were said to be operating without state transfer station permits.

New Jersey Environmental Commissioner Scott Weiner said the companies in question have been under scrutiny by law enforcement officials for some time.

"I anticipate we will be taking some action against some or all of these companies by week's end," he said. He added that the move to halt shipments from the New Jersey companies will not have any impact on residential pickups.

No New Jersey garbage is legally dumped in Indiana, according to Weiner, who pointed out that waste-flow directives issued by the state Department of Environmental Protection and Energy (DEPE) determine where trash should be sent.

Most of the 14 companies named yesterday are incorporated as recycling firms, which are not regulated in New Jersey and do not need permits. But officials in both states charged that the firms were operating as transfer stations, which must be certified and licensed by New Jersey.

Transfer stations typically receive loads of locally collected trash and put it onto trucks or rail cars for shipments to landfills. A law enacted this year by Indiana requires that transfer stations sending trash into Indiana be licensed to operate in their home states.

The New Jersey companies cited by Indiana as operating without state permits were High-Tech Recycling of Middlesex Borough; Cardella Recycling of North Bergen; Distribution Recycling, Metal & Ferrous Recovery, Smart Inc. and Regional Recycling, all of Newark; Arrow Recycling, Recycling Specialists, V. Ponte & Sons and Alpha Paper Co., all of Jersey City, Hoboken Recycling and Nekabah Inc. of Hoboken and V. Ponte & Sons and Camden Recycling, both of Camden.

Indiana officials said the New Jersey stations were notified last Thursday of the impending crackdown. All landfills in Indiana were also notified.

Representatives of the companies had little to say yesterday, and most that were viewed by Star-Ledger reporters appeared from the outside to be doing business as recycling centers, although a strong odor of rotting garbage could be detected at a few of the locations. No trash was visible at any of the sites visited.

Weiner said that while companies that operate as legitimate recycling operations do not need to be licensed by New Jersey, any that are shipping significant amounts of trash out of their facilities would be in violation of solid waste laws and face administrative penalties and potential notices to halt operations. Those operating without permits as transfer stations would face separate penalties.

"We'll be initiating an administrative proceeding to halt any illegal activities and seeking appropriate compensation and penalties as the case may dictate," Weiner said of the companies named.

Weiner declined to be specific about what haulers and companies faced enforcement actions but added, "These companies are not new to us."

Steven Gabel, director of the DEPE's solid waste division, said five of the facilities are already targets for administrative action for charges ranging from operating an illegal trash transfer station to violating waste-flow restrictions. The companies—Cardella, High-Tech, Regional Recycling, Arrow and Recycling Specialists—are appealing the notices of violation issued by the DEPE.

In addition, Gabel said V. Ponte of Jersey City had asked for a permit to operate a transfer station, which was denied. The decision is under appeal. Gabel said Hoboken Recycling is operating without a permit but contends that it does not need one because it is operating under a 1980 court order.

DEPE officials say they believe some of the transfer stations may be importing trash into the facilities from other Northeast states, where is it bundled up and shipped to Indiana. The waste is not generated in New Jersey but is manifested as coming from the state by Indiana officials.

Weiner said yesterday's action showed that the agreement New Jersey signed last month with Indiana was working to stem illegal trash exports. "It is demonstrating that the system we put in place is beginning to bear fruit," Weiner said. "It is the type of response we anticipated, and we expect more to come."

The commissioner added that the agreement with Indiana and resulting ability of New Jersey to tap into Indiana's information has made a difference.

"Indiana is taking action based on their belief that these 14 companies are not authorized by the state of New Jersey to engage in activities which would lead to these types of massive shipments out to Indiana," Weiner said. "They got hit today and they will be hit again."

Jon Shure, Florio's press secretary, said the Governor was pleased that "our agreement is beginning to show tangible results. Absent a concerted effort by the two states, this sort of enforcement action would not have happened."

Asked whether New Jersey officials were slow to take action against the illegal dumping, Shure said, "This isn't a time to worry about why things hadn't happened in the past. They're happening now."

Steven Madonna, the state's environmental prosecutor, said it had been difficult to stop illegal waste exports, and he blamed the situation on a void in New Jersey's criminal law statutes.

"We do truck stops, but there is no way we can halt every truck at every crossing," said Madonna. "We need people at the other end to provide this kind of information."

Indiana officials said New Jersey ships more than 160,000 tons of garbage a year to the Hoosier state. They said the enforcement action announced yesterday won't stop all the illegal trash but will make shippers think twice.

"The most important thing is the more shippers know we are watching, the more we will deter their efforts," said Kathy Prosser, head of the Indiana Department of Environmental Management.

Prosser said the crackdown was a direct result of last month's accord that has led to both states sharing information on the origin of garbage.

She said her department's workers had developed a list of transfer stations shipping garbage to Indiana and compared the list with DEPE records of firms licensed to ship trash. The comparison revealed the 14 unauthorized transfer stations ordered by Bayh to cease shipments yesterday.

Prosser said her agency is also working with New York officials to reach a similar agreement. New York ships more trash to Indiana than New Jersey does.

East Coast states ship more than 700,000 tons of trash to Indiana each year, severely reducing the landfill capacity there, she said. "Ten years ago we had 150 landfills," Prosser said. "Today we have 79. It's not all filling up as a result of Hoosiers' trash."

State police monitoring the five Indiana landfills that accept most of the out-of-state trash have already turned away trucks from New Jersey that do not have proper documentation. "We've sent them away and tried to escort them to the border," Prosser said.

A spokesman for the Ohio Environmental Protection Agency said that agency is also negotiating an agreement with New Jersey to share trash information, similar to the accord with Indiana.

[From the Star-Ledger, Sept. 14, 1992]

THE "MAX"—STATE MOVES TO FINE 14 TRASH FIRMS

(By Tom Johnson)

Describing it as the smuggling of the '90s, state officials yesterday launched enforcement actions and will seek maximum fines against 14 waste stations and recyclers accused of illegally shipping garbage to Indiana landfills.

The companies, the target of an interstate agreement aimed at cracking down on illegal out-of-state dumping, face fines of $50,000 for each violation, which could mount quickly, authorities said.

"In every case, we're talking about hundreds of thousands of dollars in fines," said Department of Environmental Protection and Energy (DEPE) Commissioner Scott Weiner, who called the unauthorized shipments an economic as well as environmental offense.

"They're reaching their hands into the pockets of taxpayers and ratepayers," he said.

Under New Jersey law, any waste residue from recycling operations must be shipped to designated county transfer stations, landfills or incinerators.

Bypassing designated county facilities cuts into revenues of those operations, forcing citizens and businesses to pay higher garbage rates, the commissioner argued.

In the actions taken yesterday, the state alleged the companies either violated waste flow directives or operated unlicensed solid waste facilities.

In one case involving Recycling Specialists Inc. of Jersey City, the paper recycler was accused of illegally shipping more than 200 tons of waste to two Indiana landfills on 11 occasions between June and August.

Other companies were accused of only a single violation, but more allegations are likely to be added as a joint investigation with Indiana officials continues, officials said.

Weiner and other state officials said the latest enforcement actions are part of a growing trend of illegal smuggling of trash. The state has more than 175 active enforcement cases involving economic violations of solid waste law before administrative agencies and the courts, including at least six involving companies cited in the latest action.

"This is nothing new," Weiner told reporters at a briefing in his Trenton office on the actions. "Fifty years ago, the country experienced illegal smuggling of liquor. Today, we're looking at the illegal smuggling of a different commodity—garbage."

Several of the companies—High Tech Recycling Inc. of Middlesex, Cardella Trucking Co. Inc. of North Bergen, Recycling Specialists Inc. of Jersey City, V. Ponte and Sons Inc. of Camden, and Regional Recycling of Newark—previously have been slapped with violations, with some charges dating as far back as 1981. All are contesting state administrative actions to shut down their operations.

The cases, officials conceded, underline the need to close loopholes in New Jersey's solid waste laws that allow unscrupulous companies to bypass regulations.

Environmental Prosecutor Steven Madonna urged the Legislature to strengthen the laws by making violators of waste hauling laws subject to criminal penalties.

"It is a very sobering process when you're looking at the potential loss of a truck or even your own freedom," Madonna said.

Besides seeking maximum fines for each of the violations cited yesterday in show cause orders, the state also will try to force the firms to reimburse the counties for revenue they lost because the companies skipped designated county solid waste facilities and did not pay those fees.

Those assessments could be expensive. Steve Gabel, director of the DEPE's Division of Solid Waste, noted a typical truckload is about 22 tons. The difference in tipping fees in Indiana and New Jersey runs from $15 to $35 a ton at a Hoosier landfill, to $70 to $130 a ton at a facility in the Garden State.

In addition, the administrative orders also direct the companies to immediately cease the illegal activities.

Most of the companies declined comment on the allegations, but Mike Riotto, chief operating officer for Materials for Recycling Inc. in Newark, called the charges "unfounded."

"I'm not a garbage man. I pay for recyclables," he said. "I'm being prosecuted unjustly." The plant was cited for one count of a waste flow violation.

During a month, his facility on Ridgewood Avenue will ship out 500 loads of recyclable materials gathered from five counties. The residual waste from that operation amounts to half to a full trailer load.

Riotto added it is virtually impossible to keep track of what residual waste is generated from each county. "I have no idea how much waste should go back to each county," he said.

Five other companies were cited for waste flow violations. They included Alpha Paper Co. of Jersey City, Camden Recycling of Camden, Nekoboh of Hoboken, Recycling Specialists Inc. of Jersey City and V. Ponte and Sons of Camden.

Three firms were accused of operating unpermitted solid waste facilities. They were Arrow Recycling or Tempesta and Sons Inc. of Jersey City, Cardella Recycling of North Bergen and Distributors Recycling of Newark.

Three other companies—Hoboken Recycling of Hoboken, Smart Recycling of Newark, and V. Ponte and Sons of Jersey City—have been subjects of previous administrative actions by the state. In those cases, the additional allegations gleaned during the Indiana investigation will be made part of pending hearings on those charges, Weiner said.

One other firm, PMC Recycling of Jersey City, is subject to an ongoing investigation.

Mr. LAUTENBERG. Mr. President, New Jersey and other States should not be faced with arbitrary or politically motivated bans or restraints that have nothing to do with solving problems. We should not suddenly be cast out to sea. This legislation recognizes that fact and provides a national response which is sensitive to the environmental needs of all States.

The State of New Jersey has come a long way on this issue and has made marked progress in recycling and reducing the export of waste. In New Jersey, we still believe that environmental guidelines should govern permissible waste disposal practices, not geographic boundaries. However, we have tried to work with the Environment Committee in good faith, to develop an environmentally protective proposal.

I urge my colleagues in the Senate to support it and reject last minute, unreasonable proposals that may be offered which have received no scrutiny or review. Should such amendments be offered, I will find myself compelled to discuss them at length.

Mr. President, I hope the Senate will support this bill without amendments, which is I thought the understanding that we had. Each of us swallowed a little hard and accepted a compromise that I thought was reasonable to all parties. If the Senate will support this bill without amendments and vote for a fair and environmentally sound resolution of this issue, we can dispose of this issue fairly quickly. Mr. President, solid waste disposal is a national problem. The Nation is choking on the 180 million tons of garbage we generate each year. We have become a throw-away society, relying on excessive packaging.

What we need to do is develop a national response to deal with our waste problem—to promote recycling and production of recyclable products—and to promote safe disposal of waste.

What we really should be doing is passing legislation to strengthen RCRA to deal with this problem. It is unfortunate that we appear here to be unable to bring this legislation to the floor, and I regret it.

While we should address interstate shipments of municipal waste, we should be doing it in the context of a comprehensive response to our waste problem.

Mr. President, interstate shipments of waste is not an issue just for New Jersey. The National Solid Waste Management Association reports that 43 States exported municipal solid waste in 1989. And that waste must go somewhere. Many localities resent taking another community's waste. As a New Jerseyan, I understand that concern.

I have consulted closely with the New Jersey Department of Environmental Protection and Energy and the Office of the Governor in New Jersey about S. 2877. It will require New Jersey to continue its efforts to reduce interstate waste shipments.

Their analysis indicates that this proposal will not cause immediate disruption, garbage sticker shock, or environmentally damaging responses by New Jersey.

Mr. President, I have made clear that I would oppose any legislation which did not give my State the time it needs to end its garbage exports. No State should be pushed into emergency, environmentally unsound solutions to waste management problems. No State should be punished because it accepted out-of-State waste for years and now needs time to implement vigorous recycling and waste reduction strategies.

Mr. President, in this, the Environmental Protection Agency agrees. At an EPA hearing, EPA Administrator Reilly said:

> * * * we should not create any authorities that operate as a ban on interstate transport of either solid or hazardous waste, thereby inhibiting or restricting development and use of the most appropriate technology for waste treatment or recycling.

The Administrator also said that interstate waste did not present an environmental problem and that immediate bans would lead to undesirable disposal of waste including illegal disposal.

Mr. President, disposal of solid waste is a problem we all share. And we cannot solve this problem with short-sighted solutions which divide us rather than unite us.

This bill is fair and reasonable. So I urge my colleagues to support S. 2877 and reject amendments which will upset the delicate compromise on which this bill rests.

I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I thank the Senator for that very good statement.

I also want to ask the Senator a question. I was particularly struck with the Senator's statement that the State of New Jersey has gone so far, in some ways it could be even leading the Nation, in this recycling effort. I recall the Senator saying that the State of New Jersey now recycles about 50 percent of its recoverable materials and the goal of the State of New Jersey is to reach 60 percent by the year 1995.

I want to tell the Senator how impressed I am with his State's efforts because, as the Senator well knows, in our committee we attempted to set a 40-percent recovery rate for plastics, for glass, and for paper. We reported the bill out of committee. But, fortunately, we found that there is such vehement opposition on the Senate floor and with so little time remaining this year we could not get that bill up and we had to separate out the interstate provision and that is what we are addressing here today on the interstate provision.

My question is, can the Senator say how New Jersey has done so well? It is a great story that New Jersey is now telling us and the Nation; that is, how well New Jersey is doing and what a great job they have done to recycle. How has New Jersey done so well and gone so far?

On the other hand, most of the other States in the Nation, I daresay I do not know any other State in the Nation that is doing as well as New Jersey, that is not recycling as much as New Jersey. What advice could the Senator give to us to help us better elucidate and educate other Senators that their States can do as well as the State of New Jersey?

Mr. LAUTENBERG. Well, Mr. President, as the Senator from Montana knows, he and I being good friends and having traveled to his State, first, you reduce your land mass. That starts the process going. When you have roughly 1,000 people per square mile—and the Senator from Montana jokes with me because Montana has 8 per square mile.

Mr. BAUCUS. Four.

Mr. LAUTENBERG. Montana has lost population rapidly.

But, what happened is we have just had to deal with the problem, and it became our State's mission to get on with the job. The costs for disposal of waste have gone through the roof. We have had to find ways to reduce those costs. Part of the cost reduction is to be able to recycle this material. It has some value and, therefore, reduces the costs to the home owner or the apartment dweller. We are very aggressively reaching the goals that the Senator noted. As I said, we recycle 52 percent of the total waste stream and over one-third of our municipal waste and our goal is 50 percent of municipal waste, 60 percent of the total waste stream by 1995. We are well on our way to doing it. It just takes a lot of effort.

Our Governor, Governor Florio, is very committed. He served, as you know, in the House for some time. The Senator from Montana may have actually served with him. He is a very strong environmentalist. He is aware, as is much of our State legislature, that the door could be closing on transport of waste and as a consequence you have to look for ways to dispose of it. And as everyone in this body knows, one of the ways that is not particularly popular that is being reviewed is incineration because it has its own problems.

So you look at the options. We do not want the material put into the ocean. We have been through that. And the ocean has responded by disgorging the material that was thrown in it and finally we came to our senses. So New Jersey, being the small, industrial State it is, has just said that is part of our agenda and we have done it. We hope that other States will follow.

Mr. BAUCUS. Mr. President, I think it is very commendable.

As the Senator also well knows, similar efforts are now being undertaken in the European Community. For example, the country of Germany has recently passed legislation setting approximately a 60-percent recovery rate. And the European Community now is working on a directive that would apply to the entire European Economic Community which is not quite as ambitious—I think it is somewhere between 50 and 60 percent—but nevertheless goes far, far more in the direction that we should be going in our country and the direction in which the State of New Jersey is already going.

The fact of the matter is very simple. If we are going to reduce the pressure in landfills and the States are going to be better able to have less out-of-State waste imported into their State, one good way to do this is to produce less waste in the first place.

And the bill we worked on in our committee, which we reported out of committee, would have helped accomplish that, would have set the right-to-know provision and in other ways, minimization plans that companies have to file, would encourage companies to produce less waste in the first place; second, very strong provisions in the bill to encourage more recycling.

The more reducing waste production, the more recycling, the less pressure there is going to be on landfills and incinerators. The State of New Jersey is moving in that direction and that will in itself reduce a lot of pressure. I very much commend the Senator in his efforts in the State.

I might tell the Senator last week at the New York Democratic Convention I was on a panel with the Senator's esteemed Governor, Governor Florio, and I was very impressed with his presentation where he then explained what New Jersey is doing. And I commended him for his efforts and I said to him I only wish that the Senate and the rest of the country could do as well as the State of New Jersey.

Mr. LAUTENBERG. Mr. President, if I might I would like to say to the Senator from Montana who is the chairman of the Subcommittee of EPW that deals with the environmental pollution, that I was impressed with the leadership he gave to moving RCRA from the committee. Despite much opposition and long debate, the fact is that the Senator from Montana—who has an enviable record on the environment—is taking on some of the very toughest issues and nevertheless held his ground.

That is the way things happen around here. Some kind of a consensus can almost always be struck. And that is what we have to do here. We will never get something that satisfies 50 States. And to try to single out one State or two or put the heat on a few is not the way to accomplish things. The way to accomplish things is the way the Senator from Montana I think has done it in the past. He did it with the Clean Air Act and made a major contribution to a better environment for future generations and also with RCRA and I hope we are going to be able, if I can use the expression, resurrect RCRA. But this is a significant step along the way and I hope our colleague from Indiana—and I know that he is under significant pressure to try to move restrictions along but nevertheless, I think it would be fair to say to the Senator from Indiana that much of the work he has done is now reflected in this compromise. And he deserves credit for it. And, if we can leave it untouched, we have a bill in front of us that does the job. We ought to go with it and not trifle with it, not try to make additions that will perhaps sink this program. Because we—I, my colleague from New Jersey, my colleagues from across the river, from New York—are compelled to resist modification of this difficult compromise that we have arrived at.

It is medicine. We swallow it. It is not the best, but we think it does deal with the problem that has to be solved. So I thank the Senator from Montana for his leadership and hope we will be able to get on with this bill.

Mr. BAUCUS. I thank the Senator.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana [Mr. COATS].

Mr. COATS. Mr. President, I would like to just respond to a few of the comments made by the Senator from New Jersey. One, I appreciate his willingness to work with the process here as we are attempting to resolve this now nearly 3-year problem, and come up with a piece of legislation we can all jointly agree to which recognizes the significant pressures that his State has been under to dispose of solid waste, the significant gains that they have made in-State dealing with those problems, and the improvements they have made in their recycling and reduction of export of waste. I trust the Senator appreciates the serious situation that exists in a State like Indiana, which has been the recipient of out-of-State waste.

The Senator from New Jersey and I have had our disagreements on this floor in the past in dealing with this. We are working, hopefully, toward a successful resolution of those disagreements in legislation that each of us can accept.

As I have indicated on a number of occasions publicly to the Senator from New Jersey, we in Indiana in many ways have a great deal of respect and affection for New Jersey and its people and its products. We appreciate its contributions to our Nation. We listen to music by Bruce Springsteen, and we appreciate the fact that Notre Dame has probably achieved a couple of national championships because of the football players that you have sent us, and your medical products and a number of other things. We like everything about New Jersey except your trash, and that is what we are trying to eliminate.

The Senator from New Jersey indicated that New Jersey in the past was an importer of out-of-State waste. I wrote down what he said. He said, "We did not like it and we tried to stop it, but at the time were unsuccessful because of the same commerce clause that has prohibited Indiana from trying to stop that trash." So I am sure the people of New Jersey and the Senator from New Jersey can appreciate why we are trying so hard, in Indiana, to stop this influx of trash that is not generated in our State. For the very reason that they did not like it, we do not like it. We are trying to find a solution to that.

I was somewhat mystified by the statement—and I hope it is true—that not one ounce of legal trash from New Jersey is entering the State of Indiana. I am mystified because, while I am aware of the fact that our Governor and the Governor of New Jersey entered an agreement some time ago to prohibit the shipment of illegal trash from New Jersey into Indiana, that the flow of legal trash into Indiana has continued. In fact, the Indiana Department of Environmental Management has given me figures just today that for the first quarter of 1992, Indiana received 45 percent more trash from New Jersey than we did for the first quarter of 1991. I know that is at odds with what the Senator from New Jersey just said and I will follow up on that to find out what the discrepancy is in the statements and in the figures.

Out-of-State waste is coming from somewhere. I hope it is not New Jersey. If it is not New Jersey, it is coming from New York and if not New York it is coming from someplace else, and obviously other States are facing the same problem. So we are not here on the floor just because Indiana has a problem. We are here on the floor today because Pennsylvania, Ohio, Kentucky, Virginia, Oklahoma, Illinois, Michigan, New Hampshire, Vermont, Connecticut, Rhode Island, and many, many other States in this country cannot take the kinds of steps the Senator from New Jersey has outlined that his State has taken, because we are inundated in the flowing of trash from other States that overwhelms our ability to take reasonable steps to decide our own environmental future.

The State of Indiana, as I have indicated on many occasions, has taken very bold and responsible steps to plan for its environmental future and disposal of its waste. But we are overwhelmed in our ability to accomplish those goals because we never figured on having to accept everybody else's problems. And we are simply trying to come up with a rational solution to deal with that. I am hopeful we can do that.

This Senator from Indiana has also swallowed hard, accepted provisions in this bill that are different from what I initially introduced. I did so in a good-faith effort, as has the Senator from New Jersey and the Senator from Montana and others, in trying to recognize this is not a one-State or two-State problem, but a national problem, and that reciprocal arrangements between States, with the agreement of the affected communities, is a rational way to deal with this problem, but that Governors certainly have to reserve for themselves the right to at least draw the line somewhere, limit the amount coming in so we can plan responsibly for the future, and that is what this bill attempts to do.

As to the fact that no amendments should be offered to this legislation, I think it is only fair to say that the discussions underway in terms of the initial proposals before us did not include an exemption for private contracts. In fact, in my understanding of the RCRA legislation when it was originally authorized, it was that this same type of discussion arose and for the same reasons that the Senator from Indiana is concerned about this language, that language was deleted from RCRA legislation relative particularly to interstate transportation of hazardous waste.

If we do not allow private contracts of hazardous waste under RCRA to supersede legitimate State authority, why would we allow that to take place for municipal solid wastes under this legislation. I think it is a legitimate point to raise. In fact I will enter in the RECORD a letter I just received from the Governor of the State of Indiana dated July 17:

> DEAR DAN: I believe we share a concern that language exempting preexisting contractual relationships from out-of-State waste restrictions may create undesirable loopholes in the Federal interstate waste legislation. I appreciate your effort to try to eliminate this language from the legislation and I wholeheartedly support it. The United States Constitution protects private contracts. Every State has a well-established body of contract law. Courts have experience in dealing with the issue of the applicability of changes in law to preexisting contractual relationships. I think the inclusion of specific language on this issue is bound to muddy the waters and lead to unanticipated problems. We had an experience with this very problem in Indiana a couple of years ago. A bill passed our legislation imposing a solid waste disposal fee but exempting disposal pursuant to preexisting contracts from that fee. This created such problems that the exemption was subsequently repealed.
>
> Sincerely,
>
> EVAN BAYH,
> *Governor of the State of Indiana.*

I have also heard from and will be receiving information from many other Governors in this country relative to this same concern, the fear that this particular exemption undermines the very intent of the bill.

No one is trying to give States like Indiana, or importing States, more authority than what is granted to them under this bill. What we are trying to do is keep a particular clause which many believe abrogates the authority given in the bill and renders the bill ineffective. That is a question we will have to deal with tomorrow. But I wanted to at least raise the issue today, since it was already raised on the floor.

Again, I am hopeful that we can work together in reaching a consensus without bogging down in unnecessary delay or unnecessary discussion about what the final result of this bill should be, and what the final content of this bill should be. I think there is a strong consensus for action on this bill in the U.S. Senate. It reflects the strong consensus for action that exists throughout our Nation and in many of our States.

This bill has bipartisan support to ensure that the authority granted local communities and the authority granted Governors under the bill, which will allow garbage, trash, municipal solid waste, to flow to those communities that want it and have the facilities to take it, but also allow reasonable restrictions to be imposed by Governors of States and local communities who say: We are inundated; we cannot take anymore.

I think there is a strong consensus to move forward on this, and I hope we can do so. I think we have come a long, long way, to the credit of many individuals whom I have named on this Senate floor, and I appreciate their advice and their counsel—their support. It has been a long, grueling, 2½, almost 3-year effort now, to raise this issue to the level which would allow us to bring this legislation to the floor.

So I am hoping we can proceed, and proceed expeditiously. This Senator certainly has no intent of holding up the process.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Chair recognizes the Senator from New Jersey [Mr. LAUTENBERG].

Mr. LAUTENBERG. Mr. President, I will just take 1 minute, and that is to make certain that my colleague from Indiana recognizes that in my statement, we took comments made by Mr. Palin, the chief of the Indiana Department of Environmental Management, Solid Waste Branch, in which he was very specific. He said in 1991, six landfills handled 80 percent of all solid waste imported into the Hoosier State, much of it from the East Coast and Canada. Now only one—he identifies it at T.H. Landfill in Miami County—continues to receive such long-haul waste.

He said all parties agree that an accord that was worked out between Gov. Evan Bayh of Indiana and Governor Jim Florio of New Jersey and signed with New York to monitor shipment of waste between the States—all parties agree the accord is working well. According to Palin, the person I referred to, waste shipments from New Jersey have ceased altogether. So there is a lot happening. The issue date of the article is May 27, 1992. It is recent.

I would just say, because this debate obviously is going to go on, I thought—in response to something the Senator from Indiana said—I thought we had an understanding that this was a compromise acceptable to the Senator from Indiana, when we talked before the recess, and that amendments would not be part of the agenda. Of course, anyone has a right to offer an amendment at any time. There is nothing that precludes it.

So I thought that we had worked this out in good faith and were prepared to move on this one section of RCRA, because the Senator from Montana saw this as a critical issue and wanted to dispose of it.

Be that as it may, New Jersey has done its share of living up to the agreement. We intend to continue to pursue our options. We do not think the situation now resembles the situation when New Jersey tried to ban garbage imports into its boundaries. There were no plans afoot to deal with the problem on a national basis, as there are now. New Jersey, the tiny State that it is, was getting overwhelmed by the trash being imported from other places and, again, we were not allowed to stop it. We did not like that, but had Pennsylvania, at the time, the subject of a suit, said, "Look, we will be cutting this down," we would have breathed a significant sigh of relief. As it was, we had to just continue to take what was being shipped. And our landfills were filled.

So I think the conditions are clearly drawn. I am going to resist with all the force that I can muster any amendments which would hurt my State. Again, I thought we had an agreement; I thought we had an understanding. To see this chopped away at, to make it more difficult to resolve this problem on a national basis, which is where it has to go, in my view would simply obstruct action on the floor. I hope that will not be necessary.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I do not mean to prolong this. We certainly have a long day tomorrow, it sounds like. But just in response to the Senator from New Jersey, I first have a question about the letter from Mr. Palin. It is true that an agreement, a reciprocal agreement, was entered into between the Governor of Indiana and the Governor of New Jersey. That agreement was for the State of New Jersey to stop shipping illegal waste to Indiana.

It is my understanding that New Jersey has made a very good good-faith effort to stop shipping that illegal waste. However, that is only a minuscule part of the total amount of waste exported. And while we appreciate the cessation of the shipment of illegal waste, what the Senator from New Jersey said is directly contradictory to the figures I just received relative to what we have received, and maybe that is the difference between the legal and the illegal waste.

I intend to contact Mr. Palin, and we will clarify that matter. I do not know that we need to go back and forth on it here.

As to the good-faith agreement, this Senator from Indiana has been trying for 3 years to get a good-faith agreement to move on this issue. And it is not the Senator from Indiana who has blocked this effort. It is not the Senator from Indiana who has filibustered every effort that I have undertaken to deal with a problem that not only affects the State of Indiana, but affects many States in this country.

We have a 68-vote margin; 68 votes in favor of this effort. And yet, we could not get the bill on the floor until 1½ years later. It is only at this Senator's insistence that we go forward with this that we are on the floor at all, or that perhaps even shipments of trash from New Jersey are declining in Indiana, if those figures are true. Does anyone think that Indiana would have less New Jersey trash today had I not been insistent that we do something about it, or that we would be on the floor today?

Now, I have been very clear and up front relative to this process. I have never said I would accept this bill as is. I have communicated to the chairman, to the majority leader, and to—I believe, I thought—the Senator from New Jersey that there were some concerns about the committee report, the committee draft, that has come out.

We have resolved most of those concerns. It is not just the Senator from Indiana. There are other Senators who have concerns about this. I cannot speak for them. They will come to the floor and speak for themselves.

But I have never left anyone with the impression—and if I have, I apologize. But I do not believe I have ever left anyone with the impression that I have agreed to every jot and title and word of S. 2877, and that this Senator would preclude himself from offering any modifications whatsoever. I have clearly communicated that on a person-to-person basis, and a staff-to-staff basis. And I left the floor here, just before recess, clearly indicating that to the relevant parties to this particular legislation.

So I still believe we can move forward in good faith, and intend to move forward in good faith. But to say that any effort whatsoever to modify the bill before us in the one specific provision, in the opinion of the Governor of the State of Indiana and the Governors of a number of States and the attorneys general of a number of States, completely abrogates the entire effect of the bill for their States, we might as well not go forward at all. We might as well just withdraw this bill and go back to square one if we have to accept that.

Those Governors are certainly going to tell their Senators, "Forget it. S. 2877 is not going to provide us with the relief we need if that particular clause is in there." That has been communicated for several weeks in every way we know how.

So there is no breach of good faith or breach of agreement by the Senator from Indiana. If there was an understanding to the contrary, I think it is just a matter of miscommunication.

Mr. President, I will cease talking for the day and yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana [Mr. BAUCUS].

Mr. BAUCUS. Mr. President, I thank the Chair.

Mr. President, I think we are beginning to see what the democratic legislative process is all about. We have two Senators, each with a different point of view. This is a democracy. The Senate will work its will, and we will resolve this. I compliment the Senator from Indiana as well as the Senator from New Jersey. They have both worked very hard, and they both have provided exemplary service on behalf of their States, I must say. They are dogged in the representation of their States, the Senator from New Jersey as well as the Senator from Indiana.

We must remember, though, that we are a nation; we are 50 States; we have 50 different points of view. We cannot let perfection be the enemy of the good. Perfection in the eyes of the Senator from Indiana is a bit different from perfection in the eyes of the Senator from New Jersey, and the legislative process will work its will in the next day or two when we go to conference with the other body and then, after that, hopefully, a bill for signature at the President's desk.

But I think everyone who has dealt with this issue, the transportation of interstate waste, knows that, first of all, it is extremely complicated; that almost every State either imports or exports waste. I think 42 States export solid waste to some other State, 43 States import solid waste from other States. The concern of the Senator from Indiana is about importation of solid waste to Indiana. The fact is Indiana exports solid waste to other States, indeed, I think to Illinois and Michigan. I think it is 300,000 tons a year.

That is fine. That is the way it should be, because we are different States, and different communities have different capacities, different needs, different economic requirements, different environmental concerns. It is the way our Nation operates.

So I urge all of us, when we consider amendments tomorrow and the next couple of days, to remember we are a nation. We must work together. We cannot let perfection be the enemy of the good. We should strive to represent our State's best interests but recognize that no one State is going to control this process; that again the result will be an accommodation of the various States.

Mr. LAUTENBERG. Will the Senator yield for a question?

Mr. BAUCUS. I would love to yield to the Senator from New Jersey.

Mr. LAUTENBERG. The Senator from Indiana, in his comments, said private contracts were not exempt in S. 976, and I think that may not actually be the case. I believe there was exemption for private contracts.

Mr. BAUCUS. The language in this bill before us, S. 2877, as well as S. 976, with respect to contracts is the same. That is, private contracts——

Mr. LAUTENBERG. Were exempt, is that correct?

Mr. BAUCUS. The point is that in both cases States cannot abrogate contracts.

Mr. LAUTENBERG. Right. So just to make the record clear, the Senator——

Mr. BAUCUS. There is no change as between the two bills; that is correct.

Mr. LAUTENBERG. Right. The Senator from Indiana perhaps misunderstood what was there. At least in his statement he suggested that something was different.

Mr. BAUCUS. That is right.

Mr. LAUTENBERG. I just wanted the record to reflect the correct condition.

MORNING BUSINESS

Mr. BAUCUS. Mr. President, I now ask unanimous consent that there be a period for morning business with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAKING TECHNICAL CORRECTION TO SENATE CONCURRENT RESOLUTION 129

Mr. BAUCUS. Mr. President, I send a concurrent resolution making a technical correction to Senate Concurrent Resolution 129 to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 130) making a correction in the enrollment of Senate Concurrent Resolution 129 of the 102d Congress.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 130) was agreed to.

The concurrent resolution is as follows:

S. CON. RES. 130

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate, in the enrollment of the concurrent resolution (S. Con. Res. 129) expressing continued support for the Taif Agreement, which brought a negotiated end to the civil war in Lebanon, and for other purposes, shall make the following correction:

In the resolving clause, insert immediately after "concurring)" the following : "That the Congress".

Mr. BAUCUS. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JEFFERSON NATIONAL EXPANSION MEMORIAL ACT AMENDMENT

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 472, H.R. 2926, regarding the Jefferson National Expansion Memorial.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2926) to amend the act of May 17, 1954, relating to the Jefferson National Expansion Memorial to authorize increased funding for the East St. Louis portion of the Memorial, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources, with an amendment.

On page 3, line 1, strike "development" and insert in lieu thereof the following:

development; except that no funds are authorized to be appropriated for the removal or relocation of the grain elevator located within the East St. Louis addition.

So as to make the bill read:

H.R. 2926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EAST SAINT LOUIS PORTION OF JEFFERSON NATIONAL EXPANSION MEMORIAL.

The Act of May 17, 1954, entitled "An Act to provide for the construction of the Jefferson National Expansion Memorial at the site of old Saint Louis, Missouri, in general accordance with the plan approved by the United States Territorial Expansion Memorial Commission, and for other purposes" (68 Stat. 98; 16 U.S.C. 450jj and following) is amended as follows:

(1) The first sentence of section 4(a) is amended—

(A) by striking out "The Secretary of the Interior is further authorized to designate" and inserting in lieu thereof "There is hereby designated";

(B) by striking out "not more than" and inserting in lieu thereof "approximately"; and

(C) by striking out "MWR-366/80,004, and dated February 9, 1984," and inserting in lieu thereof "366-80013, dated January 1992,".

(2) Section 9 is repealed.

(3) Section 11 is amended by striking out subsection (d) and by amending subsection (b), as added by section 201(b) of Public Law 98-398, to read as follows:

"(b)(1) For the purposes of the East Saint Louis portion of the Memorial, there are authorized to be appropriated, $2,000,000 for land acquisition and such sums as may be necessary for development; except that no funds are authorized to be appropriated for the removal or relocation of the grain elevator located within the East St. Louis addition. Such development shall be consistent with the level of development described in phase one of the draft Development and Management Plan and Environmental Assessment, East St. Louis Addition to Jefferson National Expansion Memorial—Illinois/Missouri, dated August 1987.

"(2) Funds expended under paragraph (1) for development may not exceed 75 percent of the annual cost of such development. The remaining share of such annual costs shall be provided from non-Federal funds, services, or materials, or a combination thereof, fairly valued as determined by the Secretary. For the purposes of this paragraph, the Secretary may accept and utilize for such purposes any non-Federal funds, services, and materials so contributed.".

Mr. DANFORTH. Will the distinguished Senator from Wyoming yield for a question?

Mr. WALLOP. I will be happy to yield to the Senator from Missouri.

Mr. DANFORTH. My colleagues from both Missouri and Illinois feel that in-kind contributions credited toward the 25-percent match on the actual cost of phase I development should specifically include, but not be limited to the following items:

Environmental studies;

Improvements to access roads serving the park;

Demolition of existing facilities, including appropriate environmental activity;

Legal fees and loan costs for acquisition and development of properties;

Landscaping design and construction;

Planning, civil engineering and architectural costs;

Donation and enhancements of roads and signage in the park;

Clearance and cleanup of riverfront properties within the footprint of the park;

Retrieval of riverfront levee stones;

Removal of riverfront dockage and signage;

Donation of facilities, land and buildings for park purposes, which are located within the footprint of the park;

Acquisition of properties which are located within the footprint of the park, excluding the grain elevator which is specifically addressed in the amended provisions of the legislation;

Land elevation and capping in accordance with environmental landscape design; and

Cost for development of parking lot and related facilities and amenities including lighting, utility infrastructure, site clearance, debris removal, and utility construction, relocation and removal.

My question to the Senator from Wyoming is, does the accomplishment of the activities or the accomplishment of a portion of the activities I have just described qualify toward in-kind services and therefore qualify as credit toward the 25-percent matching funds?

Mr. WALLOP. The Senator from Missouri is correct. Staff has contacted the National Park Service and it is the Service's opinion that all of the activities you have described are consistent with the proposed phase I development plan. The accomplishment of any one task or a portion of any activity would be considered an in-kind service. In short, eligible in-kind contributions or services should include all project-related costs associated with the planning, development and construction of the park. This sense of project related is the same definition used by HUD, EDA, and DOT when those agencies cooperate with local governments on federally funded projects. The precise value of the in-kind service would be agreed upon between the National Park Service and the Southwestern Illinois Development Authority and/or the Service and the city of East St. Louis and/or the Service and the Gateway Arch Park expansion prior to the performance of the in-kind service.

Upon completion of the in-kind service the agreed upon value will be credited toward the 25-percent cost share.

Mr. DANFORTH. I thank my colleague from Wyoming and ask that he yield for one additional question.

Mr. WALLOP. I yield to the Senator from Missouri.

Mr. DANFORTH. The amendment to the bill directs the Secretary to complete a study of alternatives to and costs associated with the removal of the grain elevator located within the East St. Louis addition. At least one alternative would fully explore a plan which would retain and incorporate the existing grain elevator into the phase I development plans. My understanding is that the study need not be completed prior to the expenditure of appropriated monies or in-kind services on phase I development. Is my understanding correct?

Mr. WALLOP. The Senator from Missouri is correct. Land acquisition and development of the park, according to phase I development, is authorized to take place prior to completion of the study on the removal of the grain elevator. The purpose of the study is to explore feasible alternatives to retain the grain elevator on the property and incorporate the facility into phase I development plans. The study could provide the Congress with an adaptive use alternative which would benefit the park and the visitor, as well as the taxpayer.

Mr. DANFORTH. I thank the Senator from Wyoming, and I agree that in times of tight budgets and the various fiscal constraints, this study will provide us with the answers which should outline a prudent way to proceed toward the completion of the park project. I thank the Senator for his assistance in this very important matter.

The PRESIDING OFFICER. Are there further amendments?

AMENDMENT NO. 2730

(Purpose: To amend H.R. 2926 to clarify that the 25% cost share is credited toward acquisition and removal of the grain elevator, and add a section requiring a one year study of alternatives to retain the existing grain elevator in the development plan)

Mr. BAUCUS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for Mr. DANFORTH for himself, Mr. DIXON, Mr. BOND, and Mr. SIMON, proposes an amendment numbered 2730.

Mr. BAUCUS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 23, through page 3, line 18, strike subsection (b) in its entirety and insert in lieu thereof the following:

"(b)(1) For the purposes of the East St. Louis portion of the memorial, there are authorized to be appropriated $2,000,000 for land acquisition and, subject to the provisions of paragraphs (2) and (3), such sums as may be necessary for development: *Provided*, That such authorization shall not include any sums for the acquisition, removal, or relocation of the grain elevator and business located within the East St. Louis unit of the Memorial. Such development shall be consistent with the level of development described in phase one of the Draft Development and Management Plan and Environmental Assessment, East St. Louis Addition to Jefferson National Expansion Memorial—Illinois/Missouri, dated August 1987.

"(2) Federal funds expended under paragraph (1) for development may not exceed 75 percent of the actual cost of such development. The remaining share of such actual costs shall be provided from non-Federal funds, services, or materials, or a combination thereof, fairly valued as determined by the Secretary. Any non-Federal expenditures for the acquisition, removal, or relocation of the grain elevator and business shall be included as part of the non-Federal cost share: *Provided*, That credit shall not be given for any such expenditures which exceed the cost of acquisition, removal, or relocation of the grain elevator and business located within the East St. Louis unit of the Memorial if such action had been accomplished by the Federal Government as determined by the Secretary under existing law:

Provided further, That only those non-Federal funds expended at least 60 days after the transmission of the report referred to in paragraph (3) for the removal of such grain elevator shall be credited toward the non-Federal cost share. For the purposes of this paragraph, the Secretary may accept and utilize for such purposes any non-Federal funds, services, and materials so contributed".

"(3) Within one year after the date of enactment of this paragraph, the Secretary, in direct consultation with the city of East St. Louis, Gateway Arch Park Expansion, and the Southwestern Illinois Development Authority, shall develop and transmit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives a study of alternatives to, and costs associated with, the removal of the grain elevator located within the East St. Louis unit of the Memorial. The study shall contain, but need not be limited to, at least one alternative which would incorporate and retain the existing grain elevator into the draft development and management plan and environmental assessment referred to in paragraph (1).".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2730) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

So the bill (H.R. 2936), as amended, was passed.

Mr. BAUCUS. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES AND OPEN MARKETS SUPPORT ACT

The text of S. 2532, a bill entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act," as passed the Senate July 2, 1992, is as follows:

S. 2532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—FREEDOM FOR RUSSIA AND EMERGING EURASIAN DEMOCRACIES

SEC. 101. SHORT TITLE.

This Act may be cited as the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992".

SEC. 102. FINDINGS.

The Congress finds that—

(1) recent developments in Russia and the other independent states of the former Soviet Union present an historic opportunity for a transition to a peaceful and stable international order and the integration of the independent states of the former Soviet Union into the community of democratic nations;

(2) the entire international community has a vital interest in the success of this transition, and the dimension of the problems now faced in the independent states of the former Soviet Union makes it imperative for donor countries and institutions to provide the expertise and support necessary to ensure continued progress on economic and political reforms;

(3) the United States is especially well-positioned because of its heritage and traditions to make a substantial contribution to this transition by building on current technical cooperation, medical and food assistance programs, and by fostering conditions that will encourage the United States business community to engage in trade and investment; and

(4) failure to meet the opportunities presented by these developments could threaten United States national security interests and jeopardize substantial savings in United States defense that these developments have made possible.

(5) serious environmental problems now exist within Russia and the other independent states of the former Soviet Union, including problems with depleted fisheries; heavily polluted rivers, lakes, and groundwater; contamination from both civilian and military nuclear programs; and degraded farmland and forests; but that not withstanding the extent of these environmental problems, many forests, rivers, lakes, and watersheds are relatively undisturbed and are of great scientific and educational value and furthermore the region includes the largest virgin forest remaining on the Earth; and

(6) aid to Russia and the independent states of the former Soviet Union be carried out in such a way that avoids the degradation of the relatively unpolluted and undamaged natural resources, that affirmatively promotes the protection of critical lakes, rivers, watersheds and that is not used to finance unsustainable exploitation of forests or large-scale engineering projects which have significant adverse environmental impacts.

SEC. 103. DEFINITION.

As used in this title, except where the context indicates otherwise, the term "independent states of the former Soviet Union" shall include the independent states that formerly were part of the Soviet Union. It includes Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan; it does not include Estonia, Latvia, or Lithuania.

SEC. 104. AUTHORITY TO CONDUCT ACTIVITIES.

With regard to activities authorized by the Support for East European Democracy (SEED) Act of 1989 (Public Law 101–179) (the "SEED Act") to be conducted in and for any of the Central or East European states, the President may conduct similar activities in and for any of the independent states of the former Soviet Union, including any of the activities described in sections 107 and 110 of this title, and may make available funds authorized to be appropriated by this title for such activities, except that assistance may be provided for the government of such state under this title only if—

(1) such state is developing democratic institutions and policies based on internationally recognized human rights; and

(2) such state is undertaking economic reform based on private enterprise and market principles.

In furtherance of the objectives of this title, the President may authorize any United States Government agency that has authority to conduct activities under the SEED Act to make available any funds available to it for activities related to international affairs outside Eastern Europe to conduct activities authorized in this section.

SEC. 105. USE OF AUTHORITY.

(a) CONSIDERATIONS.—In providing assistance under section 104 for the government of any of the independent states of the former Soviet Union, the President shall take into account not only relative need but also the extent to which states assisted are acting to—

(1) institutionalize the rule of law to protect individual freedoms and rights;

(2) enact the legal and policy frameworks, including adequate and effective intellectual property protection, necessary for the conduct of private business activities and the privatization of state-owned enterprises;

(3) demonstrate respect for international law and obligations and adherence to the

principles of the Helsinki Final Act and the Charter of Paris, including those related to the right of emigration; and

(4) implement responsible security policies, including the avoidance of excessive defense expenditures, full compliance with international arms control agreements, and active participation in international efforts to prevent the proliferation of destabilizing weapons for the technology to develop such weapons.

(b) INELIGIBILITY FOR ASSISTANCE.—The President shall not provide assistance under this title for the government of any state which he determines—

(1) engages in a consistent pattern of gross violations of internationally recognized human rights or of international law;

(2) is engaged in a pattern of unlawful military action against a country which is friendly to the United States;

(3) has failed to take constructive actions to facilitate the effective implementation of applicable arms control obligations of the former Soviet Union, including those under the CFE, INF, NPT, ABM, TTBT, PNE, and START Treaties;

(4) has knowingly transferred, on or after the date of enactment of this Act, to another country—

(A) missiles or missile technology inconsistent with the guidelines and parameters of the Missile Technology Control Regime; or

(B) any chemical or biological weapon or any material, equipment, or technology to another country that would contribute significantly to the ability of such country to manufacture any weapon of mass destruction, including nuclear, chemical, and biological arms, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of such weapon;

(5) is not fully cooperating with the United States Government in uncovering all evidence of the presence of live or deceased American prisoners-of-war who came under Soviet control during or after the Vietnam War, Korean War, World War II, or during other American operations in or around the former Soviet Union during the Cold War;

(6) with respect to assistance provided six months after enactment of this Act, is supplying or selling nuclear fuel, technical advisors, or construction assistance to nuclear reactor complexes under construction in Cuba unless the President certifies and justifies in writing to the Congress that such state has provided appropriate assurances to the United States that such state will not provide nuclear fuel rods to Cuba unless—

(A) Cuba has provided assurances that it will not act in a manner inconsistent with the basic principles of the Nuclear Non-Proliferation Treaty and the Treaty of Tlatelolco;

(B) Cuba has committed to comply with the proposed IAEA standards of 1991 or the current country of origin (for example, Russia) reactor safety standards; and

(C) Cuba has committed to accept verification of compliance with such safety standards by a special international commission approved by the United States and such state, preferably in conjunction with the IAEA, except that this subparagraph shall only apply with respect to assistance provided twelve months after enactment of this Act;

(7) has failed to take constructive actions to protect the international environment, prevent significant transborder pollution, and to promote sustainable use of natural resources;

(8)(A)(i) denies its citizens the right or opportunity to emigrate,

(ii) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever, or

(iii) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice; and

(B) with respect to which a waiver has not been made under title IV of the Trade Act of 1974;

except that, commencing 120 days after enactment of this Act, such assistance may not be provided unless the President has furnished a report to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on Foreign Affairs and Appropriations of the House of Representatives on the extent of progress such states have made in respect of the criteria described in subparagraph (A);

(9) is responsible for paying an equitable portion of the indebtedness incurred before December 25, 1991, by the former Soviet Union (including any agency, instrumentality, or political subdivision thereof) to United States firms, unless the President determines and reports to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on Appropriations and Foreign Affairs of the House of Representatives that such government has not adopted a policy of refusing to pay such equitable portion;

(10) has undertaken any of the activities with respect to which sanctions must be imposed under sections 669 or 670 of the Foreign Assistance Act of 1961 or section 506(a)(1) of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993; or

(11) has repeatedly provided support for acts of international terrorism.

The President may waive the application of the prohibition on assistance contained in this subsection—

(A) in the same manner as such waiver could be exercised under any other provision of law with respect to the same activity; or

(B) if no waiver authority under any other provision of law exists with respect to that activity, then only if the President certifies and justifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that to do so would serve the objectives of this Act.

(c) ASSISTANCE TO AZERBAIJAN.—The President may not provide assistance under this Act or any other provision of law to the Government of the Republic of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan—

(1) is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabach;

(2) is respecting the internationally recognized human rights of Armenians and other minorities living within its borders; and

(3) is participating constructively in international efforts to resolve peacefully and permanently the conflict in Nagorno-Karabakh.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal years 1992 and 1993 $620,000,000 to carry out this title, in addition to amounts otherwise available for such purposes. Funds authorized pursuant to this title are authorized to remain available until expended.

SEC. 107. TYPES OF ACTIVITIES.

(a) Funds authorized to be appropriated by this title may be used for the independent states of the former Soviet Union—

(1) to support the development of democratic institutions and policies based on internationally recognized human rights, including through—

(A) such existing agencies and organizations as the United States Information Agency, the National Endowment for Democracy, and the Citizens Democracy Corps;

(B) the operation of new American Democracy Centers or America Houses; and

(C) administration of justice programs for these republics and the nations of Eastern Europe;

(2) to support creation and development of private enterprise and free market systems, with special emphasis on initiatives designed to encourage United States small business and medium-sized business participation, including through—

(A) technical assistance to support the necessary legal frameworks, such as commercial codes, private property codes including homesteading policies, banking codes, tax codes, foreign investment codes, and effective laws for the protection of patents, copyrights, trademarks, and other forms of intellectual property;

(B) technical assistance to support the necessary policy frameworks, such as privatization laws, agricultural policy laws, environmental and health protection laws, and energy policy laws;

(C) technical assistance administered by the Department of the Treasury designed to encourage reform and restructuring of banking and financial systems and better understanding of international norms of financial policy and regulation;

(D) technical assistance, such as with the assistance of private and voluntary organizations, to promote privatization and increased efficiency in the agricultural sector, including in food distribution and transportation systems, and in processing facilities necessary to convert raw agricultural products into food, and to enhance the ability of the independent states of the former Soviet Union to use their own resources to meet basic human needs, such as through—

(i) training programs;

(ii) exchanges;

(iii) the export of United States machinery and farm animals; and

(iv) loans for entrepreneurs in food production and distribution;

(E) technical assistance to promote investment in, increased efficiency of, and privatization of the energy sector;

(F) support, which may include contributions to endowments, for the establishment and activities of organizations such as—

(i) Enterprise Funds; and

(ii) a Eurasia Foundation to assist with management and economics training, democratic institutions and related activities, and activities such as those conducted by the Inter-American Foundation to assist private enterprise at the "grass roots" level; and

(G) training in business and financial practices, public administration, commercial law, and the rules of international trade, including programs to send active American businessmen as volunteers to provide on-site advice and concrete problem solving to private enterprises in the independent states of the former Soviet Union;

(3) to provide support in addressing emergency and other humanitarian needs (including the nutritional needs of infants by providing baby food as part of direct food assist-

ance programs), including through private and voluntary organizations, to improve health care facilities by providing medical training, equipment and supplies, and to continue efforts to rebuild from the earthquake in Armenia;

(4) to improve the quality and availability of health care for citizens of the independent states of the former Soviet Union, with particular emphasis on infants, children and people with disabilities. Up to $2,000,000 is authorized to be appropriated for the purposes of establishing programs that—

(A) support sister hospital expansion programs;

(B) promote program development for neonatal pilot projects and training of medical professionals;

(C) promote greater institutional development;

(5) to fund additional export promotion activities by the Department of Commerce in support of expanded trade and investment relations with United States businesses including—

(A) trade missions to bring United States firms together with trade and investment partners from the region;

(B) creation of additional Foreign Commercial Service posts and assignment of additional Foreign Commercial Service officers in the region;

(C) an information center to provide market and sectoral information on the independent states to United States firms;

(D) creation of binational business development committees to identify problems and opportunities in key business sectors and to address policy constraints and problems facing individual investments;

(E) establishment of additional American Business Centers in the region, pursuant to the provisions of section 112 of this Act, to provide information and services for United States firms, trade associations and State development agencies engaged in support of mutually beneficial trade;

(F) identification of priority business sectors, business training and exchange, and technical assistance for development of standards; and

(G) support for trade promotion activities of industry consortia and demonstration projects;

(6) to support educational, scholarly, and cultural exchange programs and to promote, with the assistance of private and voluntary organizations, broad-based educational reform at all school levels in areas such as history, social sciences, political studies, economics, and English-language, including—

(A) assistance in the development of curricula;

(B) exchange programs involving educators; and

(C) the supply of textbooks and other educational materials, including support for the printing of books and other informational materials for use in the educational systems of the independent states of the former Soviet Union, and support for the procurement of paper for such purpose;

(7) to support the use of telecommunications technologies to deliver, to any of the independent states of the former Soviet Union, educational and instructional programming produced in the United States by grant recipients under the Star Schools Program Assistance Act or under the Distance Learning Program established under subtitle D of title XXIII of the Food, Agricultural, Conservation, and Trade Act of 1990, including instruction pertaining to kindergarten through grade 12 education, democracy, market economics, job training, and agricultural technical assistance;

(8) to enhance the human and natural environment and to conserve shared environmental resources, including through technical assistance to facilitate environmental restoration and the adoption of environmentally-sound policies and technologies—

(A) to control the discharge of pollutants damaging to the Earth's atmosphere;

(B) to map, monitor and contain environmental threats to the United States or the Arctic/subarctic ecosystem;

(C) to clean up rivers, lakes, and Arctic waters;

(D) to protect endangered species;

(E) to promote nuclear reactor safety;

(F) to control the emissions of air pollutants that may present a risk to public health and the environment;

(G) to protect and restore all waters;

(H) to restore areas contaminated by hazardous substances;

(I) to conserve biological diversity;

(J) to prevent environmental threats to the United States or the Arctic/subarctic ecosystem; and

(K) to preserve relatively undamaged rivers, lakes, forests and other areas of special environmental significance;

(9) to support American Schools and Hospitals Abroad that have been or may be established in the independent states of the former Soviet Union, such as the American University of Armenia;

(10) to support development of children's educational television, pursuant to the provisions of section 111 of this Act;

(11) to finance cooperative development projects, such as the Cooperative Development Program and cooperative development research programs, among the U.S., Israel, and the former Soviet Union, and the U.S., Israel, and Eastern Europe;

(12) to support training for and preparation of American participants in assistance programs and related activities, including language, area, and technical background study at accredited institutions of higher education;

(13) to support the establishment of an efficient intermodal transportation system to ensure the safe and efficient movement of its people, products, and materials by providing—

(A) technical assistance in developing laws and regulations for the procurement of transportation construction-related services;

(B) technical assistance in preparing transportation construction-related feasibility studies, and project design, specifications and management; and

(C) transportation infrastructure construction services and products, including the provision of materials, equipment, and supplies.

In undertaking the activities in this paragraph, the United States agencies shall, whenever possible, use the services and expertise of established transportation associations, academic institutions and private entities;

(14) to improve family planning and maternal health services in the independent states of the former Soviet Union in order to promote the health of women in those states; and

(15) to promote drug education, interdiction and eradication programs including—

(A) initiatives to ban poppy growth;

(B) law enforcement training and measures to reduce the flow of precursor chemicals and illicit narcotics in and through the Republics;

(C) coordination and cooperation at the regional and international level with organizations such as the United Nations;

(D) the establishment of bilateral counternarcotics agreements to assist law-enforcement agencies in conducting criminal investigations and gathering narcotics related information.

SEC. 108. SOVIET-DESIGNED NUCLEAR POWER PLANT SAFETY PROGRAM.

(a) IN GENERAL.—The President, in consultation with the Secretary of Energy, the Secretary of State and the Chairman of the Nuclear Regulatory Commission, shall designate an agency of the Executive Branch to develop and implement a limited, phased program to enhance the near-term safety of Soviet-designed nuclear power plants. Funds authorized to be appropriated by this Act may be used for this program. The program established in this section shall be integrated with similar efforts undertaken in cooperation with other industrialized countries and international organizations, including the International Atomic Energy Agency. In implementing the program, the Secretary of Energy shall utilize United States industry expertise where appropriate.

(b) PROGRAM PRIORITIES.—In implementing any program under the authority of this section, the Secretary shall establish priorities for the implementation of safety upgrades based on the greatest incremental increase in reactor safety relative to the amount of funds expended.

(c) SAFETY UPGRADES.—Safety upgrades shall be consistent with the provisions of subsection (a) and may include, but are not limited to, plant improvements and modifications to reduce risk, training of personnel, and development and implementation of an effective independent regulatory organization.

(d) FUNDING.—The President is encouraged to establish an interagency group including the Department of the Treasury, the Department of Commerce, the Department of Energy and the Export-Import Bank, to coordinate United States and multilateral funding and financing mechanisms for the program established by this section.

(e) RECOMMENDATION.—The Secretary of State shall provide Congress with appropriate recommendations for revisions to United States export and trade statutes to expedite implementation of the program established in this section and related programs.

SEC. 109. NUCLEAR SAFETY ASSISTANCE PROGRAM.

In addition to the program authorized in section 110, the Secretary of State, in consultation with the Secretary of Energy and the Nuclear Regulatory Commission, is authorized and encouraged to develop a program to provide for participation by the United States in international efforts including:

(a) Implementing short-term measures to improve nuclear power plant operational safety, including the training of power plant personnel, implementation of improved procedures for nuclear power plant operation, the development of effective and independent regulatory authorities, and cost-effective hardware upgrades;

(b) Developing and providing recommendations, in consultation with the affected States, for medium-term measures to assist in the development of comprehensive and market-based programs for cost-efficient supplies of electricity, including programs to improve the planning of energy supply and demand, to increase the efficiency of existing and future energy supplies and uses, to improve the management of demand, to develop market-based energy pricing, and to identify energy alternatives that will increase to shut down the nuclear power plants for which safety improvements would not be cost-effective beyond the short-term; and

(c) Developing and providing recommendations, in consultation with the affected States, for long-term measures for the development of safe and cost-effective supplies of electricity.

SEC. 110. ADDITIONAL ACTIVITIES.

(a) DEMILITARIZATION OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

(1) CONGRESSIONAL FINDING ON SIGNIFICANCE OF DEMILITARIZATION.—The Congress finds that it is in the national security interest of the United States—

(A) to facilitate, on a priority basis—

(i) the transportation, storage, safeguarding, and destruction of nuclear and other weapons of mass destruction of the independent states of the former Soviet Union;

(ii) the prevention of proliferation of weapons of mass destruction and destabilizing conventional weapons of the independent states of the former Soviet Union, and the establishment of verifiable safeguards against the proliferation of such weapons;

(iii) the prevention of diversion of weapons-related scientific expertise of the former Soviet Union to terrorist groups or third countries; and

(iv) other efforts designed to reduce the military threat from the former Soviet Union;

(B) to support the conversion of the massive defense-related industry and equipment of the independent states of the former Soviet Union for civilian purposes and uses; and

(C) to use existing authorities and funding to expand military-to-military contacts between the United States and the independent states of the former Soviet Union.

(2) EXCLUSIONS.—In addition to the conditions on eligibility set forth in section 105(b), United States assistance under paragraph (3) may not be provided unless the President certifies to the Congress, on an annual basis, that the proposed recipient is committed to—

(A) making a substantial investment of its resources for dismantling or destroying such weapons of mass destruction, if such recipient has an obligation under treaty or other agreement to destroy or dismantle any such weapons;

(B) forgoing any military modernization program that exceeds legitimate defense requirements and forgoing the replacement of destroyed weapons of mass destruction;

(C) forgoing any use in new nuclear weapons of fissionable or other components of destroyed nuclear weapons; and

(D) facilitating United States verification of any weapons destruction carried out under section 212 of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102-228).

(3) AUTHORITY.—The President is authorized, consistent with paragraph (1), to establish programs for—

(A) transporting, storing, safeguarding, disabling, and destroying nuclear, chemical, and other weapons of the independent states of the former Soviet Union, as described in section 212(b) of the Conventional Forces in Europe Treaty Implementation Act of 1991 (Public Law 102-228);

(B) establishing verifiable safeguards against the proliferation of such weapons;

(C) preventing diversion of weapons-related scientific expertise of the former Soviet Union to terrorist groups or third countries;

(D) facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities; and

(E) establishing science and technology centers in the independent states of the former Soviet Union for the purpose of engaging weapons scientists and engineers previously involved with nuclear, chemical, and other weapons of mass destruction in productive, nonmilitary undertakings.

(4) FUNDING AUTHORITY.—In recognition of the direct contributions to the national security interests of the United States of the activities specified in paragraph (3), the President is authorized to make available such sums as may be necessary of funds made available under sections 108 and 109 of Public Law 102-229, funds made available to carry out the provisions of section 23 of the Arms Export Control Act, and funds made available to carry out this Act, to carry out the provisions of paragraph (3).

(5) PRIOR NOTICE OF OBLIGATIONS TO CONGRESS.—Not less than 15 days before obligating any funds made available for a program under paragraph (3), the President shall transmit to the appropriate congressional committees a report on the proposed obligation. Each such report shall specify—

(A) the account, budget activity, and particular program or programs from which the funds proposed to be obligated are to be derived and the amount of the proposed obligations; and

(B) the activities and forms of assistance under paragraph (3) for which the President plans to obligate such funds.

(6) QUARTERLY REPORTS ON PROGRAMS.—Not later than 30 days after the end of each fiscal year quarter for fiscal years 1992 and 1993, the President shall transmit to the appropriate congressional committees a report on the activities carried out under paragraph (3). Each such report shall set forth, for the preceding fiscal year quarter and cumulatively, the following:

(A) The amounts expended for such activities and the purposes for which they were expended.

(B) The source of the funds obligated for such activities, specified by program.

(C) A description of the participation of all United States Government departments and agencies in such activities.

(D) A description of the activities carried out under paragraph (3) and the forms of assistance provided under that paragraph.

(E) Such other information as the President considers appropriate to fully inform the Congress concerning the operation of the programs authorized under paragraph (3).

(7) DEFINITIONS.—As used in paragraphs (5) and (6)—

(A) the term "appropriate congressional committees" means—

(i) the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Appropriations of the House and the Senate, wherever the account, budget activity, or program is funded from appropriations made under the international affairs budget function (150);

(ii) the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives, wherever the account, budget activity, or program is funded from appropriations made under the national defense budget function (050); and

(B) the committee to which the specified activities of paragraph (4), if the subject of separate legislation, would be referred, under the rules of the respective House of Congress.

(b) In recognition of the importance of establishing an effective official United States Government presence in the independent states of the former Soviet Union—

(1) of the funds authorized to be appropriated by this title, up to $5 million may be used by the Department of State for costs of personnel and other expenses for new posts in such states; and

(2) section 101 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102-138) is amended by adding at the end the following—

"(d) POSTS IN THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated for fiscal year 1993 $18,000,000 for costs of personnel and other expenses for posts in the independent states of the former Soviet Union.".

(c) In addition to amounts otherwise available to the United States Information Agency to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, for fiscal year 1993, there are authorized to be appropriated $6,800,000 to carry out the authorities of this title that relate to international information, educational, cultural, and exchange programs.

(d) NUCLEAR SAFETY.—The authority in this title to establish programs for establishing verifiable safeguards against the proliferation of weapons may also be utilized, on the same basis, for programs for to promote nuclear reactor safety and to reduce the danger of nuclear accident.

SEC. 111. DEVELOPMENT OF EDUCATIONAL TELEVISION.

(a) FINDINGS.—Congress finds that—

(1) educational television, for children and adults, can be a highly effective means of instruction both in basic skills and in the human values associated with a democratic society and a free market economy;

(2) certain organizations in the United States are internationally recognized as uniquely creative and proficient in the production of such programming and have a record of achievement in assisting other countries in developing similar programming of their own; and

(3) assistance under this title to the independent states of the former Soviet Union in the development of such programming could be a highly cost-effective element in the overall program of bilateral United States assistance aimed at promoting and sustaining the transformation to democracy.

(b) AUTHORITY.—The President is authorized and encouraged to utilize funds authorized to be appropriated by this title to support any appropriate nonprofit corporation of the United States in assisting the independent states of the former Soviet Union in developing the skills necessary to produce educational programs aimed at promoting basic skills and the human values associated with a democratic society and a free market economy. Such assistance—

(1) should to the extent possible be used to support the development of programming rather than to support broadcasting;

(2) should not be used to pay for real estate, equipment, and personnel costs that could appropriately be born by the recipient country in its own currency; and

(3) should be aimed at yielding self-sufficiency in the production of educational television programming within approximately a two-year period.

SEC. 112. AMERICAN BUSINESS CENTERS.

(a) FINDINGS.—Congress finds that—

(1) United States economic assistance to the independent states of the former Soviet Union is aimed at promoting their transition to market-oriented economies fully integrated with the international community;

(2) trade and investment by United States companies in those states would serve not only the United States interest in their successful transition but also the broader economic interests of the United States; and

(3) to promote these interests, the United States has established an American Business Center in Warsaw to facilitate efforts by the United States to evaluate trade and investment opportunities.

(b) AUTHORITY.—The President is authorized and encouraged to establish additional American Business Centers in countries being assisted under this Act and the SEED Act of 1989 where the President determines that such Centers can be cost-effective in promoting the objectives of this Act and United States economic interests. To the maximum extent possible, the President should direct—

(1) that host countries be asked to make appropriate contributions of real estate and personnel for the establishment and operation of such Centers;

(2) that such Centers offer office space, business facilities, and market analysis services to United States firms and state economic development offices on a user-fee basis that minimizes the cost of operating such Centers while offering economies of time and cost to users; and

(3) that such Centers be established in several sites among the various independent states of the former Soviet Union and the countries of Eastern and Central Europe.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the Department of Commerce $12,000,000 for fiscal year 1993 to establish and operate additional American Business Centers in countries being assisted under this title.

(2) Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

SEC. 113. INTERNATIONAL FINANCE CORPORATION.

(a) The United States Governor of the International Finance Corporation may vote for any increase of capital stock of the Corporation that may be needed to accommodate the requirements of the independent states of the former Soviet Union.

(b) The International Finance Corporation Act (22 U.S.C. 282 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 14. The United States Governor of the Corporation is authorized to agree to amendments to the Articles of Agreement of the Corporation that would—

"(1) amend Article II, Section 2(c)(ii), to increase the vote by which the Board of Governors of the Corporation may increase the capital stock of the Corporation from a three-fourths majority to a four-fifths majority; and

"(2) amend Article VII(a) to increase the vote by which the Board of Governors of the Corporation may amend the Articles of Agreement of the Corporation from a four-fifths majority to an eighty-five percent majority.".

SEC. 114. SUPPORT FOR MACROECONOMIC STABILIZATION.

(a) IN GENERAL.—In order to promote macroeconomic stabilization, the integration of the independent states of the former Soviet Union into the international financial system, enhance the opportunities for trade, improve the climate for foreign investment, and strengthen the process of transformation of the former socialist economies into free enterprise systems and thereby progressively enhance the wellbeing of the citizens of these states, the United States should in appropriate circumstances take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt rescheduling, conditioned on the appropriate development and implementation of comprehensive economic reform programs.

(b) CURRENCY STABILIZATION.—In furtherance of the purposes and consistent with the conditions described in subsection (a), the Congress expresses its support for United States participation, in sums of up to $3,000,000,000, in a currency stabilization fund or funds for the independent states of the former Soviet Union. Such amounts may also be used for the establishment and/or support of currency boards in those cases where the President determines that a currency board would be more likely to achieve success in promoting a stable, convertible currency and sustained economic growth.

SEC. 115. ADMINISTRATIVE AUTHORITIES.

(a) ADMINISTRATIVE EXPENSES.—Of the funds authorized to be appropriated by this title, such sums as may be necessary may be used for administrative expenses of United States Government agencies in connection with administering programs in furtherance of the objectives of this title.

(b) EXTENSION OF FOREIGN ASSISTANCE ACT AUTHORITIES.—In making available funds authorized to be appropriated under this title, the President may utilize any of the authorities applicable to the provision of assistance under the Foreign Assistance Act of 1961, as amended, and to programs for which appropriations are made in annual foreign operations, export financing, and related programs appropriations Acts.

(c) WAIVER AUTHORITY.—Assistance may be provided and authorities may be exercised for the objectives of this title notwithstanding any other provision of law, except the Antideficiency Act, title 31 of the United States Code, the Congressional Budget and Impoundment Control Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, the Budget Enforcement Act of 1990, the Food, Agriculture, Conservation, and Trade Act of 1990, section 901b(c) of the Merchant Marine Act, 1936, the Agricultural Trade Act of 1978, the Agricultural Trade Development and Assistance Act of 1954, section 416 of the Agricultural Act of 1949, the Commodity Credit Corporation Charter Act, and section 105(b) of this Act. In any fiscal year, amounts made available for assistance under this title shall not exceed amounts appropriated in advance in appropriations Acts, and assistance under this title shall not exceed the limitations in such appropriations Acts.

(d) AUTHORITY TO USE FUNDS AVAILABLE UNDER THE FOREIGN ASSISTANCE ACT.—For programs for the independent states of the former Soviet Union, the President is authorized to utilize funds made available to carry out the Foreign Assistance Act of 1961. Any funds made available under chapter 4 of part II of that Act may be utilized on the same basis as funds authorized to be appropriated by this title.

(e) DIRECT LOAN AND GUARANTEE AUTHORITIES.—Funds authorized to be appropriated by this title may be utilized to cover the cost, including the cost of modifying such loans, of direct loans and loan guarantees with respect to the independent states of the former Soviet Union, including loan guarantees provided consistent with the provisions of section 108 of the Foreign Assistance Act of 1961, as amended, Title IV of chapter 2 of part I of that Act, and the Export-Import Bank Act of 1945, as amended, and to cover the administrative expenses for such direct loans and loan guarantees.

SEC. 116. NOTIFICATIONS TO CONGRESS.

(a) IN GENERAL.—The notification requirements applicable to reprogramming under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1) and the comparable notification requirements contained in sections of annual foreign operations, export financing, and related appropriations Acts apply with respect to obligations of funds made available to carry out this title, notwithstanding any other provision of this title (other than section 110(a)).

(b) ADVANCE NOTICE OF CERTAIN ACTIONS.—The President shall notify in writing the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least 15 days in advance of the implementation of an activity described in subparagraphs (B) and (D) of section 107(2) or subsection (b), (c), or (d) of section 120.

SEC. 117. ANNUAL REPORT.

The President shall include in the Annual SEED Program Report required by section 704(c) of the SEED Act a similarly detailed account of activities under this title. Each such report shall describe the extent to which statutory prohibitions and restrictions on the provision of assistance for types of programs and activities have been waived under the authority of section 115(c) of this Act.

SEC. 118. QUOTA INCREASE FOR INTERNATIONAL MONETARY FUND.

(a) The Bretton Woods Agreements Act is amended by adding at the end thereof the following new sections:

"SEC. 56. QUOTA INCREASE.

"The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 8,608,500,000 Special Drawing Rights, and may use his voice and vote in the Fund to promote the use of the resources of the Fund for the establishment and/or support of currency boards in those cases where a currency board would be more likely to achieve success in promoting a stable currency and sustained economic growth, limited to such amounts as are appropriated in advance in appropriations Acts, and *Provided*, That no net budget outlays result therefrom.

"SEC. 57. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

"The United States Governor of the Fund is authorized to consent to the amendments to the Articles of Agreement of the Fund approved in resolution numbered 45–3 of the Board of Governors of the Fund.

"SEC. 58. APPROVAL OF FUND PLEDGE TO SELL GOLD TO PROVIDE RESOURCES FOR THE RESERVE ACCOUNT OF THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST.

"The Secretary of the Treasury is authorized to instruct the United States Executive Director of the Fund to vote to approve the Fund's pledge to sell, if needed, up to

3,000,000 ounces of the Fund's gold, to restore the resources of the Reserve Account of the Enhanced Structural Adjustment Facility Trust to a level that would be sufficient to meet obligations of the Trust payable to lenders which have made loans to the Loan Account of the Trust that have been used for the purpose of financing programs to Fund members previously in arrears to the Fund.".

(b) Recognizing the need for the independent states of the former Soviet Union to adopt policies to stabilize and reform their economies on the basis of market principles, the United States Governor of the Fund is authorized to instruct the United States Executive Director of the Fund to vote to disapprove a Fund program for any such State that has not enacted or taken substantial steps to enact the legal and policy frameworks necessary for the private ownership of property, the conduct of private business activities, and the privatization of state-owned enterprises.

SEC. 119. STATUTORY LISTS OF COMMUNIST COUNTRIES AND SOVIET-SPECIFIC RESTRICTIONS.

(a) Foreign Assistance Act of 1961.—Section 620(f)(1) of the Foreign Assistance Act of 1961 is amended by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(b) Export-Import Bank Act of 1945.—The Export-Import Bank Act of 1945 is amended in section 2(b)(2)(B)(ii), by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(c) Johnson Act.—Section 955 of title 18, United States Code, shall not apply with respect to any obligations of the former Soviet Union, or any of the independent states of the former Soviet Union, or any political subdivision, organization, or association thereof.

(d) Waiver Authority.—

(1) With respect to any of the independent states of the former Soviet Union, the President is authorized to waive the application of any provision of law that restricted the eligibility of the Soviet Union, as in existence before December 25, 1991, regarding any program, benefit, or other treatment.

(2) Paragraph (1) shall not apply to the provisions of title IV or title V of the Trade Act of 1974, except as otherwise provided in such titles.

SEC. 120. ADDITIONAL STATUTORY PROVISIONS.

(a) Overseas Private Investment Corporation.—Section 234(g)(2) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "or" and inserting a comma in lieu thereof; and

(2) inserting ", and the independent states of the former Soviet Union" after the word "Act".

(b) Amendments to the Food Security Act of 1985.—Section 1110 of the Food Security Act of 1985 is amended—

(1) in subsection (b)—

(A) by inserting after "such countries" the following: "(including the independent states of the former Soviet Union)"; and

(B) by striking out "or cooperatives" and inserting in lieu thereof "cooperatives, private businesses, or other private entities";

(2) in subsection (f), by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) The Commodity Credit Corporation may provide for grants, or sales on credit terms, of commodities made available under section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) for use in carrying out this section.";

(3) in subsection (g), by inserting before the period the following: ", except that this tonnage limitation shall not apply with respect to commodities furnished to the independent states of the former Soviet Union during fiscal years 1992 and 1993"; and

(4) by adding at the end the following new subsection:

"(m)(1) In carrying out this section, the President shall encourage private voluntary organizations and cooperatives to submit proposals that provide for—

"(A) the sale of a commodity in a country that is eligible under this section, including the marketing of the commodity through the private sector; and

"(B) the use of the proceeds generated in the humanitarian and development programs of the organization or cooperative, as provided in paragraph (3).

"(2) The President shall make available not less than 10 percent of the aggregate amounts of all commodities distributed under this section in each fiscal year to generate foreign currency proceeds as provided in this subsection.

"(3) Foreign currencies generated from any partial or full sale or barter of commodities by a private voluntary organization or cooperative under an agreement under this section may—

"(A) be used to transport, store, distribute, and otherwise enhance the effectiveness of the use of agricultural commodities provided under this title;

"(B) be used to implement income generating, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within the recipient country; or

"(C) be invested, and any interest earned on the investment may be used, for the purposes for which the assistance was provided to that organization, without further appropriation by Congress.".

(c) Food, Agriculture, Conservation, and Trade Act of 1990.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following new subsections:

"(a) Guarantees and Credits To Be Made Available.—For the fiscal years 1991 through 1995, the Commodity Credit Corporation—

"(1) shall make available, for the promotion of exports to emerging democracies, not less than $1,000,000,000 of export credit guarantees under section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622), in addition to the amounts required under section 211 of such Act (7 U.S.C. 5641) for credit guarantees; and

"(2) may make available, for the promotion of exports to emerging democracies, direct credits under section 201 of such Act (7 U.S.C. 5621).

"(b) Improvement of Facilities, Services, and Agricultural Goods and Materials.—

"(1) Use of guarantees.—A portion of direct credits or export credit guarantees available under subsection (a) shall be made available for the establishment or improvement by United States persons of eligible projects in emerging democracies to improve the handling, marketing, processing, storage, or distribution of imported agricultural commodities and products of the commodities.

"(2) Eligible projects.—A project shall be eligible under this subsection for credits or guarantees if—

"(A) the project includes facilities, services, and agricultural goods and materials; and

"(B) the Secretary of Agriculture determines that the credits or guarantees will primarily promote the export of United States agricultural commodities (as defined in section 102(7) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(7)).

"(3) Priorities.—The Commodity Credit Corporation shall give priority under this subsection—

"(A) to opportunities or projects identified under subsection (d)(1);

"(B) to projects on private farms or cooperatives in emerging democracies; and

"(C) to United States persons who agree to assume a relatively larger share of the value of the project of United States origin.

"(4) Level of guarantees.—The Commodity Credit Corporation shall not provide guarantees or credit in excess of 85 percent of the value of the project of United States origin.

"(5) Foreign agricultural components.—Notwithstanding section 202(h) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(h)), the Commodity Credit Corporation shall finance or guarantee under this section only projects predominantly of United States origin. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign component of the project.";

(2) in subsection (d)(1)(B)(i), by inserting ", farmers, other persons from the private sector," after "agricultural consultants"; and

(3) by amending subsection (d)(1)(D) to read as follows:

"(D) Technical assistance.—The Secretary is authorized to provide, or pay the necessary costs for, technical assistance to enable individuals or other entities to implement the recommendations, or to carry out the opportunities and projects identified under, paragraph (1)(A).".

(d) Other Provisions Applicable to Agriculture Programs.—

(1) Assistance for private voluntary organizations.—The President is encouraged to use funds made available under section 109 of Public Law 102-229 (105 Stat. 1708), and any funds made available under this title, to assist private voluntary organizations and cooperatives in carrying out food assistance programs for the independent states of the former Soviet Union under—

(A) section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o);

(B) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431); or

(C) title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.).

(2) Agricultural trade act of 1978.—

(A) Definitions.—Section 102(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(1)) is amended by striking out "feed, or fiber," and inserting in lieu thereof "feed, fiber, or livestock,".

(B) DIRECT CREDIT SALES PROGRAM.—Section 201 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621) is amended by adding at the end the following new subsection:

"(f) RESTRICTIONS.—The Commodity Credit Corporation may not make export sales financing authorized under this section available in connection with sales of an agricultural commodity to any country that the Secretary determines cannot adequately service the debt associated with such sale.".

(C) PROCESSED AND HIGH-VALUE AGRICULTURAL COMMODITIES.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended by adding at the end the following new subsection:

"(k) SALES TO THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—

"(1) PROCESSED AND HIGH-VALUE AGRICULTURAL COMMODITIES.—In each of the fiscal years 1993 through 1995, the Commodity Credit Corporation shall establish an objective that not less than 35 percent of the agricultural commodities (including fish and fish products, without regard to whether such fish are harvested in aquacultural operations) sold in connection with the guarantees provided under this section to the independent states of the former Soviet Union are processed products of agricultural commodities (including fish and fish products, without regard to whether such fish are harvested in aquacultural operations) and high-value agricultural commodities (including fish and fish products, without regard to whether such fish are harvested in aquacultural operations).

"(2) ANNUAL REVIEW.—At the end of each of the fiscal years 1993 through 1995, the Secretary shall determine the extent to which sales of processed products of agricultural commodities and high-value agricultural commodities made to the independent states of the former Soviet Union during the fiscal year meet the objective set forth in paragraph (1).

"(3) JUSTIFICATION AND PLAN.—If the Secretary determines, on the basis of a review conducted under paragraph (2), that sales of processed products of agricultural commodities and high-value agricultural commodities do not meet the objective set forth in paragraph (1), the Secretary shall prepare a justification for why the minimum level was not achieved and what action the Secretary will take during the immediately subsequent fiscal year to increase sales of processed products of agricultural commodities and high-value agricultural commodities.

"(4) NOTIFICATION TO CONGRESS.—The Secretary shall provide the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate with the results of the annual reviews conducted under paragraph (2) and, as required by paragraph (3), any justification and plans for future action.

"(5) DEFINITION.—As used in this section, the term 'independent states of the former Soviet Union' means the countries that were formerly part of the Soviet Union, including Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.".

(3) AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES.—Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended—

(A) in subsection (b), by adding at the end the following new paragraph:

"(4) INDEPENDENT STATES OF THE FORMER SOVIET UNION.—In addition to the countries that are eligible under paragraphs (1) through (3), the Secretary may determine that any newly independent state of the former Soviet Union may be eligible to participate in the program. The states shall include Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan."; and

(B) in subsection (d), by adding at the end the following new sentence: "The Secretary may provide fellowships under the program authorized in this section to private agricultural producers from eligible countries.".

SEC. 121. TECHNICAL AMENDMENTS TO SEED ACT.

The SEED Act is amended by inserting the following after section 2:

"SEC. 3. DEFINITION.

"As used in this Act, the term 'Central and East European states' shall include Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and states that have been part of Yugoslavia.

"SEC. 4. SCOPE OF AUTHORITY.

"With regard to any activities authorized by this Act to be conducted in Poland or Hungary, the President may conduct similar activities for any of the other Central and East European states if such similar activities would cost-effectively promote a transition to market-oriented democracy.

"SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

"In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President for fiscal years 1992 and 1993 $850,000,000 to carry out this Act. Funds authorized pursuant to this Act are authorized to remain available until expended.".

SEC. 122. CORRECTION OF REFERENCE TO SOVIET UNION AND EXTENSION OF CERTAIN PROVISIONS.

Section 599D of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, is amended—

(1) in subsection (b)—

(A) in paragraphs (1)(A), (2)(A), and (2)(B), by striking "of the Soviet Union" each place it appears and inserting "of an independent state of the former Soviet Union or of Estonia, Latvia, or Lithuania",

(B) in paragraph (1)(A), by striking "in the Soviet Union" and inserting "in that state", and

(C) in paragraph (3), by striking "and 1992" and inserting "1992, 1993, and 1994";

(2) in subsection (e), by striking "October 1, 1992" each place it appears and inserting "October 1, 1994"; and

(3) by striking subsection (f).

SEC. 123. STRATEGIC DIVERSIFICATION.

The Office of Barter within the United States Department of Commerce and the Interagency Group on Countertrade shall within six months from the date of enactment report to the President and the Congress on the feasibility of using barter, countertrade and other self-liquidating finance methods to facilitate the strategic diversification of United States oil imports through cooperation with the former Soviet Union in the development of their energy resources. The report shall consider among other relevant topics the feasibility of trading American grown food for oil, minerals or energy produced by the former Soviet Union.

SEC. 124. EXPORT CONTROL POLICY.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the United States should—

(1) cooperate with and assist the independent states of the former Soviet Union in developing export control systems and enforcement mechanisms capable of barring proliferation of military systems, militarily critical technologies, and weapons of mass destruction; and

(2) consistent with such nonproliferation objectives, implement a licensing policy and cooperative arrangements through COCOM that will—

(A) encourage expanded trade and investment between COCOM member states and the independent states of the former Soviet Union;

(B) encourage development of economic infrastructure, such as telecommunications and banking systems, capable of supporting market reforms; and

(C) assist redeployment of defense capabilities to civilian uses.

(b) TECHNICAL ASSISTANCE.—The Secretary of Commerce, the Secretary of State and the heads of other agencies as appropriate should provide the greatest possible technical assistance in support of the efforts described in subsection (a)(1).

SEC. 125. POLICY TOWARD MOLDOVA.

(a) FINDINGS.—The Congress finds that—

(1) many, including civilians, have died in conflict in Moldova in recent weeks;

(2) on June 17, 1992, Presidents Bush and Yeltsin signed a Charter for American-Russian Partnership and Friendship in which the countries agreed to "reaffirm their respect for the independence and sovereignty and the existing borders of the CSCE-participating states, including the new independent states, and recognize that border changes can be made only by peaceful and consensual means, in accordance with the rules of international law and the principles of CSCE";

(3) actions by Transdniester officials for secession from Moldova, including their use of force and the imposition of an economic blockade, violate CSCE principles and international law;

(4) the presence of the Russian 14th army in Moldova and the use of at least some of its units in the Moldovan conflict aggravates the situation, violates international law and the independence and sovereignty of the Republic of Moldova;

(5) the presence of the Russian army in foreign countries formerly part of the Soviet Union without the agreement of the host country is a potential cause of instability and conflict; and

(6) the appointment of international observers, under the aegis of the United Nations, the CSCE, or other international fora to monitor the withdrawal of Russian troops from Moldova would serve to lessen tensions and promote a more orderly withdrawal of former Soviet troops.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should urge, through all possible means, the Russian Government to withdraw the 14th army from the independent and sovereign state of the Republic of Moldova;

(2) the United States should urge the parties to the conflict in Moldova to abide by a cease-fire and urge an end to the economic blockade of the Republic of Moldova;

(3) during and after the negotiating process on a timetable for the withdrawal of Russian armed forces from Moldova, the United States should support the establishment of a joint military monitoring committee consisting of representatives of the military of all affected states, the United States, and the representatives of other countries, as mutually agreed upon, to observe the orderly and expeditious withdrawal of former Soviet troops from Moldova; and

(4) the activities of this group should be similar to the greatest extent practicable to the activities of the Joint Military Monitoring Committee on Angola.

SEC. 126. RUBLE STABILIZATION.

(a) Findings.—The Congress finds that—

(1) the lack of a convertible currency is a significant obstacle to the achievement of economic growth and a barrier to United States trade and investment in the independent states of the former Soviet Union;

(2) due to the nature of the Communist economic system, the economies of the states of the former Soviet Union have inherited a monetary system in which the ruble remains the medium of commerce and trade;

(3) the sovereign states of Estonia, Latvia, and Lithuania have indicated their intent to issue, or have issued, currencies independent of the Russian ruble;

(4) the sovereign state of Ukraine, as well as other states of the former Soviet Union, have indicated their desire to issue separate currencies independent of the Russian ruble;

(5) the International Monetary Fund requires control of fiscal and monetary policy as well as the establishment of a commercial banking system and a central bank compatible with international norms, as a prerequisite for a stabilization fund;

(6) section 112(b) of this title states that the United States will support the establishment of a fund or, alternatively, funds, under the International Monetary Fund;

(7) the introduction of a stabilization fund for the Russian ruble without similar stabilization programs for the Ukrainian grivna, Lithuanian litas, Latvian lett, Estonian kroon, and other currencies issued by states currently tied economically to the ruble could precipitate disastrous fiscal and monetary conditions, including higher inflation, devaluation of property, commodity hording, shortages, and a further decline in agricultural and industrial production that will complicate the steps these governments have taken toward genuine market reform; and

(8) Article IV, section 1, subsection (iii) of the IMF Articles of Agreement states that each member shall "avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage over other members".

(b) Policy.—It is the sense of the Congress that the President should urge the Secretary of the Treasury to instruct the United States executive director to the International Monetary Fund to take concrete steps to support the right of these sovereign and independent states to issue currencies independent of the Russian ruble.

SEC. 127. REPEAL OF SUBSECTIONS.

Sections 132(f) and 132(g) of Public Law 102–138 are hereby repealed.

SEC. 128. INDEBTEDNESS OF THE REPUBLICS.

None of the funds made available by this title may be used to pay indebtedness of the republics of the former Soviet Union to international financial institutions.

SEC. 129. RESTRICTIONS ON ASSISTANCE FOR RUSSIA.

(a) In General.—Commencing twelve months following enactment of the Act, no United States economic assistance (other than humanitarian assistance) may be provided by the Government of the United States to the Government of Russia until the President of the United States determines, and so certifies to Congress, that—

(1) significant progress toward removal of Russian or Commonwealth of Independent States armed forces from Estonia, Latvia, and Lithuania has been achieved;

(2) no artillery exercise or similar training operation by Russian or Commonwealth of Independent States armed forces on the territory of Estonia, Latvia, or Lithuania is any longer being conducted, without the express permission of the government of such country;

(3) the air and naval forces of Russia or the Commonwealth of Independent States are not interfering with traffic in the air space or territorial waters of Estonia, Latvia, and Lithuania; and

(4) neither the Government of Russia nor the military command of the Commonwealth of Independent States has introduced into Estonia, Latvia, or Lithuania any additional armed forces since the date of enactment of this Act, including any additional military personnel, military equipment, or related civilian personnel, without the express permission of the host government.

(b) International Monitoring of Troop Withdrawal.—During and after the negotiating process on a timetable for withdrawal of troops a joint military monitoring committee shall be formed consisting of representatives of the military of all affected states, the United States, and representatives of other countries, as mutually agreed upon. The activities of this group should be similar to the greatest extent practicable to the experience of the Joint Military Monitoring in Angola.

(c) Date of Certification.—Any certification made under subsection (a) shall be effective for a period of six months, and the President may recertify the requirements of that subsection for additional periods of 6 months. The last sentence of section 105(b) applies to ineligibility for assistance under this section.

(d) Report.—Whenever the President makes determinations under paragraphs (1) through (4) of subsection (a), the President shall submit a report to the Congress setting forth the basis for each such determination.

(e) Definitions.—For purposes of this section—

(1) the term "humanitarian assistance" means food, clothing, medicine, or other humanitarian assistance; and

(2) the term "United States economic assistance" means economic assistance (including in-kind assistance) provided by grant, sale, loan, lease, credit, guarantee, or insurance, or by any other means by any agency or instrumentality of the United States Government, and such term does not include funds transferred under section 221 of the Soviet Nuclear Threat Reduction Act of 1991 (Public Law 102–228) for use in reducing the Soviet military threat in accordance with that Act.

SEC. 130. TRAINING IN ECONOMIC SECURITY AND DEVELOPMENT SKILLS.

Chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) is amended by adding at the end thereof the following new section:

"Sec. 546. Training in Economic Security and Development Skills.—(a) The President is authorized to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and training of foreign military personnel described in subsection (b) in economic security and development skills, including skills in the development of agriculture, rural enterprise, and rural health and sanitation.

"(b) The foreign military personnel referred to in subsection (a) are members of the armed forces of a foreign country who are being separated, within one year, from active duty with such armed forces.".

SEC. 131. REPORT.

(a) The Secretary of State, in consultation with the Secretary of Defense and the Secretary of Energy, shall, within a period not to exceed 180 days, present to the chairmen of the Senate Foreign Relations Committee and the House Committee on Foreign Affairs, a report on the possible alternatives for the ultimate disposition of ex-Soviet special nuclear materials (SNM).

(b) The report shall include a cost-benefit analysis comparing (1) the relative merits of the indefinite storage and safeguarding of such materials in the republics of the former Soviet Union and (2) its acquisition by purchase, barter or other means by the United States.

(c) Such a report shall include relevant issues such as the protection of United States uranium producers from dumping, the relative vulnerability of these SNM stocks to illegal proliferation, and the potential electrical and other savings associated with their being made available in the fuel cycle in the United States.

(d) The report shall also include a discussion of how high enriched uranium stocks could be diluted for reactor fuel. Further, it shall include an analysis of the potential costs to the United States of a default on commodity credit loans by the recipient republics of the former Soviet Union, and how this could be ameliorated by authorities allowing for the bartering for food.

SEC. 132. FOREIGN COMMERCIAL SERVICE OFFICERS.

To ensure adequate United States support for business development in the Russian Far East, the Secretary of Commerce should place United States and Foreign Commercial Service Officers in the Russian Federation cities of Vladivostok and Khabarovsk.

SEC. 133. TECHNICAL ASSISTANCE CENTER.

(a) The President is authorized to establish a technical assistance center at an American university, in a region which receives nonstop air service to and from the Russian Far East as of the date of enactment of this legislation, to facilitate United States business opportunities, free markets and democratic institutions in the Russian Far East.

(b) There are authorized to be appropriated such sums as may be necessary to operate the center established under subsection (a).

SEC. 134. TIED AID CREDIT PROGRAM; CASH TRANSFER ACCOUNTABILITY; RESTRICTIONS ON WAIVERS.

(a) Congressional Findings.—The Congress finds that—

(1) the recent agreement by the Organization for Economic Cooperation and Development (hereafter in this section referred to as the "OECD agreement") to limit tied aid covers the independent states of the former Soviet Union;

(2) this agreement is nonbinding;

(3) it contains "grandfather" clauses which will allow foreign countries to shelter tied aid projects;

(4) the mechanisms for enforcing this agreement may be insufficient to prevent foreign countries from continuing predatory export financing practices that disadvantage the United States; and

(5) while the United States should make its best efforts to abide by the terms of this agreement, it should at the same time be prepared to match any tied aid offer made by foreign countries in violation of the agreement.

(b) Countering Tied Aid in the Former Soviet Union.—(1)(A) The President should give priority attention to combatting the tied aid practices of foreign countries in the independent states of the former Soviet Union, the Baltic states, and the states of Eastern and Central Europe, when such practices are deemed by the Secretary of the Treasury to be in violation of the OECD agreement.

(B) Funds for this purpose shall be available for grants made by the Export-Import Bank under the tied aid credit program pursuant to section 15(b) of the Export-Import Bank Act of 1945 and to reimburse the Bank for the amount equal to the concessionality level of any tied aid credits authorized by the Bank.

(2) The Chairman of the Export-Import Bank is authorized to use funds made available under section 15(e)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i-3(e)(1)) in such amounts as may be necessary to match specific predatory financing practices of foreign countries in the independent states of the former Soviet Union, in the Baltic states, and in the Central and Eastern European states.

(3) From funds made available under this Act, there are authorized to be appropriated to the Tied Aid Credit Fund established in section 15(c) of the Export-Import Bank Act of 1945 such sums as may be necessary to carry out this subsection.

(c) Cash Transfer Accountability.—Not later than one year after the date of enactment of this Act, the President shall submit a report to the Congress stating—

(1) the amounts of assistance provided under this Act as cash transfers;

(2) the recipients of such cash transfers; and

(3) the extent to which commodity or capital financing were utilized in lieu of such cash transfers.

(d) Procurement Restrictions.—Funds made available for assistance under this Act may be used for procurement—

(1) in the United States, the recipient countries, or a developing country; or

(2) in any other country but only if—

(A) the provision of such assistance requires commodities or services, or defense articles or defense services, of a type that are not produced in and available for purchase in any country specified in paragraph (1); or

(B) the President determines, on a case-by-case basis, that procurement in such other country is necessary—

(i) to meet unforseen circumstances, such as emergency situations, where it is important to permit procurement in a country not specified in paragraph (1), or

(ii) to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives.

SEC. 135. ESTABLISHMENT OF FOUNDATION.

(a) Establishment.—The Director of the National Science Foundation (hereafter in this section referred to as the "Director") is authorized to establish an endowed, nongovernmental, nonprofit foundation (hereafter in this section referred to as the "Foundation") in consultation with the Director of the National Institute of Standards and Technology.

(b) Purposes.—The purposes of the Foundation shall be the following:

(1) To provide productive research and development opportunities within the independent states of the former Soviet Union that offer scientists and engineers alternatives to emigration and help prevent the dissolution of the technological infrastructure of the independent states.

(2) To advance defense conversion by funding civilian collaborative research and development projects between scientists and engineers in the United States and in the independent states of the former Soviet Union.

(3) To assist the establishment of a market economy in the independent states of the former Soviet Union by promoting, identifying, and partially funding joint research, development, and demonstration ventures between United States businesses and scientists, engineers, and entrepreneurs in those independent states.

(4) To provide a mechanism for scientists, engineers, and entrepreneurs in the independent states of the former Soviet Union to develop an understanding of commercial business practices by establishing linkages to United States scientists, engineers, and businesses.

(5) To provide access for United States businesses to sophisticated new technologies, talented researchers, and potential new markets within the independent states of the former Soviet Union.

(c) Functions.—In carrying out its purposes, the Foundation shall—

(1) promote and support joint research and development projects for peaceful purposes between scientists and engineers in the United States and former Soviet states on subjects of mutual interest; and

(2) seek to establish joint nondefense industrial research, development, and demonstration activities through private sector linkages which may involve participation by scientists and engineers in the university or academic sectors, and which shall include some contribution from industrial participants.

(d) Funding.—

(1) Debt conversions.—To the extent provided in advance by appropriation Acts, local currencies or other assets resulting from government-to-government debt conversions may be made available to the Foundation. For purposes of this paragraph, the term "debt conversion" means an agreement whereby a country's government-to-government or commercial external debt burden is exchanged by the holder for local currencies, policy commitments, other assets, or other economic activities, or for an equity interest in an enterprise theretofore owned by the debtor government.

(2) Local currencies.—In addition to other uses provided by law, and subject to agreement with the foreign government, local currencies generated by United States assistance programs may be made available to the Foundation.

(3) Investment of government assistance.—The Foundation may invest any revenue provided to it through United States Government assistance, and any interest earned on such investment may be used only for the purpose for which the assistance was provided.

(4) Contribution to endowment by participating independent states.—As a condition of participation in the Foundation, an independent state of the former Soviet Union must make a minimum contribution to the endowment of the Foundation, as determined by the Director, which shall reflect ability of the independent state to make a financial contribution and its expected level of participation in the Foundation's programs.

(5) Authorization of appropriations.—There are authorized to be appropriated, and made available to the Director, to establish the endowment of the Foundation and otherwise carry out this section, such sums as may be necessary.

SEC. 136. BUSINESS AND COMMERCIAL DEVELOPMENT IN THE FORMER SOVIET UNION.

(a) Findings.—The Congress finds that—

(1) United States jobs and competitiveness will be enhanced if American business and agriculture play a significant role in the development of market economies of the independent states of the former Soviet Union;

(2) it is in the interest of the United States that all assistance programs be structured to maximize the purchase of United States goods and services;

(3) American businesses are the key to the viable restructuring of the independent states of the former Soviet Union;

(4) active United States business participation in the commercial development of the former Soviet Union will create new markets and jobs for the United States as well as enhance development in these nations;

(5) assistance under this Act should be considered an investment in the economic future of both the United States and the independent states of the former Soviet Union;

(6) the United States Government can play an important role in assisting United States exporters in the rapidly changing and highly competitive markets of the independent states of the former Soviet Union;

(7) assistance for the independent states of the former Soviet Union should be equitably distributed within each such state, and this should include technical assistance, additional Foreign Commercial Service officers, and financing through the Overseas Private Investment Corporation, the Export-Import Bank of the United States, and the Trade and Development Program; and

(8) it is in the interest of the American business community and the independent states of the former Soviet Union for the United States Government to move expeditiously—

(A) to open up new consulates throughout such states, particularly those already scheduled to be opened; and

(B) to provide timely consideration in the issuance of visas.

(b) Advisory Council.—(1) The President is authorized to establish an advisory council to be known as the New Independent States Business and Agriculture Advisory Council (hereafter in this section referred to as the "Council").

(2) The duties of the Council would be—

(A) to advise the President regarding programs of assistance for the independent states of the former Soviet Union;

(B) to evaluate the adequacy of bilateral and multilateral assistance programs that would facilitate exports and investments by American firms in the independent states of the former Soviet Union; and

(C) to consult with the President periodically with respect to the matters described in subparagraphs (A) and (B).

(3) The Council should consist of fifteen members drawn from United States firms reflecting diverse businesses and perspectives that have experience and expertise relevant in dealing with the independent states of the former Soviet Union.

(4) The membership of the Council should be appointed as follows:

(A) Five members appointed by the President, one of whom the President shall designate to serve as chairman.

(B) Five members appointed by the President, upon the recommendation of the Speaker of the House of Representatives and the Minority Leader of the House of Representatives.

(C) Five members appointed by the President, upon the recommendation of the Majority and Minority Leaders of the Senate.

(5)(A) Members of the Council should receive no additional pay by reason of their service on the Council.

(B) Upon request of the Chairman of the Council, the head of any United States Government agency may detail, on a nonreimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this Act.

(c) ALLOCATION OF AGENCY FOR INTERNATIONAL DEVELOPMENT FUNDS.—The President is authorized and encouraged to use a portion of the funds made available for the independent states of the former Soviet Union under the Foreign Assistance Act of 1961—

(1) to fund capital projects, including projects for telecommunications, environmental cleanup, power production, and energy related projects; and

(2) to fund intermediary industrial goods and other consumables in order to promote self-sufficiency.

(d) EXPORT FINANCING AND PROMOTION.—(1) Funds authorized to be appropriated to the Export-Import Bank of the United States, the Trade and Development Program, and the Overseas Private Investment Corporation (hereafter in this section referred to as "OPIC") may be made available to carry out this Act, including—

(i) the provision of commercial and technical assistance, implemented in cooperation with United States businesses on a cost-sharing basis, which, to the maximum extent feasible, would support the identification and development of priority sectors in the independent states of the former Soviet Union, including defense conversion, energy, energy efficiency, environmental protection, nuclear safety, agriculture, food processing and distribution, pharmaceuticals, transportation, telecommunications, education and training, and industrial and infrastructure modernization; and

(ii) the provision of support for projects undertaken by United States business on the basis of partnership, joint venture, contractual, or other cooperative agreements with appropriate entities in the independent states of the former Soviet Union.

(2) The Export-Import Bank of the United States is authorized to use the maximum amount of flexibility in supporting projects in the independent states of the former Soviet Union, including using project financing or other appropriate financing arrangements, in addition to flexibility otherwise authorized under this or any other Act.

(3) OPIC is authorized to use the maximum amount of flexibility with its programs, including coverage of contract frustration by government or private sector entities in the independent states of the former Soviet Union, in addition to flexibility otherwise authorized under this or other Acts.

(4) The President is authorized and encouraged to direct the Export-Import Bank of the United States, OPIC, TDP, the Agency for International Development, and the Department of Commerce to coordinate through the Trade Promotion Coordinating Committee their efforts in assisting American businesses and the independent states of the former Soviet Union, and such agencies and entities are encouraged to develop common eligibility criteria, to the extent possible, for operating their programs in the independent states of the former Soviet Union.

(e) DEPARTMENT OF COMMERCE.—(1) The Secretary of Commerce should—

(A) provide technical assistance to the independent states of the former Soviet Union through programs and projects for business and commercial development, including demonstration projects, especially in priority sectors described in subsection (d)(1)(A)(i), business consortia, business training and exchange programs, binational business development committees, the development of product standards, and the cost of preparing business opportunity profiles of those states using both United States private sector and local expertise;

(B) expand the Foreign Commercial Service in the independent states of the former Soviet Union, including the business centers described in this Act;

(C) develop a center to assist United States small- and medium-sized businesses in entering the commercial markets of the independent nations of the former Soviet Union, and to the maximum extent possible, the Department of Commerce should contract with a United States expert organization with proven experience in trade relations with the independent nations of the former Soviet Union to assist with the functioning of this center; and

(D) submit a report to Congress twelve months after the date of enactment of this Act, and annually thereafter, which will analyze the programs of other industrialized nations to assist their firms with their efforts to transact business in the independent states of the former Soviet Union and will include an examination of the trading practices of other OECD nations, as well as the pricing practices of transitional economies, that may disadvantage United States firms.

(2) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the Secretary of Commerce such funds as may be necessary to carry out this subsection.

(f) UTILIZATION OF ENERGY WORKING GROUP.—(1) The Trade Promotion Coordinating Committee should utilize its interagency working group on energy to assist American energy sector companies to develop a long-term strategy for penetrating the energy market in the independent states of the former Soviet Union.

(2) The energy working group should—

(A) work with officials from the independent states of the former Soviet Union in creating an environment conducive to United States energy investment;

(B) help to coordinate assistance to American companies, particularly defense companies, involved with projects to clean up former Soviet nuclear weapons sites and commercial nuclear waste; and

(C) work with representatives from American business and industry involved with the energy sector to help facilitate the identification of business opportunities, including the promotion of environmentally sound oil, gas, and clean coal technology and products and energy efficiency and the formation of joint ventures between American companies and companies of the independent nations of the former Soviet Union.

(g) POLICY ON REPAYMENT OF DEBT.—It is the sense of the Congress that the independent states of the former Soviet Union should address the issue of repayment of overdue commercial debt and other commercial obligations, including the recognition and availability of hard currency obligations of agencies of the former Soviet Government to American businesses.

SEC. 137. LIMITATIONS ON DEFENSE CONVERSION AUTHORITIES.

(a) Notwithstanding any other provision of law (including any other provision of this Act), no funds may be obligated, expended or otherwise made available in any fiscal year for the purposes of facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities as authorized by section 110 of this Act or as authorized by any other Act, unless the President has previously obligated an amount equal to or greater than such sums in the same fiscal year for defense conversion and defense transition activities in the United States.

(b) For purposes of this section, the term "defense conversion and defense transition activities in the United States" shall mean those United States Government funded programs whose primary purpose is to assist United States private sector defense workers, United States companies that manufacture or otherwise provide defense goods or services, or United States communities adversely affected by reductions in United States defense spending; such as programs funded through the Office of Economic Adjustment in the Department of Defense, through the Defense Conversion Adjustment Program (as authorized by the Job Training Partnership Act), or through the Economic Development Administration.

SEC. 138. AVAILABILITY OF ECONOMIC ADJUSTMENT ASSISTANCE.

Funds appropriated to the Department of Defense before the date of the enactment of this Act and made available for transfer to the Department of Commerce and the Department of Labor to assist State and local governments significantly impacted by reductions in defense industry employment or reductions in the number of Department of Defense military and civilian personnel residing in such States and communities may be made available until September 30, 1997 only to the extent provided in subsequent appropriations Acts.

SEC. 139. MULTILATERAL INVESTMENT INSURANCE.

Not later than 60 days after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report describing the feasibility of establishing a multilateral facility, composed of members of the G-7 Group, for the issuance of guarantees against losses incurred in connection with investments, including large-scale and capital intensive investments, in the independent states of the former Soviet Union.

SEC. 140. EDUCATIONAL FACILITIES IN EUROPE.

In pursuing the purposes of this Act, executive branch agencies should, to the maximum extent possible, utilize the resources and expertise of existing United States educational facilities in Europe.

SEC. 141. INELIGIBILITY FOR ASSISTANCE OF INSTITUTIONS WITHHOLDING THE PROPERTY OF UNITED STATES NATIONALS.

(a) PROHIBITION.—Except as provided in subsection (b), no agency, instrumentality, or other governmental entity of any independent state of the former Soviet Union, may be eligible to receive assistance, participate in any cooperative activity under any provision of United States law, or otherwise use funds made available under this Act or any other Act, if—

(1) on the date of enactment, there is outstanding a final judgment by a court of competent jurisdiction within that state that the entity or institution, as the case may be, is withholding unlawfully the property of United States persons; and

(2) the Secretary of State determines, within 90 days of a request by the United States persons affected, that execution of the court's judgment is blocked as the result of extra-judicial causes, including any of the following:

(A) A declared refusal of the defendant to comply.

(B) The unwillingness or failure of local authorities to enforce compliance.

(C) The issuance of an administrative decree nullifying a court's judgment or forbidding compliance.

(D) The passage of legislation, after a court's judgment, nullifying that judgment or forbidding compliance with that judgment.

(b) Exception for Humanitarian Assistance.—The prohibition contained in subsection (a) shall not apply to the provision of humanitarian assistance in any of the independent states of the former Soviet Union.

(c) Waiver Authority.—The Secretary of State may waive the application of subsection (a) whenever the Secretary finds that—

(1) the court's judgment has been executed; or

(2) it is vital to the national interests of the United States to do so.

(d) Report.—Nine months after the date of enactment of this Act, the Secretary of State shall report to the Speaker of the United States House of Representatives and the Chairman of the Senate Foreign Relations Committee the status of judgments entered by United States courts of final jurisdiction involving United States persons.

(e) Definitions.—For purposes of this section—

(1) the term "humanitarian assistance" includes the provision of food, medicine, or clothing;

(2) the term "United States person" means—

(A) any citizen, national, or permanent resident alien of the United States; and

(B) any corporation, partnership, or other juridical entity which is 50 percent or more beneficially owned by individuals described in subparagraph (A).

SEC. 142. SENSE OF THE CONGRESS CONCERNING THE SALE OF LTV.

(a) Findings.—The Congress finds that the sale or other transfer to a foreign person of a United States business concern that is critical to the defense industrial base of the United States would be detrimental to the national security interests of the United States.

(b) Sense of the Congress.—It is the sense of the Congress that, notwithstanding any other provision of law or any agreement to the contrary, no foreign person should be permitted to purchase or otherwise acquire the LTV Aerospace and Defense Company.

(c) Definition of "Foreign Person".—For purposes of this section, the term "foreign person" means any foreign organization, corporation, or individual resident in a foreign country, or any domestic or foreign organization, corporation, or individual, that is owned or controlled by the foreign organization, corporation, or individual.

SEC. 143. INTERNATIONAL MIGRATION FUND FOR THE FORMER SOVIET UNION.

(a) Authorization.—(1) The Secretary of State is authorized to make contributions on behalf of the United States to the Intergovernmental Organization for Migration, or other appropriate organizations, for the purpose of providing assistance in the independent states of the former Soviet Union—

(A) to assist and protect refugees, displaced persons, and other migrants;

(B) to address the root causes of migration; and

(C) to assist governmental institutions in the various independent states of the former Soviet Union in developing appropriate immigration laws and procedures and to protect the human rights of migrants.

(2) In selecting the international organization or organizations to which such contributions shall be made, the Secretary of State, in order to encourage contributions from foreign governments, shall consider contributing funds to any appropriate organization that has established or would establish an international migration fund for migration assistance in the independent states of the former Soviet Union.

(b) Funding.—Of the funds made available under this Act, up to $30,000,000 may be available for the provision of the assistance under subsection (a).

SEC. 144. DESIGNATION OF EDMUND S. MUSKIE FELLOWSHIP PROGRAM.

Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note), is amended by adding at the end the following new subsection:

"(f) Designation of Program.—(1) The scholarship program established by this section shall be known as the 'Edmund S. Muskie Fellowship Program'.

"(2) Scholarships provided under this section shall be known as 'Muskie Fellowships'.".

SEC. 145. URANIUM, SOVIET SALE OF.

It is the sense of Congress that the President should take those actions necessary to minimize disruption to the international market in the event of sales from the independent states of the former Soviet Union of defense-related commercial grade uranium.

SEC. 146. INTERNATIONAL MONETARY FUND POLICY AND STAFFING CHANGES.

(a) Policy and Staffing Changes Within the IMF.—The Secretary of the Treasury shall instruct the United States Executive Director to the International Monetary Fund (hereafter in this section referred to as the "Fund") to promote regularly and vigorously in program discussions and quota increase negotiations the following policy and staffing changes within the Fund:

(1) The development of social and environmental impact assessments as a required element of the process that any country seeking financial assistance from the Fund is subject to and which shall be taken into account in policy formulations.

(2) The establishment of an independent audit department, that would include poverty and environmental experts, to review systematically the policy prescriptions recommended and required by the Fund. The purposes of such a department would be (A) to determine whether the fund's objectives were met, and (B) to evaluate the social and environmental impacts of the implementation of the policy prescriptions. This department should have broad powers to review all ongoing programs and activities of the Fund and to assess the effects of Fund-supported programs, country-by-country, with respect to poverty, economic development and environment. The audits should be made public as appropriate with due respect to confidentiality.

(3) The establishment of procedures that ensure the focus of future economic reform programs approved by the Fund on policy options that increase the productive participation of the poor in the economy.

(4) The establishment of procedures for public access to information. These procedures shall seek to ensure access of the public to information while paying due regard to appropriate confidentiality. Policy Framework Papers and the supporting documents prepared by the Fund's mission to a country are examples of documents that should be made public at an appropriate time and in appropriate ways.

(5) The institution of procedures to analyze the costs and benefits of structural adjustment and stabilization programs so as to reflect losses in the natural resources base and the contribution such resources make to the well-being of the local population to whom services are provided.

(b) Progress Report.—As part of the annual report, the Secretary of the Treasury shall submit a report to Congress on the following:

(1) The actions that the United States Executive Director and other officials have taken to convince the Fund to adopt the elements of this Act through formal initiatives before the Board and management of the Fund, through bilateral discussions with other member nations, and through any further quota increase negotiations.

(2) The status of the progress being made by the Fund in implementing the objectives of subsection (a).

(3) The reasons why the United States Executive Director of the Fund supported or opposed a Fund program with a significant environmental impact, and an explanation of how such action is consistent with the purpose of this Act.

(c) Study.—The Secretary of the Treasury shall conduct a study to propose ways that, consistent with the Articles of Agreement, the Fund could broaden the involvement and participation of important ministries, national development experts, environmental experts, free-market experts, and other legitimate experts and representatives from the loan-recipient country in the development of Fund programs.

SEC. 147. BALTIC STATES ELIGIBILITY FOR NONLETHAL DEFENSE ARTICLES.

(a) Eligibility.—Estonia, Latvia, and Lithuania shall each be eligible—

(1) to purchase, or to receive financing for the purchase of, nonlethal defense articles—

(A) under the Arms Export Control Act (22 U.S.C. 2751 et seq.), without regard to section 3(a)(1) of that Act, or

(B) under section 503 of the Foreign Assistance Act of 1961 (22 U.S.C. 2311), without regard to the Presidential finding in subsection (a) of that section; and

(2) to receive nonlethal excess defense articles transferred under section 519 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321m), without regard to subsection (a) of that section.

(b) Definitions.—As used in this section—

(1) the term "defense article" has the same meaning given to that term in section 47(3) of the Arms Export Control Act (22 U.S.C. 2794(3)); and

(2) the term "excess defense article" has the same meaning given to that term in section 644(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2403(g)).

SEC. 148. LIMITATION ON PROCUREMENT OF GOODS AND SERVICES OUTSIDE THE UNITED STATES.

(a) In General.—Section 604 of the Foreign Assistance Act of 1961 (22 U.S.C. 2354) is amended to read as follows:

"Sec. 604. Procurement.—(a) It shall be the policy of the United States that, in the procurement of goods and services under this Act, the agency primarily responsible for administering part I of this Act shall give preference, except in the limited circumstances described in this section and section 636, to the procurement of goods which are produced, grown, or manufactured in the United States and of services which are provided by United States firms.

"(b) Funds made available under this Act may be used for procurement outside the United States only if—

"(1) the President determines that such procurement—

"(A) will not result in adverse effects upon American industries that have a competitive capability in international markets, and

"(B) will not otherwise adversely affect the economy of the United States, with special reference to any areas of labor surplus or to the net position of the United States in its balance of payments with the rest of the world,

which adverse effects would outweigh the economic or other advantages to the United States of less costly procurement outside the United States; and

"(2) only if the price of any commodity procured in bulk is 50 percent or more lower than the market price prevailing in the United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

"(c) No funds made available under this Act may be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

"(d) In providing for the procurement of any agricultural commodity or product available for disposition under the Agricultural Trade Development and Assistance Act of 1954 for transfer by grant under this Act to any recipient country in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such agricultural commodity only within the United States except to the extent that such agricultural commodity is not available in the United States in sufficient quantities to supply emergency requirements of recipients under this Act.

"(e)(1) In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II.

"(2) In the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities which are purchased with funds provided under this Act and which are destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

"(f) No funds made available under this Act may be used for the procurement of any agricultural commodity or product thereof outside the United States when the domestic price of such commodity is less than parity, unless the commodity to be financed could not reasonably be produced in the United States in fulfillment of the objectives of a particular assistance program under which such commodity procurement is to be financed.

"(g) No funds made available to carry out part I of this Act may be used under any commodity import program, or in connection with any cash transfer or similar program (except where such program or transfer is specifically provided for by law), to make any payment to a supplier unless—

"(1) the supplier has certified to the agency primarily responsible for administering such part I such information as such agency shall by regulation prescribe, including but not limited to, a description of the commodity supplied by the supplier, its condition, and its source and origin; and

"(2) on the basis of such information, such agency shall have approved such commodity as eligible and suitable for financing under this Act.

"(h)(1) None of the funds authorized to be appropriated or made available for obligation or expenditure under this Act may be made available for the procurement of construction or engineering services from advanced developing countries, eligible under the Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services.

"(2) Paragraph (1) does not apply with respect to an advanced developing country which—

"(A) is receiving direct economic assistance under chapter 1 of part I or chapter 4 of part II of this Act, and

"(B) if the country has its own foreign assistance programs which finance the procurement of construction or engineering services, permits United States firms to compete for those services.

"(i) The requirements of this section do not apply to the procurement of goods or services in connection with the provision of assistance under chapter 9 of part I of the Foreign Assistance Act of 1961 (relating to international disaster assistance).

"(j)(1)(A) The Administrator, Deputy Administrator, any Associate Administrator, or any Assistant Administrator of the agency primarily responsible for administering part I of this Act may, in order to authorize procurement from advanced developing countries or countries included under Geographic Code 935, waive the provisions of this section only with respect to specific procurement transactions and only if such person determines that to do so is vital to furnish assistance as effectively and expeditiously as possible.

"(B) The waiver authority conferred by subparagraph (A) may not be delegated to any officer or employee not specified in that subparagraph.

"(2)(A) The Administrator of such agency shall submit a quarterly report to the appropriate congressional committees setting forth any waivers made during the preceding calendar quarter under this subsection and subsection (i), together with the reasons therefor.

"(B) As used in this paragraph, the term 'appropriate congressional committees' means the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

"(3) The exemption provided by this subsection shall not be construed to apply to the Comprehensive Anti-Apartheid Act of 1986.

"(k) The provisions of this section shall not be superseded except by a provision of law which specifically repeals, modifies, or supersedes the provisions of this section.".

(b) PROCUREMENT OF MOTOR VEHICLES.—Section 636(i) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(i)(1) Notwithstanding any other provision of law, none of the funds made available to carry out this Act shall be used to finance the purchase, sale, long-term lease, exchange, or guaranty of a sale of motor vehicles unless such motor vehicles are manufactured in the United States.

"(2) Paragraph (1) shall not apply—

"(A) in cases of emergency where motor vehicles cannot be manufactured in the United States to meet demands when time is of the essence; or

"(B) where the total number of motor vehicles sought to be used in a foreign country by the agency primarily responsible for administering part I of this Act is six or fewer or, in excess of that number, if the Administrator, Deputy Administrator, any Associate Administrator, or any Assistant Administrator of such agency determines that to do so is necessary for the effective administration of the agency's programs. The authority of this subparagraph may not be delegated to any other officer or employee of that agency.

"(3) Nothing in this Act may be construed as approval of any decision to not purchase a motor vehicle manufactured in the United States when such purchase is feasible and consistent with the purposes of the assistance being provided.".

(c) REPEAL.—Section 496(n)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(n)(4)) is hereby repealed.

(d) BUY-AMERICA ADVOCATE.—Part III of the Foreign Assistance Act of 1961 is amended by inserting after section 604 the following new section:

"SEC. 604A. BUY-AMERICA ADVOCATE.—(a) The Administrator shall establish within the agency an Office of the Buy-America Advocate for the purpose of maximizing the participation of United States businesses in the development process by ensuring that the agency adheres to 'Buy America' precepts in all its procurement activities.

"(b) The Office shall be headed by a Buy-America Advocate who shall be appointed by the Administrator from among career Senior Foreign Service officers having extensive experience in export transactions, commodity import programs, and privatization. The Advocate shall be directly responsible to the Administrator.

"(c) The Buy-America Advocate shall—

"(1) have access to and the authority to review all documentation involving procurement activities of the agency;

"(2) review all programs involving cash transfers to determine whether a commodity import program will accomplish the same policy objectives as the cash transfer; any disagreement with a determination by the Buy-America Advocate that the same policy objectives can be accomplished by a commodity import program shall be resolved by the Administrator;

"(3) have full and unimpeded access to all information provided under the Buy-American reporting system (BARS), or any successor system to BARS;

"(4) have full and unimpeded access to technical services and information involving procurement activities, particularly the procurement of commodities and the entering into contracts;

"(5) receive and review all justifications for any procurement of non-United States commodities and services, including those funded by the Development Fund for Africa and, based on that review, shall, on a case-by-case or class-of-procurement basis, recommend to the Administrator any corrective actions that are necessary to ensure that Buy-America procurement opportunities are maximized;

"(6) coordinate its efforts with agency officials who perform duties in the area of trade and investment promotion and information; and

"(7) be accessible to the United States business community, ensuring that the community is fully aware of opportunities for exports, investments, and joint ventures in developing countries.

"(d) Beginning 6 months after the date of enactment of this section, and every 12 months thereafter, the Administrator shall submit to the Congress a report prepared by the Advocate which—

"(1) details procurement by the agency of United States commodities and services during the preceding reporting period;

"(2) compares Buy-America procurement for the same period of the preceding year;

"(3) contains data for all agency activities that accurately reflects the percentages of commodities and services financed by the agency that are of United States source or origin;

"(4) analyzes mission or bureau programs to identify shortfalls in performance in meeting Buy-America requirements contained in law and regulations; and

"(5) identifies remedial action to overcome such shortfalls.

"(e)(1) The agency shall assign to the Office such staff as may be necessary to carry out this section, including individuals who are expert in contracts and statistical analysis.

"(2) In addition, the agency shall provide the staff with all automation support requirements, including access to all relevant procurement- and financial management-related systems, databases, and files.

"(f) As used in this section—

"(1) the term 'Administrator' means the Administrator of the agency; and

"(2) the term 'agency' means the agency primarily responsible for administering part I of this Act.".

SEC. 149. DISASTER ASSISTANCE FOR TREES LOST DUE TO FIRE BLIGHT.

(a) IN GENERAL.—Sections 2255(a) and 2256(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421 note) are amended by inserting "fire blight," after "earthquake," both places it appears.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective as of November 28, 1990.

SEC. 150. PROVIDING FOR WITHDRAWAL OF RUSSIAN MILITARY PERSONNEL FROM CUBA.

The President should obtain a commitment from Russia to withdraw its combat troops and non-embassy military personnel from Cuba as expeditiously as possible and by a date certain, and if necessary, should facilitate the withdrawal of said troops and personnel.

SEC. 151. AUTHORIZATION FOR ADVANCED COAL-BASED TECHNOLOGY PROJECTS.

(a) FINDINGS.—The Congress finds that—

(1) the United States has undertaken a $5,000,000,000 technology development program to commercialize advanced coal technologies that will better enable the use of coal in a cost-effective and environmentally acceptable manner;

(2) industry in the United States already utilizes advanced technologies that enable the use of coal efficiently and with minimal impacts to the environment;

(3) these advanced technologies should be exported to other nations intending to use coal resources; and

(4) use of United States assistance to export coal-related technologies will benefit the global environment, maintain United States technological leadership, assist United States industry by supporting development of foreign markets, and promote a more favorable balance of trade.

(b) ADVANCED COAL-BASED TECHNOLOGY PROJECTS.—(1) The Secretary of Energy, in consultation with the Secretary of State and the chief executive officers of the Overseas Private Investment Corporation and the Export-Import Bank, is authorized to make grants and issue loans with respect to the projects described in paragraph (2), to be carried out by United States firms in the independent states of the former Soviet Union.

(2) The projects referred to in paragraph (1) shall be developmentally sound capital energy projects, which projects—

(A) shall be proposed by a United States firm;

(B) shall consist of equipment manufactured by United States firms;

(C) shall be capable of providing energy, in a cost-effective and environmentally acceptable manner, using advanced coal-based technologies;

(D) shall be designed to increase significantly the overall efficiency of the use of coal in the retrofit of an existing facility or the application of the advanced coal-based technology in a new facility; and

(E) shall be utilized to reduce significantly environmental emissions when compared to currently utilized methods of emissions control in the state of the proposed project.

(3) In determining which projects to support under this subsection, the Secretary of Energy shall give special consideration to those project proposals which would achieve the greatest increases in the control of emissions and the efficient production of energy and to those project proposals in which a portion of the costs of the project shall be paid for by non-Federal funds, including private funds.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) Of the funds authorized to be appropriated by this Act, up to $35,000,000 are authorized to be appropriated to the Secretary of Energy for fiscal year 1993 to carry out subsection (b).

(2) Amounts authorized to be appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(d) DEFINITIONS.—As used in this section—

(1) the term "advanced coal-based technology" means—

(A) any technology utilized for the preparation, combustion, or conversion of coal or the control of effluents from the combustion of coal that is commercially available and widely utilized in the United States but not widely utilized in the country that is the site of the proposed project and that achieves greater efficiency or control of emissions from coal utilization than currently achievable by technologies in widespread use in that country; or

(B) any clean coal technology that is the subject of a demonstration project selected by the Secretary of Energy under the heading "Department of Energy: Clean Coal Technology" of Public Law 99-190 or under any subsequently enacted law for which funds are made available to the clean coal technology demonstration program;

(2) the term "capital energy project" means a project involving the construction, expansion, alteration of, or the acquisition of equipment for a physical facility or physical infrastructure, including related engineering design (concept and detail) and other services, the procurement of equipment (including any related services), and feasibility studies or similar engineering and economic services; and

(3) the term "United States firm" means—

(A) a United States citizen;

(B) a corporation incorporated under the laws of the United States, substantially owned and controlled by United States persons;

(C) a joint venture or partnership organized under the laws of the United States, each participant of which is an individual or corporation described in subparagraph (A) or (B); or

(D) a joint venture between (i) an individual or corporation described in subparagraph (A) or (B), and (ii) a foreign firm organized under the laws of the host country or the government of that country.

SEC. 152. TROOP WITHDRAWAL FROM, LITHUANIA, LATVIA, AND ESTONIA.

United States Policy Regarding Orderly and Timely Withdrawal of Russian or Commonwealth of Independent States Troops from Lithuania, Latvia, and Estonia. (a) FINDINGS.—Congress finds that:

(1) During the existence of the Soviet Union, the United States never recognized the incorporation of Lithuania, Latvia, and Estonia into that entity;

(2) During the existence of the Soviet Union, troops of the Soviet Union were stationed in the territories of Lithuania, Latvia, and Estonia;

(3) After the Soviet Union collapsed, Lithuania, Latvia, and Estonia re-declared their independence and governments of the three states have been recognized by the United States;

(4) Armed forces of the Russian Federation or Commonwealth of Independent States continue to be stationed on the sovereign territories of Lithuania, Latvia, and Estonia after independence;

(5) The Governments of the Russian Federation and Commonwealth of Independent States have failed to begin good faith negotiations with Lithuania, Latvia, and Estonia, despite urgent requests from the Baltic governments to do so;

(6) A mutually-agreed timetable for removal of foreign forces from the sovereign territories of Lithuania, Latvia, and Estonia is a prerequisite for those countries to be able to enjoy the benefits of independence and representative government institutions.

(b) SENSE OF CONGRESS.—

(1) It is the sense of the Congress that the governments of the Russian Federation and Commonwealth of Independent States should immediately begin good faith negotiations toward an orderly, timely and complete withdrawal of their forces from Lithuania, Latvia, and Estonia and state that they have no long-term territorial interests in the Baltic States;

(2) Good faith negotiations to accomplish these purposes should be a top priority of the United States, and should be raised as an urgent matter in bilateral discussions and appropriate international bodies, including at the Conference on Security and Cooperation in Europe;

(3) Orderly, timely withdrawal of foreign forces from the territory of Lithuania, Latvia, and Estonia may require international supervision;

(4) The President should keep Congress fully advised about progress toward these goals on a regular and ongoing basis.

SEC. 153. JUNIOR ACHIEVEMENT.

(a) FINDINGS.—The Congress finds that—

(1) the free enterprise system is the foundation of, and necessary for the preservation of, democracy;

(2) educating the citizens of the newly independent states of the former Soviet Union in the principles of free enterprise will encourage economic productivity and provide opportunities for entrepreneurship;

(3) Junior Achievement International has 37 member nations and has pilot programs in 20 other countries with 1.7 million participants worldwide;

(4) in 1992, the first year of operation, Junior Achievement International programs expect to reach 200,000 young people in the newly independent states of the former Soviet Union;

(5) Junior Achievement's mission to provide young people with practical economic education programs and experiences is consistent with United States foreign policy objectives;

(6) Russian President Boris Yeltsin has recognized the high success of Junior Achievement—Russia has requested that Junior Achievement be greatly expanded;

(7) Junior Achievement programs are a cost effective way to educate millions of young people in the newly independent states of the former Soviet Union in the free enterprise system.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that of the funds authorize to be expended by this title, a portion should be made available for the purchase of books and materials and the development of educational programs by representative organizations of Junior Achievement International in the newly independent states of the former Soviet Union.

SEC. 154. PRIVATE SECTOR DEVELOPMENT INITIATIVE.

(a) FINDINGS.—Congress finds that—

(1) the single greatest privatization initiative undertaken in the history of the United States resulted from the Homestead Act of 1862 which offered free land to anyone twenty-one years of age or older who would live on it for a minimum of five years and improve it;

(2) the newly independent states of the former Soviet Union are faced with the need for privatization on an equally massive scale;

(3) the most effective means of creating a market economy in the newly independent states of the former Soviet Union will come as modes and methods of production are owned by private men and women who are responsible for the success of their farms and businesses and for the improvement of their homes and neighborhoods;

(4) essential to the privatization of the economies of these countries is the availability of capital for the purchase of homes, farms, and small businesses;

(5) the development of a market-based financial sector is essential to the formation of a market-based economy in the newly independent states of the former Soviet Union;

(6) the United States should take the lead in encouraging the establishment of secondary markets in the newly independent states of the former Soviet Union, to assist in the long-term process of privatization of large-scale industry; and

(7) in developing programs to assist the privatization of the newly independent states of the former Soviet Union, the United States should concentrate primarily on using the skills of the United States' private financial sector personnel.

(b) DEVELOPMENT OF PRIVATE FINANCIAL SECTOR.—The United States should assist in the development of a market-based private-sector economy in the newly independent states of the former Soviet Union by—

(1) assisting in the development of standards for certification of lending institutions; for the making of loans by certified institutions, including uniform underwriting, security, appraisal, accounting and repayment standards for qualified loans;

(2) assisting in the development of programs to encourage microenterprise loans for small businesses, home mortagages, and small farms;

(3) assisting in the development of secondary markets, including the development of securities laws, banking laws, and regulations for the newly independent States;

(4) assisting in the development of laws that enforce the equivalent of fee simple ownership in real property and the equivalent ownership in personal property; and

(5) assisting in the development of laws that enforce liens and mortgages on personal property and real property.

SEC. 155. DISCUSSIONS WITH ISRAEL.

(a)(1) The Bush Administration has indicated its support in principle for the concept of providing appropriate assistance to Israel to help it meet the urgent humanitarian needs associated with the massive influx of immigrants from the former Soviet Union.

(2) The recent elections in Israel have generated renewed hope for productive discussions between the United States and Israel on the issue of providing such assistance.

(3) In the aftermath of the formation of a new Israeli Government, the Bush Administration should be given a reasonable period of time to explore and implement such discussions: Now, therefore, it is the sense of the Senate

(b)(1) The Bush Administration should pursue renewed, good faith discussions with the Israeli Government on the provision of the aforesaid assistance, as soon as a new Israeli Government is formed and is fully functioning.

(2) While monitoring and encouraging such discussions, it is the intention of the United States Senate to take up and favorably act on legislation involving appropriate assistance to Israel to help it meet the needs generated by the influx of immigrants from the former Soviet Union before the adjournment of the One Hundred Second Congress.

SEC. 156. PROMULGATION OF FINAL REGULATIONS ON CERTAIN AVIATION ISSUES.

(a) REQUIREMENT TO PROMULGATE FINAL REGULATIONS BY SEPTEMBER 1, 1992.—After September 1, 1992, the Secretary of Transportation shall no longer have authority to regulate airline computer reservation systems if by September 1, 1992, either—

(1) the Secretary of Transportation does not promulgate final regulations governing airline computer reservation systems; or

(2) the Administrator of the Federal Aviation Administration does not promulgate final regulations on the allocation and transfer of airline slots at high density traffic airports.

(b) FEDERAL TRADE COMMISSION AUTHORITY.—

(1) AMENDMENT TO FEDERAL TRADE COMMISSION ACT.—Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by striking "air carriers and foreign air carriers subject to the Federal Aviation Act of 1958,".

(2) REQUIREMENT TO PROMULGATE FINAL REGULATIONS.—If the authority of the Secretary of Transportation to regulate airline computer reservation systems is no longer in effect as a result of the operation of subsection (a), the Federal Trade Commission shall promulgate final regulations governing airline computer reservation systems not later than December 1, 1992.

(c) EFFECTIVE DATES.—The amendment made by subsection (b)(1) shall take effect on September 2, 1992, but only if the authority of the Secretary of Transportation to regulate airline computer reservation systems is no longer in effect as a result of the operation of subsection (a). The other provisions of this section are effective on the date of enactment of this Act.

SEC. 157. PROMOTION OF COMPETITIVE OPPORTUNITIES FOR UNITED STATES INSURANCE COMPANIES.

(a) The Commodity Credit Corporation and the Agency for International Development, when engaging in any transaction with any foreign government or private entity pursuant to the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act" shall seek to ensure that United States insurance companies are afforded a fair and open competitive opportunity to provide insurance against risk of loss in connection with any transaction, for which they provide a loan, loan guarantee, insurance, reinsurance, or extension of credit.

(b) In any case in which the Commodity Credit Corporation or the Agency for International Development become aware that a fair and open competitive opportunity is not available to any United States insurance company with respect to the insurance-related business stemming from any loan, loan guarantee, or extension of credit made under this Act, by the Commodity Credit Corporation or the Agency for International Development—

(1) may approve or deny the loan, guarantee, or extension of credit after considering whether such a denial would be likely to achieve competitive access for United States insurance companies; and

(2) shall forward information to the United States Trade Representative regarding the denial of a fair and open competitive opportunity to United States insurance companies;

(3) In any case in which the Commodity Credit Corporation or Agency for International Development approve a transaction, notwithstanding information regarding denial of competitive opportunities for United States insurance companies, the Commodity Credit Corporation, or the Agency for International Development shall include notice of such approval and reason for such approval to the appropriate committees of the United States Senate and the House of Representatives.

(c) For purposes of this section—

(1) the term United States insurance company—

(A) includes an individual, partnership, corporation, holding company, or other legal entity which is authorized (or in the case of a holding company, subsidiaries of which are authorized) by a State to engage in the business of issuing insurance, contracts or reinsuring the risk underwritten by insurance companies; and

(B) includes foreign operations, branches, agencies, subsidiaries, affiliates, or joint ventures of any entity described in clause (A); and

(2) the term fair and open competitive opportunity means, with respect to the provision of insurance by a United States insurance company, that the company—

(A) has had notice of the opportunity to provide such insurance; and

(B) has been evaluated for such opportunity on a nondiscriminatory basis.

TITLE II—INTERNATIONAL LOCAL GOVERNMENT EXCHANGE ACT OF 1992

SEC. 201. SHORT TITLE.

This title may be cited as the "International Local Government Exchange Act of 1992".

SEC. 202. FINDINGS; POLICY.

The Congress finds that—

(1) the independent states of the former Soviet Union have requested the assistance of American Federal, State, and local officials in making the transition from Communist political systems and centrally planned economies to democratic societies based on local and regional self-government;

(2) the United States is well-positioned, because of its long democratic heritage and traditions, to make a substantial contribution to a transition of the independent states of the former Soviet Union to a more democratic polity and to democratic institutions by building on current technical and talent assistance programs with the newly independent republics of the former Soviet Union;

(3) it is in the immediate economic and national security interests of the United States to ensure the peaceful, orderly, and successful transformation of such states into fully democratic societies;

(4) provision by the United States of the requested assistance would promote development of a democratic polity and would help establish democratic institutions responsive to the needs of the people, particularly in the localities and regions of the independent states of the former Soviet Union;

(5) establishment of democratic local and regional governance that fosters the development of a decentralized market economy and preserves local autonomy and minority rights is essential in order to prevent the destabilization of the independent states of the former Soviet Union by serious economic and political deterioration or by interethnic tensions;

(6) such states have an educated labor force and the capability for productive economies, but they lack many of the basic organizations, institutions, skills, attitudes, and traditions of civil society on which democracy must ultimately rest;

(7) traditional United States foreign assistance programs and mechanisms are inadequate for responding to this new challenge because they are not designed to mobilize the practical expertise of the American people or to target and deliver practical assistance at the grassroots level in the widely divergent societies of the region;

(8) there is great willingness on the part of United States citizens to offer hands-on, person-to-person training, advice, support, and technical assistance to the peoples of the independent states of the former Soviet Union;

(9) State and local government officials in the United States can provide a vast pool of skills, talents, and experience which may be drawn upon to meet these urgent needs for democratic ideas and institutions;

(10) direct grassroots, people-to-people exchanges are the most appropriate means of ensuring that the rapid yet uneven evolution of social and political change will be responsive to the desires of the people of the independent states of the former Soviet Union;

(11) such exchanges can assist in the establishment of democratic regional and local governments where they do not now exist, and can assist existing local and regional governments to develop laws, policies, administrative and judicial procedures, regulatory competence, broad-based tax systems and effective service delivery mechanisms; and

(12) participants in such exchanges can work with national, regional and local officials to encourage intergovernmental cooperation through the establishment of laws, regulatory regimes, institutions, and channels of communication among government officials at all levels.

SEC. 203. STATEMENT OF PURPOSE.

The purpose of this title is to facilitate the establishment of—

(1) legitimate, democratically elected local and regional governments throughout the independent states of the former Soviet Union that will be able to provide for self-governance and the full range of efficient and equitable public services and management practices expected of such governments in a free society;

(2) cooperative intergovernmental relations between and among the independent states of the former Soviet Union and among its regional and local governments that will provide effectively for such common needs as economic development, intermodal transportation, environmental protection, and joint service provision;

(3) permanent governmental and nongovernmental institutions throughout the independent states of the former Soviet Union able that will provide continuing training, research, and development with respect to local and regional governance and intergovernmental cooperation; and

(4) ongoing ties of assistance and friendship between the officials and institutions of State and local governments in the United States and the independent states of the former Soviet Union.

SEC. 204. DEFINITIONS.

As used in this title—

(1) the term "eligible organization" means—

(A) any organization of elected or appointed State, local, or regional governmental officials determined by the agency administering section 205 to have the capacity to engage in educational and technical assistance exchanges in public administration; or

(B) any private, nonprofit organization having expertise in public administration and experience in providing training or technical assistance; and

(2) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

SEC. 205. AUTHORITY.

(a) IN GENERAL.—(1) The President, acting through such agency as he may designate, is authorized to establish a program for technical assistance in local and regional self-government to the independent states of the former Soviet Union to carry out the purposes of this title.

(2) Of the amounts authorized to be appropriated, an appropriate amount should be made available for necessary administrative expenses by the implementing agency.

(b) GRANTS.—In providing assistance under subsection (a), the President shall, subject to the availability of appropriations, make grants to eligible organizations to cover the travel and administrative expenses incurred by such organizations in conducting—

(1) an assessment of the need by any independent state of the former Soviet Union for fiscal, legal, and technical expertise at the local and regional level; and

(2) training of local and regional governmental officials in democratic institution-building and public administration.

(c) LIMITATION.—Funds made available under this title may not be used for any period in excess of 6 months with respect to any single visit authorized by this section.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

(b) AVAILABILITY OF FUNDS.—Funds authorized to be appropriated pursuant to subsection (a) are authorized to remain available until expended.

SEC. 207. TERMINATION.

This title shall terminate 5 years after its date of enactment.

TITLE III—FREEDOM EXCHANGE ACT

Subtitle A—In General

SEC. 301. SHORT TITLE.

This title may be cited as the "Freedom Exchange Act".

SEC. 302. STATEMENT OF PURPOSE.

The purpose of this title is—

(1) to bring young people of the former Soviet Union and the Baltic states to the United States so that they might experience first-hand how a free market democracy functions;

(2) to assist the skill-building process necessary for both institution-building and nation-building; and

(3) to ease immigration restrictions to allow the freer flow of scientists and others from the former Soviet Union knowledgeable in the production of nuclear weapons.

SEC. 303. DEFINITIONS.

As used in this title—

(1) the term "Baltic states" means Latvia, Lithuania, and Estonia;

(2) the term "Endowment" means the corporation described in section 311(b)(2);

(3) the term "institution of higher education" has the same meaning as is given to such term by section 1201(a) of the Higher Education Act of 1965;

(4) the term "independent states of the former Soviet Union" includes the following states that formerly were part of the Soviet Union: Armenian, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(5) the term "secondary school" has the same meaning given to such term by section 1471(21) of the Elementary and Secondary Education Act of 1965.

Subtitle B—Educational Exchange Program

SEC. 311. AUTHORITIES FOR AWARDING GRANTS.

(a) GENERAL AUTHORITY.—The President shall establish and carry out an exchange program in accordance with this subtitle. In carrying out such a program, the President shall award, on a competitive basis, grants to eligible organizations to enable such organizations to finance—

(1) the exchange of secondary school students in accordance with section 312;

(2) the exchange of college students in accordance with section 313;

(3) the exchange of graduate students in accordance with section 314;

(4) visits and interchanges of professors and educators in accordance with section 315; and

(5) internships in accordance with section 316.

(b) ELIGIBLE ORGANIZATIONS.—For the purpose of this subtitle, the term "eligible organization" means—

(1) during fiscal year 1993, any private nonprofit organization which has experience in exchange programs and demonstrates a capacity to carry out such programs in the independent states of the former Soviet Union or in the Baltic States; and

(2) during fiscal year 1994, a private, nonprofit corporation to be established which shall be designated by the President to carry out the educational exchange program assisted under this subtitle through the awarding of grants to private, nonprofit organizations described in paragraph (1), which corporation shall be known as the Educational Exchange Endowment (hereafter in this title referred to as the "Endowment").

(c) DURATION.—The President shall award grants under this section during the period beginning on October 1, 1992, and ending on September 30, 1994. It is the intention of Congress to continue this initiative in future years.

(d) ADMINISTRATIVE EXPENSES.—Each eligible organization receiving a grant under this subtitle may use not more than 10 percent of such grant for administrative expenses.

(e) APPLICATION.—(1) Each eligible organization seeking a grant under this section shall submit an application to the President at such time, in such manner, and accompanied by such information as the President may reasonably require.

(2) Each application submitted pursuant to paragraph (1) shall—

(A) describe the activities for which assistance under this section is sought; and

(B) provide such additional assurances as the President determines to be essential to ensure compliance with the requirements of this section.

(f) MATCHING FUNDS.—The President is authorized to seek private funds to supplement or match public grants for the programs authorized by this title.

(g) ELIGIBILITY FOR GRANTS.—Grants may be made to eligible organizations only if such organizations agree to comply with the requirements specified in this subtitle.

(h) IMPLEMENTATION.—In carrying out this subtitle, the President shall—

(1) encourage colleges and universities receiving students to supplement public grants with their own resources, to the extent possible; and

(2) allow for a wide range of United States institutions to participate in programs under this subtitle.

(i) COMPLIANCE WITH BUDGET ACT.—The authority to make grants under this title shall be effective only to such extent or in such amount as are provided in appropriations Acts.

SEC. 312. SECONDARY SCHOOL STUDENTS.

(a) GRANT USES.—(1) Grants awarded under section 311(a)(1) shall be used to finance—

(A) visits of short duration by eligible secondary students, to the United States, to any of the independent states of the former Soviet Union, or to any Baltic state, with priority accorded to visits that take place during fiscal year 1993; or

(B) studies, instruction, and other educational exchange activities in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, for eligible secondary school students.

(2) Of the amount of grants awarded under section 311(a)(1), not more than 35 percent in fiscal year 1993 and not more than 15 percent in each of fiscal year 1994 may be used for the purpose of paragraph (1)(A).

(b) CONDITIONS.—(1) The President may require that a portion of a grant awarded under section 311(a)(1) be used only for educational activities that are conditioned on the reciprocal exchange of American students.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 311(a)(1) may be used to finance educational exchanges of American students under this section.

(3) No grant awarded under section 311(a)(1) may be used to reimburse any United States citizen for hosting an eligible secondary student.

(c) DEFINITION.—For purposes of this section, the term "eligible secondary school student" means a secondary school student from the United States, any of the independent states of the former Soviet Union, or any Baltic state who—

(1) is at least 15 years of age;

(2) is attending school at a grade level equivalent to any of the grade levels 10 through 12 in United States secondary schools or has just completed secondary school in any of the independent states of the former Soviet Union or any Baltic state; and

(3) has a minimum level of proficiency in English, as determined by testing.

(d) ADMINISTRATION.—To the maximum extent practicable, a grant under this section shall be used to support the activities described in subsection (a) for secondary school students of widely divergent backgrounds.

(e) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $32,500,000 for fiscal year 1993.

SEC. 313. COLLEGE STUDENTS.

(a) GRANT USES.—Grants awarded under section 311(a)(2) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible college students in institutions of higher education in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with special emphasis on—

(1) those students who are studying to become English teachers; and

(2) those students who are seeking to acquire knowledge or skills applicable to restructuring the economy or building democratic institutions.

(b) CONDITION.—(1) The President may require that an eligible organization in order to receive a grant under section 311(a)(2), agree to use a portion of such grant for educational activities that are conditioned on the institution of higher education providing an eligible college student with some financial resources, either in the form of room and board or as a waiver of tuition.

(2) Not more than 15 percent of the total amount of grant funds awarded under section 311(a)(2) may be used to finance educational exchanges of American students under this section.

(c) DEFINITION.—For purposes of this section, the term "eligible college student" means a student enrolled in four-year programs of study at a community college, college or university in the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any American-founded school in the former Soviet Union, and who—

(1) has completed at least one year of study and is not in the last year of such study; and

(2) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $27,000,000 for fiscal year 1993.

SEC. 314. GRADUATE STUDENTS.

(a) GRANTS USES.—Grants awarded under section 311(a)(3) shall be used to finance studies, research, instruction, and other educational exchange activities for eligible graduate students in the United States, in any of the independent states of the former Soviet Union, or in any Baltic state, each educational exchange activity lasting not less than one semester or more than one year, with emphasis on those students who are seeking to acquire knowledge or skills applicable to restructuring an economy or building democratic institutions.

(b) CONDITION.—Not more than 15 percent of the total amount of grant funds awarded under section 311(a)(3) may be used to finance educational exchanges of American students under this section.

(c) DEFINITION.—For purposes of this section, the term "eligible graduate student" means a student from the United States, any of the independent states of the former Soviet Union, or any Baltic state, including any student attending an American-founded university in the former Soviet Union, who—

(1) is enrolled in a graduate course of study at a college or university;

(2) has completed one year of such study; and

(3) in the case of a foreign student, has a minimum level of proficiency in English, as determined by testing.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $4,250,000 for fiscal year 1993.

SEC. 315. "SISTER" UNIVERSITY PROGRAM.

(a) GRANT USES.—(1) Grants awarded under section 311(a)(4) shall be used to finance visits and other interchanges between professors and educators of eligible paired institutions for the purpose of developing curriculum and otherwise strengthening ties between the independent states of the former Soviet Union and the Baltic states and the United States at the institutional level.

(2) Each grant awarded under this subsection shall be in the amount of $50,000.

(3) Each grant awarded under this subsection to eligible paired institutions may be disbursed during a period of two fiscal years.

(b) DEFINITION.—For purposes of this section, the term "eligible paired institutions" means—

(1) in fiscal year 1993, a pairing by the President, or

(2) in any of the fiscal years 1994 through 1997, a pairing by the Endowment,

of one United States institution of higher education with a college or university in any of the independent states of the former Soviet Union or any Baltic state wherever such pairing is likely to promote a continuing relationship between the institutions after the termination of assistance under this subtitle.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated $7,500,000 for fiscal year 1993.

SEC. 316. LEADERSHIP BY EXAMPLE GROUPS.

(a) GRANT USES.—(1) Grants awarded under section 311(a)(5) shall provide eligible persons with internships in enterprises in the United States for durations of six months or less.

(2) Such program may be referred to as the "Leadership by Example Groups (LEGS) Program".

(3) A portion of each grant may be used to provide limited advanced English language training to interns before coming to the United States.

(4) As used in this subsection, the term "enterprises" includes, but is not limited to, enterprises in the fields of agricultural production, agri-business, telecommunications, finance, health care, natural resource management, environmental protection, and oil and mineral exploration and extraction.

(b) CONDITION.— Each eligible organization receiving a grant under section 311(a)(5) awarding internships shall require that a small business or appropriate chamber of commerce provide a portion of the costs of the internships, such as the costs of medical and dental insurance or housing for internship recipients.

(c) DEFINITION.—For purposes of this section, the term "eligible person" means a national of any of the independent states of the former Soviet Union or any Baltic state who—

(1) is under 40 years of age; and

(2) has a minimum level of training in the English language.

(d) AUTHORIZATION OF APPROPRIATIONS.—(1) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the President $10,000,000 for fiscal year 1993.

SEC. 317. AUTHORIZATION AND MANDATE.

(a) AUTHORIZATION AND MANDATE.—(1) The Congress authorizes and urges the President to establish a program of support for exchanges of governmental officials with the independent states of the former Soviet Union and Eastern Europe.

(2) Such program may be referred to as the "Partnership for Essential Governmental Services".

(3) As part of such program, the President is authorized to make available, on a volunteer basis and as appropriate, Federal civil service employees of departments and agencies of the United States for temporary duty in the independent states of the former Soviet Union and Eastern Europe to assist those countries in the development of essential governmental services.

(b) IMPLEMENTATION.—(1) The program authorized by subsection (a) should be carried out by existing agencies of United States Government and by volunteer-coordinating organizations such as the Citizens Democracy Corps, and should place upon each participating foreign government the primary responsibility for—

(A) identifying specific needs for such advisory assistance; and

(B) bearing in-country living expenses of American governmental officials seconded to advise that government.

(2) The President may provide assistance to those independent states of the former Soviet Union which cannot meet their share of the cost of this program.

SEC. 318. ADMINISTRATIVE REQUIREMENTS FOR THE ENDOWMENT.

In order to receive assistance under this subtitle, the Education Exchange Endowment shall comply with the following requirements:

(1) The Endowment shall have the capacity to receive, accept, solicit, and collect private funds to supplement Government grants received under this subtitle and shall agree actively to seek such private funds.

(2)(A) Officers of the Endowment may not receive any salary or other compensation from any source, other than the Endowment, for services rendered during the period of their employment by the Endowment.

(B) If an individual who is an officer or employee of the United States Government serves as a member of the Board of Directors or as an officer or employee of the Endowment, that individual may not receive any compensation or travel expenses in connection with services performed for the Endowment.

(3)(A) The Endowment shall not issue any shares of stock or declare or pay any dividends.

(B) No part of the assets of the Endowment shall inure to the benefit of any officer or employee of the Endowment, or any other individual, except as salary or reasonable compensation for services.

(4) The accounts of the Endowment shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Endowment are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment and necessary to facilitate the audits shall be made available to the person or persons conducting the audits. The Endowment shall make available to such person or persons full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians.

(5)(A) The financial transactions of the Endowment for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Endowment are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Endowment pertaining to its financial transactions and necessary to facilitate the audit. The Endowment shall make available to such representatives full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Endowment shall remain in the possession and custody of the Endowment.

(B) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the financial operations and condition of the Endowment, together with such recommendations with respect thereto as he may deem advisable. The report shall also identify any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made contrary to the requirements of this subtitle. A copy of each report shall be furnished to the President and to the Endowment at the time submitted to the Congress.

SEC. 319. EFFECTIVE DATE.

This subtitle shall take effect on October 1, 1992.

TITLE IV—AMERICAN AGRIBUSINESS CENTERS AND PRACTITIONERS EXCHANGE ACT OF 1992

SEC. 401. SHORT TITLE.

This title may be cited as the "American Agribusiness Centers and Practitioners Exchange Act of 1992".

SEC. 402. FINDINGS; POLICY.

The Congress finds that—

(1) the transition from a command and control system in agriculture to a market system is critical to the success of the economic reforms in the independent states of the former Soviet Union and Baltic states;

(2) the command-driven agricultural system of the independent states of the former Soviet Union and Baltic states is in the process of including market incentives;

(3) it is in the interest of the United States to assist in the establishment of a free market agriculture system as well as improve the agriculture and food production, processing, storage and distribution systems in the independent states of the former Soviet Union and Baltic states;

(4) it is in the interest of the United States to help provide new market opportunities for United States agribusiness in the independent states of the former Soviet Union and Baltic states as well as increase United States exports in agricultural inputs, equipment, management systems and technology to those countries;

(5) American Agribusiness Centers and "hands on" experiences through expanded two-way exchanges will transfer the entrepreneurial attitudes as well as knowledge, skills and experiences of American farmers and agribusiness practitioners to their counterparts in the independent states of the former Soviet Union and Baltic states; and

(6) agribusiness practitioners from the independent states of the former Soviet Union and Baltic states will increase their understanding of the technologies, risks, and rewards of free market farming and agribusiness through "hands on" experience through expanded two-way exchange programs.

SEC. 403. STATEMENT OF PURPOSE.

The purpose of this title is to facilitate the establishment of—

(1) not less than three new American Agribusiness Centers during fiscal year 1993 and not less than four new American Agribusiness Centers during fiscal year 1994 in the independent states of the former Soviet Union and Baltic states;

(2) not less than three regional American Agribusiness Exchange Centers during fiscal year 1993 and not more than two regional American Agribusiness Exchange Centers during fiscal year 1994 at State Universities and Land Grant Colleges in the United States; and

(3) an expanded two-way exchange program of agribusiness practitioners not to exceed more than two thousand participants during fiscal year 1993, six thousand participants during fiscal year 1994 and ten thousand participants in 1995 and not less than one quarter of the maximum number of participants authorized in each fiscal year.

SEC. 404. AMERICAN AGRIBUSINESS CENTERS ABROAD.

(a) IN GENERAL.—The President is authorized to fund established American Agribusiness Centers in the independent states of the former Soviet Union and Baltic states.

(b) IMPLEMENTATION.—To the maximum extent possible, the President shall provide for—

(1) not less than three new American Agribusiness Centers during fiscal year 1993 and

not less than four new American Agribusiness Centers during fiscal year 1994 which have joint ventures in the independent states of the former Soviet Union and Baltic states;

(2) priority funding to be given to—

(A) centers with experience in operating such a joint venture Agribusiness Center in the former Soviet Union;

(B) centers which include the participation of private United States agribusiness or agricultural cooperatives, state universities and land grant colleges, and banks making appropriate contributions of equipment, materials and personnel for the operation of such centers;

(C) centers which have joint ventures in which host countries make appropriate contributions of transportation, personnel, construction and use of land; and

(D) centers which utilize United States agricultural equipment;

(3) joint ventures between American Agribusiness Centers and host entities to be established in various independent states of the former Soviet Union and Baltic states;

(4) centers to enhance the ability of agribusiness practitioners in the independent states of the former Soviet Union and Baltic states to better meet the needs of their people and make the transition from a command and control system in agriculture to a free market system such as through—

(A) training programs;

(B) education programs such as, but not exclusively, market economics, concepts in private property, marketing, agribusiness practices, credit and finance;

(C) initiatives to—

(i) determine appropriate techniques to enhance agricultural production; and

(ii) develop strategies for the application of biotechnology to support food security and sustainable agricultural practices;

(D) technical assistance to increase the efficiency of the agricultural production, processing, storage and distribution systems; and

(E) participation in exchange programs; and

(5) in the establishment of any new American Agribusiness Center, preference in funding to any such entity with experience in operating such a joint venture Agribusiness Center in the former Soviet Union if such entity includes the participation of private United States agribusiness and State university or land grant colleges.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds otherwise made available for such purpose, there are authorized to be appropriated $12,000,000 in fiscal year 1993 to carry out this section. Such funds are authorized to remain available until expended.

SEC. 405. AMERICAN AGRIBUSINESS EXCHANGE CENTERS IN THE UNITED STATES.

(a) IN GENERAL.—The President is authorized and encouraged to establish five regional Agribusiness Centers at State universities and land grant colleges in the United States for the purpose of expanding two-way exchange programs among agribusiness practitioners.

(b) IMPLEMENTATION.—To the maximum extent possible, the President should direct—

(1) that such Centers act in consultation and coordination with such an agency as he may designate, to establish criteria for the selection of participants in the exchange program;

(2) that in establishing criteria for the selection of participants in the exchange program preference be given to agribusiness practitioners from the independent states of the former Soviet Union and the Baltic states who have participated in the program established pursuant to section 404 of this Act;

(3) that such Centers be responsible for recruitment of American exchange participants, United States host communities, families and agribusinesses;

(4) that such Centers ensure that American participants reflect a broad range of agricultural regions and agribusiness activities;

(5) that such Centers coordinate their activities with existing national and state-level farm and commodity groups, other State universities and land grant colleges, State and Federal agencies, and representatives of local communities;

(6) that such Centers be located in States or areas where family farmers and owner-operator agricultural production units are the primary structure of farming and where agricultural input and marketing cooperatives are well established;

(7) that such Centers be located in State universities and land grant colleges that have established strong research, instruction, and public service programs in areas of international development (particularly development directed at the independent states of the former Soviet Union and Baltic states), land tenure resolution (including privatization), and cooperative development and management;

(8) that such Centers encourage private United States agribusinesses, foundations, private organizations as well as State universities and land grant colleges to make appropriate contributions of space, materials and personnel for the establishment and operation of such Centers; and

(9) such Centers enhance the ability of agribusiness practitioners from the independent states of the former Soviet Union and Baltic states to better meet the needs of their people and make the transition from a command and control system in agriculture to a free market system such as through—

(A) training programs;

(B) education programs such as, but not exclusively, market economics, concepts in private property, marketing, agribusiness practices;

(C) initiatives to—

(i) determine appropriate techniques to enhance agricultural production; and

(ii) develop strategies for the application of biotechnology to support food security and sustainable agricultural practices; and

(D) internships.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds otherwise made available for such purpose, there are authorized to be appropriated $10,000,000 in fiscal year 1993 to carry out this section. Such funds are authorized to remain available until expended.

SEC. 406. DEFINITIONS.

As used in this title—

(1) the term "Baltic states" means Latvia, Lithuania, and Estonia;

(2) the term "independent states of the former Soviet Union" means Armenia, Azerbaijan, Byelarus, Georgia, Kazakhstan, Kyrgystan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(3) the term "agribusiness practitioner" means farmers, agricultural specialists, suppliers, processors, marketers, handlers, transporters, processors, and others in engaged in the various facets of agribusiness.

TITLE V—AMERICAN CENTERS

SEC. 501. SHORT TITLE.

This title may be cited as the "American Centers Act".

SEC. 502. AMERICAN CENTERS TO SUPPORT PEACEFUL TRANSITIONS LEADING TO FREE MARKET ECONOMIES AND DEMOCRATIC VALUES IN RUSSIA, THE UKRAINE, BELARUS, GEORGIA, ARMENIA, AND OTHER NEW INDEPENDENT STATES.

In order to demonstrate an American commitment to support the peoples of Russia, the Ukraine, Belarus, Georgia, Armenia, and other new independent States, the President should establish American Centers to promote commercial, professional, civic, and other partnerships between the people of the United States and the peoples of new independent states for the purposes of:

(1) establishing a liaison to facilitate exchanges between the peoples of the republics of the former Soviet Union and American business entities, State and local governments, and professional and civic institutions in the United States;

(2) providing a repository for commercial, legal, and technical (including environmental and export control) information;

(3) identifying existing or potential counterpart businesses or organizations that may require specific technical coordination or assistance; and

(4) helping to establish the legal and regulatory framework and infrastructure that is a critical prerequisite to the establishment of a market oriented economy and democratic institutions;

(5) such other objectives that the Center Directors and Coordinator may identify and have been approved by the Executive Board.

SEC. 503. EXECUTIVE BOARD AND DIRECTORS OF CENTERS.

(a) THE EXECUTIVE BOARD.—The President is authorized to appoint an Executive Board of no more than ten United States citizens to advise the President and to provide policy and technical direction to the American Centers. The Board Members should be chosen from individuals who have demonstrated leadership in business, professional, and civic organizations that engage in relevant international activities, in particular in the new independent States.

(b) DIRECTORS OF THE AMERICAN CENTERS.—Upon the appointment of an Executive Board as provided in subsection (a), the President may designate, from a list of candidates submitted by the Executive Board upon his request, Directors of one or more American Centers to carry out the purposes of the Act. The Executive Board shall work as expeditiously as possible to respond to requests to establish additional American Centers in major cities of the Republics.

(c) POLICY COORDINATION OF AMERICAN CENTERS.—The President is encouraged to designate a coordinator to oversee, subject to the policy direction of the Secretary of State, activities conducted by the United States Government in connection with the American Centers and other activities authorized by the Freedom Support Act. The coordinator, the Deputy Secretary of State, and the Chairman of the Trade Promotion Coordinating Committee shall be ex officio members of the Executive Board.

(d) The Executive Board shall consult with and provide periodic reports to the President, the Secretary of State, and the appropriate committees of Congress.

(e) Nothing in this section shall be construed—

(1) to make the Executive Board or any American Center an agency or establishment of the United States Government, or

(2) to make any member of the Executive Board or director of an American Center officers of employees of the United States Gov-

ernment, for the purpose of title 5, United States Code or any law administered by the Office of Personnel Management. In addition, the provisions of the Federal Advisory Committee Act shall not apply to the Executive Board or any American Center.

SEC. 504. FUNDING FOR AMERICAN CENTERS AND FOR TECHNICAL SUPPORT FOR DEMOCRATIC GOVERNMENTS, PRIVATE INSTITUTIONS, AND PROFESSIONAL ORGANIZATIONS IN THE SOVIET REPUBLICS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts made available for assistance under the Freedom Support Act, not more than $5,000,000 for fiscal year 1993, and not more than $10,000,000 during any subsequent fiscal year shall be available for assistance in accordance with this Act.

(b) TYPES OF ASSISTANCE AUTHORIZED.—Funds made available pursuant to this Act shall be used to establish and maintain the American Centers and to provide technical and related support assistance to any eligible recipients in the new independent States.

(c) ELIGIBLE RECIPIENTS.—As used in the Act, the term, "eligible recipient" means—

(1) the government of any republic, and any local government, within the new independent State (or any successor state) that was elected through open, free, and fair elections,

(2) any nongovernmental organization that promotes democratic reforms, market oriented reforms, the rule of law (including the legal infrastructure prerequisite to the foregoing) or any other objectives of this Act, and

(3) any governmental agencies that promote democratic reforms, market-oriented reforms, or the rule of law (except that no more than 15 per centum of amount authorized in subsection (a) may be used for this category).

(d) RESTRICTIONS.—No cash grants may be made under this Act to any governmental agency or organization in the new independent States. Payments for rent or lease of office facilities for an American Center are to be made, to the extent practicable, from local currency provided for that purpose by the host government.

(e) Except to the extent inconsistent with this Act, technical assistance under this Act shall be considered to be assistance under part 1 of the Foreign Assistance Act for the purposes of making available the administrative authorities of that Act.

(f) The Centers are authorized to accept private contributions from United States citizens and organizations to be used pursuant to the provisions of this Act.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of January 3, 1991, the Secretary of the Senate on July 8, 1992, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

H.R. 158. An act to designate the building in Hiddenite, North Carolina, which houses the primary operations of the United States Postal Service as the "Zora Leah S. Thomas Post Office Building";

H.R. 4505. An act to designate the facility of the United States Postal Service located at 20 South Montgomery Street in Trenton, New Jersey, as the "Arthur J. Holland United States Post Office Building"; and

H.R. 5412. An act to reauthorize the transfer of certain naval vessels to Greece and Taiwan.

Under the authority of January 3, 1991, the enrolled bills were signed by the President Pro Tempore on July 13, 1992, during the adjournment of the Senate.

Under the authority of January 3, 1991, the Secretary of the Senate on July 9, 1992, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

S.J. Res. 324. A joint resolution to commend the NASA Langley Research Center on the celebration of its 75th anniversary on July 17, 1992.

Under the authority of January 3, 1991, the enrolled bill was signed by the President Pro Tempore on July 13, 1992, during the adjournment of the Senate.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on July 10, 1992, he had presented to the President of the United States the following enrolled bill:

S. 2780. An act to amend the Food Security Act of 1985 to remove certain easement requirements under the conservation program, and for other purposes.

The Secretary of the Senate reported that on July 13, 1992, he had presented to the President of the United States the following enrolled bill:

S.J. Res. 324. A joint resolution to commend the NASA Langley Research Center on the celebration of its 75th anniversary on July 17, 1992.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3552. A communication from the President of the United States, transmitting, pursuant to law, a report concerning the national emergency with respect to Libya; to the Committee on Banking, Housing, and Urban Affairs.

EC-3553. A communication from the President of the United States, transmitting, pursuant to law, a report on the designation of Bolivia as a beneficiary of trade-liberalizing measures; to the Committee on Finance.

EC-3554. A communication from the President of the United States, transmitting, pursuant to law, a report with respect to the designation of Colombia as a beneficiary of trade liberalizing measures; to the Committee on Finance.

EC-3555. A communication from the Director of the United States Arms Control and Disarmament Agency, transmitting, pursuant to law, a report on the adherence of the United States to arms control treaty obligations; to the Committee on Foreign Relations.

EC-3556. A communication from the President of the United States, tansmitting, pursuant to law, a report on the status of compliance by Iraq with the resolutions adopted by the U.N. Security Council; to the Committee on Foreign Relations.

EC-3557. A communication from the Acting General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to authorize the Secretaries of the military departments to delete administratively from selection board reports the names of officers selected for promotion if the officer was erroneously considered for promotion or is not serving on active duty; to the Committee on Armed Services.

EC-3558. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, the report on the actuarial status of the Military Retirement System; to the Committee on Armed Services.

EC-3559. A communication from the Deputy General Counsel of the Department of Defense, transmitting, pursuant to law, the report of Department of Defense and related employment for fiscal year 1991; to the Committee on Armed Services.

EC-3560. A communication from the President of the Thrift Depositor Protection Oversight Board, transmitting, pursuant to law, the annual report of the Oversight Board for the calendar year 1991; to the Committee on Banking, Housing, and Urban Affairs.

EC-3561. A communication from the President of the Thrift Depositor Protection Oversight Board, transmitting, pursuant to law, the audited financial statements of the Resolution Trust Corporation; to the Committee on Banking, Housing, and Urban Affairs.

EC-3562. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report on the audit of the Resolution Trust Corporation; to the Committee on Banking, Housing, and Urban Affairs.

EC-3563. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation; to the Committee on the Budget.

EC-3564. A communication from the President of the National Rail Passenger Corporation, transmitting, pursuant to law, a report on the study of new rail service; to the Committee on Commerce, Science and Transportation.

EC-3565. A communication from the Deputy Associate Director for Collection and Reimbursement, Minerals Management Service, Department of Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3566. A communication from the Deputy Associate Director for Collection and

Disbursement, Minerals Management Service, Department of Interior, transmitting, pursuant to law a report on the refund of certain offshore lease revenues.

EC-3567. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3568. A communication from the Deputy Associate Director for Collection and Reimbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3569. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3570. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3571. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3572. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3573. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3574. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3575. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3576. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3577. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on the Program Opportunity Notice for the fifth round of the Clean Coal Technology Demonstration Program; to the Committee on Energy and Natural Resources.

EC-3578. A communication from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on the striped bass; to the Committee on Environment and Public Works.

EC-3579. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on the Public Buildings Service Capital Improvement Program; to the Committee on Environment and Public Works.

EC-3580. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the Utilization and Quality Control Peer Review Organization; to the Committe on Finance.

EC-3581. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on group specific medicare volume performance standards; to the Committee on Finance.

EC-3582. A communication from the Chairman of the Physician Payment Review Commission, transmitting, pursuant to law, a report on access to care in the Medicare Program for calendar year 1992; to the Committee on Finance.

EC-3583. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period after July 2, 1992; to the Committee on Foreign Relations.

EC-3584. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report relative to the provision of disaster assistance to the Persian Gulf Region; to the Committee on Foreign Relations.

EC-3585. A communication from the Secretary of the Smithsonian Institution, Office of the Inspector General, transmitting, pursuant to law, the Semiannual Report to Congress; to the Committee on Governmental Affairs.

EC-3586. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, the National Credit Union Administration's Inspector General's Semiannual Report; to the Committee on Governmental Affairs.

EC-3587. A communication from the Chairman of the Consumer Products Safety Commission, transmitting, pursuant to law, the Semiannual Report of the Inspector General of the Commission; to the Committee on Governmental Affairs.

EC-3588. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on audit activity; to the Committee on Governmental Affairs.

EC-3589. A communication from The Administrator of the U.S. Agency for International Development, transmitting, pursuant to law, a report on audit management and resolution; to the Committee on Governmental Affairs.

EC-3590. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, the report of the Inspector General and a report on audit management and resolution; the Committee on Governmental Affairs.

EC-3591. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a management report; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of June 23, 1992, the following reports of committees were submitted on July 15, 1992:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. 2321: A bill to increase the authorizations for the War in the Pacific National Historical Park, Guam, and the American Memorial Park, Saipan, and for other purposes (Rept. No. 102-318).

H.R. 479: A bill to amend the National Trails System Act to designate the California National Historic Trail and Pony Express National Historic Trail as components of the National Trails System (Rept. No. 102-319).

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 2864: A bill to reauthorize the Export-Import Bank Act of 1945, to encourage export promotion, and for other purposes (Rept. No. 102-320).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 25: A bill to protect the reproductive rights of women, and for other purposes (Rept. No. 102-321).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Veterans Affairs, with an amendment in the nature of a substitute:

S. 2322. A bill to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans (Rept. No. 102-322).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BAUCUS:

S. 2987. A bill to amend the Internal Revenue Code of 1986 to reduce compliance costs and administrative burdens in connection with foreign taxes, and for other purposes; to the Committee on Finance.

By Mr. BYRD (for Mr. FOWLER (for himself, Mr. D'AMATO, Mr. MOYNIHAN, Mr. CRANSTON, Mr. AKAKA, Mr. INOUYE, Mr. BUMPERS, and Mr. COCHRAN)):

S. 2988. A bill to amend the Public Health Service Act and title XIX of the Social Security Act to provide for the prevention, control, and elimination of tuberculosis, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2989. A bill to provide additional time to negotiate settlement of a land dispute in

South Carolina; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAUCUS (for Mr. MITCHELL):

S. Con. Res. 130. A concurrent resolution making a correction in the enrollment of Senate Concurrent Resolution 129 of the One Hundred Second Congress; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAUCUS:

S. 2987. A bill to amend the Internal Revenue Code of 1986 to reduce compliance costs and administrative burdens in connection with foreign taxes, and for other purposes; to the Committee on Finance.

FOREIGN TAX SIMPLIFICATION ACT

• Mr. BAUCUS. Mr. President, I rise to introduce the Foreign Tax Simplification Act of 1992, a bill to reduce the compliance costs and administrative burdens which American taxpayers engaged in international trade face under U.S. tax law.

Experience over the last 5 years with the reforms we enacted in 1986 has made it clear that some of the rules we adopted are more complicated and difficult than they need to be to meet our policy objectives. As a result, American taxpayers operating internationally must go to great trouble and expense to comply with complex rules which in the end may produce little or no revenue for the Government. I am advised that compliance in the areas addressed by this legislation entails thousands of weeks of work and costs taxpayers millions of dollars. In turn, the Government is put to great effort and expense to audit compliance with provisions which produce little or no revenue.

My intent is not to reduce the amount of tax which corporations pay, nor to undo any of the basic decisions which we reached in the Tax Reform Act of 1986. What my bill will do is to make the Internal Revenue Code more cost effective by cutting the costs of filing and auditing tax returns for taxpayers with international operations. Simplifying the law for U.S. taxpayers will help to make them more competitive with foreign companies.

This bill is an improved version of S. 936, which I introduced in 1991. It incorporates several ideas suggested by private practitioners and by people in Government. It enjoys widespread support among taxpayers who deal with the foreign provisions of the Internal Revenue Code on a daily basis. The Joint Committee on Taxation has estimated that it would cost substantially less than S. 936, while accomplishing equal simplification.

First, this legislation amends section 263A to exempt foreign corporations not doing business in the United States from the requirement that the uniform capitalization rules [UNICAP] be applied in determining their earnings and profits. No change is suggested for U.S. companies operating overseas, or for foreign corporations operating in the United States.

U.S. multinationals incur significant costs both at the head office and at the affiliate level to bring foreign earnings and profits into conformity with detailed U.S. tax rules for purposes of computing the deemed-paid foreign tax credit and other required reporting. Determining the UNICAP adjustments to book earnings and profits requires the capitalization of costs to inventory or other property and the capitalization of interest expense to assets which are not required by foreign countries or for purposes of U.S. financial statements. Foreign-based multinationals do not incur these compliance costs because they are not subject to UNICAP rules.

In recognition of the complexity of applying UNICAP to foreign subsidiaries, the IRS has provided some relief. Even these simplified approaches, however, have their own uncertainties and complexities, and do not address the basic problem that UNICAP has no relevance to a foreign corporation not conducting business in the United States.

Finally, the revenue generated by applying the UNICAP rules to foreign subsidiaries is small in relation to the administrative burden.

Second, this legislation would correct a mistake in the provisions which were intended to subject passive investors to current U.S. tax on their portfolio dividends and interest, and their passive rents and royalties. As now written, the so-called PFIC rules erroneously snare active operating companies that were never intended to be included. The result of the mistake is that U.S. taxpayers waste an enormous amount of time and effort analyzing foreign financial statements and filing paperwork with the IRS. The penalties for failing to comply with the PFIC rules are a real trap for the unwary who do not have access to sophisticated tax and accounting advice. My new bill would solve the problem by exempting controlled foreign corporations from the PFIC rules because they are already covered by subpart F of the code. There is no need to make U.S. companies comply with overlapping and duplicative recordkeeping and reporting requirements. The taxpayers we originally intended to cover by the PFIC provisions will still be subject to them.

Third, this legislation would reduce the complexity caused by the present rule that dividends from each foreign corporation in which U.S. parent companies own less than a controlling interest are required to be put into a separate foreign tax credit category or "basket." This means that U.S. companies have to allocate their head office expenses to hundreds of separate baskets of income—an expensive and time-consuming process.

My new bill would simplify the law by putting all dividends from noncontrolled foreign corporations into one separate limitation or basket, based on the Treasury Department's suggestion in the 1990 hearings on tax simplification.

Compliance would be much easier than under present law because complex allocations of head office expense would be reduced from literally hundreds of these baskets to only one.

Fourth, this legislation incorporates verbatim the rules for translating foreign taxes into U.S. dollars using average exchange rates which we and the House adopted in H.R. 4287, the Tax Fairness and Economic Incentives Act of 1992.

Present law requires that each payment to each foreign income tax collector be translated into U.S. dollars at the spot rate on the date of such payment. Since many companies make thousands of payments each year, the workload is enormous. Under my bill there would usually be only one translation required, per country, per year.

This compromise enjoys widespread support and I know of no opposition to it.

The last element of this legislation, while it amounts to a technical correction, will also reduce the compliance burden of taxpayers. In 1986 we intended to provide a de minimis rule that would exempt foreign corporations with small amounts of separate limitation income from having to analyze their accounts and divide their income, expenses and taxes among the various baskets. Unfortunately, the rule we wrote incorporated by reference the definitions of subpart F income, instead of the definitions of separate limitation income that we should have used. My bill would provide that companies with less than $1 million of income in the separate baskets would simply put all of their income, expenses and taxes into the general limitation basket, the same de minimis test we use for subpart F.

Mr. President, revenue constraints may deter us from making major substantive changes at this time to make our companies more competitive, but there is no reason why we should not make it easier for taxpayers to prepare their tax returns and for the Government to audit them by revising rules which create substantial workload without producing commensurate revenue for the Government.

Mr. President, I ask that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2987

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 TAX CODE.

(a) SHORT TITLE.—This Act may be cited as the "Foreign Tax Simplification Act of 1992".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. LIMITED APPLICATION OF UNIFORM CAPITALIZATION RULES TO FOREIGN PERSONS.

(a) IN GENERAL.—Section 263A(c) (relating to exceptions) is amended by adding at the end thereof the following new paragraph:

"(7) FOREIGN PERSONS.—This section shall not apply to any foreign person except to the extent necessary for the computation of taxable income under sections 871(b)(2) and 882(a)(2) for purposes of the taxes imposed by sections 871(b)(1) and 882(a)(1)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to costs incurred after December 31, 1991, in taxable years ending after such date.

SEC. 3. DEFINITION OF PASSIVE FOREIGN INVESTMENT COMPANY.

(a) EXCLUSION OF CONTROLLED FOREIGN CORPORATIONS.—Section 1296 (defining passive foreign investment company) is amended by adding at the end thereof the following new subsection:

"(e) SECTION 957 CORPORATIONS.—For purposes of this part, a foreign corporation shall not be considered a passive foreign investment company for any day on which such corporation was a controlled foreign corporation to which section 957(a) applied."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to taxable years of foreign corporations ending after December 31, 1991.

(2) TRANSITION RULE.—If, for the 1st taxable year to which the amendment made by this section applies, a foreign corporation which was a passive foreign investment corporation for any preceding taxable year is not such a corporation for such 1st taxable year by reason of such amendment, section 1297(b)(1) of the Internal Revenue Code of 1986 shall not apply to such 1st taxable year and subsequent taxable years solely by reason of such corporation being a passive foreign investment corporation before such 1st taxable year.

SEC. 4. APPLICATION OF SEPARATE FOREIGN TAX CREDIT LIMITATION FOR NONCONTROLLED SECTION 902 CORPORATIONS.

(a) IN GENERAL.—Subparagraph (E) of section 904(d)(1) (relating to separate application of section with respect to certain categories of income) is amended to read as follows:

"(E) in the case of a corporation, dividends from all noncontrolled section 902 corporations,".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1991.

SEC. 5. EXCHANGE RATE USED IN TRANSLATING FOREIGN TAXES.

(a) ACCRUED TAXES TRANSLATED BY USING AVERAGE RATE FOR YEAR TO WHICH TAXES RELATE.—

(1) IN GENERAL.—Subsection (a) of section 986 (relating to translation of foreign taxes) is amended to read as follows:

"(a) FOREIGN INCOME TAXES.—

"(1) TRANSLATION OF ACCRUED TAXES.—

"(A) IN GENERAL.—For purposes of determining the amount of the foreign tax credit, in the case of a taxpayer who takes foreign income taxes into account when accrued, the amount of any foreign income taxes (and any adjustment thereto) shall be translated into dollars by using the average exchange rate for the taxable year to which such taxes relate.

"(B) EXCEPTION FOR TAXES NOT PAID WITHIN FOLLOWING 2 YEARS.—

"(i) Subparagraph (A) shall not apply to any foreign income taxes paid after the date 2 years after the close of the taxable year to which such taxes relate.

"(ii) Subparagraph (A) shall not apply to taxes paid before the beginning of the taxable year to which such taxes relate.

"(C) EXCEPTION FOR INFLATIONARY CURRENCIES.—To the extent provided in regulations, subparagraph (A) shall not apply to any foreign income taxes the liability for which is denominated in any currency determined to be an inflationary currency under such regulations.

"(D) CROSS REFERENCE.—

"For adjustments where tax is not paid within 2 years, see section 905(c).

"(2) TRANSLATION OF TAXES TO WHICH PARAGRAPH (1) DOES NOT APPLY.—For purposes of determining the amount of the foreign tax credit, in the case of any foreign income taxes to which subparagraph (A) of paragraph (1) does not apply—

"(A) such taxes shall be translated into dollars using the exchange rates as of the time such taxes were paid to the foreign country or possession of the United States, and

"(B) any adjustment to the amount of such taxes shall be translated into dollars using—

"(i) except as provided in clause (ii), the exchange rate as of the time when such adjustment is paid to the foreign country or possession, or

"(ii) in the case of any refund or credit of foreign income taxes, using the exchange rate as of the time of the original payment of such foreign income taxes.

"(3) FOREIGN INCOME TAXES.—For purposes of this subsection, the term 'foreign income taxes' means any income, war profits, or excess profits taxes paid or accrued to any foreign country or to any possession of the United States."

(2) ADJUSTMENT WHEN NOT PAID WITHIN 2 YEARS AFTER YEAR TO WHICH TAXES RELATE.—Subsection (c) of section 905 is amended to read as follows:

"(c) ADJUSTMENTS TO ACCRUED TAXES.—

"(1) IN GENERAL.—If—

"(A) accrued taxes when paid differ from the amounts claimed as credits by the taxpayer,

"(B) accrued taxes are not paid before the date 2 years after the close of the taxable year to which such taxes relate, or

"(C) any tax paid is refunded in whole or in part,

the taxpayer shall notify the Secretary, who shall redetermine the amount of the tax for the year or years affected.

"(2) SPECIAL RULE FOR TAXES NOT PAID WITHIN 2 YEARS.—In making the redetermination under paragraph (1), no credit shall be allowed for accrued taxes not paid before the date referred to in subparagraph (B) of paragraph (1). Any such taxes if subsequently paid shall be taken into account for the taxable year in which paid and no redetermination under this section shall be made on account of such payment.

"(3) ADJUSTMENTS.—The amount of tax due on any redetermination under paragraph (1) (if any) shall be paid by the taxpayer on notice and demand by the Secretary, and the amount of tax overpaid (if any) shall be credited or refunded to the taxpayer in accordance with subchapter B of chapter 66 (section 6511 et seq.).

"(4) BOND REQUIREMENTS.—In the case of any tax accrued but not paid, the Secretary, as a condition precedent to the allowance of the credit provided in this subpart, may require the taxpayer to give a bond, with sureties satisfactory to and approved by the Secretary, in such sum as the Secretary may require, conditioned on the payment by the taxpayer of any amount of tax found due on any such redetermination. Any such bond shall contain such further conditions as the Secretary may require.

"(5) OTHER SPECIAL RULES.—In any redetermination under paragraph (1) by the Secretary of the amount of tax due from the taxpayer for the year or years affected by a refund, the amount of the taxes refunded for which credit has been allowed under this section shall be reduced by the amount of any tax described in section 901 imposed by the foreign country or possession of the United States with respect to such refund; but no credit under this subpart, or deduction under section 164, shall be allowed for any taxable year with respect to any such tax imposed on the refund. No interest shall be assessed or collected on any amount of tax due on any redetermination by the Secretary, resulting from a refund to the taxpayer, for any period before the receipt of such refund, except to the extent interest was paid by the foreign country or possession of the United States on such refund for such period."

(b) AUTHORITY TO USE AVERAGE RATES.—

(1) IN GENERAL.—Subsection (a) of section 986 (relating to foreign taxes) is amended by adding at the end thereof the following new paragraph:

"(3) AUTHORITY TO PERMIT USE OF AVERAGE RATES.—To the extent prescribed in regulations, the average exchange rate for the period (specified in such regulations) during which the taxes or adjustment is paid may be used instead of the exchange rate as of the time of such payment."

(2) DETERMINATION OF AVERAGE RATES.—Subsection (c) of section 989 is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by adding at the end thereof the following new paragraph:

"(6) setting forth procedures for determining the average exchange rate for any period."

(3) CONFORMING AMENDMENTS.—Subsection (b) of section 989 is amended by striking "weighted" each place it appears.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after December 31, 1991.

SEC. 6. LOOK-THRU RULES FOR CONTROLLED FOREIGN CORPORATIONS NOT TO APPLY TO SEPARATE CATEGORIES WITH DE MINIMIS AMOUNTS.

(a) IN GENERAL.—Section 904(d)(3)(E) (relating to look-thru applies only where subpart F applies) is amended to read as follows:

"(E) LOOK-THROUGH APPLIES ONLY WHERE SEPARATE CATEGORY INCOME NOT DE MINIMIS.—

"(i) IN GENERAL.—If the aggregate gross income in all separate categories of a foreign corporation for the taxable year is less than the lesser of—

"(I) 5 percent of gross income, or

"(II) $1,000,000,

no part of its gross income for such taxable year shall be treated as income in a separate category, except that this sentence shall not apply to any income which (without regard to this sentence) would be treated as financial services income.

"(ii) PASSIVE INCOME.—Solely for purposes of applying subparagraph (D), passive income of a foreign corporation shall not be treated as income in a separate category if the requirements of section 954(b)(4) are met with respect to such income."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1991.•

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2989. A bill to provide additional time to negotiate settlement of a land dispute in South Carolina; to the Committee on the Judiciary.

LAND SETTLEMENT IN SOUTH CAROLINA

Mr. THURMOND. Mr. President, I rise today to introduce legislation that would suspend until October 1, 1993 the running of any period of limitations which may apply to land claims against the State of South Carolina by the Catawba Indians that have not already expired. I am pleased to be joined in this effort by my colleague from South Carolina, Senator HOLLINGS. This legislation is identical to H.R. 5566 which was introduced by Congressman JOHN SPRATT on July 7, 1992.

Mr. President, in 1980, the Catawba Indians brought suit against 76 defendants alleging that a treaty made with the State of South Carolina in 1840 was void under the Indian Non-Intercourse Act because it was never ratified by Congress. The treaty ceded 144,000 acres of land to the State, and the Catawbas seek to recover the land. The Catawbas moved to have the named defendants certified as a class, but the district court denied their motion for class action certification. The Catawbas have, therefore, announced that they will sue approximately 27,500 individual landowners in York, Lancaster, and Chester Counties, in South Carolina. Lawyers for the Catawbas believe that the 20-year statute of limitations, applicable under South Carolina law, runs out October 19, 1992. Consequently, they are preparing to file their suits by late August 1992. This legislation would grant the Catawbas additional time in which to negotiate an agreement with the State. However, failure to do so would not negate the Catawbas' right to bring suit against individual landowners.

Negotiations for the settlement of these claims have been ongoing since 1989 and significant progress has been made. However, a full agreement has not yet been reached. Even if such an agreement were reached, we would not be able to consummate a settlement agreement by enacting necessary State and Federal legislation before October 19, 1992. Therefore, it is imperative that we give both parties the additional time within which to work out the terms of the settlement.

Mr. President, we are trying to prevent the disruption which would surely result if these 27,500 lawsuits were commenced. Even though the vast majority of landowners would have a successful defense, they would have to retain an attorney to search their title, prepare affidavits, and file and argue a motion for summary judgment. All of this would be costly to the landowners and to our judicial system. While the suits were pending, it would be difficult to buy or sell land and virtually impossible to obtain title insurance.

This legislation will not prevent the Catawbas from bringing thousands of lawsuits before October 19, 1992. It will only suspend until October 1, 1993, those periods of limitation that have not run out by the effective date of this Act. It will not revive, renew or extend any claim barred by any period of limitation or repose, or any other time bar, as of the effective date of this Act.

Mr. President, concern has been expressed as to whether Congress has the authority under the Constitution to extend the time for filing the individual suits. In June, I, along with Senator HOLLINGS and Congressman SPRATT, requested that the Attorney General review a draft proposal which is similar to the legislation we are introducing today. The Attorney General stated that, in his opinion, the draft bill would not violate the principles of State sovereignty, separation of powers or any other applicable constitutional principles. I ask unanimous consent that a copy of the favorable opinion letter received from Assistant Attorney General W. Lee Rawls, on June 24, 1992 be included in the RECORD immediately following my statement.

Mr. President, this bill addresses an urgent matter in my State. Time is short. This bill is strongly supported by representatives of the State of South Carolina and the Catawba Indians. I hope the Senate will approve this measure before the August recess.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2989

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds the following:

(1) Suits on possessory land claims may be commenced against tens of thousands of citizens in York, Lancaster, and Chester Counties, South Carolina, within the area claimed in the suit Catawba Indian Tribe of South Carolina against State of South Carolina, et al., Civil Action No. 80-2050 (D.S.C.).

(2) Tens of thousands of such suits would be costly to all parties, including the Federal judicial system, and would create a burden upon interstate commerce.

(3) The filing of such suits may be averted by settlement if additional time is made available for the parties to negotiate and implement the terms of settlement.

(4) The Congress has authority to enact this legislation under the Indian Commerce Clause and the Interstate Commerce Clause of the Constitution; and the Department of Justice concurs in this construction of Article I of the Constitution.

SEC 2. PURPOSE.

The purpose of this Act is to prevent the social, economic, and judicial disruption that would result from the commencement of law suits against tens of thousands of citizens in York, Lancaster, and Chester Counties, South Carolina, and the burden on interstate commerce that such suits would impose. The parties to the above referenced suit require additional time in which to negotiate and implement the terms of settlement; and if such time is made available, it may avert the necessity of thousands of law suits. The purpose of this Act is not to revive, renew, or extend any claim barred by any period of limitation, repose, or time bar as of the effective date of this Act.

SEC. 3. STATUTE OF LIMITATION.

(a) If any period of limitation or repose, or any other defense based wholly or partly on the passage of time, bars any claim brought by or on behalf of any Indian, Indian nation, or tribe or band of Indians claiming or asserting damages or an interest in land in York, Lancaster, or Chester Counties, South Carolina, under section 2116 of the Revised Statutes (25 U.S.C. 177; commonly known as the Indian Non-Intercourse Act), the Constitution of the United States, common law, or any treaty, as of the date of enactment of this Act, such period of limitation or repose, or other defense based wholly or partly on passage of time, shall bar any such claim, without regard to whether such claim has already been filed.

(b) If any period of limitation or repose, or any other defense based wholly or partly on the passage of time, has not barred any claim, filed or unfiled, by or on behalf of an Indian, Indian nation, or tribe or band of Indians claiming or asserting damages or an interest in land in York, Lancaster, or Chester County, South Carolina, under section 2116 of the Revised Statutes (25 U.S.C. 177; commonly known as the Indian Non-Intercourse Act), the Constitution of the United States, common law, or treaty, as of the date of the enactment of this Act, the running of any such period of limitation or repose, or any other defense based wholly or partly on the passage of time, shall be suspended as of the date of the enactment of this Act until October 1, 1993. On October 1, 1993, the time upon which any such defenses are based shall resume running. The period of time remaining for any time-related defense to become a bar to any such claim shall be the same on October 1, 1993, as it was immediately prior to the date of the enactment of this Act. Nothing in this subsection shall be construed to affect the application of any period of limitation, repose, or time bar to the claim of any individual Indian which is pursued under any Federal or State law generally applicable to non-Indians as well as Indians.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, June 24, 1992.
Hon. STROM THURMOND,
U.S. Senate, Washington, DC.

DEAR SENATOR THURMOND: This is in response to your request for the views of the Department of Justice on the constitutionality of draft legislation affecting a claim by the Catawba Indian Tribe of South Carolina against approximately 27,500 landowners in South Carolina. The draft bill would have the effect of tolling the statute of limitations applicable to the Tribe's claims if the statute has not already run. We have briefly analyzed the draft bill in light of pertinent legal and constitutional issues. In our view, the legislation is constitutional.

The purpose of the proposed legislation is to preserve, for a brief period, the current legal status of the Tribe's claims under the applicable statute of limitations so that the parties have time to complete settlement discussions, and thereby avoid massive and burdensome litigation of the claims. The bill would provide that if the applicable statute of limitations has run by the date of its enactment, then all claims subject to it, filed or unfiled, will remain barred. However, if the applicable statute of limitations has not run by the date of enactment, then "any action by a plaintiff shall be treated as commenced on the date of the enactment of this Act if such action is commenced on or before April 15, 1993[,] and any amendment to an existing claim, if otherwise permissible, shall be treated as if commenced on April 15, 1993."

The fundamental issue is whether Congress has the power to alter the statute of limitations applicable in this case. We conclude that Congress has that power. First, the cause of action in the Catawba case is one "arising under" federal laws for purposes of 28 U.S.C. 1331. The Fourth Circuit explicitly so held in *Catawba Indian Tribe* v. *South Carolina*, 865 F.2d 1444 (4th Cir. 1989) (en blanc), and the Supreme Court so stated in *South Carolina* v. *Catawba Indian Tribe*, 476 U.S. 498, 507 (1985), although the issue was not squarely before the Supreme Court.

The Supreme Court first squarely recognized the federal character of such Tribal land claims in *Oneida Indian Nation* v. *County of Oneida*, 414 U.S. 661 (1974), and generally stated that the rules for decision of such claims were federal in character. *Id.* at 674. In a subsequent decision in that same case, the Court specifically ruled that state statutes of limitation do "not apply of their own force to Indian land title claims." *County of Oneida* v. *Oneida Indian Nation*, 470 U.S. 226, 240 n. 13 (1985). Instead, such statutes are "borrowed and applied to the federal claim * * *" if the application of the state statute is not inconsistent with federal law. *Id.* at 240.[1]

This conclusion would appear to resolve two potential constitutional issues. First, it makes clear that the draft bill would effect no violation of the Tenth Amendment or other principles of state sovereignty. Congress clearly has the power under the Commerce Clause of Article I to regulate in this area. Tolling the statute of limitations applicable in this case would be merely an exercise of that power. It would do nothing more than alter a "borrowed" statute of limitations that, absent congressional action, has served as the applicable bar. The bill thus neither commandeers state legislative processes nor contains a direct mandate to states. Compare *New York* v. *United States*, Slip Op. at 28–29 (Supreme Court, June 19, 1992) (invalidating federal statutory provision requiring states that do not provide for disposal of low-level radioactive waste generated in state to take title to and assume liability for that waste). Cf. *Hodel* v. *Virginia Surface Mining and Reclamation Association*, 452 U.S. 264 (1980) (exercise of federal powers that preempt state law does not impermissibly intrude on state sovereignty).

Second, the bill does not appear to create separation of powers problems by interfering with the judicial function. By changing the applicable statute of limitations, Congress in the draft bill is compelling a change in the law, rather than a particular result or finding under old law. The Supreme Court has upheld this type of congressional action where it has been challenged as improperly affecting pending litigation. See *Robertson* v. *Seattle Audubon Society*, 112 S.Ct. 1407 (1992). In Robertson, the Court upheld a federal statute that altered the legal standard required under certain environmental statutes with respect to certain timber sales in the Pacific Northwest. The Court rejected the plaintiffs' claim that the provision at issue was an impermissible "statutory directive," holding that "[a] statutory directive binds both the executive officials who administer the statute and the judges who apply it in particular cases * * *. Here, our conclusion [is] that what Congress directed—to agencies and courts alike—was a change in the law, not specific results under old law." Id. at 1414 (emphasis in original).

Because it is within Congress' plenary power to alter a federal statute of limitations, we do not believe that accomplishing that end through a "deeming" provision such as proposed section 2(b) would interfere with judicial powers in violation of Article III of the Constitution. Since Congress could state that "any statute of limitations that has not expired on the date of enactment of this bill is extended to April 15, 1993," it would not be problematic for Congress to provide that any claims subject to such an unexpired statute of limitations on the date of enactment of the bill shall be treated *as if* filed before the date of enactment.

In conclusion, in our view the draft bill would not violate any applicable constitutional principles. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

W. LEE RAWLS,
Assistant Attorney General.

Mr. HOLLINGS. Mr. President, today I along with Senator THURMOND am introducing legislation that would extend the applicable statute of limitations in the Catawba Indian land claim dispute until October 1, 1993. This bill is identical to legislation introduced earlier this year in the House of Representatives by Congressman JOHN SPRATT of South Carolina.

The seeds of these legal proceedings were sown in 1980 when the Catawbas brought suit against landowners in my State from York, Lancaster and Chester counties. The Catawbas then moved to have the named defendants certified as a class, but their motion for class action certification was denied by the district court. As a result of this decision, the Catawbas have announced their plans to file approximately 27,500 lawsuits sometime in September. Their lawyers contend that a 20-year statute of limitation, under State law, would run out on October 19, 1992, and thus they want to serve the defendants before the deadline.

Mr. President, the chaos that 27,500 lawsuits would loose on our State legal system and the deleterious effects on the local economy are unimaginable. Furthermore, given the complex nature of the issues involved, it is now clear that the suit will not be settled before October 19, 1992. The only way to avoid this legal chaos is to give the Catawbas additional time.

On June 16 of this year I, along with Senator THURMOND and Congressman SPRATT, asked Attorney General William Barr to examine the constitutionality of our proposal. On June 24 we received a response from the U.S. Justice Department indicating this legislation was indeed constitutional. In addition, our efforts have been aided by the fact that both sides involved in the legal dispute support passage of this bill.

Mr. President, time is of the essence. It is my sincerest hope that this legislation will move quickly and expeditiously through both houses of Congress. Only then will we be able to stop the clock from ticking and start both sides in meaningful negotiations toward an equitable settlement.

ADDITIONAL COSPONSORS

S. 33

At the request of Mr. MOYNIHAN, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 33, a bill to establish the Social Security Administration as an independent agency, and for other purposes.

S. 68

At the request of Mr. THURMOND, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 68, a bill to amend title 10, United States Code, to authorize the appointment of chiropractors as commissioned officers in the Armed Forces to provide chiropractic care, and to amend title 37, United States Code, to provide special pay for chiropractic officers in the Armed Forces.

S. 365

At the request of Mr. ROTH, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 365, a bill to amend the Internal Revenue Code of 1986 to require reporting of group health plan information on W-2 forms.

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[1] The Supreme Court in a variety of contexts has held that state statutes of limitations are "borrowed" in cases where gaps are left in federal law. These borrowed statutes of limitations thus apply as a matter of federal law, rather than of their own force and effect. The Supreme Court has applied this general "state borrowing" doctrine in countless cases, including the Catawba case. 476 U.S. at 507 & N. 18 (citing cases). See also *Lampf, Pleva, Lipkind, Prupis & Petgrow* v. *Gilbertson*, 111 S.Ct 2773, 2778–82 (1991) (recognizing borrowing rule but holding that state statute of limitations does not apply where Congress intended federal bar to apply); *Del Costello* v. *International Brotherhood of Teamsters*, 462 U.S. 151, 158–63 1983) (same).

S. 1100

At the request of Mr. KERRY, the name of the Senator from California [Mr. SEYMOUR] was added as a cosponsor of S. 1100, a bill to authorize the Secretary of Housing and Urban Development to provide grants to urban and rural communities for training economically disadvantaged youth in education and employment skills and to expand the supply of housing for homeless and economically disadvantaged individuals and families.

S. 1111

At the request of Mr. MITCHELL, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1111, a bill to protect the public from health risks from radiation exposure from low-level radioactive waste, and for other purposes.

S. 1175

At the request of Mr. KERRY, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 1175, a bill to make eligibility standards for the award of the Purple Heart currently in effect applicable to members of the Armed Forces of the United States who were taken prisoners or taken captive by a hostile foreign government or its agents or a hostile force before April 25, 1962, and for other purposes.

S. 1451

At the request of Mr. BIDEN, the names of the Senator from Indiana [Mr. COATS], the Senator from Colorado [Mr. WIRTH], the Senator from Illinois [Mr. SIMON], the Senator from Minnesota [Mr. WELLSTONE], the Senator from North Dakota [Mr. CONRAD], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 1451, a bill to provide for the minting of coins in commemoration of Benjamin Franklin and to enact a fire service bill of rights.

S. 1777

At the request of Mr. ADAMS, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 1777, a bill to amend the Public Health Service Act to establish the authority for the regulation of mammography services and radiological equipment, and for other purposes.

S. 1842

At the request of Mr. DASCHLE, the names of the Senator from Michigan [Mr. LEVIN], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 1842, a bill to amend title XIX of the Social Security Act to provide for Medicaid coverage of all certified nurse practitioners and clinical nurse specialists services.

S. 1845

At the request of Mr. DURENBERGER, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1845, a bill to ensure that all Americans have the opportunity for a higher education.

S. 2019

At the request of Mr. PRESSLER, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 2019, a bill to prohibit all United States military and economic assistance for Turkey until the Turkish Government takes certain actions to resolve the Cyprus problem.

S. 2103

At the request of Mr. GRASSLEY, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 2103, a bill to amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for nurse practitioners, clinical nurse specialists, and certified nurse midwives, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 2134

At the request of Mr. NUNN, the names of the Senator from Delaware [Mr. BIDEN], the Senator from Louisiana [Mr. BREAUX], the Senator from Arkansas [Mr. BUMPERS], the Senator from Missouri [Mr. DANFORTH], the Senator from Arizona [Mr. DECONCINI], the Senator from New Mexico [Mr. DOMENICI], the Senator from Nebraska [Mr. EXON], the Senator from Kentucky [Mr. FORD], the Senator from Oregon [Mr. HATFIELD], the Senator from Alabama [Mr. HEFLIN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Mississippi [Mr. LOTT], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Arizona [Mr. MCCAIN], the Senator from Maryland [Ms. MIKULSKI], the Senator from Rhode Island [Mr. PELL], the Senator from Arkansas [Mr. PRYOR], the Senator from Virginia [Mr. ROBB], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from New Hampshire [Mr. RUDMAN], the Senator from New Hampshire [Mr. SMITH], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Alaska [Mr. STEVENS], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 2134, a bill to provide for the minting of commemorative coins to support the 1996 Atlanta Centennial Olympic Games and the programs of the United States Olympic Committee.

S. 2387

At the request of Mr. LEAHY, the names of the Senator from Virginia [Mr. WARNER], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 2387, a bill to make appropriations to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children (WIC) and of Head Start programs, to expand the Job Corps program, and for other purposes.

S. 2514

At the request of Mr. BUMPERS, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 2514, a bill to amend the Internal Revenue Code of 1986 to allow taxpayers a bad debt deduction for certain partially unpaid child support payments and to require the inclusion in income of child support payments which a taxpayer does not pay, and for other purposes.

S. 2624

At the request of Mr. GLENN, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 2624, a bill to authorize appropriations for the Interagency Council on the Homeless, the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 2682

At the request of Mr. BUMPERS, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 2682, a bill to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes.

S. 2702

At the request of Mr. HOLLINGS, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 2702, a bill to authorize appropriations for fiscal year 1993 for the Coast Guard, and for other purposes.

S. 2763

At the request of Mr. ROTH, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2763, a bill to establish the Mike Mansfield Fellowship Program for intensive training in the Japanese language, government, politics, and economy.

S. 2794

At the request of Mr. DOLE, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 2794, a bill to relieve the regulatory burden on depository institutions, particularly on small depository institutions, and for other purposes.

S. 2808

At the request of Mr. DODD, his name was added as a cosponsor of S. 2808, a bill to extend to the People's Republic of China renewal of nondiscriminatory (most-favored-nation) treatment until 1993 provided certain conditions are met.

S. 2810

At the request of Mr. GORE, the names of the Senator from Texas [Mr. BENTSEN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Arkansas [Mr. PRYOR], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 2810, a bill to recognize the unique status of local exchange carriers in providing the public switched network infrastructure and to ensure the broad availability of advanced public switched network infrastructure.

S. 2868

At the request of Mr. CRAIG, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 2868, a bill to repeal the Davis-Bacon Act of 1931 to provide new job opportunities, effect significant cost savings on Federal construction contracts, promote small business participation in Federal contracting, reduce unnecessary paperwork and reporting requirements, and for other purposes.

S. 2877

At the request of Mr. BAUCUS, the names of the Senator from Missouri [Mr. BOND], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 2877, a bill entitled the "Interstate Transportation on Municipal Waste Act of 1992".

S. 2887

At the request of Mr. MCCONNELL, the names of the Senator from Arkansas [Mr. PRYOR], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 2887, a bill to amend title IV of the Social Security Act to provide that the Secretary of Health and Human Services shall enter into an agreement with the Attorney General of the United States to assist in the location of missing children.

S. 2889

At the request of Mr. BOREN, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from New York [Mr. D'AMATO], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of S. 2889, a bill to repeal section 5505 of title 38, United States Code.

S. 2907

At the request of Mr. KERRY, the names of the Senator from Ohio [Mr. GLENN] and the Senator from Washington [Mr. ADAMS] were added as cosponsors of S. 2907, a bill to reform the National Flood Insurance Program.

S. 2920

At the request of Mr. SPECTER, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 2920, a bill to amend the Internal Revenue Code of 1986 to provide incentives for investments in disadvantaged and women-owned business enterprises.

S. 2947

At the request of Mr. MCCAIN, the names of the Senator from Maine [Mr. COHEN] and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 2947, a bill to authorize the transfer of certain funds from the Defense Environmental Restoration Account to the Department of Defense Base Closure Account 1990, and for other purposes.

S. 2969

At the request of Mr. KENNEDY, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2969, a bill to protect the free exercise of religion.

S. 2970

At the request of Mr. SASSER, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2970, a bill to amend the Cash Management Improvement Act of 1990, and for other purposes.

SENATE JOINT RESOLUTION 247

At the request of Mr. DOLE, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of Senate Joint Resolution 247, a joint resolution designating June 11, 1992, as "National Alcoholism and Drug Abuse Counselors Day."

SENATE JOINT RESOLUTION 255

At the request of Mr. D'AMATO, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of Senate Joint Resolution 255, a joint resolution to designate September 13, 1992 as "Commodore Barry Day."

SENATE JOINT RESOLUTION 265

At the request of Mr. SEYMOUR, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of Senate Joint Resolution 265, a joint resolution to designate October 9, 1992, as "National School Celebration of the Centennial of the Pledge of Allegiance and the Quincentennial of the Discovery of America by Columbus Day."

SENATE JOINT RESOLUTION 321

At the request of Mr. KOHL, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of Senate Joint Resolution 321, a joint resolution designating the week beginning March 21, 1993, as "National Endometriosis Awareness Week."

SENATE RESOLUTION 316

At the request of Mr. D'AMATO, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of Senate Resolution 316, a resolution in support of foreign controlled corporations [FCC's] paying their fair share of Federal income taxes.

SENATE CONCURRENT RESOLUTION 130—RELATING TO THE ENROLLMENT OF SENATE CONCURRENT RESOLUTION 129

Mr. BAUCUS (for Mr. MITCHELL) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 130

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate, in the enrollment of the concurrent resolution (S. Con. Res. 129) expressing continued support for the Taif Agreement, which brought a negotiated end to the civil war in Lebanon, and for other purposes, shall make the following correction:

In the resolving clause, insert immediately after "*concurring)*" the following: ", That the Congress".

AMENDMENTS SUBMITTED

DANFORTH (AND OTHERS) AMENDMENT NO. 2730

Mr. BAUCUS (for Mr. DANFORTH, Mr. DIXON, Mr. BOND, and Mr. SIMON) proposed an amendment to the bill (H.R. 2926) to amend the act of May 17, 1954, relating to the Jefferson National Expansion Memorial to authorize increased funding for the East St. Louis portion of the memorial, and for other purposes, as follows:

On page 2, line 23, through page 3, line 18, strike subsection (b) in its entirety and insert in lieu thereof the following:

"(b)(1) For the purposes of the East St. Louis portion of the memorial, there are authorized to be appropriated $2,000,000 for land acquisition and, subject to the provisions of paragraphs (2) and (3), such sums as may be necessary for development: *Provided*, That such authorization shall not include any sums for the acquisition, removal, or relocation of the grain elevator and business located within the East St. Louis unit of the Memorial. Such development shall be consistent with the level of development described in phase one of the draft Development and Management Plan and Environmental Assessment, East St. Louis Addition to Jefferson National Expansion Memorial—Illinois/Missouri, dated August 1987.

"(2) Federal funds expended under paragraph (1) for development may not exceed 75 percent of the actual cost of such development. The remaining share of such actual costs shall be provided from non-Federal funds, services, or materials, or a combination thereof, fairly valued as determined by the Secretary. Any non-Federal expenditures for the acquisition, removal, or relocation of the grain elevator and business shall be included as part of the non-Federal cost share: *Provided*, That credit shall not be given for any such expenditures which exceed the cost of acquisition, removal, or relocation of the grain elevator and business located within the East St. Louis unit of the Memorial if such action had been accomplished by the Federal Government as determined by the Secretary under existing law: *Provided further*, That only those non-Federal funds expended at least 60 days after the transmission of the report referred to in paragraph (3) for the removal of such grain elevator shall be credited toward the non-Federal cost share. For the purposes of this paragraph, the Secretary may accept and utilize for such purposes any non-Federal funds, services, and materials so contributed".

"(3) Within one year after the date of enactment of this paragraph, the Secretary, in direct consultation with the city of East St. Louis, Gateway Arch Park Expansion, and the Southwestern Illinois Development Authority, shall develop and transmit to the Committee on Energy and National Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives a study of alternatives to, and costs associated with, the removal of the gain elevator located within the East St. Louis unit of the Memorial. The study shall contain, but need not be limited to, at least one alternative which would incorporate and retain the existing grain elevator into the draft development and management plan and environmental assessment referred to in paragraph (1).".

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BUMPERS. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Tuesday, August 4, 1992, beginning at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 2577, to provide for the exchange of certain Federal lands within the State of Utah, between the State of Utah and the Secretary of the Interior.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact Erica Rosenberg of the subcommittee staff at (202) 224-7933.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. LEVIN. Mr. President, I wish to announce that the Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, will hold a hearing on Monday, July 27, 1992, at 2 p.m., in room 342 of the Dirksen Senate Office Building, on reauthorization of the independent counsel law.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON DEFENSE INDUSTRY AND TECHNOLOGY

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Subcommittee on Defense Industry and Technology of the Committee on Armed Services be authorized to meet during the session of the Senate on Monday, July 20, 1992, at 2 p.m., in executive session, to mark up defense industry and technology programs on a Department of Defense Authorization Act for fiscal year 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HOW THE APACHE HELICOPTER WAS DEVELOPED

• **Mr. DECONCINI.** Mr. President, the recent military conflict in the Persian Gulf demonstrated the superiority of America's military technology. Most of our weaponry, from the aging workhorse, the A-10 Warthog, to the still under development J-Stars surveillance aircraft and the Magic Lantern coastal mine hunter, performed superbly.

As details came to light, however, one of the most successful performances of Desert Storm came from the Apache helicopter—built in my State of Arizona. When it fired the opening shots of the war and later performed roles for which it was not even primarily designed, most of the Apache's maintenance concerns were laid to rest as it flawlessly carried out its missions.

The Apache helicopter is produced at McDonnell Douglas Helicopter Co., in Mesa, AZ. A major employer in Arizona, the Mesa plant currently employs 3,500 workers and continued success in improving the capabilities of the Apache—through the development and integration of the Longbow all-weather radar system—is expected through the decade.

I urge my colleagues, as well as those who have questioned the viability of the Apache, to study an article from the May 1992 issue of Army magazine, which describes the evolution of the Apache and its eventual success as part of the American military arsenal. I ask that it be printed at this point in the RECORD.

The article follows:

[From the Army Magazine, May 1992]

THE BIRTHING OF THE AH-64A

(By Brig. Gen. Grail L. Brookshire)

Most of our new major weapons systems were developed and tested in anticipation of employment against the Soviet Union and its allies in the now-defunct Warsaw Pact. Fortunately, we never had to use these weapons against the envisioned enemy. Operation Desert Storm, however, gives us an excellent opportunity to evaluate some of these systems in use against a force that was primarily equipped and trained by the Soviet Union, and which positioned its forces in defense, using some aspects of Soviet operational doctrine.

A major weapon system acquisition is one of the most important decisions a nation makes. Success or failure on some future battlefield may result directly from choices made today. Multibillions of dollars are often at stake. Our servicemen and women may live, or die needlessly, because of the characteristics of the systems we select.

Before reaching an acquisition decision, the armed forces conduct extensive testing. In the Army, this testing is organized into two major subdivisions: technical testing and user testing. Army Material Command (AMC) conducts technical testing at its various test ranges. This testing is engineer oriented and is done by engineers, technicians and soldier test personnel. User testing requires that the weapons system be operated by representative soldiers from operational troop units and is conducted by Operational Test and Experimentation Command (OPTEC), an agency directly under the Department of the Army.

OPTEC has two subordinate commands. One of these, Test and Experimentation Command (TEXCOM), is responsible for planning and conducting operational tests using its testing agencies located primarily at Ft. Hood, Tex., and Ft. Hunter Liggett, Calif. These agencies try to simulate future battlefields and to measure a new weapon system's contribution to battle under realistic conditions. OPTEC's other subordinate command, Operational Evaluation Command (OEC), evaluates test results and prepares recommendations on system acquisition based on its evaluations.

User testing assesses the effectiveness and suitability of a tested system before a decision for its full-scale introduction into the force. User testing is designed to answer a list of issues and criteria upon which the user-independent evaluation is based. Issues are questions that must be answered before we can assess the overall operational effectiveness and suitability of the system. Criteria are the standards by which issues are evaluated.

Based on the answers to the issues, OPTEC will make a procurement recommendation to the Army Staff. The process does not really end with an Army Staff decision, however. If the Army decides to buy, Department of Defense (DoD) and then Congress have to be convinced. In a period characterized by a declining budget and a diminished threat, convincing takes hard facts.

In addition, politics will be a major factor in a procurement decision. I don't refer to politics as a criticism but as a statement of fact. Money and jobs are at stake in a system acquisition. Industrial managers and labor union leaders try to influence procurement decisions through their congressional delegations and their personal contacts. Individual members of Congress are anxious to deliver government contracts to their districts and states, increasing their personal importance to the voters who put them in office. In a representative form of government, major decisions are always political decisions.

In the early 1980s, the Army was modernizing its forces. Major systems being developed included the M1 tank, the M2/M3 armored fighting vehicle, the advanced attack helicopter, the utility transport aircraft system, the radar-directed gun air defense system, and the multilaunch rocket system.

The objective of user testing was the same in 1981 as it is today, but the testing organization was somewhat different. Operational Test and Evaluation Agency (OTEA), an agency that answered directly to the Army Staff, was responsible for operational testing. Training and Doctrine Command (TRADOC) conducted numerous tests with its two principal test agencies, Combat Developments Experimentation Command (CDEC) at Ft. Ord, Calif., and Ft. Hunter Liggett, and TRADOC Combined Arms Testing Activity (TCATA) at Ft. Hood.

It used its various test boards collocated with the branch schools for smaller, branch-specific tests. TRADOC also represented the ultimate user, the operational units, on those major tests that OTEA conducted directly.

In spring 1981, CDEC was preparing to test the Army's advanced attack helicopter (AAH), later designated as the AH-64A Apache.

The AH-64A was the most technologically complex weapons system CDEC had tested and was a very important system in the type of war the Army prepared to fight. It was designed to take hits from weapons in the 23-mm and 12.5-mm categories and below, and not only survive but stay in the fight. It features two separate flight control systems for redundancy, two engines and an infrared suppression system.

The most important component of the armament system is the Hellfire Modular Missile System (HMMS). The Hellfire missile homes in on the reflected laser energy from its target, reading triservice codes. Target illumination can come from the firing aircraft's own designator, a ground designator from an artillery or aviation spotter team, or the designator from another aircraft.

The missile can lock on either before launch or after the missile is in the air. A single helicopter can engage multiple targets simultaneously. Of particular significance is the firing aircraft's ability to launch in either a direct or an indirect fire mode. The crew can preprogram the trajectory of the missile for either a low- or high-altitude flight to the target.

For suppression, self-protection and engagement of lightly armored vehicles and personnel, the AH-64A also carries a 30-mm lightweight machine gun. The gun can be aimed through a completely new system, the integrated helmet and display sight system (IHADSS), which establishes crew member line of sight for 30-mm engagements. IHADSS tracks the movements of the pilot's head. Literally, he simply looks, then fires.

For area target engagement, the AH-64A can also fire the standard 2.75-inch folding fin aerial rockets with a combination of warheads. This is the same rocket that has been used for years on the Cobra attack helicopter.

The two subsystems that make the AH-64A a remarkable night fighter are the target acquisition designation sight (TADS) and the pilot night-vision sensor (PNVS). The TADS is used by the gunner to engage with the Hellfire missile and, when necessary, to fly the aircraft. It contains a television system, forward-looking infrared system (FLIR), a combined laser range finder target designator, laser tracker, automatic target tracker and direct-view optics. TADS gives the gunner the capability to see and fire in daylight and darkness, through haze, smoke or fog.

The PNVS contains a FLIR that is independent of the TADS turret. It is used by the pilot to fly the aircraft at night and during other periods of poor visibility and to fire if necessary. It is slaved to the IHADSS and produces a field of view that matches the direction in which the pilot is looking. The PNVS gives the AH-64A an in-route flight capability that matches the operational characteristics of the aircraft.

Other advanced features of the AH-64A include the heads-up display system that allows the crew to read their flight instruments without looking down at the instrument panel, a Doppler and inertial navigation system, and secure communications. To assist in maintaining the system, it includes an on-board fault detection and location system to detect and isolate electrical and electronic failures.

From this abbreviated description of the innovative features of the AH-64A, it should be obvious that in the late 1970s and early 1980s, the system developers were working on the leading edge of technology. The task of the operational test agency was to determine if the system was ready for employment by the using units.

Operational Test II (OT II) was conducted by CDEC at Ft. Hunter Liggett during the ten-week period of 14 June through 28 August, 1981. Three prototype aircraft were used in the test. The primary test units were Company D, 7th Combat Aviation Battalion, 7th Infantry Division and a development test training detachment from Ft. Rucker, Ala. Opposing forces (OPFOR) were supplied by tactical units from CDEC and OPFOR simulation units from Ft. Bliss, Tex. The AH-1S Cobra helicopter was the baseline system against which the AAH would be compared. The test included both live fire against remote controlled medium tanks, force-on-force battles using lasers to simulate fire and target detection comparisons.

The purpose of OT II was to provide data to support an independent evaluation of the operational effectiveness and suitability of the AH-64A to the Army Systems Acquisition Review Council (ASARC) III. The ASARC was responsible for making the final recommendation to the Army Staff on initial production of the system. OTEA listed six test objectives:

Obtain data to assess the operational effectiveness of the AH-64A in an operational environment.

Partially assess the operational reliability, availability and maintainability (RAM), and supportability of the system.

Obtain data to assess the survivability of the aircraft in a combat environment.

Collect deployment information.

Collect information on the adequacy of proposed training for both operators and maintenance personnel.

Obtain data to determine correction of discrepancies discovered during previous testing.

While in theory OTEA could have issued a test report that recommended against procurement of the AH-64A, CDEC was well aware that this was not likely to happen. The Army had a serious need for an effective tank-killing helicopter to offset the Warsaw Pact's significant numerical advantage in armored vehicles. The Reagan Administration was willing to spend the money necessary to obtain those helicopters. The AH-64A was the result of a major investment of time and development money, and contained the characteristics the Army needed for its anti-tank helicopter. Barring a major disaster in the test, the AH-64A was going to be the selected aircraft.

In this particular case, the operational test agency's real mission was to find the problems with the system and help fix them. It was hoped that these fixes would allow the aircraft to produce the data that would convince Department of Defense and Congress to go ahead with the procurement.

The test began as scheduled. After 14 trails, the results produced by the AAH were disappointing. As is usually the case, the tactics and employment doctrine for the helicopter were as new as the system, and were being tested and developed along with the aircraft itself. The test director suspended the test for one day to allow the aviation experts to review and improve the tactical procedures that TRADOC had developed for the advanced attack helicopter. Performance improved immediately in the mock battles conducted after this review, and the data began to reflect the impressive contribution of an AAH to the combat power of the land forces.

Live-firing results with the Hellfire missile against the remote tank targets were encouraging for a new system undergoing operational testing. The crews obtained three hits out of six engagements at night, and four hits out of six engagements during daylight. Tests scheduled for the 30-mm machine gun were not conducted because of persistent problems with the weapon.

Problems also developed with boresight retention in the FLIR mode in the gunner's TADs. After the usual argument as to fault between the instrumentation or the actual FLIR, CDEC again suspended testing and conducted a series of stationary tests of the FLIR against a boresight panel.

Results of these tests proved conclusively that a design flaw existed in the FLIR. Hughes Aircraft Corp., the prime contractor for the AAH at that time, had its engineers on site at Ft. Hunter Liggett correct the problem, and testing resumed. This testing also revealed that on occasions, the TADS laser provided insufficient power to provide proper target illumination. To the best of my knowledge, this intermittent problem was not fixed at that time.

Aircraft availability was a persistent problem throughout the test. The aircraft we were using for the test were prototypes, not production models, and the maintenance crews were challenged to produce two of the three helicopters for tests on a daily basis. Frequent rescheduling was necessary. The actual RAM results reported were determined at a scoring conference held at intervals throughout the test.

As the commander of CDEC, I had no vote at the scoring conference but did attend several times as an observer. I felt that there was a definite attempt by the AMC project manager's office to portray the RAM results as better than they actually were.

The project manager system requires that the officers assigned to an office developing a major weapons system devote a significant portion of their professional lives to that system. It is not surprising that these officers often become advocates for the system when it goes into operational testing.

As a balance, TRADOC appointed system managers to represent the interests and requirements of units using the system in the future. In the case of the advanced attack helicopter, the TRADOC systems manager appeared to be under the domination of the AMC project manager and was not vigorous enough in representing the user's interests at the RAM scoring conferences. I reported my observations and concerns to TRADOC but continued to feel throughout the test that RAM data was being scored in an optimistic way.

The AAH test, although conducted by the Combat Development Experimentation Command, was actually an Operational Test and Evaluation Agency test, not a TRADOC test. Consequently, the final test report was written by OTEA from data provided by CDEC. When CDEC presented the data from the test to OTEA, it included its own observations. The most significant of these were:

The AH-1S Modernized Cobra, used as a baseline in the test, had an extremely limited capability to acquire and engage targets at night.

The AH-64A demonstrated an impressive night-fighting capability.

The air crews preferred to use the indirect fire mode.

Some problems were encountered in maintaining continuous intervisibility segments of sufficient length to acquire and engage moving targets at firing and before missile impact.

Air and ground crews were very favorably impressed with the AH-64A.

Tanks are lethal against helicopters when pilots showed poor tactical discipline by prolonged exposure.

I was impressed with the combat potential of the AH-64A and wrote a letter to the TRADOC commander discussing its employment. I suggest that the commander of a mixed fleet of AH-64A and AH-1S Cobra helicopters should not hazard the AH-64A with daylight engagement but should use them only at night.

Unfortunately, the TRADOC commander took my comments to mean that I felt the aircraft was either too expensive or too vulnerable to employ in daylight. The point I had hoped to make was that because of its impressive night-fighting capability, the most effective use of the AH-64A was at night, favored its use in daylight. Neither aircraft could be expected to operate 24 hours a day. Both required extensive maintenance services.

In December 1981, the General Accounting Office (GAO) recommended against the start of production of the AH-64A. Its concerns included:

A major redesign of the TADS after testing.

Addition of more powerful engines after the testing. System supportability, stating that the contractors were very closely tied in with the Army maintenance crews during the test. GAO also expressed doubts about the field use of the automatic test station to diagnose faulty system components.

Some tests of the Hellfire missile system had not been completed.

Cost was too high, and the Army should explore cost-effective alternatives such as an improved Cobra TOW or other types of weapons systems.

The Army decided that the AH-64A's combat potential outweighed the objections raised and was able to obtain approval for its production. Production aircraft began to reach operational units in 1984.

Criticism of the AH-64A did not end with its introduction as an operational aircraft, nor did its development. Criticism concentrated on the reliability, availability and maintainability of the system, and came from Congress, the GAO and the media.

A GAO report based on data gathered in 1989 and released in 1990 was particularly critical of Apache readiness rates and mean time between failures. The report found the Apache unreliable, difficult to maintain and seldom ready for combat. GAO clearly felt that many of the problems with the system stemmed from its premature fielding.

A congressional panel investigating the Apache in April 1990 termed the program a "disgrace." Congressman John D. Dingell (D-Mich.) said that the Apache is "another vivid example of rushing a major and outrageously expensive new weapons system into production before the system has been adequately tested."

News reports, exemplified by an 18 November, 1990, "60 Minutes" feature on the Apache was also critical of the aircraft's performance. CBS newsman Ed Bradley interviewed ex-servicemen, Congressman Dingell and a GAO employee, who discussed serious reliability and maintenance problems with the Apache, including among other components the rotor blades, tail rotors, communications and navigation equipment, and 30-mm machine gun. Senior military officers vigorously defended the Apache on camera, describing it as "the world's greatest attack helicopter today."

In the face of this criticism, spokesmen for the Army and McDonnell Douglas Helicopter Company (which had acquired the Apache from Hughes Aircraft Corp.) maintained that the GAO report and other data describing Apache problems were based on 18-month to one-year-old data and did not take into account the effect of the joint Army/McDonnell Douglas Apache action team (AAT), later renamed the Apache readiness improvement program (ARIP).

The Army also stressed that the GAO report was prepared shortly after severe wind storms in Texas and South Carolina damaged 25.4 percent of the Apache fleet. Recovery from these natural disasters consumed long lead time production parts, which rapidly and dramatically reduced Apache readiness rates.

In fact, the Army and McDonnell Douglas continued to make improvements from the time the Apache was placed into production until its operational employment in Desert Storm. The AAT investigated 173 weak spots needing improvement in 1988. By October 1990, the Army stated that 106 of these had been fully corrected, and the remaining 67 had received an interim fix. By April 1991, the Army further stated that the AAT had closed 120 issues, and that only eight top-priority issues remained open. Three of these, main rotor blade debonding, main rotor strap pack reliability, and tail rotor swashplate reliability, had fixes that were proving effective in the field.

The attitude of the Apache supporters was rather well summed up by U.S. Senator Dennis DeConcini (D-Ariz.), a consistent booster of the aircraft, who said in a 7 February, 1991, statement: "When you talk to pilots who fly the Apache, they can tell you how satisfied they are by its performance. I would rather listen to them than a pencil-pushing GAO bureaucrat any day."

The Army's and contractor's claims of improvement are born out by the steadily increasing availability rates, mission reliability rates, and hours between replacement of critical components for the Apache. While the figures from different published sources vary, it is apparent that in the Desert Shield and Desert Storm operations, all units consistently met the Army's requirement of 75 percent fully mission capable aircraft.

Most Army sources cite an average availability of 85 percent, with many units averaging over 90 percent. The GAO deployed a team to the Persian Gulf and confirms an availability rate of at least 80 percent.

The transition from Desert Shield to Desert Storm was the beginning of actual combat operations. In the early morning hours of 17 January, 1991, a force built around eight Apaches from the 1st Battalion, 101st Aviation Brigade of the 101st Airborne Division (Air Assault) ended a move of some 500 nautical miles with a successful attack on two Iraqi radar installations. This action opened a hole in the Iraqi air defense, and hundreds of allied attack aircraft poured through to initiate the aerial phase of the operation.

The remainder of the aerial phase and the very brief ground phase of Desert Storm are filled with stories of success for the Apache against both maneuvering and dug-in targets of all descriptions. In the days before the ground assault, AH-64A helicopters conducted both reconnaissance and attack missions into the depths of the Iraqi defenses. Interrogation of Iraqi prisoners showed an important psychological effect of the AH-64A's night-flying capability. Many Iraqis believed that anything that blew up in the dark had fallen victim to the Apache.

After reviewing the results of Desert Shield and Desert Storm, critics of the Apache are in a position somewhat analogous to that of the college football coach who critiqued the running techniques of one of his defensive backs who intercepted an opponent's pass and ran it back 87 yards for a touchdown. After listening in silence as the coach pointed out that he had failed to stay behind his blockers, reversed his field too often and carried the ball too loosely throughout the run, the player ended the session with the simple question: "How was it for distance coach?"

The acknowledgment that the Apache's performance in Desert Storm was indeed a touchdown fully justifies the Army's decision to field the aircraft. As the results of the OT II predicted, the Apache is a formidable fighting machine. It wreaked havoc on the Iraqi forces at a loss of only two Apaches—one from enemy fire and one from an accident.

Perhaps the best evaluation of the Apache's overall performance is provided by the results of foreign sales to those countries in the region where the Gulf War was fought. To date, Egypt has ordered 24 Apaches; Israel, 18; and Saudi Arabia, 12. Additional sales are anticipated.

Some of the other strengths and weaknesses the Apache demonstrated in combat were also predicted by the OT II. As CDEC reported in its observations submitted with the test data, the AH-64A demonstrated an impressive night-fighting capability. Night after night we watched the aircraft move swiftly between and into firing positions in the natural ambient light conditions available in the remote reaches of Ft. Hunter Liggett. The crews quickly acquired and engaged targets with little chance of being discovered. There were no doubts in the test personnel's minds that an entirely new capability was about to arrive on the battlefield and that it had the potential to dramatically change the way we fight.

We conducted the OT II with prototype aircraft, which, while not giving an exact replication of the reliability, availability and maintainability of the production models, did make it obvious that the AH-64A would present a maintenance challenge. The complexity of the various subsystems indicated that training of technicians, repair parts stockage levels and the size of maintenance support units would have to be continually evaluated as the system matured.

The fact that the AAT investigated 173 points of weakness on the production system is a definite statement that the AH-64A needed much improvement after it went into production and indicates that indeed the RAM data from testing was treated optimistically.

Before Desert Storm, the Army had approved a wartime manpower increase in the size of Apache maintenance support units but had only actually implemented it in the European-based units. These force structure improvements, along with the intensified management and increased productivity of personnel that comes during a crisis, led directly to the excellent availability rates of the Apache during the deployment and fighting in the Gulf area.

It does not necessarily follow, however, that production should have been delayed until the system was more mature, or that it would have been less expensive had we done so. In the early 1980s, the threat posed by the Warsaw Pact was real. The OT II had shown that an AAH would go a long way toward redressing the armored force imbalance we were facing in Europe.

Even the less-reliable, early production models of the Apache were a welcome addition to the deployed forces. From a cost standpoint, given the persistent inflation during this period, production cost increased each year and may have led to a more costly fleet than the one actually fielded. In any case, the collapse of the Warsaw Pact and the Apache's success in the Gulf War are powerful arguments in favor of the Army's decision.

Most reports from Desert Storm rate Hellfire missile target hit performance at slightly above 60 percent, very close to the encouraging figures we found on live fire against remote-controlled moving tank targets at Ft. Hunter Liggett. Since some of the operational units in the Persian Gulf carried missiles on their launchers for extended periods of time (up to six months in some cases of earlier deploying units), seeker head sand erosion reduced the seeker's ability to acquire the laser spot.

In at least one operation, obscuration from insect impact may also have been a factor in reducing missile effectiveness. A deicer cover that protects the missile seeker head in flight and is discarded before launch reduced the problem in those cases where the covers were available. Missile effectiveness was also degraded by low power from the laser designator according to some crews' reports.

At least one unit reported that when crews selected the lock on before launch mode, laser backscatter from dust and sand blown up by rotor downwash could cause a miss. This problem was solved by using lock on after launch mode.

In OT II, while testing to determine the cause of the boresight retention problem, we did uncover indications of low laser power. We did not, however, carry the missiles long enough to find any indications of seeker head erosion problems. Although Ft. Hunter Liggett is dry and very dusty in the summer, we saw no indications of the laser backscatter problem in lock on before launch mode.

The 30-mm machine gun proved effective against unarmored and lightly armored equipment but still experienced reliability problems. Crews reported problems with jams caused by sand, wear in the ammunition feed system and a loader drive motor that appeared too weak for the job. Some units reduced the ammunition load for the 30-mm machine gun, both to improve performance and to reduce reload time. These problems had been identified before Desert Storm, but the Army had decided to replace the trouble-prone parts by attrition rather than all at once. In those units where the improved parts had been applied, the 30-mm machine gun performed well.

The fact that CDEC was not able to evaluate the 30-mm machine gun shows that at the time of the OT II, the gun system was not ready for production. Since the Apache was designed as an antitank helicopter, however, its 30-mm machine gun was much less important than the Hellfire missile it carried.

Development obviously continued after the production decision, and the 30-mm had been considerably improved before the Apache was deployed to the Gulf area. Despite these improvements, after-action reports and crew debriefs indicate that more work needs to be done on this system.

The Advanced Attack Helicopter Operational Test II provided Army and DoD decision makers with sufficient data upon which to base the AH-64A production decision. The test clearly showed that the AH-64A would add significant combat power to the Army component of the AirLand Battle team.

At the same time, the OT II identified problems that would reduce the systems effectiveness. Additional time in the testing phase would have undoubtedly resulted in correction of many of the aircraft's weaknesses before production. Additional time would also have delayed the Apache's entry into the force and possibly could have led to its cancellation.

The fact that this remarkable weapons system was available in Europe while the Warsaw Pact was still a real threat and was available to make a major contribution to the startling victory on the Desert Storm battlefield convinces me that the decision to produce the AH-64A was the correct one.

The project manager system has proven effective in developing material that ranges from simple to complex, and the Army will undoubtedly continue to use it. The potential does not exist, however, for those agencies responsible for developing a weapons system to adopt an advocate position for "their" system.

The realities of a shrinking defense budget means that future major systems procurements will be the subject of even more intense scrutiny by Congress and the Department of Defense than those made in the past. The data that supports a procurement decision must not be suspected of having been collected and presented in such a way as to stress a misleading picture of the system.

A key aspect of demonstrating an objective view of operational testing is keeping the testing agencies fully separated from and uninfluenced by the developing agencies. The recent creation of OPTEC, and the Army's decision to consolidate all operational testing agencies under its command, provides an organization that is in a position to perform an objective evaluation of the new weapons systems the Army will need to develop and field in an uncertain and increasingly complex future. We must ensure that OPTEC is given the freedom needed to perform its important tasks.•

STATEMENT OF SENATOR SASSER UNDER SECTION 9 OF THE CONCURRENT RESOLUTION ON THE BUDGET

• Mr. SASSER. Mr. President, on Thursday, July 2, I submitted revised allocations to the Senate Committee on Finance and aggregates under section 9(b) of the concurrent resolution on the budget, House Concurrent Resolution 287, in connection with H.R. 5260, the Unemployment Compensation Amendments of 1992. Those allocations and aggregates appear at pages S9660 and S9661 in the CONGRESSIONAL RECORD for July 2. Unfortunately, one of the numbers in the allocations was misprinted. The RECORD lists the revised Finance Committee budget authority allocation for fiscal year 1993 as "51,788" when it should read "517,888."•

THE PROMISE OF PEACE

• Mr. SIMON. Mr. President, I am confident someone has already entered into the RECORD the speech of former President Richard Nixon that he made here in Washington on March 11, 1992. I read about it at that time and heard about it.

But perhaps like many of my colleagues, I pile up a lot of things that I want to read and do not have a chance to read and then take advantage of recess periods to catch up on my reading.

During that period, I read Richard Nixon's speech. As one who strongly supported John F. Kennedy against Richard Nixon and later Hubert Humphrey against Richard Nixon, and then George McGovern against Richard Nixon, I do not think I need to prove to anyone in this body my Democratic credentials.

But I also believe that Richard Nixon is making thoughtful contributions to this Nation and to our world by what he writes and what he says. His most recent book is an example of that.

As a matter of fact, the Nation has been fortunate that Jimmy Carter, Gerald Ford, and Richard Nixon all are contributing in significant ways as former Presidents, and probably I should include Ronald Reagan in the list, though I am not aware of his activities.

The Richard Nixon speech that I heard at the time was made without notes, contains so much that is good common sense, that I believe it is worth having in the RECORD again, assuming one of my colleagues inserted it at the time it was delivered.

He warns us about the current campaign, saying that "there has never been a campaign in which foreign policy was less discussed." He may very well be correct in that. And he warns that foreign policy and domestic policy are meshed. He comments, "foreign and domestic policy are like Siamese twins: neither can survive without the other."

He urges strong support for President Yeltsin, observing that "Yeltsin is the most pro-Western leader in Russian history."

And then he notes: "If Yeltsin fails, the alternative is not going to be somebody better, it is going to be somebody infinitely worse." Then he adds: "For 70 years, communist Russia has been trying to export communism around the world. If Yeltsin and his reforms succeed, democratic free Russia will be exporting the goods and the ideas of freedom around the world."

His recollection of Harry Truman's courage in standing up against communism, for aid to Greece and Turkey and for the Marshall plan are recounted.

He admonishes us: "In the cold war, we united to prevent what was evil. Now we must unite to advance what is good."

I ask to insert the Nixon speech into the RECORD at this point, and I urge my colleagues to read it.

The speech follows:

THE PROMISE OF PEACE

(Address by Former President Richard Nixon)

We meet at a very challenging time in America's history—a time when we have been through three years of events that have changed the world. I refer to the collapse of communism in Eastern Europe and in the Soviet Union, and to our victory over aggression in the Gulf War. As a result of those events, we live in a new world, and the question now is: what should the leadership position of the United States be in that new world?

Other participants in this conference will address what the policy of the United States should be in this new world ideally.

I am going to direct my remarks in this political year not just to what our policy should be, but what is possible politically. If you follow political campaigns, it's rather standard practice for the candidate to get up and say, "This is the most important election in history." I know, I said it a lot of times. Of course every campaign is very important to the candidate. In this case it's very important to the nation.

Over the past 44 years I have had the opportunity to observe 12 presidential elections; I have been a candidate in five of them. In that period of time there has never been a campaign in which foreign policy was less discussed, and there has never been a time in which foreign policy was more important, because whoever is President in the next four years will provide the leadership that will make the difference as to whether peace and freedom survive in the world. Since that is the case, it is vitally important that foreign policy be front and center in our considerations.

We have been on a rollercoaster ride as far as foreign policy is concerned. After the Communist victory in Vietnam the attitude of most Americans was that there was nothing we could do in foreign policy. After our victory in the Gulf War, the conventional wisdom was that we could do anything. After the collapse of Communism, particularly in the Soviet Union, the conventional wisdom was that there was nothing left to do.

As a result of these events, we see developing a new isolationism in both political parties. The general theme which runs through the new isolationists is that the United States no longer should play or can play a leadership role in the world. There are some who say we can't afford to, there are others who say it is not necessary for us to play that role, and there are still others who say that others should play that role.

When we consider what they are saying, it reminds me of a pickup ragtime band. Some are marching to different drummers, some are singing off-key, but all of them have the same tune, the same theme—come home America.

Even some of those who have been the strongest supporters of a strong foreign policy role for the United States now say it is time to turn our efforts inward. We can't afford it, as far as foreign policy is concerned. Our domestic problems are so great that we should concentrate on them.

What they fail to realize is that foreign and domestic policy are like Siamese twins: neither can survive without the other. The American people will not support a strong foreign policy unless we have a strong policy dealing with problems at home. And what they fail to realize is that foreign policy has an impact on what we do at home. We can't be at peace in a world of wars, and we can't have a healthy American economy in a sick world economy. For example, we all can recall—I can, at least, you've read about it, I lived through it—the Great Depression. It began as a recession in 1931, became a depression in 1932 in great part because the United States adopted a protectionist policy under the Smoot-Hawley Tariff Act.

We come now to the fundamental question: Is it necessary for the United States to play a role in this new world since all of these events have occurred? Those who answer 'no' begin with what I think is a false premise. It goes something like this: The Cold War is over, and we have won it. It is time to come home. That's only half true. It is true that the communists have lost the Cold War. It is not true, however, that the free world has won it.

What we have to realize is that the Cold War was not the traditional war over territory by great powers. It was a war of ideas, the ideas of communism versus the ideas of freedom. We can see that war most clearly in Russia where the seeds of the idea of communism were first planted. The Russian people reaped the bitter harvest from those seeds. As a result, the Russian people rejected communism. They rejected it because it didn't work.

But now, freedom is on trial, and if freedom does not work, the Russian people are not going to return to communism because it failed. But they will turn to a new despotism in which they trade their freedom for security and put their future in the hands of those who promise to make sure that they can have the necessities of life. This new despotism, shorn of the baggage of the dying faith of communism, but still committed to the imperialist Russian nationalism which has been traditional in Russian history, could be a far more dangerous threat to peace and freedom in the world, and particularly to peace, than was the old Soviet totalitarianism. And it is that, therefore, that we have to address today.

So let us turn to Russia. In turning to Russia, as I was saying to Dr. Brzezinski during lunch, that does not mean that I believe we should ignore what is happening in Ukraine and other former Soviet republics and the newly independent nations of Eastern Europe. I use Russia only as the prime example of the problem. What I say about Russia would apply to the others as well.

As we look at Russia today, the question somebody asked me at the table was, Is it going to work? Is freedom going to survive? The answer is it is going to be a very close-run thing.

It is going to be close-run because there are many minus factors at this time. Among them, as Dimitri Simes has pointed out in a recent article, corruption is rampant. We have the problem of ethnic quarrels. We have the problem of enormous suffering because of the changes that have been made in the attempt to build a free market society in Russia.

One of the major reasons that there is a serious question as to whether freedom can succeed in Russia is the lack of a management class. When I say the lack of a management class, that indicates why the Marshall Plan analogy will not work, because when we look at Russia and when we compare the situation in Europe, and for that matter, in Japan at the end of World War II, five years of war do not destroy the management class in Western Europe or in Japan. Seventy years of totalitarian communism did destroy the management class in Russia. And therefore we have to have a different approach than the Marshall Plan. Those are the negatives.

There are some positive factors which we sometimes overlook. One is that Russia is a very rich country, rich in resources and rich in its people. It is a highly industrialized society. The Russian people are a great people, they are a strong people. Ninety-five percent of the Russian people are literate. Ninety percent have the equivalent of a high school education. Russia produces some of the great scientists, the great engineers, particularly in military activities. Some people forget that the first man in space was not an American, it was a Russian.

There's another factor on the plus side, which is often overlooked. Pushkin in the 19th century wrote that rebellions in Russia tend to be senseless and violent. What is particularly significant about this revolution is that it was neither violent nor senseless. This is to the great credit of both Gorbachev and Yeltsin.

The major factor on the plus side, however, is that Russia, the new Russia, has a strong leader. There is a tendency to underestimate Boris Yeltsin. Some say that politically, he isn't democratic enough; and others say that intellectually he is not smart enough; and that socially he is not smooth enough.

I have seen many great leaders over the past 44 years. I would rate both Gorbachev and Yeltsin as political heavyweights. Both were born as peasants. Gorbachev became a man of the world; Yeltsin remained a man to the people. And Yeltsin right now must never forget that.

As he moves onto the world scene, he must always remember that if he is going to change the world, he first has to change Russia. He has to change it from dictatorship to democracy. He has to change it from a command economy to a free market economy. And if he is going to be able to do that, he is going to need help. The question is: should we provide that help?

Let's look at the positive factors as far as Yeltsin is concerned. Yeltsin has demonstrated his physical courage by standing on top of a tank and facing down a gang of card-carrying killers who were trying to run a Stalinist coup.

Even more important, he has political courage. He risked his immense popularity by adopting policies which let the ruble float. This led to astronomical inflation. This has caused enormous hardship, and has brought his popularity down. But it was a necessary first step in moving from a command to a free market economy.

He is one who, unlike Gorbachev, if you read Gorbachev's first column in the New York Times a few days ago, has repudiated not just communism but socialism as well. He has vetoed all of the foreign aid programs that he inherited from Gorbachev, which in the year 1990 took $15 billion from the Russian budget to provide aid to a number of countries including Cuba which were antagonistic to the West and to the United States. And we all know that in the field of arms control, he not only has matched President Bush's courageous initiatives; he exceeded them.

Yeltsin is the most pro-Western leader in Russian history. He deserves our help.

What does he need? He needs a number of things. Just to tick off a few of them, he needs help from the IMF and other sources, and that will take billions of dollars, to stabilize the ruble. He needs more open markets for the exports which Russia would want to make, the new Russia, to the West and to other parts of the world. He needs humanitarian aid. And there needs to be a single Western-led organization which would assess all of the needs and then would develop a program for working with private enterprise and with governments to meet those needs.

To summarize, it is important for us to recognize that Yeltsin is going to need very substantial economic aid from the West. Not just the United States, I emphasize, but from the West. The New York Times in its editorial today estimated that the cost of the aid to cover some of these items that I have mentioned and others would be approximately $20 billion a year over a period of five years. That's a great deal of money. However, the London Financial Times, in its report yesterday pointed out that $20 billion a year has to be compared with 20 times that much that the West spent last year, before the collapse of communism, to defend against Soviet communism. This puts it all in perspective.

Now we come to the hard political questions. What does the United States do? How do we meet this problem, particularly when we are in the midst of a presidential campaign and in the middle of a recession? The first argument that is made, and it's one that is well taken, is that the United States has carried this burden long enough. It is time for others to carry it. After World War II we provided aid to allies and also to our defeated enemies and enabled them to recover from World War II. Now it is time for those that we helped then to assume the burden of helping Russia, the other independent countries in the former Soviet Union and those in Eastern Europe recover from the Cold War. They are right.

The major burden of meeting the needs of Russia and the other countries that need help must be carried by the nations in Europe and in Japan that we helped after World War II. But the United States is the richest and strongest nation in the world and we must provide the leadership. We cannot provide the leadership unless we have a seat at the table. To paraphrase Ben Stein in another context, you can't have a seat at the table unless you have chips to put in the pot. And we have to have enough chips to be a serious contender for that leadership role.

Now we come to a fundamentally basic question in a campaign year. What's in it for us? What's in it for us to help Russia, Ukraine, the other independent nations in the Soviet Union and the nations of Eastern Europe? The answer is that a great deal is in it for us.

Charity, it is said, begins at home. I agree. But aid to Russia is not charity. We have to realize that if Yeltsin fails the alternative is not going to be somebody better, it is going to be somebody infinitely worse. If Yeltsin fails, if freedom fails, the new despotism which will take its place will mean that the peace dividend is finished, we will have to rearm, and that's going to cost infinitely more than would the aid that we provide at the present time. It would also mean, if Yeltsin failed, if freedom fails in Russia, that the great tide of freedom that has been sweeping over the world in these last three years will begin to ebb and that dictatorship, rather than democracy, will be the wave of the future.

On the other hand, if freedom succeeds in Russia, Russia will be an example for others, particularly in China, in the other remaining communist countries and in the non-communist dictatorships around the world—an example for others to follow, a powerful magnet drawing them to freedom.

It would mean too that with freedom succeeding in Russia, we would live in a totally new world with all that could mean to all the people of the world and particularly to us in the United States. Just think. For seventy years, communist Russia has been trying to export communism around the world. If Yeltsin and his reforms succeed, democratic free Russia will be exporting the goods and the ideas of freedom around the world. And that means that, in the years ahead, this will have an impact going far beyond Russia, far beyond Europe, all over the world. Economically speaking, it means that the new Russia, with all of the production it will be able to have with a free economy, will provide great new markets for the products of the United States. That means billions of dollars in trade and potentially millions of jobs.

It also means—if Yeltsin succeeds, if democracy survives—that our children and grandchildren will be freed from the fear of a possible world nuclear war that now haunts them, because democracies do not begin wars.

We come now, however, to another political question, and I understand that people are interested in politics these days. The political question is this: All of the pollsters are telling their candidates, don't tackle foreign policy, and particularly not foreign aid, because foreign aid is poison as a political issue. They're wrong and history proves it.

I recall vividly what Harry Truman did in 1947. Let me lay the foundation of what he did and why. Harry Truman's popularity in January of that year was 35 percent. The Congress was overwhelmingly Republican. He had suffered an enormous defeat in the election of the 80th Congress in the previous November. And yet, I remember as if it were yesterday, Harry Truman—jaunty, some said a little cocky—coming down before a joint session of the Congress and asking for millions of dollars in aid to Greece and Turkey to prevent communist subversion and possible communist aggression. It was a very tough vote for two very young and both, as history later indicated, rather ambitious young congressmen.

The liberal Democrats in Jack Kennedy's Massachusetts district were against military foreign aid. The conservative Republicans in my California district were against all foreign aid. However, after considering it, we both voted for it, and a majority in the Republican House and Senate, voted for that program and that was the program which later was developed into the Marshall Plan and later into NATO, which not only contained communism but bought the time that was essential for communism to fail as it inevitably did fail last year in the Soviet Union as well as in Eastern Europe two years before.

The following year, Harry Truman who had been at 35 percent in January of 1947, won the election for President. What is more important is that a Democratic President supported by a Republican Congress provided aid to Greece and Turkey, which was the indispensable step toward containing communism and that eventually led to the victory of freedom in Russia and the rest of the Soviet Union. Today a Republican President with a Democratic Congress have the opportunity to provide aid to Russia which would assure the victory of freedom.

We responded magnificently to the threat of war then. Can we not respond to the promise of peace now?

War brings out the worst and the best in men; real peace will bring out only the best.

In the Cold War, we united to prevent what was evil. Now we must unite to advance what is good.

That is the question, then, that Americans must face today, political Americans, all Americans, and I think we know what the answer should be.

As we look to the future it is important for us to recognize that we have this great responsibility but it is also a great opportunity. Consider this. The 20th century will be remembered as a century of war. By our leadership at this time, we can help make the 21st century a century of peace and freedom. That is our challenge.

In his Iron Curtain speech, Winston Churchill said, "America at this time stands at the pinnacle of world power. This is a solemn moment for the American democracy, because with primacy in power is joined an awe-inspiring accountability for the future."

Despite what the pessimists say, despite what the negativists say, those words are as true today as they were when he spoke them 45 years ago.

America today has that responsibility but some may ask, why not someone else? If America does not lead, who? The Japanese? The Chinese? The Russians? The Germans? They are the only nations in the world that have the potential economic and military power to lead in the next century. This is our moment of greatness. It is our moment of truth. We must seize this moment because we hold the future in our hands.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. SANFORD. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received a request for a determination under rule 35 for Daniel Bob, a member of the staff of Senator ROTH, to participate in a program in Tokyo, sponsored by the Association for Communication of Transcultural Study [ACT], from July 5–12, 1992.

The committee has determined that participation by Mr. Bob in this program, at the expense of the ACT, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Brent Erickson, a member of the staff of Senator SIMPSON, to participate in a program in China, sponsored by the Far East Studies Institute and the Chinese People's Institute of Foreign Affairs, from July 4–19, 1992.

The committee has determined that participation by Mr. Erickson in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Amy Dunathan, a member of the staff of Senator CHAFEE, to participate in a program in Chile, sponsored by the Chilean American Chamber of Commerce, from July 13–17, 1992.

The committee has determined that participation by Ms. Dunathan in this program, at the expense of the Chilean American Chamber of Commerce, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Dennis Burke, a member of the staff of Senator DeConcini, to participate in a program in Chile, sponsored by the Chilean American Chamber of Commerce, from July 13–17, 1992.

The committee has determined that participation by Mr. Burke in this program, at the expense of the Chilean American Chamber of Commerce, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Stewart Smith, a member of the staff of Senator Sarbanes, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from August 17–29, 1992.

The committee has determined that participation by Mr. Smith in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Mary Irace, a member of the staff of Senator Sarbanes, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs and the Far East Studies Institute, from July 4–19, 1992.

The committee has determined that participation by Ms. Irace in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Jo Ellen Urban, a member of the staff of Senator Riegle, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from August 17–30, 1992.

The committee has determined that participation by Ms. Urban in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Brett N. Francis, a member of the staff of Senator Hatch, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from August 15–30, 1992.

The committee has determined that participation by Mr. Francis in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for J. Caleb Boggs, a member of the staff of Senator Roth, to participate in a program in China, sponsored by the Soochow University, from July 5–11, 1992.

The committee has determined that participation by Mr. Boggs in this program, at the expense of the Soochow University, was in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Dr. Robert McArthur, a member of the staff of Senator Cochran, to participate in a program in China, sponsored by the Soochow University, from July 5–11, 1992.

The committee has determined that participation by Dr. McArthur in this program, at the expense of the Soochow University, was in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Peter Galbraith, a member of the staff of Senator Pell, to participate in a program in Germany, sponsored by the Hochschule Bremen, from June 25–26, 1992.

The committee has determined that participation by Mr. Galbraith in this program, at the expense of the Hochschule Bremen, was in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Tim Bernstein, a member of the staff of Senator Moynihan, to participate in a program in Chile, sponsored by the Chilean American Chamber of Commerce, from July 13–18, 1992.

The committee has determined that participation by Mr. Bernstein in this program, at the expense of the Chilean American Chamber of Commerce, was in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Linda McIntyre, a member of the staff of Senator Wofford, to participate in a program in Chile, sponsored by the Chilean American Chamber of Commerce, from July 13–17, 1992.

The committee has determined that participation by Ms. McIntyre in this program, at the expense of the Chilean American Chamber of Commerce, was in the interest of the Senate and the United States.•

BUDGET SCOREKEEPING REPORT

• Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) of the Congressional Budget Act of 1974, as amended. This report serves as the scorekeeping report for the purposes of section 605(b) and section 311 of the Budget Act.

This report shows that current level spending is below the budget resolution by $1.6 billion in budget authority and above by $3.6 billion on outlays. Current level is $2.9 billion above the revenue floor in 1992 and $0.7 billion below the revenue floor over the 5 years, 1992–96. Since by last report, June 16, the Congress has cleared and the President has signed the Dire Emergency Supplemental Appropriations Act for disaster assistance to Los Angeles and Chicago (Public Law 102–302). This action changed the current level estimate of budget authority and outlays.

The current estimate of the deficit for purposes of calculating the maximum deficit amount is $351.9 billion, $0.7 billion above the maximum deficit amount for 1992 of $351.2 billion.

The report follows:

U.S. Congress,
Congressional Budget Office,
Washington, DC, July 2, 1992.

Hon. Jim Sasser,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

Dear Mr. Chairman: The attached report shows the effects of Congressional action on the budget for fiscal year 1992 and is current through July 1, 1992. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 121). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated June 16, 1992, the Congress has cleared and the President has signed the Dire Emergency Supplemental Appropriations Act for Disaster Assistance to Los Angeles and Chicago (P.L. 102–302). This action changed the current level estimate of budget authority and outlays.

Sincerely,

James L. Blum
(For Robert D. Reischauer).

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 102D CONG., 2D SESS. AS OF JULY 1, 1992

[In billions of dollars]

	Budget resolution (H. Con. Res. 121)	Current level[1]	Current level +/− resolution
On-budget:			
Budget authority	1,270.7	1,269.1	−1.6
Outlays	1,201.7	1,205.3	+3.6
Revenues:			
1992	850.5	853.4	+2.9
1992–96	4,836.2	4,835.5	−.7
Maximum deficit amount	351.2	351.9	+.7
Debt subject to limit	3,982.2	3,890.8	−91.4
Off-budget:			
Social Security outlays:			
1992	246.8	246.8	
1992–96	1,331.5	1,331.5	
Social Security revenues:			
1992	318.8	318.8	
1992–96	1,830.3	1,830.3	

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

Note.—Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 102D CONG., 2D SESS., SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1992 AS OF CLOSE OF BUSINESS, JULY 1, 1992

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			853,364
Permanents and other spending legislation	807,567	727,184	
Appropriation legislation	686,331	703,643	
Mandatory adjustments[1]	(1,041)	1,105	
Offsetting receipts	(232,542)	(232,542)	
Total previously enacted[2]	1,260,314	1,199,389	853,364
ENACTED THIS SESSION			
Emergency unemployment compensation extension (Public Law 102–244)	2,706	2,706	
American Technology Preeminence Act (Public Law 102–245)			(3)
Technical Correction to the Food Stamp Act (Public Law 102–265)	(3)	(3)	
Further continuing appropriations, 1992 (Public Law 102–266)[4]	14,178	5,724	
Extend certain expiring veterans' programs (Public Law 102–291	(3)	(3)	
1992 rescissions (Public Law 102–298)	(8,154)	(2,499)	
Emergency disaster assistance for Los Angeles and Chicago (Public Law 102–302)	81	15	
Total enacted this session	8,808	5,943	(3)
Total current level	1,269,122	1,205,333	853,364
Total budget resolution[5]	1,270,713	1,201,701	850,501
Amount remaining:			
Over budget resolution		3,632	2,863
Under budget resolution	1,591		

[1] Adjustments required to conform with current law estimates for entitlements and other mandatory programs in the concurrent resolution on the budget (H. Con. Res. 121).

[2] Excludes the continuing resolution enacted last session (Public Law 102–145) that expired Mar. 31, 1992.

[3] Less than $500,000.

[4] In accordance with section 251(a)(2)(D)(i) of the Budget Enforcement Act, the amount shown for Public Law 102–266 does not include $107,000,000 in budget authority and $28,000,000 in outlays in emergency funding for SBA disaster loans.

[5] Includes revision under section 9 of the concurrent resolution on the budget (see p. S4055 of "Congressional Record" dated Mar. 20, 1992).

Note.—Detail may not add due to rounding.

REGGIE JACKSON: A STAR IS BORN AT MADISON SQUARE GARDEN

• Mr. HOLLINGS. Mr. President, at the Democratic National Convention last week, the nomination was won by Bill Clinton, but America's heart was won by 12-year-old Reggie Jackson of Camden, SC. Reggie, of course, is the young man who sang "America the Beautiful" on the convention's opening night. The next morning, he gave an equally sparkling performance for the South Carolina delegation, and on Thursday night he was invited back for an encore performance before the entire convention.

Mr. President, I've heard of diamonds in the rough, but to behold young Reggie Jackson at that convention was like discovering a new diamond already cut and polished to perfection. Reggie has the voice of an angel, the poise of a highwire artist, and the presence of a Broadway star—which he seems destined to become.

Reggie's performance Monday evening was simply electrifying—all the more so because it was totally unheralded and unexpected. He simply took the microphone in his hand and in short order utterly conquered Madison Square Garden. And the measure of that conquest was the stunned silence of the thousands of people in that great hall.

Bear in mind that delegates at national political conventions are notoriously noisy and inconsiderate. Even keynote speakers have to speak over the din of thousands of loud conversations and arguments and guffaws. But, by the time Reggie had reached "purple mountains' majesty," he had slain the beast. He hushed the entire hall. And in the process he brought a very special pride to those of us from South Carolina.

Mr. President, I congratulate Reggie Jackson for his remarkable triumph. He did us all proud. If the saying is true that "if you can make it in New York, you can make it anywhere," then Reggie Jackson has a wonderful future ahead of him.•

S. 2387, EVERY FIFTH CHILD ACT

• Mr. D'AMATO. Mr. President, I rise today to join Senators LEAHY and DOLE and many other distinguished Members of this body in cosponsoring S. 2387, the Every Fifth Child Act. This bill's poignant title—one that we can all remember—reflects the alarming fact that one of every five children in the United States face hunger. Enactment of this bill will allow us to challenge this problem head-on by increasing funding to three cost-effective programs: the Special Supplemental Food Program for Women, Infants and Children [WIC], Head Start, and the Job Corps.

In cosponsoring this bill, I affirm my belief and commitment that our children are our Nation's most precious and valuable resource. Funding these three programs is an investment in American's children and America's future. WIC addresses and helps prevent low birthweight. It supports sound physical and mental development by providing nutritious foods to low-income pregnant women. Head Start addresses the very crucial early educational and developmental needs to low-income children. Job Corps provides training and career counseling for disadvantaged youth.

These worthy programs have been under-funded in recent years. In addition to providing significant increases for all three of these programs in fiscal year 1993, our goal in this bill is to provide full funding for WIC by 1996, to provide full funding for Head Start by 1998, and to establish 50 new Job Corps centers, serving 50 percent more youth than were served in 1992, by the end of the decade.

I am proud to join my colleagues in this bipartisan effort to help our Nation's children and to invest in our future. I urge all my colleagues to support this bill and I urge its immediate adoption.•

TRIBUTE TO DR. BESSIE BOEHM MOORE, LITTLE ROCK, AR

• Mr. PRYOR. Mr. President, on August 2, 1992, Dr. Bessie Boehm Moore, of Little Rock, AR, will celebrate her 90th birthday. Aside from reaching that notable landmark accomplishment, Bessie will be honored around that date by her many friends, colleagues, and admirers for her career of service to libraries and education in Arkansas and across the Nation.

At age 14, Bessie began teaching in Stone County, AR. For 38 years she served under nine Governors, including myself, as a member of the Arkansas State Library Commission. That dedication was rewarded by her selection as a member of the White House Conference on Libraries and Information Services, where she has served as a trusted and valued member continuously since 1971.

Bessie earned a B.S.E. from the University of Central Arkansas at Conway in 1942 and an M.A. from the University of Connecticut in 1962. Honorary degrees include a doctor of laws from the University of Arkansas in 1958, and a doctor of laws from the University of Arizona in 1977, as well as a doctor of library science from the University of Arkansas at Little Rock in 1986. She has developed nationally recognized programs for economic education.

Bessie's accomplishments are legion. In addition to her service on the White House Conference on Libraries, she has chaired the Ozark Folk Culture Center Commission and has been a member of the National Board of Governors of the American Association for United Nations, UNICEF, and Radio Free Europe.

Bessie is a member of the American Association of University Women, Delta Kappa Gamma, Arkansas Congress of Parents and Teachers, Distinguished Alumni of the University of Arkansas, Who's Who in American Women, World Who's Who of Women, National Association of Economic Educators, Advisory Commission on Women in the Armed Services, and was a State Department Emissary to West Germany for the Marshall Plan in 1964.

A businesswoman and bank director as well, Bessie organized the first county library in Arkansas in 1926. She has lectured extensively at leading universities and consulted on economic and career education.

Often referred to as the poor man's Pearl Mesta, Bessie Moore is a very gracious lady and charming hostess. She has always had a knack for separating the Federal Government from the dollar when the beneficiary would be her beloved libraries.

Mr. President, I join her many friends throughout Arkansas and this nation as we embark on a series of tributes later this year to one of Arkansas' treasures—Dr. Bessie Moore.•

POPULATION AND THE EARTH SUMMIT

• Mr. WIRTH. Mr. President, at the recent U.N. Conference on Environment and Development in Rio de Janeiro, the issue of rapid population growth was widely recognized, but too seldom discussed. In addressing the range of environment and development issues—from poverty to global warming to deforestation—the Earth summit endeavored to develop a meaningful plan of action that will allow the nations of the world to create sustainable development for the future.

Perhaps because the U.N. Conference on Population and Development will be held in 1994, the Earth summit in Rio did not fully explore the issue of population. This is unfortunate. Failure to address the rapid growth in human numbers will make it impossible to achieve the best laid plans for sustainable development. Population around the globe—which stands at nearly 5.5 billion people—is increasing at the unprecedented pace of 100 million people each year. At current growth rates, global population will double in the next 40 years and could triple later in the 21st century. The nations of the world must develop an aggressive and comprehensive plan to halt these trends and stabilize population as soon as possible.

One of the groups helping to lead the effort to address the issue of population at the Earth summit and in other endeavors is the Population Institute. The Population Institute, established in 1969, is a large grassroots organization dedicated to seeking a more equitable balance between the world's population, environment, and resources. The Institute was well represented at the Earth summit with a 28 member multinational team of scientists, technical personnel, and activists who went to Rio to observe and monitor the proceedings.

At the Earth summit, the Population Institute gathered signatures from delegates of a population/environment priority declaration. These efforts helped emphasize the importance of the population issue and helped to educate delegates about the important linkages between population, environment, and development concerns. I will submit for the RECORD a statement issued by the Population Institute at the conclusion of the Earth summit, as well as the priority declaration.

With signatures from representatives of more than 100 delegations, the Population Institute's President, Werner Fornos, presented the declaration to the UNCED Secretary General, Maurice Strong. Mr. Fornos announced at that time that the Institute intends to obtain more than 1 million signatures for presentation to the U.N. Secretary General during World Population Awareness Week in October of this year.

I complement the Population Institute for their continuing efforts to advance public awareness and understanding of the critically important issue of rapid population growth.

The statement follows:

EARTH SUMMIT CONCLUDING STATEMENT OF WERNER FORNOS

Much that is useful has emerged from the Earth Summit and, if implemented, might save a planet that is spinning out of control. The greatest shortcoming of this conference is not the proposals approved as much as it is the failure of virtually all of more than 170 world leaders to address the necessity of coming to grips with rapid population growth and heading off another doubling of our human numbers in less than 40 years.

Except for the Prime Ministers of Norway, Pakistan, and the United Kingdom, heads of state who paraded into Rio to deliver their obligatory seven-minute soundbites promptly assumed the classic ostrich position on this crucial matter of our times. When a leader did feel obligated to mention the population factor at all, it was usually in a throwaway line or two. It is especially puzzling that the leader of India—the second most populous country in the world, straining against demographic collapse—could ignore the root of its environmental problems. And the leader of China—the most populous country, with one fifth of the world's human numbers—devoted only one sentence, a mere 16 words, to population.

It is beyond comprehension that leaders of so many nations could examine our planet in an effort to diagnose its ills and prescribe remedies, yet deny that unprecedented human growth and activity is either a cause or symptom of these ills.

A PRIORITY DECLARATION

World population, currently at 5.4 billion, burgeons by more than 95 million each year. It is expected that the annual net increase will reach 100 million by the middle of this decade. Three million people—an amount equal to the entire population of the world in 1960—will reach their reproductive years within the next generation.

No issue is of greater concern to the world's future than the rapid rise in human population. Together, the increase in human population and resource consumption are basic causes of environmental degradation and human suffering. They must become major priorities for national and international action.

Because of its pervasive and detrimental impact on natural systems, current population growth is overwhelming any possible gains in substantially improving global environmental and economic conditions. Failure to curb world population growth will intensify the deterioration of the Earth's natural resources and undermine desperately needed economic and social programs.

Current national and international efforts to address the world's rapidly expanding population are woefully inadequate. If a sustainable future is to be attained, the United States and all nations of the world must make the issue of curbing human population growth a leading priority of this decade.

Our spiraling human numbers can be checked only by a vast acceleration of population assistance to the poorest countries in the world, where 500 million women need and want to limit their number of children but lack either the knowledge, access or means to obtain family planning. We call on all nations to redouble their support of the United Nations Population Fund and private voluntary organization dedicated to extending to all couples the basic human right of determining the size and spacing of their families.

Signees came from the following countries: Angola, Antigua and Barbuda, Argentina, Armenia, Australia, Bangladesh, Belize, Belgium, Bhutan, Bolivia, Botswana, Brazil, Burkina Faso, Canada, Central African Republic, China, Colombia, Comoros, Congo, Cook Islands (South Pacific), Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Ethiopia, Federal States of Micronesia, Fiji, Finland, Gabon, Germany, Ghana, Greece, Guatemala, Guinea-Bissau, Honduras, India, Indonesia, Iran, Iraq, Israel, Italy, Japan, Jordan, Kiribati, Republic of Korea, Lebanon, Libya, Malaysia, Mali, Mexico, Moldova, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Nigeria, Niue, Norway, Oman, Pakistan, Palestine, Papua New Guinea, Panama, Paraguay, Philippines, Portugal, Qatar, Romania, Rwanda, St. Kitts and Nevis, St. Lucia, Somoa (Western), Sao Tome and Principe, Saudi Arabia, Senegal, Solomon Islands, Spain, Sri Lanka, Sudan, Suriname, Swaziland, Sweden, Syria, Tanzania, Thailand, Trinidad, and Tobago, Tunisia, Turkey, Uganda, United Arab Emirates, Vanuatu, Venezuela, Yugoslavia, Zambia.•

THE IRAN-IRAQ ARMS CONTROL BILL

• Mr. KASTEN. Mr. President, I rise today in support of the Iraq-Iran Non-Proliferation Act. I want to express my utmost concern about the current situation in the Middle East, and express my support of the McCain arms control bill to help promote stability in the region.

Peace and stability in the Middle East can be brought about only by means of a comprehensive program that deals with all the problems of the region. Such a program must incorporate issues dealing with basic human rights, national self-determination, national boundaries based on international law, and arms control.

Fear of the imminent outbreak of new hostilities in the region is pervasive among the populations of the Middle East. Clearly, this fear has a firm basis in reality. In particular, the continued militancy of the regimes of Iran and Iraq is especially worrisome.

Iraq and Iran are the two most dangerous states in the region. These regimes are not concerned with international law and have no regard for human life. Their ruthless suppression of the Kurd, Shi'i, and Bahai minorities in their own lands attest to this disregard for human rights.

There is ample evidence of the policy objectives of both Iran and Iraq. In each case it involves an aggressive, expansionist policy, aimed at increasing their respective power and influence in the region.

The massive extent of Iraq's stockpiling of weapons of mass destruction—

nuclear, chemical, biological, and conventional—is only now becoming clear. Clearly, Iraq has not shown any scruples about using these weapons, whether it be against Israel without provocation during the gulf war, or repeatedly against its own Kurdish population. Other examples could be cited.

Iran's efforts at acquiring an arsenal of weapons of mass destruction have been no less herculean. The only difference is that Iran has not been forced to disclose its weaponry to a United Nations Commission, and has been able to continue its stockpiling unabashedly.

We can only estimate the massive size of this arsenal, based on the $2 billion that we know Iran has spent annually on this program since its war with Iraq. We do know with certainty, however, that this arsenal exists, that it is extremely large, and that Iran is ready to use it.

Iran has freely boasted of its progress, particularly in procuring long range missiles, and has a clear intent to flex its muscles to threaten and intimidate Israel, and our allies in the gulf. We must not let this happen.

As I have repeatedly asserted, even before the gulf war, the United States has a mandate to help bring peace and stability to the people of the Middle East. These people are simply starved for peace and deserve our help in attaining this goal.

The United States thus has an obligation to maintain a leading role in stopping the insane buildup of arms, which threatens the peace of the Middle East. The United States must take steps to limit the availability of advanced weaponry to these outlaw states.

This bill, of which I am a cosponsor, strengthens previous legislation dealing with American firms transferring arms. It tightens surveillance on such transfers and mandates full public disclosure of any violations. This should be a sufficient deterrent to these companies.

The bill also provides a stimulus to foreign suppliers to restrict their arms trades to Iran and Iraq by imposing sanctions against them. Any foreign agent that is found in violation of these restrictions will be subject to strong economic and legal sanctions.

In the aftermath of the Persian Gulf war there is a window of opportunity—rapidly closing—to introduce to the Middle East what the rest of the world has already witnessed: The end of the cold war.

While the United States and the republics of the former Soviet Union are negotiating major arms reductions, Iran and Iraq are still clinging to their cold war mentalities. This arms race will lead to dangerous power imbalances in the region if it is not stopped now.

In the aftermath of the gulf war the international community is in a position to limit the influx of advanced weaponry to this volatile region. America must take the lead in establishing such an arms control regime, which will take away the power of terrorist states to intimidate neighboring or even native populations.

We can do the right thing now, impose these sanctions, and check the growth of arms proliferation at an early stage. Or we can wait until a situation develops in which we no longer have a choice.●

TWO VIEWS OF EAST ST. LOUIS, ILLINOIS

● Mr. SIMON. Mr. President, some time ago Colman McCarthy had an oped piece in the Washington Post about a high school in East St. Louis, IL. The article was based on his visit to and meetings with students at the Vincent Gray Alternative High School.

East St. Louis, once the second largest city in Illinois, is now home to about 45,000 residents. After years of despair and isolation, government, community, and religious leaders are fighting back—moving to shed the image of a dying city, employing hard work, creativity, and cooperation.

Mr. McCarthy paints his picture of East St. Louis, one of both hope and despair.

But this column does not give credit to people and organizations that have never stopped believing in East St. Louis. It does not address the progress, albeit slow, that has occurred since the election of a new mayor, Gordon Bush, last year.

Mr. President, this summer I have a remarkable group of summer interns from throughout the State of Illinois. Among them is an exceptional young woman from East St. Louis. Masa Massenberg is a lifetime resident of East St. Louis. As a college student, Masa started a mentor/tutoring program for young teenagers in East St. Louis. The program has been run on a shoe-string budget, housed in Masa's church. It is now so popular that she is seeking private funding in order to accommodate all the young people interested in signing up for her program. Masa has run this program while taking a full college load and hopes to continue to oversee the program next year when she begins law school at Washington University in St. Louis, MO. Masa has set down her own thoughts on Los Angeles, East St. Louis, and the future of communities like this.

Mr. President, I would like to share Masa's view of where we are and where we should go if we are to ever heal the deep divisions in our society. In addition, I ask that Colman McCarthy's article be printed in full in the RECORD.

The material follows:

RACIAL INJUSTICES: HEALING THE PAIN

(By Masa Massenberg)

The recent Los Angeles riots forced America to direct its attention to the years of discontent growing in our nation's inner-city areas. The pain and violence that flashed across our television screens should have awakened our minds to the horrifying effects of racial divisions and injustice in our country. However, lives of some Americans remain untouched because their neighborhoods were not destroyed. To them, the riots were an isolated incident sparked by a controversial verdict. Yet to others like myself, it was an added reminder of the inequities that are confronted by many American citizens. To us, the riots were just the beginning of a revelation of a deep-rooted anger just waiting to erupt even further.

Instead of ignoring this evidence of unrest, we must explore its presence in cities across our nation and seek to heal the wounds that continue to separate the American people. One such place which is plagued by racial stereotypes is within my own state of Illinois, a city called East St. Louis. I could not help but wonder if the suffering in this area could trigger as much destruction as that experienced in Los Angeles.

East St. Louis is an area constantly criticized in the local and national media. It is viewed by many as being a hopeless city filled with destitute residents and faltering leadership. While it is true that the city is weakening from a myriad of socioeconomic and political problems, there is much good in the city that goes unnoticed.

As in most American cities, East St. Louis has its share of less than desirable neighborhoods. However, character and moral assessment cannot be based on property value. East St. Louis is the home to thousands of decent, hard-working people who present a model of determination and solid support to their families. They are responsible adults with loving children who all possess the same moral and spiritual values as any other upstanding American family. These citizens pride themselves in succeeding against all odds. Nonetheless, these people and their lifestyles are never featured in media spotlight.

Though East St. Louis suffers from a poorly funded educational system, students continue to excel in academics, music and sports. As a result of the instruction and guidance from gifted teachers, students are encouraged to believe in themselves, to dream, to accomplish. To them, East St. Louis is not a hopeless ghetto, but a home for hard-working people trying to create a better life for their families and for their community. Hence, the overbearing stereotypical image of an East St. Louis citizen as being one who is corrupt, immoral and ignorant haunts these children and families who try hard to excel regardless of their circumstances.

Despite this apparent good within the community, one must also confront the city's inherent problems. The community is stifled by a huge debt, lack of industry and employment opportunities, lack of basic public services, inadequate public housing and environmental hazards. As well, there exists a strong apathy in the community for the absence of an open forum where citizens can express their concerns to city officials and to representatives of the state and federal government. This negative attitude is perpetuated by the city's constant misrepresentation in the media. To East St. Louis residents, none besides them seem to care.

Where there is apathy, there is oftentimes resentment. And where there is resentment, there is pain. And you can be sure that if left alone, this pain may escalate into a fury which will shock our nation just as our nation was shocked by the riots in Los Angeles.

There is a wonderful sense of life, loyalty and dedication within the community of East St. Louis. It is a town whose citizens yearn for an opportunity to rebuild their city and to overcome the massive obstacles confronting them. Yet, when hope is not nurtured, it soon dies.

Constant focus on the negatives in inner cities denies the true potential to uplift these areas and ultimately may destroy our future as a nation. I challenge U.S. citizens, the media and both state and federal leaders to take a second look at our nation's urban centers. We cannot afford to be insensitive to the reality of how life truly is in these areas. As leaders of our nation, it is our responsibility to improve the standard of living in these inner cities in order to provide a vibrant, productive environment for all children and families who are a part of our great nation.

[From the Washington Post, Mar. 14, 1992]

DESPERATION AND HOPE IN EAST ST. LOUIS

(By Colman McCarthy)

EAST ST. LOUIS, ILL.—If an intelligent person is someone who knows much and seeks to learn more, than the 30 students I met at Vincent Gray Alternative High School here are certified geniuses. Not SAT or National Merit Scholarship geniuses. The Gray students, raised in destitute East St. Louis, which is 98 percent black and 100 percent abandoned as hopeless by state and federal education officials, have intelligence on a higher level than that. They have a vast knowledge of society's cruelty and misery, living in a racially isolated town of 40,000 that has been called the Soweto of America and has enough poverty to qualify also as Port-au-Prince on the Mississippi.

Despite what they know about urban decay and its daily assaults on the spirit, about 60 students come every day to Gray. Learning is possible because caring teachers are here, five of whom are brothers from the Society of Mary and whose salaries are $5,000 a year. Average teacher pay—excluding the brothers—is $13,000, against the statewide $28,000.

I mention money because the schools of East St. Louis are among the most impoverished in America. In "Savage Inequalities," Jonathan Kozol reported that here, "the city spends approximately half as much each year on every pupil as the state's top spending districts." Some 70 East St. Louis teachers, full-time—but classified as "permanent substitutes," earn $10,000 a year. The chairman of the state board of education, quoted by Kozol, believes, "East St. Louis is simply the worst possible place I can imagine to have a child brought up. . . The community is in desperate circumstances."

The desperation is not yet total. Gray, as much a refuge of peace as a school, is a major reason. In my visits to two classes, to share with students and teachers a few ideas on starting a course on peace studies and conflict resolution, I could feel a spirit of awakened enthusiasm for education, like a slant of sunshine breaking through dark clouds. These were students, ranging from 16 to 24 years of age, who had left or were asked to leave the regular high schools of East St. Louis. Before Gray, they were at the bottom of the bottom. Many listed fear as the reason for dropping out—fear of gunplay to and from school as well—as in school. Most Gray students had a relative or a friend who was murdered.

The teacher-student ratio at Gray is one to four, just about what Socrates said is the ideal for true learning. The school had eight students and three teachers when founded in 1980 by two Society of Mary bothers. Eighty have graduated in the past 11 years, earning diplomas that, for many, represented a first for their family. Most Gray alumni have made it to college, found jobs or joined the military.

After my visit to Gray, Mark Osborne, the administrator, wrote to me: "I wish to thank you for coming to East St. Louis. Yes for having the courage to come into town. There are lifelong residents of the St. Louis—Metro East Area who gladly will drive 30 miles out of their way to completely avoid the city. Why? Because East St. Louis is *violence*. At least in their eyes. This notion is based partly in fact and partly as a result of an image created by the media . . . It is wrong when people's ignorance, prejudice and fear are fueled by media accounts of the evil that exist in East St. Louis. I don't know why a 24-year-old high school dropout mother of three who went back to school to earn her high school diploma is not 'good copy,' but 15-year-olds murdering each other over crack turf is."

It was curiosity, not courage, that brought me to Gray. What were the kids like? Were they demoralized beyond help or hope by the town's ravages? Or had they summoned an inner strength they never knew they had to resist it? Was their experience at Gray—contact with compassionate educators who knew classroom drills were only a part of their work—taking hold? And the teachers: What motivated them to stick it out when they could work at a middle-class suburban high school at triple the pay and half the tension?

I spoke with enough students and teachers to have some answers. Gray thrives because it is a school of alternatives, the main one being the love offered by the teachers and appreciated by the students. The kids know this is their final comeback try.•

FOSSIL FOOTPRINTS IN NEW MEXICO

• Mr. BINGAMAN. Mr. President, I wish to report on the progress that the Bureau of Land Management is making in evaluating the prehistoric trackways found on public lands in the Robledo Mountains of New Mexico. These fossil footprints are among the most important archeological discoveries of the 20th century. I am pleased that legislation to protect these trackways passed in November 1990. Public Law 101–578 authorizes the Secretary of the Interior to conduct a study of the alternatives for protection and interpretation of these priceless fossils.

The law also allows the Secretary to cooperate with State and local governments and institutions of higher learning to examine alternatives to preserve these historic trackways. Mr. President, it was the intent of Congress in adopting this legislation to have the Smithsonian Institution assist BLM in its study of how to protect, manage, and curate these fossils. I am confident that working together, the Bureau of Land Management and the Smithsonian Institution will get the job done. In closing, Mr. President, I would like to invite any of my colleagues who may travel to southern New Mexico to view this fascinating scientific discovery and international treasure.•

FUND FOR DEMOCRACY AND DEVELOPMENT

• Mr. SIMON. Mr. President, there is a new nonprofit organization based in Washington, DC, called the Fund for Democracy and Development that is starting to do some good humanitarian work in the former Soviet Union. Ron Scheman heads up the group. The fund's immediate mission is to mobilize private sector contributions of food and medical supplies; their longer term goal is to provide technical assistance in the areas of law, credit and management training for small businesses, farm programs, and a variety of other worthwhile efforts.

As of mid-May, the fund had shipped 185 40-foot containers of donated goods, and another 300 are scheduled to be shipped before the end of July. The U.S. Government is helping to cover shipping costs. In my State of Illinois, groups from Belvidere, Rockport, and Arlington Heights donated goods to the Moscow area through the United Methodist food package program. Archer Daniel Midland [ADM] Corp. of Decatur donated 100 tons of Harvest Burger—veggieburger—to the fund to be sold on the open market in Russia, the proceeds of which will go toward opening a fund office in Moscow. I am told that many individuals and companies in other States have participated in the fund's shipments, and I commend all those who are helping out.

Mr. President, now that the Senate has passed the Russian aid bill, it is my hope that the State Department and the Agency for International Development will continue to help defray the costs of fund shipments to the former USSR, and consider the fund for other humanitarian and technical assistance programs.•

A TRIBUTE TO HISPANIC MOTHERS

• Mr. WIRTH. Mr. President, over the years I have occasionally referenced the words of Mr. Tomas Romero, a distinguished columnist for the Denver Post, in discussing issues of importance to the Nation's growing Hispanic community. Today I would like to request that Mr. Romero's piece, "A Letter of Love to a Woman of Heart and Soul" be reproduced in the RECORD.

Mr. Romero wrote this piece some years ago, and many in Colorado's Hispanic and Latino community have requested copies because it is a particularly powerful expression of respect for motherhood. At a time when the national political debate has been focused on "family values", I believe Mr. Romero's piece is a reminder that "family values" are not the exclusive province of a dominant anglo culture, nor are they a special forum for one political point of view.

The letter follows:

A LETTER OF LOVE TO A WOMAN OF HEART AND SOUL

(By Tomas Romero)

Hispanic mothers.

This one is for our madres to whom we owe so much. A reminder to us all that mothers deserve to be cherished every day—but most especially on their birthdays.

This is for the woman who rose before dawn to fill kitchens with scents of hot atole, Mexican chocolate and fresh baked loaves of bread. It was she who banked woodstove fires and turned cold cement floors into a warm morning welcome for children's feet.

With breakfast dishes done and floors swept clean again, she had no time to enjoy a cup of coffee, or listen to the radio news of the day. No time for an Oprah Winfrey to tell her what her status was. Instead, with her youngest child wrapped against the sun, she left the house, found shade for her infant and picked up a sugarbeet short hoe, joining husband and family on mud-caked knees to creep down an endless row.

A son recalls old photos—long since lost or soaked beyond recognition by monsoon rains: a beautiful and slender woman, with flowing dark black hair, large and lovely luminous eyes, arms clasped, standing in a stream as cool mountain water danced around her ankles.

She sent her children to school with their clothing neat—perhaps at times in patched trousers, but always clean. She saved homework and perfect-attendance certificate awards, as carefully hoarded as if each was title to a kingdom.

There were other autumn scents: roasted bushels of green chili, capulin jam jars and mounds of warm tortillas. That was home.

This is for our mothers whose hands grew hard and calloused, who with backs bent in scorching hot pickle fields, canneries, laundry plants and other people's kitchens lost their health and gave up their personal hopes. All to see their children grow up, receive college degrees, work in air-conditioned offices and earn great honors never imagined for themselves.

She saw her children grow and learn the ways of others and must have suffered when they, in selfish youth, rejected values and traditions she held dear.

She lit a hundred velas—and wore the finish off rosary beads in praying for a soldier son's safe return.

Now grandchildren come and talk of her quaint accent. Yet they also smile at abuela—grandmother—as they embrace her waist and say her foods are the best.

Sons and daughters return, sometimes full of pride and self-importance: "I had lunch with the governor today * * *." Other times, when life has overwhelmed them and brought them to their knees, she asks no questions. She quietly places bowls of homemade caldito—stew—and says, "Eat, mi hito, try this and rest awhile * * *."

Out of step with modern ways and separated from some of her family by language and decades of different experience, our madres share a common denominator: love for their children, some of whom at long last realize that better education does not necessarily give more wisdom.

There are no pedestals tall enough to raise such a mother to the heights she deserves. All a son can do is say, "Feliz cumpleanos, mi madre. Te amo mucho." Happy birthday, mother. I love you very much.

(Tomas Romero, a native Coloradan and graduate of University of Northern Colorado, operates a small business in Denver. He writes a column on Hispanic issues every other week.)

DEMOCRATIC HISPANIC TASK FORCE FIELD HEARING

Mr. SIMON. Mr. President, last May in my home State of Illinois, I chaired a field hearing of the Senate Democratic Hispanic Task Force on Issues Facing the Hispanic Family—Education, Employment, and Health Care.

The majority leader established the task force in 1989 and named me its chairman for the 102d Congress. On the task force, I am pleased to be joined by Senators BENTSEN, BINGAMAN, CRANSTON, DECONCINI, DODD, GRAHAM, KENNEDY, LIEBERMAN, MOYNIHAN, REID, and WIRTH.

At the Chicago field hearing, I heard from a diverse group of men and women who provided very useful testimony about the challenges facing the Hispanic communities in these areas. The witnesses who testified also made a series of important and serious recommendations in these areas.

The issues raised at the hearing are highly interrelated. For example, we started talking about the high number of Hispanics, particularly children, who go without medical insurance and the negative impact that has on preventive medicine, immunization, and student absenteeism. That discussion led into a description of public school education for Hispanics, whether the schools are fully providing necessary bilingual educational services, and what happens when Hispanics drop out of school or graduate without the requisite language or other skills to be fully employable.

The picture painted by the witnesses was not a negative one, however. Some of the witnesses were making great strides to relate to Hispanic youth and turn around those who might otherwise fall through the cracks. Some provided elementary and secondary education. Another worked with at-risk youth. Another fostered the retraining of women who wanted to return to higher education. A witness from the Hispanic business community offered testimony about what assistance the Federal and local governments can provide to put them on their feet and create an anchor for families and the entire community.

Mr. President, I want to share with my colleagues in the Senate the recommendations and testimony of our hearing witnesses. Accordingly, I ask that the testimony from the Hispanic Task Force field hearing be printed in the RECORD over the next 5 days.

[U.S. Senate Democratic Hispanic Task Force Field Hearing, Monday May 4, 1992, 9 a.m., Senator Paul Simon, Chairman]

ISSUES FACING HISPANIC FAMILIES

PANEL 1: HEALTH CARE

Financial Barriers: Dr. Aida Giachello, Jane Addams College of Social Work.

Primary Health Care/Preventive Measures: Virginia Martinez, Latin American Bar Association.

PANEL 2: EDUCATION

Elementary and Secondary Education, Bertha Magaña, United Neighborhood Organization, Chicago School Board; Adela Coronado Greeley, Inter-American Magnet School

Higher Education: Rebecca Alvin Paredes, Hispanic Women's Leadership Development Project, Hispanic Alliance, DePaul University.

School Safety/Youth Violence: Ray Vazquez, Logan Square YMCA.

PANEL 3: ECONOMIC DEVELOPMENT

Employment Training: Mary Gonzalez Koenig, Mayor's Office of Employment and Training; Pedro Galva, Assurance Corporation, The College of Office Technology.

Small Business Development: Adela Cepeda, Abacus Financial Group, Inc.

ADDITIONAL STATEMENTS SUBMITTED BY

1. Dr. Jorge A. Girotti, Assistant Dean and Director, Hispanic Center of Excellence, University of Illinois at Chicago.
2. Hon. Miguel del Valle, State Senator, 5th District, Illinois.
3. Universidad Popular, Chicago, Illinois.
4. Angela Torres, Chairperson, Education Task Force, Pilsen Neighbors Community Council, Chicago, Illinois.
5. Carmen Velasquez, Executive Director, Alivio Medical Center, Chicago, Illinois.
6. Joseph M. Martens, Coordinator, Illinois Hispanic Human Services Association, Chicago, Illinois.
7. Association Pro-derechos Obreros (APO), Chicago, Illinois.

CRITICAL ISSUES FACING HISPANICS/LATINOS IN THE AREA OF HEALTH CARE IN THE UNITED STATES

(Testimony Given by Aida L. Giachello, PhD assistant professor and Jane Addams College of Social Work University of Illinois at Chicago)

Good morning! It is a great privilege to have the opportunity to address some of the critical issues affecting Hispanics/Latinos in the United States. I wish to take this opportunity to commend you for the foresight and concern you have demonstrated by holding this hearing. Understanding and addressing the needs of the diverse Hispanic/Latino populations in all areas, including health care may well be one of the most serious challenges facing public health in this decade. My presentation will provide a brief overview of the demographic and socioeconomic of Hispanics/Latinos in this country and will bring to your attention some of the critical health problems and access to medical care issues currently confronting the Latino community. Finally, I will end up with some recommendations of priorities.

DEFINING HISPANICS

Let me first begin by defining the term "Hispanic". According to the U.S. Bureau of the Census, "Latinos" ("Hispanics"/Spanish origin) are defined as persons who considered themselves to be Mexican, Mexican American, Puerto Rican, Cuban, or those who are born or descended from those born in Central or South America, Spain, or selected locations in the Caribbean. This definition encompasses people that come from more than 23 countries. It is important to keep in mind that Hispanics are a heterogenous group despite the fact that they share a common language and selected aspects of the Spanish culture. They come from a diversity of backgrounds, and have a very different set of behaviors and values. For example, some Hispanics are U.S. citizens, other are not. Some are recent arrivals to the U.S. while others have been in this country for many years and from many generations. Many speak only Spanish, some are bilingual in English and Spanish, and others are monolingual in English. There is diversity in levels of acculturation and assimilation as well as in socioeconomic status (see Table 2). This diversity among different subgroups of Latinos is also reflected in their health beliefs, attitudes and knowledge, health status, and patterns of health services utilization.

The term "Latino" and "Hispanic" is used interchangeable. "Hispanic" was adopted by the federal government in 1977. When the Office of Management and Budget directed federal agencies to follow a set of race and ethnic standards in their statistical activities. However, many Hispanics at the grass-root level resent the term "Hispanic" as it is perceived as imposed on them. Persons of Mexican origin prefer to call themselves Mexican-Americans or "Chicano". The term "Chicano" has a political empowerment connotation. Puerto Rican are also referred to as "New York Ricans" as New York city has the largest Puerto Rican population (1.5 million). Another terms used of refer to Puerto Ricans are "Boricuas" as the island of Puerto Rico was named Borinquen by the Indian Tainos, the first natives of the island. For Cubans, the term Cuban Americans are often used of refer to those of second generation and on, or "Marielitos" to refer to the recent wave of Cubans that left the Mariel bay in Cuba.

POPULATION GROWTH, COMPOSITION AND GEOGRAPHIC CONCENTRATION

The demographics of the Hispanic population portend a dramatic change in the composition of the American society. Hispanics as a whole are the second largest and one of the fastest growing minority groups in the United States. In 1990, there were 22.3 million Latinos in the United States, representing 9.6 percent of the total U.S. population. Those from Central or South America are growing at the highest rate. These numbers exclude the approximately 3.5 million residents of the commonwealth of Puerto Rico and the estimated three to six million undocumented workers.

The rapid growth is due to high birth rates and to immigration. In 1989, the birth rate for the Latino population was 26.2 live births per 1000 population. This rate is approximately 50 percent higher than the birth rate for the non-Latinos (16.3) (NCHS, 1992). Since 1930, the largest number of legal migrants entering the U.S., according to the U.S. Immigration and Naturalization Services, have been Latinos. The number of legal immigrants does not include undocumented workers or Puerto Ricans, who are U.S. citizens by birth.

Even more striking than the increase in the number of Hispanics is the age composition of this population. The March 1991 Current Population Reports, indicate that in 1991, over one-third of this population (38 percent) was under the age of 20 compared to 29.1 percent for the total population (U.S. Bureau of the Census, 1991). Given that the fertility rate of Hispanic women is 46 percent higher than the rate for non-Hispanic women (NCHS, 1992), and given the size of the Hispanic cohort moving into their reproductive years, the Hispanic population is expected to sustain population growth in the near future. The age structure, in addition, to its impact on population growth, it is an important factor in health services delivery as it determines the services most in need and the areas of greater demand (i.e., family planning, prenatal care, and pediatric services).

Although Latinos are usually classified as a young population, since 1970, the Latino elderly (age 65 and older) has grown 61 percent, a rate well above the rate of the total elderly population growth rate in the U.S. According to projections by the Bureau of the Census, the increase in the total number of Latino elderly will account for 25 percent of total Latino population growth over the next twenty years (U.S. Census, 1986).

An important feature of this population is its geographic distribution. Mexican-Americans are concentrated in five southwestern states (Texas, California, New Mexico, Colorado and Arizona). Cubans are concentrated in Florida, and Puerto Ricans predominate in the New York metropolitan area. However, the internal migration pattern indicates that Cubans are settling in Louisiana, North and South Carolina and Missouri. The Puerto Ricans are migrating in large numbers to Miami, Chicago and other midwest cities (Cleveland, Detroit), and to Los Angeles. Mexican Americans are moving to the Midwest, northeast and southeast of the United States. Traditional states such as Illinois ranks 5th in number of Hispanics; Michigan ranks 10th and Ohio ranks 15th. In the midwest alone you have a total of over 1.5 million Latinos. Despite this, policymakers and public officials in the midwestern states are not aware of the Hispanic population explosion in this area, and the midwest is not getting their fair share of resources from the federal government to address the Latino population in this area.

Latinos suffer from a series of socioeconomic disadvantages such as low education and income levels, high unemployment, crowded homes, and cultural and language barriers.

Latinos experience racial and social inequalities and are one of the poorest minority groups in this country. Some of them (i.e., Puerto Ricans) are characterized by sociologists as belonging to the "urban underclass" (a socially-isolated group experiencing high poverty, high dependency on public assistance, and multiple social problems with limited access to health and human resources). Latinos have often been physically segregated from the rest of society (i.e., living in ghetto areas) and have suffered from a disproportionate share of social and economic insecurity. Even though acculturation in the form of adopting the predominant behavior patterns and language does take place, structural assimilation (gaining access to American institutions including the medical care system for prevention, screening, and treatment) continues to be difficult (Giachello, 1988).

CRITICAL PROBLEMS CONFRONTING THE LATINO COMMUNITY IN THE U.S.

AIDS

Acquired Immune Deficiency Syndrome (AIDS) is growing at an alarming rate among Hispanics in the United States and in Puerto Rico, to the point that it is one of the leading causes of death among this population. Hispanics represent 9.1 percent of the total U.S. population, and they account for 16 percent of all the reported AIDS cases. Recent trends indicate that Hispanic women and children are now being affected the most. HIV/AIDS among Hispanics is strongly associated with substance abuse, primarily the injection of illegal drugs with contaminated equipment.

During the first decade of the AIDS epidemic we find that the number of cases increased considerably among all minority populations, particularly black and Hispanics. From 1986 to 1989 the number of cases of AIDS among Hispanics doubled. As of January, 1992, there were a total of 206,171 AIDS cases of which 33,568 were Hispanics (16.3 percent), 55,132 were blacks (28.7 percent) and, 1,599 were of members of other racial/ethnic groups (e.g., Asian American, Native Americans, etc.) (less than 1 percent) (CDC, 1992). Of all the AIDS cases among Hispanics adults/adolescents, homosexual and bisexual males accounted for 46 percent, and homosexual/bisexual males who are also users of needles to inject drugs represented another 39 percent, compared to 65 percent and 19 percent, respectively, for all the adult/adolescent AIDS cases in the United States.

Estimates from the Center for Infectious Diseases indicate that the risk of AIDS among black and Hispanic adolescents and adults was 3–4 times the risk for whites. In addition, the annual incidence rates of AIDS among children and among women of child bearing age have increased more among black and Hispanic populations than among other racial groups (Gayle et al, 1990).

Mortality data for 1987 (NCHS, 1991) on the 10 leading causes of death among Hispanics and whites indicate that AIDS ranks six among the major causes of death among Hispanics. However, it is not listed as any of the 10 major causes of death among the white population (NCHS, 1991).

In examining the 10 leading causes of death by different age groups among Hispanics and whites we find that AIDS is also the 6th cause of death among Hispanics 24 years of age and under. AIDS also ranks 3rd in leading causes of death among Hispanics ages 25 to 44, and 7th, among Hispanics between 45 to 64 years of age. Again, AIDS did not emerge as a leading cause of death among whites in any of these age categories. Although, most recent mortality data seems to indicate that it is now emerging as a leading cause of death of youth between the ages of 20–29.

Mortality data on the 10 leading causes of death for 1987 by Hispanics of different national origin show that AIDS is the leading cause of death among Puerto Ricans, representing 10 percent of all deaths among this population (NCHS, 1991). Diseases of the heart and malign neoplasms are the number 1 and 2 causes of death among Puerto Ricans. Surprisingly, AIDS is the fourth cause of death among Cubans, representing 4 percent of all deaths among this population. AIDS also ranks six in major causes of deaths among persons of Central and South America. Interesting enough, AIDS was not again listed in any of the 10 leading causes of death among Mexicans or Mexican Americans, neither among whites (ibid).

The age distribution by sex of Hispanics AIDS cases show that people most affected with AIDS are in the age category of 30 to 35, followed by those between the ages of 35 to 39. The number of AIDS cases have increased considerably among middle age Hispanics (40 to 59 years), and among older Hispanics (over 60). This has tremendous implications for the planning of home health care, long-term care and specialized medical care facilities for Hispanics.

Sixty-one percent of Hispanic adults with AIDS live in New York, New Jersey, California or Florida. Data on the percent of Hispanic AIDS cases in selected States indicate that 30 percent of all the New Mexico AIDS cases were among Hispanics, followed by 26 percent in the State of New York and 13 percent in California. The percent of Latino population in those States in 1990 were 37 percent for New Mexico, 9.5 percent in New York and 19 percent in California (U.S. Census, 1990). The percent of pediatric cases in selected states, however, were much higher representing 34 percent of the pediatric AIDS cases in California, 34 percent in Illinois and in New York and 22 percent of all the pediatric AIDS cases in New Jersey (CDC, 1991).

The midwest region, with the exception of Illinois, is not experiencing an AIDS epidemic, as in other regions, providing a unique opportunity to engage in primary prevention. However, the data available, as of January, 1992 indicate that Hispanics are over-represented in most midwestern states in the number of AIDS cases. This over-representation is particularly true in Wisconsin and Illinois.

The island of Puerto Rico has the 2nd highest incidence of AIDS per capita (Washington DC being number one), and Puerto Rico also has the highest mode of transmission due to heterosexual contact.

The limited AIDS data available by Hispanics of national origin indicate that the main risk factor for AIDS among the Puerto Rican population in the mainland (and in Puerto Rico) is the use of needles for injection of illicit drugs. This is also the case in the northeastern region where a large Puerto Rican population live and where you have the highest AIDS epidemic, with the exception of California. In the Southwestern states, where over 60 percent of Mexican Americans live, the main mode of exposure to AIDS has been homosexual and bisexual behavior. This is clearly the case in California, New Mexico, Texas and Colorado. In Chicago where 65 percent of Mexican and Mexican Americans live, as well as 22 percent of the Puerto Rican population, we find that the AIDS problem among Hispanics is a Puerto Rican problem. About 90 percent of the AIDS cases among Hispanics in Chicago has occurred in areas with high concentration of Puerto Ricans, and in most cases, where IVDU is the main mode of transmission.

HUMAN IMMUNODEFICIENCY VIRUS (HIV)

The number of AIDS cases is expected to increase rapidly among Hispanics and blacks in the near future as recent data on HIV infection shows that the seropositivity appears to be the highest among these groups (CDC, MMWR, 1991). For example, data on results on HIV-antibody tests conducted in 63 programs throughout the U.S. in selected testing sites (e.g., STDs clinics, OBY-GYN and family planning clinics, TB clinics, drug treatment centers, etc.) show that when compared to the overall U.S. population, both blacks and Hispanics were substantially over-represented among HIV-antibody tests and positive tests. The seropositive rate found among over 71,000 Hispanics tested was 8.6, compared to 5.3 for blacks with over a quarter of a million tested, and 3.9 for whites with close to half a million tested (ibid).

High seropositivity status have also been found among Hispanics (of both sexes) applying for military services during October, 1985 and December, 1989 (CDC, 1990); among Hispanic runaway and homeless adolescents in New York City (Stricof et al, 1991) (see Table 6); among Hispanic newborns also in New York City (Novick et al, 1991), and among Hispanic women of child-bearing years attending a New York City family planning clinic (stricof, 1991). But the seropositivity has been reported as being the highest among Hispanic women entering the New York State prisons (29 percent), compared to black women (14 percent) and white women (7 percent) (Smith et al, 1991); and for Hispanic women in HIV testing and counseling site who reported self-injecting illicit drugs. The seropositivity rate for these Hispanic women was 15.2, compared to 16.9 black women IVDUs and 3.8 for white women with similar type of behavior (CRC, 1991).

HISPANIC WOMEN AND HIV/AIDS

Through January, 1992, women represented 10 percent (21,508) of all the U.S. AIDS adult/adolescent cases (206,171) (CDC, February, 1992) and constituted the fastest growing group of AIDS cases in the U.S. For example, between 1989 and 1990 new AIDS cases among U.S. women increased 33 percent compared to 22 percent among U.S. males (AWARE, 1991). The Centers for Disease Control (CDC) estimate that more than one million people in the U.S. are infected with HIV and at least 100,000 of them are believed to be women, 80 percent of whom are of child bearing age (AWARE, 1991).

AIDS is the fifth cause of death among women of child-bearing years. Presently in New York and New Jersey, it is the number one killer of women ages 15 to 44 (AJPH, 1991; AWARE, 1991). Some of the reasons summarized by Giachello (1991) are related to the fact that: 1) AIDS is perceived as a men illness that affect only gay white men and men who are IVDU. Women in our society "don't suppose to have AIDS." Therefore, there is a denial that women are at risk and many health care workers may not screen women for HIV or AIDS; 2) women are misdiagnosed or diagnosed late because they don't have equal access to medical care, and because AIDS manifests differently in women. The opportunistic infections and illnesses (e.g., herpes, candidiasis, cervical cancer, infection of fallopian tubes, etc.) that affect women with HIV/AIDS are not conditions officially recognized by CDC as related to AIDS. Physicians, as a result, may not think about HIV/AIDS when some of these conditions are present; 3) women traditional roles as primary caretakers of their families serve as barriers as women "don't suppose to get sick". When symptom of illness emerged, women may address them after the needs of her immediate family have been taken care of; 4) women discover their seropositive status late in HIV progress. A study in Baltimore showed that 72 percent of the women with the virus did not even know they had it (Center for Women Policy Studies, 1990); and 5) once women are diagnosed with HIV/AIDS they don't have equal access to on-going medical care or to clinical trials (only about 6 percent of all persons enrolled in the AIDS clinical trials group system are women (Center for Women Policy Studies, 1990) and cannot afford the expensive drugs that may alleviate the conditions. For these and other reasons, women tend to be sicker at time of diagnosis and have a shorter survival rate. For example, the life expectancy for men, from day of diagnosis, currently ranges from between 24 to 36 months. Life expectancy for women from day of diagnosis averages between 3½ months to 6 months (AWARE, 1991). The average life expectancy for black women in New York City is as little as 15 days (ibid) and for Hispanic women in Los Angeles is about 45 days. Women that live longer experience a series of medical, financial and social consequences. For example, because the definition of AIDS does not reflect the symptomatology of women, women are not entitled to social security benefits, as eligibility for disability is based on the CDC official AIDS definition.

Of all women with AIDS in the United States, 21 percent are Hispanic and 53 percent are black (CDC, 1992), although Black and Hispanic women make up only 19 percent of all U.S. women. Furthermore, recent studies have indicated that the chance of acquiring AIDS through heterosexual contact is more than eleven times greater for black and Hispanic women than for white women, and that the risk of acquiring AIDs for Hispanic women is over 8 times greater than that for white women (Holmes, Karon and Kreiss, 1990).

The high incidence of AIDS among women has been related to the increased exposure to HIV infected needle through injecting drug or by having sexual partners who are current or former needle injecting drug users. For example, 51 percent of all the AIDS cases among U.S. women was due to IV drug use, and 33 percent was due to heterosexual contact. Heterosexual transmission was the result of having sex with needle injecting drug users (NIDU) (62 percent), or with bisexual male (9 percent). For black women, having sex with NIDUs or sex with bisexual male, accounted for 60 and 6 percent, respectively, of all heterosexual transmissions. For Hispanic women heterosexual transmission due to these causes accounted for 80 percent and 5 percent, respectively (CDC, 1992).

Some of the factors related to HIV/AIDS for women in general, and minority women specifically are related to sexism, and classism. For example, traditionally, women's emotional, social and medical needs have been neglected as they relate to their multiple roles in society. Protection of women legal and constitutional rights have also been neglected. For example, current political climate favor children over mothers violating women's rights. Medical confidentiality and informed consent for women is "conditional" upon the status of a potential child. Women access to clinical trials and drug treatment, for example, is conditional to an existing or newly conceived fetus. On the other hand, pregnant women are encouraged to be tested so that she or the unborn child can benefit from experimental drugs. In reality this is not true. There is current controversy about the true effect of drugs to pregnant women and to unborn or newborn child.

HISPANIC CHILDREN AND AIDS

Through January, 1992, there were 3,522 pediatric (13 years of age or less) cases in the United States representing 2 percent of the total AIDS cases in U.S. Ninety percent of infected newborns are either black or Hispanics. Fifty-three percent of pediatric AIDS cases are Black, 25 percent are Hispanic and 21 percent are whites. Seventy percent of all U.S. children with AIDS were born to a mother who have a history of NIDU or who had sex with someone who injected drugs. The percentage was the highest among Hispanic children with AIDS (83 percent) (ibid).

HISPANIC YOUTH AND AIDS

Although, there have been only 214 AIDS cases reported among Hispanic adolescents of 13 to 19 years of age, as of January, 1992, the number of AIDS cases among Hispanic young adults 20 to 24 years of age of both sexes, have reached a total of 1420. Hispanics represent 24 percent of all the AIDS cases in this age category. This means that these Hispanic young adults got infected during the adolescent years. Some of the reasons are related to the age structure, to an increase number of sexually active youth, to the experimentation of alcohol and drugs which may lead them perhaps to engage in sex without proper judgement and protection.

Therefore, Hispanic youth appears to be at greatest risk for HIV/AIDS. Some of the reasons are as follow: First, Hispanics is a relatively young population. In examining its age structure we find that in 1990, 35 percent of the Hispanic population was below the age of 18 and approximately one-third (32 percent) was below the age of 16 (U.S. Census, 1988). The number of Hispanics between the ages of 14 to 19 has been estimated to increase by 29 percent by the year 2000 (U.S. Census, 1986). This means that a large number of Hispanics are entering into their reproductive years, and many are becoming sexually active leading to a potential increase in HIV and AIDS.

Second, there is an increased number of sexually active Hispanics. Hispanic adolescent females are expected to postpone sexual activity until marriage, according to prevailing cultural norms and values. However, in reality this is not the case. According to the Alan Guttmacher Institute, in 1988, 49 percent of all Hispanic women aged 15–19 years had sexual relations compared to 52 percent of white and 61 percent of black teen women. The same Hispanic teens had intercourse at an earlier age. Eighty percent of sexually active women had intercourse before the age of 16, compared to 68 percent of the sexually active white teens, and 83 percent of the sexually active black teens (COSSMHO, 1987).

The third factor related to the potential increase of HIV or AIDS cases among Hispanic youth, is the low utilization of contraceptive methods. Data at the national level indicates that only 23 percent of sexually active Hispanic teen women used contraception at first intercourse, compared to 36 percent of black and 55 percent of white sexually active teen women. Among all sexually active teen girls, 68 percent of Latinos, 66 percent of blacks, and 73 percent of whites used contraception (COSSMHO, 1987). When contraceptive was used, it tended to be the condom, used by 57 percent of Hispanic teens, followed by withdrawal, used by 17 percent of Hispanic teens (ibid). The more acculturated adolescents are more likely to have a greater amount of correct knowledge about contraception use than the less acculturated.

Hispanic youth are also embarrassed about approaching health clinics for family planning or going to the drug store to purchase contraceptives which do not require prescription, such as condoms. In addition, family planning clinics may not be accessible to teens because of distance, inconvenience of clinic hours, and high cost of care. When they visit a clinic they have to fill-out complicated forms and wait for long periods of times to be seen. Clinics are also not likely to have bilingual and/or bicultural staff. If the clinic is in the neighborhood, teens may be worried that community workers or patients that may recognize them and find out the purpose of their visits. There may also be the problem that teens who use contraceptives do not know how to use them properly. Some teens have reading and writing difficulties, and at times cannot fully comprehend instructions which are geared to the educated adult population.

Fourth, Hispanic youth are also at risk to get HIV/AIDS because they are experimenting with alcohol and other illicit drugs which make then vulnerable to engage in other risk behaviors for AIDS e.g., use of multiple sexual partners, prostitute, engaging in homosexual behaviors). Alcohol and drugs also make their immune system more vulnerable to infection. In addition, they are experiencing a high incidence of sexually transmitted diseases (STDs) as we will see.

Finally, Hispanic youth are at risk for HIV/AIDS because of their low knowledge about AIDS, compared to white teens (DiClemente, Boyer and Morales, 1988; DiClemente, Zorn and Ternohok, 1988; Strunin, 1989; Strunin and Hingson, 1987), and because of their sexual practices (e.g., low use of condom, multiple sexual partners and use of prostitutes (Giachello, Aguillon and Probst, 1988; Attanasi, Giachello and Arrom, 1989; Giachello, Arrom, and Amaris, 1990) which place at risk for HIV/AIDS.

In summary, AIDS is one of the most serious health problems facing Hispanics in the United States. The number of AIDS cases is expected to increase even more rapidly due to the high seropositivity rates in the Hispanic communities. This is particularly the case among Hispanic women, children and adolescents. Puerto Ricans, both in the island and in the mainland, followed by Cubans and by people of central and south America appear to be the Hispanics subpopulations affected the most by the AIDS epidemic.

Tuberculosis (TB)

Tuberculosis is another dimension of the problem posed by AIDS among Hispanics. HIV infection is known to exacerbate tuberculosis infections which are already prevalent among Hispanics (Hopkins, 1987). Hispanics are at increased risk for tuberculosis because of high rates in Mexico and Central America, overcrowding living conditions in U.S., poor nutrition, and the lack of access to health care for screening and treatment, particularly, associated with poverty.

Statistics released by the Centers for Disease Control (CDC) for 1989 show a 5 percent increase in TB cases over 1988 (CDC, 1990). This is the largest single yearly increase since CDC began counting TB cases in 1953. From 1985 to 1989, almost 17 percent of the 23,495 cases reported occurred among Hispanics. This represented an increase of over 26 percent, from 3,092 cases in 1985 to 3,907 cases in 1989. TB cases in whites decreased almost 10 percent during the same 5 year period, with Hispanics already having a TB case rate almost 5 times greater than the rate among whites.

Almost 88 percent of the Hispanic tuberculosis cases in 1989 were reported by 6 states: California, Florida, Texas, New York, New Jersey and Illinois (USHHS, 1990). Thirty-nine percent (1,509 cases) were U.S. mainland born; 6 percent (223 cases) were foreign born. For 4 percent, the country of birth was unknown. Most of the foreign born came from Mexico, Cuba, El Salvador and Guatemala (COSSMHO, 1990). Tuberculosis among Hispanics is most prevalent in the 25–44 year age group.

The increase in tuberculosis in the last few years has been associated with increased AIDS prevalence both among Hispanics and in the general population. An individual with a weak immune system due to HIV infection or AIDS is at greatly increased risk for the development of tuberculosis. The Centers for Disease Control have found that 4.6 percent of 14,902 AIDS cases studied had Tuberculosis. Black and Hispanics are much more likely to develop tuberculosis in conjunction with AIDS. For example, black and Hispanics accounted for 80 percent of the tuberculosis cases in New York City, 90 percent in Florida and 100 percent in Newark (Division of Tuberculosis Control, CDC, 1987).

Tuberculosis is a contagious disease that can be spread by airborne transmission to others in the community. Tuberculosis is a curable condition; therefore, early diagnosis and treatment are imperative. The increase in HIV-related tuberculosis cases poses a risk for the non-HIV infected population that most of the opportunistic infections associated with AIDS do not. Hispanics, especially children, already have a higher incidence of positive tuberculin skin tests than the general population does.

In children, the incidence of tuberculosis has double significantly. First, there is the impact on the personal health of the children affected. Second, the occurrence of TB in children, especially those under the age of 5, is the most conspicuous evidence that the transmission for the disease is ongoing. In 1989, 29 percent of childhood TB cases occurred among Hispanics, compared to 18 percent in whites.

Increase testing and treatment of individuals with positive tests for tuberculin bacteria can prevent the resurgence of tuberculosis in this country and reduce the risk of tuberculosis for persons with AIDS (Division of Tuberculosis Control, CDC, 1987). Furthermore, the 1987 CDC Conference on AIDS in Minority Populations recommended that 1) HIV and AIDS related TB cases should be identified in a timely manner; 2) HIV counseling and testing should be available to persons with tuberculosis, particularly if they engage in high risk behaviors or live in high risk areas; and 3) infected people should receive the TB skin test (CDC conference, 1987).

In sum, TB cases have declined throughout the years for the general population and in particular for whites. On the contrary, it has increased considerably among Hispanics and blacks). Data indicate that the increase is related to HIV/AIDS and that among Hispanics and blacks, TB and AIDS occur together. Estimate suggest that there may be 10 million persons in the U.S. with latent TB infection (Hopkins, 1987). The degree to which it overlap with HIV is critical in determining future number of TB cases among HIV infected persons. TB is especially serious because it can be spread to community who are not at risks for AIDS.

Sexually Transmitted Diseases (STD's)

Most of the clinical research on STD's among Hispanic has been conducted in the adolescent population. When compared with other populations, Hispanic teenagers have shown the highest rates of chlamydia, gonorrhea, and trichomoniasis (Eager, 1985). One study revealed that Hispanic teenagers aged 15 to 17 have the highest rate of chlamydia (Smith, 1988). Another study conducted in South Texas found that approximately 10 percent of Hispanic women (all ages) who participated in the study were infected with this sexually transmitted disease (Gleeney et al, 1988).

The incidence rate per 100,000 population of primary and secondary syphilis in the United States slowly increased between 1981 to 1983. It then declined between 1985 and 1986, but increased rapidly ever since. This pattern is particularly true for women, primarily Hispanic and black women (CDC, 1990). This same trend is also true for teenagers 15 to 19 years of age, but the rate of growth of syphilis cases has been more dramatic, particularly for black and Hispanic teen women. For example, the rate of primary and secondary syphilis is for Hispanic teen women increased from 17 per 100,000 in 1986 to 22 per 100,000, in 1987, although it slightly declined after that year (HHC, 1989).

States and cities with the highest concentration of Hispanics, have also the highest number and incidence rate per 100,000 population of syphilis in the U.S. These same States (e.g., New York, New Jersey, Florida, Puerto Rico, California) and selected cities (e.g., Miami, New York City, Los Angeles have also experienced a considerably increased in total syphilis cases between 1985 and 1989, (CDC, 1991).

Regarding gonorrhea, the incidence rate per 100,000 is overall higher compared to syphilis. Gonorrhea has dropped considerably for both men and women of all ethnic/racial groups between 1981 and 1989. The decline in rates was more pronounced among whites and Hispanics of both sexes. Rates for teenagers 15 to 19 years old per 100,000 show overall decreases in the last decade for the total adolescent population, particularly females. But during this same period the black population experienced a considerable increase of gonorrhea, this was particularly true for the black male adolescent.

Also States with high concentration of syphilis, have also high concentration of gonorrhea, although the incidence rates for gonorrhea have declined between 1984 and 1988.

The importance of STD's screening is critical for early diagnosis and treatment. Anecdotal information from health providers suggest that Hispanics deny the possibility of having any of the STD's conditions, and that they are not likely to seek health care for STD's unless symptoms are noticeable or are accompanied by pain. It is well known that chlamydia related consequences for women include pelvis inflammatory disease, infertility and ectopic pregnancy, and that infected pregnant women are at risk for spontaneous abortion and still birth. Chlamydia has also been associated with conjunctivitis in infants born to infected mothers. In general, infants born to mothers with STD's are at risk of blindness, mental retardation and death (Giachello and Torres, 1991).

Recent studies (Turner, 1989; Moran et al., 1989) show that persons with syphilis or gonorrhea have also higher incidence of HIV infection. Persons, particularly Hispanics and blacks, at risk for HIV are also at risk for STD's. Minorities most at risk for STD's include sexually active persons, particularly under 25, and those with multiple sexual partners.

In summary, Hispanic adolescents have showed the highest incidence of chlamydia and trichomoniasis. Trends is syphilis and gonorrhea incidence in the U.S. show that the number of cases for gonorrhea were overall higher, particular between 1985 and 1988. This was particularly true for the black population. The number of gonorrhea cases have declined for whites and Hispanics, although, the declined for Hispanics was slightly less. For the adolescent population, the incidence of gonorrhea declined for white adolescents, but increased considerably for the black adolescents, particularly, males. Regarding syphilis, the incidence has declined for whites and have increased for Hispanics and blacks. This increase was most pronounced for blacks, particularly for 1988 (CDC, 1990).

Alcohol Consumption

There are 10 to 5 million people in the U.S. that have some type of alcohol dependence problem. Studies indicate that alcohol abuse is responsible for excess mortality due to homicide, suicide, unintentional injury, automobile accidents, etc., (USHHS, Secretary Task Force, 1985). Most recently alcohol use and abuse has been associated with HIV/AIDS as people under the influence of alcohol tend to engage in behaviors that put them at risk for HIV/AIDS. Also frequent alcohol consumption weaken the immune system making the individual more vulnerable to develop AIDS once it has been in contact with the virus.

The available literature on levels of alcohol use and abuse among Hispanics indicated great variance across several areas: gender, acculturation and by Hispanics of different national origin. Most of the existing research is based on either one of two methodologies: retrospective self-reporting of consumption or indirect indicators of alcohol consumption. Both of these research techniques are problematic for a variety of reasons, self-reporting is subject to the truthfulness and awareness of the respondent. Hispanic women have been found to under-report their consumption, possibly due to strong cultural inhibitions against women drinking (Alcohol Topics in Brief, 1985). The use of indirect indicators of alcohol consumption is also problematic for research on Hispanics because in the past, no mortality data was collected on Hispanics, and only recently, death certificate have been modified in some states to include a Hispanic identifier. In addition, police statistics of public drunkenness of drunk driving arrests for Hispanics may be influenced by the possibility of greater police surveillance of Hispanics (Caetano, 1983).

Studies on alcohol consumption among Hispanics indicate that Hispanics drink less than whites overall and that younger Hispanics, particularly under the age of 25, drink more than older age groups. Data indicate that males drink considerably more than females, although this pattern is changing with increased participation of women in the labor force and in traditionally male dominated jobs that are more stress producing. Also, the percentage of alcoholic women is expected to increase approximately 10 percent because women live longer (Giachello, 1991). Within Hispanic subgroups, Mexican Americans tend to be both abstainers and heavy drinkers. Data by place of birth indicate that heavy drinker Hispanic men tend to be first generation U.S. born followed by Mexican born men. Heavy drinker females were most likely to have been born in Latin American countries other than Mexico, Puerto Rico or Cuba. Drinking behaviors among Hispanics have been strongly associated with high levels of acculturation measured by high income and high education and English language dominance. Finally, a considerably low percent of Hispanics are in some type of alcohol treatment program, most of the Hispanics in treatment programs are located in the State of California.

Illicit substance abuse

Data available on illicit substance abuse in the Hispanic community is very limited. The available data obtained through 1988 Household Survey, summarized in NCLR report (1990) show that Hispanics are less likely than whites or blacks to report ever having tried illicit drugs, although, they were most likely to report being current users. For example, close to one-third of Hispanics (32.3 percent) reported that they "ever used" any kind of illicit drug compared to 35.9 percent of blacks and 37 percent of Whites. However, 14.7 percent of Hispanics reported using illicit drugs in the past year and 8.2 percent reported using drugs in the past month. This compares to 13.9 percent and 7.0 percent, respectively, for whites and 13.3 percent and 7.8 percent, respectively, for blacks (NCLR, 1990).

The 1988 Household Survey also found that Hispanics were more likely than whites to report current use of certain illicit drugs such as heroin, cocaine, crack and PCP. These types of drugs are usually associated with physical addiction, with excess mortality and with other negative social consequences for the individual, he or her family and for the community. These problems are expected to increase as the percent of Hispanics reporting ever having used cocaine increased from 7.3 percent to 11.0 percent between 1985 and 1988; and users of crack appear to be more prevalent among Hispanic young population between the ages of 18 to 25 (NCLR, 1990). It has been suggested by the literature that whites may be more likely to experiment with illicit drugs, while blacks and Hispanics are more likely to use them regularly (NCLR, 1990). Hispanics were also most likely to report current use of any psychotherapeutic drugs such as sedatives, tranquilizers, stimulants, or analgesics than whites and blacks (NCLR, 1990).

Data on Hispanics by national origin is available for marijuana ana, cocaine, inhalant and sedative use through the Hispanic health and Nutrition Examination Survey (HHANES) (NIDA, 1987). The results which cannot be generalized to the national Hispanic population because of possible regional differences, found that 42 percent of Mexican Americans in the Southwest, 43 percent of Puerto Ricans in New York and 20 percent of Cuban Americans in Florida had used marijuana at some time. Twelve percent of Mexican Americans were current users as were 15 percent of Puerto Ricans and 5 percent of Cuban Americans. Many more Puerto Ricans than Mexican Americans or Cuban Americans had tried cocaine (22 percent, 11 percent and 9 percent, respectively). The use of inhalants and sedatives was not found to be widespread in any of these populations (ibid).

The HHANES survey also found that the percent of use of any of these substances was much higher among males than females for the three ethnic groups. Although it is believed that traditional Hispanic women's roles prevent women from substance abuse, may not hold true in the 80's, as data for seven cities with significant Hispanic populations indicate that 40 percent of Hispanic female arrestee taste positive for some drug. For example, in Los Angeles, Hispanic female arrestee were more likely than Hispanics male to test drug-positive (NCLR, 1990).

Some of the demographic characteristics of Hispanic users, according to HHANES findings, indicated that they were more likely to speak English, with higher levels of income and education; they were most likely to be single, either never married, divorced or separated; and most likely to be born in the United States (NIDA, 1987).

As it has been mentioned, Hispanic women are less likely to use illicit drugs than Hispanic men, and than black or white women. For example, 37.8 percent of Hispanic men and 26.9 percent of Hispanic women reported ever using illicit drugs while the percentages for white and black women were 34.8 and 29.6, respectively.

Studies on women and substance abuse are extremely limited. Data available indicate that less then one percent of chemically dependent women in this country are in specialized treatment programs (Hughes, 1990). Women substance abusers appear to have low self-esteem and tend to focus their worth on others, and have a history of being sexually abused during childhood.

A series of legal, and ethical controversies have emerged regarding women alcohol and drug use status during the pregnancy. There have been increasing debate over whether women who use drugs during the pregnancy should be criminally prosecuted for their conduct. The National Association for Perinatal Addiction Research and Education (NAPARE) (1991) stated that over forty women have been charged nationwide with felony crimes ranging from delivery of a drug to a minor, to use or possession of a controlled substance, based on their prenatal drug use. It has been argued that criminalization of prenatal drug use may lead pregnant drug user to either delay their entry into the medical care system late or not to use the system at all for prenatal care because of fears of prosecution. This behavior would not either serve the baby or the mother's health (Hughes, 1991). This may have particularly negative consequences to Hispanic women who already delay seeing a health care provider for prenatal care or just do not see one at all. This is particularly true for Puerto Rican and Mexican women (Giachello and Torres, 1991).

Drug Abuse Warning Network (DAWN) provides data on drug related emergency room episodes for Hispanics. Reports indicate that Hispanics accounted for 9.9 percent of all drug related emergency room episodes in 1988. In Los Angeles, this percentage was much higher (28.2 percent). The percent of heroin/morphine related emergencies among Hispanics for all types of drugs was 17.9 percent, but much higher due to these types of drugs in Los Angeles (43 percent) and San Diego (32.7 percent) (NCLR, 1990).

In sum, Hispanics compared to whites and blacks were less likely to report the use of illicit drug at some time in their lives, but were most likely to report recent and current use, particularly of certain drugs such as heroin, cocaine, crack, and PCP. Mexican Americans and Puerto Ricans were equally likely to have used marijuana at times, and Puerto Ricans more so than Mexican Americans were more likely to report current use of marijuana. Puerto Ricans were also most likely to have tried cocaine and to be current users of cocaine than Mexicans or Cubans. Hispanic users were most likely to be males, single, English-speaking with higher levels of education and income and U.S. born.

Alcohol, marijuana and crack cocaine use are quite prevalent across all regions. The frequency of their use vary by region with Puerto Rico relatively low use of alcohol (18 percent) and Hispanics in the southwest reporting 35 percent on a daily bases (ibid). The use of marijuana was particularly high in the Southwest with 29 percent of Hispanics reporting daily use and another 43 percent reporting less frequent use. It has been argued that cocaine use has been directly tied to the trade of sex for drugs and, thus the potential for the spread of HIV by sexual transmission. Daily use of crack is more common in the Northeast and is extremely low in the Southwest and in Puerto Rico.

In summary studies on illicit drug use is limited among Hispanic and among Hispanic subpopulations. The available indicate that Hispanics overall are less likely to use illicit drugs than white and blacks, although some new evidences show that for certain types of drugs (e.g., crack), the percent of Hispanic users is increasing relatively to white and black users. Data by Hispanics of national origin indicate that Puerto Rican and Mexicans are equally likely to report the use of marijuana, but that Puerto Ricans are most likely to use cocaine. Hispanic men are more likely than Hispanic women to use illicit drugs, although recent studies from New York City and data from CDC HIV/AIDS Testing and Counseling Center indicate document high numbers of Hispanic women who are IVDU's.

Hispanic drug users are those with higher levels of acculturation and U.S. born. Profile of Hispanic IVDU's in different regions of the U.S. show that these individuals, despite AIDS education and media campaign are still engaging in high risk behaviors for HIV/AIDS. They appear to be knowledgeable about prevention measures but are not transferring their knowledge into behaviors.

TEEN PREGNANCY

There were a total of 88,880 reported live births teenage (before age 20) Latino women in 1989 (NCHS, 1992). This represented 18 percent of all U.S. teen live births (496,382) in 47 states and Washington, DC. Sixty-four percent of Latino teen births were to Mexican American women, 14 percent to Puerto Rican, 1 percent to Cuban American adolescents, 7 percent to teens of central and South American origin, and 14 percent to "other and unknown" young Latinos (ibid).

The same factors that were mentioned regarding Hispanic youth and HIV/AIDS can also explain the increasing incidence of teen pregnancy in the Latino community. The available Literature on Latino sexuality documents that Latino adolescents are less knowledgeable about sexuality issues and that Latino girls have more conservative attitudes compared to Latino adolescent boys or adolescent girls of other ethnic groups (Padilla and O'Grady, 1987; Scott et al, 1988; Davis and Harris, 1982; Moore and Erickson, 1985).

A factor that may impact childbearing at early age is the high emphasis placed in the Latino culture on motherhood. Children are highly valued and a woman is not perceived as being complete unless she has children (Poma, 1987; Amaro, 1987; Sabagh and Lopez, 1981). Latino adolescents have been exposed to these values in the process of socialization. The transmission of these values, together will peer pressure, over-emphasis of sexual behavior through the mass media, low self-esteem, and the lack of economic and social opportunities for gratifications, may lead to an increase in teen pregnancy. Obviously, differences prevail by level of acculturation and assimilation of the Latino youth into this country. One may find, for example, recently arrived Mexican American adolescents from small towns in Mexico still much attached to their cultural values. They tend to be more obedient to parents and authority, and more sheltered and naive about issues related to sexuality (Becerra and de Anda, 1984). If they get married or become sexually active, in the case of the Mexican female adolescents, it usually occurs after the age of 15, after the celebration of La Quinceanera (the 15th birthday), a ritual that dates back to the Indian traditions. The celebration of the 15th birthday brings about changes in the status of the Mexican girl from childhood to womanhood. Parents go out of their way to obtain the financial resources necessary to celebrate this important and very culturally significant event. The celebration of La Quinceanera is the Latino equivalent of a coming-out party.

Teen pregnancy is associated with a series of negative social and economic consequences to the mother herself and to her child. Teen pregnancy is considered the most likely cause of school drop-out among young women. Forty percent of all young women who drop out of school cite pregnancy or marriage as their reason for leaving (CDF, Jan/March 1990). Two out of three pregnant teens in this country drop out of school. Early childbearing leads to an overall lower level of education, as teen mothers have less opportunities to return to school and limited opportunities to enroll in training programs. This seems to be especially the case for Latinos. Only 27 percent of young Latino mothers who had children in their teens completed high school by their mid-twenties, compared to more than half of white and two third of African American women (CDF, Jan/March 1990).

Young Latinos also have a high proportion of unmarried childbearing. Sixty percent of teenage Latinos who gave birth in 1989 were single (NCHS, 1991). Unmarried Latino teen mothers increase the financial stress of their parents who are already experiencing economic and social stress (Amaro, 1987).

For married girls the possibility of going back to school is even less than for single parents. Married women have the responsibility of not only raising a child but taking care of a home and a husband. They are also more likely to get pregnant again resulting in larger family size with close spacing of children (CDF, 1990; COSSMHO, 1982). It has been estimated that 40 percent of Latino teens who were younger than 16 when they first became pregnant will have a second child within two years (Mott, 1986). This leads to the phenomenon often called, "excess fertility." In addition, early marriages have a higher probability of divorce resulting in a higher incidence of female-headed households and to an increase of what sociologists often call the "feminization of poverty." This leads to sustained poverty not only among women but also for their children. Forty-eight percent of Latino female-headed families were poor in 1991 (U.S. Census, 1991). More specifically, nearly two thirds of all Puerto Rican families (64.4 percent) and close to 50 percent (45.7 percent) of all Mexican-American families headed by a woman were living below the poverty line that year (ibid.).

Limited studies reveal that the stressful situation in which teen mothers live (Perez, 1983) due to a lack of family support or support from the father of the baby, to financial problems, and to strained family relations, combined with the teens' lack of parenting skills, may lead to an increase in abused and neglected children. In Humboldt Park in Chicago, an area of high concentration of Puerto Ricans and African Americans, 30 percent of all abused and neglected children in 1986 had parents in their teens or early 20's (Giachello and Arrom, 1989).

With regard to the medical consequences of teen pregnancy, studies on the entire population (CDF, 1990) seem to indicate that teen pregnancy may lead to complications during the pregnancy (e.g. pre-eclampsia) and during delivery. It has been argued that in many instances this is due to the fact that the girls' bodies are not prepared for safe delivery and labor tends to be prolonged. Current scientific literature on adolescent pregnancy risks states that social and cultural factors are far more important (Makinson, 1985; Manfield, 1987).

Studies also indicate that teen pregnancy is associated with low birth weight, high infant mortality, and increased incidence of maternal death, and of children born seriously ill, disabled, or with mental retardation (Stern, Giachello and Sorrondeguy, 1979; Mansfield, 1987). The maternal death rate for females under 15 is 2.5 times higher than for older females (Cantu-Moore and Fields, 1987). Some of these consequences are related to teens low socioeconomic status and behaviors during the pregnancy such as poor nutrition (eating "junk food") (Ibid), lack of knowledge of proper health care during pregnancy, poor personal health habits or lifestyle practices such as smoking (Marcus and Crane, 1987; Marin, Van Oss-Marin and Perez-

Stable, 1987), alcohol and drug abuse, (NIDA, 1987), financial problems of the young women and/or parents, and the delay in obtaining prenatal care, or not getting medical care at all (Makinson, 1985).

Studies done among Mexican-American teen mothers tend to support the perception that Latino adolescent mothers are likely to be married (particularly Mexican American teens). These studies indicate that they are either legally married or live in some sort of common-law marriage at the time of conception or at time of birth (Felice et al., 1986; Smith, McGill, and Wait, 1987; Darabi and Ortiz, 1987).

Giachello and Aponte (1989) in a recent literature review on the health status of Latino children suggested that early pregnancy among Mexican-American teen mothers may reflect a different cultural imperative which stress early marriage and motherhood. Studies examining acculturation factors (e.g. place of birth) as they relate to teen mothers indicate that foreign born Latino teen mothers are more likely to be married prior to pregnancy or by the time the baby is born (Stern and Giachello, 1977; Stern, Giachello and Sorrondeguy, 1979).

The teen's health behaviors are as important as her social and economic characteristics in determining the life chances of both herself and her baby. One of the most important health behaviors is obtaining prenatal care. This is particularly important for teenagers who are in a high risk category due to their own physical and emotional immaturity. When teen pregnancy is compounded by poverty circumstances, high stress lifestyle, and poor health behavior during pregnancy, the risk to both mother and child is dramatically increased (Giachello and Aponte, 1989). However, practically no studies have examined teens' (or adult's) attitudes and beliefs regarding prenatal care use and if they seek prenatal care for routine preventive services or to treat illnesses or complications during the pregnancy (Balcazar et al., 1991).

In summary, births to Latino teen mothers appear to be increasing. This is partly due to the age structure of the population, to the increasing number of sexually active Latinos, and a series of traditional cultural values and behaviors, as well as to limited knowledge and lack of access to contraceptive methods and family planning clinics. Teen birth is associated with a series of socioeconomic consequences to the mother and the child. Teen mothers are least likely to finish high school, and they tend to be ill-prepared to enter the labor market. An increasing number of adolescent births are occurring among unmarried women promising a future of high poverty and high stress living. Latino pregnant adolescents are least likely to begin prenatal care during the first three months of pregnancy, and are most likely to delay prenatal care during the third trimester or not to get any medical attention at all. However, their pregnancy outcomes overall appear favorable when compared to non-Latino white adolescent mothers, with the exception of Puerto Ricans teens.

DIABETES MELLITUS

The prevalence of diabetes mellitus among Latinos overall is reaching epidemic proportion. An estimated 1.3 million Latinos (11.8 percent of an estimated total 11 million Americans) over the age of 21, are afflicted with diabetes mellitus (American Diabetes Association, 1991; US-PHS, 1991). In 1988, diabetes was the 9th leading cause of death among Latinos and the 6th leading cause of death among Mexican Americans. Because diabetes increases with age it also represents the 5th leading cause of death among Latinos 65 years of age and over (NCHS, 1990). The diabetes mortality rate for Latinos is twice the rate for non-Latino whites (U.S. House of Representative Select Committee on Aging, 1992).

Diabetes Mellitus is a syndrome involving both metabolic and vascular abnormalities. The two major types of diabetes mellitus are type I, insulin dependent (IDDM) which affects only 2 to 5 percent of Latino diabetics (Bertolli, 1990) and often occurs before age 20, and type II, the non-insulin dependent diabetes (NIDDM) (US-PHS, 1991).

According to the American Diabetes Association (1991), Mexican Americans and Puerto Ricans experience 110 to 120 percent higher diabetes rates compared to whites. The rate for Cuban Americans ranges from 50 to 60 percent. Mexican Americans and Puerto Ricans also have 2 to 3 times greater risk of non-insulin dependent diabetes mellitus (NIDDM) than non-Latinos (Gordon, 1988; American Diabetes Assoc, 1991). Some of the frequent symptoms of the condition are frequent urination (polyuria) increased thirst and appetite (polyphagia) and drowsiness. Diabetes is a serious condition that can cause damage to many tissues and organs of the body, such as the nervous system, kidney, disorder of the retina, high blood pressure, and heart and blood vessel (cerovascular) disease. Blindness and amputation in the absence of treatment is 2 to 3 times as frequent among Mexican Americans and Puerto Ricans as among non-Hispanic whites. Data from National Center for Health Statistics (NCHS)'s Health and Nutritional Examination Survey (NANES II) and the 1982–84 Hispanic HANES show that 42 percent of Mexican Americans, 40 percent of Puerto Ricans and 58 percent of Cubans who had diabetes did not know they had the disease. The prevalence of undiagnosed diabetes was higher among Puerto Ricans and Mexican Americans than in whites. It has been found that the prevalence of diabetes is related to low socioeconomic status, lack of insurance and hesitation of Latinos to visit a physician (US General Accounting Office, 1992).

Regarding Latino women, one study found that 10 percent of Mexican-American women over the age of 45 were diabetic, compared to the national rate of 3.7 percent (Manley, Lin-Fu, Miranda, Noonan and Parker, 1984). Latinos' increased risk may be due to genetic predisposition, age, diet, obesity, family history of diabetes, and sedentary lifestyle which are all risk factors for the development of NIDDM.

Gestational diabetes, which occurs only during the pregnancy is another risk factor for NIDDM. Women who have had gestational diabetes have a 30 to 40 percent chance of developing NIDDM. Women who are older, overweight, have a family history of diabetes, and have a history of multiple, unexplained miscarriages, or unusually large babies, are prone to gestational diabetes (USDHHS, Secretary's Task Force, 1986). Given these factors, Latinos are believed to be at increased risk for gestational diabetes, although there have been no studies regarding the incidence of this condition among women in this group.

In summary, the above section attempted to provide a review of the health status of Latinos measured by some selected indicators (i.e., HIV/AIDS, TB, STDs, alcohol, and other drugs and diabetes). There are other issues of great concerns that were not addressed such as violence and occupational injuries, cardiovascular conditions and hypertension, among others.

Access to Medical Care

Lack of access to medical care is frequently cited as the single greatest problem that Latinos face in the health care system. Access is an indicator of the ability to obtain medical care for an immediate health need. It is also indicator of the likelihood of receiving preventive and maintenance health care. The lack of access to the health care system results from financial, cultural, and institutional barriers. Latinos lack access to a broad array of health services, especially primary care. Poor and uninsured Latinos who turn to public facilities for routine care confront a lack of bilingual/bicultural services, long waiting times between calling for an appointment and the actual visit, and long waits once they get there. This contributes to their disproportionate use of more costly services, such as hospital emergency rooms when symptoms of illness persist or when the illness has reached an advanced stage. Access to inpatient care is also a problem in many cities like Chicago, where over the past four years as many as fourteen community hospitals serving low income areas and providing charitable care to the poor have closed. There are several indicators of access; whether or not a person has a regular source of care, health insurance coverage/financial barriers, inconveniences in obtaining care and the actual utilization of medical services. The research findings on these areas will be briefly elaborated below.

REGULAR SOURCE OF MEDICAL CARE

The term, "regular source of care," refers to an established and identifiable facility or medical source that an individual or a family use of on a routine basis. Having a regular source of care is a good indicator of health services utilization because it facilitates the entry into the system, and the continuity and quality of care (Aday et al, 1980, 1984). Studies consistently document that Latinos are less likely than any other group to be linked to a regular source of care (RWJF, 1983, 1987; Andersen et al, 1981; Roberts and Lee, 1980; Aday et al, 1980). This is particularly true among those with low family income (Aday et al, 1980).

The situation appears to be worsening among Latinos. A 1986 national survey, conducted by Lou Harris and Associates, found that the percentage of Latinos without a regular source of care was almost double that for Whites (30 percent to 16 percent). Furthermore, the percentage of Latinos without a regular source of care almost tripled in four years, from 11.8 percent in 1982 to 30 percent in 1986 (RWJF, 1983, 1987).

The 1982–84 HHANES data shows that within Latino subgroups the percentage of those having a regular source of care varies by gender and by age group. For instance, only 56 percent of Mexican American men between the ages of 20 to 30 reported a regular source of care, compared to 69 percent for those 31 to 45 years old and 78 percent for those between the ages of 46 to 74. Mexican American women consistently reported higher linkages with a regular source of care (78 percent for those 20 to 30, 83 percent for those between 31–45 years, and 86 percent for those women between 46 and 74) (Estrada et al, 1990).

Latinos who are least likely to report a regular source of care are also least likely to use medical services (Roberts and Lee, 1980). A national health survey conducted by the National Center for Health Services Research (NCHRS) (now known as the Agency for Health Care Policy and Research (AHCPR) found that ethnic/racial groups (primarily Latinos and African Americans) without a regular source of care were least likely to visit a doctor during an illness, thereby diminishing treatment opportunities for these populations (Bernstein and Berk, 1982).

Local surveys have been able to document differences among Latinos of various national origins regarding their linkages with a routine source of medical care. For instance, a 1987 study conducted in poverty areas in Chicago found that persons of Mexican origin were at the greatest disadvantage, with 30 percent having no regular source of care, compared to 23 percent for African Americans and 25 percent for both Puerto Ricans and Whites (Lewin-Epstein and Andersen, 1987).

The lack of linkages to a regular source of medical care is also a problem among Latino children (Bloom, 1990; Giachello and Aponte, 1989). A 1988 national INterview Survey on Child Health conducted by the National Center for Health Statistics (NCHS) found 19 percent of all Latino children 17 years of age or less not linked to a source of care compared to 11.1 percent for non-Latino children. The problem was more severe among children 12 to 17 where 27 percent did not have a routine source of medical care (Bloom, 1990).

Among people who report a regular source of care, Latinos are least likely to see a private physician as their regular source of care. They are more likely than Whites to go to public health facilities or clinics, hospital outpatient clinics and emergency rooms (Aler, 1978; Bernstein and Berk, 1982; Giachello and Andersen, 1986; Kasper and Barrick, 1982; and Radecki and Bernstein, 1989; UIH, 1985). A 1986 national survey (RWJF, 1987) found that the use of hospital emergency rooms was higher for Latinos and African Americans than for Whites (21.7 percent, 18.7 percent and 17.7 percent, respectively). This also may be due to the different health status and the higher probability for Latinos and African Americans of being exposed to violence, trauma and injury (Giachello and Arrom, 1980; Chicago Tribune, March, 1992). The hospital Emergency Room is also highly utilized by Latino and African American Elderly. A 1985 study conducted by the Medical Social Work Unit of the University of Illinois hospital among persons 50 years of age and over in Chicago found that 33.9 percent of Latinos and 44.5 percent of African Americans reported using the hospital emergency room as a regular source of care compared to 21.5 percent for whites (UIH, 1986).

Solis et al (1990), in their analysis of HHANES data, found differences by Latino subgroups and by gender regarding the type of regular source of care. The study found that Mexican American women were most likely to use a community clinic for routine care (19.5 percent) compared to Cuban American women (14.5 percent) and Puerto Rican women (18.9 percent). Hospital outpatient clinic and hospital emergency rooms were used the most, regardless of sex, by Puerto Ricans.

Although Latinos and African Americans overall are most likely to use public health facilities, they are equally likely as Whites to indicate a preference for private physicians (Weaver, 1978). The eventual choice of medical facility is related to income, doctor's ethnic background (i.e., doctor's ability to speak Spanish), and the individuals immigration status (Stern and Giachello, 1977). When Latinos report having a private physician as their regular source of care, the physicians are most likely to be either general practitioners or family practice doctors, rather than specialists.

Physicians' private offices or clinics are the facilities lest likely to have medical services available outside regular office hours such as on evenings and weekends (NCHS, 1982; Giachello and Arrom, 1989; Aponte and Giachello, 1989; Garcia, Saucedo-Gonzalez and Giachello, 1985). Accessing medical services outside of regular office hours and on weekends varies by Latino subgroups. For example, the Chicago 1984 access study found that Mexicans were again less likely than Puerto Ricans to have access to after hours medical services, (Garcia et al, 1985), or to emergency treatment (Kasper and Barrish, 1982).

In sum, Latinos are overall less likely to be linked to a regular source of health care. This is particularly true among Mexican Americans. When Latinos report a regular source of care, it tends to be a public health care facility, a hospital outpatient clinic or a hospital emergency room. Depending on the facility, Latinos, particularly Mexican and Mexican Americans, experience a series of difficulties in accessing medical services outside regular office hours (evenings and on weekends) and for emergency treatment.

HEALTH INSURANCE AND OTHER FINANCIAL BARRIERS

In a recent study based on the 1982–84 HHANES data, Estrada et al (1990), examined specific barriers that Mexican Americans experience in using medical services. Cost of health care emerged as the number one factor mentioned by 18 percent of the sample. Similarly, Andersen and associates, found in their national survey on access to health care that Latinos and African Americans in 1982 had more difficulty than Whites in getting medical care due to financial reasons (Andersen et al, 1986). Similar findings were obtained by RWJF (1987) and by Garcia et al, (1985).

Thus, the lack of health insurance is one of the most serious barriers that Latinos currently confront in obtaining access to health care (Andersen et al, 1981; Andersen et al, 1986; Wilenskey and Walden, 1981; Trevino and Moss, 1983; RWJF, 1987; US GAO, 1992).

Recently analyses of the problem have indicated that uninsurance among Latinos is related to employment status, type of industry, and income (US GAO, 1992). A recent report issued by the U.S. General Accounting Office on Hispanic Access to health care stated that 33 percent of Latinos (over 6 million persons) were uninsured during all or part of 1989 compared to 19 percent of African Americans and 12 percent of whites (US GAO, 1992). This report indicates that 78 percent of Latino families members under the age of 65 who were uninsured lived in families with an adult worker (ibid, p. 12). It also stated that Latinos uninsured were more likely than whites and African Americans to work in industries that are less likely to provide health insurance coverage such as construction and agriculture (ibid). Health insurance coverage decreases with income. Working Latinos with low incomes, particularly those below poverty level, were much more likely to be uninsured than those with higher incomes (ibid). This is particularly true among Latino males with lower incomes. They were twice as likely to be uninsured (64 as opposed to 30 percent) compared to Latino males with higher incomes.

The severity of the problem of lack of health insurance has been more clearly documented in recent community studies. A 1987 health needs assessment conducted by Projecto Alivio and the Latino Institute in selected Mexican American neighborhoods in Chicago based on face-to-face interviews, found that 44 percent of Mexican American households did not have health insurance (Attinasi and Lopez, 1987).

In other parts of the nation, the situation is even more acute. In some areas in Los Angeles, for example, only 48 percent of the Latino population had some form of insurance, compared to 73 percent of the White population and 72 percent of the African American population (Radecki and Bernstein, 1989). In some areas in four counties in Nebraska, the rate of uninsured Mexican Americans has been found to be as high as 83 percent (Welch et al., 1973). Among some groups such as recently arrived Latinos (primarily Mexicans), the rate of uninsurance has been found to be also considerably high (Moore, 1986). It is believed that this is also true among the 2.1 million undocumented workers living in the United States in 1989 of which 1.6 million have been born in Mexico (US GAO 1992).

Insurance coverage varies by Latinos of national origin with Mexican Americans being worst off. In 1989 over one-third of the Mexican American population (37 percent) was not insured compared with 16 percent of the Puerto Rican and 20 percent of the Cuban American (Trevino et al., 1991).

Research on uninsured Latinos by gender also indicates differences in coverage among subpopulations. For instance, the 1982–84 Hispanic Health and Nutrition Examination Survey (HHANES) found that 34 percent of Mexican American males in the study reported no health insurance compared to 28 percent for Cuban American males and 30 percent for Puerto Rican males. The percentage for Latino women were 34 percent for Mexican American, 25 percent for Cuban American women, and 17 percent for Puerto Rican women (Solis et al., 1990).

The problem of insurance coverage is even more severe among Latino children and adolescents (Bloom, 1990; Giachello and Aponte, 1989). Giachello and Aponte (1989) found that in Chicago, 38 percent of Mexican-American children and adolescents were uninsured. Mexican adolescents experienced the greatest disadvantage, with over half of its 18–19 year old (56 percent) uninsured. Even in a more affluent Latino community, such as that of the Minneapolis-St. Paul metropolitan area, a 1990 telephone survey among Latinos found that only 27 percent of adolescents 16–21 had insurance (Giachello and Arrom, 1990).

Latinos who did not have health insurance, often report that they lost insurance coverage when they were laid-off. Others state that they have no health insurance because they cannot afford to pay the high premiums (Garcia et al, 1985). Because of Latinos' lack of health insurance, a higher proportion of their annual family income is used to pay for medical expenses (Welch et al., 1973).

Studies on type of health insurance coverage have found differences among racial and ethnic groups and among Latinos of various national origins. Trevino et al, 1991 using data from the 1989 Current Population Survey found that Mexican Americans (43.7 percent) and Puerto Ricans (43.6) followed closely by African Americans (45.4 percent) were least likely to have private health insurance. Furthermore, Puerto Ricans were most likely of all racial and ethnic groups to report Medicaid coverage (32.5 percent), followed by African Americans (23.3 percent), compared with Mexican Americans (13.7 percent), Cuban Americans (11.9 percent) and compared with the total U.S. population (8.3 percent).

One of the explanations that have been provided for the high percentage of Puerto Ricans in Medicaid programs is that a high percentage of Puerto Rican poor families are female headed households. Therefore they are more likely to be eligible for Medicaid coverage. This is due to the fact that many states exclude two-parent families from the Medicaid program regardless of whether or not they meet the income requirements. A second explanation is the difference in Medicaid eligibility criteria across states. Texas and Florida where 3 out of every 10 Latinos live in the U.S., are the most restrictive states, while New York and New Jersey where Puerto Ricans are mostly concentrated, are not (COSSMHO, 1990; GAO, 1992; Trevino et al, 1991). Furthermore, Arizona and New Mexico do not have a medically needy program (COSSMHO, 1990; GAO, 1992).

The National Coalition of Hispanic Health and Human Service Organizations (COSSMHO, 1990) explored in detail the Medicaid programs of seven states: Arizona, California, Florida, Illinois, New Jersey, New York and Texas. The Latino population in these states comprises 84.4 percent of the total Latino population in the U.S. The survey found that the percentage of Latino Medicaid recipients varies by state, ranging from 0.4 percent in Florida to 33.7 percent in Texas. They also found that almost two out of every three Latinos (65 percent) below age 65, under the poverty level and not covered by private insurance coverage were not covered by Medicaid, compared to 36 percent of Whites. Furthermore, for those covered, the per capita spending under the Medicaid program for a group of preventive care and acute illness services in all the states, except New York and New Jersey, was lower for Latinos than for Whites.

The COSSMHO (1990) survey also examined Medicaid eligibility criteria for the seven selected states. In order to be eligible for Medicaid the individual must first qualify for public assistance, usually through Aid to Families with Dependent Children (AFDC) or Supplemental Social Security Income (SSI), a program for low income aged, blind and disabled persons. Different states have different criteria for eligibility, but, on the whole, the average eligibility income for SSI is more than two times that for AFDC. Thus, these eligibility standards act as yet another barrier for Latino access to medical services.

Therefore, for Mexican Americans some of the inequities of the Medicaid program may account for their low Medicaid coverage. In addition, Mexican undocumented workers are not eligible for Medicaid programs in some states, and even if they have U.S. born children they may not apply for Medicaid for fear of discovery and deportation (Giachello and Aponte, 1989). If they do, members of the family may have difficulty completing the legalization process for U.S. residency or citizenship later on, if they become eligible. However, in some states, such as New York, undocumented persons may be eligible for Medicaid benefits.

Medicaid has not been a solution to the lack of insurance for all poor people, particularly Latinos and African Americans below the poverty level (U.S. DHHS, 1985). Furthermore, studies show that health care providers are least likely to accept Latino patients with Medicaid than with Medicare. Providers located in Latino barrios and with at least 50 percent of Latino clients were the ones most likely to accept Latinos with Medicaid coverage (Aponte and Giachello, 1989).

Also having insurance coverage, however, does not ensure equal access because, according to Burciaga Valdez (1991), of inequities in benefits packages, providers' discretion in deciding which health insurance company to accept, increased search costs due to private cost-containment efforts (e.g., deductibles and copayments). Burciaga Valdez states that Latinos appear particularly vulnerable to these weaknesses in the current system of financing medical care (ibid. 4).

The relationships between health insurance and use of services also have been recently documented. Data from the Hispanic Health and Nutrition Examination Survey, Trevino et al (1991) found that lack of health insurance reduces an individual's access to health care, as a high proportion of the uninsured did not have a regular source of medical care, had not consulted a physician in the past year, and never had a routine medical examination, compared with the insured. Latinos with only Medicaid coverage were most likely to report a physician visit within the year followed by those with Medicare and other public insurance programs. Wells et al., 1989, found that Medicaid coverage was associated with an increase in the probability of hospital admission for Mexican Americans.

Finally, even the presence of insurance (public or private) may not provide adequate coverage for the needs of Latinos. More than half of private health insurance plans do not cover pre- or post-natal care, both critical time periods for insuring a child's future health. Of employment-based insurance plans: only 9 percent cover preventive care, only 15 percent cover eyeglasses, and only 32 percent cover dental care (Public Health Service, 1981). Similar inadequacies are also found in public programs (COSSMHO, 1990).

In summary, Latinos are more likely to not be able to afford medical care and to have no health insurance. The situation has become more acute in the last decade and appears to be more severe among certain communities in the nation and among certain sub-groups, such as children and adolescents, those with lower income and recently arrived immigrants. Among Latino ethnic groups, Mexicans and Mexican Americans are most likely not to be covered by health insurance. When health insurance is reported, Puerto Ricans are most likely to be covered by government sponsored programs such as Medicaid or Medicare. Furthermore, recent data indicates that Latinos are not benefiting from those programs to the extent that they should. Finally, lack of health insurance appears to be associated with low linkages with a regular source of medical care and low use of health services.

GENERAL INCONVENIENCES IN OBTAINING CARE

In addition to financial barriers in accessing health care services, Latinos experience a host of other inconveniences. Some of the most often mentioned in the literature include: long travel time to a regular source of care, time gap between calling for an appointment and the actual visit and the long waiting time in doctor's office once you get there (Andersen et al, 1981; Aday et al, 1980; Andersen et al, 1986; Solis et al, 1990). Some of these factors are related to insufficient resources to meet the demand of Latino clients. Staff and physical space, in many instances, appeared to be in short supply (USDHHS–HRSA, 1990).

A recent study using 1982–84 HHANES data identified a series of barriers to utilization of medical services by Mexican Americans (Solis et al, 1990). The study found that 33 percent of the sample reported encountering one or more barriers the last time they attempted to obtain health care. Among those who encountered barriers, 73 percent reported that the barriers prevented them from obtaining care. The 13 barriers most often mentioned in rank of order were: 1) cost of health care; 2) had to wait a long time in the office or clinic; 3) had to wait too long to get an appointment; 4) would lose pay from work; 5) the hours of services were inconvenience; 6) care was not available when needed; 7) did not know where to go; 8) did not have transportation; 9) had no confidence in the staff; 10) needed someone to take care of children; 11) staff did not speak Spanish; 12) staff was disrespectful; and 13) there were no Latino staff members (Solis et al, 1990:28).

Other inconveniences in obtaining care for Latinos are related to the fact that the health care system in this country possesses limited flexibility to meet the needs of populations that are poor or may have different illnesses, cultural practices, diets or languages (U.S. DHHS–HSRA, 1990). Failure in communication is often a problem as providers not only do not know the language but also use too many technical words confusing further the client.

Providers lack of knowledge and sensitivity about Latino culture and health behavior may also result in a series of stereotypes affecting negatively the provider-consumer relationship. This may have implications not only in services delivery but also in patient compliance. For instance, some non-Latino providers may regard Latinos as superstitious, present-oriented, and uninterested in preventive exams and non-compliant (Gregory, 1978).

In addition, prejudice and social discrimination against Latinos may maintain and reinforce the social distance between provider and consumer (Quesada and Heller, 1977; Aponte and Giachello, 1989). A recent survey done in Chicago documented providers' knowledge, attitudes and practices toward Latino patients/clients (Aponte and Giachello, 1989). The study found that more than half of the health care providers who responded to a mailed questionnaire reported not knowing about Latino health status and about the heterogeneity of the Latino population. They also reported not knowing the meaning of the terms "Latinos" and "Hispanics" and how they are used by many Latinos interchangeably. Also 50 percent said that Latinos should learn English instead of expecting bilingual services to be provided. Clear differences emerged in this study in levels of knowledge and cultural sensitivity between health care providers serving high number of Latino clients as opposed to those serving relatively low numbers of Latinos. Those providers serving few Latinos clients show the least interest in learning about Latino health problems or about how to reach out and serve Latinos (ibid).

Communication and the provider-consumer relationship may be negatively affected by the use of interpreters. Interpreters require a great deal of skill to describe and explain terms, ideas and processes regarding patient care (Putsch, 1985). Usually the responsibility for interpretation in a health or mental health facility falls according to Putsch (1985) to anyone who is bilingual, such as an employee, family members (e.g., child), friend, usually with no formal interpretation training. This may be due to inaccuracies, failure to disclose information, violation of confidentiality, and failure of the provider to develop rapport with the patient (but with the interpreter).

Limited provisions are being made in many health facilities that serve large numbers of Latinos to establish procedure to handle the case of interpreters. For example, Aponte and Giachello (1989) found that only 40 percent of health care providers reported having a protocol for dealing with monolingual Spanish speaking clients. Of those who reported a protocol, close to one-third stated that the protocol consisted of telling the client to bring his/her own interpreter, and two-thirds indicated that an interpreter was available on site. Providers serving primarily Latino clients were least likely to report having any sort of arrangements for serving their clients who spoke only Spanish (ibid).

SHORTAGE OF LATINO HEALTH PROFESSIONALS

It has been frequently mentioned in the literature that language and cultural barriers can be overcome by recruiting bilingual or bicultural staff (Reeves, 1990). There is currently a shortage of bilingual Latino health professionals such as physicians, nurses or other health providers. Furthermore, there are few Latinos enrolled in health professional schools throughout the nation (U.S. DHHS, 1986; COSSMHO, 1992; USDHHS-HRSA, 1990). This is partly related to the high rate of school drop-outs among Latino youth. In addition, Also cuts in scholarships, student loans, and assistance and lack of social support programs have made it even harder for minority students who make it through high school to move on to college.

Data from 1990 Bureau of Labor Statistics's Current Population Survey demonstrate that Latinos were under-represented in various health service occupations. They made up only 4.5 percent of physicians, 4.1 percent of pharmacists, and 2.5 percent of registered nurses (RN's) (COSSMHO, 1992). Judging from the percentage of Latinos enrolled in various health programs, the situation slightly improved in the 1980's in some areas (USDHHS-NCHS, 1991; USDHHS-HRSA, 1991). Despite the increase, Latinos are still most notably under-represented in osteopathic medicine (1.6 percent), dentistry (2.8 percent) and optometry (2.7 percent) (USDHHS, 1986). It is also disheartening to note that for some medical fields such as allopathic medicine, since 1980, the rate of increase of Latino enrollment has slowed (USHHS, 1986; USDHHS-NCHS, 1991; USDHHS-HRSA, 1991). Due to this shortage of Latino health professionals, recruiting bilingual staff is essential.

Presence of bilingual staff does more than provide translation services. It also promotes a perception of caring about Latinos, opens the way for changes in service delivery that can contribute to better access for Latinos, and improves the quality of service delivery (Giachello, 1985). Understanding a patient's language is the beginning of understanding his/her health and illness beliefs and behavior, and facilitates treating the patient as a whole person, and not just as a configuration of disease symptoms.

Despite this, a citywide survey on health care providers' perceptions of Latino clients in Chicago, found that only 28 percent of providers made any special efforts to recruit bilingual personnel (Aponte and Giachello, 1989). Non-profit providers and those located in Latino areas were most likely to make such efforts (47 percent and 45 percent, respectively). Of those who did, providers located in Latino areas reported encountering the most difficulty in recruiting such personnel.

In summary, institutional barriers to access to health and mental care for Latinos include: problems in communication (verbal and non-verbal) between the patient and the provider; misconceptions and stereotypes among both; providers' lack of knowledge and interest about Latinos; lack of interpreter services and lack of bilingual/bicultural staff in clinics and agencies that potentially serve Latinos.

USE OF HEALTH AND MENTAL HEALTH SERVICES

The literature on the utilization of health and mental health service indicate that Latinos overall underuse these services. For example, they are less likely than whites to see a physician or to be hospitalized within a year; or to use preventive health services. However, differences do exist by Latino subgroups and by gender in a series of utilization measures. For example, Puerto Ricans and Cubans, reported the highest use of formal medical care while consistently Mexican Americans were least likely to use the formal medical care system. Latino women in reported higher use than Latino men for preventive services but lower use for mental health care. Having health insurance and a regular source of medical care have been strongly associated with Latinos use of services. Puerto Ricans' poor health status and their relative high medical coverage have frequently been cited as an explanation for their high use.

Summary

It is clear that Latinos are experiencing serious health problems and that access to health care continues to be difficult for this population. They are experiencing a chronic lack of access to health care due to financial, cultural and institutional barriers. There is limited linkages with regular sources of medical care, and differences exists in the sources, patterns, and quality of health care received by Latinos. There is also shortage of bilingual and bicultural health professionals, combined with drastic cuts in health and human services programs.

These problems are occurring at a time when Latino medical needs are becoming greater. Latinos with the worst health status and with the poor access live in communities that are experiencing a series of health and social problems such as family violence, crime and gang activities, and high school drop-outs. All this suggests a strong association between poor health and poverty both of which are the result of institutional racism, classism and discrimination. Hispanic health must be viewed within a broader context. Most of the health problems of Latinos are problems caused by structural conditions in society. They include, among others, type and location of employment within the economic structure (i.e., services industry), environmental and occupational hazards. By not addressing the origins of the problems we are treating the most costly symptoms.

The health care crisis isn't unique to Latinos. Signs of trouble are everywhere. Hospital and physician fees are too high. There is unnecessary medication, overextensive testing, excess hospitalization, clinical and administrative waste, fragmentation and poor coordination of services. But Latinos bear a disproportionate burden. There is also a shortage of physicians and other medical staff willing to work in medically underserved areas where most Latino live.

The kinds of access problems that Latinos face must sooner or later have a national solution. The federal government must recognize that health care is a right and not a privilege. Without health we cannot work, we cannot take care of our families, and we cannot be productive citizens. However, considering the present political and economic climate in our nation, the federal government will probably not undertake any initiatives to expand its role to develop a universal system of access to care. Therefore, it is up to individual states to develop models such as those recently developed in Hawaii, New York, Massachusetts and Minnesota. However, the problem with this is that these models are "custom made" to the individual needs and problems and to the unique resources and political climate of each state.

Thus, while some states will develop comprehensive programs, others will still fall short by far. Eventually, these local models will have to be replaced by a national health care system. Hopefully, before the year 2000, the political climate will be such as to enable this change to take place.

RECOMMENDATIONS

General

It is critical that as you deliberate on issues affecting Hispanics you keep in consideration the tremendous diversity of the Hispanic population. Diversity by national origin, by socioeconomic status, by levels of assimilation and acculturation and by regional areas. You need to expand the network of Latinos that you consult on health and human services issues to include representation from the different Hispanic groups, and from different regions of the country. You for example, can not expect that people from the Bronx, New York, be familiar with what is happening with Lantinos in El Paso, Texas. You at times are not listening to the people that you need to listen to.

There is a need for long-term institutional/structural changes to deal effectively with the health problems of Latinos. Social changes must occur in our society to minimize poverty and to improve levels of education and income, among Latinos in general and Latino women in particular.

Social reforms are also needed in the medical care and social service systems that could improve Hispanic access to health care. A national health care system/insurance similar to the Canadian model is much needed where everyone can have access regardless of their ability to pay, gender, age, race or nationality. A system that will not only eliminate financial barriers in accessing the system, but the racism, sexism and social discrimination that prevails in many medical facilities.

We urge your support to the Senate Bill 1944 that calls for the Office of Minority Health to assist in the establishment of either Office of Minority Health in city and state health departments or on-going programs and activities in this area.

There is a need to increase funding to the USDHHS-Office of the Surgeon General. This Office has less than $50,000 a year of discretionary fund to do all the activities that the public expect to be done. This office for the first time ever has a Latino women and I believe that she has been set-up for failure because of the limited funds available to her. Currently, this office is in process of forming a in a 15 member. Latino national planning committee that will be in charged of developing a comprehensive Hispanic Health Initiative for the Public Health Service (PHS). Committee activities include the (a) planning of a national working group symposium on Sept, 1992; (b) planning of 5 regional conferences on Hispanic Health—one of them in the Chicago area in March, 1993; (c) the planning of a large national conference in September, 1993 in Los Angeles. There is tremendous amount of enthusiasm and hope that for the first time Latino issues will be seriously addressed. However, the U.S. Surgeon General only has committed funds from other PHS agencies to conduct the September, 1992 symposium. It is imperative, that this committee support the efforts of the U.S. Surgeon General's activities in addressing Latino health issues and, that support should be translated into resources allocation (more funds).

The Disadvantaged Minority Health Improvement Act of 1990 (P.L. 101-527) has provision requiring that the Office of Minority Health (OMH) provide technical assistance in the development of bilingual assistance programs in cities and states health departments. However, the language of this particular section is vague, it needs revisions. It requires OMH to develop a strategic plan in this area, but no funds were allocated for its implementation. This is a critical area as many city and state health departments are increasingly providing services to a diverse population that speaks a different language and no provision is in place to have a protocol in place, to have bilingual forms, to have bilingual personnel or to develop and implement activities that will assist the staff to become culturally sensitive and competent.

Research and data

Despite an increase of data on Latinos in the past 6 years, tremendous gaps exist. For example, we don't know anything about the health status of people from Central or South America which are the fastest growing population within the different Latino groups. There is no data on Latinos life expectancy. Most of the estimates that we currently use are based on regional studies done by the private sector (i.e., insurance company). We have no estimates at all on life expectancy based on birthplace or ethnic origin.

There is limitation of data regarding the health status of Puerto Ricans compared to Mexicans or Mexican Americans. Everything seems to indicate that the Puerto Rican health profile is similar to that of African Americans. But when the health status of Latinos overall are examined on a given indicator such as infant mortality or babies born of low birthweight, infant mortality of infants of low birth weight does not appear as a problem for Latinos because the Mexican American women have lower infant mortality and lower incidence of babies born with low birth weight. Therefore, more sophisticated research needs to be done that will lead to better health policies and programs "custom-made" to the specific needs of the different Latino populations.

We urge your support for funding for 1993 of some of the following provisions under section 7 of the Disadvantaged Minority Health Improvement Act of 1990:

To improve the level of racial and ethnic detail obtained through national surveys conducted by the Centers for Disease Control (CDC) and the National Center for Health Statistics (NCHS);

Requires the Secretary to work with states with high concentrations of Asians and Hispanics to increase the amount of detail obtained through vital statistics; and,

Establish an extramural grants program to improve minority statistics. Grants were authorized for the support of special studies or surveys to fill in gaps where national surveys cannot provide sufficient data; analysis of existing data; and research to improve methods for obtaining information on racial and ethnic subpopulations.

No new funding was appropriated for the first two provisions. An appropriation of $976,000 was made in FY 1991 and again in FY 1992 to support grants. This grants program is authorized to be funded at levels up to $10,000,000 in FY 1993.

As the interest of policymakers has focused on the above gaps and turned toward the design of interventions, the need for refining existing data systems has grown. This led to the above legislative mandates.

This committee should look into the funding allocation to the U.S. Bureau of the Census. This agency has every year, practically to engage in a battle to obtain their resources to do their work. We need the U.S. Bureau of the Census to do research as they provide the population estimates used in national and regional health surveys. These estimates are used as denominators. If they don't get the proper funding for this tasks, this will have a very negative impact in survey research.

Services

There is a need to increase allocation of resources for early screening and treating people with tuberculosis. This problem is not being handled, to the best of my knowledge, by the many federal government or by city and state health department as a medical emergency. For example, there is a need to investigate what some of the federal agencies are doing. For example, what the Centers for Disease Control and Health Resources Administration Services are doing about TB outbreak.

The Early Periodic Screening Diagnosis and Treatment program under the Medicaid program should be expanded so that every child will be screened regarding their immunization status and where provisions will be made regarding proper reimbursement to health care providers, and where among other things they have access to the necessary vaccines.

HIV/AIDS

In the distribution of funds the way the system works is for groups to be forced to be competing with one another for limited funds. Example, gay/bisexual men competing for funds against ethnic minorities (Hispanics and blacks). In addition, the priorities in the distribution of AIDS have been shifted. They are now aimed at testing and counseling and services delivery to persons infected with HIV/AIDS. Although proper attention should be given to this area, drastic reductions are beginning to occur and more are expected aimed at the area of primary prevention in reference to the general population (e.g., general awareness campaign, HIV/AIDS education activities, etc.). This is particularly true for programs funded by the Centers for Disease Control (CDC) as this agency experienced a 20 billion dollar reduction in fiscal 1991 budget and for current fiscal 1992 experienced an additional $14 million cut in HIV/AIDS prevention program. It is my understanding that this shift in priority areas is due to restrictions imposed by Congress which argues that there is limited evidences that funds used for primary prevention are making impact. This shift may have negative consequences to the Hispanic communities who just began to be exposed to HIV/AIDS education and prevention activities. Many Hispanics, particularly migrants, or those living in small communities in the midwest have not been reached at all. For these populations already lacking access to medical care in general, HIV and AIDS is not a "chronic manageable disease."

Congress needs to legislate and to recommend to federal agencies to develop programatic means that will minimize the competition for fundings among groups at high risk for AIDS.

There is currently a shift in policies at the Federal level from primary prevention and education to early intervention and treatment. We need a continuum of care act. The Ryan White CARE Act was a high accomplishment but the money allocated was not enough to meet the demand. Approximately, $880 million was authorized and only less than half ($350 million) was funded. Furthermore, only $150 million are new monies and those new monies are coming from the HIV prevention and education areas, and from cuts in other essential human services programs that goes directly to the community.

This committee cannot allow that money for prevention and education be taken away from community. Prevention and education remains the only effective tool in the fight against AIDS and is inexpensive and extremely cost-effective way to fight the epidemic.

We need this Senate's Hispanic Task Force to assure that enough resources are coming to the Midwest Region and that a fair share goes to the Hispanic community. The Midwest Region is frequently overlooked because we don't have an AIDS crisis (with the exception of Chicago) of the magnitude of New York City, Los Angeles, San Francisco and Miami. The National Commission on AIDS has predicted that 80 percent of all new AIDS cases in the 1990s will come from outside New York City and San Francisco. We should not wait until HIV/AIDS becomes a crisis in the midwest. We must now increase allocation for primary prevention and education as the most cost-effective means of preventing the spread of AIDS.

This year, depending on availability of funding from the Centers for Disease Control (CDC), about 30 national and regional minority HIV/AIDS coalitions engaging in HIV/AIDS education and prevention activities will be renewing their 5 years contract. The Midwest Hispanic AIDS Coalition (MHAC) is one of the regional entity that will be competing for renewal. MHAC was formed to specifically serve the Hispanic communities in 6 states: Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin. The organization has been in existence since 1988 providing intensive training, technical assistance to agencies serving Hispanics in the region, and conducting needs assessment and evaluation research on a diversity of programs in the region. Because of MHAC tremendous success, it has been viewed as a model program by CDC and many other public and private local aid organizations. It is important that this body assures the authorization and appropriation of funding for HIV/AIDS prevention and education and for the continuation of minority coalitions such as MHAC.

There is a strong need to assure that the Ryan White CARE Act be fully funded to its level of authorization. The amount of funds currently available under the different titles is not enough to meet the growing needs and demands. For example, about 100,000 persons have been found to be HIV infected in 1990 and again in 1991 in this country. Under title I, in 1991 only 16 cities met the criteria for funding based on the number of AIDS cases. In 1992 it increased to 18 cities. For 1993 funding, 30 cities (almost double) in total are eligible.

There is a need to revise the definition of AIDS to include the clinical manifestation of the conditions for women. There is a need to assure that Social Security benefits be available for women with HIV/AIDS. The Social Security Administration must be mandated to adopt a definition of AIDS which reflects the symptomatology of women rather than using the CDC definition for determining who is disabled and eligible for benefits.

This committee must engage in legislative process that will assure that the Office of Immigration and Naturalization would not exclude the entry of persons to the U.S. based on the HIV status, the frequent argument used is that it will represent a financial burden to the medical institutions in U.S. if persons need medical care. However, similar immigration guidelines do not exist for persons coming to U.S. with Cancer, or with diabetes or heart problems.

Shortage of Hispanic health professionals

We strongly urge the US Senate Democratic Hispanic Task Force to support to introduce and support bills that will eliminate or minimize the financial barriers experienced by Hispanics who are interested in pursuing a health career. Efforts should be made to increase students loans and scholarships for Latinos and other disadvantaged groups.

This committee should request from the General Accounting Office an investigation on the Joint Commission on Health Care Organizations. This entity (located in Chicago) is responsible for the accreditation of many health education programs (nursing, psychology) and health care institutions. The criteria that they use and the assessment tools that they develop do not address cultural diverse issues. For example, for accreditation of health programs, criteria used by the Joint commission do not stipulate the need to integrate in curriculum content cross-cultural issues, and it not demand that cultural and racial groups or women be represented in those programs.

We urge you to strongly advocate for an increase of funds to current Hispanic Centers for Excellence and to expand these centers in other much needed universities with high concentration of Latino students.

Under the Disadvantaged Minority Health Improvement Act of 1990 2.5 million dollars were allocated to establish Centers for Excellence in Schools of Medicine addressing concerns of Hispanics and of Native Americans in terms of recruitment and training. This follows the models of Centers for Excellence established in traditional black colleges and universities. One of the centers is located at the University of Illinois College of Medicine. However, due the limited amount of money allocated to the Latino Centers for Excellence, each center has about $200,000 which is not enough to meet its mission. Centers for Excellence aimed at the African Americans and the Claude Peppers's Centers of Excellence for older people had a much healthier budget. Please investigate and advocate for these Hispanic Centers for Excellence. They are critical in increasing the number of Latinos physicians. I do hope that efforts will also be made to expand this concept to other health and human services educational programs.

Increase in Hispanic Health Professionals at the federal level

We strongly urge you to increase the number of Latino personnel in the Federal Government at all levels, particularly policy level positions. Many reports have been prepared by the Federal Government assessing the needs of Hispanics in the past 3 years. All of them consistently have stated the shortage of Hispanics in the Federal Government. The most recent report (not yet published) from the Office of Minority Health—Public Health Service (PHS) is one that summarizes a series of recommendations that came out of the National Hispanic Health Policy Summit. For the first time ever, 25 national Hispanic organizations in the areas of health and human services were met between September, 1991 to March, 1992 to discuss and reach consensus on a series of issues related to Hispanic Health. One of the key recommendations was to increase the number of Latinos in the Federal Government, particularly at USDHHS.

The report from the Hispanic Health Policy Summit (1992) state that currently Hispanics account for less than 3 percent of all employees in the Federal Government work force. Among Federal health professionals with doctoral degrees, Hispanics comprise less than 2 percent of employees. Of those Federal health professionals in the DHHS managing significant departmental budgets, Hispanics constitute less than 1 percent. There is evidence that the Latino workforce in the Federal Government is declining. Furthermore, there is a total of only four (4) Latinos in Senior Executive Levels (including the U.S. Surgeon General). Two of those positions were occupied by Latinos in the past 9 months due to pressure from the Latino communities.

Many initiatives addressing culturally diverse groups (primarily women, and racial and ethnic groups) have been initiated by the Federal Government, particularly in the past 5 years. All of them are supposed to help these groups. However, the initiatives aimed specifically at Latinos, for example, at the National Institute of Health (NIH), at times appear to be questionable. The commitment many times are there, but no efforts have been made to recruit Latinos to direct those initiatives/programs. Therefore, many of those efforts have been perceived as not accomplishing much, as the appropriate design, and protocols at times have been developed without the cultural understanding, sensitivity and cultural competence.

Alcohol and Substance Abuse

It is imperative that the public campaign on War Against Drugs as well as any anti-drugs strategic plan incorporate and bring for public discussion ways of minimizing and/or ultimately eliminating the abuse of legal (alcohol) and illegal drugs in this country.

It is important that the government and the public recognize the direct relationship between HIV/AIDS and abuse of drugs and develop the proper strategies to deal effectively with problems.

A fair share of funding under the "War Against Drugs" Program must be allocated for prevention and treatment of drug abuse in the Midwest Region. This program targets priority areas for allocation of funds with high intensity regarding drug abuse. In the original list of areas selected—none of them were in the midwestern Data available indicate that Chicago and Detroit have an alarming high number of drug addiction, particularly IVDU. The problem in both cities is most prevalent among Hispanics and blacks. It is imperative that proper funding be made available directly to community-based organizations who are already serving this population with very limited resources and have the capabilities of providing services in the areas of prevention and education within a cultural framework.

There is a need for more drug treatment programs for Latinos who are dependent on alcohol and other drugs. There is a need to strongly advocate for more treatment slots for women with alcohol and drug addiction. The need appears to be the greatest for pregnant women. These women tend to be excluded from drug treatment programs. Arguments used are that these programs do not have birth centers and cannot handle complications that require neonatal care. American Civil Liberty Union is now in process of challenging this policy.

Support for the Freedom of Choice Act

Now that women's constitutional rights is being challenged by the Supreme Court. It is imperative that this committee support the Freedom of Choice Act. It is a myth to believe that Latino women do not have abortions because of cultural and religious consideration. The limited studies available document the increasing of abortions that are performed on Hispanic women.

INTERBANK LIABILITIES

• Mr. RIEGLE. Mr. President, the FDIC Improvement Act of 1991 sought to curtail the practice of treating some banks as too big to fail. A key provision of the act, section 308, requires the Federal Reserve Board to prescribe standards that have the effect of limiting the risks posed by one depository institution's exposure to other depository institutions.

As I explained on March 5, 1991:

> The logic of such limitations is clear: Interbank deposits are, in reality, simply a loan from one bank to another. Like any other loan, they expose the lender to risk. A bank that lends a major portion of its capital to a single borrower is acting imprudently, whether the borrower is a commercial real estate developer or another bank. A bank should not pull all its eggs in one basket—even if the basket is another bank.

The rationale for section 308 is well expressed in an article by Walker F. Todd and James B. Thomson of the Federal Reserve Bank of Cleveland, entitled "An Insider's View of the Political Economy of the Too Big to Fail Doctrine." The article appeared last year in "Public Budgeting and Financial Management," volume 3, pages 547–617. The Federal Reserve Bank of Cleveland also makes the article available as Working Paper No. 9017.

I commend this article to all who support carrying out the intent of section 308 and curtailing too big to fail.

Mr. President, I ask to include a copy of this article in the RECORD.

The article follows:

[Federal Reserve Bank of Cleveland]

WORKING PAPER 9017: AN INSIDER'S VIEW OF THE POLITICAL ECONOMY OF THE TOO BIG TO FAIL DOCTRINE

(By Walker F. Todd and James B. Thomson)

ABSTRACT

Understanding interbank exposure is the key to understanding the too big to fail doctrine. In this paper, we present arguments supporting three principal hypotheses: high levels of interbank exposure reduce the safety and soundness of the banking system; interbank exposure affects the ability of the Federal Deposit Insurance Corporation (FDIC) and bank regulators to use market discipline as a constraint on banks' risk-taking; and a rising level of interbank exposure is indicative of reduced stability of the financial system. In addition, we provide evidence that interbank exposure does not, at

this time, appear to be a generalized problem for U.S. banks; however, some banks in all categories of asset size still have comparatively high ratios of interbank exposure to capital, despite a general decline in these ratios since the Continental Illinois failure (1984).

The FDIC alone is not to be credited or blamed for the evolution of the too big to fail doctrine out of the FDIC's "essentiality" doctrine: that is, "a bank that is essential could not be allowed to fail no matter what the cost." The Federal Reserve, the Comptroller of the Currency, large U.S. and foreign banks, and politicians also deserve a share of the credit or blame. During Congressional testimony on the Continental failure, former Comptroller of the Currency Todd Conover "hinted that the eleven largest banks in the nation were immune from failure." One of the principal justifications offered by FDIC officials for the Continental bailout was the alleged interbank exposure of 2,300 other banks that would have lost more than the insured amount of their deposits if Continental had been closed without a full guarantee of repayment to uninsured claimants. That, in brief, is how the federal bank supervisory authorities came to find themselves embroiled in the "disparate treatment/too big to fail" controversy that still is unresolved.

Interbank exposure may arise from normal, efficiency-promoting correspondent banking activities that are not inherently dangerous but that may become so if not closely monitored. The primary focus of this paper is overnight or term interbank exposure that is directly and deliberately undertaken, including sales of federal funds, loans to depository institutions, purchases of securities under agreements to resell (reverse repos), and purchases of acceptances of other banks. Various forms of indirect interbank exposure certainly are worth studying, but information regarding such exposure is difficult to capture from call report data; thus, indirect interbank exposure is mentioned only occasionally in this paper. However, all forms of interbank exposure lie at the heart of the too big to fail doctrine. Interbank exposure acts as a constraint on the FDIC's ability to force its fellow regulators to close insolvent banks, which provides disconcerting guideposts as to probable future experience with cross-guarantee proposals that would be analogous to private deposit insurance schemes. Market-oriented corrective measures, such as market-value accounting for banks, strictly enforced minimum capital standards, per customer lending limits applied to banks as well as nonbanks, and netting out interbank holdings of capital instruments in calculating capital adequacy would go a long way toward reducing and controlling purported systemic failure risk arising from interbank exposure.

PREFATORY QUOTATIONS

"We are living amid the vestiges of old controversies, and we speak their language, though we are dealing with different thoughts and different facts.—Walter Bagehot, *Lombard Street*, p. 161 (1873).

"History is a good teacher but there are inattentive pupils."—George Stigler, quoted in Harold Lever and Christopher Huhne, *Debt and Danger*, p. 31 (1986).

"[Former FDIC Chairman William M. Isaac] has doubts about the [Continental] rescue. 'I wonder if we might not be better off today if we had decided to let Continental fail, because many of the large banks that I was concerned might fail have failed anyway," he said. "And they probably are costing the FDIC more money by being allowed to continue several more years than they would have had they failed in 1984.'"—William Isaac, quoted in Robert Trigaux, "Isaac Reassesses Continental Bailout," *American Banker*, p. 6 (July 31, 1989).

I. ORIGINS OF THE MODERN TOO BIG TO FAIL DOCTRINE

Former FDIC Director Irvine Sprague describes the origins of the too big to fail doctrine in banking as follows. The text refers to a May 17, 1984, FDIC press release regarding Continental Illinois National Bank and Trust Company of Chicago ("Continental"):

The third paragraph caused more hassling among the regulators themselves and with the banks than all the rest of the press release put together. And well it should have. It was the essence of the rescue. This paragraph granted 100 percent insurance to all depositors, including the uninsured, and all general creditors. It read as follows:

"In view of all the circumstances surrounding Continental Illinois Bank, the FDIC provides assurance that, in any arrangements that may be necessary to achieve a permanent solution, all depositors and other general creditors of the bank will be fully protected and service to the bank's customers will not be interrupted.

"Its purpose, quite bluntly, was to stop the run and prevent recurrence. We had to have stability. The guarantee was extraordinary but not unprecedented. We had given similar public assurances to buy time for a permanent solution for Greenwich Savings Bank in New York City in 1981 and for the United Southern Bank in Nashville, Tennessee, in 1983. These two were also granted 100 percent insurance by press releases. Only the Continental guarantee, however, touched off a nationwide debate that to this day continues to raise questions and generate controversy." (Sprague [1986], p. 162).

Sprague added that, under former 12 U.S.C. Section 1823(c)(2), the FDIC was authorized to provide open-bank assistance to any failing insured bank if its continued operations were deemed "essential to provide adequate banking service in its community." More liberal authority for the FDIC to provide open-bank assistance was not enacted until the Competitive Equality Banking Act of 1987.

The first use of the FDIC's "essentiality" doctrine occurred in 1971, to bail out Unity Bank, an $11.4 million, minority-owned bank in Boston (Sprague [1986], pp. 36–44). The size of banks rescued under the essentiality doctrine increased through the $8 billion First Pennsylvania case in 1980 (Sprague [1986], pp. 86–92) and eventually the $41 billion Continental case. Sprague notes that the FDIC's May 1984 assistance package for Continental was based on the essentiality test, "so presumably a bank that is essential could not be allowed to fail no matter what the cost." (Sprague [1986], p. 162). Later, during Congressional testimony on the Continental failure, former Comptroller of the Currency Todd Conover "hinted that the eleven largest banks in the nation were immune from failure." (Sprague [1986], p. 259). That, in brief, is how the federal bank supervisory authorities came to find themselves embroiled in the "disparate treatment/too big to fail" controversy that still is unresolved.

Interestingly, this modern evolution of the FDIC's essentiality doctrine created a situation in which the FDIC's statutory mandate was squarely contradicted:

"The pendulum has swung once again toward 100 percent protection of depositors and creditors. Despite the fact that Congress made it clear in the 1950 Act that the FDIC was not created to insure all deposits in all banks, in the years since Congress has gradually increased the insured amount to $100,000. In addition, the regulators have devised solutions that protect even the uninsured in the preponderance of cases." (Sprague [1986], p. 32; see also, Caliguire and Thomson [1987] and Penning [1968]).

The FDIC alone is not to be credited or blamed for this evolution of the too big to fail doctrine. During the First Pennsylvania rescue (1980), Sprague reports that "there was strong pressure from the beginning not to let the bank fail . . . [from] the other large banks, . . . the comptroller, . . . [and] frequently from the Fed." (Sprague [1986], p. 88). The following passage is particularly telling in regard to how the "domino theory of banking" (precursor of too big to fail) first appeared in policy-making circles:

"I recall at one session [in 1980, regarding First Pennsylvania], Fred Schultz, the Fed deputy chairman, argued in an ever rising voice, that there were no alternatives—we had to save the bank. He said, 'Quit wasting time talking about anything else!' Paul Homan of the Comptroller's office was equally intense as he argued for any solution but a failure. The domino theory dominated the discussion—if First Pennsylvania went down, its business connections with other banks would entangle them also and touch off a crisis in confidence that would snowball into other bank failures here and abroad. It would culminate in an international financial crisis. The [domino] theory had never been tested." (Sprague [1986], pp. 88–89).

Foreign observers (British, in this case) clearly assumed, by the mid-1980s, in the aftermath of the Continental rescue, "that the Federal Reserve will not allow one of the lynchpin banks to fail." (Lever and Huhne [1986], p. 22). Thus, the Federal Reserve's ever-looser lender of last resort policies since the Franklin National Bank failure (1974) reasonably might be viewed as one of the principal factors in creating the too big to fail doctrine (Todd [1988a]; Schwartz [1987]; Spero [1980]).

Some of those originally involved in the creation of this doctrine have come to repent it, but too late to do the taxpayer much good. Politics, not pure economics, is now clearly the driving factor in preserving the doctrine, which is generally acknowledged to stand in the way of both the expansion of banks' powers and the reduction of taxpayers' costs. Former FDIC Chairman William Isaac has been quoted as saying that the regulators and politicians probably made a costly mistake in trying to save Continental, but Isaac also admits that, if he were Chairman now, he would be trying to save everybody for political reasons, regardless of cost, just like current FDIC Chairman William Seidman (Trigaux [1989]).

II. WHY THE TOO BIG TO FAIL DOCTRINE MATTERS

Imprecisely defined terms and policy conceptions that are not rooted in practical reality often determine official decisions regarding banking, regardless of the clarity (or lack thereof) of the terms normally used in economists' discussions of banking theory. Among our favorite examples of such vague or unnatural terms and conceptions are "lender of last resort," "solvency," "liquidity," and the like, at least as those terms currently are used in the policy debate (Thomson [1990]; Todd [1988a]). Clarity of terms and precision of historical conceptions do matter, as does the legitimacy of the line of descent of the policy in question. Otherwise, policy discussions regarding banking tend to deteriorate into the situation described by Joseph Schumpeter (1950, p. 340), as follows:

"[I]ndividuals, as well as groups often do not know where, if anywhere, they belong and, sometimes from ignorance, at other times from a correct perception of advantage, they mix up contradictory principles into mongrel creeds of their own. All this confuses observers and accounts for the wide variety of current interpretations."

Reversing what some might consider normal procedure, we explain why the policy discussion of the too big to fail doctrine matters at both macroeconomic and microeconomic levels, and then we define a few key terms.

The conception of interbank exposure encountered most frequently in policy discussions is the reduction of risk in Federal Reserve-operated and some private-sector payments networks. This risk arises from intraday or daylight overdrafts due to the posting of debit and credit entries for transfers of funds and securities over those networks. By far the greater part of such transfers arises from government securities and foreign exchange trading activities. The volumes of these transfers in recent years, $183 trillion over Fedwire (1989) and $32 trillion over CHIPS (1988), have dwarfed the relevant measures of real economic activity ($5.2 trillion of U.S. gross national product [1989] and $2.7 trillion of gross world trade [1988] for all countries). A variety of risk-reduction measures have been proposed and implemented in recent years, including institution-specific net debit and net credit limitations, or caps per sender, and the planned imposition of a 25 basis points per annum fee for intraday overdrafts on Fedwire in excess of 10 percent of each sending institution's risk-adjusted capital. Because most payments network transfers are initiated by or paid to money center institutions that are clearing or settling securities or foreign exchange trades (Federal Reserve Bank of New York [1987–88]), the 15 or so largest U.S. banks probably will account for nearly 90 percent of the planned intraday overdraft fees. However, trading (and the magnitude of intraday overdrafts) has become large enough to create Federal Reserve concern only since the 1970s. The failure of Bankhaus I.G. Herstatt during the U.S. banking day in 1974 also increased regulatory concern regarding intraday interbank exposure (Spero [1980], pp. 108–114). Since intraday interbank exposure became a significant Federal Reserve concern during the early 1980s, it has become one of the driving factors behind the too big to fail doctrine and has begun to be addressed by specific policy initiatives (Stevens [1989]; Aspinwall and Scott [1989]; Spero [1980], pp. 108–114).

Interbank exposure also may arise from normal, efficiency-promoting correspondent banking activities that are not inherently dangerous but that may become so if not closely monitored. Clearing or other correspondent balances maintained by smaller banks at large regional or money center banks, or even by larger banks that are not members of the same clearinghouse, may give rise to unexpected credit risk exposure against the respondents. Thus, checks drawn on a large regional bank, accepted for deposit at a small bank in the same region, might constitute a significant risk with respect to the capital of the small bank if the large respondent failed and were closed while in possession of the small bank's checks, before the failed respondent made final settlement for those checks. Such concerns were said to have been a factor in the FDIC's and Federal Reserve's decision to rescue or bail out Continental in 1984. Then, as during Continental's prior rescue by the old Reconstruction Finance Corporation in 1933, Continental was "a great correspondent bank—a banker's bank—in which a large proportion of the country banks . . . kept accounts." (Jones [1951], pp. 47–49; Sprague [1986], pp. 250–251). Of course, correspondent banking risk runs downhill also: Cincinnati's commercial banks refused to accept for deposit checks drawn on closed privately insured thrift institutions during the March 1985 crisis in Ohio because recovery of the full value of those checks was uncertain until the thrift crisis actually began to be resolved, about one week after the systemwide closing began. (See Wolfson [1986], pp. 117–121; Kane [1988]; Federal Reserve Bank of Cleveland *Annual Report*, 1985.)

Neither intraday interbank exposure nor correspondent banking risk is the principal focus of this paper. The primary focus is, instead, overnight or term interbank exposure that is directly and deliberately undertaken, including sales of federal funds, loans to depository institutions, purchases of securities under agreements to resell (reverse repos), and purchases of acceptances of other banks. In addition, various forms of indirect interbank exposure certainly are worth studying, but information regarding such exposure is difficult to capture from call report data; thus, indirect interbank exposure is mentioned only occasionally in this paper. Indirect interbank exposure includes loan participations purchased (often including shared national credits), credits extended against third-party guarantees (including bank-issued guarantees or letters of credit), and risk against bank counterparties on foreign exchange contracts, foreign exchange swap agreements, interest-rate swaps, forward-rate agreements, etc. Interbank exposure also can arise with respect to intraday overdrafts or correspondent banking activities for the accounts of foreign banks, both in the United States and abroad, because of cross-border transfer risk.

All these forms of interbank exposure lie at the heart of the too big to fail doctrine. Fears of retail depositors' "cash-over-the-counter" runs on banks are not really the driving factor in the regulators' decisions to protect the largest banks from failure. That is because it takes a very long time to count and disburse large amounts of cash. In Ohio in March 1985, it was unusual for any one banking office to be able to pay out more than $1 million to $2 million of cash to retail depositors in a single day. At that rate, it would take up to 43,000 banking-office days to pay off the $43 billion of domestic deposits of Citibank (1989) in cash to retail customers. The real danger that concerns federal regulators is institutional or electronic runs on banks. When funds leave a bank at the rate of from $100,000 to $5 million per electronic transfer, it then becomes possible to empty even a large bank like Citibank (which had about $115 billion of total deposits at year-end 1989) in only a day or two.

Only banks normally have direct, on-line access to electronic transfers of funds over Fedwire. Banks that are not members of the same clearinghouse have a further incentive to remove funds electronically at the first sign of trouble because Fedwire transfers are final when received, while clearing-house settlements can be reversed. Thus, in the last 15 years or so, federal regulators rationally have worried more about electronic runs, almost always by other large banks (usually foreign banks, at that), that could empty big banks in a single day. Regulators rationally worry less about long lines of nervous retail claimants waiting for their money, as in Ohio and Maryland in 1985, but long lines of customers attempting withdrawals (visible runs) still worry bankers and politicians enough to cause them to pester regulators, nevertheless.

Because Continental was the turning point at which interbank exposure and the too big to fail doctrine were linked so as to become one and the same in the minds of bank regulators, it is appropriate to close this section of the paper with the following passage, again from Sprague's *Bailout* (1986, p. 248):

"Martin Mayer . . . argued in a *Financier* article in late 1985 that the FDI Act almost certainly does not permit what the FDIC did at Continental. He simply did not accept the attorney general's opinion that the transaction was legally structured. Mayer observed correctly that the real difficulty was that foreign holders of debt securities and commercial paper in the holding company would have yanked their $17 billion in Eurodeposits out of the bank if the securities holdings were not fully protected in the bailout. If the holding company was not saved, the bank could not be rescued."

Thus, discussions of interbank exposure rationally also must include discussions of interbank holdings of bank holding company commercial paper, deposit notes, and the like.

III. SYSTEMIC RISK AND CONTAGIOUS BANK RUNS

The risk of contagious bank runs often is discussed as a public policy concern and as a justification for the too big to fail doctrine. Most discussions apparently define this risk as the sensitivity of one bank to the failure of another bank. Although that sensitivity may be indirect (*i.e.*, nervous depositors, noting the failure of one bank, run on another bank, even though the second bank still is solvent), the principal concern of this paper is direct sensitivity (*i.e.*, one bank, fearing the loss of its funds, removes them from another bank). The failure or suspension of one bank, or of a limited number of banks, arguably was an event that could have caused or contributed to multiple failures or suspensions in the banking system in the pre-1933 era. Significant contagion effects of that type would have public policy implications today both for the way banks are regulated and for the solvency of federal deposit insurance funds. Some federal regulators and academics also call this phenomenon "systemic risk" (Corrigan [1990]).

We believe that, for reasons explained below, the type of indirect and irrational systemic risk usually discussed by bank regulators today to justify increased regulatory discretion in applying the too big to fail doctrine never actually existed in the United States, except possibly during the Great Contraction of 1929–1933. Instead, the type of contagion or systemic risk that actually has existed and still exists is both direct and rational. That is, banks providing funds to a bank in trouble rationally might conclude that they were unlikely to recover those monies and therefore might attempt to remove great quantities of those funds electronically (Thomson [1990]; Kaufman [1988]). In this paper, we use the term "interbank exposure" to refer to such direct, rational contagion or systemic risk,[1] recognizing all the while that banks can fail for a variety of reasons that do not necessarily have anything to do with interbank exposure. Rather, our

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Footnotes at end of article.

point here is that it is interbank exposure that has become the principal rationale for the too big to fail doctrine, while we believe that interbank exposure could and should be reduced or controlled in such a way that it no longer could be construed as a sufficient justification for the doctrine. Market-oriented corrective measures, such as market-value accounting for banks, strictly enforced minimum capital standards, per customer lending limits applied to banks as well as nonbanks, and netting out interbank holdings of capital instruments in calculating capital adequacy would go a long way toward reducing and controlling alleged systemic failure risk arising from interbank exposure. If the too big to fail doctrine is to continue to be the guiding light of regulators, then let it find something besides interbank exposure as its main reason for being.

Interbank exposure ordinarily is thought to rise to the level of contagion risk because the failure of one bank may be translated into losses at other banks whose asset portfolios include claims against the failing institution. These losses could be large enough to exhaust the claimant bank's capital, causing it to fail. It is not difficult to imagine a situation in which the failure of one medium-to-large bank could result in a chain of bank failures. The FDIC used this very argument, after all, to justify the Continental bailout in 1984.

The remainder of this paper is organized as follows. Section IV presents a brief explanation as to why interbank claims exist in our banking system. We argue that, up to a given level of exposure, the efficiencies gained by correspondent banking relationships usually outweigh the associated risks. If properly managed, the interbank exposures that arise out of correspondent banking relationships do not represent a serious source of contagion in the banking system. In section V, we look at the implications of interbank exposure for the continued solvency of the FDIC's fund as a constraint on the FDIC's ability to close insolvent banks and as a guide to probable future experience with cross-guarantee provisions that would be analogous to private deposit insurance schemes. Section VI presents the historical relationship between rising interbank exposure and financial crises. Section VII gives a rough picture of the direction of aggregate interbank exposure for U.S. banks since the failure of Continental Illinois. We present our conclusions and policy suggestions in section VIII.

IV. CORRESPONDENT BANKING AND INTERBANK EXPOSURE

Interbank exposure is defined quantitatively, for the purposes of this paper, as the assets one bank has at risk with respect to another bank. In this study, the interbank-exposure items include cash items in the process of collection (CIPC), balances due from depository institutions (BDDI), loans to depository institutions (LDI), acceptances of other banks (AOB), and federal funds sold and securities purchased with agreements to resell (FFS). We selected these items for our study because they are available from call report data. Recent innovations in banking may have created new categories of interbank exposure that should be included in future studies, but those innovations, such as interest-rate and currency swaps, are either poorly measured by publicly available data (*e.g.*, the data exist only as measures of undifferentiated aggregate exposure to both banks and nonbanks) or are not measured at all. . . .

The first two interbank-exposure items listed, CIPC and BDDI, which comprise variable cash and balances due, arise out of correspondent banking relationships. Indeed, it is likely that correspondent banking is responsible for the lion's share of the interbank exposure accounted for by CIPC and BDDI and at least some of the interbank exposure represented by LDI, AOB, and FFS.

Correspondent banking evolved in the earliest stages of the U.S. and U.K. banking systems and has the effect of arbitraging away much of the inefficiency of a unit banking system.[2] Correspondent banking is less important in large, nationwide branching systems like that of post-1920s Canada. (See Kryzanowski and Roberts [1989].) In a correspondent banking relationship there are two types of institutions: correspondent banks (usually small banks) and respondent banks (usually large banks). The relationship allows a correspondent bank to obtain services, such as check clearing, securities safekeeping, and computer services, from its respondent bank at a lower cost than would be incurred if it performed those functions itself. Federal Reserve Banks compete with large regional and money center banks for such correspondent banking business. In addition, a respondent bank can provide its correspondent bank with a source of increased portfolio diversification through loan participations. Correspondents often place surplus funds with respondents (or use respondents as intermediaries for the onward placement of surplus funds) via sales of federal funds and reverse repos. In return for the services provided by the respondent bank, the correspondent normally keeps non-interest-bearing balances at its respondent bank as a form of implicit payment for the services that it receives. Correspondent banks also keep cash balances at respondent banks that provide their check-clearing services as a reserve account against (to) which the respondent bank can debit (credit) checks drawn on (payable to) the correspondent bank.

To the extent that interbank exposure arises from normal correspondent relationships, most economists assume that the benefits associated with the increased efficiency of the banking system outweigh the risks associated with interbank exposure. Indeed, if properly managed, much of the interbank-exposure risk faced by a correspondent bank can be diversified away by the establishment of multiple correspondent banking relationships, although in actual practice such diversification of risk might prove insufficient if more than one of the respondents were members of the same clearinghouse. Diversification can limit the exposure of a correspondent bank to any one respondent bank and can reduce the replacement costs of establishing new correspondent banking relationships if one of the respondent banks fails.

V. INTERBANK EXPOSURE AND FEDERAL DEPOSIT INSURANCE

Interbank exposure can increase the risk exposure of the FDIC in at least two ways. First, it reduces the independence of bank failures. That is, interbank exposure increases the probability that the failure of a bank A will be accompanied by the failure of banks B, C, and D. Second, it reduces the ability of the FDIC to close and dispose of insolvent banks in a manner that does not protect shareholders and uninsured creditors. Most interbank claimants have greater amounts at risk than those covered by the nominal $100,000 of federal deposit insurance. As in the Continental case (1984), perceived high levels of interbank exposure can create political and regulatory pressures that would force the FDIC to adopt a policy of full or partial forbearance toward a failing bank's uninsured creditors and/or stockholders, thereby removing depositors' discipline as a significant component of market discipline on the bank's behavior (Thomson [1990]).

If bank failures were truly independent events, the risk exposure of the FDIC's insurance fund from any single bank failure would be the expected value of losses should the bank fail, multiplied by the probability that the bank would fail. That is, the FDIC's risk exposure to the bank would be a function of the riskiness of the bank. However, if contagion or systemic risk effects (such as interbank exposure) caused bank failure to be a nonindependent event, then the risk exposure of the FDIC's insurance fund with respect to any single bank would be a function of both the riskiness of the bank's assets and the degree of interbank sensitivity within the banking system. In such a scenario, the cost to the FDIC of bank A's failure would have to include any losses that it would incur from banks that went under as a result of bank A's failure.[3] It is clear that interbank exposure increases the risk to the FDIC from a single bank failure. Because contagion effects arising from direct interbank exposure are one form of risk that the FDIC cannot diversify away in its own portfolio (it necessarily is exposed to risks from the failure of any insured bank), interbank exposure may increase the total risk exposure of the FDIC to the banking industry by creating a situation in which the troubles of one bank necessarily and directly are transmitted to other banks.[4]

The second undesirable consequence of direct interbank exposure is its effect on the FDIC's capacity to dispose of failed institutions without extending forbearances to uninsured creditors and stockholders. Kane (1989) presents a set of four constraints that often prevent the FDIC from closing an insolvent bank: information constraints, staff constraints, the implicit and explicit reserves in the FDIC's insurance fund, and political and legal constraints. It is clear that an increase in direct interbank exposure would increase the severity of each of these constraints. For example, with high levels of direct interbank exposure, the information the FDIC would need to close an insolvent institution would have to include the condition of the institution and the impact of its failure on other banks.

As the passages from Sprague (1986) in the first section of this paper indicate, Continental (1984) was and probably still is the leading example of how interbank exposure affected the way a failing bank was handled by the bank regulators. In testimony before the House Banking Committee's Subcommittee on Financial Institutions, Supervision, Regulation, and Insurance, then FDIC Chairman William Isaac stated that one factor that prompted the bailout was the FDIC's concern over the impact Continental's failure would have on small banks with interbank exposure to it. Regarding this concern, Isaac states that:

"Hundreds of small banks would have been particularly hard hit. Almost 2,300 small banks had nearly $6 billion at risk in Continental; 66 of them had more than their capital on the line and another 113 had between 50 and 100 percent."[5]

But was Isaac's statement correct? Later analysis showed that it was unlikely that more than a dozen or so banks (all of them small) would have failed as a result of allowing Continental to fail. In a report to the House Banking, Finance and Urban Affairs Subcommittee on Financial Institutions, Supervision, Regulation, and Insurance, Congressional staff found that, if Continental had been allowed to fail without government assistance, and even if Continental's losses totaled 60 percent of assets (only a 40 percent payment to uninsured claimants), then only 27 banks would have failed, and only 56 banks would have experienced losses between 50 and 100 percent of their capital. Using a more realistic (but still higher than apparently is expected) loss rate of 30 percent of Continental's assets, the Congressional staff found that only six banks would have failed, and only 22 would have experienced losses between 50 and 100 percent of their capital.[6] Nevertheless, it is clear from the passages cited from Sprague (as well as from our personal memories) that the regulators' perception of interbank-exposure risk reduced their capacity to dispose of Continental in a manner that would have protected only the 10 percent of all depositors who were insured.

VI. THE HISTORICAL RELATIONSHIP BETWEEN RISING INTERBANK EXPOSURE AND FINANCIAL DISTRESS

We are unaware of any study that indicates that rising interbank exposure causes financial distress, although Adam Smith describes some situations in which this might be so. However, the historical evidence suggests that interbank exposure is a leading indicator of financial distress, a sign of overlending perhaps (what Adam Smith and Walter Bagehot called "overtrading". Not all financial panics necessarily have been preceded by rising levels of direct interbank exposure, but several notable instances of increased interbank exposure were followed by financial panics. The liveliest sources to read on this point include studies by Adam Smith (1976 ed.), Walter Bagehot (1873), Charles P. Kindleberger (1978), and, of all people, Herbert Hoover (1952).

Kindleberger, Stephen V.O. Clarke (1983), and Joan Edelman Spero (1980), among other recent writers, consistently have identified either the credit (asset) or funding (liability) risk of direct, international, interbank exposure (or both) as concerns for monetary and bank supervisory authorities. Clarke's study of the international interbank market (1983, pp. 43–48) was prescient regarding both the efficiencies and myopic tendencies of the interbank funds market. He proposed the creation of a risk-related private insurance pool, funded by banks, that would replace the initial involvement of central banks as lenders of last resort in periods of interbank payment difficulties. Active involvement of the central banks would be reserved for truly disastrous, not merely difficult or inconvenient, periods of distress in the interbank market. Adam Smith, Hoover, Kindleberger, Spero, and Clarke all described direct interbank exposure as a device for propagation or transmission of financial distress from one bank to another or from one financial center to another.

Guttentag and Herring (1986) noted the myopic tendencies of international lenders regarding the sustainability of debt service capacities of debtors as a possible explanation of frequent overlending and subsequent economic defaults in contexts analogous to the developing-country debt problems of the 1980s. Lever and Huhne (1986, pp. 31–55), Kaletsky (1985), and Todd (1989), among others, noted this same myopic and amnesiac quality regarding international lending, with particular attention to direct interbank exposure during the 1920s in Todd (1989). Chernow (1990, pp. 636–652) describes in detail the interesting cases of Morgan Guaranty Trust Company, Bankers Trust Company, and Citibank, all of New York, in the rolling over and rescheduling of billions of dollars of credits for Brazil (including interbank or "Project IV" credits) after 1982. Those rollovers and reschedulings were intended to keep alive the fictions that U.S. banks could ignore lessons of the past, in both Europe and Latin America (which the New York banks particularly should have remembered), and that commercial banks could make "good loans" to developing countries with unstable legal and political environments and clouded future repayment prospects (Chernow [1990], pp. 636–639; Todd [1989]). Wolfson (1986, pp. 102–105) analyzes the emergency measures taken regarding Mexican credits in August 1982; a smaller proportion of those credits were interbank claims than in the case of Brazil.

In the pre-World War II era, one of the riskier forms of direct interbank exposure identified in the historical literature was accommodation paper. Accommodation bills of exchange are refinancing drafts drawn by one bank upon another to enable the first bank to share the credit risk of its customer (account party) with another bank (the drawee or accepting bank). In the more arcane forms of accommodation or refinancing drafts, the drawing bank's underlying customer (account party) may also be a bank, so that long chains of accommodation or refinancing paper can be established. It was not at all unusual to find proposals in the interbank market in the 1980s regarding accommodation bills with at least three banks linked in a chain of legal accountability between the bank with the ultimate liability and asset exposures in the United States (the U.S. accepting bank) and the original underlying nonbank customer (if any) in some foreign country (Todd [1988b]). Fortunately, such proposals still are the exceptions, not the rule, in the U.S. bills of exchange (bankers' acceptances) market.

While most international, interbank claims were concentrated in London and offshore banking havens during the 1970s and early 1980s (Clarke [1983]), U.S. banking offices increased their direct, international interbank exposures for both assets and liabilities in recent years. However, mid-year 1989 exposure levels for the 34 largest U.S. holders of correspondent balances (demand deposits), for example, were $9.3 billion, down about 12 percent from mid-year 1988 levels (*American Banker* [1990]). International interbank claims of all types on U.S. banks by unaffiliated foreign banks rose from $120 billion at year-end 1988 to $135 billion at year-end 1989 (*Federal Reserve Bulletin*, May 1990, table 3.17). From the perspective of borrowers of interbank credit, the amounts involved can become quite large: Interbank claims of all types and of all countries on Brazil just before the February 1987 one-year moratorium on Brazil's external debt were reported as approximately $35 billion, then about one-third of Brazil's total foreign debt and about 12 percent of its gross domestic product (Batista [1988], pp. 39, 191).

Adam Smith (1976 ed., Book II, chapter 2, pp. 327–337) describes the operations of chains of accommodation paper in the affairs of Scottish banks, particularly the Bank of Ayr, which failed in 1772 after two years of such practices. Essentially, to meet demands upon them that could not be met from existing resources, Scottish banks drew accommodation drafts on London bankers. When the Scottish banks no longer could pay or roll over maturing accommodation drafts, the scheme became unraveled. Smith says that "the operations of this bank [Ayr] increased the real distress it meant to relieve" and that, even had it succeeded, the operation "would only have transferred a great part of [the capital of the country] from prudent and profitable, to imprudent and unprofitable undertakings."

Kindleberger (1978, pp. 53–63) describes the evolution of accommodation paper (or finance bills) in the eighteenth century as follows, and his account is worth restatement here *in extenso* for our purposes:

"Bills of exchange were not necessarily drawn each time a consignment of goods took place, covering the exact amount of the transaction. In 1763, in Sweden, Carlos and Claes Grill bills on Lindegren in London could not be identified with particular shipments, which were often made in rapid succession, but were drawn when the firm needed money, generally for remittances to creditors. This would seem to be the evolution of accommodation paper, in which the credit of a house or individual is gradually separated from that of particular transactions. In the end, the accommodation bill was nothing more than an IOU or promissory note. Real bills partisans, like H. Parker Willis . . . were firmly opposed to accommodation paper and regarded commercial bills based on trade as [properly] self-liquidating. . . .

"The problem arises where the ratio of the debt represented by the bill to the debtor's wealth gets out of hand, as may happen in periods of euphoria. Drawing of bills in chains is evidently infectious. Described by Adam Smith as a normal business practice [in *The Wealth of Nations*, Book II, chapter 2, pp. 327–337] it can easily be overdone. A draws on B, B on C, C on D, and so on; all increase the amount of credit available for use. The vice of the accommodation or finance bill, according to [R.G.] Hawtrey, [*The Art of Central Banking* (1932)], is its use 'for construction of fixed capital when the necessary supply of bonafide long-run savings cannot be obtained from the investment market.' [Thus, the equivalent practice today would be the use of short-term interbank borrowings to support long-term lending practices.] He claims the system was particularly abused in the London crisis of 1866 [the collapse of Overend Gurney] and the New York crisis of 1907. We have already noted that the spectacular failure of the de Neufvilles in 1763, which produced panic in Hamburg, Berlin, and (to a lesser extent) London as well as Amsterdam, was the result of the unraveling of a particularly impressive chain of discounts. If one house fails, the chain collapses and may bring down good names, those with a reasonable ratio of debt to capital, as well as bad. With accommodation bills, traders with limited capital of their own are able to acquire the use, at least temporarily, of large volumes of borrowed funds, a use they may try to stretch into longer-term. . . . In 1857, John Ball, a London accountant, reported knowing firms with a capital of under 10,000 pounds and obligations of 900,000 pounds, and claimed it was a fair illustration [of accommodation financing used to support longer-term lending]. . . .

"When they were abused, finance or accommodation bills gave rise to excessive credit expansion. At all stages, fictitious names were introduced into the chain from time to time, to improve the appearance of creditworthiness. From time to time, also, such bills were written for odd amounts, to suggest an underlying commercial transaction. And when this was done, claims were sometimes made . . . that the banks abroad knew it was finance paper disguised as commercial bills [and thus should not be heard to complain when the practice collapsed]." Hawtrey (1932, p. 129) made the following telling point about accommodation or finance bills: "The real point is that the accommodation bill is a sign of distress. It is not drawn to supply funds for the acquisition of an asset, but to make good a deficiency of cash due to disappointed expectations."

Reviewing the theory of accommodation financing in light of Smith's, Hawtrey's, and Kindleberger's accounts, we see that it may become a dangerous practice for banks in expansionary times to extend credit to other banks, believing themselves to have behaved in a safe and prudent manner because the extensions of credit are entirely short-term in nature. (See Clarke [1983].) A funding gap develops because the borrowing banks, in turn, finance longer-term loans and investments with the proceeds of their drawings. If large credits extended by the ultimately borrowing banks go bad, as happened with the loans participated out to other banks by Penn Square in 1982, the participating banks, such as Seafirst and Continental in that case, may be dragged into severe capital impairment or even insolvency by the collapse of interbank credits (indirect, in that case) that they have extended.[7] Accordingly, it would be nothing more than good common sense for bankers and bank regulators to be aware of the nature and extent of interbank commitments, both direct and indirect, as well as the extent to which banks rely on interbank borrowings as significant sources of funds.

We have used Smith's and Kindleberger's examples to illustrate the perils of the variety of interbank exposure that comprises accommodation paper. However, it should be obvious that the same perils may exist for any form of interbank extensions of credit.

The most incisive recent explanation of the potential pitfalls for U.S. banks in the international interbank market is in Clarke (1983). However, for the ultimate historical illustration of what could happen to the U.S. banking system if it became too exposed to foreign interbank credits, it is necessary to turn to the *Memoirs* of Herbert Hoover. Hoover's account of the international payments crisis during the summer of 1931 shows the important role played by accommodation paper and, by extension, by direct interbank credit exposure in putting the international financial dominoes so close together that they all had to topple after Creditanstalt of Vienna suspended foreign payments in the spring of 1931. Hoover's account of the crisis begins, in relevant part, as follows (Hoover [1952], III, p. 73):

"With these bank closings in central Europe, I naturally wanted to know if American banks had any loans to or deposits in the banks of this crisis area. I first telephoned Henry Robinson, chairman of a large California bank [First National Bank of Los Angeles, an ancestral component of Security Pacific], who had had much experience in international banking. He told me that many of our banks had bought German trade bills and bank acceptances, both 60 and 90-day paper. The trade bills were supposed to be secured by bills of lading covering goods shipped, and to be payable on delivery of the goods. The bank acceptances were simply 'kited' bills without any collateral. Robinson expressed great alarm."

We believe that what Hoover meant in that passage is that Robinson was expressing discomfort because U.S. banks had been extending direct interbank credit to German and other central European banks via accommodation paper without verifying independently the European banks' assumption that there really were underlying trade transactions to support the volume of refinancing acceptances or finance bills that the banks of central Europe were drawing on U.K. and U.S. banks. As Hoover's account later shows, the volume of refinancing bills drawn greatly exceeded the actual volume of underlying trade transactions. The drawing banks, in the fashion described above by Kindleberger, resorted to accommodation paper whenever they needed funds, even though there were no trade transactions to support their drawings. While it would have been illegal under U.S. law for drawing banks to fail to disclose that their drafts were not actually connected to particular trade transactions, this practice would not necessarily have created a financial crisis if the central European banks had had the capacity gradually to reduce and ultimately to repay the refinancing bills they drew, or if there had been no precipitating factor causing extensive presentment for payment of finance bills drawn by central European banks instead of routine renewal. Regrettably, neither solution was viable because the volume of bills drawn so far exceeded the value of all central European export accounts receivable that it was inconceivable that the eventual, normal operations of international trade would have enabled the finance bills to be repaid. For example, German gross exports during all of 1931 were only $1.9 billion, and the export surplus was only $650 million (Schuker [1988], p. 45). The precipitating factor causing presentment for payment was that French banks, acting with the encouragement of the French government for domestic political reasons, began to redeem all their holdings of accommodation paper issued by German and Austrian banks to protest the formation of a German-Austrian customs union in the spring of 1931. Thus, with the central banking resources available at the time, there was no way to avoid the crisis through the normal operations of the international interbank market. (See Clarke [1967], pp. 177–201; Clay [1957], pp. 373–398.)

Continuing his account of the 1931 crisis, Hoover writes as follows (1952, III, pp. 73–74):

"I at once inquired of Federal Reserve officials what amounts of these bills [the kited or interbank accommodation acceptances] were held by American banks and business houses. After some inquiry, they informed me that our banks held only $400 million or $500 million of them and that they could be easily handled. [Notwithstanding the assurances of Federal Reserve officials, those amounts were real money in those days, approximately one-half of one percent of gross national product]. Worrying over the matter during that night, I was somehow not satisfied with this report, and in the morning I directed the Comptroller of the Currency to secure an accurate report on such American holdings direct from the banks. Twenty-four hours later I received the appalling news that the total American bank holdings probably exceeded $1.7 billion; that certain banks having over one billion dollars of deposits held amounts of these bills, which, in case of loss, might affect their capital or surplus and create great public fears. [Without his naming them, we assume that President Hoover was referring to the New York Clearing House banks.] Here was one consequence of the Reserve Board maintaining artificially low interest rates and expanded credit in the U.S. from mid-1927 to mid-1929 at the urging of European bankers. Some of our bankers had been yielding to sheer greed for the six or seven percent interest offered by banks in the European panic area."

New York rates for commercial loans rose from 4.5 to 6 percent during those two years. Hoover means that, using the rationales usually offered for expanded direct interbank credits, bankers seeking a higher rate of return than is available through normal domestic extensions of credit to nonbank customers may resort to direct interbank extensions of credit, including foreign interbank credits. Hoover continues as follows (1952, III, p. 74):

"Worse still, the Comptroller informed me that these European banks were already in default on many bank acceptances and were frantically endeavoring to secure renewals. He thought the acceptances comprised a major part of American bank holdings and informed me that some of the 'trade bills' did not have the collateral documents attached."

One of the control devices for preventing naked accommodation acceptances or finance bills from entering the market is to require the attachment of bills of lading or detailed descriptions of the underlying trade transactions that support the drawing of the drafts. This has been traditional market practice for centuries,[8] but in periods of euphoria, not unlike the 1980s, sound market practice is abandoned, and it becomes not at all unusual to find U.S. banks accepting drafts drawn on them by foreign banks, ostensibly to support underlying trade transactions on the books of those foreign banks—transactions that are not disclosed in full to the credit-extending U.S. banks. Similarly, interbank credit extensions in other forms (such as Eurodollar placements) might be obtained by borrowing banks ostensibly for the purpose of supporting their own extensions of trade credit, but it should be apparent that such borrowings could be used merely to cover funding shortfalls that otherwise would cause the closing of the borrowing insolvent foreign institutions. Hoover continues (1952, III, p. 74):

"When the Comptroller's information began to come in, I sent for [Under] Secretary [of the Treasury Ogden] Mills who was also fearful, and requested him to ask his friends in the Bank of England by telephone what they knew about the volume of these bills. In a day or two they replied, in alarm, that there might be $2 billion in the banks of Britain and the Dominions, together with Sweden, Norway, Switzerland, and Denmark. They also stated that there were quantities in Latin American and Asian banks. They said the German and other eastern European banks were frantically trying to renew the bank acceptances and were being refused.

"It looked at this time as if Germany, Austria, Hungary and other eastern European countries had as much as $5 billion of these short-term bills afloat. The Germans had also, over the years since the war, floated many long-term loans by their government, their municipalities, and their business houses. It looked as if the German total external debt alone, excluding reparations but including long-term debt, might possibly exceed $5 billion. They not only had paid all their reparation installments to the allies out of this borrowed money, but had paid for reconstruction of German industry and their budget deficits. It was obvious that they and the others could not meet their short-term obligations, at least for the present."

For reference, $5 billion in 1931 would have represented more than 5 percent of U.S. gross national product, would have been approximately one-and one-half times total federal budget outlays, and, in the case of Germany, would have represented at least seven years of that country's trade surpluses plus net capital inflows, excluding debt service on official borrowings, reparations payments, and capital flight. Hoover continues (1952, III, pp. 74–75):

"Thus, the explosive mine which underlay the economic system of the world was now coming clearly into view. It was now evident why the European crisis had been so long delayed. They had kited bills to A in order pay B and their internal deficits.

"I don't know that I have ever received a worse shock. The haunting prospect of wholesale bank failures and the necessity of saying not a word to the American people as to the cause and danger, lest I precipitate runs on our banks, left me little sleep.

"The situation was no longer one of helping foreign countries to the indirect benefit of everybody. It was now a question of saving ourselves. . . .

"I cabled Secretaries [Henry] Stimson [State] and [Andrew] Mellon [Treasury] my plan, which was for a stand-still agreement among all banks everywhere holding German and central European short-term obligations. As my cable outlining the plan might become public, it had to be carefully phrased so as not to fire further alarms as to the already tense central European situation."

Hoover's cable, as he put it, was far more optimistic about Germany's ability to pay than Hoover's private belief indicated. Hoover says that Secretaries Stimson and Mellon were more pessimistic than he. However, Stimson and Mellon also urged Hoover to agree to a French proposal for a $500 million emergency loan to Germany from the western governments. Hoover replied as follows (1952, III, pp. 77–78):

"I replied that this was a banker made crisis, and that the bankers must shoulder the burden of the solution, not our taxpayers; moreover, that the amount proposed would not be a drop in the bucket [compared to the amount actually needed to refund the entirety of the German external debt]. It was merely a partial relief of banks at government expense. Or even if a loan to Germany was provided by American, British, and French and other banks themselves, it [still] would be a wholly inadequate solution. I again informed them [Stimson and Mellon] by telephone in detail of the situation as to German and other central European short-term obligations in the U.S. and abroad. I also stated that such a loan would not even take care of the American situation alone [that is, maintaining current payment status on German obligations to U.S. banks].

"At this point I instructed Mr. Mills to ask a friend in the Bank of England by telephone what their idea was of the French proposal. He quickly learned that the Bank of England did not approve of such a loan. Also, the British treasury officials had no faith that it would meet the crisis. The affair began to take the color of the usual attempt of European political officials to make us the first to refuse to do something and therefore the scapegoat for anything that happened. Indeed, one reason given to me by Messrs. Stimson and Mellon for American governmental support of a loan was fear of just that. I finally telephoned them emphatically that we would not participate in such a loan and that I was publishing the gist of the stand-still proposal to the world that very minute. They protested against the publication as undiplomatic. I issued it nevertheless.

"The next day, the [International Monetary Conference, meeting in London], with the now public proposal in front of it, adopted the essence of my plan and delegated the Bank for International Settlements at Berne to carry it out. Its success depended on bankers of all countries holding the bills [the frozen interbank or refinancing bills drawn by the central European banks] and agreeing further that they would accept pari passu payments on unsecured bills when payment could be extracted by the Bank for International Settlements.

"A group of our New York banks informed me that they could not agree to the stand-still plan and that the only solution was for our government to participate in a large international loan to Germany and other countries. My nerves were perhaps overstrained when I replied that, if they did not accept within 24 hours I would expose their banking conduct to the American people. They agreed."

Strange behavior for an unquestionably conservative Republican president from California toward the New York banks in light of more recent iterations! Hoover says further that, a year later, the Bank for International Settlements (BIS) made a retrospective study of the central European bills of exchange problems and estimated that the total problem was far larger even than Hoover had imagined it. The BIS study, as described by Hoover, said that the total amount of short-term international private indebtedness that existed at the beginning of 1931 was more than $10 billion.

"At that time the magnitude of indebtedness was not known . . . central banks began to realize . . . a danger and they endeavored . . . to strengthen their reserves of foreign exchange. . . . The menace . . . did not appear as self-evident as it does today. . . . It was . . . almost certain to break the situation at some point. The liquidation in a single year [was] of more than six billion of short-term indebtedness . . . of the balance . . . still outstanding, a substantial amount has in fact become blocked." (Omissions in original).

Hoover concluded that "it is also obvious that I was right when I maintained that a half a billion of government money [for the proposed official loan to Germany] would have been only a drop in [this $10 billion] bucket." (1952, III, p. 79).

Despite his understanding of the dangers of increased international interbank exposure to the American banking system, Hoover nevertheless approved two large private bank loans to support the parity of the pound sterling at or near $4.86 in the summer of 1931. On August 1, Hoover approved a $250 million loan, and on August 26, U.S. banks lent another $400 million to the Bank of England (Hoover [1952], III, pp. 81–82). Hoover should have learned his lesson from the central European experience earlier that summer. Ultimately, the Bank of England suspended redemption of international payments of gold on September 21, 1931. Thus, on top of the central European interbank credit problem, Hoover's acquiescence in private bank lending to the Bank of England resulted in an additional $650 million dollars of credit exposure (about 0.7 percent of U.S. gross national product) that had little or no value for enabling U.S. banks (principally the money center banks) to meet claims on them from domestic sources.

In the fall of 1931, following the suspension of gold payments by the Bank of England, Hoover gathered leaders of the banking and insurance industries in Washington, together with some cabinet officials and congressional leaders, and proposed the creation of the National Credit Association. The Association, which was similar in concept to the currently discussed cross-guarantee or private deposit insurance schemes, was to be funded with an initial capital contribution of $500 million from U.S. banks. The banks were to use that capital pool, together with potential borrowing authority for the Association of $1 billion more, to make loans to support troubled financial institutions in the United States. (Hoover [1952], III, pp. 84–88). However, as Hoover later notes (1952, III, pp. 107–111), the banking situation in this country became so fearful in the winter of 1931–32 that, after a few weeks of effort, the National Credit Association died, and bankers asked for direct federal help. In January 1932, Hoover requested creation of the new Reconstruction Finance Corporation to take over, under federal auspices, the "extended liquidity support" role of the National Credit Association. (See Jones [1951].) There still was no solvency or capital support lender at the federal level (Todd [1988a]).

The historical record shows us that direct interbank lending can perform a useful function in channeling funds more efficiently from areas of low loan demand to areas of high loan demand, when such a system is managed prudently. The record also shows that, in periods of monetary and credit expansion, it becomes increasingly difficult for bankers to restrain their enthusiasm for lending, including direct interbank lending, so as to remain within the limits of prudence and common sense. Upon occasion, overexposure to direct interbank credits arises, and then disaster follows inevitably, albeit with the delay necessary for the discovery of the nature and extent of the problem (two years in the case described by Smith, up to four years after the onset of expanded direct interbank lending in the case described by Hoover). Increasing interbank exposure probably is an early warning signal of impending trouble for the banking system and might, in some circumstances, be a principal cause of the kinds of contagion or systemic risk that many bank regulators cite as justification for creation of the too big to fail doctrine. The point those regulators conveniently ignore is that, without direct interbank lending, it usually is difficult for any bank to become, or to long remain, too big to fail.

VII. A MEASURE OF INTERBANK EXPOSURE

[Part VII, which contains extensive tables and charts, has been omitted here to facilitate typesetting. It appears in volume 3 of *Public Budgeting and Financial Management*, pages 575–601 (1991). It is also available upon request from the Senate Banking Committee.]

VIII. CONCLUSIONS AND POLICY RECOMMENDATIONS

Interbank exposure is a form of sensitivity that need not (but in the eyes of some influential authorities, at least, potentially does) constitute contagion or systemic risk that has significant public policy implications for the safety and soundness of the banking system.

We present arguments and anecdotal evidence supporting three basic hypotheses. The first is that high levels of interbank exposure reduce the safety and soundness of the banking system. This contagion risk increases the probability that a single bank failure, or the failure of a limited number of banks, would result in a series of bank failures. Our second hypothesis is that interbank exposure affects the ability of the FDIC to use market discipline as a constraint on banks' risk-taking. A reduction in the independence of bank failures increases the constraints on the FDIC's ability to dispose of insolvent banks without extending forbearances to the bank's uninsured depositors, general creditors, and stockholders. The third hypothesis is that a rising level of interbank exposure is indicative of reduced stability of the financial system. Interbank claims tend to rise as banks see reduced investment opportunities in their traditional markets and as entry into new markets is precluded by either regulatory or competitive factors. As the credit quality of nonbank borrowers decreases, banks will increase indirect lending to these and other comparable borrowers through other banks as a supposedly safer alternative to direct lending. Unfortunately, the historical accounts indicate that the perceived safety of increased interbank lending may be a delusion that chains a greater number of financial institutions together in a 1980s version of the medieval dance of death. Interbank lenders and borrowers become chained to each other and prosper together as long as real, nonfinancial economic activity increases, but they also perish together if real, nonfinancial economic activity decreases without appropriate adjustments in lenders' behavior. Worse yet, as recent experience in northeastern real estate markets illustrates, stories about "credit crunches" appear in the financial press following declines in real economic activity, and these might constitute a signal of enough political pressure to "ease up" so as to deter regulators from pursuing necessary reforms, such as disclosing and reducing direct interbank exposures.

To remedy problems associated with direct interbank exposure, useful solutions might include the following measures:

(1) The construction of a data collection system geared to measuring direct and some forms of indirect interbank exposure. This could be done by modifying the existing call reports or setting up a separate reporting schedule. As we noted in section VII, data on interbank claims are not collected now in a manner that allows us to properly measure and evaluate interbank-exposure risk. In fact, the remainder of our policy recommendations are based on the assumption that interbank-exposure risk can be accurately measured, in the future if not at present. Some supervisory movement in this direction already is underway; beginning with the June 30, 1987, call reports, commercial banks have had to report aggregate amounts of loans purchased from other depository institutions, as well as loans sold to other institutions.[12] Obviously, much more still has to be done to improve collection of data on interbank exposure, but collection of data on loan participations purchased and sold is an important first step.

(2) Excluding CIPC and insured interbank deposit balances from the measures, we suggest that:

Banks be restricted to having not more than 50 percent of their capital at risk to any single financial institution (including bank, thrift, and nonbank-financial holding companies) and that they be required to report to their primary supervisor any combination of direct and indirect exposures to any financial institution that exceeds 15 percent of their primary capital. Public disclosure of such exposures also would be helpful in advancing the cause of market discipline. For asset exposures to (claims on) other financial institutions in excess of 15 percent of capital, offsetting liability exposure on the claimant bank's balance sheet could be deducted when determining its net interbank exposure to any one financial institution. All net, direct interbank exposures that exceed 50 percent of capital (in the aggregate) should be publicly disclosed and should be scrutinized by examiners as part of the examination process.[13]

Banks have aggregate interbank-exposure limits set by their primary regulators. (Alternative: banks should determine and then publicly disclose their own direct interbank-exposure limits.) These aggregate exposure limits should include a restriction on exposure to banks within the claimant bank's local clearinghouse association and separate limits on total exposure to all banks in the domestic banking system and to all foreign banks for each particular country of origin. Because of regional, concentration-of-risk patterns that emerged in the 1980s, it also might be useful to have banks calculate and disclose aggregate interbank exposures by Federal Reserve District. Because there is no theory or evidence that tells us how high to set the aggregate exposure levels, we defer to banks' own publicly disclosed judgments or to judgments of the regulators on this issue. However, U.S. bankers do have experience in determining direct interbank-exposure limits, both under Federal Reserve-sponsored payments system risk-reduction initiatives and on their own initiatives, even without Federal Reserve involvement (Clarke [1983], pp. 27–32). Thus, the only truly novel aspect of this proposal would be either regulatorily administered or publicly disclosed interbank-exposure limits.

Because of sovereign credit risk for nationalized banking systems and cross-border currency transfer risk in general, a limit should be set on the total interbank claims of each U.S. bank on all financial institutions from each foreign country. Limits also should be set on a bank's aggregate interbank exposure to any single region of the world (such as Latin America or Eastern Europe). Historically, self-imposed limits on international interbank exposure have proved to be too weak or too inconsistently enforced to be of practical use in limiting loss when payment flows have been interrupted (Clarke [1983], pp. 27–32). Because of the historical interplay between banks' cross-border lending and foreign policy considerations (see Tolchin [1990]; Chernow [1990]), any regulatory limits on such regional lending might have to be set in consultation with the Treasury and State Departments. We believe that no domestic bank's aggregate net interbank claims on specific countries and regions of the world should be allowed to exceed the level set for the claimant bank's exposure to the largest (or next-largest) institution in its own local clearinghouse association.

Such measures would limit the alleged ripple effects of irrational, contagious bank failures and would increase the safety and soundness of our banking system. They should allow the FDIC and other bank regulators to exercise market discipline fully in deciding to allow large banks (or interlocked smaller banks) to fail as a consequence of either supervisory intervention or rational bank runs. Thus, the regulators' Continental dilemma would be either avoided or significantly diminished. However, before a meaningful system of supervision or regulation of interbank exposure can be implemented, the definition of interbank exposure needs to be expanded to include off-balance-sheet exposures and other relevant asset exposures, such as holdings of stock and subordinated debt of other banks, that are not currently available from call report data.

This paper presents a measure of interbank exposure for U.S. banks from March 1984 until March 1990. Interbank-exposure ratios formed on aggregated data indicate that the overall level of interbank exposure declined during this period. The same ratios formed on an individual-bank basis support this conclusion. Overall, the evidence suggests that interbank exposure is not a serious problem. However, a limited number of banks have exposure ratios that are high enough to warrant further investigation by their regulators.

FOOTNOTES

[1] Commenting on an earlier draft of this paper, Hester (1987) observed (accurately, we believe) that the terminology we were using then (and that still prevails in academic and policy discussions) is somewhat confused. Hester wrote that "contagion and systemic risks are medical terms with meanings which are quite different. Contagion refers to the spread of disease and systemic risk refers to a simultaneous collapse of different elements or organs. Neither is equivalent to sensitivity, which [is] . . . the partial derivative of one variable with respect to another."

[2] One explanation for the lack of scale economies in banking found by Benston, Hanweck, and Humphrey (1982) is that correspondent banking enables small banks to capture some of the efficiencies of larger banking organizations.

[3] The classic recommendation regarding this type of problem would be for the Federal Reserve, the FDIC, or another lender of last resort to lend freely to banks with exposure to bank A but *not* to lend so as to prevent the market-determined failure of bank A itself. See, for example, Humphrey (1989); Todd (1988a); Clarke (1983); and Bagehot (1873, p. 197). Clarke's observations on the classic lender-of-last-resort theory are worth restatement here (1983, p. 45):

"Although arrangements linking [deposit] insurance assessments with risk would contribute to prudent banking, they do not assure it. So long as banks—especially big banks—have reason to assume that the monetary authorities will not let them fail, moral hazard remains a problem. Banks that adopt go-for-broke strategies can bid up deposit rates sufficiently not only to offset the increases in insurance premia but also to attract investors who are willing to gamble. To be sure, a dynamic economy requires a willingness to take risks but whether this willingness should be found in banks may be doubted, especially if the cost of faulty business judgment is borne by the public. In order to provide assurance that they would bear the full cost of risk-taking, banks should therefore be required not only to pay risk-related insurance premia but also to understand clearly that support from the lender of last resort will be provided only to solvent institutions.

"In recent years the Federal Reserve has paid lip service to this injunction . . . but uncertainty about the precise position of troubled banks has led to slippage in practice. In a significant number of cases, market reports of difficulties at an institution have led to heavy outflows of uninsured deposits and to application for credit from the Discount Window. More often than not, the Fed has responded in the spirit of 'Treat the patient first and ask questions about solvency later.' Even then the question was not, 'Is the institution solvent now?' but rather—'With reformed management and, perhaps, some capital infusion, does the bank stand a fair chance of becoming solvent at some point in the not-too-distant future?' "

[4] See Shaffer (1989) regarding the effect of "pooling" on joint failure risks.

[5] See William M. Isaac's testimony before the House of Representatives, Committee on Banking, Finance and Urban Affairs, Subcommittee on Financial Institutions, Supervision, Regulation and Insurance (U.S. Congress [Hearings] [1985], pp. 457–491). See also Wolfson (1986, p. 111) for a comparable statement regarding Continental by Comptroller of the Currency Todd Conover.

[6] Staff report, U.S. Congress [Hearings] (1985), pp. 418–445.

[7] See Zweig (1985). In the Penn Square lending frenzy, Seafirst and Continental may have relied substantially on Penn Square's credit evaluations of the loans in which they participated, thereby creating what can be termed "indirect interbank exposure." Indirect interbank exposure represents a form of agency problem in the spirit of Jensen and Meckling (1976). However, our study is concerned primarily with *direct* interbank exposure. See also

Wolfson (1986, pp. 99-102, 106-113) regarding the legacy of Penn Square.

[8] Regardless of one's views on the "real bills" doctrine in monetary policy, a *macroeconomic* issue, it remains a bedrock principle of safe and sound banking, a *microeconomic* issue, that only "real bills" should be treated as "prime" bankers' acceptances of the types normally eligible for discount or purchase by a central bank (Todd [1988b]; Hawtrey [1932]).

[Footnotes 9-11 are to Part VII, which has been omitted.]

[12] See Fraust (1987).

[13] We base our suggested 50 percent of capital limit on net, aggregate, interbank exposures on the FDIC's citation of 50 percent capital impairment as one of its standard measures of the purported impact of Continental's failure (1984) on its correspondent banks (see footnote 5). The 15 percent reporting or disclosure limitation is not based on any rule or evidence, but it matches the 15 percent of capital per customer lending limit that generally applies to bank customers. Clarke, in an unpublished letter (June 20, 1990) commenting on a draft of this paper, offered the following observations:

"I'm not at all confident in the efficacy of such [voluntary, self-imposed] limits. Recent experience in the real estate market in the [Northeast] . . . suggests that the banks have already forgotten the lessons of their disastrous Latin American loans. So, in the absence of anything better, I'm inclined to stick with the proposals on pp. 43-48 of my [1983] paper. But what can you do if you get regulators like those in the FSLIC during the '80s and senators like the wicked five and a president and Congress that think the market can do no wrong?"

APPENDIX A

(By James B. Thomson)

Markets and Banking System Stability

Although it is widely accepted that a free-market solution to the problem of failing banks would be the most efficient one, there are some who would dispute the claim that the market solution is stable at all, let alone the most stable solution. (See Campbell and Minsky [1987]; Corrigan [1989]; and Guttentag and Herring [1986, 1988].) Such reservations about the stability of markets (at least of financial markets) may be traced to the claim that market solutions result in more short-run volatility than regulatorily determined solutions. In the case of banking, bank failure rates and the frequency of runs on insolvent institutions are proxies for volatility. Thus, as the argument goes, the more volatile a banking system is, the less stable it is. One flaw in such arguments is that they rely too heavily on one aspect of systemic stability—short-run volatility—and ignore other more important aspects. A second flaw is that such arguments focus on short-run phenomena rather than on long-run evidence, even though stability is a concept that truly has meaning only in a long-run context. In other words, volatility of flows of funds, or liquidity, draws more academic and supervisory attention (wrongly, I think) than sustainability and stability of outcomes (for example, maintenance of solvency, or positive net worth on a market-value basis), which are capital-stock concepts.

Economists use the term "stability" to refer to a specific set of properties that a market or an economic system possesses. In the simplest terms, one can think of the financial system as a ball rolling down a path. The first condition for stability is directed momentum: When there are no outside forces operating on the ball, it follows its equilibrium path. When an exogenous force, for example, new information arriving in the market, acts on the ball, it deviates from its path. How far the ball deviates and how quickly it returns to the equilibrium path are also factors that affect the stability of the system.* Volatility is related to only one of these conditions: that is, it is a measurement of how far and how often the ball deviates from some path. Measures of volatility give us no information on how quickly the ball returns to the equilibrium path and, indeed, cannot tell us whether the ball returns to its path at all.

Market systems naturally exhibit more short-run volatility than regulated ones because market forces continually make corrective adjustments in order to return their ball to its equilibrium path. In regulated systems, corrective actions tend to be deferred (supervisors pretend that the ball has not really deviated from its path), creating an environment in which there are substantial periods of nonadjustment, with substantial adjustments made occasionally. Large-scale adjustments often occur at the expense of having the ball deviate farther and farther from its equilibrium path in the interim. Hence, the ball might stray from its equilibrium path more often and for longer periods of time.

The difference between the market and regulatory adjustment processes is equivalent to the difference in exchange-rate adjustments under floating and fixed exchange-rate regimes. Under a floating exchange-rate regime, supply and demand factors in markets cause nearly continuous adjustments of the exchange rate and, at times, a high level of short-run volatility. Under a fixed exchange-rate regime, the official exchange rate is maintained for long periods, with large adjustments made periodically. Short-run volatility measured by movements in exchange rates typically would be low in a fixed-rate regime, while actual volatility in the foreign exchange markets might be quite high. Hence, regulated systems exhibit less short-run volatility than market systems, but conclusions about the relative stability of the two systems, based solely on "measured" short-run volatility, may be as misleading as comparisons of apples and oranges and, in any case, are subject to the same "flows of funds versus capital stock" criticism mentioned above.

To the extent that regulated systems achieve less short-run volatility by suppressing the corrective forces inherent in markets, the greater is the probability that, over time, a major adjustment would be needed. This is analogous to the absence of small earthquakes along a fault line, which allows stress to build up and thereby increases the probability that a major quake eventually will occur. Small quakes, like self-correcting market forces, relieve the pressures that accumulate over time. Suppression of these forces through regulatory interference allows the pressure to rise and increases the magnitude and violence of the resulting adjustment. Therefore, over the long run, regulated financial systems tend to display more volatility and to stray farther from and adjust less quickly to the equilibrium path than market-oriented financial systems.

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* For simplicity, the discussion here treats the path of the rolling ball as though it were fixed. However, the analysis also is valid when the path is allowed to evolve over time and to be affected by the same forces as those acting on the ball.

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ORDERS FOR TOMORROW

Mr. BAUCUS. Mr. President, on behalf of the majority leader I ask unanimous consent that when the Senate completes its business today it stand in recess until 10:30 a.m. Tuesday, July 21; that following the prayer, the Journal of proceedings be deemed approved to date; that, following the time for the two leaders, there be a period for morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each; that Senator PRESSLER be recognized for up to 10 minutes; that at 11 a.m. the Senate resume consideration of S. 2877, the interstate transportation of municipal waste; further, that, on Tuesday, the Senate stand in recess from 12:30 until 2:15 p.m. in order to accommodate the respective party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. BAUCUS. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 5:55 p.m., recessed until Tuesday, July 21, 1992, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 20, 1992:

DEPARTMENT OF STATE

JOHN CAMERON MONJO, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE ISLAMIC REPUBLIC OF PAKISTAN.

HARRIET WINSARE ISOM, OF OREGON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CAMEROON.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

LINTON F. BROOKS, OF VIRGINIA, TO BE AN ASSISTANT DIRECTOR TO THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY, VICE SUSAN JANE KOCH, RESIGNED.

CORPORATION FOR PUBLIC BROADCASTING

DAVID P. PROSPERI, OF ILLINOIS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR PUBLIC BROADCASTING FOR A TERM EXPIRING MARCH 26, 1997, VICE MARSHALL TURNER, JR., TERM EXPIRED.

DEPARTMENT OF TRANSPORTATION

EDWARD MORGAN PALUSO, OF PENNSYLVANIA, TO BE A MEMBER OF THE ADVISORY BOARD OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION, VICE L. STEVEN REIMERS.

STERLING G. SECHRIST, OF OHIO, TO BE A MEMBER OF THE ADVISORY BOARD OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION, VICE VIRGIL E. BROWN, RESIGNED.

NATIONAL INSTITUTE OF BUILDING SCIENCES

WALTER SCOTT BLACKBURN, OF INDIANA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL INSTITUTE OF BUILDING SCIENCES FOR A TERM EXPIRING SEPTEMBER 7, 1993, VICE KYLE CLAYTON BOONE, TERM EXPIRED.

NATIONAL COUNCIL ON DISABILITY

SHIRLEY W. RYAN, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1994, VICE JOHN LEOPOLD, TERM EXPIRED.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. WILLIAM H. FORSTER [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. PETER A. KIND [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. DONALD M. LIONETTI [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. LEO J. PIGATY [redacted] U.S. ARMY.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

MEDICAL SERVICE CORPS

To be lieutenant colonel

RICHARD L. AGEE, [redacted]
PRISCILLA M. ALSTON, [redacted]
STEVEN M. ASTRIAB, [redacted]
JOHN E. BALL, [redacted]
MARK BERTHOLD, [redacted]
ALAN L. BLATTERMAN, [redacted]
JOHN L. BLISS, [redacted]
SHIRLEY A. BOLTON, [redacted]

HOLGER L. BRENCHER [redacted]
DANIEL J. CALDWELL [redacted]
JOSEPH D. CAMBRE [redacted]
DAVID S. CARTER, [redacted]
DAVID W. CHANDLER, [redacted]
ANGEL E. CINTRON, [redacted]
MICHAEL G. CRAGO, [redacted]
RAYMOND P. DALTON, [redacted]
DARWYN DONNENWERTH, [redacted]
PAUL W. DUNLAP, [redacted]
GEORGE J. DYDEK [redacted]
WILLIAM L. ESTES [redacted]
JAMES D. FAIRLESS [redacted]
GLEN M. *. FITZPATRICK [redacted]
JAMES L. FLETCHER [redacted]
KENNETH J. FOPPIANO [redacted]
MICHAEL J. FOSTER [redacted]
ROBERT T. FOSTER [redacted]
FREDERICK *. GARLAND [redacted]
STEPHEN C. GLASGO [redacted]
ROBERTO A. GONZALEZ, [redacted]
RAJ K. GUPTA [redacted]
BRUCE E. HAMILTON, [redacted]
CARL E. HENDRICKS, [redacted]
DOUGLAS HEWITT, [redacted]
HOWARD E. JOHNSON, [redacted]
LEIF G. JOHNSON [redacted]
MICHAEL G. JOHNSON, [redacted]
JOSEPH KARWATKA [redacted]
WILLIAM M. KOCISCAK, [redacted]
DAVID M. *. KOSKELA, [redacted]
JOHN C. KOTULAK [redacted]
JEFFREY N. *. LEGRANDE [redacted]
STEVEN M. LEMON, [redacted]
LAWRENCE *. LIGHTNER, [redacted]
KENNETH LINTHICUM, [redacted]
GEORGE D. MAGEE [redacted]
KIM D. MANSFIELD [redacted]
MARY Z. MAYS, [redacted]
RICHARD G. MCADAM, [redacted]
TERRY L. MCARTHUR, [redacted]
JEFFERY L. *. MCCOLLUM [redacted]
JAMES F. MCGAHA [redacted]
EUGENE A. MILLER [redacted]
KATHARINE D. *. MILLER [redacted]
DAVID T. MOONAN, [redacted]
WALTER MOORE, JR [redacted]
WILLIAM D. MORRIS, [redacted]
DUANE C. MUNGER, [redacted]
THOMAS MURPHY, JR [redacted]
GERALD L. ONEY [redacted]
MICHAEL W. *. PARKER, [redacted]
MICHAEL H. PENGELLY, [redacted]
JOHN R. PIETERS [redacted]
MYRON V. PIZIAK [redacted]
LLOYD L. POLEN [redacted]
ROBERT C. READ [redacted]
PAUL M. REILLY [redacted]
WELFORD C. *. ROBERTS [redacted]
JODY R. ROGERS [redacted]
WESSIE C. ROGERS [redacted]
KENNETH D. ROLLINS [redacted]
DAVID A. RUBENSTEIN [redacted]
RAMON M. SANCHEZ, [redacted]
THOMAS J. SEMARGE, [redacted]
PATRICK L. SHIPLEY [redacted]
JAMES C. SIMMONS [redacted]
GREGORY P. SMITH [redacted]
JAMES G. SOLOMON, [redacted]
DARRELL E. STAFFORD [redacted]
RICHARD I. *. STARK, [redacted]
ALAN C. TANKIN, [redacted]
MICHAEL G. TATE, [redacted]
BOBBY R. TEMPLIN [redacted]
NEAL H. TRENT [redacted]
BRETT D. WALKER, [redacted]
JOSEPH C. *. WALL [redacted]
JAMES P. WALSH, [redacted]
JOHNNY L. WEST [redacted]
JOSEPH C. *. WHITE [redacted]
DAVID E. WILLIAMS, [redacted]
DENNIS L. WILLIAMS [redacted]
JACKIE L. *. WILLIAMS [redacted]
JOHN J. WILLIAMS [redacted]
MICHAEL R. WILLIAMS [redacted]
ANTHONY W. YOUNG, [redacted]
SHERYL A. CONNER, [redacted]

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

CINDY J. BENSON [redacted]
SUZANNE S. CHIANG, [redacted]
SHIRLEY N. CONRAD, [redacted]
KEITH G. HAURET [redacted]
NANCY E. HENDERSON, [redacted]
RICHARD D. JANSEN [redacted]
RICKY JOSEPH [redacted]
DEBRA J. *. METZGER [redacted]
VALERIE J. OBRIEN, [redacted]
JOHN P. OBUSEK [redacted]
BILLIE J. RANDOLPH [redacted]

VETERINARY CORPS

To be lieutenant colonel

JOHN A. *. BLEY [redacted]
WILLIAM W. BRINKLEY, [redacted]
RANDAL C. LAYTON, [redacted]
FRED E. LYONS, [redacted]
EDWIN O. NUZUM, [redacted]
DAN E. *. SCHILLING [redacted]
CATHERINE D. SMITH [redacted]
OTIS L. STANLEY [redacted]
MICHAEL J. TOPPER [redacted]
JAMES H. VANETTEN [redacted]
GEORGE D. YOUNG, [redacted]

ARMY NURSE CORPS

To be lieutenant colonel

CYNTHIA A. ABBOTT, [redacted]
CAROLYN A. ADAMS, [redacted]
SUSAN M. ANDREWS, [redacted]
MARG APONTEOQUENDO, [redacted]
ALBERTA M. *. BEE [redacted]
DEBULON E. *. BELL [redacted]
CAROLYN G. BERNHEIM, [redacted]
ANN *. BRAZIL, [redacted]
MARGO D. BROCK, [redacted]
CAROL B. BROWN, [redacted]
ELIZABETH A. BRYANT, [redacted]
MICHAEL A. CALDER, [redacted]
HAROLD J. CARROW, [redacted]
PAUL E. CHADEK, [redacted]
GLORIA D. COFER, [redacted]
MARY S. CONNOLLY, [redacted]
DIANA J. *. CONRAD, [redacted]
GEORGE W. CROSBY, [redacted]
ROBERT C. DAHLANDER, [redacted]
BARBARA L. DEETER [redacted]
FRANCES K. *. DEVLIN, [redacted]
LAURA L. DILLEY [redacted]
PATRICIA DIMEGLIO [redacted]
DEBRA J. DIVELBISS [redacted]
JANET R. EAGAN [redacted]
GAIL D. *. ERLITZ [redacted]
ANNETTE E. ETNYRE [redacted]
KENNETH C. FERRO [redacted]
THOMAS E. FLASH [redacted]
GARY W. *. FLECKER [redacted]
DIANE J. FLESHIN [redacted]
RICHARD D. FLESHIN [redacted]
KATHY O. FLESHMAN [redacted]
ELLEN M. GEBHART [redacted]
ROSEMARIE GIBBONS, [redacted]
JOHN C. *. GILL, [redacted]
PATRICIA GONZALVES, [redacted]
MICHAEL F. *. GRISWOLD, [redacted]
DANA *. GRUBER, [redacted]
DANEEN T. HARRIS [redacted]
JANET R. *. HARRIS [redacted]
SANDRA L. *. HELLMAN, [redacted]
JILL D. HENRY [redacted]
NOLAN J. *. HINSON, [redacted]
DEAN A. HOFMAN, [redacted]
DONALD F. IVEY, [redacted]
STEPHEN J. *. JANNY [redacted]
MARY B. *. JOHNSTON, [redacted]
LINDA G. *. JONES, [redacted]
THERESA V. JONES [redacted]
LELAN JURGENSMEIER [redacted]
LINDA S. LAWS [redacted]
DEBB LOMAXFRANKLIN, [redacted]
BIJOY K. MAHANTI, [redacted]
LAURIE A. MCNABB, [redacted]
THOMAS E. MEANS, [redacted]
MARY S. MILLER [redacted]
BRENDA I. *. MYGRANT, [redacted]
SHIRLEY I. NEWCOMB, [redacted]
KATHLEEN V. *. NEWMAN, [redacted]
BONNIE S. PEARSON [redacted]
KAREN B. *. PEPPER [redacted]
DIANE J. PLEMENIK [redacted]
LOIS E. PLOOSTER [redacted]
VIRGINIA L. *. PULLIAM, [redacted]
DAVID H. RANG, [redacted]
SUSAN I. REINHART [redacted]
JAMES M. *. RICH [redacted]
WILLIAM J. ROBENOLT, [redacted]
ANALIZA Y. *. SAVAGE, [redacted]
ANITA J. *. SCHMIDT, [redacted]
MILAGROS B. SCHRECK, [redacted]
LOI SCHRETENTHALER [redacted]
GLORIA B. SHAW, [redacted]
MARTHA J. SKIPPER [redacted]
DEBORAH G. SMITH, [redacted]
MILDRED M. SMITH, [redacted]
ALESIA K. SOVA, [redacted]
ELIZABETH STEWART, [redacted]
CAROL A. *. SWANSON, [redacted]
ANN L. SWARTZ, [redacted]
DONNA L. TALBOTT, [redacted]
STEVEN L. TEFFT [redacted]
ANN M. TRELEVEN, [redacted]
ORIAN W. TUCKER, [redacted]
ANNE E. *. VARNER, [redacted]
MARIBETH C. *. VOLK, [redacted]
ARTHUR P. WALLACE, [redacted]
PATRICK A. *. WESLEY, [redacted]
GAIL J. WILLIAMSON [redacted]
CYNTHIA A. WOODLING, [redacted]
NANCY A. *. WOOLNOUGH, [redacted]
LINDA H. YODER, [redacted]
LARRY K. ZAGER, [redacted]
LYDIA R. ZAGER, [redacted]

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

DENTAL CORPS

To be lieutenant colonel

SAMUEL J. ANGULO [redacted]
STEPHEN J. *. AWE [redacted]
LINDA C. *. BASQUILL, [redacted]
PATRICK J. *. BASQUILL [redacted]
BRUCE A. *. BORETSKY, [redacted]
TIMOTHY M. *. CAMPBELL [redacted]
BLAKE C. CHILDERS, [redacted]
ESTHER L. CHILDERS [redacted]
FERNA COSTASNIEVES, [redacted]
MICHAEL F. *. CUENIN, [redacted]
PAUL J. ENGIBOUS [redacted]
DONALD E. *. FANNING, [redacted]
JAMES G. *. FISHER [redacted]
PAUL F. FORTE [redacted]
JEFFREY D. *. FOWLER [redacted]
KARL K. *. FURUKAWA, [redacted]
DONALD L. GEBHART, [redacted]
MONROE M. GINSBURG, [redacted]
CURTIS D. GOHO, [redacted]
TED W. HAMMOND, [redacted]
LARRY J. HANSON, [redacted]
WILLIAM C. *. HORTON, [redacted]
DAVID G. KERNS, [redacted]
TIMOTHY M. *. KING, [redacted]
LEANDER LANIER, SR [redacted]
FREDERICK LIEWEHR, [redacted]
ROBERT K. MANGA, [redacted]
ALBERT M. MANGANARO, [redacted]
JEFFREY *. MCCLENDON, [redacted]
KEVIN T. *. MCGLYNN, [redacted]
STANLEY C. MORRIS, [redacted]
MICHAEL G. MOYER, [redacted]
TERRENCE S. MURPHY, [redacted]
WAYNE L. OLSEN, [redacted]
WILLIAM R. *. PATTON, [redacted]
ADOLFINA M. POLK, [redacted]
MELVIN S. POLK, [redacted]
JAMES K. SCHMITT [redacted]
VICTORIA L. SEARCY, [redacted]
JOHNETTE J. *. SHELLEY [redacted]
JOSIAH S. *. TOOLEY [redacted]
RANDALL *. TOOTHAKER, [redacted]
THOMAS W. UTT, [redacted]
DOUGLAS N. *. WADE, [redacted]
JAMES C. *. WARING, [redacted]
ROGER W. *. WEYAND, [redacted]
JOSEPH A. WINEMAN, [redacted]
DANIEL A. *. WOLF, [redacted]

MEDICAL CORPS

To be lieutenant colonel

SUE H. ABREU, [redacted]
CAROL F. *. ADAIR [redacted]
CARL W. *. ADAMS, [redacted]
BRE *. ALCOVERBALLARD, [redacted]
DEBRA B. *. ALLEN, [redacted]
BEVERLY A. *. ANDERSON, [redacted]
ROBERT R. *. ANTHONY, [redacted]
ALICIA Y. *. ARMSTRONG, [redacted]
NAOMI E. ARONSON, [redacted]
MICHAEL R. *. BAKER, [redacted]
JAMES G. *. BARR [redacted]
DANIEL *. BATTAFARANO, [redacted]
WAYNE B. *. BATZER, [redacted]
WENDY B. BERNSTEIN, [redacted]
WILLIAM S. *. BESSER, [redacted]
RALPH O. *. BOLING [redacted]
MICHAEL *. BRAZAITIS, [redacted]
ISAAC D. *. BROUSSARD, [redacted]
WILLIAM E. *. BUCHANAN, [redacted]
ARLENE L. *. BURKE [redacted]
GUILLERMO *. CABEZA, [redacted]
MIG *. CAMACHOGARRIDO, [redacted]
WILLIAM E. *. CARAS, [redacted]
JOSEPH J. CARAVALHO, [redacted]
EDWARD R. *. CARTER, [redacted]
RICHARD M. *. CARTER, [redacted]
RICHARD S. *. CHESSER, [redacted]
WILLIAM G. *. CIOFFI, [redacted]
CLIFFORD C. CLOONAN, [redacted]
CHARLES F. *. COHAN, [redacted]
RHONDA L. CORNUM, [redacted]
LAWRENCE *. CORRENTI, [redacted]
STEPHEN C. CRAIG, [redacted]
DAVID F. *. CRUDO [redacted]
JOHN S. *. DANIEL, [redacted]
STEPHEN M. *. DAVIS [redacted]
LOUIS J. *. DELDO [redacted]
RAHUL N. *. DEWAN, [redacted]
ERIC L. *. DOANE, [redacted]
RALPH L. *. DRU, [redacted]
CORAZON Y. *. DUPREL, [redacted]
PHILIP D. DYER, [redacted]
GARY T. *. DYKSTRA, [redacted]
BILLINGSLEY *. ELLIS, [redacted]
DAVID D. ELLIS, [redacted]
JOSEPH M. ERPELDING [redacted]
WARNER D. FARR, [redacted]
THOMAS *. FITZPATRICK, [redacted]
RICHARD S. *. FOULKE, [redacted]
KENNETH J. FRANKLIN [redacted]
PETER D. *. FRIES [redacted]
JONATHAN C. *. FRUENDT, [redacted]
GEORGE F. FULLER [redacted]
STEPHEN I. *. GATES [redacted]
ALAN G. GETTS, [redacted]
DAVID *. GILLINGHAM, [redacted]
JEFFERY R. GINTHER [redacted]

CHARLES H. *. GLEATON, [redacted]
DAVID I. GOLDBERG, [redacted]
DAVID M. *. GONZALEZ, [redacted]
JANE V. *. GWINN, [redacted]
NOEL D. *. HABIB, [redacted]
DALLAS C. *. HACK, [redacted]
NEAL E. *. HARDING, [redacted]
BRADLEY N. HARPER, [redacted]
BRENDA S. *. HARPER [redacted]
JEFFREY L. *. HARRIS, [redacted]
STEPHEN P. HETZ [redacted]
RANDALL T. *. HULING, [redacted]
INA M. *. INOUYE, [redacted]
JONATHAN H. *. JAFFIN [redacted]
THOMAS W. *. JEWELL [redacted]
WAYNE B. *. JONAS, [redacted]
JEFFREY R. *. KEIM [redacted]
JOHN W. *. KELLY, [redacted]
KARL R. KERCHIEF, [redacted]
YOUNG O. *. KIM, [redacted]
JAMES J. *. KING [redacted]
CHARLES P. *. KINGSLEY [redacted]
ROBERT G. *. KNIGHT, [redacted]
RICHARD D. *. KOPKE, [redacted]
KARL J. *. KREDER [redacted]
STEVEN G. *. LANG [redacted]
ROBERT D. *. LARSEN, [redacted]
LEONARD *. LITTLE, JR [redacted]
PAUL B. *. LITTLE [redacted]
CAROLYN *. MACDONALD, [redacted]
DONALD L. *. MADDOX, [redacted]
SUSAN L. *. MALANE, [redacted]
MANISCALCOTHEBERGE, [redacted]
RICHARD L. MARPLE, [redacted]
ROBERT A. MAZZOLI, [redacted]
MIKE MCBILES, [redacted]
JOHN W. *. MCBURNEY, [redacted]
DANIEL R. *. MCCORMACK, [redacted]
JAMES S. *. MCGHEE [redacted]
ROGER G. *. MCINTOSH, [redacted]
JOHN G. *. MCNEIL, [redacted]
VICTOR L. *. MODESTO, [redacted]
ALAN L. MOLOFF [redacted]
DAVID W. *. MONAHAN, [redacted]
RICHARD H. *. MOORE, [redacted]
SEAN E. *. MULLEN, [redacted]
EDWARD T. *. NEELY, [redacted]
ANN E. NORWOOD [redacted]
PATRICK J. *. OFFNER [redacted]
MARK K. *. PARSONS, [redacted]
JOHN J. *. PEACHER [redacted]
WILLIAM A. *. PEARCE, [redacted]
THOMAS A. *. PERKINS [redacted]
EDWINA J. *. POPEK [redacted]
ALFREDO C. *. RAMIREZ [redacted]
SYLVESTER *. RAMIREZ [redacted]
HARRY B. *. RAUCH, [redacted]
SHIRLEY E. *. REDDOCH, [redacted]
JOHN E. *. REED, [redacted]
STEVEN E. *. REISSMAN, [redacted]
MERLIN L. *. ROBB, [redacted]
JOHN F. ROSER, [redacted]
PAUL S. *. RUBLE, [redacted]
ALBERT P. *. SARNO [redacted]
JOSEPH A. SCANIFFE [redacted]
WILLIAM E. *. SHIELS [redacted]
LILLIAM *. SIERRA [redacted]
CLIFFORD L. *. SIMMANG, [redacted]
JOHN C. *. SINCLAIR, [redacted]
JOSEPH W. *. SLEDGE [redacted]
DALE B. *. SMITH [redacted]
ANDREW P. *. SOISSON, [redacted]
WILLIAM *. SOUTHGATE, [redacted]
STEPHEN SPAULDING, [redacted]
ELISABETH *. STAFFORD [redacted]
LINDA L. STRAND, [redacted]
JAMES *. STUBBLEFIELD [redacted]
JULIUS L. *. TEAGUE [redacted]
RICHARD C. TENGLIN [redacted]
WILSON *. TORRES, [redacted]
VLADIMIR *. TROCHE, [redacted]
RICHARD *. TRUESDALE, [redacted]
CLYDE A. *. TURNER, [redacted]
GARY E. *. TURNER, [redacted]
PHILIP *. VOLPE [redacted]
DONALD C. *. WADE, [redacted]
ROBERT W. *. WEIEN, [redacted]
LAWRENCE T. WESTON, [redacted]
WILLIAM C. *. WILLIARD, [redacted]
GARY L. *. WILSON, [redacted]
BENJAMIN G. WITHERS, [redacted]
ROBINGTON J. *. WOODS, [redacted]
MICHAEL R. *. WYMES, [redacted]
JOHN S. YOUNG, [redacted]

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. ALL OFFICERS ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

CHAPLAIN

To be major

LARR ADAMSTHOMPSON, [redacted]
LINDA L. AMBLER, [redacted]
DAVID L. ARNOLDT [redacted]
ARCHIE E. BARRINGER [redacted]
TIMOTHY L. BARTLETT [redacted]
DANIEL J. BLOCK, [redacted]
JAMES S. BOELENS [redacted]
BARRY D. BOWDEN, [redacted]
GARY W. BROWN, [redacted]
PAUL P. BUCK, [redacted]
THOMAS C. CONDRY, [redacted]
CLIFTON H. CRAFT, [redacted]
GLENN S. DAVIS, [redacted]
THOMAS L. DAY, [redacted]
ALVESTER I. GALES [redacted]
DAVID R. GERBER, [redacted]
FLOYD R. GILBERT, [redacted]
WAYNE E. HARRIS, [redacted]
JOHN P. HASH, [redacted]
MURRY R. HERRON, [redacted]
CURTIS B. HEYDT, [redacted]
RONALD B. HILL, [redacted]
JOHN R. HOUSER, [redacted]
CAROLYN B. JACOBS, [redacted]
PALMA N. JUAREZ, [redacted]
DAVID A. KENEHAN, [redacted]
DOUGLAS K. KINDER, [redacted]
RICHARD D. KING, [redacted]
LARRY R. LAWRENCE, [redacted]
GEORGE LEATHERWOOD, [redacted]
ARCHIE L. LINNEAR, [redacted]
THOMAS A. MACGREGOR, [redacted]
EDWARD M. MACURA, [redacted]
CLEMENTE MAURICIO, [redacted]
RAYMOND L. MEAD, [redacted]
MICHAEL MESSINGER, [redacted]
CAROL A. MITCHELL, [redacted]
MITCHELL L. MORTON, [redacted]
THOMAS MURRAY, [redacted]
JOHN J. PENNEY [redacted]
KENNETH D. PFEIFFER [redacted]
MARY A. PITTS, [redacted]
BARRY W. PRESLEY, [redacted]
KENNETH B. RATLIFF [redacted]
GILLEY RICHARDSON, [redacted]
MICHAEL D. RIDDLE, [redacted]
LIONEL D. ROBINSON, [redacted]
STANLEY H. SCHWARTZ, [redacted]
ROBERT L. SCRUGGS, [redacted]
DAVID E. SMITH, [redacted]
BENNIE G. STALLINGS [redacted]
MICHAEL D. TARVIN, [redacted]
TIMOTHY J. TEAHAN, [redacted]
JAIRO A. TELLEZ [redacted]
VANCE P. THEODORE, [redacted]
ROBERT W. THOMPSON, [redacted]
DONNY D. THRASHER, [redacted]
JOHN F. ULM, [redacted]
CRAIG N. WILEY, [redacted]
JOHN A. WILKES, [redacted]
TIMOTHY WILLOUGHBY, [redacted]

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, July 21, 1992, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 22

9:00 a.m.

Armed Services

Projection Forces and Regional Defense Subcommittee Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-232A

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Environment and Public Works

Nuclear Regulation Subcommittee

To hold hearings to examine the effects of the Chernobyl nuclear accident, focusing on human and environmental devastation, the continued health risk to the people and the environment of the region, and the role of U.S. businesses and nuclear experts in helping with the clean-up and safety improvement throughout the former Eastern bloc.

SD-406

Governmental Affairs

Government Information and Regulation Subcommittee

To hold hearings to examine certain bureaucratic problems individuals encounter when purchasing a home.

SD-342

Judiciary

Constitution Subcommittee

To hold hearings on S.J.Res. 297, S.J.Res. 302 and S.J.Res. 312, measures proposing amendments to the Constitution relating to the election of the President and Vice President of the United States.

SD-226

Rules and Administration

To hold hearings on S. 2748, to authorize the Library of Congress to provide certain information products and services.

SR-301

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the state of the United States economy and America's global competitive position.

SD-538

Finance

To hold hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.

SD-215

Foreign Relations

International Economic Policy, Trade, Oceans and Environment Subcommittee

To hold hearings on proposed legislation authorizing funds for the Overseas Private Investment Corporation.

SD-419

Veterans' Affairs

To hold hearings on S. 2974, to revise certain administrative provisions relating to the United States Court of Veterans Appeals, S. 2369, to provide for the reclassification of members of the Board of Veterans' Appeals and to ensure pay equity between those members and administrative law judges, S. 2379, S. 2737, S. 2958, H.R. 939, H.R. 4368, bills to revise certain provisions of the veterans home loan program, and S. 2961, to permit the burial in ceremonies of the National Cemetery System of certain deceased Reservists, to furnish a burial flag for such members, and to furnish headstones and markers.

SR-418

Joint Economic

To hold hearings to examine Japan's role in the integration of the Asia-Pacific region and the consequences for the U.S., focusing on Japan's trade and investment in the region, the possibilities for a Japan-led trade bloc, and U.S. influence and market share in the region.

2203 Rayburn Building

10:30 a.m.

Armed Services

Strategic Forces and Nuclear Deterrence Subcommittee

Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

Judiciary

To hold hearings on the nominations of Francis A. Keating, II, of Oklahoma, to be United States Circuit Judge for the Tenth Circuit, Timothy E. Flanigan, of Virginia, to be an Assistant Attorney General, and Henry Edward Hudson, of Virginia, to be Director of the United States Marshals Service, all of the Department of Justice.

SD-106

2:00 p.m.

Armed Services

Closed business meeting, to mark up S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

Foreign Relations

To hold hearings on the nominations of Donald Burnham Ensenat, of Louisiana, to be Ambassador to Brunei Darussalam, Jon M. Huntsman, Jr., of Utah, to be Ambassador to the Republic of Singapore, John Stern Wolf, of Maryland, to be Ambassador to Malaysia, and Robert F. Goodwin, of Maryland, to be Ambassador to New Zealand, and to serve concurrently as Ambassador to Western Samoa.

SD-419

Select on Intelligence

To hold closed hearings on intelligence matters.

SH-219

2:30 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on the report and recommendations to the Director of the National Park Service from the Steering Committee of the 75th Anniversary Symposium, and on the status of the transition of the Presidio to the National Park Service.

SD-366

Select on Indian Affairs

To hold hearings on the proposed Yavapai-Prescott Water Rights Settlement Act, and the Ft. Mojave Water Use Act.

SR-485

3:00 p.m.

Appropriations

District of Columbia Subcommittee

Business meeting, to mark up proposed legislation making appropriations for fiscal year 1993 for the government of the District of Columbia.

SD-192

JULY 23

9:00 a.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense,

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

and to prescribe military personnel levels for fiscal year 1993.

SR-222

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Commerce, Science, and Transportation

To hold hearings in conjunction with the National Ocean Policy Study on S. 1898, to revise the Marine Mammal Protection Act of 1972 to provide for examination of the health of marine mammal populations and for effective coordinated response to strandings and catastrophic events involving marine mammals, and on proposed legislation to reduce the number of dolphins killed in tuna purse seining operations and to reduce dolphin mortality in the Eastern Pacific Fishery.

SR-253

Labor and Human Resources

Children, Family, Drugs, and Alcoholism Subcommittee

To hold hearings to examine the effects of violence on America's youth.

SD-430

Rules and Administration

To hold joint hearings with the Committee on House Administration on S. 2813 and H.R. 2772, bills to establish in the Government Printing Office a single point of online public access to a wide range of Federal databases containing public information stored electronically.

SR-301

Small Business

To hold hearings on H.R. 5191, to encourage private equity capital to small business concerns.

SR-428A

Select on Indian Affairs

To hold hearings on S. 2833, to resolve the 107th Meridian boundary dispute between the Crow Indian Tribe, the Northern Cheyenne Indian Tribe and the United States and various other issues pertaining to the Crow Indian Reservation.

SR-485

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on the state of the United States economy and America's global competitive position.

SD-538

Foreign Relations

To hold hearings on S. 2064, to impose a one-year moratorium on the performance of nuclear weapons tests by the United States unless the Soviet Union conducts a nuclear weapons test during that period.

SD-419

Judiciary

Immigration and Refugee Affairs Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1993 for United States refugee programs.

SD-226

Veterans' Affairs

Business meeting, to resume markup of S. 2575, to revise certain pay authorities that apply to nurses and other health care professionals.

SR-418

2:00 p.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

Conferees on H.R. 707, to improve the regulation of futures trading and authorize funds for the Commodity Futures Trading Commission.

1300 Longworth Building

4:00 p.m.

Select on POW/MIA Affairs

Business meeting, to consider matters relating to the declassification of certain documents, files, and other materials pertaining to POW's and MIA's.

SR-385

JULY 24

9:00 a.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

9:30 a.m.

Governmental Affairs

To hold hearings to examine the role of contractors in the Department of Defense's star wars program.

SD-342

10:00 a.m.

Environment and Public Works

Environmental Protection Subcommittee

To hold hearings on S. 1491, to provide for the establishment of a fish and wildlife conservation partnership program between the United States Fish and Wildlife Service, the States, and private organizations and individuals.

SD-406

2:00 p.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

JULY 27

2:00 p.m.

Governmental Affairs

Oversight of Government Management Subcommittee

To hold hearings on proposed legislation authorizing funds for activities of the Independent Counsel Law of the Ethics in Government Act of 1978.

SD-342

3:00 p.m.

Foreign Relations

To hold hearings to examine U.S. plans and programs regarding weapons dismantlement in the former Soviet Union.

SD-419

JULY 28

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Armed Services

To hold hearings on the military implications of the START Treaty and the June 17, 1992 United States/Russian Joint Understanding on Further Reductions in Strategic Offensive Arms.

SH-216

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.

SR-253

2:30 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To resume hearings on S. 1156, Federal Land and Families Protection Act of 1991, focusing on the health of the eastside forests in Oregon and Washington.

SD-366

JULY 29

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings to examine the uses of telecommunication technologies in education.

SR-253

Governmental Affairs

Permanent Subcommittee on Investigations

To resume hearings to examine efforts to combat fraud and abuse in the insurance industry.

SD-342

10:00 a.m.

Finance

To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.

SD-215

JULY 30

9:30 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings to examine cosmetic standards and pesticide use on fruits and vegetables.

SR-332

Appropriations

Labor, Health and Human Services, Education Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings to examine issues relating to telemarketing fraud.

SR-253

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to examine efforts to combat fraud and abuse in the insurance industry.
SD-342

2:30 p.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on rail highway grade crossing safety, and on S. 2644, to require the Secretary of Transportation to require passenger and freight trains to install and use certain lights for safety purposes.
SR-253

AUGUST 4

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 2617, to provide for the maintenance of dams located on Indian lands in New Mexico by the Bureau of Indian Affairs or through contracts with Indian tribes.
SR-485

AUGUST 5

10:00 a.m.
Finance
To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.
SD-215

Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

Veterans' Affairs
Business meeting, to consider pending calendar business.
SR-418

AUGUST 7

9:30 a.m.
Governmental Affairs
To hold hearings to examine the health risks posed to police officers who use radar guns.
SD-342

AUGUST 12

9:30 a.m.
Select on Indian Affairs
To hold oversight hearings on Indian trust fund management.
SR-485

CANCELLATIONS

JULY 22

2:00 p.m.
Governmental Affairs
Government Information and Regulation Subcommittee
To hold hearings on S. 1258, to establish minimum standards for the hiring by the Federal Government of security officers, and to establish a grant program to assist States in establishing standards for the hiring of security officers by public and private employers.
SD-342

JULY 23

9:30 a.m.
Governmental Affairs
To hold oversight hearings on the implementation of the Chief Financial Officers Act (P.L. 101-576), and to review the Army audit.
SD-342

2:30 p.m.
Governmental Affairs
General Services, Federalism, and the District of Columbia Subcommittee
To hold hearings on S. 2080, to clarify the application of Federal preemption of State and local laws.
SD-342

SENATE—*Tuesday, July 21, 1992*

(Legislative day of Monday, July 20, 1992)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the Honorable J. ROBERT KERREY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Preserve me, O God: for in thee do I put my trust.—Psalm 16:1.

Eternal God, sovereign Lord of history, and Ruler of the nations, as the national election enters its final phase and pressure builds to November, we pray for the fresh wind of God to blow upon our Nation. Grant to political leaders wisdom and sensitivity to our present condition. Grant to the people an awakening to their sovereign responsibility. Help them understand that our political system will not work without their dedicated involvement.

Grant us, dear Lord, the realization that God is a transcendent reality upon which all reality depends, that He is not just a word to be inserted at the end of a political speech. Help the press and media realize that they have a responsibility to lead, not just follow; to instruct, not just inform; to constructively report the best and finest, not just the negative and worst. Restore to mind and heart the indispensable need for spiritual and moral recovery.

In the name of the Savior and Lord of history. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 21, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. ROBERT KERREY, a Senator from the State of Nebraska, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. KERREY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order the majority leader is recognized.

SCHEDULE

Mr. MITCHELL. Mr. President, Members of the Senate, this morning the period for morning business will extend until 11 a.m., with Senators permitted to speak therein for up to 5 minutes each, with the exception of Senator PRESSLER, who is to be recognized for up to 10 minutes.

Once the period for morning business closes at 11 this morning, the Senate will resume consideration of S. 2877, the Interstate Transportation and Municipal Waste Act of 1992.

From 12:30 p.m. until 2:15 p.m. the Senate will stand in recess to accommodate the regular party conference luncheons.

Mr. President, for the information of Senators, I want to repeat what I said prior to the recent Fourth of July recess with respect to the Senate schedule for the upcoming legislative period. We have a number of important measures to consider and limited time within which to consider them. Therefore, Senators can expect lengthy sessions throughout this period and, unless otherwise announced, beginning today, sessions and votes on 5 days of each week.

I repeat, unless otherwise announced, Senators should be prepared for legislative sessions, beginning today and continuing through the commencement of the August recess, the recess to occur for the Republican convention, 5 days a week with votes 5 days a week at any time of the day or evening, unless otherwise announced, pursuant to agreement.

I regret the inconvenience this may cause Senators, but, as we all understand, our primary responsibility is to meet our public obligations, and we have a number of important measures, including all of the appropriations bills, which we have to complete prior to the end of the fiscal year on September 30. That means that it will be necessary, in view of the relatively few remaining weeks available for legislative action, to have lengthy sessions, as I previously stated.

I thank my colleagues for their patience and understanding in this matter, and look forward to a productive legislative session.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I ask unanimous consent that the remainder of my leader time and all leader time of the Republican leader be reserved for use later in the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MITCHELL. I yield the floor.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m. with Senators permitted to speak therein for up to 5 minutes each.

Under the order, Senator PRESSLER is recognized for up to 10 minutes.

TIME FOR CAUTION IN CENTRAL ASIA

Mr. PRESSLER. Mr. President, I have requested time this morning and tomorrow morning to begin my report on a recent trip to many of the new States of the former Soviet Union and the Baltic States. My criteria may be difficult. They include building democratic institutions, respecting human rights, and creating free market economic conditions.

From July 3–19, I led a delegation that visited nine States of the former Soviet Union: Russia, Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, Georgia, Moldova, Ukraine, Belarus. We also visited Latvia, one of the three Baltic States which, like Moldova, were hostages to the Hitler-Stalin pact for 50 years.

I also believed this trip was essential because the Senate had just completed consideration of S. 2532, the so-called Freedom Support Act to provide United States taxpayer assistance and increase lending by the International Monetary Fund to the former Soviet Republics. Senators will recall that during consideration of that legislation, I offered several amendments and participated in a number of debates on whether U.S. assistance could make a difference and what minimal, reasonable conditions Congress should urge to protect the American taxpayer's investment in a time of economic recession and enormous Federal budget deficits.

Ultimately, I joined the majority that approved S. 2532 by a vote of 76 to

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20. However, Mr. President, my overall impression of the nine former Soviet Republics and comparison with the Baltic States now makes me inclined to urge the other body to adopt many of the conditions passed by the Senate and oppose any conference report that takes an unrealistic or overoptimistic approach toward the former Soviet Union.

My impressions are not far from those of Henry Kissinger who, in a March article in the Washington Post, suggested that the United States limit its assistance to agriculture and technical aid. Grandiose plans in the former Soviet Union or lack of fair conditionality could, I fear, bring Congress to the point of debating who lost the former Soviet Union in just a few years if forces and personalities opposed to democracy, free enterprise, and human rights fail to gain control.

THE MORE THINGS CHANGE, THE MORE THEY STAY THE SAME

With the exception of the Baltic States, democratic hopes are far from being fulfilled in most of the former Soviet Union. In country after country that our delegation visited, I found that 1990 one-party elections had done little more than shuffle titles of institutions and shift a few people around who had been Communist Party apparatchiks.

In most non-Baltic countries I visited, some opposition exists but it is treated with open disdain or contempt by leaders elected in 1990 or actively opposed.

Mr. President, all of the countries of the former Soviet Union have signed on to Helsinki Principles of the Commission on Security and Cooperation in Europe. But none of the states of Central Asia are paying more than lipservice to the cornerstone concepts of free press, free association, tolerance of political opponents, and basic rules of fair play.

The gap between performance and rhetoric of Central Asian Republics should, by itself, make any United States assistance program highly skeptical and conditional. Free-for-all foreign aid to the former Soviet Republics gambles that by closing our eyes to actual conditions there Americans might unwittingly encourage unacceptable institutions and practices to grow up.

Mr. President, much of our information about conditions will depend on top flight Foreign Service officers from the U.S. Information Agency and the State Department knowing enough about America's priorities to produce usable unclassified reports to Washington based on those measurements. I am delighted that two personal friends, William Courtney and Henry Clark, are of that quality and have been nominated by President Bush to represent our country in Kazakhstan and Uzbekistan.

Confirmation of new envoys to the former Soviet Union should, in my opinion, not be routine. These women and men will be pioneers in somewhat hostile territory. For this reason, I will oppose efforts on the part of some on the Foreign Relations Committee to lump all the nominations together and consider as many as nine of them en bloc just prior to the August recess.

The Foreign Relations Committee and the European Affairs Subcommittee has plenty of time between now and August to look with care at each country, its needs, and the suitability of each nominee to their new post. Ramming a large number of nominees through the Senate on a short timeframe could signal that the Senate is not truly committed or serious about the monumental tasks these people face. By raising this question, I do not intend to give the impression that I personally am prepared at this moment to oppose or seek to delay any nominee. However, an orderly, constitutional confirmation process, undertaken in a careful environment, is the very minimum effort Senators owe the taxpayers and citizens of the former Soviet Union yearning to be truly free.

RUSSIA

At the beginning of my visit to the region, I was privileged to share a working dinner with a delegation from the Tax Foundation in Washington. Our hosts, Dan Witt, who serves as executive director of the foundation and David Jory, vice president of Citicorp/Citibank, joined other United States business leaders in a seminar with the Russians to plan a fair and equitable tax policy. Citibank is, of course, one of the most active companies in my own State, South Dakota, and this made me especially proud. If Russia wants foreign investment, it would be wise to follow the recommendations of the Tax Foundation for low taxes and a environment inspiring investment.

Hard working, realistic Americans from the private sector can do more with technical assistance and solid advice than armies of consultants from the State Department or Agency for International Development. I highly commend the Tax Foundation for its leadership in these efforts and I hope that many other principled American business leaders can become active throughout the former Soviet Union as an example that United States know-how and experience with free institutions are the best investment this country can make.

KAZAKHSTAN

The Tax Foundation discussions framed much of the rest of my visit to the former Soviet Union, which began in Kazakhstan on July 6. As I mentioned, I was delighted to be met at the airport by my old friend Bill Courtney, a top-notch Foreign Service officer I came to know when I first came to Washington more years ago than I like to recall. Mr. Courtney, a distinguished officer, is precisely the kind of envoy the United States should be sending to every former Soviet Republic.

During 2 days in Alma Ata, Kazakhstan's capital, I saw how difficult it is for the United States to start embassies from scratch. In all the places I visited, excellent people had come out on temporary assignments to help set up new posts. Working in uncomfortable positions, these officers have begun to set up viable embassies throughout the region.

Kazakhstan, like the other Central Asian Republics, is rich economically if properly developed. Unfortunately, in the name of socialism the Communist system has ruined much of the environment and created economic and political structures that must be overcome if the country is to progress.

I met with reporters, who asked a number of penetrating questions and sounded pro-American. I have little doubt that these people reflected well the outlook of the average citizen of Kazakhstan.

Mr. President, our best liaison with local people in all of the countries of the former Soviet Union are active representatives of the United States Information Service [USIS]. I was impressed everywhere I went with the quality and dedication of these people and believe that, in many ways, the United States Information Agency will blaze successful trails into the former Soviet Republics.

Later in my first day, I visited the chairman of the Supreme Soviet in Kazakhstan, Mr. Serikvolsyn Abdildin in his office. This was my first experience with the problem of the one-party 1990 elections. Above Mr. Abdildin's large desk in his spacious office was a portrait of Lenin, and, although he identified himself as a 30-year diplomat, I was told the man who joined us in the meeting, Nicolai Kurmangozhin, and his colleague, had spent his career in the KGB.

Mr. Abdildin noted that the current government was elected under the one-party system.

Both men claimed to be committed to democracy and CSCE principles of human rights, free press, and free association. Both hoped American investors would open up Kazakhstan in joint ventures and that a new railroad to China might provide alternative routes to export Kazakh raw materials.

That evening, during a working dinner, we were joined by Mr. Nickolay Akuyev, who chairs the Commission on Law and Law and Order in the Kazakh Supreme Soviet. Mr. Akuyev sounded very cautious about putting CSCE principles and a rule of law into place any time soon.

The dinner was also attended by Charles Bingman, a consultant who was showing the Kazakh Government how to set up a White House office structure and two experts on international arms verification, Dr. Edward Lfft and Alan French.

Following the dinner, the delegation met at our hotel with two local leaders of a free trade union, Valentina Sivrukova and Leonid Solomin. Each of them asked for more direct U.S. assistance to help them organize their union. Both complained that the overwhelming influence of former Communist Party officials and Communist bureaucrats referred to negatively as "chinovniki," were stifling the new labor movement in Kazakhstan.

I left Alma Ata appreciative of the embassy staff and of Ambassador-designate Courtney but with the strong impression that the same old Communist faces and policies remained in power. New free elections in Kazakhstan and elsewhere, respect for CSCE principles, and a cautious United States approach seem the best course of action.

UZBEKISTAN

The Government of Uzbekistan typifies the problems America and the West will face in dealing with the new States of the former Soviet Union. Another long-time personal friend of mine, Henry Clark, will be selected as Ambassador to Uzbekistan. Unfortunately he was out of the country during the visit, but we were staffed excellently by John Parker, a Foreign Service officer on temporary duty from Moscow.

I began my visit at a synagogue where the delegation spoke with Isaac Romanovich Shimonov, the leader of the congregation. Mr. Shimonov again struck me as rather cautious in describing conditions of Jews in Uzbekistan. He gave me a history of the Askenazi and Bukhara Jews in the region and noted that many young Jews were eager to leave for Israel or the United States. He mentioned that his synagogue was receiving useful assistance from the World Jewish Congress and that the greatest deficiency was in worship books and the small number of people who spoke Hebrew. He seemed concerned about the safety of Jews in Uzbekistan and said that when Secretary Baker's wife had visited he had been afraid to tell her the full story.

VISIT TO DISSIDENT IN UZBEKISTAN

We next departed for Uzbekistan, and prior to departing, Ambassador Courtney suggested that I meet with a political leader in Uzbekistan who had been reportedly beaten up. In fact, the rumor was that he had died.

I looked into this, and did make a visit to a hospital. I would like to describe that situation, because I think it illustrates what is going on in terms of the development of democracy. It was a visit to the hospital in Tashkent July 7, 1992.

Upon arriving at Tashkent, I set about trying to visit him. I was first told he probably would not be able to converse because of severe head wounds and also that it is almost certain that security people would prevent me from visiting if I tried a straightforward embassy request.

On July 7, 1992, John Parker, a Foreign Service officer in Tashkent, and fluent in Russian, and I made a sudden unannounced visit to the local hospital where we believed that Aburahim Pulatov, the chairman of the popular movement Birlik had received surgery and was being treated. We talked our way past security guards in the filthy hallways of the hospital. When we finally arrived at the room, a commotion ensued to keep us out. Then the head doctor came and said we could go in for a minute, but no pictures.

John Parker had not announced I was a visiting Senator. He had made it seem that we had some message for the beaten victim's family or something such. I do not know who the security guards thought we were, but I am sure they would not have admitted us if they knew our intentions.

Upon entering the hospital room, which was absolutely dirty, we saw two men with head wounds or bandages on their heads and black eyes. Both had had surgery and had been in the hospital a week to 10 days. They looked much better than they probably had earlier.

I asked Mr. Abdurahim Pulatov, co-chairman of the Birlik, who he thought had beaten him, and he said unhesitatingly, it was done under the direct orders of President Karimov. He also explained how President Karimov's office carries out such things through a certain part of the Ministry of Justice or Interior, which reports directly to the President's office.

Mr. Pulatov said he had applied for some outdoor public meeting permits and made a speech or two. That was his crime. He was summoned to come into what is the equivalent of our Attorney General's office and was questioned. After leaving the government office, he and his lawyer had been approached by thugs and beaten up with lead pipes in full view of security people who stood and watched. He was sure it was an officially ordered beating by President Karimov, and he was sure it came as a result of his political activity.

We talked to him through a translator, John Parker, for about 10 minutes. Then the doctors came in and said I would have to leave. They asked us to leave a couple of times, as they were nervous about our presence. And they did not know exactly who we were and why we were there. At that point we took John's camera out of his bag and took a picture. The doctors objected, but we took a couple more. I took the camera and put it in my bags in case the security people tried to take the camera away from us, because I might have a better chance of holding on to it. We got out of the hospital without encountering any search or opposition.

Mr. Pulatov was very appreciative of our visit and is resolved to continue his political activities if he recovered. His lawyer, Mr. Alimov, was less talkative and seemed to be very sick. I understand that Mr. Pulatov will need more surgery on his head to have a plate put in. His eyes were swollen completely shut at first. They are now open, except he may have some damage in his right eye. But he clearly had the evidence of a very severe beating which was about 8 days old.

Later I confronted the Deputy Minister of Foreign Affairs, Fatih G. Teshabayev, about the whole matter and he told me this was an internal matter that a visiting Senator should not be concerned about. He would not deny that such a beating had occurred, and he would not discuss whether it came from the President's office, just that it was an internal matter.

I told him that I very much wanted to talk to the President about this. The President was away, ironically, attending a CSCE meeting in Helsinki.

So I told Mr. Teshabayev that until this matter was fully settled I would:

Oppose the Double Taxation Treaty with Uzbekistan, unless there was some explanation of this beating;

Oppose President Karimov's visit to the United States. Mr. Karimov requested an unofficial visit and requested to meet President Bush. I hope that is not agreed to until there is an explanation of this.

I asked for an investigation by the CSCE of the beating and what connection, if any, the Government had.

RIGHTS OF JEWS IN CENTRAL ASIA

The second thing I did on this trip was to look into human rights of minorities. I met with several Jewish leaders in the Central Asian Republic. To summarize my meeting with one of them, the head of the Jewish community at Bishkek, I met with Mr. Alexander Katsev, who is chairman of the Department of Philology of Bishkek University.

Mr. Katsev gave me permission to use his name. He was fearless. Although some of the other Jewish leaders we met within other countries admitted when Mrs. Baker was there they did not raise the issue for fear there would be reprisals in their community.

I would like to summarize what Mr. Katsev told me which was representative of what the Jewish leaders in the various countries told me, and this too raises concerns about human rights.

Mr. Alexander Katsev told me there are 9,400 people in Kyrgyztsan of whom 4,700 hold passports that identify them as Jewish. In the Soviet Union, citizens had passports by nationality, and this practice continues.

The Jews in Kyrgyzstan are Bukhara Jews as opposed to Ashkenazi Jews. That is, they migrated to what is now Bukhara, Uzbekistan, in the 10th century. They are not descendants of an

Old Testament "lost tribe." They speak and worship in Farsi rather than Hebrew. Mr. Katsev said there has been a law on the books since 1929 stating that learning Hebrew is illegal.

He said the Jewish community is very frightened. "When you do not have enough to eat, you blame someone—usually Jews." He said rumors were being spread that "Americans and Zionists are buying Kyrgyztsan."

Mr. Katsev continued that because 2,000 Jews have left since 1989, people mistrusted Jews and hesitated to do business with them. And 6,000 identified themselves as having Jewish passports in 1989—now in 1992 only 4,700 do.

The Jewish community is fearful of the new Kyrgyzstan Constitution, because it makes the Kirghiz language the official language. "Most Jewish people do not speak Kirghiz and thus will be barred from many jobs," he said.

Mr. Katsev asked me, "Can we count on your help?"

I said that I would publish any human rights violations in the CONGRESSIONAL RECORD. I asked Mr. Katsev to send me periodic reports, and I said I would publish them here in the CONGRESSIONAL RECORD.

Mr. Katsev suggested that the American Jewish community establish an Adopt-a-Country Program wherein Jewish or non-Jewish people from the United States would systematically visit the Central Asian countries on a periodic basis to monitor and report to the outside world what is really going on. "We are afraid," he concluded.

I said that I would fight in Congress to place conditions of human rights to any U.S. aid.

I also told him and his group that I would publish any violations he gave to me. I would try to hold up aid if there were violations. I would write a memorandum to President Bush. And write a memorandum to the American Jewish community leaders on their Adopt-a-Country Program which would have American people monitor what is happening.

I also said that I felt if the Jewish minority is treated unfairly then certainly other minorities would also be treated unfairly.

Mr. Katsev also said in late 1970 and early eighties that he knew that I had published some names of Czechoslovakian dissidents in the CONGRESSIONAL RECORD, and that this had been helpful. I told him of this and said I could do the same thing for the Jewish people of Bishkek and the Central Asian Republics.

But, Mr. President, I think the point here is that again we are seeing people who are fleeing to Israel and fleeing to the United States, because they are mistreated. And this is a country that the United States is giving aid to, this is a country that American taxpayers are allocating scarce resources away from education, away from the problems of Los Angeles, away from agriculture, and indeed perhaps even the American taxpayers will have to take a tax increase with the deficit.

But I think we have to condition aid, as we did in Central America, as we do in the rest of the world. And I disagree with the Bush administration wanting a straight up-or-down bill with very few conditions on it. For some reason I think that President Bush and Secretary Baker want the aid package to go forward quickly. I think they do not want it to become an election issue.

But I think all of us here in the Senate have to stand up and put on more conditions and speak up, because as I pointed out the institutions of democracy and the institutions of human rights are not being regarded in the Central Asian Republics, and I think the American people need to know about it.

A third area of criterion is development of free enterprise. That is what the American people want to see in some of these countries.

But the fact of the matter is that most of the leaders are reconstituted KGB and Communist leaders.

Mr. President, in each country I also tried to meet with poets, writers, and intellectuals. And I found that they were all acquainted with the works of Mr. Brodsky, our poet laureat, who was here in Washington last year. But they too expressed concerns about what is really happening in terms of the country's thinking, and in terms of the development of human rights, free enterprise, and democracy. I will have more to say about that in a subsequent speech.

KYRGYZSTAN

Mr. President, after Uzbekistan, the delegation journeyed to Kyrgyzstan and its capital, Bishkek. During 2 days of meetings there, we heard more reformist economic rhetoric than in the first two Central Asian countries of the trip. In addition to meeting with Kyrgyz Government leaders we also discussed the country's potential with American businessmen looking to develop the mining industry.

As a farmer by background, I always feel it is important to get out and see the people in their working environment. We visited a collective farm which was short of spare parts, seeds, and other necessities and a brewery where a portrait of Lenin and Marx hung in the office of its director. Despite economically sensible rhetoric on privatization, even Kyrgyzstan has a long way to go to match minimal conditions for United States assistance. However, I had the impression that some useful assistance could be provided.

But I did want to point out that I visited a collective farm in Kyrgyzstan, went out unannounced, where they were harvesting grain, and talked to some of the collective farm leaders. They said it was just impossible to convert to free enterprise, and very little conversion had occurred.

I also visited some business, including one beer factory in which after the tour of the factory we went into the manager's office and he had a large picture of Lenin and Marx right behind his desk. I am sure at his staff meetings in his large office that his managers and workers and so forth are impressed with the fact that he still has Marx and Lenin up in his office. We found that to be true.

In fact, in a tractor factory up in Belarus, later on in a trip, the manager of a large Belarus tractor factory which is supposed to be converted to free enterprise has a statue of Lenin in his office. But these are all reconstituted Communists.

We found the same thing to be true whether it was Turkmenistan or wherever it was, pictures of Lenin, statues of Lenin, still up in the offices of managers of businesses. So I think those fellows are hedging their bets, to put it kindly, and they are certainly not in the mood to move toward free enterprise.

GEORGIA

Mr. President, I want to just briefly touch on the issue of Russian troops, and I will cover a bit of the visit to Georgia where we met with Eduard Shevardnadze and the Governor of Gori making a side trip to Stalin's hometown of Gori and a statue of Stalin is there where we visited the Stalin museum. The difficulty was that the Governor of Gori, Mr. Valiko Doliashvili, told me that he had been fired upon by Russian troops. There is a Russian garrison at Gori. And if they disagree with what is going on they just come out onto the streets and shoot. And the Governor took me on a little car tour around and told me the last time the Russian soldiers came out was about 3 weeks ago and they had just fired on civilians, including firing on the Governor himself, a local citizen.

But this shows the abuse that the Russian troops carry out in some of these countries.

Now, Shevardnadze told me he said sometimes the local Russian troops, the chain of command is broken, they do not want to go back to the Soviet Union, because the standard of living there is lower, and they are really not operating under orders from anybody. This is very, very frightening.

So American taxpayers are indirectly supporting Soviet troops in foreign countries. And that is why I offered on this floor an amendment to get the troops out of Moldova and out of the Baltic Republics. I would extend that to Georgia.

I was disappointed in the soft approach that Eduard Shevardnadze took. He is the foreign minister again in office not by election but by coup.

They are very demanding of U.S. aid, U.S. food, U.S. energy. They are going to hold an election this fall, to their credit. But they are certainly not moving toward free enterprise. They are certainly not speaking out strongly against the human rights abuses by Soviet troops who are still there, by Russian troops, I am sorry. I have to relearn my vocabulary here.

I think that we need to condition aid to a country such as Georgia. I will be writing a report on my trip and sending it to each House Member and Senate Member urging that we place more conditions on that aid.

TURKMENISTAN

The least reformed of any of the Central Asian Republics the delegation visited was Turkmenistan.

A Stalinesque cult of personality seems to surround the President, Saparmurad Niyazov, whose portrait is in all Government offices and who is referred to as "the President" or "our leader" with reverential respect.

Turkmenistan is close to the Iranian border and, as in other Central Asian Republics, there is a lively competition between Turkey and Iran for economic and political influence. The future of Turkmenistan's great reserves of natural gas is at stake and the United States should work closely to assure that the gas is not used as a weapon to reward or punish States of the former Soviet Union.

WITHDRAWAL OF RUSSIAN TROOPS

Mr. President, later in the trip, I was the first westerner to go on the Russian phased array radar base in Latvia at Skrunda.

I asked them when they thought the Soviet troops would leave the Baltics. They said it would be 10 to 15 years before they could leave. That is in contrast to Mr. Yeltsin's statement made a day or two after our amendment here on the floor—he made it at the CSCE meeting in Helsinki—that the Russian troops would start to leave next year.

I point this out because these statements are analogous to what was said in many of the other places where the Russian troops remain. The troops themselves and their commanders have quite a different view. They feel they have their own line of command and they do not seem to be taking orders from Yeltsin, or at least they are not repeating what he said in terms of targets of moving troops out of those countries.

Mr. President, I would conclude this portion of my report by saying that I voted for the Freedom of Support Act when it passed the Senate. Based on my trip, especially to Central Asia, there must be more conditions placed on that act in terms of human rights, in terms of development of democracy, and in terms of development of free enterprise.

Our Embassies and our country must be a standard bearer for idealism. We have many problems in our own society. As I explained to many of these leaders, we have a deficit, we have problems of racism to deal with, we have inner-city problems. Indeed, I personally am going to go patrolling with the Orange Hats in the District of Columbia, a crime prevention group here in our Nation's Capital. So we have plenty of problems to deal with.

But one thing a good Government has to do is face up and admit the problems and not deny them or sweep them under the rug or beat up the opposition or say that they do not exist.

Also, these countries must face up to the fact that there has to be political competition, there has to be some new faces. These are all reconstituted Communists who maneuver around to be sure they have a one-party system, even though it is not called Communist, who are inclined to beat up or discredit their opposition, who will not let other parties form, who will not allow outdoor permits to be issued for political rallies, all the Western standard things.

If these countries want aid from the West, if they want to be a Western country, so to speak, they have to behave accordingly. But our Embassies out there have to be equipped with conditions on aid so they can tell them what we think the standards are. And it is not necessarily that we are imposing our standards on the world. But if we are going to be giving U.S. taxpayers' dollars there, then we have a right to make suggestions as to what the standards of conduct should be.

That is the same thing we have done with aid in all other parts of the world. In fact, I had an amendment on our aid bill to Pakistan that said if they develop nuclear weapons, they could not get aid. So Pakistan is being denied aid.

A central question of new elections to replace one-party leaders elected in 1990 is another key question Congress should consider as we work through the Freedom Support Act.

I know that the administration wants to keep this bill as clean of conditions as possible. But unless Congress speaks up, we are going to be giving aid to countries that are not respecting and are not developing democracy, that are not moving toward free enterprise and that are abusing human rights.

Mr. President, let me extend my thanks to three people who provided excellent professional and expert staff work as part of the delegation. They include Anne V. Smith, who serves as deputy director of the Subcommittee on European Affairs of the Senate Foreign Relations Committee; Dr. Bruce Rickerson of my staff; and Lt. Col. Steve Barach of the Senate Liaison Office of the U.S. Air Force.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. ROBB). Does any Senator seek recognition?

Mr. PRESSLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORGEN MANUFACTURING COMPANY: A MODEL FOR THE USE OF FOREIGN MARKETS

Mr. PRESSLER. Mr. President, American companies are fighting an uphill battle against their foreign counterparts in the world marketplace. Faced with the unfair trade practices of other countries and numerous illegal trade barriers, many American companies nevertheless are meeting the challenge head-on. In spite of many hurdles, numerous U.S. companies are working hard to gain greater access to world markets—and they are prospering. These American international trade success stories do not receive the recognition they deserve.

One excellent example of the hard work, innovation, product development and improved marketing techniques it takes to succeed in the international marketplace is Morgen Manufacturing in Yankton, SD. Morgen Manufacturing recently was named to the World Trade 100. World Trade magazine singles out for special recognition companies that sustain substantial export growth over a 4-year period. In many cases, their achievements include breaking into a particularly competitive market, introducing a new product into export trade, or opening up a protected market. Morgen Manufacturing, a specialist in concrete placing and spreading equipment, successfully exports to nearly 100 countries on 6 continents.

Morgen Manufacturing, which was founded in 1950, employs 99 people in Yankton County, SD. Adjustable masonry scaffolding was the company's first product. In the late 1950's and early 1960's, Morgen Manufacturing decided to update its plant and equipment. This move allowed it to better serve its customers and has made its current success possible.

Morgen Manufacturing first entered overseas markets 20 years ago. Currently, its top foreign markets are countries in the Middle East. In 1984, the company created an international sales department to further expand its foreign markets. By working hard in foreign markets, Morgen Manufacturing should continue to thrive. Overseas markets are its future.

During the 1980's, most of the world's best concrete construction markets suffered severe economic setbacks.

While this was happening, the overvalued American dollar caused further problems. Morgen and other American manufacturers found it more difficult to compete in foreign markets. To combat this problem, Morgen designed equipment especially for foreign buyers, built products with features superior to foreign competitors, and compared its products to similar products of foreign competitors. Through these efforts, Morgen was able to survive during a time when many other businesses failed.

Morgen Manufacturing's total sales for 1991 were $10 million. Export sales are a very important part of that total. In 1989, export sales accounted for 34 percent of Morgen's total business. In 1990, exports were 45 percent of total sales, and 1991 exports were 32 percent of its total business. Expanding its product lines and designing products superior to those of foreign competitors are two factors that have helped Morgen Manufacturing become a leader in its field.

Morgen's success has not gone unnoticed. The Department of Commerce recognized Morgen Manufacturing in 1981 by presenting it the "E" Award, and again in 1991 with the "E" Star Award. These awards honor companies for substantial increases in the volume of exports and maintaining high export levels.

Mr. President, I think this is significant because it is a small company in Yankton, SD, that has exported under very difficult circumstances.

South Dakota as a whole has enjoyed an increase in exports. For instance, in 1990, South Dakota's export to Canada were $25 million. However, in 1991, exports to Canada increased almost four times to $97 million, with total state exports at $226 million.

I say with some pride I think the Canadian-United States trade agreement has worked well in our State.

South Dakota exports a wide variety of products. Agricultural products, textile mill products, metals, and computers are just a few of my State's many exports.

Exports means more jobs for South Dakotans. For example, every billion dollars of manufactured exports creates 19,000 new jobs. In agriculture the job creation power of exports is even higher. For every billion dollars of agricultural goods exported, 22,000 jobs are created.

Part of the success of South Dakota companies' export efforts—like those of Morgen Manufacturing—can be attributed to the decision to target their sales efforts to certain markets rather than the entire world population. The State office of export, trade and marketing might have said it best: "We are more oriented to product markets than trading geography. We try to stay on top of what South Dakota manufacturers have to sell, then target countries that might be interested in the product."

South Dakotans are proud of Morgen Manufacturing. The people of my home State have a long tradition of producing high quality products. In addition, the economic environment of South Dakota is very conducive to business activities. We try to avoid excessive regulation and taxation of small businesses.

South Dakota has been working with companies like Morgen Manufacturing for many years. My home State's industries are expanding every year through competition in world markets. Support and encouragement from Government for our Nation's industries helps the United States to remain the leader in world trade.

Mr. President, I ask unanimous consent that a portion of an article from the June 1992 issue of World Trade magazine highlighting Morgen Manufacturing's contribution as a member of the World Trade 100 appear in the RECORD immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WORLD TRADE 100

Company: Morgen Manufacturing Co., Yankton, SD.
Exports: Construction equipment.
Sales strategy: Direct, dealers.
Foreign customers: Construction.
Top 3 foreign markets: Saudi Arabia, Turkey, Egypt.
3-year exports (% of sales, '89, '90, '91): 34, 45, 32.
Total sales (in millions): $10

TODAY'S "BOXSCORE" OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the "Congressional Irresponsibility Boxscore."

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at $3,979,997,842,299.84, as of the close of business on Friday, July 17, 1992.

On a per capita basis, every man, woman, and child owes $15,494.88—thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to $4,511.40 per year.

TRIBUTE TO COAST GUARD RESERVE UNIT PITTSBURGH

Mr. SPECTER. Mr. President, today, I wish to pay tribute to the accomplishments of Comdr. Jon W. Minor and the members of Coast Guard Reserve Unit Pittsburgh. Recently, the unit was awarded the Congressional Award Trophy as the Reserve Unit of the Year for 1991 by the Coast Guard Reserve Officers Association.

Throughout the history of the United States, we have relied on citizen sailors and citizen soldiers, ordinary men and women prepared to leave their civilian occupations to respond immediately to the defense needs of our Nation. The effectiveness of citizen sailors and citizen soldiers is wholly dependent on the ability of Reserve units to maintain their readiness. It is therefore important to recognize those Reserve units that excel in carrying out this important duty.

I was extremely pleased to learn that the Coast Guard Reserve Officers Association selected Reserve Unit Pittsburgh as the Reserve Unit of the Year for 1991. The award is due recognition for the great sacrifices willingly endured by the 93 members of the unit so that they all will be ready for any contingency. The unit's commitment to public service is an inspiration to Pittsburgh and all of Pennsylvania.

I am hopeful that the Senate will join me in congratulating Comdr. Jon W. Minor and the members of Coast Guard Reserve Unit Pittsburgh for their achievements.

HORACE AND DOT SMITH: THE FIRST 50 YEARS

Mr. HOLLINGS. Mr. President, we have heard much talk in recent weeks about family values, but I rise today to talk about the value of one family, the family of Horace and Dorothy Smith, who celebrate their 50th wedding anniversary today in Spartanburg, SC.

Mr. President, Horace and Dot Smith are the kind of standout citizens who truly define the character of a community such as Spartanburg. They have given of themselves in so many ways down through the years.

Horace Smith's truly distinguished career of public service goes back four decades. It includes 5 years in the South Carolina House of Representatives, 2 years as solicitor of the seventh judicial circuit, and nearly a quarter century in the South Carolina State. He is a past president of the Spartanburg County Bar Association and a founder of Fernwood Baptist Church. And he has been extraordinarily generous in his support of local educational institutions including the University of South Carolina at Spartanburg and the South Carolina School for the Deaf and Blind.

Dot Smith has been an active volunteer in a wide range of civic projects in Spartanburg. But, first and foremost, she has been a dedicated mother and grandmother, tremendously proud of her sons and daughter, David, Stephen, and Cynthia.

Likewise, I know how proud the children and grandchildren are of Horace and Dot. I am, too. They are wonderful friends. I congratulate them and wish them every happiness in their next 50 years together.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for morning business is now closed.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT 1992

The PRESIDING OFFICER. The Senate will now resume consideration of S. 2877, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2877) entitled "Interstate Transportation of Municipal Waste Act of 1992."

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri [Mr. BOND].

Mr. BOND. Mr. President, I rise today to speak on behalf of S. 2877, legislation which I have cosponsored, and I offer my sincere thanks to the lead sponsors, Senator COATS and Senator BAUCUS. This very important measure would give the States much-needed authority to regulate the disposal of out-of-State garbage. I have a personal story that I would like to relate to my colleagues, which emphasizes the urgent need for this legislation.

While some of my colleagues had the opportunity of enjoying New York City, the Big Apple, over the recess, the State of Missouri was threatened with the apple cores from New York City. The personal saga of the trash train may have reached some of you through the media, but I can tell you when a train load of stinking garbage from New York City began to wend its way back and forth across Missouri, it was a very real and a very personal threat to many Missouri communities and the people who live there.

This is a map of my State, and this is part of the odyssey of the trash train. A load of about 40 cars of rotting, maggot-filled trash arrived in East St. Louis about 2 weeks ago. An agreement had lapsed and Illinois decided it did not want it, so the trash train wended its way across Missouri and wound up in Kansas City, KS. Kansas did not want the garbage, either. The mayor of Kansas City took a very strong position that he was not going to have it in his city.

Well, the operators of the trash train thought they had a solution. They looked around and they found a town, a wonderful little community of Clinton, MO, that had some space in its landfill, so they sent trucks headed towards Clinton, MO, with the rotting, maggot-filled stench of the garbage of New York City.

I arrived in Clinton about the time of a heavy rainstorm and the first five or six truckloads of the garbage. The people of Henry County, MO, were not thrilled with the opportunity to receive this wonderful package of aid from New York City.

This is a photo of what we are talking about; this is the trash train. All of this stuff smells bad. The people who really deserve our sympathies are the railroad workers who had to handle it, the truck operators, and the landfill people who had to deal with it. For 2 weeks it simmered and boiled in the hot Sun with plenty of rain to moisten it and keep it nice and juicy. Fortunately, we were able to rely on the good media coverage, some State safety, health, and environmental laws and judges of State courts to finally turn the train around.

They finally said they would leave so they loaded it back up and they headed up this way. Last weekend it stopped in Clark County, MO.

Fortunately, the trash train kept on moving. Ultimately, it went back to New York City, where it should have been dumped in the first place.

Why is it such a concern to the people of Henry County or to any other locality that their community may be sited for a tremendous load of garbage? They realize they have to deal with their own garbage. They set up landfills in their communities. But as rulings of the Supreme Court have recently made clear, only Congress has the right to regulate interstate commerce.

A community, any community, which has a landfill right now is subject to a decision of a landfill operator. It may be in that landfill operator's own economic self-interest, to say: I've got this landfill that is supposed to operate in this community in 20 years, but I can get my money back and fill it up right now if I take this load of garbage.

The people who are not being considered in that equation are the people of the community and the elected officials, who may have planned that landfill to meet the garbage needs of that particular community for 10 to 20 years. All of a sudden, one great big stinking load of garbage from someplace else fills up the landfill.

I think that a cartoon that appeared in the St. Louis Post-Dispatch reflects the view of Missourians on the trash train about as well as I can say it. This is "The Big Apple Comes to the Midwest." Unfortunately, the picture does not do it justice, and we have not developed the technology yet to produce scratch-and-smell records of the CONGRESSIONAL RECORD which would allow everybody to have a little bit of the flavor or the odor of this trash travesty.

Mr. President, the people of Missouri are convinced that there needs to be some balance; there needs to be some way for a community, through its local, elected leaders petitioning the Governor, to say: Wait a minute; we are not ready to take all of that trash, all of that garbage from some other area.

I hope ultimately that this will lead to negotiations, economic marketplace decisions that could be made by communities through their local leadership, to say: If we can generate some revenue for our community, we might be willing to take some of this out-of-State garbage. But right now, they have very little opportunity to do that.

I believe that the measure before us, S. 2877, provides a vitally needed protection for local communities and States to say: Hold on; not so fast. Do not come in here and dump your garbage.

My State of Missouri was able to evict the train, along with Illinois and Kansas, because people in our States objected loudly and strenuously. The States were able to utilize their limited current authority effectively. The problem has not ended, however. We need to have a solution that will involve leadership of the communities and the States, the elected representatives, in having some say in how their landfills are utilized.

For that reason, Mr. President, I commend the sponsors of this legislation. I am proud to be a cosponsor. I urge the Senate to move expeditiously and give communities some means of protecting themselves against large inflows of heretofore unplanned and unexpected garbage trains. It is a very real and a very serious question for those communities targeted for such benefits from outside.

I thank the Chair.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COATS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KERRY). Without objection, it is so ordered.

Mr. COATS. Mr. President, as our colleagues know, we are in the midst of debate and now in position where the bill S. 2877, interstate transportation of municipal waste, is open for amendment.

The debate centers on an amendment that I intend to offer relative to one of the contract provisions of the bill. That contract provision was discussed last evening at some length. We are currently attempting to see if it is possible to resolve the issue in a way that is satisfactory to both sides, and it may be that we will not have a resolution of that until after our recess for policy lunches.

In any event, the issue before us involves the question of whether or not a State has the right granted under the provisions of S. 2877 to exercise a ban or limitation, or exercise the powers given to them under the terms of this particular amendment and bill, over contracts entered into among private parties.

The bill as written contains a provision which exempts from the authority granted to States contracts currently in existence between private parties.

The problem with that is, in this Senator's interpretation and the interpretation of a number of Governors, attorneys general, other Senators and those who have looked at the provision, that particular provision pretty much guts the intent of the bill and will not allow importing States to accomplish the purposes for which the bill is offered.

I submit for the RECORD letters from the attorneys general of two States and the Governor of my own State. Our Governor of the State of Indiana has written to me indicating that unless this particular contract provision language is removed from the bill we will not solve the problem that currently exists in Indiana. And, of course, the same situation exists in any State importing municipal solid waste from another State.

The loophole created here results from situations in which the exporter enters into a private contract with the importer, which might be a landfill operator or owner of a particular landfill.

In many cases those situations arise wherein someone related in one business form or another to the exporter becomes owner of or has a controlling interest in the landfill which receives the waste. A private contract is entered into. Often those contracts are open-ended or have renewal clauses which extends for an indefinite period of time, have volume increase clauses, have all kinds of arrangements whereby the trash would continue to flow and the State would have no authority over the flow of that trash. And that is why it is extremely important we deal with this particular provision.

Mr. President, I ask unanimous consent that a letter from the Governor of Indiana to this Senator be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,
Indianapolis, IN, July 17, 1992.

Hon. DAN COATS,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR DAN: I believe we share a concern that language exempting preexisting contractual relationships from out-of-state waste restrictions may create undesirable loopholes in the federal interstate waste legislation. I appreciate your effort to try to eliminate this language from the legislation and I wholeheartedly support it. The United States Constitution protects private contracts. Every state has a well-established body of contract law. Courts have experience in dealing with the issue of the applicability of changes in law to pre-existing contractual relationships. I think that the inclusion of specific language on this issue is bound to muddy the waters and lead to unanticipated problems.

We had an experience with this very problem in Indiana a couple years ago. A bill passed our legislature imposing a solid waste disposal fee, but exempting disposal pursuant to preexisting contracts from the fee. This created such problems that the exemption was subsequently repealed.

Thank you for having your staff discuss this with my office.

Sincerely,

EVAN BAYH,
Governor.

Mr. COATS. I am also in receipt of a letter from Mr. Frank Kelley, dated July 21, which says:

We are all aware that the problem of waste management is at crisis level. Indiana, Pennsylvania, Ohio, Oklahoma, Kentucky, Michigan, Wisconsin and many other states have had problems dispensing with their own garbage; however, that is not all we are asked to do. Every year, we in importing states take in thousands of tons of trash which severely limits our ability to preserve our landfills for our own needs.

I might parenthetically add here, in many States it exceeds the thousands of tons by several hundreds of thousands and sometimes reaches into the millions of tons per year level.

Attorney General Kelley goes on to say:

When the Senate returns, you will have the opportunity to pass legislation giving states and communities a greater voice in their solid-waste disposal. While this vehicle, S. 2877, is vitally important to allow states the authority to control their solid waste management, we fear there is a serious loophole contained in Section 4011(a)(1)(C)(ii). This loophole will allow all contracts in existence as of the date of enactment of this bill to be grandfathered. The effect of this clause supersedes all authority given to governors to control their borders, including governors' ability to freeze imports at specified levels.

To correct this problem with S. 2877, Senator Coats will offer an amendment to tighten the language regarding the grandfathering of existing contracts. Under the Coats' amendment, only written contracts executed by an affected local government, or as a result of a host agreement between an owner or operator of a landfill or incinerator and an affected local government, would be grandfathered. This language is consistent with the intent of S. 2877, which is to ensure that the local government has the ability to meet its solid waste disposal needs, and it closes the loophole that threatens to circumvent the effectiveness of the bill.

We urge you to support the Coats' language on contracts when this amendment is offered during debate on S. 2877.

That letter was addressed to various Senators in this body.

Mr. President, what is spoken of here is the loophole in section 4011(a)(1)(C)(ii) which is exactly the loophole which my amendment addresses and attempts to modify.

I also submit for the RECORD a similar letter by the attorney general for the State of Ohio and ask unanimous consent that both the letter from Mr. Kelley, from Michigan, and Attorney General Fisher, from Ohio, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF MICHIGAN,
DEPARTMENT OF ATTORNEY GENERAL,
Lansing, MI, July 21, 1992.

DEAR SENATOR: We are all aware that the problem of waste management is at crisis level. Indiana, Pennsylvania, Ohio, Oklahoma, Kentucky, Michigan, Wisconsin and many other states have had problems dispensing with their own garbage; however, that is not all we are asked to do. Every year, we in importing states take in thousands of tons of trash which severely limits our ability to preserve our landfills for our own needs.

When the Senate returns, you will have the opportunity to pass legislation giving states and communities a greater voice in their solid-waste disposal. While this vehicle, S. 2877, is vitally important to allow states the authority to control their solid waste management, we fear there is a serious loophole contained in Section 4011(a)(1)(C)(ii). This loophole will allow all contracts in existence as of the date of enactment of this bill to be grandfathered. The effect of this clause supersedes all authority given to governors to control their borders, including governors' ability to freeze imports at specified levels.

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We urge you to support the Coats' language on contracts when this amendment is offered during debate on S. 2877. Thank you for your support.

Sincerely,

FRANK J. KELLEY,
Attorney General.

ATTORNEY GENERAL OF OHIO,
Columbus, OH, July 20, 1992.

DEAR SENATOR: We are all aware that the problem of waste management is at crisis level. Indiana, Pennsylvania, Ohio, Michigan, and many other states have had problems dispensing with their own garbage; however, that is not all we are asked to do. Every year, we in importing states take in thousands of tons of trash which severely limits our ability to preserve our landfills for our own needs.

When the Senate returns, you will have the opportunity to consider legislation to give states and communities a greater control of their environmental destinies. While this vehicle, S. 2877, is vitally important to allow states the authority to control their solid waste management, we fear there is a serious loophole contained in Section 4011(a)(1)(C)(ii). This loophole will allow all contracts in existence as of the date of enactment of this bill to be grandfathered. The effect of this clause supersedes all authority given to governors to control their borders, including governors' ability to freeze imports at specified levels.

To correct this problem with S. 2877, Senator Coats will offer an amendment to tighten the languages regarding the grandfathering of existing contracts. Under the Coats' amendment, only written contracts executed by an affected local government, or as a result of a host agreement between an owner or operator of a landfill or incinerator and an affected local government, would be grandfathered. This language is consistent with the intent of S. 2877, which is to ensure that the local government has the ability to meet its solid waste disposal needs, and it closes the loophole that threatens to circumvent the effectiveness of the bill.

We urge you to support the Coats' language on contracts when this amendment is offered during debate on S. 2877. Thank you for your support.

LEE FISHER.

Mr. COATS. Mr. President, let me note what we are talking about here is the ability of a State in the public interest to impair a contract entered into between private parties. As the Supreme Court has consistently held, impairment of contracts is not an absolute right as interpreted by the Supreme Court. A State action furthering the common welfare of its citizens is rarely struck down on impairment grounds despite the absolute wording of the clause. The Supreme Court has ruled in a case called *Manigault* v. *Springs*, as long ago as 1905, that the clause "does not prevent the State from exercising such powers as are vested in it for the promotion of the commonwealth * * * though contracts previously entered into between individuals may thereby be affected."

In other words, the Court has consistently ruled that the State does have the power to impair contracts if it is in the public interest. This case, *Manigault* v. *Springs*, 199 U.S. 473, 480 written in 1905, is the prevailing doctrine on the impairment clause.

I would also cite the case *Home Building and Loan Association* v. *Blaisdell*, 290 U.S. 398, 444, written in 1934. The Court has ruled further that "the reservations of the reasonable exercise of the protective power of the States is read into all contracts."

In another landmark case, *Fisch* v. *General Motors Corp.*, 169 F.2d 266, 270, issued in 1948, the Supreme Court ruled that "Rights secured even by private contract may be abrogated by subsequent legislation."

I would point out that the language in the amendment I am offering in no way diminishes the constitutional protection of contracts. That protection is still afforded by the Constitution and that in no way diminishes the protection offered by various State laws. That protection is also still offered.

All we are attempting to do with this amendment is return to the position of status quo that is established in the bill relative to the exercise of authority by various State to control the flow of trash into their States. That is the authority granted by S. 2877. I think the private contract clause undermines that authority and we are simply to return to that.

We are not seeking, here, additional authority to States to ban or limit trash. We are simply trying to return to the authority granted in S. 2877, as approved by the committee, relative to the authority to deal in this matter.

Mr. President, I see other Senators on the floor who may wish to speak on this bill. As I indicated to my colleagues, we are attempting to negotiate a satisfactory resolution so this amendment can be offered without lengthy debate and, hopefully, approved by both sides.

We entered into a somewhat contentious discussion of this last evening. I am hoping we can avoid that today. We probably will be able to make a determination on that when the Senate returns from its recess this noon.

With that, Mr. President, I yield the floor.

Mr. WOFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. WOFFORD. Mr. President, interstate municipal waste transportation may sound like a dry and technical subject or a wet and smelly subject, but to Pennsylvania families and communities, the impact of out-of-State trash is very real and dramatic. Our State receives more out-of-State municipal waste than any other—over 3 million tons in 1991. Already, 1992 trash imports are running 44 percent higher than that. The result, on the ground, where people live and work, is thousands of trucks on our roads and highways, rumbling through residential communities to landfills that often stretch as far as the eye can see. Their smell can stretch even farther.

We have been concerned about landfill safety and environmental protection for years in our State. In fact, Pennsylvania has some of the toughest safety standards in the Nation, including requirements that landfills be double-lined and undergo extensive air and ground water monitoring.

Today, the Senate considers S. 2877, introduced by Senators BAUCUS and COATS. The core of this legislation is section 412 of S. 976, the Resource Conservation and Recovery Act Amendments of 1992.

I commend Senator BAUCUS for his work as chairman of the Environmental Protection Subcommittee in bringing this bill to the floor now. It is especially important in light of recent Supreme Court decisions which leave Pennsylvania virtually powerless to control out-of-State waste imports.

It is essential for Congress to act now to give States like Pennsylvania the authority to preserve their own landfill capacity for their own municipal waste needs.

This bill includes several provisions that I offered in the Environment and Public Works Committee. Under one such amendment, Governors of States that import high volumes of municipal waste could limit out-of-State waste to 30 percent of all disposed waste at its landfills. This cap will ensure that Pennsylvania, with its tough safety standards, will not be suddenly buried under a new tidal wave of trash, trash which had been going to States whose landfills will be closed for failing to comply with new, more protective standards.

Our State has also taken the lead in cutting down the volume of solid waste. We have stopped throwing away our trash like there is no tomorrow. Our statewide recycling program includes more communities than in any other State. In 1991 alone, Pennsylvania recycled 850,000 tons of municipal waste, an amount equal, I might note, to the out-of-State waste that we received in just the first quarter of 1992.

But our success at cutting down the mountain of trash should not make it easier for our neighbors to avoid making the same effort by simply shipping their trash to be buried in Pennsylvania.

States like ours must have the ability to maintain control over their limited landfill space and protect our economic and environmental resources for the future generations. This bill will give us that control over our own destiny.

The first responsibility of Government is to protect the public health and safety. For years, out-of-State trash has been increasingly threatening the safety of Pennsylvania communities and the health of Pennsylvania families. Our Governor has kept environmental protection at the top of his priorities, making the kind of sustained commitment which is essential for Government to work.

With recycling and landfill safety, Pennsylvania has taken sustained, effective action. But now we need congressional action to deal with the job of controlling out-of-State waste. Mr. President, I urge that we take that action by supporting this legislation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COATS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WOFFORD). Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, a week ago a train filled with 2,200 tons of garbage sat rotting on the railroad tracks in Kansas City, KS. Like the infamous garbage barge that left New York City 5 years ago and wandered from State to State and country to country searching for a site to dump its cargo, the garbage train made its way westward from New York into America's heartland looking for a similar place to heap its trash.

Much has been written about the garbage train, and I expect much more will be said about it during the course of this debate. It is a stark reminder of a problem that many of us from the Midwest have been talking about for the past 2 years.

Officials in Kansas City could do little to stop the New York garbage from coming to their community. Unfortunately, garbage is considered a business, and the U.S. Supreme Court has ruled that States cannot interfere with interstate commerce. Unless Congress acts and passes the legislation before us, local and State officials will continue to be powerless to address the problem.

Kansas is on the front line in this battle. Landfills in States such as Pennsylvania and Indiana have already been filled to capacity with garbage from outside their borders. As these landfills close, garbage haulers have begun looking westward for new sites in States like Kansas, Oklahoma, and New Mexico.

Two years ago, when Senator COATS brought this issue to the Senate floor, Kansas received no east coast trash. I remember his warning that the problem would move westward if we did not act. Since then, out-of-State garbage haulers have attempted to dump garbage in at least four different landfills in my State. In fact, for several months bales of New Jersey trash were buried in a McPherson, KS, landfill that health officials have said is leaking cancer-causing compounds into nearby aquifers.

Today, I rise in support of S. 2877, the Interstate Transportation of Municipal Waste Act. I was an early cosponsor of legislation that would have given State officials even more authority to stop out-of-State waste from coming into their borders. However, I realize the problems an immediate ban would have on some exporting States, and I believe the compromise we are debating today is appropriate and reasonable.

Some of my colleagues will come to the floor today and say this is not the time to act and that the issue should be considered in the broader context of the reauthorization of the Resource Conservation and Recovery Act. I agree. Ideally that is where we should deal with this issue. Unfortunately, there are a limited number of days left for Congress to consider comprehensive RCRA legislation. Given the complexity and controversy surrounding many of the issues in the bill, it is unlikely that Congress will act on it before the end of the session. I am unwilling to wait to address this issue in a bill that may or may not be considered this session as more and more trash is shipped to Kansas.

Mr. President, the bill before us today will encourage exporting States to speed waste management programs such as recycling. It will encourage the development of interstate and multistate garbage disposal agreements. While the bill will not necessarily prohibit States from taking out-of-State trash, it ensures that when negotiations to bring garbage into a State begin, local and State officials will have a seat at the bargaining table.

The bill before the Senate today will give States and local communities clout in the national waste management debate. Those States that long have enjoyed the benefits of large populations now face one of its burdens. Those of us from less populous States stand ready to help ease that burden—but not by assuming it.

Mr. COATS. Mr. President, I also would like to submit a letter that we received, addressed to Senator BAUCUS and signed by the attorneys general of five States. I had previously submitted individual letters. This is a joint letter, signed by the attorney general of Ohio, the attorney general of Illinois, the attorney general of Indiana, the attorney general of Michigan, and the attorney general of Wisconsin, again, outlining their support for S. 2877, but also outlining their concerns with the contract clause which I spoke of earlier.

I ask unanimous consent to print the letter in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE OHIO
ATTORNEY GENERAL,
JULY 21, 1992.

Re the Senate RCRA Reauthorization; S. 2877.

Hon. MAX BAUCUS,
U.S. Senate, Washington, DC.

DEAR SENATOR BAUCUS: On July 16, we learned that S. 2877 is scheduled for debate beginning on Monday, July 20. The undersigned representatives of the midwestern states offer this joint letter of support for a number of concepts and components which we believe, at a minimum, should be evident in any federal interstate municipal solid waste legislation. We would appreciate your consideration of our concerns.

It is beyond debate that effective, enforceable state solid waste management programs play an extremely important part in the overall protection of our environment. It is only where states have the tools necessary to meaningfully quantify and plan for waste management needs by virtue of an ability to restrict or otherwise regulate waste imports that much-needed minimization and control of such waste can occur. Obviously, there is little incentive for states or communities within states to implement aggressive waste reduction and recycling strategies if their landfills can be unceremoniously filled to capacity by other states, regardless of those exporting states' utter lack of similar waste management hierarchies. On the other hand, as long as states which refuse to acknowledge their share of the responsibility for the national waste management crisis have benefit of judicial precedent which they construe to protect their practice of using other states as their dumping grounds, there is little incentive for those states to employ waste minimization and reuse or recycling techniques. Thus, an integral part of the solution of this growing national problem lies in effective long-term management, meaningful planning and the development of incentives to minimize reliance on landfills. Effective and enforceable state-by-state authorities are an integral part of this national solution.

To confound the situation, even the most reasonable, even-handed measures employed by state legislatures to allow states some control over the importation of out-of-state waste have been thwarted by the U.S. Supreme Court's reluctance to overrule or refine the out-dated principles established in the 1978 case of *City of Philadelphia* v. *New Jersey*. Most recently, the high court has stricken both Alabama and Michigan statutes which would have allowed differential, though reasonable, treatment of out-of-state waste. In the former case, *Chemical Waste Management, Inc.* v. *Hunt*, the Court struck down a state law that was designed to compensate Alabama's citizens for the increased risks and costs associated with the Emelle facility; a facility which can attribute in excess of 97% of its hazardous waste receipts to out-of-state sources. In the latter case, *Fort Gratiot Sanitary Landfill* v. *Michigan Department of Natural Resources*, the Court struck down Michigan's attempts to impose exactly the same restrictions on out-of-state waste as it imposed on the movement of intrastate waste. There, the Court went so far as to conclude that waste receipt restrictions based on district-by-district planning needs were unreasonable, even though they applied equally to allow the exclusion of both in-state and out-of-state waste from certain landfills in Michigan.

The U.S. Supreme Court has thus made it clear that it looks to Congress (rather than avenues available in other precedent it refuses to apply to said waste) to define the limits of state authority in this area of "commerce." Thereby, the Court ignores the fact that waste possesses none of the traditional indicia of goods which is historically protected by the Commerce Clause. The Court ignores the fact that landfill-bound waste has virtually no value, its negative value being little more than bales of liability, expense and risk. States which create disposal capacity and assume environmental risks, let alone the social and political costs of unpopular facilities, are seemingly obligated to serve the needs of other states who have demonstrated their unwillingness to become self-sufficient.

It is therefore apparently incumbent upon Congress to decide the fate of the states, and to end the years of irresponsible dumping on states which are supposedly bound by the Commerce Clause to accept massive and disproportionate amounts of out-of-state waste by those states which have been rewarded by the decisions of the Supreme Court for their years of irresponsibility. In the process of addressing this great and pressing need, the undersigned states have marked the following cornerstones which, based on their common experiences, are essential to effective federal legislation:

1. Out-of-state waste surcharges. Congress should provide for limited waiver of the Commerce Clause to enable states to impose fees to compensate them for the costs of managing imported wastes and to reduce the economic incentives of other states to export wastes. However, it should be recognized that while states are developing self-sufficiency, a certain level of waste exportation will occur. Exportation should be available to states, at least temporarily, to relieve short-term capacity crises that will occur under the best of state programs as enforcement becomes more aggressive and the effects of reuse, recycling and reduction programs begin to be felt. States should have discretion to exempt from imported waste surcharges, waste from contiguous counties or waste management districts in adjoining states. Mutually agreeable arrangements among states for the disposal of waste should be authorized but not made subject to specific congressional approval.

Nonetheless, importing states have the right to expect that unwanted imports will be reduced as quickly as possible. The authority to levy surcharges on imported waste can ease host state burdens and can act as an incentive to exporting states to develop sufficient in-state capacity. Both exporting and importing states have the obligation to enforce against non-complying facilities and aggressively pursue reuse, recycling and reduction programs to the extent practicable.

During a transition period of three years, differential fees charged for accepting out-of-state waste for disposal could be capped. This will prevent states from imposing de facto import bans by setting prohibitively high fees on imported wastes. A formula for a maximum allowable fee should be established by federal law at a multiple of the receiving state's base surcharge on disposal of in-state waste, or a multiple of the highest base surcharge in the exporting state, whichever is greater. Setting differential fees within the allowable fee cap should be at the discretion of the receiving state with no federal involvement.

After the transition period, when states should be well on their way to self-sufficiency, there should be no limitation on the fee charged by one state for accepting another state's waste for disposal.

2. Requirements that all states must develop meaningful and complete solid waste management plans. The States which accept the responsibility for long-term planning and management of their own solid and hazardous waste either alone or in conjunction with another state(s), and which submit as evidence of such acceptance a complete plan which complies with minimum federal requirements established by U.S. EPA (including the imposition of a waste management hierarchy which allows landfilling of waste only as a last resort) should be permitted to immediately limit, restrict and/or regulate the importation of out-of-state solid and hazardous waste unless and until such time as the waste management plan is found incomplete or environmentally deficient by the Administrator of U.S. EPA. We categorically oppose any linkage between U.S. EPA's plan review and the ability to restrict or regulate waste by states which prepare and submit a plan. Import limits or restrictions should be permitted *in addition to* differential fees. States should not be forced to elect between fees or limits, but should be able to strike an appropriate balance. The undersigned would not oppose federal establishment of a ratio to determine *interim* import limits from the date of enactment until such time as a state submits its plan. After submission of a complete plan, however, the states should be given the authority to impose their own import limits.

3. Protection of existing state waste management plans and legislation. Any interstate waste legislation should make full allowance for states which have already legislatively established and which are in the process of implementing state-wide management and planning schemes. The waste management efforts in such states and the strides made by identified and approved waste planning units in such states must not be compromised, hindered, disrupted or destroyed in any way, regardless of whether the existing planning units are the state itself, the counties and municipalities within the state, or some other form of waste management unit or district approved or established in state law. With regard to waste management decisions, we support the striking of a balance between the power of the governors and the power of the municipalities and/or planning units within states. In other words, neither the local district or municipality nor the governor of a state should have the absolute right to veto each other's waste management decisions, except through the application of some predetermined criteria, such as the dependency of the existing local economy on long-standing waste imports, the desirability of maintaining a district import-export balance with neighboring districts and or neighboring states, and the overall compatibility of the district's proposed out-of-district or out-of-state waste receipts on the overall state solid waste management plan and long-term capacity needs. Under any scenario, however, it is imperative that the balance be struck by each state through their individual legislative processes, and that the Reauthorization not result in any intrusion on state autonomy in this important planning issue.

4. Recognition that the police power of the federal government and the states extends to a degree which permits reasonable effects on existing contracts which agreements thwart or do not comport with state and local planning. The supreme interest of the government in enacting laws to protect the health and safety of its citizens must be recognized in federal interstate waste legislation so that any limitation or erosion of the states' ability to effectively plan for long-term waste management is not inappropriately and expressly required to surrender to the interests of industry in preserving the terms and conditions of privately negotiated contracts by and among private parties.

To accomplish the goals set forth in this letter, the undersigned states urge Congress to take advantage of the opportunity presented in the RCRA Reauthorization to address the identified concerns. Your swift action is necessary to allow states to meaningfully manage and control the current solid waste crisis, and to limit the damaging effects of the U.S. Supreme Court's refusal to acknowledge that the nature of waste should preclude its consideration and indiscriminate protection under the Commerce Clause.

Thank you for your consideration.

Sincerely,

LEE FISHER,
Attorney General of Ohio.

ROWLAND W. BURRIS,
Attorney General of Illinois.

LINLEY E. PEARSON,
Attorney General of Indiana.

FRANK J. KELLEY,
Attorney General of Michigan.

JAMES E. DOYLE,
Attorney General of Wisconsin.

Mr. COATS. Mr. President, I yield the floor.

Mr. BAUCUS. Mr. President, we are now about to recess for our party conferences, and be back on the bill this afternoon. I very much urge Senators to come quickly to the floor immediately following the party conference lunches and offer amendments so we can dispose of this bill.

This is essentially a simple bill. We are dealing with only the interstate transport of solid waste. It is an issue which, however mundane to some people, is very, very important to many of our States and local communities that are concerned about solid waste landfills.

In many cases there is too little space. In other cases they are being filled up with constituents with which they should not be filled up.

This is not a resource recovery bill, a hazardous waste bill, a clean water bill. It is only interstate transport of solid waste. It is my hope we can dispose of these amendments and pass this bill today. It is my intention, frankly, to stay on this bill tonight until we finish it. That is not to say we will stay on this bill until 10, 11, or 12 tonight, but I would like to finish this bill this evening if at all possible. I think there is a very good chance we can and will. We do not have very many amendments. I am notified of approximately 10 amendments. Some of them are a little more important than some others. The Senator from Indiana has an amendment which may be resolved, frankly, in the next hour or two and a couple others that are somewhat important, and they, too, may be resolved.

So, again, I urge Senators to come forward with their amendments so we can finally pass the interstate transport bill today.

Mr. President, I yield the floor.

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15.

Thereupon, at 12:30 p.m. the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. ADAMS].

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, we are back on the transport of municipal solid waste bill. I understand that Senator DOLE, the minority leader, wishes to speak. I understand he is on his way now.

In the meantime, my understanding is that most people in our country in most States would like to have some mechanism, some way, to restrict the importation of solid waste into their States. They would like to have some way to stop solid waste from being imported into their States or limited in some way because there is a perception, albeit primarily political, that many States are receiving too much solid waste from other States.

It is true that there is a bit of disparity; that is, some States tend to export a lot more solid waste than other States, and by definition some other States import a lot more solid waste than some other States. The tendency is for the highly popular States in the East, which are high population density States which are fairly small in geographic area compared to Western States, to export solid waste to Western States that are larger in area and have less population density. There is that tendency.

I must remind the Senate, however, that virtually every State either imports or exports solid waste. Forty-two States export solid waste. I think 43 States import solid waste. So almost every State in the Union is involved in either the importation or the exportation of solid waste.

My point is very simple. We are now here considering this bill. There is a portion of the Resource Conservation Recovery Act that the Environment and Public Works Committee reported out just 2 months ago. That bill is a larger bill that included not only the provisions that are before the Senate at the moment—that is, the import transport provisions—but also included other provisions in the reauthorization of the Resource Conservation Recovery Act which would go to the problem of waste disposal, and the problem that States have insofar as there is not the land and room to dispose of the waste as there has been in prior years.

Those other provisions in the bill essentially would encourage companies to produce less waste in the first place. We Americans throw out about 4.5 pounds of waste in our garbage per person, per day. That is far more than the per person number of any other country in the world. One reason we do is because we produce a lot of waste. America is essentially a throwaway society compared with other countries. To encourage less production of waste, the bill that was reported out of the Environment and Public Works Committee included provisions to give incentives to the companies to produce less waste in the first place.

Second, there were very significant provisions in the bill reported out of our committee to encourage more recycling. We Americans can do a much better job recycling paper, newsprint, glass bottles, other packaging materials, aluminum cans. We do a pretty good job with aluminum. That is because the cost of producing aluminum in its virgin stage is much more expensive than the cost of recycling aluminum cans. But the point is we can do a lot better job recycling.

Unfortunately, those provisions are not now before us; that is, the provisions that encourage less production of waste in the first place, and provisions to encourage a lot more recycling.

Why are they not now before us? Very simply, they are not now before us because the environmental community thought the bill would not go far enough. They wanted much, much more, many more incentives to recycle a lot more. The goals in our bill were essentially to save for the glass industry, for the plastics industry, and for the paper industry, approximately 40-percent recovery rate by the year 1995, and the environmental community said no, that is not enough; we should go much further.

Business in America, the industries in our country, have also opposed the bill because they thought it went too far.

With so few days remaining in this Congress, it is my judgment to bring not those provisions to the floor, but rather only the interstate transport provisions, so that States could have the authority in some way—and in a significant way, I might add—to restrict the imports of solid waste to their own States.

This is so important because recent Supreme Court decisions this year—in fact, a couple of months ago—have held that States, absent express provision by Congress, absent express delegation of authority by the Congress, cannot on their own restrict the importation of solid waste into their own States. The commerce clause precludes that.

Therefore, we here today, pursuant to the authority of the U.S. Constitution and the commerce clause of the Constitution, giving States the authority under certain circumstances to limit the importation of waste into their States—I need not remind Senators that if they are interested in getting this bill passed, if they want to give their Governors, their local municipalities, the authority, in many instances, to restrict importation of solid waste, this bill must pass.

If this bill does not pass, the Supreme Court has held very clearly—and there is no dispute on this—that Governors, States, municipalities, counties, whatever, cannot restrict the importation of solid waste into their States.

So I am saying, as clearly as I can, that the more we load up this bill with all kinds of other amendments, and in many other areas, the less likely it is that this bill is going to pass. There are not that many days left in this Congress. We have to go to conference after we pass this bill. And if it gets loaded up in conference—and with the press of appropriations bills and the Freedom of Choice Act coming up, and what not—it may be difficult for this legislation to pass.

I encourage Senators to remember that Rome was not built in a day. We sometimes have to take things a step at a time. Senators who are interested in addressing hazardous waste provisions, Senators who are interested in addressing other related areas, I ask them to think twice before offering amendments. Those subjects can be addressed at a subsequent time next year, and by and large need not be addressed this year.

But if we want to give States the authority to restrict the importation of waste, I urge them to again not offer too many amendments on this bill so we can get it passed this year.

Finally, with the same theme, a lot of the American public is quite disgusted with the political process. Their disgust partly explains the ascendancy of Ross Perot. It is only explained by Ross Perot. I do not think anybody else can explain that. He was a Presidential candidate for some time because of the frustration of the American people with the political process. They just do not think it works very well. They are worried about gridlock. And we must admit that, in many respects, they are right. There is and has been gridlock, for all kinds of reasons.

Here it is, July 1992, in the remaining legislative days of this Congress, we in the Senate can show the people that we can do our business; we can meet people's needs. I grant you that in the whole scheme of things, issues such as education reform, jobs, and health care reform, are many areas that are probably higher on most people's minds, much more important than the importation of solid waste. But we also know that in some communities, in a localized way, this is a very burning issue.

So I urge the Senate to at least get this job done, and let us at least show to people that we can give States and municipalities the authority to restrict the importation of solid waste into their States. And we can do so if we refrain and exercise a little discipline; if we do not just jump on this bill with every amendment under the Sun; and if they are offered, then we vote them down so we can get this bill passed and give the States this authority.

Mr. President, I urge Senators to come to the floor with amendments. This is the second day we have been on this bill. Not one amendment has yet been offered.

I must say, Mr. President, that there may come a time, either this evening or tomorrow, after giving notice of maybe a couple of hours to Senators that they should come to the floor with amendments, that if no amendments come to the floor, I will ask for third reading.

I think that most Senators believe that too often we are a little too deferential to Senators, and we wait a little too long, and we go too many extra miles waiting for Senators to come to the floor and offer amendments.

I am one Senator, as manager of this bill, who will push for earlier—rather than later—third reading of this bill because, frankly, I think that after giving appropriate notice to Senators to come to the floor with their amendments, if they still do not come with them, we are doing the Senate and the Congress and the public proper service by going to third reading and getting this bill passed.

I yield the floor.

Mr. CHAFEE. Mr. President, I want to join in the distinguished floor manager's plea on several fronts. First, for those who have amendments, bring them over. Second, that we not have nongermane amendments; that is, amendments that are not pertinent to the interstate transportation of municipal waste, namely trash or garbage.

I believe very strongly that we should not have any amendments that do not deal with that particular subject. Indeed, I will oppose them all, as the floor manager has himself indicated, because otherwise we are going to get bogged down.

We have a major Resource, Conservation, and Recovery Act amendment legislation that we have reported out of the Environment Committee, and that will get to the floor either this year or next year. We will revise it in committee and bring it back. It will get to the floor eventually. And that is where we ought to consider amendments that deal with the subject of RCRA.

The only subject before us today is the matter of interstate transportation of municipal waste. So let us get on with that. If people have amendments, bring them over and let us vote them up or down.

Meanwhile, I hope that these negotiations involving the so-called Coats amendment can be brought to successful fruition. If those negotiations work out, I think we can finish this piece of legislation before dinner tonight—before 5, 6, or maybe 7 o'clock.

So I urge those Senators who have legislation that is pertinent to the underlying bill to bring it over and let us vote up or down on it.

I thank the Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, was leader time reserved?

The PRESIDING OFFICER. The leader time was reserved.

The Senator from Kansas, the Republican leader, is recognized.

THE CLINTON-GORE TICKET

Mr. DOLE. Mr. President, as the Clinton-Gore bus tour continues to motor across America, it appears some journalists cannot see through all the exhaust, and some must have been overcome by fumes. But behind the so-called moderate motor coach smokescreen of the Clinton-Gore spin doctors are some very important facts—the outright liberalism of the Democrat ticket, the liberalism reflected in the RECORD if not on the pages of most American newspapers and most television commentary.

So far, it looks like a media blackout on the liberal records of these two candidates. And when the Democrat convention turned out to be a ratings bomb, at least one network immediately cranked up its censorship machine, claiming that Republicans may have to settle for even less coverage than the Democrats at our Houston convention.

So, while Republicans can look forward to even less coverage—something we are used to up here—the media boys on the bus are booming out the happy message: "Clinton-Gore—a moderate, centrist, middle-of-the-road, conservative, traditional all-American ticket."

With hype like that, the Clinton-Gore team will not have to spend a penny on TV commercials—that is a pretty nice perk.

It is all coming free, from the liberal commentators on network news, on all the liberal newspapers and radio, saying what a moderate, conservative, centrist ticket this is.

In fact, I must say when we spoke to this yesterday there must have been a blackout or maybe the news media outlets were all closed yesterday because it does not seem to make any difference. You cannot make a responsible critique of the Democratic plan and expect any coverage from the liberal media.

LIBERAL MAKEOVERS

But no matter how many times they call themselves moderate, no matter how many times reporters swoon over the Clinton-Gore moderate makeover, the Clinton-Gore ticket is still a big liberal ticket, a ticket the American people simply can't afford.

And because the media blackout is still in effect when it comes to the records of Bill Clinton and AL GORE, I want to underscore the facts by repeating much of what I said yesterday, adding disturbing new statistics about Bill Clinton's tenure as Governor of Arkansas, facts people in 49 other States ought to know about.

Clinton-Gore is a liberal ticket that will cost working America dearly, with billions and billions of dollars in new taxes, wild spending and the biggest government the taxpayers' money can buy.

That is why the Democrats turned Madison Square Garden into a giant repair shop where old, broken-down liberals became shiny new moderates, and where a tired old agenda became a fresh new covenant.

But all the body work, and all the makeup in the world cannot conceal a voting record. It is public information. It is out there. All you have to do is look it up.

Let us face it, Clinton-Gore is really Clinton-more—M-O-R-E: More taxes, more spending, more government, and more of the failed liberal agenda the American people have rejected year after year.

Bill Clinton calls for tax increases twice as big as those proposed by Mondale and Dukakis combined. And Clinton backs Federal spending increases three times as large as those proposed by Mondale and Dukakis combined.

Governor Clinton calls his own budget proposal "putting people first," but it looks more like putting people on the unemployment line. The Clinton plan would jack up taxes $150 billion in 4 years, and boost spending by $220 billion. Now, Governor Clinton and his handlers will tell you that their taxes are aimed at the fat cats on Wall Street, but they are really hitting the little guy on main street. Let me tell you why.

You see, the Clinton tax plan mandates nearly $70 billion in new payroll and employer taxes on small- and medium-size business to fund extravagant spending programs.

That is small business, that is small businessmen and small businesswomen in every State in the Nation. Including Arkansas and Tennessee.

Reportedly, his new taxes and radical defense cuts would cost working and earning America 2½ million jobs.

So, let us look at the record, starting with Bill Clinton's tenure as Governor of Arkansas.

First, Bill Clinton has raised taxes or fees 128 times.

Second, taxes in Arkansas are $397 million higher on an annual basis than when Clinton took office.

Third, State spending has more than doubled since 1983, jumping from $1.1 billion in 1983 to $2.4 billion in 1992.

Fourth, Clinton has doubled the State's debt burden since 1983.

Fifth, since that time, the unemployment rate has remained above the national average, and personal income in Arkansas grew slower than the national average every year but one.

Sixth, Clinton has created the biggest bureaucracy Arkansas taxpayers can buy. Arkansas has 70 percent more State government employees per resident than New York. And they have a lot.

So, now we know all about taxes and spending. But what does Bill Clinton have in mind for cutting spending?

As for spending cuts, Governor Clinton has specifically targeted only 2 programs out of 1,800 Government accounts—the Pentagon, which is already being sensibly downsized, and the Honey Bee Program. In a still uncertain world, Governor Clinton would gut national defense by nearly $60 billion—that is on top of the $50 billion in defense savings already proposed by President Bush, and above what the Democrat chairmen of the Senate and House Armed Services Committees say they can support.

And ask the more than 1 million service men and women, and defense workers, who would be thrown out on the street by these radical cuts, and they will tell you gutting—not cutting—defense hardly puts people first.

Governor Clinton even proposes to save $10 billion with the line-item veto. I am all for the line-item veto—it is too bad Governor Clinton's allies in Congress, and his own running mate, are not.

Governor Clinton must be assuming that the American people will elect Republican majorities in both Houses of Congress, Republican majorities that are dedicated to deficit fighting tools like the line-item veto and the balanced budget amendment.

But, do not take my word for it. Ask the distinguished chairman of the House Budget Committee, who told the Washington Post that Clinton "doesn't frankly confront the issue of how we reduce the budget deficit. * * * I don't see how he can take the level of revenues he's talking about or the spending cuts he's talking about, or the spending cuts he targeted, and simply pump all that into added spending." That is not a quote from BOB DOLE from Kansas, a Republican, or PETE DOMENICI, ranking Republican on the Budget Committee; that is a quote from the Democratic chairman of the House Budget Committee, a well respected chairman named LEON PANETTA.

So here we are, more taxes, more spending, and fewer jobs do not sound like putting people first—it all sounds like putting America down.

The bottom line is, Bill Clinton wants the American people to believe that he is driving them down the middle-of-the-road. But look at his map—the Democratic platform—and the American people will see there is a sharp turn to the left coming.

It is the same old left turn to its traditional leftwing, out-of-touch, special interest agenda: It is antibusiness, antifamily, antidefense, antijobs, antigrowth, and antisuccess.

That is why the democratic delegates soundly defeated the pro-business, progrowth planks forwarded by Paul Tsongas supporters, planks described by the New York Times as minority planks. I thought they were pretty good ideas. The bottomline is still the same: If it is not liberal, forget it, just as the New York Times does in nearly every case.

But do not take my word. Again, I will quote another Democrat. Listen to our former colleague George McGovern, a dedicated liberal who knows one when he sees one, and this is how he sees Clinton-Gore: "I have a hunch they are much more liberal underneath, and they will prove it once they are elected."

That did not come from this Senator. It did not come from any other Senator. It came from a former colleague who ran for President in 1972, a professed, proud liberal by the name of George McGovern.

Now, the media can label the Democrat ticket moderate all they want, but how long can they ignore the record?

While the moderates were voting yes, Bill Clinton's running mate was voting against the Reagan budget cuts, the Reagan tax cuts, the balanced budget amendment, the line-item veto, the capital gains tax cut, entitlement spending caps and cutting the *Seawolf* submarine.

While the moderates were voting yes, Bill Clinton's running mate was voting against tough anticrime measures such as habeas corpus reform and exclusionary rule reform.

While the moderates were voting yes, Bill Clinton's running mate was voting against education choice, workfare, the flag amendment, school prayer, AIDS notification by infected doctors, and consideration of the national energy policy.

And, while the liberals were voting yes, Bill Clinton's running mate was right there, too, voting for the Democrats' tax increase bill, the Democrats' quota bill, taxpayer campaign funding, and Pell grants to prisoners.

So if you look at the record of the Democrat ticket, they have already proved they are first-class liberal credentials. There is nothing wrong with that, nothing wrong with that. If you want to be a liberal, that is fine, so long as you stand by that voting record and not run from it when it is time to get elected.

So let us have a little truth in advertising. Let us have a vigorous debate on these issues. I have heard President Bush browbeaten, bashed by people in this body because President Bush has a record. Well, now the ticket has a record, and their record is going to be discussed and subjected to critique just as President Bush's record has been.

So let us have a little truth in advertising. Let us have a vigorous debate on the issues and let the American people decide, but let us make certain they have the facts and not the fakes.

Mr. President, I made a statement pretty much like this yesterday and because of the news blackout—apparently the media was closed yesterday; I did not know they were not open on Mondays—I felt compelled to make it again today, and I may make it again tomorrow because the media has already proclaimed this is a moderate, centrist, and conservative ticket. They cannot sell that to the American people, they cannot sell that to people in Arkansas, Washington, or Kansas, or any other State because if people are going to demand a man of Ross Perot, what do you really believe?

Like I said yesterday, I enjoyed the convention. The Democrats had a good convention. I personally like the ticket. I like my colleague from Tennessee. We do not often agree on many issues, but facts are facts. We are not dealing with who had a good convention, who made a lot of noise. We are talking about what is good for America and what is good policy for America.

Hopefully, this blackout by the media will end, maybe in the next 30 days. Maybe the media will decide to report something about philosophy, where are they going to take America, not what they say they are, but what does their record reflect they are? That is what it is all about.

So I hope in the next few seeks we will have this debate. There is no hesitance on the part of my colleagues on the other side to jump all over President Bush to dissect everything he does, and I think now it is time to start taking a look at the record on the other side.

Mr. President, I yield the floor.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me. I was not planning to participate this afternoon in this discussion, but I must say I was sitting in my office, Mr. President, and I heard my very good friend, the distinguished Republican leader from Kansas, who was on the floor who was berating the Governor of Arkansas, my home State's Governor, and saying some things about that Governor that I feel need to be challenged.

Mr. President, first, last week in New York, I looked at a newsstand and happened to see on that particular newsstand a copy of U.S. News & World Report. I do not have that copy with me today, but I carried it with me last week because the cover of U.S. News & World Report last week in that issue had a picture of Gov. Bill Clinton of Arkansas on the front cover, and the caption was: "Is Bill Clinton the Man Nobody Knows?"

Mr. President, I am privileged to know Bill Clinton. I have known Bill Clinton since he was 19 years of age. The first time I ever had the opportunity to shake his hand was in 1966. I will never forget the scene. It was in front of the Arkadelphia, AR, fire station. It was a hot afternoon in July when a young student named Bill Clinton was standing in front of this fire station in Arkadelphia, AR, handing out campaign cards for a gentleman that he thought should become Governor of our State.

That individual who he campaigned for, Mr. President, was not elected. Someone else was elected. But I had the privilege that afternoon of shaking his hand as I was handing out campaign cards for myself. I was running for the U.S. Congress that summer. In fact, little did I know but I would soon be joining in the House of Representatives the very distinguished occupant of the chair at this moment of the U.S. Senate, the distinguished Senator from Washington.

Mr. President, after shaking Bill Clinton's hand, visiting with him a few moments, I got back in our car. My wife and I were driving to the next campaign stop, looking for the next hand to shake, and I said, "Barbara, I have just met an outstanding, an outstanding young man."

Throughout those years, Mr. President, our paths have crossed on many, many occasions. I have had the privilege of knowing him, knowing his family, and I can truthfully say, that on last Thursday evening sitting in Madison Square Garden, I do not think anyone could have been more happier than myself, nor the delegates from the State of Arkansas who were there, nor the people of the State of Arkansas who were sharing this euphoric moment watching it on the television sets or listening on their radios back home. It was a special moment for our State, a small State, a poor State, 2.4 million people. And as we say, a State, Mr. President, where the people know the politicians by first name and the politicians know the people by their first names. We basically sort of know each other in the State.

And especially, Mr. President, the people of Arkansas know our present Governor, who has been on the Arkansas ballot on 17 different occasions—17 different occasions. The people of Arkansas know our Governor, Mr. President. They know our Governor, and they keep returning our Governor to office. In fact, he has not only served our State now longer than any other Governor in our history, but, Mr. President, he was voted a year-and-a-half ago by his fellow Governors, Republican Governors and Democratic Governors alike, as the most effective Governor in the United States of America—the most effective Governor in the United States of America. Not just Democratic Governors, but Republican Governors joined together in that selection.

You and I know, Mr. President, what is happening. The Democrats had a very good convention. Our party left that convention more united, more together, more unified than at any other time in this Senator's life. Mr. President, when we left New York, the Republican Party said, "We've got to do something, and if we don't, we're getting ready to see the White House taken over by the Democrats."

So they started yesterday: My friend from New Mexico came to the floor yesterday. It was his time in the box. Our friend from Kansas comes again today to some degree to repeat what he said yesterday. At 3 o'clock this afternoon, Mr. President, that is 2 minutes from now, it is my understanding that the distinguished Senator from Texas, the junior Senator, is going to be holding a press conference and he is going to be adding his 2 cents' worth about the so-called Clinton economic plan.

Mr. President, I am wondering why we do not have someone from that side of the aisle, anyone from that side of the aisle, talking about Mr. Bush's economic plan. I will be glad to stand here and explain to my colleagues on the other side of the aisle, should they so desire to hear it, about the 12 times—12 times—that I have seen Governor Clinton balance the budget in Arkansas, and about the zero times that we have seen President Bush balance the budget in Washington, DC. I will be glad to discuss the records, Mr. President, of these two executives, one of the richest nations in the world, and one of the executives of one of the poorest States in America.

I know that my colleague and friend from Kansas talked about all of the times that Governor Clinton has raised taxes on the people of Arkansas. I think it might be well stated at this time, Mr. President, just to remember that the tax burden of the State of Arkansas—maybe this is good, maybe it is bad, I do not know, but the facts are: The tax burden on the people of the State of Arkansas is the second-lowest in the United States. That is not what I would call a wild, liberal tax-and-spend politician; the second-lowest taxes in the United States of all the States is the State of Arkansas.

Maybe we need to pay more taxes. Maybe we need to pay fewer taxes. I do not know. But I think it is time that we set the record straight and that we talk about the facts. I would like to serve notice that when our colleagues on the other side of the aisle get up here and talk about issues that are not fact, maybe they do not have all the facts, but when these facts are not forthcoming, I am going to stand here and I hope I will be joined by my colleagues to straighten out the record, and that is exactly what I am doing today.

Mr. President, we have talked from this side of the aisle also a little bit today about jobs, economic growth in our State of Arkansas—once again, a small State, a poor State. But while George Bush has taken the world's richest nation and we have seen what has happened to its economy, Mr. President, Governor Clinton has created manufacturing jobs at 10 times, 10 times the national rate. Arkansas, in fact, today, Mr. President, once again to straighten out the record—let us talk about the record—ranks fifth nationally in job creation under the stewardship of Gov. Bill Clinton.

Now, Mr. President, I hope this does not go on every day from now until the election. I hope that we do not have to come here and make the Senate Chamber a forum for debate of the Presidential election, 1992. I hope that forum is going to be somewhere else. I hope it is going to be out there in Kansas or in Rhode Island or in Arkansas or in Montana or in Washington State. That is where it should be. But when the record is not presented fairly, when the record is a record that does not exist, Mr. President, I am going to stand here and try my best to straighten it out and make certain that the facts are known.

Mr. President, I want to thank the Chair for recognizing me, and I believe the Senator from Kansas—does he have a question? I will yield the floor, Mr. President.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Senator yields the floor. The Senator from Kansas is recognized.

Mr. DOLE. I ask that I may proceed for 5 minutes.

The PRESIDING OFFICER. Is there objection? Hearing no objection, the Senator is recognized for 5 minutes.

Mr. DOLE. First I want to indicate, as I have many times on the floor, my respect for the Senator from Arkansas. I want to also indicate I never had any personal thing bad about Governor Clinton or AL GORE. They are friends of mine, as far as I know. But I think we are talking about philosophy and policy for America.

I must say I have not noted any reluctance from my colleagues on that side jumping on George Bush for the past 4 years. If we are going to have a time out now because the Senator has a candidate, and we have had a candidate, and you will not talk anymore about George Bush, I hope the Senator will notify his colleagues not to come to the floor as they have done for almost 4 years, the last 2½ particularly, in the last 6 months specifically, day after day after day after day with distortions and inaccurate statements about President Bush.

Now, the fact that he balanced the budget in Arkansas, it is required by law, and I point out he has an overwhelming majority in the legislature. Democrats control both the House and Senate in Arkansas. George Bush has a Congress controlled by Democrats. If he had a Republican Congress, he would balance the budget, too. So we can play all those games.

And we also have a growth package. I am glad the Senator from Arkansas brought it up; we might pass it right after we finish the bill that is pending: First-time home buyers tax credit, penalty-free IRA withdrawals, capital gains rate reduction, investment tax allowance, pension fund, real estate investment, passive loss relief, simplify AMT depreciation. So we have had a growth package around for a long time. Unfortunately, we cannot get the Democrats, who control the Congress, to bring it up.

So, having said all that, I think we are going to have a lot of debate on the floor. I do not disagree with the Senator from Arkansas. If we say something that is not true, you ought to be right down our throat. And the same goes the other way. If somebody is over there pounding on George Bush and they cannot back it up with facts, then we ought to be permitted to do the same thing.

Now, the press has already decided that the Democratic ticket is the greatest ticket since sliced bread, and they have already proclaimed they are moderates, out there cheerleading for the Democratic ticket. I do not know what else the Senator from Arkansas can ask for.

We have a regular blackout for George Bush. Unless it is negative, he does not make the news, and nobody makes the news on his behalf. If the Senator from Arkansas said something bad about George Bush, he would be on the evening news. If you defend George Bush, that is not news. So there is sort of a double standard in the media and we understand that. But the American people see through it.

So I just say I can talk about the Clinton nomination and all those things and about the record in Arkansas, and certainly I do not know it as well as the distinguished Senator from Arkansas and I do not mean to suggest that it is all bad. I assume every State has problems. But I think philosophically we have a liberal ticket and a conservative ticket. We may debate that every day on the floor if we can get the time. So I thank my colleague from Arkansas. Certainly I have the highest regard for him. I think it is fine. I think he can talk about his liberal ticket, and we will talk about our conservative ticket, and we will let the American voters decide in November which ticket ought to be elected.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island [Mr. CHAFEE] is recognized.

Mr. CHAFEE. Mr. President, I see my good friend from Arkansas on the floor and I would like to ask him a couple questions if I might.

I would like to harken back to the statement he made that Governor Clinton deserves considerable praise because he has submitted 11 consecutive balanced budgets. Am I correct in believing, as is true in every State, certainly in my State—like the distinguished Senator from Arkansas, I was a Governor likewise for 6 years. I believe he was Governor for 6 years, was he?

Mr. PRYOR. Four.

Mr. CHAFEE. Four. In our State we must submit a balanced budget. Is that true in Arkansas?

Mr. PRYOR. This is true. It is true, I say to my friend from Rhode Island. It is a constitutional requirement that we have a balanced budget.

Mr. CHAFEE. So to praise somebody for submitting a balanced budget in Arkansas is the faintest praise I have ever heard. That is no news. That is dog bites man. I think what would make news in Arkansas is man bites dog; the Governor does not submit a balanced budget. Would I be correct in suggesting that would really make the news?

Mr. PRYOR. Mr. President, may I respond to the distinguished Senator from Rhode Island?

Mr. President, my very good friend from Rhode Island—by the way, we exchanged notes today, very illuminating notes while we were sitting there in the Finance Committee, about some of these issues at hand that we are debating this afternoon on the floor. But my very good friend from Rhode Island apparently missed the opportunity a moment ago when he was not on the floor to receive the full impact of what I was saying.

The implication of what I was saying, Mr. President, is very simply this: This man, Gov. Bill Clinton, has balanced 12 budgets and he still gets reelected year after year. He has been on the ballot 17 times. He has had to establish priority. He has had to establish in our State what is most important and what is least important. He has had to say no to a lot of people and he has had to say no many times to every interest group at least once in our State. And they still support him, Mr. President. They still support him because he is fair, because he is honest, and because he does his work. That is what this campaign I think is going to be about. He has demonstrated his abilities as an executive and his capabilities, I should say, as a splendid chief executive of our State.

Mr. CHAFEE. Mr. President, I do not want to take anything away from the record of Governor Clinton. I must say there must be considerable joy in running in what amounts to a one-party State. If I am incorrect, I would be glad to be corrected by the distinguished Senator from Arkansas. But I believe there has only been a Republican Governor for 4 years since the reconstruction time, since over 100 years ago. Would I be correct in making that statement?

Mr. PRYOR. The Senator from Rhode Island is 80 percent correct. We had a period of time of 2 years there when a very fine man named Frank White was elected Governor of our State. He was elected in 1980.

And the people turned him out 2 years later and reelected Governor Clinton. This is when, by the way—I say to my friend from Rhode Island—that Arkansas Governors had a 2-year term and had to stand for reelection every 2 years. If I am not mistaken, I think Rhode Island still has this.

Mr. CHAFEE. That is right. I served with the other prior Republican Governor, who I believe served 4 years. That would be Gov. Winthrop Rockefeller.

I would like to also point out something that the Senator from Arkansas perhaps might be interested in sharing with us. If I am incorrect, I would be glad to hear it.

Of course, what makes Governor Clinton submit balanced budgets, as the Senator from Arkansas says, is because it is in the constitution. Just before we went out for recess, once again, the Republicans tried to have a balanced budget amendment presented here. And if I am not mistaken, the Senator from Arkansas voted against that balanced budget amendment. And so did his colleague, also another former Governor of Arkansas.

So there we made an effort to require a balanced budget. Indeed, we had two consecutive votes. We had one on June 30, and we had one on July 2, just before we went out. Both times, both Senators from Arkansas voted against that balanced budget amendment, which seems strange in view of the fact that considerable praise has been heaped upon Governor Clinton because he produced balanced budgets pursuant to the Constitution of the State of Arkansas.

So we have sought balanced budget amendments here, but have not received the support of the majority of the Democrats, the overwhelming majority of the Democrats.

Mr. PRYOR. Mr. President, I do not want to stand here and debate this afternoon for or against a balanced budget amendment. That will come at another time, perhaps.

But I would like to tell my friend—if I might—from Rhode Island about the first Republican I ever saw in my hometown of Camden, AR. On that day, I was probably 7 or 8 years old. I went to the post office with my father, and he allowed me to open the combination lock on the box every now and then. We got the mail out. There was a gentleman standing in the corner of the little post office in a black suit and a black hat. I kept looking at this gentleman. He was a very tall fellow.

I said, "Dad, who is that?"

He said, "Son, that is all right; you do not want to know."

And I said, "Well, tell me about that man, Dad."

He said, "Well, his name is Skidmore Willis."

I said, "Who is Mr. Willis? What does he do?"

He said, "Son, he is a Republican, and he is the only one in our county."

And he was truly the only Republican that we had in Washington County at that time. There have been some since then, I might add. But I get along fine with the Republicans, Mr. President. Sometimes they vote for me; oftentimes they do back home. We are good friends with most of them.

But it is just time that the Democrats had the White House for awhile. That is what this great campaign is going to be about in 1992.

I yield the floor.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, for the past 2 days, it seems the Republican leader has taken the floor to launch attacks on Governor Clinton and Senator GORE. It appears as though, while Governor Clinton and Senator GORE are conducting their campaign for the Presidency across America, meeting citizens and taking their case to them, the Republican campaign is going to be conducted here in the Senate.

I hope that is not the case. The Senate has its responsibilities for action. We have a limited time in which to act on important legislative matters. And I think, frankly, that these back-and-forth charges and countercharges and bickering is precisely what the American people are sick of.

I think what the American people would like is for us to address ourselves to the problems confronting them and our society, and I hope that is what we are going to do.

Obviously, if our Republican colleagues choose to conduct Presidential campaigns here in the Senate Chamber, we will have no choice but to respond. And the business of the Nation will have to take a back seat again.

I urge my colleagues to join with us in attempting to get on with meeting our public responsibilities in attempting to enact legislation that affects the lives of the American people and that, in some way, will approve the well-being of the people of our society. That is our principal obligation. It is what we have each sworn an oath to do.

I hope that we can now return to the business before the Senate, and permit the candidates for President to conduct their campaigns out among the American people, where Governor Clinton and Senator GORE are today and have been for the past several days.

Mr. President, I yield the floor.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with consideration of the bill.

Mr. COATS. May I inquire what the current pending business is of the Senate, Mr. President?

The PRESIDING OFFICER. The pending business is S. 2877.

AMENDMENT NO. 2731

Mr. COATS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. COATS] proposes an amendment numbered 2731.

Mr. COATS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 3, strike line 24 and all that follows through page 4, line 18 and insert in lieu thereof:

"(ii) a written, legally binding contract for disposal of municipal waste generated outside the jurisdiction of the affected local government that is consistent with, and was lawfully entered into after June 18, 1992, as the result of—

"(I) a host agreement; or

"(II) a written, legally binding, contract that was lawfully entered into by the affected local government and authorizes a landfill or incinerator to receive municipal waste generated outside the jurisdiction of the affected local government.

"(D) A Governor may require that contracts covered by (i) or (ii) of subparagraph (C) of this paragraph be filed with the State."

Mr. COATS. Mr. President, the subject of this amendment is the subject we have been discussing here for the last several hours on the Senate floor. The bill before us, Senate bill 2877, moves us a substantial way toward dealing with a critical national problem that is growing, it seems, almost every day, and that is the unwanted flow of interstate trash into States which either do not have the capacity to receive it or the will to receive it.

We have worked in a bipartisan fashion through the legislative process to create legislation which would effectively give States the authority to control their own borders. I commend those who have supported us in this effort.

However, as I indicated last evening and earlier today, there is a provision in the language as the bill currently exists that offers a loophole which is unacceptable to States that are importing trash, and we would like to clarify that.

This particular amendment, which I have offered, strikes subsection 2 of the section which deals with exemptions to the Governors' or the States' authorities to exercise jurisdiction over and control over the flow of out-of-State trash.

We have had extensive discussions on this amendment with Members on both sides of the aisle. We had hoped to be able to resolve this issue without offering the amendment and debating it. We were not able to do so. And it is therefore, with that, that I offer this particular amendment.

Mr. President, the amendment before us strikes the exemption that would exclude authority of the States to apply remedies under this bill to preexisting contracts as of the date of introduction of this bill between private parties.

While the entire intent of the bill is to give those on the receiving end of out-of-State waste a say in the terms, in the conditions under which they will accept that waste—that is the purpose, the fundamental purpose of the legislation—without striking the provision that denies that authority in the case of preexisting private contracts, we create a situation whereby in most receiving States, if not all, I believe that little or no change will be made in the status quo.

The status quo is the flow of unwanted solid waste, trash, garbage, however you define it, from one State to another without the receiving State having any authority to limit it in its own best interest.

Striking that is important to preserve the integrity of the legislation, and that is what this amendment tries to do.

AMENDMENT NO. 2732 TO AMENDMENT NO. 2731

Mr. CHAFEE. Mr. President, I send to the desk an unprinted second-degree amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE] proposes an amendment numbered 2732 to Amendment No. 2731.

At the end of the Coats amendment add the following new text:

"(E) Nothing in this Act shall be construed as encouraging the abrogation of written, legally binding contracts for disposal of municipal waste generated outside the jurisdiction of the affected local government that were in effect on June 18, 1992. The validity of any action by a Governor which would result in the violation of or failure to perform any provision of such contracts shall be determined under applicable State law.".

Mr. CHAFEE. Mr. President, what this second-degree amendment does is narrow down the prior amendment, and, indeed, the purpose of it is really to stress that Governors, acting under the basic legislation which is before us, namely, S. 2877—any of their actions are still subject to the State law and, of course, to any existing constitutions, be they State constitutions or the Federal Constitution, which, of course, would prevail in any instance. But it makes it clear that we are turning, as far as this particular section goes, the power of the Governor in connection with these contracts to the status quo, namely, the situation as it currently exists in the Nation today.

Mr. COATS. Mr. President, I would just explain to our colleagues that the amendments now before us essentially are designed to accomplish the same purpose. The second-degree amendment offered by Senator CHAFEE simply clarifies the first-degree amendment that I offered by indicating that striking this section from the bill in no way abrogates the legal authority of a contract, if that contract is upheld by State law. The second-degree amendment simply clarifies the intent of my original amendment by stating that nothing in the act shall be construed as encouraging the abrogation of contracts as long as they are written and legally binding for the disposal of municipal waste generated outside the jurisdiction. The validity of any action by a Governor which would result in the violation of a failure to perform any provision of such contract will be determined under applicable State law.

That is the situation as it exists today, and we wanted to clarify the fact that we are not taking away that authority. That authority that currently exists within the States today obviously will remain, as will authority that is available under Federal law.

I spoke earlier to this, and I will try to summarize and be brief relative to this whole question of impairment of contracts. It is clear, No. 1, that impairment of contracts is not an absolute right as interpreted by the Supreme Court. I cited a number of pertinent cases to that effect. I have indicated that the language in no way diminishes the constitutional protection of contracts. I have also indicated that this amendment in no way creates a new precedent.

Congress has enacted a whole series of laws that affect existing contracts, which the courts have upheld as long as it is done under the legitimate authority of State to limit by statute the application of certain private contracts. In fact, the leading authority on contract has stated that when a statute prohibits the doing of certain things, a contract to do those things is illegal, not because the statute makes it so but because it is deemed to be contrary to public policy to enforce the contract, since to enforce it would tend to encourage violations of the statute.

I have indicated that allowing this section 2 to remain, that is exempt it from the Governor's authority, simply creates a loophole which will allow for option contracts without binding restraints; it allows for amendments to contracts; it would allow for renewals of contracts which would allow for increased volumes and no termination date and allow for contracts that include overstated or understated or even unstated waste amounts.

For example, if a term of contract called for twice the volume of waste than actually received, the Governor's authority to freeze at current levels would be meaningless. There is no ability for States currently to determine what contracts now exist and what the terms are of those contracts. Therefore, it is impossible to determine just how large a loophole that is, but because there is no requirement that these contracts be made public, those contracts that currently exist are unknown to various State authorities.

What we have found and learned about contracts that currently exist is disturbing. The State of Pennsylvania has indicated that it has knowledge of contracts that were purposely written for volumes that were greater than the landfill's entire capacity to ensure that reasonable ceilings of volumes would ever be imposed. It has also been determined that some contracts are valid for 25 years. So those who say this is no problem, these contracts will expire in a year or two, that is not true. They either have long-term terms or they have renewal clauses which would allow an almost indefinite extension of the contract.

Many contracts have no caps on volumes and they have codified them allowing for unlimited extensions. I have a copy of an agreement between two private companies entered into in 1989. The agreement was for a term of 5 years and for an amount of 6,000 tons per week. That is, we will ship to you from one State to another 6,000 tons per week for a period of 5 years. However, 1 month after this original agreement was signed, the agreement was amended. It was amended by the landfill owner as allowable under the terms of the contract.

So a loosely written contract was entered into in July. In August the contrast was amended under the terms of the contract. It took a two-paragraph letter from the landfill owner to amend this because that complied with the loose terms of the contract in terms of amending. And the terms were amended from 5 years to "whatever period of time you need," and the volume was amended from 6,000 tons per week to 3,500 tons per day.

That is an example of why it is necessary to strike the provision which exempts any Governor's authority from affecting private contracts. If this contract is representative and I do not know whether it is or is not because we have no way of knowing, but if this contract is representative in any way whatsoever, it is obviously clear why this amendment needs to be adopted or the entire effect of the bill is gutted.

I want my colleagues to fully understand that this amendment is critical to this legislation. It is not possible to go home and tell your Governor, attorneys general, or the people of your State that you have in fact supported an effort that will give the State the ability to sit at the negotiating table in terms of what waste is received from interstate, or give the State the ability to limit in any way the amount of trash flowing from one State to another, unless this amendment is approved.

If it is not approved, it is quite clear to me and I think it will be quite clear to everyone who looks at this, that the trash will keep flowing, that this loophole is big enough to drive 100 trash trucks through on a daily basis.

So the Coats amendment, as seconded by Senator CHAFEE from Rhode Island, is absolutely critical to the effect of this bill. If this amendment is defeated the bill is virtually of no effect and will not deal with the problem that brought us here in the first place.

So, Members need to know that unless this change is made, the bill, essentially the provisions of the bill, will be gutted.

It is important to realize that most private contractors and contractees have anticipated congressional action on this matter. It is no secret for anybody that watches NBC, ABC, "CBS Nightly News"—I should add CNN and PBS, "20/20," all the shows that convey important issues that are affecting this country, newspaper articles and the odysseys of the trash trains and so forth, it is important to realize that this problem is anticipated by those who enter into contracts to either ship or receive the waste, because most contracts usually include provisions in which one party understands and agrees to the risk of potential change. And that remedy lies between the contracting parties.

By protecting both parties by statute, as the bill is currently constituted, we will essentially negate an allocation of risk that has been assigned between the parties. In effect, what we will do if this amendment is not adopted is abrogate our ability to execute meaningful public policy with real teeth and protect parties from risks that are already anticipated and already planned for.

The State of Michigan has just unsuccessfully argued a waste disposal plan before the Supreme Court as State after State after State has gone to the courts to try to impose the most reasonable, and in most cases, limit of resistance. And even those are violative of the commerce clause, which is why we are here. The attorney general of the State of Michigan has this to say about contract law:

> Under the Coats amendment only written contracts executed by affected local government or as a result of host agreement between the owner operator of landfill or incinerator and affected local government would be grandfathered. This language is consistent with the intent of Senate 2877, which is to ensure that the local government has the ability to meet its solid waste disposal needs and closes the loophole that threatens to circumvent the effectiveness of the bill.
>
> The Constitution gives Congress the authority to use all means appropriate to regu-

late commerce under the commerce clause, and this authority has been explicitly extended to contracts which come under the auspices of the commerce clause. Case after case has indicated that plaintiffs cannot expect that their status or rights will remain unchanged through changing circumstances and conditions. They could reasonably anticipate changes in the law, rights secured even by private contract maybe, and abrogated by subsequent legislation which is authorized by constitutional provision.

If contract language in the bill stands, we will essentially abdicate the stated effect of the bill and intent of the bill, which is to grant States and localities broader authority over their borders. Our intent is to change the status quo of uninterrupted trash flowing on an interstate basis. Our intent should not be to codify the current status quo situation.

Importing States like Pennsylvania, Ohio, Indiana, others, Michigan, that noted serious flaws in the language, the prospect of open-ended contract, the prospect of renewable terms, the prospect of assignable contracts continuing, all of which will seriously impair our ability to begin to control our borders—the Constitution protections afforded private contracts cannot be narrowed by legislation or ultimately defined by the Congress. These protections remain and nothing in my amendment limits those protections.

The Supreme Court has determined that the absolute protection of contracts must be balanced with a State's rights to further the common welfare of its citizens.

Today we choose what is more important. Is it more critical to allow communities to have a say in the trash crossing its borders, or codify current practices between waste exporters and the owners of private landfills that are repositories of interstate waste, the practices which have given rise to the crisis in interstate garbage shipments.

Mr. President, this amendment is necessary to preserve the intent and the integrity of the legislation before us, and I urge my colleagues to carefully evaluate this, talk to their State attorneys general and Governors, and hopefully support the amendment that Senator CHAFEE and I have offered.

Mr. President, I would like to add Senator NICKLES as an original cosponsor of this amendment, and with that yield the floor.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

At this time there is not a sufficient second.

The Chair recognizes the Senator from Montana [Mr. BAUCUS].

Mr. BAUCUS. Mr. President, this is a complex subject, one that most Senators probably do not want to spend a lot of time with, learning all the intricacies, the ins and outs of what really is going on here. Essentially, the point of this bill before us today is to provide a framework, a plan, a scheme, a construction for the interstate transport of solid waste so that States in a responsible, meaningful way can begin to limit the amount of waste that comes into those States.

Why are we here today? We are here today, primarily because our country tends to be a throwaway society. We generate a lot of solid waste—a lot of it. Essentially, each American citizen today throws away about 4.5 pounds of garbage. We take it out to the trash bin, the curbside, put it in a dumpster, or what not, and it comes out about 4.5 pounds per person, per American, per day—more than every other country. Unfortunately, the trend is upwards. We are just generating a lot more of this stuff now than we were a few years ago.

In the meantime, because of increased environmental standards—and thank goodness they exist—in the meantime many local communities, municipalities, counties, are finding it more difficult to find the space to dump the garbage—the landfills. There is a lot of pressure on communities to find more space. And because of the higher environmental standards—liners now being put in place at landfills, aroma restriction, monitoring restrictions, et cetera—these sites are becoming more scarce. They are more expensive. And there just is not enough room to dump the garbage.

We are attempting here in the Congress to address this problem. And, I might add, because of the lack of land space, particularly in some of the more populous States, the populous States logically and understandably ship a lot of their garbage to less populous States in other parts of the country. As one might expect, some of the more eastern, more populous States are shipping some of their solid waste—we are talking about municipal waste here—to somewhat less densely populated States in the Midwest and potentially to the Far West.

We in the Congress are attempting to solve this problem by passing legislation which will, in the first place, encourage manufacturing companies to produce less waste. In addition, to encourage companies to recycle more of the waste this country produces. And third, to set up a hierarchy of standards so the solid waste that is left over, that is produced and not recycled or not incinerated, is put in a safe way into a landfill.

States that receive a lot of solid waste are understandably concerned. At least some of the communities in some of these States are understandably concerned. Nobody likes to take somebody else's waste. It is really a paradoxical situation. Because people do not mind dealing with their own waste but they do mind dealing with somebody else's waste, almost leaving the implication that somebody else's waste is a little dirtier or somehow less palatable than the waste one's own community produces.

But putting that aside, human nature being what it is, people tend not to want waste produced by somebody else, even though the composition of that waste is for all intents and purposes the same as the composition of waste in the local community.

Under the U.S. Constitution, under the commerce clause of the Constitution, States cannot limit the importation of solid waste into their own States absent congressional authorization. In fact, a couple of months go, I think in the last few weeks, the U.S. Supreme Court in two separate decisions has held very directly on that point. Two States attempted to limit the importation of out-of-State waste into their own States. The Supreme Court said: No, you cannot do that. That violates the commerce clause of the Constitution. You have to wait for Congress to act in this area.

We, here, now, today, are acting in this area so States can so limit the importation of solid waste into their States.

I think it important for people to realize this is complicated. I am reminded—in fact some people tease me about this because I make this point with some frequency—of the statement by a famous Baltimore Sun journalist, H.L. Mencken, who said: "For every complicated problem there is a simple solution, and it's usually wrong."

I think he is right. For most complicated problems there are no simple solutions. But there are complicated solutions. There is no silver bullet. There is no magic panacea. There is no obvious, simple solution to most problems, and there is not to this one either. That is partly because almost every State in the Nation both imports and exports solid waste. Forty-two States in our Nation export solid waste to some other State. Forty-three States import solid waste from some other State. It stands to reason, because some cities are located not smack-dab in the center of the State but they are on the edge of the State, near a border of the State. It just makes a lot of sense to transport some of the garbage across the line to that other State.

In addition, we live in a society to a large degree of free enterprise, where companies can enter into contracts with communities or with areas that own disposal sites to try to work out commercial arrangements for the transportation, dumping of solid waste. State boundaries should not restrict that because we want commerce to flow fairly evenly around our country.

The real goal here is, frankly, for us to produce less waste in the first place and recycle a lot more waste than we presently do. But I must say even though we in the Environment and Public Works Committee reported out a bill attempting to accomplish those results, that we cannot get this bill up on the floor of the Senate in the remaining days of this year for one simple reason. That is basically because there is not enough interest to do what we all know we should do, that is pass legislation encouraging more recycling and encourage less production of waste in the first place. There just is too much gridlock here.

The national environmental groups did not like the bill reported out of committee because it did not go far enough. It did not set recovery rates, in their view, high enough. It did not go far enough in reducing or encouraging waste minimization. It did not go far enough. They are not very enthusiastic about it. They wanted more.

At the same time industry groups felt the bill did not make a lot of sense because they felt it went too far. Even though this bill only nudged industries, particularly the packaging industry, to recover a litter bit more of the paper, or the glass, or the plastics, or the metals they use—only a nudge—most companies do not want to be nudged. And because there are so few days left in this session they were able to exercise some leverage which in effect has prevented this bill from coming up.

It is really sad, because other countries are doing far more than we even attempted to do in the bill which is not now before us. The country of Germany, for example, has passed packaging legislation where Germany is now recovering 60 percent of recyclables of the waste that is produced in Germany. The European Economic Community is going almost as far as Germany. They are passing legislation in the European Economic Community which will require about 50 percent of recycling.

The bill we reported out of our committee, which we are not now bringing before the Senate, had a lower percentage—only 40 percent. We could not get that passed—we could not bring that up. Actually we could if we tried, but reality being what it is, if we had brought it up on the floor it would not go anywhere and we would just be, this year, unfortunately, wasting our time.

So, what are we left with? We are left with this construct, this mechanism, which by the way was in the Environment and Public Works Committee bill. We stripped that out. That is the bill now before us. We are left with this construct to provide a way for States to begin to control and have some handle on the importation of solid waste that comes into those States.

Now, because so many States import—42, so many States export solid wastes—43, we could not just overnight say, willy-nilly, today, slam the door shut, Governors have full authority upon the passage of this bill to stop all importation of solid waste coming into those States. This would not make sense. It would be extremely disruptive. It would cause all kinds of problems because so many States export wastes to other States. If all the States were to say: No, close the door; what is going to happen to the waste that is now being exported?

Well, who knows what is going to happen to the waste now being exported? Some of it would pile up in communities. Other waste would be dumped. Some States, some communities, just do not have the capacity at the moment to deal with the waste.

It has to go somewhere. People are still going to be producing the waste. Communities are going to be producing the waste. Production of waste is not going to stop. It is going to go somewhere. The question is where? We do not want it to go to someplace other than landfills. That is the problem. That is the basic problem that we have.

So, in our bill we provide that local communities, if they have not been receiving waste in 1991, out-of-State waste in 1991, can say to the Governor—Governor, we would like you to ban the importation of solid waste into our community. That is in the bill.

We also say to States and to local communities, if waste has been coming into your community in 1991, out-of-State waste, in 1991, then the Governor can still ban the waste going to your community if it is not going to a landfill that meets applicable State standards. You can do that.

We are also saying a Governor can freeze at 1991 or 1992 levels the amount of out-of-State waste that is coming into a State. The Governor essentially does not need the permission of a committee to do that. He does in some cases, but not all.

We are also saying for the States that receive most waste, that is States that receive over 1 million tons of waste a year, that the Governor can also freeze, there, and ratchet down those communities where 30 percent of their waste is from out-of-State.

Finally, in the bill we say this authority the Governor has continues indefinitely, except by the year 1997, if his State or her State does not meet the new solid waste regulations which go in effect in 1993, that is if the State does not meet them by 1997, then the Governor loses that authority. That is an incentive to encourage States to update their landfills.

So I am saying very simply this is a complicated problem. It has not a simple solution. It is somewhat of a complicated solution. But it is a solution which has been negotiated and worked out over, essentially a couple of years.

Exporting States, essentially New Jersey, New York—to name two who are most concerned from the exporter's point of view—States by the way which are doing a great job in reducing the amount of waste that they export—have been negotiating with importing States.

I mentioned the State of Indiana as an example to try to work out a solution and I must say, Mr. President, I think the compromise solution we have worked out is a pretty good one.

I might make one point here. Ironically, the problems that importing States have are already diminishing on their own. For example, in the State of Indiana, Indiana State officials have determined that long-haul waste imports have declined, not increased, have declined by 80 percent since last year. There has already been, Indiana officials have determined, 80-percent reduction in long-haul waste.

In a 1992 article in Solid Waste Report, according to an Indiana official with the Indiana Department of Environmental Management, "Indiana experienced much more than 50 percent reduction, probably more like a 70- to 80-percent reduction in long-haul municipal waste."

Everybody has figures. Some figures lie; some figures do not lie. I am only saying that according to Indiana officials, long-haul waste into Indiana in the last year or two has actually declined. It has not increased. It has decreased. This is happening, frankly, I do not know if in all parts of the country, but in many parts of the country. I note the State of New Jersey is now exporting I think no waste, or very little waste now to the State of Indiana. It is my understanding it is zero waste. That is a big improvement from a couple, or 3 years ago.

Mr. COATS. Will the chairman yield?

Mr. BAUCUS. In a minute I will. The very simple point and one that I think should be grasped here is that, by and large, the politics of this issue has not caught up with reality. The politics of this issue, particularly a couple—3 years ago—was one where people were inflamed because a garbage barge—or what is it called—the poopers—the poopoo choo-choo down in the State of Louisiana—and other examples of a lot of stuff being dumped was a problem a few years ago, a couple of years ago, maybe as recently as a year ago. I am not now saying it is not a problem now. It is a problem. But I am saying it is much less of a problem now than it was a couple, 3 years ago.

It reminds me a little bit, Mr. President, of the way Government sometimes does business, whether it is monetary policy or it is fiscal policy or other congressional reaction to not only perceived but actual problems; that is, by the time we have acted, the problem has taken care of itself and sometimes by the time we act we exacerbate the problem, we accelerate it beyond the point where it should be.

I am not saying this bill is going to cause more problems than it is going to solve. I do think this bill is going to solve more problems than it is going to create. If we stand back for a little perspective and look to see what is actually going on, I think we will realize that the reality of the politics of this are not entirely in sync. That is, the reality of this is the problem is not quite as bad as it once was 2, 3 years ago.

Essentially, Mr. President, I urge Senators to resist the Coats amendment. It is not needed. Indiana has negotiated with our committee very vigorously in the last couple of years. We have come up with a solution which is a good, fair solution, as fair as can be, to all States. It is not a perfect solution from Indiana's point of view. Indiana would like to have a perfect solution from Indiana's point of view. It is not a perfect solution from New Jersey's point of view. New Jersey would like to have a perfect solution from New Jersey's point of view.

I would like to remind Senators our national motto, which is emblazoned over the Presiding Officer's chair, is "E Pluribus Unum," we are one out of many, we are one Nation out of many. This is legislation which not only attempts, but in my judgment actually does essentially solve the problems that States have, taking into consideration both exporting States and importing States.

To go further, that is to tilt the balance more toward importing States even more than it has and against exporting States I think is going to begin to unravel this bill. I remind Senators that if this bill becomes unraveled—I am not saying it necessarily will—but the more we unbalance the bill, the more it tends to tilt too much in one direction as opposed to another, the more it will fall down, become unraveled, and the less likely the legislation is going to pass.

What does that mean? That means that States will have no authority to limit the importation of solid waste in their community; none. Why none? Because the Supreme Court has said so. The Supreme Court has said the States on their own, without the express authorization of Congress, may not limit the importation of solid waste in their communities. This bill does provide a framework so that States can limit the importation of solid waste in their communities.

I must say, too, Mr. President, I find it a bit ironic that Senators who usually stand up for business and stand up for commerce and stand up for free enterprise now want to give the Governor the authority to break contracts, to break a private contract, to upset peoples' expectations, upset the expectations of a local community, a person who resides in a State, who entered into a contract with somebody out of State, just to go in and say, I am sorry, even though you worked hard on this contract, even though you negotiated out this contract, even though you have certain expectations of the terms of the contract, sorry, all bets are off, cannot do it; we, the big mighty Government, are coming in and we are going to break your contract.

I would think, Mr. President, that most people in this body would hesitate before giving the Governor the authority to break contracts. Why do you want to break contracts or why do we want to break peoples' expectations? In this case, the first-degree amendment is a little bit strange because it only goes to private contracts, not to contracts in municipalities entered into. Why in the world do we want to say the Governor can break private contracts but cannot break a contract with a local government which entered into an arrangement to receive out-of-State waste from another State? What is the distinction, unless the distinction is, well, there is too little public process in the private contract negotiation whereas there is an opportunity for the public to express its will in the public contract.

The answer to that, it seems to me, in every community I know of, I am sure the local town, local township has a permit process, some process under which the private contractor entered into an agreement to receive out-of-State waste in his own State. There has to be some procedure, some way in each of these municipalities for the public in some way to be part of all this process.

The basic point is that Senators should be hesitant before we willy-nilly give the authority to a Governor to break a contract, break a contract that the residents of our States have entered into with residents of our own States or with other States, particularly when, under this bill, once the contracts expire—and the average length of a contract here is 5 years—once contracts expire under the bill, without the amendment, then Governors would have the authority and the State process would operate so as to restrict and even limit and even prevent the importation of solid waste into a State.

The net effect of this bill, without the amendment, will be a very significant reduction of solid waste coming into one State. It is not a total, 100 percent, slam the door, stop it all, upon the passage of this bill. That is correct. It is not. It is going to be phased in. But we have to phase it in if we are to be responsible. We have to be careful on the scheme, on the construct of the procedures we set up here so as not to totally eliminate transportation of interstate garbage, because if we do, it is going to pile up who knows where until this is worked out, and we do not want to be precipitous about all this but we also do not want to break contracts willy-nilly.

Also, I might say, to a large degree, this problem is being taken care of anyway, because the amount of waste that is going into the States, the receiving States, is not increasing. The evidence I have is that it is, in fact, in the most sensitive State, decreasing.

So I urge that we do not adopt this amendment.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma [Mr. BOREN].

Mr. BOREN. Mr. President, I first want to make a brief comment about the bill itself.

I am proud to be a cosponsor of S. 2877. I want to begin by congratulating my friend from Indiana, Senator COATS, for his hard work and his outstanding leadership in this area.

I also want to thank Senator BAUCUS and Senator CHAFEE for their efforts in pushing this debate toward resolution.

It is a very difficult matter, as the Senator from Montana has just indicated, to strike a fair balance between the needs of States, to make sure that we approach this matter on a national basis in a way that makes sense environmentally. At the same time, I think we must be sensitive to the needs of those States which have become the dumping ground—and in many ways the involuntary dumping ground—for waste from other States which are not handling their situation in a fully responsible manner. So striking the balance is a very difficult task. I want to commend floor leaders on both sides of the aisle for their efforts to strike that balance.

We do not want to open this bill up to widespread amendment and to broader debates, because there is a need in light of court decisions to have the Congress clearly speak. Without any legislation at all, as has already been indicated, the Governors, the States, the local communities, will simply be left powerless in terms of dealing with this problem of having waste from outside their States come into the local communities, local areas, and pose a threat to their citizens and to the quality of life. They will be left with no ability to act.

Fighting against out-of-State trash is especially important in Oklahoma, because we have more open space and generate less garbage than most other States. Municipal solid wastes in the United States have increased from 128 million tons in 1975 to 179 million tons in 1988, and is expected to rise to 216 million tons by the year 2000. Of this total, Oklahoma generates a little over 3 million tons of solid waste per year. For example, New York and New Jersey alone send double that amount—more than 7 million tons—out of their States, outside their States, every year. And this waste tends to end up in small communities, in rural areas, often that are ill-equipped to deal with it.

I do not mean to imply that other States are not making efforts to address their solid waste problems. They are. And these efforts are to be supported and commended. But clearly, they have not yet been enough. We need to craft a solution that will encourage them to do more, to do more to assume responsibility for the waste which they themselves are producing in their States.

Something needs to be done to ensure that this problem does not get passed on to more rural States. The game of pass the trash must end. I have here an article from USA Today which describes the route of the so-called P.U. Choo-Choo.

This train transported 2,200 tons of rotting New York City trash to Illinois, Kansas, and Missouri where it was ordered out of the State. Faced with no alternative but to go home, the garbage was finally trucked to the Fresh Kills landfill in Staten Island.

Oklahoma has less than 5 years of average landfill capacity left. High volumes of waste coming in from other States reduce Oklahoma's capacity to manage its own waste and only encourages other States to avoid their responsibilities a little longer. If we are going to preserve our environment, we cannot allow responsible States to become a dumping ground for others. We cannot sit back and let States neglect their responsibility to manage their own waste production.

Chief Justice Rehnquist made this observation in his dissenting opinion in the Michigan case:

> It is no secret why capacity is not expanding sufficiently to meet demand—the substantial risks attendant to waste sites make them extraordinarily unattractive to neighbors. The result, of course, is that while many are willing to generate waste * * * few are willing to dispose of it. Those locales that do provide disposal capacity to serve foreign waste effectively are affording reduced environmental and safety risks to the States that will not take charge of their own waste.

Chief Justice Rehnquist concludes:

> I see no reason in the commerce clause, however, that requires cheap-in-land States to become the waste repositories for their brethren, thereby suffering the many risks that such sites present.

This legislation will force other States to bear their fair share of the burden and develop responsible waste management plans. The need for action is clear. States are being inundated with garbage which can only be stopped through congressional action. In the past few months alone, 6 companies have proposed to dispose or incinerate out-of-State waste in 15 different locations throughout Oklahoma. The out-of-State trash pouring into Oklahoma's landfills reduces its capacity to be environmentally responsible and handle its own waste.

As landfills fill up around the country and the cost of waste disposal continues to increase, I believe we must deal with this problem on a national level. We must ensure that all States live up to the highest standards when disposing of their municipal waste.

A permanent solution is needed this year. My State and others cannot afford to stand powerless while other States neglect their responsibilities and spoil our environment.

Mr. President, I ask unanimous consent that I be added as a cosponsor to the amendments offered by Senator COATS and Senator CHAFEE.

The PRESIDING OFFICER (Mr. AKAKA). Without objection, it is so ordered.

Mr. BOREN. Mr. President, there are problems even with the existing legislation and with the compromise that has been developed, and I know that this amendment attempts to deal with them. For example, there are certain option contracts without binding volume constraints so if we do not touch existing contracts, there are contracts out there which have the potential of having options exercised to greatly expand the amount of waste coming in under them, and therefore leaving the State and the locality without power to act.

There are amendments to contracts which can be made. There are provisions that might allow renewals of contracts to allow for increased volumes in the future. And in some cases, there are contracts with no termination dates at all. There also contracts which include overstated waste amounts. For example, the contract may call for two or three or four times as much as is now coming in, a deliberate overstatement so that additional amounts can be brought in in the future without renegotiating the contract.

So unless we find a way to put some limits on the open-ended nature of these contracts, either as to duration or as to the volume of waste that comes in under these contracts, we will find ourselves with a loophole in the law that will again, once we have said to the public that we are solving the problem, leave room for the problem to raise its head again in a new form under the theory that private contracts allow for this huge expansion of unlimited duration.

I hope we will not do that. That is exactly what the Senator from Indiana and the Senator from Rhode Island are trying to prevent under their amendment.

At the same time, I am sensitive to what the Senator from Montana has just said about the fear of a blanket abrogation of private contracts.

I understand also the problems of those like my friend from New Jersey, Senator LAUTENBERG, and others who have been speaking on this matter. I understand their problem because they are worried that in those situations where their States are making plans, they are developing ways of coping with their own generated waste products and hazardous wastes, as well, if existing contracts are abrogated, the volume with which they must contend in the short range might be increased dramatically without their ability to cope with it. So they need some certainty as to the amount that will continue to go under existing contracts.

So, Mr. President, I support the amendment of the Senator from Indiana and the Senator from Rhode Island. I do express the hope, however, that before we come to a vote, a very serious effort will be made to try to find some language which strikes the balance between giving the Governor the power to abrogate contracts without constraint, without the limits being very carefully spelled out, and the current bill, which simply does not close all the loopholes. Surely there is a way we can find that will strike this balance.

The authors of the bill, the leaders of the committee, have been, as I say, masterful in terms of the efforts they have made so far to strike this balance. It is my hope we can also find the appropriate balance on the issue that is now before us so that we will not jeopardize the legislation, we will not get into prolonged debate and, above all, we will not open this legislation to other amendments which would have the effect of sinking the entire bill and leaving us in a very bad situation indeed.

So I hope that my colleagues will try to work together to deal with this problem of open-ended duration and the possibility of increasing the magnitude of waste and garbage moving across State lines because of open-ended provisions in existing contracts in a way that we can solve those problems without raising some of the fears that have been voiced by the Senator from New Jersey and the Senator from Montana and others about an abrogation of all contracts.

This Senator would certainly be willing to help in any way he can in trying to arrive at such a compromise. I compliment my colleagues for the progress they have made so far. They have made a great contribution to this country, and they have done it in a very fair fashion to all States. I simply urge them to continue in this way and to try to take care of the problems that have been raised in the Coats-Chafee amendment.

I thank my colleagues.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma yields his time. The Senator from Pennsylvania [Mr. SPECTER] is recognized.

Mr. SPECTER. Mr. President, I thank the Chair.

Mr. President, I compliment all Senators who have worked to bring this legislation to the floor in an effort to address this very oppressive problem.

I join with the distinguished Senator from Indiana [Mr. COATS] in the amendment which he has offered and ask that I be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, I believe that the Coats amendment is indispensable to close a very glaring loophole which would permit virtually boundless importation of trash to States like Pennsylvania. The amendment would ensure that there is express authority granted by the Congress empowering States to appropriately regulate interstate flows of trash and deal with existing contracts.

When you take a look at the transportation of interstate waste, it is absolutely appalling, and the statistics which are available relating to Pennsylvania show an enormous amount which is being imported from out of State, with particular reference to the States of New Jersey and New York. That importation has increased markedly in the course of the first quarter of this year by some 43 percent.

Just take a look at the kind of importation which is involved here, Mr. President. In 1991, New York exported 1,058,878.7 tons to 23 Pennsylvania landfills at a time when New Jersey exported even more than that, 1,871,494.2 tons to 21 Pennsylvania landfills. In the first quarter of 1992, New Jersey exported 439,785 tons to Pennsylvania landfills, a significant increase over the exporting of 407,337 tons in the first quarter of 1991. In the first quarter of 1992, New York exported 267,860 tons to Pennsylvania landfills, which was an increase substantially over the 169,317 tons in the first quarter of 1991.

These lines of exportation are only illustrative of the tremendous amount of waste which is imported in interstate commerce.

It is necessary that there be an expressed grant, by the Congress to the States, of authority to limit the shipment of interstate commerce because, if it is undertaken by the States alone without the authority from the Congress, it is subject to being nullified as an undue burden upon interstate commerce. So it cannot be a so-called dormant provision. There has to be an expressed grant of authority.

The illustrations of the kind of contracts which exist show that Mercer County, NJ, has a 20-year contract with the G.R.O.W.S. landfill for the disposal of 4.5 million tons of municipal waste and sewage sludge. That contract was entered into in February 1988, and the 4.5 million figure represents the maximum obligation of the landfill and could be increased at the discretion of the landfill operator, if the landfill operator so chose. So, here you have an illustration of an existing contract which would obviously render any of the limitations imposed by this legislation meaningless unless the Coats amendment is adopted.

Another illustration is found in Essex County, NJ, which currently has a contract with the G.R.O.W.S. landfill in Bucks County, PA, even though Essex County has an incinerator which is being used to process New York City garbage. So, what you get involved in here are elaborate arrangements, which are obviously very, very profitable, but unless a State like my State, the Commonwealth of Pennsylvania, has the authority to impose some reasonable restrictions, it is just very, very burdensome.

Mr. President, even with the opportunity to strike existing contracts, there is still a very grave burden which is imposed on States like mine which may require amendments even beyond the one which is currently being undertaken.

But I believe, Mr. President, that the Coats amendment would still leave this legislation in balance. It would not render it out of balance. Although there really may be more amendments necessary to provide the appropriate overall balance for this legislation.

When there is an argument here about expectations, I think that these contracts were entered into with these open-ended long durations really anticipating some legislative action to try to have certain curtailments on trash flows. Therefore, we have people, highly sophisticated in these business operations who will not realistically be denied their expectations.

When there has been talk on the floor here, Mr. President, about recycling,the figures which have been advanced may not tell the whole story when they are talking, apparently, about industrial recycling activities which include scrap automobiles and highway asphalt recycling. So that when you have waste disposal of the type we are concerned about in this legislation, these references to large recycling successes do not really tell the story as it relates to the kind of activities which are sought to be regulated here.

This is a very realistic and modest proposal, Mr. President, I think, upon analysis, the vast majority of the Senators will adopt this very reasonable amendment.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho [Mr. SYMMS] is recognized.

Mr. SYMMS. Mr. President, I commend the sponsors of this legislation for their efforts to resolve what is a very complex and politically potent issue; that is, the interstate transportation of municipal solid waste or garbage. It has come to the forefront of public concern, Mr. President. It gets a lot of media attention. There is hot political debate in many States. I know that my friend, Senator COATS, has worked very, very hard to resolve the differences between the competing political interests represented here so we can move ahead with a bill.

I know Senator BAUCUS has worked with him diligently to that end.

Through his persistence and thoughtfulness and hard-nosed determination, Senator COATS has brought us to this point. I commend him especially for a most difficult job. And I say "well done" to him.

Mr. President, having said that, I would like to point out a couple of things that I think the Senate needs to think about regarding the regulation of interstate commerce.

The interstate transportation of garbage tends to raise regional and local concerns, and it is a politically potent issue. It also raises a very important constitutional issue. These issues are the kind of issues that are very difficult to drive home in a 30-second sound bite but which directly affect our Federal system of government.

I want to raise some of those issues today. I know the two Senators from New Jersey have had a keen interest in this legislation because, in some cases, their State happens to be an exporter. I know there is one side of the argument that says, well, if you pass this law, then the States that are exporters of garbage and trash will be forced to build solid waste disposal sites or incinerators, and that will solve the problem. They can build them in their own States, and take care of the garbage they generate. Others say it is impossible to develop new sites or obtain necessary permits to build waste incinerators. And in some cases, States and communities simply do not want sites developed. I know there are two sides of this issue. But I think that we need to discuss the constitutional issue. It is a constitutional issue and where that might lead us, Mr. President, is my concern regarding this legislation.

In article I, section 8, of the Constitution, our Founding Fathers enumerated the specific powers granted to Congress in this national government of limited powers. Among the most important of those express grants of congressional authority is the power "to regulate Commerce with foreign nations, and among the several States, and with the Indian tribes."

To quote from "The Analysis and Interpretation of the Constitution," a document prepared by the Congressional Research Service:

> the commerce clause "is the direct source of the most important powers which the Federal Government exercises in peacetime, and, except for the due process and equal protection clauses of the 14th amendment, it is the most important limitation imposed by the Constitution on the exercise of State power."

Mr. President, why did the Framers of the Constitution, who took such great pains to create a National Government of expressly limited powers, grant to the National Government such exclusive and powerful authority over commerce? Mr. President, I think the two Senators from New Jersey probably understand this as much as anyone here in this Chamber, because their State is now being affected by it, because of local, parochial interest in neighboring States, those States are trying to prevent the transport of commerce across the State line.

To paraphrase James Madison's analysis in the Federalist Papers No. 42, the commerce clause was included in the Constitution because the Framers believed one of the great weaknesses of the Confederacy was the inability of the Confederate government to regulate commerce between the several States.

In other words, this was in an age of States rights, Mr. President. This was in an age when States rights were premier, when they had just thrown off the shackles of big government from Great Britain, and they did not want big government to centralize too much in the central government of the thirteen Colonies.

The Framers had the foresight to recognize—as Madison noted—that States which imported or exported products through other States had been forced to pay taxes or other forms of duty on the commodities in transit, and that such duties weighed heavily on both the manufacturers and consumers, all Americans. "We may be assured," Madison says, "that such a practice would be introduced by future contrivances."

In other words, James Madison predicted, some 200-plus years ago, that with explicit protection in the Constitution we would reach this point. So do not think, Mr. President, that we can pass this legislation without setting a precedent. This is a precedent-setting piece of legislation which I think all Senators should give a great deal of thought to before passing.

Madison went on to say, "We may be assured that such a practice would be introduced by future contrivances; and both by that and a common knowledge of human affairs that it would nourish unceasing animosities, and not improbably terminate in serious interruptions of the public tranquility. * * *"

Thus, Congress was granted the power to regulate interstate commerce in order to ensure the free flow of goods and protect against economic warfare among the States.

Mr. President, this Senator will make the argument anytime, anyplace, anywhere, that one of the reasons the economy of the United States has been so successful in these past 200-plus years is because of the fact that we have had relatively free trade between the States; it may be that it is more economically advisable to produce goods or services in one State and transport those goods and services to another State. We have never had problems of meeting border guards, tariffs or quotas, all of the complications that restrict the free flow of goods and services between States.

This subject seems a little earthy by comparison, but all of this bears directly on the question before us today—interstate transportation of garbage.

I have the greatest respect for the Senator from Indiana and the Senator from Pennsylvania trying to protect their States. But on the other side of the coin, there are States that may have lesser land space, different land values, a greater concentration of population, and it may make good sense to transport some of these products across State lines as long as they stay within the bounds of the overall general standards of environmental behavior.

As unappealing as it may seem, Mr. President, garbage is a commodity that is often transported and received under contract in interstate commerce. It is a business arrangement generally between a private company operating a landfill site and a municipality that has to do something with the waste it collects from its citizens.

Mr. President, this legislation would grant the States the authority to regulate or prohibit the interstate transportation of this commodity across their borders. Senators may say, "well, States need to be able to control how much out-of-State trash is received and buried within their borders, and trash-exporting States need to adopt measures to deal with their own trash." All of that is fine, except the mechanism we are using to deal with this difficult issue is to relegate to the States authority expressly and purposefully granted to the Congress under the commerce clause.

You just cannot have it both ways, Mr. President. If we pass this legislation, we are giving the States authority to interface with interstate commerce. It may be that that is what the Senate wants to do—and I note from reading a bill summary that the administration has generally indicated its opposition to measures that restrict the free flow of solid waste in interstate commerce.

I think that Senators need to recognize that we are literally interfering in a business arrangement between two parties, who voluntarily have agreed to have a landfill site in point A, and a disposal collection point at point B, and they transport it from point B to point A. And even if they comply with all regulations, we are going to do is step in and say, "no in this backyard. We do not want it in my backyard."

It may be way more efficient. I am not from New Jersey. I am not from Indiana. I do not know the facts of how much more efficient it is to store some of this waste in a landfill in Indiana, or in Ohio, or in Pennsylvania.

But I am telling you, Mr. President, that it is another matter for Congress to devolve itself of the power granted under the Constitution to protect the free flow of commerce which provides the basis for a sound economy. I'm afraid what we are doing is opening the door, Mr. President, for local politicians and individual State Governors to use this as a precedent in other matters.

This is solid waste we are talking about. We also have toxic waste, hazardous waste. There are sensitive nuclear materials that are transported between and through States. And if Congress is standing here today saying it is going to give this power to the States, I fear it is a mistake. It is all well and good to say you are for States' rights but just remember that not-in-my-backyard politics makes it almost inevitable. If Congress gives this authority to the States, the short-term political gain for political posturing will always be to keep trash or any form of waste out of your State.

That is also going to be the popular thing. We may lose sight of whatever the marketplace would dictate and what the efficient method of handling these materials is. Some are considered less than popular to have in your neighborhood, many are considered hazardous but are essential in the manufacture of household conveniences and modern equipment. They will be the subject of State-by-State prohibitions in interstate commerce.

I do not think there is any question about it. Mr. President, if this bill passes the Senate it will set a precedent and make it easier to interfere with interstate commerce between the 50 States.

Without knowing a lot of the specifics, most Americans would probably tell you, Mr. President, that lead can have harmful health effects. Yet, lead is found in computer equipment, certain lighting fixtures, and a host of other manufactured goods which all of us depend on daily. How smoothly will the wheels of the economic engine turn if Congress decides to let States ban the transport of lead in interstate commerce? I just used that as a hypothetical example. It would open Pandora's box.

What about agriculture commodities, Mr. President, or textiles, or other products that from time to time that raise political concerns within certain States? If Congress allowed them the authority, is it not likely that some States with a substantial textile industry might prohibit the transportation across their borders of out-of-State or out-of-country textiles?

I would ask the rhetorical question, Mr. President: Is there anybody here that thinks that South Carolina would not be happy if no other State or no other country could ship any textiles into South Carolina? I think the popular vote in South Carolina, on the surface, might appear to be this: They would be opposed to having anybody ship textiles into South Carolina. I think that evidence in the past and the things that we have seen happen would lead one to believe this possibility.

I have seen it happen in numerous kinds of products shipped from the Pacific Northwest into the great State of California. California used to have a nontariff trade barrier where they tried to block products they felt competed with their own products.

I know no matter how unpleasant it is to talk about solid waste, which means garbage and trash, it is a commodity, and it is an interstate commerce commodity. We should stand back and look at what it is we are doing. These are some of the important constitutional and economic questions that I think are raised by this legislation.

I hope my colleagues will give careful consideration to the long-term consequences for this Nation once we start down the road of giving States the authority to regulate the commodities transported in interstate commerce. Today, it is garbage. Tomorrow, it may be some other commodity. It may actually end up being, I would say to my colleagues, some of your constituents' jobs. There has to be some way to resolve this difficult issue. However, I believe that passing precedent-setting legislation, which clearly in this Senator's opinion interferes with the commerce clause of the Constitution, is a highly dangerous precedent for this Congress to set.

I would hope that some of the constitutional scholars here in this Senate that have had far more experience in these matters than this Senator would look at this very carefully before we ask the Senate to vote on this legislation because I think the potential for mischief and problems here are overwhelmingly risky for this country.

Having said this, I know the Senator from Indiana worked very hard to work out these difficulties. It may be that the solid waste disposal business will boom in the States that have been exporting their materials into Pennsylvania, and Ohio, and Indiana. But I will just say to my colleagues we should be very cautious about passing legislation of this kind.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho [Mr. SYMMS] yields the floor.

Mr. LAUTENBERG. I suggest the absence of a quorum.

Mr. COATS. I wonder if the Senator would withhold that request?

I want to briefly respond to a couple points made by the Senator from Idaho. I would indicate to my colleagues that we are making a good-faith effort to resolve the difference here relative to this particular amendment. I have had some discussions with the Senators from New Jersey and we are attempting to do this, and hope to have an answer on that relatively quickly.

I would just like to say to my friend from Idaho, and I do appreciate his support through this effort. He has been an ally on the committee who has offered advice and I appreciate his concerns.

When this Senator originally offered legislation to deal with this problem, it authorized Governors total ban authority. That legislation was endorsed by a substantial majority of the Members of this body. Subsequent to that time, in response to some of the legitimate questions that the Senate has raised, we have spent a great deal of time and effort attempting to strike that balance that recognizes the very real problems of States like New Jersey and New York on other densely populated States in disposing of their municipal solid waste. And in recognizing the fact that they are making conscientious efforts to try to deal with that.

For that reason, the legislation was substantially modified to try to achieve a balance necessary to allow States like New Jersey, New York, and others, to deal with a particular problem they have, but also recognize that the States on the receiving end of the trash stream also have a problem. So the legislation before us does not give States the right to overthrow the commerce clause, but it grants limited authority to States to regulate the flow of trash into their State for what I believe are legitimate public purposes.

The legislation only gives the Governor the authority to ban out-of-State municipal waste upon request of the local governing authority, or solid waste district, and relative only to landfills that, first, did not receive out-of-State waste in 1991, and second, that do not meet applicable State requirements.

The authority to ban thus is very limited and in fact that authority is not even allowed in cases where host communities or local jurisdictions have agreed or negotiated with the exporting State to receive this. So a Governor cannot override a decision of a local community unless the State is so inundated with trash that it threatens the State's capacity to deal with its own municipal solid waste and then the Governor can only do so up to a certain percent, up to 30 percent of the total waste that is coming into the State—that is 30 percent of the total waste capacity of the State. And he can only, then, without the request of the local community, limit that to 30 percent.

In all other cases the Governor only has authority if, again, requested by the local government, again provided that local agreements are not abrogated, that his authority then only goes to freeze the amount of out-of-State waste coming in at the levels achieved in 1992, the first 6 months of 1992, or 1991, the first 6 months doubled, or 1991, whichever is less.

So nothing in this legislation is going to prohibit the flow and the economic benefit of the flow of waste on an interstate basis, as long as the community itself wants to receive the waste.

In response to the question relative to the Supreme Court, I might just note Justice Rehnquist's opinion in the most recent case that dealt with this subject, the Fort Gratiot Sanitary Landfill versus Michigan Department of Natural Resources landfill case. Justice Rehnquist said:

> I see no reason in the Commerce clause, however, that requires cheap-in-land States to become the waste repositories for their brethren, thereby suffering the many risks that such sites present. The Court today penalizes the State of Michigan for what for all appearances are its good-faith efforts, in turn encouraging each State to ignore the waste problem in the hope that another will pick up the slack. The court's approach fails to recognize the latter opinion is one that is quite real and quite attractive for many States * * *

Mr. BAUCUS. Will the Senator yield on that point?

Mr. COATS. I will be happy to as soon as I finish the quote—

> * * * and becomes even more so when the immediate option of solving its own problems, but only its own problems, is eliminated.

For that reason Justice Rehnquist offered a dissenting opinion in the case.

The Court, of course, upholds the commerce clause. But a long history of opinions have indicated that if Congress grants authority to the States to impose reasonable restrictions, that authority is legal and binding under the commerce clause and the Court will accept it. We have not done that yet. That is what we are seeking today.

I will be happy to yield.

Mr. BAUCUS. The Senator somewhat anticipated my question. It is true that is the dissenting opinion the Senator quoted from? And what was the vote on that case where Chief Justice Rehnquist dissented?

Mr. COATS. I am not sure what the vote is. Obviously the Court upheld the commerce clause.

Mr. BAUCUS. It was at least 8 to 1 or 7 to 2——

Mr. COATS. No, it was at least——

Mr. BAUCUS. It was 7 to 2, then. And, as the Senator knows, a dissenting opinion is just that. It is a dissenting opinion.

Whereas the Court did not agree with Justice Rehnquist's opinion. That is, seven Justices or eight Justices of the Supreme Court, virtually a unanimous Court except for one, Chief Justice Rehnquist, disagreed with the Senator.

Mr. COATS. In response to the Senator from Montana, they disagreed on the basis of the fact that the commerce clause—that Congress had not granted the State of Michigan the authority to impose reasonable restrictions, which is the very reason why we stand here today with S. 2877.

Mr. BAUCUS. My only point is that statement of Chief Justice Rehnquist has no effect. It is not the law of the land. It is just a gratuitous opinion of the Chief Justice because he disagrees with the rest of the Court. The point is the statement of the Chief Justice is not binding. It is not the law. The law is not at all what the Chief Justice volunteered—states.

Mr. COATS. The Senator is absolutely correct. The statement of Justice Rehnquist is not the law of the land. It is not the law of the land because Congress has not granted the State of Michigan or any other State the authority to impose reasonable restrictions that do not pose an undue burden on interstate commerce. We are attempting to do that today. S. 2877 would grant that authority. That authority, then—according to numerous opinions by the Court, the majority of the Court as well as the minority support—would, then, uphold that authority. And that is why the Senator from Indiana initiated this in the first place and why he goes forward with confidence that this language will be held constitutional.

The opinion of Justice Rehnquist may very well be the opinion of all nine members of the Court. But their decision is based on the fact that Congress did not grant the authority and, therefore, they really had no basis on which to overturn the commerce clause because precedent said without grant of a specific congressional authority they have no precedent to overturn the commerce clause.

Mr. SYMMS. Mr. President, will the Senator yield on the point for a question?

Mr. COATS. I will be happy to.

Mr. SYMMS. I thank the Senator for that explanation. Then, if I understand the Senator correctly, Mr. President, what he is saying is the Court has said that it does not have the authority to interfere with the commerce clause. But only Congress can interfere with the commerce clause and grant that authority to the States. So what this Senator is then posing to the Senator, if this legislation passes and is signed into law or becomes law without the President's signature, and according to the President's position on this is:

> The administration opposes enactment of this bill . . . that would allow State Governors to prohibit or limit the disposal of out-of-state waste. The bill's restrictions on interstate transportation of waste do not maximize economic efficiency, and could increase public health and environmental risks posed by environmental waste in some communities.

What the Senator from Indiana is saying is if Congress grants the Governors this authority, then the Court would be in the position to uphold the law because Congress would have granted that authority? That is the opinion of Justice Rehnquist? Maybe the chairman of the committee would comment on that also. Is that the understanding of the Senator?

Mr. COATS. That is the understanding of this Senator. That is what the courts have consistently ruled in cases dealing not only with shipment of solid waste but commerce in general.

However, the Congress clearly, I believe, if my reading of constitutional law is correct, and I do not pretend to be a constitutional scholar, either—the State has to prove an overriding public interest in order to override the commerce clause. There are a number of celebrated cases early in our Court's history that have upheld the power of the commerce clause. And I have every confidence the Court would uphold that power. Except where a State can come in and show overriding public interest.

Mr. SYMMS. Let me ask this question, then, Mr. President, and I thank the Senator for the answer to that.

What does the Senator and what does the chairman of the committee anticipate that the precedent is, by passing this legislation, for future attempts to grant States more authority to stop materials from coming across State borders into the States?

Mr. COATS. Well, I think—I do not share the opinion of my friend from Idaho that this is the opening of the door, the foot in the door, the camel's nose in the tent type of legislation that is going to undo the effect of the commerce clause. Over the years Supreme Court decisions have consistently held that the commerce clause restriction on State power is a dominant restriction and that States may not regulate areas affecting interstate commerce when such regulation has an undue burden on that commerce.

The undue burden test apparently—and I say this without claiming again to be a constitutional expert or even spending a great deal of time in recent days on this particular subject. I think we are discussing an important point here, one that has some relevance to the bill at hand. But I do not believe for a moment that the authority that we are granting States under this legislation is going to be the basis on which States are going to be able to go forward and undo the effect of the commerce clause.

Mr. SYMMS. Mr. President, I think I would agree with the Senator. But would he agree with this Senator that the precedent that this bill is focused on is strictly solid waste, period; not for other kinds of materials?

Mr. COATS. This bill is limited to municipal solid waste; that is correct. The definition is spelled out in the legislation before us.

Mr. SYMMS. I thank the Senator.

Mr. COATS. Mr. President, I might also point out, the point has been made that this is a solution searching for a program; that while this may have been a problem in the past, it is quickly being resolved. That certainly is not the case in Indiana; I do not believe it is the case in many other States. And I would like to cite some figures relative to that.

In 1991, the State of Indiana received 1.45 million tons of out-of-State trash, which amounted to 528 pounds of out-of-State trash or garbage for every man, woman, and child in the State of Indiana. We have 5.5—or more—million people in our State.

The claim that imports of trash have been reduced is not again supported by the facts, even for figures we have for the first quarter of 1992. Out-of-State trash received in the first quarter of 1991 in Indiana was 273,043 tons. In the first quarter of 1992, it was 376,757 tons. That is a very substantial increase in the amount of trash coming into our State.

This Senator is not claiming that all that trash is coming from New Jersey. I do not believe I have said that in this debate, and I will take on the face of it the statement of the Senator from New Jersey that they are making a good-faith effort. In accord with the agreement signed between their Governor and our Governor, very serious attempts are being made to limit the out-of-State trash. But it is coming from somewhere. And if it is not coming from New Jersey, then it is coming from somewhere else.

I cited earlier a quote from Assemblyman Morris Hinchey, who chairs the New York State Commission on Solid Waste Management, who said, "We are relying more and more on out-of-State disposal." The amount of solid waste exported from New York State and deposited in States like Indiana and others has increased 400 percent in the past 5 years. And while, in 1991, the State of New York only generated 2 percent more trash than they did in 1990, their exports increased 19 percent. Fifty New York landfills stopped taking waste in 1991, and not a single new landfill opened.

What we have here is a game of pass-the-trash. We have situations where trash flows into one State or one part of one State until the public outcry reaches such a level that it becomes very difficult to continue that process, and trash then is stopped from flowing into that particular site and flows into a site either in the next county or, in many cases, the next State. This game of pass-the-trash is move-the-trash, keep it moving from place to place, and we will eventually beat this game.

I commend the State of New Jersey for passing some tough laws to attempt to become self-sufficient in terms of dealing with their solid waste problems. In fact, they set a goal, I believe, of 1992 to achieve that. They were not able to achieve it. It was an ambitious goal. I commend them for trying. I believe the best information I have is that they need an additional 5 to 7 years to accomplish that goal.

People continue to say: Just give us more time, and we will solve this problem. And why does Indiana not recognize we have been through what you have been through, and that we have a density problem and we are doing our best to solve it?

Let me tell you why. Indiana has 5 years or less total capacity for landfill. We have gone from 150 landfills in 1980 to about 75 today, with a further reduction to at least 50 or less in just the next few years. With 5 years or less landfill capacity, the landfill clock in Indiana is ticking. So our efforts to be responsible as a State, to impose new restrictions regarding the generation of waste, incentives and requirements for recycling of waste, upgrading our landfills, siting new landfills, our entire waste disposal plan is rendered useless if we cannot put some restrictions on the amount of waste flowing into our State from other States.

So we are attempting to do what those States claim: Give us more time to enact our plan. We are attempting to enact our plan, but find our efforts overwhelmed by the 1.45 million tons of trash which flowed into our State in 1991. What we want to be able to do is sit down at the table with those States that want to ship trash into Indiana and say: If the local community wants that, if we can work out a satisfactory agreement, if we can make sure that we do not overwhelm our own efforts, if we can make sure that we can reserve some of the capacity for our own waste, then we will talk.

Right now, we cannot talk. Right now, we absolutely prohibited from having any say whatsoever in terms of determining our own destiny, and that is the reason why not only Indiana, but Pennsylvania, Ohio, Wisconsin, Michigan, Illinois, Missouri, Oklahoma, New Mexico, and State after State after State after State is saying: We need some ability to determine our own destiny relative to our own environment.

This bill provides a balance. It provides an opportunity for States that find themselves in difficult situations, unable to meet their own requirements in terms of taking care of their own trash, and that need to export for a period of time. It allows some of that to go forward as long as it is part of a negotiated agreement, or an agreement that has already been in place with the host community; and, under certain circumstances, at volume levels that were established before the effect of this particular legislation.

By the same token, it gives States that are on the receiving end of this waste the opportunity to impose reasonable restrictions which I do not believe interfere or set a precedent that is going to undermine the effect of the commerce clause.

Mr. President, the Coats-Chafee amendment is pending. We are still attempting to resolve this matter. Hopefully, we will have an answer on that. And if the answer is not satisfactory, I hope we can move to a vote relatively soon. If it is something we can resolve, then I think we can move forward with this legislation.

With that, Mr. President, I yield the floor.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator yields the floor. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I think that the Senator from Indiana has made quite clear his interest in resolving the problem. We would like to resolve it. No one likes to see the trash trains or the trash trucks coming into their communities.

The fact is that—as I think everyone here now knows—exporting is no fun either. This is not something we want to continue. What we are looking to do is to try to get enough time to deal with the problem sensibly.

This is a national problem of major magnitude. This does not just involve New Jersey, Indiana, Pennsylvania, and New York State. This involves almost every State in the Union one way or the other, either on the export or the import side.

So the best thing we can do, if we can, is to try to develop an understanding that enables us to reduce the volume of exports.

What we are trying to do, Mr. President, in the moments right now—and I appreciate the fact the Senator from Indiana does want to try to effect a compromise that satisfies us both. Implicit is that there is an agreement which really does not satisfy either one of us, but that is the way it goes; no one gets everything they want when it affects States' interests. We are at the moment, at this very moment, in touch with the present administration in New Jersey, talking to our Commissioner of Environmental Protection, to see what we can do to reach a consensus view that permits us to go forward without further debate.

(Ms. MIKULSKI assumed the chair.)

Mr. LAUTENBERG. Now, I do not know whether that is possible. I hope so. I think we are awfully close to developing an understanding that satisfies us both, but meanwhile, Madam President, we are asking for the time, the opportunity to continue to try to strike a compromise that works.

Madam President, it is pretty obvious, I assume, by my comments, that I am going to vigorously oppose the amendment offered by the Senator from Indiana. This is not something, to use the expression, we can live with. The amendment that is being proposed would undo the work of the Senate Environment and Public Works Committee and unravel a carefully constructed proposal developed by the Environment and Public Works Committee. In fact, this is a proposal that the Senator from Indiana—although he is not a member of that Committee, he did testify and help us in the deliberation—joined with the Senator from Montana in introducing just last month. But the Coats amendment would pose a significant threat to New Jersey and other States compelled to export trash, municipal garbage. For these reasons, I strongly oppose the amendment, and I intend to fully discuss my opposition to the amendment.

Madam President, the Senate Environment and Public Works Committee adopted comprehensive provisions to address the issue of interstate waste shipments as part of S. 976, amendments to the Resource and Conservation Recovery Act, commonly known as RCRA, and approved by the Environment Committee earlier this year.

The members of the committee, those—and that includes, of course, this Senator—representing States like mine that export garbage and those representing States that import garbage, worked in good faith to develop an environmentally sound proposal sensitive to all States without being unfair, as much as possible, to any State.

The National Solid Waste Management Association reports that 43 States, almost every State exported municipal solid waste in 1989. So this is a matter of national concern that affects so many States.

The committee proposal left to local governments the choice of whether to build new landfills to receive waste from other jurisdictions. Many communities have shown they can deal with this issue responsibly, and some have invited imports of waste to landfills that are built to meet rigorous environmental standards.

Why would they encourage that? For some, Madam President, it involves sites that bring income into the community. We have all seen that at times communities have resorted to all kinds of activities to create jobs and revenues. It is well-known that communities around the country have invited waste disposal facilities like incinerators. We see it time and time again when a prison is contemplated. Many communities will opt for these because they are so desperate to keep the services in their communities going.

Not that having a properly licensed waste facility is like a prison, but one can understand at times why a community which knows very well that what they are doing is environmentally sound would reach out to try to develop some revenues and some jobs. And so we see communities saying we know what we want to do and we invite those who are looking for a place to dispose of trash to come to community X, Y, or Z.

The committee proposal grandfathered existing contracts. In doing so, the committee recognized the need for a period of time to allow States to reduce their exports and understood that sudden abrogation of an existing arrangement for waste disposal could impose costly, environmentally destructive measures on the exporting community, suddenly finding themselves without an acceptable option for waste disposal, one that they had planned to use often, for some time as they developed other approaches to waste disposal.

Yesterday, the distinguished Senator from Indiana argued that this provision appeared after the committee acted, the provision that protects existing contracts. The Senator is incorrect. The committee provision always protected existing contracts. In fact, this provision was the basis for the committee compromise.

There was a change in the contracts provision in S. 2877. Senator BAUCUS reduced the scope of the provision to ensure that it only covered written legally binding contracts. He wanted to make it perfectly clear that these were specific agreements and had very precise conditions. Senator BAUCUS added a provision to allow the Governors of these States to require that these contracts be filed with the States so State governments knew what was taking place.

So the argument, Madam President, that the Senator from Indiana raised yesterday that States would not even be aware of the nature of these agreements is simply wrong. Senators should not think that this was some provision snuck into the bill in the dead of night. It was a fundamental provision of the Environment Committee's work on this issue. And when concerns were raised about the provision subsequent to committee action, Senator BAUCUS acted to address those concerns.

The bill gave exporting States time to reduce exports, but it also ensured that there would be a limit on those exports, and exporting States were put on notice that they would have to reduce their shipments of garbage to other States. What they needed was time.

The interstate waste provisions approved by the Environment and Public Works Committee as part of S. 796, the Resource Conservation Recovery Act amendments, were authored by the Senator from Montana, Senator BAUCUS, and Senator CHAFEE and supported by members of the committee, by Senator WARNER from Virginia, Senator WOFFORD from Pennsylvania, both of whom represented States currently receiving significant solid waste imports. They knew of their State's concerns, but they also knew that there had to be some kind of an effective compromise that would start the process going, not just cut it off in the middle of the night.

The legislation before us today, S. 2877, the Interstate Transportation of Municipal Waste Act of 1992, was introduced only weeks ago by Senators BAUCUS and COATS. It is based on the committee's earlier work. However, in the interest of further addressing concerns raised by importing States, it was revised to permit all States to freeze the level of municipal waste imports at 1991 or 1992 levels, whichever is lower, subject to certain conditions.

Madam President, there are provisions in S. 2877 with which I disagree, but a compromise means that each side has to give. S. 2877 recognizes that solid waste disposal is a serious national problem. The Nation is choking on the 180 million tons of garbage that we generate each year. Everyone knows that we are a throwaway society relying on excessive packaging and single-use products. There is not a lot of ingenuity placed in the way we deal with pollution or garbage in the first place. While we continue to generate mountains of municipal waste, our existing capacity for disposing of it is shrinking.

It is very interesting. The Senator from Indiana in his earlier remarks talked about the risk of running out of capacity. He said that Indiana had—he gave the number, I do not remember precisely—I think it was around 150, down to something like 70 or 80 landfills remaining. He is right to be worried about that because what is the State of Indiana going to do when its landfill sites are filled with its own domestically created trash?

New Jersey attempted to deal with that very problem. We tried to protect our capacity. It was not that we were simply opposed to out-of-State waste coming into our State. It was because even 20 years ago it was pretty obvious that one day we were not going to have a place to put the stuff. So what happened is we took it to court. And the Supreme Court one day said no, New Jersey, sorry, you have no choice. Under the commerce clause, I believe the decision was made, that we had to continue to do what we were doing.

I guess, Madam President, that brings us almost to the current day when knowing that the commerce clause protects the transport of interstate trash, that an attempt is being made here to create law that will deal with that problem.

But nevertheless New Jersey was compelled to give away its capacity. That is why we are here today in the situation that we find ourselves, at the same time we work further and harder to reduce the amount of garbage we create. New Jersey has the No. 1 position in terms of recycling across this country, up over 50 percent of all solid waste. That is a pretty good goal. We are moving rapidly. Yes; we had hoped to be totally able to deal with our trash within our borders in a period of time that is shorter than now appears to be. But we are working on it. By 1995 we expect to be over 60 percent recycled of our solid waste.

Just a few months ago EPA issued final landfill standards, standards which EPA says could lead, hear this, to the closure of hundreds of substandard landfills. Some areas now face a short-term capacity crisis. More areas are going to be so faced.

So what we did was to develop a national response. We tried to deal with our waste problem, to promote recycling and production of recyclable products and to promote safe disposal of waste. We did not want to narrow options where environmentally sound and economically feasible alternatives do not yet exist. We did not want to create new environmental problems. We wanted to encourage environmentally sound disposal practices. We wanted to address interstate shipments of municipal waste in the context of a comprehensive response to our waste problems.

The amendment before us today would throw all of those efforts out the window. It would impose artificial restraints without any environmental justification, that would harm the environment and disrupt communities all around this country, both exporters and importers. The Coats amendment would make significant changes to the committee bill before us. It would eliminate the protection in this bill extended to existing contracts.

Madam President, S. 2877, would respect legal relationships. That is not particularly revolutionary. It is in our Constitution. Contracts have to be honored. Communities rely on these legal relationships. Termination of these contracts would result in sudden termination of existing legal commitments, and it would threaten the ability of communities all across this country to dispose of solid waste in an environmentally responsible manner.

The sponsors of this amendment might argue that the provisions of this bill are overreaching and restrict the ability of a Governor to act to protect legitimate health and safety interests.

I have to admit that this argument surprises me. As I mentioned, the contracts provision was in the interstate waste section of the environment committee's RCRA bill. It was included in S. 2877, which Senator COATS joined Senator BAUCUS in introducing.

So what we are looking at now is the change from that which the Senator from Indiana had agreed to as a framework for resolving the problem. It was not until yesterday that we were presented with the arguments regarding an alleged affect of the contracts provision on a State's power to protect the health and safety of its citizens.

With some time in reflection it may be possible to address legitimate concerns that the bill as drafted may have had some unintended consequences. However, this amendment would undermine one of the underpinnings of this compromise legislation.

That is, the protection of existing waste disposal arrangements until such time as environmentally sound alternatives can be implemented. These contracts do not last forever, and I am not arguing that they should. Most of the contracts that jurisdictions in my State have entered into will expire over the next few years.

To suddenly allow these contracts to be abrogated, as the Senator from Indiana argued yesterday, would terminate the arrangements for waste disposal on which they are relying. Let us remember that even without this amendment, there will be a loss of some capacity for disposing of garbage; some capacity will be lost right away, because the landfills will not be grandfathered under the bill.

This amendment makes the situation much worse. Additional capacity would be lost as the four largest importing States were able to reduce imports at the largest landfills to 30 percent of garbage disposal, and existing arrangements which communities relied on in good faith would be abrogated. This would be a radical and unproductive step. It would be deeply disruptive and injurious to New Jersey and other States that must export garbage while they implement and develop sound, long-term environmentally acceptable disposal measures.

States need time to adapt to restrictions on the interstate transport of municipal waste. They should not be pushed into emergency and environmentally unsound solutions to waste management problems.

For this reason, Madam President, leaders of the Nation's major environmental groups have opposed unreasonable restrictions on interstate waste shipments. They argue that garbage bans inevitably lead States to adopt quick-fix solutions that are harmful to the environment and will interfere with the development of recycling markets.

The amendment would give a State the power to ban a portion of out-of-State garbage suddenly, virtually capriciously, and without any regard for its impact. This would have significant adverse effects. The Coats amendment would be harmful to the environment, because it would force States that are locked out to take desperate steps to dispose of solid waste, steps that may mean a rush to incinerate or reopen unsafe landfills. It may mean more illegal dumping. We have all seen it.

In New Jersey, one pays a very high price for garbage disposal. Some communities are now charging by volume, charging by weight, and what we are seeing, Madam President—and I do not think it is unique to New Jersey, because I have read stories about other States—is people taking plastic bags full of garbage and throwing it out on the roadways so people do not have to pay the price. People are besieged by the lack of capacity to deal with current financial problems, and they search for ways out, and we ought to be helpful and not force people into irrational steps, which is the result of what happens when you suddenly close down on an avenue or a process that has been in place. Ironically, this amendment could preclude disposal in the most environmentally protective landfills.

Madam President, in this the Environmental Protection Agency agrees. At a Senate Environment and Public Works Committee hearing on these issues, Environmental Protection Agency Administrator Reilly said:

> We should not create any authorities that operate as a ban on interstate transport of either solid or hazardous waste, thereby inhibiting or restricting development and use of the most appropriate technology for waste treatment or recycling.

Administrator Reilly also said that interstate waste did not present an environmental problem and that immediate bans would lead to the undesirable disposal of waste, including illegal disposal.

The administration opposes these restrictions. Clearly stating EPA's position, the Assistant Administrator for Solid Waste and Emergency Response, Don Clay, wrote to Congressman LENT in February of this year indicating the administration's opposition to restrictions on interstate waste.

I ask unanimous consent that a copy of this letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LAUTENBERG. The Coats amendment would block the development of a comprehensive solid waste policy. Instead, it would pit State against State in garbage wars that could hurt many States.

Most States now export some of their waste. The Coats amendment would create chaos in towns and counties in those States that are relying on existing contracts, existing arrangements to ship waste across borders.

Some of my colleagues may say, well, we do not ship out very much. We take in more than we ship out. The Coats amendment is a good deal for my State, they may say, I warn my colleagues, do not be fooled; the tide turns oh so quickly.

Madam President, New Jersey, as I said earlier, was a net importer of garbage until 1988—that is not a long time ago. We took garbage from New York and Pennsylvania. We did not want to be good guys, but those were the arrangements and that is what we did. Almost overnight, we were forced now to become an exporter, because our friends and neighbors across our borders had used our capacity. The same thing can happen to others.

As a matter of fact we heard earlier from the Senator from Pennsylvania, who decried the fact that so much was being shipped to his State. Yes, it is significant, but I remind those listening that New Jersey was one of the biggest importers of Pennsylvania's, certainly Philadelphia's, garbage for many, many years. Perhaps we should have had a data bank that said, use our capacity today and maybe 20 years from now we have a deal that we in turn will get the same things back from you. In hindsight, that probably would have been the better way to work. Time has passed and we are where we are, and we are all in this boat together, a boat filled with garbage and trash. We have to solve the problem jointly.

An example of the kind of thing of which I speak is Kentucky. New Jersey used to ship waste to a landfill in Kentucky, but that shipment ended in 1991. I understand that Kentucky may now be a net exporter of waste.

Another example of how situations can change is the case of Rhode Island, which may find itself with a waste disposal shortage by 1994. Just this past week, the Rhode Island Legislature enacted legislation prohibiting the construction of incinerators and requiring the State to achieve a 70-percent recycling rate.

According to the chairman of the Rhode Island Solid Waste Management Corp., Mr. Jerrold Lavine, Rhode Island may have a capacity shortage in 1994 as a result of this legislation, the legislation that we are talking about right now. They may have a capacity shortage in 1994, I am reminded, as a result of the legislation in Rhode Island.

So the Coats amendment may look like a good deal this year, but it may be a terrible deal in a very few years.

Madam President, while this amendment would affect the 43 States that now ship municipal solid waste across State lines—I obviously am most familiar with the situation in my State of New Jersey. This amendment could have disastrous effects on our State. So, I want to convey to the Senate the progress we have made over the past few years toward developing our own self-sufficiency in our disposal practices and set the record straight about New Jersey.

Too often New Jersey is maligned because people do not know our State well enough. I can tell you this, that New Jersey ranks among the top States in developing patents, many of them in the pharmaceutical and chemical area that are extremely beneficial to health and then ultimately to the environment. And New Jersey—sounds funny to say this as I talk on the floor with my good friends from Montana and Idaho—New Jersey has more horses per square mile than any State in the country. I want Senators to know that. We may not have a lot of horses. But we do not have a lot of square miles either.

New Jersey is a beautiful State with a lot of natural beauty. We have about 1 million acres reserved for the Pinelands, the State preserve that takes up a considerable part of the State's land.

We are very conscious of our need to be environmentally responsible. We have wonderful coastlines. We want to protect the ocean. We stopped, effectively—and this Senator takes credit for it, for having stopped plastic dumping and sewage sludge in the ocean. We have tracked medical waste so people are not just throwing things into the sea and having them wash up on our shore or other shores or the beautiful shores of Maryland, the State of the occupant of the chair.

So we work hard at protecting our citizens and at protecting our environment. And we are the leaders in the country in recycling efforts and we are well on our way to solving waste disposal problems.

So I want to make sure it is clear, in case it has not been to this point, that I am unalterably opposed to this amendment.

For most of the century until the mid-1980's, New Jersey was an importer of solid waste. As recently as the period of 1980 to 1982, more than 10 million tons of New York and Pennsylvania garbage was sent to New Jersey for disposal. As I said earlier, as a result, the landfills in my small, most densely populated State in the country filled up.

Today, New Jersey exports solid waste. But, this is not a situation we like or intend to continue. We do not like being dependent on other States for garbage disposal. We do not like having a gun placed at our heads and saying you cannot do this or you cannot do that or how much you are going to have to pay, to be held up essentially for blackmail. These are some of the conditions that are beginning to exist. So we want to get out of that business. We want to solve our problems within our State borders. But we need time to do it. We are on an excellent track to solve those problems and we are determined to do so.

New Jerseyans already pay more for garbage disposal than citizens of any other State in the Union. We want to be totally self-sufficient. But give us the time to do it. And though other States may not be in the same extreme condition, there are lots of States bordering on that unfavorable dilemma.

Self-sufficiency is a major component of New Jersey's solid waste policy. That is why our State is implementing the most aggressive recycling program in the Nation. We hold ourselves up as an example for others. New Jersey now recycles 52 percent of its total waste stream and over one-third of its municipal waste. Recycle. Our people are working on it. Everyone is aware.

Because of our densely populated structure, we have lots of apartment dwellers. It is more difficult for apartment dwellers to recycle. We live together in a crowded condition and we somehow or other get our message through to everybody. We are, I am proud to say, now recycling over one-third of our municipal waste.

The goal is to recycle 50 percent of our municipal waste and 60 percent of our total waste stream by 1995. That is not a long way away. We are talking about 3 years from now. New Jersey expects to be recycling 60 percent of its total waste stream. We are running just about as fast as we can and, therefore, when it comes to saying to New Jersey or to other States who need this capacity right now, we are going to send you off the cliff overnight, we say hey, wait a second; we are doing what we can, we intend to do better, and we hope that other States around the country will do as well as New Jersey.

We have added more than 1 million tons of disposal capacity over the last year and half, and that is really searching every nook and cranny that you can find, and as a result we have already significantly reduced our garbage exports down to 21 percent of our waste, not as is often quoted the more than 50 percent. That is again maligning our State and its effort. Twenty-one percent, not the fifty percent that is so often talked about.

By 1991, New Jersey had reduced its municipal garbage exports to 1.65 million tons, not the 5.5 million ton figure that is so often cited. And our commissioner of environmental protection and energy—that is one department—Mr. Scott Weiner, who used to work for me, testified to the Environment and Public Works Committee that New Jersey is ready to complete the job of ending garbage exports. Again, all it needs is some more time.

New Jersey is now evaluating additional applications for disposal capacity and recycling facilities that will further increase the amount of recycling. New solid waste facilities, together with additional recycling efforts, will assist New Jersey in obtaining its goal of self-sufficiency.

I have consulted closely with the New Jersey Department of Environmental Protection and Energy and the office of the Governor of New Jersey about the Baucus-Coats bill. Their analysis indicates that S. 2877, while reducing the level of exports of trash, will avoid the immediate disruption or environmentally damaging responses by our State. But it will require that New Jersey continue its effort to reduce interstate waste shipments.

I want this information clearly before the Senate and on the record: The fact is no waste from New Jersey is going to Indiana. My lips do not have to be read, but the record should reflect no more waste to Indiana from New Jersey.

The issue arose in this Senate again yesterday, and I introduced into the RECORD an article quoting the chief of the Indiana Department of Environmental Management's solid waste branch, stating that all parties concur that the existing interstate garbage enforcement agreement between New Jersey and Indiana is working and working well. And the Indiana official confirmed that waste shipments from New Jersey have ceased. In fact, according to the article, of the six landfills that receive the overwhelming bulk of waste imported by Indiana in 1991, only one exists today and receives any waste imports.

When Senator COATS repeated yesterday in the Senate that waste was being shipped from New Jersey to Indiana, I checked with the New Jersey Department of Environmental Protection and Energy to confirm my statement. The officials at that department assured me that: First, New Jersey is not currently permitting any waste, allowing any waste to be shipped from New Jersey to Indiana; and second, that Indiana has not informed New Jersey of any alleged illegal shipments.

Madam President, I ask unanimous consent that a letter sent to my colleague, Senator BRADLEY, and me be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF NEW JERSEY, DEPARTMENT OF ENVIRONMENTAL PROTECTION AND ENERGY, OFFICE OF THE COMMISSIONER,
Trenton, NJ, July 21, 1992.

Senator BILL BRADLEY,
Senator FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATORS BRADLEY AND LAUTENBERG: As you have requested, this is to provide you with a determination of the amount of solid waste which has been legally transported from New Jersey to Indiana for disposal.

New Jersey operates its solid waste through a regulated waste flow system where all waste is directed to specific points of disposal. Any solid waste shipments which flow outside of this system are considered illegal and subject to enforcement actions. This provides environmental controls to ensure proper disposal while also facilitating the financing of needed solid waste facilities through guaranteed waste and revenue flows.

Our records indicate that only 3,035 tons of solid waste were legally shipped to Indiana in 1991 (out of a total 2,717 million tons disposed out of state that year). This waste was entirely generated from one facility in Essex County and the last shipment to Indiana from this facility was in April 1991. An estimated 75% of the 3,035 tons consisted of bulky wastes (e.g., appliances, tree stumps, construction and demolition debris) (Type 13), 20% was non-hazardous dry industrial waste (Type 27) and the remaining 5% was municipal household solid waste (Type 10). Thus far in 1992, our records indicate that no solid waste has been legally shipped to Indiana.

As you recall, New Jersey has worked closely with the State of Indiana through a bi-state agreement signed in August 1991 by

Governors Bayh and Florio which provides for mutual investigative and enforcement actions to stem illegal waste flows. As stated by Governor Florio at the signing, no solid waste was being shipped to Indiana at that time and there are no plans to transport any more solid waste in the future. This agreement has already proven of value in the tracking of waste flows and the origination of solid waste. Furthermore, it has assisted Indiana to determine the source of wastes which end up in their landfills. To date, nine enforcement actions have been taken as a result of this agreement.

Indiana's records indicate that 109,000 tons were received from New Jersey in 1991. The Department of Environmental Protection and Energy solid waste enforcement unit is working together with the State of Indiana to investigate the discrepancy in our numbers. We have identified several explanations. First, there are cases of illegal transport. Also, New York or Pennsylvania waste has been legally hauled by trucks with New Jersey plates and considered New Jersey-originated waste by Indiana inspectors. Also, New York or Pennsylvania waste is being hauled to New Jersey transfer stations and then transported to Indiana. In such cases, the waste might be manifested as New Jersey waste though its source is New York. Significant amounts of waste from New York are transported to New Jersey transfer stations for processing, retransport and disposal out-of-state. We will know more as the investigation continues and I will keep your offices informed.

The initial conclusions, I believe, are that: (1) New Jersey has an active, accurate system that—maintains control over waste flow (2) no waste is legally going to Indiana at this time, and (3) New Jersey has worked effectively with Indiana to address these issues.

I thank you for your efforts in the Senate on this important issue.

Sincerely,

SCOTT A. WEINER,
Commissioner.

Mr. LAUTENBERG. Madam President, I will take the liberty at this moment of reading some excerpts from that letter. The date is today, July 21, 1992. And, by the way, the heading on this stationery is: "State of New Jersey, Department of Environmental Protection and Energy, Office of the Commissioner, Scott A. Weiner," who is the commissioner.

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Our records indicate that only 3,035 tons of solid waste were legally shipped to Indiana in 1991.

That is out of a far larger total.

This was entirely generated from one facility in Essex County—

To which the Senator from Indiana made reference—

and the last shipment from this facility was in April 1991.

We are talking about a year and a quarter ago.

An estimated 75% of the 3,035 tons consisted of bulky wastes (e.g., appliances, tree stumps, construction and demolition debris) (Type 13), 20% was non-hazardous dry industrial waste (Type 27) and the remaining 5% was municipal household solid waste (Type 10). Thus far in 1992, our records indicate that no solid waste has been legally shipped to Indiana.

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Unfortunately we get credit for material being directly from New Jersey. It is not. It could be, again, a trucking company, a transport company that hauls this material.

In such cases, the waste might be manifested as New Jersey waste though its source is New York. Significant amounts of waste from New York are transported to New Jersey transfer stations for processing, retransport and disposal out-of-state. We will know more as the investigation continues and I will keep your offices informed.

The initial conclusions, I believe, are that: (1) New Jersey has an active, accurate system that maintains control over waste flow (2) no waste is legally going to Indiana at this time, and (3) New Jersey has worked effectively with Indiana to address these issues.

And then there is a closing comment.

So the Senator from Indiana, when he talks about waste shipments from New Jersey, must respectfully note that the record is clear from our standpoint, and I hope that he will correct any assertions that he made to the contrary.

I also want my colleagues to note that New Jersey and Ohio are about to sign a similar enforcement agreement.

Madam President, let me summarize the arguments against this amendment.

The Coats amendment would hurt the environment. That is the end conclusion.

It would set back genuine efforts to establish a national, comprehensive solid waste policy.

The Coats amendment would disrupt communities all around the country. Forty-three States now export some waste. And Senators have to look at their own State's position and understand that though it is appealing to say, "Hey, don't ship it across the borders," it may be affecting the States they represent.

The Coats amendment would unravel a carefully crafted, responsible proposal to deal with a very complex set of problems.

Madam President, Senators should also be concerned about the precedent that this amendment would set. The Coats amendment would impose a radical solution that would abrogate legally binding contracts, something protected under the law by the Constitution of the United States.

Madam President, disposal of solid waste is a problem that we all share. It will affect each and every one of us in every State in this country. And we cannot solve the problem with quick-fix, shortsighted solutions which divide us with our particular State or regional interests, one against the other. That is not an appropriate way for this country to function. When we have national problems, all of us have to participate together in the solution. We do not want solutions that are going to cause greater environmental problems than we presently have.

Madam President, I hope that eventually Congress will be able to break the gridlock we are experiencing and enact meaningful legislation to promote recycling, reduce waste, and protect our environment from slipshod disposal practices. Meanwhile, Madam President, we have not yet achieved the goal. I hope in lieu of that agreement we will accept the reasonable proposal that Senators BAUCUS and CHAFEE developed. Although I feel the legislation before us goes somewhat further than it should, substituting artificial geographical restraints for sound environmental policy, I am willing to support it as it is at the moment. I am not willing to accept the amendments that have been offered.

I want to let my colleagues know, Madam President, I had planned to continue to expound at length about some of the environmental law that we in the environment committee had worked so arduously to develop, about things like clean air, clean water, safe water, and ocean dumping. I will forgo that pleasure, Madam President, in the interests of a compromise agreement which I hope will be struck in the next short while.

But I will conclude with a few words more. I hope the sponsors of this amendment will withdraw it, and join in supporting the bill pending before the Senate. But failing that, I hope we will come to an understanding that some orderly process must be maintained before we shut down the transport opportunity that exists now for a temporary solution to the problem.

We have had extensive hearings and committee consideration on S. 2877, though it is not in that exact form right now. But it was dealt with in the hope of reauthorizing RCRA, which we still support.

Madam President, I, at this point, will yield the floor and, if no other Senator seeks recognition, suggest the absence of a quorum while we industriously approach a solution to the problem that will satisfy none completely. But I will remind my colleagues that the first few chapters here are of such interest, I do not want them to miss the opportunity to hear them. But for the moment, Madam President, I suggest the absence of a quorum.

EXHIBIT 1

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, DC, February 21, 1992.

Hon. NORMAN F. LENT,
Congress of the United States,
House of Representatives, Washington, DC.

DEAR NORM: Thank you for your letter dated November 4, 1991, expressing interest in EPA's position on proposed interstate waste transport legislation. I share your concerns about the impacts of such legislation on states that export solid waste, and I am happy to provide you additional information about this issue.

Several pieces of proposed legislation have been drafted that would authorize states to impose fees on the disposal of out-of-state municipal solid waste (including draft Senate bill S. 976, a draft bill released for comment by the House, and proposed legislative language from state associations).

The Administration believes that even if such statutes were consistent with the general intent of the Commerce Clause for national markets, they would be undesirable as a matter of policy, since they would create great economic inefficiency. Arbitrarily dividing waste management along state lines would discourage the selection of the least costly treatment and disposal options for solid waste. It would balkanize waste treatment and disposal, inducing duplicative investments in waste facilities and attendant losses to society, and would be antithetical to our efforts to build market-based incentives to address environmental concerns. Each state could be compelled to replicate facilities already built in other states. Moreover, environmentally advanced landfills and specialized treatment centers may be commercially dependent upon shipments of waste from more than one state. Accordingly, there may be economies of scale and environmental benefits to methods of waste handling that require multistate supplies.

Bans would arguably provide a direct penalty for failure of the state to assume its "fair" share of disposal capacity. This "failure" would of course be exceedingly difficult to measure and distinguish from simply higher costs of disposal in an area. One particular problem associated with banning out-of-state waste, however, is that access to out-of-state capacity may be the only short-term option for some generators. In such instances, illegal waste dumping could increase. Another problem is that access to out-of-state capacity may be the only environmentally sound option for certain wastes, in which case banning waste transport could be adverse ecologically.

Differential fees, if capped, appear to be intended to provide a degree of compensation to states for the potential adverse effects and oversight of imported waste. Many states are currently (and legally) collecting limited fees that represent the costs of waste management oversight. There are, however, problems associated with such fees. The use of broad-based fees to create incentives for specific jurisdictions to reverse political decisions not to site disposal facilities adds an unreasonable general burden to the economy. Such fees fail to allow the free market to function, and limit the availability of cost-effective waste management to all states, raising economic interference issues similar to bans and compacts.

The formation of compacts between states has been offered as another alternative. There is some precedence for such an approach. The State Capacity Assurance Program, imposed by the Superfund Amendments and Reauthorization Act in 1986, has proven that states can work together to provide capacity. On the other hand, formal compacts (as opposed to informal regional planning agreements) can be administratively inflexible, making it harder for current "have nots" to gain membership after providing new capacity.

The Administration has additional serious concerns about these options, for the following reasons:

Any authority to ban interstate waste transport would represent governmental interference in an existing commodity market, an activity to which we are opposed. In addition, sudden restriction of municipal solid waste movement could precipitate a serious disposal crisis in areas now relying on out-of-state disposal. One likely result of this would be an increase in illegal dumping. Another would be environmentally unsound facility siting.

Fees could reduce the viability of municipal solid waste recycling, in the state that enacted the import fee, although this might be offset by an equivalent or greater amount of recycling (though not necessarily cost-effective recycling) in the exporting state, while bans and compacts could eliminate it. This would place an artifical constraint on one element of EPA's integrated waste management matrix (source reduction, recycling, combustion/energy recovery, and landfilling) in which source reduction and recycling are generally preferred to combustion and landfilling because of their positive conservation benefits.

Allowing state restrictions on waste management capacity could also lead to construction of inefficient and more costly facilities, as well as unneeded capacity.

States should site only the disposal capacity needed by the marketplace.

If each state had to provide for its own waste management capacity, waste management would be more expensive throughout the nation. Interstate transport limits would severely reduce competition, increase the price of waste management, and would forego economies of scale, therefore making waste management costlier in both currently importing and exporting states over time.

Imposing limitations on interstate municipal waste transport would interfere with existing waste management contracts. This raises possible Constitutional issues and may lead to litigation against state and federal governments.

Furthermore, market-based incentives provide the answer to many of the issues associated with municipal solid waste. Local and municipal governments should make certain that the price charged for waste services reflects the direct and indirect costs, including the opportunity cost of land used, closure and post-closure costs, and other relevant costs. Variable rate pricing, where the price charged for waste services changes with the weight or volume that each household produces, can have numerous benefits. Our evaluation of such programs that "get the price right" indicates that the pricing of disposal services can dramatically reduce the volume of waste disposed and increase recycling. It is logical, therefore, that if the volume of waste decreases, there will be less need to export waste to other states.

Finally, I would note that the recently promulgated rule governing municipal solid waste landfills is fully protective of human health and the environment; over time, the public's reluctance to permit new landfills to be sited should abate as a result of these new highly protective standards. As you may know, states have been improving their solid waste laws and as a result thousands of substandard local landfills will close because of these laws and the new federal rule. The municipal waste previously disposed locally will in many cases be shipped to larger new regional landfills that may or may not be located in the same state. EPA recognized this outcome when developing this rule. Landfills will be more expensive as a result of these more stringent design standards. In general, landfills will need to be larger in order to economically justify the investment needed to comply with the standards. However, EPA believes it better for communities to ship waste further away to larger, safer landfills than to continue to dispose of it in potentially unsafe local landfills.

The Administration believes, for reasons set out above, that there should be no authorities created that operate as a ban on interstate waste transport.

I have attached additional information on interstate waste transport issues in Attachment A, where you will find a copy of the April 30, 1992 testimony addressing this issue. The testimony was given by Don R. Clay, EPA's Assistant Administrator for Solid Waste and Emergency Response, before the House Subcommittee on Transportation and Hazardous Materials of the Committee on Energy and Commerce.

You also requested information about instances when Congress has waived the Commerce Clause to permit states to ban or impose differential fees on out-of-state products. This information is provided in attachments B and C. Attachment B is a copy of a Congressional Research Service report on the Constitutional issues associated with the import of solid waste. Attachment C is an *amicus* brief providing information on statutes in which Congress has removed Commerce Clause limitations on State regulatory authority; additional examples are found in Attachment D.

I hope you will find this information useful. If we can be of further technical assistance on this issue, please have your staff contact James Berlow, Director of the RCRA Reauthorization Project, on 202-260-4622.

The Office of Management and Budget has advised that there is no objection to the submission of this letter from the standpoint of the President's program.

Sincerely,

DON R. CLAY,
Assistant Administrator.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WELLSTONE). Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, I wish to speak first to the underlying bill and then make a couple of brief observations about the pending amendment.

KENTUCKY NEEDS THE AUTHORITY TO REGULATE OUT-OF-STATE WASTE

Mr. President, you may remember the now infamous voyage of the New York garbage barge back in 1987, which took its pungent cargo on a journey down our eastern coast. It came to symbolize our Nation's burgeoning solid waste problems. Since then, many communities have taken action to manage the waste they generate, but many have done nothing.

In New York alone, trash exports hit a record 3.8 million tons in 1991, more than double the amount of trash exported when the garbage barge was making its rounds half a decade ago.

Last week, a train carrying 2,000 tons of Northeast garbage was making the rounds throughout the Midwest. This so-called trash train tried to deposit its cargo into Midwestern landfills. Unable to find a taker, the train headed back home where its cargo was disposed of in New York's Fresh Kills landfill.

And, just yesterday, Mr. President, 19 boxcars of municipal waste were discovered near an abandoned mine in Muhlenberg County, KY. Local officials believe it is from the Northeast.

That is why we are here today. The solid waste problem continues. But unlike the communities back East that can deal with their garbage problems by exporting it to places far away, the folks in Kentucky can do little to keep trash out from other States.

Mr. President, my colleagues may be surprised to find out that in 1991, Kentucky, like New York, was a net exporter of municipal solid waste, but it hasn't always been that way.

My position on this issue is based on where Kentucky has been, and where Kentucky is going if Congress does not give States the authority to limit out-of-State waste. As recently as 1990, half a million tons of out-of-State trash was dumped in Kentucky, filling landfills and contaminating groundwater. The citizens of my State were powerless to stop it.

Unless Congress acts, my State may once again become the dumpster for the rest of the United States.

Today, it looks like we may have reached the long awaited consensus on interstate waste legislation. We may have finally reached a point where we are willing to give States the authority they need to control waste from outside their borders. I want to thank the distinguished Senator from Indiana who has pursued this issue with vigor and determination. Without his leadership, we could never have come this far.

I am proud to have worked closely with the Senator from Indiana since interstate waste first became an issue. Trash is not a glamorous subject, and it often seemed that we would never reach consensus on interstate waste legislation.

Back in 1990, I introduced a bill to allow States to charge higher fees for disposal of waste coming from other States. My rationale was that taxpayers in States with a surplus of landfill capacity should not be subsidizing States that have not invested in responsible waste management. While my bill did not pass the Senate, a similar measure that I cosponsored with the Senator from Indiana did pass the Senate as a floor amendment with 68 votes. Unfortunately, our language was stripped in conference.

I testified twice before the subcommittee on Environmental Protection, chaired by the distinguished manager for the majority. I discussed the necessity and urgency of passing interstate waste legislation for Kentucky.

Last September, I supported the Senator from Indiana's efforts to introduce an interstate waste amendment to the Department of the Environment Act. While Senator COATS eventually refrained from offering his amendment, the prospect of such legislation coming to the Senate floor effectively brought into focus the urgency of this crisis.

Later that year, I cosponsored legislation to give the United States more leverage to limit the amount of waste coming across our border from Canada.

In March of this year, I joined the Senator from Indiana again in introducing legislation to empower States and local governments to check the flow of garbage into their communities. Our innovative approach was yet another alternative we offered to solve the interstate waste issue.

And just 2 months ago, I was happy to be a part of the effort to refine the interstate waste legislation hammered out by the Environment Committee, to give States the authority to freeze trash at certain grandfathered landfills. This change has been incorporated into the bill before the Senate today.

Despite all of our combined efforts, however, unless Congress passes the Interstate Transportation of Municipal Waste Act, States like Kentucky will be prohibited by the so-called dormant commerce clause of the Constitution from protecting themselves from out-of-State waste.

The Supreme Court long ago ruled that the mere presence of the commerce clause prevents States from legislating in a way which burdens commerce between the States. While Kentucky has passed a comprehensive statute which has had the effect of limiting the amount of imported solid waste, it is not clear that it could withstand a constitutional challenge under this legal doctrine, particularly in light of recent court decisions.

The Supreme Court spoke directly to the issue of interstate transport of waste back in the 1978 case of Philadelphia versus New Jersey. In this case, the Supreme Court struck down a New Jersey statute barring the disposal of trash originating outside its borders. The Court ruled that waste, although not a valued commodity, is covered by the commerce clause, and that the New Jersey statute excessively burdened interstate commerce.

Since New Jersey's statute explicitly discriminated on the basis of State of origin, it was found to be "virtually per se illegal." In other words, since the statute explicitly barred out-of-State trash, it is presumed to be unconstitutional, unless the Government can show that the statute is narrowly tailored to achieve a compelling State interest. Mr. President, I could probably count on one hand the number of State statutes that have passed this rigorous legal test.

But that's not the last word Mr. President. Other Supreme Court decisions in other contexts indicate that States must adhere to a much more rigorous standard than the one enunciated in Philadelphia versus New Jersey. Back in 1951, the Court ruled in Dean Milk Co. versus Madison that discrimination against interstate commerce need not be explicit. In Dean Milk, the Court found a Madison, WI, ordinance requiring milk to be processed within 5 miles of the city's central square unconstitutional, even though it discriminated against both in-State and out-of-State milk producers. Thus, even if the statute does not discriminate on its face, if its effect is to burden interstate commerce, the statute must pass the high narrowly tailored standard and achieve a compelling State objective. The Supreme Court could easily apply this reasoning to overturn Kentucky's solid waste management plan which has effectively curtailed imports of trash from out-of-State, without explicitly prohibiting such imports.

Further, a State statute that discriminates in no way against interstate commerce must still justify its burden on commerce between the States. Many State statutes have been struck down by the Supreme Court simply because their effect was "so slight or problematic as not to outweigh the national interest in keeping interstate commerce free from interferences which seriously impede it."

As my colleagues can see, the Supreme Court has erected substantial hurdles which States must surmount before they can impede interstate commerce. Unfortunately, the consequence is that it is virtually impossible for a State to restrict the importation of out-of-State waste without a specific delegation of Congress' plenary commerce power. Any solution, without such a delegation, is subject to a constitutional challenge.

That is why this interstate waste legislation is vitally important to my State.

As I said earlier, my State received half a million tons of out-of-State garbage in 1990. Since then, Kentucky has enacted a comprehensive solid waste management law which requires each county to plan for its waste management needs for the next 10 years. The new plan seems to be working fine. But it is likely that Kentucky's laws could fail the constitutional test, especially in light of the recent Supreme Court decision in Fort Gratiot versus Michigan Department of Natural Resources.

If there was ever a doubt on how the Court stood on interstate waste restrictions, it was laid to rest in this case.

In Fort Gratiot, the high court struck down Michigan's comprehensive solid waste management plan. Michigan's law was the model upon which Kentucky's plan was based. Although some differences exist with Michigan's law, Kentucky's solid waste management plan is now vulnerable to a constitutional challenge.

Today, Congress can make it crystal clear that States have the authority to regulate the flow of municipal solid waste into their State by passing this bill. Only with such an explicit delegation of this authority can States be certain that they are acting within a constitutional framework.

Mr. President, there seems to be a broad consensus today on giving States the authority to regulate the amount of municipal waste coming over their borders. I am hopeful we can pass this much needed legislation to allow local communities to control their own environments, and to plan for their futures.

For States, like mine that desperately need the protection afforded by this legislation, I cannot and will not support controversial or unrelated amendments that could jeopardize the passage of an interstate waste bill this year. Otherwise, small communities throughout Kentucky could be left vulnerable to huge waste imports by a legal challenge to my State's waste management plan.

If the members of this body truly want to resolve the interstate waste crisis, I urge them to oppose any amendment that does not deal specifically with the interstate transportation of municipal waste.

Support for any crippling amendment would probably mean no legislation at all, which certainly would leave States such as mine unprotected. So I hope we could avoid amendments that are not directly related to the subject of the legislation before us.

The Coats amendment, which I understand is the pending business, is certainly relevant and closes a giant loophole in this bill. The bill, the underlying bill, prevents Governors from exercising authority to stop out-of-State trash if it would interfere with private contracts. The problem, Mr. President, is that no one knows how many private contracts are out there. There could be 1 million of them. If we do not remove the exemption for private contracts, trash could still pour through the loophole in unprecedented amounts. It could well defeat the entire purpose of the legislation.

Because of this, I would support striking the language of the bill which prevents interference with private contracts. As Senator COATS has indicated, it is constitutional. With the Chafee second-degree amendment, the Coats amendment maintains the status quo and does not interfere with State laws or State constitutions. I think the Coats amendment and the Chafee second-degree amendment will strengthen the bill and be in the best interest of making sure that the underlying legislation does what it is intended to do.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, it is hard to get excited about the legislation that is before us. I think its very presence underscores some of its problems. For a long time this issue, garbage, has been raised periodically by any number of Senators, most of whom want to find a resolution to the issue.

For a number of years I know the Environment and Public Works Committee has worked very hard to try to get a solution to this problem on the larger issue of RCRA, the Resource Conservation and Recovery Act. Throughout these discussions—which periodically would degenerate into amendments offered on the floor to various appropriations bills—I have called for a comprehensive and fair approach. Comprehensive because, frankly, we are addressing an industry as old as society itself—garbage.

Garbage moves in commerce, whether we like it or not, just like most other goods. It is not some kind of special element. It is not some kind of special force or unique property. It is an object of commerce, and not unlike grain or steel or consumer goods.

The fact is that over 80 percent of all States export garbage. Over 80 percent of the States in this country take garbage that their citizens produce and export it to another State that accepts it. An estimated 15 million tons of garbage is shipped interstate every year—15 million tons every year goes from one State to another State. Sixteen States and the District of Columbia export more than 100,000 tons annually.

So what does all of this transport of garbage across State lines imply? What it implies is obvious. This is very big business. Some people are making a lot of money taking garbage from one place and transporting it to another place.

The solution to this garbage crisis should be fair because change is not going to be painless. An arbitrary, capricious policy will cost jobs, will create uncertainty and force localities to face 11th hour changes with few alternatives and no guidance.

Clearly, given the amendment that is pending, we have abandoned the concept of a comprehensive solution. In fact I think we have the opposite. It is a kind of rifle shot that allows a Governor to abrogate contracts that are already in existence, a contract that was entered into in good faith by a party in one State and a party in another State—a contract, for example, that would say that citizens of Minnesota could agree to send their garbage to citizens of South Dakota, or Wisconsin, or New Jersey for a 10-year period if someone in New Jersey, or Wisconsin, or South Dakota agreed to accept that garbage. That would have been a contract entered into by two private parties. What this amendment does is to allow the Governor of the State to abrogate that contract.

Clearly this only deals with a very small part of the overall issue. I would argue that the Environment and Public Works Committee has tried to move a more comprehensive bill but the various interests involved in the business have blocked a comprehensive bill.

So today the Senate is considering whether we should leave the loaf and take a bite instead. I hope that we will not.

Let me make one thing that is fairly obvious even clearer, and that is that in New Jersey we are activists on the issue of garbage. Our waste exports have been dropping and our recycling rates are increasing. We have sited new waste disposal facilities. In most States there is gridlock, but not in New Jersey. We have reduced waste volumes. Our statewide mandatory recycling program is really state of the art.

The bill has plenty of stick, though, for States such as New Jersey that do find themselves in a position of exporting garbage. It has a stick but no carrot.

We need help in finding new answers to the old problem, and I do not see that in this bill. We need encouragement for packaging of products that are easy to reuse, to recycle, to compost. You will not find any of these subjects addressed in this bill.

What you will find in the bill is real enough, though. Under the bill, after it becomes law, a Governor for the first time will be able to make new landfills completely off limits to out-of-State garbage. This is not a small change. This will lead to a dramatic change in the way municipal solid waste is handled.

It will probably do nothing, however, to improve the environment. It will not make new jobs. In fact, the opposite could occur.

But the path is clear and the passage of this bill is clear. That is that each State is going to have to figure out how it manages its own solid waste, whether that State is one of the least densely populated States, such as the State of the manager of the bill, Montana, or whether it is one of the most densely populated States, such as the one represented by the minority manager of the bill, Rhode Island, or my own State. States are simply going to have to come to terms with the amount of solid waste that each produces and manage that solid waste.

What we really are asking is that the transition be an orderly one. There is no question about the direction that we are headed. But it is also clear that the attitude of cutting it off immediately is an attitude that will help no one. The fact of the matter is that garbage is a tough issue. But surely it is not a rationale for another war between the States. New Jerseyites, as I tried to make clear, are no strangers to solid waste imports. Up until 1988, in fact, more waste came into the State of New Jersey than left the State of New Jersey. New Jerseyites did not appreciate out-of-State garbage and tried to shut off the flow, and particularly tried to shut off a flow of Pennsylvania's solid waste.

I remember in one of my early events as a Senator going to all 21 counties in the State of New Jersey in 1 day. It was an effort to demonstrate how small the State is, how accessible it is, and how diverse it is. One of those stops was at a gigantic garbage dump in, I think, Gloucester County. There, the TV cameras paused with me standing at the dump talking about the trucks that were passing every 30 seconds, each with the name on the side of the truck "The Philadelphia Sanitation Solid Waste Disposal Department." In other words, the Philadelphia garbage was being dumped in New Jersey, and dumped in New Jersey, and dumped in New Jersey.

So New Jerseyites are not coming new to the problem of solid waste, nor are we new to the thought of not liking solid waste coming from out-of-State. We would like to have blocked that at one point. But there was only one thing that intervened, and that is the commerce clause of the U.S. Constitution, not an insignificant issue.

I mean there was a time when you went from one State to another State—many, many, many years ago in the infancy of our country—that there were tariffs charged among the various States. The purpose of the commerce clause is not to impede in interstate commerce, not to allow the Governor of a State to say you shall not be able to bring into my State lumber or steel or a particular kind of lumber or a particular kind of steel. The interstate commerce clause is a very fundamental aspect of our national economy. And when we get into saying that we put an impediment in the way of the flow of those goods, we are essentially moving more toward a fragmented political economy.

So when we in New Jersey saw Pennsylvania's waste coming in, or New York's waste coming in, and wanted to stop it, we came four square against the commerce clause of the U.S. Constitution. What happened is no mystery. Our landfills filled up with the waste from other States. Many of those landfills were closed because they were environmentally unsound. People were dumping everything in these solid waste landfills. They were dumping the most toxic materials. They were dumping rubber tires. They were dumping wet garbage. They were dumping every possible imaginable thing. Our landfills filled up with the garbage that came from our neighboring States.

In the 1970's, New Jerseyites used over 300 landfills statewide, 300 landfills in one small State, many of them being filled up by out-of-State garbage. A lot of those landfills were substandard, environmentally unsound. Today, over half of New Jersey's garbage in solid waste ends up in just 12 landfills; from 300 landfills to about 12 landfills.

For the last decade, we in New Jersey have struggled with this solid waste problem, and I might say we struggled with it in a way that most States have yet even to consider. For a number of years in the 1980's we found that people were passing the buck. State government was passing it to the counties, the counties were passing it to the public utility commission, and the public utility commission was passing it back to the county. Very little got done. But at least people began to see that business as usual, which was inaction, could not be a prescription for the long-term problem, because the landfills were filling up, and the landfills were closing. Therefore when we used the word crisis, we in New Jersey know what that means.

In the last decade the cost of trash disposal in New Jersey has gone up no less than 600 percent—600 percent in one decade; to more than $110 per ton.

Imagine someone who used to put their garbage out once a week and somebody would come and pick it up. It is a little bit like the water charge in many places in this country; you never even noticed it. Then on top of higher college costs, on top of higher health care costs, on top of higher State and local taxes, now you have a total bill that amounted to nearly $1,500 over a year possibly. It was a startling figure to people, more than $110.

What is the point to be made? That when you collect garbage, and you do not have a nearby landfill to put the garbage in, you have to pay higher costs to take the garbage a further distance to another State, to another private landfill, in a contract between two private entities, the transporter and the private landfill. Or you have to pay more to build a recycling center, a composting process, or an incinerator.

So whatever we say about the cost of disposing of garbage, we know one thing: It is going to be more expensive nationwide. In New Jersey we know that well because, as I said, the cost of disposing of a ton of garbage has gone up 600 percent.

Anyone familiar with the solid waste issue knows there is no obvious solution or a miracle technology at issue. Suddenly there is not going to be someone who invents a liquid that you can spray on garbage that will make it disappear. You have to take it somewhere, and you have to deposit it, and that costs money. Of course siting also presents enormous problems. Some of my colleagues may not be able to appreciate the difficulty of creating new waste management facilities in a State such as New Jersey, where on average 1,000 people live in each square mile and in some places 40,000 people live in each square mile. Imagine 40,000 people in a square mile—the phrase not in my backyard takes on new meaning when the backyards are jammed together so closely. That does not mean not in my small municipality, where 3,000 people live in a county or where there are 5 or 6 small towns with 6,000 or 8,000 or 10,000 people, but in a State where 1 county will have people living in a density of 40,000 per square mile. This is a total order of magnitude difference.

It is no secret that New Jersey, as I said, now exports quantities of solid waste. Frankly, I am not proud of it, and New Jerseyans are not proud of it, but we are not sitting back and counting on the wide open spaces of other States as our long-term waste solution. As I said, New Jersey is being aggressive. We are being responsible. Waste exports are decreasing dramatically.

New Jersey's program defined the term "state of art" for statewide mandatory recycling programs. We have made waste reduction and recycling first order priority. Sixty percent recycling is the goal in a few years. We are doing outstanding work on plastics recycling and waste composting. In this body, I have gotten funds appropriated for recycling tires and plastics and recycling lead batteries. We are on the cutting edge. The fact of the matter is that you cannot turn a switch and suddenly recycle everything. You need a transition period, and that is what our hope was for this legislation.

Again, the point I made earlier: municipal solid waste disposal is an industry. People make money out of it. It is not some kind of public service. It is an industry where people make money. The relationship that exists between citizens, haulers, and disposal facilities is driven by economics and driven by custom. Both of those are important. If you have a State filling up with garbage, it is going to cost you more. That is economics, either to build a recycling facility or to ship it to a distant State.

It is not going to be the same as it was. It cannot be the same. It is going to cost more, as each of us eats yet another hamburger wrapped inside cellophane, placed in a plastic package inside another plastic package that we throw out and expect somebody to get rid of. As long as we are consuming things as rapidly as we are in this society and throwing things out, they have to go somewhere. They have to be disposed of, and that will be a function of money.

If we can get a recycling industry where people can make money taking your wrappers and newspapers and your goods, metal cans, and so forth, that you throw away and recycle those, then we are going to begin to get something that works. We are going to begin to get something that accelerates. We are going to begin to make money cleaning up the mess. Now we only make money moving the mess around from one place to another.

So economics is going to drive this process, and so is custom. There is not a school in New Jersey that I visited since New Jersey began mandatory recycling that the younger the student is, the easier he or she talks about recycling. When we started mandatory recycling in New Jersey—where you had to put different colored glass in different bags, or you had to separate your metal cans from your wet garbage—you would have thought, initially, that people could not possibly adjust, that this would be an act of behavior modification that could not take place. Yet, I find when I visit schools, if kids are in high school, they have been at it for a couple of years, and if they are in grade school, they have known nothing else. A kid will raise his hand from time to time and say, "Senator, what should I do to get my parents to recycle?" I say, "Talk to them." It is pretty easy, but that will require a change in custom. There was a time in America, when you were driving along in your car and drinking your Pepsi or eating a hamburger or cookies, and when you were finished, you threw the wrapper out on the road. You threw it right out on the road.

Over a period of time, in many places, people learned maybe it is not a good idea to throw it out on the road. When it comes to garbage, all we have been doing is throwing it in a bag and putting it out on the street, and we expect somebody is going to pick it up and make it disappear. If you are going to have to change customs and recycle more, you have to be more meticulous in separating this garbage and putting this in one place and that in another place. It is not a terribly serious burden on one's behavior, it is a small change, but it has to take place over a very large number of people. That is what I mean when I say that economics and custom both have to change. It is going to be more expensive, and you are going to have to be a little more meticulous in how you get rid of your solid waste.

Waste management has been protected by the U.S. commerce clause, as I tried to say, because that is just what it is—commerce. It is like trading grain, trading television sets, trading anything else. When we in the Senate consider alternatives to the status quo, we have to recognize this fact. It is just commerce.

The State of New Jersey does not haul garbage anywhere. Let us make that clear. The State of New Jersey does not pick garbage up and deposit it in anybody else's State. Literally hundreds of private citizens and companies are involved in that process. A company picks up my garbage and goes to Illinois or Pennsylvania, or to various States. An individual makes a deal with another individual, and that is what the garbage business is. As much as anyone wants to change this system, sudden change will not occur without potentially enormous costs.

New Jersey, obviously, exports municipal waste. As I said in the beginning, so do 42 other States. How would those 42 other States be affected? What about hazardous waste—if we are going to allow a Governor to abrogate contracts on solid waste contracts between two individual private parties, what about contracts on hazardous waste? 700 million pounds of hazardous waste are shipped interstate every year. What about hazardous waste? Why just for garbage? Do you want hazardous waste in your backyard? Would you not want your Governor to be able to say: No, no, no, I am not going to allow any hazardous waste to come into my State.

What about nuclear waste? Who wants that in their backyard. Do you? I do not think you do. Do you? You do not want it in your backyard. Let the record show that the pages are all shaking their heads and saying, no, we do not want nuclear waste in our backyards, which confirms the intelligence of the pages in the U.S. Senate.

Should we allow the Governor of your State to say: No, no nuclear waste in our backyard; we do not want it in our State? The Governor of every State should have the authority to say: No nuclear waste in my State. The Governor should have the authority to say: No garbage in my State either. No hazardous waste in my State, no nuclear waste in my State. And pretty soon, maybe what we should be able to do is put a tax on anything that comes into our State. Want to solve a lot of the budget problems in the various State capitals in this country? Let us forget the commerce clause, and let them tax things that come into their State that they want to tax.

This little exercise, I hope, illustrates the need for caution and the need to act with prudence and foresight when it comes to deciding whether we are going to give this kind of authority to a Governor, particularly when, in many cases, these things can be worked out among Governors. You have regional compacts, and you can have bistate compacts and varieties of things. Why do we want to intervene and, at the Federal level, essentially abrogate a fundamental aspect of the commerce clause? I do not think we want to do that. A sudden change in the rules governing the export of solid waste will create major problems.

It could create major problems in my State of New Jersey. A ban on waste exports or all sorts of new barriers to exports may make for a good press release at the door of my State. Whatever your State might be, I stand at the door. I stopped the solid waste from coming in.

Then let us draw a caricature of that person who is sending the waste to your State. Make it funny if you can. Make it horrible. Make it this terrible person who is sending all this garbage into your State, and then you stand there in a nice blue suit, red-striped tie, at your door in front of the television camera and say, I stopped the garbage, elect me. That is, until next year, of course, or the year after that, or the year after that, when you want to export the garbage because your State is filled up and now you need to export. But that will be down the road. I will not have to worry about that. I will be reelected.

And that, of course, is why we are debating these issues on the floor of the U.S. Senate. Not that the RCRA does not deserve to be reauthorized and modernized. It surely does. But this particular amendment that gives the Governor the right to abrogate a solid waste contract is really a step backward.

This amendment is not only not good policy in terms of the commerce clause, it is also not good for the environment. Let me be clear. If New Jersey waste or any waste is shipped to dumps that are substandard dumps that are leaking, dumps that are a threat to human health and the environment, it has to be stopped.

We have an obligation to change the way we have been living if we intend to protect our planet. What has garbage got to do with the global environment? You know there is the environment that you can talk about globally. There is the environment that you have to talk about locally. And that has everything to do with what you eat, consume, and what you do with your people and how you handle garbage in your town and in your State.

Now, we have to act, when we find a dump that is leaking. We have to act by closing the facility or forcing it to upgrade. Remember in my State, earlier I said a decade ago we had 300 dumps, 300 dumps. Now half of it goes to 12 dumps. What happened to all the other dumps? People were making money, they were accepting garbage, except the dumps were polluting, the dumps were leaking into the water supply, the dumps were full of all kinds of toxics. And the environment frankly does not distinguish between east coast garbage and west coast trash.

Last summer, the Environment and Public Works Committee had a hearing on the RCRA bill. At that hearing the Governor of Indiana testified, as did the junior Senator from Indiana, about the flood of east coast waste coming into their State. Keep that waste out. I am at the door, blue suit, red-striped tie. I stopped the bad garbage from coming in. All you people who produced garbage in our State, that is not bad garbage. When it comes in from the outside it is bad garbage.

In preparation for that hearing, I asked my staff to determine how much New Jersey waste actually goes to Indiana, since that was the kind of motivating factor here. They checked with the New Jersey environmental authorities, and the answer that came back was kind of surprising. None. None. No New Jersey solid waste moves legally to Indiana. Legally. Illegally, probably some does. Illegally, probably some comes from New York to New Jersey. Illegally, some goes from Wisconsin to Minnesota. It is business. Some of it is legitimate; some of it is not.

You say, did you, Senator, you said legally? It is an unfortunate fact that solid waste at times moves illegally. We all have seen the television expose, where, for example, an illegal mover takes the solid waste, collects it in liquid form, and giant trucks scoot across the State line and spray it out on the side road.

Garbage is no different. Some of it moves illegally.

So I made a suggestion: Instead of arguing together, why did not New Jersey and Indiana coordinate environmental agencies and crack down on these illegal dumpers? Whether that was the reason, or whether the States had their own initiative and took it, they got together, to their great credit, and because of a cooperative enforcement pact agreed to by the Governor of New Jersey, Governor Florio, and the Governor of Indiana, Governor Bayh, illegal dumpers have been turned back from Indiana.

Under the agreement they will and have been prosecuted in New Jersey, and right now New Jersey and Ohio are in final negotiations for a similar bi-State pact. Those are positive changes. That is really dealing with the problem. The problem is not the private firm in New Jersey that makes the agreement with the private firm in Pennsylvania to take the garbage for 5 years while we build our recycling and waste disposal facilities to handle our own garbage. The problem is the illegal garbage that moves. And here was an agreement that works, and another agreement in the making that will work.

It is good policy. The Governors are working together. Why can we not?

Frankly, we need to look beyond politics. If our goal is good policy we need to consider what actually can happen. And that is no small point.

Historically, New Jersey became a waste exporter, not because of irresponsible behavior but because we saw dumps that were threats to the environment. So we closed those dumps, and could no longer deposit the garbage in New Jersey. We closed them. They were threatening our environment.

Other States may well find themselves in the same circumstance if they move aggressively. So today people who are on the floor saying let us stop the import of garbage into our State might find when the environmental regulations are toughened up—when the Democratic administration takes over and begins to enforce the law—that a lot more dumps are being closed in their State. And they might find themselves in the same position as New Jersey did in the late 1970's and early 1980's, when there was no place to put the garbage that their people produced inside their State, no landfill, because they had been closed, because of environmental degradation, no recycling or waste disposal facility, because nobody approved a bond issue or got the money or built the facilities, and their only recourse is going to be export the waste. But, of course, if this amendment passes, a Governor at the State line can stop that and let another State, as New Jersey will be, back up in its own garbage.

So it would be unfortunate if action taken by the Senate results in delay or actions counter to the environment and to the quality of the environment.

I say this is not a hypothetical point. If new rules were imposed suddenly, it is quite possible that New Jersey would be forced to reopen closed substandard landfills. Few options would be available. Few options would be available to us.

I cannot believe that it is the intention of the Senators from other States—let us take Pennsylvania, since that is the closest—to force New Jersey to reopen those landfills right next to the shore where Pennsylvania residents come to enjoy the ocean in the summer.

I cannot believe that is the intention of those who support this amendment. That might be the result. "Reopen those landfills. Who cares about the environment? It is not in our State." But you might spend some time in the State where the landfills are reopened, and it might create some problems. I cannot believe that is the intention of this amendment. That could be the result.

Mr. President, it will be said today that my State is a leading waste exporter. Keep in mind that we are also leaders in recycling. No other State currently recycles over 40 percent of its trash in a mandatory statewide recycling program. We have dropped our waste exports by 30 percent in the last 2 years.

Likewise, I am unaware of any other State that is in pursuit of a recycling goal of 60 percent by 1995. All the waste that is produced, 60 percent recycled by 1995. That is why the kids I was talking about in the seventh grade and eighth grade have become so familiar with putting the green bottles and brown bottles, the clear bottles, putting the trash, putting the cans all in separate places so that they could be more easily recycled. Because that is a State policy now. No other State is doing it.

In Washington, DC, well, sure, we have recycling programs and elsewhere. If you want to, you go on Saturday and meet all the other yuppies who are putting out their clear bottles, their wine bottles, their beer bottles, their solid waste, and their cans. You can do that if your peer group finds it to be appropriate behavior. But you do not have to, of course. You do not have to. You can dump them all in your garbage. It is your choice.

Not in New Jersey. In New Jersey, you are required to recycle. In New Jersey, if you do not recycle, you can be punished.

The point is we have done a lot. No other State has done as much. And we are in unchartered waters. Our costs have gone up 600 percent in a decade. What happens when other areas begin to recycle? Will there be markets for these goods?

I remember one of the things that happened in the last couple of years. I got a little grant for a firm that was recycling. I visited the firm right on the banks of the Passaic River. It was an enormous paper recycling facility. The man told me:

> Well, if we can just get over the hump, we will be able to use newspapers over and over

and over again. We will not have to cut down trees, not nearly as many trees. We will be able to reuse. But we have to get to the point, the critical point, where we can begin to make money.

These issues are completely relevant to the ability of the States to plan for the future and for an effective nationwide solid waste strategy.

Does a radical shift to restrict waste transport promote recycling? Let me ask that question again. Does a radical shift to restrict waste transport promote recycling? It seems doubtful to me that it would promote recycling.

Will such a change mean a cleaner environment? Doubtful again; probably not.

In my State, it might result in reopening landfills that were closed because they were environmentally dangerous. Interstate waste transport is a small part of the waste issue, a very small part. It is only one piece of a very complex puzzle.

If Congress pushes markets hard to accept and use recycled materials, New Jersey could meet its recycling goal pretty easy. That is what the Congress should be doing, trying to create a national market for recycled goods. Create a national market for recycled goods and you get results. Trying to set up barriers to State limits will only produce paralysis and regression, in my opinion.

By meeting those goals, the volume of exported waste all but disappears. In other words, we recycle, we do not export. It is as simple as that. Sixty percent recycling takes care of most everything we would export and do export. It is true nationwide. And if it is true in New Jersey, it is definitely true in Minnesota and definitely true in other States.

To separate waste transportation from waste management and waste reuse, that is recycling, is not only illogical, but it is inappropriate. This Senate has to keep these issues in context. And a comprehensive approach is the only approach that is going to work.

It makes a nice press release, makes a nice TV ad, but it will not solve the problem to allow the Governor of a State, as this amendment proposes, to abrogate contracts between two private parties.

This spring, the Senate Environment and Public Works Committee acted appropriately by considering waste transport in the context of overall waste policy. They proceeded steadily and correctly with a comprehensive RCRA bill. But today we take a giant step backward with this amendment.

Mr. President, we need the tools and ability to reward as well as to punish. If we start to move a bill that is one-sided, I think that probably there will be every opportunity taken to balance it.

One place to begin is with the thoughtful review of the committee's own reported bill, S. 976. If the Senate feels it is necessary to adopt the amendments that are punitive to our State, it would be completely appropriate to present the Senate with a broader version that I believe is central to the debate of this issue.

So, Mr. President, the hour is late. I have been speaking for nearly an hour. I am prepared to go on for another 5 or 6 hours, if need be. I know that those who are listening in the Chamber will be riveted with the thought that I could go on another 6 hours on the issue of garbage.

So let me suggest an absence of a quorum at this point so that I might take part in the negotiations that are taking place between those who would inflict upon our State the inherently unfair limitations of this kind with those, such as Senator LAUTENBERG, who are trying to negotiate some common sense way out of this problem.

New Jersey, once again, is not asking to be let off the hook. We have to deal with our own solid waste. But allow us to transition in a rational way that is not totally disruptive of our economy and totally disruptive of what our State says it needs to be able to transition efficiently and effectively.

I suggest the absence of a quorum and will prepare further comments in the interim.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRYAN). Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I have just met with the managers of the bill, Senator BAUCUS and Senator CHAFEE, and they have advised me that intensive negotiations have been taking place for several hours between themselves and involving several other Senators and staff members in an effort to reach agreement on the pending amendments. I am advised that while some progress has been made no agreement has been reached and, further, that there does not appear to be any prospect that agreement will be reached this evening. That is, no useful purpose would be served by remaining in session awaiting agreement and action on that agreement because no such agreement appears possible this evening.

Accordingly, acting upon the information received from the managers, I believe there is no purpose served in the Senate remaining in session and there will be no rollcall votes this evening. The Senate will shortly recess until tomorrow morning at 9:30 and will return to consideration of the pending bill at 10:15 tomorrow morning.

Under a previous order, as printed on page 2 of the Senate Calendar of Business, a cloture vote on a motion to proceed to the energy bill will occur tomorrow, Wednesday, at a time to be determined by me following consultation with the Republican leader. I will consult with the Republican leader tomorrow and it is my intention to proceed to that cloture vote later in the day tomorrow. I want to give the managers of this bill, during the entire day tomorrow, the opportunity to try to move this bill.

As I have stated on several occasions publicly, most recently this morning, the Senate has a very large number of important bills to consider and relatively little time to do so. I had originally agreed to permit consideration of the pending bill for the 3-day period of yesterday, today and tomorrow, in the hope that the bill could be completed in that time. If that proves not possible, then we will proceed to the cloture vote on the energy bill and I cannot now assure any Senator if or when we will be able to get back to the subject matter of this bill. I will do my best to do so. But we will have, at the close of business tomorrow, devoted 3 days to the subject; the first day for debate only; the second two for consideration of the bill and amendments. Of course we are now at the end of that second day and no votes have yet occurred. Other than the negotiations under way which I hope will produce the agreement—but other than that, no progress has been made on the bill. Given the other important matters that the Senate must consider, several of which I identified in my remarks this morning and in other public statements, there is simply no way at this time to provide assurance that we are going to be able to get back to this subject at any time. So if there is a time to complete action on this bill, the time will be tomorrow, before we turn to the cloture vote on the motion to proceed to the energy bill.

Mr. President, as I indicated, we will return to session tomorrow morning at 9:30 and return to the bill at 10:15.

I encourage my colleagues, those involved in this matter to attempt, if possible, to reach an agreement to permit a disposition of this bill during the day tomorrow.

Mr. COATS. Mr. President, will the majority leader yield for just a comment?

Mr. MITCHELL. Yes, certainly.

Mr. COATS. Mr. President, I would like to inform the majority leader that negotiations have been going forth in good faith. They have been intense. Unfortunately, we have not been able to resolve the issue at hand which the Senator from Indiana believes is absolutely critical to this issue. We thought we were close, and maybe we are close and we may find out overnight that we are able to resolve this issue. I hope that if that is the case, we can within the time the majority leader has indicated will be available tomorrow, bring this to a successful conclusion. I think that is the clear will of the majority of the Senators in the Senate. I am hoping that we can do that.

I appreciate the majority leader's consideration for this measure in the granting of virtually three full days to debate. I regret it has taken so long and so slow. Hopefully, overnight we can resolve the matter and move forward tomorrow.

Mr. MITCHELL. I thank my colleague and I express, again, my hope that it will be possible to complete action on this bill tomorrow.

Mr. LAUTENBERG. Mr. President, if the majority leader will yield just for a moment to permit me first to thank him for his patience and encouragement to work this out.

We have, I think, gained on it significantly. I believe that we are rounding third base, but we have tripped a few times and are trying to pick up the momentum. We will do whatever we can this evening, I hope, to complete action. I think the majority leader understands, while the Senator from Indiana has a very specific interest in halting the disposal in his State, I cannot and will not, as he knows and I am sure the majority leader knows, put my State in a position where programs that are underway are short cut by cutting them off.

So these are very difficult discussions, but we will plow through. I want to thank Senator BAUCUS for his leadership and patience on the issue as well, and we will try to pick up in the morning.

Mr. MITCHELL. Mr. President, I thank my colleagues. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDUCATION FOR DEMOCRACY

Mr. HEFLIN. Mr. President, 2½ years ago, I came to the Senate floor to share with my colleagues news of a new nonprofit organization which had just been formed in Mobile, AL. Just 3 months after the velvet revolution in Czechoslovakia, that newly established volunteer organization, Education for Democracy/USA, began sending its first volunteers to teach conversational English in that country.

Since that time, Education for Democracy has sent approximately 1,000 volunteers to more than 100 cities and towns throughout Czechoslovakia. During this time, the organization has operated on a total of $58,213. In other words, for about $60 per volunteer, Education for Democracy has been supplying vast numbers of American volunteers to the people of Eastern Europe. I doubt that any other program has done so much so quickly with so little. I repeat: I doubt that any other program has done so much so quickly with so little.

This organization was formed to respond to a direct appeal for assistance from Czechoslovakia. That request came from Pavol Demes, then Director of Foreign Relations for the Ministry of Education in Slovakia. Having recently spent a year living in Mobile, AL, and working at the University of South Alabama, he called Ann Gardner with whose family he had lived during that time. He let her know that his country badly needed teachers of conversational English and needed them as soon as possible. Thus, Education for Democracy/USA was founded, based on a similar program in Canada. There was no waiting for funding, no decision to send the people of Czechoslovakia something a little different than what they had requested, and no time wasted in getting this program running. As one of the ministries in Czechoslovakia later put it in a letter of appreciation to Education for Democracy:

> In the days following the restoration of democracy to Czechoslovakia in November 1989, many individuals came * * * and promised to assist our students. But while they promised, you quietly and effectively organized a creative program to directly assist language instruction.

By any standard of measurement, this program's success has been astonishing. To start with, the program draws on the varied talents of a wide spectrum of people. EFD volunteers come from all 50 States, possess a broad array of professional and academic credentials, and range in age from 21 to 70-something. Individually and collectively, these volunteers have helped to put a human face on democracy in an area of the world where the people had been taught for decades that such a face was ugly, evil, and unkind. As one university professor where EFD volunteers had been working said:

> You have done an excellent job as far as teaching English is concerned. You have learned something about Czechoslovakia and we have got to know you. I would like to tell you that you have been the best counterbalance for the unfriendly picture of Uncle Sam who, for our mass media, had been the representative of the United States for the last forty years.

One of the hallmarks of this program is that aside from the approximately 20 hours per week that volunteers spend teaching English, they tend to become very involved outside of the classroom as well. One woman teaching English in a hospital has put her public health background to added use in her spare time by working with a local women's group to help increase awareness of women's health problems. A retired couple working and living at a university hold an open house in their room 3 nights a week where students can come by and practice their English by talking about whatever topics interest them. On such evenings, this couple always has a large crowd. Yet another volunteer hosts a regular, one-half hour television show in English.

As these examples indicate, EFD volunteers are using their energy, creativity, and enthusiasm to make a real difference while abroad. Moreover, even after they return, they continue to make a difference in the lives of the people they met in Czechoslovakia. Dozens of former EFD volunteers have helped their friends in Czechoslovakia come to visit them in the United States. They have opened their homes to their friends, in many cases helped them financially to make the trip, and in a number of cases, arranged for them to work in law offices, on farms, and in universities to complement their study and work at home. The relationships which are formed between EFD volunteers and their students are some of the greatest proof that exchange programs work.

Part of the reason why this program has attracted such dedicated, effective volunteers is, I believe, because it truly is a volunteer program. In order to teach in Czechoslovakia, the volunteers have all made some sacrifices. They have taken leaves of absence from or quit their jobs, left their loved ones and the comforts of home for a period of time, and paid their own travel expenses, insurance, and teaching materials. Once in their assignments, volunteers receive housing in dormitories or private homes and some meals from their host institutions. They also receive a monthly living stipend the approximate equivalent of $80 U.S. per month. Clearly, this is not a program for the fainthearted. It requires committed, unselfish, and adventurous people who are willing to immerse themselves in a completely different way of life.

Volunteers agree to teach wherever EFD believes their talents can be used most effectively. Among the places volunteers teach are elementary and high schools, universities and trade schools, hospitals, businesses, and government agencies. These assignments are not concentrated only in the more well-known cities of Prague and Bratislava. They are spread throughout the country to schools and businesses in smaller cities like Banska Bystrica and Karlovy Vary and in rural outposts such as Humene and Trebisov, both of which lie less than 50 miles west of the border which Czechoslovakia shares with the former Soviet Union. In many of the smaller cities and towns, EFD volunteers have been the first Americans many of the local citizens have ever encountered and the only ones who have come to assist them even 2 years after their revolution. Yet even there, pro-American sentiment runs high as it does throughout the country. I have heard stories of EFD volunteers being asked for their autographs and of their headmasters knitting them sweaters. Volunteers say they quickly learn not to compliment their Czech and Slovak friends on a vase or hat because if they do, the items will be given to them.

Truly, many of the people in Czechoslovakia cannot fathom the fact that people have left their homes and come all the way to Czechoslovakia to volunteer their time. The concept of volunteerism is foreign to them and they are greatly moved by the idea that individual Americans care enough about them to try to help ease their personal and societal transitions to democracy.

Not surprisingly, due to the tremendous success of Education for Democracy/USA in Czechoslovakia, the Ministry of Education in Poland and the ministries in the Baltic countries—Latvia, Lithuania, and Estonia—requested volunteer instructors in January of this year. Due to lack of financial and staff resources, EFD felt some limitation for expansion. Since the Baltics had received virtually no assistance at that time and Poland was far ahead, EFD decided to use their limited resources where they were more needed. Subsequently, 14 volunteers were sent to the former Soviet Republics and a commitment has been made to send 30 volunteers there in 1992–93. Also, at the request of the mayor of St. Petersburg, Russia, EFD will send five volunteers there in September as well. The proposal from the mayors is for St. Petersburg to be the center of placing EFD volunteers in other Russian cities in 1993. The programs in the Baltics and Russia will mirror the ones in Czechoslovakia with some differences in qualifications of the volunteers—once again listening to the direct needs of these countries.

Meanwhile, the political situation in Czechoslovakia appears to be changing, with the Czech and Slovak Republics talking about separating. Thankfully, all reports indicate that any such action would be peaceful and as long as that is the case, Education for Democracy plans to continue operating in both Republics whether or not they formally separate.

After recounting the depth and significance of this program, it will probably shock my colleagues to learn that Education for Democracy has no stable source of funding, has received no substantial foundation or corporate support and no Government grants. The organization's operating costs have been held down by forgoing needed office supplies and services and through the receipt of sporadic private contributions and in-kind donations and by an application fee charged to prospective volunteers. Despite the fact that the program required almost round-the-clock work for the first couple of years and still proves quite demanding, the program's founder, Ann Gardner, has worked since the organization's beginning without any salary and has had to find volunteer office staff for the mobile office and the offices in Czechoslovakia. While the fact that Education for Democracy exists on a shoe-string budget may sound quaint, it has in reality, been difficult, stressful, and, at times very discouraging.

In fact, Mr. President, I find it ironic that so many new exchange and language instruction programs have been proposed lately for Eastern Europe and the former Soviet Union while, at the same time, proven efforts like Education for Democracy go unnoticed in many respects. Whereas many of the proposed programs would require millions of dollars to establish and administer, Education for Democracy is up and running on virtually nothing. While some of the proposed programs would send only a few volunteers abroad for every $100,000 they spend, Education for Democracy sends 1 volunteer for every $60 it spends. In fact, it causes me concern when such a program can go unnoticed. This program is dedicated to serving the needs of the people in Czechoslovakia in a manner described by the people of Czechoslovakia. It continues to thrive despite the naysayers and the bureaucrats who would drag down its operation, including those in Government agencies such as the State Department. In fact, on a recent visit to our embassy in Czechoslovakia, I was surprised to see that the staff there did nothing to encourage this program. And yet it survives, amazingly and disappointingly, without any significant financial support.

I hope that my colleagues will think about the cost effectiveness of this program as we strive to assist the emerging democracies in Eastern Europe and the former Soviet Union. I also hope that they will join me in my support of this organization which seeks funding to help purchase computers, fax machines, and copying equipment, as well as to cover administrative and operational costs in the United States. Financial needs in the host countries include those to support the orientation of instructors, to help purchase some teaching materials, and to assist with administrative costs associated with offices in the host countries.

Mr. President, I commend Education for Democracy and the many volunteers who have participated in its program. They are performing an immeasurable service which will bring our world closer together.

ANDRE AGASSI: LAS VEGAS' COLORFUL, COURAGEOUS CHAMPION

Mr. REID. Mr. President, I would like to take a few minutes to acknowledge an international champion and Nevada hero. Andre Agassi recently won the prestigious Wimbledon tennis tournament, but he long ago won the hearts of Nevadans. I am honored to pay tribute to a young man who brings such pride and confidence to my home State. Andre Agassi reflects the independent, pioneering spirit of Las Vegas. He has not abandoned his roots, instead he has grown strong and tall upon them. He is a hometown boy who spun his homegrown talents into personal achievement and worldwide success. One does not become a world champion without a willingness to listen, learn, and work. Andre Agassi is an intelligent, hardworking fighter determined to persevere until victorious. Ironically, his greatest assets drew his greatest doubters—the same observers who criticize Las Vegas—who said he was too aloof or too bold. But they do not know Nevada. They do not know Las Vegas. And they do not know Andre Agassi.

In sports, politics, and every arena of life, we could use more individuals who break molds instead of fitting them. It takes character and courage to dismiss conformity and overcome past defeat. Andre Agassi is his own person who silenced second-guessing naysayers with style and grace. The world witnessed his sincerity after he won the most prestigious tennis tournament in the world. We in Las Vegas saw it a long time ago. It is with true Nevada pride that I salute the talented, courageous, and colorful Andre Agassi. Thank you, Mr. President.

TRIBUTE TO CITIZENS OF JACKSONVILLE, NC

Mr. SANFORD. Mr. President, I rise today to pay tribute to the citizens of Jacksonville, NC. In a competition of over 140 communities nationwide, Jacksonville was 1 of only 10 communities selected as a 1992 All-America City by the National Civic League. The award program is designed to recognize community efforts that emphasize collaborative problem-solving and innovative policy approaches. It works to reward those communities that encourage partnerships among its members, rather than a reliance on State and Federal grants, to solve its local problems.

Jacksonville sent more husbands, wives, mothers, fathers, sons, and daughters to the Persian Gulf than any other city in the United States. More than half its citizens left to serve in Desert Storm. Whereas normally 43,000 marines and sailors were stationed at Camp Lejeune, at the peak of the gulf crisis, only 7,000 soldiers remained. Undeniably, the impact of this large deployment to the Middle East was also felt in the civilian community surrounding the military installation.

The exodus of Jacksonville's military base marked the destruction of its economic viability. The unemployment rate soared; small businesses failed; social service organizations operated beyond their capacities, and; the citizens of Jacksonville, to their credit, struggling to address their own difficulties.

A city paralyzed by the economic fallout of war, Jacksonville responded to the crisis by creating a Caring Community to provide support, counsel, and guidance to those families who had members in the gulf. Citizens of Jacksonville acted swiftly to mobilize civic leaders, church leaders, business men and women, military leaders, and members of the media to formulate a strategic plan to address the needs of their war-torn city. Their aim was to coordinate their city's resources to best serve its residents; the result was an unprecedented act of citizenship and servanthood that helped ease the pain of military families.

The Caring Community Committee organized volunteers, centralized resources, and created an information network to keep citizens informed and connected to the committee's ongoing work. It mobilized a troop of civilian soldiers who embraced and embodied the true meaning of "community." Neighbors opened their homes to those families visiting their loved ones prior to the deployment; child care services were provided; family days were planned and holiday celebrations coordinated; businesses extended special discounts to the families of deployed service members; and local merchants, in conjunction with Jacksonville high school students, made care packages and baby bundles for the men and women in the gulf. The list of selfless community service goes on and on.

This small town of 77,685 North Carolinians extended a helping hand to its military neighbors. Its citizens established a high standard of leadership and cooperation and, in the process, instilled a real sense of civic pride among its residents. I pause today, to congratulate Jacksonville on their recent success as a 1992 All-America City, but I also highlight their achievement in hopes of providing an inspirational model for other cities across the Nation who also struggle to create a sense of cooperation and shared responsibility within their own communities. The continuing efforts in Jacksonville are a national example of how neighbors can come together and effectively address this country's most pressing social problems. It does indeed take an entire community to build a nation.

Again, I extend my heartfelt congratulations to the people of Jacksonville, NC, for a job well done. Keep up the extraordinary work.

REFERRAL OF S. 2991, THE INTELLIGENCE AUTHORIZATION BILL

Mr. NUNN. Mr. President, in accordance with the provisions of section 3(b) of Senate Resolution 400, I now ask that S. 2991, the Intelligence authorization bill, reported earlier today by the Intelligence Committee, be referred to the Committee on Armed Services for not to exceed the 30-day period as referenced in section 3(b) of Senate Resolution 400.

BILL READ FOR FIRST TIME—H.R. 1435

Mr. LAUTENBERG. Mr. President I understand the Senate has received from the House H.R. 1435, the Rocky Mountain arsenal bill. On behalf of Senators WIRTH and BROWN, I ask that the bill be read for the first time.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The assistant legislative clerk read as follows:

A bill (H.R. 1435) to direct the Secretary of the Army to transfer jurisdiction over the Rocky Mountain Arsenal, Colorado, to the Secretary of the Interior.

Mr. LAUTENBERG. Mr. President, I now ask for its second reading.

Mr. COATS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The bill will be read on the next legislative day.

AMERICAN TECHNOLOGY PREEMINENCE ACT TECHNICAL AMENDMENTS

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 5343, regarding metric labeling and that the Senate then proceed to its immediate consideration; that the bill be deemed read three times, passed and the motion to reconsider laid upon the table; further, that any statements appear in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 5343) was deemed read three times and passed.

Mr. HOLLINGS. Mr. President, the Senate has now considered a bill which clarifies existing law regarding how weights and volumes should be listed on the labels of packaged consumer commodities, particularly grocery products.

Current law requires that starting in 1994 packaged consumer commodities which fall under the Fair Packaging and Labeling Act must have labels which list weights and volumes in metric measurements. Traditional English measurements also may appear on the labels. The rationale behind the existing law is that American products will be more acceptable overseas if their labels list information in metric, as well as English, units.

The current law does not require that American producers be forced to adopt metric-sized containers. For example, it does not require that milk be sold in liter-sized cartons instead of quart-sized containers. However, food industry executives expressed concern that the existing law may be ambiguous on this point and possibly subject to misinterpretation. If the law were misinterpreted, and the food industry were required to use metric packaging as well as metric labeling, the costs of compliance would be unreasonably high.

On June 29, 1992, the House passed H.R. 5343, crafted by Congressman GEORGE BROWN, the distinguished chairman of the House Science Committee and author of the existing law, to clarify congressional intent in this area. The bill makes clear that nothing in the law "shall be construed to require changes in package size or to affect in any way the size of packages." It also clarifies that the law shall have no effect on the sale or distribution of products whose labels have been printed before the 1994 effective date, and that the metric labeling requirements shall not apply to unit pricing, advertising, recipe programs, nutrition labeling, or other general pricing information.

The bill is supported by the Food Marketing Institute and the International Dairy Foods Association, and the administration has no objection to its passage. I know of no controversy surrounding this bill and believe that it makes important clarifications to existing law. I urge my colleagues to join me in supporting this bill.

At this point, I ask unanimous consent that a letter from House Science Committee Chairman BROWN to me regarding the intent and provisions of the bill be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON SCIENCE,
SPACE, AND TECHNOLOGY,
Washington, DC, July 2, 1992.

Hon. ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As the Senate moves towards consideration of H.R. 5343, I would like to take this opportunity to explain the intent and provisions of this small bill.

H.R. 5343 contains technical corrections to a provision regarding metric labeling that was included in the American Technology Preeminence Act (P.L. 102-245). Section 107 of that Act provides that starting two years from the date of enactment labels on packaged consumer commodities sold in grocery stores shall list weights, lengths, and volumes in metric measurements, although it also allows labels to continue to include measurements in traditional English (avoirdupois) units. The United States is the only major industralized nation which does not use metric measurements, and U.S. business is at risk of losing substantial sales opportunities as potential overseas customers become less willing to accept non-metric products.

Section 107 affects labels but not the sizing of packaging. For example, the section does not require that milk be sold in liter-sized cartons; it only requires that labels on quart or other sized milk cartons list the contents in metric measurements. However, various groups in the food industry expressed concerns that the section might be interpreted to require metric packaging and thus expensive changes in the size of packaged goods.

I introduced H.R. 5343 to clarify the provisions of section 107 and avoid any misunderstanding. Again, the intention of the original section 107 is to require metric labeling but not metric-sized packaging, and this new bill makes this point explicitly. It also states that section 107 shall have no effect on the sale or distribution of products whose labels have been printed before the effective date, and states that nothing in this provision shall apply to unit pricing, advertising, recipe programs, nutrition labeling, or other general pricing information.

I would like to make one other comment regarding H.R. 5343. In amending section 107, the new bill uses familiar terms such as "pounds", "inches", and "square inches". I want to make clear that in using these standard terms, we intend that related terms also may be used when expressing measurements in English terminology. For example, when the bill says "pounds" it means that weights may be expressed in the standard English measurements of pounds or ounces, and specifically that weight shall be expressed in the largest whole unit, either pounds or ounces. Similarly, we intend that both section 107 and the underlying law it amends allow that lengths be expressed in terms of the largest whole unit, either inches, yards and feet, or feet, as appropriate, and allow the measurements of area be expressed in terms of square inches, square yards, square yards and feet, or square feet, as appropriate.

I believe that H.R. 5343 addresses the concerns of the food industry and removes any ambiguity regarding the intent and requirements under section 107. We wrote the legislation in close consultation with the industry, and as far as I know the bill is genuinely noncontroversial. I appreciate your assistance in bringing this bill before the Senate, and look forward to continuing to work closely with you on this issue and other matters.

Sincerely,

GEORGE E. BROWN, Jr.,
Chairman.

MITCHELL H. COHEN U.S. COURTHOUSE

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Environment and Public Works Committee be discharged from further consideration of S. 2625 designating the Mitchell H. Cohen U.S. Courthouse in Camden, NJ, and that the Senate proceeded to its immediate consideration, the bill be deemed read three times, passed, and the motion to reconsider laid upon the table; further, that any statements appear in the RECORD at the appropriate place.

Mr. CHAFEE. Mr. President I wonder if we could just put that over for 1 minute and come back to it in a few minutes.

Mr. LAUTENBERG. We will proceed, if we may, Mr. President, then to the next matter.

The PRESIDING OFFICER. The Chair will construe that the unanimous-consent request has been at least momentarily withdrawn subject to the right of the Senator from New Jersey to renew it.

NATIONAL TRAILS SYSTEM AMENDMENTS ACT

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 543, H.R. 479, a bill to designate the California National Historic Trail and Pony Express National Historic Trail as components of the National Trails System; that the bill be deemed read three times, passed, and the motion to reconsider laid upon the table; that any statements appear in the Record at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 479) was deemed to have been read three times and passed.

AUTHORIZING THE ARCHITECT OF THE CAPITOL TO ACQUIRE CERTAIN PROPERTY—MESSAGE FROM THE HOUSE

Mr. LAUTENBERG. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2938.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2938) entitled "An Act to authorize the Architect of the Capitol to acquire certain property", do pass with the following amendment:

Page 4, strike line 15 and all that follows through page 5, line 6.

Mr. LAUTENBERG. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. LAUTENBERG. I move to reconsider the vote.

Mr. COATS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

U.S. CAPITOL POLICE JURISDICTION REFORM ACT

Mr. LAUTENBERG. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1766.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1766) entitled "An Act relating to the jurisdiction of the United States Capitol Police", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

TITLE I—LAW ENFORCEMENT AUTHORITY AND SUNDRY ADMINISTRATIVE PROVISIONS

SEC. 101. LAW ENFORCEMENT AUTHORITY OF THE CAPITOL POLICE.

The Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes", approved July 31, 1946 (40 U.S.C. 212a) is amended by inserting after section 9A the following new section:

"SEC. 9B. (a) Subject to such regulations as may be prescribed by the Capitol Police Board and approved by the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate, a member of the Capitol Police shall have authority to make arrests and otherwise enforce the laws of the United States, including the laws of the District of Columbia—

"(1) within the District of Columbia, with respect to any crime of violence committed within the United States Capitol Grounds;

"(2) within the District of Columbia, with respect to any crime of violence committed in the presence of the member, if the member is in the performance of official duties when the crime is committed;

"(3) within the District of Columbia, to prevent imminent loss of life or injury to person or property, if the officer is in the performance of official duties when the authority is exercised; and

"(4) within the area described in subsection (b).

"(b) The area referred to in subsection (a)(4) is that area bounded by the north curb of H Street from 3rd Street, N.W. to 7th Street, N.E., the east curb of 7th Street from H Street, N.E., to M Street, S.E., the south curb of M Street from 7th Street, S.E. to 1st Street, S.E., the east curb of 1st Street from M Street, S.E. to Potomac Avenue S.E., the southeast curb of Potomac Avenue from 1st Street, S.E. to South Capitol Street, S.W., the west curb of South Capitol Street from Potomac Avenue, S.W. to P Street, S.W., the north curb of P Street from South Capitol Street, S.W. to 3rd Street, S.W., and the west curb of 3rd Street from P Street, S.W. to H Street, N.W.

"(c) This section does not affect the authority of the Metropolitan Police force of the District of Columbia with respect to the area described in subsection (b).

"(d) As used in this section, the term 'crime of violence' has the meaning given that term in section 16 of title 18, United States Code.".

SEC. 102. CHANGE IN THE COMPOSITION OF THE CAPITOL POLICE BOARD.

Section 9 of the Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes", approved July 31, 1946 (40 U.S.C. 212a) is amended—

(1) By striking out "SEC. 9." and inserting in lieu thereof "SEC. 9. (a)"

(2) in the first sentence, by striking out ", consisting" and all that follows through "Architect of the Capitol,"; and

(3) by adding at the end the following new subsection:

"(b)(1) The Capitol Police Board shall consist of—

"(A) the chairman and the ranking minority party member of the Committee on House Administration of the House of Representatives;

"(B) the chairman and the ranking minority party member of the Committee on Rules and Administration of the Senate; and

"(C) the Sergeant at Arms of the House of Representatives and the Sergeant at Arms and Doorkeeper of the Senate, both ex officio and without the right to vote.

"(2) The chairman of the Committee on House Administration of the House of Representatives and the chairman of the Committee on Rules and Administration of the Senate shall alternate, by session of Congress, as chairman of the Capitol Police Board.".

SEC. 103. UNIFIED PAYROLL ADMINISTRATION FOR THE CAPITOL POLICE.

The Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes", approved July 31, 1946 (40 U.S.C. 212a), as amended by section 101, is further amended by inserting after section 9B the following new section:

"SEC. 9C. Payroll administration for the Capitol Police and civilian support personnel of the Capitol Police shall be carried out on a unified basis by a single disbursing authority. The Capitol Police Board, with the approval of the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate, acting jointly, shall, by contract or otherwise, provide for such unified payroll administration.".

SEC. 104. TECHNICAL AMENDMENT.

Effective November 5, 1990, section 106(a) of Public Law 101–520 is amended by striking out "(a) The" and inserting in lieu thereof "Section 9 of the".

SEC. 105. EFFECTIVE DATE.

The unified payroll administration under the amendment made by section 103 shall apply with respect to pay periods beginning after September 30, 1992.

TITLE II—LUMP-SUM PAYMENT PROVISIONS

SEC. 201. DEFINITIONS.

For the purpose of this title—

(1) the term "officer" includes all personnel of the rank of lieutenant or higher, including inspector;

(2) the term "member" includes all personnel below the rank of lieutenant, including detectives; and

(3) the term "Clerk of the House of Representatives" or "Clerk" includes a successor in function to the Clerk.

SEC. 202. LUMP-SUM PAYMENT FOR ACCUMULATED AND CURRENT ACCRUED ANNUAL LEAVE.

An officer or member of the United States Capitol Police who separates from service within the 2-year period beginning on the date of the enactment of this title and who, at the time of separation, satisfies the age and service requirements for title to an immediate annuity under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, shall be entitled to receive a lump-sum payment for the accumulated and current accrued annual leave to which that individual is entitled, but only to the extent that such leave is attributable to service performed by such individual as an officer or member of the Capitol Police.

SEC. 203. PROCEDURES.

(a) IN GENERAL.—A payment under this title shall be paid—

(1) in the case of an officer or member whose pay (for service last performed before separation) is disbursed by the Clerk of the House of Representatives—

(A) by the Clerk;

(B) after appropriate certification is made to the Clerk by the Sergeant at Arms of the House of Representatives; and

(C) out of funds available to pay the salaries of officers and members of the Capitol Police whose pay is disbursed by the Clerk; and

(2) in the case of an officer or member whose pay (for service last performed before separation) is disbursed by the Secretary of the Senate—

(A) by the Secretary of the Senate;

(B) after appropriate certification is made to the Secretary of the Senate by the Sergeant at Arms and Doorkeeper of the Senate; and

(C) out of funds available to pay the salaries of officers and members of the Capitol Police whose pay is disbursed by the Secretary of the Senate.

(b) CERTIFICATION.—Any certification under subsection (a)(1)(B) or (a)(2)(B) shall state the total of the accumulated and current accrued annual leave, to the credit of the officer or member involved, which may be taken into account for purposes of a computation under subsection (c).

(c) COMPUTATION.—(1) The amount of a lump-sum payment under this title shall be determined by multiplying the hourly rate of basic pay of the officer or member involved by the number of hours certified with respect to such officer or member in accordance with the preceding provisions of this section.

(2) The hourly rate of basic pay of an officer or member shall, for purposes of this title, be determined by dividing 2,080 into the annual rate of basic pay last payable to such officer or member before separating.

(d) TREATMENT AS PAY.—A lump-sum payment under this title shall be considered to be pay for taxation purposes only.

(e) CLARIFICATION.—For purposes of this title, the terms "officer" and "member" may not be construed to include any civilian employee.

AMENDMENT NO. 2735

Mr. LAUTENBERG. Mr. President, I move that the Senate concur in the House amendment with a further amendment, which I now send to the desk on behalf of Senator FORD.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG], for Mr. FORD, proposes an amendment numbered 2735.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States Capitol Police Jurisdiction Act".

SEC. 2. TECHNICAL AMENDMENT.

Effective November 5, 1990, section 106(a) of Public Law 101–520 is amended by striking out "(a) The" and inserting in lieu thereof "Section 9 of the".

SEC. 3. JURISDICTION OF CAPITOL POLICE.

(a) Section 9 of the Act of July 31, 1946 (40 U.S.C. 212a), is amended to read as follows:

"SEC. 9. (a)(1) The Capitol Police shall police the United States Capitol Buildings and Grounds under the direction of the Capitol Police Board, consisting of the Sergeant at Arms of the United States Senate, the Sergeant at Arms of the House of Representatives, and the Architect of the Capitol, and shall have the power to enforce the provisions of this Act and regulations promulgated under section 14 thereof, and to make arrests within the United States Capitol Buildings and Grounds for any violations of any law of the United States, of the District of Columbia, or of any State, or any regulation promulgated pursuant thereto: *Provided*, That the Metropolitan Police force of the District of Columbia is authorized to make arrests within the United States Capitol Buildings and Grounds for any violations of any law of the United States, of the District of Columbia, or of any State, or any regulation promulgated pursuant thereto, but such authority shall not be construed as authorizing the Metropolitan Police force, except with the consent or upon the request of the Capitol Police Board, to enter such buildings to make arrests in response to complaints or to serve warrants or to patrol the United States Capitol Buildings and Grounds.

"(2) The Capitol Police shall have authority to make arrests in that part of the District of Columbia outside the United States Capitol Grounds for any violations of any law of the United States or the District of Columbia, or any regulation promulgated pursuant thereto. The arrest authority of the Capitol Police under this paragraph shall be concurrent with that of the Metropolitan Police force of the District of Columbia.

"(b)(1) For the purpose of this section, the term 'Grounds' includes the House Office Buildings parking areas, and any property acquired, prior to or on or after the date of the enactment of this subsection, in the District of Columbia by the Architect of the Capitol, or by an officer of the Senate or the House of Representatives, by lease, purchase, intergovernmental transfer, or otherwise, for the use of the Senate, the House of Representatives, or the Architect of the Capitol.

"(2) The property referred to in paragraph (1) of this subsection shall be considered 'Grounds' for purposes of this section only during such period that it is used by the Senate, House of Representatives, or the Architect of the Capitol. On and after the date next following the date of the termination by the Senate, House of Representatives, or Architect of the Capitol of the use of any such property, such property shall be subject to the same police jurisdiction and authority as that to which it would have been subject if this subsection had not been enacted into law.".

(b) The authority granted to the Capitol Police by the amendment made by subsection (a) of this section shall be in addition to any authority of the Capitol Police in effect on the date immediately prior to the date of the enactment of this Act.

SEC. 4. UNIFIED PAYROLL STUDY.

The Capitol Police Board shall provide for a study to determine the feasibility and desirability of administering payrolls for members of the Capitol Police and civilian support personnel of the Capitol Police on a unified basis by a single disbursing authority. The Capitol Police Board shall report the results of such study, together with its recommendations, to the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House of Representatives before January 1, 1994.

TITLE I—LUMP-SUM PAYMENT PROVISIONS

SEC. 101. DEFINITIONS.

For the purpose of this title—

(1) the term "officer" includes all personnel of the rank of lieutenant or higher, including inspector;

(2) the term "member" includes all personnel below the rank of lieutenant, including detectives; and

(3) the term "Clerk of the House of Representatives" or "Clerk" includes a successor in function to the Clerk.

SEC. 102. LUMP-SUM PAYMENT FOR ACCUMULATED AND CURRENT ACCRUED ANNUAL LEAVE.

An officer or member of the United States Capitol Police who separates from service within the 2-year period beginning on the date of the enactment of this title and who, at the time of separation, satisfies the age and service requirements for title to an immediate annuity under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, shall be entitled to receive a lump-sum payment for the accumulated and current accrued annual leave to which that individual is entitled, but only to the extent that such leave is attributable to service performed by such individual as an officer or member of the Capitol Police.

SEC. 103. PROCEDURES.

(a) IN GENERAL.—A payment under this title shall be paid—

(1) in the case of an officer or member whose pay (for service last performed before separation) is disbursed by the Clerk of the House of Representatives—

(A) by the Clerk;

(B) after appropriate certification is made to the Clerk by the Sergeant at Arms of the House of Representatives; and

(C) out of funds available to pay the salaries of officers and members of the Capitol Police whose pay is disbursed by the Clerk; and

(2) in the case of an officer or member whose pay (for service last performed before separation) is disbursed by the Secretary of the Senate—

(A) by the Secretary of the Senate;

(B) after appropriate certification is made to the Secretary of the Senate by the Sergeant at Arms and Doorkeeper of the Senate; and

(C) out of funds available to pay the salaries of officers and members of the Capitol Police whose pay is disbursed by the Secretary of the Senate.

(b) CERTIFICATION.—Any certification under subsection (a)(1)(B) or (a)(2)(B) shall state the total of the accumulated and current accrued annual leave, to the credit of the officer or member involved, which may be taken into account for purposes of a computation under subsection (c).

(c) COMPUTATION.—(1) The amount of a lump-sum payment under this title shall be determined by multiplying the hourly rate of basic pay of the officer or member involved by the number of hours certified with respect to such officer or member in accordance with the preceding provisions of this section.

(2) The hourly rate of basic pay of an officer or member shall, for purposes of this title, be determined by dividing 2,080 into the annual rate of basic pay last payable to such officer or member before separating.

(d) TREATMENT AS PAY.—A lump-sum payment under this title shall be considered to be pay for taxation purposes only.

(e) CLARIFICATION.—For purposes of this title, the terms "officer" and "member" may not be construed to include any civilian employee.

TITLE II—CITATION RELEASE

SEC. 201. BAIL AND COLLATERAL.

(a) ACTING CLERK.—(1) The judges of the Superior Court of the District of Columbia shall have the authority to appoint an official of the United States Capitol Police to act as a clerk of the court with authority to take bail or collateral from persons charged with offenses triable in the Superior Court at all times when the court is not open and its clerks accessible. The official so appointed shall have the same authority at those times with reference to taking bonds or collateral as the clerk of the Municipal Court had on March 3, 1933; shall receive no compensation for these services other than his regular salary; shall be subject to the orders and rules of the Superior Court in discharge of his duties, and may be removed as the clerk at any time by the judges of the court. The United States District Court for the District of Columbia shall have power to authorize the official appointed by the Superior Court to take bond of persons arrested upon writs and process from that court in criminal cases between 4 o'clock post meridian and 9 o'clock ante meridian and upon Sundays and holidays, and shall have power at any time to revoke the authority granted by it.

(2) An officer or member of the United States Capitol Police who arrests without a warrant a person for committing a misdemeanor may, instead of taking him into custody, issue a citation requiring the person to appear before an official of the United States Capitol Police designated under paragraph (1) of this subsection to act as a clerk of the Superior Court.

(3) Whenever a person is arrested without a warrant for committing a misdemeanor and is booked and processed pursuant to law, an official of the United States Capitol Police designated under paragraph (1) of this subsection to act as a clerk of the Superior Court may issue a citation to him for an appearance in court or at some other designated place, and release him from custody.

(4) No citation may be issued under paragraph (2) or (3) unless the person authorized to issue the citation has reason to believe that the arrested person will not cause injury to persons or damage to property and that he will make an appearance in answer to the citation.

(b) PENALTY.—Whoever willfully fails to appear as required in a citation, shall be fined not more than the maximum provided for the misdemeanor for which such citation was issued or imprisoned for not more than 1 year, or both. Prosecution under this paragraph shall be by the prosecuting officer responsible for prosecuting the offense for which the citation is issued.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. LAUTENBERG. I move to reconsider the vote by which the motion was agreed to.

Mr. COATS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MITCHELL H. COHEN U.S. COURTHOUSE

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Environment and Public Works Committee be discharged from further consideration of S. 2625 designating the Mitchell H. Cohen U.S. Courthouse in Camden, NJ, and that the Senate then proceed to its immediate consideration; that the bill be deemed read three times, passed, and the motion to reconsider laid upon the table; further, that any statements appear in the RECORD at the appropriate place.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The bill (S. 2625) was deemed to have been read three times and passed, as follows:

S. 2625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse under construction at 400 Cooper Street in Camden, New Jersey, shall be known and designated as the "Mitchell H. Cohen United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the courthouse referred to in section 1 shall be deemed to be a reference to the "Mitchell H. Cohen United States Courthouse".

CRISIS BETWEEN THE UNITED STATES AND IRAQ—MESSAGE FROM THE PRESIDENT—PM 261

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iraqi emergency is to continue in effect beyond August 2, 1992, to the *Federal Register* for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to stability in the Middle East and hostile to U.S. interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of Iraq.

GEORGE BUSH.

THE WHITE HOUSE, *July 21, 1992*.

CONSERVATION AND THE USE OF PETROLEUM AND NATURAL GAS IN FEDERAL FACILITIES—MESSAGE FROM THE PRESIDENT—PM 262

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance:

To the Congress of the United States:

As required by section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978, as amended (42 U.S.C. 8373(c)), I hereby transmit the 13th annual report describing Federal actions with respect to the conservation and use of petroleum and natural gas in Federal facilities, which covers calendar year 1991.

GEORGE BUSH.

THE WHITE HOUSE, *July 21, 1992*.

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE GRAND DUCHY OF LUXEMBOURG—MESSAGE FROM THE PRESIDENT—PM 263

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance:

To the Congress of the United States:

Pursuant to section 233(e)(1) of the Social Security Act, as amended by the Social Security Amendments of 1977 (Public Law 95-216, 42 U.S.C. 433(e)(1)), I transmit herewith the Agreement between the United States of America and the Grand Duchy of Luxembourg on Social Security, which consists of two separate instruments—a principal agreement and an administrative arrangement. The agreement was signed at Luxembourg on February 12, 1992.

The United States-Luxembourg agreement is similar in objective to the social security agreements already in force with Austria, Belgium, Canada, France, Germany, Italy, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Such bilateral agreements provide for limited coordination between the United States and foreign social security systems to eliminate dual social security coverage and taxation, and to help prevent the loss of benefit protection that can occur when workers divide their careers between two countries.

I also transmit for the information of the Congress a report prepared by the Department of Health and Human Services, explaining the key points of the agreement, along with a paragraph-by-paragraph explanation of the provisions of the principal agreement and the related administrative arrangement. In addition, as required by section 233(e)(1) of the Social Security Act, a report on the effect of the agreement on income and expenditures of the U.S. Social Security program and the number of individuals affected by the agreement is also enclosed. I note that the Department of State and the Department of Health and Human Services have recommended the agreement and related documents to me.

I commend the Agreement between the United States of America and the Grand Duchy of Luxembourg on Social Security and related documents.

GEORGE BUSH.

THE WHITE HOUSE, *July 21, 1992*.

MESSAGES FROM THE HOUSE

At 12:10 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate.

H.R. 11. An act to amend the Internal Revenue Code of 1986 to provide tax incentives for the establishment of tax enterprise zones, and for other purposes;

H.R. 1435. An act to direct the Secretary of the Army to transfer jurisdiction over the Rocky Mountain Arsenal, Colorado, to the Secretary of the Interior;

H.R. 3836. An act to provide for the management of Federal lands containing the Pacific yew to ensure a sufficient supply of taxol, a cancer-treating drug made from the Pacific yew;

H.R. 5488. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1993, and for other purposes;

H.R. 5504. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes;

H.R. 5517. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes; and

H.R. 5560. An act to extend for one year the National Commission on Time and Learning, and for other purposes.

The message also announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 2938. An act to authorize the Architect of the Capitol to acquire certain property.

The message further announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 129. A concurrent resolution expressing continued support for the Taif Agreement, which brought a negotiated end to the civil war in Lebanon, and for other purposes.

The message also announced that the House has passed the bill (S. 1766) relating to the jurisdiction of the U.S. Capitol Police, with an amendment; it insists upon its amendment, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. ROSE, Ms. OAKAR, Mr. PANETTA, Mr. THOMAS of California, and Mr. ROBERTS as managers of the conference on the part of the House.

At 2:25 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House of Representatives to the bill (S. 1150) entitled "An Act to reauthorize the Higher Education Act of 1965, and for other purposes."

At 8:22 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 5100. An act to strengthen the international trade position of the United States; and

H.R. 5518. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1993, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times, and referred as indicated:

H.R. 11. An act to amend the Internal Revenue Code of 1986 to provide tax incentives for the establishment of tax enterprise zones, and for other purposes; to the Committee on Finance;

H.R. 5100. An act to strengthen the international trade position of the United States; to the Committee on Finance;

H.R. 5488. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations;

H.R. 5504. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations;

H.R. 5517. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1993, and for other purposes; to the Committee on Appropriations; and

H.R. 5518. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending

September 30, 1993, and for other purposes; to the Committee on Appropriations.

MEASURES READ THE FIRST TIME

The following bill was read the first time:

H.R. 1435. An act to direct the Secretary of the Army to transfer jurisdiction over the Rocky Mountain Arsenal, Colorado, to the Secretary of the Interior.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second time, and placed on the Calendar:

H.R. 3836. An act to provide for the management of Federal lands containing the Pacific yew to ensure a sufficient supply of taxol, a cancer-treating drug made from the Pacific yew.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3592. A communication from the Deputy Postmaster General, transmitting, pursuant to law, a report on expedited appeal procedures for refused mail; to the Committee on Governmental Affairs.

EC-3593. A communication from the Chief Operating Officer and President of the Resolution Funding Corporation, transmitting, pursuant to law, a report on audited financial statements; to the Committee on Governmental Affairs.

EC-3594. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the Refugee Resettlement Program; to the Committee on the Judiciary.

EC-3595. A communication from the Chief Justice of the Supreme Court of the United States, transmitting, pursuant to law, a report on the Judicial Conference of the United States; to the Committee on the Judiciary.

EC-3596. A communication from the National Treasurer of the Navy Wives Clubs of America, transmitting, pursuant to law, the annual report on the Audit for Fiscal Year 1991; the Committee on the Judiciary.

EC-3597. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on employment and training programs; to the Committee on Labor and Human Resources.

EC-3598. A communication from the Chairman of Railroad Retirement Board, transmitting, pursuant to law, a report on the status of the railroad retirement system; to the Committee on Labor and Human Resources.

EC-3599. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on Sudden Infant Death Syndrome; to the Committee on Labor and Human Resources.

EC-3600. A communication from the Secretary of Education, transmitting, pursuant to law, a report entitled "Notice of Final Priority for Fiscal Year 1992 — Independent Living Services for Older Blind Individuals"; to the Committee on Labor and Human Resources.

EC-3601. A communication from the Secretary of Labor, transmitting, pursuant to law, a report with respect to mine safety; to the Committee on Labor and Human Resources.

EC-3602. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report of the Administration on Aging; to the Committee on Labor and Human Resources.

EC-3603. A communication from the Secretary of Education, transmitting, pursuant to law, a report entitled "Final Regulations—Higher Education Programs in Modern Foreign Language Training and Area Studies—Group Project Abroad Program;" to the Committee on Labor and Human Resources.

EC-3604. A communication from the Secretary of Education, transmitting, pursuant to law, a report "Final Regulations—Education Department General Administrative Regulations;" to the Committee on Labor and Human Resources.

EC-3605. A communication from Department of Education, transmitting, pursuant to law, a report with respect to the final regulations of the Pell Grant program; to the Committee on Labor and Human Resources.

EC-3606. A communication fron the Secretary of Education, transmitting, a draft of proposed legislation to make additional fiscal year 1992 allocations to certain counties under Chapter 1 of Title I of the Elementary and Secondary Education Act of 1965; to the Committee on Labor and Human Resources.

EC-3607. A communication from the Secretary of Education, transmitting, pursuant to law, a report on the final regulations of the Individuals with Disabilities Education Act Amendments of 1991; to the Committee on Labor and Human Resources.

EC-3608. A communication from the Secretary of Labor, transmitting, pursuant to law, a report describing employment and training programs for veterans; to the Committee on Veterans' Affairs.

EC-3609. A communication from the Secretary of Labor, transmitting, pursuant to law, a report describing employment and training programs for veterans; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BOREN, from the Select Committee on Intelligence, without amendment:

S. 2991. An original bill to authorize appropriations for fiscal year 1993 for intelligence activities of the United States Government and the Central Intelligence Agency Retirement and Disability System, to amend the National Security Act of 1947 to provide a framework for the improved management and execution of United States intelligence activities, and for other purposes (Rept. No. 102-324).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 2608. A bill to authorize appropriations for the National Railroad Passenger Corporation, and for other purposes (Rept. No. 102-326).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. 2656. A bill to amend the Petroleum Marketing Practices Act (Rept. No. 102-325).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BRADLEY:

S. 2990. A bill to amend the Public Health Service Act to establish a program to provide grants for the establishment of model Tuberculosis Prevention and Control Centers, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BOREN:

S. 2991. An original bill to authorize appropriations for fiscal year 1993 for intelligence activities of the United States Government and the Central Intelligence Agency Retirement and Disability System, to amend the National Security Act of 1947 to provide a framework for the improved management and execution of United States intelligence activities, and for other purposes; from the Select Committee on Intelligence; to the Committee on Armed Services, for the thirty-day period provided in section 3(b) of Senate Resolution 400, Ninety-fourth Congress.

By Mr. PRYOR:

S. 2992. A bill to provide for the temporary suspension of duty on certain chemicals, and for other purposes; to the Committee on Finance.

S. 2993. A bill to suspend until January 1, 1995, the duty on certain chemicals; to the Committee on Finance.

By Mr. ROCKEFELLER:

S. 2994. A bill to extend the temporary suspension of duty on metallurgical fluorspar; to the Committee on Finance.

By Mr. BREAUX:

S. 2995. A bill to amend the Marine Mammal Protection Act of 1972 to implement international agreements providing for the enhanced protection of dolphins, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. D'AMATO:

S. Res. 325. A resolution expressing the sense of the Senate that the Government of the Yemen Arab Republic should lift its restrictions on Yemeni-Jews and allow them unlimited and complete emigration and travel; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BRADLEY:

S. 2990. A bill to amend the Public Health Service Act to establish a program to provide grants for the establishment of model Tuberculosis Prevention and Control Centers, and for other purposes; to the Committee on Labor and Human Resources.

TUBERCULOSIS PREVENTION AND CONTROL CENTERS ACT OF 1992

• Mr. BRADLEY. Mr. President, I rise to introduce the Tuberculosis Prevention and Control Centers Act of 1992. This bill would establish five model TB Prevention and Control Centers for five geographical areas. The goal of the legislation would be to bring together the necessary private and public elements to effectively control the spread of TB when outbreaks occur, and reduce the number of cases in high priority areas through comprehensive prevention, screening, diagnoses, treatment, and training programs.

Why has tuberculosis returned when we once thought we had it all but beaten? TB was once a deadly epidemic at the turn of the century, and even by the 1940's, it remained a killer disease—it was fatal in 50 percent of the cases, and there were more than 120,000 cases in the United States. By the late fifties, new drugs and a focused public health effort helped us turn the tide against TB, and by the early eighties, the number of cases in the United States had dropped to only 20,000. However, in the last 3 years, TB has resurged, and the number of cases is now rapidly approaching 30,000. It is highly contagious and again represents a major public health threat for the 1990's.

Newark has ranks second in the country in the rate of TB cases per 100,000 population. The number of cases in Essex County in New Jersey has almost doubled since 1986. The numbers are staggering: 1 in 10 Americans are carriers of the TB bacteria—25 million persons. About on-third of the world's population is infected with TB. Worldwide, there are about 8 million new cases of TB each year, with more than 3 million deaths each year. TB is the largest cause of death in the world from a single infectious agent—which is even more startling, because it is preventable and easily cured.

The resurgence of TB provides us with a glaring illustration of the failure over the last 12 years to address the deteriorating social conditions in our inner cities. A decade of neglect that has resulted in greater homelessness, drug use, poverty, cultural isolation of immigrants, and AIDS have all contributed to the recent increase in the number of TB cases. These individuals live in circumstances that increase their risk for TB, often make it harder to get them into treatment, and increases the likelihood that they will not complete the necessary drug therapy.

Since the late sixties, public funding to fight TB has been reduced dramatically. For example, in New York City, funding was cut from highs of $40 million in 1968 to about half of that 10 years later. Those trends have continued nationwide as the number of TB cases has dropped each year, until the mideighties. The perception was that we had TB defeated, so the public dollars were cut. Those budget cuts, combined with the inattention to the social conditions in our inner cities, have led to TB's resurgence.

Another key factor in TB's reemergence is the development of multidrug resistant strains of TB. It's like the cockroach who thrives despite increasing doses of pesticides—they have been exposed to so many insecticides, they build up an intolerance. The same has happened for TB.

The multidrug resistant strains of TB are especially frightening because of the triple threat: First, these patients continue to infect others while they think they are being treated—but the drugs they take don't do anything. Second, the patient gets worse. Third, the costs increase dramatically as the additional drugs are expensive, and more intensive treatment may be required. As many as 40 percent of all TB cases in New York City have been found to be multidrug resistant.

Persons facing the greatest risks for TB include those with AIDS, immigrants from countries with poor public health programs, and homeless persons. But also they include health care workers, doctors and nurses, prison workers, and others who come into close contact with an infected individual.

Importantly, as the number of children with AIDS tragically increases, TB will pose a growing threat to the children in our schools. We have learned to fight uninformed fears about being around persons with AIDS. We know that AIDS is not easily transmitted; in stark contrast, TB, which may accompany AIDS, is highly contagious and may present a serious threat.

What we need is a coordinated effort among local, State, Federal, public and private resources to bring together all of the necessary elements to prevent an epidemic of TB from returning. We know how to do it, but the pieces have fallen apart over the last 30 years. What we have today are often fragmented efforts that only address part of the problem.

This legislation will provide for such a coordinated comprehensive attack on TB. It will establish five model TB prevention and control centers consisting of all of the elements needed in the nineties, not the fifties, to effectively control TB. Early screening and detection of high risk populations is essential. Technology must be available to quickly diagnose the multidrug resistant strains. Adequate supplies of drugs for treatment must be available. Outreach workers are needed to make sure treatment is completed. Existing efforts often only have part of these essential components. Having all of them will ensure our effectiveness in preventing a TB epidemic.

TUBERCULOSIS BILL SUMMARY

The Bill: Establishes a three year grant program administered by the Centers for Disease Control ($5 million per site per year) for five Model TB Prevention and Control Centers. Elements of each program would include the following:

1. Submission of a local detailed TB Control plan, signed by the official health agency for the area and all principal partners, including hospitals, research facilities, advocacy groups, pharmaceutical companies, epidemiologists, and health clinics that they will work together to accomplish the plan's goals.

2. Establishment of a Local TB Control Advisory Committee with representatives from patients and provider groups, as noted above.

3. The Local TB Control Plan should:

a. Target high priority populations for TB screening.

b. Provide intensive screening, detection, and treatment.

c. Provide for access to the latest clinical and lab technology.

d. Specify plans, including the use of patient incentives, to assure patient adherence.

e. Education and training for patients providers and public.

f. Include evaluation component to identify and replicate successes.

g. Require a 20% state or local match to ensure local commitment.

h. Require a three year commitment.●

By Mr. BREAUX:

S. 2995. A bill to amend the Marine Mammal Protection Act of 1972 to implement international agreements providing for the enhanced protection of dolphins, and for other purposes.

INTERNATIONAL DOLPHIN PROTECTION ACT OF 1992

● Mr. BREAUX. Mr. President, I rise today to introduce a bill of major importance to the marine mammal protection efforts of the United States and the dolphin protection efforts of the American tuna fishing industry. Millions of dolphins deaths have been a result of yellowfin tuna fishing practices by all nations in the eastern tropical Pacific Ocean. Increased awareness of dolphin population safety and health by both the public and the tuna fishing industry have fostered changes in industry. This bill assists the tuna industry in protecting dolphins by amending the Marine Mammal Protection Act of 1972, the Tuna Conventions Act of 1950 and South Pacific Tuna Act of 1988. When enacted, this bill will eventually eliminate dolphin mortality in the eastern tropical Pacific Ocean, at the same time changing yellowfin tuna fishing practices and methods.

As recently evidenced by foreign tuna fishing fleet activities, unilateral import restrictions by the United States will not foster compliance by other nations with United States objectives of greatly reduced dolphin mortality. This bill does not mandate unilateral trade sanctions against any country to enforce marine mammal protection in the tuna industry, but instead encourages multilateral agreements to bring about a fundamental change in tuna fishing practices. Other nations harvesting yellowfin tuna are now willing to participate in appropriate multilateral agreements, as evidenced by their participation in the Inter-American Tropical Tuna Commission resolutions, to reduce and eventually eliminate dolphin mortality in the eastern tropical Pacific Ocean yellowfin tuna industry.

Established by the Tuna Conventions Act of 1950, the Inter-American Tropical Tuna Commission [IATTC] is the recognized international commission dealing with the eastern tropical Pacific Ocean tuna fishery. Nine major tuna fishing nations agreed on June 18, 1992, through the IATTC, to a new dolphin protection program aimed at significantly reducing the dolphin mortality over a 7 year period. This legislation builds on the IATTC resolution by requiring the Secretary of State, in consultation with the Secretary of Commerce, to enter into multilateral international agreements. These agreements will implement the IATTC program for dolphin protection by reducing dolphin mortality and, as soon as practicable, eliminating dolphin mortality in the eastern tropical Pacific Ocean tuna fishery. Implementation of agreements and issuance of regulations, as authorized by this legislation, shall be under the Marine Mammal Protection Act and the Tuna Conventions Act.

This legislation prohibits after February 28, 1994, except for research and as permitted by U.S. regulation, setting purse seine nets on marine mammals during yellowfin tuna fishing. When this bill is enacted, the American Tunaboat Association's general permit for taking dolphins will be reduced significantly and the dolphin take may not exceed the number allocated by the IATTC to the U.S. tuna fleet. This IATTC limit on dolphin mortality also includes mortality caused by research.

Embargo provisions imposed by this bill would function much the same as those of the Pelly amendment. Under this bill the Secretary of Commerce, in consultation with the Secretary of State, will notify the President and the nation concerned, if that nation is not fully implementing it's commitments under the multilateral agreement. Fifteen days after Presidential notification, all imports of yellowfin tuna and tuna products would be banned. If the nation has not taken action to fully comply within 60 days of notification, all fish and fish products, including shrimp, would be banned. The ban would last until the nation is fully implementing the provisions of the agreement.

This legislation contains embargo provisions for all nations exporting yellowfin tuna to the United States; those nations will be required to provide documentary evidence that the yellowfin tuna harvesting nation has agreed to the IATTC resolution creating the dolphin protection program and enforcing the dolphin protection provisions of that resolution. This bill will, effectively, prohibit import of yellowfin tuna from nations who do not agree to the IATTC resolutions. This is a major change to the comparability standards presently used to determine a yellowfin tuna import ban from a violating nation.

Secondary embargoes are presently in place in the United States for selected yellowfin tuna imports. The term "secondary embargo," in this case, is an embargo placed on a nation which processes and exports yellowfin tuna to the United States, but does not actually participate in the yellowfin tuna fishery. Now, nations are faced with a secondary embargo if they cannot assure that yellowfin tuna exported to the United States were caught using dolphin safe methods. The determination of a secondary nation embargo is also changed in this bill. The secondary nation embargo provisions will be lifted under this bill when the secondary nation provides reasonable proof that it has not imported in the previous 6 months yellowfin tuna or yellowfin tuna products from a nation subject to a direct U.S. import ban. These new embargo provisions will greatly simplify the embargo determination procedures now used by the United States.

The approach taken by this legislation on import restrictions should resolve the General Agreement on Tariffs and Trade [GATT] concerns this Nation has with Mexico and several other countries relating to yellowfin tuna fishing practices. Also, this bill will provide a framework for resolving other important issues related to the dolphin mortality problem in the eastern tropical Pacific Ocean.

Also included in the bill are provisions for civil and criminal penalties for any person who: violates the regulations established under this bill; refuses to permit an enforcement inspection of his vessel and; assaults, resists, impedes, opposes, intimidates or interferes with a search conducted under provisions of this bill.

Another provision of this bill establishes tuna research programs, in conjunction with the IATTC, to develop fishing methods for large yellowfin tuna without setting nets on marine mammals. The U.S. Marine Mammal Commission will review all IATTC research proposals and make research recommendations to the U.S. IATTC Commissioners. Appropriations authorized are $3 million per year from 1993 to 1998 for the research provisions of this bill.

The International Dolphin Protection Act of 1992 will conserve and protect the dolphin populations in the eastern tropical Pacific Ocean, maintain the strong dolphin conservation program of the United States yellowfin tuna fleet and resolve the yellowfin tuna GATT issue with Mexico.

Mr. President, I urge my colleagues to join with me in support and passage of this urgent and important piece of legislation.●

ADDITIONAL COSPONSORS

S. 434

At the request of Mr. SHELBY, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of S. 434, a bill to amend title 4, United States Code, to declare English as the official language of the Government of the United States, and for other purposes.

S. 1372

At the request of Mr. GORE, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1372, a bill to amend the Federal Communications Act of 1934 to prevent the loss of existing spectrum to Amateur Radio Service.

S. 1379

At the request of Mr. GRASSLEY, his name was added as a cosponsor of S. 1379, a bill to prohibit the payment of Federal benefits to illegal aliens.

S. 1565

At the request of Mr. GRAHAM, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 1565, a bill to amend the Federal Aviation Act of 1958 to ensure fair treatment of airline employees in connection with route transfers.

S. 1578

At the request of Mr. THURMOND, the names of the Senator from Missouri [Mr. DANFORTH], the Senator from California [Mr. SEYMOUR], the Senator from Mississippi [Mr. LOTT], the Senator from Wisconsin [Mr. KASTEN], the Senator from Kansas [Mr. DOLE], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 1578, a bill to recognize and grant a Federal charter to the Military Order of World Wars.

S. 2002

At the request of Mr. JOHNSTON, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 2002, a bill to amend the Internal Revenue Code of 1986 to provide that certain deductions of school bus drivers shall be allowable in computing adjusted gross income.

S. 2027

At the request of Mr. CHAFEE, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 2027, a bill to amend title XVIII of the Social Security Act to eliminate the annual cap on the amount of payment for outpatient physical therapy and occupational therapy services under part B of the medicare program.

S. 2057

At the request of Mr. ROTH, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 2057, a bill to amend title 10, United States Code, to provide for centralized acquisition of property and services for the Department of Defense, to modernize Department of Defense acquisition procedures, and for other purposes.

S. 2062

At the request of Mr. KENNEDY, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 2062, a bill to amend section 1977A of the Revised Statutes to equalize the remedies available to all victims of intentional employment discrimination, and for other purposes.

S. 2116

At the request of Mr. RIEGLE, the names of the Senator from North Dakota [Mr. BURDICK] and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 2116, a bill to improve the health of children by increasing access to childhood immunizations, and for other purposes.

S. 2244

At the request of Mr. THURMOND, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 2244, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

S. 2385

At the request of Mr. RIEGLE, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2385, a bill to amend the Immigration and Nationality Act to permit the admission to the United States of nonimmigrant students and visitors who are the spouses and children of United States permanent resident aliens, and for other purposes.

S. 2389

At the request of Mr. BRADLEY, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 2389, a bill to extend until January 1, 1999, the existing suspension of duty on Tamoxifen citrate.

S. 2479

At the request of Mr. GRASSLEY, his name was added as a cosponsor of S. 2479, a bill to approve the President's rescission proposals submitted to the Congress on March 20, 1992.

S. 2483

At the request of Mr. BROWN, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 2483, a bill to provide assistance to Department of Energy management and operating contract employees at defense nuclear facilities who are significantly and adversely affected as a result of a significant reduction or modification in Department programs and to provide assistance to communities significantly affected by those reductions or modifications, and for other purposes.

S. 2484

At the request of Mr. KASTEN, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 2484, a bill to establish research, development, and dissemination programs to assist State and local agencies in preventing crime against the elderly, and for other purposes.

S. 2531

At the request of Mr. ROTH, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 2531, a bill to establish a Commission on Project Government Reform.

S. 2543

At the request of Mr. MCCAIN, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 2543, a bill to amend the Foreign Relations Authorization Act, fiscal years 1992 and 1993, to prevent the transfer of certain goods or technology to Iraq or Iran, and for other purposes.

S. 2656

At the request of Mr. FORD, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 2656, a bill to amend the Petroleum Marketing Practices Act.

S. 2667

At the request of Mr. HEFLIN, the names of the Senator from Nevada [Mr. BRYAN], the Senator from Kansas [Mr. DOLE], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 2667, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the application of the Act with respect to alternate uses of new animal drugs and new drugs intended for human use.

S. 2707

At the request of Mr. RIEGLE, the names of the Senator from Montana [Mr. BURNS], the Senator from Colorado [Mr. BROWN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Michigan [Mr. LEVIN], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 2707, a bill to authorize the minting and issuance of coins in commemoration of the Year of the Vietnam Veteran and the 10th Anniversary of the dedication of the Vietnam Veterans Memorial, and for other purposes.

S. 2870

At the request of Mr. RUDMAN, the names of the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Pennsylvania [Mr. WOFFORD], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 2870, a bill to authorize appropriations for the Legal Services Corporation, and for other purposes.

S. 2887

At the request of Mr. MCCONNELL, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 2887, a bill to amend title IV of the Social Security Act to provide that the Secretary of Health and Human Services shall enter into an agreement with the Attorney General of the United States to assist in the location of missing children.

S. 2900

At the request of Mr. DOMENICI, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 2900, a bill to establish a moratorium on the promulgation and implementation of certain drinking water regulations promulgated under title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) until certain studies and the reauthorization of the Act are carried out, and for other purposes.

S. 2922

At the request of Mr. COHEN, the names of the Senator from South Carolina [Mr. THURMOND], the Senator from Iowa [Mr. GRASSLEY], the Senator from Illinois [Mr. SIMON], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Alabama [Mr. SHELBY], the Senator from Hawaii [Mr. AKAKA], the Senator from North Dakota [Mr. BURDICK], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of S. 2922, a bill to assist the States in the enactment of legislation to address the criminal act of stalking other persons.

S. 2936

At the request of Mr. BINGAMAN, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 2936, a bill to amend the Competitiveness Policy Council Act to provide for reauthorization, to rename the Council, and for other purposes.

S. 2942

At the request of Mr. HATCH, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 2942, a bill to institute accountability in the Federal regulatory process, establish a program for the systematic selection of regulatory priorities, and for other purposes.

S. 2958

At the request of Mr. AKAKA, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2958, a bill to amend chapter 37 of title 38, United States Code, to expand the housing loan program for veterans.

S. 2961

At the request of Mr. AKAKA, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 2961, a bill to amend title 38, United States Code, to permit the burial in ceremonies of the National Cemetery System of certain deceased reservists, to furnish a burial flag for such members, to furnish headstones and markers, and for other purposes.

S. 2966

At the request of Mr. HATFIELD, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 2966, a bill to amend the Small Business Investment Act of 1958 to permit prepayment of debentures issued by State and local development companies.

S. 2969

At the request of Mr. KENNEDY, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 2969, a bill to protect the free exercise of religion.

SENATE JOINT RESOLUTION 242

At the request of Mr. SPECTER, the names of the Senator from Ohio [Mr. GLENN], and the Senator from Missouri [Mr. DANFORTH] were added as cosponsors of Senate Joint Resolution 242, a joint resolution to designate the week of September 13, 1992, through September 19, 1992, as "National Rehabilitation Week."

SENATE JOINT RESOLUTION 321

At the request of Mr. KOHL, the names of the Senator from Connecticut [Mr. DODD], and the Senator from California [Mr. SEYMOUR] were added as cosponsors of Senate Joint Resolution 321, a joint resolution designating the week beginning March 21, 1993, as "National Endometriosis Awareness Week."

SENATE CONCURRENT RESOLUTION 126

At the request of Mr. SHELBY, the names of the Senator from California [Mr. CRANSTON], the Senator from Hawaii [Mr. AKAKA], the Senator from Hawaii [Mr. INOUYE], the Senator from South Dakota [Mr. PRESSLER], the Senator from Georgia [Mr. NUNN], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of Senate Concurrent Resolution 126, a concurrent resolution expressing the sense of the Congress that equitable mental health care benefits must be included in any health care reform legislation passed by the Congress.

SENATE RESOLUTION 301

At the request of Mr. SIMON, the names of the Senator from Vermont [Mr. JEFFORDS], the Senator from Oregon [Mr. HATFIELD], the Senator from Michigan [Mr. RIEGLE], the Senator from North Dakota [Mr. CONRAD], the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from New York [Mr. MOYNIHAN], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Resolution 301, a resolution relating to ongoing violence connected with apartheid in South Africa.

SENATE RESOLUTION 325—RELATING TO THE YEMEN ARAB REPUBLIC RESTRICTIONS ON YEMENI-JEWS

Mr. D'AMATO submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 325

Whereas, since 1948 when the State of Israel was born, Jews in Arab nations have routinely faced economic and social discrimination;

Whereas, in the Yemen Arab Republic, approximately 1,200–1,500 Jews form one of the world's most isolated and threatened communities;

Whereas, Yemeni-Jews have been severely restricted, permission to leave for any reason, be it for illness, family reunification, or education;

Whereas, Yemeni-Jews are denied public education and only recently allowed to form their own schools;

Whereas, the restrictions on emigration and movement on Yemeni-Jews violate the international Covenant on Civil and Political Rights, to which Yemen is a signatory;

Whereas, the last sizable emigration of Yemeni-Jews occurred in 1962, before the Yemeni civil war;

Whereas, information has just been received that many Jews are leaving the Yemen hill country due to a lack of food and any means of work thus putting an added strain on the Jewish community already unable to sustain itself: Now, therefore, be it

Resolved, That the Senate—

(1) urges the Government of the Yemen Arab Republic to cease its obstruction and allow unlimited Yemeni-Jewish emigration from the country, free travel for family reunification, medical treatment and educational purposes;

(2) urges that the provision of free and unlimited exchange of letters and phone calls be extended to Yemeni-Jews;

(3) urges that the issue of the emigration and family reunification of Yemeni-Jews be part of any equation of any kind of United States aid to the Government of the Yemen Arab Republic, including technology, development assistance, agricultural assistance, and weapons;

(4) urges the President to discuss with the allies and trading partners of the United States to make similar pleas to the Yemen Arab Republic on behalf of Yemeni-Jews' freedom of travel and emigration.

Mr. D'AMATO. Mr. President, I rise today to introduce a resolution that calls upon the Government of the Yemen Arab Republic to lift its restrictions on Yemeni-Jews and allow them freedom of unlimited and complete emigration and travel.

Almost immediately after the birth of the State of Israel in 1948, Jews and Arab lands were targeted for discrimination and segregation. Those that did not have the chance to emigrate were subject to arbitrary and complicated legal procedures that governed every aspect of their existence. We have heard of the Jews of Iraq, Syria, and from the countries of North Africa, yet we must address the problems facing the 1,200–1,500 remaining Jews of Yemen.

Following the end of Israel's victory in the war of independence, some 50,000 Yemeni-Jews made aliyah in "Operation Magic Carpet." Despite thoughts that all of Yemen's Jews had made their way out to Israel, unfortunately a small community had been left there.

The Jewish community in Yemen has since fallen prey to the harsh realities of Arab nationalist rule, whereby Jews in Arab lands become subject to reprisal for any action in the long Arab-Israeli struggle. They are held hostage to the whim of the government and discriminated against in every walk of life.

The Jews of Yemen face severe restrictions in the economic and social life of the nation. Most importantly, they are denied the right of free and complete emigration and travel for family reunification, medical treatment, or even educational purposes.

The last sizable emigration of Yemeni-Jews occurred in 1962 before the Yemeni Civil War. A precious few have been allowed out since then. Yemen refuses to allow its Jews to leave the country. This is the problem and this is why we must act.

Information has been received as of late that many Jews are leaving the Yemen hill country out of hunger and for a lack of work. This places an added strain on an already overstressed community and only exacerbates the situation.

Just as with Syria, Yemen too must be told that it cannot hold its Jewish population hostage. As these nations claim to be progressive, "peace-loving" members of the international community, they deny the most basic of human rights to a small segment of their population only because that population is Jewish. This is outrageous.

Yemen must allow Yemeni-Jews to emigrate and be reunified with their families overseas. The Yemeni claim to be a civilized nation cannot be taken seriously until it allows Yemeni-Jews free. The time for action is now. Yemen's Jews must be free.

AMENDMENTS SUBMITTED

INTERSTATE TRANSPORTATION ON MUNICIPAL WASTE ACT

COATS (AND OTHERS) AMENDMENT NO. 2731

Mr. COATS (for himself, Mr. BOREN, and Mr. SPECTER) proposed an amendment to the bill (S. 2877) entitled the Interstate Transportation on Municipal Waste Act, as follows:

Beginning on page 3, strike line 24 and all that follows through page 4, line 18 and insert in lieu thereof:

"(ii) a written, legally binding contract for disposal of municipal waste generated outside the jurisdiction of the affected local government that is consistent with, and was lawfully entered into after June 18, 1992, as the result of—

"(I) a host agreement; or

"(II) a written, legally binding, contract that was lawfully entered into by the affected local government and authorizes a landfill or incinerator to receive municipal waste generated outside the jurisdiction of the affected local government.

"(D) A Governor may require that contracts covered by (i), or (ii) of subparagraph (C) of this paragraph be filed with the State."

CHAFEE (AND BOREN) AMENDMENT NO. 2732

Mr. CHAFEE (and Mr. BOREN) proposed an amendment to the bill S. 2877, supra, as follows:

At the end of the Coats amendment add the following new text:

"(E) Nothing in this Act shall be construed as encouraging the abrogation of written, legally binding contracts for disposal of municipal waste generated outside the jurisdiction of the affected local government that were in effect on June 18, 1992. The validity of any action by a Governor which would result in the violation of or failure to perform any provision of such contracts shall be determined under applicable State law.".

SPECTER AMENDMENT NO. 2733

(Ordered to lie on the table.)

Mr. SPECTER submitted an amendment to the bill S. 2877, supra, as follows:

On page 6, between lines 11 and 12, insert the following new paragraph:

"(3) except as provided in paragraph (1)(C) and in addition to the authorities provided in paragraph (1)(A) beginning with calendar 1995, a Governor of any state which receives more than 1.25 million tons of out-of-state municipal waste, if requested in writing by the effected local government and the effected local solid waste planning unit, if any, may further limit the disposal of out-of-state municipal waste as provided in paragraph (2)(A)(ii) by reducing the 30 percentum annual volume limitation to 20 percentum in each of calendar years 1995 and 1996 and to 10 percentum in each succeeding calendar year."

On page 6, line 12, strike "(3)(A)" and insert "(4)(A)."

On page 7, line 3, strike "(4)(A)" and insert "(5)(A)."

HATFIELD (AND OTHERS) AMENDMENT NO. 2734

(Ordered to lie on the table.)

Mr. HATFIELD (for himself, Mr. PACKWOOD, and Mr. JEFFORDS) submitted an amendment to the bill S. 2877, supra, as follows:

On page 2, before line 1, add the following new title:

TITLE I—INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE

On page 2, line 1, strike "2" and insert "101".

On page 13, after line 7, add the following new title:

TITLE II—BEVERAGE CONTAINER RECYCLING

SEC. 201. SHORT TITLE.

This title may be cited as the "National Beverage Container Reuse and Recycling Act of 1992".

SEC. 202. FINDINGS.

The Congress finds the following:

(1) The failure to reuse and recycle empty beverage containers represents a significant and unnecessary waste of important national energy and material resources.

(2) The littering of empty beverage containers constitutes a public nuisance, safety hazard, and aesthetic blight and imposes upon public agencies, private businesses, farmers, and landowners unnecessary costs for the collection and removal of such containers.

(3) Solid waste resulting from such empty beverage containers constitutes a significant and rapidly growing proportion of municipal solid waste and increases the cost and problems of effectively managing the disposal of such waste.

(4) It is difficult for local communities to raise the necessary capital needed to initiate comprehensive recycling programs.

(5) The reuse and recycling of empty beverage containers would help eliminate these unnecessary burdens on individuals, local governments, and the environment.

(6) Several States have previously enacted and implemented State laws designed to protect the environment, conserve energy and material resources and promote resource recovery of waste by requiring a refund value on the sale of all beverage containers, and these have proven inexpensive to administer and effective at reducing financial burdens on communities by internalizing the cost of recycling and litter control to the producers and consumers of beverages.

(7) A national system for requiring a refund value on the sale of all beverage containers would act as a positive incentive to individuals to clean up the environment and would result in a high level of reuse and recycling of such containers and help reduce the costs associated with solid waste management.

(8) A national system for requiring a refund value on the sale of all beverage containers would result in significant energy conservation and resource recovery.

(9) The reuse and recycling of empty beverage containers would eliminate these unnecessary burdens on the Federal Government, local and State governments, and the environment.

(10) The collection of unclaimed refunds from such a system would provide the resources necessary to assist comprehensive reuse and recycling programs throughout the Nation.

(11) A national system of beverage container recycling is consistent with the intent of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901 et seq.).

(12) The provisions of this title are consistent with the goals set in January 1988, by the Environmental Protection Agency, which establish a national goal of 25 percent source reduction and recycling by 1992, coupled with a substantial slowing of the projected rate of increase in waste generation by the year 2000.

SEC. 203. AMENDMENT OF SOLID WASTE DISPOSAL ACT.

(a) AMENDMENT.—The Solid Waste Disposal Act is amended by adding the following new subtitle at the end thereof:

"SUBTITLE K—BEVERAGE CONTAINER RECYCLING

"SEC. 12001. DEFINITIONS.

"For purposes of this subtitle—

"(1) The term 'beverage' means beer or other malt beverage, mineral water, soda water, wine cooler, or a carbonated soft drink of any variety of liquid form intended for human consumption.

"(2) The term 'beverage container' means a container constructed of metal, glass, plastic, or some combination of these materials and having a capacity of up to one gallon of liquid and which is or has been sealed and used to contain a beverage for sale in interstate commerce. The opening of a beverage container in a manner in which it was designed to be opened and the compression of a beverage container made of metal or plastic shall not, for purposes of this section, constitute the breaking of the container if the statement of the amount of the refund value of the container is still readable.

"(3) The term 'beverage distributor' means a person who sells or offers for sale in interstate commerce to beverage retailers beverages in beverage containers for resale.

"(4) The term 'beverage retailer' means a person who purchases from a beverage distributor beverages in beverage containers for sale to a consumer or who sells or offers to sell in commerce beverages in beverage containers to a consumer.

"(5) The term 'consumer' means a person who purchases a beverage container for any use other than resale.

"(6) The term 'refund value' means the amount specified as the refund value of a beverage container under section 12002.

"(7) The term 'wine cooler' means a drink containing less than 7 percent alcohol (by volume), consisting of wine and plain, sparkling, or carbonated water and containing any one or more of the following: non-alcoholic beverage, flavoring, coloring materials, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives.

"SEC. 12002. REQUIRED BEVERAGE CONTAINER LABELING.

"Except as otherwise provided in section 12007, no beverage distributor or beverage retailer may sell or offer for sale in interstate commerce a beverage in a beverage container unless there is clearly, prominently, and securely affixed to, or printed on, the container a statement of the refund value of the container in the amount of 10 cents. The Administrator shall promulgate rules establishing uniform standards for the size and location of the refund value statement on beverage containers. The 10 cent amount specified in this section shall be subject to adjustment by the Administrator as provided in section 12008.

"SEC. 12003. ORIGINATION OF REFUND VALUE.

"For each beverage in a beverage container sold in interstate commerce to a beverage retailer by a beverage distributor, the distributor shall collect from the retailer the amount of the refund value shown on the container. With respect to each beverage in a beverage container sold in interstate commerce to a consumer by a beverage retailer, the retailer shall collect from the consumer the amount of the refund value shown on the container. No person other than the persons described in this section may collect a deposit on a beverage container.

"SEC. 12004. RETURN OF REFUND VALUE.

"(a) PAYMENT BY RETAILER.—If any person tenders for refund an empty and unbroken beverage container to a beverage retailer who sells (or has sold at any time during the period of 3 months ending on the date of such tender) the same brand of beverage in the same kind and size of container, the retailer shall promptly pay such person the amount of the refund value stated on the container.

"(b) PAYMENT BY DISTRIBUTOR.—If any person tenders for refund an empty and unbroken beverage container to a beverage distributor who sells (or has sold at any time during the period of 3 months ending on the date of such tender) the same brand of beverage in the same kind and size of container, the distributor shall promptly pay such person (1) the amount of the refund value stated on the container, plus (2) an amount equal to at least 2 cents per container to help defray the cost of handling. This subsection shall not preclude any person from tendering beverage containers to persons other than beverage distributors.

"(c) AGREEMENTS.—(1) Nothing in this subtitle shall preclude agreements between distributors, retailers, or other persons to establish centralized beverage collection centers, including centers which act as agents of such retailers.

"(2) Nothing in this subtitle shall preclude agreements between beverage retailers, beverage distributors, or other persons for the crushing or bundling (or both) of beverage containers.

"SEC. 12005. ACCOUNTING FOR UNCLAIMED REFUNDS AND PROVISIONS FOR STATE RECYCLING FUNDS.

"(a) UNCLAIMED REFUNDS.—At the end of each calendar year each beverage distributor shall pay to each State an amount equal to the sum by which the total refund value of all containers sold by the distributor for resale in that State during that year exceeds the total sum paid during that year by the distributor under section 12004(b) to persons in that State. The total of unclaimed refunds received by any State under this section shall be available to carry out pollution prevention and recycling programs in that State.

"(b) REFUNDS IN EXCESS OF COLLECTIONS.—If the total of payments made by a beverage distributor in any calendar year under section 12004(b) for any State exceed the total refund value of all containers sold by the distributor for resale in that State, the excess shall be credited against the amount otherwise required to be paid by the distributor to that State under subsection (a) for a subsequent calendar year designated by the beverage distributor.

"SEC. 12006. PROHIBITIONS ON DETACHABLE OPENINGS AND POST-REDEMPTION DISPOSAL.

"(a) DETACHABLE OPENINGS.—No beverage distributor or beverage retailer may sell, or offer for sale, in interstate commerce a beverage in metal beverage container a part of which is designed to be detached in order to open such container.

"(b) POST-REDEMPTION DISPOSAL.—No retailer or distributor or agent of a retailer or distributor may dispose of any beverage container labeled under section 12002 or any metal, glass, or plastic from such a beverage container (other than the top or other seal thereof) in any landfill or other solid waste disposal facility.

"SEC. 12007. EXEMPTED STATES.

"(a) IN GENERAL.—(1) The provisions of sections 12002 through 12005 and sections 12008 and 12009 of this subtitle shall not apply with respect to any State which—

"(A) has adopted and implemented requirements applicable to all beverage containers sold in such State which the Administrator determines to be substantially similar to the provisions of sections 12002 through 12005 and sections 12008 and 12009 of this subtitle; or

"(B) demonstrates to the Administrator that, for the period of 12 consecutive months immediately preceding the effective date of this subtitle, the State achieved a recycling or reuse rate for beverage containers of at least 70 percent.

"(2) If at any time following a demonstration under paragraph (1)(B) that a State has achieved a 70 percent recycling or reuse rate, the Administrator determines that the State has failed, for any period of 12 consecutive months, to maintain at least a 70 percent recycling or reuse rate of its beverage containers, the Administrator shall notify the State that, upon the expiration of the 90-day period following such notification, the provisions under sections 12002 through 12005 and sections 12008 and 12009 shall be applicable with respect to that State until a subsequent determination is made under paragraph (1)(A) or a demonstration is made under paragraph (1)(B). For purposes of this section, if a State demonstrates to the Administrator that, for the period of 12 consecutive months immediately preceding the effective date of this subtitle, such State had a mandatory Statewide recycling program; and is achieving a recycling or reuse rate for beverage containers of at least 60 percent on the effective date of this subtitle, the State shall be deemed to have satisfied the requirements of paragraph (2) and shall be granted an additional 2 years to achieve a recycling or reuse rate of at least 70 percent.

"(b) DETERMINATION OF TAX.—No State or political subdivision which imposes any tax on the sale of any beverage container may impose a tax on any amount attributable to the refund value of such container.

"(c) EFFECT ON OTHER LAWS.—Nothing in this subtitle shall be construed to affect the authority of any State or political subdivision thereof to enact or enforce (or continue in effect) any law respecting a refund value on containers other than beverage containers or from regulating redemption and other centers which purchase empty beverage containers from beverage retailers, consumers, or other persons.

"SEC. 12008. REGULATIONS.

"Not later than 12 months after the date of enactment of this subtitle, the Administrator shall prescribe regulations to carry out this subtitle. The regulations shall include a definition of the term 'beverage retailer' in a case in which beverages in beverage containers are sold to consumers through beverage vending machines. Such regulations shall also adjust the 10 cent amount specified in section 12002 to account for inflation. Such adjustment shall take effect 10 years after the date of enactment of this subtitle and additional adjustments shall take effect at 10 year intervals thereafter.

"SEC. 12009. PENALTIES.

"Any person who violates any provision of section 12002, 12003, 12004, or 12006 shall be subject to a civil penalty of not more than $1,000 for each violation. Any person who violates any provision of section 12005 shall be subject to a civil penalty of not more than $10,000 for each violation.

"SEC. 12010. EFFECTIVE DATE.

"(a) IN GENERAL.—Except as provided in section 12008 and subsection (b), this subtitle shall become effective on the date that is 3 years after the date of enactment of this title.

"(b) EXCEPTION.—If a State demonstrates to the Administrator that, for the period of 12 consecutive months immediately preceding the effective date prescribed in subsection (a), the State achieved a recycling or reuse rate for beverage containers of at least 60 percent, this subtitle shall become effective with respect to the State on the date that is 5 years after the date of enactment of this title.".

(b) TABLE OF CONTENTS.—The table of contents for such Act is amended by adding the following at the end thereof:

"SUBTITLE K—BEVERAGE CONTAINERS RECYCLING

"Sec. 12001. Definitions.
"Sec. 12002. Required beverage container labeling.
"Sec. 12003. Origination of refund value.
"Sec. 12004. Return of refund value.
"Sec. 12005. Accounting for unclaimed refunds and provisions for State recycling funds.
"Sec. 12006. Prohibitions on detachable openings and post-redemption disposal.
"Sec. 12007. Exempted States.
"Sec. 12008. Regulations.
"Sec. 12009. Penalties.
"Sec. 12010. Effective date.".

U.S. CAPITOL POLICE JURISDICTION ACT

FORD AMENDMENT NO. 2735

Mr. LAUTENBERG (for Mr. FORD) proposed an amendment to the bill (S. 1766) relating to the jurisdiction of the U.S. Capitol Police, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States Capitol Police Jurisdiction Act".

SEC. 2. TECHNICAL AMENDMENT.

Effective November 5, 1990, section 106(a) of Public Law 101–520 is amended by striking out "(a) The" and inserting in lieu thereof "Section 9 of the".

SEC. 3. JURISDICTION OF CAPITOL POLICE.

(a) Section 9 of the Act of July 31, 1946 (40 U.S.C. 212a), is amended to read as follows:

"SEC. 9. (a)(1) The Capitol Police shall police the United States Capitol Buildings and Grounds under the direction of the Capitol Police Board, consisting of the Sergeant at Arms of the United States Senate, the Sergeant at Arms of the House of Representatives, and the Architect of the Capitol, and shall have the power to enforce the provisions of this Act and regulations promulgated under section 14 thereof, and to make arrests within the United States Capitol Buildings and Grounds for any violations of any law of the United States, of the District of Columbia, or of any State, or any regulation promulgated pursuant thereto: *Provided*, That the Metropolitan Police force of the District of Columbia is authorized to make arrests within the United States Capitol Buildings and Grounds for any violations of any law of the United States, of the District of Columbia, or of any State, or any regulation promulgated pursuant thereto, but such authority shall not be construed as authorizing the Metropolitan Police force, except with the consent or upon the request of the Capitol Police Board, to enter such buildings to make arrests in response to complaints or to serve warrants or to patrol the United States Capitol Buildings and Grounds.

"(2) The Capitol Police shall have authority to make arrests in that part of the District of Columbia outside the United States Capitol Grounds for any violations of any law of the United States or the District of Columbia, or any regulation promulgated pursuant thereto. The arrest authority of the Capitol Police under this paragraph shall be concurrent with that of the Metropolitan Police force of the District of Columbia.

"(b)(1) For the purpose of this section, the term 'Grounds' includes the House Office Buildings parking areas, and any property acquired, prior to or on or after the date of the enactment of this subsection, in the District of Columbia by the Architect of the Capitol, or by an officer of the Senate or the House of Representatives, by lease, purchase, intergovernmental transfer, or otherwise, for the use of the Senate, the House of Representatives, or the Architect of the Capitol.

"(2) The property referred to in paragraph (1) of this subsection shall be considered 'Grounds' for purposes of this section only during such period that it is used by the Senate, House of Representatives, or the Architect of the Capitol. On and after the date next following the date of the termination by the Senate, House of Representatives, or Architect of the Capitol of the use of any such property, such property shall be subject to the same police jurisdiction and authority as that to which it would have been subject if this subsection had not been enacted into law.".

(b) The authority granted to the Capitol Police by the amendment made by subsection (a) of this section shall be in addition to any authority of the Capitol Police in effect on the date immediately prior to the date of the enactment of this Act.

SEC. 4. UNIFIED PAYROLL STUDY.

The Capitol Police Board shall provide for a study to determine the feasibility and desirability of administering payrolls for members of the Capitol Police and civilian support personnel of the Capitol Police on a unified basis by a single disbursing authority. The Capitol Police Board shall report the results of such study, together with its recommendations, to the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House of Representatives before January 1, 1994.

TITLE I—LUMP-SUM PAYMENT PROVISIONS

SEC. 101. DEFINITIONS.

For the purpose of this title—

(1) the term "officer" includes all personnel of the rank of lieutenant or higher, including inspector;

(2) the term "member" includes all personnel below the rank of lieutenant, including detectives; and

(3) the term "Clerk of the House of Representatives" or "Clerk" includes a successor in function to the Clerk.

SEC. 102. LUMP-SUM PAYMENT FOR ACCUMULATED AND CURRENT ACCRUED ANNUAL LEAVE.

An officer or member of the United States Capitol Police who separates from service within the 2-year period beginning on the date of the enactment of this title and who, at the time of separation, satisfies the age and service requirements for title to an immediate annuity under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, shall be entitled to receive a lump-sum payment for the accumulated and current accrued annual leave to which that individual is entitled, but only to the extent that such leave is attributable to service performed by such individual as an officer or member of the Capitol Police.

SEC. 103. PROCEDURES.

(a) In General.—A payment under this title shall be paid—

(1) in the case of an officer or member whose pay (for service last performed before separation) is disbursed by the Clerk of the House of Representatives—

(A) by the Clerk;

(B) after appropriate certification is made to the Clerk by the Sergeant at Arms of the House of Representatives; and

(C) out of funds available to pay the salaries of officers and members of the Capitol Police whose pay is disbursed by the Clerk; and

(2) in the case of an officer or member whose pay (for service last performed before separation) is disbursed by the Secretary of the Senate—

(A) by the Secretary of the Senate;

(B) after appropriate certification is made to the Secretary of the Senate by the Sergeant at Arms and Doorkeeper of the Senate; and

(C) out of funds available to pay the salaries of officers and members of the Capitol Police whose pay is disbursed by the Secretary of the Senate.

(b) Certification.—Any certification under subsection (a)(1)(B) or (a)(2)(B) shall state the total of the accumulated and current accrued annual leave, to the credit of the officer or member involved, which may be taken into account for purposes of a computation under subsection (c).

(c) Computation.—(1) The amount of a lump-sum payment under this title shall be determined by multiplying the hourly rate of basic pay of the officer or member involved by the number of hours certified with respect to such officer or member in accordance with the preceding provisions of this section.

(2) The hourly rate of basic pay of an officer or member shall, for purposes of this title, be determined by dividing 2,080 into the annual rate of basic pay last payable to such officer or member before separating.

(d) Treatment as Pay.—A lump-sum payment under this title shall be considered to be pay for taxation purposes only.

(e) Clarification.—For purposes of this title, the terms "officer" and "member" may not be construed to include any civilian employee.

TITLE II—CITATION RELEASE

SEC. 201. BAIL AND COLLATERAL.

(a) Acting Clerk.—(1) The judges of the Superior Court of the District of Columbia shall have the authority to appoint an official of the United States Capitol Police to act as a clerk of the court with authority to take bail or collateral from persons charged with offenses triable in the Superior Court at all times when the court is not open and its clerks accessible. The official so appointed shall have the same authority at those times with reference to taking bonds or collateral as the clerk of the Municipal Court had on March 3, 1933; shall receive no compensation for these services other than his regular salary; shall be subject to the orders and rules of the Superior Court in discharge of his duties, and may be removed as the clerk at any time by the judges of the court. The United States District Court for the District of Columbia shall have power to authorize the official appointed by the Superior Court to take bond of persons arrested upon writs and process from that court in criminal cases between 4 o'clock post meridian and 9 o'clock ante meridian and upon Sundays and holidays, and shall have power at any time to revoke the authority granted by it.

(2) An officer or member of the United States Capitol Police who arrests without a warrant a person for committing a misdemeanor may, instead of taking him into custody, issue a citation requiring the person to appear before an official of the United States Capitol Police designated under paragraph (1) of this subsection to act as a clerk of the Superior Court.

(3) Whenever a person is arrested without a warrant for committing a misdemeanor and is booked and processed pursuant to law, an official of the United States Capitol Police designated under paragraph (1) of this subsection to act as a clerk of the Superior Court may issue a citation to him for an appearance in court or at some other designated place, and release him from custody.

(4) No citation may be issued under paragraph (2) or (3) unless the person authorized to issue the citation has reason to believe that the arrested person will not cause injury to persons or damage to property and that he will make an appearance in answer to the citation.

(b) Penalty.—Whoever willfully fails to appear as required in a citation, shall be fined not more than the maximum provided for the misdemeanor for which such citation was issued or imprisoned for not more than 1 year, or both. Prosecution under this paragraph shall be by the prosecuting officer responsible for prosecuting the offense for which the citation is issued.

NOTICE OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding hearings on Tuesday, July 21, 1992, beginning at 9:30 am., in 485 Russell Senate Office Building on a draft legislation to establish a National Indian Policy Research Institute, to be followed by another hearing beginning at 2:30 p.m. on S. 2746, the Overseas Private Investment Corporation Indian Eligibility Act of 1992.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224–2251.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a hearing on Thursday, July 23, 1992, beginning at 9:30 a.m., in 485 Russell Senate Office Building on S. 2833, the Crow Settlement Act.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224–2251.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a hearing on Wednesday, July 22, 1992, beginning at 2:30 p.m., in 485 Russell Senate Office Building on S. 2975, the Yavapai-Prescott Indian Tribe Water Rights Settlement Act of 1992.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224–2251.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources.

The hearing will take place Tuesday, July 28, 1992, at 9:30 a.m. in room 366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony from Hugo Pomrehn, nominee to be Under Secretary of Energy and John Easton, Jr. to be an Assistant Secretary of Energy for Domestic and International Energy Policy, Department of Energy.

For further information, please contact Rebecca Murphy at (202) 224–7562.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON CONVENTIONAL FORCES AND ALLIANCE DEFENSE

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Subcommittee on Conventional Forces and Alliance Defense of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, July 21, 1992, at 9:30 a.m., in executive session, to markup conventional forces and alliance defense programs on a Department of Defense Authorization Act for fiscal year 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Subcommittee on Manpower and Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, July 21, 1992, at 4 p.m., in executive session, to markup manpower and personnel programs on a Department of Defense Authorization Act for fiscal year 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON READINESS, SUSTAINABILITY AND SUPPORT

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Subcommittee on Readiness, Sustainability and Support of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, July 21, 1992, at 2:30 p.m., in executive session, to markup readiness, sustainability, and support programs on a Department of Defense Authorization Act for fiscal year 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSUMER

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Consumer Subcommittee of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 21, 1992, at 9:30 a.m., on auto repair fraud.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 21, 1992, at 3 p.m. on the nomination of Jose Antonio Villamil of Florida to be Under Secretary of Commerce for Economic Affairs and Mary Jo Jacobi of Mississippi to be an Assistant Secretary of Commerce.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate, Tuesday, July 21, 1992, at 10 a.m. to conduct a hearing on the Federal Reserve's Semi-Annual Monetary Policy Report.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on July 21, 1992, at 10 a.m. to hold a hearing on the effect the U.S. Tax Code has on competitiveness, compared with tax systems in Germany, Japan, and the United Kingdom.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Tuesday, July 21, at 10 a.m. for a hearing on the subject: Federal technology policy and environmental protection.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet on July 21, 1992, beginning at 9:30 a.m., in 485 Russell Senate Office Building, on a draft legislation to establish a National Indian Policy Research Institute, to be followed by another hearing beginning at 2:30 p.m. on S. 2746, the Overseas Private Investment Corporation Indian Eligibility Act of 1992.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO CARL GARNER, HEBER SPRINGS, AR

• Mr. PRYOR. Mr. President, today Carl Garner of Heber Springs, AR, will be installed into the Take Pride in America Hall of Fame on behalf of the Greers Ferry Lake and Little Red River cleanup project.

The hall of fame designation for this Arkansas project comes after a fifth consecutive Take Pride in America Award. Carl Garner has been the driving force behind the cleanup, the first of which occurred back in 1970.

Each year volunteers clean a two-county area, including 300 lakeshore miles, 25 river miles and 50 roadside miles. No public funds are used. Area businesses donate expense money.

The Greers Ferry Lake and Little Red River Cleanup, now in its 23d year, is a year-round environmental and educational program. Its sponsors include the U.S. Army Corps of Engineers, the Greers Ferry Lake Resident office, the Greers Ferry Lake and Little Red River Association, the U.S. Fish and Wildlife Service, Greers Ferry National Fish Hatchery, Coca Cola Bottling Co. of Arkansas, Bev-Pak Recycling Inc., Keep America Beautiful Commission, and Reynolds Aluminum Recycling Co.

This project has been so successful that it has been the national model for Federal lands' cleanup initiatives.

Mr. President, I applaud the continued hard work of Carl Garner and the thousands of volunteers who work throughout the year to make this recreational area a showplace in our State.•

THE 33D ANNIVERSARY OF CAPTIVE NATIONS WEEK

• Mr. D'AMATO. Mr. President, I rise today to denounce the continued oppression perpetrated by Communist regimes which have been unyielding in their resistance to the global spread of democracy. As this week marks the 33d anniversary of Captive Nations Week, there are still millions of people enslaved by communism.

This is truly a time of thanksgiving. The cold war has ended with democracy victorious. The Soviet Union has died an overdue death and the people of Russia have democratically elected a president, Boris Yeltsin.

Communism, which always claimed to be an egalitarian system has failed. Communism was, indeed, successful in creating an egalitarian society only in the sense that all Soviet citizens led equally miserable lives. It was the Communist Party elite who enjoyed more privileged lifestyles and parasitically fed off the labor of the captive peoples of their rule.

We cannot rest until communism is laid to rest everywhere. Oppressive Communist regimes must not be allowed to continue abusing their people through suppressive activities such as the Tiananmen Square crackdown.

We also cannot allow these remaining Communist regimes to ship weapons and sensitive nuclear technology to belligerent Third World nations. China and North Korea are well known for these acts of destabilization. For there to be peace this must stop.

In order to guarantee our long-term security and the security of newly elected democratic states, communism must finally be laid to rest.•

WORLD ORGANIZATION FOR EARLY CHILDHOOD EDUCATION CONFERENCE

• Mr. DECONCINI. Mr. President, from August 2 to August 7, 1992, two cities in Arizona, Flagstaff and Mesa, will be the joint sites of the 20th World Congress of the World Organization for Early Childhood Education—OMEP, [Organisation Mondiale pour l'Education Préscolaire]. During these 6 days, 2,000 delegates from 55 member nations will come together on the campus of Northern Arizona University in Flagstaff and at Centennial Hall in Mesa to promote the health, education, rights, and general well-being of children around the world. Since its inception in Prague 44 years ago, this is only the second time the OMEP World Congress will be held in the United States.

While in Arizona, OMEP members will share ideas and initiate action on issues surrounding this year's theme: "Working for All Children: Their Survival, Protection and Development." Specifically, conferees will focus on implementation of the goals of the historic 1990 World Summit for Children, where for the first time ever, leaders from over 70 nations gathered together at the United Nations to discuss the state of the world's children.

There are almost 3 billion children on the Earth today; tragically, more than 14 million of them will die this year. One thousand will die in the next hour alone. Most of the deaths—from measles, whooping cough, diarrhea, tetanus, and pneumonia—could be prevented with the medical technology and know-how which we already possess. As James P. Grant, executive director of UNICEF, says: "It is the greatest condemnation of our times that more than a quarter of a million small children should still be dying every week of easily preventable illness and malnutrition. Such facts shame and diminish us all."

In a few days educators, pediatricians, lawyers, psychologists, social workers, writers, and parents from the world community, many of international renown, will meet in Arizona to address a common goal—to improve the lives of children everywhere. They will exchange information on eliminating childkilling diseases, on combating world starvation, on increasing child immunizations, on reducing infant mortality, and increasing educational opportunities for children. Speeches will be simultaneously translated into English, Spanish, and French, and the major sessions will be available worldwide via satellite teleconferencing. It is an excellent way of utilizing the ideas and motivation of 2,000 committed delegates from around the world.

I would like to congratulate the cities of Flagstaff and Mesa on being chosen as the sites of OMEP's 20th World Congress. This is an honor that has only been bestowed once before in the United States. OMEP is an outstanding example of the fact that we are all members of one world community with the common responsibility to care for our young. To abandon this responsibility today is to risk the best hope we have for our future.●

TRIBUTE TO SALYERSVILLE

● Mr. McCONNELL. Mr. President, I rise today to recognize the town of Salyersville in Magoffin County.

Salyersville is a true Kentucky town steeped in the fine values and traditions which make me proud to represent this great Commonwealth of Kentucky. Located in the rising mountains of the Cumberland plateau, Salyersville holds a unique place not only in the geography of our State, but in its history as well.

Many towns theses days are just a stopping point for today's mobile families. Salyersville, however, is a town of deep-rooted family trees and family values. A number of families can trace their history in Magoffin County all the way back to the American Revolution.

As Salyersville forges ahead toward the year 2000 it will be challenging for the town to maintain its connection with the past while keeping up with the present. However, I am confident that Salyersville will accept this challenge as it has done in the past when facing similar situations.

The citizens of Salyersville are revitalizing the downtown and cleaning up the city-county park. It is this unstoppable work ethic which will ensure Salyersville a bright future.

Mr. President, I would like the following article from the Louisville Courier-Journal to be submitted into the RECORD.

The article follows:

SALYERSVILLE

(By John Voskuhl)

Connie Wireman, an elementary school teacher, knows the hold that Salyersville and Magoffin County have on their people.

Wireman's class participated in a field trip to Cincinnati last school year. On the trip home, after miles of travel through the Bluegrass, their school bus began the slow climb up the Bert T. Combs Mountain Parkway, which ends at Salyersville.

At the instant they hit the mountains, the students loosed a spontaneous cheer, Wireman said.

"There's just something about these mountains," she said, smiling.

Wireman works with the Magoffin County Historical Society, which gives her insight into how people love to return to Salyersville. Each year over the Labor Day weekend, hundreds of people return to Salyersville for Founder's Day—a celebration that may be the most unusual of Kentucky's festivals.

Here's what happens: People from all over the country come to Salyersville to talk about their family histories. As it has done over the 14 years of the festival, the historical society presents a book—sometimes as long as 1,000 pages—on the history of a particular family. (The first year, 1978, the book was about the Adams family, in honor of William Adams, the town's founder.)

Kentucky counties have festivals of all sorts where folks celebrate, among other things, honey, apples, ham, hillbillies, coal, barbecue and mountain laurel. But, as Wireman put it, "I don't know of any other county that has a genealogy festival."

Here's a statistic to show how important history, genealogy and—yes—family names are to the people of Magoffin County. In a county of only about 13,000 people, the historical society has about 700 members. Proportionately, that would be like a Jefferson County genealogy society with more than 35,000 members.

The story of Salyersville is written in the local telephone book. It's in the surnames that recur on page after page: Adams, Arnett, Bailey, Howard, Montgomery, Prater, Salyer, Whitaker and Wireman.

Many of those names also appear on 200-year-old land grants that were awarded for service in the American Revolution. They appear in history books. They appear on tombstones. They appear on the doors of businesses and in the Magoffin County High School yearbook.

With few exceptions, the names in the telephone book belong to the families that established Salyersville. There are a few—a very few—newer names. A handful aren't so Anglo-Saxon. But residents have a ready explanation for that.

"It's got to be somebody who's married a girl from here and moved here," said Salyersville's mayor. His name is W. Joe Howard. "I'm always surprised to see those sorts of names in the phone book," he said.

(But don't get the idea that Salyersville's telephone book is boring. What it lacks in surname diversity, it makes up for in first names. Check 'em out: Tut, Grimzle, Chat, Gustie, Euriac, Edro, Comilus, Hearl, Wondle, Zendle, Ralfred, Treampas, Minus Ray, Vurmay, Burnzo, Wishard, Froy, Esknovah, Coachie, Rayon, Palisteen and Shelto.)

As the surnames indicate, Salyersville is a town with deep roots, a place that people don't like to leave.

"When the people took root, they rooted," said Todd Preston, president of the historical society.

That commitment to place has helped to keep Salyersville a small, tightknit community, said David Profitt, a Baptist minister whose family operates Martin's department store. At the same time—as with most small towns—it may keep new ideas from taking root.

For Profitt and others, staying the same means staying pretty good.

"Growing up, I had the opportunity to see firsthand a lot of good, rural values," Profitt said. "Basically, it's not much different now. It's still a good place to be."

That's not to say that Salyersville doesn't have problems.

Over the years, it's had its share of controversies and conflicts. Historically, the problem has centered on politics. Many elections were marred by allegations of vote-buying.

Howard, the mayor, acknowledges the past, but said it is just that—the past.

"There hasn't been any vote-buying in the past two elections," he said. "It's something that's kind of in the past in our county now. I think that's improved our county a lot."

But there's still conflict in and around Salyersville. The most highly publicized flap in recent months has been about a Florida-based partnership's proposal to build a large landfill that would accept waste—including fly ash—from outside the area and, possibly, out of state. Some county officials seemed to be preparing for the landfill without informing the public.

After news of the proposal broke last year, Magoffin Fiscal Court promised to block the landfill. But later the magistrates reversed themselves, citing the opportunity for job-creation and for royalties that the partnership would pay to the county government. At this point, the landfill partnership has a permit application before state regulators, who are waiting for Fiscal Court to prepare a local waste-management plan.

Meanwhile, a citizens' group has collected about 7,000 signatures on a petition to put the issue before voters. Many residents fear that leakage from the landfill, could contaminate the Licking River, the county's water source.

Their petition is being considered for certification, but the partnership, Eastern Kentucky Resources, has filed suit seeking a declaration that such referendums are unconstitutional.

The partnership has paid about $150,000 in royalties but fiscal court voted last week not to spend that money.

People like Charles Hardin, a physician who heads Magoffin Countians for a Better Environment, say the issue has galvanized a citizenry that had grown complacent.

"I think this landfill issue has really pointed out the short-term and long-term importance of citizen involvement," he said.

For instance, the environmental group has now gone beyond its original mission of stopping the landfill to cleaning up the city-county park in Salyersville and reinvigorating the local Independence Day parade.

That zest for change may be reflected in the turnaround of the City Council, said James M. "Pete" Shepherd, a dentist who was among a new slate of "fiscal reformers" that took office in January.

"I think people are saying we just can't keep electing the good old boys," Shepherd said.

Since January, Shepherd said, the new council has increased the budgets of the city police and fire departments by 20 percent each, begun paying off debts that the city has accumulated and eliminated a 1 percent occupational tax that the former City Council instituted.

Not many city councils are cutting taxes these days, Shepherd acknowledged. But he said the Salyersville council was able to do so by cutting about 30 percent out of the city's "general government budget." The mayor's salary—and benefits for city employees—were reduced.

At the same time, a lot of "contract labor," such as a $3,400 contract for a "city detective," was cut.

"Nobody could tell us what a city detective did," Shepherd said.

But even as the city government gets on more solid financial footing, the city's economy is somewhat wobbly.

Coal, oil and gas—traditionally the major employers in Magoffin County—have dwindled in recent years. Double-digit unemployment is the norm.

"I think the biggest problem Salyersville has is the biggest problem that Eastern Kentucky has, and that is a lack of economic opportunity," Hardin said.

Like a lot of small towns, Salyersville's main square has more than its share of vacant buildings. The parkway, which runs just south of town, where it links up with U.S. 460, takes most travelers to a new strip dotted with fast-food restaurants and service stations.

Even Martin's, the department store that has anchored a spot downtown since 1953, will be moving out to a shopping center soon in search of more parking and more shoppers, Profitt said.

City leaders have big plans to refurbish downtown—planting trees, burying telephone and power cables, laying brick sidewalks and putting in decorative lighting fixtures.

The idea is to make Salyersville's downtown a place for specialty shops, Howard said—"something that would bring people into town."

Once they arrive, Howard said, people will find a pleasant community with an established sense of history that is now—thanks in large part to the landfill controversy—beginning to establish a sense of the future.

"People are starting to look around at the city and the county, and they're wanting something better," he said. "Standing together on one issue sort of puts them together on a lot of issues."

Population (1990): Magoffin County, 13,077; Salyersville, 1,917.

Per capita income (1988): $7,247, or $5,545 below the state average.

Jobs: State and local government, 591; wholesale and retail, 347; service, 300.

Biggest employer: Continental Conveyer & Equipment Co., 200 jobs; Salyersville Health Care, Inc., 134; KBC Mining Co., 57; Precision Pipeline, 50.

Education: Magoffin County Schools, 3,030 students.

Media: Newspapers: Salyersville independent, weekly. Radio: WRLV, AM and FM (country).

Transportation: Road—Salyersville is served by the Bert T. Combs Mountain Parkway, U.S. 460, Ky. 7 and Ky. 114. Rail—CSK Transportation serves Magoffin County, though the rail does not extend to Salyersville. Air—The nearest commercial airport is the Tri-State Airport in Huntington, W.Va., 77 miles.

Topography: Salyersville lies in the Licking River valley amid small patches of relatively flat farmland and the steeply rising mountains of Appalachia's Cumberland Plateau.

FAMOUS FACTS AND FIGURES

There's a whole lotta licking going on in Magoffin County. In addition to the Licking River, which rises there, the county also has a town called Lickburg. And there are the creeks and branches that feed the Licking: Salt Lick, Big Lick, White Lick, Painters Lick, Lick Creek and Tick Lick.

Magoffin County was carved out of parts of Floyd, Johnson and Morgan counties in 1860 and was named for Gov. Beriah Magoffin. Magoffin was a Confederate sympathizer who resigned as governor in 1862 after unionists in the General Assembly pressured him to ease enforcement of Kentucky's Armed Neutrality Act.

Salyersville was originally known as Adamsville, after William "Uncle Billie" Adams, who had donated land for public buildings and encouraged economic development. But when the village became the county seat, its name was changed to Salyersville in honor of state Rep. Sam Salyer, who introduced the bill that created the county.

Visitors to Magoffin can study Eastern philosophy in Orient, research Western thought in Plutarch, try to find their spiritual center in Mid, scale new heights in Tiptop or simply wander around Gypsy.•

CAPTIVE NATIONS WEEK

• Mr. LEAHY. Mr. President, I rise to call attention to Captive Nations Week, July 19 through 25. I do so not only because we commemorate the plight of oppressed nations this week, but also because the past 12 months have given new meaning to the concept of "captive nations." While the list of such nations fortunately has grown shorter, recent turmoil around the world has shown how precarious the existence of subjugated nations really is.

We have seen the greatest progress in the former Soviet Union. I hope that the new sovereignty of the former Soviet Republics will bring the kind of peace and friendship which everyone has hoped for since the formation of the Commonwealth of Independent States in December.

Most of us here realize that Russia's fledgling democratic government faces serious economic and political challenges. But President Boris Yeltsin and his supporters must not allow these problems to prevent the withdrawal of Russian troops from the Baltic States and Moldova promptly. I also hope that reforms in Russia will consolidate the civil rights of the more than 50 non-Russian nationalities within the Russian Federation. This body's passage of the Freedom Support Act reflects our faith that Russia's current leadership will strive to continue improving relations among Eurasia's diverse cultures.

In sharp contrast to the progress in the former Soviet Union, mainland China remains a captive nation, as its people continue to suffer severe political, cultural, and religious repression at the hands of the oligarchy in Beijing.

China's leaders also keep other cultures—particularly Tibetans—in a tight stranglehold. Beijing's policy of trampling native Tibetan culture reflects a desire to preserve the borders of the old Chinese Empire—a historical anachronism which does not belong in this century, much less the next. As I have said before, this body must not compromise its stand on human rights by approving unconditional most-favored-nation status for the People's Republic of China. To do so would subsidize that government with a United States trade deficit, and thus encourage the Chinese leaders' belief that they can get away with oppressing their own people.

Next to China lies another captive nation, North Korea, whose regime has chosen to resist the global trend toward freedom. In so doing, the leaders in Pyongyang have made their state an isolated hermit kingdom which Korea had been in ancient times.

One captive nation lies right at our doorstep: Cuba. For over 30 years now, the Cuban people have lived under a repressive system which revolves around the personality cult of Fidel Castro. Cuba's economy remains a hard-line, centralized command system which crushes all initiative.

Despite ugly situations like those in China and Cuba, there is a feeling of optimism about the future of relations among the world's peoples. Mr. Yeltsin certainly reinforced that feeling when he recently spoke before Congress. Yet crises around the globe warn us that if we fail to keep a watchful eye out for the safety of small nations, we will face more waves of refugees like those from Haiti, and more heinous acts of genocide like the one in Sarajevo.

I sincerely hope that the coming months will give us still better developments than what we have seen this year. We have come a long way, but we still have a long way to go.●

THE SBA REGION 10 "ENTREPRENEURIAL SUCCESS AWARD"

● Mr. GORTON. Mr. President, I would like to take this opportunity to congratulate a family-owned business in North Bend, WA. The Rogers family was recently awarded the Entrepreneurial Success Award by region 10 of the Small Business Administration. The Rogers' family business has grown over the years from a small truck stop into the Seattle East Auto-Truck Plaza which was singled out of a field of highly competitive applicants from five States to win this prestigious award.

The American entrepreneurial spirit is alive and well in North Bend, WA, thanks to business owners like Neil and Hadley Rogers. The Rogers brothers' story is, undoubtedly, not different than others throughout the State of Washington—or even this Nation—and serves as a reminder that, if given support and backing, the entrepreneur will succeed.

The Rogers have the same worries and concerns of other small businessowners. They worry about excessive Government regulation, keeping their competitive edge in a changing marketplace and finding good employees. In 1975 the Rogers were the recipient of an SBA loan which enabled them to expand and relocate their business. This loan, along with hard work and dedication, started the Rogers along their path to success. Over the course of 17 successful years the Rogers family has been responsible for bringing jobs and economic opportunities to the many families and communities in North Bend.

I extend my congratulations to the Rogers family on receiving the Entrepreneurial Success Award and wish them many successful years to come.

The article follows:

[From the Bellevue Journal American, June 1992]

NO SMALL SUCCESS: NORTH BEND TRUCK STOP WINS NATIONAL SBA HONOR

(By Karl L. Kunkol)

NORTHBEND.—All the Rogers brothers wanted to rebuild their truck stop in 1974 was $1 million.

Start-up capital, they figured, was the only ingredient missing from their recipe for success. The Small Business Association, after a bit of wrongling, came through with the dough, Wednesday, 18 years later, Seattle East Auto-Truck Plaza was saluted during an elaborate luncheon ceremony as one of the SBA's top 10 national success stories.

The finally-owned complex, headed by brothers Neil and Hadley Rogers; won the federal agency's Entrepreneurial Success Award for Region X which includes Alaska, Oregon, Idaho and Washington. The award, given to 10 businesses yearly, honors SBA-aided companies based on their growth, profitability, innovativeness and community contributions.

The 16-acre site north of interstate 90 on exit 34, known locally as "Truck Town," employs more than 150 people to serve more than 1,400 cars and 800 trucks daily with its blend of fuel pumps, home cooking, modest quarters and plenty of free parking. In 1990, its revenues neared $10 million.

Although the extent of Truck Town's success has surprised its operators, they knew they were on to a good thing from the start, "The biggest obstacle we've faced was getting the (SBA) loan," recalled Hadley Rogers, who took his case to Washington, D.C. after the Seattle SBA office rejected the brothers' initial request. "You have to remember, $1 million was a lot of money back then.

"Of course, it still is now * * * but start-up costs for businesses are a great deal more now and $1 million doesn't seem as shocking as it did then." Because the brothers had worked for their father, Ken, in the restaurant and truck stop business in the area since 1941, they were confident in their market. The started as Ken's Cafe with six employees, then relocated in 1960 and became Ken's Truck Town;

The truck stop prospered until 1969 when the highway commission bought the property to pave the way for I-90. The Rogers family continued to lease the truck stop until 1975, when I-90 construction closed its doors and sent the two brothers looking for another site with their new found SBA loan.

"We knew (the current truck stop) would be a success because we had done pretty well at our old location before (the interstate) came in," Hadley Rogers said. After achieving a steady cash flow within a year of the new Truck Town's opening in October 1976, the Rogers have been able to withstand a national energy crunch and two recessions.

"The fuel shortage was tough," Hadley Rogers said. "Truckers would pull up wanting to buy 150 gallons, but all we could sell them was 30." He added the financial strain was even more difficult to swallow because the fuel pinch was artificial, "I thought it was contrived," he said, "Every fuel tank in the country was full * * * but they wouldn't let go of it because every day the price just climbed a little higher."

Today, Neil Rogers serves as Truck Town's chief administrator since his older brother recently retired. He cited the recession and future environmental regulations as the primary challenges facing the business. "The recession hurts because, for one, the truck traffic is way down," Neil Rogers said. "Another thing is that people don't buy as much as they normally would."

"Things that people really need, they still buy. But they don't buy the things they only want. They don't go for any 'extras.'"

Neil Rogers cringes when he thinks what might be the company's next major project—replacing all of the fuel tanks. Truck Town's fuel tanks currently are fine, he explained, but they won't meet some of the new environmental standards. He estimated replacement costs at $160,000.

"That's money spent on which you get no return." Clearly, getting "a return" is the lifeline of the Rogers family that now goes three generations into Truck Town.

"You can't underestimate the family business," Neil Rogers said, "We deal with a lot of people whose dads used to deal with our dad."●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. SANFORD. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received a request for a determination under rule 35 for Timothy Galvin, a member of the staff of Senator KERREY, to participate in a program in Mexico, sponsored by the Mexican Business Coordinating Council, Consejo Coordinador Empresarial [CCE], from July 12–15, 1992.

The committee has determined that participation by Mr. Galvin in this program, at the expense of the CCE, is in the interest of the Senate and the United States.●

TRIBUTE TO R. CHARLES ZIGROSSER

● Mr. D'AMATO. Mr. President, I am proud to have this opportunity today to pay tribute to R. Charles Zigrosser for the numerous acts of courage and selflessness he has demonstrated while serving on the Bayport Fire Department for over 20 years. However, Mr. Zigrosser's most recent accomplishment deserves special attention as it bears testament to his longstanding reputation as a modern day hero.

On July 10, 1991, while attending the funeral of his mother-in-law, Mr. Zigrosser heard children screaming a short distance from the funeral chapel. Charlie quickly discerned a growing cloud of heavy black smoke emanating from a school bus nearby and immediately rushed to the scene to offer his aid. Releasing four small children from the seatbelts which harnessed them inside the burning vehicle. Charlie bravely saved the lives of helpless school children before the eyes of one trapped child's mother and prevented what would have been a certain tragedy.

A former chief of the Bayport Fire Department, Mr. Zigrosser received the Fireman of the Year Award from the Bayport Fire Department in 1991, as well as in 1981. Charlie has extensive firefighting experience as he is a member and former captain of the Bayport

Fire Department Hook and Ladder Company No. 1 and a charter member of the Bayport Fire Department Rescue Squad. Mr. Zigrosser's credentials include serving as a trustee of the Bayport Fire Department and as the treasurer of the Bayport Fire Department Benevolent Association. He graduated from Bayport High School and earned a degree in criminal justice from Suffolk Community College.

Charlie not only devotes himself to his community and friends, but he is also a dedicated and loving husband to his wife Cheryl, and father to his son Michael and daughter Brittany. Mr. Zigrosser is a member of Our Lady of the Snow Church in Blue Point and a valued participant in the Academy Street School Parent Teacher Association. He is currently employed by the U.S. Post Office in Bayport and a part-time dispatcher for the Bayport Fire District.

Charlie is a cherished, courageous, and intelligent volunteer firefighter, a role model for firefighters across the country. Mr. President, it is with great pride and pleasure that I commend Mr. Zigrosser for his selfless acts of kindness and vigilance.•

CHINA'S BISHOP JOSEPH FAN XUEYAN: THE HUMAN RIGHTS ABUSES CONTINUE

• Mr. LEAHY. Mr. President, I wish to call attention to allegations about persecution of Catholics in the People's Republic of China. Recent reports suggest that the current leadership in Beijing conducts a policy of repression which extends far beyond crushing political opposition; that policy includes attacks on basic human rights which we Americans take for granted, such as freedom of worship.

Let me cite one case in particular: That of Bishop Joseph Fan Xueyan. At 85 years of age, Bishop Fan reportedly died in April, while detained in the Baoding area, from severe beatings, including broken legs and a smashed face.

Mr. President, what kind of government condones such treatment? Is this what the Bush administration meant when it claimed some time ago that its policy had "the best change of changing Chinese behavior?"

The steady flow of reports on Chinese human rights abuses underscores the failure of the Bush policy. In fact, the blatant nature of these abuses suggests that if anything, the administration's approach has encouraged Chinese hardliners.

Those hardliners' defiant attitude becomes clearer with a few other reports of repression of Chinese Catholics.

Bishop Paul Liu Shuhe, sentenced in October 1988 to 3 years of re-education through labor, has still not been heard from by his friends and family. When they asked the Public Security Bureau last December where he was, they were told, "He is kept and provided for by the country. Do not ask any more where he is now."

On April 7, 1989, Bishop Julius Jia Zhiguo was arrested and taken on a "journey" until his release on September 11, at which time he received an order restricting his movements for 3 years. The authorities never charged him with any crime.

On December 11, 1991, Chinese authorities forcibly removed Bishop Li Zhenrong from a hospital in Tianjin, disregarding the fact that the bishop was recovering from a cancer operation which had removed two-thirds of his stomach on November 28.

Mr. President, please note that two of these cases of arbitrary arrest occurred well in advance of the Tiananmen crackdown of June 1989. This tells us that the Chinese Government opposed the idea of human rights long before the crackdown rudely woke us up to that fact.

What does that suggest about how constructive engagement influences the Chinese leadership's behavior? Those who argue for granting a blank-check, unconditional MFN to China, as they did about South Africa and Iraq before, tell us, "Wait. Don't limit trade with China. You'll hurt the average people, not the leadership." Who are they trying to kid? Will a leadership which so haughtily tramples the dignity, the very humanity, of its citizens have any qualms about keeping all the country's luxuries for itself? No matter how many American dollars you pump into China by allowing the trade deficit to continue, you cannot make the case that such leaders will allow any significant portion of those dollars to trickle down to the people.

Mr. President, in light of the growing body of evidence that the Chinese Government has systematically worked to stifle the free will of its people in every aspect of their daily lives, and did so even when Americans cherished a rosy image of reforms in that country, I must urge this body to reject MFN status—or at least unconditional MFN status—for the People's Republic of China.

Furthermore, I call on every Senator to monitor closely the human rights situation in China, and I repeat the request I made in 1989: Let every Member of this body write letters, send telegrams, and publicly denounce human rights abuses in China.•

TRIBUTE TO NEIL S. HACKWORTH, MAYOR OF SHELBYVILLE, KY

• Mr. McCONNELL. Mr. President, I rise today to pay tribute to an outstanding Kentuckian, Mayor Neil Hackworth. Mayor Hackworth has been in office for 10 years and in that time has seen Shelbyville's industrial base expand considerably.

Shelbyville has attracted business from all over the Nation and around the world. Some of the international organizations include two Japanese plants making parts for the auto industry and a Swiss company that manufactures packaging. The increase in industry has led to Shelby County having the second lowest unemployment rate in the State.

Predominantly an agricultural area, Shelby County's population has only increased by 2,000 in 20 years. Therefore, one of Mayor Hackworth's leading goals has been to improve Shelbyville in order to make it an attractive area to live.

Mayor Hackworth was one of the founders of Shelby Development Corp. which was designed to encourage business improvements and developments downtown. Additionally, the city began rehabilitating 12 existing homes and building 13 new ones for some of the disadvantaged in the area.

Mr. President, Mayor Hackworth is more than just a mayor, he is an example of a citizen who contributes through his volunteer efforts. Among the many organizations that he shares his time with is Habitat for Humanity, a nonprofit agency that builds housing for those in need. Other organizations which are lucky enough to have the considerable talents of Mayor Hackworth are: Kentucky League of Cities—he served a 1-year term as president—Kentuckiana Regional Planning and Development Agency, Metro United Way, Greater Louisville, Economic Development Partnership, Goals for Greater Louisville, and an elder at the First Christian Church.

Mr. President, I ask my colleagues to join me in saluting this outstanding Kentuckian. In addition, I ask that the following article from Business First be included in the RECORD.

The article follows:

HACKWORTH USES LOW-KEY STYLE IN BOOSTING SHELBYVILLE

(By Eric Benmour)

What's the worst thing Sharon Hackworth can think to say about her husband, Shelbyville Mayor Neil S. Hackworth?

She can look around their house and see chores that need to be done. "I want it done today," says the school teacher. "He'll look at it and say, 'It'll be there tomorrow.' He'll get it done."

Hackworth, 44, is "kind of quiet," says Sue Carole Perry, the county clerk who also serves with Hackworth on the Kentucky Association of Counties/Kentucky League of Cities Workers' Compensation Board.

"He sits back and smiles at everybody."

Hackworth is not a Type-A personality, which can be important for a mayor, who sometimes has to take unpopular stands, be it on implementing a new tax or putting in a new stop sign.

Hackworth has weathered any and all difficult positions he's taken since he took office in 1982. (Shelbyville has no term limits for mayors.)

"He never has opposition," Perry says.

Hackworth's accomplishments include working on downtown and economic development issues, and improving housing for a poor section of town.

During his years in office, Shelbyville's name has popped up in many a news story—both in the local and national press—about a new company moving to the area.

The city's employers include two Japanese plants making parts for the auto industry and a Swiss company that makes packaging. Another large employer, the Budd Co., which makes auto stamping and sheet metal assemblies, is actually located in Shelby County.

As a result of all that industry, in April, Shelby County had the second-lowest unemployment rate in the state—2.7 percent.

The city's population has hardly exploded, however. The figure was 4,182 in 1970 and was 6,238 in 1990. Instead, workers are coming from surrounding counties, causing additional traffic in the city.

A road to divert traffic away from downtown was opened late last year, and Hackworth says the city needs another alternative route.

But, he says, the risk is that such a route could take too much traffic away from downtown and its businesses.

Shelby is predominantly an agricultural county, and Hackworth says he's heard from some people who would like economic development to slow down, but he says he'd like to see a "little more" to help with the city's occupational tax.

Hackworth is an ex-officio member of the Shelby Industrial Development Foundation, which recruits industry into the area. He says the recession slowed down the foundation's economic-development efforts.

The mayor says economic-development officials are looking at companies that employ 100 to 300. They are also trying to encourage more research-oriented businesses to create more white-collar jobs, Hackworth says.

While the population hasn't grown much during his tenure, he says the job continually takes up more of his time, from "a couple of hours a day to considerable time."

The mayor's post is classified as a part-time position having a salary of $24,000.

Hackworth said he averages 25 to 30 hours a week on the job. Hackworth, a lawyer by training who graduated from the University of Kentucky College of Law in 1973, also runs an insurance agency in Shelbyville.

He gave up his law practice the same year he was elected to take over the family insurance business.

The Democrat says he probably averaged 10 hours a week or less as mayor when he was first elected. Hackworth says the increased hours running the city come from economic growth, plus more responsibility has been placed on local governments over the years. Also, as a city does more, there is more to oversee, he says.

For example, Hackworth says his priorities when taking office were on downtown development and housing issues.

"From my standpoint, initially, at least, my hardest efforts went into what to do with the downtown," Hackworth says. "We were seeing a transition, as all small communities have," when downtown department stores closed.

In 1985, he was one of three founders establishing the Shelby Development Corp., which was designed to encourage business improvements and developments downtown. The non-profit group also undertook a planning process for the city called Shelbyville 2000.

The city is rehabilitating 12 existing homes and building 13 new ones for the poor in the Martinsville neighborhood.

Hackworth says a lot of elderly people had seen their community deteriorate and given the stigma of being "that place over there." Hackworth's goal is to give the residents safe, clean homes and make them feel better about their community.

One activity close to Hackworth's heart is Habitat for Humanity, a non-profit agency that builds housing for people in need. The group built its first Shelbyville home in 1991 and hopes to build two more in 1992.

"He said to me he felt that was what Christianity was all about," says Mary Ellen Hackworth, his mother.

In addition to his responsibilities as mayor, Hackworth has also devoted a great deal of time to the Kentucky League of Cities. He was president of the association from July 1, 1991, to June 30, 1992.

He's a board member of the Kentuckiana Regional Planning and Development Agency, has been involved with fund-raising for the Metro United Way, is a board member and executive committee member of the Greater Louisville Economic Development Partnership, is a member of the Goals for Greater Louisville, and is an elder at the First Christian Church.

Hackworth says none of the community activities, such as Habitat for Humanity, is required to be mayor. But during his term, the federal government cut back on what activities would be supported on the local level.

Hackworth says the city had about $600,000 in its budget when he started his first term as mayor, but $100,000 of that was federal revenue-sharing money.

In April 1986 the city council approved an occupational tax of 1 percent on all wage earners in the city.

"I'm in business," says Hackworth, who owns Armstrong Insurance Agency along with his mother. "I knew what that means."

Yet without the tax, he says, he also knew Shelbyville would be in dire straights today because one-quarter of the city's $2 million budget is funded by the occupational tax.

"It pays a lot of the bills," Hackworth says.

Hackworth says he's able to make the tough decisions by weighing the needs of the community against the interests of a few. He says if he's lost any friends over any decisions he's made as mayor, "They really weren't friends anyway."

Bobbie Brenner, Shelbyville's clerk-administrator, says of her boss: "I think he really has a love for this community."

Since the occupational tax was approved, Hackworth has been re-elected.

Hackworth's decision to be mayor stems from an interest in his community that he learned from his father, James.

James Hackworth, who died in 1977, served on the water board and chamber of commerce, and headed fund drives.

"He (James) always insisted we buy from local community people as far as we could," says Neil's mother. "He was interested in every project of the community."

That may stem from the fact James Hackworth worked for the Armstrong Insurance Agency during the Depression and was grateful to his neighbors for helping him through the tough times.

James Hackworth purchased the agency in the early to mid-'60's, Neil Hackworth says. Neil says his mother also influenced him.

"She was always one who shared a great concern for folks who weren't as well off as the rest of us," Neil Hackworth says. "That's where I learned some of those values."

After James Hackworth died, ownership of the agency passed to his wife and an employee.

In the early 1980s, Hackworth decided to branch out from law and thought it would be a good move to learn about the insurance business.

In 1982, the man running the insurance agency died and there was no management left. Hackworth's two brothers lived out of the area.

"I all of a sudden became manager," Hackworth says. "Also, it was the same year I became mayor. So you can imagine I had a plateful that year."

He gave up his law practice, deciding something had to give.

When asked why he decided to run for mayor, Hackworth says. "I never thought I'd be mayor 10½ years. Some days I wonder now if I want to be mayor. When I got out of law school I went and talked to Wilson Wyatt (former Louisville mayor and partner in Wyatt, Tarrant & Combs, a Louisville law firm) and Mr. Wyatt suggested rather than employing me, that I should go back to my hometown at some point in time and get involved in politics.

"I never took him at his word initially."

He says he didn't think about politics until he ran for mayor. In 1982, Mayor Marshall Long, was elected to Kentucky House of Representatives.

"Marshall had been, I think, a progressive-type person who had tried to get some things accomplished," Hackworth says. "I thought the community needed to have that kind of outlook, and the other folks who had expressed interest in the job, I thought, were more likely to hold things the way they were.

"I was pretty naive as to what I could do and couldn't do. I didn't really understand what the job involved; I don't think anyone who ever gets involved in running for a public office does."

His decision to run took his mother by surprise. After all, he was only 32.

"I thought it was for an older man," she says.

But he's done well, she says, because, among other reasons, he follows through whatever he starts.

Neil's wife was also a little taken aback at first.

"He was young and we had a young family" with a 1-year-old and a 6-year-old, she says.

Sharon Hackworth says a group of friends were at get-together shortly before Neil decided to run for mayor. They were all about the same age and several were running for various offices.

Someone suggested Hackworth run for mayor. He laughed it off at first, Sharon Hackworth says. Still, the friends persisted.

Hackworth, whose term ends in 1993, says he hasn't decided if he will run again for his fourth term.

"I haven't made a final decision," he says. His wife says she doesn't know either.

"He does not have an agenda," she says.

Hackworth says he doesn't aspire to run for higher political office.

"I like doing things for my community," he says. "I like doing things for people. I don't know. I think given today's attitude toward politics and politicians, I'm not sure it's where I want to spend my energy and efforts.

"At this point, I'm not certain what my future might hold. I would like to look into the possibility of other opportunities that might be out there. I don't want to limit my choices. I don't see it necessarily being an elective-type situation.

Despite the time he devotes to his job and civic activities, Hackworth has kept a good balance between work, family and church, says Dr. Paul Schmidt, a psychologist with offices in Shelbyville and Louisville and a longtime friend.

Schmidt says Hackworth believes there are some things he can't control and he doesn't worry about them.

Sharon Hackworth says she and her husband "work as a team." The family frequently joins him for meetings that are out of the country.

One time she drove him to Harlan Community College where he was to give a speech. "He was writing his speech as I drove," she says.

He also takes time with his family. Two years ago he went with his son on a church mission to Jamaica.

Hackworth's mother says she thinks her son hasn't gotten burned out on all his commitments because, "he's very calm and level headed."

He realizes he can't please everyone and "he doesn't let it worry him too much," Mary Ellen says.

Sharon Hackworth believes the ability to listen to both sides stems from his level training.

At one heated council meeting. Hackworth thanked the people for coming, in spite of negative comments about something being discussed.

"People can't stay mad at that," Sharon Hackworth says. "He's real open to discussion. He realizes that not everybody's going to agree. I've never seen him get angry in public. I've seen him be firm. With Neil, you know when you've stepped over the bounds without him saying anything. He never really has to raise his voice. There's something about his presence.

Neil Hackworth said he does remind himself that when people criticize a community project he needs to be open-minded and not take it personally.

From time to time, Neil, his wife and children—Will, 17, and Melissa, 13—get away from town for a couple of nights.

Another key to Neil Hackworth's success has been his desire to do well at many different things, Mary Ellen says.

"He taught himself to play the guitar," she says. "He's pretty competitive. He wants to succeed and he tries hard to do that."

His competitive nature shows up on the golf course, says Mayor John W.D. Bowling of Danville, who served as first vice president during Hackworth's term as president of the Kentucky League of Cities.

"He and I go at each other tooth and nail," he says.

Bowling gives Hackworth credit for looking "down the road". He mentioned, for example, the city of Shelbyville's purchase of the Undulata Golf Course earlier this year.

Many cities would consider such a move but never do it, Bowling says.•

STATE FAIR PARK CENTENNIAL

• Mr. KASTEN. Mr. President, I rise today to commemorate an important Wisconsin anniversary. This year, the Wisconsin State Fair is celebrating its 100th anniversary at its current location in Milwaukee County.

For four decades, practically since Wisconsin became a State, the State fair had been nomadic—since 1892, the Wisconsin Agriculture Society purchased a new, permanent location in what was then the southernmost portion of Wauwatosa.

Throughout its history, the Wisconsin State Fair Park has had tremendous economic and social significance while educating and entertaining. It has served as a forum to teach farm and city people on improved methods of food production, nutrition, and hygiene.

Over the years, the park has welcomed famous visitors including President Taft, Henry Ford, Col. Theodore Roosevelt, son of the former President, and Lucy Baines Johnson.

The Wisconsin State Fair Park is now the No. 1 tourist attraction in the State. Every year, 2 million visitors enjoy its more than 150 events. And this year will be especially exciting, as the State Fair Park celebrates its centennial year by helping the public understand what life was like in 1892 including a salute to other 100-year-old organizations: Mandel Printing, the YWCA of Milwaukee, Mutual Savings Bank, the Milwaukee County Zoo, and the village of Menomonee Falls.

I ask my colleagues to join me in sending our compliments to everyone involved in making the State Fair Park such a successful attraction—and and I invite America to visit the pride of Wisconsin, the Wisconsin State Fair.•

THE TRUTH ABOUT STEEL—PART II

• Mr. ROCKEFELLER. Mr. President, apparently undeterred by the filing of more than 80 antidumping and subsidy cases by the American steel industry, the Italian subsidy machine has struck again. A recent article in the Journal of Commerce reveals that the European Community Commission has begun an investigation into $577 million in subsidies that the Italian Government is paying Ilva, its State-owned steel company.

I suppose it is noteworthy that the EC Commission is actually investigating, it has not always been so diligent with the more than $50 billion in subsidies European governments have paid out over the last 15 years. Even so, this episode reminds us once again that the more things change, the more they stay the same. Ilva continues to lose money—$435 million last year—and the Italian Government continues to bail them out, in defiance of all economic logic and fiscal common sense.

As a result, overcapacity in Europe continues to grow, even in the midst of increasing low-priced competition from the United States, Korea, and other efficient countries as well as nearby Eastern European producers desperately looking for export opportunities for their troubled steel plants.

That's not good for the new market-oriented Eastern European economies, for the competitive producers like ours who have to bear the cost of European inefficiency through dumped and subsidized imports, and ultimately it's not good for the Community either.

Since the domestic steel industry filed its cases on June 30, there has been considerable discussion in the media over the industry's tactics and motives. Largely absent from that discussion have been suggestions that the cases lack merit. It is very hard for anyone who knows anything about world steel trade to deny that numerous companies continue to benefit from subsidies and that massive dumping is occurring. This news from Italy serves to dramatize that truth.

Mr. President, I ask that the text of the article I referred to be printed at this point in the RECORD.

The article follows:

EC PROBES STATE AID TO ITALIAN STEELMAKER

(By Bruce Barnard)

BRUSSELS, BELGIUM.—The European Community Commission Wednesday launched an investigation into US$577 million in state subsidies for Ilva, Italy's state-owned steel company.

The Italian government has two to three months to convince the commission that its aid package will not distort competition in the EC steel market.

If its appeal fails, Ilva, Europe's third-largest steelmaker, will have to repay the $277 million capital injection it received from the government last September to take over Sofin, a state agency which promotes economic growth in southern Italy.

The commission is expected to adopt a tough stance toward Ilva because of rising overcapacity in the European steel industry at a time of increased competition from low-cost Eastern European and Third World producers.

Ilva's case was seriously weakened last month when it announced a 1991 loss of 498 billion lire ($435 million). This ruled out the possibility of a stock issue which was intended to raise $650 million and formed a key part of Ilva's argument for the state aid package.

Italian bourse rules require three consecutive years of profit before a company can go public.

The commission said it is doubtful private investors would inject money into Ilva in these circumstances.

Meanwhile, Ilva is looking for European partners to help it weather the current slump in the industry. It also has signed an agreement with Nisshin Steel, Japan's sixth-largest steel company, to produce steel pipes for car exhausts at one of its plants in central Italy.

The commission is being pressed by private steel companies in Britain and Germany to curb government subsidies to their state-owned rivals.•

HATE CRIMES AGAINST GAYS CONTINUE TO INCREASE

• Mr. SIMON. Mr. President, I would again like to bring to the Senate's attention the nationwide increase in hate crimes. It is crucial that the citizens of this country understand that this kind of behavior does not, unfortunately, belong to another era. Nor is it restricted to particular regions of the country or certain kinds of communities. It is so divisive for this country because it is still so universal. It is so insidious because it is still tolerated. We must put an end to it by labeling it as criminal activity motivated by hatred alone, by identifying it, by discussing how pervasive it is, by furthering legislation to stop it. This is essential to the safety of individual citizens as it is to the health of the Nation as a whole.

Today, I would like to direct your attention to an article published in the June issue of the American Medical Association Journal. According to the article, while attacks on gays and lesbians seem to be increasing, much of this kind of violence is never reported to the authorities. Gays and lesbians are often silenced by society's assumptions that they are heterosexual, by society's fear of the AIDS virus, and by their own fear of revictimization by the police if they report acts of violence against them.

Gay-bashing, physical assaults motivated by prejudice against homosexual persons, increased by 15 percent in 1991, according to reports on a total of 755 such incidents collected from community groups in 5 cities—Boston, Chicago, New York, Minneapolis-St. Paul, and San Francisco—by the National Gay and Lesbian Task Force. This rise in violence is rendered even more serious by the attitudes of some doctors and police officers who seem to be unaware of this issue. According to the following American Medical Association article, physicians often assume their patients are heterosexual, or may convey an insensitivity that will make victims of antigay violence less likely to reveal their sexual orientation.

The questions of why gay-bashing occurs and who perpetrates these violent crimes are confusing and unresolved. The AMA article indicates that there seems to be a consensus among experts in psychiatry that the causes of this kind of behavior are at least somewhat rooted in our society's value system and conception of gender roles. One expert said that many people perceive that aspects of antigay and antilesbian violence are legitimized by failure to prohibit discrimination against homosexuals and by failure of the courts to respond to the violence in a way which clearly signifies that it is wrong.

We must do what we can to raise awareness and educate people to appreciate the diversity of our Nation. While it is up to the courts to punish the perpetrators of hate crimes, it is up to us to remedy the ignorance and stigma that give rise to it.

Mr. President, I ask that the full text of the Journal of the American Medical Association be included in the RECORD following my remarks.

The article follows:

[From the Journal of the American Medical Association, June 10, 1992]

ATTACKS ON HOMOSEXUAL PERSONS MAY BE INCREASING, BUT MANY "BASHINGS" STILL AREN'T REPORTED TO POLICE

Trauma surgeon Sheldon B. Maltz, MD, says he had never even heard of antigay violence before the 12 hours it took to save Ron Cayot's life.

Three young men had jumped out of a passing car, shouting slurs at Cayot and a friend who were walking down the street in a neighborhood known for its large gay and lesbian population. There was arguing, then there were gunshots.

One bullet went into Cayot's neck, requiring reconstruction of the larynx with tissue from his clavicle. Another went into Cayot's back, through his colon, liver, and intestines, and out his abdomen, says Maltz, a critical care specialist at Illinois Masonic Medical Center, Chicago.

Two states away, Paul Carson, MD, says he "couldn't conceive of anybody doing" what his patient claims to have done. The patient, a married heterosexual truck driver, insists that his only risk for acquiring his human immunodeficiency virus (HIV) infection was cuts on his hands during the many bloody beatings he and friends systematically inflicted on randomly selected gay men over several years, "too many times to count."

"It was sort of a diversion, entertainment with friends, and they [gay men] were easy targets, was the way he talked about it," says Carson, an infectious disease fellow at the University of Minnesota, Minneapolis.

"Gay-bashing," physical assaults motivated by prejudice against homosexual persons, increased by 15% in 1991, according to reports on a total of 755 such incidents collected from community groups in five cities—Boston, Chicago, New York, Minneapolis-St. Paul, and San Francisco—by the National Gay and Lesbian Task Force. Its report says that, given the geographic diversity of those cities, "it is likely that other US urban areas, and perhaps suburban and rural communities as well, are experiencing a similar upswing."

"VERY GRATUITOUS" VIOLENCE

"In our experience, the violence is very gratuitous, and seems to be inexplicable in terms of the number of bruises on the body," says Matt Foreman, executive director of the New York City Gay and Lesbian Anti-Violence Project. Guns, even knives, are not usually the weapons of choice, but rather crowbars, clubs, and chains, he says.

"There is a lot more injury than would happen with a regular robbery" or mugging, Foreman says, adding: "With such a high level of violence, you'd almost automatically assume the guy must have asked for it, or must have been involved in some sort of real fight." But while the violence is very real, the fights tend to be anything but fair, with attackers almost always armed, outnumbering their victims, and taking them by surprise.

While some of the recently reported increase is likely due to better data collection, most such assaults still go unreported, according to groups across the country that are trying to confront the problem.

Victims are often unwilling to report the nature of the attack to police, in part because police themselves are said to sometimes verbally and physically assault gay men and lesbians. There were 146 such cases of abuse by police reported to the National Gay and Lesbian Task Force a 29% increase, in 1991.

PHYSICIANS NOT AWARE

Foreman says physicians sometimes may not believe patients who say they have been "gay-bashed," not necessarily because of prejudice against homosexuals, but because "we're always looking for rational reasons."

Physicians who treat these victims are often not told how the injuries occurred because the patient fears "secondary victimization," says Gregory M. Herek, PhD, a psychology professor at the University of California, Davis.

"Physicians frequently assume that their patients are heterosexual" unless specifically told otherwise, says Herek. Physicians may also convey an insensitivity that will make victims of antigay violence less likely to reveal their sexual orientation, he says.

Gay and lesbian patients may worry that physicians will "treat them badly" because they are homosexual "or that this might get on their medical chart, which could have a lot of negative implications for them in the future," as employment and other forms of discrimination against gay men and lesbians are legal in more than 40 states. "If something shows up in the newspaper identifying them as the target of a gay attack, that can set them up for a lot of other harassment and discrimination from other people that has nothing at all to do with the original assault," says Herek.

For these reasons, some physicians advise against automatically encouraging victims to go to the police. In Michigan, Terry S. Stein, MD, says some of his own patients have been abused by police, and feels that filing a police report may be "unwise unless there is some assurance that the police are not going to victimize them again."

Physicians "need to be sensitive to the potential trauma and fear that a gay or lesbian person is experiencing, and not simply encourage them to report this without some thoughtful working through of what the outcome would be," says Stein, a professor of psychiatry at the Michigan State University College of Human Medicine, East Lansing.

However, not reporting these crimes "perpetuates the silence that has so long supported violence against lesbians and gay men," says Bill Dineen, a vice president of the Pink Angels Antiviolence Project, a volunteer group that patrols the neighborhood where Cayot was shot. "As far as the police department is concerned, if a crime doesn't get reported it didn't happen, and nothing gets done about it."

Dineen adds that police in the district patrolled by the Pink Angels are now very "committed to following up on the information we give them." The same is beginning to be true in many areas where community groups have worked with police.

Pierre Ludington, MD, president of the gay-oriented American Association of Physicians for Human Rights in San Francisco, says that, "in this city, the police are very sensitive to it, and will chase perpetrators down as quickly as they chase perpetrators of anything down."

SEXUAL ASSAULTS NOT BELIEVED

Herek says physicians tend to be especially insensitive to gay men and lesbians in cases of sexual assault.

"There's an unwillingness to believe that a man, especially a gay man, can be sexually assaulted," Herek says. Physicians often "act as though this is something the victim brought on himself."

Herek says that, "in reality, in a great many cases of male/male sexual assault, it is heterosexual males who use sexual assault as just another way of degrading their victim.

It really drives home the idea that rape is a crime of violence instead of passion when you see it being perpetrated by heterosexual men against gay men."

Lesbian victims of sexual assault often are asked questions in the emergency department "that tend to assume that they are heterosexual," with disapproval and disbelief when the woman says she is not on any form of birth control, says Herek. When a rape is a lesbian's first sexual contact of any kind with a man, it "can create a lot of psychological problems beyond what other women who have been raped would face," he adds.

CAUSES DEEP-SEATED, UNDERSTUDIED

The questions of who perpetrates these violent acts and why, and why they seem to be increasing, have not been studied in a rigorous way. Rochelle Klinger, MD, professor of psychiatry at the Medical College of Virginia, Richmond, and member of the American Psychiatric Association Committee on Gay, Lesbian and Bisexual Issues, says she had trouble finding anything directly on antigay violence in the psychiatric literature during a recent search. Most information is in anecdotal accounts in the lay press, with some in academic articles on the more general issue of homophobia, she says.

"There is a lot of research about the stigmatization process in which society condones homophobia. That is the first step," says Klinger. "Then certain individuals take that to the furthest step, which is to actually be violent against gay men and lesbians."

Michigan State's Stein says causes are "rooted in both individual and societal prejudice. Many people perceive that aspects of antigay and antilesbian violence are "legitimized" by failure to prohibit discrimination against homosexuals and by failure of the courts to respond to the violence "in a way that gives a clear message that it is wrong."

"There isn't the same kind of moral outrage that is attached to racial and anti-Semitic violence," says Foreman. "As society increasingly condemns other forms of hate-motivated violence, it usually doesn't condemn antigay violence" to the same degree.

In 1991, for example, of nearly 600 cases followed through the courts by the New York antiviolence group, only two resulted in convictions. The lack of or weak official condemnation by the courts, schools, churches, and news media "keep this going," says Foreman.

WINDOW OF ACCEPTABILITY

"That's part of the explanation for the rise in antigay violence. There is still this window of acceptability," says Foreman.

There are attempts to close that window. Several state and local jurisdictions have included sexual orientation in laws mandating stiffer penalties for hate crimes (although some have explicitly excluded it).

A similar bill has been introduced in Congress. The 1990 federal Hate Crimes Statistics Act directs the Federal Bureau of Investigation (FBI) to collect data on sexual orientation and other bias-related crimes.

Only 26 states are submitting data so far. But the FBI hopes to publish its first report this fall, says Uniform Crime Reports instructor Bernie Dryden.

Perpetrator motives "are something we'd have a hard time understanding," says Carson, who found it "very hard to talk about" the violence his HIV-positive patient said he had committed. "A couple times in my office afterwards, he was crying about this stuff. I don't know if it was because of remorse or the realization of how he looked to other people."

One theory is that perpetrators may perceive themselves as enforcing society's gender rules or as defending their own masculine identity, says Foreman, noting that attacks often occur in the presence of such persons' female friends.

(Carson says his patient was "very upset" at the implication in some press accounts that latent homosexuality might have been behind his behavior.)

PERPETRATORS "DIFFERENT"

Those who carry out antigay violence are "different from normal perpetrators of violent crime," says Foreman, more often being middle class, able to afford their own attorneys, and looked at leniently by judges because they seldom have prior records.

Herek says some attackers are motivated by "deep-seated hostility or hatred," but many seem to participate because of more situational influences, like peer pressure.

A "classic pattern for violence against lesbians and gay men on the street is a group of late adolescent or young adult males, one of whom perhaps has strong feelings of wanting to go out and beat up some 'fags' or 'queers,' and that person cajoles the other members of the group. There is a feeling of a need to prove themselves to their friends, and so they go along with it," says Herek. "Perhaps they would not have initiated it themselves, but obviously they don't have strong feelings against it or they wouldn't have gone along with it."

Herek says that, unlike racially motivated attacks, which are more likely when the victim inadvertently wanders into the wrong neighborhood, perpetrators of antigay attacks go to gay areas seeking out victims. "That implies some sort of predisposition or premeditation, but it seems frequently that that may be the motive of just one or a couple members of the group, and the others are along for the ride."

The widespread belief that gay men especially are "not formidable foes" may also be a factor, he says, although "it's interesting that the perpetrators usually don't take any chances. They usually outnumber the victim and often carry weapons. There's no chance of a fair fight occurring."

That might also partly explain the increase of physical assaults, as gay men and lesbians are increasingly visible and may be increasingly likely to confront harassment. Dineen says that Ron Cayot's verbal response to a verbal assault "is indicative of where our community is. No, we are not acceptable targets and, no, we are not going to sit idly by and allow you to demean us or try to limit our expression or our sense of dignity and confidence just because you're uncomfortable with it."

Whether expressing that sentiment in verbal confrontation with someone hurling insults on the street is a good idea "depends on whether or not they have a gun," says Dineen, suggesting that a safer alternative is to step back, take a full description of the perpetrators and report it to police and antiviolence community groups.

PREVENTION IN PHYSICIAN'S OFFICE

Foreman says physicians may be able to play an important role in preventing antigay violence.

Adolescents account for 80% of all attacks, according to New York Police Department's data. "Many are coming to grips with their own sexuality—not to say that gay-bashers are in fact gay, but that there are sexual identity issues that they act out" to prove that they are not gay or that they are a "real man."

"If physicians working with adolescents when sexuality issues come up would say that being gay is nothing bad or abnormal to be condemned or cured, that would be a big help," says Foreman.

Carson acknowledges that he can never prove that his patient acquired his HIV infection via gay-bashing. While there "clearly are some documented cases where trauma from infected blood seemed to transmit the virus," Carson says he doubts that it is "a real significant risk"

Yet he reported the case in a letter to the *Lancet* (1991;337:731) because "if anything will give pause to people maybe doing that sort of violence, it was worth it."—by Paul Cotton•

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

• Mr. SANFORD. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received a request for a determination under rule 35 for Brett N. Francis, a member of the staff of Senator HATCH, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from August 15 to 30, 1992.

The committee has determined that participation by Mr. Francis in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.•

CALLING ON RUSSIA TO RELINQUISH ITS CLAIMS TO CRIMEA

• Mr. D'AMATO. Mr. President, I rise today to oppose the recent claims of Russia to the Crimea.

With President Yeltsin's visit to Washington, the United States celebrated the birth of a new era of relations with Russia and the countries of the CIS. Yet in the wake of these monumental events, the United States must not overlook the current territorial dispute between Russia and Ukraine over the Crimea. In laying claim to Crimea, a region in southern Ukraine, Russia is breaking its pledge to recognize the inviolability of national borders guaranteed by the Helsinki accords.

The Crimea has been recognized as a part of Ukraine since its transfer in 1954 and has always been formally accepted as such by the Russian Government. In bilateral treaties signed by President Yeltsin himself, Russia has acknowledged Ukraine as an independent nation and committed itself to honor the rights associated therein. Consequently, the Russian claim to Crimea constitutes a challenge to the sovereignty of Ukraine and expresses a disregard for the rights of statehood. In a region where numerous republics have recently gained statehood, such actions present a destabilizing influence.

As an act of good will during this momentous period of international accord, Russia should promote peaceful relations among the countries of the former Soviet Union. Just as Russia should remove its troops from the Baltic countries, it should relinquish its claim to Crimea and act to further the cause of freedom which its own citizens broke the yoke of communism to obtain.●

DEMOCRATIC HISPANIC TASK FORCE FIELD HEARING

● Mr. SIMON. Mr. President, last May in my home State of Illinois, I chaired a field hearing of the Senate Democratic Hispanic Task Force on Issues Facing the Hispanic Family: Education, Employment, and Health Care. Yesterday, I included the first of five sections of testimony from this hearing in the RECORD. Today, I ask that the second section of testimony be printed in the RECORD at this point.

The material follows:

TESTIMONY OF ADELA CORONADO-GREELEY, TEACHER, INTER-AMERICAN MAGNET SCHOOL, CHICAGO, IL

Honorable Senator Simon, I wish to thank you for the opportunity to testify at this public forum and hearing on critical issues facing the Hispanic community. My participation will address the educational issues of Federal concern to this community.

I would like to begin my testimony by affirming that the Hispanic community is very much interested in the education of its children. When school based management was mandated for the Chicago Public Schools in 1989, the Hispanic community responded wholeheartedly. At that time 27 percent of the Chicago Public School's population was Hispanic, and 19 percent of parents voting were Hispanic. This is the closest we have come to parity within the Chicago Public School System. There are many success stories of reform implementation within our community, but I would like to highlight three to demonstrate the use made by this community of the two principal powers given local schools through school reform: selection of the principal and use of the discretionary funds that follow the lower income students, $275.00 of State Chapter I funds per child. Spry Elementary School with a population of close to 1,500 students, 96 percent of whom are Hispanic, after great controversy and hardship, selected a new principal. He has lifted the morale of the entire school and has united with other schools in the area to form a cluster of schools with similar needs and goals thus meeting the educational needs of their students. Orozco Academy opted to pioneer a gifted program for limited English Proficient Spanish Speaking students. It is one of only 6 such schools in the United States. Parents and teachers at Inter-American Magnet school chose to use their State Chapter I funds to lower class size so that all classrooms now have a maximum of 22 students. School Reform is reaching students and teachers in the classroom. The Hispanic community does care about the education of their children. Children are its main priority and therefore education is their main priority.

Most of the individual schools are doing all they can to educate each child for the 21st century. The obstacles, and constraints, in large part come from local, State and Federal lack of vision and support. Throughout the entire United States, who has the greatest dropout rate? I am sure you know it is the Hispanic community. This is true also here in Chicago. The Hispanic drop out rate is documented at 45%, however, Clement High School and Juarez High School, the two High Schools with the greatest Hispanic populations, report a 70 percent drop out rate. That is totally unacceptable and disgraceful for a Nation of Immigrants; for the Nation who is the leader of the industrial world.

Let it not be said or even thought that this is so because the Hispanic community does not value education. In Chicago we have proven this to be a damning stereotype—an easy escape. "It is their fault." The Hispanic community cares about the education of its children.

Then, why do our students drop out? I believe the answer lies in the educational issues concerning the Hispanic community * * * the subject of these hearings.

Overcrowding: The vast majority of the overcrowded schools in Chicago are in the Hispanic Community. There are up to 50 students in one classroom * * * 50 kindergarteners! Where else does this happen? I dare say not even in underdeveloped countries. Our students are taught in old, deteriorating, mice-infested, urine-smelling mobile units. Of mobile units in the Chicago School system, are in the Hispanic community. Our children are taught in hallways, closets, cafeterias (even while lunch is being served) washrooms, auditoriums, stages. They are literally being taught anywhere. Why do we have the highest drop out rate?

Gangs and violence: I don't exaggerate when I say that most of our children are prisoners. They are not free. They are not free to go to another school that may be underutilized because they are in danger of gang violence on the way or upon arrival. They are not free within their own schools because of gang recruitment. They are not free within their own homes because leaving their home to play, to hang out and be with friends or even to go to the library may place them in gang cross fire. And we ask, "Why do we have the highest drop out rate?"

The lowest reading and math scores: There are countless studies on the effectiveness of bilingual education and the importance of maintaining the home language. Yet, there still are schools here in Chicago who refuse to implement bilingual education and return to the State hundreds of thousands of dollars that belong to the bilingual child to assist his education. Still other bilingual students are exited from the program before they have a solid basis in their home language. This obliterates a viable transition to the English language and creates what we so often see * * * the semilingual students who master neither Spanish nor English. Yet other students are taught their bilingual classes by teachers who do not master the English Language. And, because of a State law, English dominant teachers cannot teach L.E.P. students English unless they have TESOL or Bilingual endorsement. Perhaps the following reality is the greatest obstacle of all. Because of their accent, many of our bilingual teachers are treated as second class citizens in the schools. If this is true of the teachers, how then are the students treated? In many ways, many of our students are constantly told, your language, your culture is of no value. Success is impossible without a positive self image. Why do we have the highest drop out rates?

Early Childhood Education: Since the inception of the Headstart Programs in the 1960's, early childhood education has been studied and proclaimed successful in the overall education of lower-income families. The most recent census shows that the fastest growing segment of the three and four year old population in Chicago is composed of children of Hispanic background. Nevertheless, in a printout prepared by the Department of Research, Evaluation and Planning, January, 1991, only 372 three and four year olds are identified as coming from Spanish speaking homes out of a total enrollment of over 20,000 three and four year olds in early childhood programs. One out of every 11 students in grades K through 12 has been identified as Limited English Proficient from a Spanish speaking language background. Yet only one out of every 38 three and four year olds has been identified as coming from a Spanish speaking language background! Do these figures indicate simply that Board policy was not implemented to identify the true number of Spanish speaking three and four year olds? If we were to possess accurate statistics, would they indicate that Hispanic children are enrolled in preschool at the same proportion or greater as they are systemwide which is 28.1% throughout the system and 28.9% at the elementary level before the drop out tragedy begins. Our three and four year olds are being underserved blatantly and no one is monitoring. Of the 372 that are being served, what percentage is being taught in their home language? In a National Association of Bilingual Educators Study on Families dated January 1991, researchers found evidence of "serious disruptions of family relations occurring when young children learn English in school and lose the use of the home language." Jim Cummins, a noted authority on bilingual education tells the following story: "The family's quiet was partly due to the fact that, as we children learned more and more English, we shared fewer and fewer words with our parents. Sentences needed to be spoken slowly when a child addressed his mother or father. (Often the parent wouldn't understand.) The child would need to repeat himself. (Still the parent misunderstood.) The young voice, frustrated, would end up saying, 'Never mind'—the subject was closed. Dinners would be noisy with the clinking of knives and forks against dishes."

We are indignant that only 372 Hispanic three and four year olds were identified in early childhood programs within the Chicago Public Schools as of January, 1991 and that "Most Spanish-speaking three and four year olds are receiving bilingual education IF the teacher and/or assistant speak Spanish." The question continues, why do we have the highest drop out rate?

These are some of the educational issues of concern to the Hispanic Community. It appears that the educational system for minorities, Hispanics in particular in this instance, has been set up for failure. It is true that the education of America's children is the responsibility of each State but as Illinois Senators I believe you have a responsibility to the Hispanic students of Chicago. It is your responsibility to see that the obstacles and constraints be eliminated. The obstacles of overcrowding, of gangs and violence. The obstacles and constraints to effective Bilingual Education, to early childhood education so that each child has an equal opportunity, equal to that of the students of Wilmette and Flossmoor, to graduate from High School and go on to college, and be a contributing member and leader of his community and the Country as a whole.

Because of School Reform, because of its diversity, Chicago is the ideal city in which the Federal Government can implement a model City school system. Take on the challenge and lead the effort on behalf of the students of Chicago and the Country.

I would like to close by reiterating that the Hispanic community cares about the education of their children. School Reform in Chicago has proven that. What is more, the citizens of Chicago have embraced their students through School Reform and I believe that if Chicago did not respond violently to the events in Los Angeles last week, it is in part because of School Reform. Students, parents and community are working together to improve their schools. There is a grassroots movement through school based management that has unified, linked, the entire City. Senators, Chicago is the city in which to implement a model Federal school system and I urge you to sponsor this effort on behalf of the students of the Chicago Public Schools.

TESTIMONY OF REBECCA ALVIN PAREDES, BEFORE U.S. SENATE DEMOCRATIC HISPANIC TASK FORCE

Senator Simon, members of the U.S. Senate Democratic Hispanic Task Force, I thank you for the opportunity to provide testimony this morning regarding the education, employment and economic development issues of concern to the Hispanic community. Clearly these are and should remain critical to the interest of the federal government. Hence, I would like to offer the following information and comments with respect to the Hispanic community at large, and about the status of Hispanic women in particular.

Hispanics are one of the largest and fastest growing minority groups in the United States, but their participation in higher education is significantly lower than their proportion of the college age population (680,000 were enrolled in higher education in 1988). Hispanic demographic trends indicate that Hispanics will become a larger part of the work force in the near future. The age data from the March 1991 Current Population Reports shows the Hispanic origin population to be younger that the non-Hispanic population. About 30 percent of Hispanics were under 15 years of age, for example, compared to 22 percent of non-Hispanics. Conversely, about twice as many non-Hispanics (22 percent) were 55 years of age or older compared to Hispanics (11 percent). Clearly, this reality has made it increasingly necessary for educators, corporate America and policy makers to examine the inter-relationship of characteristics such as, national origin, age distribution, immigration, geographic concentration, and historical development, and their effect on the educational attainment of Hispanics in this country. Simply stated, Hispanics deserve and need to be educated and trained for the jobs of the future.

As many already know, Hispanics are not a monolithic group. The Hispanic population is comprised of all races and many nationalities. Moreover, the historical experience of each subgroup is different. Some of us are immigrants and others are native-born Americans. Yet we share many similarities in culture and language. Hispanics have made modest gains in educational attainment. About 46 percent of high school age Hispanics earned a diploma in 1983 compared to 51 percent in 1991. Also, in 1983, 8 percent of Hispanics had completed 4 or more years of college compared to almost 10 percent in 1991. Some may take comfort in these modest gains; but I ask "What has become of the others?"

Occupation data indicates that in March 1991, 29 percent of employed Hispanic males were working as operators, fabricators or laborers. Non-Hispanic men, by comparison, were most likely to have occupations that were managerial or professional (28 percent). Among employed women, both Hispanic and non-Hispanic, most held jobs in the technical, sales and administrative support categories (40 percent and 44 percent respectively). Major differences in occupational level occur in professional levels. Only 16 percent of Hispanic women were employed in managerial and professional positions compared to 28 percent of non-Hispanic women. And 14 percent of Hispanic women held positions as operators, fabricators and laborers than did non-Hispanic women (8 percent). The table which follows illustrates both the female and male labor force participation rates as of March 1991, eight months into the latest recession which began in July 1990.

Unemployment rates for Hispanics continue to hold at about 10 percent (6.9 percent for non-Hispanics). Hispanic males earned a mean income of $13,599, which is less than two-thirds of the non-Hispanic males ($21,267). Hispanic women have lower participation in the labor force than non-Hispanic women, 52.4 percent versus 57.0 percent, and higher unemployment rates, 7.8 percent versus 4.9 percent, respectively. Median income for Hispanic women was $9,188 to $11,245 for non-Hispanic women. Although the gap between the incomes of Hispanic women and non-Hispanic women is not vary dramatic; major differences exist in household size (3.48 persons Hispanics vs. 2.58 non-Hispanics) and female single head-of-households (24 percent to 16 percent respectively). This explains why so many Hispanics live in poverty (26.7 percent) than of non-Hispanics (11.8 percent). Since over 30 percent of Hispanics are under 15 years of age, it follows that a higher proportion of Hispanic children under age 18 live in poverty—37 percent compared with 17.3 percent of all non-Hispanics. Among Hispanic subgroups, the highest rate of child poverty was reported for Puerto Rican children, with about 57 percent living in poverty.

The demographic data pertinent to Hispanics mentioned above does not even begin to describe the deprivation, violence and desperation that characterizes many Hispanics' lives. Most work very hard and have the same hopes and dreams for their children that our parents share. But the circle of poverty creates many barriers. I am convinced that only through education and the allocation of appropriate resources can Hispanics continue to make small gains. Our Hispanic youth want to stay in school; many have hopes of attending college but lack information and financial resources. It is too easy to proliferate the myth that Hispanics are not interested in education; no one can afford to believe that nonsense. And it simply is not true.

I have worked in higher education for over 15 years primarily with minority youth and college students from both the Black and Hispanic communities. I have no doubts that Hispanic youth has the potential to learn and achieve. But the successes are miniscule compared to the needs of the population as a whole. I am convinced that we, the educators and policy makers must become partners in this endeavor. Corporate America must become a partner in this consortia; we all have a vested interest in the success of America's minority populations.

For the last seven years, I have been at DePaul University working to provide higher education opportunities for Hispanic women from the Chicagoland area. Since the inception of the Hispanic Women's Leadership Development Project, the Hispanic Alliance, a consortia comprised of DePaul University, Loyola University of Chicago and Saint Xavier College; approximately four-hundred and twenty-seven Hispanic women have resumed or begun a bachelor's degree program. Of these, fifty-one have graduated and are now employed in careers holding professional positions. These may not be considered impressive gains, but without a doubt these fifty-one women could not afford a private college education without support from the Hispanic Alliance, the Ford Foundation and the Illinois Board of Higher Education.

We will continue to provide these opportunities for Hispanic women because it is the most direct manner to effect positive gains in the Hispanic community. The benefits earned by these women extend to their families, the community, Chicago and the State of Illinois. They become strong contributors to the development of our society. Their college degrees give these women the social and economic mobility that had kept them in poverty for so long. Their personal success will benefit their families for generations.

I ask that you consider the complex needs of the Hispanic community and lend your continued support for resources to increase and sustain educational opportunities for my community.

TESTIMONY OF RAY VAZQUEZ, EXECUTIVE DIRECTOR OF THE LOGAN SQUARE YMCA

(U.S. Senate Democratic Hispanic Task Force)

Mr. Chairman and members of the Senate Hispanic Task Force. Thank you for the opportunity to address you this morning. My name is Ray Vazquez, Executive Director of the Logan Square YMCA and I am also here representing the Network for Youth Services a coalition of 40 youth serving members on the northwest side of Chicago.

I come today to speak on behalf of the 800 youth who have died on Chicago's's streets since 1982. They died not because of AIDS or any other physical disease, but a disease that has been plaguing our community for far too long. And while we are rightfully seeking cures for these illnesses, we have continuously lost generations of young people to the streets because as a society our approach to violence has been punishment. I am referring to Youth Gang Violence. For Latino youth, gang violence has had devastating effects. The Illinois Criminal Justice Information Authority recently released statistics indicating that teenage Latino youth males living in Chicago face a higher risk of becoming victims, and offenders in gang related murders. From 1982 to 1989, nearly 80% of all city homicides involving 15–19 year old Hispanic males were gang-related. In addition, 84% of murders involving Latino boys between 10 and 14 years of age were gang-related. The figures also show that teenage Latino males face the highest risk of becoming offenders in street-gang related homicides. Latino teenagers are two times more likely to become offenders in gang-related murders than their black counterparts, and five times more than their white counterparts.

If we are serious about curtailing or eliminating this serious problem, then we must not let the death of these young brothers go unheard and begin to address stemming this violence in a comprehensive way. Today, there are over 4,000 youth gang members on the northwest side of Chicago and for that matter the thousands and thousands of youth on the streets of America who need our help! As a resident of the community I work in, a parent of a sixteen year old and a social worker for the past 17 years, the rest of my testimony will reflect on what we can do together to address the problem.

First, for too long, Youth development has not been a federal priority, and will not become one until communities start speaking out with a strong and unified voice that is heard by our elected officials. In an increasing complex and competitive world economy, America's human capital is our most important resource. Yet, too many of our young people are reaching adulthood unprepared to be productive workers, effective parents, or responsible citizens. America cannot remain strong unless we end this tragic waste of human potential. Over the past decade, public concern related to young people has focused primarily on improving academic performance and combatting youth problems like substance abuse and juvenile delinquency. The federal government has established ambitious National Education Goals and declared a War on Drugs, and government investment on both fronts has increased dramatically. However, it is becoming increasingly clear that America will neither achieve our education goals nor make significant progress on problems like substance abuse unless we address the broader development needs of our children and youth. Young people lack self-confidence, self-discipline, respect for others, and a sense of connectedness to their families and communities, are unlikely to be successful in school, and far more likely to engage in high risk behaviors. Community-based youth serving organizations are a tremendous resource in developing and implementing community youth development strategies, both because of their responsiveness to local community values and concerns and their ability to mobilize community resources. Notwithstanding these efforts, in most urban communities youth development efforts are both fragmented and underfunded, and no process exists through which key groups regularly come together to develop a comprehensive youth development strategy. Without a mechanism for coordination, existing "single-problem" federal programs (e.g. substance abuse, gang and AIDS prevention programs) compound this problem by working against development of a comprehensive youth development strategy. Strong bipartisan support for increased Federal investment in Headstart and other early childhood development programs signals an encouraging shift to a long-term holistic, investment-oriented strategy for youth development. The federal government must go beyond these important, but limited early childhood initiatives to encourage and empower communities to develop and implement a comprehensive youth development strategy. Recommendation #1—the federal government should relocate federal resources to fund a billion dollar per year Youth Development Block Grant (YDBG) to help communities move from crisis response to primary prevention in addressing the needs of their children and youth. Recommendation #2—the YDBG should incorporate a rigorous and innovative evaluation program so that in future years Congress and the public will have a sound basis for determining whether continued investment is appropriate.

This would prevent the abuse of federal $ as it happened in the 60's and 70's. Recommendation #3—while prevention should be a major component of the Youth Development Block Grant, we must not forget to allocate $$ to reaching the thousands and thousands of teens already caught up in gang life by providing necessary intervention services. Now I would like to go back and offer my suggestions on the gang problem. In March, 1991, the University of Chicago's School of Social Service Administration in cooperation with the Office of Juvenile Justice and Delinquency Prevention U.S. Department of Justice developed a manual for community based youth agencies on implementing a National Youth Gang Suppression and Intervention Program Model. This manual was prepared under the leadership of Dr. Irving Spergel, a renowned researcher on the gang problem. This national report underlined the steps and actions needed in providing a multifaceted approach by including community mobilization, provide opportunities for gang youth and their families and utilizing social intervention by the community based youth agency. The report further indicated that the federal government develop test models throughout the United States. Recommendation #4—that before we fund test models that you look at existing models that are very successful in addressing the problem. I offer as part of my testimony, the evaluation for 1991 on the YMCA Street Intervention Program conducted by Dr. Felix Padilla, a sociologist from DePaul University in Chicago. It clearly states that in order to prevent further gang violence and involvement their must be an intervention strategy to reach these high at risk youth. Further, a comprehensive approach of school reentry, job training and employment and recreation can deter further gang involvement. The biggest concern the evaluator had was the need was so great that the current resources could not address the problem entirely.

Finally, given the recent changes in the Soviet Union and the growing concern about economic and social problems at home, we in the local communities need our leaders in government to develop new ideas and new priorities to deal more effectively with the public's economic and social concerns. This new environment will create an opportunity for an interesting domestic policy debate that will define a new set of domestic priorities for the nineties. Our local community through the Network for Youth Services has initiated a process to develop public policies to address youth gangs, school dropouts and the coordination of services at the community level. Our process has included a Youth Summit for youth and parents interviewing community leadership and the creation of action committees to develop a system that creates an opportunity for policy development initiatives created at the local level to be discussed and presented at the federal level. What better way than to develop national policies using a bottom-up approach. I thank you for your time and look forward to working with you.●

NAVY REPORT ON NEW ATTACK SUBMARINE

● Mr. D'AMATO. Mr. President, the Defense Acquisition Board has rescheduled the Milestone 0 review of *Centurion* for August 20, 1992. The Navy assures me an August DAB will keep *Centurion* on track for a 1998 start. I ask the cosponsors of my amendment tying OASD, acquisition, funding to the *Centurion* DAB to be patient and give the acquisition czar an opportunity to redeem himself. If things go awry yet again, there is always appropriations.

Of equal importance, two letters issued by the Chief of Naval Operations establishing basic performance parameters for the *Centurion* and the Navy report on the new attack submarine have been delivered to Congress.

As these documents make clear, *Centurion* will be the first submarine designed with affordability considerations paramount. To save money, it will borrow heavily from the *Seawolf* program, particularly quieting techniques, while also adopting less costly *Los Angeles*- or *Trident*-class technology where appropriate. Ultimately, *Centurion* must be inexpensive enough to allow production of two ships per year to maintain fleet size and the industrial base in the next century.

My one concern, having reviewed Navy plans, is with the inordinate emphasis placed on power projection ashore. Missile launch rates established by the CNO for *Centurion* will require inclusion of a nonreloadable missile launch system, pushing the weight of the design into the vicinity of 7,000 tons displaced. We can ill-afford the cost of a nonreloadable missile launch system and its overall impact on the unit cost of *Centurion*.

Sea control is the forte of attack submarines. Will sinking enemy submarines or ships require large numbers of Tomahawks fired in a barrage? And why, as a submariner, spend precious dollars on the admission fee into the power projection ashore arena when the surface Navy, carrier and Marine air wings, and the Air Force already play there? Is influencing the land battle that important to the future of the submarine community?

With future submarine construction funds certain to be limited, and with it essential to keep the unit cost of *Centurion* as low as possible to allow procurement of at least two hulls per year, are there enough scenarios with enough targets to justify the costs of building into *Centurion* a nonreloadable missile launch system? I think not. *Centurion* should retain a modest Tomahawk capability, but no more than that dedicated to Harpoon or mines. A vertical launch system akin to that found in I688-class attack submarines is neither desirable nor appropriate.

But this is a quibble among friends. I applaud the Navy for bringing Congress into the design process early. *Seawolf* was a political orphan; *Centurion* must be different. The Navy has taken an important step in sharing with Congress the logic and tradeoffs behind its newest attack submarine. We, in turn, must play an active part in shaping *Centurion*. This time, Congress must be a responsible parent, because our industrial base cannot weather another disaster like the *Seawolf*.

Mr. President, I ask that the Navy Report on the New Attack Submarine be printed in the Record at the end of my remarks.

The report follows:

NAVY REPORT ON THE NEW ATTACK SUBMARINE (UNCLASSIFIED VERSION)

EXECUTIVE SUMMARY

This report describes the ongoing Navy advanced submarine conceptual design process and summarizes preliminary trends based upon twelve pre-CENTURION concept studies, approximately forty CENTURION concept studies, and more than two hundred identified technologies with potential application to any future submarine design.

The conceptual design work conducted to date has been structured to accommodate wide flexibility given the uncertainty in future military requirements and budget. The Navy concept exploration process provides a wide range of design study options. Premature focusing on a concept with a narrowly defined size, level of technology and cost will be avoided.

This report is forwarded in classified and unclassified versions. This is the unclassified version.

Section 1—Description of the Senate Appropriations Committee Tasking

The SAC directed the Navy to submit to the Subcommittees on Defense of the Congressional Appropriations Committees a report on the full range of SSN design concepts in unclassified and classified form.

This is submitted in response to tasking from the 1992 Senate Department of Defense Appropriation Bill, Report 102-154, page 275:

"This report should describe and compare the various SSN design concepts in terms of: (1) size; (2) level of technology; (3) capabilities; (4) estimated RDT&E and shipbuilding costs; (5) technical risks; (6) year of lead boat full funding; (7) relationship to a range of realistic and likely Soviet and non-Soviet military threats of the late 1990's and beyond; and (8) potential impact on the nuclear-powered submarine industrial base."

Section 2—Background/Chronology

2.1 Pre-CENTURION Studies

During the period 1988 through early 1991 the Navy conducted a variety of generic submarine advanced concept studies. The Naval Sea Systems Command (NAVSEA) spearheaded an effort to assess innovative technologies in a variety of disciplines which had the potential for cost effectively satisfying future submarine operational requirements.

The goal was to conduct a flexible, exploratory evaluation of the impact of integrating a wide spectrum of advanced technological enhancements aboard generic submarines. By not assuming any specific military capabilities or submarine mission scenarios, this team was obligated to maintain a broad scope of candidate platform options. As a result, the integration of many advanced technologies was successfully assessed in a variety of single hull and double hull concepts.

Affordability, ship impact, and technical risk conclusions drawn from these assessments were not dependent on platform size or military capability and therefore provided the fundamental engineering data necessary to steer the projected military capability characteristics of any future submarine.

As a result of these studies, Navy was able to capitalize on the efforts of a dedicated team of Navy and shipbuilder engineers from the SEAWOLF program and provide early focus for the current CENTURION studies.

2.2 Initiation of CENTURION Studies

Recognizing the need for a less costly attack submarine alternative to SEAWOLF which incorporates its advanced technologies, Secretary of the Navy directed the initiation of the CENTURION Study in February 1991. Considerations driving this effort were:

The trend in defense spending mandated developing less costly options to SEAWOLF,

A need to accommodate the beginning of SSN 688 Class retirement,

Research and development for SEAWOLF had effectively climaxed and thereby provided an excellent point of departure for the study and,

Experienced and dedicated submarine design teams were in place within the Navy and in industry.

Although it is the best submarine in the world today, SSN-I688 class submarines are not a suitable alternative to the CENTURION project. SSN-I688 has a significant performance shortfall in quieting being only at acoustic parity with recent Soviet designs. Today only training, tactics, and sonar sensor capability permit our superior performance against the most modern adversary. Today's stealth technology can not be cost effectively backfit into the 25 year old SSN-I688 design.

In response to Secretary of the Navy direction to start concept exploration of a new SSN design, the Office of the Chief of Naval Operations (OPNAV) organized eight flag officer directed committees to formulate preliminary CENTURION military capability and mission scenario guidance for conceptual design use. Areas and parameters evaluated included: submarine roles and missions, weapons and launchers, speed and maneuverability, stealth, connectivity and special features, endurance, depth, and combat system and sensors. Each committee, as part of its recommendation to the Chief of Naval Operations (CNO) on desirable ranges of military capability parameters, focused on identifying key cost drivers and their relationship to military capability.

In response to the Secretary of the Navy's direction, NAVSEA began to focus its ongoing generic design effort on a next generation submarine. Working in close cooperation with the OPNAV committees, the Navy and shipbuilders developed a large number of attack submarine concepts spanning a wide range of military capabilities and sizes. These general attack submarine concepts provided a basis for assessing the sensitivity of ship size and cost to the military capability ranges recommended by the OPNAV CENTURION committees. In addition, they included a wise range of innovative and feasible technology enhancements and incorporated general conclusions and lessons learned from pre-CENTURION studies.

In October 1991, the Mission Need Statement (MNS) for Attack Submarine Capability was approved by CNO, emphasizing affordability while meeting the following military capability areas: covert strike (power projection ashore), ASW, covert surveillance/intelligence collection, ASUW, special warfare, mine warfare, and battle group support. After the Defense Intelligence Agency (DIA) validated the threat assessment, the Joint Requirements Oversight Council (JROC) validated the Mission Need Statement (MNS) and expressed the need to begin concept exploration for a less costly attack submarine alternative to the SSN 21.

JROC validated that the mission need was the multi-mission capability provided by a nuclear attack submarine. This is an important distinction. JROC stated the Joint Commander's need for the capability of a multi-mission stealth platform, a capability that has for the last 30 years been performed by the nuclear attack submarine. Although several non-submarine alternatives were presented, the JROC's clear conclusion was that "the mission need could best be filled by a nuclear attack submarine".

The JROC further noted that design concepts executed for reasons of affordability may not necessarily have to go through a full "new program start." Accordingly, the JROC encouraged attempts to streamline the process when fiscal reasons are driving the design. The CENTURION studies are clearly such a program vis-a-vis SEAWOLF.

2.3 Required Military Capability

In January 1992, the Chief of Naval Operations (CNO) promulgated a range of performance attributes to be used in the concept design of the new attack submarine. These set the outer bounds for the concept design effort and form the basis of alternatives to be studied in the cost of operational effectiveness analysis.

These attributes were the result of the operator's input in the original CENTURION study committees followed by a comprehensive mission effectiveness analysis to confirm the operator's evaluation of the utility of each attribute. The resulting performance ranges represent limits of effectiveness and military utility that leave sufficient latitude for the designers to optimize the ship.

After further review of these requirements following cancellation of SEAWOLF, Navy recognized and need to focus the design effort at the minimum requirements in some areas to ensure the new attack submarine will meet the requirement for an effective, affordable ship. In a February 1992 memo, the CNO directed focus in the following areas:

Retain SEAWOLF quieting. It is the cornerstone of all missions that submarines will perform in the future and will ensure the necessary tactical advantage.

Reduce maximum flank speed. Reduce to a speed to provide sufficient mobility and target closure and allow the submarine to operate with other naval units providing rapid response to regional crisis.

Maintain elementary combat systems requirements. Basic capabilities are all that are required. Use of various proven computer technologies in an open architecture design will be examined as a cost effective way to reduce weapons payload and weapons delivery rate. Use of non-reloadable launchers such as the vertical launch system and simplified internal weapons handling systems will be investigated to optimize payload and launch rate in an affordable manner.

Reduce maximum depth. Although deeper operating depths enhance performance, the design will concentrate on depths sufficient to meet the current projected threat.

Minimize crew size.

2.4 Ongoing Navy Efforts

Currently, Navy and shipbuilder efforts are directed toward engineering tradeoff studies concentrating on affordability that will lead to the Navy's choice of submarine designs. These studies also support the Cost and Operational Effectiveness Analysis (COEA) planning for Milestone O. These efforts can be summarized as follows:

1. Ship impact and cost assessments of more than sixty shipbuilder developed design and construction ideas which have a strong potential to reduce shipbuilder costs are underway. These creative and innovative ideas originated from thorough shipbuilder reviews of their submarine system design and construction practices. These include such areas of study as:

a. Alternate foundation and isolation approaches.

b. Pressure hull and non-pressure hull design and fabrication for cost reduction.

Relaxation of construction tolerances.

Trade-off of HY steels for cost reduction.

c. Increased modularization to permit off-hull qualification testing.

2. Studies to further refine and characterize potential methods to reduce ship size and acquisition cost are in progress. The most promising of these ideas are:

a. Combat System cost and complexity reduction studies,

b. Propulsor cost reduction and simplification,

c. System simplification and cost reduction:

Hydraulic Systems,
Life Support Systems,
Air Systems,
Electrical Systems,
Weapon Handling and Launch Systems.

3. Numerous specific system simplification, system characterization, technology integration and affordability studies are underway.

4. Efforts to develop more refined cost modeling relationships to assess the cost of specific military capability requirements are in progress.

5. Procedures are being developed to continually assess cost impacts during CENTURION development in order to incorporate affordability considerations in all aspects of the program decision-making process. Current efforts include reviews of shipbuilding and vendor procurement specifications for cost reduction and business strategy considerations for shipbuilders and suppliers.

2.5 Planned COEA Efforts

Following a Milestone O Defense Acquisition Board review of the Navy's Mission Need Statement and the current threat assessment a Cost and Operational Effectiveness Analysis (COEA) will be performed by an independent study team in compliance with DoD Directive 5000.1 and DoD Instruction 5000.2. The COEA will provide:

A comprehensive examination of costs and benefits for the submarine alternatives specified at Milestone O.

A list of key assumptions and study variables to support Milestone I decisions.

The analytical rationale for the concept selected at Milestone I.

Single mission and multi-mission cost effectiveness studies.

Life cycle cost estimating will also be performed in conjunction with initial logistics planning. The results will be incorporated in the COEA.

Section 3—Current Assessment

3.1 Platform Size/Capability

The most important result of preliminary CENTURION work has been to identify the major cost drivers in submarine design. Initial studies indicate the drivers are: Speed; Combat Weapons System performance (including sensors, combat control and firepower); Stealth (acoustic quieting). These are the key military capability drivers and are vital to analyzing the preliminary study results and in determining the focus of CENTURION efforts. These results are the output of definitive engineering studies.

Preliminary platform concept study results have clearly shown that a nuclear powered attack submarine's acquisition cost and size are driven primarily by its required military capability. Studies completed to date strongly suggest that the primary method of reducing the acquisition cost is to carefully match military capabilities to operational and mission needs.

Based on the preliminary results obtained to date, some important trends in the relationship between size and military capability have become apparent. These trends are summarized below, concentrating on the three military capabilities that most influence the size and acquisition cost of a submarine: speed, combat weapons system and stealth.

Study results are presented below in three major displacement ranges as follows: 1. 6000 tons or less, 2. 6000 to 8500 tons, 3. 8500 tons or greater.

3.1.1 6000 Tons or Less

Initial efforts show that ships smaller than 6000 tons displacement do not provide the required military capability and also do not provide significant acquisition cost savings. The major performance shortfalls in ships of this size with SEAWOLF quieting are in speed and firepower.

Two major concept studies, one by a private shipbuilder and one by Navy designers, in this size range have both shown similar significant reductions in firepower and unacceptably slow speeds. Because Navy considers quieting the primary consideration in any concept, quieting was held constant while the designs were allowed to evolve, resulting in unacceptable performance in other areas. Speeds achieved were significantly less than required. As for firepower, designs in this lower displacement range could not accommodate the Vertical Launch System which is required for submarines of this size to provide the required missile launch rate.

The shipbuilder was tasked to design a 5000 ton submarine with the same constraint on quieting at SEAWOLF performance to determine a lower bound of displacement. The result was a 5007 ton platform, but the proposed ship didn't meet basic modern submarine design criteria in the areas of shock, fire fighting, equipment redundancy, and bulkhead design to collapse depth.

Additionally, from a military utility perspective, this 5000 ton ship was unacceptable in that both maximum speed and missile launch rate were below the CNO's desired ranges.

The second study was conducted by Navy designers. The tasking was to design a minimum displacement ship with SEAWOLF quieting using modern design criteria. The result was a ship with a displacement of 5800 tons. This Navy effort at a minimum displacement ship added the tonnage required to meet modern design criteria (shock, fire fighting, redundancy, and bulkhead design) but it still lacked adequate speed and adequate missile launch rate. Speed and missile launch rate were similar to the 5007 ton ship and were likewise unacceptable.

In an attempt to quantify the impact of incorporating the modern design criteria into an existing small submarine package, including quieting and shock, a study was conducted to estimate displacement impacts on the SSN 637 Long Hull design. The resulting "modern" design resulted in a ship of 5768 tons displacement, almost identical to the Navy 5800 ton concept. This validated the conclusion that modern ships with SEAWOLF quieting less than 6000 tons can not be designed with adequate speed and firepower.

The primary explanation for these results is that modern acoustic quieting and shock hardening with existing technology require the use of volume to provide equipment isolation from their bedplate, adjacent components, and hull structures. For example, current technology extensively utilizes double sound isolation. This requires additional structure and mounts which add volume throughout the ship. Additionally, shock clearances in these mounting systems are larger to incorporate modern shock design criteria. Machinery quieting sometimes requires lower rpm which requires even larger size components for the same power.

Since stealth is the essence of a submarine's military value, most of the nuclear attack submarine concepts studied in this displacement range were constrained to the acoustics and non-acoustic silencing features that provide stealth capability equal to that of SEAWOLF.

The sonar detection sensor suites used in these concepts were typically comparable to SEAWOLF in overall military capability. These sensor suites were used to determine what capability could fit on the various displacement ships and do not preclude simplification in the final Navy concept.

The conclusion of the studies conducted to date is that no design with SEAWOLF quieting and less than 6000 tons displacement could meet the CNO's minimum speed and firepower requirements. As for firepower, designs in this lower displacement range could not accommodate the Vertical Launch System which is needed for submarines of this size to provide the required missile launch rate. As displacement was forced to the 5000 ton range, additional reductions were necessary in stealth features, ship speed, and combat system capabilities.

3.1.2 6000 tons to 8500 tons

Submarine concepts in the range of somewhat greater than 6000 tons to 8500 tons allow the incorporation of a diverse range of military capabilities. Given the emphasis on affordability and the Navy's need to meet projected minimum military capability requirements, the Navy will extensively investigate this displacement range.

Most nuclear attack submarine concepts in this range can accommodate stealth features equal to SEAWOLF and adequate sonar sensor suites.

The concepts at the lower end of this range have firepower roughly half of SEAWOLF. At the lower end, only four 21" torpedo tubes can be incorporated and Vertical Launch to improve the missile launch rate can not be included. Torpedo stows are limited to 22 small diameter (21") weapons as compared to SEAWOLF's 42 stows.

The middle of this displacement range offers augmented strike capability with vertical launch cruise missile systems, more torpedo stow capability, and increased versatility for producibility improvements.

The upper end of this range offers many possibilities including increased firepower with six to eight torpedo tubes, sixteen or more vertical launch tubes, special warfare features, Unmanned Underwater Vehicle (UUV) integration, and enhanced combat systems.

The greater than 6000 to 8500 ton displacement range is a natural fit with the optimum (most cost effective) propulsion plant size available with today's technology. For a given propulsion plant size, ship speed only marginally changes for increased displacement of a submarine hull. Speed is proportional to displacement raised to the 2/9 power for a given shaft horsepower. Use of the optimum propulsion plant size in the greater than 6000 to 8500 ton regime results in ship speeds that meet the operational requirements and leaves room for design tradeoffs in the rest of the ship's systems that allow meeting the ship's affordability goal.

For the other cost driver, the combat system, this displacement offers more than adequate range to accommodate effective alternatives that maintain performance while saving cost. In sonar and fire control, this size allows use of most of the same sensors and arrays as SEAWOLF while reducing capacity of trackers, launchers, and other redundancies to save cost. In some areas such as communications and electronic surveillance, this displacement range offers the capability to use new technology to improve performance that would be more difficult on the smaller displacement ships. This includes the use of towed buoys and incorporation of a new technology ESM suite.

3.1.3 8500 Tons or Greater

Submarine concepts greater than 8500 tons have received little detailed conceptual design attention to date because the assessment was that concepts in this size range would offer comparable military capabilities to SEAWOLF in all major areas and would cost nearly the same as SEAWOLF.

3.2 Quieting Impact on CENTURION Design

Quieting has been a major driver of ship size, weight, and cost over the past 25 years. CENTURION will be the first nuclear submarine to simply "hold the line" on quieting.

Starting with noise reduction in the SSN 593, each successive class has incorporated new improvements. As requirements have become more stringent, it has become harder to gain ground as quieting technology has sequentially eliminated the easier noise offenders.

The challenge in the CENTURION design is to maintain the advantage provided by SEAWOLF stealth technology by engineering into a smaller, less costly platform. A prime example is the propulsor, which must be re-engineered to meet the unique horsepower, RPM, weight constraints, and operating range of the selected ship concept.

An initial assessment has been conducted to determine if CENTURION could be made significantly less costly through relaxation of noise quieting requirements in machinery isolation. While some minor savings would accrue from simplification of existing structure designs, these gains would be limited due to other design considerations. To achieve significant cost savings, an entire level of sound isolation (SEAWOLF has two levels of isolation) would have to be removed. While more efficient double isolation designs are now possible with advanced structural analysis methods the equivalent of two levels of sound isolation are still required to meet performance goals.

The second potential savings is relaxation of noise specifications for machinery and piping system components. However, machinery vendors have already incorporated the stringent requirements of SEAWOLF stealth in their manufacturing equipment. Only an unacceptable reduction in the noise goal would result in real cost savings.

A third area for potential savings is the propulsor which controls the high speed noise signature on the ship. Even a minor reduction in quieting goals would at least double the counterdetection range against today's threat. Concept design studies are concentrating on cost savings on the propulsor, but it is essential we maintain the goal at SEAWOLF quieting in this area.

3.3 Maximum Speed impact on CENTURION Design

Maximum speed varies only slightly over the range of displacements being explored for CENTURION with the optimum size propulsion plant. As previously discussed, the CNO has established a maximum speed for CENTURION based on the minimum acceptable for military utility. Because we are focusing on the minimum end of the range, speed will not be a significant factor in the CENTURION design.

Maximum quiet speed is generally thought of from two perspectives. The first is the maximum speed a submarine can travel with an acceptably low probability of counterdetection, typically 10 percent. The second is the maximum speed which can be achieved before the sensor suite is saturated with flow noise.

The sensor saturation speed is principally a function of the sonar arrays themselves. With the latest sensor suite technology, this speed limitation is relatively insensitive to ship design. Design efforts will utilize developments from the DARPA Hydroacoustics Center to engineer the hydroacoustic signature of the submarine to minimize flow-induced degradation of the sonar sensors.

3.4 Producibility Findings

Within any of the size ranges outlined above, preliminary findings show that manufacturing costs can be reduced by incorporating producibility features aimed at reducing construction manhours.

Preliminary findings indicate the Navy can realize cost savings in total construction costs. These will be in addition to cost savings from requirements reduction, system simplification, and propulsion plant cost reduction that will make CENTURION more affordable than SEAWOLF. Within any of the size ranges discussed above, incorporation of all the producibility features may require a modest increase in submerged displacement, which is expected to have an insignificant effect on ship military capability.

Some of the producibility concepts also have the potential for reducing Operating and Support (O&S) costs. Collectively these producibility concepts are expected to produce a new submarine that would be available for more operating time during its life cycle and would be less costly to operate and support than current attack submarines.

3.5 Technology Assessment

3.5.1 Technology Assessment Objectives

The general thrust will be to develop an affordable attack submarine using technologies with acceptable risk levels including existing systems or components from SSN–I688, TRIDENT, and SEAWOLF. This approach to technology innovation will carefully balance military capability, development and acquisition cost, impact on ship weight and volume, and technical risk.

To date over two hundred technologies have been identified for consideration. These technologies are being reviewed by teams of experts comprised by Navy design team members, DARPA R&D managers, Warfare Center personnel, shipbuilder engineers, and vendor engineers. Tradeoff analyses are being performed to provide the engineering and cost data required to assess the technology options.

3.5.2 Technology Categories of Maturity

Technologies examined for the various ship concept studies fall into four categories of maturity. An additional consideration in each category is the availability of the industrial base to support continued procurement. Varying degrees of re-engineering of the systems may be required to adapt them to the new submarine's requirements.

SSN 688/TRIDENT Technology—These technologies are being examined where their performance could offer a reduction in cost over comparable SEAWOLF technology costs. Examples of these technologies include selected AN/BSY-1 combat system components, HY 80 pressure hull steel and Type 18 periscopes. Few, if any, SSN, or TRIDENT components which are sources of radiated noise can meet acoustic signature requirements.

SEAWOLF Technology—These technologies represent a logical performance baseline to use in various concepts because they will have been demonstrated upon delivery of SEAWOLF. Examples are main propulsion unit technology repackaged to the correct shaft horsepower, pumps, weapons launchers, and hull coatings which achieve acoustic signature and survivability performance significantly greater than any prior submarine class. Combat system components such as advanced towed arrays and wide aperture hull sonars provide offensive and defensive warfighting capabilities not previously available in prior classes. Some re-engineering of specific components may be required to adapt them to the new submarine requirements.

Post-SEAWOLF/Near Term Technology—This group represents those low risk technologies from various sources that have been successfully demonstrated at or near full scale within the last few years or will do so in time to meet the ship's design schedule. Development of these technologies is the result of on going submarine related RDT&E by Navy, DARPA, and industry IR&D. Examples that could be considered for CENTURION include mechanical life support improvements, weight reductions through use of composite materials, use of fiber optics, and incorporation of DARPA innovative hydrodynamic features.

Developmental Technology—This group consists of the high risk technologies that would require significant concurrent development with the ship design. These technologies have not been tested in a full scale demonstration and the engineering feasibility of many of these has not been established. To meet any ship delivery schedule, significant development cost would be required. These technologies offer potential for payoffs in performance or affordability, but carry with them a significant risk to the ship design and construction schedule. Examples of these technologies include composite nonpressure hull stern structure, and DARPA structural acoustic initiatives.

3.5.3 Technology Assessment Findings

A summary of preliminary findings is as follows:

1. The Navy will conduct cost effectiveness studies of the various technology options. In those areas where SEAWOLF performance is not mandatory for mission accomplishment, the Navy will evaluate SSN 688 or TRIDENT technology for cost effectiveness.

2. SEAWOLF technologies offer the least cost approach to the concept design in areas where military capability is important. These include stealth, shock, and surviv-

ability which are among those areas where SEAWOLF represents a major improvement over prior classes.

3. Current/near term technologies show potential for reducing either system size (volume and/or weight) or acquisition costs without sacrificing military capability. Particular areas of interest are the auxiliary systems, electric distribution system, lightweight wide aperture sonar arrays, and composite materials. Efforts are focusing on the development cost and schedule for these technologies in order to properly weigh their potential benefits against SEAWOLF or SSN 688/TRIDENT technologies.

Other significant areas of interest include:

Combat system capability might be retained at less size and cost through the application of more densely packaged systems, use of deck (instead of cabinet) shock and sound isolation, and functional consolidation to reduce the number of cabinets and operators.

Weapon launcher and handling systems have multiple technology alternatives which can potentially reduce the system production costs and permit greater weapons stowage density.

4. For the majority of the developmental technologies examined to date for system and ship integration, the resulting potential system performance was greater than SEAWOLF, but the technology entailed a significant development cost and in many cases had significant schedule uncertainty. The Phase 0 concept development effort will examine all available cost effective technologies.

Efforts are being directed to determine how some of these technologies might be developed as pre-planned product improvements to later ships of the class. Developmental technologies may also provide opportunities for advanced submarine designs of the future well past the current CENTURION efforts and therefore continued support of these efforts is appropriate. Many of the DARPA Submarine Technology programs are in this category that will be reviewed for future incorporation.

6. The Navy must start development of many technologies for the CENTURION submarine in concert with the ship design schedule. Where systems have a long lead time, development must start now to assure hardware is available to the shipbuilder when required. Where technology demonstration is required, initial R&D funding is needed in FY 93 or FY 94.

3.6 Estimated RDT&E and Shipbuilding Costs

CENTURION's RDT&E and Shipbuilding Cost objectives will be approved at Milestone I (planned for 1993). Cost estimation is a major objective of acquisition Phase 0, Concept Exploration and Definition.

RDT&E costs are projected to be consistent with previous submarine developments in constant year dollars. For expected military capabilities, a rough order of magnitude cost estimate is between $3.4B and $4.4B (constant FY 92 dollars) assuming a lead ship award in FY 1998 with subsequent delivery in 2003. These estimated costs include HGM&E and Combat Systems. Estimates of propulsion plant development costs are better defined for the plant which best satisfies the projected optimum balance between ship size and speed. Propulsion plant development costs will be $725M to $750M (constant FY92 dollars). These estimates assume a viable vendor base.

Shipbuilding (SCN) costs are also very capability dependent. Industrial base uncertainty resulting from termination of SEAWOLF program will have a major impact on the cost of CENTURION and its development. Until ship configuration is better defined and industrial base impacts are understood, a total ship cost would be speculative.

3.7 Technical Risk

Efforts are already underway which will pay dividends in risk reduction:

Demonstration of technologies on operational submarines. Experience with new technologies will continue to reduce the risks and costs of using new technologies in a lead ship design.

Improvement in Design and Simulation Tools. Efforts by DARPA and the Navy to translate better knowledge of the "physics" of submarine performance are already being applied to CENTURION efforts. An example is the use of the DARPA developed Submarine Hydrodynamic/Hydroacoustic Technology Center to predict performance of various concepts. Similar efforts in survivability models, structural strength models, and naval architectural models are planned to reduce future detailed design, construction, and testing costs.

Demonstration of concepts on SEAWOLF program developed large scale test facilities. The Large Scale Vehicle (LSV) for propulsor and hydroacoustic testing and a submarine shock test vehicle are two major examples where cost effective testing of systems will be utilized.

Technical risks of the various concepts studied are principally related to the degree of developmental technology used in the concept's systems. The concepts which retain or increase performance over SEAWOLF while significantly reducing ship size would heavily rely on developmental technologies. Consideration of developmental technologies in the ship designs includes assessment of the fall back system redesign costs required if the technology development proves unsuccessful. In cases where the fall back redesign is very expensive, the benefits of the development technology must clearly outweigh the risk.

3.8 Year of Lead Ship Full Funding

Lead ship full funding is currently planned for FY 1998, with advance procurement of propulsion plant equipment starting in FY 1996. Ship construction earlier than planned would not allow sufficient time for development of new technologies and equipments with acceptable levels of risk. Component designs to support initiation of some long lead components would lack maturity, definition, or necessary prior testing for an earlier than planned procurement.

Selection of a construction start date will be a careful balance of new technology possibilities, such as the DARPA Submarine Technology programs, with the realities of maintaining both force levels and the industrial base. All technologies are being considered for incorporation. Low risk (with regard to cost/schedule/technical complexity) technologies will be incorporated if gains are commensurate with associated cost. Medium risk programs requiring further demonstration of proof of principle will have space/weight reserved if justified by cost benefit analysis. Technologies of high risk with indefinite development schedules and expected completion far in the future will not be provided for in CENTURION.

3.9 Potential Impact on the Nuclear Submarine Industrial Base

The Deputy Secretary of Defense, Donald J. Atwood, directed the Navy to prepare a plan for preservation of appropriate, affordable, and unique capabilities to maintain nuclear-powered submarine systems and design and produce such systems in the event of a need to reconstitute. A Navy conducted study prepared in response to this direction will address the potential impact on the nuclear submarine industrial base.●

ORDERS FOR TOMORROW

Mr. LAUTENBERG. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m., Wednesday, July 22; that following the prayer, the Journal of proceedings be deemed approved to date; that following the time for the two leaders, there then be a period for morning business not to extend beyond 10:15, with Senators permitted to speak therein for up to 5 minutes each, with Senators BAUCUS, WELLSTONE, GORTON, and PRESSLER recognized for up to 10 minutes each; that at 10:15 a.m. the Senate resume consideration of S. 2877, the interstate transportation of municipal waste bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. LAUTENBERG. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 8:29 p.m., recessed until tomorrow, Wednesday, July 22, 1992, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, July 21, 1992*

The House met at 12 noon.

Rev. Dr. William A. Holmes, Metropolitan Memorial United Methodist Church, Washington, DC, offered the following prayer:

Almighty and loving God, Lord of all creation—including principalities, powers, and all governments—we give You thanks for the Government of these United States, and especially for this House of Representatives and its unique contribution to the tripartite rhythm of executive, judicial, and congressional branches. May this Chamber be literally a sounding board, not for lazy rhetoric or cheap semantics, but a place where words find density in deeds of justice, and where language leads ultimately to laws in service to the common good. O Thou who art the word in whom all our words are spoken. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Nebraska [Mr. BARRETT] come forward and lead the House in the Pledge of Allegiance.

Mr. BARRETT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2926. An act to amend the Act of May 17, 1954, relating to the Jefferson National Expansion Memorial to authorize increased funding for the East Saint Louis portion of the Memorial, and for other purposes.

The message also announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2532. An act entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act."

S. Con. Res. 130. Concurrent resolution making a correction in the enrollment of Senate Concurrent Resolution 129 of the One Hundred Second Congress.

The message also announced that pursuant to Senate Concurrent Resolution 102, 102d Congress, the Chair, on behalf of the Vice President, appoints Mr. MITCHELL, Mr. FORD, and Mr. STEVENS to the Joint Congressional Committee on Inaugural Ceremonies.

That pursuant to section 4355(a), of title 10, United States Code, the Chair, on behalf of the Vice President, appoints Mr. REID from the Committee on Appropriations; Mr. SHELBY from the Committee on Armed Services; Mr. D'AMATO from the Committee on Appropriations; and Mr. BURNS at large; to the Board of Visitors of the U.S. Military Academy.

That pursuant to section 9355(a), of title 10, United States Code, the Chair, on behalf of the Vice President, appoints Mr. EXON from the Committee on Armed Services; Mr. HOLLINGS from the Committee on Appropriations; Mr. COCHRAN from the Committee on Appropriations; and Mr. LOTT at large; to the Board of Visitors of the U.S. Air Force Academy.

That pursuant to section 6968(a), of title 10, United States Code, the Chair, on behalf of the Vice President, appoints Ms. MIKULSKI from the Committee on Appropriations; Mr. SARBANES at large; Mr. HATFIELD from the Committee on Appropriations; and Mr. MCCAIN from the Committee on Armed Services; to the Board of Visitors of the U.S. Naval Academy.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

RODGITO KELLER, WILLIE C. HARRIS, LUIS FERNANDO BERNATE CHRISTOPHER, HOWARD W. WAITE, EARL B. CHAPPELL, JR., JAMES B. STANLEY, AND LLOYD B. GAMBLE

Mr. BOUCHER. Mr. Speaker, after discussing the Private Calendar with the distinguished gentleman from Wisconsin [Mr. SENSENBRENNER], I ask unanimous consent that the following bills be passed over without prejudice: H.R. 240, H.R. 760, H.R. 1100, H.R. 1123, H.R. 1280, H.R. 1759, and H.R. 3590.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

AMANDA VASQUEZ WALKER

The Clerk called the bill (H.R. 761) to waive the foreign residency requirement for the granting of a visa to Amanda Vasquez Walker.

There being no objection, the Clerk read the bill as follows:

H.R. 761

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FOREIGN RESIDENCY REQUIREMENT WAIVER FOR AMANDA VASQUEZ WALKER.

For the purposes of section 212(e) of the Immigration and Nationality Act (8 U.S.C. 1182(e)), Amanda Vasquez Walker of Roosevelt Island, New York, shall be deemed to have departed the United States and thereafter to have resided and been physically present in the country of her nationality or last residence for an aggregate of 2 years prior to the date of the enactment of this Act.

Mr. SCHUMER. Mr. Speaker, I rise in support of H.R. 761, and I want to thank my colleagues on the Judiciary Committee for their assistance in bringing this bill to the floor on behalf of Ms. Amanda Vasquez Walker.

Ms. Walker is a native of Argentina. She came to the United States in 1986 as an exchange student on a J–1 visa. She attended a Government-sponsored program and was in the country for 42 days. During that period she met her current husband, Mr. John Walker, who is a U.S. citizen.

When Ms. Walker returned to Argentina, she corresponded with Mr. Walker. Mr. Walker invited her to visit the United States, and she did come for two brief visits in 1986 and 1987. Eventually, after their lengthy courtship, Ms. Walker traveled to the United States in May 1987 and was married to Mr. Walker. At that point, Ms. Walker became eligible for permanent residency as the spouse of a U.S. citizen.

The problem is a requirement that an alien who arrives in the United States under a J–1 visa return to his or her home country for at least 2 years before establishing permanent residency. When Mr. and Ms. Walker were married, she had been in Argentina for a total of 237 days since returning from her exchange student program. The purpose of H.R. 761 is to relieve Ms. Walker of the obligation to spend an additional 1⅓ years in Argentina prior to becoming a permanent resident.

Forcing Ms. Walker to return to Argentina for this limited period would impose upon her and her husband an undue hardship. Mr. Walker holds a senior position with an employer for whom he has worked for nearly 30 years. If he left it to be with his wife, he would lose his job, his benefits, and his seniority—essentially everything he has worked for over the past three decades.

Meanwhile, Ms. Walker would have no possibility of meaningful employment in Argentina, as employers would know that she intended to

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

rejoin her husband after little more than a year. Mr. Walker would have to support two households—which he could not do on his salary of approximately $55,000 per year.

Most important, causing the extreme emotional hardship of separation from one's spouse is plainly not what Congress intended when it passed the 2-year residency requirement for exchange students. The purpose of that requirement is to ensure that people do not use J–1 visas as a vehicle to circumvent the immigration laws.

That is not what happened in this case. Ms. Walker did not come to the United States on an exchange program to find a husband. She came here to attend a class and when that class ended she returned to Argentina. She conducted a long-distance correspondence with Mr. Walker for 6 months before coming to the United States for a visit. When the Walkers decided to get married, Ms. Walker had already been in Argentina for a substantial portion of the 2 years required by law. I believe that waiving the remainder of the requirement would relieve the Walkers of an extreme hardship without doing violence to the intent of the statute.

There are a number of congressional precedents that support Ms. Walker. In 1982 and 1984, Congress passed private bills to waive the 2-year residency requirement of people who had come here on J–1 visas.

Some Members have expressed concern about the fact that Ms. Walker came to the United States originally on a Government-funded student exchange program. Under the amendment offered by my colleague from Wisconsin, Ms. Walker will reimburse the Government fully for the cost of that program. I believe the amendment takes care of those concerns.

Again, I would like to thank Chairman BROOKS of the Judiciary Committee and Chairman MAZZOLI of the Subcommittee on International Law, Immigration, and Refugees for their assistance, and also to thank my colleagues, Mr. BOUCHER and Mr. SENSENBRENNER, for their input. I urge support of H.R. 761.

AMENDMENT OFFERED BY MR. SENSENBRENNER

Mr. SENSENBRENNER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SENSENBRENNER: Page 2, after line 5, add the following new section:

SEC. 2. DEADLINES FOR PETITION AND PAYMENT.

Section 1 shall apply only if, within the 2-year period beginning on the date of the enactment of this Act—

(1) a petition for classification of Amanda Vasquez Walker as an immediate relative under section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) is filed with the Attorney General; and

(2) Amanda Vasquez Walker pays to the Secretary of the Treasury, for deposit in the general fund of the Treasury of the United States, the sum of $4,500 in reimbursement for the amount expended by the United States Information Agency for the participation by Amanda Vasquez Walker in a training program at the George Meany Center for Labor Studies in Silver Spring, Maryland.

Mr. SENSENBRENNER (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SENSENBRENNER].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM A. CASSITY

The Clerk called the bill (H.R. 1101) for the relief of William A. Cassity.

There being no objection, the Clerk read the bill as follows:

H.R. 1101

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RELIEF OF LIABILITY.

(a) FOR CERTAIN ERRONEOUS PAYMENTS.—William A. Cassity of Memphis, Tennessee, a former employee of the Department of the Navy, is hereby relieved of liability to the United States in the sum of $14,312.01, representing erroneous payments of relocation expenses incident to his transfer from the United States Postal Service to the Department of the Navy in 1984.

(b) CREDIT TO ACCOUNTS OF THE UNITED STATES.—In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amount for which liability is relieved by subsection (a).

SEC. 2. PROVISION FOR PAYMENT BY THE SECRETARY OF THE TREASURY.

(a) FOR ANY AMOUNTS ALREADY PAID BY OR WITHHELD FROM WILLIAM A. CASSITY.—The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to William A. Cassity an amount, if any, equal to the aggregate of any amounts paid by him to, or withheld from sums otherwise due him by, the United States with respect to his indebtedness to the United States referred to in section 1(a).

(b) RESTRICTION ON ATTORNEY'S FEES.—Not more than 10 percent of the amount appropriated in subsection (a) may be transferred, directly or indirectly, to any attorney or other agent as consideration for services rendered to William A. Cassity in connection with the claim for relief of liability made by section 1(a). Any person violating the provisions of this subsection shall be guilty of an infraction and shall be subject to a fine in the amount provided in title 18, United States Code.

With the following committee amendment:

Page 1, line 5, strike "Memphis, Tennessee" and insert "Fredericktown, Missouri".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM A. PROFFITT

The Clerk called the bill (H.R. 2156) for the relief of William A. Proffitt.

There being no objection, the Clerk read the bill as follows:

H.R. 2156

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REIMBURSEMENT OF RELOCATION EXPENSES FOR WILLIAM A. PROFFITT.

For purposes of permitting reimbursement of relocation expenses authorized by sections 5724 and 5724a of title 5, United States Code, William A. Proffitt shall be considered to be an employee transferred in the interest of the Federal Government by the Department of the Air Force from 1 official station to another for permanent duty without a break in service, incident to travel performed from Lebanon, Tennessee, to Myrtle Beach, South Carolina, in November 1989.

With the following committee amendment:

Page 2, add the following after line 6:

SEC. 2. LIMITATION ON AGENTS AND ATTORNEYS FEES.

No amount exceeding 10 percent of the payment made to any individual under section 1 may be paid to or received by any agent or attorney in consideration for services rendered in connection with the payment. Any person who violates the provisions of this section shall be guilty of an infraction and shall be subject to a fine in the amount provided under title 18, United States Code.

Mr. BOUCHER (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH M. HILL

The Clerk called the bill (H.R. 2193) for the relief of Elizabeth M. Hill.

There being no objection, the Clerk read the bill as follows:

H.R. 2193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SATISFACTION OF CLAIM AGAINST THE UNITED STATES.

The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to Elizabeth M. Hill—

(1) the sum of $6,780, and

(2) interest on such sum—

(A) calculated at the rate determined in the manner provided in subsections (a) and (b) of section 1961 of title 28, United States Code, and

(B) payable for the period beginning on October 5, 1985, and ending on the date on which such sum is paid.

Such sum represents the amount that was recovered by the United States under Public

Law 87-693 (76 Stat. 593; 42 U.S.C. 2651 et seq.) in satisfaction of its claim against a tortiously liable third person for the value of medical care and treatment the United States furnished to Elizabeth M. Hill, but would have been recovered by Elizabeth M. Hill if a timely request for a waiver of such claim had been submitted on her behalf.

SEC. 2. LIMITATION ON ATTORNEY'S AND AGENT'S FEES

Not more than 10 percent of the sums appropriated by section 1 shall be paid to or received by any agent or attorney for services rendered in connection with the claim described in such section. Any person who violates this section shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHRISTY CARL HALLIEN

The Clerk called the bill (H.R. 2490) for the relief of Christy Carl Hallien of Arlington, TX.

There being no objection, the Clerk read the bill as follows:

H.R. 2490

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RELIEF FROM LIABILITY.

(a) RELIEF.—Christy Carl Hallien of Arlington, Texas, is relieved of all liability for repayment to the United States of the sum of $11,865.13, plus accrued interest. Such sum represents part of the amount that Christy Carl Hallien owes to the Department of Defense for payments received for travel and relocation expenses arising from his relocation from Burlington, Vermont, to accept employment with the Department of Defense in Arlington, Texas, in October 1983.

(b) BASIS FOR RELIEF.—The basis for granting relief pursuant to subsection (a) is that an agent of the Department of Defense erroneously informed Christy Carl Hallien that he was entitled to reimbursement of all travel and relocation expenses incurred relating to his relocation from Vermont to Texas.

SEC. 2. LIMITATION OF ATTORNEYS' OR OTHERS' FEES.

No amount exceeding 10 percent of the amount referred to in section 1 shall be paid by any person on behalf of Christy Carl Hallien for services rendered in connection with the relief provided by this Act. Any person who violates the provisions of this section shall be guilty of a misdemeanor punishable by a fine of not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OLUFUNMILAYO O. OMOKAYE

The Clerk called the bill (H.R. 3288) for the relief of Olufunmilayo O. Omokaye.

There being no objection, the Clerk read the bill as follows:

H.R. 3288

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PAYMENT AUTHORIZED.

The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to Olufunmilayo O. Omokaye, of Hyattsville, Maryland, the sum of $399.63, in full satisfaction of her claim against the United States for payment of compensation for services rendered to the United States Government during the period from July 10 to 21, 1989.

SEC. 2. PROHIBITION ON ATTORNEY'S FEES.

Notwithstanding any contract, no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim under section 1. Any person who violates this section shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARMEN VICTORIA PARINI, FELIX JUAN PARINI, AND SERGIO MANUEL PARINI

The Clerk called the bill (H.R. 3289) for the relief of Carmen Victoria Parini, Felix Juan Parini, and Sergio Manuel Parini.

There being no objection, the Clerk read the bill as follows:

H.R. 3289

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CITIZENSHIP FOR CARMEN VICTORIA PARINI, FELIX JUAN PARINI, AND SERGIO MANUEL PARINI

(a) IN GENERAL.—Carmen Victoria Parini, Felix Juan Parini, and Sergio Manuel Parini may each be naturalized as a citizen of the United States by taking the oath required by section 337 of the Immigration and Nationality Act in the manner prescribed by such section.

(b) DEADLINE FOR APPLICATION.—Subsection (a) shall apply to an individual under such subsection only if the individual takes the oath referred to in such subsection within 2 years after the date of the enactment of this Act.

With the following committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. CITIZENSHIP FOR CARMEN VICTORIA PARINI, FELIX JUAN PARINI, AND SERGIO MANUEL PARINI.

(a) IN GENERAL.—Subject to subsection (b), Carmen Victoria Parini, Felix Juan Parini, and Sergio Manuel Parini may each be naturalized and issued a certification of naturalization as a citizen of the United States by taking the oath required by section 337 of the Immigration and Nationality Act in the manner prescribed by such section.

(b) DEADLINE FOR APPLICATION.—Subsection (a) shall apply to an individual under such subsection only if the individual applies to take the oath referred to in such subsection by submitting the required form within 2 years after the date of the enactment of this Act.

Mr. SENSENBRENNER (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The committee amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GLOBAL EXPLORATION AND DEVELOPMENT CORP., KERR-McGEE CORP., AND KERR-McGEE CHEMICAL CORP.

The Clerk called the resolution (H. Res. 29) for the relief of Global Exploration and Development Corp., Kerr-McGee Corp., and Kerr-McGee Chemical Corp.

There being no objection, the Clerk read the resolution as follows:

H. RES. 29

Resolved, That the bill (H.R. 477) entitled "A bill for the relief of Global Exploration and Development Corporation, Kerr-McGee Corporation and Kerr-McGee Chemical Corporation", now pending in the House of Representatives, together with all accompanying papers, is referred to the chief judge of the United States Claims Court pursuant to section 1492 of title 28, United States Code, for proceedings in accordance with section 2509 of such title.

With the following committee amendment:

Page 2, line 4, add the following after the period:

This resolution shall become effective immediately upon the issuance of an order dismissing with prejudice all claims asserted in *Kerr-McGee Corporation and Kerr-McGee Chemical Corporation* v. *United States of America*, Docket No. 407—88 L (United States Claims Court); and *Global Exploration and Development Corporation* v. *United States of America*, Docket No. 587-88 L (United States Claims Court).

Mr. BOUCHER (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The committee amendment was agreed to.

The resolution was agreed to.

The title of the resolution was amended so as to read: "Resolution referring to the chief judge of the U.S. Claims Court the bill (H.R. 477) for the relief of Global Exploration and Development Corp., Kerr-McGee Corp. and Kerr-McGee Chemical Corp."

A motion to reconsider was laid on the table.

TREVOR HENDERSON

The Clerk called the Senate bill (S. 249) for the relief of Trevor Henderson.

There being no objection, the Clerk read the Senate bill as follows:

S. 249

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PAYMENT OF CLAIM.

The Secretary of the Treasury shall pay, out of the Department of Defense Military Retirement Fund, to Trevor Henderson of Malvern, Iowa, the sum of $48,878.04. Such sum shall be in full satisfaction of any claim of Trevor Henderson for survivor annuity amounts payable under subchapter II of chapter 73 of title 10, United States Code, for the period beginning on December 1, 1973, and ending on July 31, 1981.

SEC. 2. LIMITATION ON AGENTS AND ATTORNEYS FEES.

It shall be unlawful for an amount that exceeds 10 percent of the sum described in section 1 to be paid to or received by an agent or attorney for any service rendered in connection with the benefits provided by this Act. Any person who violates this section shall be guilty of an infraction and shall be subject to a fine in the amount provided in title 18, United States Code.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY P. CARLTON AND LEE ALAN TAN

The Clerk called the Senate bill (S. 295) for the relief of Mary P. Carlton and Lee Alan Tan.

There being no objection, the Clerk read the Senate bill as follows:

S. 295

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. IMMEDIATE RELATIVE STATUS FOR MARY P. CARLTON AND LEE ALAN TAN

(a) IN GENERAL.—Subject to subsection (b), for the purposes of the Immigration and Nationality Act, Mary P. Carlton, the widow of a citizen of the United States, and Lee Alan Tan, the stepchild of a citizen of the United States, shall be considered to be immediate relatives within the meaning of section 201(b) of such Act, and the provisions of section 204 of such Act shall not be applicable in these cases.

(b) DEADLINE FOR APPLICATION.—Subsection (a) shall apply only if Mary P. Carlton and Lee Alan Tan apply to the Attorney General for immigrant visas pursuant to such subsection within 2 years after the date of enactment of this Act.

With the following committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert the following:

SECTION 1. IMMEDIATE RELATIVE STATUS FOR MARY P. CARLTON AND LEE ALAN TAN

(a) IN GENERAL.—Subject to subsection (b), for the purposes of the Immigration and Nationality Act, Mary P. Carlton, the widow of a citizen of the United States, and Lee Alan Tan, the stepchild of a citizen of the United States, shall be considered to be immediate relatives within the meaning of section 201(b) of such Act, and the provisions of section 204 of such Act shall not be applicable in these cases.

(b) DEADLINE FOR APPLICATION.—Subsection (a) shall apply only if Mary P. Carlton applies to the Attorney General, on behalf of herself and Lee Alan Tan, for adjustment of status pursuant to such subsection within 2 years after the date of the enactment of this Act.

(c) ADJUSTMENT OF STATUS.—Mary P. Carlton and Lee Alan Tan shall be considered to have been lawfully admitted to the United States, and be eligible for processing, for purposes of adjustment of status under section 245 of the Immigration and Nationality Act as of the date of the enactment of this Act.

(d) DENIAL OF PREFERENTIAL IMMIGRATION TREATMENT FOR CERTAIN RELATIVES.—The natural parents, brothers, and sisters of Mary P. Carlton and Lee Alan Tan shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendment in the nature of a substitute was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JANE E. DENNE

The Clerk called the Senate bill (S. 992) to provide for the reimbursement of certain travel and relocation expenses under title 5, United States Code, for Jane E. Denne of Henderson, NV.

There being no objection, the Clerk read the Senate bill as follows:

S. 992

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of sections 5724 and 5724a of title 5, United States Code, Jane E. Denne of Henderson, Nevada is deemed to be an employee transferred by the Environmental Protection Agency from one official station to another for permanent duty in the interest of the Government without a break in service for travel by such employee from Lawrence, Kansas to Las Vegas, Nevada, in December 1986.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE PEOPLE ARE HUNGRY FOR CHANGE

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, I just returned from Kentucky where I joined the Clinton-Gore 1,000-mile barnstorm bus tour on its leg from General Butler State Park down to Louisville where we had a townhall meeting last night.

In that day, Mr. Speaker, I saw thousands upon thousands of people, and it is very clear that the people are hungry for a change. They are hungry for a change from a government of impasse, and gridlock and deadlock to a government that works for them.

□ 1210

I could not help but think, as I looked out at the crowd, of the number of vetoes that the President has cast which have added to the sense of impasse: The veto of the campaign finance reform bill which would have returned Government to the people by getting rid of some of the big money that influences politics; the veto of the motor-voter bill which reduces barriers to people registering and encourages them to vote; the veto of the civil rights bill; the veto of the family and medical leave bill which recognizes changes in today's workplace; and, the veto of the tax bill which returns fairness to the code.

Mr. Speaker, the people are anxious and hungry for change, and Clinton-Gore is a ticket for change.

IN SUPPORT OF UNCONDITIONAL MOST FAVORED NATION FOR CHINA

(Mr. BARRETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT. Mr. Speaker, today, the House will once again debate renewing most-favored-nation trade status for the People's Republic of China. And once again, I expect this debate will focus too much on the people of China rather than on our people, our constituents, here at home.

My Nebraska constituents depend on agriculture, and I believe they deserve our consideration in this debate.

We will be asked today to deny most-favored-nation to China or make most-favored-nation conditional. Neither policy would significantly alter China's domestic policies. But both would give China reason to retaliate by ceasing to purchase United States goods.

Retaliation would hit agriculture first and hard. For example, a report I requested concluded that net farm income would decline by $100 million each year through 1994, wheat carryover stocks would increase, along with Federal spending, if China stops buying United States wheat and takes its business to the European Community and Canada.

I do sympathize with my colleagues' passionate feelings about the human rights abuses in China. But they ignore that promotion of fundamental human rights are at the forefront of the President's foreign policy objectives toward China. And those policies have seen success.

I will support unconditional most-favored-nation for China. I do not wish to remove the powerful instrument of trade for promoting reform. And I will not vote to punish our working families and farmers with wishful thinking about changes in China.

I urge my colleagues to oppose House Joint Resolution 502 and H.R. 5318.

TRADE AND TAX POLICY KILLING AMERICAN JOBS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Alan Greenspan said the economy is improving. Can you believe that?

America's trade deficit jumped up again last month to $7.5 billion. Imports keep flooding America.

The truth is that the problem is not the value of the dollar. The problem is not the value of our product. The problem is not the American worker, when Congress pays farmers not to farm.

The problem is our Government, Government that allows Japan to rip us off with legal trade, allows China free access to our markets, paying 17 cents an hour wages, and allows Mexico to steal our jobs.

Mr. Speaker, but what is worse, both President Bush and Governor Clinton are about the same on trade, and what I have to say is call in the dogs, throw coffee grounds on the fire, because the hunting is over for a lot of American workers unless somebody gets some change in this trade and tax policy that is killing American jobs.

THE WELFARE BUREAUCRACY

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DUNCAN. Mr. Speaker, last week, USA Today published a shocking statistic: "Today our welfare bureaucracy takes over 90 cents of every $1 collected in the name of the poor."

An article written by Patrick Cox, an associate policy analyst for the Competitive Enterprise Institute, also said that "for 50 years, poverty has increased in direct proportion to the growth of Government."

Why is this? As I have said before big Government really only helps the bureaucrats who work for it and extremely big businesses.

The people get the leftover crumbs, if anything at all.

As Mr. Cox pointed out in his article, the poor are hurt in two ways.

First, all the money taken by our very wasteful Federal bureaucracy means less money for individuals and companies which create wealth and jobs, and this bleeds wealth from our economy and steals opportunity from the poor.

Second, even worse, more money for Government means less money for families, private charities, and religious organizations, which are the best and most efficient welfare agencies in existence today.

The poor would be much better off if we could eliminate our Federal welfare bureaucracy.

Mr. Speaker, the article to which I referred is included as follows:

WELFARE JUST WON'T WORK

Among the problems that government simply cannot solve, regardless of the levels of wishful thinking or taxation, poverty is foremost. There are several reasons for this unhappy fact.

The first is that government agencies operate according to absolutely irrevocable laws of behavior. A large bureaucracy will always seek to eliminate any threat to its existence or any responsibility for its decisions. These traits disallow the intense, sensitive and individual attention needed if the poor are to escape the cycle of poverty and dependence. Today, our welfare bureaucracy takes over 90 cents of every $1 collected in the name of the poor. Furthermore, revelations of welfare fraud still are commonplace.

This massive diversion of funds into nonproductive uses hurts the poor twice. It is money taken from the economic machine that produces wealth. And those at the lower end of the economic spectrum are most affected by the overall level of national capital. All government waste, and that waste is overwhelming, bleeds health from our economy and steals opportunity from the poor.

The other effect of this diversion is even worse. Government diverts money away from families, charities and religious organizations, the only true institutions of social welfare.

For 50 years, poverty has increased in direct proportion to the growth of government. Today, the field known as "chaos mathematics" is providing breakthrough proofs and explanations for the inability of a centralized government to accomplish delicate social goals.

Nevertheless, those who oppose government welfare are dismissed as cold-hearted misanthropes by those who would rather tilt at windmills than solve problems.

SUPPORT URGED FOR RICHARDSON AMENDMENT TO WASTE ISOLATION PILOT LAND WITHDRAWAL ACT OF 1992

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, today the House will vote on the first new Department of Energy facility to open in 30 years—the waste isolation pilot plant [WIPP] in New Mexico. In fact, WIPP will be the first permanent nuclear waste disposal facility in the world.

As we consider WIPP legislation today, we have a chance to avoid the environmental contamination problems that have plagued other DOE facilities historically. I will be offering an amendment that requires the Department of Energy to demonstrate that WIPP will comply with the Environmental Protection Agency's standards for radioactive waste disposal before any radioactive waste is emplaced in WIPP.

The Department of Energy, however, wants to emplace nuclear waste inside WIPP before the facility has met EPA standards, despite a report from the National Academy of Sciences stating that DOE's proposal has no discernable scientific basis.

I urge my colleagues to consider my amendment carefully because the whole world will be watching how this country chooses to proceed with the first nuclear waste disposal facility ever. Will this country choose to open WIPP in a scientific manner, or for political reasons?

The League of Conservation Voters, who releases an environmental scorecard at the end of the year, will also be watching your vote closely. The League of Conservation Voters and all environmental organizations strongly support my amendment because it provides the best protection for human health and the environment.

Mr. Speaker, I urge my colleagues to consider the amendment. We should not open WIPP unless for scientific reasons rather than political reasons.

COURAGE NECESSARY TO REDUCE SIZE OF GOVERNMENT

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, the concern about the deficit has disappeared, disappeared as quickly as the early candidates for the Democrat Presidential nomination.

I am really disappointed in that. Democrat leaders stood here just less than a month ago and said:

> We do not need a constitutional amendment. We do not need that discipline. We just need to make the hard decisions.

Well, they have not made those hard decisions for 30 years, and there is no evidence that I can imagine that is going to cause that to change.

I just spent 10 days in Wyoming in little communities like Shell, Basin, and Greybull and Cody, and the issue most often mentioned was the deficit and the irresponsible spending in this Government.

People know that Government cannot go on this way. Now is the time to prove during this appropriations process that we can make hard decisions.

It is also time for Presidential candidates to stop promising things to everybody and say it is going to be painless. It is not. We are going to have to make some hard decisions.

I think it is time to make the courage to reduce the size of Government.

INTRODUCTION OF LEGISLATION TO REVERSE RU 486 POLICY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, Margaret Sanger was arrested many times for distributing diaphragms in this country and was named the American Woman of the Century for so doing. Women have been arrested for bringing IUD's into this country, and, again, people stood up and said, "No, we do not want the Federal Government interceding and calling these things politically incorrect."

Once again the Federal Government has brought down the entire wrath of the Government on an individual trying to bring in RU 486 to this country so she could have an abortion through the pill rather than going under surgery. I think once again, the American public will stand up and be very offended that the Federal Government is trying to call certain kinds of things politically incorrect.

I am introducing two bills today to reverse this and say that America, too, can join the 21st century, and we, too, can be progressive about this, and in the great tradition of Margaret Sanger and others, we will be able to handle this in the future.

GOVERNOR CLINTON'S "NEW COVENANT": TRUST ME

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, now that Mr. Clinton is officially the Democratic Presidential nominee, it is appropriate that we begin to examine and discuss his economic plan. It is a plan that he himself appears to be moving away from for he failed to mention it in his own acceptance speech last Thursday.

It calls for $220 billion in new Federal spending. In reality, this plan does one fundamental thing—raise taxes. It raises taxes and fees by $150 billion over 4 years and imposes expensive, mandatory benefits on many individuals and job-creating small businesses, thus discouraging payroll expansion.

If the Governor seriously wants Congress to attack the deficit, why did he not call on his party to pass a balanced budget amendment? Why did he not demand a line-item veto? As Governor, he has both in Arkansas. In 54 minutes, he could have found time.

The Governor could have found time to tell those Members of Congress present that we cannot afford any more wasteful spending, so cut the pork out of the budget and make his job easier, but he did not.

Instead, Bill Clinton attacked the President for 54 minutes, but never told us how he would reduce the deficit. Every American should see that when it comes to the deficit, Governor Clinton's new covenant can be translated—trust me.

□ 1220

RU-486, POLITICAL AGENDA OF THE FOOD AND DRUG ADMINISTRATION

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDEN. Mr. Speaker, it is hard for private citizens to stand up against their government, even when that government has taken action which is demonstrably political and demonstrably wrong. That is what has happened with the French drug RU-486. What has happened is the Food and Drug Administration in an effort to carry out a political agenda has adopted an import alert which allows them to seize this drug at our borders without evidence of a safety problem, without any evidence of illegal importation and without any evidence that a black market for this drug has developed.

What is especially frightening is that this procedure threatens many of the drugs of the future. They are going to be dual-purpose drugs that can attack cancer, breast and ovarian cancer, as well as induce abortion.

Let us make sure that this part of the Food and Drug Administration policy is based on science and medical progress, not politics. Let us repeal the import alert and pass the Schroeder bill.

HISTORY AND THE DEMOCRATS

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, we have just spent a week watching the Democrats in New York City mischaracterizing the last 12 years as disastrous years due to a gridlock between Congress and the White House. They in turn then called on the American people to elect the Democrat Bill Clinton and give us a unified Democrat control of the entire Government.

Well, if we examine the last time they had such control, we would know that such a mistake would not be within the purview of the American people.

For example, on July 16, 1979, the U.S. News & World Report magazine covering President Jimmy Carter's plans to freeze U.S. oil imports, including renewed demands on Congress to grant him authority to order gasoline rationing, which of course the Democrat Congress did.

Carter also wanted Presidential authority to regulate temperatures in private buildings.

The magazine reported further:

> Confusion in the White House surfaced with Carter's announcement and then abrupt cancellation of a July 5 television speech on energy. Instead, the President went to Camp David and called in a wide range of official and unofficial advisors—including * * * labor leaders, environmentalists, consumer spokesmen and others in an attempt to address not only fuel problems but other pressing issues including rampant inflation. * * *

In his 1980 economic report, Carter told Americans that "reducing inflation from the 10 percent expected in 1980 to 3 percent in 1983 would be an * * * unrealistic expectation." It wasn't an unrealistic expectation for Reagan and Bush who brought the inflation rate down to 3.2 percent by 1983.

This malaise moment in history was brought to you by the National Democrat party only 13 years ago this month, the last time they controlled Congress and the White House.

THE TICKET FOR CHANGE

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKAGGS. Mr. Speaker, the Republican ticket of George Bush and DAN QUAYLE is the ticket for continued drift in this country.

The Democratic ticket of Bill Clinton and AL GORE is the ticket for change in this country.

Consider the economy.

A year ago, President Bush said, there is no recession. Then, the recession is over. Then, the recession is still over. Then, finally, the recession will soon be over.

Now, the Administration is trying to figure out if it should do something. That is always a challenge for a President whose real objective is to hold office, not to do something with it.

The President's old trickle-down proposals, according to the Republican leader of the other body are "not going to turn the economy around." So, the Bush-Quayle campaign manager says they may add "a little something" to those old proposals.

Bill Clinton and AL GORE offer much more than just a little something different. They offer real change.

Bill Clinton and AL GORE understand what is going on in this country. They understand how people are working harder than ever just to keep from falling further behind.

Bill Clinton and AL GORE will put the American people first. They will revitalize our economy. They will invest in our future—with educational opportunities, with better skills for better jobs. They understand the critical need to extend health care coverage to all.

Clinton-Gore is the ticket—the ticket for change.

THE NORTH AMERICAN FREE-TRADE AGREEMENT

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, amidst all the hoopla of the Democratic National Convention last week, then the Thursday announcement by Ross Perot that he would not announce his candidacy for President, a very important event took place which got little attention.

President Bush and Mexican President Carlos Salinas de Gortari met in San Diego to try to move ahead as quickly as possible the negotiations to establish a North American Free-Trade Agreement.

Now, it is an issue which has been hotly debated here, and we want to do everything we can to bring an end to the rapid flow of United States business to Mexico, so opening up an opportunity for us to export into Mexico and improve their economy is something that is very important.

The Los Angeles Times in an editorial on Sunday said that unfortunately there are factions within the Democratic Party that have "a visceral" and in fact "irrational" opposition to the establishment of a North American Free-Trade Agreement.

Mr. Speaker, I hope very much that we can move ahead with it as quickly as possible.

I would like to close by providing the follow-up to the 1-minute speech of the gentleman from Texas [Mr. ARMEY] in which he wished to add:

> In his 1980 economic report, President Carter told Americans that "reducing inflation from the 10 percent expected in 1980 to 3 percent in 1983 would be an unrealistic expectation."

We all know that a return to a Democrat President and Congress would all but guarantee economic devastation the likes of which we have not witnessed since the Carter legacy.

CHANGE OUR AIDS/HIV IMMIGRATION POLICY

(Mr. MCDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, last night I returned from the eighth annual International Conference on AIDS being held in Amsterdam. Ten thousand people came to Amsterdam because they would not come to Boston, where the conference originally was to take place. The conference had to be moved out of the United States because of our immigration policy, a policy based on ignorance and bigotry, not on humane medical science. That policy says that visitors infected with HIV can be banned from coming into our country.

Next week, the Olympics begin in Spain. I wonder what our reaction would be if Magic Johnson were not allowed to attend the games in Barcelona because of discriminatory policies like ours. Imagine our outrage if he were not allowed to play on the Dream Team.

Our immigration policy toward HIV infected people reflects the Bush administration's continuing capitulation to hysteria, bigotry, and irrational fear. Once again, George Bush has embarrassed and isolated the United States in the international community.

I urge my colleagues to help our Nation deal with the epidemic of AIDS as a public health emergency requiring our honesty, compassion, and courage.

DIRECT PRESIDENTIAL PRIMARIES AND DIRECT GENERAL ELECTIONS

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. APPLEGATE. Mr. Speaker, the Democrat Convention is over. The Republican Convention soon will be, and it is great theater. It is great television, but I think that it is time to start thinking about direct Presidential primaries and direct general elections.

You know, we give the nomination of the candidates to other people other than the people themselves. We elect delegates and they go to the convention and they vote for whoever they want.

When you vote in the general election, you elect members of the electoral college and then they present their ballots and they can vote for whoever they want.

Now, they usually do vote for the President for whom they have been chosen to do so, but I think it is time that we gave the vote back to the people. We should have the faith in the people that Thomas Jefferson had.

Mr. Speaker, I think it is time to come out of the Dark Ages and into the world of today.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote on the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken at the end of the legislative business day.

MISCELLANEOUS REVENUE ACT OF 1992

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2735) to amend the Internal Revenue Code of 1986 to repeal the 30-percent gross income limitation applicable to regulated investment companies, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2735

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Miscellaneous Revenue Act of 1992".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

TITLE I—MISCELLANEOUS REVENUE PROVISIONS

Subtitle A—Income Tax Provisions

SEC. 101. APPLICATION OF PRIVATE INUREMENT RULE TO TAX-EXEMPT CIVIC LEAGUES.

(a) IN GENERAL.—Paragraph (4) of section 501(c) (relating to list of exempt organizations) is amended to read as follows:

"(4)(A) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

"(B) Local associations of employees—

"(i) the membership of which is limited to the employees of a designated person or persons in a particular municipality,

"(ii) which is operated exclusively for charitable, educational, or recreational purposes, and

"(iii) no part of the net earnings of which inures to the benefit of any private shareholder or individual."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 102. PROVISIONS RELATED TO S CORPORATIONS.

(a) S CORPORATIONS PERMITTED TO HAVE 50 SHAREHOLDERS.—Subparagraph (A) of section 1361(b)(1) (defining small business corporation) is amended by striking "35 shareholders" and inserting "50 shareholders".

(b) S CORPORATIONS ELIGIBLE FOR RULES APPLICABLE TO REAL PROPERTY SUBDIVIDED FOR SALE BY NONCORPORATE TAXPAYERS.—Subsection (a) of section 1237 (relating to real property subdivided for sale) is amended by striking "other than a corporation" in the material preceding paragraph (1) and inserting "other than a C corporation".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 103. TREATMENT OF LIVESTOCK SOLD ON ACCOUNT OF WEATHER-RELATED CONDITIONS.

(a) DEFERRAL OF INCOME INCLUSION.—Subsection (e) of section 451 (relating to special rules for proceeds from livestock sold on account of drought) is amended—

(1) by striking "drought conditions, and that these drought conditions" in paragraph (1) and inserting "drought or other weather-related conditions, and that such conditions", and

(2) by inserting "OR OTHER WEATHER-RELATED CONDITIONS" after "DROUGHT" in the subsection heading.

(b) INVOLUNTARY CONVERSIONS.—Subsection (e) of section 1033 (relating to livestock sold on account of drought) is amended—

(1) by inserting "or other weather-related conditions" before the period at the end thereof, and

(2) by inserting "OR OTHER WEATHER-RELATED CONDITIONS" after "DROUGHT" in the subsection heading.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and exchanges after December 31, 1992.

SEC. 104. PRIVATE FOUNDATIONS PERMITTED TO USE COMMON INVESTMENT FUNDS.

(a) In General.—Section 501 (relating to exemption from tax on corporations, certain trusts, etc.), is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) Cooperative Service Organizations for Certain Foundations.—

"(1) In general.—For purposes of this title, if an organization—

"(A) is organized and operated solely for purposes referred to in subsection (f)(1),

"(B) is comprised solely of members which are exempt from taxation under subsection (a) and are—

"(i) private foundations, or

"(ii) community foundations as to which section 170(b)(1)(A)(vi) applies,

"(C) has at least 20 members,

"(D) does not at any time after the second taxable year beginning after the date of its organization, or, if later, beginning after the date of the enactment of this subsection, have a member which holds more than 10 percent (by value) of the interests in the organization,

"(E) is organized and controlled by its members but is not controlled by any one member and does not have a member which controls another member of the organization, and

"(F) permits members of the organization to require the dismissal of any of the organization's investment advisors, following reasonable notice, upon a vote of the members holding a majority of interest in the account managed by such advisor,

then such organization shall be treated as an organization organized and operated exclusively for charitable purposes.

"(2) Treatment of income of members.—If any member of an organization described in paragraph (1) is a private foundation (other than an exempt operating foundation, as defined in section 4940(d)), such private foundation's allocable share of the capital gain net income and gross investment income of the organization for any taxable year of the organization shall be treated, for purposes of section 4940, as capital gain net income and gross investment income of such private foundation (whether or not distributed to such foundation) for the taxable year of such private foundation with or within which the taxable year of the organization described in paragraph (1) ends (and such private foundation shall take into account its allocable share of the deductions referred to in section 4940(c)(3) of the organization).

"(3) Applicable excise taxes.—Subchapter A of chapter 42 (other than sections 4940 and 4942) shall apply to any organization described in paragraph (1)."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1992.

SEC. 105. DEPRECIATION PERIOD FOR TUXEDOS HELD FOR RENTAL.

(a) In General.—Subparagraph (A) of section 168(e)(3) (relating to classification of property) is amended by striking "and" at the end of clause (i), by striking the period at the end of clause (ii) and inserting ", and", and by adding at the end thereof the following new clause:

"(iii) any tuxedo held for rental."

(b) 2-Year Class Life.—The table contained in section 168(g)(3)(B) is amended by inserting above the item relating to subparagraph (B)(ii) the following new item:

"(A)(iii) .... 2".

(c) Effective Date.—The amendments made by this section shall apply to property placed in service after December 31, 1992.

SEC. 106. DEDUCTION BY PERSONAL SERVICE CORPORATION OF CERTAIN ACCRUED YEAR-END COMPENSATION PAYABLE TO EMPLOYEE-OWNERS.

(a) In General.—Section 267 (relating to losses, expenses, and interest with respect to transactions between related taxpayers) is amended by adding at the end thereof the following new subsection:

"(h) Year-End Regular Compensation Paid to Employee-Owners of Personal Service Corporation.—

"(1) In general.—In the case of a designated personal service corporation, the last sentence of subsection (a)(2) shall not apply to qualified compensation to be paid by such corporation to any employee who is not a key employee (as defined in section 416(i)).

"(2) Qualified compensation.—For purposes of paragraph (1), the term 'qualified compensation' means compensation payable to an employee for the payroll period ending at the close of such corporation's taxable year if—

"(A) such payroll period is a semi-monthly or shorter period,

"(B) such employee is regularly paid on the basis of semi-monthly or shorter payroll periods, and

"(C) such compensation is solely for hours of service performed or is such payroll period's ratable share of such employee's annual basic rate of compensation.

"(3) Designated personal service corporation.—For purposes of paragraph (1), the term 'designated personal service corporation' means any personal service corporation (within the meaning of section 441(i)(2)) using an accrual method of accounting for its last taxable year ending before the date of the enactment of this subsection."

(b) Effective Date.—The amendment made by this section shall apply to amounts incurred in taxable years beginning after December 31, 1992.

SEC. 107. TREATMENT OF PARTNERSHIP INVESTMENT EXPENSES UNDER MINIMUM TAX.

(a) General Rule.—Subparagraph (A) of section 56(b)(1) (relating to limitation on deductions) is amended to read as follows:

"(A) Disallowance of certain deductions.—

"(i) In general.—No deduction shall be allowed—

"(I) for any miscellaneous itemized deduction (as defined in section 67(b)), or

"(II) for any taxes described in paragraph (1), (2), or (3) of section 164(a).

"(ii) Treatment of partnership investment expenses.—Subclause (I) of clause (i) shall not apply to the taxpayer's distributive share of the expenses described in section 212 of any partnership; except that the aggregate amount allowed as a deduction by reason of this sentence shall not exceed the lesser of (I) the aggregate adjusted investment income of the taxpayer from partnerships, or (II) the excess of the aggregate of the taxpayer's distributive shares of such expenses over 2 percent of adjusted gross income. For purposes of the preceding sentence, the term 'adjusted investment income' means investment income (as defined in section 163(d)(4)(B)) reduced by investment interest (as defined in section 163(d)(3)).

"(iii) Treatment of certain taxes.—Subclause (II) of clause (i) shall not apply to any amount allowable in computing adjusted gross income."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1992.

SEC. 108. TREATMENT OF CERTAIN AMOUNTS RECEIVED BY A COOPERATIVE TELEPHONE COMPANY.

(a) Nonmember Income.—

(1) In general.—Paragraph (12) of section 501(c) (relating to list of exempt organizations) is amended by adding at the end thereof the following new subparagraph:

"(E) In the case of a mutual or cooperative telephone company (hereafter in this subparagraph referred to as the 'cooperative'), 50 percent of the income received or accrued directly or indirectly from a nonmember telephone company for the performance of communication services by the cooperative shall be treated for purposes of subparagraph (A) as collected from members of the cooperative for the sole purpose of meeting the losses and expenses of the cooperative."

(2) Certain billing and collection service fees not taken into account.—Subparagraph (B) of section 501(c)(12) is amended by striking "or" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ", or", and by adding at the end thereof the following new clause:

"(v) from billing and collection services performed for a nonmember telephone company.".

(3) Conforming amendment.—Clause (i) of section 501(c)(12)(B) is amended by inserting before the comma at the end thereof ", other than income described in subparagraph (E)".

(4) Effective date.—The amendments made by this subsection shall apply to amounts received or accrued after December 31, 1992.

(5) No inference as to unrelated business income treatment of billing and collection service fees.—Nothing in the amendments made by this subsection shall be construed to indicate the proper treatment of billing and collection service fees under part III of subchapter F of chapter 1 of the Internal Revenue Code of 1986 (relating to taxation of business income of certain exempt organizations).

(b) Treatment of Certain Investment Income of Mutual or Cooperative Telephone Companies.—

(1) In general.—Paragraph (12) of section 501(c) (relating to list of exempt organizations) is amended by adding at the end thereof the following new subparagraph:

"(F) In the case of a mutual or cooperative telephone company, subparagraph (A) shall be applied without taking into account reserve income (as defined in section 512(d)(2)) if such income, when added to other income not collected from members for the sole purpose of meeting losses and expenses, does not exceed 35 percent of the company's total income. For the purposes of the preceding sentence, income referred to in subparagraph (B) shall not be taken into account."

(2) Portion of investment income subject to unrelated business income tax.—Section 512 is amended by adding at the end thereof the following new subsection:

"(d) Investment Income of Certain Mutual or Cooperative Telephone Companies.—

"(1) In general.—In determining the unrelated business taxable income of a mutual or cooperative telephone company described in section 501(c)(12)—

"(A) there shall be included, as an item of gross income derived from an unrelated trade or business, reserve income to the extent such reserve income, when added to other income not collected from members for the sole purpose of meeting losses and expenses, exceeds 15 percent of the company's total income, and

"(B) there shall be allowed all deductions directly connected with the portion of the reserve income which is so included.

For purposes of the preceding sentence, income referred to in section 501(c)(12(B) shall not be taken into account.

"(2) Reserve income.—For purposes of paragraph (1), the term 'reserve income' means income—

"(A) which would (but for this subsection) be excluded under subsection (b), and

"(B) which is derived from assets set aside for the repair or replacement of telephone system facilities of such company."

(3) Effective date.—The amendments made by this subsection shall apply to amounts received or accrued after December 31, 1992.

SEC. 109. DISCHARGE OF INDEBTEDNESS INCOME FROM PREPAYMENT OF REA LOANS.

(a) In General.—Subparagraph (C) of section 501(c)(12) is amended by striking "or" at the end of clause (i), by striking ", 306B," in clause (ii), by striking the period at the end of clause (ii) and inserting ", or", and by adding at the end thereof the following new clause:

"(iii) from the prepayment of a loan under section 306B of the Rural Electrification Act of 1936 (as in effect on January 1, 1991)."

(b) Effective Date.—The amendment made by subsection (a) shall apply to prepayments made after December 31, 1992.

SEC. 110. TREATMENT OF CANCELLATION OF CERTAIN STUDENT LOANS.

(a) In General.—Paragraph (2) of section 108(f) (defining student loan) is amended by striking subparagraph (D) and inserting the following:

"(D) any educational organization so described if such loan is made—

"(i) pursuant to an agreement with any entity described in subparagraph (A), (B), or (C) under which the funds from which the loan was made were provided to such educational organization, or

"(ii) pursuant to a program of such educational organization designed to encourage its students to serve in occupations with unmet needs or in areas with unmet needs; except that this clause shall not apply in the case of any discharge if the discharge is on account of services performed for any employer and such employer directly or indirectly provides funds for such discharge.

The term 'student loan' includes any loan made by an educational organization so described or by an organization exempt from tax under section 501(a) to refinance a loan meeting the requirements of the preceding sentence."

(b) Effective Date.—The amendment made by subsection (a) shall apply to discharges of indebtedness after the date of the enactment of this Act.

SEC. 111. STUDY OF SEMI-CONDUCTOR MANUFACTURING EQUIPMENT.

(a) In General.—The Secretary of the Treasury or his delegate shall conduct a study of semi-conductor manufacturing equipment to determine the appropriate recovery period and class life under section 168 of the Internal Revenue Code of 1986 for such equipment.

(b) Report.—The report of such study shall be submitted before April 1, 1993, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

Subtitle B—Provisions Relating to Other Taxes

SEC. 121. CLARIFICATION OF EMPLOYMENT TAX STATUS OF CERTAIN FISHERMEN.

(a) Amendments of Internal Revenue Code of 1986.—

(1) Determination of size of crew.—Subsection (b) of section 3121 (defining employment) is amended by adding at the end thereof the following new sentence:

"For purposes of paragraph (20), the operating crew of a boat shall be treated as normally made up of fewer than 10 individuals if the average size of the operating crew on trips made during the preceding 4 calendar quarters consisted of fewer than 10 individuals."

(2) Certain cash remuneration permitted.—Subparagraph (A) of section 3121(b)(20) is amended to read as follows:

"(A) such individual does not receive any cash remuneration other than as provided in subparagraph (B) and other than cash remuneration—

"(i) which does not exceed $100 per trip;

"(ii) which is contingent on a minimum catch; and

"(iii) which is paid solely for additional duties (such as mate, engineer, or cook) for which additional cash remuneration is traditional in the industry,".

(b) Amendment of Social Security Act.—

(1) Determination of size of crew.—Subsection (a) of section 210 of the Social Security Act is amended by adding at the end thereof the following new sentence:

"For purposes of paragraph (20), the operating crew of a boat shall be treated as normally made up of fewer than 10 individuals if the average size of the operating crew on trips made during the preceding 4 calendar quarters consisted of fewer than 10 individuals."

(2) Certain cash remuneration permitted.—Subparagraph (A) of section 210(a)(20) of such Act is amended to read as follows:

"(A) such individual does not receive any additional compensation other than as provided in subparagraph (B) and other than cash remuneration—

"(i) which does not exceed $100 per trip;

"(ii) which is contingent on a minimum catch; and

"(iii) which is paid solely for additional duties (such as mate, engineer, or cook) for which additional cash remuneration is traditional in the industry,".

(c) Effective Date.—The amendments made by this section shall apply to remuneration paid after the date of the enactment of this Act.

SEC. 122. CLARIFICATION OF EXEMPTION FROM FIREARMS TAX FOR RELOADING OF SHELLS AND CARTRIDGES SUPPLIED BY CUSTOMER.

(a) In General.—Section 4182 (relating to exemptions from firearms tax) is amended by adding at the end thereof the following new subsection:

"(d) Reloading of Customer-Supplied Shells and Cartridges.—No tax shall be imposed by section 4181 on the reloading of previously used shells and cartridges supplied by a customer if the reloaded shells and cartridges returned to the customer—

"(1) are previously used shells and cartridges supplied by such customer or any other customer, and

"(2) are identical in type and quantity to the shells and cartridges supplied by such customer."

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 123. CERTAIN CASH RENTALS OF FARMLAND NOT TO CAUSE RECAPTURE OF SPECIAL ESTATE TAX VALUATION.

(a) In General.—Subsection (c) of section 2032A (relating to tax treatment of dispositions and failures to use for qualified use) is amended by adding at the end thereof the following new paragraph:

"(8) Certain cash rental not to cause recapture.—For purposes of this subsection, a qualified heir shall not be treated as failing to use property in a qualified use solely because such heir rents such property on a net cash basis to a lineal descendant of such heir or to the spouse of such a lineal descendant."

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

TITLE II—REVENUE OFFSETS

SEC. 201. REPEAL OF SPECIAL RULES FOR RENTAL USE OF DWELLING FOR LESS THAN 15 DAYS PER YEAR.

(a) In General.—Subsection (g) of section 280A (relating to disallowance of certain expenses in connection with business use of home, rental of vacations homes, etc.) is amended to read as follows:

"(g) Regulations.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations providing such de minimis rules as the Secretary may deem appropriate."

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1992.

SEC. 202. INCREASE IN CASUALTY LOSS DEDUCTIBLE.

(a) In General.—Paragraph (1) of section 165(h) (relating to treatment of casualty gains and losses) is amended—

(1) by striking "$100 limitation" in the heading and inserting "Limitation", and

(2) by striking "$100" in the text and inserting "$500".

(b) Loss Deductible Indexed for Inflation.—Subsection (h) of section 165 is amended by adding at the end thereof the following new paragraph:

"(5) Inflation adjustment of per casualty limitation.—In the case of any taxable year beginning after 1993, the dollar amount contained in paragraph (1) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins, by substituting 'calendar year 1992' for 'calendar year 1989' in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. Rostenkowski] will be recognized for 20 minutes, and the gentleman from Texas [Mr. Archer] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. Rostenkowski].

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 2735, the bill now under consideration.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may need.

Mr. Speaker, I rise in support of H.R. 2735, the Miscellaneous Revenue Act of 1992.

This bill contains 17 miscellaneous previsions which make minor but necessary improvements to the tax laws. These provisions were proposed by Members on both sides of the aisle, and were examined carefully by the committee to ensure that they are noncontroversial from a policy perspective, cost relatively little revenue, and are not retroactive in effect. I want to assure my colleagues that this bill contains no so-called rifleshots.

The bill would make limited, generally protaxpayer changes in the rules governing tax-exempt organizations, S corporations, personal service corporations, estate tax recapture, the alternative minimum tax, telephone cooperatives, depreciation, the discharge of indebtedness, the application of the excise tax on ammunition, the employment tax status of fishermen, and the sale of livestock.

Each of these provisions has a minimal revenue cost. Together they are paid for by tightening the rules governing the rental of residences and the deduction of casualty losses.

Specifically, H.R. 2735 would make the following changes in the tax laws:

First, require that the net earnings of tax-exempt social welfare organizations not inure to the benefit of any private shareholder or individual;

Second, make S corporations eligible for rules applicable to real property subdivided for sale by noncorporate taxpayers;

Third, increase the maximum number of shareholders that an S corporation may have from 35 to 50;

Fourth, modify the special rules applicable to sales or exchanges of livestock on account of drought to apply in the case of any other weather-related natural disaster;

Fifth, permit private foundations to form common investment funds;

Sixth, reduce the cost recovery period for tuxedos held for rental to two years;

Seventh, modify the treatment of certain compensation payable by certain personal service companies;

Eighth, expand the excise tax exception for certain reloaded ammunition;

Ninth, allow certain investment expenses to be deducted for AMT purposes;

Tenth, modify the present-law employment tax exemption for certain fishermen;

Eleventh, modify the treatment of amounts received by telephone cooperatives;

Twelfth, extend certain treatment of discharge of indebtedness income from prepayment of REA loans at a discount;

Thirteenth, modify estate tax recapture rules applying to cash leases of specially valued property;

Fourteenth, conform the treatment of discharge of indebtedness income from certain student loans;

Fifteenth, require a Treasury study on the depreciation of semiconductor manufacturing equipment;

Sixteenth, require taxpayers to include on their returns income from rental of a residence without regard to the period of the rental; and

Seventeenth, increase the casualty loss deductible from $100 to $500.

Mr. Speaker, H.R. 2735 is revenue-neutral as reported by the Committee on Ways and Means. It is noncontroversial, and makes much-needed improvements in present law. It deserves the support of all Members of the House, and I urge its adoption.

□ 1230

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think it is important that Members understand how H.R. 2735 was developed.

The chairman of the Ways and Means Committee asked all of the members of the committee to submit lists of minor, but nonetheless important, tax equity issues that had come to their attention. The staff then, on a bipartisan basis, reviewed the approximately 300 items that were submitted and reported back to the Members those that met several stringent tests. Those tests required provisions to be without controversy, of relatively small cost, not retroactive, not targeted relief, and not in the foreign tax or health areas.

The result of that effort, which was approved by the committee is H.R. 2735. It contains 13 somewhat narrow taxpayer-favorable adjustments to the tax law. These provisions include:

Making S corporations eligible for existing special rules for the subdivision of real property.

Increasing the number of permitted shareholders in an S corporation from 35 to 50.

Modifying the treatment of livestock sold on account of weather-related natural disasters.

Permitting private foundations to establish common investment funds.

Modifying the depreciation period for rental tuxedos.

Modifying the treatment of certain compensation payable by personal service corporations.

Expanding an excise tax exception for certain reloaded ammunition.

Allowing certain investment expenses to be deducted for purposes of the alternative minimum tax.

Modifying the employment tax status for fishermen.

Modifying the treatment of certain amounts received by telephone cooperatives.

Extending certain treatment of discharge of indebtedness income from prepayment of Rural Electrification Administration loans at a discount.

Modifying the estate tax recapture from cash leases of specially valued property such as farms.

Conforming the treatment of discharge of indebtedness income from certain student loans.

In addition, the bill also contains a provision extending the rules against private inurement of tax-exempt organization income to tax-exempt organizations described in section 501(c)(4) of the Internal Revenue Code. It also has a provision directing the Treasury to study the proper depreciation period for semi-conductor manufacturing equipment.

The provisions I listed above contain the good news.

Unfortunately, the budget act also requires revenue raising offsets for the other provisions. There are two offsets, and Members should be aware of them.

The first repeals a longstanding rule of administrative convenience that told taxpayers who receive payment for renting a residence for 14 days or less during a year that they did not have to account for either the rental income or rental expenses.

The rationale for this rule of administrative convenience had been questioned in isolated cases such as where residences near the Los Angeles Olympics were rented for $1,000 per day or more. It is my understanding that the Treasury would be required under the bill to create new de minimis rules of administrative convenience.

The second revenue offset is more troubling.

It increases the current law threshold for the deduction of casualty losses from $100 per casualty to $500 per casualty. The $500 figure would be indexed for inflation. This provision will impact, by definition, only those taxpayers who have suffered a significant casualty loss—for example a fire, earthquake, tornado, or theft—that is not covered by insurance.

It must also be noted that while the bill generates $93 million over the 5-year period, H.R. 2735—as currently drafted—technically violates the budget act's pay-as-you-go requirements by $26 million in 1993 under OMB scorekeeping. That would provoke a senior advisors veto recommendation if the bill were to be sent to the President in its current form. I have been assured, however, that the President will sign the bill if that shortfall is eliminated before it reaches his desk.

It's my understanding that Chairman ROSTENKOWSKI has agreed that we will not send the bill to the President unless the year-by-year, pay-as-you-go problem is eliminated—and I certainly intend to work with him in that regard.

I support the passage of H.R. 2735. The changes it makes in the Tax Code to correct inequities in current law are overdue and should be enacted.

Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska [Mr. BARRETT].

Mr. BARRETT. I thank the gentleman for yielding to me.

Mr. Speaker, I rise in total support of H.R. 2735.

I rise in strong support for H.R. 2735 in great part because it includes provisions from my legislation, H.R. 4512, that would lift a regulatory burden and allow commercial ammunition reloading firms to process customers shells en masse.

Mr. Speaker, a business in my district brought to my attention last January this rather ridiculous, bureaucratic burden being imposed on it by the Bureau of Alcohol, Tobacco, and Firearms [BATF].

The problem is created by the way the BATF is interpreting and applying section 4181 of the Internal Revenue Code. Under current regulations, BATF requires ammunition remanufacturers to return to customers the identical shells sent in for reloading. This forces the reloading firm to halt operations, recalibrate equipment, and then process a customer's shells independently of others, all in order to avoid inadvertently transferring the possible liability for the 11-percent excise tax on ammunition sales from the customer back to the remanufacturer.

My bill would merely clarify that the reloader must return the same type and quantity of shells that the customer sent in to be reloaded rather than the exact shells. This should allow the reloading firms to make more efficient use of their equipment and avoid a regulatory headache by processing several customers' shells at one time. My bill would make no change in either the manufacturers' or customer's liability for the 11-percent excise tax. As such, the technical clarification should not result in any loss of revenue, other than BATF's administrative adjustments.

I wish to make a couple of clarifying remarks as to the intent of H.R. 4512 in order to avoid any wrong impression as to why I introduced this legislation.

First, my intention was not to change in any way or remove anyone from tax liability or responsibility. Current statute requires the customer to pay the excise tax on reloaded ammunition if it is not used for the customer's personal use. And current law requires the remanufacturer to pay the excise tax if it sells reloaded ammunition to customers who didn't originally supply the manufacturer with the empty cases. My bill simply allows this relationship between reloader and customers to continue without the regulatory impediment of reloaders having to separate out each customer's shells. The only obligation on the part of the remanufacturer of shells under H.R. 4512 is that the remanufacturer return the same type and quantity of shells to the customer. In other words, if the customer sends in 45 casings of .38 special, the customer should receive back from the reloader 45 rounds of .38 special.

Second, there have been some questions raised that when the bill requires that the identical type and quantity of shells be returned to the customer, it means that the customer must receive not only the same quantity but also the same brand. I guess some believe that if one sends in 45 casings of .38 special originally manufactured by Remington or are nickel-plated, then the customer must receive back 45 rounds of .38 special with Remington or nickel-plated casings.

Rather, the intent in my legislation is that the customer receive back shells similar in type and specific in the number. After all, if one was to interpret H.R. 4512 in the manner in which I previously described, then nothing would have changed by the passage of the bill.

H.R. 4512 is simply a bill to clarify the intent of Congress in order to relieve a regulatory burden and should have only a negligible effect on revenues.

I want to thank my colleague BILL THOMAS, a member of the Ways and Means Committee, for cosponsoring this measure with me. I know that without his help in the committee, these provisions would not have been included in H.R. 2735.

Mr. ROSTENKOWSKI. Mr. Speaker, I want to assure the gentleman from Texas [Mr. ARCHER] and all my colleagues on the point that was made with respect to the balance, as well as the administration, that I will do everything possible in the conference with the Senate on this bill to assure that any first-year revenue scorekeeping problems will be resolved before this legislation is presented to the President for his signature.

Mr. PANETTA. Mr. Speaker, H.R. 2735 would make miscellaneous changes that primarily affect income taxes. There are more than a dozen adjustments that respond to the grievances of a number of taxpayers. The Ways and Means Committee characterizes these provisions as noncontroversial and as low cost. The tax relief provisions lose less than $100 million per year. No retroactive tax benefits are given. The bill includes two offsetting revenue increases so that the bill does not raise deficits over the sum of 6 years, 1992 through 1997.

The Congressional Budget Office estimates that on-budget revenues will be lowered by $22 million in fiscal year 1993 if H.R. 2735 is enacted. This 1993 loss of revenue is offset by revenue gains in the subsequent years, 1994 through 1997. Off-budget Social Security revenues are lowered by about $1 million per year. When both on- and off-budget revenue effects are considered, the legislation is still paid for over 6 years, 1992 through 1992.

If the administration's Office of Management and Budget concurs in this revenue estimate, if additional 1993 deficit-increasing legislation is enacted, and if insufficient pay-as-you-go offsets are found, this bill creates the risk of a fiscal year 1993 sequester. I urge that as the legislative process moves along, efforts be made to eliminate this risk.

For the information of Members, I attach the CBO cost estimate on H.R. 2735.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 20, 1992.
Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 2735, the Miscellaneous Revenue Act of 1992, as amended and ordered reported on July 8, 1992, by the House Committee on Ways and Means. CBO estimates that the bill would decrease on- and off-budget receipts by $1 million in fiscal year 1992, $23 million in fiscal year 1993, but increase receipts by $11 million over the 1992 through 1997 period.

H.R. 2735 would make miscellaneous changes in the Internal Revenue Code that would affect individual income taxes, corporate income taxes, employment taxes, excise taxes, and estate and gift taxes. The Joint Committee on Taxation (JCT) has estimated that these changes would increase on-budget receipts by $15 million but decrease off-budget receipts by $4 million over the 1992 through 1997 period. CBO concurs with these estimates.

H.R. 2735 would also require the Secretary of the Treasury to conduct a study to determine the appropriate depreciation period for semi-conductor manufacturing equipment. This study would be completed in fiscal year 1993. Based on previous experience with similar studies, CBO estimates that the cost of this study would be less than $100,000. The cost of the study would be paid from appropriated funds; thus this provision would not affect direct spending or receipts.

BUDGET EFFECTS

[By fiscal year, in millions of dollars]

	1992	1993	1994	1995	1996	1997
Authorizations:						
Estimated authorization level	0	(1)	0	0	0	0
Estimated outlays	0	(1)	0	0	0	0
Estimated receipts:						
On-budget	(1)	−22	18	6	5	8
Off-budget	−1	−1	−1	−1	−1	−1

[1] Less than $500,000.

Note.—Numbers may not add to totals due to rounding.

H.R. 2735 would affect receipts and thus would be subject to pay-as-you-go procedures under Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985. As a result, the estimate required under clause 8 of House Rule XXI is attached. Under pay-as-you-go scoring, only on-budget receipts and outlays are scored.

PAY-AS-YOU-GO CONSIDERATIONS

[By fiscal year, in millions of dollars]

	1992	1993	1994	1995
Changes in outlays	NA	NA	NA	NA
Changes in receipts	0	−22	18	6

NA—Not applicable.

If you wish further details, please feel free to contact me or your staff may wish to contact John Stell at 226–2720.

Sincerely,
ROBERT D. REISCHAUER,
Director.

CONGRESSIONAL BUDGET OFFICE ESTIMATE[1]

The applicable cost estimate of this Act for all purposes of sections 252 and 253 of the

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[1] An estimate of H.R. 2735, as ordered reported by the Committee on Ways and Means on July 8, 1992. This estimate was transmitted by the Congressional Budget Office on July 20, 1992.

Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

[By fiscal year, in millions of dollars]

	1992	1993	1994	1995
Change in outlays	NA	NA	NA	NA
Changes in receipts	0	−22	18	6

NA—Not applicable.

Mr. ARCHER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. Montgomery). The question is on the motion offered by the gentleman from Illinois [Mr. Rostenkowski] that the House suspend the rules and pass the bill, H.R. 2735, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to make miscellaneous changes in the tax laws."

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF SENATE AMENDMENT TO H.R. 2607, RAIL SAFETY ENFORCEMENT AND REVIEW ACT

Mr. SWIFT. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 516) to provide for the consideration of the Senate amendment to H.R. 2607.

The Clerk read as follows:

H. Res. 516

Resolved, That, upon the adoption of this resolution, the bill (H.R. 2607) to authorize activities under the Federal Railroad Safety Act of 1970 for fiscal years 1992 and 1993, and for other purposes, be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendment to the text of the bill be, and the same is hereby, agreed to with the following amendments:

In lieu of the matter proposed to be inserted by the Senate, insert as an amendment in the nature of a substitute the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rail Safety Enforcement and Review Act".

SEC. 2. ISSUANCE OF REGULATIONS.

Section 202 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 431) is amended—

(1) in subsection (i)(1), by striking "such rules, regulations, orders, and standards as may be necessary" and inserting in lieu thereof "rules, regulations, orders, and standards";

(2) in subsection (n)—

(A) by striking "such rules, regulations, orders, and standards as may be necessary" and inserting in lieu thereof "rules, regulations, orders, and standards";

(B) by striking ", including" and inserting in lieu thereof "on railroad bridges. At a minimum, the Secretary shall provide";

(C) by striking "such as" and inserting in lieu thereof "including"; and

(D) by striking "relating to instances when boats shall be used" and inserting in lieu thereof "for the use of boats when work is performed on bridges located over bodies of water";

(3) in subsection (o)(1), by striking "such rules, regulations, orders, and standards as may be necessary" and inserting in lieu thereof "rules, regulations, orders, and standards"; and

(4) in subsection (q), by striking "such rules, regulations, orders, and standards as may be necessary" and inserting in lieu thereof "rules, regulations, orders, and standards".

SEC. 3. REMEDIAL ACTIONS.

(a) Regulations.—The Secretary of Transportation (hereafter in this Act referred to as the "Secretary") shall issue regulations to require that any railroad notified by the Secretary that assessment of a civil penalty will be recommended for a failure to comply with a provision of the Federal railroad safety laws, as such term is defined in section 212(e) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441(e)), or any rule, regulation, order, or standard issued under such provision, shall report to the Secretary, within 30 days after the end of the month in which such notification is received, actions taken to remedy that failure.

(b) Explanation of Delay.—Regulations issued under subsection (a) shall provide that, if appropriate remedial actions cannot be taken by a railroad within such 30-day period, such railroad shall submit to the Secretary an explanation of the reasons for any delay.

(c) Schedule for Regulations.—The Secretary shall—

(1) within 9 months after the date of enactment of this Act, issue a notice of proposed rulemaking for regulations to implement this section; and

(2) within 2 years after the date of enactment of this Act, issue final regulations to implement this section.

SEC. 4. ENFORCEMENT.

(a) Minimum and Maximum Penalties.—(1) Section 209(b) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 438(b)), section 6 of the Act of March 2, 1893, and section 4 of the Act of April 14, 1910 (45 U.S.C. 6 and 13; commonly referred to as the "Safety Appliance Acts"), section 7 of the Act of May 6, 1910 (45 U.S.C. 43; commonly referred to as the "Accident Reports Act"), section 25(h) of the Interstate Commerce Act (49 U.S.C. App. 26; commonly referred to as the "Signal Inspection Act"), and section 9 of the Act of February 17, 1911 (45 U.S.C. 34; commonly referred to as the "Locomotive Inspection Act") are each amended by striking "$250" and inserting in lieu thereof "$500".

(2) Section 5(a)(1) of the Act of March 4, 1907 (45 U.S.C. 64a(a)(1); commonly referred to as the "Hours of Service Act") is amended by striking "penalty of up to $1,000 per violation, as the Secretary of Transportation deems reasonable," and inserting in lieu thereof "civil penalty, as the Secretary of Transportation deems reasonable, in an amount not less than $500 nor more than $10,000, except that where a grossly negligent violation or a pattern of repeated violations has created an imminent hazard of death or injury to persons, or has caused death or injury, a penalty of not to exceed $20,000 may be assessed, and".

(3) Section 2 of the Act of May 6, 1910 (45 U.S.C. 39; commonly referred to as the "Accident Reports Act") is amended by striking "one hundred dollars" and inserting in lieu thereof "$500".

(4) Section 3711(c)(2) of title 31, United States Code, is amended by striking "$250" and inserting in lieu thereof "$500".

(b) Regional Enforcement Pilot Project.—(1) The Secretary shall establish a pilot project in more than one region of the Federal Railroad Administration to demonstrate the benefits that may accrue to the Federal railroad safety program from assigning an attorney, who is a Federal employee within the Department of Transportation, to regional offices of the Federal Railroad Administration to perform initial case review, assess penalties, settle cases, and provide legal advice to Federal Railroad Administration regional personnel on enforcement and other issues, as compared to performing such functions at the headquarters level.

(2) The pilot program shall be completed within 18 months after the date of enactment of this Act.

(3) Within 2 years after the date of enactment of this Act, the Secretary shall submit a report to the Congress describing the results of the pilot program. Factors to be considered in the report shall include—

(A) the speed, volume, and effectiveness of civil penalty actions;

(B) the efficiency of the delivery of legal advice on safety issues;

(C) the financial and other costs of assigning attorneys in each region;

(D) the effects on uniformity of enforcement resulting from performing in the regions of the Federal Railroad Administration the functions described in paragraph (1); and

(E) the advisability of assigning attorneys to some or all of the regions of the Federal Railroad Administration.

(c) Considerations for Compromise of Civil Penalties.—(1) Section 209(c) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 438(c)) is amended by inserting "In compromising a civil penalty assessed under this section, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed, and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior or subsequent offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require." after "referral to the Attorney General.".

(2) Section 5(a)(1) of the Act of March 4, 1907 (45 U.S.C. 64a(a)(1); commonly referred to as the "Hours of Service Act") is amended by adding at the end the following sentence: "In compromising a civil penalty assessed under this section, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed, and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior or subsequent offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.".

(3) Section 6 of the Act of March 2, 1893 (45 U.S.C. 6; commonly referred to as the "Safety Appliance Acts") is amended by adding at the end the following sentence: "In compromising a civil penalty assessed under this section, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed, and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior or subsequent offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.".

(4) Section 4 of the Act of April 14, 1910 (45 U.S.C. 13; commonly referred to as the "Safety Appliance Acts") is amended by adding at the end the following sentence: "In compromising a civil penalty assessed under this

section, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed, and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior or subsequent offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.".

(5) Section 7 of the Act of May 6, 1910 (45 U.S.C. 43; commonly referred to as the "Accident Reports Act") is amended by adding at the end the following sentence: "In compromising a civil penalty assessed under this section, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed, and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior or subsequent offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.".

(6) Section 25(h) of the Interstate Commerce Act (49 U.S.C. App. 26; commonly referred to as the "Signal Inspection Act") is amended by adding at the end the following sentence: "In compromising a civil penalty assessed under this section, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed, and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior or subsequent offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.".

(7) Section 9 of the Act of February 17, 1911 (45 U.S.C. 34; commonly referred to as the "Locomotive Inspection Act") is amended by adding at the end the following sentence: "In compromising a civil penalty assessed under this section, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation committed, and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior or subsequent offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.".

SEC. 5. REVIEW OF AGENCY ACTION.

(a) IN GENERAL.—(1) Section 202(f) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 431(f)) is amended to read as follows:

"(f) Any final agency action taken by the Secretary under this title or under any of the other Federal railroad safety laws, as defined in section 212(e) of this title, is subject to judicial review as provided in chapter 7 of title 5, United States Code. Except as provided in section 203(e) of this title, any proceeding to review such final agency action shall be brought in the appropriate court of appeals as provided by and in the manner prescribed in chapter 158 of title 28, United States Code.".

(2) The amendment made by subsection (a) shall apply to final agency actions of the Secretary whenever taken, except that the amendment shall not apply in a case where a civil action has been brought before the date of enactment of this Act.

(b) FEDERAL RAILROAD SAFETY LAWS.—Section 212(e) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441(e)) is amended by inserting "the Sanitary Food Transportation Act of 1990 (49 U.S.C. App. 2801 note)," before "and those laws transferred".

(c) TECHNICAL AMENDMENTS.—(1) Section 2341(3)(B) of title 28, United States Code, is amended by inserting "or the Secretary of Transportation" after "Secretary of Agriculture".

(2) Section 2342 of title 28, United States Code, is amended—

(A) by striking "and" at the end of paragraph (5);

(B) by striking the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new paragraph:

"(7) all final agency actions described in section 202(f) of the Federal Railroad Safety Act of 1970.".

SEC. 6. PROTECTION OF RAILROAD SAFETY ENFORCEMENT PERSONNEL.

Section 1114 of title 18, United States Code, is amended by inserting "any officer or employee of the Federal Railroad Administration assigned to perform investigative, inspection, or law enforcement functions," after "any employee of the Coast Guard assigned to perform investigative, inspection or law enforcement functions,".

SEC. 7. POWER BRAKE SAFETY.

Section 202 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 431) is amended by adding at the end the following new subsection:

"(r) POWER BRAKE SAFETY.—(1) The Secretary shall conduct a review of the Department of Transportation's rules with respect to railroad power brakes, and, not later than December 31, 1993, shall revise such rules based on such safety data as may be presented during that review.

"(2) In carrying out paragraph (1), the Secretary shall, where applicable, prescribe standards regarding dynamic braking equipment.

"(3)(A) The Secretary shall require 2-way end of train devices (or devices able to perform the same function) on road trains other than locals, road switchers, or work trains to enable the initiation of emergency braking from the rear of a train. The Secretary shall promulgate rules as soon as possible, but not later than December 31, 1993, requiring such 2-way end of train devices. Such rules shall, at a minimum—

"(i) set standards for such devices based on performance;

"(ii) prohibit any railroad, on or after the date that is one year after promulgation of such rules, from acquiring any end of train device for use on trains which is not a 2-way device meeting the standards set under clause (i);

"(iii) require that such trains be equipped with 2-way end of train devices meeting such standards not later than 4 years after promulgation of such rules; and

"(iv) provide that any 2-way end of train device acquired for use on trains before such promulgation shall be deemed to meet such standards.

"(B) The Secretary may consider petitions to amend the rules promulgated under subparagraph (A) to allow the use of alternative technologies which meet the same basic performance requirements established by such rules.

"(C) In developing the rules required by subparagraph (A), the Secretary shall consider data presented under paragraph (1).

"(4) The Secretary may exclude from the rules required by paragraphs (1), (2), and (3) any category of trains or rail operations if the Secretary determines that such an exclusion is in the public interest and is consistent with railroad safety. The Secretary shall make public the reasons for granting any such exclusion. The Secretary shall at a minimum exclude from the requirements of paragraph (3)—

"(A) trains that have manned cabooses;

"(B) passenger trains with emergency brakes;

"(C) trains that operate exclusively on track that is not part of the general railroad system;

"(D) trains that do not exceed 30 miles per hour and do not operate on heavy grades, except for any categories of such trains specifically designated by the Secretary; and

"(E) trains that operate in a push mode.".

SEC. 8. TRACK SAFETY.

Section 202 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 431), as amended by this Act, is further amended by adding at the end the following new subsection:

"(s) TRACK SAFETY.—(1) The Secretary shall, within 6 months after the date of enactment of this subsection, initiate a review of the Department of Transportation's standards relating to track safety. Within 2 years after the date of enactment of this subsection, the Secretary shall issue rules, regulations, orders, or standards to revise such track safety standards, considering such safety data as may be presented during that review and the General Accounting Office report submitted under paragraph (3).

"(2) The review required under paragraph (1) shall, at a minimum, include—

"(A) an evaluation of procedures associated with maintaining and installing continuous welded rail and its attendant structure;

"(B) an evaluation of the need for revisions to rules with respect to track subject to exception from track safety standards; and

"(C) an evaluation of employee safety.

"(3) The General Accounting Office shall conduct a study of the effectiveness of the Secretary's enforcement of track safety standards, with particular attention to recent relevant railroad accident experience and data. Within one year after the date of enactment of this subsection, the General Accounting Office shall submit to the Secretary and Congress a report on the results of such study, together with recommendations for improving such enforcement.".

SEC. 9. APPLICABILITY OF RULES, REGULATIONS, ORDERS, AND STANDARDS.

(a) AMENDMENT.—(1) Section 209(a) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 438(a)) is amended by striking the parenthetical clause and inserting in lieu thereof the following: "(including but not limited to a railroad; any manager, supervisor, official, or other employee or agent of a railroad; any owner, manufacturer, lessor, or lessee of railroad equipment, track, or facilities; any independent contractor providing goods or services to a railroad; and any employee of such owner, manufacturer, lessor, lessee, or independent contractor)".

(2) Section 5(a)(1) of the Act of March 4, 1907 (45 U.S.C. 64a(a)(1); commonly referred to as the "Hours of Service Act") is amended by striking the parenthetical clause and inserting in lieu thereof the following: "(including but not limited to a railroad; any manager, supervisor, official, or other employee or agent of a railroad; any owner, manufacturer, lessor, or lessee of railroad equipment, track, or facilities; any independent contractor providing goods or services to a railroad; and any employee of such owner, manufacturer, lessor, lessee, or independent contractor)".

(3) Section 6 of the Act of March 2, 1893 (45 U.S.C. 6; commonly referred to as the "Safety Appliance Acts") is amended by striking the first parenthetical clause and inserting in lieu thereof the following: "(including but not limited to a railroad; any manager, supervisor, official, or other employee or agent of a railroad; any owner, manufacturer, lessor, or lessee of railroad equipment, track, or facilities; any independent contractor pro-

viding goods or services to a railroad; and any employee of such owner, manufacturer, lessor, lessee, or independent contractor)".

(4) Section 3 of the Act of March 2, 1903 (45 U.S.C. 10; commonly referred to as the "Safety Appliance Acts") is amended by striking the parenthetical clause and inserting in lieu thereof the following: "(including but not limited to a railroad; any manager, supervisor, official, or other employee or agent of a railroad; any owner, manufacturer, lessor, or lessee of railroad equipment, track, or facilities; any independent contractor providing goods or services to a railroad; and any employee of such owner, manufacturer, lessor, lessee, or independent contractor)".

(5) Section 4 of the Act of April 14, 1910 (45 U.S.C. 13; commonly referred to as the "Safety Appliance Acts") is amended by striking the first parenthetical clause and inserting in lieu thereof the following: "(including but not limited to a railroad; any manager, supervisor, official, or other employee or agent of a railroad; any owner, manufacturer, lessor, or lessee of railroad equipment, track, or facilities; any independent contractor providing goods or services to a railroad; and any employee of such owner, manufacturer, lessor, lessee, or independent contractor)".

(6) Section 7 of the Act of May 6, 1910 (45 U.S.C. 43; commonly referred to as the "Accident Reports Act") is amended by striking the first parenthetical clause and inserting in lieu thereof the following: "(including but not limited to a railroad; any manager, supervisor, official, or other employee or agent of a railroad; any owner, manufacturer, lessor, or lessee of railroad equipment, track, or facilities; any independent contractor providing goods or services to a railroad; and any employee of such owner, manufacturer, lessor, lessee, or independent contractor)".

(7) Section 25(h) of the Interstate Commerce Act (49 U.S.C. App. 26; commonly referred to as the "Signal Inspection Act") is amended by striking the first parenthetical clause and inserting in lieu thereof the following: "(including but not limited to a railroad; any manager, supervisor, official, or other employee or agent of a railroad; any owner, manufacturer, lessor, or lessee of railroad equipment, track, or facilities; any independent contractor providing goods or services to a railroad; and any employee of such owner, manufacturer, lessor, lessee, or independent contractor)".

(8) Section 9 of the Act of February 17, 1911 (45 U.S.C. 34; commonly referred to as the "Locomotive Inspection Act") is amended by striking the first parenthetical clause and inserting in lieu thereof the following: "(including but not limited to a railroad; any manager, supervisor, official, or other employee or agent of a railroad; any owner, manufacturer, lessor, or lessee of railroad equipment, track, or facilities; any independent contractor providing goods or services to a railroad; and any employee of such owner, manufacturer, lessor, lessee, or independent contractor)".

(b) Effect on Other Law.—Nothing in the amendment made by subsection (a) shall affect the authority or responsibilities of the Secretary of Labor under the Occupational Safety and Health Act of 1970.

SEC. 10. LOCOMOTIVE CRASHWORTHINESS AND WORKING CONDITIONS.

Section 202 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 431), as amended by this Act, is further amended by adding at the end the following new subsection:

"(t) Locomotive Crashworthiness and Working Conditions.—(1) The Secretary shall, within 30 months after the date of enactment of this subsection, complete a rulemaking proceeding to consider prescribing regulations to improve the safety and working conditions of locomotive cabs. Such proceeding shall assess—

"(A) the adequacy of Locomotive Crashworthiness Requirements Standard S-580, or any successor standard thereto, adopted by the Association of American Railroads in 1989, in improving the safety of locomotive cabs; and

"(B) the extent to which environmental, sanitary, and other working conditions in locomotive cabs affect productivity, health, and the safe operation of locomotives.

"(2) In support of the proceeding required under paragraph (1), the Secretary shall conduct research and analysis, including computer modeling and full-scale crash testing, as appropriate, to consider—

"(A) the costs and benefits associated with equipping locomotives with—

"(i) braced collision posts;

"(ii) rollover protection devices;

"(iii) deflection plates;

"(iv) shatterproof windows;

"(v) readily accessible crash refuges;

"(vi) uniform sill heights;

"(vii) anticlimbers, or other equipment designed to prevent overrides resulting from head-on locomotive collisions;

"(viii) equipment to deter post-collision entry of flammable liquids into locomotive cabs;

"(ix) any other devices intended to provide crash protection for occupants of locomotive cabs; and

"(x) functioning and regularly maintained sanitary facilities; and

"(B) the effects on train crews of the presence of asbestos in locomotive components.

"(3) If on the basis of the proceeding required under paragraph (1) the Secretary determines not to prescribe regulations, the Secretary shall report to Congress on the reasons for that determination.".

SEC. 11. RAILROAD RADIO COMMUNICATIONS.

(a) Safety Inquiry.—The Secretary shall, within 18 months after the date of enactment of this Act and in consultation with the National Railroad Passenger Corporation, freight and commuter railroads, rail equipment manufacturers, and railroad employees, conduct a safety inquiry regarding the Department of Transportation's railroad radio standards and procedures. At a minimum, such inquiry shall include assessment of—

(1) the advantages and disadvantages of requiring that every locomotive (and every caboose, where applicable) be equipped with a railroad voice communications system capable of permitting a person in the locomotive (or caboose) to engage in clear two-way communications with persons on following and leading trains and with train dispatchers located at railroad stations;

(2) a requirement that replacement radios be made available at intermediate terminals;

(3) the effectiveness of radios in ensuring timely emergency response;

(4) the effect of interference and other disruptions of radio communications on safe railroad operation;

(5) how advanced communications technologies such as digital radio can be implemented to best enhance the safety of railroad operations;

(6) the status of advanced train control systems that are being developed, and the implications of such systems for effective railroad communications; and

(7) the need for minimum Federal standards to ensure that such systems provide for positive train separation and are compatible nationwide.

(b) Report to Congress.—The Secretary shall submit to Congress within 4 months after the completion of such inquiry a report on the results of the inquiry along with an identification of appropriate regulatory action and specific plans for taking such action.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

Section 214(a) of the Federal Railroad Safety Act of 1970 (45 U.S.C. 444(a)) is amended to read as follows:

"(a) There are authorized to be appropriated to carry out this Act not to exceed $54,352,000 for fiscal year 1992, $68,283,000 for fiscal year 1993, and $71,690,000 for fiscal year 1994. The Secretary is authorized to request, receive, and use payments from non-Federal sources for expenses incurred in training safety employees of private industry, State and local authorities, or other public authorities, other than State rail safety inspectors participating in training pursuant to section 206 of this title.".

SEC. 13. TOTAL QUALITY MANAGEMENT IN SAFETY ASSESSMENTS.

In all comprehensive, multidiscipline safety assessments of railroads, the conduct of which is initiated by the Secretary between the date of enactment of this Act and the end of fiscal year 1993, the Secretary shall evaluate the use and effectiveness of total quality management techniques, if any, on the safety practices of the railroad being assessed. The Secretary shall include findings and conclusions based on such evaluation in each such safety assessment report.

SEC. 14. LOCAL RAIL FREIGHT ASSISTANCE PROGRAM.

Section 5(q) of the Department of Transportation Act (49 U.S.C. App. 1654(q)) is amended—

(1) by inserting "There are authorized to be appropriated to the Secretary for the purposes of this section not to exceed $16,000,000 for fiscal year 1992, $25,000,000 for fiscal year 1993, and $30,000,000 for fiscal year 1994." after "fiscal year 1991."; and

(2) by striking "any period after September 30, 1991" and inserting in lieu thereof "any period after September 30, 1994".

SEC. 15. PROCEDURE FOR DETERMINING ACCIDENT REPORTING THRESHOLD.

(a) General Rule.—In establishing or modifying a monetary damage threshold for the reporting of railroad accidents, the Secretary shall base damage cost calculations only on publicly available data—

(1) obtained from the Bureau of Labor Statistics; or

(2) otherwise obtained from an agency of the Federal Government which has been collected through objective, statistically sound survey methods or which has been previously subject to a public notice and comment process in a Federal agency proceeding.

(b) Exception.—If any data necessary for establishing or modifying a threshold described in subsection (a) is not available as provided in subsection (a) (1) or (2), the Secretary may use any other source to obtain such data, but the use of such data shall be subject to public notice and the opportunity for written comment.

(c) Effective Date.—This section shall apply only to the establishment or modification of a monetary damage threshold occurring after the date of enactment of this Act.

SEC. 16. REPORT ON THE SAFETY OF HAZARDOUS MATERIALS TRANSPORTATION BY RAIL.

Within one year after the date of enactment of this Act, the Secretary shall report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives regarding issues presented by the transportation by rail of hazardous materials. The report shall include the following information:

(1) For the years 1989, 1990, 1991, and, to the extent available, 1992, relevant data concerning each unintentional release of hazardous materials resulting from rail transportation accidents, including the location of each such release, the probable cause or causes of each such release, and the effects of each such release.

(2) For the years 1989, 1990, 1991, and, to the extent available, 1992, a summary of relevant data concerning unintentional releases of hazardous materials resulting from rail transportation incidents.

(3) A description of current regulations governing hazardous materials rail car placement (including buffer cars), and an evaluation of their adequacy in light of experience and emerging traffic and commodity patterns.

(4) An assessment of regulations, rules, orders, or standards that address rail operations or procedures associated with carrying hazardous materials on rights-of-way having significant grades or high degrees of curvature.

(5) An assessment of the effectiveness and associated costs of requiring deployment of wayside bearing failure detectors for trains carrying hazardous materials.

(6) An assessment of rail tank car rules, regulations, orders, or standards affecting hazardous materials transportation.

(7) The status of all planned or pending regulatory activities of the Secretary (including the status of all regulations required by statute) that seek to address the safe transportation of hazardous materials by rail, and the status of rail hazardous materials enforcement activities.

(8) Such other information as the Secretary determines relevant to the safe transportation of hazardous materials by rail.

SEC. 17. REPORT ON TRAIN DISPATCHING OFFICES.

Not later than 18 months after the date of enactment of this Act, the Secretary shall transmit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives a report concerning any action that has been taken by the Secretary and the railroad industry to rectify any continuing problems associated with unsatisfactory workplace environments in certain train dispatching offices identified in the National Train Dispatcher Safety Assessment for 1987–1988, published by the Federal Railroad Administration in July 1990. The report shall include recommendations for legislative or regulatory action to ameliorate any such problems that affect safety in train operations.

SEC. 18. NORTHEAST CORRIDOR SAFETY COMMITTEE.

(a) MEETINGS.—Section 11(c) of the Rail Safety Improvement Act of 1988 (45 U.S.C. 431 note) is amended to read as follows:

"(c) The Northeast Corridor Safety Committee shall meet at least once every 2 years to consider matters involving safety on the main line of the Northeast Corridor.".

(b) REPORT.—Section 11(d) of the Rail Safety Improvement Act of 1988 (45 U.S.C. 431 note) is amended—

(1) by striking "Within one year after the date of enactment of this Act" and inserting in lieu thereof "At the beginning of the first session of the 103rd Congress, and biennially thereafter,"; and

(2) by adding at the end the following new sentence: "The report shall contain the safety recommendations of the Northeast Corridor Safety Committee and the comments of the Secretary on those recommendations.".

(c) TERMINATION DATE.—Section 11 of the Rail Safety Improvement Act of 1988 (45 U.S.C. 431 note) is amended by adding at the end the following new subsection:

"(e) The Northeast Corridor Safety Committee shall cease to exist on January 1, 1999, or on such date as the Secretary determines to be appropriate. The Secretary shall notify the Congress in writing of any such determination.".

Amend the title to read as follows: "An Act to authorize activities under the Federal Railroad Safety Act of 1970 for fiscal years 1992 through 1994, and for other purposes.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Washington [Mr. SWIFT] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. RITTER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington [Mr. SWIFT].

GENERAL LEAVE

Mr. SWIFT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request to the gentleman from Washington?

There was no objection.

Mr. SWIFT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly support this legislation before us. Its consideration by the House today marks the culmination of a deliberate, laborious, 16-month process to reauthorize the Federal Government's railroad safety programs. I would like to commend strongly the efforts of the chairman of the full committee, Mr. DINGELL, the ranking minority member of the full committee, Mr. LENT, and the ranking minority member of the subcommittee, Mr. RITTER. Their contributions to this effort have been insightful, constructive, and critical to its success.

Mr. Speaker, we began this process last April, when the Subcommittee on Transportation and Hazardous Materials held the first of two hearings on rail safety programs administered by the Federal Railroad Administration [FRA]. During the time since, we have worked closely with the railroads, our friends in rail labor, various public interest groups, and the administration. We were assisted by the investigative work of the U.S. General Accounting Office [GAO], which completed six reports on a broad range of railroad safety issues at the committee's request.

On September 23, 1991, this House took up and passed H.R. 2607 by a voice vote. Then, last March, the other body passed similar legislation. Today, we consider a thoughtfully crafted compromise that combines the best provisions of both bills. Mr. Speaker, this legislation will improve railroad safety in several respects. It makes several much needed regulatory revisions and beefs up FRA enforcement activities.

REGULATORY REVIEW

Let me first cover the regulatory aspects of the bill. First, the legislation explicitly clarifies the responsibility of the administration to issue certain rules and regulations. In addition, it sets forth specific legislative directives for Agency action in other areas of concern. Under provision of the Rail Safety Improvement Act of 1988 [RSIA], the Secretary of Transportation was directed to issue rules, regulations, orders or standards in various areas of specific concern "as may be necessary." The unfortunate and subsequent interpretation of the latter phrase by the Secretary and FRA, that is, that the phrase conferred discretion with the Secretary as to whether issuance of any such regulations was necessary, has been the subject of extensive correspondence and discussion among the congressional committees of jurisdiction, the Department of Transportation, and FRA. In the view of the committees, the Department's position goes to the very heart of the fundamental relationship between the legislative and executive branches of government. Simply stated, if the executive may ignore congressional directives, the system fails.

With that history in mind, the committees have drafted this legislation to prevent similar problems in the future. The legislation does this by first removing any doubt about the Secretary's obligation to issue each RSIA rulemaking by deleting the phrase "as may be necessary" in each instance. Further, the legislation avoids the use of this phrase with respect to any new areas of concern raised. Rather, it directs the Secretary to commence reviews, safety inquiries, and rulemakings, after which regulations are to be issued based on the findings of such activities. It is intended that these changes will: First, result in prompt issuance of all final rules and regulations required under RSIA; second, provide the Secretary with specifics in each new area of congressional concern; and third, avoid entirely the long delays in the issuance of rules and regulations that have occurred under RSIA.

Beyond this clarification of the Secretary's obligations, this legislation directs the Department to conduct a series of inquiries, reviews, and rulemaking procedure to evaluate certain sets of existing regulations. They include power brake rules, track safety standards, radio communication requirements, locomotive crashworthiness standards, and train dispatching facilities and practices.

Finally, I would like to express my concerns about the ongoing problems of highway grade crossing safety. Despite a decreasing number of overall incidents and accidents, grade crossing collisions continue to produce the highest number of rail-related injuries and fatalities. I know FRA is working on his problem; it is an extremely difficult one. But I want to emphasize the severity with which this committee views this issue and the need to continue seeking solutions that improve public safety. Having said that, the committees are pleased that FRA has taken action to address this issue pursuant to RSIA.

ENFORCEMENT

In addition to directing the Secretary to evaluate certain regulatory issues, this legislation seeks to protect public safety by beefing up FRA enforcement activities. First, the bill increases minimum civil penalties for all safety violations from $250 to $500. When the Federal Railroad Safety Act passed in 1970, $250, adjusted for inflation, was worth over $800 in current dollars. In addition, FRA's average penalty collection is over $3,000. The committees believe that increasing the minimum penalty will add an additional deterrent to poor safety compliance by railroads.

Second, the legislation requires FRA to conduct a pilot program to experiment with enforcement activities at the regional office level. The committees feel that this will help streamline the enforcement process, reduce the Agency's case backlog, and increase the deterrent effect of civil penalty cases in general.

Third, the legislation authorizes the Secretary, when settling cases, to consider a railroad's safety compliance record subsequent to the date of violations at issue. This will enable the Secretary to determine whether railroads are demonstrating a positive trend in safety compliance.

Finally, the legislation requires FRA to establish procedures by regulation which will require railroads to inform the Agency in writing within a certain period of time any actions taken to correct conditions in violation of safety regulations when cited by an inspector.

There is one other issue I feel must be addressed at this time. The Occupational Safety and Health Act of 1970 gave the Secretary of Labor broad general authority to regulate working conditions that affect the safety and health of workers on the job. When OSHA was passed, Congress also recognized the existence of similar authority in other Federal agencies. Specifically, section 4(b)(1) of the act provides that OSHA shall not apply to working conditions in cases where another Federal agency exercises statutory authority to prescribe or enforce standards or regulations affecting occupational safety or health.

As its primary mission, FRA ensures safe railroad operations for employees, customers, and the general public. Given this mission, FRA should be the primary agency with responsibility for ensuring the health and safety of railroad employees on the job. In 1978, FRA issued a policy statement on railroad occupational safety and health standards that listed, first, those categories of working conditions and associated hazards the agency was then regulating; second, those that it was not regulating, but which required close consideration with the Department of Labor; and third, those over which it had no plans to exercise jurisdiction. The statement articulated the dimensions of FRA's safety program and clarified the respective roles of FRA and the Department of Labor in ensuring the health and safety of railroad workers. In view of recent concerns raised regarding possible gaps in regulatory coverage of occupational safety and health issues, as well as confusion over the jurisdiction of FRA and OSHA, the committees believe that FRA should review its previous policy statement and jurisdictional analysis to determine if any revisions are necessary.

Although the provision of rail safety legislation passed by the Senate addressing this issue was ultimately not included in the final package, the committees do agree that further examination of this issue is appropriate. As noted in my June 10, 1992, letter to the Railway Labor Executives Association, the subcommittee will be holding a hearing with the goal of further clarifying the jurisdictional relationship between FRA and the Department of Labor, including the coverage of any gaps that currently exist between their respective jurisdictions. To that end, we have scheduled a hearing for August 5, 1992.

Let me conclude by talking a few minutes about the work of FRA over the past few years. Under the leadership of Gil Carmichael, FRA is fully staffed; it has undertaken a new national inspection plan to establish coverage standards and staffing models for the entire country; and it has taken steps to improve the training and qualification of inspectors. While the new inspection plan is not yet completed, FRA appears to be taking its safety mission seriously. I welcome FRA's constructive approach, and I applaud its efforts.

Although the Agency has made great strides in the last year, the GAO audit taken as a whole raises some concerns about enforcement of railroad safety laws and regulations. In addition, GAO has questioned the ability of the Agency to handle its workload in general.

The legislation we are discussing today marks an effort to balance GAO's very constructive criticism of the Agency on one hand, and what we believe to be FRA's good faith effort to be responsive and proactive in carrying out the Secretary's mission to ensure safe rail operations. I think we have reached our goal successfully, and I am confident that this legislation will serve the public interest well. I strongly urge my colleagues to support House Resolution 516.

☐ 1240

Mr. Speaker, I reserve the balance of my time.

Mr. RITTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend my colleagues on the Energy and Commerce Committee for their diligent work on this rail safety legislation, particularly our chairman, Mr. DINGELL, our ranking Republican, Mr. LENT, and our subcommittee chairman, Mr. SWIFT. Our counterparts on the Senate Commerce Committee should also be recognized for their important contributions as well.

As many industrial safety warnings state, "safety is no accident." It takes a constant striving for safety not only to avoid accidents, but to improve the quality and productivity of our industrial processes, including our transportation system. Avoiding an adversarial, labor against management attitude is a key factor. After all, safety and productivity are really two sides of the same coin. In this legislation, I hope we have begun to promote this kind of cooperative spirit. In particular, I am very pleased that this legislation includes my provision directing the Federal Railroad Administration to look for and evaluate railroads' use of total quality management techniques in their regular audits or assessments of individual rail carriers' safety programs.

I also want to stress that in this bill, we are not expanding the scope of ERA's jurisdiction. Section 9 of this bill, an administration-requested provision, merely clarifies that FRA has safety enforcement authority in a situation were a railroad has delegated total obligation and accountability to an outside contractor for a continuous and ongoing operation normally performed by the railroad and its employees. An example would be a small railroad contracting out its entire signal system maintenance program.

Correlatively, there is no intention to bring within FRA's authority individual contracts performed to a railroad's specifications—for example, repair of a particular section of track under the railroad's direction. This provision is merely confirming the legal status quo, not expanding FRA's reach beyond rail carriers.

On another point, Mr. Speaker, a key element of bipartisan agreement in this final legislation is the need for clear direction from Congress—and correspondingly prompt execution from

FRA—when legislation directs the completion of rulemaking proceedings in particular fields of rail safety. In past years, the phrase "as may be necessary" was subject to widely varying interpretations that, at the extreme, could have been read as the ability to ignore clear congressional directives.

To avoid similar problems in the future, we have tried in this legislation to be clear and explicit in our directives to DOT and FRA by avoiding the use of this troublesome phrase. But where we have directed rulemakings or others administrative proceedings, we fully expect that all final rules will be issued on the schedules mandated in this and prior legislation, and that the long delays of the part will be avoided.

Finally, Mr. Speaker, I want to point out that this legislation mandates, as a general standard, the use of telemetric devices, so-called two-way end of train devices, to facilitate emergency braking and monitoring of vital brake functions. Under this legislation, such devices will become the norm on the Nation's freight trains within 4 years.

At the same time, we cannot let our enthusiasm for technology override real-world issues of cost-benefit tradeoffs. Accordingly, although the baseline standard will be the use of the new devices, this legislation carves out certain minimum exceptions, for example, for trains operated under 30 miles per hour. What I want to stress here, Mr. Speaker, is that although those exceptions are mandatory, they are not exclusive. Under the "public interest and consistency with rail safety" standard of this legislation, additional areas may well be exempted from the end of train requirement. One area that should be carefully examined in this regard are the operations of our short line and regional railroads, who through entrepreneurial grit have kept many marginal rail lines in operation, but who are not a deep pocket with a great ability to absorb increased regulatory costs.

Mr. Speaker, I strongly support this legislation and urge its prompt approval.

□ 1250

Mr. Speaker, I reserve the balance of my time.

Mr. SWIFT. Mr. Speaker, I yield 5 minutes to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in strong support of this important legislation to reauthorize and strengthen the Federal Railroad Administration's rail safety program. The legislation before us today reflects a compromise between previously passed House and Senate bills. Improving railroad safety must be a high priority. The Nation's railroad safety laws must be vigorously enforced.

I have had a particular interest in this issue. After all, Chicago has long been a hub of railroad activity. Many of my constituents are railroad workers and are exposed daily to the hazards of the railroad workplace.

As the past chairwoman of the Government Operations Subcommittee with oversight jurisdiction over the Federal Railroad Administration [FRA], I have learned from experience that vigorous and aggressive oversight is necessary to ensure that rail safety laws are adequately enforced. I commend the chairmen of the subcommittee and of the full committee for their vigorous efforts in support of a strong rail safety enforcement program.

The reauthorization legislation before us is a reasonable compromise, particularly in its provisions to toughen and speed up enforcement procedures. I am particularly pleased that this bill includes my amendment to improve the accuracy of FRA's accident statistics.

Railroads are required to report certain accidents to the FRA, including those that result in damage to railroad on-track equipment above a particular dollar threshold. This threshold was originally fixed at $750, but has been adjusted every 2 years to reflect inflation in damage costs. It is currently $6,300.

FRA's accident statistics are an important benchmark with which to measure improvements or declines in railroad safety. Those of us who are concerned about the safety of our Nation's rail system, including the Congress, the industry, and railroad employees, must have accurate information on accident rates in order to monitor railroad safety. As a result, any inflation adjustments in the accident reporting threshold must be based on accurate data to allow for valid comparisons over time.

At the Transportation Subcommittee's reauthorization hearing on June 12, 1991, testimony by Mr. Robert Creamer, executive director of the Illinois Public Action Council, raised some questions about the quality of the data used by FRA to adjust its damage threshold for inflation. Subsequently, I discovered that some elements of the data, relating to the cost of materials, are based on phone conversations between FRA and the railroad industry trade association.

The data used by FRA for accident reporting purposes should be beyond reproach and should not be based on phone conversations with industry with no opportunity for public comment. Therefore, the amendment requires that, in the future, changes in the accident reporting threshold should be based on publicly available data, such as that from the Bureau of Labor Statistics, or data that agencies have collected through sound and objective survey methods or data which has been previously subject to a public notice and comment process by a Federal agency.

However, in the event that the necessary data is not available through such sources, FRA may use other sources, provided the public is given notice and an opportunity for written comment. The amendment applies to any future establishment or changes in the threshold, but it would not require FRA to recalculate the current threshold.

As a result of this amendment, the public will have more accurate accident statistics in the future and more valid comparisons over time of changes in railroad accident rates.

This legislation includes many other important provisions to strengthen the rail safety program. In particular, it clarifies the congressional intent with respect to the obligation of the Federal Railroad Administration to issue safety regulations. It is imperative that Federal agencies follow congressional intent.

Mr. Speaker, I urge support for this legislation.

Mr. RITTER. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. LENT], the ranking minority member of the full committee.

Mr. LENT. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in strong support of this bipartisan legislation to reauthorize our Federal rail safety programs. I want to commend our chairman, Mr. DINGELL, our subcommittee chairman, Mr. SWIFT, and our ranking subcommittee member, Mr. RITTER, for their hard work in fashioning this bill and arriving at an agreement with the Senate.

We in the Northeast are particularly aware of the importance of safe, reliable rail transportation. But the rest of the Nation is rapidly becoming conscious of the importance of rail transportation as an environmentally beneficial form of transportation. This bill gives the Federal Railroad Administration the tools and the direction to move forward with a first-class rail safety program for the nineties.

One area that I understand that our Transportation Subcommittee will be addressing in the near future, is the relationship between FRA's safety responsibilities and those of the Occupational Safety and Health Administration [OSHA]. This is an important issue that I look forward to learning more about in our upcoming hearing. But in the meantime, I want to affirm that today's legislation is not in any way intended to alter the existing boundaries between the jurisdiction of these two safety agencies. When we do address this issue, we should do so clearly and forthrightly. But for now, I simply want to avoid creating unnecessary legal ambiguities about the meaning of current law.

Finally, Mr. Speaker, I want to point out that the Local Rail Freight Assistance Program, which this bill reauthorizes, has helped a number of small- and medium-sized railroads keep marginal lines in service as part of our national rail network. As such, it is a high-return program that is well worth continuing.

This rail safety legislation represents an important step toward further improvement of our Federal rail safety programs. Through diligent bipartisan efforts, we have fashioned a bill that focuses on key areas of rail safety for the nineties—the use of new technologies in train control and communications, the modernization of enforcement programs, and the clarification of Federal authority in the rail safety area.

One of these clarifications concerns a statutory phrase which became the subject of several unfortunate disputes in recent years—the phrase "as may be necessary," which was used in a number of instances to describe the Federal Railroad Administration's authority to conduct rulemakings that were specifically mandated by Congress.

This revised bill removes this troublesome phrase from directives for individual rulemakings and avoids using the phrase as to new rulemakings required under this legislation. All of this reflects a cooperative effort in the Congress to avoid disputes—and delays in carrying out congressional directives—in the future. It is our committee's hope that this unambiguous approach to rulemaking requirements will avoid any misunderstandings and delays in carrying out this legislation.

Finally, in connection with the removal of this "as may be necessary" phrase in individual rulemaking provisions of the Federal Railroad Safety Act as amended, we must bear in mind that removal of the phrase is just that: It is not an attempt to legislate on other matters treated in those provisions. Notable among these is the current jurisdictional boundary between the Federal Railroad Administration and the Occupational Safety and Health Administration [OSHA]. That is a serious issue of public policy that may well be legislatively addressed in the near future, but the amendments in this bill—particularly as to section 202(n) of the Safety Act—are not intended to alter that interagency boundary in one direction or another.

Mr. SWIFT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. ECKART].

Mr. ECKART. Mr. Speaker, I thank my colleague, the chairman of our subcommittee, for yielding time to me.

Mr. Speaker, this has been a long and adventuresome year for us on rail labor and rail management matters, and the fact that the subcommittee has been able to work, first, so efficiently and, secondly, so efficaciously in support of an important part of the Nation's economic base, the railroad industry, I think, speaks well for the Congress and for our committee.

Mr. Speaker, I rise in strong support today of the rail safety authorization bill before us. This piece of legislation is strongly supported by the men and women who work on the Nation's railroads. It makes needed and important changes in safety provisions and puts teeth into enforcement measures by the Federal Railroad Administration.

Under current policy, the Federal Railroad Administration does not monitor the railroads' actions to correct identified defects. This bill changes that policy. It requires, in a timely fashion, the reporting back to the FRA on corrective actions taken. It increases civil penalties, and it is my hope that the increase in enforcement and the increase in penalties will result in safer railroads and safer working conditions for the railroaders who are employed with them.

□ 1300

This bill also provides additional direction to the FRA to continue its progress with respect to certain safety activities. One of these issues, grade crossing signals, is of great importance to me as we have had two tragic occurrences in which individuals were killed in my district because of unsafe grade crossing activities. This lack of enforcement in safety measures for grade crossings I think will be tremendously enhanced by the passage of this legislation today.

I hope the House will pass it. Let us make working on the railroads safer for the railroads and make the railroads a better part of a safe neighborhood and community through which the railroads pass.

Mr. Speaker, I urge the adoption of the legislation.

Mr. DINGELL. Mr. Speaker, I rise in strong support of the resolution before us today. I particularly wish to commend the efforts of the author of the legislation, Mr. SWIFT, chairman of the Subcommittee on Transportation and Hazardous Materials, for his strong and capable leadership in crafting this rail safety legislation.

I also commend the gentleman from New York [Mr. LENT], the ranking Republican of our full committee, and the gentleman from Pennsylvania [Mr. RITTER], the ranking Republican of the Subcommittee on Transportation and Hazardous Materials for their significant contributions to this needed legislation.

I also commend our colleagues from the other body, the chairman and ranking Republican of the Committee on Commerce, Science, and Transportation, and the chairman and ranking Republican of the Subcommittee on Surface Transportation, for their efforts to bring this legislation to fruition.

We have worked in a cooperative and bipartisan effort to ensure that the Nation's railroads operate in a safe and efficient manner and to provide a safe and productive work environment for all rail workers.

This legislation will help to achieve the goal of rail safety in several significant respects. I would like to briefly highlight certain provisions that are included in the legislation before us today that are of particular importance to me and the committee.

First, the legislation explicitly clarifies the responsibility of the administration to issue certain rules and regulations, while setting forth specific legislative directives for agency action in other areas of concern. Under provisions of the Rail Safety Improvement Act of 1988 [RSIA], the Secretary of Transportation was directed to issue rules, regulations, orders, and standards in various specific areas of concern "as may be necessary." The unfortunate and subsequent interpretation of the latter phrase by the Secretary and the Federal Railroad Administration [FRA]; that is, that the phrase conferred discretion with the Secretary as to whether issuance of any such rulemakings was necessary, has been the subject of extensive correspondence and discussion among the congressional committees of jurisdiction, the Department of Transportation, and FRA.

In the view of the committees, the Department's position goes to the very heart of the fundamental relationship between the legislative and executive branches of Government. Simply stated, if the executive branch may ignore congressional directives, the system fails.

With this history in mind, the committees have drafted the subject legislation to prevent similar problems. First, the legislation removes any doubt about the Secretary's obligation to issue each specific RSIA rulemaking by deleting the phrase "as may be necessary" in each instance. Second, the legislation avoids use of the phrase as to new areas of concern addressed in the legislation, instead directing the Secretary to commence reviews, safety inquiries, and rulemakings, and thereafter to issue regulations based on such actions.

It is intended that these changes will: First, result in the prompt issuance of all final rules and regulations required under the RSIA; second, provide the Secretary with specific direction in each new area of congressional concern; and third, avoid entirely the long delays in the issuance of rules and regulations that has occurred under the RSIA.

The legislation also increases the minimum penalty for all safety violations, doubling it from its present level of $250 to $500. The hearings and inquiries undertaken by our committee and subcommittee during this Congress provide extensive and compelling justifications for this change in the law.

First, it is noted that the current level of minimum penalties was established initially in 1970 and has not been adjusted since that time. Mere inflationary increases from the 1970 level would justify a minimum penalty far in excess of $500.

Second, the committee believes the increase in minimum penalties will help to deter unsafe practices without affecting FRA's ability to compromise recommended penalties for safety violations in appropriate situations. The evidence submitted by the Department of Transportation and FRA clearly indicates that the current average collection is in excess of $3,000 and the number of penalties compromised at the $250 level are few and far between.

Third, the increased minimum penalty level takes into account the potential liability of individual rail employees for safety violations, as established under the RSIA. Because the effect of rail safety violations is the same, whether committed as the result of action or omission of a railroad or an individual, we have chosen not to create a differing level of minimum penalties for railroads and individuals.

The new minimum penalty level established in the legislation acknowledges the individual's relative ability to pay without opening the can of worms that would result from providing different levels or exceptions for individuals or other classes of potential safety violators. Of course, we expect that the agency's enforcement efforts will reflect an evenhanded and nondiscriminatory treatment of both railroads and individuals in assessing and collecting any and all penalties.

Finally, the legislation provides needed clarification to the FRA concerning specific factors that should be taken into account when making the determination of whether recommended penalties should be compromised. These specific considerations will provide the agency needed guidance concerning those cases where imposition of the minimum penalty or other higher penalties are appropriate.

In open hearings and correspondence, I have noted the progress in FRA's safety activities under Administrator Gil Carmichael. The subject legislation will provide additional tools and direction to the FRA to continue such progress. For example, the legislation directs FRA to establish a regional enforcement pilot project, utilizing staff attorneys in FRA regional offices.

The legislation also requires railroads to file reports on remedial actions taken after safety violations have been assessed. These and other provisions of the legislation underscore congressional concerns about prompt and effective rail safety enforcement activities undertaken by FRA. I would expect that additional progress will be made quickly in eliminating the untenable backlog of safety violation cases that Administrator Carmichael inherited, while implementing new reforms and programs that will avoid any such similar situation in the future.

As noted above, the issuance of remaining RSIA regulations should be one of the highest priorities of the agency. In dealing with both Secretary Card and Administrator Carmichael, I am confident that both the long overdue RSIA rulemakings and the new regulations, reports, and other inquiries required under the subject legislation will receive the appropriate time, energy, and attention needed to avoid the unnecessary, unfortunate, and unacceptable delays and problems that have been experienced under the RSIA. I note that in the recent transportation appropriations bill passed a few days ago in the House, FRA's safety activities have received adequate funding to enable the agency to pursue these priority matters vigorously, including the resources needed to hire new staff attorneys who will assist in enforcement and rulemaking activities.

The authorization levels provided in the subject legislation for fiscal years 1992, 1993, and 1994 are consistent with our belief that adequate resources for the agency are necessary to enable it to perform its duties, as mandated by law, in a responsible and timely manner. Due to the fact that railroad safety user fees—enacted in 1990, upon the administration's recommendation—now provide the lion's share of safety program resources for FRA, there can be no budgetary excuse for any failure to pursue legislative priorities with diligence and appropriate speed.

Nor is there any evidence that the legislative directives in the subject legislation or prior rail safety legislation fall within the President's ill-considered regulatory moratorium announced earlier this year. In previous correspondence with Secretary Card, I inquired as to whether the bridge worker safety regulations and grade crossing regulations—both required to be issued under the RSIA—were exempt from the regulatory moratorium and, if so, the reasons therefor.

In Secretary Card's May 21, 1992, response, he indicated that the bridge worker safety regulations—which subsequently have been issued in final form, 4 years after the statutory deadline imposed under the RSIA—are "exempt from the President's regulatory moratorium" due to the fact that there "is evidence in the record developed in this rulemaking that would support a judgment that the rule is necessary for safety." Similarly, Secretary Card indicated to me that the grade crossing regulations—which still have not been fully completed 4 years after the deadline imposed under the RSIA—are being pursued and that "the record in this proceeding would support a finding that a rule is necessary for safety"—and thus exempt from the regulatory moratorium. Based on these assurances, I anticipate that the current administration's regulatory policies will in no manner impede or delay issuance of the regulations, reports, and other inquiries required under the subject legislation.

Our committee will continue to monitor these matters closely to ensure that legislative priorities, as set forth in this and prior legislation, are neither ignored nor retarded. I also expect that the agency will use its best efforts to keep the committee and subcommittee fully informed of its efforts to carry out these priority legislative directives within the specific timeframes established by the legislation. Strict adherence by the agency with the timeframes set forth in the legislation—that have been established in direct consultation with the agency and adjusted to longer timeframes in certain instances upon the specific request of the agency—is both necessary and expected.

In view of the history of these matters, as well as the development of the subject legislation, a repeat of the performance under the RSIA, where issuance of some required regulations are now more than 4 years overdue, would be extremely counterproductive and unconscionable.

I also wish to note our committee's concern about worker safety as it relates to the implementation and enforcement of rail safety statutes, including the Federal Railroad Safety Act of 1970, and the Occupational Safety and Health Act of 1970 [OSHA]. OSHA gives the Secretary of Labor certain authority to regulate working conditions that affect the occupational safety and health of employees generally. When OSHA was passed, Congress also recognized the existence of similar authority in other Federal agencies. Specifically, section 4(b)(1) of OSHA provides that OSHA will not apply to working conditions in cases where another Federal agency exercises statutory authority to prescribe or enforce standards or regulations affecting occupational safety or health.

As its primary mission, the FRA ensures safe railroad operations for railroad employees, customers, and the public. Given this mission, FRA has the primary responsibility for ensuring the safe working conditions of railroad employees in the context of railroad operations. In 1978, FRA issued its policy statement on railroad occupational safety and health standards that listed: First, those categories of working conditions and associated hazards that the agency was then regulating; second, those that it was not regulating but that required close coordination with the Department of Labor; and third, those over which FRA had no plans to exercise jurisdiction. The statement articulated the dimension of FRA's safety program and clarified the respective roles of FRA and the Department of Labor in assuring the occupational safety and health of railroad employees.

In view of legislation that has been introduced that would alter the current statutory formula, as well as concerns that have been expressed regarding possible regulatory gaps and confusion over jurisdiction, and the fact that considerable time has passed since FRA issued the statement in 1978, I believe that further examination of these important issues is appropriate. The Subcommittee on Transportation and Hazardous Materials has announced it will convene a hearing in the next few weeks to investigate these issues, and we intend to determine whether legislative clarification is needed to ensure that the safety of railroad employees in the workplace is properly addressed and enforced.

In summary, Mr. Speaker, this is a good bill that is needed to make further progress toward achieving safety in the rail industry. I strongly urge my colleagues to support this legislation.

Mr. RITTER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SWIFT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Washington [Mr. SWIFT] that the House suspend the rules and agree to the resolution, House Resolution 516.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

CASH MANAGEMENT IMPROVEMENT ACT AMENDMENTS OF 1992

Mr. PETERSON of Minnesota. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5377) to amend the Cash Management Improvement Act of 1990 to provide adequate time for implementation of that act, and for other purposes.

The Clerk read as follows:

H.R. 5377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Cash Management Improvement Act Amendments of 1992".

SEC. 2. PROVISION OF ADEQUATE TIME FOR IMPLEMENTATION.

The Cash Management Improvement Act of 1990 (Public law 101-543; 104 Stat. 1058) is amended—

(1) in section 4(c) (31 U.S.C. 3335 note), by striking "by the date which is 2 years after the date of the enactment of this Act" and inserting "with respect to each State";

(2) in section 5 (31 U.S.C. 6503 note)—

(A) in subsection (d)(1), by striking "not later than 2 years after the date of the enactment of this Act" and inserting "July 1, 1993, or by the first day of a fiscal year of the State which begins in 1993, whichever is later";

(B) in subsection (d)(2), by striking "2 years after the date of the enactment of this Act" and inserting "on July 1, 1993, or by the first day of a fiscal year of the State which begins in 1993, whichever is later"; and

(C) in subsection (e), by striking "2 years after the date of enactment of this Act" and inserting "for a State on July 1, 1993, or on the first day of a fiscal year of the State which begins in 1993, whichever is later"; and

(3) in section 6 (31 U.S.C. 6503 note), by—

(A) striking "Four" and inserting "Five"; and

(B) striking "submit" the first place that term appears and inserting "prepare".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. PETERSON] will be recognized for 20 minutes, and the gentleman from New York [Mr. HORTON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. PETERSON].

GENERAL LEAVE

Mr. PETERSON of Minnesota. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 5377.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, 2 years ago, Congress passed into law the Cash Management Improvement Act of 1990, resolving a longstanding source of friction in intergovernmental relations by improving the efficiency and equity in the transfer of funds between the Federal Government and the States.

At that time, the act contained a 2-year effective date—a year for the regulations to be issued, and another year for the States to make systems changes, negotiate payment agreements with the Treasury, train personnel, issue guidance to State agencies and otherwise comply with the act.

However, because of several delays, the U.S. Treasury has not issued its implementing regulations in final form and is not expected to do so until mid-August of this year. This leaves the States only 2 months to make the major operational, administrative, and in some cases legislative, adjustments required to come into compliance with the Act. In fact, some States would need to call a special session of their legislature to avoid violating Federal law. We must act to correct this unfair burden on our State governments.

H.R. 5377 corrects this undue burden on State governments by delaying the effective date of the Cash Management Improvement Act of 1990 until July 1, 1993, or the first day of the State's fiscal year which begins in 1993, whichever is later. This will provide States sufficient time to amend their laws and make the necessary adjustments required by the Act.

I will include the Congressional Budget Office cost estimate to be included in the RECORD.

Every State will benefit from H.R. 5377, and for that reason the measure enjoys broad bipartisan support. I would especially like to thank the ranking minority member of the Committee on Government Operations, Representative FRANK HORTON for his strong support and assistance in drafting this bill. This legislation may be the last opportunity he and I have to work so closely together. The committee and the Congress will miss his leadership.

I urge my colleagues to support the passage of this bill and provide our State governments the cooperation and relief they request.

For the RECORD I include the Congressional Budget Office cost estimate referred to earlier.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 5377.

2. Bill title: To amend the Cash Management Improvement Act of 1990 to provide adequate time for implementation of that Act, and for other purposes.

3. Bill status: As introduced in the House on June 11, 1992.

4. Bill purpose: H.R. 5377 would delay by eight months implementation of the Cash Management Improvement Act of 1990 (P.L. 101–453), which requires a state to pay interest on federal grant funds it receives before the state's checks for the grant-related activities are cashed and requires the federal government to pay interest to a state that must disburse its own funds before receiving a tardy federal grant payment.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1993	1994	1995	1996	1997
Interest from the States:					
Estimated budget authority	75				
Estimated outlays	75				
Interest to the States:					
Estimated budget authority	−45				
Estimated outlays		−45			
Total effect:					
Estimated budget authority	30				

[By fiscal year, in millions of dollars]

	1993	1994	1995	1996	1997
Estimated outlays	75	−45			

The costs of this bill fall within budget function 900.

Basis of estimate: CBO estimates that delaying implementation of the Cash Management Improvement Act roughly eight months (from October 24, 1992, to July 1, 1993) would result in forgone interest offsetting receipts to the federal government of $75 million in 1993 and interest outlay savings of $45 million in 1994.

CBO's baseline assumes that implementation of the Cash Management Improvement Act beginning in late October 1992 would result in receipt of $103 million in interest from states in 1993. The federal government would also incur obligations in 1993 to pay interest to the states totaling $62 million, with the resulting outlays occurring in 1994. These projections were based on information from OMB and Treasury about the timing of payments and receipts, data from a pilot program with four states, and CBO's baseline projections of spending for grant programs.

Delaying implementation by roughly eight months would cause the federal government to forgo eight-elevenths of the offsetting receipts in 1993, but would also reduce interest payable to the states accrued in 1993, and resulting 1994 outlays, by eight-elevenths.

6. Pay-as-you-go considerations: The Budget Enforcement Act of 1990 sets up procedures for legislation affecting direct spending or receipts through 1995. CBO estimates that enactment of H.R. 5377 would affect direct spending. Therefore, pay-as-you-go procedures would apply to this bill. The estimated net pay-as-you-go effects on outlays are zero in 1992, $75 million in 1993, $−45 million in 1994, and zero in 1995.

7. Estimated cost to State and local governments: In 1993, the bill would reduce interest payments required to be paid to the federal government by the states by $75 million. However, in 1994, the states would receive about $45 million less in interest from the federal government.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Ellen Hays.

11. Estimate approved by: C.G. Nuckols, Assistant Director for Budget Analysis.

CONGRESSIONAL BUDGET OFFICE ESTIMATE[1]

The applicable cost estimate of this act for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

[By fiscal year, in millions of dollars]

	1992	1993	1994	1995
Change in outlays	0	75	−45	0
Change in receipts	(1)	(1)	(1)	(1)

[1] Not applicable.

Mr. HORTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise today to urge the House to suspend the rules and pass H.R. 5377, to allow States adequate time to prepare for the implementation of the Cash Management Improvement Act.

That act was passed overwhelmingly 2 years ago with bipartisan support. Its purpose was simple: ensure greater efficiency in the transfer of funds between the Federal and State governments. Under the act, the incentive for one level of government to benefit from holding the other's funds is gone. If State governments request Federal funds early, they pay the Treasury interest. If the Federal Government is late in getting payments out to the States, the Treasury will owe the State interest.

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[1] An estimate of H.R. 5377 as introduced by Mr. Conyers on June 11, 1992. This estimate was transmitted by the Congressional Budget Office on July 17, 1992.

Before passage of the Cash Management Improvement Act, the Federal Government was collecting interest from States on a variety of programs, while the Federal Government was prohibited by law from paying interest to States. By requiring the Federal Government to pay the States interest on delayed funds, the act puts States on an even footing with the Federal Government.

The concerns of the State officials are that the effective date of the act is October 24, 1992, but the U.S. Department of Treasury will not have finalized their regulations until mid-August. Under current law, States would be given only about 2 months to negotiate payment agreements with Treasury, train their personnel, and otherwise implement the agreement. With most State legislatures already out of session, few States can enact the statutes necessary to prepare for the new Federal requirements.

I am enclosing in the RECORD a letter I received from the Honorable Edward V. Regan, comptroller of the State of New York, voicing the concerns of the State of New York in meeting the current deadline of the Cash Management Improvement Act. This letter is representative of the dozens of letters I have received from State officials and Members of Congress from all around the country, including Virginia, California, Texas, and Michigan.

In short, the original act was a basic good government idea. Unfortunately, we simply did not understand how difficult it would be to promulgate regulations and how much time it would require for State governments to change their accounting systems. The bill pending today will correct that defect by allowing States more time to comply with the act.

H.R. 5377 extends the effective date of the act from October 24, 1992, to July 1, 1993, or the first day of a State's fiscal year beginning in 1993, whichever is later. If enacted, States would have nearly 9 months to amend their financial practices to meet the requirements of this law.

I do understand that the Bush administration has concerns over how this act will be applied to the pay-go rules of the 1990 budget agreement, which require offsetting revenues to bills resulting in increased spending or reduced receipts. I also understand that if the bill were presented to the President today, it would fall within the spending caps for fiscal year 1993 and a veto would be avoided. Let me assure all Members that it is my intent to work with the administration to help identify offsetting receipts if this bill cannot be applied to a positive pay-go balance.

Mr. Speaker, delaying the implementation date of this act is a fair and responsible response to the difficulties associated with implementing the Cash Management Improvement Act. I hope that all Members will support enactment of H.R. 5377.

OFFICE OF THE STATE COMPTROLLER,
Albany, NY, March 30, 1992.

Hon. FRANK HORTON,
U.S. House of Representatives, Washington, DC.

DEAR MR. HORTON: It has been two years since we last commented to you regarding H.R. 4279, the Cash Management Improvement Act of 1990 ("CMIA"), which you cosponsored in the House. As you are aware, the effective date for the negotiated agreements between states and the Secretary of Treasury, which govern the exchange of funds and any interest liabilities thereon, is October 24, 1992.

We are extremely concerned about this start date, as the U.S. Treasury is just now releasing the proposed implementing regulations with the intention of finalizing them until early summer. New York, like many other states, assumes that Congress intended an earlier release of these regulations; we therefore believe that a three or four month time frame for overall implementation is not sufficient. Since the implementation process of the CMIA will be complex and additional State legislation will be necessary to effect any interest payments to the federal government, we strongly believe that additional time is necessary to negotiate an equitable Federal/State agreement. I ask your support, in the discussions now taking place, to postpone the October 24, 1992 CMIA effective date.

Thank you for your consideration in this important matter and should you or your staff have any questions, please contact Mr. John Hull, my Deputy for Investments and Cash Management.

Sincerely,

EDWARD V. REGAN,
Comptroller, State of New York.

NATIONAL ASSOCIATION OF STATE AUDITORS, COMPTROLLERS AND TREASURERS,
Harrisburg, PA, June 26, 1992.

Hon. FRANK HORTON,
Committee on Government Operations, Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE HORTON: Thank you for sponsoring H.R. 5377, which would extend the effective date of the Cash Management Improvement Act (CMIA). The bill has the overwhelming support of the states, and I am sure that the federal government, as well as the states, will benefit from the additional time it would allow for the thoughtful implementation of the Act.

I especially want to acknowledge the fine work of Don Upson and Kevin Sabo of your staff. They exhibit the thoroughness and professionalism that typifies your staff. Their quality work is indicative of the reason why so many of us in the intergovernmental affairs arena will miss you upon your retirement from Congress.

I wish you well in future endeavors and want to thank you for all you have done to promote governmental effectiveness during your tenure.

Sincerely,

HARVEY C. ECKERT,
President.

Mr. PANETTA. Mr. Speaker, H.R. 5377 postpones, for 8 months, implementation of certain provisions of a cash management reform that was enacted in the Cash Management Improvement Act of 1990. The reform was intended to compel States to pay the Federal Government interest on grant money that they get before they need it, while also compelling the Federal Government to pay the States interests if its grants are late.

The Congressional Budget Office estimates that budget outlays will be $75 million higher in fiscal year 1993 if H.R. 5377 is passed, owing to lower interest payments from the States, which are counted on the outlay side as offsetting receipts. This is only partly offset in fiscal year 1994 when Federal outlays of interest payments to the States will be $45 million lower. Over the 2 years, Federal deficits will be $30 million higher.

Since there are no provisions for a pay-as-you-go offset in H.R. 5377, we run the risk of a fiscal year 1993 sequester if this bill is enacted, if additional 1993 deficit-increasing legislation is enacted, if the administration's Office of Management and Budget concurs in this scoring and insufficient pay-as-you-go offsets can be found.

For the information of Members, I attach the CBO cost estimate on H.R. 5377.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 17, 1992.

Hon. JOHN CONYERS, Jr.,
Chairman, Committee on Government Operations, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 5377, which amends the Cash Management Improvement Act of 1990.

Enactment of H.R. 5377 would affect direct spending, and therefore pay-as-you-go procedures would apply under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985. As a result, the estimate required under clause 8 of House Rule XXI is attached.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 5377.

2. Bill title: To amend the Cash Management Improvement Act of 1990 to provide adequate time for implementation of that Act, and for other purposes.

3. Bill status: As introduced in the House on June 11, 1992.

4. Bill purpose: H.R. 5377 would delay by eight months implementation of the Cash Management Improvement Act of 1990 (P.L. 101-453), which requires a state to pay interest on federal grant funds it receives before the state's checks for the grant-related activities are cashed and requires the federal government to pay interest to a state that must disburse its own funds before receiving a tardy federal grant payment.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1993	1994	1995	1996	1997
Interest from the States:					
Estimated budget authority	75				
Estimated outlays	75				
Interest to the States:					
Estimated budget authority	−45				
Estimated outlays		−45			
Total effect:					
Estimated budget authority	30				
Estimated outlays	75	−45			

The costs of this bill fall within budget function 900.

Basis of Estimate: CBO estimates that delaying implementation of the Cash Management Improvement Act roughly eight months (from October 24, 1992, to July 1, 1993) would result in forgone interest offsetting receipts to the federal government of $75 million in 1993 and interest outlay savings of $45 million in 1994.

CBO's baseline assumes that implementation of the Cash Management Improvement Act beginning in late October 1992 would result in receipt of $103 million in interest from states in 1993. The federal government would also incur obligations in 1993 to pay interest to the states totaling $62 million, with the resulting outlays occurring in 1994. These projections were based on information from OMB and Treasury about the timing of payments and receipts, data from a pilot program with four states, and CBO's baseline projections of spending for grant programs.

Delaying implementation by roughly eight months would cause the federal government to forgo eight-elevenths of the offsetting receipts in 1993, but would also reduce interest payable to the states accrued in 1993, and resulting 1994 outlays, by eight-elevenths.

6. Pay-as-you-go considerations: The Budget Enforcement Act of 1990 set up procedures for legislation affecting direct spending or receipts through 1995. CBO estimates that enactment of H.R. 5377 would affect direct spending. Therefore, pay-as-you-go procedures would apply to this bill. The estimated net pay-as-you-go effects on outlays are zero in 1992, $75 million in 1993, $−45 million in 1994, and zero in 1995.

7. Estimated cost to State and local governments: In 1993, the bill would reduce interest payments required to be paid to the federal government by the states by $75 million. However, in 1994, the states would receive about $45 million less in interest from the federal government.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Ellen Hays.

11. Estimate approved by: C.G. Nuckols, Assistant Director for Budget Analysis.

CONGRESSIONAL BUDGET OFFICE ESTIMATE[1]

The applicable cost estimate of this act for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

[By fiscal year, in millions of dollars]

	1992	1993	1994	1995
Change in outlays	0	75	−45	0
Change in receipts	(1)	(1)	(1)	(1)

[1] Not applicable.

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Mr. HORTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. PETERSON of Minnesota. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Minnesota [Mr. PETERSON] that the House suspend the rules and pass the bill, H.R. 5377.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 5377, CASH MANAGEMENT IMPROVEMENT ACT AMENDMENTS OF 1992

Mr. PETERSON of Minnesota. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical and conforming changes to the bill, H.R. 5377.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENDING BOUNDARIES OF NATIONAL GALLERY OF ART

Mr. CLAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5059) to extend the boundaries of the grounds of the National Gallery of Art to include the National Sculpture Garden.

The Clerk read as follows:

H.R. 5059

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9(2) of the Act entitled "An Act relating to the policing of the buildings and grounds of this Smithsonian Institution and its constituent bureaus", approved October 24, 1951 (40 U.S.C. 193v(2)), is amended by inserting before the period at the end the following: ", and (C) to the line of the face of the south curb of Constitution Avenue Northwest, between Ninth Street Northwest and Seventh Street Northwest; to the line of the face of the west curb of Seventh Street Northwest, between Constitution Avenue Northwest and Madison Drive Northwest; to the line of the face of the north curb of Madison Drive Northwest, between Seventh Street Northwest and the line of the face of the east side of the east retaining wall of the Ninth Street Expressway Northwest; and to the line of the face of the east side of the east retaining wall of the Ninth Street Expressway Northwest, between Madison Drive Northwest and Constitution Avenue Northwest".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri [Mr. CLAY] will be recognized for 20 minutes, and the gentleman from Nebraska [Mr. BARRETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to be able to speak on behalf of H.R. 5059, which extends the boundaries of the grounds of the National Gallery of Art to include the National Sculpture Garden.

The next few years will bring the fruition of an idea that has been in existence for over a quarter century: The creation of a sculpture garden on The Mall, to integrate treasures of the National Gallery into the very texture of The Mall itself. By 1994, the area between Seventh and Ninth Streets, Constitution Avenue, and Madison Drive Northwest will be transformed into a walk-through, natural exhibition space for a rotating selection of sculptures. I join my colleagues in congratulating the National Gallery of Art on this public-spirited project. It is a complement both to its mission and its staff.

However, Mr. Speaker, the current law concerning the legal physical definition of the National Gallery has presented a security problem in the new garden. Gallery police have jurisdiction only in the legally defined area comprising the gallery, which now consists of its two buildings on The Mall. They do not have jurisdiction over the sculpture garden site. The gallery is therefore powerless to police this new extension of its exhibition space. As a police presence is required during construction as well as the years afterward, the entire project is being hobbled by the current definition of the gallery.

Mr. Speaker, this bill, H.R. 5059, extends the legal definition of the National Gallery of Art's buildings and grounds to include the site of the future sculpture garden. The Subcommittee on Libraries and Memorials and the full House Administration Committee have reviewed this legislation, and we have voted unanimously to favorably report this legislation before this body today. I urge my colleagues to support and adopt H.R. 5059.

Mr. BARRETT. Mr. Speaker, I yield myself such time as I may consume.

I join my colleague from Missouri in congratulating the National Gallery on its plans to open the National Sculpture Garden in 1994.

The National Sculpture Garden will incorporate masterpieces from the gallery's collection in an open-air exhibition on The Mall beside the West Building.

H.R. 5059 would extend the gallery's jurisdiction for the purpose of security during and after construction to include this area between Seventh and Ninth Streets, Constitution Avenue, and Madison Drive.

Last year the National Gallery of Art celebrated its 50th anniversary year. It is one of the premier museums in the world, and continues to serve its visitors with special and permanent exhibitions of the highest caliber. I am confident that the National Sculpture Garden will be a notable addition.

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[1] An estimate of H.R. 5377 as introduced by Mr. Conyers on June 11, 1992. This estimate was transmitted by the Congressional Budget Office on July 17, 1992.

I urge my colleagues to support H.R. 5059.

Mr. CLAY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BARRETT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. CLAY] that the House suspend the rules and pass the bill H.R. 5059.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days during which to revise and extend their remarks on H.R. 5059.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AUTHORIZING CONSTRUCTION OF A MONUMENT TO HONOR THOMAS PAINE

Mr. CLAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1628) to authorize the construction of a monument in the District of Columbia or its environs to honor Thomas Paine, and for other purposes.

The Clerk read as follows:

H.R. 1628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF MEMORIAL

(a) AUTHORIZATION.—The Thomas Paine National Historical Association U.S.A. Memorial Foundation is authorized to construct in the District of Columbia or its environs an appropriate monument to honor the United States patriot, Thomas Paine.

(b) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—The design, location, and construction of the monument authorized by subsection (a) shall be subject to the Act entitled "An Act to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its environs, and for other purposes", approved November 14, 1986 (40 U.S.C. 1001, et seq.).

SEC. 2. PAYMENT OF EXPENSES

The United States shall not pay any expense of the establishment of the memorial.

SEC. 3. EXPIRATION OF AUTHORITY

If the authority to establish the memorial under this resolution shall expire, in accordance with 40 U.S.C. 1001, section 10(b), all unexpended funds collected by the Thomas Paine National Historical Association U.S.A. Memorial Foundation through charitable solicitation shall be transferred to the National Park Service for the express purpose of maintaining existing national memorials or returned to the donors.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri [Mr. CLAY] will be recognized for 20 minutes, and the gentleman from Nebraska [Mr. BARRETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to be able to speak on behalf of H.R. 1628, a bill to authorize the Thomas Paine National Historical Association U.S.A. Memorial Foundation to establish a memorial on Federal land in the District of Columbia or its environs to honor Thomas Paine. The foundation shall be solely responsible for acceptance of contributions for, and payment of the expenses of, the establishment of the memorial. No Federal funds may be used.

Thomas Paine's writings were a catalyst of the American Revolution. His insistence upon the right to resist arbitrary rule has inspired oppressed peoples worldwide, just as it continues to inspire us. It is time that a grateful nation gives him a permanent place of honor in the capital of the country he helped build.

Mr. Speaker, the Subcommittee on Libraries and Memorials and the full House Administration Committee have reviewed this legislation, and we have voted unanimously to favorably report this legislation before this body today. I urge my colleagues to support and adopt H.R. 1628.

Mr. BARRETT. Mr. Speaker, I yield myself such time as I may consume.

Over 200 years ago Thomas Paine defended the creation of a new government created by the people and for the people with the words:

> These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country * * *. Tyranny, like hell, is not easily conquered.

Today that fledgling nation stands strong, looking to the future with a confidence many take for granted.

Paine was the first to insist that America adopt a new system of republican government, rather than simply incite rebellion against British rule. This memorial will honor a man who inspired Colonial Americans to liberate themselves from an imperialistic power. Little did they know then, that this new nation would become the blueprint for the modern world. It is only fitting that we honor this visionary in memorial.

A brilliant revolutionary, Paine composed influential pieces including "Common Sense" and "The Rights of Man." Not only were these works popular in Colonial America, but throughout Latin America and Europe as well. He also penned a series of inspirational pieces entitled "The American Crisis" which George Washington used to inspire exhausted troops during battle.

H.R. 1628 enjoys bipartisan support. Citizens who wish to honor this American hero will be able to do so through their own efforts and private fundraising activities. No Federal funds will be used to establish the memorial.

Mr. Speaker, I join my colleague from Missouri in supporting the establishment of a memorial to this American hero.

Mr. CLAY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BARRETT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri [Mr. CLAY] that the House suspend the rules and pass the bill, H.R. 1628.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 1320

GENERAL LEAVE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1628, the bill just passed.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROVIDING FOR CONSIDERATION OF A JOINT RESOLUTION AND A BILL RELATING TO MOST-FAVORED-NATION TREATMENT FOR THE PEOPLE'S REPUBLIC OF CHINA

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 514 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 514

Resolved, That upon adoption of this resolution it shall be in order to consider in the House the joint resolution (H.J. Res. 502) disapproving the extension of nondiscriminatory treatment (most-favored-nation) to the products of the People's Republic of China. The joint resolution shall be debatable for one hour, to be equally divided and controlled by Representative Solomon of New York and Representative Rostenkowski of Illinois or their designees. Pursuant to sections 152 and 153 of the Trade Act of 1974, the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion. All points of order against consideration are hereby waived with respect to the measures specified in this section and section 3 of this resolution.

SEC. 2. The provisions of sections 152 and 153 of the Trade Act of 1974 shall not apply to any other joint resolution disapproving the extension of most-favored-nation treatment to the People's Republic of China for the remainder of the One Hundred Second Congress.

SEC. 3. After disposition of the joint resolution (H.J. Res. 502), it shall be in order to consider in the House the bill (H.R. 5318) regarding the extension of most-favored-nation treatment to the products of the People's Republic of China, and for other purposes. The bill shall be debatable for one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The previous question shall be considered as ordered on the amendments recommended by the Committee on Ways and Means now printed in the bill, which shall be considered en bloc and which shall not be subject to a demand for a division of the question, and on the bill to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from New York [Mr. SOLOMON] pending which I yield myself such time as I may consume. Mr. Speaker, during the consideration of House Resolution 514, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 514 provides for the consideration of two matters relating to extension of most-favored-nation trade status with the People's Republic of China. Mr. Speaker, as was the case in 1991, the Committee on Rules has reported an order of business resolution which will provide the House with ample opportunity to once again debate all the issues relating to the trading status of the People's Republic of China and the United States and to express its will on the extension of MFN to the People's Republic of China. I would like to express my thanks to the gentlelady from California [Ms. PELOSI] for her continued strong moral leadership on this issue, and to my colleague on the Rules Committee, Mr. SOLOMON, for his dedication to the pursuit of human rights and justice in the People's Republic of China.

Mr. Speaker, House Resolution 514 provides for the consideration of two legislative proposals: the first, House Joint Resolution 502, to disapprove the extension of MFN treatment to the People's Republic of China; and the second, H.R. 5318, to permit extension of MFN treatment to the People's Republic of China in 1993 only if the President certifies that the Chinese Government has, among other requirements, released and accounted for all those individuals who were detained or imprisoned for expressing their political beliefs in Tiananmen Square in June 1989. H.R. 5318 differs from previous legislation by providing that the products of enterprises not owned by the Chinese Government—specifically qualified foreign-owned joint ventures and other private enterprises—will be accorded MFN status even if the President does not recommend a waiver or if a recommended waiver is disapproved by Congress.

House Resolution 514 provides that it shall first be in order to consider House Joint Resolution 502 and that the joint resolution shall be debatable for 1 hour, to be equally divided and controlled by Representative SOLOMON and Representative ROSTENKOWSKI or their designees. Pursuant to the provisions of sections 152 and 153 of the Trade Act of 1974, which provide for the method of consideration, House Resolution 514 provides that the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion. House Resolution 514 also waives all points of order against the consideration of House Joint Resolution 502 and H.R. 5318, consideration of which is provided for in section 3 of House Resolution 514.

Because the consideration of a joint resolution of disapproval of MFN status for the People's Republic of China in 1993 is dealt with in section 1 of this rule, section 2 of House Resolution 514 provides that it shall not be in order to consider any other joint resolution of disapproval relating to the People's Republic of China for the remainder of the 102d Congress.

Finally, section 3 of the rule provides for an up or down vote on H.R. 5318. The rule provides for 1 hour of general debate on the bill, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule also provides that the previous question shall be considered as ordered on the amendments recommended by the Committee on Ways and Means now printed in the bill, which shall be considered en bloc and which shall not be subject to a demand for a division of the question, and on the bill to final passage without intervening motion except one motion to recommit.

Mr. Speaker, in 1991, the House passed both a joint resolution of disapproval, sponsored by Mr. SOLOMON, and a conditions bill, sponsored by Ms. PELOSI. While the Senate did not consider the disapproval resolution, it did pass the Pelosi conditions bill and a conference agreement was sent to the President. The President vetoed the conditions legislation on March 2. While the House overrode the President's veto by a vote of 357 to 61, it was sustained by the Senate by a vote of 60 to 38—seven votes short of the number required to override. As a consequence of the President's veto, products exported from the People's Republic of China are eligible for MFN status for all of 1992.

Mr. Speaker, in the past few months, the People's Republic of China has agreed—and agreed only—to sign a memorandum of understanding with the United States which would grant access to Chinese prisoners and to prevent the export of forced labor products. However, no language has yet been presented for approval, and without an approved agreement, obviously no signatures have been affixed. The record of the Chinese Government is not very convincing when it comes to bringing it into the mainstream of world thought regarding recognition of the rights of the individual in a society governed by the rule of law. What is convincing about the Chinese Government is, however, its commitment to the export of its products to the lucrative markets of the United States: in 1992 alone, China's trade surplus with our country is expected to rise to nearly $20 billion. And, since the massacre in Tiananmen Square in 1989, China's trade surplus with the United States has more than doubled.

This trade surplus has given the Chinese Government the financial resources to withstand pressures to reform its treatment of its citizens. Mr. Speaker, the House has spoken strongly against the regime in Beijing and its treatment of political prisoners, its activities which promote the proliferation of nuclear weapons, and its unfair international trade practices. Mr. Speaker, the House has an opportunity to speak clearly again today. I urge adoption of House Resolution 514 so that the House may proceed to the consideration of these most important legislative proposals.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, whenever the issue of most-favored-nation status for China is debated on this floor, I have a keen sense of how improbable my own role in that debate must appear. I do not think there is a Member in this House who has carried more water for the Reagan-Bush administrations than certainly I have for the past 12 years. But in just a few minutes I will be asking Members to disapprove the President's recommendation that MFN for China be renewed.

Mr. Speaker, as the gentleman from Texas [Mr. FROST] has indicated, House Resolution 514 is a rule that makes in order the consideration of two measures. First, the rule provides for 1 hour of debate on House Joint Resolution 502. That is a resolution that I introduced which would disapprove the President's recommendation that China's MFN status be renewed for another year.

□ 1330

That 1 hour of debate is to be equally divided and controlled by the gentleman from Illinois [Mr. ROSTENKOWSKI], and myself. We have agreed to yield time on our respective sides of the aisle to Members who support and oppose the resolution of disapproval. I think that is only fair.

I would also point out that under the standing rules of the House, the resolution of disapproval which I have introduced would not be subject to amendment at all. That is according to the rules of the House.

Following a vote on the resolution of disapproval, it shall then be in order to have 1 hour of debate on H.R. 5318, the bill introduced by the gentleman from Ohio [Mr. PEASE] and the gentlewoman from California [Ms. PELOSI]. As Members know, the Pease-Pelosi bill would set certain conditions that China would have to meet before MFN status could be renewed next year—a year from now.

Debate on that bill will be equally divided and controlled by the chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI], and the ranking Republican, the gentleman from Texas [Mr. ARCHER].

The bill will not be subject to amendment, and I should point out that no amendments were requested from either Democrats or Republicans. So nobody is being gagged. That is why both the Democrat and Republican leaderships have requested a closed rule, and that is why I reluctantly support a closed rule.

Mr. Speaker, I will have more to say later about the substance of the issue before us, but suffice to say right now that I support and have cosponsored the Pease-Pelosi bill.

Indeed, the resolution of disapproval and the Pease-Pelosi bill setting forth conditions can be seen as being compatible or complementary. My resolution of disapproval would terminate China's MFN status right now. The Pease-Pelosi bill would set conditions that would have to be met in the next year before MFN status could be renewed or restarted a year from now.

So Members can in good conscience support both the resolution of disapproval and the Pease-Pelosi bill. Mr. Speaker, I hope that the House of Representatives will send an unmistakable message today, a message that the Chinese Communist dictatorship will have no difficulty in understanding.

Therefore, I urge support of this rule and for the two bills coming afterward.

Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. Mr. Speaker, I thank the gentleman very much for yielding me this time.

Mr. Speaker, you know, we have beaten the Soviet Union and Eastern European communism, and it cost the American taxpayers hundreds and hundreds of billions of dollars to do it. We boycotted the communism in Cuba. We have spent the lives of 58,000 Americans in Vietnam fighting communism, hundreds of thousands injured and missing in action, and yet here we are, we are going to embrace communism in China.

It is the same ideology that we have fought all of these years, slave labor, child labor making products in China, sending them over into our marketplace to compete with our free-enterprise system and allowing them to come in with no tariffs on them.

We are going to recognize a country that has human-rights abuses, deprivation of free speech, 1,700 killed in Tiananmen Square just because they wanted to stand up and say something that was free. To continue this economic hypocrisy is cruel to every American, to every American veteran who went to war and fought to save our democracy, to every American citizen who helped to build our Nation, to over 10 million Americans who are without a job today because we are allowing all of these products to come in from outside the United States.

So what do we do? Do we throw all of that out the window now to appease, to condescend, to beg for the Communist market? Well, what market? What kind of a market do they have over there? How many Chinese are going to be buying our products?

Then on top of that, they restrict our products from going into China, but yet we open our doors.

You know that we have a $13 billion deficit, trade deficit, with China. It is only the second highest to Japan. It is no wonder the American people are angry, and they are mad as hell because we continue this hypocrisy.

I say that if is time to stop exporting American jobs and start importing American jobs and producing the products that we were so proud of producing all of these years.

I tell you, if you want to balance the budget, you cannot do it with minimum wage jobs. It is time to start looking after America first. It is time for America to keep our own industries, to keep our own products in this country and to keep real jobs right here in America.

We can help others, and I do not see anything wrong with that, from time to time. But we have got to be healthy ourselves. You can never see a sick doctor helping a sick patient. They are not going to get well very fast.

I say that it is in the best interests of this Congress and the American people that we kill this MFN bill that is before us today and stop the hypocrisy that is going on.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume to state that a Member just came up to me and asked what would be the consequences if the Solomon resolution of disapproval were to be passed today and subsequently go on to become law.

The answer is that it would suspend most-favored-nation treatment immediately. However, there is nothing in the Solomon resolution that would prevent the President of the United States from coming back to the Congress tomorrow, a week from tomorrow, a month from tomorrow, 6 months from tomorrow and requesting that MFN status for China be reinstated or be reestablished.

I just wanted to make that clear to the membership so Members will understand that even if the Solomon amendment does pass today and the Pease-Pelosi bill also passes, they will both go on over to the Senate, both bills. The only difference is that the Solomon bill says we are going to cut MFN off now. The Pease-Pelosi bill, which I also support, would lay down conditions that would have to be met 1 year from now in order for China's MFN to be renewed or restarted.

For the last 3 years, as the gentleman from Ohio has just pointed out, our trade deficit with the People's Republic of China has tripled. This year our trade deficit with China is reaching toward $20 billion. Do you know how much money that is? That is half, half of the entire trade deficit we have with that other country over there by the name of Japan.

Think what our trade deficit with China is going to be 3 years from now. It could be equal to that of Japan. That is why we need to enact both the Solomon measure and the Pease-Pelosi bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PORTER], the cochairman of the Human Rights Task Force.

Mr. PORTER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, in exchange for our friendship—for MFN—we ask very little of China. If it wants preferential trade status it must meet the barest minimum standards for a civilized nation, including extending basic human rights to its people.

Let us set the record straight. China is not even approaching the minimum standards for a civilized country, particularly regarding its use of slave labor, the persecution of prodemocracy advocates, and its treatment of the long-suffering people in Tibet.

For example, just today Bao Tong, a former high-ranking Communist official, was sentenced to 7 years in a Chinese gulag for his prodemocracy activities during the Tiananmen Square demonstrations.

China needs to be sent a clear message. While I understand all the arguments on the other side and am sympathetic with many of them, this bill is a clear message to the Chinese leadership and one that they will receive loud and clear.

While we send this message to the Chinese we should also consider sending a clear and direct message of hope directly to the Chinese and Tibetan people. Last year, I introduced legislation which would create Radio Free

China, which is modeled on Radio Free Europe. Radio Free China would broadcast Chinese language programming specifically tailored to spread news relevant to the Chinese people regarding international support for their democratic movement, opposition to the Chinese Government's oppression, and news about the success of other democracy movements around the world.

Like all communist regimes, the Chinese leadership maintains control by keeping its people in a state of fear and ignorance. Radio Free China would frustrate the leadership by bypassing them and empowering the Chinese people directly.

In addition, I am very pleased that the Ways and Means Committee included report language expressing concern about the Chinese Government's policy of encouraging the migration of Chinese settlers into Tibet. This population transfer is a conscious effort by the Chinese Government to make the Tibetans a minority in their own homeland. Beginning with the invasion of Tibet in 1950, there has been a massive influx of Chinese settlers into all parts of Tibet, including the so-called Tibet autonomous region. Today, the Chinese colonization of Tibet continues unabated.

Although the exact number of Chinese settlers in Tibet is difficult to determine, it is estimated that between 4 and 7 million Chinese are living in Tibet. At the same time, over 6,000 Tibetan monasteries have been destroyed and 1 million Tibetans have died as a result of Chinese policies. The inundation of Chinese settlers and the persecution of Tibetans is threatening Tibet's unique national identity and culture with extinction. Quite simply, if current rates of Chinese immigration into Tibet continue, Tibet will ultimately cease to exist as a nation, as a culture, and as a people.

For the sake of all Tibetans living in Tibet and in exile, the People's Republic of China must discontinue its population transfer policy which threatens Tibet's existence, and I appreciate the committee for calling attention to this important issue.

I would also like to mention one provision in the Pease bill that I think is very important but that often gets overlooked next to all the other important provisions. That is the condition that the President may not recommend MFN unless he certifies that China is adhering to the spirit of the Sino-British Joint Declaration.

In contrast to China, Hong Kong has a long history of economic freedom and prosperity. In addition, democratic institutions are developing at a rapid rate in Hong Kong and Hong Kong's new Governor, Chris Patten, has indicated that he may move to increase the number of elected seats in the legislative council.

The joint declaration—which guarantees that Hong Kong will be allowed to maintain its way of life for 50 years after the Chinese take control in 1997—is the people of Hong Kong's only guarantee that China will not trample on their rights and impose a strict totalitarian regime as soon as it takes control.

But the only incentive that China has to adhere to this agreement is international insistence that China meet its obligations. Conditioning MFN on China standing by its agreements relating to Hong Kong is exactly the type of pressure we must keep on China to preserve Hong Kong's freedom.

I thank Mr. PEASE and Ms. PELOSI for including this important provision and for all of their hard work to bring this important bill to the floor. I urge Members to support the people of China, Hong Kong, and Tibet and vote for the Pease bill.

□ 1340

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, under no circumstances can I support a most-favored-nation trade status for China.

I want to give credit to the gentlewoman from California trying to put some conditions on this, give credit to the distinguished member of the Rules Committee, being a leader on many economic issues and workers' issues.

I can see no condition that tells me to accept any most-favored-nation trade status for China. Congress should be listening to some of the words. If you are an American businessman, how can you compete with an economy that is unregulated and pays people 17 cents an hour? Half the time they are Chinese convicts that are making the products, sending them to America, being relabeled in Hong Kong, putting phony labels on them, wrecking our economy.

In 1991, Mr. Speaker, it was almost $13 billion surplus, second only to Japan with Uncle Sam. This year it will be $20 billion. For each 1 billion dollars' worth of trade surplus that China enjoys, we lose 20,000 manufacturing jobs. We have lost a quarter of a million manufacturing jobs and all Congress is willing to do is rearrange the deck chairs.

We are exporting jobs hand over fist. We have both parties singing out of the same hymn book on trade.

If you are an American worker in a manufacturing plant, you are going to lose your job. You will lose your job with these policies.

I am not here to talk about human rights. I am not here to talk about Communist dictators. Whether it is a Communist dictator or a benign parliamentarian, if America is going to let 17-cents-an-hour countries send their products to America, we will not have a job left.

I said years ago, with the policies that we had, we would have a rice paddy on the east lawn of the White House. I am going to change that today. The chances are we will have a Chinese rice paddy, probably before we have a Japanese rice paddy because that Communist dictatorship will insure their strength in dealing with America through trade.

I am not here today granting any type of human relations programs. This is strictly economics and the economics of it is very simple. You keep allowing these types of low regulated, no regulation, low wage economies into our borders free of charge, you will not have a job left.

So I am voting to disapprove, and there are absolutely no conditions that I could support that will continue an American policy toward China that allows them this access.

If that $20 billion does not scare you today, ask yourselves the question, if you were going to manufacture widgets, why would you invest the money in Pennsylvania or Ohio or California or Texas? Bad enough they are going to Mexico. Another 5 years they will be shipping to China.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Speaker, I rise in support of the resolution as proposed by the gentleman from New York [Mr. SOLOMON].

Mr. Speaker, renewing MFN status for the People's Republic of China ignores the enslavement of Tibet and is tantamount to an endorsement of human rights abuses.

Those who buy off on the elitist notion that the people of China are not ready for democracy, negate the ideals of our own Founding Fathers. Let me remind you, all people, including the Chinese, are endowed by their Creator with certain inalienable rights.

The human rights situation inside China and Tibet is getting worse. MFN for the Communist regime has not resulted in a loosening of tyranny or in democratization.

Mr. Speaker, today we are being asked to appease the Chinese dictators to maintain our leverage, or to send a clear message to the Communists that their tyranny will not be tolerated. Put me down as sending a message to the bullies and tyrants. "It's time for you to go." Appeasement brought us Saddam Hussein and Serbia's Milosevic; it brings tyranny and conflict not evolutionary reform.

I agree with my colleague, Mr. SOLOMON of New York, we should not renew MFN with China. Failing that, I will support efforts to set tough conditions for MFN.

Mr. Speaker, my opposition to MFN to China does not come without cost. My district has the largest harbor on the west cost. Many of the large aerospace firms which do business in China are my constituents. I have met with them and explained my position eye to eye. After our discussions they at least understand that and firmly believe the United States must be defined by more than short-term business interests. That we have a responsibility to guard our principles. I ask you to consider that responsibility today.

In the long term, our commercial interests and our commitment to human rights and democracy are not contradictory. Freedom will prevail, the boot of tyranny will be lifted off the throats of the oppressed. We should be on the side of those who will someday rise up and claim their rightful freedom, not with those who jail, torture, and oppress those who seek nothing more than the political and economic freedom we Americans enjoy and hold precious.

Now is the time, not to be cementing our ties to one of the last remaining Communist dictatorships on this planet. We, instead, should be expanding our ties with the free and ever more democratic Chinese Government on Taiwan.

While communism and socialism has impoverished the mainland, on Taiwan the people are prospering, the economy flourishing, and an environment of democratic freedom prevailing.

Our policies should be aimed at keeping faith with the real China, not the Communist clique, an oligarchy of geriatric thugs. The real China is composed of the millions of men, women, and children, especially the young people, who long for justice, decency and freedom. Let us reaffirm our friendship with them, the real China and reconfirm that we as American's believe that every person, no matter what nationality has inalienable rights, and we will not do business as usual with those who as a matter of policy and strategy, violate those rights.

□ 1350

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. DREIER] who Roll Call magazine says is one of the brightest stars of the Republican Party, and a member of the Committee on Rules.

Mr. DREIER of California. Mr. Speaker, I thank my friend, the gentleman from New York, the distinguished ranking Republican on the Committee on Rules, Mr. SOLOMON, for those generous words.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. DREIER of California. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Speaker, would the gentleman from California lean just a little bit to the right, because he is so bright it is blinding my eyes.

Mr. DREIER of California. I thank the gentleman for yielding to me.

Mr. Speaker, I am not supporting President Bush in his attempt to have Congress ensure most-favored-nation trading status to China because it will increase the opportunity to sell our equipment, manufactured in the United States, to the Chinese. I am not supporting President Bush in his attempt to grant most-favored-nation status for China because low-income Americans find it more affordable to purchase toys, shoes, and clothing.

I am supporting President Bush in his attempt to grant most-favored-nation status to China because I believe that it is the best way possible for us to deal with the horrendous human rights problem which exists in China.

We also need to turn the corner on a wide range of other concerns which have come to the forefront. In a moment I will address the question of nuclear arms proliferation and the transport of weapons from China to other parts of the world.

It seems to me if we really want to assist those who have been victimized by what Mr. ROHRABACHER correctly referred to as this oligarchy of old people—I do not have the term exactly which he used, but it was a very euphonious term—to describe those leaders in China. It seems to me, Mr. Speaker, we must do what we can to maintain contact with the people of China.

The gentleman properly raised the case of Saddam Hussein and Yugoslavia, but we must remember that it was exposure to the West which brought down the Berlin Wall and allowed those Eastern European people, who had been subjugated to low standard of living and totalitarianism for years to come forth. It was exposure because of the kind of communication that we now have with satellite technology that broke down those barriers, And it seems to me that, yes, there continues to be a barrier in China, but we do not want the people of China to have an even lower standard of living than they do today.

If you look at that country, the average per capita income is $350, and yet in the vibrant, moving, dynamic twin provinces adjoining Hong Kong, Guan Dong, and Fujian, the per capita income is $3,000.

Milton Friedman very accurately has said that "economic freedom is a indispensable means toward achieving political freedom." It seems to me that if we eliminate the kind of exposure to the West which President Bush wants us to maintain, we jeopardize the future of the people of China.

Yes, those old leaders are going to be fading from the picture, and we must remember the words that were given to many of us by Fong Lizhi, who was held hostage as one of the leading dissidents in China. Those words were, "Talk about the human rights violation, but please do not allow China to have a lesser standard of living," and eliminating most-favored-nation status would do just that.

Now to the arms question. We have seen some success on the nuclear arms front and the transfer of weapons in that China has signed the Nuclear Nonproliferation Treaty of 1968, a very positive sign. If we eliminate MFN their need for hard currency will lead them to export weapons.

We are concerned about human rights violations. The Australians and the French are today in discussions with the Chinese in our attempts to improve the human rights situation in China. And one of the most famous journalists, who was a Chinese dissident, Tai Ching, who has been studying here in the United States, returned to China and made the statement very clearly that there is an improvement in the human rights situation.

Two months ago we saw that they released the three Catholic clerics who had been held prisoner. And, yes, there are other very serious cases which need to be addressed. But I believe, Mr. Speaker, we are on the road toward addressing those concerns. I hope very much that we will be able to give the President, President Bush, the tools to do just that.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just say to my good friend, one of my closest friends from California, that he has just made the greatest argument on behalf of the Solomon resolution to disapprove MFN for China. The point he made was that over the last decade we refused to give MFN status to the Soviet Union, 300 million people enslaved by communism.

The result of that refusal was to bring down the Iron Curtain, to tear down the Berlin Wall.

If we had done the same thing to China during the 1980's, communism would be no more in China. What we have done by giving MFN unconditionally is to prop up that Communist regime. Year after year after year, we continue to approve and reapprove MFN for China. Let us stop it today.

Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. BURTON], an outstanding member of the Committee on Foreign Affairs and the ranking member on the Subcommittee on Human Rights and International Organizations.

Mr. BURTON of Indiana. I thank the gentleman for yielding to me.

My colleague, the gentleman from California [Mr. ROHRABACHER], a few minutes ago referred to the leadership in Communist China as an oligarchy of geriatric thugs. I think that says it very, very well. The fact of the matter is that just a short time ago people across this country watched in horror as we saw young Chinese people who had a Statue of Liberty built there in Tiananmen Square, literally ground into dog meat by tanks. They were stacked up like cordwood, and they were burned, thousands of them. We do not really know how many.

There are 10 million people, at least, in Communist gulags who are working as slave laborers—slave laborers. My colleague from California who just spoke a moment ago, the gentleman from California [Mr. DREIER], indicated that this sort of thing no nation should tolerate, and we should not.

□ 1400

If we believe in human rights, if we believed in the dignity of man, if we believed in fairness, and democracy, and freedom, and all the things we hold dear, we cannot turn a blind eye to what is going on in Communist China, and it bothers me that the administration, which I support, wants to grant MFN to China at a time when these kinds of atrocities do take place. They say we have to keep open our lines of communication with one billion people, the world's largest country. Well, I agree that we need to keep open our lines of communication, but that does not mean we have to do them any favors when they are doing this to their fellow man.

In the Soviet Union, we did not allow them MFN, and they were a much bigger threat to the United States than China will ever be. We turned our back on them. We said, "We're not giving you one dime of anything until you allow human rights violations to end," and until they allowed the Jewish people to be able to immigrate to Israel, to get out of their country. There were a lot of things that we stood up for against the Soviet Union, and yet Communist China, that has 10 million people in Communist gulags, women and children who are being tortured and suffering, given one little bowl of gruel a day so that they can continue to do the job of making shirts, wine, and other things that they send the West for us to buy so we can keep those people in power; we allow that sort of thing to go on.

So, Mr. Speaker, I just would like to say to my colleagues, the gentlewoman from California [Ms. PELOSI] who has led the charge on this issue earlier, and my good friend, the gentleman from New York [Mr. SOLOMON], who is leading the charge today, "I agree with you and congratulate you on your efforts," and I urge the administration to revisit this issue to not allow MFN to go on until they change their mode of behavior, until they allow human rights, until they let those people out of those Communist gulags, those slave laborers. This is something the United States of America should not allow to happen. We should not be a party to it. We should not stand up with them in any way until they allow the kinds of human rights that we believe are important to the human race.

Mr. SOLOMON. Mr. Speaker, if the gentleman from Texas [Mr. FROST] has no further requests for time, I would simply urge support for the resolution and for the two bills that will follow it to the floor.

Mr. Speaker, I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT REGARDING PREPRINTING OF AMENDMENTS ON H.R. 4312 AND H.R. 5236

Mr. FROST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Texas?

Mr. SOLOMON. Reserving the right to object, Mr. Speaker, and I probably will not object, but could the gentleman offer an explanation?

Mr. FROST. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Texas.

Mr. FROST. Mr. Speaker, this is a communication from the Committee on Rules relating to legislation that will be pending before the Committee on Rules later this week.

Mr. SOLOMON. Mr. Speaker, further reserving the right to object, would the gentleman relate to which bills his announcement applies?

Mr. FROST. Yes; this is a communication from the Committee on Rules relating to the Voting Rights Language Assistance Act of 1992 and the Voting Rights Extension Act of 1992 and the status of that legislation that will be pending before the Committee on Rules later this week.

Mr. SOLOMON. If the gentleman from Texas would excuse me, I would ask him, "Are you making a request?"

Mr. FROST. Mr. Speaker, this is simply a notification to the House of how the Committee on Rules intends to proceed in this matter.

Mr. SOLOMON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FROST. Mr. Speaker, the Rules Committee has received a request from the Committee on the Judiciary for a rule to H.R. 4312, the Voting Rights Language Assistance Act of 1992, and H.R. 5236, the Voting Rights Extension Act of 1992, that would require amendments to be printed in the CONGRESSIONAL RECORD prior to their consideration.

Although the Rules Committee has not decided upon this request, I wanted to alert Members on this possible requirement for H.R. 4312 and H.R. 5236 so that Members are prepared with their amendments. The Rules Committee is planning to meet on this bill Wednesday afternoon, July 22. It is anticipated that both measures will come to the floor on Thursday, July 23. Therefore, to fully ensure Members' abilities to offer amendments under the requested rule, they should have those amendments appear in the CONGRESSIONAL RECORD prior to the consideration of both bills.

Copies of the committee's reports and bills are available in the House Document Room. I appreciate the cooperation of all the Members.

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 502 and H.R. 5318.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DISAPPROVAL OF EXTENSION OF MOST-FAVORED-NATION TREATMENT TO THE PRODUCTS OF THE PEOPLE'S REPUBLIC OF CHINA

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to House Resolution 514, I call up the joint resolution (H.J. Res. 502) disapproving the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of the People's Republic of China, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The text of House Joint Resolution 502 is as follows:

H.J. RES. 502

Resolved by the Senate and House of Representatives of the United States of American in Congress assembled, That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on June 2, 1992, with respect to the People's Republic of China.

The SPEAKER pro tempore. Pursuant to House Resolution 514, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes, and the gentleman from New York [Mr. SOLOMON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 15 minutes of my time to the gentleman from Texas [Mr. ARCHER], and I ask unanimous consent that he be allowed to yield time to other Members.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 502 would rescind China's most-favored-nation [MFN] status, effective 60 days after enactment. While I am sympathetic to the sponsor's motivation for introducing this resolution, I must urge my colleagues to oppose House Joint Resolution 502 and to vote instead later today for the Pease-Pelosi bill, H.R. 5318.

Mr. Speaker, Members who support House Joint Resolution 502 will argue today that the United States must send a clear and unmistakable message to the Chinese leadership—that civilized people find China's behavior in the area of human rights, and many of its foreign policy actions, to be unacceptable. I fully agree. But voting for House Joint Resolution 502 is not the proper way to send that message.

A vote to cut off China's MFN status is a vote to cut off all potential influence of the United States over Chinese behavior. I will be the first to admit that we have not been as successful as any of us would like in bringing about improvements in China's behavior. However, I believe that our best hope for influencing Chinese behavior in the future is to continue to remain engaged in trade with China. Over the past year, we have made some progress in the areas of human rights, trade, and nuclear nonproliferation.

For example in the area of human rights, last October China issued its first white paper on human rights. In January, Premier Li Peng expressed the willingness of the Chinese Government to cooperate with other countries on human rights. And in June, we signed a memorandum of understanding with China which, for the first time, grants access by United States Government personnel to Chinese prisons.

In the area of trade, we signed a memorandum of understanding with China last February providing for improved intellectual property protection in China.

In the area of weapons nonproliferation, China agreed to the Nuclear Non-Proliferation Treaty last March and is participating in the Middle East arms control negotiations and in discussions to prevent the spread of chemical weapons.

What would have been the situation in these areas if the United States had severed its most important trade ties with China? Would the progress of the past year have been possible? The Answer is clearly "no." Can and should we do more? The answer is clearly "yes."

For these reasons, I urge my colleagues not to vote to return China to its isolationist past but rather to support the more moderate approach of the Pease-Pelosi bill. The Pease-Pelosi bill will provide additional negotiating leverage for the administration to use in its future dealings with China. That bill sends a strong message to China's leaders, but keeps the door open to important contacts and improved relations with the Chinese people.

A vote for the pending resolution will only play into the hands of China's hard-line leaders, who would love nothing more than to see their Western-oriented provinces and their people brought back under central control.

I urge my colleagues to oppose House Joint Resolution 502.

□ 1410

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first of all thank Chairman ROSTENKOWSKI and the Ways and Means ranking member, the gentleman from Texas [Mr. ARCHER], for their courtesy in allowing my resolution to come to the floor this afternoon in tandem with the Pease-Pelosi bill.

In the 3 years since the Chinese Communist dictatorship used tanks and machine guns against peaceful pro-democracy demonstrators in Tiananmen Square, the United States' trade deficit with China has tripled. Let me repeat that. It has tripled. In the 3 years since the Berlin Wall was opened and Communist dictatorships throughout the Soviet bloc fell from power, the Chinese Communist dictatorship has reinforced its claim on absolute power. And the United States trade deficit with China has tripled. Let me repeat that again. It has tripled.

Mr. Speaker, at a time when this Congress is being asked to provide economic and humanitarian assistance to the countries of Europe that have thrown off the shackles of Communism, Congress is also being asked to underwrite once again Communist dictatorship in China. And still the United States' trade deficit with China continues to go up and up and up. While governments in the rest of the world move toward giving their people freedom and representation, the Chinese Communist dictatorship digs in its heels and resists even the slightest suggestion of political democratization and the slightest recognition at all of human rights.

And what does the Chinese Government get from the United States? A slap on the wrist one moment, with a few minor sanctions that were aimed mostly at placating China's critics here in the Congress. And then the next moment the Chinese Government is given an export license to increase our trade deficit more and more and more.

In 1989, the year of the Tiananmen Square massacre, trade between the United States and China had become so unbalanced in China's favor that we posted a $6 billion deficit. That was back in 1989, 3 years ago. In 1991, 2 years later, we had a $12.7 billion trade deficit with China, a deficit that was exceeded only by the one we have with Japan. This year our trade deficit with China is approaching an astronomical $20 billion.

I say to my colleagues that it is China's most-favored-nation status that makes all of this possible.

This resolution which is now before us would disapprove the President's recommendation that China's MFN status be renewed for another year, and the MFN status would be terminated the day this resolution is enacted.

I do not offer this resolution lightly, and I certainly do not offer it as a way of irritating a President from my own party, a President for whom I have the greatest admiration and respect. But I do offer it as a way of making one essential point. Our country does not owe most-favored-nation trade status to any country that has a nonmarket economy and which is not a member of GATT, and we certainly do not owe MFN to a dictatorship that is working to increase its capacity to launch nuclear missiles from land and sea.

Mr. Speaker, the indictment against China's policies, both foreign and domestic, is well known to every single Member of this House. We will surely hear about it throughout the course of this debate and when the Pease-Pelosi bill is considered later on. Again I reiterate my strong support for the Pease-Pelosi bill, along with the Solomon resolution.

But at this point I would like to read from a column that appeared in the Washington Post just last Tuesday, July 14. This column describes a dramatic shift in China's military doctrine. These are chilling words, and I hope that every Member here on the floor and back in their offices will listen to them. These are not my words; they are the words of an editorial writer for the Washington Post:

"China's booming trade with the United States" has become "a triple dose of poison for the world community." I am still quoting from the editorial, Mr. Speaker:

> China's $13 billion annual trade surplus with America provides Deng and company with visible proof to show their captive populace that the U.S. Government does not take human rights in China as seriously as it does in other countries that have been hit by American economic sanctions.

The column goes on as follows, and I am still quoting:

> The trade surplus has two other pernicious effects only now coming into focus. It helps a dangerous arms race in Asia. And Chinese purchases of Russian arms, paid for in part with the foreign exchange earned from trade with America, provide the ex-Soviet military/industrial complex with a potential financial cushion against having to shut down or convert to manufacturing civilian goods.

Is anybody listening to this? This is awful.

Finally, the column notes that Japan has become so seriously concerned about the arms buildup in China that Prime Minister Miyazawa "during his Washington visit * * * for the first time insisted that 'economic reforms should pave the way for political reforms' in China."

That, Mr. Speaker, is precisely the point I want to make here today. Until the Chinese dictatorship draws the necessary connection between economic modernization and political democratization, a continuation of our present trade policy will lead eventually to tragedy, not just in that region of the world but perhaps in other parts of the world as well. This present policy lets the Chinese Government off the hook and condones a reliance by that regime on force of arms as a means of staying in power.

Is that what we want in a trade policy or in a foreign policy?

During the debate on China's MFN status last year, I made this point on the floor:

> An unconditional renewal of MFN, as the administration has requested, can only serve to reinforce the illusions under which the Chinese leadership operates. It can only serve to reinforce their attitude that they can write their own rules and do whatever they want.

That statement certainly is true one year later, and it is true because nothing has really changed in China. For that reason, I ask the Members to support this resolution. Take away China's MFN status. Let the regime there know and let the people there know that America will not compromise its commitment to that word "freedom."

Mr. Speaker, if the benefits of economic development in China were actually reaching the Chinese people, there would be reason to hope that the political system there could move in a more positive direction. But so long as a central planning ministry is allocating the Nation's resources according to the whims of the regime, there is no hope for those people and we will be right back one year from now making these same statements.

China is a police state, and it is a police state that shows evidence of having regional ambitions that are directly contrary to the interests of the United States and all of our friends and allies in East Asia.

If China's MFN status is revoked, there is nothing to stop—and this is important for us to understand—there is nothing to stop the President from coming back to this Congress, if and when conditions warrant, and asking us to restore it. If the government in China shapes up, MFN can be given back. And do you know what? China will respect us for it. They surely do not respect us now, and that is exactly why the angry old men who hide in the so-called Great Hall of the People continue to deny freedom to their own people. What a shame that is.

□ 1420

Mr. Speaker, I strongly urge Members to support my resolution which would immediately terminate MFN for China, but would in no way prevent the President from asking the Congress to reinstate it if conditions change.

What more can we do for one billion people? For the strongest possible message that these angry old men, these violators of human rights, will understand, I ask Members to pass the Solomon resolution and the Pease-Pelosi bill to follow. Human decency demands it.

Mr. Speaker, I ask Members to come over to this floor and vote yes on this resolution and the Pease-Pelosi bill.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that at the conclusion of my comments I be permitted to yield the balance of my time to the gentleman from Illinois [Mr. CRANE], and that he be allowed to yield time as he chooses.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong opposition to House Joint Resolution 502, a resolution disapproving the President's decision to extend normal tariff treatment, MFN, to the People's Republic of China for an additional year. I do not do so because I disagree with the criticisms of the Communist government in China that have been articulated by many Members on the floor today, but rather because I believe this legislation would be counterproductive to the very goals of its proponents.

Mr. Speaker, this is a drastic measure that would seriously undermine United States economic and foreign policy interests in the region, as well as be an attack on United States businesses that have worked hard to establish themselves in China's vast potential market.

The administration strongly opposes House Joint Resolution 502 and the President will veto it if it reaches his desk.

MFN status was first granted to China on February 1, 1980. Each year since then, the President has reviewed that country's immigration performance as required under the Jackson-Vanik statute. This year, as he has every year since 1980, the President determined that Chinese officials substantially follow the practice of allowing persons who want to immigrate to do so.

Rather than focusing on immigration problems, and, I repeat, the one and only condition of MFN specified by Jackson-Vanik, the proponents of removing MFN are wandering far afield into seductive, extraneous issues.

Yes, we all share their goals. I too am gravely concerned about human rights in China. But we differ on the best way to reach that goal.

The President has made progress with the Chinese on those issues, as well as in negotiations on many other subjects, including nuclear nonproliferation issues and intellectual property rights protection. I see no alternative but to remain engaged with the Chinese as the way to pursue an improved human rights picture.

There is a positive movement in China. House Joint Resolution 502 would close the door to our influence of that movement.

In contrast, House Joint Resolution 502 would hurt United States interests far more that it would hurt the Chinese Government. It would be particularly damaging to those individuals and businesses, who, by their presence in China, are doing the most to promote democracy and human rights.

Mr. Speaker, this resolution is a severe and ineffective response to reprehensible actions by the Chinese officials.

The leverage of trade must be employed in a wise and informed manner if we are to be successful in promoting democracy. In my view, Americans must remain active and visible in China. This resolution would make this impossible.

I urge my colleagues to vote "no" on House Joint Resolution 502.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Speaker, we face a dilemma in dealing with China. The first vote this afternoon is on the Solomon resolution. The Solomon resolution says we have had enough, we cannot stand it any more. Let's get out. Let's not have any more influence on China.

That is not a sound position to take. The Solomon resolution should be defeated.

After that the Pelosi-Pease resolution will come up, which places conditions upon dealing with China. That is a sound approach. It tells the Chinese exactly what we expect. It gives them a reasonable length of time in order to get it accomplished, and that is what we should vote for.

Mr. Speaker, I have listened to all of the sides in this argument for hours on end at the hearings and in my office. No one comes forth who knows much about China and advocates the approach of the Solomon resolution. Yes, we need to do something about China. But cutting off all contact with China is not the way to treat one-fifth of all the people on Earth.

If you go to all the other major countries on Earth, you will not find this debate raging, because all of them have decided that they are going to continue working with China, trying to straighten it out as best they can. We are really the only people who really preach and push human rights in China.

Mr. Speaker, if we cut off our contact with China, we are condemning 1 billion people to a very bleak future. We must remain in contact with them. The Solomon resolution is illogical and is not well thought out. The Pease-Pelosi approach is much more desirable and should be voted for.

Mr. Speaker, I urge a vote against the Solomon amendment.

Mr. SOLOMON. Mr. Speaker, I yield 3½ minutes to the distinguished gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I rise in strong support for both the resolution of the gentleman from New York [Mr. SOLOMON] and the resolution of the gentlewoman from California [Ms. PELOSI].

I had the opportunity a year ago Easter to visit China. Not only did I visit China, there have been a lot of Members that have visited China, I visited Beijing Prison No. 1.

It was a very cold day. It was snowing. As we walked through the prison we then saw a sign that said "Hosiery Factory." Then we asked could we go into that hosiery factory.

What we found in Beijing Prison No. 1, where 40 Tiananmen Square demonstrators were imprisoned, was a factory making clothing, making socks and shoes, plastic jelly shoes, for export to the United States.

Thankfully, due to the good work of Carol Hallett, we were able to shut that down.

Those Members who are undecided as to how to vote, think in terms of the number of people who have been arrested in China for religious freedom. There are now bishops, priests, and ministers, some up to 86 years old, that have been in prison for better than 30 years.

I hear people talk about improvements. If you are a Catholic bishop and you are 82 years old and have been in prison for 30 years, do not talk about improvements, because there have been no improvements.

Mr. Speaker, I want to read from the Los Angeles Times dated Monday, July 13. Congress happened to be away during that time and many Members did not see it. "Thirty dissidents reported arrested since May in crackdown by Beijing."

Give me a break. This place has not improved. These are the same arguments used when we brought up the amendment, which I think Congress did the right thing, when we suspended MFN for Romania. The first time we brought it up everyone said no, do not do it. You take it away, Ceausescu will get angry and it will hurt the people.

Yet all the people in Romania, as they were bulldozing churches, bulldozing synagogues, putting people in prison, all the people in Romania when I went there said privately, "Take MFN away, because it is the only thing that will send a message to Ceausescu."

We took MFN away and Ceausescu is no more.

Mr. Speaker, I am going to at least support the amendment of the gentleman from New York [Mr. SOLOMON], and I urge Members to support the Solomon amendment. But if one cannot support the amendment of the gentleman from New York [Mr. SOLOMON], at least support the Pelosi amendment.

Mr. Speaker, I would hope and almost pray on behalf of the prisoners that we have met and their families, if we could pass the Pelosi amendment with a 100-percent vote, 435 men and women down here, everyone voting for it, the gates in Beijing and throughout China would open up and it would be a message. Those that listen on shortwave radios in China, Tibet, and places like that, would know that the people's body, the United States Congress, the people's House, has sent a message.

□ 1430

I strongly urge support for the Solomon amendment and, after the Solomon amendment, I would urge that every Member, although some may have doubts and be concerned about this, if we want to help freedom, if we want to do something to help freedom and to stop slave labor and to help those Catholic bishops and the priests and the ministers that have been in jail for so many years, let every man and woman in this body vote for the Pelosi amendment so we have 435 to 0. And then the Chinese Government will get a message that will make a great difference.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge defeat of House Joint Resolution 502 which disapproves the President's decision to extend MFN trade status to China for another year.

Considered annually by the House, this resolution was reported by the Committee on Ways and Means without recommendation in order fulfill the committee's responsibility under the Jackson-Vanik statute.

Today the House will also debate H.R. 5318 which would explicitly link continuation of MFN to improvement in many areas of Chinese policy including nuclear nonproliferation and human rights. I strongly oppose both of these bills.

House Joint Resolution 502 would turn out the lights on our relationship with 1.2 billion Chinese people who need our support.

This would be a crippling blow to the cause of political reform in China. I favor keeping the channels of trade open at this time because it is the best way to communicate free market ideals and democratic values.

The leverage of revoking MFN can be used only one time; if business relationships are severed, they will not be repaired easily. Current negotiations with the Chinese on a wide range of issues would be broken off.

Americans would no longer have a significant impact on political dialog within China. Our friends in Hong Kong would face an uncertain future at a time when they most need to expand their relationship with the United States.

Mr. Speaker, the political leadership in China confronts us with tough choices. Engagement brings us into an uncomfortable and difficult association with a regime which behaves in ways we despise.

Yet it also allows us the opportunity to exert influence for positive change in the lives of innocent Chinese citizens.

I urge my colleagues to vote "no" on House Joint Resolution 502 and to continue MFN for China for another year.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The Chair will advise that the gentleman from Illinois [Mr. ROSTENKOWSKI] has 8 minutes remaining, the gentleman from New York [Mr. SOLOMON] has 16½ minutes remaining, and the gentleman from Illinois [Mr. CRANE] has 9 minutes remaining.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 3 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I rise in support of the Solomon amendment. As has been indicated in the debate, there will be a debate and a vote on another piece of legislation later this afternoon, the Pease-Pelosi bill, which would condition renewal of most-favored-nation status on improvement of human rights in China and also conditions relating to nuclear proliferation and, very importantly, to trade matters and barriers to our products going into China.

I rise in support of the Solomon legislation strategically. I think it is a good tactic for us.

This House of Representatives, which has stood as the bastion of freedom in our country and in our history, to go on record that we want what is going on in China to stop, if China is to enjoy the benefits of our relationship.

I rise with special urgency on this issue today, Mr. Speaker, because earlier today, after a secret trial, the Chinese Government sentenced one of China's foremost reformers to 7 years in prison. Imagine, on the very day when this body is taking up most-favored-nation status for China and the concern that has repeatedly been expressed in this body about human rights and reform, both economic and political reform in China, that the government has sentenced Bao Tong, an aide to the ousted reformer Zhao Ziyang. He received this sentence from the regime for being too soft on the pro-democratic student demonstraters in Tiananmen Square. He was charged with leaking state secrets and counterrevolutionary incitement.

What did he do? He was accused specifically of telling the 1989 student protest leaders about Communist Party plans to impose martial law and other internal discussions about how to handle the pro-democracy movement. Bao's family was allowed to attend the 10-minute sentencing, but not the trial, which was closed and highly policed. Bao's mother noted after the sentencing, "It's not a question of whether we consider the sentence heavy or light, he was innocent."

A Western diplomat stated, "It is hard to consider that sentence lenient under any circumstances."

While reformer Bao Tong is imprisoned, Deng Xiao Peng, Chinese's paramount leader, makes public appearances designed to reassure the West that he supports reform. Deng talks reform and arrests the reformers. Many of the economic reforms China is embracing now were promoted by Zhao Ziyang and his aide Bao, who was sentenced today, before 1989. How can a regime claim to promote entrepreneurship when it punishes individual thinking?

In the beginning of debate on this legislation the chairman of the Committee on Ways and Means indicated that there had been some signs of progress and made some other statements about what was considered to be progress in some circles, as far as China is concerned. If there indeed was progress, I believe this body, this House of Representatives can take full credit for it.

When the intellectual property agreement was being negotiated, the word, directly from the copyright office in Beijing, was: "Compromise, compromise. We must have an agreement or else we will lose most-favored-nation status."

So I commend the gentleman from New York [Mr. SOLOMON] for his courage, frankly, in bringing this resolution to the floor. This is a very important piece of legislation which I think serves as a good tactic for us to ultimately end up with conditional renewal, ultimately end up with a freer political climate in China, fair trade with our country and a safer world in terms of nuclear proliferation.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, I rise in very strong opposition to the attempt to block President Bush's executive authority to grant most-favored-nation status to China. It seems to me that as we look at this issue, there are a wide range of concerns that need to be addressed.

When we look at the challenge that this Congress faced, as we began in January 1991, it was whether or not we were going to grant support on the use of force for the President to deal with the horrendous expansion by Saddam Hussein into Kuwait, imposing horrible human rights violations on those helpless people. Well, it was very important that we had the support of China in moving ahead with dealing with Saddam Hussein.

As well, look at other activities in the United Nations, China's support has been very beneficial to us. One of the most troubled regions of the world today is Yugoslavia, and as we observe the breakup of these seven Republics within Yugoslavia, we have had strong support for our position in the United Nations by China.

As we look at the challenges of the region, Cambodia, which we all know very well has been responsible for horrendous human rights violations, has struggled through what is called the SNC [the Supreme National Council] to try and resolve the battle that has existed among the four factions in Cambodia.

□ 1440

We have been trying to do that. The Chinese have supported us there.

Mr. Speaker, this in no way excuses the horrendous human rights violations that the Chinese Government has been responsible for over the past several years, but it seems to me that only the President of the United States can take a broad look at the region. I challenge any of our colleagues to stand here and defend the human rights policies of Singapore, Thailand, the Philippines, Malaysia, or other countries in the region. It seems to me we must recognize that we have a human rights problem not just in China but in the entire region.

I have enough confidence in our President that we can allow him to make the determination as to whether or not exposure to the West is going to provide us with the greatest opportunity to improve the horrendous human rights violations that exist in China today.

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from New York [Mr. SOLOMON] has 16½ minutes. The other gentlemen have only 5 and 6 minutes, respectively.

Mr. SOLOMON. Mr. Speaker, I am prepared to close debate if the other two gentlemen want to yield back their time. I think I have the right to close on my resolution, and we will close out this debate.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] has the right to close. The gentleman from Illinois [Mr. CRANE] may wish to sum up.

Mr. CRANE. Mr. Speaker, I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York [Mr. SOLOMON] to close debate.

Mr. SOLOMON. Mr. Speaker, I will be brief. Previously the gentleman from California [Mr. DREIER], my colleague from the Committee on Rules, challenged his colleagues to compare China with the countries of Singapore, and Thailand, and others. Let me just read to the Members a headline here, because I think it is terribly important.

The headline in this newspaper says: "China To Hike Military Spending 13.8 Percent." What is happening in America with our Armed Forces? We are cutting back 25 percent over the next 3 years. What is happening with NATO, with the NATO countries? They are all cutting back.

All of the rest of the world is cutting back on military spending except China. The People's Republic of China is increasing its military budget by 13.8 percent, not just to prop up these old angry men in the Great Hall of the People, but because they intend to pursue regional ambitions. We all know that. With goods produced by slave labor that are coming into this country, China is getting the money to increase its spending on the military by 13.8 percent.

Let me just read some other headlines: "Many Chinese Dissidents Thought To Be Still Jailed"; "China Urged To Stop Tibet Torture"; "Ex-Chinese Official Decries Crackdown"; "China Sets Off Its Biggest Nuclear Test"; "FBI Warns About Spying By China"; "Top Aide To Former Party Chief Faces Political Trial In China," and it goes on and on and on. These are just a sampling of headlines from recent weeks.

An article in the New York Times notes:

> While all nations cheat on free trade to some degree, China is a socialist country that has put up barriers to imports so brazenly that it hardly makes a pretense at advocating free trade.

The article continues:

> American businessmen are much less sympathetic. To many, China's economy is a giant maze with dead ends at every corner and booby traps that lead to dense tangles of bureaucracy and high costs. For instance, beyond extensive tariffs, quotas and other restrictions, China has a set of secret regulations that foreigners cannot even see.

That is why we have a $20 billion trade deficit building with China. What is wrong with this country? Three years ago these same arguments were made: "Let us condition MFN to China and maybe they will improve next year." Next year came and nothing happened. The same thing happened the year after that, and we stood there on this floor and had a very fine debate, one of the finest debates I have seen since I have been here, and we all agreed that if things did not change we would have to crack down this year.

Remember one thing. We can pass this Solomon resolution; it will suspend MFN status for China, which can also be reinstated. All the President has to do is request this Congress to reinstate it. Certainly if the kinds of conditions as called for in the Pease-Pelosi bill are met, or if there is any kind of movement toward them, then let us reinstate MFN. But the Chinese Government has proven that nothing will work unless we suspend their MFN status.

I just asked the Members to vote for the Solomon amendment. After that passes, and I feel confident it will, I think we should then overwhelmingly pass the Pease-Pelosi bill. That will send the message that this Congress is not going to put up with the kinds of human violations against 1 billion people that are being meted out daily by the Communist dictatorship in China.

Mr. GILMAN. Mr. Speaker, I rise in strong support of House Joint Resolution 502, legislation to disapprove the President's recommendation to extend MFN treatment to products of the People's Republic of China. I commend my colleague the gentleman from New York [Mr. SOLOMON] for once again taking the lead and introducing this important initiative. For many years, while he served on the Foreign Affairs Committee and way before the massacre in Tiananmen Square, Mr. SOLOMON spoke out against coddling the Communist government in Beijing. He has remained firm in his belief and time has proven him right.

China's conduct, both domestically and internationally, has done little to justify the view that pursuing a course of economic business as usual is a successful strategy for improving its human rights record, obtaining its cooperation in curbing the global weapons trade, or lessening its trade deficit with the United States. The events of the last few months emulate those of the previous 3 years during which we have debated the MFN issue. Improvements in China's conduct has been limited to symbolic gestures and are completely offset by its continuing malfeasance.

Mr. Speaker, almost every day we receive reports which attest to persistent hardline political policies within the People's Republic and its refusal to become a responsible member of the world community.

China's expansionist tendencies as evidenced by its recent move in the Spratly Islands, its drug involvement with the Burmese, its weapon sales to Iran and Syria, its projected $19.2 billion trade deficit with the United States, its exports of products made by slave labor, its continued repression in occupied Tibet, the executions, torture and detention of peaceful prodemocracy protestors go on and on.

On June 1, the French press agency reported that China has banned unauthorized memorials, wreath laying and even laughing on Tiananmen Square 3 days before the third anniversary of the June 4 massacre.

On May 25, an Asian Wall Street Journal article points out that China has become a major transit point for heroin shipments from Southeast Asia.

On May 30, China abstained in a U.N. Security Council vote to impose tough economic sanctions against the government of the Serbian controlled Yugoslav state.

The Los Angeles riots in the United States sparked a paroxysm of America-bashing in official Chinese media for domestic and Third World consumption. On June 4, several Chinese were arrested, as they tried to mark the third anniversary of the Tiananmen Square uprising. Several foreign journalists covering the incident were punched, kicked, and roughed up by the police.

On June 10, the South China Morning Post reported that the state has stepped up a crackdown against religion.

On that same day one of China's senior house church leaders, Xie Moshan, was arrested by authorities in Shanghai for illegal itinerant preaching.

On June 19, a New York Times story reported that China is a vast, organized slave camp, where daily 16 to 20 million men toil. Prisoners failing to meet quotas are beaten, tortured, fed starvation diets, and can have their sentences lengthened.

A Washington Post article the next day reports that a Chinese prison official reveals that foreign exports of his prison's goods yielded the highest profit.

Mr. Speaker, it makes no sense for us to continue to treat the People's Republic of China in manner that damages our economy, destabilizes international security, supports drug usage and goes completely against the ideals of human rights that we hold so dear. Accordingly, I urge my colleagues to support House Joint Resolution 502.

Mrs. LOWEY of New York. Mr. Speaker, 4 months ago I rose in this Chamber to speak out against the President's veto of legislation placing conditions on the granting of most-favored-nation trading status to the People's Republic of China. Today, I rise once more to say enough is enough, let us stop appeasing the butchers of Beijing.

Four months ago, we came very close to placing conditions on granting MFN to China. Many of us had hoped that that vote would send a strong message to Beijing: that the United States takes human rights seriously. That we will not give our support to an antidemocratic regime that enslaves its population and thumbs its nose at freedom and internationally recognized rights.

That message was clearly not understood. Today, Chinese authorities tried, convicted, sentenced, and imprisoned, Bao Tong, the highest ranking Chinese official to be convicted in connection with the prodemocracy movement. I, for one, do not believe that the timing of the trial and today's vote are a mere coincidence. Once again, the Chinese dictators are thumbing their noses at us, challenging us to defy their regime of terror. And who is aiding and abetting their cruel regime? The Bush administration, which has decided to turn its back on all of this inhumanity.

I urge my colleagues to vote to revoke MFN for China and to do so by a veto-proof margin. That is the only way that we can be sure our message is heard.

Mrs. COLLINS of Illinois. Mr. Speaker, today we will have the opportunity to once again place individual liberties and human rights at the forefront of American foreign policy, rather than corporate profiteering and the all-powerful bottom line.

Despite the massacre at Tiananmen Square, the Bush administration is still the best friend the Communists in China ever had. While China continues to stonewall on United States requests that it provide information on all of the political prisoners taken during the 1989 student demonstration, American factories are closing due to unfair Chinese trading practices. Furthermore, numerous foreign journalists, and even Members of this body, have been harassed and detained by Chinese officials.

Access to America's consumer markets and most-favored-nation trading status is a privilege, not a right, and I believe it is high time the United States to stop kowtowing to Beijing, and use our trading relationship as a catalyst for reform. I simply cannot justify allowing China to take full advantage of our open markets, while it ravages its own people, and disrupts the lives of so many of ours.

President Bush's inaction on this critical issue is a national embarrassment and I urge my colleagues, as we have done in the past, to reject MFN status for China, and as Governor Clinton says, "put people first." Vote no on House Joint Resolution 502 and support conditions for Chinese MFN.

Mr. VENTO. Mr. Speaker, I rise in support of House Joint Resolution 502, which disapproves President Bush's waiver that permits China to receive most-favored-nation [MFN] trade status through July 3, 1993. I also rise in support of H.R. 5318, which provides for the conditional extension of MFN trade status for China in 1993 if China meets certain requirements in the areas of human rights, trade, and weapons nonproliferation.

Once again, Mr. Speaker, it appears that President Bush just doesn't get it. After 3 years of stubbornly clinging to a failed foreign policy toward China, the Chinese Government remains as repressive as ever with one of the most deplorable records on human rights of any country in the world. Major international human rights groups, such as Asia Watch and Amnesty International, have documented literally hundreds of cases of gross violations of human rights by the Chinese Government. Thousands of pro-democracy demonstrators have been shot, forced into slave labor camps, or have simply disappeared with no further trace. Even our own State Department has documented the use of cattle prods, electrodes, and beatings against Chinese and Tibetan prisoners. China's policy of coerced abortions and forced sterilizations is contrary to any minimal standards of decency and respect for human rights.

Even today as the House of Representatives considers the question of extending MFN status, the Chinese Government is beginning the trial of Bao Tong, an aide to former General Secretary and democratic reformer Zhao Ziyang. Bao is one of the highest ranking former government officials to be tried since the Tiananmen Square massacre of June 1989. Bao's trial follows reports last week that more than 30 dissidents were arrested in Beijing in late May this year.

There is no free emigration in China today. Emigration is strictly controlled and those most desperate to leave have no realistic opportunity of doing so. Despite Chinese assurances to Secretary of State Baker in 1991 to allow anyone not under criminal indictment to leave the country, many pro-democracy demonstrators who have applied for exit permits have not received them.

On the issue of weapons nonproliferation, again, the result of the Bush administration's policy is one of disappointment and failure. Last year's MFN bill included strong provisions conditioning MFN status on Chinese adherence to the missile technology control regime [MTCR] and the Nuclear Non-Proliferation Treaty. While the Chinese Government has expressed rhetorical support for these agreements in order to gain and retain its MFN trade status, the facts portray a different reality. China is purchasing military hardware from the former Soviet republics at an alarming rate; a matter of increasing concern among China's neighbors in Asia.

In May of this year, China detonated a 70-kiloton nuclear bomb while simultaneously expressing support for nuclear nonproliferation at a time when the United States and Russia were negotiating drastic reductions in their nuclear arsenals. China has sold missiles to Iraq and has attempted to sell medium range missiles to Syria and Iran thus introducing further instability into one of the most unstable regions of the world. Furthermore, China has also cooperated with Pakistan in developing nuclear weapons.

Finally, Mr. Speaker, on trade matters, the United States trade deficit with China has increased 50 percent since the first quarter of 1991. Chinese exports to the United States have increased a total of 700 percent since 1980, while their exports to the rest of the world have only increased 56 percent over that same period. While China has amassed huge United States currency reserves from its exports to this country, thousands of United States jobs in clothing, textiles, manufacturing, and other industries have disappeared. Barriers—both tariff and nontariff—to United States exports to China have become so serious as to prompt warnings that retaliatory tariffs could be imposed by this fall. Clearly, the Bush administration's policy of appeasement toward China has given China a trade windfall at the expense of American workers and American jobs.

American workers support fair trade, but American workers should not be forced to compete with forced labor, child labor, and prison labor. Extensive research by Asia Watch and CBS program "60 Minutes" has shown Chinese Government involvement in export companies that use prison labor, despite assurances that the Chinese Government does not condone this practice. China has frequently avoided United States textile quotas by transshipping through third countries, a practice which the administration acknowledges.

Mr. Speaker, H.R. 5318 would condition the renewal of MFN status for China on Chinese compliance with stringent conditions on trade, human rights, political rights, and nonproliferation. The bill targets State-owned enterprises and thereby applies political pressure most directly where it is needed; on the Chinese Government. The Bush administration's policy of unconditional extension of MFN status has precluded any possible leverage in improving China's domestic and foreign policies and protecting the jobs of American workers. It's time for a change. I hope my colleagues will join me in voting for both of the measures before us today.

Mr. SCHULZE. Mr. Speaker, as most of us know, whether or not a nation receives most-favored-nation trading status is supposed to depend on the degree of openness of such nation's emigration policy.

During the last three debates over the China MFN issue, I have cited several reports stating how restrictions on those seeking to leave China have worsened since the 1989 Tiananmen Square massacre. On this basis alone, I've said, China's MFN status should be revoked.

Regrettably, however, despite one of these reports being prepared by our own State Department, that agency still maintains China's emigration policy is basically free and open.

As Deputy Secretary Eagleburger said to me last year, the State Department and I just have a difference of opinion as to what constitutes a free and open emigration policy.

The State Department's intransigence on the emigration issue—and the fact that many of our colleagues have focused on other China-related problems—the emigration issue which should be the true focus of the MFN debate has been left in the dust.

This I find deeply saddening—especially when I think of those people physically precluded from leaving China in search of the liberty and freedom that you and I take for granted.

I am further disheartened that the Congress as a whole lacks the guts to pass a motion of disapproval resolution and send it to the President. Rest assured—our lack of resolve only encourages Chinese leaders to continue shunning free emigration and basic human rights.

Moreover, while I will likely support H.R. 5318, Congress' collective obsession with the conditionality approach also gives me pause for concern.

The reason H.R. 5318's main supporters give as to why the President should sign this measure is that it gives him all the—quote—"wiggle room" and "room to maneuver" he needs so as not to be backed into a corner on the extension of MFN for China.

I do not mean to slight Mr. PEASE'S sincere devotion to this issue. But can his bill really bring pressure to bear on the Chinese Government if its stated intent is to give the President all the "wiggle room" he needs to be able to keep extending MFN to China? If you're one of the "Butchers of Beijing" government leaders, why take this seriously? The only thing the Chinese leaders will take seriously is the uncertainty fostered by overwhelming passage of the resolution before us.

Such overwhelming support must begin today in this Chamber. With a resounding House vote of confidence for the Solomon resolution, the other body will have little choice but to follow suit.

I urge Members to vote "aye" on House Joint Resolution 502.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to sections 152 and 153 of the Trade Act of 1974, the previous question is ordered on the joint resolution.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 258, nays 135, not voting 41, as follows:

[Roll No. 285]

YEAS—258

Abercrombie
Ackerman
Alexander
Allen
Andrews (ME)
Andrews (NJ)
Annunzio
Anthony
Applegate
Aspin
Bacchus
Ballenger
Barnard
Barton
Beilenson
Bennett
Bentley
Berman
Bevill
Bilbray
Blackwell
Bliley
Boehlert
Bonior
Borski
Boucher
Browder
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Cardin
Carper
Chapman
Clay
Clement
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Costello
Cox (CA)
Cox (IL)
Coyne
Cramer
Cunningham
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dixon
Donnelly
Dooley
Doolittle
Downey
Duncan
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Engel
Erdreich
Espy
Evans
Fascell
Fish
Flake
Foglietta
Ford (MI)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gaydos
Gejdenson
Gekas
Gephardt
Gilchrest
Gilman
Gonzalez
Gordon
Gunderson
Hall (OH)
Harris
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Hoyer
Hubbard
Hunter
Hutto
James
Jefferson
Jenkins
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kildee
Kleczka
Kostmayer
Kyl
LaFalce
Lantos
Laughlin
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (FL)
Lloyd
Long
Lowey (NY)
Manton
Markey
Martinez
Mavroules
Mazzoli
McCandless
McCollum
McCurdy
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Mfume
Mineta
Mink
Moakley
Molinari
Moody
Moran
Morella
Murtha
Myers
Neal (MA)
Neal (NC)
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Pelosi
Porter
Poshard

Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Rhodes
Richardson
Ridge
Riggs
Ritter
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sawyer
Schaefer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sikorski
Sisisky
Skeen
Skelton
Slaughter
Smith (FL)
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Staggers
Stark
Stearns
Stokes
Swett
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (GA)
Thornton
Torres
Traficant
Traxler
Unsoeld
Upton
Valentine
Vento
Visclosky
Walker
Walsh
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Wilson
Wolf
Wolpe
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—135

Allard
Anderson
Andrews (TX)
Archer
Armey
AuCoin
Baker
Barrett
Bateman
Bereuter
Bilirakis
Boehner
Brewster
Brooks
Broomfield
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Crane
DeLay
Dickinson
Dicks
Dingell
Dorgan (ND)
Dreier
Emerson
English
Ewing
Fawell
Fazio
Gallo
Geren
Gibbons
Gillmor
Glickman
Goodling
Goss
Gradison
Grandy
Green
Guarini
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Hastert
Hoagland
Hobson
Houghton
Huckaby
Hughes
Inhofe
Jacobs
Johnson (CT)
Johnson (SD)
Johnson (TX)
Kennelly
Klug
Kolbe
Kopetski
Lagomarsino
LaRocco
Leach
Lent
Lewis (CA)
Lightfoot
Livingston
Lowery (CA)
Luken
Marlenee
Martin
Matsui
McCrery
McDade
McDermott
McGrath
Meyers
Michel
Miller (OH)
Miller (WA)
Montgomery
Moorhead
Murphy
Nagle
Natcher
Nichols
Nowak
Nussle
Orton
Oxley
Packard
Payne (VA)
Pease
Penny
Peterson (MN)
Petri
Pickett
Pickle
Reed
Regula
Rinaldo
Roberts
Roe
Roemer
Rostenkowski
Santorum
Sarpalius
Saxton
Scheuer
Sharp
Shaw
Shays
Shuster
Skaggs
Slattery
Smith (IA)
Smith (OR)
Solarz
Stallings
Stenholm
Stump
Sundquist
Swift
Thomas (CA)
Thomas (WY)
Vander Jagt
Volkmer
Vucanovich
Weber
Williams
Wyden
Wylie

NOT VOTING—41

Atkins
Boxer
Brown
Campbell (CO)
Carr
Conyers
Coughlin
Dannemeyer
Dornan (CA)
Durbin
Feighan
Fields
Ford (TN)
Gingrich
Hatcher
Hyde
Ireland
Johnston
Jones (GA)
Kolter
Lancaster
Lehman (CA)
Lewis (GA)
Lipinski
Machtley
McCloskey
McEwen
Miller (CA)
Mollohan
Morrison
Mrazek
Perkins
Peterson (FL)
Ray
Roukema
Savage
Studds
Torricelli
Towns
Whitten
Wise

□ 1512

The Clerk announced the following pairs:

On this vote:

Mrs. Roukema for, with Mr. Ireland against.

Messrs. KLUG, JOHNSON of Texas, ENGLISH, NAGLE, HALL of Texas, HUGHES, and EMERSON changed their vote from "yea" to "nay."

Messrs. MCMILLEN of Maryland, SPENCE, DARDEN, BEVILL, ROWLAND of Georgia, and CRAMER changed their vote from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

UNITED STATES-CHINA ACT OF 1992

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the provisions of House Resolution 514, I call up the bill (H.R. 5318) regarding the extension of most-favored-nation treatment to the products of the People's Republic of China, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. MAZZOLI). Pursuant to House Resolution 514, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5318, as amended, the Pease-Pelosi bill. This bill establishes a number of new conditions—in addition to those contained in current law—which China must meet in order for the President to recommend a continuation of China's most-favored-nation [MFN] status in 1993.

I want to commend our colleagues, Mr. PEASE, Ms. PELOSI, and others, for their efforts in keeping the issue of China's human rights behavior so squarely before the eyes of Congress and the American people. China's recent willingness to begin to make some improvements in this area is due in part to their dedicated legislative efforts. But we need to continue to press China in a constructive way not only on human rights, but also on trade and weapons nonproliferation issues. That is why H.R. 5318, as amended, is an important bill worthy of the full support of this body.

The bill establishes additional objectives in the human rights, trade, and weapons nonproliferation areas that must be satisfied before the President may recommend renewal of MFN treatment for China's exports in 1993. These objectives include: Human rights objectives requiring release and accounting of citizens arrested after the Tiananmen Square incident and the cessation of religious persecution and other repressive practices; trade objectives related to market access and protection of intellectual property rights; and nonproliferation objectives related to missile technology and nuclear, chemical, and biological weapons.

If these objectives are not met, MFN treatment for products and exports of state-owned enterprises in China would be denied. Products of businesses, corporations, and joint ventures that are not State-owned enterprises would continue to receive MFN treatment. The sanctions provided for in the bill, therefore, would fall directly on the State, where they belong, and not on the private sector in China, whose continued development we want to encourage.

H.R. 5318, as amended, provides for less sweeping sanctions and greater Presidential flexibility than did a similar bill vetoed by the President earlier this year. It has been drafted in a way that constructively takes into account objections of the administration to past congressional initiatives in this area. The bill will provide additional negotiating leverage for the President in his future dealings with China and will contribute significantly to our common goal of meaningful change in Chinese policy and behavior. For these reasons, I believe that the President should sign this important bill.

I strongly urge my colleagues to vote for H.R. 5318, as amended.

□ 1520

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in relation to the size of our hopes and dreams for the Chinese people, the means we have available for advancing our objectives are limited. With this in mind, I urge a no vote on H.R. 5318 because it would extinguish our best method of achieving democratic reform in China. Although camouflaged by elaborate conditionality, this bill would have the same effect as previous proposals to revoke MFN completely.

The President's policy of vigorous bilateral negotiations with the Chinese, coupled with continued commercial relationship between the two countries, has proved successful. Substantial progress on a wide variety of issues has been achieved since MFN for China was renewed last year.

In January, after 7 months of steady pressure, Ambassador Hills concluded an agreement with the Chinese to establish a state-of-the-art regime to protect intellectual property rights.

This will include protection of U.S. patents, copyrights, and computer software. The agreement will guard against an estimated annual loss to United States industry of more than $400 million because of Chinese piracy.

China's support for global nonproliferation initiatives increased significantly last year. China acceded to the Nuclear Nonproliferation Treaty and adhered to missile technology regime guidelines.

China is cooperating in international and bilateral efforts to fight drug trafficking and has been positively participating in the chemical weapons convention.

On the issue of market access, USTR has launched the largest section 301 case in its history to address broad trade problems, such as lack of transparency, import licensing requirements, import bans and quantitative restrictions and technical barriers to trade.

USTR has asked that China commit to systematic steps to eliminate these barriers. Just last week, in the ongoing section 301 negotiations on market access, the Chinese agreed to provide transparency in their regulatory and licensing process, a key United States objective in these talks.

With a statutory deadline of October 10 approaching, USTR is currently developing a precisely targeted retaliation list for use in the event the Chinese will not cooperate to rectify these problems.

If adequate progress is not achieved, USTR is completely prepared to retaliate—but in a controlled, surgical manner.

On the other hand, H.R. 5318 would set up a broad and unworkable process for denying MFN treatment for products coming from so-called state enterprises. This is a completely unenforceable distinction.

Given the millions of industrial and agricultural firms in China, identifying which are state-run enterprises would be complex and extremely expensive. Most products are sold through state agencies even though produced by so-called private joint ventures.

Also, almost 70 percent of China's exports go through Hong Kong, further complicating the task of identifying producers.

As a result, many of our best allies in the fight to reform China—those dynamic entrepreneurs who are embracing free market principles—will be sanctioned by this bill. The Chinese Government, in my view, may simply decide it cannot meet the conditions in H.R. 5318 and terminate all negotiation with the United States.

China can easily switch its purchases to other trading partners which do not have conditions associated with the granting of MFN.

United States business has $6.3 billion in exports to China in sectors such as aircraft, computers, industrial machinery, chemicals wheat, and corn. Our competitors in Europe and Japan would rush in to supply these products.

In short, I oppose H.R. 5318 because it will accomplish none of the objectives we all share, and will be unworkable in its implementation. A policy of engagement, as frustrating as it can be, is the only effective way to encourage political reform in China. I urge a no vote on H.R. 5318.

Mr. Speaker, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, we are here today to vote on H.R. 5318, the United States-China Act of 1992. During the debate, you will no doubt hear a number of opposition arguments. There has already been quite a lot of disinformation spread on H.R. 5318. I would like to use my time this afternoon to dispel some of the myths that opponents of my bill have disseminated.

Myth No. 1: This bill is designed to cut off MFN for China.

The reality is that none of the architects of this bill has ever had any intention or desire to revoke MFN for goods coming from China. H.R. 5318 afford the President a great deal of discretion in determining whether the stated conditions have been met. Because this measure requires merely overall significant progress on the bulk of the conditions, the President is by no means backed into the corner of having to revoke MFN.

Myth No. 2: The effect of H.R. 5318 would be the same as the impact of past conditionality proposals.

The truth is that while conditionality measures of the past have focused on exports from China in general, H.R. 5318 would target only exports from state-owned enterprises in China.

Myth No. 3: This bill would hinder the entrepreneurial forces that are pushing Beijing in the direction of economic liberalization.

The real story is that by targeting only goods from State-owned enterprises in China, H.R. 5318 would inoculate all private enterprises in the PRC, including those in the south, as well as foreign joint ventures against the bill's conditionality scheme.

Myth No. 4: Conditioning extension of MFN to China will prove counterproductive by eliciting a backlash from Beijing.

In reality, China could hardly risk the billions of dollars in trade that it has at stake. In 1991, China's trade surplus with the United States was $12.7 billion, second only to Japan's. The projected 1992 surplus is $20 billion.

Myth No. 5: Mr. Bush's policy of unconditional extension of MFN has brought about significant improvements in China's human rights, trade, and weapons policies.

The record shows that in all of these areas China has displayed little to no improvement and in some cases backsliding.

On human rights, People's Republic of China police brutalized peaceful demonstrators and members of the press on the eve of the third anniversary of the Tiananmen Square massacre.

On trade, the figures I cited earlier on the mounting deficit tell the whole story.

On weapons, China recently conducted an underground nuclear test of 1,000 kilotons, far exceeding the generally accepted 150-kiloton limit.

Myth No. 6: Economic liberalization will automatically lead to political and social reform in China.

Deng Xiaoping provides us with the truth on this matter by recommending that Beijing quicken the pace of economic reform but use force to crush any democratic movement in China.

Myth No. 7: H.R. 5318 would inhibit administration negotiating efforts.

The fact is that the provisions of this legislation would dovetail nicely with administration negotiating efforts. On the United States-China market access talks, for example, H.R. 5318's trade conditions would provide the United States Trade Representative with much needed leverage in extracting concessions from the Chinese.

Just last week, Deputy United States Trade Representative Michael Moskow announced that the United States will start targeting Chinese products for retaliation if China does not move further on market access issues.

In conclusion, I urge my colleagues not to fall victim to the kind of disinformation I have sampled in my remarks. Join me in supporting H.R. 5318.

□ 1530

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Speaker, Ms. PELOSI's concerns are well-founded, but I rise to suggest that they are not well advanced by her legislative prescriptions.

Ironically, jeopardization of MFN would reverse America's historic open-door policy to China in favor of a counterproductive bolted door approach, unilaterally ceding our progressive influence to others.

Ironically, jeopardization of MFN would have the perverse effect of negatively impacting those elements in China we want most to advance—the free market entrepreneurs who are responsible for so much progressive economic change.

Ironically, jeopardization of MFN would provide a pretext for the Communist hard-liners to reverse recent Chinese openings to the West.

Ironically, jeopardization of MFN undercuts the Chinese stepchildren of Adam Smith and allows a tightening of the reins of economic as well as political power by the discredited disciples of Marx, Lenin, and Mao.

Ironically, jeopardization of MFN would, from an American agricultural perspective, be the equivalent of a unilateral ban on soybean sales, hurting the American farmer and Chinese child, not Communist bureaucrats.

And, ironically, in foreign policy, jeopardization of MFN would undercut international peacekeeping efforts in Cambodia, Yugoslavia, and the Middle East.

Let there be no mistake. The Pelosi approach is less a progressive foreign policy initiative than a regressive return to the pre-1970's policy of American-led isolation of one-fifth of the world's people; the Pelosi approach is less a policy statement than thinly disguised protectionism.

Let's not play partisan roulette with our national security and recognize that while the human rights policy of the Chinese Government demands congressional criticism, the efforts to democratize the Chinese people demand American economic engagement. Defeat the Pelosi resolution and support the President's open-door policy.

Let's help precipitate a peaceful evolution to democracy, not a bloody return to a new era of cultural revolution and repression.

Mr. Speaker, as the premier democratic legislative body in the world, this Congress has an obligation to reflect American values to the world. In this regard, no one in this body disagrees that the sensibilities reflected in the Pelosi bill are expressive of consensus American politics and social philosophy.

On the other hand, the post-Tiananmen congressional debate over MFN does reflect a serious division of opinion about how the United States should best promote its important national interests in a democratizing, market-oriented China that plays a constructive role in regional and world affairs.

Here the question advocates of the Pelosi approach must examine is one of means, not ends, whether self-righteous congressional indignation advances or undercuts a just cause; whether progressive change in China is best advanced through the open door to Western philosophy and trade or the bolted-door implications of a unilateral approach dubiously premised on coercion alone.

What is at issue is less a question of indignation than judgment. If history is a guide, it would appear that almost every effort to influence China through coercion alone—whether military or economic—has not only failed to promote greater openness but accentuated unpredictable xenophobic nationalism. On the other hand, almost every U.S. step toward a constructive dialog has been met with a liberalized response.

Relations between states are always evolving. At issue in this legislation is Chinese foreign as well as domestic policy. Generally speaking, government-to-government relations have the least effect on how countries structure their internal affairs, but often have substantial effect on how they structure their foreign policy. Here, this Congress must understand that in terms of international politics, China has played a generally constructive role.

China is a permanent member of the U.N. Security Council, one of five countries with the right of veto. In the Persian Gulf crisis, China held a joker card and chose not to play it. Not only did China acquiesce in the U.N. authorization to use force against Iraq, but it has also observed international sanctions imposed against Baghdad and its pale imitator in Tripoli. In addition, China has evinced new interest in important translational issues like environmental protection, dealing with communicable diseases, and combating drug trafficking.

In Northeast Asia, China helped facilitate the entry of North and South Korea into the United Nations, quietly opposed Pyongyang's efforts to develop nuclear weapons, and laid the groundwork for a normalization of ties with America's ally in Seoul.

In Cambodia, China has firmly supported United States and U.N. efforts to implement the comprehensive settlement to the Cambodian conflict. The United States believes China has cut its military as well as financial aid to the Khmer Rouge, and has used its remaining lines of communication to urge cooperation in the settlement process. Although it is in China's own interest to see a peaceful and neutral Cambodian State emerge as the result of the Paris accords, this Congress must understand that China's continued support for this precedent-setting initiative will be key to bringing peace and reconciliation to that tragically war-torn country.

Elsewhere in Southeast Asia, Chinese diplomacy has largely focused on promoting regional peace and economic development. In this regard, the Congress should welcome the fact that China has joined Hong Kong and Taiwan in APEC, has established normal diplomatic relations with all six members of ASEAN as well as Vietnam. China will also attend the ASEAN ministerial meeting in Manila, where one of the agenda items is likely to be contention over the Spratly Islands. In this regard, China's new aggressiveness toward development of the disputed Spratly Islands is a matter of regional as well as international concern.

Although China's arms sales to the heinous SLORC regime in Burma remain a matter of serious congressional concern, it should be pointed out that Beijing has urged a peaceful and humanitarian resolution of the Rohingya crisis and also made several other constructive suggestions to Rangoon. The Congress continues to hope and expect that China will unambiguously act to preserve the stability and prosperity of Hong Kong after 1997. Likewise, even as China and Taiwan expand their economic and cultural ties across the Formosa Strait, Beijing should once and forever renounce the use of force as a means to bring about reunification and deal pragmatically with the reality of Taiwan's impressive socioeconomic and political evolution.

With regard to nonproliferation concerns in the Middle East and elsewhere, the administration has recently garnered significant commitments from China. This year, China agreed to observe the Missile Technology Control Regime. China has also acceded to the Nuclear Non-Proliferation Treaty. Beijing is involved in regional arms control discussion on the Middle East, has evinced an interest in any regional discussions that may take place regarding South Asia, and is taking part in the Chemical Weapons Convention negotiations in Geneva. Clearly, both the administration and Congress must continue to monitor Chinese actions closely, but on this issue China is generally moving in the right direction.

U.S. negotiators have compiled an impressive record of recent success on issues of concern in the area of trade. After the United States Trade Representative commenced a special 301 investigation, China agreed this January to improve protection of intellectual property rights, and is likely to soon join both the Berne and World Copyright Convention. Section 301 investigations have also been commenced to improve China's market access that should both help reduce our bilateral trade deficit and help China qualify for GATT membership. In addition, United States and Chinese negotiators have recently reached agreement on a draft memorandum of understanding, including United States inspection rights, that will help prohibit exports of prison labor products to the United States.

With regard to human rights, it was President Bush who took the strongest position of any world leader against the Tiananmen massacre and subsequent political crackdown. Indeed, the United States is the only country in the world today with its Tiananmen sanctions still in place. Washington continues to seek an accounting for, and release of, all Chinese political prisoners, an end to religious persecution, as well as permission for humanitarian groups like the International Committee of the Red Cross to have access to Chinese prisons.

In response to persistent United States and Western pressure on human rights, China has taken the symbolically important step of recognizing human rights as a legitimate issue of international discourse. Some U.S. observers deprecate this advancement in our bilateral dialog, but as Hou Xiaotian—wife of jailed dissident Wang Juntao—observed recently, "major progress is reflected in the Government's behavior." To paraphrase Lincoln, Beijing's cruelty and obstinacy on human rights may often cause Americans to bite our lips in vexation, but as long as we remain engaged, progress can continue to be made.

As reflected in this year's Pelosi and Mitchell bills, the conditional approach to MFN can be both credibly defended as well as negatively critiqued. This year's bills attempt to be more discriminate in the application of tariff sanctions against China than in the past; but across-the-board differentiations between state and market enterprises in one of the largest and rapidly growing economies in the world is likely to be futile. Moreover, any toying with MFN raises the specter of internal Chinese retribution against the most progressive groups in China today. Ultimately, the issue boils down to judgment, whether tampering with normal trade relations advances or undercuts American interests and influence in the world's most populous country.

I recognize that economic sanctions are sometimes appropriate—as was the case with apartheid South Africa—and that in areas of foreign commerce the Constitution gives plenary authority to the Congress. Yet in a world in enormous and unpredictable transition, a world in which international economics and the communications revolution are combining to erode the foundations of Asian Leninist regimes and thus accelerate their eventual demise, this Congress would be well advised to give the benefit of the doubt to the President and assist in crafting a nondivisive, bipartisan approach to Sino-American relations. After all, what is at stake is the future of our relations with a teeming one-fifth of the world's entire population.

Revocation of MFN is not in America's interest. It would seriously jeopardize the economic future of Hong Kong and impact adversely on Taiwan. In addition, to the extent revocation of MFN would reflect new strains between Washington and Beijing, it might tempt China to raise anew the status of Taiwan as a divisive issue in Sino-American relations.

At issue from the perspective of the Chinese people is whether their country is going to be economically and hopefully, politically, brought into the 21st century ala a impressively evolving democratic Taiwan or whether the future will lead to deprivations and stagnation associated with the totalitarian Maoist era.

It is in our interest to encourage China to maintain an open economy. After all, the liberating logic of the free market has challenged the world's remaining Marxist governments with contrasting models of such greater efficiency and opportunity that the demise of centralized planning regimes is heralded, with only the timeframe in doubt.

Two decades ago a group of French journalists interviewed Chou En-Lai and asked, among other things, what he thought was the historical significance of the French Revolution, to which he responded: "It is too early to tell."

It strikes me it may be too early to tell the exact ramifications of the profound socioeconomic changes occurring in China. But it is certain that the ramifications are deep, and that they involve the near total delegitimitizing of both Marxist philosophy and the Chinese Communist Party. Whether political liberalization will occur this week, next year, or 5 years from now, progressive change is almost certain to occur.

This Congress must continue to reflect commonsense American concern for the protection of human rights and the advancement of individual liberties in the People's Republic of China. We owe that to ourselves and the ideals for which we stand.

But we must also have the humility and sense of perspective to perceive that we cannot unilaterally effectuate a rapid transition to democracy in China. To attempt to do so not only disrespects the limits of our power, but ironically strengthens the hard-liners in Beijing by validating their propaganda against us. It puts foreign pressure by the United States at issue, rather than the tragic miscalculation at Tiananmen and the record of egregious misrule by the Chinese Communist Party.

The Pelosi approach, at its core, assumes that a conditional approach to MFN gives Washington the leverage to compel an accelerated transition to a more pluralistic and humane form of Chinese governance. This high-risk and hubristic policy not only overestimates American power, but it is heedless of the tragic history of the last 100 years of Chinese interaction with the outside world.

It is not without significance to congressional deliberations that China too, is engaged in a great national debate. In advance of the party congress scheduled for this fall, reform-minded Chinese leaders are seeking to promote policies that accelerate Deng Xiaoping's policy of "reform and opening," including making correct use of capitalism and Western culture. By threatening to undercut MFN, the Congress provides the pretext for a xenophobic reaction by Chinese hardliners, who will paint conditionality as a humiliating ultimatum by a hostile foreign power and possibly reverse the policy of reform and opening to America and the West.

For those who believe—as I do—that free economics drives free politics, can it possibly be in our interest to pass legislation today that, through miscalculation or design, undercuts the Chinese stepchildren of Adam Smith and allows a tightening of the reins of economic as well as political power by the discredited disciples of Marx, Lenin, and Mao?

In the judgment of the President, normal, nondiscriminatory trade best serves our interests. The United States has pursued a balanced, nuanced approach, walking a precarious diplomatic tightrope as it attempts to maintain open communication and commerce even while it aggressively addresses selected areas of bilateral concern: human rights, proliferation, and instances of unfair trade. This Congress would be well advised to support the President and maintain a bipartisan, bi-institutional approval to a country, the relationship with which could be the key to peace, stability, and prosperity in the 21st century.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Speaker, after 2 years of debate and administration assurances of improvement in China's human rights record, human rights violations continue to be widespread in China. Arrests, trials, and sentencing of dissidents still continue as do official regulations and restrictions on religious freedoms. The most recent case is that of the trial of Bao Tong, who has been sentenced to 7 years imprisonment. Bao Tong has been in detention without trial for 3 years and in January, 1992, was charged with "counter revolutionary propaganda and incitement" and "leaking state secrets." China's policy of internal repression instituted in 1988 still exists in 1992.

There are those who argue that imposing human rights conditions on MFN renewal would be counterproductive or have no effect. Similarly, others contend that MFN should not be used as a tool to achieve political ends, and that trade and human rights are unrelated. These arguments are contradicted by the actual experience of other countries where we have linked trade with human rights. Many of the new freedoms granted in the former Soviet Union, for example, the right of free emigration, were effected largely as a result of the United States making trade preferences conditional on reforms. The Soviet Union yielded because they were desperate for hard currency. The Chinese Government is in similar need, and putting human rights on the MFN agenda will inevitably generate pressure to change policy.

Mr. Speaker, the United States is looked upon by those living under repressive regimes such as China and Tibet as a country dedicated to the fundamental principles of human rights. We need to maintain this respect and not pursue double standards when dealing with our international neighbors.

I am appalled Mr. Speaker, by an oped piece in today's edition of the Washington Times that presumably reflects the views of the Bush administration. It betrays not a glimmer of understanding of the universal nature of fundamental respect for human rights and democracy. It states:

> It will be many decades before China achieves either a representative government or human rights policies that will satisfy the unrealistic expectations of the U.S. Congress and the American people.

Mr. Speaker, how do we explain this to those imprisoned and tortured because they dared to speak out and express their beliefs. Those of us who enjoy the fruits of freedom must remind ourselves that there are many in the world that do not share it.

The piece states further: "It is time to relegate the Tiananmen tragedy to history and to stop bringing up this offensive incident." Well, the Tiananmen massacre won't just disappear down the memory hole of historical revisionism.

Mr. Speaker, our espousal for MFN conditions stems from the revulsion that we along with most Americans felt at the bloody events in Tiananmen Square, and the subsequent and continuing persecution of nonviolent democratic forces in China and the independence movement in Tibet. No American who witnessed the horrifying scenes of Chinese troops slaughtering hundreds of peaceful prodemocracy students will forget the massacre which occurred. Mr. Speaker, our anger at these memories can not be dulled by the passage of time. We will not stop bringing it up as the apologists for Tiananmen suggest we should. The Chinese Government is still continuing its arrests and persecution of prodemocracy activists—they have not forgotten.

The op-ed piece goes further to say that "Human rights are time and country specific. It is unreasonable to assume that Western values have universal validity and to expect China to accept them at this time." Mr. Speaker, this view is an expression of cultural relativism which the Bush administration and the Washington Times claim to implore. The President has for the last 3 years ignored all commitments to human rights and freedom for the people of China and Tibet. His renewal of most favored trade nation status for the tyrants of China reflects the President's blindness and disregard for those who are oppressed and suffering injustice. We are talking of lives and deaths, sufferings—these are felt by individuals irrespective of color, race, or religion. It is not time and country specific. It is universal.

Mr. Speaker, according to the op-ed piece:

> By inserting issues relating to human rights into negotiations on legitimate differences that exist between China and the United States, we immediately create an atmosphere that is not conducive to the resolution of serious problems.

The United States has a serious problem with China—a widening trade gap.

Mr. Speaker, by renewing MFN for China, the President is saying that we can equate the trade policies of that country with those of our own as being founded upon those values similar to our own. International trade should be a force for bringing peace and prosperity among nations. It should not be a prop for a regime which practices systematic repression and brutality. Mr. Speaker, most favored nation status is not an entitlement, it has to be earned. It is something that has to be acknowledged as being reciprocal and mutually beneficial. My message to the rulers of China is that they must respect international norms of human rights if they want to enjoy the full benefits of trade with the United States.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Speaker, I rise in support of H.R. 5318. Again we have the chance to use this leverage, the tool of most-favored-nation trade status. This bill does not cut off MFN. It does set conditions for it to continue in the future.

I see my colleague, the gentlewoman from California [Ms. PELOSI] over there. She deserves great credit for her work in bringing this bill to the floor. It has been my pleasure to work with her, and I think this bill recognizes what many of its opponents do not, and that is: You cannot separate human rights and trade policy, just as you can't separate military and diplomatic policy. A great nation must weave all these policies together.

Now, there are two differences in this bill from last year to this year. This year's bill adds the condition of China cooperating with the United States in efforts to obtain an acceptable accounting of American servicemen who are POW/MIA from the Korean or Vietnam conflicts. Reports of Americans in the Chinese prison system have been circulating for years. Most recently the Los Angeles Times reported that the Pentagon had evidence that several dozen American POW/MIA's from the Korean war were taken to Harbin, China and subjected to psychological and medical experiments before being killed.

The second difference in this bill is that it responds to the strongest argument of its opponents: That conditioning MFN hurts the private businesses in the south of China which have been proreform. This bill, if the conditions were not met, would only cut off MFN to state-owned industries.

This legislation will help achieve real progress in improving human rights in China. In addition, it speaks loudly and clearly to the millions still oppressed in China and Tibet: We have not forgotten your plight.

China continues to imprison people for the free expression of ideas, and for wanting to practice their religion. China continues to harass foreign journalists, and China continues its brutal oppression of the people of Tibet.

The recent detailed reports by such organizations as Asia Watch on the brutal torture taking place in the Chinese gulags should be a call to action. Not rash, counterproductive action, but the reasoned action of this legislation.

Some argue that we cannot isolate China. This bill does not isolate China but wisely uses leverage to bring China out from its own dark cave of imprisonment, torture, and oppression.

I urge support for the bill.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. Mr. Speaker, there are 10 million people out of work in this country, tens of millions more who are underemployed, 37 million without any insurance, 50 million who are underinsured, more bankruptcies in this country in the 1980's than since the beginning of the country, and, if my colleagues think those figures are staggering, read them and weep because they are true. We are seeing our jobs go out of the country, to Mexico and to China. We are losing our ability to be able to house, feed, and clothe other families, and yet what are we doing about it? We are sending everything over to China, and to Mexico and all these places.

□ 1540

I stand here and say even though I voted for the other resolution, I will support this, but only with the conditions that it has in it. If we fail to do that we are failing the American people. We cannot continue to see the kind of policy embracing communism in this country. Twenty-eight million veterans and millions who have been injured do not want to see that. I think it is an insult to any of them and the 10 million people that are out of work.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, Smith-Corona of Cortland, NY, is leaving. They are going to Mexico. It is on the press right now. One thousand jobs are being lost. America does not manufacture a television, a telephone, and now a typewriter.

I am going to vote for this bill because it is a little bit better than the other silly turkey that we have. We are not going to have just a rice paddy on the east lawn of the White House. Congress is not going to be satisfied until they plow up the Rose Garden and even have a damn Chinese rice paddy there.

I am against these policies. There is not a job that is safe in America. Smith-Corona, folks, going to Mexico. There is not a typewriter now made in America.

If somebody is not listening, then what the hell are we elected for.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Speaker, this bill does not kill China MFN. Under the Pease-Mitchell bill, most-favored-nation status is right there for the taking for the Chinese Government.

They just have to do two things: account for the missing prodemocracy protesters of Tiananmen Square, and release the others who have been rotting in prisons after that bloody massacre in the square.

Mr. Speaker, is that too much to ask of the Chinese rulers? I am amazed that some of my colleagues seem to think so.

Many of those same colleagues did not hesitate to attach conditions on MFN for the Soviet Union for free immigration for Jewish refusniks. Nor did they hesitate to support trade sanctions against South Africa to deal with apartheid.

Well, my question today is if those conditions were justifiable, how can any freedom-loving Senator or Congressman ignore the plight and the bravery of the Chinese protesters in Tiananmen Square? Senators and Congressmen would be real studies in hypocrisy if they supported sanctions on behalf of Soviet Jews and South African blacks, but turned their backs on Chinese prodemocracy demonstrators today.

Mr. Speaker, vote for the Pease-Mitchell amendment.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Speaker, I rise in support of H.R. 5318, which would impose conditions on further renewal of most-favored-nation trade privileges for the People's Republic of China.

As in previous years, I favor making continued MFN for China conditional upon Chinese performance in human rights and other areas. The only absolute condition on continuation of full MFN for China in this bill is an acceptable accounting by China of actions against nonviolent protesters who were punished for their role in prodemocracy demonstrations.

These terms are well within the abilities of the Chinese Government to meet. In fact, under prodding by the Bush administration as well as third parties, China has already engaged in limited discussions on the status of individuals who were punished after the Tiananmen Square massacre.

This bill would also require the Chinese to make overall significant progress on a range of other concerns in United States-China relations. These include other human rights issues as well as trade and weapons proliferation concerns.

Make no mistake. With its scorn for human freedoms—as well as its high-handed approach to trade, including restrictions on imports and uncontrolled export of military technologies—the Communist Government of China is a danger to world peace and prosperity.

No one wants to punish the Chinese people for the crimes of their Government, especially knowing the forcible repression to which they are already subject. Unlike previous years, this bill would apply to continued MFN only for state-owned enterprises in China.

We can never forget nor forgive the tragic events in Tiananmen Square and their aftermath. The Chinese Government must fully account for these deeds if it hopes to regain normal relations with the world community. This bill is a step in that direction.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, I thank the distinguished gentleman for yielding.

Mr. Speaker, I rise in support of the Pelosi-Pease bill. I do prefer the Solomon amendment, the outright revoking of MFN, but certainly the attempt of the gentlewoman from California [Ms. PELOSI] and the gentleman from Ohio [Mr. PEASE] to set conditions, while a more moderate approach, is an approach that I can support, if in fact we are not able to enact the Solomon amendment.

There is no question but that human rights are still being violated in China. There is no question that the trade deficit between China and the United States is growing. There is no question in my mind that until we show a unity of purpose in this country that we absolutely do not support or in any way condone what happened at Tiananmen Square 3 years ago, that the current Chinese Government will continue their repression and their violation of human rights.

Mr. Speaker, I would strongly support the Pelosi-Pease amendment and urge my colleagues to do likewise.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, I rise in very strong support of President Bush's attempt to grant unconditional most-favored-nation status to China. It seems to me that if we look at the fact that we all have the shared goal of trying to bring about an end to the horrendous human rights violations that China has been responsible for over the years, we have an obligation to support the one person who is looking at the regional question of human rights violations in the Far East.

Not many people have recognized the fact that there have been some positive developments which have taken place in our relations with China over the past couple of years. For example, the French and Australians have joined with us in discussions on the human rights situation.

Mr. Speaker, while still bad, we were very encouraged with the report that we got from a woman called Ti Ching, a journalist, one of the most famous dissidents in China, who worked in this country for a year and then returned to China and said there has been marked improvement in the area of human rights violations.

It is also important for us to note that in the United Nations we have had great support from the Chinese Government. They have not been perfect, but when we look at arms control, the Mideast talks, the ACME talks, we have been working to try to reduce the threat of further expansion of weapons in the region and China has strongly supported our attempts to bring about a reduction there.

Mr. Speaker, we are on the right track. We have not seen as much improvement as I would like to see or as much improvement as any of us in Congress would like to see, but I have enough confidence in our executive branch to move ahead and deal with the situation in the negotiating process. So I urge support of unconditional MFN status for China.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SCHEUER].

□ 1550

Mr. SCHEUER. Mr. Speaker, today we vote yet again on most-favored-nation trade status for China. Today we can either deny MFN outright or condition this privileged trade status for China on significant changes in the People's Republic's policies on human rights, weapons proliferation, and trade.

I say to my colleagues that we have done this before. In fact, this Congress has voted overwhelmingly on numerous occasions to deny such trade privileges unless China stops acting like an international outlaw.

But each time we have acted, the President has stymied our action. Through his veto he has frustrated the will of the majority in Congress and the majority of the public.

He has fought with all his strength for leniency for the world's sole remaining totalitarian superpower: One that sells missiles to our enemies and those of our allies; one that runs up a $10 billion trade surplus through unfair trade practices—using child labor, prison labor, and slave labor; and one that slaughtered the flower of its own youth, the hope of China's future, 3 years ago last month in Tiananmen Square.

When we saw the tanks crush China's best and brightest during those June days in 1989, we and the rest of the world cried out in outrage and disgust.

But the Bush administration turned right around and proceeded to cozy up to the Chinese Government less than a month after the massacre.

For the last 3 years, it has pursued business as usual with this aging group of despotic mandarins.

For a few dollars, this administration has betrayed our heritage and the dreams of hundreds of millions of Chinese, who desperately want to share in the blessings of liberty which their Eastern European and formerly Soviet brothers have rushed to embrace.

These bills would correct our course and finally send the right message. House Joint Resolution 502 would immediately suspend MFN trade privileges for China, and H.R. 5318 would condition MFN's extension next year to significant improvements in China's human rights, weapons proliferation, and trade policies.

It defies logic and common sense for us to be extending favorable trade status to a country that oppresses its own people and continues to sell destabilizing missile weapons to radical regimes in the Middle East who are determined to drive our friend and ally Israel into the Mediterranean Sea. House Joint Resolution 502 would simply cut off MFN immediately.

H.R. 5318 recognizes the importance of economic reforms already taking place in the special economic zones of Shanghai, Guangdong, and Shenzhen. This bill only conditions MFN for products manufactured or exported by state enterprises.

Thus, by targeting only those companies run and owned by the Chinese Government, this bill promotes rather than inhibits free market reform and trade liberalization in China.

I urge my colleagues to support these essential pieces of legislation.

Mr. ARCHER. Mr. Speaker, I yield 5 minutes to the respected minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, as I recall, this week is Captive Nations Week. We used to commemorate that week around here quite extensively with all kinds of speeches, when those captive nations still existed.

There is one left. It is the largest populated country in the world, of course, and that is Communist China. Maybe that is why I support the President's position as being very appropriate for these times.

I would like to offer at the very outset of my remarks a headline from the Sunday New York Times last month, June 28, "Support for Move to Freer Markets is Growing in China." And a Chinese economist is quoted as having said, "The reformers haven't yet won the battle. But there's no doubt that at this point we're winning."

The Times also reports:

> [Chinese] economists are discussing new ideas with an openness and giddiness not seen since the hard-liners reasserted themselves in the crackdown on the democracy movement in Tiananmen Square in June of 1989.

So the free market is beginning to work again in China. Although it is very small, that means the exchange of ideas as well as goods. And yet today we debate a sincere but what I would consider a misguided proposal that could put all these gains at great risk. This proposal requires the Chinese Government to make progress in four areas ranging from accounting of prisoners to eliminating unfair trade practices.

If the Chinese refuse, we would then impose selective MFN policy, dividing Chinese industry into neat little categories of private enterprises and State-owned enterprises. But such a policy is as unworkable as it is unwise. The Chinese economy is incredibly complicated.

China has 1,200,000 State-owned firms, 16 million individually operated firms in rural areas, and 17,000 firms with some form of foreign participation. Only 4,000 Chinese state enterprises are authorized to conduct foreign trade. They act as agents for almost all of the exports of both state and nonstate firms. And when we ultimately process these exports through Hong Kong brokers, it is nigh impossible to identify the producer's form of ownership. If we ever did adopt such a scheme, the Chinese would, of course, retaliate against our exports to their country. And that is no insignificant amount. It was $8 billion, I think, this past year.

Who would benefit? Japan and Europe, of course. Is that what we want? I do not believe we do, but that is exactly what we would get. I do not think supporters of this bill really want to go home and tell the folks how accommodating they were to the Japanese economy.

Let us face it, China is our fastest growing export market in Asia, if we analyze the figures. Why risk American jobs? Why risk American exports of an estimated $8 billion a year in 1992, including wheat, aerospace, computer equipment, not to mention the best tractors in the world that happen to be produced in my own district, Caterpillar by name?

And what about human rights? Is not the issue of human rights at the heart of the matter? We all agree on one fact: Communists in China persecute religion, torture innocent people, and trample on human rights. They have been doing it since 1949. The only difference is that the atrocities are not on as vast a scale as they were 30 years ago and 20 years ago.

Yes, human rights is a problem we must be concerned with. That is why the United States is the only country in the world that has continued Tiananmen Square sanctions against the Communist Chinese, which are specifically targeted to human rights issues. Some may say that that is not enough, but it is there and the Chinese do know it.

But how would this selective MFN approach help human rights. All it does is make a gesture that might make some of us feel good about ourselves, but it is not going to open one prison door. The cause of human rights in China can best be served by the patient, persistent, ultimately inexorable growth of free markets and free ideas. Today there is a thriving enclave of freedom right in the very heart of this Communist-dominated country. Why punish the Chinese people and American workers for the crimes of the Chinese rulers?

How many times have we spoken about our love for peoples everywhere. It is their rules who we condemn. It is another kind of situation, same way. If we really want to get tough with the Chinese Communists, then condemn them to live with a growing free market in their midst.

Yes, it helps their Socialist economy, but at the cost of creeping capitalism, which they rightly fear as the most significant long-term threat to their dominance.

If my colleagues really want to help the cause of human rights, do not risk losing our MFN ties with China because it is through trade that we export freedom. Let us not jeopardize the growth of the free market in China. It benefits the Chinese people, benefits human rights, benefits American workers.

I would urge my colleagues to support continued MFN status for China. Even though it may appear to be the most politically safe vote for the moment, there are far more important ramifications, long-range, for the relationship between our two countries. We ought to be playing to a long-range strategy in our own best interests.

I urge the Members to reject the Pease-Pelosi bill.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 30 seconds to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I rise today in strong support of H.R. 5318.

While China has enjoyed MFN status since 1981, its annual extension has been controversial since Tiananmen Square in 1989. And we find ourselves here today because there are serious issues which must be addressed if we are to continue to grant the Chinese MFN status.

For instance, in recent months, Chinese authorities have repressed foreign journalists, including Americans. In May, China exploded a 1,000-kiloton nuclear device. China also reportedly has sent missile guidance technology to Pakistan and has over 1 billion dollars' worth of missile contracts with Iran, Syria, Pakistan, and other countries in the Middle East.

Finally, China's trade surplus with the United States is expected to reach $20 billion in 1992; it has more than doubled since Tiananmen Square. Trade surpluses of this magnitude enable China to build up a huge foreign currency reserve which only increases its ability to withstand international pressure to reform.

Therefore, the bill before us today places conditions on MFN for 1993. The bill would bar the President from granting MFN status in 1993 unless he certifies that the Chinese regime has accounted for and released those jailed after Tiananmen Square and has made "overall significant progress" in the areas of human rights, trade, and weapons nonproliferation. If the conditions are not met, MFN treatment would be denied, but only to the products of Chinese State-owned enterprises.

It is the right thing to do. I would urge my colleagues to support H.R. 5318.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 5 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the chairman for yielding time to me, and I rise in support of the bill of the gentleman from Ohio [Mr. PEASE] to condition most-favored-nation status for China on improvements in human rights there, improvements in our trade relationship and in the area of nuclear proliferation.

I commend the gentleman from Illinois [Mr. ROSTENKOWSKI] and the gentleman from Florida [Mr. GIBBONS] for their support of and commitment to prompt action on this legislation.

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I want to pay special tribute to my colleague, the gentleman from Ohio [Mr. PEASE], the author of this bill, whose commitment to workers' rights and human rights worldwide is well known. The gentleman from Ohio [Mr. PEASE] in his opening remarks clearly set out what this bill does. In presenting this legislation he has created a solution to our policy impasse with China.

This bill encourages the role of private business in creating economic and political reform. It protects Hong Kong while isolating the hard-line regime in Beijing. It safeguards American manufacturing jobs and demands the responsible management of dangerous weapons, and it provides hope, hope for millions of Chinese who have fallen into disfavor with a regime that disavows their right to speak freely, to write, to worship, to dream.

We have all heard in the course of this debate, in the earlier legislation presented by the gentleman from New York [Mr. SOLOMON] why we have a need for this legislation, what the human rights situation is in China, and it is deplorable. We know what the trade situation is and we know what the nuclear proliferation treaty is.

Why is this legislation so important to the American people? Mr. Speaker, I believe it is necessary for our colleagues to join in giving the strongest possible vote to this legislation because of the serious trade imbalance that exists between our two countries. China has enjoyed since Tiananmen Square a $30 billion trade surplus with us. They have done this, and in addition they have profited from transshipments. That is when they say something is made in another country which is really made in China, to avoid our quotas. It is important to the American people because China has barriers to our products going into China. It is a large market indeed, if we could access it, but the Chinese have created barriers to our products going there, and the use of slave labor, forced labor, well-known and well-documented. This is unfair to the American people.

Yes, this bill is about human rights, the human rights of political prisoners in China, human rights of all the people in China who cannot speak or worship freely. It is also about the human rights of American workers who are being deprived of the real opportunity our country could provide for them because of this administration's policies toward China.

By the end of this year China will have probably, in the Bush administration, enjoyed a $50 billion surplus, and all the jobs that are implied in that. What does the government spend this money on? Mr. Speaker, largely it spends its money on weapons. According to numerous reports, the Chinese are buying sophisticated Russian weapons as fast as the cash-strapped republics, former republics of the Soviet Union, can sell them.

The gentleman from Ohio [Mr. PEASE] referred to the megatron bomb that was tested, as did other speakers. The Chinese regime is building its military muscle and is using its trade surplus to pay for it. The hard currency provided by the trade surplus is also strengthening the regime in power. Their hard currency enables it to dominate the economy and therefore continue to repress its people politically.

Earlier I referred to an op-ed in the New York Times written by Bao Pu. Bao Tong is the person who was on trial today and was sentenced to 7 years.

In China when we had the Tiananmen Square massacre the soldiers who killed the students who were demonstrating peacefully each got a watch commending them for putting down the turmoil. Today the regime gave to this brave and courageous gentleman, who was a reformer who tried to warn the students about the coming of martial law, they gave him not a watch but 7 years in prison. His son says in this article, which I commend to my colleagues for their reading, and I wish to submit for the RECORD,

Bao Tong's persistent efforts to grapple with seemingly clashing view points and his personal sacrifice for a vision of a better future for the people of China exemplifies the kind of courage and strength respected by people everywhere.

Therefore, it is important to the American people for this legislation to pass and for it to become law. It is important because of American jobs, it is important because of fairness in our trade relationship with China in that regard, it is important because of the safety of the world. Strategically it is important for us not to have China buying up weapons and in turn selling them into unsafeguarded countries throughout the world, more specifically, Iran and Syria, who have been mentioned in similar legislation. It is important because of human rights and who we are as a people.

For two centuries this House has been a citadel for freedom, safeguarding against tyranny. I urge my colleagues to support this because of human rights in China and Tibet and also the human rights of American workers.

[From the New York Times July 21, 1992]

MY FATHER IS NO ENEMY OF CHINA

(By Bao Pu)

Bao Tong, my father, is to go on trial today in Beijing after nearly three years of detention without charge. The case has attracted considerable international attention because my father was the top aide to the ousted Communist Party chief, Zhao Ziyang, who sympathized with the students in Tiananmen Square. His trial may have implications both for Mr. Zhao and for the fate of economic and social reform.

I want people to see my father for himself, to understand his strength of character and how his hopes and beliefs have been trampled on to serve the ambitions of others.

As Mr. Zhao's chief of staff, Bao Tong was deputy director of the State Commission for Economic Reform from 1980 to 1987. This commission developed policies that successfully dissolved thousands of communes, which had stifled the productivity of some 800 million farmers for more than three decades.

In cities, primitive market systems were set up and nurtured. A few cities were opened for foreign investment. Deng Xiaoping's intentions for economic reform were carried out with great care.

My father ardently believed in the necessity of political reform. From 1987 to 1989, he was the director of the Political Reform Research Center, a research and policy-making institution. He was in charge of developing an extensive program for reform, including plans for separating the powers of party and state, setting up a fair and equitable civil service system and promoting democratic procedures in party and government.

The market system grew while the old economic system slowly dissolved. Privatization took place in various ways. Public property first started to fall into hands of the most impoverished, who were also the most eager for change. But those with the right connections in the old bureaucracy had the best access to new opportunities, and the use of bureaucratic power for financial gain became incredibly tempting. Some made outrageous fortunes in comparison to average wages.

Anger brewed among those who still depended on the old system; to them it appeared that the reform mostly benefited corrupt bureaucrats.

The profound social changes that resulted from the initial economic reforms made the reformers vulnerable. The proposals for political reform sharply aggravated the party's internal struggles. Recognized reformers were personally attacked as supporters of "bourgeois liberalism."

In the spring of 1989, the people's anger and impatience with reform expressed itself in the students' prodemocracy movement. Conservatives in the leadership seized this as a pretext to overthrow the faction that threatened them. Zhao Ziyang was ousted and Bao Tong was arrested and held near Beijing in Qin Cheng, a special prison for political prisoners.

My father considered economic inequities unavoidable in the early stages of reform and felt that corruption was dangerous to its progress. He strongly believed that regimes that become autocratic are bound to degenerate and that personal gain was incompatible with serving the public interest. He persisted, aware of the precariousness of his position.

In 1987 and 1989, he quietly endured numerous political attacks, hoping to avoid any ideological controversies that might destroy the chance to proceed with reform. He was attacked by the old guard as dangerously radical and criticized by impatient young reformers as too cautious.

He continued to push for reform, despite what he saw as the inescapable predicament of all reformers of a Communist system. As with Mikhail S. Gorbachev, attacks would come from all sides—from old party veterans and from the people, whose lives were suddenly disturbed by the economic and social instability that inevitably accompanies change.

Bao Tong's persistent efforts to grapple with seemingly clashing viewpoints and his personal sacrifice for a vision of a better future for the people of China exemplifies the kind of courage and strength respected by people everywhere. My father's trial is not just a political event. It is an attack on values that have universal respect—individual courage and self-sacrifice for a greater good.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. McCathran, one of his secretaries.

UNITED STATES-CHINA ACT OF 1992

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa [Mr. GRANDY].

Mr. GRANDY. Mr. Speaker, I rise in annual opposition to the Pelosi amendment.

Mr. Speaker, we need to take a close look at what we are doing today in the context of where our Nation stands at this point in time. We have passed numerous unemployment extension bills, we have a populace increasingly concerned about losing their jobs, and we have been struggling to determine what can be done to further spur the economy, farm prices are down, export markets are stagnating.

So what are we proposing to do here today?

We are proposing to put America second.

We're proposing to give away American jobs.

We're proposing to shut off a major agricultural export market.

We're proposing to increase costs to American consumers, and

We're proposing to sacrifice our domestic agenda in the name of questionable foreign policy.

Talk about a Congress which is out of touch with the American people—this legislation is a prime example of that fact. The goals of this bill are laudable, but, once again, the means proposed to achieve them are of highly questionable effectiveness while it unquestionably imposes significant and greater costs on our country and our citizens than it does on the nation we are trying to effect.

What so many of those who promote protectionist policies and trade embargoes never realize is that the United States cannot survive without exports—our domestic market is simply not big enough to support our economy. Nearly 30 percent of U.S. agricultural commodities are harvested for export. American manufacturing cannot survive without exports. So what does H.R. 5318 do? It cuts off the world's largest single consumer market to American farmers and American companies.

Let me emphasize that you don't simply turn on and shut off foreign markets and expect U.S. industry to weather the storm. The longer term permanent loss of jobs in certain sectors that we have seen more recently is evidence enough of this fact. In the agricultural sector you don't simply not farm 1 year because the market doesn't generate a sufficient price and farm the next when exports prop up the price to where you can afford to produce a crop. We need all our markets and we need them consistently.

While H.R. 5318 attempts, I repeat attempts, to create a bifurcated system of punishment for Chinese imports, its authors fail to realize the practical effect of any such policy on a nation like China. The Chinese Government is the monopoly purchaser of virtually all United States grain and other agricultural products. State-owned firms are also the major purchasers of U.S. aircraft, electronics, medical and scientific instruments, chemicals, fertilizer, and timber. So while H.R. 5318 desires to protect Chinese free enterprise, it slaps United States free enterprise in the face. It is important to note that many of the products the Chinese import from the United States are what we term "necessities"—wheat for food, fertilizer to help grow food, timber for housing, and so forth—therefore, you hurt the Chinese people, the very people we're purporting to help under this bill, by encouraging retaliation against United States imports.

If the House passes this bill, it is saying to the American people—your interests don't come first, your jobs must be sacrificed in the name of a foreign policy that probably won't work, but we know you'll understand. I can tell you right now that Iowa farmers and consumers don't understand and they want their interests put first. Those interests are with the President in supporting the unconditional renewal of MFN treatment for the People's Republic of China. The President, once again, is trying to help our domestic agenda and once again, Congress is standing in the way. I refuse to stand in the way and I urge a "no" vote.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Speaker, I rise in strong support today of the Pease-Pelosi proposal. If I can just take a minute or two, this is about 16 people back in my home district of Wisconsin. About 15 miles south of Madison in the small community of Oregon, 16 members of the Tibetan community have been resettled. They have been on the run for the last 20 years, settling for a time in India, finally touching base in Europe. Some of them are now trying to put down roots in Wisconsin. Over the next year we expect another 84 members of the Tibetan community, all in exile, to take a new home in south central Wisconsin.

Back home, it has been a story of absolute tragedy and horror. At one time there were 6,000 monasteries standing in Tibet. Today there are about five or six. The monasteries have been looted, paintings destroyed, and monks imprisoned. Last year the Dalai Lama had an intriguing proposal for members of the Chinese Government. That was to allow him to revisit his homeland and to be accompanied by members of the Chinese delegation to guarantee he was not there to cause insurrection.

Remember the kind of passion that was created in Poland when the Pope was finally allowed to visit? That is the same kind of sense of the Tibetan people, whether they are in exile in Wisconsin or in India, that one day their exiled leader will finally be allowed to return home. He was not.

Tonight, 16 members of the Tibetan exile community watch this vote in the House to see what kind of message we were going to send back to the leaders in China. Just a few miles up the road at the University of Wisconsin there are still several hundred Chinese students not allowed to go home because of their involvement in Tiananmen Square, and a young Chinese scholar, Mr. Zhang, wrote me just last month to say:

> Unfortunately, unlike yours, our country is far from being an ideal one, which we envision to be free, democratic, respectful of human rights. And because of that, we have never been content with China as she is. In fact, even when we are de facto forced into exile, we never for a moment forget that we have our share of responsibility for making a better China reality.

This vote today is an indication of the responsibility each of us shares here in the House of Representatives.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Illinois [Mr. CRANE], the respected ranking member of the Subcommittee on Trade of the Committee on Ways and Means.

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from Illinois [Mr. CRANE] is recognized for 7 minutes.

Mr. CRANE. Mr. Speaker, I rise in strong opposition to H.R. 5318 because it would threaten the President's ability to achieve further economic and political reforms in China. I urge my colleagues to evaluate this bill in light of broader security interests in Asia which include a stable society in Hong Kong, and an expanded role for Taiwan in the international economy.

The issues are complex but, on balance, continued trade is the best means for encouraging peaceful change in China.

While appreciating the sincerity and values of those who support H.R. 5318, I cannot agree with their method. Listing detailed conditions regarding Chinese behavior would only serve to stiffen their resistance to reforms we seek.

If it were possible to take aim and only injure the political leadership with the sanctions in this bill, I might be persuaded to consider it. But the truth is, it is impossible to distinguish products produced by state-controlled enterprises in the manner attempted by this bill.

Furthermore, we know that 70 to 80 percent of exports manufactured by the emerging private sector in China are then exported through state-controlled trading companies and thus, would be subject to sanctions.

Next, I disagree with those who say that the size of the bilateral trade deficit, about $12.5 billion, justifies this approach.

In reviewing regional trade patterns, part of the deficit can be accounted for by import shifts as our East Asian trading partners such as Taiwan, Hong Kong, and South Korea increase their foreign investment in the dynamic Chinese economy. These investors are stepping up exports to the United States from China as they decrease products coming from their home markets.

However, the most compelling reason to oppose H.R. 5318 would be the crippling effect that withdrawing MFN to China would have on Hong Kong's free enterprise economy.

In this uncertain period leading up to PRC sovereignty in 1997, it is crucial that the United States reach out and cement and expand its relationship with Hong Kong, as an independent trader in the world economy. In my view, we should move forward with legislation authorizing the President to negotiate a free-trade agreement with this exceptional region of the world.

Also, we must redouble efforts to promote Taiwan's membership in the GATT as a way to strengthen ties with like-minded nations in the region.

Finally, trying to play the role of self-appointed disciplinarian is a bad deal for U.S. consumers and exporters. H.R. 5318 sets forth demands that very likely will not be met.

The President will have little choice but to end MFN for China. In response, the door to China will be slammed shut for $6.3 billion in United States exports. These sales can easily be replaced by our competitors in Europe and Japan.

An example mentioned during committee hearings was McDonnell Douglas Corp., which is in fierce competition with European Airbus. Literally billions of dollars in aircraft sales to government-owned Chinese airlines are at stake.

No other nation imposes conditions on trade with China, and past experience has shown us that sanctions taken without coordination among other major traders are a dead letter.

Mr. Speaker, I am firmly convinced that if we can work to teach free enterprise principles to the Chinese people, reform in government will be inevitable. There is explosive economic growth occurring in this market of 1.2 billion people. This economic activity is fundamentally incompatible with the perpetuation of totalitarianism.

It is in our interest to maintain and expand what is the most destabilizing force to the Chinese rulers—continued exposure to our values and principles.

Mr. Speaker, I am including in the CONGRESSIONAL RECORD a letter from 39 U.S. business and agricultural associations outlining their strong opposition to H.R. 5318.

BUSINESS COALITION
FOR UNITED STATES-CHINA TRADE,
July 20, 1992.

Hon. DAN ROSTENKOWSKI,
House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE ROSTENKOWSKI: The business and agricultural associations listed below represent thousands of American companies and farms that are engaged in trade with China. We are writing to urge your opposition to the Pease-Pelosi bill (H.R. 5318) which would condition continued MFN tariff treatment for China upon particular actions by the Chinese government in the areas of human rights, trade and weapons sales.

While we agree with proponents of H.R. 5318 that the government of China must make progress in protecting the human rights of its citizens, opening its markets to foreign products and abiding by international agreements restraining the sale of dangerous weapons systems, we do not believe that linking progress in these areas to continued extension of MFN will further those objectives. Instead, we believe that enactment of the legislation would ultimately undermine the progress made to date on these issues, would badly damage U.S. companies exporting to China, and would harm the embryonic private sector beginning to flourish in China, despite provisions of the bill intended to limit the adverse effects of any withdrawal of MFN to "state-owned enterprise."

Enactment of the legislation would put U.S. exports to China at risk. Almost all of the $6 billion of American exports to China including agriculture products, aerospace, chemicals, and heavy equipment is sold to the state sector. Since the legislation attempts to target retaliation against state-owned enterprises in the event the U.S. does not extend MFN treatment to China, it is almost certain that China would counter-retaliate against these American products, leaving those markets to our competitors in Japan and Europe.

Enactment of the legislation would poison the bilateral relationship at a time when progress is occurring in opening Chinese markets and gaining greater protection for American intellectual property in China. Such enactment would threaten implementation of the intellectual property agreement negotiated early this year, and could derail current negotiations to eliminate a variety of market access barriers under Section 301.

The emerging private sector and U.S. investors in China, as well as U.S. importers and consumers, will be adversely affected if any legislation is enacted, despite the intention of the bill's sponsors to limit the adverse effects of the withdrawal of MFN to state-owned enterprises. In China's mixed economy, state and private elements are intermingled in producing and exporting goods and commodities. Therefore, identifying an export produced by a state-owned or controlled enterprise is inherently difficult and problematic. We believe no formula could be constructed to implement the bill's intention of targeting only state-owned enterprises. Due to the complex, interrelated nature of the Chinese economy, attempts to target state-owned enterprises would only result in uncertainty and confusion, harming U.S. companies engaged in U.S.-China trade and the emerging private sector in China.

Finally, we believe that enacting the legislation would undermine the forces of reform in China, and limit the ability of the U.S. to influence China on trade, human rights and weapons proliferation issues in the future. American farmers, exporters, investors, importers and consumers, in the end, would pay a heavy price.

Sincerely,

Aerospace Industries Association; American Association of Exporters and Importers; American Business Conference; American Electronics Association; American Farm Bureau Federation; American League for Exports and Security Assistance; The Business Roundtable; Committee: ACT (Advance China Trade); Computer & Communications Industry Association.

Computer Business Equipment Manufacturers Association; Construction Industry Manufacturers Association; Consumers for World Trade; Electronic Industries Association; Emergency Committee for American Trade; The Fertilizer Institute; Footwear Distributors & Retailers of America; International Mass Retail Association.

Millers National Federation; National Association of Manufacturers; National Association of Stevedores; National Association of Wheat Growers; National Barley Growers Association; National Foreign Trade Council; National Forest Products Association; National Grain Trade Council; National Grange; National Retail Federation; National Turkey Federation.

North American Export Grain Association; Petroleum Equipment Suppliers Association; Pharmaceutical Manufacturers Association; Phosphate Chemicals Export Association, Inc.; Pro Trade Group; Retail Industry Trade Action Coalition; Toy Manufacturers of America, Inc.; U.S. Chamber of Commerce; United States-China Business Council; U.S.

Council for International Business; USA-ITA.

I urge my colleagues to vote "No" on H.R. 5318.

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Mr. ROSTENKOWSKI. Mr. Speaker, to conclude debate, I yield 5 minutes to the gentleman from Missouri, [Mr. GEPHARDT], the majority leader.

Mr. GEPHARDT. Mr. Speaker, in the post-cold-war foreign policy of the United States, with the threat of Soviet communism behind us, we now must turn our attention to issues like trade and values like human rights.

These are the jobs, security, and morality issues of our time, and they are the challenges which our national administration must surmount—if America is to be strong enough and right enough to lead the world.

China is where all of these issues come together.

China must be the subject of our strongest commitment on human rights—for it is the biggest country with the worst record of treating its people shamelessly and brutally.

China must be the subject of our strongest commitment against nuclear proliferation—for it is instrumental in exporting the most dangerous weapons to lesser tyrants.

China must be the subject of our most stringent attention when it comes to trade law violations—for its reliance on slave labor, and its constant violations of commercial norms steals American jobs and breaches the incomes and aspirations of its own people.

President Bush has failed the China challenge.

He has chosen to align our country with the repressive and unrepenting Beijing regime by renewing special trading status to China without condition.

The President has argued—against all evidence—that China's record has improved on all fronts and that any legislative attempt to condition our commercial relationship with Beijing would weaken our sway with its leaders.

But the reality is that his policy has failed, and the idea of changing China through enlightened engagement with its leaders is the pursuit of a brutal and unyielding fiction

While the Chinese Government's unrelenting efforts to stalk dissidents, punish minorities, and silence free speech is no longer the stuff of headline news, its repressive brutality persists.

It was just 2 months ago, that the search of a Washington Post reporter's apartment and seizure of her personal documents sparked outrage in our journalistic community.

In Beijing, high ranking officials did not anticipate the depth of reaction in Washington.

Obviously, violating basic human rights is so commonplace that strong, articulated opposition is met with surprise.

Moreover, at a time when the Russians and French have vowed to halt all nuclear testing; at a time when both Chambers of Congress either have passed or are on the verge of passing legislation halting all nuclear tests; at a time when even President Bush has signed up to voluntary restraints on nuclear testing—Beijing detonated a nuclear test that exceeded the recognized, permissible threshold by nearly sevenfold.

If George Bush calls this progress on all fronts—we just cannot afford any more of this kind of progress.

If these actions are the products instead of a foreign policy that has failed, we must change it.

The legislation authored by Congressman PEASE and Congresswoman PELOSI, brought forward by Congressman ROSTENKOWSKI and the Ways and Means Committee, restores moral footing to our China policy.

The status quo ante of Beijing brutality cannot be ignored any longer.

To change China—we need to change our trade policies toward China.

This legislation recognizes the new realities of the post-cold-war world, and it updates and emboldens our foreign policy accordingly.

I urge its adoption.

Mr. HOYER. Mr. Speaker, I rise today in strong support for placing conditions on China in order for state-owned enterprises to receive MFN status for this year. I would like to thank Congressman PEASE and Congresswoman PELOSI for their tireless efforts to ensure that we do not give favorable trade treatment to a government who has shown a reckless disregard for the humane treatment of its citizens.

We will never forget the televised sight of the prodemocracy protesters in Tiananmen Square, students, journalists and common men and women, mowed down by tanks and artillery for daring to stand and fight for freedom.

We have a responsibility in this great democratic country to recognize the human rights of all citizens around the world and ensure that their struggle to obtain the basic rights of human dignity and freedom of expression is not circumvented by international politics.

Mr. Speaker, it has been over 3 years since the Tiananmen Square massacre where literally hundreds of peaceful demonstrators lost their lives. Many families still suffer the injustice of not knowing the whereabouts of their loved ones and many others are still imprisoned for no other crime than a yearning for democracy. It is incumbent upon us to guarantee that the Chinese Government free all political prisoners who were detained and jailed after the massacre before we give them preferential trade treatment.

The legislation before us, H.R. 5318, will deny MFN status to China in 1993 until it is demonstrated that they have made overall significant progress in the areas of human rights in China and Tibet. In addition, this bill will not allow for the exportation of products made by forced prison labor, will make sure that prisoners are not tortured and treated inhumanely and will guarantee access by human rights groups to monitor these conditions in prisons. Peaceful demonstrations will no longer be banned.

Mr. Speaker, it is important that we take a stand here today against one of the few remaining bastions of communism. This legislation will help the unempowered to obtain their collective goals of freedom and democracy before we unconditionally renew their Government's status of most favored nation. I urge support of the resolution.

Mrs. LLOYD. Mr. Speaker, once again this body is confronted with the issue of renewal of most-favored-nation [MFN] status for the People's Republic of China. Not too long ago, we approved a bill that would condition renewal of MFN status. The conditions were fair and consistent with the democratic principles that we hold so dear.

Our efforts were thwarted by the Senate's inability to override the veto of our bill. My colleagues, we must again prove our resolve to the President and reaffirm our commitment to the Chinese citizens who believe in democracy. We must not reward a nonmarket, Communist country which has openly antagonized peaceful democratic demonstrations with the privilege of MFN status.

The conditions contained within H.R. 5318, an excellent measure offered by the gentleman from Ohio [Mr. PEASE] and the gentlelady from California [Ms. PELOSI], are representative of sound trade policy. In this bill, which I have cosponsored, we address China's egregious human rights violations. Specifically, we want to see an end to religious persecution, prison labor and restrictions on freedom of the press. Increased international human rights monitoring is needed to ensure improvements are made. Also, we insist that China cooperate with ongoing United States efforts to investigate United States MIA's and POW's.

We have suspected China of engaging in unfair trading practices that have allowed that nation to develop a tremendous trade surplus with the United States. On the other hand, Chinese markets have not been receptive to United States exports. The trade playing field between our two countries must be leveled, in order to ensure that United States exporters gain fair access to Chinese markets. H.R. 5318 includes provisions to make approval of MFN status contingent upon a Chinese commitment to free and fair trade.

The proliferation of nuclear weapons to terrorist and Third World countries is another pressing concern for this Congress. Recognizing all of the exciting, positive changes that have taken place over the past several years, especially regarding nuclear arms reductions, we must discourage China from continuing its missile proliferation practices to dangerous states. We are just beginning to understand the evolving new world order. Allowing China to jeopardize the new international stability could undermine all the positive changes that have taken place. Renewal of MFN status is linked to an end to China's alarming weapons proliferation practices.

Mr. Speaker, we are not being unreasonable in what we are asking. The United States should not abandon its own democratic principles in any trade arrangement, especially one that does more harm than good. H.R. 5318 is a needed bill that I know a majority of my colleagues will support. Let us hope the President will heed our advice this time.

Mr. WOLPE. I rise today in strong support of H.R. 5318, the United States-China Act of 1992. We have been trying, year after year, to send a clear message to China. That message is that America will no longer tolerate continued human rights abuses in China, and that we are going to stop rewarding those who perpetrate such abuses.

This bill sends that message. Its passage is long overdue.

Mr. Speaker, it has been a few years now, but the images we all have of the freedom struggle in China remain vivid. We marveled at the striking sight of millions of people taking to the streets of China in peaceful protest. They were not throwing rocks. They were not throwing Molotov cocktails, they carried no weapons. They were armed with a simple and powerful message: the yearning for freedom is universal and ultimately irresistible.

Many of us—here and around the world—were inspired and made hopeful by those peaceful demonstrations. However, the signals sent by the demonstrators were too powerful for the Chinese leadership to tolerate. The Chinese regime engaged in one of the harshest, most violent, most immoral crackdowns that the world has seen in recent years.

Thousands of people are gunned down in cold blood in Tiananmen Square. We all saw that event, and we must not permit ourselves to forget it. We saw the tanks and the troops. And we saw the courage of one simple man who resolutely stood before a column of advancing tanks and refused to let them pass. We saw the bloody square.

That was in June 1989. Now here we are, in July 1992. It is tragic that some seem to have easily forgotten the brave people who did not throw a rock or fire a shot but were massacred anyway. Certainly the administration seems to have forgotten what happened that terrible day. Many of those who were thrown in prison 3 years ago—part of their crime was rallying around a model of our own Statue of Liberty—many of those people are still languishing in jail, or laboring as slaves.

Mr. Speaker, if we do not condition most-favored-nation status for China, we will be saying that we really don't care that much about human rights abuses in that nation. We will be sending a message to the rest of the world that we will reward the brutal suppression of democratic movements. We will be sending a message to our fellow Americans that that one brave and nameless man who stood before the tanks had more courage than the entire U.S. Congress.

I urge passage of this legislation so we can make clear to China, to the world, and to ourselves that America will not tolerate human rights abuses. America will not reward human rights abusers.

Mr. SMITH of New Jersey. Mr. Speaker, the administration has notified the Congress that it intends to renew most-favored-nation [MFN] treatment for the People's Republic of China because, as the President's Press Secretary noted last month, "a constructive policy of engagement with China has served United States interests."

Mr. Speaker, we must think clearly about the United States relationship with the People's Republic of China and weigh both our national interests and our Nation's ideals.

If the issues between the United States and China were merely the alarming rise in China's trade surplus, trade negotiations as usual would be entirely appropriate.

If the issue were protection for intellectual property, access to markets, and textile transshipments, we could engage in diplomacy as usual.

But the issue, Mr. Speaker, is human rights.

The People's Republic of China only makes progress in the area of trade and commercial relations because it recognizes it is in its interest to do so. China's leaders know that they owe a major portion of their economic growth to international trade. They know that smooth commercial ties with the United States and other trading nations actually extend the longevity of their tyranny, allowing the Chinese Communist Party to satisfy a share of the economic needs of the Chinese people while denying them political freedoms. China, in its economic development, is coming from so far behind that trade and limited market reforms allow the regime to deliver improved livelihoods without making the parallel political changes in the direction of freedom and democracy that are necessary to sustain economic growth.

China's apparent progress in trade and commercial relations and its dismal record in the area of human rights are thus part of a single, seamless policy aimed at continued Communist rule. Imagining that business as usual will somehow advance human rights in China is, I submit, wishful thinking. It has been reported, in this year alone, that:

The People's Republic of China Government keeps dissidents in prison without trial.

Communist puppet judges have convicted others for opposing Communist rule after closed trials.

China's leaders keep religious believers in prisons and labor camps, and the number of arrests has been growing in recent years. I am submitting for the record a list of those religionists whose cases have been raised by international human rights groups. How many others are in prison for their faith in God cannot be known.

Communist rule in Tibet means a dark night of oppression for the Tibetan people, especially those who try to sustain their religious beliefs.

China squeezes profit from the suffering of its prisoners in its gulag by exporting their products.

Chinese police beat individuals outside the United States Embassy in Beijing.

The rulers in Beijing denied visas to two of our colleagues in the Senate, and they refused to allow the entry of other human rights groups from Europe and Australia.

And, the Chinese authorities have temporarily detained foreign journalists, including Lena Sun from the Washington Post, in a transparent attempt to dissuade them from reporting the truth of Chinese repression.

The most grievous of China's systematic human rights abuses, however, remains its policy of forced abortion and sterilization in the name of population control. A recent report tabled in the Australian Senate—"Foreign Assistance to Coercive Family Planning in China," May 1992, tabled by Senator Brian Harradine—by a former senior research specialist on China at the United States Bureau of the Census, John Aird, has cataloged the continuation of coercion and repression in China's population program. The Chinese Government's denial of coercive family planning is as credible, Mr. Speaker, as its numbing repetition that the students at Tiananmen Square were dangerous counterrevolutionaries.

China has scant incentive to change its human rights policies while the American Government and American businesses continue to do business as usual with China. We must avoid giving the Chinese any signal that indicates that business as usual is more important than human rights. Standing for human rights may entail short-run risks if the Chinese Government decides to indulge its pique, but the long-run standing of the United States in the eyes of the Chinese people will be compromised if we do not stand for our values now.

MFN treatment for China demands conditions, and I urge my colleagues to join me in supporting H.R. 5318, the measure before the House.

I include a list of imprisoned or detained believers for the RECORD.

IMPRISONED OR DETAINED CATHOLIC AND PROTESTANT BELIEVERS IN THE PEOPLE'S REPUBLIC OF CHINA

CATHOLIC BELIEVERS

1. Bishop Song Weili: Age: 75. Bishop of Langfang diocese, Hebei Province. Arrested in late December 1990 or early January 1991. Reportedly held in reeducation center in Hebei Province.

2. Bishop Cosmas Shi Enxiang: Age: 71. Auxiliary Bishop of Yixian, Hebei. Reportedly arrested after mid-December 1990. Being held in reeducation center in Hebei Province.

3. Bishop Joseph Fan Zhongliang: Age 73. Jesuit Bishop in Shanghai. Subjected to interrogations for 18 months, Bishop Fan disappeared on June 10, 1991, his home was searched and all belongings, including furniture and books were confiscated by authorities. Released by Public Security Bureau August 19, 1991, but remains under surveillance and subject to frequent interrogation.

4. Bishop Peter Chen Jianzhang: Bishop of Baoding. Disappeared from residence in Xiefangying, Xushui County, in mid-December 1990. Being held against his will in "old age home" in Hebei Province. Currently confined to wheelchair and suffers from diabetes.

5. Bishop Paul Liu Shuhe: Age: 69. Second Bishop of Yixian, Hebei Province. Having been arrested and imprisoned on October 30, 1988, because of ill health his 3 year sentence was commuted to house arrest on January 16, 1989. Subsequently arrested on December 13 or 14, 1990, along with other Catholic leaders. Being held against his will in "old age home" in Hebei Province.

6. Bishop John Baptist Liang Xishing: Born in 1923. Bishop of Kaifeng Diocese, Henan Province. Arrested in October 1990. Under Police surveillance as of February 1991.

7. Bishop Vincent Huang Shoucheng: Bishop of Fu'an, Fujian. Arrested along with four deacons on July 27, 1990, in an unspecified location. Placed under village restriction in June 1991.

8. Bishop Philip Yang Libo: Age: 77. Bishop of Lanzhou, Gansu Province. Arrested in late December 1989, in Zhagye, Gansu. He is serving a three-year prison sentence in Lanzhou, having been administratively sentenced in mid-1990.

9. Bishop Bartholomew Yu Chengdi: Age: 72. Bishop of Hanzhong diocese, Shaanxi Province. Arrested between mid-December 1989 and mid-January 1990, in connection with Bishops' Conference, imprisoned in Xi'an Prison until July 1990. He "disappeared" from his residence in August 1991, and was held in re-education camp until November 1991. He is now restricted to his home village.

10. Bishop Mathias Lu Zhensheng: Born in 1919. Second Bishop of Tianshui, Gansu Province. Arrested in late December 1989, and sentenced to unknown prison term.

11. Bishop Guo Wenzhi: Born in 1918. Bishop of Harbin, Heilongjiang Province. Interned from 1954 to 1964, he was arrested in 1966 and served in a prison camp for "reform through labor" in Xinjiang Autonomous Region until his release in 1979. Again, Bishop Guo was arrested in December 1989 and was released in March 1990. Since that time, he has been restricted to his home village in Qiqihar and is under strict police surveillance.

12. Bishop Joseph Li Side: Bishop of Tianjin diocese. Arrested on December 8, 1989 and reportedly was tried in secret and sentenced to seven years in prison. Released June 7, 1991, he remains under strict police surveillance.

13. Bishop Jiang Liren: Bishop of Hohhot, Inner Mongolia. Date of his arrest in connection with Bishops' Conference is uncertain but may have occurred in November or December 1989. He is reported to have been released from prison in April 1990, but is confined to his home village where the authorities are subjecting him to character assassination.

14. Bishop Julius Jia Zhiguo: Born in 1935. Bishop of Zhengding, Hebei Province. Arrested in April 7, 1989, in Beijing and transferred to house arrest in his home village of Wuqiu in September 11, 1989, and served order restricting his movements for 3 years.

15. Bishop John Yang Shudao: Bishop of Fuzhou, Fujian Province. Arrested in February 1988, in Liushan village, Fujian Province. Released in February 1991, but remains under close surveillance.

16. Bishop Casimir Wang Milu: Born in 1939. Bishop of Tianshui diocese, Gansu Province. Arrested in April 1984, and sentenced in 1985 or 1986 to ten years of "reform through labor" and four years' forfeiture of political rights. Reportedly in a labor camp in Pingliang, Gansu. Due to be released April 5, 1994.

17. Bishop Hou Guoyang: From Sichuan Province. Arrested in early January 1990, in connection with the Bishops' Conference, and detained until early 1991. He is now under police surveillance in Chongqing City.

18. Bishop Liu Difen: Age: 75. Bishop of Anguo, Hebei Province. Arrested December 1990 for failure to affiliate with Catholic Patriotic Association. Authorities claim he is in "old people's home."

19. Father Han Dingxiang: Age: 55. Vicar General of Handan diocese, Hebei Province. Imprisoned from 1960 to 1979 for religious activities and beliefs and detained again in 1989. Arrested December 26, 1990, and now detained in an indoctrination camp in Handan with at least 20 other Catholics.

20. Father An Shi'en: Born in 1914. Vicar General of Daming diocese, Hebei Province. Arrested within days after December 26, 1990. Is currently detained in indoctrination camp in Handan.

21. Father Zhu Ruci: Chancellor of Xiapu. Arrested on July 27, 1990, during meeting on Church affairs at Luojiang Church in Fu'an city, Fujian Province, and is currently imprisoned.

22. Father Liu Guangpin: Priest of Fu'an, Fujian Province. Also arrested in July 1990, along with Father Zhu, and is currently imprisoned.

23. Father Zou Xijin: Priest of Fu'an, Fujian Province. Also arrested along with Father Zhu in July 1990, and is currently imprisoned.

24. Father Xu: Arrested in Fu'an on July 27, 1990. No news of his release from prison.

25. Father Zheng: Arrested in Fu'an on July 27, 1990. No news of his release from prison.

26. Father Zhu: Arrested in Fu'an on July 27, 1990. No news of his release from prison.

27–29. Fathers Guo. Three priests, all of the same name. Among the nine arrested in Fu'an Province on July 27, 1990. Released on bail for health reasons and confined to house arrests in their respective villages.

30. Father Mark Yuan Wenzai: Age: 69. Priest of Haimen, Jiangsu Province. After brief period of police detention, was placed under custody of local Catholic Patriotic Association bishop, Yu Chengcoi, in July 1990.

31. Father Wang Ruohan: Priest of Tianshu diocese, Gansu Province. Arrested in December 1989, and served one year of reform through labor, continues to have severe restrictions on movement.

32. Father Yu Chengxin: Priest of Hanzhong diocese, Shaanxi Province (brother of Bishop Bartholomew Yu Chengti). Imprisoned between mid-December 1989 and July 1990, in connection with Bishops' Conference. Reportedly "disappeared" from his residence in early August 1991. Supposedly released November 1991 but have been unable to confirm.

33. Father Zhang Xiacheng: Priest of Tianshui diocese, Gansu Province. Arrested between mid-December 1989 and mid-January 1990, in connection with Bishops' Conference. Reportedly now imprisoned.

34. Father Sun Ximan: Priest of Tianshui diocese, Gansu Province. Arrested between mid-December 1989 and mid-January 1990, in connection with Bishops' Conference. Reportedly now imprisoned.

35. Father Wei Jingyi: Age: mid-30s. Priest of Qiqihar, Heilongjiang Province. Arrested between mid-December 1989 and mid-January 1990, in connection with Bishops' Conference. In March 1991, was sentenced to 3 years' "reeducation through labor."

36. Father Pei Guojun: Priest of Yixian diocese, Hebei Province. Arrested between mid-December 1989 and mid-January 1990, in connection with Bishops' Conference. Reportedly now imprisoned.

37. Father Anthony Zhang Gangyi: Age: 84. Priest of Sanyuan diocese, Shaanxi Province. Imprisoned several times for a total of 30 years between 1949 and the present. Arrested on December 11, 1989, in connection with underground episcopal conference; released, and rearrested on December 28, 1989. Released on June 6, 1990, because of his health, but now under travel restrictions.

38. Father Su Zhemin: Age: 60. Vicar General, Baoding diocese, Hebei Province. Arrested in December 17, 1989, because of his role in helping establish an independent episcopal conference in Shaanxi Province in November 1989. Sentenced on May 21, 1990, to three years "reform through labor," served at a labor farm near Tangshan, Hebei Province, and later was moved to another labor camp.

39. Father Shi Wande: Priest of Baoding diocese, Hebei Province. Arrested on December 9, 1989, in Xushui (southwest of Beijing), now reportedly in prison.

40. Father Pei Zhenping: Priest of Youtong village, Luancheng County, Shijiazhuang, Hebei Province. Arrested on October 12, 1989, now reportedly in prison.

41. Father Xiao Shixiang: Age: 58. Trappist priest of Yixian diocese. Arrested on October 20, 1989, later released but re-arrested December 12, 1991, after leading a retreat in Dingxian.

42. Father Pei Ronggui: Age: 54. Trappist priest of Youtong village, near Shijiazhuang, Hebei Province. Officiated at Youtong village, where police went on a bloody rampage against the town's 1500 Catholics on April 18, 1989. Reportedly arrested in Beijing on September 3, 1989, and reportedly now imprisoned. According to an unconfirmed report, Father Pei has been sentenced to 5 years' in prison.

43. Father Feng Yongbing: Age: 35. Priest of Changle County, Fujian Province. Arrested on September 14, 1988. He has reportedly been released, but this has not been confirmed.

44. Father Wang Yiqi: Priest of Fujian Province. Reportedly arrested in Liushan village, Fujian Province on February 28, 1988. He has reportedly been released, but this has not been confirmed.

45. Father Li Fangchum: Priest of Guide diocese, Henan Province. Arrested in Early 1980's and still in prison.

46. Father Zhang Shentang: Priest from Nanyang diocese, Henan Province. Sentenced in early 1980s to 17 years in prison. Now restricted to village.

47. Father Zhu Baoyu: Priest from Nanyang diocese, Henan Province. In 1982, sentenced to 10 years imprisonment. Now restricted to village.

48. Father Joseph Chen Rongkui: Age: 28. Arrested December 14, 1990, at the Dingxian railroad station. Charges are unknown.

49. Father Paul Liu Shimin: Age: 32. Arrested December 14, 1990, in Xiefangying, Xushui County. Charges are unknown.

50. Father Peter Hu Duoer: Age: 32. Arrested by Public Security Bureau personnel on December 14, 1990, in Liangzhuang Village, Xushui County. Charges are unknown.

51. Father Ma Zhiyuan: Age: 28. Arrested December 13, 1991, in Houzhuang, Xushui County, Hebei Province. Reason for arrest is unknown.

52. Father Liu Heping: Age: 28. Arrested December 13, 1991, at home in Shizhu village, Dingxing County. Being held without trial.

53. Father Peter Cui Xingang: Age: 30. Priest in Donglu Village, Qingyuan County. Arrested July 28, 1991; current status is unknown.

54. Father Joseph Guo Fude: Age: 69. Member of Society of the Divine Word. Served 22 years in detention previously. Arrested Spring 1982. Reportedly under house arrest and/or strict police surveillance. Had been interned in labor camp in southern Shandong.

55. Father Li Zhongpei: Arrested December 3, 1990, sentenced to 3 years "re-education through labor." Serving term at Tangshan Reeducation-through-Labor Center in Hebei Province.

56. Father Liao Haiqing: Age: about 50. Priest of Jiangxi Province. Arrested November 19, 1981. As of 1988, interned in Prison No. 4, Nanchang, Jiangxi Province.

57. Father Fu Hezhou: Age: 68. Arrested and imprisoned November 19, 1981. Report-

edly has since been transferred to house arrest and/or strict police surveillance.

58. Father Lin Jiale: Imprisoned in Fuzhou, Fujian Province.

59. Father Liu Shizhong: Imprisoned in Fuzhou, Fujian Province.

60. Father Wang Jiansheng: Age: 40. Arrested May 19, 1991, sentenced to 3 years "re-education through labor." Charges unknown. As of March 1992, held at Xuanhua reeducation Center in Hebei.

61. Father Li Zhongpei: Arrested December 3, 1990. Charges unknown. Being held at Re-education Center in Tangshan, Hebei.

62. Father Gao Fangzhan: Age: 27. Yixian Diocese, Hebei Province. Arrested in May 1991, outside Shizhu Village in Dingxing County.

63. Li Yongfu: Layman from Tianjin diocese. Arrested between mid-December 1989 and mid-Janaury 1990, in connection with Bishops' Conference, and reportedly still in prison.

64. Wang Tianzhang: Deacon from Lanzhou diocese, Gansu Province. Arrested December 16, 1989, in connection with Bishops' Conference. Reportedly still in prison.

65. Wang Tongshang: Age: 56. Deacon and community leader in Baoding diocese Hebei Province. Arrested on December 23, 1990, and being held at Re-education Center in Chengde, Hebei.

66. Pei Shangchen: Community leader in Youtong village, Hebei Province. Arrested on October 23, 1989 and reportedly now in prison.

67. Pei Jieshu: Community leader in Youtong village, Hebei Province. Also arrested in October 1989 but reportedly has been released. No confirmation of his release has been received.

68. Chen Youping: Layman of Fujian Province. Arrested on March 1, 1988, in Liushan village. He is reportedly free now, but this has not been independently confirmed.

69. Wang Jingjing: Layman of Fujian Province. Reportedly arrested on February 28, 1988, in Liushan village and reportedly released, but this has not been confirmed.

70. Zhang Weiming: Catholic intellectual. Apprehended along with his wife, Hou Changyan, on December 14, 1990, and held without charge. After two months, Hou Changyan was released and told that her husband was being held for religious and political reasons. Expected to be released from prison December 15, 1992.

71. Zhang Dapeng: Layman from Baoding Hebei. Arrested in mid-December 1990, along with his wife, Zhang Zhongyne, who was released after 3 months but has not been permitted to return to her job. Reportedly detained without charge.

72. Zhang Youshen: Age: 65. Retired editor, Huadong Bu Di Yi Jiaopian Chang (Chemical Industry Department #1 Film Factory), Baoding, Hebei Province. Sentenced without trial on July 2, 1991, to 3-year term of "re-education through labor," for writing unpublished article "Criticism of Chinese Catholic Patriotic Association." Serving term at Hengshui Labor Camp in Hebei.

73. Zhang Guoyan. Son of Zhang Goushen. Administratively sentenced to 3 years of "re-education through labor."

PROTESTANT BELIEVERS

1. Liu Huanwen: Age: late 20s. Member of Beijing TSPM church. Sentenced without trial in November 1990 to two years "re-education through labor" for carrying a cross in the June 1989 Tiananmen Square demonstrations. Reportedly released in April 1992, but could not be independently confirmed.

2. Xu Guoxing: Born March 1955. House-church leader in Shanghai. Arrested in Shanghai for "illegally establishing Church of God of Shanghai," he was under intensive investigation from March to June 1989, but released without charge. Rearrested in November 1989, charged with forming illegal house churches in Shanghai, Jiangsu, Zhejiang, and Anhui Provinces. Serving a sentence of three years "reform through labor," in Dafeng, Jiangsu Province.

3. Xu Yongze: Age: 51. From Nanyang, Zhenping County, Henan Province. House church leader. Arrested on April 16, 1988, in Yuetan Park in Beijing, where he was attempting to attend a service led by American evangelist Billy Graham, by officials of the Ministry of State Security. Sentenced to three years imprisonment and released in May 1991. He has since been under close surveillance.

4. Song Yude: Age: 39. Pastor from Baimaio village, Yuehe District, Tongbo County, Henan Province. Arrested on July 16, 1984, for "counter-revolutionary" crimes in connection with his refusal to join the TSPM. Tried and convicted in January 1986, for distributing "reactionary" religious publications and conducting illegal religious meetings. Sentenced to eight years in prison and three years deprivation of political rights. While reportedly released in April 1992, it is believed Song still faces the deprivation of political rights.

5. Pei Zhongxun (Chun Chul): Age: 74. Protestant activist from Shanghai. Arrested in August 1983, and sentenced to 15 years in prison. He is reportedly in prison near Shanghai.

6. Sha Zhumei: Born in 1919. Member of independent Protestant church. Arrested at home in Shanghai on June 3, 1987, and reportedly beaten by police. She had previously served a six year sentence for her religious activities and alledgedly urged her son, a religious protestor sought by police, to leave Shanghai. Tried November 2, 1987, reportedly in secret, and convicted of "harboring a counter-revolutionary element." She is serving a five year prison sentence, and is in poor health.

7. Zhang Yonglian: House church leader from Fangcheng, Henan Province. Arrested and detained by Public Security Bureau in September 1990, for allegedly maintaining contact with international Christian organizations and receiving unauthorized religious literature from overseas. In late August 1991, sentenced to 3 years "reform through reeducation."

8. Xie Moshan (or Wushan): Age: in 70s. House church leader from Shanghai. Arrested April 24, 1992, after returning from Guangzhou. Charged with "illegal itinerant evangelizing." Imprisoned for religious reasons between 1956 and 1980. Detained on similar charges in 1984.

9. Lin Xiangao (Samuel Lamb): Age 67. Pastor of Damazhan house church in Guangzhou. Interrogated by Public Security Bureau officials March 23, 1992, about failure to register church. Church ransacked by PBS officials on March 24; interrogated again March 28 and ordered to register church which he has refused.

10. Chang Rhea-yu: Age: 54. Member of house church in Fujian Province. In May 1990, badly hurt when Public Security Bureau officials ransacked her home and confiscated Bibles and Christian literature. Detained August 25, 1990; charged March 27, 1991, with "inciting and propagating counter-revolution." Tried April 9–10, 1991, for holding illegal meetings; distributing seditious propaganda through cassette tapes; attacking the government, including action in Tiananmen Square; and corresponding with foreigners. Reportedly still in detention.

11. Yang Rongfu. Member of house church in Anhui Province. Reportedly arrested prior to June 1990 for unspecified reasons. Has been prevented from seeing his family.

12. Liu Quinglin. Age: 61. Evangelist from Zhalantun, Inner Mongolia. Arrested September 14, 1989; charged with evangelizing and "wide-scale superstitious healing activity." Sentenced to 3-years' "re-education through labor."

13. He Suolie. House church leader from Henan Province. Arrested and sentenced in 1985 to 8 years in prison for opposing Three Self Patriotic Movement.

14. Kang Manshuang. House church leader from Henan Province. Arrested and sentenced in 1985 to 5 years in prison for opposing Three Self Patriotic Movement. No confirmation of his release.

15. Du Zhangji. House church leader from Henan Province. Arrested and sentenced in 1985 to 4 years in prison for opposing Three Self Patriotic Movement. No confirmation of his release.

16. Mr. Bai. Elderly member of Little Flock house church from Ye County, Henan Province. Arrested in 1983; charged with belonging to Shouters, holding illegal religious meetings, and receiving foreign Christian literature. As of March 1987, thought to be held in Kaifeng, Henan.

17. Zhao Donghai. House church leader from Henan Province. Sentenced to 13 years' imprisonment in 1982 or 1983.

18. Wang Dabao: Arrested in Yingshang County, Anhui Province, after August 1991.

19. Yang Mingfen: Arrested in Yingshang County, Anhui Province, after August 1991.

20. Xu Hanrong: Arrested in Yingshang County, Anhui Province, after August 1991.

21. Fan Zhi: Arrested in Yingshang County, Anhui Province, after August 1991.

22. Zhang Guancun: Arrested in Funan County, Anhui Province, after August 1991.

23. Zeng Shaoying: Arrested in Funan County Anhui Province, after August 1991.

24. Leng Zhaoqing: Arrested in Funan County Anhui Province, after August 1991.

25. Mr. Dai: Bible distributor from Hubei Province. Arrested June 1991.

26. Li Jiayao: House church leader from Guangdong Province. Arrested September 25, 1990, and sentenced September 17, 1991, to 3 years "re-education through labor" for receiving and distributing Christian literature.

"The following house church lay leaders and elders were arrested and tried together in 1986. All were accused of: membership in an evangelical group outside the government-sanctioned TSPM; planning to overthrow China's proletarian-dictatorship and socialist system; linkage with overseas reactionary forces; receiving and distributing foreign materials; disturbing the social order; and disturbing and breaking up normal religious activities."

27. Mr. Wang Xincai: Age: 39. Evangelical leader from Zhangcun village, Fuling Brigade, Xinji Commune, Lushan County, Henan Province. Sentenced to 15 years in prison.

28. Mr. Zhang Yunpeng: Age: 68. Evangelical leader from Zhaozhuang village, Houying Brigade, Zhadian Commune, Lushan County, Henan Province. Sentenced to 14 years in prison.

29. Mr. Qui Zhenjun: Age: 57. Evangelical deacon from Xinji Commune, Lushan County, Henan Province. Length of sentence is unknown.

30. Mr. Cui Zhengshan: Age: 45. Evangelical elder from Lushan County, Henan Province. Length of sentence is unknown.

31. Mr. Xue Guiwen: Age: 38. Evangelical elder from Linzhuang Village, Xinhua Brigade, Zhangdian Commune, Lushan County, Henan Province. Length of sentence is unknown.

32. Mr. Wang Baoquan: Age: 67. Evangelical elder from Second Street, Chengguan Township, Lushan County, Henan Province. Length of sentence is unknown.

33. Mr. Geng Minxuan: Age: 66. Evangelical elder from Sunzhuang Village, Malon Commune, Lushan County, Henan Province. Length of sentence is unknown.

Mr. GILMAN. Mr. Speaker, I rise in strong support of H.R. 5318, the United States-China Act of 1992. I commend my good friend and colleague the gentlewoman from California [Ms. PELOSI], for her outstanding leadership on this issue. Her relentless concern and determination have won the hearts of all who aspire for democracy and human rights in China and elsewhere. I also want to commend the gentleman from Ohio [Mr. PEASE] for helping to craft H.R. 5318. In addition, I want to commend the chairman of the Ways and Means Committee, Mr. ROSTENKOWSKI and the ranking minority member, Mr. ARCHER for bringing this important measure to the floor today. I also want to thank the chairman of the subcommittee on trade, Mr. GIBBONS and the ranking minority member, Mr. CRANE, for their strong commitment to human rights and their support for this measure.

H.R. 5318 sets forth certain conditions that China has to meet within the next year so that it can continue to receive MFN status.

Mr. Speaker, the United States lost 80,000 men and women fighting Chinese communism in Korea and Vietnam. Those wars have not ended. As H.R. 5318 points out the Chinese still must provide an accounting of POW's and MIA's from those conflicts. We are also at war with the cheap goods that continue to flood our shores and put our workers on the unemployment line. We have 10 million people out of work. It is impossible for them to compete with the 16 to 20 million slave laborers, some of whom toil in prison because they stood up and peacefully protested for democracy. In 1991 the trade deficit with China was $13 billion. This year it will be $20 billion. It makes no sense for us to underwrite a Communist regime that has not changed its core Communist ideology since Mao Tse Tung took over some 43 years ago.

China has landbased ICBM's, some, no doubt pointed toward us. It has close to 100 submarines. It is purchasing a modern aircraft carrier from the Ukraine. What can we gain from supporting these programs? Even if some entrepreneurs in China's southern provinces went broke from revoking MFN—and they won't because this bill targets just state-owned enterprises—there is no argument that makes sense for us to help a Communist government become a larger menace than ever before.

There are Catholic clergy held in prison for 30 years in China. Let me repeat that: There are Catholic clergy held in China's prison, for 30 years. It does not bring dignity to this House to discuss the supposed economic effects on political pluralism, or the possibility of losing political leverage with a country that jails people for their religious beliefs. We should all be outraged and do everything possible to secure their release.

China sells very dangerous arms to Middle East tyrants, continues to send millions of Chinese settlers into Tibet in an effort to make the Tibetans a minority in their own land, and sells arms to the drug lords ruling Burma. The time to hold them accountable is now.

Accordingly, I urge my colleagues to support H.R. 5318.

Mr. LEHMAN of California. Mr. Speaker, I rise today to voice my strong support for H.R. 5318, the United States-China Act of 1992. I would like to congratulate the bill's author DON PEASE and my California colleague, NANCY PELOSI for their diligent work in formulating a well balanced measure which outlines conditions in granting most-favored-nation [MFN] status to China.

With H.R. 5318, the United States has the golden opportunity to send the message to China that the United States will no longer accept the unfair trading practices that have resulted in a $12.7 billion trade deficit. The Chinese Government has restricted entrance of American goods, while at the same time reaping the benefits of a generous trade policy in the United States. Our President has neglected working Americans by granting unconditional MFN status to China. We must correct this grave injustice by approving H.R. 5318.

H.R. 5318 would require China to relax stringent conditions placed on United States goods as one of many conditions for extending MFN status for 1993. Gaining access to markets abroad will make great strides in revitalizing the American economy. Our producers have been virtually shut out of China and we must send a strong signal to China that the United States is not going to tolerate unfair trading practices.

MFN is important to officials in China because without MFN status the Government would not be allowed to export products to the United States without paying a high tariff. The loss of revenue would deliver a devastating blow to the leaders in China. We must use this leverage and encourage the Chinese regime to correct the unfair trade practices and address human rights violations. H.R. 5318 will sound the alarm in China that humanitarian and economical reforms are essential if they want to continue to trade with the United States.

Mr. Speaker, H.R. 5318 is a well balanced and comprehensive approach that encourages the Chinese Government to reform an abuse-ridden system which not only exploits its own people but the people of the United States. H.R. 5318 is a bill which brings real change to China and jobs to this country. I urge my colleagues to join me in supporting this measure.

Mr. FAZIO. Mr. Speaker, it is highly unfortunate that we must continue to fight President Bush over granting most-favored-nation [MFN] status to China year after year. We continue to hear from the President that MFN is needed to promote political and economic liberalization in China. We hear from the President that MFN is needed to make progress in United States-China relations.

Yet, when one assesses where China is going, it is difficult to see exactly how the President's success in granting MFN status to China has helped.

China continues to suppress the people of Tibet through religious persecution and political suppression. Its human rights record has improved little if at all.

Just today, we learned that the Intermediate People's Court sentenced a former Communist Party official to 7 years in prison for being too soft on the Tiananmen Square democracy movement. Mr. Speaker, it has been 3 years since the tragic massacre of pro-democracy students in Tiananmen Square. In each of these 3 years, President Bush has been successful in extending MFN treatment to China. Yet, the Chinese Government is still prosecuting people for their alleged involvement in this demonstration.

Is this the progress the President wants to continue?

This past May, China exploded a high-yield nuclear warhead in an underground test. Reportedly, China has sent guided missile technology to Pakistan, chemicals for solid fuel rockets to Syria, and has over 1 billion dollars' worth of missile contracts with Iran, Syria, Pakistan, and other countries in the Middle East. All of these activities are in violation of the Nuclear Non-Proliferation Treaty and the Missile Technology Control Regime both of which China has agreed to abide by.

Is this the progress the President wants to continue?

Finally, Mr. Speaker, we continue to hear from proponents of MFN status that cutting off MFN benefits to China will hurt our own economic interests. Let's look at the facts. In 1991, China's trade surplus with the United States reached $12.7 billion. It is expected to increase to $20 billion this year. This success has been achieved through the illegal use of prison labor and the pirating of products copyrighted and patented in the United States. These and other unfair trade practices in China are costing the United States nearly $25 billion in exports annually and over 400,000 jobs.

Is this the progress the President wants to continue?

Today, Mr. Speaker, we have an opportunity to send a message to China that MFN status is not a one-way street. We can demand real progress on all of these issues before we reward China with MFN status.

We have compromised in this bill. We have eased the conditions that China must meet. We have eased the revoking of MFN status to apply only to state-owned enterprises. In H.R. 5318, we continue MFN status for 1992, but require China to meet certain conditions to receive MFN status in 1993.

H.R. 5318 is a balanced bill. It requires China to become an equal partner with the United States in bringing about real progress in economic and political reforms. I strongly urge my colleagues to support this important legislation.

Mr. YATRON. Mr. Speaker, I rise in favor of H.R. 5318, the United States-China Act of 1992. I was disappointed that the President extended most-favored-nation trade status to China for another year and the third since the 1989 Tiananmen Square massacre. Clearly, the human rights situation in China has not improved in any discernible way and, in fact, may be worse than we thought after the 1989 crackdown on democracy demonstrators.

I know many of my colleagues have received a copy of the recent report from Asia

Watch concerning the crackdown on the 1989 Pro-democracy movement in Hunan Province. One thousand activists and demonstrators were detained in Hunan after June 4, and approximately 500 remain in prison. Previously, no more than a dozen prodemocracy activists were known to have been imprisoned after the crackdown in Hunan. This information paints a much graver picture of repression in the provinces and indicates that many more people may be imprisoned or in labor camps because of their involvement in prodemocracy activities nationwide.

The Chinese have not been forthcoming on several issues they have committed to in the past. By providing only scant information the Chinese accounted for a list of political prisoners jailed nationwide after June 4, Secretary Baker was promised in November that China would grant visas to about 20 dissidents who wanted to leave the country, yet only 3 have been permitted to leave, and China vowed to improve trade opportunities for United States companies, yet the United States deficit grows larger every year and the USTR recently threatened to institute trade action if China does not remove specific trade barriers to United States exports.

Today, Mr. Bao Tong, the most senior official arrested in connection with the 1989 democracy demonstrations and adviser to former General Secretary Zhao Ziyang, received a sentence of 9 years imprisonment plus 2 years deprivation of political rights. Apparently the trial was held in secret, and his family was allowed to attend only for the reading of the verdict. The hardliners in China seem to have won another victory by handing down a harsh sentence to Bao who was not involved in the demonstrations but was guilty of being a reformer who argued for greater political and economic openness.

The President's policy to renew the waiver extending China's MFN status is based on the belief that engagement with China will result in democratic reform and promote human rights. Bao Tong's sentence is one of hundreds, possibly thousands, of cases where the administration's engagement with China has failed horribly.

The former assistant secretary for human rights has said that a pattern exists in China where "the foreign ministry makes a commitment and then someone else reneges on it." Clearly, the leverage the President is using with China amounts to no leverage at all. The Chinese know all too well that they don't have to honor their commitments, knowing that if they do, the President will look the other way and guarantee that they continue to receive most-favored-nation treatment.

I commend Congressman PEASE and Congresswoman PELOSI for introducing this bill and hope we, and more importantly the Senate, will come up with the two-thirds needed to prevent a Presidential veto.

Mrs. UNSOELD. Mr. Speaker, once again we are meeting to consider a measure to let the rulers in Beijing know there is a price to be paid for despotism, and once again the President has said that he will thwart our efforts with a veto. Three years after the blood of democracy advocates stained the ground of Tiananmen Square, 3 years after courageous men and women were imprisoned because they raised their voices in support of universal values, our President is still waiting for quiet persuasion to bring that crowd around.

Let us be honest here today—the President's approach has failed abysmally. It is time to use Beijing's huge trade imbalance as leverage, leverage to free political prisoners and to bring positive change in Chinese policies. H.R. 5318 is a responsible bill that meets the concerns of American businesses who have invested there. It reaches its target while preserving foreign investment and the foreign presence many argue fosters democratic ideals.

The dictators of Beijing have been laughing at America, confident that they can act with impunity and violate any principle while suffering no consequences so long as they have a friend in the White House. Congress has the ability to send them a message and end their laughter. Let them know we are ready to side with the men and women who had the courage to stand before tanks and speak out for freedom. Vote "yes" on Pelosi-Pease.

Mr. SKAGGS. Mr. Speaker, 3 years have passed, 3 years of President Bush conducting quiet diplomacy with the tyrants of Tiananmen, 3 years of so-called constructive engagement. Three years, and what do we have to show for it?

We've witnessed the systematic trampling of basic political and religious freedoms. We've seen persecuted dissidents, involuntary sterilizations, forced abortions, coerced prison labor, and the harassment of foreign journalists.

We've seen the Chinese Government carry out its largest underground nuclear test ever, a megaton blast 70 times more powerful than the bomb dropped on Hiroshima. We've seen Chinese missiles and nuclear technology flowing to terrorists nations in violation of international nonproliferation agreements. We've seen United States trade deficit swell to almost $20 billion—a deficit second only to Japan—fostered not by superior products, but by unfair and often immoral trade practices.

Why is it that President Bush can't see what's crystal clear? The fact of the matter is, economic liberalization has not brought political reform.

Supporters of the Pease-Pelosi bill, to put conditions on China's most-favored-nation [MFN] status, don't want to hamper entrepreneurial forces in China. This bill removes one of the President's major objections to earlier legislation, by imposing sanctions only against the products of state-owned business in China. Goods from foreign joint ventures and other private enterprises that are the base of Chinese economic reforms would not be affected.

Mr. Speaker, 3 years is too long to wait for progress on human rights, arms control, and fair trade in China. China's rulers and the Bush administration have both been stringing us along with false promises for far too long. I strongly urge my colleagues to support H.R. 5318. No more giveaways. Let's make China earn their MFN status once and for all.

Mr. CHANDLER. Mr. Speaker, I rise in support of H.R. 5318, which places limited conditions on the granting of most-favored-nation status for China. The United States' granting of most-favored-nation status to China has provided a sound framework for significant expansion of our economic and commercial relations.

In 1991, total bilateral trade between the United States and our trading partners exceeded $25 billion. China was our fastest growing export market in Asia in 1991 as United States exports totaled $6.3 billion, an increase of 30 percent from 1990. This level of U.S. exports sustained 100,000 American jobs. In my home State of Washington, where one in five jobs is dependent upon trade, I am particularly aware of the positive impact China's trade has on our State's economic growth and job creation.

On example is the Boeing Co. China is a large and growing market for the thousands of Boeing employees who live in the Puget Sound area of Washington State. Currently, China has firm orders and options for Boeing aircraft valued at $4.6 billion. Between 1992 and 2010, China's requirement for commercial airplanes is estimated to be between $25 billion and $35 billion, making it potentially the fourth largest market in commercial airplanes.

I recognize that MFN status is considered normal trading practices, and the United States extends MFN status to all but a handful of countries. Still, I have strong concerns about the deteriorated human rights situation in China.

It's been 3 years since the Tiananmen Square massacre, and while the U.S. policy has not changed, grievous human rights abuses and weapons proliferation continue. Simply stated, there has been no significant improvement in the Chinese Government's human rights record. Recent incidents, including the diplomatic mistreatment of Secretary Baker and the harassment and detaining of a United States reporter in Beijing, are further evidence of China's human rights problem.

Additionally, it was recently reported that China detonated the largest underground nuclear test it has ever conducted. The test had 70 times the explosive power of the atomic bomb dropped on Hiroshima and far exceeded the 150-kiloton limit observed by the United States and the former Soviet Union under a 1990 treaty. While we have a tremendous amount at stake in our trade relations, so does China. China's future does not lie in isolationism and communism, but rather in democratic reform and open ties with the West. The process of democratization is going to continue to grow strength in China, as it did in Eastern Europe and the former Soviet Union.

We should take steps that accelerate the emergence of democracy in China. We should adopt H.R. 5318 and place limited conditions on the granting of MFN to China.

Mr. LAROCCO. Mr. Speaker, on June 2, President Bush announced his intentions to renew most-favored-nation trading status for the People's Republic of China. The next day he granted China a waiver, thereby extending for another year its preferential trading partnership with the United States. For years now, our President has chosen to ignore China's egregious human rights record and history of weapons proliferation. For years, the President has turned his back on a terrible breech of international justice.

Put simply, Mr. Bush's sight has been rather selective. He sees only what he wants to see.

However, Congress has not been so myopic. Today we have the opportunity to condition the President's request. Today my distinguished colleagues will have the chance to give President Bush a wake up call.

I rise in strong support of H.R. 5318, Congressman PEASE's bill to condition China's 1993 MFN trade status on improvements in human rights, trade, and weapons proliferation. Last year this same body voted overwhelmingly to send a message to the leaders of the undemocratic Chinese regime. But disregarding the will of a clear majority in both houses, our President unfortunately again brandished his veto stamp.

Mr. Speaker, H.R. 5318 sets reasonable conditions upon further renewal of China's MFN status. It is a rational and prudent approach intended to eliminate the PRC's flagrant abuse of international human rights law. Since our debate on Congresswoman PELOSI's bill last year, no substantial improvements have been made. Peaceful protesters arrested during the Tiananmen Square massacre of 1989 still languish in prison. Many have not been formally charged, and others may have died or disappeared.

China's hunger for weapons of mass destruction is equally appalling. It has violated the Nuclear Nonproliferation Treaty, the Missile Technology Control Regime, and continues to test nuclear weapons, despite its leaders' claims to the contrary. As for China's role in the international marketplace, the picture is no brighter. China's trade surplus with the United States reached $12.7 billion in 1991, and is expected to climb as high as $20 billion for 1992. At this rate, it is very possible that unless we act now, China may be able to build the economic strength to withstand international sanctions in the future.

The legislation we are considering today lays out a workable and realistic roadmap by which the PRC can maintain its trading partnership with the United States. My colleagues should be aware that H.R. 5318 would target only State-owned industries. It will not affect private enterprises or joint ventures which are helping to bring economic and political liberalization to China.

President Bush once said that American foreign policy has always been "more than simply an expression of American interests. It's an extension of American ideals." I wholeheartedly agree, which is why I urge my colleagues to join me in supporting H.R. 5318.

These conditions are fair. China must be held accountable for its actions, and the time to send a message is now.

Mr. SMITH of Florida. Mr. Speaker, I rise against extension for yet another year of most-favored-nation status for the People's Republic of China, as requested by the President. I am honored to join the vast majority of my colleagues on both sides of the aisle in letting the President know that he is plainly wrong.

The Berlin Wall collapsed 3 years ago, and down went the state-sanctioned terror and systematic persecution maintained for decades by the fearsome Stasi East German secret police. The West's focus on the Helsinki process, centered upon the unwavering insistence that human rights could not be compromised, pushed an entire East bloc toward freedom.

If we succeeded in bringing down the Berlin Wall, why do we so stubbornly work to sustain the Great Wall? We have all heard the reasons, and the few apologists for the Chinese regime will continue to defend the President's bankrupt policy as a farsighted attempt to bring China into the democratic community of nations. I remind my colleagues that the same approach failed to make Saddam Hussein a peace-loving promoter of human rights. A repetition of this policy toward China is not only doomed to fail—it already has failed.

We are faced with a simple choice: Trade with brutal dictators or uphold human rights. I think we should stick with what has worked in the past—to uphold human rights. The beneficiaries of our policies should be the victims of human rights abuses in both China and occupied Tibet, not the instigators of those abuses.

Three years after the massacre of prodemocracy activists at Tiananmen Square, the administration obstinately continues to defend the indefensible record of the Chinese Government. But reputable human rights organizations such as Amnesty International continue to document the appalling record that the Chinese have kept intact since the massacre at Tiananmen.

Chinese Government authorities admit to detaining hundreds of dissidents, but they fail to account for the thousands of political prisoners who still languish in their jails. Show trial after show trial results in arbitrary convictions for trumped up charges of counterrevolutionary propaganda and agitation or counterrevolutionary sabotage. Confessions are induced the old-fashioned Communist way: Through torture.

The Chinese Government's savage occupation of Tibet continues unabated. The statistics are fearsome: 218 pro-independence Tibetans have either been sentenced to prison or sent to receive reeducation through labor. The Chinese officially admit that 50,000 are sent to labor camps every year. Their legal system allows detention without trial or charge for up to 4 years. One of its victims is 75-year-old Father Francis Wang Yijun, the Vicar-General of Wenzhou diocese in Zheijiang Province. In 1990, he was sentenced to 3 years of reeducation through labor on the very day that his 8-year sentence as a prisoner of conscience ended. I wonder if the President's most-favored-nation gift will move the Chinese leadership to release Father Wang.

Ruthless religious persecution persists as well. Several Buddhist monks and nuns were detained in Lhasa, some for up to 3 years without trial. Five monks from the Toelung Dechen monastery were detained and reportedly beaten by state security officers for waving a nationalist flag. At least a dozen of the 60 Roman Catholics detained in mid-December 1990 in Hebei Province for peaceful religious activities are reportedly still held without charge. Members of independent Protestant groups in several provinces also were repeatedly arrested.

Some were less fortunate. Tibetan political prisoner Lhapka Tsering was reported to have died on December 15, 1990, due to lack of medical care. He had reportedly been beaten by prison guards shortly before his death.

There are no signs that the Chinese leadership plans to relent from this repression. In blatant disregard of congressional warnings on human rights abuses, the Chinese Government this May arrested more than 30 dissidents in Beijing—the most arrested since 1989.

We have every reason to believe that the Chinese will continue to use the fruits of their $15 billion trade surplus with the United States to buy arms from the former Soviet Republics and to sell dangerous weapons to their friends in Syria, South Africa, and Iran, among others.

Mr. Speaker, both President Bush and the Chinese Government need to understand that there can be no trade-off between human rights and trade. Congress' threat to revoke most favored nation—not the President negotiators—secured Chinese agreement to respect the intellectual property rights of United States manufacturers. Now let Congress' renewed threat to revoke most favored nation benefit the countless victims of human rights abuses by the Chinese government.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). All time has expired.

The text of H.R. 5318 is as follows:

H.R. 5318

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States-China Act of 1992".

SEC. 2. FINDINGS.

The Congress finds that—

(1) United States policy toward the People's Republic of China should be designed to bring about reforms in the system of government of that country as it relates to human rights, nuclear proliferation, and distortion of trade;

(2) the use of economic measures will encourage such reforms; and

(3) increasing tariffs on imports produced by state-owned enterprises in the People's Republic of China is an appropriate response to acts, policies, and practices of the government of that country that deviate from internationally-accepted norms.

SEC. 3. ADDITIONAL OBJECTIVES WHICH THE GOVERNMENT OF CHINA MUST MEET IN ORDER TO RECEIVE NONDISCRIMINATORY TREATMENT.

(A) IN GENERAL.—The President may not recommend the continuation of a waiver in 1993 for a 12-month period under section 402(d) of the Trade Act of 1974 for the People's Republic of China unless the President reports in the document required to be submitted by such section that the government of that country—

(1) with respect to the violent repression of dissent in and around Tiananmen Square and in other parts of China on June 3 and 4, 1989, has provided an acceptable accounting of and released individuals who were accused, detained, sentenced, or imprisoned as a result of the nonviolent expression of their political beliefs; and

(2) has made overall significant progress in achieving the objectives outlined in the categories of—

(A) human rights, as described in subsection (b);

(B) trade, as described in subsection (c); and

(C) weapons proliferation, as described in subsection (d).

(b) HUMAN RIGHTS.—The human rights objectives described in this subsection are—

(1) taking appropriate action to prevent gross violations of internationally recognized human rights, including workers' rights, in the People's Republic of China and Tibet;

(2) preventing exports of products made by prisoners and detainees assigned to labor camps, prisons, detention centers, and other facilities holding detainees, and allowing United States officials and international humanitarian and intergovernmental organizations to inspect the places of detention suspected of producing export goods to ensure that appropriate steps have been taken and are in effect;

(3) terminating religious persecution in the People's Republic of China and Tibet, and releasing leaders and members of all religious groups detained, incarcerated, or under house arrest as a result of the expression of their religious beliefs;

(4) removing restrictions in the People's Republic of China and Tibet on freedom of the press and on broadcasts by the Voice of America;

(5) terminating the acts of intimidation and harassment of Chinese citizens in the United States, including the return and renewal of passports confiscated by authorities as retribution for prodemocracy activities;

(6) ensuring access of international human rights monitoring or humanitarian groups to prisoners, trials, and places of detention;

(7) ensuring freedom from torture and from inhumane prison conditions;

(8) terminating prohibitions on peaceful assembly and demonstration imposed after June 3, 1989;

(9) fulfilling its commitment to engage in high-level discussions on human rights issues; and

(10) adhering to the Joint Declaration on Hong Kong that was entered into between the United Kingdom and the People's Republic of China.

(c) TRADE.—The trade objectives described in this subsection are—

(1) providing adequate protection of United States patents, copyrights, and other intellectual property rights and implementing the provisions of the Memorandum of Understanding Between the Government of the People's Republic of China and the Government of the United States of America on vices or the materials and components for such devices.

SEC. 4. REPORT BY THE PRESIDENT.

(a) IN GENERAL.—If the President recommends in 1993 that the waiver referred to in section 3(a) be continued with respect to the People's Republic of China, the President shall include in the document required to be submitted to the Congress by section 402(d) of the Trade Act of 1974 a report on the extent to which the Government of China has, during the period covered by the report, met the objectives described in section 3.

(b) CONTENTS.—The report required by subsection (a) shall also include, but not be limited to, descriptions of progress made in the People's Republic of China and Tibet with regard to—

(1) freedom from torture and inhumane prison conditions;

(2) freedom of speech, of the press, of association, of assembly, of procession, and of demonstration;

(3) freedom of religious belief and religious activities; and

(4) freedom of the individual from unlawful arrest, detention, search, or harassment.

SEC. 5. NONDISCRIMINATORY TREATMENT FOR PRODUCTS FROM NONSTATE-OWNED ENTERPRISES.

(a) IN GENERAL.—Notwithstanding any other provision of law, upon the occurrence of any circumstance described in subsection (b), nondiscriminatory treatment shall apply to any good that is produced, manufactured, marketed, or otherwise exported by a business, corporation, partnership, qualified foreign joint venture, or other person that is not a state-owned enterprise of the People's Republic of China. Such nondiscriminatory treatment shall be in effect for the period of time the waiver referred to in section 3(a) would have been effective had it taken effect.

(b) CIRCUMSTANCES.—Nondiscriminatory treatment as described in subsection (a) shall apply if—

(1) the President fails to request the waiver referred to in section 3(a), and reports to the Congress that such failure was a result of his inability to report that the People's Republic of China has met the objectives described in that section; or

(2) the President requests the waiver referred to in section 3(a), but a disapproval resolution described in subsection (c)(1) becomes law.

(c) DISAPPROVAL RESOLUTION.—

(1) IN GENERAL.—For purposes of this section, the term "resolution" means only a joint resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the Congress does not approve the extension of the authority contained in section 402(c) of the Trade Act of 1974 recommended by the President to the Congress on   with respect to the People's Republic of China because the Congress does not agree that the People's Republic of China has met the objectives described in section 3 of the United States-China Act of 1992.", with the blank space being filled with the appropriate date.

(2) APPLICABLE RULES.—The provisions of sections 153 (other than subsections (b)(3) and (b)(4)) and 402(d)(2) of the Trade Act of 1974 shall apply to a resolution described in paragraph (1).

(d) DETERMINATION OF DUTY STATUS OF ENTERPRISES.—

(1) Subject to paragraph (2), the Secretary of the Treasury shall determine which businesses, corporations, partnerships, companies, or other persons are state-owned enterprises of the People's Republic of China for purposes of this Act and compile and maintain a list of such businesses, corporations, partnerships, companies, and persons.

(2) For purposes of making the determination required by paragraph (1), the following definitions apply:

(A) The term "state-owned enterprise of the People's Republic of China" means a business, corporation, partnership, company, or person affiliated with or owned, controlled, or subsidized by the government of the People's Republic of China and whose means of production, products, and revenues are owned or controlled by central or provincial government authorities. A business, corporation, partnership, company, or person shall be considered to be state-owned if—

(i) its assets are primarily owned by central or provincial government authorities;

(ii) a substantial proportion of its profits are required to be submitted to central or provincial government authorities;

(iii) its production, purchases of inputs, and sales of output, in whole or in part, are subject to state, sectoral, or regional plans; or

(iv) a license issued by the government authorities classifies the enterprise as state-owned.

Any business, corporation, partnership, company, or person that is a qualified foreign joint venture or is defined by such authorities as a collective or private enterprise shall not be considered to be state-owned.

(B) The term "foreign joint venture" means any business, corporation, partnership, company, or person—

(i) which is registered and licensed in the agency or department of the government of the People's Republic of China concerned with foreign economic relations and trade as an equity, cooperative, or contractual joint venture; and

(ii) in which the foreign investor partner and the business, corporation, partnership, company, or person—

(I) combine their assets;

(II) share profits and losses; and

(III) jointly manage the venture.

(C) The term "qualified foreign joint venture" means a joint venture—

(i) in which the foreign investor partner holds or controls at least 33 percent of the investment;

(ii) in which the foreign investor partner is not a business, corporation, partnership, company, or other person of a country the government of which the Secretary of State has determined under section 6(j) of the Export Administration Act of 1979 to have repeatedly provided support for acts of international terrorism; and

(iii) which does not use state-owned enterprises of the People's Republic of China to export its goods or services.

(e) PETITION FOR CHANGE IN DUTY STATUS.—Any person who believes that a particular business, corporation, partnership, or company should be included on or excluded from the list compiled by the Secretary under subsection (d) may request that the Secretary review the status of the business, corporation, partnership, or company.

SEC. 6. DEFINITIONS.

For the purposes of this Act:

(1) ACTS OF INTIMIDATION AND HARASSMENT.—The term "acts of intimidation and harassment" in section 3(b)(5) means actions taken by the Government of the People's Republic of China that are intended to deter or interfere with, or to be in retaliation for, the nonviolent expression of political beliefs by Chinese citizens within the United States.

(2) DETAINED AND IMPRISONED.—The terms "detained" and "imprisoned" include, but are not limited to, incarceration in prisons, jails, labor reform camps, labor reeducation camps, and local police detention centers.

(3) GROSS VIOLATIONS OF INTERNATIONALLY RECOGNIZED HUMAN RIGHTS.—The term "gross violations of internationally recognized human rights" in section 3(b)(1) includes, but is not limited to, torture, cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges and trial, causing the disappearance of persons by the abduction and clandestine detention of those persons, secret judicial proceedings, and other flagrant denial of the right to life, liberty, or the security of any person.

(4) MISSILE TECHNOLOGY CONTROL REGIME.—The term "Missile Technology Control Regime" means the agreement, as amended, between the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced on April 16, 1987, to restrict sensitive missile-relevant transfers based on an annex of missile equipment and technology.

(5) SIGNIFICANT PROGRESS.—(A) The term "significant progress" in section 3(a)(2) means the implementation of measures that will meaningfully reduce, or lead to the termination of, the practices identified in that paragraph.

(B) With respect to section 3(d)(1), progress may not be determined to be "significant progress" if the President determines that, on or after November 26, 1991, the People's Republic of China has transferred to Syria or Iran—

(i) ballistic missiles or missile launchers for the weapons systems known as the M-9 or the M-11; or

(ii) material, equipment, or technology which would contribute significantly to the manufacture of a nuclear explosive device.

COMMITTEE AMENDMENTS EN BLOC

The SPEAKER pro tempore. The Clerk will report the committee amendments en bloc.

The Clerk read as follows:

Committee amendments en bloc: Page 2, line 7, strike out "be designed to bring about" and insert "include among its primary objectives".

Page 5, line 6, strike "and".

Page 5, line 9, strike the period and insert "; and".

Page 5, between lines 9 and 17, insert the following:

(11) cooperating with the United States in efforts to obtain an acceptable accounting of United States military personnel who are listed as prisoners of war or missing in action as a result of their service in—

(A) the Korean conflict; or

(B) the Vietnam conflict.

Page 7, strike out line 3 and all that follows down through line 24 on page 7.

Page 8, line 11, strike out "5." and insert "4.".

Page 8, strike out lines 7, 8, 9, and 10 and "People's Republic of China." on line 11 and insert the following:

shall apply to any good that is produced or manufactured by a business, corporation, partnership, qualified joint venture, or other person that is not a state-owned enterprise of the People's Republic of China. Any such good that is marketed or otherwise exported by a state-owned enterprise of the People's Republic of China shall be ineligible for such nondiscriminatory treatment.

Page 11, strike out lines 12 through 16, inclusive, and insert the following:

Any business, corporation, partnership, company, or person that—

(I) is a qualified foreign joint venture or is defined by such authorities as a collective or private enterprise; or

(II) is wholly owned by a foreign business, corporation, company, or person,

shall not be considered to be state-owned.

Page 13, line 14, strike out "6." and insert "5.".

☐ 1620

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that the committee amendments en bloc be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 514, the previous question is ordered on the committee amendments en bloc.

The question is on the committee amendments en bloc.

The committee amendments en bloc were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ARCHER

Mr. ARCHER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. ARCHER. Mr. Speaker, I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ARCHER moves to recommit the bill, H.R. 5318, to the Committee on Ways and Means.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 339, nays 62, not voting 33, as follows:

[Roll No. 286]

YEAS—339

Abercrombie
Ackerman
Alexander
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
AuCoin
Bacchus
Ballenger
Barnard
Barton
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Bonior
Borski
Boucher
Brewster
Broomfield
Browder
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Camp
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Costello
Cox (CA)
Cox (IL)
Coyne
Cramer
Cunningham
Dannemeyer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Dornan (CA)
Downey
Duncan
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Fields
Fish
Flake
Foglietta
Ford (MI)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Jacobs
James
Jefferson
Jenkins
Johnson (TX)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kostmayer
Kyl
Lagomarsino
Lancaster
Lantos
LaRocco
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Mavroules
Mazzoli
McCollum
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Moody
Moorhead
Moran
Morella
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Petri
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (NJ)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (NC)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Traficant
Traxler
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walker
Walsh
Washington
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Yates
Yatron
Young (FL)
Zeliff
Zimmer

NAYS—62

Allard
Archer
Armey
Baker
Barrett
Bateman
Boehner
Brooks
Callahan
Campbell (CA)
Clinger
Crane
DeLay
Doolittle
Dreier
Ewing
Fawell
Goss
Gradison
Grandy
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Ireland
Johnson (CT)
Johnson (SD)
Kolbe
Kopetski
Laughlin
Leach
Lightfoot
Livingston
Marlenee
Matsui
McCandless
McCrery
McDermott
Michel
Montgomery
Myers
Nichols
Nussle
Oxley
Packard
Peterson (MN)
Pickett
Roberts
Roemer
Sarpalius
Shays
Shuster
Smith (IA)
Smith (OR)
Stenholm
Stump
Taylor (MS)
Thomas (CA)
Vucanovich
Wylie
Young (AK)

NOT VOTING—33

Atkins
Boxer
Brown
Campbell (CO)
Conyers
Coughlin
Davis
Durbin
Feighan
Ford (TN)
Gingrich
Hatcher

Hyde
Johnston
Jones (GA)
Kolter
LaFalce
Lehman (CA)
Lewis (GA)
Lipinski
McCloskey
McEwen
Morrison
Mrazek
Owens (UT)
Perkins
Peterson (FL)
Ray
Roe
Roukema
Savage
Torricelli
Towns

□ 1642

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5620, URGENT SUPPLEMENTAL APPROPRIATIONS, 1992

Mr. NATCHER, from the Committee on Appropriations, submitted a privileged report (Rept. No. 102–672) on the bill (H.R. 5260) making supplemental appropriations, transfers, and rescissions for the fiscal year ending September 30, 1992, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. McDADE reserved all points of order on the bill.

WASTE ISOLATION PILOT PLANT LAND WITHDRAWAL ACT

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 494 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 494

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2637) to withdraw lands for the Waste Isolation Pilot Plant, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and which shall not exceed one hour, with twenty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, with twenty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, and with twenty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce, the bill shall be considered for amendment under the five-minute rule. In lieu of the amendments now printed in the bill, it shall be in order to consider an amendment in the nature of a substitute consisting of the text printed in the report of the Committee on Rules accompanying this resolution as an original bill for the purpose of amendment under the five-minute rule. Each section shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After passage of H.R. 2637, it shall be in order to consider the bill S. 1671 in the House. It shall then be in order to move to strike out all after the enacting clause of S. 1671 and insert in lieu thereof the provisions of H.R. 2637 as passed by the House.

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. DREIER], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 494 is an open rule providing for consideration of H.R. 2637, a bill to withdraw lands for the waste isolation pilot plant. The rule provides for 1 hour of general debate, with 20 minutes equally divided and controlled by the chairman and ranking minority member of each of the three committees of jurisdiction: Interior and Insular Affairs, Armed Services, and Energy and Commerce.

The rule makes in order the text of an amendment in the nature of a substitute to be printed in the report accompanying the rule as an original bill for the purpose of amendment. The substitute will be considered by section, with each section considered as read.

The rule also provides a hookup with the Senate companion bill, S. 1671, making it in order to consider S. 1671 in the House if the House passes H.R. 2637. The rule makes in order a motion to strike all after the enacting clause of S. 1671 and insert the text of H.R. 2637 as passed by the House.

Finally the rule provides one motion to recommit with or without instructions.

Mr. Speaker, H.R. 2637 would clear the way for the opening of the waste isolation pilot plant or WIPP. WIPP is a Department of Energy facility constructed in New Mexico for the purposes of determining the feasibility of using the site for the permanent disposal of defense transuranic radioactive waste, a byproduct of our Nation's weapons program.

H.R. 2637 would permanently withdraw the 10,240 acre WIPP site from public use which would enable the Department of Energy to move ahead with the necessary testing to determine if the repository is a safe place to permanently store the radioactive transuranic waste that is presently stored above ground. The bill also establishes requirements for management plans to ensure that the test phase and any subsequent uses of the site by the Energy Department are environmentally sound.

Mr. Speaker, the United States has been generating radioactive waste in its national defense programs since the 1940's. At the present time approximately 1.1 million drums of plutonium-contaminated waste are stored in temporary storage facilites at 10 DOE sites around the country. One of these facilities, the Savannah River Site, is located in my district. SRS currently stores more than 141,000 cubic feet of contact-handled transuranic waste—the fourth largest concentration of this waste at any facility in this Nation.

As our Nation moves ahead with the consolidation of our nuclear weapons complex and the dismantling of nuclear weapons, we will have even larger quantities of radioactive waste to dispose of. It is time our Nation deals with the legacy of the nuclear weapons complex. Dealing with this legacy involves a permanent solution to the storage of waste generated by weapons production.

The WIPP facility is that solution. Completed in 1989 at a cost of $1 billion, the WIPP facility consists of 7 miles of underground storage rooms and tunnels. The subterranean vaults are excavated to a depth of 2,100 feet below the desert floor in a salt deposit nearly 3,000 feet thick.

The Department of Energy is ready to begin a 6-year test phase of WIPP. The test phase will involve only one-half of 1 percent of the total volume of waste planned for disposal at WIPP and will operate under other restrictions imposed by the Environmental Protection Agency.

Mr. Speaker, it is time that we clear the way for the Department of Energy to test this fully built repository. Temporary storage is not a viable long-term solution. House Resolution 494 is a fair rule that will expedite consideration of this important legislation. I urge my colleagues to support the rule and the bill

Mr. Speaker, I reserve the balance of my time.

□ 1650

Mr. DREIER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to, once again, heartily applaud the Committee on Interior and Insular Affairs, their chairman and ranking Republican member, for making it a perfect record in this Congress in their requests for open rules. It is a very unusual phenomenon around here. I support this rule and urge my colleagues to do so as well.

The Waste Isolation Pilot Plant Land Withdrawal Act: I have some concerns about the bill itself. But I would first like to commend the committees of jurisdiction for taking action on the Energy Department's request to provide lands for the storage of low-level radioactive waste. The compliance language made in order by this rule is an improvement over the bill originally approved by the Committee on Interior and Insular Affairs and the Committee on Energy and Commerce. It is my hope that through the amendment process additional improvements will be made.

For example, Mr. Speaker, the compromise language provides for the permanent land withdrawal that the administration was seeking. However, it sets up a procedural mechanism that may allow the State of New Mexico to terminate the land withdrawal and undermine the project. The bill also gives the EPA duplicative regulatory oversight responsibilities, but it does not stipulate a timeframe for the approval of various plans and activities. It is my hope that, as the process moves forward, we will provide the Department of Energy with the necessary regulatory flexibility without undermining States rights or compliance with strict environmental controls and standards.

Again, Mr. Speaker, I rise in strong support of this rule.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. DREIER of California. I yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, if I understand the rule we have before us, it is an absolutely open rule, which means that any germane amendment to the bill would, in fact, be in order on the floor and be subject to debate under the bill.

Is that correct?

Mr. DREIER of California. Mr. Speaker, I think my friend is absolutely right, and he knows that because, frankly, he and his committee are one of the other very unique entities in this place that makes requests for an open rule.

Mr. WALKER. I just want to say to the gentleman that I think we learned a number of interesting things over the past couple of weeks about, for instance, where the majority party in the House stands on a variety of issues, and what occurs to me, for example, is that there are a number of authorizations in this bill that will at some point require appropriations, and those appropriations, it seems to me, could be subjected to the line-item veto that the Democratic Party told us that they were for at their convention and which their Presidential candidate has told them he is for, and so I think a germane amendment can be structured to this bill that will subject the various moneys under the bill to a line-item veto, should the appropriations be forthcoming, and it certainly would be my intention, if no one else wants to come forward to do it, to offer such an amendment, and with all of the support that has been expressed by the Speaker of the House, by Presidential candidate Clinton and others, it seems to me this is an amendment that should probably be passed overwhelmingly.

Mr. Speaker, I do appreciate the fact that we have an open rule that will allow such amendments to be made in order.

Mr. DREIER of California. Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. WALKER], my friend, for his very beneficial contribution.

I should say to him that this issue, which has come up in the past week of a line-item veto with the support of the Democrat Presidential nominee, Clinton, and, certainly, President Bush's strong support and request for it since he was first elected President, is something that should be in order.

We have just tried, I should say to the gentleman from Pennsylvania, upstairs in the Committee on Rules to make in order an amendment to the Interior appropriations rule that would allow for the Solomon line-item veto proposal, to move forward there. Tragically, on a party line vote, it was defeated. Obviously, Mr. Clinton has not gotten the message through to his colleagues and compatriots on the Committee on Rules. I hope that at some point he does so that we can move ahead with the line-item veto.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. DREIER of California. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, is the gentleman telling me that an opportunity to deal with the line-item veto on the floor on an appropriation bill was defeated in the Committee on Rules?

Mr. DREIER of California. Thirty minutes ago, upstairs in the Committee on Rules, we had a party line vote that had all of the Democrats opposing our opportunity to offer the line-item veto to the Interior appropriations bill and all the Republicans supporting it. So, I would hope very much that my colleagues on the other side of the aisle would, in fact, listen to the statement made by Mr. Clinton, as we have responded to the request of President Bush, in supporting line-item veto.

Mr. WALKER. If the gentleman would yield further, was there any explanation given as to why they would turn down the line-item veto that the Speaker said he is for?

Now he said he was for it next year; he is not for it now. I must admit the Speaker has said that he is not for it until sometime next year, and Mr. Clinton is evidently for it at some time in the future, which is unspecified, but it is included as a $10 billion savings item in his economic plan.

□ 1700

Was there any explanation given of why we cannot do it now up in the Committee on Rules?

Mr. DREIER of California. Mr. Speaker, reclaiming my time, I would say that there really was not an explanation given there. But it seems to me that the analysis that was just provided very well by the gentleman from Pennsylvania [Mr. WALKER] would be inferred by me as follows: Obviously, Mr. Clinton and Speaker FOLEY are concerned about spending, but they are concerned about next year's spending, and not this year's spending. They believe implementation of the line-item veto in the 103d Congress could deal with spending then, but we should not deal with the problem in the 102d Congress.

I would say that the only question that was raised on this issue came in fact by the manager of this rule, my friend, the gentleman from South Carolina [Mr. DERRICK], when we were first discussing this upstairs. The gentleman has the time. If the gentleman would like to provide any kind of response like the one given upstairs in the Committee on Rules, I would be happy to hear that from the gentleman.

Mr. Speaker, I reserve the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just say that this crowd over here will have ample time after January 20, of next year to implement the Clinton program.

Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I want to commend the respective committees with jurisdiction over the waste isolation pilot plant for working diligently to bring this bill to the House floor. WIPP is important to the State of New Mexico and the Nation as a whole. Clearly, we need to begin to address the Nation's nuclear waste problem.

I want to thank you for working closely with me to address many health and safety concerns I have with respect to WIPP. The bill before the House contains many important environmental safeguards, many of which I passed as amendments during committee consideration.

First, the bill establishes several prerequisites to beginning the test phase with radioactive material including final issuance of the EPA radioactive waste disposal standards, Environmental Protection Agency [EPA] certification of compliance with the no-migration permit, EPA approval of the test and retrieval plans, and certification by the Department of Labor that the test rooms are stable and that the proper emergency response training programs have been established. If at any time during the test phase the State of New Mexico or EPA determines that DOE is not in compliance with the required environmental standards, and DOE does not provide a sufficient remedial plan, DOE is required to retrieve the waste from WIPP.

Second, before any radioactive waste may be permanently disposed of in WIPP, EPA must certify that WIPP will comply with the Agency's radioactive waste disposal standards.

The bill also requires periodic certification that DOE is in compliance with such standards and other appropriate environmental regulations. Just as in the test phase, DOE will be required to retrieve the waste if it is not in compliance with the required environmental standards.

Third, the bill includes several additional environmental provisions I passed including the Nuclear Regulatory Commission's certification of the Trupact containers, a prohibition on the transport of waste from Los Alamos until the Santa Fe bypass has been constructed, and New Mexico review of the test and retrieval plans.

I am concerned, however, that the bill does not authorize any new appropriations for the purpose of impact assistance to the State of New Mexico. The State has worked hard to construct the WIPP facility so that it may help the Nation begin to permanently dispose of the enormous amounts of transuranic nuclear waste built up at our defense facilities. The State should be assured that ample funding will be made available to help construct safe highways and bypasses on which to transport radioactive material. Funding should also be made available to ensure that proper emergency response training takes place so that medical personnel are prepared for any nuclear accidents that may occur. Finally, such an enormous nuclear disposal facility will have a tremendous impact on the State and local communities for which general impact assistance funding should be made available. The Senate and two of the three House committees with jurisdiction over WIPP authorized additional funds for the purpose of impact assistance. The bill before the House, however, authorizes no additional funding. I hope this issue can be resolved in conference.

Finally, the bill has one major shortfall—it allows radioactive waste to be emplaced in WIPP before the facility has complied with EPA's radioactive waste disposal standards. Despite strong scientific evidence that the DOE's proposed test plan is seriously flawed, and the fact that all the required tests can be conducted in existing laboratories which provide for a controlled environment, the bill allows DOE to conduct tests with nuclear waste inside WIPP before it has been proven safe. The people of New Mexico should not be subjected to unnecessary health and safety risks by permitting the emplacement of radioactive waste in WIPP before the facility has been proven safe. At the appropriate time, I will be offering an amendment that requires EPA to certify that WIPP will comply with the disposal standards before any radioactive waste is allowed in WIPP.

Mr. DREIER of California. Mr. Speaker, I yield 2 minutes to the gentleman from New Mexico [Mr. SKEEN], a member of the Committee on Appropriations, who has worked for 15 years on this issue.

Mr. SKEEN. Mr. Speaker, I rise during this allotted time with a lot of emotional confusion because it has been 18 years since I first started working on this particular project which is located in my district.

Mr. Speaker, there is no such thing as "NIMBY," not in my backyard, when it comes to the acceptance and the responsibility of the district and the community, in my district, in which this plant will be located.

We have been subjected to a tremendous amount of debate, and I think that has been good. I want to commend not only the Committee on Rules for an open rule, but commend the three committee chairmen that were charged with handling this particular issue, the subcommittee chairmen, and my colleagues from the New Mexico delegation. Even though we have differences of opinion as to how this should be done, we have tried to work in an atmosphere of comity and respect for one another.

Mr. Speaker, I appreciate the differences we have, but I also appreciate the progress that we have made in getting this bill to the floor, because 46 years after the initiation of the Nuclear Age by this country, we are finally getting around to the largest vacuum in the whole system, and that is what are you going to do about permanent disposal of that waste. Either low level, high level, or whatever level, this Nation, as technologically adept as we are, has this void that we must take care of. This bill proposes to do exactly that, or at least it is a start.

Mr. Speaker, I want to commend those who have worked so hard and listened to our testimony, to our squabbling at times, but it has been good natured and I think in the interest of progress. Mr. Speaker, I say that this is a good bill. It gets this process under way. Let us vote it in.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I support this, an open rule is easy to support, and I support the bill. We have a big EPA now. Fewer jobs, but I guess we need a few more regulations. My little amendment basically says that anybody getting any money under the bill abide by the Buy American Act. It is the law, you know.

Second of all, it has a little sense of the Congress in there, encouraging anyone who is the recipient of any award to try and buy American-made goods.

The reasons why I say this, I do not know if Members heard the news today, but the last manufacturer of typewriters in America, Smith-Corona, closed its doors, gave a 60-day notice, and is moving to Mexico.

□ 1710

So if you are the Member from Cortland, NY, you just lost about 1,000 jobs. Oh, they are going to maintain the corporate headquarters in New Canaan, CT, but they said it will cost $15 million for them to move to Mexico. But in the long run, it will be worth it because, the company spokesman said, with lower manufacturing costs, they could turn it around. But they said for a 100-year-old manufacturing plant in America, they just could not stay anymore because the competition is so great and the Japanese actually were thumbing their nose at the American laws dumping in their marketplace. They finally decided to leave because the American politicians in Washington were not willing to look at their problems. So they said the only thing they could do was leave, which means this now, and I am very happy for the gentleman from New Mexico [Mr. SKEEN], who worked very hard. I think he is a great Member and good luck in his pursuit in some jobs out there in helping our country as well. But let me say this to my colleagues, we do not manufacture a telephone. We do not manufacture a television, and now we will not manufacture typewriters.

I have been hearing about all this high-technology industry. We are going to replace these jobs with high-technology industry. What is more high-technology than the typewriter, the telephone, and the television, folks?

I do not like being a part of this Congress, and a lot of my colleagues are saying, "Fine, we would like you to leave." I know that. But let me tell my colleagues what, our Congress is sending companies with 100-year track records out of America because they cannot make it in America. It is not the worker. It is not the foreign competition being so much better.

Congress will not enforce our trade laws and, in fact, Congress is aiding and abetting these moves.

So my little amendment, and I hope that the chairman of the subcommittee and the ranking minority member would accept the amendment and there need not be a lot of debate.

Mr. DREIER of California. Mr. Speaker, I urge strong support of this unique phenomenon, an open rule. I have no further requests for time, and I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 494 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2637.

The Chair designates the gentleman from Washington [Mr. MCDERMOTT] as Chairman of the Committee of the Whole and requests the gentleman from California [Mr. TORRES] to assume the chair temporarily.

□ 1714

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2637) to withdraw lands for the waste isolation pilot plant, and for other purposes, with Mr. TORRES (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore (Mr. TORRES). Pursuant to the rule, the bill is considered as having been read the first time.

The gentleman from Pennsylvania [Mr. KOSTMAYER] will be recognized for 10 minutes; the gentleman from Arizona [Mr. RHODES] will be recognized for 10 minutes; the gentleman from South Carolina [Mr. SPRATT] will be recognized for 10 minutes; the gentleman from Arizona [Mr. KYL] will be recognized for 10 minutes; the gentleman from Indiana [Mr. SHARP] will be recognized for 10 minutes; and the gentleman from California [Mr. MOORHEAD] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. KOSTMAYER].

Mr. KOSTMAYER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 2637 is legislation which will allow for the testing and the eventual operation and disposal of nuclear waste for the first time in the history of this country. This will be the first nuclear waste repository that will be constructed in the United States.

It will not be the recipient of commercial nuclear waste but only defense-generated nuclear waste. This waste, which has been generated for a very long time by the Department of Defense, is now located throughout the country at 10 separate sites. This legislation outlines the regulatory regime under which this material will be finally buried in New Mexico at a site about 25 miles southeast of Carlsbad, NM.

There is widespread agreement, Mr. Chairman, that the best manner in which to handle this material is in a geological formation. That is exactly what WIPP is, it is a geological formation, 2,150 feet below the ground. And that is where this material would go.

Mr. Chairman, the bill allows the Department of Energy to conduct a number of tests. We think that testing will take a period of 6, 7, maybe 8 years. And the purpose of these tests is to determine whether or not this particular site is suitable for the deposal of waste generated by the Department of Defense. That judgment has not yet been made, and it will not be made until the Department of Energy conducts these tests, each of which must first have the approval and the consent of the EPA before those tests are conducted.

A number of those tests will be conducted underground using a very small amount of the material for testing purposes. The bill restricts the amount which can be used to one-half of 1 percent, no more. The gentleman from New Mexico [Mr. RICHARDSON], as he has earlier indicated, will offer an amendment which I will oppose. The amendment would preclude any of these tests taking place underground. This is, I think, Mr. Chairman, a bad idea for two reasons. First of all, the only tests which can be conducted underground are not those which DOE wants to conduct but those which DOE wants to conduct and gets the approval and consent and permission of EPA to conduct.

Second, we may very well find information resulting from these underground tests which will be helpful. That very data may be very, very important. Let us not preclude the Department of Energy from seeking the approval of the Environmental Protection Agency to conduct a very limited number of tests underground.

The gentleman from New Mexico [Mr. RICHARDSON] cited in his remarks a report by the National Academy of Sciences which says that these tests are not necessary. He is quite correct. They have indicated that a number of tests that DOE wants to conduct are not necessary.

What they have not done is to indicate that all underground testing is unnecessary. Quite the contrary, they have given every indication that while several particular tests which DOE want to conduct are not necessary, others are.

If my colleagues vote for the Richardson amendment, essentially what they are doing is precluding the possibility of any underground testing. Keep in mind that the amount of material would be limited to one-half of 1 percent. I do not think we ought to reach that judgment, Mr. Chairman.

Mr. Chairman, I reserve the balance of my time.

Mr. RHODES. Mr. Chairman, I yield myself 5 minutes and 30 seconds.

Mr. Chairman, I am rising today in reluctant support of this substitute. My support is in the interest of completing House action on this bill and moving to a conference committee with the Senate.

I will say that this substitute is a vast improvement over legislation that was originally considered, and for that I want to thank the chairman of the Subcommittee on Health and the Environment and the committee staff for working to get us to the point where we can move forward into a conference.

The comparable WIPP legislation passed by the Senate is a more acceptable measure than the one which is before us, and I certainly look forward to working with Members on both sides of the aisle in this House and with the Senate to come up with a bill that we can agree to and which will allow this operation to proceed.

Let me just mention a few things that are contained in the substitute which I find to be objectionable. The first and major provision that I think is detrimental to carrying forward the program that we are talking about here, which is to provide for permanent underground storage of hazardous nuclear waste, is the issue of EPA oversight.

□ 1720

I believe that the oversight that is called for by the EPA is excessive and is overkill. It essentially establishes an EPA superstructure that is so pervasive as to create the very real opportunity for a regulatory gridlock.

My primary concern is that the prescriptive nature of the bill will result in unnecessary and chronic delays in the WIPP Program. The concept of allowing EPA to verify DOE's compliance with the permanent disposal standards at the end of the test phase is a good idea, and the bill calls for that. However, it seems unnecessary to have the EPA, which will be making the final determination as to whether DOE has complied with the standards, having people be involved at so many points along the way, approving such activities as individual test plans, deciding what waste is necessary for underground testing, approving a specific retrieval plan, and subjecting all of this to the Administrative Procedures Act.

It is particularly unnecessary when so many of those activities have been completed or already have procedures established for review by a range of outside groups, along with the EPA.

In the NMD, if the tests significantly exceed the scope of the test plan, DOE has to notify EPA and await additional approval of those tests.

A final concern regarding EPA oversight is that in provisions of the bill where EPA gives approval to various activities and plans in the bill, there is no mechanism requiring them to act within any specified time frame, thereby creating the almost inevitable probability of endless delays.

Second, EPA's 191–B standard must be issued before the test program can begin and the standard must be issued in final form within 6 months of enactment. The timing of the promulgation of EPA disposal standards, commonly referred to as the 191-B standard, and the relation of issuing that standard to the start of the test phase of this program, does not make sense. It is important to point out that the standard will apply to a waste disposal facility like WIPP for the most part after it is decommissioned, and to a certain extent to the disposal phase.

My colleagues should understand that the test phase of the WIPP project is designed to generate data through experiments which will show, among other things, that when the facility closes permanently at the end of 25 years it will be able to comply with that standard.

The third point that I am concerned with is a requirement for approval of a WIPP retrieval plan which includes the requirement for a specific interim storage site for the waste if the WIPP site is deemed unsuitable and before the test phase could begin. This provision is of concern for the following reason:

We do not know what reasons there might be for retrieval, and those reasons may affect where the waste is sent for storage.

Second, in the no migration determination, EPA did not specify where the waste had to be disposed of. It said that DOE must have a schedule and location of the waste within 6 months.

Third, it is likely to set off a political firestorm, given the likelihood that no State which could be a possible candidate to store the waste would willingly cooperate.

Finally, the retrieval plan must be issued in the form of a final rule subject to the Administrative Procedures Act, which will make the plan susceptible to deliberate delay by lawsuit by clearly identified opponents to the project.

In conclusion, Mr. Chairman, let me just state that this program has been 12 years in the making. The plant is finished. It has been finished and ready for operation for just less than a year. It cost in excess of $1 billion to complete. Its operation costs $14 million per month. It costs $14 million per month, whether it is full or whether it is empty, whether it is operating or not operating, whether tests are being conducted or not being conducted.

Everybody knows that planning for and carrying out the permanent disposal of nuclear waste is now the highest priority in the nuclear program, be it defense or commercial energy. We must move forward with this. It is something that has been carefully thought out and carefully planned. We must test this facility to see if it will do what we believe it will do. It is time to move forward. It is costing the United States money not to act. We must act. We must be able to provide the assurances to our public that we can take care of this problem.

Mr. Chairman, I reserve the balance of my time.

Mr. KOSTMAYER. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. SYNAR].

Mr. SYNAR. Mr. Chairman, I rise in support of the compromise legislation on withdrawal of land for the WIPP facility.

As chairman of the Environment, Energy, and Natural Resources Subcommittee of the Government Operations Committee, I have been investigating the Department of Energy's activities at WIPP for over 5 years. My subcommittee held oversight hearings on WIPP in 1988, 1989, and 1991. And make no mistake, my oversight of WIPP is going to continue.

Throughout our oversight hearings, questions have been raised about the legitimacy of DOE's plans to conduct testing at WIPP with radioactive wastes in order to demonstrate that the facility can meet environmental standards and operate safely. At one time, DOE proposed to emplace as much as 15 percent of the total volume of waste for these tests. In short, the tests were a pretext for opening WIPP and resolving the severe transuranic waste storage problems DOE was experiencing as a result of the state of Idaho's refusal to accept more waste.

To its credit, DOE has largely abandoned these transparent efforts to open WIPP without meeting environmental standards, but serious questions remain about the scientific legitimacy of the DOE's testing program. As recently as June 17, the National Academy of Sciences issued a report severely criticizing the DOE's test plans. In one instance, the Academy panel found some of the planned dry bin experiments to have no discernible scientific basis. In another instance, the panel found that the DOE was placing too much emphasis, and spending too much money, on tests involving gas generation and not enough on geologic investigations.

As I will discuss in a moment, the President of the Academy—Dr. Frank Press—has tried to back-pedal on the panel's criticisms, but the NAS panel's findings are not new to me or to the members of my subcommittee. The record before my subcommittee indicates that DOE's efforts to conduct poorly conceived scientific tests in WIPP, which was simply not designed as a research laboratory, has cost the taxpayers hundreds of millions of dollars and has cost DOE years of delay.

And while I welcome the Academy's report, I question the objectivity and relationship with the DOE of the Academy and its officials. It cannot be coincidence that on June 22, the DOE Assistant Secretary for Environmental Restoration and Waste Management wrote to Dr. Frank Press, the president of the Academy, requesting that he write to the chairmen of the House Armed Services, Interior, and Energy and Commerce Committees by June 23 to clarify the findings of the recent NAS report. And on June 23, lo and behold, the president of the Academy wrote such a letter—a letter which conveniently fails to include in it's text any of the negative criticisms found either in the Academy's report or in letters sent by the NAS to DOE itself. The fact that the Secretary of Energy also wrote to the president of the Academy on June 22, also complaining that the panel's report was being misconstrued by the press, hardly makes Dr. Press's attentiveness to DOE more defensible.

The principal problem at DOE is that the Department has been, and continues to be, self-regulated. The Occupational Safety and Health Administration doesn't inspect its nuclear weapons factories. The Nuclear Regulatory Commission doesn't regulate its nuclear reactors. And until a few years ago, when the Federal courts ruled that DOE was subject to the Resource Conservation and Recovery Act, the Environmental Protection Agency wasn't allowed to regulate inside the fence at any DOE facilities. And all of the National Academy of Sciences reviews in the world are not going to substitute for independent regulation.

While this bill is not perfect, it does contain a fundamental change in the way DOE has operated WIPP and its other nuclear waste facilities. This bill will end DOE's self-regulation at WIPP and specifically require the Environmental Protection Agency to approve DOE's plans for testing waste in WIPP before those tests can begin. The bill will also require EPA to certify that WIPP complies with EPA's disposal standards after testing, but before wastes can be permanently disposed in WIPP.

We have tried to make sure that this new EPA role is not a rubberstamp for DOE. EPA is required to comply with the Administrative Procedure Act in making it's determinations concerning the test plan, the retrieval plan, and final DOE compliance with safety standards. These determinations, in turn, will be judicially reviewable. We also require EPA to publish its final disposal standards before testing can begin so that EPA has a firm, legally defensible basis for approving the test plans. The bill also provides funds to EPA to carry out these functions. And we will be overseeing EPA to make sure that they do so.

In addition to these checks and balances on DOE, I would have also preferred to limit the period of land withdrawal to that needed by DOE to conduct scientific tests as specified in both the Interior and Energy and Commerce Committee bills. This would have required Congress to act affirmatively before WIPP could open as a disposal facility. The compromise gives Congress 180 days to review EPA's certification that WIPP will meet the EPA disposal standards, and DOE's compliance with other environmental requirements, before DOE can begin disposal. Although this is not what I would have preferred given DOE's record, this compromise nonetheless preserves the principle of a final congressional review before disposal is allowed.

The bill contains other checks and balances on DOE's activities at WIPP in terms of limits on the volume of waste that can be tested and other aspects of the operation and through its preservation of state regulatory authority. The bottom line, however, is that we are changing the way DOE does business by setting up the EPA as an independent regulator of this activity. As an oversight chairman with jurisdiction over EPA as well as DOE, I know that EPA is not a perfect agency. But without removing DOE's ability to regulate itself, I am convinced that DOE will continue to cut corners and manipulate the system to further its own institutional objectives to the detriment of the taxpayers, to scientific integrity, and to the need to find a permanent solution to the nuclear waste problem.

Finally, I want to comment on the Administration's unfair criticism of this compromise. On June 18, the administration issued a statement of administration policy criticizing the provisions of this legislation as passed by the Interior and Energy and Commerce Committees.

Specifically, the statement criticized provisions that it said would delay initiation of the WIPP test phase until EPA regulations have taken effect. The compromise bill addresses that concern by allowing the review process to proceed once the regulations are published in the Federal Register.

The statement criticized provisions that would require enactment of additional legislation before commencement of disposal activities could occur. The compromise bill addresses that concern, as I mentioned earlier, by granting a permant withdrawal with a 180-day congressional review.

The statement criticized the provisions requiring the Secretary of Interior to certify stability of underground rooms being used for testing. As I mentioned earlier, this is not a trivial issue since there is substantial evidence that the rooms are collapsing and that DOE has had to take a while set of new measures to keep the rooms open during the test period with results that remain questionable. The compromise bill addresses this concern by shifting responsibility from the Bureau of Mines to the Nation's mine safety organization—the Mine Safety and Health Administration.

And the administration statement criticized the Interior and Energy versions on two other completely trivial concerns. First, it criticized the provisions assigning responsibility for management of the withdrawal, such as grazing permits, to the Interior Department instead of DOE. Second, it criticized the limit on the amount of waste DOE can emplace during the test phase. The facts are that the Interior and Energy versions would codify the amount DOE originally requested that EPA approve in its no-migration variance and DOE will be lucky to get even that amount of waste into WIPP given the problems it is having with the test program. In the past year and a half, DOE has managed to fill only 5 test bins containing about 30 55-gallon drums' worth of waste—30 out of 4,259 drums that this bill allows DOE to put into WIPP. DOE simply will not need that even that much waste.

Despite these facts, the administration issued a new statement of administration position on June 23, criticizing the compromise bill. Even though its original concerns were addressed in several cases, the administration has found new bones to pick about the EPA standards and the ability of the State of New Mexico to exercise its authority under RCRA. And yes, they still don't like the Interior Department administering grazing permits or the limits on how much waste can be emplaced. And yes, the administration is threatening a veto if these changes are made.

As my colleagues know, I have some doubts about the way the Interior Department administers the Federal grazing program myself. And, we will discuss that issue later this week.

But the real objections that the administration has raised have been addressed and this body is once again being subjected to a threatened veto from the administration simply because that is the way it works with the Congress.

Mr. Chairman, I ask my colleagues to support the bill.

Mr. RHODES. Mr. Chairman, I yield such time as he may consume to the gentleman from New Mexico [Mr. SKEEN].

Mr. SKEEN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, the waste isolation pilot project [WIPP], located approximately 30 miles east of Carlsbad, NM, in my district, is this Nation's only facility which offers the possibility of developing a permanent solution to dispose of defense generated transuranic waste. DOE has no other plans for the permanent disposal of this waste. Now Congress must make the commitment both in legislation and in the appropriation of Federal dollars, to open this facility.

This is clearly the time to act. We are nearing the conclusion of years of debate, discussion and compromise on the WIPP project. This premier research and storage facility in my district is scheduled to receive the first shipment of transuranic waste this year.

Over the last 10 years it has been difficult to pin down exactly what is to be required of DOE to ensure safe operations. Many suggestions have been made and agreements struck only to be greeted with skepticism, doubts, and additional expressions of new and even older concerns from interested parties.

For example, many have raised the concern that nuclear waste would be placed in some back rooms of the Carlsbad Caverns, when in fact, WIPP is over 30 miles from the caverns. Then it was claimed that by drilling into the salt beds brine seepage would flow from the walls creating rivers beneath the Earth, when in fact DOE must bring water from the surface to settle the flying dust. Recently, some have claimed that the walls and ceiling are falling, when the fact is we have been mining those salt beds for decades and the mining techniques of using rock bolts, shoring up walls and implementing protective netting will enable scientists to prove room stability.

With these issues resolved in this substitute, the most contentious issue is whether the legislation will contain the Richardson amendment which would prohibit DOE from placing any waste in the site for experimental purposes until part B of the EPA regulations have been complied with. More than any of the other requirements contained in this substitute, this stipulation presents the greatest obstacle to getting WIPP going.

EPA, the agreed-upon regulator for the test phase, the National Academy of Sciences, the blue ribbon panel, and Sandia National Laboratories support the testing of transuranic waste, in situ, as an essential component of the program to demonstrate compliance with the disposal standards. Because the primary purpose of experiments during the test phase is to obtain data to be used for DOE's compliance demonstration, the amendment would be impractical and halt the entire WIPP Program. It would put WIPP in a catch-22 situation. Waste is needed to demonstrate compliance, but the Richardson amendment would require compliance before waste can be emplaced at WIPP. How can DOE demonstrate compliance without any waste?

Other than the Richardson amendment, I am concerned that the substitute does not include the financial assistance that the State of New Mexico needs and deserves. I believe that New Mexico is clearly entitled to fair compensation. New Mexico is the host State. New Mexico will be impacted to a much greater extent than any other State. Many times more waste will travel more miles on noninterstate roads within New Mexico than all the other corridor States combined. New Mexico will clearly lose revenues by the withdrawal of this land from any future mineral extraction.

Financial compensation to the State of New Mexico is needed for the purposes of mitigating and monitoring the economic, social, public health and safety, and environmental impacts on the State and on local governments arising from the establishment and operation of WIPP.

This impact compensation was not made up out of thin air. It is the direct reflection of the consultation and cooperation agreement reached between the State of New Mexico and DOE. In addition, economic assistance was included in the Interior and Insular Affairs Committee legislation at $300 million, up front, if WIPP turns out to be a suitable permanent repository. The Armed Services Committee legislation included $600 million on a per-barrel basis, and the Senate version of the bill included approximately $600 million for the life of the project. This level of assistance was based on very legitimate concerns that have been raised over the years.

Adequate compensation for New Mexico should not even be an issue, it is such an obvious requirement. But I will leave it up to conference to settle what has been left out of this substitute.

Some hold the opinion that WIPP should not open under any circumstances, no matter how safe this facility proves to be. This logic is simplistic and flawed because it assumes that by barring research leading to a permanent disposal plan or repository, this Nation's nuclear weapons programs and the operation of commercial nuclear generating plants will be forced to shut down.

It's my hope that these individuals will come to realize that the nuclear age is here to stay and the wastes already generated must be disposed of safely and permanently. It is the responsibility of the Federal Government to develop the technology for the permanent disposal of the waste now in high-risk temporary storage. It would be grossly negligent to halt or unnecessarily delay the pursuit of these solutions that are the object and mission of WIPP.

Let me expand a bit on the issue of responsibility. Congress and DOE have been remiss in addressing the nuclear waste issue. Congress has known for decades that disposal solutions and sites for nuclear waste must be developed. Yet here we are, 46 years after the first nuclear weapon was produced and we have no permanent waste disposal program in operation.

We must work constructively to see that DOE does comply with health and safety requirements before WIPP is designated a permanent repository. But we must also work to see that it actually happens and not spend our energy unnecessarily delaying the implementation of this vital project.

Congress has the ability to require DOE to follow the standards and conditions it deems necessary before WIPP can open. This should be accomplished in land withdrawal legislation and it should be done this year. Legislative land withdrawal does not nullify any safety requirements. If anything, it allows Congress to set the standards it considers necessary.

Do not be fooled: Nuclear waste can be acceptable under the right circumstances, and my constituents are saying to DOE you can put it "in our own back yard." WIPP has had the overwhelming support of my district ever since it was first conceived over 20 years ago, and that support has grown, not diminished. Therefore I support the House Armed Services amendment and any compromise that would ultimately open WIPP for a 5-year test phase.

To further delay the test phase will prevent DOE from resolving the growing waste storage problems at other DOE installations across this Nation. Therefore, I ask you to vote for the substitute introduced by the Interior and Insular Affairs Committee, Energy and Commerce Committee, and the Armed Services Committee's delicately crafted compromise.

□ 1730

Mr. KOSTMAYER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. MILLER], the chairman of the full Committee on Interior and Insular Affairs.

Mr. MILLER of California. Mr. Chairman, I rise in strong support of H.R. 2637, the Waste Isolation Pilot Plant Land Withdrawal Act. I am very pleased that the three committees of jurisdiction, Interior, Armed Services, and Energy and Commerce, have come to agreement on WIPP legislation.

H.R. 2637 will permit the Department of Energy to open the WIPP nuclear waste disposal facility in New Mexico, provided that DOE complies fully with a series of stringent environmental requirements. Enactment of this legislation will help the United States find a solution to the problem of nuclear waste disposal.

WIPP was originally authorized by the Congress in 1979 as an unlicensed and unregulated experimental facility to demonstrate the disposal of nuclear waste generated by the military. At that time, the Congress rejected efforts made by the Carter administration and the Interior Committee to subject the WIPP facility to licensing and regulation.

Over the past decade the Department of Energy has spent approximately $1 billion to construct the WIPP facility on Bureau of Land Management property in southeastern New Mexico. Because the original WIPP legislation was not considered by the Interior Committee, it did not include the legislative land withdrawal provisions necessary to allow the WIPP facility to be operated. As a result, the Interior Department has transferred the WIPP property for the use of the Department of Energy through a series of temporary land withdrawals.

H.R. 2637 corrects these two fundamental flaws in the original WIPP legislation. The bill provides for a permanent legislative withdrawal of the BLM lands at WIPP and requires that the Environmental Protection Agency strictly regulate all aspects of the WIPP project to ensure protection of public health and safety and the environment.

H.R. 2637 includes the following requirements that apply to the test phase:

The test may begin only after EPA issues final disposal standards;

Waste tests may only occur at WIPP if the EPA determines that such tests are necessary to demonstrate compliance with permanent disposal standards;

There must be full compliance with the EPA no-migration variance and the EPA nuclear waste storage standards;

No more than one-half of 1 percent of the capacity of WIPP may be used for tests;

Prior to the test phase EPA must approve a waste retrieval plan and all waste must be retrieved in the event of noncompliance with environmental standards; and

The Mine Safety and Health Administration must certify that the underground rooms where tests will be conducted will be stable for the duration of the tests.

Before waste disposal may begin at WIPP EPA must determine that the facility has complied with the permanent disposal standards. In addition, WIPP may not open for disposal until 180 days after the Secretary of Energy notifies the Congress that all necessary permits have been acquired. This review period will give the Congress the ability to closely monitor the initiation of the disposal phase and, if necessary, enact legislation to correct problems.

Over the years the Department of Energy has opposed virtually every regulatory requirement included in H.R. 2637 on the grounds that it will unduly delay the WIPP test phase. Essentially, DOE would prefer to self-regulate the WIPP project. We cannot allow this to occur.

If there is anything that we can learn from the environmental nightmare that has been created over the past decades at the DOE weapons complex, it is that self-regulation is a prescription for an environmental disaster.

WIPP critics have supported the inclusion of regulatory hurdles in H.R. 2637 that could make it extremely difficult for WIPP to open. What the critics fail to acknowledge is that the waste that is designated to go to WIPP is currently stored, unprotected, in warehouses all over the Nation. As a society, we must begin to rectify this situation.

Mr. Chairman, H.R. 2637 strikes a balance between the concerns of both proponents and critics of the WIPP project. It permits the WIPP project to go forward, provided that stringent environmental requirements are met.

I think that this, in some ways, reflects the best of when the committees in this House are able to work together on a problem that plagues this country and are able to resolve it in a satisfactory fashion.

I simply want to again thank all of the staffs and the members of these three committees for coming forward with this proposal.

Mr. KOSTMAYER. Mr. Chairman, I yield back the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield myself 7½ minutes.

Mr. Chairman, I rise in support of H.R. 2637, as amended and compromised and brought to the floor today.

The waste isolation pilot plant is designed to demonstrate the feasibility of disposing of transuranic waste, mostly plutonium waste or any waste that has been contaminated with radioactive substances having an atomic number greater than 238. All of this waste is a byproduct of the Nation's nuclear weapons program. It is military waste, and it is scattered today across 10 different States in above ground facilities that were never designed for permanent storage.

The State of Idaho has the most, 51 percent; Washington State ranks next; then New Mexico itself; South Carolina, my own State, has 141,000 cubic feet; Tennessee has 3 percent; Colorado has some; Nevada has some; Ohio has some; California and Illinois have some, all of it stored above ground in essentially temporary facilities. Ten States are affected by this bill.

This bill will not take us to the point where this waste can be collected and stored in this underground salt repository. Instead, this is the next step, and a vitally important step, toward proving that this repository is capable of receiving and storing over the long term this waste in this facility safely.

This facility is located in Eddy County, NM, on Federal land. Congress approved this project in 1979, 13 years ago. Since that time surface buildings and, more importantly, subsurface tunnels and caverns and other facilities have been constructed at a cost of over $700 million already incurred or sunk in this project.

If you add to that the operating expenses that have been incurred during this period of time, the total cost sunk in WIPP so far is $1.2 billion.

Now, to the great credit of the gentleman from New Mexico, whose district is the host of this facility, he is ready to go forward with the test, and so is the Governor of the State of New Mexico. They want to see if it can be proven that this facility is capable of receiving and storing this waste safely. And that is the purpose of this bill.

The immediate purpose of the bill is to withdraw from public use land that will allow this test phase to begin so that it can be determined if the facility is adequate for the purposes for which it is designed. If the facility—the underground repository—can be shown to comply with all applicable laws, and all regulations that the Environmental Protection Agency promulgates, then WIPP will be licensed to receive about 6 million cubic feet of transuranic waste.

This waste consists not of plutonium bars and metal, it consists of gloves, cutting oils and solvents, and sludges and tools, and sundry articles that have been contaminated by contact—mostly with particles of plutonium. It would be isolated in this WIPP facility 2,150 feet below the surface of the ground in an ancient salt bed so stable it has been in place for 250 million years.

These wastes are not themselves highly radioactive, but they represent, nevertheless, a significant threat to human health, because if even a minute quantity of plutonium gets lodged in your lungs or some other organ of your body, the alpha particles emitted from this minute quantity are very apt to create cancer.

☐ 1740

So these wastes have to be isolated, and isolated for the infinite future because plutonium has a half-life of over 24,000 years.

As others have noted, three committees, Interior, Armed Services, Energy and Commerce, have shared jurisdiction over this legislation. Each of us reported a somewhat different piece of legislation. Over the last month we have come together. We have compromised and we have brought to the floor a common piece of legislation which we all support as is. We think it is a well-crafted compromise which should be reported and passed in the form in which we have brought it to the floor.

Each of the reported bills would have specified the procedures that have to take place before the testing at the WIPP facility can begin. The compromise agreement that we have settled upon firmly seats the Environmental Protection Agency in place as the primary regulator and overseer of this underground repository.

Let me quickly highlight the major regulatory protections that we now have in this bill.

First of all, the bill would require that final regulations be promulgated by the Environmental Protection Agency dealing with the disposal of radioactive waste prior to beginning of any testing whatsoever, that is, prior to the placement of any wastes in the WIPP facility.

Much has been made of the fact that the Department of Energy at one time wanted to begin underground testing with "hot" waste without clear guidance from the EPA as to what the final disposal standards might be.

The bill before us today requires that the EPA issue final disposal regulations before testing can begin.

Second, the bill requires the formal approval of EPA of the test plan, both the test program and the plan for the retrieval of waste, before any waste is emplaced temporarily in the facility for test purposes.

A report was issued recently by the National Research Council's Panel on WIPP, raising questions about the test plan. The DOE, the Department of Energy, will have to answer these questions and answer them to the satisfaction of the Environmental Protection Agency before testing can begin.

Finally, the Department of Energy would have to be able to retrieve, and would have to retrieve in fact, any waste emplaced at the WIPP facility for testing if the facility ultimately cannot be shown to comply with the regulations that the EPA issues. The DOE would prepare and the EPA would have to approve plans for retrieving the waste and the Department of Labor would be required to certify that the underground test rooms at WIPP are safe before any waste could be emplaced in the facility and the test program could actually start.

The EPA would be the ultimate arbiter in determining whether WIPP can qualify as a permanent disposal site for transuranic waste. As in the case of EPA approval of the test and retrieval plans, final approval of the WIPP site for permanent storage of disposed waste would be carried out under all the administrative procedures that apply to regulatory rulemaking, subject to review by the courts.

Mr. Chairman, we have come up with a very well-crafted compromise. All three committees have agreed in good faith to see that the final conference agreement will include some mechanism to ensure that the beginning of the test phase will not be held up by the delay in the issuance of regulations by more than 6 months.

I thank my colleagues for working diligently to achieve this compromise, and I urge the passage of this without amendments, and specifically without the Richardson amendment.

I understand Mr. RICHARDSON's concerns, but what he would effectively do is to deny the Department of Energy the opportunity to use this facility to carry out its tests using actual wastes; and as a result the Department presumably would have to develop laboratory conditions, scale models, simulated conditions in which to test the waste and the facility.

Now that we have spent $1.2 billion to build this facility, it seems only logical to use WIPP itself to determine whether or not WIPP can do what it was designed to do, that is, permanently dispose of and store transuranic wastes.

Mr. KYL. Mr. Chairman, I yield myself 5 minutes.

I want to start by complimenting my colleague, the gentleman from South Carolina [Mr. SPRATT] who in his concluding remarks touched upon what I think is the key issue here, because reasonable people can differ as to whether they should support or oppose the Energy and Commerce bill. I cannot support it on principle. I support the bill that came out of our own committee, the Armed Services Committee; but in any event, I think reasonable people cannot agree that the Richardson amendment would strengthen this bill, and in fact would generate a veto by the administration and would probably make it impossible for the conference to work out an acceptable bill. I will get back to that in just a moment.

I also want to compliment my colleague, the gentleman from New Mexico [Mr. SKEEN] who has worked very hard to reach a constructive settlement of this issue, a constructive effort to get a good bill, and to compliment my colleague, the gentleman from Arizona [Mr. RHODES] who pointed out a moment ago a lot of good reasons to oppose this bill, while nevertheless concluding that he at least would support it reluctantly in order to move it on to conference.

This bill, Mr. Chairman, paradoxically is an antienvironment bill. It is not a proenvironment bill, as touted by some who have spoken here.

Currently approximately 1.1 million barrels of nuclear waste sits above ground at defense sites across the country.

Mr. Chairman, long-term above ground storage of this very dangerous waste is dangerous and impractical. It makes sense to try to find a permanent repository for it as soon as possible.

Even if we never produce another nuclear weapon, the problem of what to do with nuclear waste will increase as we draw down the nuclear weapons in our stockpile.

Mr. Chairman, my concern is that the Energy and Commerce bill will delay dealing with the problem of what to do with this Nation's nuclear waste by burdening WIPP with a morass of bureaucratic reviews.

Let me just refer to some of these which the administration has indicated will be grounds for vetoing the bill. These are called the oversight superstructure. The EPA would have to promulgate disposal standards for radioactive waste and certify that DOE's test plan complies with those standards before any testing takes place at WIPP. No regulatory or other oversight group believes that these standards are necessary to begin the test phase at WIPP. Testing would be delayed at WIPP until the Department of Energy certified the safety of all test phase activities to be completed at WIPP. This requirement includes test activities that may not be completed for years or may never be needed at all.

The amount of waste that can be placed at WIPP is limited to one-half of 1 percent. This limitation may prevent the DOE from gathering necessary data to demonstrate that the WIPP facility can successfully dispose of radioactive waste.

The bill sets a 10-year limit for tests at WIPP to demonstrate suitability for disposing of radioactive waste, at which time WIPP must close. The National Academy of Sciences has already projected that experiment at WIPP may take 10 years or more.

The bill requires that the retrieval plan, which controls the retrieval of the waste in the event the facility is deemed unsuitable, must specify where the waste withdrawn from WIPP must go. But specifying the site for retrieved waste can only be made after reasons for retrieval are known. It is illogical to specify location in advance.

The facility is standing idle, at a cost of $14 million per month to the taxpayer, ready to begin operation and receive waste.

As written, this bill would guarantee that an unnecessary waste of the taxpayers' money will continue indefinitely.

The Senate has passed a WIPP land withdrawal bill, S. 1671, which is the preferred alternative and which is supported by the administration and the Nation's Governors who have an interest in this issue. Therefore, it seems to me that is the bill that we should be supporting out here today.

I said I would get back to the issue of the Richardson amendment, which frankly is the amendment which I think could end up killing this entire project.

Basically the Richardson amendment is a catch-22. It says you cannot store anything in this repository until you test, but you cannot test. What it says is that the way we find out whether storing in this repository will work is by never storing anything there at all. As the gentleman from South Carolina [Mr. SPRATT] pointed out, apparently DOE will be required to come up with some kind of theoretical or hypothetical kind of program that could theoretically tell us whether it will work. But I predict, Mr. Chairman, that after all that is done and it is demonstrated that it could work, then they will say, "Oh, but you haven't really tested it in place," precisely what we are urging be done.

So I would certainly urge by colleagues to oppose the Richardson amendment.

Waste is needed to demonstrate compliance. The Richardson amendment would require compliance before waste can be emplaced in WIPP.

As I said, the Department of Energy cannot demonstrate compliance without actually putting the waste in place.

The EPA supports the testing of transuranic waste as an essential component of the program to demonstrate compliance with disposal standards.

Public health and safety are protected by EPA standards in 40 CFR 191 subpart (a), which applies to the management and storing of transuranic waste.

WIPP has been certified to be in compliance with subpart (a) by the Defense Nuclear Facilities Safety Board, Congress' own safety review board for DOE facilities.

□ 1750

So, Mr. Chairman, I think it is clear that with the EPA's support, with those who have studied this issue, we do not need to have some kind of preliminary, theoretical kind of program in order to try to demonstrate this. We need to actually demonstrate it by putting the waste in site.

Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentleman for Idaho [Mr. LAROCCO].

Mr. LAROCCO. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today in support of H.R. 2637 and in strong opposition to the Richardson amendment.

I want to thank the Members in this Chamber who took the time to address this controversial issue. The chairmen and subcommittee chairmen of the Interior, Energy and Commerce, and Armed Services Committees have spent many hours and days on a workable compromise to permit the test phase of WIPP to move forward. They deserve our sincere thanks.

Thus, it is with respect and admiration for this compromise that I come to the floor today to oppose the Richardson amendment.

The Richardson amendment breaks this compromise. It derails WIPP by unnecessarily delaying the test phase. The chairmen responsible for the compromise recently wrote to House Members and urged them to oppose all amendments to the bill. I urge my colleagues to follow their lead.

The gentleman from New Mexico has raised some safety questions about the storage of nuclear waste in his State if not in his own district. I understand his concerns, as nuclear waste has long been stored in Idaho in an adjoining district. However, this legislation already addresses these concerns. Under the compromise plan offered today, before WIPP can move ahead, four things must happen:

First, the Environmental Protection Agency must provide oversight and issue final disposal standards;

Second, the EPA, must approve the test plan;

Third, the EPA must review the test activities, and

Fourth, the EPA must determine WIPP's compliance with environmental standards.

The compromise also protects the taxpayer. More than $1 billion have already been spent to develop the WIPP facility, and some $14 million per month is being spent to maintain it. Now it is time to begin the test phase.

Mr. Chairman, there is a lot of talk about gridlock in Congress. The compromise solution before us today suggests just the opposite. Three committees have hammered out a bill which deserves the full support of the House.

I urge my colleagues to support a solid compromise that responsibly deals with environmental and safety concerns.

I urge my colleagues to oppose the Richardson amendment.

Mr. KYL. Mr. Chairman, I yield 4 minutes to the gentleman from New Mexico [Mr. SCHIFF].

Mr. SCHIFF. I thank the gentleman for yielding this time to me.

Mr. Chairman, I first want to begin by commending the Members, on both sides of the aisle, of the three committees of jurisdiction for moving this very difficult matter to the House floor for resolution.

I want to say also that I compliment the Committee on Rules for giving us an open rule on this particular bill. But I want to say that because the three committees of jurisdiction have recommended that issues be held, if not resolved here, to the conference committee, but I have decided not to offer amendments of my own.

But I want to make it very clear that there are issues that have to be very carefully considered, and I want to bring two of them to the attention of the House at this time.

The first is the issue of economic impact funds. Both bills, the current bill before us and the bill which has already passed the other body, contain economic impact funds for road transportation improvement, emergency medical preparedness, and many other projects for the State of New Mexico.

The difference is that the House bill contains less than 10 percent of the authorization found in the bill passed by the other body.

Now, the reason given for the lower, obviously much lower amount, goes something like this: Since the WIPP facility is in New Mexico and since there has been money spent on the WIPP facility, as has been demonstrated here, that is an economic positive impact and, therefore, New Mexico should not be entitled to any more compensation.

Well, if the WIPP facility were anything except a radioactive waste dump, I might agree with that. I have seen on the House floor Members struggle back and forth to get all kinds of Federal facilities located in their districts. However, I have never seen a struggle by any other State to have a nuclear waste repository placed in their State. There must be some reason, Mr. Chairman, why other States do not seem to want to have nuclear waste as much as they want to have other facilities in their districts.

Now, it seems to me that that speaks for itself as to why the State of New Mexico is entitled to the compensation that was set by the other body.

Second and finally, safety: I have heard the word "covenant" used recently in a governmental sense. Well, there has been a covenant between the Government of the United States and the State of New Mexico about the safety of the WIPP site. It was guaranteed that WIPP would be a safe facility in New Mexico, and that includes in the testing phase also.

Now, that means to me not only having a test phase which is scientifically based, but it means having a retrieval plan that guarantees what would happen to any waste that was brought for a test in the event the test showed that WIPP is not in fact a suitable location for transuranic waste storage.

In conclusion, Mr. Chairman, I am not asking for anything that I think other Members of this House would not ask for for their own States and would not demand for their own States if WIPP were located there.

Mr. SPRATT. Mr. Chairman, I yield my remaining 1 minute to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Mr. Chairman, the waste isolation pilot was authorized by Congress in 1979, in response to the national need for long-term, safe methods for disposing of radioactive byproducts from our defense programs. We were wise in our foresight to provide for such a facility, given the nuclear waste disposal problem before us today. The WIPP facility is now ready for its first phase of testing. This legislation is the final step needed to bring 12 years of work to fruition.

Forty-five years of production of nuclear weapons has yielded a tremendous amount of radioactive waste. Throughout the United States there are many temporary storage sites for nuclear waste. These facilities were not built to become permanent repositories for this waste. These sites need to be cleared out and cleaned up. But if WIPP is not allowed to proceed with its testing, the reality is that they could become permanent disposal sites, and environmental hazards. Those communities that agreed to host a temporary storage facility did so with the understanding that the contents would be moved to an environmentally safe permanent storage site. Let us not let them down.

The legislation before us puts in place all the necessary compliance and oversight mechanisms to protect the surroundings. The EPA, the Nuclear Regulatory Commission, the Bureau of Land Management and the State of New Mexico have had a continual role in monitoring developments at WIPP. Strict regulations will be maintained throughout all the test phases and once the facility is fully operational.

I caution my colleagues against voting for amendments to this bill that would stall the testing phase any further. The time to act is now, my colleagues. Let us proceed with testing for the purpose of verifying that the facility is safe and alleviate the nuclear waste disposal problem facing us. A vote to open WIPP is a vote for the environment. I urge support of H.R. 2637.

Mr. KYL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in conclusion, let me just state again that I firmly support the Committee on Armed Services' version of the bill. I do not believe that, on balance, the so-called compromise is a good bill. But clearly, this bill cannot go forward, and it will not be signed, if the Richardson amendment is adopted.

There have been several speakers who have agreed on this proposition that you cannot test the ability of these salt caverns to accept this kind of transuranic waste without actually putting a very small percentage, one-half of 1 percent of that waste, in those caverns for that testing purpose.

If you suggest that you have got to do the testing without actually putting the material there, as I said, after the period of testing is up, there will be those who say, "Well, you haven't actually tested it, and therefore we are still not going to allow you to store the material permanently in that particular site."

So, since that is what the Richardson amendment would result in, I urge all of my colleagues to oppose that amendment if they are going to support this bill going to conference, so that we actually can get a bill that the President will sign for the very important purpose of allowing this transuranic waste to be permanently stored in a safe and environmentally sound way.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Indiana [Mr. SHARP] is recognized for 10 minutes.

Mr. SHARP. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on behalf of the Committee on Energy and Commerce, I rise in strong support of the compromise WIPP bill, the waste isolation pilot plant bill.

Mr. Chairman, I believe the time has come to authorize DOE to begin testing at WIPP. However, I feel strongly that

DOE should not be allowed to put waste in WIPP—the Nation's first permanent repository for highly radioactive waste—without independent environmental regulation.

It is not news to Members of the House that the job of finding solutions for the permanent disposal of radioactive waste is one of the most difficult environmental dilemmas we face. For me, it is essential that DOE's WIPP program—as a flagship project—be managed in a manner that is beyond reproach. Like other DOE nuclear facilities, WIPP has a controversial history—and its success or failure will affect the Department's overall credibility. In particular, the public's view of WIPP will affect its confidence in DOE's characterization of Yucca Mountain for a high-level waste repository.

This compromise bill strikes a balance between DOE's primary objective—to begin testing transuranic waste at WIPP—and the need to ensure that the critical aspects of DOE's test phase are subject to independent regulation by the EPA.

Under this bill, DOE could begin testing only after meeting two key requirements. First, EPA's issuance of the final disposal regulations—the standards the test phase is designed to demonstrate WIPP can comply with; and second, a finding by EPA that DOE's test phase is necessary to prove such compliance during actual disposal.

Recent events remind us that the public will not have confidence in DOE's waste programs so long as DOE self-regulates in the area of environmental compliance. Controversy concerning a DOE official's possible attempt to influence an independent scientific report on WIPP illustrates the need for the independent regulation the compromise establishes.

As political entities, neither Congress nor DOE should be the final judge of safety or scientific inquiry at WIPP. While I am concerned with the potential for DOE to tamper with independent scientific reviews of WIPP, I am confident that EPA's role under this bill—and the opportunity provided for public comment and judicial review—will ensure that safety is not compromised and money is not wasted.

I want to thank Chairman DINGELL and my colleagues on the Armed Services Committee and the Interior Committee for their tremendous cooperation in developing this compromise legislation. It satisfies the need to allow testing at WIPP to go forward without cutting corners on environmental safety. I hope that DOE will recognize the value of these accomplishments and work with us in conference to enact this bill.

The CHAIRMAN. The gentleman from California [Mr. MOORHEAD] is recognized for 10 minutes.

Mr. MOORHEAD. Mr. Chairman, I yield myself 4 minutes.

□ 1800

Mr. Chairman, I rise in opposition to H.R. 2637. Along with 13 of my Republican colleagues in the Energy and Commerce Committee, I oppose H.R. 2637 as reported by the Energy and Commerce Committee. While the version of H.R. 2736 that is under consideration today differs in some respects from the Energy and Commerce Committee bill, it still contains so many of the objectionable features of that bill that Energy Secretary Watkins has recommended that it be vetoed.

One of the features of H.R. 2736 to which we objected in committee was the fact that the bill imposed a drop-dead date for the certification that WIPP complies with the radioactive waste disposal standards. If the EPA Administrator has not certified, within 10 years after the date enactment, that WIPP complies with the disposal standards, then all waste must be retrieved from WIPP, and WIPP must be decommissioned. This drop-dead date applies no matter how promising WIPP may appear to be in 10 years, and no matter how long certain experiments to prove the feasibility of WIPP may take. Nor are long-term experiments outside the realm of possibility. In a letter report dated June 1992, the Commission on Geosciences, Environment and Resources of the National Research Council stated that a decade of testing or more may be required for meaningful results for tests.

If the remainder of this bill permitted DOE to begin expedited testing of WIPP, perhaps the 10-year drop-dead timetable would not be so objectionable. But this bill throws almost every conceivable delay in the way of DOE's testing of the suitability of WIPP. Section 6(b) of the bill sets forth no less than seven requirements that must be met before DOE may place even so much as a thimbleful of waste in WIPP for testing. Among these requirements are the issuance by EPA of final standards for the disposal of spent nuclear fuel, high-level radioactive waste, and transuranic radioactive waste. These standards were issued in 1985, only to be vacated by judicial action in 1987. Five years later they have yet to be reissued. While the bill requires that the standards be issued within 6 months after enactment, no one really knows whether EPA can meet such a timetable.

But the simple issuance of the disposal standards will not be enough for DOE to begin transporting waste to WIPP for testing. The bill requires EPA to review and approve DOE's test plan for WIPP. This approval must State that the test plan complies with the disposal standards, which, of course, have yet to be issued. Moreover, the approval by EPA of the test-plan must be through the informal rulemaking processes of the Administrative Procedures Act. While the bill gives EPA 90 days after receipt of the test plan to propose a rule approving the test plan, it should be obvious that EPA cannot find that a plan is in conformance with disposal standards until those disposal standards exist. And no one knows how long the rule approving the plan may take. Thus, the opening of WIPP, even for testing, is many months, possibly even years away, should this bill become law. Secretary Watkins will be faced with a Hobson's choice: Maintain the facility without waste for an indefinite period, which costs taxpayers $14 million a month; or mothball the facility until the disposal standards have been promulgated and the test plan approved by EPA, knowing that such mothballing will further delay the opening of WIPP. And Secretary Watkins gets to make this decision knowing that at the end of 10 years, the failure to get WIPP certified means that a legislative death penalty will be imposed.

Mr. Chairman, my time is limited and the defects in this bill are great. I hope that other colleagues can address other drawbacks to this bill. I recognize the need for land withdrawal legislation. Nevertheless, I urge my colleagues to reject this bill and to return with a more reasonable version of land withdrawal legislation.

Mr. SHARP. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, a lot of my colleagues have referred to the Richardson amendment. Let me just say who supports the Richardson amendment. The attorney general of New Mexico, the attorney general of Texas, every major environmental organization and, most importantly, the people of New Mexico. A majority of New Mexicans support my amendment; a majority of New Mexicans are very concerned about this facility.

The issue with WIPP is very simple: As we open the first DOE facility in 30 years, do we trust DOE to manage this facility with all safety, health and environmental oversight that is required? The answer is a resounding "no." Look at Fernald, Rocky Flats, Savannah River, Hanford, WA, and the Nevada test facilities, 20 DOE facilities around the country. While this bill is a good start, we need to tighten it up.

The second issue of this legislation relates to the responsibilities the rest of the country owes to the people and citizens of New Mexico, and the issue is: Are you going to stick us with an unsafe facility because there is such political pressure around the country in States like Idaho, 23 States, that have to get rid of this waste, open WIPP at all costs?

What about the people of New Mexico? We are becoming the garbage dump for the rest of the country. I will later offer an amendment with the gentleman from New Mexico [Mr. SKEEN] to prevent high level nuclear waste coming into New Mexico on an Indian reservation.

Mr. Speaker, there is a responsibility here to the people of New Mexico. When Congress passed high level waste disposal for Nevada, the NRC regulates it. When Congress passed legislation governing the disposal of defense uranium, NRC regulates it. But when Congress passed legislation governing the disposal of TRU waste or mid-level nuclear waste, there is no NRC licensing. DOE wants to self-regulate itself.

Mr. Speaker, DOE has been desperate to open this facility since 1975, and since 1981 it has done everything possible to open the facility.

"Go ahead," they said, "despite technical problems; go ahead despite the courts of this land." Three courts in the last year have said DOE acted illegally. Mr. Speaker, DOE wanted to open this facility without going through the Congress administratively. That is what they wanted to do. It was the Committee on Interior and Insular Affairs under the gentleman from California [Mr. MILLER] that said no, that they have to follow the law. The Attorney General, and the people of New Mexico, and the gentleman from Pennsylvania [Mr. KOSTMAYER] and I sued DOE and said, "You cannot open this facility until you comply with standards and the Congress allows you to do that." DOE would have opened it anyway. They are desperate to open.

Yes, it is going to open. I recognize that. I recognize that somewhere a long time ago the people of New Mexico, the leaders, made a dumb decision. There are a lot of New Mexicans that do not want this facility. Does anybody here want a low-level nuclear waste facility?

Now I know my colleague, the gentleman from New Mexico [Mr. SKEEN], does. It is jobs, and I recognize that, and I respect his view, but I say to him, "There's a responsibility that others have to the people of New Mexico," and I am saying to him that this is a facility that has had problems. There have been problems with the brine reservoirs, with the roofs collapsing, stated by the National Academy of Science and other entities.

Others say, "Well, geez, we've spent so much money on this facility. Therefore let's open it." Well, let me say, Mr. Speaker, that we have a hundred billion dollars that we have to clean up at all these other DOE facilities because we have not applied strong, safe, healthy and environmental standards. Let us not make that mistake.

And for those that say, "Well, this is not Congressman RICHARDSON's facility," Mr. Speaker, all of the routes that go to WIPP go through my district. I have waste at Los Alamos in my district that goes to this facility. That is like saying that those that live near Boston Harbor, that the Congressman representing districts outside of Boston Harbor should not worry about Boston Harbor because it is not in their districts, or those outside of Los Angeles concerned about air in Los Angeles should not be concerned about that.

So, Mr. Speaker, I come to you, I come to my colleagues, on behalf of the people of New Mexico that are saying, "Don't open this facility until it's 100 percent safe."

Yes, we know we are going to be stuck with it. Yes, we know that is a national investment there. Yes, we know it is going to bring jobs. But DOE has been cutting corners for years, and they continue to cut corners, last week on oil and gas waste, and they continue to do this.

When my amendment comes up, I hope the House and my colleagues recognize that, if they vote for the Richardson amendment, they will be voting for the people of New Mexico and not everybody else that institutionally wants my amendment to go down.

Mr. Speaker, I am for WIPP, but for a safe WIPP. Prove WIPP is safe, then ship radioactive waste.

The first issue with this WIPP legislation is very simple.

As we open the first DOE facility in 30 years, do we trust DOE to manage this facility with all safety, health, and environmental oversight that is required?

The answer is a resounding "no". Those of you with facilities at Rocky Flats, Fernald, Savannah River, Hanford, Washington, Nevada test facilities. While this bill is a very good start, we need to tighten this bill up.

The second issue of this legislation relates to the responsibilities the rest of the country owes to the State and citizens of New Mexico. Are you going to stick us with an unsafe facility? Most people in New Mexico don't think you are giving us a great gift by dumping this waste, and this bill contains no funding. Nevada was promised millions. No dollars for New Mexico in this bill. We are becoming the garbage dump for the rest of the country. Most New Mexicans are against this facility. Most New Mexicans support my amendment. Congress owes it to the people of New Mexico.

When Congress passed disposal of high-level waste for people of Nevada the NRC regulates it.

When the Congress passed legislation governing the disposal of defense uranium, NRC regulates it.

But when Congress passed legislation governing the disposal of TRU waste or mid-level nuclear waste, there is no NRC licensing. We want the same as the people of Nevada.

Mr. Speaker, DOE has been committed to open this facility since 1975. Since 1981, it has been "Let's open WIPP at all costs;" even if it hasn't been ready. The people of New Mexico should not be subjected to unnecessary health and safety risks by permitting the emplacement of radioactive waste inside WIPP before it has been proven safe, because of political pressure from Congress.

Go ahead despite technical problems.

Go ahead despite the courts of this land. In fact, DOE tried to open this facility administratively. The courts three times said this was illegal, that they had to go through the Congress. Our Interior Committee canceled the administrative order by DOE.

For years, DOE has said go ahead despite a host of technical problems: Rocks cracking, ceilings collapsing; brine seepage and brine reservoir problems; numerous recommendations from the State watchdog agency ignored; presence of oil and gas leases on the site; and DOE's history of not paying attention to the National Academy of Science. Saying to EPA, NRC stay out—we can do it.

DOE BROKEN PROMISES

First, DOE promised in 1978 state a veto. Never happened.

Second, to comply with EPA provisions.

Third, transportation safety and emergency response.

Fourth, in 1981 DOE promised to help the State of New Mexico with funding for transportation upgrades. A portion of the dollars for upgrading highways finally came in 1987.

Fifth, DOE promised to help with appropriations for ceiling collapse problems. DOE wants nobody else to regulate them.

Sixth, dollars for emergency response and emergency training haven't complied with this.

Look at DOE's history: Every DOE facility has leaked; $100 billion to clean up the mess. Let's make sure EPA standards are met.

I have waste at Los Alamos, goes through my district.

A majority of New Mexicans are opposed to this facility.

A large majority of New Mexicans support compliance with EPA standards.

DOE MANAGEMENT

Paying overtime to people when permanent injunction is in effect; $10 million for TRUPACT continues but they can't use; and paying people to be on alert for 24 hours.

□ 1810

Mr. MOORHEAD. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. WOLPE].

Mr. SHARP. Mr. Chairman, I yield 1 minute to the gentleman from Michigan.

The CHAIRMAN. the gentleman from Michigan [Mr. WOLPE] is recognized for 4 minutes.

Mr. WOLPE. Mr. Chairman, I rise in opposition to this bill. The waste isolation pilot plant [WIPP] is designed to dispose of transuranic nuclear waste generated by our Nation's weapons program. It represents this Nation's first attempt to establish a permanent geologic repository for radioactive waste.

This bill authorizes the permanent withdrawal of WIPP from public use and allows DOE to place waste into the facility for testing and then permanent disposal. The conditions under which this facility is allowed to open is a test of the commitment of both DOE and Congress to health, safety and environmental protection at our Nation's weapons plants.

And, I would emphasize that the responsibility of Congress in this matter is of the utmost importance.

DOE's track record on WIPP, and the current status of the project, does not justify permanent land withdrawal or loading waste into the facility at this time.

In 1988, 1989, and 1991 DOE certified to Congress that it was ready to open WIPP. Yet, on each occasion Congress discovered serious problems—DOE's inability to validate the safety of its own facility because it couldn't locate the original design drawings; the contractor's failure to follow design specifications in constructing critical parts of the facility; and shipping casks that were rendered unusable due to contractor error. DOE has not been able to develop a scientifically supportable plan for the tests it claims must be conducted at WIPP, nor can it even tell us how much waste it needs for those tests. In 1988, DOE testified it needed 125,000 drums for tests. In 1991 that number was down to about 4,400 drums. Now, DOE's own science adviser, Sandia National Lab, says that only 144 drums are required for testing.

Over the past 5 years, congressional authority over withdrawal and replacement of waste has held DOE accountable on these matters and prevented a premature opening.

Now DOE is again seeking authority to open WIPP. Yet, safety analyses have not been performed for most of the so-called test program; the National Academy of Sciences and New Mexico's Environmental Evaluation Group have determined that DOE has not developed a scientifically justified or operationally viable plan for the emplacement of waste; and because of problems in characterizing the waste, DOE has only 3 or 4 bins—the equivalent of about 18 to 24 drums of waste—ready to be shipped to WIPP after 1½ years of effort. DOE's test phase is a sham and the National Academy of Sciences, the New Mexico Environmental Evaluation Group and DOE's own Sandia National Lab have now all but completely ridiculed the plan.

Given this background, there is no legitimate reason why this body should relinquish the leverage it has to ensure that DOE properly conducts its activities at WIPP and adopt a bill that gives DOE carte blanche to place waste in the facility without further congressional approval.

The bill vests EPA with a number of review and approval authorities, but that simply begs the question of why this institution is passing its oversight responsibilities to an executive branch agency.

Moreover, asking EPA to oversee DOE is like asking Bambi to ride herd over Godzilla. To date, EPA has been unable to hold DOE accountable for even the most blatant violations of environmental laws. Do we really believe that it will be able to keep DOE in line on this project?

The 45-year history of the weapons complex is a sordid one. Time after time, DOE and its predecessor agencies cut corners in an effort to resolve crises that were caused by their own mismanagement and political machinations. Invariably, with a wink and a nod, Congress acquiesced. More often than not, the result was an endless cycle of more mismanagement, more problems and more corner cutting.

Finally, in the late eighties the tragic and costly legacy of this gamesmanship was revealed to the public. The sight was not a pretty one: sites contaminated beyond repair; clean up costs that will top $100 billion; the full cost in terms of public health and environmental damage will never be known. Congress and the DOE resolved to mend their ways, and ensure that henceforth DOE would do things properly.

Yet, here we are today—confronted with the same old situation. DOE has failed to demonstrate that WIPP needs to be opened even temporarily for testing, much less permanently for disposal. To the extent there is a storage crisis, it is one that has been manufactured by the Department. There is ample capacity available throughout the DOE complex, but the Department wants to create a crisis because it longs for the symbolism of getting WIPP opened. To the Department, just doing something is far more important than doing it right.

Before Congress gives up the only effective leverage it has over the Department and this project, we must be certain that DOE has adequately fulfilled all of its responsibilities. At this time, it has not.

That is why I am voting against this bill.

To do otherwise is to return to the same way of doing business that characterized the first 45 years of the Nation's weapons program.

It is time for Members of this body to stand up and say "Not on my watch. Do it right."

I urge my colleagues to send that message to DOE by rejecting this legislation.

Mr. MOORHEAD. Mr. Chairman, I yield 3 minutes to the gentleman from New Mexico [Mr. SKEEN].

Mr. SKEEN. Mr. Chairman, I thank the gentleman for yielding, not in a sense of rebuttal, but just to clarify some of the statements that have been made.

New Mexico feels a responsibility for emplacement of waste because New Mexico is also one of the primary sources of most of this material at the very beginning. So it is not an uncommon thing for us to say in New Mexico that we were leaders in the beginning of the Nuclear Age, and we are also leaders in completing the nuclear energy cycle.

Nineteen Governors in the Western United States have passed a resolution supporting this project. Four Members out of the New Mexico delegation support it. The people of New Mexico have never been polled adequately, but I would safely say that there is at least a 50–50 division on it about their acceptance of a nuclear waste repository. But particularly from the area in which it is slated to be situated, there is an almost 100-percent acceptance.

Mr. Chairman, the Governor of New Mexico is in favor of this project and had a lot to do with its initial inception and formation.

The courts have passed a faulty decision in stopping the administrative withdrawal. I approved of that, even though it was a faulty decision, because it was overridden, because it was based on demonstrating retrievability. They have been retrieving from these formations for over four to five decades. Problems that were defined by some who say that the site has been unsafe are absolutely untrue. Every problem that they have met, they have concurred and overcome to the satisfaction of almost every scientific and research agency.

Mr. Chairman, if you are really concerned about Los Alamos waste, then Los Alamos should be very much concerned about getting it out of there, because it has been in their repository for some 40 years and they are out of room. They would like to move their waste somewhere else as well.

The CHAIRMAN. The gentleman from California [Mr. MOORHEAD] has the only time left.

Mr. SKAGGS. Mr. Chairman, I support the Waste Isolation Pilot Plant Land Withdrawal Act, and I urge my colleagues to do so too. I represent a district that's home to the Rocky Flats nuclear weapons plant—the origin of much of the waste going to WIPP. I have, of course, followed this legislation carefully over the last 5 years. I've visited the WIPP site, testified before four different committees on this subject, and introduced legislation relating to WIPP.

Because so much of the waste to be buried at WIPP would come from my district, people might assume that I would be the leading advocate of opening WIPP immediately, under any conditions, or even under any lack of conditions. But that's not the case.

I'm concerned about removing waste from Rocky Flats, but I'm also concerned about safety at WIPP. In fact, in 1988, I introduced a concurrent resolution to prompt the Department of Energy [DOE] to respond to various concerns about the safety of its WIPP plans. And my testimony before the various committees looking into WIPP repeatedly stressed the need to ensure that appropriate safety precautions are taken.

The decisions we make at WIPP must stand the test of time—in this case, the tens of thousands of years that the waste buried there will still be radioactive. I have always maintained that it would be better to slow the project down, so that we could make sure that it is done safely, than to rush it along, only to end up with a facility that may not be safe enough.

I'm delighted to say that the three committees that have produced this bill—Interior, Energy and Commerce, and Armed Services—have done a good job.

Passage of this legislation will enable a test phase that in turn will demonstrate—I hope—that WIPP can meet the requirements for storing transuranic radioactive waste for thousands of years. And to make sure that the test phase—and ultimately the permanent storage phase—is carried out in the safest way possible, the bill sets reasonable standards and procedures to ensure that these decisions are made with proper regard for the environmental and safety concerns that many of us have expressed over the years.

DOE's plans for both the test phase and for permanent storage must be approved by the Environmental Protection Agency [EPA]. Most importantly, the bill provides that EPA must set the standards for permanent disposal within 6 months of enactment. It will then be up to DOE to develop a plan that meets those standards—not the other way around. Moreover, the facility will not open until DOE obtains the appropriate permits from the State of New Mexico as well.

If this dual-track procedural framework is effective, and I believe that it will be, this will ensure that the WIPP test phase be conducted in a safe and efficient manner. And if the facility is proven safe after the test phase, DOE would then be in a position to open WIPP for the permanent storage of radioactive waste.

Sites like the Rocky Flats Plant in my district have stopped making nuclear weapons, and—God willing—may never do so again. It's now time to focus on the long cleanup process. It may take up to 30 years to clean up Rocky Flats. And in that time, we'll have to deal with over one-half-million cubic feet of transuranic waste—the most dangerous by product of nuclear weapons production.

No matter how much we'd like to, we can't make this waste magically disappear. And since Rocky Flats doesn't have the room to store the waste from cleanup, a permanent disposal site is needed. That's one of the pressing reasons why it's so important to get a proper test of WIPP: The sooner we start testing, the sooner we will know whether the facility is safe; and if it's safe, the sooner we can open WIPP for permanent storage and get this dangerous waste out of less secure places.

Finding a permanent disposal site for this waste has been a frustrating experience. The process of opening WIPP has been slowed for years by DOE's failure to follow the advice of the experts—at the National Academy of Sciences, the Environmental Evaluation Group, and elsewhere—on how to properly prepare for testing of this disposal method and site. In fact, DOE still isn't prepared to do onsite testing. Instead, DOE has tried to pretend that the only obstacle to proceeding is for Congress to set aside the land for WIPP. This legislation does that. More importantly, it also establishes requirements to ensure that DOE carries out the testing properly.

Let's pass this bill, and let's get DOE moving forward in compliance with it.

Mr. DINGELL. Mr. Chairman, today the House is considering H.R. 2637, a bill which provides legislative authority for land outside of Carlsbad, NM, to be used for the operation of the waste isolation pilot plant [WIPP].

I am pleased that the bill we are considering reflects a compromise between the three committees of jurisdiction in the House: Energy and Commerce, Interior and Insular Affairs, and Armed Services.

Although three versions of this legislation were passed out of these three committees, we have worked together to create the consensus floor vehicle which we take up today.

I believe the compromise reflects an appropriate balance between the need to begin the test phase of this first-of-a-kind facility, and the need for environmental oversight throughout the process.

H.R. 2637 provides for the involvement of the Environmental Protection Agency at numerous points throughout the test phase and preparation for the final disposal stage. It ensures that the Department of Energy will not be self-certifying its own compliance with applicable standards and requirements. These additional safeguards are a fundamental part of the compromise package and provide needed assurance to maintain the integrity of the project.

The tests that will be conducted during the first 5 to 8 years will also be invaluable in providing information to be used during the final disposal stage. Without the test phase that we are proposing today, Congress and the DOE and the people of New Mexico will not have the information needed to proceed with confidence into the final disposal phase.

I urge my colleagues to support the compromise version of H.R. 2637.

Mr. MOORHEAD. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in House Report 102-583 shall be considered as an original bill for the purpose of amendment, and each section is considered as read.

The Clerk will designate section 1.

Mr. KOSTMAYER. Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The text of the amendment in the nature of a substitute is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Waste Isolation Pilot Plant Land Withdrawal Act".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
Sec. 3. Land withdrawal and reservation for WIPP.
Sec. 4. Establishment of management responsibilities.
Sec. 5. Plan for test phase activities; retrieval.
Sec. 6. Test phase activities.
Sec. 7. Disposal operations.
Sec. 8. Issuance of Environmental Protection Agency disposal standards.
Sec. 9. Compliance with environmental standards.
Sec. 10. Ban on high-level radioactive waste and spent nuclear fuel.
Sec. 11. Decommissioning of WIPP.
Sec. 12. Solid Waste Disposal Act; Clean Air Act.
Sec. 13. Economic assistance and miscellaneous payments.
Sec. 14. Transportation.
Sec. 15. Environmental evaluation group.
Sec. 16. Authorizations of appropriations.

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) AGREEMENT.—The term "Agreement" means the July 1, 1981, Agreement for Consultation and Cooperation, as amended by the November 30, 1984 "First Modification", the August 4, 1987 "Second modification", and the March 18, 1988 "Third modification", or as it may be amended after the date of enactment of this Act, between the State of New Mexico and the United States Department of Energy as authorized by section 213(b) of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980 (Pub. L. 96-164; 93 Stat. 1259, 1265).

(3) CONTACT-HANDLED TRANSURANIC RADIOACTIVE WASTE.—The term "contact-handled transuranic radioactive waste" means transuranic radioactive waste with a surface dose rate not greater than 200 millirem per hour.

(4) DECOMMISSIONING PHASE.—The term "decommissioning phase" means the period of time beginning with the end of the operations phase and ending when all shafts at the WIPP repository have been back-filled and sealed.

(5) DISPOSAL.—The term "disposal" means permanent isolation of transuranic radioactive waste from the accessible environment with no intent of recovery, whether or not such isolation permits the recovery of such waste.

(6) DISPOSAL STANDARDS.—The term "disposal standards" means the environmental standards for the disposal of spent nuclear fuel, high-level radioactive waste, and transuranic radioactive waste to be issued by the Administrator pursuant to section 8(b).

(7) EEG.—The term "EEG" means the Environmental Evaluation Group for the Waste Isolation Pilot Plant referred to in section 1433 of the National Defense Authorization Act, Fiscal Year 1989 (Pub. L. 100-456; 102 Stat. 1918, 2073).

(8) ENGINEERED BARRIERS.—The term "engineered barriers" means backfill, room seals, panel seals, and any other manmade barrier components of the disposal system.

(9) HIGH-LEVEL RADIOACTIVE WASTE.—The term "high-level radioactive waste" has the meaning given such term in section 2(12) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(12)).

(10) OPERATIONS PHASE.—The term "operations phase" means the period of time, during which transuranic radioactive waste is disposed of at WIPP, beginning with the initial emplacement of transuranic radioactive waste underground for disposal and ending when the last container of transuranic radioactive waste, as determined by the Secretary, is emplaced underground for disposal.

(11) REMOTE-HANDLED TRANSURANIC RADIOACTIVE WASTE.—The term "remote-handled transuranic radioactive waste" means transuranic radioactive waste with a surface dose rate of 200 millirem per hour or greater.

(12) RETRIEVAL.—The term "retrieval" means the removal of transuranic radioactive waste and the container in which it has been retained and any material contaminated by such waste from the underground repository at WIPP.

(13) SECRETARY.—The term "Secretary", unless otherwise specified, means the Secretary of Energy.

(14) SPENT NUCLEAR FUEL.—The term "spent nuclear fuel" has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

(15) TEST PHASE.—The term "test phase" means the period of time, during which test phase activities are conducted, beginning with the initial receipt of transuranic radioactive waste at WIPP and ending when the earliest of the following events occurs:

(A) The conditions described in section 7(b) are met.

(B) The Administrator certifies under section 9(c)(1)(B), that the WIPP facility will not comply with the disposal standards.

(C) The time period described in section 3(a)(3) expires.

(16) TEST PHASE ACTIVITIES.—The term "test phase activities" means the testing and experimentation activities that the Secretary determines to be necessary to determine the suitability of WIPP as a repository for the permanent isolation of transuranic radioactive waste.

(17) TEST PHASE PLAN.—The term "test phase plan" means the Department of Energy WIPP Test Phase Plan: Performance Assessment, dated April 1, 1990, and any revisions to such plan, approved by the Administrator under section 5.

(18) TRANSURANIC RADIOACTIVE WASTE.—The term "transuranic radioactive waste" means waste containing more than 100 nanocuries of alpha-emitting transuranic isotopes per gram of waste, with half-lives greater than 20 years, except for—

(A) high-level radioactive waste;

(B) waste that the Secretary has determined, with the concurrence of the Administrator, does not need the degree of isolation required by the disposal standards; or

(C) waste that the Nuclear Regulatory Commission has approved for disposal on a case-by-case basis in accordance with part 61 of title 10, Code of Federal Regulations.

(19) WIPP.—The term "WIPP" means the Waste Isolation Pilot Plant project authorized under section 213 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980 (Pub. L. 96-164; 93 Stat. 1259, 1265) to demonstrate the safe disposal of radioactive waste materials generated by defense programs.

(20) WITHDRAWAL.—The term "Withdrawal" means the geographical area consisting of the lands described in section 3(c).

SEC. 3. LAND WITHDRAWAL AND RESERVATION FOR WIPP.

(a) LAND WITHDRAWAL, JURISDICTION, AND RESERVATION.—

(1) LAND WITHDRAWAL.—Subject to valid existing rights, and except as otherwise provided in this Act, the lands described in subsection (c) are withdrawn from all forms of entry, appropriation, and disposal under the public land laws, including without limitation the mineral leasing laws, the geothermal leasing laws, the material sale laws (except as provided in section 4(b)(4) of this Act), and the mining laws.

(2) RESERVATION.—Such lands are reserved for use by the Secretary for conducting test phase activities.

(b) REVOCATION OF PUBLIC LAND ORDERS.—Public Land Order 6403 of June 29, 1983, as modified by Public Land Order 6826 of January 28, 1991, and the memorandum of understanding accompanying Public Land Order 6826, are revoked.

(c) LAND DESCRIPTION.—

(1) BOUNDARIES.—The boundaries depicted on the map issued by the Bureau of Land Management of the Department of the Interior, entitled "WIPP Withdrawal Site Map," dated October 9, 1990, and on file with the Bureau of Land Management, New Mexico State Office, are established as the boundaries of the Withdrawal.

(2) LEGAL DESCRIPTION AND MAP.—Within 30 days after the date of the enactment of this Act, the Secretary of the Interior shall—

(A) publish in the Federal Register a notice containing a legal description of the Withdrawal; and

(B) file copies of the map described in paragraph (1) and the legal description of the Withdrawal with the Committees on Energy and Natural Resources and Armed Services of the Senate, the Committees on Interior and Insular Affairs, Energy and Commerce, and Armed Services of the House of Representatives, the Secretary of Energy, the Governor of the State of New Mexico, and the Archivist of the United States.

(d) TECHNICAL CORRECTIONS.—The map and legal description referred to in subsection (c) shall have the same force and effect as if they were included in this Act. The Secretary of the Interior may correct clerical and typographical errors in the map and legal description.

(e) WATER RIGHTS.—This Act does not establish a reservation to the United States with respect to any water or water rights on the Withdrawal. No provision of this Act may be construed as a relinquishment or reduction of any water rights reserved or appropriated by the United States in the State of New Mexico on or before the date of the enactment of this Act.

SEC. 4. ESTABLISHMENT OF MANAGEMENT RESPONSIBILITIES.

(a) GENERAL AUTHORITY.—The Secretary of the Interior shall be responsible for the management of the Withdrawal pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), this Act, and other applicable law, and shall consult with the Secretary of Energy and the State of New Mexico in discharging such responsibility and any other responsibility required by this Act.

(b) MANAGEMENT PLAN.—

(1) DEVELOPMENT.—Within 1 year after the date of the enactment of this Act, the Secretary of the Interior, in consultation with the Secretary of Energy and the State of New Mexico, shall develop a management plan for the use of the Withdrawal until the end of the decommissioning phase.

(2) PRIORITY OF WIPP-RELATED USES.—Any use of the Withdrawal for activities not associated with WIPP shall be subject to such conditions and restrictions as may be necessary to permit the conduct of WIPP-related activities.

(3) NON-WIPP RELATED USES.—The management plan developed under paragraph (1) shall provide for the maintenance of wildlife habitat and shall provide that the Secretary of the Interior may permit such non-WIPP related uses of the Withdrawal as the Secretary of the Interior determines to be appropriate, including domestic livestock grazing and hunting and trapping in accordance with the following requirements:

(A) GRAZING.—The Secretary of the Interior may permit grazing to continue where established before the date of the enactment of this Act, subject to such regulations, policies, and practices as the Secretary of the Interior, in consultation with the Secretary of Energy, determines to be necessary or appropriate. The management of grazing shall be conducted in accord with applicable grazing laws and policies, including—

(i) the Act entitled "An Act to stop injury to public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes," approved June 28, 1934 (43 U.S.C. 315 et seq., commonly referred to as the "Taylor Grazing Act");

(ii) title IV of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751 et seq.); and

(iii) the Public Rangelands Improvement Act of 1978 (43 U.S.C. 1902 et seq.).

(B) HUNTING AND TRAPPING.—The Secretary of the Interior may permit hunting and trapping within the Withdrawal in accordance with applicable laws and regulations of the United States and the State of New Mexico, except that the Secretary of the Interior, after consultation with the Secretary of Energy and the State of New Mexico, may issue regulations designating zones where, and establishing periods when, no hunting or trapping is permitted for reasons of public safety, administration, or public use and enjoyment.

(4) DISPOSAL OF SALT TAILINGS.—The Secretary of the Interior shall dispose of salt tailings extracted from the Withdrawal that the Secretary of Energy determines are not needed for backfill at WIPP. Disposition of such tailings shall be made under sections 2 and 3 of the Act of July 31, 1947 (30 U.S.C. 602, 603; commonly referred to as the "Materials Act of 1947").

(5) PROHIBITION ON MINING.—No surface or subsurface mining, including slant drilling from outside the boundaries of the Withdrawal, shall be permitted at any time (including after decommissioning) on lands on or under the Withdrawal.

(c) CLOSURE TO PUBLIC.—If during the withdrawal made by section 3(a) the Secretary of Energy determines in consultation with the Secretary of the Interior that the health and safety of the public or the common defense and security require the closure to the public use of any road, trail, or other portion of the Withdrawal, the Secretary of Energy may take whatever action the Secretary of Energy determines to be necessary to effect and maintain the closure and shall provide notice to the public of such closure.

(d) MEMORANDUM OF UNDERSTANDING.—The Secretary of the Interior and the Secretary of Energy shall enter into a memorandum of understanding to implement the management plan developed under subsection (b). Such memorandum shall remain in effect until the end of the decommissioning phase.

(e) SUBMISSION OF PLAN.—Within 1 year after the date of the enactment of this Act, the Secretary of the Interior shall submit the management plan developed under subsection (b) to the Committees on Interior and Insular Affairs and Energy and Commerce of the House of Representatives, the Committee on Energy and Natural Resources of the Senate, and the State of New Mexico. Any amendments to the plan shall be submitted promptly to such Committees and the State of New Mexico.

SEC. 5. PLAN FOR TEST PHASE ACTIVITIES; RETRIEVAL.

(a) REVIEWS OF TEST PHASE PLAN BY SECRETARY.—

(1) ANNUAL REVIEW.—The Secretary shall annually review the test phase plan and propose any revisions required to ensure that all of the proposed activities described in the plan are necessary to demonstrate that the WIPP facility will comply with the final disposal standards.

(2) REQUIRED CONSULTATION.—The Secretary shall conduct any review, and make any required revisions, of the test phase plan in consultation with the National Academy of Sciences, the Administrator, and the EEG.

(b) TEST PHASE ACTIVITIES TO BE CONDUCTED AT WIPP.—

(1) JUSTIFICATION AND TEST PHASE ACTIVITIES.—The test phase plan (and any revisions to such plan) shall—

(A) include justification for all test phase activities to be conducted at WIPP;

(B) specify the quantities and types of transuranic radioactive waste required for such activities; and

(C) be submitted for review and approval to the Administrator.

(2) APPROVAL BY ADMINISTRATOR.—

(A) IN GENERAL.—The Administrator shall determine by rule, pursuant to chapter 5 of title 5, United States Code, whether to approve or disapprove the test phase plan (and any revisions to such plan). The Administrator shall issue a proposed rule under this paragraph not later than than 90 days after receipt of such plan (and revisions).

(B) STANDARD FOR APPROVAL.—The Administrator may approve the test phase plan (and any revisions to such plan) only if the Administrator determines that all of the proposed activities described in such plan (and revisions) are necessary to demonstrate that the WIPP facility will comply with the final disposal standards under section 8.

(c) RETRIEVAL PLAN.—The Secretary shall issue and submit to the Administrator for review a detailed retrieval plan to be implemented by the Secretary under section 6(c)(5) or 9(b)(3). Such plan shall include specific plans for the interim management and storage of any such removed waste and specify the location of such storage. The Administrator shall determine by rule, pursuant to chapter 5 of title 5, United States Code, whether to approve or disapprove such plan. The Administrator shall issue a proposed rule under this subsection not later than than 90 days after receiving such plan.

(d) REVIEW BY STATE.—

(1) IN GENERAL.—In addition to the review by the Administrator of the test phase plan (or any revisions to such plan) under subsection (b)(2) and the retrieval plan under subsection (c), the Secretary shall submit each plan or revision, as appropriate, subject to review under such subsections to the State of New Mexico for review. The State of New Mexico shall complete its review and specify any disagreement with the plan (or any revisions to such plan) within 90 days of receipt of such plan or revisions.

(2) CONFLICT RESOLUTION.—In the event that the State of New Mexico disagrees with any aspect of any plan or revision to such plan subject to review under paragraph (1), the conflict resolution procedures described in Article IX of the Agreement shall be employed to resolve such disagreement.

(e) WASTE CHARACTERIZATION.—The Secretary shall, after providing notice and an opportunity for public comment, fully characterize all transuranic radioactive waste types at all sites from which wastes are to be shipped to WIPP. The results of such characterization shall be reflected in the test phase plan (and any revisions to such plan) before the Administrator may provide certification under section 9(c)(1)(B).

SEC. 6. TEST PHASE ACTIVITIES.

(a) GENERAL AUTHORITY.—The Secretary is authorized, subject to subsections (b) and (c), to conduct test phase activities in accordance with the test phase plan.

(b) REQUIREMENTS FOR COMMENCEMENT OF TEST PHASE ACTIVITIES.—The Secretary may not transport any transuranic radioactive waste to WIPP to conduct test phase activities under subsection (a) unless the following requirements are met:

(1) FINAL DISPOSAL STANDARDS ISSUED.—The final disposal standards are issued and published in the Federal Register under section 8.

(2) TERMS OF NO-MIGRATION DETERMINATION COMPLIED WITH.—The Administrator has determined that the Secretary has complied with the terms and conditions set forth in paragraphs (5), (6), and (7) of the no migration determination described at page 47720 of Volume 55, No. 220 of the Federal Register, on November 14, 1990.

(3) RETRIEVAL PLAN APPROVED.—The Secretary has issued and the Administrator has approved the retrieval plan required under section 5(c).

(4) TEST PHASE PLAN APPROVED.—The Administrator has approved the test phase plan (and any revisions to such plan) in accordance with section 5(b)(2).

(5) CONSIDERATION BY STATE.—

(A) REVIEW COMPLETED.—The Secretary has complied with the requirements of section 5(d) and the State of New Mexico has completed its review under such section.

(B) CONFLICT RESOLUTION.—In the event that the conflict resolution procedures described in section 5(d)(2) are employed for any review required under section 5(d)(1), such review shall not be considered complete until the disagreement necessitating the use of such procedures has been resolved in accordance with such procedures.

(6) EMERGENCY RESPONSE TRAINING.—

(A) REVIEW.—The Secretary of Labor, acting through the Occupational Safety and Health Administration, has reviewed the emergency response training programs of the Department of Energy that apply to WIPP.

(B) CERTIFICATION.—The Secretary of Labor, acting through the Occupational Safety and Health Administration, has certified that emergency response training programs of the Department of Energy that apply to WIPP are in compliance with part 1910.120 of title 29, Code of Federal Regulations.

(7) CERTIFICATION OF SAFETY.—The Secretary has certified that the safety of all test phase activities to be completed at WIPP can be ensured through procedures that would not compromise the type, quantity, or quality of data collected from such test phase activities.

(c) LIMITATIONS.—Test phase activities conducted under subsection (a) shall be subject to the following limitations:

(1) QUANTITY OF WASTE THAT MAY BE TRANSPORTED.—During the test phase, the Secretary may transport to WIPP—

(A) only such quantities of transuranic radioactive waste as the Administrator has determined under section 5(b) are necessary to conduct test phase activities to demonstrate that the WIPP facility will comply with the disposal standards; and

(B) in no event more than 4,250 55-gallon drums of transuranic radioactive waste or ½ of 1 percent of the total capacity of WIPP as described in section 7(a), whichever is less.

(2) REMOTE-HANDLED WASTE.—

(A) TRANSPORTATION AND EMPLACEMENT.—The Secretary may not transport to or emplace remote-handled transuranic radioactive waste at WIPP during the test phase.

(B) STUDY.—

(i) IN GENERAL.—Within 2 years after the date of the enactment of this Act, the Secretary shall complete a study on remote-handled transuranic radioactive waste in consultation with affected States, the Administrator, and after the solicitation of views of other interested parties.

(ii) REQUIREMENTS OF STUDY.—Such study shall include an analysis of the impact of remote-handled transuranic radioactive waste on the performance assessment of WIPP and a comparison of remote-handled transuranic radioactive waste with contact-handled transuranic radioactive waste on such issues as gas generation, flammability, explosivity, solubility, and brine and geochemical interactions.

(iii) PUBLICATION.—The Secretary shall publish the findings of such study in the Federal Register.

(iv) REVISION.—Unless such study finds that remote-handled transuranic radioactive waste requires no additional precautions for disposal in WIPP, the Secretary shall revise the test phase plan to require testing of remote-handled transuranic radioactive waste subject to subparagraph (A).

(3) ANNUAL CERTIFICATIONS OF RETRIEVABILITY.—Beginning 1 year after the initial emplacement of transuranic radioactive waste underground at WIPP under subsection (a), and continuing annually throughout the test phase, the Secretary shall certify and the Administrator shall concur that all waste emplaced underground at WIPP remains and will remain fully retrievable during the test phase.

(4) STABILITY OF ROOMS USED FOR TESTING.—Transuranic radioactive waste may be emplaced in mined rooms in the underground repository at WIPP to conduct test phase activities only after the Secretary of Labor, acting through the Mine Safety and Health Administration, has certified to the Secretary of Energy that such rooms will remain sufficiently stable and safe to permit uninterrupted testing for the duration of such activities.

(5) COMPLIANCE WITH DISPOSAL STANDARDS.—If, upon the expiration of the 10-year period beginning on the date of the enactment of this Act, the Administrator has not certified under section 9(c)(1)(B) that the WIPP facility will comply with the disposal standards—

(A) the Secretary or the Secretary of the Interior, as appropriate, shall implement the retrieval plan under section 5(c) and the decommissioning and post-decommissioning plans under section 11; and

(B) following implementation of such plans, the land withdrawal made by section 3(a) shall terminate.

SEC. 7. DISPOSAL OPERATIONS.

(a) Capacity of WIPP Facility.—The Secretary may dispose of not more than 5.6 million cubic feet of contact-handled transuranic radioactive waste and 95,000 cubic feet of remote-handled transuranic radioactive waste in WIPP.

(b) Commencement of Disposal Operations.—The Secretary may commence emplacement of transuranic radioactive waste underground for disposal at WIPP only upon completion of—

(1) the Administrator's certification under section 9(c)(1)(B) that the WIPP facility will comply with the disposal standards;

(2) the submission to the Congress by the Secretary and the Secretary of the Interior, respectively, of plans for decommissioning WIPP and post-decommissioning management of the Withdrawal under section 11;

(3) the expiration of the 180-day period beginning on the date on which the Secretary notifies the Congress that all permits and certifications required for disposal operations to begin have been received;

(4) Nuclear Regulatory Commission certification as described in section 14(a) of a container for transporting remote-handled transuranic radioactive waste to WIPP;

(5) the acquisition by the Secretary (whether by purchase, condemnation, or otherwise) of Federal Oil and Gas Leases No. NMNM 02953 and No. NMNM 02953C, unless the Administrator determines pursuant to the authority under section 9(a), 9(b), or 9(c) of this Act and section 3004 of the Solid Waste Disposal Act (42 U.S.C. 6924) that such acquisition is not required; and

(6) the submittal to the Congress by the Secretary of comprehensive recommendations for the disposal of all transuranic radioactive waste under the control of the Secretary, including a timetable for the disposal of such waste.

SEC. 8. ISSUANCE OF ENVIRONMENTAL PROTECTION AGENCY DISPOSAL STANDARDS.

The Administrator shall issue, not later than 6 months after the date of the enactment of this Act, final environmental standards for the disposal of spent nuclear fuel, high-level radioactive waste, and transuranic radioactive waste.

SEC. 9. COMPLIANCE WITH ENVIRONMENTAL STANDARDS.

(a) Management and Storage; Clean Air; Hazardous Waste.—

(1) Applicability.—The Secretary shall, during the test phase, the operations phase, and the decommissioning phase, comply with respect to WIPP, with—

(A) the Environmental Protection Agency standards for the management and storage of spent nuclear fuel, high-level radioactive waste, and transuranic radioactive waste described in subpart A of part 191 of title 40, Code of Federal Regulations;

(B) the Clean Air Act (40 U.S.C. 7401 et seq.);

(C) the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.);

(D) title XIV of the Public Health Service Act (the Safe Drinking Water Act) (42 U.S.C. 300f et seq.);

(E) the Toxic Substances Control Act (15 U.S.C. 2601 et seq.);

(F) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.);

(G) all regulations promulgated under the laws described in subparagraphs (B) through (F); and

(H) all other applicable Federal laws (and regulations promulgated thereunder) pertaining to public health and safety or the environment and all applicable State and local laws (and regulations promulgated thereunder) pertaining to public health and safety or the environment.

(2) Periodic oversight by administrator and state of new mexico.—The Secretary shall, not later than 2 years after the date of the enactment of this Act, and biennially thereafter, submit documentation of continued compliance with the laws, regulations, and standards described in subparagraphs (A), (B), (D), (E), (F), (G), and (H) of paragraph (1), to the Administrator, and with the law described in paragraph (1)(C) and any regulations promulgated thereunder, to the State of New Mexico.

(3) Concurrence of administrator.—The Administrator by rule pursuant to chapter 5 of title 5, United States Code, or the State of New Mexico, as appropriate, shall determine not later than 6 months after receiving a submission under paragraph (2) whether the Secretary is in compliance with the laws, regulations, and standards described in paragraph (1) with respect to WIPP.

(b) Determination of Noncompliance During Test Phase.—

(1) Determination by administrator.—If the Administrator determines at any time during the test phase that—

(A) the WIPP facility will not comply with the disposal standards under subsection (c)(1)(B);

(B) the Secretary is not conducting test phase activities involving underground emplacement of transuranic radioactive waste in a manner that allows the waste to be readily retrieved as required by condition (4) of the no-migration determination described at page 47,720 of volume 55, No. 220 of the Federal Register, on November 14, 1990;

(C) conditions at the WIPP facility do not allow the waste to be readily retrieved as required by such condition; or

(D) the WIPP facility does not comply with any law, regulation, or standard described in subsection (a)(1);

the Administrator shall request a remedial plan from the Secretary describing actions the Secretary will take to comply with such regulatory requirements.

(2) Determination by state.—If the State of New Mexico determines at any time during the test phase that the Secretary has not complied with the standards applicable to owners and operators of hazardous waste, treatment, storage, and disposal facilities under section 3004 of the Solid Waste Disposal Act (42 U.S.C. 6924) with respect to activities at WIPP, the State of New Mexico shall request a remedial plan from the Secretary describing actions the Secretary will take to comply with such regulatory requirements.

(3) Implementation of retrieval plan.—If a remedial plan is not received from the Secretary within 6 months of a determination of noncompliance with a regulatory requirement described in paragraph (1) or (2), or if the Administrator or the State of New Mexico, as appropriate, finds any such remedial plan to be inadequate to demonstrate compliance with such regulatory requirement—

(A) the Secretary or the Secretary of the Interior, as appropriate, shall implement the retrieval plan under section 5(c) and the decommissioning and post-decommissioning plans under section 11; and

(B) following implementation of such plans, the land withdrawal made by section 3(a) shall terminate.

(c) Disposal Standards.—

(1) Requirements for commencement of disposal.—Before any transuranic radioactive waste may be emplaced underground at WIPP for disposal under section 7(b)—

(A) the Secretary shall have submitted sufficient documentation to the Administrator to demonstrate that the WIPP facility will comply with the disposal standards; and

(B) the Administrator shall have certified by rule pursuant to chapter 5 of title 5, United States Code, that the WIPP facility will comply with the disposal standards.

(2) Periodic recertification.—

(A) By secretary.—During the period beginning 2 years after the initial receipt of transuranic radioactive waste for disposal at WIPP and ending at the end of the decommissioning phase, the Secretary shall biennially demonstrate that the WIPP facility will comply with the disposal standards and submit documentation of such demonstration to the Administrator.

(B) Concurrence of administrator.—The Administrator shall, not later than 6 months after receiving a submission under subparagraph (A), determine whether or not the WIPP facility will comply with the disposal standards.

(3) Limitation.—Any determination of the Administrator under paragraph (1)(B) or (2)(B) may only be made after the documentation is submitted to the Administrator under paragraph (1)(A) or (2)(A), respectively.

(4) Engineered and natural barriers.—The Secretary shall use both engineered and natural barriers at WIPP to isolate transuranic radioactive waste after disposal to the extent necessary to comply with the disposal standards.

(d) Determination of Noncompliance During Operations Phase and Decommissioning Phase.—

(1) Remedial plans.—

(A) Management and storage; clean air; hazardous waste.—If, during the operations phase or decommissioning phase, the Administrator, or the State of New Mexico, as appropriate, determines after any submission under subsection (a)(2), that the Secretary has not demonstrated compliance with any regulatory requirement described in such subsection, the Administrator, or the State of New Mexico, as appropriate, shall request a remedial plan from the Secretary describing actions the Secretary will take to demonstrate compliance with such regulatory requirement.

(B) Disposal standards.—If, during the operations phase or decommissioning phase, the Administrator determines under subsection (c)(2)(B), that the WIPP facility will not comply with the disposal standards, the Administrator shall request a remedial plan from the Secretary describing actions the Secretary will take to demonstrate that the facility will comply with such standards.

(2) Consequences of noncompliance during operations phase or decommissioning phase.—If a plan is not received from the Secretary within 6 months of a determination of noncompliance with a regulatory requirement described in paragraph (1)(A) or (1)(B), or the Administrator or the State of New Mexico, as appropriate, finds any such plan inadequate to demonstrate compliance with such regulatory requirement—

(A) the Secretary shall retrieve, to the extent practicable, any transuranic radioactive waste and any material contaminated by such waste from underground at WIPP;

(B) the Secretary or the Secretary of the Interior, as appropriate, shall implement the decommissioning and post-decommissioning plans under section 11; and

(C) following completion of such retrieval and implementation of such plans, the land withdrawal made by section 3(a) shall terminate.

(e) Issuance of Regulations.—The Administrator shall issue regulations not later than 6 months after the date of the enactment of this Act governing the approval of a test phase plan under section 5(b), periodic oversight under subsection (a)(2), the certification and recertification processes under subsections (c)(1)(B) and (c)(2)(B), respectively, and the retrieval process required under subsection (d)(2). Such regulations shall provide opportunities for public participation in such processes.

(f) Savings Provision.—The authorities provided to the Administrator and the State pursuant to this section are in addition to the enforcement authorities available to the State pursuant to State law and to the Administrator, the State, and any other person, pursuant to the Solid Waste Disposal Act and the Clean Air Act.

SEC. 10. BAN ON HIGH-LEVEL RADIOACTIVE WASTE AND SPENT NUCLEAR FUEL.

The Secretary may not transport high-level radioactive waste or spent nuclear fuel to WIPP or emplace or dispose of such waste or fuel at WIPP.

SEC. 11. DECOMMISSIONING OF WIPP.

(a) Plan for WIPP Decommissioning.—Within 5 years after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services and Energy and Natural Resources of the Senate; the Committees on Armed Services, Energy and Commerce, and Interior and Insular Affairs of the House of Representatives; the State of New Mexico; the Secretary of the Interior; and the Administrator a plan to be implemented by the Secretary for decommissioning WIPP. In addition to activities required under the Agreement, the plan shall conform to the disposal standards that apply to WIPP at the time the plan is prepared. The Secretary shall consult with the Secretary of the Interior and the State of New Mexico in the preparation of such plan.

(b) Management Plan for the Withdrawal After Decommissioning.—Within 5 years after the date of the enactment of this Act, the Secretary of the Interior shall develop a plan to be implemented by the Secretary of the Interior for the management and use of the Withdrawal following the decommissioning of WIPP and the termination of the land withdrawal made by section 3(a). The Secretary of the Interior shall consult with the Secretary and the State of New Mexico in the preparation of such plan and shall submit such plan to the Committee on Energy and Natural Resources of the Senate and the Committees on Interior and Insular Affairs and Energy and Commerce of the House of Representatives.

SEC. 12. SOLID WASTE DISPOSAL ACT; CLEAN AIR ACT.

No provision of this Act may be construed to supersede or modify the provisions of the Clean Air Act (42 U.S.C. 7401 et seq.) or the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.).

SEC. 13. ECONOMIC ASSISTANCE AND MISCELLANEOUS PAYMENTS.

(a) Impact Assistance Payments.—

(1) In general.—The Secretary may, to such extent and for such amounts as are provided in advance in appropriation Acts, provide payments to the State of New Mexico to assist the State and its affected units of local government in mitigating the potential environmental, social, transportation, economic and other impacts resulting from WIPP. Payments under this paragraph—

(A) may not, in the aggregate, exceed $40,000,000; and

(B) shall be made from the $40,000,000 appropriated under Public Law 102–27 (105 Stat. 130, 141) and the Energy and Water Development Appropriations Act, 1992 (Pub. L. 102–104; 105 Stat. 510, 529).

(2) Payments to local governments.—A portion of all payments received by the State of New Mexico under paragraph (1) shall be provided directly to the affected units of local government in the vicinity of, and along the transportation routes to, WIPP. The portion of payments provided to local governments, the identification of local governments to receive payments, and the amount of payment to each local government shall be based on a State assessment of needs, conducted in consultation with affected units of local government and based upon the demonstration of local impacts by the affected local governments.

(3) Medical emergency preparedness payments to local governments.—A portion of all payments received by the State of New Mexico under paragraph (1) shall be used for the equipment and training needs of the health care community for purposes of responding to emergencies arising from the operation of WIPP or the transportation of transuranic radioactive waste to WIPP.

(4) Economic impact monitoring function.—A portion of all payments received by the State of New Mexico under paragraph (1) shall be used to establish a Socioeconomic Impact Monitoring Group within the Waste Management Education and Research Consortium to undertake an annual review of activities at WIPP.

(b) WIPP-Related Business and Employment Opportunities.—To the maximum extent practicable, the Secretary shall continue to encourage business and employment opportunities related to WIPP that may be conducive to the economy of the State of New Mexico, especially Lea and Eddy counties, and report annually to the State of New Mexico on these activities.

SEC. 14. TRANSPORTATION.

(a) Shipping Containers.—No transuranic radioactive waste may be transported by or for the Secretary to or from WIPP, except in packages that have been certified for the transportation of transuranic radioactive waste by the Nuclear Regulatory Commission and have satisfied the Nuclear Regulatory Commission's quality assurance provisions.

(b) Accident Prevention and Emergency Preparedness.—

(1) Training.—

(A) In general.—In addition to activities required pursuant to the December 27, 1982, Supplemental Stipulated Agreement, the Secretary shall provide technical assistance for the purpose of training public safety officials, and other emergency responders as described in part 1910.120 of title 29, Code of Federal Regulations, in any State or Indian tribe through whose jurisdiction the Secretary plans to transport transuranic radioactive waste to or from WIPP. Within 30 days of the date of the enactment of this Act, the Secretary shall submit a report to the Committee on Energy and Natural Resources of the Senate and the Committees on Interior and Insular Affairs and Energy and Commerce of the House of Representatives and to the States and Indian tribes through whose jurisdiction the Secretary plans to transport transuranic radioactive waste on the training provided through fiscal year 1992.

(B) Ongoing training.—If determined by the Secretary, in consultation with affected States and Indian tribes, to be necessary and appropriate, training described in subparagraph (A) shall continue after the date of the enactment of this Act until the transuranic radioactive waste shipments to or from WIPP have been terminated.

(C) Review of training.—The Secretary shall periodically review the training provided pursuant to subparagraph (A) in consultation with affected States and Indian tribes.

(D) Components of training.—The training provided pursuant to subparagraph (A) shall cover procedures required for the safe routine transportation of transuranic radioactive waste, as well as procedures for dealing with emergency response situations, including—

(i) instruction of government officials and public safety officers in procedures for the command and control of the response to any incident involving the waste;

(ii) instruction of emergency response personnel in procedures for the initial response to an incident involving transuranic radioactive waste being transported to or from WIPP;

(iii) instruction of radiological protection and emergency medical personnel in procedures for responding to an incident involving transuranic radioactive waste being transported to or from WIPP; and

(iv) a program to provide information to the public about the transportation of transuranic radioactive waste to or from WIPP.

(2) Equipment.—The Secretary may enter into agreements to assist States through contributions in-kind, in acquiring equipment for response to an incident involving transuranic radioactive waste transported to or from WIPP.

(c) Santa Fe Bypass.—No transuranic radioactive waste may be transported from the Los Alamos National Laboratory to WIPP until—

(1) all of the funds necessary for the cost of construction of the Santa Fe bypass have been appropriated by the Congress or the State of New Mexico; or

(2) the Santa Fe bypass has been completed.

(d) Study of Transportation Alternatives.—

(1) In general.—The Secretary shall conduct a study comparing the shipment of transuranic radioactive waste to the WIPP facility by truck and by rail, including the use of dedicated trains, and to submit a report on the study in accordance with paragraph (2). Such report shall include—

(A) a consideration of occupational and public risks and exposures, and other environmental impacts;

(B) a consideration of emergency response capabilities;

(C) an estimation of comparative costs; and

(D) findings and recommendations.

(2) Report.—The report shall be submitted to the Speaker of the House of Representatives and the President pro tempore of the Senate not later than July 1, 1993.

(3) Funding.—Of appropriated amounts described in section 13(a)(1)(B), the Secretary shall use an amount not to exceed $300,000 to carry out the study required under this subsection.

SEC. 15. ENVIRONMENTAL EVALUATION GROUP.

(a) Access to Data, Reports and Meetings.—The Secretary shall—

(1) provide the EEG with free and timely access to data relating to WIPP produced or obtained by the Secretary or contractors of the Secretary;

(2) provide the EEG with preliminary reports relating to WIPP; and

(3) permit the EEG to attend meetings relating to WIPP with expert panels, peer review groups, and appropriate Federal agencies.

(b) EVALUATION AND PUBLICATION.—The EEG may evaluate and publish analyses of the Secretary's plans for test phase activities, monitoring, transportation, operations, decontamination, retrieval, performance assessment, compliance with Environmental Protection Agency standards, decommissioning, safety analyses, and other activities relating to WIPP.

(c) CONSULTATION AND COOPERATION.—The Secretary shall consult and cooperate with the EEG in carrying out the requirements of this section.

SEC. 16. AUTHORIZATIONS OF APPROPRIATIONS.

(a) TRANSFERS TO ADMINISTRATOR.—

(1) IN GENERAL.—The Secretary is authorized to transfer to the Administrator for the purpose of fulfilling the responsibilities of the Administrator under this Act, $10,000,000 for fiscal year 1992, $12,000,000 for fiscal year 1993, $14,000,000 for fiscal year 1994, and such sums as may be required for fiscal years 1995 through 2001.

(2) REPORT.—The Administrator shall, not later than September 30, 1993, and annually thereafter, issue a report to the Committees on Interior and Insular Affairs and Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate on the status of and resources required for the fulfillment of the Administrator's responsibilities under this Act.

(b) TRANSFERS TO MSHA.—The Secretary is authorized to transfer to the Mine Safety and Health Administration such sums as may be necessary for the purpose of fulfilling its responsibilities under section 6(c)(4).

(c) ACQUISITION OF LEASEHOLD.—There are authorized to be appropriated to the Secretary such sums as may be necessary to acquire the 1,600 acre potash leasehold within the Withdrawal, comprising a portion of Federal Potash Lease No. NM 0384584, and the Federal Oil and Gas Leases No. NMNM 02953 and No. NMNM 02953C.

The CHAIRMAN. Are there any amendments to section 1?

AMENDMENTS OFFERED BY MR. KOSTMAYER

Mr. KOSTMAYER. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. KOSTMAYER:

In section 2(6), strike "section 8(b)" and insert "section 8".

In section 2(15)(B), strike the comma.

In section 2(15)(C), strike "section 3(a)(3)" and insert "section 6(c)(5)".

In section 3(a), strike paragraph (2) and insert the following:

(2) RESERVATION.—Such lands are reserved for the use of the Secretary of Energy for the construction, experimentation, operation, repair and maintenance, disposal, shutdown, monitoring, decommissioning, and other authorized activities associated with the purposes of WIPP as set forth in section 213 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980 (Pub. L. 96-164; 93 Stat. 1259, 1265), and this Act.

In section 14(d)(1), strike "and to submit" in the 1st sentence and insert "and shall submit".

In section 16, strike subsections (a) and (b) and insert the following:

(a) FOR ADMINISTRATOR.—

(1) IN GENERAL.—There are authorized to be appropriated to the Administrator for the purpose of fulfilling the responsibilities of the Administrator under this Act, $10,000,000 for fiscal year 1992, $12,000,000 for fiscal year 1993, $14,000,000 for fiscal year 1994, and such sums as may be necessary for fiscal years 1995 through 2001.

(2) REPORT.—The Administrator shall, not later than September 30, 1993, and annually thereafter, issue a report to the Committees on Interior and Insular Affairs and Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate on the status of and resources required for the fulfillment of the Administrator's responsibilities under this Act.

(b) TRANSFERS FROM SECRETARY TO ADMINISTRATOR AND MSHA.—The Secretary is authorized to transfer from amounts appropriated for environmental restoration and waste management for fiscal years 1992 and 1993, and (to the extent approved in appropriation Acts) for fiscal years 1994 through 2001, such sums as may be useful for the purpose of assisting in the fulfillment of the responsibilities of the Administrator under this Act and the Mine Safety and Health Administration under section 6(c)(4).

Mr. KOSTMAYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc, considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KOSTMAYER. Mr. Chairman, this set of en bloc amendments would, besides correcting several strictly technical errors, also correct two other problems with the compromise bill now before us.

First, it corrects the remaining reference to a temporary land withdrawal which was part of the Interior and Energy bill. We have now made the land withdrawal permanent.

Second, it clarifies language authorizing appropriations for EPA to fulfill its role under the bill, authorizing the Secretary of Energy to transfer funds to EPA from its environmental restoration and waste management budget for those purposes as outlined in the bill.

The amendments have been cleared, both by the majority and by the minority, of all three committees of jurisdiction.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. Mr. Chairman, I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Chairman, for the sake of our colleagues, let me simply confirm that the minority has examined the amendments and has no objection to the amendments.

Mr. KOSTMAYER. Mr. Chairman, I appreciate the support of the gentleman from Arizona.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Pennsylvania [Mr. KOSTMAYER].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDSON:

At the end of section 6(b) (relating to requirements for commencement of test phase activities), insert the following new paragraph:

(8) COMPLIANCE WITH DISPOSAL STANDARDS.—

(A) DOCUMENTATION BY SECRETARY.—The Secretary has submitted sufficient documentation to the Administrator to demonstrate that the WIPP facility will comply with the final disposal standards.

(B) CERTIFICATION BY ADMINISTRATOR.—The Administrator has certified by rule pursuant to chapter 5 of title 5, United States Code, that the WIPP facility will comply with the final disposal standards.

Mr. RICHARDSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. RICHARDSON. Mr. Chairman, I rise to offer an amendment that simply requires that before any radioactive waste is emplaced in WIPP, the Environmental Protection Agency certify that WIPP will comply with the standards for radioactive waste disposal.

This amendment is essential because WIPP is already exempt from most of the health and safety regulations nearly every other nuclear facility has to comply with, including the Nuclear Regulatory Commission's [NRC] licensing requirements. For example, at Yucca Mountain, the proposed high-level waste repository in Nevada, NRC requires documentation demonstrating that the facility will be safe for permanent disposal before construction. This is not the case at WIPP. WIPP has already been constructed and the Department of Energy wants to conduct a series of radioactive tests inside WIPP before EPA's disposal standards are met. At the very least DOE should be required to prove WIPP is safe before emplacing radioactive waste in the facility.

DOE claims it must conduct such tests inside WIPP to determine whether or not WIPP will comply with EPA's disposal standards. However, recent reports by the National Academy of Sciences and Sandia National Laboratories clearly state such tests will not provide the necessary information. Let me point out the scientific facts.

Fact No. 1, dry bin tests: The dry bin tests, the first proposed for WIPP, are not necessary. The recent NAS report states:

> Dry bin tests will not provide useful information regarding long-term gas generation in a transuranic waste repository. The Panel considers this a serious misallocation of resources that could be much more effectively used in other parts of the WIPP program.

Fact No. 2, wet bin tests: The wet bin tests have no discernible scientific basis. The NAS report concludes:

> If underground testing precludes sampling of brine in the wet bins, the tests should be done elsewhere.

Furthermore NAS states:

> The panel has not been convinced by the scientific rationale, as presented, for the underground gas generation tests. In particular, the plan to conduct a large number of expensive bin tests and to terminate the experiments after five years has no discernible scientific basis.

The Sandia report states:

> If sufficient waste characterization cannot be achieved, then bin-scale tests may not be technically warranted.

Fact No. 3, alcove tests: The alcove tests may never take place and are not cost-effective. The NAS report states:

> Plans for alcove tests have not yet been developed to the point where the panel can review them. * * * This statement clearly indicates that the alcove tests may not be carried out at all.

The Sandia report states:

> An alcove test is not a cost-effective way to gather post-closure gas generation information.

The Environmental Evaluation Group, an independent scientific organization established to monitor WIPP activities, which has always maintained that nuclear waste tests do not need to be conducted inside WIPP, had the following response to the new WIPP reports:

> There is a way to proceed on WIPP in a scientific way, and there is another way that satisfies the bureaucrats' desire to bring the first drum underground. * * * The scientific justification coming out is extremely flimsy to do any tests with radioactive waste at WIPP, and attempts are being made to justify it for some as-yet undefined reasons.

The scientific facts are clear: DOE's proposed tests inside WIPP will not provide the information needed to determine whether or not WIPP will comply with EPA's disposal standards. The people of New Mexico should not be subjected to unnecessary health and safety risks by conducting tests in WIPP that will provide no significant information.

Critics of my amendment are quick to point out that H.R. 2637 prevents DOE from conducting unnecessary radioactive tests inside WIPP because the bill requires EPA to certify that the tests are necessary to determine compliance with the disposal standards. The point is, however, that we already know from the country's top scientists that radioactive tests in WIPP are unnecessary, why buck this question back to the EPA. This will only allow DOE to waste more time and money in an attempt to justify bringing a few bins of waste to WIPP.

Furthermore, since EPA's decisions on the test plan are subject to judicial review, EPA approval of any tests will likely wind up in the courts causing more delays in opening WIPP.

Instead, DOE should begin focusing on tests that will provide the necessary information to demonstrate compliance with the EPA disposal standards. My amendment will not preclude DOE from gaining the information necessary to determine whether or not WIPP is safe—all the scientific information needed can be gained from conducting tests in laboratories which provide for a controlled environment.

If we are ever to determine whether WIPP is safe or unsafe, Congress must separate politics from science. DOE has spent a billion in taxpayer dollars constructing WIPP. We should now focus on tests which provide information on the long term suitability of WIPP—not tests that "have no discernable scientific basis." It is time to tell DOE enough is enough—prove WIPP is safe and then ship radioactive waste.

I urge my colleagues to support my amendment requiring EPA to certify that WIPP will comply with the disposal standards before any radioactive waste is emplaced in WIPP. My amendment is supported by the State attorney general of New Mexico, the State attorney general of Texas, and all national environmental organizations, including the League of Conservation Voters.

□ 1820

Mr. COLEMAN of Texas. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me say that I rise in support of the Richardson amendment. I know that there have been a lot of comments and statements concerning it that created some concern, I think, in a lot of the Members about whether this was wise or not to adopt this piece of legislation.

I should say at the outset that I am most concerned in my west Texas congressional district, which lies due south and, as a matter of fact, due east even of this proposed site of the WIPP site. And the citizens there in my district are most concerned about low-level radioactive waste and, as a matter of fact, have asked me how it is that the NRC or the DOE or some of these other agencies, the EPA, could not have continuing control over those kinds of facilities or concern about any level of radioactivity that may affect them and our future and our own area and our own part of the country. How can they wash their hands of it completely? Is not this, after all, a part of the health and safety and welfare of the American people?

Well, I submit to my colleagues, it is. Whether it is in remote areas of Nevada, or New Mexico, Arizona, west Texas, wherever it might be, I do not really believe that many of us would agree that we should not have the most oversight we could possibly have when we are talking about our future generations of Americans in deciding on facilities.

Let me also say to my colleagues that my attorney general in the State of Texas, Attorney General Dan Moralez, sent us a letter in the Texas delegation at least asking us to support the Richardson amendment for a very simple reason, and that is the safety and welfare of the citizens in our State as well as those of New Mexico.

The releases of radioactivity from WIPP would almost certainly affect many people in our region of the country. The site is within 15 miles of the Texas border. Prevailing winds blow in west Texas and underground releases, should they ever occur, could, of course, contaminate one of our major rivers, the Pecos River.

The primary radioactive waste to be disposed of is, of course, plutonium. I think my colleague, the gentleman from South Carolina [Mr. SPRATT] certainly his statement about its effects should cause concerns for all of us. Also I think many Members should understand that we have to transport this waste to such a site, even though it is isolated. And it is going to have to go through many parts of the country. Certainly, to the extent we border it on the south and east, I imagine much of it will come through our State of Texas.

I would only point out that since almost 8,000 shipments, which was, by the way, the number of shipments that was estimated by the supplemental environmental impact statement, predicted we would have coming across Texas or would pass through Texas, that is fully 25 percent of the total number of shipments.

So I have to say that I think there is an appropriate level of concern on the part of my attorney general, and I would say one other thing. And that is that while most of us that are concerned about low-level radioactive waste, in fact, I even got an amendment authorized in the Committee on Rules once to permit oversight at higher levels than just the State commission, which may not have located a site. I know they did not in my State locate a site in its most geologically sound location but rather did it on a political basis, fewer people, fewer representatives to worry about, steam rollered them because the rest of the country wanted it in New Mexico or Nevada, steam rollered them because a low-level site in west Texas has fewer Representatives.

I would only say that my concern here today with the actions of the Department of Energy indicate to me that I am not so sad about losing Federal authority over low-level, even though it will kill a person, too, because quite honestly, the Department of Energy, in my view, has done a very poor job in its husbanding of this overall issue.

Certainly I think that the Department of the Interior's own attempted allowance of WIPP to begin operations without congressional land withdrawal legislation that caused the State of Texas and New Mexico to be in court on three separate occasions, as was pointed out by my colleague, the gentleman from New Mexico [Mr. RICHARDSON], indicates that, gee whiz, even at the level we are not so good.

So I would just say, I think that we should really not be afraid of the Richardson amendment. But if we have an opportunity to at least tighten it down, to give us some additional controls by authorizing EPA to at least look at it a last time, then I think it is well worth adoption of this amendment. And I would urge my colleagues to do so.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the requisite number of words.

During the consideration of the bill by the subcommittee and then the full committee and then on the Committee on Energy and Commerce, on which the gentleman from New Mexico [Mr. RICHARDSON] and I served, the gentleman from New Mexico [Mr. RICHARDSON] worked very hard for the adoption of this. He has made clear to all of us who have served with him the goals and the objectives of the people of New Mexico. And whatever the outcome of the amendment this evening here in the House, he certainly deserves their gratitude.

□ 1830

He has been a hard and diligent fighter on their behalf.

Earlier in the evening the gentleman from Arizona [Mr. KYL] and I think the gentleman from California [Mr. MOORHEAD] and some others spoke and essentially said that the bill goes too far. I do not think it goes too far. Now we have folks on this side saying it does not go far enough.

This bill goes right down the middle. It is perhaps not pleasing to either side, but I would just ask the Members to remember a couple of things. This bill does not give DOE permission to conduct any test it wants underground. Because of a very strong provision which we have included in the legislation, DOE must go to EPA and get permission to conduct any test underground, and they must demonstrate to EPA that that test is necessary.

The gentleman from New Mexico mentioned a report by the National Academy of Sciences which indicated that there were a number of tests which they felt could be performed above ground and were not necessary to be performed below ground. That is true, but that does not speak to all of the tests. There are other tests which they need to perform underground.

Keep in mind that the maximum amount of material they would be permitted to use is one-half of 1 percent. Do not deny the National Academy of Sciences, do not deny EPA, do not deny the environmental groups, do not deny DOE the option of conducting limited but necessary tests underground to prove that this facility is absolutely safe.

Mr. EVANS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Mexico. Some would say that this amendment is an attempt to halt WIPP in its tracks. This is simply not the case. What this amendment simply asks for is caution, caution that this House should exercise fully in light of the checkered history of DOE's management of the nuclear weapons production complex.

We have an almost $200 billion cleanup bill hanging over our heads due to the decades of environmental abuse from nuclear weapons production. DOE put the environment on the back burner. We should not let them rush us into making another multibillion-dollar mistake.

The Richardson amendment simply requires the DOE to demonstrate compliance with EPA's nuclear waste disposal standards before any radioactive waste can be put in WIPP. We must be sure of one thing, that once we place waste in the ground, we have the maximum guarantee that the environment around WIPP will be safe for centuries and that future generations will never be exposed to its radioactive contents.

We now have a chance, with this new facility, to change the way DOE operates so that the integrity of the environment and the health of the people surrounding DOE facilities come first. The Richardson amendment ensures this. The bill before us today would be incomplete without it.

Mr. MOORHEAD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I seek recognition in opposition to the amendment offered by the gentleman from New Mexico. H.R. 2637, as now written, does not permit testing of waste in WIPP until EPA has promulgated standards for the disposal of spent nuclear fuel, high-level radioactive waste, and transuranic radioactive waste. This requirement contained in the bill imposes delay that costs taxpayers $14 million a month.

This amendment goes even further to postpone the tests that DOE can undertake at WIPP, by making them subject to the requirement that EPA must not only promulgate the disposal standards, but also make them final through the rulemaking process, and then certify the compliance of WIPP with the standards prior to the introduction of any waste at WIPP. I, for one, cannot imagine how EPA could make that certification without data on how transuranic radioactive waste will behave in WIPP. Yet if WIPP is unavailable for testing, from where are these data supposed to come?

The supporters of the amendment contend that DOE can test waste somewhere else" and generate the data necessary to reach a decision about disposal in WIPP. But why, if WIPP is available for testing, should we not test in WIPP; WIPP is the proposed repository for transuranic radioactive waste. I can scarcely think of any place to collect data better than the site where disposal will occur, if it is found to be suitable.

I recognize the concerns of the gentleman from New Mexico about the difficulty of removing waste from WIPP, once it is placed there, even for testing. But both the bill and independent regulatory requirements and design criteria, require retrievability. Those requirements are better guarantees that what goes down can also come back up than the amendment from the gentleman from New Mexico.

I urge my colleagues to oppose the gentleman's amendment.

Mr. WOLPE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am a cosponsor of the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON], and strongly urge its approval by this House. Although I have explained why I will vote against the underlying bill, realistically, it is likely to pass. Therefore, adoption of the Richardson amendment is critical in order to mitigate a very severe shortcoming of H.R. 2637.

The bill before us will authorize DOE to emplace waste in WIPP for the purposes of testing. Before DOE may permanently dispose of waste in the facility, it must demonstrate that WIPP can comply with EPA standards for permanent nuclear waste repositories. The Department has told Congress for years that in situ testing at WIPP is essential for obtaining the data needed to demonstrate compliance with EPA standards.

Yet, the fact of the matter is that after 5 years and hundreds of millions dollars of effort, the Department is still unable to develop a test plan that justifies the emplacement of waste in the facility. Additionally, the standards do not require testing to show compliance, nor does DOE have any plans to conduct tests at the high-level waste repository in Nevada, where the same standards apply.

Indeed, just last month, the National Academy of Sciences WIPP Review Panel concluded that DOE's proposed test plan did not provide a convincing scientific rationale for in situ tests.

DOE's plan to place 3,800 drums directly in alcoves mined in the facility have been effectively abandoned since 1990 due to unresolved operational, safety and environmental problems. The NAS panel concluded that such tests are still so undeveloped that it could not even evaluate them.

In fact, a draft report issued last month by Sandia National Lab—DOE's own scientific adviser on the test program—stated the alcove tests were not a cost-effective way to determine compliance with EPA standards.

The remaining portion of the Department's plan calls for sealing less than 1,000 drums in 200 bins, and placing those tests—whether they are in WIPP or at a DOE facility where waste is currently stored will have no impact on the test results, because the test environment will be the same—the inside of a sealed bin. Indeed, the Department itself has admitted that the bin tests do not have to be performed at WIPP.

Even the NAS WIPP panel said there is no discernable scientific basis to DOE's planned 5-year bin tests and that it considered the tests a serious misallocation of resources.

Sandia National Lab said the bin tests "may not be technically warranted", and suggested that even if they were, only 24 bins—the equivalent of only 144 drums or 4 truckloads of waste—would be sufficient. These unflattering critiques, and dramatic reductions in the amount of waste needed for testing, come after DOE has been trying to justify such tests for 5 years.

The game here is very clear. DOE has no scientific basis for conducting tests at WIPP. It simply wants to make a political statement about the status of the project by getting some waste into the facility.

This adventure is not without costs. Transporting those bins across the country, lowering them into the facility, and placing them in caverns subject to collapse all create added environmental and health risks—for no scientific purpose. We will not be acting responsibly if we subject our citizens and the environment to those risks simply to allow DOE to make a political statement.

Moreover, DOE's posturing has already cost this project critical time and information. For quite some time, the Department has rejected advice to initiate above ground bin tests while it tried to develop a legitimate in situ test plan. Had it followed that suggestion, the Department would already be obtaining some of the data that it claims is critical to determining WIPP's compliance with the EPA standards. Apparently, the Department was willing to sacrifice that valuable time and information to ensure that its campaign to place waste in the facility would not be undermined.

The Richardson amendment will require DOE to conduct its experiments above ground and demonstrate compliance with the EPA standards before any waste is placed in the facility. This is a responsible approach, one confirmed by DOE's own scientific advisers on this issue, and one that will yield the same data DOE hopes to get by in situ emplacement.

Mr. Chairman, I urge my colleagues to support the amendment.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in the interests of time I am not going to reiterate the arguments that have already been made against the Richardson amendment. I believe that they have been very carefully and cogently stated. There is one other element involved here that I think just needs to be pointed out.

I think it would be virtually impossible for anybody in this Chamber, including the author of the amendment, to give any kind of accurate estimate as to how much time it would take to comply with the Richardson amendment before WIPP could be opened. A new test protocol would have to be devised, describing how the test would be carried out, describing where it would be carried out.

New State and Federal permits would have to be issued to cover not just the testing protocol itself but the location at which the test would be carried out and the duration of the test.

□ 1840

Each one of those steps would be subject to delay along the way, and the process just simply would stop, and there would be no guarantee, no indication whatsoever as to whether an aboveground testing program could take place, how long it would take, and how much more that would delay the opening of a completed facility, a facility that is ready for operation, ready for testing, and it is costing $14 million a month to sit empty.

The Richardson amendment is ill-advised, ill-conceived, and is clearly designed to indefinitely delay the point in time in which the WIPP facility could be used for testing and ultimately be open for the permanent storage of transuranic waste.

Mr. KYL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, since reference was made to the National Academy of Sciences, I wanted to read a letter dated June 23 to the chairman of the Committee on Armed Services, the chairman of the Committee on Energy and Commerce, and the chairman of the Committee on Interior and Insular Affairs from the president of the National Academy of Sciences, Frank Press. He says:

NATIONAL ACADEMY OF SCIENCES
Washington, DC, June 23, 1992.

Hon. LES ASPIN,
Chairman, Committee on Armed Services.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce.

Hon. GEORGE MILLER,
Chairman, Committee on Interior and Insular Affairs.

DEAR CONGRESSMEN: As you may know, the National Academy of Sciences' Board on Radioactive Waste Management has had a panel on the Waste Isolation Pilot Plant (WIPP) for over twelve years to advise the U.S. Department of Energy on the scientific and technical program for evaluating WIPP as a potential repository for transuranic wastes. Over this time we have issued a number of reports endorsing the WIPP concept and, indeed, believe that WIPP should be an important part of the national radioactive waste management program.

On June 17, 1992, our WIPP panel issued a report (copy attached) that again expressed confidence in and support for the WIPP as a potential TRU waste repository.

And this is the key sentence:

The report reiterates the panel's support for the conduct of underground experiments with radioactive waste at WIPP. The report makes specific suggestions for improving the effectiveness of the experimental program at the WIPP site. The panel hopes that the Department of Energy will use this advice to reassess the balance between various aspects of the experimental program.

It is unfortunate that some newspaper accounts of the report misinterpreted the panel's findings, but I wish to assure you of the panel's continued support for an underground testing program with TRU wastes at WIPP.

Yours sincerely,
FRANK PRESS,
President.

Mr. Chairman, I hope this allays any concerns that any of our colleagues would have that the National Academy of Sciences did not fully support proceeding with the conduct of underground experiments of radioactive waste at WIPP.

Mr. RICHARDSON. Mr. Chairman, will the gentleman yield?

Mr. KYL. I am happy to yield to the gentleman from New Mexico.

Mr. RICHARDSON. Mr. Chairman, I have here in front of me a letter from a member of the panel of Dr. Press' strongly objecting to Dr. Press' turnaround. I think the gentleman knows that.

Mr. KYL. Reclaiming my time, no, the gentleman mischaracterized Mr. Press' comments as a turnaround. The president of the National Academy of Sciences, Mr. Press, refers specifically to the report and says the report reiterates the panel's support for the conduct of underground experiments with radioactive waste at WIPP. That is not a turnaround in position.

Mr. RICHARDSON. It is a turnaround at the pressuring of the Department of Energy. The report of the NAS panel is very clear that they said the tests are not necessary. When that came out in the papers, DOE asked Dr. Press to change his position, and that is the letter the gentleman is referring to.

Mr. KYL. Reclaiming my time, if that allegation had been made regarding a Member of this body, it would clearly have been inappropriate, and since it refers to the Cabinet of the President, I conclude it is inappropriate, because it suggests that inappropriate motives or activities were at work here by the Department of Energy. I know of no evidence to suggest that the Department of Energy caused anybody to change anybody's mind.

This is the letter sent to the three chairmen. They opposed this amendment. The National Academy of Sciences says underground experiments of radioactive waste are required.

I support the comments of others here who have said do not upset this bill by adopting the Richardson amendment.

I also urge that it be defeated.

Mr. SPRATT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, as we have stated at the outset, this WIPP facility has been completed at a cost to date of $1.2 billion. What the bill before us would allow us to do is not open it for operation to receive waste permanently but simply to test it, to begin testing the facility that cost over a billion dollars to see whether it can meet the requirements for long-term disposal of waste that has been contaminated with plutonium.

What the Richardson amendment will do is prevent the Department of Energy from using this billion dollar facility, using any waste, any actual waste for purposes of testing. Instead, the Richardson amendment apparently would have us simulate the conditions or use laboratories. It leaves unsaid exactly what we are supposed to do, but it prohibits the use of actual waste.

Mr. Chairman, I submit that the best evidence in this case is the facility itself. This facility has been constructed and completed at a cost of $1.2 billion, and the best test of whether or not it is capable of receiving and storing this waste over the long term is the facility itself and not some simulated facility.

As my colleague from Arizona has asked, where will these facilities be replicated, simulated? What will we use? Will we go aboveground in Idaho, South Carolina, Tennessee, California, places where this waste is scattered about and temporarily stored and construct some facility that has not yet been permitted for which there is no EIS yet on file, throw something up and then simulate the conditions? Surely, if we do that, when this alternate set of tests has been completed, the critics will come forward and say:

> Well, you have not exactly replicated the circumstances, the conditions that obtain in a salt dome 2,150 feet below the surface have not been replicated in your laboratory, and so you are overextrapolating your conclusions.

I can hear it coming.

What we have provided for in this bill, carefully crafted, is a set of conditions that will see if the waste is placed here it will be limited in volume to one-half of 1 percent of the total volume or capacity of the WIPP facility; second, that nothing will be put there until EPA has issued on promulgated the final regulations for waste disposal, nothing, so that we can determine whether or not it complies with these regulations; third, that nothing will be placed there until EPA has approved the test program and the test plan for putting it there; and, finally, that nothing will be kept there or put there unless EPA certified at the outset, and then periodically thereafter, that the waste can be retrieved, it can be taken out of the facility if it appears that it is not going to comply for long-term disposal.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Texas.

Mr. COLEMAN of Texas. Mr. Chairman, I guess the problem I am having is everybody alleges the Richardson amendment will prohibit the use of the WIPP facility. I really beg to differ with the gentleman in that the amendment that I have in my hand merely says that you have documentation by the secretary and certification by the administrator. That does not do that.

In fact, if it prohibited it, I do not think it would have the support that it does.

Mr. SPRATT. Reclaiming my time, to answer the gentleman's question, it prohibits the emplacement of waste under these conditions in this facility until the final regulations, until it has been finally certified that it complies with all the regulations, but that cannot be determined until the test program itself can be conducted over a period of 5 to 7 years, and so what it precludes is the use of actual waste in this facility for that purpose.

Let me complete my statement, because I want to address this National Research Council report. There has been much mention that the National Research Council has issued a report that is critical, and I readily acknowledge that, and I am concerned about it also.

But let me point out that the panel has said, as my colleague, the gentleman from Arizona [Mr. KYL] has pointed out:

> The panel emphasizes that it supports underground testing with transuranic waste provided that the underground location does not prevent important tests from being carried out.

I might also point out that the report stated, and I am quoting:

> DOE is making excellent progress with its ongoing performance assessment efforts to determine if WIPP will meet final disposal regulations.

It also stated or concluded:

> The performance assessments completed thus far indicate a high probability that the waste isolation pilot plant will successfully perform as a transuranic waste repository.

Mr. Chairman, contrary to those who read this report as reasons for prohibiting underground testing of true waste, I say that it illustrates the need for a regulatory scheme similar to the one placed in this bill today.

□ 1850

Our bill would require the EPA to act as the independent overseer and regulator. In light of the fact that the NRC did not prohibit such testing I think that the option we have chosen I think is the proper option.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. SPRATT. I yield to the gentleman from Texas.

Mr. COLEMAN of Texas. Mr. Chairman, the NRC does not prohibit much of anything. That is one of our major problems. I do not feel they are very competent about it, nor certainly the DOE after these reports.

Just finally, I understand the panic about, "Well, let's take a 10-year timeframe."

Mr. SPRATT. Reclaiming my time, Mr. Chairman, let me simply say to the gentleman that the best agency for making this decision is not the Congress, but the EPA, and that is what we have done. We have given this authority to the Environmental Protection Agency and we have told them, you decide whether or not actual waste should be placed in this actual repository, not the Congress of the United States.

Let us leave the bill alone with the waste provisions intact.

Mr. COLEMAN of Texas. Mr. Chairman, if the gentleman will yield, that is all we are asking the EPA to do in the Richardson amendment.

Mr. JONTZ. Mr. Chairman, I move to strike the requisite number of words.

First of all, I think it is necessary that we clarify what the Richardson amendment does and does not stop. The Richardson amendment, Mr. Chairman, does not delay tests at WIPP.

The fact is that the large majority of tests outlined in the Department of Energy's test plan are basic screening and modeling tests that do not require the emplacement of radioactive waste at WIPP.

The second point is that the DOE is not prepared to begin radioactive tests at WIPP. They do not have the waste ready for the tests at WIPP. They only have 4 dry bins of waste prepared for WIPP tests out of a proposed 200, and it has taken them over a year to prepare those 4 bins. That is not even a full truck load.

So the notion that somehow if the Richardson amendment passes that progress will stop at WIPP and that everything will grind to a halt just is a misimpression being created by those who oppose this amendment.

Second, I think it is necessary to speak to the position of the National Academy of Sciences. I have here a letter sent by the Assistant Secretary of the Department of Energy I would say directing Dr. Press to write a letter. This is a letter from the Assistant Secretary, Leo Duffy of the Department of Energy, dated June 22, and he is giving Dr. Press one day to send comments to these various chairmen that have been referenced in the letter, and if this is not direction from the Administration, I do not know what is.

Mr. Chairman, I will include this letter in the RECORD at this point.

DEPARTMENT OF ENERGY,
Washington, DC, June 22, 1992.

DR. FRANK PRESS,
President, National Academy of Sciences, Washington, DC.

DEAR DR. PRESS. Thank you for the opportunity to discuss the June 17, 1992, letter report of the National Academy of Sciences (NAS) Panel on the Waste Isolation Pilot Plant (WIPP) on planned test phase activities.

The Department of Energy (DOE) is pleased the NAS agrees that current WIPP performance assessment studies indicate a high probability that the WIPP would perform successfully as a transuranic waste repository. The DOE appreciates also your continued support for the need to conduct a balanced test program which utilizes radioactive waste experiments underground at the WIPP, as stated in the Panel's letter report and confirmed during our conversation today.

As you know, the DOE and NAS Panel have been meeting regularly to discuss the WIPP research and development program. The NAS Panel report contains many recommendations and conclusions that, when taken as a whole, are consistent with previous letter reports and Panel input at recent quarterly meetings. However, statements from the latest NAS Panel report, if taken out of context, could lead to confusion over the NAS endorsement of the Test Phase at WIPP.

In our conversation today, you confirmed that NAS support for the Test Phase with transuranic waste remains unchanged and that the NAS clearly supports underground testing. The Panel's report contains sentences in which multiple conclusions are combined although the ultimate statement may only apply to one conclusion. As we discussed today, it is confusing that some statements relating to the test program may appear to indicate that the NAS has somehow changed its past support for underground testing in the WIPP.

The DOE recognizes that the focus of the NAS Panel is on compliance with the Environmental Protection Agency (EPA) standards at 10 CFR 191 Subpart B, although the needs of the WIPP program go well beyond this. The DOE testing program must also address compliance with other requirements, including provisions of the Resource Conservation and Recovery Act, the No-Migration Determination of the EPA, and the requirements of 10 CFR 191 program, and that 5 years was the termination point for the performance assessment. My understanding, based on our conversation today, is that the termination of testing was the basis for the Panel's "no desirable scientific basis" statement. I would appreciate it if the NAS would clarify its position on the need for underground testing at the WIPP and direct these comments by Wednesday, June 23, 1992, to the Chairman of the House Committee on Energy and Commerce, Congressman John D. Dingell; the Chairman of the House Committee on Interior and Insular Affairs, Congressman George Miller; and the Chairman of the House Committee on Armed Services, Congressman Les Aspin. This is an extremely controversial issue as many are taking the NAS letter report out of context.

I strongly support the issues you have addressed and again thank you for your clarification that the NAS supports the need for underground testing with transuranic waste.

Sincerely,
LEO P. DUFFY,
Assistant Secretary for Environmental Restoration and Waste Management.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. JONTZ. I am happy to yield to the gentleman from Arizona.

Mr. KYL. Mr. Chairman, would the gentleman favor us with the specific language that directs the chairman of the committee to "change its position"?

Mr. JONTZ. Certainly. "I would appreciate it if the National Academy of Sciences would clarify its position on the need for underground testing."

Now, that is very diplomatic, but if that is not a directive from the administration, I do not know what is.

Now, I have right here this statement from the National Academy of Sciences. I have gone through it section by section. They have criticized in virtually every case the proposal from the Department of Energy.

We can go right to the section here on the bin test. The National Academy panel does say that it supports the notion of underground testing, provided, first, that the underground location does not prevent tests from being carried out because of the brine situation, and second, that the tests be continued for sufficient time to provide useful information, and they go on to say, "The 5-year duration proposed for the underground tests is likely to be shorter than is desirable for such tests."

They go on to say, "The dry bin tests will not provide useful information regarding long-term gas generation."

With regard to the alcove tests, they say that the alcove tests may not be carried out at all and in the absence of the alcove test, only a very limited amount of radioactive waste would be required for the experimental program at WIPP.

The long and short of it is there is no reason why the Richardson amendment should not be in place before radioactive waste is deposited at WIPP.

The scientific rationale for this whole project that has come into question, I think we need to give the DOE time to properly design a scientific rationale for the proposed test program, which is what the National Academy says they should be doing.

The panel has not been convinced by the scientific rationale as presented for the underground gas generation tests, the National Academy says.

I think we ought to give the DOE the time to design a proper scientific rationale for the tests. That will give the EPA time to provide for proper standards, because if we are going to put waste into the ground, if we are going to dispose of it, then there ought to be EPA standards and the DOE ought to be required to test these out.

The record of the DOE is just not that good. The record of the DOE does not argue that they should be given a pass in terms of having to meet these standards.

I think the gentleman from New Mexico makes a very reasonable request.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. JONTZ] has expired.

(At the request of Mr. KOSTMAYER, and by unanimous consent, Mr. JONTZ was allowed to proceed for 1 additional minute.)

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. JONTZ. I yield to the gentleman from Arizona.

Mr. KYL. Mr. Chairman, I appreciate the gentleman yielding to me, and I appreciate the gentleman reading the portion of the letter that he intends to put in, that directs the National Academy of Sciences to "change its position," as if the National Academy of Sciences would change its position on something like this.

I appreciate the fact that the gentleman does not like the clarification that the National Academy of Sciences provided because it specifically supports the conduct of underground experiments with radioactive waste at WIPP, but I do not think that supports the gentleman's contention that somehow the National Academy of Sciences might have skewed its previous recommendations.

Mr. JONTZ. Mr. Chairman, reclaiming my time, I could read very clearly what the National Academy of Sciences had to say originally, and it is very clear that the only way these tests are designed gives them very serious reservations. The National Academy panel specifically asks the Department of Energy to provide a scientific rationale that goes beyond what already exists.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. JONTZ. I yield to the gentleman from Texas.

Mr. COLEMAN of Texas. Mr. Chairman, let me just say that the gentleman from Arizona and others have intimated that there is some ulterior motive here about wanting to stop the thing. I do not think that is a reality. I just think being sure and being safe are important.

We are talking about 12 years is too long and we have spent a lot of money. The reality is the stuff has a 24,000-year half-life.

I really honestly believe if you talk about a decade or 5 years or 2 years or 6 more months, whatever it may take to be certain that we are doing the safest thing possible for our future, is not out of line.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(At the request of Mr. KOSTMAYER, and by unanimous consent, Mr. JONTZ was allowed to proceed for 30 additional seconds.)

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. JONTZ. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, the Richardson amendment will preclude any underground tests, period.

Mr. JONTZ. Mr. Chairman, that is not true. The Richardson amendment precludes the deposit of waste or tests that include the deposit of waste without meeting DOE standards.

Mr. KOSTMAYER. The final EPA standard would not be complied with unless we can conduct these tests underground.

Mr. JONTZ. Reclaiming my time, Mr. Chairman, that just is not true.

Mr. SKEEN. Mr. Chairman, I move to strike the requisite number of words.

I know we are eager to get to a vote, but I have listened to those who are in support of the amendment. I am in opposition to it.

There has been a lot of fearmongering that has gone on, as it usually is when we talk about transuranic or nuclear waste.

Oversight, how much more oversight can you ask for when you have got this group of people in constant oversight now, that is the Environmental Protection Agency, the Defense Nuclear Facilities Safety Board, the Mine Health and Safety Administration, the New Mexico Environmental Department, the New Mexico State Highway and Transportation Department, the National Academy of Sciences, the blue ribbon panel, the Advisory Committee on Nuclear Facility Safety, and the Environmental Evaluation Group.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. SKEEN. I am happy to yield to the gentleman from Texas.

Mr. Chairman, we all still have to go to court. We still have to go to court because the Department of the Interior acted without the withdrawal time.

Yes, we went to court and got a faulty decision out of the court that has been overturned, and the gentleman knows that it has been overturned.

If the gentleman is so concerned about all this wonderful danger and so forth, where have we been for the last several years? Because the temporary storage under which we are living today is an absolute scandal in this country, and if we do not get off the dime and do something about putting this in a permanent repository, we are going to let a situation exist that is totally environmentally unsound, and there is no oversight whatever.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. SKEEN. Yes, I yield to the gentleman from Texas.

Mr. COLEMAN of Texas. Mr. Chairman, I agree with the gentleman, but the gentleman would agree also that he wants it to be safe. We want to be sure it is the most geologically sound site. I know the gentleman does, because it is in his district. We know the area, both of us, fairly well.

Mr. SKEEN. Sure, it is in my district, reclaiming my time. Forget it is my district. It is the safest resolution we have to the problem now, unless somebody comes up with a better one. I am willing to listen to that.

Someone says, "All you are interested in is the economics of this situation." That is not the point at all.

We have got an absolutely intolerable situation going on in this temporary siting and storage proposition that is going on in the United States today. It is time to do something. There is only one facility you can do it with and that is the waste isolation pilot project.

□ 1900

Mr. OWENS of Utah. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Richardson amendment to require compliance with EPA radioactive waste disposal standards before waste is emplaced in WIPP.

Both science and safety support the adoption of the Richardson amendment. There is no scientific reason to conduct experiments inside the WIPP facility, and allowing the Energy Department to proceed with its planned tests, before EPA disposal standards are in place, would increase the hazards to the public.

All of the tests DOE proposes to conduct at WIPP can and should be done in a laboratory. That is not just my opinion. It is the conclusion of the National Academy of Sciences. Just last month, the Academy released a report on DOE's proposed test plan that found, "There is no compelling scientific rationale for conducting these experiments at the WIPP facility."

Who is the better judge of whether this is a scientifically valuable test—EPA or NAS?

The lack of any scientific justification is not the only reason why DOE should not be allowed to proceed with its planned tests at WIPP. The WIPP facility was not designed to be a testing facility; it was designed as a disposal site. Conducting scientific experiments in a laboratory specifically designed for this purpose is at least as good, if not better than doing these experiments at a waste disposal facility.

Instead of wasting time and money in a misguided effort to transform WIPP into something it was never designed to be, DOE should be focusing its efforts on protecting the public from the health and safety hazards associated with WIPP. If anything, DOE's plan to bring wastes to WIPP before complying with EPA disposal standards would increase the risks to the public.

DOE's test plan calls for trucking radioactive wastes to the WIPP before we ever know whether the facility can safely house these wastes. If WIPP fails to meet the EPA standards, it is likely the waste would be returned to its original location using the same routes. If this happens, the people of Utah would be subjected to radiation hazards both coming and going, doubling the risk to their health and safety.

DOE's plan to conduct tests at the WIPP facility sacrifices science and it sacrifices safety so that DOE can say that WIPP is open for business. The National Academy of Sciences' report shows that conducting tests at WIPP makes no sense from a scientific standpoint. What is worse, allowing DOE to proceed with its proposed tests at WIPP needlessly exposes the public to radiation hazards.

The Richardson amendment protects public health by requiring the EPA to certify that DOE complies with the new EPA radioactive waste disposal standards before wastes are emplaced in the WIPP facility. This ensures that WIPP does not receive radioactive waste until it has been shown that the waste can safely remain there. And the Richardson amendment prevents the DOE from using scientifically questionable tests as a pretense to begin shipping waste to WIPP.

The Richardson amendment is a vote for science and is a vote for safety. I urge my colleagues to support this amendment.

Mr. STALLINGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and my colleagues, I am quite taken by this debate about a very small amount of waste that somehow will create problems to New Mexico if it is allowed to be placed in a billion dollar facility. I find that very intriguing because for the last 40 years tons of that stuff have been sitting in the desert of Idaho and not one of these gentlemen have raised their voices in opposition to that travesty.

I am concerned that the gentleman from Texas [Mr COLEMAN] worries about a little bit of wind draft carrying some of the waste into Texas. Ladies and gentlemen, that has been sitting in the desert of Idaho for 40 years, percolating down into the aquifer.

I am concerned about Mr. RICHARDSON's worry about safety. My colleagues, I am concerned about safety. What about tons of waste sitting in the desert of Idaho, promised by the DOE some 40 years ago that it would be temporary? Is temporary another 40 years or into the next century or the full thousands of years of half-life of this material?

I suggest that people of this Nation are correct when they say Congress is in gridlock; because of this kind of nonsense that we are in gridlock, that we fight over insignificant amounts of waste to be placed into a billion-dollar facility so that we can test it.

Now, the three committee Chairs, and the committees, have put together a good package that does provide us a solution. I suggest that the Richardson amendment is a return to gridlock because we know that after a period of time of testing in simulated conditions, that the waste will then be argued that we ought not put it into the ground because we have not tested it under real conditions.

If you think 40 years is a long time for that waste to sit in Idaho, you support the Richardson amendment and it will be there considerably longer.

Now, our State has not complained to this point. Governor Andrus has placed a roadblock, saying, "Folks, keep your waste at home." This stuff is being generated at a variety of facilities around this Nation,. Maybe it ought not come to Idaho. Maybe it ought to stay in the States where it is being generated. Then perhaps we can get a little more support for a resolution to this problem.

But at this point the resolution is continued gridlock. The resolution is: Leave it in Idaho, "Don't worry about it, as long as it is leaving our States. Out of sight, out of mind."

The gentleman from Texas [Mr. COLEMAN] raised earlier the question of transportation. It has been coming to Idaho for 40 years in transportation modes that may be safe. But, folks, let us get the problem solved. Let us take this small step. Let us test some of this waste in this facility. If it does not work, we can retrieve it.

I think we have got to take this step or the American people will be absolutely right on when they say Congress cannot solve basic problems.

We are showing it, we have shown it in the past with our inabilities. We have a package that will work. The committees have done their work. The chairmen are supporting it.

The surprise to me is the great environmental community, whom I have supported at times, who tell us now it is not wise to put a small amount of waste into that hole but somehow that is environmentally unsafe but it is not unsafe to let the waste continue to accumulate.

We have sat it there in boxes and drums, put it through the cold winters and the hot summers. We have no idea what the disposition is.

Mr. JONTZ has suggested earlier that even if it is open, there is not enough waste to put down in that hole. That is not correct. I visited the Idaho National Engineering Laboratory last week. The response was, "Yes; we are characterizing the waste. We will have adequate amounts when that facility is ready to take it."

My colleagues,when you think of this issue and you think of a continued period of gridlock, consider the State of Idaho and the needs there. Consider the fact we have been sitting on this waste, we have been the good neighbors, we have accepted it. It is now on the desert for an extended period of time.

Give us the benefit of this test. Let us move some of that waste so that we can in fact show the American people, show the people of Idaho, that we are doing the right thing.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. STALLINGS. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. I thank the gentleman for yielding.

Mr. Chairman, I wonder if we could wind up debate on this amendment. We have two more amendments. If we could vote on this, we could proceed to the other two and finish the bill quickly.

Mr. STALLINGS. Mr. Chairman, I rise to speak in support of this important legislation and to express my strong opposition to the Richardson amendment.

The waste isolation pilot plant, known as WIPP, was built to determine the feasibility of using the site for permanent disposal of transuranic waste generated by our Nation's nuclear weapons program.

TEST PHASE CRITICAL PART OF WIPP PROGRAM

However, before this critical decision can be made, I believe it is necessary for the Department of Energy to initiate a test program using a limited amount of waste.

The highly qualified scientists and experts with the National Academy of Sciences, blue ribbon panel, EPA, and others agree on the need for a test program. What is being debated are the details, as scientists should in any test program, such as what kinds of tests should be conducted with what amount of waste.

It is important to note that starting the test program does not mean that the WIPP facility is open for permanent waste disposal.

The purpose of the test phase is to develop scientific data essential to evaluating the performance of WIPP as a disposal facility, including its ability to comply with Federal and State environmental regulations.

Furthermore, the underground experiments at WIPP, using a phased approach, will provide valuable operational experience. In addition, the small amount of waste to be placed in WIPP during the test phase would have to be retrievable under this bill.

In short, the test phase will help determine whether WIPP is suitable as a permanent disposal site.

The Richardson amendment, however, will prevent a timely assessment of WIPP's suitability as a disposal site and could needlessly jeopardize the entire project.

COMPROMISE BILL PROVIDES ENVIRONMENTAL SAFEGUARDS

The bill before us today is a compromise version that has been carefully put together by the three committees of jurisdiction: Interior, Energy and Commerce, and Armed Services.

This legislation is a fair and reasonable proposal which provides strong environmental protection safeguards to ensure that the tests will not jeopardize the environment or threaten the health and safety of our citizens.

In addition, numerous oversight and regulatory groups provide independent review of the WIPP program. And safety assurances are already built into the facility and proposed legislation.

RICHARDSON AMENDMENT ENJOYS LITTLE SUPPORT

Let's review briefly who is opposed to the Richardson amendment. From the Interior Committee, Chairman GEORGE MILLER and Subcommittee Chairman PETER KOSTMAYER.

From the Energy and Commerce Committee, Chairman JOHN DINGELL and Subcommittee Chairman PHIL SHARP. And from the Armed Services Committee, Chairman LES ASPIN and Subcommittee Chairman JOHN SPRATT.

The administration also is opposed to the Richardson amendment because it would unnecessarily delay or impede initiation of WIPP test program activities.

And, finally, the Richardson amendment is opposed by a number of our State's Governors, including Idaho Gov. Cecil Andrus, New Mexico Gov. Bruce King, Colorado Gov. Roy Romer, Nevada Gov. Bob Miller, Washington Gov. Booth Gardner, Tennessee Gov. Ned McWherter, and South Carolina Gov. Carroll Campbell.

Recently, the Western Governors' Association adopted a resolution stating the group's support for WIPP and opposition to the Richardson amendment.

These governors recognize the importance of opening WIPP as a permanent disposal facility and the value of initiating the test phase.

I share their concerns about the long-term storage of waste in these States and the need to develop a responsible, national approach to permanent waste disposal.

Supporters of the Richardson amendment fail to acknowledge that the waste that is designated to go to WIPP for test purposes and ultimate disposal is currently stored at Department of Energy facilities all over the Nation, including Idaho.

This temporary storage poses a higher risk than tests conducted at the WIPP facility.

IDAHO SERVES AS TEMPORARY NUCLEAR WASTE SITE

The situation in Idaho is a good example. For nearly 40 years, the Idaho National Engineering Laboratory, located in my district, has been storing transuranic waste until a permanent facility is opened.

Approximately two-thirds of the country's transuranic waste is stacked in drums at the Idaho site. This waste storage method in Idaho is unacceptable.

Some of this waste was placed on asphalt pads in 1970 and has reached its 20-year shelf life. Several years ago, a retrieval investigation was performed to examine the condition of the drums and boxes on one of these pads.

Upon examination, they were found to be rusted. Labels were in poor condition and some of the boxes were breached. The Department of Energy has undertaken a costly program to fix the problem. But ultimately, permanent disposal—rather than a temporary fix—is needed.

In addition, the buried transuranic waste in the DOE complex, including Idaho, is one of the more serious environmental problems facing Energy Department officials.

Trace amounts of plutonium and organic contaminants from the buried waste have migrated into sediments below the Idaho radioactive waste management complex. Without proper management, they pose a risk to the Snake River aquifer, which is my State's economic lifeblood.

I share this background about the nuclear waste problems in Idaho because it highlights the importance of evaluating WIPP and resolving this national nuclear waste crisis.

During debate on this issue, we will focus on the safety of the New Mexico facility. We should not forget, however, that there is a serious problem at Idaho that requires an effective and timely solution.

I take issue with my friends in the environmental community who say that this amendment is needed to protect public health. With all due respect, I must disagree. The bill provides strong environmental protections.

I also find it ironic that they believe it is in the public's best interest to store this nuclear waste in the Idaho desert rather than to begin this important test program.

CLOSING COMMENTS

The Nation's taxpayers have spent more than $1 billion to develop the WIPP facility, which is now ready for testing. And we are spending $14 million per month to maintain the facility. It would be very unfortunate if we do not fully assess the suitability of this facility.

The safe and timely opening of the waste isolation pilot plant is of real concern to me and of vital importance to the people of Idaho and our Nation.

In 1989, I had an opportunity to visit the WIPP facility. I truly believe it offers the best long-term hope this Nation has in resolving its nuclear waste problems.

I want to thank my colleagues for their hard work and cooperation to achieve this compromise. It is time for the House to approve this legislation and open the WIPP facility for scientific testing.

I urge my colleagues to reject the Richardson amendment.

Mr. SYNAR. Mr. Chairman, I rise in reluctant opposition to the amendment. As the gentleman from New Mexico knows, I am extremely sympathetic to issues that he raises.

The DOE's plans to conduct tests at WIPP have been criticized by the General Accounting Office, the New Mexico Environmental Evaluation Group, and the National Academy of Sciences. As he knows, my oversight subcommittee held a hearing last year that looked extensively at the problems with the DOE test program, including the fact that DOE was planning to conduct 10-year tests in an underground room that was going to collapse in just two years. In my opinion, DOE insistence upon conducting the bin and alcove tests in WIPP has wasted hundreds of millions of dollars and caused years of delay.

What I would say to my colleague from New Mexico, is that we have tried to address the problem he has raised by requiring the Environmental Protection Agency to publish the final disposal standards before testing can begin and to determine that the tests that DOE wants to conduct are necessary to demonstrate compliance with those standards. EPA is going to have to make that determination according to the Administrative Procedure Act and its determination will be judicially reviewable. EPA would also have to approve the DOE retrieval plan in the same fashion. In addition, the tests are subject to the waste characterization and other requirements of the EPA no-migration variance.

Again, I am sympathetic to the additional protections that the gentleman seeks to include in his amendment. We have addressed the gentleman's underlying concern, that before DOE can conduct tests with radioactive waste at WIPP they must be approved by an independent regulatory agency against the requirements of final EPA disposal regulations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. RICHARDSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 148, noes 253, not voting 33, as follows:

[Roll No. 287]

AYES—148

Abercrombie
Alexander
Andrews (ME)
Andrews (NJ)
Annunzio
Applegate
AuCoin
Bacchus
Beilenson
Berman
Bilbray
Blackwell
Boehlert
Bonior
Boxer
Brooks
Bryant
Bustamante
Campbell (CA)
Chapman
Coleman (TX)
Collins (IL)
Collins (MI)
Costello
Coyne
de la Garza
DeFazio
DeLauro
Dixon
Dorgan (ND)
Downey
Dymally
Edwards (CA)
Edwards (TX)
Engel
English
Evans
Fascell
Fish
Flake
Foglietta
Frank (MA)
Frost
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Green
Guarini
Gunderson
Hayes (IL)
Hertel
Hochbrueckner
Hughes
Jefferson
Johnson (SD)
Jones (NC)
Jontz
Kennedy
Kennelly
Kildee
Klug
Kopetski
Lantos
Laughlin
Leach
Levin (MI)
Levine (CA)
Long
Lowey (NY)
Machtley
Markey
Matsui
Mazzoli
McDermott
McHugh
McMillen (MD)
Meyers
Mfume
Mink
Moody
Morella
Murphy
Nagle
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Olver
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Pastor
Payne (NJ)
Pelosi
Petri
Porter
Poshard
Rahall
Ramstad
Rangel
Reed
Richardson
Rinaldo
Ros-Lehtinen
Rose
Russo
Sabo
Sanders
Sangmeister
Savage
Scheuer
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Sikorski
Slaughter
Smith (FL)
Smith (NJ)
Snowe
Solarz
Stark
Studds
Swett
Torres
Unsoeld
Valentine
Vento
Vucanovich
Walsh
Washington
Waters
Waxman
Weldon
Wheat
Wilson
Wolpe
Wyden
Yates
Zimmer

NOES—253

Allard
Allen
Anderson
Andrews (TX)
Anthony
Archer
Armey
Aspin
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Bevill
Bilirakis
Bliley
Boehner
Borski
Boucher
Brewster
Broomfield
Browder
Brown
Bruce
Bunning
Burton
Byron
Callahan
Camp
Campbell (CO)
Cardin
Carper
Carr
Chandler
Clay
Clement
Clinger
Coble
Coleman (MO)
Combest
Condit
Cooper
Cox (CA)
Cox (IL)
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
DeLay
Derrick
Dickinson
Dicks
Dingell
Donnelly
Dooley
Doolittle
Dornan (CA)
Dreier
Duncan
Dwyer
Early
Eckart
Edwards (OK)
Emerson
Erdreich
Espy
Ewing
Fawell
Fazio
Fields
Ford (MI)
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Gilchrest
Gordon
Goss
Gradison
Grandy
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hoagland
Hobson
Holloway
Hopkins
Horn
Houghton
Hoyer
Hubbard
Huckaby
Hunter
Hutto
Inhofe
Jacobs
James
Jenkins
Johnson (CT)
Johnson (TX)
Johnston
Kanjorski
Kaptur
Kasich
Kleczka
Kolbe
Kostmayer
Kyl
Lagomarsino
Lancaster
LaRocco
Lehman (CA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Luken
Manton
Marlenee
Martin
Martinez
Mavroules
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
McNulty
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Natcher
Neal (NC)
Nichols
Nussle
Olin
Orton
Oxley
Packard
Parker
Patterson
Paxon
Payne (VA)
Pease
Penny
Peterson (MN)
Pickett
Pickle
Price
Pursell
Quillen
Ravenel
Regula
Rhodes
Riggs
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Rostenkowski
Roth
Roukema
Rowland
Roybal
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Schulze
Sharp
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Smith (IA)
Smith (OR)
Smith (TX)
Solomon
Spence
Spratt
Staggers
Stallings
Stearns
Stenholm
Stokes
Stump
Sundquist
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Traficant
Upton
Vander Jagt
Visclosky
Volkmer
Walker
Weber
Whitten
Williams
Wise
Wolf
Wylie
Yatron
Young (AK)
Young (FL)
Zeliff

NOT VOTING—33

Ackerman
Atkins
Conyers
Coughlin
Dellums
Durbin
Feighan
Ford (TN)
Franks (CT)
Gingrich
Hall (OH)
Hatcher
Horton
Hyde
Ireland
Jones (GA)
Kolter
LaFalce
Lehman (FL)
Lewis (GA)
Lipinski
McCloskey
Morrison
Mrazek
Perkins
Peterson (FL)
Ray
Ridge
Roe
Torricelli
Towns
Traxler
Weiss

□ 1927

Messrs. BLACKWELL, GUNDERSON, DeFAZIO, EDWARDS of California, DOWNEY, and GUARINI, and Mrs.

COLLINS of Michigan changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. WEISS. Mr. Chairman, I missed rollcall No. 287, on the Richardson amendment, inadvertently, and if I had made the vote, I would have voted "no."

Mr. KOSTMAYER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there are four amendments remaining. Two amendments my side is prepared to accept, one will be withdrawn, and one is, I believe, not germane. Then we could move to a vote on final passage.

Mr. Chairman, I would think that we could be done by a quarter of 8 if we move very quickly.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: At the end of the bill, add the following new section (and conform the table of contents accordingly);

SEC. 17. BUY AMERICAN REQUIREMENTS.

(a) COMPLIANCE WITH BUY AMERICAN ACT.—No funds appropriated or transferred pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

(b) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—

(1) IN GENERAL.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, all of the committees are aware of my buy American amendment. They have reviewed it. I ask that they accept it and that the managers pledge to fight until their dying breath at conference to keep it in.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, our side accepts the amendment.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Chairman, the minority has examined the amendment and accepts it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

□ 1930

AMENDMENT OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDSON: At the end of section 10 (relating to ban on high-level radioactive waste and spent nuclear fuel), insert the following new subsection:

(b) BAN ON MONITORED RETRIEVAL STORAGE FACILITY.—Effective June 18, 1992, no monitored retrieval storage facility (as defined in section 2(34) of the Nuclear Waste Policy Act of 1982) may be constructed or operated on the lands of the Mescalero Apache Tribe located in Mescalero, New Mexico.

In such section 10, insert "(a) IN GENERAL.—" before "The Secretary".

Mr. RICHARDSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

POINT OF ORDER

Mr. KOSTMAYER. Mr. Chairman, I rise to a point of order against the amendment and suggest that it is not germane.

The CHAIRMAN. Does the gentleman wish to be heard on the point of order?

Mr. KOSTMAYER. Mr. Chairman, I do not.

The CHAIRMAN. Does the gentleman from New Mexico [Mr. RICHARDSON] wish to be heard on the point of order?

Mr. RICHARDSON. Mr. Chairman, this amendment that I have, I am offering it with my colleague, the gentleman from New Mexico [Mr. SKEEN].

We have all been voting on legislation that brings low-level nuclear waste to New Mexico. I want every Member to know that New Mexico is now a candidate for high-level nuclear waste on an Indian reservation.

Mr. Chairman, I am offering this amendment to prohibit the construction or operation of an MRS [monitored retrievable storage] facility, on the lands of the Mescalero Apache Tribe located in New Mexico. I am offering this amendment not because I question the ability of the Mescalero Tribe to make its own management decisions but because of the Department of Energy's persistence in pursuing this site despite the strong opposition of the Governor of New Mexico, the entire New Mexico congressional delegation, the entire State legislature, and the large majority of the citizens of New Mexico.

The CHAIRMAN. The gentleman from New Mexico [Mr. RICHARDSON] should confine himself to the reasons why this amendment is germane.

Mr. RICHARDSON. Mr. Chairman, the reason that this amendment is germane is because we are talking about nuclear waste, and the legislation in front of us, the nuclear waste legislation, contains prohibition on high-level nuclear waste.

What this amendment deals with is the monitored retrievable storage which is high-level waste in legislation pertaining to the Nuclear Waste Policy Act.

And, therefore, I submit that it is germane.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. KOSTMAYER] wish to be heard further on the point of order?

Mr. KOSTMAYER. Mr. Chairman, this would amend the Nuclear Waste Policy Act. This legislation is not now before the House; an entirely separate statute is. I suggest that this is not germane.

The CHAIRMAN. (Mr. MCDERMOTT). The Chair is prepared to rule on the amendment.

The amendment is related to an area of New Mexico and type of nuclear waste other than that specifically contained in the bill and, therefore, it is beyond the scope of the bill as proposed.

Therefore, the amendment is not germane.

AMENDMENT OFFERED BY MR. OWENS OF UTAH

Mr. OWENS of Utah. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OWENS of Utah: In section 14(d)(1), strike subparagraph (D) and insert the following:

(D) findings and recommendations with respect to—

(i) the most appropriate routes for transporting transuranic radioactive waste to WIPP based on the foregoing considerations; and

(ii) necessary or appropriate measures to minimize the potential risks to public health and safety and the environment of transporting transuranic radioactive waste along such routes, taking into consideration weather, other natural conditions or hazards, and other relevant criteria.

In section 14(d), insert after paragraph (1) the following new paragraph (and redesignate the subsequent paragraphs accordingly):

(2) IMPLEMENTATION OF STUDY RECOMMENDATIONS.—The Secretary, in consultation with affected States and Indian tribes, shall implement the recommendations made under paragraph (1)(D) to the extent practicable. The Secretary shall certify such implementation to the Congress prior to the transportation of transuranic radioactive waste to WIPP for disposal.

In section 14(d)(3) (as so redesignated), strike "The report" and insert the following:

The report required in paragraph (1) and the certification required in paragraph (2).

Mr. OWENS of Utah (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. OWENS of Utah. Mr. Chairman, I rise in support of my amendment to ensure that routes selected for transporting transuranic radioactive wastes to WIPP are the safest possible.

The waste isolation pilot plant is designed to hold 850,000 barrels of transuranic waste that is currently stored at 10 different sites scattered around the country. That's more than 5 million gallons of radioactive waste that must be collected from sites as far apart as Savannah River, SC, and Hanford, WA, and then transported to Carlsbad, NM for disposal. Only 2 of these 10 sites are within 1,000 miles of the WIPP facility.

Transporting this enormous quantity of waste from where it is now stored to the WIPP facility will be a massive undertaking. Over 40,000 separate shipments are planned. In all, shipments of transuranic wastes will pass through 23 different States enroute to WIPP.

Most of these waste shipments will cover at least 1,000 miles, and some shipments will exceed 2,000 miles in length. During the transportation of transuranic wastes over these hundreds of thousands of highway and railway miles, there will be countless opportunities for tractor trailers to jackknife, overturn, or skid off the road and numerous locations where trains could derail.

The risks associated with shipment of radioactive waste to WIPP are not merely statistical probabilities. The Department of Energy's own environmental impact statement identified a number of serious hazards along the routes DOE is proposing to use for shipments of waste intended for WIPP.

For example, the majority of Interstate 84 in northeastern Oregon has hazardous winter driving conditions. Further down this same road, wet, concrete paving may cause trucks to jackknife on the stretch of I-84 between Mountain Home and Glenns Ferry, ID. And, at the interchange where interstates 84 and 80 come together just outside of Ogden, UT, the DOE's own EIS cautions that high speed on curve can cause trucks to overturn.

These are only a few of the hazards identified by the Energy Department's EIS along just one of the roads it has selected as a transport route for WIPP wastes. When you consider that thousands of trucks will be using this road if the DOE has its way, the risks to the public and to the environment become very real and very serious.

My amendment would reduce the hazards of transporting radioactive wastes to WIPP by requiring DOE to select the most appropriate routes. It would also require DOE to implement measures to minimize risks to the public and to the environment in consultation with affected States and Indian tribes. And, it would require DOE to certify to Congress that these actions had been taken before wastes are shipped to WIPP for disposal.

Members of Congress and the public may be surprised to learn that there is no legal requirement that DOE pick safe routes for shipping wastes to WIPP and that H.R. 2637 does not establish route selection requirements. My amendment fills this regulatory void.

Normally, shipments of radioactive waste are subject to stringent regulation by the Department of Transportation. These regulations require shippers to select routes that minimize radiation hazards to the public. But the DOT regulations do not apply to radioactive waste shipped by the Department of Energy "for national security purposes."

This loophole is big enough to drive a truck through, and that truck could be loaded with radioactive waste destined for WIPP. In fact, this loophole would permit thousands of trucks loaded with hundreds of thousands of drums of radioactive waste to travel over unsafe roads or under unsafe conditions.

Unless this loophole is closed, DOE could authorize its trucks to drive straight through downtown Denver or Santa Fe, even during rush hour. And, the people living along these routes would have only a hope and a prayer that no tragedy occurs during these shipments.

There would also be no assurance that DOE would avoid icy Rocky Mountain roads in the winter or halt shipments through the Midwest when tornado warnings are in effect. Unless safeguards are put in place to prevent this from happening, some trucks may not make it to WIPP with their nuclear cargo intact.

The DOE and others may try to argue that my amendment is unnecessary, that DOE will choose the safest routes even without a legal requirement to do so. Do not be fooled by these arguments.

The best indicator of how DOE will select routes for shipping waste to WIPP for disposal is DOE's past action in deciding to ship wastes to WIPP exclusively by truck during the test phase of WIPP operations. Was this decision made on the basis of the relative safety of trucking versus railway transport? Not a chance.

According to the DOE's own environmental impact statement, "Shipping by truck during the test phase is proposed because rail transport would cost more." This statement reveals that cost, not safety, was the critical factor for DOE in deciding to use trucks instead of trains during the test phase.

DOE's callous indifference to the public health and safety threats posed by shipping wastes to WIPP is reason enough to vote for my amendment. But there's an additional reason why my amendment should be adopted and that is to ensure that the money H.R. 2637 authorizes for a study of transportation route alternatives is not wasted. H.R. 2637 already requires this study to be conducted and authorizes up to $300,000 to be expended. As the bill now stands, DOE can conduct the study, submit the results to Congress, and then ignore the study's findings and recommendations. My amendment ensures that the results of this study are carried out, so that the money spent on the study would not be wasted. The transport routes determined to be the safest would have to be used and recommendations for measure to reduce dangers to the public would have to be implemented.

The Owens amendment strengthens the transportation route study provision already in H.R. 2637. It closes a loophole in the Department of Transportation regulations. And, most importantly, it protects the public and the environment from the radiation hazards involved in transporting transuranic waste to WIPP. For these reasons, I urge adoption of this amendment.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the last word.

I have discussed the amendment with the gentleman from Utah [Mr. OWENS] and the gentleman from Arizona [Mr. RHODES]. We think it improves the bill from my side. We accept the amendment.

Mr. Chairman, I yield to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES. Mr. Chairman, we are prepared to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah [Mr. OWENS].

The amendment was agreed to.

The CHAIRMAN. Are there other amendments?

AMENDMENT OFFERED BY MR. BILBRAY

Mr. BILBRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BILBRAY: At the end of section 13, insert the following new subsection.

(a)PROHIBITIONS ON RECEIPT OF WASTE IF FUNDING NOT PROVIDED.—If the Secretary does not make any payment required to be made under this subsection, the Governor may prohibit all transuranic waste from being received at WIPP. The Governor shall notify the Secretary at least 45 days before any such prohibition goes into effect.

Mr. BILBRAY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. BILBRAY. Mr. Chairman, this particular amendment was one that was in the Committee on Armed Services markup which provides that in the case that money is provided to the State of New Mexico, which was promised, originally they were promised $20 million a year for 30 years. That has been struck down to $40 million a year, which the people of this country should note what was promised to the people of New Mexico was not delivered. And I can think we will have a similar situation when the Yucca Mountain project is brought forward, when money is promised to the citizens of Nevada.

I think it is important that this was struck out because the Department of Energy protested, did not want it in, did not want guarantees, even though Congress, in their bill, was providing for this money.

I think it should be pointed out that it is moot now because the fact is they reduced this $600 million to $40 million. The people of New Mexico have been screwed as the people of Nevada will be screwed.

Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: At the end of the committee substitute made in order by the rule (H. Res. 494), add the following new paragraph to section 16:

"(d) Notwithstanding any other provision in this Act, no funds are authorized to be appropriated to carry out this Act unless such funds are appropriated in an Act or Joint Resolution containing no other appropriation (to carry out any other law)."

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, over the last week we have found out that Governor Clinton supports the line-item veto. President Bush supports line-item veto. The gentleman from Washington, Speaker FOLEY, supports line-item veto. The gentleman from Illinois [Mr. MICHEL], the minority leader, supports line-item veto. We seem to have a consensus in the country that a line-item veto is a good thing.

Governor Clinton's economic program contains this as one of the major items that he has in his economic program for saving money.

It seems to me that, if, in fact, we are going to begin that process of saving money through line-item veto that we could start here. The amendment that I offer obviously does not solve the entire line-item veto question. It does put this one program, however, under line-item veto. It would do so by having a special appropriation for this, thereby giving the President the opportunity to deal with it in an appropriate manner in the same manner as a line-item veto.

So it is my intention to begin the process here of deciding whether or not we are willing to use line-item veto as a way of saving money. That is not to say that anything in this bill is going to be wiped out by line-item veto. We do not know.

It is one of those ideas, though, that ought to be contained in each and every authorization that comes through. On this open rule we have an opportunity to vote for line-item veto. I am offering an amendment that gives us line-item veto, and I would urge the Members to support it.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the last word, and I rise in opposition to the Walker amendment.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I want to ask first of all if this amendment is subject to a point of order?

Mr. KOSTMAYER. Mr. Chairman, I believe it is not. We have checked with the Parliamentarian.

Mr. SKEEN. Mr. Chairman, if the gentleman will continue to yield, then I do not think this is an appropriate vehicle to use it on.

Mr. KOSTMAYER. Is the gentleman from New Mexico opposed to the Walker amendment?

Mr. SKEEN. Mr. Chairman, I am.

Mr. KOSTMAYER. Mr. Chairman, I yield to the gentleman from Arizona [Mr. RHODES] to ask his position on the Walker amendment.

Mr. RHODES. Mr. Chairman, I think that in general this is a concept that I could support, but very frankly, I only about 45 seconds ago saw the language. I have not had an opportunity to analyze how it would apply to this bill or to subsequent bills that may be, that it may be offered in connection with. So at this point in time, without having had an opportunity to discuss this, I cannot support it now on this bill.

Mr. KOSTMAYER. Mr. Chairman, let me just say, no one on either side has seen this until just now. This is not a line-item veto. What this would require is that an entirely freestanding appropriations bill be passed to fund WIPP, that it could not be funded under the energy and water appropriations bill.

I ask my colleagues to vote with the Skeen-Rhodes-Kostmayer alliance. Vote "no."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 144, noes 248, not voting 42, as follows:

[Roll No. 288]

AYES—144

Allard
Allen
Archer
Armey
Bacchus
Baker
Ballenger
Barrett
Barton
Bateman
Bennett
Bereuter
Bilirakis
Bliley
Boehner
Broomfield
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Cox (CA)
Crane
Cunningham
Dannemeyer
Davis
DeLay
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Erdreich
Ewing
Fawell
Fields
Fish
Gallegly
Gallo
Gekas
Gibbons
Gilchrest
Gillmor
Goodling
Goss
Gradison
Hall (TX)
Hammerschmidt
Hancock
Hastert
Hefley
Herger
Hobson
Holloway
Hopkins
Houghton
Hubbard
Hunter
Inhofe
James
Johnson (TX)
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lowery (CA)
Machtley
Marlenee
McCandless
McCollum
McCrery
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Murphy
Nichols
Nussle
Oxley
Packard
Paxon
Petri
Porter
Pursell
Quillen
Ramstad
Ravenel
Regula
Rhodes
Riggs
Rinaldo
Ritter
Roberts
Rohrabacher
Ros-Lehtinen
Roth
Santorum
Saxton
Schaefer
Schulze
Sensenbrenner
Shaw
Shuster
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Weber
Weldon
Wolf
Wylie
Young (FL)
Zeliff
Zimmer

NOES—248

Abercrombie
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
AuCoin
Barnard
Beilenson
Bentley
Berman
Bevill
Bilbray
Blackwell
Boehlert
Bonior
Borski
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Downey
Dwyer
Dymally
Early
Edwards (CA)
Edwards (TX)
Engel
English
Espy
Evans
Fascell
Fazio
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gilman
Glickman
Gonzalez
Gordon
Grandy
Green
Guarini
Gunderson
Hamilton
Hansen
Harris
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Huckaby
Hughes

Hutto
Jacobs
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Levin (MI)
Levine (CA)
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCurdy
McDade
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Morella
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (MN)
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Reed
Richardson
Roemer
Rogers
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schiff
Schroeder
Schumer
Serrano
Sharp
Shays
Sikorski
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tanner
Taylor (MS)
Thomas (GA)
Thornton
Torres
Traficant
Unsoeld
Valentine
Visclosky
Volkmer
Walsh
Waters
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron
Young (AK)

NOT VOTING—42

Ackerman
Aspin
Atkins
Boucher
Conyers
Coughlin
Dickinson
Durbin
Eckart
Feighan
Ford (TN)
Franks (CT)
Gingrich
Hall (OH)
Hatcher
Horton
Hyde
Ireland
Jones (GA)
Kasich
Kolter
LaFalce
Lehman (FL)
Lent
Lewis (GA)
Lipinski
McCloskey
Morrison
Perkins
Peterson (FL)
Ray
Ridge
Roe
Sisisky
Solarz
Tallon
Torricelli
Towns
Traxler
Vento
Washington
Wilson

□ 1957

Mr. NAGLE and Mr. FLAKE changed their vote from "aye" to "no."

Mr. RHODES changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. McDERMOTT). Are there further amendments?

If not, the question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. TORRES) having assumed the chair, Mr. McDERMOTT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2637) to withdraw lands for the waste isolation pilot plant, and for other purposes, pursuant to House Resolution 494, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. JONTZ. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 382, noes 10, not voting 42, as follows:

[Roll No. 289]

AYES—382

Abercrombie
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Bevill
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Costello
Cox (CA)
Cox (IL)
Coyne
Cramer
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Dwyer
Dymally
Early
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Fields
Fish
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (NC)
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moran
Morella
Mrazek
Murphy
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Rhodes
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Visclosky
Volkmer
Walker
Walsh
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wise
Wolf
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—10

Bilbray
Crane
Jontz
Kyl
Moorhead
Richardson
Sensenbrenner
Stump
Vucanovich
Wolpe

NOT VOTING—42

Ackerman
Aspin
Atkins
Berman
Boucher
Conyers
Coughlin
Durbin
Eckart
Feighan
Ford (TN)
Franks (CT)
Gingrich
Hall (OH)
Hatcher

Horton
Hyde
Ireland
Jones (GA)
Kolter
LaFalce
Lehman (FL)
Lent
Lewis (GA)
Lipinski
McCloskey
Morrison
Murtha
Perkins
Peterson (FL)
Ray
Ridge
Roe
Sisisky
Solarz
Tallon
Torricelli
Towns
Traxler
Vento
Washington
Wilson

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So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SPRATT. Mr. Speaker, pursuant to the provisions of House Resolution 494, I call up from the Speaker's table the Senate bill (S. 1671) to withdraw certain public lands and to otherwise provide for the operation of the waste isolation pilot plant in Eddy County, NM, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. SPRATT

Mr. SPRATT. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SPRATT moves to strike all after the enacting clause of the Senate bill, S. 1671, and insert in lieu thereof the provisions of H.R. 2637, as passed by the House, as follows:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Waste Isolation Pilot Plant Land Withdrawal Act".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
Sec. 3. Land withdrawal and reservation for WIPP.
Sec. 4. Establishment of management responsibilities.
Sec. 5. Plan for test phase activities; retrieval.
Sec. 6. Test phase activities.
Sec. 7. Disposal operations.
Sec. 8. Issuance of Environmental Protection Agency disposal standards.
Sec. 9. Compliance with environmental standards.
Sec. 10. Ban on high-level radioactive waste and spent nuclear fuel.
Sec. 11. Decommissioning of WIPP.
Sec. 12. Solid Waste Disposal Act; Clean Air Act.
Sec. 13. Economic assistance and miscellaneous payments.
Sec. 14. Transportation.
Sec. 15. Environmental evaluation group.
Sec. 16. Authorizations of appropriations.
Sec. 17. Buy American requirements.

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) AGREEMENT.—The term "Agreement" means the July 1, 1981, Agreement for Consultation and Cooperation, as amended by the November 30, 1984 "First Modification" the August 4, 1987 "Second modification", and the March 18, 1988 "Third modification", or as it may be amended after the date of enactment of this Act, between the State of New Mexico and the United States Department of Energy as authorized by section 213(b) of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980 (Pub. L. 96-164; 93 Stat. 1259, 1265).

(3) CONTACT-HANDLED TRANSURANIC RADIOACTIVE WASTE.—The term "contact-handled transuranic radioactive waste" means transuranic radioactive waste with a surface dose rate not greater than 200 millirem per hour.

(4) DECOMMISSIONING PHASE.—The term "decommissioning phase" means the period of time beginning with the end of the operations phase and ending when all shafts at the WIPP repository have been back-filled and sealed.

(5) DISPOSAL.—The term "disposal" means permanent isolation of transuranic radioactive waste from the accessible environment with no intent of recovery, whether or not such isolation permits the recovery of such waste.

(6) DISPOSAL STANDARDS.—The term "disposal standards" means the environmental standards for the disposal of spent nuclear fuel, high-level radioactive waste, and transuranic radioactive waste to be issued by the Administrator pursuant to section 8.

(7) EEG.—The term "EEG" means the Environmental Evaluation Group for the Waste Isolation Pilot Plant referred to in section 1433 of the National Defense Authorization Act, Fiscal Year 1989 (Pub. L. 100-456; 102 Stat. 1918, 2073).

(8) ENGINEERED BARRIERS.—The term "engineered barriers" means backfill, room seals, panel seals, and any other manmade barrier components of the disposal system.

(9) HIGH-LEVEL RADIOACTIVE WASTE.—The term "high-level radioactive waste" has the meaning given such term in section 2(12) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(12)).

(10) OPERATIONS PHASE.—The term "operations phase" means the period of time, during which transuranic radioactive waste is disposed of at WIPP, beginning with the initial emplacement of transuranic radioactive waste underground for disposal and ending when the last container of transuranic radioactive waste, as determined by the Secretary, is emplaced underground for disposal.

(11) REMOTE-HANDLED TRANSURANIC RADIOACTIVE WASTE.—The term "remote-handled transuranic radioactive waste" means transuranic radioactive waste with a surface dose rate of 200 millirem per hour or greater.

(12) RETRIEVAL.—The term "retrieval" means the removal of transuranic radioactive waste and the container in which it has been retained and any material contaminated by such waste from the underground repository at WIPP.

(13) SECRETARY.—The term "Secretary", unless otherwise specified, means the Secretary of Energy.

(14) SPENT NUCLEAR FUEL.—The term "spent nuclear fuel" has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

(15) TEST PHASE.—The term "test phase" means the period of time, during which test phase activities are conducted, beginning with the initial receipt of transuranic radioactive waste at WIPP and ending when the earliest of the following events occurs:

(A) The conditions described in section 7(b) are met.

(B) The Administrator certifies under section 9(c)(1)(B) that the WIPP facility will not comply with the disposal standards.

(C) The time period described in section 6(c)(5) expires.

(16) TEST PHASE ACTIVITIES.—The term "test phase activities" means the testing and experimentation activities that the Secretary determines to be necessary to determine the suitability of WIPP as a repository for the permanent isolation of transuranic radioactive waste.

(17) TEST PHASE PLAN.—The term "test phase plan" means the Department of Energy WIPP Test Phase Plan: Performance Assessment, dated April 1, 1990, and any revisions to such plan, approved by the Administrator under section 5.

(18) TRANSURANIC RADIOACTIVE WASTE.—The term "transuranic radioactive waste" means waste containing more than 100 nanocuries of alpha-emitting transuranic isotopes per gram of waste, with half-lives greater than 20 years, except for—

(A) high-level radioactive waste;

(B) waste that the Secretary has determined, with the concurrence of the Administrator, does not need the degree of isolation required by the disposal standards; or

(C) waste that the Nuclear Regulatory Commission has approved for disposal on a case-by-case basis in accordance with part 61 of title 10, Code of Federal Regulations.

(19) WIPP.—The term "WIPP" means the Waste Isolation Pilot Plant project authorized under section 213 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980 (Pub. L. 96–164; 93 Stat. 1259, 1265) to demonstrate the safe disposal of radioactive waste materials generated by defense programs.

(20) WITHDRAWAL.—The term "Withdrawal" means the geographical area consisting of the lands described in section 3(c).

SEC. 3. LAND WITHDRAWAL AND RESERVATION FOR WIPP.

(a) LAND WITHDRAWAL, JURISDICTION, AND RESERVATION.—

(1) LAND WITHDRAWAL.—Subject to valid existing rights, and except as otherwise provided in this Act, the lands described in subsection (c) are withdrawn from all forms of entry, appropriation, and disposal under the public land laws, including without limitation the mineral leasing laws, the geothermal leasing laws, the material sale laws (except as provided in section 4(b)(4) of this Act), and the mining laws.

(2) RESERVATION.—Such lands are reserved for use of the Secretary of Energy for the construction, experimentation, operation, repair and maintenance, disposal, shutdown, monitoring, decommissioning, and other authorized activities associated with the purposes of WIPP as set forth in section 213 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980 (Pub. L. 96-164; 93 Stat. 1259, 1265), and this Act.

(b) REVOCATION OF PUBLIC LAND ORDERS.—Public Land Order 6403 of June 29, 1983, as modified by Public Land Order 6826 of January 28, 1991, and the memorandum of understanding accompanying Public Land Order 6826, are revoked.

(c) LAND DESCRIPTION.—

(1) BOUNDARIES.—The boundaries depicted on the map issued by the Bureau of Land Management of the Department of the Interior, entitled "WIPP Withdrawal Site Map," dated October 9, 1990, and on file with the Bureau of Land Management, New Mexico State Office, are established as the boundaries of the Withdrawal.

(2) LEGAL DESCRIPTION AND MAP.—Within 30 days after the date of the enactment of this Act, the Secretary of the Interior shall—

(A) publish in the Federal Register a notice containing a legal description of the Withdrawal; and

(B) file copies of the map described in paragraph (1) and the legal description of the

Withdrawal with the Committees on Energy and Natural Resources and Armed Services of the Senate, the Committees on Interior and Insular Affairs, Energy and Commerce, and Armed Services of the House of Representatives, the Secretary of Energy, the Governor of the State of New Mexico, and the Archivist of the United States.

(d) TECHNICAL CORRECTIONS.—The map and legal description referred to in subsection (c) shall have the same force and effect as if they were included in this Act. The Secretary of the Interior may correct clerical and typographical errors in the map and legal description.

(e) WATER RIGHTS.—This Act does not establish a reservation to the United States with respect to any water or water rights on the Withdrawal. No provision of this Act may be construed as a relinquishment or reduction of any water rights reserved or appropriated by the United States in the State of New Mexico on or before the date of the enactment of this Act.

SEC. 4. ESTABLISHMENT OF MANAGEMENT RESPONSIBILITIES.

(a) GENERAL AUTHORITY.—The Secretary of the Interior shall be responsible for the management of the Withdrawal pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), this Act, and other applicable law, and shall consult with the Secretary of Energy and the State of New Mexico in discharging such responsibility and any other responsibility required by this Act.

(b) MANAGEMENT PLAN.—

(1) DEVELOPMENT.—Within 1 year after the date of the enactment of this Act, the Secretary of the Interior, in consultation with the Secretary of Energy and the State of New Mexico, shall develop a management plan for the use of the Withdrawal until the end of the decommissioning phase.

(2) PRIORITY OF WIPP-RELATED USES.—Any use of the Withdrawal for activities not associated with WIPP shall be subject to such conditions and restrictions as may be necessary to permit the conduct of WIPP-related activities.

(3) NON-WIPP RELATED USES.—The management plan developed under paragraph (1) shall provide for the maintenance of wildlife habitat and shall provide that the Secretary of the Interior may permit such non-WIPP related uses of the Withdrawal as the Secretary of the Interior determines to be appropriate, including domestic livestock grazing and hunting and trapping in accordance with the following requirements:

(A) GRAZING.—The Secretary of the Interior may permit grazing to continue where established before the date of the enactment of this Act, subject to such regulations, policies, and practices as the Secretary of the Interior, in consultation with the Secretary of Energy, determines to be necessary or appropriate. The management of grazing shall be conducted in accord with applicable grazing laws and policies, including—

(i) the Act entitled "An Act to stop injury to public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes," approved June 28, 1934 (43 U.S.C. 315 et seq., commonly referred to as the "Taylor Grazing Act");

(ii) title IV of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751 et seq.); and

(iii) the Public Rangelands Improvement Act of 1978 (43 U.S.C. 1902 et seq.).

(B) HUNTING AND TRAPPING.—The Secretary of the Interior may permit hunting and trapping within the Withdrawal in accordance with applicable laws and regulations of the United States and the State of New Mexico, except that the Secretary of the Interior, after consultation with the Secretary of Energy and the State of New Mexico, may issue regulations designating zones where, and establishing periods when, no hunting or trapping is permitted for reasons of public safety, administration, or public use and enjoyment.

(4) DISPOSAL OF SALT TAILINGS.—The Secretary of the Interior shall dispose of salt tailings extracted from the Withdrawal that the Secretary of Energy determines are not needed for backfill at WIPP. Disposition of such tailings shall be made under sections 2 and 3 of the Act of July 31, 1947, (30 U.S.C. 602, 603; commonly referred to as the "Materials Act of 1947").

(5) PROHIBITION ON MINING.—No surface or subsurface mining, including slant drilling from outside the boundaries of the Withdrawal, shall be permitted at any time (including after decommissioning) on lands on or under the Withdrawal.

(c) CLOSURE TO PUBLIC.—If during the withdrawal made by section 3(a) the Secretary of Energy determines in consultation with the Secretary of the Interior that the health and safety of the public or the common defense and security require the closure to the public use of any road, trail, or other portion of the Withdrawal, the Secretary of Energy may take whatever action the Secretary of Energy determines to be necessary to effect and maintain the closure and shall provide notice to the public of such closure.

(d) MEMORANDUM OF UNDERSTANDING.—The Secretary of the Interior and the Secretary of Energy shall enter into a memorandum of understanding to implement the management plan developed under subsection (b). Such memorandum shall remain in effect until the end of the decommissioning phase.

(e) SUBMISSION OF PLAN.—Within 1 year after the date of the enactment of this Act, the Secretary of the Interior shall submit the management plan developed under subsection (b) to the Committees on Interior and Insular Affairs and Energy and Commerce of the House of Representatives, the Committee on Energy and Natural Resources of the Senate, and the State of New Mexico. Any amendments to the plan shall be submitted promptly to such Committees and the State of New Mexico.

SEC. 5. PLAN FOR TEST PHASE ACTIVITIES; RETRIEVAL.

(a) REVIEWS OF TEST PHASE PLAN BY SECRETARY.—

(1) ANNUAL REVIEW.—The Secretary shall annually review the test phase plan and propose any revisions required to ensure that all of the proposed activities described in the plan are necessary to demonstrate that the WIPP facility will comply with the final disposal standards.

(2) REQUIRED CONSULTATION.—The Secretary shall conduct any review, and make any required revisions, of the test phase plan in consultation with the National Academy of Sciences, the Administrator, and the EEG.

(b) TEST PHASE ACTIVITIES TO BE CONDUCTED AT WIPP.—

(1) JUSTIFICATION AND TEST PHASE ACTIVITIES.—The test phase plan (and any revisions to such plan) shall—

(A) include justification for all test phase activities to be conducted at WIPP;

(B) specify the quantities and types of transuranic radioactive waste required for such activities; and

(C) be submitted for review and approval to the Administrator.

(2) APPROVAL BY ADMINISTRATOR.—

(A) IN GENERAL.—The Administrator shall determine by rule, pursuant to chapter 5 of title 5, United States Code, whether to approve or disapprove the test phase plan (and any revisions to such plan). The Administrator shall issue a proposed rule under this paragraph not later than 90 days after receipt of such plan (and revisions).

(B) STANDARD FOR APPROVAL.— The Administrator may approve the test phase plan (and any revisions to such plan) only if the Administrator determines that all of the proposed activities described in such plan (and revisions) are necessary to demonstrate that the WIPP facility will comply with the final disposal standards under section 8.

(c) RETRIEVAL PLAN.—The Secretary shall issue and submit to the Administrator for review a detailed retrieval plan to be implemented by the Secretary under section 6(c)(5) or 9(b)(3). Such plan shall include specific plans for the interim management and storage of any such removed waste and specify the location of such storage. The Administrator shall determine by rule, pursuant to chapter 5 of title 5, United States Code, whether to approve or disapprove such plan. The Administrator shall issue a proposed rule under this subsection not later than than 90 days after receiving such plan.

(d) REVIEW BY STATE.—

(1) IN GENERAL.—In addition to the review by the Administrator of the test phase plan (or any revisions to such plan) under subsection (b)(2) and the retrieval plan under subsection (c), the Secretary shall submit each plan or revision, as appropriate, subject to review under such subsections to the State of New Mexico for review. The State of New Mexico shall complete its review and specify any disagreement with the plan (or any revisions to such plan) within 90 days of receipt of such plan or revisions.

(2) CONFLICT RESOLUTION.—In the event that the State of New Mexico disagrees with any aspect of any plan or revision to such plan subject to review under paragraph (1), the conflict resolution procedures described in Article IX of the Agreement shall be employed to resolve such disagreement.

(e) WASTE CHARACTERIZATION.—The Secretary shall, after providing notice and an opportunity for public comment, fully characterize all transuranic radioactive waste types at all sites from which wastes are to be shipped to WIPP. The results of such characterization shall be reflected in the test phase plan (and any revisions to such plan) before the Administrator may provide certification under section 9(c)(1)(B).

SEC. 6. TEST PHASE ACTIVITIES.

(a) GENERAL AUTHORITY.—The Secretary is authorized, subject to subsections (b) and (c), to conduct test phase activities in accordance with the test phase plan.

(b) REQUIREMENTS FOR COMMENCEMENT OF TEST PHASE ACTIVITIES.—The Secretary may not transport any transuranic radioactive waste to WIPP to conduct test phase activities under subsection (a) unless the following requirements are met:

(1) FINAL DISPOSAL STANDARDS ISSUED.—The final disposal standards are issued and published in the Federal Register under section 8.

(2) TERMS OF NO-MIGRATION DETERMINATION COMPLIED WITH.—The Administrator has determined that the Secretary has complied with the terms and conditions set forth in paragraphs (5), (6), and (7) of the no migration determination described at page 47,720

of Volume 55, No. 220 of the Federal Register, on November 14, 1990.

(3) RETRIEVAL PLAN APPROVED.—The Secretary has issued and the Administrator has approved the retrieval plan required under section 5(c).

(4) TEST PHASE PLAN APPROVED.—The Administrator has approved the test phase plan (and any revisions to such plan) in accordance with section 5(b)(2).

(5) CONSIDERATION BY STATE.—

(A) REVIEW COMPLETED.—The Secretary has complied with the requirements of section 5(d) and the State of New Mexico has completed its review under such section.

(B) CONFLICT RESOLUTION.—In the event that the conflict resolution procedures described in section 5(d)(2) are employed for any review required under section 5(d)(1), such review shall not be considered complete until the disagreement necessitating the use of such procedures has been resolved in accordance with such procedures.

(6) EMERGENCY RESPONSE TRAINING.—

(A) REVIEW.—The Secretary of Labor, acting through the Occupational Safety and Health Administration, has reviewed the emergency response training programs of the Department of Energy that apply to WIPP.

(B) CERTIFICATION.—The Secretary of Labor, acting through the Occupational Safety and Health Administration, has certified that emergency response training programs of the Department of Energy that apply to WIPP are in compliance with part 1910.120 of title 29, Code of Federal Regulations.

(7) CERTIFICATION OF SAFETY.—The Secretary has certified that the safety of all test phase activities to be completed at WIPP can be ensured through procedures that would not compromise the type, quantity, or quality of data collected from such test phase activities.

(c) LIMITATIONS.—Test phase activities conducted under subsection (a) shall be subject to the following limitations:

(1) QUANTITY OF WASTE THAT MAY BE TRANSPORTED.—During the test phase, the Secretary may transport to WIPP—

(A) only such quantities of transuranic radioactive waste as the Administrator has determined under section 5(b) are necessary to conduct test phase activities to demonstrate that the WIPP facility will comply with the disposal standards; and

(B) in no event more than 4,250 55-gallon drums of transuranic radioactive waste or ½ of 1 percent of the total capacity of WIPP as described in section 7(a), whichever is less.

(2) REMOTE-HANDLED WASTE.—

(A) TRANSPORTATION AND EMPLACEMENT.—The Secretary may not transport to or emplace remote-handled transuranic radioactive waste at WIPP during the test phase.

(B) STUDY.—

(i) IN GENERAL.—Within 2 years after the date of the enactment of this Act, the Secretary shall complete a study on remote-handled transuranic radioactive waste in consultation with affected States, the Administrator, and after the solicitation of views of other interested parties.

(ii) REQUIREMENTS OF STUDY.—Such study shall include an analysis of the impact of remote-handled transuranic radioactive waste on the performance assessment of WIPP and a comparison of remote-handled transuranic radioactive waste with contact-handled transuranic radioactive waste on such issues as gas generation, flammability, explosivity, solubility, and brine and geochemical interactions.

(iii) PUBLICATION.—The Secretary shall publish the findings of such study in the Federal Register.

(iv) REVISION.—Unless such study finds that remote-handled transuranic radioactive waste requires no additional precautions for disposal in WIPP, the Secretary shall revise the test phase plan to require testing of remote-handled transuranic radioactive waste subject to subparagraph (A).

(3) ANNUAL CERTIFICATIONS OF RETRIEVABILITY.—Beginning 1 year after the initial emplacement of transuranic radioactive waste underground at WIPP under subsection (a), and continuing annually throughout the test phase, the Secretary shall certify and the Administrator shall concur that all waste emplaced underground at WIPP remains and will remain fully retrievable during the test phase.

(4) STABILITY OF ROOMS USED FOR TESTING.—Transuranic radioactive waste may be emplaced in mined rooms in the underground repository at WIPP to conduct test phase activities only after the Secretary of Labor, acting through the Mine Safety and Health Administration, has certified to the Secretary of Energy that such rooms will remain sufficiently stable and safe to permit uninterrupted testing for the duration of such activities.

(5) COMPLIANCE WITH DISPOSAL STANDARDS.—If, upon the expiration of the 10-year period beginning on the date of the enactment of this Act, the Administrator has not certified under section 9(c)(1)(B) that the WIPP facility will comply with the disposal standards—

(A) the Secretary or the Secretary of the Interior, as appropriate, shall implement the retrieval plan under section 5(c) and the decommissioning and post-decommissioning plans under section 11; and

(B) following implementation of such plans, the land withdrawal made by section 3(a) shall terminate.

SEC. 7. DISPOSAL OPERATIONS.

(a) CAPACITY OF WIPP FACILITY.—The Secretary may dispose of not more than 5.6 million cubic feet of contact-handled transuranic radioactive waste and 95,000 cubic feet of remote-handled transuranic radioactive waste in WIPP.

(b) COMMENCEMENT OF DISPOSAL OPERATIONS.—The Secretary may commence emplacement of transuranic radioactive waste underground for disposal at WIPP only upon completion of—

(1) the Administrator's certification under section 9(c)(1)(B) that the WIPP facility will comply with the disposal standards;

(2) the submission to the Congress by the Secretary and the Secretary of the Interior, respectively, of plans for decommissioning WIPP and post-decommissioning management of the withdrawal under section 11;

(3) the expiration of the 180-day period beginning on the date on which the Secretary notifies the Congress that all permits and certifications required for disposal operations to begin have been received;

(4) Nuclear Regulatory Commission certification as described in section 14(a) of a container for transporting remote-handled transuranic radioactive waste to WIPP;

(5) the acquisition by the Secretary (whether by purchase, condemnation, or otherwise) of Federal Oil and Gas Leases No. NMNM 02953 and No. NMNM 02953C, unless the Administrator determines pursuant to the authority under section 9(a), 9(b), or 9(c) of this Act and section 3004 of the Solid Waste Disposal Act (42 U.S.C. 6924) that such acquisition is not required; and

(6) the submittal to the Congress by the Secretary of comprehensive recommendations for the disposal of all transuranic radioactive waste under the control of the Secretary, including a timetable for the disposal of such waste.

SEC. 8. ISSUANCE OF ENVIRONMENTAL PROTECTION AGENCY DISPOSAL STANDARDS.

The Administrator shall issue, not later than 6 months after the date of the enactment of this Act, final environmental standards for the disposal of spent nuclear fuel, high-level radioactive waste, and transuranic radioactive waste.

SEC. 9. COMPLIANCE WITH ENVIRONMENTAL STANDARDS.

(a) MANAGEMENT AND STORAGE; CLEAN AIR; HAZARDOUS WASTE.—

(1) APPLICABILITY.—The Secretary shall, during the test phase, the operations phase, and the decommissioning phase, comply with respect to WIPP, with—

(A) the Environmental Protection Agency standards for the management and storage of spent nuclear fuel, high-level radioactive waste, and transuranic radioactive waste described in subpart A of part 191 of title 40, Code of Federal Regulations;

(B) the Clean Air Act (40 U.S.C. 7401 et seq.);

(C) the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.);

(D) title XIV of the Public Health Service Act (the Safe Drinking Water Act) (42 U.S.C. 300f et seq.);

(E) the Toxic Substances Control Act (15 U.S.C. 2601 et seq.);

(F) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.);

(G) all regulations promulgated under the laws described in subparagraphs (B) through (F); and

(H) all other applicable Federal laws (and regulations promulgated thereunder) pertaining to public health and safety or the environment and all applicable State and local laws (and regulations promulgated thereunder) pertaining to public health and safety or the environment.

(2) PERIODIC OVERSIGHT BY ADMINISTRATOR AND STATE OF NEW MEXICO.—The Secretary shall, not later than 2 years after the date of the enactment of this Act, and biennially thereafter, submit documentation of continued compliance with the laws, regulations, and standards described in subparagraphs (A), (B), (D), (E), (F), (G), and (H) of paragraph (1), to the Administrator, and with the law described in paragraph (1)(C) and any regulations promulgated thereunder, to the State of New Mexico.

(3) CONCURRENCE OF ADMINISTRATOR.—The Administrator by rule pursuant to chapter 5 of title 5, United States Code, or the State of New Mexico, as appropriate, shall determine not later than 6 months after receiving a submission under paragraph (2) whether the Secretary is in compliance with the laws, regulations, and standards described in paragraph (1) with respect to WIPP.

(b) DETERMINATION OF NONCOMPLIANCE DURING TEST PHASE.—

(1) DETERMINATION BY ADMINISTRATOR.—If the Administrator determines at any time during the test phase that—

(A) the WIPP facility will not comply with the disposal standards under subsection (c)(1)(B);

(B) the Secretary is not conducting test phase activities involving underground emplacement of transuranic radioactive waste in a manner that allows the waste to be readily retrieved as required by condition (4) of the no-migration determination described at page 47,720 of volume 55, No. 220 of the Federal Register, on November 14, 1990;

(C) conditions at the WIPP facility do not allow the waste to be readily retrieved as required by such condition; or

(D) the WIPP facility does not comply with any law, regulation, or standard described in subsection (a)(1);

the Administrator shall request a remedial plan from the Secretary describing actions the Secretary will take to comply with such regulatory requirements.

(2) DETERMINATION BY STATE.—If the State of New Mexico determines at any time during the test phase that the Secretary has not complied with the standards applicable to owners and operators of hazardous waste, treatment, storage, and disposal facilities under section 3004 of the Solid Waste Disposal Act (42 U.S.C. 6924) with respect to activities at WIPP, the State of New Mexico shall request a remedial plan from the Secretary describing actions the Secretary will take to comply with such regulatory requirements.

(3) IMPLEMENTATION OF RETRIEVAL PLAN.—If a remedial plan is not received from the Secretary within 6 months of a determination of noncompliance with a regulatory requirement described in paragraph (1) or (2), or if the Administrator or the State of New Mexico, as appropriate, finds any such remedial plan to be inadequate to demonstrate compliance with such regulatory requirement—

(A) the Secretary or the Secretary of the Interior, as appropriate, shall implement the retrieval plan under section 5(c) and the decommissioning and post-decommissioning plans under section 11; and

(B) following implementation of such plans, the land withdrawal made by section 3(a) shall terminate.

(c) DISPOSAL STANDARDS.—

(1) REQUIREMENTS FOR COMMENCEMENT OF DISPOSAL.—Before any transuranic radioactive waste may be emplaced underground at WIPP for disposal under section 7(b)—

(A) the Secretary shall have submitted sufficient documentation to the Administrator to demonstrate that the WIPP facility will comply with the disposal standards; and

(B) the Administrator shall have certified by rule pursuant to chapter 5 of title 5, United States Code, that the WIPP facility will comply with the disposal standards.

(2) PERIODIC RECERTIFICATION.—

(A) BY SECRETARY.—During the period beginning 2 years after the initial receipt of transuranic radioactive waste for disposal at WIPP and ending at the end of the decommissioning phase, the Secretary shall biennially demonstrate that the WIPP facility will comply with the disposal standards and submit documentation of such demonstration to the Administrator.

(B) CONCURRENCE OF ADMINISTRATOR.—The Administrator shall, not later than 6 months after receiving a submission under subparagraph (A), determine whether or not the WIPP facility will comply with the disposal standards.

(3) LIMITATION.—Any determination of the Administrator under paragraph (1)(B) or (2)(B) may only be made after the documentation is submitted to the Administrator under paragraph (1)(A) or (2)(A), respectively.

(4) ENGINEERED AND NATURAL BARRIERS.—The Secretary shall use both engineered and natural barriers at WIPP to isolate transuranic radioactive waste after disposal to the extent necessary to comply with the disposal standards.

(d) DETERMINATION OF NONCOMPLIANCE DURING OPERATIONS PHASE AND DECOMMISSIONING PHASE.—

(1) REMEDIAL PLANS.—

(A) MANAGEMENT AND STORAGE; CLEAN AIR; HAZARDOUS WASTE.—If, during the operations phase or decommissioning phase, the Administrator, or the State of New Mexico, as appropriate, determines after any submission under subsection (a)(2), that the Secretary has not demonstrated compliance with any regulatory requirement described in such subsection, the Administrator, or the State of New Mexico, as appropriate, shall request a remedial plan from the Secretary describing actions the Secretary will take to demonstrate compliance with such regulatory requirement.

(B) DISPOSAL STANDARDS.—If, during the operations phase or decommissioning phase, the Administrator determines under subsection (c)(2)(B), that the WIPP facility will not comply with the disposal standards, the Administrator shall request a remedial plan from the Secretary describing actions the Secretary will take to demonstrate that the facility will comply with such standards.

(2) CONSEQUENCES OF NONCOMPLIANCE DURING OPERATIONS PHASE OR DECOMMISSIONING PHASE.—If a plan is not received from the Secretary within 6 months of a determination of noncompliance with a regulatory requirement described in paragraph (1)(A) or (1)(B), or the Administrator or the State of New Mexico, as appropriate, finds any such plan inadequate to demonstrate compliance with such regulatory requirement—

(A) the Secretary shall retrieve, to the extent practicable, any transuranic radioactive waste and any material contaminated by such waste from underground at WIPP;

(B) the Secretary or the Secretary of the Interior, as appropriate, shall implement the decommissioning and post-decommissioning plans under section 11; and

(C) following completion of such retrieval and implementation of such plans, the land withdrawal made by section 3(a) shall terminate.

(e) ISSUANCE OF REGULATIONS.—The Administrator shall issue regulations not later than 6 months after the date of the enactment of this Act governing the approval of a test phase plan under section 5(b), periodic oversight under subsection (a)(2), the certification and recertification processes under subsections (c)(1)(B) and (c)(2)(B), respectively, and the retrieval process required under subsection (d)(2). Such regulations shall provide opportunities for public participation in such processes.

(f) SAVINGS PROVISION.—The authorities provided to the Administrator and the State pursuant to this section are in addition to the enforcement authorities available to the State pursuant to State law and to the Administrator, the State, and any other person, pursuant to the Solid Waste Disposal Act and the Clean Air Act.

SEC. 10. BAN ON HIGH-LEVEL RADIOACTIVE WASTE AND SPENT NUCLEAR FUEL.

The Secretary may not transport high-level radioactive waste or spent nuclear fuel to WIPP or emplace or dispose of such waste or fuel at WIPP.

SEC. 11. DECOMMISSIONING OF WIPP.

(a) PLAN FOR WIPP DECOMMISSIONING.—Within 5 years after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services and Energy and Natural Resources of the Senate; the Committees on Armed Services, Energy and Commerce, and Interior and Insular Affairs of the House of Representatives; the State of New Mexico; the Secretary of the Interior; and the Administrator a plan to be implemented by the Secretary for decommissioning WIPP. In addition to activities required under the Agreement, the plan shall conform to the disposal standards that apply to WIPP at the time the plan is prepared. The Secretary shall consult with the Secretary of the Interior and the State of New Mexico in the preparation of such plan.

(b) MANAGEMENT PLAN FOR THE WITHDRAWAL AFTER DECOMMISSIONING.—Within 5 years after the date of the enactment of this Act, the Secretary of the Interior shall develop a plan to be implemented by the Secretary of the Interior for the management and use of the Withdrawal following the decommissioning of WIPP and the termination of the land withdrawal made by section 3(a). The Secretary of the Interior shall consult with the Secretary and the State of New Mexico in the preparation of such plan and shall submit such plan to the Committee on Energy and Natural Resources of the Senate and the Committees on Interior and Insular Affairs and Energy and Commerce of the House of Representatives.

SEC. 12. SOLID WASTE DISPOSAL ACT; CLEAN AIR ACT.

No provision of this Act may be construed to supersede or modify the provisions of the Clean Air Act (42 U.S.C. 7401 et seq.) or the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.).

SEC. 13. ECONOMIC ASSISTANCE AND MISCELLANEOUS PAYMENTS.

(a) IMPACT ASSISTANCE PAYMENTS.—

(1) IN GENERAL.—The Secretary may, to such extent and for such amounts as are provided in advance in appropriation Acts, provide payments to the State of New Mexico to assist the State and its affected units of local government in mitigating the potential environmental, social, transportation, economic and other impacts resulting from WIPP. Payments under this paragraph—

(A) may not, in the aggregate, exceed $40,000,000; and

(B) shall be made from the $40,000,000 appropriated under Public Law 102-27 (105 Stat. 130, 141) and the Energy and Water Development Appropriations Act, 1992 (Pub. L. 102-104; 105 Stat. 510, 529).

(2) PAYMENTS TO LOCAL GOVERNMENTS.—A portion of all payments received by the State of New Mexico under paragraph (1) shall be provided directly to the affected units of local government in the vicinity of, and along the transportation routes to, WIPP. The portion of payments provided to local governments, the identification of local governments to receive payments, and the amount of payment to each local government shall be based on a State assessment of needs, conducted in consultation with affected units of local government and based upon the demonstration of local impacts by the affected local governments.

(3) MEDICAL EMERGENCY PREPAREDNESS PAYMENTS TO LOCAL GOVERNMENTS.—A portion of all payments received by the State of New Mexico under paragraph (1) shall be used for the equipment and training needs of the health care community for purposes of responding to emergencies arising from the operation of WIPP or the transportation of transuranic radioactive waste to WIPP.

(4) ECONOMIC IMPACT MONITORING FUNCTION.—A portion of all payments received by the State of New Mexico under paragraph (1) shall be used to establish a Socioeconomic Impact Monitoring Group within the Waste

Management Education and Research Consortium to undertake an annual review of activities at WIPP.

(b) WIPP-RELATED BUSINESS AND EMPLOYMENT OPPORTUNITIES.—To the maximum extent practicable, the Secretary shall continue to encourage business and employment opportunities related to WIPP that may be conducive to the economy of the State of New Mexico, especially Lea and Eddy counties, and report annually to the State of New Mexico on these activities.

SEC. 14. TRANSPORTATION.

(a) SHIPPING CONTAINERS.—No transuranic radioactive waste may be transported by or for the Secretary to or from WIPP, except in packages that have been certified for the transportation of transuranic radioactive waste by the Nuclear Regulatory Commission and have satisfied the Nuclear Regulatory Commission's quality assurance provisions.

(b) ACCIDENT PREVENTION AND EMERGENCY PREPAREDNESS.—

(1) TRAINING.—

(A) IN GENERAL.—In addition to activities required pursuant to the December 27, 1982, Supplemental Stipulated Agreement, the Secretary shall provide technical assistance for the purpose of training public safety officials, and other emergency responders as described in part 1910.120 of title 29, Code of Federal Regulations, in any State or Indian tribe through whose jurisdiction the Secretary plans to transport transuranic radioactive waste to or from WIPP. Within 30 days of the date of the enactment of this Act, the Secretary shall submit a report to the Committee on Energy and Natural Resources of the Senate and the Committees on Interior and Insular Affairs and Energy and Commerce of the House of Representatives and to the States and Indian tribes through whose jurisdiction the Secretary plans to transport transuranic radioactive waste on the training provided through fiscal year 1992.

(B) ONGOING TRAINING.—If determined by the Secretary, in consultation with affected States and Indian tribes, to be necessary and appropriate, training described in subparagraph (A) shall continue after the date of the enactment of this Act until the transuranic radioactive waste shipments to or from WIPP have been terminated.

(C) REVIEW OF TRAINING.—The Secretary shall periodically review the training provided pursuant to subparagraph (A) in consultation with affected States and Indian tribes.

(D) COMPONENTS OF TRAINING.—The training provided pursuant to subparagraph (A) shall cover procedures required for the safe routine transportation of transuranic radioactive waste, as well as procedures for dealing with emergency response situations, including—

(i) instruction of government officials and public safety officers in procedures for the command and control of the response to any incident involving the waste;

(ii) instruction of emergency response personnel in procedures for the initial response to an incident involving transuranic radioactive waste being transported to or from WIPP;

(iii) instruction of radiological protection and emergency medical personnel in procedures for responding to an incident involving transuranic radioactive waste being transported to or from WIPP; and

(iv) a program to provide information to the public about the transportation of transuranic radioactive waste to or from WIPP.

(2) EQUIPMENT.—The Secretary may enter into agreements to assist States through contributions in-kind, in acquiring equipment for response to an incident involving transuranic radioactive waste transported to or from WIPP.

(c) SANTA FE BYPASS.—No transuranic radioactive waste may be transported from the Los Alamos National Laboratory to WIPP until—

(1) all of the funds necessary for the cost of construction of the Santa Fe bypass have been appropriated by the Congress or the State of New Mexico; or

(2) the Santa Fe bypass has been completed.

(d) STUDY OF TRANSPORTATION ALTERNATIVES.—

(1) IN GENERAL.—The Secretary shall conduct a study comparing the shipment of transuranic radioactive waste to the WIPP facility by truck and by rail, including the use of dedicated trains, and shall submit a report on the study in accordance with paragraph (2). Such report shall include—

(A) a consideration of occupational and public risks and exposures, and other environmental impacts;

(B) a consideration of emergency response capabilities;

(C) an estimation of comparative costs; and

(D) findings and recommendations with respect to—

(i) the most appropriate routes for transporting transuranic radioactive waste to WIPP based on the foregoing considerations; and

(ii) necessary or appropriate measures to minimize the potential risks to public health and safety and the environment of transporting transuranic radioactive waste along such routes, taking into consideration weather, other natural conditions or hazards, and other relevant criteria.

(2) IMPLEMENTATION OF STUDY RECOMMENDATIONS.—The Secretary, in consultation with affected States and Indian tribes, shall implement the recommendations made under paragraph (1)(D) to the extent practicable. The Secretary shall certify such implementation to the Congress prior to the transportation of transuranic radioactive waste to WIPP for disposal.

(3) REPORT.—The report required in paragraph (1) and the certification required in paragraph (2) shall be submitted to the Speaker of the House of Representatives and the President pro tempore of the Senate not later than July 1, 1993.

(4) FUNDING.—Of appropriated amounts described in section 13(a)(1)(B), the Secretary shall use an amount not to exceed $300,000 to carry out the study required under this subsection.

SEC. 15. ENVIRONMENTAL EVALUATION GROUP.

(a) ACCESS TO DATA, REPORTS AND MEETINGS.—The Secretary shall—

(1) provide the EEG with free and timely access to data relating to WIPP produced or obtained by the Secretary or contractors of the Secretary;

(2) provide the EEG with preliminary reports relating to WIPP; and

(3) permit the EEG to attend meetings relating to WIPP with expert panels, peer review groups, and appropriate Federal agencies.

(b) EVALUATION AND PUBLICATION.—The EEG may evaluate and publish analyses of the Secretary's plans for test phase activities, monitoring, transportation, operations, decontamination, retrieval, performance assessment, compliance with Environmental Protection Agency standards, decommissioning, safety analyses, and other activities relating to WIPP.

(c) CONSULTATION AND COOPERATION.—The Secretary shall consult and cooperate with the EEG in carrying out the requirements of this section.

SEC. 16. AUTHORIZATIONS OF APPROPRIATIONS.

(a) FOR ADMINISTRATOR.—

(1) IN GENERAL.—There are authorized to be appropriated to the Administrator for the purpose of fulfilling the responsibilities of the Administrator under this Act, $10,000,000 for fiscal year 1992, $12,000,000 for fiscal year 1993, $14,000,000 for fiscal year 1994, and such sums as may be required for fiscal years 1995 through 2001.

(2) REPORT.—The Administrator shall, not later than September 30, 1993, and annually thereafter, issue a report to the Committees on Interior and Insular Affairs and Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate on the status of and resources required for the fulfillment of the Administrator's responsibilities under this Act.

(b) TRANSFERS FROM SECRETARY TO ADMINISTRATOR AND MSHA.—The Secretary is authorized to transfer from amounts appropriated for environmental restoration and waste management for fiscal years 1992 and 1993, and (to the extent approved in appropriation Acts) for fiscal years 1994 through 2001, such sums as may be useful for the purpose of assisting in the fulfillment of the responsibilities of the Administrator under this Act and the Mine Safety and Health Administration under section 6(c)(4).

(c) ACQUISITION OF LEASEHOLD.—There are authorized to be appropriated to the Secretary such sums as may be necessary to acquire the 1,600 acre potash leasehold within the Withdrawal, comprising a portion of Federal Potash Lease No. NM 0384584, and the Federal Oil and Gas Leases No. NMNM 02953 and No. NMNM 02953C.

SEC. 17. BUY AMERICAN REQUIREMENTS.

(a) COMPLIANCE WITH BUY AMERICAN ACT.—No funds appropriated or transferred pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with section 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

(b) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—

(1) IN GENERAL.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read as follows: "An act to withdraw lands for the waste isolation pilot plant, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2637) was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF S. 1671, WASTE ISOLATION PILOT PLANT LAND WITHDRAWAL ACT

Mr. SPRATT. Mr. Speaker, I ask unanimous consent that, in the engrossment of the House amendment to the Senate bill, S. 1671, the Clerk be authorized to correct section numbers, cross-references, citations, punctuation, and indentation, and to make other technical and conforming changes necessary to reflect the actions of the House.

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

GENERAL LEAVE

Mr. SPRATT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 2637 and S. 1671.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

PERSONAL EXPLANATION

Mr. PETERSON of Florida. Mr. Speaker, I was granted an official leave of absence as a result of my wife's illness. Therefore, I was unable to make rollcall votes 285 to 289.

Had I been here, I would have voted "aye" for rollcall No. 285, to disapprove MFN status for China; "aye" for rollcall No. 286, H.R. 5318; "aye" for rollcall No. 287, the Richardson amendment to H.R. 2637; "nay" for rollcall No. 288, the Walker amendment to H.R. 2637; and "aye" for rollcall No. 289, final passage of H.R. 2637.

PERSONAL EXPLANATION

Mr. LAFALCE. Mr. Speaker, I was unable, unfortunately, to be present for rollcall votes 285 to 288. Had I been present, I would have voted for passage of both H.R. 5318, setting conditions on most-favored-nation status for China in 1992, and for H.R. 2367, the Waste Isolation Pilot Plant Land Withdrawal Act. I also would have voted against the amendment to H.R. 2367 offered by Mr. WALKER, and in favor of the amendment to the same bill offered by Mr. RICHARDSON.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST AND DURING CONSIDERATION OF H.R. 5503, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION ACT, 1993

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102–683) waiving certain points of order against and during consideration of the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

NATIONAL DARE DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 295) designating September 10, 1992, as "National DARE Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I rise in support of House Joint Resolution 486, designating September 10, 1992, as "National Drug Abuse Resistance Education Day," and I want to commend the gentleman from California [Mr. LEVINE] for his leadership in bringing this measure to the floor of the House for consideration.

House Joint Resolution 486 commends the hard work and dedication of concerned parents, youth, law enforcement officers, educators, business leaders, religious leaders, private sector organizations, and Government leaders for their efforts to help achieve a drug-free America, and it encourages antidrug educational activities.

I can assure my colleagues that this resolution, which I am pleased to have cosponsored, represents an additional effort to raise the public's consciousness as to the dangers of drug abuse and to develop an attitude of intolerance to the use of illicit drugs.

If our Nation is to win the war against drug abuse, then attitudes regarding the use of illicit drugs must be changed and the public must reject these deadly drugs. House Joint Resolution 486 is an important step in that direction. Accordingly, Mr. Speaker, I urge my colleagues to support this resolution.

Mr. LEVINE of California. Mr. Speaker, I rise today to ask my colleagues to join in support of Senate Joint Resolution 295, designating September 10, 1992, National Drug Abuse Resistance Education Day. I introduced identical legislation with my distinguished colleague from Virginia, FRANK WOLF, because the DARE Program has experienced incredible success in turning back the tide of drug abuse and violence that accompanies the drug culture. Educating our children about the dangers of drug abuse, and empowering them with the ability to resist this plague is what DARE has been doing successfully since its creation in 1983.

Unlike traditional drug abuse programs, DARE places its emphasis on resistance. DARE's objective is to provide young people with the skills to recognize and resist the subtle and overt pressures that lead to experimentation with drugs and alcohol. By placing particular attention on teaching assertive response styles, resistance techniques, how to evaluate risk-taking behavior and its consequences, and by working with students to build their level of self-esteem, DARE gives children the knowledge of how to say "no."

The DARE Program consists of a 17-week curriculum, taught once a week over the course of a semester. The program is designed with four levels that target children at various ages through their schooling. In kindergarten through the fourth grade, the groundwork is laid for the core classes taught to fifth and sixth graders. In junior high, lessons are reinforced, and at the high school level, students are taught skills which will help keep them drug-free in adulthood.

DARE classes are taught by veteran police officers who every day see the tragedies and crime caused by drug abuse. Each officer completes a special 2-week training program which includes instruction on teaching techniques, officer-school relationships, development of self-esteem, child development, and communication skills before entering the classroom. Police officers offer their professional perspective on what happens on the street and give students practical lessons in how to resist drugs. DARE provides a unique opportunity for law enforcement, teachers, and school administrators to fight the drug crisis together.

Research has shown that the students, numbering more than 25 million, currently in the DARE Program across the United States and worldwide are achieving the skills necessary to live a life free from drugs. In a recent survey of DARE students, a full 78 percent indicated that the program has given them the tools on how to say "no." Similarly, a parent survey taken by the Los Angeles unified school district showed how parents felt more able to positively influence their children to resist drugs. Before DARE presentation, 61 percent of parents thought there was nothing that they could do to prevent their children from using drugs. After the presentation, only 5 percent of the parents still held this belief.

The benefits of DARE go well beyond teaching students to resist drugs. It has also contributed to improving study habits and grades; decreased truancy, vandalism, and gang activity; improved relations between ethnic groups; and fostered a more positive outlook on the part of students toward police and school.

DARE has become one of our most effective weapons in combating drug abuse among our Nation's youth. It has set a national standard for drug education programs because it is innovative, cost-effective, and it works. It offers students and their parents on the front lines of the drug crisis a beacon of hope. I am pleased to present this legislation, and ask my colleagues to join me in support of this vital and valuable program.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 295

Whereas D.A.R.E. (Drug Abuse Resistance Education) is the largest and most effective drug-use prevention education program in the United States, and is now taught to twenty million youths in grades K–12;

Whereas D.A.R.E. is taught in more than two hundred thousand classrooms reaching all fifty States, Australia, New Zealand, American Samoa, Puerto Rico, Costa Rica, Mexico and Department of Defense Dependent Schools worldwide;

Whereas D.A.R.E. core curriculum, developed by the Los Angeles Police Department and the Los Angeles Unified School District, helps prevent substance abuse among school-age children by providing students with accurate information about alcohol and drugs, by teaching students decisionmaking skills and the consequences of their behavior and by building students' self-esteem while teaching them how to resist peer pressure;

Whereas D.A.R.E. provides parents with information and guidance to further their children's development and to reinforce their decisions to lead drug-free lives;

Whereas the D.A.R.E. Program is taught by veteran police officers who come straight from the streets with years of direct experience with ruined lives caused by substance abuse, giving them unmatched credibility;

Whereas each police officer who teaches the D.A.R.E. Program completes eighty hours of specialized training in areas such as child development, classroom management, teaching techniques, and communication skills; and

Whereas D.A.R.E., according to independent research, substantially impacts students' attitudes toward substance use and contributes to improved study habits, higher grades, decreased vandalism and gang activity, and generates greater respect for police officers: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 10, 1992, is designated as "National D.A.R.E. Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

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NATIONAL REHABILITATION WEEK

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 411) to designate the week of September 13, 1992, through September 19, 1992, as "National Rehabilitation Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentleman from Ohio?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I rise in support of House Resolution 411, a joint resolution designating the week beginning September 13, 1992, as "National Rehabilitation Week." I would like to commend the gentleman from Pennsylvania [Mr. MCDADE] for introducing this important measure.

Millions of Americans with disabilities are leading fuller, more independent, and productive lives due to the variety of rehabilitative services available in our Nation.

Rehabilitation is a collaborative process that involves health care providers, therapists, educators, employers, and many others. With today's advances in technology, as well as the passage of the Americans with Disabilities Act people with disabilities have been able to overcome many of the physical barriers that once prevented them from participating in the mainstream of American life.

Therefore, I urge my colleagues to take a moment to recognize the courage and determination of persons with disabilities by supporting this resolution.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 411

Whereas the designation of a week as "National Rehabilitation Week" gives the people of this Nation an opportunity to celebrate the victories, courage, and determination of individuals with disabilities in this Nation and recognize dedicated health care professionals who work daily to help such individuals achieve independence;

Whereas there are significant areas where the needs of such individuals with disabilities have not been met, such as certain research and educational needs;

Whereas half of the people of this Nation will need some form of rehabilitation therapy;

Whereas rehabilitation agencies and facilities offer care and treatment for individuals with physical, mental, emotional, and social disabilities;

Whereas the goal of the rehabilitative services offered by such agencies and facilities is to help disabled individuals lead active lives at the greatest level of independence possible; and

Whereas the majority of the people of this Nation are not aware of the limitless possibilities of invaluable rehabilitative services in this Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the week of September 13, 1992, through September 19, 1992, is designated as "National Rehabilitation Week" and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such week with appropriate ceremonies and activities, including educational activities to heighten public awareness of the types of rehabilitative services available in this Nation and the manner in which such services improve the quality of life of disabled individuals; and

(2) each State governor, and each chief executive of each political subdivision of each State, is urged to issue a proclamation (or other appropriate official statement) calling upon the citizens of such State or political subdivision of a State to observe such week in the manner described in paragraph (1).

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolutions just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THOMAS PAINE: RECOGNITION LONG OVERDUE

(Mrs. LOWEY of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LOWEY of New York. Mr. Speaker, in recent years we have seen democracy take hold throughout the world—in Central America, Eastern Europe, and the former Soviet Union. Indeed, we still strive to spread these democratic ideals to other nations whose people have been deprived of the rich rewards of liberty and democracy.

However, as we work to spread democracy abroad, we must not forget the origins of the democratic ideals on which our Nation was founded. Thomas Paine was an early and effective advocate for freedom and human rights. Through his influential writings, he championed the ideals of democracy that became the foundation for our young Nation and which still today provide the basis for our Nation's strength.

In 1776, Paine said: "We have it in our power to begin the world again." In his brilliant work, "Common Sense" Thomas Paine asserted the right of humankind to create a destiny based on democracy and human rights. He was right then, and his words are just as true in 1992.

Thomas Paine was a true patriot. Indeed, he was the philosophical and intellectual father of our democracy. Paine was the first to eloquently call for independence. His words were an inspiration to many, and his impassioned arguments fueled the movement which culminated in the Declaration of Independence.

At one of the darkest hours of the Revolutionary War, it was Thomas

Paine who rallied the troops to the cause. Writing on the head of a marching drum, he wrote "these are the times that try men's soul."

Despite the important role that Thomas Paine played in the development of our democracy, there is no monument recognizing his contributions to our society in the Nation's Capital. My bill, H.R. 1628, will correct this oversight. H.R. 1628 will authorize construction of a monument to Thomas Paine in the District of Columbia at no expense to the taxpayer. The Thomas Paine National Historical Association, based in New Rochelle, NY, which has provided important leadership in promoting Thomas Paine's legacy, will raise all of the necessary funds.

Mr. Speaker, Thomas Paine lived in New Rochelle, NY, in a cottage awarded him by the New York State Legislature in honor of his service to the country during the Revolutionary War. The cottage, a national landmark, is maintained by the Thomas Paine National Historical Society, and is a source of immense pride to the community. I know the good people of New Rochelle and the Thomas Paine National Historical Association join me in moving forward this long overdue honor for Thomas Paine. I appreciate my colleagues' strong support for this important effort to celebrate our history and recognize one of our true heroes.

Without Thomas Paine's unyielding belief in individual liberties and justice, our Nation would not be the beacon of hope and opportunity that it is today. Today, in passing this legislation, we make it possible for generations of Americans to understand fully the key role Thomas Paine played in the birth of our Nation. Today we reaffirm our dedication to the principles for which he stood.

ANNUAL REPORT ON FEDERAL ACTIONS RELATIVE TO CONSERVATION AND USE OF PETROLEUM AND NATURAL GAS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce.

To the Congress of the United States:

As required by section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978, as amended (42 U.S.C. 8373(c)), I hereby transmit the 13th annual report describing Federal actions with respect to the conservation and use of petroleum and natural gas in Federal facilities, which covers calendar year 1991.

GEORGE BUSH.

THE WHITE HOUSE, *July 21, 1992.*

EXTENSION OF NATIONAL EMERGENCY RELATIVE TO IRAQ AS REQUIRED BY NATIONAL EMERGENCIES ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-363)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iraqi emergency is to continue in effect beyond August 2, 1992, to the Federal Register for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to stability in the Middle East and hostile to U.S. interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of Iraq.

GEORGE BUSH.

THE WHITE HOUSE, *July 21, 1992.*

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AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE GRAND DUCHY OF LUXEMBOURG ON SOCIAL SECURITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-362)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

Pursuant to section 233(e)(1) of the Social Security Act, as amended by the Social Security Amendments of 1977 (Public Law 95-216, 42 U.S.C. 433(e)(1)), I transmit herewith the Agreement between the United States of America and the Grand Duchy of Luxembourg on Social Security, which consists of two separate instruments—a principal agreement and an administrative arrangement. The agreement was signed at Luxembourg on February 12, 1992.

The United States-Luxembourg agreement is similar in objective to the social security agreements already in force with Austria, Belgium, Canada, France, Germany, Italy, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Such bilateral agreements provide for limited coordination between the United States and foreign social security systems to eliminate dual social security coverage and taxation, and to help prevent the loss of benefit protection that can occur when workers divide their careers between two countries.

I also transmit for the information of the Congress a report prepared by the Department of Health and Human Services, explaining the key points of the agreement, along with a paragraph-by-paragraph explanation of the provisions of the principal agreement and the related administrative arrangement. In addition, as required by section 233(e)(1) of the Social Security Act, a report on the effect of the agreement on income and expenditures of the U.S. Social Security program and the number of individuals affected by the agreement is also enclosed. I note that the Department of State and the Department of Health and Human Services have recommended the agreement and related documents to me.

I commend the Agreement between the United States of America and the Grand Duchy of Luxembourg on Social Security and related documents.

GEORGE BUSH.

THE WHITE HOUSE, *July 21, 1992.*

STOP FEDERAL AID TO GOVERNMENTS THAT ALLOW ILLEGAL ALIENS TO VOTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. GALLEGLY] is recognized for 5 minutes.

Mr. GALLEGLY. Mr. Speaker, today I am introducing a bill to prohibit Federal financial assistance to State and local governments that extend the right to vote to undocumented aliens.

This is the ninth bill I have introduced to stop the flow of illegal immigrants into the United States. All of these proposals are designed to eliminate practices or policies which have had the effect of encouraging aliens to enter our country illegally and are imposing an increasingly heavy burden on our communities and citizens and on State and local governments in many areas of the United States.

The Federal Government has complete authority to establish immigration policy for the

United States and to control the entry and flow of immigrants into this country. Pursuant to that authority, the Congress has imposed restrictions on immigration, including sanctions on employers who hire illegal aliens and prohibitions and restrictions on alien eligibility for most Federal welfare and benefit programs.

Estimates vary as to the number of undocumented aliens residing in the United States today and the costs to the taxpayers of providing benefits to these illegals. The Immigration and Naturalization Service estimates that the record 1.7 million apprehensions of illegal aliens prior to the enactment of the 1986 immigration reform law will be exceeded this year and that for every one illegal they pick up at the border two others get away. Thus, we can expect over 3 million additional people will enter our country illegally this year alone, seeking work, welfare and free emergency and pregnancy services to survive, and contributing to local government's burden of providing health, medical care, child care, education, police, employment, welfare, and other public services. The Center for Immigration Studies estimates that U.S. taxpayers in 1990 paid at least $5.4 billion in direct Government benefits for illegal aliens nationwide. That rough cost estimate could well be exceeded this year.

For a State or local government to extend the franchise to illegal immigrants will only exacerbate the problem. By entering the United States illegally, these aliens have committed an unlawful act, and they should not be able to profit from that act. Undocumented aliens should not be permitted to cast ballots for those who promise to provide them more free handouts and services and represent their interests. Immigrants will never understand or appreciate the benefits of citizenship if they can circumvent the legal requirements for obtaining citizenship. Moreover, our communities can no longer absorb these people.

Today, government lacks the resources to be able to provide benefits and services to illegals without also limiting assistance to poor and needy citizens and legal immigrants and their families. To enable illegals to take advantage of taxpayer funded programs to which they are not entitled will work unfairly to the detriment of those American families who are eligible and deserving of such assistance.

In my opinion, allowing the direct participation by undocumented aliens in State and local affairs is contrary to the public interest. For State or local officials to permit, by referendum, by secret ballot, or by any other means, illegal immigrants to vote in elections is to undermine the long-held congressional view of the Nation's welfare. Finally, permitting illegals to vote will necessarily weaken the voting rights of minority groups, especially Hispanic and African-Americans, protected under the 14th and 15th amendments of the Constitution and will dilute the power and influence that such groups of citizens exert on the political process of our Nation.

Thus, while suffrage is ordinarily a matter left to State and local governments, and very few communities have extended or threatened to extend the vote to undocumented aliens, I believe that extraordinary measures are needed to stop the invasion of this country by illegals. Cutting off all Federal aid to those governments which have granted the right to vote to undocumented aliens, until that vote is rescinded, is well within the authority of Congress and consistent with the public interest.

Mr. Speaker, I ask that the text of this bill be printed in the RECORD. I call on my colleagues to support this legislation and to crack down on illegal immigration as firmly and as swiftly as possible.

H.R. 5625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress makes the following findings:

(1) The Constitution empowers Congress to provide for the Nation's common defense and general welfare.

(2) The ability to provide for the general welfare permits Congress in the exercise of its spending power to impose strict conditions on the expenditures and grants of Federal funds to the States and local communities.

(3) The Federal Government has plenary authority to regulate the entry and flow of immigrants into the United States and provide conditions for their residence in this country.

(4) The Congress has imposed detailed restrictions on immigration, prohibitions and limitations on alien eligibility for a wide range of Federal benefit programs.

(5) Allowing the direct participation by undocumented aliens in State and local affairs would be contrary to the public interest and would undermine the Congressional view of the nation's welfare.

(6) Granting the election franchise to undocumented aliens in State and local elections would enable such aliens to take advantage of Federally funded assistance and other benefits and services to which they are not entitled to the disadvantage of poor and needy citizens and aliens lawfully admitted to the United States and their families who are eligible.

(7) Permitting undocumented aliens to vote in State and local elections will necessarily undermine the voting rights of blacks and other minority groups protected under the 14th and 15th Amendments to the Constitution and will dilute the influence such groups exert on the political process.

SEC. 2. LIMITATION ON FEDERAL ASSISTANCE TO JURISDICTIONS THAT EXTEND THE RIGHT TO VOTE TO UNDOCUMENTED ALIENS.

Notwithstanding any of the provision of law, for fiscal years after 1992, no Federal financial assistance may be paid to a State or local government under any provision of law during any period for which such State or local government extends the right to vote to undocumented aliens.

REPORT ON ACCIDENT INVOLVING V-22 OSPREY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON. Mr. Speaker, the gentleman from Texas [Mr. GEREN] will tie his 5-minute special order in with mine in a report to Congress about the tragic accident of the V-22 Osprey yesterday at Quantico.

Mr. Speaker, I thank my friend from Texas [Mr. GEREN] for joining me on this sad day as we report to our colleagues in the House and the other body that seven brave Americans lost their lives yesterday in the tragic crash of Aircraft No. 4 in the V-22 Osprey tiltrotor technology program as Aircraft No. 4 was about to complete its mission, flying from an Air Force base in Florida where it had undergone extensive environmental testing to the Quantico base in Virginia.

The individuals who died in that aircraft will long be remembered, and the gentleman from Texas [Mr. GEREN] and I will both be paying further tribute to these individuals as their full identities are revealed to their families. We understand there is one family that has not yet been fully notified. But we wanted to pay tribute tonight to them, and at the same time talk about their mission in working on what has been called America's airplane, the newest technological breakthrough in aviation since the jet engine, the tiltrotor aircraft being designed for our Marine Corps by the Bell-Boeing team.

Mr. Speaker, at this point in time I would like to acknowledge my good friend and colleague from Texas [Mr. GEREN] for a few moments. He will be sharing the podium tonight for the next 10 minutes.

Mr. GEREN of Texas. Mr. Speaker, I thank my friend from Pennsylvania for yielding.

Mr. Speaker, yesterday there was a terrible tragedy. Seven Americans lost their lives, three marines and four civilians who were aboard a V-22 aircraft. It was a terrible tragedy.

There are very few exceptions to the experience of our military in bringing aircraft into production, very few exceptions to the experience that death often accompanies the pushing forward of the frontiers of aviation technology.

Up until yesterday the V-22 had served as an exception. Over the 20 years of development of this program there has been accidents, but until yesterday, no loss of life.

As Members of Congress who have supported this program we extend our condolences to the families of the loved ones of these seven citizens who have worked and devoted their lives to serving their country. It is a great tragedy that they lost their lives yesterday, and, Mr. Speaker, it is fitting that we in Congress pay tribute to them for their contribution to our country and offer our condolences and sympathy to the families for the terrible loss they suffered yesterday.

Mr. WELDON. Mr. Speaker, there have been many questions of our colleagues today of the gentleman from Texas [Mr. GEREN] and I and others about the status of the accident and the investigation and the followup program that has been stalled now as we halt future air testing until we have a full investigation of this incident.

What we do know at this time is Aircraft No. 4 had accumulated a total of

103 hours in the air during 93 separate flights with no problems. When the aircraft left Florida yesterday afternoon there were no problems. There was no hesitation on the part of the crew.

In constant radio contact from Florida to Quantico, there were additionally no problems uncovered. A fly-by was done of Quantico, and on the approach to the Quantico landing strip, that is when the aircraft encountered problems and dropped into the Potomac, with the resultant loss of life.

Up until this point in time, as my colleague from Texas indicated, the V–22 test fleet had completed 762 hours during a total of 643 separate flights, revolutionary technology, breaking through a whole new generation of capability in terms of aviation, not just for our military, but for the entire commercial aviation community around the world.

Unfortunately, No. 4 went down, and with it these lives were lost. We have pledged to our colleagues, both Mr. GEREN and myself, Congressman MURTHA, as well as Congressman ASPIN, that there will be a full and complete investigation. We will get to the bottom of why this accident occurred.

If it is in fact a technology problem, then we will have to deal with that issue. Despite the fact that this aircraft has flown almost 800 hours, we will be looking very closely at whether or not it is a technology-based problem. More than likely it will be a problem with a specific manufactured component or the manufacturing process itself, or perhaps pilot or human error. We will not know that until a complete and exhaustive investigation has been completed.

But knowing these pilots and these men that worked on this aircraft, one of them being from my hometown in Pennsylvania, I would know that they would want us to move forward with this revolutionary technology. Once we have determined the cause and corrected that problem, we will move forward and will in fact complete the production of this vital aviation technology.

Mr. Speaker, I want to thank my colleague from Texas [Mr. GEREN]. I appreciate his paying tribute to the Boeing employees as well as the marines who lost their lives today.

FURTHER REPORT ON ACCIDENT INVOLVING V–22 OSPREY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GEREN] is recognized for 5 minutes.

Mr. GEREN of Texas. Mr. Speaker, in the aftermath of the tragedy yesterday, everyone in Congress and people all over America are asking what happened and asking what are the implications for the future of the program in the wake of this terrible tragedy. It is important that Congress understand at this point that we all have questions, that we do not have many answers, and it is critical that we not try to rush to judgment and make assumptions about what happened and make assumptions about the future of the program.

There will be a full investigation. I can assure Members that I and the gentleman from Pennsylvania [Mr. WELDON], who cochairs the tiltrotor caucus, are going to do all we can to ensure that this investigation be thorough, that it be expedited, and that we do get answers in front of us.

It is irresponsible for those who have attempted to predict the future of the program based on yesterday's tragedy to try to assume something about the circumstances of the accident. We do not know anything about the circumstances of the accident at this time, but we can assure our colleagues that we will get to the bottom of this and whatever it takes to address the concerns, the questions raised by the accident, that will get done.

We have come a long way in the development of the tiltrotor aircraft. Its military applications are obvious. It is the No 1 priority of the marines. It is a weapons system that they desperately need.

But we must look beyond that and show some vision in assessing the importance of this aircraft. The civilian applications are as broad as the imagination. This is an aircraft that will end up serving the people of the United States and serving people all over the world as it helps to link up people who live in remote areas and solve many of the other problems that are currently plaguing civil aviation.

Mr. Speaker, I wish to yield to my colleague from Pennsylvania [Mr. WELDON], who has worked closely with me and other Members of Congress in helping to develop the civil applications of this revolutionary technology.

Mr. WELDON. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, every major R&D program that we have developed through the military in this country has had, unfortunately, accidents, and in some cases loss of life, whether it be the F–14, the F–18, or the CH–53.

We were hoping to get through the development of this revolutionary technology without the loss of life. Unfortunately, we are here to say that that did not happen. However, we have to understand that the aircraft that this technology is designed to replace is also represented. Just in the last 3 years alone we have had nine accidents with the existing medium lift aircraft for the Marine Corps, most recently in March where 14 young marines were killed when the CH–46 helicopter they were flying in went down, a 25-year-old aircraft using 40-year-old technology.

We must continue to push ahead. We must do so being very sensitive to the loss of life that occurred in this accident yesterday, but also realizing that we have got to protect the lives of future Marines and special operations forces throughout the world as they risk their lives to protect and serve this country.

□ 2040

I want to thank again my colleague for his efforts especially on the civilian tiltrotor application and all of our colleagues in this body who have joined with us in supporting the tiltrotor.

This is the one program in the defense budget this year that had no opposition. No one stood up in subcommittee, in full committee or on the floor of the House to say that the V–22 should not move forward. All of our colleagues joined with us in exploring this promising technology.

Most recently, up until a week ago, over 210 Members of this body, Republicans and Democrats, signed a letter to the President of the United States encouraging him to support the decision of Dick Cheney to release the funds for the V–22, as the Secretary had announced to us just 3 short weeks ago.

So, I say to all of my colleagues, we are very sad and sorry that this incident occurred. Our deepest, heartfelt sympathy goes out to the families and to all the loved ones of the Boeing team that lost their four employees and the marines, who lost three of their colleagues.

But we will press on. We will get to the bottom of this investigation, and a full and complete report will be provided to this Congress and the American people as to the extent of the reasons why this tragedy occurred yesterday.

Mr. GEREN of Texas. Mr. Speaker, I thank my colleague, the gentleman from Pennsylvania [Mr. WELDON].

Let me just say in closing, thousands of people have dedicated their careers both in the public sector and in the private sector to the development of this revolutionary technology. I know the employees at Bell Helicopter in Fort Worth, as well as the Boeing employees around the country who have worked on this program for years and years join each of us in expressing our sympathy and our condolences to the families of those loved ones and want them to know that our hearts are with them as they go through this terrible period of grief.

CENTENNIAL COMMEMORATION OF FRANKLIN PARK, IL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I would like to inform my colleagues in the House of Representatives that from July 31 through August 9, the citizens of Franklin Park, IL, will celebrate the 100th anniversary of their village.

The people of Franklin Park have planned a series of activities to commemorate this happy occasion. I want to offer all the organizations and individuals involved with them my heartfelt congratulations. Franklin Park is a dynamic community of 18,140 people living on 4.2 square miles of Cook County, IL. The village lists 1,148 businesses and 4,988 single-family homes.

Mr. Speaker, this centennial is noteworthy because the story of Franklin Park is one that can inspire citizens across this great land. In fact, the history of this community in many ways parallels that of the United States. Since the early 1800's, the people of Franklin Park have consistently demonstrated a pride in their hometown and a willingness to contribute to their community.

The origins of Franklin Park stretch back to 1829 when the Federal Government approved a treaty with the Chippewa, Ottawa, and Pottawatomie Tribes of Native Americans. This treaty cleared the way for European settlers to begin farming in an area northwest of Chicago.

This farming hamlet, which was originally dubbed "Manheim" by German immigrants, got an economic boost in 1873 when the Milwaukee Railroad established transit links there. One of the early settlers of Franklin Park, Henry Kirchhoff, granted the railroad access over a 7.5-acre strip of private land. A second rail link came in 1880.

From these humble beginnings, a civic-minded entrepreneur named Lesser Franklin saw an opportunity to turn this fledgling community into what would become today's Franklin Park. A real estate developer, Mr. Franklin envisioned a thriving town of homes and businesses that would one day stretch as far as Chicago. To realize his dream, Mr. Franklin invested in his community. During the early 1890's, he bought a 600-acre tract of land and named it Franklin Park. He split the land into lots for sale to home buyers.

To attract customers, Mr. Franklin authorized construction of a railroad depot, a hotel and a large Victorian home for his family. He organized gala tours for prospective home buyers, who were entertained at a pavilion built especially for this purpose. Soon, dozens of new homes began to spring up in the village. On August 4, 1892, the residents of this growing community decided by a vote of 63 to 9 to incorporate as the village of Franklin Park.

Industrial development soon followed in Franklin Park with the establishment of an iron foundry and a food processing plant in 1897. To meet the growing needs of the community, the village council established services, including a fire department in June 1896. In 1908, the village completed work on a modern water distribution plant. Mr. Franklin died 2 years later after laying the foundation for the fulfillment of his dream.

The 1920's witnessed unparalleled growth in Franklin Park. The village's population grew from 914 in 1920 to 2,450 in 1930. Franklin Park opened its first high school, Leyden Community High School, in 1924. It seemed the village's horizons were unlimited.

The stock market crash of 1929 and the depression that followed stymied growth in Franklin Park and our entire Nation. The community pulled together to survive the hard times. Citizens organized a bureau of relief to assist their neighbors. Local industries, such as the Peterson Oven Co., donated loaves of bread baked in the company's test ovens to help the poor.

The outbreak of World War II sparked an industrial boom that revived Franklin Park. During the forties, new companies, such as Douglas Aircraft, helped to make the village one of the most dynamic communities in northwest Cook County. By 1950, the village's population topped 12,517. A second high school, West Leyden High School, opened in 1959.

At times, growth in the village has created friction between those who preferred the sleepy Franklin Park of old to the modern, bustling suburb it has become. However, these conflicts have never weakened Franklin Park's community spirit. During the late sixties, a meals on wheels program was organized with volunteers providing help to elderly shut-ins. That program continues today. In 1974, Franklin Park resident Dick Herrmann helped organize a blood donor program that has collected more than 13,000 pints of lifesaving blood. And in 1983, Franklin Park families reached out to war-torn Northern Ireland with a youth exchange program. Franklin Park's tradition of responsive local government was recognized in 1990 when the village was named an Illinois Certified City. This award honored village efforts to maintain high-quality services and attract jobs.

Mr. Speaker, over the past 100 years the people of Franklin Park have shown a spirit of enterprise and compassion that is indicative of all that is right with America. I have no doubt that Franklin Park—as well as the rest of the 11th Congressional District, which I am honored to represent—will continue on this forward path. The pioneer spirit of Lesser Franklin and countless others confirms that this community's future is limited only by the dreams of its citizens. Mr. Speaker, I'm confident the next century will carry Franklin Park to even greater heights.

UNITED STATES POLICY TO ARM IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, today I will begin a series of floor statements designed to inform my colleagues about the findings of the second phase of the Committee on Banking, Finance and Urban Affairs investigation of the Banca Nazionale del Lavoro, the BNL, otherwise known, and the scandal attached to it.

In the first stage, the committee explored the links between the BNL scandal and ineffective bank regulations and BNL's participation in the Export-Import Bank and the Commodity Credit Corporation programs for Iraq.

The second phase of the BNL investigation will explore Iraq's abuse of the United States financial system to finance its ambitious military industrialization effort. This has been the single purpose of our committee, the abuse, not only by Iraq, in fact, it is going on now because of the terrible laxity that we have allowed in the past with respect to the regulation of these type of financial activities. So that in pursuing the first phase, we stumbled across the Commodity Credit guarantee abuse and the related Export-Import Bank, which fortunately did not get as extensive an exposure to the taxpayer but still, to me, a lot of money that the taxpayer has to end up paying for even compared to the overall BNL involvement, minuscule, some $200 million that the taxpayers had to pay up because of the default of Iraq on the Export-Import Bank's guarantees.

The bothersome thing to me, I might say, by way of parentheses, is that I do not think our leadership has discovered anything to correct. I see evidences of these practices continuing with respect to other countries that possibly will be very embarrassing and certainly costly to our Treasury in the case of other countries right now.

Specifically, I would like to explore BNL's link to Iraq's military effort, including its role in funding Iraq's secret military technology procurement network, a very intricate, a very astute, a very infinitely thought-out procurement network.

This probe will also expose the Bush administration's policy of arming Iraq, despite the President's blatant declaration that the United States did not enhance Iraq's military capability.

I will begin by outlining some of the committee's major findings. I will then lay the foundation for a detailed look at BNL's role in arming Iraq by illustrating that the Bush administration knew of Iraq's intentions to become a military superpower and the United States policy that facilitated that plan.

The President has repeatedly claimed that his policy toward Saddam Hussein was "to encourage Saddam Hussein to join the family of nations." He denounced those who suggest that the policy gave Iraq access to "bombs or something of that nature."

But the truth is different. The administration knew a great deal about Saddam Hussein's military procurement program and made a conscious decision to tolerate it, and in many cases facilitated the effort. The Bush administration knew that Saddam Hussein was working on nuclear weaponry, and it also knew that some of the exports it approved were destined for nuclear establishments. The concept seems to have been to play along, let Saddam Hussein get U.S. technology for his weapons programs, and take the risk that he could be controlled.

To say the least, this was a very confusing policy. It meant winking at the Iraqi nuclear program, letting it slide, but not too far. * * *

Mr. WALKER. Mr. Speaker, I demand the gentleman's words be taken down.

□ 2048

The SPEAKER pro tempore (Mr. TORRES). The Clerk will report the gentleman's words.

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent to delete the sentence to which the gentleman objects. I will certainly abide by the rules of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. Without objection the words are stricken. The gentleman may proceed in order.

Mr. GONZALEZ. Mr. Speaker, the President's explanations as given thus far are not in conformity with the documentation that I am about to present, and the facts as we have adduced them in the course of this discussion and investigation by the committee.

A November 21, 1989, State Department memorandum discusses a CIA briefing received the day before on Iraq's nuclear program, and discusses how to proceed on licensing exports that could be used in Iraq's nuclear program. The memorandum states, and I quote:

> We are still left with no clear indication of how to proceed on the majority of cases.

It further states, and I quote:

> The problem is not that we lack a policy towards Iraq. We have a policy. However, the policy has proven very hard to implement when considering proposed exports of dual use commodities to ostensibly nonnuclear end users, particularly state enterprises.

The memorandum goes on to say how the policy permitted the approval of licenses for only benign equipment needed for nuclear medicine and the like. The memo further states, and I quote:

> U.S. policy as confirmed in NSD 26 has been to improve relations with Iraq, including trade. Also U.S. policy precludes approval of munitions-controlled licenses for Iraq. Exports of dual use commodities for conventional military use may be approved.

In other words, while the policy did not permit the sale of bombs or something of that nature that would blow up, it clearly allowed the sale of the equipment needed to make them. The administration knew what Saddam Hussein was doing. The policy was to tolerate it up to some unknown and as yet undetermined point.

Again, the memorandum discussed the disjointed policy, and I am going to quote from it:

> Complicating factors in decision-making include, one, a presumption by the intelligence community and others that the Iraqi Government is interested in acquiring a nuclear explosives capability; two, evidence that Iraq is acquiring nuclear-related equipment and materials without regard for immediate need; three, the fact that state enterprises are involved in both military and civilian projects; four, indications of at least some use of fronts for nuclear-related procurement; five, the difficulty in successfully demarching other suppliers not to approve exports of dual-use equipment to state enterprises and other ostensibly non-nuclear end users.

What this does not explain, and apparently maybe those intricacies were lost sight of, as in the case of the Italian bank, when we talk about a bank like the BNL we are not talking about an American bank, private, non-government. The BNL was owned by the Italian Government. Most of the banks are that are here in international banking from other countries.

In the case of state enterprises, here is a case where the Central Bank of Iraq is receiving these letters of credit and loans from BNL. Now the confusion that I think some administration spokesmen have deliberately tried to maintain is to try to say that the CCC guaranteed credits were used for direct military procurement. That is not the case at all. Where we started and where we are coming from is the commercial loans by BNL to enterprises that were actually supplying these military purpose supplies and equipment and material.

When we talk about state enterprises, there is nothing else in those countries. The same man who is the Minister of Procurement and Economic Development is the man in charge of defense procurement, and in one case there, and for a while it happened to be Saddam Hussein's relative.

High-speed photography gear for work on projectile behavior, for instance, and terminal ballistics was approved because, and I quote, "This equipment is appropriate for conventional artillery rounds but far too slow for nuclear applications."

In short, the policy was to let Iraq have goods that could easily be used or diverted to nuclear application with a request that Saddam Hussein refrain from doing so.

□ 2100

This occurred despite the fact that everyone concerned knew that Saddam Hussein was making every effort to develop nuclear weapons. This occurred despite ample knowledge of Hussein's ruthless brutality, and this occurred despite knowledge that the threat was real, it was serious, and it was ongoing.

The truth is that the United States did nothing to check on how the United States technology was used in Iraq.

Out of 771 export licenses granted for Iraq, only 1 was ever checked to ensure that the equipment was actually being used for civilian purposes, only 1 out of 771.

So when the President claims, and I am gong to quote his words, "We did not enhance Iraq's nuclear, biological, or chemical weapons and missile capability," it simply is contradictory to the facts as adduced in the evidence and in the documents that we are presenting to our colleagues.

What the President knew was that Saddam Hussein wanted nuclear weaponry—there is no way we can escape that conclusion—long-range ballistic missiles, and chemical and biological weapons, and that he had an elaborate plan to get them.

Our President also knew that Saddam Hussein was using front companies and other deceptions, and that equipment needed for Iraq's nuclear program was being bought in this country as well as others. He also knew that despite the U.S. request that equipment not be used for nuclear weapons purposes, the United States did nothing to ensure that the technology was not being diverted. He also had a policy of approving dual-use licenses for Iraqi conventional-weapons programs.

Our President claims that nothing had happened, but as I am saying, in shocking contradiction with the very documents that we have been adducing and presenting to our colleagues, so you can judge for yourselves.

Did Saddam Hussein respect any of the conditions that supposedly were supposed to be accompanying this equipment? There is nothing to indicate that he did. Dozens of United States firms, many of them receiving BNL financing, provided key technologies to Iraq's missile program and nuclear, chemical, and biological weapons programs.

So we cannot duck and dodge no matter how much we would want to.

These are the facts: It certainly, let me say, is no pleasure for me to get up and reveal what obviously would be embarrassing, but I have spoken out before in the case of other Presidents, including Presidents of my own party and even neighbors from my own State, because it was my duty as a Member of this branch of the Government involving either my participation in committee work or in voting on matters that led me to conclude critically of the President's requests or his statements or his actions, so I would like to disabuse anybody's mind that I have any particular pleasure.

My main and sole concern is with the tremendous debility, weakness, and exposure of our financial regulatory system. There is nobody who can assure us, and I can tell you as a fact that I cannot, that even as I am speaking now we do not have dozens of these cases taking place now, and what is more disturbing is the ancillary activities such as the offshore banking activities that we again have no control in, which not only do we have billions in tax evasion but in drug-money laundering. It is a real scandal.

Now, we have that responsibility in our committee. I have sat on this committee for 30 years and some 10 months, 9 months, that I have been a Member of the House, and it is no pleasure. Certainly I derive no pleasure.

I have been a protesting, overlooked witness all through these years.

The record shows that is the reason; I had not been a Member of this body 2 weeks after being sworn in that I made use of that which we call, and I call it a great privilege, special orders. Of course, at that time there was no such thing as even the need to speak on the floor. You could submit them in writing, and they would be printed as if you had uttered them. I never thought that was right, so I came to the floor, and I spoke, and all through, the record is there. It is not what I am saying now.

So I think that given this awesome task, the overlooking of the responsibilities, I am the reason we have the only international banking law on our statute books.

I have said this before, so I will not repeat it now.

So I come back on this issue, and it started in my district, where I caused the hearings to be held in 1975 that was the forerunner and the exposure of what we now commonly hear as an S&L scandal, and it involved this fast international money across our border down near our neighboring areas where I come from. And to my amazement then, I found out we had no laws, so the first act took 3 years, 1978, and it was so weak and anemic that every chairman I worked under ever since then I pestered them to try to strengthen the laws, and so we are in this sorry state, and unfortunately, we have no coordination of effort on the political, diplomatic, policy, and even the defense as I will show later on.

Dozens of U.S. firms have been involved. We know that. We have the documentation. There is no doubt that for the most part the Europeans provided Saddam Hussein with more treacherous technology than the United States might have, but that does not excuse us for its considerable role in arming Iraq and, to a large extent, it was sort of a reciprocal type of activity.

Some of the German banks, for instance, came in because some of the United States banks that joined in some minor syndication and also the policy of the Government to aid Saddam Hussein, first, during the Iraq-Iran war, and then after its cessation.

The Banking Committee's investigation of BNL and the company known as Matrix Churchill in Ohio will add dozens of names to the already extensive list of publicly available information on U.S. firms that helped to arm Saddam Hussein with the assistance of the administration and the immediate past administration.

The head of Iraq's ambitious military industrialization efforts was Saddam Hussein's son-in-law, as I said earlier, Hussein Kamil, who directed the flow of over $2 billion in BNL commercial loans to various high-profile Iraqi weapons projects. These loans were over and above BNL's much-discussed CCC loans.

Kamil was the cabinet official in charge of Iraq's Ministry of Industry and Military Industrialization and the head of Saddam Hussein's personal intelligence force called the Special Security Organization.

At the time of the BNL raid in August of 1989 by our law enforcement agents in Atlanta, the CIA concluded that Hussein Kamil was the second most powerful man in Iraq. Mr. Kamil and other high-level Iraqi military officials, including the day-to-day head of Iraq's most secretive weapons program, Amir Al-Saadi, are referred to as unindicated coconspirators in the BNL indictment in Atlanta. Three other key actors in Iraq's military procurement efforts, Safa Al-Habobi, Sadik Taha, and Raja Hassan Ali, were indicted for their roles in the BNL scandal.

BNL funds used to fund the Iraqi military effort: The Iraqi manipulation of the United States financial system through the BNL scandal contributed directly to Iraq's military capability.

□ 2110

At least six Iraqi front companies in the military technology procurement network received direct funding from the BNL Bank. In addition, BNL loans were used to pay for technology identified by network companies.

Hundreds of millions of dollars of BNL loans went directly to purchase technology for Iraq's highest priority weapons programs including the covert nuclear weapons development program, Gerald Bull's Big Gun project—the famous Gerald Bull who was assassinated in Belgium, the long-range ballistic missile program called the Condor II, and the chemical weapons program. BNL loans were also used for more conventional weapons programs such as artillery, bomb, and shell factories.

Dozens of United States corporations and dozens of foreign corporations, knowingly or unwittingly supplied Iraqi weapons progams with industrial goods, including computer-controlled machine tools, industrial furnaces, heavy equipment, computers, special alloy steel and aluminum, chemicals, technical drawings, glass fiber factories, and training with the help of BNL financing of Iraqi Procurement Network facilities.

The Bush administration, this administration, permitted Saddam Hussein to operate front companies in Cleveland, OH, and Los Angeles, CA that were responsible for procuring technology for Iraq's covert nuclear, biological, and chemical weapons programs as well as various long-range missile programs. The Cleveland front company, called Matrix-Churchill Corp. [MCC], was permitted to remain open for nearly 3 months after the Iraqi invasion of Kuwait in August 1990. The Los Angeles front company, called Bay Industries, was not closed down until well into 1991. Iraqi Government agents running the procurement division of MCC were permitted to leave the country.

Many law enforcement officials investigating U.S. firms involved in arming Iraq have complained to the committee that they have been denied adequate resources, have trouble getting export licensing information from the Commerce Department, and received scant assistance from the intelligence community until well after the Iraqi invasion of Kuwait. Ironically, President Bush was personally involved in the effort to limit the flow of pre-August 2, 1990, Iraq-related information to Congress—this is where we come in, so that the Congress' right to know has been very much impeded.

There was also no resources on the Federal Government level to assist the law enforcement agencies in pursuing the Iraq-related cases.

Our intelligence community—we must give them credit—also had extensive knowledge of BNL's worldwide activities. They have monitored BNL's activities on a global basis since 1986. The Banking Committee had an appointment to review this information, but Nicholas Rostow, the National Security Council's legal counsel, and head of the Rostow Gang, ordered the intelligence agency to cancel the appointment.

The United States intelligence community had extensive knowledge of Iraq's secret technology procurement network as early as June 1989, including the fact that the network operated a United States-based affiliate in Cleveland, OH, as I said before, known as Matrix-Churchill. Since that information was contained in finished reports, they obviously used earlier raw data information to compile the report that was given to Congress.

The intelligence community was also closely monitoring many Iraqi entities that had numerous, almost daily contacts with the BNL Bank in Atlanta, GA, and Matrix-Churchill in Cleveland, OH. They had legal authority to intercept these communications abroad as well as in the United States because BNL and Matrix-Churchill were foreign owned.

In addition, the intelligence community had routine liaisons with intelligence agencies from the United Kingdom and Israel, which most certainly monitored Iraq's military plans. The Department of Defense [DOD] was aware of BNL link to procurement network.

The Department of Defense's [DOD] Defense Technology Security Agency [DTSA] was aware of BNL's role in funding Iraq's procurement network in the fall of 1989. We brought that witness in, the former official in charge of that Defense Technology Security Agency. He testified over a year and a half ago. I have been speaking out on this for 2 years. This month of July was the first—it is exactly 2 years this month that we formally began, even though for several months before I had discussed this with the staff. We were all weighed down with the S&L developments and the Keating hearing and other hearings.

So that we were told by the Defense Technology Security Agency head exactly what he was trying to get to the leaders of our country.

DTSA agents began advising the BNL investigation when they arrived in Atlanta just days after the BNL raid on August 4, 1989. DTSA's advisory role is ironic given that they had opposed granting export licenses to some of the very companies they were investigating in Atlanta. It was DTSA that eventually linked BNL loans to Iraq's military procurement network for the BNL grand jury in Atlanta. DTSA has also reviewed Matrix-Churchill's records.

And as I said, it is the hearings record of our committee hearings over a year and a half ago, and nobody was much paying attention then.

Given intelligence community and DTSA knowledge of Matrix-Churchill Corp.'s links to Iraq's military procurement network, well over a year before the Iraqi invasion of Kuwait, it is baffling to me how the United States Government could let Matrix-Churchill operate for over 2 months after the invasion of Kuwait. There is no plausible excuse for this delay that I can think of.

Now, the President's report to the Congress, I had written a letter asking for the report, the nature of the findings of that report that was supposed to be given to the Congress as a result of the Iraq Sanctions Act of 1990 that the President had signed on November 5, 1990.

The Iraq Sanctions Act contained a provision requiring the President "to conduct a study and report on the sale, export, and third-party transfer or development of nuclear, biological, chemical and ballistic missile technology to or with Iraq."

In April 1991 I asked the President for a copy of the report, the request coming from me as chairman of the Banking Committee. I did not receive a copy. In October 1991, I repeated my request, that is from April until October, and finally received a copy that month. The President assigned a secret classification to the report, which severely restricted us in our ability to inform our fellow members of the committee and the House. The classification turned out to be misleading because there was no secret information in the report that had not previously appeared in newspapers, magazines or on television.

After reviewing the contents of the report it is all too apparent why the administration wanted to restrict access to the report—anybody that knew anything about the United States policy toward Iraq prior to the invasion of Kuwait would immediately know that the report was a phony and that the President was misleading the Congress about the United States role in arming Saddam Hussein.

The report lays the blame for enhancing Iraq's military capability squarely on the shoulders of the European Community while wholly disregarding the United States Government's role in arming Iraq.

□ 2120

However, how the report would not even have one U.S. company listed is a clear indication of how inadequate it was in informing the Congress.

In my statement of February 3, this year, I showed that 13 United States firms sold equipment to Iraq's Condor II ballistic missile program. Over the course of the next several reports, I will show that BNL and Matrix-Churchill helped Iraq obtain equipment for its nuclear, chemical, and missile programs from dozens of United States companies. But I am not the only one who claims that United States firms helped to enhance Iraq's military capability. There is a plethora of evidence, a good deal already on the public record, showing that United States dual-use technologies went directly to the Iraqi Armed Forces and to Iraqi weapons factories.

The U.N. Special Commission, several high-ranking Bush administration officials, several congressional committees, several prominent proliferation experts, newspapers, magazines and television programs have all concluded that United States equipment enhanced Iraq's military capability.

An export license is needed for many types of equipment because the equipment has civilian as well as military uses, the so-called dual role.

The goal of the export licensing process is to stem the flow of U.S. equipment to dangerous end uses. The Reagan and Bush administrations maintained a public posture of denying Iraq sophisticated dual-use equipment. But in reality both administrations abused the export licensing process to funnel United States technology directly to the Iraqi Armed Forces and to numerous Iraqi weapons factories.

About 2 in every 7 export licenses approved between 1985 and 1990 went either directly to the Iraqi armed forces, to Iraqi end users engaged in weapons production, or to Iraqi enterprises suspected of diverting technology.

The policy seems to me to be that if it did not explode, ship it, and if it could be used in the Iraqi nuclear program, wink, wiggle, and then let it go.

There is no excuse for the over 80 export licenses granted to the Iraqi Armed Forces. These clearly enhanced Iraq's military capability. Equipment shipped under these 80 export licenses was sent directly to the Iraqi Air Force and the other branches of the Iraqi military. Fifteen of the licenses were approved during this administration.

In addition, the Reagan and Bush administrations issued 15 licenses for the sale of United States munitions list equipment to Iraq. That is equipment that has only military uses. Three of those were granted by this administration.

Equipment sent directly to the Iraqi armed forces includes computers, communications equipment, navigation and radar equipment for aircraft, and lasers and laser equipment to repair engines and rockets.

The Export-Import Bank even got into the act by financing the sale of armored ambulances and communications equipment directly to the Iraqi military.

Iraq's default on some of the Export-Import Bank financing, I repeat, cost the taxpayer about some $200 million. I am also chairman of the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs, and let me tell you what we could do with $200 million for our communities.

Mr. Steve Bryen, the former deputy undersecretary for trade security policy, and the director of the Defense Technology Security Agency that I referred to a while ago, testified on April 18, 1991, before the House Committee on Ways and Means' Subcommittee on Oversight—and remember he also testified before the Committee on Banking, Finance and Urban Affairs. While complaining about how the DOD was sometimes cut out of the export licensing process—that is, they were not, as the law required and apparently the rules and regulations, consulting with the Defense Department in this procurement—Mr. Bryen stated, and I am going to quote:

> During the 1980's a very large amount of what I would call military-type equipment, military-type trucks, equipment for military aircraft being sold to the Iraqi Air Force, even equipment to repair rockets that went to the Iraqi Air Force was approved without DOD being consulted in any way.

In addition to approving licenses directly for the Iraqi armed services, the Bush and Reagan administrations approved dozens of export licenses directly to known Iraqi weapons factories.

Despite ample evidence showing that many of the Iraqi facilities that applied for United States export licenses were primarily weapons factories, and that Iraq was using civilian facilities to procure technology for military end users, two administrations repeatedly approved export licenses to dubious Iraqi facilities. In fact, the November 1989 State Department memo I quoted from above indicates that it was President Bush's administration policy to send technology directly to Iraqi weapons factories.

Inexplicably, many of the licenses were approved after the Iraq-Iran ceasefire in August of 1988, at which time our intelligence community had abundant knowledge of Iraq's military intentions, facilities, and programs.

An intelligence report dated July 1990 entitled, "Beating Plowshares into Swords: Iraq's Defense Industrial Program" states:

> Some state establishments—sometimes called enterprises, organizations or general establishments—are responsible for the production of several types of weapons systems or components and control facilities at several locations.

The intelligence community had considerable information related to the weapons related activities of factories in Iraq. A compilation of these facilities contained in a report July 1990 is titled, "Iraq's Growing Arsenal: Programs and Facilities." This report contains a section called "Defense Industrial Facilities." A partial list of the weapons facilities includes:

Nassr State Establishment for Mechanical Industries [NASSR];

Badr General Establishment [BADR];

Saddam State Establishment [SADDAM];

Al Kindi Research Complex, formerly SAAD 16;

Salah Al Din State Establishment;

Al QaQaa State Establishment [AL QAQAA]; and

Hutteen State Establishment [HUTTEEN].

The U.N. Special Commission has also identified these entities as being involved in Iraq's clandestine nuclear, chemical, and biological weapons programs and missile programs.

A close examination of the Commerce Department list of export licenses to Iraq reveals that each and every one of these facilities received multiple United States export licenses. For example, the Saddam State Establishment and the Salah Al Din, received six export licenses during the Bush administration and many more in the Reagan era. An intelligence report on Iraq's weapons facilities states:

> Salah Al Din and Saddam State Establishment are typical of Iraq's arms production facilities.

A 1990 State Department memo states:

> Salah Al Din, which is associated with an Iraqi missile project.

In February 1990 an application to export computers to Salah Al Din was rejected by Commerce Department. Regarding Salah Al Din the licensing document says:

> The end-user (Salah Al Din) is involved in military matters.

But, 2 months later, in April 1990, an application to export the same type of computer to Salah Al Din was approved. There was no reference to factory's military end-use.

Another example of the administration knowing what was going on is NASSR. A Commerce Department memo related to an export license application for NASSR dated August 1988 sheds light on how far back our Government knew of NASSR. The memo states of NASSR:

> The equipment will be used by the NASSR State Establishment for Mechanical Industries. After several reviews DOD recommended a denial because DOD alleges that we are dealing with a "bad" end-user. The ultimate consignee is a subordinate to the Military Industry Commission and located in a military facility.

A month earlier, in July 1988, the Commerce Department had approved an application for NASSR. Several others were approved before that. It is also interesting to note that the Director General of NASSR, Safa Al-Habobi was indicted for his role in the BNL scandal.

□ 2130

An intelligence report on NASSR in May 1990 states:

> In the case of the missile program—the Nassr State Establishments for Mechanical Industries [NASSR]—is instrumental to development effort.

In later floor statements I will provide more detail on the above-mentioned facilities and show how BNL funds flowed freely to these and other military factories. I will also show that Matrix-Churchill in Ohio and Bay Industries in California were United States-based procurement agents for these and other military factories in Iraq.

IRAQI GOVERNMENT ESTABLISHMENTS USED AS PROCUREMENT FRONTS

The intelligence community also had abundant information showing that Iraq used many ostensibly civilian factories as fronts to procure equipment for military use.

The report "Beating Plowshares into Swords":

> We have identified 25-30 Iraqi establishments and facilities primarily producing military supplies, spares or weapons. Their facilities work closely with civilian organizations to procure equipment and technology.

Another forceful indicator of Iraqi's intentions is contained in a July 1990 intelligence report entitled, "Iraq's growing Arsenal: Programs and Facilities" which concludes:

> * * * many entities are false end users, passing the materials acquired from foreign suppliers directly to enterprises involved in military projects, including chemical and biological warfare.

One of the false end users as listed in the report is the Technical and Scientific Materials Division of the Ministry of Trade, referred to as TSMID. The report says TSMID was involved in "biological warfare support and numerous other military activities."

TSMID received 10 export licenses from the Bush administration for equipment including computers, frequency synthesizers, radio relay equipment, microwave equipment, communications equipment, and radio spectrum analyzers.

Another set of dubious end users mentioned in the report include the Scientific Research Center and the Space Research Center. These two organizations received seven export licenses during the Bush administration and several dozen during the Reagan administration, Intelligence information links these organizations to the Iraqi.

The President's NSD-26 places particular emphasis on expanding United States-Iraq oil industry related trade. The July 1990 intelligence report "Iraq's Growing Arsenal" identifies the State Establishment for Oil Refining and Gas Processing as a "dedicated front for procuring chemical weapons related components and production equipment."

The Bush administration approved about a dozen export licenses to these Iraqi companies. One of the licenses went to Du Pont which has been identified by both the United Nation and the press as having supplied vacuum pump oil that was found in a facility dedicated to Iraq's clandestine nuclear weapons program.

BUSH ADMINISTRATION KNEW

There are numerous State Department memos recently declassified that show the Department was aware that they were helping to arm Iraq. The 1990 memo states:

> An initial review of 73 cases in which licenses were granted by Department of Commerce [DOC] or DOC/DOD from 1986-1989 shows that licenses were granted for equipment with dual or not clearly stated uses for export to probably proliferation-related end-users in Iraq.

Another 1990 State Department memo further underscores the contention that the State Department was aware of how the export licensing policy toward Iraq was actually working to enhance Iraq's military capability. The Spring 1990 memo, which addresses the urgent need to change the export licensing policy toward Iraq, states:

> Formulating such a policy will be complicated because end-users which engage in legitimate non-nuclear and non-missile related end users also procure commodities on behalf of Iraq's nuclear and missile programs. Because the Iraqi procurement network serves both nuclear and missile programs, one cannot distinguish between purchasers of nuclear concern and those of missile concern. Thus, USG export policy should apply equally to Iraqi nuclear end-users and purchasers for Iraq's nuclear and missile programs.

Later in 1990, the administration became more concerned about Iraq's abuse of the United States export policy. But while there was concern, high-level NSC Deputies Committee's meetings in April and May 1990 failed to enact any changes in the policy. It was not until July 1990 that the State Department proposed preliminary changes to the policy. This is right on the verge of the imminent Kuwait invasion, the second day of August. The danger of that inaction is illustrated by the 1990 State Department memo which states:

> At present, no foreign policy controls exist which permit the US to control nuclear-related dual-use commodities across the board to Iraq.

This was in July.

ONLY ONE POSTINSTALLATION CHECK

Postinstallation checks are used to ensure that U.S. dual-use technology is not diverted to military use. If the administration was concerned about Iraq's use of United States dual-use equipment, they could have traveled to the Iraqi factories that supposedly received the United States equipment to see if the equipment was being used for civilian purposes.

Tragically, in the case of Iraq, the United States did not adopt a policy of conducting postinstallation checks. Almost unbelievably, out of a total of 771 export licenses approved for Iraq, there was only one postinstallation check.

It is not as if there were no concerns about Iraq's intentions. It seems as if the concerns expressed were just ephemeral, or not much attention was paid to them.

A spring 1990 memo received from the State Department states, and I quote:

> The operation of Iraq's procurement network inevitably raises concerns about the potential for unauthorized diversion of commodities in Iraq and raises doubts about the veracity of the information provided on Iraqi license applications.

In late spring 1990 the administration proposed to tighten up on Iraq. The memo obtained from the State Department states:

> The U.S. should also explore the feasibility of conducting post-installation checks in Iraq, similar to those conducted in Pakistan.

The Bush administration, in the course of wooing Saddam Hussein, pursued a blind policy. The administration knew Iraq was diverting United States dual-use equipment to military projects; no question of that. The evidence is there. Its documentation is self-evident, and I am offering that in the RECORD at the conclusion of these remarks.

The administration knew Iraq used many supposedly legitimate end users to procure technology for military purposes. Many in the administration did not even trust the information supplied by Iraq for export licenses.

Despite all these warning signs, the Bush and Reagan administrations made just one check to see how U.S. equipment was being used after it was installed. Last year United States District Judge Stanley Sporkin, presiding over the case Consarc versus the Iraqi Ministry of Industry and Minerals, made an insightful observation related to the export licensing process and postinstallation checks.

In this case Judge Sporkin ordered the largest putative damage award against a foreign government in U.S. legal history.

□ 2140

Judge Sporkin found that Iraq had intentionally misrepresented the end use of the Consarc furnaces it was buying. Iraq claims the furnaces were to be used to manufacture medical prosthesis, when in fact the furnaces were destined for Iraq's secret nuclear weapons program. While presiding over the case, Judge Sporkin stated:

> I gather there is no compliance mechanism that is built into the end-user certificate and I don't see why somebody ought not to be working on that concept * * * (You're) going to have to design some system where the Government has the right to police this end-user certificate to make sure the product being used hasn't been resold or hasn't been altered.

OTHERS HAVE IDENTIFIED UNITED STATES FIRMS AS ARMING IRAQ

Several Bush administration officials in a position to know have testified before the Congress about the United States role in enhancing Iraq's military capability. To illustrate that point I refer to an April 18, 1991, hearing before the Ways and Means Committee, Subcommittee on Oversight.

The hearing focused on the administration and enforcement of United States export control laws with the main focus being the United States experience with Iraq. One of DOD's experts on proliferation, the DOD's Deputy for Nonproliferation Policy stated at various times during the hearing:

> * * * a number of military useful technologies and pieces of equipment made their way into Iraqi hands.
>
> There's no question that there were U.S. exports in support of military systems.
>
> I don't think we exported weapons. What clearly is the case * * * is that U.S. technology did make its way to programs that had important military applications.

I will offer other observations for the RECORD.

On April 8, 1991, Dennis Kloske, the former Under Secretary for the Department of Commerce's Bureau of Export Administration, testified before the Subcommittee on International Economic Policy and Trade. At the hearing Mr. Kloske related how the State Department was the agency responsible for setting the trade policy with Iraq. In referring to the Commerce Department's lack of legal authority to stop licenses because of that policy, Mr. Kloske stated:

> By 1990 U.S. exports of dual-use equipment to Iraq were subject to review for reasons of national security, nuclear nonproliferation, missile technology, chemical and biological weapons, human rights and regional stability. Under these circumstances, the Commerce Department still approved license applications destined for the Iraqi government agencies, military and research activities.

Many others have shown that United States companies have helped arm Iraq. For example, several proliferation experts have shown how United States firms helped arm Iraq. United States law enforcement officials have indicted several United States companies that illegally shipped technology that enhanced Iraq's military. Dozens more are now under investigation. There have been numerous newspaper stories, televisions shows, and magazine articles about United States firms sending technology to enhance Iraq's military.

So it is reasonable to conclude and inevitably and inexorably one must, that the people with the power within the administrative workings were familiar with these various techniques that were used in this somewhat intricate Iraqi procurement network, and also used to violate the United States export control policy and to work in the intricacies and the gaps, very, very dangerous gaps, in our banking laws.

From information gathered after the BNL raid in August 1979, the administration knew that BNL was linked to Matrix-Churchill and other Iraqi front companies. That meant BNL was linked directly to Iraq's clandestine nuclear, chemical, and biological weapons programs.

The BNL raid also showed that the highest levels of the Iraqi government were involved in the BNL scandal, and in Iraq's efforts to procure weapons of mass destruction technology from the United States.

With these facts in mind, it is apparent that this administration acted with full and complete knowledge, at least those persons in those areas of judgment-making and decision, of Iraq's intentions as they considered and approved the $1 billion one year in the CCC Program for Iraq in November of 1989, but, most importantly, the commercial loan aspects of the BNL activities.

In effect, the taxpayers subsidized Iraq's nefarious activities. That was made possible because the State Department made a determination that the CCC program was separate from BNL's other activities.

There is some evidence showing that as time progressed, certain lower level employees of the Bush administration became more and more concerned about Iraq's intentions, but there is scant evidence to show that these concerns were communicated to Iraq.

Mr. Speaker, I will merely sum up by saying that we will go into our delineation in a more specific form as to the companies and the uses that was made by Iraqi powerful officials buying into American companies and thereby being able to have access to such things as the designs of some of the weaponry components.

[Unclassified]

BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS,
November 21, 1989.

Memorandum To: OES/N– S/NP– T–
NEA/NGA–

From: OES/NEC–
Subject: SNEC Cases of Interest.

BACKGROUND

The November 12 meeting of the SNEC and the November 20, briefing on Iraq's nuclear program and the activities of state enterprises provided a thorough presentation of available information and Intelligence Community views on these matters. However, we are still left with no clear indication of how to proceed on the majority of cases currently before the SNEC.

POLICY

The problem is not that we lack a policy on Iraq; we have a policy. However the policy has proven very hard to implement when considering proposed exports of dual-use commodities to ostensibly non-nuclear end users, particularly state enterprises.

SNEC policy for some years has been not to approve exports for Iraq's nuclear program except for very insignificant items for clearly benign purposes such as nuclear medicine. However, at the same time, U.S. policy, as confirmed in NSD 26, has been to improve relations with Iraq, including trade, which means that exports of non-sensitive commodities to "clean" end users in Iraq should be encouraged. According to NEA/NGA, although U.S. policy precludes approval of Munitions Control licenses for Iraq, exports of dual use commodities for conventional military use may be approved.

Complicating factors in decision making include:

1. A presumption by the Intelligence Community and others that the Iraqi Government is interested in acquiring a nuclear explosive capability;
2. Evidence that Iraq is acquiring nuclear related equipment and materials without regard for immediate need;
3. The fact the state enterprises which are ordering substantial quantities of dual use equipment needed for post war reconstruction, such as, computers and machine tools, are involved in both military and civil projects;
4. Indications of at least some use of fronts for nuclear-related procurement.
5. The difficulty in successfully demarching other suppliers not to approve exports of dual use equipment to state enterprises and other ostensibly non-nuclear end users.

RECOMMENDATIONS

Notwithstanding the foregoing, we are prepared to recommend the following actions on the below-listed currently pending dual use exports to Iraq. Proposed conditions are tailored to significance of export. Other agencies, particularly DOD, may not concur in the recommendations for approval, which would result in split decisions being reported to Commerce for resolution at a higher level.

for one 1 GHZ oscilloscope for Technical University Research Center, Iraq. Pending reply to State cable requesting end user info and DOC info on end use. Defer for reply to state telegram to Baghdad.

for three HP 9000 workstations to Nasser State Enterprise, Iraq. Deferred for CIA code word level briefing on Iraqi State enterprises and their connections with Iraqi nuclear program. Deny on foreign policy (not nuclear) grounds based on specific information linking this proposed export to a missile development project.

for one HP model 360 computer to Ministry of Industry and Military Industrialization, Iraq. End user is identified as of concern for missile and other military activities. End user directs all state enterprises. However, computer proposed for export is only a PC. Approve with license conditions of no nuclear use and no retransfer without prior consent and end user certificate on same points.

for two 3-axis turning machines to Saddam General Establishment. Approve subject to license conditions of no nuclear use and no retransfer without prior consent; end user certificate on same points and periodic reporting of status of equipment by exporter or exporter reps.

for one coordinate measuring system to Bader General Establishment, Iraq. Favorable end use check received from U.S. Embassy Baghdad. Approve subject to license conditions of no nuclear use and no retransfer without prior consent; end user certificate on same points and periodic reporting of status of equipment by exporter or exporter reps.

for one numerically controlled machine tool to Bader General Establishment, Iraq. Approve subject to license conditions of no nuclear use and no retransfer without prior consent; end user certificate on same points and periodic reporting of status of equipment by exporter or exporter reps.

application D015535 for re-export of one VAX6320 and one MICROVAX II computers to Scientific Research Council, Iraq. Concerns have been raised because of possible nuclear-related procurement of items such as glove boxes. However this end user is responsible for universities and scientific institutions in Iraq, including such benign activities as astronomy. Moreover the computers proposed for export, though highly desirable VAX models, have rather low PDR ratings (300 for largest and 39 for the smaller system and workstations). Approve with license conditions of no nuclear end use and no retransfer without prior consent and end user certificate on same points.

for one Cyber 910B–400 series workstation to the Hutteen General Establishment, Iraq, for engineering applications. This is the low end of the CYBER mainframe line with a PDR of 318. Approve with license conditions of no nuclear use and no retransfer without prior consent and end user certificate on same points.

for two optical heads for cameras and timing lights to A.M. Daoud Research Center, Iraq, for work on projectile behavior and terminal ballistics. DOE review shows that speed of this equipment is appropriate for conventional artillery rounds but far too slow for nuclear applications. Approve with license conditions of no nuclear end use and no retransfer without prior consent and end user certificate on same points.

U.S. NUCLEAR EXPORT POLICY TOWARDS IRAQ

BACKGROUND

During the Iran-Iraq war, the US imposed a de facto embargo on the export of nuclear-related commodities to nuclear end-users in those countries. With the exception of China and Argentina, other nuclear suppliers had similar policies. The cease-fire prompted the US to demarche a number of nuclear suppliers urging that they not resume their prewar practice of permitting export of nuclear commodities to Iraq and Iran. It also prompted the US export community to consider the need for a review of US export policy towards those countries. Because such a review has not been formally conducted, the Commerce Department has held without action for the last several months virtually all nuclear-related dual-use license applications for Iraq.

The recent attempt to export to Iraq capacitors with military specifications has made the need for export-related policy guidance even more apparent. This development, however identifies only one, now publicly known, Iraqi clandestine procurement effort. Prior to the arrest, ample evidence existed that Iraq operated an extensive, worldwide clandestine network which attempted to procure a wide range of military items, including nuclear-related dual-use commodities. Such procurement efforts and Iraq's apparent lack of commitment to its international treaty obligations, evidenced by its disregard of the Geneva Convention on chemical weapons, must be considered in formulating US export policy toward that country.

Formulating such a policy will be complicated because end-users which engage in legitimate non-nuclear and non-missile-related end-uses also procure commodities on behalf of Iraq's nuclear and missile programs. Because the Iraqi procurement network serves both nuclear and missile programs, one cannot distinguish between purchasers of nuclear concern and those of missile concern. Thus, US export policy should apply equally to Iraqi nuclear end-users and purchasers for Iraq's nuclear and missile programs.

CURRENT LICENSING PRACTICE

Current US policy is to deny all license applications for the export of NRC-licensed items to Iraq, notwithstanding Iraq's NPT status and acceptance of IAEA safeguards. This position results from doubts about Iraq's commitment to and support for nuclear non proliferation.

The Subgroup on Nuclear Export Coordination (SNEC) presently recommends denial of all cases involving Commerce-licensed commodities for the Iraqi Atomic Energy Commission and performs case-by-case review of less significant commodities going to non-nuclear end-users. The SNEC has also recommended denial of certain cases involving proposed exports to entities believed to procure or produce commodities on behalf of Iraq's nuclear program. However, a large number of other cases involving proposed exports to Iraq are pending. At present, no foreign policy controls exist which permit the US to control nuclear-related dual-use commodities across-the-board to Iraq.

PROPOSED EXPORT POLICY

Computers

Given the difficulties involved in controlling the export of computers, their wide foreign availability and the pace of development of computer technology, it is proposed that export of computers with a PDR of 250 or less to non-nuclear Iraqi end-users be reviewed with a presumption of approval. This policy would also apply to end-users which have procured commodities on behalf of Iraq's nuclear and missile programs but which also engage in legitimate non-nuclear and non-missile related activities. An exception to this policy would be made, however, if there is information linking a nuclear or missile end-use to a specific export request under review.

Foreign availability

While foreign availability should be taken into account in determining whether to approve a license, it should not be the overriding factor. In the case of other proliferant countries, the U.S. has denied licenses for the export of commodities available in other countries because it considered the risk of diversion to proscribed end-uses too high. The operation of Iraq's procurement network inevitably raises concerns about the potential for unauthorized diversion of commodities in Iraq and doubts about the veracity of the information provided on Iraqi license applications. Thus, U.S. export policy towards Iraq should generally be guided not by foreign availability to commodities but by U.S. nuclear and missile nonproliferation considerations.

Other suppliers

Despite the lack of U.S. policy guidance governing exports to Iraq, the U.S. has urged other suppliers to exercise extreme caution in permitting nuclear-related and dual-use exports to that country. In addition to demarching U.S. suppliers after the close of the Iran-Iraq war, the U.S. has also approached suppliers on specific Iraqi procurement efforts, urging them to take steps to ensure that certain exports to Iraq not occur.

In considering U.S. export policy toward Iraq, we should also consider the need to establish procedures which would ensure regular communication with other nuclear suppliers about U.S. export control actions involving Iraq. Such communication would involve informing suppliers of general principles governing U.S. exports toward Iraq. It would also involve notifying them of actions taken by the U.S. on individual cases and urging those suppliers to adopt similar notification procedures. This is particularly important as much of the focus of Iraqi procurement efforts is in Europe. Thus attempts to impede development of Iraq's nuclear program by technology denial will succeed only with the cooperation of other nuclear suppliers.

U.S. conditions of supply

All nuclear-related dual-use exports to Iraq should be conditioned on no nuclear use and no retransfer within Iraq without prior USG authorization.

The U.S. should also explore the feasibility of conducting post-installation checks in Iraq, similar to those conducted in Pakistan. This method could be used to allay concerns that items are being illegally retransferred to nuclear or missile end-users. This method could deter unauthorized diversion of U.S. commodities. Such checks should generally be used only in instances where U.S. export policy does not preclude export of a commodity to a particular end-user. They should not, however, be used as a substitute for denial of commodities required under the above guidelines. Similarly, if such checks are not possible, a more restrictive approach to exports would be appropriate.

PROPOSED GUIDELINES

The following guidelines are proposed for use by SNEC agencies when considering dual-use license applications, excluding computers, for Iraq.

No export of Nuclear Referral List items will be permitted to Iraqi nuclear end-users, or end-users which are known or suspected to procure commodities on behalf of Iraq's nuclear and missile programs, regardless of the stated end-use. End-users in the latter category include state enterprises and ministries. A complete list of grey end-users is attached. (The list is currently being completed by Livermore.) Given the rapidity of change in the Iraqi procurement network, this list will need to be updated regularly by the intelligence community.

Export applications for items not on the Nuclear Referral List to Iraqi nuclear end-users will be reviewed on an ad hoc basis with a presumption of denial.

Export applications for items not on the Nuclear Referral List to Iraqi end-users which have been involved in procurement of commodities for Iraq's nuclear and missile programs will be reviewed on an ad hoc basis and may be approved if the commodity is considered by technical experts to be appropriate for the stated end-use. Standard no-nuclear-use conditions would apply. If possible, conditions of supply should be verified, e.g. post-installation checks.

Export applications for items on the Nuclear Referral List and items not on that List to non-nuclear end-users with no known procurement connection to Iraq's nuclear and missile programs will be reviewed on an ad hoc basis with a presumption of approval if the commodity is considered appropriate for the stated end-use. Standard no-nuclear-use conditions would apply.

U.S. DEPARTMENT OF STATE,
Washington, DC., September 22, 1989.

INFORMATION MEMORANDUM

To: T—Mr. Bartholomew.
From: NEA—John H. Kelly.
Subject: The Banca del Lavoro Scandal and Trade with Iraq.

You will have seen reports in the press linking the Atlanta branch of Italy's Banca Nazionale del Lavoro to Iraqi nuclear and missile programs. The money does appear to have been used to finance a wide range of imports and projects, probably including the acquisition of sensitive technology, but the technology transfer aspects are separate from the scandal surrounding the credits.

Investigators are not talking, but it is clear the BNL branch manager in Atlanta gave Iraq over $4 billion in export credits in over 2500 separate transactions, at below market rates, that he kept on a secret set of books. Despite protests that BNL's Rome headquarters knew nothing of the unauthorized loans, the bank's two top officials have resigned and the former Italian defense attache in Baghdad has committed suicide. At least $900 million of BNL's letter of credit have not yet been paid out to the Iraqis, who are demanding that the bank make good on them.

The Financial Times and Wall Street Journal appear to be mixing up the credit scam, Iraqi conventional weapons production, and Iraqi nuclear and missile proliferation programs. The tone of the press stories tars all Iraqi industry—and technology transfer—with the proliferation brush. The September 14 WSJ, for example, claims U.S. officials have concerns about the nuclear weapons capabilities of a $500,000 machine tool designer an Alabama company wants to export to Iraq with BNL credits.

The net result could be perception that all technology transfer to Iraq is illegitimate. In attempting to counter Iraq's nuclear, missile and CW programs we have concentrated on denying key technologies. To be credible, we need to keep the focus on these key technologies—while recognizing that the Iraqis will, if they can, use basic civilian industrial technology for military production as well.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF REPORTS ADMINISTRATION
Washington, DC., August 8, 1988

Memorandum for: John R. Kenfela, Director, Strategic Trade, Defense Technology Security Administration.
From: Iain S. Baird, Acting Director, Office of Export Licensing.
Subject: Reexport Application.

registered the subject reexport request on —. The request is for shipment of systems including peripherals and training valued at $600,000.00. This equipment will be used by * * * State * * * of Mechanical Industry in Iraq for a graphics design system used in tooling design. will provide on site support and training for maintenance of all hardware and software.

After several reviews, DOD recommended a denial because DOD alleges that we are dealing with a "bad end-user. The ultimate consignee is a subordinance to the Military Industry Commission and located in a military facility. Image of neutrality could hardly be served. Also, this system could contribute directly to increasing Iraq's military force capability".

Although this export transaction would normally not require Department of State review, Commerce consulted with State on foreign policy grounds. State has recommended approval because there are no foreign policy controls applied to computer exports to Iraq, nor are there any other statutory or regulatory grounds for rejecting this case.

The fact that the pre-license check revealed the end-user to be under the Military Industry Commission is not grounds for denial. DOD has raised foreign policy concerns as a rationale for denial. As stated in the * * *, foreign policy controls are maintained on exports to Iraq of (1) certain chemicals identified as precursors to chemical warfare; (2) regional stability items, and (3) crime control and detective equipment. In addition, Iraq was removed from anti-terrorism controls applied to military end-users in 1982. The * * * Establishment is a multi-functional complex, which American officials have visited, and approval of this export will not affect the image of neutrality in the Iran-Iraq war. The knowledge that will provide on-site maintenance and other servicing is another reason why this case should be approved. ——— will know if the equipment is moved or if other conditions of the export license are violated in some way.

Given the recent MSC decision to more favorably review export licenses and applications to Iraq, please personally review this application and give me or Dan Hill a call if DOD maintains its objection and wishes to include this case in the next Policy Issues Group meeting. We can be reached at 377-8536. If no response is received within 10 days of the date of this letter, Commerce will process this application.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF EXPORT ADMINISTRATION
Washington, DC.

Memorandum for: Dennis Kloske.
From: Iain S. Baird.
Subject: The NSC and Iraq.

To the best of my recollection, there have been four NSC meetings relating to export licensing and Iraq.

In late summer 1987, there was an NSC meeting at which Steve Bryen presented some satellite photographs of the SA'AD 16 facility. As a result of this meeting, Paul Freedenberg directed that we suspend the Gildemeister case (the Hybrid analog computer), and we did so on September 22, 1987, based on the new controls available under the MTCR.

In the spring of 1988, a number of Iraqi export licenses had backed up pending a decision by the Administration with respect to trading with Iraq. At an NCS meeting at that time, these cases were reviewed and cleared and the instruction was issued (conveyed by Paul Freedenberg) to treat Iraqi applications favorably.

On April 16 and May 29, 1990, there were Deputies Meetings chaired by the NSC at which you argued for expanded foreign policy controls on Iraq. You also sent a proposal to Robert Gates on June 8, 1990, outlining your proposal for the expansion of the MTCR, including controls on Iraq.

In June and July 1990, the proposal is discussed at several PCC meeting.

[Telex]

MARCH 26, 1989.

For the attention of Mr. C. Drougol. I would like to express my greetings and personal good wishes for you and your family and all your staff at Del Lavoro Bank-Atlanta on the occasion of the Easter festivities.

Wishing you all happiness, good health and prosperity.

HUSSAIN KAMIL HASAN,
The Ministry of Industry and Military Production.

IRAQI EXPORT CASES: WHY THEY MAKE THE CASE FOR EXPANDING LICENSE REQUIREMENTS AND REVIEW

An initial review of 73 cases in which licenses were granted by DOC or DOC/DOD from 1986–1989 shows that licenses were granted for equipment with dual or not clearly stated uses for export to probably proliferation related end users in Iraq. This indicates that expanded license requirements and additional review of licenses could reduce U.S. contributions to proliferation activities. These cases concerned only exports for which a license had to be obtained; they indicate nothing about equipment that may have been exported freely because no license was required.

EXAMPLES

During the period in question, at least 17 licenses were issued for the export of bacteria or fungus cultures either to the Iraqi Atomic Energy Commission (IAEC) or the University of Baghdad.

A known procurement agent for Iraqi missile programs, ——— was issued licenses to export computers to a missile activity and computers and electronic instruments to the IAEC.

A license was issued to export a computer for a "fertilizer plant" to the Iraqi Ministry of Minerals, which is known to be associated with the Iraqi CW program.

——— received a license to export equipment to the Nasser Establishment for "general military applications such as jet engine repair, rocket cases, etc."

Licenses were issued for the export to Iraq of computer-assisted design and manufacturing (CAD/CAM) and chemical process control equipment.

——— had a license approved by DoD for a computer system for use with a furnace for "medical prostheses."

——— also had a license approved by DoD/DOC to export numerically controlled equipment related to crucibles.

——— received a license to export "navigation/direction finding/radar/mobile communications" equipment to Salah-al-Din, which is associated with an Iraqi missile project.

DoD approved a license for the export of possible telemetry equipment to the Saddam General Establishment.

Implementation of various aspects of EPCI would provide a basis to deny licenses (and require additional licenses so transactions could be reviewed) in cases similar to those reviewed because of the end user (country or entity), the knowing contribution to or risk of diversion to a proliferation activity.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HYDE (at the request of Mr. MICHEL) for today and the balance of the week on account of family medical reasons.

Mr. PETERSON of Florida (at the request of Mr. GEPHARDT) for July 21 and the balance of the week on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. WELDON) to revise and extend their remarks and to include extraneous material:

Mr. EWING, for 5 minutes, on July 22.

Mr. GALLEGLY, for 5 minutes, today.

Mr. WELDON, for 5 minutes, today.

Mr. RIGGS, for 60 minutes each day, on July 28, 29, and 30.

Mr. FISH, for 60 minutes, on July 23.

The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:

Mrs. LOWEY of New York, for 5 minutes, today.

Mr. GEREN of Texas, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

Mr. MCCLOSKEY, for 5 minutes each day, on July 22 and 23.

Mr. OWENS of New York, for 60 minutes each day, on July 21, 22, 23, 24, 28, 29, and 30.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GILMAN, on House Joint Resolution 502, in the House today.

Mr. GILMAN, in the House today on H.R. 5318.

The following Members (at the request of Mr. WELDON) and to include extraneous matter:

Mrs. MORELLA in two instances.

Mr. MCEWEN.

Mr. VANDER JAGT.

Mr. SMITH of Texas.

Mr. HOUGHTON.

Mr. GEKAS.

Mr. DOOLITTLE.

Mr. LENT.

Mr. OXLEY.

Mr. THOMAS of California.

Mr. GRADISON.

Mr. MICHEL.

Mr. SMITH of Oregon.

Mr. GALLEGLY in three instances.

Mr. IRELAND.

Mr. LIVINGSTON.

Mr. SUNDQUIST.

Mr. LEWIS of California.

Mr. CRANE.

Mr. GREEN of New York.

Mr. GOODLING.

Mr. LEACH.

The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:

Mr. ANDERSON in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. BROWN in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BONIOR.

Mr. SWETT.

Mr. STARK in three instances.

Mr. FASCELL in three instances.

Mr. TRAFICANT.

Mr. TORRES.

Mr. PENNY.

Mr. LANTOS.

Mr. WEISS.

Mr. PEASE.

Mr. SARPALIUS.

Mr. LAFALCE.

Mr. DINGELL.

Mr. DONNELLY.

Mr. SKELTON in two instances.

Mr. ALEXANDER.

Mr. JACOBS.

Mr. MARTINEZ.

Mr. LEVINE of California.

Mr. ROWLAND.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 47 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 22, 1992, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3909. A letter from the Comptroller of the Department of Defense, transmitting a report of three violations involving the improper use of appropriations which occurred in the Department of the Navy, pursuant to 31 U.S.C. 1351; to the Committee on Appropriations.

3910. A letter from the Secretary of Commerce, transmitting a report of a violation of the Anti-Deficiency Act which occurred in the National Technical Information Service, pursuant to 31 U.S.C. 1517; to the Committee on Appropriations.

3911. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of July 1, 1992, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 102–360); to the Committee on Appropriations and ordered to be printed.

3912. A letter from the Department of the Navy, transmitting notification that the Department intends to offer for lease three naval vessels to the Republic of Chile, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

3913. A letter from the Office of General Counsel, Department of Defense, transmitting a draft of proposed legislation to authorize the Secretary of the Army to designate civilian employees to act as approving authorities on reports of survey; to the Committee on Armed Services.

3914. A letter from the Office of General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize a military history dissertation fellowship program; to the Committee on Armed Services.

3915. A letter from the Secretary of Education, transmitting the 14th annual report on the progress being made toward the provision of a free appropriate public education for all handicapped children, pursuant to 20 U.S.C. 1418(f)(1); to the Committee on Education and Labor.

3916. A letter from the Administrator, Energy Information Administration, transmitting the Annual Energy Review 1991, pursuant to 15 U.S.C. 790f(a)(2); to the Committee on Energy and Commerce.

3917. A letter from the Federal Energy Regulatory Commission, transmitting the 1991 Annual Report of the Federal Energy Regulatory Commission, pursuant to 16 U.S.C. 797(d); to the Committee on Energy and Commerce.

3918. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of the transfer of equipment, pursuant to 22 U.S.C. 2314(d); to the Committee on Foreign Affairs.

3919. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of major defense equipment sold commercially to Israel (Transmittal No. DTC–22–92), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

3920. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of major defense equipment sold commercially to Japan (Transmittal No. DTC–23–92), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

3921. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of defense equipment sold commercially to the Republic of Hong Kong (Transmittal No. DTC–21–92), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

3922. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of major defense equipment sold commercially to Thailand (Transmittal No. DTC–16–92), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

3923. A letter from the Director, Defense Security Assistance Agency, transmitting the price and availability report for the quarter ending June 30, 1992, pursuant to 22 U.S.C. 2768; to the Committee on Foreign Affairs.

3924. A communication from the President of the United States, transmitting a report on the status of efforts to obtain compliance by Iraq with the resolutions adopted by the United Nations Security Council, pursuant to Public Law 102–1, section 3 (105 Stat. 4) (H. Doc. No. 102–361); to the Committee on Foreign Affairs and ordered to be printed.

3925. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3926. A letter from the Director, Arms Control and Disarmament Agency, transmitting a draft of proposed legislation to amend the Arms Control and Disarmament Act in order to increase the authorization for appropriations for fiscal year 1993; to the Committee on Foreign Affairs.

3927. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1997 resulting from passage of S. 2901, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–582); to the Committee on Government Operations.

3928. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1997 resulting from passage of H.R. 5260, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–582); to the Committee on Government Operations.

3929. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1997 resulting from passage of S. 1306, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–582); to the Committee on Government Operations.

3930. A letter from the Director, Office of Management and Budget, transmitting OMB's estimate of the amount of discretionary new budget authority and outlays for the current year (if any) and the budget year provided by House Joint Resolution 509, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–578); to the Committee on Government Operations.

3931. A letter from the Small Business Administration, transmitting the semiannual report of the Office of the Inspector General for the period October 1, 1991, through March 31, 1992, pursuant to Public Law 95–452, section 5(b) (102 Stat. 2526); to the Committee on Government Operations.

3932. A letter from the Chairman, Federal Election Commission, transmitting proposed regulations governing special fundraising projects and other use of candidate names by unauthorized committees, pursuant to 2 U.S.C. 438(d); to the Committee on House Administration.

3933. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3934. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3935. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3936. A letter from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting the Fiscal Year 1991 report on the implementation of the Indian Self-Determination and Education Assistance Act, pursuant to 25 U.S.C. 450j–1(c); to the Committee on Interior and Insular Affairs.

3937. A letter from the Secretary, Department of the Interior, transmitting the Department's notice on leasing systems for the Western Gulf of Mexico, Sale 141, scheduled to be held in August 1992, pursuant to 43 U.S.C. 1337(a)(8); to the Committee on Interior and Insular Affairs.

3938. A letter from the Department of Justice, transmitting a copy of a report entitled "Report on the Legalized Alien Population"; to the Committee on the Judiciary.

3939. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of the President's determination that the "Agreement on Trade Relations Between the Government of the United States and the Government of Romania" will promote the purposes of the Trade Act of 1974 and is in the national interests, pursuant to 19 U.S.C. 2437(a); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on July 9, 1992, the following report was filed on July 16, 1992]

Mr. DE LA GARZA: Committee on Agriculture. H.R. 4059. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to authorize additional functions within the Enterprise for the Americans Initiative, and for other purposes; with an amendment (Rept. 102–667, Pt. 1). Ordered to be printed.

[Submitted July 21, 1992]

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 1182. A bill to authorize and direct the exchange of lands in Colorado; with an amendment (Rept. 102–398, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 2735. A bill to amend the Internal Revenue Code of 1986 to repeal the 30-percent gross income limitation applicable to regulated investment companies, and for other purposes; with amendments (Rept. 102–668). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 4394. A bill to amend title 46, United States Code, to require merchant mariners' documents for certain seamen; with an amendment (Rept. 102–669). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. Report on the revised subdivision of budget totals for fiscal year 1993 (Rept. 102–670). Referred to the Committee on the Whole House on the State of the Union.

Mr. ROE: Committee on Public Works and Transportation. H.R. 5481. A bill to amend the Federal Aviation Act of 1958 relating to administrative assessment of civil penalties; with an amendment (Rept. 102–671). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 5620. A bill making supplemental appropriations, transfers, and rescissions for the fiscal year ending September 30, 1992, and for other purposes (Rept. 102–672). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 3157. A bill to provide for the settlement of certain claims under the Alaska Native Claims Settlement Act, and for other purposes; with an amendment (Rept. 102-673). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 3898. A bill to provide for the addition of the Truman National Historic Site in the State of Missouri; with an amendment (Rept. 102-674). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 4004. A bill to assist in the development of tribal judicial systems, and for other purposes; with an amendment (Rept. 102-675). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 4085. A bill to amend the act of August 7, 1961, establishing the Cape Cod National Seashore, and for other purposes; with amendments (Rept. 102-676). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 4382. A bill to modify the boundaries of the New River Gorge National River, the Gauley River National Recreation Area, and Bluestone National Scenic River in West Virginia; with amendment (Rept. 102-677). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. S. 2079. A bill to establish the Marsh-Billings National Historical Park in the State of Vermont, and for other purposes; with an amendment (Rept. 102-678). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 5492. A bill to provide environmental assistance to Indian tribes, and for other purposes (Rept. 102-680, Pt. 1). Ordered to be printed.

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 4437. A bill to authorize funds for the implementation of the settlement agreement reached between the Pueblo de Cochiti and the U.S. Army Corps of Engineers under the authority of Public Law 100-202 (Rept. 102-681, Pt. 1). Ordered to be printed.

Mr. GORDON: Committee on Rules. House Resolution 517. Resolution waiving certain points of order against and during consideration of the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes (Rept. 102-683). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 711. A bill to validate conveyances of certain lands in the State of California that form part of the right-of-way granted by the United States to the Central Pacific Railway Co.; with an amendment (Rept. 102-679). Referred to the Committee of the Whole House.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 1219. A bill to designate wilderness, acquire certain valuable inholdings within National Wildlife Refuges and National Park System Units, and for other purposes; referred to the Committee on Merchant Marine and Fisheries for a period ending not later than July 28, 1992, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(n) of rule X. (Rept. 102-682, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PENNY (for himself, Mr. SMITH of New Jersey, Mr. MONTGOMERY, and Mr. STUMP):

H.R. 5619. A bill to reorganize technically chapter 36 of title 38, United States Code, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WHITTEN:

H.R. 5620. A bill making supplemental appropriations, transfers, and recissions for the fiscal year ending September 30, 1992, and for other purposes.

By Mr. GONZALEZ:

H.R. 5621. A bill to prohibit the transportation in interstate commerce or from any foreign country into the United States of services provided by convicts or prisoners, and for other purposes; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. DELLUMS (for himself and Ms. NORTON):

H.R. 5622. A bill to authorize an additional Federal contribution to the District of Columbia for fiscal year 1993 for youth and anticrime initiatives in the District of Columbia; to the Committee on the District of Columbia.

H.R. 5623. A bill to waive the period of congressional review for certain District of Columbia acts; to the Committee on the District of Columbia.

By Mr. DONNELLY:

H.R. 5624. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income certain employer-sponsored scholarships; to the Committee on Ways and Means.

By Mr. GALLEGLY:

H.R. 5625. A bill to prohibit Federal financial assistance to State and local governments that extend the right to vote to undocumented aliens; jointly, to the Committees on the Judiciary and Government Operations.

By Mr. JACOBS:

H.R. 5626. A bill to prohibit candidates for Federal office from using campaign contributions for inherently personal purposes; to the Committee on House Administration.

By Mr. JONES of North Carolina (for himself, Mr. DAVIS, Mr. LENT, and Mr. FIELDS) (all by request):

H.R. 5627. A bill to amend the Merchant Marine Act, 1936, as amended, to establish a contingency retainer program and improve the United States flag merchant marine; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. LAFALCE:

H.R. 5628. A bill to amend the Competitiveness Policy Council Act to provide for reauthorization, to rename the Council, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEACH:

H.R. 5629. A bill to extend the statute of limitations on tort actions brought by the Resolution Trust Corporation; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MARTINEZ (for himself, Mr. FORD of Michigan, Mr. GOODLING, Mr. KILDEE, Mr. FAWELL, Mrs. LOWEY of New York, and Mr. DE LUGO):

H.R. 5630. A bill to amend the Head Start Act to expand services provided by Head Start Programs; to expand the authority of the Secretary of Health and Human Services to reduce the amount of matching funds required to be provided by particular Head Start agencies; to authorize the purchase of Head Start facilities; and for other purposes; to the Committee on Education and Labor.

By Mr. SANGMEISTER:

H.R. 5631. A bill to establish the Civilian Technology Corporation to provide financial support for precommercial research and development in technologies that are significant to the technology base of the United States; to the Committee on Science, Space, and Technology.

By Mr. SCHUMER:

H.R. 5632. A bill to amend title 18, United States Code, to require Federal firearms licensees to provide such firearms record information as may be necessary to aid in the tracing of firearms in the course of a law enforcement investigation; to the Committee on the Judiciary.

H.R. 5633. A bill to amend title 18, United States Code, to expand the scope of the multiple firearms sales reporting requirement, and to require that persons comply with State and local firearms licensing laws before receiving a Federal license to deal in firearms; to the Committee on the Judiciary.

H.R. 5634. A bill to amend title 18, United States Code, to prevent certain convicted felons from regaining access to firearms; to the Committee on the Judiciary.

By Mr. SANGMEISTER:

H. Con. Res. 349. Concurrent resolution to express the sense of the Congress that Federal spending on civilian research and development should comprise 70 percent of total Federal research and development spending by fiscal year 1997; to the Committee on Science, Space, and Technology.

By Mrs. SCHROEDER:

H. Con. Res. 350. Concurrent resolution expressing the sense of the Congress that the dosage of the drug RU-486 seized from Leona Benten should be returned to her for her personal use under the supervision of her physician; to the Committee on Ways and Means.

By Mr. SWIFT (for himself, Mr. DINGELL, Mr. LENT, and Mr. RITTER):

H. Res. 516. Resolution to provide for the consideration of the Senate amendment to H.R. 2607; rules suspended, considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

500. By the SPEAKER: Memorial of the Senate of the Commonwealth of Pennsylvania, relative to restoring State grants under the Federal Mine Safety and Health Act of

1977; to the Committee on Education and Labor.

501. Also, memorial of the General Assembly of the State of New Jersey, relative to the patriot Thomas Paine; to the Committee on House Administration.

502. Also, memorial of the House of Representatives of the State of Florida, relative to Heriberto Mederos; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mrs. SCHROEDER introduced a bill (H.R. 5635) for the relief of Leona Benten; which was referred to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 75: Mr. BARNARD.

H.R. 110: Mr. HOCHBRUECKNER.

H.R. 213: Mr. PETERSON of Minnesota.

H.R. 299: Mr. DUNCAN.

H.R. 301: Mr. INHOFE.

H.R. 318: Mr. HAYES of Illinois.

H.R. 327: Mr. JOHNSON of South Dakota.

H.R. 371: Mr. LOWERY of California, Mr. COMBEST, and Mr. CHANDLER.

H.R. 643: Mr. GOSS.

H.R. 783: Mr. GOSS.

H.R. 1066: Mr. HOCHBRUECKNER.

H.R. 1106: Mr. INHOFE.

H.R. 1110: Mr. GILCHREST.

H.R. 1245: Mr. GUNDERSON.

H.R. 1317: Mr. BACCHUS, Mr. PACKARD, Mr. ALLEN, and Mr. JOHNSON of South Dakota.

H.R. 1468: Mrs. MINK.

H.R. 1704: Mr. BATEMAN, Mr. GORDON, and Mr. GOSS.

H.R. 1746: Mrs. MINK.

H.R. 1755: Mr. GOSS.

H.R. 1987: Mr. MURTHA.

H.R. 2083: Mr. VISCLOSKY.

H.R. 2164: Mr. MOODY and Mr. HALL of Texas.

H.R. 2336: Mr. GOSS.

H.R. 2452: Mr. PALLONE and Mr. GOSS.

H.R. 2595: Mr. ALLEN, Mr. GOSS and Mr. INHOFE.

H.R. 2648: Mr. BONIOR.

H.R. 2872: Mr. LENT and Mr. SANGMEISTER.

H.R. 2945: Mr. RAY and Mr. RAVENEL.

H.R. 2966: Mr. PEASE and Mr. MAZZOLI.

H.R. 3026: Mr. SIKORSKI.

H.R. 3137: Mr. GOSS.

H.R. 3164: Mr. GORDON, Mr. SPRATT, Mr. JACOBS and Mr. CRAMER.

H.R. 3217: Mr. GOSS.

H.R. 3236: Mr. MONTGOMERY.

H.R. 3349: Mr. GINGRICH.

H.R. 3425: Mr. LANCASTER and Mr. EMERSON.

H.R. 3441: Mr. GOSS and Mr. JOHNSON of South Dakota.

H.R. 3462: Mrs. COLLINS of Michigan.

H.R. 3522: Mr. KENNEDY.

H.R. 3578: Mrs. MINK.

H.R. 3656: Mrs. MINK.

H.R. 3710: Mr. FOGLIETTA.

H.R. 3748: Mr. MCMILLEN of Maryland and Mr. PENNY.

H.R. 3780: Mr. GOSS and Mr. JOHNSON of South Dakota.

H.R. 3801: Mr. GONZALEZ.

H.R. 3806: Mr. EVANS, Mrs. JOHNSON of Connecticut, and Mr. RAHALL.

H.R. 3843: Mr. RIDGE.

H.R. 3939: Mr. LEVIN of Michigan, Mr. FAZIO, and Mrs. SCHROEDER.

H.R. 3967: Mr. COX of California and Mr. ZELIFF.

H.R. 4008: Mr. GILMAN.

H.R. 4040: Mr. BAKER.

H.R. 4141: Mr. ROTH.

H.R. 4178: Mr. YOUNG of Alaska and Mr. BILIRAKIS.

H.R. 4182: Mr. ZELIFF.

H.R. 4192: Mr. KANJORSKI.

H.R. 4244: Mr. HALL of Ohio and Mr. BLAZ.

H.R. 4255: Mr. ABERCROMBIE, Mr. ANDREWS of New Jersey, Mr. ENGEL, Mr. GEJDENSON, Mr. HAYES of Illinois, Mr. HOCHBRUECKNER, Mr. LEVINE of California, Mr. NEAL of North Carolina, Mr. OLVER, Mr. PALLONE, Mr. REED, Mr. SLATTERY, Mr. SWETT, Mr. TORRES, Mr. TOWNS, and Ms. WATERS.

H.R. 4288: Mr. INHOFE.

H.R. 4315: Mr. ZELIFF.

H.R. 4418: Mr. KOLBE, Mr. TAYLOR of North Carolina, Mr. DORNAN of California, Mr. GINGRICH, and Mr. FRANK of Massachusetts.

H.R. 4498: Mr. ATKINS.

H.R. 4501: Mr. INHOFE.

H.R. 4507: Mrs. MEYERS of Kansas, Mr. GILCHREST, Mr. JOHNSTON of Florida, Mr. SAWYER, and Mr. GINGRICH.

H.R. 4606: Mr. JOHNSON of South Dakota.

H.R. 4608: Mr. JOHNSON of South Dakota.

H.R. 4754: Mr. ERDREICH, Mr. SHUSTER, Mr. BAKER, and Mr. OXLEY.

H.R. 4897: Mr. HUNTER and Mr. PETRI.

H.R. 4918: Ms. KAPTUR.

H.R. 4930: Mr. PURSELL and Mr. ZELIFF.

H.R. 4962: Mr. LEHMAN of California, Ms. MOLINARI, and Mr. RICHARDSON.

H.R. 4963: Mr. WISE and Mr. LEHMAN of California.

H.R. 5008: Mr. MONTGOMERY.

H.R. 5011: Mr. OWENS of Utah.

H.R. 5060: Mr. TOWNS.

H.R. 5087: Mr. BLAZ.

H.R. 5108: Mr. BLACKWELL.

H.R. 5113: Mr. ZIMMER and Mr. ZELIFF.

H.R. 5208: Mr. FOGLIETTA, Mr. SANDERS, Mr. JONES of Georgia, and Mr. CARDIN.

H.R. 5237: Mr. CLINGER, Mr. HEFNER, Mr. VISCLOSKY, Mr. DAVIS, and Mr. SHARP.

H.R. 5250: Mr. BURTON of Indiana, Mr. CRANE, and Mr. LIPINSKI.

H.R. 5264: Mr. FOGLIETTA.

H.R. 5276: Mr. OLIN, Mr. BAKER, Mr. MCMILLAN of North Carolina, Mr. CLINGER, Mr. QUILLEN, Mr. NEAL of North Carolina, Mr. THOMAS of Wyoming, Mr. BROOMFIELD, Mr. SPENCE, Mr. ANTHONY, Mr. EWING, Mr. VALENTINE, Mr. SMITH of Texas, Mr. HALL of Texas, Mr. FASCELL, and Mr. MARLENEE.

H.R. 5282: Mr. HYDE.

H.R. 5294: Mr. CLINGER, Mr. GILCHREST, and Mr. HAYES of Illinois.

H.R. 5308: Mr. ERDREICH, Ms. NORTON, Mr. TOWNS, Mr. LEWIS of Florida, Mr. EMERSON, Mrs. MEYERS of Kansas, Mr. LANCASTER, Mr. HORTON, Mr. MCCRERY, Mr. RAVENEL, Mr. VANDER JAGT, and Mr. ZIMMER.

H.R. 5320: Mr. CLINGER, Mr. GILCHREST, and Mr. WISE.

H.R. 5321: Mr. RAMSTAD, Mr. BURTON of Indiana, Mr. DURBIN, Mr. ROEMER, and Mr. SOLOMON.

H.R. 5340: Mr. INHOFE and Mr. SENSENBRENNER.

H.R. 5355: Mr. ABERCROMBIE.

H.R. 5360: Mr. DIXON, Mr. ROYBAL, and Mr. CARDIN.

H.R. 5366: Mr. EWING, Mr. ROBERTS, Mr. VALENTINE, and Mr. BROWN.

H.R. 5377: Ms. LONG, Mr. BERMAN, Mr. JOHNSON of South Dakota, Ms. SNOWE, Mr. GEREN of Texas, Mr. KLUG, Mr. MARTIN, and Mr. HOAGLAND.

H.R. 5391: Ms. NORTON and Mr. ATKINS.

H.R. 5437: Mr. FALEOMAVAEGA.

H.R. 5466: Mr. MINETA, Mr. GINGRICH, Mr. VANDER JAGT, and Ms. HORN.

H.R. 5476: Ms. NORTON, Mr. STALLINGS, Mr. ATKINS, Mr. BENNETT, Mr. ROBERTS, Mr. SKELTON, Mr. WYDEN, Mr. ANNUNZIO, Mr. SLATTERY, Mr. STUDDS, Mr. TALLON, Mrs. UNSOELD, Mr. AUCOIN, Mr. HUBBARD, Mr. JOHNSON of South Dakota, Mr. KILDEE, Mr. MCDADE, Mr. FEIGHAN, Mr. MILLER of Ohio, Mr. NATCHER, Mr. PASTOR, Mr. HALL of Ohio, Mr. HARRIS, Mr. KENNEDY, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. MCMILLEN of Maryland, Mr. NEAL of Massachusetts, Mr. SARPALIUS, Mr. BEVILL, Mr. GALLEGLY, Mr. MURPHY, Ms. OAKAR, Mr. PICKETT, Ms. SLAUGHTER, Mr. SPRATT, Mr. VISCLOSKY, Mrs. BENTLEY, Mr. BILBRAY, Mr. EMERSON, Mr. LANCASTER, and Mr. APPLEGATE.

H.R. 5478: Mr. SCHUMER.

H.R. 5489: Mr. LEWIS of Florida.

H.R. 5500: Ms. NORTON.

H.R. 5507: Mr. KOPETSKI, Mr. MAZZOLI, and Mrs. SCHROEDER.

H.R. 5550: Mr. PACKARD, Mr. RIGGS, Mr. GOSS, Mr. ZELIFF, Mr. JOHNSON of South Dakota, and Mr. INHOFE.

H.R. 5551: Mr. PACKARD, Mr. GOSS, Mr. ZELIFF, Mr. OXLEY, and Mr. INHOFE.

H.R. 5552: Mr. RIGGS, Mr. ZELIFF, and Mr. INHOFE.

H.R. 5553: Mr. PACKARD, Mr. GOSS, Mr. ZELIFF, Mr. INHOFE, and Mr. LAGOMARSINO.

H.R. 5554: Mr. GOSS.

H.R. 5592: Mr. OXLEY and Mr. DORNAN of California.

H.J. Res. 19: Mr. MCNULTY.

H.J. Res. 145: Mr. JOHNSON of South Dakota, Mr. KLECZKA, Mr. BONIOR, and Mr. BLAZ.

H.J. Res. 152: Mr. SMITH of Texas, Mr. DORNAN of California, Mr. SLATTERY, Mr. PASTOR, Mr. NAGLE, Mr. SHARP, Mr. SKELTON, Mr. MCCOLLUM, Mr. HAMMERSCHMIDT, Mrs. MINK, Mr. POSHARD, Mr. ROE, Mr. MURPHY, Mr. MURTHA, Mr. HASTERT, Mr. NATCHER, and Mr. SARPALIUS.

H.J. Res. 237: Mr. PETERSON of Florida, Mr. JONES of North Carolina, Mr. EMERSON, Mr. RAMSTAD, Mr. STAGGERS, Mr. COYNE, Mr. COUGHLIN, Mr. NEAL of Massachusetts, Mr. MARKEY, Mr. WOLF, Mr. TAUZIN, Mr. SOLARZ, and Ms. LONG,

H.J. Res. 238: Mr. KASICH, Mr. HAYES of Illinois, Mr. HEFNER, Mr. GONZALEZ, Mr. EWING, Mr. ANDERSON, Mr. HAMMERSCHMIDT, Mr. MOAKLEY, and Mr. DOOLITTLE.

H.J. Res. 353: Mrs. BOXER, Mr. DONNELLY, Mr. HAMMERSCHMIDT, Mr. HYDE, Mr. LEACH, and Mr. RIGGS.

H.J. Res. 393: Mr. DARDEN, Mr. STUDDS, Mr. ABERCROMBIE, Mr. ROTH, Mr. HOBSON, Ms. PELOSI, Mr. DWYER of New Jersey, Mr. ROYBAL, Mr. HORTON, Mr. RINALDO, Mr. SMITH of New Jersey, Mr. LANTOS, Mr. KOLTER, Mr. KLECZKA, Mr. KOPETSKI, Mr. MAZZOLI, Mr. DORNAN of California, Mr. DINGELL, Mr. SHAW, Mr. BURTON of Indiana, Mr. ARCHER, Mr. BLACKWELL, Mr. TAUZIN, Mr. GEJDENSON, Mr. PETRI, Mr. SCHIFF, and Mr. HALL of Ohio.

H.J. Res. 398: Mr. LIVINGSTON, Mr. HUTTO, Mr. HYDE, Mr. GILMAN, Mr. MCGRATH, Mr. MCDADE, Mr. TRAFICANT, Mr. WILSON, Mr. SPENCE, Mr. HAMMERSCHMIDT, Mr. HALL of Ohio, Mr. GINGRICH, Mr. KANJORSKI, Mr. HARRIS, MR. SABO, Mrs. UNSOELD, Mr. ROSE, Mr. QUILLEN, Ms. LONG, Ms. NORTON, Mr. SMITH of Texas, Mr. BALLENGER, Mr. JONTZ, Mr. JONES of North Carolina, Mr. OXLEY, Mrs. BENTLEY, Mr. BORSKI, Mr. ARCHER, Mr. CALLAHAN, Mr. CLINGER, Mr. DOOLITTLE, Mr. LENT, Mr. PERKINS, Mr. HAYES of Illinois, and Mr. SLATTERY, Ms. PELOSI, Mr. SMITH of New Jersey, Mr. HOYER, and Mr. YOUNG of Florida.

H.J. Res. 399: Mr. ANDREWS of Maine, Mr. NATCHER, Mr. GEREN of Texas, and Mrs. KENNELLY.

H.J. Res. 408: Mr. ROSE.

H.J. Res. 422: Mr. EVANS and Mr. KASICH.

H.J. Res. 440: Mrs. COLLINS of Michigan.

H.J. Res. 455: Mr. LANCASTER, Mr. KENNEDY, Mr. ROSE, and Mr. STARK.

H.J. Res. 469: Mr. DIXON, Mr. PURSELL, Mrs. MORELLA, Mr. HUBBARD, Mr. HOBSON, Mr. MOAKLEY, Mr. COYNE, Mr. SARPALIUS, Ms. KAPTUR, Mr. WELDON, Mr. MRAZEK, Mr. TAYLOR of Mississippi, Mr. STARK, Mr. PALLONE, Mr. SHARP, Mr. MILLER of Washington, Mrs. MEYERS of Kansas, Mr. FALEOMAVAEGA, Mr. SMITH of Florida, Mr. HAMILTON, Mr. HUTTO, Mr. MOODY, Mr. ROWLAND, Mr. SOLOMON, Mr. FAWELL, Mr. SLATTERY, Mr. GONZALEZ, Mr. SAVAGE, and Mr. DAVIS.

H.J. Res. 474: Mr. COX of Illinois, Mr. SAWYER, Mr. NATCHER, Mr. DORGAN of North Dakota, Mr. HYDE, Ms. SLAUGHTER, Mr. ARCHER, Mr. ROSE, Mr. FRANKS of Connecticut, and Mr. COBLE.

H.J. Res. 478: Mr. MCMILLEN of Maryland and Mr. ZELIFF.

H.J. Res. 483: Mr. WASHINGTON and Mr. MACHTLEY.

H.J. Res. 488: Mr. SAWYER, Mr. BACCHUS, Mr. GORDON, Mr. WOLF, Mr. CRAMER, Mr. ROSE, Mr. SMITH of Texas, Mr. PERKINS, and Mr. HALL of Ohio.

H.J. Res. 489: Mr. PANETTA, Mr. ECKART, Mr. CAMP, Mr. DOOLEY, Mr. WOLPE, Mr. MCCANDLESS, Mr. DORNAN of California, Mr. BERMAN, Mr. FORD of Tennessee, Mr. BATEMAN, Mr. GALLEGLY, and Mr. LAGOMARSINO.

H.J. Res. 492: Mr. JACOBS, Mr. EARLY, Mr. RHODES, Mr. LEVIN of Michigan, Mr. MCCANDLESS, Mr. UPTON, Ms. SLAUGHTER, Mr. MOORHEAD, Mrs. MINK, Mr. GRADISON, Mr. GINGRICH, Mr. HANSEN, Mr. MANTON, Mr. HALL of Texas, Mr. PICKETT, Mr. MCCLOSKEY, Mr. CHAPMAN, Mrs. COLLINS of Illinois, Mr. HEFNER, Mr. GONZALEZ, Mr. MAZZOLI, Mr. ALEXANDER, Mr. KENNEDY, Mr. DORNAN of California, Mr. EMERSON, Mr. FAWELL, Mr. WAXMAN, Mr. HAYES of Louisiana, Mr. GALLEGLY, Mr. MCDADE, Mr. BUSTAMANTE, Mr. SMITH of Iowa, Mr. ARCHER, Mr. AUCOIN, Mr. TRAXLER, Mr. ERDREICH, Mr. SWETT, Mr. DOOLEY, Mr. BREWSTER, Mr. SHAW, Mr. MCMILLEN of Maryland, Mr. SPRATT, Mr. MONTGOMERY, Mr. HORTON, Mr. KASICH, Mr. HENRY, Mr. LEHMAN of Florida, Mr. SAVAGE, Mr. WOLF, Mr. CLINGER, Mr. MCNULTY, Mr. KOLTER, Mr. RANGEL, Mrs. ROUKEMA, Ms. NORTON, Mr. HALL of Ohio, Mr. PURSELL, Mr. HAYES of Illinois, Mr. OBERSTAR, Mr. LAFALCE, Ms. DELAURO, Mr. SERRANO, Mr. FAZIO, Mr. POSHARD, Mr. WALSH, Mr. HUGHES, Mr. FROST, Mr. GUARINI, Mr. DURBIN, Mr. DE LUGO, Mr. GEREN of Texas, Mr. LIVINGSTON, Mr. APPLEGATE, Mr. QUILLEN, Mr. EVANS, Mr. PAXON, Mr. LANCASTER, Mr. CALLAHAN, Mr. PAYNE of New Jersey, Mr. HOBSON, Mr. PARKER, Mr. ESPY, Mr. DIXON, Mrs. JOHNSON of Connecticut, Mr. ANDERSON, Mr. CRAMER, Mrs. COLLINS of Michigan, Mr. GORDON, Mr. PALLONE, MR. GRANDY, Mr. BEVILL, Mr. LENT, Mr. RIGGS, Mr. HARRIS, Mr. KLECZKA, Mr. BATEMAN, Ms. MOLINARI, Mr. FOGLIETTA, Mr. TRAFICANT, Mr. HASTERT, Mr. STARK, Mr. DICKS, Mr. GALLO, Mrs. PATTERSON, Mr. HOAGLAND, Mr. GILLMOR, Mr. HOCHBRUECKNER, Mr. DWYER of New Jersey, Mr. HAMILTON, Mr. PACKARD, Mr. MOAKLEY, Mr. DOOLITTLE, Ms. HORN, Mr. NOWAK, Mr. TANNER, Mr. YATRON, Mr. CAMP, Mr. MILLER of Washington, Mr. RINALDO, Mr. FASCELL, Mr. TAYLOR of North Carolina, Mr. TALLON, Mr. COLORADO, Mr. JENKINS, Mr. MFUME, Mr. PASTOR, Mr. SISISKY, Mr. ASPIN, and Mr. SCHIFF.

H.J. Res. 495: Mr. CONYERS, Mr. PAYNE of New Jersey, Mrs. COLLINS of Michigan, Mr. MOLLOHAN, Mr. EMERSON, and Mr. PALLONE.

H.J. Res. 498: Mr. OLIN, Mr. SANDERS, Mr. CAMP, Mr. PICKETT, Mr. SIKORSKI, and Mr. SANGMEISTER.

H.J. Res. 506: Mr. EVANS and Mr. ROEMER.

H.J. Res. 520: Mr. EMERSON and Mr. HARRIS.

H. Con. Res. 11: Mr. MCNULTY.

H. Con. Res. 92: Mr. KANJORSKI, Mr. RHODES, Mr. RAVENEL, Mr. GEREN of Texas, Mr. ABERCROMBIE, Mr. CRAMER, Mr. MCDERMOTT, Mr. HOYER, Mr. CARPER, Ms. OAKAR, Mr. BROOMFIELD, Mr. SAXTON, Ms. KAPTUR, Mrs. MINK, Mr. GUNDERSON, Mr. OLIN, Mr. RINALDO, Mr. GORDON, Mr. HYDE, Mrs. UNSOELD, Mr. RITTER, Mr. HUNTER, Mr. BILBRAY, Mr. EVANS, Mr. RAMSTAD, Mr. VANDER JAGT, Mr. COX of California, Mr. MAZZOLI, Mr. UPTON, Mr. ROTH, Mr. GOODLING, Mr. SCHAEFER, Mr. EDWARDS of California, and Mr. WISE.

H. Con. Res. 223: Mr. BEILENSON, Mr. DORGAN of North Dakota, Mr. EARLY, Mr. MANTON, Mr. STAGGERS, Mr. STALLINGS, and Mr. WALSH.

H. Con. Res. 224: Mr. MINETA.

H. Con. Res. 278: Mr. RANGEL, Mr. SOLOMON, and Mr. WEISS.

H. Con. Res. 295: Mr. FRANK of Massachusetts.

H. Con. Res. 296: Mr. LEWIS of Florida.

H. Con. Res. 322: Mr. JOHNSON of South Dakota, Mr. PACKARD, Mr. SMITH of Oregon, Mr. GALLEGLY, Mr. OXLEY, Mr. BOEHNER, Mrs. MEYERS of Kansas, Mr. LEWIS of Georgia, Mr. PAXON, Mr. UPTON, Mr. MOORHEAD, Mr. DOOLITTLE, Ms. HORN, Mr. ZIMMER, Mr. SANTORUM, Mr. KLUG, Mr. LIVINGSTON, Mr. EMERSON, Mr. BATEMAN, Mr. WALSH, Mr. MACHTLEY, Mr. COMBEST, and Mr. CRANE.

H. Con. Res. 344: Mr. LAFALCE, Mr. YATES, Mrs. BOXER, Mr. FRANK of Massachusetts, Mr. DURBIN, Mr. LEVINE of California, Mr. RANGEL, Mr. EDWARDS of California, Mr. SABO, Mr. DORGAN of North Dakota, Mr. BENNETT, Mr. EWING, Mr. WAXMAN, Mr. RICHARDSON, and Mr. BLACKWELL.

H. Res. 129: Mr. SERRANO, Mr. MORAN, Mr. MARKEY, Mr. WOLPE, Mr. ARCHER, Mr. BEILENSON, Mr. MACHTLEY, Mr. MCHUGH, and Mrs. UNSOELD.

H. Res. 296: Mr. MINETA.

H. Res. 478: Mr. ATKINS.

H. Res. 490: Mr. WAXMAN, Mr. DIXON, and Mr. FRANK of Massachusetts.

H. Res. 515: Mr. BERMAN, Mr. MRAZEK, Ms. PELOSI, Mr. WAXMAN, Mr. ESPY, Ms. NORTON, Mr. HALL of Ohio, Mr. DELLUMS, and Mr. LEHMAN of Florida.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4312

By Mr. CONDIT:

—Page 7, line 2, after "State." insert "The prohibitions of this subsection also do not apply with respect to any State or political subdivision that does not receive a Federal grant to cover all expenses resulting from compliance with this subsection. The Attorney General may make such grants.".

H.R. 5236

By Mr. LIVINGSTON:

—page 2, strike lines 4 through 7.

—Page 2, line 8, strike "(5)" and insert "(4)".

—Page 2, after line 16, insert the following:

SEC. 4. REPEAL OF PRECLEARANCE REQUIREMENT.

(a) IN GENERAL.—The Voting Rights Act of 1965 is amended by striking section 5.

(b) CONFORMING AMENDMENTS.—The Voting Rights Act of 1965 is amended—

(1) in section 4(a)(1), by striking subparagraph (D);

(2) in section 12, by striking "4, 5," each place it appears and inserting "4,"; and

(3) in section 14, by striking "or section 5" each place it appears.

—Add at the end of the bill the following:

SEC. 4. EXTENSION OF PRECLEARANCE REQUIREMENT.

Section 5(a) of the Voting Rights Act of 1965 is amended by striking "with respect to which" the first place it appears and all that follows through "November 1, 1972" and inserting "shall enact or seek to administer any voting qualifications or prerequisite, standard, practice, or procedure with respect to voting different from that in force or effect on the date of the enactment of the Voting Rights Extension Act of 1992".

H.R. 5503

By Mr. SOLOMON:

—On page 97, after line 3, add the following new section:

Sec. 320. Legislative Line Item Veto Rescission Authority.

(a) SHORT TITLE.—This section may be cited as the "Legislative Line Item Veto Act of 1992."

(b) IN GENERAL.—Notwithstanding the provisions of part B of title X of The Congressional Budget and Impoundment Control Act of 1974, and subject to the provisions of this section, the President may rescind all or part of any discretionary budget authority for fiscal year 1993 which is subject to the terms of this Act if the President—

(1) determines that—

(A) such rescission would help balance the Federal budget, reduce the Federal budget deficit, or reduce the public debt;

(B) such rescission will not impair any essential Government functions;

(C) such rescission will not harm the national interest; and

(D) such rescission will directly contribute to the purpose of this Act of limiting discretionary spending in fiscal year 1993; and

(2) notifies the Congress of such rescission by a special message not later than 20 calendar days (not including Saturdays, Sundays, or holidays) after the date of enactment of a regular or supplemental appropriations Act for fiscal year 1993 or a joint resolution making continuing appropriations providing such budget authority for fiscal year 1993. The President shall submit a separate rescission message for each appropriations bill under this paragraph.

(c) RESCISSION EFFECTIVE UNLESS DISAPPROVED.—(1)(A) Any amount of budget authority rescinded under this section as set forth in a special message by the President shall be deemed canceled unless during the period described in subparagraph (B), a rescission disapproval bill making available all of the amount rescinded is enacted into law.

(B) The period referred to in subparagraph (A) is—

(i) a congressional review period of 20 calendar days of session under subsection (e), during which Congress must complete action on the rescission disapproval bill and present such bill to the President for approval or disapproval;

(ii) after the period provided in clause (i), an additional 10 days (not including Sundays) during which the President may exercise his authority to sign or veto the rescission disapproval bill; and

(iii) if the President vetoes the rescission disapproval bill during the period provided in clause (ii), an additional 5 calendar days of session after the date of the veto.

(2) If a special message is transmitted by the President under this section during any Congress and the last session of such Congress adjourns sine die before the expiration of the period described in paragraph (1)(B), the rescission shall not take effect. The message shall be deemed to have been retransmitted on the first day of the succeeding Congress and the review period referred to in paragraph (1)(B) (with respect to such message) shall run beginning after such first day.

(d) Definitions.—For purposes of this section the term 'rescission disapproval bill' means a bill or joint resolution which only disapproves a rescission of discretionary budget authority for fiscal year 1993, in whole, rescinded in a special message transmitted by the President under this section.

(e) Congressional Consideration of Legislative Line Item Veto Rescissions.—

(1) Presidential special message.—Whenever the President rescinds any budget authority as provided in this section, the President shall transmit to both Houses of Congress a special message specifying—

(A) the amount of budget authority rescinded;

(B) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved;

(C) the reasons and justifications for the determination to rescind budget authority pursuant to this section;

(D) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the rescission; and

(E) all factions, circumstances, and considerations relating to or bearing upon the rescission and the decision to effect the rescission, and to the maximum extent practicable, the estimated effect of the rescission upon the objects, purposes, and programs for which the budget authority is provided.

(2) Transmission of messages to House and Senate.—

(A) Each special message transmitted under this section shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each special message so transmitted shall be referred to the appropriate committees of the House of Representatives and the Senate. Each such message shall be printed as a document of each House.

(B) Any special message transmitted under this section shall be printed in the first issue of the Federal Register published after such transmittal.

(3) Referral of rescission disapproval bill.—Any rescission disapproval bill introduced with respect to a special message shall be referred to the appropriate committees of the House of Representatives or the Senate, as the case may be.

(4) Consideration in the Senate.—

(A) Any rescission disapproval bill received in the Senate from the House shall be considered in the Senate pursuant to the provisions of this section.

(B) Debate in the Senate on any rescission disapproval bill and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(C) Debate in the Senate on any debatable motions or appeal in connection with such bill shall be limited to 1 hour, to be equally divided between, and controlled by the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of the bill, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(D) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days not to exceed 1, not counting any day on which the Senate is not in session) is not in order.

(5) Points of order.—

(A) It shall not be in order in the Senate or the House of Representatives to consider any rescission disapproval bill that relates to any matter other than the rescission budget authority transmitted by the President under this section.

(B) It shall not be in order in the Senate or the House of Representatives to consider any amendment to a rescission disapproval bill.

(C) Subparagraphs (A) and (B) may be waived or suspended in the Senate only by a vote of three-fifths of the members duly chosen and sworn.

EXTENSIONS OF REMARKS

ADMINISTRATION MISLEADING US ON FETAL TISSUE BANK

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. WEISS. Mr. Speaker, within the next few weeks, Congress will again vote on the NIH Revitalization Amendments of 1992. This bill was vetoed last month by President Bush, because of his opposition to a provision that would overturn the ban on Federal funds for fetal tissue transplant research.

All of us in Congress have received heartbreaking letters from family members of patients with Alzheimer's disease, Parkinson's disease, juvenile diabetes, and other illnesses, beseeching us to overturn this ban. Many believe that fetal tissue transplants offer the best hope for their loved ones. In justifying his veto, the President claimed that the needs of those patients could be served by a new federally funded fetal tissue bank, using only tissue from miscarriages and ectopic pregnancies, instead of tissue from elective abortions. Many experts were incredulous that such a bank could possibly be useful, I want to advise my colleagues that the Department of Health and Human Services' own documents show that this bank will not work.

In May, I requested the U.S. Department of Health and Human Services' documentation regarding the viability of a fetal tissue bank. I was shocked to learn that the President's Executive order is based on optimistic guesses that have only a peripheral relationship to scientific fact.

According to HHS' own documents, the administration's estimates of the availability of fetal tissues from spontaneous abortions and ectopic pregnancies are politically motivated optimistic estimates. The Department's own scientists expressed concern that the amount of fetal tissue available from women who were hospitalized during or immediately after their miscarriage "would not be sufficient" and obtaining an adequate supply of tissue from ectopic pregnancies "is more problematic."

The Department's politicization of this issue, of such importance to millions of American families, is unconscionable. However, it is not the end of the story. In addition to misrepresenting the likely usefulness of the tissue bank, the Department has also omitted crucial cost information. Whereas HHS experts estimated that the first year of the tissue bank would cost $3 million, and this number would increase by an additional $1 million in each subsequent year, the Department has not mentioned the expected rapid escalation of costs after the first year.

It appears that the criticisms put forth by HHS experts of the fetal tissue bank were not politically correct, and therefore the numbers were inflated to justify the administration's decision to block the expected congressional reversal of the ban on fetal tissue transplant research.

It is profoundly disturbing that the NIH Revitalization Amendments were vetoed on the basis of smoke and mirrors masquerading as hope for victims of Parkinson's disease, Alzheimer's disease, junveile diabetes, and other devastating illnesses. However, I believe that the newly revised NIH bill, which represents a compromise between the administration's fetal tissue bank and the congressional support of scientific research, is a reasonable one. I therefore urge my colleagues to support this compromise.

The staff analysis of these documents follows:

HUMAN RESOURCES AND INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, DC.

To: Ted Weiss, Chairman.
From: Diana Zuckerman, Ph.D., Professional Staff Member.
Date: July 21, 1992.

In May 1992, we requested that the Department of Health and Human Services provide the evidence to back up their proposal for a fetal tissue bank using tissue from miscarriages and ectopic pregnancies. The Department repeatedly promised the documents, but did not provide them until the day after the House of Representatives failed to override the President's veto of the NIH Reauthorization bill, which would have required the Department to overturn its ban on Federal funds for fetal tissue transplant research.

The documents provided by HHS indicate that the "evidence" supporting a fetal tissue bank actually indicates why it will not work, and the cost estimates provided by the Administration are far below what their own scientists believe are needed.

In this analysis, I will examine each of the estimates provided by the Department, and explain why they are insupportable, based on their own scientific evidence.

HHS experts estimated that the number of spontaneous abortions each year are between 600,000 and 750,000. Instead of using the average or the most conservative estimate, the Administration chose the highest figure (750,000) in order to support their plan for a tissue bank.

It is widely agreed that tissue from miscarriages would only be usable if the miscarriage occurred in a hospital. However, most miscarriages occur outside the hospital, frequently at home. In the HHS Fact Sheet, the Department states that the most recent statistics available showed that 91,000 women were discharged from hospitals in 1985 with a diagnosis of miscarriage (spontaneous abortion). For no apparent reason other than making their numbers look better, the Department increased this number to 100,000.

Another HHS memo admits that "a significant percentage of these hospital stays would be for subsequent bleeding, infection, etc., that would occur sometime after the tissue was passed (and lost), probably at home." They are correct that only a small percentage of these hospitalized women were likely to have been in the hospital at the time of the miscarriage and therefore have usable fetal tissue to donate. However, this fact was ignored, as all subsequent Department estimates built on the inflated 100,000 number.

The vast majority of miscarriages involve genetically abnormal fetuses, thus making the fetal tissue unusable for transplantation. In the next step of creative statistics, the Administration estimated that 7% of the 100,000 hospitalized women would have fetal tissue that was genetically normal and recently deceased. This estimate is based on a finding of "almost 7%" in one study at three New York City hospitals, by a scientist (Dr. Julianne Byrne) who was at NIH at the time that the tissue bank idea was being developed. Nobody knows if this percentage would be true at other hospitals in the country.

In the next step, the Administration again used Dr. Byrne's NYC study to estimate that 38% of the 7,000 fetal remains would be between 9–16 weeks of gestational age, resulting in 2,800 usable fetal remains. Again, these estimates ignored the fact that most of those 7,000 miscarriages occurred somewhere other than the hospital, therefore resulting in no usable tissue.

This 38% estimate is appropriate for all types of transplants considered, but is not applicable to each specific kind of transplant. For example, the Director of the Yale fetal tissue bank reports that fetal tissue from 9–12 weeks gestation is necessary for neural transplants (rather than 9–16 weeks).

Infection is a major problem that also causes miscarriage, or can occur after miscarriage. For example, in a letter to Sen. Hatch, Dr. Byrne included "a word of caution: on the basis of unpublished work, I suspect that bacterial infection may play a part in a significant number of these miscarriages. In some cases, the fetus itself was septic. Viral infections would be another worry for the area of transplants." The Department arbitrarily assumed that 45% of the remains will not be usable because of infection. However, according to Dr. Eugene Redmond, Director of the Yale fetal tissue bank, the chances of infection are likely to be much higher. At Yale, where many sterile precautions are used to protect the sterility of tissue from elective abortions, 30% are not usable because of infection. In the much less sterile conditions under which most miscarriages occur, an estimate of at least 60–75% or more would be expected. Dr. Redmond points out that even if a miscarriage occurred in a hospital Emergency Room, it is not likely to be under ideal sterile conditions comparable to those of elective abortions. (For example, in elective abortions, the woman's vagina can be cleaned before the operation, which I have been advised is unlikely to occur before a miscarriage, even in an Emergency Room).

ALTERNATE ESTIMATE.

If the Administration had stayed with their own 91,000 statistic, rather than arbitrarily increasing it to 100,000, their 7% estimate would have been 6,370 fetal remains instead of 7000. However, most important is that both statistics ignore the fact that most of the women who were hospitalized were probably hospitalized too late to donate fetal tissue.

If, for example, one generously assumes that half the miscarriages occurred inside the hospital, the base statistic would be 3,185 instead of 7,000 (or 6,370).

Using the HHS estimate of the number of fetal remains between the ages of 9–16 weeks, 38% of 3,185 would have been 1,114; 38% of 6,370 would have been 2,420. Both these estimates are significantly lower than the HHS estimate.

When the age of the fetus is more than 12 weeks, this must be understood as providing tissue that could be usable for some kinds of transplants, but not for Parkinson's or Alzheimer's.

If HHS had assumed a 60–75% infection rate, and used the estimate of 1,114, this would have resulted in 278–445 fetal remains each year, instead of 1,500.

Whether one uses the 278, 445, or 1,500 estimates, either would be the maximum possible if all hospitals in the U.S. participated, an impossible goal. In fact, it is expected that only a dozen large hospitals will participate in the tissue bank. These estimates also assume that all women would be asked to donate fetal remains, and all would consent to do so; everyone would agree this is another impossible goal.

ECTOPIC PREGNANCIES

According to the Department's memoranda, CDC reported 88,000 ectopic pregnancies in 1987. This was arbitrarily "rounded off" to 100,000, because of an assumed increase since then. While experts agree that ectopic pregnancies have increased, nobody knows whether they have increased that dramatically.

According to information in the HHS memoranda, 75% of ectopic pregnancies are terminated before 8 weeks, which is too early to use for fetal tissue transplants. Therefore, the Administration estimated that 25% (25,000) would be of the appropriate gestational age.

A drug has been developed that can be used instead of surgery for the termination of ectopic pregnancies. This drug destroys the fetal tissue, so that it can not be donated. The Department estimated that 80% of ectopic pregnancies of more than 8 weeks gestation would be terminated by surgery, thus producing 20,000 fetal tissue remains. However, other experts have estimated that in the coming years, most will be terminated with nonsurgical means. Currently, some of the experts in the field (the same people most likely to participate in a tissue bank) are already using nonsurgical methods on most of their patients. If we conservatively estimate that half of these ectopic pregnancies will be surgically terminated, that would be 12,500 instead of 20,000.

In the HHS fact sheet, Department experts admitted that only 5% of ectopic pregnancies yield potentially viable fetal tissue. This reduces their estimate to 1,000; in comparison, 5% of our 12,500 estimate would be only 625.

The Department estimated that 20%–50% of these 1,000 remains would be abnormal, reducing the usable remains to 500–800. Our comparable statistic of 20%–50% of 625 would be 312–500. (This would take into account that half the ectopic pregnancies will probably be terminated by drugs instead of surgery).

TOTAL USABLE REMAINS

The estimates that we have presented above are based on information provided to the Assistant Secretary for Health in documents including but not limited to an internal NIH memo in April 13 of this year. By giving the Administration's plan the benefit of many doubts, we arrive at a maximum possible number of approximately 650 remains, which is less than one third the Department's estimate of 2,000. When we consider the likely participation rate of hospitals (certainly less than 5%) and patients (to be generous, let's say 75%), we arrive at a maximum estimate of 24 remains each year. This estimate is similar to the approximately 1.4 usable remains per major participating hospital that was estimated by Dr. Redmond at Yale; it is not at all consistent with the 2,000 remains (a meaningless nationwide estimate) that were presented as a goal by the Administration.

In speaking to some of the experts who support the proposed tissue bank, I was told that they believe the small amount of tissue that will be available from the bank could be useful in research attempting to develop cell lines that could be used to provide tissue for transplants, but not in providing sufficient fetal tissue for transplants. In other words, they want Federal funding for developing methods to use a small amount of fetal tissue that can be grown into larger amounts of tissue in the laboratory. If it works, this research could be very helpful for patients several years from now; however, they acknowledge that the tissue bank would not be sufficient to treat even small numbers of patients during the next few years. It therefore appears that the scientists who support the tissue bank have a different agenda from the Administration's stated goal. For example, in an April 1992 memorandum, two HHS physicians (Dr. Sandra Mahkorn and Dr. William Archer) advised Dr. Mason that the 1,000–2,000 remains in the tissue bank would provide sufficient tissue for 6,000–7,000 transplants. This estimate appears to have no basis in fact; for example, experts informed HHS that each transplant requires the tissue from at least one fetus.

CONFLICTS OF INTEREST

It is also important to note that some of the scientists who were most supportive of the fetal tissue bank are now planning to apply for funding to participate in such a bank. For example, Dr. Maria Michejda of Georgetown University, whose October 1990 letter to Dr. Bernadine Healy and subsequent briefing to HHS appear to have been instrumental in encouraging the creation of a fetal tissue bank, is one of 13 researchers who wrote to HHS to say they intend to apply for tissue bank funds. Another example is Dr. Michael Caudle from the University of Tennessee Medical Center in Knoxville, who wrote letters to President Bush and the Washington Post supporting the creation of a fetal tissue bank, and also intends to apply for funds.

Given the large number of scientists who believe the tissue bank will not work, these activities suggest that scientific judgment may have been biased by the desire for grant money. While their funding applications would not be surprising or illegal, if those individuals are awarded these funds, it will raise questions of a quid pro quo arrangement with the administration.

COSTS

In addition to misrepresenting the amount of fetal tissue that is likely to be available, the Department has not been completely accurate in describing the costs. According to HHS memoranda, HHS experts estimated that the first year of the tissue bank would cost $3 million, and this would increase by $1 million in each subsequent year (i.e. $4 million the second year, $5 million the third year, etc). However, in his press conference, Dr. Mason only mentioned the first year cost of $3 million, not mentioning the expected increases in subsequent years. Moreover in a letter to Rep. Nancy Johnson, the director of the Yale tissue bank has explained that 3–4 professional staff (including a neurosurgeon) would have to be on call 24-hours each day at each participating hospital in order to obtain tissue at any time a miscarriage occurs; this would obviously increase the cost far above the $3 million budgeted for the first year.

ST. MARY'S PARISH CELEBRATES CENTENNIAL ANNIVERSARY

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. COSTELLO. Mr. Speaker, I rise today in recognition of St. Mary's Parish in Belleville, IL. St. Mary's celebrates its centennial anniversary this year, and a series of special events to commemorate this milestone will begin this weekend and run through the spring of 1993.

St. Mary's current building was built on Belleville's western boundary in 1893. This Sunday, the congregation will not only look back on their 100-year history but will look to the future in a newly renovated church building. I commend all those who helped make this newly furbished house of worship possible.

St. Mary's congregation has seen considerable growth in the last century. This centennial celebration is a time to reflect on the fellowship and warm memories shared within the church over the years.

I want to wish the congregation of St. Mary's Parish a happy and blessed centennial anniversary, and I ask my colleagues to join me in saluting St. Mary's Parish on this special anniversary.

A TRIBUTE TO DILLARD J.F. HARRIS

HON. GEORGE E. SANGMEISTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SANGMEISTER. Mr. Speaker, I rise today to commend an exemplary resident of my district and citizen of this Nation, Dillard J.F. Harris of Shorewood, IL.

Mr. Harris served this Nation as a member of the U.S. Air Force and Air Force Reserve from 1957 to 1984. He saw combat action in Vietnam as a master navigator and during his military career, he rose to the rank of lieutenant colonel.

As if 27 years of proud service to this country were not enough, Mr. Harris has worked tirelessly to improve his community.

An accomplished educator and school administrator, he took the helm of the Fairmont School District near Joliet at a time of crisis in

1976, and when he retired 15 years later, left the district in sound financial and educational condition.

Mr. Harris has been an active contributor to his community as a member and distinguished officer of the Lions Clubs International. He has received numerous commendations from the Lions Clubs, but while his honors are splendid, they pale in comparison to his unceasing efforts to obtain a $50,000 grant from the Lions Clubs International Foundation to help rebuild Plainfield High School, which was destroyed by the 1990 tornado that ravaged my district.

The list of community organizations in which he has been a leader is impressive indeed: president of the Guardian Angel Home board of directors; president of the Joliet Branch of the NAACP; president of the Greater Joliet Area YMCA board of directors; organizer and president of the Will County Area Alliance of Black School Educators; organizer and president of the Joliet Alumni Chapter of Kappa Alpha Psi Fraternity, Inc.; and a volunteer in the Will County Emergency Service Disaster Agency. The list could go on literally for hours.

Mr. Speaker, if all of this Nation's citizens expended just a fraction of the energy that Mr. Harris does on civic causes, I believe many of our community problems would disappear.

SALUTE TO CAROLE DOYLE

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GALLEGLY. Mr. Speaker, I rise today to honor Carole Doyle, the longtime executive director of the Carpinteria, CA, Chamber of Commerce upon her retirement.

Mrs. Doyle has served as executive director for 9 years, during which time she represented the chamber at hundreds of events, served as a liaison between the city government and the city's business community, and worked tirelessly to promote the city's business climate.

Mrs. Doyle has also been active in a number of other organizations, including serving on the boards of the Salvation Army and the Girls Club, and as the first female president of the Carpinteria Rotary Club.

She plans to spend her retirement traveling with her husband, Bill, and spending time with her children and grandchildren.

Mr. Speaker, Mrs. Doyle will be honored for her achievements at a barbecue on Friday. I ask my colleagues to join me in saluting her, and in wishing her and Bill well on their retirement.

THE U.S. STRATEGIC NUCLEAR TRIAD

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. FASCELL. Mr. Speaker, the U.S. strategic nuclear triad was and continues to be the bedrock of this country's strategic nuclear deterrent and modernization plans. In the wake of the collapse of Soviet communism and the race to weapons disarmament as opposed to weapons procurement, it is most timely for Congress to thoroughly and comprehensively reexamine the air, land, and sea legs of our nuclear forces to determine whether the rationale for a triad is still sound, and practical, and affordable in the post-cold-war world.

Fortunately, there is a major new General Accounting Office [GAO] study of the U.S. strategic triad that provides indepth research, extensive investigatory findings, and careful analysis to inform the public and congressional debate on the triad which should and will take place over the next few years. For the time being this GAO study is classified but it is my expectation that it will be declassified soon in order to allow the Congress and the public to enrich their consideration of this issue which is so fundamental to U.S. national security and defense and so costly to the national budget.

Over 2 years ago, in April 1990, I wrote to the head of GAO, Comptroller General Charles Bowsher, to seek GAO's assistance in addressing a very fundamental question facing the Congress of how to best provide for the security of the United States in the face of the budget deficit and the changing context of East-West relations. As the United States and the Soviet Union reach new agreements on strategic arms reductions, Congress will be making important decisions concerning the size and the quality of the air/land/sea components of our strategic offensive forces structure. Specifically, I requested that the GAO focus on the effectiveness, cost, policy, and arms control implications for each component of the triad and for any likely nuclear modernization upgrades. This work by GAO has now been completed in a several-volume study.

The GAO study of the strategic triad evaluates comprehensively all the major upgrades of the U.S. strategic nuclear triad and the implications for the future of arms control, U.S. defense spending, and the international security environment. GAO makes recommendations relevant to all the major deployed and proposed nuclear weapon systems in the U.S. strategic triad. The GAO report assesses the triad's strengths and weaknesses while examining the assumptions underlying U.S. defense procurement strategy. It looks at the rationale, cost, historic context, and effectiveness of each proposed strategic nuclear system upgrade by setting them in the current arms control context.

The GAO study examines whether, even before the recent upheaval and splintering of the Soviet defense structure, the United States had overestimated the Soviet threat and if the United States triad now requires the same structure, numbers, and alert status. The present period is portrayed in the study as a time when the triad can and should be adjusted, trimmed, and realigned. The GAO estimated that DOD plans for strategic weapons modernization would cost $350 billion during their total life cycle. The GAO study proposed over $100 billion in net savings from changes in all three legs of the U.S. strategic triad. The June 1992 reductions certainly require a thorough re-examination of the U.S. requirements for its strategic nuclear weapons systems resulting in even greater savings. This comprehesive GAO study provides an important baseline from which to make such a reevaluation in cost and security terms.

The GAO study will inform the congressional debate on defense, security, and arms control in the years ahead at several levels.

First, Congress faces and will continue to face large budget requests for continued strategic nuclear weapon modernization. The findings in the GAO study will assist us in finding answers to questions such as: Does the Bush-Yeltsin agreement to reduce respective nuclear arsenals to 3,500 warheads strengthen or weaken the case for the B–2 bomber? Which leg of the triad is the most cost-effective and which leg should be protected in a time of budgetary crunch? Which leg of the triad is the least attractive in the current international security setting and how far can we go in reductions of that leg?

Second, Members of Congress have held a variety of common assumptions regarding defense and arms control which will be challenged by the GAO report not only regarding the future validity and applicability of those assumptions but also regarding whether or not those assumptions were ever valid and applicable in the past. Some of the common assumptions which are challenged by the report include: the "window of ICBM vulnerability"; the need to hedge against the detection vulnerability of submarines; communication weaknesses to strategic submarines; and the strength of Soviet air defenses.

Third, the strategic nuclear triad has been the basis of the U.S. nuclear deterrent since the 1960's and, since then, its existence and rationale have rarely, if ever, been basically challenged. Now, with the Bush-Yeltsin reductions to 3,000–3,500 warheads, it may be time to question the viability and practicality of the triad. It may be time to examine carefully whether or not a dyad might serve us as well as the triad. The GAO study will provide insights into these crucial evaluations of the triad.

Fourth, there are many lesson in the GAO study about how the Congress should be assessing requests for new weapons systems, strategic and conventional. Some of GAO's most significant findings come from simply comparing various weapons systems using some common measures of comparison. The study tells us how older systems compare to newer ones and how weapons in one leg of the triad compare to weapons in another leg. There are some surprising results in these comparisons. The GAO study also gave hard scrutiny to the performance of various weapon systems and compared the factual findings based on operational testing and military exercise data with the promotional assertions of the military/industrial complex.

At this time, the details, findings, and basic data of this GAO study are classified. It is my expectation that the Department of Defense will move quickly in returning to the GAO the security reviews so that the Congress and the public can begin a careful and extensive process of debating the future of our strategic nuclear triad. In the interim, the Committee on Foreign Affairs can arrange a classified briefing by the GAO on this study for any Member of Congress.

With the end of the cold war this GAO study is very timely and will assist the Congress and the public in a thorough and comprehensive assessment of the continued feasibility and practicality of the triad.

A TRIBUTE TO THE LATE DICK SIMS GEHRIG

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SKELTON. Mr. Speaker, today I honor the memory of an outstanding Missourian, Dick Gehrig, who passed away recently at the age of 77. He made significant contributions to the State of Missouri and to his country.

Dick Gehrig was born to Richard A. and Pearl Sims Gehrig on January 23, 1915, in Salisbury, MO. He attended public school in Salisbury, and the University of Missouri-Columbia. In 1939, after training at Camp Kalser, Dick was appointed to the Missouri State Highway Patrol.

On June 1, 1940, Dick was married to Letitia E. Mason in Warrensburg, MO. They have one daughter, Dr. Gail Gehrig. She and her husband currently live in Oak Park, IL, with two children.

Dick Gehrig served with distinction in the U.S. Army during World War II, after which he returned to the patrol and to Missouri. During this time, he served as sergeant of the patrol in Lafayette County, where I became well acquainted with him. Dick was promoted in 1966 from troop A to the rank of captain and transferred to Jefferson City, MO, where he served under the commander of troop F. In 1973, he was promoted to major and acted as the district commander at the Missouri State Highway Patrol headquarters. Dick was named lieutenant colonel and assistant superintendent in 1974, in which he performed up until his retirement in 1975.

During his lifetime, Dick also contributed to his local community through being a member of the First Christian Church and the Sunrise Optimist Club of Jefferson City.

Dick Sims Gehrig will be not only missed by his family and many friends, but by his community as well.

STOP CIGARETTE ADVERTISING

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. STARK. Mr. Speaker, constituents all across the country are very concerned about the deadly effects of cigarette advertising on the American public, and specifically on our country's impressionable youth. I recently received a letter from a high school student in my district documenting the influence that cigarette advertisements have on his schoolmates. The advertisements, in his opinion, contribute to young people's decision to poison their bodies with cigarette smoke. The letter follows:

I'm writing to you because of a killer. Yes, that is right, cancer. I know that you are doing the best that you can to fight this disease, but I think you should put more effort into preventing cancer than into finding a cure. As is widely known, lung cancer is the leading killer among all cancers and smoking cigarettes is the number one cause of lung cancer. I think that you need to push magazine owners to the point that they will not print cigarette advertisements.

I have conducted my own survey among my high school classmates who spoke about the reasons that they began to smoke. More than fifty percent of them said that they started because they saw somebody in a magazine smoking and enjoying it. If you were able to stop the magazine owners from printing cigarette advertisements I think that you could cut down on the number of lung cancer cases in our country in the long run.

Sincerely Yours,

MICHAEL C. KLEWS,

CVHS sophomore.

Cigarette companies are able to write off their advertising expenses as a tax deductible business expense. Much of the advertising campaigns are aimed at our country's youth and are apparently extremely influential. For this reason H.R. 5499 has been introduced to remove all tax deductions for advertisement and promotion expenditures that encourage the use of tobacco products. The following Congressmen have joined in cosponsoring: BARNEY FRANK, CHESTER ATKINS, JAMES HANSEN, JAMES OBERSTAR, MIKE SYNAR, HENRY WAXMAN, LANE EVANS, MEL LEVINE, HOWARD BERMAN, and PETER DEFAZIO.

TRIBUTE TO SISTER ANNETTE EMBRICH

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. COSTELLO. Mr. Speaker, I rise today and ask my colleagues to join me in congratulating Sister Annette Embrich, a member of the Adorers of the Blood of Christ, a native of Centreville, IL. Her provincial house is located in Ruma, IL. On July 1, 1967, Sister Annette accepted her final religious vows. This year marks the 25th anniversary of this momentous occasion.

Sister Annette Embrich is currently working as an elementary school teacher at St. John's School in Tucson, AZ. She has been teaching grades 3–8 since 1988. During her 25 years of service to God, she has dedicated much of her energy to education and social services for the poor and needy.

Because Sister Annette has a distinct interest in Hispanic culture, she has worked closely with the Hispanic community in Fairmont City, IL. Her fellow sisters describe her as a caring and pleasant person who is faithful in her service to the Lord.

I would like for my colleagues to recognize Sister Annette Embrich's dedication and service to the Adorers of the Blood of Christ and join me as I applaud her for her lifelong commitment.

A TRIBUTE TO REV. ALONZO O. GRAHAM

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mrs. MORELLA. Mr. Speaker, I wish to congratulate Rev. Alonzo O. Graham, an outstanding constituent of mine from Damascus, MD, who will be honored on Friday, July 31, for his dedicated service to the Pleasant Grove Christian Community Church. Reverend Graham will be retiring after a quarter of a century of service to the church he founded.

Reverend Graham has demonstrated extraordinary leadership qualities for the past 25 years. He has created a community of faith and has inspired his parishioners. As founder and pastor of the Pleasant Grove Church, he has been a moral and spiritual leader in complex times, a guiding light for the congregation. Through his guidance, the congregation has increased and the number of church auxiliaries has multiplied. Sunday school and Bible study groups are well attended because of his exemplary presence. Reverend Graham also is a leading figure in the broader religious community, having founded the United Council of Christian Community Churches for Maryland and vicinity.

He was born 87 years ago, reared in Montgomery County, and he and his wife have raised four lovely daughters there.

I offer my best wishes to Reverend Graham and his family. I thank him for his generous spirit and selfless devotion to the needs of the community.

WOMEN'S ATHLETICS

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. OXLEY. Mr. Speaker, last month marked the 20th anniversary of the enactment of title IX of the Education Amendments of 1972. This law prohibits discrimination on the basis of sexual identity in any educational program receiving Federal funds.

In April, the Subcommittee on Commerce, Consumer Protection and Competitiveness examined women's participation in intercollegiate athletics as it relates to title IX. Based on the testimony presented in that hearing, it was obvious that tremendous progress has been made in the last two decades. However, several of the witnesses made it clear to the subcommittee that the job is far from complete.

At the hearing, NCAA executive director Dick Schultz and Phyllis Howlett, assistant commissioner of the Big Ten Conference and chair of the NCAA's Committee on Women's Athletics pledged to the subcommittee that the NCAA would take a leadership role in assuring equal opportunities for all women in college sports. To that end, Mr. Schultz announced the formation of a new Gender Equity Task Force which is cochaired by Ms. Howlett.

The task force's ambitious and laudable charge is "to determine how the association will define gender equity; to identify any NCAA legislation or practice that would hinder a member in complying with the NCAA, Federal, or State legislation; to recommend remedial legislation (if necessary), and to recommend affirmative action where appropriate."

I have had discussions with the NCAA on this subject, and I am convinced that the task force is highly motivated and will produce a document which we all find essential reading as we focus on the future of women's athletics. I commend Ms. Howlett and the NCAA on this initiative, and I look forward to their findings.

In an article in the June 10 issue of the NCAA News, Ms. Howlett describes the development of women's athletics and the mission of the Gender Equity Task Force. I recommend this article to my colleagues for its insight into what we can expect in the coming months from the NCAA and I ask unanimous consent to insert the editorial in the CONGRESSIONAL RECORD at this point.

[From the NCAA News, June 10, 1992]

SENSITIVITY THE KEY IN FOCUS ON EQUITY

(By Phyllis L. Howlett)

The rich traditions of intercollegiate athletics began with the development of competitive opportunities for male students of higher education. Today, those sports—and the pageantry that surrounds them—have become a part of the American culture in a way that helps weave higher education into the fabric of this country.

The development of women's intercollegiate athletics was remarkably different—more a result of the women's rights movement than an outgrowth of higher education. Women's programs evolved separately and unequally until finally, in 1972, the Federal government delivered the word in the form of Title IX: If athletics competition is a viable mission for higher education, it has equal value for men and women.

After Title IX became law, the face of intercollegiate athletics changed as institutions added programs for women. In many cases, the motivator was fear of the promised Federal sanctions for noncompliance. Whatever the reason, collegiate women began to compete in growing numbers.

At larger institutions where income generated by the athletics enterprise supported the program, it was expected that this new growth of program should be supported in the same manner. To some extent, the expansion was possible to fund because of the growth in television income and because the public was willing to attend events in greater numbers despite higher ticket prices.

Those sources of revenue are less certain now, and after 20 years of Title IX, many of those involved with women's sports believe that progress has stalled, that competitive opportunities have stagnated, that financing is inequitable, that men's programs get better facilities and equipment. Others see it just the opposite: that women's programs are creating a financial drain that could ruin intercollegiate athletics. To say the issue is emotional understates the case.

A year ago, at the request of the Committee on Women's Athletics, the NCAA began a study of the status of women's sports. The study provided an overview of how colleges and universities are dealing with gender equity, and it suggested that a significant disparity may exist between men's and women's programs.

In response to the findings of the survey, Executive Director Richard D. Schultz called for the creation of a gender-equity task force that would examine the problem and identify solutions. James J. Whalen, president of Ithaca College, and I were selected to serve as cochairs. Our first meeting will be July 9 in Dallas.

Our charge is to determine how the Association will define gender equity; to identify any NCAA legislation or practice that would hinder a member in complying with NCAA, Federal or state legislation; to recommend remedial legislation (if necessary), and to recommend affirmative action where appropriate.

To accomplish this, the task force must consider a vast amount of information and deliberate with sensitivity to find the best solutions. We are depending upon the membership to provide recommendations and to express any concerns about what could result from gender-equity legislation.

We fervently hope to achieve our goals in such a manner that equity can be achieved without damaging the long-valued and traditional men's programs.

That is our challenge.

IRA-TYPE SAVINGS THAT WORK: INDIVIDUAL RESPONSIBILITY ACCOUNTS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. VANDER JAGT. Mr. Speaker, recently while holding office hours in our Muskegon district office, I had the truly good fortune to visit with Mr. Glen Kepner, of Muskegon, MI, regarding his thoughts—and a plan—for encouraging individual savings and taking advantage of the private financial markets to provide a broad range of personal financial security and opportunity.

This Congress has recently attempted to grapple with savings incentives and the need for a national economic growth program. I believe that we can all agree that, whenever possible, individuals, not government, ought to provide for their own long-term security.

Parallel with this idea, of course, is that government has an interest in encouraging such individual planning—both because it relieves government of a potential burden and because such planning involves savings and investment which fuel the economic engine of the nation.

As a Member of the House Committee on Ways and Means, I am, of course, supportive of the prudent use of our tax system to provide the appropriate incentives to individuals to engage in personal planning. Glen Kepner has developed a broad ranging approach to the use of a familiar personal savings tool, the Individual Retirement Account, to meet personal growth and financial security objectives.

A clear advantage of Mr. Kepner's plans is that they infuse capital into financial markets at the same time that they provide for personal needs. The merits of shifting a major share of certain health, education, and retirement burdens to the system of tax incentives rather than tax consumption are also clear.

Because of what I believed to be the unique nature of the range of Mr. Kepner's ideas, I asked our minority committee staff to do a brief analysis. As anticipated, it was pointed out that these ideas would lose significant amounts of revenue. However, what was not said, and what would clearly be the case, is that the medical and educational savings incentives, in addition to the unique retirement program, would save government, Federal and local, billions of dollars.

And, in addition to the savings, the programs would permit individuals to control their own destiny. Finally, of course, such an approach would permit the allocation of scarce, and growing scarcer, government resources to those who are truly disadvantaged in programs which could offer true hope for the future.

I recommend to my colleagues' careful review the suggestions and analysis of Glen Kepner which follows. I have included, at the conclusion, the comments of staff which demonstrate both the validity of the concepts and their uniqueness. I look forward to the opportunity to explore these ideas, and to a future opportunity to use them as the basis for a true reform of government's incentives for individual responsibility and for economic growth.

Three things I was never taught:

1. You are responsible for your own financial security.
2. You can do it!
3. Here is how you do it.

To help each individual to take charge and improve his/her financial security, I propose three new types of individual account:

1. IDA—Individual Development Account. This account would be designed to provide funds for the individual's education and development.

2. ISA—Individual Security Account. This account would allow the individual to build personal and family wealth. It would eventually replace the present Social Security system, but would continue to be backed up by a new system that would guarantee that the individual would come out as good as or better than now.

3. IMA—Individual Medical Account. This account would provide a way for the individual to accumulate the funds needed to pay the deductibles and co-payments not covered by insurance, especially those required by the higher-deductible, lower-cost policies. Those who are fortunate enough to not need to spend these funds on medical costs would accumulate individual and family wealth in this account. These accounts could grow to substantial amounts and could pave the way for significantly changing the role of medicare and medicaid.

These three accounts, together with retirement accounts—IRA, 401k, 403b, Keough plans, employer sponsored plans, etc.—will provide the foundation for an individually based cradle-to-grave security system. Government programs will still have to supplement for some, but hopefully not as many as now. This is not a quick fix solution, but will take time. Results and benefits will grow gradually as the individual accounts grow. Full benefits of some of these programs will come in only a few years, others will take 20 or 30 years to develop—but the real benefits will be realized by our next and succeeding generations through the controlled and forced growth of individual and family wealth and through the firmer financial foundation that this makes for our entire country. We are talking billions and trillions of dollars in savings and investments.

IDA—INDIVIDUAL DEVELOPMENT ACCOUNT

Invest up to $2000 @ birth.

@ 6% for 20 years = $6,400.
@ 9% for 20 years = $11,200.
@ 12% for 20 years = $19,300.
@ 15% for 20 years = $32,700.

Invest up to $2000 per year for 20 years.

@ 6% = $74,000.
@ 9% = $102,000.
@ 12% = $144,000.
@ 15% = $205,000.

Contributions to come from gifts, individual earnings.

Contributions not tax-deductible.

Even those on welfare or other assistance would be able to invest in an IDA for each child without affecting their eligibility. (Wouldn't it be great if they would put the cigarette and beer money into an IDA instead to help break the cycle of poverty for their children?)

Adults would, of course, be expected to use their IDA to stay off of or get off of assistance.

Account grows tax-free.

Proceeds are tax-free when used for:

Education. Funds would be paid through Financial Aid department of school.

Volunteer and charitable service. Funds would be paid through church or other organization.

Spouse's or children's education.

If there is sufficient money left in account, up to $20,000 could be used, tax-free, for down payment on home, but this would affect taxable basis of home.

Proceeds could also be available for "emergencies", but only under very limited conditions.

Funds not used for above purposes could be transferred to ISA, IMA, or IRA subject to conditions.

At death: 25% to IRS.

Balance to spouse's, children's relative's IDA.

Much of this can be done now within the IRA program, but it requires an extreme amount of creativity, only a few can "get away with it legally", and proceeds are subject to a 10% penalty and are taxable when withdrawn.

The President's proposal for $25,000 in student loan guarantees would be an excellent transition to this IDA program.

ISA—INDIVIDUAL SECURITY ACCOUNT

Invest 6 percent of gross wages. (Funded from present Social Security contributions, individual and employer.)

Half retained by IRS or SSA in individual interest-bearing account, government securities.

Half could be transferred once/year to an individual, private account.

Encourage individuals to use equity mutual funds for their individual accounts to provide capital investment funds for the growth of the economy and to provide for the possibility/probability of higher investment return. The role of Social Security and of the government would be to insure that the individual would get at least as much as under the present program. The government would, in effect, be guaranteeing the economy. Instead of encouraging individuals to preserve capital, this would encourage them to go for growth, and with this amount of capital being continuously invested, the chances of major recession or depression are greatly reduced.

The balance of the Social Security contributions would be used for the insurance aspects of the program and for transition from the present program.

Money can be drawn out only for retirement or disability.

Retirement would be at age 65, or it could be earlier if and when the individual account reaches an amount sufficient to provide adequate lifetime income. (If you could invest 6 percent of your earnings at a 12 percent rate of return for 25 years, you could live forever from the proceeds—if you could live forever.)

Individual Security Income would be based on the higher of:

Amount determined from present Social Security formula.

Amount determined from account value.

Amount determined from future changes to Individual Security/Social Security programs.

Payments to the individual would come first from the individual account.

If/when the individual account is exhausted, Social Security would take over as insurance to continue payments at the appropriate level.

Income would be partially taxed, as at present or as determined to be appropriate. There would be no "earnings test". It would be your money in the individual account, your money that paid for the insurance part of the program.

At Death:

25 percent to IRS.

Balance to family IDA's and ISA's.

This program requires major legislation and major changes in thinking, but would be a true win-win program!

IMA—INDIVIDUAL MEDICAL ACCOUNT

The individual would choose own health insurance policy—this can be self-paid, employer-paid, government-subsidized, or whatever. (Tax deductible.)

The ideal policy would be a major medical policy with a high deductible, say $3000.

Deposit $2000 per year in IMA, an interest bearing account, managed and administered privately. (Tax deductible.)

Use a "Health Care Card" to pay for care. (Similar to Visa, Mastercard, etc., but prepaid.)

Insurance, government subsidy would also be channeled through health care card.

If costs exceed $2000, individual pays difference up to $3000 level. (Tax deductible.)

Funds not used can be left to accumulate for future needs or used to replace/reduce future premiums and contributions.

These "excess funds" could be invested in equity mutual funds for better growth and for better growth of the economy.

The incentive is for the individual to control and reduce own costs and to find the most cost-effective care and treatment and insurance, because what you save, you keep. For those in good health, the accumulation could be substantial.

No tax on accumulation or on funds used for medical insurance or for medical care.

At Death:

25% to IRS.

Balance to family IMA's.

Most of this could be done now except that the tax deductibility of funds depends on who pays them, and growth of the fund is usually taxable.

IRA—INDIVIDUAL RETIREMENT ACCOUNT

Optional, supplementary retirement account.

IRA, 401k, Keough plans, employer plans, etc.

Plans are good now, no major changes needed.

Allow funds to be transferred to IMA without penalty or taxation.

GLEN W. KEPNER.

June 1, 1992.

COMMITTEE ON WAYS AND MEANS,
Washington, DC, June 30, 1992.

To: The Honorable Guy Vander Jagt.
From: Paul M. Auster, Assistant Minority Tax Counsel.
Re: Correspondence of Mr. Glen Kepner.

Mr. Kepner's correspondence contains three proposals that are modeled after the current IRA provisions and are intended to assist taxpayers in the following areas—financing educational expenses, providing for their retirement by establishing an alternative to the current Social Security system, and providing financing for their medical expenses. In general, the proposals call for the establishment of an IRA type account to which contributions would be made. Contributions would be deductible only in the case of the medical account. However, earnings in all three accounts would be tax-exempt. After reviewing the applicable materials it would appear as if the tax-free income accumulation and the tax deductible contributions to only one account would, because of the amounts involved, result in a significant revenue loss. Of course, only a revenue estimate from the Treasury or Joint Committee on Taxation could verify this.

It should be noted that each proposal raises significant tax policy and technical tax issues. At this stage of discussion, a review of these issues is premature. However, a brief review of one proposal should be done here. Mr. Kepner proposes three separate accounts—an Individual Development Account, an Individual Security Account and an Individual Medical Account. Of these three, the Individual Security Account appears to be the most unique. More specifically, this account would be used to supplement and replace our current Social Security system. While the other two accounts do address legitimate areas of need—education and medical—the use of IRAs for these purposes has been attempted in numerous proposals. On the other hand, few proposals have attempted to use the IRA to replace the Social Security system. Thus, the ISA represents a new and innovative use of IRA accounts. In this regard you may be aware of the fact that Mr. Thomas has introduced H.R. 5159 which also uses the IRA to supplement and replace our current Social Security system. Thus, Mr. Kepner appears to have developed a proposal that is one of the first to use the IRA in this unique way.

In summary, Mr. Kepner's proposals raise a number of technical and tax policy issues. In addition, it appears as if the proposals would lose significant amounts of revenue. While each of his proposals seeks to provide taxpayers with additional funds to meet various needs, one account, the ISA, represents a new and unique way of using IRAs to allow people to meet the financial needs of their retirement years.

Please contact me if I may be of further assistance.

MYTH VERSUS REALITY ON THE ADMINISTRATION'S CHINA POLICY

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. PEASE. Mr. Speaker, today we will be voting on H.R. 5381, the United States-China Act of 1992. This bill would attach human rights, trade, and weapons nonproliferation conditions to the extension of most-favored-nation [MFN] status to China in 1993.

The administration opposes H.R. 5318, claiming that unconditional renewal of MFN to China has yielded improvements in the PRC's human rights, trade, and weapons policies. There has been a tremendous amount of misinformation disseminated on the degree to which the Chinese Government has demonstrated a good faith effort to better its record in these areas. The following differentiates myth from reality:

MYTH

China has demonstrated substantial progress on human rights policy.

REALITY

Beijing authorities told Secretary Baker last November that they would grant visas to approximately 20 dissidents, but only 2 have been allowed to leave.

Chinese leaders pledged to Secretary Baker that China would cease exporting goods made by prison laborers, yet China was later caught shipping diesel engines made by prisoners. Also, reports indicate that Chinese authorities still refuse to allow United States officials access to prison labor camps for verification of China's adherence to the United States-PRC Memorandum of Understanding [MOU] on export of forced labor products to the United States. This MOU has not been released; its exact contents therefore remain unknown.

PRC officials promised to account for hundreds of political prisoners jailed after the 1989 Tiananmen Square uprising, but instead provided inadequate, often useless information.

PRC officials promised to account for hundreds of political prisoners jailed the 1989 Tiananmen Square uprising, but instead provided inadequate, often useless information.

Chinese police harassed foreign journalists including the Washington Post's Beijing correspondent, Lena H. Sun. Some of Sun's files were sized and her husband and 2-year-old son were held under house arrest during the office search.

Beijing authorities denied visa requests by Senate Intelligence Committee Chairman David L. Boren and Senate Foreign Relations Committee Chairman Claiborne Pell for visits last April. Both Senators have criticized China's human rights, trade, and weapons proliferation policies. On the eve of the third anniversary of the Tiananmen Square massacre, PRC police brutalized peaceful demonstrators and members of the press.

Beijing authorities have arrested 30 or more disssidents since late May as part of a crackdown on an underground organization dedicated to political reform. The arrests, which hit at least five universities or college-level institutes in Beijing, constitute one of the largest roundups of dissidents since the detentions immediately following the June 1989 Tiananmen Square incident.

MYTH

United States-China trade relations have improved.

REALITY

The United States trade deficit with China has increased steadily over the past decade. United States exports to China between 1980 and 1991 increased by 67 percent, while imports from China grew by 1,694 percent. This reflects a rapidly growing trade imbalance that reached $12.7 billion in 1991, compared to $6 billion in 1989 and $10.4 billion in 1990. Between 1990 and 1991, China moved from being the United States' third largest, to its second largest, deficit trading partner after Japan. The United States-China trade imbalance is expected to reach nearly $20 billion in 1992.

The growing United States trade deficit with China is attributed to dumping, currency devaluation, and the exporting of products made through cheap prison labor. Additionally, China continues to violate export quotas by shipping its products through Hong Kong. These products are relabeled and exported to the United States. Such transshipment has cost the United States millions in customs duties.

MYTH

China has shown a commitment to nonproliferation of nuclear weapons and technology.

REALITY

On January 31, 1992, the New York Times reported a Chinese delivery to Syria of 30 tons of chemicals needed to build a solid-fuel missile and the transfer to Pakistan of guidance units to control the flight of the M–11 missile.

On February 22, 1992, the Washington Post reported that the Senate Foreign Relations Committee was informed in a closed briefing of Chinese contracts to sell more than $1 billion in missile and nuclear-related technology to Iran, Syria, Pakistan, and other countries in the Middle East.

On April 3, 1992, the Los Angeles Times reported that Chinese officials were negotiating with Iran for possible delivery of guidance systems that could have been used for ballistic missiles.

On April 22, 1992, the Washington Times reported a Chinese deal with Iran for a fleet of Chinese patrol boats equipped with Styx antiship missiles.

On April 28, 1992, the Washington Post reported that China unloaded small arms at a Libyan port after the April 15 embargo against Libya was imposed by the U.N. Security Council.

On May 21, 1992, China conducted an underground nuclear test of 1,000 kilotons (equivalent to setting off 1 million tons of TNT) for a new intercontinental ballistic missile that is being developed. This blast far exceeded the generally accepted 150-kiloton limit agreed on in 1974 by the United States and the former Soviet Union.

I urge my colleagues to support H.R. 5318. Unconditional extension of MFN has clearly provided us with little to no leverage in dealing with the Chinese Government.

IN MEMORY OF WILLIAM F. FRATCHER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SKELTON. Mr. Speaker, today I pay tribute to one of Missouri's most distinguished and dedicated educators, William F. Fratcher, who recently passed away.

Born in Detroit, April 4, 1913, William Fratcher received his bachelor's and master's degrees from Wayne State University. He earned his law degree, master's degree in law and doctor of laws from the University of Michigan, and began practicing law in Detroit in 1936. In 1941 he married Florene Briscoe.

William Fratcher served as a second lieutenant in the first racially integrated unit of the U.S. Army. During WWII, he was a judge advocate in the Army, where he achieved the rank of lieutenant colonel. The positions he held included chief of the branch of the Office of the Judge Advocate General in Washington, DC., chief of the branch office with the European Theater of Operations in Paris, and chief of the legal division in the War Crimes Branch of the U.S. occupation forces in Germany.

In 1947, William Fratcher joined the faculty at the University of Missouri School of Law. Recognized nationally and internationally for his expertise on trust, property and probate law, William Fratcher's contributions to legal education were great. Among them were his annual lecture on the Nazi war crimes trials at Nuremberg, as well as a fourth edition of "The Law of Trusts," a standard reference for attorneys who plan estates. After his retirement in 1983, William Fratcher returned to the University of Missouri to teach legal history part-time.

In recognition of his commitment, William Fratcher was named an R.B. Price Distinguished Professor of Law in 1971. He was honored as a Professor Emeritus on his retirement.

William Fratcher is survived by his wife Florene and his daughter, Agnes Ann Fratcher. He will be missed and long remembered as an outstanding member of the community and legal profession.

RED BUD, IL, CELEBRATES 125TH ANNIVERSARY

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. COSTELLO. Mr. Speaker, I rise today to bring my colleagues' attention to the city of Red Bud, IL. This year marks the 125th anniversary of this city, which is located in historic Randolph County, the county—where Illinois began—and the county where the State's first capitol was located.

Blossom City, which is the city's nickname, is well kept and clean. The 2,900 residents of the city enjoy an excellent educational system served by quality public and private schools. In fact, the first brick building was a public school, built in 1854. Religion has always filled an important role to the residents of Red Bud and the surrounding community. The area is served by St. John the Baptist Catholic Church, St. John Lutheran Church, First Baptist Church, First Apostolic UPC, Church of Christ, St. Peter United Church of Christ, and Trinity Lutheran Church.

The city of Red Bud has enjoyed a interesting history. The early American settlers established their homes in the prairie region, which became known as Horse Prairie. The reason for this is that bands of wild horses originating from the ponies that roamed earlier French settlements of Cahokia and Kaskaskia, lived on the prairie grass. The horses were later captured and used on neighboring farms.

In 1820, Preston Brickey built the first log cabin within the current city limits. The first school in Red Bud was established in an abandoned pole cabin in 1824. The first teacher was Samuel Crozier, the father of one of Red Bud's founders. Over the next 40 years, a city quickly developed, constructed largely of brick buildings made from brick and lime kilns and stone quarries located in Red Bud. The city became an important station on the stage coach route between St. Louis, Belleville, Kaskaskia, and Chester.

The three State highways that serve the city of Red Bud meet at its "Square." The railroad that ran through the north side of the city since the 1870's was recently abandoned and the tracks were removed in 1992.

Red Bud has been hit hard by the current recession. The 50-year-old heating and air-conditioning factory, intrinsic to the Red Bud economy, closed down in 1992 and 650 employees lost their jobs. However, a new company, the Material Works, Ltd. has developed from Red Bud Industries, a manufacturer of coil processing equipment, and provides needed jobs and economic security to the city.

The city's hospital, St. Clement, which I have recently visited, has been in existence since 1900. The newest structure is 21 years old and has undergone extensive remodeling during 1992. It and the adjoining MariaCare Nursing Center, are owned by the ASC health system. The hospital is staffed by local physicians and many specialists from the St. Louis metropolitan area.

Today, the business of city government is transacted in the city hall which was built in 1894. It has a council chamber, offices, and a public library. Current city officials take great pride in the historical background of the city they work so hard to represent. Furthermore, the people of Red Bud have shown a strength and determination in the commitment to their city.

I would like for my colleagues to join me in recognizing the city of Red Bud on this momentous occasion of its 125th anniversary celebration

ESTABLISH A CIVILIAN TECHNOLOGY CORPORATION [CTC]

HON. GEORGE E. SANGMEISTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SANGMEISTER. Mr. Speaker, today I am pleased to introduce an economic package that will help develop cutting edge technologies and reposition America as the world's leading economic superpower

With the cold war and the Gulf war behind us, there is no question that the United States is a military superpower. However, the costs of this achievement have been high and the American people are now suffering through the slowest economic recovery in our history. One need not look at the former Eastern bloc countries and the fall of communism to see that the world has changed. Our own unemployment statistics are proof of that change. Global power is no longer defined by a nation's military might, where America is so strong, it is defined by economic competitiveness, where we are falling behind.

We have all seen statistics that show America losing its economic clout and industrial base to Japan and Germany. Fortunately, these dismal statistics do not tell the whole story; there is still a great deal of good news. America remains, in absolute terms, the world's largest, richest, and most productive economy. We lead the world in basic research. Unfortunately, we often fail to harvest the potential of that research. The fall of communism means we can greatly reduce the Federal budget share dedicated to defense and use this money to increase economic investment and lower the Federal deficit. The United States enters 1993 with a perfect opportunity to bring government, business, and labor together in a concerted effort to regain our position as the world's economic superpower.

We are all familiar with technologies such as the video cassette recorder [VCR], an American invention that became a foreign product. We invented it, but overseas businesses developed VCR's and put them on store shelves worldwide, creating a billion-dollar industry in which no American manufacture competes. This trend continues with other discoveries such as high-definition television [HDTV]. The Japanese and other countries perfect and market American technologies, while we miss out on opportunities for American business and workers. Today, I am introducing legislation to create a civilian technology corporation [CTC] to end this trend and insure that American inventions become American products which provide high-wage jobs for American people. This bill is modeled after the National Academy of Sciences [NAS] proposal to promote the commercialization of high technology products.

The Civilian Technology Corporation will be an independent body, isolated from the political process, that will identify and invest in discoveries, innovations, and page inventions which are too new for American corporations to gamble on, pre-commercial technologies, or have social value that may not be immediately recognizable. In this way, the CTC will insure that product develop stays in American hands. The CTC will not be involved in basic research but rather will help develop new technologies to prepare them for production. Simply stated, American workers will build new technologies and American businesses will profit.

A one-time investment of $5 billion dollars would start the CTC. Its board of directors—comprised of private citizens with technical, business, administrative, and economic expertise would choose promising new technologies to support—not politicians in Washington. The CTC would not give money away, it would enter into partnerships with business and industry consortia to bring new ideas out of the laboratories and into our lives. After the initial investment of Government funds, continued funding for the CTC will come from profits and licensing fees for products and ideas the CTC helps develop.

My second proposal refocuses Federal spending on research and development [R&D]. When President Jimmy Carter left office, almost 60 percent of Federal R&D spending was directed toward civilian programs. President Ronald Reagan's spending page priorities rapidly changed this so that today we spend almost 60 percent of our dollars on defense-related R&D. This trend must be reversed. Keeping America competitive will require developing and manufacturing new consumer products to sell worldwide, not developing new weapons technology to consume more tax dollars. My legislation proposes not only returning the mix of R&D spending to the ratio achieved in the late 1970's but going even further so a full 70 percent of all Federal research and development dollars are directed toward civilian, commercial technologies.

Japan excels in developing and manufacturing products but not in basic research. To eliminate this weakness Japanese businesses are paying American scientists, researchers, and universities to do research for them. NEC Inc., a Japanese electronics firm, has even established the $32 million NEC Research Institute Inc., in Princeton, NJ. Likewise, the United States excels in basic research but not in developing and manufacturing products. The Civilian Technology Corporation will partner with American private industry to insure America can develop new products and keep American technological innovations at home.

The CTC will prepare the United States for the 21st century. In this globally competitive economy the United States can no longer afford to give away its fledgling technologies to foreign competitors. I urge my colleagues to join me in supporting these proposals to restore America's competitive edge and take back our rightful place as the leader in technology development.

NATURALIZATION SPEECH

HON. LAMAR S. SMITH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SMITH of Texas. Mr. Speaker, below is a copy of a speech that Christel M. Taglieri, a constituent of mine from San Antonio, gave at a naturalization ceremony in Texas.

I believe it summarizes what is good about becoming and being an American citizen.

Sometimes we take for granted how blessed we are to live in this great country. I believe this speech serves as a healthy reminder.

(Speech by Christel M. Taglieri)

On behalf of the Bexar County Republican Women and myself, I want to congratulate you, our new United States Citizens. Judge, I want to thank you for asking me to participate in today's ceremony.

As Chairperson for Americanism and Heritage of the Bexar County Republican Women, I have witnessed on numerous occasions the naturalization ceremonies, never thinking, that I would be standing here, addressing a group of new citizens.

On each occasion, I have heard Judge Pimomo ask the new citizens the same question; "How does it feel, to now be an American Citizens".

In most instances, two or three of our newest citizens would come to the microphone, and with much emotion express their joy and pride, that now they could say, "I am an American".

My first thought on coming here to speak to you was: "What am I going to talk about, what should I say to you". The trials and problems you faced, since arriving in the United States, are behind you. Now you can proudly say, "I am an American, I made it".

You see, I know what this day means to you, because I am a naturalized American Citizen. It seems so long ago, about 38 years, when I raised my right hand and swore allegiance to the flag and this great country, the United States of America.

Even though I spoke the English language fluently, I could not quite understand the American way of doing things. I was a graduate of the Humboldt University in Berlin, Germany, but I thought it best to take some courses at the University of California at the Monterey Branch, to study intensively American History and Government. I had chosen this country, I did not want to "Just get along", "I wanted to belong".

All emigrants had different reasons for coming to the United States, and for some, it was most difficult to leave their families and their native country.

But they had one thing in common, they wanted to live in a country where liberty and justice was guaranteed by a government of the people.

Of all the emigrants who entered this country before you, there were some who found it more difficult to adjust than others. Their great expectations could not be fulfilled very fast, because they did not speak the english language, or maybe they had expected too much too fast. They had to learn that, what this great country had to offer could only be reached through hard work and continued education.

They had to keep faith, because every day, they found new obstacles they needed to overcome and master.

This young country was built by emigrants, emigrants just like you and I, emigrants, who were proud of what they had accomplished. Now it becomes your responsibility to carry on, to keep this great country strong and free.

To you, our newest United States Citizens, I pray, that you will continue to learn the customs and traditions of this beautiful land and its people. Be loyal, devoted and cultivate a strong love for this your chosen country.

Finally, I will leave you with these words. Don't think back, when you feel blue, say to yourself:

I am an American, a free American.
Free to speak without fear,
Free to worship my own God,±
Free to stand for what I think is right.
Free to oppose what I believe is wrong.
Free to choose those who govern my country.

This heritage of freedom I pledge to uphold and defend for myself and all mankind.

HONORING BOB TRAPP

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. RICHARDSON. Mr. Speaker, in this day and age when TV journalists are more interested in their hair than their copy, when radio news has become the latest oxymoron, and when newspapers are more interested in the bottom line rather than the headline, it is certainly refreshing when you come across an individual who runs a newspaper for the good of the people.

Bob Trapp started the Rio Grande Sun 36 years ago giving Española, NM and the surrounding area a paper it never had. He strives to be fair and never buckles under to the pressures of advertisers or politicians. Many of his hard-hitting stories have cost him dearly in lost advertising revenue. He has also taken on some of the area's biggest elected officials.

Mr. Trapp has spent well more than half his life writing, reporting, publishing, and selling his weekly newspaper. His perseverance, dedication, and excellence are being recognized by his peers. I am pleased to report he was recently honored by the International Society of Weekly Newspaper Editors for his work in community journalism in producing the liveliest, hardest-hitting newspaper.

I urge my colleagues to join me in recognizing and congratulating this outstanding journalist for exceptional public service. I am attaching a recent story from the New Mexican in Santa Fe which profiles Mr. Trapp and his paper.

[From the New Mexican, July 12, 1992]

Rio Arriba Officials Keep Falling into Same Trapp

(By Donna Roy)

ESPAÑOLA.—Bob Trapp, editor and publisher of the weekly Rio Grande Sun, has made it his mission to monitor public officials, especially Rio Arriba County political boss Emilio Naranjo, and hold them accountable for their actions.

It has not made him popular, only respected.

Trapp has been accused of being too critical of the Española Valley, where he's lived and raised a family and put out his paper for the past 36 years.

Trapp's detractors say he constantly portrays Española in a negative light, focusing on the bad and never the good.

But this weekend in Colorado Springs, Colo., Trapp was recognized by the International Society of Weekly Newspaper Editors for his work in community journalism in producing "the liveliest, hardest-hitting" newspaper.

Robert Estabrook, editor and publisher emeritus of the Lakeville (Conn.) Journal, said Trapp was selected for "standing up against pressures of politicians and advertisers to pull his punches."

"Trapp has consistently put his principles before his newspaper's profits," Estabrook said.

Former Santa Fe Reporter editor Richard McCord, who nominated Trapp for the award, said the Rio Grande Sun has been a demonstration of the vigilance the press must have to ensure good government.

Trapp, a silver-haired, 60-something man who chuckles when you ask him his age, said in an interview in his cluttered office that his objectives when he started the Rio Grande Sun in 1956 remain in place today; to be fair and to put out the best newspaper possible, free from interference from local advertisers and politicians.

"I've always believed it's the newspaper's duty to point out things and tell the readers what's going on, and then it's up to them to do something about it," Trapp said.

"If you knuckle under to advertisers, you're going to be putting out a business brochure rather than a newspaper," he said.

Trapp became interested in newspapers at an early age and published his first newspaper when he was in the seventh grade in La Jara, Colo.

"It was handwritten. I would send my brother around the neighborhood selling it for a nickel. One time, he came home madder than heck. This one guy took the paper, read both sides of it and said he wasn't interested," he recalled.

Trapp's first newspaper job was in 1950 at the Alamosa (Colo.) Daily Courier as a sports editor, for $10 a week. After that he went to work for a five-day daily newspaper in North Carolina as a city reporter.

He next joined a newspaper in Rock Springs, Wyo., where he met his wife, Ruth. The newspaper did not encourage hard news coverage, but Trapp managed to slip in a few stories to "raise hell." A couple years later the Trapps moved to Great Falls, Mont., where they met Bill Burkett and his wife, Holly.

Eventually, they would hear about the Espanola Valley. They arranged a vacation to Espanola and talked to some of the businessmen to see if they were willing to put up money to start a newspaper.

The Trapps and Burketts each put up $7,600 of their own money to match the businessmen's investments.

Five thousand copies of a broadsheet paper were printed to mark the Rio Grande Sun's debut in October 1956. The 16-page paper soon was cut back to eight pages for the first few years of its existence.

The paper was sold on the street for 7 cents a copy. Trapp paid local children 2 cents for every paper they sold. Today, children and adults line up outside the Rio Grande Sun office on North Railroad Avenue every Wednesday to pick up their bundles of newspapers. The price has increased to 30 cents and the sellers may keep 12 cents plus any tips they make.

"It never occurred to us when we started selling it on the street that it would become what it is today. For some families, it's big business. Some of them make $100," Trapp said.

More than half of the 10,800 papers printed each week are sold on the street Wednesday evenings.

The first newspaper office was located on Onate Street. The building has been torn down and replaced with a parking lot.

In the beginning, Bob and Ruth Trapp handled all of the reporting and photography. The Rio Grande Sun was typeset on a linotype and printed on a letterpress—ancient machines by today's standards.

Trapp hired his first reporter in the late 1960s. He now has a staff of three or four reporters to cover the Espanola area and another to cover Chama.

"We felt that that area, so close to the county seat, was being neglected," Trapp said.

The first 10 years of the paper's existence were lean ones for the Trapps. "We cut our salaries back from $100 to $85 a week so our help's checks wouldn't bounce. Probably, a smarter person would have closed (the paper) down, but I was too stupid," he said with a chuckle.

Espanola began to grow as a city. More businesses were moving into town and advertising and the newspaper began to pick up, he said.

One of the first events covered in the Rio Grande Sun was the expansion of Riverside Drive from two lanes to four. At that time, the area was not part of the city.

Another was an unsuccessful attempt by local businessmen to move the Rio Arriba County seat from Tierra Amarilla to Espanola.

Years later, Trapp would cover the now famous Tierra Amarilla raid. "Rio Arriba County is the only place where you can shoot a state police officer, shoot up the courthouse and not go to jail," he said.

When Trapp first started the newspaper, Emilio Naranjo was not the political powerhouse he is today because the Republicans were largely in control.

Naranjo worked for the state Motor Vehicle Department and sold insurance. He didn't run for office until he was appointed to replace Matias Chacon as county Democratic chairman.

As a reporter, Trapp had many encounters with Naranjo, whom he playfully calls "Our Leader" in his editorials. He remembers Democratic county conventions where Naranjo would introduce him to the crowd as his cuate or pal.

"We've been on opposite sides since I saw what was going on," said Trapp. "Among other things, there were county commissioners paying themselves $800 a month in per diem to inspect county roads. These were people that were holding down full-time jobs. We put a stop to that, but it was that type of thing," Trapp said.

"A lot of money was being wasted. Roads weren't being fixed if the precincts in that area didn't vote the right way," he said.

Jim Danneskiold, a former Rio Grande Sun reporter and editor now working at Los Alamos National Laboratory in public affairs, described Trapp as tough-minded and fair and an old-fashioned, 19th century-type journalist.

"He religiously holds to the maxim that a newspaper's duty is to print the truth and raise hell. He believes in the role of the newspaper as the eyes and ears of the public. It's a crucial independent member of the community," Danneskiold said.

Santa Fe lawyer Carlos Vigil, who was raised in Espanola and still lives there, sees Trapp in a different light. As a journalist, Trapp has been courageous, Vigil said, but he needs to present more positive stories about Espanola.

"He's taken on some big people and I think that's important," Vigil said. "I just wish he was a lot more positive and give credit where credit is due. We've had a lot of kids that do really well and there's little or no mention of those things."

Danneskiold said that while Trapp does focus on crime and corruption, he also does little things that serve the community. He sponsors students to local spelling bees, publishes photos of students who have excelled and even First Baby of the Year photos.

"He gives people a window, not just to politics and corruption, but to the human side of the community," said Daneskiold.

Trapp has enjoyed the challenge of covering news in Rio Arriba County. "Some people say they buy the paper to read the gossip, others like it for its political stand," he said. "We might be perceived as controversial, but I'd rather be controversial than bland."

INTRODUCTION OF LEGISLATION ALLOWING TAX-FREE, NEED-BASED SCHOLARSHIPS

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. DONNELLY. Mr. Speaker, I am introducing legislation today to allow individuals to receive need-based scholarships free from income tax. At a time when everyone agrees that America needs a more educated work force, the importance of this legislation cannot be overstated.

This problem came to my attention when I received a letter from a constituent in Whitman, MA. Her children deliver the Boston Globe; the Globe awards $5,000 scholarships to prospective college students who deliver the newspaper.

The problem is that these scholarships are taxable to the students who receive them. As my constituent accurately pointed out in her letter: "Since the $5,000 will go directly to the universities, we will have a substantial tax liability for 1992 and will not have the cash available to pay it."

Mr. Speaker, the Boston Globe's program is a noble effort to encourage students to work hard and attend college. It is fundamentally wrong for the government to tax hard-working students who want to earn money to go to college, and it's wrong to tax their parents who have to scrimp and save to put money aside for their children to go to college. My legislation will provide a small measure of relief to the middle class.

I urge the Committee on Ways and Means to act quickly to pass this legislation. A technical description of my legislation follows:

TECHNICAL DESCRIPTION OF LEGISLATION ALLOWING TAX-FREE TREATMENT OF NEED-BASED SCHOLARSHIPS

Present law

Section 117 of the Internal Revenue Code excludes from gross income any qualified scholarship received by a student who is a candidate for a degree at an educational organization. Amounts received as scholarship must be used for tuition and related expenses.

The exclusion does not apply if the amount received represent payments for teaching, research, or other services by the student as a condition of receiving the qualified scholarship. Treasury regulations interpreting this provision state that scholarships represent payment for services "when the grantor requires the recipient to perform services in return for the granting of the scholarship" (Treas. Regs. 1.117-6(d)(2)). Thus, if an employer requires an employee to perform employment-type services as a condition of receiving the scholarship, the scholarship is not excludable from income.

Explanation of proposal

Under the bill, scholarships received which represent payments for services provided for the grantor by the grantee of a scholarship would be excludable from gross income under section 117 if (1) the amount of the scholarship does not exceed $5,000 in any calendar year and (2) the adjusted gross income of the recipient is less than $50,000 for the taxable year.

Effective date

The provision would be effective for taxable years beginning after December 31, 1992.

CAPTIVE NATIONS WEEK 1992

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. MICHEL. Mr. Speaker, I am honored to be able to join with our colleagues in commemorating Captive Nations Week.

Since President Eisenhower first proclaimed such an event in 1959, I have been an enthusiastic supporter of and participant in Captive Nations Week. During the height of the cold war, it was always a good thing to be reminded, at least once a year, of what was at stake in our battle with communism. Captive Nations Week provided us with a chance to publicly state our beliefs about the suffering of so many millions of people who were enslaved by various forms of communism

Now that the cold war is over, such a commemoration may seem to be an anachronism. After all, the Soviet Union no longer exists. The former captive nations of Eastern Europe are free. The West, in the great twilight struggle, emerged victorious. Why should we continue to participate in such an event?

For one thing, there are still well over a billion human beings still enslaved by communism, in China and Cuba and North Korea. We should not forget their suffering. And, at the same time, we should use this occasion to offer thanksgiving for what has happened over the past 4 or 5 years. In a series of events unparalleled in history, a totalitarian superpower crumbled before the forces of freedom in what amounted to a near bloodless uprising, the nations it has so long ruled—and nearly ruined—had regained their independence and freedom, the Berlin Wall fell, and for the first time in two generations, the people of Eastern Europe could truthfully say they were no longer captive.

This is, as I said, one of the great, triumphant moments in history. And yet, in that curious way that so often characterizes our modern world, in which the collective attention span is not very long, this magnificent accomplishment is taken for granted by many Americans. There is an ho-hum attitude, as if the end of the Soviet Union and freedom for Eastern Europe were preordained and, as they say, inevitable.

But these great events didn't just happen. They were caused because the people of the West sacrificed, because the United States of America provided leadership, because at very turn the imperial appetites of the Soviet Union were either thwarted or at least contained over two generations. Had we not acted with fortitude and courage and patience, the Soviet Union could well have succeeded in its quest for domination.

And so, when we commemorate Captive Nations Week, 1992, we do more than remind the Nation—and ourselves—that there are human beings still enslaved by communism. We also formally congratulate the American people for the great achievement of having defeated Soviet communism, one of the great accomplishments in the entire history of human freedom. It was not an easy victory and it was a costly one, in terms of lives lost and money spent. But can anyone deny that the sacrifices were needed? Can anyone deny that given the nature of the Soviet Union and its militant totalitarian Marxist-Leninist philosophy, the very survival of the West was at stake throughout the struggle?

I am proud to join with our colleagues in commemorating Captive Nations Week, and I urge all Americans just to take some time this week to think of what has happened—and of what could have happened had not the people of the United States had the backbone and the will to stand up for human freedom. I only wish so many of us wouldn't take all of this for granted.

GOVERNOR CLINTON'S ECONOMIC PROGRAM

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GRADISON. Mr. Speaker, since their nomination in New York at the Democratic National Convention, Governor Clinton and Senator GORE have leveled a good deal of economic criticism at the Bush administration. For all the flowing rhetoric and oratorical grace heard by the country during the convention last week, we know that elections are not decided merely on the basis of one candidate's speech. After New York, the American people must ask themselves whether Governor Clinton would improve the performance of the economy and whether he would reduce the Federal budget deficit.

From an analysis of the Clinton economic program, the answers appear to be "no" to the former, and "not much" to the latter. Reprinted following my remarks is an essay written by Beryl Sprinkel, former Under Secretary of the Treasury and chairman of the Council of Economic Advisers, in the July 15, 1992, edition of the Christian Science Monitor. In his essay, Dr. Sprinkel examines carefully the latest in a series of Clinton plans to improve the economy. He concludes that the package is little more than a call to arms in defense of bigger Government and higher taxes. In my judgment, the Clinton plan would only result in economic stagnation and produce another recession.

[From the Christian Science Monitor, July 15, 1992]

CLINTONOMICS: A LOSER

(By Beryl W. Sprinkel)

Gov. Bill Clinton has revised substantially his economic-policy plan, dropping out about half of his middle-class tax cut and projecting a decline in the fiscal deficit to $141 billion by '96, only $40 billion less than presently projected by the Congressional Budget Office under current law. Projected spending and tax changes reduce the deficit only $15 billion over the next four years, and increased growth apparently accounts for the remaining $127 billion deficit cut.

So a critical question is: Will the revised plan spur growth? The answer is, certainly not, since the plan will in fact reduce incentives and deter growth.

In essence, the new plan includes higher tax rates, higher federal spending, a substantial increase in mandated benefits to be paid by employers, increased regulation of the health-care industry, and support for a thinly veiled industrial policy designed to pick winners and shun losers. I conclude the governor's plan will discourage growth since markets respond to disincentives as well as incentives.

The only evident stimulant to growth includes a "targeted investment credit" and a "50 percent tax exclusion to those who take risk by making long-term investments in new businesses." In both cases,the modifiers suggest selective rather than general application of the stimulants.

Mr. Clinton proposes creating a new, fourth income tax rate of 35 percent or 36 percent, sharply above the present top rate of 31 percent. He proposes a populist "millionaires surtax" and an unspecified increase in the alternative minimum tax, higher taxes on Social Security benefits, and higher Medicare taxes. The tax increases are justified by Clinton as "making the wealthiest Americans pay their fair share in taxes."

That specious justification ignores the fact that from 1981–88, the share of federal individual income taxes paid by the top 1 percent rose from 17.9 percent in '81 to 27.6 in '88, and the share paid by the top 5 percent rose from 35.1 percent to 45.5 percent while the share paid by middle and lower income groups declined.

He also ignores the results of two recent studies by the United States Treasury and the Urban Institute which refute his contention that the rich have become richer and the poor have become poorer. Clearly the proposed tax increases will adversely affect private savings and investments, encourage tax avoidance, and discourage risk-taking by those subjected to higher rates.

Clinton also proposes increased taxes on American companies that invest abroad and foreign companies that invest here. Those taxes would discourage international investment and would be especially damaging to the U.S. since domestic savings are lower than domestic investment, thereby increasing our dependence on investment flows from abroad. Thus there would be less growth in productivity and real wages, thereby lowering the living standards of U.S. workers.

Rather than concentrating on increasing private savings and investment as a sure-fire stimulant to growth, Clinton focuses on massive increases in federal spending while ignoring the fact that presently federal spending as a percent of gross domestic product is at a high of about 25 percent. He calls for $200 billion in new federal spending on infrastructure and public works, a huge new national police force, $22 billion in new Head Start spending, $40 billion for higher education, and $4.9 billion in adult literacy programs. There are few substantial cuts other than defense.

Sharply higher federal spending not only pulls resources from the productive private sector, but also assures that high taxes are here to stay. High taxes and more government discourages growth by retarding private savings and investment.

Not too surprisingly, Clinton was unable to resist the trend evident in this period of large deficits to increase mandated employer benefits, thereby increasing production costs and discouraging private-sector jobs while making U.S. producers less competitive.

He would "require every employer to spend 1.5 percent of payroll for continuing education and training and make them provide training to all workers, not just executives." The governor would sign into law the Family and Medical Leave Act which provides for 12 weeks of unpaid leave for a newborn baby or sick family member. Finally, he would provide "guaranteed universal access—through employer or public programs—to basic medical coverage."

Clinton does not use the phrase "industrial policy," but he does propose creating "a civilian research and development agency to bring together business and universities to develop cutting-edge products and technologies." The lure of potential profits aided by tax benefits now provide incentives for productive R&D expenditures, but he clearly envisages an expanded role for government.

Although he espouses freer trade, an important generator of growth, he proposes to pass "a stronger, sharper Super 301 trade bill" which would inevitably increase the probability of retaliatory trade action by our trading partners.

In conclusion, I find it difficult to believe that Clinton is serious when he writes, "I believe in free enterprise and the power of market forces. I know economic growth will be the best jobs program we'll every have." He then proceeds to espouse a program that would inhibit private-sector growth.

It is ironic that as most countries around the world have concluded that large governments inhibit prosperity, Clinton believes that a larger government and higher taxes are the keys to more jobs and higher incomes at home.

SALUTE TO THE NAVARRO FAMILY

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GALLEGLY. Mr. Speaker, I rise today to honor a family that truly reflects what family values are all about in our great Nation, the Navarros of Port Hueneme, CA.

Phillip and Mary Navarro and their four children were recently included in the 10 regional winners in the National Hispanic American Family of the Year competition. This honor was based on the steps they have taken to advance Hispanic-Americans, including family unity, teamwork, cultural pride, and community service.

Phillip Navarro is a community outreach worker with the Ventura County Commission on Human Concerns, and as such he works countless hours—many on his own time—to ensure that low-income residents of Ventura County receive the benefits they are entitled to. But that's just for starters.

Mary Navarro volunteers her time to seek out the poor and homeless in order to help them find assistance. And both Phillip and Mary have worked hard to instill their values in their children. Their son, Jerry, speaks at anti-drug rallies and Jerry, his sister, Diana, and Phillip together perform musically at two Catholic churches. Phillip and Mary's other two children, Mark and Elizabeth, accompany their father several days a week while he delivers day-old bread donated by an Oxnard bakery to families in need.

The Navarros received their values from their parents, and are trying their best to pass those values along. As Phillip Navarro told the Ventura Star-Free Press:

In our house, it was always the normal thing to give rather than receive. And whether you believe in scripture or not, it is true that if you give enough you wind up getting without even asking. Here, we're trying to plant that positive seed.

Mr. Speaker, today more than ever, America needs families like the Navarros, and the values they represent. I ask my colleagues to join me in saluting them for their selflessness and their generosity, and for the honor they have so deservedly earned.

TRIBUTE TO SISTER JANET SMITH

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. COSTELLO. Mr. Speaker, I rise today and ask my colleagues to join me in congratulating Sister Janet Smith, a member of the Adorers of the Blood of Christ. Their provincial house is located in Ruma, IL. On July 1, 1967, Sister Janet accepted her final religious vows. This year marks the 25th anniversary of this momentous occasion.

Sister Janet Smith is currently the nursing supervisor of home care in Tucson, AZ. She has been serving her retired sisters there since March 1990. During her 25 years of service to God, she has worked closely with the Hospice Program in East St. Louis and has also spent 2 years in an established clinic in Liberia.

Sister Janet is an accomplished pianist and flutist and finds hours of joy from her love of music. Her fellow sisters describe her as a fun loving person who fully enjoys life. She is also very serious about her work as a nurse and her service to the Lord.

I would like for my colleagues to recognize Sister Janet Smith's dedication and service to the Adorers of the Blood of Christ and join me as I applaud her for her lifelong commitment.

PROCLAIMING AMERICAN UNITY MONTH

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. FASCELL. Mr. Speaker, in light of riots that have recently taken place in major cities such as Los Angeles and New York, and remembering past strife in my own city of Miami, some kind-hearted determined citizens have banded together to work to attempt to lessen the pain, the misunderstandings, and the misconceptions that are present in our society. One of these groups, Miami Loving Miami, was founded in November 1990 by Walter Sutton, Jr., a former police officer. This multiethnic grassroots unity organization strives every day to offer platforms for the diverse community of Miami to interact positively.

I feel strongly that the only way a truly harmonious, color-blind, prejudice-free Nation will exist is if all people, in all parts of our vast country work together to understand and celebrate the beautiful differences and splendid uniqueness of all of the residents of the United States, who represent virtually every race, religion, and culture present on this Earth.

Therefore, July, our Nation's birthday, as well as the birthday of the city of Miami, is a proper month to celebrate as "American Unity Month", to encourage all Americans to revel in the similarities, and more importantly, to fully appreciate, understand, and respect the differences among themselves and their neighbors, their peers, and their fellow countrymen.

Accordingly, I respectfully request all our colleagues to join in proclaiming the month of July as "American Unity Month."

TRIBUTE TO LOUIS G. SARRIS

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mrs. MORELLA. Mr. Speaker, I am very pleased to rise today to honor a constituent, Mr. Louis G. Sarris of Bethesda, MD, whose career demonstrates an exemplary record of commitment to our Nation through his many years of civil service.

Mr. Sarris is a decorated veteran of the United States armed forces for individual actions behind enemy lines near the close of World War II. Soon after serving in our military, Mr. Sarris worked for Congress on the staff of Senator Matthew Neely while completing doctorate work in Middle Eastern studies.

After joining the State Department in 1951, Mr. Sarris continued to serve the community at large through numerous works in addition to his full-time position. He lectured at the council on Foreign Relations, the Sino-Soviet Institute, and the National War College, and served on the faculties of the University of Maryland and Montgomery College. In addition to being published in numerous journals, Mr. Sarris was a contributing author of "Arms and the Africans: Military Influences on Africa's International Relations."

It is with great pleasure that I pay tribute to the contributions which Mr. Sarris has made to our Nation. On behalf of the citizens of the Eighth Congressional District of Maryland, I offer my sincere gratitude and best wishes in all his future endeavors.

OPEN LETTER TO INTERNATIONAL ELECTION OBSERVERS OF THE CROATIAN ELECTIONS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. TRAFICANT. Mr. Speaker, I am submitting for this Congress' consideration the following open letter from the opposition parties in Croatia regarding international observation of the August 2, 1992, elections in Croatia.

OPEN LETTER TO INTERNATIONAL ELECTION OBSERVERS

On August 2, 1992, presidential and parliamentary elections will be held in Croatia. There are many signs which show that, in mildest terms, these elections will be irregular. The following are some examples:

that the Republic of Croatia is at war, attacked by aggressor Serbia;

that 40% of the Republic's territory is occupied, making these elections incomplete;

that there are some 800 refugees, i.e. people no longer located in their places of residency, many of whom are not registered to vote anywhere, nor know where to vote;

that no lists of registered voters exists meaning that no one knows how large the voting public is;

that a significant number of its citizens are on the frontlines of the Republic—citizens who cannot leave the front to vote—nor are they soldiers in barracks who might possibly vote there;

that elections are being held in summertime—when in peace it is a season of greater migration due to holidays, leave and vacations—let alone now during a time of war when this is magnified many times over;

that the ruling regime is not allowing radio stations to follow the election campaign at all which has been affirmed by an official circular sent to all city radio affiliate stations by management;

that the ruling regime is abusing minors by using them in its propaganda so as to maintain political control (for example, the Croatian t.v. show "Dobro mi dosel prijatelj");

and a long list of other signs which shall be provided at a later date.

Therefore, by way of this letter, we ask that you send to Croatia observers of your institutions and organizations in as many numbers as possible and that you assist in other ways, so that the aforementioned elections take place without abuse or with as little abuse of same as possible. The citizens and people of the Republic of Croatia will know how to value your support by establishing democracy in this part of Europe which has always been an integral part of the West.

Zagreb, July 8, 1992.

Respectfully yours,

MARKO VESELICA,
President,
Croatian Democratic Party.
JADRAN VILOVIC,
Secretary,
Socialist Party of Croatia.
DOBROSLAV PARAGA,
President,
Croatian Party of Rights.
IVAN CESAR,
President,
Croatian Christian Democratic Party.

TRIBUTE TO BRIAN MICHAEL KATULIS

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GEKAS. Mr. Speaker, I rise today to pay tribute to Brian Michael Katulis, of Harrisburg, PA, who has been chosen to receive a 1992 Public Service Scholarship presented by the Public Employees Roundtable. Brian is one of only ten students from across the Nation to receive this prestigious scholarship.

Brian is an outstanding student at Villanova University in Philadelphia, PA, where he is studying political science, Arabic, and business administration. In his essay "Why I Have Chosen a Public Service Career," Brian demonstrates admirably why he is so deserving of this public service scholarship. A dedication to public service at such a young age is commendable and inspiring to others.

Mr. Speaker, I insert Brian's essay with these remarks so all may see a glimpse of what is good about America:

ESSAY BY BRIAN MICHAEL KATULIS

Since my sophomore year in high school, I have spent much of my time serving others. As the president of my graduating class, I led my classmates in efforts which benefited others. For example, when the son of a teacher was afflicted with cancer, our class began a program to raise funds in order to help the family's financial situation. Upon my arrival at Villanova University, I committed myself to helping others. I believed that since I was fortunate enough to have the opportunity to attend a university, I had the obligation to serve others in some way. I became involved with Project Sunshine, a social action program at Villanova University. In this program, I tutored elementary level school children and visited the elderly in a county home for the aging. Project Sunshine helped me see the world through the eyes of both the young and old. Also, I participated in Villanova's Committee for the Homeless. On several Sunday evenings I went into Philadelphia to distribute food and talk with homeless people. The conversations that I had with these people were enlightening, for they taught me that their misfortunes can happen to anyone. While being personally fulfilling, my experiences in high school and college have led me toward the path of public service.

I believe that a career in public service will be an exciting career to have in the coming decades. With the recent changes in the world, government must reorganize to meet the changing needs of our country. The challenge that will come with changing the structure of government will be great, and I would like to pay an important role in helping to ensure that the federal government still effectively serves the people of the United States. I would like my career to be more than merely a means of making a living, for I want to make a significant contribution to a society that has helped me achieve the goals that I have set for myself. Without the financial assistance provided by the government and private foundations, I would not have had the educational opportunities that shaped and influenced my life. Without the service of others in the military during times of war, I might not have the same freedoms and rights that I now possess. Because of the service of others, I live in the best country in the world, the country which offers the most opportunities. I would consider it an honor to serve the public in my career.

Also, I have chosen a public service career because I want to help change the perceptions that many Americans have about their own government. I grew up in an age where public officials are ridiculed and no longer admired due to the lack of integrity on the part of a small minority of public officials. In my career, I want to help restore the faith that people once had in their government through leading by example and encouraging stricter penalties for those who abuse their public office. Serving others is a privilege as well as an honor, and rectitude and honesty are two requisite qualities for people in public service to possess.

Finally, I have chosen a public service career because I believe that it is the most personally rewarding career that I can choose. The pride that comes from knowing that I work for the largest organization in the world and that I am serving others outweighs any financial rewards that might come from working in private industry. My idea of a successful life is one in which a person makes a contribution that changes the world for the better in some way. I believe that choosing a public service career is the best way for me to help make the future brighter for our world.

TRIBUTE TO LT. ELAINE M. HOGG

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. McEWEN. Mr. Speaker, Lt. Elaine M. Hogg, U.S. Navy, has completed her tour of duty as liaison officer at the Department of the Navy's Congressional Liaison Office, U.S. House of Representatives. I would like to take this opportunity to recognize her superlative accomplishments.

Hailing from Long Island, NY, Elaine was selected for this sensitive position based on her exemplary record as a naval aviator. As a CH–46 Sea Knight helicopter pilot, serving aboard the U.S.S. *Butte*, U.S.S. *Concord*, U.S.S. *Mount Baker*, U.S.S. *Saturn*, she transferred by vertical replenishment literally thousands of tons of critical supplies to deployed ships. She never lost her calm even while transferring pallets of supplies to ships navigating in rough seas during the night.

During her tenure as liaison officer, she proved to be instrumental in planning and flawlessly executing numerous congressional delegations which observed naval operations around the world. Elaine has been a vital link in maintaining the flow of information between the Navy and Congress. She promptly resolved thousands of sensitive congressional inquiries. Elaine could always be counted on no matter how complex the task.

Elaine is respected for both her knowledge and honesty by my colleagues on both sides of the aisle. I know that they, as well as I, wish her "fair winds and following seas".

TRIBUTE TO THE REVEREND L. MARING SWART

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. HOUGHTON. Mr. Speaker, this month marks the 55th anniversary of the ordination of Rev. L. Maring Swart, a constituent of mine. During his service he was active in the USO during World War II and subsequently served as the chaplain for the Jamestown, NY, Police Department. For the past 7 years he has been the pastor of the Ellington Congregational Church in Ellington, NY.

Winston Churchill once said, "We make a living by what we get, but we make a life by what we give." Reverend Swart's life has been rich in giving.

I am honored to take this opportunity just to thank Father Swart for his commitment and his tireless work for this community and its Christians.

TRIBUTE TO SWAINE CHEN

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. COSTELLO. Mr. Speaker, I rise today in recognition of Swaine Chen, a high school student in my district who has been chosen to represent our country in the 24th International Chemistry Olympiad. Swaine, along with four other U.S. students and over 120 students from other countries, will travel next week to Pittsburgh and Washington, DC, for these ceremonies sponsored by the American Chemical Society.

This event is being held to recognize the achievement of outstanding chemistry students throughout the world and to continue stimulating the interest of these students in the area of chemistry. I am pleased that such an event is being sponsored.

As our society becomes more technologically advanced, the need for those trained in the sciences will be critical to our national growth. There are many accredited chemistry programs at both the undergraduate and graduate level in the United States for students wishing to further their education in this area. Advanced education in chemistry can lead to a career in medicine, scientific research, engineering or education—each of these important job fields.

I recognize Swaine's achievement in chemistry, and I ask my colleagues to join me in saluting Swaine for this outstanding achievement.

SALUTE TO MSRC

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GALLEGLY. Mr. Speaker, I rise today to inform the House of the recent dedication of the Marine Spill Response Corp. [MSRC] in Port Hueneme, CA.

As many of my colleagues know, the MSRC facilities in Port Hueneme and other parts of the country are designed to respond quickly to contain and clean up major oilspills along our coasts. I am especially pleased that the Port Hueneme center is the first of the five facilities which ultimately are designed to handle such catastrophic spills as the one caused by the *Exxon Valdez* accident three years ago.

The MSRC was organized in August 1990 to provide new capability for response to catastrophic oilspills in U.S. coastal and tidal waters. This new capability will help owners and operators of oil tankers, offshore platforms, and onshore terminals meet the requirements for response capability that were included in the Oil Pollution Act of 1990.

The Port Hueneme center, which was dedicated earlier this month, will respond to incidents in California and Hawaii, and will be the largest single private source of oilspill response equipment in California. Once fully operational next year, the facility will be able to respond with vessels, barges, oil containment booms, and skimmers. In addition, the center will serve as a spill response communications and command post in the event of a spill, and also as a site for research and development activities.

Mr. Speaker, I ask my colleagues to join me in saluting the dedication of the Marine Spill Response Corp.'s Port Hueneme center. We all hope that the center's skills are never needed, but it is reassuring to know that the center is there and ready to help in the event of an emergency.

REAUTHORIZATION OF THE COMPETITIVENESS POLICY COUNCIL

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. LAFALCE. Mr. Speaker, today I am introducing legislation to reauthorize the Competitiveness Policy Council for 4 more years. The Council is a small investment, which, I believe, is a crucial first step toward a much-needed competitiveness policy in this country.

I first introduced the bill to create such a Council in May of 1985, and it was enacted as part of the 1988 Trade Act. Earlier this year, the Council issued its first annual report, which received widespread attention in policy circles, and in the press, with its call for the United States to adopt a serious national competitiveness strategy—a new set of policies that will make a fundamental change in America's competitive position.

I cannot overemphasize the importance of the Council as an element of competitiveness policy. Over the past few years, a consensus has emerged in this country, in both the public and private sectors and in academia, that we need a competitiveness strategy. We need a competitiveness strategy because we are rapidly losing ground in international markets to those countries which have competitiveness strategies, such as Japan and Germany.

The Competitiveness Policy Council is the only mechanism that our Government has—the only mechanism—to bring together groups from industry, labor, Government, and academia to study ways to improve American competitiveness. Furthermore, it is the only mechanism that exists to take a systematic, Governmentwide approach to identifying profitable areas for Government-industry partnerships. There are Defense Department programs and National Science Foundation programs and Commerce Department programs to foster such collaboration within their areas of operation, but no Governmentwide approach currently exists. This is the purpose of this Council.

I think it is important to recognize that Government-industry collaboration is not a completely new and untested idea in this country. The truth is that we have had such partnerships for many decades now, some of which have been crucial in the development of key industries. For instance, the Federal and State governments have funded between one-half and three-quarters of all agricultural research and development [R&D] over the past 50 years, during which time productivity has grown faster in agriculture than in any other broadly-defined sector of the economy. Before the early 1950's the Government funded all significant aspects of computer research and development and thereby laid the foundation for emergence of the computer industry.

Similarly, two of the most important advances in the semiconductor industry—the silicon transistor and the integrated circuit—were developed by private industry with the Government envisioned as the first large customer. In the aircraft industry, the military financed development of the first U.S. jet engine as well as R&D which led to fundamental advances in propulsion and airframe design.

Mr. Speaker, I think the historical record is quite clear—Government-industry partnerships can play a central role in fostering technological advance and improving American competitiveness. This country needs a mechanism for identifying profitable areas for such partnerships. The Competitiveness Policy Council can fill that role.

To provide some idea of the careful and thoughtful work that the Council has undertaken, I wish to submit for the RECORD an excerpt from the Council's first annual report:

FRAMEWORK FOR ACTION

As the Council submits this report in early 1992, concerns over fundamental aspects of the nation's competitiveness fuse with the need for the earliest possible recovery from recession. The positive aspect of this fusion is that the difficulties of the present reinforce awareness of our more basic problems. The risk is that efforts to boost growth in the short term could ignore and even exacerbate the basic difficulties.

The Council believes that the right strategy at present is to devise a program to address the underlying weaknesses in the economy in ways that could also promote short-term recovery. For example, an acceleration of government spending on needed infrastructure projects would have desirable effects both immediately and over time.

But the emphasis must be on righting the basics. Problems with the country's underlying competitiveness have limited our short-term options and will continue to constrain them until fundamental reforms have taken hold. Conversely, the most likely return to prosperity lies in addressing these structural problems and thus restoring confidence in the long-run prospects for America. The Council believes that the time has come to seek far-reaching reforms that would effectively come to grips with the deep, abiding problems identified above.

Our strategy in this report is to identify, and briefly elaborate, reforms in several areas that might generate such improvements over time. The Council is not yet ready to make firm recommendations for such a program but believes that actions of the type described, and the problems they seek to correct, should be focal points of national inquiry and debate during the coming year. Public officials and candidates for all officers should address them. The public, which often exhibits a keen awareness of the problem, should insist that they do so. This is the only process through which fundamental change can emerge.

TOWARD A NATIONAL COMPETITIVENESS STRATEGY

In each of the six areas to which we have addressed priority attention, the Council believes that efforts should be made to devise new policies that will make a fundamental change in America's competitive position. In this section, we offer illustrations of the kinds of reforms that we have in mind. The Council is not endorsing any of these steps at this time, having had inadequate time to explore their likely effectiveness and their full ramifications for the country. We believe, however, that these ideas, and others that pursue the same goals, should be seriously considered. The Council itself will be developing and testing such ideas preparatory to issuing firm recommendations in its next report. We urge other interested groups and individuals to do so as well.

In each area, national goals—such as those suggested in our prior discussion of the problems—should be set, against which subsequent performance can be gauged. We want a results-oriented strategy against whose criteria government, business, unions, educational and other institutions can be held accountable. In light of the sweeping scale, novelty and even experimental nature of some of these ideas, constant evaluation of their progress would be needed and should be built into the reforms themselves.

SAVING AND INVESTMENT

The most obvious initiative to enhance saving and investment would be conversion of the budget deficit of the Federal government into balance or preferably surplus. The deficit drains more than half our private saving and drives up interest rates. It pushes us deeper into debt both at home and abroad. It raises serious doubts as to whether the country will ever put its house in order.

A surplus, by contrast, would make a net contribution to national saving. It would also provide a prudent foundation for the increases in pension and medical payments to our older citizens that will become inevitable as the population ages early in the next century. An overall budget surplus would in essence permit the surpluses in the Social Security and other trust funds to become genuine national saving rather than financing the rest of the government budget. It would provide a cushion against future economic difficulties.

Converting the deficit into a surplus will require an intensive review of all major spending programs. If adequate spending cuts cannot be found, it may be necessary at some future point to increase revenues. The sum of these improvements will have to exceed the present deficit because additional spending will be needed on some programs, such as public infrastructure, to promote US competitiveness.

In order to further enhance saving, it might be necessary to change the structure of US tax policy in ways that would eliminate, or even reverse, the perverse incentives in the present code. The most extreme option would be to substitute consumption-based taxes for all or some of our present income-based taxes. The effect would be to exempt all saving from taxation. The result should be a substantial rise in saving that would produce a sharp fall in the cost of capital. A less sweeping way to stimulate private saving would be to exempt all interest and dividend earnings from taxation, as Japan did until 1988 with its maruyu system that enabled each citizen to hold multiple tax-free savings accounts and invest in tax-free bonds.

Saving could also be encouraged indirectly through tax changes that would discourage consumption. Alternatives could include a value-added tax (VAT), as utilized in virtually every other major country; a national sales tax; limitation of the tax preference for interest paid on home mortgages that now applies up to $1 million ; or other sector-specific approaches. These could replace some portion of today's income-based taxes or be adopted, instead of other types of taxes, to raise additional revenues as part of the essential effort to curb the budget deficit.

All of these pro-saving tax proposals have some undesirable features. The impact on income distribution of most of them is likely to be regressive. Despite the crucial importance of raising saving for the long run, it would be a mistake to dampen consumption too quickly in light of the present state of the economy.

These risks are genuine but can be countered by careful design of the taxes and by offsetting measures elsewhere. For example, necessities such as food and medicine can be exempted from a VAT or sales tax. Direct rebates can mitigate effects on the poor. If the new taxes were only a partial element in the overall regime, as is likely, the progressivity of the income tax could be increased to maintain fairness in the overall tax system. Some members of the Council nevertheless believe that consumption-based tax measures would be inappropriate and would prefer to continue relying on the progressive income tax.

EDUCATION

Sweeping reform of education, which the Council also believes should be seriously considered but on which we are not making specific recommendations in this report, would rest on building new incentives into the system at all levels. Colleges and universities would grant admission into degree programs only to those students who have demonstrated that they are prepared for real college-level work. The Federal government would provide incentives for colleges to raise their standards, and for students to meet those standards, by conditioning its institutional and student aid on this basis—and by making sure that all qualified students, however needy, obtain a college education.

Teachers and other K-12 personnel would be rewarded, as a group at each school, for improved performance by their students in meeting higher standards. Students and parents could be given a choice of schools to attend. Teachers pay would be made sensitive to shortages in individual disciplines to stimulate the supply of teachers in those areas. The impact on productivity of our system of educational governance and administration should be examined.

Similarly, students who do not attend college should be qualified to obtain good jobs as they leave high school. Employers would begin to scrutinize high school transcripts and teacher recommendations, and take them seriously into account in their hiring decisions. Companies might earmark some jobs for graduates designated by certain high schools, based in turn on those students' records. Structured work-study programs, drawing on German and other European experiences, could substantially improve both the job prospects for high school students and the quality of the workforce that emerges.

TRAINING

Fundamental reform can also be envisaged for aiding workers who must shift jobs due to dynamic changes in the economy. We now rely essentially on market forces and the efforts of some individual companies—and the latter should be improved and expanded to cover all classes of employees. But our Federal government has never mounted effective or widely accessible training programs. Most older industrial counties do it—and most of them spend more than twice as much as the United States on the effort (Figure 24). The focus of a new training program would be on comprehensive worker adjustment assistance that comprised retraining, job search assistance and temporary income support tailored to the needs of the individual. Achievement of a fully competitive educational system would of course help to alleviate this problem as well.

TECHNOLOGY

On technology, the United States could establish a new mechanism for government and industry to work together to promote the development of generic pre-competitive technologies that are not being financed by the private sector. The Federal government has done a good job in supporting defense-related technologies, through its own national laboratories and the Defense Advanced Research Projects Agency (DARPA), but has been much less effective on the civilian side. There are huge differences between the two, and it is clear that expertise in generating and utilizing defense technologies cannot be easily transferred to commercial products.

Nevertheless, the end of the Cold War frees an enormous amount of high-quality resources in the United States: scientists, technicians, skilled workers managers as well as capital in both the private and public sectors. An historic opportunity exists to redeploy at least some of those resources into channels that will support the restoration of American competitiveness. Much of this conversion must be accomplished in the private sector and some individual firms have already succeeded in launched the shift.

The Federal Government, however, may need to stimulate and encourage, may need to stimulate and encourage the process. In addition to creating a new mechanism for government-industry technology cooperation, at least large parts of the national laboratories—among our finest national institutions—should be redirected toward commerical ventures. More effective commercialization of new technologies could be promoted through the creation of new programs and institutions aimed at technology diffusion and application, such as a manufacturing extension program on the model of our agricultrial extension service.

CORPORATE GOVERNANCE AND FINANCIAL MARKETS

On Corporate Governance and Financial Markets, the issue is whether our present system promotes or impedes growth in competitiveness. This question can be answered by careful evaluation of a number of propositions including the following:

the degree to which long-term performance is the shared goal of both corporate managers and shareholder-owners;

the degree of management's accountability to owners;

the effectiveness of owner monitoring to achieve this goal;

the impact of the "short term" signals sent by the trading practices of institutional investors and management's reaction to them;

the desirability of dampening current rapid stock turnover patterns;

the degree to which management's goals of creating shareholder value, creating corporate wealth and advancing the interests of stakeholders (including workers, suppliers and communities) conflict or harmonize with each other, and the preference for one over the other; and

the effect of legislation in establishing a duty to these several constituencies.

HEALTH CARE COSTS

Comprehensive reform of health care, in addition to pursuing universal coverage, would involve a recognition that incentives for efficient utilization of medical care are lacking at all levels of the system. To deal with exploding costs, the Federal government could make use of a variety of containment strategies (including expenditure caps) both to reduce unnecessary use of medical services and to improve efficiency of the health care payment system.

Several alternative possibilities are currently being discussed:

a single payer at the national or state levels could be established (with new limits on malpractice liability);

to deal with the problems of uninsured, about 80 percent of whom are in working families, Congress could mandate employment-based coverage through a pay-or-play tax as recommended by The US Bipartisan Commission on Comprehensive Health Care (Pepper Commission);

individuals could receive assistance in buying insurance with vouchers, tax credits or expanded regulations;

a new universal access system could be created similar to those in other industrial countries.

TRADE

On trade, the Council also believes that an extensive set of reforms should be considered:

An agreement among the Group of Seven industrial nations (G-7) to maintain the exchange rate of the dollar (and other currencies) at a competitive level, building on the "reference ranges" that were agreed in 1987. Avoiding dollar overvaluation is of central importance in maintaining American trade competitiveness;

More broadly, agreements with the other economic superpowers (the European Community and Japan) to coordinate macroeconomics and monetary policies to sustain world growth and thus a hospitable environment for continuing trade expansion;

Effective results that will promote US trade, employment and other interests through the several international negotiations in which the United States is presently engaged: most importantly, the Uruguay Round in the GATT, but also the North American Free Trade Agreement and subsequently the Enterprise for the Americas Institute;

Substantial expansion of the Export-Import Bank to match both the magnitude and effectiveness of other countries' official export programs, as needed to induce others to agree to limit (or preferably eliminate) intergovernmental competition in this area;

Elimination or sharp reduction of many of the export disincentives (excessive or unnecessary national security controls, foreign policy controls, sanctions, short supply controls, etc.) that now curtail billions of dollars worth of foreign sales by US firms annually.

Evaluation of the effectiveness of US trade laws;

Effective assessment of the practices pursued by our trading partners, specifically with regard to how such practices affect US exports;

A reduction in staff turnover in the relevant government agencies to improve America's ability to negotiate beneficial trade agreements; and

Comprehensive assessment of how multinational corporations, particularly those headquartered domestically, affect our competitiveness.

SOLV: A NATIONAL MODEL

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. WYDEN. Mr. Speaker, today I am honored to rise and pay tribute to SOLV, an organization of tens of thousands of citizen volunteers who help keep Oregon one of the environmental treasures of the country.

I bring this program to the attention of our colleagues because I believe SOLV is a model for environmental cleanup programs that can be adopted in every community in America.

SOLV works by bringing together Federal, State and local government agencies, business and industry, and most importantly citizen volunteers, into a powerful alliance to preserve the livability of Oregon. No single sector—be it government, industry, or citizen activists—can do the job alone. But when they join forces under SOLV, that's when the magic occurs. SOLV is a builder of bridges, not fences.

For more than 23 years, SOLV has made a real difference in the livability of my State—not through lawsuits or confrontation—but by putting volunteers to work for our communities. SOLV volunteers clean our beaches and waterways, educate our children about the environment, and clean up illegal garbage dumps.

Through the efforts of thousands of SOLV volunteers each year, more than 150 Oregon communities are cleaner, safer, and better places to live.

As Jack McGowan, executive director of SOLV, has put it, "We educate our children by example. Future generations will judge whether that example is one of vision, public service, and concern for the environment, or one of apathy and the status quo."

For example, SOLV, along with government and business partners, now undertakes the Nation's largest 1-day cleanup of illegal dump sites in a program called SOLV IT. During this year's annual event, 3,500 SOLV volunteers collected approximately 216,000 pounds of solid waste, 6,841 tires, and more than 57,000 pounds of scrap metal from 12 illegal dump sites located in wetlands, stream beds, and otherwise picturesque ravines in the Portland metropolitan area.

In partnership with the Oregon State Parks Division and the Oregon Department of Fish and Wildlife, SOLV has conducted one of the largest beach cleanups in America. For the past 9 years, thousands of volunteers have collected trash and debris washed up on Oregon's beautiful coast. This past spring, SOLV brought together more than 6,200 volunteers who cleaned up the entire coast from Washington to California. These volunteers collected more than 33 tons of debris, not only benefiting the environment, but saving Oregon taxpayers $750,000 in cleanup costs. This is the kind of dedicated volunteerism that America needs.

SOLV has also worked to protect Oregon's coast from the destruction and devastation of oil spills. By working through a bureaucratic maze of seven State and Federal agencies, SOLV initiated and helped develop the country's first program to train citizens to clean up coastal environments after an oil spill.

Acting as a catalyst, SOLV brought together the U.S. Coast Guard, U.S. Fish and Wildlife Service, Federal OSHA, Oregon OSHA, Oregon Department of Fish and Wildlife, Oregon Department of Environmental Quality, and the Washington Department of Ecology to develop the training program. These free classes are held throughout Oregon on a regular basis.

Because of SOLV's persistent efforts, citizens learn how to successfully clean oil from beaches and headlands and how to capture and save birds and other wildlife drenched with oil. Without training and certification, citizens anxious to help clean up the environment after a spill could not do so.

Oregon now has a citizen force of more than 700 trained volunteers ready to respond when the oilspill occurs.

For all of these innovative ideas, SOLV was recognized today with one of the Department of the Interior's Sixth Annual Take Pride in America Awards.

This prestigious award recognizes citizens, organizations, and companies who best personify a spirit of volunteerism, stewardship, and dedication to the preservation of our Nation's natural resources.

There is no reason why every State in the country can't mobilize citizens of goodwill like SOLV has. SOLV would be happy to share the secrets of their success with citizens nationwide. I hope Members will pass on the story of this exciting organization, and I encourage my colleagues to invite their constituents to contact the program to pick up the SOLV spirit.

MEXICO'S MIRACLE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. CRANE. Mr. Speaker, in February, I had the tremendous honor of meeting President Carlos Salinas de Gortari of Mexico—who, in my opinion, is one of the world's most innovative and effective leaders. Through his programs of economic and governmental reforms, he has taken a country on the brink of economic destitution and turned it into a success story that should not only inspire other underdeveloped countries to attempt similar reforms but offers important economic lessons for our own country. President Salinas' commitment to free enterprise and market economy has transformed an economy plagued by inflation, corruption, and budget deficits into a robust engine of growth, efficiency, and budget surpluses. President Salinas has engineered a miracle that has made Mexico's economy the leader in Latin America. I commend to my colleagues the following article detailing Mexico's extraordinary economic growth and the rich, energetic market that awaits American business upon the successful completion of the North American Free Trade Agreement [NAFTA]:

MEXICO'S MAESTRO

(By Martin and Kathleen Feldstein)

Confidence is running high in Mexico these days. Its economy is one of the best-performing in Latin America, only a few years after it stood at the brink of financial collapse. Mexico's dramatic turnaround, based on adopting the principles of a market economy, is being envied and emulated by other countries from Latin America to Eastern Europe that are trying to escape from inefficient government-dominated economic policies.

The Mexican economic comeback has been masterminded by a group of top government officials who were trained in economics at US universities. President Carlos Salinas de Gortari, who received his doctorate at Harvard University, was the minister of economics and budget who designed the reform plan that began under his predecessor as president, Miguel de la Madrid Hurtado. The key Cabinet jobs in economics, finance, and trade are now also held by others with economic doctorates from the United States.

We recently visited Mexico City, where we talked with some of these officials and other leading economists. We came away feeling that their confidence in Mexico's economic future is well founded. Although they frankly admit that many problems remain to be solved, the structural framework for solving them is in place and the people responsible for the policies are exceptionally able.

When President Salinas (or one of his key Cabinet ministers) speaks to an international group of businessmen, bankers, and economists, he leaves no doubt about his unusually deep technical understanding of the complexities of Mexican economic reform. The Mexican miracle would probably not have been possible without a president and a team of top ministers who combine great political skill with such thorough understanding of economic fundamentals. When they answer questions, they make it clear that their remarks are not just a practiced speech but a reflection of real personal knowledge and detailed involvement in the reform process.

Our trip also persuaded us that the Mexicans are committed to a successful conclusion to the current negotiations to establish a North American Free Trade Agreement (NAFTA) with the United States and Canada. Such an agreement would remove barriers to trade and investment among the three countries in the same way that the recent U.S.-Canada Free Trade Agreement has done.

The NAFTA will be a good thing for all three countries, but it holds extra significance for Mexico. Although opinion polls in Mexico show that Carlos Salinas is now a very popular president and that his economic reforms have been well received, he worries that a future government could undo the recent changes and revert to state controls and public ownership. A free trade treaty with the United States would prevent such backsliding by increasing the links between the two economies to a point where future renationalizations and reregulation would be impossible.

President Salinas is not the only one who worries about the permanence of the recent economic reforms. Although Mexico has been expanding the markets for its products in the U.S. and attracting substantial amounts of foreign investment, many companies are still reluctant to establish or expand trade and investment relations with Mexico because they fear that the reform process may not be maintained. The free trade treaty will reduce those concerns by making it very clear that the Mexican reforms are permanent and that Mexico will be keeping its border open to imports and to foreign investment from the U.S. and Canada.

An increase in foreign investment in Mexico and in Mexican exports to the U.S. and Canada will provide better jobs for the Mexican labor force. Mexico is a very poor country with an average income only one-tenth the level in the United States. About one-fourth of Mexicans live without running water, and a large proportion have neither electricity nor sanitary sewage disposal. The better jobs that will come with increased investment and industrialization will mean faster growth of Mexicans' incomes and in their overall standard of living.

An important aspect of that rise in the Mexican standard of living will be an improvement in Mexican environmental conditions. Mexico City's air quality is now one of the worst in any major city in the world, and industrial facilities in other parts of the country create more pollution than American plants producing the same products. The high levels of industrial pollution along the U.S.-Mexico border, created by the American-owned plants built in Mexico under the maquiladora program of production for re-export, have caused political tension in some Southwestern states.

It's not surprising that a poor country like Mexico strikes a different balance between a cleaner environment and the other things that contribute to the quality of life than we do in the wealthier countries of North America and Western Europe. Improving environmental standards is costly. Citizens in the United States and Canada can turn their attention to environmental issues because they have already attained a high standard of living. But is Mexico wrong if it is reluctant to spend as much on environmental improvement at the expense of providing basic services to its people?

Some Americans oppose the NAFTA because they fear that US firms will shift pollution to Mexico in order to take advantage of lower environmental standards, and that Mexican industrialization will lead to increased global pollution. This view ignores the fact that rising incomes lead to policies that reduce pollution. As incomes rise in Mexico, the Mexicans will be willing and able to pay more to improve their environment. In fact, many environmental rules are already on the books but are not being enforced. In time the Mexican people will demand that the rules be enforced. The best way to achieve an improvement in the Mexican environment is as part of the overall increase in the standard of living that will come with economic development.

Contrary to many popular complaints in the United States, the US will actually benefit from the impact of NAFTA on the US labor market. The United States now exports more to Mexico than it imports from Mexico, implying that current trade with Mexico creates more jobs in US export industries than are displaced by imports from Mexico. The free trade agreement will lead immediately to increased US exports to Mexico—especially of machinery and equipment needed for increased investment in Mexico—and the making of those exports will mean more employment in the US.

Some exports from Mexico to the United States will no doubt replace production in the US, and some American firms will transfer manufacturing facilities to Mexico, where labor costs are substantially lower. Some low-skilled US manufacturing workers will lose their current jobs and have to find employment in service firms or other manufacturing industries. Such job changes are nothing new for the US economy. More than 10% of US manufacturing workers leave their jobs each year and find work in other firms.

But the most important effect of a NAFTA on US labor markets will come over time as US companies work closely with Mexican firms and with US subsidiaries in Mexico to rationalize the production of manufactured goods. Lower-cost Mexican labor will be used to manufacture components for US products like autos or to convert US textiles into finished clothing. The result will be lower costs of production that make the US products more competitive both at home and abroad. And that will mean higher real incomes for both Mexicans and Americans.

Japanese firms have long been rationalizing production in a similar way through links with producers in lower-wage countries like South Korea and Thailand. As a result, the Japanese firms have been able to keep down the cost of their autos and electronic products despite rising wages in Japan and a higher valued Japanese yen. The free trade agreement with Mexico will give US firms the opportunity to remain competitive in much the same way that the Japanese firms have.

The Mexican government could never have contemplated a free trade agreement with the United States if it had not radically transformed its economy during the past half dozen years. To see how substantial that change has been, we have to remember what the economic situation was like when President de la Madrid, advised by an economics team headed by Carlos Salinas, took the first steps to reform just six years ago.

Mexicans often refer to the 1970's as "the lost years." The heavy hand of government reached into every corner of the economy, both through state ownership and through state regulations. State industries were generally inefficient and heavily subsidized. Corruption was ignored.

This was a period when Mexico was virtually closed to foreign investment and to imports of most manufactured products. Its inefficient firms were unable to export manufactured products, forcing Mexico to be overly reliant on its oil industry to generate the foreign currency earnings needed to finance those imports of consumer goods and equipment that were allowed into the country.

It borrowed heavily from foreign banks during the years of the OPEC cartel when its oil earnings were very substantial. But this money was not used for investing in Mexico's growth. And when the price of oil collapsed in the early 1980s, the Mexican economy collapsed as well. In the summer of 1982, Mexico threatened to default on $100 billion of foreign debt, initiating a financial crisis that ricocheted across Latin America and world financial centers.

The result of this economic mismanagement was rampant inflation and a balance-of-payments crisis. By 1987 the inflation rate reached 159%, and the budget deficit had risen to more than 15% of gross national product. (For comparison, Washington's huge deficit that year was 3.4% of GNP.) Billions of dollars of capital had fled the country, transferred overseas by wealthy Mexicans who despaired of their country's future.

Five years later the inflation rate is down to 15% and falling. The government budget has been brought into balance and is even showing slight surplus. And the economy is now growing at more than 3.5% after inflation, strong domestic investment and non-petroleum exports.

Mexico achieved this recovery by completely reversing its mistaken policies of the 1970s. The economic team decided to approach the overhaul in steps. The first priority was to bring down the rate of inflation. To do this, they applied the traditional medicine of tough monetary and fiscal policies combined with an innovative political agreement with business and organized labor.

Monetary policy was so tight that interest rates exceeded inflation by more than 20%. This pressure was maintained for several years until the inflation rate had been sharply reduced. Today the attraction of Mexico to foreign investors is so great that the central bank is keeping interest rates down to prevent an excessive rise in the value of the Mexican peso.

The budget deficit was completely eliminated. This was done by cutting government spending rather than by raising tax rates, with the share of government spending in the GNP cut from 30% to less than 20%. Most of that spending decline was in the form of reduced subsidies to inefficient Mexican private firms and reduced losses on state-owned businesses. Mexican officials also point with pride to the savings that they have achieved by eliminating political patronage investments like highways leading to the estates of local officials.

But tight monetary and fiscal policy alone would not have been able to bring the inflation rate down as quickly without the explicit support of business and organized labor. The Pacto, as this agreement is called, involved mutual concessions to limit increases in prices and wages, backed up by government price controls on basic consumer staples like flour. And, by bringing representatives of business and of the powerful labor unions to sit with government officials, the Pacto process allowed inflation to be reduced without political disturbances or organized resistance. As the inflation rate has declined, the controls on most prices have been eliminated and the government is evolving toward its goal of letting prices and wages be determined entirely by market conditions.

Lower inflation and elimination of the budget deficit have made it possible to achieve major structural reforms—privatization, deregulation, tax reform, and the opening of the country to foreign products and investments. This is an ongoing process, but much has already been accomplished.

Privatization has been central to these structural reforms. Along with hundreds of previously nationalized small businesses, large industries like the airlines, the national telephone company, and major banks have already been sold off to private investors for a total of $16 billion. Privatization sales have also eliminated many money-losing activities that had only added to the budget deficit. And with new foreign ownership has come an infusion of technology, capital, and management that will increase the efficiency of Mexican industry.

A consortium including Mexican, U.S., and French investors bought more than 90% of Telmex, the previously nationally owned telephone company, for $4.8 billion. The two national airlines are no longer a drain on scarce government funds but have been sold to private investors. The government is in the process of selling the commercial banks that were nationalized in the early 1980s by the predecessor of President de la Madrid. Several banks have already been sold, including Bancomer and Banamex, the second- and third-largest financial institutions in Latin America.

The government has been careful not to use the proceeds of these sales for current spending but to devote these funds to reducing Mexico's net national debt. Privatization has thus meant lower interest costs for the government as well as elimination of the subsidies previously paid to lossmaking nationalized firms. President Salinas has made privatization politically popular by using these savings to finance programs for the poor, including rural electrification and sanitation projects.

By the end of this year, the government will have completed its privatization program. The only major exception to the privatization process will be the oil industry. The Mexican Constitution restricts ownership in this industry to Mexican citizens. Although Mexico would benefit from the infusion of capital and high technology that would come from opening up this industry, the outlook here is not bright because of the political history of oil in Mexico and the widespread public notion that oil is Mexico's "patrimony." But, even in this sector, progress is being made in opening the petrochemical industry to foreign investment.

Along with privatizing government-owned firms has come the deregulation of private industry. Transportation was the first sector to be deregulated, because of its importance to the operation of the economy. Trucks are no longer forced to return empty because of restrictions on where they could take on cargo, and new privately financed airlines have sprung up to serve regional markets. Deregulation is being extended into other areas including such diverse things as product packaging, textile production, and telecommunications.

The Mexican tax system has long had a reputation for corruption and noncompliance, as well as legal but wasteful loopholes. The Salinas government changed the tax rules and toughened enforcement, actually sending prominent tax cheaters to jail for the first time since the introduction of the Mexican income tax decades ago. Even with top personal income tax rates down from over 60% to a 35% maximum, tax collections have increased. The corporate tax rate is also down from 43% to 35%, and the value added tax has been cut from 15% to 10%.

Finally there has been a push for policies to stimulate trade and foreign investment. Mexico has made enormous strides in opening its economy to imports since it joined the GATT world trade system in 1986. Before then, the maximum tariff rates on imports reached 100%. Now the maximum tariff is 20%, and the average tariff is less than 10%. Non-tariff barriers have been substantially reduced, and import licenses have been virtually eliminated.

Before the Salinas administration, foreign investment was tightly limited and definitely discouraged. It was critical for this restriction to be reversed in order to stimulate domestic growth. Last year direct foreign investment into Mexico was $4.8 billion. In addition, much of the Mexican flight capital that had been transferred overseas has been repatriated. This is one of the most important signs of the confidence that the Salinas program has fostered among Mexican investors.

Foreign investors are also buying Mexican stocks directly through the Mexican stock market and through the financial markets in New York.

The Mexican stock market boom has driven the value of Mexican shares up more than 100% in the past year and is providing financing opportunities for expanding businesses in Mexico. Last year the inflow of portfolio investment to Mexico was $7.5 billion.

Mexico was the first country to restructure its external debt under the Brady Plan for resolving the international debt crisis. The restructuring agreement, signed in early 1990 in Mexico City, removed a cloud of uncertainty hanging over the Mexicans and signaled the end of an eight-year period of conflict with the international banking community.

Mexico has achieved fiscal balance, cut its inflation dramatically, and made remarkable progress on structural economic reforms. But it still has many problems.

Mexico remains a poor developing country with a general standard of living far below that in the United States or in any country of Western Europe. Its population of 85 million is growing at more than 1.9% a year, adding to the problems of poverty and overcrowding.

Some of the poorest Mexicans are among the 25% of the work force engaged in agriculture, where they produce less than 10% of GNP. A radical reform of land ownership rules was recently announced by President Salinas. But change will come only slowly to this very traditional sector.

Although overall economic growth is being fostered by economic reform, it will take decades for Mexican real incomes to reach the level that now prevails in even the poorest countries of Western Europe. Some progress has been made in reducing the birth rate in urban areas by increasing education and job opportunities for young women. But providing education and social services to the rapidly growing population remains a formidable challenge.

Despite these problems, the experience of Mexico in the past half-dozen years must be regarded as one of the greatest success stories in the annals of economic reform. The combination of these economic reforms and the free trade agreement with the United States holds out great hope for economic progress to raise the standard of living of America's southern neighbors.

The Mexican success story is also helping to drive reform elsewhere in Latin America and Eastern Europe. Governments there are trying to follow Mexico's example in balancing budgets, cutting inflation, ending industrial subsidies, and privatizing state firms. And, like Mexico, they are pursuing the opportunities and accepting the discipline that comes from opening their borders to foreign investment and the competition of imported products.

Because the Mexican economy is only one-twentieth the size of the US economy, the direct impact of its progress on the US economy will be quite small. But in a larger sense the people of the United States will benefit enormously from the changes that are taking place in Mexico, changes that will be expanded and enhanced by the North American Free Trade Agreement.

Sound economic growth, the decentralization of power that comes from privatization, and the forging of close links with the American economy through trade and investment will make Mexico a politically stable and philosophically compatible ally with which to face the 21st century.

A TRIBUTE TO ED CUSHMAN

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. DINGELL. Mr. Speaker, I rise today to express my sorrow, which I share with many in Michigan, at the passing of Edward L. Cushman. My condolences go out to family members.

Edward was a man for all seasons. He enjoyed major success in all sectors of life—business, labor, education, and public service. Above all, he was a forerunner of the kind and quality of work life that many Americans aspire to achieve today.

Born on April 6, 1914, in Boston, MA, Edward Cushman graduated from the University of Michigan with degrees in political science and labor economics, and married the former Katherine Jean Moore of Dearborn.

Ed Cushman embarked upon his long and rich career with humble beginnings, toiling in the vineyards of the nuts and bolts of research analysis as research economist for the Michigan Unemployment Compensation Commission. By 1939 Mr. Cushman had been named director of the Civil Service Department of the Michigan Unemployment Compensation Commission and also assistant to the State director of the Michigan State Employment Service, where he was instrumental in drafting the original Michigan Unemployment Compensation Act—playing an historic role as part of the New Deal during the Roosevelt administration.

Mr. Cushman was named Michigan Director of the War Manpower Commission and the U.S. Employment Service in 1943 after holding important posts for the office of production management, the War Production Board, U.S. Employment Service, and the War Manpower Commission. He continued his major contributions to public service while serving in 1946 as special assistant to the Secretary of Labor in Washington. He served as chairman of the U.S. delegation to the Metal Trades Committee of the International Labor Organization.

Ed Cushman was a man who relished involvement in civic affairs, serving as vice chairman of the Citizens of Michigan, which became a springboard for George Romney to run for the Governor of Michigan, and a citizen movement leading to a State constitutional convention.

Ed used his expertise in labor matters and his many years public service to establish a solid foundation for his many contributions to the American business community. From 1954 to 1966 he was vice president and member of the board of American Motors. As an AMC vice president in 1961, he helped negotiate a labor package that at the time was considered one of the most progressive in the industry's history. In addition to incorporated profitsharing, as a key element in the UAW–AMC agreement, he helped resolve hundreds of labor disputes throughout the United States, establishing himself as one of the most outstanding experts in labor management relations in the Nation.

Active in his community and church, Ed was named "Layman of the Year" by the Detroit Council of Churches in 1960, and in 1963 the Michigan Council of Churches named him "Michigan Churchman of the Year." His diligent service on the National Council of the Boy Scouts of America and on the executive board of the Detroit area council, Boy Scouts of America, demonstrated his love for and commitment for the youth of his community, in Michigan, and throughout the Nation.

He was professor of public administration and director of the Institute of Industrial Relations at Wayne State University and served as its executive vice president and treasurer of its Board of Governors. There is no doubt that his legacy and contributions to the university will long be remembered by students and faculty members alike.

Ed Cushman was an unassuming man who talked little of his own accomplishments. But he was a man who relished living life to its fullest. He was a man who could help lead a public agency, major American corporation, or university by day and smoke a cigar and play his favorite game of dominos by night. He was a hard-nosed labor negotiator and a compassionate advisor to our youth. He was a dedicated public servant and a shrewd businessman. But with all this, he still had time to play a key role in the Christ Episcopal Church of Dearborn and be a loving husband to his wife and father to his children.

Mr. Speaker, Edward Cushman was, indeed, a man for all seasons. He was civic leader, public servant, educator, and businessman. He will be sorely missed by many, but his accomplishments will remain.

THE CIVIL RIGHTS FIGHT CONTINUES

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. PICKLE. Mr. Speaker, "the Great Society is back in the news," said the Washington Post recently. The occasion, of course, was the contention of some national officials that the social programs of the 1960's were in some way responsible for the Los Angeles riots. "As a reminder of what the Great Society was about, and of how another President approached the issues that recurred * * * in Los Angeles," the Post printed exercepts from a speech President Johnson delivered at Howard University in June 1965. The Civil Rights Act of 1964 was already law and the Voting Rights Act of 1965 would be passed in a few weeks when LBJ spoke. Some of his remarks, printed by the Post, were:

> . . . The barriers to . . . freedom are tumbling down . . . but freedom is not enough. You do not wipe away the scars of centuries by saying, "Now you are free to go where you want, and do as you desire, and choose the leaders you please."
>
> You do not take a person who, for years, has been hobbled by chains and bring him up to the starting line of a race and then say, "You are free to compete with all the others."
>
> This is the next and more profound stage of the battle for civil rights. We seek not just freedom but opportunity. We seek not just legal equity but human ability, not just equality as a right and a theory but equality as a fact and equality as a result.

Our distinguished colleague from New York, Senator DANIEL PATRICK MOYNIHAN, who as Assistant Secretary of Labor wrote the first draft of LBJ's Howard University speech, recently inserted the Washington Post article in the CONGRESSIONAL RECORD, saying, "I am told that young staffers at the Post were astounded by the speech. They had not known that a President had ever talked to the American people in such terms."

Mr. Speaker, not just by his words, but by his actions as well, we will remember Lyndon Johnson as one of the great civil rights Presidents in American history. He was a civil rights champion to the very core of his being. And he remained a civil rights champion to the last days of his life.

Not many people today are aware of it, but the last speech LBJ delivered was a civil rights speech—one of the most powerful he ever gave. I was privileged to hear it and I will never forget it. The date was December 12, 1972. The place, fittingly enough, was the LBJ Library. LBJ was the concluding speaker in a symposium on civil rights which had assembled some of the giants of the movement—Earl Warren, Roy Wilkins, Clarence Mitchell, Hubert Humphrey, Vernon Jordan, Julian Bond, and such rising young stars as Barbara Jordan and Yvonne Burke.

The President had suffered a heart attack the year before and another would take him off a month later. He ascended the steps to the stage with some effort, slipped something into his mouth which was later revealed to have been a nitroglycerin tablet, and began slowly to speak.

Here are excerpts of what he said on that occasion. I commend them to all of my colleagues, on both sides of the aisle. Reading them after all of these years, should move all of us to rededicate ourselves to the cause of equality and fairness and justice and opportunity that Lyndon Johnson espoused so eloquently.

> I don't speak very often or very long. My doctor admonished me not to speak at all this morning, but I'm going to because I have some things I want to say to you.
>
> Of all the records that are housed in this Library, it is the record of this work which has brought us here that holds the most of myself within it and holds for me the most intimate meanings. In our system of government, honorable men honestly differ in their perceptions of government and what it's really all about. And today I can speak only of my own perception.
>
> I believe that the essence of government lies with unceasing concern for the welfare and dignity and decency and innate integrity of life for every individual.
>
> I do not say that I've always seen this matter, in terms of the special plight of the black man, as clearly as I came to see it in the course of my life and experience and responsibility. Now, let me make it plain that when I say "black," I also mean brown and yellow and red and all the other people who suffer discrimination because of their color or their heritage. Every group meets its own special problems, of course, but the problem of equal justice applied to us all.
>
> Black Americans are voting now where they were not voting at all ten years ago. Black Americans are working now where they were not working ten years ago. Black Americans, brown Americans—Americans of every color and every condition—are eating now, shopping now, riding now, spending nights now, obtaining credit now, giving now, attending classes now, going and coming in dignity where and as they were never able to do in years before.
>
> [But] the progress has been much too small; we haven't done nearly enough.
>
> So let no one delude himself that his work is done. By unconcern, by neglect, by complacent beliefs that our labors in the fields of human rights are completed, we of today can seed our future with storms that would rage over the lives of our children and our children's children. Yesterday it was commonly said that the black problem was a Southern problem. Today it is commonly said that the black problem is an urban problem, a problem of the inner city. But as I see it, the black program today, as it was yesterday and yester-year, is not a problem of regions or states or cities or neighborhoods. It is a problem, a concern and responsibility of this whole nation. Moreover, and we cannot obscure this blunt fact, the black problem remains what it has always been, the simple problem of being black in a white society. That is the problem which our efforts have not yet addressed.
>
> To be black in a white society is not to stand on level and equal ground. While the races may stand side by side, whites stand on history's mountain and blacks stand in history's hollow. We must overcome unequal history before we overcome unequal opportunity. That is not, nor will it ever be, an easy goal for us to achieve.
>
> Individuals and groups who have struggled long to gain advantages for themselves do not readily yield the gains of their struggles or their achievements so that others may have advantages or opportunities. But that is just the point, now and always. There is no surrender, there is no loss involved. No advantage is safe, no gain is secure in this society unless those advantages and those gains are opened up to all alike.
>
> Where we have been concerned in the past for groups as groups, now we must become more concerned with individuals as individuals. As we have lifted from groups the burdens of unequal law and custom, the next thrust of our efforts must be to lift from individuals those burdens of unequal history.
>
> Not a white American in all this land would fail to be outraged if an opposing team tried to insert a twelfth man in the line-up to stop a black fullback on the football field. Yet off the field, away from the stadium, outside the reach of television cameras and the watching eyes of millions of their fellow men, every black American in this land, man or woman, plays out life running against the twelfth man of a history he did not make and a fate he did not choose.
>
> In this challenge, our churches, our schools, our unions, our professions, our trades, our military, our private employers, and our government have a great duty from which they cannot turn. It is the duty of sustaining the momentum of this society's effort to equalize the history of some of our people so that we may open opportunity for all our people.
>
> Some may respond to these suggestions with exclamations of shock and dismay. Such proposals, they will say, ask that special consideration be given to black Americans. I can only hear such protest through ears attuned by a lifetime of listening to the language of evasion.
>
> All that I hear now I have heard before for 40 years, in many forms and many forums. Give them the vote? I saw a murder almost committed because I said that in '37. Most people said, unthinkable! Give them the right to sit where they wish on the bus? Impossible! Give them the privilege of staying at the same hotel, using the same restroom, eating at the same counter, joining the same club, attending the same classroom? Never! Never!
>
> Well, this cry of "never" I've heard all of my life. And what we commemorate on this great day is some of the work which has helped in some areas to make never now.

This is precisely the work which we must continue. It's time to leave aside the legalisms and euphemisms and eloquent evasions. It's time to get down to the business of trying to stand black and white on level ground.

For myself, I believe it's time for all of us in government and out to face up to the challenge. We must review and reevaluate what we've done and what we're doing. In specific areas we must set new goals, new objectives, and new standards. Not merely what we can do to try to keep things quiet, but what we must do to make things better.

Now how much are we giving for that in this meeting? How much are we going to give in the days ahead? How are we going to employ that time? Who is going to bring our groups together? Who is going to select that leadership? And what is that leadership going to do?

I don't have a great staff, and little I can contribute in the way of leadership. But [to] those of you who do make up a great staff and who served as my staff, I want to suggest a few thoughts.

1. Are the federal government and the state governments, the foundations, the churches, the universities, doing what they can and all they should to assure enough scholarships for young blacks in every field?

2. Are our professions such as law, medicine, accounting, engineering, dentistry, architecture taking the initiative, sounding the call to make certain that their educational programs are so planned and so conducted that blacks are being prepared for the leadership courses and are given the support that they must have if they are to complete the courses and to have genuine opportunities to establish themselves in positions of leadership, professional careers, and things of that matter after their college days?

3. Are our trade unions and all those concerned with vocational occupations doing the same to open up apprenticeships and training programs, so that the blacks and the groups I spoke of have a fair chance at entering and a fair chance of succeeding in these fields that are so vital to the future of our nation and our country at this very moment?

4. Are our employers, who have already made a start toward opening jobs to the blacks, doing what they can and should in order to make certain that blacks qualify for advancement on the promotion ladder, and that the promotion ladder itself reaches out for the blacks as it does for the others in our society?

We cannot take care of the goals to which we've committed ourselves simply by adopting a black star system. It is good, it is heartening, it is satisfying to see individual blacks succeeding as stars in the fields of politics, athletics, entertainment, and other activities where they have high visibility. But we must not allow the visibility of a few to diminish the efforts to satisfy our real responsibility to the still unseen millions who are faced with our basic problem of being black in a white society.

Our objective must be to assure that all Americans play by the same rules. And that all Americans play against the same odds. Who among us would claim that that's true today? I feel this is the first work of any society which aspires to greatness. So let's be on with it.

We know there's injustice. We know there's intolerance. We know there's discrimination and hate and suspicion. And we know there's division among us. But there is a larger truth. We have proved that great progress is possible. We know how much still remains to be done. And if our efforts continue and if our will is strong and if our hearts are right and if courage remains our constant companion, then, my fellow Americans, I am confident we shall overcome.

INTRODUCING THE CONVICT SERVICE LABOR PROHIBITION ACT OF 1992

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GONZALEZ. Mr. Speaker, I rise today to address a serious threat to working people throughout the United States by introducing the Convict Service Labor Prohibition Act of 1992. The threat is that of direct competition for jobs from prison labor in Mexico.

Last Wednesday, July 15, the U.S. Customs Service ruled that the long standing ban on the importation of goods made by convict labor does not apply to services. This decision opens the floodgates to the exportation of ever greater numbers of jobs from the United States and is a preview of what the Bush administration has in mind when the President talks about so-called free trade.

Specifically, Customs ruled that a Mexican company can once again start up a maquiladora operation it has set up inside of a prison in Juarez, Mexico. In fact, the operation began again the day before the ruling was officially announced. This operation uses Mexican convicts to sort retail coupons sent over from the United States. The information from this sorting and many of the coupons themselves are then exported back to the United States. While the coupon sorting industry does not seem vital to U.S. national interests, the Customs decision in this case sets a dangerous and far reaching precedent.

The operation in Juarez was set up specifically as a pilot project. With the approval of Customs, the use of prison labor will now expand throughout the maquiladora industry along the United States-Mexico border and throughout the interior of Mexico. And this expansion will not be limited to coupon sorting. The decision by Customs will allow incarcerated Mexcian workers to perform the widest range of services for export back into the United States, such as cleaning laundry, appliance repair, car repair, and many others. It may even include some of the assembly operations that make up so much of the maquiladora industry and other operations established by United States companies in Mexico.

Already, thousands of jobs have been lost as United States corporations have sought out cheap Mexican labor. The average wage in Mexico is 1/10 that in the United States. In the maquiladoras, many earn as little as $4 a day. Workers in the United States cannot compete with these wages let along what incarcerated labor will be paid. Many more companies are poised and ready to move south as soon as a free-trade agreement is signed. Now that Mexican prisoners can be used in trade with the United States, the southward flow of jobs wil become a torrent.

However, this is not to say expanded trade with Mexico is bad by definition. Such trade has great potential for benefiting working people on both sides of the border. To do this, the benefits of so-called free trade have to be widely distributed, and not just reserved for the few. Having been born and raised in San Antonio, TX, I am well aware of how important the economic ties between Mexico and the United States are and I have always done everything I could to protect and enhance these ties in the most mutually beneficial manner possible. What is at stake is what free trade is going to mean. By the looks of it, cities such as my own may be turned into little more than truck stops transhipping goods—some made in Mexican prisons—to and from Mexico. By allowing the use of convict labor the Bush administration has showed that the President's vision of free trade will profit the few at great cost to the many, and will lower the living standards of working people on both sides of the border.

Not only will this use of prison labor cost United States workers their jobs, but it will also hurt Mexican workers and force many more to migrate to the United States. Working people in Mexico earn far less in Mexico than they can in the United States. Working conditions along the border with the United States, where many work in the maquiladora industry, are a far cry from the conditions guaranteed U.S. workers by law. In a country where the official unemployment rate runs over 20 percent, the use of convict labor in the expansion of trade with the United States will only further lower living standards in Mexico. This will create even greater pressure for Mexican workers to migrate to the United States in search of work. They will have to do this, or face having to get themselves arrested just to find a job.

In the past, Congress has passed trade laws with the specific intent of protecting U.S. workers from the unfair competition of prison labor in other countries. The ban on the importation of goods made from convict labor has been on the books since 1930. In light of the ruling by Customs, this law is now obviously inadequate to protect the well-being of working people in the United States. For this reason, I am today introducing the Convict Service Labor Prohibition Act of 1992. This bill will include services in the ban on imports made with convict labor. It will also include services in the criminal penalties for the importation of such goods. And third, it will for the first time establish civil penalties for the violation of this law.

The rush toward free trade has been on the fast-track over a year now. All that we have gotten is a lot of broken promises from the President for the protection of the environment; domestic health, safety, and other laws; and for the protection of America's working people. I urge my colleagues to join with me in support of this much needed legislation to close this gaping hole in the law to help make sure that the interests of the working people of this Nation are not sold down the river of free trade for a fast buck.

A TRIBUTE TO GERRY HILLIER

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention today the fine work and outstanding public service of my good friend, Gerry Hillier, who is retiring from the Bureau of Land Management [BLM] after a distinguished career spanning more than 34 years.

Gerry was born in Portland, OR, and raised in Sacramento, CA. He attended the University of California at Davis and graduated with a B.S. degree in range management from Washington State University in 1958. In addition, he has completed graduate work in economics and public administration at Oregon State University, University of Montana, and George Washington University. Several years ago, Gerry completed a special program for Federal Senior Executive Service candidates.

Gerry began his professional career with the Bureau of Land Management over 34 years ago and served as a range conservationist in Susanville, CA, and Baker, OR, as well as a range manager in Prineville, OR, and assistant district manager in Rock Springs, WY. Gerry participated in the Department of Interior's Management Training Program in Washington, DC, before heading the soil and watershed conservation and range improvement programs for BLM in Montana.

In 1971, he was appointed district manager in Salt Lake City and in 1976 was promoted to district manager in Riverside, CA, where he has directed over 260 Federal employees in 5 resource areas and the district headquarters office. In 1980, Gerry assumed his role as district manager of the entire California Desert with the completion of the desert conservation area plan. He has been responsible for management and administration of 12.5 million acres of public land in San Bernardino, Inyo, Riverside, Imperial, Kern, Los Angeles, and San Diego Counties. Gerry has also served as a special assistant to the BLM Director in Washington, DC, for liaison with the President's Commission on Americans Outdoors. In 1989, he was recognized by the Department of the Interior as the recipient of the Meritorious Service Award for his career achievements in land and resource management.

Mr. Speaker, I ask that you join me, our colleagues, friends, and of course, Gerry's wife Judy, his two children and five grandchildren in recognizing my good friend's outstanding accomplishments with the BLM. Indeed, his record of service is certainly worthy of recognition by the House of Representatives.

COMMEMORATION OF THE 50TH ANNIVERSARY OF THE POLISH INSTITUTE OF ARTS AND SCIENCES IN AMERICA

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. GREEN of New York. Mr. Speaker, I rise today to commemorate the Polish Institute of Arts and Sciences in America. The institute will celebrate its 50th anniversary at the Pierpoint Morgan Library in Manhattan on October 1, 1992.

The Polish institute is a scholarly organization upholding the tradition of its mother organization, the Polska Akademia Umiejetnosci, located in Krakow, Poland. In 1942 when the Polska Akademia was forced underground, a few of its members, notably Bronislaw Malinowski and Oskar Halecki, founded a Polska Academia in Exile in the United States.

The Communist occupation that followed the end of the war forced many more scholars to relocate to the United States, where they joined the ranks of those who had founded what was by then called the Polish Institute of Arts and Sciences.

The institute is dedicated to the preservation of free scholarship in Poland, and is a living symbol of its enduring heritage. The 1,500 current members include Nobel Prize winners, scholars, artists, and writers, all of whom have distinguished themselves in their chosen fields. The membership includes individuals of Polish descent as well as other ethnic groups who are conducting research into Polish or Polish-American subjects. Those individuals contribute their talent to scholarship efforts in Poland and in the United States.

Today, I join my colleagues in commemorating the dedication and perseverance of the members of the Polish Institute of Arts and Sciences. I hope that our shared commitment to the preservation of freedom shall continue until we have accomplished our goal of freedom worldwide.

CARL GARNER: MAKING THE WORLD JUST A LITTLE BETTER

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. ALEXANDER. Mr. Speaker, I am proud to report that a project begun by my friend, Carl Garner of Heber Springs, was installed in the Take Pride in America Hall of Fame this morning.

The induction resulted from the Greers Ferry Lake and Little Red River Cleanup project being named a national Take Pride in America winner for 5 consecutive years.

Since 1970, Carl, who is resident engineer at Greers Ferry Lake in north-central Arkansas, has spearheaded the cleanup.

Carl Garner would be the first to give credit for the success of this program to the thousands of volunteers who came together each year to clean 300 miles of shoreline on Greers Ferry, 25 miles of shoreline on the Little Red River and 50 roadside miles in the area.

The cleanup—which has now evolved into a comprehensive year-round environmental and educational program—was the model for legislation which I introduced, along with Senator BUMPERS from Arkansas, requiring Federal land agencies to organize and conduct annual volunteer cleanups. Last year 52 separate cleanups were held in Arkansas—and more than 1 million people participated in similar events across the Nation.

So, what Carl Garner started on the shores of Greers Ferry Lake and the Little Red River in Arkansas has become a nationwide movement which serves to give people a greater appreciation for their public lands—and for the environment in general.

Carl—along with the thousands of people who have participated in these cleanups—are certainly to be congratulated.

I have been honored to participate in each of the cleanups and I can tell you that the enthusiasm of the volunteers is infectious and gives rise to the belief that—together—we can solve the many serious environmental problems faced by all of us who call this planet home.

And, Mr. Speaker, the massive cleanup does not cost the American taxpayer one dime. The $15,000 in expenses for last year's cleanup were paid by more than 300 businesses.

In 1991, more than 3,000 people, including 1,000 Boy Scouts, participated in the Greers Ferry Lake and Little Red River Cleanup. The Arkansas National Guard and two Cleburne County road crews transported 60 cubic yards of nonrecyclable trash and 8,700 pounds of aluminum cans were picked up and sold for recycling.

All of us should strive, in whatever way we can, to leave this Earth just a little better than we found it. And Carl Garner, and those who work alongside him, have certainly done just that. Again, Mr. Speaker, I offer my congratulations to each and every one of them.

INTRODUCTION OF THE HEAD START IMPROVEMENT BILL

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. MARTINEZ. Mr. Speaker, I come before you today to introduce a bill regarding one of our favorite Federal programs, the Head Start Act. The Head Start Act is, as we all know, a wonderful program that provides low-income preschool-aged children services that provide for their educational, social, health and nutritional needs. Once these children complete the Head Start Program, they are able to enter school on an equal footing with other children, instead of starting at a remedial level.

Studies show that the Head Start Program has been very successful, and that graduates from programs like Head Start are more likely to do well in school, stay in school, and are less likely to engage in delinquent behavior or drop out of school. Head Start, therefore, is a program that should be the cornerstone of our social policy—not only does it provide educational and health services to children who might not otherwise receive these services, but it is a very effective preventive program for our at-risk youth.

As chairman of the subcommittee with jurisdiction of the Head Start Act, I am one of its greatest fans. I think that Head Start is a program that should be emulated throughout our national social policy. I am not, however, Head Start's only fan. Head Start is receiving broad support from both sides of the aisle.

In addition to the support of Mr. FORD, chairman of the Education and Labor, this bill enjoys the support of Mr. GOODLING, the ranking minority member of the Education and Labor Committee, and Mr. FAWELL, the ranking minority member of the Subcommittee on Human Resources. Mr. KILDEE, Ms. LOWEY, and Mr. DE LUGO are also original cosponsors of this bill. President Bush has also shown support for the Head Start Act, and has proposed a $600 million increase in the Head Start appropriations for fiscal year 1993.

Because the Head Start Program is currently serving less than one-third of the eligible population, this infusion of funds would do a lot to increase the numbers of children who could receive the valuable services that Head Start provides. Money, however, is not the only answer to creating an effective Head Start Program.

The bill I am introducing today, the Head Start Improvement Act, would make technical changes to the Head Start Act that would ensure it runs at its most efficient level. Without these technical changes, many of these additional dollars will not be used effectively. Although these changes are small, the Head Start community indicates that these changes are necessary to preserve the quality of Head Start services and to allow existing programs to grow as the appropriations for the programs grow.

Although these changes will greatly increase the efficiency and effectiveness of Head Start services, they will have little or no cost impact on current services, and there are no set asides or new authorization levels. The appropriations bill marked up at the Appropriations Subcommittee on Labor, Health and Human Services and Education provided the additional $600 million for fiscal year 1993.

I have attempted to make this bill as cost free as possible. The changes, which I will outline in a minute, will create dollars, because they will allow the existing dollars appropriated to the Head Start Program to be used more efficiently, ultimately allowing more children to receive better quality Head Start services.

The Head Start improvement bill makes six main modifications to the existing Head Start Act. The bill amends the act:

First, to allow programs to apply for money to purchase their Head Start facilities;

Second, to reformulate the requirements placed on Head Start agencies that need a waiver of non-Federal matching requirements;

Third, to require that the Department of Health and Human Services to issue regulations regarding the safety features, and safe operation, of transportation used by Head Start Programs;

Fourth, to allow younger siblings of Head Start students to qualify for health care benefits under the Head Start Program;

Fifth, to maintain local control of quality improvement money for one additional year;

Sixth, to strengthen the role of parents in the Head Start Act, and to provide the services necessary to allow them to guide their children; and

Seventh, to require the Secretary to review new agencies after the first year of operation and allow for follow-up reviews of existing programs.

The number one priority for the Head Start Programs concerns improving the facilities where Head Start services are administered. Current law prohibits using grant funds for the purchase or construction of facilities. This prohibition creates a number of expensive problems. First of all, Head Start Programs can receive funds for renovating existing space, mostly donated properly. After these renovations are done, the owners have a tendency to reclaim their property, and the money spent on the renovations is lost.

Second, in many cases, the cost of a mortgage payment may be less than the cost of a rental payment. By prohibiting the programs from purchasing a facility, we are actually sacrificing a possible cost-savings for the program.

Last, programs that cannot find stable facilities are faced with the added costs of moving from new location to new location. Allowing programs to purchase facilities would eliminate these problems, while creating virtually no Federal burden. Purchased facilities would be used by the Head Start Program as long as the program exists, and the facilities would either be transferred to a new grantee or would be otherwise sold to another party if the Head Start Program fails to be a grantee.

The second priority of the Head Start Improvement Act is to reformulate the waiver of non-Federal matching requirements. Under current law, the Secretary has the authority to waive the Federal matching requirements as he or she feels is necessary. However, current regulations allows the Secretary to waive the 20 percent match of Federal funds only under two circumstances first, when the average per capital incomes is less than $3,000 in the county which desires the waiver; and second, when the Federal match cannot be met as a result of a natural disaster.

These criteria are extremely limiting; the per capita income option has not been adjusted since the late 1970's. Nearly all counties in the United States now have higher per capita incomes than would be required for the waiver.

In addition, since appropriations have nearly doubled over the last year, the Federal funds are becoming increasingly difficult to match. By modifying the requirements and requiring the Secretary to consider the current needs of the programs, the waivers can be given more fairly and yet still preserve the integrity of the matching requirements and the Secretary's authority to waive them.

The bill also would require the Department of Health and Human Services to provide regulations to Head Start Programs to protect the safety of participants while being transported to and from Head Start facilities. Despite the fact that Head Start Programs own and operate vehicles with which to transport children to the preschool programs, the Department currently does not provide any regulations for purchasing and operating vehicles safely. As Head Start Programs replace their obsolete vehicles, Department regulations would assist them to obtain vehicles that ensure safe transportation for Head Start participants.

The Head Start improvement bill would allow younger siblings of Head Start participants to qualify for the health care benefits which are often donated to the Head Start Programs for free, or are provided through State or local programs.

For most Head Start families, Head Start provides them with the primary access to health care services. Siblings in Head Start families who are too young to be eligible for Head Start are often left without any health care at all. By allowing these children access to the health care services that their siblings are receiving, the quality of life for the entire family would improve.

The Head Start Programs would not be paying for or directly administering health services; the programs would merely be providing assistance in accessing health care services for these families, usually provided to Head Start for free. Therefore, providing those additional siblings with health care access would not significantly impact the cost of Head Start programming.

Current law now gives local Head Start programs the control of its quality improvement money for the first 2 years after the reauthorization and then the following 2 years are controlled by the Secretary. The bill would allow the local programs to maintain control of the moneys for an additional year, because the appropriations level expected in the first 2 years was never realized and local programs were not able to make the quality improvements expected.

The Head Start Improvement Bill revises the parental involvement language to strengthen the role and education of parents whose children are involved in the program. The role that parents play in the Head Start Program, by taking part in literacy and child development skills training, is what makes Head Start a truly unique and exceptional program. By strengthening the parents' involvement and role in the training programs, Head Start can become an even more effective program which not only helps the children enrolled, but also their entire families.

Finally, this Head Start bill amends the act to require that the Secretary review new agencies after only 1 year of operation instead of the 3 years required by current law. Head Start Programs generally develop the procedures and policies necessary to provide comprehensive services to children in this first year. It is critical that new programs receive the guidance of the Department early, so that they can make their services as effective as possible without having to re-invent the wheel. Providing the first review, therefore, is most timely after 1 year.

This amendment will also allow programs to be reviewed more often than every 3 years. Programs that need extra guidance get the attention they require, and programs that are already running effectively can get the necessary assessments, training and technical assistance that will allow them to continue to do so.

The changes made in the Head Start Improvement Bill are minor and inexpensive changes. Yet, these changes, combined with the infusion of money that we are seeing with this year's increased appropriations level, can radically improve the effectiveness of the program and increase the number of low-income children that receive quality educational, health, and nutrition services. I urge you to support the Head Start improvement bill.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Head Start Improvement Act of 1992".

SEC. 2. AMENDMENTS.

(a) ALLOTMENT OF QUALITY IMPROVEMENT FUNDS.—Section 640(a)(3)(B) of the Head Start Act (42 U.S.C. 9835(a)(3)(B)) is amended—

(1) in clauses (i) and (iii) by striking "and second" and inserting ", second, and third", and

(2) in clause (ii) by striking "second" and inserting "third".

(b) PARENTAL SKILLS.—Section 640(a)(4)(B)(i)(II) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)(II)) is amended by inserting ", literacy," after "skills.".

(c) REDUCTION OF REQUIRED AMOUNT OF MATCHING FUNDS.—Section 640(b) of the Head Start Act (42 U.S.C. 9835(b)) is amended—

(1) in the first sentence by striking ", in accordance with regulations establishing objective criteria,", and

(2) by inserting after the first sentence the following:

"For the purpose of making such determination, the Secretary shall take into consideration with respect to the Head Start program involved—

"(1) the lack of resources available in the community that may prevent the Head Start agency from providing all or a portion of the non-Federal contribution that may be required under this subsection;

"(2) the impact of the cost the Head Start agency may incur in initial years it carries out such program:

"(3) the impact of an unanticipated increase in the cost the Head Start agency may incur to carry out such program;

"(4) whether the Head Start agency is located in a community adversely affected by a major disaster; and

"(5) the impact on the community that would result if the Head Start agency ceased to carry out such program.".

(d) ISSUANCE OF TRANSPORTATION SAFETY REGULATIONS.—Section 640 of the Head Start Act (42 U.S.C. 9835) is amended by adding at the end the following:

"(i) The Secretary shall issue regulations establishing requirements for the safety features, and the safe operation, of vehicles used by Head Start agencies to transport children participating in Head Start programs.".

(e) REVIEW OF HEAD START AGENCIES.—Section 641(c)(2) of the Head Start Act (42 U.S.C. 9836(c)(2)) is amended—

(1) by inserting "(A)" after 11(2)", and

(2) by adding at the end the following:

"(B) The Secretary shall conduct a review of each newly designated Head Start agency immediately after the completion of the first year such agency carriers out a Head Start program.

"(C) The Secretary shall conduct followup reviews of Head Start agencies when appropriate.".

(f) DESIGNATION OF HEAD START AGENCIES.—Section 641(d) of the Head Start Act (42 U.S.C. 9836(d)) is amended—

(1) in paragraph (6) by striking "and" at the end, and

(2) by adding at the end the following:

"(8) the plan of such applicant to provide (directly or through referral to educational services available in the community) parents of children who will participate in the proposed Head Start program with child development and literacy skills training in order to aid their children to attain their full potential; and

"(9) the plan of such applicant who chooses to assist younger siblings of children who will participate in the proposed Head Start program to obtain health services from other sources.".

(g) POWERS AND FUNCTIONS OF HEAD START AGENCIES.—Section 642(b) of the Head Start Act (42 U.S.C. 9836(b)) is amended—

(1) by striking "and (5)" and inserting "(5)", and

(2) by inserting before the period at the end the following:

"(6) provide (directly or through referral to educational services available in the community) parents of children participating in its Head Start program with child development and literacy skills training in order to aid their children to attain their full potential; and (7) consider providing services to assist younger siblings of children participating in its Head Start program to obtain health services from other sources.".

(h) ADMINISTRATIVE REQUIREMENTS AND STANDARDS.—Section 644 of the Head Start Act (42 U.S.C. 9839) is amended—

(1) by striking "No" and inserting "Except as provided in subsection (f), no",

(2) in the first sentence of subsection (c) by striking "subsection "(a)" and inserting "subsections (a) and(f)", and

(3) by adding at the end the following:

"(f)(1) The Secretary shall establish uniform procedures for Head Start agencies to request approval to purchase facilities to be used to carry out Head Start programs.

"(2) Except as provided in section 640(a)(3)(A)(v), financial assistance provided under this subchapter may not be used by a Head Start agency to purchase a facility (including paying the cost of amortizing the principal, and paying interest on, loans) to be used to carry out a Head Start program unless the Secretary approves a request that is submitted by such agency and contains—

"(A) a description of the site of the facility proposed to be purchased;

"(B) the plans and specifications of such facility;

"(C) information demonstrating that—

"(i) the proposed purchase will result in savings when compared to the costs that would be incurred to acquire the use of an alternative facility to carry out such program; or

"(ii) the lack of alternative facilities will prevent the operation of such program; and

"(D) such other information and assurances as the Secretary may require."

(i) TECHNICAL AMENDMENTS.—(1) Section 640 of the Head Start Act (42 U.S.C. 9835) is amended—

(A) in subsection (a)—

(i) in paragraph (2)—

(I) in subparagraph (A) by inserting "children" after "handicapped",

(II) in subparagraph (B) by striking "Commonwealth of," and inserting "Commonwealth of", and

(III) in subparagraph (C) by striking "any",

(ii) in paragraph (3)(A)(vi) by striking "section 640(a)(2)(C)" and inserting "paragraph (2)(C)", and

(iii) in paragraph (5)(B)(i) by striking "clause (A)" and inserting "subparagraph (A)", and

(B) in subsection (g) by striking "for all" and inserting "For All".

(2) Section 640A(b) of the Head Start Act (42 U.S.C. 9835a) is amended—

(A) in paragraph (1) by striking "solution" and inserting "solutions", and

(B) in paragraph (7)—

(i) in clause (iii) by striking "the", and

(ii) in clause (iv) by striking "the" the first place it appears.

(3) Section 642(c) of the Head Start Act (42 U.S.C. 9837(c)) is amended by striking "subtitle" and inserting "subchapter".

(4) Section 643 of the Head Start Act (42 U.S.C. 9838) is amended by striking "the such" and inserting "such".

(5) Section 651(g) of the Head Start Act (42 U.S.C. 9846(g)) is amended—

(A) by striking "physical" and inserting "physical", and

(B) by striking "(g)(1)" and inserting "(g)".

(6) Section 651A of the Head Start Act (42 U.S.C. 9846a) is amended—

(A) in subsection (f) by striking "COMPARISION" and inserting "COMPARISON", and

(B) in subsection (g) by inserting "of title I of the Elementary and Secondary Education Act of 1965" after "chapter 1".

SEC. 3. TECHNICAL AMENDMENTS RELATING TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) PLACEMENT OF ACT.—Section 5082 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 104 Stat. 1388–236) is amended in the matter preceding paragraph (1) by striking "title IV" and inserting "title VI".

(b) REFERENCES IN DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (7)—

(A) by striking "section 4(b)" and inserting "section 4(e)", and

(B) by striking "(25 U.S.C. 450b(b))" and inserting "(25 U.S.C. 450b(e))", and

(2) in paragraph (14)—

(A) by striking "section 4(c)" and inserting "section 4(l)", and

(B) by striking "(25 U.S.C. 450b(c))" and inserting "(25 U.S.C. 450b(l))".

SEC. 4. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—The amendments made by this Act shall not apply with respect to fiscal years beginning before October 1, 1992.

COMMENDATION TO THE RESULTS ORGANIZATION

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. JACOBS. Mr. Speaker, RESULTS is a national organization dedicated to effective solutions to poverty, which is to say hunger and inadequate shelter.

By all accounts I have heard, RESULTS gets results because its volunteers are willing to roll up their sleeves and work at the problem.

From what I know about the organization, it is entitled to the commendation of all thoughtful citizens of goodwill.

SATURN'S SUCCESS SALUTED

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SUNDQUIST. Mr. Speaker, Saturn came to Tennessee in 1985, choosing a quiet farming community to be home to a state-of-the-art automobile plant which would turn out a revolutionary new automobile. We Tennesseans have followed the company's progress with interest and with pride.

I find it worth noting that this car made in Tennessee, Saturn, in the first year in which it is eligible, has been named the best domestic nameplate in customer satisfaction by J.D. Power and Associates. Saturn placed third overall on Power's Customer Satisfaction Index, representing the highest mark ever attained by a domestic car in the 6 years Power has conducted its research.

In addition, in the listing of top automobile models, two Saturn models finished in the top 10 in customer satisfaction. The Saturn SL Sedan was fifth; the Saturn SC Coupe was eighth. They are the only two domestic automobiles to make the top ten.

I call this to the attention of my colleagues because it is now my privilege to represent Spring Hill and many of the men and women who make Saturn cars, and because I believe that the labor-management partnership one observes at Saturn can be both a model and an inspiration. These are American workers making an American product that compares with the best the rest of the world has to offer. That is something worth recognizing.

In a few weeks, Maury County will hold its annual Saturn Appreciation Lunch, at which community leaders will salute those who built Saturn cars and celebrate the partnership of labor and management that sets this company apart. I look forward to joining my constituents and friends in that salute, and I invite my colleagues in this House to join me in recognizing this American success story.

RESOLUTION TRUST CORPORATION ASSET RECOVERY ACT OF 1992

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. LEACH. Mr. Speaker, today I am introducing the Resolution Trust Corporation Asset Recovery Act of 1992. This bill would extend the statute of limitations for Government suits against negligent and corrupt S&L owners from 3 years to 5 years, thereby giving the Government more time to recover a portion of the billions of dollars from those who were responsible for the S&L debacle.

Moreover, I am urging enactment of this bill by the end of the week. Already the 3 year time period has expired on 240 thrifts with the RTC filing suits on only 90 of them as of May 12, 1992.

By August 9, 1992, the third anniversary of the enactment of FIRREA which created the RTC and provided it with an initial $50 billion to resolve the S&L problem, the statute of limitations will have expired on an additional 22 institutions. Once a statute has lapsed, the RTC is prohibited from filing any lawsuits against negligent officers and directors.

Recently, there have been a number of press accounts reporting that the RTC's professional liability section is in disarray, and that experienced litigators and investigators are leaving the unit just as the statute of limitations is expiring on hundreds of failed thrifts.

Last month the RTC filed a $1.3 billion lawsuit, one of its biggest, against officers of an Arizona thrift just minutes before the statute of limitations was ready to expire.

Investigations of failed thrifts is extremely labor intensive. Expeditiously passing this bill would allow RTC more time to gather information and documents, thus shoring up its ability to file suits and ultimately obtain cash recoveries from S&L officers.

The Senate under the leadership of the Senator from Colorado [Mr. WIRTH] has included this legislation in the GSE bill passed by that body on July 1, 1992.

The last time Congress amended FIRREA was before the July 4 recess. Congress took all of 2 days to enact a bill to delay implementation of the capital subsidiaries requirement for thrifts. If Congress can enact a bill within such short time for legislation that will save $480 million in capital writedowns for owners of thrifts, it surely should be able to pass in the next few days this bill which would save millions for the taxpayer.

HAPPY BIRTHDAY TO MAURI JANE FRANKE

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SARPALIUS. Mr. Speaker, during our absence last week there was a very special birthday that took place back in Texas. A beautiful little girl that many in this body have met turned 5 years old on July 16, 1992. Virtually every Member from Texas, Arkansas, New Mexico, and Oklahoma has had Mauri Jane Franke brighten their office when she comes to town with her dad. Mauri Jane, the daughter of Wayne and Jane Franke of Buda, TX, is a beautiful sight when she comes-a-running into your office with that curly brown hair bouncing and those big brown eyes shining. If you're one who has experienced it—you know what I am talking about. It is hard to believe that this little lady who once crawled into Congressman BROOKS' office at the age of 7 months is now on her way to school. The House of Representatives wishes you a happy birthday, Mauri Jane. Come back and see us soon.

MAJ. GEN. RICHARD F. GILLIS RETIRES

HON. J. ROY ROWLAND

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. ROWLAND. Mr. Speaker, Maj. Gen. Richard F. Gillis is retiring after 38 years of service in the Air Force, including the past 4 years as commander of the Warner Robins Air Logistics Center in Warner Robins, GA, one of five logistics centers in the country and Georgia's largest industrial complex.

During his stay in middle Georgia, General Gillis built up the morale of the work force; streamlined base operations; tackled environmental problems; established new programs such as the museum of aviation; spread good will through the community; and did an exemplary job of providing worldwide support for transport aircraft, fighters, helicopters, air-to-air missiles, surface motor vehicles, and high-technology airborne electronics.

He is noted not only for his leadership ability, but also for the friendly, down-to-earth manner in which he carried out his responsibilities.

General Gillis served in a number of Air Force assignments, including a tour of duty with the 45th Tactical Reconnaissance Squadron in South Vietnam, where he flew 100 combat missions and 170 functional test missions in RF–101A/C aircraft.

His military awards and decorations are numerous, including the Distinguished Service Medal; Legion of Merit; Meritorious Service Medal with oak leaf cluster; Air Medal with four oak leaf clusters; Air Force Commendation Medal with two oak leaf clusters; Air Force Outstanding Unit Award with "V" device and oak leaf cluster; Air Force Organizational Excellence Award with oak leaf cluster; Combat Readiness Medal; Good Conduct Medal; National Defense Service Medal; Vietnam Service Medal with five service stars; Air Force Longevity Service Award Ribbon with eight oak leaf clusters; Philippine Presidential Unit Citation; Republic of Vietnam Gallantry Cross with palm, and Republic of Vietnam Campaign Medal.

Mr. Speaker, General Gillis will be missed at the Warner Robins Logistics Center. But he will now have an opportunity to make contributions to his country and his fellow man in other ways. Along with his many friends in middle Georgia, I want to thank General Gillis for all he has done for middle Georgia and to extend our best wishes for many productive and happy years ahead.

TRIBUTE TO PETE KELLY

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. BONIOR. Mr. Speaker, on the evening of June 19, 1992, Pete Kelly will be honored at a special dinner at the Gourmet House. I am very pleased to join UAW Local 160 in honoring a longtime friend of the working men and women of our community.

In many ways, Pete Kelly has come to symbolize our commitment to fairness and justice in the workplace and society. For many years, Pete has been an important figure and voice in the labor movement in Michigan. His long record of distinguished service has proven him to be a natural and effective leader. Pete's vision and guidance have always impressed those of us who have had the privilege to know and work with him. His contributions will be truly missed.

Mr. Speaker, on this special occasion of his retirement, I ask that my colleagues join me in saluting Pete Kelly's many years of service and dedication to the labor community in Michigan.

TRIBUTE TO BURNS-UNION HIGH SCHOOL

HON. ROBERT F. (BOB) SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SMITH of Oregon. Mr. Speaker, I am pleased to rise today to pay tribute to Burns-Union High School in eastern Oregon. As a school with an enrollment of 341 students, nestled in a community of 3,000, many here today would believe it would be fighting, as many schools in our Nation, a disease whose symptoms reflect a shortage of funds, high drop-out rate, drug affliction, and a lack of community support and guidance. However, Burns High School is setting the pace for both rural and urban schools throughout our country. Recently, the school was honored as one of America's Best in Redbook's First Annual High School Report. The report highlights 140 exceptional public secondary schools throughout the country which exemplify an academic curriculum conducive in the development of a student's ability to meet the needs of the next century. Moreover, Burns High School has the distinction of being the only school in Oregon to twice receive the Department of Education's Blue Ribbon Schools National Award of Excellence. An award based upon a school's success in furthering intellectual growth while developing an effective working relationship between the school, parents, and local community.

As America grapples with educational reform, Burns High School is successfully implementing President Bush's America 2000 agenda, meeting the six national goals established by the Department of Education, and returning educational reform decisions and responsibility back to the local community. The school boasts a low drop-out rate, fosters a school-community drug support and awareness program, integrates the application of technology into the classroom, and advances one of the leading geographic and arts curriculum in the State where instructors have been with the school for over two decades. Yet, it is the link with the Burns community that strengthens the school's overall excellence in education. The community, embodied by blue-collar mill workers and ranchers, is financially hard pressed by years of drought and recent timber shortages. However, the zeal for effective schooling has lead the community to routinely pass school budgets and establish a viable partnership between the local businesses and the school. Clearly, Burns High School, backed by a determined community, has embraced an educational path to prepare students to meet the future demands of community, State, and a Nation.

Mr. Speaker, as a permanent resident and active member in the Burns community and a Burns High School graduate, I stand before you to commend a school and community on the frontier of educational leadership. The winds of change have been blowing in eastern Oregon for years. It's now time for the Nation to take heed and initiate educational reforms to lead all our children into the 21st century.

TEDDY BALLGAME

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. IRELAND. Mr. Speaker, indeed there was major news in America last week. It occurred in San Diego, CA. The city of San Diego saluted one of its greatest sons, Ted Williams. First, the city government decreed that a major highway would be renamed Ted Williams Parkway. The huge, beautiful, green directional signs are already up. The green has major significance, of course, for all the Nations Fenway faithful.

The day after the highway ceremony, the major leagues held their annual All-Star Game. At that game, Ted Williams was given the honor of throwing out the ceremonial first pitch in his hometown. Mr. Speaker, I needn't take up the time of the House to discuss Ted Williams' contributions to this Nation in both the patriotic and sports arenas. Last year he received the Presidential Medal of Freedom and his hometown and major league baseball have honored him in two unique ways this year. Ted deserves these honors and more. Ted Williams, an American hero and patriot for this or any age.

TRIBUTE TO JOHN C. STONE

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. LIVINGSTON. Mr. Speaker, I rise today to pay special tribute to a native Louisianian who is leaving public service to rejoin the private sector.

John C. Stone, known to his friends and colleagues as Jay, recently announced that he is leaving the U.S. Department of Energy to become vice president of Van Scoyoc Associates, Inc., a Washington government affairs consulting firm.

The country is losing a distinguished and respected public servant. Jay has spent the last 17 years in various public positions—as administrative assistant to former Congressman W. Henson Moore, as the Washington liaison for the State of Louisiana, as special assistant to President Reagan for legislative affairs, and as executive assistant to the Deputy Secretary of Energy. He achieved these high positions in the government because of his hard work, his dedication to free market principles, and his uncompromising honesty.

Those of us fortunate enough to work with Jay over the years on issues of energy, health, taxes, appropriations, and many others can testify to his integrity, his intelligence, and his preparedness. He has spent many long hours doing staff work that is not often appreciated except by elected and appointed officials who depend on people like Jay. He has never sought public recognition for himself, but has just enjoyed the satisfaction of a job well done. He is one of the unsung heroes of this city and his contribution to the making of public policy will be missed.

Jay's return to the private sector will be a successful one, I am certain, and I wish him all the best. Our State and our country is better off because of his service to the public. I take great pride in saluting him today.

CONGRESS SHOULD TAKE QUICK ACTION ON NUCLEAR NON-PROLIFERATION LEGISLATION

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. STARK. Mr. Speaker, with the end of the cold war and the collapse of the Soviet Union, nuclear proliferation is now clearly the leading threat to U.S. national security.

At all costs, we must prevent a dictator like Saddam Hussein from building the bomb—this must become a policy priority. Yet for many years most of us have closed our eyes to this threat, allowing Iraq to come within months of having nuclear weapons.

Over the years, the United States has steadily tightened up its export controls on sensitive nuclear technology while pushing our allies to do the same. Unfortunately, far too many loopholes remained. From the U.N. inspections in Iraq, we now have extensive documentation of Western companies—some from the United States, but mostly from Europe—assisting Saddam in his nuclear ambitions.

Four steps are vital to reducing the proliferation threat:

First, we must further strengthen our export controls on sensitive nuclear and dual-use technology and urge other major industrial countries, especially in Eastern Europe and the former Soviet Union, to do the same.

Second, we should apply sanctions on foreign companies which assist other countries in building nuclear weapons.

Third, we should attempt to strengthen the International Atomic Energy Agency's [IAEA] non-proliferation safeguards and inspections.

Fourth, we should seek to phase out the use of bomb-grade nuclear material, such as plutonium and highly enriched uranium, for civilian purposes around the world.

Fortunately enough, there are currently pending before Congress three initiatives which, if passed, would go a long way toward achieving these critical objectives. These are:

The Omnibus Nuclear Proliferation Control Act of 1992, S. 1128 introduced by the gentleman from Ohio, Senator GLENN, the longtime leading expert on nuclear non-proliferation policy in the Congress. This bill would add a wide array of sanctions on companies, financial institutions, and countries which help further the proliferation of nuclear weapons. This important legislation passed the Senate on a voice vote in April. I added some provisions of S. 1128 to H.R. 5100, the Trade Enhancement Act, when it came before the House Ways and Means Committee. H.R. 5100 passed the House earlier this month, and is currently pending in the Senate.

The Nuclear Proliferation Prevention Act, H.R. 2755, introduced by my colleagues from Massachusetts, Mr. MARKEY, New York, Mr. SOLOMON, Michigan, Mr. WOLPE, and myself. H.R. 2755 would strengthen U.S. export controls, phaseout U.S. exports of bomb-grade uranium, and direct the President to seek other countries to adopt similar controls. If foreign companies or countries then violate these newly adopted international controls, the President is directed to apply sanctions on them. This bill was added to the Export Administration Reauthorization, which is currently pending in House-Senate conference.

A joint resolution outlining 21 steps to strengthen the International Atomic Energy Agency, House Joint Resolution 351 in the House and Senate Joint Resolution 216 in the other body. This initiative was developed by myself and the gentleman from Ohio, Senator GLENN, with whom I was very pleased to work on such an important issue. This legislation is currently pending in the House and the Senate.

Mr. Speaker, I say to my colleagues and the administration that we are running out of time this year to address this critical issue. We should act immediately on at least one, if not all three of these important initiatives before the next Saddam really does build the ultimate weapon.

TRIBUTE TO EIVIND H. "IVY" JOHANSEN

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. LANTOS. Mr. Speaker, it is my privilege and pleasure to commend Eivind H. "Ivy" Johansen upon his retirement as president of the National Industries for the Severely Handicapped [NISH]. Since taking the helm in 1979, Ivy has been an excellent leader of this progressive and effective agency.

As chairman of the Government Operations Subcommittee on Employment and Housing, with jurisdiction over the Javits-Wagner-O'Day Act [JWOD] under which NISH acts as a supporting non-profit agency, I have come to know about the work that NISH has done under the able leadership of Ivy Johansen.

JWOD's programs provide jobs for Americans who are blind or have severe disabilities by setting aside government contracts which are suitable to the capabilities of these individuals. Everybody wins: JWOD gives much needed work to people who have severe disabilities, most of whom are unwillingly unemployed; and the government gets quality products and services—to exact Federal specifications and delivered on time at fair market prices. The American taxpayer saves doubly, because JWOD turns individuals who otherwise would be tax users into taxpayers.

The role of NISH within the JWOD program is to help the non-profit rehabilitation agencies who employ people with severe disabilities to obtain government contracts and then satisfactorily meet these contracts for goods and services. In 1990, 17,140 persons with severe disabilities were employed at 398 NISH affiliates throughout the Nation.

The program continues to grow. In the past year, new Federal contracts were approved with expected employment for 3,440 more individuals. These figures are all quadruple what they were when Ivy became CEO of NISH 13 years ago.

After a successful Army career, Ivy retired as a three-star general despite a personal appeal by the Chief of Staff of the Army that he reconsider his decision to leave the military. In 1979, Ivy joined 5-year-old NISH in order to continue with his interest in procurement programs for the severely disabled which began with his assignment in the early 1960's with the Quartermaster General's office providing support for JWOD's administrating agency.

In many respects, the history of NISH and its accomplishments is a record of Ivy's personal achievements. The professional standards and work ethic he brought with him to his new career were impeccable. Having taken the reins of an organization that was having to borrow money to meet its payroll, he turned it around with his intensive management style and attention to detail.

The JWOD Act itself, quality management of the NISH staff, and the readiness of the rehabilitation community to participate in the JWOD program were all essential elements of success—but there was one more piece of the equation which was needed to achieve results: the support of the Federal procurement agencies which purchase the products and services required by the government.

There is no doubt that the outstanding reputation of integrity and professionalism that Ivy earned while serving in the Army helped to open doors for him as he sold the JWOD program to government procurement agencies. He did not rely on favors or arm twisting.

Knowing that procurement officers are interested in quality products and services delivered on time and at fair prices, Ivy concentrated NISH's resources to ensure that goods and services provided through JWOD not only met these requirements, but exceeded the performance of commercial contractors. This policy has paid large dividends over the years—dividends expressed by procurement agencies that now seek out JWOD producers as a source of supply.

I know I speak for Ivy and everyone associated with the JWOD program in citing the proudest aspect of JWOD contracts. JWOD has meant jobs to thousands of Americans with severe disabilities. Last year's payroll for NISH employees was $60 million.

In the last 10 years of Ivy's tenure at NISH, some $345 million in wages were paid all told—the average wage is $5 per hour, with vacation, health and welfare fringe benefits in addition for individuals severely handicapped and often unable to find any type of employment in the private sector.

Yet with training and experience, some of the severely disabled workers on JWOD contracts graduate to mainstream employment where employers rate disabled workers very favorably in terms of low turnover, low absenteeism, high morale, and dedication.

Last year's national emergency of Desert Storm proved that people who have severe disabilities can still get the job done. Department of Defense officials commended the JWOD team for taking quick action and ensuring timely deliveries and for providing some of the finest support to the armed services our country can offer. As a retired Army lieutenant general, Ivy was proud of all the JWOD employees who rose to the extraordinary demands dictated by the gulf war.

Mr. Speaker, as a result of Ivy's leadership, thousands of individuals with severe disabilities are participating in the American dream—work, independence, and most of all dignity. This is a legacy that anyone would be proud of. I commend Ivy for his dedication and leadership and I ask my colleagues to join me in paying tribute to him today.

A SPECIAL TRIBUTE TO CURTIS G. MATTHEWS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. STOKES. Mr. Speaker, I am saddened to inform my colleagues of the recent passing of Curtis G. Matthews. For many years he operated Matthews Apothecary in Washington, DC. On Thursday, July 23, 1992, family, friends, and colleagues will gather at DuPont Park Church to celebrate the life of Dr. Matthews. I want to share with my colleagues some of the highlights of his distinguished career.

Curtis G. Matthews was born in Bessemer, AL. Upon completion of high school, he joined the U.S. Marine Corps, where he achieved the rank of staff sergeant. Following his discharge from the Marine Corps, Curtis Matthews embraced pharmacy as his career choice. He graduated from the Howard University School of Pharmacy.

For nearly 25 years, Matthews Apothecary was open to the Washington metropolitan community. As a pharmacist, Dr. Matthews earned a reputation as a hard worker, a caring individual, and a good friend to all who knew him. While operating Matthews Apothecary, he also served as an instructor at his alma mater. In addition, Dr. Matthews is the author of numerous articles on disease and medicine. After his pharmacy closed its doors, Dr. Matthews went to work at Walter Reed Army Medical Center. He retired in October 1991 after 12 years of dedicated service.

Mr. Speaker, Dr. Matthews leaves to mourn his passing his loving wife, Montrose, and his daughter, Sharon. In addition, he leaves a host of family members, colleagues, and friends who will always remember his kind smile and words of encouragement. Although we are saddened to note the passing of Dr. Matthews, we know that he will never be forgotten. I extend my deepest sympathy to the Matthews family during this time of sorrow.

JUNE IS TURKEY LOVERS' MONTH

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. PENNY. Mr. Speaker, the U.S. turkey industry has grown significantly and changed dramatically during the last half-century, but one thing has remained constant: Minnesota has continued to be one of the industry's undisputed leaders in production, innovation, and technology.

That's why I'd like to join Governor Arne Carlson in congratulating the Minnesota Turkey Growers' Association and the National Turkey Federation on their recently completed, highly successful "June is Turkey Lovers' Month" campaign.

The most recent USDA figures tell the story of Minnesota's heavy involvement in the turkey industry. Last year alone, more than 46 million turkeys were raised in our State, making Minnesota the second-largest turkey producing State in the Nation. Our production represents 16 percent of the total U.S. production.

And, since many of the turkeys grown in Minnesota are grown in my district, I also can attest personally to the positive economic impact the industry has on our State. The industry employs more than 50,000 people statewide—both directly and indirectly—and production generates more than $298 million in annual gross value for more than 500 farms across the State.

Minnesotans take great pride in those numbers, and they know their leadership role didn't happen by accident. It took a tremendous amount of hard work and dedication to build the modern turkey industry, and Minnesota's turkey growers and processors are determined to translate those past successes into an even brighter future. That's one reason more Minnesota turkey growers have served as president of the National Turkey Federation than any other State. Consider this honor roll:

John Wickliffe, 1989; Vance Larson, 1986; John Holden, 1985; Glen Harder, 1977; Lloyd Peterson, 1970; Glen Thurnbeck, 1960; and Graydon, McCulley, 1949.

With turkey consumption rising rapidly across the State, and across the Nation, I have every confidence the turkey industry will enjoy success for many years to come. I am equally confident that you will see many, many Minnesotans playing a key role in that success story.

Thank you, Mr. Speaker, and again, congratulations to the Minnesota Turkey Growers Association and the National Turkey Federation for another successful "June is Turkey Lovers' Month" campaign.

A TRIBUTE TO THE MEMORY OF OPAL CHAPMAN, TEACHER

HON. ROD CHANDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. CHANDLER. Mr. Speaker, I rise today to remember and share with my colleagues the memory of a dear lady, one of my high school teachers. Opal Chapman passed on recently after an extended illness. She was 86 years of age.

For those of us who attended La Grande High School in the 1950's and 1960's, Mrs. Chapman was far more than a teacher. She was a friend and an inspiration. She brought a contagious spirit to the classroom with a warmth and enthusiasm which attracted us to the poetry, literature, and writing lesson of the day. Her teaching career spanned a 40-year period and included assignments in Lostine and Medford, OR, Emmett, ID and, of course, La Grande.

If she were not around, we students affectionately called her Opal. But we admired and respected her far too much to be so informal in her presence. We had fun in her class but it was because she made the lessons enjoyable. If a student did something funny, she enjoyed the heartiest laugh. But it was back to business then, and business was appreciating the great writers and story tellers of the ages.

I can say in all honesty that I probably would not be standing here in the United States House of Representatives today had it not been for Opal Chapman. In the hot summer of 1982 my first congressional campaign was really struggling. We were engaged in a spirited primary against two exceptional opponents and voters were slow to decide their favorite. Funds were difficult to raise and volunteers were distracted by an unusually warm and pleasant summer in the Pacific Northwest. It was so bad that a lot of my supporters and advisers wanted to fold the campaign and quit. I needed a dose of encouragement and the memory of my high school English teacher was all it took.

As I pondered what to do, I recalled the winter day in 1959 when Mrs. Chapman had become exasperated with my poetry reading performance. She wanted classmembers to interpret the work, capture the feeling, and read the poem as the author had intended. But I was a basketball star and, in my view, big guys like that did not read poetry with feeling. Well, not only did Mrs. Chapman think otherwise, but she cared enough about her student to push him beyond his self-imposed limits. It was to become an inspiration I would never forget.

She took me out to the hallway—just the two of us—away from the snickers of a room full of teenagers. She poked me in the chest, rising on her tiptoes to reach her gangly poetry reader:

> Rod Chandler, if you would ever live up to half your potential, you would really amount to something.

Those were her exact words and her admonition has served to inspire me on numerous occasions. Not only did I go back to class and give that poem a shot, but in July of 1982, with Opal Chapman's words ringing in my memory, I recommitted myself to the congressional campaign. And won.

In the spring of 1982 I was the commencement speaker at La Grande High. Of course, I related to the graduates my experience with all the good teachers of LHS. But I made a special point of relating the poetry-reading incident and expressing to those students the great affection I held for Opal Chapman.

To my delight—and no surprise at all—Mrs. Chapman was there in the audience that night. She had been retired for years but she still was interested in "her kids." And, having been a speech teacher, you can bet she wanted to hear the remarks of one of her former students who put her lessons to work every day in a political career. That night she heard me share an experience with the graduates which had helped shape my life. She knew, from my testimony, how giving of herself had produced a profound impact on a young man who needed loving encouragement at a time when lives are shaped and molded—cast for years to come. Yes, she remembered it too, but she had no idea how moving the experience had been to me.

American authors and fine poetry were far more important to Mrs. Chapman than basketball teams or big tournaments. But she understood her students and she knew exactly how to weave the thread of her courses into the entire education experience. She did so with grace, dignity, and good humor.

She lived a long life and touched many souls, mine just one among them. She was devoted to her husband Lloyd. And, she was a mother. Her son Jim was an exceptional student, especially in the technical fields—math and science. She was very proud of him. She was also a devoted member of her beloved United Methodist Church. I never heard of anyone who did not like her.

If God sets aside a special place in heaven for gentle, loving people who make a difference, I sure know where Opal Chapman is right now.

As I complete this tribute to her, one question sticks in my mind. What grade would she give me? I can just hear her.

"Rod, it is very good but I know you can do better." A pat on the back and a challenge for next time. She most certainly would "red-line" that incomplete sentence. What a wonderful lady. What a tremendous teacher. Thank you, Opal.

TRIBUTE TO THE NEW HAMPSHIRE MUSIC FESTIVAL ON ITS 40TH ANNIVERSARY

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SWETT. Mr. Speaker, I rise today to extend my warmest congratulations to the New Hampshire Music Festival, which is this year celebrating 40 years of music making for the people of New Hampshire.

For four decades the festival has been dedicated to filling our lives with music, bringing to New Hampshire a variety of orchestral programs, chamber concerts, and solo artists. In the summer, the festival's high season, musicians from all over the country come together for 6 weeks in Plymouth and Gilford, NH, to make up the festival orchestra, the oldest professional orchestra in the State. During the rest of the year, local groups come to provide the area with nearly 300 classical performances, and the festival continues its commitment to education throughout central and northern New Hampshire through its Music-in-the-Schools Program.

The festival's outstanding work is well known and recognized. In just the past 15 years, the New Hampshire Music Festival has received eight awards from the American Society of Composers, Authors and Publishers for its programming, and it has been honored with the corporate fund's "Excellence in Management" award for it's strong fiscal management and contribution to New Hampshire communities.

Mr. Speaker, I ask my colleagues to join me in paying tribute to the New Hampshire Music Festival on this, their 40th year anniversary. Music truly enriches our lives, and we appreciate the dedication of the New Hampshire Music Festival in sharing the glories of music with us.

UPON THE OPENING OF MERCY SOUTHWEST HOSPITAL IN BAKERSFIELD, CA

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. THOMAS of California. Mr. Speaker, it is with great pleasure that I announce the opening of a new hospital in my district, Mercy Southwest Hospital.

For over 80 years Mercy Healthcare Bakersfield has provided quality health care to the citizens of Kern County, since the first Mercy Hospital was founded by the Sisters of Mercy in 1910. The medical and administrative staff of Mercy Healthcare Bakersfield provide outstanding medical care in a spirit of dignity and hospitality.

To meet the growing need for health care in Kern County, Mercy Healthcare Bakersfield has opened a second hospital in Bakersfield. This 67-bed facility will focus on the delivery of convenient, cost-efficient medical services—birth center, pediatric unit, surgical services, medical center, diagnostic and support services—to the growing number of Kern County residents. In addition, the new hospital, located next to California State University at Bakersfield, will provide educational services to the next generation of health care providers.

Mercy Southwest Hospital, with an emphasis on outpatient and short stay services and on filling the need for prenatal and pediatric services in the county, represents a milestone in the provision of quality health care services in Kern County. I am proud to recognize the outstanding efforts of the hospital administrator and its staff in bringing this vital project to its fruition.

RECOGNITION OF THE VETERANS ADMINISTRATION MEDICAL CENTER IN PROVIDENCE, R.I.

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today in recognition of the outstanding standards and qualifications of the Veterans Administration Medical Center in Providence, RI, which has earned the hospital special commendation as one of the top 6 percent of accredited VA facilities in the Nation.

I proudly credit this success to the hard work and attention to detail of each and every staff member at the VA hospital. The medical center serves honorably discharged veterans with an extraordinary record of exceptional dedication to quality care. The services provided by the VA hospital are indispensable to the veterans who have served our Nation with valor. To this community a commitment to excellence in medicine and in patient care is essential and also greatly appreciated.

Again, I congratulate Director Edward H. Seiler and the efforts of the entire staff at the Providence VA Medical Center and thank them for all that they have contributed to the community. I admire the pride they take in demanding perfection at their facility and the select rating they have achieved is due reward. I wish the best for all the staff members in their future endeavors.

TRIBUTE TO DR. ELLEN SHULMAN BAKER

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SCHEUER. Mr. Speaker, all Americans were proud when, on July 9th, the space shuttle Columbia landed after setting a record for the longest American flight and performing many important scientific and medical experiments.

However, the people of Queens County and, in particular, the Bayside community are justified in feeling special gratification and delight because one of the seven crew members was Dr. Ellen Shulman Baker, who grew up in the area and, we are all pleased to note, still considers the neighborhood her hometown.

Dr. Baker graduated from local public and intermediate schools and Bayside High School. As a youth, she was involved in community programs and sports organizations.

She continued her education in New York State, receiving a bachelor of arts degree in geology from the State University of New York at Buffalo in 1974, and a doctorate of medicine from Cornell University in 1978.

She began her service to the Nation with NASA in 1981 as a medical officer assigned to the Flight Medicine Clinic at the Lyndon B. Johnson Space Center before being selected to become an astronaut in 1984, completing her training the following year.

As a crew member aboard the Shuttle Orbiter Atlantis in October 1989, she played a key role in the deployment of the Galileo spacecraft.

During Columbia's record-smashing journey of 14 days, 5.76 million miles, and 221 orbits, Dr. Baker and other crew members performed experiments in medical research which will benefit all mankind, assured the safety of future space flights, and broadened our knowledge in several fields of science.

I am confident the entire House joins me in paying tribute to this courageous, dedicated American and NASA astronaut.

INTRODUCTION OF LEGISLATION REGARDING FIREARM VIOLENCE

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 21, 1992

Mr. SCHUMER. Mr. Speaker, today I am introducing three bills which will make law enforcement more effective in stemming the rising tide of firearm violence that currently afflicts our country.

The first bill, the "stop rearming Felons Act of 1992," will help keep firearms out of the hands of convicted felons. The bill would amend title 18 of the United States Code to prevent certain convicted felons from regaining access to firearms. Under current Federal law it is generally unlawful for a convicted felon to possess a firearm. However, the law was amended in 1986 to allow the definition of conviction to be determined according to the law of the jurisdiction in which the proceedings were held. The 1986 amendment also provided that any conviction which has been expunged, set aside, or for which a person has been pardoned or has had civil rights restored, shall not be considered a conviction for purposes of this chapter unless such pardon, expungement, or restoration of civil rights expressly provides that the person may not ship, transport, possess, or receive firearms. In other words, if the State restores the felon's right to possess firearms, by whatever summary procedure it chooses, then the felon's Federal firearm disabilities are nullified as well and he may once again legally possess firearms under both State and Federal law—Federal law is effectively frustrated.

The problem with the current act is that many states allow restoration of firearms rights with little or no individual review. In some cases, the offender can literally go from his jail cell to a gun shop and legally purchase a weapon.

The lack of uniformity in state law in regard to imposition of and relief from firearm disabilities resulting from a criminal conviction creates serious problems for Federal law enforcement officials. For instance, while most States prohibit possession of all firearms by those convicted of felonies, 13 States only place restrictions on a felon's right to possess certain types of guns, and 3 States impose absolutely no firearm restrictions on those convicted of a felony. Moreover, while some states require careful review by a judicial or administrative body before granting relief from firearm disabilities, some states automatically grant relief without review after a certain period of time or upon completion of the sentence.

Since Federal firearms disability is contingent upon these disparate State practices, the Federal Government's efforts to prevent felons from possessing firearms are severely hindered. The fact that last year over a half a million innocent American citizens were confronted by criminals armed with handguns illustrates all too clearly the pressing need for Federal/State cooperation on this issue.

To eradicate these problems in enforcement and prosecution today I have introduced a bill which would permanently bar anyone convicted of a violent or serious drug felony from legally possessing firearms under Federal law. For offenders convicted of other felonies, they would only be eligible for restoration of their firearms privileges if the State restoration procedure involved an individualized review and assessment of the offender's suitability. This will ensure that no felons have their firearm rights restored automatically, without a review.

The second bill I am introducing today, the "Firearm Law Enforcement Assistance Act of 1992", would make it easier for law enforcement officials to enforce the federal firearms laws and keep guns out of the wrong hands. This bill would require federally licensed gun dealers to inform local law enforcement officials whenever two or more handguns are purchased by the same person within a 30-day period. Current law requires reporting to the treasury secretary only if the multiple dispositions occur within a 5-day period. This period is insufficient, because it would allow a person to legally purchase a gun every six business days which could result in the accumulation of 7 handguns in a mere month-long period without triggering any reporting requirements. By the time BATF noticed these peculiar multiple sales in their annual review of the gun dealer's sales records, it would be too late to prevent the purchaser from reselling the arms to criminals or to the ever-widening black market. It is necessary to alert local law enforcement officials of multiple sales to enable them to take immediate action if they suspect illegal redistribution or use in criminal activity.

This bill would also require that applicants for Federal firearms licenses must demonstrate compliance with all State and local requirements imposed on firearms dealers. In addition, the application must include a statement from the chief of police of the locality, or the sheriff of the county, in which the applicant will conduct such business. This statement shall certify that there is no information currently available to indicate that the applicant is ineligible to obtain such a license under the law of the State or locality. Such measures are necessary, because the current application standards are too lax. If we are serious about keeping guns out of the hands of criminals, then we must enact tougher standards for gun licensing such as the ones contained in this bill.

The third bill I am introducing today, the "Firearms Tracing Assistance Act of 1992," would help BATF officials gain immediate access to firearms tracing information when investigating a criminal offense involving a firearm. This would enable agents to more quickly identify violent offenders and place them in custody.

The bill would require Federal firearms licensees to provide such firearms record information as may be necessary to aid in the tracing of firearms in the course of a law enforcement investigation. This bill adds no new recordkeeping requirements—licensees are already required to keep and report this information. The bill merely allows BATF to promulgate regulations to establish convenient access to this information when needed by law enforcement. Because BATF is legally prohibited from keeping a centralized computer data base of firearms transactions, tracing a weapon used in a crime is time-consuming, labor-intensive, and ultimately impossible without the prompt cooperation of the gun manufacturer and dealer. This bill gives BATF the ability to guarantee this cooperation.

H.R. 5634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Stop Rearming Felons Act of 1992".

SEC. 2. CLARIFICATION OF DEFINITION OF CONVICTION.

Section 921(a)(20) of title 18, United States Code, is amended—

(1) in the 1st sentence—

(A) by inserting "(A)" after "(20)"; and

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) in the 2nd sentence, by striking "What" and inserting the following:

"(B) What"; and

(3) by striking the 3rd sentence and inserting the following:

"(C) Any State conviction which has been expunged or set aside, or for which a person has been pardoned or has had civil rights restored, shall not be considered a conviction for purposes of this chapter if—

"(i) the expungement, set aside, pardon, or restoration of civil rights applies to a named person and expressly authorizes the person to ship, transport, receive, and possess firearms; and

"(ii) the State authority granting the expungement, set aside, pardon, or restoration of civil rights has expressly determined that the circumstances regarding the conviction, and the person's record and reputation, are such that—

"(I) the applicant will not be likely to act in a manner dangerous to public safety; and

"(II) the granting of the relief would not be contrary to the public interest.

"(D) Subparagraph (C) shall not apply to a conviction of a violent felony (as defined in section 924(e)(2)(B)) or of a serious drug offense (as defined in section 924(e)(2)(A)).".

H.R. 5633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Firearms Law Enforcement Assistance Act of 1992".

SEC. 2. REPORTING OF MULTIPLE FIREARMS SALES.

Section 923(g)(3) of title 18, United States Code, is amended—

(1) by striking "five" and inserting "thirty"; and

(2) by adding at the end the following: "Each licensee shall forward a copy of the report to the chief law enforcement officer of the place of residence of the unlicensed person not later than the close of business on the date that the multiple sale or disposition occurs.".

SEC. 3. COMPLIANCE WITH STATE AND LOCAL FIREARMS LICENSING LAWS REQUIRED BEFORE ISSUANCE OF FEDERAL FIREARMS LICENSE.

Section 923(d)(1) of title 18, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(3) by adding at the end the following:

"(F) in the case of an application for a license to engage in the business of dealing in firearms—

"(i) the applicant has complied with all requirements imposed on persons desiring to engage in such a business by the State and political subdivision thereof in which the applicant conducts or intends to conduct such business;

"(ii) the business to be conducted pursuant to the license is not prohibited by the law of the State or locality in which the business premises is located; and

"(iii) the application includes a written statement which—

"(I) is signed by the chief of police of the locality, or the sheriff of the county, in which the applicant conducts or intends to conduct such business, the head of the State police of such State, or any official designated by the Secretary; and

"(II) certifies that the information available to the signer of the statement does not indicate that the applicant is ineligible to obtain such a license under the law of such State and locality.".

H.R. 5632

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Firearms Tracing Assistance Act of 1992".

SEC. 2. FIREARMS TRACING.

(a) Provision of Record Information.—Section 923(g) of title 18, United States Code, is amended by adding at the end the following:

"(6) Each licensee shall, at such times and under such conditions as the Secretary shall prescribe by regulation, provide all record information required to be kept by this chapter, or such lesser information as the Secretary may specify, as may be required for determining the disposition of a firearm in the course of law enforcement investigation."

(b) No Criminal Penalty.—Section 924(a)(1)(D) of such title is amended by adding at the end the following: "except section 923(g)(6).".

HOUSE OF REPRESENTATIVES—*Wednesday, July 22, 1992*

The House met at 10 a.m.

Rev. Charles E. Betts, Morning Star Baptist Church, Jamaica, NY, offered the following prayer:

Let us pray:

We come before Thee this morning in the name of the Father, Son, and the Holy Spirit to give You thanks and praise and glory for this day, for this is the day the Lord has made. We rejoice and we are glad in it.

Our God and our Father, we thank You for Thy goodness and Thy mercy, and we thank Thee, our God, for this opportunity to stand in this place asking for Your divine blessings, Your divine strength for those who share in this Chamber. Bless us our God today as we go through this day. We pray that Thy Holy Spirit would continue to guide us and lead us. Bless our Nation and our world.

In the name of the Father, Son, and the Holy Spirit, in Jesus' name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York [Mr. FLAKE] come forward and lead the House in the Pledge of Allegiance.

Mr. FLAKE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that he will limit to 10 Members on each side requests for 1-minute statements.

REV. CHARLES E. BETTS

(Mr. FLAKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLAKE. Mr. Speaker, it is with a great joy that I stand before the House this morning to present to this body a group of ministers who come from my district in southeast Queens.

There are many persons who ask the question what is the church doing and trying to revitalize, to rebuild and bring social and economic empowerment to the people of this Nation. Many have concluded that the only solutions can come from Government, and so today, as I present these ministers, I would want Members to know that they are involved in rebuilding a community.

Currently this group, which came together in 1984, when I first ran as a delegate to the Democratic Convention, has stayed together, and have put together a 501(c)3 corporation. That corporation is now building 500 low-income housing units in the community in which I serve.

I am proud of them because they understand that there is no separation between the role of prophecy and the role of performance. They have spoken. Now they perform in a way that the community is better served. It provides stability, it provides housing, it provides an opportunity to give a level of community service that I think is worthy of relating to other communities throughout this Nation.

I am pleased that the Southeast Queens Community Baptist Ministers Alliance have come here today, and that Reverend Betts has shared with us the prayer this morning.

SOLVING AMERICA'S PROBLEMS IS GOOD POLITICS

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker, it is said that good policy is often good politics. I was struck and I suspect many of my Democratic friends were struck by the reality last week at your convention that your leadership in the Congress was slighted, snubbed, and sometimes altogether ignored. I think it was probably apparent that the Democrats did not want to talk about Congress in this election year.

But I would suggest there were two refrains in your convention that might be good advice to all of us. Barbara Jordan said perhaps it is time the Democratic Party switches from being the tax and spend party to the party of investment and growth. I would encourage you to take a second look at the President's economic growth package which we could and should pass on a bipartisan basis.

Second, I would recall that many of your speakers said, without regard to who gets credit, we ought to pass a health care package to restore health care to all Americans in terms of availability, affordability, and access. I would suggest that also we are well aware that there is a bipartisan health care reform package that can pass this Congress and be signed into law before the election.

So economic growth and health care, the two issues most important to the American people, can be resolved on a bipartisan basis. That is good public policy, and I think that would be good politics for all of us.

BUSH'S PETRIFIED FOREST

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks).

Mrs. SCHROEDER. Mr. Speaker, President Bush recently called the Congress deadwood.

There may be deadwood in Congress, but we have a petrified forest in the White House.

The White House petrified forest has been around longer than you might guess. The President, his Vice President, and his Cabinet secretaries have stacked up 230 years in Washington, DC—more years than the United States has been united.

Worse yet, Bush's petrified forest incorporates acres and acres of political appointees. There are now 2,436 political appointees in the Federal Government, 14 percent more than the highest number under Jimmy Carter.

Bush's petrified forest isn't just old, it's out of touch.

President Bush is petrified of the American people. He is so petrified that cable television is as close as he wants to get to a real live citizen.

President Bush is petrified of family issues. He has vetoed family and medical leave legislation, cut education assistance, and even slashed funding for public libraries.

President Bush is petrified of women. He has appointed a Supreme Court that is on the verge of sending women back to the dark ages.

President Bush is petrified of the American economy. Twelve years of neglect has left us with a record breaking recession and millions of unemployed Americans.

Mr. Speaker, it is time we took the ax to the Bush petrified forest.

REPUBLICAN REGULATORY RELAY

(Mr. THOMAS of Wyoming asked and was given permission to address the

□This symbol represents the time of day during the House proceedings, e.g., □1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, today, I rise to carry the baton and run another leg of the Republican regulatory relay. As you know, Members on this side of the aisle have been speaking in support of the President's moratorium on Federal Government regulation and calling attention to unnecessary regulatory demands on the average person trying to make a living.

Coming from a State in which more than 50 percent of the land is owned by the Federal Government, I am very concerned about the burdens and restrictions placed on land use within Wyoming's borders. As you can imagine, a significant number of jobs in the State depend on the use of this land—additional and unnecessary regulatory costs often limit the creation of new jobs in our State.

I was recently contacted by a constituent who was required by the Bureau of Land Management to catalog a trash pit for archeological significance. Reading from the submitted document—13 pages in total, it says:

> The site is basically a collection of rusted tin cans with secondary amounts of other artifacts. It is estimated that approximately 1,000 tin cans are present, of which a third are evaporated milk cans. Approximately another third are sanitary tin cans. In addition, tobacco cans—Prince Albert type—sardine cans, syrup cans, coffee cans, oil cans, spice cans, lard buckets, tomato juice cans, etc.

It seems absurd to impose this requirement in this specific case. Anyone could have seen what was in the trash pit. You and I know—this study was not done for free, like all other regulations, it cost a good deal of money. Who benefited in knowing there was a ketchup bottle in the pile?

Combined with other regulations specifically written for the oil and gas industry, these costs add up. It is not just a cost to the developer or the laborer, but also the consumer. Some estimate the composite cost of regulation to be in excess of $400 billion ultimately paid for by consumers. This is another reason we all should be concerned about unnecessary regulation.

I urge constituents to bring to my attention unnecessary and costly Government regulations. We need less Government rather than more.

AN ECONOMY STUCK IN LOW GEAR

(Mr. HOAGLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOAGLAND. Madam Speaker, disappointing economic news continues to dribble out and continues to tell us that our economy is stuck in low gear.

Unemployment—at 7.8 percent—is at an all-time high over the last 8 years. Middle-class, working families are only getting 3 to 4 percent on their hard-earned savings. Wages, which declined 7.3 percent from 1979 to 1991, fell in June as consumer prices went up.

A year ago, the Federal Reserve Board, told us that we are well on the path of actually achieving the type of goals which we've set out to achieve, namely, a solid recovery, low unemployment and low inflation. Well, Mr. Speaker, where is that path? The Nation never found it.

I call on the President, instead of adding to his unfortunate list of 30 vetoes, to join Congress and enact a real economic revitalization program: Let's—

Convert from a defense to a peacetime economy;

Encourage private investment and job creation;

Support lifetime learning, by providing real educational training and retraining for students of all ages;

Call on the wealthy to pay their fair share of taxes; and

Eliminate that intractable Federal deficit that is like a silent cancer eating away at our economic strength.

I call on the President instead of racing to use the veto pen to send us some real proposals and use his leadership to get them through Congress to restore hope in America and get our economy out of low gear and into fast forward.

WHERE HAVE I HEARD THAT BEFORE?

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Madam Speaker, there is an old saying that imitation is the highest form of flattery. If so, Republicans should feel very flattered, because the 1992 Democratic Platform has incorporated many principles which Republicans have long advocated. Here are some examples from the 1988 Republican Platform and the 1992 Democratic Platform. Notice any similarities?

ECONOMIC OPPORTUNITY

The 1988 GOP: "We categorically reject the notion that Congress knows how to spend money better than the American people do. Tax hikes are like addictive drugs. * * * Every shot makes Congress want to spend more. * * * For every $1 Congress takes in in new taxes, it spends $1.25."

The 1992 Dems: "We reject * * * the big government theory that says we can hamstring business and tax and spend our way to prosperity."

WELFARE REFORM

The 1988 GOP: "We will reform welfare to encourage work as the ticket that guarantees full participation in American life."

The 1992 Dems: "Welfare should be a second chance, not a way of life."

The Democrats' family values, fiscal responsibility, strong defense platform reminds one of the television ad for a certain picante sauce.

Where was this imitation platform written?

□ 1010

PRESIDENTIAL LEADERSHIP NEEDED FOR ECONOMIC RECOVERY

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Madam Speaker, during the past 12 years, the rich in this country have grown richer, while the ranks of the working poor have grown larger. People are working more, but earning less.

Working, middle-class families struggle to pay for health care and cannot send their children to college. Millions of Americans are unemployed and risk losing their homes and their future security.

We are in need of Presidential leadership to help bring us out of the recession and into a period of recovery that will help put people back to work and keep families together.

Last week we were given the opportunity to look into the future. We were given the chance to see leadership. We watched a candidate who has the vision and the ability to lead us into the next century.

Bill Clinton knows the problems facing middle-class families. As Governor, he has worked to keep health care affordable. He has expanded educational opportunities and put people back to work. Between 1978 and 1992, employment in Arkansas increased by 18 percent. Bill Clinton did not just listen to the unemployed in Arkansas. He put them back to work.

I look forward to working with a President who not only knows about the problems facing this country, but knows how to solve them. I look forward to Bill Clinton's leadership.

A CHANCE TO IMPLEMENT THE LINE-ITEM VETO

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Madam Speaker, I rise today to inform my colleagues that in just a few moments we will have the great opportunity to implement part of the Clinton-Gore budget package and something that President Bush has been arguing for years. I am referring to the very famous Solomon amendment to implement the line-item veto.

We are going to be bringing up the rule on the Interior appropriations bill, and we will be moving to modify that rule by defeating the previous question to allow us to implement what it is that AL GORE and Bill Clinton, although I have got that in reverse order, and that was the one that scared me most, it is Bill Clinton and AL GORE, want very much to put into place.

So I hope that both my Democrat and Republican colleagues will do everything possible to ensure that the wishes of Mr. Clinton, Mr. GORE, Mr. Bush, and Mr. QUAYLE, are implemented.

THE SLOW ECONOMIC RECOVERY

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Madam Speaker, yesterday in the other body, the Federal Reserve Chairman, Mr. Alan Greenspan, testified on what he called our modest economic recovery. to quote Mr. Greenspan, "Economic activity is expanding. It has been expanding since the recession ended last year."

Well, I wish somebody would tell the people in my district who do not know anything about that, those who cannot adequately house their kids, those who cannot adequately even feed their kids, those who are unemployed.

It seems the Federal Reserve Chairman has joined the President in trying to create the aura of well-being in our economy, but it just does not exist. As a matter of fact, our President keeps telling us that if we wait and wait and wait, someday the economy really will get better. He seems to be inclined to wait, but from what I am hearing from Chicago and from the surrounding areas as well as the urban and rural areas across the Nation, the American people are tired of waiting. They are tired of waiting, because while they have been waiting on the so-called recovery, the unemployment rate has been soaring.

I know that the American people are tired of waiting because when pollsters ask them whether they are better off today than they were 4 years ago, they resound "no."

I wonder why the President cannot hear them.

It seems that our President hears only that old saying, "Patience is a virtue." Well, I say to the President, here in America you often forget that we have another saying that says, "Enough is enough."

LET US DEBATE GOVERNOR CLINTON'S ECONOMIC PACKAGE

(Mr. RIGGS asked and was given permission to address the House for 1 minute.)

Mr. RIGGS. Madam Speaker, since last August, nearly a year ago, the President and House Republicans have been attempting to pass a package of short-term economic growth measures through the House of Representatives. These are seven stimuli or provisions that would spur short-term economic growth.

They include significant capital-gains tax reduction, an investment tax credit for first-time home buyers, an investment tax credit in the form of accelerated depreciation for investment in new plant and equipment.

However, Madam Speaker, as you well know, every time House Republicans broach this subject on the House floor, we get bogged down in the politics of class warfare. The only legislation that has made it through the House to date has been last year's, or a package earlier this year, that went through the House imposing a permanent tax increase on almost 2 million American families in order to pay for a one-time middle-class tax relief in the form of a dollar a day for about 1 year.

Madam Speaker, I would love to see the politics of class warfare set aside and honest and open debate on this House floor.

Let us bring Governor Clinton's package to the floor and debate it, because, Madam Speaker, we are now in the midst of an election year, and it is important for the American people to see that there is a difference between what they say and what they do.

WHERE IS THE ECONOMY GROWING?

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Madam Speaker, Alan Greenspan, Chairman of the Federal Reserve Board, said the economy is growing, things are getting better.

Madam Speaker, my question today: Is Alan Greenspan smoking dope or what? Ten million unemployed American workers believe he must be on something, because he is out of touch, out of tune, somewhere out in left field.

In fact, I submit the only economic growth in North America is, in fact, south of the border down in Mexico, and if you do not believe me, just ask Smith-Corona workers from Cortland, NY, whose jobs are on a fast track, the latest on a fast track, down to Mexico.

Madam Speaker, I think that Mr. Greenspan should ship his legion of advisers and his army of accountants to Mexico and then maybe things will get better in America.

INTRODUCTION OF THE STATE HEALTH CARE REFORM INCENTIVE ACT OF 1992

(Mr. LANCASTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANCASTER. Madam Speaker, later today I will introduce the State Health Care Reform Incentive Act of 1992, a step toward a remedy for the crisis in health care that this country is now facing. The act would amend the Social Security Act to allow the States to seek waivers from the Secretary of Health and Human Services of certain Federal requirements for Medicaid and Medicare, thus giving the States needed flexibility in formulating their own comprehensive health care plans.

The States have wanted flexibility in administering Federal health care mandates. While the issue of national health care is currently being debated, this bill would allow States to move forward in developing their own comprehensive health care plans to benefit the citizens of their State.

Reaching consensus on a national health care plan may take several years to achieve. In the meantime States may implement comprehensive programs which might be models for national application.

Under this bill a State's program could incorporate the existing Medicaid Program, the joint Federal-State program of medical assistance to low-income persons, and the Federal Medicare Program for the aged and disabled. Federal requirements under those programs could be waived as necessary with the approval of the Secretary of Health and Human Services. A State program would have to make services covered by waiver available to current beneficiaries.

Funding, in the form of a block grant, would be set equal to Federal payments on behalf of State residents in the most recent fiscal year. Increases for later years would be under a formula established by the Secretary of Health and Human Services.

Madam Speaker, I believe the State Health Care Reform Incentive Act of 1992 is a step in the right direction. With millions of Americans uninsured and underinsured, we must take action to keep our health care system from collapsing. I ask my colleagues to join in support of this bill which will give the States the flexibility to take care of their own while ensuring a national minimum standard for all States.

AFFORDABLE HEALTH CARE

(Mr. WISE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WISE. Madam Speaker, yesterday I finished a 2-day caravan across the State of West Virginia starting on our westernmost border on the Guyandotte River and finishing in the eastern panhandle, visiting seven cities, picking up the petition signatures and coupons of 60,000 West Virginians who have signed our petition saying that they want Congress to enact legislation providing affordable access to health care for all.

I share these today and present them to the Speaker and to the Congress for your review. I hear these voices, Madam Speaker, that no matter how complex, no matter how difficult, these signatures, these citizens are saying to Congress to sit down around a table and develop a national health care policy, get the job done.

I met a 12-year-old boy with muscular dystrophy whose parents are working and whose insurance will be cut off in 2 months. I met working West Virginians who have no insurance. I met emergency medical service personnel who talk about people refusing to ride in the ambulance because they cannot afford the rate.

These 60,000 signatures say Congress should act and act now, and if they feel this way border to border in the State of West Virginia, trust me, they feel this way coast to coast across America. Congress must act now.

□ 1020

TIME TO SAY YES TO PEACE IN MIDDLE EAST

(Mr. SMITH of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Florida. Madam Speaker, our erstwhile Secretary of State is now coming back from the Middle East where he has once again gone to Israel to try to browbeat the Israelis into making concessions, while frankly the Arab States stand out on the edge of the process refusing to do anything that would aid in bringing peace to that region. Of course, our erstwhile Secretary of State, Madam Speaker, is now going to become another political Lee Atwater and go to run the President's reelection campaign, so his efforts in that region are going to be stopped.

But the real issue is, when are we going to tell the Arab States it is about time they got in this process? Prime Minister Rabin, duly elected on a platform of compromise in the peace process, issued a call to the Jordanians, the Palestinians, the Syrians, "Come to Jerusalem, talk to us informally. Let us sit down, negotiate, and see what we can come up with."

And all that happened was they all said, "no." They must have been listening to Nancy Reagan. The Syrians said, "no." The Palestinians said "no." The Lebanese said "no." The Jordanians said, "no," but at least one Arab State had the courage to say "yes." The Egyptians entertained Mr. Rabin for the last few days and they talked and they got some things done.

I am asking from this pulpit, from this well, on behalf of the people of the United States for the Arab States to come and talk about concessions, talk about making peace a reality in that region. Sit down with the Israelis. Stop saying "no." It is time to start saying yes to peace in the Middle East.

PRESIDENT BUSH, THE MINIATURE ENVIRONMENTALIST FOR THE GIANT SEQUOIAS

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, last week President Bush stood in a grove of giant Sequoia trees in California and whined that Congress would not act on his initiatives to protect the environment. How ironic that this President, the self-proclaimed environmental President, in reality a miniature environmentalist, chose the giant Sequoias as the place to launch his attack. Rather than attack Congress, he should thank us, for it was the Congress that enacted a moratorium to prevent the Bush administration from cutting down these giant Sequoias and ensure a photo op for the President.

President Bush spent his years in the White House advocating the clear cutting of our Nation's forests. Congress has been fighting the Reagan-Bush environmental policies at home to save the last remaining stands of America's old growth forests and to protect the environment.

Before President Bush looks for more sound bites and photo ops, he better make sure that his own administration is not cutting up, tearing down, and polluting our own natural and cultural resources.

A more appropriate photo op for the President, the miniature environmentalist, would be to sit on the last stump of a giant Sequoia in the old growth forest with a stuffed owl on his shoulder. That would be more appropriate for our miniature environmentalist President Bush.

WAIVING CERTAIN POINTS OF ORDER AGAINST AND DURING CONSIDERATION OF H.R. 5503, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Mr. GORDON. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 517 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 517

Resolved, That all points of order against consideration of the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes, are waived. During consideration of the bill, all points of order against provisions in the bill, as amended pursuant to this resolution, for failure to comply with clause 2 of rule XXI are waived except as follows: beginning with "*Provided further*" on page 10, line 9, through "filed:" on line 21; beginning with "*Provided*" on page 18, line 24, through the colon on page 19, line 1; beginning with "to provide" on page 21, line 6, through "option" on line 12; beginning with "*Provided*" on page 21, line 14, through "System" on line 19; beginning with "*Provided further*" on page 21, line 25, through "horses" on page 22, line 3; beginning on page 22, line 24, through "purposes" on page 23, line 4; beginning on page 49, line 20, through page 50, line 4; beginning on page 59, line 18, through line 23; and beginning on page 96, line 20, through page 97, line 3. Where points of order are waived against only part of a paragraph, a point of order against matter in the balance of the paragraph may be applied only within the balance of the paragraph and not against the entire paragraph. The amendment printed in part 1 of the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole and shall be considered as part of the original bill for the purpose of further amendment under the five-minute rule. The amendments printed in part 2 of the report shall be considered as adopted in the House and in the Committee of the Whole. All points of order against the amendments printed in part 3 of the report are waived. Each such amendment and any amendments thereto shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent.

SEC. 2. House Resolution 506 is hereby laid on the table.

The SPEAKER pro tempore (Mrs. SCHROEDER). The gentleman from Tennessee [Mr. GORDON] is recognized for 1 hour.

Mr. GORDON. Madam Speaker, during consideration of this resolution, all time yielded is for the purpose of debate only. At this time I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from California [Mr. DRIER], and pending that, I yield myself such time as I may consume.

Madam Speaker, House Resolution 517 waives all points of order against consideration of H.R. 5503, the Interior and related agencies appropriations bill for fiscal year 1993.

During consideration of the underlying bill, all points of order against the bill for failure to comply with clause 2 of rule XXI are waived with the exception of the provisions which are specified by page and line number in the rule. Clause 2 of rule XXI prohibits unauthorized appropriations or legislative provisions in general appropriations bills, and restricts the offering of limiting amendments to the bill.

Where points of order are waived against only part of a paragraph, a point of order against subject matter in the balance of the paragraph may be applied only within the balance of the paragraph, and not against the entirety of the paragraph.

The amendment contained in part 1 of the report of the Committee on

Rules shall be considered as adopted in the House and the Committee of the Whole and shall be considered as part of the original bill for the purpose of further amendment.

The amendments in part 23 of the report of the Committee on Rules shall be considered as adopted in the House and the Committee of the Whole. These amendments make certain accounts under the headings of the Bureau of Land Management and the National Park Service subject to future authorization.

The rule waives all points of order against the amendments printed in part 3 of the report to be offered by Representatives YATES of Illinois and Representative DE LA GARZA of Texas or their designees.

Debate on the Yates amendment, and all amendments thereto, is limited to 30 minutes. Debate on the de la Garza amendment, and all amendments thereto, is limited to 40 minutes.

Debate time on both amendments shall be equally divided between the proponent and opponent.

Finally, the rule lays House Resolution 506 on the table. House Resolution 506 is the first rule reported allowing consideration of this bill.

Madam Speaker, I would like to commend Chairman YATES and the Interior Subcommittee members for once again bringing a very difficult piece of legislation to the floor. Chairman YATES and his subcommittee held 33 days of hearings and received testimony from over 800 witnesses which is recorded on over 14,000 pages.

H.R. 5503, is the product of hard work, careful consideration and a mastery of the issues surrounding many diverse and intricate subjects.

The Interior appropriations bill funds programs and initiatives which range from alternative fuels research to national park and battlefield preservation to energy conservation to managing our Nation's forests and streams to funding programs for native Americans. This bill is truly diverse and has jurisdiction over many of today's most dynamic issues and Federal agencies.

I would like to once again congratulate Chairman YATES and ranking Republican RALPH REGULA for their efforts.

Mr. DREIER of California. Madam Speaker, I yield myself such time as I may consume

Madam Speaker, I thank the gentleman for yielding to me.

Madam Speaker, this rule makes a mockery of clause 2, rule XXI, which prohibits unauthorized appropriations or legislative provisions in an appropriations bill.

The irony is that while the Democrats in the Rules Committee voted to waive points of order against various provisions and amendments, they failed to do so for one of the most important items we could address here, the Solomon amendment to provide line-item rescission authority for all fiscal year 1993 appropriation bills.

□ 1030

Madam Speaker, the position taken by my Democratic colleagues on the Committee on Rules tragically is in direct opposition to the position taken by their Presidential nominee, who earlier said, and I quote—

> I strongly support the line-item veto because I think it is one of the most powerful weapons we could use in our fight against out-of-control deficit spending.

One of the most powerful weapons we could use in our fight against out-of-control deficit spending—something we all want to address, based on the words I have heard from both sides.

Madam Speaker, my colleagues on both sides of the aisle will have a chance to support that position taken by both Presidential candidates by voting to defeat the previous question on this rule. By doing so, we would allow our very industrious colleague, the gentleman from New York [Mr. SOLOMON], the ranking member of the Committee on Rules, an opportunity to offer his amendment to provide the President with line-item rescission authority. That authority would be granted only for fiscal year 1993 appropriations bills.

This amendment would help the President take aim at programs that are appropriated without authorization and to veto part or all of the funds for programs deemed wasteful.

Examples in the Interior appropriations bill might include the additional $170 million for low-priority Bureau of Indian Affairs programs, continuation of the Outer Continental Shelf oil and gas leasing moratoria, the proposed increase in grazing fees, and the refusal to lease the Elk Hills oilfield to private industry.

Of course, under the Solomon amendment, Congress would have the opportunity to overturn these rescissions with majority votes in the House and Senate.

Madam Speaker, we have been studying and debating the merits of the line-item veto and enhanced rescission authority for more than a decade. The recent package of rescissions passed by Congress proved that this tool can be effective in weeding out unnecessary spending and improving budgetary discipline. It is supported by both Presidential candidates, supported by the leadership in both parties, and there is no reason to wait.

Madam Speaker, I urge my colleagues to vote to defeat the previous question in order to make the Solomon amendment in order for consideration.

Madam Speaker, I reserve the balance of my time.

Mr. GORDON. Madam Speaker, for purposes of debate only, I yield 4 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Madam Speaker, I thank the gentleman for yielding this time to me.

Naturally, I will support the rule and support the bill. Chairman YATES and ranking member REGULA have done a fine job on the bill. I do have a modest piece of language for the bill, and I am glad to see that it will be accepted.

I think that today Congress should be looking at a few things, hearing the news of plants closing and continuing to move overseas. Most Members agree that we cannot cut taxes, we cannot cut spending enough either, to handle this great debt.

Everybody is saying the only way we are going to come out of this is to have more jobs, more people paying taxes to alleviate this problem.

Madam Speaker, where are the incentives to do that? And what are we doing in America to make it happen?

If Americans do not buy American products, American companies will not make those products. In fact, if they will make those products, they will move offshore to do so.

We are in a tremendous cycle, and Congress is not doing enough to get the American people energized toward buying American-manufactured durable goods.

I think that every appropriation bill in the House should have at least incentive, or some encouragement, to the American people to at least remind them of their participatory effort in our economy. If Americans are not buying American-made goods, where you work you are not going to work there much longer.

Madam Speaker, I think Congress would be wise to pass a 7-percent incentive consumer tax credit up to $1,000 limit yearly for any manufacturer of durable goods. If they buy an American-made car, let them write off the interest and the car note and the sales tax.

Madam Speaker, if we do not incentivize folks, we are not going to have much of an economy left. I just take these few minutes to thank both the respective minority and majority parties here for being receptive to my modest language.

Mr. DREIER of California. Madam Speaker, I am happy to yield 6 minutes to the distinguished ranking Republican on the Committee on Rules, the hardworking Member from Glens Falls, the gentleman from New York [Mr. SOLOMON], who is struggling on behalf of the line-item veto.

Mr. SOLOMON. I thank the gentleman for his kind remarks and for yielding this time to me.

Madam Speaker, first of all let me say to Chairman YATES and the ranking member, Mr. REGULA, how much I appreciate the fine work they do. The fact that we are pushing this line-item veto amendment has nothing to do with their efforts. It should not be understood as a criticism of their efforts.

Let me say that I am pleased to join with my colleague, the gentleman from California [Mr. DREIER], in urging defeat of the previous question on this rule so that we can offer a line-item veto rescission authority amendment.

Madam Speaker, the amendment that the gentleman from California [Mr. DREIER] and I wish to offer was printed in yesterday's CONGRESSIONAL RECORD and is identical to the one that I attempted to offer last March, when the so-called firewalls bill was under consideration for a rule.

Madam Speaker and my colleagues, this line-item veto rescission authority amendment is also nearly identical to H.R. 78, introduced by Representative JIMMY DUNCAN of Tennessee back on January 3, 1991. The only difference is that while his bill would give the President this authority on a permanent basis, my amendment would give such authority only for appropriation bills in fiscal year 1993.

Let us try it on a 1-year trial basis, and if it works, we can then extend it. Madam Speaker, the Duncan bill has over 120 House cosponsors; and by our count over 170 House Members have either sponsored or cosponsored line-item veto constitutional amendments or legislative approaches.

Moreover, and as my colleagues are aware, the Democratic candidates for President and Vice President came out yesterday in support of the line-item veto. I welcome their belated support.

I also welcome the support of Speaker FOLEY for the line-item veto.

Madam Speaker, it was reported yesterday that the Speaker has promised to move such legislation next year. Next year? Mr. Speaker, why wait? If it is a good idea now, then we should enact it now and not wait for another fiscal year to work on it. I cannot believe the Speaker meant to imply that somehow the Congress is being fiscally responsible this year but that he expects Congress to be fiscally irresponsible next year.

Are we kidding? Congress has been fiscally irresponsible for the last 40 years. That is how we got into the mess we are in today.

Madam Speaker, when the gentlemen from California [Mr. DREIER] and I offered this amendment in the Committee on Rules yesterday, it was rejected on a party-line vote. It was explained to us that we should not clear such an amendment for House consideration until the committees of jurisdiction have had a chance to study and report on it. Committees of jurisdiction? Never mind that the Interior appropriations bill that is the subject of this rule is chock full of legislative provisions and unauthorized provisions that have not been reported by the proper committees of jurisdiction.

So what kind of a lame excuse is that?

The fact is that this approach has been languishing in the Committee on Rules, that Mr. DREIER and I serve on, and in the Committee on Government Operations for over 18 months now, with not a hint of action. And I can guarantee you there is not going to be any action on it at the Committee level.

Madam Speaker, the time has come for this House to take the action that our committees refuse to take. The American people are demanding that we take action to get our budget back under control. There can be no more lame excuses for inaction.

Madam Speaker, according to a General Accounting Office report released last January, if the President had had the line-item veto from fiscal years 1984 through 1989, just 5 years, we could have reduced the deficit by up to $70 billion.

Now, I know that $70 billion seems like chicken feed around here, but I am going to tell you something. The people that I have the privilege of representing think that $70 billion—that is a thousand million dollars 70 times—is a lot of money.

Madam Speaker, under the amendment that the gentleman from California [Mr. DREIER] and I will be offering, that we intend to offer if we succeed in defeating the previous question on this rule, the President would have 20 days after the enactment of any appropriation bill to send up a special rescission message for any item in that bill, any line item. Congress would then have 20 days in which to pass a resolution of disapproval by simple majority vote.

□ 1040

I say to my colleagues, "If you didn't like the President's line-item veto, just bring it back to the House, and by a simple majority vote disapprove it. If the disapproval resolution subsequently becomes law, the spending would go forward. If not, the money could not be spent."

Madam Speaker, we cannot wait another year to give the President this valuable and vital authority.

Madam Speaker, I challenge my Democratic colleagues to join with their candidate, Mr. Clinton, who now supports President Bush's longstanding request for a line item veto. I think, if Mr. GORE can support it, if Mr. Clinton can support it, certainly President Bush and Vice President QUAYLE have supported it for the last 4 years, that now is the time to do it. If it is good for the next year, it is good for this year.

Madam Speaker, I urge Members to come over to the floor and defeat the previous question, and we will, once and for all, put to rest this business of who is for a line item veto and who is not. I say to my colleagues, "Now is the time to put your money where your mouth is and come over here to vote for a line item veto." I thank the gentleman from California [Mr. DREIER] for having yielded this time to me.

Mr. GORDON. Madam Speaker, I yield myself such time as I may consume.

As usual, my friend, the gentleman from New York [Mr. SOLOMON] starts off with a very good premise, a premise that we all agree with, but, along the way, he seems to lose his way. He says, "Give the President the line-item veto so that he has the authority to deal with the deficit." Well, Madam Speaker, I would ask that the President simply give us a balanced budget.

Madam Speaker, neither President Bush nor President Reagan has ever presented a balanced budget to this Congress. That is the place to start. That is where the process start. Every year they give us a budget that is not in balance, and every year the Congress reduces it and reduces it and provides a budget that is under the President's authority. Every year Congress says to the President, "Please, if there are some items to take out, give them to us," and I think this year he finally did, of which the Congress passed many of them.

So, Madam Speaker, I think that is where we need to begin, but let us get back to the point at hand and talk about the real world, not just try to position, not try to posture, but talk about what the real world is here.

Madam Speaker, I would like to point out that it would not be in order to amend the rule to make in order the line-item veto amendment being discussed. The amendment would not be germane to the underlying bill, H.R. 5503, and under the rules of the House it is not in order to amend a rule to allow the offering of an amendment that would otherwise not be germane.

The precedents of the House, including the ruling of the Chair of August 13, 1982, are very clear on this question. One cannot accomplish by indirect means that which may not be achieved by direct means. Madam Speaker, the line-item veto amendment would not be germane to the underlying bill because the bill simply funds various programs and activities of the Department of Interior and related agencies, and it does not provide the Executive authority to make selected cuts, nor does it include rule changes, as does the amendment.

In conclusion, Madam Speaker, the effort to defeat the previous question is a vain attempt. The line-item veto, whatever its merits, is not germane, and it will not be in order to amend the rule to make it in order.

Mr. SOLOMON. Madam Speaker, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from New York.

Mr. SOLOMON. Madam Speaker, I thank the gentleman from Tennessee [Mr. GORDON] for his criticism of the so-called line-item veto. But let me just point out that I have heard people like him, the gentleman from Tennessee, who I have great respect for—as the gentleman knows, and he is a good friend—but I have heard people like him stand up on this floor and say, "President Reagan never offered a balanced budget," and, "President Bush never offered a balanced budget." As my colleague knows, to get down to a balanced budget, we have to work down to it gradually. Let me just cite someone who I think the gentleman has great respect for. What is his name? It is Bill Clinton. He is the Democratic nominee for President.

Madam Speaker, the Clinton plan, his platform, calls for a balanced budget in 5 years by working toward it incrementally. That is the same thing that President Reagan presented to this House year, after year, after year for 8 years. But on the Democrat side of the aisle they said, "It's dead on arrival, dead on arrival."

This Member voted for the budgets that President Bush sent here, that President Reagan sent, and I also voted for the balanced budget that the gentleman from California [Mr. DANNEMEYER] brought here. Let me just read something to my colleagues, something that kind of aggravates them. Just the other day I was back home, and one of my constituents brought in this scorecard from the National Taxpayers Union. On one side of the page it says "Taxpayers Friends," and it lists them; and there are only a few of us listed there. On the other side, in smaller type, are lists of dozens and dozens of the biggest spenders in the Congress, led off by Senator AL GORE, the biggest spender in the entire Senate.

Madam Speaker, I just might point this out because I get a little irritated. We had a party-line vote upstairs in the Committee on Rules yesterday with all Democrats voting against making this amendment in order and all Republicans voting for making it in order. Of the nine Democrats up there on the Rules Committee, eight of their names appear on this big-spenders list. So it is no wonder that we Republican do not get a chance to offer this kind of amendment.

I just say to the gentleman that we waive points of order upstairs in the Committee on Rules. We break the rules of the House legally every single legislative day. As a matter of fact, at least 50 percent of all of the rules that come to this floor waive points of order against amendments.

I say to my colleagues, "Come on. Let's tell it like it is. Let's defeat this previous question, and we'll have a line-item veto once and for all."

Mr. GORDON. Reclaiming my time, Madam Speaker, the gentleman knows that we do not waive, or in this bill no germaneness is waived, against the original bill.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from Minnesota.

Mr. VENTO. Madam Speaker, I thank the gentleman from Tennessee [Mr. GORDON] for yielding on this because I think the issue of proposing budgets is very important. The budget is a three-step process: the President proposes, the Congress then analyzes those proposals and passes them, the President signs them, and for the last 12 years, as far as I can recall, none of those measures have become law without President Reagan or Bush's signature, and the fact is we have got the proposal from President Bush, and President Bush's proposal for the next 5 years calls for $1.3 trillion more in debt.

My colleagues know the process does work here. Congress over the history of recessions action has, in fact, acted to rescind more money than has been requested to be rescinded by the President since the budget process began in the mid-1970's. In fact, this year some $310 million more was rescinded by Congress in spending over what President Bush recommended.

Now we did not cut the same things. The President asked us to cut low bush blueberry spending. He asked us to cut asparagus spending. He asked to cut prickly pear cactus spending. Now I know the President has the fetish with broccoli. I did not know it extended to other types of plants and vegetables, and, Madam Speaker, I would just point out to my colleagues that the system does work and the Congress has exceeded the President's, both Democrat and Republican Presidents, requested recessions with regard to, for instance, discretionary spending, the areas that count. In fact, tens of billions of dollars less have been spent than the President requested in terms of discretionary spending appropriation over the last 4 years.

So, the budget system works. We might not like the conclusion the bottom line, but the fact of the matter is the problem is not at this end of Pennsylvania Avenue. It is at the other in that we do not have leadership, and that is what we are talking about in this election year 1992.

And perhaps we should talk about it outside this Chamber when we are vying for votes, not necessarily when we are trying to get our business done.

Mr. DREIER of California. Madam Speaker, I yield myself such time as I may consume to say that I find it fascinating that every speaker so far against this issue is listed among the "Biggest Spenders" and this is not a list manufactured by the gentleman from New York [Mr. SOLOMON], it was put out by the National Taxpayers Union.

Mr. GORDON. Madam Speaker, will the gentleman yield?

Mr. DREIER of California. I yield to the gentleman from Tennessee.

Mr. GORDON. Madam Speaker, does the gentleman agree with all of their recommended cuts?

Mr. DREIER of California. I am not standing here in support of every proposed cut.

Mr. GORDON. But the gentleman is standing there defending that. I am just asking, Do you agree with the National Taxpayers when they want to cut veterans benefits? When they want to cut Social Security? A variety of other cuts.

Mr. DREIER of California. Reclaiming my time, Madam Speaker, let me just say I am listed as "Taxpayers Friends", and obviously I do not vote with them every single time, but an overwhelming majority of the time I do support what it is that the National Taxpayers Union is saying. Everyone that has spoken here against the line item veto the gentleman from Minnesota [Mr. VENTO], the gentleman from Tennessee [Mr. GORTON] and others, obviously are opposed to what the National Taxpayers Union has tried to do an overwhelming majority of the times.

Madam Speaker, I yield 4 minutes to my very good friend the gentleman from Wyoming [Mr. THOMAS].

□ 1050

Mr. THOMAS of Wyoming. Madam Speaker, I rise to talk about a little different matter. I do not rise to talk about the coming election, which will be unique for today, nor do I rise to talk about the Rules Committee but, rather, as a Member who deals with this, seeking to do something with the budget.

I want to talk a little bit about the concept of making or changing statutory law in the appropriations bill. It seems to me that is the wrong thing to do. I come from my State legislative body where we have more of an opportunity to deal with the issues individually rather than packaging these things together and not having an opportunity to reach in and deal with those kinds of things specifically. I think that is a problem. I think it is a frustration for us. We either have to vote for a package or we do not vote at all, the classic one being the Lawrence Welk thing. No one would have voted for that individually, or very few. I understand some Members might have, but most of us would not. But we had a package, and I think that is wrong.

Some time ago, I took the occasion to talk about how we might change the rules. It is a little presumptuous, I suppose, to talk about changing the rules in this place. So I went to the Rules Committee, the staff of the committee particularly, and I said, "How might we do this?"

Really the answer was: "We don't need to change the rules. You simply have to live with the rules we have."

We do not do that very much. I am talking about the role of the authorizing committee. I happen to be on the gentleman's committee. That is what it is for, it seems to me, to make the policy, but not in the appropriations process.

Furthermore, it is pretty frustrating for most of us who are not on the Rules Committee, and so on, with the inconsistency of the thing. It is all right to waive it in one case, it is all right to make statutory law in one case, but it is not in the other. That is a pretty tough thing to figure. So I just want to share that kind of thinking with the Members.

I am specifically talking about the cost of collecting mineral royalties. That affects many of us in the West very deeply. The law specifically says those administrative costs will not be charged to the States, and yet we find them charged here without an opportunity to raise that point of order.

So, Madam Speaker, I simply rise to express that frustration and basically to oppose this kind of operation. I rise, too, to favor very much the line item veto. That means that somebody can reach into the package and take out pieces of it. We can still override, and that is the way it works. Again, where I come from, in my State legislature, and where many of you have served, in your State legislatures, we used that system, and it works very well.

So I rise in opposition to the rule for that concept, that we are making statutory law here, and I think that is the wrong thing to do.

Mr. REGULA. Madam Speaker, will the gentleman yield?

Mr. THOMAS of Wyoming. I am glad to yield to the gentleman from Ohio.

Mr. REGULA. Madam Speaker, how long did the gentleman wait in the legislature for the committee to act? I have been in the State legislature, too, and normally you get some action on authorizing or dealing with basic law. But the problem we confront here is that nothing happens, and in the meantime severe damage can be done, such as the granting of patents which we, the U.S. Government, can be required to buy back at great cost.

Mr. THOMAS of Wyoming. Madam Speaker, I understand what the gentleman is saying, but because the results of the system do not happen to fit your views, I do not think we should toss out the system. The gentleman is saying, I guess, that the authorizing committees are not adequately doing their job. That may be the case. We ought to fix that. We ought not to take away that authority and give it to somebody else and go around it when we choose to. If we want to get rid of the authorizing committees, let us do it; we will give it all to the appropriations. If we do not, we ought to be consistent and either do it or not do it.

Mr. REGULA. Madam Speaker, will the gentleman yield?

Mr. THOMAS of Wyoming. Certainly, I yield to the gentleman from Ohio.

Mr. REGULA. Madam Speaker, just to make the record clear, I did not say we should get rid of the authorizing committees, but I do think that we should act promptly on these very important policy issues, that is, grazing and mining. Since 1872 nothing of great significance has changed in the Mining Act.

Mr. THOMAS of Wyoming. Madam Speaker, that is not the case. The mining yield has been changed 40 times.

Mr. GORDON. Madam Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I thank the gentleman for yielding time to me.

I think that since a National Taxpayers Union paper has come up, we ought to comment that this may not really deal with any actual votes on the House floor. Rather what this rating deals with is the sponsorship of various measures. So it really is dealing perspectively with what Members of Congress are for. I analyzed that because I found I was 57th on the list, and other Members that I thought were very rational people had high ratings that suggested we are big spenders. But I found that 90 percent of that taxpayer union rating was dependent upon my sponsorship of an American health care plan. So 90 percent of my rating was based on the fact that I had sponsored that particular legislation, a plan for comprehensive American health care for our Nation.

Mr. DREIER of California. Madam Speaker, will the gentleman yield for a clarification of that point?

Mr. VENTO. I will not yield at this time.

I think that people should understand that. Those of us who believe in the fact that we have a health care system that is imploding, that does not serve the people of this country, that is a most expensive health care system, one that is really adversely affecting our National economy, that many Americans believe should be changed, and the congressional sponsorship of that should not be considered negative.

I think that those Members of Congress who are using these surveys and ratings ought to understand what the basis of the analysis of such ratings is because I do not think that it represents sound judgment. This does not deal, at least the record I'm speaking of does not deal with actual votes; it dealt with the sponsorship of various measures.

Mr. DREIER of California. Madam Speaker, I yield myself such time as I may consume just to clarify the gentleman's statement, and I would be happy to yield to him for a response.

The National Taxpayers Union does in fact do an analysis of bills which Members have cosponsored, but the analysis which we have right here, the one to which the gentleman from New York [Mr. SOLOMON] referred and to which I have been pointing to, analyzes the votes that Members of this House cast. It is specifically on votes. It has nothing to do with bills that are cosponsored.

Madam Speaker, I yield 6 minutes to my friend, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Madam Speaker, I thank the gentleman for yielding time to me.

We have had an interesting discussion here. We are going to have an interesting discussion between now and November, not only on this floor and not only across the country but probably in every congressional district, and one of the things we are going to hear from congressional candidates on both sides of the aisle is how much they favor the idea of a line-item veto to begin to get spending under control.

The problem is that every time we want to raise the issue of a line-item veto on the floor of the House, there is always an excuse as to why it cannot come up here and why we cannot vote for it at this time. Last night on an authorization bill, I offered a little amendment. It was a simple amendment that only applied to the money that was in the bill that was before us. And what was the excuse last night?

First of all, we heard from the chairman of the subcommittee who said, 'Well, we didn't have notice of this, so therefore you can't vote for this because there was no notice." Despite the fact that this was language that had been considered in the House on several occasions before, there was no notice and so, therefore, we could not vote for it here.

Then we had some people come over and discuss it with me. They said:

> Well, you can't do this on authorizing bills. What we ought to do is do it on appropriating bills where you are actually spending the money, because then we would really be focusing the line item veto where it should be focused.

Then a few other people came, and their excuse at that point was: "Well, we ought to have a majority able to override this, not two-thirds, so we can't do this."

Well, let me say this to the Members: On this one we have notice. The gentleman from New York [Mr. SOLOMON] offered this before the Rules Committee yesterday, and we gave Members plenty of notice. It was discussed on the floor that this was coming, and so Members had notice. They now know what is in it. The gentleman from New York has explained it to the Members.

This is an appropriating bill, not an authorizing bill, that we are seeking to amend with the line-item veto, and it applies to all appropriation bills. So there is no excuse now. This is on real spending, and this is a majority vote to override, not a two-thirds vote. So anybody who had a problem on that should know that any excuse from last night is gone.

Mr. GORDON. Madam Speaker, will the gentleman yield?

Mr. WALKER. Sure, I yield to the gentleman from Tennessee.

Mr. GORDON. Madam Speaker, yesterday I asked my friend, the gentleman from New York, if it was a majority or two-thirds. He said it was two-thirds. Has that been changed?

Mr. WALKER. Madam Speaker, the gentleman explained that on the floor a few minutes ago. If you had listened to the gentleman, he said that a majority would override.

Mr. SOLOMON. Madam Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New York.

Mr. SOLOMON. Madam Speaker, it would take a majority vote, a simple majority vote to disapprove the President's veto message. But if the President then chose to veto that resolution of disapproval, it would fall under the regular rules governing the overriding of Presidential vetoes.

Mr. GORDON. So that would be two-thirds?

Mr. WALKER. Yes. The gentleman a few minutes ago quoted these wonderful rules of the House to prevent the vote from coming to the floor, and now he wants to use the rules of the House the other way. This is fascinating, because that is the latest excuse we have. Yesterday we had all the excuses as to why we could not take it up yesterday, and now we hear all the excuses as to why we cannot take it up today.

□ 1100

Now, understand, what we heard already in the debate was that there are procedural arguments that you cannot bring this up.

Now, this comes from the same committee that just a few days ago welched on a deal with the President of the United States and brought to the floor a rule that basically broke their deal with the President of the United States, and not only broke with the rules of the House, but broke with law. I mean, we overrode law in a rule the other day.

Now we come to the floor when we want to take up the line-item veto and what are we told? On, no, there are sacred things. I mean, there are sacred precedents in the House that we simply cannot do anything about.

Oh, my goodness. If we would break one of these sacred precedents, well, the whole world would come apart.

Come on, guys. The fact is that you can waive this rule, you can waive these precedents, you can do whatever it is you want to do.

What you do not want to do at this point is allow an amendment on the floor that speaks to the line-item veto, despite the fact that your Presidential candidate, Mr. Clinton, says in his economic program it would save $10 billion. And at the same Democratic Convention when we were all lined up to tell the American people what we really stood for, at your convention, oh, it was a wonderful idea there. But when it comes to the practical idea of actually doing something about it on the floor, oh, no, we have got sacred precedents that do not allow us to do those kinds of things here.

We are going to have a supplemental appropriation come to the floor later on this week. In there they want to legislate with regard to Davis-Bacon. There is going to be a legislative provision.

My guess is that the Committee on Rules is going to waive the sacred precedents of the House and allow the Committee on Appropriations to do a job of legislating in an appropriations bill, despite the precedents of the House, despite the rule, despite the law.

So we will reverse field. When it comes to taking care of big labor, we will find a way to do that come Thursday or Friday on the floor. But we cannot do it for the line-item veto. There is always an excuse.

Now, if you are tired of the excuses and you are tired of the double standards on these things, the way to correct it is to vote with the Solomon amendment. What you have to do there first is defeat the previous question. Once we defeat the previous question, the Solomon amendment will come to the floor and we can debate that. But let us at least give the gentleman from New York [Mr. SOLOMON] his opportunity to try to get the line-item veto to the floor. We will see then where people stand on that. We will find out who is who and what is what on the line-item veto.

Madam Speaker, it deserves its chance. Vote no on the previous question.

Mr. DREIER of California. Madam Speaker, I yield 3 minutes to my good friend, the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Madam Speaker, I rise in strong opposition to the rule for the Interior and related agencies appropriations bill because it protects from challenge on points of order many provisions which constitute legislation within an appropriations measure.

I remind my colleagues that I serve on both the full Appropriations Committee and the Interior and Insular Affairs Committee. I do not relish the idea of opposing Chairman YATES' request for this rule. I understand the pressures he is under to find revenue to fund his proposed outlays.

Nevertheless, I must raise an objection to the continuing practice of ignoring the clear rule of this body—thou shalt not change existing law within general appropriations bills.

Madam Speaker, we selectively ignore this rule, generally when it fits the purposes of the other side of the aisle. Why do we continue the fiction that authorizing committees must act on programs within their jurisdictions if the Rules Committee insulates provision after provision from challenge under clause 2, rule XXI.

H.R. 5503 amends existing law with respect to mining hardrock minerals on the public lands and also changes the manner in which receipts under the Mineral Leasing Act are shared with the States. The $100 annual holding fee, which is really a tax, on each mining claim of record, and the deduction of Mineral Leasing Act administrative cost prior to the division of royalty payments with the States nets the subcommittee chairman over $135 million, by my count. This is not chickenfeed, but it is contrary to existing authority.

Also in direct violation of House rules is section 312, which would rewrite the grazing formula to raise the grazing fee nearly threefold.

It is unfortunate that the proponents of increased grazing fees have, once again, chosen this annual appropriations bill as their battle ground. Both the Senate and House authorizing committees have held hearings on the matter. If the proponents' case is so strong, why don't they bring their argument to the proper forum?

Section 312 is nothing short of harassment. I am sure we will hear much more about this later today.

Let me say that there are some good elements to this bill. The Forest Service may negotiate sales of Pacific yew at not less than appraised value to parties manufacturing taxol, the most promising drug to date for fighting ovarian and breast cancers.

This language will clarify any ambiguity which may have existed regarding the Forest Service's ability to expedite sales to the drug manufacturers—an important consideration in the race against time.

However, because of the blatant violations of House rules and the severe impacts a number of these provisions would have on Western economies, I urge my colleagues to vote against the rule.

Mr. DREIER of California. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, we have been going through this argument on the line-item veto, and I would like to first once again reiterate the direct quote that was given by the Democratic Presidential nominee, Mr. Clinton. He said:

> I strongly support the line-item veto because I think it is one of the most powerful weapons we could use in our fight against out of control deficit spending.

Madam Speaker, there was talk in the Committee on Rules yesterday about why we had not actually addressed this issue, and our good friend from South Carolina, the deputy whip, the gentleman from South Carolina [Mr. DERRICK], said that he is a cosponsor of the line-item veto. The gentleman believes that we should consider it, but we should not rush into implementation of this. We should allow the committees of jurisdiction to actually hold hearings and ruminate over this thing before it is actually implemented.

Well, Madam Speaker, I would like to submit to the RECORD the legislative summary of the Line-Item Veto Act. It shows that on March 4, 1991, 16 months ago, the line-item veto bill was referred to the Subcommittee on the Legislative Process. The chairman of that subcommittee is the distinguished gentleman from South Carolina [Mr. DERRICK]. The gentleman has had 16 months to consider the line-item veto, and yet, to my knowledge, there has not been a single hearing, no consideration of it whatsoever. And the gentleman is a cosponsor of the measure.

LEGISLATIVE SUMMARY OF THE LINE-ITEM VETO ACT

Brief title, Legislative Line-Item Veto Act of 1991.

Sponsor, Duncan.

Date introduced, January 3, 1991.

House committee, Government Operations and Rules.

Official title, A bill to grant the power to the President to reduce budget authority.

Related bills, House Designation H.R. 28 (Identical).

Co-sponsors, 123 current cosponsors.

Jan. 3, 91—Referred to House Committee on Government Operations.

Feb. 19, 91—Referred to Subcommittee on Legislation and National Security.

Jan. 3, 91—Referred to House Committee on Rules.

Mar. 4, 91—Referred to Subcommittee on the Legislative Process.

123 CURRENT COSPONSORS

Feb. 5, 91—Burton, Hastert, Penny, Sundquist, Holloway, Bennett, Petri, Weber, Bunning.

Feb. 6, 91—Lightfoot, Wilson, Smith (TX), Herger, Fields, Rhodes, Ramstad, Vander Jagt, Baker.

Feb. 19, 91—Rogers, Klug, Ros-Lehtinen, Goss, Zimmer, Parker, Ravenel, Coughlin, Bustamante, Thomas (WY), Luken, Lancaster, Roberts, Walsh, Coble, Gilchrest, Santorum.

Feb. 20, 91—Hunter, Tallon, Taylor (NC), Schiff.

Feb. 21, 91—DeLay, Livingston, Gallegly.

Feb. 26, 91—Vucanovich, Bacchus, Cox (CA).

Feb. 27, 91—Meyers, Bilbray, Bereuter, Dannemeyer, Doolittle, Moorhead.

Feb. 28, 91—Cunningham, Blaz, Stearns.

Mar. 5, 91—Franks (CT), Fawell, Inhofe, Camp.

Mar. 12, 91—Shays, Nussle, Packard, Lagomarsino, Emerson.

Mar. 21, 91—Boehner, Kolbe, Lewis (FL), Zeliff, Quillen, Lent, Spence.

Mar. 22, 91—Solomon.

Apr. 9, 91—Barrett, Smith (NJ), Johnson (CT), Hansen, Riggs, McCrery, Nichols, Chandler, Derrick, Hyde, Hall (TX), Poshard.

Apr. 10, 91—Hancock, Kyl, Bateman.

Apr. 11, 91—Paxton, Hefley.

Apr. 17, 91—Gekas, Upton, Miller (OH), Grandy.

Apr. 24, 91—Saxton, Miller (WA).

Apr. 30, 91—Sensenbrenner.

May 8, 91—Ballenger, Gallo, Fish, Stump, James.

May 9, 91—Barton.

May 14, 91—Ritter.

Sep. 12, 91—Condit.

Sep. 17, 91—McCandless.

Oct. 9, 92—Swett.

Oct. 24, 92—Lowery (CA).

Jan. 28, 92—Walker.

Feb. 4. 92—Smith (OR).

Feb. 26. 92—Bliley.

Feb. 27, 92—Weldon.

Mar. 2, 92—Hobson, Ewing, Dreier.

Mar. 3, 92—Allen.

Mar. 4, 92—Gillmor, Rohrabacher.

Mar 5. 92—Archer, Armey.

Mar. 10, 92—Johnson (TX).

Mar. 17, 92—McGrath, Wylie.

Apr. 28, 92—Campbell (CA).

May 19, 92—Marlenee.

So I would say over the last 16 months it would seem to me that a cosponsor of the bill might, just might, have wanted to hold a hearing or look into implementation of a line-item veto, which seems to be a priority of the Democratic Presidential nominee, and certainly is something that both Ronald Reagan and George Bush have argued in support of for many years.

Madam Speaker, I first ran for Congress for a very important reason. I was convinced that from analyzing the voting record of my opponent he would say one thing in California, support the line-item veto, support cuts in spending, support strong national defense, and other items, and then would come to Washington and vote the opposite.

I say that because tragically there still seems to be many Members of Congress here who do the exact same thing. They go to their districts and say, "I am a strong supporter of the line-item veto and will do everything that I can to see that it is implemented." They will show a list stating that they are a cosponsor of the measure. Then they come to Washington, and when a chance is before them to vote in favor of the line item veto, which they argue vigorously on behalf of at home, they vote against it.

Well, Madam Speaker, I suspect that in just a few minutes we are going to have another one of those occurrences. We have a chance to allow for consideration of the line-item veto. I would say to anyone who may possibly be observing the proceedings here on the floor of the House, closely look at the vote that every Member casts on ordering the previous question, because that is the one vehicle that we have to consider the line-item veto.

□ 1110

Madam Speaker, I urge a no vote on the previous question so that we will have an opportunity to put the Solomon line-item veto measure in place.

Madam Speaker, I yield back the balance of my time.

Mr. GORDON. Madam Speaker, I yield myself such time as I may consume.

In conclusion, let me just set the record straight. I want to once again point out that it would not be in order to amend the rule to make in order the line item veto amendment being discussed. The amendment would not be germane to the underlying bill, H.R. 5503. And under the rules of the House, it is not in order to amend a rule to allow the offering of an amendment that would otherwise not be germane.

The precedents of the House are very clear on this question. One cannot accomplish by indirect means that which may not be achieved by direct means.

Mr. VENTO. Mr. Speaker, I want to clarify for the RECORD that the National Taxpayer's Union publishes different information for evaluating Members of Congress, one of which is based on cosponsorships of legislation. It comes from their own Congressional Budget Tracking System and purports to reveal the annualized costs of all bills cosponsored or sponsored by Members.

At best, the National Taxpayer's Union cosponsorship evaluation gives a sketchy idea of what programs cost. At worst, their evaluation of cosponsorships gives misleading information that ignores projected savings of legislative initiatives and in fact, appears to be aimed at thwarting congressional action on universal health care for Americans by projecting enormous costs without providing an estimate of both the economic savings and the human benefits. For example, over 93 percent of the alleged costs of legislation which I support are from the single-payer health care system that I and many of my constituents support. The NTU report ignores or chooses not to report the fact that this major initiative saves the taxpayer money in the long run and contains its own financing method.

Further, their simplified analysis does not take into account the consensus building of the legislative process; does not reflect actual spending; and does not consider what the cost of not taking action on the issues would be. In short, it is a less than adequate tool for evaluating Members of Congress.

While I would encourage voters to evaluate the legislative records of Members of Congress, I also encourage more than a selective use of facts isolated from the real problems facing people in the real world.

Mr. GORDON. Madam Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mrs. SCHROEDER). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DREIER of California. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

PARLIAMENTARY INQUIRY

Mr. YATES. Madam Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. YATES. Madam Speaker, is it in order to ask the Chair to call for a 5-minute vote for the final vote?

The SPEAKER pro tempore. There is no authority for the Chair to declare a 5-minute vote at this time on the question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 236, nays 171, not voting 27, as follows:

[Roll No. 290]

YEAS—236

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
Bacchus
Barnard
Beilenson
Berman
Bevill
Bilbray
Blackwell
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Campbell (CO)
Cardin
Carper
Carr
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Espy
Evans
Fascell
Fazio
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Gejdenson
Geren
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (MN)
Pickett
Pickle
Price
Rahall
Rangel
Reed
Richardson
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tanner
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Wheat
Whitten
Wise
Wolpe
Wyden
Yates
Yatron

NAYS—171

Allard
Allen
Barrett
Barton
Bateman
Bennett
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Broomfield
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Condit
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Erdreich
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gaydos
Gekas
Gilchrest
Gillmor
Gilman
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hall (TX)
Hammerschmidt
Archer
Armey
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hunter
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lehman (CA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Oxley
Parker
Paxon
Petri
Baker
Ballenger
Porter
Poshard
Pursell
Quillen
Ramstad
Ravenel
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Wilson
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—27

Alexander
AuCoin
Byron
Chapman
Coughlin
Cox (CA)
DeFazio
Emerson
Feighan
Ford (TN)
Gephardt
Gingrich
Hatcher
Hyde
Jones (GA)
Kolter
Lipinski
Lowery (CA)
Packard
Perkins
Peterson (FL)
Ray
Russo
Tallon
Towns
Traxler
Williams

☐ 1139

The Clerk announced the following pair:

On the vote:

Mr. Towns for, with Mr. Emerson against.

Messrs. CONDIT, GILMAN, DAVIS, HORTON, BOEHLERT, and WILSON changed their vote from "yea" to "nay."

Mr. DOOLEY changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mrs. SCHROEDER). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DREIER of California. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 255, noes 154, not voting 25, as follows:

[Roll No. 291]

AYES—255

Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Barnard
Beilenson
Bennett
Berman
Bevill
Bilbray
Blackwell
Boehlert
Bonior
Borski
Boucher
Boxer
Browder
Brown
Bruce
Bryant
Bustamante
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gejdenson
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (MN)
Pickett
Pickle
Poshard
Price
Quillen
Rahall
Rangel
Reed
Regula
Richardson
Roe
Roemer
Rose
Rostenkowski
Rowland
Roybal
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tanner
Tauzin
Thomas (GA)
Thornton
Torres
Torricelli
Traficant
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NOES—154

Abercrombie
Allard
Allen
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehner
Broomfield
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Crane
Cunningham
Dannemeyer
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Goodling
Goss
Gradison
Grandy
Gunderson
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hunter
Inhofe
Ireland
Jacobs
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Marlenee
Martin
McCandless
McCollum
McCrery
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Oxley
Packard
Paxon
Petri
Porter
Pursell
Ramstad
Ravenel
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—25

Brewster
Brooks
Byron
Coughlin
Cox (CA)
Durbin
Emerson
Feighan
Gaydos
Gephardt
Gingrich
Hatcher
Hyde
Jones (GA)
Lowery (CA)
Miller (CA)
Perkins
Peterson (FL)
Ray
Russo
Slattery
Tallon
Taylor (MS)
Towns
Traxler

□ 1151

The Clerk announced the following pair:

On this vote:

Mr. Towns for, with Mr. Emerson against.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PRIVILEGES OF THE HOUSE—RESOLUTION DIRECTING COMMITTEE ON HOUSE ADMINISTRATION TO PROVIDE CERTAIN MATERIALS PERTAINING TO INVESTIGATION OF THE HOUSE POST OFFICE

Mr. ROSE. Madam Speaker, I rise to a question of the privileges of the House, and I send to the desk a privileged resolution (H. Res. 518) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 518

Whereas the Committee on House Administration has ordered reported the findings of the Committee Task Force to Investigate the Operation and Management of the House Post Office; and

Whereas matters have been raised which may inpugn the integrity of the House: Now, therefore, be it

Resolved, That the Committee on House Administration is directed to—

(1) transmit to the Committee on Standards of Official Conduct the committee report and all records obtained by the Task Force pursuant to House Resolution 340, One Hundred Second Congress;

(2) make available the committee report and all records obtained by the Task Force pursuant to House Resolution 340 to the United States Department of Justice for inspection in the Committee offices; and

(3) send a letter with specific recommendations to the Speaker of the House, the majority and minority leaders, and the Director of Non-Legislative and Financial Services.

The SPEAKER pro tempore (Mrs. SCHROEDER). The resolution constitutes a question of the privileges of the House.

The gentleman from North Carolina [Mr. ROSE] is recognized for 1 hour.

Mr. ROSE. I thank the Speaker.

Madam Speaker, I yield the customary 30 minutes to my colleague, the gentleman from Kansas, Mr. PAT ROBERTS, the minority chair of the task force.

Madam Speaker, your Committee on House Administration has come through a very excruciating and long process in response to House Resolution 340.

What the Committee on House Administration has, within the last 1½ hours, done is to adopt a report of the task force to investigate the operation and management of the House post office. We are submitting to the House by letter the majority report and the minority report in the form of Committee on House Administration documents.

A cover letter accompanies these two documents which states that while we had broad agreement on how the investigation was conducted, that there were considerable disagreements as to the emphasis or the meaning of the various things that were located and found.

I would like to state for all members present that what the majority report recommends is that the Committee on Standards of Official Conduct go back and review evidence and testimony that we uncovered or that was presented to us with respect to four employees of the post office.

We make no such recommendations as to any Members of the House of Representatives. As a matter of fact, the majority conclusion is that there was not credible evidence that any Member of the House of Representatives violated any rules of the House or any laws of the United States.

The minority will explain their views as expressed in this report. But what I seek to do with this resolution is to merely transmit our reports, our majority report with the minority views, to the Committee on Standards of Official Conduct and request them to look at the recommendations that we have made.

Then this resolution asks that we make available to the Department of Justice for inspection in our committee offices the report and the records that were obtained by the task force pursuant to House Resolution 340, and also that we send a letter to the Speaker of the House, the majority leader and the minority leader, and the director of nonlegislative and financial affairs, with the specific recommendations that are contained in both of our reports.

I think we all worked very hard to come up with this document, this effort. I am sorry that we did not have one document that has all the conclusions in it. But I think when the document is presented to you in printed form, hopefully by Friday of this week, you will see that the majority and minority have no real basic disagreements on the general subject of what was not done properly at the post office. We have some disagreements as to how we interpret some of the things that we found.

Our investigative summary contains, first, a long discussion about the Department of Justice's interference with our investigation, and I think this is significant, and I would urge you to take a close look at it. I think you should read with care our section about the Capitol Police cooperation with the Department of Justice. Things are not right in that area and need further attention by the House.

Then you should read our summary of our administrative recommendations and the finding that we reach in our report.

My colleague, the gentleman from Kansas, PAT ROBERTS, who chaired the task force for the minority, I am sure has other things that he would like to point out. But I want to thank the members of the task force for their work.

I hope that we can very quickly now transmit these documents to their intended recipients and go on with the regular work of the House.

Madam Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, as Chairman ROSE has indicated, the Committee on House Administration has voted to report to the House a majority and minority report with regard to the House post office investigation.

My colleagues, this has been a most unpleasant duty for members of the task force and also for the majority and minority staffs. But after considerable problems and challenges and strong differences of opinion, partisan and otherwise, and after many hours of discussion—and I would add, probably discussion is not the accurate term—we have simply agreed to disagree. It is important, however, I think, to concentrate on the list of recommendations that we have made to the House in reference to the operation and management of the House post office.

□ 1200

These recommendations, and the fact that we have agreed to them, hopefully will enable us to surmount our differences. If we are able to do this, such crucially needed efforts as the Gradison-Hamilton Congressional Reform Commission will certainly be served.

Having said that, as vice chairman of the task force, and having been present during most of the testimony, having gone through a virtual gauntlet of hurdles and obstacles, let me emphasize several considerations that I think should be brought to the attention of the House.

As the chairman has indicated, we were not able to write a single report. Instead a Democrat report and a Republican report have been drafted. The Republican report does include the names of members, staff and others on whom certain information has been obtained. This information is inclusive in regard to wrongdoing, and the entire report is being forwarded to the Committee on Standards of Official Conduct for review. We felt from the first that a report without names is not a credible report. The Committee on Standards of Official Conduct will receive the task force documents and determine what issues they believe should be reviewed further. That was not our responsibility and should not be our responsibility. The Department of Justice will also be given access to all documents and materials obtained in the investigation.

Let me emphasize, in terms of scope, that the Republican report is based solely, solely on the interviews of witnesses and documents that have been retrieved and reviewed. However, shortcomings in documents, and relevant materials and witnesses existed all throughout the investigation. We were not able to get pertinent testimony from some witnesses, and we were not able to receive or have in our hands certain documents. As well, certain other individuals involved with the Capitol Hill Police, and U.S. Postal Inspection Service investigators were not able to appear before the task force.

The management review in regard to the investigation determined that the management in the House post office was both incompetent and incapable to carry out the tasks assigned for a number of reasons. Primarily the post office and Postmaster attempted to operate under numerous constraints, hiring, firing, special services, et cetera, that prevented its effective operation. The House post office had no consistent system of accountability or oversight, no written operation policies or consistent guidelines for employees. The Postmaster, according to USPS figures, dramatically overestimated the mail volume in the House post office to justify increased budget requests. The overestimates went as high as 350 percent of the actual mail volume, 100 million pieces of mail a year. Michael Shinay, now the Acting Postmaster, found the House post office overstaffed and chaotic.

Actions have been taken, I would inform my colleagues, in consultation with the task force, and the majority and minority, to begin reforming the post office. Accurate mail counts are now being conducted. Steps are being implemented regarding staff reductions and the hours in terms of limiting employees which is expected to save $450,000.

The Postmaster had no ability to hire and fire. Instead he was directed by the majority patronage committee and the majority leadership in job assignments, and promotions and the actions in regard to discipline.

I might add that in terms of patronage everybody agrees now, it seems the Speaker, the minority leader, all of us, that the patronage system is a system that demands reform. How we approach that with the new House administrator simply remains to be seen.

Substantial payment for overtime was given totaling $200,000 over the past 5 years. Check cashing was a common practice in the House post office. That information, in terms of allegations, was turned over to the Department of Justice.

We have the situation where campaign post office boxes, special campaign boxes, were set up for Members of Congress, and the mail from these boxes was delivered to congressional offices despite the activity being questionable. There was a flower fund that was maintained with the profits from the vending machine in the post office, and questions were raised in regard to that.

There has been considerable talk about ghost employees. Several employees were consistently absent from the House post office during their normal working hours. Three individuals were consistently identified as being no-shows.

There was abuse of the Postmaster's frank and the fact that its cost dropped to one-fifth compared to when Mr. Rota was the Postmaster. Members of Congress consistently mailed materials under the Postmaster's frank to avoid the limits of the newly imposed mail accountability.

Employees felt strongly in their testimony that there were major racial tensions in the House Post Office. There was abuse of express mail. The P300 USPS express mail account was created to send House post office mail throughout the United States. However this account appears to have been used for Members mailing personal and other packages. In 1990 the cost went from $2,500 to a primary cost of $16,000 to $17,000, and in the general election it went from about $2,300 to $30,000-plus.

There are allegations for stamps for cash. There is a situation in regard to secret post office boxes. Multiple favors were done for Members, and staff, and lobbyists. These favors include the creation of special post office boxes in which copies of inner correspondence of the Hill were distributed.

We have drug use and drug sales allegations. That is now before the Department of Justice, and allegations were made that the Capitol Hill Police were prevented by the House leadership from conducting a complete and thorough criminal investigation in the House post office. Contradictory testimony was received, and the report was unable to clarify the record in this area.

Lastly I would tell my colleagues that I would encourage everybody while reading each report to concentrate on the list of recommendations that we have for the House post office. If we agreed with 80 percent of what was in either report and we disagreed only on 20 percent, at least some common ground was found.

Now, having said that, as vice chairman of the task force and having been present during most of the testimony, and I repeat having gone through a virtual gauntlet of hurdles, let me emphasize several strong personal convictions.

This report is in no way complete as to what has happened in the House post office. It is our best effort under very, very difficult circumstances. The investigation should continue.

Second, with a delay of a year and a concurrent Justice Department investigation and investigation by the majority, which we did not know about, and numerous problems as to access to information, witnesses taking the fifth, not to mention very strong partisan differences in terms of policy and direction, with all due respect to the intent of the task force members I think we went down the wrong road.

I think we went down the wrong road when we had a vote to determine whether we would have an independent investigation of the House post office and everybody under oath at public hearings. The House should not and cannot investigate itself. Such an investigation in an election year where alleged wrongdoing has the impact on a coming election invites strong partisan differences and sensitivity and tears at the purpose of a bipartisan nature of such an investigation. As a consequence without full public disclosure and public meetings and witnesses testifying under oath, this investigation fell prey to alleged leaks and alleged coverups.

Finally, such an investigation represents an almost impossible task for Members to preserve, with comity and bipartisan agreement, the very effort we need to restore faith and integrity to this body.

I want to credit all task force members for making the best effort possible, more particularly the gentleman from California [Mr. THOMAS], who tried very hard to set up a structure that could be a model as we go ahead with the reforms that we need in this House, and the gentleman from Nebraska [Mr. BARRETT], who is a pillar of bipartisanship and who drafted the language that finally got us together to get the report out.

We went down the wrong road, Madam Speaker, when we had a straight party line vote that determined we would not authorize an independent investigation as opposed to a House exercise in partial futility.

Madam Speaker, I reserve the balance of my time.

Mr. ROSE. Madam Speaker, I yield such time as he may consume to the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. There is a process of analysis that goes on in the world that is analogous to criticizing a volkswagon because it does not fly very well. It was not designed to fly. It was designed to do something else. And I think today some people who have been waiting rather wet-lipped for this report are going to be a little disappointed because it does not do some things that in fact the task force was never designed to do.

It is very important, I think, as we address this whole issue of the post office, to understand what the relative responsibilities are of various groups. The task force on the post office was designed to and charged with assessing what went wrong administratively, and proposing recommendations to the House to see that those things do not happen again and that the postal service within the House of Representatives will be efficient, effective, and proper in every respect.

□ 1210

That was our charge, and that we have done in the report that will be available to everyone very soon. The Justice Department is charged with investigating and bringing charges where they believe criminal wrongdoing has occurred, The House Committee on Standards of Official Conduct is charged with investigating and disposing of charges that the rules of the House have in any way been violated. These are two distinct and different other responsibilities. For example, the Justice Department, as we all know, is looking into the House postal matter to determine what if any violations of law occurred.

But because we know there may well be some disappointment with our report—very frankly, the press, through a combination of information and leaks, has reported a variety of things with regard to what we have been doing and, without clear lines of demarcation, also has been reporting what the Justice Department has been doing. There is going to be some confusion in the minds of some people as to what responsibility lays where and what it is that this task force is supposed to have addressed and accomplished.

With that in mind, it is important for us to make very clear what we were designed to do; namely, to address the administrative aspects of the situation in the post office.

Now, a report on administrative aspects is always less interesting than a report on criminal activity, and all I can do is apologize to people who wish our report, either the Republican document or the Democratic document, was not more titillating or more exciting. But we addressed the administrative aspects of what went on, we made recommendations, that is what we were designed to do, and that is what this report does. But because of that confusion, there is bound to be somebody who says, "Well, we haven't got the whole story. Why don't you tell us everything?"

That is the purpose of this resolution. Whatever we have, everything the task force has, will be transmitted to the Committee on Standards of Official Conduct of the House, which has the responsibility for determining any violation of the House rules, and all of the task force information will be made available to the Justice Department.

Now, I do ask the Members, is it really creditable to assume that we have found out something that the Justice Department does not already know? I find that very hard to believe, but in the event that we do know something they do not know, it is available to them.

So in summary, we have done what we were designed to do: examine the administrative aspects and make recommendations. Lest there is anyone who thinks there is something we know that we are somehow withholding from the Committee on Standards of Official Conduct or the Justice Department, we bring before the Members this resolution which provides access to all of that information so that everyone in this body, everyone in the media, and all Americans can know that we have met fully and completely our responsibilities and have hidden nothing.

Mr. ROBERTS. Madam Speaker, I yield such time as he may consume to the gentleman from Nebraska [Mr. BARRETT], a stalwart of the task force.

Mr. BARRETT. Madam Speaker, as a member of the task force, I am a little disappointed in the way things played out. I had hoped sincerely that we could come up with one definitive report. This task force had the potential for breaking a lot of new ground in working together for some positive changes.

I had hoped that in some cases we could go beyond some partisanship that did rear its head. At times it plagued the committee, particularly in the waning weeks of our 5-month deliberation. I had hoped that this task force could be a model for future bipartisan task forces which are out there on the horizon right now, task forces to improve the institution.

We have the Hamilton-Gradison efforts before us. There are hopefully in-depth changes under way. We have a bipartisan subcommittee which will have jurisdiction over the new House administrator and the financial officer of this institution. These are bipartisan efforts of tremendous significance.

However, in spite of our disagreements and my personal disappointments, I hope that we can learn something from this experience. In this case some of the material was apparently just too sensitive for an existing committee to investigate objectively. In setting up the task force, some of the procedures and guidelines which were outlined at the outset and had the potential for success were not in my opinion always followed.

Although we have had two separate reports, we have basic agreement on many of the points in each, and I think that we have come to the best possible conclusion under the circumstances, and it is my hope that something positive will emerge. I hope our recommendations set the stage for change.

If our recommendations are implemented as designed, then our efforts perhaps will not have been in vain. I believe that we are doing the right thing, I believe that we are doing the proper thing in referring our material to the Committee on Standards of Official Conduct. As the cover letter on the report states so well, in my opinion;

> The task force viewed its role to be fact-finding, thus the reports do not determine ethical or criminal violations, but instead, make public the findings and recommendations of the task force.

There is a difference of opinion as to whether or not this effort was successful. I had hoped that we could roll up our sleeves and pound out one report, but under the circumstances the impediments to our progress and some of the irreconcilable differences made it impossible. However, the foundation has been laid for future bipartisan cooperation. In this case it did not totally work as it should have perhaps, but we have found where some of those potholes are located, and for the good of the institution we have made some progress.

Madam Speaker, I hope that future efforts of this kind can be carried out in a positive and constructive manner. The first branch of Government deserves no less.

Mr. ROSE. Madam Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. KLECZKA], a member of the task force.

Mr. KLECZKA. Madam Speaker, let me thank the chairman of the committee for yielding time to me, and also let me thank him for the distinction he bestowed upon me by appointing me to this committee. It was not an easy task, but it was one which I think the House was charged to do and one which I think we accomplished quite well.

By adopting today's privileged resolution, I think and hope that we will finally close this chapter of a most scandalous situation, that of the old House post office. This post office is not a new creature of this body. It has been in existence, I am told, for in excess of 160 years, and over that period of time things grew lax. We had a system which was governed by patronage, a system where the person we appointed to be in charge ended up with 435 bosses. How on God's green Earth can one respond to a system which has so many people in charge and try to run the operation on a day-to-day basis?

□ 1220

Finally, the problem came to a head when we discovered that there was some embezzlement going on, when there was drug use and drug sales going on. At that point in time the House, both Republicans and Democrats, immediately stopped the action. We stopped that type of activity from transpiring and we followed up with a task force to get to the bottom of this whole problem and issue a report and tell the Members, the world, the press, and our constituents what actually happened there and how we are going to correct it and make sure it does not happen again.

The gentleman from Kansas [Mr. ROBERTS] indicates that he believes we went down the wrong road.

Well, I truly do not think that is accurate. I think the setup we had was probably the best. What hampered our investigation was massive lapses of memory on the part of some post office employees, lapses which I think were brought on more consciously than actually lapses. But nevertheless, the staff worked very diligently along with the six members, and I would like to compliment at this point not only the attorneys for both sides, but also the other staff members of the committee members who worked so long and hard to try to ascertain the truth as to what was going on.

Did we do so? A Member after we adopted the report on House Administration earlier this morning asked me do I really believe we got down to the bottom of it?

I am saying with my participation there and what I saw firsthand, I think the major, major problems were brought forward. Maybe not in their actual entirety, but the major problems, be it the passport service or postmaster frank, the use of the orange bags, the flower fund, an account which 98 percent of us knew nothing about, and I did not, which was called the P-100 account. We looked into that. We found some problems there.

I think the major things I have to impress upon the body today is these things are coming to a screeching halt, if they are not already halted.

I think the important point to bring out today is that these practices are being halted. We are changing the entire system, and the recommendations from both the minority and the majority are almost in sync on that.

The No. 1 thing we have to do is appoint and move forward with a professional director, not a patronage House officer. We have done that and we are moving to hire that person.

Furthermore, we have done away with I think the root of the problem here, and that is the patronage system. Now we are going to have people do our mail and do the sorting and things that are attendant to getting the mail to our offices by professional people. It is not going to be my nephews and nieces and my cousins and my friends. They are going to be people who apply for the job and get it on their ability, and not who they know.

The gentleman from Kansas [Mr. ROBERTS] also indicated we are about 80 percent in sync between the two reports. After reading the minority report, I am pleased to indicate that many of the things I objected to have been left out of that report. I have to say with all honesty we are probably closer to 90 percent being in agreement on both reports.

So I urge my colleagues, let us adopt this privileged resolution. Let us put this unsavory chapter behind us. It is about time that this body moved on to do the people's business, the people's business like working on the economic problems of the country. Let us talk about creating some more jobs, let us look at the health care system, and let us put this type of issue behind us.

I urge Members vote "yes" on the privileged resolution.

Mr. ROBERTS. Madam Speaker, I yield 9 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. ROSE. Madam Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALKER].

The SPEAKER pro tempore (Mrs. SCHROEDER). The gentleman from Pennsylvania [Mr. WALKER] is recognized for 10 minutes.

Mr. WALKER. Madam Speaker, I thank the gentlemen for yielding.

Madam Speaker, we have heard so far from Members who have served on the task force. Some of us looking at some of this material have some questions about just exactly where the task force went and what they achieved.

First of all, I thought under the resolution we passed there were supposed to be public hearings take place on this. We were supposed to have witnesses appear in public sessions.

It seems to me when Anita Hill comes to Capitol Hill or when Ollie North comes to Capitol Hill and there is an attempt to embarrass Republicans, that then we have public meetings. But in this particular case, despite the fact the resolution called for public hearings, they did not take place.

Madam Speaker, can someone explain to me why we did not have public hearings?

Mr. ROBERTS. Madam Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Kansas.

Mr. ROBERTS. Madam Speaker, if I could respond to the gentleman from Pennsylvania [Mr. WALKER], I am not sure the resolution called for public hearings. I think the debate, as I think back to a special order where we called for an independent investigation and the chairman and I had a discussion on the floor, that was an expectation.

Let me say to the gentleman from Pennsylvania [Mr. WALKER] that both the minority staff and counsel and the majority staff and counsel indicated at that time we were in a factfinding mode. I would say to the gentleman while I think in hindsight we certainly should have had public hearings and people under oath, that that simply did not happen.

Mr. WALKER. Madam Speaker, reclaiming my time, let me ask a further question. Are the transcripts of those proceedings going to be made public?

Mr. ROBERTS. If the gentleman will yield, I certainly have no objection to that.

Mr. WALKER. Is this something that can be done?

Mr. THOMAS of California. Madam Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. THOMAS of California. Madam Speaker, I would hope the majority would agree that any of the materials that the task force generated would be made available, either in terms of witnesses' testimony or the task force transcripts. I see no reason after the fact, once the report has been filed, not to allow that material to be available to anyone who wants to look at it.

Mr. WALKER. Madam Speaker, reclaiming my time, I would ask the chairman, the gentleman from North Carolina [Mr. ROSE], is this something we are going to be able to have? Are all the transcripts of the proceedings of the task force going to be made public?

Mr. ROBERTS. Madam Speaker, if the gentleman will yield further, I might respond to the gentleman from Pennsylvania [Mr. WALKER], prior to the chairman speaking, in that the appendix documents we have in conjunction with the report do provide a great deal of information in terms of records and receipts and correspondence and things of this nature, under the circumstances I do not see any problem with making the report public and would think public disclosure of that would certainly be the thing to do.

Mr. THOMAS of California. Madam Speaker, if the gentleman will yield further, the concern in establishing the task force was to make sure that there was no premature release of information. The confidentiality statements and the rest was to make sure that we could carry out an investigation not in the press. Once the report was filed, even the confidentiality statements lasted only until the report was filed.

So it would seem to me that all of the supportive materials would be made public and I would ask once again if the chairman would respond to that question.

Mr. WALKER. Madam Speaker, I would ask the gentleman from North Carolina [Mr. ROSE], is this something that is going to be done, whether or not we are going to have a public release of all the transcripts of the proceedings of the task force?

Mr. ROSE. Madam Speaker, if the gentleman will yield, we are under no instructions to do that. The task force itself met on several occasions. I have absolutely no problem with the meetings of the task force members, those transcripts, being released.

Mr. WALKER. Madam Speaker, it is important to know what the witnesses said behind closed doors.

Mr. ROSE. If the gentleman will yield further, the gentleman from Pennsylvania [Mr. WALKER] is not satisfied with those going to the Justice Department and the Committee on Standards?

Mr. WALKER. Madam Speaker, reclaiming my time, I think it is fine to send them to those places. I think also now that the process is over and now that the committee has reported, that there is no reason we cannot have the transcripts of the proceedings and what the witnesses said made available to the public.

Mr. ROSE. Madam Speaker, I thank the gentleman for his suggestion.

Mr. WALKER. OK, we do not have an assurance at this point that that is going to take place.

Second, there is a question here in a document that we have before us on check cashing that says it was a common practice in the House post office and it was done for Members, for post office staff, and other Hill employees.

Do we know who this was done for? Do we have names of people?

Mr. ROBERTS. Madam Speaker, if the gentleman will yield, I will tell the gentleman from Pennsylvania [Mr. WALKER] that allegations were made, but since we did not have access to the pertinent officers who could provide that information, and since we did not have access to the appropriate records now in the hands of the Justice Department, that no reference was made to that in regard to any individual.

Mr. WALKER. So we know it was done, but we do not know who at this point.

Mr. ROSE. Madam Speaker, if the gentleman will yield further, could I just clarify that point. Our information is that certain of the employees of the post office who have made copies of the checks that were cashed gave those copies of the checks to the U.S. postal inspectors. We state in our report that we could not obtain copies of those checks. I do not believe that the minority members of the task force ever saw them. We certainly never saw them.

But the gentleman is correct, that is information we tried to find and were unable to.

Mr. ROBERTS. Madam Speaker, I concur with the chairman's statement.

Mr. WALKER. Madam Speaker, that is information that may be available as part of the criminal information, but we do not have it at the present time.

Another piece of information here indicates there was an abuse of the postmaster's frank and Members of Congress consistently mailed materials under the Postmaster's frank to avoid limits of newly imposed mail availability.

□ 1230

Do we have the names of the Members who did that?

Mr. ROBERTS. Madam Speaker, if the gentleman will continue to yield, my recollection of that is that we got into the cost estimate. And when the acting Postmaster, Mr. Shinay, took over, the Postmaster's frank went from something in the neighborhood of $5,000 a month to $500 a month. And so obviously, we had a situation where there was a consistent use of the Postmaster's frank to avoid the limits of the newly created mail accountability as to individual names.

Mr. WALKER. Madam Speaker, because I have limited time, let me go on here.

Mr. ROBERTS. We have no names. There were unsubstantiated allegations. Again, we were not able to obtain any evidence from the people who took the fifth amendment.

Mr. WALKER. Madam Speaker, it is also suggested in this report there were secret post offices that evidently some special interest groups had access to and that when the mailings were done, that certain lobbying groups got access to those mailings. And it has even been alleged, I think, that, for instance, when Republican "Dear Colleague" mail went out, that Democratic leadership offices got the mail. But when Democratic "Colleague" mail went out, that the Republican leadership offices did not get it.

In other words, there were various groups getting various kinds of materials here.

Do we know which lobbying groups, which special interest groups got this special treatment from the post office?

Mr. ROSE. Madam Speaker, if the gentleman will continue to yield, we put in our report the whole list. Members like the gentleman from Georgia, NEWT GINGRICH, got selected copies of all the "Dear Colleague" letters, we do not find anything wrong with that, as did House leadership Members. But what we say in the majority report is that it was highly improper for the Postmaster to give outside lobbying groups or outside lobbyists.

Mr. WALKER. We do have a list of everybody who was getting this.

Mr. ROSE. Madam Speaker, the majority report includes the whole list of everybody.

Mr. THOMAS of California. Madam Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. THOMAS of California. Madam Speaker, in the Republican report, which first compiled the entire list, Members will find on page 59 a statement that "The following persons received Dear Colleague letters to Republicans but no Dear Democratic Colleagues."

Under that heading is the minority whip, the gentleman from Georgia, the Honorable NEWT GINGRICH.

Mr. WALKER. So the gentleman got Republican mailings, but he did not get Democrats.

Mr. THOMAS of California. The gentleman will find other headings like "both Republican and Democrat."

Mr. WALKER. Did the Democratic leadership get Republican mailings?

Mr. THOMAS of California. The gentleman will find that there are a list of people that got everything, and it is all in our report completely and factually laid out. So I would appreciate Members not taking the veiled remarks but looking at the document to fully appreciate how the operation of the post office worked.

Our document was the way it was structured. Our document has all of the details, if Members will refer to it.

Mr. ROBERTS. Madam Speaker, if the gentleman will continue to yield, it is on page 57, I would tell the gentleman, of the Republican report. And it goes through page 60.

Mr. WALKER. Madam Speaker, do we have the names of the people who the Postmaster gave personal favors to? This is really my last question.

As I understand it, the Postmaster kept for his personal use many items considered surplus for distribution to Members. It was candy. It was gifts. It was food. It was all kinds of stuff.

Do we have the list of who the Members were and the staff and all the folks who the Postmaster was handing out these little goodies to?

Mr. ROBERTS. Madam Speaker, here again, there are no records kept in regard to the House officers that would have a record of that, but many numerous allegations.

Mr. WALKER. Finally, Madam Speaker, I understand there was contradictory testimony that was received about the various investigations that went on. Are these contradictions something that we are going to have access to?

Mr. ROBERTS. Madam Speaker, we have statements by individuals who are dealing with the subject matter that the gentleman has indicated. I think he is referring to the Capitol Hill Police and the Clerk's counsel in regards to various statements made. That is part of the area of the report we just read. But the facts are laid out.

Mr. WALKER. Madam Speaker, I thank the gentleman.

Mr. ROBERTS. Madam Speaker, I reserve the balance of my time.

Mr. ROSE. Madam Speaker, I yield 4 minutes and 30 seconds to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Madam Speaker, I have been very, very dismayed at the damnable lies from so-called leaks that were told about me during the timeframe of these proceedings of the task force. I want to call attention to the fact that on page 34 of the Democratic report one of the Republican staffers even acknowledged that he had leaked things to the press.

I am not necessarily saying that in that particular instance it was about me, but this individual was under oath not to leak to the press.

Now, I want to ask the chairman a series of questions.

Mr. Chairman, did your task force find any employees that used my name as a reference that were no-shows or so-called ghost employees?

Mr. ROSE. Madam Speaker, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from North Carolina.

Mr. ROSE. Madam Speaker, I would say to the gentlewoman, no.

As a matter of fact, the committee report states on page 38 of the majority report:

> The Task Force conclusively determined that no employees who were either the patronage of or otherwise associated with Representative Mary Rose Oakar were ghost employees as erroneously reported in the press.

Ms. OAKAR. And, Mr. Chairman, the task force in both reports, under the heading "Ghost Employees," mentioned a Mr. Head and a Mr. Marley. Were these two individuals in any way connected with me in reference to patronage?

Mr. ROSE. Madam Speaker, if the gentlewoman will continue to yield, no.

Ms. OAKAR. Mr. Chairman, did your task force find any employees that were under my patronage—and I will name the three people in my 16 years that I have recommended for jobs at the post office: David Dunn, Jerry Sywyj, and Gerry Schmelzer.

Mr. Chairman, did your task force find any of these employees who had received improper or illegal overtime?

Mr. ROSE. Madam Speaker, no, the gentlewoman's name was never mentioned. And none of her patronage employees were connected to overtime abuse.

Ms. OAKAR. Madam Speaker, I thank the chairman.

Mr. CLAY. Madam Speaker, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Missouri.

Mr. CLAY. Madam Speaker, I would like to address this question either to the gentlewoman or to the chairman of the committee. In the minority report they talk about patronage of 160 persons, and only 2 of them were Republicans.

If that is true, was there any other kind of patronage in that committee that Republicans did enjoy and share?

Ms. OAKAR. Madam Speaker, I would say to my colleague, I don't know if their figures are accurate. There were temporary slots that are apparently not mentioned here. And in the category where they mentioned two of my individuals that I had recommended, they do not mention on that page that they recommended and got an equal slot in the leadership of the post office reorganization.

But I would say to the distinguished gentleman that the gentleman from Kansas [Mr. ROBERTS] and the gentleman from California [Mr. THOMAS] had their children, whom they had recommended and who had jobs. That is not in their report. That is not in their report. Members will not find it anywhere in their report.

I am not even saying that is wrong, but the implications in their report is that Democrats have patronage only. I might add that neither gentlemen to my knowledge recused themselves from voting on these slots.

Mr. CLAY. Madam Speaker, if the gentlewoman will continue to yield, I have read the report. It seems to exonerate the Republican Members of this House totally and completely, which reminds me of a statement once made by Mr. Hitler's chairman of propaganda.

He said, "If you tell a lie, you tell it big enough, you tell it often enough, it will become the truth."

Apparently somebody in this House is trying to make this document the truth when it is not.

Ms. OAKAR. Madam Speaker, reclaiming my time, I would like to, for the RECORD, since apparently there is some kind of a summary of the Republican report of the House post office investigation that is being passed out to members of the press.

□ 1240

In addition, part of what they are handing out to the press is not part of their report, to the best of my reading. I would like to submit for the RECORD the canceled check that we submitted to the committee when another lie was told about me, and I would like to submit them again for the RECORD relative to a post office box which my campaign committee purchased at the Brentwood Post Office.

The following is the letter mentioned in this press handout.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 6, 1992.

Hon. CHARLIE ROSE,
Chairman, Committee on House Administration, H326 The Capitol.

DEAR CHAIRMAN ROSE: Based on press reports relating to certain allegations, I wanted to submit this copy of a canceled check for the record.

Sincerely,

MARY ROSE OAKAR,
Member of Congress.

Madam Speaker, since the canceled check cannot be reproduced, set forth is information on check:

Pay to the order of: U.S. Postmaster.
Date: 12/19/88.
Amount: $28.00.
Signed: Kathleen O'Donnell.

Mr. ROBERTS. Madam Speaker, I yield 7 minutes to the gentleman from California [Mr. THOMAS], the ranking minority member of the committee.

Mr. THOMAS of California. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, it seems to me that of all the things that this House could examine in a shared or bipartisan way, it would be the post office operation. Even though it has functioned from its beginning under a partisan operation of patronage, it would seem to me that the functions of the post office were something that would not lend themselves to the need for the majority to exercise the prerogatives of the majority. With some degree of hope I thought we could enter into an investigation based upon the resolution to provide some understanding and some findings and some recommendations as we move to a more bipartisan structure of controlling those nonlegislative areas of this institution.

Indeed, we are now advertising for an administrator of nonlegislative and financial functions of the House.

To that end the chairman of the full committee and I entered into an agreement about the structure of the task force, which was truly bipartisan in nature, both in terms of ability to investigate and decisionmaking.

In addition to that, based upon what occurred in the Committee on Standards of Official Conduct dealing with the House Bank investigation and the unauthorized leaks that occurred, the chairman and I agree that perhaps we ought to utilize an agreement of confidentiality that has been found useful in the Select Committee on Intelligence and in other committees that deal with sensitive information.

We agreed and provided to every member of the staff to sign an agreement which said:

> I agree that I will not disclose any information, including the substance of the work and the procedures of the task force, I learned during my tenure as a staff person, consultant or detailee on the task force for the investigation of the House Post Office without prior authorization from the chairman and ranking Republican member of the Committee on House Administration, or until such time as the task force has released its final report.

Madam Speaker, the gentleman from Washington indicated that a lot of people are going to be disappointed because "this Volkswagen won't fly," that it was not designed to fly. Members have gotten up quick to make sure they are not part of the inquiry of the particulars of the post office, when a simple examination of the facts indicates they were up to their elbows in the running of the post office and in dealing with the perks that are available to the post office.

I would rather go back to the Volkswagen, the bipartisan task force that we attempted to create. It is true that that Volkswagen was not designed to fly, but it certainly was designed to run and go down the highway. It is supposed to start if the battery is charged. It is supposed to run if it has gasoline and oil in it. There are certain prerequisites that are required for the Volkswagen to run. One of them, I think, would be to honor the simple statement of confidentiality that was initiated when the task force started.

That was not to be the case. Although only staff signed the agreement of confidentiality, there was some degree of understanding that the Members would be honorable and only deal inside the task force with materials that the task force was trying to present.

It was very difficult for this task force to carry out its function because we did so under the understanding that the Department of Justice had an ongoing criminal investigation. It is difficult enough functioning under the constitutional separation of powers when we do not have something as difficult as a criminal investigation going on. We did not have sufficient ability to determine one way or another for a number of reasons certain things that probably the task force would have liked to have known. In some instances it was not possible to have witnesses testify before the task force. In others, for example, the postmaster and others, they chose to invoke their right under the fifth amendment not to testify.

It is especially difficult when the Department of Justice has our own employees, certain Capitol Police, operating as agents of the Department of Justice, denying us information from our own employees about what we could or could not find out. So it was an extremely difficult task in front of us, made virtually impossible by the fact that the agreement of confidentiality simply was not honored, and the inability of Members to function in a bipartisan way over a subject matter which clearly should not be partisan.

The gentleman from Kansas [Mr. ROBERTS] indicated that he does not think the House can investigate itself. It appears from the operation of this particular task force that the House is also incapable of carrying out ordinary oversight activities, if the conduct of staff and the conduct of Members continues as it did under the task force.

This institution has said it is going to change its ways, although in the Democrat report they say "if patronage is ended." We certainly hope patronage is ended. Beyond ending patronage, beyond the egregious and total control by the majority party, beyond the need for the majority to control totally something that did not have or should not have had partisan ramifications, the need to stand up and attempt to get some kind of expiation on the floor indicates that there is some sensitivity on the majority side about what went on in the post office activities.

It seems to me if we are supposed to be entering a new era of bipartisan control of nonlegislative matters; the heart and soul of making that work is being honest with each other, not leaking information; when staff members sign a statement of confidentiality they in fact stick to it, and when Members are required to resolve difficult problems, we do it inside the structure in which we have agreed to do it.

My disappointment in this task force is in fact that none of those conditions were honored. The specifics are available to be debated on by individuals. We have in fact two reports to mull over. We have a number of questions that are available to members of the task force to be asked. I would hope that this House very seriously focuses on whether or not the statement of the gentleman from Kansas [Mr. ROBERTS] is correct.

I think we owe it to the American people to show that we can in fact oversee ourselves and not do it with lies and leaks and intimidation. If that in fact is not going to be the case, then I do not believe this House of Representatives should be returned to office.

Mr. ROBERTS. Madam Speaker, I reserve the balance of my time.

Mr. ROSE. Madam Speaker, I yield 2 minutes to our colleague, the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Madam Speaker, I thank the gentleman for yielding time to me.

I would like to begin by congratulating the hard work that both the majority and minority have obviously put into this, and say that I agree with the recommendations as I understand them from both the Republican and the majority sides.

Madam Speaker, I would like to engage in a short colloquy with the chairman, the gentleman from North Carolina [Mr. ROSE]. I would like to discuss in particular the question of the post office boxes that were rented by Members off the Capitol premises. I myself did that for the very purpose that we would not receive any campaign mail in my congressional office.

Mr. Chairman, will all the information, underlining the word "all," regarding such post office boxes be sent to the Committee on Standards of Official Conduct, including those post office boxes for Members which were properly and legally dealt with?

Mr. ROSE. Madam Speaker, will the gentleman yield?

Mr. MOODY. I yield to the gentleman from North Carolina.

Mr. ROSE. Madam Speaker, the gentleman asks a very good question. The answer is yes, all the material will be sent.

Mr. MOODY. I appreciate that. First, I welcome the fact that mine will be included, because I had a box and I will include in the RECORD, Madam Speaker, information sustaining that I acted properly and legally.

Second, Mr. Chairman, from your knowledge of the relevant materials that you have before the committee, was I one of those who followed the proper legal and ethical procedures regarding the post office boxes?

□ 1250

Mr. ROSE. Absolutely. To my knowledge the gentleman followed the proper and legal procedures with respect to his post office box.

As I have noted earlier, the committee has made no recommendations. The majority report makes no recommendations with respect to the Committee on Standards of Official Conduct that there was anything done wrong by Members with respect to post office boxes.

Mr. MOODY. I thank the chairman.

One final question. From your knowledge of the relevant materials, was I one of those who in fact followed the necessary legal, ethical, and proper procedures?

Mr. ROSE. Absolutely.

Mr. MOODY. I thank the gentleman. Information referred to follows:

House of Representatives,
Committee on House Administration,
Washington, DC, July 22, 1992.

Ms. Julie Aicher,
News Director, the Associated Press, Milwaukee, WI.

Dear Ms. Aicher: The bipartisan Congressional Task Force to Investigate the Operation and Management of the House Post Office has reviewed the matter of some 25 or more Members who rented post office boxes off the Capitol premises, including the one of Congressman Moody.

From a careful review of the documents pertaining to Congressman Jim Moody's rental of such a box the Committee found absolutely no indication of impropriety by the Congressman or his office. He, in fact, contacted our Committee to provide full disclosure of his procedure in properly renting this box.

The documents make it clear that Mr. Moody followed the appropriate steps to make sure the post office box was used in a legal and ethical way.

If you should need further information, please feel free to contact me.

Sincerely,

Charlie Rose,
Chairman.

Jim Moody's Post Office Box: Chronology

Overview: Jim Moody's only role in the current investigation of improper activities of House Post Office employees has been that of an inadvertant bystander who brought to the attention of the proper authorities unauthorized, inappropriate and possibly illegal activities by employees of the House Post Office.

THE FACTS

1. On August 27, 1991, Jim Moody's campaign committee decided to rent a post office box in Washington for use by the campaign.

2. A Moody staff assistant, assuming as did virtually all federal employees that the Post Office in the Longworth Office Building was a U.S. Post Office, filled out a U.S. Postal form (document attached), paid for the box with campaign funds (receipt from campaign to reimburse employee attached), and completed a form specifying certain individuals to retrieve mail from the box.

No House Post Office employees are listed on that form, nor were any authorized to have access to that box.

3. On September 5th the Moody staff member was contacted by a House Post Office employee, who gave him the box number at the Brentwood Post Office, receipts for the box rental payment, a single key and a copy of the completed application form that had been completed on the 27th (copies attached)

At that time no one on the Jim Moody staff had any reason to believe that the House Post Office employee was not a U.S. Postal employee.

Neither Jim Moody nor any member of his staff were offered or requested delivery of mail from this Post Office box to the Congressional Office

4. On two occasions in September 1991, an employee of the House Post Office gained access to the U.S. Postal Box rented by the Moody campaign committee without authorization, knowledge of Congressman Moody or permission and delivered several pieces of campaign mail to the Congressman's Washington office.

At that time, the House Post Office employee was instructed to immediately stop such deliveries, that he was not authorized to pick up private campaign mail and that a Moody campaign aide would pick up the mail.

5. Between September 1991 and March 1992 no further incidents occurred. During that time, as a result of press reports about wrongdoing by House Post Office employees, Jim Moody and his staff became aware for the first time that they had been dealing with U.S. House employees, not U.S. Postal employees

6. In late March 1992 three pieces of mail addressed to the Campaign Post Office box were delivered to the Congressman's office. At that time:

The House Postal employee was told once again to stop delivering campaign mail.

Jim Moody Chief of Staff Marcus Kunain contacted the Brentwood Postmaster to complain about the unauthorized access, believing that the only key to the box was possessed by the Moody campaign staff and that any access to the box was being done by House Post Office employees from inside the Brentwood Post Office.

7. At that time the Brentwood Postmaster informed Marcus Kunian that the original application form, dated 8/27/91, a copy of which had been given to a Moody staff person on September 5th (copy noted above), had never been given to the U.S. Post Office in Brentwood.

8. Upon checking the files, the Brentwood Postmaster informed Marcus Kunian that the House Post Office employee had turned in a different application with his own name added to the list, and that individual had obtained a second key.

No one from Congressman Moody's staff authorized a second application or authorized any alteration or additions to the first application: the original application dated August 27th, which was never turned in, was signed by a Jim Moody authorized staff member. The campaign had no knowledge of a second key being issued.

Congressman Moody then notified the Brentwood Post Office of the problem, had the locks changed on the postal office box and notified both the House Administration Committee and the newly appointed House Postmaster of what had transpired (letters attached).

9. On April 1, the Chairman of the House administration committee, U.S. Representative Charles Rose, issued a statement that "neither Congressman Moody or his office are in any way under investigation for these unauthorized deliveries. The apparent violation of the rules seems to have occurred at the sole instance of certain persons in the House Post Office, and not in any way by Congressman Moody's staff". (documents attached)

10. Today's comments by Congressman Charles Rose are attached:

March 31, 1992.

Postmaster,
U.S. Post Office, 900 Brentwood Road, Washington, DC.

Dear Postmaster: I rent Post Office Box 91924 at the Brentwood Station for the use of my campaign committee, Friends of Jim Moody.

On at least two occasions last September and a third time yesterday, persons not authorized by me and without my knowledge have had access to my post office box. Mail in the box was removed and delivered to my Congressional office. This was done explicitly against my wishes and intent.

On the application filled out last year, I designated three individuals in addition to myself who were authorized to have access to the postal box. Apparently a different application was actually submitted to the U.S. Post Office which included an employee of the House Post Office who was issued a key.

I now understand that this was done in the mistaken belief of certain persons in the management of the House Post Office that the unasked for "service" was appropriate. It is not, and was not.

Under separate cover, I will be submitting an updated list of authorized individuals who may legally have access to my U.S. Post Office Box.

I appreciate that U.S. Post Office personnel were in no way involved in any inappropriate activities related to this matter. The problem appears to be solely that of the management of the House Post Office, which is hopefully being remedied.

Sincerely,

Jim Moody.

House of Representatives,
Committee on House Administration,
Washington, DC, April 1, 1992.

Ms. Julie Aicher,
News Director, the Associated Press, Milwaukee, WI.

Dear Ms. Aicher: This morning I was made aware of an article running in one or more Wisconsin newspapers regarding the unauthorized delivery of mail to certain congressional offices from post boxes rented outside of the U.S. Capitol. This letter is to correct a misleading impression conveyed in these news articles.

Neither Congressman Moody nor his office are under investigation for these unauthorized deliveries of mail. It was the House Post office, not Mr. Moody's congressional office which appears to have broken the rules regarding deliveries of campaign mail to congressional offices.

I've been charged by the entire Congress to conduct an intensive and extensive investigation of any and all improprieties that may have occurred in respect to the House Post Office. We are conducting this investigation with appropriate law enforcement personnel, not only of the House but also with cooperation with the U.S. Attorney.

I can assure you absolutely that neither Congressman Moody nor his office are in any way under investigation. The apparent violation of the rules seems to have occurred at the sole instance of certain persons in the House Post Office, and not in any way by Congressman Moody's staff.

Sincerely,

Charlie Rose,
Chairman.

April 2, 1992.

Ms. P.A. Brown,
U.S. Post Office, Brentwood Station, Washington, DC.

Dear Ms. Brown: I hereby authorize Ms. Jan Miller to resubmit our application for the rental of U.S. Post Office Box 91924.

Name: Friends of Jim Moody or Jim Moody.

Address: 425 D Street, Apt. 101, Washington, DC 20003; tel. 202/546–0384 or 135 West Wells Street, Room 400, Milwaukee, WI 53203; tel. 414/273–1992.

Use of this U.S. Post Office Box is in addition to, not instead of, regular service to the above indicated Washington, DC address.

The only persons authorized to have access to this U.S. Postal Box are:

1. Jim Moody, Member of Congress.
2. Brandon Mazur.
3. (Ms.) Jan Miller.

4. Marcus Kunian.
5. Mark Thomann.

I would appreciate it if you would replace the lock on Box 91924 and deliver one key to Ms. Miller in exchange for the old key.

Thank you for your assistance in this matter.

Sincerely,

JIM MOODY.

U.S. POSTAL SERVICE,
April 13, 1992.

Hon. JIM MOODY,
House of Representatives, Friends of Jim Moody, Washington, DC.

DEAR MR. MOODY: This will acknowledge receipt of your recent letter. It has been referred to the Inspection Service, United States Postal Service Headquarters, 475 L'Enfant Plaza, SW, Washington, DC 20260-2100. You will be hearing from that office soon.

Sincerely,

HELEN M. BAINSFORD,
Postmaster, Washington, DC.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 29, 1992.

Mr. MICHAEL SHINAY,
Postmaster, U.S. House of Representatives, Washington, DC.

DEAR MR. SHINAY: In light of recent news articles relating to the House Post Office, I want to again draw your attention to the copy of the enclosed letter I sent you in March.

If I can be of any assistance to you in the matters covered in my March 31 letter, please do not hesitate to contact me, or my administrative assistant, Marcus Kunian.

Sincerely,

JIM MOODY,
Member of Congress.

Mr. ROBERTS. Madam Speaker, I yield myself my remaining 1 minute.

Madam Speaker, let me say at this point I think it is obvious to my colleagues that there is a great deal of sensitivity in regards to this investigation and the work that was performed by the task force. That is most regrettable. I understand that. We tried to do the best job under very, very difficult circumstances.

Let me again say what my colleague from Nebraska has tried to emphasize, that we have 80 percent agreement on a report; we have 20 percent disagreement. We have agreed to disagree and to try to go forward.

With that, I would urge my colleagues to go over very carefully the recommendations that both reports have made in regards to what we have determined.

I will also insert in the RECORD the names of the legal counsel and the staff that have worked very hard on both the majority and minority side and thank them for their untiring and very valiant efforts under difficult circumstances.

This too will come to pass.

The list of names referred to is as follows:

HOUSE POST OFFICE INVESTIGATION TASK FORCE

LEGAL COUNSEL

William Oldaker, John L. Napier, Charles T. Howell, Heidi M. Pender, Eric F. Kleinfeld, Daniel J. Swillinger, Mark M. Hathaway, and Roman P. Buhler.

STAFF

Julia R. Hamilton, Richard J. Powers, Steve Radke, Herbert S. Stone, Janet E. Thiessen, Mary Sue Englund, Amy E. Hefford, Nancy S. Karnopp, George C. Ross, James M. Ross, and Jeffrey J. Trandahl.

Mr. ROBERTS. Madam Speaker, I yield back the balance of my time.

Mr. ROSE. Madam Speaker, I yield myself my remaining time.

Madam Speaker, I want to thank the gentleman from Kansas [Mr. ROBERTS], the cochair of the task force. We sit together side by side on the Agriculture Subcommittee on Department Operations, and we have shoveled a lot of fertilizer together this year, and the gentleman has been a great friend and helpmate in trying to work his way through this process. I want to thank all of the members of the task force for their yeoman service and for the staffs that have worked with us so cooperatively.

We make recommendations in these reports that go to the leadership of the House of Representatives. I believe that these recommendations will be followed by the House of Representatives.

I can promise Members that patronage is ended. We have passed a resolution establishing the Director of Nonlegislative Services for the House of Representatives, and have instructed that administrator to come up with a fair and equitable system for employment of people in all of the areas under his jurisdiction, and that that should be based on competence and ability alone.

Madam Speaker, we have moved into a new era in the House of Representatives. The post office and its problems are behind us. We are beginning to set up under an administrator, a bipartisan administrator, most of the things that are required for the operation of this House.

I hope this resolution, the reference of this report to the Justice Department for its perusal of our files and to the Committee on Standards of Official Conduct will bring it to an end.

Madam Speaker, I yield back the balance of my time and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mrs. SCHROEDER). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Madam Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 414, nays 0, not voting 20, as follows:

[Roll No. 292]

YEAS—414

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)

Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers

Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns

Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—0

NOT VOTING—20

Cooper
Coughlin
Cox (CA)
Davis
Dwyer
Feighan
Gephardt

Gingrich
Hatcher
Hyde
Kolter
Lowery (CA)
Martinez
Murtha

Perkins
Peterson (FL)
Ray
Tallon
Thomas (GA)
Weber

□ 1313

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 479. An act to amend the National Trails System Act to designate the California National Historic Trail and Pony Express National Historic Trail as components of the National Trails System; and

H.R. 5343. An act to make technical amendments to the Fair Packaging and Labeling Act with respect to treatment of the SI metric system, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2625. An act to designate the United States courthouse being constructed at 400 Cooper Street in Camden, New Jersey, as the "Mitchell H. Cohen United States Courthouse".

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 1766) "An act relating to the jurisdiction of the U.S. Capitol Police," with an amendment.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 2938) "An act to authorize the Architect of the Capitol to acquire certain property."

PRIVILEGES OF THE HOUSE—DIRECTING COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO INVESTIGATE ALLEGED VIOLATIONS OF COMMITTEE ON HOUSE ADMINISTRATION TASK FORCE IN ITS INVESTIGATION OF HOUSE POST OFFICE

Mr. THOMAS of California. Madam Speaker, I rise to a question of the privileges of the House, and I send to the desk a privileged resolution (H. Res. 519) and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 519

Whereas, pursuant to H. Res. 340, the Committee on House Administration was directed to investigate the operation and management of the Office of the Postmaster and;

Whereas, the Committee on House Administration Task Force to Investigate the Operation and Management of the Office of the Postmaster required all Task Force staff to agree in writing, by signing an Agreement of Confidentiality, not to disclose any information relating to the investigation prior to such time as the Task Force has released its final report and;

Whereas, confidential information from the Task Force draft report appeared in the July 10, 1992 and July 11, 1992 issues of The Washington Times and the July 13, 1992 issue of Roll Call and;

Whereas, a Member of the Task Force, in an attempt to influence the contents of the final Task Force report, placed a phone call to a Member not on the Task Force regarding confidential information in the Task Force draft report; and

Whereas, House Rule XLIII (the Code of Official Conduct), Section 1, requires that a "Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives;"

Resolved, That the House of Representatives directs the Committee on Standards of Official Conduct to investigate violations of the Agreement of Confidentiality of the Committee on House Administration Task Force to Investigate the Operation and Management of the Office of the Postmaster, and to determine whether the conduct of any Task Force Member who attempted to influence the content of the final Task Force report by calling any Member not on the Task Force regarding confidential information in the Task Force draft report violated House Rule XLIII, the Code of Official Conduct.

The SPEAKER pro tempore (Mrs. SCHROEDER). The resolution constitutes a question of the privileges of the House.

Mr. ROSE. Madam Speaker, I move to lay the resolution on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. ROSE] to lay on the table House Resolution 519.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. THOMAS of California. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 233, noes 176, not voting 25, as follows:

[Roll No. 293]

AYES—233

Abercrombie
Ackerman
Alexander
Anderson
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Beilenson
Bennett
Berman
Bevill
Bilbray
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Condit
Cooper
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Espy
Evans

Fascell
Fazio
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Geren
Gibbons
Glickman
Gonzalez
Gordon
Guarini
Hall (OH)
Hall (TX)
Harris
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules

McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (MN)
Pickett
Pickle
Price
Rangel
Reed
Richardson
Roe
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sarpalius
Savage
Sawyer
Schroeder
Schumer
Serrano
Sikorski
Sisisky
Skaggs

Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Solarz
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wolpe
Wyden
Yates

NOES—176

Allard
Allen
Andrews (ME)
Archer
Armey
Bacchus
Baker
Ballenger
Barrett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Boxer
Broomfield
Bruce
Bunning
Burton
Callahan
Camp
Campbell (CA)
Chandler
Clinger
Coble
Coleman (MO)
Combest
Costello
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Erdreich
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hamilton
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hunter
Inhofe
Jacobs
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lowery (CA)
Machtley
Marlenee
Martin
Mazzoli
McCandless
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Oxley
Packard
Paxon
Petri
Porter
Poshard
Pursell
Quillen
Rahall
Ramstad
Ravenel
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Sangmeister
Santorum
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Staggers
Stallings
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Vander Jagt
Vucanovich
Walker
Walsh
Weldon
Wise
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—25

Barnard
Collins (MI)
Conyers
Coughlin
Cox (CA)
Davis
Dwyer
Feighan
Gephardt
Gingrich
Hatcher
Hyde
Ireland
Kolter
Murtha
Perkins
Peterson (FL)
Ray
Scheuer
Spratt
Tallon
Thomas (GA)
Weber
Wolf
Yatron

☐ 1338

Mr. McCLOSKEY and Mr. JONTZ changed their vote from "no" to "aye."

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PRIVILEGES OF THE HOUSE—DIRECTING COMMITTEE ON HOUSE ADMINISTRATION TO MAKE PUBLIC TRANSCRIPTS OF TASK FORCE INVESTIGATION OF HOUSE POST OFFICE

Mr. WALKER. Madam Speaker, I rise to a question of the privileges of the House, and I offer a privileged resolution (H. Res. 520) involving a question of the privileges of the House, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. Res. 520

Whereas the Committee on House Administration has ordered reported the findings of the Committee Task Force to Investigate the Operation and Management of the House Post Office; and

Whereas matters have been raised which impugn the integrity of the proceedings of the House of Representatives: Now therefore be it

Resolved, That the Committee on House Administration is directed to make public all transcripts of proceedings of the Task Force leading to its final report.

The SPEAKER pro tempore. The resolution constitutes a question of the privileges of the House.

MOTION OFFERED BY MR. ROSE

Mr. ROSE. Madam Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROSE moves to lay on the table House Resolution 520.

☐ 1340

The SPEAKER pro tempore (Mrs. SCHROEDER). The question is on the motion offered by the gentleman from North Carolina [Mr. ROSE] to lay on the table House Resolution 520.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROSE. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 207, noes 200, not voting 27, as follows:

[Roll No. 294]

AYES—207

Abercrombie
Ackerman
Anderson
Andrews (TX)
Annunzio
Applegate
Aspin
Atkins
AuCoin
Beilenson
Bennett
Berman
Bevill
Bilbray
Blackwell
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bryant
Bustamante
Campbell (CO)
Cardin
Carr
Chapman
Clay
Clement
Coleman (TX)
Collins (IL)
Condit
Conyers
Cox (IL)
Coyne
Cramer
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Downey
Durbin
Dymally
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
Espy
Fascell
Fazio
Flake
Foglietta
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Geren
Gonzalez
Gordon
Guarini
Hall (OH)
Harris
Hayes (IL)
Hefner
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
McCloskey
McCurdy
McDermott
McHugh
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moran
Mrazek
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Panetta
Parker
Pastor
Payne (NJ)
Payne (VA)
Pease
Pelosi
Peterson (MN)
Pickett
Pickle
Price
Rangel
Richardson
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Solarz
Spratt
Stallings
Stark
Stokes
Studds
Swift
Synar
Tanner
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Whitten
Wise
Wolpe
Wyden
Yates
Yatron

NOES—200

Allard
Allen
Andrews (ME)
Andrews (NJ)
Archer
Armey
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Broomfield
Bruce
Bunning
Burton
Byron
Callahan
Camp
Campbell (CA)
Carper
Chandler
Clinger
Coble
Coleman (MO)
Combest
Cooper
Costello
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
English
Erdreich
Evans
Ewing
Fawell
Fields
Fish
Franks (CT)
Gallegly
Gallo
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Goodling
Goss
Gradison
Grandy
Green
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Jacobs
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lowery (CA)
Machtley
Marlenee
Martin
Mavroules
Mazzoli
McCandless
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moody
Moorhead
Morella
Morrison
Myers
Nichols
Nussle
Oxley
Packard
Pallone
Patterson

Paxon
Penny
Petri
Porter
Poshard
Pursell
Quillen
Rahall
Ramstad
Ravenel
Reed
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Staggers
Stearns
Stenholm
Stump
Sundquist
Swett
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Walsh
Weldon
Williams
Wilson
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—27

Alexander
Anthony
Collins (MI)
Coughlin
Cox (CA)
Davis
Dwyer
Feighan
Ford (MI)
Gephardt
Gingrich
Hatcher
Hyde
Ireland
Kolter
Murphy
Murtha
Perkins
Peterson (FL)
Ray
Roe
Tallon
Tauzin
Thomas (GA)
Weber
Wheat
Wolf

□ 1358

Mrs. BYRON and Messrs. MAZZOLI, BARNARD, McMILLEN of Maryland, and MOODY changed their vote from "aye" to "no."

Messrs. BEVILL, TORRES, DE LA GARZA, HERTEL, and JEFFERSON changed their vote from "no" to "aye."

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1400

GENERAL LEAVE

Mr. YATES. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5503, the bill we are about to consider, and that I may be permitted to include tables, charts, and other materials.

The SPEAKER pro tempore (Mrs. SCHROEDER). Is there objection to the request of the gentleman from Illinois?

There was no objection.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Mr. YATES. Madam Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes; and pending that motion, Madam Speaker, I ask unanimous consent that general debate be limited to not to exceed one hour, the time to be equally divided and controlled by the gentleman from Ohio [Mr. REGULA] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. YATES].

The motion was agreed to.

□ 1401

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5503, with Mr. GLICKMAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Illinois [Mr. YATES] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. REGULA] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, we bring to the Members today H.R. 5503, making appropriations for fiscal year 1993 for the Department of the Interior and related agencies. This bill is within the 602(b) allocation for both budget authority and outlays. We are approximately $198 million below our allocation in budget authority but we are at—right at—the budget ceiling. The bill includes $13 billion in budget authority and $12.7 billion in outlays.

That is the total of the bill. We anticipate revenues, as a result of the activities of the Department of the Interior and the Forest Service, during the course of fiscal year 1993 in the amount of $8.1 billion. After adjusting for firefighting costs and for fixed costs, such as inflation, pay raises, and rent increases, we are 5 percent below our fiscal year 1992 level.

Mr. Chairman, although we are within our 602(b) allocation and below our inflation-adjusted 1992 level, the recommendations before us today exceed the President's budget by about $484 million, almost half a billion dollars. The reason is that the President proposed significant reductions in a number of important, ongoing programs in this bill which our committees considered to be inappropriate, and we have placed the money in the bill in order to continue the programs.

For example, it seems strange that at a time when the State of California is undergoing a series of earthquakes, that there were cuts in vital research in the Geological Survey related to earthquake research and volcanoes and our water resources. We added $47 million above the President's budget in order to continue this important research.

We rejected proposed cuts by the President in the Bureau of Mines on ways to improve mine health, safety, and technology. We added $32 million above the budget request for the Bureau's research program. We rejected the President's proposal to decrease reclamation of abandoned mine sites. We restored $32 million to maintain the current funding level for these.

Fossil energy research by the Department of Energy was targeted for large decreases in the administration's budget proposal, including cuts in research to develop more efficient and more environmentally benign ways to burn coal, our greatest natural resource, which provides 55 percent of our electricity generation. We added $100 million above the budget request for fossil energy research programs.

I should also note that these programs, although above the President's request, are either at the 1992 levels or below. We have not increased them above current levels.

The President also, and this we consider to be important, proposed reductions related to programs for the Indian people. These reductions were both to Indian health care and ongoing operations and developments for Indian tribes, and for programs funded through the Bureau of Indian Affairs. Of the increase over the President's budget by our committee, $246 million is related to provision of medical services for the Indian people. The Indian people throughout the country as a whole have a lower health status than any other group in our country. It seems the lesser part of wisdom that efforts to improve that status should be reduced.

Although the Indian Health Service is improving its collections from private insurers and from Medicaid and Medicare, in the most recent year we have data, which is 1991, collections were $100 million, far short of the collections assumed in the President's budget; $184 million short, to be exact.

We have a burden to carry in our bill that I think is most unfair. Were it not for the action of CBO and OMB in designating fire suppression and fire fighting as discretionary costs, we would have a significant amount of funds available to take care of other programs in the bill. For some strange reason, in spite of the fact that a study was made which showed that over a 10-year period the annual cost of fire fighting and fire suppression was approximately $600 million, which would lead one to believe that that amount should be considered as mandatory, OMB and CBO still consider it to be discretionary, and we placed $613 million in our bill.

There were more than 800 witnesses who appeared before us. Of those wit-

nesses 107 were Members of Congress. Another 265 Members wrote to the committee asking for special attention for specific projects and programs. These are worthy programs, for the most part. They ought to be funded, and yet, because of the paucity of the resources with which we have to deal, we were unable to approve as many as we would have liked to do and as many as we should have.

It is important if we are to protect the natural resources of this country that our national park system, our public lands, our forest system, our wildlife refuge system, will be eased from the great stress under which they serve today and be provided with more funds with which to carry on their activities.

Many of you are interested in low income weatherization grants and will be happy to know that we have maintained the 1992 level of $194 million for these grants as well as maintaining the other State energy grants. The President's budget proposed to decrease weatherization assistance by $114 million. In addition, energy conservation research and development continues to be a high priority and we have been able to increase this important research by $50 million, a 20-percent increase over 1992.

In order to stay within our allocation, we were unable to fund any of the 30 new construction starts for visitors centers which were requested by Members of Congress. Similarly, we made a policy decision to delay start of acquisition of lands to initiate new wildlife refuges.

We also generally were unable to fund program expansions. Several agencies in the bill are recommended for funding below current levels. They include the Fish and Wildlife Service, the National Park Service, the Minerals Management Service, the Bureau of Mines, Territorial Affairs, and the Departmental Offices in the Department of the Interior; State and Private forestry, National Forest System and construction in the Forest Service; and Fossil Energy Research and Development in the Department of Energy. Although the Fish and Wildlife Service and the National Park Service in total are below 1992 levels, we have provided small operating increases, but not nearly at the level desirable to achieve full protection of these precious natural resources.

Appropriations from the Land and Water Conservation Fund for Federal acquisitions total $233 million, $60 million less than last year. State grants from the Fund are set at $28 million, an increase of $5 million over the 1992 amount. Requests for land acquisition from all sources totaled well over $1 billion.

The requests for individual construction items in the National Park Service exceeded $525 million. We were able to accommodate less than half of these.

Moratoria on Outer Continental Shelf leasing and related activities are continued in exactly the same areas and in the same form as contained in the 1992 appropriation. This includes California, Washington, and Oregon on the west coast, the Atlantic Coast, the eastern Gulf of Mexico and Bristol Bay in Alaska.

The activities in this bill are expected to generate receipts to the Treasury of approximately $8.2 billion in fiscal year 1993, which goes a long way toward offsetting the recommended new budget authority.

I believe we have done a good job under difficult circumstances to bring you a bill you can support.

In closing, I want to thank all the members of the subcommittee—JACK MURTHA, NORM DICKS, LES AUCOIN, TOM BEVILL, CHET ATKINS, JOE MCDADE, BILL LOWERY, JOE SKEEN, and especially RALPH REGULA, the ranking Republican member. All the subcommittee members have made significant contributions. For two of our members, this will be the last bill for which we will have the benefit of their contributions. I thank Mr. AUCOIN and Mr. LOWERY for their service and wish them well in their future pursuits.

I want to correct two errors in the report. First, on page 83, the amount included in the table under recreation construction for the national forests in Texas should be $1,899,000. The total increase indicated for facilities construction, +$2,601,000, does include this amount. Second, on page 21, the committee recommendation for land acquisition at the Stillwater National Wildlife Refuge in Nevada should read $3,000,000.

At this point, I ask that a table detailing the various amounts in the bill, as recommended by the Committee, be included in the Record.

FY 1993 Interior and Related Agencies Appropriations Bill (H.R. 5503)

	FY 1992 Enacted	FY 1993 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - DEPARTMENT OF THE INTERIOR					
Bureau of Land Management					
Management of lands and resources	532,149,000	546,247,000	531,967,000	-182,000	-14,280,000
Fire protection	120,473,000	119,560,000	119,560,000	-913,000	
Emergency Department of the Interior firefighting fund	99,598,000	113,640,000	113,640,000	+14,042,000	
Emergency contingency		(51,200,000)	(51,200,000)	(+51,200,000)	
Construction and access	14,138,000	14,228,000	13,225,000	-913,000	-1,003,000
Payments in lieu of taxes	103,677,000	105,000,000	105,000,000	+1,323,000	
Land acquisition	25,003,000	42,090,000	25,940,000	+937,000	-16,150,000
Oregon and California grant lands	89,137,000	83,622,000	83,122,000	-6,015,000	-500,000
Range improvements (indefinite)	10,687,000	10,747,000	10,747,000	+60,000	
Service charges, deposits, & forfeitures (indefinite)	7,899,000	8,000,000	8,000,000	+101,000	
Miscellaneous trust funds (indefinite)	7,285,000	7,380,000	7,380,000	+95,000	
Total, Bureau of Land Management	1,010,046,000	1,050,514,000	1,018,581,000	+8,535,000	-31,933,000
United States Fish and Wildlife Service					
Resource management	512,870,000	544,075,000	530,211,000	+17,341,000	-13,864,000
Construction and anadromous fish	113,447,000	49,410,000	47,513,000	-65,934,000	-1,897,000
Land acquisition	97,891,000	79,509,000	67,397,000	-30,494,000	-12,112,000
National wildlife refuge fund	11,849,000	14,079,000	11,849,000		-2,230,000
Rewards and operations	1,186,000	1,201,000	1,201,000	+15,000	
North American wetlands conservation fund		15,000,000	7,500,000	+7,500,000	-7,500,000
Natural resource damage assessment and restoration fund	4,315,000	5,000,000	5,000,000	+685,000	
Cooperative endangered species conservation fund	6,621,000	5,700,000	6,621,000		+921,000
Total, United States Fish and Wildlife Service	748,179,000	713,974,000	677,292,000	-70,887,000	-36,682,000
National Park Service					
Operation of the national park system	953,498,000	1,031,813,000	992,059,000	+38,561,000	-39,754,000
National recreation and preservation	22,799,000	30,991,000	22,715,000	-84,000	-8,276,000
Historic preservation fund	35,478,000	40,931,000	36,931,000	+1,453,000	-4,000,000
Construction	272,326,000	137,686,000	237,806,000	-34,520,000	+100,120,000
Urban park and recreation fund	4,937,000			-4,937,000	
Land and water conservation fund (rescission of contract authority)	-30,000,000	-30,000,000	-30,000,000		
Land acquisition and state assistance	105,227,000	144,404,000	106,500,000	+1,273,000	-37,904,000
John F. Kennedy Center for the Performing Arts	22,656,000	13,556,000	13,556,000	-9,100,000	
Illinois and Michigan Canal National Heritage Corridor Commission	247,000		250,000	+3,000	+250,000
Total, National Park Service (net)	1,387,168,000	1,369,381,000	1,379,817,000	-7,351,000	+10,436,000
United States Geological Survey					
Surveys, investigations, and research	582,619,000	540,267,000	587,668,000	+5,049,000	+47,401,000
Minerals Management Service					
Leasing and royalty management	204,461,000	197,812,000	197,514,000	-6,947,000	-298,000
Oil spill research		5,377,000	5,377,000	+5,377,000	
Total, Minerals Management Service	204,461,000	203,189,000	202,891,000	-1,570,000	-298,000
Bureau of Mines					
Mines and minerals	174,464,000	141,364,000	173,056,000	-1,408,000	+31,692,000
Office of Surface Mining Reclamation and Enforcement					
Regulation and technology	109,700,000	112,282,000	112,674,000	+2,974,000	+392,000
Receipts from performance bond forfeitures (indefinite)	1,481,000	1,200,000	1,200,000	-281,000	
Total	111,181,000	113,482,000	113,874,000	+2,693,000	+392,000
Abandoned mine reclamation fund (definite, trust fund)	187,803,000	156,151,000	188,041,000	+238,000	+31,890,000
Total, Office of Surface Mining Reclamation and Enforcement	298,984,000	269,633,000	301,915,000	+2,931,000	+32,282,000
Bureau of Indian Affairs					
Operation of Indian programs	1,274,322,000	1,256,483,000	1,354,151,000	+79,829,000	+97,668,000
Construction	149,658,000	81,591,000	152,446,000	+2,788,000	+70,855,000
Miscellaneous payments to Indians	87,617,000	31,709,000	39,109,000	-48,508,000	+7,400,000
Navajo rehabilitation trust fund	3,950,000		4,000,000	+50,000	+4,000,000
Indian direct loan program account	4,008,000		2,500,000	-1,508,000	+2,500,000
(Limitation on direct loans)	(15,735,000)		(11,300,000)	(-4,435,000)	(+11,300,000)
Indian guaranteed loan program account	9,412,000	9,770,000	9,770,000	+358,000	
(Limitation on guaranteed loans)	(56,432,000)	(68,800,000)	(68,800,000)	(+12,368,000)	
Technical assistance of Indian enterprises	987,000	2,987,000	1,987,000	+1,000,000	-1,000,000
Total, Bureau of Indian Affairs	1,529,954,000	1,382,540,000	1,563,963,000	+34,009,000	+181,423,000
Territorial and International Affairs					
Administration of territories	63,618,000	60,765,000	52,171,000	-11,447,000	-8,594,000
Interest rate differential	29,047,000	1,260,000	28,980,000	-67,000	+27,720,000
Total	92,665,000	62,025,000	81,151,000	-11,514,000	+19,126,000
Trust Territory of the Pacific Islands	24,143,000	16,451,000	26,796,000	+2,653,000	+10,345,000

FY 1993 Interior and Related Agencies Appropriations Bill (H.R. 5503)—Continued

	FY 1992 Enacted	FY 1993 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Compact of Free Association	14,821,000	7,357,000	10,457,000	-4,364,000	+3,100,000
Mandatory payments	10,000,000	10,000,000	10,000,000		
Total	24,821,000	17,357,000	20,457,000	-4,364,000	+3,100,000
Total, Territorial and International Affairs	141,629,000	95,833,000	128,404,000	-13,225,000	+32,571,000
Departmental Offices					
Office of the Secretary	63,633,000	72,279,000	63,857,000	+224,000	-8,422,000
Oil spill emergency fund	3,851,000			-3,851,000	
Office of the Solicitor	31,128,000	33,055,000	31,941,000	+813,000	-1,114,000
Office of Inspector General	23,741,000	26,420,000	23,741,000		-2,679,000
Construction Management	2,215,000	2,330,000	2,191,000	-24,000	-139,000
National Indian Gaming Commission	2,190,000	2,480,000	2,190,000		-290,000
Total, Departmental Offices	126,758,000	136,564,000	123,920,000	-2,838,000	-12,644,000
Total, title I, Department of the Interior:					
New budget (obligational) authority (net)	6,204,262,000	5,903,259,000	6,157,507,000	-46,755,000	+254,248,000
Appropriations	(6,234,262,000)	(5,933,259,000)	(6,187,507,000)	(-46,755,000)	(+254,248,000)
Rescission	(-30,000,000)	(-30,000,000)	(-30,000,000)		
(Limitation on direct loans)	(15,735,000)		(11,300,000)	(-4,435,000)	(+11,300,000)
(Limitation on guaranteed loans)	(56,432,000)	(68,800,000)	(68,800,000)	(+12,368,000)	
TITLE II - RELATED AGENCIES					
DEPARTMENT OF AGRICULTURE					
Forest Service					
Forest research	180,509,000	170,099,000	186,657,000	+6,148,000	+16,558,000
State and private forestry	181,787,000	198,976,000	136,929,000	-44,858,000	-62,047,000
Emergency pest suppession fund			(42,315,000)	(+42,315,000)	(+42,315,000)
National forest system	1,342,529,000	1,367,727,000	1,320,937,000	-21,592,000	-46,790,000
Forest Service fire protection	187,411,000	197,785,000	192,785,000	+5,374,000	-5,000,000
Emergency Forest Service firefighting fund	110,589,000	187,000,000	187,000,000	+76,411,000	
Emergency contingency		(188,000,000)	(188,000,000)	(+188,000,000)	
Construction	271,711,000	310,525,000	241,449,000	-30,262,000	-69,076,000
Timber receipts transfer to general fund (indefinite)	(-72,748,000)	(-75,366,000)	(-75,366,000)	(-2,618,000)	
Timber purchaser credits	(113,000,000)	(110,669,000)	(110,669,000)	(-2,331,000)	
Land acquisition	88,306,000	100,000,000	62,072,000	-26,234,000	-37,928,000
Acquisition of lands for national forests, special acts	1,118,000	1,190,000	1,190,000	+72,000	
Acquisition of lands to complete land exchanges (indefinite)	1,214,000	200,000	200,000	-1,014,000	
Range betterment fund (indefinite)	5,369,000	5,309,000	5,309,000	-60,000	
Gifts, donations and bequests for forest and rangeland research	96,000	105,000	105,000	+9,000	
Total, Forest Service	2,370,639,000	2,538,916,000	2,334,633,000	-36,006,000	-204,283,000
DEPARTMENT OF ENERGY					
Clean coal technology	-50,000,000	-25,000,000		+50,000,000	+25,000,000
Fossil energy research and development	452,332,000	311,325,000	412,597,000	-39,735,000	+101,272,000
Rescission	-8,000,000			+8,000,000	
Total (net)	444,332,000	311,325,000	412,597,000	-31,735,000	+101,272,000
Alternative fuels production (indefinite)	-8,364,000	-7,500,000	-7,500,000	+864,000	
Naval petroleum and oil shale reserves	232,335,000	238,094,000	238,094,000	+5,759,000	
Energy conservation	536,322,000	521,430,000	591,859,000	+55,537,000	+70,429,000
Economic regulation	14,585,000	13,865,000	14,565,000	-20,000	+700,000
Emergency preparedness	8,195,000	9,097,000	9,247,000	+1,052,000	+150,000
Strategic Petroleum Reserve	62,377,000	50,975,000	50,975,000	-11,402,000	
SPR petroleum account	14,910,000			-14,910,000	
Energy Information Administration	76,260,000	81,730,000	83,427,000	+7,167,000	+1,697,000
Biomass Energy Development (Transfer)		-44,000,000	-44,000,000	-44,000,000	
Total, Department of Energy, new budget (obligational) authority	1,330,952,000	1,150,016,000	1,349,264,000	+18,312,000	+199,248,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Indian Health Service					
Indian health services	1,431,603,000	1,384,446,000	1,559,615,000	+128,012,000	+175,169,000
Indian health facilities	274,351,000	267,006,000	338,596,000	+64,245,000	+71,590,000
Total, Indian Health Service	1,705,954,000	1,651,452,000	1,898,211,000	+192,257,000	+246,759,000
DEPARTMENT OF EDUCATION					
Office of Elementary and Secondary Education					
Indian education	76,570,000	81,205,000	81,274,000	+4,704,000	+69,000
OTHER RELATED AGENCIES					
Office of Navajo and Hopi Indian Relocation					
Salaries and expenses	25,842,000	30,935,000	28,935,000	+3,093,000	-2,000,000
Institute of American Indian and Alaska Native Culture and Arts Development					
Payment to the Institute	6,612,000	7,012,000	9,812,000	+3,200,000	+2,800,000

FY 1993 Interior and Related Agencies Appropriations Bill (H.R. 5503)—Continued

	FY 1992 Enacted	FY 1993 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Smithsonian Institution					
Salaries and expenses	281,183,000	311,000,000	298,656,000	+17,473,000	-12,344,000
Construction and improvements, National Zoological Park	7,899,000	7,900,000	7,900,000	+1,000	
Repair and restoration of buildings	23,599,000	24,400,000	24,400,000	+801,000	
Construction	19,156,000	21,400,000	17,330,000	-1,826,000	-4,070,000
Total, Smithsonian Institution	331,837,000	364,700,000	348,286,000	+16,449,000	-16,414,000
National Gallery of Art					
Salaries and expenses	48,572,000	52,630,000	51,663,000	+3,091,000	-967,000
Repair, restoration and renovation of buildings	3,555,000	3,900,000	3,600,000	+45,000	-300,000
Total, National Gallery of Art	52,127,000	56,530,000	55,263,000	+3,136,000	-1,267,000
Woodrow Wilson International Center for Scholars					
Salaries and expenses	5,744,000	6,252,000	6,252,000	+508,000	
National Foundation on the Arts and the Humanities					
National Endowment for the Arts					
Grants and administration	145,839,000	145,455,000	147,634,000	+1,795,000	+2,179,000
Matching grants	30,116,000	30,500,000	31,300,000	+1,184,000	+800,000
Total, National Endowment for the Arts	175,955,000	175,955,000	178,934,000	+2,979,000	+2,979,000
National Endowment for the Humanities					
Grants and administration	150,727,000	157,050,000	152,108,000	+1,381,000	-4,942,000
Matching grants	25,228,000	30,009,000	26,826,000	+1,598,000	-3,183,000
Total, National Endowment for the Humanities	175,955,000	187,059,000	178,934,000	+2,979,000	-8,125,000
Institute of Museum Services					
Grants and administration	26,999,000	29,000,000	29,000,000	+2,001,000	
Total, National Foundation on the Arts and the Humanities	378,909,000	392,014,000	386,868,000	+7,959,000	-5,146,000
Commission of Fine Arts					
Salaries and expenses	722,000	785,000	791,000	+69,000	+6,000
National Capital Arts and Cultural Affairs					
Grants	7,000,000		7,000,000		+7,000,000
Advisory Council on Historic Preservation					
Salaries and expenses	2,623,000	2,798,000	2,757,000	+134,000	-41,000
National Capital Planning Commission					
Salaries and expenses	4,775,000	6,100,000	5,400,000	+625,000	-700,000
Franklin Delano Roosevelt Memorial Commission					
Salaries and expenses	33,000	35,000	535,000	+502,000	+500,000
Pennsylvania Avenue Development Corporation					
Salaries and expenses	2,807,000	2,686,000	2,686,000	-121,000	
Public development	5,126,000	4,847,000	4,947,000	-179,000	+100,000
Land acquisition and development fund		6,500,000	6,500,000	+6,500,000	
Total, Pennsylvania Avenue Development Corporation	7,933,000	14,033,000	14,133,000	+6,200,000	+100,000
United States Holocaust Memorial Council					
Holocaust Memorial Council	10,866,000	18,504,000	21,450,000	+10,584,000	+2,946,000
Total, title II, Related Agencies:					
New budget (obligational) authority (net)	6,319,138,000	6,321,287,000	6,550,864,000	+231,726,000	+229,577,000
Rescission	(-8,000,000)			(+8,000,000)	
(Timber receipts transfer to general fund, indefinite)	(-72,748,000)	(-75,366,000)	(-75,366,000)	(-2,618,000)	
(Timber purchaser credits)	(113,000,000)	(110,669,000)	(110,669,000)	(-2,331,000)	
Grand total:					
New budget (obligational) authority (net)	12,523,400,000	12,224,546,000	12,708,371,000	+184,971,000	+483,825,000
Appropriations	(12,561,400,000)	(12,254,546,000)	(12,738,371,000)	(+176,971,000)	(+483,825,000)
Rescissions	(-38,000,000)	(-30,000,000)	(-30,000,000)	(+8,000,000)	
(Timber receipts transfer to general fund, indefinite)	(-72,748,000)	(-75,366,000)	(-75,366,000)	(-2,618,000)	
(Timber purchaser credits)	(113,000,000)	(110,669,000)	(110,669,000)	(-2,331,000)	
TITLE I - DEPARTMENT OF THE INTERIOR					
Bureau of Land Management	1,010,046,000	1,050,514,000	1,018,581,000	+8,535,000	-31,933,000
United States Fish and Wildlife Service	748,179,000	713,974,000	677,292,000	-70,887,000	-36,682,000
National Park Service	1,387,168,000	1,369,381,000	1,379,817,000	-7,351,000	+10,436,000
United States Geological Survey	582,619,000	540,267,000	587,668,000	+5,049,000	+47,401,000
Minerals Management Service	204,461,000	203,189,000	202,891,000	-1,570,000	-298,000
Bureau of Mines	174,464,000	141,364,000	173,056,000	-1,408,000	+31,692,000
Office of Surface Mining Reclamation and Enforcement	298,984,000	269,633,000	301,915,000	+2,931,000	+32,282,000
Bureau of Indian Affairs	1,529,954,000	1,382,540,000	1,563,963,000	+34,009,000	+181,423,000
Territorial and International Affairs	141,629,000	95,833,000	128,404,000	-13,225,000	+32,571,000

FY 1993 Interior and Related Agencies Appropriations Bill (H.R. 5503)—Continued

	FY 1992 Enacted	FY 1993 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Secretarial Offices	126,758,000	136,564,000	123,920,000	-2,838,000	-12,644,000
Total, Title I - Department of the Interior	6,204,262,000	5,903,259,000	6,157,507,000	-46,755,000	+254,248,000
TITLE II - RELATED AGENCIES					
Forest Service	2,370,639,000	2,538,916,000	2,334,633,000	-36,006,000	-204,283,000
Department of Energy	1,330,952,000	1,150,016,000	1,349,264,000	+18,312,000	+199,248,000
Indian Health	1,705,954,000	1,651,452,000	1,898,211,000	+192,257,000	+246,759,000
Indian Education	76,570,000	81,205,000	81,274,000	+4,704,000	+69,000
Office of Navajo and Hopi Indian Relocation	25,842,000	30,935,000	28,935,000	+3,093,000	-2,000,000
Institute of American Indian and Alaska Native Culture and Arts Development	6,612,000	7,012,000	9,812,000	+3,200,000	+2,800,000
Smithsonian	331,837,000	364,700,000	348,286,000	+16,449,000	-16,414,000
National Gallery of Art	52,127,000	56,530,000	55,263,000	+3,136,000	-1,267,000
Woodrow Wilson International Center for Scholars	5,744,000	6,252,000	6,252,000	+508,000	
National Endowment for the Arts	175,955,000	175,955,000	178,934,000	+2,979,000	+2,979,000
National Endowment for the Humanities	175,955,000	187,059,000	178,934,000	+2,979,000	-8,125,000
Institute of Museum Services	26,999,000	29,000,000	29,000,000	+2,001,000	
Commission of Fine Arts	722,000	785,000	791,000	+69,000	+6,000
National Capital Arts and Cultural Affairs	7,000,000		7,000,000		+7,000,000
Advisory Council on Historic Preservation	2,623,000	2,798,000	2,757,000	+134,000	-41,000
National Capital Planning Commission	4,775,000	6,100,000	5,400,000	+625,000	-700,000
Franklin Delano Roosevelt Memorial Commission	33,000	35,000	535,000	+502,000	+500,000
Pennsylvania Avenue Development Corporation	7,933,000	14,033,000	14,133,000	+6,200,000	+100,000
Holocaust Memorial Council	10,866,000	18,504,000	21,450,000	+10,584,000	+2,946,000
Total, Title II - Related Agencies	6,319,138,000	6,321,287,000	6,550,864,000	+231,726,000	+229,577,000
Grand total	12,523,400,000	12,224,546,000	12,708,371,000	+184,971,000	+483,825,000

☐ 1410

Mr. WILSON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Texas for the purposes of a colloquy.

Mr. WILSON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as I understand, of the provision of $1,700,000 for the Haley's Ferry Campground project on Toledo Bend Reservoir in the national forests in Texas, $1 million is for road construction and $700,000 is for recreation facilities planning and other related work.

Mr. YATES. Insofar as I understand that project, the gentleman is correct.

Mr. WILSON. I thank the chairman. I might also say that I have looked carefully at this project over the last weekend, and although the numbers that are in the bill are the Forest Service's estimates, it is hard for me to believe that they can spend that much on planning on the road, and I would hope that the Forest Service would be allowed, if there is any money left over, to spend it on attendant recreational activities.

Mr. YATES. Let us hope so.

Mr. WHITTEN. I thank the gentleman for yielding.

Mr. Chairman, I want to congratulate the chairman of the subcommittee, the gentleman from Illinois [Mr. YATES] and the other members of the subcommittee, especially the gentleman from Ohio, the ranking minority member, Mr. REGULA, for the great job they have done. Putting this bill together was not easy because of budget limitations. It was impossible to include many needed things which were sound and worthwhile.

This bill provides investments in America—our public lands, wildlife refuges, fish hatcheries, national parks, and national forests. It provides funds for energy conservation and fossil energy development programs. It provides funds for Indian schools and hospitals. These programs are vital to the development and support of our country.

Mr. Chairman, what we spend here is going to enable us to help handle our national financial problems if they are going to be handled. Our country itself is our wealth; thus, it is imperative that we protect, preserve, and develop all of our country.

Examples of other national programs, for which we have provided funds in this bill, that are of special interest to my area and State include funds to continue construction of the Natchez Trace Parkway, the Natchez Historical Park, a Vicksburg park study, the Pvt. John Allen National Fish Hatchery, Marine Minerals Institute, forest research at Stoneville, Starkville, Gulfport, and Oxford, and magnetohydrodynamics research.

Mr. Chairman, again, the gentleman from Illinois [Mr. YATES] and the gentleman from Ohio [Mr. REGULA] and the other members of the subcommittee have done a great job.

I urge this bill be adopted.

Mr. YATES. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. REGULA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to say at the outset that it has been a joy to work with the chairman of the subcommittee. We work on a totally nonpartisan basis, and that applies not only to the Members on both sides of the aisle, but also in addition our staff works together very well.

The enduring love affair of Americans is that of the citizenry with its lands. One-third of the United States is owned by the Federal Government, and it, of course, includes enormous resources and assets. This bill is designed to preserve those resources for future generations and to use them in a way that is beneficial to all of the people.

This is not a partisan bill. We have differences, but they are regional in nature as we will find out in the course of the debate and the amendments.

Americans like the public lands for different reasons. In the West it is because of the blue sky and the vast acreages that enhance the quality of life. For Easterners, of course, it includes the urban parks as well as the opportunity to visit the great parks that are a part of our natural system.

This is a people's bill. I think that is evidenced by the fact that in the last year our public lands had 634 million visitor days. That means if every American visited the public lands, that it would be at least 2 days per person. Obviously some more and some less. However, I think it illustrates the fact that people do love the public lands, and they like to use them.

One of the challenges that we have as a subcommittee is to build for the future, to do the maintenance on the facilities, to expand where possible and enhance the visitor experience through visitor centers, to achieve better safety conditions, and to provide generally better facilities for public lands users.

I thought it was interesting also statistically to note that 41 percent of all recreation in this country takes place on the Federal lands. That is what we are talking about here today, In 39 States recreation is one of the top three industries, and again much of that takes place on public lands.

So we are talking about an asset that adds to the quality of life, adds joy to the lives of people who use these facilities, but also has enormous economic benefits to this Nation. That is why it is important that we do the best possible job in allocating resources. It has not been easy. As the chairman pointed out so very well, we are basically going to spend less than we did in fiscal 1992. When we factor in the firefighting, and the fact that we have to accommodate for cost-of-living increases, for staff plus higher costs for supplies, we are 1.4 percent below the 1992 level for outlays.

At this point I would like to pay tribute to the vast number of public servants who work on the public lands and to those who perform the vital scientific research needed to properly manage these lands and resources. As I have been out and visited these facilities, there is a great esprit de corps among all of those who serve all of us in working for the Department of Interior, the Department of Agriculture, and for the facilities that we are discussing today. They really deserve our grateful thanks for making the outdoor experiences something that we enjoy. It is a labor of love for most of these people who are very caring in the protection and development of these resources.

We also, in this bill, deal with something that is important, and that is the development of energy resources. A lot of rather esoteric development is funded in this bill, but it is the type of thing that will give us energy security in the years to come and that will again allow our economy to grow, because we are a nation that is dependent on energy resources to provide jobs, to provide an ever-increased level of standard of living. To ensure that that happens in years to come, we have funded many different technologies in the development of energy resources.

The chairman mentioned one technology that is very important, and that is clean coal technology, because that is one of the greatest energy resources in terms of Btu's for our Nation.

I thought it was rather interesting when I was at a breakfast a couple of weeks ago sponsored by the World Wildlife Fund that they reported on what they had found out in Eastern Europe and in the former Soviet Union. One of the points they made very emphatically is that the one area that was terribly neglected, in addition to the people dimension, was the environment; that basically the environment was exploited in an effort to have a strong military and to have some of the programs that were considered to be vital by the leadership of Eastern Europe. They pointed out that the Western countries, and particularly the United States, would need to provide the technology to do the clean up of the environment in Eastern Europe, and certainly that is true. Many of the technologies that we are funding in this bill will undoubtedly play a part in the decades ahead as the Eastern Europeans try to compensate for more than 45 years of abuse of their lands, their air, and their water quality.

But they also made the point that it is important to us, because fallout from a Chernobyl, or the impact on water of pollution is not confined to the area in question. It is a worldwide problem, and therefore we have an interest in providing technology to these countries so that they in turn will be participants in providing for a quality global environment, and certainly the Rio conference emphasized that.

It is rather interesting that on this bill, the OMB letter, which usually takes an appropriation subcommittee to task for spending too much, has a number of points in its letter saying we are not spending enough. Granted, we have some different priorities. But on balance, they are saying we should spend more for a number of things, and that was a rather unusual kind of letter to get from the OMB. But I think again it illustrates the fact that there is a terrific need in the management of our public lands.

One need that I would particularly point out that I regret we do not have the funding to do is the backlog of maintenance in our parks and our forests; $400 million has been identified by the Forest Service as needed just to provide adequate safety facilities, to provide adequate camping experiences, and to provide adequate building maintenance, and $350 million for similar needs in the National Park Service.

I hope prospectively in the years to come we can address these backlogs, because if we fail to do so, the visitors will have a diminished quality experience on the public lands. Certainly that usage is going to grow, because our public lands are popular. They are dispersed across the country with the urban parks and the forest, and therefore I think the demand, with an increasing population, will be ever greater. Therefore it is vitally necessary and important that we deal with the backlog of unmet requirements for maintenance and safety.

And of course we have a changing society. I visited a forest near Los Angeles where they have a whole new set of problems with law enforcement due in part to the drug culture. Quality law enforcement is expensive.

☐ 1420

Again, we do not have the resources to really deal with those problems as well as we should. Visitor centers: We had a number of requests, as the chairman very clearly pointed out, from our colleagues; 256 Members had made requests, including visitor centers. These are wonderful for people to use, to interpret what they see in the park, forests, and refuges. However, we could not fund them, and we had to turn down 30 new starts simply because the resources are not there.

So to my colleagues, I urge you to support this bill. We have worked hard to make it cost effective and really address the priorities, not as well as we would like, but within the constraints of the funds available. I think we have done an effective job of giving the people of this Nation a resource that is well managed, that will serve their needs as well as possible. This enduring love affair with our public lands, certainly is part of the American culture and the usage of that land can continue in a way that we all will find attractive, that we all will be proud of as Members responsible for the management of these lands.

Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. McDADE], the ranking subcommittee member who really sets the stage for many of the good things we have been able to do.

Mr. McDADE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I will be brief, but I want my colleagues to know that I rise in very strong support of this piece of legislation.

I want to commend my friend, the gentleman from Illinois [Mr. YATES], the distinguished chairman of the committee, who has been chairman for many years of this subcommittee. He and my good friend, the gentleman from Ohio [Mr. REGULA], have brought to the House a bill that they can be proud of and that they can support. It has the mark of all the members of the subcommittee, each of whom have in their own way helped to shape the legislation that is in front of us today in a very positive way.

None of that could happen without the able assistance of so many staff people who spend so many hours crunching the numbers and doing the hard work that enables us to get to where we are. They all have our thanks for enabling us to do so.

Mr. Chairman, this bill is a lean, tough type bill that is under the 602 allocations. There have been a lot of hard choices made, not 100 percent unanimous, but hard choices to bring it in under the 602. It is a bill that looks at the resources of the Nation and their development and, Mr. Chairman, it is one of the few bills that comes before us that pays for itself. Receipts generated by this bill in this fiscal year will equal about $8 billion more than the BA and layout authority that is outgoing, principally because of the revenue derived from our national forests, the legacy of Gifford Pinchot from my congressional district, a legacy of the oil and gas and other revenue-enhancing measures that are in the bill.

I hope that my colleagues will adopt it overwhelmingly. I know there are a lot of amendments, and I hope they will be handled expeditiously, I say to my friends.

Mr. Chairman, I rise today in strong support of H.R. 5503, the Interior and related agencies appropriations bill for fiscal year 1993, I want to congratulate and commend Chairman SID YATES and the subcommittee's ranking Republican, RALPH REGULA, and all the members of the subcommittee, for putting together an excellent bill under the most difficult of circumstances.

The bill before us today is lean, tight, and fiscally responsible. It falls under the 602(b) allocation in both budget authority and outlays. While it is over the 1992 level, that is in large part because emergency firefighting expenses are included that were not funded in last year's House bill.

Despite the fiscal restraints, the bill is responsive to the needs of this Nation through its funding of the Department of the Interior, the Forest Service, Indian health and education, and conservation and research programs at the Department of Energy. This is an essential bill that provides for the wise use and preservation of our natural resources.

In considering this appropriation, it should be remembered that the Interior bill, unlike most other appropriations bills, in large part pays for itself through revenues generated by activities in this bill. Receipts to the Treasury from timber leases and mineral and oil development are estimated to be $8.16 billion during fiscal year 1993.

This bill is the product of extensive public hearing and an exhaustive review of the administration's budget request. As in past years, there were a number of areas where priorities were reordered to better meet the Nation's needs.

It is noteworthy that we have a bill that reduces certain accounts such as the Fish and Wildlife Service, the National Park Service, Bureau of Mines, and fossil energy below the fiscal year 1992 level. Held at level funding or slightly above are the Bureau of Land Management, Geological Survey, Minerals Management Service, and Office of Surface Mining.

The bill falls under the President's request for the BLM, Fish and Wildlife Service, MMS, Forest Service, Smithsonian, Arts and Humanities, and land acquisition. Increases came in very few areas, and only for high priorities, such as energy conservation, or situations with a desperate need, such as Indian health and education.

The bill includes a number of measures which, I believe, accurately reflect the position of the full House. These include a 33⅓-percent increase in grazing fees, continuation of a moratorium on offshore leasing, and the imposition of an annual $100 holding fee for mining patent claims on Federal lands.

The administration does have a number of reservations. OMB strongly objects to the way the pest suppression account is handled. Funding needs for pest suppression activities fluctuate greatly from year to year. Because of this, the bill provides funds for basic operations but also includes a separate emergency account for suppression activities. These funds could only be used of the President declared an emergency. A similar emergency account for firefighting was proposed last year. OMB objected, and it was dropped in conference.

The administration is also strongly opposed to the increase in grazing fees and the limitation on mineral patents.

The last major objection to the bill is the failure to adequately fund certain high priority administration programs such as targeted parks, land and water conservation fund, State grants and the American the beautiful passport.

These proposals are strongly supported by many members of the subcommittee, including this member. Unfortunately, this was a difficult year, dollars were tight, new initiatives were not funded, and the America the beautiful passport is lacking an authorization.

Notwithstanding the administration's objections, the Interior Subcommittee, led by SID YATES and RALPH REGULA, did another outstanding job. I believe the administration will ultimately support the bill. I urge its passage.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, first this Member would like to take the opportunity to thank the distinguished chairman and the ranking minority member of the House Appropriations Subcommittee on Interior and all the members of this subcommittee. The distinguished gentleman from Illinois [Mr. YATES] and the distinguished gentleman from Ohio [Mr. REGULA] have been longtime supporters of Interior-related projects that are very important to Nebraska.

Mr. Chairman, this Member formally here would recognize that the members of the House Appropriations Committee and the House Appropriations Subcommittee on Interior have had to make difficult decisions regarding the funding of Interior Department programs and their related agencies. Therefore, this member is especially pleased and gratified for the subcommittee's continued support for agroforestry research at the multi-State Center for Semi-Arid Agroforestry in Lincoln, NE.

Mr. Chairman, this bill, among other things, appropriates an additional $100,000 for forest protection research at the Center for Semi-Arid Agroforestry. Based in Lincoln, NE, this center is the mainstay of agroforestry research and technology transfer for the Forest Service for the semiarid Great Plains region. By developing sound conservation forestry practices for semiarid lands such as the Great Plains, the center has the vast potential to enhance crop and livestock production, protect surface and ground water quality, create wildlife habitat, and promote other sound environmental policies.

Most importantly, Mr. Chairman, the Center's research is dedicated to resolving these environmental problems before they are created. By planting trees and shrubs strategically, agricultural producers can lessen the impact on our streams, rivers, lakes, and ground water from runoff pollution. Ultimately, these sound forestry conservation practices can save millions of dollars in environmental cleanup costs. Therefore, this Member believes the extra funding provided to the Center for Semi-Arid Agroforestry in Lincoln, NE, is money well spend.

Additionally, Mr. Chairman, this Member is also pleased that the committee alloted funding for the Ponca Tribe of Nebraska which is, once again, a federally recognized tribe, and for the Ponca tribal economic development plan.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. SKEEN], a distinguished member of the subcommittee who has contributed greatly to putting this constructive bill together.

Mr. SKEEN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I want to start by commending. This is my first full session on this committee, and I commend the chairman, the gentleman from Illinois [Mr. YATES], and the members of his staff, and the gentleman from Ohio [Mr. REGULA], and members of his staff, for people who work extremely hard and put together a very well made bill, very well authored bill.

It is undoubtedly probably the most comprehensive pieces of work anyplace in this legislative body, because there are so many different assets and facets to this particular piece of legislation. Other than the fact that once again we have grazing fees to argue about, why I have no complaint at all about the bill. It is well done, well considered, and congratulations to both of the leaders, the chairman and the ranking member, and particularly the members who have worked very hard to put this piece of legislation together.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise today in support of the committee's inclusion of $5 million for purchase of conservation easements in Sterling Forest. Of course, I am disappointed that the appropriated amount is less than the $25 million originally requested. However, this funding, provided through the Forest Legacy Program on a matching-fund basis with the States of New Jersey and New York, is a beginning in the movement to preserve Sterling Forest.

At 17,500 acres, Sterling Forest is the largest tract of undeveloped forest land in the New York metropolitan area, and its preservation is critical to the region. Sterling Forest provides more than open space, recreational opportunities, rich forest resources, and a habitat for many threatened and endangered species, however.

While only 2,000 acres of Sterling Forest lies within my northern New Jersey district, Sterling Forest covers a significant portion of the northern New Jersey watershed. In fact, over 2 million northern New Jersey residents depend upon the integrity of Sterling Forest for clean drinking water. Major development in Sterling Forest will have a severe impact on the northern portion of the Passaic River drainage basin, as well as the Monksville and Wanaque Reservoirs, both of which are major drinking supplies for northern New Jersey.

Moreover, in accordance with the Forest Legacy Program, the Federal Government would not assume responsibility for the operation and management of Sterling Forest. Rather, the Palisades Interstate Park Commission [PIPC], an existing authority operated by New York and New Jersey, would manage Sterling Forest in a bistate fashion. PIPC management of Sterling Forest would not only maintain Federal fiscal responsibility, but would provide regional management which is overwhelmingly favored by local citizens.

Mr. Chairman, I am pleased that this Congress was able to move forward with the preservation of Sterling Forest. The prospect of substantive cooperation between the Federal Government and the States of New Jersey and New York is very encouraging and should serve as a model in these fiscally difficult times. From clean drinking water, to open space preservation, to bountiful recreational opportunities, Sterling Forest must be protected from overdevelopment for the citizens of northern New Jersey and the entire New York metropolitan region.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I would like to thank the chairman of the subcommittee, Mr. YATES, the ranking member, Mr. REGULA, chairman of the full Interior Appropriations Committee, Mr. WHITTEN, and the ranking member, Mr. MCDADE, and the members of the Interior Appropriations Committee for their recognition of the significant contributions of south central Pennsylvania. Specifically, I appreciate the support for Gettysburg and the Gettysburg National Military Park where one of the most significant battles of the Civil War occurred and for York which served as our country's first capital. South central Pennsylvania played a vital role in our Nation's development and I appreciate the committee's consideration in assisting the residents of south central Pennsylvania in preserving and promoting our American heritage.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, later on in the consideration of the Interior appropriations bill, my colleagues, the gentleman from North Dakota [Mr. DORGAN] and the gentleman from Minnesota [Mr. PENNY], and I will offer an amendment to cut Government overhead spending.

Government overhead spending includes such items as travel and supplies. It does not touch items such as personnel and programs.

The idea of this amendment is to complement the steps that have already been taken by the Appropriations Subcommittee. They have already made a number of tough choices and tough cuts, and this amendment does not duplicate the actions, and very worthwhile actions, they have already taken.

What this item does do is to target Government overhead spending which now comprises almost one-quarter of our Federal budget. The idea here is to scrutinize Government overhead spending which has really never been scrutinized before and target those areas that do not deal with personnel or programs.

I think this will be an amendment all of our colleagues can join with us in support of, and it is also an amendment that I think shows the value and the need of cutting Government overhead spending, trying to restrain Government costs, and in the end trying to reduce the Federal deficit.

□ 1430

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, I just want to alert the members of the committee that when the gentleman from Indiana [Mr. JONTZ] offers his amendment that I will be opposing that amendment because it does not necessarily cut below cost sales. It does cut sale preparation, but sale preparation timber has already basically been cut in this bill. Therefore, this would cut it further, would actually have repercussions to timber-dependent communities, would have repercussion to revenues going to counties and to cities as part of their share, would have implications on cutting above cost sales as well as below cost sales.

It is a meat axe approach. I just want to let the Members know that that there will be strong opposition to that amendment.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. MCCANDLESS].

Mr. MCCANDLESS. Mr. Chairman, I thank my friend for yielding me this time.

Mr. Chairman, my district, which is the largest in the Nation, also has a rising number of threatened and endangered species. As a result, I have become very familiar with the workings of the Endangered Species Act. My first exposure to the ESA came roughly 10 years ago, when I was able to help establish a preserve for the fringe-toed lizard in the Coachella Valley. Back then, it was largely a local or regional issue; now, the welfare of endangered species is national news.

I have seen implementation of the act go from successfully rescuing threatened species, to being unfairly used as a slow-growth tool to stymie careful development, public works projects, and the rights of individual property owners. I think the majority of my colleagues would agree that changes need to be made in this program, including the establishment of clear definitions for what is now an ambiguous and open-ended mitigation process.

The Chandler amendment will remove $8½ million from the total of $530 million set aside for resource management activities in fiscal year 1993. This $8.5 million is currently earmarked for the purposes of prelisting and listing additional endangered species in fiscal year 1993. The rest of the appropriation remains intact, for habitat conservation, research, and other needed wildlife enhancement programs. This also includes the recovery process for species which are already listed, which I feel merit the lion's share of our attention and resources anyway. The energies of the ESA should be focused on completing the mitigation and recovery plans for as many currently listed species as possible.

My concern is that, if this money is left in the bill, there may be a tendency early next year to further postpone debate on the reauthorization of the ESA. The excuses can stretch no further. By supporting this amendment, I say to my colleagues that the time must come for us to genuinely address this well-intentioned yet flawed program. Congress should not appropriate its way around tough issues, which is what I fear may transpire here. Mr. Chairman, we can do much better at reconciling the needs of our wildlife and our human constituencies, which need not be mutually exclusive. I urge support of this amendment, not to weaken the ESA, as some will complain, but to ensure its eventual reauthorization.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I do not know if my colleagues can see these charts or not.

I hope you can. I think it is very important that you just take a look at these.

Every single appropriation bill that we have had come before this body this year is in excess of last year's appropriation. We are at $4.077 trillion in debt. According to the Federal Reserve Board, we are going to be at $13.5 trillion in debt by the year 2000, 7½ years from now.

What that simply means is that the interest on the national debt if you look at this other chart, which is about $350 billion a year, now is going to be $1.2 trillion.

Now, what does that mean to the American people? It means that the vast majority of the money raised in taxes is going to go just to pay the interest on the debt, and when we can no longer service the debt the Federal Reserve Board will have no choice except to print money to pay off part of the debt so we do not have to pay interest on it. That is called monetizing the debt.

Now, when they start printing money to pay off the debt, which they certainly will do, every government in history that has been in this situation has done that, when they start printing money the people on fixed incomes, the welfare recipients, the Social Security recipients, the retired people in this country, are going to get really hit hard. Bread will go to 10 bucks a loaf. Milk will go to 15 bucks a gallon. At that point they will have money, but they will not be able to buy anything with it because of the inflationary problems that we have.

Now, I just would like to say to my colleagues, there is a commercial out in Indiana for Fram oil filters. It has this guy standing there with a Fram oil filter and he says, "You can pay me now, or you can pay me later."

The point he is making is that if you do not put a new oil filter in the car, the engine is going to go bad and the cost is going to be much, much worse.

Now, either we get control of spending now or this is going to happen, and this is a conservative estimate, this $13½ trillion in debt, so we can either pay now or pay later, and the problem will be much, much worse.

The point that I want to make is that we have got to cap the spending on these appropriation bills, and I am just going to say to my colleagues now we also have to address entitlements. We never talk about entitlements on this floor ever, because we are scared to death of people on fixed incomes, Social Security recipients and so forth; but we need to tell the American people on fixed incomes, the Social Security recipients, what will happen in 5 or 6 or 7 years if we do not get control of spending now. We need to cap entitlements at 1, 2, 3 or 4 percent above what we are spending right now and not have these 10- or 15-percent growth periods every single year. If we do not, we are going to really pay the piper and the people who are going to get hurt the most are the people on fixed incomes, on welfare, senior citizens, the people who we are very concerned about right now.

So as the guy says in the commercial, "You can pay me now, or pay me later." Either we deal with the problem today by controlling these appropriation bills and capping these entitlements, or in about 5 or 6 years the people in this country are really going to hate our guts for not doing what has to be done.

Mr. REGULA. Mr. Chairman, I thank the gentleman for his comments.

I would remind him that this bill, if you factor in inflation, over which we have no control and the change in accounting for fire costs, is 1.4 percent under last year's level on outlays. That is a cap. It is not an entitlement bill.

The other thing I would mention is that the net cost of this bill, which generates 634 million visitor days is about $5 billion because we generate $8 billion in receipts, and that offsets the total cost of $13 billion.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. REGULA. Yes; I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I would just like to say to my colleague, I appreciate the committee's efforts in that regard. I think they have been heading more in the right direction in the last few months, but I would just like to say that every appropriation bill that we have dealt with has been in excess of last year. We have a $400 billion-plus deficit, so we have got to come to grips with this, or else what I said is going to happen.

Mr. REGULA. I understand, and that is what we tried to do.

Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I would like to commend Chairman YATES and Mr. REGULA for the work they have done on this bill. For most of the 11 authorized categories in H.R. 776, the House-passed Energy bill, the appropriation is within the limit set in that authorization act. This includes such items as enhanced oil recovery, oil shale, unconventional gas recovery, most coal R&D and fossil energy support, conservation R&D, steel and aluminum R&D, and metal castings centers. However, H.R. 5503 is still a $415 million increase in spending from this year. And it is almost $475 million over the President's freeze request. We should try if we can to get that overall spending down.

One way to do that will be through an amendment I will offer later. That amendment merely cuts the amount of funding in H.R. 5503 that exceeds the authorization in 2 of the 11 authorized categories in H.R. 776 mentioned earlier. That results in a savings of $26 million. I urge my colleagues to join me and the gentleman from Michigan [Mr. WOLPE] in supporting this amendment when it is offered.

Mr. REGULA. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon [Mr. AUCOIN], a member of the subcommittee.

Mr. AUCOIN. Mr. Chairman, I rise in support of the bill.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman, let me rise in support of the general bill and a special thanks to Chairman YATES and our ranking Republican Member, the gentleman from Ohio [Mr. REGULA]. I have worked with the gentlemen for the last couple years on a number of issues in the Interior appropriations bill, and particularly this year I want to focus on the increase provided in this bill for Zebra mussel research. Many of my colleagues I think are well aware of the problems of the Zebra mussel in the Upper Great Lakes. Somehow or another the Zebra mussel has transferred itself into the Mississippi River and we now are getting very concerned over the kinds of millions of dollars we will probably have to spend in the future on lock and dam maintenance, on electrical energy generation facilities and otherwise if we cannot deal with this research in order to respond to the problem that is there.

The Interior bill that is before us has responded to this problem by increasing funding from $500,000 last year to $850,000 this year. Within the limits of fiscal resources that we have, this is certainly a move in the right direction, and I want to thank both gentlemen and commend them for their work.

Mr. REGULA. Mr. Chairman, I thank the gentleman for his compliments.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LOWERY]. I want to point out that the gentleman has been a very valued member of the subcommittee. This will be his last participation in the activities of this subcommittee. He certainly has made great contributions. We have had some good-natured differences on moratoria, but that is democracy at work. We have enjoyed very much having him as a member of the subcommittee and very much appreciate his contributions.

□ 1440

Mr. LOWERY of California. Mr. Chairman, I rise in support of H.R. 5503, the Interior and related agencies appropriations bill for fiscal year 1993 and request permission to revise and extend my remarks. Mr. Chairman, this is a sound bill and I would like to commend the gentleman from Illinois [Mr. YATES] and the gentleman from Ohio [Mr. REGULA] for all their work and leadership in bringing this measure to the floor.

As the chairman of the subcommittee stated earlier this bill is well within all the guidelines as far as budgetary constraints are concerned. Certainly, the subcommittee had to make some hard decisions to produce a bill within these rigid fiscal standards. I commend the chairman's leadership in crafting a bill that meets these tough standards and also properly addresses the needs of the various agencies and programs funded by this bill.

I am also pleased to note H.R. 5503, contains bill language continuing the OCS leasing restrictions included in last year's bill. There have been several large strides this past year in developing a comprehensive and reasoned long-term OCS policy for the Nation. Both the House and Senate have approved national energy policy legislation which includes language outlining an environmentally sound long-term OCS policy. However, the bill is still moving through the legislative process. The moratorium in this bill provides an instrument to ensure protection of our coastlines until a permanent policy can be enacted.

Offshore oil drilling has been a subject we have chewed over many times in this subcommittee. There have been others and we have not always agreed. But I want to take a moment to thank Chairman YATES and our ranking member, Mr. REGULA, for their leadership on this subcommittee. Despite minor differences, we have been united toward a common goal of environmental protection and husbanding the resources of this great Nation. It has been a pleasure to serve, I have enjoyed it and I can only plead with you to continue your vigilance over our beautiful coastlines.

Again, Mr. Chairman, I commend Chairman YATES and the subcommittee staff for their diligence in bringing this fine bill to the floor and urge my colleagues to support it.

Mr. RITTER. Mr. Chairman, I am here to support the annual appropriation of $350,000 for fiscal year 1993 for the Delaware and Lehigh Navigation Canal National Heritage Corridor.

Congressman PETER KOSTMAYER and I originally introduced this legislation on February 17, 1988, designating the Delaware and Lehigh River area as the Nation's third National Heritage Corridor.

In accordance with the law, the Heritage Corridor Commission was recently established to assist Federal, State, and local agencies in planning for the preservation and rehabilitation of the historic 106-mile canal corridor.

So far, the Commission has inventoried the corridor's unique natural, historic, social, cultural, economic, and recreational assets. It is now preparing a report to the people of the Delaware and Lehigh Valleys, the Governor of Pennsylvania, and the Secretary of the Interior. There is hope for official designation of the corridor as a State heritage park.

Public enthusiasm for this heritage corridor has spurred developments such as the rehabilitation of Sand Island and proposed work on its ice house; improvements to the towpath in areas such as Freemansburg, Bethlehem, and Catasaqua; canal bed clearing and dredging; cleanup, revitalization, and construction for a new canal boat for Hugh Moore Historical Park in Easton and a proposed visitor orientation program for Walnutport and Slatington.

The Allentown Economic Development Corp., recently proposed converting an obsolete factory into offices and a transportation museum, and developing a city park along the Lehigh River to be known as Lehigh Landing.

Funding for these projects has been provided by local governments, the Lehigh Valley Private Industry Council and our Commission's TRAIL Program, through the Pennsylvania Heritage Parks Grant Program for early implementation projects.

This is also an example of government spurring a public-private partnership. The private Lehigh River Foundation was established to revitalize and protect our region's special quality of life. Appropriately, local citizens are providing the vision for this new kind of national park on the Lehigh River.

The foundation has raised more than $150,000 in contributions and pledges from Lehigh Valley businesses and corridor residents. More than 10,000 people have already enjoyed the foundation's new 12-minute Robin Miller film, "We Will Stand," describing the beauty of the corridor and telling the story of its 300 years of development.

The Lehigh Valley will see improved quality of life, economic development, tourism and environmental enhancement. Pennsylvania can rightly say, "America Starts Here." This funding will allow residents and visitors to travel the paths where the American Industrial Revolution took its first steps.

The Delaware and Lehigh Navigation Canal National Heritage Corridor is an effective way for the Federal Government, via the National Parks Service, to parlay limited funds, their immense technical expertise, and a national historical stimulus into something far greater for our people.

Mr. DE LUGO. Mr. Chairman, the bill before us contains a number of provisions that address our responsibilities to the insular areas associated with the United States, and I urge its passage. As chairman of the authorizing subcommittee, I also want to compliment the chairman of the Appropriations subcommittee responsible for this legislation, our distinguished colleague from Illinois, Mr. YATES, for his leadership on this measure, his sensitivity to Federal responsibility in insular areas, and his cooperation with the committee that I chair.

There are a few provisions regarding the insular areas that I want to note briefly.

First, in keeping with our responsibility for the governing and development of the trust territory of Palau, H.R. 5503 would provide some $7.4 million for capital improvements and $18.2 million for government operations, as opposed to the zero funding and $15.2 million respectively recommended by the President. Since the United States remains fully responsible for the governing of Palau under a trusteeship agreement with the United Nations, and since the developmental needs of Palau remain great, the support H.R. 5503 would provide for Palau in spite of the President's attempts to reduce funding some $2.3 million for operating government and $5.9 million for capital improvements would help fulfill an important national obligation.

It is particularly important that we do so since the cuts in assistance to Palau that the President proposed may have been part of an ill-advised effort to try to pressure Palau to approve a free association arrangement that Palau's leaders have said will probably not be approved by their people unless it is modified. Our country should meet its current trusteeship obligations regarding Palau without trying to force Palau's future self-determination decisions.

Before moving to other issues, however, Mr. Chairman, I would like the record to show that the point of order raised by my distinguished colleague and chairman of the Subcommittee on National Parks and Public Lands, Mr. BRUCE VENTO, with reference to the historic preservation fund provision in H.R. 5503 was based, not on any substantive opposition to the Trust Territory of the Pacific Islands being eligible for historic preservation fund matching grant assistance, but was purely procedural and reflected Chairman VENTO's opposition—as a jurisdictional matter—to an appropriations bill being used for legislative purposes.

As Members will recall, Hurricane Hugo hit the territory that I am privileged to represent, the Virgin Islands were particularly hard. To this date, there remains significant damages to a number of buildings at the University of the Virgin Islands. This bill would provide a sorely needed $4.5 million for the reconstruction of these buildings and would, therefore, enable the university to address itself to the important task of training not only our young people, but indeed the young people of the entire region, in surroundings that compromise neither safety nor security.

Mr. Chairman, dangerous drug abuse continues to be a plague upon the insular areas. And an attendant crime wave has hit these islands. It is well known that the Caribbean Islands in particular are being used as transshipment points to the lucrative mainland drug market. So, I am pleased to note that this bill would provide additional assistance to these islands' war against drug abuse.

As we know, Mr. Chairman, the massive "Bravo" thermonuclear test at Bikini Atoll in 1954 exposed nearby Rongelap Atoll to a high level of radiation. But although the Department and Energy reported high levels of contamination in 1982, it asserted that Rongelap was safe for its people to live on. Later, however, serious questions were raised about this conclusion. An agreement between the authorizing and appropriating committees on last year's appropriation provided $1 million for additional study of the safety of Rongelap, and $1.975 million for its cleanup and resettlement, including up to $500,000 for expenses of the people while in exile.

The President's proposal that the Congress not fund this important program further concerned me. I am, therefore, pleased to point out that H.R. 5503 would provide an additional $2 million in fiscal year 1993.

Mr. Chairman, the President also proposed that capital improvements spending in American Samoa be cut in real terms, and government operations support be cut both in real as well as absolute terms. The Subcommittee on Insular and International Affairs, which I am privileged to chair, opposed this proposal because of the overwhelming needs of these underdeveloped islands. We did not agree that they should be made because of the apparent problems in financial management in the territory. The weaknesses in the capacities of American Samoa can best be addressed via fiscal responsibility measures at the local level and through greater guidance and involvement on the part of the Interior Department.

H.R. 5503 concurs with the analysis of the subcommittee that I chair and would provide approximately $30 million to American Samoa as opposed to the $26.4 million proposed by the President.

Finally, the bill also includes $27.7 million in direct assistance for the Northern Mariana Islands required by the omnibus Insular Areas Act of 1986, as recommended by the Interior and Insular Affairs Committee at my suggestion.

This amount of assistance is to be provided the Commonwealth each year until the Congress provides otherwise by law.

The purpose of this assistance is to fulfill a commitment made in the agreement that established the political union between the islands and the United States to help develop the standard of living in the Commonwealth and its ability to meet the costs of local self-government itself.

Some Members have raised serious questions about whether this or any special direct assistance should continue to be provided the Commonwealth, however.

One of the reasons for these questions is that there has been substantial progress in achieving the goals of the assistance, although the islands still have major basic infrastructure needs.

The economy of the islands has boomed in recent years, increasing the standard of living and the ability of the local government to meet its responsibilities, as well as the infrastructure needs. In fact, the Governor has said that next year's assistance will not be needed to meet costs of operating the government for the first time. Instead, the assistance will be devoted wholly to infrastructure needs.

But the more compelling reason for questioning whether this special assistance needs to be continued relates to the Commonwealth's income tax system and its fairness.

One of the most important forms of indirect Federal assistance granted the Commonwealth is the ownership of revenue from income taxes at rates identical to those imposed by the Internal Revenue Code and the exemption of residents from Federal income taxation.

The Commonwealth, however, has used its authority to rebate collections of this tax to virtually substitute a local income tax system instead.

This system taxes lower income residents on wage and salary income at rates higher than Federal rates; but taxes higher income residents at rates lower than Federal rates, and proportionately less the higher the income. It has even lower rates on business income and almost no tax on investment income.

In 1990 alone, it may have taxed income over $43 million less than Federal rates would have, according to information from the Commonwealth.

The Commonwealth has the right under current law to have such a system, but its income tax effort and its fairness will have to be considered in determining whether to provide further special direct assistance to the islands. So, too, will the extent to which infrastructure needs relate to the lack of development of the islands when the Interior Department was responsible for their local government and the extent to which the needs relate to development due to local policies since then.

I will fight to force the Federal Government to fulfill its commitments made in uniting with the islands; we should expect the Commonwealth to do no less.

The questions that have arisen with respect to further special assistance for the Northern Mariana Islands are ones that should be examined comprehensively. This bill includes the assistance currently required by law pending such an examination.

Mr. GOSS. Mr. Chairman, I realize I may be beginning to sound like a broken record—but Congress needs to start singing this tune. We cannot just continue merrily along on our way appropriating money we don't have, committing resources to projects we can't afford, and making promises we can't keep. Still, even though we all know that Congress is spending $4 for every $3 we take in and our Federal deficit is approaching $400 billion this year, today yet another overweight appropriations bill comes to the floor for a vote.

There are many important programs included in this bill. I believe in our National Park Service, our wildlife refuges, our Minerals Management Service, and so forth. And I fought hard to include language in this bill that protects the sensitive waters of the eastern Gulf of Mexico from potentially damaging offshore oil drilling—at least for 1 more year. But I simply cannot support this bill—which traditionally and continually is the vehicle for passage of many programs that we as a Nation just cannot afford to fully fund.

Mr. Chairman, a junior member of the minority party has little clout in our current system in this House. But I have my vote and I have promised my constituents that I will be voting "no" a great deal until the Congress demonstrates that it will no longer passively accept more of the same.

Sure this means I'll be voting against good projects along with the bad—but drastic times call for drastic measures. We have to say "no" before we no longer have any choices left. It's a matter of accountability. It's a matter of affordability.

Mr. ESPY. Mr. Chairman, I rise in support of H.R. 5503, the Interior appropriations bill for fiscal year 1993. This legislation contains funding for several programs that are of vital importance not only to Mississippi, but also to the Nation. I commend the subcommittee Chair and members for their difficult work on this bill in light of the budgetary constraints placed upon them.

The Mississippi River National Heritage Corridor Study Commission Act of 1990, Public Law 101–398, established a 3-year Commission to study the resources of the Mississippi River Valley and to make recommendations to Congress on the boundaries of a proposed Mississippi River National Heritage Corridor stretching from the river's headwaters to the gulf. The work of the Commission holds great promise for the scenic, historic, economic, and cultural resources of the 10 Mississippi River States. This bill provides $200,000 to the Commission so that this important work can continue.

Tourists from our region and the rest of the Nation will benefit from the improvements provided in the appropriations made to the Natchez Trace Parkway and the Natchez National Historic Park, which total $12,000,000 and $500,000, respectively.

The Natchez Trace Parkway is a major historical asset to my region of the country, which runs from Natchez, Mississippi to Nashville, TN. This 8,000 year old "line of footprints" was first used by buffalo and Indians, followed by trappers, settlers, and missionaries. From 1800 to 1820, the Trace was considered the busiest highway in the South. The Natchez National Historic Park, located 60 miles south of Vicksburg, MS, depicts much of the region's history as it relates to Natchez, the first colonial settlement along the Mississippi River.

I am also pleased that the Vicksburg National Military Park received $200,000 in planning funds from the historic preservation fund.

Mr. Chairman, I must say that I am disappointed that funding was not included for Dahomey National Wildlife Refuge. This subcommittee provided $2,000,000 in fiscal year 1991 and $1,000,000 in fiscal year 1992 to this important project, which represents the largest bottomland hardwood forest ecosystem in the north Mississippi Delta area. An appropriation of $3.2 million is necessary to make possible the transfer of 4,667 acres to complete acquisition of the 9,300 acre Allen Gray tract. I will continue to work to secure funding for this project in the future.

Mr. GRADISON. Mr. Chairman, I want to commend the Appropriations Committee for producing a bill that is below the spending cap with only a minimum of budgetary gimmicks. My concern is with these gimmicks.

The creation of emergency accounts in order to appear to provide more funds than are available under the cap is a budget trick that we must not allow. I am sure that the subcommittee had good reason for creating these accounts and I am not questioning their motives. My intention is to point out that there is great potential for abuse in the designation of emergency spending. Such designations should be used with discretion and only in a very limited number of instances. Otherwise, this legitimate budgetary device can easily become just another ploy to escape the budgetary discipline we so desperately need.

Last year, this subcommittee created two new emergency accounts for firefighting. This year the subcommittee created another emergency account for pest management. My concern is that as spending caps get tighter, more emergency accounts will be created with less justification than the ones in this bill.

Eliminating the budget deficit will require stringent adherence to spending controls. Creating ways around these controls only makes our deficit problem bigger. I strongly urge my colleagues maintain fiscal discipline and resist the temptation to exploit enforcement loopholes.

Mr. KYL. Mr. Chairman, I rise in opposition to the grazing fee increase included in this bill.

This increase will not raise revenue for the Treasury. It will lose revenue because, as the National Tax Limitation Committee pointed out with regard to a similar amendment last year, it "pushes the overall costs of public grazing well in excess of those involved in leasing private rangelands" and will thus drive cattlemen off of public lands altogether.

The Treasury will, therefore, end up losing revenue as cattlemen who are forced out of business stop paying the grazing fees that they would otherwise pay.

I suspect that revenue is not really what proponents of this increase are after, though. Eliminating grazing from public lands is the more likely objective.

Mr. Chairman, let's take a look at whom this increase is aimed: Some 88 percent of Bureau of Land Management permittees are family-sized operations, not megabusinesses, and the majority of these ranchers live on the edge, making less than $28,000 per year.

In the West, where the majority of land is owned by the Federal Government, the choice to move to private land is limited. So, the choice that ranchers will face if this increase is enacted will really be between paying a higher fee that they cannot afford to pay or simply going out of business.

This House should be looking for ways to create new jobs and preserve existing jobs, not creative ways to put more people out of work.

Let me make one final point about costs before closing. Comparing fees paid on public and private land is comparing apples and oranges. Unlike grazing on private lands, ranchers who graze their livestock on public lands must pay additional costs for fencing, water, roads, et cetera, in addition to the Federal grazing fee.

If those additional costs are taken into account, as they should be, it is clear that cattlemen pay more than their fair share.

Mr. Chairman, the Interior appropriations bill includes funds for a number of good programs. We can make it a better bill by eliminating this grazing fee increase.

Mr. JONES of North Carolina. Mr. Chairman, I support H.R. 5503. I am pleased that the bill includes a $3.5 million appropriation for land acquisition for the Roanoke River National Wildlife Refuge in Bertie County, NC. With these funds, we can bring over 5,200 strategically located acres into the refuge.

This is a recently established refuge. It is an outstanding example of a hardwood southern river system; unlike most ecosystems of this type, it is virtually undisturbed. The Roanoke River is the principal watershed of the Albemarle Sound, a federally designated "nationally significant" estuary under the Clean Water Act.

Creation of this refuge resulted from cooperation between the North Carolina Nature Conservancy, the State of North Carolina, and the U.S. Fish and Wildlife Service. The parties are currently involved in the acquisition and transfer of land interests in accordance with their previous agreements.

The political leadership of Bertie County, in which the lands are located, strongly endorses their acquisition.

There are other worthy items not included in the bill because of overall funding constraints. I understand these constraints, but I will work on behalf of these proposals so that we can obtain these funds as soon as possible.

I am personally committed to construction of the Center for the Sounds as part of the Pocosin Lakes National Wildlife Refuge. This center would consist of a refuge visitors center, headquarters and administrative center, and walkway along the Scuppernong River.

Pocosin Lakes is a massive new refuge, consisting of 110,000 acres in three counties of eastern North Carolina. No Federal money was spent to obtain this splendid area; it was obtained via a gift from the conservation fund.

When viewed as a whole with the Alligator River, Pea Island, Currituck, Roanoke River, Dismal Swamp, Mackey's Island, Mattamuskeet, Swan Quarter, and Cedar Island Refuges, a huge chunk of eastern North Carolina is owned by the Fish and Wildlife Service. And there is not a single visitors center at any of these refuges.

This facility would be located in Tyrrell County. It is the poorest county in the State. Economic development opportunities are scarce, but county leaders have embarked on an effort to create economic progress for its citizens by focusing on its environmental assets. The Center for the Sounds is at the heart of its strategy. The leadership of Tyrrell County and the Town of Columbia have exerted a great deal of energy in promoting this idea. They testified before the Appropriations Committee earlier this year.

Money for refuge construction projects has been hard to come by in recent years, but here is a case where a refuge facility will be of tremendous economic aid to a locality and where the Government didn't even spend a dime to create a major refuge. Surely Congress can see the wisdom of investing in this effort.

There is a need to purchase a key tract in the Croatan National Forest in Craven County, NC.

This is the Oates tract of 4,734 acres. Because of this tract's proximity to a major highway and the value of its timber, the owner intends to dispose of the property. He is willing to sell to the Forest Service; but if this is not possible, he has made clear that he will convey the property to interests who will cut the timber and develop the acreage commercially. This would leave a gaping "hole" within existing National Forest boundaries and adjacent to the Sheep Ride wilderness area. Also, without this tract in Federal ownership, the public will have no guaranteed access to Long Lake.

The property is not only a key parcel within the Croatan Forest, its acquisition would enhance efforts to preserve habitat for the endangered red-cockaded woodpecker.

Finally, there is a need for further land acquisition at the Fort Raleigh National Historic Site in Roanoke Island, NC.

Last year Congress appropriated $5.6 million to expand the Historic Site, as authorized in Public Law 101–603.

I am delighted to report that the Park Service has moved swiftly to carry out this mandate. Already, there is a purchase contract of about $1.8 million for the tract of land judged to be the most critical for the expansion effort. Appraisals are expected soon for lands held by a second key property owner who should be a willing seller.

It is likely that the fiscal 1992 appropriation will be fully committed by October. An additional appropriation will probably complete the expansion goals.

Mr. PANETTA. Mr. Chairman, I rise in support of H.R. 5503, the Department of the Interior and Related Agencies appropriations bill for fiscal year 1993. This is the ninth of the 13 annual appropriations bills to be considered by the House.

The bill provides $13.032 billion in discretionary budget authority and $12.666 billion in discretionary outlays, which is $198 million in budget authority below the 602(b) spending subdivision for this subcommittee. Estimated outlays are equal to the subdivision total.

I commend the chairman and ranking member of the subcommittee for bringing this bill to the floor in a timely fashion.

As chairman of the Budget Committee, I will inform the House of the status of all appropriations bills compared with the 602(b) subdivisions as they are considered on the House floor.

I look forward to working with the Appropriations Committee on its remaining bills.

H.R. 5503, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, FISCAL YEAR 1993 (H. REPT. 102–626)

The House Appropriations Committee filed the Department of the Interior and Related Agencies Appropriations bill for Fiscal Year 1993 on Monday, June 29, 1992. Floor consideration of this bill is scheduled for Wednesday, July 1, subject to a rule being granted.

COMPARISON TO THE 602(B) SUBDIVISION

The bill provides $13,032 million of discretionary budget authority and $12,666 million in estimated discretionary outlays, which is $198 million in budget authority below the 602(b) subdivision for this subcommittee. Estimated outlays are equal to the subdivision total. A comparison of the bill with the funding subdivisions follows:

[In millions of dollars]

	Interior and Related Agencies appropriations bill		Appropriation Committee 602(b) subdivision		Bill over (+)(under (−) Committee 602(b) subdivision	
	BA	0	BA	0	BA	0
Discretionary	13,032	12,666	13,230	12,666	−198	....
Mandatory[1]	79	78	79	78	....	....
Total	13,111	12,744	13,309	12,744	−198	....

BA=New budget authority.

O=Estimated outlays.
[1] Conforms to the Budget Resolution estimates for existing law.

PROGRAM HIGHLIGHTS

Following are major program highlights for the Department of the Interior and Related Agencies Appropriations Bill for fiscal year 1993, as filed:

[In millions of dollars]

	Budget authority	New outlays
Department of the Interior:		
Bureau of Land Management	1,040	832
U.S. Fish and Wildlife Service	677	485
National Park Service	1,380	920
Geological Survey	588	558
Office of Surface Mining Reclamation	302	119
Minerals Management Service	203	132
Bureau of Mines	173	112
Bureau of Indian Affairs	1,563	908
Territorial and International Affairs	128	93
Related agencies:		
Forest Service	2,389	1,907
Strategic Petroleum Reserve	51	−8
Energy Conservation	592	148
Fossil Energy R&D	413	165
Naval Petroleum and Oil Shale Reserves	238	143
Indian Health Service	1,898	1,297
Indian Education	81	12
Smithsonian Institution	299	260
National Foundation on the Arts and Humanities	358	135

The House Appropriations Committee filed the Committee's subdivision of budget authority and outlays on June 11, 1992. These subdivisions are consistent with the allocation of spending responsibility to House committees contained in H. Con. Res. 287, Concurrent Resolution on the Budget for Fiscal Year 1993,. as adopted by the Congress on May 21, 1992.

Mr. MINETA. Mr. Chairman, I rise today in strong support of H.R. 5503, making appropriations for the Department of Interior and related agencies for fiscal year 1993.

I am particularly pleased that the bill includes $1.1 million in funding for the Manzanar National Historic Site in Inyo County, CA.

This site designation was authorized this year by the passage of H.R. 543, which was introduced by my friend and colleague, Congressman MEL LEVINE and signed into law by President Bush. The appropriation granted by H.R. 5503 will ensure that the National Park Service can begin to make the Manzanar National Historic Site a reality.

Very little remains today at Manzanar, but for Americans of Japanese ancestry, Manzanar will forever be a reminder of the pain and loss we suffered during the Second World War.

When the Empire of Japan launched its attack on Pearl Harbor on December 7, 1941, it attacked all Americans, including those of us who happened to be of Japanese ancestry.

But the distinction between the Empire of Japan and Americans of Japanese ancestry was quickly lost in the search for scapegoats, and the hysteria generated by this aggression against the United States.

It was not long after attack that Japanese-Americans, whether citizens or permanent residents, were forced from their homes and businesses and into internment camps in remote parts of the country. Manzanar was one of those camps.

Mr. Chairman, when the Congress passed the Civil Liberties Act of 1988, the U.S. Government officially apologized for the injustice of the interment. That historic action finally removed the shadow of disloyalty that had hung over Americans of Japanese ancestry for the previous four decades.

But to avoid another such contravention of rights, we must continue to remind ourselves of the lessons of the internment and of the circumstances that enabled the Government to suspend its own Bill of Rights because of war hysteria and prejudice.

That is particularly important in this, the 50th anniversary year of the beginning of the internment and evacuation.

The Manzanar National Historic Site will be an important part of that effort, and will serve to educate our fellow Americans about the importance of our Constitution, and the tragedies that follow when we ignore the rights it guarantees.

Mr. Chairman, I would like to express my thanks to my friends from California, Mr. LEVINE, Mr. THOMAS, Mr. LAGOMARSINO, and Mr. DIXON, for all of their hard work on the Manzanar project. Finally, I would like to express my gratitude to the gentleman from Illinois [Mr. YATES], the chairman of the subcommittee, for his steadfast support of the Japanese-American community over so many years.

I urge my colleagues to support the bill.

Mr. VENTO. Mr. Chairman, in 1992 there has been and will be a lot of rhetoric about the environment and conserving our natural and cultural resource heritage. The test of whether that talk will result in substantive action will depend on such measures as H.R. 5503, the Interior and related agencies appropriations bill, that is before the House today. If this House truly believes in protecting our environment and preserving the legacy of our natural and cultural heritage for our children and future generations, we had better be prepared to fund the programs to accomplish that end.

Last week President Bush stood in a grove of giant Sequoia trees in California and complained that if only Congress would act on his initiatives he could be the environmental President. In reality Bush is a miniature environmentalist. He is lost when true leadership is needed. How ironic that the President choose the giant Sequoias as the place to launch his attack on this body, when it was these very Sequoia trees that Congress had to enact a moratorium on to prevent the Reagan and Bush administrations from cutting them down. President Bush should be viewed as a political, miniature environmentalist. When needed Bush was no place to be found. He has spent years in the White House advocating the clear cutting of our country's Pacific forests. Congress has been fighting Bush's policies, attempting to save the last stands of America's old growth forests. At the same time Bush falsely claims to be the savior of the giant Sequoia.

In his statement the President went on to carp that Congress wouldn't give him all the money he wants for land acquisition from the land and water conservation fund [LWCF] and for using parks as classrooms.

I support increased funding for land acquisition of important conservation areas and the funding of matching grants to the states from the LWCF. Yes, I would like to see increased funding for these programs in this bill but for the President to complain about this rings hollow. In the past 12 years it has been the Congress that has carried the burden of keeping the LWCF Program going. Through much of the 1980s the administration requested little or no funding for this program. Where was the President then? The LWCF is a vital program based on the simple and just premise that as we deplete our natural resources a portion of the revenues gained should be dedicated to conserving significant aspects of our national heritage and providing recreational opportunities for all Americans. Congress has been the leader on this for years with the President following along, when it has been politically popular to do so.

As chairman of the Subcommittee on National Parks and Public Lands and as a professional science educator, I know well the potential our national parks have as classrooms for our young people. To hear the President talk you would think he invented the idea. But what really is his idea? Nobody knows. It exists only in cloud of words without form or substance. Two weeks ago in testimony before the subcommittee the National Park Service stated they had not even developed criteria to carry out the President's classroom in the parks plan. No one knows just how this is proposed to function. Is it any wonder that the Appropriations Committee didn't rush headlong into funding this ill-defined effort? I strongly support real park education and interpretation efforts. Every national park unit we create contains directives to interpret park resources for the public, interpretation and education is basic to the national Park Service mission. If the President is sincere about this initiative, let him come forth with the details of his program.

Finally, it should be noted that in the past 11 years of the Reagan-Bush administrations natural resources and the environment have declined as a share of the total Federal budget from 1.9 to 1 percent. Many environmental and natural resource programs receive less funding than they did in 1980 while others have lost ground in terms of real dollars. Is this the signal the President wants to send on the national Government's commitment to the environment and our national resources? We hear a lot of talk about fiscal deficits but what about our human and social deficits? The air we breathe, the water we drink and the ability to refresh and renew ourselves within our national parks, forests and public lands is basic to our quality of life. I for one support funding of our environmental and natural resource programs as an immediate and long-term investment in America and the natural and cultural heritage of the American people.

Mrs. SLAUGHTER. Mr. Chairman, today I rise in strong support of the fiscal year 1993 Interior appropriations bill, H.R. 5503, and its provisions for increased funding for the National Endowment for the Arts [NEA]. H.R. 5503 increases the NEA appropriation by $3 million over last year's funding and rejects the Bush administration's attempt to freeze NEA funding at the 1992 level.

The National Endowment for the Arts makes invaluable arts and education programs available in communities across the country, ensuring that all Americans—rich and poor, urban and rural—have opportunities for the cultural and artistic expression which enriches the American tradition and improves quality of life.

Since its inception 27 years ago, the record of the National Endowment for the Arts in promoting creativity in this country has been exemplary. The NEA has supported individual artists and arts organizations throughout the nation and has vastly expanded the landscape of the arts in the United States.

All artistic disciplines have undergone tremendous growth as a result of the NEA. In 1965, this country had 58 orchestras. Now we have 230. We had 22 theaters. Now we have 420. We went from 37 to 250 dance companies, and from 27 to 120 opera companies all because of the tremendous work of the National Endowment of the Arts. Clearly, all of this means that the arts today are truly equal opportunity—able to reach more areas of the country and enrich the lives of Americans of all economic and social strata.

The arts serve as one of our Nation's best forums for the free exchange of ideas. By introducing our children to the arts, the National Endowment for the Arts plays an invaluable part in the education of our Nation's future leaders and the development of their creative and expressive abilities.

Over the years, NEA funding has provided a powerful stimulant for our economy. The arts directly and indirectly provide millions of jobs, stimulate tourism and contribute to the revitalization of our cities and towns. Most endowment grants must also be matched at least dollar for dollar by non-Federal funds, thereby insuring that the agency serves not only as a source of direct support for artists and arts organizations, but also leverage private investment in hometown cultural and educational resources.

As a member of the executive board of the congressional arts caucus, I have been an ardent supporter of public funding of the arts and the National Endowment for the Arts. The NEA assists Rochester-area artistic and cultural organizations like Garth Fagan's Bucket Dance Theater, the Eastman House, GeVa Theater, and the Memorial Art Gallery with almost $1 million in grants each year. Assistance like this allows our schoolchildren to spend an afternoon with the Rochester Philharmonic or touring a local museum.

I strongly support the Federal Government's role of helping to create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry but also the material conditions facilitating the releases of this creative talent. By reaffirming today our commitment to the NEA, we can ensure the continued development of the creative force that exists throughout this great Nation.

Mr. KOLBE. Mr. Chairman, I rise in strong support of the Stenholm amendment, which will remove the 33 percent grazing fee increase currently in the Interior appropriations bill. My reasons for supporting this amendment are simple. Raising grazing fees 33 percent is fundamentally unfair.

The current practice of levying grazing fees is fairly based on prevailing market conditions. In fact, the fee has risen considerably in the past few years, including 8.8 percent last year, due to increased market variables.

Grazing fees are determined using a formula devised by this body—a formula supported by the Carter, Reagan, and now the Bush administrations—and a formula that has withstood challenge in Federal court.

Proponents of the 33 percent increase compare Federal and private lease rates as though they were analogous. This just simply is not the case. Most Federal rangeland is not lush meadows, but sparse desert or mountainous terrain. Federal "permittees" bear additional costs of transportation, herding, and predator and death losses. These permittees must pay for and upkeep water systems development on public lands that benefit grazing livestock as well as wildlife. The Federal permittee has the right to the grass only, yet must pay for all maintenance and improvements. When these costs are tolled, the difference between Federal and private lease rates, not surprisingly, disappear. Or, in many cases, final costs to Federal permittees surpasses private lease rates.

Those who seek to remove cattle and ranchers from the West also rely on the 1986 Department of Agriculture and Interior grazing fee report. This report and a 1992 update, were recently analyzed. That analysis found, among other things, that the data used to draw the final conclusions, upon which grazing opponents base their arguments, has a probable accuracy of correctly reflecting the data collected of less than 1 percent. This analysis is an important contribution to the complex issue of grazing fees and it should be fully considered and reviewed in the proper forum—the authorizing committee, not an appropriations bill.

Basic fairness dictates the removal of the 33 percent grazing fee increase. Mr. Chairman, now is not the time and this is not the place to address authorizing legislation that would wipe out the western livestock industry. The appropriate authorizing committees have been working diligently on resolving this complex and controversial issue. Hearings have been held on this issue in the House Agriculture and Interior Committees and, recently, in the Senate Energy and Natural Resources Committee.

Raising grazing fees 33 percent in an appropriations bill has prevented those with the most to lose—western cattle ranchers—from having any input into the process. This institution has directed and encouraged western ranchers to use the committee process to resolve this issue. They have. And know, for the second straight year, they have had the rug pulled out from under them by an appropriations bill that is being used as a vehicle to drive ranchers out of business. Ranchers thought they were getting a fair and open forum to air their side of the story, but raising fees 33 percent in this bill proves the committee process to be nothing but a ruse. Vote for the Stenholm amendment if for no other reason than to restore some badly needed integrity to this institution and its processes.

Mr. MARLENEE. Mr. Chairman, once again our cherished right of hunting is at risk. The antihunter extremists are again attempting to stop lawful hunts on Federal lands.

My colleague from suburban Virginia thinks his beliefs are vastly superior to all of those in the Department of the Interior. He even wants to overturn a decision of a Federal judge, who ruled in favor of hunting on this very subject just over a year ago. He wants to legislate a hunting ban in defiance of all the experts from the U.S. Fish and Wildlife Service who contend that hunting is a necessary and critical conservation technique.

I have always been a strong supporter of the National Wildlife Refuge System. Within this appropriation bill there is a ban on hunting by law-abiding citizens on the Mason Neck Wildlife Refuge in northern Virginia.

Once again, Mr. Chairman, I have to remind this body that hunting is the most balanced way to maintain and conserve wildlife habitats. At the turn of the century, there were approximately 500,000 white-tailed deer in North America. Now there are as many as 17 million.

In Virginia alone there are 800,000 deer—more than there was in George Washington's time.

My colleague from suburban Virginia says that only Government officials should hunt on this refuge. I ask him, is it the responsibility of the Federal Government to micromanage the great Commonwealth of Virginia?

He tells us that hunting by law-abiding citizens has failed. However, the refuge management states that the 137 deer harvested from Mason Neck last year was a success.

My colleague from suburban Virginia states that loud noises hurt the bald eagles ears but he advocates the use of professional Government marksmen to thin the herd. Does my colleague from northern Virginia believe that the eagles will not hear the Government rifles?

He states that the hunt is not good for the eagles. But deer have stripped almost all foliage off the trees less than 5 years old. In 20 or 30 years there would not be any of these trees to replace the older, dying trees the eagles currently nest in.

Mr. Chairman, if my colleague wants to leave the hunt to the professionals, he should listen to the professionals. Let law-abiding hunters harvest the surplus deer population according to proven refuge management policies.

Mr. Chairman, the Moran provision in the Interior appropriations bill is just another blatant attack by animal rights extremists trying to tie the hands of wildlife conservationists. I can only guess that it is the likes of PETA, the fund for animals, the National Wildlife Refuge Reform Coalition and other antihunting groups, who are pushing the House to stop this hunt again.

Conservation groups such as the Wildlife Legislative Fund of America, the National Rifle Association, Safari Club International, the Congressional Sportsmen's Caucus, the International Association of Fish and Wildlife Agencies, and the U.S. Fish and Wildlife Service support the hunt on the Mason Neck National Wildlife Refuge.

Vote for conservation. Vote for practicality. Vote for the Brewster amendment to keep our hunting heritage alive on this and other wildlife refuges.

Mr. MAZZOLI. Mr. Speaker, I rise in support of H.R. 5503, in support of the funding in this legislation for the National Endowment for the Arts [NEA] and in opposition to both the Crane amendment which would eliminate the endowment outright, and the Stearns amendment which would freeze NEA funding at its fiscal year 1992 level.

Those who support the NEA accurately point to the relatively few questionable grants that the NEA has funded, and point to the overall good the NEA has done in sponsoring the arts in America.

Those who oppose the NEA argue that the endowment has crossed the line too often—the line which divides art from pornography and scatology. And, despite the acknowledged good the NEA does, they say the bad it does justifies its termination.

I believe the former argument is the correct one. Since the NEA's birth as part of the Great Society programs of the Johnson administration, the vast majority of NEA grants have not been controversial and have, in a positive way, cultivated the arts and humanities in our Nation.

Undeniably, the endowment under some of its former chairs issued grants to artists for works which, in almost any book, were appalling and sacrilegious and pornographic.

The ensuing commotion almost destroyed the NEA's standing on Capitol Hill and led Congress, following rancorous debate, to place limits on the NEA's funding practices. The NEA authorization now prohibits funding of pornographic art.

And, this funding cycle, the new Chair of the NEA, Anne Imelda Radice stated before the Appropriations Subcommittee chaired by the distinguished gentleman from Illinois [Mr. YATES] that the endowment under her leadership, would fund grants which appeal to "the widest (possible) audience." She also stated, that "the concerns of the taxpayers, (and) the concerns of the Congress * * * have as much weight" as artistic merit in determining who and what projects will receive NEA funds.

Many in the visual and performing arts community confess to strange feelings of discomfort at Ms. Radice's "weight" test. But, others, while not ecstatic with her testimony to the panel, feel the NEA must be reasonably reined-in or be unreasonably killed off legislatively.

Others, and I am in this category, await Ms. Radice's work product at the NEA's helm. My judgement will come after she has made a few grants and denied a few grants. This will be the acid test of her "weight" test.

The historical tendency of artists and performers is to challenge, test, and confound their audiences and patrons. I, for one, hope Ms. Radice is successful in balancing this tendency against the bedrock fact that the NEA is distributing public, not private, money and must, therefore, be accountable to the taxpayers of America whose hard earned dollars underwrite the grants.

I hope the NEA chair is successful in her balancing act because, on the whole, I believe the NEA is a net positive for our Nation.

It is a little known fact that an NEA grant helped fund the original theatrical production of what eventually became the Academy Award winning film, "Driving Miss Daisy." This film was both an artistic and commercial success and it contributed greatly to the American economy. Were it not for the NEA, "Driving Miss Daisy"—among many, many, other plays, stagings, orchestral performances, and musical compositions—might never have come into being.

Furthermore, the NEA has been a vital contributor to the arts in the commonwealth of Kentucky and in my district of Louisville and Jefferson County. Among worthy recipients of NEA grants in the Commonwealth are the Kentucky Arts Council—an organization which promotes the arts throughout Kentucky—the Louisville Orchestra, and Actors Theatre of Louisville.

Mr. Chairman, our Nation earns dividends on its investment in the National Endowment for the Arts. Even admitting the NEA is not perfect in its grant evaluation and accepting that its "wrists should be slapped" when it strays, I feel that it is vital that this House oppose both the Crane amendment and the Stearns amendment.

Mr. Chairman, I would also like to say a few words about two other items of importance to the Third District of Kentucky which appear in H.R. 5503 the Interior appropriations bill.

This legislation appropriates $178.9 million for the National Endowment for the Humanities [NEH]. Although the Endowment for the Arts tends to receive much more public attention, the NEH is also vitally important to the culture of our Nation. NEH funding in this bill represents an increase over fiscal year 1992 funding levels and, although, I would liked to have seen more funding targeted for the Division of State Programs within the NEH, I am pleased with the overall level of funding in the bill.

NEH funds contribute much to the cultural life and cultural environment of Kentucky. Through the good offices of the Kentucky Humanities Council, NEH grants have gone to the Filson Club of Kentucky, the Kentucky Shakespeare Festival, and just this summer, the Kentucky Chautauqua Festival which is bringing the rich history of the Commonwealth to every corner of the State.

Lastly, Mr. Chairman, this Interior appropriations bill also contains $31 million for the Historic Preservation Trust Fund Grant Program, which has made possible the rehabilitation and preservation of many historic structures in the Commonwealth of Kentucky and in Louisville.

As I said in my testimony before the Interior Appropriations Subcommittee in May, these restoration projects have both preserved the historical and architectural tradition and history of my hometown, Louisville, and my home State, Kentucky, but in the same process have created thousands of permanent and construction related jobs.

So, Mr. Speaker I conclude by saying that I commend the gentleman from Illinois [Mr. YATES] for his fine efforts in crafting this important legislation. I support his work, the National Endowment for the Arts, the Endowment for the Humanities, and the Historic Preservation Trust Fund.

Mr. REGULA. Mr. Chairman, in the absence of any further requests, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Illinois [Mr. YATES] yielded back the balance of his time.

All time for general debate has expired.

Pursuant to the rule, the amendments printed in part 1 and part 2 of House Report 102–683 are adopted.

The amendments printed in part 3 of said report are debatable for the time specified, equally divided and controlled by the proponent and an opponent of the amendment.

The Clerk will read.

The Clerk read as follows:

H.R. 5503

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau of Land Management, $531,967,000, subject to authorization, and $2,500,000 from unobligated balances appropriated under this heading in Public Law 99–591 for insect and disease control projects, including grasshoppers, which balances may be applied to any activity provided for under this heading and of which the following amounts shall remain available until expended: not to exceed $1,450,000 to be derived from the special receipt account established by section 4 of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601–6a(i)), and $33,500,000 for the Automated Land and Mineral Record System Project: *Provided,* That appropriations herein made shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau of Land Management or its contractors; and in addition, $12,430,000 for Mining Law Administration program operations to remain available through September 30, 1993, to be reduced by amounts collected by the Bureau of Land Management and credited to this appropriation from annual mining claim holding fees: *Provided further,* That the sum herein appropriated shall be reduced as mining claim holding fees are received during fiscal year 1993 so as to result in a final fiscal year 1993 appropriation estimated at not more than $531,967,000: *Provided further,* That in addition to funds otherwise available, not to exceed $5,000,000 from annual mining claim holding fees shall be credited to this account for the costs of administering the mining claim holding fee program, and shall remain available until expended: *Provided further,* That none of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to accept or process applications for a patent for any mining or mill site claim located under the general mining laws or to issue a patent for any mining or mill site claim located under the general mining laws unless the Secretary of the Interior determines that, for the claim concerned: (1) a patent application was filed with the Secretary on or before the date of enactment of this Act, and (2) all requirements established under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims and sections 2329, 2330, 2331, and 2333 of the Revised Statutes (30 U.S.C. 35, 36, and 37) for placer claims, and section 2337 of the Revised Statutes (30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by that date.

FIRE PROTECTION

For necessary expenses for fire management, emergency rehabilitation, firefighting, fire presuppression, and other related emergency actions by the Department of the Interior, $119,560,000, subject to authorization, to remain available until expended: *Provided*, That such funds also are to be available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes: *Provided further*, That unexpended balances of amounts previously appropriated for this purpose under the heading "Firefighting", Bureau of Land Management, may be transferred to and merged with this appropriation and accounted for as one appropriation for the same time period as originally enacted.

EMERGENCY DEPARTMENT OF THE INTERIOR FIREFIGHTING FUND

For emergency rehabilitation and wildfire suppression activities of the Department of the Interior, $113,640,000, subject to authorization, to remain available until expended: *Provided*, That such funds also are to be available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes: *Provided further*, That notwithstanding any other provision of law, persons hired pursuant to 43 U.S.C. 1469 may be furnished subsistence and lodging without cost from funds available from this appropriation.

In addition, for emergency rehabilitation and wildfire suppression activities of the Department of the Interior, $51,200,000, subject to authorization, to remain available until expended: *Provided*, That these funds, or any portion thereof, shall be available beginning in fiscal year 1993 only (1) to the extent that the President notifies the Congress of his designation of any or all of these amounts as emergency requirements under the Balanced Budget and Emergency Deficit Control Act of 1985; and (2) if the amounts annually appropriated under this heading, but not designated as emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, have been at least equal to the most recent ten-year historical average, less any enacted cost saving program reforms: *Provided further*, That Congress hereby designates these amounts as emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985.

CONSTRUCTION AND ACCESS

For acquisition of lands and interests therein, and construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, $13,225,000, subject to authorization, to remain available until expended.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976 (31 U.S.C. 6901–07), $105,000,000, of which not to exceed $400,000 shall be available for administrative expenses.

LAND ACQUISITION

For expenses necessary to carry out the provisions of sections 205, 206, and 318(d) of Public Law 94–579 including administrative expenses and acquisition of lands or waters, or interests therein, $25,940,000 to be derived from the Land and Water Conservation Fund, to remain available until expended.

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; $83,122,000, to remain available until expended: *Provided*, That 25 per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land grant fund and shall be transferred to the General Fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

RANGE IMPROVEMENTS

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to 50 per centum of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315 et seq.) and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, but not less than $10,747,000, subject to authorization, to remain available until expended: *Provided*, That not to exceed $600,000 shall be available for administrative expenses.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for costs of providing copies of official public land documents, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under sections 209(b), 304(a), 304(b), 305(a), and 504(g) of the Act approved October 21, 1976 (43 U.S.C. 1701), and sections 101 and 203 of Public Law 93–153, subject to authorization, to be immediately available until expended: *Provided*, That notwithstanding any provision to the contrary of section 305(a) of the Act of October 21, 1976 (43 U.S.C. 1735(a)), any moneys that have been or will be received pursuant to that section, whether as a result of forfeiture, compromise, or settlement, if not appropriate for refund pursuant to section 305(c) of that Act (43 U.S.C. 1735(c)), shall be available and may be expended under the authority of this or subsequent appropriations Acts by the Secretary to improve, protect, or rehabilitate any public lands administered through the Bureau of Land Management which have been damaged by the action of a resource developer, purchaser, permittee, or any unauthorized person, without regard to whether all moneys collected from each such forfeiture, compromise, or settlement are used on the exact lands damage to which led to the forfeiture, compromise, or settlement: *Provided further*, That such moneys are in excess of amounts needed to repair damage to the exact land for which collected.

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing law, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, subject to authorization, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures, and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to $100,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Bureau of Land Management; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $10,000: *Provided*, That appropriations herein made for Bureau of Land Management expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands (other than expenditures made under the appropriation "Oregon and California grant lands") shall be reimbursed to the General Fund of the Treasury from the 25 per centum referred to in subsection (c), title II, of the Act approved August 28, 1937 (50 Stat. 876), of the special fund designated the "Oregon and California land grant fund" and section 4 of the Act approved May 24, 1939 (53 Stat. 754), of the special fund designated the "Coos Bay Wagon Road grant fund": *Provided further*, That appropriations herein made may be expended for surveys of Federal lands and on a reimbursable basis for surveys of Federal lands and for protection of lands for the State of Alaska: *Provided further*, That an appeal of any reductions in grazing allotments on public rangelands must be taken within thirty days after receipt of a final grazing allotment decision. Reductions of up to 10 per centum in grazing allotments shall become effective when so designated by the Secretary of the Interior. Upon appeal any proposed reduction in excess of 10 per centum shall be suspended pending final action on the appeal, which shall be completed within two years after the appeal is filed: *Provided further*, That notwithstanding 44 U.S.C. 501, the Bureau may, under cooperative cost-sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly-produced publications for which the cooperators share the cost of printing either in cash or in services, and the Bureau determines the cooperator is capable of meeting accepted quality standards: *Provided further*, That notwithstanding any other provisions of law, that effective upon the date of enactment of this Act for the fiscal year 1993 and every year thereafter, for each unpatented mining claim, mill or tunnel site on federally owned lands, in lieu of the assessment work requirements contained in the Mining Law of 1872 (30 U.S.C. 28–28(e)), and the filing requirements contained in Section 314(a) of the Federal Land Policy and Management Act of 1976 (FLPMA) (43 U.S.C. 1744(a)) and the related requirements of Section 314(c) of FLPMA (43 U.S.C. 1744(c)), the claimant shall pay an annual holding fee of $100.00 to the Secretary of the Interior or his designee on or before August 31 of each year in order for the claimant to hold such unpatented mining claim, mill or tunnel site for the following year beginning on September 1: *Provided further*, That the fee established by this Act in lieu of the assessment work requirements for the assessment year ending at noon on September 1, 1993, shall be due and payable to the Secretary on or before June 30, 1993, except that such fee otherwise due and payable for this period shall be waived by the Secretary or his designee if the claimant files an affidavit of assessment work by June 30, 1993, showing the labor required by 30 U.S.C. 28 was completed for the assessment year ending at noon September 1, 1993, before the effective date of this Act: *Provided further*, That such fee otherwise due and payable for the assessment year ending at noon on September 1, 1993, for mill and tunnel sites shall be waived by the Secretary or his designee if the claimant files a notice of intention to hold the site by June 30, 1993: *Provided further*, That for every unpatented mining claim, mill or tunnel site located after the date of enactment of this Act, the locator shall pay $100.00 to the Secretary of the Interior or his designee at the time the location notice is recorded with the Bureau of Land Management to hold such claim for the year in which the location was made: *Provided further*, That the co-ownership provision of 30 U.S.C. 28 will remain in effect except that the annual holding fee shall replace the assessment work requirements and expenditures: *Provided further*, That failure to make the annual payment of the holding fee required by this Act shall conclusively constitute an abandonment of the unpatented mining claim, mill or tunnel site by the claimant: *Provided further*, That nothing in this Act shall change or modify the requirements of Section 314(b) of FLPMA (43 U.S.C. 1744(b)) or the requirements of Section 314(c) of FLPMA (43 U.S.C. 1744(c)) related to filings required by Section 314(b), which shall remain in effect: *Provided further*, That the Secretary of the Interior shall promulgate rules and regulations to carry out the purposes of this Section as soon as practicable after the effective date of this Act.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For expenses necessary for scientific and economic studies, conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; for the general administration of the United States Fish and Wildlife Service; and for maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge; and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, $530,211,000, of which $10,687,000 shall be for operation and maintenance of fishery mitigation facilities constructed by the Corps of Engineers under the Lower Snake River Compensation Plan, authorized by the Water Resources Development Act of 1976 (90 Stat. 2921), to compensate for loss of fishery resources from water development projects on the Lower Snake River, and which shall remain available until expended; and of which $1,000,000 shall be for contaminant sample analysis, and shall remain available until expended.

CONSTRUCTION AND ANADROMOUS FISH

For construction and acquisition of buildings and other facilities required in the conservation, management, investigation, protection, and utilization of sport fishery and wildlife resources, and the acquisition of lands and interests therein; $47,513,000, to remain available until expended.

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION FUND

To conduct natural resource damage assessments and restoration activities by the Department of the Interior necessary to carry out the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601, et seq.), Federal Water Pollution Control Act, as amended (33 U.S.C. 1251, et seq.), the Oil Pollution Act of 1990 (P.L. 101-380), and the Act of July 27, 1990 (P.L. 101-337); $5,000,000, to remain available until expended.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, and for activities authorized under Public Law 98-244 to be carried out by the National Fish and Wildlife Foundation, $67,397,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND

For expenses necessary to carry out the provisions of the Endangered Species Act of 1973 (16 U.S.C. 1531-1543), as amended by Public Law 100-478, $6,621,000 for Grants to States, to be derived from the Cooperative Endangered Species Conservation Fund, and to remain available until expended.

NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), $11,849,000.

REWARDS AND OPERATIONS

For expenses necessary to carry out the provisions of the African Elephant Conservation Act (16 U.S.C. 4201-4203, 4211-4213, 4221-4225, 4241-4245, and 1538), $1,201,000, to remain available until expended.

NORTH AMERICAN WETLANDS CONSERVATION FUND

For expenses necessary to carry out the provisions of the North American Wetlands Conservation Act, Public Law 101-233, $7,500,000, and in fiscal year 1992 and thereafter, amounts received during the immediately preceding fiscal year under section 6 of the Migratory Bird Treaty Act (16 U.S.C. 707) as penalties or fines or from forfeitures of property or collateral, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 130 passenger motor vehicles, of which 112 are for replacement only (including 43 for police-type use); not to exceed $400,000 for payment, at the discretion of the Secretary, for information, rewards, or evidence concerning violations of laws administered by the United States Fish and Wildlife Service, and miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate; repair of damage to public roads within and adjacent to reservation areas caused by operations of the United States Fish and Wildlife Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the United States Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources: *Provided*, That the United States Fish and Wildlife Service may accept donated aircraft as replacements for existing aircraft.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, including not to exceed $559,000 for the Roosevelt Campobello International Park Commission, and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, $992,059,000, subject to authorization, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), of which not to exceed $60,000,000 to remain available until expended is to be derived from the special fee account established pursuant to title V, section 5201, of Public Law 100-203: *Provided*, That the National Park Service shall not enter into future concessionaire contracts, including renewals, that do not include a termination for cause clause that provides for possible extinguishment of possessory interests excluding depreciated book value of concessionaire investments without compensation: *Provided further*, That of the funds provided herein, $775,000 is available for the National Institute for the Conservation of Cultural Property: *Provided further*, That none of the funds appropriated in this Act may be used to implement any increase in Government housing rental rates in excess of ten per centum more than the rental rates which were in effect on September 1, 1992, for such housing.

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, environmental compliance and review, and grant administration, not otherwise provided for, $22,715,000, subject to authorization.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the provisions of the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470), $36,931,000 to be derived from the Historic Preservation Fund, established by section 108 of that Act, as amended, to remain available for obligation until September 30, 1994: *Provided*, That the Trust Territory of the Pacific Islands is a State eligible for Historic Preservation Fund matching grant assistance as authorized under 16 U.S.C. 470w(2): *Provided further*, That pursuant to section 105(1) of the Compact of Free Association, Public Law 99-239, the Federated States of Micronesia and the Republic of the Marshall Islands shall also be considered States for purposes of this appropriation.

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), $237,806,000, subject to authorization, to remain available until expended, and $7,705,000 to be derived from amounts made available under this head in Public Law 99-190 for engineering and construction of the Burr Trail National Rural

Scenic Road: *Provided*, That not to exceed $7,000,000 shall be paid to the Army Corps of Engineers for modifications authorized by section 104 of the Everglades National Park Protection and Expansion Act of 1989: *Provided further*, That of the funds provided under this heading, $1,700,000 shall be available for site acquisition and site preparation for the Lincoln Center in Springfield, Illinois.

LAND AND WATER CONSERVATION FUND
(RESCISSION)

The contract authority provided for fiscal year 1993 by 16 U.S.C. 4601–10a is rescinded.

LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601–4–11), including administrative expenses, and for acquisition of lands or waters, or interest therein, in accordance with statutory authority applicable to the National Park Service, $106,500,000 to be derived from the Land and Water Conservation Fund, to remain available until expended, of which $28,456,000 is for the State assistance program including $3,456,000 to administer the State assistance program: *Provided*, That of the amounts previously appropriated to the Secretary's contingency fund for grants to States $75,000 shall be available in 1993 for administrative expenses of the State grant program.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

For expenses necessary for operating and maintaining the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, $13,556,000, of which $6,500,000 shall remain available until expended.

ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR COMMISSION

For operation of the Illinois and Michigan Canal National Heritage Corridor Commission, $250,000.

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 445 passenger motor vehicles, of which 307 shall be for replacement only, including not to exceed 345 for police-type use, 15 buses, and 4 ambulances; to provide, notwithstanding any other provision of law, at a cost not exceeding $750,000, transportation for children in nearby communities to and from any unit of the National Park System used in connection with organized recreation and interpretive programs of the National Park Service; options for the purchase of land at not to exceed $1 for each option; and for the procurement and delivery of medical services within the jurisdiction of units of the National Park System: *Provided*, That any funds available to the National Park Service may be used, with the approval of the Secretary, to maintain law and order in emergency and other unforeseen law enforcement situations and conduct emergency search and rescue operations in the National Park System: *Provided further*, That none of the funds in this Act may be used to upgrade the Burr Trail National Rural Scenic Road in Utah: *Provided further*, That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided further*, That the National Park Service may use helicopters and motorized equipment at Death Valley National Monument for removal of feral burros and horses: *Provided further*, That notwithstanding any other provision of law, the National Park Service may recover all costs of providing necessary services associated with special use permits, such reimbursements to be credited to the appropriation current at that time: *Provided further*, That none of the funds appropriated to the National Park Service may be used to process permits necessary for construction of a bridge to Ellis Island: *Provided further*, That none of the funds appropriated to the National Park Service may be used to implement an agreement for the redevelopment of the southern end of Ellis Island until such agreement has been submitted to the Congress and shall not be implemented prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full and comprehensive report on the development of the southern end of Ellis Island, including the facts and circumstances relied upon in support of the proposed project: *Provided further*, That the Secretary of the Interior, acting through the Director of the National Park Service, may enter into a cooperative agreement with the William O. Douglas Outdoor Classroom under which the Secretary may expend Federal funds on non-Federal property for environmental education purposes: *Provided further*, That funds previously appropriated for acquisition of a landscaped parking lot for the Martin Luther King National Historic Site may be used by the National Park Service to acquire the vacant lot on the north side of Irwin Street between Jackson and Boulevard as specified in Public Law 100–202.

UNITED STATES GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the United States Geological Survey to perform surveys, investigations, and research covering topography, geology, hydrology, and the mineral and water resources of the United States, its Territories and possessions, and other areas as authorized by law (43 U.S.C. 31, 1332 and 1340); classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; $587,668,000, of which $64,032,000 shall be available only for cooperation with States or municipalities for water resources investigations: *Provided*, That no part of this appropriation shall be used to pay more than one-half the cost of any topographic mapping or water resources investigations carried on in cooperation with any State or municipality.

ADMINISTRATIVE PROVISIONS

The amount appropriated for the United States Geological Survey shall be available for purchase of not to exceed 22 passenger motor vehicles, for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for gauging stations and observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the United States Geological Survey appointed, as authorized by law, to represent the United States in the negotiation and administration of interstate compacts: *Provided*, That activities funded by appropriations herein made may be accomplished through the use of contracts, grants, or cooperative agreements as defined in Public Law 95–224.

MINERALS MANAGEMENT SERVICE

LEASING AND ROYALTY MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed eight passenger motor vehicles for replacement only; $197,514,000, of which not less than $67,115,000 shall be available for royalty management activities; and an amount not to exceed $5,000,000 for the Technical Information Management System of Outer Continental Shelf (OCS) Lands Activity, to be credited to this appropriation and to remain available until expended, from additions to current preset receipts and from additional fee collections relating to OCS administrative activities performed by the Minerals Management Service over and above what the Minerals Management Service currently collects to offset its costs for these activities: *Provided*, That $1,500,000 for computer acquisitions shall remain available until September 30, 1994: *Provided further*, That funds appropriated under this Act shall be available for the payment of interest in accordance with 30 U.S.C. 1721 (b) and (d): *Provided further*, That not to exceed $3,000 shall be available for reasonable expenses related to promoting volunteer beach and marine cleanup activities: *Provided further*, That notwithstanding any other provision of law, $10,000 under this head shall be available for refunds of overpayments in connection with certain Indian leases in which the Director of the Minerals Management Service concurred with the claimed refund due: *Provided further*, That notwithstanding any other provision of law, $155,275,000 shall be deducted from Federal onshore mineral leasing receipts prior to the division and distribution of such receipts between the States and the Treasury and shall be credited to miscellaneous receipts of the Treasury: *Provided further*, That, notwithstanding any other provision of law, in fiscal year 1993 and thereafter, the Minerals Management Service shall have the authority to collect and expend all collections from user fees resulting from the Minerals Management Service providing the services of its Oil and Hazardous Materials Simulated Environmental Test Tank testing facility in Leonardo, New Jersey, and these collections shall be credited to this account to remain available until expended, and used to offset operation and maintenance costs associated with providing such services: *Provided further*, That the fifth proviso under the heading "Leasing and Royalty Management" for the Minerals Management Service in Public Law 101–512 (104 Stat. 1926) is amended by striking the words "this account" after the words "shall be credited to" and inserting in lieu thereof "the leasing and royalty management account of the Minerals Management Service".

OIL SPILL RESEARCH

For necessary expenses to carry out the purposes of the Oil Spill Liability Trust

Fund, pursuant to Title VII of the Oil Pollution Act of 1990, $5,377,000, which shall be derived from the Fund, to be available until expended, to carry out the purposes of the Fund in accordance with Title VII of that Act.

BUREAU OF MINES

MINES AND MINERALS

For expenses necessary for conducting inquiries, technological investigations, and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs; to foster and encourage private enterprise in the development of mineral resources and the prevention of waste in the mining, minerals, metal, and mineral reclamation industries; to inquire into the economic conditions affecting those industries; to promote health and safety in mines and the mineral industry through research; and for other related purposes as authorized by law, $173,056,000, of which $107,506,000 shall remain available until expended: *Provided*, That none of the funds in this or any other Act may be used for the closure or consolidation of any research centers or the sale of any of the helium facilities currently in operation.

ADMINISTRATIVE PROVISIONS

The Secretary is authorized to accept lands, buildings, equipment, other contributions, and fees from public and private sources, and to prosecute projects using such contributions and fees in cooperation with other Federal, State or private agencies: *Provided*, That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87, as amended, including the purchase of not to exceed 15 passenger motor vehicles, of which 11 shall be for replacement only; $112,674,000, and notwithstanding 31 U.S.C. 3302, an additional amount shall be credited to this account, to remain available until expended, from performance bond forfeitures in fiscal year 1993: *Provided*, That notwithstanding any other provision of law, the Secretary of the Interior, pursuant to regulations, may utilize directly or through grants to States, moneys collected in fiscal year 1993 pursuant to the assessment of civil penalties under section 518 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268), to reclaim lands adversely affected by coal mining practices after August 3, 1977, to remain available until expended: *Provided further*, That notwithstanding any other provisions of law, appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training: *Provided further*, That the funds provided herein to implement and operate the Applicant Violator System shall be used only to the extent that system is in compliance with the January 24, 1990 Settlement Agreement between Save Our Cumberland Mountains, Inc. and Manuel Lujan, Jr., Secretary, United States Department of the Interior, et al.

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out the provisions of title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87, as amended, including the purchase of not more than 22 passenger motor vehicles, of which 16 shall be for replacement only, $188,041,000 to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended: *Provided*, That of the funds herein provided up to $22,000,000 may be used for the emergency program authorized by section 410 of Public Law 95–87, as amended, of which no more than 25 per centum shall be used for emergency reclamation projects in any one State and funds for Federally-administered emergency reclamation projects under this proviso shall not exceed $15,000,000: *Provided further*, That 23 full-time equivalent positions are to be maintained in the Anthracite Reclamation Program at the Wilkes-Barre Field Office: *Provided further*, That pursuant to Public Law 97–365, the Department of the Interior is authorized to utilize up to 20 per centum from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts.

ADMINISTRATIVE PROVISION

None of the funds available to the Office of Surface Mining Reclamation and Enforcement shall be expended to create or maintain more than one Deputy Director position.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For operation of Indian programs by direct expenditure, contracts, cooperative agreements, and grants including expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment of care, tuition, assistance, and other expenses of Indians in boarding homes, or institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order; management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; development of Indian arts and crafts, as authorized by law; for the general administration of the Bureau of Indian Affairs, including such expenses in field offices; maintaining of Indian reservation roads as defined in section 101 of title 23, United States Code; and construction, repair, and improvement of Indian housing, $1,354,151,000, including $271,038,000 for school operations costs of Bureau-funded schools and other education programs which shall become available for obligation on July 1, 1993, and shall remain available for obligation until September 30, 1994, and $53,954,000 for housing improvement and road maintenance, to remain available until expended, and of which, funds obligated as grants to schools pursuant to Public Law 100–297 shall be made on July 1 and December 1 in lieu of the payments authorized to be made on October 1 and January 1 of each calendar year, and of which not to exceed $71,954,000 for higher education scholarships, adult vocational training, and assistance to public schools under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.), shall remain available for obligation until September 30, 1994; and the funds made available to tribes and tribal organizations through contracts or grants obligated during fiscal year 1993 as authorized by the Indian Self-Determination Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.), or grants authorized by the Indian Education Amendments of 1988 (25 U.S.C. 2001 and 2008A) shall remain available until expended by the contractor or grantee; and of which $2,000,000 for litigation support shall remain available until expended, $4,937,000 for self-governance tribal compacts shall be made available on completion and submission of such compacts to the Congress, and shall remain available until expended; and of which $1,190,000 for expenses necessary to carry out the provisions of section 19(a) of Public Law 93–531 (25 U.S.C. 640d–18(a)), shall remain available until expended: *Provided*, That none of the funds appropriated to the Bureau of Indian Affairs shall be expended as matching funds for programs funded under section 103(b)(2) of the Carl D. Perkins Vocational Education Act: *Provided further*, That $200,000 of the funds made available in this Act shall be available for cyclical maintenance of tribally owned fish hatcheries and related facilities: *Provided further*, That none of the funds in this Act shall be used by the Bureau of Indian Affairs to transfer funds under a contract with any third party for the management of tribal or individual Indian trust funds until the funds held in trust for all such tribes or individuals have been audited and reconciled to the earliest possible date, the results of such reconciliation have been certified by an independent party as the most complete reconciliation of such funds possible, and the affected tribe or individual has been provided with an accounting of such funds: *Provided further*, That notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with the accounting of such funds from which the beneficiary can determine whether there has been a loss: *Provided further*, That $300,000 of the amounts provided for education program management shall be available for a grant to the Close Up Foundation: *Provided further*, That the Task Force on Bureau of Indian Affairs Reorganization shall continue activities under its charter as adopted and amended on April 17, 1991: *Provided further*, That any reorganization proposal shall not be implemented until the Task Force has reviewed it and recommended its implementation to the Secretary and such proposal has been submitted to and approved by the Committees on Appropriations, except that the Bureau may submit a reorganization proposal related only to management improvements, along with Task Force comments or recommendations to the Committees on Appropriations for review and disposition by the Committees: *Provided further*, That to provide funding uniformity within a Self-Governance Compact, any funds provided in this Act with availability for more than one year may be reprogrammed to one year availability but shall remain available within the Compact until expended: *Provided further*, That notwithstanding any other provision of law, Indian tribal governments may, by appropriate changes in eligibility criteria or by other means, change eligibility for general assistance or change the amount of general assistance payments for individuals who are otherwise deemed eligible for general assistance payments so long as such changes are applied in a consistent manner to individuals similarly situated: *Provided further*, That any savings realized by such changes shall be available for use in meeting other priorities of the tribes: *Provided further*, That the obligated and unobligated balances associated with the housing improvement program and the road maintenance program shall be transferred to this account from "Construction", and shall remain available until expended.

CONSTRUCTION

For construction, major repair, and improvement of irrigation and power systems, buildings, utilities, and other facilities, including architectural and engineering services by contract; acquisition of lands and interests in lands; and preparation of lands for farming, $152,446,000, to remain available until expended: *Provided*, That $1,482,000 of the funds made available in this Act shall be available for rehabilitation of tribally owned fish hatcheries and related facilities: *Provided further*, That such amounts as may be available for the construction of the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation: *Provided further*, That not to exceed 6 per centum of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover the road program management costs of the Bureau of Indian Affairs: *Provided further*, That none of the funds available to the Bureau of Indian Affairs in this or any other Act shall be used to transfer, through agreement, memorandum of understanding, demonstration project or other method, the Safety of Dams program of the Bureau of Indian Affairs to the Bureau of Reclamation: *Provided further*, That nothing herein shall prevent the Bureau of Indian Affairs or tribes from using, on a case-by-case basis, the technical expertise of the Bureau of Reclamation: *Provided further*, That none of the funds provided for the Safety of Dams program are available for transfer pursuant to sections 101 and 102 of this Act.

MISCELLANEOUS PAYMENTS TO INDIANS

For miscellaneous payments to Indian tribes and individuals pursuant to Public Laws 98–500, 99–264, 100–383, 100–512, 100–580, 101–618, 101–602, 101–486, 100–585 and 102–171, including funds for necessary administrative expenses, $39,109,000, to remain available until expended: *Provided*, That of the funds provided herein $4,000,000 shall be available (1) to liquidate obligations owed tribal and individual Indian payees of any checks cancelled pursuant to section 1003 of the Competitive Equality Banking Act of 1987 (Public Law 100–86 (101 Stat. 659)), 31 U.S.C. 3334(b), and (2) to restore to Individual Indian Monies trust funds amounts invested in defaulted savings and loan associations not covered by Federal deposit insurance, including any interest on these amounts that may have been earned, but was not because of the default and the Bureau's delay in restoring the amounts lost.

NAVAJO REHABILITATION TRUST FUND

For Navajo tribal rehabilitation and improvement activities in accordance with the provisions of section 32(d) of Public Law 93–531, as amended (25 U.S.C. 640d–30), including necessary administrative expenses, $4,000,000, to remain available until expended.

TECHNICAL ASSISTANCE OF INDIAN ENTERPRISES

For payment of management and technical assistance requests associated with loans and grants approved under the Indian Financing Act of 1974, as amended, $1,987,000.

INDIAN DIRECT LOAN PROGRAM ACCOUNT

For the cost, as defined in section 13201 of the Budget Enforcement Act of 1990, including the cost of modifying loans, of expert assistance loans authorized by the Act of November 4, 1963, as amended, and the cost of direct loans authorized by the Indian Financing Act of 1974, as amended, $2,500,000: *Provided*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $11,300,000.

INDIAN GUARANTEED LOAN PROGRAM ACCOUNT

For the cost of guaranteed loans $8,864,000, as authorized by the Indian Financing Act of 1974, as amended: *Provided*, That such costs including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal any part of which is to be guaranteed not to exceed $68,800,000.

In addition, for administrative expenses necessary to carry out the guaranteed loan program, $906,000, which may be transferred to and merged with the appropriations for Operation of Indian Programs.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans, the Indian loan guarantee and insurance fund, the Technical Assistance of Indian Enterprises account, the Indian Direct Loan Program account, and the Indian Guaranteed Loan Program account) shall be available for expenses of exhibits, and purchase of not to exceed 258 passenger carrying motor vehicles, of which not to exceed 212 shall be for replacement only.

TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

For expenses necessary for the administration of territories under the jurisdiction of the Department of the Interior, $81,151,000, of which (1) $77,105,000 shall be available until expended for technical assistance, including maintenance assistance, drug interdiction and abuse prevention, and brown tree snake control and research; late charges and payments of the annual interest rate differential required by the Federal Financing Bank, under terms of the second refinancing of an existing loan to the Guam Power Authority, as authorized by law (Public Law 98–454; 98 Stat. 1732); grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for construction and support of governmental functions; grants to the Government of the Virgin Islands as authorized by law; grants to the Government of Guam, as authorized by law; and grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94–241; 90 Stat. 272); and (2) $4,046,000 shall be available for salaries and expenses of the Office of Territorial and International Affairs: *Provided*, That the territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: *Provided further*, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, shall be audited by the General Accounting Office, in accordance with chapter 35 of title 31, United States Code: *Provided further*, That Northern Mariana Islands Covenant grant funding shall be provided according to those terms of the Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands approved by Public Law 99–396, except that should the Secretary of the Interior believe that the performance standards of such agreement are not being met, operations funds may be withheld, but only by Act of Congress as required by Public Law 99–396: *Provided further*, That $1,025,000 of the amounts provided for technical assistance shall be available for a grant to the Close Up Foundation: *Provided further*, That the funds for the program of operations and maintenance improvement are appropriated to institutionalize routine operations and maintenance of capital infrastructure in American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia through assessments of long-range operations and maintenance needs, improved capability of local operations and maintenance institutions and agencies (including management and vocational education training), and project-specific maintenance (with territorial participation and cost sharing to be determined by the Secretary based on the individual territory's commitment to timely maintenance of its capital assets).

TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), as amended (90 Stat. 299; 91 Stat. 1159; 92 Stat. 495), and grants to the Trust Territory of the Pacific Islands, in addition to local revenues, for support of governmental functions; $26,796,000, to remain available until expended, including $18,596,000 for operations of the Government of Palau: *Provided*, That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with chapter 35 of title 31, United States Code: *Provided further*, That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration: *Provided further*, That all Government operations funds appropriated and obligated for the Republic of Palau under this account for fiscal year 1993 shall be credited as an offset against fiscal year 1993 payments made pursuant to the legislation approving the Palau Compact of Free Association (Public Law 99–658), if such Compact is implemented before October 1, 1993: *Provided further*, That not less than $300,000 of the grants to the Republic of Palau, for support of governmental functions, shall be dedicated to the College of Micronesia in accordance with the agreement between the Micronesian entities.

COMPACT OF FREE ASSOCIATION

For economic assistance and necessary expenses for the Federated States of Micronesia and the Republic of the Marshall Islands as provided for in sections 122, 221, 223, 232, and 233 of the Compacts of Free Association, $20,457,000, to remain available until expended, as authorized by Public Law 99–239: *Provided*, That the effective date of the Palau Compact for purposes of economic assistance pursuant to the Palau Compact of Free Association, Public Law 99–658, shall be the effective date of the Palau Compact as determined pursuant to section 101 of Public Law 101–219.

DEPARTMENTAL OFFICES

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of the Interior, $63,857,000, of which not to exceed $7,500 may be for official reception and representation expenses.

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, $31,941,000.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General, $23,741,000.

CONSTRUCTION MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses of the Office of Construction Management, $2,191,000.

NATIONAL INDIAN GAMING COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the National Indian Gaming Commission, pursuant to Public Law 100-497, $2,190,000.

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 18 aircraft, 10 of which shall be for replacement and which may be obtained by donation, purchase or through available excess surplus property: *Provided*, That notwithstanding any other provision of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft: *Provided further*, That no programs funded with appropriated funds in the "Office of the Secretary", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted: *Provided further*, That all funds used pursuant to this section are hereby designated by Congress to be "emergency requirements" pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 and must be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under the jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods, volcanoes, storms, or other unavoidable causes; for contingency planning subsequent to actual oilspills; response and natural resource damage assessment activities related to actual oilspills; for the prevention, suppression, and control of actual or potential grasshopper and Mormon cricket outbreaks on lands under the jurisdiction of the Secretary, pursuant to the authority in section 1773(b) of Public Law 99-198 (99 Stat. 1658); for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: *Provided*, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: *Provided further*, That for emergency rehabilitation and wildfire suppression activities, no funds shall be made available under this authority until funds appropriated to the "Emergency Department of the Interior Firefighting Fund" shall have been exhausted: *Provided further*, That all funds used pursuant to this section are hereby designated by Congress to be "emergency requirements" pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 and must be replenished by a supplemental appropriation which must be requested as promptly as possible: *Provided further*, That such replenishment funds shall be used to reimburse, on a pro rata basis, accounts from which emergency funds were transferred.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, U.S.C.: *Provided*, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $500,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

SEC. 106. Appropriations made in this title shall be available for obligation in connection with contracts issued by the General Services Administration for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

SEC. 107. No funds provided in this title may be used to detail any employee to an organization unless such detail is in accordance with Office of Personnel Management regulations.

SEC. 108. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore leasing and related activities placed under restriction in the President's moratorium statement of June 26, 1990, in the areas of Northern, Central, and Southern California; the North Atlantic; Washington and Oregon; and the Eastern Gulf of Mexico south of 26 degrees north latitude and east of 86 degrees west longitude.

SEC. 109. No funds provided in this title may be expended by the Department of the Interior for the conduct of leasing, or the approval or permitting of any drilling or other exploration activity, on lands within the North Aleutian Basin planning area.

SEC. 110. No funds provided in this title may be expended by the Department of the Interior for the conduct of preleasing and leasing activities in the Eastern Gulf of Mexico for Outer Continental Shelf Lease Sale 137 or for Sale 151 in the April 1992 proposal for the Outer Continental Shelf Natural Gas and Oil Resource Management Comprehensive Program, 1992-1997.

SEC. 111. No funds provided in this title may be expended by the Department of the Interior for the conduct of preleasing and leasing activities in the Atlantic for Outer Continental Shelf Lease Sale 164 in the April 1992 proposal for the Outer Continental Shelf Natural Gas and Oil Resource Management Comprehensive Program, 1992-1997.

SEC. 112. None of the funds made available by this Act may be used for the implementation or financing of agreements or arrangements with entities for the management of all lands, waters, and interests therein on Matagorda Island, Texas, which were purchased by the Department of the Interior with federally appropriated amounts from the Land and Water Conservation Fund.

SEC. 113. The provision of section 112 shall not apply if the transfer of management or control is ratified by law.

SEC. 114. Notwithstanding any other provision of law, recordation and processing of claimed rights-of-way under Revised Statutes section 2477 (43 U.S.C. 932) shall be undertaken according to the procedures in section 15, H.R. 1096, as passed the House on July 23, 1991.

SEC. 115. None of the funds in this Act may be used to process permits necessary for the construction of jetties at Oregon Inlet, North Carolina, until an environmental impact statement has been completed.

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

For necessary expenses of forest research as authorized by law, $186,657,000, to remain available until September 30, 1994.

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical and financial assistance to States, Territories, possessions, and others; and for forest pest management activities, $136,929,000, to remain available until expended, as authorized by law.

EMERGENCY PEST SUPPRESSION FUND

For necessary expenses for emergency suppression of pests, $42,315,000, to remain available until expended: *Provided*, That these funds, or any portion thereof, shall be available beginning in fiscal year 1993 only to the extent that the President notifies the Congress of his designation of any or all of these amounts as emergency requirements under section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further*, That Congress hereby designates these amounts as emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985.

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", "Construction", "Forest Service Fire Protection", "Emergency Forest Service Firefighting Fund", and "Land Acquisition", $1,320,937,000, to remain available for obligation until September 30, 1994, and including 65 per centum of all monies received during the prior fiscal year as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 460l–6a(i)): *Provided*, That unobligated and unexpended balances in the National Forest System account at the end of fiscal year 1992, shall be merged with and made a part of the fiscal year 1993 National Forest System appropriation, and shall remain available for obligation until September 30, 1994: *Provided further*, That timber volume authorized or scheduled for sale during fiscal year 1992, but which remains unsold at the end of fiscal year 1992, shall be offered for sale during fiscal year 1993 in addition to the fiscal year 1993 timber sale volume to the extent possible: *Provided further*, That up to $5,000,000 of the funds provided herein for road maintenance shall be available for the planned obliteration of roads which are no longer needed.

FOREST SERVICE FIRE PROTECTION

For necessary expenses for firefighting on or adjacent to National Forest System lands or other lands under fire protection agreement, and for forest fire management and presuppression on National Forest System lands, $192,785,000, to remain available until expended: *Provided*, That unexpended balances of amounts previously appropriated for this purpose under the heading "Forest Service Firefighting", Forest Service, may be transferred to and merged with this appropriation and accounted for as one appropriation for the same time period as originally enacted.

EMERGENCY FOREST SERVICE FIREFIGHTING FUND

For necessary expenses for emergency rehabilitation, presuppression due to emergencies or economic efficiency, and wildfire suppression activities of the Forest Service, $187,000,000, to remain available until expended: *Provided*, That such funds are available for repayment of advances from other appropriation accounts previously transferred for such purposes.

In addition, for necessary expenses for emegency rehabilitation, presuppression due to emergencies, and wildfire suppression activities of the Forest Service, $188,000,000, to remain available until expended: *Provided*, That these funds, or any portion thereof, shall be available beginning in fiscal year 1993 only (1) to the extent that the President notifies the Congress of his designation of any or all of these amounts as emergency requirements under the Balanced Budget and Emergency Deficit Control Act of 1985; and (2) if the amounts annually appropriated under this heading, but not designated as emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, have been at least equal to the most recent ten-year historical average, less any enacted cost saving program reforms: *Provided further*, That Congress hereby designates these amounts as emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985.

CONSTRUCTION

For necessary expenses of the Forest Service, not otherwise provided for, for construction, $241,449,000, to remain available until expended, of which $82,401,000 is for construction and acquisition of buildings and other facilities; and $159,048,000 is for construction and repair of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532–538 and 23 U.S.C. 101 and 205: *Provided*, That funds becoming available in fiscal year 1993 under the Act of March 4, 1913 (16 U.S.C. 501) shall be transferred to the General Fund of the Treasury of the United States: *Provided further*, That not to exceed $110,669,000, to remain available until expended, may be obligated for the construction of forest roads by timber purchasers.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l–4–11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, $62,072,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, $1,190,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, pursuant to section 401(b)(1) of Public Law 94–579, as amended, to remain available until expended, of which not to exceed 6 per centum shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements.

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), $105,000, to remain available until expended, to be derived from the fund established pursuant to the above Act.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed 127 passenger motor vehicles of which 31 will be used primarily for law enforcement purposes and of which 101 shall be for replacement only, of which acquisition of 81 passenger motor vehicles shall be from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed two for replacement only, and acquisition of 47 aircraft from excess sources; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 for employment under 5 U.S.C. 3109; (c) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (d) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); (e) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); and (f) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, or National Forest System Administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.

Any appropriations or funds available to the Forest Service may be advanced to the Forest Service Firefighting appropriation and may be used for forest firefighting and the emergency rehabilitation of burned-over lands under its jurisdiction: *Provided*, That no funds shall be made available under this authority until funds appropriated to the "Emergency Forest Service Firefighting Fund" shall have been exhausted.

The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Office of International Cooperation and Development in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

All funds received for timber salvage sales may be credited to the Forest Service Permanent Appropriations to be expended for timber salvage sales from any national forest.

None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 102–116.

No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service may be used to disseminate program information to private and public individuals and organizations through the use of nonmonetary items of nominal value and to provide nonmonetary awards of nominal value and to incur necessary expenses for the nonmonetary recognition of private individuals and organizations that make contributions to Forest Service programs.

Notwithstanding any other provision of law, money collected, in advance or otherwise, by the Forest Service under authority of section 101 of Public Law 93–153 (30 U.S.C. 185(1)) as reimbursement of administrative and other costs incurred in processing pipeline right-of-way or permit applications and for costs incurred in monitoring the construction, operation, maintenance, and termination of any pipeline and related facilities, may be used to reimburse the applicable appropriation to which such costs were originally charged.

Funds available to the Forest Service shall be available to conduct a program of not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93–408.

None of the funds available in this Act shall be used for timber sale preparation using clearcutting in hardwood stands in excess of 25 percent of the fiscal year 1989 harvested volume in the Wayne National Forest, Ohio: *Provided*, That this limitation shall not apply to hardwood stands damaged by natural disaster: *Provided further*, That landscape architects shall be used to maintain a visually pleasing forest.

None of the funds made available to the Forest Service in this Act shall be expended for the purpose of issuing a special use authorization permitting land use and occupancy and surface disturbing activities for any project to be constructed on Lewis Fork Creek in Madera County, California, at the site above, and adjacent to, Corlieu Falls bordering the Lewis Fork Creek National Recreation Trail until the studies required in Public Law 100–202 have been submitted to the Congress: *Provided*, That any special use authorization shall not be executed prior to the expiration of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt of the required studies by the Speaker of the House of Representatives and the President of the Senate.

None of the funds made available to the Forest Service in this Act shall be expended for the purpose of administering a special use authorization permitting land use and occupancy and surface disturbing activities for any project to be constructed on Rock Creek, Madera County, California, until a study has been completed and submitted to the Congress by the Forest Service in consultation with the United States Fish and Wildlife Service, the United States Army Corps of Engineers, the California State Water Resources Control Board, the California Department of Fish and Game and other interested public parties regarding the project's potential cumulative impacts on the environment, together with a finding that there will be no substantial adverse impact on the environment. Findings from the study must be presented at no less than three public meetings.

Any money collected from the States for fire suppression assistance rendered by the Forest Service on non-Federal lands not in the vicinity of National Forest System lands shall be used to reimburse the applicable appropriation and shall remain available until expended as the Secretary may direct in conducting activities authorized by 16 U.S.C. 2101 (note), 2101–2110, 1606, and 2111.

Of the funds available to the Forest Service, $1,500 is available to the Chief of the Forest Service for official reception and representation expenses.

Notwithstanding any other provision of law, the Forest Service is authorized to employ or otherwise contract with persons at regular rates of pay, as determined by the Service, to perform work occasioned by emergencies such as fires, storms, floods, earthquakes or any other unavoidable cause without regard to Sundays, Federal holidays, and the regular workweek.

None of the funds available in this Act shall be used for preparation of timber sales on the Shawnee National Forest, Illinois.

Notwithstanding section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a), the Secretary of Agriculture may negotiate sales of Pacific yew at not less than appraised value, to parties manufacturing taxol in the United States in accordance with the requirements of section 505 of the Food, Drug, and Cosmetic Act (21 U.S.C. 355) for use in humans. Moneys received from the sale of Pacific yew are hereby appropriated and made available until expended by the Forest Service to fund the costs associated with the harvest of Pacific yew.

Notwithstanding any other provision of law, the Forest Service shall establish an office in Ohio for the purpose of representing and administering the Wayne National Forest on a forest-wide basis.

The Forest Service may offer for sale salvageable timber in Region 6 in fiscal year 1993, unless it can be demonstrated that the offering of a sale will cause detriment to a species listed as threatened or endangered.

Pursuant to section 405(a) and (b), and section 410(a) and (b) of Public Law 101–593, funds up to $500,000 for start-up expenses and $537,000 for matching funds shall be available to establish a National Forest Foundation. Funding shall be limited to $78,000 from Forest Research, $90,000 from State and Private Forestry, $638,000 from National Forest System, $90,000 from Forest Service Fire Protection, and $141,000 from Construction.

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95–91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, $412,597,000, to remain available until expended, of which $3,100,000 is available for the fuels program and $600,000 to be derived by transfer from previously appropriated and unobligated balances in the "Fossil Energy Construction" account: *Provided*, That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas: *Provided further*, That section 303 of Public Law 97–257 is further amended by changing the number for the Pittsburgh Energy Technology Center to "285", changing the number for the Morgantown Energy Technology Center to "270", and inserting at the end of enumeration (2) "and not less than 27 employees shall be assigned to the Bartlesville Project Office;".

Of the funds herein provided, $32,800,000 is for implementation of the June 1984 multiyear, cost-shared magnetohydrodynamics program targeted on proof-of-concept testing: *Provided*, That 35 per centum private sector cash or in-kind contributions shall be required for obligations in fiscal year 1993: *Provided further*, That existing facilities, equipment, and supplies, or previously expended research or development funds are not cost-sharing for the purposes of this appropriation, except as amortized, depreciated, or expended in normal business practice: *Provided further*, That cost-sharing shall not be required for the costs of constructing or operating Government-owned facilities or for the costs of Government organizations, National Laboratories, or universities and such costs shall not be used in calculating the required percentage for private sector contributions: *Provided further*, That private sector contribution percentages need not be met on each contract but must be met in total for each fiscal year.

ALTERNATIVE FUELS PRODUCTION

(INCLUDING TRANSFER OF FUNDS)

Monies received as investment income on the principal amount in the Great Plains Project Trust at the Norwest Bank of North Dakota, in such sums as are earned as of October 1, 1992, shall be deposited in this account and immediately transferred to the General Fund of the Treasury. Monies received as revenue sharing from the operation of the Great Plains Gasification Plant shall be immediately transferred to the General Fund of the Treasury.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserve activities, $238,094,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, revenues received from use and operation of the Naval Petroleum Reserves Numbered 1, 2, and 3 and the Naval Oil Shale Reserves and estimated to total $525,853,000 for fiscal year 1993 shall be retained and used for the specific purpose of offsetting costs incurred by the Department in carrying out naval petroleum and oil shale reserve activities: *Provided further*, That the sum herein appropriated shall be reduced as such revenues are received so as to result in a final fiscal year 1993 appropriation estimated at not more than $0.

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, $591,859,000, to remain available until expended, including, notwithstanding any other provision of law, the excess amount for fiscal year 1993 determined under the provisions of section 3003(d) of Public Law 99–509 (15 U.S.C. 4502): *Provided*, That $240,365,000 shall be for use in energy conservation programs as defined in section 3008(3) of Public Law 99–509 (15 U.S.C. 4507) and shall not be available until excess amounts are determined under the provisions of section 3003(d) of Public Law 99–509

(15 U.S.C. 4502): *Provided further*, That notwithstanding section 3003(d)(2) of Public Law 99–509 such sums shall be allocated to the eligible programs in the same proportion for each program as in fiscal year 1992: *Provided further*, That $2,000,000 of the amount under this heading shall be for metal casting research consistent with the provisions of Public Law 101–425: *Provided further*, That $18,091,000 of the amount provided under this heading shall be available for continuing research and development efforts begun under title II of the Interior and Related Agencies portion of the joint resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99–190), and implementation of steel and aluminum research authorized by Public Law 100–680: *Provided further*, That existing facilities, equipment, and supplies, or previously expended research or development funds are not accepted as contributions for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice: *Provided further*, That the total Federal expenditure under this proviso shall be repaid up to one and one-half times from the proceeds of the commercial sale, lease, manufacture, or use of technologies developed under this proviso, at a rate of one-fourth of all net proceeds: *Provided further*, That up to $38,700,000 of the amount provided under this head is for electric and hybrid vehicle battery research to be conducted on a cooperative basis with non-Federal entities, such amounts to be available only as matched on an equal basis by such entities: *Provided further*, That the Department of Energy, for a period of up to five years after the completion of individual projects may provide appropriate protections, including exemptions from subchapter II of chapter 5 of title 5, United States Code, against the dissemination of information that results from activities conducted by the United States Advanced Battery Consortium or its contractors and that would be a trade secret on commerical or financial information that is privileged or confidential if the information had been obtained from and first produced by a non-Federal party participating in the United States Advanced Battery Consortium.

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Economic Regulatory Administration and the Office of Hearings and Appeals, $14,565,000, to remain available until expended.

EMERGENCY PREPAREDNESS

For necessary expenses in carrying out emergency preparedness activities, $9,247,000, to remain available until expended.

STRATEGIC PETROLEUM RESERVE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for Strategic Petroleum Reserve facility development and operations and program management activities pursuant to the Energy Policy and Conservation Act of 1975, as amended (42 U.S.C. 6201 et seq.), $176,600,000, to remain available until expended, including $125,625,000 to be derived by transfer from funds deposited in the "SPR petroleum account" as a result of the Desert Storm sale of the Strategic Petroleum Reserve, as authorized under 42 U.S.C. 6241: *Provided*, That appropriations herein made shall not be available for leasing of facilities for the storage of crude oil for the Strategic Petroleum Reserve unless the quantity of oil stored in or deliverable to Government-owned storage facilities by virtue of contractual obligations is equal to 700,000,000 barrels.

SPR PETROLEUM ACCOUNT

Notwithstanding 42 U.S.C. 6240(d) the United States share of crude oil in Naval Petroleum Reserve Numbered 1 (Elk Hills) may be sold or otherwise disposed of to other than the Strategic Petroleum Reserve: *Provided*, That no funds available in fiscal year 1993 in this, or any previous or subsequent appropriations Act, or made available in this account pursuant to 42 U.S.C. 6247(b) as a result of any drawdown and distribution of the Reserve under the provisions of 42 U.S.C. 6241 may be used in fiscal year 1993 for leasing, exchanging, or otherwise acquiring other than by direct purchase crude oil from a foreign government, a foreign State-owned oil company, or an agent of either except pursuant to the procedures of section 174, part C, title I of the Energy Policy and Conservation Act (42 U.S.C. 6211 et seq.), as contained in section 6 of Public Law 101–383: *Provided further*, That outlays in fiscal year 1993 resulting from the use of funds in this account shall not exceed $145,000,000.

ENERGY INFORMATION ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out the activities of the Energy Information Administration, $83,427,000, to remain available until expended, of which $44,000,000 shall be derived from available unobligated balances in the Biomass Energy Development account.

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.

From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign: *Provided*, That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: *Provided further*, That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That any contract, agreement, or provision thereof entered into by the Secretary pursuant to this authority shall not be executed prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full comprehensive report on such project, including the facts and circumstances relied upon in support of the proposed project.

The Secretary of Energy may transfer to the Emergency Preparedness appropriation such funds as are necessary to meet any unforeseen emergency needs from any funds available to the Department of Energy from this Act.

Notwithstanding any other provision of law, the Secretary of Energy may enter into a contract, agreement, or arrangement, including, but not limited to, a Management and Operating Contract as defined in the Federal Acquisition Regulations (17.601), with a profit-making or non-profit entity to conduct activities at the Department of Energy's research facilities at Bartlesville, Oklahoma.

No funds provided in this Act may be expended by the Department of Energy to prepare, issue, or process procurement documents for programs or projects for which appropriations have not been made.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvment Act, and titles III and XXVI and section 208 of the Public Health Service Act with respect to the Indian Health Service, including hire of passenger motor vehicles and aircraft; purchase of medical equipment; purchase of reprints; purchase, renovation, and erection of modular buildings; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; $1,559,615,000, together with payments received during the fiscal year pursuant to 42 U.S.C. 300aaa–2 for services furnished by the Indian Health Service: *Provided*, That notwithstanding any other law or regulation, funds transferred from the Department of Housing and Urban Development to the Indian Health Service shall be administered under Public Law 86–121 (the Indian Sanitation Facilities Act): *Provided further*, That funds made available to tribes and tribal organizations through grants and contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450), shall be deemed to be obligated at the time of the grant or contract award and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: *Provided further*, That of the funds provided for new, continuation, and expanded grants, contracts, or cooperative agreements under Public Law 93–638, an appropriate amount shall be reserved and available only for contract support costs: *Provided further*, That $12,000,000 shall remain available until expended, for the Indian Catastrophic Health Emergency Fund: *Provided further*, That $323,404,000 for contract medical care shall remain available for expenditure until September 30, 1994: *Provided further*, That of the funds provided, not less than $11,077,000 shall be used to carry out a loan repayment program under which Federal, State, and commercial-type educational loans for physicians and other health professionals will be repaid at a rate not to exceed $35,000 per year of obligated service in return for full-time clinical service: *Provided further*, That funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further*, That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall be available for two fiscal years after the fiscal year in which they were collected, for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, or construction of new facilities): *Provided further*, That of the funds provided, $6,000,000 shall remain available until expended, for the Indian Self-Determination Fund, which shall be available for the transitional costs of initial or expanded tribal contracts, grants or cooperative agreements with the Indian Health Service under the provisions of the Indian Self-Determination Act: *Provided further*, That funding contained herein, and in any earlier appropriations Acts for scholarship programs under the Indian Health Care Improvement Act (25 U.S.C. 1613) shall remain available for expenditure until September 30, 1994: *Provided further*, That amounts received by tribes and tribal organizations under title IV of the Indian Health Care Improvement Act and Public Law 100–713 shall be reported and accounted for and available to the receiving tribes and tribal organizations until expended.

INDIAN HEALTH FACILITIES

For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of modular buildings, and purchases of trailers; and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act and the Indian Health Care Improvement Act, and for expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles III and XXVI and section 208 of the Public Health Service Act with respect to environmental health and facilities support activities of the Indian Health Service, including hire of passenger motor vehicles and aircraft; purchase of reprints; purchase and erection of modular buildings; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary, $338,596,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, funds appropriated for the planning, design, construction or renovation of health facilities for the benefit of an Indian tribe or tribes may be used to purchase land for sites to construct, improve, or enlarge health or related facilities.

ADMINISTRATIVE PROVISIONS, INDIAN HEALTH SERVICE

Appropriations in this Act to the Indian Health Service shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem rate equivalent to the maximum rate payable for senior-level positions under 5 U.S.C. 5376, and for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902), and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities: *Provided*, That in accordance with the provisions of the Indian Health Care Improvement Act, non-Indian patients may be extended health care at all tribally administered or Indian Health Service facilities, subject to charges, and the proceeds along with funds recovered under the Federal Medical Care Recovery Act (42 U.S.C. 2651–53) shall be credited to the account of the facility providing the service and shall be available without fiscal year limitation: *Provided further*, That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation: *Provided further*, That with the exception of Indian Health Service units which currently have a billing policy, the Indian Health Service shall not initiate any further action to bill Indians in order to collect from third-party payers nor to charge those Indians who may have the economic means to pay unless and until such time as Congress has agreed upon a specific policy to do so and has directed the Indian Health Service to implement such a policy: *Provided further*, That personnel ceilings may not be imposed on the Indian Health Service nor may any action be taken to reduce the full-time equivalent level of the Indian Health Service by the elimination of temporary employees by reduction in force, hiring freeze or any other means without the review and approval of the Committees on Appropriations: *Provided further*, That none of the funds made available to the Indian Health Service in this Act shall be used to implement the final rule published in the Federal Register on September 16, 1987, by the Department of Health and Human Services, relating to eligibility for the health care services of the Indian Health Service until the Indian Health Service has submitted a budget request reflecting the increased costs associated with the proposed final rule, and such request has been included in an appropriations Act and enacted into law: *Provided further*, That funds made available in this Act are to be apportioned to the Indian Health Service as appropriated in this Act, and accounted for in the appropriation structure set forth in this Act: *Provided further*, That the appropriation structure for the Indian Health Service may not be altered without the advance approval of the House and Senate Committees on Appropriations.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

For necessary expenses to carry out, to the extent not otherwise provided, the Indian Education Act of 1988, $81,274,000, of which $59,813,000 shall be for subpart 1, $16,838,000 shall be for subparts 2 and 3, and $1,200,000 shall be for collection and analyses of data on Indian education: *Provided*, That $1,750,000 available pursuant to section 5323 of the Act shall remain available for obligation until September 30, 1994.

OTHER RELATED AGENCIES

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Navajo and Hopi Indian Relocation as authorized by Public Law 93–531, $28,935,000, to remain available until expended: *Provided*, That funds provided in this or any other appropriations Act are to be used to relocate eligible individuals and groups including evictees from District 6, Hopi-partitioned lands residents, those in significantly substandard housing, and all others certified as eligible and not included in the preceding categories: *Provided further*, That none of the funds contained in this or any other Act may be used by the Office of Navajo and Hopi Indian Relocation to evict any single Navajo or Navajo family who, as of November 30, 1985, was physically domiciled on the lands partitioned to the Hopi Tribe unless a new or replacement home is provided for such household: *Provided further*, That no relocatee will be provided with more than one new or replacement home: *Provided further*, That the Office shall relocate any certified eligible relocatees who have selected and received an approved homesite on the Navajo reservation or selected a replacement residence off the Navajo reservation or on the land acquired pursuant to 25 U.S.C. 640d–10.

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

PAYMENT TO THE INSTITUTE

For payment to the Institute of American Indian and Alaska Native Culture and Arts Development, as authorized by Public Law 99–498, as amended (20 U.S.C. 56, Part A), $9,812,000, of which not to exceed $350,000 for Federal matching contributions, to remain available until expended, shall be paid to the Institute endowment fund: *Provided*, That of the funds made available, $1,500,000 is provided as a Federal matching contribution to the capital endowment fund: *Provided further*, That notwithstanding any other provision of law, the annual budget proposal and justification for the Institute shall be submitted to the Congress concurrently with the submission of the President's Budget to the Congress: *Provided further*, That the Institute shall act as its own certifying officer.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed thirty years), and protection of buildings, facilities, and approaches; not to exceed $100,000 for services as authorized by 5 U.S.C. 3109; up to 5 replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees; $298,656,000, of which not to exceed $27,633,000 for the instrumentation program, collections acquisition, Museum Support Center equipment and move, exhibition reinstallation, the National Museum of the American Indian, and the repatriation of skeletal remains program shall remain available until expended and, including such funds as may be necessary to support American overseas research centers and a total of $125,000 for the Council of American Overseas Research Centers: *Provided*, That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations: *Provided further*, That none of the funds appropriated herein shall be made available for acquisition of land at the Smithsonian Environmental Research Center before the date of the enactment of an Act authorizing the use of funds for that purpose.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park, by contract or otherwise, $7,900,000, to remain available until expended.

REPAIR AND RESTORATION OF BUILDINGS

For necessary expenses of repair and restoration of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, $24,400,000, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or restoration of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

CONSTRUCTION

For necessary expenses for construction, $17,330,000, to remain available until expended.

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901–5902); purchase or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, $51,663,000, of which not to exceed $3,120,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized $3,600,000, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356) including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, $6,252,000.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and Humanities Act of 1965, as amended, $147,634,000 shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to groups and individuals pursuant to section 5(c) of the Act, and for administering the functions of the Act.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $31,300,000, to remain available until September 30, 1994, to the National Endowment for the Arts, of which $13,300,000 shall be available for purposes of section 5(l): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $152,108,000 shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administering the functions of the Act, of which $5,600,000 for the Office of Preservation shall remain available until September 30, 1994.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $26,826,000, to remain available until September 30, 1994, of which $14,700,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

INSTITUTE OF MUSEUM SERVICES

GRANTS AND ADMINISTRATION

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, $29,000,000, including not to exceed $250,000 as authorized by 20 U.S.C. 965(b).

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), $791,000.

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

For necessary expenses as authorized by Public Law 99–190 (99 Stat. 1261; 20 U.S.C. 956a), as amended, $7,000,000.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing an Advisory Council on Historic Preservation, Public Law 89–665, as amended, $2,757,000: *Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71–71i), including services as authorized by 5 U.S.C. 3109 and not to exceed $50,000 for expenses necessary to fund an increase in the pay level for all appointed members to a rate which is equivalent to the rate for Executive Schedule Level IV, $5,400,000.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Franklin Delano Roosevelt Memorial Commission, established by the Act of August 11, 1955 (69 Stat. 694), as amended by Public Law 92–332 (86 Stat. 401), $535,000, to remain available until September 30, 1994.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

SALARIES AND EXPENSES

For necessary expenses, as authorized by section 17(a) of Public Law 92–578, as amended, $2,686,000 for operating and administrative expenses of the Corporation.

PUBLIC DEVELOPMENT

For public development activities and projects in accordance with the development plan as authorized by section 17(b) of Public Law 92–578, as amended, $4,947,000, to remain available until expended.

LAND ACQUISITION AND DEVELOPMENT FUND

The Pennsylvania Avenue Development Corporation is authorized to borrow from the Treasury of the United States $6,500,000, pursuant to the terms and conditions in paragraph 10, section 6, of Public Law 92–576, as amended.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

HOLOCAUST MEMORIAL COUNCIL

For expenses of the Holocaust Memorial Council, as authorized by Public Law 96–388, as amended, $21,450,000: *Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 302. No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided*, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. 303. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 304. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 305. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency except as otherwise provided by law.

SEC. 306. None of the funds provided in this Act shall be used to evaluate, consider, process, or award oil, gas, or geothermal leases on Federal lands in the Mount Baker-Snoqualmie National Forest, State of Washington, within the hydrographic boundaries of the Cedar River municipal watershed upstream of river mile 21.6, the Green River municipal watershed upstream of river mile 61.0, the North Fork of the Tolt River proposed municipal watershed upstream of river mile 11.7, and the South Fork Tolt River municipal watershed upstream of river mile 8.4.

SEC. 307. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless notice of such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such Committees.

SEC. 308. Employment funded by this Act shall not be subject to any personnel ceiling or other personnel restriction for permanent or other than permanent employment except as provided by law.

SEC. 309. None of the funds provided by this Act to the United States Fish and Wildlife Service may be obligated or expended to plan for, conduct, or supervise deer hunting on the Loxahatchee National Wildlife Refuge and the Mason Neck National Wildlife Refuge.

SEC. 310. None of the funds in this Act may be used to plan, prepare, or offer for sale timber from trees classified as giant sequoia (sequoiadendron giganteum) which are located on National Forest System or Bureau of Land Management lands until an environmental assessment has been completed and the giant sequoia management implementation plan is approved. In any event, timber harvest within the identified groves will be done only to enhance and perpetuate giant sequoia. There will be no harvesting of giant sequoia specimen trees. Removal of hazard, insect, disease and fire killed giant sequoia other than specimen trees is permitted.

SEC. 311. None of the funds appropriated by this Act may be used to ensure that hardwood saw timber harvested from Federal lands east of the 100th meridian is marked in such a manner as to make it readily identifiable at all times before its manufacture.

SEC. 312. Section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751), is hereby amended by adding at the end the following new subsections:

"(c)(1) Notwithstanding any other provision of law, the Secretary of Agriculture, with respect to National Forest lands in the 16 contiguous western states (except National Grasslands) administered by the United States Forest Service where domestic livestock grazing is permitted under applicable law, and the Secretary of the Interior with respect to public domain lands administered by the Bureau of Land Management where domestic livestock grazing is permitted under applicable law, shall establish beginning with the grazing season which commences on March 1, 1993, an annual domestic livestock grazing fee equal to fair market value: *Provided*, That the fee charged for any given year shall not increase nor decrease by more than 33.3 percent from the previous year's grazing fee.

"(2)(A) For purposes of this subsection, the term 'fair market value' is defined as follows:

$$\text{Fair Market Value} = \frac{\text{Appraised Base Value Forage Value Index}}{100}$$

"(B) For the purposes of subparagraph (A)—

"(i) the term 'Forage Value Index' means the Forage Value Index (FVI) computed annually by the Economic Research Service, United States Department of Agriculture, and set with the 1992 FVI equal to 100; and

"(ii) the term 'Appraised Base Value' means the 1983 Appraisal Value conclusions for mature cattle and horses (expressed in dollars per head or pair month), as determined in the 1986 report prepared jointly by the Secretary of Agriculture and the Secretary of the Interior entitled 'Grazing Fee Review and Evaluation', dated February 1986, on a westwide basis using the lowest appraised value of the pricing areas adjusted for advanced payment and indexed to 1992.

"(3) Executive Order No. 12548, dated February 14, 1986, shall not apply to grazing fees established pursuant to this Act.

"(d) The grazing advisory boards established pursuant to Secretarial action, notice of which was published in the Federal Register on May 14, 1986 (51 Fed. Reg. 17874), are hereby abolished, and the advisory functions exercised by such boards, shall, after the date of enactment of this sentence, be exercised only by the appropriate councils established under this section.

"(e) Funds appropriated pursuant to section 5 of the Public Rangelands Improvement Act of 1978 (43 U.S.C. 1904) or any other provision of law related to disposition of the Federal share of receipts from fees for grazing on public domain lands or National Forest lands in the 16 contiguous western States shall be used for restoration and enhancement of fish and wildlife habitat, for restoration and improved management of riparian areas, and for implementation and enforcement of applicable land management plans, allotment plans, and regulations regarding the use of such lands for domestic livestock grazing. Such funds shall be distributed as the Secretary concerned deems advisable after consultation and coordination with the advisory councils established pursuant to section 309 of this Act and other interested parties.".

SEC. 313. Notwithstanding any other provision of law, the Secretary of the Interior shall transfer to the Department of Health and Human Services the Pine Hill School Health Center in Pine Hill, New Mexico for Indian health purposes, and compensation for such transfer is waived.

SEC. 314. None of the funds provided in this Act may be expended by the Forest Service or the Bureau of Land Management to increase fees charged for communication site use of lands administered by the Forest Service or Bureau of Land Management by more than 15 per centum per user in fiscal year 1993 over the levels in effect on January 1, 1989.

SEC. 315. Notwithstanding any other provision of law, payments to States pursuant to 16 U.S.C. 500 for National Forests affected by decisions relating to the Northern Spotted Owl from fiscal year 1993 receipts shall not be less than 85 per centum of the average annual payments to States, based on receipts collected on those National Forests during the five-year baseline period of fiscal years 1986 through 1990: *Provided*, That in no event shall these payments exceed the total amount of receipts collected from the affected National Forests during fiscal year 1993.

SEC. 316. Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities for sustainable rural development outside the boundaries of National Forest System lands.

SEC. 317. Notwithstanding any other provision of law, in fiscal year 1993 and thereafter, appropriations or funds available to the Department of the Interior or the Forest Service, Department of Agriculture, may be used to reimburse employees for the cost of State licenses and certification fees pursuant to their employment and that are necessary to comply with State or Federal laws, regulations, or requirements.

SEC. 318. No part of any appropriation under this Act shall be available to the Secretaries of the Interior and Agriculture for use for any sale hereafter made of unprocessed timber from Federal lands in the State of Texas which will be exported by the purchaser: *Provided*, That this limitation shall not apply to specific quantities of grades and species of timber which said Secretaries determine are surplus to domestic lumber and plywood manufacturing needs.

SEC. 319. Notwithstanding any other provision of law, the payment to be made by the United States Government pursuant to the provision of subsection (a) of title II of the Act of August 28, 1937 (50 Stat. 876) to the Oregon and California land-grant counties in the State of Oregon from fiscal year 1993 receipts derived from the Oregon and California grant lands shall not be less than 85 percent of the average annual payment made to those counties of their share of the Oregon and California land-grant receipts collected during the five-year baseline period of fiscal years 1986 through 1990: *Provided*, That in no event shall this payment exceed the total amount of receipts collected from the Oregon and California grant lands during fiscal year 1993.

Mr. YATES (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment through page 97, line 3.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. BURTON of Indiana. Mr. Chairman, reserving the right to object, I did not hear exactly what was being said. Mr. Chairman, are we on title I now?

The CHAIRMAN. The gentleman from Illinois [Mr. YATES] is asking unanimous consent to have the entire bill open for amendment through page 97, line 3.

Mr. BURTON of Indiana. Mr. Chairman, I just want to make sure I do not lose my time to raise a point of order against a particular section of section 1.

The CHAIRMAN. This request does not affect points of order.

Mr. BURTON of Indiana. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. WALKER. Mr. Chairman, reserving the right to object, this does not limit time on any of the amendments?

The CHAIRMAN. Not on the amendments except as limited in the rule, the amendments printed in part 3; the Chair believes that is the grazing fee amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the chairman of the subcommittee.

Mr. YATES. I thank the gentleman for yielding.

Mr. Chairman, I propose in my next request to try to limit time for consideration of the entire bill, and I would appreciate it if I could work something out with the gentleman.

The CHAIRMAN. This request does not limit time.

Mr. WALKER. This particular motion does not do that.

The CHAIRMAN. It does not, except as contained in the rule.

Mr. WALKER. Mr. Chairman. I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there any points of order?

POINT OF ORDER

Mr. JONES of North Carolina. Mr. Chairman, I make a point of order that the provision of section 115 of the bill violates clause 2 of rule XXI by proposing legislation on a general appropriations bill.

Mr. Chairman, I do not intend to belabor the point. Section 115 on its face is legislative in character and, thus, a violation of clause 2 of rule XXI, and I ask that the Chair sustain my point of order.

The CHAIRMAN. Does the gentleman from Illinois [Mr. YATES] wish to be heard on the point of order?

Mr. YATES. Mr. Chairman, the language in the bill is not legislation, it is a limitation of funds. The National Environmental Policy Act requires that an environmental impact statement [EIS] be conducted for major Federal actions significantly affecting the quality of the environment. The environment will be significantly affected by the construction of the jetties and, therefore, the addition of the phrase which requires an EIS before construction is to begin is in accordance with basic law. It is not a conditional limitation, since NEPA already requires an EIS for major Federal actions. An EIS is already in progress, and this bill does not impose any new requirements on the Secretary of the Interior.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. Mr. Chairman, section 115 states that no funds in this bill may be used to process permits necessary for the construction of jetties at Oregon Inlet, NC, until an environmental impact statement has been completed.

Under normal regulations under the National Environmental Policy Act [NEPA], the processing of permits will not require an EIS.

Presently, the obligation to complete an EIS is based on the discretion of the Federal agency to determine whether the activity is a major Federal action significantly affecting the quality of the human environment.

This section in the bill would establish an affirmative direction to the Department and require it complete an EIS before permits could be processed—an action that is not otherwise required under law. In fact, it would effectively take away the discretion conferred by law. Thus, it assumes the character of legislation and violates clause 2 of rule XXI.

The restriction in the bill affects the processing of permits, which is a far more aggressive and encompassing limitation than under existing law.

The Corps of Engineers is considering a supplemental EIS on this project. However, the funds in this bill are for the Department of the Interior and would affect a separate decision of the Interior Secretary to permit the jetties to make their landfall on national park and wildlife refuge lands.

This, therefore, would be a limitation on the discretionary authority of the Secretary of the Interior and assumes the character of legislation.

Finally, I would note for the record that NEPA and the management of wildlife refuges are matters within the jurisdiction of the Committee on Merchant Marine and Fisheries.

Wildlife refuges are involved here because the southern jetty at Oregon Inlet is to be anchored on a national wildlife refuge.

I would attach some meaning to the fact that the Rules Committee left this provision unprotected from the point of order. I suspect that the committee felt that it was proper to do so at the request of the Merchant Marine and Fisheries Committee because of its jurisdiction, perhaps with other committees, over a significant portion of this section.

I ask that the Chair sustain my point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, I rise in opposition to the point of order. I think the important fact here, as the chairman of the subcommittee has brought out very clearly, is that it does not impose any additional duties on the Secretary of the Interior. The EIS is underway, there would be no additional requirements placed on the Secretary, and, therefore, the point of order should not lie in this instance and the language that is in the bill, I think, is quite proper under the circumstances.

The CHAIRMAN. Does the gentleman from North Carolina [Mr. LANCASTER] wish to be heard on the point of order?

Mr. LANCASTER. I do, Mr. Chairman.

Mr. Chairman, I rise in support of Chairman JONES' point of order and would comment on Mr. REGULA's comment that there is a difference here.

Mr. Chairman, the restriction on the processing of permits in section 115 affects the entire ancillary process that leads up to the issuance of permits for the jetties. Thus it is a very aggressive and encompassing limitation on present authority of the Secretary of the Interior, and I believe, therefore, that this is clearly legislative in nature and a violation of clause 2 of rule XXI.

The CHAIRMAN (Mr. GLICKMAN). The Chair is ready to rule.

The Chair is convinced that the language of section 115 would require the entire processing of permits procedure to be held in abeyance until an environmental impact statement has been completed by the Secretary of the Interior and not only by the Corps of Engineers.

The Chair, under current law, does not believe an environmental impact statement is required before processing but only before issuing permits. It is the Chair's opinion that the language, while under the guise of a limitation, would change the operation of the permitting process under existing law, and the Chair, therefore, sustains the point of order. The section is stricken.

□ 1450

POINT OF ORDER

Mr. VENTO. Mr. Chairman, as permitted by the rule providing for the consideration of the measure before us, I make a point of order against the provision beginning with "provided further" on page 10, line 9, through "Alaska" on line 12.

This is a measure authorizing expenditure of appropriated funds for Federal survey and protection of Alaska State lands, and I would make the point of order that it is a violation of clause 2 of rule XXI of the rules of the

House of Representatives, legislation on an appropriations measure.

Mr. YATES. Mr. Chairman, I concede the point of order.

The CHAIRMAN (Mr. GLICKMAN). The point of order is conceded and sustained.

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I would make the same point of order, a violation of clause 2 of rule XXI of the House of Representatives, beginning with "provided further" on page 10, line 12 through line 21.

This is a provision establishing time limits for appeals of reductions in grazing allotments on public grange lands. This is legislation on an appropriations measure, and I would ask the Chair to sustain my point of order.

Mr. YATES. Mr. Chairman, I concede the point of order.

The CHAIRMAN (Mr. GLICKMAN). The point of order is conceded and sustained.

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I would make a point of order on the violation of clause 2, rule XXI, relative to the proviso beginning on page 18, line 24, through the colon on page 19, line 1, a measure regarding the eligibility of the Trust Territory of the Pacific Islands for historic preservation fund matching grants, as legislation on an appropriations measure.

Mr. YATES. I concede the point of order, Mr. Chairman.

The CHAIRMAN (Mr. GLICKMAN). The point of order is conceded and sustained.

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I would make the point of order of violation of clause 2 of rule XXI on the administrative provision beginning with "to provide" on page 21, line 6, through "service" on line 11.

This is a measure authorizing funds for the transportation in connection with organized recreation and interpretative programs in the National Park Service. It is legislation on an appropriations bill.

Mr. YATES. Mr. Chairman, is the gentleman from Minnesota [Mr. VENTO] sure he wants to do that?

I say to him, "Look at what the amendment does: Transportation for children in nearby communities."

Mr. VENTO. Mr. Chairman, I would insist on my point of order.

The CHAIRMAN. The gentleman insists on his point of order.

Mr. YATES. Mr. Chairman, if the gentleman is so insistent, I have no recourse except to concede it.

The CHAIRMAN (Mr. GLICKMAN). The point of order is sustained.

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I would make a point of order as a violation of clause 2, rule XXI, of the House of Representatives with regard to the administrative provision beginning with "options" on page 21, line 11, through "option" on line 12 dealing with options for the purchase of land by the National Park Service and would ask the Chairman to sustain my point of order.

Mr. YATES. I concede the point of order, Mr. Chairman.

The CHAIRMAN (Mr. GLICKMAN). The point of order is conceded and sustained.

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I would make a point of order under the rule concerning a violation of clause 2 of rule XXI of the House of Representatives concerning the provision beginning on page 21, line 14, through "system" on line 19 regarding the use of funds for unforeseen law enforcement and search and rescue operations of the National Park Service as legislation on an appropriations measure and would ask the House to sustain, or the Chairman to accede, to that point of order.

Mr. YATES. Mr. Chairman, I would ask the gentleman if he has reviewed the content of that paragraph that proposes to make any funds available to the National Park Service for the purpose of maintaining law and order in an emergency and other unforeseen law enforcement——

Mr. VENTO. Mr. Chairman, I appreciate the good intentions of the gentleman from Illinois [Mr. YATES], but I would insist on my point of order. We would be happy to consider these matters as they are brought before us by the administration and others that want to change these policies or advocate these policies.

Mr. YATES. Do I understand that the gentleman has this pending before his authorizing committee?

Mr. VENTO. It is a matter of importance, I am sure, to the administration, and other Members will bring it to our attention, and we will deal with it.

Mr. YATES. Mr. Chairman, I concede the point of order.

The CHAIRMAN (Mr. GLICKMAN). The point of order is conceded and sustained.

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I would make a point of order as a violation of clause 2, rule XXI, of the House of Representatives as provided under the rule that the provision beginning with "provided further" on page 21, line 25, through "horses" on page 22, line 3, authorizing use of helicopters and motorized equipment at the Death Valley National Monument, is a violation of the rules as legislation on an appropriations measure, and I would ask the House, or the Chairman, to sustain my point of order.

Mr. YATES. Mr. Chairman, does the gentleman understand that, as a result of his point of order, the Federal burros and horses will not have helicopter rides?

Mr. VENTO. Mr. Chairman, I am greatly concerned about the helicopter rides of these animals, but, nevertheless, we would be happy to consider it.

Mr. YATES. I concede the point of order, Mr. Chairman.

The CHAIRMAN (Mr. GLICKMAN). The point of order is conceded and sustained.

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I would make a point of order as a violation of clause 2, rule XXI, of the provision beginning on page 22, line 24, through "purposes" on page 23, line 4.

This provision authorizes cooperative agreements with the William O. Douglas outdoor classroom, and, as provided for under the rule, I make this point of order as legislation on an appropriations bill.

Mr. YATES. I concede the point of order, Mr. Chairman.

The CHAIRMAN (Mr. GLICKMAN). The point of order is conceded and sustained.

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I would make the point of order as a violation of clause 2, rule XXI, as provided under the rules of section 114, beginning on page 49, line 20 through line 24, regarding the recordation and processing of claimed rights-of-way under RS2477.

Notwithstanding this is a process in legislation that I wrote, it is a violation of the rules, and I would ask the House to sustain, or the Chair to accede to, the point of order.

Mr. YATES. I concede the point of order, Mr. Chairman.

The CHAIRMAN (Mr. GLICKMAN). The point of order is conceded and sustained.

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I have one additional point of order that deals with title II, and I would make it at this time under the provisions of the House as a violation of clause 2, rule XXI.

I would point out the administrative provision beginning on page 59, line 18 through line 23, authorization of Youth Conservation Corps projects on forest lands constitutes legislation on appropriations, and I would ask for the chairman of the subcommittee to concede the point of order.

Mr. YATES. Mr. Chairman, I hate to concede a point of order that will negate a program that will provide jobs for youth in the forests and in the parks of the country, but under the rules I have no alternative.

Mr. Chairman, I concede the point of order.

The CHAIRMAN (Mr. GLICKMAN). The point of order is conceded and sustained.

Are there further points of order?

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and colleagues, I think that the fact that these points of order have been sustained focuses on something that needs to be addressed, and that is that in the subcommittee we tried to address a number of important features of managing the national parks and forests. Unfortunately, as quite evident by the sustaining of the points of order, it is legislating on an appropriation bill, but I think it does also point out the fact that it is important that this body address those concerns through the orderly process of the authorizing committee. I would hope that the authorizers would take under consideration a number of these policy issues and bring to this body the necessary legislation so we are not required to do so.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I sincerely appreciate the good faith and the cooperative and collaborative work we have done with both the chairman of the committee and the ranking member with regard to a whole host of issues. Clearly, these are matters of importance to the members. I think there are few committees or subcommittees in the House that process as much legislation as the committee on which I serve. I think the members of that committee and the staff deserve a lot of commendation for that, and clearly these are matters of import. We have already begun consideration of some of these matters. Others have been passed to the other body, and I want to work and cooperate with the members. It gives me no great honor, as it is, to have to bring these particular points up, but I think we need to process and consider these in the basis of the open light of the subcommittee, and I hope that we can do so and continue to work in a cooperative manner.

I might say, and I did not have a chance to say earlier because my chairman yielded back the time on his side, but I think he has done a commendable job on this bill. It is a tough bill. There is a lot of interest in this measure, and I hope we can sustain the type of momentum that we have had in the past with regard to approval and the endorsement of this measure.

Mr. Chairman, I thank the gentleman from Ohio [Mr. REGULA] for yielding.

Mr. REGULA. Mr. Chairman, it is certainly the intent of our subcommittee to work closely with the authorizing committee because we all have the same objective, and that is to do a good job for the people of this Nation.

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YATES. Do I understand that the Chair has finished its requests for points of order?

The CHAIRMAN (Mr. GLICKMAN). The Chair asked if there were any additional points of order, and there were none, so the committee is in the amendment process of this bill now.

□ 1500

Mr. YATES. Mr. Chairman, I ask unanimous consent that all debate on this bill and any amendments thereto terminate not later than 6 o'clock.

Mr. DICKS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. YATES. Mr. Chairman, I ask unanimous consent that all debate on this bill and amendments thereto terminate no later than 6:30 p.m.

Mr. WALKER. Mr. Chairman, reserving the right to object, the problem we had with time limits the last time it came up is there were Members frozen out of their ability to have their amendments considered.

Could we include in the time limit at least some understanding that once we reached the time limit, if there are other amendments, they could get 5 minutes or 10 minutes on each side, as a way of assuring that everyone gets a chance to have their amendment debated?

Mr. YATES. Mr. Chairman, I will incorporate that in my request.

Mr. WALKER. Mr. Chairman, so all debate would be concluded by 6:30, but any amendments left after that period of time would get 10 minutes, 5 minutes for the proponent, and 5 minutes for the opposing side?

The CHAIRMAN. The Chair understands the unanimous-consent request to be that the debate on this bill and all amendments thereto will end at 6:30, with the exception that any amendments offered after that time and any amendments thereto would be given an additional 10 minutes, 5 minutes on each side.

Mr. WALKER. For each amendment.

Mr. YATES. The gentleman is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. WALKER. Mr. Chairman, further reserving the right to object, and I will not object, the time that has already been granted in the rule, does that come out of the time before 6:30?

Mr. YATES. Mr. Chairman, is the gentleman referring to the grazing fee amendment?

Mr. WALKER. That is correct.

Mr. YATES. Mr. Chairman, I would think so.

Mr. WALKER. In other words, the problem is we have 3½ hours; 1½ hours of that is going to be taken up by the grazing fees.

The CHAIRMAN. The Chair would say that if that amendment is offered after the time limit, it would still be debated for 40 minutes under the rule. It would depend on when that amendment is offered.

Mr. WALKER. If that is offered before the 6:30 time limit, then all of that would come out of the time that the chairman has gotten?

Mr. YATES. Mr. Chairman, if the gentleman would yield, I would suggest that the grazing fee amendment take place after the rest of the amendments so there is no question about it. It will be entitled under the rule to 40 minutes.

Mr. WALKER. If those occur after 6:30, they will be granted the amount of time provided under the rule.

Mr. BURTON of Indiana. Mr. Chairman, if the gentleman will yield, I understand there are two amendments having 30-minute time limits. Both of those amendments will come after the 6:30 time period we are talking about?

Mr. YATES. Mr. Chairman, if the gentleman will yield further, one of those is an amendment I propose. I hope we will be able to get through it before the 30 minutes elapse. I will offer that amendment at the same time as the grazing fee amendment.

Mr. WALKER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. AuCOIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to compliment the chairman for his work on our bill and in particular for his assistance in working with me to provide funding for a major silviculture experiment in Oregon using new forestry and landscape management techniques. I would like to engage the gentleman in a brief colloquy to clarify legislative intent with respect to the Oregon experiment.

As the chairman may know, a coalition of organized labor, grass roots activists and county government has developed a ten-year research program known as the Douglas project which is designed to maintain the viability of the northern spotted owl, protect jobs and communities and find answers to the many questions about spotted owl biology.

Is it the gentleman's understanding that the Oregon silviculture experiment we are funding in our bill shares these objectives?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the subcommittee chairman.

Mr. YATES. The gentleman is correct.

Mr. AuCOIN. Is it the gentleman's further understanding that this experiment should be carried out in southern Oregon, preferably on the Umpqua National Forest, and that the Forest Service should consult with representatives of the Douglas project as needed to take advantage of their expertise in dealing with the spotted owl issue?

Mr. YATES. The gentleman is correct.

Mr. AUCOIN. Mr. Chairman, I thank the gentleman.

Mr. DICKS. Mr. Chairman, I rise to strike the last word.

Mr. Chairman, I rise to engage the distinguished chairman of the subcommittee, Mr. YATES, in a colloquy to clarify the intent of the bill as it relates to several points.

First, Mr. Chairman, the report to accompany the bill indicates that an additional $4.1 million has been provided for spruce budworm suppression in eastern Washington and eastern Oregon. Unfortunately, the report suggests that this funding would only be available in the Blue Mountains.

As the chairman knows, there are other forests in eastern Washington that are infested with the spruce budworm that are not considered to be part of the Blue Mountains.

It is my understanding that the actual intent of the committee was to make these additional funds available for spruce budworm suppression in all of the forests of eastern Washington and eastern Oregon. Is that the chairman's understanding of the intent of the bill?

Mr. YATES. The gentleman from Washington is correct.

Mr. DICKS. If the chairman of the subcommittee will yield further to me, I would appreciate his clarifying two other points. First, the report suggests that additional funding for salvage operations in eastern Washington and eastern Oregon has been provided to support the forest health initiative. As the chairman knows, there are two forest health initiatives in place here; one for the Blue Mountains and one for the forests of eastern Washington. I believe that the committee intended this additional salvage money be available to support both forest health initiatives.

The second issue that I want to raise concerns funding for the Blue Mountains Research Institute. As you know, our colleague from Oregon, Mr. AUCOIN, shares my interest in funding for this important institute that has played a significant role in addressing the forest health problems of eastern Washington and eastern Oregon.

It was my understanding that the committee intended that an amount of approximately $2 million be provided for this institute. Unfortunately, the report to accompany the bill does not indicate this and I will appreciate the chairman's comments on this matter.

Mr. YATES. The gentleman from Washington [Mr. DICKS] is correct on both counts. As the gentleman points out, there are two significant forest health initiatives in the Pacific Northwest. It is clearly the intent of the committee that additional salvage funding be available to support both the initiatives and cover the eastern forests, and we, the committee, agree on making available approximately $2 million for the institute.

Mr. DICKS. Mr. Chairman, I thank the gentleman from Illinois [Mr. YATES] for engaging in that colloquy.

AMENDMENT OFFERED BY MRS. VUCANOVICH

Mrs. VUCANOVICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. VUCANOVICH: On page 3 of the bill, line 23, after the word "Act", insert ".", and strike all through page 4, line 4.

Mrs. VUCANOVICH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Nevada?

There was no objection.

Mrs. VUCANOVICH. Mr. Chairman, my amendment to the Interior appropriations bill is quite simple. The bill would deny all mining claimants the ability to patent their mining claims unless they had already met all the elements set out in the mining law to receive title to their claims.

My amendment would simply strike the second set of exemption criteria in the bill so that patent applications that are pending with the Bureau of Land Management upon enactment of this bill could be processed in fiscal year 1993. No new applications could be accepted or processed by the BLM, only existing ones.

Mr. Chairman, this is the only equitable way to treat the many miners that have spent tens of thousands of dollars or more to bring their claims to patent. Yes, it is true that they can mine their claims while they remain unpatented. However, a very real threat to their "right to mine" exists in proposed legislation in both the House and the other body. I serve on the Interior and Insular Affairs Committee and know very well that the public lands hardrock miners fears are well founded.

That committee has recently adopted an extremely burdensome major piece of mining law reform legislation that for all intents and purposes would bar reasonable exploration and development of the public domain. Its no wonder the people I seek to protect with this amendment are attempting to patent their claims now, they want to be able to operate under applicable environmental statutes—something the authorizing committee's bill would not guarantee.

Let me explain why the appropriations bill language before us is too restrictive. When a miner applies for patent to his or her mining claims an iterative process begins with the BLM. The criteria I seek to strike are the steps that BLM—not the applicant—controls in the patenting process. Usually this is at least a 2-year or longer process. The Appropriations bill would penalize patent applicants who have in good faith collected the voluminous data necessary to proffer a patent application to the BLM, unless the BLM had taken the steps necessary to fulfill the technical requirements for patenting.

Mr. Chairman, this is simply not fair. Through no fault of the pending applicants, the BLM has not been able to timely verify the chain-of-title documents submitted by the applicants, or BLM has not called for the constructive notice to be published in the newspaper by the miner seeking patent, or lastly, the BLM has not allowed the applicant to pay the statutory price per acre for the claims. All these elements are part of the criteria in this bill, yet the applicant cannot meet them without a by-your-leave from the Federal Government.

What kind of treatment is this? I do not argue that the Congress cannot change the way the public lands are utilized for mining, but I do argue that we ought not to change the rules at the last step for those who have made "reasonable investment-backed expectations" to seek title to the mineral deposits they have spent years to discover and develop into paying mines.

I predict that if this body chooses to ignore my plea and moves to bar patenting to those who have made such financial commitments, we will see a line outside the Court of Claims made up of miners alleging inverse condemnation of their property. Why should we risk this? Instead, simply delete the latter requirements and insist upon complete patent applications as of the date of enactment. Some Members may be concerned that a rush to file before enactment will ensue.

My friends, that is simply not possible. A lode mining claimant must have a detailed plat prepared by a deputy U.S. mineral surveyor before an application for patent is in order. This is at a minimum a 6-month exercise and often much longer. A placer claimant may not always need a survey but the requirements to pull together the various title documents and geologic description of the claims that support the application are sufficiently rigorous that most claimants hire patent attorneys and take many months in preparation to file. In other words, no avalanche of filing to beat the deadline can happen.

With that Mr. Chairman, I urge my colleagues to accept my amendment.

□ 1510

Mr. REGULA. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

I would point out to my colleagues that there is a bill revising the 1872 Mining Act that is out of the authorizing committee and hopefully will get to the floor. Then we can act upon a total reformation of this law. But in the meantime, I think it is vitally important that we protect the United

States from paying large amounts of money for lands that it patents. A patent is a deed. Land is deeded to the claimant for $2.50 or $5 an acre.

Let me illustrate what happens. In the President's budget there was a request for us to purchase about 300 acres in Denali National Forest in Alaska. The cost per acre is about $8,500. This is land that the United States conveyed for $2.50 an acre under the Mining Act. Here we are buying it back for $8,500 an acre.

And furthermore, in this request it points out that there are some 34,000 more acres just in Denali that should be acquired that are in-holdings. It is land that the U.S. Government patented for $2.50 an acre.

All that the language in the bill does is put a moratorium on conveyances until September 30 of 1993. By putting on a moratorium on the granting of deeds, we at least protect the U.S. Government from giving away or selling land for $2.50 an acre which we might well have to buy back in the future for $8,000 or more per acre.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, is this not the effort by the committee to try to stop this kind of a giveaway to patent claimants in order to prevent this kind of activity during the time that it takes the legislative committee to pass the necessary legislation to correct it?

Mr. REGULA. Mr. Chairman, that is correct. And we have a concern because of the great cost to the taxpayers of buying back these lands.

Let me point out also that it does not in any way inhibit the ability of the claimant, individual or corporate, that has taken a chance in developing mineral claims. It does not stop in any way the ability of that individual to mine the resource.

That was the intent of the 1872 act, to encourage people to take a chance, go out and prospect for minerals that are very important to the United States. And that is fine.

But there is no reason that we need to give away the land for $2.50 an acre in the form of a deed because the claimant can do all the mining that the individual or company would choose to do under the existing law. And the language in the bill would in no way create a problem.

There is one additional point I would make. And that is, once the land is patented or the deed is given by the U.S. Government, the claimant is no longer required to meet the U.S. environmental restoration requirements. They then at that point come under State law. Some States have high quality reclamation requirements. Others do not. But this is Federal land. Much of it is inside of Federal boundaries of forests or parks or BLM.

These claims are inside the Federal boundaries. I think we have a great interest on the part of the people of this Nation to ensure that they are treated fairly. And certainly selling this for $2.50 or $5 an acre and then being required to buy it back does not give equity to the taxpayer, nor does it ensure that there will be adequate reclamation.

For those reasons, I strongly oppose this amendment. I think the bill language is good policy for the United States.

Mr. RAHALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in my capacity as chairman of the Subcommittee on Mining and Natural Resources, over the years I have examined the issues raised by this amendment.

It is for this reason that, with due respect to my ranking minority member on the subcommittee, I rise in opposition to the gentlelady from Nevada's amendment.

The fact of the matter is that while holders of valid unpatented claims under the mining law of 1872 have certain rights in the property embraced by mining claims, it is well established that the Congress retains the right to regulate mining claims on Federal lands.

The pending legislation contains a provision providing that no patents may be issued for mining claims or mill sites unless the right to a patent had vested prior to the date of the bill's enactment.

And it is the question of at what point—at what point—does the right to a patent vest that is the subject of the Vucanovich amendment.

I would submit that this is not a political question. It is a matter that has been settled by the courts.

In conformance with judicial precedent, the pending legislation says that no patent may be issued unless a vested right to a patent has arisen prior to the enactment of this measure.

In this regard, a vested right to a patent does not arise until there has been full compliance with the procedures provided for by the mining law of 1872 for obtaining a patent for a valid claim. It is as simple as that.

And what full compliance means is that the claimant must have done at least $500 worth of labor or improvement on the claim, had a mineral survey and plat prepared, proven that he or she has possession by chain of title documents, and published a notice for potential adverse claimants to assert their claims.

Full compliance also means that the BLM has found the claim to have been properly located and maintained under the mining law, and that the claim supports a discovery of a valuable mineral.

In the parlance of mining law administration, the claim holder would have received what is known as the "first half of final patent certificate," and paid the $2.50 or $5 per acre purchasing price, in order to have vested right to a patent.

The Vucanovich amendment, however, would say that the simple act of applying for a patent prior to the enactment of this measure would allow the BLM to continue to process the application.

This amendment would say regardless of whether there is a vested right to a patent, we will allow the application to proceed. That we will allow valuable Federal lands to continue to be sold off at the outrageous prices of $2.50 per acre, or at the most, $5 per acre.

Such a position not only flies in the face of the public interest, but is not supported by judicial precedent.

For example, in Alaska Miners versus Andrus, the Court found that holders of unpatented claims have no right to require the Government "to hold open indefinitely the option to apply for a patent."

In what is known as the Freese case, the Court found that prohibiting a claim holder's option to seek a patent is not an unconstitutional divestment. The Court noted: "This cannot fairly be deemed the divestment of a property interest, save by the most overt bootstrapping."

Mr. Chairman, I urge the defeat of this amendment.

☐ 1520

Mr. THOMAS of Wyoming. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment of the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Wyoming. I am happy to yield to the gentlewoman from Nevada.

Mrs. VUCANOVICH. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would just like to point out to the gentleman from Ohio [Mr. REGULA] that no change in the application of Federal environmental laws occurs upon the patenting of mining claims. Clean air, clean water, all of the threatened and endangered species, continue to be applicable, just as these requirements apply to all lands in the United States.

I would also like to point out, I keep hearing that the mining law has not been amended, but the mining law has been amended 40 times, at least, since its enactment. I would just like to point that out.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Wyoming. I am glad to yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I just would like to quote from a Bureau of

Land Management statement. I am quoting directly:

> When the Bureau of Land Management issues a mineral patent, reclamation and environmental standards of the United States no longer apply. The Federal Government loses jurisdiction of the land, and then only the applicable State laws govern the mining and reclamation activity.

At least, this is the statement of BLM.

Mr. THOMAS of Wyoming. Mr. Chairman, I do rise in support of the amendment. It seems to me there is a fairness question here. We are talking about changing the Federal law when people have to go through a process, comply with a process, and if the agency has not complied in a timely fashion many times these folks have invested a great deal of money. We are not asking that this continue, we are saying that those people who have brought their application up ready for patent would be treated.

I think when we talk about spending money, I think clearly there is going to be a taking question here, and people who have behaved properly under the law will find the law changed. They have a great deal of investment, and I think we will find the United States being liable, as the Supreme Court decision recently would indicate. The question of taking is a real one.

We mentioned the fact that in this park these lands had to be purchased. The fact is that those lands were patented. In the 1980's the park was created, so these things were done long before the park was there, and when we talk about the BLM, these lands are not all Yellowstone Park. Many of these lands are very desirable for mining. That is the point of the whole process. We ought to be trying to get multiple use out of these lands. That is what the mining thing is all about.

The chairman has pointed out in the Subcommittee on Mining and Natural Resources of the Committee on Interior and Insular Affairs that there is a bill moving that works in this area. It would seem to me that the appropriate thing would be to allow that authorizing bill to work, and that the gentlewoman's amendment here is a perfectly legitimate one, and indeed, should be supported. I urge support for the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Nevada [Mrs. VUCANOVICH].

The amendment was rejected.

AMENDMENT OFFERED BY MR. GUARINI

Mr. GUARINI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. GUARINI: Page 22, line 7, strike the colon and all that follows through "island" on line 10.

Mr. GUARINI. Mr. Chairman, this is a simple amendment, but very important to all of us who feel deeply about our heritage, and it should be shared by all Americans. I am offering this amendment to strike language in the bill which prohibits the National Park Service from using funds to process permits necessary for the construction of a bridge to Ellis Island.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GUARINI. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the committee was of the opinion that the historic configuration of Ellis Island ought to be maintained. For that reason it placed in the bill the prohibition against the Park Service giving any permits for the bridge. That decision, we have decided, is the Park Service's to decide whether or not it ought to give the permit. If it is opposed to the construction of the bridge, the Park Service will continue to oppose it. I do not think that we on the committee, upon reflection, ought to stand in the way.

I for one have no objection to the gentleman's amendment.

Mr. GUARINI. Would the gentleman kindly accept my amendment, then, Mr. Chairman?

Mr. YATES. I will accept the gentleman's amendment.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. GUARINI. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I think the chairman of the subcommittee has said it very well, it is a Park Service decision, because they have to administer Ellis Island. They have to be responsible for the safety, for the management of the visitors, and therefore, it is a responsibility that properly devolves on the Park Service. For that reason we have no objection to the amendment.

Mr. PAYNE of New Jersey. Mr. Chairman, I rise in strong support of the amendment offered by my good friend and colleague, the gentleman from New Jersey [Mr. GUARINI].

Under New Jersey's redistricting plan, my newly drawn congressional district will include a part of Jersey City, an area which is currently very ably represented by Congressman GUARINI.

We have had the opportunity to work together on issues of importance to our Jersey City constituents, and the Ellis Island Bridge is an issue which directly impacts both local residents and families from all over America who come to Ellis Island to learn more about our Nation's beginnings; to stand on the same site where so many immigrants stepped ashore in hopes of a new and better life; and to share a moving experience from the past with their children.

Mr. Chairman, it makes sense to construct a bridge to Ellis Island in order to provide more American families the opportunity to share in this experience. We hear a lot of talk about "family values," yet an agency of our own Government—the National Park Service—is trying to block affordable access for working families to one of our most famous American landmarks.

The Circle Line Ferry Co. and the National Park Service doubled the fare to Ellis and Liberty Island to $6 a person when the Great Hall on Ellis Island opened to the public in 1990. For many descendants of immigrants, particularly families struggling to make ends meet during this prolonged economic recession, the dramatic fare increase means that they will have to forgo, or at least postpone, a trip to Ellis Island.

At a time when many people are on tight schedules due to work and family demands, the current 2 to 3 hour wait for ferry service further discourages family trips to Ellis Island.

Surveys indicate that the public strongly favors construction of a bridge to Ellis Island. The public is excited about this important national treasure; they want our Government to help make it easier, not more difficult, to share in the Ellis Island experience.

The Ellis Island Bridge was authorized in the "Intermodal Surface Transportation Efficiency Act of 1991." The sum of $15 million was appropriated for the construction of a pedestrian bridge in the fiscal year 1992 transportation appropriations bill. In my view, the attempt at this point in time to block our progress on the new bridge is wrong; it is putting the financial interests of the ferry line operators above the interests of ordinary, working class Americans.

Mr. Chairman, yesterday a public meeting was held in Jersey City, and working people there expressed their frustration over the fact that a visit to Ellis Island is deliberately being made more difficult for them, despite the personal and historical connection that many of them have with the site. Working people cannot drive or walk across a bridge to reach Ellis Island, and an agency of our Government apparently wants to keep it that way.

Ironically, the National Park Service wants to make travel to Ellis Island more burdensome for the sons and daughters of those who first landed there; the women and men who built the railroads and worked on the steamships and produced goods in the factories. Is this fair?

The argument has been made that Ellis Island should be approached by ferry in order to more closely resemble the experience of the immigrants who arrived by boat.

That option will still be open to anyone who chooses it; the ferry will continue to operate. However, for those who require quicker and less expensive access to the landmark, the bridge would fill an important need.

Mr. Chairman, I urge my colleagues to support the Guarini amendment and help give the working families of America improved access to one of our most cherished American landmarks, Ellis Island.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. GUARINI].

The amendment was agreed to.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not have an amendment, and I am not going to take the 5 minutes, but I did want to point out some things that need to be brought to the attention of my colleagues and anyone else that may be paying attention.

The gentleman from Minnesota [Mr. VENTO] a little while ago raised points of order against a number of provisions in this bill. Every one of the provisions that he raised, the objections he raised, were sustained. It saved the taxpayers of this country several million dollars.

I would just like to point out that this is kind of refreshing, because most of the rules that come down from the Committee on Rules waive points of order, and we cannot get at the legislating that is taking place in appropriations bills that is costing the taxpayers of this country millions and millions of dollars. The first thing I would like to say is that I congratulate the gentleman from Minnesota [Mr. VENTO], and I would like to urge the Committee on Rules to have more rules brought to the floor which will not waive points of order so we can get at the hidden pork that is stuck in these appropriations bills.

I would like to point out that every appropriation bill this year has exceeded last year. The agriculture bill was $6.5 billion above last year, the District of Columbia bill was $58 million above last year. The Treasury and Postal Service was $2.9 billion above last year. Interior, a $415 million increase over spending from last year.

Let me just say to my colleagues that the charts I had up here a while ago are not figments of my imagination. We are well on our way to a $13 trillion national debt between now and the end of this century, in 7½ years. The interest on the national debt is going to be $1.2 or $1.3 trillion. That will be about what all personal income taxes coming into the Treasury will raise at that time. I do not know how we are going to take care of Medicare, Medicaid, Social Security, and all the other problems facing this Nation if all the money we raise in taxes or most of it goes just to pay the interest.

As I said before, we will probably monetize the debt and we will be having hyperinflation in this country. These are things that are very, very real, not figments of my imagination or anyone else's.

That is why I would like to say to the Committee on Rules, bring us rules that do not waive points of order. Bring us open rules so we can get at the pork. We need to address every appropriation bill and try to cut the wasteful spending and the pork out of there.

In addition and in conclusion, let me just say that we must address the entitlements. The entitlements in this country should be capped at no more than 1, 2, 3, 4 percent above current levels of spending. I know that will pinch some toes, but if we wait around for 6 or 7 years and we monetize a $13 trillion debt and people on fixed incomes are paying $30 for a loaf of bread, they are going to think a lot less of us then than they will if we cope with the problems now.

□ 1530

So I just would like to say to my colleagues, let us cut some of this spending. Let us congratulate the Rules Committee for bringing a rule to the floor that would allow us to get at some of the pork today, and I urge them to do so in the future.

AMENDMENT OFFERED BY MR. BENNETT

Mr. BENNETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT: Page 50, after line 4, insert the following new section:

SEC. 116. The amounts otherwise provided by this title are revised by reducing the amount made available for "NATIONAL PARK SERVICE—CONSTRUCTION", and increasing the amount made available for "NATIONAL PARK SERVICE—LAND ACQUISITION AND STATE ASSISTANCE", by $2,045,000.

Mr. BENNETT. Mr. Chairman, this amendment is designed to bring about a $2,045,000 appropriation which was asked for by the administration last year, but when the process went through this $3,045,000 figure was reduced for other projects that were not requested by the Department, not requested by the Park Service.

This project is a project called the Timucuan Ecological and Historic Preserve in my congressional district, this has 45,000 acres assigned to it. The Park Service told me that to this date all available funds have been committed, and that is a statement from the National Park Service.

Prices go up when you postpone acquiring land. The land sought is on a list of things that are to be acquired, and the longer we postpone getting the land on the list, the more expensive it is. So if my amendment is not agreed to, we will pay more for the same land next year or the next year after that, than we would now.

This ecological and historical park and preserve us 45,000 acres of islands, rivers, creeks, marshes, and it has historic sites in it, many of them going back to the 16th century. The French settled there in 1564, and the Spanish came along in that same century and established the 16th century San Juan del Puerto which was the head of the Catholic Church from the North Pole to Cuba.

And then there were forts in it built by the French and the Spanish, three or four forts by the Spanish, and one or two by the French, the other forts were built by the English, the United States, the Confederacy, and going on down to one in 1898, the Spanish-American War fort. One feature of this national park facility is the Kingsley Plantation, with its 200-year-old main house and slave quarters.

So it has great historic and great ecological value. It is very close to the city of Jacksonville. In fact, it is within the city limits of Jacksonville. It makes it very difficult when developers want to develop this kind of land not to have the money available to promptly purchase these lands.

So my amendment is designed to make this money available now. It was asked for by the Department of the Interior and the National Park Service last year.

Now Mr. Chairman, as I leave here after having been here 44 years in Congress, people are suggesting things that they would like to do for me, name a building in Jacksonville after me, a Federal building, or name the Mayport Carrier Base, that is what the Senate wanted to do. I turned all of this down because I think it is important to get your egos out of these things.

I have given hundreds of thousands of dollars to this project, and I will give hundreds of thousands of dollars more to this project. I will give all of my excess funds from my campaign, which I did not conclude, and that is $250,000 right there. The State of Florida has given now about $14 million of lands to this project, and many individuals I have asked to give money to it. It is an ongoing project, and the Federal moneys are needed to help us with this. If we do not do this this way, in my opinion, it will cost us a lot more to do it in the future.

It is a very worthwhile project, and Mr. Chairman, I ask unanimously, if possible, for Members of this House to give approval to this. I am asking that without any ego in it myself. It is not going to be named for me, no building is going to be named for me. Mayport is not going to be named for me, none of that. I just feel like you can do an unlimited amount of good if you do not care who gets the credit, and that is what I am trying to do with regard to this particular project, and I would appreciate if Members would vote for it.

Mr. YATES. Mr. Chairman, I ask unanimous consent that all time on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, CHARLIE BENNETT and I came to Congress together in 1949, and we have been friends all during that period. He is very close to me, and I favor, and my committee favors the Timucuan project very much. As a matter of fact, we began in 1989 to provide funds for land acquisition there. In 1989 we provided $1 million, in 1990 we provided $740,000, and in 1991 we provided $1,987,000, and in 1992, the current year, we provided $987,000. Over the 4 years that is $4,714,000.

We are informed by the Park Service that as of today none of the money appropriated for 1992 has been obligated.

In fact, the unobligated balance as of June 26, 1992 was $1,800,000. There is enough money now on hand for the Park Service to purchase the land of willing sellers.

On top of that, we have a very tight budget. I have a list here of perhaps 20 or 25 different Members who have asked for land acquisition, just as the gentleman from Florida has requested.

I am partial to CHARLIE BENNETT. If I possibly could give him the money for Timucuan I would do so. But the present needs are taken care of.

What he is worried about is that after his retirement there will not be anybody here to take care of Timucuan, and there will not be any money appropriated to complete the purchasing. I do not think that is true. But I respect the fact that he has this worry. But I do not think that we ought to do for Timucuan what we do not do for any other park or any other natural resource in the country, and that is provide extra money so it can be ready for the purchase of land at some time in the future. We do not have enough money to do things like that.

I am sure in view of the historic significance of Timucuan, as explained by the gentleman from Florida [Mr. BENNETT] and in view of the total devotion that he has shown to this project, having contributed substantial amounts of his own money, that the project will continue. So I am really very heart-sad and disappointed not to be able to provide money for him, and as much as I would like to, much as I dislike doing it, I have to oppose the amendment of the gentleman from Florida.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I just want to say that the chairman of the subcommittee has stated it correctly.

We had $100 million in land acquisition requests from the administration that we were not able to fund. This one was not included, because there is $1,800,000 in unexpended balances.

I think as time goes on there will be additional monies to acquire additional lands, at Timucuan, but we are under such tight constraints in this budget, and priority-wise this one did not fit. That is all. We tried to prioritize the needs, given the constraints on the funding.

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Florida.

Mr. BENNETT. Mr. Chairman, I just briefly want to say that I do have a letter here from the National Park Service which states, "As of this date, all available funds have been committed."

The reason why there seems to be a difference of opinion here is simply because they have not concluded the deeds. In other words, the deeds have not been signed, but the agreements have been reached, so all of the money is exhausted, and so it will have to wait until next year if we do not approve this amendment. We will have to have another process going through, and that means a year or two delay in doing the next appropriation that should be done for this project, because as a practical matter the money is all gone now. It is actually in the bank, but the deeds have not been signed. But the agreements have been reached. That is what I have been told.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Florida [Mr. BENNETT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BENNETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 74, noes 344, not voting 16, as follows:

[Roll No. 295]

AYES—74

Anderson
Annunzio
Bacchus
Bennett
Bilirakis
Brooks
Brown
Bryant
Carper
de la Garza
Dingell
Durbin
Dymally
Edwards (CA)
Emerson
English
Fascell
Ford (MI)
Gejdenson
Gibbons
Gilchrest
Hamilton
Hayes (IL)
Hubbard
Hughes
Hunter
Hutto
Ireland
Jacobs
James
Johnston
Kopetski
Levine (CA)
Lewis (FL)
Livingston
McCloskey
McCollum
McDermott
Miller (OH)
Miller (WA)
Mink
Montgomery
Morella
Mrazek
Oberstar
Ortiz
Owens (NY)
Parker
Perkins
Pickett
Pickle
Rangel
Ridge
Ros-Lehtinen
Rose
Savage
Shaw
Sikorski
Sisisky
Skelton
Smith (FL)
Spence
Stark
Stearns
Taylor (MS)
Torres
Torricelli
Traficant
Vento
Volkmer
Waxman
Wolf
Young (AK)
Young (FL)

NOES—344

Abercrombie
Ackerman
Allard
Allen
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brewster
Broomfield
Browder
Bruce
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Combest
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Dwyer
Early
Eckart
Edwards (OK)
Edwards (TX)
Engel
Erdreich
Espy
Evans
Ewing
Fawell
Fazio
Fields
Fish
Flake
Foglietta
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gekas
Geren
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Huckaby
Inhofe
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lent
Levin (MI)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Mineta
Moakley
Molinari
Mollohan
Moody
Moorhead
Moran
Morrison
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Obey
Olin
Olver
Orton
Owens (UT)
Oxley
Packard
Pallone
Panetta
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Peterson (MN)
Petri
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Ravenel
Reed
Regula
Rhodes
Richardson
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shays
Shuster
Skaggs
Skeen
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spratt
Staggers
Stallings
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thornton
Towns
Traxler
Unsoeld
Upton
Valentine
Vander Jagt
Visclosky
Vucanovich
Walker
Walsh
Washington
Waters
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron
Zeliff
Zimmer

NOT VOTING—16

Alexander
Collins (MI)
Coughlin
Cox (CA)
Feighan
Gaydos
Gephardt
Gingrich
Hatcher
Hyde

Kolter
Lehman (FL)
Peterson (FL)
Ray
Tallon
Thomas (GA)

☐ 1602

Mr. DORGAN of North Dakota, Mr. PENNY, Mr. KENNEDY, and Mrs. LLOYD changed their vote from "aye" to "no."

Messrs. PICKETT, SIKORSKI, DYMALLY, DE LA GARZA, VOLKMER, ROSE, RANGEL, and HAYES of Illinois changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

THE CHAIRMAN. The Chair would remind Members that debate on all amendments to this bill will end at 6:30 except for the amendments provided time in the rule and the amendments given 5 minutes on each side.

The Chair would like Members to cooperate to expedite these proceedings where feasible.

Mr. LIVINGSTON. Mr. Chairman, I move to strike the last word in order to ask the chairman of the subcommittee, the gentleman from Illinois, to join me in a colloquy.

Mr. Chairman, the committee, I understand, has provided $160,000 for additional O&M funds for the Jean Lafitte National Park in Louisiana.

While it is not clearly stated in the report, it is my understanding that the committee provided this funding at our request specifically for park staffing and contractual aid for the Italian and Germanic cooperative agreement sites. Is that agreeable?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. LIVINGSTON. I yield to the chairman of the subcommittee, the gentleman from Illinois [Mr. YATES].

Mr. YATES. I thank the gentleman for yielding.

Mr. Chairman, it is my understanding that is correct.

Mr. LIVINGSTON. I thank the gentleman, thank the chairman for his great cooperation as well as that of the ranking Republican, the gentleman from Ohio [Mr. REGULA], which has been outstanding, and the staff on both sides for their assistance.

Mr. PANETTA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to indicate to the Members that this bill, again, meets both the targets in the discretionary budget authority and outlays established under the budget resolution.

As a matter of fact, it is $198 million in budget authority below the spending subdivision for the subcommittee, and I want to commend both the chairman, the gentleman from Illinois [Mr. YATES] and the ranking minority member, the gentleman from Ohio [Mr. REGULA] for meeting those targets.

Now, if I may proceed to a colloquy with the chairman of the subcommittee.

Mr. Chairman, the U.S. Geological Survey has plans to relocate its branch of Pacific Marine Geology to the University of California at Santa Cruz. This relocation will programmatically benefit the branch of Pacific Marine Geology by offering it broad collaborative research opportunities with the university and other marine science research institutions in the Monterey Bay area.

The branch of Pacific Marine Geology plans to relocate to the university in fiscal year 1995. Both the university and USGS are interested in participating in a joint study in fiscal year 1993 to plan for this relocation. The study would outline a multiyear plan for joint research between the university and the agency, taking into the particular research needs and strengths of both parties. It appears that such a study would be an appropriate and constructive prelude to the eventual relocation of the branch.

As such, I would ask the gentleman to clarify that the funding appropriated in the bill for USGS surveys, investigation, and research is sufficient for the USGS' participation in the joint study with the university, and that the committee expects the USGS will participate in the study.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Illinois [Mr. YATES].

Mr. YATES. I thank the gentleman for yielding.

Mr. Chairman, yes, the gentleman is correct. The funding appropriated for USGS surveys, investigations and research is sufficient for the USGS' participation in the joint study with the University of California at Santa Cruz, and the committee expects the USGS will participate in the study.

Mr. PANETTA. I thank the gentleman for his assistance in the matter and for his excellent work on this legislation.

AMENDMENT OFFERED BY MR. CHANDLER

Mr. CHANDLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHANDLER: Page 13, line 20, strike "$530,211,000" and insert $521,711,000".

Mr. CHANDLER. Mr. Chairman, this is an act of frustrated desperation you are seeing here. My motion is to strike $8.5 million from the funding of the Endangered Species Act for the purpose of listing new species as either threatened or endangered.

Now, I have to tell you I have no desire to reduce funding for the Endangered Species Act. I have no desire to stand in the way of protecting plants and animals. I have no quarrel with the Committee on Appropriations. But, my colleagues, we are being asked to blindly fund a flawed law. We are being asked to fund the Endangered Species Act even though authorization has expired. No debate, no chance to amend, no progress.

You wonder why the American people are fed up with Congress? When they and their Representatives cannot have their legislative concerns addressed on the floor of the House of Representatives, then they are upset.

This amendment is nothing more than a cattle prod to a sleeping giant. The Endangered Species Act is in need of reform. This legislation is rigid, it is inflexible, it is used by preservationists as a tool to shut down many industries in this country. And the result is hardship, hardship for thousands of working, innocent Americans.

Mr. Chairman, the Pacific Northwest has been especially hard hit by the Endangered Species Act. In July 1990 the northern spotted owl was listed as threatened due to loss of its habitat. Since then, timber communities in the States of Oregon and Washington have been reeling. We have seen the loss of 113 sawmills, with the loss of 10,000 jobs resulting.

In 1992 alone, there have been 13 mills closed, 2,000 men and women out of work.

And yet, get this, amidst all this hardship, amidst all this chaos, we have blown down timber trees. I think it is very important to note that in the Pacific Northwest, in Oregon and Washington, there are 450 million board feet of timber laying flat on the ground, blown down in windstorms, laying there creating a fire hazard, creating habitat for the bark beetle so that it can infest other, healthy trees. And yet, because of this inflexible law, it cannot be harvested. If we could just harvest that blown down timber, we could restore some jobs, we could restore revenues to the Federal, State and local governments and maybe even open up some mills.

On the Olympic Peninsula alone, in the State of Washington, the estimate is we could restore 1,000 jobs and provide $2.5 million or more for local schools.

More important than that, though, would be a signal to working men and women in our State that the Congress cares about them. But, no, Congress turns its back on these people; radical preservationists win again and out on the road, are more and more cars with the frustration signal of 1992, a Perot bumper sticker on the bumper.

☐ 1610

Another example is the sockeye salmon and the fall and spring chinook salmon in the Snake River. Now I do not have any quarrel with the listing of these species of fish. They are in trouble, and something needs to be done. Yet what we have seen, instead of looking at high seas drift nets, marine mammals, especially seals, gill nets in the Columbia River and other approaches, including water quality, only dams are affected, dams that generate electrical power, provide irrigation to our farmers and transportation for goods up and down the rivers.

In March of this year the Corps of Engineers conducted an experiment, drawdowns behind two dams, Lower Granite and the Little Goose on the Snake River. The result was chaos. Not one salmon was saved, but thousands of dollars of damage resulted to roads, jetties, marinas and docks. Between $2 and $3 million in power was lost. Wildlife habitat was destroyed, and get this: Thousands of fish were killed, resident fish in the Snake River.

I want to ask my colleagues, "Where is the balance? Where is the common sense in this result?"

Now, does the Endangered Species Act affect you and your constituents? My colleagues better check. Over 3,000 species are candidates for listing across this country. In California there are 386 species that are candidates for listing alone; Texas, 132; 134 in Florida; 40 in Kansas; 209 in Alabama; and in New York 45; and on and on.

We need to protect these species of plants and animals. We need to show concern, and we need to act. But we need to do so in a balanced, common sense way. That is why we need to reauthorize the Endangered Species Act, accompany listing decisions with an economic analysis, provide flexible recovery plans, bring balance and common sense back to the Endangered Species Act. Put them on an equal footing in this process.

Mr. Chairman, it is vital that Congress provide balance and flexibility to the Endangered Species Act. The Chandler amendment to the 1993 appropriations bill underscores that need.

The Endangered Species Act is up for reauthorization this year, and yet my colleagues who have the authority to begin the process have placed a chokehold on the act.

No hearings. No floor debate. No opportunity to make changes that will provide balance and flexibility to a law that is threatening the thousands of Americans who live and work in natural resource-dependent communities.

Waiting until next year to instill balance and flexibility to the Endangered Species Act is an eternity to workers and their families who are desperate for a job. It's time for House Democrats to release their chokehold on the reauthorization of the Endangered Species Act.

Instead of debating an act that has a dismal track record, and numerous unintended consequences, we're being asked to blindly spend taxpayers' money on a program that sorely needs reform.

The Endangered Species Act is in need of a new direction that balances the needs of the environment with the concerns of working families in natural resource communities.

Mr. Chairman, I seek to stop this backdoor process. It is insulting to the electorate. Let us have an honest debate on the reauthorization of this act. Specifically, my amendment strikes $8.5 million in funding from the Endangered Species Act Program at the U.S. Fish and Wildlife Service. My goal in offering this amendment is to force the authorization process for a more balanced Endangered Species Act.

There are two poignant examples in Washington State of why the act must be reformed to allow for balance.

On the Olympic Peninsula, and in forests throughout Washington and Oregon, thousands of trees blown down by high winds lie rotting on the forest floor.

Because the Endangered Species Act prohibits the salvage of these trees in spotted owl habitat, these blown down trees present a fire hazard, and, due to bug infestation, a health hazard to trees in surrounding forests.

Salvaging those trees will provide jobs to 1,000 timber workers and their families in the Pacific Northwest, and provide $2.7 million for schools and roads in Washington State.

And, yet those trees aren't being salvaged because some of my colleagues are unwilling to consider balanced solutions to the many serious problems that plague the Endangered Species Act.

Then there are the farm communities of eastern Washington.

Those of us who live in the Northwest, received a shocking preview of how destructive the Endangered Species Act can be when water was drawn down behind two of the four dams on the Snake River to accommodate the Snake River sockeye salmon.

The cost of the month-long drawdown was enormous.

The two Snake River dams produced 50 percent less energy at a cost of $2 to $3 million. Labor and equipment for the drawdown totaled $3 million. The Port of Clarkston sustained $70,000 in damages and the new Red Wolf Marina suffered $140,000 in damages and lost business.

And this was just a trial run. Not one salmon was saved, but thousands of other fish species died. If a shortsighted recovery plan that does not consider human concerns is allowed to take place, annual drawdowns will be longer in length—dramatically increasing rates on Northwest power consumers, devastating eastern Washington farmers, and drydocking the State's shipping industry.

Depending on water availability, a shortsighted recovery plan will cost Northwest utilities and ratepayers as much as $250 million per year. Because of the Northwest's vast electricity selling program, that will mean higher electric bills for power consumers throughout the West.

Food prices also will increase. The Snake and Columbia Rivers provide enough water to irrigate 295,000 acres of crops each year. Relocation and modification of irrigation pumps could cost $50 to $90 million. That means higher prices at grocery stores in every region of the country, not just in the Northwest. For some farmers, there will be no water at all.

And, finally, annual drawdowns will cost the Northwest's shipping industry $76 million in the first year, and $22 million annually thereafter. Again, that means higher prices on food and other consumer commodities throughout the Nation, not just in the Northwest.

There is a misconception that the restrictive nature of the Endangered Species Act is just a Northwest problem. "It only affects people living way out there," the cynics say in response to our calls for balance.

But, Mr. Chairman, the problems that surround the Endangered Species Act affect every State in America. With a backlog of over 3,000 species proposed for listing, it is just a matter of time before my colleagues in Texas, California, Florida, and New York have to worry about this problem.

In Texas, 132 species are candidates for listing, including the ferruginous hawk. In California, 386 species are candidates for listing, including the delta smelt and the kangaroo rat.

In Florida, 134 species are candidates for listing, including the mastiff bat. In New York, 45 species are candidates for listing, including the eastern woodrat and the cerulean warbler.

In Kentucky, 67 species are candidates for listing, including the eastern woodrat. In Kansas, 40 species are candidates for listing, including the sturgeon chub and the baird's sparrow. And in Alabama, 209 species are candidates for listing, including the southern hognow snake.

For my colleagues who don't think their district will ever be affected by the Endangered Species Act, let me close with one final example, which serves the need for balance.

In California, a developer proposed building a number of new, moderate priced homes, adjacent to a group of more expensive homes along a golf course.

The owners of the more expensive homes hired an attorney who, in the guise of protecting the kangaroo rat, pursuant to the Endangered Species Act, was able to halt the building project.

Now let's face it, the owners of the more expensive homes did not care about the kangaroo rat. They just wanted to prevent the other homes from being built in the neighborhood. And, they were successful. They turned the act into a farce. The homes were not built, jobs were lost and, very likely, housing prices went even higher.

Tell me, Mr. Chairman, where was the balance?

I want my colleagues to understand that my goal is not to repeal the Endangered Species Act. My goal is to make it work.

The Endangered Species Act was a landmark piece of legislation when it was passed in 1973. We saved the grizzly bear and the bald eagle with the act.

But the act is no longer working as intended. Of the 681 species that have been listed for protection, only 11 have been removed from the list. Seven went extinct and four species recovered.

Despite a less than 1 percent success rate, Congress is content to dodge the real problem and throw money at the Endangered Species Act without any meaningful debate. Thousands of hard-working Americans are losing their jobs while some of our colleagues evade this very serious debate.

I have introduced legislation to amend the Endangered Species Act. My legislation would require the Federal Government to conduct an economic study at the same time studies are conducted to determine if a species deserves protection.

My legislation also directs the Federal Government to utilize both the economic and biological studies in crafting a range of recovery

plans. With a range of recovery plans, government officials and private citizens could work together to put in place the recovery plan that is best for the environment and the local economy.

Let's put people on equal footing with plants and animals, Mr. Chairman. Let's demand that the reauthorization process for the Endangered Species Act begin today. Let's fight for balance. Until we achieve balance, I urge my colleagues to vote in favor of the Chandler amendment to the Interior appropriations.

Mr. AUCOIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to yield to the gentleman from Washington [Mr. CHANDLER] for a moment to ask him this question:

My understanding of the gentleman's amendment is that he would deny funds in this act for pre-listing activities under the Endangered Species Act.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. AUCOIN. I yield to the gentleman from Washington.

Mr. CHANDLER. That is correct.

Mr. AUCOIN. And in listening to the gentleman's comments about the problems in the Pacific Northwest, and particularly the timber communities, the timber country in the Pacific Northwest, which is a problem that I am very sensitive to because I have been dealing with the problem of the balance between the spotted owl and logging in the Northwest, as the gentleman knows; in listening to the gentleman's description of that problem, what I would like to ask the gentleman is: Does he believe that denying funds for the preexisting activities under the Endangered Species Act is somehow going to deal, or change or provide relief from the court injunctions on timber harvests in the Northwest? If so, let me just ask the gentleman: Does he believe that is going to happen?

Mr. CHANDLER. I do not think that will help one bit. That was the point I was trying to make. This is just a wakeup call. This is a cattle prod to a sleeping giant. It is trying to say, "Look, we're frustrated. We want to bring the Endangered Species Act to the floor. We want to discuss it under the process of reauthorization, offer amendments, do it in an orderly way."

Mr. AUCOIN. Mr. Chairman, I agree with the gentleman from Washington [Mr. CHANDLER]. I want to see that happen, too. I think it will happen, and I believe it will happen, but the point I think that needs to be made here, and I do not want there to be any confusion by my colleagues from around the country or anyone else who may be listening to us because I lived, breathed and have been breathing, as everyone else who represents the Northwest has, over this issue for years on this thing, and I do not want anyone to be confused into thinking that somehow the pre-listing process of the Endangered Species Act in some ways has led to the court injunctions that have stopped timber harvests in the Northwest because, in fact, it has not been the Endangered Species Act that has been invoked that has led to those injunctions. The gentleman knows those injunctions have been brought because of violations of the Forest Management Act, a different act.

So, Mr. Chairman, I am hard-pressed to understand what good the gentleman does with his amendment or even with his discussion in trying to shed any light on the problems that are very real in the Northwest by standing on the floor and offering this amendment today.

Mr. CHANDLER. If the gentleman would yield further, he will notice that I also brought up the Columbia and Snake River salmon situation which is very much in process of the Endangered Species Act. All I want to do is call attention to the fact that we have not reauthorized the Endangered Species Act. We should do so. It should be open for amendment.

Mr. AUCOIN. Mr. Chairman, that is a point of a different kind and one that I can agree with.

Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman has 2 additional minutes.

Mr. AUCOIN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes, to have 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. AUCOIN. Mr. Chairman, I have to oppose the amendment offered by my colleague from the State of Washington. I stated before that I do not think there has been a Member from the Northwest that has given more time and energy and has gone through more pain on this issue. At least I will say it this way: I will take a back seat to no one on this issue in trying to deal with and find the balance between timber jobs and a sound and healthy forest environment. I will take a back seat to nobody.

The gentleman who offers this amendment says it is an act of frustration and desperation. I agree that it probably is. I would call it an act of something else, but I will not get into that detail today.

I think we all want to strip away the smoke and set aside the mirrors for a moment, and I would just make this statement: This amendment, if it is serious at all, is not going to save or provide one timber job in the Northwest or anywhere else in the country. No one knows better than I do the problems of this timber crisis in the Northwest, but, as my colleagues know, an even bigger problem, an even bigger problem in the Northwest, is that too many people who are running for political office are trying to tell the people of the Pacific Northwest that all we have to do is change the Endangered Species Act and somehow our problems will just vanish. It will be morning again in America, morning again in the Pacific Northwest. Well, that is just fiction. It is fiction.

Mr. Chairman, the fact is that we can sprinkle pixie dust all we want, we can even repeal the Endangered Species Act, but that action will not lift a single injunction that is putting timber workers our of work in the Pacific Northwest, and that is because, as I said before in the colloquy with my friend from Washington State who I respect, but whose amendment I cannot respect, that is because the injunctions, court injunctions which have tied up the harvest in the Northwest, are brought under the National Forest Management Act, not the Endangered Species Act.

Mr. Chairman, this offers no good whatsoever for the problems in the Northwest, so what this amendment will do is to prompt lawsuits similar to, but not identical to, those of the Northwest that have been inflicted on timber communities and export those lawsuits, similar lawsuits, it will export them to every other State and every other region of the country, and that means, my colleagues, your congressional district.

And here is why I say that: If you strike funds for prelisting activities, you prevent listing petitions from being processed, and here is the problem: That in itself leads to potential violations of section 4 of the Endangered Species Act. You bring the problems on by denying the funds in this way. If a Federal agency attempts to meet its legal obligation to list threatened or endangered species by shifting funds from consultation recovery or research, habitation, conservation plans developed in cooperation with private industry would not be implemented, and research to eventually delist, delist, the northern spotted owl in the Northwest, and to restore jobs in my region and to stabilize the timber industry in the Pacific Northwest would be set back by many years.

□ 1620

What we have here is an amendment that attempts to be heroic in the Northwest, but is not heroic at all. So if you want to promote the agony in the Pacific Northwest and spread it to other regions of the country and other species by violating through this defunding section 4 of the Endangered Species Act, vote for the Chandler amendment. If you want to lose more jobs in the Pacific Northwest by denying us the ability to delist the spotted owl, vote for the Chandler amendment. If you want to lead other regions of this country into a legal quagmire, which I would not recommend to one of my friends on either side of the aisle, I can tell you after the years I have lived through this, then vote for the Chandler amendment.

But I trust that my colleagues in the House have clear heads today and will not do that, will not wish to visit that on their congressional districts, and will defeat the Chandler amendment.

Mr. YATES. Mr. Chairman, I ask unanimous consent that all time for debate on the pending amendment close in 20 minutes.

Mr. YOUNG of Alaska. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. YATES. Mr. Chairman, I ask unanimous consent that all time for debate on the pending amendment close in 30 minutes.

Mr. YOUNG of Alaska. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. REGULA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think it should be pointed out that the intent of the author here is to improve the process. When I came here I heard a lot about the snail darter. It was a crisis. We spent millions of dollars moving dams and bridges around, and I do not know what else, to accommodate the snail darter. After we expended millions of dollars, we discovered there was an abundance of snail darters. So I think it very important that we try, through the prelisting process, to avoid that kind of a problem.

Mr. Chairman, I want to quote here from the Fish and Wildlife Service budget. It says "the opportunities to obviate the need for listing are much greater at earlier stages than when species have declined to the point where listing is appropriate."

What basically the prelisting is is a pilot program, if you will, by way of analogy. We want to avoid where possible, the more draconian impact of a listing.

What we have done in funding this is just simply recognized that the authorization that is in place now does not expire until September 30. I would hope that the gentleman from Washington would express some of his concerns to the authorizing committee so that in reauthorizing this prospectively, we address the concerns that the gentleman is expressing, and yet retain the ability to prelist to avoid a listing if at all possible and the attendant expenses therewith.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Washington.

Mr. CHANDLER. Mr. Chairman, that is exactly the point of this exercise. I know this amendment is not going to win, but this is the only way one can get a discussion of this issue out here on the floor.

To suggest that the northern spotted owl and the loss of jobs under the Endangered Species Act are not related in the Pacific Northwest is just simply not correct.

I just want to simply point out that we just need to get that act out here and listen to some of the other Members from all over the country who are concerned about the effect on jobs in their district.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Oregon.

Mr. AUCOIN. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, I would just say in response to what the gentleman from Washington [Mr. CHANDLER] just said, and I respect the gentleman from Washington, he and I are friends, but the statement the gentleman just made, to the extent it implies that the harvest levels that are tied up in the Northwest are a result of injunctions brought under the Endangered Species Act, which is what his amendment goes to, is inaccurate.

Those injunctions, which are costing our jobs, are under the National Forest Management Act because of violations to that act, and not to the Endangered Species Act.

Mr. REGULA. Mr. Chairman, reclaiming my time, I think the gentleman from Washington [Mr. CHANDLER] has brought us to an important point. That is that in reauthorizing, and I hope the authorizing committee is cognizant of this discussion, that in reauthorization, which would hopefully come before the expiration on September 30, that they will address some of those concerns.

But nevertheless, we do need this, just as we need pilot programs. I think the prelisting is an important element of the process. We actually reduced the administration's request in our bill. We are $2.7 million less than the administration requested for listing and prelisting.

So it is quite obvious that the administration wants to continue prelisting, and, again, we ought to reform that authorizing language.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, I want to commend the gentleman from Washington [Mr. CHANDLER] for offering this amendment because he has brought attention to the Endangered Species Act. He got this Member's attention and that of many others who have problems with the act fundamentally across the United States.

In southern California we have an endangered species right now, so-called endangered species that are endangering another species, and that is working Californians. If the gentleman from Washington [Mr. CHANDLER] had not brought this up to the floor, we would not be focusing now on this problem and the fact that we do need to fundamentally change the Endangered Species Act. Keying and focusing on that need to make fundamental changes is what we specialize in around here. That is how we get legislation to the House floor. That is how we get legislative attention.

The gentleman from Washington [Mr. CHANDLER] has done a service to this body by bringing this very devastating act, devastating to the American economy, to the floor, and pointing out the fact that we need fundamental change. I appreciate the efforts of the gentleman.

Mr. REGULA. Mr. Chairman, reclaiming my time, I hope that the authorizing committee will perhaps streamline the prelisting process to make it even more effective.

Mr. STUDDS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment. I will spare my colleagues a statement I have here in defense of the underlying authorizing act, but I do want to underline a point made by our colleague from Oregon [Mr. AUCOIN].

Mr. Chairman, if this amendment pending were adopted and were signed into law, it would do absolutely nothing, as the gentleman from Oregon [Mr. AUCOIN] correctly observed, to resolve the problem which the gentleman from Washington [Mr. CHANDLER] seeks to address by offering the amendment in the first place.

The Endangered Species Act, while probably not perfect, as no statute is perfect, is working extremely well. The old growth forests of the Pacific Northwest are literally blanketed with injunctions. There are no trees being cut in these lands and therefore there are no jobs at the moment in these lands.

The fundamental problem is not the Endangered Species Act. It is, as the gentleman from Oregon [Mr. AUCOIN] has quite correctly pointed out, the National Forest Management Act and the unwillingness or inability of the current administration to enforce that law. It is quite as simple as that.

In fact, if the pending amendment were to be adopted, not only would the gentleman not resolve the problems he seeks to address, he would probably exacerbate them and very possibly lead to the creation of additional altogether avoidable ones.

Mr. Chairman, I hold in my hands one of the principal court decisions leading to an injunction from the U.S. District Court for the Western District of Washington in Seattle in May of last year.

Among other things, the judge said in granting this injunction, "Had the Forest Service done what Congress directed it to do, adopt a lawful plan by last fall, this case would have ended some time ago."

Mr. Chairman, I continue to quote: "More is involved here than a simple failure by an agency to comply with its governing statute."

Mr. Chairman, that statute, I observe, is not the Endangered Species Act, but the National Forest Management Act.

> The most recent violation of the National Forest Management Act exemplifies a deliberate and systematic refusal by the Forest Service and the Fish and Wildlife Service to comply with the laws protecting wildlife. This is not the doing of the scientists, foresters, rangers, and others at the working levels of these agencies. It reflects decisions made by higher authorities in the Executive Branch of government.

Later in the same decision the judge states,

> The problem here has not been any shortcoming in the laws, but simply a refusal of administrative agencies to comply with them. This invokes a public interest of the highest order, the interest in having government officials act in accordance with the law.

Mr. Chairman, the simple translation of that Federal court finding is that had the administration acted in good faith to enforce the existing forest management laws, there would probably be no injunctions blanketing those forests and the men and women about whom the Representatives of the Pacific Northwest are quite rightly concerned would in all likelihood be working.

Let me point out that the amendment before us not only would provide no funding whatsoever for listing species, it would not, as the gentleman from Oregon [Mr. AUCOIN] has also pointed out, allow the downlisting under the act. It would not allow reclassification from endangered to threatened or even the removal of the list altogether of species that do not belong, nor would it allow for prelisting, the entire purpose of which is to identify trouble signs early and to take action to avoid the necessity of conflicts.

□ 1630

Mr. Chairman, there will come a time when it is appropriate for us to debate the Endangered Species Act. This is not that time. And while I have all the sympathy in the world for all the Members on both sides of the aisle from the affected areas of the Pacific Northwest, the simple fact of the matter is that the source of the problems, the very real problems which beset them now is not the Endangered Species Act. It is the unwillingness of the authorities of the executive branch to enforce the laws with which they are entrusted, most specifically the National Forest Management Act.

And the adoption of the amendment pending would not deal in a way that I know the gentleman from Washington and the others from the Northwest would like to deal with the very real problems besetting them. And for that reason, Mr. Chairman, I would urge the rejection of the amendment.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Washington.

Mr. CHANDLER. Mr. Chairman, the gentleman discussed the timing of the amendment or the reauthorization of the Endangered Species Act. What is the appropriate timing? When it is no longer in effect, if it has expired, if it is up for reauthorization? What is the timing? Is it this year? Is it wait until after the election?

Mr. STUDDS. Mr. Chairman, let me say to the gentleman that my first priority in this area is to help solve the problems the gentleman seeks to address in his amendment, the problem arising with respect to the northern spotted owl. The gentleman very well knows that problem brings with it intense and very understandable emotions.

I do not think it would be wise to bring to this floor the Endangered Species Act in the context of those emotions. I think the No. 1 priority, and I suspect the gentleman would agree with this, would be to resolve the problem besetting his region.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. STUDDS] has expired.

(By unanimous consent, Mr. STUDDS was allowed to proceed for 1 additional minute.)

Mr. STUDDS. Mr. Chairman, as the gentleman probably very well knows, there are a number of us working very hard right now to craft a piece of legislation that will indeed address the pending problems. It is, as the gentleman knows, a very sensitive and a very difficult problem.

I think it can be done. And once it is done, then I would say to the gentleman, in that context it would seem to me proper to bring the Endangered Species Act to the floor.

Mr. CHANDLER. Mr. Chairman, if the gentleman will continue to yield, I would just like to point out to the chairman that I also have crafted legislation to amend the Endangered Species Act. I would very much like to have it heard. I would like to have it considered.

I would like to have my day to have my constituents have their concerns considered by this House just as those the gentleman represents.

Mr. STUDDS. Mr. Chairman, I would be pleased to hear the gentleman's proposition.

Mr. Chairman, I rise in strong opposition to this amendment. It will delete funding for a key provision in the Endangered Species Act—and prevent the Federal Government from adding species to the list of endangered and threatened species—even if they are on the brink of extinction. It is the inclusion of species on these lists that makes them eligible for protection under Federal law.

The Endangered Species Act is the Nation's premier environmental protection law. It has been the basis for impressive success stories: the condor, the whooping crane, and the black-footed ferret would more than likely be extinct if not for the Endangered Species Act. And the bald eagle, peregrine falcon, and brown pelican have made encouraging comebacks during the past two decades, thanks to the act. The only way to make these kinds of success stories a possibility for all species that are headed toward extinction is to list them formally, and take the steps needed to ensure their continued survival. The Endangered Species Act provides a workable framework for achieving that end.

Under this amendment, no new species will be listed next year. That will put us in serious jeopardy of sending species to extinction, when we could have taken steps to save them. For example, there are several species of plants in Hawaii that have been reduced to a few stands, and in some cases, they have dwindled to one or two individual plants. These species have been proposed for listing in the Federal Register, but the amendment would preclude final action to list them formally under the act.

This amendment will also preclude downlisting under the act—that is to say that plants or animals cannot be taken off the endangered species list, nor can they be Reclassified from endangered to threatened. That will clearly thwart the Service's revitalized efforts to delist species when warranted. Specifically, the Service will not be able to proceed with its efforts to remove the Arctic peregrine falcon from the list, nor will it be able to downlist the brown pelican or the Hawaiian hawk from endangered to threatened status. These are only a few examples among the 40 species the Service intends to review to determine whether they warrant reduced protection under the act. Under this amendment they will remain on the endangered species list.

Finally, this amendment will preclude the Fish and Wildlife Service from undertaking its so-called prelisting efforts. Those efforts are designed to identify why some species are beginning to show signs of trouble and to take actions to avoid the necessity of listing them—thereby avoiding potential conflicts. In Idaho and Oregon, for example, the Service has entered into agreements with the Forest Service and Bureau of Land Management to fence areas and relocate roads to protect several species of plants. These actions have avoided the necessity of listing the plants, thereby avoiding any conflicts that might have arisen on private lands if the plants had been listed. These types of activities will be precluded by the amendment.

The rationale for this amendment is that the Endangered Species Act needs to be fixed, that it stands in the way of economic development, and that no additional species should be listed until the act is amended. That rationale is seriously flawed. The Endangered Species Act works well. In the vast majority of cases it provides for the protection of species in a way that allows development to proceed. Clearly, there are conflicts, and they will never be completely avoided, but they represent a minute fraction of the interactions between development and the Endangered Species Act.

Of the 18,000 projects reviewed by the Fish and Wildlife Service, less than one-tenth of 1 percent were halted as a result of endangered species. Most could proceed with no change, and others were modified—without controversy—to avoid jeopardizing the species that was in trouble.

The business of protecting endangered species has been portrayed as jobs versus endangered species. That is most definitely not the case. Just as the canaries were used in the past to warn coal miners when the mines were filled with poison gases, endangered species warn us when we have degraded ecosystems to the point that we may soon lose our ability to reap economic benefits from them. For example, a third of the fish species in North America are imperiled. If we don't take action to restore their habitats, eventually our pocketbooks will feel it—commercial fish landings will dwindle, and recreational fishermen will go elsewhere, taking tourism dollars with them. The species of fish that find their way on to endangered lists are telling us that we need to protect their habitat before it stops providing the fishery resources that provide thousands upon thousands of jobs. This amendment will shut down that early warning system.

Poll after poll shows us that even in these tough economic times, citizens know that to protect the environment and help endangered species just makes good sense. To delete funding for listing species—as this amendment would do—is to put blinders on, and destroy the environment that supports our livelihoods. I urge Members to vote in opposition to this amendment.

Mr. SMITH of Oregon. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am shocked at this debate, that the spotted owl somehow has nothing to do with this issue, when every member of the Oregon delegation—save this one—has introduced legislation which would set aside at least 6½ million acres in the Pacific Northwest and cost 30,000 to 50,000 jobs. And the gentleman from California, whom I am sure we will hear on this issue, has offered legislation which will set aside 9 million acres and cost more jobs. So the spotted owl has nothing to do with this debate? I see. Nor has the Endangered Species Act, has nothing to do with this debate.

Let us not be fooled about this question. The Endangered Species Act is outdated, outmoded, and it does not fit America anymore. And the reason it does not fit is simply because people and jobs and economic futures are no longer considered. They never were supposed to be. Birds, and fish, and animals take precedence over people.

Should not people have at least equal opportunity with birds, and fish, and animals? At least equal? They do not now.

The gentleman from Washington is merely trying to point out to this Congress that we need an opportunity to look at the Endangered Species Act. We have no other recourse than this one. So let us do it.

I guarantee my colleagues, should we pass this bill before it gets to the Senate, we will have the Endangered Species Act on the floor, as we should, to debate and discuss.

Let me just give my colleagues one example of overendangered species in America to one little county in Oregon, one little county. Oregon used to be a timber State. It is no more. The gentleman is right. There is no harvest of timber on the west side of the State of Oregon, largely because of the Endangered Species Act, largely and as well because of the National Forest Planning Act.

But whatever the reason, we are not a timber State anymore. We have spotted owls. My colleagues do not. We are down. It has cost us thousands of jobs. In fact, the employment rate today in Oregon, listen to this, the employment rate today in Oregon in the timber industry is as low as it was in 1947.

That is longer ago than some of my colleagues were born, 1947.

We have lots of timber, unlike someone I have heard say, "My God, you are going to cut the last tree on the Olympic Peninsula." I think I heard that from a man running for President. Unbelievable what is going on.

In the same country we have the short-nose sucker. What did the short-nose sucker do? He is in danger. A thousand of this friends, we know all about them. We used to throw them out on the bank.

Twelve hundred families in Klamath County cannot get water to irrigate their farms because of the short-nose sucker.

If anything else happens, do my colleagues think the short-nose sucker will not last? Twelve hundred people are going to lose their families and their farms because of him. Do my colleagues think that is fair? Think that is balanced? I do not think it is balanced, and I do not think it is fair.

Here is a chance then to send a message. Here is a chance to give some of us a chance to speak about the Endangered Species Act.

Pass this bill and I guarantee my colleagues, we will hear the Endangered Species Act coming out of committee and on the floor where it ought to be.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from Washington.

Mr. CHANDLER. Mr. Chairman, the point has been made by some that the Endangered Species Act is not the problem here. The gentleman and I both know that we have also tried to address the timber supply question in the Pacific Northwest with congressional language aimed at Congress simply telling the administration, telling the court through sufficiency language and all the rest of it, have an annual harvest of a certain level. Put people back to work.

What has been the success of that legislation in the gentleman's view?

Mr. SMITH of Oregon. Mr. Chairman, the legislation has not moved in Congress, as the gentleman well knows.

Everybody seems to blame the administration for not acting. What has the Congress done?

I ask the gentleman, of course, rhetorically, because the Congress has done nothing. The bills are stalled around the Congress. We have been working on them 3 years. The Congress has not acted. Now they will not even let us debate the Endangered Species Act, which is the root of all evil.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from California.

Mr. HUNTER. Mr. Chairman, it was stated a few minutes ago on the other side of the aisle that the Endangered Species Act "is working."

It is working so well that in San Diego County now our carpenters are 40 percent unemployed. And the gentleman hit the nail on the head. Mortgage payments are not considered. The need for working people to send their kids to college is not considered; putting food on the table is not considered. And the species in this country of animals have taken a priority that human beings have never achieved. And we do need to revisit this question.

Mr. GREEN of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today to speak against the amendment to eliminate all funding for the listing of the threatened and endangered species under the Endangered Species Act.

Cutting funding from the listing program will entirely prevent the U.S. Fish and Wildlife Service from fulfilling its statutory responsibilities to protect the fish, wildlife, and plants of our Nation. That would obviously gut the Endangered Species Act and reverse a legislative initiative of this Congress, something we certainly ought not to be doing on an appropriations bill.

I think it is also important to emphasize the point made by the gentleman from Ohio [Mr. REGULA] that this amendment is detrimental because not only does it cut funding for listing activities, but it also cuts funding for prelisting programs aimed at stabilizing candidate species. By delaying the listing of fragile species until we have reformed the act and by delaying these stabilizing programs for candidate species, we are in the end putting ourselves in a situation where we are going to have more plants and more animals in a dangerous situation needing more extreme remedies.

Mr. Chairman, I agree with everyone here that the reauthorization process provides us with the unique opportunity to evaluate the Endangered Species Act and to improve its effectiveness. I hope we shall have the opportunity to deal with that reauthorization in a timely fashion. But striking funding for the critical listing and prelisting process is not leading us to that, but simply creating problems along the way which surely will come back to haunt us later on.

□ 1640

Mr. YATES. Mr. Chairman, I ask unanimous consent that all time on this amendment close in 20 minutes.

The CHAIRMAN. Is that also on all amendments thereto?

Mr. YATES. Yes, Mr. Chairman.

Mr. RAVENEL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would hope that we would reject the Chandler amendment. This amendment will solve none of the problems of which the gentleman has spoken. It will simply create gridlock and create more trouble, more dislocation, in the areas that we are already concerned about.

Let me just inform the Members in the Chamber, and hopefully those that may be listening in their offices, that this is not a problem that is not getting our attention. The members of the Committee on Merchant Marine and Fisheries, the Committee on Agriculture, and the Committee on Interior and Insular Affairs, the chairmen of those other two committees and myself have spent an inordinate amount of hours working with members from the Pacific Northwest, working with outside organizations across the spectrum, trying to design a comprehensive solution to this problem so that we will not be back here on a species-by-species basis, so that we can in fact provide for the timber industry, so we can provide for the recovery of the spotted owl, the other endangered species in the area, so we can look forward and avoid the listing of many of the species of fish that are now threatened. That is how we should handle this problem.

Unfortunately, this has been thrown into the legislative arena because of the mismanagement of these resources by the administration, and we will now have to deal with it. I also happen to believe, and maybe I am more optimistic than most people here, that we will deal with it, and we will deal with it before this Congress ends, and we will deal with it on a comprehensive basis and we will deal with it on a prospective basis so more communities are not thrown into the kind of turmoil that we have already had in the Pacific Northwest.

It is not just about the Pacific Northwest. In my State of California we have the delta smelt that threatens to have the courts take over, the California water project, the Federal water project. In southern California, as the gentleman has already mentioned, we have the gnatcatcher, which has idled many people and prevented projects in southern Los Angeles all the way to San Diego County and Orange County.

We think we have the possibility of coming up with a model to deal with these problems in the future in the legislative arena, maintain the integrity, the purpose, and the benefits of the Endangered Species Act, but also being able to provide for economic activity.

To adopt the Chandler amendment throws all of that by the wayside. To adopt the Chandler amendment puts all of this back into gridlock. To adopt the Chandler amendment polarizes the sides again. We all go back into our respective caves and we start over from there.

The Chandler amendment brings nothing to this debate. The Chandler amendment solves none of the problems that are of concern to our colleagues immediately from the Pacific Northwest, and prospectively those of us in other States that are affected potentially by them. The Chandler amendment is completely destructive of the process set in motion by the Speaker of this House for the committees of jurisdiction to come together, engage in this debate, and come up with this solution. But that is the order, the regular order of the legislative process.

The Chandler amendment is nothing more than a grenade in that process. As I sit here on the floor I can look at this floor and I can see those negotiations taking place right in front of me, because we respect the urgency of this problem.

Either the Members respect this process or they do not, but as the chairman of a committee that is deeply involved in this, I must tell the Members that that is what is happening in the legislative process. That is tedious. As one of my colleagues reminded me the other day, the concept is easy, the devil is in the details, but we are going after the devil in the details in a comprehensive fashion.

The chairman, the gentleman from Texas [Mr. DE LA GARZA], and myself are working on this in the manner in which it needs to be done. Chairman JONES is participating in the negotiations if we do get into the Endangered Species Act.

The point is this, that this amendment is completely destructive of that process. This amendment causes us great heartache in California, where we are on the verge of being engaged in the Endangered Species Act by the courts.

I ask the Members to give their colleagues an opportunity to deal with this problem. I ask the Members to give their colleagues an opportunity to present to them a solution, and not to support the Chandler amendment, because it is destructive of everything that the gentleman from Washington [Mr. CHANDLER] says he wants as a result, it is destructive of what almost every speaker has gotten up here and said they want as part of the result.

I would urge my colleagues not to support this amendment and to recognize that there is another way, much more comprehensive, and will provide relief in a much quicker fashion to those communities that are stressed as a result of the Endangered Species Act.

Mr. DANNEMEYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would ask the gentleman from California [Mr. MILLER] before he leaves the Chamber, may I ask him a question?

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from California.

Mr. MILLER of California. Yes, Mr. Chairman, I will.

Mr. DANNEMEYER. Would the gentleman be willing to accept an amendment to this amendment which would say that in America humans are more important than animals?

Mr. MILLER of California. I would say to the gentleman, that is already our position, so I thank him.

Mr. DANNEMEYER. Would the gentleman accept that amendment?

Mr. MILLER of California. If the gentleman will continue to yield, the gentleman is being cute and clever, but the gentleman is not addressing the issue.

Mr. DANNEMEYER. No, Mr. Chairman.

Mr. MILLER of California. Mr. Chairman, would the gentleman yield for a response?

Mr. DANNEMEYER. Will the gentleman from California accept my amendment?

Mr. MILLER of California. Would the gentleman from California yield for my response? I would not accept his amendment.

Mr. DANNEMEYER. Then I reclaim my time.

My question to the distinguished chairman of the Committee on the Interior, the gentleman from California [Mr. MILLER], is to put the focus on this debate where it belongs. The reason he is unwilling, in my judgment, to accede to my modest request to affirm what Genesis tells us, that humans are more important than animals in America, is because Congress does amazing things.

When we adopted the Endangered Species Act in 1973, it became the policy of this country, and we should all understand it today. There is absolutely no requirement that in the decision to list one of these critters that we give any consideration to the impact on human beings. If we do not amend this act to put some balance into the decision, when we decide to list one of these critters, this act has the potential of shutting down the economy of this country.

I rise in support of the modest amendment of my colleague, the gentleman from Washington [Mr. CHANDLER], because when we cut off the money to finance listing, it has a beneficial effect. I have a bill in, H.R. 4058, which requires balance in the decision when we list a critter, that we give equal consideration to the impact on human beings.

I will say again to some of my colleagues that may be in the Chamber or in their offices in this building today, there is nothing in the Federal Endangered Species Act that requires that we give any consideration to the impact on human beings, property, jobs, and businesses when the decision is made to list a critter.

Let me tell the Members what this has done to my State of California. The timber industry that used to flourish in northern California is now just about down the tube because of the concern over the spotted owl. The agricultural industry in the central valley is on the verge of losing tens of thousands of jobs, tens of thousands of jobs, because of the chinook salmon; a subspecies, by the way, not the species of the chinook salmon, that is in abundance off the Golden Gate of California.

In the entire State of California, the construction industry is in danger today because of the possibility that the gnatcatcher may be listed. Now the State of California EPA, bless its heart, concluded that we will not list the gnatcatcher in the State of California, but now what do we see? The Federal Government, the EPA, the friends of my colleague, the gentleman from California [Mr. MILLER], they are sniffing around in my State to find out whether they are going to list the gnatcatcher.

If the gnatcatcher gets listed it is going to delay or cancel projects that have been on the drawing board for months and years; namely, for building freeways and houses for people who want to live in the State of California.

If we want to provide a means for the American people to be reemployed, what we need to do is to adopt this amendment and send a message to our good friend, Manuel Lujan, Secretary of the Interior, to cut out the nonsense of saying as a policy in this country that animals are more important than people.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to my friend, the gentleman from California.

□ 1650

Mr. MILLER of California. You know, it never says that animals are more important than people. It does not say that anywhere.

Mr. DANNEMEYER. But the law does.

Mr. MILLER of California. If the timber industry is losing jobs it is not because of the spotted owl, it is because of the recession that you guys created that we are now living in and nobody is buying those houses.

I want to see if you guys are awake over there.

But the point is this: If the air is poisoned for the owl or the water is poisoned for the salmon, then people are not going to survive either. It is that simple, and the gentleman knows that. This is about protecting our planet and sustaining human life. And unfortunately, what we find out from time to time is that people like the gentleman are prepared to sacrifice all of the animals, all of the habitat, all of the species, and eventually we get to human life.

Mr. DANNEMEYER. Reclaiming my time, Mr. Chairman, regular order.

(By unanimous consent, Mr. DANNEMEYER was allowed to proceed for 2 additional minutes.)

Mr. DANNEMEYER. Mr. Chairman, last year, and I am not being facetious necessarily, I filed a written request with the Department of Interior under the Endangered Species Act on behalf of the employed and unemployed workers in the State of California, that they be listed under the Endangered Species Act. Do my colleagues know what the response was? It was a formal written response from the folks at the Department of the Interior:

> DEAR CONGRESSMAN: The law does not permit us to give consideration to the impact on human beings. Very truly yours.

I will say to my colleague, the gentleman from California [Mr. MILLER], my legislation does not repeal the Endangered Species Act. Some want to do that. I do not think we should do that. But I think we need some balance in the law. If we are going to make a decision to list a critter, we at least ought to know the impact on human beings when the decision is made in terms of jobs that are lost, private property that is taken or businesses that are destroyed. Right now those factors are totally and absolutely irrelevant. They are not taken into consideration.

That is not, in my opinion, with all due respect to my colleagues, sound public policy. It is nonsense.

As I say, if we do not amend this act to put this balance into the law, the act has the potential of shutting down the economy of this country.

There are some, not many, but some in the so-called preservationist movement of this country that want precisely this to happen. They have always envied the capitalistic system whereby capital is used to produce a good standard of living for we Americans, and they envy and deride the reality that that entails capital, and production, and profit. And some in this preservationist movement are using this movement today in the world, the so-called green party, to bring the benefits, in their view, of socialism to this country. Now not many of them, but some of them are of that persuasion. Dixie Lee Ray in her book, "Trashing the Planet," specifically identifies these zealots and the organizations they represent.

I hope we approve the amendment of my colleague from the State of Washington, and I thank him for his wisdom in offering it.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I suppose sooner or later when we are debating such an amendment and the impact on the environment, that a Member would get into the conspiracy theories about what really is behind all of this. But what really is pushing and is at work here is the explosion of scientific knowledge in and our understanding of the ecosystem, some very complex ecosystems like the temperate rainforests, grasslands, boreal forests, areas like the Everglades, the tundra, and ecosystems throughout our Nation that are really operating under stress, and really the ecosystems of the Pacific Northwest and other areas that are under development pressure today really are crashing. They are having all sorts of problems because such ecosystems have been under such pressure and abuse. And actions in these areas have run aground with a whole host of different laws. It is not just the Endangered Species Act, which I would suggest to my colleagues if they look at the numbers of species that have been listed as threatened or as endangered, the Endangered Species Act really is working, and it really is only a number of species, a small number that constitute the bulk of the controversy with regard to this law to date.

So I think the effort here is in error, and I rise in opposition to the amendment of my good friend from Washington [Mr. CHANDLER]. I just think it is the wrong solution for the problem that we face.

In fact, the other laws that are also engaged in this, the Clean Water Act, NEPA, the Forest Management Practices Act which was articulated by my good friend from Oregon, Mr. AUCOIN, and of course F.L.P.M.A. the resource management plans under the BLM statute, all of these laws are engaged in managing the public land in the Northwest region. And the reason for gridlock is we have a Bush administration that rather than trying to work with these laws and apply them, in court, in court with judges appointed by the Reagan and Bush administrations, they have reached decisions that they are not implementing the laws, and the Bush administration has been found in violation of implementation of various laws. This administration, the past administration, has been in a state of denial with regards to the nature of the problem in the Northwest. I mean the laws have not failed, but those who are administering and trying to implement them have failed to implement such laws. That is what the courts have told us, courts judges that have been appointed by the same administration.

Before we the Congress vote to trash the law it should be provided the opportunity to function. Do we want to suspend all the laws that are guiding the land use in the Northwest? Of course not.

Now our colleague comes to the floor with an amendment that says let us stop the flow of information, let us cut it off at the source; we do not want to learn anything more because the more we learn the more it interferes with what some have as their projected goals. That really is what is being said. Congress is going to stop this process, stop the flow of information, and somehow that is going to solve the problems, that is going to take us back to the thrilling days of yesterday when we could continue to cut 4 billion board feet out of the Pacific Northwest region 6, or just go about our merry way in terms of subdivision across this country. Business as usual is what this amendment suggests as the policy path. This is not going to work. We should have known and learned a long time ago that you cannot repeal knowledge, you cannot repeal an understanding. If anything, we need to put more resources in to this process.

And yes, I would say to my colleagues, we need a good land practices and management and designation that readdresses and comes to grips with that new information.

Working together, I think the chairman has outlined, Chairman MILLER and others on this floor have outlined the substantial effort to accomplish that. But not by cutting off and trying to destroy the Endangered Species Act which I think is necessary that deals with the complex ecosystems and the problems that exist. I think that is really not an appropriate solution.

I understand the frustration and the confusion that has been represented in my colleague's offering of the amendment and the debate that is going on this floor. But I think we are going to have to come together and try to solve the problem, not simply look for a slam dunk in terms of trashing the Endangered Species Act.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

In just a moment I will yield to my colleague from Washington, but I would just like to make a couple of observations.

Many people from urban areas have become ecological experts, and they are concerned about the spotted owl and a number of different species of fish, and they are concerned about the ecology of the country, and I compliment them for that. But they seem to be so callous, so callous when they think about the people who are losing their jobs in the Northwest and the ancillary industries where people are losing their jobs, and I just do not understand that.

Human beings do count. Human beings pay the taxes, human beings provide the jobs in this country, and we should be concerned about them just a little bit more, a little bit more than the spotted owl.

I just want to ask one question, and the question is this: Until a few years ago I never heard about the spotted owl, but I had heard about the freckle-faced lumberjack, the freckle-faced lumberjack who is now losing his job. Are we going to propose legislation before long to take care of the freckle-faced lumberjack because the freckle-faced lumberjack is an endangered species?

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Washington.

Mr. CHANDLER. Mr. Chairman, I would just like to point out to my colleagues, and I am sorry to delay this, that neither gentleman from California expresses my point of view. My point of view today is frustration.

The gentleman from California, the chairman of the committee, points out that these processes take time and they are deliberate. Well, tell that to an unemployed mill worker in Forks. Try to address the fear of a farmer who depends upon Snake River water for irrigation. Go back and read the Atlantic Monthly article about the man who wanted to create jobs in the State of Oregon that was blocked from doing so by that butterfly that depended on grass that is disappearing anyway.

My point is what we need to do is amend the Endangered Species Act to address these concerns and bring about balance and concern for human beings.

□ 1700

This is not a proposal on my part to gut anything. It is not irresponsible. It is simply trying to raise a flag, and if the tension on this floor today and the emotions being expressed are any indication of the concern over this law, then I think this exercise was well worth my effort.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I think the gentleman's point is well taken about raising the issue, because it is a very important issue, but yet I would like to point out that the gentleman who is chairman of the Committee on Interior and Insular Affairs has said that they have the reissue under very active consideration, and that they bring out a legislative bill before this Congress ends.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield further to me?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from Washington.

Mr. CHANDLER. Mr. Chairman, if I thought the views of the gentleman from California were even remotely related to mine, I would have a great deal more confidence that the outcome would result in jobs for out-of-work timber workers in the State of Washington.

Mr. BURTON of Indiana. Let me just say that I think it is extremely important that legislation be passed that cares about human beings as much as about these endangered species, and the gentleman from California has been messing with legislation dealing with this for years, and all the time that he has been messing with legislation to deal with this, thousands and thousands of people in various industries are losing their jobs. That is unacceptable. That is unacceptable.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, we are in favor of voting. I have been trying to get a vote here for the last half hour, but Members have objected.

At any rate, I was going to ask unanimous consent to try to limit further debate on this amendment, and I wondered how many Members wanted to speak.

Mr. Chairman, I ask unanimous consent that all time on this amendment close in 15 minutes.

The CHAIRMAN. Does the gentleman from Indiana yield for this purpose?

Mr. BURTON of Indiana. I am happy to yield for this purpose, Mr. Chairman.

Mr. YATES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. RAVENEL. Reserving the right to object, Mr. Chairman, I will not object so long as I speak.

Mr. THOMAS of California. Mr. Chairman, reserving the right to object, I would like to be on the list as well.

Mr. YATES. Mr. Chairman, I withdraw my unanimous-consent request.

The CHAIRMAN. The gentleman from Illinois withdraws his unanimous-consent request.

Mr. BURTON of Indiana. Mr. Chairman, I make a request that we limit debate to 30 minutes.

Mr. YATES. Mr. Chairman, I ask unanimous consent that all time on this amendment close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. RAVENEL. Reserving the right to object, Mr. Chairman, as long as I know my name is on that list, I would not object.

The CHAIRMAN. The Chair will assure the gentleman his name will be protected on the list.

Mr. RAVENEL. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. YATES] to limit debate on this amendment and all amendments thereto to 30 additional minutes?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 3 minutes each.

Mr. BURTON of Indiana. Mr. Chairman, my time has not yet expired, and reclaiming my time, let me end by saying this, and that is this: Let us care as much about human beings as we do about endangered species.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. MCDERMOTT].

Mr. MCDERMOTT. Mr. Chairman, I rise in opposition to the Chandler amendment and submit an editorial about it that appeared recently in the Seattle Times.

This amendment has been presented as a way to fix the Endangered Species Act. But this amendment in no way attempts to make the ESA better or more efficient; nor does it attempt to deal with the real problems that are occurring on our Federal lands over the management of our natural resources. What this amendment really does is further a misguided crusade to destroy the Endangered Species Act and ignore scientific evidence.

A Seattle Times editorial describes this amendment as "a head-in-the-sand approach. Downplaying science will not change the fact that animals and their habitats are in jeopardy. The only effective way to solve the endangered species problem is to manage resource lands before they reach crisis."

Mr. Chairman, what this amendment would really do is create more crises like the one we are facing in the Federal forests of the Pacific Northwest.

This crisis has come about because of the administration's own actions. Harvesting has been stopped in the Northwest by court injunctions issued because of this administration's refusal to comply with the law. That is the determination of a Federal judge nominated by a Republican senator and appointed by a Republican President, Ronald Reagan.

Even if the northern spotted owl had not been listed as an endangered species, the environmental degradation resulting from heavy logging would still be taking place, and yes, jobs in the timber industry would still be on the decline.

I urge my colleagues to reject the head-in-the-sand-approach. Reject the Chandler amendment.

The editorial previously referred to is as follows:

[From the Seattle Times, July 21, 1992]

SOLUTIONS LIE IN SMARTER SCIENCE, BETTER LAND USE

Rep. Rod Chandler has prepared an amendment to cut $8.5 million out of the Interior Department appropriations bill for listing of endangered species. A vote in the House is scheduled for tomorrow.

Chandler doesn't expect to win on this one. The amendment merely gives him an opportunity to challenge the existing Endangered Species Act on the House floor. Congress will not debate the merits of the act this year, but Chandler, a Republican candidate for Senate, has made relaxing the law an issue in his campaign anyway.

His funding cut proposal would stop the U.S. Fish and Wildlife Service from processing plants and animals that have been nominated for federal protection. Pending applications for 130 plant and animal species would be stalled, without regard to scientific findings.

Chandler's amendment to the act itself, released in May, would go much further. In trying to prevent another "spotted owl" situation where the endangered-species law affects land use, Chandler has drafted a plan that would swap biological facts for economic considerations.

Under current law, species are listed for protection on the basis of the best scientific evidence. Chandler would prevent any listing unless all economic impacts have been quantified. He also would require the Attorney General to assess the potential for a "taking" of private property and certify that any regulation minimizes infringement on property interests.

Mixing economics into the initial scientific determination would make new listings extremely difficult. Worse, Chandler's plan would make it easy to deny protection to species that make it through the stringent listing process.

Chandler would transfer the powers of the "God Squad"—the seven-member cabinet-level committee with authority to grant exemptions—to the Interior secretary. In other words, the Interior department would be able to override its own regulations. The God Squad would exist only in a weakened appellate role.

The plan eliminates any requirement that successful applicants for exemptions pay for environmental mitigation. And, federal agencies would be required to apply for an exemption from the Endangered Species Act if the Fish and Wildlife Service determines an agency's action would jeopardize a species.

Protection for "threatened" species—such as the spotted owl—would be severely limited. Harassing or harming a threatened species would be allowed; only hunting or trapping the creatures would be illegal.

Although Chandler tries to sell his plan as a moderate proposal, his is a head-in-the-sand approach. Downplaying science will not change the fact that animals and their habitats are in jeopardy. The only effective way to solve the endangered-species problem is to manage resource lands before they reach crisis. And that requires more and better science, not less.

The CHAIRMAN. The Chair recognizes the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Chairman, I have listened very carefully to this debate today, and I want to compliment the gentleman from Washington [Mr. CHANDLER] for bringing this amendment to the floor.

What we are talking about is a Congress, and I will say it, that that side has been in control for 38 years or longer, 52 years, that has passed laws, and I have voted for the Endangered Species Act, that passed laws not taking into consideration the impact upon the human being.

I challenge you to name one bill after 1974 that this Congress has passed that creates real jobs. But I have seen a lot through the Endangered Species Act, the Clean Air Act, and I can go on and on and on of taking jobs away from existing working Americans, and I want somebody to answer me now, answer me as to one of those bills, one bill that actually has created jobs.

The chairman of the Committee on Interior and Insular Affairs has never passed a bill out of that committee, and I am the ranking member, that created new jobs. There are government jobs. They are government jobs but not real jobs.

Now, as one who voted for the Endangered Species Act, and by the way, we estimated at that time that there would be a few species that would be listed. We have listed 1,500 now, and there are 3,000 potential ones already listed.

We are talking about $8 million, so there will not be any more listed.

I am not talking about the spotted owl or the chinook salmon. They list little types of plants. You cannot build a home if one of those exists in that area, if some scientist says they are endangered. This is the fault of the act itself.

We reward the so-called scientists that go out and look for endangered so-called species without any consideration to the human being, and that is where the act is flawed.

Now, by the way, the act originates in the Committee on Merchant Marine and Fisheries, not the Committee on Interior and Insular Affairs. We will hopefully address that issue.

But this debate today, I have heard my chairman, I have heard from the chairman of the Committee on Merchant Marine and Fisheries, on the subcommittee, I have heard from members of this committee, and when we start debating this issue, you are going to be under tremendous pressure not to change the act at all, to leave it as it is.

The gentleman from California [Mr. DANNEMEYER] caused a great stir on this floor. He brought up a very valid point, and I will guarantee you that if we do not change it to consider the human factor, we will have a revolution in this country.

You wonder why our jobs are going overseas. I listened to the gentleman running for the Presidential nomination on your side of the aisle. He is going to create employment doing what? Educating whom, for what?

The resources of this country are the only way we can create real dollars, and otherwise we have to import.

And if it is the Clean Air Act, the Endangered Species Act, all these other acts that we passed in this body, taking away jobs from Americans, and then we buy that product from overseas, we are doing something that is morally wrong.

If you want to solve that problem, then pass a resolution or a law that says we cannot buy anything from overseas from a third-rate country. We cannot do that as long as we have these laws in place.

But the gentleman from Washington did bring up a good point. We have had the discussion, and if we are going to address this issue, let us do it, because the law is not working. It is going to collapse under its own weight.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. SCHEUER].

□ 1710

Mr. SCHEUER. Mr. Chairman, this is an ill-conceived amendment. First of all, this is not the time or the place to consider changes to the Endangered Species Act. When the time comes, there are well-thought-out and very justified changes to the basic functioning of that act.

We have found over a number of years that from the cost benefit point of view, if you compare the effort and the expense expended over a period of 3, 4, or 5 years before a species is declared endangered that there is a very small number of species that we are really able to save, because in that time where the bureaucratic mill grinds, most of those species that were endangered when the application was first made are gone, are dead, are history, and only a very small number of them have been preserved at a tremendous expense per species saved.

What we need to do is discard the endangered species philosophy and move ahead to preserve endangered ecosystems. If you set out to preserve 10, 25, 50, or 100 acres where there is a rich profusion and great variety and heterogeneity of both plant and animal life, then you can accomplish something, then you can apply preventive medicine and prevent those species, both plant and animal, from becoming history, from disappearing finally and with absolute certitude from our planet. Then you would inject some cost effectiveness into the system because you would save a great many species, both plant and animal; but to proceed along the lines that we have now trying to identify a particular species and going through this horrendous bureaucratic process for 3, 4, or 5 years, and then find out at the end of that time that it has disappeared from terra firma in perpetuity is a big mistake.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I am happy to yield to my colleague, the gentleman from Washington.

Mr. CHANDLER. Mr. Chairman, I just would like to compliment the gentleman on his statement. I agree with the gentleman. It is further reason why we should consider reauthorization of this act.

Mr. SCHEUER. Mr. Chairman, I thank my colleague.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Chairman, everyone knows why we are trying to delete money in this bill. This is an appropriations bill. If we were trying to legislate on an appropriations bill, there would be a point of order raised against it.

What we are trying to do is to focus on the fact that this act, no matter how well-intentioned it was in is creation in 1973, in its application it is simply berserk.

Let me give you one example that occurred in downtown Bakersfield where Highway 58 and Highway 99 converge. We are building cloverleafs for the freeway interchange in the middle of the city.

Now, along comes a kit fox and decides to spend the night. It has a choice. It can dig in the hard natural dirt, or it can dig in the softer dirt that had been piled up for the freeway. Guess where it dug? In the softer dirt, and guess what happened. They shut down the building of that cloverleaf. For how long? For as long as the kit fox wanted to stay there.

Some people speculated it was a female kit fox and she was building a nesting den, so the newspapers followed on a daily basis, is it a she or is it a he?

Some of us hoped that it would spend a difficult night near the freeway and move on somewhere else; but no, all those workers on the freeway were out of a job until that kit fox decided to leave.

By the way, it was not a female. It was not building a nesting den and it did move on and those people were out of work until it did. That is what is wrong with the Endangered Species Act.

We ought not to appropriate any more money until we get on with the business of amending the act so that it is a realistic act, a realistic response to endangered species and the need to deal with economics.

I, too, want to support the statement of the gentleman from New York [Mr. SCHEUER]. The idea of preserving ecosystems is far more intelligent than placing a label on an animal as endangered and wherever it goes, whatever man is doing he must cease in favor of the animal. Currently that is what the law does. It is wrong and it needs to be changed, and until it is changed there should be no money spent for it.

Mr. Chairman, I compliment the gentleman from Washington on his amendment and urge my colleagues to support it.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RAVENEL].

Mr. RAVENEL. Mr. Chairman, I yield briefly to the gentlewoman from Nevada [Mrs. VUCANOVICH].

(Mrs. VUCANOVICH asked and was given permission to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I rise in support of the Chandler amendment to strike $8.5 million of funds to list more species as threatened or endangered.

However, Mr. Chairman, the Endangered Species Act is due for reauthorization this year. The authorizing committees have seemed to successfully dodge the issue, again, in this election year. The bottom line is that the current law is so far reaching, and so inflexible, that it is contributing to the economic woes of our country.

Since implementation, the act has drawn much criticism from both sides of the issue. Environmentalists claim the act is only a superficial attempt to preserve threatened and endangered species from extinction and are seeking a much stricter reauthorization, while developers and other land users feel the law goes too far and does not take into account the possible economic hardships often caused by implementation.

While I believe in the need to protect each and every species, I question the restrictiveness of a law that does not take into account the human element.

In the 1973 Endangered Species Act, Congress prohibited consideration of socioeconomic factors in listing a species as threatened or endangered.

The absence of any type of constraint has led to considerable restrictions on the use of both public and private land. Curtailment of development has proven to be detrimental to affordable housing, the timber and ranching industries, energy development, mineral development, development of safe transportation systems and water systems, to name just a few.

I urge my colleagues to support the Chandler amendment in order to force the hand of the authorizing committees' chairmen to craft an Endangered Species Act with flexibility; one that would allow economic consequences to be considered in the listing of an endangered species, allow adverse consequences to humans to take precedence over the protection of plants and animals and require that regulatory actions on private property rights minimize encroachments on private property rights whenever possible.

Again, I urge support for the Chandler amendment.

Mr. RAVENEL. Mr. Chairman and fellow Members, I am not mad at anybody. I am not involved with the spotted owl or the ancient forest battle going on out in the Northwest, not at the present time; but I am down there in South Carolina, and I want to tell you that the folks from my district, which is the First Congressional District of South Carolina, we are just absolutely delighted with what has happened as a result of the passage of the Endangered Species Act.

The first thing that was listed down there as threatened was the bald eagle. I wish the gentleman from California [Mr. DANNEMEYER] were here. I know he would not wish that the bald eagle would disappear from the skies of America, but we were down to 12 nesting pairs in 1977. Everybody got involved in the act, the local authorities, the municipal authorities, the State authorities, the EPA, everybody got involved. The public got emotionally involved in saving the eagle, and this year we have had more than 80 nesting pairs. We are getting close to sky high for us, 100 nesting pairs of bald eagles in South Carolina, and when we hit that 100 nesting pairs we are going to have an eagle celebration.

The next thing that came along, we found that the loggerhead turtle, which has been around for 200 million years, was being killed. You all have heard of this battle. I see some folks out there who have been involved in it, not on my coast, but on other coasts. They were getting killed by the thousands, being drowned in shrimpers' trawl nets. It was listed as threatened. Everybody got involved to save the loggerhead turtle.

We developed the turtle excluder devices. There was opposition from our shrimpers. It all calmed down. The technology has been improved and this year the strandings from drownings in trawl nets has just about dropped to nothing and we are having a great nesting year on our coast.

The next thing that came along was a 10th cousin of the spotted owl. It is known, I say to the gentleman from California [Mr. HERGER] as the red cockaded woodpecker. When Hurricane Hugo came along, it devastated the Francis Marion National Park, and everybody said, "Oh, man, the woodpecker is gone." The Forest Service, the Fish and Wildlife Service, everybody cooperated, preserving the red cockaded woodpecker. They did everything they could, with artificial nesting sites and what have you, and this year, 3 years after the great hurricane roared through and destroyed that forest, we got approximately 500 nesting pairs of red cockaded woodpeckers.

All you guys who are up for election this fall, I do not know how it is in your districts, but let me tell you how it is in mine, and I run as a Republican. My district has been demographically speaking a Democrat district. The folks who love the environment and who support the Endangered Species Act, they do not care whether you are Republican, Democrat, Communist, Fascist, or what. It is how you feel about the environment is how they vote. That is why I just want to get up here and say a nice word about the Endangered Species Act.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. RAVENEL] has expired.

(At the request of Mr. CALLAHAN, and by unanimous consent, Mr. RAVENEL was allowed to proceed for 30 additional seconds.)

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. RAVENEL. Yes; I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, while we are talking about the Kemp Ridley turtle, let us talk about the problem.

Mr. RAVENEL. No. sir. We were not talking about Kemp Ridley. We do not have that.

Mr. CALLAHAN. We were talking about turtle excluding devices that has been imposed on the shrimpers of the Gulf of Mexico and all over this country.

Let us talk about the economic impact of what this has caused to those shrimpers. Let us talk about the fact that the Mexicans are still shrimping in the same waters that our American shrimpers are not permitted to shrimp in without a turtle excluder device and let us recognize that this has caused a great economic detrimental impact to the shrimpers of the United States of America.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

(By unanimous consent, Mr. RAVENEL was allowed to proceed for an additional 15 seconds.)

Mr. RAVENEL. Mr. Chairman, I was not talking about Kemp Ridley. I was not talking about the gulf. I am talking about good old Charleston, SC. I am just telling you our experience with the act. We support it and we are happy with it and we do not want to do anything to change it.

Mr. CALLAHAN. Mr. Chairman, if the gentleman will yield further, would the gentleman support removing it from the Gulf of Mexico if we let him keep it off the coast of North Carolina?

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HERGER].

□ 1720

Mr. HERGER. Mr. Chairman, I rise in strong support of this amendment, which is being offered because of Congress failure to address problems associated with the Endangered Species Act. We must consider reforms which create a balance between the worthy goal of protecting threatened and endangered species but also providing for the well-being of American families and the economy which sustains them.

In recent years, the inflexibility of the Endangered Species Act has taken a significant human toll in terms of jobs and businesses lost. In northern California, it is one of the prime causes of unemployment rates double and even triple the national average. As such, reform of this law is one of the most important legislative issues to the people of my district. Yet, even though the law is up for reauthorization this year, there have been no hearings held in the House.

The problems with the current Endangered Species Act go beyond the adverse impacts on our economy. The act has not been successful in assuring the recovery of the plant and animal species it seeks to protect. The record of implementation shows clearly that the process of listing species, designating critical habitat, and adopting recovery plans has failed to provide for the recovery of truly endangered wildlife. Congress must address this issue before more taxpayer money is wasted in implementing a law which fails to accomplish its intended objectives and adversely impacts millions of workers and private property owners.

I urge my colleagues to support this amendment.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. HERGER. I yield to the gentleman from Washington.

Mr. CHANDLER. I thank the gentleman for yielding.

Mr. Chairman, I would just like to point out that it has been 3 years that we have been waiting for legislation to address the timber problem in the Northwest. We have obviously seen other Members address other endangered or threatened species and the problems that created.

Mr. Chairman, the Endangered Species Act needs to be authorized and it needs to be amended. What we have done today is take a lot of your time, Mr. Chairman, and I regret that and I apologize, but I will have to tell you it was an act of frustration and an act of desperation to get this issue out here on the floor before the American people where it belongs.

I thank you for your indulgence, and I am glad we did what we did today.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I think the subject has been well discussed and well debated. You know, in everything that we do on the floor, generally we have at least several interests and invariably we attempt to balance those interests, whether it is the rail dispute with labor and management on the two sides, or a law that affects landlords and tenants, or a criminal law that affects defendants and victims. We balance interests.

I think the frustration that we have had, and those of us who have spoken on the side of the gentleman from Washington [Mr. CHANDLER] with respect to reauthorizing this act, is that there is no balance and there can be no balance because there is no provision for the consideration of human activity and the value of economic actions that ultimately come about as a result of the Endangered Species Act that endanger, in fact, humans.

I think the one basic truth that we would ask the House to consider, and the chairman of the committee to consider, is the fact that this Endangered Species Act does have economic consequences, and we cannot talk around that.

It does have economic consequences. It has put people out of work, and it is putting people out of work throughout this country. The argument that comes back is that, "It might be worth it." I think the rebuttal to that has to be listened to by the chairman of the committee and members of the committee because in many cases we have had situations where we have spent literally millions and millions of dollars to preserve a minutiae of habitat for endangered species that makes no sense. Even if you are a conservationist, that is.

In San Diego, CA, in one area where we had spent, because we had two birds nests in the way of a proposed highway bed, we built a detour at the cost of many millions of dollars. We could have taken those millions of dollars and bought mitigating habitat, thousands of acres, for the same species and thereby support that species in a much better fashion than simply rerouting the highway around that particular riverbed.

So, what we have done is lost our balance here, and we have to regain it. And if we do not regain it, we are going to see more and more Americans out of work.

In answer to the gentleman who said—he quoted an editorial that says we have to manage resource lands long before they reach crisis, the problem is you have a crisis by definition in many places even though you may have thousands of acres of coastal sage or thousands of acres or millions of acres of mountain land or forests, you have some species which simply are not well populated.

If you start from the point of view that you cannot do anything at all to endanger that species, you are going to absolutely bring working men and women of this country to a grinding halt.

I appreciate the gentleman's efforts. I think the truth of it is he has invoked an excellent debate today.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER]

Mr. MILLER of California. Mr. Chairman and members of the committee, again I would ask that we reject the Chandler amendment. The Chandler amendment is sort of the last piece in a rather intricate puzzle that has been placed by this administration where they hope to get the Congress to confront the outright repeal of the Endangered Species Act because this administration, where they have had the opportunity to provide remedy to the species, to the communities, to the workers, to the economic interests, have refused to do so at every point.

That is laid out from the Dwyer decision, where they cite time and again the violations of law and the failures of this administration to comply with the laws, the deadlines, and the dates necessary to bring about the proper implementation of the Endangered Species Act.

Finally, let me say those of us who support the Endangered Species Act do not need any lectures on unemployment from the people on the other side of the aisle or from this administration which has unemployed millions of Americans, sat idly by while the recession took hold and became a depression, sat idly by while we tried to provide extended unemployment benefits, vetoed that bill; sat idly by again. We sent them another bill, and they vetoed the unemployment benefits. Now all of a sudden we are terribly concerned about the unemployment on the other side of the aisle, when they think they can use the unemployed to get rid of the Endangered Species Act. It is a disingenuous argument. It will not work. It cannot have any credibility, coming from the other side, because they have watched 9 percent of the people in the State of California become unemployed, not because of the Endangered Species Act but because of the economic policies of this administration.

Finally, let me say, Mr. Chairman, that the Endangered Species Act, the Clean Water Act, the Clean Air Act, they are here to protect human species. They are here to give us warning about the toxic levels of pollution of our waters and our air, about the loss of habitat that sustains life itself on this planet. These endangered species that we have sacrificed, where we have seen millions of salmon in Mr. HERGER'S district, now become 10, 11, 15, 20 salmon, which had provided economic benefits to that district, that are now gone.

He had to tell his motel owners, he had to tell the resort owners, he had to tell the sports fishermen, the people at the hardware store that they do not need those tourist dollars or the sports fishing dollars any longer.

The State of New Jersey wanted to plant California salmon this past week. They thought it would create a $500 million-per-year industry.

The State of Michigan did it because they saw it as a renewable half-a-billion-dollar-per-year industry. That is what the Endangered Species Act is about. You can poke fun at the science, you can poke fun at the little bitty critters, but the fact is it is about sustaining human life and a sustainable environment on this planet.

Mr. Chairman, I would hope we would reject the Chandler amendment. It is destructive to the whole notion that we will be able to negotiate out a comprehensive solution.

Mr. WELDON. Mr. Chairman, I rise in opposition to the Chandler amendment, which would eliminate funding for the listing of species as endangered or threatened. As many of my colleagues are well aware, the Endangered Species Act represents an important national commitment, our children and the world to end the tide of species extinction. The Chandler amendment undermines that commitment.

The problem of species extinction will not disappear simply by ignoring it, yet that is the approach taken by the Chandler amendment. Scientists tell us that we are losing up to 100 species-a-day around the world, and the rate is accelerating. In the United States, more than 3,500 imperiled species are without protection while the U.S. Fish and Wildlife Service determines whether to list them as threatened or endangered species.

According to a recent General Accounting Office report, from 1987 to 1991, only 33 to 53 species-per-year have been added to the endangered species list. Simple math shows that, at that rate, it will take 65 to 100 years to list the species now on the waiting list. Instead of addressing this problem, the Chandler amendment would exacerbate it by halting all listing in the next fiscal year.

The Chandler amendment would also block the U.S. Fish and Wildlife Service from taking recovered species off the list or upgrading their status from endangered to threatened. In my own State of Pennsylvania this would mean that, despite the fact that the number of bald eagle nesting pairs doubled in the 1980's, the U.S. Fish and Wildlife Service could do nothing to determine whether their improved status merits taking them off the list.

Similarly, the Chandler amendment would preclude the U.S. Fish and Wildlife Service from carrying out programs known as prelisting activities, which are designed to prevent species from declining to the point where they must be listed as endangered. Again, rather than addressing the real problem of preventing species from becoming endangered in the first place, the Chandler amendment would actually exacerbate the problem.

Mr. Chairman, the Endangered Species Act is an important law. It is a law that, for 20 years, has successfully balanced the conservation needs of species with the development needs of the Nation. As the Congress considers the reauthorization of the Endangered Species Act in the coming months, we will look carefully at ways to improve it and make it more effective in solving the difficult problem of species extinction. As we conduct our review, though, we must maintain our existing efforts to solve the extinction problem. Pretending that the problem of extinction does not exist is not a solution. For this reason, I oppose the Chandler amendment.

Mrs. MINK. Mr. Chairman, I rise today in strong opposition to Representative CHANDLER's amendment to delete $8.5 million in funding earmarked for the Fish and Wildlife Service to list species as endangered or threatened under the Endangered Species Act.

The number of endangered species is growing. If we pass this amendment we will hamstring our efforts to get this crisis under control. Today, there are over 3,500 imperiled species awaiting listing. If we pass the Chandler amendment we will not be able to begin protecting them. In addition, the prelisting process, which prevents species from becoming endangered, would also be put on hold. And efforts to remove recovered species from the list, or to upgrade the status of a recovering species from endangered to threatened, will be stymied.

Mr. Chairman, this does not make sense. We may need to make changes in the Endangered Species Act, but it would be foolish to put the entire process on hold until we do. We simply have too much to lose.

The situation in my own State will give you a sense of the seriousness of this issue. No other place on the planet has a greater concentration of rare and endangered plants and animals than Hawaii, but we also have the most alarming concentration of species teetering on the brink of extinction. More than 20 percent of the Nation's endangered birds and plants are from Hawaii alone, and the number is increasing. Twelve endangered forest bird species are down to such low numbers that they may be beyond recovery, and for at least 93 Hawaiian native plant species, fewer than 100 of each survive among the islands.

The loss of these species indicates that something very serious is happening to our islands. In Hawaii, we recognize that we are at a crossroads—we can either move to save these species, or lose them forever. We are doing everything we can to meet this crisis head on, but extinction in Hawaii continues at dangerously high rates.

I think it is important to remember that when we protect endangered species we maintain an important resource for ourselves, and our future generations, because saving a species means saving an ecosystem. The issue is not just endangered species but biodiversity. And declining biodiversity has serious implications for human populations.

In Hawaii we often speak of the interrelationship of every living thing. We believe that each species has an important place in our environment. We must remember how critical it is to protect and preserve the richness of our natural world. These lessons are not just important for us and our islands. They are crucial for our Nation and our world.

Nearly all of our medicines, and most of our pharmaceutical breakthroughs, are derived from plants and animals, many of them rare. When a species becomes extinct we have no way of knowing what medical or genetic secrets it may hold.

Entire ecosystems also provide valuable services such as the recycling of nutrients, purification of water, and the fixation of carbon dioxide. Mr. Chairman, the preservation of the diversity of life on this planet is a wise investment in our future.

The Chandler amendment would halt the progress being made. I would remind you that once endangered species are gone, they are gone forever. I urge my colleagues to vote "no" on this amendment.

The CHAIRMAN. Does the gentleman from Washington seek recognition?

Mr. CHANDLER. Mr. Chairman, I ask unanimous consent that I be allowed to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SHARP. Mr. Chairman, I move to strike the last word.

(Mr. SHARP asked and was given permission to revise and extend his remarks.)

□ 1730

Mr. SHARP. Mr. Chairman, I rise in support of H.R. 5503 and commend the chairman, the ranking member, and the committee on a very difficult task with very limited resources. My concern, which I have expressed many times in the Chamber, has to do with the strategic petroleum reserve and trying to make sure we at least spend the money from the sale of oil that we made in January 1991. That that gets back into the reserve, and there was an opportunity under the current law to actually force the movement of oil in the naval petroleum reserve down there, but most of us agree that that is a potentially expensive way to do it. So, I have withheld the possibility of objecting to the waiver of a point of order here, but, Mr. Chairman, I am very pleased that the committee and others have been trying to work out a way to see to it that in conference we are able to continue to fill the reserve, and I appreciate that, and I just want to doublecheck that with our colleagues here.

As I understand it, the Members will be seeking to find a way to pay for the oil for the SPRO, that the amount we hope will be at least that that was transferred from the Desert Storm account, and I would appreciate the chairman's confirmation of that.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Illinois.

Mr. YATES. Yes, I say to the gentleman that I will work in conference to obtain funds to pay for the oil for SPRO.

Mr. SHARP. Mr. Chairman, I thank the gentleman from Illinois [Mr. YATES].

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. SHARP. I yield to the gentleman from Ohio who was particularly instrumental on this issue.

Mr. REGULA. Mr. Chairman, I would endorse the chairman's remarks and also work with the chairman of the appropriate committee to ensure that there is an adequate SPRO fill.

Mr. SHARP. Mr. Chairman, I appreciate that. This is very important. We have an economic crisis, and this committee has been very dedicated over the years to make sure it is there, and I appreciate it in these very difficult times, their continuing help.

AMENDMENT OFFERED BY MR. DORGAN OF NORTH DAKOTA

Mr. DORGAN of North Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORGAN of North Dakota: Page 97, after line 3, insert the following new section:

SEC. 319. The amounts otherwise provided in this Act for the following accounts and activities are hereby reduced by the following amounts:

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

Expenses, $9,754,000.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

Expenses, $12,372,000.

CONSTRUCTION

Expenses, $2,424,422.

UNITED STATES GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

Expenses, $4,646,000.

BUREAU OF MINES

MINES AND MINERALS

Expenses, $2,661,000.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

Expenses, $808,000.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

Expenses, $12,583,000.

CONSTRUCTION

Expenses, $579,000.

RELATED AGENCIES

Department of Energy

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

Expenses, $690,000.

STRATEGIC PETROLEUM RESERVE

Expenses, $805,000.

Other related agencies

NATIONAL GALLERY OF ART

Salaries and expenses, $694,000.

Mr. DORGAN of North Dakota (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. YATES. Mr. Chairman, reserving the right to object, I would like to find out what the thrust of the amendment is.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Chairman, this is the amendment that would cut $48 million in various accounts in the Interior bill related especially to overhead and related costs.

Mr. YATES. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. DORGAN of North Dakota. Mr. Chairman, I offer this on my behalf and on behalf of the gentleman from Texas [Mr. SMITH], on behalf of the gentleman from Minnesota [Mr. PENNY], and the gentlewoman from Missouri [Ms. HORN], and I will explain it as well, but let me first yield to the gentleman from Texas [Mr. SMITH] who has done a fair amount of work on this issue of indirect expenses and overhead costs.

Mr. SMITH of Texas. Mr. Chairman, I offer this amendment for myself, Mr. DORGAN of North Dakota, Mr. PENNY of Minnesota, and a clear majority of our colleagues who have supported one or more similar amendments in recent weeks.

My thanks to each, but in particular, to Mr. DORGAN and Mr. PENNY for their unceasing efforts.

Together, we seek our colleagues' support to better control Government overhead spending.

We have a choice.

Either cut programs and people, or control overhead costs.

Government overhead costs for travel, utilities, communications, supplies, and materials today exceed the entire Defense budget at its height—more than $300 billion a year.

We must manage those costs.

Reduce them by 10 percent.

Then hold those costs to no more than the rate of inflation for 4 more years and we can realize savings approaching $150 billion.

In the process, we make Government more efficient, more effective, more responsive.

Our amendment is a practical, commonsense first step down the path of bringing Government costs under better control.

In offering this amendment, we seek to join in being a part of the solution.

The chairman and members of the Interior Appropriations Subcommittee have led the way.

Their bill makes numerous difficult choices and cuts.

For example, in addressing the costs of the Forest Service to administer the National Forest System the committee reduced headquarters and regional office funding by $14 million.

Our amendment does not duplicate the committee's reductions.

The amendment makes overhead reductions agency-by-agency based on actual overhead spending for travel, transporting things, utilities, communications, and other overhead items in agency budgets.

Overall, these reductions total $48 million or less than one-half of 1 percent of the bill's total funding of $12.7 billion.

In no case do the reductions exceed 2 percent of an agency budget.

The amendment carefully exempts accounts dealing with public health and safety, education, and environmental protection.

None of the committee bill's funding for programs or people is reduced by a single dollar.

Responding to committee staff concerns that programs might in some instances be indirectly impacted if agency funds to contract for services were to be reduced, such reductions are not included in the amendment.

In business, it is a rule of thumb that overhead always can be cut by 10 percent.

Across America, families and businesses have been meeting the challenge to control their costs.

On behalf of citizens, Congress must now take the lead to see that the Federal Government does the same thing.

This is an amendment all Members may support.

It picks no favorites.

It only asks of one agency what it asks of every other.

It is flexible.

Overhead reductions are taken according to each agency's overhead spending.

There are no personnel cuts.

Rather, this amendment empowers Federal managers.

They are challenged to reduce their overhead costs and then allowed to decide how best to achieve those savings on behalf of the American people.

There are no program cuts.

Rather, this amendment challenges managers to discover new ways to make programs more efficient and effective.

To citizens that means better service and a more responsive Government.

It defies common sense to believe that Federal managers will not be able to find less than one-half of 1 percent in overhead savings.

To summarize, the amendment's overhead reductions: Are based on each agency's spending; do not exceed more than 2 percent of an agency's total funding; are less than one-half of 1 percent of the bill's total funding; cut no program dollars; and do not reduce funding for personnel.

This amendment is endorsed by Citizens Against Government Waste and the National Taxpayers Union.

Mr. Chairman, I urge adoption of the amendment.

Mr. DORGAN of North Dakota. Mr. Chairman, reclaiming my time, I want to say that I think the subcommittee chairman, the gentleman from Illinois [Mr. YATES], is someone who does the finest job in this Chamber on these issues, and he has a difficult job. In many respects he has affected significant budget cuts already, and this amendment is not aimed at his leadership or at deficiencies on the part of the committee or subcommittee. It is a feeling by some of us that we think we need to take a special look at overhead costs of the Government for this reason:

In the private sector, Mr. Chairman, the first thing they cut when they run into some trouble is overhead. It is the first thing.

The CHAIRMAN. The time of the gentleman from North Dakota [Mr. DORGAN] has expired.

(By unanimous consent, Mr. DORGAN of North Dakota was allowed to proceed for 1 additional minute.)

Mr. DORGAN of North Dakota. In the Federal Government by and large it has always been: "What did you spend last year? Add a little inflation to it. That's what you spend next year."

Many of us feel in the area of overhead or indirect costs, not program costs, but indirect costs, the bureaucracy, that it is time to tighten the belt on legislative appropriations, a 6-percent reduction, I believe, on budget authority and 1-percent reduction on outlays. We believe we ought to impose the same discipline Governmentwide with respect to overhead and indirect costs. That is what our attempt is with respect to this amendment.

Mr. Chairman, it will save about $48 million. It deals with issues such as travel, communications, printing, and those kinds of overhead costs where we think there is plenty of opportunity for administrators in the Government to make decisions to begin to cut.

We have an enormous Federal deficit of $470 billion, this year. We must start cutting. The first obvious place is to cut more in overhead and indirect costs.

The gentleman from Texas [Mr. SMITH] has done a lot of good work in this area, along with the gentleman from Minnesota [Mr. PENNY], the gentlewoman from Missouri [Ms. HORN], the gentlewoman from California [Mrs. BOXER] and others.

Today I rise to invite you to join me and my colleagues TIM PENNY and LAMAR SMITH In supporting our amendment to the Interior appropriations bill. This amendment focuses on a key deficit-fighting strategy: Reducing overhead costs in Government. This amendment would cut approximately $48 million from overhead accounts in the Interior bill—less than one-half of 1 percent of the overall bill total.

In no case do the proposed cuts exceed 2 percent of an agency budget. The amendment exempts accounts dealing with public health and safety, education, and environmental protection, such as the Indian Health Service, and firefighting. The amendment is specifically targeted and is responsible legislation.

The Federal Government spends about $270 to $300 billion annually for services such as printing and copying, travel, rent, communications, utilities, supplies, and other overhead. One of every $5 spent by the Federal Government goes for overhead costs—not for programs, benefits and services. These overhead costs are a source of significant savings if even small percentage savings can be realized.

This amendment cuts spending similar to those passed during the Agriculture, military construction, and Treasury-Postal Service appropriations debates. As before, this amendment is not directed at people, programs or service, but only at the overhead costs involved in delivering those services. We firmly believe the Federal Government needs to do some belt-tightening as so many families and businesses have had to do during the difficult recession.

This amendment challenges managers to find additional savings in their overhead budgets. This amendment makes overhead reductions agency-by-agency, based on actual overhead spending for travel, transporting things, utilities, communications, and other overhead items in agency budgets.

This is a practical, common sense, first step in bringing Government costs under control. Congress should take the lead in bringing the deficit under control. We enlist your support to trim overhead spending from the Interior appropriations bill. I hope it will have your support today.

In closing, I want to add that this amendment enjoys wide bipartisan support. Joining Mr. SMITH, Mr. PENNY, and me are our colleagues Mrs. BOXER, Mr. GRANDY, Mr. GLICKMAN, Mr. MCCOLLUM, Mr. GOSS, Mr. UPTON, and Ms. HORN. We join in urging support for the amendment.

□ 1740

Mr. YATES. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto be limited to 10 minutes.

Mr. PENNY. Mr. Chairman, reserving the right to object, I just want to make sure that the gentlewoman from Missouri [Ms. HORN] and myself have time within that.

The CHAIRMAN. The Chair will note all Members standing on this amendment.

Mr. PENNY. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous consent request was agreed to will be recognized for 2 minutes each.

The Chair recognizes the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I rise in support of the Dorgan amendment. As described by the gentleman from North Dakota [Mr. DORGAN], this is a simple amendment. It is an amendment that is focused solely on overhead costs within the Department of Interior, and it would call on the agency to reduce by 10 percent in various accounts the administrative costs of the Department.

Getting control of overhead costs is becoming a central issue to the debate about Government efficiency. We tightened our own belts here with the legislative appropriations bill just a few weeks back, and we have applied the same belt tightening policy to several other departments and agencies in the last few weeks, and today this amendment would apply the same approach to the Department of the Interior.

The campaign of Governor Clinton has also indicated strong interest in refocusing the Federal Government and in tightening the budget of departments and agencies, with an eye toward reorganizing the work of those agencies.

We have also seen in this morning's newspaper a detailed account of proposals put together by former candidate Ross Perot, in which he suggested as much as a 10-percent cut in the administrative accounts of the Federal Government.

So it is clear from a variety of sources that this approach to reining in spending has been suggested, and we believe it is an approach that ought to be adhered to by this Congress.

Just for example of where we can find these savings, the Department of Interior's own inspector general released a study of the Bureau of Land Management in January of this year. That report stated that the Bureau of Land Management organization is duplicative, inefficient, and embedded with redundancy, and that as much as $49 million is being wasted on the current organization.

Keep in mind that that is just one of the functions affected by our amendment, and $49 million was suggested to be cut there by the inspector general. We are only suggesting $48 million in the entire bill.

I would urge adoption of the amendment.

Mr. CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, this is a seductive amendment. Let me point out that the increase in these accounts is 1 percent over last year. What are we talking about? We are talking about the materials, we are talking about the U.S. Geological Survey's need to manage the earthquake problem. We are talking about travel money for volunteers.

One of the great programs in the Park Service is that of getting volunteers. We pay them travel money. This will cut that travel money. For every dollar you save you are going to lose $36 or more worth of volunteer time.

It means that the firefighters may not have hose. It means that the brochures that tell the visitors about the dangers of Lyme disease may not get printed.

Mr. Chairman, it sounds easy to take this kind of a cut, but I want to say from my own experience in visiting park facilities, forest facilities, the USGS, that they are very careful in the management of overhead dollars.

I think that what we are going to do here is penalize the public by not allowing them to have the quality experience, by reducing the safety factor in the park or public lands, by increasing the risk, and not being able to provide the necessary information to allow the visitor to interpret the experience that that visitor would have.

Mr. Chairman, I want to say to my colleagues, be cautious on this one. While it sounds good on the surface, the penalties in terms of the public enjoyment of public lands will be serious.

One last comment, and that is that the housing facilities in our public lands are in many places deplorable. I wonder how we attract people to work in many of these areas, given the housing that they have. It is only because of the great esprit de corps that is part of the services that people do serve.

Mr. Chairman, again, this amendment penalizes people who are willing to give freely in making the public land experience a quality one.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, I rise in strong support of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, this amendment basically comes down to a choice. If we are going to control Government spending and if we are going to make a real effort to reduce the Government deficit, we are going to have to make the choices that we face today. Either we can increase taxes, we can cut programs and people, or we can target Government overhead spending, which is exactly what this amendment does.

Mr. Chairman, let me give my colleagues an example of why we should be targeting this overhead spending. If you just take travel as an example, interestingly enough in the last month of the fiscal year travel expenditures suddenly go up 50 percent. Very clearly Federal managers are simply trying to use up their travel allotment.

That is an example of why Government overhead spending has now ballooned to the point where it approaches $300 billion of our Federal budget and is now one-quarter of our Federal budget. The amendment today that we have proposed targets Government overhead spending. It amounts to less than one-half of 1 percent of the bill's total of $12.7 billion in spending, and in my judgment, Mr. Chairman, it amounts to common sense cuts.

Mr. Chairman, we can no longer put off the tough choices. It does come down to a choice. We raise taxes, we cut personnel and people or we cut Government overhead costs such as supplies and spending, and that is exactly what this amendment does.

Mr. Chairman, I urge my colleagues to support this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES], the chairman of the subcommittee.

Mr. YATES. Mr. Chairman, I oppose this amendment. The form of the amendment itself militates against the explanation that was given by the gentleman from North Dakota [Mr. DORGAN]. As one looks at the amendment, one sees all of the various departments listed, but then it says "expenses."

What does "expenses" mean? It does not necessarily refer to the overhead expenses of the various agencies.

When I asked the gentleman from North Dakota [Mr. DORGAN] why he did not identify the items that make up overhead more precisely, he said that they could not do it. Well, what is going to happen?

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Chairman, I said we could not do it because it would be subject to a point of order on the floor. We could certainly do it if it would not be subject to a point of order.

Mr. YATES. Mr. Chairman, that is another matter. The point that I am making is that every operating account in the department could qualify for expenses, and the departments could take these cuts from wherever they wanted to take the cuts.

For example, let us take the Bureau of Indian Affairs, which is of some importance in the gentleman's State.

Under the amendment of the gentleman from North Dakota [Mr. DORGAN], the reduction for the Bureau of Indian Affairs would be $12 million. Although it is stated that it is only to come from nonpersonnel expenses and is not to affect programs, the truth is that programs benefiting the Indian people will be affected because the central operations account of the bureau is only $53 million. Since the entire amount of reduction cannot be taken against this amount, it will have to come from reservation-based programs.

In addition, applying reductions to expense accounts such as transportation will likely have an impact on Bureau of Indian Affairs schools since a large part of this item is for transporting students to and from school.

□ 1750

GSA sets the bus lease rates. There is no flexibility on the amounts required. In construction, the reduction of $579,000 would come directly from projects which are provided mainly to build or rehabilitate schools for Indian children.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. YATES] has expired.

(By unanimous consent, Mr. YATES was allowed to proceed for 15 additional seconds.)

Mr. YATES. Mr. Chairman, I just want to say in conclusion that I think this is an amendment which is harmful. I want to point out that in the Park Service, this amendment would cut $12 million from the operating program and $2 million from the construction program.

Our committee has already cut $34 million from the Park Service account, and this amendment would cut another $14 million from the Park Service account.

I think that is overkill. I hope the amendment is defeated.

Mr. SMITH of Texas. Mr. Chairman, I ask unanimous consent to proceed for 20 additional seconds.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. YATES. Mr. Chairman, reserving the right to object, I will not object at this time. I did not object before.

I hope that we do not do it in the future. We have 10 more amendments before the 6:30 deadline.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Texas. Mr. Chairman, I appreciate what my colleague said. I will be brief.

A couple of points in response. First of all, in regard to the amendment's impact upon the Bureau of Indian Affairs, it still allows a 5-percent increase above 1992 levels for an additional $67 million in regard to the National Park System. It still allows a 3-percent increase above 1992 levels.

The point of all of our discussion today is to make clear through legislative history what the intent of the amendment is. And again, the intent of the amendment is to cut Government overhead spending, not programs or personnel.

Mr. UPTON. Mr. Chairman. I rise in strong support of our amendment to reduce the cost of running the Department of the Interior by $48 million. This amendment would cut from overhead accounts primarily from the agencies in the Department of the Interior.

Overhead is what agencies call spending on travel, transportion, phones, and office supplies, and other everyday materials. Simply stated, the case for this amendment and others like it in other funding bills for other Federal departments is that Federal office managers simply have not done enough to reduce the costs of runing their offices. The standard budgetary approach has been to take whatever was spent last year and add the cost of inflation to reach the starting point for next year's overhead budget. This obviously has no cost saving incentives whatsoever.

One of every $5 spent by the Federal Government goes to overhead costs, not toward providing services to the American people. In fact, Federal travel expenditures alone total more than is spent on college student aid grants and four times more than on Head Start.

Everyone talks about reducing Federal bureaucracy, here is your chance do something about it.

Everyone talks about reducing Federal spending, here is your chance to cut.

Everyone talks about making difficult choices, here is your chance to choose.

Everyone talks about tightening our belts, here is your chance to buckle up.

If we can't start restraining the growth of Federal spending by cutting the number of paperclips and photocopies that Federal Government uses, we will never be able to balance the budget.

In addition to requesting Member's support for this amendment, I would also call everyone's attention to an example of budget gimmickry used in this year's Interior Appropriation bill.

Last year, Mr. PENNY and I exposed the Interior Appropriation Committee's fraudulent use of emergency spending clause of the 1990 budget agreement in the firefighting account. Instead of appropriating the firefighting funds in the amount of what can annually be expected to occur, the committee approved less than what is needed. It then called the rest of the spending an emergency. This proposal clearly abused the emergency criteria. It created a false emergency where one didn't exist, exempting those funds from the budget caps, giving the false opportunity to permit additional spending in other programs. In effect, this attempt to cook the books put a loophole in the budget caps big enough to drive a firetruck through.

I am pleased to report that the committee rectified that mistake did not resort to that gimmick this year—in the firefighting account. However, the committee clearly did not learn its lesson and has turned pesky.

This year it repeated the same budget trick not for firefighting but for pest fighting. Forest Pest Management Program costs, like forest firefighting costs, can be reasonably anticipated and funded in advance without resorting to designating the funds an emergency. My advice to the Interior Appropriations Committee is to quit bugging us with this previously rejected and fraudulent approach to budgeting.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. DORGAN].

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 15, noes 16.

RECORDED VOTE

Mr. PENNY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 257, noes 162, not voting 15, as follows:

[Roll No. 296]

AYES—257

Allard
Allen
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Archer
Armey
Aspin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Bonior
Borski
Boxer
Brewster
Broomfield
Bryant
Bunning
Burton
Callahan
Camp
Campbell (CA)
Campbell (CO)
Carper
Chandler
Chapman
Clement
Clinger
Coble
Coleman (MO)
Combest
Condit
Cooper
Cox (IL)
Cramer
Crane
Cunningham
Dannemeyer
de la Garza
DeFazio
DeLauro
DeLay
Derrick
Dickinson
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Evans
Ewing
Fawell
Fields
Fish
Flake
Franks (CT)
Frost
Gallegly
Gallo
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Goodling
Goss
Gradison
Grandy
Guarini
Hamilton
Hancock
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Horn
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Jacobs
James
Jenkins
Johnson (CT)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kleczka
Klug
Kolbe
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lent
Levin (MI)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Machtley
Martin
Matsui
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moody
Moorhead
Neal (NC)
Nichols
Nowak
Nussle
Olin
Olver
Orton
Owens (UT)
Oxley
Packard
Pallone
Parker
Patterson
Paxon
Penny
Peterson (MN)
Petri
Porter
Price
Pursell
Ramstad
Rangel
Ravenel
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland
Russo
Sanders
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Schroeder
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Sikorski
Skelton
Slattery
Slaughter
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stump
Sundquist
Swett
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Upton
Valentine
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Weldon
Williams
Wise
Wyden
Wylie
Yatron
Young (FL)
Zeliff
Zimmer

NOES—162

Abercrombie
Ackerman
Alexander
Anderson
Anthony
Applegate
Atkins
AuCoin
Bateman
Beilenson
Bennett
Berman
Bevill
Blackwell
Boucher
Brooks
Browder
Brown
Bruce
Bustamante
Byron
Cardin
Carr
Clay
Coleman (TX)
Collins (IL)
Conyers
Costello
Coyne
Darden
Davis
Dellums
Dicks
Dingell
Dixon
Donnelly
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Espy
Fascell
Fazio
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Gaydos
Gejdenson
Gonzalez
Gordon
Green
Gunderson
Hall (OH)
Hall (TX)
Hammerschmidt
Hansen
Harris
Hefner
Hertel
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Jefferson
Johnson (SD)
Jontz
Kildee
Kopetski
Kostmayer
Lehman (FL)
Levine (CA)
Lewis (CA)
Lewis (GA)
Livingston
Lowery (CA)
Manton
Markey
Marlenee
Martinez
Mavroules
McCloskey
McDade
McDermott
McHugh
McNulty
Mineta
Mink
Moakley
Mollohan
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Panetta
Pastor
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Pickett
Pickle
Poshard
Quillen
Rahall
Reed
Regula
Richardson
Roe
Rose
Roybal
Sabo
Savage
Sawyer
Scheuer
Schiff
Serrano
Sisisky
Skaggs
Skeen
Smith (FL)
Smith (IA)
Solarz
Stokes
Studds
Swift
Synar
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Vento
Washington
Waxman
Weiss
Wheat
Whitten
Wilson
Wolf
Wolpe
Yates
Young (AK)

NOT VOTING—15

Collins (MI)
Coughlin
Cox (CA)
Feighan
Gephardt
Gingrich
Hatcher
Hyde
Ireland
Kolter
Peterson (FL)
Ray
Tallon
Thomas (GA)
Weber

□ 1814

Mr. GUNDERSON and Mr. ECKART changed their vote from "aye" to "no."

Mr. GALLO, Mr. SCHUMER, Mrs. LLOYD, Mr. SPENCE, and Ms. WATERS changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. GILMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise for the purpose of a colloquy with the gentleman from Illinois [Mr. YATES], the distinguished chairman of the Appropriations Subcommittee on the Interior, regarding the $5 million included in this appropriation bill for the acquisition of Sterling Forest, under the Forest Legacy Program.

It has come to my attention that the appropriation is predicated on matching funds from the State of New York and/or New Jersey. Furthermore, it has come to my attention that Governor Cuomo, in a letter to Representative KOSTMAYER, stated:

> Given the current fiscal situation of New York, and the uncertainty of a funding source not yet approved by the State Legislature, we may not be able to provide a timely State match for the federal funds you proposed.

Accordingly, I would like to ask the distinguished subcommittee chairman whether or not the Appropriations Committee has received any assurances to the contrary from New York State?

Mr. YATES. If the gentleman will yield, the committee has not received any assurance of funding from New York State.

Mr. GILMAN. In addition, I would like to inquire of the chairman as to whether the State of New Jersey has given any assurances of funding?

Mr. YATES. No assurances have been received to date.

Mr. GILMAN. It is my understanding that the Forest Legacy Program prohibits the use of Federal funds for condemnation of private property and that in fact the Forest Legacy Program requires a willing seller if land is to be acquired. Is that a correct interpretation of the existing law?

Mr. YATES. The gentleman from New York is correct in stating that under the Forest Legacy Program Federal funds are prohibited from being used to condemn private property and that a willing seller must exist.

Mr. GILMAN. I would like to thank Chairman YATES and I would like to point out that the Sterling Forest Corp. has expressed in testimony before the House Subcommittee on Energy and the Environment and in communication to the Appropriations Subcommittee on Interior that the corporation is a willing seller under the following circumstances:

First, that full funding to acquire the property at a realistic price, which in its view is six to eight times greater than Representative KOSTMAYER's original request of $25 million to the subcommittee, be available;

Second, that whatever public acquisition is to be made, it must be made at one time and not on a piecemeal basis; and

Third, that the decision to fund such a taxpayer acquisition be made in this budget year.

I want to thank the chairman for this colloquy, clarifying the Forest Legacy Program with regard to this appropriation.

Furthermore, I would like to point out that over the years, the Sterling Forest Corp. has proved itself to be a responsible corporate citizen and a keen steward of the environment. In fact, the Sterling Forest Co. has been cited on a number of occasions for its deep commitment to environmental protection, and this commitment is reflected in the company's comprehensive plan for further development of its property in Sterling Forest. The company's development plan was written over the course of 2½ years with over 1,000 people participating. It embodies the company's concern for the environment, as well as local community interests and the expertise of an impressive team of environmental scientists and fiscal experts.

Moreover, the Sterling Forest Corp.'s plan proposes to set aside over 2,500 acres for improved trail linkages and buffers along the Appalachian Trail and will leave 76 percent of the Sterling Forest parcel as open space. In the end, only 4 to 6 percent of Sterling Forest would be covered with structures or pavement. Furthermore, the plan complies with all Federal, State, and local water quality standards and, in fact, goes beyond these standards in order to insure the protection of New Jersey's watershed.

Accordingly, Mr. Chairman, I am confident that this plan makes environmental sense, and that an appropriation of Federal funds such as the one proposed today is nothing more than a waste of taxpayer money.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from New Jersey.

Mr. TORRICELLI. Mr. Chairman, I thank the gentleman for yielding. I too would like to engage in a colloquy with the distinguished chairman of the committee.

Before proceeding with remarks that we have prepared I would like to inquire of the chairman, I assume a bi-State agency of the State of New York and the State of New Jersey, if it indeed were to be the contributing agency, would be sufficient for purposes of matching funds even though the individual State governments might, as the gentleman from New York [Mr. GILMAN] has indicated, not be in a position to provide the money, but a bi-State commission could provide the money?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I am happy to yield to the gentleman from Illinois.

Mr. YATES. The gentleman is correct.

Mr. TORRICELLI. I also would like to comment, if the gentleman will continue to yield, that indeed the gentleman is correct. The Sterling Forest Corp. would have to be a willing seller, although it was not the intention of this gentleman or I believe members of the committee that in fact this appropriation be available for the entire purchase, but indeed that portion of the land which might be appropriate under the program. The entire purchase would not have to be required.

Further, if the gentleman will yield, I would like to ask the gentleman from Illinois to clarify that it is the committee's intent that the Forest Service study entitled "New York-New Jersey Highlands Regional Study" constitutes a needs assessment for the purposes of the Forest Legacy Program as it relates to expenditure of funds for the Sterling Forest.

Mr. YATES. If the gentleman from New York will yield, to the best of my information the answer is yes.

Mr. TORRICELLI. I thank the distinguished chairman, and I thank the gentleman from New York for yielding.

□ 1820

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: At the end of the bill, add the following new section (and conform the table of contents accordingly):

SEC. . BUY AMERICAN REQUIREMENTS.

(a) COMPLIANCE WITH BUY AMERICAN ACT.—No funds appropriated or transferred pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

(b) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—

(1) IN GENERAL.—In the case of any equipment or product that may be authorized to be purchased with financed assistance provided under this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, on our side, we have examined the amendment, and we are willing to accept it.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, we have also examined the amendment on this side, and we are perfectly happy to accept it. I think it is a good amendment.

Mr. TRAFICANT. Mr. Chairman, I appreciate that.

Mr. Chairman, I would just like to say that we have just talked about snail darters and rock pocket mussels. This is America's laboris economis mortis, and I am glad to see that we have all accepted it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: Page 85, strike lines 3 through 26.

Mr. YATES. Mr. Chairman, I ask unanimous consent that all time on this amendment close in 10 minutes, 5 minutes for the gentleman from Illinois and 5 minutes for myself.

Mr. CRANE. Mr. Chairman, reserving the right to object, may I ask the distinguished chairman if he will reserve at least a couple of minutes of his time for one of the colleagues on our side? We spoke about this earlier.

Mr. YATES. Mr. Chairman, may I make that 12 minutes, and I will include the 2 minutes for whomever the gentleman has in mind.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CRANE. Mr. Chairman, while much of the discussion regarding the NEA has been focused on determining what should and should not be funded, I feel it is more appropriate to address the question of whether the Federal Government ought to be involved in the promotion of art at all. No doubt, many of my colleagues now feel that under the leadership of a new NEA chairman, there may no longer be a need to abolish the NEA. However, the fact that Chairman Radice has been both lauded and booed by conservatives and liberals solidifies the argument that there can be no harmonious unity of the Government and the arts. Regardless of which grants are approved and which are rejected, the premise of my argument against the NEA remains unchanged. Funding arts and artists is not a Federal responsibility.

This very issue was addressed by the framers of our sacred Constitution and was overwhelmingly rejected as outside the purview of the Federal Government. Whether or not the NEA becomes more sensitive and attentive to mainstream values and tastes is moot. The motivation behind my amendment lies in constitutional fundamentals and there can be no question that the authors of the Constitution did not intend for Government funding of the arts.

Some of my colleagues may fear that discontinuing the NEA will result in the demise of American art. I contend the contrary: American art has, does, and will flourish without government support. For example, two of the greatest periods in American literature occurred when not one penny of either Federal or State money was spent in support of the arts. In the middle of the 19th century, American literature boasted such giants as Mark Twain, Edgar Allen Poe, Walt Whitman, Nathaniel Hawthorne, Emily Dickinson, Henry and William James, Henry Wadsworth Longfellow, and Ralph Waldo Emerson. Moreover, in the period between World War I and World War II American writers such as William Faulkner, Ernest Hemingway, John dos Passos, Thomas Wolfe, F. Scott Fitzgerald, Sinclair Lewis, and Theodore Dreiser became world renown—again, without one cent from the government.

Today, the arts community benefits from a $7.9 billion private pool of capital dedicated to arts advancement and supported solely by American individuals, requests, foundations, and corporations. Compared with the $175 million appropriated for the NEA last year, it is evident that private support of the arts is robust and growing and that my amendment will in no way threaten the future of art in this country.

Furthermore, unless Congress can guarantee a grant to every American artist, it is inherently impossible to have an art environment free of government intervention. A $179 million authorization necessitates selectivity which, in turn, requires standards. Therefore, with or without content restrictions, the government will continue to leave its imprint on art as long as there remains an NEA.

Last year, for example, the endowment received 17,337 applications for funding but could award only 4,239 grants. These awards were considered highly important money by the arts community because they imply a Government seal of approval. This seal can attract additional financial attention to their recipients, and as a result, private sponsorship is drawn away from those 13,098 who did not receive NEA recognition. So by advancing the career of one artist, the Government automatically suppresses the futures of three others.

Mr. Chairman, promoting the arts is respectable, commendable, and, indeed, profitable. It is not, however, compatible with the workings of our Government. I urge my colleagues to support my amendment to get the Government out of art.

□ 1830

PARLIAMENTARY INQUIRY

Mr. VOLKMER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VOLKMER. Mr. Chairman, it is now past 6:30. How much more time is on this amendment?

The CHAIRMAN. This amendment has 6 additional minutes. Then after this amendment——

Mr. YATES. Seven, Mr. Chairman. I thought it was 7. I asked for 12 minutes, Mr. Chairman.

The CHAIRMAN. The gentleman spoke for 6 minutes. The Chair understood it was divided 6 and 6. That is the way the Chair understood it.

After this amendment is completed, since this unanimous-consent request was done prior to 6:30, then all amendments that will be offered will be protected with at least 10 minutes, 5 minutes on each side, except the two amendments that were protected in the rule, the Stenholm amendment and the Yates amendment that have the amount of time protected under the rule.

Mr. VOLKMER. I thank the Chair.

Mr. YATES. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I thank the distinguished gentleman for yielding me this time.

The distinguished gentleman who just spoke presents an interesting historical survey. The way he interprets his numbers, though, is slightly askew. Listen to what he says.

The Federal Government provides $175 million to the National Endowment for the Arts, and that $175 million generates from the private sector over $9 billion of money, because the private sector looks for some guidance and the people on the National Endowment Council are in fact people within the arts communities. They know what they are talking about.

Since the Endowment has been created, we have had a burgeoning of arts in this country, not just in New York or San Francisco, but across the country. The number of orchestras, the number of theater companies, the number of ballet companies, the number of operas has multiplied by 10; all across the country.

Let us keep that going. America deserves it. Vote against the amendment.

Once again, the gentleman seeks to do away with the Federal cultural funding which reaches every corner of the country. This amendment attempts to abolish an agency which has transformed the artistic and cultural life of our Nation.

Mr. Chairman, for more than 25 years, the National Endowment for the Arts [NEA] has funded the breadth and diversity of American arts—from local symphonies to our Nation's greatest jazz artists to folk artists preserving aspects of our cultural heritage. The NEA is an agency of which we should be proud. Most recently, the NEA has implemented exceptional programs in rural art funding, arts programs in inner cities and other underserved areas, and arts education projects.

Mr. CRANE is simply wrong on each of the rationales he gives for ending Federal arts support. While he claims that our history argues against Federal funding of the arts, the fact of the matter is that our Nation—as every civilized nation in world history—has recognized the importance of the development of our Nation's cultural life. President John Adams wrote:

> I must engage in war in order that my sons may engage in commerce, industry, agriculture and science; in order that their children might engage in painting, ceramics, porcelain, tapestry * * * and the arts.

In 1891, the first National Conservatory of Music was established, while Congress first proposed a National Office of the Arts in 1897. In 1910, President Taft established the National Fine Arts Commission with a peer panel to "advise generally upon questions of art when required to do so by the President, or by Congress." Since then, every Presidential administration has offered support for arts programs, from President Franklin Delano Roosevelt's WPA programs to President Eisenhower's advocacy of a Federal Advisory Commission on the Arts, from President Kennedy's proposal for a Federal Advisory Council on the Arts to President Johnson's work in creating the current Federal arts agencies.

Mr. CRANE then argues that Federal arts funding is unnecessary, that private funding alone will sustain our Nation's artists and arts groups. That again is false. While the NEA funding is tiny—representing just one one-hundredth of 1 percent of the Bush administration's total proposed budget—the funds are a catalytic part of a public/private partnership through which public arts funding helps to generate tenfold the amount in non-Federal funds. This small Federal funding cannot be taken for granted, particularly at a time of difficult economic times, when many local theater groups have had to cease operations due to financial reasons, museums have shortened their hours, and every arts group has been forced to evaluate their artistic offerings to meet fiscal realities.

Finally, Mr. CRANE makes the argument that by merely choosing some grant applications over others, the NEA practices censorship. Surely, choices must be made in arts funding, just as they are made in funding science and technological research. With a limited amount of funds, the Federal Government simply cannot fund every person or group that applies for a grant.

In fact, the NEA's peer review process is remarkably democratic, with decisions made by grant review panels composed of professional artists and experienced lay people and in tandem with the Presidentially appointed National Council on the Arts.

While we are debating the funding of the NEA, I must urge that the NEA not only be funded—and, ideally, at a higher level—but that it also seek to foster the greatest climate of free expression and creativity. The best method of judging artistic excellence is through the process currently in place. It must not be compromised by any administration or any administrator. Artistic excellence must be the true and real goal of endowment grants and, certainly, must never be a smoke screen for political considerations.

I urge my colleagues to support the continued funding of the NEA and also to support an NEA that fosters the greatest climate of freedom of expression, so that the NEA can continue its vital work, so that works of creativity are judged for excellence and not safety, and so that our artists are in fact encouraged to let their imaginations and their talents soar.

I urge defeat of the Crane amendments.

Mr. YATES. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman and members of the committee, I think a very important point here, and the gentleman from New York made it, is that there is a great leveraging effect. Many corporations, many patrons of the arts use the NEA as a measuring stick to determine what their contribution will be if any.

I would suggest that it is probably about 10 private to 1 Federal.

Our Nation, as compared to most nations, contributes substantially less, because of the Tax Code, and I am sure that the gentleman who sponsored the amendment supports the deductions in the Tax Code for contributions to museums, art works and so on. Because of the Tax Code art support is largely private. I would emphasize again that the many private donors look to the NEA for guidance in making their judgment, so it has a great value there.

The constitutional question has been raised. The Constitution is silent on the arts, but it is silent on education, and yet we do a lot of education programs under the Federal aegis.

I think the gentleman from Illinois made one important point and that is that there has not been enough disbursement of grants. I think he would find that under the authorizing act that was passed a couple years ago more money is going to the States, there is a greater geographic diversity of people on the panels in the present mode, and that we are getting a lot greater expansion of the grants into many regions of the country.

I would point out that certainly in my area, and I am sure this is true of many areas, it is the grants that make possible symphonies, make possible string ensembles to go out into the schools. NEA has become a very strong education program, and I do not think it is something we want to abandon.

Presidents from George Washington to Ronald Reagan have given strong support to the need for some Federal involvement in the arts program.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. REGULA was allowed to proceed for 30 additional seconds.)

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. REGULA. Yes; I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, will the gentleman cite the example of George Washington invoking Government support of the arts?

Mr. REGULA. Well, I can only quote from George Washington. He said:

> The arts and sciences essential to the prosperity of the state and the happiness of human life have a primary claim to the encouragement of every lover of his country and mankind.

Mr. CRANE. To be sure, but that was exclusive of Government involvement and he, too, was at that Philadelphia Convention and participated in that overwhelming condemnation of the idea that the National Government had a function in this area.

Mr. YATES. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Chairman, I rise in opposition to the gentleman's amendment and simply say that while no one of us supports every grant made by the NEA, under the new leadership of Anne Imelda Radice, it has done excellent work around the Nation and in the State of Kentucky and in Louisville.

Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. YATES. Mr. Chairman, my friend and colleague, the gentleman from Illinois [Mr. CRANE] filed this same amendment last year, and advanced exactly the same arguments as he did last year. I would not be a bit surprised to find that the same words were used that he used last year.

□ 1840

This amendment was resoundingly defeated last year, and I hope and trust that this year it will meet the same fate.

I believe it will because his arguments are ill-founded. He asked the gentleman from Ohio about George Washington. I have the same quote in the data that I have, but I go further and I cite what Thomas Jefferson wrote to James Madison in 1785. I quote:

> You see, I am an enthusiast on the subject of the arts, as its object is to improve the taste of my countrymen, to increase their reputation, to reconcile them to the respect of the world and procure them its praise.

Thomas Jefferson was a strong supporter of the arts.

Mr. Chairman, the National Endowment for the Arts has led—has led the arts in this country to a preeminent position in the world. American symphonies are among the greatest in the world. Our dancers are among the best. Our theater is played everywhere in the world, under the leadership of NEA. But this is just a small part of NEA's activities.

Witness after witness appeared before our committee and told us how NEA had brought joy and grace to their communities, such as Wally Richardson in a farm community in Nebraska. There have been others from farm communities who have told us how NEA has helped raise the happiness of the people who live in their community. Or the people from the hills of North Carolina, with their folk music; NEA has sponsored that also.

Central cities of the country have been helped by NEA grants.

The amendment of the gentleman from Illinois [Mr. CRANE] proposes to kill NEA and to kill its activities all over the country. If you believe that arts and humanities are important to the lives of your constituents, you will vote down this amendment.

Mr. Chairman, this amendment will kill the dream of many people throughout the country who now look toward NEA for the opportunity to bring light to their lives.

I hope you will kill this amendment instead of killing NEA.

Mr. HOUGHTON. Mr. Chairman, I rise in opposition to the Crane amendment. It would bring an end to a program which has helped many Americans.

We have heard a persuasive response to Mr. CRANE's reasons for offering the amendment. I will not address that here.

What I do want to talk about today, however, is the impact that repeal of the National Endowment for the Arts would have on the 34th District of New York. Let me explain. As I was growing up in this mostly rural area, there was no opportunity to view great art exhibits, hear outstanding music or see a show. Thanks to the NEA, these opportunities are now possible—either live or by means of public broadcasting.

Virtually all NEA funding goes to mainstream institutions which carry forward the kind of arts projects and programs that the communities themselves support. The 34th district has received $255,500 for such projects over the past 2 years. This money has gone for projects like helping the city of Alfred—located in one of the state's poorest and least populated counties—prepare for growth associated with several technology centers. A small press in Fredonia—White Pine, Inc.—over the past 2 years has been awarded $55,000 for publishing books on trade and original fiction. Chautauqua Institution and a puppet theater in Westfield have also been recipients of NEA grants.

At the New York State level, the Council of Arts received a grant to support emerging local arts agencies serving rural communities. "American Playhouse" and "Live from Lincoln Center" are other endowment-supported projects that reach every American with access to public television.

Investment in the arts makes sense financially. To repeat some well-known facts: Every dollar the NEA invests in the arts attracts $11 from other sources; and every dollar the NEA invests in communities realizes a twenty-fold return in jobs, services and contracts.

Mr. Chairman, at a time when State government is cutting back on arts funding—I just learned that the Adams Art Gallery in Dunkirk, NY, will close during the summer months because of those cutbacks—it is important that we at least maintain the current level of such funding here in Washington.

A recent Harris poll indicates that 91 percent of Americans think that it is important to involve children in the arts—a majority said the arts are as important to education as learning to read and write well. I agree.

The NEA budget is less than two one-hundredths of 1 percent of the Federal budget. To balance the budget is not to cut the NEA. Annually, each American pays taxes of $1,137 for the military, $201 for education, and 68 cents for the arts. Those who would abolish or cut back on NEA need only look at places like the 34th district to learn that in most cases the endowment does its job quietly, sensitively, and in the process bring arts and a greater application for a better and decent world to our children.

To quote columnist David Broder,

> A nation that cannot afford to finance its arts * * * is a nation that has lost its perspective, its self-confidence and probably its soul.

Let us vote down this amendment.

Mr. GREEN of New York. Mr. Chairman, I should like to express my strong opposition to two amendments under consideration today that would seriously erode one of the Federal Government's most worthwhile investments, namely funding for the arts through the National Endowment for the Arts [NEA].

The amendment offered by the gentleman from Florida [Mr. STEARNS] would deny the NEA its modest increase of approximately $3 million contained in the Interior appropriations bill for fiscal year 1993. The other amendment, offered by the gentleman from Illinois [Mr. CRANE], would eliminate all funding for the NEA. As we consider these amendments, I should like to remind my colleagues that investment in the arts contributes not only to the cultural life of this country but also to its economy. In New York City, for example, nonprofit theaters, many of which depend on modest NEA grants for their survival, infuse up to $102 million each year into the local economy in direct expenditure, for a total economic impact of over $400 million per annum. Those same theaters channel approximately $55 million toward salaries, fees, and other personnel costs and provide full- and part-time employment for 1,014 administrators.

Throughout the country, in just as significant if perhaps smaller numbers, there exists similar evidence of cultural enhancement, job creation, and economic growth that result from NEA funding. I believe it would be unwise to walk away from our longstanding commitment to a program that produces such positive benefits to the people of this country and urge my colleagues to oppose both amendments.

The CHAIRMAN. All time has expired.

Mr. CRANE. Mr. Chairman, I ask unanimous consent to speak for 1 minute in response to the gentleman from Illinois.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. CRANE]?

Mr. YATES. Mr. Chairman, I am compelled to object. I told the House a few moments ago that we have these time limitations and we find the time limitations being abused by Members who want to take extra time.

Mr. Chairman, with due deference and respect for my friend, the gentleman from Illinois, I must object.

The CHAIRMAN. Objection is heard.

All time has expired on the amendment.

The question is on the amendment offered by the gentleman from Illinois [Mr. CRANE].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. CRANE. Mr. Chairman, I demand a recorded vote, and pending that, make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Ninety-one Members are present, not a quorum.

Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question.

Members will record their presence by electronic device.

The call was taken by electronic device.

[Roll No. 297]

Abercrombie
Ackerman
Alexander
Allard
Allen
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Combest
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Early
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Franks (CT)
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Stump
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

□ 1903

The CHAIRMAN. Four hundred four Members having answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Illinois [Mr. CRANE] for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 85, noes 329, not voting 20, as follows:

[Roll No. 298]

AYES—85

Allen
Archer
Armey
Baker
Barton
Bennett
Bliley
Boehner
Bunning
Burton
Callahan
Campbell (CA)
Coble
Combest
Condit
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan

Edwards (OK)
Emerson
Ewing
Fawell
Fields
Gallegly
Gekas
Gibbons
Goodling
Hall (TX)
Hancock
Hansen
Hastert
Herger
Holloway
Hunter
Hutto
Inhofe
James
Johnson (TX)
Kyl
Lagomarsino
Laughlin
Lent
Lewis (FL)
Lightfoot
Livingston
Marlenee
McCandless
McGrath
Miller (OH)
Moorhead
Nichols
Orton
Oxley
Packard
Petri
Quillen
Riggs
Roberts
Rohrabacher
Roth
Sarpalius
Schulze
Sensenbrenner
Shuster
Skelton
Smith (OR)
Solomon
Stearns
Stenholm
Stump
Sundquist
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Vucanovich
Walker
Young (AK)

NOES—329

Abercrombie
Ackerman
Alexander
Allard
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Ballenger
Barnard
Barrett
Bateman
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Camp
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Collins (IL)
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallo
Gaydos
Gejdenson
Geren
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Harris
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Hopkins
Horn
Horton
Houghton
Hubbard
Huckaby
Hughes
Ireland
Jacobs
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
LaFalce
Lancaster
Lantos
LaRocco
Leach
Lehman (CA)
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Montgomery
Moody
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (MN)
Pickett
Pickle
Porter
Poshard
Price
Pursell
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roe
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schumer
Serrano
Sharp
Shaw
Shays
Sikorski
Sisisky
Skaggs
Skeen
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Solarz
Spence
Spratt
Staggers
Stallings
Stark
Stokes
Studds
Swett
Swift
Synar
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)
Zeliff
Zimmer

NOT VOTING—20

Collins (MI)
Coughlin
Cox (CA)
Dymally
Feighan
Gephardt
Gingrich
Hatcher
Hoyer
Hyde
Johnson (CT)
Kolter
Lehman (FL)
McEwen
Mollohan
Peterson (FL)
Ray
Tallon
Thomas (GA)
Traxler

☐ 1909

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1910

AMENDMENT OFFERED BY MR. BREWSTER

Mr. BREWSTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BREWSTER: Page 92, beginning on line 1, strike "and the Mason Neck National Wildlife Refuge".

The CHAIRMAN. Under the 5-minute rule, the gentleman from Oklahoma [Mr. BREWSTER] will be recognized for 5 minutes, and the gentleman from Illinois [Mr. YATES] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Oklahoma [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, I am offering this amendment today for several reasons. My amendment will protect the mission of the U.S. Fish and Wildlife Service. This amendment will protect the rights of hunters. And this amendment will protect the future of our Nation's wildlife refuges through the use of sound wildlife management programs.

Language was included in the fiscal year 1993 Interior appropriations bill because of concern for the safety of residents near Mason Neck National Wildlife Refuge. However, the basis of this concern is not well founded. It has been suggested that a child might accidentally be shot—or a hunter might wander from the refuge and into a nearby homeowner's backyard. It has also been stated that the eagle population of Mason Neck would be disturbed by a hunt. I will tell you today that none of these concerns have any real basis for support.

The U.S. Fish and Wildlife Service has conducted this hunt for 3 years. During this time, refuge officials have not received one single complaint of a stray hunter. Not one single report of injury. And not one single report of disturbed eagles.

Management officials for the Fish and Wildlife Service have constructed a very safe controlled hunt. They require the hunters participating to meet or fulfill many regulations that are actually more stringent than those of the State of Virginia. For example, hunters are required to:

Meet all standards for Virginia hunting regulations.

Attend and receive safety certification which is given in lecture format.

Receive certification on a firing range, by placing five out of eight buckshot pellets in a 20-inch circle.

Wear 400 inches of orange as opposed to the normal Virginia regulation of 100 square inches.

Use only 20-gauge or larger shotguns loaded only with buckshot.

The refuge allows only 42 hunters to be on the refuge at any one time. The Fish and Wildlife Service also allows only those hunters who are selected by lottery to participate in the hunt.

Refuge officials have also taken every precaution for the safety of nearby residents. All boundaries of the refuge contain a 100-yard-wide no hunting zone. In addition, any road adjacent to or through the refuge contains a 100-yard-wide no hunting zone on each side. These zones are marked with fluorescent pink plastic sheets that refuge rangers hang from trees at 20-foot intervals. Along the short part of the boundary that adjoins house lots there is a 275- to 400-yard no hunting zone. This area is marked with green sheets of plastic. This zone encloses a tree stand hunting area only. These precautions insure that all shots are at a downward angle.

The eagle nesting site is also protected by a no hunting buffer zone of one-half to three-fourths of a mile. Refuge officials have recorded no change in the behavioral patterns of the eagles during or after the hunt. Biologists believe this hunt has no effect on the nesting habits of the eagle. In fact, last year the refuge produced three eaglets. This is an all-time record for Mason Neck.

There are many problems that could occur if the deer population of Mason Neck is not brought under control. The deer have already completely killed an important zone of forest undergrowth through overbrowsing. Deer do not graze, they browse. If this overpopulation is allowed to continue there wil not be sufficient numbers of young trees to replenish the old trees that die. These are the same trees that the resident bald eagles will use for nesting in the future. Overpopulation also causes the deer to eat forage that would provide food for other forms of wildlife. An overpopulation also increases the possibility of deer/vehicle collisions. Between the years of 1980 and 1990, the Virginia State Police statistics show 10 people were killed and 1,733 people were injured in accidents involving deer. Another 22,709 accidents occurred in which only property damage occurred. These accidents caused $27,225,463 of damage, and these numbers are just from Virginia roads.

In addition to the local problems imposed on Mason Neck by this legislation, we should also consider the nationwide implications of this legislation. We, in Congress, would be preempting the mission of the U.S. Fish and Wildlife Service. Their mission charges USFWS with expert management of the national wildlife and refuges. Management that is developed by professional biologists, ecologists, and environmentalists. For Congress to tell these professionals how to do their complex job would be much like us trying to tell a nuclear physicist how to build an atomic bomb.

They are the experts, we are not. I strongly believe we should let them continue to do their job in the professional and successful way they have done in the past.

In closing I would like to reiterate that the Fish and Wildlife Service knows their business. They conduct safe hunts. They practice sound management techniques. And we should let them continue to do so. I ask my colleagues to vote "yes" for this amendment.

Mr. SCHULZE. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Pennsylvania.

Mr. SCHULZE. Mr. Chairman, I rise in strong support of the Brewster amendment to strike language contained in the bill which would prohibit the Fish and Wildlife Service from conducting a safe and controlled deer hunt on the Mason Neck Refuge.

Mason Neck Refuge was established in 1969 as a refuge for our Nation's symbol, the bald eagle.

The refuge has been successful in retaining a breeding pair of eagles, who have produced young eaglets the past 2 years. Indeed, three new eagle nests have recently been found in nearby areas.

However, the refuge faces an environmental disaster because of the overpopulation of the whitetail deer herd. The deer herd has stripped the refuge of most trees less than 7 years old. Without reducing the herd size now, the ecological damage will continue and we will lose habitat for other species.

The opponents of a controlled deer hunt state that deer hunting bothers the eagles, is a threat to the safety of the residents of the area, and is ineffective in reducing the size of the deer herd. Let me address these issues one at a time.

First, eagles are not overly sensitive to loud noises or human presence. Not only is this clear from the fact that the eagles in Mason Neck are still at the refuge, but they have produced and continue to produce offspring. Furthermore, eagles are plentiful at Aberdeen Proving Grounds. Yes, APG where the army fires ordnance virtually every day of the year. Last year 990,000 rounds were fired, everything from small caliber handguns to 155 millimeter cannons. And with all this activity Aberdeen is home to five breeding pairs of eagles and, last January, 112 bald eagles were using the area.

It is clear that shotgun fire at Mason Neck does not and will not cause eagles stress.

Second, safety of the residents of the area. The refuge manager and the Fish and Wildlife Service have taken great steps to ensure the safety of the residents and the hunters on the refuge. All hunters must pass a gun safety test as well as prove their marksmanship by placing five buckshot pellets at 20 yards in a 20-inch circle. In addition, only buckshot is allowed and it has an effective range of only 40 yards.

The Fish and Wildlife Service has placed a 100-yard buffer zone around the refuge and has set aside 500 acres around the eagles nest as off limits to hunters. Fish and Wildlife requires hunters to wear four times the amount of blaze orange required by other hunters in Virginia.

Finally, the opponents of the hunt state that hunting is not an effective way of reducing herd size. This simply is not the case. During last year's hunt, of the 137 deer removed, 86 were does and 51 were bucks.

If you assume that one doe gives birth to an average of two fawns per year, the deer population was reduced by an additional 172 deer.

The best way of reducing the deer herd is to take more does. To achieve this reduction, antlerless deer taken from the refuge will not count toward the Virginia bag limit, encouraging more hunters to take does.

In conclusion, Mr. Chairman, hunters and sportsmen have contributed billions of dollars to enhance our wildlife resources. We must not allow political considerations to get in the way of professional wildlife management.

The professionals at the Fish and Wildlife Service and the wildlife biologist on the refuge support the hunt as the best and most effective way to protect the deer herd and the ecological balance of the refuge.

I strongly urge my colleagues to support our environment by voting "yes" on the Brewster amendment to strike.

Mr. BREWSTER. Mr. Chairman, I ask unanimous consent to reserve the balance of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. YATES. Mr. Chairman, I yield to the gentleman from Florida [Mr. JOHNSTON].

(Mr. JOHNSTON of Florida asked and was given permission to revise and extend his remarks.)

Mr. JOHNSTON of Florida. Mr. Chairman, I strongly oppose the Brewster amendment.

Mr. Chairman, I urge defeat of the Brewster amendment which would strip H.R. 5503 of language prohibiting an open deer hunt on the Mason Neck National Wildlife Refuge. As a member of the Interior Committee, I strongly support the original intent of national wildlife refuges. Mason Neck is a particularly important refuge because its primary purpose is to protect the endangered bald eagle. Not only is our national bird very sensitive to and greatly affected by any human activity, the eagles are also threatened by the lead poisoning from the ingestion of buck shot pellets when feeding on deer carcasses.

This amendment is all the more negligible given the fact that the hunt would take place adjacent to two densely populated residential neighborhoods. The residents of Mason Neck are particularly concerned about their children who often use the outskirts of the wildlife refuge as a playground. The refuge is separated only by a small buffer zone which park authorities stated in public hearings they did not have sufficient staff to enforce. Numerous incidents of hunters within range of neighborhood homes have been reported.

It is unfortunate that the wildlife we seek to protect on our national wildlife refuges are being considered open game for hunters. The safety of the residents of Mason Neck are at stake as well as our entire system of wildlife protection. Hunting must never be permitted on wildlife refuges. I am a cosponsor of the Refuge Wildlife Protection Act which would prohibit the sport hunting and commercial trapping of wildlife in our National Wildlife Refuge System. Hunting on land reserved for the preservation of wildlife is an inconsistency that must be amended. Unfortunately, for the residents of Mason Neck, the term sanctuary has lost its true meaning.

I urge defeat of the amendment.

Mr. YATES. Mr. Chairman, I yield to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Chairman, we have heard from the gentleman from Oklahoma [Mr. BREWSTER], the author of this amendment, that he went into my congressional district last Sunday. He did go last Sunday, and he decided, because he was with someone in favor of this deer hunt, that there ought to be a deer hunt. He was there one Sunday afternoon.

Mr. Chairman, I represent this area. The gentleman from Oklahoma [Mr. BREWSTER] did not talk to any of the people in the PTA. All of the PTA members have opposed this deer hunting at Mason Neck in Fairfax County. He did not talk to any of the civic association leaders. Every single civic association opposes this deer hunt.

Why would they oppose the deer hunt? Because it is near two very densely populated residential neighborhoods. This refuge is one-tenth the size of the average refuge in this country.

There are 608 schoolchildren who attend school near by. There are dozens of school children who wait at the bus stop next to this refuge.

When the PTA took the refuge manager and asked him to explain why deer hunting was necessary, that refuge manager suggested at the PTA meeting that the children ought to wear blaze orange and carry pots and pans with them to the bus stop.

Mr. SCHULZE. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Pennsylvania.

Mr. SCHULZE. Mr. Chairman, I talked to the refuge manager, and he said he absolutely did not say that and he resents being quoted in that manner. He says he did not even infer that.

Mr. MORAN. Mr. Chairman, I would say to the gentleman from Pennsylvania [Mr. SCHULZE], if he would talk to some of the PTA members, he would hear quite the opposite.

I have heard from dozens of PTA members who have told me that.

The point is, this is a populous area. This is Fairfax County. There are 800,000 people living in Fairfax County.

This was set up as a bald eagle sanctuary. It was set up in 1969 by Mo Udall and many of the other Members here. It was solely for the purpose of sanctuary for bald eagles.

In fact, it was said at the time, the urgent need to prohibit hunting was necessary to protect the eagles.

In 1983, the Fish and Wildlife Service came to the Federal Government and asked to be able to purchase another 350 acres because they feared that it was private property and that they might allow hunting, which was detrimental to the purpose of that bald eagle sanctuary.

We went ahead. We bought their argument. We purchased that land.

My colleagues, this is an accident waiting to happen. The speakers today are going to tell my colleagues no one has been shot or killed. That is correct.

The reason I am here is because I do not want anybody to be shot or killed. I tell my colleagues, with all the young children in this area who regularly use this sanctuary to play in, their backyards buttress up to the wildlife refuge, they go into the woods to play. The only way to distinguish the sanctuary is some painting on some of the trees.

□ 1920

The children play in those woods. One day there is going to be an accident that all of us will deeply regret who vote for this to allow deer hunting in such a populous area.

Colleagues, please do the right thing. I am not against deer hunting. The point is there are places appropriate to deer hunting and there are places that are not appropriate. This is not appropriate.

Mr. BREWSTER. Mr. Chairman, I yield to our distinguished colleague, the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, years ago I was the chairman of the Subcommittee on Fisheries and Wildlife Conservation to set up this area. It was understood that this area was going to be administered under the Refuge Administration Act for the protection of the habitat and for the protection of the animals there. It was fully expected that hunting would be permitted.

The gentleman is all wet on what he has said. He indicated it was Mo Udall who said it. It was not Mo Udall, it was JOHN DINGELL, on the Committee on Merchant Marine and Fisheries, that did it. The idea was that this hunting could take place under safe circumstances, under safe conditions, it should be permitted to be done, and the Fish and Wildlife Service should be permitted to administer the refuge for the good of the species, which includes controlling excessive numbers of some populations.

Mr. BREWSTER. Mr. Chairman, I yield to my distinguished colleague, the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Oklahoma.

I would first like to dispel the notion that the Mason Neck Wildlife Refuge deer hunt endangers residents of nearby communities.

Every aspect of this hunt is carefully regulated. Based upon extensive ballistic testing, the Fish and Wildlife Service has established safety zones around the margins of the Mason Neck refuge to prohibit any hunting activity in proximity to homes, roads, or habitat of the bald eagle. These safety zones are far larger than the buffers in place in other refuges throughout the Northeast.

The hunters who participate must attend safety lectures in order to receive proper certification and must be skilled enough to pass difficult accuracy standards. These hunters are also encouraged to walk the refuge prior to the hunt in order to gain an understanding of the terrain.

The Fish and Wildlife Service has taken every step possible to make this a safe hunt. The fact is that the deer hunt on the Mason Neck Wildlife Refuge is strictly supervised and is not a hazard to residents of the area.

Rather the hunt is needed to preserve the ecosystem of the refuge and protect the habitat of the bald eagle.

The professional wildlife managers of the Fish and Wildlife Service have concluded that uncontrolled growth of the deer population threatens the vegetative cover of the refuge, and imperils the ecosystem upon which the endangered bald eagle depends. Our Government's wildlife managers have determined that a short, supervised hunt of the deer population is the most effective and proper wildlife management tool to bring this deer population under control.

Opponents of this amendment want to second guess our wildlife managers and they suggest that professional marksmen should conduct this hunt instead of the trained, tested, and limited number of public hunters. Implied in this argument is the dubious assumption that professional marksmen will not make as much noise as public hunters, will disturb the bald eagles less, and will be less prone to accident than experienced public hunters.

Mr. Chairman, Members of the House should not be fooled. Opponents of this amendment cannot mask the fact that they have a policy dispute with the Fish and Wildlife Service that is far more general than the specifics of the Mason Neck Wildlife Refuge.

The Fish and Wildlife Service recognizes hunting as a legitimate recreational activity on our national wildlife refuges, but the opponents of this amendment do not.

The Fish and Wildlife Service believes that regulated hunts represent an effective wildlife management technique, but the opponents of this amendment do not.

The U.S. district courts have upheld the judgment of the Fish and Wildlife Service in this respect, but the opponents of this amendment want to overturn these court decisions.

The opponents of this amendment would like to use this opportunity to continue their assault on the rights of the recreational public hunter to utilize our national wildlife refuges. The House should overwhelmingly approve the amendment offered by the gentlemen from Oklahoma and support the rights of the hunting public.

The CHAIRMAN. The gentleman from Oklahoma [Mr. BREWSTER] has consumed all of his time, and the gentleman from Illinois [Mr. YATES] has 2 minutes remaining.

Mr. YATES. Mr. Chairman, I yield the balance of my time to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong opposition to this amendment. On this amendment we are faced with a rather special choice, do we wish to respond to the fears of the local residents who live next to the Mason Neck Refuge year round or do we cater to the pleasures of only weekend hunters who force the residents to worry every time their children go outside to play. I have decided to stand with the residents who can hear the gunshots from their porches and see the hunters from their windows.

I want to stand with the residents who see this endangered bald eagle sanctuary and see the bald eagles flee from the gunshots, fearing for their own safety, seeing bald eagles die from eating buckshot left in dead deer. I want to stand with the residents who have seen the hunt fail to control the deer population and who would prefer Fairfax County department methods to try to control the herd.

For several years now language has been included in this Interior bill that protects the Loxahatchee National Wildlife Refuge in south Florida from deer hunting. The refuge manager has found other methods for effectively controlling the deer population, which was the argument that was used when the Loxahatchee restriction first came up on this floor. That was 10 years ago. They have effectively controlled it without any problem. I believe the deer population in Mason Neck can be controlled using similar methods that would not endanger the local population.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to the gentleman from Virginia.

Mr. MORAN. I thank the gentleman for yielding to me.

In fact, Mr. Chairman, the Fairfax County Department of Animal Control has offered to use professional marksmen to cull the heard, to shoot the sick and the lame, and they have offered that for 2 years. It has been rejected by the Fish and Wildlife Service. That is the way to do it. There are two refuges on either side. They have determined, the State and local government has determined, that there is not an excessive deer population, and in fact it would be too dangerous to the residential neighborhoods to have deer hunting. We are overriding the State and local government to do this.

Mr. SMITH of Florida. Mr. Chairman, I have great respect for the gentleman from Michigan [Mr. DINGELL], but when this refuge was established there were not always the million people living in Fairfax County that there are now. The people are more important on this issue.

The CHAIRMAN. All time has expired on the amendment.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. BREWSTER].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MORAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 255, noes 160, not voting 19, as follows:

[Roll No. 299]

AYES—255

Alexander
Allard
Allen
Andrews (TX)
Applegate
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bentley
Bereuter
Bevill
Bilirakis
Boehlert
Boehner
Boucher
Brewster
Brooks
Browder
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Carr
Chandler
Chapman
Clement
Clinger
Coble
Coleman (TX)
Combest
Condit
Costello
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLay
Dickinson
Dicks
Dingell
Donnelly
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Eckart
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Espy
Ewing
Fazio
Fields
Fish
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gekas
Geren
Gillmor
Gilman
Glickman
Goodling
Gordon
Goss
Gradison
Grandy
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hobson
Holloway
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Johnson (TX)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kildee
Klug
Kolbe
Kopetski
Kostmayer
Kyl
Lagomarsino
Lancaster
LaRocco
Laughlin
Leach
Lehman (CA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Marlenee
Martin
Martinez
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
McMillen (MD)
McNulty
Michel
Miller (OH)
Molinari
Mollohan
Montgomery
Moorhead
Morrison
Murphy
Murtha
Myers
Neal (NC)
Nichols
Nussle
Oberstar
Olver
Ortiz
Orton
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Paxon
Penny
Perkins
Peterson (MN)
Petri
Pickett
Pickle
Poshard
Pursell
Quillen
Rahall
Ramstad
Ravenel
Rhodes
Ridge
Ritter
Roberts
Roemer
Rogers
Rohrabacher
Rose
Roth
Rowland
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Sharp
Shaw
Shuster
Sisisky
Skeen
Skelton
Slattery
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Staggers
Stallings
Stearns
Stenholm
Stump
Sundquist
Swett
Swift
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thornton
Unsoeld
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walsh
Weber
Weldon
Whitten
Williams
Wilson
Wise
Wolf
Wyden
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—160

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bacchus
Barnard
Bateman
Beilenson
Bennett
Berman
Bilbray
Blackwell
Bliley
Bonior
Borski
Boxer
Broomfield
Brown
Cardin
Carper
Clay
Coleman (MO)
Collins (IL)
Conyers
Cooper
Cox (IL)
Coyne
DeLauro
Dellums
Derrick
Dixon
Dooley
Downey
Duncan
Durbin
Dwyer
Early
Edwards (CA)
Engel
Evans
Fascell
Fawell
Flake
Foglietta
Ford (TN)
Frank (MA)
Gejdenson
Gibbons
Gilchrest
Gonzalez
Green
Hayes (IL)
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Jacobs
Jefferson
Johnson (SD)
Johnston
Jones (GA)
Kasich
Kennedy
Kennelly
Kleczka
LaFalce
Lantos
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Matsui
Mavroules
Mazzoli
McCloskey
McDermott
McHugh
Meyers
Mfume
Miller (CA)
Miller (WA)
Mineta
Mink
Moakley
Moody
Moran
Morella
Mrazek
Nagle
Natcher
Neal (MA)
Nowak
Oakar
Obey
Olin
Owens (NY)
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Porter
Price
Rangel
Reed
Regula
Richardson
Rinaldo
Roe
Ros-Lehtinen
Rostenkowski
Roukema
Roybal
Russo
Sabo
Sanders
Sangmeister
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Shays
Sikorski
Skaggs
Slaughter
Smith (FL)
Smith (IA)
Solarz
Stark
Stokes
Studds
Synar
Torres
Torricelli
Towns
Traficant
Vento
Visclosky
Washington
Waters
Waxman
Weiss
Wheat
Wolpe
Wylie
Yates

NOT VOTING—19

Collins (MI)
Coughlin
Cox (CA)
Dymally
Feighan
Ford (MI)
Gephardt
Gingrich
Hatcher
Hyde
Kolter
Peterson (FL)
Ray
Riggs
Savage
Tallon
Thomas (GA)
Traxler
Walker

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Mr. COOPER and Mr. NAGLE changed their vote from "aye" to "no."

Messrs. DICKS, WHITTEN, and DICKINSON changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair would note that a 15-minute vote has taken about 24 minutes apiece tonight, and the Chair is going to begin to honor the rules of the House very carefully; when the Chair says 15 minutes, it means 15 minutes.

PARLIAMENTARY INQUIRY

Mr. ROBERTS. Mr. Chairman, I have parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ROBERTS. Mr. Chairman, I think your watch and my watch were exactly the same. We discussed this, and it was 27 minutes on a 15-minute vote.

Is it within the discretion of the Chair to limit the time after the 15 minutes has expired? Is that the discretion of the Chair?

The CHAIRMAN. The rule provides a minimum of 15 minutes, so the Chair could end the vote at any time after that that the Chair deemed appropriate.

Mr. ROBERTS. I applaud the Chair's timely decision.

AMENDMENT OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, pursuant to the rule, I am the designee of the gentleman from Texas [Mr. DE LA GARZA], and I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STENHOLM: Beginning on page 92, line 20, strike all through page 95, line 7.

Mr. STENHOLM (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas [Mr. STENHOLM] will be recognized for 20 minutes, and the gentleman from Oklahoma [Mr. SYNAR] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment would strike section 312 from H.R. 5503. Section 312 would raise Federal grazing fees. By striking it, we permit the authorizing committee to address this important issue.

Mr. Chairman, I yield 2 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for yielding me this time.

I am pleased to join the gentleman as a cosponsor of this amendment.

My colleagues, there are a couple of myths that need correcting. One is that the West is populated by millionaire cattle barons who run hundreds of thousands of cattle on tens of thousands of acres of land, Federal land. The fact is that about 90 percent of the cattle people who run cattle on BLM land are family-sized operations. They have incomes, most of them, less than $30,000 a year.

We are talking about clobbering the little cattle operators, small business people of the West.

There is a myth that the grazing-fee increase in this bill is moderate. This is a more than 33-percent increase in grazing fees. It is significant. It is going to drive marginal cattle operations off of the land.

There is a myth that this is going to create a windfall in money, in Federal receipts. The fact is that the bill that is before us that I and the gentleman from Texas are trying to amend, if left as is, will only mean an additional $5 million in Federal receipts, but those $5 million having to be paid for by small business folks running cattle and sheep out in Montana and other States is going to be enough to drive some of them off the land.

The thing to recognize, my colleagues, is that this is not being done through the authorization process, because the authorizors recognized that this is a complex issue. We are in negotiations in Interior and Agriculture. We are in negotiations with the Senate. We are in negotiations with the administration trying to find a fair level for grazing fees which may, of course, include an increase in grazing fees. But this is a slam dunk of more than 33-percent increase to small operators out West, and they cannot afford it. You are going to drive them off of the land.

Mr. SYNAR. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, I would point out in view of a statement that just preceded mine that the amount of increase proposed in this bill would increase to $2.56 per animal unit.

Last year this body passed an increase to $4.35, very substantially more than we propose in this bill. It is a modest increase that we are talking about.

But let me also point out that we spend about $100 million to manage these lands. We get back in grazing fees $27 million.

□ 1950

We would be better off not to graze them, not to do anything with them because we are having a net loss of about $75 million.

Now, I understand part of that is management for wildlife, but of that $27 million, $13 million of the collected fees goes to range improvement. We put it back into the land. So we have $13 million left, even though we spent $100 million at the top end. Of the $13 million that is left, $6.7 million goes to local government. This is to the counties for schools, for local purposes, and what would happen is if the grazing fees are increased, there would be more money go to local governments.

Eight million dollars out of this $27 million when it is all said and done goes to the U.S. Treasury, to the taxpayer who owns the land, pays the bills of $100 million, has $8 million left to put into the Treasury. That does not make very much economic sense.

I recognize that we need to have these lands grazed, but I think it is a matter of what is fair. Our grazing fees are substantially lower than is the case in the private sector.

I would also point out that on an animal unit basis it is much less.

The Federal Land Policy and Management Act requires that the Government receive fair market value for its public lands.

We are trying to approach fair market value here, and yet people say, well, this is too much money. Very little has changed.

As a matter of fact, because of the formula, it is less now than it has been in some of the preceding years.

Therefore I think it is important that we get a fair return on our investment.

Now, of course, it has been stated that there will be hopefully some permanent legislation dealing with grazing fees, and that would be fine, but I have heard that siren song for a number of years now and I have yet to see the bill that would address the question of making basic change in the grazing law.

What we are trying to do here is simply say that what is fair is fair and make a modest increase in the grazing fees.

Now, we have also heard that this is going to hurt the small rancher. Ten percent of the BLM permittees had over 500 head of cattle and controlled 47 percent of the grazed land. People with less than 100 head controlled 16 percent of the AUM's. So I think to say that this is penalizing the small rancher begs the question, because from the statistics presented to us by the Forest Service and by BLM, it is quite clear that the large ranchers dominate.

One last comment, and that is that only 2 percent of the cattle are produced on public lands with grazing fees, so that 98 percent of cattle are produced entirely on private sector lands.

Mr. STENHOLM. Mr. Chairman, I ask unanimous consent that my 20 minutes be divided equally, 10 minutes to myself and 10 minutes to the gentleman from New Mexico [Mr. SKEEN]

The CHAIRMAN pro tempore (Mr. BARNARD). The gentleman from Texas [Mr. STENHOLM] has 8 minutes remaining.

Mr. STENHOLM. Mr. Chairman, I ask unanimous consent that 10 minutes be allotted to the gentleman from New Mexico [Mr. SKEEN].

The CHAIRMAN pro tempore. And 8 minutes to the gentleman himself?

Mr. STENHOLM. Eight minutes to myself, Mr. Chairman.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SKEEN. Mr. Chairman, I thank the gentleman for yielding me the time. I yield myself 1 minute.

Mr. Chairman, here we go again, grazing fees from people who know absolutely nothing about the grazing-fee base, where it came from and so forth.

The return from the fees, as stated by my friend, the gentleman from Ohio, to be $27 million and $13 million goes back. This comes out of the tax base that will normally belong to each of these States, but because of the public lands situation it is taken out of circulation and out of the tax base in that State, so the PILK money, the payment in lieu of taxes, comes back to them.

The other statement was that it does not make any economic sense. If it does not make any economic sense for those people who are the stewards of this land, taking care of it and paying a fee for the use of it while it is mixed in with theirs, then how come we do not apply the same logic and economic sense to the lighthouses in Gloucester Bay where the fishermen are not paying anything for the use of those lighthouses?

Mr. SYNAR. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. ATKINS].

Mr. ATKINS. Mr. Chairman, I rise in opposition to the Stenholm amendment. This is an amendment which would cost taxpayers $5½ million. What it would essentially do is continue an obscene subsidy that goes to some of the wealthiest individuals and the wealthiest corporations in this country.

We can talk all we want about the small cattlemen, the small ranchers, but the facts are the facts in terms of who benefits.

Ranchers who had over 500 head of cattle made up just 10 percent of the permittees under this program, but they controlled fully half of the total animal unit months. The small ranchers with under 100 head of cattle controlled just 16 percent of the animal unit months.

It is the big operators who are the ones who are getting the vast bulk of the subsidy, and it is a huge subsidy. This year it will cost $52 million to give people the privilege to graze their cattle on public lands, to increase problems of erosion, to increase problems in our stream banks.

And who is it that we are benefiting? If you look down the list, Union Oil Co., Getty Oil Co., Texaco, Zenchiku Land Corp. of Tokyo, major insurance companies. Massachusetts even has a piece of this action with the John Hancock Mutual Life Insurance Co.

But the granddaddy of them all is a fellow by the name of Daniel Russell, a real estate developer from Santa Barbara who controls 5.2 million acres of public range lands, a small little cattleman, an area that is larger than the size of the State of Massachusetts.

Mr. Chairman, let us get real. There is no reason to provide a subsidy to these folks. We want to cut the budget, we want to balance the budget. Let us start with the subsidies for large corporations, the subsidies for wealthy individuals. Let us return to common sense, make the program. If people want to graze on public lands, the program ought to at least pay for the cost to the Government of administering the public lands themselves.

This amendment would cost taxpayers $5½ million. It is the kind of thing that people just scratch their heads about. How can you support and be aggressively for a balanced budget amendment, but then want the big subsidies for the big operators in your district?

Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, I do not come to the well to support Union Oil or Getty Oil. I come to the well to support those in my district who now pay a reasonable grazing fee on public lands for the purpose of using those public lands. Those are ranching families in North Dakota.

We in this Chamber have many critical matters to conclude by October.

We are here tonight again faced with a policy matter on Federal grazing fees that properly belongs in the Interior Committee, but we are again trying to decide this complex matter with one-liners and 60-second spots on the floor. This is not the proper procedure of the House of Representatives; it is not a responsible way to legislate, and we already know that it will not end in a change in the grazing fees.

On the other hand, this body did clearly express its will on grazing fees in the proper legislative vehicle—the Bureau of Land management reauthorization bill. The other body is now considering that bill, and is, in fact, is conducting a hearing on Federal grazing fees today in an effort to set a grazing fee that is fair to both our ranchers and the taxpayers, who own the land.

So, the provisions on grazing fees does nothing for our legislative work except to delay our agenda of serious matters. It provides an arena for proponents of these rent increases to again make their case in half-truths and gross distortions of the way our ranchers rent our Federal range lands.

The proponents try to point to the cost of managing our Federal lands as a fault of the ranchers who rent the lands. They say the Federal Government's cost of managing the land is $52 million greater than the rental receipts, and, therefore, the rent must be excessively low. They forget to consider that perhaps the way Federal lands are managed is too costly, rather than that rent is too low.

Let me tell you that the State of North Dakota also owns public lands, and rents the land out to ranchers at rates that are a little higher, but quite comparable, to Federal rates in my State. And the State not only makes good money on those rangelands, but its agents make sure the land is kept in good condition by the renters.

The picture you will get from the proponents of this excessive increase in grazing fees is that the U.S. Treasury's shortfall is the fault of our ranchers when it is mostly a problem of cumbersome Federal regulation and bloated bureaucratic management. In these little soundbite-sized arguments we have here today, however, you will not get a reasonable perspective on the issue, and we will not be provided the kind of information we need to make a fair decision.

Please let the proper legislative process proceed, as it now is through the authorizing process, and please vote to remove this superfluous language from the appropriations bill.

Mr. SYNAR. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. DARDEN].

□ 2000

Mr. DARDEN. Mr. Chairman, I rise in strong opposition to this amendment and in support of the provisions in H.R. 5503 relating to fees charged for livestock grazing on public lands. In the past several years, I have joined several of our colleagues in introducing legislation to gradually increase Federal grazing fees to fair market value. This body has approved measures increasing the Federal grazing fee at least three times in the last 2 years.

Mr. Chairman, reform of the current rangelands management system is badly needed. The BLM and the U.S. Forest Service rangeland programs managing over 250 million acres of public land had a combined operating deficit of over $52 million dollars in 1990 alone. In addition to this operating loss, the American taxpayer is losing millions of dollars in grazing fee revenues every year as the result of the current Federal grazing fee that is one-fifth of the market value in some locations and one-third of the average market value in the Western United States.

Mr. Chairman, in a time when the Federal deficit is approaching $400 billion and the American people and economy are suffering, responsible management of public resources alone is reason enough to defeat this amendment and retain the grazing fee provisions in H.R. 5503.

But, Mr. Chairman, there are other reasons to support the rangeland management reforms included in H.R. 5503. The current program is fundamentally unfair to the vast majority of our Nation's livestock ranchers. Nationally, only 3 percent of all ranchers have access to this federally subsidized grazing land. In the Western States, only 10 percent of the ranchers have access to this below-cost services. The majority of ranchers, large and small, who do not have access to Federal grazing land are placed at a competitive disadvantage by the current policy. The Federal Government should not penalize the vast majority of this Nation's ranchers by subsidizing their competition.

Mr. Chairman, the grazing fee provisions in this bill would also restore thousands of acres of rangeland damaged by overgrazing and poor management by requiring that all grazing fees collected be utilized for restoration and management purposes only. In a number of reports issued over the past several years, the GAO has described the environmental risks created by declining allotment conditions, insufficient monitoring, and generally inadequate management of large sections of BLM and Forest Service rangeland. H.R. 5503 would apply grazing fee receipts to restoration of fish and wildlife habitat, restoration and management of riparian areas, and implementation of land management and allotment plans. This use of grazing fee receipts not only is environmentally responsible, but it protects the value and utility of an important public resource.

Mr. Chairman, many of those receiving the grazing fee subsidy are large ranching businesses and not the small mon-and-pop ranchers that some would have us believe. In fact, a recent combined report issued by BLM and the Forest Service showed that as of 1990 almost one-half—47 percent—of the total available grazing forage managed by BLM was controlled by only 10 percent of the total permittees. One permittee controls over 5 million acres of grazing land, an area larger than six of our Nation's States.

Mr. Chairman, I commend the chairman and members of the Appropriations Committee for addressing this issue, and I urge the Members of this body to cast a vote for fair and responsible management of taxpayer's property by defeating this amendment.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. I thank the gentleman for yielding to me.

Mr. Chairman, it is interesting to hear our cotton and peanut expert from Georgia talk about grazing on public lands, talk about subsidies.

Let me talk a little bit about land ownership patterns.

We are talking here about land that, in many cases, takes 70 to 100 acres per animal unit.

So you are not talking about the same kind of land you are talking about in Georgia. We are talking here about land that was homesteaded. The homesteaders took the water and the feed, the winter feed, and the rest is residual land that is not useful by itself. That is what we are talking about.

We are talking about the land that is in checkerboards, where every other section belongs to a private owner and the other is Government. How are you going to fence that?

You are not talking about using these as individual units. These units go together. We are talking also, when you talk about acres, grazing associations; 80 families in the Red Desert Grazing Association. You list them as one lessee.

That is one kind of thing we are talking about. I think we ought to talk about utilizing these lands in multiple-use optimum, getting winter feed, getting water, so that you can use wildlife. Wildlife is more abundant in Wyoming today on Federal lands then it was before the grazers came.

Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from Colorado [Mr. CAMPBELL].

Mr. CAMPBELL of Colorado. I thank the gentleman for yielding time to me.

Mr. Chairman, I appreciate the opportunity to speak in support of the Stenholm amendment. We have fought these arbitrary fee increases many times in the past; I continue to believe that it is poor public policy to drive families of the West out of the land.

Many of the proponents of increasing grazing fees believe they are voting to protect our environment. My colleagues should know that that argument couldn't be further from the truth.

Mr. Chairman, there is no argument that it has been the Taylor Grazing Act, passed in 1934, and the BLM's sensible use of livestock grazing that has allowed western lands to be in a better condition today than at any other time in this century.

Like most ranchers, Mr. Chairman, I wake up each morning on my ranch in southwestern Colorado. There, I know I must live with the environmental consequences of my actions. Ranchers can see, feel, and hear their impacts on the Earth. We know from firsthand experience that public lands grazing has an unquestionable positive impact on our rangeland environment. Although I do not have any grazing permits, Mr. Chairman, thousands of my constituents do.

Mr. Chairman, by supporting the Stenholm amendment, my colleagues will be voting to protect an important rangeland management tool. I urge a "yes" vote on the Stenholm amendment.

Mr. SYNAR. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. I thank the gentleman for yielding this time to me.

Mr. Chairman, what the Appropriations Committee has done is simply try to provide a little bit of equity on behalf of the taxpayers that we represent. They tried to provide an increase in these fees because these people can afford this increase in the fees and the taxpayers are entitled to it.

So far, this debate is around whether big people or little people are getting the benefits of this program. Our committee has addressed BLM lands and grazing fees, reforms, numerous times. But the Western Senators have blocked it each and every time. They fought very hard in the Committee on Appropriations on the subsidy, so that the subsidy to these individuals continues to grow.

At some point you have an obligation to the taxpayers you represent to treat them fairly, because what we have now is nothing more than corporate welfare for a few cows.

People talk about the family farmer and this amendment moving the family farmer off the farms. What are the names of those family farms? A family like the Cooke family, which just won the Americas Cup, spent $60 million, and it is worth several billions of dollars.

But they get a subsidy every year from the Federal Government for their cattle operations.

The Hewlett-Packard family, Hewlett and Packard run their ranches, and they get a subsidy.

The Metropolitan Life Insurance Co., nice, small, family operation, they get a massive subsidy from this operation.

The John Hancock family, the Chevron family, the Texaco family, it goes on and on, ladies and gentlemen. What you have here is a charade. You have people who run ranches, 26,000 people, 300 million acres, but the fact is, and I have said it time and again, the small people own a very small percentage—run a very small percentage of the cattle on the lands. It is the very largest.

I speak to you out of experience. We used to have Western water subsidies that went to everyone. One day we had to tell those farmers, "If you are small and are farming 960 acres out in the West, we will provide you subsidized water. But after that, you are on your own. Get your hand out of the taxpayers' pocket.

"This is big business, big operations, big land holdings and large numbers of cattle.

"Someday, folks, get your hands out of our pockets."

Now, mind you, these are the same companies that will come and tell you to let this system work, let the market price work in natural gas and in energy and in health insurance and in defense contracts, let the market work. "But don't let the market work" when it comes to their federally subsidized entitlement for the cows that they are babysitting on an annual basis.

The time has come to stop this.

This appropriations bill does not go nearly far enough in its reforms or the price changes. as Mr. REGULA pointed out, it is a modest increase. We are asking everybody in this Nation, millions of people who have lost their jobs, millions of people contributing to the welfare of this Nation, "How about the largest and the richest families and corporations in America just giving up their subsidy?" Just let us break even. We will give you back the land, just let us break even.

"Get your hands out of our pockets. Get your hands out of working people's pockets. Get your hands out of the taxpayers' pockets."

I say to my colleagues, do a favor for the taxpayers you represent. This amendment will bankrupt no one, it will bankrupt no one. If you need a small-farm exemption, come see us. We can discuss that. But that is not what is going on here.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of the Stenholm amendment to strike section 312, which would establish a new grazing fee formula. This section is a blatant circumvention of both the House and Senate authorizing committee's ability to oversee programs within its purview.

Section 312 flies in the face of past arguments made by proponents of an increase in grazing fees. In past years, they have argued that a gridlock in the authorizing committees has successfully frustrated their efforts resulting in a need for this circumvention. However, contrary to this line of debate, the House Interior Subcommittee on National Parks and Public Lands held hearings on grazing fees.

Subsequently, in July 1991, the House considered and passed H.R. 1096, BLM authorization legislation which included a grazing fee formula as proposed by Mr. REGULA. Further, less than 2 weeks ago the Senate Energy and Natural Resources Subcommittee on Public Lands, National Parks and Forests held hearings on H.R. 1096.

In addition to the House and Senate actions, however, to allay environmental concerns, the BLM has empaneled a blue ribbon commission to craft a performance based fee. The commission is made up of a cross-section of interests; from environmentalists to ranchers, to range scientists, this working group is charged with drafting a formula acceptable to all.

Last, there is an abundance of new information. The limited debate here on the House floor makes it impossible to fully consider the matter. The information must be given a chance to be reviewed in its improper forum.

The bottom line is this, negotiations are ongoing. New formulas are being crafted. Section 312 is nothing short of simple and blatant harassment by those of the "cattle free by 1993" mindset.

This issue needs to be fully debated and investigated in the authorizing committees. Section 312 will only frustrate continuing efforts.

I urge my colleagues to vote for the Stenholm amendment to strike section 312.

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Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from Idaho [Mr. LAROCCO].

Mr. LAROCCO. Mr. Chairman, last year I argued against increasing the grazing fee in the Interior appropriations bill. I asked Members to give the authorizing committees the opportunity to consider this issue.

We have done that job. Earlier this year, hearings were held by the House Interior and Senate Energy Committees. We are searching for a solution that will give us certainty and fairness. The process is underway.

Unfortunately, many Members think this process does not matter.

Well, Mr. Chairman, I think it does matter. It matters to me as a member of the Interior Committee; it matters to the public lands States like Idaho; and it matters to the ranchers in my district.

Many Members may believe a 33-percent increase in grazing fees will not hurt. But family farmers and ranchers in Idaho have something in common with factor workers in Ohio and Michigan—the economic recovery that has been promised has not arrived.

The farmers, and ranchers, and bankers in my district are waiting—and praying—toughing it out through one bad year after another. They want to believe that economic recovery is just around the corner as claimed by some. Unfortunately, Mr. Chairman, it is difficult for my neighbors to keep hope alive when faced with such a drastic increase in the cost of doing business.

The chairman of my committee and the Committee on Interior and Insular Affairs makes my point. They did not deal with the subsidies on the reclamation projects here on the floor, tacking it on to an authorization bill. We did it in the authorizing committee.

I urge my colleagues to support the Stenholm amendment.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, I rise in strong support of this amendment. Fair and predictably priced livestock grazing on public lands is essential to rural economies in the West. Failure to adopt this amendment will result in arbitrarily pricing many ranchers off of Federal lands, thus forcing thousands of family ranchers out of business and increasing unemployment in areas in my North Carolina district already struggling with double digit unemployment rates.

The current grazing fee formula is an equitable way of indexing fees to market conditions. The total cost of using public rangelands is often much higher than the total costs of using private land. If in fact a change in the grazing fee formula is warranted, it must be legislated in a reasoned, comprehensive manner through the authorizing process. An arbitrary change contained in an appropriations bill is not the answer.

I urge my colleagues to support this amendment.

Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from Utah [Mr. OWENS].

Mr. OWENS of Utah. Mr. Chairman, today, the House is once again taking up the divisive and controversial question of raising grazing fees on the public lands. I will once again fight against the proposed increase and urge my colleagues to do the same. I've made the usual strong arguments against this increase before: First, that it is too steep, doubling the grazing fee in less than 3 years. Second, that an issue this critical to the survival of family ranching in the West should only be addressed through the normal committee process and not be dealt with summarily on the floor of the House of Representatives. This is nothing more than an attempt to circumvent the normal legislative process in the Interior Committee on which I serve. And third, that cattle on the public lands cost the grazer more to raise than cattle on private lands. But as someone who came from a strong environmental background, I would like to introduce a new argument into the debate.

There is an environmental reason for not passing laws or setting fees which drive ranchers off the public lands. Environmentalists and ranchers should join together to preserve the open spaces of the West. Like wildlife, open space is a commodity that will only survive as long as it is a valued part of an economic system with many supporters. Open space will gradually disappear without its traditional economic and cultural underpinnings. As ranchers go out of business or sell their ranches because of economic difficulties, they are rapidly being replaced by an influx of ranchettes, condominiums, subdivisions, and development. The choice may turn out to be between cows and condos.

Making life more difficult for ranchers is counterproductive from the environmental perspective. Winning this unnecessary war against grazers could lead to the loss of the West we all know and love. For my part, I would much prefer to see cows graze on the public lands than to see pristine open space fill with new subdivisions. The unintended result of our understandable attempts at preserving western resources may be the "Aspen-ization" of the region. To preserve the open spaces of the West, we should preserve responsible traditional uses, or the economic vacuum may be filled with something alien to the land, something unfamiliar, and something ultimately much more destructive to the spirit of the West.

Support the Stenholm amendment. Preserve the open spaces.

If cattle or sheep are overgrazing the land in certain places—and they undoubtedly are—it is intellectually more honest, not to mention better legislative process, it address the problem through more determined enforcement of existing law and the enactment of additional protective laws if necessary. We have taken steps in that direction already in the Interior Committee with our work on the Bureau of Land Management reauthorization bill. We do not need to price ranchers off the land in order to protect it.

There is a new paradigm of environmental protection developing which must logically include an alliance between ranchers and environmentalists. I will do my best to see it happen. We are all in this together, and one thing that binds us all, environmentalists, ranchers, and all Americans, is our deep and abiding love of the land. None of us wants to see the character and beauty of the traditional open spaces of the West changed forever. For that reason, there is a very strong environmental argument to be made for continued, responsible ranching on the public lands.

Mr. SYNAR. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in opposition to the amendment, which would delete from the bill the provisions amending existing law related to grazing fees.

Under the rules of the House, the part of the bill that the amendment would strike in fact should not be part of an appropriations bill. For that reason, I joined Chairman MILLER in asking the Rules Committee not to waive a point of order against this part of the bill.

However, the Rules Committee has protected this part of the bill against a point of order. Therefore, the question before us is not about the rules, but about the substance of the grazing fee issue. That being the case, I support the language in the bill and oppose the amendment.

The House last debated this subject a year ago, when the same language related to grazing fees was adopted as an amendment to the BLM reauthorization bill which I managed on the floor. I voted for that amendment and helped to work through the details of it with Mr. REGULA, the author, because I believe that it is sound policy.

Since then, the Interior Committee—which is the committee of jurisdiction—has continued to review this matter, and in May of this year, the Subcommittee on National Parks and Public Lands, which I chair, held an oversight hearing on the latest report on grazing fees by the Interior and Agriculture Departments, at which we also heard from those opposing increases in grazing fees.

So, this is an instance in which the authorizing committee has scrutinized the question of increasing grazing fees. We have reviewed grazing fees, and other rangeland management issues, over and over again in recent years—I know, because as the subcommittee chairman I have listened to all the testimony and have reviewed numerous studies and reports. Those who oppose a change from the generous subsidized fee today are in error when they carp about lack of committee oversight or deliberation.

Therefore, although I would prefer that the grazing fee issue be resolved in an authorization bill—like H.R. 1096, the BLM reauthorization bill passed by the House last year and still pending in the Senate—since the issue today is the policy and not the vehicle, I must oppose the Stenholm amendment and support the reform of the grazing fee and the improvements in range management provided for in this appropriation bill.

Mr. Chairman, there is no doubt that the suppressed, subsidized low grazing fees and permits have resulted in the use and abuse of the public domain by pushing the land to the point of environmental degradation. Recent reports from the GAO and testimony continue to document the harm to the land. Hot desert areas which it takes 2,700 acres to graze a cow/calf A.U.M. for 1 month.

Mr. Chairman, the opposition to change grazing fees have a simple answer—postpone the action when objective information is proposed by the GAO. Blame the messenger. When the Agriculture and Interior Department professions do a study, lobby the political operators to undercut the plain facts.

The question of grazing fees is far from a new subject. The forest service has been charging fees for grazing on national forest lands since 1906. Fees for grazing on public lands now managed by the Bureau of Land Management date from enactment of the Taylor Grazing Act in 1934. There never has been complete agreement about how these fees should be set.

At least since the late 1950's some have argued that the Government should attempt to realize the fair market value of the forage consumed by grazing on Federal lands. And in fact fees are set that way now in certain places.

Debates over grazing fees threatened to prevent the enactment of the Federal Land Policy and Management Act of 1976. As a compromise, section 401 of that act called for a joint study of the issue by the Agriculture and Interior Departments, and froze grazing fees for the 1977 grazing year pending that study.

After the study was completed, a further moratorium on changes was imposed by Public Law 95-321, signed by President Carter in July 1978. That was followed by enactment of the Public Rangelands Improvements Act in October, 1978.

The Public Rangelands Improvement Act [PRIA], established a formula for setting grazing fees, to be used during a 7-year trial period, and mandated a further study of alternatives and a report to Congress, with recommendations, by December 31, 1985.

The expectation was that the 99th Congress then would act on this subject.

The study was done and the report was submitted, but the Reagan administration did not make any recommendations about how grazing fees should be established once the PRIA formula expired.

Despite extensive discussions involving members of the Interior Committee and also Members of the other body, the 99th Congress did not complete action on grazing fees, and the PRIA fee formula expired with no legislation in place to govern grazing fees in 1986 and subsequent years.

After the expiration of the PRIA formula, President Reagan in February 1986, issued an Executive order which called for continued use of that formula, with a "floor" fee of $1.35 per animal unit month, which was the fee at that time. That Executive order is still in effect.

In both the last Congress and this one, competing bills have been introduced—some, to statutorily enact the Reagan Executive order and some to replace it with a new statutory basis for setting grazing fees. The Subcommittee on National Parks and Public Lands has held hearings on them, but has not acted. Instead, the matter has been debated and acted on by the House as a whole.

The grazing fee provision in the bill before us is based squarely on the 1986 report from the Interior and Agriculture Departments. It would put into effect one of the alternatives—known as the "modified market value fee system"—identified in that report, but limit the extent to which grazing fees could be increased or decreased in any one year.

Mr. Chairman, I am convinced that the present formula for setting grazing fees is fatally flawed.

It inevitably results in keeping fees at levels that do not enable the land-managing agencies even to recover the costs of managing the range.

It keeps grazing fees lower than the prices private parties are able to obtain, through the open market, for forage.

It has resulted in fees that are far below what many States or other governmental bodies receive for grazing on their lands—lands which in many cases are indistinguishable in character and quality from the Federal lands with which they are intermixed.

As the General Accounting Office noted last year, the present fee formula begins with an intentionally very low base. That base is then adjusted in ways that double-count factors related to ranchers' costs and that so magnify those factors that they dominate the outcome of calculations under the formula.

The result of this is to artificially depress the fees, as shown by GAO's calculation that in constant dollars last year's Federal grazing fee—which was higher than this year's—had decreased by 15 percent over the last 10 years while private grazing prices had increased by 17 percent.

The current formula should have been allowed to die at the end of 1985, as originally provided by PRIA, and Congress should have enacted a formula producing fees more equitable as compared with prices paid for grazing on other lands, and more fair to the taxpayers who are the owners of the public lands.

Unfortunately, by issuing his Executive order on Valentine's Day, 1986, President Reagan gave artificial respiration to the formula, and allowed it to outlive its time.

Certainly, the time has come to give it a decent burial and to replace it with something better, as this amendment would do.

Of course, the provision in this bill is not the only possible way to replace the current fee formula with a better one. The report by the General Accounting Office identified several other alternatives, any one of which would be better than the present formula as embodied in President Reagan's 1986 Executive order. But the provision in this bill—and the identical provision in the BLM reauthorization bill pending in the Senate—is certainly better than the current formula.

Furthermore, the language in the bill would make some other desirable changes in the current situation. It would abolish the grazing advisory boards, and transfer their functions to the existing multiple-use advisory councils provided for by the Federal Land Policy and Management Act of 1976, or FLPMA, which is BLM's Organic Act.

The grazing advisory boards were first established to assist with the implementation of the Taylor Grazing Act shortly after its enactment in 1934. FLPMA provided for them to continue in existence until December 31, 1985, when they were to end along with the PRIA fee formula. However, again the executive branch took it upon itself to thwart congressional intent, this time by issuance of secretarial orders continuing the boards.

Unlike the multiple-use advisory councils mandated by law, these grazing boards represent only one user group, namely grazers. They have been the embodiment of the excessive political influence that this user group has too often been able to exert over decisions about public rangeland management.

Furthermore, these boards have been provided with funding derived from a share of the very grazing fees that their members pay. Ostensibly, these are to be used for bettering range conditions—to the benefit of the grazers, among others—but in fact at least some of these funds have gone for other purposes, including for lobbying Congress about grazing fees. Yes, some of the money the grazers pay the government for the taxpayers' forage goes to lobby us to keep down the price.

Further, under current law the part of the grazing-fee receipts that the National Government keeps is earmarked for funding "range improvements"—that is, things like fencing or stockwatering ponds that are for the direct benefit primarily of the grazers.

The language in this bill would broaden the purposes for which these receipts could be used, to include restoration and enhancement of fish and wildlife habitat, for restoration and improved management of riparian areas, and for better grazing management through implementation of applicable land-management plans and such activities as range monitoring and enforcement of grazing allotment requirements.

In these areas, there is an acute need for increases in agency resources and for investments to benefit all parties, including grazers. For example, better management of riparian areas often means increases in grazable forage, as well as in fish and wildlife resources and water quantity and quality. This bill would assist this.

Mr. Chairman, there are serious problems on the range and in the management of the public lands generally. The GAO and others have documented these problems repeatedly. Inadequate funding and personnel has hampered the BLM in particular, and the Forest Service as well, in their efforts to solve these problems.

To their credit, the Appropriations Committee has worked hard to provide the needed resources. But in this area, as in so many others, the realities of the budget have put serious limits on what can be made available.

As a result, this appropriation bill does not include all the funds that are really needed for proper management of the public lands and for improvement of the riparian areas and other sensitive parts of those lands. Both an increase in grazing fees and the other changes that this bill would make are essential if we are to have any chance to make such improvements.

The best way to resolve the grazing fee and related issues would be for the Senate to pass H.R. 1096, and renew BLM's authorization bill. But it is imperative that the grazing fee formula be changed, that the special status of the grazing advisory boards be ended, and that the uses of grazing fee receipts be broadened. The appropriations bill before us would make those changes, and so I support it and I urge defeat of this amendment.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Montana [Mr. MARLENEE].

Mr. MARLENEE. Mr. Chairman, like the B-1/B-2 bomber, this thing keeps coming back, and back and back to bomb our ranchers and small operators in the West. This is an amendment that could well be termed the corporate ranching opportunity of the decade because what it will do is force the small operator off and force larger and larger operations on the West. It is big operations that can afford the consolidation and the spreading of costs throughout their operation so that they can pay a higher fee. We are not subsidizing the ranchers out there. This fee was established in 1978, if my colleagues believe that. The 1978 formula was devised to set the fee. It was devised by a Democrat chairman of the committee, Teno Roncalio, in the Public Lands Subcommittee.

I would urge my colleagues to consider that, and consider the fact that range management specialists set the number, not the grazing fee. They set the number of livestock that is going to be on the range. Those are people that understand how many acres a cow needs.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES. Mr. Chairman, in a State the size of Arizona, about 3.6 million people, Arizona's cattle industry sends enough beef to the supermarkets to feed 4.6 million people a year.

Many rural parts of Arizona continue to rely on the cattle industry even as high technology, real estate, financial and service industries continue to grow in the Phoenix and Tucson areas.

A report done by the ASU School of Agriculture and Environmental Resources shows that Arizona cattle ranching has an annual economic impact of $302 million in our state.

These dollars include the impact of large purchases made by ranchers within their communities as well as supplies, wages, taxes, and improvements to rangeland and water sources.

In addition, ranchers contribute substantially to the retail and service sectors of rural Arizona, such as tack and feed stores, clothing stores, gas stations, restaurants, local banks and health care facilities.

The additional value of property, along with the inventory of livestock, buildings, corrals, machinery and equipment provides a strong economic base in rural Arizona.

The tax revenue generated from the cattle industry also serves as a major supporter of rural schools and government services.

The ASU study revealed the economic impact of rancher improvements on Arizona's rangeland amounts to about $18.5 million a year.

The cost of creating and maintaining water sources, roads, habitat, and daily care of the land would have to be borne by the taxpayer on millions of acres of public lands if ranchers did not fill this role.

That's why public land grazing fees in and of themselves are lower than private land fees—the Federal Government does not provide all the added costs of doing business—the ranchers do.

The net effect of substantially increasing grazing fees is to either impose more costs on the Federal land management agencies to provide the extra services which private land lessors provide, or drive cattle off the public rangeland.

The fact is, when all is said and done, the latter is in fact the agenda of those who are pushing this large grazing fee increase—to drive western cattle off the public range. They should just admit that, and get on with the direct destruction of yet another way of life in the West.

If the Congress does that, they also drive away productive direct and indirect livestock jobs in Arizona and elsewhere in the West; they drive away the economic base of many rural communities; they drive away individuals and families.

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Mr. SKEEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. STUMP].

Mr. STUMP. Mr. Chairman, I rise in strong support of the amendment to strike the grazing fee hike language from the fiscal year 1993 Interior appropriations bill.

Increasing the fees charged for grazing on public lands by 33 percent, as recommended in the House Appropriations Committee report, or by any other amount randomly drawn out of a hat, would be devastating to ranchers in the West who depend on public grazing lands.

More than 80 percent of all grazing fee permittees are small family operators, earning less than $28,000 each year. Out of the earnings, a permittee must not only make a living, but also absorb the cost of range conservation and management improvements such as erosion control, fences, and the development of water catchments.

An arbitrary hike in grazing fees will have the effect of driving cattle off of our public lands, an act that goes directly against the principle of multiple use for which public lands were taken into the Federal domain in the first place. Additionally, increasing grazing fees goes against the grain of good economic sense.

Grazing fee receipts make a substantial contribution to Federal range budgets, for purposes such as administration of wildlife funds, archeological site preservation and watershed enhancement, all free to the taxpayer. Where would the money come from to pay for the cost of increased fees? More importantly, where would the money come from to pay for the cost of range management activities paid for by the permittees at no cost to the American taxpayer?

The current grazing fee formula, established in the Public Rangelands Improvement Act [PRIA], is fair and equitable. Any proposed changes to the current formula should rightfully be considered by the authorizing committee, and not be pushed through attached to an appropriations measure.

I urge my colleagues to support the PRIA formula, and support the amendment to strike the grazing fee increase language from the fiscal year 1993 Interior appropriations bill.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. SMITH].

Mr. SMITH of Oregon. Mr. Chairman, this issue should not be here, we know that, under the propriety of the rules of this House. But it is.

I want to take the issue head on and debate the question of whether or not this is a subsidy. I am going to prove to Members, if they have at least an open mind, that there is no subsidy, there is no giveaway, there never has been, and ranchers in America are paying their fair share to the Federal Government. They do not want a handout and they ought not have a handout. Let me give the numbers.

First of all, if this is a subsidy, then it ought to cost less, should it not, to run on public lands than private lands. Here in front of me is a study done by Arizona State University which indicates it costs $15.04 per animal unit month to run on the Federal Government land, and $10.41 to run on private land.

Why would not all the people running on public land then take private land, because it is cheaper. Simply because it is not available. So they are destined to pay a higher price, even at $2.56, which is a 33 percent increase offered by the gentleman from Ohio [Mr. REGULA]. The point is that in his offering, it is also changing the prior formula, which means in the long run it is a 244 percent increase to $4.68.

Now, is this a subsidy? If it is a subsidy it ought to cost the Government and the taxpayers money. The 1990 cost to the Federal Government per animal unit month of the Bureau of Land Management was $1.47; the Forest Service, $1.78; but ranchers pay $1.92 per animal unit month day. They are paying more than it costs the Federal Government to manage the program.

Finally, they say we are destroying the land, the public land in America, because we are grazing cattle on it.

Since 1960, from Fish and Wildlife Service records, antelope have increased 112 percent on public lands, bighorn sheep, 435 percent, deer, 30 percent, elk, 782 percent, and moose, 476 percent. That is how your decimated public lands have been treating wildlife, and there is competition, obviously, between wildlife and livestock.

So the point remains there is no subsidy. There ought to not be an increase. If there is a 33-percent increase, it is a tax. I have heard Members who have spoken on this floor suggest that we ought to tax the rich and give it to the middle class. The same Members stood here and said we ought to tax 5,000 families out of business. And who do you think is going to survive? The big guys.

So if you want the big guys, do not do it this way. You are getting the little guys. Five thousand families on public lands will be out of work.

Mr. Chairman, there is no purpose nor reason for this. Vote with this gentleman from Texas [Mr. STENHOLM] and strike this unfair, unreal increase in grazing fees.

Mr. SKEEN. Mr. Chairman, I yield my remaining 1 minute to the gentleman from Texas [Mr. STENHOLM].

The CHAIRMAN. The gentleman from Texas [Mr. STENHOLM] now has 5 minutes remaining, and the gentleman from Oklahoma [Mr. SYNAR] has 5 minutes remaining.

Mr. STENHOLM. Mr. Chairman, I yield such time as he may consume to the gentleman from Idaho [Mr. STALLINGS].

Mr. STALLINGS. Mr. Chairman, I rise in support of the Stenholm-Williams amendment, and in opposition to the provisions in the bill which would increase Federal grazing fees by more than 30 percent. I support this amendment for two reasons.

First, I believe this appropriations bill represents an end-run around the authorizing process. The National Parks and Public Lands Subcommittee has held a number of hearings on this issue over the last few years. It has not passed this legislation and the full House should not do so now by leaving this provision in the bill. Second, this kind of an increase in grazing fees would be an onerous burden to Western permittees, and would force a number of them off public lands.

I have long maintained that the current fee system that was first mandated by Congress as part of the Public Rangelands Improvement Act of 1978 is fair to both the grazing permittees and the Federal Government. The Federal grazing fee is determined by a formula set by Congress in 1978 with bipartisan support. It was originally put into law by the Carter administration. The formula was later extended by President Reagan by Executive order and has since been upheld in Federal court.

The current fee is based on market conditions, and goes up or down depending on three market variables that are measured by the government each year: Private lease rates, beef cattle prices, and production costs in 11 Western States. It is a reflection of market value because of the additional costs incurred by a producer in running cattle on public lands. Federal permittees must bear many additional nonfee costs not borne by private lessees. Public rangeland are less productive for feed, allowing lower carrying capacities. Transportation costs are greater, water hauling, fence repair, doctoring of sick animals, and protection from predators all are costs paid by the producer and must be recognized in any comparison of fees for public versus private grazing costs.

Recent studies show that when these additional costs are added to the Federal grazing fee, the cost of grazing on public lands equals or surpasses private lease rates.

Western States, including my own State of Idaho, can offer substantial proof that the public grazing system is a vital part of their economic vitality, as well as being an organized program to manage public lands.

Mr. Chairman, the vast majority of the 31,000 ranchers who graze cattle and sheep on Western public lands run small, family owned operations. They simply cannot afford this kind of increase. These are not corporations, these are ranches which have been in the family for generations, and this amendment will put them out of business. Let's keep that in mind when we vote to put ranchers and family farmers out of business.

Mr. Chairman, I appreciate this opportunity to speak today and I encourage my colleagues to support this amendment, and oppose putting thousands of ranchers out of work.

Mr. STENHOLM. Mr. Chairman, I yield 2½ minutes to the gentleman from Texas [Mr. DE LA GARZA], the chairman of the Committee on Agriculture.

Mr. DE LA GARZA. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas [Mr. STENHOLM] to strike the language included in the fiscal 1993 Interior appropriations bill to increase the grazing fee for public lands in the West.

This is a very controversial and complex issue, with strongly held views on both sides. I realize the grazing fee increases in the bill was included with the best of intentions. Regardless of the intent, however, I must oppose this attempt to legislate on an appropriations bill. The grazing fee issue is a matter that should be dealt with, and resolved by the authorizing committees, and not on an appropriations bill.

Let me make clear that I share the interest of many Members of this body of the need to develop a grazing fee formula and Federal grazing program that will provide a long-term policy direction for the Federal agencies that administer this program.

A long-term policy is needed to provide stability for the program. A long-term policy is needed to sustain the use of these natural resources. And a long-term policy is needed to provide financial certainty for the ranchers and the rural communities who are directly affected. This should be done by the authorizing committees.

My colleagues, an appropriations bill is simply not the vehicle on which to try to legislate a long-term policy on this important issue.

Members of the House Agriculture Committee have been reviewing this issue. Our Subcommittee on Livestock, Dairy, and Poultry—which Mr. STENHOLM chairs—has held hearings. The subcommittee has been recently to Oregon and Idaho where the effect of changes in the grazing fee formula will be directly felt.

I stand ready to work with my colleagues to address this issue. But today I must oppose the provision in the Interior appropriations bill. Support the Stenholm amendment to strike.

Mr. Chairman, this is a very controversial and complex issue with strongly held views on both sides of the issue. It is a well-intended amendment. But regardless of the good intentions, I must oppose this amendment.

Mr. Chairman, let me address myself to the members of the authorizing committees, the committee chairmen, and let me make it perfectly clear that the issue may well be discussed, but the fact is that this is the wrong legislation and the wrong bill at the wrong time.

We in the Committee on Agriculture have been studying this issue. The subcommittee led by the gentleman from Texas [Mr. STENHOLM] has been recently to Idaho and to Oregon.

Yes, a long-time policy is needed, there is no denying that. We need it to provide stability for the program. A long-term policy is needed to sustain the use of our national resources and a long-term policy is needed to provide financial certainty for the ranchers and the rural communities that depend on this program.

But this should be done by the authorizing committees, not in an appropriations bill, where you do not look at all the issues, where no hearings have been held, where no one has gone out into the field.

Even though the distinguished chairman of one of the authorizing committees, my good friend and dear friend, the gentleman from California [Mr. MILLER], spoke, he has a personal issue, and this I have to respect.

But let me tell the authorizing committees, this is no way to legislate. We do not know yet. This is a 1-year appropriations bill, but this part may be permanent. I do not know. But the issue is that it has to be done, and it should be done in the proper manner by the authorizing committees, and not here at 8:30 at night by the Committee on Appropriations that under the rule does not have the authority to legislate.

Mr. Chairman, they are doing it only because they were given a waiver on the rule. That is why we are here. The rule gave them a waiver, and then, to make amends, they gave me the right to offer an amendment.

This is no way to legislate, I assure Members, and I urge an "aye" vote on the Stenholm amendment.

Mr. SYNAR. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I want to agree with the gentleman from Texas [Mr. DE LA GARZA] who just preceded me, who I think probably had the best statement, which is that this is a highly charged and emotional issue.

What I would like to do in the time remaining is to try to get us back to the basic facts.

Fact No. 1: only 2 to 3 percent of the 932,000 cattlemen in this country enjoy a grazing opportunity, and that is a fact.

It has been suggested by a number my colleagues that if we raise these grazing fees as we suggest today, that we will run the marginal and small cowboys out of business.

That is not what the Forest Service and the Bureau of Land Management told the gentleman from Ohio [Mr. REGULA] a year ago. It was during that debate a year ago that we offered to listen during the expiring year for one scintilla piece of evidence to justify the statement that marginal or small farmers would be run off the land.

As we speak tonight, not one piece of evidence has been provided.

It has been argued by some of those who have debated tonight that these are unreasonable fees. One of our colleagues said it was an arbitrary fee. Another one of our colleagues said the fees that are presently in existence are fair and predictable.

Finally, the gentleman from Oregon [Mr. SMITH] tries to make an argument that this is not a subsidy at all. Yet the two charts which the gentleman uses, one the chart listing the cost of operating livestock on private land, excludes the cost of feeding cattle.

□ 2030

An amazing feat, that it does not cost a penny to feed cattle on private land.

The second chart which he points to, which shows the cost of administration, fails to use the cost of detecting and preventing trespass, the cost of monitoring and reporting ecological range conditions, two of the major costs which have to be recovered.

Fact No. 2 is very simple, that during the last 6 years the taxpayers of this country have lost $884 million because these fees which we charge these 2 percent of the cattlemen in this country are way below fair market value.

In 1992 alone, we will lose $150 million, and the failure to adopt the amendment, which was within the committee bill, will cost us $160 million additional over the next 4 years.

Fact No. 3, 10 percent of the grazers control 50 percent of the land in this country.

The top 500 grazers in this country, which is 2 percent of the cattlemen, literally control half the land of the grazing land in this country. And who are they? Are they the small operator, as they would suggest in the debate? No. They are insurance companies, oil companies, churches, foreign interests, et cetera.

Fact No. 4, according to the BLM, not some ecoterrorist group, 60 percent of the public lands in this country are in poor or unsatisfactory condition.

According to the Bureau of Land Management, controlled for the last 12 years by a Republican administration, the biological productivity of Western lands has been reduced to one-tenth, one-tenth of its former levels.

My colleagues, 7 years ago we began this debate. In that 7 years, as a Member who comes from a ranching family four generations deep, who is a two-time national 4-H winner, I have implored my colleagues who have opposed this position to bring me the facts that would support their position.

In those succeeding 7 years, we have these many reports from objective third sources that do not support one statement made by the opposition tonight and support everything that we have said. Not one fact that we have argued in 7 years has ever been refuted by the Members who would argue that these grazing fees should not be raised.

Let me conclude. The gentleman from Illinois [Mr. YATES] has done an excellent job in really taking into account the House's position. Four times over the last 4 years this House has overwhelmingly said that it is time to protect the taxpayers. It is time to protect the environment. And that is why this is in there tonight.

I ask my colleagues to do something which is long overdue, which is to give these Western whiney welfare cowboys a good dose of free enterprise.

Mr. Chairman, I yield back the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself the balance of my time.

First time that I have spoken on this issue in those 7 years. With all due respect to my colleague from Oklahoma, I want to quote another well-known Oklahoman who once said, and his name was Will Rogers, "It ain't people's ignorance that bothers me so much. It's them knowing so much that ain't so is the problem."

This year in the 1992 version of the U.S. Department of Interior regarding all of the big ranchers that are being subsidized, they say that 90 percent of the Bureau of Land Management permittees and 81 percent of the Forest Service permittees remain medium to small size. It is true all of the big ones that were mentioned are true. But it is also true, in my opinion, after conducting field hearings in Idaho and in Oregon regarding this subject tonight, it is also true that if the gentleman's formula is so magic, that has been put together would go into effect, would have, at least in the opinion of this economist from Oregon State University, this result, as testified in Burns, OR: That this particular formula that is being advocated in the appropriations bill would cause displacement of two-thirds of the existing Western livestock industry in 4 years and extinction of the industry in 6 years, a reduction to zero in Federal Treasury receipts at the end of this formula that is so magic tonight.

That is one opinion that is refuting what the gentleman from Oklahoma said.

Let me give another one because I, too, know a little bit about ranching and leasing and property values because of my own experience. I ask a simple question to my colleagues: If this is such a good deal, why are 20 percent of the available permits left unused? If it is such a great deal, why is there not more clamor for the 20 percent that are unused?

One of the problems we have with this is most of us talking about it do not understand really what we are talking about. Unless one is out there in the country, I could make the same speech my colleague from Georgia did. I do not have any in my district. My participation in this debate tonight is not something that I am protecting for my home district. My participation in this is because I have looked at it from my committee, the Subcommittee on Livestock, Dairy, and Poultry, and believe that we ought to take a little different look at this question than the formula that is being suggested in the Committee on Appropriations.

Many times Members overlook that there is a big difference between leases and Government leases. There is a big difference between the value.

I conclude my remarks by saying to my colleagues tonight, I, after my study, agree that the fees should go up. There is no question in my mind that the fees as currently paid are too low. But not, but not so low that they should be increased 33 percent this year, 33 percent next year, 33 percent next year in the pursuit of some formula that has not been researched by people that know anything about the particular issue we are talking about.

My colleagues, support this amendment. Let the authorizing committees, which are moving, the gentleman from Oklahoma has accomplished one thing. That is, he has got the authorizing committees moving. Let us let them finish their work.

Let us not take that away from them tonight.

Mr. FAZIO. Mr. Chairman, I rise in support of the amendment, and I do so with the greatest respect and admiration for my good friend from Oklahoma, Mr. SYNAR.

As you know, I supported an amendment similar to section 312 last year because on the surface, the difference between public grazing fees and private grazing fees sounded unfair and disproportionate. I believed at the time that public grazing fees should be increased, and I supported the formula that we are discussing today.

However, since that earlier vote, I have had an opportunity to explore this issue in greater detail. I have found that the formula offered in this legislation, and which I previously supported, is based on erroneous data, is arbitrary, and does not include all of the costs associated with use of public grazing lands.

The formula in question is based on conclusions drawn in a 1986 report prepared by the Departments of Agriculture and the Interior. Unfortunately, this 1986 report has been refuted as grossly inaccurate by both Departments as well as by an independent analysis conducted by Pepperdine University. The Pepperdine study, completed in May 1992, concludes that the data and methodology used in the 1986 report provide less than a 1-percent chance of accuracy in determining Federal grazing fees which reflect market value.

This information leads me to believe that the formula used in the Interior appropriations bill and BLM authorization bill is unfair and ill-conceived.

This said, I also believe that the current grazing fee formula, developed in the Public Rangelands Improvement Act of 1978 [PRIA], needs to be reformed and a grazing fee increase may be warranted. Among other things, the new formula should be market based to reflect prevailing economic conditons, similar to private sector leases. The new formula should include production costs like fencing, water improvement, roads, and predator control. These costs are included in private leases, but are not included in the formula being considered today. And, the new formula should include the forage value which has been the one constant factor throughout the grazing fee debate.

The Bureau of Land Management [BLM] is currently in the process of developing an incentive-based fee system to resolve some of the deficiencies of the PRIA formula highlighted by the U.S. General Accounting Office. I would strongly encourage my colleagues to let this process unfold before initiating a more arbitrary increase in the current grazing fee.

Clearly, Congress has the responsibility to protect public lands and to require users of these lands to pay their fair share for its use. Yet, we also have the responsibility to ensure that the policies we enact to achieve this end are based on sound data. The formula outlined in section 312 of H.R. 5503 does not meet this last criteria, and I think we would be ill-advised to give it our approval.

Reform the grazing fee formula—yes. But, today, in this bill with this formula—no. I urge my colleagues to support the Stenholm amendment. Let's send this issue back to the authorizing committees where a real and sound compromise can be reached that will protect public lands and protect a currently fragile livestock industry which uses these lands.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. STENHOLM].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SYNAR. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 245, not voting 25, as follows:

[Roll No. 300]

AYES—164

Allard
Allen
Andrews (NJ)
Armey
AuCoin
Baker

Ballenger
Barnard
Barrett
Barton
Bateman
Bentley
Bilbray
Bliley
Boehner
Brewster
Bruce
Bunning
Bustamante
Byron
Callahan
Camp
Campbell (CO)
Carr
Chandler
Chapman
Coble
Coleman (MO)
Combest
Condit
Crane
Cunningham
Dannemeyer
Davis
de la Garza
DeFazio
DeLay
Dickinson
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Dreier
Dwyer
Edwards (OK)
Edwards (TX)
Emerson
English
Espy
Ewing
Fazio
Fields
Frost
Gallegly
Geren
Gillmor
Goodling
Grandy
Gunderson
Hall (OH)
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hayes (LA)
Hefley
Herger
Holloway
Hopkins
Houghton
Hubbard
Hunter
Hutto
Inhofe
Johnson (SD)
Johnson (TX)
Kolbe
Kopetski
Kyl
Lagomarsino
Lancaster
LaRocco
Laughlin
Lehman (CA)
Lent
Levine (CA)
Lewis (CA)
Lightfoot
Livingston
Long
Lowery (CA)
Marlenee
Martin
Matsui
McCandless
McCurdy
McEwen
McGrath
Michel
Miller (OH)
Mineta
Montgomery
Moorhead
Morrison
Nagle
Nichols
Nussle
Olin
Ortiz
Orton
Owens (UT)
Oxley
Packard
Panetta
Parker
Pastor
Paxon
Perkins
Peterson (MN)
Pickett
Pickle
Pursell
Quillen
Rhodes
Richardson
Riggs
Roberts
Rogers
Roth
Rowland
Sangmeister
Sarpalius
Schaefer
Schiff
Schulze
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (OR)
Spence
Staggers
Stallings
Stenholm
Stump
Sundquist
Swift
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thornton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walsh
Weber
Whitten
Williams
Wolf
Young (AK)

NOES—245

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (TX)
Anthony
Applegate
Archer
Aspin
Atkins
Bacchus
Beilenson
Bennett
Bereuter
Berman
Bilirakis
Blackwell
Boehlert
Bonior
Borski
Boucher
Boxer
Brooks
Broomfield
Browder
Brown
Bryant
Burton
Campbell (CA)
Cardin
Carper
Clay
Clement
Clinger
Coleman (TX)
Collins (IL)
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Downey
Duncan
Durbin
Early
Eckart
Edwards (CA)
Engel
Erdreich
Evans
Fascell
Fawell
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Gallo
Gejdenson
Gekas
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Gordon
Goss
Gradison
Green
Guarini
Hamilton
Harris
Hastert
Hayes (IL)
Hefner
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Horn
Horton
Hoyer
Huckaby
Hughes
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kostmayer
LaFalce
Lantos
Leach
Lehman (FL)
Levin (MI)
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Lowey (NY)
Luken
Machtley
Manton
Markey
Martinez
Mavroules
Mazzoli
McCloskey
McCollum
McCrery
McDade
McDermott
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Miller (WA)
Mink
Moakley
Molinari
Mollohan
Moody
Morella
Mrazek
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nowak
Oberstar
Obey
Olver
Owens (NY)
Pallone
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Petri
Porter
Poshard
Price
Rahall
Ramstad
Ravenel
Reed
Regula
Ridge
Rinaldo
Ritter
Roe
Roemer
Rohrabacher
Ros-Lehtinen
Rose
Roukema
Roybal
Sabo
Sanders
Santorum
Savage
Sawyer
Saxton
Scheuer
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shays
Sikorski
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spratt
Stark
Stearns
Stokes
Studds
Swett
Synar
Tanner
Tauzin
Torres
Towns
Traficant
Unsoeld
Upton
Vento
Visclosky
Walker
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)
Zeliff
Zimmer

NOT VOTING—25

Annunzio
Bevill
Collins (MI)
Coughlin
Cox (CA)
Dymally
Feighan
Gaydos
Gephardt
Gingrich
Hatcher
Hyde
Kolter
Moran
Oakar
Peterson (FL)
Rangel
Ray
Rostenkowski
Russo
Solarz
Tallon
Thomas (GA)
Torricelli
Traxler

□ 2056

Messrs. McCOLLUM, POSHARD, BURTON of Indiana, CLAY, NOWAK, MOLLOHAN, DUNCAN, and COSTELLO changed their vote from "aye" to "no."

Mr. LEWIS of California changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. YATES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is the last vote this evening. The Committee intends to rise to allow the Rules Committee to file a rule. The Committee will resume its sitting this evening without any further rollcall votes.

We intend to dispose of as many noncontroversial votes this evening without any record votes.

It is my understanding that the House will convene at 9 a.m. tomorrow when we will complete consideration of our bill.

I have been informed the Committee on Appropriations will delay the full committee meeting until after the final passage of the bill.

Mr. EMERSON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Missouri.

Mr. EMERSON. Mr. Chairman, I wonder if the gentleman could tell me, you are going to debate some amendments this evening but they are going to be purely noncontroversial?

Mr. YATES. I do not know how controversial they are. We will take up one amendment that I know is noncontroversial, and then move on to another amendment, which if a rollcall is demanded will cause the Committee to rise.

Mr. EMERSON. Does the gentleman intend to debate the Jontz amendment this evening?

Mr. YATES. No, we do not, unless it is noncontroversial.

Mr. EMERSON. I thank the gentleman.

Mr. YATES. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ENGEL) having assumed the chair, Mr. GLICKMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4312, VOTING RIGHTS IMPROVEMENT ACT OF 1992

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-686) on the resolution (H. Res. 522) providing for the consideration of the bill (H.R. 4312) to amend the Voting Rights Act of 1965 with respect to bilingual election requirements, which was referred to the House Calendar and ordered to be printed.

□ 2100

REPORT PROVIDING FOR CONSIDERATION OF H.R. 4850, CABLE TELEVISION CONSUMER PROTECTION AND COMPETITIVENESS ACT OF 1992

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 102-687) on the resolution (H. Res. 523) providing for consideration of the bill (H.R. 4850) to amend the Communications Act of 1934 to provide increased consumer protection and to promote increased competition in the cable television and related markets, and for other purposes, which was referred to the House Calendar and ordered to be printed.

HOUR OF MEETING ON TOMORROW

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that when the

House adjourns today, it adjourn to meet at 9 a.m. tomorrow.

The SPEAKER pro tempore (Mr. ENGEL). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ANNOUNCEMENT REGARDING SUBMISSION OF AMENDMENTS TO H.R. 5236, THE VOTING RIGHTS EXTENSION ACT OF 1992

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. SOLOMON. Mr. Speaker, reserving the right to object, and I would not object, I yield to the gentleman from Massachusetts [Mr. MOAKLEY], my good chairman, for an explanation.

Mr. MOAKLEY. Mr. Speaker, the Rules Committee is planning on meeting on Wednesday, July 29, 1992, on H.R. 5236, the Voting Rights Extension Act of 1992. In order to provide for an orderly process in the consideration of this matter, the Rules Committee is requesting that Members submit 55 copies of their amendments to the bill, together with a brief explanation of the amendment, to the Rules Committee office at H-312, the Capitol, by 12 noon, Tuesday, July 28, 1992.

Copies of the text of the bill are available in the House Document Room. Again, the committee would urge Members to submit any amendments to the Rules Committee at the earliest possible time but in no case later than 12 noon on July 28, 1992.

Mr. SOLOMON. Mr. Speaker, further reserving the right to object, if I just engage in a brief colloquy with my good chairman, the gentleman from Massachusetts [Mr. MOAKLEY]; earlier today, our Committee on Rules met to consider two Voting Rights Act bills. One was a voting rights language assistance act which, incidentally, the administration supports, and we did put out a rule on that.

After we had heard testimony at length from a number of people including the chairman, the gentleman from Texas [Mr. BROOKS], who had appeared before our committee and had requested an open rule on both of those bills including the one that the gentleman now is announcing that we will have to have prefiled amendments by, I believe he said, noon on Tuesday.

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the committee chairman.

Mr. MOAKLEY. Mr. Speaker, the gentleman is correct.

Mr. SOLOMON. Mr. Speaker, I would just point out that all of the Members that appeared before the committee were told by you and by also the acting chairman in your absence that they would expect an open rule and that Members could proceed under that understanding, and now it looks like that has been changed, and it might not be an open rule.

Could the gentleman clarify that for the Members? Because I am sure they are confused.

Mr. MOAKLEY. If the gentleman will yield further, at no time did I say there would be an open rule. I asked the chairman what he expected. He said he would like an open rule. He said, you know, maybe with the closing of a couple of titles here and there, but all I can tell the gentleman, we do not know what we are going to do on this rule, and that is why we are asking for the amendments. We have got plenty of work, so we do not have to rush this to the floor, because we have got plenty of work for tomorrow and plenty of work for the beginning of the week.

Mr. SOLOMON. Further reserving the right to object, certainly I do not mean to take exception with what the gentleman says, because I have great respect for the gentleman, but I do not know that the Members were told that were testifying to expect an open rule, and I specifically recall once the gentleman from South Carolina [Mr. DERRICK] saying that specifically, because the question was we were involved in a colloquy at the time, and I would just point out that, you know, in all of the civil rights bills and these voting rights bills that deal with this issue up until just the last year or two, we have always had open rules, and we have had open and good clear debate on the issues.

I would just hope that the gentleman is not going to close down that rule particularly after the Members had the understanding that we would be operating under an open rule.

Mr. MOAKLEY. If the gentleman will yield further, Mr. Speaker, as I say, I never gave anybody the idea that we would be operating under an open rule, because I had not talked with the committee, and I do not know where the gentleman from South Carolina [Mr. DERRICK] got his information, but he did not get it from me.

Mr. SOLOMON. Further reserving the right to object, Mr. Speaker, let me just again thank the chairman.

Let me just remind the House that this is the Voting Rights Extension Act that will be debated on the floor on Wednesday, and the gentleman from Massachusetts [Mr. MOAKLEY] is now requiring amendments to be filled by noontime on Tuesday with the Committee on Rules, and just so everybody understands, and I thank the gentleman for his time.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1993

Mr. YATES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. YATES].

The motion was agreed to.

☐ 2105

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes, with Mr. GLICKMAN in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the amendment offered by the gentleman from Texas [Mr. STENHOLM] had been disposed of.

Are there further amendments?

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 62, line 23, strike all beginning with "The" through "endangered" on line 2, page 63, and insert the following: "The Forest Service may offer for sale salvageable timber in Region 6 in fiscal year 1993: *Provided*, That for forests known to contain the Northern spotted owl, such salvage sales may be offered as long as the offering of such sale will not render the area unsuitable as habitat for the Northern spotted owl.".

Mr. YATES [during the reading]. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Chair would ask the gentleman: This is not the amendment protected under the rule that the gentleman is offering right now?

Mr. YATES. The Chair is correct.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, this amendment involves the question of salvage sales and the impact of salvage sales upon the environment, upon the habitat for the spotted owl and upon changing what is now the standard that was recommended in the scientific report headed by Dr. Jack Ward Thomas.

Mr. Chairman, we have negotiated an amendment offered by my good friend, the gentleman from Washington [Mr. DICKS], in committee and accepted by the committee. I proposed to offer an amendment that would change that to incorporate the standard of the scientific committee. The amendment offered by the gentleman from Washington would have allowed sales unless it could be shown that such sales would be detrimental to a species listed as threatened or endangered. The language which I sought to uphold would require that the sales enhance the habitat for the owl.

We have negotiated, and we have agreed upon changing the form of the amendment, and that we would continue discussions looking to resolve the issue at the conference on this bill with the Senate.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I am happy to yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to first of all thank my chairman for his diligent and hard work in working out a very fair compromise on this issue, and I pledge to continue to work with him as we go to conference on this matter.

One other point that I wanted to make was that it was never our intention to go into roadless areas in any case in terms of salvage sales.

So I would urge the House to accept the Yates amendment.

Mr. YATES. I appreciate the gentleman's remarks.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. YATES. I am happy to yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, we support the amendment, and I think it is a reasonable compromise of this issue.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to be offered at this time?

AMENDMENT OFFERED BY MS. HORN

Ms. HORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. HORN: Page 42, line 25, strike "$63,857,000" and insert "$63,633,000.".

Mr. YATES. Mr. Chairman, will the gentlewoman yield?

Ms. HORN. I am happy to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I am familiar with the amendment offered by the gentlewoman, and I accept it on our side.

Ms. HORN. Mr. Chairman, my amendment is quite simple. It freezes funds for the Office of the Secretary of the Interior for fiscal year 1993 at 1992 levels. The amendment reduces the amount available for salaries and expenses for the Office of the Secretary by $224,000. I believe there is strong justification for this freeze.

From 1989 to 1992, the Office of the Secretary has received a 30-percent increase in funding. In addition, spending reports available for the Office of the Secretary for the past 3 years indicate a 39-percent increase in overhead costs. My aim with this amendment is to reduce this overhead spending. Corporate America and American families have learned to cut the excesses and defer the unnecessary. Every office in every branch of the Federal Government must be given incentives to do the same.

Travel costs alone in the Secretary's office increased by 41 percent from 1991 to 1992—from $865,000 to $1.2 million. We certainly hope this is unrelated to the fact that 1992 is an election year but believe that in today's strained fiscal environment such increases are unwarranted. With record deficits and many agencies and branches of the Federal Government facing cuts, I believe this reduction in funding is warranted.

Mr. REGULA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are going to accept this amendment on this side, but I do want to point out that we took an 11.7-percent cut in this bill from that number requested by the President for operating the Department of the Interior.

□ 2110

I think this was a rather hefty cut. We made every effort to ensure that we got value received for the dollars. Our recommendation allows no increase for approximately $1.5 million in certain fixed personnel costs, and of course the Department is very labor intensive. They have other costs and management initiatives that they wanted to carry out.

I recognize that this is not a large cut and that the effort here is to freeze it at last year's level. In fairness to the Department of the Interior, I think we need to point out that we keep giving them additional duties and at some future time we are going to have to recognize that.

By the same token, we want them to pursue total quality management in the office and try to be more efficient. That is basically why we would accept this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Missouri [Ms. HORN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ATKINS

Mr. ATKINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ATKINS: Page 97, after line 3, insert the following new section:

SEC. 319. None of the funds made available in this Act may be used to record or process any claimed rights-of-way under section 2477 of the Revised Statutes (43 U.S.C. 932).

Mr. ATKINS. Mr. Chairman, my amendment is a very simple amendment which would clarify a problem that exists now in the Department of the Interior. Under an ancient Civil War era statute it allows that the right-of-way for the construction of highways over public lands not reserved for public use is hereby granted. That statute was repealed in 1976, however when it was repealed existing rights were preserved.

At this time there have been a number of claims on preexisting rights-of-way. They have multiplied. The Department of the Interior has had difficulty in terms of managing these.

What this would simply do is provide a moratorium on that, allow them to find a way to clearly look at these and to process them in some fashion that would be appropriate.

The CHAIRMAN. The gentleman from Ohio [Mr. REGULA] is recognized for 5 minutes.

Mr. REGULA. Mr. Chairman, I think that under clause 2(c) rule XXI, that there can be no limitation during the reading for amendments, and I raise a point of order at this time.

The CHAIRMAN. The gentleman is too late. There has been debate on the amendment. Nobody raised a point of order at the time the amendment was offered.

Mr. REGULA. But I was standing, Mr. Chairman, during that time. I think I had a right to raise the point of order.

The CHAIRMAN. The gentleman did not indicate to the Chair that he was going to raise a point of order at any time.

Points of order should come before debate or be reserved before the debate. Nothing was indicated to the Chair or to the body.

Does the gentleman wish to speak in opposition to the amendment?

Mr. REGULA. Well, Mr. Chairman, I think under the circumstances and as I understand it, votes will be put over.

At this point I would rise in opposition to the amendment to preserve the right to have a vote on it tomorrow.

The CHAIRMAN. That is within the gentleman's right.

Mr. YATES. I have no objection to that, Mr. Chairman.

Mr. REGULA. Mr. Chairman, I would ask for a vote on this amendment. As I understand it, any votes that are called for will be put over until tomorrow.

The CHAIRMAN. The gentleman is correct.

Mr. REGULA. Because I think there are other Members who may want to speak on this and they are not here. There had been an understanding there would be noncontroversial amendments.

PARLIAMENTARY INQUIRIES

Mr. DICKS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DICKS. Mr. Chairman, is it possible to go into other noncontroversial issues at this point by unanimous consent?

The CHAIRMAN. Without objection, the gentleman could withdraw his amendment, but that would be the only way. That amendment is the pending business right now.

Mr. YATES. The gentleman does not want to do that, Mr. Chairman. He objects to that.

The CHAIRMAN. Before the gentleman makes his motion to rise, the Chair would like to state that the unanimous-consent request made earlier today which calls for a limit of five amendments on each side on amendments is still in effect and will be in effect for the remainder of the amendments tomorrow.

Mr. YATES. Mr. Chairman, I thank the Chair.

Mr. DICKS. Mr. Chairman, I have a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DICKS. Mr. Chairman, is it the ruling of the Chair that even by unanimous consent we could not go to a noncontroversial issue at this point, even if I asked unanimous consent to proceed out of order to take this up?

The CHAIRMAN. The Committee of the Whole cannot postpone a vote on a pending amendment, so we will have to dispose of the Atkins amendment tomorrow before we could go ahead with noncontroversial amendments.

Mr. YATES. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YATES. Mr. Chairman, do I understand the Chair correctly, that the unanimous-consent agreement that was reached providing that the time limit for each amendment that has not yet been disposed of shall be limited to 10 minutes?

The CHAIRMAN. That is correct.

Mr. YATES. I thank the Chair.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. DICKS] having assumed the chair, Mr. GLICKMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5503) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1993, and for other purposes, had come to no resolution thereon.

□ 2120

ADDRESSING THE SSA DISABILITY DETERMINATION CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, Congressmen CHARLES RANGEL, THOMAS DOWNEY, ROBERT MATSUI, and BRIAN DONNELLY join me today in sponsoring legislation that introduces the supplemental security income's [SSI's] presumptive disability system into the Social Security disability insurance [SSDI] program.

As you know, one of the biggest problems faced by the Social Security Administration [SSA] is the backlog of people waiting for a disability determination. Unless it receives additional money to hire staff or changes the process, the SSA expects the average time needed to process an initial disability determination to rise from about 152 days in fiscal year 1992 to about 213 days in fiscal year 1993.

It is cruel and unusual punishment to make people who have just suffered a disability that will destroy their careers and financial security wait months and months for a determination of whether they are at least eligible for Social Security disability payments. In many cases, the fact of disability is all too obvious—a long wait to make a determination is just a cruel tease.

The SSI Program makes an initial determination that presumes a person to be disabled if they fit certain severe disability criteria. These people begin to receive SSI benefits immediately and the SSA has a 6-month period to make the final determination of eligibility using the SSA's definition of disability.

Being able to receive SSI benefits on the basis of a presumptive disability determination puts needed money into the disabled person's hands quickly. However, for a worker who has paid into Social Security and becomes disabled, there is no comparable process to quickly identify the people most likely to be eligible for DI benefits. Our legislation would remedy this by providing for determinations of presumptive disability under title II of the Social Security Act in the same manner and to the same extent as is currently applicable under title XVI of such act.

This means that if a person is found to be presumptively disabled under title II and meets the requirements for entitlement to benefits, the individual will begin to receive benefits—after the initial 5-month waiting period required before DI benefits can be paid—for up to 6 months while the final determination is being made. And, if a person is presumed eligible to receive DI benefits, then their dependents shall also begin to receive benefits.

Also, if the final determination finds an individual's impairment does not meet the Social Security Administration's definition of disability, they and their dependents shall not be responsible to return the money they received during the presumptive eligibility determination period.

In some instances a person may be presumed eligible for SSI benefits before being found to be presumptively disabled under title II. In this case, the individual still will be entitled to only 6 months of presumptive disability benefits. In most States, while receiving SSI benefits, a person is eligible for Medicaid. Under this proposal, individuals who would have been eligible for SSI benefits, were it not for their receipt of DI presumptive disability benefits, would be deemed eligible for SSI, making them eligible for Medicaid in those States where SSI eligibility triggers Medicaid eligibility. When the final determination for DI benefits is made, the individual loses the Medicaid eligibility. Medicare will be provided to disabled workers and their dependents after they have been receiving disability benefits for 24 months, including the time they were receiving presumptive disability payments.

JUSTICE FOR CYPRUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, today marks the 18th year in which Greek Cypriots have endured the merciless occupation of 37 percent of their island by as many as 35,000 heavily armed Turkish troops. A generation has now passed in which tens of thousands of Greek Cypriot refugees have waited in vain for a chance to return to the homes and businesses they left behind after the Turkish invasion began on July 22, 1974. In addition, 1,619 Greek Cypriots are still listed as missing in connection with the invasion. The Turkish occupation of northern Cyprus came after a brief coup backed by the military government that ruled Greece.

Mr. Speaker, it is grossly unjust that the Greek Cypriot victims of this invasion must continue to endure such a tragedy. When will the Turkish Cypriot occupiers take action to end this bitter division of Cyprus? We are well aware of the Turkish Cypriot leadership's ongoing resistance to a fair settlement of this conflict. Now, their stubbornness is raising the possibility that negotiations will break down and spark a military conflict comparable to the savage struggle taking place in Yugoslavia.

Surely, no one wants to see the beautiful island of Cyprus soaked in blood. With that in mind. Mr. Speaker, I urge the Turkish Cypriot leader, Mr. Rauf Denktash, to seize his opportunity to resolve this conflict during the current round of negotiations taking place at the United Nations. The resolution of this dispute must include the withdrawal of Turkish troops from northern Cyprus and the return of property seized from Greek Cypriots during the invasion. Only then can the leaders of both sides work together to guarantee human rights for all citizens of Cyprus. These indirect talks, involving Mr. Denktash and George Vassiliou, the Greek-Cypriot President of Cyprus, may offer the last chance for a peaceful resolution of this conflict. If the negotiations fail, United Nations Secretary-General Boutros Boutros-Ghali has threatened to withdraw United Nations peacekeepers from Cyprus. That would increase the risk of a war that could draw Greece and Turkey into a confrontation.

Mr. Speaker, I sincerely hope President Bush and Secretary of State James Baker are aware of these dangers and are doing all they can to overcome them. Our Government has considerable diplomatic clout with Turkey based on the large volume of aid we provide to that country. Last year alone the Turks received over $800 million in United States support. If we judiciously apply diplomatic pressure to Turkey, the Turks in turn could persuade their Turkish Cypriot allies to reach an agreement that is acceptable to everyone.

ADMINISTRATION SHOULD NOT PERMIT MEXICAN TRUCK DRIVERS TO DRIVE IN THE UNITED STATES WITHOUT A UNITED STATES DRIVERS LICENSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HUNTER] is recognized for 5 minutes.

Mr. HUNTER. Mr. Speaker, I want to join in the special order of the gentlewoman from Maryland [Mrs. BENTLEY], with respect to the recent decision by the administration to allow Mexican trucks to travel on American highways, specifically across the California-Mexico border, without requiring the possession of an American drivers license or a California drivers license.

I wanted to register, Mr. Speaker, my protest to this policy. I think this is a policy that is ill-founded and that is going to result in exposure of certain dangers not only to California motorists but also the motorists who happen to be truck drivers from Mexico who may not be well versed either in the English language and therefore will not be able to read signs that may prevent them from getting into dangerous situations, and also may not be well versed in general safety requirements with respect to driving trucks on American highways.

I would just simply want to join with the gentlewoman from Maryland, who has been working on this particular issue and feels it is very, very important. Together, we intend to work with the administration and to bring this up to the administration and, hopefully, keep the administration from being very heavy handed.

Mr. Speaker, we expect them, from the indications that we have seen, to utilize some leverage in withholding highway funds from the State of California unless California allows these truckers from Mexico to travel on California highways without possession of California drivers' licenses.

We think this would be very heavy handed. It is also ill-founded in that it will provide exposure of American automobile drivers to some dangers and we think also will present some dangers to the Mexican truckers themselves because of their lack of safety requirements that presumably they will not have because they will not have gone through those courses and will not have taken the certification tests required for somebody who drives a vehicle on California highways.

So the gentlewoman from Maryland [Mrs. BENTLEY] and I strongly protest this policy, and we intend to work with the administration to see that they do not leverage California and force California to accept this very unsafe traffic that will be forthcoming.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WOLF (at the request of Mr. MICHEL), between 1 p.m. and 3 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WALKER) to revise and extend their remarks and include extraneous material:)

Mr. FISH, for 60 minutes, on July 23.

Mr. FIELDS, for 5 minutes, today.

Mrs. BENTLEY, for 5 minutes today, in lieu of 60 minutes earlier approved.

Mr. HUNTER, for 5 minutes, today.

Mr. BILIRAKIS, for 60 minutes, on July 28.

(The following Members (at the request of Mr. ATKINS) to revise and extend their remarks and include extraneous material:)

Mr. ECKART, for 5 minutes, today.

Mr. STAGGERS, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BONIOR, for 60 minutes, today and on July 23.

Mr. GEPHARDT, for 60 minutes each day, on August 5, 6, 7, 10, 11, and 12.

Mr. OBEY, for 60 minutes each day, on July 22, 23, 24, 27, 28, 29, 30, 31, and August 3, 4, 5, 6, 7, 10, 11, and 12.

Ms. KAPTUR, for 5 minutes each day, on July 28, 29, 30, 31, and August 3, 4, 5, 6, 7, 10, 11, and 12.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WALKER) and to include extraneous matter:)

Mr. RHODES.

Mr. GOODLING in two instances.

Mr. MACHTLEY.

Mr. GRADISON.

Mr. GALLO.

Mr. BLILEY.

Mr. MICHEL.

Mr. RIDGE.

Mr. GILMAN in five instances.

Mr. SCHULZE.

Mrs. JOHNSON of Connecticut.

(The following Members (at the request of Mr. ATKINS) and to include extraneous matter:)

Mr. NOWAK.

Mr. SCHUMER.

Mr. SMITH of Florida.

Mr. TOWNS.

Mr. HAMILTON in two instances.

Mr. HUGHES.

Mr. PETERSON of Florida.

Mr. HOCHBRUECKNER.

Mr. TORRICELLI.

Mr. TRAFICANT in two instances.

Mr. LEVIN of Michigan.

Mr. BROWN.

Mr. REED.

Mr. MCCLOSKEY.

Mr. BONIOR.

Mr. JACOBS.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1150. An act to reauthorize the Higher Education Act of 1965, and for other purposes.

ADJOURNMENT

Mr. HUNTER. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, July 23, 1992, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3940. A letter from the Office of General Counsel, Department of Defense, transmitting a draft of proposed legislation to authorize the Secretaries of the military departments to delete administratively from selection board reports the names of officers selected for promotion if the officer was erroneously considered for promotion or is not serving on active duty; to the Committee on Armed Services.

3941. A letter from the Office of General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend section 404 of title 37, United States Code; to the Committee on Armed Services.

3942. A letter from the Federal Reserve System, Board of Governors, transmitting the Board's mid-year monetary policy report; to the Committee on Banking, Finance and Urban Affairs.

3943. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 92-33, relative to the "Agreement on Trade Relations Between the United States of America and the Republic of Albania;" to the Committee on Banking, Finance and Urban Affairs.

3944. A letter from the Secretary of Housing and Urban Development, transmitting the Department's energy assessment report; to the Committee on Banking, Finance and Urban Affairs.

3945. A letter from the Secretary of Education, transmitting notice of Final Funding Priorities—Research in Education of Individuals with Disabilities Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3946. A letter from the Secretary of Education transmitting Final Regulations—Perkins Loan Program, College Work-Study Program, and Supplemental Educational Opportunity Grant Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3947. A letter from the Acting Assistant General Counsel, Department of Energy, transmitting notice of meeting related to the International Energy Program; to the Committee on Energy and Commerce.

3948. A letter from the Inspector General, Department of Health and Human Services, transmitting a copy of the Superfund financial activities at the National Institute of Environmental Health Sciences for fiscal year 1990, pursuant to 31 U.S.C. 7501 note; to the Committee on Energy and Commerce.

3949. A letter from the President, Federal Financing Bank, transmitting the first annual management report of the Federal Financing Bank; to the Committee on Government Operations.

3950. A letter from the Administrator, General Services Administration, transmitting GSA's investigation of the costs of operating privately owned vehicles based on calendar year 1989 data, pursuant to 5 U.S.C. 5707(b)(1); to the Committee on Government Operations.

3951. A letter from the President and CEO, Resolution Trust Corporation, transmitting the financial results of the Corporation's operations for the year ended December 31, 1991; to the Committee on Government Operations.

3952. A letter from the Director, Office of Management and Budget, transmitting the 17th report on U.S. costs in the Persian Gulf conflict and foreign contributions to offset such costs, pursuant to Public Law 102-25, section 401 (105 Stat. 99); jointly, to the Committees on Armed Services and Foreign Affairs.

3953. A letter from the Department of Energy, transmitting notice that the report required by section 3134 of the National Defense Authorization Act for fiscal year 1991 will be forwarded as soon as possible, by September 30, 1992, at the latest; jointly, to the Committees on Armed Services and Energy and Commerce.

3954. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a supplemental report on the establishment of an International Criminal Court; jointly, to the Committees on Foreign Affairs and the Judiciary.

3955. A letter from the Secretary of Energy, transmitting a copy of the Program Opportunity Notice [PON] for the fifth round of the Clean Coal Technology [CCT] Demonstration Program; jointly, to the Committees on Appropriations, Energy and Commerce, and Science, Space, and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of California: Committee on Interior and Insular Affairs. Supplemental report on H.R. 4370 (Rept. 102-642, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROWN: Committee on Space, Science, and Technology. H.R. 5231. A bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance manufacturing technology development and transfer, to authorize appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes; with an amendment (Rept. 102-685). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHEAT: Committee on Rules. House Resolution 522. Resolution providing for the consideration of the bill (H.R. 4312) to amend the Voting Rights Act of 1965 with respect to bilingual election requirements (Rept. 102-686). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 523. Resolution providing for the consideration of the bill (H.R. 4850) to amend the Communications Act of 1934 to provide increased consumer protection and to promote increased competition in the cable television and related markets, and for the other purposes (Rept. 102-687). Referred to the House Calendar.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 3203. A bill to strengthen the authority of the Federal Trade Commission to protect consumers in connection with sales made with a telephone and for other purposes; with an amendment (Rept. 102-688). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 3603. A bill to promote family preservation and the prevention of foster care with emphasis on families where abuse of alcohol or drugs is present, and to improve the quality and delivery of child welfare, foster care, and adoption services; with an amendment; referred to the Committee on Education and Labor for a period ending not later than July 31, 1992, for consideration of such provisions of section 404 of the amendment recommended by the Committee on Ways and Means as fall within the jurisdiction of that committee pursuant to clause 1(g), rule X (Rept. 102-684, Pt. 1). Ordered to be printed.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

H.R. 2407. Referral to the Committee on the Judiciary extended for a period ending not later than July 27, 1992.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GIBBONS:

H.R. 5636. A bill to amend the Internal Revenue Code of 1986 to ensure that charitable beneficiaries of charitable remainder trusts are aware of their interests in such trusts; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 5637. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of certain buildings under the rehabilitation credit, and for other purposes; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 5638. A bill to amend the Internal Revenue Code of 1986 to permit losses on sales of certain prior principal residences to offset gain on a subsequent sale of a principal residence; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 5639. A bill to permit tax-exempt bonds to be issued to finance office buildings for the United Nations; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 5640. A bill to amend the Internal Revenue Code of 1986 to modify the involuntary conversion rules for certain disaster-related conversions; to the Committee on Ways and Means.

By Mr. MCGRATH:

H.R. 5641. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain nonprofit organizations providing health benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. JACOBS (for himself and Mr. MCDERMOTT)

H.R. 5642. A bill to amend the Internal Revenue Code of 1986 with respect to treatment of certain property and casualty insurance companies under the minimum tax, and for other purposes; to the Committee on Ways and Means.

By Mr. FORD of Tennessee (for himself and Mr. SUNDQUIST):

H.R. 5643. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain amounts received by operators of licensed cotton warehouses; to the Committee on Ways and Means.

By Mr. BUNNING:

H.R. 5644. A bill to provide that certain costs of private foundations in removing hazardous substances shall be treated as qualifying distributions; to the Committee on Ways and Means.

By Mr. JENKINS (for himself, Mr. CHANDLER, Mr. ANTHONY, Mr. MCDERMOTT):

H.R. 5645. A bill to amend the Internal Revenue Code of 1986 to exclude certain sponsorship payments from the unrelated business income of tax-exempt organizations, and for other purposes; to the Committee on Ways and Means.

By Mr. GUARINI:

H.R. 5646. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of not-for-profit residual market insurance companies under the alternative minimum tax and to repeal the taxable income limitation on the recognition of built-in gain of S corporations; to the Committee on Ways and Means.

By Mr. GRANDY:

H.R. 5647. A bill to provide that the special estate tax valuation recapture provisions shall cease to apply after 1992 in the case of property acquired from decedents dying before January 1, 1982; to the Committee on Ways and Means.

By Mr. RUSSO:

H.R. 5648. A bill to amend the Internal Revenue Code of 1986 to revise the application of the wagering taxes to charitable organizations; to the Committee on Ways and Means.

By Mr. MATSUI:

H.R. 5649. A bill to amend the Internal Revenue Code of 1986 to phaseout the occupational taxes relating to distilled spirits, wine, and beer and to impose the tax on diesel fuel in the same manner as the tax on gasoline; to the Committee on Ways and Means.

By Mr. DORGAN of North Dakota (for himself and Mr. RANGEL):

H.R. 5650. A bill to amend the Internal Revenue Code of 1986 to allow nonexempt farmer cooperatives to elect patronage-sourced treatment for certain gains and losses, and for other purposes; to the Committee on Ways and Means.

By Mrs. KENNELLY:

H.R. 5651. A bill to provide for the payment of retirement and survivor annuities to certain ex-spouses of employees of the Central Intelligence Agency and to provide for the tax treatment of certain disability benefits; to the Committees on Permanent Select Committee on Intelligence, and Ways and Means.

By Mr. DONNELLY (for himself and Mr. Reed):

H.R. 5652. A bill to amend the Internal Revenue Code of 1986 to extend the period for the rollover of gain on the sale of a principal residence for the period the taxpayer has substantial frozen deposits in a financial institution; to the Committee on Ways and Means.

By Mr. COYNE:

H.R. 5652. A bill to amend the Internal Revenue Code of 1986 to exempt the full amount of bonds issued for government-owned, high-speed intercity rail facilities from the State volume cap on private activity bonds and to require reporting of certain income and real property taxes; to the Committee on Ways and Means.

By Mr. LEVIN of Michigan (for himself and Mr. Bonior):

H.R. 5654. A bill to amend the Internal Revenue Code of 1986 to provide that the harbor maintenance tax shall not apply to the movement of certain cargo within contiguous United States and foreign ports, and for other purposes; to the Committee On Ways and Means.

By Mr. MOODY:

H.R. 5655. A bill to amend the Internal Revenue Code of 1986 to restore the prior law treatment of corporate reorganizations through the exchange of debt instruments, and for other purposes; to the Committee on Ways and Means.

H.R. 5656. A bill to amend the Internal Revenue Code of 1986 to exempt services performed by full-time students for seasonal children's camps from Social Security taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. CARDIN: (for himself, Mr. Gradison, and Mr. Schulze)

H.R. 5657. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of deposits under certain perpetual insurance policies; to the Committee on Ways and Means.

By Mr. McDERMOTT:

H.R. 5658. A bill relating to the treatment of certain distributions made by Alaska Native corporations; to the Committee on Ways and Means.

By Mr. VENTO:

H.R. 5659. A bill to permit the simultaneous reduction of interest rates on certain port authority bonds; to the Committee on Ways and Means.

By Mr. HOYER (for himself, Mr. Hoagland, and Mr. McGrath):

H.R. 5660. A bill to amend the Internal Revenue Code of 1986 to provide that the conducting of certain games of chance shall not be treated as an unrelated trade or business, and for other purposes; to the Committee on Ways and Means.

By Mr. ANDREWS of Maine:

H.R. 5661. A bill to amend the Internal Revenue Code of 1986 to exempt transportation on certain ferries from the excise tax on transportation of passengers by water; to the Committee on Ways and Means.

By Mrs. BENTLEY:

H.R. 5662. A bill to authorize the Secretary of Transportation to sell up to 20 victory ships in the National Defense Research Fleet; to the Committee on Merchant Marine and Fisheries.

H.R. 5663. A bill to authorize the Secretary of Transportation to convey vessels in the National Defense Research Fleet to certain nonprofit organizations; to the Committee on Merchant Marine and Fisheries.

By Mr. GRADISON (for himself, Mr. Michel, Mr. Gingrich, Mr. Boehner, Mr. Bunning, Mr. Taylor of North Carolina, Mr. Weber, Mr. Dornan of California, Mr. Ritter, Mr. Oxley, Mr. Ballenger, Mr. Zeliff, Mr. Kolbe, Mr. Lipinski, Mr. Sundquist, Mr. Gallegly, Mr. Franks of Connecticut, Mr. McCrery, Mr. Walker, Mr. Armey, Mr. Bliley, Mr. Solomon, Mr. Broomfield, and Mr. Paxon):

H.R. 5664. A bill to encourage, assist, and evaluate educational choice programs, and for other purposes; to the Committee on Education and Labor.

By Mr. LANCASTER (for himself, Mr. Jones of North Carolina, and Mr. Zeliff):

H.R. 5665. A bill to permit the Secretary of Health and Human Services to grant waivers to States to provide coverage under State health care delivery programs to individuals who are otherwise eligible for benefits under title XVIII of the Social Security Act or eligible to enroll under State plans for medical assistance under title XIX of such act; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. PALLONE (for himself and Mr. Smith of New Jersey):

H.R. 5666. A bill to authorize the Secretary of the Interior to acquire land for inclusion in the Edwin B. Forsythe National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. SMITH of New Jersey (for himself and Mr. Pallone):

H.R. 5667. A bill to authorize the Secretary of the Interior to acquire parcels of land commonly known as Fisherman's Cove and Gull Island for inclusion in the Edwin B. Forsythe National Wildlife Refuge in Monmouth County and Ocean County, NJ; to the Committee on Merchant Marine and Fisheries.

By Mr. DANNEMEYER:

H.R. 5668. A bill to eliminate the recent 25-percent pay increase for Members of Congress until such time as a constitutional amendment is proposed to the States which would, if ratified, require a balanced Federal budget; jointly, to the Committees on Post Office and Civil Service and House Administration.

By Mr. ERDREICH:

H.R. 5669. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to education savings accounts and certain prepaid tuition contracts, and for other purposes; to the Committee on Ways and Means.

By Mr. GILLMOR:

H.R. 5670. A bill to authorize appropriations for the maintenance, operation and protection of historic buildings at the Rutherford B. Hayes Center in Fremont, OH; to the Committee on Interior and Insular Affairs.

By Mr. SCHULZE (for himself and Mr. Jenkins):

H.R. 5671. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to individual investment accounts, and for other purposes; to the Committee on Ways and Means.

By Mr. STARK (for himself, Mr. Rangel, Mr. Downey, Mr. Matsui, and Mr. Donnelly):

H.R. 5672. A bill to amend the Social Security Act to provide for findings of presumptive disability under title II of such act in the same manner and to the same extent as is currently applicable under title XVI of such act; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. WAXMAN:

H.R. 5673. A bill to amend the Public Health Service Act to revise and extend the programs of the Agency for Health Care Policy and Research; to the Committee on Energy and Commerce.

Mr. ROSE:

H. Res. 518. Resolution relating to the privileges of the House; considered and agreed to.

By Mr. THOMAS of California:

H. Res. 519. Resolution relating to the privileges of the House; laid on the table.

By Mr. WALKER:

H. Res. 520. Resolution relating to the privileges of the House; laid on the table.

By Mr. MOODY:

H. Res. 521. Resolution expressing the sense of the House of Representatives regarding human rights violations against the people of Kashmir, and calling for direct negotiations among Pakistan, India, and Kashmir; to the Committee on Foreign Affairs.

By Mr. BATEMAN (for himself, Mr. Pickett, Mr. Bliley, Mr. Sisisky, Mr. Payne of Virginia, Mr. Olin, Mr. Allen, Mr. Moran, Mr. Boucher, Mr. Wolf, and Mr. Mollohan):

H. Res. 524. Resolution expressing the sense of the House of Representatives to commend and congratulate the College of William and Mary in Virginia on the occasion of the 300th anniversary of its founding; to the Committee on Education and Labor.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments are submitted as follows:

H.R. 4312

By Mr. ROHRABACHER:

—Page 5, strike "(I)".

—Page 6, line 2, insert "and" after the semicolon.

—Page 6, strike line 3 and all that follows through line 14.

By Mr. VANDER JAGT.

—Page 5, line 24, insert "(but not less than 100 citizens of voting age)" after "voting age".

H.R. 5236

By Mr. McCOLLUM:

—Page 2, strike line 1 and all that follows through line 11 and insert the following:

SEC. 2. COVERAGE OF CERTAIN CONDUCT INVOLVING TRANSFERS OF DECISION MAKING AUTHORITY.

Section 2 of the Voting Rights Act of 1965 is amended by adding at the end the following:

"(c) No State or political subdivision may impose or apply any substantial change or procedural rules, voting practices, or transfer of decision making authority that significantly impairs the powers of an elected official or position, if such imposition or application has the purpose and the effect of denying or abridging, on account of race or color, the right to vote of any citizen who is a constituent of the affected elected official or position.".

H.R. 4312

By Mr. McCOLLUM:

—At the end of the bill, add the following:

SEC. . CITIZENSHIP REQUIREMENT FOR ASSISTANCE.

Section 203(c) of the Voting Rights Act (42 U.S.C. 1973aa-1a(c)) is amended by inserting "to citizens on request" after "them".

—Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Voting Rights Language Assistance Act of 1992".

SEC. 2. FIVE YEAR EXTENSION.

Section 203(b) of the Voting Rights Act of 1965 (42 U.S.C. 1973aa-1a(b)) is amended by striking "1992" and inserting "1997".

SEC. 3. REPORT.

On or before February 1, 1997, the Census Bureau, jointly with the Attorney General, shall prepare and submit a report to the Congress. This report shall include the following information:

(1) Voting participation rates among each minority language group, as defined in the Voting Rights Act, and among other groups of persons who speak languages other than English in the home.

(2) Voting participation rates among all voters and English-speaking voters.

(3) Increases or decreases, if any, in voting participation among and between each of the groups referred to in paragraphs (1) and (2).

(4) Jurisdictions in which there are at least 10,000 persons who meet the criteria for coverage under section 203(b) of the Voting Rights Act of 1965.

(5) Jurisdictions in which there are at least 20,000 persons who meet the criteria for coverage under section 203(b) of the Voting Rights Act of 1965.

(6) Jurisdictions which meet the criteria under section 203(b) of the Voting Rights Act of 1965.

(7) For jurisdictions listed in paragraph (4), (5), or (6), whether, and if so, what type, of multilingual voting assistance is available in each jurisdiction and the number of persons, in both absolute and as a percentage of general and language-minority populations, who utilize such assistance.

SENATE—*Wednesday, July 22, 1992*

(Legislative day of Monday, July 20, 1992)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore [Mr. KERREY].

The ACTING PRESIDENT pro tempore. Today's prayer will be offered by guest chaplain Rev. John T. Porter, Sixth Avenue Baptist Church, Birmingham, AL.

PRAYER

The guest chaplain, the Reverend Dr. John T. Porter, Sixth Avenue Baptist Church, Birmingham, AL, offered the following prayer:

O Lord, Our God, Creator of the heavens and Earth, giver of every good and perfect gift; we humbly beseech Thee, as we enter into these legislative proceedings, to give all glory and praise to Thee. Thou hast blessed us with a good land in which to live and we gather once again to be reminded of the responsibility that is ours to continue to build upon the noble foundations laid by the Founding Fathers of our country. We acknowledge our dependence on Thee and pray for Thy presence and the guidance of Thy Spirit.

O God of love, grant us wisdom, in our time, to build a world of peace and prosperity, kindle, we pray Thee, in the hearts of all men the true love of peace. Give us a mind to bring to pass the prophecy, "They shall beat their swords into plowshares and their spears into pruning hooks, and study war no more." Strengthen we pray, the United Nations and their efforts around the world to achieve a global peace. We lift up to You, O Lord, the plight of the inner cities as they desperately attempt to address the needs of the poor and downtrodden.

Send Your divine blessings upon Thy servants, the President of the United States, his Cabinet and advisers, and the Members of this august legislative body that plays an all important role in the life of this Nation, the U.S. Senate. Grant unto them, we pray, the strength and wisdom to exercise the authority entrusted to them, and may they be willing followers of Thee and servants of Thy people.

Grant us a common faith that the people of the world will know peace and justice, freedom and security, and have the opportunity to be the best that they can be.

Hear our prayer, O Lord, and grant us this petition. Amen.

Mr. HEFLIN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized.

GUEST CHAPLAIN DR. JOHN T. PORTER

Mr. HEFLIN. Mr. President, I want to share with my colleagues a little about the life and background of our distinguished guest chaplain this morning. Since 1961, the Reverend John T. Porter has been the pastor of Birmingham, AL, Sixth Avenue Baptist Church, one of our State's largest congregations. Prior to that, he was pastor of the First Institutional Baptist Church in Detroit, MI. He is married to Dorothy Rogers Porter—who I might say has one of the finest soprano voices that I have ever heard. They are blessed with four children: Jon Roderick, Mark, Mia, and Robert Porter. Jon Roderick is the minister of music at his father's church.

Dr. Porter began his collegiate studies at Alabama State University in Montgomery, where he received his bachelor of science degree. He later received his masters of divinity degree from the Morehouse College School of Religion in Atlanta, GA. Daniel Payne College and Miles College, both located in Birmingham, have granted him honorary doctor of divinity degrees.

The Reverend John Porter is not only a devoted pastor, but also an eager participant and enthusiastic participant in civic affairs. He is a member of Samford University's board of trustees; a member of the board of directors of the Morehouse School of Religion; and an active member of the Birmingham Ministerial Association. He also sits on the board of directors for the Civil Rights Institute in Birmingham.

Previously, Reverend Porter was a member of Alabama's State Board of Pardons and Parole and for a time served in the Alabama State House of Representatives.

I might say that it is quite infrequent that we might have as a guest chaplain a former legislator who would have a real background and working knowledge of the legislative process.

Earlier this year, he was the recipient of the Brotherhood Award and the National Conference of Christians and Jews Distinguished Service Award.

I am happy to join my colleagues in welcoming Dr. John T. Porter as our guest chaplain. He is a dedicated and energetic spiritual leader whose church, community, and State are extremely fortunate to have as their own.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Mr. President, is leader time reserved?

The ACTING PRESIDENT pro tempore. Leader time is reserved.

TRIBUTE TO KEVIN SAUNDERS

Mr. DOLE. Mr. President, I rise today to pay tribute to Kevin Saunders, a native Kansan and a world-class athlete, who set a new world record this past weekend in the pentathlon event at the U.S. Paralympic Trials in Salt Lake City, UT. Kevin scored 4,249, points shattering the existing record of 4,160 by 89 points.

The pentathlon includes the shot put, javelin, 1,500-meter and 200-meter races and I am proud to say that this talented Kansan will be representing the United States on the United States Paralympic team in Barcelona, Spain, in early September.

Paralyzed 11 years ago in a grain elevator explosion, Kevin is an inspirational young man who has overcome adversity and beaten all the odds to become one of the premier athletes in the world.

When I think of determination and leadership, the name Kevin Saunders certainly comes to mind. He is truly a remarkable person and a sensational role model for America's youth.

Kevin is founder of the Wheelchair Success Fund, developed to give other wheelchair-bound individuals the support they need to contribute to their communities and reach their fullest potential. Kevin's altruism does not stop there. Even with his rigorous Olympic training schedule, Kevin has toured nationwide spreading his message of strength and hope.

As Kevin Saunders continues to reach new highs, I know my colleagues will join me in saluting him as he goes for the gold.

Mr. President, I reserve the remainder of my time and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:15 with Senators permitted to speak therein for up to 5 minutes each.

The Senator from South Dakota [Mr. PRESSLER] is recognized to speak for up to 10 minutes.

OBSERVATIONS ON VISIT TO NINE FORMER SOVIET REPUBLICS AND LATVIA

Mr. PRESSLER. Mr. President, I have just returned from a visit to nine countries of the former Soviet Union: Russia, Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, Georgia, Moldova, Ukraine, and Belarus. I also visited Latvia.

Yesterday, I spoke on some of my conclusions regarding the freedom support bill that is before the Congress at this time. I did vote for the freedom support bill but upon visiting many of the countries, I have become convinced that there should be more conditions placed on American tax dollars' aid. I did not see the kind of movement toward democracy, human rights, and free enterprise that I would like to see in some of the countries I visited. Before I begin my statement on conditions I found in Moldova and the Baltic States and what United States policy should be, let me sum up a few conclusions from our delegation's visit.

My first conclusion is that the Russian troops should leave the territory of the former Soviet Republics. I offered an amendment to the Freedom Support Act regarding Russian troops in the Baltic States. The Senate also adopted my amendment on Russian troops that are still in Moldova. President Yeltsin should keep his word and remove these troops quickly.

As I pointed out yesterday, our delegation visited one of the Russian bases where foreign troops are stationed. The commanders at Skrunda said they expect to remain for 10 or 15 years, contrary to what Yeltsin announced that they would be moving out next year. So long as Russian troops remain on foreign soil, American taxpayers will be indirectly subsidizing Russian troops in independent foreign countries, after they have been asked to leave.

Second, many states of the former Soviet Union are governed by governments elected in one-party elections in 1990. They should hold new elections as soon as possible.

Third, I mentioned in my speech on the floor yesterday that the concept and practice of democracy in many newly independent places has not moved forward. Leaders are the same old Communist leaders in new roles. For example, their idea of an election is a one-party election. In one country I went to, Uzbekistan, opposition party leaders had been beaten up. Aside from the Baltic States, there is much, much room for improvement in terms of democratic procedures. Our embassies and our AID missions should be advocates for the principles that the people in this country believe in if we are to give them aid.

My fourth conclusion is that the more things change, the more they remain the same. Pictures of Lenin and Marx still are evident where former Communist party officials can be found in the government and in business. I found in each of the countries that the leadership still has statues and pictures of Lenin and Marx except in the Baltic States and almost as though communism is going to return. I cannot say we can demand people take down statues of Lenin or Marx, but I find it passing strange that a company that is to be supposedly privatized has a manager's office with Lenin and Marx on the wall when a U.S. Senator visits.

Privatization and development of free enterprise are too slow.

Democratic institutions need to be encouraged. CSCE principles, free press, assembly and free speech need to be practiced by leaders who merely give them up-service.

Mr. President, yesterday the Foreign Minister of Bosnia-Hercegovina in Washington made a passionate plea to the Senate Foreign Relations Committee for the United States to realize that the fighting in the former Yugoslavia is not an interethnic conflict but a war for power, hegemony, and control on the part of Serbia. Unfortunately, a similar disinformation campaign is emanating strongly from Moscow to justify that the Russian Army must remain in Moldova and the Baltic States to protect the Russian minority.

Mr. President, I have recently visited Moldova and Latvia and I know that the current secessionist movement in Moldova and Russian territorial claims in Estonia are not the result of ethnic animosity—real or perceived—but an excuse on the behalf of some in Russia to hold onto territory ad infinitum.

Just as force is not acceptable in the former Yugoslavia to change borders against CSCE principles, force or the threat of force is not acceptable in Moldova or the Baltic States. The only way to achieve peace in Moldova and to prevent conflict in the Baltic States is for the Russian Army to declare itself neutral and to leave the foreign countries they still occupy as soon as they can pack their bags.

Mr. President, Moldova and Latvia may not seem to have a lot in common at first glance but much of their histories and some of their current problems are shared. Both territories were invaded by the Soviet Union in 1940 in fulfillment of the terms of Stalin and Hitler's secret agreement to divide Europe into spheres of influence.

Today, both are faced with the remnants of Stalin's world—including a disastrous economic situation and dispersed ethnicities. However, the greatest danger to both governments is the continued presence of the former Soviet Army on their territories.

Mr. President, the current fighting in Moldova led by the Communist movement in Transdniestria could have been avoided if the Soviet Army and now the Russian Army had not taken the side of the separatists under the false guise of protecting the Russian minority.

After my visit to both countries, I feel that it is vital that the U.S. State Department take a strong and principled stand against the presence of foreign army troops, the former occupiers. By taking a firm stand, the United States will let militant leaders know that force cannot be used and that countries cannot be cut up or disbanded by military action without recourse or denial of benefits such as U.S. Government assistance.

For this reason, I believe that conditions should be placed on assistance to Russia that Russian troops will lead to the removal of Russian troops. The removal of troops will help Russia and help President Yeltsin by leading to a reduced role for the Russian military in politics in Russia and reduced Russian defense spending.

Mr. President, I shall focus a bit on the time I spent in Moldova.

MOLDOVA

When in Moldova, I was told by the President of Moldova, Mircea Sengur that Russian President Yeltsin agreed to negotiate withdrawal of Russian forces from the Transdniestria region, one day after the Senate adopted an amendment calling for immediate withdrawal of the 14th Army from the conflict in Moldova. The Russians have kept the 14th Army still in Moldova even though it is still an independent country.

Obviously, Congress can make a difference. If we are quiet on the issue of troop removal the troops will not leave where they do not belong. If we take a strong stand, our goals will be met.

That is why I think the United States is in a unique position of leadership at this time to take a stand for democracy, for human rights, for free enterprise, and also for these countries to be independent without the presence of foreign troops.

During my visit, I met with the Chairman of the Moldovan Parliament, Dr. Alexandru Mosanu. Dr. Mosanu is an intelligent man and an astute politician. During our meeting, he outlined the importance of Moldova not becoming too aligned with Russia, including membership in the Commonwealth of Independent States. After our conversation, it appears clear to me that the Russian Government is using Moldova's nonmembership in the CIS as a reason not to seek peace in the conflict of Moldova. Mr. Mosanu is absolutely right. His wise comments were echoed by Mr. Valeriu Matei, the chairman of the Mass Media Committee of the Parliament, who explained the illogic of Moldova joining the CIS given its historical ties to Romania and the West. I also met with Mr. Vasile Nedelciuc, the chairman of the Foreign Relations Committee of the Parliament. I thank them for their wise insights.

RUSSIANS GAIN VETO OVER MOLDOVAN SOVEREIGNTY

As our delegation was leaving the Chisinau Airport last week, we were told that Russian Vice President Alexander Rutskoy had just arrived in a plane owned by an American joint venture company. Our Moldovan hosts speculated the visit was on the issue of Russian troops in the country.

News reports now seem to confirm that speculation. Moldovan President Mircea Snegur has apparently agreed to limit Moldova's sovereignty by tying the future of the Transdniester region of Moldova to any decision about joining Romania in a political union.

According to reports, President Snegur agreed that if Moldovans voted to rejoin Romania—in effect reversing the Hitler-Stalin pact that created Moldova during World War II—Transdniestria would have the right to succeed because it has a majority of Russian speaking citizens.

Mr. President, the truth is that most Moldovan industrial capacity is in the Transdniester region. Keeping the region as an integral part of Moldova is, therefore, a central economic key to Moldovan's economic success.

If reports are accurate, this political deal verifies the reasons Russian troops wish to remain on foreign soil. It could encourage a dangerous pattern that could be repeated in Georgia or even in Lithuania, Latvia, and Estonia. As a potential precedent, the Snegur-Yeltsin agreement is a very bad deal.

Will might make right in the post-Soviet period? The presence of the Russian 14th Army and Armed Forces allegedly not loyal to Russia, yet claiming independence for Russian citizens in the Transdniester region and the willingness to use those forces brutally against the citizens of Moldova results in an inevitable conclusion. Russian military muscle is being used or threatened to be used to bully newly independent states, and particularly victims of the Hitler-Stalin pact like the Baltic States and Moldova, into following policies highly favorable to the Russian Federation and its military officer corps.

The Moldovan-Russian agreement has another very disturbing aspect. A true cease-fire, followed by disarmament of Transdniestria and total withdrawal of Russia's 14th Army is the ideal in the region. However, the agreement by the two heads of state envisions so-called peacekeeping forces of the Commonwealth of Independent States [CIS] with a heavy Russian presence.

The solution in Moldova that is consistent with self-determination, independence, and sovereignty would include international peacekeeping observers—possibly from the United Nations or the Conference on Security on Cooperation in Europe—as I called for in my visit to Moldova. It would also include complete withdrawal of foreign forces.

Mr. President, in the name of protecting Russian citizens placed in Moldova and the Baltic States as agents of the former Soviet Union, Russian forces have been quick to fight. Their willingness to confront newly independent governments and the presence in the new governments of many former high officials of the Communist party creates a toxic mix for the future of independent states that the United States and CSCE should resist vigorously.

New elections in Moldova and elsewhere to replace the 1990 one-party governments loaded with ex-Communists remains essential.

I urge the United States to send non-Russian, non-CIS military observers to Moldova to protect the right of the people of Moldova to exercise self-determination.

I also met with Iurie Rosca, the President of the Executive Committee of the opposition Christian Democratic Popular Front. The role of the Popular Front of Moldova in the development of human rights and political freedom is key. The Popular Front was the organization, working with the Popular Fronts of the Baltic States, that worked toward freedom from the Soviet Empire. It was the Popular Front that organized the first demonstrations against Soviet power in Moldova exposed its evils, and that has given the present government many of its positions.

Mr. Rosca highlighted the importance of Moldova not to join the CIS. He expressed curiosity as to why Moldova should join the CIS when it is CIS forces that have contributed to the bloodshed in Transdniestria and when Moldovan men and women have had to die to protect their freedom. I agree with his assessment. Mr. Rosca also called for the release of all prisoners, many from his political party, that remain in captivity on the left bank.

It is my sincere hope that his party and others in Moldova will be able to remain a vital force to create a pluralistic, representative democracy in Moldova.

Coming from a farm community, I felt it was vital to visit some of the farmlands in Moldova. I visited a factory producing wines from the fertile vineyards of Moldova. The only way for Moldova to move ahead is for the government to privatize farmland and factories. The kolkhoz system of collective farming is a dead end. Holding together the current system for marginal, temporary improvement will only delay the inevitable reforms. In order to achieve these aims, Moldova needs small tractors for its farmland and farmer-to-farmer exchanges with the United States Government.

Mr. President, since the war of the separatist government in Transdniestria began, 43,370 refugees have fled the left bank and Bendery and now seek shelter in Moldova. Ms. Ludmilla Scalnyi, the president of Women's Association Dacia sponsored a roundtable discussion with representatives of the Ukrainian, Russian, and Moldovan populations in Transdniestria who spoke of the devastation in their lands and how the government of that region is not working to protect minorities but instead to exploit them in a grab for power and a return to the Soviet Union. These women feel that the story of the true devastation at the hands of this regime, parts of the 14th Army, and Cossack irregulars, are not being heard by the West.

I urge international human rights groups to travel to meet with these women to hear their stories of devastation and to investigate the pitiful human rights record of the Transdniester Government.

LATVIA

Despite a Russian pledge to the Latvian Government on February 1 to come to an agreement regarding troop removal and to state the number and composition of Russian controlled forces in Latvia, Russian troop levels are not decreasing in Latvia. At the same time, rhetoric from members of the Russian Government, including Defense Minister Pavel Grachev, that Russia does not rule out the use of force to protect the Russian minority, continues to increase.

I ask unanimous consent that a copy of the February 1 communique signed by representatives of the Latvian and Russian Governments be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. ROBB). Without objection, it is so ordered.

(See exhibit 1.)

CSCE PRINCIPLES IN THE BALTIC STATES

Mr. PRESSLER. Mr. President, I am very disappointed that the recent CSCE meeting in Helsinki failed to take the essential step of to brand the presence of Russian troops on foreign soil as a violation of international law. While President Boris Yeltsin told the G–7 meeting in Munich that all troops will be removed in the near future, the Russian Government seems to be backtracking by its actions from that rhetoric.

I urge the Russian Government to keep its commitments under the February 1 communique that no new conscripts will be sent and that the Russians will report the size, composition, location, and number of Russian units on Latvian soil. The same steps should be undertaken in Lithuania and Estonia.

During my visit to Latvia, I met with numerous Latvian Government officials and representatives of the Russian military. Based on these meetings, I conclude that arguments why the Russian Army should remain in Latvia are nothing but smoke and mirrors to hide the intention of many in the Russian military and government to make the Baltic States a permanent colony of Russia.

The first fallacious argument to deny the Latvians their freedom by keeping the Russian Army in Latvia regard Latvia's treatment of minorities. The world is now being told that the Russians are the peacemakers, the peacekeepers and the persecuted. While this may be the intention of many good, Russian people and officials, these are not the intentions of the Russian military.

I ask unanimous consent that a copy of a report on the human rights situation in Latvia completed by the Council of Europe be printed in the RECORD at the conclusion of my remarks. This report states that Latvian laws on human rights are consistent with those of European countries.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. PRESSLER. Mr. President, I ask unanimous consent that an article by Paul Goble from the Washington Post be printed in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE RUSSIANS AREN'T GOING

(By Paul A. Goble)

Among the two most dangerous "poison pills" left behind after the collapse of the Soviet Union are the 1.5 million Russian troops stationed in the newly independent non-Russian states of the old union and the 25 million Russians living as ethnic minorities in those new nations.

Each of these poses serious challenges to both the new countries and to Russia. But they pose an especially explosive mix if brought together in scenarios in which the military abroad is used to back the Russian communities abroad. This combination is likely to threaten the prospects for peace and stability on the periphery and for democracy in Russia itself. In recent weeks, a number of events have occurred that suggest this dangerous combination may be forming.

On Friday, the Russian Parliament denounced the republic of Estonia for mistreatment of its Russian minority and threatened to impose sanctions. Only three weeks earlier, Russian military commanders there authorized the use of force to repulse any Baltic interference with Russian military operations.

Both the Russian military and the Russian minorities face an uncertain future. The military, originally stationed in the republics as part of the Soviet army, is now in an especially undefined position. Nominally part of the forces of the Commonwealth of Independent States (CIS), they are in reality a Russian army. The lack of definition of their subordination to civilian authority creates opportunities for dangerous freelancing.

Since Russian President Boris Yeltsin has announced that Russia will create a military force of 1.5 million, the best way to proceed would be to accurately re-label CIS forces as Russian. The longer they are allowed to exist under the CIS fiction, the greater the possibility they will be misused to advance Russian nationalist interests.

While the draftees are probably as ready as conscripts anywhere to go home, many Russian commanders are not accepting the new reality—and are adding to the strains of already dangerous ethnic conflicts. In the Trans-Dniester region of Moldova, for example, where violence continues between Russians and Moldovans, the 14th Russian Army has exacerbated rather than calmed the situation. In the Baltics, a Russian general recently asserted that the Lithuanian-Polish border was in fact a "Russian" border. Last month, Moscow military commanders authorized soldiers—whether stationed within Russia or in other former Soviet republics—to use lethal force against local populations that interfere with the military in any way.

The Russians in the republics are in an equally undefined situation. Some of the 25 million Russians in the new states have been there for decades or even generations. But most—one recent Moscow estimate puts the figure at 60 percent—were simply representatives of the imperial center, dispatched to promote Soviet power and uninterested and unsympathetic toward the local population.

Now that the basis of the Russians presence has been destroyed, many fear discrimination. Ironically, most of the new countries have adopted remarkably liberal positions on citizenship and minority rights—a stance that has won praise from several international organizations. The worries of the Russians seem fueled as much by withdrawal of the privileges they enjoyed as by fear of genuine reprisal from long oppressed minorities who now are in control of their own nations.

Not surprisingly, Russian conservatives who want to restore the empire have sought to play on the fears of the Russians living in the new countries and to enlist Western support in this regard, just as former Soviet president Mikhail Gorbachev did a year ago. Until recently, such appeals typically came from the margins of the Russian political spectrum, but now they are becoming more frequent, emanating from senior officials in the Russian government itself:

On June 5, Russian Defense Minister Pavel Grachev said Moscow had the right to intervene in the successor states to defend "the honor and dignity" of ethnic Russians.

On June 22, Russian Supreme Soviet Foreign Affairs Commission Chairman Yevgeny Ambartsumov warned against those who would attack Russians, pointedly noting that "we sometimes overrate the principle of the inviolability of borders;"

On June 23, Russian presidential counselor Sergei Stankevich repeated that "Russia is responsible" for the fate of Russians in the new states, warning the West not to think on this issue that it was dealing with Russia as "a devastated empire."

So far, Yeltsin generally has resisted these claims. But instead of backing up the reformist Russian president on these key issues, the Bush administration has been silent. Our silence spurs Russian chauvinism and weakens Yeltsin. The administration seems to have learned nothing from an episode in 1991, when it refused to take a tough stand against Soviet violence in the Baltic states out of fear that to do so would somehow undermine Gorbachev. The unintended result: Violence continued, conservatives in Moscow were strengthened and any chance Gorbachev would resume reform was seriously reduced.

What should the West do? Clearly, the international community—including the United States—must make every effort to try to ensure that Russians in the new states enjoy equal rights as individuals, regardless of minority status. To do otherwise or to focus on the Russian minorities alone as many foreign leaders are doing, is to ignore the claims of the more than 30 million non-Russians who also live outside their home countries. Singling out the Russians in the new states for special consideration reinforces Russian chauvinists who want to make the Russian diaspora into a permanent cause for extremist nationalism.

The West also must encourage both the rapid withdrawal of all Russian troops from countries where they are not welcome and the end of the undefined status of Russian military units by creating a specifically Russian army and eliminating the CIS command. Any delay is an invitation to trouble. Some Russian commanders and Russians on now-foreign soil may actually seek to spark violence in order to justify their continued presence. To counter this possibility, we must internationalize the issue, perhaps via the Conference on Security and Cooperation in Europe, which just met in Helsinki. This would add a note of coordination and engagement on the issue that so far is lacking.

Finally, we must recognize that the presence of CIS forces in what now can only be considered garrisons on foreign soil is a menace to peace. CIS Marshal Yevgeny Shaposhnikov last week asserted the right to intervene throughout the old empire as peacekeeper. We should thus welcome the establishment of a specifically Russian military and insist that it behave like any other national army when it seeks to have bases abroad—billeting them only by agreement with the host government.

Failure to take a tough line on these issues is inconsistent with our desire for stability throughout the region and promotion of democracy and human rights. Unfortunately, the administration, which regularly insists that Russia adopt tough economic measures as the price of aid, has not insisted on these more fundamental political reforms. If we do not do so, we may find that any economic reforms will be swept away by military and political upheavals.

After the demise of the Soviet empire, many people argued that the Russian federation would be the next domino to fall, what one Moscow official called a "chain reaction of disintegration." A glance at a map shows why. As divided by Soviet power into various "autonomous" administrative areas, Russia appears to be less than half Russian: Its 31 autonomous formations cover more than 53 percent of the territory of the country, and several of them—the Kazan Tatars, the Chechens in the North Caucasus and others—are talking about independence.

But looks are deceiving. Russia is not the Soviet Union writ small and is unlikely to suffer the same fate. In contrast to the U.S.S.R., where half the population was non-Russian and where many of the republics had a tradition of state independence, Russians form over 80 percent of Russia's population. In addition, most of the 31 autonomies—whose residents represent only 17 percent of Russia's total—are overwhelmingly Russian: Only six have non-Russian majorities or pluralities. And with the exception of those noted above, most lack any recent tradition of state independence or immediate interest in it.

But a reassertion of Russian power in the non-Russian successor states could quickly change that, driving ethnic enclaves to attempt independence before Moscow turned its attentions to them.

But the most serious consequence of silence is to undermine Russian democracy and the reformist impulses of Yeltsin. Unlike Gorbachev, Yeltsin understands that no empire can be a liberal state; hence, he has helped engineer a remarkably peaceful divorce of the former Soviet republics. In this, he benefited from both popular support—last spring, a poll showed that fewer than one Russian in 10 was prepared to use force in the successor states—and the longstanding opposition of the international community to use force outside national boundaries. But recently, he has been under pressure at home to take a harder line and under much less pressure from abroad not to.

The West can do little about the demands of the Russian right that the empire be reestablished and the "anti-national" government of Yeltsin be overthrown. But we have an obligation to maintain what has been a consistent position against the use of the Russian military outside of Russia.

In a plea last month against any use of force to defend Russians in the successor states, Russian Foreign Minister Andrei Kozyrev argued that doing so would generate a backlash against Russians in the new states and hurt Russian democracy as well. Those pushing for such a use of force, he said, were creating a situation resembling "1933 in Germany, with part of the democrats beginning to assume nationalistic positions." Such people, Kozyrev said, do not understand that democracy inside Russia and the use of military force to defend Russians abroad are "incompatible." This is a lesson that we need to learn, too.

Mr. PRESSLER. Mr. Goble made the important point that the Russian Parliament is prepared to impose sanctions or use force to guard the privileges the Russians enjoyed during the days of empire, not protect against genuine reprisals. I speak specifically of Russian threats to Estonia.

Mr. President, the United States made many excuses not to get involved in the former Yugoslavia. Many in the State Department called the situation in Croatia an ethnic conflict and justified inaction by stating that the people should sort itself out themselves. We are in danger of making a similar mistake in the Baltic States by making excuses for the Russian Army to stay. All the seeds are planted for a complete catastrophe. This means that the U.S. taxpayer may, indeed, be asked to spend a lot of money, while getting nothing in return except broken promises.

VISIT TO SKRUNDA BASE

Mr. President, I was the first Westerner allowed to visit the Russian Phased Array Radar Facility in Skrunda, Latvia. Although the commanders of the base were courteous and provided a lunch to our party, they claimed they could not get permission from their superiors to allow our party to walk through the facility.

I was struck during my visit with statements by the Russians that they felt it might take 10–15 years for them to leave Skrunda. It was my impression that this reflected the views of the military high command of Russia and that only political leadership could shorten the time for Russian forces to be stationed on foreign soil.

Skrunda, according to its Russian commanders, is a defensive facility to protect against incoming missile attacks. But the end of the cold war surely means—at a minimum—that the threat no longer exists if it ever did. Certainly Sweden, Norway, and Finland post no threat to the Russians and certainly are no threat to independent and free Latvia.

I felt my visit to Skrunda provided important new evidence that the United States must insist that Russian political figures keep their apparent commitment to an early and complete withdrawal of Russian military forces from the Baltic States, Moldova and other places where they are not wanted. Moreover, continued presence of Russian forces create destabilizing conditions that inevitably detract from the ability of newly independent governments to exercise their fundamental rights of sovereignty and self-determination consistent with CSCE and other international principles.

Mr. President, in both Moldova and the Baltic States, I call on President Bush and Secretary Baker aggressively to defend the rights of these nations for freedom from subjugation.

LATVIAN FOREIGN MINISTER'S INSIGHTS

During my discussions with Janis Jurkans, Latvia's Foreign Minister and Andrejs Krastins, Deputy Chairman of Latvia's Supreme Council, both stated that territorial disputes and ethnic animosity are coordinated disinformation efforts of the Russian KGB. Mr. Jurkans stated, for example, that there are 76 people in the Baltic department of the Russian KGB working to sow seeds of instability there. Their task is to use the Baltic States as a showcase for the rest of the former Soviet Union that freedom cannot exist without Russian coordination and domination. In short, Mr. President, that newly independent governments are having difficulty being truly free of Russian domination.

CONCLUSIONS

My goals during the trip were to monitor progress toward three goals: human rights, democracy, and free enterprise. The Baltic States are light years ahead of the States of the former Soviet Union. They do far more than pay lipservice to the principles of CSCE, democracy, and human rights. They are implementing democracy while most of the former Soviet Republics are using rhetoric. Our money is much better spent in the Baltic States than elsewhere if our goal is to promote these fundamental principles.

I urge the State Department to realize that the Baltic States should not be penalized while boatloads of cash flow to Russia and the States of the former Soviet Union. I believe the amounts the United States has sent last year and plans to send this year to the Baltic States is very small in comparison with assistance plans to the former Soviet Union where there is a far less chance for money to go to good use.

I was also concerned with the treatment of some of the minorities in the countries that I visited. I spoke yesterday about the treatment of the Jewish minority in the central Asian countries.

In the Baltic States, I urge that they move as quickly as they can to allow persons of Russian background to vote who wish to be loyal citizens of Lithuania, Estonia, and Latvia.

I think the countries of the former Soviet Union need the Jewish minorities, the human resources. I think they need to train Russian minorities where they wish to be loyal to a country. And I think that the United States, in terms of giving aid, must talk about human rights and CSLE principles, to provide some leadership on treatment of minorities.

I previously said that I think many countries are not meeting the standards for democracy, human rights, and free enterprise. As a Senator who voted for the Freedom Support Act when it passed this body, I may well vote against it unless there are more conditions placed on it by the House and in conference.

I shall be sending a copy of my trip report to all Members of the House, as well as the conferees, and urge that conditions be placed in our assistance package.

Human rights practices outside the Baltic States remind me of a passage from a play, "Death and the Maiden," by Ariel Dorfman, in which they were discussing how one group, when it comes to power, punishes the last group who mistreated them, and the cycle continues. At one point, one of the characters said:

> So we go on and on with violence, always more violence. Yesterday they did terrible things to you and now you do terrible things to me and tomorrow the same cycle will begin all over again. Isn't it time we stopped?

Mr. President, I think that this is a great lesson for those former Soviet Republics. I should add that I observed no desire for retribution in the Baltic States, despite provocation. The United States should defend the concepts of human rights and CSCE principles throughout the region.

Mr. President, I yield the floor.

EXHIBIT 1

COMMUNIQUE ON THE NEGOTIATIONS BETWEEN THE STATE DELEGATIONS OF THE RUSSIAN FEDERATION AND THE REPUBLIC OF LATVIA

In compliance with an earlier agreement, negotiations were held in February 1992 in Riga between the state delegation of the Russian Federation, headed by Mr. S. Shakhray, Vice-Chairman of the Government of the Russian Federation and State Adviser on legal Policy, and the state delegation of the Republic of Latvia, headed by Mr. J. Dinevics, State Minister of the Republic of Latvia. The topic of discussions was the number of issues pertaining to the complete removal from the territory of the Republic of Latvia of the former USSR troops which are stationed in Latvia and now have come under the jurisdiction of the Russian Federation.

In the course of the negotiations the Parties confirmed their will to develop good neighbourly relations, based on the principles of equality and mutual benefit, between the Russian Federation and the Republic of Latvia. These relations would comply with the principles expressed in the UN Charter and other generally accepted norms of international law, and would strictly observe the obligations within the context of the Conference on Security and Cooperation in Europe and the basic stipulations of the Agreement on the Basis for Interstate Relations between the Russian Federation and the Republic of Latvia. The Parties confirmed their readiness to negotiate the whole complex of military-political, economic, humanitarian and other issues, taking into account that agreement between them on these issues will be reached within the context of measures taken to ensure security and confidence in Europe and a constructive participation of Russia and Latvia in the further development of the European process.

The delegation of the Russian Federation pointed out that problems connected with the removal of the troops will be solved so that to respect the independence and sovereignty of the Republic of Latvia and strictly observe its laws and agreements between the Parties. The Latvian delegation confirmed its readiness to respect the interests of the Russian Federation pertaining to the removal of the troops from the territory of Latvia. The Parties have agreed that these can be considered foreign troops to be removed from the territory of another sovereign state.

Agreement was reached that the beginning of the removal of the troops stationed on the territory of Latvia will be March 1992, and that the existing number of the troops will not be increased in the period before the start of the removal. The Parties agreed to consider the negotiations as the beginning of work on the draft agreement between the Russian Federation and the Republic of Latvia on the conditions, terms and order of a systematic removal of troops from the territory of Latvia and their legal states in the period of the removal. The Parties discussed the basic principles of this Agreement. They have agreed that the terms, order and steps of the removal depend on a number of objective factors, in the first place such as serving the interests of the national security of Latvia and Russia, as well as the social security of the military and their families. The Parties have agreed that the issues of the social security of the retired military will be adressed to and solved in the nearest future.

The Parties have agreed that in the period of the removal of the troops they will abstain from unilateral measures that have not been agreed upon with the other Party.

The Parties have agreed to set up expert task forces to prepare the draft of the above mentioned Agreement which the delegations intend to negotiate in the shortest time possible.

The Russian Party recognizes the property rights of the Republic of Latvia with regard to the buildings and facilities erected before June 17, 1940, presently used by the military.

An agreement was reached that the Russian Party will regularly inform the Latvian Party about the number of the troops stationed on the territory of the Republic of Latvia.

The Parties confirmed that they have agreed about an efficient solution of the most topical problems connected with the supplies for the troops stationed on the territory of Latvia, as well as about the necessity to discuss the terms of mutual payments.

The Parties have agreed that they will determine the order of inspection, appoint inspectors and carry out a bilateral inspection of the objects located on the territory of Latvia presently occupied by the troops to be removed.

The Parties have agreed that they will cooperate in solving the environmental problems. The size of the damage incurred to the environment will be determined by mutually agreed upon methods.

The Parties intend to discuss the conditions on which the Russian Federation would transfer a certain amount and certain types of weapons, military equipment and ammunition to the Republic of Latvia.

The Parties have touched upon the subject of the opening of the Embassy of the Russian Federation in the Republic of Latvia.

S. SHAKHRAY.
J. DINÊVIČS.

EXHIBIT 2

[Council of Europe, Parliamentary Assembly, Strasbourg, January 20, 1992]

AD HOC COMMITTEE ON RELATIONS WITH EASTERN EUROPE

(Report on Human Rights in the Republic of Latvia)

(Prepared by Mr. J. de Meyer, judge of the European Court of Human Rights and Mr. C. Rozakis, member of the European Commission of Human Rights)

REPORT ON LATVIA

Introduction

We were asked by the Parliamentary Assembly of the Council of Europe to examine the laws drafted or enacted in Latvia concerning human rights, with particular reference to citizenship, cultural rights and the rights of minorities.

For this purpose, we have examined the constitutional and legislative texts supplied to us, in English translation, by or on behalf of the Latvian authorities.

The texts supplied were:

The Constitution of 15 February 1992.

The Declaration of 4 May 1990 on the Renewal of the Independence of the Republic of Latvia;

The Declaration of 4 May 1990 concerning accession by the Republic of Latvia to certain international human rights instruments;

The Constitutional Act of 21 August 1991 concerning the situation of the Republic of Latvia as a state;

The Constitutional Act of 10 December 1991 concerning the rights and duties of citizens and people; as well as:

The Act of 5 May 1989 concerning the use of languages;

The Act of 7 September 1990 concerning religious organizations;

The Act of 19 March 1991 concerning free development and the right to cultural autonomy of nationalities and ethnic groups;

The Resolution of 15 October 1991 concerning restoration of the rights of citizens of the Republic of Latvia and the fundamental principles of naturalization.

In addition, discussions were held in Riga on 16–17 December 1991: with several members of the legislative committee of the Supreme Council and the latter's delegation to the Parliamentary Assembly of the Council of Europe; with representatives of: the Parliamentary Group for Equality of Rights; the Democratic Initiative Centre; the Latvian Committee and the Citizens' Congress of the Republic of Latvia; cultural associations representing the Russian, Polish, Jewish and Gypsy communities; the Lutheran, Orthodox, Catholic and Baptist churches; the press, radio and television; and with Mr. Gvido Zemrido, President of the Supreme Court; and Mr. Anatolijs Gorbunovs, President of the Supreme Council.

I. CONSTITUTIONAL SITUATION

The Constitution of 15 February 1922 has in principle been reinstated.[1]

However, pending the winding up of the occupation and annexation of Latvia and the assembling of the Parliament (Saeima) of the Republic, supreme authority is exercised by the Supreme Council of the Republic.[2]

II. GUARANTEE OF FUNDAMENTAL RIGHTS

The Supreme Council has already by means of several texts provided guarantees of fundamental rights.

1. It has done so, firstly, in general terms in the Declaration of 4 May 1990 concerning the Renewal of the Independence of the Republic of Latvia.

Article 8 of this declaration recognizes the social, economic, and cultural rights, as well as political rights and freedoms which are defined in international human rights instruments, but guarantees them only to "citizens of the Republic of Latvia and those of other nations permanently residing in Latvia", but adding that these rights apply also to citizens of the USSR who express the wish to continue living in Latvian territory.

It is surprising that in this provision no mention is made of "civil rights".

Furthermore, its rather restrictive wording might be found not quite compatible with the principle of the universality of human rights, in that the Supreme Council seems not to recognize the rights of foreigners not residing permanently in Latvia, nor of citizens of the USSR not specifically indicating their wish to continue living there.

Conversely, Article 8 seems, insofar as it applies to foreigners, both Soviets and others, to guarantee political rights to them as well as to Latvian citizens, which is more than is generally allowed.

2. Moreover, in Article 1 of the same declaration, the Supreme Council recognises the primacy of fundamental principles of international law over national law. Since these principles in particular entail the obligation to ensure universal and effective observance of human rights and fundamental freedoms, it seems by that very fact to have recognised the pre-eminence of those rights and freedoms in relation to Latvia's domestic law.

This pre-eminence cannot acquire its full significance, its full value, unless the Latvian authorities, and particularly the courts, do everything necessary to put it into practice, particularly by applying domestic law only insofar as it does not violate those rights and freedoms.

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[1] Footnotes at end of article.

According to comments obtained on this subject during the conversation with the President of the Supreme Court, it seems that Latvian judicial circles are aware of their responsibilities in this respect.

3. That is all the more important because, in another declaration of the same date, the Supreme Council proclaimed the accession of the Republic of Latvia to 51 international human rights instruments[3]; these were 48 declarations, conventions or resolutions drawn up in the United Nations organisation or its specialised agencies,[4] the Final Act of the Helsinki Conference and Resolutions adopted subsequently by the Conference on Security and Co-Operation in Europe, in Madrid in 1980 and in Vienna in 1986.

These instruments include, first of all, the Universal Declaration of Human Rights and the two International Covenants of 1966, the one on economic, social and cultural rights and the other on civil and political rights.

Thus, without even waiting until Latvia was re-recognised as an independent state by other states or admitted to the United Nations or the CSCE and without the necessary formalities being accomplished for Latvia to be bound in international law by the undertakings resulting from the instruments listed in the Declaration, the body exercising supreme power in the Latvian state has subscribed to the principles and rules stated in those instruments.

As was confirmed to us by the President of the Supreme Court, the provisions of these instruments must accordingly be regarded as fully applicable and mandatory in domestic law.

Furthermore, the Declaration seems both to clarify and broaden the guarantee formulated in general and somewhat imperfect terms in Article 8 of the Declaration on the Renewal of the Independence of the Republic. It appears to clarify it by referring to the more detailed provisions of the instruments which it enumerates. It appears to broaden it in that it thereby fills—or seems to fill—the gaps in the above-mentioned Article 8.

4. In the same declaration, the Supreme Council recognizes the role of the Council of Europe and the European Parliament in safeguarding human rights and declares that it will be guided, in its legislative activity, by the relevant documents adopted by those organizations.[5]

That is a declaration of intent with little binding effect.

5. Quite recently, on 10 December 1991, the Supreme Council adopted a Constitutional Act concerning the rights and duties of citizens and people.

It covers both economic, social and cultural rights and civil and political rights.

It contains provisions very similar to those guaranteeing human rights and fundamental freedoms in the constitutional instruments of Council of Europe member states. It recognises, in substance, the rights defined, at United Nations level, in the Universal Declaration of 1948 and the two covenants of 1966 and, at European level, the European Convention on Human Rights and the European Social Charter.

As the title of the Act indicates, a distinction is made between rights and duties which are common to all and those which belong to citizens.

Only citizens enjoy the guarantee not only of conventional political rights, including the right to vote and to be elected, the right of access to state office[6] and the freedom to reside in Latvia and return there,[7] but also the right to own land and other natural resources and to dispose of them, subject only to exceptions determined by international treaties.[8]

The restriction thus imposed on the property rights of non-citizens is not usual in Europe. However, it might be regarded as fitting in with Article 1, para. 2 of the International Covenant on Economic, Social and Cultural Rights and Article 1, para. 2 of the International Covenant on Civil and Political Rights.

III. THE PROBLEM OF MINORITIES AND THE PROBLEM OF CITIZENSHIP

1. In Latvia, the major problem is that of minorities. It has become all the more serious because the number of inhabitants of Russian, Byelorussian or Ukrainian origin increased considerably during the period of annexation to the Soviet Union.

The proportion of the Latvian community to the total population of the Republic fell from a little over 75 percent in 1935 to a little under 52 percent in 1989. At the same time, the Russian, Byelorussian and Ukrainian communities rose from about 12 percent, with the Russian community accounting for 10.5 percent, to over 42 percent, with the Russian community accounting for over 34 percent.

The non-native communities, mainly those of Soviet origin, have mainly settled and grown in the urban areas. As a result, the Latvian community represents only 36.5 percent of the population of Riga and about 13 percent of that Daugavpils.

2. In the Supreme Council elected in 1990, the Latvian community is considerably overrepresented and the Ukrainian community is slightly so, whereas the Russian and Byelorussian communities are substantially under-represented; [10] this seems to be due to the fact that the Assembly was elected by double-ballot uninominal majority vote, with at least three members per administrative district.

In this connection, it may be observed that, according to the 1922 Constitution, Parliament must be elected by the system of proportional representation,[11] in constituencies whose number of members must be proportional to the number of electors.[12] It is in that manner that the next Parliament should normally be elected.

Furthermore, the present Supreme Council is strongly polarised in that the members belonging to the Latvian community, on the one hand, and those belonging to the Russian, Byelorussian and Ukrainian communities, on the other hand, are very largely combined in distinct and opposing political formations.[13]

3. This situation helps better understand the importance of the citizenship problem.

A law governing citizenship is being drawn up: the Supreme Council laid down the principles in a Resolution of 15 October 1991.[14]

According to the Resolution, Latvian citizenship belongs in principle only to those who held it on 17 June 1940 and their descendants, if they were resident in Latvia on 15 October 1991 and if they register before 1 July 1992; [15] if they were not resident on 15 October 1991 or if they are citizens of another state, they may obtain it at any time on condition that they register and show proof of permission for expatriation.[16]

Those who did not hold Latvian citizenship on 17 June 1940 and their descendants, may, according to the same resolution, acquire citizenship by naturalisation. They cannot obtain or apply for citizenship unless they were resident in Latvia on 15 October 1991, register before 1 July 1992 and do not retain the citizenship of another state.[17] These three conditions are sufficient for those of them who, without being Latvian citizens, were lawfully and permanently resident in Latvia on 17 June 1940 and for their descendants.[18] They also permit the naturalisation of those who could have applied for Latvian citizenship under Section 1 of the Citizenship Act of 23 August 1919 and their descendants, if they also show proof of a sufficient knowledge of the Latvian language.[19]

This additional condition is imposed on those not falling within the two previous categories, but they also have to fulfill three other conditions: They must have lived and resided permanently in Latvia for at least sixteen years, be familiar with the fundamental principles of the Constitution of the Republic and swear an oath of allegiance to it.[20]

According to the Resolution, citizenship of the Republic of Latvia cannot be granted to several categories of people.[21] This applies to people serving in the armed forces, interior forces or security forces of the USSR and those who, after having served in them, have settled in Latvia but were not resident there permanently before entering the service. It also applies to people sent to Latvia after 17 June 1940 in the service of the Communist Party of the USSR or of the Komsomol.

In no case is it possible to be both a Latvian citizen and a citizen of another state.[22]

4. The question of citizenship is highly controversial.

The system defined in the Resolution of 15 October 1991 is hotly contested by the Russian, Byelorussian and Ukrainian communities. Representatives of the Equality of Rights Group and the Democratic Initiative Centre whom we met in Riga made it clear that they regard it as discriminatory and arbitrary. The two "Russian" members of the delegation from cultural associations were less forthright in their expression of unease on the subject.

Among the Latvian community and in the Popular Front it is felt that the distinctions made in the Resolution and the criteria it lays down are reasonable and objectively justified, having regard to what has happened in Latvia since 1940.

In some radical circles, more particularly in those of the Latvian Committee and the Citizens' Congress, it is even said that the Resolution is still too favourable to immigrants and that they can be granted nothing as regards citizenship before a new parliament is elected, in accordance with the 1922 Constitution, by those who were already Latvian citizens on 17 June 1940 and their descendants. These circles explicitly want the gradual departure of the population of former Soviet origin.

The Resolution does not seem unreasonable in that it in principle recognises Latvian citizenship for those who possessed it in June 1940 and their descendants and grants it to others only through naturalisation. Nor does it seem unreasonable in ruling out the combination of Latvian citizenship with that of other states.

However, it seems less reasonable in other respects. There is room for misgivings about the provisions which, for naturalisation purposes, require sufficient knowledge of the Latvian language and at least sixteen years' residence in Latvia, and perhaps also with the requirement that applicants for naturalisation must be familiar with the fundamental principles of the Constitution.

IV. INDIVIDUAL ACTS

1. The Act on free development and the right to cultural autonomy of nationalities

and ethnic groups, adopted by the Supreme Council on 19 March 1991, guarantees all residents in Latvia, whatever their nationality, equal enjoyment of human rights, in accordance with international standards.[23]

In particular, it guarantees all permanent residents in Latvia, whatever their nationality, equal rights in relation to employment and enumeration; it prohibits, with regard to free choice of occupations and trade, any discrimination on grounds of nationality.[24] Similarly, it prohibits any activity involving national discrimination or the promotion of national superiority or national hatred.[25]

Furthermore, the Act guarantees all permanent residents of Latvia freedom to decide their nationality,[26] to observe their national traditions, to use their national symbols and celebrate their national festivals,[27] to maintain relations with their compatriots abroad, to leave and return to Latvia,[28] to set up their own national societies, associations and organisations.[29] It affords all these the right to develop their own educational establishments by their own means,[30] and to use the mass communication media of the state and to have their own.[31]

Under the same Act, the state must promote the activity of these societies, associations and organisations and afford them material assistance,[32] but they must for their part act within the framework of the laws of the Republic of Latvia and respect its sovereignty and indivisibility.[33]

The Act also provides that the national cultural organisations enjoying the tax relief provided for by the laws of the Republic and their members are entitled to exercise economic activities in accordance with those laws.[34]

It recognises the right of all nationalities and all ethnic groups to be represented on the Nationalities Advisory Council and to participate in its work, particularly with regard to the framing of legislation[35] and the right to develop their own artistic life.[36]

According to the same Act, the state must promote the creation of material conditions for the development of the education, language and culture of the nationalities and ethnic groups inhabiting Latvia and provide budgetary resources for this purpose;[37] it must, on the basis of international agreements, promote for its permanent residents the possibility of receiving higher education in their mother tongue outside Latvia;[38] similarly, it must promote the publication and distribution of national periodicals and literary works[39] and protect national monuments and objects of a historical and cultural nature.[40]

The Act provides in particular that the state must promote the preservation of the national identity and the historical cultural environment of the Livonians and the renewal and development of the socio-economic infrastructure of the territories they inhabit.[41]

The Supreme Council has thus laid down a number of principles which, although framed in general terms, are such as to guarantee in very large measure, provided they are put into practice, the existence and development of the nationalities and ethnic groups which make up the population of Latvia.

However, the Act lacks precision in many of its provisions. This particularly applies to the positive obligations imposed upon the state in this respect, it cannot acquire its full value unless those obligations are more clearly defined.

In so far as it refers to other laws, it leaves the door open to restrictions which those laws might introduce.

It may also be wondered whether the provision whereby national societies, associations and organisation must act within the framework of the laws of the Republic of Latvia and respect its sovereignty and indivisibility does not confine the exercise of freedom of association within unduly narrow limits.

2. As regards the rights of nationalities and ethnic groups in relation to education, the Act of 19 March 1991 refers to the specific Act on the subject.[42]

The text of that Act was not supplied to us.

3. The use of languages is governed by an Act of 5 May 1989: this is a text adopted by the previous Supreme Soviet.

The English translation which was supplied to us seems very imperfect; in places it is difficult to understand.

With this reservation, the main provisions may be summarized as follows:

Latvian is the official language of the state.[43] It is also the language of its authorities and services, without prejudice to the use of Russian or other languages in certain cases and to the translation into Russian of certain decisions.[44] Application may be made to these authorities and services in Latvian or in Russian; their staff must have an adequate knowledge of both these languages.[45] Documents issued by these authorities and services are drafted in Latvian or in Russian or in one or other of those languages, according to the choice of the person to whom they are issued.[46] In their relations with the public, they use Latvian unless there is agreement to use another language.[47]

The State guarantees the right to general education in Latvian or Russian; it must permit the education of residents of other nationalities in their mother tongue and create appropriate conditions for this purpose.[48] It also guarantees the use of Latvian and Russian in vocational, technical or post-secondary education establishments, but the final examinations must be held in Latvian.[49] In scientific matters, the choice of language is free; it is determined by common agreement for theses and dissertations.[50]

Any establishment dispensing education in a language other than Latvian must include Latvian language courses in its curriculum.[51]

Names of places and institutions must be in Latvian or derived from Latvian, with a translation into Russian or another language if necessary.[52] Similarly, markings on goods produced in Latvia must be in Latvian; they must also be in Russian or in another language if they are for export.[53]

The Act also provides that the use of Latvian, its dialects and Latgallian is guaranteed for all forms of cultural expression and that the State especially guarantees the preservation and development of the language and culture of the Livonians. The cultural development of the other traditional ethnic cultures is also guaranteed.[54].

These being the main provisions of the Act, it may be observed that it makes fairly substantial allowance for Russian as a second language in Latvia and grants extensive facilities to Russian-speakers. It nonetheless clearly imposes Latvian as the only official language and makes knowledge of it compulsory not only for anyone wishing to take an active part in the affairs of the state, its authorities and its services, but also for anyone wishing to obtain a diploma of vocational, technical or post-secondary studies in Latvia. Similarly, the use in relation to the public of languages other than Latvian by the public authorities and services seems to be left up to them.

The Russian-speakers whom we met in Riga mostly complained about this state of affairs, but it was explained by the Latvian community that it is a question of protecting the language of the country, which is threatened by the influx of foreigners who have settled in large numbers since 1940.

Furthermore, the Act offers little guidance as to the use of languages in judicial matters. According to the President of the Supreme Court, there are virtually no difficulties in this respect: all judges know Russian as well as Latvian; cases are tried and judgments delivered in Latvian or in Russian, according to the requirements of each case and the preference of the parties, on the understanding that in criminal matters the language of the accused is used and in labour matters that of the worker.

The Act of 5 May 1989 contains no provisions on the use of languages in the mass communication media or in economic and social life. It is also vague regarding languages other than the two main ones.

4. On 11 September 1990 the Supreme Council adopted an Act on religious organizations.

This Act is fairly detailed: it may suffice here to summarise the most important provisions.

It guarantees the equality of inhabitants of Latvia, whatever their attitude toward religion; it prohibits any privilege or discrimination in this respect, and any insult to their feelings or incitement to hatred. It allows no-one to evade on religious grounds the civic obligations laid down by the law, except in the cases provided for in the Act.[55]

It proclaims the lay character of the State, while obliging it to protect religious organisations and to assist them on request. It enables them at the same time to participate in public affairs, particularly through the establishment and use of mass communication media. It grants religious bodies whose statutes have been legally registered the right to be represented on the Consultative Council for Religious Affairs,[55] whose role seems similar *mutatis mutandis* to that of the Nationalities Advisory Council.[56]

It prohibits the State and its institutions from interfering in the internal affairs of religious organisations,[57] but provides that a parish must be composed of at least ten adults and represented by a governing body elected by its members and that a "regional or central institution" must be composed of at least three parishes.[58] Furthermore, it subjects religious organisations to the ordinary law as regards the status and social security of their stuff;[59] it recognises as legal entities those which register their statutes.[60]

It guarantees freedom of worship and other religious activities in private premises and in churches, chapels and cemeteries. It permits it also in other public places, subject to authorisation by the local authorities, and, according to arrangements to be agreed with the administration as to time and place, in hospital and prison establishments.[61]

It grants religious organisations the right to dispense religious education in their own institutions and by means of optional courses in State schools or private schools; it provides that the local authorities must, within the limits of their possibilities, provide them with material resources for this purpose.[62]

It guarantees them the right to ownership of goods acquired "legally" and promises them the restitution, at their request and "according to the relevant legislation" of those of which they have been dispossessed.[63] It allows them the exercise, "within the framework of existing legislation" of economic and press activities.[64] It also grants them certain tax exemptions.[65]

Restrictions cannot be placed on the activity of religious organisations unless they violate the Constitution and the laws of the Republic, or unless they endanger the social order and the safety or rights and freedoms of other inhabitants.[66] In the event of violation of the Constitution and the laws, their registration can be refused[67] or their activities terminated.[68]

Like the Act on free development and the right to cultural autonomy of nationalities and ethnic groups, the Act on religious organisations lacks precision as to the positive obligations which it imposes on the state. The same applies to those which it imposes on local authorities.

Furthermore, some of its provisions might give rise to other problems. This is the case with those by which it seems in principle to prohibit conscientious objection, to interfere in the internal organisation of parishes and "regional or central" religious institutions and those by which it refers, in a vague way, to other laws. It may be feared that the formality of registration of statutes may involve a risk of prior control—though it is true that there is a possibility of recourse to the courts if registration is refused.

The religious authorities whom we met in Riga seemed fairly satisfied with the substantial improvement in the situation of their churches, although they still are experiencing serious difficulties, particularly as regards the restitution or replacement of buildings and other property taken away from them or destroyed.

CONCLUSION

In recent years, human rights and fundamental freedoms have been recognised and guaranteed in Latvia in several texts adopted by the Supreme Council of the Republic. Most of them are to be found in the Declaration of 4 May 1990 concerning the accession of the Republic of Latvia to certain international instruments and in the Constitutional Act of 10 December 1991 concerning the rights and duties of citizens and people.

As to the definition of rights and freedoms, the protection afforded by these texts is comparable to that provided by the constitutional instruments of most Council of Europe member states and guaranteed collectively in the Council of Europe in particular by the European Convention on Human Rights.

This protection has also been made explicit, more or less satisfactorily, as regards several rights and freedoms, in a number of individual Acts, particularly with regard to the legal situation of religious organisations and the cultural rights of nationalities and ethnic groups.

The Supreme Council seems thus to have expressed the resolve of the Republic of Latvia to comply with the obligations incumbent upon the member states of the Council of Europe with regard to human rights and fundamental freedoms.

It remains for the effective exercise of those rights and freedoms to be duly secured in practice by the Latvian authorities and more particularly by an independent and impartial judiciary. In many ways, this will entail acquiring new ways of thinking and acting.

The most difficult problem is certainly that of citizenship. In this respect, the past represents a heavy burden: a profound gulf has grown between those who wish to rid themselves, more or less radically, of the demographic after-effects of a half-century of foreign domination and those who feel rejected by a country to which they have grown accustomed, in some cases over a very long period, to regarding as their own.

The use of languages gives rise to difficulties of a similar nature.

There are grounds for hoping that those who oppose each other on these difficult questions will learn to listen more to each other and to find the way to conciliation and that they will appreciate that wisdom bids them not to demand all nor to refuse all.

CHRISTOS ROZAKIS,
Professor at the University of Athens, Member of the European Commission of Human Rights.

JAN DE MEYER,
Emeritus Professor at the University of Louvain, Judge at the European Court of Human Rights.

FOOTNOTES

[1] Article 3 of the Declaration of the Supreme Council of 4 May 1990 on the Renewal of the Independence of the Republic of Latvia. Article 1 of the Constitutional Act concerning the situation of the Republic of Latvia as a state, adopted by the Supreme Council on 21 August 1991.

[2] Section 3 of the Constitutional Act of 21 August 1991, already quoted.

[3] Part I of the Declaration.

[4] 46 of these instruments are reproduced in the "Compilation of international instruments on human rights," published by the UNO in 1988, nos. 1-3, 5, 9-11, 13, 15, 17-19, 21-23, 26, 28-30, 32-40, 46-53, 56-59, 61, 62, 54-67. Added are these General Assembly Resolutions Nos. 41/114 and 41/117.

[5] Part II of the Declaration.

[6] Section 8 of the Constitutional Act of 10 December 1991. See also, regarding the right to vote and to stand for election, Articles 8 and 9 of the Constitution of 15 February 1922.

[7] Section 10 of the Constitutional Act of 10 December 1991, to be compared with Sections 28 and 29 of the same Act.

[8] Section 9 and Section 24 of the same Act.

[9] See Table I below.

[10] See Table II below. There are slight differences between the number of inhabitants shown there for 1989 and those shown in Table 1.

[11] Article 6 of the Constitution.

[12] Article 7 of the Constitution.

[13] See Table II below.

[14] Resolution concerning the restoration of the rights of citizens of the Republic of Latvia and the fundamental principles of naturalisation.

[15] Article 2.1 of the Resolution.

[16] Article 2.2 of the Resolution.

[17] Article 3 of the Resolution.

[18] Article 3.2 of the Resolution. This provision . . . .

[19]

[20] Article 3.4 of the Resolution. According to the explanations given in Riga, the period of sixteen years is explained by the fact that it was at the age of sixteen that the "internal passport" was issued under the Soviet system.

[21] Article 3.5 of the Resolution.

[22] Article 2.3 of the Resolution. See also Section 5.3 of the Constitutional Act of 10 December 1991 concerning the rights and responsibilities of citizens and people.

[23] Section 1 of the Act.

[24] Section 3 of the Act.

[25] Section 16 of the Act.

[26] Section 2 of the Act.

[27] Section 8 of the Act.

[28] Section 9 of the Act.

[29] Section 5 of the Act.

[30] Section 10.3 of the Act.

[31] Section 13.1 of the Act.

[32] Section 5 of the Act.

[33] Section 6 of the Act.

[34] Section 14 of the Act.

[35] Section 7 of the act. The organization and operation of this Council are governed by a Supreme Council decree of 8 January 1991.

[36] Section 12 of the Act.

[37] Section 10.1 of the Act.

[38] Section 11 of the Act.

[39] Section 13.2 of the Act.

[40] Section 15 of the Act.

[41] Section 4 of the Act.

[42] Section 10.2 of that Act.

[43] Section 1 of the Act.

[44] Sections 6 and 7 of the Act.

[45] Sections 4 and 8 of the Act.

[46] Section 8 of the Act.

[47] Section 9 of the Act.

[48] Section 11 of the Act.

[49] Sections 12 and 13 of the Act.

[50] Section 4 of the Act.

[51] Section 13 of the Act.

[52] Sections 16 and 17 of the Act.

[53] Section 20 of the Act.

[54] Section 15 of the Act.

[55] Sections 1 and 2 of the Act.

[56] Section 2 of the Act.

[57] Ibid.

[58] Section 4 of the Act.

[59] Sections 9 and 10 of the Act.

[60] Section 5 of the Act.

[61] Section 6 of the Act.

[62] Section 3 of the Act.

[63] Section 7 of the Act.

[64] Section 8 of the Act.

[65] Ibid.

[66] Section 2 of the Act.

[67] Section 5 of the Act.

[68] Section 11 of the Act.

TABLE 1

	Total population	Latvian	Percent	Other	Percent	Slav	Percent
Year:							
1935	1,950,500	1,472,600	75.5	477,900	24.5	233,400	12.0
1959	2,093,400	1,297,900	62.0	795,500	38.0	647,400	30.9
1970	2,364,100	1,341,800	56.8	1,022,300	43.2	853,000	36.1
1979	2,502,300	1,344,100	53.7	1,158,200	46.3	999,700	40.0
1989	2,666,600	1,387,600	52.0	1,279,000	48.0	1,117,300	42.3

Note.—Figures quoted by Bruno Mezgailis, in a report presented at a conference organised in Riga in September 1990 on "Prospects of the Latvian nation."

TABLE 2

	Population in 1989[1]		Composition of the Supreme Council elected in 1990[2]				
	Number	Percent	Number	Percent	Popular Front Group	Equality of Rights Group	Others
Latvian	1,416,704	51.77	140	69.65	124	8	8
Russian	935,150	34.17	45	22.39	2	41	2
Byelorussian	122,050	4.46	3	1.49	1	2	....

TABLE 2—Continued

	Population in 1989[1]		Composition of the Supreme Council elected in 1990[2]				
	Number	Percent	Number	Percent	Popular Front Group	Equality of Rights Group	Others
Ukrainian	94,085	3.44	8	3.98	1	7	
Polish	62,613	2.29					
Lithuanian	35,670	1.30					
Jewish	23,625	0.86	3	1.49	3		
Others	46,887	1.71	2	1.00		1	1
Total	2,736,784	100.00	201	100.00	131	59	11

[1] Figures provided by the press centre of the Supreme Council.

[2] According to the booklet "Latvijas Republikas Augstaka Padome", published in 1991 by the Chancellery of the Supreme Council.

The PRESIDING OFFICER. Does any Senator seek recognition?

Mr. PRESSLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIFTIETH ANNIVERSARY OF ELLSWORTH AIR FORCE BASE

Mr. PRESSLER. Mr. President, I rise today to salute Ellsworth Air Force Base in South Dakota on the celebration of its 50th anniversary this year. South Dakotans are very proud of the important role Ellsworth Air Force Base has played in our Nation's military structure these past 50 years. During this time, Ellsworth personnel have participated in numerous military missions. Those missions include involvement in America's defense from World War II to Vietnam, and most recently, Operation Desert Storm.

Many changes have occurred during Ellsworth's half century of service. When the base opened, B-17 airplanes were stationed there for combat training purposes. Since then, Ellsworth has been home to B-29's, B-36's, and various B-52 models. Today, B1-B bombers are stationed at Ellsworth Air Force Base.

When established in July 1942, Ellsworth Air Force Base was named Rapid City Army Air Base. South Dakota Senator Chan Gurney, along with then Congressman and later Senator Francis Case, had promoted Rapid City as the site of one of seven major new air bases. The base's primary mission at that time was to train B-17 crews for combat service in World War II. Following the end of World War II, the base began training weather reconnaissance crews.

Designated a permanent facility in 1948 with the 28th Bombardment Wing [28 BMW] as the host wing, Rapid City Air Force Base was home to B-29 airplanes. The following year B-36 aircraft replaced the B-29's.

An RB-36 plane, whose passengers included Wing Commander Brig. Gen. Richard E. Ellsworth, crashed in Newfoundland on March 18, 1953. All 23 crew members and 2 passengers aboard the plane were killed. In honor of General Ellsworth, President Eisenhower changed the name of the base to Ellsworth Air Force Base.

The base's B-36 aircraft were replaced by the new B-52 planes in June of 1957. Various B-52 models were stationed at Ellsworth for 30 years until the B1-B bomber arrived in January 1987. I fought hard so that Ellsworth was the second base to receive B1-B's and the first base to operate both the B1-B and the KC-135 refueling aircraft together. Today, 28 B1-B bombers—nearly one-third of our Nation's B1-B force—are stationed at Ellsworth.

In the late 1950's, the base's mission was expanded to include land-based nuclear missile activities. The initial four Nike missile sites were soon replaced by Titan I missiles. In 1963, Minuteman I intercontinental ballistic missiles [ICBM's] supplanted the Titan missiles. In 1971, the 44th Strategic Missile Wing [44 SMW] became the host wing at Ellsworth. Also, in the early 1970's, the Minuteman I missiles were upgraded to Minuteman II missile specifications.

For approximately 30 years, the 44 SMW has been responsible for operating and maintaining the 150 Minuteman missile sites which are scattered across 13,500 square miles of western South Dakota.

Currently, the Minuteman II missiles are in the process of being deactivated at Ellsworth Air Force Base. This deactivation reflects the changes occurring in our international situation and our strategic arms reduction efforts. However, for the past 30 years Ellsworth's missions have comprised 2 of the 3 legs of our Nation's strategic defense triad.

In July 1988, the 12th Air Division was activated at Ellsworth and Brig. Gen. Robert Marquette, Jr., assumed command of the base. For several months I had been lobbying Air Force officials to designate the Ellsworth commander position as the rank of general. I was very pleased when that change occurred and applauded Air Force officials for their decision.

In 1989 Ellsworth became the only triple-wing base in the Strategic Air Command when the 99th Strategic Warfare Wing was activated. This wing operates the Strategic Warfare Center, which trains Strategic Air Command combat air crews. During the activation ceremony, one Air Force official called this facility the "premier training institution in the Strategic Air Command."

On September 1, 1991, the 28th Wing became the host unit at Ellsworth. Brig. Gen. Joseph C. Wilson, Jr., is the current commander of this composite wing.

One of the most positive aspects of Ellsworth Air Force Base is its strong sister city relationship with the nearby community of Rapid City, SD. The Rapid City Area Chamber of Commerce has a very active military affairs committee which supports the base. The support of local community leaders is much more than just lipservice. Their actions speak for themselves.

For example, a few years ago community and base leaders went to work to address the serious problem of substandard housing for base personnel. With the help of the private sector, new military housing units were built at Ellsworth—housing that would have taken years to accomplish through the military construction budgetary process. In this time of budgetary constraints, this project could serve as a model for addressing the facility needs of other military installations.

During my years in Congress, I have enjoyed working with local community and base leaders on behalf of Ellsworth. I will continue to work with Air Force officials on additional missions for this premier military installation.

I salute the thousands of men and women who have been stationed at Ellsworth Air Force Base over the years for their sacrifices and service to our Nation.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The following colloquy between Mr. WIRTH and Mr. CHAFEE appears at this point in the RECORD by unanimous consent.)

RESPONSE TO MR. FITZWATER'S STATEMENT

Mr. WIRTH. Mr. President, I appreciate the distinguished chairman of the committee's taking the Chair while I spend a few minutes to respond this morning to a quite remarkable statement by the President's press secretary, Marlin Fitzwater.

Let me read from the release from the Associated Press this morning.

> President Bush's spokesman today labeled Democratic Vice-Presidential candidate Al Gore as "Mr. Sellout America" for "telling the world how crummy America is" at the environmental conference in Rio de Janeiro.

Obviously, Mr. President, what is going on here is the game plan from the Republican Party has started in full and they are starting to dig dirt in excessive fashion, throw water on it, and the mud flies.

Unhappily, this is about the only thing that they appear to be good at in this administration. They certainly have run out of gas on everything else. There is no position and no policy from this administration on the economy. What is going on is the economy is obviously dead in the water, as one economist after another has said, and there is no solution coming from this White House.

On the issue of cities, Los Angeles is more than 2 months behind us, and this administration still refuses and is incapable of responding to a cancer growing inside the country.

On the question of education, we have a vast number of young Americans who are becoming absolutely uncompetitive in the world, and the "education President" refuses to do anything about it.

In the area of health care, we know the health care budget is eating us alive, inflation is mounting dramatically, and we have not yet heard one proposal from this administration.

And the list goes on. And it certainly includes the environment on which the "environmental President" has become the laughingstock for the country and for the world.

Those are the facts of the matter and what this election is all about, Mr. President, not misrepresentations of what happened in Rio, what happened with the Senate delegation in Rio, of which the distinguished presiding officer, Mr. BAUCUS, was a member, and what happened in terms of our collective Republican and Democratic representation of the United States. Partisanship, indeed, stops at the ocean's edge, and that was the case in what happened in Rio de Janeiro, not what Mr. Fitzwater said, calling AL GORE "Mr. Sellout America" and "telling the world how crummy America is."

Fitzwater and the administration were not even there to understand what was truly going on, as we saw the end of the cold war and the beginning, truly, of a new world order. Ignorance was presiding. Willful ignorance presides consistently in this While House related to the issues such as we were discussing in Rio de Janeiro, the same kind of willful ignorance reflected in the President's press secretary's remarks:

"GORE here is Mr. Sellout America. He goes to Rio, spends a week telling the world how crummy America is, how we do not care about the environment, we don't care about anything," Fitzwater said.

Flat wrong. The Senate delegation, Republicans and Democrats, was in Rio doing the best possible job that we could do in supporting an administration and a country that was being beaten up by 154 countries—154 countries around the world were beating up on the United States of America, and this administration could not even defend itself down there.

There was a press conference, a press conference in which the world press was chasing the United States up one side and down the other. And it got so bad that I had to send a note up to the presiding representative from the State Department saying that I was there and I would be happy to help him defend the country, which they were incapable of doing, and he recognized me and I laid out the facts of a 20-year-old environmental record of the United States of America, a very distinguished record, which this administration was incapable of doing. This administration was incapable of telling the world what hundreds of billions of dollars of investment had been made by American citizens to clean up our environment. They could not even tell the world the job that we had done.

Crummy? America? We were not saying that at all. We were saying, "My lord, we have done a phenomenal job of investing in our environment," and this administration was incapable of even understanding that, much less take advantage of the extraordinary opportunity that we had in Rio, one opportunity after another.

For example, the world came to us, the G–7 countries, the developed countries; the G–77 countries, the developing countries; the island nations, they all came to us in the United States and asked us for leadership. And what did we do in the global climate change treaty? We fudged it, we weaved, we ducked, and we bobbed up one side and down the other. Everybody knows that. It is a matter of public record.

Why did we not take advantage of that opportunity? Why did we not lead instead of ducking behind the false choice the President kept referring to of jobs versus the environment, which he even finally admitted was a false choice.

On the issue of the biological diversity treaty, here we were the only country in the world that refused to sign that, the only country in the world that refused to sign that, did not even say what it was about, what potential there was there, what extraordinary opportunities there were for the U.S. economy, just treated it with the back of our hand. We went down talking about forest policy as if that was going to be a major factor in U.S. policy and U.S. approaches to the global environment.

But people said, "Well, what are you going to do with the forest policy in the United States?" We begged the administration to make some positive statements to do things like make some kind of a statement on below cost timber sales. We subsidize the ravaging of our national forests. It is beyond me. Why does the administration not make a statement on below cost timber sales? Why do you not do something really constructive and not a Swiss cheese policy on clear cutting? We would not do that. We tell the world to do one set of things, and we do not do it ourselves in our own backyard.

The list goes on of opportunities that were missed down there. But it was not this delegation that went to Rio that was missing those opportunities. It was not this delegation that was telling the world how crummy America is. It was this delegation that was standing up telling the world, or attempting to tell the world, in the face of the gale coming from the administration of misinformation, weaving, ducking, and bobbing, of trying to tell the world what, in fact, we have done and what leadership the United States has, in quite a glorious way, over the last 2 years, reflected.

Mr. President, obviously campaign time is underway. But I do think that the hyperbole, I do think that the rhetoric coming from the President's press secretary calling the Democratic candidate for the Vice Presidency "Mr. Sellout America," you know, is really stooping not only to a rhetorical low level, slipping right into the mud, but also making sure that we are covering over the true facts as to what happened and the wonderful opportunities that the United States was faced with in Brazil, opportunities which we so largely and so unhappily missed.

The true fact of the matter is that history will not treat the United States very well in the way in which we handled the opportunities there. It was, at many times, embarrassing to see how this administration missed opportunity after opportunity after opportunity, and the world was looking at us, shaking their heads and saying, "Who are these people and where are they coming from? What is wrong with them?" The same questions that are being asked by people all across the United States who are saying about the White House, "What is wrong with them?" And the answer is going to be, "Well, we are going to change them."

Mr. President, I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, apparently the distinguished Senator from Colorado was not on the floor yesterday when his elected leader deplored the fact that the floor of the Senate is being used for campaign speeches, speeches that ought to be given out on the campaign trail by the candidates.

I find it rather amusing, that those on the other side who deplore the fact that some on this side have given campaign speeches in behalf of their candidate suddenly find the same thing taking place. Here, out of nowhere, appears the Senator from Colorado delivery a scorching speech against the administration. The Senator from Colorado fully recognizing that the achievements of this administration are what count. What is going to count in the long run is what we do; not what we promise, or not agreements we enter into, or statements that we issue. What is going to count is how well we do as a nation. And the facts are that this Nation under this administration in the environment is making very, very significant achievements.

Let us tick them off. The Clean Air Act. The Clean Air Act amendments that were passed 2 years ago were possible because the President of the United States got behind that measure and enacted it and, therefore, we had these very, very significant achievements under the Clean Air Act, particularly in the area of CFC's, the area of chlorofluorocarbon restraints—an area I have been deeply involved with myself.

You cannot take that away. That was a George Bush achievement and we are proud of it. We are proud of what we have done in the Endangered Species Act.

I was interested in the presentation made by the Senator from Colorado that in the course of talking about deploring what this administration is doing he never did mention that the Vice Presidential candidate on the Democratic ticket, a man who is proud of his environmental statements, was also one of the votes to undermine the Endangered Species Act.

I wonder if the Senator from Colorado was aware of that. That when we came to the snail darter vote which—I was here. I do not know whether the Senator from Colorado was here at the time. I suspect he was. Obviously that vote came up in the past 8 years because the Senator from Tennessee, the junior Senator from Tennessee who is now running for Vice President and is proud of his environmental record, has not bothered to tell the world at large it was his vote, when push came to shove—it was his vote to undermine the Endangered Species Act.

Now the defense, I suppose, is—well, it dealt with something in Tennessee. You cannot be for protecting endangered species except when you are dealing within endangered species in my home territory—Tennessee. There it was involved with a dam in Tennessee, the Tellico Dam. And the problem was that the Endangered Species Act would prohibit them from going forward with that dam. The dam had been nearly completely constructed. So the amendment was presented to set aside the Endangered Species Act because the snail darter was there in the path of the opening of the dam.

I voted against it; spoke against it unsuccessfully. But the Senator from Tennessee [Mr. GORE], now running for Vice President, proud of his environmental record—he voted to set aside the Endangered Species Act because—I suppose others can give the rationale, I do not know, he did not give his rationale—but I think we can all agree it was because it was in Tennessee where he is from.

I know the Senator from Colorado would deplore such action. But it is worthwhile bringing that up, since the Senator from Colorado started this off today. We had sort of a ground rule as of 6 last night—you can see how long it lasted; it did not last 12 hours—sort of a ground rule, we were not going to have political speeches here dealing with the campaign. But that, apparently, has been set aside.

The distinguished majority leader came to the floor and said let us leave that to the candidates out there on the trail. They are barnstorming the country. Let them talk about their programs. We in this Senate will concentrate on trying to do good things for the people of the United States; perform our duties, which do not involve making campaign speeches for the candidates.

I suspect we will see a lot more of campaign speeches. We will see the administration trashed, as the Senator from Colorado has just done—vigorously, as is his wont. And I suppose we will see the Democratic standard bearers trashed. I suspect I might join in that at some point, when the opportunity arises.

But meanwhile I hope we can get on with the measure before us which has nothing to do with the candidates but does have to do with trash. And that is, an environmental measure, in a way, we are trying to get passed. I hope, when it is before the Senate, those who have amendments would be coming to the floor. This is the time to present them, so we can get on with this bill and hopefully conclude it this evening.

The majority leader announced last night he is not going to spend much more time on this measure. Indeed, apparently we are going on the energy bill, and a cloture vote sometime in the latter part of this afternoon.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I made one misstatement. I suggested—I guess more than suggested—stated that the junior Senator from Tennessee was in the Senate when he voted to overrule the Endangered Species Act in connection with the snail darter. That was incorrect. He was in the House and took that vote in the House. He took the vote, but I suggested he was in the Senate. That was inaccurate.

In making that suggestion I said it was in the past 8 years. I think in fact it was prior to that because I can remember Senator Baker was here at the time and, of course, Senator Baker preceded Senator GORE coming to the Senate. In other words Senator GORE took Senator Baker's seat. So that must have been prior to the past 8 years.

The vote on the snail darter and the Tellico Dam probably was some 10 years ago. I am not exactly sure—about that period. The junior Senator from Tennessee at that time was in the House of Representatives. But, indeed he did take the vote that I said he did.

TODAY'S "BOXSCORE" OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the "Congressional Irresponsibility Boxscore."

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at $3,981,447,551,455.09, as of the close of business on Monday, July 20, 1992.

On a per capita basis, every man, woman, and child owes $15,500.52—thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to $1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to $4,511.40 per year.

TRIBUTE TO FATHER ALOYSIUS PLAISANCE

Mr. HEFLIN. Mr. President, I rise today to pay tribute to Benedictine Father Aloysius Plaisance, who died in Birmingham on April 24 of this year. I just learned of his death recently. He had spent this year celebrating his 50th year as a monk of St. Bernard's Abbey in Cullman, AL. Father Plaisance arrived at St. Bernard's in September, 1939 as a student at St. Bernard Junior College. He made his monastic profession as a Benedictine monk in July, 1941, and received his B.A. degree from Kansas' St. Benedict's College in 1944.

After completing his theological studies at St. Bernard Seminary, he was ordained by Archbishop T.J. Toolon in June 1947, and spent the next 5 years in graduate studies at St. Louis University, earning his masters and doctoral degrees in history. In 1953, Father Plaisance was appointed chairman of the history department at St. Bernard College, and became its president in 1973.

Along with his long-time dedication to St. Bernard College, Father Plaisance had a wide range of interests and talents. He was active in the Alabama Historical Association, the Alabama Historical Commission, and the Alabama Academy of Science. He was a member of the Southern Historical Association, American Catholic Historical Association, and the American Benedictine Academy.

Father Plaisance spent most of his adult life working in various capacities at the St. Bernard Abbey. He had recently set up a hobby shop, making walking sticks, bird houses, and feline houses. This shop was yet another example of his devotion to worthy causes. The revenue from this project went to help promote all aspects of the Ave Marie Grotto, a 4-acre park containing 150 replicas of world famous buildings. The part in Cullman has been included in the National Register of Historical Places, and contains such miniatures as the city of Jerusalem, St. Peter's Basilica, and the Pantheon.

Father Aloysius Plaisance is a figure in Alabama who will be sorely missed. His contributions to the abbey and his spiritual guidance were immeasurable; the impression he made on thousands of Alabamians will never be forgotten.

PERMANENT EXTENSION OF THE LOW-INCOME HOUSING TAX CREDIT

Mr. RIEGLE. Mr. President, I rise today to call on my colleagues to support the permanent extension of the low-income housing tax credit. The urban aid tax bill recently passed by the House would permanently extend this important program, and I urge the Senate also to vote for permanent extension when we consider our version of this bill in the coming weeks.

In March, the President vetoed a tax reform bill that contained a permanent extension of the low-income credit. In the next few weeks, we will have a second chance to enact such an extension. We should not allow this program, crucial to the supply of low-income rental housing, to fall victim to election year politics.

Since its inception in 1986, the low-income credit has helped finance an estimated 816,128 units of low-income rental housing. Most of these units rent for less than $450 a month. The credit is now responsible for the production of 120,000 units of low-income housing each year. Over the next decade, the credit will help preserve an estimated 620,000 existing low-income rental units.

Not only has the credit achieved its goals in the area of low-income housing, but also it has generated substantial economic benefits at a relatively small cost. The Joint Committee on Taxation estimates that permanently extending the program would cost $2.4 billion. Since 1986, the low-income credit has generated $44.6 billion in economic activity and has injected about $16.6 billion into the economy annually.

Recent newspaper articles on the low-income credit have demonstrated the value of the program throughout the United States. I ask unanimous consent that the text of these articles be included in the RECORD at the end of my statement.

The Los Angeles Times calls the low-income credit "the primary Federal resource for financing new and affordable housing" and the "cornerstone of the numerous public/private partnerships that are increasingly the salvation of cash-short cities and States." The article points out that "in Los Angeles, where nearly 500,000 families spend more than half of their meager incomes on rent, tax credits have been used to build attractive townhouses in Watts, rehabilitate senior citizens' housing in Little Tokyo and finance apartments in poor areas such as Pico-Union and parts of East Los Angeles."

Many of these buildings offer child-care centers and other amenities rarely found in low-income apartment buildings. Also, these units are affordably priced. The editorial states that "rents typically range from $175 to $500 per month. That's a bargain in a city where a one-bedroom apartment normally costs about $600 and thousands of poor families pay to live in garages."

Two articles in the Washington Post cite similar evidence. The first explains how Federal tax credits for low-income housing apartments for low-income families with children have been used to stimulate private financing in the South Bronx. In the second article, the president of the Local Support Initiatives Coalition [LISC], one of the leading not-for-profit organizations in the housing field, describes how his organization "has used the tax credit provisions to raise more than $400 million from U.S. corporations, enabling [LISC] to leverage additional public and private financing to produce more than 10,000 units of affordable rental housing nationwide."

The provision of new and rehabilitated affordable housing for low-income families has taken place in the South Bronx in New York, Liberty City in Miami, the South Side of Chicago, Anacostia, Los Angeles, and many other distressed areas across our Nation. The low-income credit has been one of the key factors in the revitalization of these urban areas. We cannot allow this effective tool to be lost.

Over 80 Senators are on record in favor of a permanent extension of the low-income credit, and the Senate Democratic Task Force on Community and Urban Revitalization, which I chair, recently endorsed permanent extension as well. The credit is a crucial weapon in the battle to keep America's communities vital and strong. I urge my fellow Senators to lend their wholehearted support to the permanent extension of this program.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, June 2, 1992]

HOUSING CREDIT EXTENSION IS A MUST—AND RIOTS TELL US WHY

The Los Angeles riots focused a national spotlight on the growing divide between rich and poor in cities across America. Nowhere is that gap illustrated more dramatically than in housing. In this comparatively wealthy nation, millions of poor men and women live with their children and sometimes their elderly parents in crowded or inferior housing; others live in housing that is decent but so costly that other areas of their lives must suffer severely; thousands more have no place at all to call home.

President Bush and Congress can cease this crisis by permanently extending the federal low-income housing tax credit before this investment incentive expires June 30.

The tax break deserves renewal because it remains the primary federal resource for financing additional new and affordable housing. It also forms the cornerstone of the numerous public/private partnerships that are increasingly the salvation of cash-short cities and states.

The credit typically generates funds used to construct or renovate at least $100,000 apartments a year. Since being created by the 1986 Tax Reform Act, it has generated financing for more than 420,000 units of decent and affordable rental housing.

NO FREE RIDE FOR PUBLIC

Such a benefit, however, is not without cost to the public. In exchange for investing in the construction or renovation of long-term affordable housing, businesses gain a credit on their federal tax bills. The deferral of those taxes is expected to cost the federal Treasury up to $1.5 billion over the next five years. That loss, especially significant in a time a burdensome federal deficit, fuels the argument against extending the tax credit, despite fairly strong bipartisan support.

President Bush in March vetoed a tax bill that contained a permanent extension of the low-income housing tax credit and other tax breaks. That was before the Los Angeles riots changed the political climate and put the problems of cities back on the national agenda.

Now Congress is again considering extending the low-income housing tax credit as part of a sweeping urban initiative. The extension merits approval before the July 4th recess, before the July 4th recess, before politicians turn their attention first to the political conventions and then to the November elections. Any delay in the extension of the tax credit could cause a slowdown in housing production similar to the dip in 1990 when the credit was renewed for only nine months instead of a year.

Bush and others should consider the success of the low-income housing tax credit. In California, tax breaks have been used to create more than 27,000 units of affordable housing, generating 17,000 jobs in the bargain.

Tax credits are allocated on the basis of a state's population. California typically receives more than $35 million in tax credits per year.

The funds generated by those credits are funneled by real estate syndicates and community development advocates such as the Local Initiatives Support Corp. to nonprofit community developers and for-profit housing developers. The developers use the financing to create apartments, townhouses and the single-room-occupancy hotels that often provide refuge for men and women who had been homeless.

In Los Angeles, where nearly 500,000 families spend more than half of their meager incomes on rent, tax credits have been used to build attractive townhouses in Watts, rehabilitate senior citizens' housing in Little Tokyo and finance apartments in poor areas such as Pico-Union and parts of East Los Angeles. Many buildings include child care centers and other amenities rarely found in low-income apartment complexes.

Family housing developed by the Concerned Citizens of South Central Los Angeles and the Second Baptist Church is scheduled to open this month on Central Avenue in the historical heart of South-Central. The two apartment buildings contain 40 units, a community room, a study area for children and benches to encourage Latino and black residents to get to know each other in the increasingly Latino neighborhood.

A BARGAIN AMID HIGH RENT

Other new housing built with tax credits includes apartments large enough for families with four or more children—the type of large apartments that are often impossible for low-income families to find. Yet these sought-after apartments cost no more than a third of the average income of their tenant families; rents typically range from $175 to $500 per month. That's a bargain in a city where a one-bedroom apartment normally rents for about $600 and thousands of poor families pay to live in garages.

To keep pace with the growing demand, California must create 300,000 new units of affordable housing by the turn of the century. That task will be impossible without some form of federal assistance. But government alone cannot solve the affordable-housing crisis. It can and must nurture greater private investment in housing. That's why President Bush and Congress should extend the federal low-income housing tax credit.

POWER-HOUSING

Number of affordable housing units created by federal low-income tax credits in California.

1987	2,497
1988	5,657
1989	7,960
1990	5,391
1991	9,122

Source: National Council of State Housing Agencies.

[From the Washington Post, July 19, 1992]

POINTS OF URBAN LIGHT

(By Paul Grogan)

The South Bronx sounds like an unlikely address for evidence of urban rebirth. So do Miami's Liberty City, or Chicago's South Side, or Anacostia. But in these and dozens of other cities, a remarkable transformation is underway in neighborhoods that once were sunk in neglect and despair.

In place of burned out supermarkets stand thriving shopping centers. Renovated apartments providing affordable housing for working-class families have replaced abandoned buildings and crack houses. Instead of disinvestment and urban blight, these neighborhoods are marked by local investment, community ownership and renewal.

Twelve years ago, Miami's poor, predominantly African-American Liberty City neighborhood erupted in three days of rioting, looting and arson. Damage was estimated at $150 million and many believed the area would never recover.

Fortunately, Otis Pitts Jr. and the Tacolcy Economic Development Corp. were not among them. Pitts and Tacolcy developed a shopping center, anchored by a national chain supermarket. They then turned to the neighborhood's acute housing shortage, producing more than 250 units of affordable rental housing.

Tacolcy's community-led initiative has spurred additional private development, including two new shopping centers. The effort is stemming the flight of youth that threatened the neighborhood's very existence.

On Chicago's South Side, the Neighborhood Institute has produced more than 470 units of affordable housing and developed a retail center and an artisans' incubator in an area virtually abandoned in the 1970s. Detroit's Church of the Messiah Housing Corp. is sponsoring the first new construction in 20 years in the struggling Island View Village neighborhood.

And in Anacostia, an area that lacked a major supermarket, health care or even adequate streets and sewers, the Marshall Heights Community Development Organization over the past 12 years has developed a shopping center with Safeway as an anchor, a center for attracting and nurturing start-up businesses, and several units of affordable housing.

These developments all share one thing: They are the result of community-based initiatives. Local planning, local ownership and local control mean the developments reflect the real needs of the community, providing residents with not only ownership but a genuine stake in their neighborhoods. Community development corporations are successfully filling the void left by suburban flight, corporate disinvestment and federal spending and program cuts.

The efforts of community-based developers like Tacolcy are shifting the focus from Washington and policies hatched inside the Beltway to local solutions that address local needs. The community-based developers have been rebuilding America's distressed urban neighborhoods for more than a decade. Their stake in the well-being of the neighborhoods is high. And they are the best preventive of urban disorder because the homes, businesses, graffiti-free walls and newly planted trees belong to them.

Yet access to national resources is crucial to their efforts. While imaginative and creative locally based initiatives are necessary for community renewal, they cannot succeed solely on their own. The dynamism and success of community developers does not mean government and business do not have an important role to play in community renewal. These efforts depend on the financial and technical resources government and business provide.

Community developers have built a web of support for their efforts, involving major local and national corporations and philanthropies. The billions of dollars in private-sector loans, grants and investments have provided necessary financial help for community developers and allowed cities to stretch their own housing and economic development resources.

While such non-profit efforts cannot by themselves erase urban poverty, they serve as powerful models for urban transformation, exerting a catalytic effect on poor communities. Physical improvements are invariably accompanied by a changed spirit in residents, from being victims to being champions of a new way of life.

A 1991 study by the National Congress for Community Economic Development found that community-based developers produced more than 300,000 units of new or rehabilitated housing for 1 million low- and moderate-income individuals, developing 16.4 million square feet of retail, office and industrial space, making loans to some 2,000 enterprises and creating or preserving almost 90,000 jobs. This effort spanned the 1980s, with the bulk of the work done in the last five years.

While the Great Society programs of the 1960s had many positive results, they also showed the limitations of the top-down approach. But the federal government does have a role, mostly through flexible programs that support and encourage community initiative. These programs—tentative, tenuous and underfunded—must be fully funded if the hope generated by the community development movement is to blossom.

Two ideas dominate discussion: enterprise zones and tenant ownership of public housing units, or HOPE. These are pet projects of President Bush and Secretary of Housing and Urban Development Jack Kemp. These initiatives ought to be tried. But more, much more, can be done.

The Community Development Block Grant program should be doubled beyond the administration's proposed 1992 funding of $2.9 billion. This program, enacted in 1974, provides grants to cities and states for infrastructure, economic development and housing. It has been cut by almost 50 percent in constant dollars since 1980, when $3.8 billion was appropriated.

The federal government must vigorously enforce the Community Reinvestment Act, which mandates that banks serve the credit needs of low-income communities. The act, passed in 1977, faced bitter opposition but now receives at least grudging cooperation from most regulated financial institutions and is the chief bulwark against "red-lining" or discriminating against poor neighborhoods seeking loan dollars for community development.

The low-income housing tax credit, enacted in 1987, provides corporate tax credits for investment, in rental housing construction and rehabilitation for the poor. It has become the primary tool for producing affordable housing in America, producing some 400,000 units of housing since enactment. And yet it will expire this summer unless Congress and the president act to make it permanent.

My organization, through the National Equity Fund, has used the tax credit provisions to raise more than $400 million from U.S.

corporations, enabling us to leverage additional public and private financing to produce more than 10,000 units of affordable rental housing nationwide. This important resource will be lost if the government allows the tax credit to expire.

Finally, there is the 1990 National Affordable Housing Act, which contains both Kemp's HOPE initiative and HOME, a program of housing grants to states and cities. HOME has allowed localities to craft their own housing strategies and leverage additional private investment—both directly beneficial to community developers. However, the administration plans to cut HOME by more than half of its 1992 level of $1.5 billion. It must be funded at least at its original authorization of $2 billion.

These programs are by no means all that needs to be done. But they represent a down payment on a new urban strategy—one that rests on bedrock values of local initiative and private investment and is led by the very people with a vested interest in the life of their neighborhoods—community developers.

[From the Washington Post, July 19, 1992]

South Bronx Cheer: A Miracle Grows Amid the Rubble

(By Jodie T. Allen)

New York.—Postmodern miracles don't happen overnight. But they do happen. I visited one last week in the South Bronx, just north of the island where thousands of Democratic conventioneers were endorsing a platform and a ticket that they hoped would give their party a fresh, fresh start. If an urban policy is part of that renewal, the South Bronx wouldn't be a bad jumping-off point.

If you've never been to the South Bronx, or not for a generation, you can't really appreciate its otherworldly appeal. After all, what's so miraculous about several square blocks of pastel-colored bungalows with neat lawns and gardens and wrought-iron fences? Or stretching beyond them, blocks of tastefully renovated low-rise apartments separated by tidy pocket-parks, or newly constructed senior-citizen and low-income family townhouses and multiple family units? Or, for that matter, a lush multi-acre park with two jungle-gymed play-grounds filled with kids and a recently refurbished set of tennis courts?

But you would recognize the miracle if, like me, you remembered standing on Charlotte Street a decade ago. Back then, I listened politely as Ed Logue, then head of the South Bronx Development Organization, described the suburban-like community of working families that he saw sprouting and spreading from the lone single-family home that stood there. Beyond it, stretched a moonscape of rubble.

In those days, the entire South Bronx looked like Dresden after the firebombing. Here and there a few owner-occupied rowhouses put up a brave front with newly painted facades and geraniums in window boxes. Occasional clusters of renovated units spoke of the efforts of local churches and community-based organizations to push back the blight. But the dominant reality was acres and acres of bulldozed housing and blocks and blocks of still-to-be demolished five-story walk-ups—stripped of plumbing, fixtures, wallboards and even window sills by addicts who had traded these commodities for drugs. Logue tried hard to be optimistic, but his funding was drying up as the Reagan administration cut back federal housing and job money. I tried hard to be enthusiastic, but it all seemed pretty hopeless to me.

Fortunately, the community-based groups whose efforts seemed almost pathetic then had far more faith than I. Among the most successful were the Mid-Bronx Desperadoes, which took its name from its founders' combined despair and determination, and Banana Kelly—which sought initially to reclaim one curved block of Kelly Street from the bulldozers. It was a time in the 1970s when the city government was rumored to be planning a "triage" approach to rationing city services that would have abandoned lost-cause areas entirely.

"You have to have lived through it," says Yolanda Rivera, Banana's executive director, who recalled "the meetings all night, the endless negotiating." It took all that to halt the abandonment of buildings and to convince a bevy of federal, state and city officials to let Banana begin the ardous task of assembling properties, routing out the drug dealers that often controlled major parts of still functioning apartment buildings, temporarily relocating the tenants and renovating the buildings.

Postmodern miracles take a lot more patience and ingenuity than the overnight successes promised by 1960s do-gooders. "You have to be ready to mix it up," says Marc Jahr, program director of the New York office of the Local Initiatives Support Corporation (LISC), a nationwide foundation-supported organization that has provided both money and managerial assistance to community development groups in the South Bronx.

The first things stirred together were funding sources. The various projects in the area—from special housing for the elderly and disabled, apartments for low-income families with children, detached units for working couples and even a special dormitory project now being built for high school kids whose families have abandoned them—garner direct and indirect financing from a host of private and public sources. These included federal tax credits for low-income housing used to stimulate private financing, federally financed vouchers for certain tenants and a hefty slug of state and local government subsidies.

Another stirred ingredient is the type of people and projects. "We don't want to recreate economic ghettos," says Jahr. Although more than 40 percent of people in the area receive public assistance in one form or another, the newly built single-family homes have attracted substantial numbers of moderate income families. On a given block, privately-owned houses site side-by-side with small scale projects for the elderly, single-parent families or the once-homeless. When Banana Kelly developed a project for the homeless on Fox Street (once called by then-mayor John Lindsay the "toughest block in New York" but now a neighborhood of well-kept brick and stone townhouses thanks to a Banana "homesteading project"), the project managers selected the first five families for the unit and then let those families select the other occupants. They also consulted with the new tenants on the type of supportive services they needed, with the result that Banana Kelly is now planning a multi-service adult literacy, day-care project across the street.

"Physical development is only part of the process," says LISC communications director Joan Lebow. "Giving people a stake in their own community is even more important."

Graffiti control, for example, is high on the Mid-Bronx Desperadoes' list of musts. "Taking down graffiti the moment it goes up sends a message that the kids in the neighborhood are under control," says Desperadoes executive director Ralph Porter. So superintendents like Juan Rodriguez keep a "Code of Living Respect" posted conspicuously in their tidy lobbies and if any kids start acting up outside the building, "I get on them right away," says Rodriguez. "A good super is 70 percent of a building," adds Marc Jahr.

The South Bronx is not yet Middle America, Privately owned eyesores still dominate whole blocks of the area, their landlords unwilling to make improvements, given rent control and the limited resources of their tenants. There are not enough local jobs, although the subway makes all five boroughs easily accessible; and LISC is trying to persuade a major supermarket to locate near Charlotte Gardens so residents will not have to depend on the often expensive and poorly stocked groceries that line the still shabby commercial strips.

But the scale of the accomplishment is astonishing. But rough measure, more than 11 square miles of all-but-dead urban terrain has been brought back to life—and not just to a state of dreary morbidity. What strikes a visitor most is the cheeriness of the reconstruction—the varied design, the bright colored shutters, the window boxes and flower pots—all of this covering perhaps half of that amorphous (and once expanding) concentration of blight that was the South Bronx at its worst.

On a sunny day, the streets are clean and quiet. Are they safe? "There are safer communities," says Jahr, "but you don't feel an edge in these streets anymore."

Taking off the edge can be an expensive proposition—a river of federal, state and local tax and direct subsidies still runs through the South Bronx. And its vitality depends—perhaps even more—on the energy and commitment of the community groups that kept that money from being wasted. But the kids who grow up here are going to feel the difference, says Jahr. "We're in this for the long haul."

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for morning business is now closed.

EXTENSION OF MORNING BUSINESS

Mr. BAUCUS. Mr. President, I ask unanimous consent that morning business be extended to accommodate the statement I am about to make.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana is recognized.

Mr. BAUCUS. I thank the Chair.

(The remarks of Mr. Baucus pertaining to the introduction of S. 2997 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions.")

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, the period for morning business is closed.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT 1992

The PRESIDING OFFICER. The Senate will now resume consideration of S. 2877, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2877) entitled "Interstate Transportation of Municipal Waste Act of 1992."

The Senate resumed consideration of the bill.

Pending:

(1) Coats amendment No. 2731, to allow existing contracts on interstate municipal waste shipments to be abrogated.

(2) Chafee amendment No. 2732 (to amendment No. 2731), to establish that nothing shall be construed as encouraging the abrogation of written, legally binding contracts for disposal of municipal waste generated outside the jurisdiction of the affected local government.

The PRESIDING OFFICER. The Senator from Montana [Mr. BAUCUS] is recognized.

Mr. BAUCUS. Mr. President, we are back on the interstate transport bill. The pending amendment is the Coats amendment with respect to abrogation of certain contracts. We have been negotiating with that amendment, Senator COATS and Senator LAUTENBERG in particular. I think we are making tremendous progress. We are not quite there yet on a resolution, but we are getting very close to the resolution.

It is my hope that within the next several minutes, perhaps 15 or 20 minutes, we could resolve this and that would not require a recorded vote. We could voice vote that, and then get on to other amendments on this bill.

I urge Senators to be ready to come to the floor quickly with their amendments upon the resolution of the Coats amendment, because we do not have much time within which to pass this bill.

The majority leader has noticed the Senate that at the conclusion of business today, we will move to a cloture vote on the energy bill. And if the interstate bill is not finally passed by the close of business today, whether or not we return to the interstate transport bill depends very much upon how much progress we have made to date on the interstate bill.

If we do not make much progress today on the interstate bill, as manager of the bill, I will be inclined not to bring the bill back up this year. If we make great progress on the interstate transport bill today, but we do not yet fully complete our business and pass the bill today, then I will be more inclined at a subsequent date to ask the majority leader to bring the interstate transport bill back.

But I remind Senators—and I am putting all Senators on notice—that the degree to which we make progress on the interstate transport bill today really depends on two factors: One, how quickly we resolve the Coats amendment; and second, how quickly other Senators come to the floor upon resolution of the Coats amendment, if we do resolve it, and how quickly we deal with those amendments, as well.

So I urge Senators to be ready with amendments in the event we can resolve the Coats amendment fairly quickly.

Again, if we do not resolve either the Coats amendment or we do not resolve other amendments in one way or another today, it would be my inclination as manager of the bill to suggest to the majority leader that we do not bring back the interstate transport bill this year because, in my judgment, given the few remaining days left in this session and the press of other business, it would not be fruitful for us to resume consideration of the interstate transport bill.

The PRESIDING OFFICER (Mr. WIRTH). The Senator from Indiana [Mr. COATS] is recognized.

Mr. COATS. Mr. President, I thank the Senator from Montana for his continued assistance in this effort to move an interstate waste bill through the Senate. As Senators know, we have been negotiating long and hard in an effort to resolve outstanding differences on this particular piece of legislation. I think we may be close to doing so.

I know there are other Senators, as Senator BAUCUS has suggested, who have amendments. But I would just want to reiterate and affirm what the Senator from Montana has said. If Senators are interested in dealing with this issue this year—and many are from States that are either recipients now or potential future recipients of out-of-State trash—if they want legislation this year that will give their States and their communities the authority to make a determination as to how much, if any, and what levels of trash they want to accept from out-of-State sources, if they want that authority to go to those States this year, we need to act on this bill today.

So I also urge Senators who may have amendments to this bill to be prepared to come to the floor so that we can dispose of those amendments in a timely fashion. The majority leader has been more than generous in giving us 3 full days to debate this, and those days have gone into evening hours.

But with the small number of legislative days remaining before this body, and the fact that all of the appropriations bills and a number of other important pieces of legislation remain to be decided, we need to do this today.

And so, if you are a Senator from a State that is concerned about giving your State the authority to deal with this problem, we need to move on this. We cannot get bogged down in nonrelated amendments. We cannot get bogged down in amendments that will push this past a reasonable hour, which the majority leader has given us to conclude debate on this.

We hope to have a resolution of the Coats amendment within moments. And at that point, if that is successful, we will be prepared to move to other amendments.

So I urge, along with Senator BAUCUS, our colleagues be prepared for that eventuality.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUTENBERG). Without objection, it is so ordered.

SALUTE TO ROSE KENNEDY

Mr. DOLE. Mr. President, no doubt about it. This is the year of family values. You hear it from politicians. You hear it in the media; you hear it from the people.

There is, in fact, a growing consensus in America that we will not get a handle on some of the troubling problems of our time—drugs, crime, teenage pregnancy—until the family regains the prominence it once held.

Today, it is my privilege to extend birthday greetings to someone whose very life is a testament to the importance of families.

It is my privilege to extend birthday greetings to a remarkable woman, a woman who as a loving wife, mother, grandmother, and great grandmother, has inspired not only her family, but countless other families, for generation after generation.

Those of us born on this day know that July 22 will always belong to the woman of whom I speak.

This day will always belong to the mother of the senior Senator of Massachusetts, Mrs. Rose Kennedy.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I join my colleague in extending birthday greetings to Mrs. Kennedy, one of the truly extraordinary women in 20th-century America, a person who has seen more than a lifetime's share of triumph and tragedy and having led a long and incredibly full life and looked with pride on the many accomplishments of an extraordinary family, and we are pleased, of course, to join with all of our colleagues in extending to Mrs. Kennedy a happy birthday.

BIRTHDAY GREETINGS TO SENATOR DOLE

Mr. MITCHELL. Mr. President, I make note of the fact that this is the birthday for many other Americans including our esteemed and distinguished colleague, the Republican leader himself, Senator DOLE.

He is someone with whom I had the pleasure and privilege of working with closely as majority leader over the past 3½ years and, while we regularly disagree, indeed almost daily disagree on some things, that disagreement has never been personally disagreeable and it has always been conducted within the bounds of restraint and civility which our democracy and this institution demands.

I know that I can speak for every Senator on this—there are very few occasions on which I can speak for every Senator, but this is one of them—in extending to our colleague, Senator BOB DOLE of Kansas, our best wishes on his birthday, as well.

Mr. DOLE. Mr. President, I am reminded that it is also the birthday of my colleague from Delaware, BILL ROTH.

What we have done in my office, to make it more acceptable to me, is everyone on my staff who has a birthday in July, we have averaged the ages; and this is my 47th birthday. If you do it that way, it works out fairly well.

I thank the majority leader.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Indiana.

Mr. COATS. Mr. President, I am sure those observing the work of the Senate today, both in the gallery and by television, if anyone is left watching by television, wonder if the Senate does anything other than congratulate each other on their birthdays.

I join in the congratulations of our distinguished minority leader on his 47th birthday.

Occasionally, I assume that observers of our actions here see groups of Senators huddling fervently with staff. There are, despite the lack of activity on the floor, serious negotiations underway relative to the bill that we currently are addressing. They take place back in the Cloakroom of each party; sometimes here on the floor; sometimes back in the hall behind the Chamber here.

This negotiation has been going on now for a day and a half over a bill which the Senator from Indiana has been attempting to join with the Environment and Public Works Committee in passing, dealing with the subject of interstate shipment of municipal solid waste, otherwise known as garbage.

We have been very close now for a period of many hours at resolving the critical problem that exists with this legislation. It is what may appear to some to be a minor point. It is an essential point. It goes to the very heart of what this legislation seeks to accomplish.

Without a successful resolution of this, this bill will not go forward, despite 3 long days of debate. And that would be a tragedy, because now for nearly 3 years we have been attempting to address a very serious problem. The problem is the unwanted shipment of trash on an interstate basis to States with a landfill capacity that is needed for their own disposal in their own landfill. I hope we can resolve that.

In the meantime, as someone who in a former life directed his church choir, albeit a very small choir, I wish I could fill the time by asking the gallery to join us in a "happy birthday" to the distinguished Americans that were listed. But obviously that would be a violation of the Senate rules, and I will not do that.

I will extend my congratulations to Mrs. Kennedy and Senator DOLE and Senator ROTH for achieving another milestone in their distinguished careers.

I yield the floor.

THE 102D BIRTHDAY OF ROSE FITZGERALD KENNEDY

Mr. KENNEDY. Mr. President, earlier today Senator MITCHELL, Senator DOLE, and a number of other Senators offered their congratulations to my mother on her 102d birthday, which is today. I want to take this opportunity to express my gratitude to them on her behalf. We plan to have a small family celebration this weekend in Hyannis Port.

Mother has been an inspiration to our family all her life. She continues to inspire us every day, and I know she will be deeply grateful for the kind words and warm thoughts of my colleagues.

As many Members are aware, mother's birthday is the same day as the birthdays of our distinguished minority leader, Senator DOLE, and our distinguished colleague from Delaware, Senator ROTH. Mother is aware of that, too, and she asked me to offer them both many happy returns.

"Tell that nice young BOB DOLE and BILL ROTH not to worry about these birthdays," mother always says—"they won't slow down for another 20 or 30 years."

Mr. LAUTENBERG. Mr. President, I wonder if I might ask the Senator from Massachusetts to yield for just a minute to congratulate him as well, and his mother, and the whole of the Kennedy family for their distinguished service to our country. I think what we have seen is something of a miracle, in the fact that Mrs. Rose Kennedy, someone I have met on a couple of occasions, has survived some of the most difficult moments a parent could and has seen some of the greatness that her children have brought to America. She has seen it all, and she continues to carry on. We wish her many more happy years and commend Senator KENNEDY for carrying on faithfully in the Kennedy tradition.

Mr. KENNEDY. I thank the Senator. My mother was born in 1890, which was the year of the Battle of Wounded Knee, the last great battle of the Indian wars. The President was Benjamin Harrison, who fought in the Civil War. Her 102 years have been almost exactly half the life of the country. I will not take the time of the Senate to give other interesting facts of her life, but she continues to be an extraordinary inspiration to her children, her grandchildren, and her great grandchildren. I thank the Senator for his comments.

ROSE KENNEDY'S BIRTHDAY

Mr. BYRD. Mr. President, with all of our colleagues, I join in saluting Mrs. Joseph P. Kennedy—known to millions upon millions of people worldwide as "Rose"—on the occasion of her 102d birthday.

I do not need to recall the obvious, Mr. President—that the Kennedy family is one of the most distinguished families in American history, nor that John and Robert Kennedy stand as two of the most inspiring political figures of their generation, nor that this country owes an irredeemable debt to the Kennedy family for its contributions to our national life—I do not, as I said, need to recall the obvious in expressing to Mrs. Kennedy the esteem in which she is held in her own right as an inspiration to us all as a wife and mother, as a woman of incomparable personal grace and wisdom, and a challenge to anyone wanting to live significantly.

Indeed, Mrs. Kennedy has lived roughly one-half the age of our Republic. The Senate met for the first time in 1789, and this is 1992. Mrs. Kennedy has not only witnessed, but has been a participant or near-participant in, some of the most momentous events of this century. If there were ever such a person, Mrs. Kennedy is the one meant when we say that someone is "universally beloved."

To Mrs. Rose Kennedy, to our very distinguished colleague, Senator EDWARD KENNEDY, and to all of the members of the Kennedy family, then, I wish Mrs. Kennedy the very happiest of birthdays, and express to her the esteem of a nation of 250 million Americans on her special day.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with the consideration of the bill.

Mr. MITCHELL. Mr. President, as I indicated last evening when the Senate recessed until today, there have been continuing intensive negotiations between several of the interested Senators in an effort to resolve the matter that is now the subject of the pending amendment and the bill.

I am advised today, just a few minutes ago, that considerable progress is being made, and it remains my hope and expectation that we will be able to dispose of this matter and this bill today.

Under the previous order, to which I have referred on several occasions, before this day is over, I will exercise the authority granted to me by unanimous agreement of the Senate to set a vote on the motion to invoke cloture on the motion to proceed to the energy bill.

I will consult with the distinguished Republican leader before fixing the time, but it will be before the day is over. It is my hope that these negotiations will be completed, and we could complete action on this bill during the day today.

In the meantime, no action by the Senate is possible until the issue which is the subject matter of the pending amendment is resolved. I hope that will be completed soon.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SANFORD). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask——

Mr. BAUCUS. I object.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call——

Mr. BAUCUS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. SPECTER. I have not finished my request.

The PRESIDING OFFICER. The Clerk will continue to call the roll. The Senator from Pennsylvania is recognized.

Mr. SPECTER. If I may be permitted to finish my request, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. LAUTENBERG. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to call the roll.

The assistant legislative clerk continued to call the roll.

Mr. SPECTER. Mr. President, I ask that further proceedings under the quorum call be dispensed with.

Mr. LAUTENBERG. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The clerk will continue to call the roll.

The assistant legislative clerk continued with the call of the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senator from Pennsylvania be allowed to address the Senate on this subject or any subject on which he wishes to espouse upon for 15 minutes without any Senator making any motion.

The PRESIDING OFFICER. Is there objection?

Mr. SPECTER. I object to that, Mr. President. I have already said I have no intention of making a motion. I just ask leave to speak. I do not expect to speak longer than 15 minutes. But I would ask that I be permitted to speak on the pending bill.

The PRESIDING OFFICER. Is there objection?

Does the Senator from Montana withdraw his request?

Mr. BAUCUS. I withdraw the request.

The PRESIDING OFFICER (Mr. WOFFORD). The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I thought it might be useful to acquaint other Senators with the status of the pending legislation in an effort to try to move through to either a vote or some accommodation on the pending complex issues.

We have a very serious problem in the United States concerning municipal solid waste being exported from one State to another. The States may not limit that exportation of waste under the Constitution unless there is an expressed grant authority of the Congress.

A number of us, including the distinguished Senator from Indiana [Mr. COATS] are seeking to have an expressed grant of authority of the Congress of the United States so that States may limit the amount of municipal waste which is transported interstate. The State of Pennsylvania has been victimized by a very high level of imported waste from a number of States, especially the State of New York and the State of New Jersey.

There is a provision in the pending legislation which grants exception for existing contracts. The distinguished Senator from Indiana [Mr. COATS] proposed an amendment which would strike the language exempting existing contracts between private parties because with contracts running up to 25 years, the legislation would in reality have no effect.

We are faced with negotiations under a difficult situation from the point of view of the States of Indiana and Pennsylvania since there has been a statement made that we will not proceed to any cloture considerations unless a compromise can be worked out before the end of the day, that the bill will not be further considered. At least that is my understanding of what the prognosis is.

That places my State at a considerable disadvantage in terms of the negotiations, and there is something to be said for the proposition that any bill is better than no bill because any bill does at least impose some limitations.

But as I look at the opportunity for compromise, it would leave Pennsylvania subject to imports up to the 1991 level which are horrendous for the State of Pennsylvania. There have been further efforts to give States the option to freeze the import amounts at twice the first 6 months of 1992 imports. We know that on the basis of the imports of the first 3 months of 1992 that there was an enormous increase for Pennsylvania, figures which I stated on the floor yesterday, about a 42-percent increase.

So on the pending lines of compromise, Pennsylvania would be subject to enormous imports of municipal waste, especially from New York and New Jersey.

Customarily, on this procedural basis, there would be an opportunity for cloture so that the amendment by Senator COATS could be voted upon. When Senator COATS brought a similar amendment to the floor not too long ago there were 68 Senators in favor of granting States the authority to ban any importation of municipal waste. Senator COATS has advised me—and he is on the floor to speak for himself—that there are other Senators who have joined. So that it is his expectation there will be more than 70 Senators who are prepared to support his amendment, which is less stringent than the one which was voted for by 68 Senators in the past.

I understand that there are other Senators who are opposed to having a vote on Senator COATS' amendment. There are a variety of procedures to stop the Coats amendment from coming forth to a vote. Other Senators have the full right to do as they choose on the matter. The majority leader has the prerogative to establish the calendar for the Senate. But whatever is done here will be done in full public scrutiny with the facts at hand.

I submit to my colleagues in the Senate and to the country that with the facts at hand States like Pennsylvania and Indiana are being unfairly treated.

But it is just not right for some States not to have imposed a limitation on the amount of municipal waste they are shipping out-of-state. There are a number of landfills in Pennsylvania, receiving imported waste and it is unfair to my State. Senator COATS has been the leader here, contending in the past that it is unfair to his State, the State of Indiana. I backed him on his amendment some time ago, with 68 U.S. Senators who agreed that it was unfair and there ought to be a limitation. They intended that Congress ought to grant express authority to the States to stop other States from unfairly bringing municipal waste into their States. I would like to see a vote on the Coats amendment. I think that is a matter of basic fairness.

I am prepared to make some accommodations here, because I am not unaware of the fact that if legislation is not enacted now, and the bill is removed and not brought up, that there will be no limitations at all. But in the context of having limitations based on 1991 levels, while perhaps better than no limitations at all, such limitations are so slight as to raise a real question in my mind as to whether it is not better to bring this issue to the public, with all Senators taking whatever positions they decide they wish to take, and await another day. I am not sure. But I would appreciate the positions of other States, where they are being victimized by dumping of municipal waste, on what goes on at the present time.

I thought it would be useful, Mr. President, to take the floor to make this statement and try to move along the process of the Senate so that the Senate can work its will.

It is my hope that we can structure a vote on the Coats amendment. If other Senators wish to filibuster, wish to delay that vote, it is possible, of course, sometime in the proceeding for Senator COATS to move to table his own amendment or for some other Senator to move to table that amendment. But I hope that other Senators will join in these discussions.

There are many Senators—in excess of 70—who would like to get a vote, and think the position of the Senator, as articulated, is a matter of basic fairness for his State. It would also be a matter of basic fairness for my State.

I know I have not used the full 15 minutes, but that is all I have to say at the moment.

I yield the floor.

Mr. LAUTENBERG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KOHL). Is there objection?

Mr. GORTON. Mr. President, I ask unanimous consent to proceed for 10 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is granted 10 minutes.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS

Mr. GORTON. Mr. President, yesterday the Energy and Water Development Appropriations Subcommittee completed work on its fiscal year 1993 appropriations bill. The bill is important to the Nation for many reasons, most obviously for the resources it provides for energy production, supply, research and development. The bulk of the nearly $23 billion funded in this bill go for energy-related programs.

Though the Army Corps of Engineers and the Bureau of Reclamation receive only a fraction of the funds appropriated by the bill, these funds are for a purpose which, in many respects, is no less important. The Federal water resource development program funded by this bill provides lasting benefits to the Nation in the areas of flood control, municipal and industrial water supply, irrigation of agricultural lands, water conservation, commercial navigation, hydroelectric power, recreation, and fish and wildlife enhancement. This bill will help ensure that one of our most abundant and valuable natural resources—water—is used efficiently, to the benefit of our economy and our environment.

The water development section of this bill is extremely important to the State of Washington. It provides more than $85 million to Washington for the construction of water-related projects, ranging from the Grays Harbor general navigation project to the construction of irrigation facilities in the Columbia Basin. Existing facilities like the Chief Joseph Dam, Ice Harbor Lock and Dam, and Mud Mountain Dam will receive more than $95 million for their continued operation and maintenance.

I am extremely grateful for the subcommittee's support. Two items in subcommittee's mark are particularly worthy of note: the Chehalis River south side dike and compensation for drawdowns on the Snake River.

The Chehalis River south side dike is primarily located in Aberdeen, a small city in western Washington with a population of about 17,000 and per capita income of approximately $13,000 per year. The city's economy is timber dependent and, as a result of reduced timber harvesting, unemployment in the area exceeds 13 percent. Aberdeen is working on its economic recovery and the south side dike is an important part of that process. Not only will the south side dike eliminate serious flooding conditions, it will provide much needed jobs, as well as increase land values and development potential.

Unfortunately, delays by the Army Corps of Engineers during the last 2 years have threatened the future of the project. These delays increased the total cost of the project and unfairly increased the city's cost share. Having already held a levy to raise its required share of the project, the city of Aberdeen was left without means for generating the additional funds required by the delays.

Recognizing that this important project, and the Federal Government's investment for planning and development, was in jeopardy by virtue of Government inaction, the subcommittee wisely allocated funding from the appropriate account enabling the project to remain on schedule. This action will reduce the cost to both the city of Aberdeen and the Federal Government.

I am pleased that this project will move forward and commend the people of Aberdeen for their hard work and support.

In no area of the bill did the State of Washington, and the Northwest generally, receive a greater concentration of funding than in fish and wildlife enhancement.

Specifically, the bill provides $45 million to fund modifications to dams on the Columbia River for the juvenile fish bypass system; $3.2 million is appropriated to complete the installation of fish guidance improvement systems, including lowered fish diversion screens, streamlined trashracks, and turbine intake extensions at the Bonneville Second Powerhouse. Over $11 million is appropriated by the bill to continue construction of fish hatcheries, wildlife conservation facilities, wildlife land acquisition, and cultural resource preservation in the Columbia Basin.

Yet, one fish-related item smaller than all the aforementioned is more significant, if for only symbolic reasons, to the people of the Northwest. This is the $2 million to compensate for damages that resulted from the drawdown of two reservoirs on the Snake River earlier this year.

Last March, the Army Corps of Engineers conducted a 1-month drawdown test of the reservoirs behind the Little Goose and Lower Granite Dams. This test was conducted to obtain information that could be used in the development of a recovery plan for several runs of salmon listed as endangered under the Endangered Species Act.

Unfortunately, the test answered few questions and provided little information which will benefit fish. In fact, due to the absence of salmon in the river during the test, many of the same biological questions that were to be posed before the test remain today. What information was derived from the test demonstrated that drawdowns have very real and tangible costs to the people of the Northwest.

The most obvious costs are the physical damages related to the test. An estimated $2 million in damage to public and private property and facilities resulted from the test. This damage ranged from severe cracking on a county road to the almost complete destruction of a private marina. This test was conducted by the Federal Government and the Federal Government has a responsibility to compensate for the damage it caused. I hope the Corps of Engineers will act expeditiously in disbursing these funds and redressing the individuals innocently impacted by this test.

This appropriation sends a strong message that, while saving species is an important and worthwhile goal, it must be done in a scientifically sound and economically balanced manner. It further demonstrates that the Federal Government will not stand by while a major resource for transportation, agriculture, energy, and recreation in the Northwest is rendered inoperable. Until drawdowns are shown to be scientifically sound, and not simply politically expedient—as they appear to be—I will oppose them.

Mr. President, I appreciate the good work of the subcommittee and look forward to consideration of this bill by the full committee this afternoon.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. SYMMS. Mr. President, I ask unanimous consent that I might proceed for not to exceed 10 minutes as though in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, first, I would like to commend the Senator from Washington State for his remarks, and I concur totally with him on the point that he makes about the damage that was done to private property owners because of a governmental policy, and there should be just compensation for those people and I support it. I believe that he is right on target as usual.

PARTISAN POSTURING

Mr. SYMMS. Mr. President, I want to commend the senior Senator from Indiana [Mr. LUGAR] on his recent op-ed printed in the Washington Post, titled: "Shameful Partisan Posturing."

It is very clear to this Senator that Senator LUGAR is right on target with his insightful portrait of the sale of our agricultural products to Iraq, prior to the gulf war, under the General Sales Management [GSM] Program or our credit guarantees. Following my remarks, I ask unanimous consent that the Lugar op-ed be printed in the RECORD at the end of my remarks—and commend it to my colleagues for their edification.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. Mr. President, as the Senator points out, a number of politicians are desperately seeking political cover for their vote against the President and our troops in the gulf war, which in my opinion was a vote that was in error. When the American people sided with President Bush, the Republican Party, and our military, who believed we must fight to protect our national security interests, it became imperative for some of these the Democrats to hide from their embarrassing position by introducing smoke and mirror tactics of scandal.

While Senator LUGAR makes the point against this recent partisan attack, I find it almost laughable, if it were not so serious an issue, to watch the Democrats rush to cry foul every time the Republicans are successful in foreign policy initiatives.

Through Iraqgate is a good example, another is the so-called October Surprise—I find this incredible—which aims to cover up President Carter's failure in securing the release of United States hostages held by the Khomeini regime. Twelve years later, the American taxpayer is forced to foot the bill of a Democrat-initiated investigation into the nonsensical notion that President Reagan and CIA Director Bill Casey plotted with the Iranians to hold up the hostage release until after the 1980 elections, and then expect the American taxpayers to pay for all of this is nonsense.

The same goes for Central America. President Reagan demonstrated the failure of Jimmy Carter's pro-Sandinista bias and defended freedom and democracy and private ownership in Nicaragua and throughout Central America. Today, those same people simply refuse to accept their policy failures and continue their attempts to perpetuate the criminalization of Ronald Reagan's Central American policy.

We have a clear, clear case of people criminalizing a policy position of an administration that was in power. I think it is an absolute outrage that this goes on. And, as I said, it is almost like it is Orwell's "1984"—although I cannot believe it would be happening, that we have spent millions and millions of dollars to criminalize policy decisions that people made in power of the administration.

It is difficult for this Senator to imagine the successes that America has achieved over the years had we not had the change of course, change of direction, in 1980 with the election of former President Reagan.

Had we stayed the course that we were on, with the pro-Sandinista position of the then-Democratic administration, followed it through with more Democratic administrations, Mondale, Dukakis, and so forth, I believe it is unlikely, given their positions against the strong military and the "Peace Through Strength" initiative, that much of the positive geopolitical changes would have occurred that have occurred in these past years.

If it had not been for President Reagan's insistence, contrary to the position of most of the majority party Democrats in the Congress, to remain firm that the strategic defense initiative was not a bargaining chip in the arms control negotiation, and it was a real issue that he wanted to deploy, we would not have made significant progress toward reducing the threat of nuclear war; along with other decisions that were made by former Secretary of State Cap Weinberger, the late John Tower, and the President himself, who ultimately made those decisions to move forward with the deployment of certain strategic and important weapons and remodernize our entire military wherewithal so that we would have a positive credible force to deal with.

So I think it can be said that Ronald Reagan and George Bush's commitment to defend freedom has brought the world closer to achieving a more peaceful society for all peoples in the world to live in by standing up against aggression, standing up against the tinhorn dictators like Saddam Hussein, Manuel Noriega, Mu'ammar Qadhafi, Daniel Ortega. They know, Mr. President, that the United States will not shrink from its responsibility to fight for freedom, stand up for freedom and support those people who are trying to achieve their freedom; and that we will support those who struggle to throw off the yoke of the totalitarian rule.

Twelve years ago—how fast we forget—the dictatorships were on the rise. Country by country had fallen to Communist rule throughout Central America, Africa, Central Asia. People in Eastern Europe and the Soviet Union could only dream of freedom. Yet today, in large part because of the policies and leadership of Ronald Reagan and George Bush, Communism is a recognized dead ideology. More people are voting at the ballot box rather than with their feet, and the United States is once again the world's standard-bearer for individual liberty and the defender of freedom.

The elections of President Reagan and President Bush have given the people here at home and around the world hope for their futures, hope and promise that they will not find in the policies that are offered by the other side. I do not expect them to find that, in this year's candidacy of the Democratic nominee, once the campaign reaches full foursquare.

It is difficult for the Democrats to accept that the American people have had greater faith in the Republican administration to carry out foreign policy victories and carry out a foreign policy. I know it is difficult for them to accept it. But it is true that the American people believe that. Instead, they try to confuse the public with allegations of scandal, with distortion of the facts, and with the denial of the truth.

It is always said, Mr. President, that hindsight is 20-20. But what can be plainly seen is that President Reagan and President Bush have proven that they had vision and foresight to lead this country in the right direction. I believe the majority of the American voters will see that again this fall.

I know we have seen a great deal of partisan posturing here on this Senate floor. We have seen it for 3½ years. We have seen the majority leader in the Senate—and we have seen it in the House—hammering away at the administration. We have seen our great leader on this side, BOB DOLE, defending the positions of the President.

But I do think that when we come to this issue of foreign policy, one of the most shameful things that has happened in this city in the last 4 years is the allowance of this criminalization of policy positions.

I again urge my colleagues to read—and I commend for the RECORD—the excellent article written by our distinguished colleague from Indiana, Senator LUGAR.

EXHIBIT 1

[From the Washington Post, July 20, 1992]

SHAMEFUL PARTISAN POSTURING

(By Richard Lugar)

It seems as if some in Congress and the press are hoping to turn one of America's greatest recent triumps—our leadership in the gulf war—into fodder for a scandal.

The signs are everywhere. The critics have attached the all-important "-gate" suffix to their enterprise, making this one "Iraqgate." They have glued together a series of unpersuasive details and described the result as an indictment. Some people—members of the House Judiciary Committee included—even want to hire an independent counsel to investigate.

Let's stop and think for a moment. It is one thing to debate and criticize policy judgments; it's quite another to attempt to criminalize our foreign policy process.

Part of the latest "-gate" stems from allegations that USDA programs to promote agricultural sales abroad were abused. Much has been written and said recently about sales of American agricultural products to Iraq under the credit guarantee or General Sales Manager's (GSM) program. Unfortunately, not all of it has been accurate or objective.

First, the GSM programs are loan guarantees, not loans. Iraq was not given or lent money under this program. The sellers of the commodities or the people who financed the sales were the ones who received the guarantees.

Now, it may be, as some have alleged, that shipments of grain were somehow diverted and then resold, with that money being used for Iraqi arms purchases. We know, however, that in many cases the Iraqis were paying higher than world prices for grain, mainly because sellers were cautious about doing business with Iraq.

I suppose there may be a reason why the Iraqis would pay, for example, $20 a ton more for wheat than market price, then sell it somewhere else at the world price and lose that $20 a ton. But that reason has been impossible to find so far.

For 2½ years, the Senate Agriculture Committee has been looking into this matter, and we have yet to find any evidence of diversion. We have found evidence of some petty bribery, but nothing on which to build a weapons program. In hindsight, it is easy to suggest that USDA should have done a better job of monitoring shipments from point of departure to final delivery, but we should remember that we send millions of tons of commodities overseas through the various sales and food aid programs every year.

Also overlooked in this overheated debate is the purpose of the loan guarantee program. The administration was and is trying to sell American commodities, to boost the income of American farmers and to create jobs in the transportation and agribusiness industries here at home. Iraq was one of the best customers for U.S. agricultural products, eventually becoming a more than $1 billion-a-year customer and our leading market for rice. The Iraqis paid for the grain they bought and were up to date in payments until the invasion of Kuwait.

This fact did not escape the attention of American farmers and commodity groups, and there are numerous letters from growers, processors and their congressional representatives urging USDA to provide export credits to Iraq in 1989 and 1990. During several debates on sanctions on Iraq, senators from both sides of the aisle took to the floor to oppose any embargo or denial of credits.

I raise these points because American farmers need to know where we are going with these programs. We are exporting, as do other countries, to places where we may have serious disagreements with the ruling government's policies.

Overall, our policy toward Iraq in 1989 and 1990 was in keeping with the principle of using trade and cultural contacts as ways of bringing Saddam Hussein into the community of civilized nations. Both parties in Congress approved of this strategy. Both parties helped shape the policy.

In fact the administration's approach to Iraq seemed to be producing some results in 1989. Iraq paid reparations for its assault on the USS Stark. It established a series of joint ventures with our government, including DEA efforts to stop international drug traffickers. Iraq made loan payments promptly and in full.

But in 1990, relations began to sour. U.S. and British customs officials intercepted Iraq-bound equipment that could have missile and nuclear applications. We also interdicted materials that could have helped Iraq build a "super gun." We joined other nations in tightening export controls, even while refusing repeated requests for weapons shipments.

The administration itself has admitted that it overestimated Saddam's potential for change. But as Deputy Secretary of State Lawrence Eagleburger recently noted before a House committee, our measured approach to dealing with Iraq actually paid dividends, if only during and after the gulf war. We crafted our Iraq policy with the advice and help of allies. If we had acted precipitously—say by imposing unilateral trade and diplomatic sanctions against Iraq—we would never have persuaded Arab League nations to join us during the gulf war.

We don't need an independent counsel, particularly one appointed during this political campaign who has no hope of producing a final report until after the elections. Congress has investigated and is continuing to investigate the administration's Iraqi policy extensively. It has requested and received thousand of pages of documents from the Departments of State, Commerce, Agriculture and other agencies. I am among those who have called for fuller disclosure of documents.

At the same time, some people on Capitol Hill have violated the trust of the White House and the privacy of some federal workers by leaking documents selectively, presumably to create the image of corruption.

Today a handful of partisans want to place politics before country. In the process, they seek to tarnish a moment in which Americans regained sight of their own greatness. For these partisans, the president's chief sin seems to have been one of being correct on the gulf war when the partisans were not.

Mr. SYMMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Oregon.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with the consideration of the bill.

Mr. HATFIELD. Mr. President, may I inquire of the Chair what is the current parliamentary situation?

The PRESIDING OFFICER. First- and second-degree amendments are pending at this time to the underlying bill.

Mr. HATFIELD. Mr. President, in order to consider some other amendment, there are two options, I believe: One, to ask unanimous consent to set aside the pending amendment in order to take up a new amendment. The other would be to offer a perfecting amendment to the original material that was being deleted by the amendment offered; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HATFIELD. In other words, I could offer my beverage container recycling legislation in proper form as a perfecting amendment at this point.

The PRESIDING OFFICER. The Senator is correct.

Mr. HATFIELD. That would be my privilege, my right.

Mr. President, this amendment relating to the beverage container recycling is something we hope we could adopt as a national regulation to help to conserve natural resources and ease the waste disposal problems that we have in this country. This proposal has been before the Senate for over 20 years. We had a brief hearing 10 years ago in the Commerce Committee and it was briefly considered by the Environment and Public Works Subcommittee this year. I am very anxious as the original author to pursue this concept, even though it is so well lobbied by the beverage industry and others who have raised such great opposition to it.

I believe it is an issue that is going to continue to arise regardless of what the well-financed industry opponents may want to believe. But I also understand the problem the managers of the underlying bill have in trying to keep this bill as simple as possible and to deal with it as expeditiously as possible. Mr. President, I want to cooperate with the managers and at the same time not in any way to diminish my commitment, my enthusiasm for this beverage container recycling proposal.

The bottle bill has been in place in a number of States and local jurisdictions, even in the city of Columbia, MO, the home of one of the biggest beer barons who certainly has helped in creating a lobby against this whole proposal.

I would like to say that in order to keep the issue very much on the front burner, Senator JOHNSTON, the chairman of the Energy Committee of the Senate, has committed to holding a hearing on the energy conservation aspects of this bill before the Senate Energy and Natural Resources Committee, on which I serve, before the end of this session.

Now recognizing that we are not going to move the bottle bill legislation this session, in order to make sure that we have a base that we are building to launch this with full steam ahead in the new session, in 1993, I would like to make an inquiry of the manager of the bill, a member of the Senate Environment and Public Works Committee, a leader on that committee, if there is any way that he could make a commitment of having a hearing in the next session, 1993, on this proposal? If we can build this case at the end of this session and near the beginning of the 1993 session, I would be willing to withhold presenting this amendment and creating a greater problem for the managers in so doing, even though it is my parliamentary right. I would like to make that as a proposal to help resolve at least part of the managers' problems.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Senator from Montana.

Mr. BAUCUS. Mr. President, I want to commend the senior Senator from the State of Oregon who is the ranking member of the Appropriations Committee and a leader in so many ways, particularly on conservation matters. I can think of many measures, many bills, many times when the Senator from Oregon has stood up for conservation of our country's natural resources. I am very proud of his efforts.

I might add, the Senator from Oregon is, I know quite proud that he is the original sponsor of the Endangered Species Act, just one example of the many efforts the Senator has undertaken.

The Environment and Public Works Committee in the last several months has attempted to and actually completed action on reauthorizing the Resource Conservation and Recovery Act, an effort to help the country produce less waste, to recycle much more of the waste that is now produced, and essentially just help America begin down the road of a conservation ethic with respect to recyclable and solid waste, that is garbage, whatnot in our country. Unfortunately, we are unable to bring that full bill to the floor.

Part and parcel of that effort, obviously, is the measure which the Senator from Oregon wishes to address: that is, the bottle bill. The State of Oregon has a bottle bill; many States do, and some States do not. There is a very good argument that the bottle bill should also be Federal legislation. I understand that, and there are some very good arguments made for a national bottle bill.

We will not in all probability enact reauthorization of the Resource Conservation and Recovery Act this year. Frankly, it makes eminent sense to have a full hearing on the bottle bill, as the Senator suggests, next year when we again take up reauthorization of the Resource Conservation and Recovery Act.

I not only agree to the Senator's request, but I must say I think it is a request that makes much more sense in the whole scheme of things because it is not this year, it is going to be next year we are going to be dealing with this legislation again anyway. I not only would agree to the request by the Senator from Oregon, I whole heartily agree to the request by the Senator from Oregon.

Mr. HATFIELD. Mr. President, I knew what the answer was going to be before I asked the question because the Senator from Montana has always been a very accommodating and understanding colleague, even in areas with differences of opinion. But I am also proud to say more frequently we stand shoulder to shoulder in these situations. I wish him well on their managing responsibility on this current piece of legislation and I can assure him we will be there, God willing, in 1993 to engage in that hearing before his committee.

I want to thank him very much for his understanding, the Senator from New Jersey, and the Senator from Indiana, and others who have such an interest in this particular vehicle.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I thank the Senator from Oregon for his always sensitive manner in searching for a significant objective without losing sight of the fact that it does take cooperation and support, one to the other. It is always a much more satisfying experience when it goes that way. Very few like to win a bludgeoning match here.

I, for a moment, would like to address my comments to the Senator from Montana and the Senator from Indiana, and that is to say that lest hopes rise too high, I would caution against coming to a conclusion. But we do have a compromise being worked on at this very moment, trying to fashion language that satisfies the differences of view.

I am hopeful that within a fairly short while that we will be able to move ahead with something significant in this legislation which the Senator from Montana and the Senator from Indiana have brought and managed on the floor.

It has been an arduous task, but I must say that even though there are giant differences of view—a State like mine, New Jersey, compelled by its small size and significant population, most densely populated State in the Union where space is at such a premium that we have unfortunately run out of it. We have run out of it for accommodation of some of the housing needs that we have, but we have certainly run out of it in terms of trying to satisfy for our natural surrounding and for the disposal of trash. New Jersey has tried to deal with the problem by getting the most accomplished recycling program that exists across the country.

So while we are searching for a final conclusion or final answer, what we are doing is we are exporting trash to other States under contractual arrangements. New Jersey has been very diligent about enforcing any illegal attempts to move, to transport trash out of State.

So it is a carefully monitored program and we are achieving exceptionally high rates of recycling, now over 50 percent, and hopefully and planned by 1996 to be at something more than 60 percent, a very significant jump, and perhaps a model for the entire country to follow because we just cannot continue to assault the Earth with more and more mountains of trash.

The Senator from Indiana, now being in a position of Indiana not having any longer to open up its borders to the receipt of trash from New Jersey, as I have said on the floor, of course, is impatient to get that question resolved. So we are dealing from two extremes. It is very difficult to find a middle ground, and I think that we are rapidly approaching a middle ground so that we can present to the Senate something on which we can make some decisions.

But I do want to say that I have been here some time now—9 years—and when a question is as sensitive and as meaningful as this one is, the tempers often run high; the debate gets more than acerbic, and I would say to my colleague from Indiana and the manager of the bill, from Montana, I think there has been an awful lot of good will shown and desire to resolve the problem, and if we continue in that spirit perhaps we can resolve this part of it very quickly. I hope so.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana [Mr. BAUCUS].

Mr. BAUCUS. Mr. President, hope springs eternal. I think we are getting somewhere. We are making progress. From the comments by the Senator from New Jersey, and I know the same will be shared by the Senator from Indiana, we are almost there. We have considered five or six different ideas on how to resolve the abrogation of contracts question, and I think this last idea—one that we are now checking out among various States—is the one that might bring this together. I urge all parties to be patient, to be very diligent, and to persevere. We are finally going to get somewhere, I think, and make substantial progress on this bill.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEPOSIT LAW

Mr. JEFFORDS. Mr. President, I am very pleased to have been made aware of the discussion which occurred previously with the Senator from Oregon and the members of the two committees, the Energy Committee and the Environment and Public Works Committee, indicating that both committees this year and/or next year will give the kind of consideration which is entirely appropriate to a national deposit law on beverage containers.

The 102d Congress will soon be over, and we have been characterized as a dysfunctional body. There is still time to prove that we can function. My colleague from Indiana says American want restrictions on interstate waste. Well, Americans also want recycling. Strong recycling can prevent the need for much interstate transport. So I believe this proposal is germane to this issue. And unlike other proposals which could come before the Senate, a deposit law has proven to work.

A national deposit law will increase recycling, will increase jobs, will reduce childhood injuries, will generate revenues for recycling, will decrease waste volume, save energy, will reduce injuries to livestock and farm equipment, and respond to the desires of at least 70 percent of Americans that they desire to do something meaningful about recycling. I believe that is why Governor Clinton endorsed a national deposit law on Earth Day and said if he were President he would get such legislation through the Congress.

I must confess, however, I have questioned the environmental record of Governor Clinton especially since then because sources have repeatedly bragged to my staff that they had gotten Clinton to back off of the bottle bill pledge. Well, I hope that is not true.

In spite of the support of many groups, such as the League of Women Voters, the National League of Cities, and many others, which endorse a national deposit law, and even of the nominee of the Democratic Party, Governor Clinton, the Commerce Committee refuses to even hold a hearing on the issue.

I might further emphasize that Senator GORE is a member of the Commerce Committee, and the No. 2 Democrat on the subcommittee most appropriate for a hearing on this issue. I note that because we need his support in at least getting a hearing on this issue before the Commerce Committee, which has a partial jurisdiction over this issue.

I believe this legislation is an opportunity to show America that we can do something about recycling.

There is no reason this bipartisan proposal should not be enacted, particularly if it really has the support of Governor Clinton. Our colleagues on the other side of the aisle can show their support not only for recycling but also for their Presidential designee with a vote on a deposit law if not this Congress, then next one or of course I would prefer another President other than Clinton.

I am excited about a vote on this issue. We have a chance to do the right thing and to show our constituents that facts speak louder than PAC's.

Now, I would like to call my colleagues' attention to an editorial from the June 26 Washington Post. I sent a copy to all of my colleagues some time ago. In case you did not get a chance to read it, I will bring it to your attention again.

> Americans are taking a second look at what goes into the national trash pile as well as ways to clean up the countryside, conserve energy, and discourage the throwaway ethic. The single largest components—containers and packaging—happen to be among the most easily recovered items, and successful deposit-curbside recycling programs in 10 states have proven to be both popular and effective, with recycling rates as high as 93 percent. A public opinion survey by the General Accounting Office showed 70 percent of Americans now supporting national container deposit legislation, and in the states with deposit laws in effect, 82 percent in support. Now a House committee is about to vote on a new flexible plan to encourage similarly high recycling rates in the rest of the United States.
>
> The measure differs from deposit bills in effect in the states in that it would not mandate an across-the-board national "bottle bill." States could adopt whatever recycling method they desired, so long as it resulted in a modest 70 percent recycling rate for beer, wine cooler and soft drink containers. For states not meeting that rate, the measure prescribes a 10-cent deposit law. Retailers received a 2-cent-per-container handling fee; unclaimed deposits in each state would be available to that state to help finance other pollution prevention and recycling efforts.
>
> Some 40 diverse national organizations—including the National Association of Counties, the National Grange and the Sierra Club—as well as many industrial firms have endorsed the legislation, which will be offered as an amendment to the Resource Conservation and Recovery Act reauthorization bill. But as they have in the past, beverage and packaging industries are opposing any change. Their newest argument is that deposit laws somehow kill curbside recycling programs. But it isn't so: About one-third of all curbside recycling programs in the country are in these 10 deposit-law states, and reports say deposit laws actually help reduce their costs by removing more material from the trash stream. Seattle recently completed a study—requested by the National Soft Drink Association—which concluded that if a deposit law were in effect there, it would "increase recycling levels of beverage containers and reduce the city's overall solid waste management costs."
>
> Opponents also argue that container legislation addresses only a fraction of the waste management problem. But along with other programs underway around the country—refund arrangements on auto tires and batteries, composting programs for yard waste, exchange programs for used telephone books and collection points for motor oil—governments and industries are making a difference. The recycling amendment due for a vote in the House Committee on Energy and Commerce is a significant addition to this effort.

That is what the Washington Post had to say about recycling and a national deposit law. It is a lengthy editorial but to me very much to the point. Unlike other proposals, a national deposit law is proven to work.

Now, in closing, let me read a list of names of the groups that support deposit legislation:

The National Association of Counties, the National League of Cities, The American Medical Association, the Natural Resources Defense Council, the Sierra Club, National Audubon Society, National Wildlife Federation, Wilderness Society, Defenders of Wildlife, American Council on the Environment, Greenpeace, Izaak Walton League of the America, National Grange, American Fisheries Society, American Hiking Society, National Parks and Conservation Association, Fossil Fuels Action, Scenic America, Rails to Trails, Wildlife Society, League of American Wheelmen, U.S. PIRG, Evangelicals for Social Action, Garden Club of America, Trout Unlimited, Environmental Action, Public Citizen, Friends of the Earth, Americans for Democratic Action, and the League of Women Voters of the United States, all of whom support this legislation.

Basically on the other side, you have beer and soft drinks. Do we respond to 70 percent of Americans with a proposal with a proven track record, or not? Or do we just listen to those that cause the problem? That is what this legislation is about—it is about showing Americans we stand for them, not for political action committees.

If we are serious about recycling, this is my colleagues' opportunity to go on record for recycling. If we cannot do this; if we cannot do what 70 percent of Americans want, what can we do?

Again, I commend Senator HATFIELD, and also Senator PACKWOOD, two of the strong and longstanding proponents of this legislation, for their efforts. And I am pleased that the Energy Committee and the Environment and Public Works Committee have agreed to hold hearings, something long overdue.

Hopefully, we will do something sensible. Really, it is not that tough a political deal to go out and vote for something which 70 percent of the American people agree with.

Mr. President, I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the President pro tempore.

INSPECTOR-IN-CHARGE JOHN COLLINGWOOD

Mr. BYRD. Mr. President, the July 22, 1992, edition of the Washington Times carried a very interesting report entitled "Telling the FBI's Story." The article describes the efforts of FBI Director William S. Sessions to consolidate the FBI's Office of Public Affairs and Office of Congressional Services. The new organization will be headed by inspector-in-charge John Collingwood, a 17-year veteran of the FBI and the former head of the Office of Congressional Affairs.

Mr. President, I have known Mr. Collingwood for several years. In his dealings with the Senate Appropriations Committee, he has always displayed the very highest levels of competence and loyalty to the Director and the FBI. He is articulate and extremely hard working. I congratulate FBI director Sessions on his choice of John Collingwood for these new responsibilities, and I congratulate John Collingwood as he embarks upon his expanded responsibilities.

Mr. President, I ask unanimous consent that the Washington Times article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TELLING THE FBI'S STORY

(By Jerry Seper)

The first arrest John Collingwood made as an FBI agent was the realization of a boyhood dream, even if it was a little less glamorous than he'd pictured it.

No international terrorists. No dangerous spies. No white-collar thieves or La Cosa Nostra crime bosses. No corrupt public officials.

It was hijackers. Trucks. Small trucks. They stole shrimp. It wasn't a very big case.

But, Mr. Collingwood says, that experience as a member of the FBI's major theft squad in Detroit taught him a big lesson. And he hopes to keep it in mind during his most recent assignment as the FBI's chief flak catcher.

"The real keepers of the image of the FBI are the agents on the street," he says. "That's the story we want to tell, the story that the American public and the Congress needs to hear.

"Cases are being solved by agents who continue to knock on doors and ask the right questions," he says. "They're responsible for what the FBI has been and what it will become."

Mr. Collingwood, a lawyer and 17-year veteran of the Federal Bureau of Investigation, took over Thursday as inspector-in-charge of the new Office of Public Affairs and Congressional Services Office. Created by FBI Director William S. Sessions, the office combines two others—the Office of Public Affairs, headed by Thomas F. Jones (since named agent-in-charge of the FBI field office in Cleveland), and the Office of Congressional Services, formerly headed by Mr. Collingwood.

The appointment came as no surprise to those who work with Mr. Collingwood. Or to those who have known the Findlay, Ohio, native during his 12 years at FBI headquarters, where he also has served in the Legal Research Unit and as chief of the bureau's Civil Litigation Program.

Soft-spoken and articulate, Mr. Collingwood, 44, has kept his head down in the dog-eat-dog climate of bureau headquarters. He is one of a handful of FBI executives with immediate access to Mr. Sessions. As a special assistant to the director for two years, many believe he is one of Mr. Sessions' closest advisers.

"He has the director's ear, there's no question about that," one high-ranking FBI official says. "But more importantly, he knows when to use it and knows better than to abuse it."

"Genuinely likable and very charming," is another FBI executive's assessment. "He is determined, tireless, shows great self-discipline and has honed a no-nonsense management style that works."

That style may have been developed during his college days at Bowling Green University, where he received a bachelor's degree in 1970 from the School of Business. Or at the University of Toledo, where he got his law degree in 1975. Or at his family's Ford dealership in Ohio, where he worked for two years before entering law school.

In fact, he went to law school with the FBI in mind.

"I thought at the time that most everyone in the FBI was a lawyer and that it was the route to take if I wanted in the agency," he says. "So I took it."

The road to Washington began in 1975 at the FBI field office in Detroit, where he worked first on the major theft squad and later on the organized crime squad. (That first arrest in the great shrimp caper went down inside a brewery, but that's another story.)

In 1978, the bureau sent him to the Defense Language Institute in Monterey, Calif., a prestigious Pentagon facility. The school teaches more than a dozen languages to intelligence specialists and others, including the FBI. It is considered one of the most intense language courses in the country.

Mr. Collingwood's specialty was Cantonese, which he used on his next assignment at the FBI field office in Portland, Ore. He worked Asian gangs and foreign espionage cases. (Actually, he admits his first chance to use his newly acquired Cantonese came at a Chinese restaurant in San Francisco.)

Two years later, Mr. Collingwood arrived in Washington. He was coaxed here by John Mintz, former assistant director of the FBI's Legal Counsel Division. Mr. Mintz, during a visit to the Portland field office, was looking for agent/lawyers to bolster his legal staff.

"It was a good opportunity for me and I didn't hesitate to take it," recalls Mr. Collingwood, admitting that he and his wife, Mary Ann, also wanted to reduce the miles between them and their families in Ohio and Michigan.

"But I still miss being out in the field," he adds. "That's something that's ingrained in all agents. Solving crimes is what it's all about, and that's the story we hope to tell."

The Collingwoods live in Northern Virginia with son Mark, 10, and daughter Stephanie, 13.

In his spare time, Mr. Collingwood says, "I'm really into two things. My kids' sports—my life revolves around Little League and swimming—and the other thing is computers. You wouldn't expect a lawyer to be into computers, I guess, but I am."

Nothing fancy, just a regular personal computer he uses with on-line services and various kinds of software.

At work, his office's tasks are to tell the news media and the public what the FBI does and why; prepare FBI publications; respond to inquiries; manage congressional relations; oversee FBI testimony before congressional committees; and provide Congress with information on FBI operations, guidelines and accomplishments.

There is one particular story that many expect John Collingwood to try to tell, although without much fanfare.

A longtime loyalist, he is a staunch defender of Mr. Sessions—who recently has come under fire from inside and outside the bureau. In answering questions, Mr. Collingwood often defers to comments and policy statements his boss has made.

"The director is extremely motivated to do more and to better serve the public with the same or fewer resources. . . .

"The director is a firm believer that Congress and the American public have every right to know what the FBI is doing. . . ."

The defense is not contrite, nor does it appear to be planned. Mr. Collingwood believes Mr. Sessions' cheerful approach to problem solving is misinterpreted by critics as weakness or lack of interest.

"His record at the FBI is clear," the public affairs chief says. "He has waded into some of the stickiest issues ever confronting the agency without hesitation."

The media and others have questioned the FBI director's policies and management style. The most potentially damaging and divisive criticism, however, may be that coming from many of his own agents who are angry over what they see as moves to initiate a quota system in the hiring of minorities and women.

The predominantly white FBI Agents Association, which represents more than 60 percent of the FBI's 10,400 agents, is seeking a court order to force Mr. Sessions into revealing the contents of an agreement he signed in April with black agents. That agreement guarantees job assignments, promotions and training opportunities. Hispanic agents won a similar pact three years ago in a race discrimination lawsuit.

Female agents balked at a recent equal treatment. The women said they were "tired of the separatism and group interest that appears to be growing within the ranks of the FBI."

Mr. Collingwood won't discuss allegations of a quota system, saying the matter involves pending litigation. He does say, though, that Mr. Sessions has not been afraid to take on extremely difficult issues.

"His view is that he'll do what has to be done and that the facts will speak for themselves," Mr. Collingwood says, in his first official defense of the director.

Mr. Collingwood's efforts to tell the public and the media about the FBI and its accomplishments may be an easier task today than it was before. It's no secret that former Attorney General Dick Thornburgh, who wanted to name his own man as FBI director, often moved to control and limit the FBI's access to the media.

Mr. Thornburgh resigned in August to run unsuccessfully for a Senate seat from Pennsylvania. His successor, Attorney General William P. Barr, has not instituted similar constraints.

Mr. Collingwood has no comment on all this, except to say that his office will operate under "clear mandates" handed down by Mr. Sessions.

"Our job is to serve our customers. That includes the media, the public and Congress," he says. "We are the servants of the American public, and it has every right to know what the FBI is doing."

Mr. BYRD. Mr. President, I thank the Chair.

POLYTHEISM IN MODERN GARB

Mr. BYRD. Mr. President, we are living in a "mixing bowl" era in which changes, conflicting ideas and ideologies, cultural transformations, and intellectual cross-fertilization are taking place at perhaps the most precipitous speed since Alexander the Great merged Greek and Persian culture to produce the hybrid "Hellenism."

Similarly, we are living through an era of self-conscious "political correctness"—sometimes referred to as "PC"—an effort, at best, to ensure a uniformity of thought that is nonoffensive to the sensitivities of certain favored groups or certain favored causes.

Unfortunately, in instances in which change for change's sake is in the air, and political correctness is a goal in itself, the first victim is often Truth itself.

Mr. President, I am referring here specifically to a movement that cuts across the denominational boundaries of several Christian bodies, and that touches the Roman Catholic Church at points as well as Protestant churches. This movement is an effort to accommodate the secular world's current search for a "nonsexist" vocabulary and commitment to filtering everything through militant feminist prisms by the use of "inclusive language."

In the secular world, we have wrestled ourselves into an acceptance of "Ms." and freely use "chairperson" in preference to the unwieldy "chairwoman." Not so secure are "humankind" to replace "mankind"—especially since "human" still includes "man" as the second syllable. Likely never to become common is "herstory" to replace "history," though that has been seriously suggested in some quarters. "Letter carrier" replaces "mailman" easily, while "firefighter" slips comfortably into the vocabulary against "fireman."

Word substitution in ecclesiastical and theological circles is, however, not so easy. Of course, I am not a trained theologian or ordained clergyman. But from my own efforts to forge a layman's grasp of things holy and from my personal Biblical scholarship, such as it is, I have come to understand the thicket that one enters when attempting to play fast and loose with religious terminology. In treating the Deity, one's only real course is to use words as symbols, since spiritual realities can never be exactly defined by finite words. Understandably, using literal symbols to express transcendent ideas can sometimes create more dilemmas than it solves.

This caveat seems not to have occurred to some contemporary ecclesiastics who seem bent on being "trendier than thou" in translating linguistic symbols thousands of years old into more "inclusive" language.

For example, some church liturgies now address the Deity as "Father and Mother"; the Trinity of "Father, Son, and Holy Spirit" becomes for some "Creator, Redeemer, and Sustainer"; one hymn invokes "strong Mother God"; Jesus' Scriptural phrase "Son of Man" is recast as "the Human One"; and one ordained female invites listeners to allow God to hold them "in the palm of Her hand." A particularly militant inclination is seeking to purge from hymnals such standards as "Dear Lord and Father of Mankind" and "He Leadeth Me" for their obvious chauvinistic sentiments.

One particularly thorny problem in attempting to alter Christian theological vocabulary is the history of that vocabulary itself.

First, all acceptable Christian theology is based on antecedents in Judaism.

Without question, the Sacred Writings of the Jews hold within themselves the revelation—held universally by believers to be in some sense a self-revelation—of a Deity of undeniably masculine gender. Throughout the Torah and the corpus of the Old Testament canon, Yahweh or Jehovah is always referred to by chroniclers, Psalmists, prophets, or poets as "He," "Him," "the Lord," and so forth. Indeed, Old Testament writers deliberately define their Deity as masculine against the female goddesses of some of their pagan neighbors who worshipped Astarte, Ishtar, and other versions of the Hellenistic Isis.

Theology notwithstanding, who among us would be so philistine as to recast the hallowed words of Psalm 23 in inclusive vocabulary to say:

"The Lady is my shepherdess; I shall not want. She maketh me to lie down in green pastures: She leadeth me beside the still waters.

"She restoreth my soul: She leadeth me in the paths of righteousness for her name's sake."

And further:

"Surely goodness and mercy shall follow me all the days of my life: and I shall dwell in the house of the Lady for ever."

Before faddish Christian theologians plummet irretrievably into a sophistic crag from which they cannot extricate or perhaps I should say explain themselves, should they not first examine with extreme care and linguistic nimbleness the Hebrew texts? Can one cut the cord that ties Christian theology to Judaism so glibly by recasting the decidedly masculine gender of Old Testament nouns and pronouns that refer to the Deity without at the same time emerging with a concept of God that is incompatible with Yahweh-Jehovah of that same Old Testament?

Again, the compilers of the New Testament canon, purportedly laboring under the inspiration of the Holy Spirit, selected parables and sayings preserved from Jesus' own ministry in which God is ever portrayed in the masculine and seldom in the feminine—a case in point being the widow who lost her coin and searched her house diligently for it. But Jesus specifically chose to call God "Father"—the translation of the word "Abba."

In the name of inclusiveness, can the Christian church afford to dump, as off-putting and outdated terminology, the concept of the "Fatherhood" of God? Can the average layperson, like myself, grasp the still useful concept of the Trinity if the Three Persons suddenly become "the Mother, the Human One, and the Holy Spirit"?

Even more confusing would be a Trinity of "Mother, Daughter, and Holy Spirit."

Another prickly question not easily ignored is church tradition itself.

From almost its inception, the Early Christian Church found itself in competition with cults and mystery sects devoted to female deities—again, Isis, but equally Diana, Demeter, Athena, Juno, and the like. Though some historians of doctrine interpret the elevation of devotion to the Virgin Mary as a sincere effort to stress the divinity of eternal feminine qualities, the classical Catholic and Orthodox wings of Christianity never translated that concern into an assertion that the Godhead included feminine elements of being or essence. Had the gender of the Persons of the Godhead been an insignificant matter, certainly someone among the Early Church councils would have suggested an official ambivalence at that point that would have attracted into the church devotees more comfortable with deities of female gender. In fact, the Early Church deliberately retained the imagery of Fatherhood and masculine nouns and pronouns in reference to the Creator—Isis and Diana notwithstanding.

An interesting aside is that one of the problems that Mohammed reportedly confronted in Christianity that led to his rejection of it was his own mistaken belief that the Trinity was "the Father, the Son, and the Virgin Mary," an error that may have changed the history of our world to this very day.

But more to the point, a more subtle but no less important caution about recklessly changing religious vocabulary is presented by the philosophy of religion.

According to some thoughtful philosophers of religion, one problem that any religion must answer is how literally one is to take the language in which that religion is presented. We are told that either communication to man from God is univocal or it is equivocal.

For instance, if the word "love" is used univocally, that means that God experiences in Himself a quality in loving much as a human being experiences in loving—a joy, an excitement, a happiness.

But suppose the deity intends in his vocabulary a kind of code—an equivocation of meaning. "Love," for example, might be experienced as joy by a human being contemplating the object of his worship, but the deity might experience no such sensation. To that deity, "love" might be the term used to describe an outrush of impersonal, unemotional electric charges. "Forgiveness" might be to such an equivocal deity nothing but an active nonchalance toward the transgression of the laws of gravity or relativity or whatever. Such a deity would hardly be more than the conjuration of a cruel philosopher bent on tricking mankind for the sake of forcing morality or deluding ignorant people into believing the unbelievable by using semantic legerdemain.

By comparison, is it not possible, therefore, to conclude that Jesus and the whole host of Old Testament prophets and New Testament writers use the image of God as "Father" or "the Lord" because, in the univocal or more literal human sense, God evidences an essential masculinity? Is it not possible that, essentially—at the very root of "Being" itself—the Creator is, in His Essence, of masculine as opposed to feminine nature? And by loosely flirting with nonsexist or inclusive language, is it not possible that ecclesiastics are without warrant distorting something of ultimate importance in comprehending Deity itself?

This is not to denigrate feminine essence or to de-equalize maleness and femaleness in Creation. Nor is it to deny women a full participation in church or community life.

But should not the received texts of the Old and New Testaments be allowed to speak for themselves and to inform the continuing life of the Christian church without being bowdlerized for the sake of contemporary fashion and trendiness? Is it not the role of the minister, the priest, or the rabbi to make clear to contemporary ears and intellects the deeper meaning of ancient texts without first changing their original meanings? In effect, Mr. President, are we so puffed up with our own sense of moral superiority that we have to distort ancient documents before we dare expose them to the modern world?

And where do we stop rewriting older works to render them less offensive to some of our contemporaries? Where is the end? Should we rewrite Homer, who lived in the 800's before Christ, so that Helen kidnaps Paris? Should Oedipus be resexed so that a heroine marries her father? Should Shakespeare and Milton be rewritten to correct an improper prominence given to emperors and kings and masculine angels over empresses and queens and female angels? Should we rewrite Dante to do the same?

Certainly, we would never think of committing such vandalism on the great works of literature in our heritage. Rather, we depend on the female intellect to grasp the universality of the themes of these unparalleled classics and to gauge the female experience against them.

Such, I suggest, should be the treatment of Sacred Writings and the symbols of ancient faiths. Better to trust that women are sufficiently intelligent to draw their own conclusions and to prepare teachers skilled in making old texts come to life than to twist these texts to fit today's fashion and lose something significant in them.

Mr. President, I do not claim to be a master of the Scriptures. I claim to be only a wayward sinner and feeble student thereof.

But I do know, Mr. President, what the King James version of the Bible meant in my little home back among the hills. I know what it is to grow up in a home where there is a praying mother and a deeply but quietly religious father.

And that old Bible to me—there are those that say, well, let us have a new version so that we can understand it better. My problem is not with understanding the Scriptures. My problem is, and always has been, living up to that which I do understand.

To me, those Scriptures have given inspiration always, comfort at times, and hope on occasion. And it is out of that context and from that background that I speak today. It just does not make sense. And to me it derogates the Scriptures to attempt to blend ourselves into the trendiness of today's fashion, as some would have it, in eliminating the masculine nouns and pronouns from the Bible.

More than one baby has been thrown out with the bathwater in years past. Let us not make that mistake in this instance.

Mr. President, I ask unanimous consent that a Wall Street Journal on this subject be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 27, 1992]

THE LORD'S NAME: IMAGE OF GOD AS "HE" LOSES ITS SOVEREIGNTY IN AMERICA'S CHURCHES

(By R. Gustav Niebuhr)

LONG BEACH, CA.—The First Congregational Church here looks every inch a bastion of religious tradition. Inside the imposing Italian Renaissance structure, graced with delicate rose windows, are mahogany pews and a grand old pipe organ.

Then the Sunday service starts. "May the God who mothers us all bear us on the breath of dawn, and make us to shine like the sun, and hold us in the palm of Her hand," intones Mary Ellen Kilsby, the pastor.

Unorthodox? Some would say so. But no longer unique.

The ancient Western image of God the Father is coming under assault. Although still relatively unusual in most of America's 350,000 Christian churches, gospel like this is making inroads among church leaders, who have begun purging hymnals and liturgies of references to God as male, white as pure, black as evil and Heaven as up.

CHANGING TEXTS

This year, a new translation of Catholic psalms used in worship that eliminates the word "He" as the pronoun for God will be circulated among Catholics for study.

The United Church of Christ, the liberal Protestant denomination to which First Congregational Church belongs, is revising its hymnal, and will "change some very treasured texts," says the Rev. James Crawford, pastor of Boston's Old South Church, who chairs the hymnal committee. Among those due for certain revision: the old Protestant favorite "Dear Lord and Father of Mankind."

And next week, the staid United Methodist Church will ask delegates to a churchwide conference to approve a new Book of Worship, the text from which ministers design their services, that would allow congregations in certain instances to drop Father in favor of a genderless God. Although the book remains largely traditional, it also includes prayers in which the deity is addressed as "Father and Mother," "Bakerwoman God" and "Grandfather, Great Spirit."

For centuries, Christians have worshipped a deity that had explicitly masculine names. The Hebrew Scriptures, which form the Christian Old Testament, call God "He." In the Gospels, Jesus refers to God as Abba, an Aramaic word best translated as "Daddy." Culture has reinforced tradition: Medieval artists and hymn writers portrayed God as a wise older king. Michelangelo painted the deity as a muscular, bearded giant. Hollywood cast actors who could speak basso profundo.

SHE AND HE

Yet these days, sweeping social shifts—primarily feminism, but also civil rights and environmentalism—have crashed against the ancient Christian picture of the cosmos.

"I don't think our conception of God will ever stand still again," says Joseph Hough, dean of Vanderbilt University's Divinity School in Nashville, Tenn. In his public utterances, Dr. Hough alternately refers to the deity as She, then He. "I don't think anyone would want to defend the view that God values males more than females, but that's exactly what [traditional] language does," he says.

The roots of the debate over what to call God are often traced to a book by Mary Daly called "Beyond God the Father," a critique of patriarchal religion that bluntly states, "If God is male, then the male is God." Dr. Hough also cites James Cone's 1969 book "Black Theology, Black Power," which argues that the church must so identify with oppressed minorities that it becomes "theologically impossible" not to think of Christ as black.

Such books had an immediate impact on many seminaries, but only recently has their influence been felt in established churches, where church leaders have begun replacing the once-generic word "brethren" with "people."

THE FINAL WORD

For the orthodox, any question about God's name was settled once and for all more than 1,600 years ago at the Council of Nicea, where more than 300 bishops from across the Roman Empire convened to resolve a raging theological debate about what, essentially, God is. The group agreed to describe God as Father, Son and Holy Spirit, three intimately connected "persons" within one "substance." The doctrine of the Trinity is important because, while it holds Christ to be fully and eternally divine, it also explains that Christians don't worship two or three separate gods.

These days, however, many pastors are choosing to baptize and marry in the name of a gender-neutral Trinity, the "Creator, Redeemer and Sustainer." And that is causing great concern, especially among some traditional religious experts and academics, who believe such changes border on heresy.

"Once you deconstruct the Trinity . . . I think you've lost the Gospel," says Carl Braaten, professor of systematic theology at the Lutheran School of Theology in Chicago. "We're facing a battle in the future, and more and more people are going to get sucked into the vortex on the naming of God, how to pray to god."

The changes are troubling, as well, for many religious people who don't view themselves as particularly conservative. David Moss, an Episcopal priest in Atlanta and a psychotherapist, says the loss of a shared image of God—a central reference point in Western civilization—will lead to "confusion" among Christians and dissension among churches.

God's masculine names, he says, make up an almost indelible memory within Judeo-Christian culture. As evidence he cites his offering communion at a home for elderly Alzheimer's and stroke victims. When he opens the service, the patients give little evidence of consciousness—until he begins the Lord's Prayer. "If I say, 'Our . . . 'they say, 'Father.' It makes the hair on my arms stand up."

Yet a number of theologians warn that language shapes reality, and unless the church changes its imagery, it will effectively endorse gender and race bias. And by insisting on speaking of God as Father, they say, traditionalists risk deifying a mere work—committing the sin of idolatry.

ENDING INJUSTICE

"As society becomes aware of the issue of injustice . . . the society's language has to change to mirror that," says Letty M. Russell, a professor of theology at Yale Divinity School. "The way to respect the original words is to re-translate them as our understanding of their meaning changes."

At First Congregational Church in Long Beach, the Rev. Kilsby says, "If there's no feminist imagery, then women weren't made in God's image." The Rev. Kilsby never speaks of a divine king or an almighty lord. "There's a certain tenderness and vulnerability about God," she says, which she tries to project by likening the deity to a shepherdess or a mother hen.

Even Satan takes a different cast here. The church's associate minister, the Rev. Christopher Wilke, says he links evil with "shadows," not blackness, out of consideration for African-American friends. In a recent sermon, he says, "I didn't talk about the Prince of Darkness. I talked about the Prince of Evil."

The Rev. Kilsby's preaching has encouraged her congregation toward eclecticism. As they gather over coffee after the Sunday service, members talk about how they picture God: as a cloud, a formless spirit, Mother Earth.

BIG BANG

Marjorie McMillan, a professional singer and voice teacher, says her former "very vivid" picture of a masculine God is now in transition. "I don't have this all-powerful male image in mind," she says.

And schoolteacher Karen Miller says that while she still believes in following Jesus's teachings, "I'm evolving into a sort of neopagan. I envision the universe as God and all in the universe as a part of God." Her husband, Tom, a history professor, long ago stopped saying Father in favor of Creator. His image of God? "It's like atoms," he says.

Yet many people have been protesting the changes. In late January, 77 bishops, pastors and lay people associated with the United Methodist Church gathered in Memphis and issued the so-called Memphis Declaration. The group said inclusion of new language for God in the proposed book of worship would "alter the apostolic faith."

One conservative Methodist group, the Good News Caucus, promises to argue to stop the changes in a word-by-word editing at the denomination's conference next week. "It's not for us to decide what God's to be called. He's expressed that in Scripture," says the Rev. James Heidinger II, the group's executive secretary. Tampering with traditional biblical imagery, he adds, "leads to pantheism and goddess-worship."

Over the past year, opponents in the Episcopal Church and the United Church of Christ have issued their own declarations, branding changes in traditional language about God as anything from a cultural fad to outright heresy.

MEN AS GODS

Some proponents of change say they see in the opposition a backlash by men who fear their own authority is at stake. "They may feel the reverberations of the ax being laid to the tree, and they're up in the tree," says the Rev. Beryl Ingram-Ward, a Methodist minister in Tacoma, Wash.

Opposition comes from women as well. At the Lakewood, Ohio, Congregational Church, the Rev. Lyman Farrar says for years he's been quietly using the word God instead of male pronouns for the deity in prayers and sermons. But he encountered an "instant negative reaction" when he introduced a gender-neutral version of the doxology, a historic hymn of praise, in late January. As he stood shaking hands with congregants after the service, several women bluntly told him not to do that again.

"I can't understand why so many women are so upset by this," he says. Says Sue Bosworth, a member of the congregation, "I think we're in danger of losing the Trinity" when use of the name Father is diminished.

While this debate is just beginning in the pews, it has already reshaped religious vocabulary at many of the nation's leading seminaries, particularly the Protestant seminaries, where women's enrollment has exploded. As their constituencies have changed, these institutions have found that previously standard terms—mankind, brethren, God the Father—seem antiquated, even politically charged.

INCLUSIVE LANGUAGE

These days, many seminaries have guidelines recommending proper speech on campus. At Columbia Theological Seminary, a Presbyterian institution in Decatur, Ga., the student handbook says that students, faculty and administrators "are expected to use inclusive language" in the classroom, chapel and written work. Two years ago, faculty at Fuller Theological Seminary, an evangelical institution in Pasadena, Calif, recommended studies speak of men and women, rather than man or mankind. (The seminary has retained traditional language for God.)

But attempts to take such messages outside seminary walls have often met with anger and resistance.

In the mid-1980s, the National Council of Churches began publishing its multi-volume Inclusive Language Lectionary—Bible readings for Sunday services—which omitted male pronouns for God and retranslated Jesus's traditional title, "The Son of Man," as "the Human One." As the series went to press, the committee of scholars who put it together received anonymous death threats.

Committee chairman Burton Throckmorton recalls registering under a false name when he went to speak to the council's board at a Hartford, Conn., hotel. Police patrolled the building with bomb sniffing dogs. "It wasn't funny business," says Dr. Throckmorton, a retired professor of New Testament at Bangor (Maine) Theological Seminary. "There are a lot of lunatics out there."

"BRING MANY NAMES"

Despite the hostility, the lectionary has sold some 80,000 copies, according to one of its publishers, Cleveland-based Pilgrim Press. And other, similar materials are now coming to market, including new hymns that praise a distinctly nontraditional deity.

Brian Wren, an Oxford-educated poet who lives in Rome, Pa., is an author of many such hymns. One of his best-known is "Bring Many Names," whose verses invoke "strong Mother God," "warm Father God," "old, aching God" and "young, growing God."

Dr. Wren travels the country giving seminars in which he encourages people to "brainstorm images of God." At one San Francisco gathering, ministers and church musicians came up with a long list of new names—"Beautiful Movement," "Straight-talking Lover," "Daredevil Gambler"—that he incorporated into a hymn.

"The fact that Jesus called God Father doesn't mean he was teaching us to use that name for time and eternity," Dr. Wren says. "I think that at its best, the biblical tradition is that God cannot be contained in human language."

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PARTISANSHIP

Mr. LEAHY. Mr. President, I realize that it is an election year, and I realize we are getting close to the time for the Presidential elections. But I worry, as we approach that time, that sometimes the partisan ardor of Members of this body may lead them to make statements that perhaps are best kept for a stump speech before partisan followers but do not reflect the kind of debate that we should hear in the U.S. Senate.

Now I understand that on this floor there will be speeches that are not what I would like to hear, and perhaps what other Members would not like to hear.

I understand there is a policy now where Members of the minority party are coming to the floor, I guess, every day, maybe several times a day, to say what they can to help President Bush's reelection.

Well, I certainly would expect them to work to help President Bush's reelection. They are members of the same party. They have all campaigned with him. Most of them have supported his policies, his economic policies and his foreign policies, his appointments to the Supreme Court, and so on. So none of us could disagree with their right to support him. But when they do, I suggest they speak to those things they feel deserve support on the part of the President, but try to speak in a positive fashion for the President, and not simply attack. One has to wonder—if their speeches are solely attacking either Governor Clinton or Senator GORE or Democrats—if all they can do is attack? Do they really have something they can be proud of themselves, that they stand for?

I mention this because I understand earlier this afternoon that certain statements were made about the Democratic majority in the Congress participating in a partisan vendetta with regard to United States policy toward Iraq. Members of the other body who are investigating this of course can speak for themselves. They do not need me. Nor do I intend to speak for whatever efforts are under way there.

But there was also reference in that material to the Senate Agriculture Committee. For 2 years the Senate Agriculture Committee has been investigating our policies toward Iraq. For over 2 years the Senate Agriculture Committee has asked questions of what the administration and the agencies of the administration were doing in their foreign policy toward Iraq. In fact, a Senator from the Republican Party this afternoon put into the RECORD an op-ed piece on this subject, written by the distinguished senior Senator from Indiana [Mr. LUGAR], a Senator for whom I have the absolute highest regard and respect.

In fact, that same op-ed—and now that it is in the RECORD I would refer to it—shows that both Senator LUGAR and I have worked together on this investigation. We have requested documents from the Agriculture Department, from the State Department, Treasury Department, from the Federal Reserve. Both the distinguished ranking Republican member of the committee, Mr. LUGAR, and I have jointly signed the requests for these documents.

But, before the attack is simply made that if requests are made for answers, if questions are asked of the Bush administration's policy that it must somehow be partisan, let me explain these requests were made by a senior member of the Democratic Party and a senior member of the Republican Party—myself and Senator LUGAR. That was a bipartisan effort. But it is also legitimate to ask, "just what was the policy?"

The reason I ask this, Mr. President, is probably the same reason you have heard in your own State and I have heard in my State of Vermont. People ask why is that at a time when we cannot afford to take care of problems here at home, when we cannot repair the infrastructure of our own Nation, when 40 percent of the women and children who are eligible for the WIC Program cannot receive benefits because there is not enough money, when pregnant women cannot get adequate nutrition for themselves and for their unborn child—talk about a pro-family and right-to-life issue—when they cannot get adequate nutrition because the administration says there is no money, when children born cannot be fed adequately because there is not enough money in this country to feed them—people ask why is it that the U.S. Government and this administration is spending this year, $1.9 billion in paying the foreign aid bills of Saddam Hussein?

Frankly, I think it would be a better use of our scant resources in this Nation to feed our hungry children when one out of five children in this Nation live in poverty and in hunger. We should spend that $1.9 billion feeding them. If we have poor, pregnant women who are not able to get adequate nutrition, would it not make sense to be feeding them and giving them adequate nutrition, hoping maybe that child will be born with an adequate birth weight; that the child will be born and at least start off healthy? The child, because of poverty, because of circumstances, may have enough going against him or her anyway. At least at the moment of birth let that child be a well-nourished child. Certainly in the formative, first months and years of its life it might get adequate nutrition. But, no, we tell 40 percent of these women you cannot have the food you need for adequate nutrition, your newborn baby cannot get fed adequately. Why? We do not have enough money. But because of gross mistakes in foreign policy this Nation will spend $1.9 billion to pay the foreign aid bills of Saddam Hussein.

How can that be? I will tell you how it can be. Even as Saddam Hussein's tanks were heading off toward Kuwait, even as his generals planned the invasion, even as the decision was made, what was the administration doing?

I will tell you. The record shows that the administration began 1990 cosigning notes to provide agricultural commodities to its then good friend Saddam Hussein, who by the end of the year it was calling the Hitler of the Middle East.

I do not think it is partisanship to ask why this happened. I am sure there are some who may think that if the Congress was controlled by the same party as the White House, these embarrassing questions might not be asked. I would hope that all of us, Republicans and Democrats alike, would ask. Because all of us, whatever State we are from, have to know there are hungry people in our State. There are children not being fed. There are pregnant women not getting adequate food. There are elderly not getting adequate nutrition. There are children who cannot get school lunches and cannot learn when they are in school because they cannot get adequate food.

Mr. President, that is a fact in every State in the Nation because in every State in the Nation, the Federal feeding programs are not adequately funded. And so long as that is the case, then it is an absolutely legitimate question to ask why are we spending $1.9 billion to pay off the foreign aid bills of Saddam Hussein?

Maybe it is embarrassing. Maybe it is embarrassing to the other side. Maybe it is embarrassing to the Senator who raised the question. But it is a fact. It is a fact. It is not partisan to say we are spending $1.9 billion in foreign aid bills for Saddam Hussein this year. That is not partisanship. That is a fact.

It is not partisanship to say that we cosigned—the United States Government, this administration—notes with Saddam Hussein just months before getting his tanks ready to roll in Kuwait. That is not partisanship. That is a fact.

It is not partisanship, it is a fact, that strong questions have been raised whether some of that money was diverted for arms sales and not for agricultural sales. That is not partisanship. That is a fact.

It is not partisanship. It is a fact that American weapons were available to Saddam Hussein to be used against American troops in Saudi Arabia. That is not partisanship. That is a fact. And is it wrong to ask the questions? It might be embarrassing to some that the questions are asked, but it is not wrong. It is not wrong.

So I would advise my friends, when they raise the question of partisanship, when somebody states indisputable facts and they call it partisanship because those indisputable facts are embarrassing, that is not the fault of those who raise the questions. That is the fault of those who did the actions that brought the facts out in the first place.

Mr. President, it is an embarrassing fact to the administration that the taxpayers spent $1.9 billion paying off foreign aid bills of Saddam Hussein this year. Of course, it is embarrassing. But it is a fact, and it is embarrassing and terribly troubling to me that American weapons were available to Saddam Hussein to use against American troops, but it is a fact.

I do not know everything that happened in this. I have asked questions. Maybe my committee will be able to find some of the answers. Maybe it will not. But we will ask the questions. If it proves embarrassing to Democrats or Republicans—whatever facts we find, I will lay out in the CONGRESSIONAL RECORD. But let us not assume that you cannot find out the facts just because it is an election year and you cannot ask questions just because it is an election year. The facts are there; the questions will be asked.

Mr. President, I yield the floor.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Louisiana.

IMPROVED ENERGY EFFICIENCY

Mr. JOHNSTON. Mr. President, I am pleased to tell the Senate that I have reached agreement now, I believe, with my two colleagues from Nevada on the question of how we will handle the conference committee on the energy bill. My colleagues from Nevada had been prepared to engage in some extended debate on this question unless we had worked out what our intentions are with respect to the conference.

I will now say, Mr. President, that I am prepared to commit myself to try to achieve the following in conference: First, no reference to preemption in the conference report; second, that there will be no provisions inserted on MRS or early placement of waste, or other matters beyond the scope of the conference. I am willing to commit myself, as I say, to that, with the understanding that we are able to get to conference on the energy bill.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, as the chairman of the Energy Committee has indicated, we have spent long, hard hours trying to work out this matter. We feel that the agreement made, as spread on the RECORD of this Senate today, is that there would be no preemption in the conference report, as the chairman indicated.

Mr. JOHNSTON. Or that I would commit myself to achieving that.

Mr. REID. And there would be no provisions inserted relating to MRS or early placement of waste.

I would also ask the chairman that if, in fact, these, which have caused the Senators from Nevada concern, wind up out of some work of fate in the conference report, we ask that not be brought back to the Senate if it has preemption, if it has MRS or early placement.

Mr. JOHNSTON. Mr. President, I expect to be the chairman of that conference committee, and the most any Senator can do is to commit himself to try for a conference, because the conference can do what it wishes. I think it is a virtual guarantee that I, as the chairman of that conference and the chairman of the Energy and Natural Resources Committee, commit myself not to want to have these things—and you, yourself, I think have talked to Chairman DINGELL. So I think there is very little chance of that. But I cannot bind the conference as one member, even though I may be the chairman of that conference. But I think the Senator can rest easy that these matters will not be in the conference report.

Mr. REID. I would only add, Mr. President, I listened intently; I heard what the chairman of this committee said, the virtual guarantee, and I heard those words clearly. As a result of that, I am prepared to withdraw any intent at this stage to prolong the debate.

The PRESIDING OFFICER. The junior Senator from Nevada.

Mr. BRYAN. Mr. President, I acknowledge that the distinguished chairman of the Senate Energy Committee has indicated that the three items which were of primary concern to us—the preemption provisions which currently exist in the House version and do not exist in the Senate version, and reference to the MRS and reference to the early placement of waste—all three of which the Senator addressed, would not be included. That is of primary concern.

The Senator also indicated that it would not be his intent to go beyond the scope of the conference, recognizing that there are other issues that deal with nuclear waste that may be in some fashion dealt with, but not at least beyond the scope of the two bills that we are dealing with, and that is the essence of our understanding.

Mr. JOHNSTON. Mr. President, the junior Senator from Nevada correctly understands what I had said. I would commit myself not to go beyond the scope of the conference, insofar as I am able to shape that conference, and I believe that will be substantial assurance for the Senators.

Mr. BRYAN. Mr. President, I indicate, along with my senior colleague, based upon the understanding, it is not our intention to mount a filibuster which, as the distinguished chairman knows, was the option we had available and might have become necessary if we were unable to work this out. That will not be our course of action. We will not be filibustering the Senator bringing this bill up and getting to conference.

Mr. JOHNSTON. Mr. President, I very much appreciate the cooperation and the friendly spirit in which we resolved this with my friends from Nevada. I always thought we would. This is a real victory for U.S. energy policy and for our energy bill. I thank my friends from Nevada.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with the consideration of the bill.

Mr. BAUCUS. Mr. President, I think we have an agreement on the Coats amendment. We have been working on this for the past couple of days. I must very earnestly thank Senator COATS, Senator CHAFEE, Senator SPECTER, Senator WOFFORD, Senator MOYNIHAN, Senator METZENBAUM, Senator LAUTENBERG, and Senator GLENN for their very hard work, diligence, patience, and perseverance to finally reach a conclusion.

So I offer this modified amendment on behalf of all the Senators I have named.

I send the amendment to the desk.

The PRESIDING OFFICER. The Chair advises the Senator that consent would be required to withdraw the pending Coats-Chafee amendments.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Coats-Chafee amendments be withdrawn so that the amendment I just sent to the desk will be in order.

The PRESIDING OFFICER. Is there objection?

Mr. COATS. Mr. President, reserving the right to object, and I certainly will not object, I just want to inform my colleagues that what we are doing is exactly what has been indicated. That is, after 2 very intense days of negotiations, we have reached an acceptable resolution to the issue before us. Withdrawing the Coats-Chafee amendments at this particular time and then offering the amendment that Senator BAUCUS will offer on behalf of all of us involved in this negotiation will bring about resolution to this issue and the debate.

So I will not object.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

So, the amendments (Nos. 2731 and 2732) were withdrawn.

AMENDMENT NO. 2736

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS] (for himself, Mr. COATS, and Mr. SPECTER), proposes an amendment numbered 2736.

Mr. BAUCUS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 2 before the semicolon, add the following: "except to the extent that the actual amounts of municipal waste generated outside the jurisdiction of the affected local government received for disposal at the landfill or incinerator under such contracts exceed the amount imported under such contracts in 1991 or twice the volume of the first six months of 1992, whichever is less (this clause shall not apply after June 18, 1999, to the extent that such contract prevents a Governor from exercising the authority granted by paragraphs (2)(A)(ii) and (3))".

On page 6, between lines 11 and 12, insert the following new paragraph:

"(3) Except as provided in paragraph (1)(C) and in addition to the authorities provided in paragraph (1)(A) beginning with calendar year 1998, a Governor of any State which receives more than 1 million tons of out-of-State municipal waste, if requested in writing by the affected local government and the affected local solid waste planning unit, if any, may further limit the disposal of out-of-State municipal waste as provided in paragraph (2)(A)(ii) by reducing the 30-percentum annual volume limitation to 20 percentum in each of calendar years 1998 and 1999, and to 10 percentum in each succeeding calendar year.".

On page 6, line 12, strike "(3)(A)" and insert "(4)(A)."

On page 7, line 3, strike "(4)(A)" and insert "(5)(A)."

Mr. BAUCUS. Mr. President, let me briefly describe the amendment. The amendment essentially gives Governors the authority to restrict and reduce municipal waste imports under private contracts down to the 1991 levels or the 1992 levels, which is calculated by doubling the levels of the first 6 months of 1992, whichever is lower.

In addition, the amendment also provides that, beginning in 1998, a Governor will have the authority to reduce the amount of out-of-State municipal waste received at certain landfills to 20-percent of the waste received at that landfill in 1998 and, also, that same 20-percent capacity that is reserved for out-of-State solid waste would also apply to 1999, and then only 10 percent of the capacity of the landfill—these are for the larger landfills, landfills that receive over 100,000 tons in States which receive over 1 million—that then the Governor could require that only 10 percent of the capacity in those larger landfills be reserved for out-of-State waste.

The amendment further provides that, beginning in 1999, the Governor may abrogate private contracts of out-of-State waste in order to achieve that 20-percent capacity reservation in 1999 and 10-percent capacity reservation in the year 2000 and in subsequent years.

This is an effort, frankly, to accommodate exporting States and importing States, particularly with respect to private contracts and the abrogation or not of private contracts. The original bill before the Senate essentially provided that local government, municipalities, could request the Governor to ban out-of-State waste in certain instances or require that the waste go somewhere else in certain instances. Unfortunately, from the point of view of certain States, another provision in the bill, that is, the prohibition on the abrogation of private contracts, made that earlier provision a little less helpful to them; that is, it took some of the teeth out of the tiger.

This, therefore, is an amendment to accommodate that concern without allowing all private contracts to be abrogated but in certain instances to allow some. It is a balance. It does not give certain States that export solid waste all they want. It does not give the importing States, particularly Indiana, Pennsylvania, and Ohio, in some cases, all that they want.

But I say to the Senate that I am very, very pleased with the degree to which Senators have worked to cooperate to compromise. There have been about seven or eight different proposals that have gone back and forth among various Senators, and not once did somebody utter a word of discord or rancor. Everyone is still pitching and still trying.

I want to particularly thank the Senator from Ohio. He came into these consultations, these negotiations, only a few hours ago, and he, in many respects, was the catalyst for helping to put this together. Everyone here is a catalyst, but I want to particularly thank the Senator from Ohio for his efforts.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, let me say that the Senator from Montana is correct that this issue was bogged down this afternoon. Everybody wanted to move, but we were not moving. There have been extended negotiations, and certainly the Senator from Montana was much involved, the Senator from New Jersey was involved, the Senator from Indiana was involved, the Senator from Pennsylvania was involved, and if I omit somebody, I do not mean to. But it was an effort to try to bring about a resolution of the issue, and it was particularly important because we have been on this bill for 3 days. It is well known, the majority leader has made it clear, that he was prepared to take the bill down.

Now we have an amendment that is not totally satisfactory to me. It is not totally satisfactory to the Senator from Indiana. I doubt if it is totally satisfactory to the Senator from New Jersey. But that is not the issue. The issue is we made major steps forward in doing something about waste being moved from one State to the other. Did we do as much as this Senator would like? No. Did we do as much, maybe as little, as some Senators would like? No. We have made progress. This legislation, this bill, if enacted into law, will bring about a cessation, almost in its entirety, over a period of years, of the dumping of waste from one State into the other.

I am concerned that there will be other amendments offered this afternoon. If they are, it will be tying up the Senate. I urge my colleagues. Even though the other amendments having to do with hazardous waste, having to do with sludge, having to do with industrial waste, even though those are amendments that this Senator would be prepared to support, I believe that unless we turn down all other amendments, adopt this amendment, finalize the passage of the bill, I believe that this body will not have any bill, and we will not be able to return to this subject.

So I urge my colleagues to vote "no" on all other amendments, to vote "yes" on this amendment, to vote "yes" on the bill, and we will have made a very major and meaningful step forward.

Mr. President, I want to express my appreciation to the staffs of the various Members who have been involved in this. They have been extremely helpful. We could not have done it without them. I thank so much the Senator from Indiana and the other Senators who have been involved in the negotiation.

Mr. BAUCUS. Mr. President, I ask the Senator from Ohio what disposition he intends to take with respect to subsequent amendments to this bill?

Mr. METZENBAUM. I think I just made it clear that I will oppose all other amendments, even the one that I had intended to offer with respect to industrial waste, not because I do not think this body ought to deal with that subject; I do. But I am a pragmatist. I am trying to be practical. I believe that if we deal with all the other amendments, this bill will come to its entirety, we will have no bill before us, we will leave, the session will end, and we will not have done anything on this subject. So I will oppose and urge my colleagues to oppose any other amendments.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I want to join in thanks and praise to everybody who has been involved in this, the distinguished Senators from New Jersey, from Ohio, from Indiana, from Pennsylvania, and especially the floor manager of the legislation, Senator BAUCUS, from Montana. He has, as they say in the trade, no dog in this fight, but he has been a tenacious pursuer of a settlement of some type, and a settlement has been arrived at. I hope we can move right forward with it by voice vote, and get it done with.

Now, I heard those sterling comments by the Senator from Ohio about resisting all amendments. That is good news. Indeed, he had a couple of amendments himself. Will he resist those?

Mr. METZENBAUM. My amendments are magnificent amendments.

Mr. CHAFEE. I am sure they are.

Mr. METZENBAUM. They are great amendments.

Mr. CHAFEE. They deserve to be thoroughly defeated.

Mr. METZENBAUM. One deals with closing down a facility in Ohio that should never have been opened. It has to do with industrial waste. I am willing to take a half a loaf of bread in this instance and wait until another day for the other half of the loaf of bread.

I will oppose all amendments.

Mr. CHAFEE. That is half a loaf. You had two amendments. Does that mean you are going to go for one of them?

Mr. BAUCUS. No.

Mr. CHAFEE. That is good news. I thank everybody involved.

Mr. COATS. Mr. President, this effort today is the result of really 3 years of effort to address a very serious problem relative to the shipment of waste on an interstate basis. And the effort we are about to resolve is the result of 2 very hard days of negotiations. I appreciate the patience and the persistence of Members on both sides of this issue.

I think the overriding, driving factor is the realization that if we do not do something now, given the short amount of time and the few legislative days left, we will not do anything at all this year. This not only begins the process, but this is a major, major step forward to resolving the problems created by the shipment of unwanted waste from one State to another.

We were hung up for 2 days over an amendment that I had offered relative to private contractors and the influence that the State would have over those contracts. I believe we have resolved that by bringing that language back to the point where the bill originally directed our efforts, and that is to freeze at the lower of 1991 or 1992 levels, whichever is less. In addition, we added a major provision which would allow our States to ratchet down the total amount of waste received at the largest landfills to levels of 20 percent, and then ultimately 10 percent, of total landfill capacity; and beginning in 1999, the right to totally abrogate private contracts if those resulted in exceeding that capacity. I think this is a major step forward.

I just discussed this with representatives of our Governor. We see this as a very significant positive impact for the State of Indiana, and our State is in support of this effort. I stress this key to my colleagues: If you are from a State—and virtually every State in the Nation is impacted by this problem—that either now receives unwanted out-of-State trash, or might be a recipient in the future, this legislation gives you protection and deals with the problem.

Our one chance to do it is right now, and I, therefore, will join with Senator METZENBAUM from Ohio and others in resisting other amendments, even though I might favor them, even though at one time I may have suggested them or even offered them.

Obviously, this is not partisan issue, or I would not be joining with Senator METZENBAUM from Ohio. I have, on occasion, referenced Senator METZENBAUM'S positions on issues during my travels in Indiana as a basis for my opposition to those issues, and here we are standing shoulder to shoulder because our States find themselves in similar situations. So it is not a partisan issue at all; it is a matter of geography, and I am pleased to join my colleague from Ohio, as well as my colleagues from Pennsylvania and other States, in supporting this effort.

I also want to thank both the distinguished chairman of the committee, Senator BAUCUS, who patiently and tirelessly helped work this through to a successful resolution—without his efforts, we could not have achieved this result—and the distinguished ranking member, Senator CHAFEE, who has also been tireless in helping us pull this together.

I finally thank my colleagues from New Jersey and New York. This was an issue where passions could have run very high, and in the past they have. That kind of display of emotion may look good in the paper or on television, but it does not solve the problem. And it does not resolve the issues before us. We have—I think on each side—tried to temper that down and work objectively toward a responsible solution to this particular problem. I believe we have done that with this legislation. So I thank all of my colleagues that have been involved for their patience, persistence, their rational, objective approach used in addressing this issue.

I trust that my colleagues will support us in this effort and will resist the great temptation to offer other—legitimate, in many cases—amendments; but under the time situation we are in, realize that this is the one chance this year to actually move something forward which has a chance to be signed into law and to give our States the relief we need.

I yield the floor.

Mr. LAUTENBERG. Mr. President, I note that so many compliments that have been passed around, that it tells you a significant number of States were involved and that the negotiations included lots of views and lots of voices. And the fact that we have worked out an acceptable amendment for parties from very divergent points of view tells you that this was a compromise that was tough to fashion and that, therefore, sits, frankly, on a fragile foundation.

Those that we have heard from thus far are all good friends. I compliment Senator BAUCUS for his leadership, patience, and expert hand in leadership in terms of getting us as far as we have come. I also say to the Senator from Indiana, with whom I have had significant disagreements on this issue—that is understand his point of view. He is saying, "do not send it my way," I am saying that in the State of New Jersey our capacity has been used by friends and neighbors from around our region. They have used our landfills year after year after year, and we tried to stop them and even went to the Supreme Court. But we could not get it done. They said: Too bad, New Jersey, you must take what it is that you are being sent. As a consequence, our capacity has rapidly disappeared to where we were left to our own devices.

So although I do not have precise information, I believe that had we not accepted all of this waste, we would still have enough capacity to deal with our own needs. Be that as it may, it is history now. The fact is that we are out of space. We are scurrying from pillar to post to try to find solutions.

I must say that, with a great deal of pride, New Jersey has done almost miracles. We now lead the country in terms of State recycling programs. We are recycling over 50 percent of our solid waste, and the Governor and our State legislature support a 60 percent target by 1995, not very far away. But we are running some significant risks here, because the best plans, need I tell people in this body, often go awry.

So here we are. We have achieved a very delicate compromise, in my view. Again, my compliments go out to my colleagues who labored so long and so hard. I am pleased that the Senator from Ohio did come in with a suggestion at the end that kind of got the most difficult parts together. The fact is that, by that time, the Senator from Indiana, the Senator from Montana, and I, and a couple of others, including my colleague, BILL BRADLEY, had put in almost 48 hours in terms of time on this measure.

We worked very hard. There was an interest in solving the problem because we had no choice, Mr. President, we had to solve this problem. States were demanding action to reduce the quantities of garbage that were sent to them. So we have arrived at a solution that we hope will continue to put the pebbles in the shoes of those States that would export more. And we are saying to everybody around this country, listen, get on to solving the problems, get on to a rational approach to waste disposal, because the States today that are importers are very likely to be tomorrow's exporters. There is case after case that indicates that.

So I say, to confirm what my distinguished colleague said already, that is, we are where we are. Time is flying by. We do not have much left. The majority leader has extended the courtesy of elongating the day so we can conclude this business. Therefore, I tell you that any amendments that add injury to my State will receive less than an enthusiastic response from me and from my colleagues from the areas affected.

We will work very hard, and we appreciate the pledge of support from the Senators from Ohio, Rhode Island, from Indiana, from Montana that they are going to resist amendments.

I would say to those either within earshot, or those planning to come to the floor with an amendment with whom we will have a chance to talk, please do not do it, because what you will get is nothing. We will not have a bill. We will not have a lid on the volume of material that is imported to the States and we will give some States that may not have been as aggressive as New Jersey has a chance to deal with their problems further relief from having to structure a sensible waste disposal program.

Mr. President, I am pleased that we have worked out an acceptable amendment with the Senator from Indiana.

I can agree to this amendment only because it protects existing written, legally binding contracts for interstate waste shipments.

The amendment clearly provides that this bill prevents a Governor from taking any action to abrogate existing garbage contracts to the extent that the level of garbage exported to a landfill or incinerator under such contract does not exceed the amount of garbage exported under such contract in 1991 or twice the volume of the first 6 months of 1992 whichever is less.

So existing written, legally binding contracts would be protected under this bill through June 18, 1999.

Mr. President, the committee proposal explicitly protected existing contracts. In doing so, the committee recognized the need for a period of time to allow states to reduce their exports and understood that the sudden abrogation of existing arrangements for waste disposal could impose costly, environmentally destructive measures on communities suddenly finding themselves without an acceptable option for waste disposal.

Mr. President, S. 2877 with this amendment would respect existing legal relationships. This isn't a revolutionary idea. It's in our Constitution. Communities rely on these legal relationships. Termination of these contracts would result in a sudden termination of existing, legal commitments and threaten the ability of communities all across this country to dispose of solid waste in an environmentally responsible manner.

This concept is one of the underpinnings of this compromise legislation: the protection of existing waste disposal arrangements until such time as environmentally sound alternatives can be implemented.

While I am pleased that we were able to reach an accommodation which should improve chances for passage of this legislation, I want to put my colleagues on notice.

A number of amendments have been suggested which are inconsistent with S. 2877 and would be deeply injurious to my State. I would be compelled to do everything I can to see that these amendments are not enacted. So if my colleagues want to see S. 2877 pass today, I urge them not to offer amendments which would modify the philosophy behind S. 2877.

Mr. President, I hope that we will not have to witness anything more than a final vote on this bill to confirm the action that will be taken by this amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I support this modified amendment, because I think it is a substantial improvement over the arrangements which were pending at 1 o'clock today—the time is now 4:50—when I commented on the pendency of the negotiations at that time.

I concur with my colleagues who have articulated the proposition that this really is not a satisfactory bill, not satisfactory from the point of view of the Commonwealth of Pennsylvania, but obviously it is the best arrangement that can be made at this time and certainly better than where the proposed compromise stood at 1 o'clock. As I have said about 4 hours ago, the negotiations were made complicated by the fact that to have no action taken would probably be the worst of the alternatives since if nothing was done there would be no progress at all. In the face of the prospect of having the bill removed from the floor there was considerable pressure to take the best deal that could be obtained, and the modifications which have been made since 1 o'clock are very substantial.

What we are dealing with here, Mr. President, is the effort to stop the interstate transport of municipal waste which has been enormously burdensome to many States like the Commonwealth of Pennsylvania. My preference would have been to have granted the Commonwealth of Pennsylvania the authority to have limited or even better yet to stop interstate waste. It is a complex constitutional issue. States could not do it on their own in what is called a dormant position by Congress but on an expression by Congress that States do have the authority to limit interstate waste disposal.

When the issue was pending at 1 o'clock we were looking at the higher of 1991 or 1992 levels, with 1992 being computed at twice the first 6 months of 1992. There has now been an improvement so that the contracts are protected to the lesser of 1991 or 1992. And for Pennsylvania 1991 will be a lesser burden.

We had considerable concern about the exception for existing contracts, because of the report that contracts may have run for 20 or 25 years, which is obviously enormously burdensome, and that kind of a loophole would virtually destroy the ability of the Governors to limit the importation of garbage and municipal waste. After considerable negotiations and considerable discussions that period has been limited to 7 years. So that the Governors will have the power to abrogate, nullify, or in effect end contracts at that period. I think that is too long, but it is better at least to have legislation today which sets that time limit than to have no legislation at all and have the possibility of contracts extending for 25 years. Equally burdensome, States or State Governors would not have any authority to limit garbage and waste coming into their States.

A very important additional provision was added and that is the concept of ratcheting down, which means that aside from contracts a limit of 30 percent out of State waste would be imposed on landfills which will be reduced to 20 percent, and then to 10 percent. So that in the future we will have a situation where Pennsylvania can limit the amount of municipal waste that comes in from out-of-State to 10 percent, and time does pass.

This issue was first called to my attention many, many years ago when I was in Scranton, PA, where the stench was horrible from garbage at a waste station which stored garbage coming in from out of State. My then-colleague Senator Heinz and I introduced legislation to try to limit the amount of municipal waste that came in from out of State.

I then worked with the distinguished Senator from Indiana who has played a key leadership role and had an amendment passed some time ago which would have been more restrictive. Unfortunately, it could not get through for a variety of reasons which I shall not detail at the present time. But the problem has been with us for a long time, and at least in 1992 we have the prospect of getting a bill passed which, while not perfect, does establish limits which will be very, very important for a State like Pennsylvania.

Like the distinguished Senator from Ohio I had a number of amendments that I wanted to add relating to toxic waste, and industrial waste, and amendments that would have given financing to local municipalities to have inputs when waste incinerators or other landfills were to be sited in their area, but I shall desist from offering any amendments at this time in the interest of getting this bill passed. I have not made a commitment to oppose any amendments which may come up. I reserve the right to analyze each of them individually.

I would like to take up one issue with the distinguished Senator from Montana, the floor manager, Senator BAUCUS, and also the distinguished Senator from Rhode Island, Senator CHAFEE, and that is on the issue of the new contracts. The legislation as it currently stands preserves contracts for a period of up to 7 years and after the seventh year the Governor has the authority to nullify or abrogate the contract. But the only contracts which were preserved, as I understand it, and I am reasonably sure I am correct on this but I think it is important for legislative history to have the concurrence or opinion of the managers of the bill that if there is a new contract then the new contract is not preserved, that any new contract may be abrogated by the Governor at any time.

Mr. CHAFEE. That is right.

Mr. BAUCUS. That is right.

Mr. SPECTER. I have a couple followup questions I will ask. For implicit purposes that is an accurate statement of this bill.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. The statement of the Senator from Pennsylvania is also the understanding of the managers of the bill, namely that the limitations on the Governors' right to abrogate private contracts does not apply to new contracts.

Mr. CHAFEE. No.

Mr. SPECTER. I ask for the concurrence of my distinguished colleague, Senator CHAFEE.

Mr. CHAFEE. The Governor would have the right.

Mr. BAUCUS. I said the limitation.

Mr. CHAFEE. The limitation does not apply; therefore, the Governor would have the right in a new contract to abrogate that. That would be the 7-year rule would not apply to that new contract.

Mr. SPECTER. So that any new contract which is entered into the Governor has the authority to abrogate or nullify the contract.

Mr. BAUCUS. To be absolutely precisely accurate on this, the provision of the bill provides that new contracts must be host community agreements and the Governor would have the right to abrogate new agreements that are not host community agreements.

Mr. SPECTER. But they must be host community agreements but even so the Governor has the right to abrogate or nullify.

Mr. BAUCUS. Only if the new agreement is a host agreement, that is correct.

Mr. CHAFEE. That is correct.

Mr. SPECTER. The next point I wish to take up with the managers is it is a matter of the State, for example the law of the Commonwealth of Pennsylvania, to make a determination as to what is a new contract.

Mr. BAUCUS. That is correct. It is State law. State contract law applies as to whether the contract with respect to solid waste coming into that State is or is not a new contract.

Mr. SPECTER. I ask my colleague from Rhode Island for his concurrence.

Mr. CHAFEE. The question is, If a new contract is entered into in the shipping State, the State where the trash originates, would the host receiving-State law apply to that contract?

Can you proceed with the next question? I will have to get an answer.

Mr. SPECTER. I am glad to tell the Senator from Rhode Island that is the last question.

Mr. CHAFEE. I am glad to know that is the last question.

If the Senator would just give me a minute to check.

Mr. SPECTER. I would be glad to. It is a very important point.

While you are checking on it, I think the intent is plain here, that since the trash would be deposited in the host State, that it would be the host State that would have the governing law. The contract would be entered into by someone who would be shipping from out of State to in State landfills. Therefore, it would be the receiving State which would have the burden of landfilling the waste. So that it would follow that it would be the host State which had the burden, which would have the State law to govern whether or not it was a new contract.

Mr. BAUCUS. Mr. President, the Senator from Pennsylvania is a very able lawyer and he asks a very good question, and that is, which State contract law applies? That is the essential question.

The amendment and the bill are silent on that question. I suppose there are really two answers. One is that it is a question that would be resolved in the ordinary course of contract law between the two States anyway. Some State contract law is going to apply.

Mr. SPECTER. If I might interrupt, if my colleague would yield, we had this discussion as part of very laborious negotiations—and I join my colleagues in praising the distinguished Senator from Montana—but to bring a cloakroom conversation to the floor, which I think is entirely appropriate, I think my colleague will agree. Senator BAUCUS said to me, "Arlen, you have got the toughest State law of any of the 50 in construing contracts to be new contracts."

And I just want to be sure. Having been a lawyer who has read CONGRESSIONAL RECORDS for establishing legislative intent, I want to make it easy on the judges—They have a lot of work to do—what our intent is here.

Senator BAUCUS said to me, "Pennsylvania has the law which is most favorable on construing any changes as a new contract."

I just want to be sure that that is what the managers concur with.

Mr. BAUCUS. It would be my preference that the host State contract law would apply. That would be my preference. If we want to establish a record here, at least one Senator believes that is what law should apply.

Mr. SPECTER. If the distinguished Senator from Montana would yield for just a brief followup.

When you say "preference," that is your intent?

Mr. BAUCUS. That is my intent.

Mr. SPECTER. That is my intent and that is your intent.

And now we have Senator CHAFEE.

Mr. CHAFEE. I just want to say to the distinguished Senator from Pennsylvania, who is a very learned lawyer, that this is a murky field we are getting into, what law controls.

As the Senator well knows, it depends what jurisdiction you are in. Where is the case brought? Is it brought in the shipping State, originating State, or is it brought in Pennsylvania, for example?

So for me to say that the controlling law would be the law of the receiving State, regardless of where the suit was brought, is pressing me further than I would be prepared to go.

I remember in law school, they have entire courses devoted to this subject. So for me blithely on this floor to say that, "Chafee on law speaks forth and says the law controlling will be the law of the receiving State," is going beyond my jurisdiction.

Mr. SPECTER. If the distinguished Senator would yield, let me pursue that in a way which I think will shed some light on our capacity and authority to determine that question.

When contracting parties enter in to a written agreement, they frequently say this contract will be governed, for example, by the laws of the Commonwealth of Pennsylvania. So the parties to an agreement may make a determination as to which law governs.

I think it is reasonably plain that, given the plenary power of the Congress of the United States, we would have the authority to make that determination, especially in a content where, speaking for myself—my agreement on this provision was given with some reluctance, my State bears the burden of receiving the municipal waste and garbage, that the law of my State will govern. Part of this persuasion was given by the distinguished Senator from Montana, Senator BAUCUS, who said to me, as I have already recited, that Pennsylvania law is the most liberal and allows for the greatest latitude in construing a new contract. I want to see new contracts construed every time we can to give the Governor the greatest authority.

But I think, Senator CHAFEE, where you have the parties with the authority to bind the court on which law applies, that, certainly, the Congress has at least that much authority.

Mr. CHAFEE. Well, I just want to say to the distinguished Senator from Pennsylvania that it is fine by me——

Mr. SPECTER. I accept.

Mr. CHAFEE. If the law of the receiving State applies.

But I am not sure what weight that is going to carry in some court case. But if they want to cite what took place on the floor of the Senate on this particular day, that is splendid.

Mr. SPECTER. Well, I say to my colleague from Rhode Island—if I might supplement it one more time—we cannot determine what any court is going to say at any time. All we can say is what our intent is.

Senator BAUCUS and I have expressed our intent, and if at least your intent is the same, that is as much as we can do.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from Montana.

Mr. SPECTER. May I have a response from the Senator from Rhode Island?

Mr. CHAFEE. That would be my intent.

And if the case comes up sometime, I would be glad if the Senator from Pennsylvania would send me a copy of that case and see how far we got.

But in answer to his question, yes.

Mr. SPECTER. I thank my colleagues.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I wonder if the Senator from Pennsylvania would continue with a colloquy.

Upon further reflection, I do not know, based upon the questions raised by the Senator from Rhode Island, whether it is good public policy for the Congress to say that only certain State contract law applies. I would suppose that in most cases these contracts specify which State contract law applies. I think ordinarily, in most cases, that should be a matter left to State law and the contracting parties.

This is my problem, upon further reflection. The more we say that the host State contract law applies, the more the host States are going to be tempted to either change their contract law or to work out some arrangement to the detriment of the importing State contracting party. I would think that in most cases it would be better for the parties themselves to work that out.

Now it very well may be that when the State of Pennsylvania or a municipality or the Governor, whomever, say a municipality or a landfill company is negotiating an agreement with a community in New York or New Jersey, they would discuss which law applies.

I think, in fairness to States and other parties, that they be able to negotiate various terms.

But I think it is a bit unwise to say, in all cases, regardless of what the parties agree to, that the host State's contract law applies.

For example, what if the parties do not want the host State contract law to apply? What if the host State party agrees that, for whatever purposes, it makes sense for some other State—let us say the exporting State—contract law to apply? Do we want to say, regardless of what the parties may want, that only the host State contract law applies? I do not think we want to do that.

Mr. SPECTER. I would reply to my distinguished colleague that this legislation is quintessentially governmental regulation because of necessity to control what contracting parties are going to do on municipal waste. The essence of this legislation is to say to contracting parties, you may not make decisions for yourself. A city in New Jersey may not send to Pennsylvania garbage without limitation. And the reason the Congress ought to act on this provision is that it may well be in the interests of New Jersey to have New Jersey law govern and the interests of Pennsylvania to have Pennsylvania law govern. And Pennsylvania may legislate on the subject and say Pennsylvania law will govern the receipt of any municipal waste and New Jersey may legislate to the country, wanting to maintain an upper hand on having its law govern or provide that all suits would have to be brought in New Jersey. And that is precisely the reason—when we are working through very, very, very difficult issues among the States—the reason the Congress was created. We have this contentiousness between New Jersey and Pennsylvania because they are shipping smelly garbage that is stinking up cities in Northeastern Pennsylvania such as Scranton, but we have hammered out an agreement.

With all due respect, Senator BAUCUS, we had the conversation in the cloakroom where you assured me that you are in good shape in Pennsylvania because you have a State that interprets the law, new contracts, most broadly. I think we ought to decide this here and now.

One of the things Justice Scalia is widely known for saying is Congress never says what the intent is. There will be cases in court where lawyers will be arguing at length and judges will be pondering figure out congressional intent and trying to figure out what has happened. Senator BAUCUS said he intends this to have the host State govern. Then he raised a question as to whether it is good public policy. Right now it is a very muddled record in terms of our colloquy.

Senator CHAFEE and I, I think, have established the point.

So I hope the Senator would resolve—when he came back and said he does not think it is good public policy—that really is our function as Senators, to establish public policy, and we would make it clear-cut and say that the host State law governs.

Mr. BAUCUS. I just wonder. Does this means in every State, Congress is going to determine what State contract law applies?

Mr. SPECTER. Absolutely not. I would say it is an extraordinary matter we have here, an extraordinary proceeding which we have this afternoon. This is a key point in coming to my agreement.

Mr. BAUCUS. I am not prepared to say that in all cases host State contract law applies. I just am not prepared to make that statement and say that is my intent. I say that because, as the Senator from Rhode Island pointed out, this is such a murky area. I do not know that it is good policy for us to establish at this time.

Mr. SPECTER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERRY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE WAR ON DRUGS

Mr. KERRY. Mr. President, I know my colleagues are trying to work out this thorny issue. I do not want to slow up the proceedings here. But I did want to take advantage of this moment to make a few comments, if I may. I will not prolong the effort to move back, if they are prepared to do so. But I did want to take this opportunity to make a few comments with respect to a couple of events today which the President of the United States took part in which evidence a desire by the President to highlight the issue of drug use and drug abuse in the United States.

It is my perception that under the "leadership" of the President—I put quotations around that—that the drug war has really become the forgotten war, especially in our major cities where the epidemic of drugs and drug-related violence has never been worse. Frankly, for 3½ years, now, all we have heard from the President on the issue of drugs is how much progress we have been making and how we have turned the corner and how, finally, we are winning the war on drugs.

I think that most Americans have a different sense of what is happening with respect to drugs and I think it is that kind of Presidential pronouncement of a different reality in the face of that which most Americans are experiencing that helps to divorce the average citizen from government and helps to underscore the cynicisms that exist in this country today regarding the political process and those of us who try to govern.

I would not suggest that there has not been some progress in certain areas. But principally that progress has been in reducing the casual use of drugs in the suburbs of America. And that is a result of drug education. We ought to take a measure of hope and satisfaction from the fact that drug education, addressed to a particular community, does have the capacity to have some impact. In fact, in the last few years we have observed that education about smoking has had an impact and has diminished the number of people taking up smoking in America. Education about alcohol abuse has had an impact and has diminished people's proclivity to use hard liquor and, indeed, has changed drinking patterns in America.

So education about drugs, addictive drugs—nicotine and alcohol are addictive drugs—does have an impact. So, as I said, we can take some hope from the fact that over the last few years, education about narcotics has had an effect.

But even here the progress we have made has in recent months started to reverse itself. Last year cocaine use in every single category started up for the first time since 1985. That means there is more cocaine on our streets and in our communities; that means that, once again in America, more of our children are trying, buying, and even selling cocaine in and around our schools and our playgrounds. That is the situation in our suburbs.

When it comes to our cities, the drug-related crime is as bad as it has ever been in the United States, with pushers threatening to turn some of our urban neighborhoods into mini versions of Beirut, complete with bombings, as we witnessed in Boston only last week.

Mr. President, as I mentioned, astoundingly, a couple of weeks ago in Boston, a car that belonged to a resident of one of our Boston housing developments was firebombed in apparent retaliation for the owner's cooperation with the police, who had indicted drug traffickers who were using that particular housing development as their home base.

The woman whose car was firebombed had been trying to open a teenage center for the housing development in order to provide alternatives to the drug gangs. Within hours of the arrest of these individuals who were indicted, two of the major drug traffickers were released from jail on bail, and the woman's car was firebombed 48 hours later.

As Boston Mayor Ray Flynn commented after the attack, it was an incident that puts everybody to the test. And the question was: Are we going to protect and stand with law-abiding people who have the guts and courage to get involved and fight for their communities, fight for their kids, and fight for their families? If we do not fight for them on this one, then whoever is going to believe us?

Unfortunately, I believe that the kind of tough-on-crime rhetoric and the kind of staged events, where the President goes out, as he did today, to talk to Americans about the importance of this subject, only underscores the way in which we have not really fought for a domestic agenda that makes real a war on drugs.

I believe it is important for people to understand that when we wanted to take funds away from building new nuclear weapons in the last couple of years, weapons that were aimed at Gorbachev's and Yeltsin's Russia, and we wanted to put those funds into getting treatment for drug addicts, we were fought every step of the way, tooth and nail.

I recognize that President Bush has long contended that his real expertise and his real interests lie in the international arena, rather than in domestic policy. But his international war on drugs has been even less successful than the efforts at home. We have poured hundreds of millions of dollars into the Andean drug strategy, but coca leaf production is not down; it is up. Cocaine manufacturing is up, and cocaine traffickers have established new bases of operation throughout our hemisphere. Cocaine remains widely available on our streets. The price of cocaine is coming down, and the purity of cocaine is going up.

What is more, the Andean nations now refuse to extradite drug traffickers to the United States. Drug enforcement operations have been suspended in Peru, the largest coca leaf producer in the world, because the government there has abandoned democratic procedures. In Colombia, drug kingpin Pablo Escobar is shipping drugs and ordering murders on a daily basis in the luxury prison cell that he himself had designed.

In Panama, the families of American servicemen who gave their lives in Operation Just Cause I think would be stunned to learn that fighting drugs is considered a low priority, a back-burner issue by the successors to Noriega. Drug trafficking and money laundering continue as before. The main difference is that under Noriega, there was organized crime. Under President Endara, there is disorganized crime, and as much cocaine trafficking and more money laundering than ever.

Today, the world and our urban neighborhoods literally are awash in heroin. Heroin use in the United States is much higher than it was in past years, and we see that production is on the rise in Southeast Asia, Syrian-controlled Lebanon, and in Colombia. The DEA now estimates the purity level of heroin sold in our city streets is four times what it was a decade ago, and the price of heroin has plummeted. And cocaine dealers have joined forces with heroin salesmen to provide one-stop shopping in poison and in death.

It is really no wonder that the New York City police commissioner was quoted recently as saying:

> I look at the message coming out of Washington that we are winning the war on drugs, and I don't know what they are talking about.

Earlier this year in my State of Massachusetts, a 2-year-old girl was found at a day-care center carrying 11 vials of crack cocaine in her pockets, thinking that they were candy. Elsewhere, we read about a kindergarten child who found a gun in a stroller and used it to kill his little sister. We read about 3-year-old and 4-year-old girls seeing their mothers killed in drug-driven crossfires.

We learned that one American student in five reports carrying a weapon to school, and that metal detectors are used in more than a quarter of our large urban school districts; that a crime, usually a crime related to drugs, occurs on or near a school campus every 6 seconds in America.

We know that America now spends $20 billion a year maintaining more than a million of our citizens in jail, and that our per capita imprisonment rate far exceeds that of any other nation on Earth.

If you add that up, Mr. President, I do not believe that we have grounds for patting ourselves on the back. I do not believe we have grounds for staging political events of congratulations.

I do not think we have the grounds for pride or satisfaction. We have instead a need that remains as urgent as ever to make real the war on drugs and to have action and to have change. It is my belief that we need to worry a lot less about funding corrupt militaries in places like Lima and La Paz and worry more about helping the police and community leaders and teachers and kids in places like Boston, Chicago, New York, Washington, Seattle, and Los Angeles, every city in America. We need to spend less trying to buy off the coca farmers of Northern Bolivia and more trying to help students stay off or kick drugs at home. Above all, we need to spend a lot less time trying to take election year credit for the extraordinarily modest and limited gains with respect to the lack of casual use of cocaine when in our cities hard use remains as heavy as ever.

Mr. President, it is clear that every expert in this Nation suggests this is a country wealthy enough and considerate enough to have treatment on demand for those addicts who need that treatment in this country. After the seventh or eighth declaration of war on drugs, only about 20 out of every 100 addicts in America get that treatment. So we are essentially saying we have a war, but for 80 percent of the addicts there is nothing. The same for our kids in school. Only 55 percent of the kids in our schools are being educated about the problems of drug use. What are we saying to the other 45 percent? That they are not part of the war, that they are not part of the country, that we do not care?

So, Mr. President, I suggest that the President of the United States ought to think hard before he tries to make the war on drugs an election year issue and before we see in this country an even greater gap between citizen and politician, between citizen and Government on the question of what our rhetoric is really backed up by. It seems to me that the more we pat ourselves on the back for things not accomplished and for things unreal, the more we underscore to people in this country the degree to which Washington is out of touch and the degree to which there is a different set of real concerns and real needs in America to which the citizens are going to demand we respond.

I cannot think of anything more telling than a police commissioner in the city of New York saying to us, "I do not know what they are talking about in Washington, because that is not what I see in my streets." And I can tell you that is not what you see in any of the court systems of this country or in any of the back alleys or in any of the tenements. We are a nation under siege, and it is time for the President to understand that and to put the resources into a real war.

When it came to Desert Storm, we did not have to struggle in this country. We found those resources for a war far away. There is a threat at home today. If Desert Storm was the President's Normandy, I will tell you the war on drugs is the President's Waterloo because this President has simply not put the resources there, nor the leadership necessary to deal with this problem. I think all of us are sick and tired of being part of the process where we have more and more rhetoric, more and more promises, and less and less delivery.

I yield the floor.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with the consideration of the bill.

Mr. SPECTER. Mr. President, Senator BAUCUS and I have had a discussion and I think have come to an agreement that it is the intention of Senator BAUCUS and myself and the legislation that the host State law will govern as to the issue of what is a new contract.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, the Senator is correct. With respect to only one issue, one issue only, that is whether there is a new contract or not, the host State law will apply.

Mr. SPECTER. I thank my colleague from Montana. That was the one issue that concerned me.

Mr. BAUCUS. But to make the record as clear as possible, a la the concerns of Justice Scalia, with respect to other contract provisions it is an open question as to which State law applies.

Mr. SPECTER. Only as to whether it is a new contract, because if it is a new contract, then the Governor has abrogation authority.

Mr. BAUCUS. Exactly.

Mr. SPECTER. It is only as to that one issue.

Mr. BAUCUS. With respect to contracts signed after June 18, 1992.

Mr. SPECTER. Correct. I thank my colleagues.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

I withdraw the request, Mr. President.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2736) was agreed to.

Mr. BAUCUS. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WELLSTONE. I rise to support the efforts of my distinguished colleague from Montana to report balanced and reasoned legislation regarding the interstate shipment of municipal solid waste.

While most States find themselves engaged in this controversy as either a waste exporter or waste importer, Minnesota is one of the States in the middle—little waste is imported into Minnesota, and little is exported.

Minnesota does not import large amounts of waste because of the significantly higher tipping fees at Minnesota's solid waste management facilities—partly due to the State's standards for the protection of public and environmental health and safety. And with respect to those wastes shipped out of my State, the State's policy is to see that the wastes are disposed of in an environmentally sound manner.

Much of the debate surrounding amendments to S. 2877 centers on the controversy over State authority to restrict or prohibit waste imports. This misses the critical point of achieving safe, economical waste disposal. Moreover, by addressing these issues out of the context of reauthorization of the Resource Conservation and Recovery Act [RCRA], this debate misses the critical issues of waste reduction and materials reuse and recycling.

My distinguished colleague from Montana has worked hard to produce legislation addressing these issues, S. 976, but it appears that this Senate may not be able to address reauthorization of RCRA due to the controversial nature of many of the provisions in the bill and possible amendments. Absent the time and political consensus to address these issues, the Senate has deferred to consider this limited issue—interstate transport of municipal solid waste.

While there has been much spirited debate over the last 3 days, I fear that while we have felt much heat we have seen little light. Political posturing can be a disservice to rational materials and waste management—and to achieving needed environmental and public health objectives. Promoting warfare between the States is largely counterproductive to the basic and most important questions of reducing, reusing, and recycling waste materials and achieving their safe disposal.

For those States which are concerned about imported wastes, I would encourage them to establish strict standards for all waste disposal—standards which will ensure the protection of public and environmental health and safety. States which establish high standards will find that the cost associated with those requirements will help encourage recycling and discourage waste imports—perhaps even more effectively than the provisions of this bill.

Mr. President, I ask unanimous consent that two letters appear immediately following my remarks. I believe that these two letters effectively capture the dilemma faced by all of us today.

The first is a letter from a range of public interest groups urging Senators to oppose all amendments to S. 2877 and support a strong RCRA reauthorization. The second is a letter from the U.S. Chamber of Commerce urging Senators to oppose all amendments to S. 2877 and arguing against many of the provisions which would be addressed in a strong RCRA reauthorization.

In conclusion, I support the efforts of my distinguished colleague from Montana in seeking balanced and reasoned legislation addressing the interstate shipments of municipal waste. However, I encourage him to redouble his efforts to bring before this body legislation to address the underlying issues—legislation to reauthorize the Resource Conservation and Recovery Act. While, as the letters following my remarks demonstrate, taking action on a strong RCRA reauthorization will engender conflict between interest groups and Washington lobbies, it is what the public wants and what we should find the political will to accomplish.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

July 20, 1992.

DEAR SENATOR: We urge you to oppose all amendments to the Interstate Transportation of Municipal Waste Act, S. 2877, when it comes to the floor of the U.S. Senate. We strongly believe that this bill should not be used to end debate and consideration of legislation to comprehensively reauthorize the Resource Conservation and Recovery Act (RCRA). A comprehensive RCRA bill should include provisions to:

Reduce the threat posed by unregulated industrial waste;

Give people the right to know about the toxic chemicals used and emitted in their neighborhoods;

Require companies to develop plans to voluntarily reduce their use of toxic chemicals;

Clean up oil, gas, and mining wastes;

Prevent the exemption of a significant portion of the hazardous waste from existing environmental waste management requirements under RCRA;

Restrict the construction of new hazardous waste incinerators and cement kilns until toxics use reduction programs are established;

Establish a time out on the construction of new municipal solid waste incinerators in order to establish recycling programs;

Create markets for recycled materials;

Establish a national beverage container recycling program; and

Eliminate the lead and other chemicals from used oil before it is burned.

We look forward to working with you to enact legislation that includes these essential public health and environmental protection provisions.

We also urge you and other Senators appointed to a Senate-House conference on this bill to vigorously oppose adding any provisions to S. 2877 that do not deal with the interstate transportation of solid waste provisions of S. 2877, should the bill go to conference with a bill from the House of Representatives.

Thank you very much.

David Gardiner, Sierra Club; Gene Karpinski, US Public Interest Research Group; Brooks Yeager, National Audubon Society; Marchant Wentworth, Izaak Walton League; Manik Roy, Environmental Defense Fund; Will Collette, Western Organization of Resource Councils; Philip Clapp, Clean Water Action; Allen Hershkowitz, Natural Resources Defense Council; Velma Smith, Friends of the Earth; Carl Casebolt, National Council of Churches; Becky Cain, League of Women Voters.

CHAMBER OF COMMERCE OF
THE UNITED STATES OF AMERICA,
Washington, DC, July 20, 1992.

Washington, DC, July 20, 1992.

Members of the United States Senate:

The Senate will soon consider S. 2877, the Interstate Transportation of Municipal Waste Act of 1992, introduced by Senators Baucus and Coats. The U.S. Chamber of Commerce Federation of local and state chambers of commerce, businesses, and associations has identified reauthorization of RCRA to improve solid waste management in the United States as a 1992 National Business Agenda policy priority.

We believe it important that S. 2877 not be amended. Only a "clean" bill is likely to pass. Toward that end, we oppose mandated recycling or a national beverage container deposit requirement, as well as any attempt to codify the "mixture" and "derived-from" rules pertaining to hazardous waste. Our positions are set forth more explicitly, below.

We understand that amendments may be offered to require recycling of packaging, including to require deposits on beverage containers. We ask that you oppose any such amendments because—as I will summarize—packaging is not the problem in municipal solid waste. Conventional wisdom may say otherwise, but the statistics do not support the notion. Requiring recycling of packaging, or a national deposit system, raises prices on the store shelf and is anticonsumer. Costs are disproportionately applied in urban and rural areas.

According to EPA data, from 1975 to 1988, packaging waste grew at a rate of 0.6 percent per year, below the rate of growth in population of 1.0 percent per year, and below the rate of growth of all municipal solid waste (MSW) of 2.0 percent per year. Other categories of MSW grew at much greater rates. Because of new materials and new designs, packaging is the best waste reduction success story we have.

The recycling provisions in S. 976, or in H.R. 3865, will hardly affect MSW. For example, if everyone chose the recycling option in H.R. 3865, rather than the other options of recycled content, reuse, or lightweighting, EPA statistics show that packaging recycling would increase 1.6 percentage points, comparing 1988 performance to 2000. With the present system in the hands of the states and municipalities, performance is already better than this—without federal interference. At the same time, forcing packaging recycling will not solve the MSW problem. There simply isn't enough recyclable packaging in MSW to make a large difference, mostly because of the ongoing packaging-waste reduction.

Beverage containers make up three percent by weight, and 2.5 percent by volume, of the MSW discarded. Whereas recycling the containers saves energy during manufacture, the return system consumes more gasoline and diesel fuel for collection. Unclaimed deposits can exceed the entire cost of the municipal solid waste management system. Deposits regressively affect the poor. Based on analyses from the General Accounting Office (GAO) and others, a deposit system raises the cost of municipal recycling systems. Deposits reduce the litter from beverage containers, but local jurisdictions must still collect all the other litter. Total litter reduction is better achieved by total community programs, such as Keep America Beautiful.

Based on a GAO opinion survey, there is a mistaken belief that the general public overwhelmingly supports a deposit system. The survey was flawed in several respects; GAO admits to one of the flaws in their report. Contrary to any such survey, 38 states have recently rejected beverage container deposit legislation.

We ask that you vote against any attempt to add mandated recycling or a national beverage container deposit requirement to S. 2877.

We also understand that an amendment may be offered by Senators Durenberger and Chafee to codify the so-called mixture and derived-from rules for the management of hazardous wastes. These rules are arbitrary and arcane and are best left to the regulatory process. We ask that you oppose any such amendment for the following reasons.

The mixture and derived-from rules were first proposed in 1978 when the hazardous waste management system was in its infancy. Recently, the Supreme Court held that the rules were improperly proposed and instructed the Environmental Protection Agency (EPA) to correct the deficiencies. EPA immediately re-established the rules on an interim basis (through April 1993) in order to maintain continuity in the waste management program. EPA on May 28, 1992 proposed a substitute rule. This rule better reflects the current state of waste management, and reveals an understanding of how to protect human health and the environment. Until a new rule is adopted, the hazardous waste program continues unchanged. When an appropriate new rule is adopted, the program will be that much better off.

Because the EPA had begun work on the new rule long before the Supreme Court's recent decision on interstate transportation of solid waste, they were able to move quickly once the decision was announced. Their new formulation was announced on May 8, 1992, and notice published in the Federal Register on May 20. EPA held a series of four round table discussions with interested parties in June and July, and held a public hearing on July 9. Final comments are due July 24, and the deadline for rulemaking is April 28, 1993. This ambitious schedule, and outreach, enables the full participation of the many affected parties.

According to the mixture rule, virtually any amount of hazardous waste, mixed with anything else, makes the entire mixture hazardous. The derived-from rule requires that any waste derived from the processing or treatment of a hazardous waste be treated as hazardous, whether or not it contains a hazardous constituent or displays a hazardous characteristic. Both rules have led to endless difficulties and needless costs.

Because these rules are so out-of-date, they "create" hazardous wastes that are not hazardous. These new "wastes" contribute to the problems of transportation and disposal capacity.

The problems with these rules span technology, chemistry, engineering, toxicology, state roles, implementation, and more. It is overly simplistic to say the old rules should be retained or that the Supreme Court "gutted" the program. The investment by the public and private sectors to replace bad rules, to address a complicated subject, and to improve solid waste management, should not be abandoned.

We urge you vote against any attempt to codify the mixture and derived-from rules.

Sincerely,

WILLIAM T. ARCHEY.

AMENDMENT NO. 2737

(Purpose: To modify the definition of out-of-State municipal waste)

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO] proposes an amendment numbered 2737.

Mr. D'AMATO. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, strike lines 3 and 4 and insert the following new paragraph:

"(3) With respect to a State, the term 'out-of-State municipal waste' means municipal waste generated outside of the State. The term shall include municipal waste generated outside of the United States.".

Mr. D'AMATO. This amendment is a rather simple amendment. It would allow States to regulate garbage coming from other nations, from other countries, in the same manner as garbage coming from another State.

I commend my colleagues for attempting to deal with a very vexing problem, the problem of having unrestricted amounts of garbage coming into their States. That is the genesis of the legislative efforts of Senator COATS. I understand that. I appreciate that.

At the same time, I want to be sure that the people of my State are protected from something that grows more onerous on a daily, weekly, monthly basis, and that is unrestricted garbage coming from over the border from Canada. It is coming in more and more. It is coming in huge volumes. It is coming in because it is economically advantageous for the Canadians to ship it out.

Now, I am prepared to speak at great length, if necessary, to bring this point home. But I wanted to just give you a little capsule of this. By the way, this garbage is totally unrestricted in terms of amount, volume, and type. There is no inspection of this trash. Up until July 1991, the Agriculture Department had controlled the flow of garbage coming from Canada. Under pressure from Canadian garbage haulers, the Agriculture Department reversed that policy. They said that they had no authority to do this. So now not only do we have unrestricted, in terms of volume, garbage coming in but also not being able to ascertain whether there are any special hazards in that garbage.

That is simply not justifiable. If a State should have the ability to see to control the amount of trash it receives from a sister State, certainly we should have the right to control the amount of trash coming from another country.

So this Senator, while I am very cognizant of the amount of time and efforts that my colleagues have devoted to the subject, says we want the same consideration as it relates to foreign governments.

If there is a treaty covering this situation—such as the Basel Convention—then so be it. Then the treaty can take precedence over it, if that be the case. But for us to sit back and wait for the treaty that may or may not take place a year from now, 2 years from now, or 5 years from now, or, in the real world, maybe never, is not good enough for this Senator.

Let me say that I could have had this amendment relating to this issue of Canadian garbage accepted on the agricultural bill, and we were at that point asking not that there be any prohibitions or restrictions or limitations, but that there be inspections made. And at that point in time I was asked by some of my colleagues not to go forward with that amendment because of the negotiations related to the shipment of garbage, and that any mention of trash would open the so-called Pandora's box.

The Pandora's box is open. This is exactly the legislation that my friends and colleagues at that time were talking about. For me to look away and simply say, well, sure, you can take care of all these other problems but we do not have to worry about New York and about our problem as it relates to the dumping in our landfills or garbage that comes from outside this country is something that I simply cannot stand by and allow to take place.

So, Mr. President, I hope the managers of this bill will see fit to give—by the way, it is New York today that gets the lion's share of this garbage. As our landfills become increasingly overtaxed, and closed down, that same garbage is going to find its way into other municipal and State streams.

It seems to me that it makes good sense to provide this protection for all of our States because indeed if Canada can find cheaper methods of disposing of this waste, they will do it. So today it is the landfills of New York, tomorrow they will be the landfills of Pennsylvania, and the next day who knows. I do not think they will get as far down as Alabama, but if you have a cheap landfill and it is profitable, they will do this.

By the way, the municipal governments in Canada are not in opposition to this legislation. As a matter of fact, the local government unit in Toronto has lost about $200 plus million in revenue and is deeply concerned. Since July of last year, approximately 1.5 million tons of waste has been shipped into the United States. And the Toronto metropolitan government reports that until the United States stopped its restrictions of Canadian solid waste—its municipal landfill received essentially all the commercial and municipal solid waste from the surrounding areas. Now that waste is being shipped across the border because it is cheaper.

Mr. President, it is a matter of economics. Currently it cost about $150 per ton to landfill garbage in Canada. But in the United States, landfill owners charge about $35 a ton for landfills. So Canadians can now get rid of their garbage at a bargain price, and the Canadian tide of trash will increase as a result. Landfill space, and the prices of landfilling to businesses and municipalities in our region will skyrocket.

This is a growing problem. The New York Department of Environmental Conservation has said that the amount of solid waste crossing the border is increasing. In the last quarter of 1991, the amount of waste received by several New York landfills increased fourfold. The Department of Environmental Conservation has also informed us that many truckloads pass on through New York for disposal elsewhere.

We have heard a lot of talk on this floor about communities that must cope with the problems of out-of-State waste. Let me tell one story that I think the supporters of this interstate regulation can relate to.

The city of Auburn in Cayuga County, NY, has been ordered by the Department of Environmental Conservation to close its landfill by September 1993. In the meantime, the previous mayor apparently entered into contracts with Canadian haulers to generate additional money from this landfill in order to finance the construction of a new landfill that meets new, tougher State and Federal environmental regulations.

As if that is not bad enough, the city of Auburn under the contract reportedly charges $64 a ton for a local landfill user, but only $30 a ton for garbage coming from Canada. It has been estimated by the New York Department of Environmental Conservation that the city has been receiving 75 to 100 tons a day from this out-of-country garbage.

Those of us who have supported the free trade agreement know that the open-border policy was not intended as an opportunity to make the United States the garbage capital of North America. This abuse of the agreement must be halted.

Mr. President, if we are going to deal with out-of-State trash, we should deal with all out-of-State trash. That is what my amendment does. It does not change the basic agreement that was made. It simply says all out-of-State trash, even that generated outside of the United States.

It seems ridiculous to me that we are setting up a system that allows States to restrict trash coming from a fellow State but leaves open the door to a tide of trash from outside of the country. It seems unfair that we would permit, in effect restrict, trash from New York going someplace else but continue to force out-of-State trash down the throats of New York and other States from landfill operations that are located outside of the United States.

I ask those who support the concept of allowing States to restrict the flow of garbage across State lines to apply the same reasoning to allow New York and other States to control the unwanted movement of trash across our Nation's borders.

Mr. President, I hope that we can accept, the managers of this bill will accept, the amendment. If not, I will push for a vote or ask for a vote on this because I believe that it is important and good legislation, and it certainly does not do violence to the free-trade agreement that we have established with Canada, although some may claim that to be the case.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. D'AMATO. Mr. President, in that case I am prepared, unless we get an opportunity to vote on this matter, to continue to hold the floor if that is what the managers want. I do have other things to do but I will say that this is a rather important matter.

Mr. BAUCUS. Mr. President, will the Senator yield?

Mr. D'AMATO. Certainly.

Mr. BAUCUS. Let me look at the amendment to see what it is. As I understand the Senator's amendment it says the term out-of-State municipal waste means municipal waste generated out of the State, and the term shall include municipal waste generated outside of the United States.

So it is the Senator's intention that the pending bill, with respect to provisions applying to out-of-State waste imported to a State, also applies to out-of-country waste?

Mr. D'AMATO. Correct.

Mr. BAUCUS. Whether it is from Canada, Mexico?

Mr. D'AMATO. Anyplace. The theory being that certainly if a State should be restricted and have reasonable restrictions placed on it sending garbage to other States, certainly our States should have the same protection as it relates to waste that would be generated from outside of the borders of our country coming in. Certainly, States should have that same kind of protection that is being considered within the bill. I am not attempting to make it more restrictive or less restrictive, but apply to garbage that would be generated from out of the Nation. Yes.

Mr. BAUCUS. I have just received the amendment. This is a different version from the earlier amendment that the Senator was indicating he might offer. I will have to study it to see if we can accept it or not.

If the Senator wishes to speak, fine, otherwise I will suggest the absence of a quorum.

Mr. D'AMATO. I will suggest the absence of a quorum. I hope we can undertake this because again it seems to me that we had better look at this. And the Senator raises a point. I do not know if he intended to, but certainly he clarified an issue.

This does not single out any country. I do not know what happens if we do not have some legislation like this. Do we enter into some other free trade agreements? Are we going to be told then that the shipment of garbage from Mexico to the United States can be unrestricted, et cetera, and people would say, are not you stretching?

No, I am not.

Would that then take place because some landfill operator has the ability to take the vast amounts of trash that cannot be generated locally in his vicinity, nearest the country of Mexico, or anywhere else in a future time?

So I think if we are going to give States these rights—and I am not arguing against it, it is a very vexing problem—then certainly we should broaden it to protect us against the unrestricted garbage coming in from out of the country.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, it is with reluctance that I am going to have to oppose this amendment. I say that because I understand what the Senator from New York is attempting to do here. I must oppose it because the effect of the amendment would be to discriminate. The State of New York—or any other State for that matter—would be in the position of discriminating against waste from other countries and particularly against Canadian waste. Canada is a signatory to the United States-Canadian Free-Trade Agreement. We are now in negotiations with Canada and Mexico under the North American Trade Agreement negotiations.

The U.S. Constitution provides that with respect to actions we take within our own country under the commerce clause, or the supremacy clause, that in some cases, the Congress can enact legislation which will allow some kinds of discriminatory effects, as we are now doing in this interstate bill. That is, this bill will allow Governors of States to abrogate contracts involving out-of-State waste and will, in some cases, give some preference to waste, generated within a State.

The Constitution allows the Congress, within our own country, to do so. We, however, do not have that same constitutional right with respect to other countries, particularly when the United States and other countries—in this case Canada—have agreed to certain trade provisions. Actions taken by the United States which discriminates against Canada, will violate the United States-Canadian Free-Trade Agreement. We do not want to enact provisions that would have the effect of violating that agreement.

Although the State of New York receives solid waste from Canada, at the same time, Canada receives hazardous waste shipped from New York. If we were to enact this amendment, Canada would certainly claim a violation of the United States-Canadian Free-Trade Agreement. But Canada also might begin to discriminate against hazardous waste from New York going to Canada, or they might enact fees or other discriminatory provisions with respect to solid waste or hazardous waste from any other State.

Knowing the Canadians as I do, they are tough negotiators. They stand tall for their people. They will probably look for other areas which will justify actions they are taking against the United States, pointing to this amendment which discriminates against Canada.

So I think it is unwise, for us to adopt this amendment. I think it will cause more problems than it will solve for the reasons mentioned. I respectfully urge the Senator from New York to reconsider offering his amendment.

In the free-trade agreement, the United States and Canada have both agreed not to impose discriminatory regulations on imported goods. Under this amendment, Canadian waste is discriminated against vis-a-vis waste generated in New York. So even though the provisions of this bill can apply within our country, our Constitution does not provide for the same kind of discrimination with respect to other countries, particularly when the United States and Canada have expressly agreed not to pass laws and regulations which discriminate against imported goods. So I, at the appropriate time, will move to table the amendment, if it is still before us.

Mr. D'AMATO. Mr. President, let me attempt to address this issue. I certainly do not question the sincerity of the colleague who raises this. This seems to be the old bugaboo. We get so hung up on this free trade business that we do not really see the reality of what takes place.

Then I hear my same colleagues complaining about when the trade provisions are not enforced fairly. That is as a little aside. The truck that comes into this country as a car and mysteriously becomes a truck for other purposes and escapes the fair taxation provisions, and then when it is in here, it does not have to meet any of the safety standards.

This is one Senator who says free trade has to be fair trade. Let us talk about it. The free trade agreement implies that waste could be defined as a "good." Under the trade agreement, bilateral trade in goods is generally subjected to the General Agreements on

Tariffs and Trades, known as GATT. Under GATT, our State prohibitions on out-of-State waste could be seen as a restriction on a trade product.

However, under article 22(b) of GATT, it can be allowed, if it is necessary, to protect human and animal health and safety.

So I ask my colleague to reexamine his opposition to this position. The fact of the matter is that States should have a right to say, yes, we are going to have garbage that comes into our State regulated to the same degree, the same standards, as the quantity, quality, and safety, as we do garbage generated within the United States of America.

This business as to the waste and how much hazardous waste the United States sends over to Canada and vice versa, if they want to work on this, they can; but the fact of the matter is that in recent years we have been taking more of this waste into the United States than Canada takes from us. However, I am talking about garbage now. So let us not mix the two. They are not connected. Hazardous waste is covered by way of various bilateral agreements. So I am not attempting to get into that. So it is specious to bring up that this will somehow affect that kind of waste, because it is not part and parcel of this amendment.

I hope that we can deal with this, because I intend to get a vote on this. It is simply not fair. If people want to say, let garbage come in from out of the country, let it be unrestricted, let us not hold this trash flow to the same standards, then my colleagues should vote on that.

But I do not intend to withdraw the amendment. There is a bilateral agreement on hazardous wastes between the United States and Canada. This amendment would not affect that agreement, not one iota. That is a specious argument.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be permitted to proceed for 2 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 3001 are located in todays RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOMENICI. I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WELLSTONE). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be permitted to proceed for 4 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

HIGH VALUE ECONOMIC GROWTH PACKAGE

Mr. DOMENICI. Mr. President, on April 9, Senator SPECTER and I introduced Senate bill 2612. We called it the High Value Economic Growth Act. Since then, we picked up six additional cosponsors, and I will ask unanimous consent that they be made original cosponsors.

Mr. President, I ask unanimous consent that the Senators from New Hampshire [Mr. RUDMAN and Mr. SMITH], the Senator from Wyoming [Mr. SIMPSON], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Montana [Mr. BURNS], and the Senator from Virginia [Mr. WARNER] be added as cosponsors to S. 2612, the High Value Economic Growth Act of 1992.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. The elements of the bill are familiar to the Senate: passive loss reform to end discrimination against real estate professionals and to encourage property owners to hold on to money-losing properties; $5,000 first-time homebuyer credit; penalty-free withdrawal of IRA and other pension funds for down payments on first homes and automobiles; provisions to make it easier for pensioners to invest in real estate, and a 15 percent investment tax allowance.

They are familiar to the Senate because they are five of the seven provisions that the President asked the Congress to pass by March 20, 1992.

The President asked the Congress to pass an economic growth package in a form he could sign, with a deadline of March 20. Instead, Congress sent the President a bill he could not sign. The President vowed he would not support a tax rate increase that so adversely affected job-creating small business, so he vetoed the bill this Congress sent him. Unfortunately, the economic growth package the President asked for is 124 days late.

What is the real world effect of this missed deadline?

Jobs that could have been aren't—approximately 1 million of them; 1.2 million families could be moving into new homes. Instead, houses that would have sold are still on the market, empty, with "for sale" signs instead of signs of children playing in the front yard.

People could be driving new cars.

And the boxes of new equipment to make workers more productive could be arriving right now in response to the investment tax allowance. Instead of doing something, we keep talking about competitiveness. The Senate Banking Committee held its 23d hearing on how to make America more competitive.

The bill I introduced last April includes five provisions. Each of these provisions meets a very high test: They create jobs, reduce the cost of capital; reduce the cost of labor; and act as investment incentives for the here and now to keep us on the track of economic recovery. This is my definition of what a high value economic growth package should be and do.

The package does not include the capital gains tax cut. We left it out because it is so controversial and too political. Several key Senate supporters of capital gains, as well as the President, recognize the difficulty in enacting a capital gains tax cut, but also realize the importance of doing something appropriate and meaningful now to ensure a continued economic recovery. They are willing to support a package that does not include capital gains even though they remain committed to its importance.

The included provisions would be effective, limited, and short term. They are the type of action we need right now.

We will soon debate another tax bill in the Senate, and it will have many elements that the President, Senator SPECTER, and I recommended several months ago. It would not be hard to modify the High Value Economic Growth Act to include other tax changes which are vital to the Nation's economic health. The compromise enterprise zone provisions from H.R. 11 can be added, as well as repeal of the luxury excise tax. We can also add the extension of most of the expiring provisions, and, it can be paid for.

Alan Greenspan recognized that the 1991–92 recession was different. In his opinion the one unique factor threatening an economic recovery this year is the serious downward spiral in real estate values.

His concern is well-founded. When the economy started to pick up last spring, the real estate sector, in general, was weak. Homebuilding did not begin to recover with the rest of the economy; it stayed weak. Consequently, it can be said that the fragile real estate sector held the economy back from recovery in early 1991.

The High Value Economic Growth Act focuses on this weak sector of the economy. The focus is not just for real estate's sake, it is for the entire economy's sake. There is a direct, but not so obvious relationship, between the strength of our real estate market and the strength of our financial institutions.

A decline in real estate values causes balance sheet problems for financial institutions. As real estate values have fallen, regulators have required banks to write down or write off many real estate loans. Financial institutions have been required to increase loan loss reserves. This has contributed to the credit crunch.

The resulting tight credit has hurt small businesses because banks don't have the money to lend because of the high reserve requirements required for their real estate loan portfolio. These small businesses have to do without the loans they need to expand. These small firms doing without are the same firms that generate most of the new jobs in our economy.

The High Value Economic Growth Act would help strengthen the real estate market. A stronger real estate market will improve the condition of our financial institutions, enhance credit availability for other small businesses, ease State and local budgets, and improve the overall economy.

There aren't many working days left in the 102d Congress. The President asked us at the beginning of the session in his State of the Union Address to enact a package of short-term investment provisions with the aim of increasing the Nation's good, encouraging economic growth and jobs. He asked us to do what is right and what will work.

We could have been on the road to a stronger recovery months ago. More people would be working. More homes would be sold and under construction. More new cars would have been purchased. We didn't act then, we should act now.

If we enact the High Value Economic Growth Act which is a short-term package the American public would say, "For once Congress came through."

Obviously, we have left out of this package the capital gains, so we have essentially assets of provisions that it seems everybody supports. Our best estimate is that it would add between 1 million and 1.2 million jobs for Americans. We could add to that, because such is working its way either through the Senate or the House, we could add the provisions for the enterprise zones. We could add the extension of the relevant extenders. Everybody understands those. Many of those are thought to be economically advantageous for our country: research and experimentation tax credit, a health insurance for the self-employed, the targeted jobs tax credits, mortgage revenue bonds, and others that are thought to be very important.

That package, in its entirety, with the ones that I mentioned that are part of the Domenici-Specter bill, will cost the Treasury $20.3 billion over 5 years. I include those in a list to show what we could do. In addition, I show how we would pay for them. It gets easier to pay for because we are about $10 billion less on the revenue negative side, because capital gains is out.

Obviously, I am in favor of capital gains, but I am also in favor of doing what we can now to add to the job base in this country to create good, solid jobs. I do not think we have to do that by spending money for projects if, indeed, we can put money in the hands of our people by sensitizing the Tax Code or the like and cause jobs to be created in a much more dispersed area than if we spent public money for Government programs.

So it seems to this Senator that the time has come for the President to join with Democrats and Republicans to pass a package like this. Essentially, it would add to the enterprise zones that everybody thinks we should do, or substantial numbers, in both Houses. It would add to that the extenders that are relevant to sustain economic growth and, in addition, it would take all of those actions that the Senate took when we passed the jobs bill but we included in that capital gains and then the Senate and the House included tax increases.

We leave those two out and we have a very good short-term package of job-creating measures. My best estimate is—and those of experts—that this would create in the short term more than one million new jobs.

I believe the time has come to do something like this. I urge the President to advocate something like this. I urge Democrats and Republicans here to adopt something like this. The American people want us to take positive action, and this indeed is positive. It is productive. It will cause significant new jobs on the American economic scene.

I ask unanimous consent that a table relating to this subject be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

REVISED HIGH VALUE ECONOMIC GROWTH ACT—FISCAL YEARS 1992–97

[In billions of dollars]

	1992	1992–97
Short-term growth proposals:		
15 percent investment tax allowance (effective Feb. 1, 1993)		−2.3
Simplify and enhance AMT depreciation (H.R. 11)	(1)	−1.4
Passive loss relief (H.R. 11)	−.1	−2.5
$5000 first time homebuyers credit (effective Feb. 1, 1993)		−6.1
Penalty-free IRA w/d for 1st time homebuyers (effective Feb. 1, 1993)		−.6
Facilitate real estate investment by pension funds (H.R. 11)	(1)	−.3
Enterprise zone/urban—rural distressed areas (H.R. 11):		
Create 50 enterprise zones		−2.5
Additional assistance for tax enterprise zones		−.5
Extension of expiring provisions for 18 months:		
Research and experimentation tax credit	−.2	−1.7
Health insurance for self-employed	−.1	−.6
Targeted jobs tax credit	(1)	−.6
Mortgage revenue bonds and credit certificates	(1)	−.4
Qualified small-issue bonds	(1)	−.2
Repeal luxury excise tax on airplanes, jewelry, furs, and boats, index automobile luxury excise tax	(1)	−.5
Subtotal, revenue losers	−.4	−20.3
Offset options:		
IRS 45-day processing rule		.3
Eliminate CSRS lump-sum		5.0
Patent and trademark surcharges		.2
Customs user fees		1.5
VA housing reforms		.8
FEHB reforms		.4
Extend depreciation period for certain real estate	(1)	3.1
Mark-to-market for securities dealers	.1	2.7
Taxable years of partnerships		.2
Tax treatment of certain FSLIC financial assistance	.2	.4
Corporation estimated tax, modify and extend permanently		3.2
Tax precontribution gain on partnership redemptions	(1)	.2
Extend 53 percent and 55 percent estate tax rate on large estates thru 1997		1.4
Reporting for seller-financed mortgages	(1)	.6
Increase excise tax on certain ozone-depleting chemicals (on top of increase in energy bill)		.3
Repeal diesel fuel tax exemption for motorboats		.1
Subtotal, possible offsets	.4	20.3
Deficit impact	0	0

[1] Gain or loss of less than $50 million.

Mr. DOMENICI. I thank the Chair and I thank the Senate.

I yield the floor.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with the consideration of the bill.

The **PRESIDING OFFICER.** Is there further debate on the D'Amato amendment?

Mr. BAUCUS. Mr. President, I think we have an agreed modification to the D'Amato amendment.

I wonder if the Senator has yet written that modification.

Mr. D'AMATO. Mr. President, I am going to ask my amendment be modified. I will sent it to the desk.

Basically the amendment will say that, "to the extent that it is consistent with the United States-Canadian Free-Trade Agreement and the General Agreement on Tariffs and Trade."

So that there will be no doubt that, if this indeed is consistent with that, this will give us the ability to have unrestricted garbage from out of the country from Canada fall into the same restrictions that we have here in the country.

May I ask that my other amendment be withdrawn and I will send this amendment to the desk and ask for its consideration.

I ask unanimous consent that the D'Amato amendment that is now pending be modified.

The **PRESIDING OFFICER.** The Senator has a right to modify the amendment. The amendment is so modified.

The amendment (No. 2737), as modified, is as follows:

On page 11, strike lines 3 and 4 and insert the following new paragraph:

"(3) With respect to a State, the term 'out-of-State municipal waste' means municipal waste generated outside of the State. The term shall include municipal waste generated outside of the United States to the extent that it is consistent with the United States-Canadian Free-Trade Agreement and the General Agreement on Tariffs and Trade.".

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. CHAFEE. I think we just want to make sure exactly what the amendment says and what we are doing here.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

On page 11, strike lines 3 and 4 and insert the following new paragraph:

"(3) With respect to a State, the term 'out-of-State municipal waste' means municipal waste generated outside of the State. The term shall include municipal waste generated outside of the United States to the extent that it is consistent with the United States-Canadian Free-Trade Agreement and the General Agreement on Tariffs and Trade.".

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BAUCUS. Might I suggest a further modification: "To the extent that it is consistent 'with' the North American Free-Trade Agreement and GATT."

The PRESIDING OFFICER. Does the Senator from New York modify his amendment?

Mr. D'AMATO. Yes.

Mr. CHAFEE. It would be the United States-Canadian Free-Trade Agreement, not the North America Free-Trade Agreement.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, on behalf of Senator MOYNIHAN and myself, I would like to first withdraw our initial amendment, and send another amendment to the desk that has been modified. And I believe the managers of the bill are prepared to accept it.

The PRESIDING OFFICER. Amendment 2737, as modified, is withdrawn.

The amendment (No. 2737), as modified, was withdrawn.

AMENDMENT NO. 2738

(Purpose: To modify the definition of out-of-State municipal waste)

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO], for himself and Mr. MOYNIHAN, proposes an amendment numbered 2738.

Mr. D'AMATO. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, strike lines 3 and 4 and insert the following new paragraph:

"(3) With respect to a State, the term 'out-of-State municipal waste' means municipal waste generated outside of the State to the extent that it is consistent with the United States-Canada Free-Trade Agreement and the General Agreement on Tariffs and Trade, the term shall include municipal waste generated outside of the United States.".

Mr. D'AMATO. Mr. President, I thank both managers of the bill for their input. I believe we can now deal with the question of waste generated outside of the country fairly, and their suggestions are most appropriate. I thank them for having worked to make this acceptable. I hope it will deal with the problem which my State and other States will be confronting and have been confronting, which is trash coming in from outside the territories of the United States.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I think the amendment as modified strikes a fair balance between the goals we are attempting to accomplish.

On the one hand, we like States to be able to treat out-of-State and out-of-country solid waste in the same way. On the other hand, we do not want to pass legislation here that is going to violate the United States-Canada Free-Trade Agreement. The actions here, if they have the effect of discriminating against waste from another country, do have that effect. The modification strikes that balance by providing out-of-country waste will be treated the same as out-of-State waste, only to the extent it does not violate the terms of the United States-Canadian Free-Trade Agreement or GATT.

I think it is a good modification. I wholeheartedly suport it.

Mr. CHAFEE. Mr. President, I commend the Senator from New York. I think he has done an excellent job on this, and was very helpful in agreeing to rectify the problems we were confronted with, namely the problems arising under the United States-Canada Free-Trade Agreement and the General Agreement on Tariffs and Trade.

So I think the Senator has accomplished his goal very successfully, and I want to congratulate him on one more victory he has achieved.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2738) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. D'AMATO. Mr. President, if I might, I would thank the distinguished Senator from Montana, my colleague, for his help; and I thank Senator CHAFEE from Rhode Island for coming up with a thoughtful way to deal with what otherwise might have been a problem.

I thank my colleagues, and I also thank the senior Senator from New York [Mr. MOYNIHAN] for cosponsoring this legislation.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

AMENDMENT NO. 2739

(Purpose: To grant the Governor of a State the authority to prohibit, limit, or impose a differential fee on, the disposal of out-of-State municipal waste)

Mr. REID. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nevada [Mr. REID], for himself, Mr. DASCHLE, Mr. CONRAD, and Mr. BRYAN, proposes an amendment numbered 2739.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 2, strike line 1 and all that follows through page 13, line 7, and insert the following new section:

SEC. 2. INTERSTATE TRANSPORTATION OF MUNICIPAL SOLID WASTE.

(a) IN GENERAL.—Subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.) is amended by adding at the end the following new section:

"SEC. 4011. INTERSTATE TRANSPORTATION OF MUNICIPAL SOLID WASTE.

"(a) OUT-OF-STATE MUNICIPAL WASTE DEFINED.—For the purposes of this section, with respect to a State, the term 'out-of-State municipal waste' means municipal waste generated in another State.

"(b) AUTHORITY OF GOVERNOR.—

"(1) IN GENERAL.—Subject to the conditions of paragraph (2), the Governor of a State may prohibit, limit, or impose a differential fee on, the disposal of out-of-State municipal waste in any landfill or incinerator that is subject to the jurisdiction of the Governor.

"(2) CONDITIONS.—In carrying out an action under paragraph (1), the Governor shall—

"(A) carry out the action in accordance with guidelines that the Governor, in consultation with local governments of the State, shall establish to ensure that the authority under paragraph (1) is exercised in a manner that does not discriminate against any particular geographic area of the State; and

"(B) ensure that the action is not taken in a manner that discriminates against the disposal of out-of-State municipal waste on the basis of State of origin.

"(3) APPLICABILITY.—This subsection shall apply with respect to the disposal of out-of-State municipal waste on or after January 1, 1995.

"(c) EXEMPTION.—Nothing in this section shall be construed so as to prohibit a State that had in effect a State plan on May 31, 1992, that was approved by the Administrator not later than June 1, 1982, from carrying out the requirements of the State plan that relates to the disposal of out-of-State municipal waste. Notwithstanding any other provision of this section, the Governor of each State described in the preceding sentence may restrict the disposal of out-of-State municipal waste in any landfill or incinerator subject to the requirements of the State plan in the manner prescribed in the State plan.".

(b) TECHNICAL AMENDMENT.—The table of contents of the Solid Waste Disposal Act is amended by adding after the item relating to section 4010 the following new item:

"Sec. 4011. Interstate transportation of municipal solid waste.".

Mr. MITCHELL. Mr. President, I wonder if the Senator will yield to me for a moment to propose a unanimous-consent request?

Mr. REID. I am happy to yield to the majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. I thank the Senator.

Mr. President, under a prior order printed at page 2 of today's calendar, I have the authority to determine the time on which a cloture vote will be held on the motion to proceed to the energy bill, following consultation with the Republican leader, the time under the order to be during today.

I have consulted with the chairman of the Energy Committee, I have consulted with the distinguished Republican leader, and with the manager of the bill. It is my conclusion that all interests would be served if the cloture vote on energy were held tomorrow, which would give the managers the opportunity to complete action on this bill during the day tomorrow.

Accordingly, following that consultation with the Republican leader, the manager, and the chairman of the Energy Committee, I now ask unanimous consent that a cloture vote on the motion to proceed to H.R. 776, the energy bill, occur on Thursday, July 23, 1992, at a time to be determined by the majority leader after consultation with the Republican leader, provided that the mandatory live quorum required under rule XXII be waived.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I thank my colleagues. That will permit two things to occur. First, it will give an opportunity to complete action on this bill, on which so much effort and time has already been expended. And I commend the managers for their diligence in this regard.

It will also permit ongoing discussions with respect to the energy bill to continue with the possibility that they will be resolved—or the issues there will be resolved—during the day tomorrow.

So I will tomorrow consult again with the distinguished Republican leader, and at sometime during the day I will announce a decision with respect to the cloture vote on the energy bill.

I thank my colleagues for their cooperation.

Yes?

Mr. DOLE. The leader may be about to say it, but will there be one additional vote this evening?

ORDER OF PROCEDURE

Mr. MITCHELL. Yes. I was about to say it is my understanding that Senator REID either has just offered or is about to offer an amendment which will be contested by the managers, and which will require a vote.

What I suggest is that we go ahead and complete action on that. I understand that will take approximately an hour for consideration—if I am wrong, I stand corrected—that we would have a vote on that, and then conclude our business for the day and return tomorrow, with the Senate back, resuming consideration of this bill in the hopes we can complete action on this bill during the day tomorrow, and then have the cloture vote on the energy bill.

Mr. REID. Mr. Leader, if you will yield?

Mr. MITCHELL. Yes.

Mr. REID. As to the time, I cannot give any assurance that is the case. There are a number of cosponsors of this amendment. They all have indicated they want to speak. I do not know how much time the managers will take in opposing the amendment. We will move through it as fast as we can, but I cannot make that commitment.

Mr. MITCHELL. I appreciate the remarks of my colleagues.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada has the floor.

INTERSTATE TRANSPORTATION OF MUNICIPAL WASTE ACT OF 1992

The Senate continued with the consideration of the bill.

Mr. REID. Mr. President, for myself, Senator DASCHLE, Senator CONRAD and Senator BRYAN we offer this amendment, No. 2739, to the Interstate Transportation of Municipal Waste Act, because I think it is important that we have this discussion.

I commend the efforts of Senator BAUCUS, who has addressed this difficult issue, now, for several days here before the Senate. I know he has worked long, hard hours to reach a compromise generally on this waste issue.

This is a divisive issue that has grown in complexity over the years, and threatens relationships between States throughout this country.

I am, though, Mr. President, happy to see that Congress is coming to grips with this problem, in working forward a solution that will meet the needs of the many State interests that are involved.

This is one of those issues, as difficult as it is, that we must address. This deals with garbage.

Senators BAUCUS and COATS have worked and have developed a bill which tries to give States more control over importation of what we refer to as municipal waste. While this legislation is a step in the right direction, it is my opinion that it simply does not go far enough. S. 2877 allows Governors to limit waste imports only—and I repeat, only—on the request of local governments or planning units.

But what States really need are Governors who can control waste imports to meet the needs of the State without limitations or without requests by local governments.

I think we can examine and view in our own individual States what would happen if a Governor did not have control to determine an overall plan where garbage can come in. In fact, it would be whatever plans were developed would be thrown out of kilter by virtue of some small local government. It could be an entity of 10 people, 100 people, or 2,000 people that could throw the whole State out of balance.

Until now, there has been a clear imbalance of State responsibility versus State control of waste disposal practices. States are fully responsible for waste planning but do not have control over the waste disposal programs of local governments. This imbalance toward local authority to accept out-of-State waste creates a number of problems. It severely undermines State and regional planning efforts by encouraging local jurisdictions to act independently. This local siting of waste disposal facilities ignores multijurisdictional efforts, and certainly it ignores multijurisdictional effects such as transportation corridors for hauling waste and migration effects of waste into soil and groundwater.

Furthermore, Mr. President, it leads to exploitation of poor, rural, and economically depressed areas with disproportionately high displacement of waste facilities. In effect, what I am saying is some local government which is not fortunate enough to have natural resources or some other employment base must look for ways of creating employment, creating income in their jurisdiction by doing a number of things, including hauling garbage, allowing garbage to be hauled into their areas.

This problem, Mr. President, is especially acute in the large Western States with many undeveloped rural areas where there is little opportunity for economic development but wide open spaces. Unlike many of the Eastern States where local communities actively seek to avoid waste placement facilities, in the Western States we have the opposite problem. Our undeveloped rural communities are too easily lured into accepting sites for imported waste disposal with too little regard for the long-term effects and the consequences for the rest of the State. Local governments take the economic gain of importing waste but leave the infrastructure costs of roads and environmental mitigation for State and neighboring communities to deal with.

Enough cannot be said about this, Mr. President. Local governments do not manage, control, or build the roads generally. This is a State transportation function. But yet what would happen if, in the center of a State, some local government decides they would accept unlimited amounts of solid waste of garbage? The infrastructure of that State is the one that is affected.

Situations like this, I do not believe, Mr. President, should be acceptable. Recognizing these problems, several States have attempted to limit their waste imports only to have the courts strike down the limitations or fees, based on the interstate commerce clause. It is time for Congress to address this issue and allow the States to take control of their imported waste program or programs. To correct this imbalance of State responsibility versus State control over waste programs, the States must be given more authority to control solid waste imports. I believe this authority should rest with the Governor in each of the 50 States, who can act in the best interests of the whole State. The Governor should have authority and decisionmaking on waste management plans, including importation of waste, without being forced to wait for a request from a local government in order to say no to waste importation.

By giving, Mr. President, the Governor authority over waste import limits, States can then properly plan their waste programs, giving due consideration to all the factors involved, such as economics, liability concerns, management costs, transport corridors, and protection of human health and environment. This approach would provide a more balanced and well-planned waste management system than the one called for in the legislation that is now before the Senate, which restricts the Governor's authority to cases where local governments request limitations.

I ask all Senators and all staff members who may be watching this proceeding today to understand this simple amendment. Basically, what we are saying is that local governments should not determine what garbage is brought into a State, but yet the Governor of the State should have that. Every Senator who votes against this amendment is going to rue the day when their State is, in effect, ruined by some local government saying, "We will take whatever garbage you want to bring." In effect, that is what voting against this amendment would mean.

I respectfully suggest to my friends in local governments that, too often, they look for short-term economic gain without due regard to the long-term consequences of these waste imports, such as waste migration, incineration construction implication, and landfill capacity issues.

Furthermore, a system of State control over waste imports would provide more incentive for States to better manage their own waste through reduction and recycling rather than simply transferring their waste problems to neighboring States.

I also suggest that this amendment also has interstate implications because what is done in one State can affect another State. If, in effect, a State on the border of another State decided to take some type of garbage through water migration, through other ways of moving garbage, and moves it over the State line, the arbitrary borders we have established as State lines would not, in effect, stop a migration of these wastes.

How can we expect States to make the hard choices necessary in managing their own waste when they can so easily ship their garbage to another State sometimes for only $5 per ton or less? The amendment that has been offered will not shut down all interstate waste shipments. The complex of interstate shipments will continue to operate, but the system can evolve into one based on the economic and environmental needs of each State according to their own unique situations. If it is worthwhile for a State to import or export garbage either for logistical, financial, or environmental reasons, they will continue to do so, but they will do so as partners in the system. They will no longer be forced into accepting out-of-State waste by their local community waste facility.

I believe the Governor of each State should have the authority to manage their waste plans in the manner most efficient, appropriate, and protective for their own citizens. This means allowing the Governor, the administrator, the chief executive of each State to control imports of out-of-State garbage as deemed necessary to meet their State planning goals. This is precisely what this amendment does. This amendment allows Governors to prohibit, limit, or impose differential fees on out-of-State waste according to the needs in each State, effective, though, Mr. President—and this is important for everyone, again, listening to the debate on this amendment—effective as of 1995. In addition, it gives the Governor of any State with pre-1982 EPA-approved solid waste plans the authority to continue with those solid waste plans already in place. These two provisions are extremely important. This would not become effective until 1995 and, also, it gives the Governor of any State that has already gone through the EPA standards, that if it is a pre-1982 EPA-approved solid waste plan, it gives the Governor the authority, or those programs the authority, to continue with those solid waste plans already in place.

This provision, Mr. President, addresses the problem of counties which want to prohibit importation of waste from other counties within their own State. This is the authority that States want and this is the authority Congress should give these States. States overwhelmingly support more authority for State control.

Keep in mind what we really are doing if this amendment is not adopted. We are saying we have a solid waste bill, but, in effect, we are doing absolutely nothing to help the overall management of waste in the States. The Governor is hamstrung. The Governor would have little authority. The only authority he would have is, if he is called upon by a local government, to stop waste from coming in. This is the authority that States want and this is what Congress should give them. States overwhelmingly support more authority for State control.

This amendment is supported both by the National Governors Association and by the National Conference of State Legislators from our States, all 50 States. The National Governors Association is composed of Governors from all over this Union. Their association approves this amendment, as does the Association of State Legislators, as stated, Mr. President, in a letter from the National Governors' Association, dated July 17, of this year:

> S. 2877 stops short of giving the States the tools needed to respond adequately to the interstate waste problem.

Mr. President, I ask unanimous consent that this letter dated July 20 directed to me by the National Conference of State Legislatures, signed by Senator Patrick Deluhery, from the Iowa State Legislature, and a letter dated July 17 from the National Governors' Association be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL GOVERNORS' ASSOCIATION,
Washington, DC, July 17, 1992.

Hon. HARRY REID,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR REID: We are writing to you about S. 2877, the interstate waste bill introduced by Senators Max Baucus and Dan Coats. This bill addresses interstate transportation of municipal solid waste and its disposal in unwilling states and communities, one of the most pressing problems facing state environmental managers.

The nation's Governors have agreed that state self-sufficiency in the management of municipal solid waste is the best long-term solution to this problem. We also agree that differential fees and limited bans to protect and ensure optimal use of state capacity offer the best way to encourage states to take responsibility for their own waste, while avoiding short-term disruption of interstate waste markets. In our view, S. 2877 is an important step forward in empowering states and communities to deal with interstate waste, but stops short of giving states the tools needed to respond adequately to this problem.

We suggest the following improvements:

Provide Governors Direct Authority to Protect Wider State Interests. We recognize the important and legitimate interests of local governments in the issue of waste importation. This bill, however, must also give Governors direct authority to represent the numerous state interest and responsibilities that lie beyond those of a single local government.

States are responsible for coordinating state-wide solid waste management plans including long-range disposal capacity planning and source reduction and recycling efforts. We also have a stake in the effect on transportation patterns, the disposal facilities on the state's economic, political, and ecological environment, potential near and long-term environmental liabilities of a facility, and the state's overall economic development philosophy and image.

The bill, as written, provides no direct authority, even to the four largest importing states, to protect state interests at facilities that did not receive waste in 1991 and at future facilities. States would not be able to protect in-state capacity needs or limit the development of capacity that far exceeds states needs and is used primarily for waste imports.

Because there may be an economic incentive for a community to accept waste from outside the state rather than waste from a neighboring community, more communities may be hurt than helped by a system that does not encourage the coordination of capacity needs. These conflicts can be averted by allowing states to ban waste imports that would conflict with in-state capacity needs. In addition, states should be permitted to set limits on waste imports so that facilities handle primarily in-state waste. These limits could be expressed as a ratio of in-state to out-of-state waste handled at each facility, unless a waiver is granted.

Authorize states to impose a fee on waste imports that will compensate the importing state for the costs of state oversight of facilities as well as for long term liability costs. Unfairly, citizens of importing states end up subsidizing the costs of state programs to carry out these responsibilities for waste generated outside the state.

Authorize all states to freeze waste imports at 1991 or 1992 levels at facilities that received waste in 1991, upon the Governor's initiative. As written, the bill allows only four states currently importing more than one million tons per year of out-of-state waste to exercise such authority.

Delete the loss of authority section. This provision requires that all operating landfill cells in the state meet the 1993 federal design and location standards by 1997 or be on a closure schedule for the year 2000. If a facility fails to meet this test, the Governor of the state in which the facility is located loses all interstate waste authorities. This provision is illogical from an environmental standpoint because it requires that if one landfill cell in the state is not meeting design and location standards then the floodgates must open to out-of-state waste. This inappropriately places the burdeon on the importing rather than exporting states.

Unlike the bill, the federal landfill rule makes no reference to operating landfill cells. It sets standards for the landfill as a whole based on whether it is an existing or new facility. If the effect of this ambiguity is that the more stringent standards for new facilities will be applied to all operating landfill cells, even if they are part of an existing facility (one that was receiving waste in 1993), a Governor would be forced to decide between shutting down an environmentally-sound facility that a community may depend upon or losing all interstate waste authority. The bill also does not recognize that states will be permitted flexibility under the rule for design standards if the state has an approved permit program.

Allow either the affected local government or the local waste management planning unit, if one exists, to request a freeze or ban. The bill requires that both entities initiate the request.

State governments are implementing a wide variety of progressive solid waste programs. Interstate waste transport, along with market development for recycled materials, are areas where we need assistance from Congress. While we have raised serious reservations about this bill, S. 2877, with the above changes, would provide a predictable means of reducing waste flows, encourage waste reduction and recycling efforts in both importing and exporting states, and contribute to better capacity planning efforts.

Sincerely,

GOV. GEORGE A. SINNER,
Chairman, Committee on Energy and Environment.

GOV. NORMAN H. BANGERTER,
Vice Chairman, Committee on Energy and Environment.

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, DC, July 20, 1992.

Hon. HARRY M. REID,
U.S. Senate, Washington, DC.

DEAR SENATOR REID: The National Conference of State Legislatures (NCSL) supports the Senate's willingness to move ahead solely on the matter of solid waste transport. S. 2877, the Interstate Transportation of Municipal Waste Act of 1992, represents an encouraging starting point for resolving interstate solid waste transport questions that the U.S. Supreme Court has clearly determined can be resolved by Congress. NCSL believes, however, that a comprehensive reauthorization and expansion of the Resource Conservation and Recovery Act continues to be essential to the long term management of solid waste. We remain willing to work with the Senate in drafting such legislation once the interstate transport question is resolved.

S. 2877 offers state and local governments some of the tools necessary for controlling the movement of solid waste, and planning for its disposal. NCSL firmly believes that there is definite linkage between state solid waste management planning, its implementation, and disposal of imported waste. Because S. 2877 does not address state planning activities as has other omnibus RCRA legislation, NCSL suggests that S. 2877 be amended to include the following ideas:

1. States, through their Governors, should be authorized to manage out-of-state waste (in Section 4011(a)(1)(A)) in addition to responding to local government requests to accomplish the same.

2. States should be authorized to impose up to a $3 per ton fee to cover justifiable costs of accepting out-of-state waste.

3. In lieu of the Governors' being unable to directly control out-of-state waste, NCSL urges that the one million ton threshold in Section 4011(a)(2)(d)(2) be lowered to give states broader flexibility to manage out-of-state waste.

4. Section 4011(c) should be deleted in order to eliminate the possibility that a single landfill cell could coopt state authority to manage the disposal of out-of-state waste. It is inappropriate public policy for a federal determination of incompliance regarding one landfill cell in a state to jeopardize the ability of the Governor to manage the importation of out-of-state waste.

The addition of these amendments would strengthen S. 2877, ameliorate our concerns regarding the interstate issue, and solidify our support for this legislation.

Sincerely,

Senator PATRICK J. DELUHERY,
Iowa State Legislature, Chair, NCSL Environment Committee.

Mr. REID. These two letters from the National Association of State Legislatures and the Governors' Conference state their support for full authority to their Governors for managing State waste programs. This amendment submitted by me and Senators DASCHLE, CONRAD, and BRYAN gives the Governors the authority to regulate waste import as best suits his or her State. It does not grandfather facilities, set timetables for compliance with Federal standards, or treat States differently depending on how much waste they import. All it says is a State can manage out-of-State waste as it sees fit.

The Interstate Transportation of Municipal Waste Act of 1992 is a well-intentioned bill that simply does not go far enough in meeting State needs for authority over their own waste management. It only addresses the problems of a few Eastern States while doing nothing for the problems of most of this country. I urge Senators who care about giving States the real power over waste management that they need and want to vote for this amendment.

Mr. DASCHLE. Mr. President, the distinguished Senator from Nevada has laid out the case for the amendment very well. I applaud him for his leadership in offering the amendment and certainly for the way in which he has described the purpose of the amendment to all of our colleagues.

Let me also reiterate something he said early in his remarks. The managers of this bill have done a remarkable job in dealing with a contentious and extraordinarily controversial issue, and I applaud them for their leadership and their effort to bring us to this point in the debate.

The purpose of our amendment, as the distinguished Senator from Nevada said so well, is really to provide a simple authority for States to manage out-of-State waste as they have need. Nevada may be different than South Dakota. South Dakota may be different than North Dakota. Our States would be different than Montana or Indiana. And the differences clearly reflect the need for some leadership at the State level to consider all of the ramifications that the State is facing in discussing and ultimately making a determination about an issue of this consequence.

They could prohibit out-of-State waste imports. They could limit them or they could charge fees. They would have a range of options. But, indeed, they would have options, options that they are not given in the bill today as it currently is proposed.

As the Senator said, the amendment does not grandfather facilities; it does not set timetables for compliance with Federal standards; it does not treat States differently. Depending on how much waste they import now or in the future. All it does is say States can manage out-of-State waste as they may require.

This is the authority States have indicated they need, as is indicated by both the letters from the legislators as well as the Governors' association. That is what Congress ought to give them as we consider an issue of this magnitude for all States affected.

The compromise version that has been worked out with diligence all afternoon is flawed for several reasons. First and foremost, it only addresses one aspect of the waste imports debate, namely situations where out-of-State waste is flooding local landfills. This is an issue to be sure, but it is not the only issue. And that is the reason those of us offering this amendment felt the need to come to the floor to attempt to improve it.

In States like the Dakotas, that is not the problem. In our States waste companies target small, poor towns or reservations and make them offers they believe they cannot refuse. These areas may have 1,000 people, 500 people, they may have 10 or 20 people. The economic rewards offered them may be extraordinarily handsome. But they are not the only ones that would be affected by a massive interstate waste dump.

Neighboring towns would have serious concerns about direct or indirect environment effects. The transportation infrastructure may be seriously attacked by waste caravans.

Questions will necessarily arise regarding who would pay for the new costs. It will not be the host town; it will be the local county, and I can guarantee you it is going to be the State.

Questions will also arise concerning the State's responsibilities for preparing and overseeing comprehensive waste management plans. And Governors ask how a State is supposed to plan for waste disposal, source reduction, and recycling when the next day a town can announce a multimillion-ton waste project, completely changing the entire waste management picture for the State.

Picture it. A State legislature works for perhaps years coming to grips with problems that they have in dealing with a comprehensive waste management plan. They pass a law. The next week or the next month a local community of maybe 10 or 20 people announces that it has a $100-million contract with an out-of-State waste company that completely destroys whatever effort had been made to put the fragile compromise together affecting waste management throughout the whole State, not just that local community.

That is what we are up against in South Dakota and have been for several years. Frankly, that is what is happening more and more in many of the Western States today.

The ability to manage interstate waste will help States comply with their environment needs. Almost every State in the Nation is currently struggling to meet EPA mandates on landfills. EPA has told communities to bring landfills into compliance or to shut them down. But as with so many Federal mandates, no resources have been provided to comply with the mandates.

Our amendment would provide the ability to charge fees on out-of-State waste and this could provide a revenue source to allow States to come into compliance with EPA regulations.

If we do not give the Governors the latitude to deal with waste the way they want, national objectives will also be undermined.

First, what incentive is there for any metropolitan area to make the hard choices necessary regarding waste reduction and recycling when they can ship their garbage to another State for $5 a ton.

Second, without broad State discretion, the States have no leverage whatsoever to negotiate a fair deal with waste haulers or with other cities if the State does decide to accept out-of-State waste. In fact, under S. 2877, unless the local community complains, the State does not even have a say in the matter today.

There will be those who claim that this amendment was generated solely by parochial concerns and that it will effectively block all interstate movement of waste. This is a fallacious claim for one central reason: If it is worthwhile for a State to take out-of-State garbage either for logistical or financial reasons, they will do it; but they will do it as partners, as equals. They will not have deals rammed down their throats.

These are the reasons why the National Governors' Association opposes S. 2877 in its current form and these are the reasons, as stated by the distinguished Senator from Nevada, that State after State throughout the entire West has come to us and indicated their very grave concern with the way the legislation is worded today.

There are those who will argue that a Governor can block a project through his or her use of the permit process. A proposed out-of-State landfill can simply be denied a permit. We are told that our amendment, for that reason, is unnecessary. But the reason we are debating this bill is the Supreme Court clearly pointed out that States cannot discriminate against out-of-State garbage. If a Governor simply keeps denying permits to landfills because they will contain out-of-State waste, such denials are not likely to stand up in court. Moreover, many landfills are already permitted and would simply be expanded by adding out-of-State waste.

If Governors had the power that the question implies, we would not be here today.

Mr. President, in closing, the interstate waste bill had very noble intentions when it was first proposed and when it was first passed in the Senate 2 years ago. It gave the States the discretion that they need. For a lot of reasons we have backpedaled a long way since then. Now we have a bill that the waste companies support and that only addresses the problems of a few States.

For most of the Nation this bill does nothing if it becomes law. It statutorily guarantees that many States could become waste dumps for the Nation and there will be nothing they can do about it. If Senators really care about giving the States the powers that they need and want, they will want to vote for this amendment. If they want business as usual to continue, they will want to vote against our amendment and for the bill in its current form.

I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. I thank the Chair.

Mr. President, first I want to salute my colleague, Senator REID of Nevada, for his leadership on this issue, and also my colleague from South Dakota, Senator DASCHLE, because this is an important amendment.

Mr. President, I hope that Senators who are listening in will pay attention to this debate. It is an important debate.

What is it about? Mr. President, the trash is coming. That is what this amendment is about. The trash is coming. It is coming to your State, and the question is do you want your Governor to be able to stop it if it is not in your State's interest? That is what this amendment is about. Make no mistake about it.

For Senators who were listening to the earlier debate, you may believe after listening to that debate that the Governor could stop new contracts. That sounds good. That sounds like it makes sense. But do you know what? It is not true. The Governor could not stop new contracts unless he got the concurrence of the local community or local planning district that entered into the contract.

Think of it, Mr. President. Think of it, colleagues who are listening in. A little town hard-pressed economically, has the trash merchant come to call because now the big volume States have protected themselves in the legislation that is before us. And the trash merchants all of a sudden start looking around the country. Where are we going to dump this stuff? We can go to a little town someplace that is in economic trouble. We can go to that town and we can make a sweetheart deal, and we can enter into a contract and nobody can stop it.

Mr. SYMMS. Will the Senator yield for a question?

Mr. CONRAD. I do not want to yield at this point.

Mr. SYMMS. I would like to ask a question.

Mr. CONRAD. I would like to finish my statement, and then I would be happy to yield.

Mr. President, in my State, we have 368 incorporated towns; 111, 30 percent, are under 100 people. Mr. President, 45 are under 50 people, 4 towns are under 10 people. It does not take any great imagination to figure out that the trash merchants after being limited by Indiana, they have been taken care of here; or Ohio, they have been taken care of here; or Pennsylvania, they have been taken care of here. The rest of us have not. The trash merchants identify some vulnerable small town and go and make a sweetheart deal, and all of a sudden the trucks start rolling, truck after truck of trash, truck after truck putting pressure on the highway system, truck after truck putting pressure on the taxpayers of your State.

"Mr. Senator, you did not stand up to allow your Governor to determine what was in the State's interest. You allowed a situation to develop in which a town of 10 people can make a decision that affects a whole State." I think not, Mr. President. I cannot believe that my colleagues would buy a legislative package that would allow a city of 10 people, a town of 10 people to make a decision that would impact surrounding communities, a whole region of a State, and not allow the Governor to interpose the State's interest.

Mr. President, I hope my colleagues and their staffs were listening, and understand what is at stake. The trash is coming. The trash is on the move. Those few States that have been protected here, fine. We understand their need. But we also understand what comes next. We understand those that pedal the trash once they are limited in Ohio, Indiana, Pennsylvania, they are going to look west, they will look south, and they will be on the move.

They will pick out those little towns that are vulnerable. They are going to make them offers they cannot refuse. And under this legislation that is before us now, the Governor is not going to be able to stop it. And the trash will roll.

Any Senator that does not vote for the Reid amendment, the Daschle amendment, the Conrad amendment, that is before us, is putting themselves in the position of being asked when that happens, where were you? Where were you when there was a chance to give your Governor the opportunity to stand up for the State's interest? That is what this amendment is all about, Mr. President. I hope none of us lose sight of that.

I think there may be other misunderstandings in listening to the earlier debate, because if you listen to it it sounded as though your State can be protected if the importation of trash increases over previous years. That is true if you have a certain volume of trash. Just a few States are affected by that position. The vast majority of States are not. We become the targets of the trash merchants, and with no ability to stop it.

Mr. President, this amendment should pass. The National Governors Association has gone on clear record on this issue. They say, please allow the Governors to review this so we can determine what is in the State's interest, not just some small community's interest.

As I say, Mr. President, in my State there are four incorporated towns of under 10 people. So you could have 6 people decide they want to enter into a big contract with a trash merchant, that impacts the surrounding community, impacts a region of the State, and the Governor cannot do anything about it.

Mr. President, that cannot be the outcome here, today. That cannot be the outcome.

So I ask my colleagues, I plead with them, to give careful consideration to this amendment, because if we are not successful here today we know what is going to happen. Nothing could be more clear. The big volume States get protected, the trash merchants look for new targets of opportunity, and we know where they are coming. They are coming to my State, they are coming to your State.

Do you want your Governor to be able to stand up and represent the State's interest, or do you want any vulnerable small town to be able to enter into an agreement and override the State interest?

I think the answer is very clear. I urge my colleagues to support the Reid amendment.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. SYMMS. Mr. President, I appreciate the enthusiasm and the zeal with which my colleague from North Dakota speaks, and it is a great States rights argument.

But I want to go back to what this Senator said on the floor yesterday. Madison predicted this would happen. What the Senator from North Dakota is really saying, Mr. President, is that we are going to deny the town of 10 people who may own this property and may comply with every single law, Federal and State law, to comply with solid waste disposal. Through this amendment, we are going to deny them an economic opportunity that they may see is good.

The Senator likes to talk about trash. Trash is a commodity that is transported, and it just happens that sometimes it is more efficient to go across a State line to dispose of it. I can tell you, I have already been called by my Governor's office today. He says he supports the Reid amendment. And mark my words, this is just the first step. What the Governor really wants is to be able to stop the transfer of other sensitive materials, namely nuclear materials.

Mr. President, I got into this debate yesterday because I felt it was important to discuss the configuration of the original 13 colonies and the document that was written to guide their future. James Madison and others had the wisdom and foresight to anticipate what the future might hold. That local and State politicians, if they are given this authority, might posture on this position because it will have great short-term popular appeal. However, they could also foresee that no long-term statesmanship would be realized, in relation to what might be the most efficient actions for the country as a whole. And that is why they did not grant States authority in their commerce clause. They reserved for Federal authority, the commerce clause so this country could enjoy the free flow of goods and services between and among the States. I made the point yesterday on the floor.

How many Senators here think that there would not be some States who would like to pass laws to keep certain commodities out of their State? The only reason they do not is because of the commerce clause of the Constitution.

So I say that in this Senator's opinion, I think the amendment as offered by Senator COATS is highly risky. We have already established on the floor here yesterday that it is the intent of the authors of the amendment to not let it expand to any other products or any other classifications of materials. But I am here to tell you that if you let this tiger out of the tank, so to speak, or this camel's nose under the tent, we will regret this action. This is not, as I hear tonite a discussion about States' rights. I almost have to laugh. A lot of the same Senators who talk about States' rights on this issue, and the Governors who talk about States' rights, have a totally different view when it comes to States' rights in the use and disposition of land within their borders. I would use as an example the management of Federal lands.

Mr. President, this is a very, very serious issue. We are literally inviting a wide range of legislation. If this bill passes, I predict there will be more bills and more bills and more bills that will pass the Congress in the future, and I think a real effort has been made to tone down this bill to where it may be workable.

But if you pass the Reid amendment, which sounds good, and I know it is popular politics at home to give the Governors the authority, what you are doing is denying local people a potentially economic opportunity where they may have the most efficient, cleanest, and safest place, an ideal, natural place to permanently store municipal solid waste.

They may have that opportunity, and they may want to do that, and they can comply with every law and can demonstrate they will do no damage to the environment; but you light a political firestorm that cannot be stopped, so everybody who is running for office on a 30-second TV spot is going to claim they will stop it all at the borders.

That is great politics. They can stand at the border with the State police and stop the trucks, and maybe they will even get elected if they do that. But in terms of running an efficient country that believes in markets and freedom and lowest cost production and, yes, lowest cost of disposal, it just makes no sense to interfere with the free flow of commerce between the State lines.

That is why I again refer to my colleagues what it was that Madison had to say. I will quote:

> States which imported or exported products through other States have been forced to pay taxes or other forms of duty on other forms of transit, and such duties have weighed heavily on both manufacturing and consumers. All Americans, we may be assured that such a practice would be introduced by future contrivances.

Madison and others could see that the problem would arise. It is amazing in many ways that it has not happened sooner. Madison predicted some 200 years ago that we could reach this point.

Mr. President, he went on to say in his writing:

> We may be assured that such a practice would be introduced by future contrivances, and both by that and a common knowledge of human affairs, that it would nourish unceasing animosities and not improbably terminate serious interruptions of public tranquility. Thus, Congress granted the power to regulate interstate commerce in order to ensure the free flow of goods and protect against economic warfare among the States.

Mr. President, I grew up in the produce business in the Pacific Northwest. Our biggest market in California. It is a great State with a high level of population, and they use a lot of Idaho potatoes. But the California produce industry throughout history has always tried to protect themselves from competition—from Washington, Idaho and other States—that grow these products. If it were not for the commerce clause, it would not be a great market for those farmers in the Pacific Northwest. If the farmers in California could get the political muscle to stop you at the border, for one reason or another, they would. They could say that the product is contaminated and may be infested with some kind of pest or weed.

I would think that my colleagues who are familiar with how our friends in Japan use nontariff trade barriers can see how a situation like this can be set up between States. We are setting up a situation where State Governors will be able to interfere with the commerce in this country, and it is only the first step.

Mr. DASCHLE. If the Senator will yield, I can appreciate the point the Senator is making, and I respect him for it.

I, first of all, would emphasize, and ask if he would not agree, that the Governors have all kinds of opportunities to intercede with regard to communities and areas within their States right now.

But my real question goes to a point the Senator made early in his remarks, and that is, why should a Governor have the right to intercede when a community of maybe even 10 people, as I think the Senator said, is entering into a contract with a large out-of-State waste facility? What would the Senator advise those of us supporting this amendment to tell a community which may be next door, a community whose entire economy may be based on tourism or recreation?

Say they have a beautiful lake within 10 miles of this other community now in contract for a huge waste facility; what do you tell the other communities in the county which now are faced with a prospect of building new roads and maybe a rail spur in order to accommodate this small down; what do you do to those in the area, not directly affected, who have property values which will plummet as a result of a waste facility of this kind going in next door; what do you tell all of the communities which will be adversely affected, which will not have an opportunity to benefit directly from this contract entered into by a community of maybe 10 people?

Mr. SYMMS. Mr. President, here is what I would tell them. The Senator asked the right question. He poses a hypothetical question that is a very real question. I can give him a good illustration of this.

In my own State, the beautiful city of Coeur D'Alene, ID, we have the world's best—as reported by Travel magazine—destination resort on the lake, the Coeur D'Alene Resort. It is a beautiful, magnificent facility, with spectacular lake for recreation, with spectacular skiing nearby; and at a certain time of the year, the grass growers in that area that grow bluegrass seed need to, because of their agricultural practices, burn the fields. This smokes up the valley, and it is a disruption to the tourist industry. That is a classic example.

So it is a problem.

What I tell the Senator is that I question the advisability of giving the whips and guns of bigger, forceful government to the State. To intercede with a command and control economy is a mistake if local people in the community can work it out; concern for private property would be the cornerstone for that effort. We already have laws to make people comply to health standards, safety standards and environmental standards. If those people in that community cannot work that out, you are not necessarily going to make it any better by granting more authority to Governors so they can then popularize the issue or posture at the State line.

You are not going to make it any better than if you just let them try to work it out. That is what I would try to tell people. The best way to solve these problems is to let people in those areas work out those problems. The Senator from New Jersey comes from a State that I understand has a pretty high water table; is that not right? I see the Senator nodding in agreement. It may well be that it is much more difficult to store waste in New Jersey than it is in some other State that is nearby that may have a much lower water table.

What we are doing here is setting up a situation where maybe the safest place, the cleanest place, the most efficient place, and the cheapest place for the community to dispose of waste is eliminated. Would they not be better served by less interference of more government? Let's allow these people to work these problems out in compliance with the standard that we have agreed to. But we are setting a stage where it becomes a political issue and so, instead of being decided on the lowest cost and the safest place to handle it, it is decided by posturing politicians at the State line. I am telling my colleagues, if you do it on this issue more will follow. I have already told you, and I warn my colleagues, my State Governor's office is calling me. They are for the Reid amendment, but not for what it has in it this time. They want to stop any nuclear material from coming into my State. It is a popular political position to take, but let's look at some recent history.

It just so happens that the Federal Government has spent billions and billions of dollars in my State to develop one of the finest facilities in the United States of America; the best equipped; staffed by the best people who are well trained to handle sensitive nuclear materials; to either process the waste for reuse or to process it for storage in a permanent repository.

If you put this in the hands of the Governors. I can tell my colleagues what you are setting up. You are setting up a situation where, because of popular press and media and emotionalism, they are going to be saying "Stop the trucks; we do not want them crossing the State line."

I think it would be a big mistake, a big mistake for this Senate to pass the Reid amendment here tonight on this short notice and short debate. Senator CHAFEE, Senator BAUCUS, Senator COATS, Senator LAUTENBERG, and others, have worked for a long time on bringing the amendment to where we are right now. And I personally believe that if you pass the bill that is before the Senate, it is highly risky. It sets a pattern to take us down a road that the Senate will regret. That is why we have a Senate, Mr. President, so that somebody can raise their hands and question these actions.

You are setting up a situation that is inviting local political posturing by Governors, because the small community in North Dakota may not have the population of say Fargo, and so there are more votes in Fargo. Some small community may have the best site in the world that does not hurt anything, and they may be denied the opportunity because of a politician who stands at the border and gets the votes on the short-term issue.

For the short term, it may look great politically; for the long term it does not make any sense at all.

That is why I say to my colleagues, the commerce clause was not put in the Constitution without a lot of thought. We are skating on very thin ice by considering the Coats-Baucus bill. But to go this one step further is only an invitation to completely disruptive commercial activities in a commodity called trash. It sets the stage for hazardous materials, for nuclear materials, and for heaven knows what else. If you can establish it on one commodity, if you can break the back of the commerce clause, then you can go on into other products.

So I urge my colleagues, at least temporarily, without a lot more thought than has gone into this and a lot more debate than has gone into this on the floor tonight, to not accept this amendment. I do not do that lightly, because I come from a State that only has 1 million people, and we have other States around that have a lot more people. But I am telling my colleagues this is a very, very serious matter.

I agree with my colleague from North Dakota that this is a very serious matter. But I would only hope that the Senate would listen to the advice of the managers of the bill on this and not accept this amendment.

The PRESIDING OFFICER. The Senator from Nevada [Mr. REID].

Mr. REID. Mr. President, I suggest to my friend from Idaho, a man who I serve with on the Committee on Environment and Public Works, that the fact of the matter is, with all due respect, he did not answer the question of the Senator from South Dakota. That is, what happens when you have a small community of a few people next to a large resort community, as an example, and they decide they want to have a waste facility there? The answer is obvious. It should not take place. There should be in the State an overall plan that the Governor has some control.

To talk about the commerce clause, of course, we have a commerce clause. We all know that. And the Supreme Court has taken that into consideration as it has ruled on a number of occasions. The last rulings came just a couple months ago in two cases involving the States of Minnesota and Alabama, and the fact of the matter is they have invited the Congress to take action; the Court has invited Congress to take action to set some reasonable standards, and that is in effect what we are doing.

I came to this Senate floor—time goes fast, but not long ago—when my friend, the Senator from Indiana, who has worked on this legislation, offered an amendment to stop, in effect, importation of wastes into States. I supported my friend from Indiana on that amendment. I would suggest that he has worked hard on this legislation, as I indicated in my opening statement. I cannot understand how he could not support this amendment. It would give the Governor of the State the authority to control what comes into his State.

I also suggest, Mr. President, that my friend from Idaho talks abut property rights, and this may be a way for a small community to get ahead. We had hearings on this matter. The hearings occurred before the Subcommittee on Environmental Protection of the Committee of Environment and Public Works of this Congress. In effect, that subcommittee found waste facilities employ very few people and those they do employ are at very low-wage jobs. Few people benefit from this hauling of garbage. In effect, I think it goes without saying that those who benefit from hauling the garbage are the garbage companies.

Mr. LAUTENBERG. Mr. President, will the Senator yield for a question?

Mr. REID. I will yield in a minute very briefly to my friend from New Jersey.

Also, Mr. President, let us not confound or confuse this issue. It is easy, because peoples' ears perk up like antennas whenever the words "nuclear waste" are mentioned. Let us understand that this has nothing to do with nuclear waste. There is no contemplation of this Senator or any of those who offered the amendment that it would apply to nuclear waste now or at any time in the future. This applies to garbage. It does not apply to hazardous waste. It applies to garbage. That is what it applies to.

I suggest that the Supreme Court has said that the States cannot do what all the Governors and the State legislators want. And remember the Council of State Legislators, and their letter is in the RECORD, is composed of people from all over the State, people from rural communities, people from metropolitan communities. They acknowledge that the Governor should have some control over what is hauled into the State in the way of garbage.

I am surprised at my friend from Idaho, who I have sat with and gotten to know very well and have great respect for. But here is a man that I have heard lecturing—and I use that in a positive sense—about the importance of States rights.

And if there were ever an example of where in the 50 States there is an indication of a need for a State to have sovereignty, it is in this issue where States, other States, are indiscriminately hauling into another State garbage.

I will now be happy to yield to my friend from New Jersey.

Mr. LAUTENBERG. I would just ask the Senator a question, because he posed a situation before that suggests a question.

That is, he said: What should—I do not think he used the word fancy, but he used a resort community—what should it say to this little—he did not use this term—dinky town that wants to use some garbage?

Mr. REID. I used small community.

Mr. LAUTENBERG. I used the words "dinky town." It is a little more descriptive.

What I would ask is: Would this fancy resort town with all that high income say: "Listen; don't put that waste facility in there—that perfectly sound, environmentally protective waste facility—to gain some income. Do not do that. We are going to give you the money that would replace that."

Do you think that would be the response from the resort town?

Mr. REID. I would say to my friend from New Jersey, in referring to the hearings that were held on this, I repeat: Waste facilities employ very few people, and those they employ are at very low-wage jobs. Few people benefit substantially.

And so I would submit that the State that has areas in it that are oriented toward tourism would and should be very concerned about areas around them that want to suddenly establish a garbage dump, because the Governor of the State has to be concerned about the whole State, not just part of the State.

And I would suggest that my original question is a valid one. That is, the Governor of the State must take into consideration what has taken place in that tourist-oriented area and not, I would think, allow garbage to be put on the entrance to the resort area.

Mr. LAUTENBERG. Will the Senator recall, for my benefit, his recollection of the hearings that we held in the Environment Committee, the outcome in front of the committee of the proposal that the Senator now makes on the floor of the Senate?

Mr. REID. Yes. Mr. President, I offered this amendment before the Environment Committee, and it failed to pass. I indicated at that time that I would bring this to the floor because I felt, the way the committee was constructed, that the people on the committee did not recognize the significance and the importance of western United States, and I felt this matter being brought before the full Senate would give us an opportunity to present our case in a better fashion.

Mr. LAUTENBERG. I remember that it failed, Mr. President, and I appreciate the Senator's refreshing my memory. I wanted to be certain that the RECORD reflects that it failed in the Environment Committee.

I thought it failed by an overwhelming voice vote, but that may be a subjective analysis. Failure is failure, nevertheless.

Mr. REID. I would respond to my friend that that is why we have the opportunity on matters that are decided at committee level to bring them to the floor, because that is not an ultimate decision. And I think all 100 Senators should have the opportunity to decide whether they want the Governor to control this.

Mr. CONRAD. Will the Senator yield for a question?

Mr. REID. Yes; I am happy to yield to my friend from North Dakota.

Mr. CONRAD. I would ask my colleague if it does not strike him that our friend and colleague from the State of Idaho has stood principle on its head here. The Senator from Idaho says a small town. In my State, as I indicated earlier, I have 4 towns with less than 10 people—less than 10 people. And it seems to me the Senator from Idaho is arguing that the minority rules—the minority rules.

What happens if a very small town close to a larger city decides they want the trash to come? Does the Senator from Idaho——

Mr. SYMMS. They have to comply with the laws of the land and handle the proposal in a proper way.

Mr. CONRAD. Mr. President, I have the floor. I reclaim the floor.

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. CONRAD. Mr. President, I am asking the Senator from Nevada if it does not stand principle on its head to suggest a small town, which may be close to a larger city—in my State, as I indicated, I have 4 cities of 10 people or less—that they would be in a position to dictate to the larger community, under the provisions of this bill, without the Reid amendment; is that not correct?

Mr. REID. I would respond to my friend from North Dakota that I have indicated I do not understand the logic of my friend from Idaho, who has lectured not only me—and, again, I use that in a positive sense—and the entire committee that I have served with him on or for 6 years, but the entire Senate about the importance of States rights.

And so I agree with my friend from North Dakota that I am logically without explanation to understand how that would apply to this legislation.

Mr. CONRAD. I thank the Senator from Nevada.

I would just say to the Senator from Nevada and the Senator from Idaho, I thought majority rule was the principle upon which this country was founded. And to have a situation in which a tiny minority can dictate the outcome to the larger community makes absolutely no sense to this Senator.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I very much appreciate and understand the concerns of the Senators from South Dakota and North Dakota and Nevada, and it is a real concern.

Essentially, larger States in the West—my State of Montana is certainly one—States with large geographic areas, where communities are spread far apart, are States which have terrific scenic beauty. The Rocky Mountain States certainly do.

We have many resort towns in our State of Montana—Flathead Lake, Whitefish Lake—I could name many. The same resorts and the same types of communities exist not only in the States of Nevada and South Dakota and North Dakota, but all across this Nation.

I understand the concerns of the Senator. I think we have to realize that we are here as 50 States trying to find a solution to a problem. What is the problem? The problem is the interstate shipment of municipal solid waste.

Some States in this country are shipping a lot of waste, into other States. Those States tend to be populous States. They are Eastern States with a lot of people, not a lot of land. And it is difficult for those States to find the landfill capacity to accommodate their needs.

I must say, those States are doing an exemplary job. New Jersey, for example, recycles more waste than any other State. Now, one can question the definition of recycling because New Jersey includes scrap material along with other commercial recycling in that statistic of 50 percent today. New Jersey is probably leading the Nation in the amount of material it is recycling under a program instituted just a few years ago. Governor Florio of New Jersey is the main architect of the program, and he has done a tremendous job.

In addition, the State of New York, which now exports a lot of solid waste, is also going out of its way to control the disposition of the waste it generates.

Tom Jorling, the commissioner of environmental conservation in the State of New York, has publicly stated several times that it is the intent of and the policy of the State of New York, to be self-sufficient in managing its own solid waste in the next several years. They are trying to control the waste they generate, and they are going the extra mile.

Forty-three States in our Nation export solid waste to some other State and 42 States import waste from another State. That is a lot of waste shipments. And if one were to see a map of the United States with arrows indicating States that import solid waste and States that export solid waste, one would see a mass of arrows going in all directions.

And it is because virtually every State in this Nation imports and/or exports solid waste.

Now, what is the effect of the amendment under consideration? The effect of the amendment could be to potentially slam the door on the transportation of solid waste in our country overnight. Immediately. Why? Because this is such a politically sensitive issue. It is the NIMBY, "not in my backyard" problem. People tend not to mind accepting their own waste. They tend, however, to mind accepting somebody else's waste.

I assume that the waste from one State has the same amount of contaminants as waste from another State. Waste is waste. It tends to be bottles, plastics, paper. It is just the stuff we all throw out in the garbage everyday.

Because it is so sensitive politically, Governors are going to be under tremendous pressure from various communities to stop that out-of-State waste. They will say stop that out-of-State waste. That is a very, very tempting provision. It is easy in the short term to just say "no out-of-State waste, period."

Let us examine that a little bit. What are the logical consequences of that? The logical consequences are that every State must deal with its own waste and not ship to any other State. Does that make any sense? Some cities are on borders of other States. There are lots of cities in our Nation. Let us take Washington, DC. We are adjacent to Virginia, to Maryland. There are countless examples where cities are next to State borders, and it just makes sense sometimes to ship that waste 10 miles even if it just so happens to be another State. Just because there is some artificial boundary there, why should that make a difference, so long as wherever the waste is disposed of it meets strong, solid environmental standards?

Let us not yet address what a State can do. Let us address what the Federal Government is providing with respect to solid waste. The Environmental Protection Agency has promulgated higher standards for all solid waste sites in the Nation, for present landfill disposal sites and for newly constructed sites. The standards for present landfills, do not go into effect, until 1993. But these are higher standards that will apply, that will apply to all landfill sites in the Nation. In addition, the EPA has promulgated rules that apply to newly constructed landfills.

Senators worry about potential newly constructed landfills. But the fact is newly constructed landfills, at least by 1993, must meet the new standards, which are very stringent. They include monitoring, odor controls, and liners. These are tough standards that the Federal Government is applying to future landfills.

The question of the Senator, why can't a State stop a community that wants to accept out-of-State waste? Frankly, it raises a very philosophical question. It is a public policy question. The question really is the degree to which local governments should make their own decisions on these matters.

Solid waste is much different than other environmental issues. This is not air pollution. Air pollutants travel around the country, across State lines, around the world. This is not water pollution where contaminants travel from upstream to downstream and affect people in lower areas. This is solid waste. This is an environmental matter which is much, much more local in nature than is air pollution or water pollution.

Mr. DASCHLE. Will the Senator yield just on that point?

Mr. BAUCUS. I will in a few minutes.

That is why we have a Clean Air Act that sets national controls with respect to air pollution and why we have a Clean Water Act, which also sets national controls. But solid waste disposal is essentially a very local problem. The States and cities deal with solid waste, but for the provisions, I mentioned.

Now, States and Governors still have tremendous authority and control over landfill sites in their own States. States can set up any number of criteria that would apply to those landfills. For example, these could be any kind of disposal restriction. The State could prohibit recyclables from being disposed of in landfills in ones State. That would be a very salutary step a State could take. That would encourage more recyclables.

Or a State could impose siting restrictions. They could prohibit landfills within a certain number of miles of a lake, a stream, a national park, or a State park, or anything. So long as the State does not discriminate against out-of-State waste, a State has a number of ways in its control to protect its citizens, particularly those citizens in an area which, in some way or another, may or may not be affected by another local government decision because it wants to accept solid waste. Or a State could address the issue by assessing higher fees on its trucks, on the disposal trucks that may travel down the highways and pound the highways, if you will. Or it could raise its own environmental standards to such a high level, it would create higher tipping fees and very much reduce the incentive for any out-of-State waste to come in.

The basic points are this is a complicated problem which requires a somewhat complicated solution. Usually in life there is no silver bullet, no simple solution which immediately solves all of our problems. It is tempting to say just let Governors close the doors and that will solve the problem, but it will not solve the problem. This stuff is going to pile up somewhere. So many States export waste right now, where is the stuff going to pile up? It will go somewhere. If all Governors start saying no all the time, those 43 exporting States have to do something with it immediately. There is no phase-in provision in this amendment. It is immediate.

Mr. DASCHLE. No. 1995.

Mr. BAUCUS. Excuse me, it is 1995 it goes into effect. That is still pretty tight, given all of the waste that is exported around the country.

The second basic point is that States have tremendous power, either through the Governors or the legislatures, to deal with the kinds of problems, legitimate problems that Senators have raised. And, I might add, so many of us here are critical of the "not in my backyard" syndrome. This amendment encourages the "not in my backyard" syndrome. I think we should try to find a solution where we Americans come together and we work with our waste problems together and not encourage going our separate ways.

For all these reasons, I very respectfully urge Senators to resist this temptation to give Governors all this control, this authority, because this bill we have crafted, while not solving all the problems that Senators see, still is, in my judgment, the best compromise that can be worked out for a very, very difficult problem.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I note the authors of this amendment and the supporters of it were experienced politicians. I say that word in the most favorable light. These Senators have held office in their States and in this body for some years.

So they are practical people. They know what can be achieved and what cannot be achieved. The facts are, I say this to them, that in the United States of America today, as a result of the Supreme Court decision in 1976, no State can control the flow of interstate municipal waste. Those are the facts.

What we have done in this bill is to provide significant authority to Governors and municipalities to control that flow. If these Senators in favor of this amendment should prevail in the motion to table, I can guarantee that those major exporting States would filibuster this bill. We would have no bill whatsoever. So in their desire for perfection, they are going to end up with zero nothing. Those are the facts.

The majority leader has determined that we have spent enough time on this bill. We have spent 3 full days, and indeed he has given us part of tomorrow with the belief that we are on the way to passage of this legislation.

So if these Senators pressing this amendment, all of whom are experienced, all whom are savvy governmental operators and know how this body itself works, as well as how their own States, work, but they have spent time in this Senate, know that this bill will be killed and will end up with nothing. So that is their choice.

I strongly believe we ought to adopt the best we can because, as the Senator from Montana has pointed out, we spent 3 days on this, not debating amendments and tabling them, adopting others and accepting others, we spent 3 full days trying to get an agreement. Who has been involved with the agreement? The major exporting States. They cannot survive with this amendment as presented by the distinguished proponents of the amendment. So, therefore, they would filibuster it and we would have nothing.

So I hope they withdraw the amendment or that we can get on with a time agreement and vote very soon on the motion to table, because if they prevail, we are not going to have any legislation whatsoever.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana [Mr. COATS] is recognized.

Mr. COATS. Mr. President, I rise with mixed feelings not only because of the subject of the amendment offered by the Senator from Nevada, but many of the arguments made by the Senator from Nevada and the Senators from North and South Dakota are arguments that this Senator made on this floor as he originally brought a bill to the floor, at least in the form of an amendment, giving the Governor sole authority to ban, limit or impose fees on the shipment of out-of-State waste.

That was 3 years ago. I have been there. I have been where the authors of the amendment now are. The garbage is still flowing. The argument just made by the Senator from Rhode Island is the pertinent argument, and that is do you want to do something about the flow of garbage interstate with a realistic chance of enacting protection into law, or reserve all authority for the State, and go back to what I originally tried to do. Unfortunately, that legislation has never been enacted. I wish it had more chance, more ability to be enacted into law, but it does not.

The process that we have now been working through for the last year, and particularly the last several months and the last 3 days, is one that is designed to become law and not just to accommodate the needs of those States that are currently receiving out-of-State waste, but to accommodate all States.

I think it is important that the authors and the supporters of the amendment before us understand that when the Environment Committee reported its bill, the authorities under the interstate section were limited to those States receiving the most waste.

This Senator said it is not fair to solve Indiana's problems simply to create another problem in Kansas or North Dakota or Nevada or somewhere else. And as a result of that, with Senator BAUCUS' concurrence, we introduced the bill that we are now debating, S. 2877.

The Baucus-Coats bill provides that freeze authority, not just to the initial States that were the major recipients of out-of-State waste, but provides it to all States. We extended that authority that initially went to four States to all States, so that you would not be involved in this game of "Pass the Trash."

Mr. CONRAD. Will the Senator yield on that point?

Mr. COATS. I will be happy to yield.

Mr. CONRAD. Mr. President, I ask the Senator from Indiana, I was in the Chair during the time there was a colloquy between the Senator from Montana, the very able Senator from Montana, the Senator from Rhode Island, and the Senator from Pennsylvania. And the question was, could a Governor block a new contract? What was the effect of the limitation on contracts that ran over 7 years?

It became clear as I listened to that debate that the fact is that a Governor can only block a new contract in a situation in which a local community concurs with the Governor. It also became clear that the real protection here is for the States that are the high importation States, your State.

With all due respect, it strikes this Senator that when the Senator from Montana says we have a 50-State problem, I agree. The problem is this is a six- or seven-State solution. Those who were negotiating took care of their States. New Jersey is taken care of, New York is taken care of, Indiana is taken care of, Ohio is taken care of, Virginia is taken care of, Pennsylvania is taken care of—the very Senators who were in on the negotiation.

Where are the rest of us? The rest of us are getting ready to have the trash come our way. And I say to my friend from Indiana, whom I have a great deal of respect for, and I know the Senator from Indiana has worked very hard on this issue, his State has a real problem. I do not want his problem to come to my State.

This is not a frivolous amendment. This is an amendment that is advanced at the request of the National Governors Association, 50 State Governors who are interested in a 50-State solution, not a 6-State solution. And, in fact, are we not being asked to solve this for your States but to leave our States vulnerable?

Mr. COATS. Mr. President, if I can reclaim my time and respond to the comments made by the Senator, this is not a bill designed to protect just a few States. The authority to ban or to freeze the shipments of out-of-State waste is granted to every community in the United States. We fought for that. We fought very hard for that because we believe the first line of defense to unwanted out-of-State waste rests with the people where the garbage is deposited.

The Senator from Nevada and the Senator from North Dakota argue that communities will want to receive out-of-State waste, and unless they request the State to intercede, the State can do nothing about it.

But the reality is just the opposite. The reality is that most communities do not want the refuse. They do not want the garbage. Ask the exporters how difficult it is to strike an agreement with a community. The first line of defense ought to go to the people who are receiving the out-of-State waste. They are the ones who have the right in every State, every community, they have the right to petition the Governor to say, no we do not want it.

That is a line of defense that I think is far more important than simply residing sole power in the Governor. With respect to the argument about the National Governors Association, when this Senator had a bill similar to Senator REID's on the floor, I could not get the support of the National Governors Association because they were divided, and my understanding is that they are still divided. The National Governors Association has not taken a clearcut position on this issue because some States favor this position, some States favor our position, some Governors want some different variation. But I can guarantee this: The Governors of the States like yours and mine that are on the receiving end of out-of-State waste want a law enacted this year.

They want a provision that works. They do not want us to talk about it in the Senate. They do not want us to go through what the Senator from Indiana has gone through for 3 years—great rhetoric, no action, no legal authority to stop one pound of waste. This is legislation that is designed to do that.

I think the question comes down to who do you trust the most? The Senator talked about a State being left out in the cold. What about a community, when a Governor in economic straits cuts a deal with an exporter and says we are going to dump this stuff somewhere in North Dakota and that community has nothing to say about it. It is just the reverse of the situation that the Senator talked about.

I think that is just as likely a scenario as a community wanting it. Besides, if a community negotiates a deal to receive out-of-State waste, maybe it is in that community's best interest, and if they want the stuff—and in many cases there are inducements and benefits that run to the community for receipt of that—if they want that, then why not at least give the people who are on the receiving end the choice?

What I think the Senator ought to be concerned about is the significance where a Governor is either neutral on the issue or receptive to the issue of out-of-State waste for an economic benefit, and some poor community of 10 people or 100 people or 500 people has nothing to say about it. So we have extended that authority to every community in the Senator's State, and I think the people in those communities would like to have that authority.

Mr. CONRAD. Will the Senator yield on that specific point?

Mr. COATS. I yield.

Mr. CONRAD. Is it not true that the only States where the Governor can freeze the amount of previous years is in those States that are receiving over a million tons a year? Is that not the case?

Mr. COATS. No, that is not true. Every Governor in every State has the authority to freeze. There is additional authority provided to Governors in States that receive more than a million pounds of trash a year. And that same authority would flow to the Senator's State if that happened.

Mr. CONRAD. But that is the point. The additional authority only resides in those States that are receiving over a million tons a year, and those States are how many in number?

Mr. COATS. The additional authority is only needed in those States that receive over a million tons a year.

Mr. CONRAD. That is in the eyes of the beholder, I say to my friend from Indiana. If I represented a State that was in that category, I guess I would agree on that limitation. My State is not in that category. It believes its Governor ought to have that same right to limit that Governor of Indiana would have. What is good for the goose is good for the gander.

Mr. COATS. Mr. President, let me finish by saying I hope we can move to a vote. We have been debating this now 72-some hours. But obviously other Senators want to speak. I will finish up quickly.

I am not unsympathetic to the arguments of the Senators from North Dakota or Nevada. Those are many of the very same arguments the Senator from Indiana has in the past made.

What I am attempting to do is what I hope the majority, if not all of us, would like to do and that is do something about this problem. I guarantee you if the amendment of the Senator from Nevada is passed, we throw ourselves right back into stalemate, right back into filibuster. The legislation is dead for the year. The trash will continue to flow. No community will have the right to say, "no". No Governor will have any authority whatsoever. It will flow unimpeded as it has year after year after year. That is the practical result of all of this.

We have worked for 3 years, negotiated for more than a year, and intensely negotiated for the last 3 days on this floor to try to write a bill which can become law. If you want to stop the garbage, if you want to stop the out-of-State waste, we have one chance to do it.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I thank the Chair. I am just going to take 30 seconds. We have been on this bill 3 days. I am kind of an innocent bystander. I have tried to understand the discussion.

Mr. President, I would like to ask the distinguished managers of the bill if it might not be possible—it is now 5 minutes of—to vote by 8 p.m. That is 2½ minutes on a side. Is that a possibility, I would like to inquire of our distinguished managers?

Mr. CHAFEE. Certainly on this side that is possible.

Mr. BAUCUS. Let me check.

Mr. LAUTENBERG. I would have a question that I address to the managers of the bill and to my friend from Arkansas, and that is if not 8, let us say by 10 past, or quarter after. We are talking about 10 minutes.

Mr. CHAFEE. Five minutes.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. LAUTENBERG. Has the Senator yielded the floor?

Mr. PRYOR. I yield the floor. I just posed that as a question.

Mr. BAUCUS addressed the Chair.

Mr. LAUTENBERG. Mr. President, I would like to be recognized.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, let me try to get a time agreement here. I think we can wrap this up fairly soon. I suggest 10 minutes, 5 minutes on a side.

Mr. LAUTENBERG. Reserving the right to object, if the Senator is willing to give me 5 minutes, I would agree to that.

Mr. BAUCUS. Four.

Mr. REID addressed the Chair.

Mr. LAUTENBERG. Let us extend it to 12.

Four minutes. Is that the proposal, that we speak for 10?

Mr. BAUCUS. Five on a side.

Mr. LAUTENBERG. The Senator from New Jersey gets 4 of the 10.

Mr. BAUCUS. And with the right to move to table.

Mr. REID. Reserving the right to object.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada reserves the right to object.

Mr. REID. I thank the Chair. I am wondering, in responding to the manager of the bill, I have been advised that my friend, the senior Senator from Arkansas would like 2 minutes; I would like 2 minutes; the Senator from South Dakota, 2 minutes. That is 6 minutes on this side.

Mr. BAUCUS. Mr. President, I suggest 6 minutes on a side—12 minutes, 6 minutes on a side.

Mr. LAUTENBERG. Reserving the right to object, Mr. President, is the Senator from New Jersey going to get 5 minutes now?

Mr. BAUCUS. Yes.

Mr. BUMPERS. I would like 3 minutes on the other side from the Senator from New Jersey.

Mr. CHAFEE. The Senator is getting it.

Mr. LAUTENBERG. Talk to the managers.

Mr. BUMPERS. We are talking about a unanimous-consent agreement, Mr. President. Anybody has a right to object if they want. I do not want to object. I am just simply saying I would like to have 3 minutes.

Mr. BAUCUS. Mr. President, let me revise the agreement: A total of 15 minutes, 7½ on a side, the managers fairly allocating it, with a stipulation, a motion to table at the end of 15 minutes is in order and no second-degree amendments are in order.

Mr. BUMPERS. Reserving the right to object, Mr. President, I would like to ask the distinguished manager of this amendment, Senator REID, whether or not, if he agrees to that, he also agrees that I will have 3 minutes.

Mr. REID. It is my understanding the senior Senator from Arkansas wants to speak in favor of the amendment.

Mr. BUMPERS. Yes.

Mr. REID. I would give 3 minutes to the Senator from Arkansas.

Mr. LAUTENBERG. Just to clarify the agreement—I address the manager once again—is the Senator from New Jersey going to have an opportunity to speak? I have worked on this, for 3 solid days I have stood here and now to be paired off against someone who wants to jump in at the last minute, frankly, I might very well object to this time agreement.

Mr. BAUCUS. How many minutes would the Senator like to speak?

Mr. LAUTENBERG. I wanted 5 minutes.

Mr. BAUCUS. The Senator will have 5 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Who is yields time?

Mr. REID. The Senator from Nevada will yield 3 minutes to the Senator from Arkansas out of the 7½ minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, this is obviously one of the knottiest issues the Senate has had to deal with in a very long time. We all recognize benefits that we derive from what ultimately becomes waste. We all know that the waste has to be disposed of. But my point is this: no State ought to be burdened by the garbage of any other State.

If New York, which was a magnificent host to the Democratic Convention last week, we could not have been treated better, more cordially—and I do not use New York for a majority of reasons. But if New York is going to generate all of this waste as well as any other State, I can tell you I am standing here because I want the right to say that it is not going to come to Arkansas over our objections. It is just that simple.

And if this amendment passes—and I strongly hope it will—all the States who are generating excess garbage, more than they can possibly handle themselves, will start recycling, they will do all kinds of technology, or at least they will try, to institute technological changes to take care of their own.

But I come from a beautiful State. I want us to have the right to say no. I am not sure what the amendment that was agreed on last night said. The Senator from Nevada and the Senator from North Dakota say it takes good care of New York, New Jersey, Indiana, and Virginia. But I did not see Arkansas. When you talk about a million tons of waste, which is the threshold in that amendment, it does not include us. I want the right for the Governor of Arkansas to say no.

If you have some small community—we are nothing but small communities. Some of then have a very difficult time financially. If some industry from some other State comes in and says we will make you rich, just let us dump our garbage on you, the first thing you know, instead of a clean, pristine State in which you take tremendous pride, you have one gigantic garbage heap.

I want the right to say no. That is all this amendment says.

So I intend to fully support the Senator from Montana, the sponsor of this bill. He has worked hard. I am a cosponsor of the bill, too. But I want to protect my State, and that is the reason I intend to vote for this. I do not want my State despoiled over our stringent objections. So I plead with my colleagues to support this amendment.

Mr. BAUCUS. Mr. President, I yield 5 minutes to the distinguished Senator from New Jersey.

Mr. LAUTENBERG. I thank the manager.

Mr. President, I rise in strong opposition to this amendment which would allow States to simply ban interstate waste shipments. It fails to achieve the basic standard of giving States an opportunity to reduce solid waste exports.

Mr. President, this amendment was offered and overwhelmingly defeated in the Senate Environment Committee. The committee recognized that there needed to be a balance between the needs of exporting States to have adequate time to reduce garbage exports and the needs of importing States.

It also recognized that almost all States are both exporting and importing States.

So we adopted a balanced approach which is reflected in S. 2877. It was supported in committee by Senators from both importing and exporting States. It has been cosponsored by a number of Senators including Senator COATS. And over the past few days, many Senators have come to the floor to praise the approach taken in S. 2877.

Mr. President, I cannot support any amendment which does not assure that my State has adequate time to make the transition to garbage self-sufficiency which it has committed to.

Solid waste is a national crisis requiring a national response.

But the solution to this crisis is not to allow States to balkanize themselves as this amendment would do. We are the United States of America and national problems deserve national solutions.

This amendment allows States to ban garbage imports. One thing we do know is that bans are not an environmentally responsible approach.

At an EPA hearing, EPA Administrator Reilly said, "we should not create any authorities that operate as a ban on interstate transport of either solid or hazardous waste, thereby inhibiting or restricting development and use of the most appropriate technology for waste treatment or recycling."

The Administrator also said that interstate transport of waste did not present an environmental problem.

He also expressed concern that bans would lead to undesirable disposal of waste including illegal disposal.

So this amendment is not environmentally responsible. It is unfair to States which need time to reduce garbage exports. It is unfair to local communities which want to build environmentally safe landfills and reap the economic benefits from those landfills. And it fails to establish a national solution to a national problem. So I would urge my colleagues to vote for the motion to table this amendment.

Mr. President, I think we have heard this war of words escalate beyond the garbage war. I think we wind up talking to ourselves.

I just heard the distinguished Senator, my dear friend from Arkansas, railing against this bill which he sponsored initially. So that provided him with what he wanted at that time; that was to limit the amount of garbage that could be shipped to his and other States. It is very clearly stated.

So now we hear him saying that he is going to support the amendment that will likely bring down, if it wins, S. 2877 which at least is the beginning of some curtailment of the flow of garbage into the States that do not want it.

Mr. BUMPERS. Would the Senator yield?

Mr. LAUTENBERG. I only have 5 minutes. If the Senator would be courteous enough to let me finish, Mr. President, I will continue to hold the floor.

There has been a lot of labor on this issue. We heard the arguments made by the distinguished Senator from Nevada [Mr. REID] in front of the Environment and Public Works Committee. There was almost a full attendance at that committee when we heard his amendment.

There was only one vote in favor of it, and that was the distinguished Senator from Nevada. Everybody else on the committee said no to the amendment. So here we are, and he is right. He said earlier we have every right to bring up amendments on the floor.

But this bill passed a seasoned group of legislators who have been hearing this discussion on many, many occasions and over a long period of time. It goes back a couple of years now. And the Environment and Public Works Committee said no to the Reid amendment because it is going to disrupt the relationship that is necessary to get a sensible, rational plan for dealing with our garbage.

When I hear the Senator from Arkansas describe his beautiful State, I agree with him. Does that mean my State is not beautiful? That my State which took garbage from everybody around it, particularly New York and Pennsylvania, for years giving away our capacity—shouldn't be treated fairly? We did not want to take garbage. The Supreme Court said we had to do it.

But now we are out of capacity. My State is running out faster than any other State in this country. The distinguished Senator from Montana said so. We are now recycling over 50 percent of our solid waste.

I want to hear other States make that claim. By 1995 we will be up to over 60 percent of recycling our solid waste. We are working hard, we are working fast, we are going to serve as a model for this Nation.

I would also remind many of you here in the room, 43 States have some export relationship with their garbage. Today's importer becomes very quickly tomorrow's exporter.

So I will wrap it up by saying this: There was a debate about whether or not this small town someplace on Earth could say no and control what the majority says. It is pretty clear in this bill. It says

> Definition: The term "affected local government" means the elected official of each city, town, borough, parish, district or other public body created by or pursuant to State law.

Pretty simple: Get the State to change the law establishing these little towns. Take the decisionmaking right away from them, and then you would solve the problem.

I ask unanimous consent, Mr. President, to enter into the RECORD a letter from the National Association of Counties.

The association says:

> The second provision NACo supports would give local governments the authority to decide whether landfills and incinerators can accept out-of-state waste. Local governments are best positioned to assess the health, social economic and physical impact of waste disposal facilities on the immediate community.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, April 27, 1992.

Hon. FRANK R. LAUTENBERG,
U.S. Senator, Hart Senate Office Building, Washington, DC.

DEAR SENATOR LAUTENBERG: As the Senate Environment and Public Works Committee prepares to mark-up RCRA reauthorization legislation, I write to reiterate the support of the National Association of Counties (NACo) for two provisions in the redraft of S. 976. One involves recycling and the other concerns the interstate transport of solid waste.

The first provision addresses the critical need to stimulate recycling markets by requiring "responsible entities" to reuse or recycle a percentage of the products they place in commerce. This strategy responds to the dilemma counties are facing as a result of restricted markets for recycled goods. Counties throughout the nation have established recyclable collection programs. As supplies are increasing, the prices paid for recyclables are decreasing. Many communities are subsidizing costs of their recycling programs with tax dollars at a time when county revenues with which to pay for competing priorities are constrained. I believe that the pending proposal in S. 976, by assigning responsibility to specific large corporations, will assure a measurable reuse strategy and thereby create and maintain markets that will make county recycling efforts more effective.

The second provision NACo supports would give local governments the authority to decide whether landfills and incinerators can accept out-of-state waste. Local governments are best positioned to assess the health, social, economic and physical impact of waste disposal facilities on the immediate community. The bill recognizes that states also have a role which is to ensure that these facilities meet applicable state and federal environment laws.

Thank you for considering NACo's policy on these issues which are of critical importance to my county.

Sincerely,

LARRY E. NAAKE,
Executive Director.

Mr. LAUTENBERG. Mr. President, I want my colleagues to understand what the vote on this amendment means—there is going to be a tabling motion—if it is not defeated, we will not pass this bill. That is the end of the line. It is not a nothing or all. It is a something or nothing. That is what we are talking about. There is enough opposition to stop this bill. There has been enough hard work. There have been agreements hammered out that favor both the importing and exporting States. So I urge my colleagues to oppose this amendment.

Mr. REID. The Senator from Nevada, who has 4½ minutes remaining, yields 2 minutes to the Senator from South Dakota.

Mr. DASCHLE. Mr. President, we should not pass this bill. It is seriously flawed. That is the bottom line. If this is the best we can do, then I think we had better go back to the drawing board.

I want to make three very simple points.

First of all, the opponents say that this is a local issue. They are right, it is a local issue. But it is also a county issue, it is a regional issue, it is a statewide issue. Frankly, I do not know of any project in a State which is more transportation intensive than garbage. If the Governor, if the State legislature, if somebody with statewide authority cannot have the authority to deal with the transportation issue then what are we doing to ourselves?

The second point. Without this amendment—everyone should understand this—a community of 10 people can override a county of 1,000 people, a region of 10,000 people, a State of 10 million people. I do not know of a piece of legislation we have ever passed that would give 10 people that kind of authority. That is the most incredible delegation of responsibility that I think I have ever voted on.

The third point. What do we elect our statewide elected leaders for if it is not for this, if it is not to make some tough decisions about how we deal with the complicated and controversial issues having to do with State waste and State transportation and State environment and State economic development? That is what this is all about—to include our elected officials, not to eliminate them, from decisionmaking.

Mr. President, it is that simple. If you want to ensure rational decisionmaking, if you want to ensure that everybody gets included, if you understand that this is not just a local issue but it is a statewide issue as well, you will vote against the tabling motion and for this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. I ask the manager on this side if he would yield me 30 seconds.

Mr. REID. That is done.

Mr. BUMPERS. Mr. President, first of all, I was a cosponsor of this bill until it got all mucked up last night with that amendment which carefully took care of about 7 States to the exclusion of 43.

My point is this: If you look at who is really championing the defeat of this amendment, it is people who generate tremendous amounts of garbage, and they want to put it on the rest of us. And any Senator from a rural State, a small State, you had better be very careful about how you vote on this amendment because that is what this is all about.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, I yield 1 minute to the Senator from Indiana.

Mr. COATS. Mr. President, as I earlier said, I am sympathetic to the arguments of the proponents of the Reid amendment, that many of them are arguments that I originally made. For 3 years, I have been able to deliver some great rhetoric back home. I have been able to develop some wonderful sound bites but I have not been able to produce results. This legislation that we have so tirelessly worked on that was substantially improved with the Coats-Chafee-Metzenbaum-Specter effort here in the last 2 days is legislation that can be enacted.

If you want to stop the flow of garbage into your State, vote for something that works, for something that has an opportunity to become law. If you do not, and you want the status quo to continue, use all of the good rhetoric, and I guarantee you as someone who has worked for it for 3 years, it is a nonstarter, and it is going nowhere.

Mr. DOLE. Mr. President, I would like to respond to a couple of points that have been raised with regard to this amendment.

First, this amendment defeats the purpose of this legislation giving the communities the right to choose whether they will receive out-of-State waste. There are ample protections built into this bill that take into account the realities of the waste flows in this country. The bill goes a long way toward providing the protection State and communities have demanded since the advent of long-haul flows of wastes began to be a problem.

Second, with regard to the argument that small, economically disadvantaged towns will come running to the opportunity for easy money from sweetheart deals from waste companies who want to prey on them for new sites. In Kansas, we have already addressed this situation. For purposes of what a community is and is defined as, in most cases the county will be the final decisionmaker. Thus, a small town will not unilaterally be able to make a deal that is bad for the area without the approval of the county commission, because the county, unless a city is designated, will be the local subdivision with jurisdiction.

I ask that the Kansas legislative action on this matter in 1992 be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

KANSAS LEGISLATIVE ACTION—1992

ENERGY AND NATURAL RESOURCES

Solid Waste Statutes—Amendments

H.B. 2801 requires counties or designated cities to submit a plan for the management of solid waste in each county. Two or more counties may adopt a regional plan. Plans are required only after a one-year period following the completion of a statewide plan. The Secretary of Health and Environment is directed to assist counties and regions in planning and management, with assistance given through grants. A solid waste management committee, not to exceed 30 members, is to be established in each planning area.

A Solid Waste Management Fund is created, with receipts coming primarily from a statewide fee of $1.50 per ton of waste disposed imposed beginning on January 1, 1993. Authority is given, under certain conditions, to restrict solid waste generated outside the area from being disposed of in a plan area. Each county will impose, on July 1, 1993, a fee of $25 per ton for solid waste generated outside the state and disposed of in the county, with the moneys to be used for closure and postclosure cleanup. Fees are permitted for solid waste generated outside the plan area and for solid waste generated within or outside the plan area which is deposited in privately owned disposal sites. Boards of county commissioners are given ultimate imposition authority over the fees, except for the statewide fee.

The Secretary is to conduct a background investigation of applicants for a permit who also may be subjected to a criminal background investigation. Authority is given to the Secretary of enjoin acts that pose a threat to public health and to apply to the district court for relief.

Further, the bill: requires reclamation facilities to be permitted; clarifies that scrap material recycling facilities are not required to obtain a permit; gives the Department of Health and Environment authority over privately owned solid waste areas, transporters of solid waste, and nonhazardous special wastes; permits certain cooperative agreements regarding market development for recyclable materials; raises the annual permit renewal fee, establishes an original permit fee for solid waste processing or disposal areas; increases the violation penalty; exempts low rainfall and limited waste generation areas from design and groundwater monitoring requirements; requires local units of government to meet financial and insurance requirements and allows such units to use their ad valorem taxing power to meet financial tests for closure and postclosure; requires owners of disposal sites to be responsible for care of the site for 30 years after closure; and permits counties in a regional plan to withdraw from the plan.

The bill also establishes a nonrefundable income tax credit, under certain conditions, to be effective for tax years 1992 through 1995 with unused credits eligible to be carried forward for up to seven years. The aggregate of any credit is not to exceed $100,000 for any one taxpayer.

Mr. REID. Mr. President, I ask unanimous consent that Senator LEVIN and Senator RIEGLE be listed as cosponsors of this amendment and that Senator RIEGLE'S statement be inserted in the RECORD, together with a Supreme Court decision of Sanitary Landfill, Inc. versus Michigan.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I rise today in support and as a cosponsor of the amendment offered by Senators REID, BRYAN, DASCHLE, and LEVIN to S. 2877, the Interstate Transportation of Municipal Waste Act of 1992.

For more than a decade Michigan has had a solid waste plan that has combined long-term planning, careful waste disposal, and a goal of self-sufficiency. On June 1 of this year, the Supreme Court struck down a provision of Michigan law that prohibited disposal of waste generated in another county, including waste generated in another State, unless explicitly authorized in the receiving county's plan. The Court characterized it as a protectionist measure that cannot withstand the commerce clause in the U.S. Constitution.

This ruling has the effect of allowing landfill operators to accept solid waste regardless of whether State solid waste plans are in place. The decision undermines the ability of States like Michigan to continue to implement comprehensive waste plans and restrict the flow of waste from other States when it violates those plans. To allow these plans to continue to be effective, Congress must give these States the ability to regulate this type of interstate commerce. The bill in front of us does not take that step.

The amendment we are currently considering will authorize States with preexisting solid waste management plans to continue the practices that were in place prior to the June 1 ruling.

Michigan's State law requires each county to develop a solid waste management plan and to plan for self-sufficiency for waste disposal within 20 years. This law has been in place since 1978.

In Michigan, a county must work together with the municipalities to develop a solid waste management plan. The county then submits the plan to the Governor for approval. Once the plan is approved, it is incorporated into the State's overall solid waste plan. The plans are reviewed and updated every 5 years.

At the time of the Supreme Court ruling, all Michigan counties had a solid waste plan. All were approved by the Governor. And, the State had been proceeding toward the goal of self-sufficient solid waste management for more than 14 years.

This amendment simply allows States with existing solid waste plans that were approved by the Administrator of the EPA before June 1, 1982, to continue their current State waste management plans.

This amendment would affect only a small number of States. As of November 1987 only 22 States had EPA-approved State waste management plans. The EPA is currently compiling information about how many States have had plans in effect since 1982.

Mr. President, I ask for unanimous consent that a letter from the Governor of Michigan opposing this legislation be included in the RECORD along with the Supreme Court ruling invalidating Michigan's 14-year-old waste management plan.

I urge adoption of the amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MICHIGAN,
OFFICE OF THE GOVERNOR,
Lansing, MI, June 23, 1992.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR RIEGLE: On June 1, 1992, the United States Supreme Court rendered its decision in the matter of *Fort Gratiot Sanitary Landfill* vs. *Michigan Department of Natural Resources.* This decision struck down the provisions of Michigan's Solid Waste Management Act which allowed Michigan to effectively control the flow of solid waste between counties, and the flow of solid waste into Michigan from other states.

For ten years, Michigan has had an effective statewide solid waste management planning program which incorporated local concerns through county planning efforts. This process has provided Michigan citizens with a means to ensure environmentally sound, cost effective, solid waste management.

I am requesting your assistance in restoring Michigan's ability to plan for its future solid waste management needs.

I understand that the full Senate may be acting on legislation addressing the reauthorization of the Resource Conservation and Recovery Act (RCRA) this week. I cannot support any efforts that will remove from the states, authority which has long been, and should remain, theirs.

Current Senate and House legislative language provides inadequate control over waste imports, and will not provide any state with a meaningful ability to conduct effective long-term capacity planning. With regard to the control of interstate solid waste, I have the following specific concerns:

Under S. 976, S. 2877 and H.R. 3865, the current proposals, bans may be imposed by the state only at the request of the local government. The Senate bills provide that no facility may receive out-of-state waste unless approval to do so is granted by the local community where the facility is located.

I believe a constructive partnership of state and local governments is required. New facilities and expanded existing facilities should be permitted to accept out-of-state waste only in the context of a state-approved solid waste management plan. This will ensure the protection of state capacity requirements.

I believe that federal legislation should be passed that allows those states that have taken responsibility for the disposal of their solid waste to control the import of solid waste. The legislation should also preclude or limit the export of solid waste by those states that do not have a mechanism in place to guarantee that solid waste landfills and/or incinerators can be sited within their own borders.

Authorization alone does not fully address this problem. I recommend that federal legislation go one step further. States, like Michigan, that currently have comprehensive solid waste management planning mechanisms in place, should be allowed to prohibit the importation of waste from states that have no planning process. States should not be allowed to shirk responsibility for solid waste by not allowing facilities to be developed in their states, thereby, forcing export of solid waste to other states.

Grandfathering virtually every planned or existing facility, and all existing contracts, is unacceptable for Michigan. Such grandfathering provisions penalize those states that have sited sufficient capacity to meet their needs, by allowing that capacity to be consumed by out-of-state waste.

I recognize that existing contracts may need to be honored. However, these contracts must be fully disclosed to the state. This would include, among other information, the duration of the contract and the estimated tonnage being accepted by the landfill. These existing contracts must not be allowed to interfere with a state's ability to plan for disposal of solid waste generated within the state.

These bills require comprehensive oversight of state solid waste plans by the U.S. EPA. Administrator Reilly has made it very clear that he does not want this authority, and for Michigan and other states that already have comprehensive solid waste planning programs in place, it would mean more red tape and a larger bureaucratic burden.

Michigan is among those states that have taken on the responsibility for the disposal of their solid waste. Our state is able to be responsible because local governments are required to develop solid waste management plans. Each county within the state must develop a plan which provides environmentally sound disposal capacity for all the solid

> waste generated within its borders for a period of 20 years. Any facility that is proposed must meet all state and federal standards before it can be permitted.
>
> States should be given the flexibility to manage their own borders and to manage solid waste intelligently, and with the sovereign best interests of their citizens in mind. I urge you to support legislation at the federal level which allows states this flexibility. I ask you, a member of Congress from Michigan, to oppose S. 976 and S. 2877 in their current forms as they relate to the control of the interstate transfer of solid waste, and explore legislation that would affirm, under federal statute, Michigan's current program.
>
> The Waste Management Division is available to assist in preparation of alternative legislative proposals to address this important issue. I have asked Dennis Drake, Acting Chief of the DNR's Waste Management Division, to assist you with any questions you may have on Michigan's current program. Mr. Drake can be reached at (517) 373-9523.
>
> Thank you in advance for your consideration in this important matter for the citizens of Michigan.
>
> Sincerely,
>
> JOHN ENGLER,
> *Governor.*

Mr. REID. The National Governors Conference sent a letter indicating they support this amendment.

I also suggest, Mr. President, that this legislation should be defeated, as my friend from South Dakota said, if in fact this amendment does not pass. We hear too often on this floor that "If you do not do this, we are going to filibuster, and the bill will be pulled." We would probably have a lot better legislation if we put some of these people to the test to find out if in fact they would filibuster the legislation.

This is a good amendment. It gives the Governor, who must act in consultation with local governments, certain authority. He may not discriminate against any geographic area within the State. They may not discriminate on the basis of State or origin of the waste.

I suggest to my friend from Indiana that if he looks at the testimony given by the Governor of the State of Indiana before this committee on August 6, 1990, where he said, among other things,

> Trash is coming into Indiana by the truckload and by the trainload. Large 18-wheel tractor-trailers criss-cross Indiana bound for Hoosier landfills in which to dispose of their east coast trash.

This, Mr. President, should be stopped.

My friend from Indiana, by voting for this bill and against this amendment, will not be fulfilling, in my estimation, the wishes of the people of the State of Indiana, which he is talking about on this floor. I also suggest to my friend from New Jersey that it is true this amendment was defeated in committee, but the fact of the matter is there was every indication that there were people who favored it and would support it when it got to the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BAUCUS. Mr. President, I yield 1 minute to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, this is a good amendment. This is a very good amendment. It is such a good amendment that I voted for it when it was in committee. But I am opposed to it tonight, because this amendment will not become law. This bill will be filibustered, and it will be withdrawn, and there will be no legislation at all. The fact is, at this moment, we have worked out a package that is not as good as I would like it to be, but it is a lot better than what the law is now. It affects contracts and noncontract kind of waste coming into a State, and it brings down the amount appropriately, and over a period to the year 2000 it would be cut down 90 percent.

I say that, yes, the right vote is for the amendment, but when you get all done, you will have won nothing; you will have lost the ball game. The ball game will be over because there will be no bill. So I believe we ought to put this on the table. I think we ought to recognize that there will be another day when we can come back to it; but if we accept it tonight, I think the bill is at an end, and we will have lost a very good piece of legislation.

Mr. DURENBERGER. Mr. President, S. 2877 is a bill to authorize the States to regulate interstate commerce in municipal waste. This bill is before the Senate because the Supreme Court has decided that the States do not have the power to regulate the flow of waste across State borders. The Supreme Court finds in article I, section 8 of the Constitution, in the provision of the Constitution which is called the commerce clause, a prohibition on State laws that would limit the importation of out-of-State waste.

The first case of this type on municipal waste was called *City of Philadelphia* v. *New Jersey* (437 U.S. 617 (1978)). It was decided in 1978. New Jersey found that its landfills were filling up with Philadelphia garbage and passed a law prohibiting the disposal of out-of-State waste at New Jersey landfills. Applying its reasoning from cases going back to 1824, the U.S. Supreme Court determined that the New Jersey law was unconstitutional because it directly discriminated against out-of-State waste.

Justice Stewart writing for the Court in City of Philadelphia versus New Jersey described the constitutional considerations as follows:

> Although the Constitution gives Congress the power to regulate commerce among the States, many subjects of potential federal regulation under that power escape congressional action because of their local character and their number and diversity. In the absence of federal legislation, these subjects are open to control by the States so long as they act within the restraints imposed by the Commerce Clause itself. The bounds of these restraints appear nowhere in the Commerce Clause, but have emerged gradually in the decisions of this Court giving effect to that purpose. * * *
>
> The opinions of the Court through the years have reflected an alertness to the evils of "economic isolation" and protectionism. * * *
>
> The New Jersey law blocks the importation of waste in an obvious effort to saddle those outside the State with the entire burden of slowing the flow of refuse into New Jersey's remaining landfill sites. That legislative effort is clearly impermissible under the Commerce Clause of the Constitution.

As recently as June 1 of this year, the theory applied in City of Philadelphia versus New Jersey has been cited by the Court to strike down other State laws on waste management. On that day the Court overturned a Michigan law that allowed countries to refuse out-of-county waste at their landfills (*Fort Gratiot Sanitary Landfill, Inc.* v. *Michigan Department of Natural Resources*, U.S. Sp Crt No. 91-363 (June 1, 1992)). And on the same day the Court also announced its decision in an Alabama case finding unconstitutional an Alabama statute that imposed special fees on hazardous waste brought in from other States, fees that were considerably larger than the fees imposed on wastes generated within Alabama (*Chemical Waste Management, Inc.* v. *Hunt, Governor of Alabama*, U.S. Sp Crt No. 91-471 (June 1, 1992)).

These decisions have left little room for the States to regulate the movement of waste across State borders. And these decisions apply not only to State laws limiting imports, but to export bans, as well. For example, two counties in the State of Minnesota attempted to assure a flow of material to their newly constructed composting facility by passing an ordinance requiring that all waste generated in the counties be delivered to the composting facility. The counties were sued by an Iowa waste hauler who operates a landfill in Iowa and who wanted to dispose of the garbage he collected in his landfill, rather than deliver it to the county composting facility.

The Federal district court for Minnesota ruled in this case that the commerce clause bars regulations that have the effect of preventing waste exports, if the purpose of the export ban is principally to assure the financial viability of an in-State waste management facility (*Waste System Corp.* v. *County of Martin and County of Faribault*, No. 92-1642 MN).

While the Supreme Court has overturned State laws affecting interstate waste movements on constitutional grounds, the Court has also indicated that under the Constitution the Congress may grant State and local governments the authority to regulate in this area. The clearest statement of the congressional power to resurrect State regulations was made in the 1945 Case, *Southern Pacific Co.* v. *Arizona* (325 U.S. 761 (1945)), where Chief Justice Stone writing for the Court said:

> Congress has the undoubted power to redefine the distribution of power over interstate commerce. It may either permit the states to regulate commerce in a manner which would otherwise not be permissible or exclude state regulation even in matters of peculiarly local concern which nevertheless affect interstate commerce.

To summarize then, the Supreme Court reads the commerce clause of the Constitution to preclude State laws that discriminate against commerce that has an interstate character, if the purpose of these laws is to protect the State's own economic interests. But the Court also reads the commerce clause to give the Congress power to authorize such discriminatory State laws should Congress choose to do so. This proposition is called the dormant commerce clause, the dormant party in this case being the Congress. If we are dormant, the Court will strike down protectionist State legislation.

We are here today to override the constitutional prohibition on discriminatory State laws as the Supreme Court says we may. We may empower the States to pass protectionist legislation that the Court would, absent congressional sanction, otherwise find unconstitutional. We may.

But should we? I would ask my colleagues to step back from the particulars of the bill now pending and consider the larger questions. If the Constitution does indeed bar discriminatory State legislation, under what conditions should the Congress allow it anyway? If the Congress is to grant power to the States to create barriers to interstate commerce, how should the grant be made and how should this new State authority be exercised?

I am sure that the Members of the Senate have recognized the many unusual features of the bill now before us. It authorizes a Governor to take certain actions, but only if requested to do so by a local government. It grants four States the power to freeze the proportion of out-of-State waste disposed in those States, but denies that same power to others. It authorizes the regulation of municipal waste that will be disposed, but not municipal waste that will be recycled. It authorizes regulation of municipal waste, but not industrial or hazardous waste.

Why is this bill so contorted? Why not just give the States a flat grant of power to regulate the movement of waste across their borders?

There are two ways to answer this question. Those who have spent any length of time in this Chamber will quickly note that all of these conditions and contortions are necessary to get this bill passed. It is a political answer. You don't agree to these limitations on State authority, you don't get a bill. That rather indelicate statement of the realities has been put to the Senator from Indiana by the distinguished manager of the bill several times already.

So, there is the political answer. But a more helpful approach might be a statement of general principles that should be applied by the Congress in these situations. The Court has over many decades developed its theory of the dormant commerce clause. What is our theory of the active commerce clause?

The commerce clause is not some automatic pilot enshrined in the Constitution with little relevance to our work. The Constitution does not bar State regulation of interstate commerce. Rather it grants to the Congress the power to superintend the commercial laws and regulations of the States so that truly national interests might be protected. How should we exercise the power?

S. 2877 is not just a bill on trash. It is a bill of a very particular sort. It overrides a Court-imposed prohibition on State laws that are protectionist, that discriminate against out-of-State commerce. The Congress has been called upon to consider such bills before and will be again. What have we learned about the general exercise of this power that may be useful in guiding our actions in this specific instance?

Mr. President, as I prepared for the debate on this bill, I searched for general principles that might be applied. I am here today to report on that effort. I must say that I am troubled by what I have found. You would think that in the vast literature on our Constitution and our federal system of government that these questions would have thoroughly answered. But that is not the case. There is a great deal written on the history of the dormant commerce clause as seen from the perspective of the Courts. But precious little thought has been given to the congressional decision to override, to the considerations that we should entertain when we give life to our dormant powers.

As one might expect, modern analysts, the people knowledgeable on constitutional law federalism that one can interview on the telephone today, take an almost entirely political view of my question. This political view is that Congress does not have any general principles in mind when it activates its commerce powers. It cannot have a reason, because it is a collection of 535 individuals with a wide range of motivations. That Congress has the power and that Congress chose to exercise the power is all that one can reliably report. No lessons applicable to the next case can be deduced from the last.

I am not satisfied with the political answer. So, I returned to the Constitution itself and to the expectations of those who wrote that magnificent charter.

The Constitutional Convention was called to write the commerce clause. The biggest problem plaguing these States under the Articles of Confederation was their inability to join together in one national economy free from the impediments found at State borders as goods, and people moved across a new nation. Whatever else the Convention might do, it was surely expected to assist in the creation of a truly national economy.

Article I, section 8 of the Constitution says:

> The Congress shall have the Power to regulate Commerce with foreign Nations, and among the several States, and with Indian Tribes.

That's the commerce clause. The whole of it. It is a positive grant of authority to the Congress, not to the Courts, but to the Congress.

It says nothing about the power of the States. It doesn't say that the States may regulate interstate commerce or that they may not. And it doesn't say that they may regulate interstate commerce, only if they have the permission of the Congress.

That article I, section 8 does not mention the States and their role is a most important point. By way of comparison, consider the words of article I, section 10 which says:

> No State shall, without the Consent of the Congress, lay any Imposts or Duties on Imports or Exports, except what may be absolutely necessary for executing it's inspection Laws.

That's a case where the Constitution clearly denies a power to the States unless the Congress shall agree to its exercise. But the commerce clause does not read that way. It is just a grant of power to the Congress.

If one reviews the notes taken by participants in the debate at the convention or the Federalist papers that were subsequently written to encourage ratification by the States, one nowhere finds any of the authors of the Constitution saying that the States are denied the power to regulate interstate commerce by the Constitution. Rather it appears, and the record is not all that clear, there are only four direct references to the commerce clause in all of the Federalist papers, it appears that the Founders expected that both the Congress and the States would be involved in the regulation of commerce and that where conflicts arose they would be decided in favor of Federal law based on the supremacy clause of the Constitution.

It is undeniable that the Founders knew of the evils of protectionist State legislation and expected that the new government would be able to overcome those evils. Madison's views on the temptation to raise revenues on trade originating in other States from the Federalist No. 45 were quoted by the Senator from Idaho during the debate on this bill yesterday. But Madison did not say that the Constitution would bar all protectionist regulation of this type. Rather, he pointed with confidence to the power granted to the

Congress to oversee these State laws and to assert the interests of the Union whenever parochial enactments threaten to hinder a national economy.

Now, that's a far different view of the commerce clause than we have received from the Supreme Court in the waste cases and that has been described by many Members of this body during the debate on S. 2877.

The clearest statement of the Court's view of the commerce clause came in the 1945 case Southern Pacific versus Arizona, where Chief Justice Stone writing for the Court said:

> For a hundred years it has been accepted constitutional doctrine that the commerce clause, without the aid of Congressional legislation, thus affords some protection from state legislation inimical to the national commerce, and that in such case, where Congress has not acted, this Court, and not the state legislature, is under the commerce clause the final arbiter of the competing demands of the state and national interests.

That is the Court's view. And it is, therefore, the law of the land. But it is certainly not the only possible reading of the commerce clause and likely not the reading that the authors of the Constitution intended. There is no restriction on State authority in the commerce clause. State powers aren't even mentioned in the commerce clause. The commerce clause does not say that States may only regulate interstate commerce, if they get the consent of the Congress. If the Founders had intended the commerce clause to operate in that way, they knew how to write the proposition clearly and completely. They made just such a conditional grant of authority in section 10 of article I of the Constitution as I quoted it a moment ago.

This review indicates to me that framers of the Constitution did not intend for the Federal courts to oversee State laws on interstate commerce. Rather it was left to the Congress to mediate among the States and to preempt State enactments which imposed too great a burden on interstate commerce. The power of the Congress to regulate commerce and the supremacy clause making Federal enactments paramount are a complete system in themselves. We do not require a dormant commerce clause to protect the national interest.

A Federal system, part national and part State, or commercial regulation that might have developed if States had been free to regulate interstate commerce, absent congressional intervention, would be very different from the system that has been imposed by the Supreme Court. The Court's system is decidedly anti-State and substitutes the judgments of the appointed Federal judiciary for the policies that might have been enacted by the elected legislatures, national, State, and local, of the people of this Nation.

Because the dormant commerce clause is a legal principle, the courts must strike down every State or local enactment that is protectionist. On the other hand, left to oversight by the Congress, only those State laws that truly offend the national interest would prompt a Federal veto. That is a very big difference in the operation of our federal system.

Take for instance the bill that is now before us. No one can quarrel with me when I describe this as a very narrow bill. The crabbed authority that it grants to the Governors will hardly make a difference in the waste policies of most States. This bill is a compilation of curiosities that make no sense, unless one has been immersed in the debate on interstate waste over the past several months. It is essentially a deal between two exporting States, four importing States and four waste management companies that has little relevance to the waste management problems of the rest of the Nation. It reflects the reality of current waste flows, that may be reversed in a few short months, as the experience of new Jersey so clearly indicates.

Why is a Governor only allowed to act, if requested to do so by a local official?

Why is the Governor given authority under this Federal law to take actions that the legislature of his or her State may not have authorized?

Why does this bill not include authority to impose differential fees on out-of-State waste as the National Governors' Association has requested?

Why are so many landfills given special exemptions under this bill?

Why do States receiving more than 1 million tons of waste in 1991 get more authority than States that received less than 1 million tons?

Why does this bill do so much violence to the role of the States in our federal system?

Because we are on the wrong foot, Mr. President. We are here to override a Supreme Court decision denying States a power that they were meant to have under the Constitution. We recognize the need to restore this authority to the States, but we cannot do the whole job in this bill. Legislation to make a flat grant of power to the States to regulate interstate waste transport would be blocked by Senators from the exporting States and by the friends of the big, national trash companies.

The States are in a most unfortunate position. As the distinguished manager of the bill has already said here on the floor, it's this bill or nothing. If we try to give the States any more authority, this bill will be talked to death.

We heard yesterday an impassioned defense of the commerce clause by the senior Senator from Idaho. He stated as well as anyone can the case for the national economic interest over State rights. His basic point was that our prosperity and the success of our national economy has in no small part been accomplished by setting aside the burdens of protectionist State legislation that had been experienced under the Articles of Confederation. That is true. He asked the Senate to defeat S. 2877 because it might set a precedent elevating the parochial above the national interest.

But the Senator from Idaho also opposes the comprehensive solid waste legislation, S. 976, that has been reported by the Environment and Public Works Committee. If I am not mistaken, he opposes that bill because it would create a Federal garbage man. It would give to EPA powers and responsibilities for the management of municipal waste that have traditionally been left to the states. He argues against Federal power when the subject is S. 976. He argues against State power when the subject is S. 2877.

You can't have it both ways, Mr. President. In fact, I would say that the dormant commerce clause imposed by the Supreme Court on our federal system has been a major factor in pushing traditional State and local concerns like waste management up to the national level. When States have been frustrated in their efforts to solve real problems by the Court's reading of the commerce clause, the Congress has most often responded, not by granting the States the power, but rather by stepping in with Federal regulation directly.

If you want a federal garbage man, the surest way to get there is to be overzealous in your concern for the interests of the national trash companies and their contracts as against the powers of the States.

Mr. President, the Supreme Court has taken the position that it shall supervise State powers over commerce. Even the Court acknowledges that there is nothing in the Constitution explicitly authorizing that view and that the dormant commerce clause has only been discovered gradually over more than 100 years of case law. It is made acceptable only because the Court has invited the Congress to override its judgments and to authorize the State laws it has overturned. But it is not, "six in one, half a dozen in the other," here, Mr. President.

Suppose for a moment that we had been able to step forward with the right foot. Suppose that the commerce clause had been read by the Courts as it is written, allowing States the power to regulate interstate commerce unless preempted by the Congress. Assume also that Indiana and Pennsylvania and Ohio had passed laws barring the importation of municipal trash. Can any Member imagine the Senate passing a bill forcing Indiana and Ohio and Pennsylvania to open their borders to New Jersey and New York garbage? Does anyone believe that such a bill would even be introduced?

It is our responsibility under the Constitution to secure the benefits of a truly national economy. But it is also our responsibility to preserve the institutions and procedures of the States, our partners in a federal system of government. That we are forced to pass a bill like S. 2877 if we want the States to play any role in the regulation of interstate waste transport is a measure of the damage the Supreme Court has done to our Federal system by arrogating to itself powers that were intended to be exercised by the Congress.

It is interesting to note that our capacity to supervise States on the subject of waste disposal will receive another test later today when we address the energy bill. One of the major issues on that bill is whether we will have a national decision to dispose of radioactive wastes, notwithstanding the objections of the State of Nevada. I believe the energy bill will pass. It will reaffirm a national policy on the disposal of radioactive wastes. It is evidence that the national economic interest is not forfeit, if the exercise of the commerce clause is in the first instance left to the Congress rather than the courts.

Mr. President, I would make two additional observations in support of my rather unconventional view of the dormant commerce clause. The first is to note again that it took many decades of evolving doctrine before the Supreme Court finally found the dormant commerce clause so firmly cited today. The dormant commerce clause was not the Court's first impression of the proper allocation of responsibilities. The first case even suggesting exclusive Federal authority was not heard until 34 years after the Constitution had been ratified. And the principle that the Court could strike down State law, because the Congress had not legislated was not fully endorsed by the Court until after the Civil War.

One listening to the debate in the Senate over the past few days would think that the dormant commerce clause was the very bedrock of the Constitution. Far from it, Mr. President. It is a relatively late invention.

Second, I would cite our experience with preemption. One way to test a single timber in our governmental framework is to see how it fits with the parts it joins and the system as a whole. The congressional power most closely related to the power we exercise today, the power to authorize State regulation of interstate commerce, is our power to preempt State legislation. The combination of the commerce clause and the supremacy clause give the Congress the power to preempt State law.

As the so-called regulated community well knows, the Committee on Environment and Public Works almost never preempts State authority. In fact, each of the environmental laws we have enacted, including our national waste law, the Resource Conservation and Recovery Act, make every effort to form a partnership with the States that preserves the broadest possible scope for State action.

We deny the States the power to deregulate commerce by undercutting minimum Federal standards. But we explicitly preserve State authority to impose more stringent requirements. The States have never, in my experience, contradicted our expression of confidence by using this power to discriminate against interstate commerce for the purpose of protecting an in-State economic interest.

We do not preempt. And the actual experience of that policy contributes directly to my belief that the Federal system would work better if the Congress, not the Supreme Court, provided active oversight for the commercial regulations of the States.

Now, Mr. President, you might ask, "So what?" All of us can surely identify alternative readings of one constitutional provision or another. And we have heard many times about the pernicious effects of these wrongly decided cases. But, short of amendment, the Court's determination in constitutional cases is final and in an area firmly decided so long ago, it is unlikely that the views of any Senator, even views more compelling than I am able to offer today, would make much difference.

Well, there is relevance in these considerations, Mr. President. Because we have the power by mere legislative enactment to modify the application of the Constitution to otherwise unconstitutional State laws, the case I have made has relevance to the task now before us.

The question I first asked, Mr. President, is what general principles should a Senator apply when voting on a bill that authorizes States to discriminate against interstate commerce? I have come to the conclusion that we should in these cases, and absent evidence that States have or will abuse their powers for purely protectionist reasons, grant the States the most general and unconditional authorities. Such a grant of power would better reflect the language of the Constitution and the intention of its Framers. It would promote a Federal system of regulation more cooperative and effective than we have experienced under the dormant commerce clause asserted by the Federal courts. And it would lead to a more efficient distribution of regulatory responsibilities, a distribution that more closely reflects the diversity of this great Nation.

If the States subsequently abuse the power, then Congress has the authority under the commerce clause to rein them in.

The bill before us is not a general and unconditional grant of authority. Rather it is the narrowest possible bill that can satisfy the complaints of the handful of States suffering the burdens of out-of-State trash. I have already described the political realities that have produced this narrow bill. Perhaps, S. 2877 will not be the ultimate judgment of the Congress on the proper scope for State action. In the future I shall urge the broadest grant of power to the States to regulate the flow of solid waste.

Mr. President, I realize that I have presented a somewhat unconventional view of the dormant commerce clause here today. Lest my colleagues think these views are uniquely held by this Senator, let me offer the following from the Duke Law Journal of September 1987:

> The dormant commerce clause lacks a foundation or justification in either the Constitution's text or history, and, despite the efforts of respected constitutional scholars, the commerce clause cannot be satisfactorily rationalized outside the text of the Constitution. More importantly, the dormant commerce clause alters the delicate balance of federalism clearly manifested in the constitutional text. By vesting initial oversight power in the judiciary, rather than Congress, the dormant commerce clause shifts the political inertia against the states in the regulation of interstate commerce, and leaves federal oversight of state regulation in the hands of the governmental body traditionally thought to be least responsive to state concerns.
>
> It is time to recognize that the dormant commerce clause is little more than a figment of the Supreme Court's imagination—hardly a legitimate basis, in a democratic society, upon which to premise judicial invalidations of state legislative action. (Martin Redish and Shane Nugent, "The Dormant Commerce Clause and the Constitutional Balance of Federalism, Duke Law Journal, Vol. 1987, Number 4, 617.)

Mr. President, let me turn now to one final aspect of the debate that has been heard on this bill. That is the political justification for State regulation of interstate waste. It is just possible that not every Senator will be persuaded by my constitutional analysis. I will focus, then, for a moment on the more particular issues that might guide a vote on this bill. What are the specific State concerns that justify discrimination against out-of-State waste? I can describe at least two such concerns.

First is the concern for capacity. Capacity to manage municipal waste is the issue most frequently mentioned by Senators on both sides of this debate. There is a capacity crisis in some States. Old landfills have filled up or been closed because of environmental violations. New landfills are hard to site. Waste is exported to distant landfills in the alternative.

The receiving States make this argument on capacity:

> Capacity is a public good. We have worked hard to establish our capacity. It is a precious commodity. If our only reward for creating capacity is to be host to out-of-state waste, sent here by states that have not

made the tough choices necessary to create their own capacity, then why should we bother?

Long-distance shipment of municipal waste undercuts the effort to site new landfills and eventually exacerbates the capacity crisis. That New Jersey was forced by the Court to accept Philadelphia garbage in 1978 may be a contributing factor to the shortage of landfill capacity experienced in New Jersey today.

There must be some appeal in this argument, since it has been repeated so often here on the floor of the Senate. It is even recognized as legitimate by the exporting States who plead for only a little more time to get their own capacity in place.

But the argument is belied to some extent by the real legal situation with respect to trash. To the extent that the State of Indiana or Ohio or Pennsylvania sited and built public landfills to meet their capacity needs, the dormant commerce clause of the Constitution would not require them to open those landfills to out-of-State waste.

There is a so-called market participant exception to the dormant commerce clause. If a State or local government actually builds a landfill and offers space in that landfill in the marketplace, it can refuse to take waste from other States. Acting as a market participant rather than a regulator, a State is free to discriminate against out-of-state waste. The market participant exception has been applied in a waste case where a Federal court upheld the right of Rhode Island to exclude out-of-State wastes from its State-owned landfill (*Lefrancois* v. *Rhode Island*, 669 F. Supp. 1204 (D.R.I. 1987)).

Since 80 percent of the landfills in this Nation are owned by governments, the market participant exception is a significant factor in this debate. To the extent that states act as landfills owners and operators to solve their capacity problems, they need have no fear of the dormant commerce clause.

This bill is about the 20 percent of the landfills that are owned and operated in the private sector. I don't believe that the proponents of the bill are urging it because they think it will create more capacity in the private sector. That is not their objective. I can't imagine the Senators from Indiana or Ohio or Pennsylvania welcoming with open arms a huge, new private landfill in any of their States, even if it would solve the capacity crisis that is being experienced along the East Coast. Capacity, per se, is not what they seek and cannot be a justification for this bill.

A second concern expressed by the States, and one that is more powerful I believe, is the need for long-term care and maintenance of waste disposal facilities. If the record is any guide, over the long run many of our municipal landfills will fail and the public sector will be called on to clean them up. The Superfund program is a measure of the burden that is imposed by old waste management facilities. Fully one-quarter of the 1,226 sites on the Superfund National Priorities List are municipal landfills.

We have been somewhat successful in our efforts to get polluters to pay for the cleanup of Superfund sites. But the ultimate responsibility to clean up failed landfills falls on the taxpayer. If the polluter can't be found, has gone out of business or has a defense to liability, then it is the taxpayer who will bear the burden.

At a municipal landfill that takes no waste other than that generated in the local jurisdiction, our sense of equity is not troubled by assigning the ultimate responsibility to the taxpayer. Those who benefited from the facility while it was in operation are also the ones who stand to pay for cleanup if it fails.

But that is not true when the users of the facility are cities hundreds of miles distant that simply put their waste into interstate commerce and let the haulers decide where it might ultimately find a resting place. It is not surprising that the taxpayers in any locality, who understand the troubled record of so many municipal landfills, are unwilling to see waste brought from long distances into their community. Who will pay when the landfill leaks?

As with the capacity concern, there are factors here that mitigate against State authority to discriminate, as well. One is the Superfund program itself. It imposes strict liability on the generators of trash for any future cleanup costs that may be incurred at landfills where the trash is disposed. If a landfill leaks and must be cleaned up under Superfund, it is possible to reach the cities who merely sent their trash to the site to insist they pay a share of the cost, even if those cities are in another State.

But Senators will remember that only a few weeks ago, the Senate passed an amendment that will undercut the Superfund liability regime. It exempts cities that are merely generators from any liability through contribution suits to recover costs of cleanup at Superfund sites.

That amendment was sponsored by the junior Senator from New Jersey. Today, he defends the right of New Jersey cities to send their trash to out-of-State landfills hundreds of miles distant from his State. A few weeks ago he was the author of an amendment that would reduce the likelihood that his exporting cities might ultimately be held liable for future cleanup costs for the trash they have shipped. The municipal liability amendment that was adopted by the Senate in early June would, if enacted, substantially strengthen the case for state authority to erect barriers to out-of-State trash.

Mr. President, as I said much earlier in this talk, the Constitutional Convention was called to write the commerce clause. On a matter of such importance, they could not have got it wrong. If the founders had intended a dormant commerce clause enforced by the Supreme Court, they certainly would have drafted the Constitution that way. The Congress has the power to realize the federal system of commercial regulation that the Founders actually intended. It is my firm recommendation that we implement now our own theory of the active commerce clause and that we put more authority and more responsibility in the hands of the States. We can do so with every confidence that the prosperity of our people and comity among the States will be preserved.

Thank you, Mr. President.

Mr. GRASSLEY. Mr. President, I rise today to offer my support for S. 2877, the Interstate Transportation of Municipal Waste Act of 1992.

On June 1, 1992, the Supreme Court handed down opinions in two separate cases that invalidated state laws seeking to limit out-of-State waste. In Fort Gratiot Sanitary Landfill versus Michigan Natural Resources Department, the Supreme Court struck a Michigan statute that granted each of the State's counties authority to regulate out-of-State solid waste disposal differently from solid waste generated within the county. The court stated that Michigan did not identify any reason, apart from the place of origin, why solid waste coming from outside the county should be treated differently from solid waste generated within the county as the basis for their decision.

In the other case, Chemical Waste Management, Inc. versus Alabama, the Court struck down an Alabama statute that imposed a $72 per ton surcharge on hazardous waste originating from out-of-State. They said that—

> No State may attempt to isolate itself from a problem common to several States by raising barriers to the free flow of interstate commerce.

Congress needs to express itself in order that States may be able to deal with the intrusion of their borders with out-of-State garbage.

Under S. 2877, the Governor of a State is granted discretionary authority to ban or limit municipal solid waste generated outside the State from disposal in any landfill or incinerator subject to the jurisdiction of a local Government that requests it. The Governor may not discriminate against out-of-State municipal waste based on the state of origin and may not treat landfills within the State differently.

Mr. President, the United States produces approximately 180 million tons of solid waste every year. The generators of this garbage must be held accountable for the garbage. They have many options available to them. Recycling is a very positive pro-environment approach. Another is the use of landfills to accommodate this waste.

While the solid waste problem continues to increase, we are having more landfill closures without corresponding formation of new landfill sites. We are fast running out of room.

The Environmental Protection Agency estimates that 75 percent of the Nation's current landfills will be closed in the next 10 years. The problem is that in years past, landfills were created without much consideration for the environmental impact.

Because capacity is shrinking for landfill sites, States have been shipping their garbage into other States. In 1987, 10 million tons of garbage crossed State lines.

With the closing of landfills across our Nation, this legislation is needed more than ever. In the future, States can not expect to be able to transport their waste half-way across the country to a landfill site in Iowa or Nebraska. These landfill sites will not be available to them. They are going to have to make accommodations to deal with their waste themselves. They are going to have to make these accommodations beginning now, not 10 years from now when the landfill sites will not be available to them. This legislation will force responsibility, it will force the producers of waste in our nation to be responsible for administering the proper disposal of that trash. Sending it from New York to Iowa is not dealing with it, it is avoidance of responsibility on the part of the waste producers.

This legislation will make it possible for communities across America to restrict the amount of out-of-State waste that comes into their towns. It will also force communities and States to deal with their own waste problems instead of pushing it off on others and transporting it across the country.

The environment is of great concern to many Americans. Iowans take a back seat to no one when it comes to concern about the environment. We are very closely tied to the soil and the environment of our State. We make a living through the proper management of this soil, this environment. We are greatly concerned that we do the right thing when it comes to the maintenance of the environment, and this extends to the way we handle the waste that we generate.

If Iowa can properly handle the maintenance of its waste, there is no reason why other States throughout the United States can not do the same.

If I can ask the indulgence of my colleagues, I would like to take this opportunity to discuss this issue as it relates specifically to the State of Iowa.

First let me point to a few communities in Iowa and discuss how they handle their solid waste:

The city of Dubuque and Dubuque County operate their own landfill that has a capacity that should last another 20-plus years. They do not accept out of state trash and would like to continue this practice. The solid waste management supervisor for Dubuque, states that this legislation "sounds good. We would be in favor of the legislation."

Burlington is part of a regional solid waste commission which maintains a landfill with adequate capacity and also has an aggressive recycling program. They, too, support this legislation.

Fort Madison and Keokuk in southeast Iowa are part of the Lee County Solid Waste Commission. There are also two counties in Illinois that are part of this cooperative effort. They have a regional solid waste plan. The legislation that we are discussing today works well with this cooperative agreement. If States are willing to enter an agreement in a collaborative manner, this legislation will not restrict that agreement.

The city of Sioux City has a similar bi-State agreement with Jackson, NE.

The city of Council Bluffs takes their solid waste to the Douglas County Landfill in Nebraska, where they pay a fee. They are attempting to find an alternative in Iowa to handle their own garbage in their own area. Again, this is yet another example of a community in Iowa working effectively with an area in a border State to deal with their solid waste problem.

At the same time that Council Bluffs has dealt effectively with their own solid waste, they have been the unfortunate victims of garbage coming from the east coast. This trash has come into Council Bluffs on its way to Nebraska. While in Council Bluffs the trash boxcars have oozed liquid. This liquid was analyzed by the city sanitarian and was found to contain dangerous quantities of unsafe materials generally found in solvents and paint thinners.

Mr. President, this legislation is needed, and will hopefully be acted upon immediately by this body and be made into law. We must act immediately to effectively deal with the garbage our society creates. This legislation will move us closer to dealing with this problem. Our children's future depends on our actions today.

Mr. BAUCUS. Mr. President, I strongly urge Senators to support a tabling motion which I am about to offer. I would like to say to the Senator from Arkansas that the amendment adopted earlier did not "muck" up this bill. In fact, the amendment gave importing States even more authority than they previously had. That amendment was supported by importing States because it gave them more authority than they would have had without it.

Second, this is a 50-State solution to a 50-State problem. Every State, Governors, and communities, have more authority than they presently have.

Finally, the statement of the Senator from New Jersey is a statement we must take very seriously.

Frankly, New Jersey and New York had serious reservations about this bill. But they have gone the extra mile to help find a solution. Let us remember that States can do a lot to protect their own local communities. Because a half loaf is better than no loaf, I urge Members to support the tabling motion.

Mr. President, I now move to table the Reid amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from North Dakota [Mr. BURDICK], the Senator from Tennessee [Mr. GORE], and the Senator from Colorado [Mr. WIRTH] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. PACKWOOD], the Senator from California [Mr. SEYMOUR], and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

I further announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 60, nays 31, as follows:

[Rollcall Vote No. 149 Leg.]

YEAS—60

Adams
Akaka
Baucus
Biden
Bond
Boren
Bradley
Brown
Burns
Chafee
Coats
Cochran
Cohen
Craig
Cranston
D'Amato
Danforth
Dixon
Dodd
Dole
Garn
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Heflin
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Pell
Robb
Rudman
Sarbanes
Simon
Simpson
Smith
Symms
Thurmond
Wallop
Warner
Wofford

NAYS—31

Bingaman
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
DeConcini
Domenici
Durenberger
Exon
Ford
Fowler
Glenn
Hollings
Kasten
Kerrey
Kohl
Levin
Nickles
Nunn
Pressler
Pryor
Reid
Riegle
Rockefeller
Sanford
Sasser
Shelby
Specter
Wellstone

NOT VOTING—9

Bentsen
Burdick
Gore
Helms
Packwood
Roth
Seymour
Stevens
Wirth

So the motion to table the amendment (No. 2739) was agreed to.

Mr. CHAFEE. Mr. President, I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAUCUS. I think we are in a position to enter a time agreement on remaining amendments. In just one moment I will have that list of amendments. I think we can reach a time agreement on it.

Mr. President, I would say to other Senators regarding the last amendment, we had an agreement that balanced the various States, and that is why the Reid amendment was not successful, but I very much thank the Senator for his efforts to protect importing States.

UNANIMOUS-CONSENT AGREEMENT

Mr. BAUCUS. Mr. President, I now have a list here of, I think, the only remaining amendments to this bill.

I would like to propound a unanimous-consent agreement with respect to the remaining amendments.

First, an amendment by Senator BINGAMAN concerning border solid waste study. That should be noncontroversial.

Second, an amendment by Senator RIEGLE, concerning States with preexisting management plans.

Third, an amendment by Senator SHELBY with respect to hazardous waste.

And fourth, Senator ROBB's amendment dealing with the District of Columbia dumping at Lorton landfill. That also could be noncontroversial.

In addition, a leadership amendment by Senator DOLE and as well a leadership amendment by the majority leader.

In addition, Mr. President, the managers' technical amendments also would be in order.

Mr. President, I am now advised informally that Senator RIEGLE will not be offering his amendment. I wonder if there is some way I can get confirmation?

I now understand Senator RIEGLE is not going to offer his amendment. Senator RIEGLE's amendment will not be part of this request.

I am wondering if we could also enter time agreements with respect to these remaining amendments?

Mr. CHAFEE. First of all, Mr. President, I suppose the first order of business, if I am correct, would be to agree that this is the total number of amendments that can be submitted tomorrow? Am I correct?

Mr. BAUCUS. Mr. President, I think it is wise to first attempt to enter a consent agreement with respect to the list of amendments only and at a later time attempt a time agreement with respect to those amendments. So I ask unanimous consent that the list of amendments which I have just read into the record be the only amendments remaining in order to S. 2877, the interstate transportation of municipal waste bill; that they be first-degree amendments subject to relevant second-degree amendments; and that the leadership amendments be relevant to the subject matter of the bill; and that there be—I might ask my colleague from Rhode Island how much time would he suggest remaining on the bill? I would suggest, say, 4 hours remaining on the bill at most? I do not think it will take that.

Mr. CHAFEE. Does my colleague mean in addition to the amendments?

Mr. BAUCUS. The time on the bill will be 4 hours.

Strike that, Mr. President. That would be total. It would be just how much time my colleague and I think we would need remaining at the end. I could reduce that down to, say, a half hour.

Mr. CHAFEE. I would think so.

If I could suggest to the manager that he has proposed that there be first-degree amendments subject to relevant second-degree amendments, I believe.

Mr. BAUCUS. Correct.

Mr. CHAFEE. Could we also agree that where the time is indicated on the first-degree, then the second-degree amendment be accorded the same time limitation?

Mr. BAUCUS. Yes.

Mr. CHAFEE. And that all time for debate be equally divided, controlled in the usual form with no motion to commit in order; that upon disposition of the listed amendments, that the bill be advanced to third reading? Then that is where you would like some time?

Mr. BAUCUS. That is correct.

Mr. CHAFEE. I would think at that point half an hour equally divided, perhaps?

Mr. BAUCUS. Yes. That would be fine.

And, further, without intervening action or debate the Senate proceed to vote on final passage of the bill. That is after the half hour and after disposition of the listed amendments.

Mr. CHAFEE. That is fine.

The PRESIDING OFFICER (Mr. ROCKEFELLER). Is there objection? Without objection, it is so ordered.

Mr. CHAFEE. Now, if I could suggest to the manager, I think he has narrowed these down, which I commend him for. As I see it you have managers' technical, Senator BINGAMAN, Senator SHELBY, Senator ROBB, and then each leader.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent to add one amendment to the list, and that be the Inouye amendment.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

Mr. LAUTENBERG. Will the Senator yield for a question? Has there been a unanimous-consent request propounded at this point?

Mr. CHAFEE. Not in connection—we have not limited the amendments yet.

Mr. BAUCUS. We did.

Mr. CHAFEE. Did we? We did not arrive at a time limit on the amendments.

Mr. LAUTENBERG. We did not arrive at a time limit. What, then, do we have? Simply those amendments that have been discussed are the only ones in order? That is all that this unanimous-consent request asks? I have no objection.

Mr. BAUCUS. That is correct.

Mr. CHAFEE. Could I ask, on Senator INOUYE's amendment, would somebody know whether—

Mr. BAUCUS. It is Indian reservations.

UNANIMOUS-CONSENT AGREEMENT VITIATED

Mr. BAUCUS. Mr. President, I ask unanimous consent that the unanimous-consent agreement for 30 minutes requested time on the bill be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, can we get any time agreement on the amendments?

Mr. BAUCUS. We can try. I do not know if the Senators are here. We are willing to agree to time agreements. I do not see Senator SHELBY on the floor.

Mr. CHAFEE. How about the leadership amendments?

Mr. BAUCUS. If I might suggest to the Senator, I think since we have the list of amendments, and looking at the list I do not think very many of them are going to be controversial. For all intents and purposes, it is not that necessary to enter into a time agreement. We will wrap this up, I think, pretty quickly tomorrow.

Mr. CHAFEE. I hope we are successful. I will say to the manager, I do hope that those who have amendments, and here they are, they are very few, will come on over tomorrow early and let us dispose of them. Some can be accepted. It seems that two, the Bingaman and the Robb one, as I understand it, both probably can be accepted to make a little progress. Then the Shelby one and the Inouye one, I do not know how complicated the Inouye one is. Hopefully, we can finish this bill soon tomorrow.

Mr. BAUCUS. Mr. President, I very much agree with the Senator from Rhode Island. Frankly, after giving due notice to Senators to come and offer their amendments, if the Senator from Rhode Island and I are here after several hours' time and Senators are not coming over, and after continuing to give due notice, it will be the inclination of the manager of the bill to move to third reading.

I will many times tomorrow encourage Senators to come to the floor. I will state that ad nauseam, and I will ad nauseam say if we do not get amendments within a reasonable period of time, let us say an hour, that I will move to third reading of the bill. So Senators who have amendments are on notice that they should come to the floor in a reasonable period of time, as in 15 minutes or something like that, or they run the risk of losing their opportunity to offer amendments.

Mr. President, I would like to amend the consent agreement, if I could to provide that debate on the bill still be permitted following the disposition of amendments, only if necessary.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that there be a period for morning business, with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL BEVERAGE CONTAINER DEPOSIT HEARINGS

Mr. PACKWOOD. Mr. President, you have heard Senators HATFIELD and JEFFORDS speak today about the need for hearings in the appropriate Senate committees on national beverage container deposit legislation. I was very pleased to hear that assurances have been made and that, finally, hearings will indeed occur.

In January 1978, I chaired 3 days of hearings on a bottle bill in the Commerce Committee. Fourteen and one-half years have gone by, but the issue hasn't gone away. More States have adopted beverage container deposit legislation since then, and every Congress has had a bottle bill introduced since then, only to be put away, year, after year, after year.

Well, guess what, we're finding out that there is no away anymore. The issue just keeps coming back. And, there is no away anymore when we discard out empty bottles and cans.

Where is away—on our beaches, in our landfills, on our highways, on our children's playgrounds, in the farmer's fields? The trash train roaming around from the east coast through the midwest last week couldn't find "away." Maybe there just isn't any away. Maybe it is high time we adopted a national beverage container deposit program for reuse, recycling, and renewal of some of our resources instead of trying to find "away."

My thanks to Senators HATFIELD and JEFFORDS, who have worked so hard to raise the consciousness level of the Congress once again on this timely issue. I urge my colleagues to raise theirs. I thank the Chair.

A ROLE FOR NATO IN CYPRUS

Mr. PELL. Mr. President, I would like to draw my colleagues' attention to a recent piece in the Christian Science Monitor by David J. Scheffer entitled "NATO's First Peacekeeping Mission." Mr. Scheffer argues that Cyprus may be ripe for a NATO/CSCE mission, particularly if the U.N. peacekeeping forces currently manning the green line are withdrawn due to lack of funds. I believe that most would agree with Mr. Scheffer's contention that "Cyprus could become the next Bosnia if it were to lose the international military presence that defuses tensions every day."

As a long-time supporter of the United Nations, my first preference is for a continued United Nations involvement in Cyprus. However, the reality is that just as the United Nations is coming into its own politically, it is strapped financially. Accordingly, regional organizations—such as NATO and CSCE—will have to accept greater responsibility for keeping the peace in their area trouble spots. In this context, Mr. Scheffer offers an interesting perspective on potential NATO involvement in Cyprus, and possibly in other conflicts in the region.

I ask unanimous consent that the text of Mr. Scheffer's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, July 6, 1992]

NATO'S FIRST PEACEKEEPING MISSION

(By David J. Scheffer)

NATO's new but untried mission to keep the peace in a turbulent Eastern Europe could meet its first real test, not in Bosnia-Herzegovina, but in the oldest conflict of them all: Cyprus. For better or worse, the United Nations will probably continue to lead on any peacekeeping operation or humanitarian intervention in Bosnia, NATO members are participating, but not under NATO's banner.

U.N. talks on Cyprus are in their most precarious stage in New York, guided by a set of now-or-never ideas advanced by U.N. Secretary-General Boutros Boutros-Ghali and recently endorsed by the Security Council. The aim is to unify the country into a federation of Greek Cypriot and Turkish Cypriot "communities" and manage the removal of all but a small contingent of the 40,000-strong Turkish Army.

The Cypriot standoff has faded from our memory, but it offers a laboratory for the new Europe, the Conference on Security and Cooperation in Europe (CSCE), the new NATO, and the new world order. The Greek, Turkish, and Cypriot governments remain locked in a seemingly intractable ethnic dispute. But Cyprus can still be saved and provide a model for the future—before Europe's bloody civil wars offer a precedent for Cyprus.

Any real settlement of Cyprus requires a strong peacekeeping presence during the transition. U.N. peacekeeping soldiers (UNFICYP) have been deployed in Cyprus since 1964 to defuse ethnic tensions. Numbering over 2,000, peacekeepers patrol a "green line" dividing majority Greek Cypriots from Turkish Cypriots, tens of thousands of illegal settlers from Turkey, and the Turkish Army that has occupied northern Cyprus since its invasion 18 years ago.

Mr. Ghali warned that UNFICYP's days may be numbered due to new U.N. peacekeeping missions and the financial burden of debt-ridden UNFICYP. Some fear the force's presence as a buffer between the two sides has encouraged procrastination.

Speculating about UNFICYP's future may be a negotiating tactic, but its implications are grave. Cyprus could become the next Bosnia if it were to lose the international military presence that defuses tensions every day. The world witnessed the consequences of such a withdrawal in 1967 when the UN peacekeeping force was pulled out of the Sinai only to be followed by the Six Day War. It is no coincidence that Greek Cypriot officials recently shopped for cheap arms in Moscow.

If UNFICYP funds aren't raised and the Security Council decides to withdraw it from Cyprus, the United States and NATO allies must be ready to step in with a NATO peacekeeping force to man the green line and help work a transition.

With CSCE, NATO needs double peacekeeping missions where fighting has stopped before it gets overly committed to combat that generates high casualties and whose outcome is uncertain.

A Cyprus mission for NATO—first proposed three decades ago—would give the alliance new experience at fulfilling the many sensitive security and administrative tasks that lie ahead, not only in Cyprus but elsewhere in a turbulent Europe.

The job is daunting. NATO must guarantee the security of Greek and Turkish Cypriots as well as Turkish settlers. Peacekeepers must help with civil administrative duties, including resettlement of Greek Cypriot refugees, resolution of disputes, and repatriation to Turkey of an agreed number of Turkish settlers.

Greece and Turkey are NATO and CSCE members with special responsibilities to cooperate, now more than ever. The time is gone when unilateral interventions can stand indefinitely. Such exercise of power is old world flotsam. The new world demands more of law-abiding nations.

A NATO force in Cyprus could be financed in part by reallocating some of the cold-war US military assistance programs for Greece and Turkey. US soldiers should be part of the NATO Cyprus forces. The US plays an influential role in the Cyprus problem and a US military presence should help ameliorate Turkish concerns about the safety of minorities on the island.

Cyprus is old, unfinished business. But it may offer NATO, working with CSCE, an opportunity to resolve a lingering conflict while learning how to handle new ones.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 3009 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

APPOINTMENTS BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair, on behalf of the majority leader of the Senate and the Speaker of the House, pursuant to Public Law 102-166, appoints the following individuals as members of the Glass Ceiling Commission:

Marion O. Sandler, of California;

Maria Contreras Sweet, of California; and

Earl G. Graves, Sr., of New York.

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, pursuant to Public Law 102-166, appoints Joanne D'Arcangelo, of Maine, as a member of the Glass Ceiling Commission.

APPOINTMENT BY THE MAJORITY LEADER AND THE REPUBLICAN LEADER

The PRESIDING OFFICER. The Chair, on behalf of the majority leader and the Republican leader, pursuant to Public Law 102-166, appoints the Senator from Maryland [Ms. MIKULSKI] as a member of the Glass Ceiling Commission:

MARY McLEOD BETHUNE MEMORIAL FINE ARTS CENTER

Mr. FORD. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of S. 3007, authorizing financial assistance for the construction of the Mary McLeod Bethune Memorial Fine Arts Center introduced earlier today by Senators GRAHAM and MACK; that the bill be read a third time and passed; and that the motion to reconsider be laid upon the table; that any statements appear at the appropriate place in the RECORD.

There being no objection, the bill (S. 3007 was considered, ordered to a third reading, read the third time, and passed, as follows:

S. 3007

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MARY MCLEOD BETHUNE MEMORIAL FINE ARTS CENTER.

In recognition of the remarkable career of Mary McLeod Bethune, founder and president of Bethune-Cookman College, founder and first president of the National Council of Negro Women, and confident and advisor to Presidents of the United States, and in order to enhance the ability of Bethune-Cookman College to carry on the unique quality of service to the community and to the Nation that characterizes the life of Mary McLeod Bethune, the Secretary of Education shall, in accordance with the provisions of this section, provide financial assistance to the Bethune-Cookman College in Volusia County, Florida, to enable the Bethune-Cookman College to establish the Mary McLeod Bethune Memorial Fine Arts Center.

SEC. 2. APPLICATION.

No financial assistance may be made under this Act except upon an application at such time, in such manner, and containing or accompanied by such information as the Secretary of Education may reasonably require.

SEC. 3. USE OF FUNDS.

The financial assistance made available pursuant to this Act shall be used for the construction, maintenance, and endowment of the Mary McLeod Bethune Memorial Fine Arts Center; the acquisition of necessary equipment; and the acquisition of necessary real property for the establishment of the Center.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums, not to exceed $15,700,000, as may be necessary to carry out the provisions of this Act. Funds appropriated pursuant to this Act shall remain available until expended.

BILL READ FOR FIRST TIME— S. 3008

Mr. FORD. Mr. President, on behalf of Senators ADAMS, KENNEDY, and others, I send a bill authorizing the Older Americans Act to the desk and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 3008) to amend the Older Americans Act of 1965 to authorize appropriations for fiscal years 1992 through 1995, and so forth, and for other purposes.

Mr. ADAMS. Mr. President, I rise today to introduce the Older Americans Act Amendments of 1992 in the hope that we can promptly complete action on this legislation. The provisions in this bill are not new. The contents of this legislation reflect agreement between the Senate and House on a wide variety of improvements to the Older Americans Act [OAA] and related provisions. These provisions have already been approved by the House and most of the provisions were passed by the Senate last November.

Since late in the first session, however, the OAA reauthorization has been gridlocked. Completing action on reauthorizing the OAA has been stymied by a controversial provision—the repeal or liberalization of the retirement earnings test. It is time to end the gridlock and release the Older Americans Act.

I believe that we must liberalize the earnings test. I share the view of most of our colleagues that changes in the earnings test should be properly paid for. But that should not be done through the Older Americans Act. This is a Social Security matter that is within the purview of the Finance Committee, not the Labor and Human Resources Committee.

I am pleased that Senator BENTSEN and the other members of the Finance Committee reported out legislation to dramatically liberalize the earnings test over the next several years. Chairman BENTSEN should be commended for his leadership in finding a way to pay for these important changes. The earnings test has now been addressed by the appropriate committee with jurisdiction over it, and we should act promptly to complete work on Senator BENTSEN's legislation.

We must not, however, continue to delay reauthorizing the Older Americans Act while we strive to find a way to pay for changes in the earnings test. To put it bluntly, the OAA is being held hostage to an entirely unrelated matter. There is no justification for continuing to hold the OAA and its many vital programs hostage. It is unfair to the millions of older Americans—great numbers of whom are poor and minorities—that are served by the diverse programs of the OAA. That is what the elderly and nearly all the organizations that represent them want. That is why I, together with Senator KENNEDY, and other members of the Labor and Human Resources Committee are introducing this bill.

While there are major differences between the Senate and the House on the earnings test, there are no differences to be resolved on the OAA. By passing this bill, we will be in full agreement with the House. We will be able to send the 1992 OAA amendments to the President in the very near future.

By separating out the Social Security provisions from the OAA provisions we are keeping the matters within their proper jurisdiction, we are keeping an entitlement program distinct from a discretionary program. And we are doing what most advocates for the elderly believe to be the right thing to do. Further delay is inexcusable.

Everyone here knows we face an extraordinarily difficult time in the appropriations process this year. Older Americans Act services, such as home-delivered and congregate meals programs and ombudsmen to resolve nursing home problems, badly need increased funding as do so many other critical domestic programs. Meals programs have long waiting lists and some have been forced to shut down meal sites because of inadequate funding. These programs deserve to be considered for increases in the next fiscal year. Yet, if we fail to reauthorize the OAA promptly, these vital programs will likely have no shot at desperately needed increased funding. In fact, it appears that the House Appropriations Subcommittee with jurisdiction over the OAA has frozen funding at fiscal year 1992 levels and then cut the programs across-the-board by 1 percent.

The OAA amendments authorize a much needed increase in the reimbursement rate provided by the USDA for senior meals. The current per meal rate has been held static since 1987. The Appropriations Committee approved for the current fiscal year adequate funds to provide the authorized increase. The USDA will not, however, increase the rate until the OAA is reauthorized. That means if we do not act now, the funds are likely to be lost. And that means that many seniors who need meals will not get them.

In Seattle, for example, one senior meals program faces a 5-percent cut in OAA funding due to Washington

State's budget problems. This cut could at least be offset by the authorized USDA increase, thus holding off the actual closure of meal sites. In other words, without this reauthorization, this meals program will likely be forced to cut off current services for many seniors.

The White House Conference on Aging, which the President has called for 1993, cannot proceed without enactment of this legislation. The House Appropriations Committee has denied the administration's re-programming request to fund the conference staff and planning functions because it has not been authorized. In fact, at this very moment the conference staff are packing their boxes and shutting down their office as of this Friday. This important event, which has occurred each decade since 1961, includes tremendous grassroots involvement. It takes considerable time to execute. The longer the delay in enacting our reauthorization legislation the more difficult it will be to recover from this half in conference planning and proceed with the conference.

This legislation also includes the reauthorization of programs through the Administration for Native Americans [ANA]. These programs are crucial to Indian tribes throughout the Nation. The reauthorization of those programs is also held hostage to the dispute over the earnings test.

Mr. President, there is much more in this reauthorization that will not happen if we do not get these amendments signed into law. While I will not use our time to outline a complete list, I would like to add for the RECORD a list of key agreements reached with the House that reconcile differences between the original House and Senate versions of the reauthorization legislation.

In addition, I also will ask unanimous consent to have printed in the RECORD examples of letters that I have recently received imploring us to complete work on the OAA reauthorization. One of these letters is from the Leadership Council on Aging, an umbrella organization for the majority of the national organizations representing the elderly. This letter, signed by 22 of the member organizations, urges "the immediate passage of the Older Americans Act [OAA] reauthorization legislation."

We must respond positively to this plea. Let us break the gridlock, demonstrate the leadership the American people want of us, and do the right thing. We need to move quickly to pass the Older Americans Act amendments of 1992. Let us do it now.

Mr. President, I ask unanimous consent that the above-mentioned items be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF KEY PROVISIONS IN THE OLDER AMERICANS ACT AMENDMENTS OF 1992 AGREED TO BY SENATE AND HOUSE COMMITTEES OF JURISDICTION

New Elder Rights Title—to consolidate and strengthen provisions, relating to elder abuse prevention, ombudsman services to investigate nursing home complaints, legal assistance, outreach and insurance and entitlements counseling programs.

Increasing Minority Participation—through a number of provisions, including requiring State Units on Aging, area agencies on aging, and service providers to set specific objectives for minority targeting. Also requires intrastate funding formulas to take into account the number of individuals in greatest economic and social need, with particular attention to low-income minorities.

Supportive services for family caregivers of frail individuals—added as a new subpart to title III.

Intergenerational services at meal sites in public schools—to provide meals for older individuals in public schools to promote intergenerational activities with at-risk kids (based upon Seattle's highly successful SPICE program).

Transfers of funds—to limit the amount of transfers between different programs under the OAA, both between title III–B (supportive services) and III–C (congregate and home-delivered nutrition programs) and within title III–C. In particular, significant amounts of funds appropriated for meals have been transferred to other services. Transfers between title III–B and III–C are limited to 30% in 1993, 25% in 1994 and 1995 with an additional 5% waiver, and 20% in 1996 with an 8% waiver. Transfers within the title III–C are also limited to 30%, with an additional waiver of 18% in 1993, 15% in 1994 and 1995, and 10% in 1996.

USDA per meal reimbursement rate—raises the reimbursement rate to 61 cents, adjusted annually to account for increases in the consumer price index or the number of meals served divided into the amount appropriated, whichever is greater. The current rate has been fixed at 57.76 cents per meal since 1987. This ensures that nutrition programs receive the highest rate possible and all the monies appropriated to them.

White House Conference on Aging—authorizes a conference to be conducted no later than December 31, 1994 (the President has called for the conference in 1993). Provides for the first time an expanded Congressional role in the Conference by including Congressional appointees with the President's appointees to the conference policy committee. Specifies that the conference will have a focus on intergenerational policies and issues.

Special consideration for rural areas—requires states to identify the actual and projected costs of delivering services in rural areas.

Minimum funding base for title V older worker program contractors—to ensure a minimum funding base for all national contractors under the Department of Labor administered program to provide part-time minimum wage jobs to low-income individuals age 55 and over. The minimum base would be approximately $5 million and closes the funding gap between national programs serving Indian and Pacific Asian elders.

Database on Long-Term Care Health Workers—to establish national demographic information on non-professional health care workers employed by nursing homes and home health agencies.

Funding for Title IV (Training, Research, and Discretionary Programs)—Includes demonstration and research programs adopted by both the House and the Senate, including programs to provide intergenerational services, pension counseling, ombudsmen for older tenants of publically assisted housing, long-term care research, and others. The total authorization of appropriations for title IV is set at $72 million currently, but in general, no individual program within title IV is earmarked for a specific appropriation. Instead, the programs will receive "such sums as may be necessary."

Authorizations of Appropriations—In general, the higher authorization figures from both bills were accepted for FY 92 and "such sums as may be necessary" authorized in FY 93 and beyond for the Act's many vital services, including congregate and home-delivered meals, transportation, in-home care, information and referral, services for Native American elders, and many others.

Reauthorization of the Administration for Native Americans (ANA)—the bill includes the reauthorization of the Administration for Native Americans Programs Act of 1974. The ANA provides for financial assistance to tribal governments and Native American organizations to promote the goal of economic and social self-sufficiency for American Indians, Native Hawaiians, other Native American Pacific Islanders, and Alaska Natives.

LEADERSHIP COUNCIL
OF AGING ORGANIZATIONS,
Washington, DC, June 12, 1992.

DEAR SENATOR: The undersigned members of the Leadership Council of Aging Organizations [LCAO] urge the immediate passage of the Older Americans Act [OAA] reauthorization legislation. Millions of older citizens depend on programs under the Act for community and social services, nutrition programs, senior centers, legal assistance, homebound care and assistance, research and demonstrations, and employment opportunities. These programs serve at the core of the Federal response to the needs of the most vulnerable among the nation's fastest growing population group—older persons.

This vital legislation will make significant improvements not only in services available under the Act, but in effective administration and targeting of its very limited resources. Further, the legislation authorizes and provides a process and structure for a White House Conference on Aging.

It is critical to pass this important legislation before the congressional appropriations process is completed. Otherwise, important improvements in services to millions of older Americans will go underfunded or completely unfunded.

Sincerely,

HORACE B. DEETS.

THE FOLLOWING LEADERSHIP COUNCIL OF AGING ORGANIZATIONS HAVE SIGNED-ON TO THIS LETTER

American Association of Homes for the Aging.

American Association of Retired Persons.

AFSCME Retiree Program.

American Society on Aging.

Association for Gerontology in Higher Education.

Association for Gerontology and Human Development in Historically Black Colleges and Universities.

Catholic Golden Age.

Eldercare America, Inc.

The Gerontological Society of America.

Gray Panthers.

Green Thumb, Inc.

National Association of Foster Grandparent Program Directors.

National Association of RSVP Directors, Inc.

National Association of Retired Federal Employees.

National Association of Senior Companion Project Directors.

National Association of State Units on Aging.

National Caucus and Center on Black Aged, Inc.

National Council of Senior Citizens.

National Council on the Aging, Inc.

National Pacific/Asian Resource Center on Aging.

National Senior Citizens Law Center.

Older Women's League.

THE CITY OF NEW YORK,
DEPARTMENT FOR THE AGING,
New York, NY, June 23, 1992.

Hon. BROCK ADAMS,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR ADAMS: I write to you about a matter which is urgent for all senior citizens—the Reauthorization of the Older Americans Act (OAA). The Reauthorization bill should be passed promptly. We understand that it is not being held up by the Older Americans Act itself, but rather one amendment, the Social Security earnings limitation test.

The earnings test limitation must be resolved by Congress. However, this should not hold up the Older Americans Act Reauthorization, which must be passed during this session of the Congress. Unless it is, newly funded programs such as Disease Prevention and Health Promotion cannot be implemented, authorization increases for essential programs will be held up, and plans for the 1993 White House Conference for Aging cannot proceed.

We in New York City hope very much that you will separate the earnings test issue from the Older Americans Act Reauthorization and pass the Reauthorization bill.

We know of your concern about the elderly, and therefore, hope that you will act on this matter before the July 4th recess.

Sincerely,

PREMA MATHAI-DAVIS,
Commissioner.

SENIOR SERVICES
OF SEATTLE-KING COUNTY,
Seattle, WA, June 11, 1992.

Hon. BROCK ADAMS,
U.S. Senate, 513 Hart Building, Washington, DC.

DEAR SENATOR ADAMS: As the largest provider of Congregate and Home Delivered Meals in Washington State, I am very concerned by the apparent lack of ability of Congress to pass H.R. 2967, a bill to reauthorize the Older Americans Act. Failure to pass this important legislation means a loss of nearly $40,000 to my program alone. This represents 26,000 meals that I will not be able to serve in King County.

The typical Meals-on-Wheels client is an 83 year old woman, who lives alone, who has an income of $600.00 per month and who suffers from two chronic health conditions. Very often, her ability to even remain in her own home is based on her ability to receive this meal. By not passing this legislation, you are taking away her ability to remain in her home. Believe me, any other option will be far more expensive and less humane than to provide this meal. Please continue your historical support for this important program and pass this legislation Now!

Sincerely,

WILLIAM R. MOYER,
Director, Nutrition Projects.

WYOMING ASSOCIATION OF
SENIOR PROJECT DIRECTORS,
June 17, 1992.

Hon. BROCK ADAMS,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR ADAMS: Members of the above Association of Senior Project Directors strongly urge the passage of the Older Americans Act (OAA) reauthorization legislation. Millions of older citizens depend on programs under the Act for community and social services, nutrition programs, senior centers, legal assistance, homebound care and assistance, research and demonstrations, and employment opportunities. These programs serve as the core of the Federal response to the needs of the most vulnerable among the nation's fastest growing population—older persons.

This vital legislation will make significant improvements not only in services available under the Act, but in effective administration and targeting of its very limited resources. Further, the legislation authorizes and provides a process and structure for a White House Conference on Aging.

It is critical to pass this important legislation before the congressional appropriations process is complete. Otherwise, important improvements in services to millions of older Americans will go underfunded or completely unfunded.

Sincerely,

GERALD VINCENT-HASS,
President.

COUNTY OF ORLEANS,
OFFICE FOR THE AGING,
Albion, NY, June 22, 1992.

Hon. BROCK ADAMS,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR ADAMS: I am writing to request action in the Senate on the Older American's Act. Although I understand debate on passage rests on issues surrounding the Social Security earnings limitation test, inaction is harming Older Americans Act programming. We are not able to access 1992 appropriation levels, new funding cannot be utilized and the important White House Conference on Aging remains on hold.

The Older Americans Act is the centerpiece of Aging Network programs. Yet we have been losing funding ground since 1981. Without access to 1992 funding levels we are continuing to chip away at our ability to accomplish core responsibilities: planning and coordination activities, information and referral, outreach, legal services, in home services, transportation, public information and advocacy. All this is to be accomplished for $61,407 per year. Even in a small, rural County such a task is impossible.

And yet the need for the advocacy and planning activities is immense as our older population continues to grow, live longer and strongly want to remain in their own homes.

I urge the Senate to either resolve the earnings limitation test or decouple it from the Older Americans Act Bill. The Aging Network must have full access to Older Americans Act funding in order to accomplish the mission Congress has set for us.

Sincerely,

CARRI BLAKE,
Director.

CLALLAM JEFFERSON
COMMUNITY ACTION,
June 18, 1992.

Senator BROCK ADAMS,
Hart Building, Washington, DC.

DEAR SENATOR ADAMS: As the Director of the Senior Nutrition Program in Clallam and Jefferson counties, I am keenly aware of the importance of the Older Americans Act. Surely you know that its reauthorization is key to the stability of both congregate and home-delivered nutrition services to frail seniors throughout America.

I urge you to marshal all of your resources and to bring to bear all of your influence to affect swift passage of this legislation. Your action will bring some immediate relief to the program (especially the small increases in USDA appropriations) and will forestall a serious loss of prestige for the Act. More importantly, with the full force of the Act behind us, we will be able to avoid site closures, quotas and waiting lists—all of which are live options at this writing.

For all of your work on the Older Americans Act and for your continued efforts on behalf of our seniors, accept our deepest thanks.

Respectfully,

TIMOTHY L. HOCKETT,
Director, Senior Nutrition/Centers Division.

Mr. KENNEDY. Mr. President, I am pleased to join with Senator ADAMS in introducing an Older Americans Act reauthorization bill. This bill incorporates the agreements reached by all parties on Older Americans Act reauthorization issues. It does not include provisions liberalizing the Social Security earnings test. However, action on that measure can proceed on separate legislation reported by the Senate Finance Committee.

The Older Americans Act program has, for more than a quarter century, served millions of senior citizens with critically needed services such as Meals-on-Wheels for the home bound elderly, and the Senior Employment Program for modest income senior citizens who need the security of a job. Equally important, the act has created other vital programs for senior citizens, such as the nursing home ombudsmen, who provide a voice for individuals least able to speak for themselves.

I commend Senator ADAMS for the remarkable job he has done in crafting this reauthorization bill. He has provided leadership in consolidating and improving the most important services under the act which protect the rights, autonomy, and independence of older persons. This effort, S. 1471, the Elder Rights Amendments to the Older Americans Act, is one that I endorsed and which I joined as an original cosponsor. It is now a centerpiece of the consensus bill we are introducing today.

Over the past decade, the increasing population of elderly citizens in the population has caused us to seek better answers to the growing need for long-term care. I am pleased that this consensus bill will continue the long-term care resource centers, including the

Brandeis Center in Massachusetts. It also authorizes a new demonstration project to improve the delivery of long-term care services. The latter project is an initiative which I developed with Senator PRYOR, the chairman of the Senate Special Committee on Aging.

I also commend Senator COCHRAN, the ranking minority member of the Aging Subcommittee of the Senate Labor Committee, for his excellent work on this reauthorization bill. We have before the Senate today a measure which reaffirms our commitment to helping older Americans maintain their independence and dignity, and I urge its enactment.

Mr. FORD. Mr. President, I ask unanimous consent that the bill be read for the second time.

Mr. DOMENICI. On behalf of the Republican leader, I object.

The PRESIDING OFFICER. Objection has been heard.

The bill will be read on the next legislative day.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees and a withdrawal.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:18 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills and joint resolution:

S. 249. An act for the relief of Trevor Henderson;

S. 992. An act to provide for the reimbursement of certain travel and relocation expenses under title 5, United States Code, for Jane E. Denne of Henderson, Nevada; and

S. J. Res. 295. a joint resolution designating September 10, 1992, as "National D.A.R.E. Day."

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 1150. An act to reauthorize the Higher Education Act of 1965, and for other purposes.

The enrolled bill was subsequently signed by the president pro tempore [Mr. BYRD].

At 5:20 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills and joint resolution:

H.R. 761. An act to waive the foreign residency requirement for the granting of a visa to Amanda Vasquez Walker;

H.R. 1101. An act for the relief of William A. Cassity;

H.R. 1628. An act to authorize the construction of a monument in the District of Columbia or its environs to honor Thomas Paine, and for other purposes;

H.R. 2156. An act for the relief of William A. Proffitt;

H.R. 2193. An act for the relief of Elizabeth M. Hill;

H.R. 2490. An act for the relief of Christy Carl Hallien of Arlington, Texas;

H.R. 3288. An act for the relief of Olufunmilayo O. Omokaye;

H.R. 5059. An act to extend the boundaries of the grounds of the National Gallery of Art to include the National Sculpture Garden;

H.R. 5377. An act to amend the Cash Management Improvement Act of 1990 to provide adequate time for implementation of that Act, and for other purposes; and

H.J. Res. 411. A joint resolution to designate the week of September 13, 1992, through September 19, 1992, as "National Rehabilitation Week."

The message also announced that the House has passed the following bill with an amendment, in which it requests the concurrence of the Senate:

S. 295. An act for the relief of Mary P. Carlton and Lee Alan Tan.

The message further announced that the House has passed the following bill with amendments, in which it requests the concurrence of the Senate:

S. 1671. An act to withdraw certain public lands and to otherwise provide for the operation of the Waste Isolation Pilot Plant in Eddy County, New Mexico, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times, and referred as indicated:

H.R. 761. An Act to waive the foreign residency requirement for the granting of a visa to Amanda Vasquez Walker; to the Committee on the Judiciary;

H.R. 1101. An Act for the relief of William A. Cassity; to the Committee on Armed Services;

H.R. 1628. An Act to authorize the construction of a monument in the District of Columbia or its environs to honor Thomas Paine, and for other purposes; to the Committee on Rules and Administration;

H.R. 2156. An Act for the relief of William A. Proffitt; to the Committee on Armed Services;

H.R. 2193. An Act for the relief of Elizabeth M. Hill; to the Committee on the Judiciary;

H.R. 2490. An Act for the relief of Christy Carl Hallien of Arlington, Texas; to the Committee on Armed Services;

H.R. 3288. An Act for the relief of Olufunmilayo O. Omokaye; to the Committee on the Judiciary;

H.R. 5377. An Act to amend the Cash Management Improvement Act of 1990 to provide adequate time for implementation of that Act, and for other purposes; to the Committee on Governmental Affairs; and

H.J. Res. 411. A joint resolution to designate the week of September 13, 1992, through September 19, 1992, as "National Rehabilitation Week"; to the Committee on the Judiciary.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 22, 1992, he had presented to the President of the United States the following enrolled bill:

S. 1150. An Act to reauthorize the Higher Education Act of 1965, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3610. A communication from the Acting General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to clarify the procedures for nominating candidates for the military academies; to the Committee on Armed Services.

EC–3611. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, a report on the treatment of post-traumatic stress disorder; to the Committee on Armed Services.

EC–3612. A communication from the Secretary of Defense, transmitting, pursuant to law, a report entitled "Allied Contributions to the Common Defense"; to the Committee on Armed Services.

EC–3613. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated July 10, 1992; pursuant to the order of 1/30/75, as modified by the order of 4/11/86; referred jointly to the Committee on Appropriations, the Committee on the Budget, to the Committee on Agriculture, Nutrition and Forestry, the Committee on Armed Services, the Committee on Banking, Housing and Urban Affairs, the Committee on Commerce, Science and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Foreign Relations, and the Committee on Labor and Human Resources.

EC–3614. A communication from the Acting General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to authorize the Secretary of the Army to designate civilian employees to act as approving authorities on reports of survey; to the Committee on Armed Services.

EC–3615. A communication from the Acting General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to authorize a military history dissertation fellowship program; to the Committee on Armed Services.

EC–3616. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, a report on the transfer of imputed interest on required reserve balances to the deposit insurance funds; to the Committee on Banking, Housing and Urban Affairs.

EC–3617. A communication from the President and Chief Executive Officer of the Resolution Trust Corporation, transmitting, pursuant to law, the financial results of the Resolution Trust Corporation's operation for the year ending December 31, 1991; to the Committee on Banking, Housing and Urban Affairs.

EC-3618. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the U.S. Department of Housing and Urban Development's Energy Assessment Report; to the Committee on Banking, Housing and Urban Affairs.

EC-3619. A communication from the Secretary of Housing and Urban Development, transmitting, a draft of proposed legislation entitled "Housing and Community Development Act of 1992;" to the Committee on Banking, Housing, and Urban Affairs.

EC-3620. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation; to the Committee on the Budget.

EC-3621. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on appropriations legislation; to the Committee on the Budget.

EC-3622. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation; to the Committee on the Budget.

EC-3623. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation; to the Committee on the Budget.

EC-3624. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the State Block Grant Pilot Program; to the Committee on Commerce, Science, and Transportation.

EC-3625. A communication from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on the modernization and restructuring of the National Weather Service; to the Committee on Commerce, Science, and Transportation.

EC-3626. A communication from the Assistant Secretary for Environmental Restoration and Waste Management, transmitting, pursuant to law, a report summarizing the expenditures of the Department's Low-Level Radioactive Waste Surcharge Escrow Account; to the Committee on Energy and Natural Resources.

EC-3627. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on enforcement actions and comprehensive status of Exxon and stripper well oil overcharge fund; to the Committee on Energy and Natural Resources.

EC-3628. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the receipt of project proposals; to the Committee on Energy and Natural Resources.

EC-3629. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, the annual report of the Federal Energy Regulatory Commission; to the Committee on Energy and Natural Resources.

EC-3630. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3631. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3632. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report with respect to trade between the United States and Romania; to the Committee on Finance.

EC-3633. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the Annual Report of the Audit of the Student Loan Marketing Association; to the Committee on Labor and Human Resources.

EC-3634. A communication from the Deputy Executive Director of the Federal Housing Finance Board, transmitting, pursuant to law, the actuarial valuation report for years ending December 31, 1990 and 1991; to the Committee on Governmental Affairs.

EC-3635. A communication from the Benefits Manager of the Farm Credit Bank of Baltimore, transmitting, pursuant to law, the annual reports of Federal Pension Plans; to the Committee on Governmental Affairs.

EC-3636. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled, "Review of Contracts and Contracting Procedures Within the Department of Corrections"; to the Committee on Governmental Affairs.

EC-3637. A communication from the Administrator of the Small Business Administration, transmitting, pursuant to law, the semiannual report of the Inspector General of the Small Business Administration; to the Committee on Governmental Affairs.

EC-3638. A communication from a Fellow of the Society of Actuaries, transmitting, pursuant to law, the annual report of the Farm Credit Bank of St. Paul Retirement Plan; to the Committee on Governmental Affairs.

EC-3639. A communication from the President of the Federal Financing Bank, transmitting, pursuant to law, the first annual report of the Federal Financing Bank; to the Committee on Governmental Affairs.

EC-3640. A communication from the Assistant Attorney General of the Department of Justice, transmitting, pursuant to law, a report on the legalized alien population; to the Committee on the Judiciary.

EC-3641. A communication from the Secretary of Education, transmitting, pursuant to law, a report on the availability of special education; to the Committee on Labor and Human Resources.

EC-3642. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, a report on proposed regulations governing special fundraising projects and use of candidates name by unauthorized committees; to the Committee on Rules and Administration.

EC-3643. A communication from the Secretary of Veterans' Affairs, transmitting, a draft of proposed legislation to authorize the creation of a Persian Gulf Registry Program; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

S. 2624. A bill to authorize appropriations for the Interagency Council on the Homeless, the Federal Emergency Management Food and Shelter Program, and for other purposes (Rept. No. 102-327).

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

S. 3006. An original bill to provide for the expeditious disclosure of records relevant to the assassination of President John F. Kennedy (Rept. No. 102-328).

Mr. GLENN. Mr. President, I am joined in the reporting of this important legislation by my colleagues Senator BOREN, Senator SPECTER, Senator MITCHELL, Senator METZENBUAM, Senator LEVIN, Senator LIEBERMAN, Senator AKAKA, Senator STEVENS, Senator COHEN, Senator DECONCINI, Senator WOFFORD, Senator MURKOWSKI, Senator LEAHY, and Senator GRASSLEY.

By Mr. KENNEDY, from the Committee on Labor and Human Resources, without amendment:

S. 2257. A bill to amend the Social Security Act to extend the terms of service of the members of the National Commission on Children, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DANFORTH (for himself, Mr. MITCHELL, Mr. PRYOR, and Mr. BOND):

S. 2996. A bill to amend title XVIII of the Social Security Act to clarify the classification of sole community hospitals under medicare; to the Committee on Finance.

By Mr. BAUCUS:

S. 2997. A bill to increase funding for the Small Business Innovation Research Program, and for other purposes; to the Committee on Small Business.

By Mr. RIEGLE:

S. 2998. A bill to provide for the designation of enterprise zones, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SARBANES:

S. 2999. A bill to extend the authorization of appropriations of the National Historical Publications and Records Commission for 6 years; to the Committee on Governmental Affairs.

By Mr. DECONCINI:

S. 3000. A bill to require the Secretary of the Treasury to mint coins in commemoration of the National Law Enforcement Officers Memorial, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOMENICI (for himself, Mr. DOLE, and Mr. MURKOWSKI):

S. 3001. A bill to amend the Food Stamp Act of 1977 to prevent a reduction in the adjusted cost of the thrifty food plan during fiscal year 1993, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROCKEFELLER (for himself, Mr. DURENBERGER, Mr. CONRAD, Mr. MITCHELL, Mr. DANFORTH, Mr. BRADLEY, Mr. BINGAMAN, Mr. MOYNIHAN, Mr. INOUYE, Mr. KENNEDY, Mr. CHAFEE, and Mr. HATCH):

S. 3002. A bill to amend title XIX of the Social Security Act to provide for optional coverage under State medicaid plans of case-management services for individuals who sustain traumatic brain injuries, and for other purposes; to the Committee on Finance.

By Mr. KERRY:

S. 3003. A bill to amend the Marine Mammal Protection Act of 1972 to authorize the Secretary of State to enter into international agreements to establish a global moratorium to prohibit harvesting of tuna through the use of purse seine nets deployed on or to encircle dolphins or other marine mammals, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SANFORD:

S. 3004. A bill to provide for the liquidation or reliquidation of a certain entry of warp knitting machines as free of certain duties; to the Committee on Finance.

S. 3005. A bill to continue the reduction of duties under the Harmonized Tariff Schedule of the United States on gripping narrow fabrics of man-made fibers; to the Committee on Finance.

By Mr. GLENN:

S. 3006. An original bill to provide for the expeditious disclosure of records relevant to the assassination of President John F. Kennedy; from the Committee on Governmental Affairs; placed on the calendar.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 3007. A bill to authorize financial assistance for the construction and maintenance of the Mary McLeod Bethune Memorial Fine Arts Center; considered and passed.

By Mr. ADAMS (for himself, Mr. KENNEDY, Mr. INOUYE, Mr. METZENBAUM, Mr. HARKIN, Mr. SIMON, Mr. BINGAMAN, Ms. MIKULSKI, Mr. DODD, Mr. PELL, and Mr. WELLSTONE):

S. 3008. A bill to amend the Older Americans Act of 1965 to authorize appropriations for fiscal years 1992 through 1995; to authorize a White House Conference on Aging; to amend the Native Americans Programs Act of 1974 to authorize appropriations for fiscal years 1992 through 1995; and for other purposes.

By Mr. DOMENICI:

S. 3009. A bill to amend title 10, United States Code, to provide for the payment of an annuity or indemnity compensation to the spouse or former spouse of a member of the Armed Forces whose eligibility for retired or retainer pay is terminated on the basis of misconduct involving abuse of a dependent, and for other purposes; to the Committee on Armed Services.

By Mr. DANFORTH (for himself, Mr. HATCH, Mr. KASTEN, Mr. BROWN, Mr. COCHRAN, Mr. THURMOND, Mr. D'AMATO, Mr. SMITH, and Mr. PACKWOOD):

S. 3010. A bill to encourage, assist, and evaluate educational choice programs, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

Mr. DANFORTH (for himself, Mr. MITCHELL, Mr. PRYOR, and Mr. BOND):

S. 2996. A bill to amend title XVIII of the Social Security Act to clarify the classification of sole community hospitals under Medicare; to the Committee on Finance.

MEDICARE CLASSIFIED COMMUNITY HOSPITALS

Mr. DANFORTH. Mr. President, I join with the majority leader, Senator MITCHELL, Senator PRYOR, and Senator BOND to introduce the Sole Community Hospital Justice Act of 1992. Congress created the sole community hospital designation in order to provide additional reimbursement to those hospitals that are the sole source of care for people in a particular region. Congress gave additional reimbursement to these hospitals in order to ensure that people would have access to care within a reasonable distance of their homes.

Our legislation is designed to insure that hospitals located outside of rural areas that comply with the spirit and the letter of the regulations defining a sole community hospital receive that designation and the additional funding that accompany it. In defining the term "sole community hospital," Congress carefully refrained from restricting the definition to hospitals in any particular geographic region. In fact, Congress stated that any hospital that meets certain objective criteria specified in statute or by the Secretary should be classified as a sole community hospital.

Initially, the Secretary promulgated regulations that delineated certain objective criteria for designation as a sole community hospital. In particular, the Secretary stated that a sole community hospital must be—

> * * * located in a rural area * * * and meet[] one of the following conditions: (1) The hospital is located more than 35 miles from other like hospitals. (2) The hospital is located between 25 and 35 miles from other like hospitals and meets one of the following criteria: (i) no more than 25 percent of residents who become hospital inpatients or no more than 25 percent of the Medicare beneficiaries who become hospital inpatients in the hospital's service area are admitted to other like hospitals located within a 35-mile radius of the hospital, or, if larger, within its service area * * *.

Our objection is to the inclusion of the word "rural" in the regulation. Because the statutory language authorizing the regulation states that—

> * * * any hospital * * * that by reason of factors such as * * * location, weather conditions, travel conditions * * * is the sole source of inpatient hospital services reasonably available to individuals in a geographic area * * *.

We do not believe that it was necessary for the Secretary to add the word "rural" to the regulation. In our view, this geographic restriction violated the original congressional intent of this designation.

Last year, we made that exact argument to the Administrator of the Health Care Financing Administration, and her reaction indicated the administration's agreement with our position. Yet, in remedying its initial mistaken interpretation, the administration did not go far enough. Instead of removing its geographic restriction in its entirety, the administration removed that restriction from only one of the objective criteria used to delineate a sole community hospital. In particular, the Health Care Financing Administration permitted other urban hospitals that were located more than 35 miles from other like hospitals to qualify for sole community hospital status.

This legislation is designed to remove the arbitrary geographic restriction from one of the other criteria which determine the sole community hospital designation. We propose to permit other urban hospitals that are located between 25 and 35 miles from other like hospitals and that admit at least 75 percent of the residents or the Medicare beneficiaries within its service area who became hospital inpatients. As one can see from this description, these hospitals are the sole source of health care in a particular area, and if rural hospitals meeting the same criteria earn this designation, there is no conceivable reason why the designation should be denied to other urban hospitals.

There are, in fact, a small number of hospitals in other urban areas which meet the HCFA criteria and otherwise comply with the spirit and intent of the law. These hospitals provide much-needed care to a high percentage of Medicare and Medicaid patients, and without these health care institutions, patients would be forced to travel great distances to other hospitals.

One of those hospitals, Heartland Health System in St. Joseph, MO, provides needed health care to the citizens of my State. Many of Heartland's patients are poor and old, and without Heartland these people would have no place else to go. It was for hospitals like Heartland that Congress created the sole community hospital designation in the first place, and I do not believe that Heartland should be denied the needed aid this designation provides simply because it is not located in a rural area. If Heartland does not meet the definition of a sole community hospital, than something is wrong with that definition.

In order to provide a high level of care to Medicare recipients in the other urban areas of this country, we must extend the same benefits to these hospitals as are received by rural hospitals. In order to do just that, the majority leader, Senator PRYOR, Senator BOND, and I are introducing the Sole Community Hospital Justice Act of 1992.

By Mr. BAUCUS:

S. 2997. A bill to increase funding for the Small Business Innovation Research Program, and for other purposes; to the Committee on Small Business.

SBIR TECHNOLOGIES PROGRAM

Mr. BAUCUS. Mr. President, I rise today to discuss an issue of critical importance to our country's economic future: investment in technology.

As we all know, the cold war is over and America won. And Americans have now begun to realize that our strength in the world is ultimately dependent on our economic strength rather than on our military strength. Our success in the world is now measured by our ability to deliver semiconductors and automobiles to foreign capitals more than our ability to deliver bombs and troops.

And, if America is to remain a superpower in the coming decades, we as a Nation must refocus our energies.

That is why I rise today to introduce legislation to expand the Small Business Innovation Research or the SBIR Program.

Mr. President, since 1980, the share of the Nation's economy devoted to investments, to education and training, children's programs, infrastructure, and civilian research and development has dropped by 40 percent.

Our country simply can not continue down that road.

One important aspect of America's decline in investment has been the lack of a real Federal commitment to supporting research in new technologies.

In the past America has led the world in R&D. Now, Europe and Japan have caught up and are surpassing the United States in funding for research in new technologies.

An important step toward rejuvenating the U.S. R&D effort, is to support and bolster programs with proven track records of commercial success for our Nation's industries.

One such program is the Small Business Innovation Research Program.

SBIR PROGRAM

Small businesses have played a critical role in the strength of our economy. They are responsible for employing over 100 million people in the United States. And they have made significant contributions to the research and development of new technologies and products, ensuring the future competitiveness of our Nation's industries.

The SBIR Program requires all Federal agencies with a budget of $100 million or more for research and development to set aside just over 1 percent of the R&D budgets for allocation to small businesses.

A Government report issued at the time of SBIR's inception in 1983 demonstrated that small businesses were just as successful, if not more so, than large corporations and universities at conducting high-quality innovative research. Small businesses were producing 2½ times as many innovations based on the number of employees than larger corporations. But before the SBIR was instituted, large firms were almost three times more likely to receive public funds for R&D than smaller firms.

Since the SBIR Program was first implemented in 1983, over 18,000 awards have been made to small businesses pursuing technological research.

Take the example of Electrosynthesis Co. in East Amherst, NY. As a result of SBIR assistance they have developed a technology that converts major pollutants into harmless gas. This electrosynthesis system is aimed at the $1 billion air purification device market, and it is used to clean air in spray-paint booths, sewage treatment facilities, and plant compost odor control systems.

The successful marketing of SBIR-related technologies is what has made the program so competitive. One criticism of the U.S. R&D effort has been its inability to commercialize new technologies for the benefit of U.S. manufacturers. The United States does develop new technology, but historically we have not aggressively marketed and manufactured the resulting products.

Under the SBIR Program, the final requirement for any award is to successfully market the new technology as both a point of expansion for further development, and for the financial rewards it brings to both small business and the overall U.S. economy.

Here, too, SBIR has been a success. A significant percentage of the developed technologies are brought to the marketplace for commercialization and further development. A Small Business Administration survey showed that 4 years after receiving SBIR funding, 12 percent of small high-technology companies reported commercial success—and that percentage rose to 18 percent after 5 years and 23 percent after 6 years.

We all know that an investment in R&D is a long-term investment. Time will tell of further SBIR successes.

EXPANDING SBIR

I am today introducing legislation to expand and redirect the SBIR.

First, the legislation increases funding levels for SBIR from 1.25 percent of all Federal agency R&D budgets of $100 million or more to 3.0 percent of those budgets.

Let me be clear: This legislation does not increase the amount of money these agencies will spend. It simply redirects a larger portion of their budgets toward small businesses.

The legislation also creates new awards for research in a number of critical, key-growth technologies.

This list of emerging technologies has been chosen by the Secretary of Commerce with the recognition that,

> When an industry uses a new technology to design or improve a product and successfully carries it to the commercial marketplace, that new or improved product becomes the starting point for development of the next generation of products or services.

While some may argue against this approach, if we are to succeed in the changing global economy, we must have a strong Government commitment to the development of growth technologies. We have to spark a resurgence of American economic and technological leadership.

I have no doubt that we can do it, it's just a matter of moving boldly forward, of restoring our traditional American can-do spirit. Research in areas such as superconductors, biotechnology, and opto electronics begins a process of product development that will bear fruit in an infinite variety of new products and technologies. The SBIR funds will help create the foundation upon which to continue expanding in the future.

My legislation to help expand the SBIR is an ideal first step in reaffirming Government support for R&D. Not only does the SBIR provide valuable funding for small businesses, it also promotes the commercialization of the key commercial technologies for the next century.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2997

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PURPOSES.

The purposes of this Act are—

(1) to expand and improve the Small Business Innovation Research Program through increased funding; and

(2) to reserve certain awards under the program for small business concerns engaged in critical technologies projects.

SEC. 2. SBIR FUNDING.

Section 9(f) of the Small Business Act (15 U.S.C. 638(f)) is amended to read as follows:

"(f) FEDERAL AGENCY EXPENDITURES FOR SMALL BUSINESS INNOVATION RESEARCH PROGRAM PROJECTS.—

"(1) IN GENERAL.—Each Federal agency that has an extramural budget for research or research and development in excess of $100,000,000 in any fiscal year shall expend with small business concerns specifically in connection with a small business innovation research program that meets the requirements of the Small Business Innovation Development Act of 1982 and regulations issued thereunder—

"(A) 1.25 percent of such budget in fiscal year 1993;

"(B) 1.75 percent of such budget in fiscal year 1994;

"(C) 2.25 percent of such budget in fiscal year 1995;

"(D) 2.75 percent of such budget in fiscal year 1996; and

"(E) 3 percent of such budget in each fiscal year thereafter.

"(2) CRITICAL TECHNOLOGIES PROJECTS.—

"(A) RESERVED AMOUNTS.—All amounts expended in any fiscal year by a Federal agency in accordance with paragraph (1) in excess of 1.25 percent of such agency's budget for research or research and development shall be expended in connection with a small business innovation research project involving research in or research and development of the critical technologies listed in subparagraph (B).

"(B) TYPES OF PROJECTS.—The critical technologies projects referred to in subparagraph (A) are projects involving—

"(i) advanced materials;

"(ii) superconductors;

"(iii) advanced semiconductor devices;

"(iv) digital imaging technology;

"(v) high-density data storage;

"(vi) high performance computing;

"(vii) optoelectronics;

"(viii) artificial intelligence;

"(ix) flexible computer-integrated manufacturing;

"(x) sensor technology;

"(xi) biotechnology;

"(xii) medical and diagnostic devices; and

"(xiii) such other technologies identified by the Secretary of Commerce as critical technologies.

"(3) CRITICAL TECHNOLOGIES PREFERENCE.—In expending amounts under this subsection, each Federal agency shall give preference to a small business innovation research project that involves a critical technology referred to in paragraph (2)(B).

"(4) LIMITATIONS.—

"(A) NON-SBIR PROJECTS.—A funding agreement with a small business concern for research or research and development that results from competitive or single source selections other than under a small business innovation research program shall not be counted as meeting any portion of the percentage requirements or paragraph (1).

"(B) DEPARTMENT OF ENERGY DEFENSE PROGRAMS.—Amounts appropriated for atomic energy defense programs of the Department of Energy shall, for the purposes of paragraph (1), be excluded from the amount of the research or research and development budget of that Department.".

By Mr. RIEGLE:

S. 2998. A bill to provide for the designation of enterprise zones, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

ENHANCED ENTERPRISE ZONE ACT OF 1992

• Mr. RIEGLE. Mr. President, I rise today to introduce the Enhanced Enterprise Zone Act of 1992. We have all heard a great deal in the past few months about enterprise zones as a solution to the lack of economic opportunity and the social decay that confront the residents of many of America's inner cities. I have long supported enterprise zones as an experiment worth trying to bring economic opportunity to inner city residents. But I am introducing this legislation today because I am convinced that enterprise zones as currently conceived are only half a strategy, and half a strategy is doomed to fail unless it is made whole.

In crafting the bill, I have built on what I saw and heard during a recent visit to Benton Harbor, an inner city community in my home State of Michigan. Benton Harbor is home to Michigan's only State-sponsored enterprise zone. The lesson that Benton Harbor has learned from its enterprise zone experience is one we here in Washington must heed as we craft Federal enterprise zone legislation: Tax incentives can be helpful, but tax incentives alone will not provide an adequate new economic start for the poor and minority residents of our inner cities.

Tax incentives tend to empower outside businesses rather than inner city residents. Benton Harbor's enterprise zone has been credited with attracting 100 new or expanded businesses and creating 700 jobs, but only a small fraction of those jobs have gone to residents of Benton Harbor who are largely unskilled, poor, and minorities. While that is helpful, it must be substantially augmented to bring about real economic renaissance.

The people of Benton Harbor and of similar communities throughout the Nation must have the means to improve their job skills before they can fully take advantage of new employment opportunities. The also need better access to capital to start businesses of their own and to buy or upgrade their homes. Job skills and access to capital—along with targeted tax breaks for entrepreneurs—can be the foundation for true economic empowerment. In addition, distressed communities cannot begin to turn themselves around while most of the work force lives in dilapidated housing, has inadequate access to needed child care, and is afraid to walk the streets at night because of high crime rates and a shortage of needed police.

As chairman of the Committee on Banking, Housing, and Urban Affairs, I have crafted an enhanced enterprise zone bill that focuses on programs within the jurisdiction of the committee. This legislation fills some of the gaps in the administration's tax-oriented enterprise zone proposal by targeting additional Federal resources to communities designated as Federal enterprise zones. These resources would empower residents of enterprise zone communities to build new housing and infrastructure, to acquire needed education and job skills, to put more police on their streets, and to generate fresh capital to start business enterprises they will own and manage and which will create jobs.

Specifically, the bill provides $855 million in new Federal resources for enterprise zones and distressed areas in fiscal 1993 and $885 million in fiscal 1994. This is $355 million more in 1993 and $385 million more in 1994 than the enterprise zone legislation recently passed by the House of Representatives. These funds will be targeted to help communities address pressing social and economic needs if they are to offer their residents a true opportunity for empowerment.

For housing, the bill targets to these zones additional housing construction and rehabilitation resources under the HOME investment partnership. The bill provides authorizations of $250 million for the zones in fiscal year 1993 and $260 million in fiscal 1994. The bill also reduces the State and local match requirements for the HOME Program for projects undertaken in the zones and provides them with preferences in the award of distressed public and rural housing grants. Finally, the bill streamlines regulations under the HOME Program to facilitate new construction and other housing production in the zones.

For education and job training, the bill targets to the zones additional funds under the community development block grant program. The bill provides authorizations of $500 million in fiscal year 1993 and $520 million in fiscal 1994. Restrictions on the use of block grant funds are lifted to allow use of as much money as the local communities deem advisable on job training and related services. The bill also provides an additional $5 million in fiscal 1993 and $10 million in fiscal year 1994 for youthbuild training programs in the zones. Youthbuild, a new program established in the pending housing authorization bill, provides grants to community-based organizations to educate and train low-income youth in housing construction and rehabilitation.

To increase access to capital, the bill creates the enterprise capital access fund. The fund would have $100 million in fiscal 1993 and $200 million in fiscal 1994 to make low-interest loans and technical assistance grants to nonprofit community-based lenders for loans to businesses, housing, and other community and economic development activities that benefit residents of the zones and other distressed communities. Community development block grant regulations would also be streamlined to facilitate use of block grant funds to assist small and micro-businesses and businesses in distressed communities.

To promote public safety, the zones would receive preference in the award of public housing drug elimination grants. They would also be able to use the additional community development block grant resources to hire more police or develop innovative initiatives to enhance public safety.

To build infrastructure, the State and local match requirements for urban mass transit would be cut in half for projects designed to increase the mobility of enterprise zone residents. Community development block grant funds could also be used for infrastructure development projects.

The bill also requires the Comptroller General to study and report to Congress on the availability of insurance for businesses and residences in enterprise zones and other inner city areas. The crisis in Los Angeles brought to light evidence of continued discrimination and redlining in the insurance market. News reports surfaced that many businesses and residences destroyed in the rioting lacked insurance because coverage was unavailable. The study required by the bill will contain recommendations for legislative action to enhance the availability of insurance in urban areas. Adequate insurance is a crucial building block of a healthy neighborhood economy.

The bill is just a first step. It provides some of the non-tax elements necessary for enterprise zones to have any chance of enabling the residents of our distressed communities to move themselves into the economic mainstream. In the coming weeks, I will be working with Senator BENTSEN, chairman of the Senate Finance Committee, to develop the tax components of an enterprise zone package that will empower zone residents and not just business owners by linking tax breaks to jobs for zone residents.

Even such a balanced enterprise zone package as this is just the beginning in a comprehensive war on the crisis confronting urban America. Enterprise zones are an important experiment that initially will only reach a limited number of communities. If it works as we think it can, we will greatly expand the program.

Breaking the spiral of decline and putting America's cities on an upward path demands a concerted national commitment to reach all distressed communities. This commitment will require the dedication of substantial national resources—both immediately and over the long-term—by Government and the private and not-for-profit communities alike.

This commitment should build on programs that we know work—programs like Head Start to prepare preschool kids, chapter 1 compensatory education to fund additional educational programs for educationally disadvantaged elementary and secondary school students, and Job Corps to help disadvantaged teenagers develop practical employment skills. But we must also develop new programs in which business and community groups work with the Government in a new urban partnership to shape cities whose residents have the economic tools needed to be self-sufficient and to produce vibrant social and economic communities.

We must make this commitment to enable the residents of our cities to become full participants in the social and economic mainstream of our Nation. We do this not just for reasons of equity and compassion but out of concern for our Nation's future competitiveness in the world economy. For, by the year 2000, 57 percent of the new entrants to America's work force will be drawn from the minority populations that are concentrated in our inner cities. Unless they have world class work skills and economic opportunities to apply those skills, America will undergo serious decline.

I will be working aggressively to shape our national commitment to a new urban partnership in the weeks and months to come, and I look forward to working with my colleagues on both sides of the aisle—as well as the President—for the well-being of the people of our cities and of our Nation as a whole.•

By Mr. SARBANES:

S. 2999. A bill to extend the authorization of appropriations of the National Historical Publications and Records Commission for 6 years; to the Committee on Governmental Affairs.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION AUTHORIZATION

• Mr. SARBANES. Mr. President, for the last 4 years it has been my privilege to serve as the representative of the U.S. Senate on the National Historical Publications and Records Commission; and I am introducing legislation today to reauthorize the Commission for an additional 6 years.

The NHPRC's statutory mandate is to promote the preservation and use of America's historical legacy. Recently, the Commission completed an extensive review of its operations and its future goals. At its February 1992 meeting, the Commission adopted a long-range plan entitled "To Protect a Priceless Legacy." The plan proposed broad goals and specific objectives for the operation of the Commission from now until the end of the century. It is a realistic and challenging document, and I enthusiastically supported its adoption. Absent the increased funding sought in this reauthorization bill, the Commission would be hard pressed to undertake work toward more than the top half-dozen objectives in its comprehensive plan.

NHPRC grants are producing valuable results. Just this month saw publication of the first volume of the papers of Martin Luther King, Jr., completion of the papers of Henry Clay, the diary of Elizabeth Drinker, the papers of Elizabeth Cady Stanton and Susan B. Anthony, and the congressional series of the papers of James Madison—all assisted by NHPRC grants.

It is important that the Commission continue its respected work in preserving this Nation's heritage, and I believe this reauthorization legislation is a practical step in ensuring continuity of the Commission's programs.•

By Mr. DECONCINI:

S. 3000. A bill to require the Secretary of the Treasury to mint coins in commemoration of the National Law Enforcement Officers Memorial, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL LAW ENFORCEMENT OFFICERS MEMORIAL COIN BILL

• Mr. DECONCINI. Mr. President, I rise today to ask this body to recognize the men and women of law enforcement who have died in defense of their communities and their country. The measure I have sent to the desk is a very simple proposal that is intended to make clear a profound truth: The war in our Nation's streets against crime, drugs and violence is claiming some of the very best and brightest of our citizens: police officers.

As many of you know, there is a majestic National Law Enforcement Officers Memorial just down the street from the Capitol. This includes a "Pathway of Remembrance" where the names of 12,928 law enforcement officers who have died in the line of duty from all parts of the United States are engraved on marble walls. It is the one symbol which reminds us all that there is a domestic war which claims its victims every single day. It is a tribute to the sacrifices made by the brave men and women of law enforcement and their families. The memorial is a constant reminder of the increasingly dangerous occupation which is today's law enforcement. The bill I am sending to the desk today is a further recognition of the bravery displayed by these protectors of the peace.

The National Law Enforcement Officers' Memorial Coin Act, which I am introducing today, will authorize the minting of coins to be issued in 1993 to pay honor and respect to these fallen protectors of the peace. This legislation will allow for a surcharge on the sale of these coins, the proceeds going to establish a National Law Enforcement Officers Memorial Maintenance Fund. The fund will be used to finance major repairs and alterations to the memorial, and when tragedy strikes again, the addition of individual names to the memorial. In addition proceeds from the sale of these coins will cover payment to the Treasury Department for all costs authorized in this bill. Sadly, it is the estimate of law enforcement organizations that another 153 names will have to be added to the memorial by year's end. The bill I am introducing today will authorize the minting of a limited number of both gold five dollar and silver one dollar coins. Sales of the gold five dollar coin will include a surcharge of $35 and $7 for the silver one dollar coin. The Secretary of the Treasury in consultation with officials of the National Park Service and the U.S. Commission on Fine Arts will select the coins design.

From the very inception of the Law Enforcement Memorial to final construction, the funding has come from the private donations of thousands of individuals, corporations and many law enforcement organizations. None of these people had to do this; many have made great sacrifices to complete this silent tribute to their friends, family, colleagues, mothers and fathers. In keeping with the tradition of the memorial, the total cost for production and distribution of the coins will be paid from the surcharge on the coin itself and it will not cost the taxpayer one penny.

This bill will allow the minting of a limited number of two types of coins, a gold coin with a $5 denomination and a silver coin with a $1 denomination. The Secretary of the Treasury, in consultation with officials of the National Law

Enforcement Officers Memorial Fund, the National Park Service, and the U.S. Commission of Fine Arts will, select the coin's design.

We all should be more aware that we are here today, assured in the knowledge that there are unique individuals who are willing to lay their life on the line for our safety and security. It is our responsibility to honor this bravery, dedication to duty and recognize those who paid the ultimate sacrifice.

I can tell you that there is no doubt in my mind that your support for the minting of these coins and the establishment of this fund will touch the hearts and minds of generations of police officers and their families.

Despite the best efforts of all branches of Government our first line of defense against absolute anarchy—the police officer—continues to be killed in the line of duty. Mr. President, I am sure that you would agree this is an abhorrent reality. It is my fervent wish that not a dime from the proceeds of the sale of these coins would be necessary to add another name to the national memorial or any of the hundreds of State and local law enforcement memorials across the country. It is painfully evident that until we as a nation get serious on the crime epidemic, officers will still die, families will suffer and names will continue to be added to these memorials.

I am pleased to inform you Mr. President that this bill will also be a living tribute to the men and women who wear the badge, as well as a memorial maintenance fund. There is a provision contained in this legislation which authorizes the Secretary of the Interior in consultation with the Attorney General to establish an educational scholarship for the immediate family members of law enforcement officers killed in the line of duty, using a portion of revenues generated by coin sales.

The police officer is on duty 24 hours a day, 365 days a year. It is appropriate for my colleagues and I to take just a few moments to help repay that dedication and take this measure under immediate consideration. You will find that this bill is clear and concise, and that it should be considered and passed in an expeditious manner.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3000

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Law Enforcement Officers Memorial Coin Act".

SEC. 2. COIN SPECIFICATIONS.

(a) Five Dollar Gold Coins.—The Secretary of the Treasury (hereafter referred to as the "Secretary") shall issue not more than 200,000 five dollars coins, which shall—

(1) weigh 8.859 grams;

(2) have a diameter of 0.850 inches; and

(3) contain 90 percent gold and 10 percent alloy.

(b) One Dollar Silver Coins.—The Secretary shall issue not more than 750,000 one dollar coins which shall—

(1) Weigh 26.73 grams;

(2) have a diameter of 1.500 inches; and

(3) contain 90 percent silver and 10 percent copper.

(c) Design.—The design of coins authorized to be minted under this Act shall be emblematic of the National Law Enforcement Officers Memorial, and shall be minted from stockpiles established under the Strategic and Critical Minerals Stock Piling Act (50 U.S.C. 98 et seq.). On each such coin there shall be a designation of the value of the coin, an inscription of the year "1993", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(d) Legal Tender.—The coins issued under this Act shall be legal tender as provided in section 5103 of title 31, United States Code.

SEC. 3. SELECTION OF DESIGN.

The design for each coin authorized by this Act shall be selected by the Secretary after consultation with the National Law Enforcement Officers Memorial Fund, Inc., the Secretary of the Interior (or his or her designee), and the United States Commission of Fine Arts.

SEC. 4. SALE OF COINS.

(a) Sale Price.—Notwithstanding any other provision of law, the coins issued under this Act shall be sold by the Secretary at a price at least equal to the cost of bullion, plus the cost of designing and issuing such coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) Bulk Sales.—The Secretary shall make bulk sales at a reasonable discount.

(c) Prepaid Orders.—The Secretary shall accept prepaid orders for the coins prior to the issuance of such coins. Sales under this subsection shall be at a reasonable discount.

(d) Surcharge Required.—All sales shall include a surcharge of $35 per coin for the five dollars coins and $7 per coin for the one dollar coins.

SEC. 5. ISSUANCE OF THE COINS.

(a) Period for Issuance.—The coins authorized under this Act shall be issued only through the end of calendar year 1993.

(b) Proof and Uncirculated Coins.—The coins authorized under this Act shall be issued in uncirculated and proof qualities, and not more than 1 facility of the United States Mint may be used to strike any particular combination of denomination and quality.

SEC. 6. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

No provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for carrying out this Act. Nothing in this section shall relieve any person entering into a contract under the authority of this Act from complying with any law relating to equal employment opportunity. No firm shall be considered to be a Federal contractor for purposes of 41 C.F.R. Part 60 et seq. as a result of participating as a United States Mint consignee.

SEC. 7. DISTRIBUTION OF SURCHARGES.

Of the total surcharges received by the Secretary from the sale of coins under this Act shall be promptly paid by the Secretary to the Fund established under section 11.

SEC. 8. AUDITS.

The Comptroller General shall have the right to examine such books, records, documents, and other data of the National Park Service as may be related to the expenditure of amounts paid under paragraph (2) of section 9.

SEC. 9. COINAGE PROFIT FUND.

Notwithstanding any other provision of law—

(1) all amounts received from the sale of coins under this Act shall be deposited in the coinage profit fund;

(2) the Secretary shall pay the amounts authorized under this Act from the coinage profit fund to the Fund established under section 11 and to the Department of the Treasury; and

(3) the Secretary shall charge the coinage profit fund with all expenditures under this Act.

SEC. 10. FINANCIAL ASSURANCES.

(a) No Cost to the Government.—The Secretary shall take such actions as may be necessary to ensure that the minting and issuance of the coins under this Act shall not result in any net cost to the Federal Government.

(b) Payment.—No coin shall be issued under this Act unless the Secretary has received—

(1) full payment therefor;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution the deposits of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

SEC. 11. NATIONAL LAW ENFORCEMENT OFFICERS MEMORIAL MAINTENANCE FUND.

(a) Establishment.—There is hereby established the National Law Enforcement Officers Memorial Maintenance Fund (hereafter referred to as the "Fund"), which shall be a revolving fund, to be administered by the Secretary of the Interior (or his or her designee). Monies for the Fund shall be raised through surcharges authorized under section 8. The Secretary of the Interior may accept donations for the Fund. The Fund shall be maintained in an interest bearing account within the Department of the Treasury.

(b) Purposes.—The Fund shall be used—

(1) for maintenance and repair of the National Law Enforcement Officers Memorial;

(2) to add to the Memorial the names of law enforcement officers who have died in the line of duty;

(3) for security of the Memorial site, to include the posting of National Park Service rangers and United States Park Police, as appropriate;

(4) at the discretion of the Secretary of the Interior and in consultation with the Secretary of the Treasury and the Attorney General of the United States, who shall establish an equitable procedure between the Fund and such other organizations as may be appropriate to provide educational scholarships to the immediate family members of law enforcement officers killed in the line of duty whose names appear on the Memorial, the total amount of such scholarships not to exceed 10 percent of the Fund's annual income;

(5) for the dissemination of information regarding the Memorial to the general public; and

(6) to administer the Fund, including contracting for necessary services, in an amount not to exceed the lesser of—

(A) 10 percent of the Fund's annual income; and

(B) $200,000 in any 1-year period.

(c) BUDGET AND AUDIT TREATMENT.—The Fund shall be subject to the budget and audit provisions of the Government Corporations Control Act.•

By Mr. DOMENICI (for himself, Mr. DOLE, and Mr. MURKOWSKI):

S. 3001. A bill to amend the Food Stamp Act of 1977 to prevent a reduction in the adjusted cost of the thrifty food plan during fiscal year 1993, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

TEMPORARY PROHIBITION ON THE REDUCTION OF FOOD STAMP BENEFITS

Mr. DOMENICI. Mr. President, I am going to send a bill to the desk on behalf of myself, Mr. DOLE, and Mr. MURKOWSKI that has to do with food stamps. I call the bill, just to be very descriptive, a temporary prohibition on the reduction of food stamps benefits. Mr. President because we have had inflation go down, we are scheduled on October 1 to have a $4-reduction in the monthly basic food stamp allotment to the poor who are entitled to food stamps. I do not believe we should do that in a year that is as difficult as this.

All I have done with this measure is provide that the current measure for benefits not be reduced for 1 year. I will tell the Senate that the bill does not violate the Budget Act because the baseline that we have been calculating from obviously anticipated that the food stamp allotment would be the same or even higher. By virtue of deflation, it will likely come down. I think that we ought to quickly pass a measure like this so we dispel any idea that we are going to reduce maximum benefits to anyone in this country entitled to food stamps.

I send the bill to the desk.

Mr. President, this problem has come to my attention concerning the benefit levels of the Food Stamp Program, which fortunately, we can easily address.

Mr. President, the economy is growing, but as we all acknowledge, it is at a rate that is slow to impact some of the neediest in our country. There are currently 25.4 million Americans who are counting on food stamps to supplement their income.

This year, the Federal Government will spend an estimated $22.4 billion on the Food Stamp Program.

Current law requires an adjustment to the food stamp allotment level, based on a measurement called the thrifty food plan. The thrifty food plan is an estimate of the food needs for a family of four which serves as the benchmark for establishing benefit levels.

Currently the value of this thrifty food plan is $359 per month for a family of four. The maximum benefit allowable is $370 for a family of four; the actual food stamp benefit a family receives is calculated based on the family's income.

This year, reduced inflation will reduce the thrifty food plan allotment. This will decrease benefits just over $4 a month for a family of four.

Mr. President, I believe my colleagues will agree that it is not the time to reduce benefit levels for this program.

I have been assured that we can sustain the present level of food stamp benefits, as we do in this bill, without violating any Budget Act or pay-go provisions.

When formulating their baseline, the Congressional Budget Office assumed an increase in the thrifty food plan measurement and in the commensurate level of food stamp benefits, as did the administration.

I am introducing legislation today with Senators DOLE and MURKOWSKI which would have the effect of prohibiting any reduction in benefits for the coming year. This would impose a temporary prohibition on the reduction of food stamp benefit levels, for fiscal year 1993 only, after which benefit levels would resume as under current law.

I would urge my colleagues to expedite consideration of this bill in order to reassure millions of Americans that their benefits are secure.

Mr. DOLE. Mr. President, I rise today to join the distinguished ranking member of the Budget Committee in introducing legislation to hold fiscal year 1993 food stamp benefit levels harmless for the recent decrease in the cost of the thrifty food plan. Under current law, food stamp allotments are adjusted in October of each year based on 103 percent of the cost of the thrifty food plan in the previous June. The thrifty food plan is a market basket list of amounts and kinds of foods.

It is my understanding that without this fix, food stamp benefits for certain households would have to be cut at the beginning of fiscal year 1993 due to the drop in the cost of the thrifty food plan. It is also my understanding that those who would be adversely affected by this benefit adjustment are larger households, which typically are families with children, and households with zero income. In other words, the impact would be felt by those households which are least-equipped to absorb a reduction in their benefits.

Mr. President, this is the first time in the history of the Food Stamp Program that we have faced this situation. The legislation we are proposing would make a one-time fix to maintain the benefits of those low-income Americans who are most in need of such aid. The administration is supportive of our proposal, and I hope the rest of our colleagues will be as well.

By Mr. ROCKEFELLER (for himself, Mr. DURENBERGER, Mr. CONRAD, Mr. MITCHELL, Mr. DANFORTH, Mr. BRADLEY, Mr. BINGAMAN, Mr. MOYNIHAN, Mr. INOUYE, Mr. KENNEDY, Mr. CHAFEE, and Mr. HATCH):

S. 3002. A bill to amend title XIX of the Social Security Act to provide for optional coverage under State Medicaid plans of case-management services for individuals who sustain traumatic brain injuries, and for other purposes; to the Committee on Finance.

BRAIN INJURY REHABILITATION QUALITY ACT

Mr. ROCKEFELLER. Mr. President, today, I am introducing the Brain Injury and Rehabilitation Quality Act of 1992 with my distinguished colleague from Minnesota, Senator DURENBERGER. This legislation can improve the care and delivery of health services for hundreds of thousands of brain-injured individuals, many of whom will become permanently disabled as a result of their injury. It will allow States to establish a central registry of traumatic brain injuries through the Centers for Disease Control; focus on preventive programs and research on the best treatments for recovery; and give States the authority to use a case management model to help assure the most appropriate, and so, most cost-effective care, is coordinated for these people. The use of case management systems will be constrained by the States' current expenditures on programs for the brain injured, but with the use of this approach, I believe that we will be able to provide better quality and increased services to these people by allowing States to tailor their care to individual needs.

Let me tell you who we seek to help by this legislation. The brain injured are unsuspecting and mostly young victims of head traumas. They can be children involved in diving accidents, young adults damaged in automobile crashes, the elderly that have fallen, or any one of us, who have the misfortune to—at any time and without warning—sustain a severe blow to the brain.

More often than not, these people will come to depend on Medicaid for their health care. The exorbitant cost of head injuries—from $100,000 to $300,000 per year—forces people into the Medicaid Program because few Americans are equipped to deal with those incredible costs. Even if they are covered by insurance, it is likely to run out before their need for care is exhausted. So, for tens of thousands of Americans who will need comprehensive, long-term rehabilitative care, an imperfect Medicaid system becomes the court of last resorts for the head injured and their families. That's why it's so important to make sure the system works.

Linda Petry, a West Virginia mother whose son, Chad, sustained a severe traumatic brain injury 4 years ago is a real life example of the systematic problems that people encounter as they learn to cope with the financial, emotional, and physical burdens associated with caring for a brain-injured family member. Linda struggled to get Medicaid to provide Chad needed rehabilitative care. After months in a facility, she took him home "because he wasn't improving further" and "my conscience was bothering me—the State was spending a fortune—$500 a day—and Chad wasn't getting what he needed.

Linda and Chad's story tells us something about the tough choices that a lot of families face because of Medicaid's current inability—due in part to its institutional bias—to address some of the unique problems of special populations, like the brain injured. Stories like Linda's and Chad's demand that we reconsider how we can best restructure our care delivery system so that these families, who have already endured so much, will have a better chance of receiving the care they need.

Coordinated case management is a tool that can help. The Brain Injury Rehabilitation Quality Act of 1992 will allow States, on a case-by-case basis, to adopt a case management approach. It can keep the brain injured at home when appropriate, saving dollars and preserving families. There is little we can do to protect against the unforeseen and unavoidable personal tragedies that result from head injuries. But we can work to prevent injuries wherever possible, and insure that our health care system can respond to the needs of those citizens who ultimately must rely on its protection. My legislation will help do that as well.

Administrative case management is already working in a program for the brain injured in the State of Minnesota. Minnesota has saved almost $1.4 million in a year by avoiding residential placement and taking advantage of more appropriate community programs. My legislation builds on that success and allows other States to benefit from Minnesota's model program. Additionally, the act designates State coordinators for traumatic brain injury [TBI] programs, establishes a national TBI registry, and calls for studies of effectiveness of TBI interventions.

Each year in the United States there are at least 500,000 individuals hospitalized with TBI's. Even more staggering is the fact that 70,000 to 90,000 people a year who survive with a serious head injury are left with intellectual impairment of such a degree that they cannot return to a normal life and require long-term and high-cost care. And an estimated 1.5 million people suffer from traumatic brain injury at an overall cost to society of $48 billion. Since the vast majority of head injured are young, lifetime costs for a severely injured may approach $5 million per case.

Our current medical, rehabilitation, legal, and social systems are simply not capable of dealing with the immediate or long-term care needs of head injury victims. Pauline Hess of Martinsburg, WV, provides us with yet another graphic example of a system that cannot respond to the people it is designed to serve. Pauline tells us about her son, Bill, who spent 4 months in a nursing home for the elderly and 6 months in a mental institution because "there was nowhere else to put him," even though Bill is intellectually intact. Neither the Department of Health and Human Services [HHS] nor the Department of Education [DOE] has established standards for postacute care, and the emphasis has been on basic research and demonstration projects. Additionally, limited Federal funding through Medicaid supports medical or hospital-based services. Postacute care funding is not earmarked for the brain injured, and financial support for home and community-based treatment and services is meager.

Surveys of all States confirm what we already know—that current treatment of brain injured citizens is woefully inadequate. Some States don't even know how many patients are receiving public aid for head injury, how they are served, or how much money is expended. Other States refer severely brain injured citizens to costly out-of-State inpatient facilities, where quality of care has not been monitored and where there is compelling evidence of waste, fraud, and abuse by unethical providers of TBI care. A recent study concluded that long, expensive inpatient stays were often unwarranted, and recommended improving the effectiveness of less costly posthospital programs.

At the heart of my Brain Injury Rehabilitation Quality Act is the hope that we can help more individuals either return to productive lives in their communities, or at least be placed in supervisory care that maximizes their function and well-being. This bill is designed to identify the scope of the problem, coordinate care, and develop research programs that prevent or reduce TBI. Its key features are:

Optional Medicaid coverage of case-management services for individuals with TBI's as long as the total cost of the State program does not exceed current State expenditures. Administrative case managers assess, plan, and coordinate a broad range of services while making sure that the best value is achieved for every public dollar expended. Greater emphasis will be placed on home and community based settings, rather than more costly and sometimes inappropriate residential care;

A national registry of TBI's through the Center for Disease Control;

Designated State TBI coordinators to contract for Statewide services, develop a prevention program, establish a central registry and reporting system for TBI's, and develop standards for marketing TBI services;

A study of effectiveness of TBI interventions by the Agency for Health Care Policy and Research.

I hope you will carefully consider the magnitude of this problem and the positive, life-enhancing difference this legislation can make to those who suffer from the terrible burdens of these disorders. Several years ago, Congress recognized the Decade of the Brain by enacting a resolution to identify the tremendous needs and opportunities which exist in this area. With your help, we can carefully invest resources in needed brain-related research, health services, and education.

Mr. President, I ask unanimous consent that the full text of the bill, along with the bill summary, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 3002

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Brain Injury Rehabilitation Quality Act of 1992".

SEC. 2. MEDICAID COVERAGE OF CASE-MANAGEMENT SERVICES FOR INDIVIDUALS WITH TRAUMATIC BRAIN INJURIES.

(a) IN GENERAL.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended—

(1) by striking "and" at the end of paragraph (21);

(2) by striking the comma at the end of paragraph (24) and inserting a semicolon;

(3) by redesignating paragraphs (22), (23), and (24) as paragraphs (25), (22), and (23), respectively, and by transferring and inserting paragraph (25) after paragraph (23), as so redesignated; and

(4) by inserting after paragraph (23) the following new paragraph:

"(24) case-management services for individuals who sustain traumatic brain injuries (in accordance with section 1931).".

(b) CASE-MANAGEMENT SERVICES DESCRIBED.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by adding at the end the following new section:

"CASE-MANAGEMENT SERVICES FOR INDIVIDUALS WITH TRAUMATIC BRAIN INJURIES

"SEC. 1931. (a) IN GENERAL.—For purposes of section 1905(a)(24), case management services for individuals who sustain traumatic brain injuries are services provided through a State case management program that meets the requirements of subsection (b) to an eligible individual (as defined in subsection (e)).

"(b) REQUIREMENTS FOR STATE CASE MANAGEMENT PROGRAMS.—

"(1) IN GENERAL.—A State case management program meets the requirements of this section if the program provides or arranges for the provision of the following services for eligible individuals:

"(A) Initial assessment of the individual's need for case management services, and, if the individual is an appropriate candidate for receiving case management services, an initial assessment of the individual's need for other services, with an emphasis on identifying community-based services required to prevent institutionalization or minimize the need for residential rehabilitation.

"(B) Reassessment of each individual at regular intervals of at least every 3 months to determine the extent of each individual's progress, to ascertain whether an individual is being kept too long in a given setting or provided services inappropriately, or would be better served by other services or in another setting.

"(C) Preparation of a treatment plan for each individual requiring case management services, as soon as possible after the individual suffers the injury, based on consultation with the individual (other than an individual who is comatose) and any person named by the individual, except that preparation of the plan may be delayed (by one or more periods of no more than 15 days each) based on a certification, including a brief explanation of the reason for the delay, by a physician attesting that such a delay is in the individual's best interests; presentation of a copy of the treatment plan and any modifications to the plan to the individual or the individual's legal representative; and in the case of an individual who, at the time the individual sustains the traumatic brain injury, is not an eligible individual, preparation of such a treatment plan within 60 days after such individual becomes an eligible individual.

"(D) Regular update of each individual's treatment plan (based on consultation with the care provider, the individual and any person named by the individual) with data and information about treatments and services provided, as well as specific outcome measures of the individual's current performance or activity relative to goals previously established.

"(E) Assistance to the individual in obtaining services necessary to allow the individual to remain in the community.

"(F) Coordination of home care services with other services.

"(G) As the individual's advocate, striving to obtain appropriate, accessible, and cost-effective services.

"(H) Recommendation of the approval or denial of the use of funds provided under the State plan for medical assistance under this title to pay for home care services when home care services exceed limitations established by the State coordinator (described in subsection (f)), in accordance with standards established by the State coordinator.

"(I) Assessment of the individual's need for and level of home care services at appropriate intervals during the course of the individual's treatment under the program.

"(J) Recommendation of the approval or denial of the use of funds provided under the State plan for medical assistance under this title for out-of-State placements for residential rehabilitation services, in accordance with standards established by the State coordinator.

"(K) Ensuring that any residential setting or facility which provides services to individuals under the program meets the requirements applicable to nursing facilities under section 1919, in accordance with standards established by the State coordinator.

"(L) A complaint procedure, overseen by the State coordinator, regarding any treatment or service provided to an individual which provides that—

"(i) the complaint may be oral or in writing from the individual or any person named by the individual;

"(ii) the response may be to the individual or any person named by the individual;

"(iii) the confidentiality of the complainant shall be maintained;

"(iv) the investigation shall be completed within—

"(I) 30 days for a routine complaint,

"(II) 7 days for a complaint of abuse or neglect, and

"(III) 24 hours if the individual's life or safety is immediately threatened; and

"(v) if the complaint is with respect to a publicly appointed case manager or case worker, substitution of such manager or worker is allowed.

"(2) COORDINATION AND ADMINISTRATION OF BENEFITS AND SERVICES.—In addition to carrying out the activities described in paragraph (1), a State case management program shall assist in ensuring that the eligible individual is referred and applies for other benefits (through cooperative agreements with agencies administering benefit programs) and services for which the individuals are eligible under other Federal, State, or local programs, including—

"(A) employment services, including vocational assessment, training, and placement, sheltered employment, and supported employment;

"(B) education benefits, including primary, secondary, and higher education programs;

"(C) services available under the Older Americans Act;

"(D) disability insurance under title II; and

"(E) comprehensive services for independent living under title VII of the Rehabilitation Act of 1973.

"(c) SCOPE OF SERVICES PROVIDED.—

"(1) IN GENERAL.—An individual may receive the following services for which the individual is eligible, but such services shall be coordinated through a State case management program:

"(A) Acute rehabilitation services, focusing on intensive physical and cognitive restorative services in the early months following injury.

"(B) Subacute rehabilitation in either inpatient or outpatient settings.

"(C) Transitional living services to train the individual for more independent living, with an emphasis on compensating for the loss of skills which may not be restored.

"(D) Lifelong living services for individuals discharged from rehabilitation who require ongoing lifetime support.

"(E) Home Care, including comprehensive training for family or other informal caregivers.

"(F) Day treatment and other outpatient programs in nonresidential settings.

"(G) Independent living services to allow the individual to live at home with optimal personal control over services.

"(H) Behavior disorder treatment services to address or resolve patterns of behavior which prevent or hinder participation in active rehabilitation.

"(I) Respite and recreation services to aid the individual and members of the individual's family in adapting psychologically and environmentally to residual deficits resulting from brain injury.

"(J) Treatment for conditions related to alcoholism and drug dependency.

"(2) WAIVER OF LIMITATIONS UNDER STATE PLAN REQUIREMENTS.—To the extent necessary to carry out a treatment plan for an individual, a State case management program may waive restrictions on the amount, duration, and scope of services otherwise applicable under the State plan for medical assistance under this title, in accordance with standards established by the State coordinator.

"(d) ELIGIBILITY OF PROVIDERS OF SERVICES.—No living services may be provided to or on behalf of any individual under this section unless there has been an agreement entered into between the State case management program with which the individual is enrolled and the entity providing such services that specifies the living services to be provided, the period of time over which such services will be provided, and the charges to the patient for providing such services.

"(e) ELIGIBILITY OF INDIVIDUALS TO RECEIVE SERVICES.—

"(1) IN GENERAL.—Subject to subsection (f), an individual is eligible to receive case-management services under this section if the individual is eligible to receive medical assistance under a State plan under this title, has suffered a traumatic brain injury, and is moderately or severely disabled.

"(2) TRAUMATIC BRAIN INJURY DEFINED.—In paragraph (1), the term 'traumatic brain injury' means a sudden insult or damage to the brain or its coverings caused by an external physical force which may produce a diminished or altered state of consciousness, and which results in a temporary or permanent impairment of cognitive or mental abilities or physical functioning or disturbance of behavioral or emotional functioning, but does not include any injuries of a degenerative or congenital nature.

"(3) DEFINITIONS RELATING TO MODERATELY OR SEVERELY DISABLED INDIVIDUALS.—

"(A) IN GENERAL.—In paragraph (1), the term 'moderately or severely disabled individual' means—

"(i) in the case of an individual 6 years of age or older, an individual who (without regard to income or employment status)—

"(I) needs substantial assistance or supervision from another individual with at least 2 activities of daily living (described in subparagraph (D));

"(II) needs substantial supervision due to cognitive or other mental impairment and needs substantial assistance or supervision from another individual with at least 1 activity of daily living or in complying with a daily drug regimen; or

"(III) needs substantial supervision from another individual due to behaviors that are dangerous (to the individual or others), disruptive, or difficult to manage; or

"(ii) in the case of an individual under 6 years of age, an individual who suffers from any medically determinable physical, cognitive, or other mental impairment of comparable severity to that which would make an individual 6 years of age or older meet the requirement of subclause (I), (II), or (III) of clause (i).

"(B) COMPARABLE SEVERITY DEFINED.—In subparagraph (A)(ii), the term 'comparable severity' means that a child's physical, cognitive, or other mental impairment or impairments so limit the child's ability to function independently, appropriately, and effectively, in an age-appropriate manner, that any impairments and limitations resulting from such mental impairment or impairments are comparable to those which would disable an adult.

"(C) DETERMINATIONS OF DISABILITY.—For purposes of this section, an individual is considered to be—

"(i) a moderately or severely disabled individual if there is an affirmative certification by the State case management program in effect for the individual;

"(ii) a moderately disabled individual if there is such an affirmative certification in effect and a determination by the State case management program that the individual has a moderate impairment; or

"(iii) a severely disabled individual if there is such an affirmative certification in effect and a determination by the State case management program that the individual has a severe impairment.

"(D) ACTIVITY OF DAILY LIVING DEFINED.—Each of the following is an activity of daily living: bathing, dressing, transferring, toileting, and eating.

"(4) COVERAGE OF INDIVIDUALS UNDER DISABILITY PROTECTIONS.—Individuals receiving services through a State case management program under this section shall be considered to be individuals with disabilities for purposes of the Americans With Disabilities Act.

"(f) STATE COORDINATOR.—

"(1) IN GENERAL.—In order for an individual to receive services under this section, an individual must reside in a State that has designated a State coordinator for traumatic brain injuries to establish policies and standards for providing services under this section, make necessary reports to the Secretary, supervise and coordinate services for individuals with traumatic brain injuries, and perform the duties described in this subsection and in subsection (g).

"(2) CONTRACTING WITH OTHER ENTITIES TO PROVIDE SERVICES.—The State coordinator may contract with qualified agencies or employ staff to provide services under this section to eligible individuals.

"(3) PREVENTION OF TRAUMATIC BRAIN INJURY.—The State coordinator shall be responsible for a program of activities related to preventing and reducing the rate of traumatic brain injuries in the State.

"(4) TRAUMATIC BRAIN INJURY REGISTRY.—The State coordinator shall establish and maintain a central registry of individuals who sustain traumatic brain injury using standards established under section 2(c) of the Brain Injury Rehabilitation Quality Act of 1992 in order to—

"(A) collect information to facilitate the development of injury prevention, treatment, and rehabilitation programs; and

"(B) ensure the provision to individuals with traumatic brain injury of information regarding appropriate public or private agencies that provide rehabilitative services so that injured individuals may obtain needed service to alleviate injuries and avoid secondary problems, such as mental illness and chemical dependency.

"(5) NOTIFICATION OF INJURIES TO JOB TRAINING PROGRAMS.—Within a reasonable period of time after receiving a report that an individual has sustained a traumatic brain injury or spinal cord injury, the coordinator shall notify the State agency responsible for jobs and training and shall include the individual's name and other identifying information.

"(6) STANDARD FOR MARKETING OF BRAIN INJURY SERVICES.—The State coordinator, after consultation with the advisory committee established under paragraph (9), shall monitor standards established by the Secretary regarding the marketing of services (by hospitals and other providers) to any individual who has sustained traumatic brain injury or family members of such individual, and shall disseminate the standards to State case management programs, and shall furnish information on such standards to such individual and such family members at the earliest appropriate opportunity after such individual has sustained the injury. Such standards shall include (at a minimum) a rule prohibiting payments under a State case management program under this section for referring individuals to rehabilitation facilities.

"(7) STUDIES.—The State coordinator shall collect injury incidence information (including the prevalence, prevention, and treatment of traumatic brain injury), analyze the information, and conduct special studies regarding traumatic brain injury.

"(8) DISSEMINATION OF DATA.—The State coordinator shall provide summary registry data to public and private entities to conduct studies using data collected by the traumatic brain injury registry established under paragraph (4). The State coordinator may charge a fee for all expenses associated with the provision of data or data analysis.

"(9) ESTABLISHMENT OF ADVISORY COMMITTEE.—The State coordinator shall establish an advisory committee (consisting of representatives of professionals who provide community-based services under this section and individuals with traumatic brain injuries and family members of such individuals) to provide recommendations regarding the needs of individuals with traumatic brain injuries, provide advice on activities under paragraph (3), and assist in the establishment of marketing standards under paragraph (6).

"(10) PRIVACY.—Any data identifying specific individuals which is collected by or provided to the State coordinator may be used only for purposes of case management and rehabilitation and studies by the State coordinator, in accordance with rules adopted by the State coordinator.

"(11) RULES.—The State coordinator shall adopt such guidelines by the Centers for Disease Control as are necessary to carry out this subsection. The rules must at a minimum define, but are not limited to—

"(A) the specific ICD diagnostic codes included in the definitions of traumatic brain injury;

"(B) the type of data to be reported;

"(C) standards for reporting specific types of data;

"(D) the individuals and facilities required to report and the time period in which reports must be submitted; and

"(E) criteria relating to the use of registry data by public and private entities engaged in research.

"(g) ESTABLISHMENT OF REPORTING SYSTEM.—

"(1) IN GENERAL.—The State coordinator shall design and establish a reporting system which requires either the treating hospital, medical facility, or physician to report to the State coordinator within a reasonable period of time after the identification of any individual with ICD diagnostic codes (as defined under subsection (f)(11)(A)) treated for a traumatic brain injury in the State. The consent of the injured individual is not required.

"(2) REPORT.—A report under paragraph (1) shall include—

"(A) the name, age, and residence of the injured individual;

"(B) the date and cause of the injury;

"(C) the initial diagnosis; and

"(D) other information required by the State coordinator.

"(3) LIABILITY PROTECTION.—The furnishing of information pursuant to the system established under paragraph (1) shall not subject any individual or facility to any action for damages or other relief, provided that the individual or facility acted in good faith in furnishing the information.

"(h) BUDGET NEUTRALITY.—Any State which establishes a State case management program for case management services under this section and receives Federal payment with respect to such services may not increase the expenditure level for such services as of the date of the enactment of this section (other than the expenditure of amounts described in section 2(e) of the Brain Injury Rehabilitation Quality Act of 1992). The Health Care Financing Administration may audit such State's records to ensure compliance with this subsection.".

(c) STANDARDS FOR REPORTING DATA.—Not later than January 1, 1994, the Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control, shall establish standards for the reporting of data on traumatic brain injuries and the operation of registries of traumatic brain injuries for the use of State coordinators of traumatic brain injury case management services under section 1931 of the Social Security Act (as added by subsection (b)).

(d) CONFORMING AMENDMENT.—Section 1915(g)(2) of Social Security Act (42 U.S.C. 1396n(g)(2)) is amended by striking the period at the end and inserting the following: ", but does not include any services provided under section 1931.".

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for each fiscal year beginning with fiscal year 1994 to carry out paragraphs (3) and (4) of section 1931(f) of the Social Security Act (as added by subsection (b)).

(f) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (d) shall apply to quarters beginning on or after January 1, 1994, regardless if regulations to carry out such amendments have been promulgated by such date.

SEC. 3. STUDY OF EFFECTIVENESS OF TRAUMATIC BRAIN INJURY INTERVENTIONS.

(a) STUDY.—The Administrator for Health Care Policy and Research shall conduct a study to identify common therapeutic interventions which are used for the rehabilitation of traumatic brain injury patients, and shall include in the study as analysis of—

(1) the effectiveness of each such intervention in improving the functioning of brain injury patients; and

(2) the comparative effectiveness of interventions employed in the course of rehabilitation of brain injury patients to achieve the same or similar clinical outcome.

(b) REPORT.—Not later than 3 years after the date of the enactment of this Act, the Administrator for Health Care Policy and Research shall submit a report on the study conducted under subsection (a) to the Congress.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 for each fiscal year beginning with fiscal year 1993 and ending with fiscal year 1996 to carry out this section.

SUMMARY OF THE BRAIN INJURY REHABILITATION QUALITY ACT OF 1992

Allows optional Medicaid coverage of case-management services for individuals with traumatic brain injury [TBI] as long as the total cost of the new program does not exceed current state expenditures for the care of individuals with TBIs. Case managers would assess, plan, and coordinate a broad range of services while making sure that the best value and highest quality care is achieved for every public dollar spent. Greater emphasis would be placed on home and community based settings, rather than more costly and, sometimes inappropriate, residential care settings.

ELIGIBILITY

Individuals who sustain damage to the brain caused by an external physical force if they have:

A temporary or permanent physical impairment and need assistance with at least 2 activities of daily living; or

A temporary or permanent cognitive impairment and need assistance with at least 1 activity of daily living; or

Exhibit temporary or permanent behaviors which are dangerous, disruptive, or difficult to manage.

ADMINISTRATIVE CASE MANAGERS AND SCOPE OF SERVICES

Case managers are responsible for regular assessment and development of individual care plans; identifying and approving home care and residential rehabilitation services; and assisting individuals in obtaining services. Case managers may waive Medicaid requirements on the amount, duration, and scope of services on a case-by-case basis.

Scope of services include: acute and subacute care; transitional living; life-long home care; day treatment; independent living; behavior disorder treatment; respite and recreation services; and alcohol and drug abuse treatment.

STATE TBI COORDINATORS

Would establish policies and standards for providing services with the assistance of an Advisory committee that would include memberships of relevant professionals and individuals with TBI or their families.

Contract for state-wide services with qualified agencies and notifies job training programs of the need for certain services.

Develop prevention programs and research studies to reduce the incidence of TBI.

Establish a central registry and reporting system for TBIs, including disseminating information to the public on the extent of head injury in the state.

Disseminate standards developed by the Secretary of HHS for marketing TBI services.

Monitor complaints on any treatment or service provided to an individual with TBI.

NATIONAL TBI REGISTRY

Requires the Center for Disease Control to develop standards for the reporting of data on TBIs and the operation of state TBI registries.

EFFECTIVENESS STUDY

Requires the Agency for Health Care Policy and Research to conduct a study of the effectiveness of interventions in improving the functioning of brain injured patients.

Mr. DURENBERGER. Mr. President, I am pleased to join my colleague from West Virginia, JAY ROCKEFELLER, in sponsoring this bill to improve the care provided under Medicaid to people who have sustained a traumatic brain injury.

Perhaps our best-known brain-injured citizen is former White House Press Secretary Jim Brady, who almost died in the 1981 attempt on President Reagan's life. But every day thousands of Americans sustain such an injury. A car hits a telephone pole, a child falls down stairs, a woman is attacked—and someone's life changes instantly. Over 500,000 people a year are hospitalized with brain injuries; about 80,000 of them are permanently disabled. Many thousands more must undergo months of recovery.

People with brain injuries like to call themselves "survivors." It's an apt word. Often, the initial trauma results in physical and mental problems that persist for months, years or decades. Often, as Jim Brady has had to do, the survivor must undergo years of physical therapy to regain some control over his or her own body. Brain injuries also can cause changes in personality, in emotions and in one's ability to handle what had been the simplest intellectual tasks.

Since the injuries result in both physical and mental changes, care provided to survivors is complex and costly, averaging $100,000 to $350,000 a year for people with moderate to severe injuries. Many survivors are teenagers or young adults when injured; their bills will mount, year after year. People exhaust their insurance coverage—if they have it—and then are forced onto Medicaid.

Far too often, the health-care system doesn't really know how to treat the brain-injured. They have physical needs, but they also can have intellectual impairment and hard-to-manage behaviors. The result is that survivors often are inappropriately housed with the mentally ill in psychiatric wards, with senior citizens in nursing homes or with the developmentally disabled in State institutions. They can even end up in jail. Such institutionalization is not only poor treatment; it also is extremely costly.

Mr. President, this bill will improve the care our society provides to survivors in brain injuries in several ways:

First, it establishes a central registry of traumatic brain injuries, with the Centers for Disease Control setting national standards for reporting data. We must learn more about the causes, characteristics and prevalence of traumatic brain injury.

Second, it requires action to prevent traumatic brain injury and mandates research by the Federal Government into the most effective ways to help these people recover from their injuries.

Third and most important, it allows State Medicaid programs to set up case-management systems in which coordinators may authorize exceptions to Medicaid rules on a case-by-case basis so that the survivor may receive the most appropriate care.

Case managers will guide the patient through the maze of institutional arrangements, rehabilitation programs, transitional living programs, home care, adult day care and so forth. They also will help their clients use other government programs, such as job training and social services.

There is an important restriction, though: These State case management systems may not spend more money in total than is now being spent on these patients.

A pilot program in Minnesota has had no trouble achieving this goal; just reducing inappropriate institutionalization has generated net savings of about $1.4 million a year.

In a typical case in Minnesota, a brain-injured patient was in an acute-care psychiatric ward at a cost of $300 a day. The program arranged the patient's transfer to a skilled nursing facility, saving $23,700 over a 92-day stay and providing the patient with more appropriate care.

In another case, a patient was about to be placed in a skilled nursing facility at a cost of $1,540 a month. Instead, the program arranged for the patient to remain at home with visits from a personal care attendant and a psychologist, resulting in savings of $1,300 a month.

By paying attention to these individual cases, the Minnesota program also has reduced the numbers of patients placed in out-of-State institutions, a particularly troublesome problem in some States. These institutions can be very high cost, yet in many States the Medicaid Program does little more than pay the bill.

Mr. President, this bill would result in both wiser use of Medicaid dollars and in better care for the patient. It is one way, and an important way, in which we can improve the productivity of the health-care system by doing more without spending more.

Before I yield the floor, I would like to acknowledge the efforts of Senator ROCKEFELLER, Senator KENNEDY and Representative RON WYDEN and those of their staffs. Mr. WYDEN and the staff of his Subcommittee on Regulation, Business Opportunities and Energy in particular did very useful research on this topic.

By Mr. KERRY:

S. 3003. A bill to amend the Marine Mammal Protection Act of 1972 to authorize the Secretary of the State to enter into international agreements to establish a global moratorium to prohibit harvesting of tuna through the use of purse seine nets deployed on or to encircle dolphins or other marine mammals, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INTERNATIONAL DOLPHIN CONSERVATION ACT

Mr. KERRY. Mr. President, I am today introducing legislation calling for a global moratorium on fishing practices that cause the slaughter of dolphins in the course of commercial tuna fishing operations. In so doing, I seek to make good on the 20-year-old promise of the Marine Mammal Protection Act [MMPA] to reduce the mortality of marine mammals in the course of fishing operations to incidental levels, approaching zero.

For reasons that no one fully understands, schools of large yellowfin tuna associate with schools of dolphins in the eastern tropical Pacific Ocean [ETP] off the coasts of southern Califronia and Central and South America. Since the late 1950's fishermen have deployed large purse seine nets around the schools of dolphin in order to harvest the tuna swimming beneath. Despite efforts by fishermen to release the encircled dolphins, some become trapped in the nets and drown. This phenomenon was one of the major problems the MMPA was enacted to address in 1972, but it has persisted—although reduced in scope—ever since.

The International Dolphin Conservation Act recognizes that domestic action alone is not sufficient to end the killing of dolphins. Throughout the past decade, the primary responsibility for dolphin mortality has rested with the foreign flag fishing fleets of Mexico, Venzuela, Vanuatu, and elsewhere. Accordingly, the new bill provides incentives for foreign nations to agree to a moratorium of at least 5 years on the commercial harvestof tuna using methods that endanger dolphins. Indeed, under the bill, any nation continuing to kill dolphins intentionally would be barred from importing many of its fish and fish products to the United States.

This action has been made necessary by the failure of the MMPA to achieve fully its goal of ending the needless destruction of marine mammals. Over the past 20 years, more than 1 million dolphins have been killed in fishing nets intentionally deployed to encicrle them. Throughout this period, serious and well-intentioned efforts have been made to reduce dolphin mortality through improved fishing methods and at-times heroic measures to rescue marine mammals entangled or trapped in the nets. The America tuna industry has led this effort. As a result, the number of dolphins killed by U.S. tuna fishermen in the ETP dropped from 360,000 in 1972 to an annual quota of less than 20,000 throughout the 1980's. Foreign fleets, however, killed more than 112,000 dolphins in 1986 alone.

In 1988, Congress acknowledged the international nature of the problem by requiring tough and enforceable trade sanctions against any nation that fails to adopt dolphin-protection procedures comparable to those used in the ETP by the U.S. fleet. These changes resulted in improved efforts by the foreign fleet to protect dolphins and reduced the number killed to an estimated 25,000 in 1991.

Despite the progress, however, it is clear that the promise of reducing dolphin mortality to incidental levels, approaching zero is not being achieved. The fact is that this goal can probably never be achieved as long as fishermen continue to deploy nets intentionally around large schools of dolphins.

The tuna industry, foreign and domestic, has expressed a continued commitment to reducing dolphin mortality further through more careful methods, better enforcement, incentives for skippers, and prohibitions on setting for tuna at sundown, when the greatest number of deaths occur. This has not proven sufficient, however, to ease public concern about the issue.

In April 1990, the three principal American tuna processing companies, Starkist, Van Camp—Chicken of the Sea—and Bumblebee announced that they would stop canning tuna caught in association with dolphin, and begin labeling their tuna products with dolphin-safe symbols. This voluntary action has limited the American market for canned tuna almost exclusively to that which is considered dolphin-safe. It has also virtually ended major American participation in the tuna fishery in the ETP. The small tuna fleets of Panama and Ecuador, moreover, are now committed to a dolphin-safe policy and pressure is building in Europe to limit the tuna market there to dolphin-safe products, as well.

The bill I am introducing today is similar to legislation introduced in the House of Representatives by my colleague from Massachusetts, Representative GERRY STUDDS, and approved earlier this month by the House Committee on Merchant Marine and Fisheries. The bill recognizes that the past strategy of trying to reduce dolphin mortality while continuing to fish for tuna in association with dolphin is no longer sufficient. It recognizes, as well, the American interest in bringing foreign fishing conservation practices up to a standard comparable to those which we require of our own fishing fleet. Finally, it recognizes that we have today the best opportunity we will ever have to obtain a strong and binding international agreement on this issue; an agreement that I hope and believe could end the avoidable killing of dolphins in commercial fishing operations promptly, permanently and globally.

The timing of the bill is important because current provisions of the MMPA have resulted in an embargo of tuna and tuna products from Mexico and Venezuela, two of the most prominent foreign fleets operating in the ETP. Mexico, in particular, is interested in improving its overall trade relationship with the United States and in demonstrating a positive approach to international environmental and conservation issues. As a result, the United States Department of State believes it is realistic to think that Mexico will agree to a moratorium on fishing for tuna in association with dolphin, in return for a lifting of the current embargo. Obtaining such an agreement is the only practical way to be sure that further progress toward reduced dolphin mortality will occur, and that the original objectives of the MMPA are achieved.

I want to stress the compromise nature of this legislation. It is not aimed simply at making a statement or sending a message. It is aimed at getting results. The bill reflects our best effort to synthesize the ideas and views of a variety of executive agencies, environmental organizations and tuna processors about how best to assure that positive results are indeed achieved.

Under the proposed bill, Mexico and other nations operating in the ETP would not be subject to trade sanctions as long as they continue to reduce dolphin mortality between now and March 1, 1994, and agree to suspend fishing on dolphin completely for a period of at least 5 years after that date. This arrangement allows time for negotiations and for fishermen in the region to adjust, while maintaining pressure for reductions in dolphin kill and requiring—in less than 2 years—a halt to the practice that has killed so many marine mammals over the past 30 to 35 years. Failure by a nation to live up to commitments made to the United States on this issue will result in sanctions that are stronger than those imposed by current law. These include a ban on the importation of all tuna products, a ban on at least 40 percent of all fish and fish products and potentially a total ban of fish products.

I am aware that the commercial west coast tuna fishing industry will oppose this bill, just as it has opposed efforts in the past to enact and strengthen the provisions of the MMPA. I understand this and cannot criticize the industry for seeking to protect its own interests. But the fact is that the major American tuna processors have already made it clear that business as usual in the ETP is no longer acceptable. As I have said, since April 1990, the three major processors for the American market have refused to purchase tuna for canning that is not dolphin-safe. European governments and processors seemed poised to follow their lead. These actions, not any dictate of Congress, has caused the reduction in the size of the U.S. fleet operating in the ETP and created serious problems for the foreign boats that still fish tuna in association with dolphins.

It is argued by some in the industry that fishing on dolphin is the only economic way to catch large yellowfin tuna, but the fact is that other methods have not seriously been tried—at least not recently. Past industry and government sponsored research efforts have focused primarily on refining current fishing methods, rather than developing new ones. Even a recent study by the National Academy of Sciences, which included some research into alternative fishing techniques, can only be considered a starting point. A moratorium on dolphin-unsafe methods, accompanied by intensive research into dolphin-safe practices should make it clear within a matter of years whether a viable, dolphin-safe fishery for large yellowfin in the ETP can be established. If that were to occur, Americans would have an opportunity to reenter the fishery in a major way, thereby creating hundreds or thousands of new jobs for American workers in fishing, ship repair, processing and marketing.

In the past, spokesmen for the tuna industry have also criticized the emotional nature of the concern expressed by the public, and reflected in restrictions placed in the law, about the tuna-dolphin issue. These spokesmen have argued that the overall viability of dolphin populations are not endangered by the yellowfin tuna harvest and that precautions currently in place guarantee that this will continue to be the case. All that is probably true. The problem is that the killing of dolphins in the course of tuna fishing operations is different from the incidental taking of marine mammals in other fisheries. In other cases, the killing is accidental. In the case of tuna fishing in the ETP, it results from the intentional deployment of nets among large numbers of dolphins—that makes the killing inevitable.

Critics of the MMPA have long asked why, with all the other tragedies in the world, so much attention has been given to the killing of dolphins. Why, after all, do we care? Millions of animals are killed for food every day. Some marine mammals are killed accidentally in almost every kind of fishery. Why is this one different?

The answer, it seems to me, is that human beings have always felt a special sense of kinship and wonder toward the dolphin, because of its beauty, its grace and its proven intelligence. Plutarch, of all people, wrote more than 2000 years ago that:

> To the dolphin alone nature has given that which the best philosophers seek: friendship for no advantage. Though it has no need for help of any man, yet it is a genial friend to all, and has helped man.

Killing an animal for food or for clothing is not the same as killing a dolphin simply for being in the way. Injuring a marine mammal by accident is not the same as deploying nets that you know in advance will surround and likely kill dolphins. The premise of the legislation I am introducing today is that we may be able to find a way once again to harvest large yellowfin tuna in the ETP without knowingly slaughtering dolphins. If we can, that will be good for the dolphin; it will be good for American fishermen; it will benefit our economy; it will ease diplomatic tensions; and it will end a controversy that has been a source of conflict between the Pacific tuna industry and the environmental community for more than two decades.

Given the persistent mystery of the relationship that binds dolphins and large yellowfin tuna in the ETP, there is no way that we can guarantee in advance that this approach will succeed in achieving fully each of its intended goals. But we do know that the current approach is not working economically, diplomatically or ecologically. And we know that the approach put forward in this legislation reflects the broadest degree of consensus that has ever been achieved on this issue.

After two decades of accepting half measures, I believe that the time has come to restore meaning to the original objectives of the MMPA; to move forward aggressively both domestically and internationally; to get a real research program underway; and to end once and for all the stale debates and controversies that have divided and discouraged in the past.

I ask unanimous consent that the text of the bill be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3003

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Dolphin Conservation Act of 1992".

SEC. 2. GLOBAL MORATORIUM TO PROHIBIT CERTAIN TUNA HARVESTING PRACTICES.

(a) IN GENERAL.—The Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.) is amended by adding at the end the following new title:

"TITLE III—GLOBAL MORATORIUM TO PROHIBIT CERTAIN TUNA HARVESTING PRACTICES

"SEC. 301. FINDINGS AND POLICY.

"(a) FINDINGS.—The Congress finds the following:

"(1) The yellowfin tuna fishery of the eastern tropical Pacific Ocean has resulted in the deaths of millions of dolphins.

"(2) Significant awareness and increased concern for the health and safety of dolphin populations has encouraged a change in fishing methods worldwide.

"(3) United States tuna fishing vessels have led the world in the development of fishing methods to reduce dolphin mortalities in the eastern tropical Pacific Ocean and United States tuna processing companies have voluntarily promoted the marketing of tuna that is dolphin safe.

"(4) Nations harvesting yellowfin tuna in the eastern tropical Pacific Ocean have indicated their willingness to participate in appropriate multilateral agreements to reduce, and eventually eliminate, dolphin mortality in that fishery.

"(5) Nations harvesting tuna outside of the eastern tropical Pacific Ocean have indicated their willingness to participate in an observer program.

"(b) POLICY.—It is the policy of the United States to—

"(1) eliminate the marine mammal mortality resulting from the intentional encirclement of dolphins and other marine mammals in tuna purse seine fisheries;

"(2) secure appropriate multilateral agreements to reduce, and eventually eliminate, the mortality referred to in paragraph (1);

"(3) ensure that the market of the United States does not act as an incentive to the harvest of tuna caught in association with dolphin or with driftnets;

"(4) secure appropriate multilateral agreements to ensure that United States tuna fishing vessels shall have continued access to productive tuna fishing grounds in the South Pacific Ocean and elsewhere; and

"(5) encourage observer coverage on purse seine vessels fishing for tuna outside of the eastern tropical Pacific Ocean.

"SEC. 302. INTERNATIONAL AGREEMENTS TO ESTABLISH GLOBAL MORATORIUM TO PROHIBIT CERTAIN TUNA HARVESTING PRACTICES.

"(a) IN GENERAL.—The Secretary of State, in consultation with the Secretary, may enter into international agreements which establish, in accordance with this title, a global moratorium of at least 5 years' duration to prohibit harvesting tuna through the use of purse seine nets deployed or to encircle dolphins or other marine mammals.

"(b) TERMS OF AGREEMENT.—Any agreement entered into under this section shall—

"(1) establish a moratorium described in subsection (a) which takes effect on March 1, 1994;

"(2) include an international research program and, notwithstanding the moratorium, authorize harvesting of tuna under that program;

"(3) provide for reviews and reports in accordance with section 304 on results of research conducted under the research program;

"(4) require each nation that is a party to the agreement to take all the necessary and appropriate steps to ensure compliance with the moratorium; and

"(5) encourage each nation that is a party to the agreement to seek, through bilateral and mutilateral negotiations, to encourage other nations that participate in fisheries to which the agreement applies to become parties to the agreement.

"(c) COMPLIANCE BY UNITED STATES WITH MORATORIUM.—The moratorium authorization under subsection (a) may be terminated prior to December 31, 1999, with respect to the United States for the harvesting of tuna in the eastern tropical Pacific Ocean only if—

"(1) the Secretary submits to the Congress in accordance with section 304(b) a recommendation that the moratorium be terminated; and

"(2) the recommendation is approved by a joint resolution of either House of the Congress.

"SEC. 303. RESEARCH PROGRAMS.

"(a) IN GENERAL.—Any agreements or undertakings pursuant to this title shall—

"(1) establish an international research program to develop methods of fishing for large yellowfin tuna—

"(A) without setting nets on dolphins or other marine mammals; or

"(B) by setting nets on dolphins or other marine mammals with zero set-caused mortality;

"(2) require that proposals for research under the program be reviewed and authorized by a competent regional organization; and

"(3) require that research under the program be conducted by dedicated vessels that—

"(A) are authorized to conduct that research by a competent regional organization; and

"(B) have on board an observer who is responsible to, and supervised by, a competent regional organization.

"(b) LIMITATIONS ON DOLPHIN MORTALITY.—For the eastern tropical Pacific Ocean, an agreement entered into under section 302 shall require that—

"(1) the total number of research sets on dolphins conducted pursuant to this section during the period beginning March 1, 1994, and ending December 31, 1999, shall not exceed 400 annually, and the total annual dolphin mortality shall not exceed 1,000;

"(2) the Inter-American Tropical Tuna Commission shall establish a panel to review and report on the compliance of the international yellowfin tuna fishery fleet with the limits established in paragraph (1) and make recommendations as appropriate; and

"(3) the Inter-American Tropical Tuna Commission shall establish an Advisory Board of technical specialists from the international communities of scientists, governmental agencies, environmental groups, and the fishing industry, to assist that commission in efforts to coordinate, facilitate, and guide research.

"(c) FUNDING.—

"(1) IN GENERAL.—An agreement entered into under section 302 shall establish fair and equitable mechanisms for funding research conducted pursuant to this section.

"(2) PROCEEDS OF RESEARCH HARVESTS.—An agreement entered into under section 302 shall provide that the proceeds of any tuna harvested for the purpose of research conducted pursuant to this section should, to the extent possible, be used for funding research conducted pursuant to this section.

"(3) LIMITATION ON USE OF UNITED STATES FUNDING.—Funding provided by the United States for research shall be used only for the purpose of developing methods of fishing for large yellowfin tuna that do not involve intentionally encircling dolphins or other marine mammals.

"(d) REVIEW OF RESEARCH PROPOSALS.—The Marine Mammal Commission shall—

"(1) review all research proposals submitted to the Inter-American Tropical Tuna Commission; and

"(2) recommend an appropriate response to each of those proposals, to the United States Commissioners on the Inter-American Tropical Tuna Commission.

SEC. 304. REVIEWS, REPORTS, AND RECOMMENDATIONS.

"(a) REPORTS BY THE SECRETARY.—The Secretary shall include in the annual reports required under section 103(f)—

"(1) results of research conducted pursuant to section 303;

"(2) a description of the status of stocks of yellowfin tuna;

"(3) an assessment of the economic impacts on the United States tuna industry and consumers caused by agreements entered into under section 302;

"(4) an assessment of the effectiveness of the agreements in protecting dolphin populations in the eastern tropical Pacific Ocean;

"(5) results of reviews conducted under section 305(c);

"(6) copies of any international agreements or undertakings authorized by or related to this title;

"(7) an assessment of the impact of fishery resources, other than yellowfin tuna, of methods of fishing for large yellowfin tuna in the eastern tropical Pacific Ocean that do not involve the intentional encirclement of dolphins; and

"(8) any other relevant information.

"(b) RECOMMENDATIONS OF THE SECRETARY.—If a competent regional organization under the auspices of which research is conducted pursuant to section 303, or any nation which participates in such an organization, submits to the United States a recommendation that a moratorium established by an agreement under section 302 should be terminated prior to December 31, 1999, the Secretary shall—

"(1) review the information on which the recommendation is based;

"(2) consult with relevant Federal agencies, including the Marine Mammal Commission, and other interested persons; and

"(3) submit to the Congress a recommendation regarding the termination of the moratorium.

"SEC. 305. INTERNATIONAL COMMITMENTS.

"(a) LIMITATION ON APPLICATION OF BAN ON IMPORTS.—Except as provided in subsection (b), the Secretary of the Treasury shall not, under section 101(a)(2)(A) and (B), ban the importation of yellowfin or yellowfin tuna products from a nation that transmits to the Secretary of State a formal communication in which the nation commits to—

"(1) implement a moratorium of at least 5 years' duration beginning March 1, 1994, on the practice of harvesting tuna through the use of purse seine nets deployed on or to encircle dolphins or other marine mammals unless the moratorium is terminated with respect to the United States in accordance with section 302(c);

"(2) require an observer on each vessel of the nation larger than 400 short tons carrying capacity which engages in purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, and ensure that at least 50 percent of all such observers are responsible to, and supervised by, a competent regional organization;

"(3) reduce the dolphin mortality resulting from purse seine net operations conducted by vessels of the nation in 1992 to a level that is lower than such mortality in 1991 by a statistically significant margin; and

"(4) reduce the dolphin mortality resulting from purse seine net operations conducted by vessels of the nation in the period beginning January 1, 1993, and ending February 28, 1994, to a level that is lower than such mortality in 1992 by a statistically significant margin.

"(b) SUBSEQUENT BAN ON IMPORTS FOR FAILURE TO COMPLY WITH COMMITMENTS.—

"(1) TUNA AND TUNA PRODUCTS.—The Secretary, in consultation with the Secretary of State, shall periodically determine whether a nation which has transmitted a formal communication expressing the commitments described in subsection (a) is fully implementing those commitments. If the Secretary determines that such a nation is not implementing those commitments—

"(A) the Secretary shall notify the President and Congress of that determination; and

"(B) 15 days after such notification, the Secretary of the Treasury shall, under section 101(a)(2), ban the importation from that nation of all yellowfin tuna and yellowfin tuna products.

"(2) OTHER FISH AND FISH PRODUCTS.—The Secretary of the Treasury shall ban the importation from a nation of fish and fish products (other than yellowfin tuna and yellowfin tuna products) whose aggregate value is at least 40 percent of the aggregate value of all fish and fish products (other than yellowfin tuna and yellowfin tuna products) imported from that nation during the year prior to the year in which the ban is initiated, if—

"(A) the nation does not, within 60 days after the establishment with respect to the nation of a ban on importation pursuant to paragraph (1)(B), certify and provide reasonable proof to the Secretary that the nation has fully implemented the commitment described in subsection (a)(1) or has taken the necessary actions to remedy its failure to comply with the commitments described in subsections (a) (2), (3), and (4); and

"(B) the Secretary does not, before the end of that 60-day period, certify to the President that the nation has provided such certification and proof.

"(3) CERTIFICATION UNDER THE FISHERMEN'S PROTECTION ACT.—The failure of the Secretary to make the certification to the President under paragraph (2)(B) shall be deemed a certification under section 8(a) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978(a)).

"(4) DURATION OF BAN.—A ban on importation established under paragraph (1) or (2) with respect to a nation shall continue in effect until the Secretary determines that the country is implementing the commitments described in subsection (a).

"(c) REVIEWS AND REPORTS.—The Secretary, in consultation with the Secretary of State, shall—

"(1) periodically review the activities of nations which have transmitted to the Secretary of State formal communications expressing the commitments described in subsection (a), to determine whether those nations are complying with those commitments; and

"(2) include the results of those reviews in annual reports submitted to the Congress pursuant to section 304(a).

"SEC. 306. PERMITS FOR TAKING DOLPHINS.

"(a) ADDITIONAL RESTRICTIONS UNDER GENERAL PERMIT.—Notwithstanding section 104(h), the general permit issued to the American Tunaboat Association on December 1, 1980, shall be subject to the following additional restrictions:

"(1) Total dolphin mortalities (including mortalities resulting from research) shall not exceed 1,000 during the period beginning January 1, 1992, and ending December 31, 1992, and 800 during the period beginning January 1, 1993, and ending March 1, 1994.

"(2) No pause seine net may be deployed on or used to encircle any school of dolphin in which eastern spinner dolphin (Stenella longirostris) or coastal spotted dolphin (Stenella attenuata) are observed prior to release of the net skiff.

"(3) The general permit shall expire March 1, 1994.

"(b) PERMITS REQUIRED FOR TAKING DOLPHINS FOR RESEARCH PURPOSES.—An international agreement under section 302 shall not supersede or be interpreted to supersede any provision of this Act under which a permit under this Act is required for activities conducted pursuant to this title.

"SEC. 307. PROHIBITIONS.

"(a) IN GENERAL.—It is unlawful—

"(1) for any person, after June 1, 1994, to sell, purchase, offer for sale, transport, or ship, in the United States, any tuna or tuna product that is not dolphin safe;

"(2) for any person or vessel that is subject to the jurisdiction of the United States, intentionally to set a purse seine net on or to encircle any marine mammal during any tuna fishing operation after February 28, 1994, except—

"(A) as necessary for scientific research approved by the Inter-American Tropical Tuna Commission; or

"(B) in accordance with a recommendation that is approved under section 302(c)(2);

"(3) for any person to violate any regulation promulgated under this title;

"(4) for any person to refuse to permit any duly authorized officer to board a vessel subject to that person's control for purposes of conducting any search or inspection in connection with the enforcement of this Act; and

"(5) for any person to assault, resist, oppose, impede, intimidate, or interfere with any such authorized officer in the conduct of any search or inspection described in paragraph (4).

"(b) PENALTY.—A person who knowingly and willfully violates subsection (a) shall be subject to the civil and criminal penalties described in section 105 (a) and (b), respectively.

"(c) CIVIL FORFEITURES.—Any vessel (including its fishing gear, appurtenances, stores, and cargo) used, and any fish (or its fair market value) taken or retained, in any manner, in connection with or as a result of the commission of any act prohibited by this section shall be subject to forfeiture to the United States in the manner provided in section 310 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1860).

"(d) DOLPHIN SAFE TUNA.—For purposes of this section, tuna or a tuna product is dolphin safe if—

"(1) it does not contain tuna that was harvested on the high seas by a vessel engaged in driftnet fishing, as that term is defined in section 4003 of the Driftnet Impact, Monitoring, Assessment, and Control Act of 1987 (16 U.S.C. 1822 note);

"(2) in the case of tuna or a tuna product that contains tuna harvested in the eastern tropical Pacific Ocean, it is dolphin safe under subsection (d)(2) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)(2)); and

"(3) in the case of tuna or a tuna product that contains tuna harvested outside the eastern tropical Pacific Ocean by a purse seine vessel, it is accompanied by a written statement executed by the captain of the vessel and, in the case of tuna harvested with an observer present, by the observer, certifying that no purse seine net was intentionally deployed on or to encircle dolphins during the particular voyage on which the tuna was harvested.

"SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

(a) "There are authorized to be appropriated to the National Marine Fisheries Service for carrying out section 303, $3,000,000 for each of the fiscal years 1993, 1994, 1995, 1996, 1997, and 1998.".

(b) CLERICAL AMENDMENT.—The table of contents at the end of the first section of the Marine Mammal Protection Act of 1972 is amended by adding at the end the following:

"TITLE III—GLOBAL MORATORIUM TO PROHIBIT CERTAIN TUNA HARVESTING PRACTICES

"Sec. 301. Findings and policy.
"Sec. 302. International agreement to establish global moratorium to prohibit certain tuna harvesting practices.
"Sec. 303. Research program.
"Sec. 304. Reviews, reports, and recommendations.
"Sec. 305. International commitments.
"Sec. 306. Permits for taking dolphins.
"Sec. 307. Prohibitions.
"Sec. 308. Authorization of appropriations.".

(c) DEFINITIONS.—Section 3 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362) is amended by adding at the end the following new paragraph:

"(15) The term 'fishery' means—

"(A) one or more stocks of fish which can be treated as a unit for purposes of conservation and management and which are identified on the basis of geographical, scientific, technical, recreational, and economic characteristics; and

"(B) any fishing for such stocks.

"(16) The term 'competent regional organization' means—

"(A) an organization consisting of those nations participating in a tuna fishery, the purpose of which is the conservation and management of that fishery and the management of issues relating to that fishery; and

"(B) for the tuna fishery in the eastern tropical Pacific Ocean, means the Inter-American Tropical Tuna Commission.

"(17) The term 'intermediary nation' means a nation that exports yellowfin tuna or yellowfin tuna products to the United States and that imports yellowfin tuna or yellowfin tuna products that are subject to a direct ban on importation into the United States pursuant to section 101(a)(1)(2)(B). If such nation certifies and provides reasonable proof to the Secretary that it has not imported, within the preceding six months, any yellowfin tuna or yellowfin tuna products that are subject to such a direct ban on importation to the United States, the Secretary shall, as soon as practicable after receiving complete information regarding certification and proof, make an affirmative finding that such nation does not constitute an intermediary nation for purposes of this paragraph.".

SEC. 3. AMENDMENTS TO TUNA CONVENTIONS ACT OF 1950 AND SOUTH PACIFIC TUNA ACT OF 1988

(a) TUNA CONVENTIONS ACT OF 1950.—(1) Section 3 of the Tuna Conventions Act of 1950 (16 U.S.C. 952) is amended—

(1) by striking "and" at the end of subsection (b);

(2) by striking the period at the end of subsection (c) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new subsection:

"(d) at least one shall be chosen from a nongovernmental conservation organization.".

(2) Section 4 of the Tuna Conventions Act of 1950 (16 U.S.C. 953) is amended by inserting "and from nongovernmental conservation organizations," immediately after "under the conventions,".

(b) SOUTH PACIFIC TUNA ACT OF 1988.—Section 20(a) of the South Pacific Tuna Act of 1988 (16 U.S.C. 973r(a)) is amended by striking "1988, 1989, 1990, 1991, and 1992" each place it appears and inserting in lieu thereof "1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, and 2002".

By Mr. SANFORD:

S. 3004. A bill to provide for the liquidation or reliquidation of a certain entry of warp knitting machines as free of certain duties; to the Committee on Finance.

WARP KNITTING MACHINES IMPORTATION DUTIES

• Mr. SANFORD. Mr. President, I rise today to introduce legislation that would correct an error made against a small business in North Carolina.

This business imported four warp knitting textile machines made in Germany. The machines were properly classified under the Harmonized Tariff Schedule and admitted under the correct duty-free heading. The company then exported the machines through a third party in Miami to a Venezuelan company, with the understanding that the machines would be returned if the company could not operate them. This, in fact, is what occurred; however the machines were improperly classified upon re-entry causing the machines to carry a 4.4-percent duty. Not well versed in the bureaucratic procedures, the small company protested the assessment of the new duty, but did so, according to Customs, in an insufficient and untimely manner. Now, the company owes approximately $25,000 in duty with interest accruing daily, and will be placed on a sanctions list if it is not paid, effectively inhibiting its ability to do business. Litigating this matter would do more harm than good and the company cannot afford to absorb this loss.

Customs admits that when all of the facts were sorted out, that a duty should not have been imposed on the warp knitting machines. However, there is no appropriate relief other than this type of legislation.

As a matter of fairness and equity I urge my colleagues to support inclusion of this relief in any miscellaneous tariff legislation the Congress may adopt.•

By Mr. SANFORD:

S. 3005. A bill to continue the reduction of duties under the Harmonized Tariff Schedule of the United States on gripping narrow fabrics of man-made fibers; to the Committee on Finance.

DUTY REDUCTION ON CERTAIN MAN-MADE FIBERS

• Mr. SANFORD. Mr. President, I rise today to introduce an extension of a duty reduction on gripping narrow fabrics of man-made fibers.

Aplix, Inc. is a small manufacturer employing approximately 150 production workers in North Carolina. This company specializes in the production of specialty fabric fasteners best know by the trade name of one of its competitors, Velcro.

Last Congress I introduced a bill that temporarily corrected an error in the conversions of the Tariff Schedules of the United States [TSUS] to the Harmonized Tariff Schedule of the United States [HTSUS]. This bill reduced the duty paid by Aplix under the HTSUS—9.5 percent ad valorem—on certain gripping narrow fabrics to the level which existed under the old TSUS—7 percent ad valorem.

This year, I ask for an extension in the duty reduction and urge my colleagues to support the inclusion of this duty reduction in any miscellaneous tariff legislation the Congress may adopt.•

By Mr. DOMENICI:

S. 3009. A bill to amend title 10, United States Code, to provide for the payment of an annuity or indemnity compensation to the spouse or former spouse of a member of the Armed Forces whose eligibility for retired or retainer pay is terminated on the basis of misconduct involving abuse of a dependent; and for other purposes; to the Committee on Armed Services.

ABUSED MILITARY DEPENDENTS PROTECTION ACT

Mr. DOMENICI. Mr. President, I am pleased to introduce legislation that provides essential financial protection and assistance to the families of our Armed Forces. This bill targets military families who, through no fault of their own, suffer extraordinary hardships because of the misconduct of the military member.

Specifically, this bill provides annuity or indemnity payments to spouses or former spouses of military personnel who have been discharged under other than honorable circumstances for abuse of the spouse, former spouse, or dependent children.

The issue of child or spouse abuse is discussed and examined more openly these days. As a result, awareness of the scope of the problem leads to more attention and counseling for both the offenders and family members. I have been pleased to learn that the Department of Defense's Family Advocacy Program is equally concerned about this problem, and has initiated special programs that address these issues.

Despite the concerted efforts of our military programs and personnel to address the causes of and impacts upon the victims of abusive behaviors, the fact remains that an abused spouse or dependent child stands to lose everything the family has worked for, and is otherwise entitled to, if the abuse is disclosed.

Under current law, if the military determines that a service member is guilty of spouse or child abuse, and is subsequently discharged for other than honorable conditions as a result of that abuse, the military member more often than not loses all of his retirement pay and benefits. This means that the spouse and children are also deprived of any means of support.

Let me provide an example. A spouse is married to a military member for 22 years of that member's 24 years of military service. During these many years, the spouse and any children of that marriage move from one military installation to another. The spouse either stays home with the children or finds her career interrupted while supporting that military member's career assignments.

During the 22d year of marriage, the spouse finds that the military member has been abusing one of their children. One assumes that the spouse will do everything feasible to seek help for this problem, including bringing it to the attention of the appropriate family advocacy personnel at the military installation where guidance and counseling is readily available.

Unfortunately, this often does not happen. Why? Because should the military authorities decide to take action against the military member and the charges are proved true, this can result in dismissal under other than honorable conditions. Moreover, retirement payments and benefits are often denied to that member as a result of these abusive actions. In my example case, therefore, 22 years of marriage later, the spouse finds there is nothing left for the abused family members, despite the years of joint effort with the service member.

This leaves the family without medical or dental benefits, and no source of financial support. Quite frankly, if the military member is incarcerated, which is often the case, it is doubtful that there will be any financial support for that family unless there is a substantial savings account or independent wealth.

This is not to suggest that these spouses expect to be taken care of. They do what all do when confronted with such personal and financial disaster: they seek employment and try to find programs that can ease them through the difficult weeks and months ahead.

However, the emotional and financial burdens on the family can be close to catastrophic. More important, we have created, unintentionally, a situation in which the spouse is reluctant to seek help because she knows full well that her disclosure will add an extremely harsh penalty for that courageous stand, particularly if that military member was the sole source of family support.

Particularly in the military service, where families are consistently uprooted from their homes, and the spouse has few career choices, the military spouse is often more disadvantaged than others in similar circumstances.

Despite our best efforts to have abusive behaviors disclosed, we are, in effect, telling a military spouse to think twice about securing assistance. The fact remains that the family may be left destitute, without essential health or dental benefits to which it would have otherwise been entitled, after 20 or more years of service affiliation with the Armed Forces.

This is certainly not fair or equitable treatment of a family experiencing such an intensely personal and traumatic situation.

Therefore, my bill will provide annuity payments to a spouse commensurate with the years of marriage to that otherwise retirement-eligible member. Medical and dental benefits, as well as commissary, exchange, and other privileges that would have been allowed had the military member been honorable discharged, will also be made available.

In the case where there is less than 20 years of creditable service by the military member, the spouse will be eligible to receive up to 3 years of indemnity compensation, dependent upon the rank of the member.

Spousal and child abuse, whether in the military or in civilian life, demands more attention, more understanding of its causes, and more family and professional support to stop this destructive behavior. One essential step toward resolving this issue, however, is disclosure of the problem.

Consequently, placing extraordinary, and often devastating, financial obstacles to disclosing these instances does nothing to identify or resolve the problem. Some might justifiably call it good common sense not to talk about the problem.

From discussions with family advocacy organizations, there is agreement that we try to do what we can to help those who take the courageous stand to disclose the abuse.

I am pleased that there is growing awareness of the traumatic effects of spouse and child abuse on the family and society as a whole. Each year we pay millions of dollars in crime prevention programs, and millions of dollars incarcerating or rehabilitating criminals. Victims, as well as the families of crime victims, spend years recovering from the senseless and debilitating effects of criminal behavior. And yet, we know that many of the perpetrators of these crimes are themselves the victims of abuse.

The vicious cycle of abuse must stop. We need to encourage the reporting of such crimes so we can begin appropriate actions to offer protection and assistance to the victims, as well as counseling to the offenders.

At the same time, we need to be aware that military spouses, who have very unique demands on their lifestyles, should not be punished for their honesty and courage. They need and deserve our special attention.

I believe this bill can go a long way in helping these spouses with minimal financial aid to keep their families together. In the long term, I think we will all benefit by this compassionate and equitable plan. I will continue to work with the Department of Defense on this issue, and I urge my colleagues to join me in cosponsoring the Abused Military Dependent Protection Act of 1992.

Mr. President, it has come to my attention, believe it or not, that in this day and age, under the military laws of the country that if a member of the military is dishonorably discharged for abusing his spouse or his children that more times than not, that abuse, if found and prosecuted, results in the spouse and children losing all benefits. That sounds impossible, but that happens to be the way it is.

So that means a wife, two children, 22 years in the military with her husband, she has the courage to report child abuse, the military finds the military man guilty, discharged, incarceration for 5 years, and the spouse and the children who are entitled to at least half the pension and health care and other types of benefits get zero. The finding principally is that all their rights are derivative and with the dishonorable discharge goes the rights.

It is obvious that this is not very well known or we would have changed it a long time ago. But it happens that the Senator from New Mexico found out about it from a constituent. It is true.

In her case, she had the courage to tell the military what was happening. They found her husband guilty. They discharged him and sent him off to prison. She lost everything.

She would have been entitled to substantial pension benefits and health benefits and this will reinstate not only hers, but it will make any such abuse cases no longer possible. Thus, it will encourage those who are abused, sexually or otherwise, to speak their piece to the authorities. What we have now is a kind of a silencing mechanism because if you tell anyone, and your spouse is convicted, you lose everything. So we are inviting nondisclosure for the sake of retaining benefits.

It is estimated that there are quite a few hundred such cases in this particular fiscal year. This bill would reinstate all of their benefits, the same as if they were entitled to them when the event occurred, the discharge occurred. It will also go back in history and pick up for a period of time those who are suffering because of this. And it ought to, in the future, correct the situation.

I do not believe it is going to encourage any abuse from the standpoint of spouses and/or children declaring that they have been abused when they have not been. We are going to have to rely upon facts and justice in that regard.

That is what the bill essentially does. I believe it will be adopted, but I thought I would get it on record so that when the armed services bill comes before the Senate we can attach it, and it is obvious to me Senators would certainly want to support this. It seems to me that we should have done this a long time ago.

I just happened to find out. It is an example of where you are asked to do something for a constituent, you find out sometimes that things are not going as you might expect. That is what happened here.

As a matter of fact, a good neighbor to the spouse who had been disenfranchised wrote a letter and asked if we might be able to help the neighbor who was in this condition, and when we found out it turns out that he was right and the military has done what the law says, but frankly we should have done it a long time ago.

The bill is rather lengthy because we try to pick up even those who did not have fully vested pension and provide something to them if they have been denied everything.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3009

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Abused Military Dependents Protection Act of 1992".

SEC. 2. ANNUITY PROTECTION FOR SPOUSES AND FORMER SPOUSES OF MEMBERS CONVICTED FOR ABUSE OF A DEPENDENT.

(a) IN GENERAL.—(1) Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 71 the following new chapter:

"CHAPTER 72—PROTECTIONS, RIGHTS, AND BENEFITS FOR DEPENDENTS

"Sec.

"1421. Annuity protection for spouses and former spouses of members losing eligibility for retired pay as a result of abuse of a dependent.

"1422. Indemnity compensation for victims of dependent abuse.

"1423. Other benefits.

"§ 1421. Annuity protection for spouses and former spouses of members losing eligibility for retired pay as a result of abuse of a dependent

"(a) The Secretary of a military department shall, upon application, pay an annuity under this section to an eligible spouse or former spouse of a member (described in subsection (b)) of the armed force under the jurisdiction of that Secretary.

"(b) A spouse or former spouse of a member of the armed forces is eligible to receive an annuity under this section if—

"(1) after the member becomes eligible to be retired on the basis of years of service, the member's eligibility to receive retired pay or retainer pay is terminated as a result of misconduct of the member or former member involving abuse of a dependent; and

"(2) the spouse or former spouse—

"(A) was the victim of the abuse and was married to the member at the time of that abuse; or

"(B) is a natural or adopted parent of a dependent child of the member who was the victim of the abuse.

"(c) This section applies with respect to terminations of eligibility to receive retired pay or retainer pay as a result of a conviction by a court-martial or an administrative separation from the armed forces.

"(d)(1) The amount of the annuity payable under this section to a spouse or former spouse of a member referred to in subsection (b)(1) shall be equal to the lesser of—

"(A) the percentage determined under paragraph (2) of the amount of the retired pay or retainer pay which the member would have received on the date on which the spouse's or former spouse's entitlement to that annuity becomes effective if the member had been retired from the armed forces entitled to receive retired or retainer pay on that date; or

"(B) the amount that is equal to such portion of the member's retired or retainer pay as is provided for in an applicable court order (as defined in section 1408(a) of this title), if any.

"(2)(A) In the case of spouse or former spouse who has been married to the member for 20 or more years, at least 20 of which were during the period the member performed service creditable in determining the member's eligibility for retired or retainer pay, the percent applicable under paragraph (1)(A) is 50 percent.

"(B) In the case of a spouse or former spouse not described in subparagraph (A), the percent applicable under paragraph (1)(A) is the percent (rounded to the nearest one percent) that is determined by—

"(i) multiplying 50 percent times the number of years during the member's service creditable in determining the member's eligibility for retired or retainer pay that the spouse or former spouse has been married to the member; and

"(ii) dividing the product computed under clause (i) by 20.

"(3) Whenever retired pay is increased under section 1401a of this title (or any other provision of law), the annuity payable under this section to the spouse or former spouse of a member referred to in subsection (b)(1) shall be increased at the same time. The increase shall be by the same percent as the percent by which the retired pay or retainer pay of the member would have been increased if the member were receiving retired or retainer pay.

"(e)(1) The entitlement to the annuity shall become effective as of the first day of the month in which the action that terminates the eligibility for retired or retainer pay is taken, as determined under regulations prescribed by the Secretary of the military department concerned.

"(2) An entitlement to an annuity under this section with respect to a member referred to in subsection (b) shall terminate—

"(A) in the case of an annuitant who marries again after the effective date of the annuity before attaining 55 years of age, on the date of such marriage; and

"(B) in the case of an annuitant who resumes cohabitation with the member, on the date on which the cohabitation resumes.

"(3) A person's entitlement to an annuity under this section that is terminated under paragraph (2)(A) by reason of remarriage shall be resumed in the event of the termination of that marriage by the death of that person's spouse or by annulment or divorce. The resumption of payment of the annuity shall begin as of the first day of the month in which that marriage is so terminated. The monthly amount of the resumed annuity shall be the amount that would have been paid if the entitlement to the annuity had not been terminated.

"(f) Notwithstanding any other provision of law, a member of the armed forces referred to in subsection (b)(1) shall have no ownership interest in, or claim against, an annuity payable under this section to a spouse or former spouse of the member.

"(g)(1) An application for an annuity under this section shall be made in the form and manner prescribed by the Secretary of the military department concerned.

"(2) No annuity shall be paid under this section to a spouse or former spouse of a member of the armed forces referred to in subsection (b)(1) unless the spouse or former spouse applies for that annuity within one year after the date of the action referred to in subsection (e)(1).

"(h) Any amount payable by the United States during any month to a member of the armed forces who is incarcerated for any period during that month as a result of a conviction shall be reduced by the total amount of any payment made with respect to that member during that month under this section.

"(i) In this section:

"(1) The term 'dependent' means a spouse or dependent child.

"(2) The term 'dependent child', with respect to a member of the armed forces referred to in subsection (a), means an unmarried legitimate child, including an adopted child or a stepchild of the member, who—

"(A) is under 18 years of age;

"(B) is incapable of self-support because of a mental or physical incapacity that existed before becoming 18 years of age and is or, at the time of the action described in subsection (e)(1) with respect to that member, was dependent on the member for over one-half of the child's support; or

“(C) if enrolled in a full-time course of study in an institution of higher education recognized by the Secretary of Defense for the purposes of this clause, is under 23 years of age and is or, at the time of the action described in subsection (e)(1), was dependent on the member for over one-half of the child's support.

“§ 1422. Indemnity compensation for victims of dependent abuse

“(a) Authority To Pay Compensation.—(1) Under regulations prescribed by the Secretary of Defense, the Secretary of a military department concerned may pay indemnity compensation in accordance with this section to an eligible dependent of a member (described in paragraph (2)) of the armed force under the jurisdiction of that Secretary of a military department.

“(2) A member of the armed forces referred to in paragraph (1) is a member who, before becoming eligible to be retired from the armed forces on the basis of years of service—

“(A) is convicted by a court-martial for an offense involving abuse of a dependent if the court-martial convening authority or a higher competent authority approves a dishonorable discharge, bad-conduct discharge, or dismissal of the member as a result of that conviction; or

“(B) is separated from the armed forces under adverse conditions, as characterized under regulations prescribed by the Secretary concerned, as a result of misconduct of the member involving abuse of a dependent, as determined by the authority ordering the separation or, in the case of a resignation, the authority accepting the resignation.

“(b) Eligible Dependent.—(1) Except as provided in paragraph (2), the dependents eligible to receive indemnity compensation under this section in the case of a member of the armed forces referred to in subsection (a) are as follows:

“(A) The member's spouse if the spouse was married to the member when the member engaged in the offense referred to in subparagraph (A) of subsection (a)(2) or the misconduct referred to in subparagraph (B) of that subsection.

“(B) A former spouse of the member if the former spouse was married to the member when the member engaged in such offense or misconduct.

“(C) If there is no spouse or former spouse eligible under subparagraph (A) or (B) to receive the indemnity compensation, the dependent children of the member.

“(2) A spouse, former spouse, or dependent child of a member of the armed forces referred to in subsection (a) is not eligible to receive indemnity compensation under this section on the basis of an offense or misconduct referred to in subsection (a)(2) if, under regulations prescribed by the Secretary of the military department concerned, the spouse, former spouse, or child (as the case may be) is determined—

“(A) to have been an active participant in the offense or misconduct; or

“(B) in the case of a dependent child, the child resides with a spouse or former spouse who was an active participant in the offense or misconduct.

“(c) Amount of Compensation.—(1) The rate of indemnity compensation paid a dependent of a member of the armed forces referred to in subsection (a) shall be the rate specified in section 1311(a) of title 38 for the grade held by that member—

“(A) in the case of a member described in subsection (a)(2)(A), immediately before any reduction in grade resulting from a court-martial conviction of that member as described in that subsection; and

“(B) in the case of a member described in subsection (a)(2)(B), immediately before the separation from the armed forces.

“(2) In the case of indemnity compensation payable to the spouse or former spouse of the member, the rate paid under paragraph (1) shall be increased by the amount provided under section 1311(b) of title 38 if the spouse or former spouse, as the case may be, and that member have one or more unmarried children who are under 18 years of age.

“(3) Indemnity compensation payable to dependent children of a member of the armed forces referred to in subsection (a) shall be paid in equal shares to those children at the rates provided under section 1313(a) of title 38.

“(d) Period of Payment.—(1) Indemnity compensation may be paid in the case of a member of the armed forces referred to in subsection (a) for the lesser of—

“(A) the period equal to the total number of months for which the member served on active duty; or

“(B) three years.

“(2) For purposes of paragraph (1)(A), any fraction of one month shall be rounded up to one month.

“(e) Commencement of Payment.—Payment of indemnity compensation shall commence—

“(1) in the case of a court-martial described in subsection (a)(2), on the first day of the month following the month in which the sentence to a discharge or dismissal is approved by the court-martial convening authority; or

“(2) in the case of an administrative discharge from the armed forces, the date of the discharge.

“(f) Termination of Payment.—Payment of indemnity compensation to a spouse, former spouse, or dependent child in the case of a member referred to in subsection (a) shall terminate upon—

“(1) the commencement of cohabitation by the spouse, former spouse, or dependent child, as the case may be, with the member in the same household; or

“(2) in the case of a former spouse, a remarriage of the former spouse.

“(g) Regulations.—The Secretary of each military department shall prescribe regulations to carry out this section with respect to members of the armed force under the jurisdiction of that Secretary. The regulations prescribed by the Secretaries of the military departments shall be as uniform as practicable and shall be subject to the approval of the Secretary of Defense.

“(h) Offset of Payments.—Any amount payable by the United States during any month to a member of the armed forces described in subsection (a)(2) who is incarcerated for any period during that month as a result of a conviction shall be reduced by the total amount of any payment made with respect to that member during that month under this section.

“(i) Definitions.—In this section, the term ‘dependent child’ has the meaning given that term in section 1421 of this title.

“§ 1423. Other benefits

“(a) Annuitants Under Section 1421.—A spouse or former spouse of a member of the armed forces referred to in subsection (b)(1) of section 1421 of this title shall be entitled, while receiving an annuity under that section—

“(1) to receive medical and dental care under the provisions of chapter 55 of this title to the same extent as a dependent of a retired member of the armed forces;

“(2) to use the commissary and exchange stores on the same basis as a dependent of a retired member of the armed forces; and

“(3) to receive any other benefits that a dependent of a retired member is entitled to receive on the basis of being a dependent of a retired member.

“(b) Persons Compensable Under Section 1422.—A spouse, former spouse, or dependent child of a member of the armed forces referred to in subsection (a) of section 1422 of this title shall be entitled to the benefits referred to in subsection (a) while receiving indemnity compensation under that section.”.

(2) The tables of chapters at the beginning of subtitle A of such title and part II of such subtitle are amended by inserting after the item relating to chapter 71 the following:

“72. Miscellaneous protections,
rights, and benefits for dependents 1421”.

(b) Funding for Annuities.—Section 1463 of such title is amended—

(1) by striking out “and” at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof “; and”; and

(3) by adding at the end the following:

“(5) annuities payable under section 1421 of this title.”.

(c) Applicability.—(1)(A) Section 1421 of title 10, United States Code (as added by subsection (a)), shall apply with respect to terminations of eligibility to receive retired or retainer pay that take effect before, on, or after the date of the enactment of this Act.

(B) Notwithstanding subsection (g)(2) of such section 1421, in the case of a spouse or former spouse claiming eligibility to receive an annuity under that section on the basis of a termination of eligibility to receive retired or retainer pay that took effect before the date of the enactment of this Act, no annuity shall be paid that spouse or former spouse under such section unless the spouse or former spouse applies for that annuity within one year after that date.

(C) No annuity shall accrue under such section 1421 for periods before the date of the enactment of this Act.

(2) No indemnity compensation shall be payable under section 1422 of title 10, United States Code (as added by subsection (a)), with respect to discharges and dismissals from the Armed Forces before the date of the enactment of this Act.

(d) Study Required.—(1) The Secretary of Defense shall conduct a study in order to—

(A) determine the number of persons who became eligible to receive an annuity under section 1421 of title 10, United States Code (as added by subsection (a)), as of each of fiscal years 1980 through 1992;

(B) estimate the number of persons who will become eligible to receive an annuity under such section during each of fiscal years 1993 through 2000;

(C) determine, for each of fiscal years 1980 through 1992, the number of members of the Armed Forces who, after having completed at least one, and less than 20, years of service, were approved in that fiscal year for discharge or dismissal from the Armed Forces as a result of abuse of a spouse or dependent child; and

(D) estimate, for each of fiscal years 1993 through 2000, the number of members of the Armed Forces who, after having completed at least 14, and less than 20, years of service in that fiscal year, will be approved in that fiscal year for discharge or dismissal from the Armed Forces as a result of abuse of a spouse or dependent child.

(2) The study shall include—

(A) a thorough analysis of the effects, if any, of appeals and requests for clemency in the case of courts-martial convictions on the entitlement to and the payment of annuities under section 1421 of title 10, United States Code (as added by subsection (a));

(B) a thorough analysis of the socio-economic effects on the dependents of members of the Armed Forces described in subsection (b) of that section that result from terminations of the eligibility of such members to receive retired or retainer pay; and

(C) a thorough analysis of the effects of separations of such members from the Armed Forces on the mission readiness of the units of assignment of such members when separated and on the Armed Forces in general.

(3) Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the results of the study.

By Mr. DANFORTH (for himself, Mr. HATCH, Mr. KASTEN, Mr. BROWN, Mr. COCHRAN, Mr. THURMOND, Mr. D'AMATO, Mr. SMITH, and Mr. PACKWOOD):

S. 3010. A bill to encourage, assist, and evaluate educational choice programs, and for other purposes; to the Committee on Labor and Human Resources.

FEDERAL GRANTS FOR STATE AND LOCAL "GI BILLS" FOR CHILDREN ACT

Mr. DANFORTH. Mr. President, I rise today on behalf of myself, Senators HATCH, KASTEN, BROWN, COCHRAN, THURMOND, D'AMATO, SMITH, and PACKWOOD to introduce legislation, Federal grants for State and local GI bills for children, which would address a serious inequity in our country. While wealthy families have the option of moving to an area with quality public elementary and secondary schools or of sending their children to private schools, lower income families have no choice but to attend their neighborhood public school, regardless of its quality. As a matter of simple equity, lower income families should also have educational choices. A 1991 Gallup poll found that only 27 percent of inner-city residents gave high marks to local public schools, compared to 42 percent of the general public.

The legislation we introduce today provides $500 million of new Federal funds for use by eligible families at the public, private, or religious elementary or secondary school that they choose for their child. It creates a competitive 4-year grant program for which any State or locality may apply, to give each child of low- to moderate-income family $1,000 or more toward their child's elementary or secondary education. The grants would be awarded based on four criteria: First, the number and variety of choices made available to families of eligible children; second, the extent to which the applicant has provided educational choices to all children, including children who are not eligible for scholarships; third, the proportion of participating children who are from low-income families; and fourth, the additional local and private financial support for the project.

Families will be able to apply their scholarship money toward the public school of their choice, whether the neighborhood public school or another school, or toward tuition at a private or religious school. The family may use up to $500 for supplemental academic services such as summer school, tutoring, or after school or Saturday academic programs.

There are some who argue that the Federal financial assistance that this bill provides should not be used at private or religious schools. The funding, however, is directed toward families, rather than institutions—just as food stamps, Medicaid, and Pell grants are individual benefits—and therefore does not pose a constitutional question. Why should we prohibit families from using Federal scholarship money at private and religious schools when we have no such restrictions on what hospital Medicaid recipients attend, or at what store food stamp recipients shop for groceries, or what college or university Pell grant recipients choose, or in what type of housing, private or public, those with section 8 vouchers choose to make their home? It simply does not withstand serious scrutiny that educational scholarship money should be used only at public institutions. When Congress created the GI bill for world War II veterans, no restrictions were placed on the schools that beneficiaries could attend. Many GI bill recipients, however chose to attend public institutions. In fact, public school attendance has increased from less than 50 percent to 80 percent since Federal lands for college were introduced.

Because many families will choose public schools, this legislation will enrich the public school system. For each eligible child who chooses to remain in his or her assigned school, the public school could gain up to $1,000. It will also force the public schools to be competitive with private and religious schools, many of which are highly successful in educating their students. Of the 4,010 Catholic schools that are located in urban areas, 1,033 are located in the inner City. In St. Louis, 80 percent of inner-city Catholic school students are black, and 85 percent of those students are non-Catholics. These students are more likely to finish high school and to complete college than white students in public school. A study by Dr. Coleman of the University of Chicago found that the drop-out rate for grades 10 to 12 was 14.3 percent in public schools; 11.9 percent in private schools; and 3.4 percent for Catholic schools.

Mr. President, the riots in Los Angeles starkly illuminated the utter hopelessness and despair that plagues our inner cities. In the wake of those riots, there has emerged a consensus that something desperately needs to be done to help our young people. Scholars, reporters, educators, politicians, and parents have all commented on the critical need for parents to be involved in the lives of their children. I believe education holds the key to a better future for these children, and that parental involvement in that education greatly enhances a child's potential for success. Why, in America, should we settle for substandard schools for a segment of our population? Why, in America, should we allow children to be locked into poverty? How can we allow generation after generation of the most disadvantaged to live without any hope at all?

I believe we cannot, and we must not, settle for the status quo. For this reason, my colleagues and I are introducing this legislation today. I am committed to seeing that it garners widespread, and bipartisan, support. I am convinced that it will. Already many productive conversations have taken place with respect to this notion between supporters of this legislation and Democratic Members of the Senate. A companion bill which was introduced in the House of Representatives was introduced with bipartisan support.

I am pleased that this idea has entered the national debate. I am confident that it can become law. I am committed to working with my colleagues. And finally, Mr. President, if necessary, the groundwork will be laid now for its passage next Congress as part of the reauthorization of the Elementary and Secondary Education Act.

Mr. BROWN. Mr. President, I rise to express my support for the GI bill for children legislation being introduced today by Senator DANFORTH.

The GI bill for children would provide $1,000 scholarships for elementary and secondary education in public or private schools. The U.S. Department of Education would select on a competitive basis those school districts and areas that applied to have their students participate in the program. The Department of Education would select the eligible school districts and areas for the GI bill for children program based primarily on existing public and private school alternatives, and the proportion of low-income children. These criteria help focus the program on those students and parents with the greatest need.

This legislation makes sense. Public schools chosen for the program could use the additional funding to strengthen current programs or even to add new ones such as special math and science classes, or even a tutoring program. Students who could not otherwise afford private schools without the GI bill for children scholarship may now be able to attend a school that more closely meets their needs.

All parents want the best education for their children. Federal funding of elementary and secondary education is one of the few areas in our country where there is almost no choice. Parents aren't told at which stores to buy food or which hospitals to use. Many low-income parents, however, are told which schools their children must attend. The wealthy elite should not be the only ones who have choice.

We should experiment and investigate with new ideas in education. Hopefully, the GI bill for children will spur competition that will encourage excellence in both our schools and our students.

ADDITIONAL COSPONSORS

S. 794

At the request of Mr. METZENBAUM, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 794, a bill to amend the Employee Retirement Income Security Act of 1974 to provide that such act does not preempt certain State laws.

S. 878

At the request of Mr. DODD, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 878, a bill to assist in implementing the plan of action adopted by the World Summit for Children, and for other purposes.

S. 918

At the request of Mr. PACKWOOD, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 918, a bill to amend the Internal Revenue Code of 1986 to exempt small manufacturers, producers, and importers from the firearms excise tax.

S. 1257

At the request of Mr. BOREN, the names of the Senator from Iowa [Mr. GRASSLEY], and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 1257, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain real estate activities under the limitations on losses from passive activities.

S. 1451

At the request of Mr. BIDEN, the names of the Senator from Ohio [Mr. METZENBAUM], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 1451, a bill to provide for the minting of coins in commemoration of Benjamin Franklin and to enact a fire service bill of rights.

S. 2028

At the request of Mr. SPECTER, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2028, a bill to amend title 38, United States Code, to improve and expand health care and health-care related services furnished to women veterans by the Department of Veterans Affairs.

S. 2064

At the request of Mr. HATFIELD, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 2064, a bill to impose a 1-year moratorium on the performance of nuclear weapons tests by the United States unless the Soviet Union conducts a nuclear weapons test during that period.

S. 2083

At the request of Mr. CRAIG, the names of the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 2083, a bill to provide for an extension of regional referral center classifications, and for other purposes.

S. 2362

At the request of Mr. MCCAIN, the names of the Senator from Virginia [Mr. WARNER], and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 2362, a bill to amend title XVIII of the Social Security Act to repeal the reduced medicare payment provision for new physicians.

S. 2385

At the request of Mr. RIEGLE, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 2385, a bill to amend the Immigration and Nationality Act to permit the admission to the United States of nonimmigrant students and visitors who are the spouses and children of United States permanent resident aliens, and for other purposes.

S. 2387

At the request of Mr. DURENBERGER, his name was added as a cosponsor of S. 2387, a bill to make appropriations to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children [WIC] and of Head Start programs, to expand the Job Corps Program, and for other purposes.

S. 2484

At the request of Mr. KASTEN, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 2484, a bill to establish research, development, and dissemination programs to assist State and local agencies in preventing crime against the elderly, and for other purposes.

S. 2514

At the request of Mr. BUMPERS, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 2514, a bill to amend the Internal Revenue Code of 1986 to allow taxpayers a bad debt deduction for certain partially unpaid child support payments and to require the inclusion in income of child support payments which a taxpayer does not pay, and for other purposes.

S. 2553

At the request of Mr. INOUYE, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 2553, a bill to amend the Civil Liberties Act of 1988 to increase the authorization for the trust fund under the act, and for other purposes.

S. 2608

At the request of Mr. GRASSLEY, his name was added as a cosponsor of S. 2608, a bill to authorize appropriations for the National Railroad Passenger Corporation, and for other purposes.

S. 2612

At the request of Mr. DOMENICI, the names of the Senator from New Hampshire [Mr. RUDMAN], the Senator from New Hampshire [Mr. SMITH], the Senator from Wyoming [Mr. SIMPSON], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Montana [Mr. BURNS], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 2612, a bill to amend the Internal Revenue Code of 1986 to provide short-term economic growth incentives which would create a million new jobs in 1992 and for no other purpose.

S. 2657

At the request of Mr. REID, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 2657, a bill to require reauthorizations of budget authority for Government programs at least every 10 years, to provide for review of Government programs at least every 10 years, and for other purposes.

S. 2667

At the request of Mr. HEFLIN, the names of the Senator from Florida [Mr. GRAHAM], and the Senator from Florida [Mr. MACK] were added as cosponsors of S. 2667, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the application of the Act with respect to alternate uses of new animal drugs and new drugs intended for human use.

S. 2680

At the request of Mr. PRYOR, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 2680, a bill to amend title XVIII of the Social Security Act to require the Secretary of Health and Human Services to consult with State medical societies in revising the geographic adjustment factors used to determine the amount of payment for physicians' services under part B of the Medicare Program, to require the Secretary to base geographic-cost-of-practice indices under the program upon the most recent available data, and for other purposes.

S. 2682

At the request of Mr. BUMPERS, the names of the Senator from Maryland [Ms. MIKULSKI], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Utah [Mr. GARN] were added as cosponsors of S. 2682, a bill to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes.

S. 2748

At the request of Mr. PELL, the names of the Senator from New York [Mr. MOYNIHAN], and the Senator from Washington [Mr. ADAMS] were added as cosponsors of S. 2748, a bill to authorize the Library of Congress to provide certain information products and services, and for other purposes.

S. 2774

At the request of Mr. HOLLINGS, the names of the Senator from Arkansas [Mr. PRYOR], and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of S. 2774, a bill to authorize appropriations to the National Aeronautics and Space Administration for an Experimental Program to Stimulate Competitive Research on Space and Aeronautics.

S. 2813

At the request of Mr. GORE, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2813, a bill to establish in the Government Printing Office an electronic gateway to provide public access to a wide range of Federal databases containing public information stored electronically.

S. 2887

At the request of Mr. MCCONNELL, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 2887, a bill to amend title IV of the Social Security Act to provide that the Secretary of Health and Human Services shall enter into an agreement with the Attorney General of the United States to assist in the location of missing children.

S. 2889

At the request of Mr. BOREN, the names of the Senator from Minnesota [Mr. DURENBERGER] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 2889, a bill to repeal section 5505 of title 38, United States Code.

S. 2921

At the request of Mr. FOWLER, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 2921, a bill to reform the administrative decisionmaking and appeals processes of the Forest Service, and for other purposes.

S. 2967

At the request of Mr. GARN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2967, a bill to increase the amount of credit available to fuel local, regional and national economic growth by reducing the regulatory burden imposed upon depository institutions, and for other purposes.

S. 2969

At the request of Mr. KENNEDY, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 2969, a bill to protect the free exercise of religion.

S. 2970

At the request of Mr. SASSER, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 2970, a bill to amend the Cash Management Improvement Act of 1990, and for other purposes.

SENATE JOINT RESOLUTION 274

At the request of Mr. DODD, the names of the Senator from Indiana [Mr. COATS] and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of Senate Joint Resolution 274, a joint resolution to designate April 9, 1992, as "Child Care Worthy Wage Day".

SENATE JOINT RESOLUTION 321

At the request of Mr. KOHL, the names of the Senator from New Jersey [Mr. BRADLEY] and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Joint Resolution 321, a joint resolution designating the week beginning March 21, 1993, as "National Endometriosis Awareness Week."

SENATE CONCURRENT RESOLUTION 94

At the request of Mr. DODD, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of Senate Concurrent Resolution 94, a concurrent resolution urging the Government of the United Kingdom to address continuing human rights violations in Northern Ireland and to seek the initiation of talks among the parties to the conflict in Northern Ireland.

SENATE CONCURRENT RESOLUTION 127

At the request of Mr. DECONCINI, the names of the Senator from Indiana [Mr. COATS], the Senator from Missouri [Mr. DANFORTH], the Senator from Maine [Mr. COHEN] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of Senate Concurrent Resolution 127, a concurrent resolution to express the sense of the Congress that women's soccer should be a medal sport at the 1996 centennial Olympic games in Atlanta, GA.

SENATE RESOLUTION 123

At the request of Mr. KASTEN, the names of the Senator from New York [Mr. D'AMATO] and the Senator from Idaho [Mr. SYMMS] were added as cosponsors of Senate Resolution 123, a resolution relating to State taxes for mail-order companies mailing across State borders.

AMENDMENTS SUBMITTED

INTERNATIONAL TRANSPORTATION OF MUNICIPAL WASTE ACT

BAUCUS (AND OTHERS) AMENDMENT NO. 2736

Mr. BAUCUS (for himself Mr. COATS, Mr. SPECTER, Mr. CHAFEE, Mr. METZENBAUM, Mr. GLENN, and Mr. WOFFORD) proposed an amendment to the bill (S. 2877) entitled the "International Transportation of Municipal Waste Act of 1992," as follows:

On page 4 line 2 before the semi colon, add the following: "except to the extent that the actual amounts of municipal waste generated outside the jurisdiction of the affected local government received for disposal at the landfill or incinerator under such contracts exceed the amount imported under such contracts in 1991 or twice the volume of the first six months of 1992, whichever is less (this clause shall not apply after June 18, 1998, to the extent that such contract prevents a Governor from exercising the authority granted by paragraphs (2)(A)(ii) and (3))".

On page 6, between lines 11 and 12, insert the following new paragraph:

"(3) Except as provided in paragraph (1)(C) and in addition to the authorities provided in paragraph (1)(A) beginning with calendar year 1998, a Governor of any State which receives more than 1 million tons of out-of-State municipal waste, if requested in writing by the affected local government and the affected local solid waste planning unit, if any, may further limit the disposal of out-of-State municipal waste as provided in paragraph (2)(A)(ii) by reducing the 30-percentum annual volume limitation to 20 percentum in each of calendar years 1998 and 1999, and to 10 percentum in each succeeding calendar year.".

On page 6, line 12, strike "(3)(A)" and insert "(4)(A)".

On page 7, line 3, strike "(4)(A)" and insert "(5)(A)".

D'AMATO AMENDMENT NO. 2737, AS MODIFIED

Mr. D'AMATO proposed the following amendment to the bill S. 2877, supra, as follows:

On page 11, strike lines 3 and 4 and insert the following new paragraph:

"(3) With respect to a State, the term 'out-of-State municipal waste' means municipal waste generated outside of the State. The term shall include municipal waste generated outside of the United States to the extent that it is consistent with the United States-Canada Free-Trade Agreement and the General Agreement on Tariffs and Trade.".

D'AMATO (AND MOYNIHAN) AMENDMENT NO. 2738

Mr. D'AMATO (for himself and Mr. MOYNIHAN) proposed an amendment to the bill S. 2877, supra, as follows:

On page 11, strike lines 3 and 4 and insert the following new paragraph:

"(3) With respect to a State, the term 'out-of-State municipal waste' means municipal waste generated outside of the State. The term shall include municipal waste generated outside of the United States to the extent state it is consistent will the United States-Canada Free-Trade Agreement and the General Agreement on Tariffs and Trade.".

REID (AND OTHERS) AMENDMENT NO. 2739

Mr. REID (for himself, Mr. LEVIN, and Mr. RIEGLE) proposed an amendment to the bill S. 2877, supra, as follows:

Beginning on page 2, strike line 1 and all that follows through page 13, line 7, and insert the following new section:

SEC. 2. INTERSTATE TRANSPORTATION OF MUNICIPAL SOLID WASTE.

(a) IN GENERAL.—Subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.) is amended by adding at the end the following new section:

"SEC. 4011. INTERSTATE TRANSPORTATION OF MUNICIPAL SOLID WASTE.

"(a) OUT-OF-STATE MUNICIPAL WASTE DEFINED.—For the purposes of this section, with respect to a State, the term 'out-of-State municipal waste' means municipal waste generated in another State.

"(b) AUTHORITY OF GOVERNOR.—

"(1) IN GENERAL.—Subject to the conditions of paragraph (2), the Governor of a State may prohibit, limit, or impose a differential fee on, the disposal of out-of-State municipal waste in any landfill or incinerator that is subject to the jurisdiction of the Governor.

"(2) CONDITIONS.—In carrying out an action under paragraph (1), the Governor shall—

"(A) carry out the action in accordance with guidelines that the Governor, in consultation with local governments of the State, shall establish to ensure that the authority under paragraph (1) is exercised in a manner that does not discriminate against any particular geographic area of the State; and

"(B) ensure that the action is not taken in a manner that discriminates against the disposal of out-of-State municipal waste on the basis of State of origin.

"(3) APPLICABILITY.—This subsection shall apply with respect to the disposal of out-of-State municipal waste on or after January 1, 1995.

"(c) EXEMPTION.—Nothing in this section shall be construed so as to prohibit a State that had in effect a State plan on May 31, 1992, that was approved by the Administrator not later than June 1, 1982, from carrying out the requirements of the State plan that relates to the disposal of out-of-State municipal waste. Notwithstanding any other provision of this section, the Governor of each State described in the preceding sentence may restrict the disposal of out-of-State municipal waste in any landfill or incinerator subject to the requirements of the State plan in the manner prescribed in the State plan.".

(b) TECHNICAL AMENDMENT.—The table of contents of the Solid Waste Disposal Act is amended by adding after the item relating to section 4010 the following new item:

"Sec. 4011. Interstate transportation of municipal solid waste.".

NOTICE OF HEARINGS

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BUMPERS. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, August 6, 1992, beginning at 2 p.m., in room SD-366 of the Dirksen Senate Office Building, in Washington, DC.

The purpose of the hearing is to receive testimony on the following bills currently pending before the subcommittee:

S. 2890, to provide for the establishment of the Civil Rights in Education: Brown v. Board of Education National Historic Site in the State of Kansas, and for other purposes;

H.R. 2109, to direct the Secretary of the Interior to conduct a study of the feasibility of including Revere Beach, located in the city of Revere, Massachusetts, in the National Park System;

S. 2244, to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict;

H.R. 3665, to establish the Little River Canyon National Preserve in the State of Alabama;

S.J. Res. 161, to authorize the Go For Broke National Veterans Association to establish a memorial to Japanese-American War Veterans in the District of Columbia or its environs, and for other purposes; and

S. 2549, to establish the Hudson River Artists National Historical Park in the State of New York, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact David Brooks of the subcommittee staff at (202) 224-9863.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on July 22, 1992, at 10 a.m., to hold a hearing on the state of U.S. trade policy and the merits of pending trade legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet on July 22, 1992, beginning at 2:30 p.m., in 485 Russell Senate Office Building, on S. 2975, the Yavapai-Prescott Indian Tribe Water Rights Settlement Act of 1992.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on the Court of Veterans Appeals, Adjudication, and Housing legislation and oversight on Wednesday, July 22, 1992, at 10 a.m., in room 418 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON GOVERNMENT INFORMATION AND REGULATION

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Government Information and Regulation be authorized to meet on Wednesday, July 22, 1992, at 9:30 a.m., on the subject: bureaucratic nightmare: buying a home.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate, Wednesday, July 22, 1992, at 10 a.m., to conduct a hearing on the state of the U.S. economy and America's global competitive position.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, July 22, 1992, at 2 p.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PROJECTION FORCES AND REGIONAL DEFENSE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Projection Forces and Regional Defense of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, July 22, 1992, at 9 a.m., in executive session, to markup projection forces and regional defense programs on a Department of Defense Authorization Act for fiscal year 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC FORCES AND NUCLEAR DETERRENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces and Nuclear Deterrence of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, July 22, 1992, at 10:30 a.m., in executive session, to markup strategic forces and nuclear deterrence programs on a Department of Defense Authorization Act for fiscal year 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, July 22, 1992, at 2 p.m., in executive session, to markup a National Defense Authorization Act for fiscal year 1993, and other pending legislation referred to the Committee on Armed Services.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUCLEAR REGULATION

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Regulation, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, July 22, beginning at 9:30 a.m., to conduct a hearing on the effects of the Chernobyl nuclear accident.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 22, at 3 p.m. to hold Ambassadorial nominations hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 22, at 10 a.m. to hold a hearing on Overseas Private Investment Corporation Reauthorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2:30 p.m., July 22, 1992, to receive testimony on the report and recommendations to the Director of the National Park Service from the steering committee of the 75th anniversary symposium, and on the status of the transition of the Presidio to the National Park Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, July 22, 1992, at 9:30 a.m., to hold a hearing. The committee will receive testimony on S. 2748, to authorize the Library of Congress to provide certain information products and services, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 22, 1992, at 10:30 a.m. to hold a hearing on the nomination of Francis A. Keating II, to be U.S. circuit judge for the 10th Circuit, Timothy E. Flanigan, to be an Assistant Attorney General, and Henry Edward Hudson, to be Director of the U.S. Marshals Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSTITUTION

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Wednesday, July 22, 1992 at 9:30 a.m., to hold a hearing on Senate Joint Resolution 297, Senate Joint Resolution 302, and Senate Joint Resolution 312, proposing amendments to the Constitution relating to the election of the President and Vice President of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TIME TO RIGHT A LONGSTANDING WRONG

• Mr. DECONCINI. Mr. President, once again the time is fast approaching for us to review arguably the greatest foreign policy tragedy of George Bush's Presidency. I am speaking of the issue of China's most-favored-nation [MFN] status. As we approach what is sure to be a highly controversial issue, I would like to remind the Congress, and President Bush himself, of what his preferential trade status to China has done.

When originally proposed by President Bush, our "constructive engagement" with China was designed to convince the Chinese Government to end its policy of gross violations of human rights. Three years have now passed since those bloody days in Tiananmen Square, and whatever additional pressure President Bush has applied seems to have had little if any effect. A recent article, which I ask be printed in the RECORD at the conclusion of my statement, details what I believe to be strong reasons for suspending business as usual with the leadership in Beijing and supporting the reasoned legislation offered by the majority leader and others—including this Senator—to place conditions on any extension of MFN with the People's Republic of China next year.

In his editorial, Mr. A.M. Rosenthal of the New York Times compares the current repressions of the Chinese Government to the Gestapo tactics of Nazi Germany. After reading the article, how can President Bush blithely extend MFN trade preference for yet another year? How, also, can Congress still refuse to muster the political will and moral courage to override another one of the President's blind vetoes? It is clear to this Senator that we must bring an end to this policy simply because it condones China's brutal behavior toward its citizenry.

In conclusion, if the United States is to be the world leader which it comes to human rights, we must start by letting the Chinese Government know, in no uncertain terms, that we will refuse to turn a blind eye to its unconscionable terrible tactics. We must do this, if not for our own sake, then for the sake of the people of China who are yearning for democratic reforms.

The article follows:

CHINA'S BLACK BOOK

(By A.M. Rosenthal)

Long before the extermination camps, the world knew that Hitler's basic instruments of power were torture and murder.

Only shortly after the Germans elevated him to office, "black books" were published in the West—detailed reports of the floggings, genital tortures, deaths by suffocation carried out routinely in Gestapo prisons.

From then on, the nations knew their ambassadors were accredited to a regime from hell and their businessmen were buying its products.

Most people did little or nothing until the war. But some did. They too acknowledged the truth and fought it—with their voices, however lonely, with whatever economic and political strength they had, however small.

After World War II the underground writings of the Soviet freedom fighters told the world about the Soviet gulag. Most people did little or nothing. But some did. They acknowledged the truth and fought with whatever energy and power they had.

Now, black books are published again. They are about another national system of torture and murder—the Chinese Communist gulag, where every day of every year 16 to 20 million men and women labor and suffer in slavery.

They live—they exist—in a world of torture, starvation and humiliation meticulously planned to create greater profit through greater production for the Communist Government. We are the customers.

Recently I wrote about a report on China's slave laborers—"Laogai: The Chinese Gulag," by Hongda Harry Wu. He spent 19 years in the slave camps. I could not escape that book and cannot escape another on my table. It is about the hundreds of prisons in the huge province of Hunan. "Anthems of Defeat" is reported with documentation, statistical tables, notes and names by Tang Bogiao, a Chinese dissident.

Mr. Tang was moved from prison to prison and has compiled this annotated encyclopedia of evil. It is published by Asia Watch (212-972-8400).

All prisoners received trials without confrontation of witnesses or pleas of innocence permitted.

Prof. Peng Yuzhang, in his 70's, was sent to Changsa No. 1 jail for backing student sit-ins. He was placed on the "shackle board," a door-sized plank with shackles for hands and feet and a hole for defecation. Chained to the board, he would sing encouragement to student prisoners he could not see. Sometimes he would cry out, "I need a bath."

Professor Peng remained on the board for three months. Then he was sent to a psychiatric asylum. Is he alive?

The shackle board was just one form of punishment. Other common-places:

Torture with electric prods. Public whippings to the blood. Forced boot-licking.

Chaining, face on cell floor, arms around toilet buckets in use through the night by other prisoners.

A dozen kinds of hand and ankle cuffs, sometimes with iron rods between them to make movement almost impossible. Multiple fetters to shackle prisoners tightly together. "Martial arts"—guards kicking prisoners into unconsciousness.

Solitary confinement in metal boxes so small prisoners can neither lie down properly nor stand up straight. "Electric shackle treatment"—shock applied through hand and ankle cuffs, often while the victim is chained to the shackle board.

Prisoners who do not fill work quotas are punished by all these tortures, by starvation diets, and by extended sentences. By official Communist policy their work is considered an essential part of Chinese export.

So we know—no escape. What can we do? American laws against forced-labor imports are sieves. But stockholders can raise the issue at company meetings. Are we selling slave labor goods, or using our pension funds, to help the torturers? Please investigate and report back fully.

Before we buy, we can ask shopkeepers to find out from their vendors what "made in China" means—made where, by whom?

President Bush has vetoed every Congressional attempt to apply mild economic sanctions to the Chinese Communists. This battle will not end, whoever is elected President.

Meantime will all the delegates at the Republican and Democratic Conventions remain mute about slavery and torture in China? Will Ross Perot? Or will they cleanse themselves of silence—at least some of them?•

TRIBUTE TO MARION

• Mr. McCONNELL. Mr. President, I rise today to recognize the town of Marion in Crittenden County.

Located in the rolling wooded hills of western Kentucky, Marion is bounded by the Ohio River to the north and the Tradewater River to the northeast. The town of Marion, developed in a region rich in fluorspar, once claimed the title, "the fluorspar capital of the world."

Marion would like to retain this piece of its history by creating a museum to house a mineral collection that has been touted as one of the finest in the United States. There are also hopes of installing antique lights and a bandstand to enhance the small-town charm of Marion.

Marion is also home to a thriving Amish community which has grown from a settlement of 10 families in 1977 to more than 50 in 1992.

Crittenden County is not only home to diverse lifestyles, but to varied political beliefs as well. The county once was home to two U.S. Senators; Republican William Joseph Deboe, 1897–1903, and Democrat Ollie M. James, 1913–1918. For a time they lived across the street from each other.

I salute Marion. It is a town full of hardworking people filled with traditional values. It is this proud spirit which ensures a bright future for Marion and its citizens.

Mr. President, I would like the following article from the Louisville Courier-Journal to be submitted into the CONGRESSIONAL RECORD.

The article follows:

MARION

(By Mark Schaver)

On the first trip around the town square, it's hard to see what's so special about Marion.

The Crittenden County Courthouse, built in the 1960s, has an anonymous, institutional look about it. There's an American flag flapping in the breeze, a monument to veterans of past wars and old men lounging on a bench at the corner. Across the street there's a dark space where the City Drugstore once thrived.

At first glance, it looks like dozens of other small Kentucky towns. If you poke a bit longer, however, you'll find a town that, in its own quiet way, has its share of unusual qualities.

Take the county jail, for example. In the eyes of a representative sample of the nation's jail clientele, the Crittenden County jail is the eighth best in the United States, according to Playboy magazine. That's the same jail the state says is inadequate and wants shut down, much to the irritation of the county magistrates.

Down the road is an Amish community that seems to have grown every year since it was founded 15 years ago. And nearby, crossing the Ohio River, is a car ferry that is one of the last of its kind.

Marion is one of the few places in heavily Democratic Western Kentucky where they don't look at you funny if you declare yourself a Republican. It's also the town, local residents remind you, that was once "the fluorspar capital of the world."

And it's one of the few towns that still has a drive-in movie theater.

It's a town that many love and a few want to leave. But it's mostly the young who are leaving.

"There's nothing to do here," said 24-year-old Jerry Pruitt, who was sitting in front of the courthouse with a friend late one afternoon. "You got one arcade, and most of the time it ain't even open. It's more or less an old people's place."

Pruitt talks of moving north to Michigan to find work, joining an exodus that is nothing new. Many who left after World War II to work in the factories of Detroit, Chicago and Gary, Ind., are just now returning to retire.

Many were driven out by the collapse of the fluorspar industry, which at one time seemed to employ just about everyone in the country. Those jobs petered out in the 1970s, a victim of competition from the cheap labor found in places like Mexico and South Africa.

Some think that's just as well. The underground mines first opened in the early 1800s, and for most of their history they were unregulated and death was common. Even today many old men in the county are crippled by psylicosis caused by breathing the dust stirred up while digging for the crystal. They call their disease "white lung," the mirror image of the "black lung" suffered by coal miners.

Crittenden County was claimed to be the world's largest producer of fluorspar, which locals call "spar." It is used to make steel, ceramics, glass and enamel. The county now wants to capitalize on its legacy by creating a museum to house a mineral collection gathered by the late Ben E. Clement, a Crittenden County geologist. Geologists say it is one of the finest collections of its kind in the United States.

The county has received a grant from the state to help develop the museum. It will be housed next door to Fohs Hall, a majestic building that also owes its existence to the mining industry. It was built in the 1920s by Julius Fohs, a mining engineer from Crittenden County who made a fortune in the oil industry after moving on to Oklahoma and Texas. Fohs gave the building to Marion as a community center, although the town could not afford to keep it up. For most of its life it was used as a school. Now restored, it houses the Chamber of Commerce.

The mineral museum would complement the Ben Wheeler Museum, which is named after its late founder, an insurance agent who had a passion for history and was responsible for many of the roadside markers found in Western Kentucky.

The building is stuffed with "old things," in the words of curator Evelyn Stalion. She said she finds it impossible to turn down anyone who offers something for display. Thus, you can find everything from an antique French fry cutter to Japanese sandals to a "cow hair ball" the size of a softball. There's also an 1894 edition of The Crittenden Press that shows the effusive style of town boosters has changed only slightly in almost 100 years:

"The beauty of her location, the abiding faith of her people, the sterling qualities of her businessmen, the substantial character of her business and public buildings, the beauty of her homes, the purity of her churches, the admirable quality of her schools and civic societies, the healthfulness of the surroundings, the hospitality and generosity of her people, all unite in making Marion one of the most substantial towns in Southern Kentucky."

Not that Marion is without the problems that plague everywhere else. It suffers from crime. Paul Mick, the publisher of The Crittenden Press, for example, was stabbed to death in his house two years ago by a burglar. The burglar later pleaded guilty to the killing and is in prison.

The museum itself has been broken into three times, with thieves taking off with everything from an expensive doll collection to a display of arrowheads donated by a local man who had found them along the Ohio River. "I don't reckon you're safe anywhere anymore," Stallon said. "Do you reckon you are?"

Marion is isolated. The only roads leading to it have only two lanes and are curving and sometimes dangerous. Improving them has long been a goal of civic leaders, who say it would make it easier to draw new industry. Another goal is giving people who travel through town on their way to the Land Between the Lakes more reasons to stop. There's talk of installing antique lights and a bandstand to enhance its old-fashioned aura.

The Amish already add to that image. They moved to the county in 1977 from Delaware, attracted by the availability of 2,000 acres in an isolated area. The original 10 families have grown to more than 50, concentrated in the countryside around the crossroads of Mattoon, where an Amish couple operate a country store.

The men wear straw hats, the women white bonnets and old-fashioned dresses. Hand-lettered black and white signs outside their farmhouses offer produce, eggs, furniture and crafts for sale. They ride to town in their distinctive horsedrawn buggies or hitch rides with passing motorists.

The Amish have become a tourist attraction, and each year during the annual American Quilters Society's show in Paducah, the Crittenden County Chamber of Commerce organizes tours to bring busloads of people to see them.

One stop that has never been on that tour is the jail, even though Playboy's poll of convicts put it on their top 10 list. Prisoners praised it because it offers satellite TV, "superb" food and the freedom to order out for pizza. The state, however, says it does not meet regulations and earlier this year ordered that it function as a 96-hour holding facility.

County magistrates took exception to that and have defied the state, arguing that it is too expensive for them to build a new one or shuffle inmates back and forth to another jail.

That same independent spirit may account for the county's tradition of Republicanism. No one seems to be able to offer a definitive explanation for why Crittenden County was dominated by the GOP until recent years, when it has began to lean more Democratic in local elections.

County Judge Executive John May cites the legend that it dates to the Civil War when a troop of Union soldiers who has grown weary of fighting moved to the area because of hilly terrain offered a good place to hide.

County historian Thomas Tucker's theory is that the rich men from the north who owned the fluorspar mines were all Republicans, so miners registered that way to be sure they would be able to get work.

Not only were there the usual political divisions in Marion, but there are also undercurrents of other divisions, social and financial. Charles Ball, a 65-year-old retired coal miner, sees not-so-subtle class distinctions in something as simple as where people prefer to sip coffee. He said bankers, lawyers and other "big shots" prefer The Coffee Shop across the street from the courthouse. Working men, he said, go to Y'alls convenience store or the Druthers fast-food restaurant.

The Industrial Foundation brags about the factory that uses robots to help make electrical switches and the new company that makes high-tech ceramics, but Ball said there are few good jobs available, forcing most people to commute to other counties to find work.

"The people who are in control of this county don't want anything to come in here," Ball said. "If I didn't own a home here, I'd leave, but you can't sell a home unless you give it away."

Population (1990): Marion, 3,320; Crittenden County, 9,196.

Per capita income (1990): $11,157, or $3,835 below the state average.

Jobs (1990): Manufacturing 566; services, 409; wholesale/retail, 406; state/local government, 340; contract construction, 59; finance/insurance/real estate, 63; transportation/communication utilities, 31.

Big employers: Potter and Brumfield, electrical switches, 400; Crittenden County Hospital, 300. Crittenden County Schools, 185.

Media: Newspaper—The Crittenden Press (weekly); radio—WMUL-AM (country); television—cable available.

Transportation: Air—Sturgis Airport, 19 miles; nearest commercial service, Barkley Regional Airport, Paducah, 50 miles, Highways—U.S. 80 and 641, as well as Ky, 91 and 120 serve Marion. Rail: P & L Inc. under contract with Tradewater Railway Co.; Truck 12 truck lines serve Marion.

Education: Crittenden County Schools, 1,518 students. Night classes are offered by Madisonville Community College.

Topography: Rolling, wooded hills. Marion sits on a plateau that has the highest elevation in the county. It is bound by the Ohio River to the north and the Tradewater River to the northeast.

FAMOUS FACTS AND FIGURES

Crittenden County was home to two U.S. Senators: Republican William Joseph Deboe, 1897–1903, and Democrat Ollie M. James, 1913–1918. For a time they lived across the street from one another in Marion.

Marion has a small, dwindling black population. Here is how a historian of Crittenden County tells their story: "A large number of free black people were citizens of Marion. This was largely due to the fact that most of the county's early landowners did not condone slavery as it was practiced in the deep South, but as sort of an indentured service apprenticeship. After the death of their personal masters, many of the former slaves were freed by provisions of their wills, as is witnessed by the fact that many of the local black people have the same family names as many of the early Crittenden County settlers."

About 11 miles from Marion is one of the last car ferries along the Ohio River. It crosses the river at the end of Ky. 91 to Cave in Rock, Ill.

The Ben Wheeler Museum has on display the stuffed carcass of what is said to be the "only wolf known to have resided in Crittenden County, Kentucky, in recent times." It was shot and killed in 1970 by Gleaford Easley and is said to be a red wolf. The U.S. Department of Fish and Wildlife is now trying to breed two red wolves—among the last of about 130 believed to be left in the world—at the nearby Land Between the Lakes.

A 1905 fire destroyed much of downtown Marion.•

THE BUSH EDUCATION RECORD

• Mr. KERREY. Mr. President, in a recent interview with the New York Times, Mr. Bush spoke to his views on education. There seem to be two basic points that characterize the President's views on education:

First, he holds that the answer to American educational woes lies not with Federal programs, but with local initiative. He typically will, like all politicians, take credit for something that would have occurred without his prodding, by claiming that his administration has been responsible for the burgeoning education reform movement in our Nation's communities.

Frankly, I agree with the President that the critical moment of educational reform comes at the local level: It is when people at the local level demand change, when parents become involved, when teachers challenge the governance of schools and school districts. I have proposed legislation, the Education Capital Fund, S. 2258, to get money directly to local educators, community leaders, and parents who are committed to long-term systemic reform of their schools. For politicians in Washington to take credit for a locally generated reform movement misconstrues the nature of change at the local level. It is also arrogant. We run the risk of being run over by the reform movement because of our inability to provide real assistance.

The second point that comes across in the President's view of education is that not more money, but vouchers and choice or national tests and curriculum standards will make a difference. He has given us ideology and walked away from important Federal obligations to our Nation's families and children. His administration's unbending approach to education reform legislation has prevented this Congress from passing important legislation, S. 2, aimed at assisting the thousands of local educational experiments that are occurring across our country.

Aside from inflexibility, his administration's views in this area have been characterized by a narrowness of vision. Education is more than what goes on in our schools. Today, when we talk about education we cannot do so without mentioning health care, law enforcement, housing, economic opportunity, educational achievement of parents, community facilities such as libraries and art galleries, environmental issues such as lead standards, telecommunications, and others. In falling back on lofty goals such as vouchers and choice, the President has failed to provide a broad agenda for helping address the real range of problems that our Nation's youth face. The obstacles faced by our youth differ substantially from those that I or my parents faced. We need to look outside of our suburban neighborhoods and realize that thousands of American children are facing a crisis that will not be solved by vouchers or greater choice. It is time that we speak to the problems of the day.

I ask that the New York Times article be included in the RECORD.

The article follows:

LONG FIGHT FOR LOCAL SUPPORT HAMPERS BUSH ON EDUCATION

(By Susan Chira)

MEMPHIS.—Four years after George Bush took office proclaiming himself to be the "education President," he can point to few tangible accomplishments that have improved the nation's schools.

But President Bush and his aides do claim credit for starting a movement called America 2000 that they say will force fundamental changes in American education. It has spawned local education reform drives like one here in Memphis and in more than 1,000 other communities across the country.

Memphis is a laboratory for Mr. Bush's contention that the answer to American educational ills lies not with Federal Government programs but with local initiative.

Asked in a recent interview to name his most significant domestic initiatives, the response was: "I think clearly the education initiative," and he pointed specifically to the "many America 2000 communities" across the country.

THE BEDROCK ASSUMPTIONS

His strategy assumes that American schools will be transformed, not with more money but through vouchers that allow parents to use public funds to pay private school tuitions, through local community efforts like Memphis's, and through the use of innovative new schools as well as national tests and curriculum standards.

Yet from educators and others on the right and the left come the same complaints that dog Mr. Bush in many other areas of domestic policy as well—that he has articulated lofty conservative principles but has failed to rally the nation behind them or to follow through so his plans are actually put into action.

"The President has talked a good game," said Elsie Lewis Bailey, principal of Booker T. Washington High School in Memphis and a leading member of the drive to improve the city's schools. "But I can't applaud anything at this point that he has done to make a difference."

Mrs. Bailey's school stands amid housing projects where students fight daily battles with drugs and death. Washington High is a stark illustration of the policy rift between Mr. Bush and his critics. The President assumes that education problems are best solved through a process like the one under way here, in which parents and communities take the responsibility to encourage academic achievement and counter social breakdown.

But many educators believe the ills of American schools require a larger Federal plan, a detailed urban agenda and a great deal more money than Mr. Bush shows any sign of wanting to spend.

These educators say there is little hope that Washington High's students can conquer the poverty and despair that are the blight of so many inner-city lives until the Government also offers broader initiatives to counter the urban ills that so often lead to school failure. Chief among them are drugs, street violence, inadequate health care, glaring inequities between rich and poor school districts and broken families.

At Washington High, Fredderick Dupree, Sharon Page and Kalinda Garner had little trouble listing what their school does not have: a chemistry or biology laboratory, enough athletic equipment, up-to-date textbooks.

"We have a lot of honor students here, and they do want to be somebody," said Fredderick, who hopes for a career in math, science or medicine. "When you don't have the equipment, it just saddens you."

Even though all three students are excelling in school, in many ways they are exceptions. They watch as their neighbors and classmates struggle and, in some cases, succumb to poverty, teen-age pregnancy, parental neglect and violence.

"From what we see, people are dying every day," Fredderick said. "You don't know when you might go."

VISION: A "SUMMIT" YIELDS NATIONAL GOALS

President Bush gets praise from educators for the first concrete action he took as education President: an "education summit" in Charlottesville, Va., in 1989 at which he and the nation's governors agreed on six broad, national goals. These include making sure all children are healthy and intellectually stimulated enough to start school; catapulting American students from near the bottom among industrialized nations to the top in world math and science achievement; raising the high school graduation rate from about 75 percent to 90 percent; erasing illiteracy and making schools safe and drug-free.

But educators waited nearly two years for clues about how President Bush thought Americans could achieve these goals. Then, in March 1991, Mr. Bush appointed Lamar Alexander as Secretary of Education. While Governor of Tennessee, he won praise for trying to improve Tennessee's schools. In Washington, Mr. Alexander quickly drew up the new education strategy.

The Federal Government has never spent much money on education—it now pays only 6 percent of all public education costs, from kindergarten through high school, a drop of almost 40 percent from the level before President Ronald Reagan took office. But even without a White House pledge of major new spending, most educators welcomed Mr. Bush's emphasis on parental responsibility, local community action and curriculum standards.

At the same time, though, critics have attacked Mr. Bush's plan, saying it depends too heavily on model schools while neglecting inner-city issues. In fact, even his advisers concede that Mr. Bush's overall approach to education works best for his core Republican constituency—white, middle-class, suburban families.

"Crisis one is middle-class kids who aren't learning much," said Chester E. Finn Jr., a key architect and still a backer of the Bush policy who is now helping to design a national network of private, for-profit schools organized by Christopher Whittle. "Crisis two is underclass kids for whom not learning much is just one of their problems. The same solutions don't apply to both. It may be that America 2000 over all is better tailored to crisis one, but that's probably two-thirds of American kids."

BEHIND THE VOUCHER PLAN

Still, President Bush and his aides claim to be champions of the poor as well, asserting that their voucher proposal serves that end. Vouchers—allowing parents to take their children out of public schools and use the money that would have been spent on them there to pay private school tuition—is an idea dear to the Republican right wing.

In his current budget proposal, President Bush is asking for $500 million for vouchers of $1,000 that families with low or middle incomes could spend each year on public, private or parochial schools. The idea, Mr. Alexander says, is to give poor and middle-class families the same choices in schools that the well-off already have.

But Mr. Bush's endorsement of vouchers has also drawn vehement and well-organized opposition from those who believe it is nothing less than an attack on the very idea of public schooling. Critics believe it would skim off the best students with the savviest parents for private schools, leaving public schools to teach only the students who are handicapped, disruptive or neglected.

"This is a fundamental mistake, driven by ideological concerns," said Gov. Roy Romer of Colorado, a Democrat who has led the governors' efforts on education improvement and who has worked closely with the White House on education policy. "It's like saying we're going to shock you into change by taking your best students and resources out of here."

REALITY—NEEDED: CASH AND CONSENSUS

While President Bush and his aides say his greatest legacy will be the long-range education plan, they also point to some increases in spending. The Education Department's budget has increased by 22 percent after inflation during his term, and Federal spending has risen for college tuition grants as well as for math and science programs.

The biggest increases have gone to the Head Start preschool program. During his first campaign, President Bush pledged to finance Head Start so all eligible 4-year-olds could take part. He has asked for and got the largest increases in Head Start spending since the program was founded in 1965—the budget has risen by 78 percent since he took office—and he is requesting another 27 percent increase for next year. By the Administration's estimate, this will create enough slots to serve all eligible children for one year, instead of the 60 percent the Administration says it now serves.

But critics say the program has always been designed to serve 3-year-olds as well as 4-year-olds. And so, they add, the program now serves only 28 percent of those eligible.

Mr. Bush's supporters also say the Government has made progress in some other areas of the President's overall education plan. Education specialists in and out of government, using $5 million in Government money, are drawing up broad standards in several subjects that will lay down what students should know by certain points in their academic careers.

But many of Mr. Bush's key proposals have died in Congress. Democratic majorities have refused to approve vouchers, and there seems to be little chance they will do so soon. Congress has turned down a request for $500 million to begin operating 535 new showcase schools because Democrats believe that creating such schools will not improve the 110,000 existing public schools.

Even conservative organizations, though they praise the President's ideas, say Mr. Bush has failed to do what leaders must: drum up enough support for his proposals.

"The stuff on paper is great," said Stuart M. Butler, director of domestic policy studies for the Heritage Foundation. "But there is absolutely no follow-through politically with any of these items. It's a deficiency of the White House in general in the domestic area."

Democratic aides on Capitol Hill who negotiated with the Administration on the President's education proposals say officials essentially gave up on Congress when they realized they would have to compromise. "I think they wanted 100 percent, and when they couldn't get 100 percent, they just sort of walked away from it," said one Democratic Senate aide.

Mr. Alexander, who is normally quite genial, stiffens when he hears such talk. He tells of deals that fell through when Democratic legislators got pressure from teacher's union leaders and other educators.

"By instinct, I'm a big coalition builder," he said. "Right now, with the current composition and leadership of Congress, it's almost a waste of my time."

Mr. Butler says the President should have joined the battle himself.

"There's a very stark alternative—Lyndon Johnson," Mr. Butler said. "He put the political finger on people and said, 'These people are holding up a solution to these problems.'"

COMMITMENT IN MEMPHIS

Mr. Bush's defenders say the view from Washington is skewed, because the real results of his policies can be seen in places like Memphis.

As for the Bush plan, Mr. Finn said, "It seems to me in a year's time to have done much of what it was intended to do. It's had a consciousness-raising effect, a catalytic effect on a lot of states and communities to at least take the pledge."

At the same time, he added, "I don't know how much of an effect it's had so far on real practice."

By the Education Department's count, 44 states and 1,200 communities have agreed to draw up plans to improve their schools. Mr. Alexander says this is the vanguard of a "populist crusade" that will transform public education.

Others are more skeptical. Albert Shanker, president of the American Federation of Teachers, dismisses all of it as a "dog and pony show," a series of pep rallies that cost nothing but make people feel as if they are doing something.

Memphis shows both the possibilities and the limits of this approach. A bipartisan, multiracial coalition of 850 local leaders and citizens is analyzing what ails the city's schools and how to change them. Many, like Mrs. Bailey, refused to join unless the effort specifically repudiated the Bush voucher plan. They got that assurance and hope to have a final plan this fall.

Everyone who has worked on "Memphis 2000" praises it as serious and broadbased. The question is whether the well-meaning effort will actually improve the schools.

Mayor Willie Herenton, who served as Memphis's superintendent of schools for 12 years and was an early skeptic, said his test will be whether this coalition calls for higher taxes for education. Memphis spends $3,568 per pupil, well below the national average of $5,237. And leaders of the Memphis drive say they now have a powerful new coalition that would campaign for more money if the schools adopt the changes they want.

In Washington, Mr. Alexander has made no estimates or promises, other than to say that more money might come from the Federal Government if the America 2000 communities can present a good case.

PROSPECTS: WHAT INVESTMENT BEYOND MONEY?

In the end, the judgment on Mr. Bush's education record will rest on how to define what an education President should do.

Many educators believe part of the answer is more money. But President Bush has consistently denounced spending more on a system he sees as flawed.

"Putting money first—we did all that in the 1980's, and it didn't work," Mr. Alexander said.

Overall spending on education at all levels of government has actually risen 33 percent in inflation-adjusted terms over the last decade, without dramatic improvements in American schools. But as the Federal share of that spending has shrunk, other cuts in Federal aid to cities and states for social programs have also left them less able to pay for education.

Mr. Bush claims that a President should provide leadership, not money. He does win wide praise for trying to shake Americans from their complacency, issuing a long-overdue call to parents and local communities to take their share of responsibility.

But others say vigorous leadership in education demands much more than President Bush has given. An education President, they say, should urge voters to approve local bond issues or new taxes if schools present a convincing reform plan. And they add that the crisis in American education demands a bolder, more ambitious Federal plan.

"I believe so much in the need to go to grass-roots America," said Governor Romer. "But it doesn't do anything for people to go out and get them all ginned up and then give them no design to proceed. There's not enough substance to it. You need to have a President out talking not about those generalities, but who's going to pay for what and who's going to do each piece of it, what's our time line and our priority, and I want to put that above a Sea Wolf and a bomber."

Critics as far apart politically as Governor Romer and Mr. Butler of the Heritage Foundation say that President Bush comes up short partly because he seems unable to galvanize the electorate the way Ronald Reagan did.

But his defenders say Mr. Bush just isn't being heard.

"If anyone will listen to President Bush on education," Mr. Alexander said, "he has a wonderful vision."●

ANNOUNCING COSPONSORSHIP OF S. 2387 THE EVERY FIFTH CHILD ACT

● Mr. DURENBERGER. Mr. President, I rise today to announce my cosponsorship of S. 2387, the Every Fifth Child Act.

S. 2387 was introduced by my distinguished colleague from Vermont, Senator LEAHY, on March 24, 1992. A number of our colleagues—including our distinguished minority leader, Senator DOLE, have also signed on as cosponsors.

This measure would fully fund the Special Supplemental Food Program [WIC], the Head Start Program, and the Job Corps Program to authorized levels by transferring funds from areas of the budget.

As this bill's title implies, approximately every fifth child in the United States lives in poverty. Children, who also account for 15 percent of all homeless Americans, are the fastest growing segment of this population. In Minnesota, the poverty rate for children between ages 5 and 17, while lower than the national average, has climbed to 18 percent.

Mr. President, the programs targeted for increases by this bill have proven to be successful and worthwhile investments of public funds in dealing with child poverty, nutrition, and joblessness. That's why in my nearly 14 years as a Senator, I have consistently supported both programmatic improvements and increased funding levels for all three of these programs.

Since its inception in 1965, Head Start has served over 12 million low-income preschoolers and their families. Not only does this extremely effective program prepare young children for school by teaching them a variety of necessary learning skills, but it provides medical and social services for children and teaches proper nutrition to entire families. Researchers estimate that for every dollar spent on Head Start, the Federal Government saves $4 in future benefits.

Head Start has continued to see significant increases in its funding levels over the last couple of years. For the coming year, the Bush administration has requested $2.8 billion for Head Start, an increase of $600 million over fiscal year 1992. This represents the largest 1-year increase in the program's history. In fact, since 1989, the Federal commitment to Head Start has more than doubled—increasing by nearly $1.6 billion, and allowing for 779,000 children to be served next year.

The WIC Program provides nutritious supplemental foods to low-income pregnant, postpartum, and breastfeeding women and to children up to age 5 who are determined to be at nutritional risk. Recipients also receive nutrition education, advice and assistance on the importance of breastfeeding, and referrals to the health care system. A Department of Agriculture study found that for every dollar invested in WIC, up to $4 is saved by the Federal Government.

WIC, too, has seen consistent increases in its funding levels in recent years. For the coming year, the President's budget requests $2.84 billion, an increase of $237 million over last year. This request will support increased average monthly participation totaling 5.4 million families. In addition, I recently cosponsored an amendment to the fiscal year 1993 budget resolution which recommended funding levels that would allow Congress to remain on a 5-year path to reach full funding by fiscal year 1996.

The Job Corps is a major training and unemployment program designed to alleviate the severe unemployment problems faced by disadvantaged youth throughout the United States. The services provided include basic education, vocational skills training, work experience, counseling, health care and related support services. For the coming year, the President's budget requests $909.5 million.

Mr. President, I realize that the Job Corps is one of many current and proposed programs that have workplace readiness as their goal. It's been a good program in the past and it deserves our present and future support. I am especially pleased that one of the Nation's best Job Corps centers—named after the late Senator Hubert H. Humphrey—is located in my State.

But, I would also hope, Mr. President, that as we expand funding for Job Corps we carefully consider how to best coordinate and integrate a number of other current and proposed efforts to improve job skills.

There is growing interest, for example, Mr. President, in the role of apprenticeships, of service corps and other forms of national service, of changes and improvements in the Job Training and Partnership Act, in continuing the efforts we have made to use welfare programs to increase economic independence, and in placing more emphasis on outcomes in higher education—including better monitoring of job placement and retention for graduates of public and private trade schools, colleges, and universities.

All of these efforts need to be done in concert, Mr. President. As a member of the Senate Labor and Human Resources Committee, I look forward to working with my colleagues to make sure that important goal is realized.

While I fully and wholeheartedly support these programs, Mr. President, I must also say I have severe concerns and reservations about this bill's funding expectations, especially its efforts to tear down the firewalls established in the 1991 deficit reduction agreement.

Under this agreement, which covers the budget process from 1991 to 1996, Congress agreed to significantly reduce the defense budget and dedicate the savings to reducing the deficit. The agreement establishes three distinct budget categories of defense, foreign operations, and nondefense discretionary, which ensure that no moneys will be transferred between any of these accounts. It was my firm belief then, and it remains my belief today, that this minimal fiscal discipline is absolutely essential to our future economic security.

It is important to note that the United States will spend 10 times as much on interest on the national debt this year as it will in all of the educational accounts of the Federal level. Even if we were to eliminate all defense spending next fiscal year—every soldier, sailor, marine, airman, ship, plane, tank, missile, rifle, and bullet—we would still need to borrow $63 billion to cover the deficit.

That money, Mr. President, will come from our children and grandchildren. We cannot continue to borrow from the future to pay for our current consumption. At our present rate of increasing deficits, there will shortly come a time when as little as 5 percent of the budget will be available for discretionary spending—including such important programs as WIC, Head Start, education, and numerous other investments in this country's future.

In this respect, deficit reduction is just as vital an investment in our children's future as direct program expenditures. I believe the notion of national security and public service involves preserving our posterity—and I intend to see that the needs of future generations are met by deficit reduction.

So, while I have cosponsored this legislation, I cannot emphasize enough the need to address our growing national debt, as well as the funding expectations of this bill.

At the same time, I believe, that this legislation establishes the right priorities. And, I look forward to working with my colleagues on both sides of the aisle and to create an environment in which we can work together on these and other pressing human needs in a fiscally responsible manner.•

NATIONAL YOUTH SPORTS PROGRAM AT NORTHERN ARIZONA UNIVERSITY

• Mr. DECONCINI. Mr. President, this summer, for the first time ever, Northern Arizona University [NAU] offered the National Youth Sports Program [NYSP] to 250 at-risk youngsters in the Flagstaff, AZ, area. From June 8 through July 10, these young people participated in a variety of sports, including swimming, volleyball, softball, soccer, basketball, and tennis. For 5 weeks they received career counseling, health and nutrition information, and intense instruction in drug and alcohol abuse prevention.

They received free meals, courtesy of the U.S. Department of Agriculture, and free medical exams from local physicians and nurses who generously donated their time. Dr. Julie Padgett, NYSP program director at NAU, and Dr. Eugene Hughes, president of the university, put in long hours of outstanding work to offer a first-rate program in building self-esteem and offering hope.

The National Youth Sports Program was created 24 years ago as a response to the Los Angeles riots of the 1960's. The program targets disadvantaged boys and girls, ages 10–16, and brings them to college campuses across the country. Last year the NYSP reached 65,000 youngsters on 139 college campuses in 122 U.S. cities. This year, 25 new institutions, including NAU, will bring the program to over 6,200 additional kids. For many of these young people, the NYSP offers "The Right Start" and the motivation to continue with their education.

Mr. President, day after day, we hear that America is not doing enough for its children. Every day 4,000 kids drop out of school. Every year 1 million teenage girls in this country become pregnant. Half of all our students try illicit drugs before they graduate from high school. And now the FBI has issued a report which finds that young people under the age of 18 accounted for more than one-tenth of all arrests for murder and manslaughter in 1989. They accounted for more than one-fifth of all arrests for robbery and almost one-third of all burglary arrests.

Two years ago there was a survey conducted in my home State of Arizona, which found that over 5,000 gang members had been identified by Arizona law enforcement agencies. Even more disturbing is the fact that according to that survey, 11,000 Arizona high school students expressed an interest in joining a gang. This means that there are 11,000 potential gang members in Arizona high schools alone. That figure becomes more alarming when you consider that the survey does not account for high-risk youth who have already dropped out of school.

As a nation, we can continue to talk about the problem, or we can move toward a solution. And one of the things we can do is to try to reach those 11,000 children who have not yet crossed the line. The National Youth Sports Program reaches out to those kids at risk—and it is a program that works. Just ask the 250 enthusiastic youngsters who spent 5 weeks of their summer at NAU. Recently, I had the opportunity to speak to several of those boys and girls, and I got the distinct impression that for many this had been the experience of their young lives, an experience that many intend to repeat next summer.•

TRIBUTE TO STANHOPE BAYNE-JONES

• Mr. JOHNSTON. Mr. President, war and healing is the life story of Louisiana-born Stanhope Bayne-Jones—one of the pivotal figures in modern American medicine. The grandson of the famed Confederate surgeon, Joseph Jones, Bayne-Jones knew from childhood that, for him, medicine would be the inevitable calling. He had the brains, initiative, and luck to begin his career at the very top, by graduating first in his class at Johns Hopkins Medical School. And he went on to become the dean of Yale's Medical School and head of one of this Nation's premier cancer-fighting foundations, in a time when Fortune magazine called that disease the Great Darkness because so little was known of it, and so few researchers were yet involved in unraveling its mysteries.

But Bayne-Jones was also a patriot, who contributed immeasurably to this Nation by taking his medical skills to war. In World War I he served in frontline hospitals, first in the British and then in the American Army. Declaring that his aim was to "serve the men where they needed him most," he refused transfers to safe rear area hospitals in order to stay in the frontlines. Paul de Kruif called him a strange opposite of a slacker, who took a doughboy's chances. Yet the medals he won from three allied nations—the United States, England, and France—proved to be only a foundation for his contributions in World War II. He had gained experience in war, secured the respect of military men, and gained rank that he preserved during the years of his civilian career through his membership in the Army Medical Corps Reserve.

In World War II, Bayne-Jones was able to act on a worldwide field. He became the Army's contact with the vast civilian medical research establishment. He personally directed a worldwide fight against typhus fever, then a dread disease of wartime that had killed at least 3 million people in Europe after World War I. He embodied the medical ideal of saving human life without respect to which side a person may be on, for his Typhus Commission did some of its best work among Italian, German, and Japanese people after the Axis surrender made the American Government responsible for their well-being. It was this service that cause a high official of the Surgeon General's

Office to declare that Bayne-Jones "saved more lives than any doctor I ever knew or heard of."

The return of peace quickly led Bayne-Jones into policymaking positions in American medicine. He headed the New York Hospital-Cornell Medical Center in New York. He directed medical research and development for the Surgeon General of the Army. He continued his long fight against cancer through the Surgeon General's Commission on Smoking and Health. At the same time, he never lost contact with his roots in Louisiana, turning in endless unpaid service to Tulane University, with which his family has been identified since the days of Joseph Jones. It is only fitting that the hospital at Fort Polk, LA, is named for him, and that a professorship at Johns Hopkins bears his name. I can only hope that this fine new biography will make Stanhope Bayne-Jones more familiar to the general public, for he was a true benefactor of humanity.•

COMMEMORATION OF A MUSICAL MASTER

• Mr. D'AMATO. Mr. President I rise today to commemorate an American music legend, Francis "Frank" Johnson on the 200th anniversary of his birth in Philadelphia. The long-overdue and much deserved recognition for his talent and contributions to America's musical life is finally coming to pass this year due to the efforts of the members of Parallelodrome. Their efforts have focused greater public awareness on the life-work of America's first native-born master of music (1792–1844). It is my hope that Frank Johnson, the man and his music, live on in all of our hearts and minds and souls for all ages.

Born in 1792 in Philadelphia, Frank Johnson, a renowned trumpeter, composer, and band leader, became one of the most celebrated personages of our Nation during the first half of the 19th century. He was highly sought after for his talents as a musician and his Cotillion Band played at fashionable parties and dances until they were formally engaged to play the Congress Hall Hotel in Saratoga Springs, NY in 1821. From 1821 to 1843, Johnson's Cotillion Band played at both Congress Hall and the United States Hotel in upstate New York.

Having knowledge and skills acquired by his own exertions, without formal instruction, Francis Johnson became an incomparable virtuoso violinist, flutist, hornist, natural and keyed (Kent) bugler. He became a master composer, arranger, and orchestrator of music; a music educator and a publisher of music; an accomplished equestrian, impresario, gourmet cook, and an astute businessman.

Francis Johnson eked out an illustrious career in music by assuming many musical roles including: coffee-house performer, cavalry trumpeter, circus bandmaster, featured performer at balls and hops, bandmaster for early volunteer firefighters, bandmaster for the 128th Regiment, and more. In 1837 Francis Johnson took the first band of American musicians, the American Minstrels, to Europe where he met up with Johann Strauss and Philippe Musart. When Johnson returned to the States, he introduced America to the music of these two legends. Leaving a record of accomplishment and attainment that stands unmatched, Francis Johnson died suddenly of a heart attack on April 6, 1844.

Frank Johnson is best remembered as progenitor of the Nation's music of martial ardor, inventor of cotillions, a pioneer, and one of the earliest protagonists of American musical purism. He was a quintessential American musical phenomenon. I ask my colleagues to join me in remembering Francis "Frank" Johnson on the anniversary of his birth and always.•

VETERANS GOLDEN AGE GAMES

• Mr. RIEGLE. Mr. President, I rise today in recognition of the 1992 National Veterans Golden Age Games to be held in Ann Arbor and Ypsilanti, MI, from August 10–14, 1992.

The State of Michigan is proud to once again be the host of the national games. This year's theme, "A Celebration of a Lifetime," provides an opportunity for individuals who have distinguished themselves in military service to our country to demonstrate their athletic ability.

Hundreds of veterans, aged 55 and above, from across the country will meet in Michigan to compete in athletic games. Swimming, bicycling, trap and skeet shooting, bowling, frisbee, and billiards are just some of the events awaiting those chosen to compete. In addition to participating in these games, the veterans will also attend workshops and enjoy the fellowship of their comrades. This friendly competition motivates veterans to stay active, healthy, and fit into their senior years.

On behalf of the citizens of the State of Michigan, I welcome this year's athletes. The opportunity to share in the excitement and sportsmanship of this competition will provide a week of cherished memories.

Mr. President, in this year of the Olympics, it is fitting that the veterans who have served the United States so well also have an opportunity to come together through sports to enjoy the companionship of their fellow veterans. All of those who are responsible for making the Sixth Annual National Veterans Golden Age Games a reality—the coaches, volunteers, corporate sponsors, and the many VA employees—deserve our applause and support.•

THE WALLOP-BREAUX FUND OR THE AQUATIC RESOURCES TRUST FUND

• Mr. BREAUX. Mr. President, summer is the time most Americans' thoughts turn to the outdoors, and many families will plan vacations around outdoor recreational activities—camping trips in our national parks and national forests; tours of the countryside in a motorhome, on a bike, or with a backpack; weekends spent boating, fishing and swimming at nearby rivers, lakes, and beaches.

Many Americans don't know that a good number of the boating and fishing areas that they will visit this summer have been newly created and improved with their own money. In Louisiana and across the country, money collected from user fees on boating and fishing equipment and services is reinvested for people to continue to enjoy aquatic sports.

I am proud to say that legislation authored by me and Senator MALCOLM WALLOP of Wyoming is the avenue by which boaters and anglers support their sporting activities by paying into the system. Our legislation created the aquatic resources trust fund which is fully funded by user fees paid on sport fishing and boating equipment and services. According to OMB predictions, this fund will have spent roughly $300 million across the Nation on projects by the end of fiscal year 1992.

In the past 2 years, more than $3.74 million has been allocated under the Wallop-Breaux program to build, renovate, and maintain boating access facilities and improve access to public waters in Louisiana alone. Every angler understands the importance of conservation and replenishing fish stocks to the continuation of sport fishing without endangering the species. Money paid by Louisiana boaters and sport fishers has been reinvested in producing sport fish for programs to stock public waters in my great State. In addition, a $222,000 project improving the quality of water and habitat for fishing in the New Orleans City Park lakes was completed last year.

These projects are a small sample of the benefits of the Wallop-Breaux program since its creation in 1984. Anglers and boaters, and all Americans for that matter, need to know that the aquatic resources trust fund is one Federal program that truly works well. Unlike many Federal trust funds that have been running deficits since the 1970's, the aquatic resources trust is fully funded by user fees, and it is used solely for environmental and recreational enhancement across the country.

So far, this user-supported fund has created 1,200 new fishing and boating sites. Thanks to Wallop-Breaux dollars, 39 States now have aquatic resources education programs, where urban kids are learning about the great outdoors.

Since the program began, the States have provided advice to over 21,000 private landowners on how to enhance sport-fish habitats and tripled their annual stocking of sport fish to over 250 million. Wallop-Breaux also has created lakes, restored streams and wetlands, and improved fish habitats across the country.

The aquatic resources trust fund demonstrates what the Federal Government, State governments, the private sector and outdoor-loving Americans can accomplish as a team: real honest-to-goodness progress. It's an example we need to keep in mind as we look for ways to reenergize this great Nation.●

STATE AND LOCAL GI BILLS FOR CHILDREN

● Mr. D'AMATO. Mr. President, I am pleased to be an original cosponsor of the Federal Grants for State and Local GI Bills for Children Act. This act will provide $500 million in new Federal dollars to help States and communities give each child of a middle- and low-income family a $1,000 annual scholarship that families may spend at any school of their choice.

The education of our Nation's children is a vital national priority. Not only do our chidren deserve the very best education we can provide them; our Nation also depends on a world-class educational system if it is to remain competitive in an ever more technologically complex world. This bill will serve as a necessary catalyst for improvement and change in our Nation's lagging educational system. What is more important about this bill is that it provides real educational choice to families that previously lacked the means to enjoy such choice. This is an empowerment program that deserves a chance to work.

This act promises to do for elementary and secondary education what its namesake, the post-World War II GI bill, did for higher education in the United States. Not only will it improve the choices available to families in educating their children, but by introducing competition among schools for students it will stimulate an improvement in the quality of education being provided. This act will give middle- and low-income families consumer power—that is, real dollars—to spend at any school where they choose to send their kids. It will thereby give them a measure of control over their children's future that has previously been denied to them because they did not have the money to pay for it.

This program will allow parents to decide which is the best school for their children, instead of the only school. Schools that do not meet the quality competition for parent's scholarship dollars will have to improve to meet the competitive challenge. It is no accident that the higher education system in the United States is the best in the world, and that is due in no small part to the healthy competition that was stimulated among colleges and universities as they fought for the GI bill dollars available. Competition is good for business, it is good for institutions of higher education, and it will certainly be good for our elementary and secondary schools. At the college level we have Pell grants, guaranteed student loans, and other forms of Federal and State assistance to promote greater individual choice. Isn't it time to give all chidren—and especially those who are at the most critical stage of their educational careers—a chance to attend the school that best suits their individual needs?

The program proposed by this bill would be a competitive 4-year grant program. Any State or locality would be able to apply for Federal funds to give each child of a middle- or low-income family a $1,000 annual scholarship. The governmental unit would have to, first, take significant steps to provide a choice of schools to families with schoolchildren in the area; second, permit families to spend the scholarships at a wide variety of public and private schools; and third, allow all lawfully operating schools in the area—public, private, and religious—to participate if they choose. In addition, up to $500 of the scholarships would be able to be used for other academic programs before and after school, on weekends, and during summer vacations. This added flexibility will allow families to make the best use of the Federal scholarships based on the unique educational requirements of their children.

Mr. President, this bill is important because it gives parents—not governmental bureaucrats—decision making power when it comes to their children's education. The money authorized under this bill will be spent on education, not administration.

Mr. President, I urge my colleagues to support this bill, and I ask for its swift passage. Let's get this bill to the President, who already supports it. Let's not miss this opportunity to make a real difference in the educational futures of all of our Nation's children.●

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:20 a.m., Thursday, July 23; that when the Senate reconvenes on Thursday, July 23, the Journal of proceedings be deemed to have been approved to date, the call of the calendar be waived, and no motions or resolutions come over under the rule; that the morning hour be deemed to have expired following the second reading of the bills.

I further ask unanimous consent that following time for the two leaders, there then be a period for morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each, with the first 30 minutes of morning business under the control of the majority leader or his designee, with Senators PRYOR, DURENBERGER, GORTON, and SIMPSON recognized for up to 10 minutes each; that at 11 a.m. the Senate resume consideration of S. 2877, the interstate transportation of municipal waste bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 9:20 A.M. TOMORROW

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, I now move that the Senate stand adjourned until 9:20 a.m., Thursday, July 23.

The motion was agreed to, and the Senate, at 9:02 p.m. adjourned until Thursday, July 23, 1992, at 9:20 a.m.

NOMINATIONS

Executive nominations received by the Senate July 22, 1992:

DISTRICT COURT OF GUAM

JOHN S. UNPINGCO, OF GUAM, TO BE JUDGE FOR THE DISTRICT COURT OF GUAM FOR THE TERM OF 10 YEARS VICE CHRISTOBAL C. DUENAS, RESIGNED.

DEPARTMENT OF STATE

GENTA HAWKINS HOLMES, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE DIRECTOR GENERAL OF THE FOREIGN SERVICE, VICE EDWARD JOSEPH PERKINS.

INTERNATIONAL MONETARY FUND

ALAN GREENSPAN, OF NEW YORK, TO BE U.S. ALTERNATE GOVERNOR OF THE INTERNATIONAL MONETARY FUND FOR A TERM OF 5 YEARS. (REAPPOINTMENT)

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF BRIGADIER GENERAL IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, UNITED STATES CODE, SECTIONS 593, 8218, 8373, AND 8374:

COL. DOUGLAS M. PADGETT, [redacted] AIR NATIONAL GUARD OF THE UNITED STATES.

WITHDRAWAL

Executive message transmitted by the President to the Senate on July 22, 1992, withdrawing from further Senate consideration the following nomination:

DEPARTMENT OF STATE

DONALD HERMAN ALEXANDER, OF MISSOURI, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF THE NETHERLANDS, WHICH WAS SENT TO THE SENATE ON MAY 14, 1992.

EXTENSIONS OF REMARKS

A BREATH OF FRESH AIR AT THE U.S. POSTAL SERVICE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. BROOMFIELD. Mr. Speaker, a breath of fresh air may be blowing through the U.S. Postal Service.

I was recently paid a visit by the new Postmaster General, Marvin Runyon, a man who appears to be dedicated to reforming this vast, inefficient, bureaucratic institution.

A year ago, I introduced a resolution that would create a bipartisan, blue-ribbon commission to study the Postal Service. Frankly, the resolution did not get a sufficient number of cosponsors to bring it up for a vote on the floor. The Postal Unions used their considerable financial and political clout to kill it.

I still believe we need a Presidential commission, but Mr. Runyon made an offer in that meeting that deserves consideration.

"I'd like an opportunity to be your commission," he said. He pledged to spend the next 60 days examining the Postal Service from top to bottom and taking corrective action.

The more we talked, the more I realized that Mr. Runyon's basic thinking was in line with my own on the major changes needed to get the Postal Service back on track.

It's clear that he is not wedded to doing things the old way. He appears to be a real businessman, not a business-as-usual man, and I am willing to take a chance that his experience in business is just what we need to make the Postal Service more responsive to those it is supposed to serve.

I was particularly pleased to learn that he planned to take a hard look at labor-management relations. The tragic shootings at the Royal Oak postal facility and elsewhere in the Nation were just one symptom of the bad blood between managers and employees at America's most deeply troubled institution.

He told me about his first days at the Tennessee Valley Authority, when he was forced to reduce the number of employees there. He said he not only accomplished the cutbacks with the least possible pain and dislocation for the TVA employees involved, but he did it with the cooperation of the labor unions.

As everyone in this House knows, the Postal Unions have some of the toughest, best-connected, but most hide-bound officials in America. Mr. Runyon will need all of his considerable negotiating skills to achieve some resolution of the difficult problems that divide postal managers from their employees.

I was also pleased to learn that he planned to withdraw the Postal Service from future sponsorship of the Olympic Games. The whole idea of top postal officials raising bubbly champagne glasses on the terraces of palatial hotel suites during lulls at the Barcelona games must have galled millions of Americans who continue to endure poor postal service at unreasonably high prices.

Americans deserve better service, and I am reasonably confident that Postmaster General Runyon will work hard to give them the postal system that they deserve.

But if he should fail to follow through on his promises after a reasonable length of time it is my intention to call the situation to the attention of President Bush and urge him to appoint a commission.

I still hear from people who are fed up with the Postal Service. They have had it up to here with declining postal service and rising postal costs.

It has been 20 years since the old post office was reestablished as a quasi-independent agency. It's time to take a fresh and impartial look at the system and see whether the American people are getting their money's worth.

I am willing to give the new Postmaster General some time to prove that he is the one with the experience and drive to turn this system around. If not, we've got to show the American people that the Congress and President are not running away from these serious problems and that we've got the guts to do something about them.

REMARKS OF BRIG. GEN. H.G. WALLS, JR.

HON. H. MARTIN LANCASTER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. LANCASTER. Mr. Speaker, on July 8, 1992, I recognized the 50th anniversary of the Montfort Point Association in my remarks for the RECORD. On that occasion, I indicated that Brig. Gen. G.H. Walls, Jr., had spoken on that occasion. It gives me great pleasure at this time to submit for the RECORD his address made on that occasion and ask that it be included in the RECORD:

ADDRESS OF BRIG. GEN. H.G. WALLS, JR.

Thank you for the introduction. Assistant Secretary Cooper, Lt. Gen. Petersen, distinguished guests, ladies and gentlemen. I am indeed honored that you have invited me to be with you this evening. Back in the days of the great Greek and Roman philosophers, teachers and mentors, aspiring students spent many years at the knee of their masters listening and learning. When the great man thought his student was prepared he called upon the student to demonstrate his prowess through a deed—writing or recitation. As I look at the head table and throughout this group, I see many of my mentors and teachers. And now I know how those students must have felt. That feeling was reinforced when the Commandant told me earlier this week that I'd better get this right tonight. He went on to say that if I blew it or you weren't satisfied, I'd have to come to San Diego next month and try harder at the National Convention. So, my challenge has been placed before me! I already know, three things. First, the longer I speak, the less you will remember. Second, the longer I speak the better the chance is that I will display my ignorance; and finally, the longer I speak the greater the chance that I will talk myself into trouble. So, with those three things in mind, I'll make my remarks pointed and mercifully brief.

As everyone in this hall knows, the Montford Point Marine Association has always been at the forefront of change in the Marine Corps. I like to refer to the original group (and now the ladies) as the "point men." The point man is the one the commander sends out to blaze the trail and report anything of danger to the vanguard. Fifty years ago many of you started walking point and you have never stopped. Challenges abounded and you met and overcame them all.

In the 1940's the challenge was to open the door and prove to the world that black men could train, serve and fight as U.S. Marines. The records of achievement in training at Montford Point and of the units that fought their way across the Pacific are indelibly etched in the pages of Marine Corps history. The names of those early black Marines are legendary: Hashmark Johnson, Edgar Huff, Alvin "Tony" Ghazlo, Ernest "Judo" Jones and the thousands of recruits who would make their way from across the Nation to Jacksonville and down that mile of pine tree-lined road to Montford Point. These were the "chosen few." The first decade also saw the first black Marine officers commissioned. Frederick C. Branch pinned on his butter bars on 10 November 1945. He was followed in 1946 by Charles C. Johnson, Judd B. Davis and Herbert L. Brewer. On 26 July 1948 then President Harry Truman promulgated Executive Order 9981 which banned color bias in the armed services. At least legally, the doors were wide open now. In 1949 the first black woman, Marine Annie E. Graham, was enlisted. On 9 September 1949, Headquarters Company, Montford Point camp was deactivated, marking the end of an era for black Marines.

The 1950's have been called the decade of integration. It also opened with the outbreak of the Korean war. For the first time, black Marines would enter combat in integrated units. Lieutenant William K. Jenkins became the first black officer to lead Marines in combat. On 1 October 1952, the first black Marine aviator was commissioned. Frank E. Peterson also went on to be the first black general officer and attained the rank of lieutenant general before his retirement. Ken Berthoud and Hurdle Maxwell, along with General Petersen, were regular officers and completed their careers as colonel and lieutenant colonel, respectively. On the enlisted side, Sergeant Major Huff's string of impressive achievements continued to grow while Technical Sergeants James E. Johnson and Leo McDowell led the way in improving the soon-to-disappear Steward's branch.

The Marine Corps in the decade of the 1960's and through the Vietnam war years was to be troubled deeply by racial incidents,

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• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

some violent, as it sought ways to promote understanding between all Marines. In 1965 I entered the Marine Corps and in 1967 found myself assigned as the "negro officer selection officer," 4th Marine Corps District in Philadelphia. This is also the time I first became involved with the MPMA. Early in this assignment, I was introduced to Master Gunnery Sergeant Brooks Gray who had recruiting experience and literally took a young captain under his wing and taught him the ropes. Montford Pointers Sterling Gilliam, Zeke Clouser, Holsey Gillis in Philadelphia; Dick Dalton in Cincinnati; Joe Carpenter in Washington, and many more became my points of contact in the district. My counterparts at other districts were aided immensely in the quest for black officer candidates by local Montford Pointers. These were difficult years in our society and the turmoil inevitably spilled into the Marine Corps. Anti-establishment and Anti-authority confrontations became commonplace. The veteran Marines of the '40's and '50's were in the mainstream of Marine Corps life, the young turks appeared to stand apart from it; neither group truly appreciated the other's backgrouund and attitudes and yet they had a common cause, a need for full equality.

And then there was the war. As in WW II and Korea, the Montford Point veterans and the "new breed" of Marine distinguished themselves in every action fought. Five black Marines were awarded the Medal of Honor for heroism in combat; then Lieutenant Colonel Petersen became the first black to command a tactical aviation squadron in the Navy or Marine Corps. It was in 1966 that I met then Captain Gary Cooper, co M/3/9, in the jungle South of Danang.

In the '70's the Marine Corps purged itself of malcontents and bad actors of all colors, returning to the smaller size and many of the original Montford Point marine's careers came to a close. Sergeant Major Huff and MGySgt Brooks Gray retired. The grand old man and elder statesman of Montford Point, Sergeant Major Johnson answered his last roll call. James E. Johnson became an assistant Secretary of the Navy and the Marine Corps promoted its first black officer to the rank of bigadier general. Camp Gilbert H. Johnson was activited at Montford Point. In the '80's, the numbers of black marine officers, staff noncommissioned officers and Marines grew steadily. The Marine Corps commitment to equal opportunity and affirmative action kept pace with the other services. Quality of recruits in the all-volunteer force was unparalleled in the history of the military in this country.

What do the '90's hold for us? By fiscal year 1997 the Marine Corps will have been reduced by 18 percent if the current downsizing plan holds. That means that about 5,800 marines a year will be cut from the force through expiration of active service, retirement and lowered recruiting quotas. Many of these young men and women are among the best and brightest our country has. Many would have been allowed to reenlist in years past. Many will leave with skills that can be applied to the civilian workforce. I see an opportunity here for the MPMA to again walk point. I encourage—no, I challenge you to establish a program at the National Association level to be implemented by each chapter that will not only welcome these men and women back into the civilian community but harness the considerable talent, resources and networking capability in MPMA to assist them in job searches, college admissions, and becoming productive mainstream participants in society.

Well, I think that I may be about to violate all three of the things I said I learned when I stood up to speak. So I will close by saying, thanks to each of you for walking point and in great measure being responsible for me being able to wear this rank and represent you. Happy 50th anniversary and God bless you all.

CRS STUDY ON ARMS TRANSFERS TO THE THIRD WORLD

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. HAMILTON. Mr. Speaker, on July 20, the Congressional Research Service published a report on Conventional Arms Transfers to the Third World, 1984–1991, written by Mr. Richard F. Grimmett of the Foreign Affairs and National Defense Division. Mr. Grimmett finds that the total value of U.S. arms transfer agreements to the Third World declined in 1991, from $19.1 to $14.2 billion. But he finds that the U.S. share of the overall market rose from 44.3 percent to 57.4 percent. In 1991, as in 1990, the United States ranked first by a substantial margin in arms transfer agreement with the Third World.

I commend the report to my colleagues, and the text of report's summary follows:

CONVENTIONAL ARMS TRANSFERS TO THE THIRD WORLD, 1984–1991

SUMMARY

The major political transitions wrought by the end of the Cold War continued in 1991, resulting in a significant impact on the Third World arms marketplace. The disintegration of the Soviet Union contributed to a sharp fall in Soviet arms agreements, while the United States remained the leader in arms sales to the Third World. The U.N. embargo against Iraq dropped Baghdad from being one of the largest Third World arms purchasers, leading to intense competition among former suppliers for new arms deals elsewhere. Reductions in domestic defense spending in many nations became a matter of acute concern to their weapons exporting industries. Further, in the aftermath of the Persian Gulf war, a number of initiatives were launched to control destabilizing conventional arms transfers, especially to the Near East region.

The value of all arms transfer agreements with the Third World on 1991 was $24.7 billion. This was by far the lowest yearly total, calculated in either nominal or real terms, for any of the years during the 1984–1991 period. The general decline in the value of new arms transfer agreements with the Third World seen in recent years was dramatically reversed in 1990 as the result of major new arms agreements related to the Gulf War. However, in 1991, the pattern of overall decline in the value of arms transfer agreements with the Third World resumed in an equally dramatic fashion. At the same time, in 1991 the value of all arms deliveries to the Third World ($18.4 billion) was the lowest total, in nominal and real terms, by a substantial margin for any year during the 1984–1991 period. This is the fourth consecutive year since 1987 that the value of all arms deliveries to the Third World dropped significantly.

The Soviet Union and the United States have dominated the Third World arms market as the top two suppliers from 1984–1991. Collectively, the two superpowers accounted for 63% of all arms transfer agreements with and 59% of all arms deliveries to the Third World during these years.

In 1991, the total value, in real terms, of U.S. arms transfer agreements with the Third World fell from $19.1 billion in 1990 to $14.2 billion. For the second year in a row, however, the United States ranked first by a substantial margin in arms transfer agreements with the Third World. The U.S. share of the value of all such agreements was 57.4% in 1991, up from 44.3% in 1990. Nearly 76% of the 1991 U.S. sales agreements came as a result of costly new orders from Saudi Arabia, South Korea and Egypt ($5.6 billion, $2.9 billion, and $2.3 billion, respectively). The value of the Saudi agreements with the United States alone exceeded the total value ($5 billion) of all arms transfer agreements made by the Soviet Union with the entire Third World in the same year.

The total value of the Soviet Union's agreements with the Third World fell dramatically from $11.8 billion in 1990 to $5 billion in 1991, ranking it second among all suppliers. The Soviet Union's share of all Third World arms transfer agreements declined as well, falling from 27.2% in 1990 to 20.3% in 1991 (in constant 1991 dollars).

COMMENDING THE COMMUNITY RESOURCE CENTER OF SULLIVAN COUNTY ON THEIR THIRD ANNUAL COMMUNITY RECOGNITION DINNER

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. GILMAN. Mr. Speaker, I rise today in recognition of a foundation dedicated to the promotion of equal opportunity and the advancement of hope. The Community Resource Center [CRC] of Sullivan County is an agency dedicated to helping those persons who have developmental disabilities. This center has accomplished a great deal in its quest of attaining a better life for the disabled of the Sullivan County region of New York by seeking to help its patients achieve a life of independence. Through its various programs such as clinics, community residences, day treatment, and senior citizens services, this agency has provided valuable services for a segment of our population that too often is ignored.

I am pleased to inform my colleagues that the center is celebrating the contributions of a number of outstanding citizens and companies at their third annual community recognition dinner which will be held at the Villa Roma Country Club in Callicoon, NY, on August 2, 1992. At this dinner the center will commend the following people and companies: Elizabeth Berman, Marc Brandt, Gladys Sherman, Norstar Bank, the Sullivan County Correctional Facility Annex-Community Service Program, Budoff Outdoor Furniture Manufacturers, the Villa Roma Country Club, and the people of Sullivan County.

With the recent passage by Congress of the Americans With Disabilities Act [ADA], new avenues of opportunity have been opened for individuals with disabilities. The ADA has been described as the most comprehensive nondiscrimination legislation passed by this body since the Civil Rights Act of 1964. Through the implementation of the ADA, persons with disabilities will find improved access to employment opportunities, transportation, and public services.

While much has been done to advance the position of the disabled in our Nation, we must continue to recognize and attempt to constructively address the issues that are critical for developmental disabilities policy. These include community, family, and personal assistance supports, educational accessibility, health care, civil rights, and employment. We must also continue to encourage programs which support individuals in natural homes and communities and allow families to choose various methods of care. In the educational forum, the integration of children with disabilities into mainstream schools, programs, and classes is a significant objective. In the context of the current health care debate it must be noted that people with disabilities face discrimination, high costs, inadequate services and limitations which affect their ability to realize the highest possible health and functioning.

Mr. Speaker, in conclusion, I want to commend the efforts of Doris Sheeley, the president of the CRC and David Reiley, the executive director, as well as the rest of the board and officers for their tireless work in the promotion and operation of such a fine organization. With their support the center will surely continue to achieve great results as it carries out the noteworthy mandate set down by Congress in the ADA.

TRIBUTE TO THE URSULINE SISTERS OF OHIO

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to the Ursuline Sisters of Ohio, especially those in my 17th Congressional District. Many of the Ursuline Sisters have just returned from Cincinnati where they attended the first North American Ursuline Convocation. At this convocation, participants were energized, encouraged, and challenged by each other to explore an understanding of what it means to live with Ste. Angela's spirit within the world and the Church.

Mr. Speaker, the Ursuline Sisters have been educating children and young adults in the Youngstown Diocese for many years now. Currently, the Ursuline Sisters are responsible for everything from child care to secondary and college education to adult religious education. A new building to house the education center will make their job easier and more rewarding. The new center will serve as an appropriate space for adults to continue their own development and learn skills that will benefit the greater Youngstown area.

Mr. Speaker, it gives me great pleasure to commend these fine citizens in the community. It's not everyday I can stand up here to do this, but the Ursuline Sisters deserve this merit. I also want to especially congratulate Sister Regina Rogers and Sister Therese Ann Rich, both of whom are celebrating 25 years with the Ursuline order.

Mr. Speaker, I wish the Ursuline Sisters the best of luck in constructing their new adult education center. May God bless them in all of their endeavors.

TRIBUTE TO MARGARET MOUL AND THE MARGARET E. MOUL HOME FOR THE PHYSICALLY DISABLED

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. GOODLING. Mr. Speaker, recently I had the pleasure of attending the 10th anniversary dinner and dance tribute to Margaret E. Moul and the Margaret E. Moul Home for the Physically Disabled in York, PA. Of all the invitations I have received and events I have attended, this was truly one of the most rewarding and uplifting. The activities highlighted the truly remarkable accomplishments of Margaret Moul and the work she has done in establishing the Margaret E. Moul Home and the important work which has been ongoing for the past 10 years.

The establishment of the Margaret E. Moul Home for the Physically Disabled is a testament to the power and determination of one individual and fills a crucial need in our community. Peg Moul began her work with physically handicapped children in the 1950's and soon thereafter helped establish revolutionary programs in the York city schools. She became executive director of the Easter Seals Center of York, a position which she held for 25 years. However, by the time her special education students reached adulthood, she observed that many of their families were unable to continue to provide the care they once offered. Also, many convalescent homes and other facilities were not adequately equipped to accommodate a growing number of physically handicapped individuals needing intermediate care. After diligent research, Mrs. Moul organized a steering committee and embarked on a project aimed at providing a homelike atmosphere for these individuals. She headed a movement of parents, teachers, and other community members raising much of the needed funds. She would constantly call me and I would then call Pennsylvania secretary of Health, Dr. Muller, until finally Peg was permitted to proceed. After years of campaigning with Federal, State, and local officials, Margaret E. Moul presided over home dedication day ceremonies.

A number of distinguished community leaders paid tribute to Mrs. Moul on the evening of June 20, 1992. The Honorable George Trout, York County commissioner, expressed his gratitude for being invited to be a part of the evening and he also expressed love and admiration he and his wife have for Margaret Moul. James Brady, former White House Press Secretary, said, "The work that is done at the Margaret Moul Home also helps people lead more productive and full lives. Tonight I want to give a big thumbs up to the Margaret Moul Home and to Margaret Moul." Evelyn Long, chairman of the board of the Margaret Moul Home expressed and appreciation of the board saying, "The board, residents, and friends of the Margaret E. Moul Home would like to thank you, Margaret Moul, for taking the time to make a difference in our lives." Marlin Barley, a friend of Margaret Moul, complimented her drive and determination saying:

> The trials and tribulations to build and organize this home were unbelievable, many of us would have given up but Peg Moul never gave up. * * * In all these years she never received any personal gain out of her work, she has only given of herself and expected nothing in return.

Dr. Howard MacDougall, board member and parent of a resident, also expressed his thanks saying:

> We have as a result of Mrs. Moul and her perseverance, a home where people can receive loving care and this community is very fortunate for this. * * * Peg Moul in her dance with fate, she has attained the exhilarating heights of beneficent charity and creativity in the demonstration of her soul.

These words of praise and tribute are not unworthy or undeserved, but in fact may be understated.

Margaret E. Moul Home is a licensed intermediate care, rehabilitation, and nursing facility which opened in 1982 for individuals aged 18 to 65 with diagnoses or disorders ranging from cerebral palsy, spina bifida, and multiple sclerosis to head trauma and others. At its opening it was described as a "loving addition to Pennsylvania's treasure of caring facilities" and perhaps the only facility of its kind in the State and possibly the Nation. For 10 years now the Margaret Moul Home has been providing needed service to many special individuals in a caring and loving manner. The Margaret E. Moul Home for the Physically Disabled has been appropriately described as a miraculous oasis of caring in a busy and cluttered world. Mr. Speaker, I appreciate the opportunity to allow our colleagues to share in this tribute to Margaret E. Moul and her outstanding accomplishments.

REVIVING THE AMERICAN DREAM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. BROWN. Mr. Speaker, as we move to reinvigorate our Nation's economy, it is important that we fully tap the sources of vitality upon which our Nation has grown. Our prosperity has been built on the strengths of diverse individuals and institutions in diverse localities across the Nation. Therefore reaching out to aid our economy requires policies that can be tailored to a variety of local conditions and needs.

This point was well made in a recent commentary by Alice Rivlin, "Reviving the American Dream," published in the Brookings Review, summer 1992. In this commentary she argues that an effective national productivity agenda would be one in which the needed programs in economic development, infrastructure, and education were devolved to the localities best suited to manage them. Effectiveness in these programs, she argues, requires adaptation to local conditions, accountability of on-the-scene officials, and community participation and support.

This is the very philosophy that underlies two bills that have been introduced in the Committee on Science, Space and Technology. The American Technology Competitiveness Act of 1992 (H.R. 5230) which I introduced, and the National Competitiveness Act of 1992 (H.R. 5231) introduced by Mr. VALENTINE and recently reported out of the committee, are pieces of legislation that are intended to help reinvigorate our manufacturing industries by developing a healthier technological infrastucture. Programs in this legislation that would more effectively support our Nation's enterprises include locally-based manufacturing outreach centers, manufacturing technology centers, an electronic information network that would provide access to state-of-the-art skills and information to our Nation's firms, work force retraining consortia, and youth technical apprenticeships. Each of these measures would support economic growth through decentralized decisions tailored to the diverse needs of our industries, drawing on expertise already in place in various State and locally-based institutions throughout the country.

I would like to submit a copy of the commentary by Alice Rivlin for the RECORD.

REVIVING THE AMERICAN DREAM

(By Alice M. Rivlin)

Americans, long noted for their "can-do" spirit, for self-assurance often bordering on cockiness, have become mired in pessimism. It has become fashionable to predict decline in America's economic strength and stagnation in its standard of living. Foreboding about the economy has fed popular anger at the political system, especially at the federal level.

To visitors from less favored parts of the world, this defeatism must seem mystifying. There are no objective reasons for discouragement about America's economic future, unless the low expectations themselves become self-fulfilling. The United States has enormous natural and human resources. Americans still have the world's highest productivity and standard of living. The challenges facing the American economic system today are not especially daunting compared with challenges that it has met in the past or that face many other economies today.

Even as the American dream has faltered, a consensus has grown up, among liberals and conservatives alike, on how to revive that dream. We must ensure sustainable and widely shared increases in the standard of living. Private investment, embodying new technologies and processes, must increase. Domestic saving must be stepped up to finance this investment. To generate greater saving, the federal budget should move from deficit to surplus. But it will also be necessary to increase public investment to improve education and work skills, modernize infrastructure, and keep the country on the frontiers of science and technological change.

The federal government cannot simultaneously make large new public investments and eliminate the deficit without a huge tax increase. And the public will not support such an increase given its current attitude toward Washington. Moreover, the federal government is not well suited to take responsibility for improving education, training, and infrastructure or fostering economic development. These are functions of government that require experimentation, adaptation to local conditions, accountability of on-the-scene officials, and community participation and support.

What is needed is a new division of the domestic responsibilities of government. The federal government should continue to do what it has proved it can do well: strengthen the nation's social insurance system. It should take on the task of controlling the growth of health costs and ensuring that everyone has health insurance. It should devolve its programs in education, infrastructure, and economic development—what I call the "productivity agenda"—to the states, who are better suited to manage them.

Devolutions will help move the federal budget toward surplus. Some federal tax increases will be needed, earmarked for the new health insurance plan so that taxpayers know what they are paying for. To support the productivity agenda, states should strengthen their revenue systems by sharing the proceeds of one or more common taxes, as is done, for example, in Germany.

The restructuring that is needed in government is akin to that now in progress in American business management. Frightened by gloomy forecasts and spurred by foreign competitiveness, many American companies are rebuilding themselves from the bottom up. They are improving the quality of products and services, increasing responsiveness to customers and clients, and empowering workers to contribute to company success. They are refining their missions, developing their expertise in a set of closely related lines of business. The goal is to do what they do well and resist excursions into unrelated business where they do not have proven competence.

The business revolution is spilling over into government. Many of the themes are the same: the entrepreneurial spirit, responsiveness to the public, decentralization, empowerment of front-line workers. Reformers in government also emphasize the need to clarify missions and make sure everyone knows who is responsible for what. Sorting out the functions of government—both between the federal government and the states and within the states—would help move government further in that direction. It would also help restore people's confidence that they can actually affect what happens in government. America's federal form of government makes such far-reaching changes more than just a dream. For 200 years our government has been evolving in accord with changing perceptions of the needs of the country. From the 1930s to the 1980s, power and responsibility flowed from the states to Washington—for good reasons and with many good results. Now there are good reasons to begin rechanneling that power and redividing that responsibility.

1992 RECIPIENTS OF THE ROBERT C. BYRD HONORS SCHOLARSHIP

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to congratulate 12 outstanding scholars in the First Congressional District of New York. These students are all recipients of the distinguished Robert C. Byrd Honors Scholarship, a tribute to their hard work and academic achievements throughout their high school careers.

The goal of the Robert C. Byrd Honors Scholarship is to promote student excellence and achievement, and to recognize exceptionally gifted students who show promise of continued success. The recipients of this year's awards, Tara H. Ardensmith, Michael H. Jo, Jason M. Kim, Matthew A. Mausner, Tessa C. Warren, Virginia Y. Youngblood (all from Ward Melville Senior High School), and Christine E. Field, Stephen M. Markacs (of Sachem High School North), and Lauren C. Marasia, Peter G. Thies (of Smithtown High School East), and Craig Barrack of Newfield High School, and David Yang of Smithtown High School West, are all well-deserving of this distinction. As a result of their academic success, the Byrd scholarships will award each student with $1,500 for the first year of study, which may be used in any approved institution of higher education. The scholarship recipients were the candidates who earned the highest ranking in each congressional district. Each student's ranking was determined by combining their grade point average and highest score on either the American College Testing Program [ACT] Assessment, or the College Board's Scholastic Aptitude Test [SAT].

I am pleased to have such a scholarly group of young men and women in my congressional district. I ask my colleagues to join me in congratulating these individuals on their fine achievement and for continued success in the future.

THE SUPREME COURT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 15, 1992 into the CONGRESSIONAL RECORD:

THE SUPREME COURT

Only rarely does the Supreme Court come up in my conversations with Hoosiers. When it does, its decisions can arouse passions, reminding me of how powerful and pervasive the decisions of the Court are in American society. This year the Supreme Court handed down its lowest number of decisions in 20 years (108). The term began with controversy over the confirmation of Justice Clarence Thomas by a vote of 52 to 48—one of the closest confirmation votes in history—and ended with decisions on some of the most sensitive social policy issues in America, from abortion to school prayer to race and segregation.

One year ago most observers agreed that the conservative majority had asserted its control of the Court, and would only be strengthened by the appointment of Justice Thomas. Their view was that the Court was activist, more willing to overturn precedent, and prepared to say that a whole generation of Court decisions had been fundamentally wrong. The majority seemed to be seeking out cases to overturn.

But the Supreme Court, always fascinating, can sometimes be surprising. This term the surprise was the emergence of a centrist coalition, which was responsible for a more moderate approach by the Court on several highly visible issues—school prayer, property rights, free speech, criminal appeals, and federalism.

The Center: Effective control of the Court was passed to a group of moderately conservative Justices. Justices O'Connor, Kennedy, and Souter were not on the losing side in any of the 71% of cases on which they voted together. They cast the deciding votes in several close decisions. For example, they joined together to declare that prayers at public school graduation ceremonies are unconstitutional, reaffirming previous precedents on the separation of church and state. The Court subsequently indicated that no new rulings on this subject are expected soon. In addition, the three Justices also voted to allow religious sects to hand out literature at airports and to prohibit communities from charging fees for permission to hold public demonstrations.

But the case which most vividly highlighted the importance of the O'Connor-Kennedy-Souter coalition was the 5-4 decision to uphold most of Pennsylvania's restrictions on abortion. While the three Justices voted to uphold these restrictions, they also explicitly stated their view that the Court's 1973 decision in *Roe* v. *Wade* guaranteeing the right to an abortion should not be overturned. They stated that while they might not have voted for the 1973 decision had they been on the Court then, they felt that opponents of that decision had given inadequate justification for overturning precedent.

The trademarks of the new center of the Court are a cautious approach to deciding cases, a reluctance to overturn precedents, and a distaste for aggressive arguments presented to the Court. The three Justices' opinions are often marked by concern for the legitimacy of the Court, which is fragile in a democracy. Supreme Court Justices, who have lifetime tenure, have extraordinary power under our system to thwart the will of the majority. The Court is the least democratic element of our government, designed to give the government a sense of constancy and to protect the Constitution from the transgressions of the more political branches of government. The three Justices see the Court's legitimacy as stemming to a great extent from its insulation from politics, and they have a deep concern that the public's faith in the Court will erode if Americans come to see the Court as no different from politics and judges as no different from politicians.

Thus, while Justices O'Connor, Kennedy, and Souter do not agree with every prior decision of the Supreme Court, they do agree that decisions, once made, should not be overturned lightly. It is this heavy emphasis on precedent that binds the moderate center of the Court and has been the most striking feature of this Supreme Court term.

Major decisions: The Court's conservatives sometimes prevailed this term, most noticeably on criminal law cases, in which the Court continued the trend of raising further obstacles in the path of state prison inmates seeking federal court review of their convictions or sentences. In a case stirring loud objections from foreign countries, the Court ruled that the United States can kidnap a criminal suspect from a foreign country despite that country's protests and the procedures agreed upon in extradition treaties with the U.S.

But on several other issues, the Court's decisions moved to the center. For example, the Court's interpretation of the free speech guarantee of the First Amendment was generally expansive. All nine Justices agreed that a Minnesota law barring hate crimes, such as cross burning, infringed on the Constitution's guarantee of free speech, casting doubt on other hate crime laws and college speech codes. The Court also struck down a law which prohibited criminals from earning money from books or movies about their crimes.

On civil rights the Court handed down an important ruling, holding that individuals cannot be eliminated from a jury based on their race. The Court also required formerly segregated public universities to take more active steps to integrate their campuses, but allowed school districts under desegregation orders to gradually win release from federal court supervision.

Analysis: The Court has not reversed course; a number of its decisions continue to be conservative. A more moderate Court does not mean a more unified one; the Justices often disagreed with one another sharply. But the momentum towards increasingly conservative decisions seemed to slow unexpectedly this term. One effect of the centrist coalition was to somewhat neutralize the effect of Justice Thomas's arrival on the bench. Despite his consistent agreement with the most conservative members of the Court, Justice Scalia and Chief Justice Rehnquist, his vote was frequently not enough for the conservatives to prevail.

The Court was reluctant to hand down sweeping, conservative decisions this term, but only time and more decisions will tell whether the centrist coalition will continue. The Court's two oldest members are also its two most consistent liberals, and the appointment of another conservative Justice could provide the vote needed to restore momentum to the conservatives.

TRIBUTE TO THE OHIO UTILITIES PROTECTION SERVICE

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. TRAFICANT. Mr. Speaker, I rise here today to pay tribute to the Ohio Utilities Protection Service as they celebrate their 20th anniversary with the grand opening of a new State-wide center this upcoming August.

The OUPS consists of some 700 companies around the State that own or use underground utilities—including utilities, municipalities, and other public and private companies. Carelessness and haste on the part of excavators and contractors as they attempt to keep pace with the Commonwealth's development can occasionally damage underground utility lines. This damage, however, can be prevented by telephoning a utility service information clearing center before digging begins. For 20 years, the OUPS has promoted public safety, reduced underground utility damages, minimized utility service interruptions, and protected the environment.

Mr. Speaker, I ask my colleagues to join me in recognizing the Ohio Utilities Protection Service's two-decade milestone of improving the safety of construction in my 17th District of Ohio.

REMOVING AN UNDUE BURDEN ON OUR NATION'S STUDENTS

HON. THOMAS J. RIDGE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. RIDGE. Mr. Speaker, I rise today to express my concern over sections 481(b) and 481(d) of the higher education amendments. Included in the conference report are provisions detrimental to the educational pursuits of economically disadvantaged, as well as motivated, students. For the most part, I support the higher education amendments. However, I am particularly troubled by two provisions; namely, the 85/15 percent rule and the minimum 30 weeks course duration. Both of these measures are devised in such a manner that they will hamper the educational pursuits of economically disadvantaged, as well as hardworking and motivated, students.

The 85/15 percent rule asserts that an institution is ineligible for Federal funding if more than 85 percent of its revenue is derived from financial aid. This translates into a situation in which a school would have to deny admission to a student who needs the training most. If, for instance, a student is in need and eligible for financial aid and his or her enrollment would cause there to be more than 85 percent of the institution's revenue or students receiving aid, he or she would make the institution ineligible, and would thus be denied admission. I want to stress that I acknowledge and agree with the philosophy of cutting down on the abuse of Federal funds by institutions which underlies the 85/15 percent rule, however, I strongly hold that this provision misses the mark in targeting economically disadvantaged students, those students who need assistance the most.

Although I am pleased that the 600 clock-hour programs were adequately discussed, I feel that 900 clock-hour programs should be granted similar consideration. One academic year is composed of 900 clock hours. However, section 481(d) of the conference report states, "the term 'academic year' shall require a minimum of 30 weeks of instructional time." A full-time student going to school 40 hours per week could complete the academic year in 22½ weeks. The 30 week minimum timeframe requiring an extra 7½ weeks will simply serve to hamper hard-working and motivated students, and will, in effect, penalize students for attending school on a full-time basis. In addition, the 30 week minimum course duration provision will add cost for students for transportation and housing, while preventing the student from entering the work force and stimulating the economy for an additional 7½ weeks.

Once again, Mr. Speaker, I support the higher education amendments as they address one of the most important issues of our society and time, the education of our youth. Yet, I strongly oppose the aforementioned provisions of sections 481(b) and 481(d) as they place an undue burden on our Nation's young adults seeking to better themselves. These provisions directly hamper our economically disadvantaged, as well as motivated, students, those students for whom we should do our best to cultivate as opposed to stifle.

THE 33D ANNIVERSARY OF CAPTIVE NATIONS WEEK

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. NOWAK. Mr. Speaker, 33 years ago, the third week in July was designated Captive Nations Week by President Eisenhower during a period characterized by the cold war frustrations, McCarthyism, and genuine fear of an international Communist conspiracy. Each year since 1959, the United States by observance of Captive Nations Week has sought to express support for and offer hope to the citizens of those Communist countries then seeking to regain self-determination.

Time's path has made great turns since this resolution became law in 1959. The cold war abruptly has come to an end. Nuclear weapons that had been poised at each other have finally been lowered in the name of unity. Recently Boris Yeltsin, the President of the Russian Federation, addressed a joint session of Congress, using the word "We," not to describe the old Soviet Union nor to refer to the new Russian Federation, but in reference to a new world order including all groups of people as one, all inhabitants of the Earth.

Despite these great strides, the nations of the world have made there still remain captive nations under oppressive rule: North Korea, China, Cuba, Tibet, Idel-Ural, to name a few. In our zeal over the recent changes in the Russian Federation we must not forget that others need our attention and aid.

With justice and freedom as our sword, and equality and happiness as our shield, perhaps one day Captive Nations Week will be a time when the people of the world only will remember the past, when some nations were not free.

TRIBUTE TO CAPTIVE NATIONS WEEK

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. LEVIN of Michigan. Mr. Speaker, I rise today to pay special tribute to Captive Nations Week. Since 1959, we have set aside the third week in July to commemorate the struggle of suppressed nationalities in their heroic fight to gain freedom from Soviet subjugation. Their vision of liberty never dulled, despite decades of oppression under a rigid Communist doctrine.

The United States hailed their democratic aspirations. As a beacon of freedom for all peoples, we encouraged the peaceful revolutions that swept through Eastern Europe and we led the world in celebrating the momentous collapse of the Soviet Union almost 1 year ago.

I was fortunate to experience that jubilation firsthand. I was in Lithuania as the Soviet Government officially recognized her independence. We toasted newfound freedom and talked of plans for establishing relationships with the West. Now, almost a year later, talk must turn into reality. We must continue our commitment to those who dedicated themselves to democratic principles and the preservation of their cultures.

Mr. Speaker, I wish to stress the importance of this year's Captive Nations Week. During this week the United States must reconfirm its role in fostering peace and stability in the former Soviet republics. We must assist the fledgling democracies in the painful process of establishing market economies and stable political environments in which the rights of all ethnic minorities are respected.

The United States cannot abandon the struggle that we so championed. We must pledge our support in the form of humanitarian and technological assistance and exchange to encourage critical development. To promote trade relations between our countries, I have introduced legislation to establish commercial export centers in the Baltics and the former Soviet republics. The centers will help bring American technical know-how and free-market skills to the host countries at a time when they are desperately needed. In addition to helping our own businesses establish a foothold in these markets, the bill also establishes an exchange program so citizens of countries with little free-market experience can learn capitalism while working at American businesses.

Finally, the Bush administration cannot ignore the ethnic tensions unleashed after years of subordination. The 1.5 million Russian troops that still remain in the newly independent non-Russian states pose a real threat to peace. The United States must press for a timetable for the prompt withdrawal of the Russian military and for absolute adherence to all international agreements on human and civil rights.

Mr. Speaker, I praise the captive nations for attaining freedom. As each nation experiences the freedom of opportunity and possibility, I hope the United States will lend support and guidance to help the republics integrate into the global community of democratic nations.

REINVENTING GOVERNMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 22, 1992, into the CONGRESSIONAL RECORD:

REINVENTING GOVERNMENT

During the 1980s, many U.S. corporations restructured their operations in order to becoming more competitive—streamlining and decentralizing; emphasizing excellence flexibility, and innovation. In recent years, a similar restructuring of the government bureaucracy has been taking place on the state and local level, as officials have overhauled the way governments do business in order to provide their services more efficiently and at lower cost. Labelled "reinventing government", the movement has been driven to a large extent by sizeable projected deficits, balanced budget requirements, and the clear message from voters that taxes should not be raised or popular services cut. Forced to innovate, states and localities have frequently produced impressive results, as documented in a recent book, "Reinventing Government" by David Osborne and Ted Gaebler. The reform effort has implications for how the federal government should do business too.

OVERVIEW

Several themes are found in the reform efforts. First, government should still be active in providing the services citizens want, but rely less on public bureaucracies and more on nonprofits, community groups, and the private sector. Second, competition should be injected into the system. For example, when Phoenix allowed private firms to bid against city garbage collectors, the resulting competition cut costs in half and led to such innovation by the city collectors that they are now the lowest bidder. Third, greater emphasis should be placed on results—output rather than input. Governments have typically been much better at measuring inputs—such as how much each teacher or desk costs—rather, than outputs—such as how well children are doing in school. Fourth, managers should be rewarded for efficiencies and program savings, rather than penalized by having their budgets cut in subsequent years. Indiana encourages managers to find ways to cut program costs by allowing them to use half of the savings for other purposes. Fifth, greater emphasis should be placed on using incentives so people want to do something (such as not littering), rather than on setting up rigid rules or requirements. Sixth, governments should be more responsive to the needs of the customer—the citizens receiving the government services. And they should have more freedom to choose among possible providers. Seventh, government should be enterprising, which means earning money as well as spending it. Last year for example, Orlando, Florida, collected $100 million in taxes but also earned $130 million in nontax revenues such as profits from various business ventures. It constructed its new city hall without a penny of general revenues, by letting developers build two office towers, next door and collecting rents from the towers. Finally, government should think more long-term. Many states have shifted to multiyear budgets, so that, for example, it is clear that cutting spending for road maintenance one year does not "save" money when it means more expensive future repairs.

PROBLEMS

While such efforts have often resulted in better services for less money and have helped lessen public cynicism about the government bureaucracy, not everything has gone smoothly. Measuring the effectiveness of many public services is often difficult. For example, what makes a successful elementary school, and should a teacher get as much credit for saving a poor student as for nurturing an outstanding one? And some states may have gone too far in trying to privatize functions that are more appropriately handled by government. Efforts to reform government have also bumped up against public employee unions that oppose layoffs, constituents accustomed to receiving services in a certain way, and managers that resist giving their subordinates increased discretion.

FEDERAL GOVERNMENT

The federal government has been less aggressive in trying to "reinvent" itself. In my view, a fundamental rethinking of the way the federal government does business is long overdue. Yet applying these important lessons and concepts to the various departments in the executive branch may not be easy. Some services provided by the federal government, such as defense and energy security, are inherently more difficult to evaluate than those provided by state and local government. Congress will also resist giving the executive branch more discretion and flexibility in some cases because of genuine disagreements over the program goals. In addition, the federal government does not have the pressure from a balanced budget requirement that basically forced change on the state level. To bring about the kind of reform that is needed, it would take a President and a Congress deeply committed to a major overhaul of the way government operates.

CONGRESS

Reinventing government applies mainly to the executive branch and how it delivers its services. But there may also be some lessons for Congress, as it currently considers how to reform the way it operates. Certainly we should lengthen our planning horizon and look at multi-year budgets, and consider whether the congressional leadership has sufficient management flexibility. We should emphasize incentives, not just rules—for example, incentives for Members to find additional committee budget or staff cuts by allowing them to retain some of the savings for whatever they want to improve office operations, such as giving bonuses to the best employees or buying new computer equipment. A more radical application would be to introduce greater flexibility and competition into the congressional committee system—making jurisdictional boundaries less rigid and letting different committees or different ad hoc configurations compete for handling a particular issue.

In its broader policy deliberations, Congress should look for less bureaucratic ways to bring about desired policy ends, and could require a more systematic reporting of whether programs are actually producing the desired results—focusing as much on outputs as inputs. And it should give greater attention to decentralizing—trying to sort out which responsibilities are best handled by the federal government and which are best handled by state and local governments.

CONCLUSION

Certainly not all the lessons from the state and local reforms would apply to the operations of the federal government or Congress, but their often impressive efforts are worth a careful look. The broad themes—that government should be more creative and open to innovation, be more responsive to the needs of its citizen-customers, think longer-term, and give more attention to the results and effectiveness of the various programs—are right on target. The basic goal of the reinventing government effort—not necessarily more government or less government, but better government—is certainly worthy.

SUPPORT FOR THE HEAD START IMPROVEMENT ACT OF 1992

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. GOODLING. Mr. Speaker, I rise today in support of the Head Start Improvement Act of 1992. I am glad to be an original cosponsor of this bipartisan bill that was introduced yesterday.

This important bill includes a provision of mine that will strengthen the parental education activities of Head Start agencies. I believe that one of the most important qualities of the Head Start Program is that it focuses on both the children and their parents. My provisions would ensure that Head Start parents are provided with child development and literacy skills training. This training is vital because it will allow these parents to help themselves and to continue to help their children, even after the children have graduated from the Head Start Program.

The bill also contains several programmatic changes that the Head Start community has told us are needed in order to make the Head Start Program better and more efficient. In such a partisan year, I am encouraged to see that we could come together and reach agreement on these provisions that will help the families participating in Head Start.

TRIBUTE TO HERBERT C. EVANS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. TOWNS. Mr. Speaker, today I rise to pay special tribute to a distinguished man, Mr. Herbert C. Evans. I would also like to congratulate Mr. Evans on his recent election as chairman of the board of directors of the Columbia Hospital for Women Foundation.

Presently, Mr. Evans is President of Eastern Ridge Enterprises in Washington DC, where he provides small businesses and non-profit organizations with financial management technical services. He has been responsible for the development of a number of businesses.

Mr. Evans has a long standing history of success and leadership thus serving a total of 15 years experience in financial management services. From 1983 to 1985 he served as president of Herbert Evans Associates. Previous to this position, he served as vice president and controller/treasurer at the Urban Institute where he managed administration of contracts and grants. Later he became financial manager at Federal City College.

In 1953 Evans received a B.S. in chemistry from the Hampton Institute. Soon after, he entered into the military service where he devoted 23 years of service in various offices of the army such as a Budget Analyst, where he contributed to the development of the Department of the Army budget and management of the use of operations and maintenance budget of near $7 billion; Assistant Secretary of the General Staff, Office of Chief of staff of the Army; Comptroller, U.S. Army Japan where he established program and budget requirements on a Comptroller/Accounting team of over 200.

It brings me great pleasure to call attention to the achievements of a devoted and diligent man who is a role model and inspiration for many today.

IN REMEMBRANCE OF HAROLD KENDLER

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today to pay my respects to the late Harold Kendler, legislative director of the Social Security notch advocacy group End Notch Discrimination [END]. Mr. Kendler passed away on Tuesday due to a heart attack.

It is, indeed, significant that Mr. Kendler passed away just two days before the scheduled hearing on the Social Security notch by the Committee on Ways and Means. Mr. Kendler, a notch victim himself, became legislative director of END 4 years ago and has been a leader in the crusade to fight for notch justice. Just last June, I spoke with Mr. Kendler, at END's yearly notch convention, about our shared goal of seeing notch legislation voted on in the House during the 102nd. Congress. Many of my colleagues and I have worked tirelessly in the last month to make a vote on H.R. 917 a reality. The hearing to be held on Thursday brings us one step closer to this reality.

H.R. 917 enjoys wide support with 289 cosponsors. If you include its sponsor, Mr. ROYBAL, that makes a supermajority in the House. Legislation with this much support deserves nothing less than a vote on the House floor.

Harold Kendler died fighting for a cause he believed in. Unless Congress takes action to correct this inequity, others will also die out. Notch victims in my State and across the country do not intend their death to be Congress' solution to the notch problem.

Mr. Speaker, Congress must take immediate action to correct the Social Security notch inequity. I urge you, I urge the Committee on Ways and Means and I urge my fellow colleagues to hear the voices of 12 million notch victims across the country and put notch legislation to a vote.

TRIBUTE TO THE WORK OF LAURIE NADEL

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. SCHUMER. Mr. Speaker, this Saturday, July 25, 1992, marks the anniversary to Public Law 101–58, declaring the 1990's the Decade of the Brain.

In light of this anniversary, I would like to pay tribute to the work of Laurie Nadel from Brooklyn, NY. Dr. Nadel, whose book "Sixth Sense" was published this year, is one of the Nation's foremost authorities on intuition and brain research. Her commitment to and success in this field deserve recognition and praise.

A PEORIA TRADITION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. MICHEL. Mr. Speaker, I would like to bring to the attention of our colleagues an historic event that is taking place in my hometown of Peoria, IL, at the end of this summer.

The weekend of August 7 and 8, the oldest high school in Illinois—Peoria High School—will be holding its first all-school reunion. I am particularly proud of this achievement as my wife, four children, and I are all alumni of Peoria High School.

At this time, I would like to insert into the RECORD an article by Theo Jean Kenyon of the Peoria Journal Star, "Great Gathering Taking Shape for Peoria High School," which describes the upcoming all-school reunion of Illinois' oldest high school.

GREAT GATHERING TAKING SHAPE FOR PEORIA HIGH SCHOOL

(By Theo Jean Kenyon)

It may be the biggest bash of the summer.

They're coming from California and New York, and as far as Australia.

Peoria High School's first all-school reunion the weekend of Aug. 7–8 at the Civic Center is a month away, but reservations are rolling in as the July 15 deadline grows near.

For the oldest high school in Illinois, which opened May 5, 1856, the all-school reunion promises to be a great gathering of affection, shared memories and renewed friendships.

"Thanks for the memories, Peoria High School," wrote Bert England, class of '36, "in caring teachers, the life-long friends that I have made, and the pride in being privileged to play first solo trumpet in the band."

"Fun, fun, fun! I can hardly wait," wrote an enthusiastic alumna from Decatur.

The all-school reunion grew out of the Peoria High School Alumni Association, organized a year and a half ago. One of its first goals was to raise a $1 million endowment fund to generate scholarships for PHS graduates needing financial assistance.

The first $6,000 in scholarships was awarded this year. Those students will be guests at the reunion banquet Saturday night, Aug. 8.

More than 2,000 graduates already have joined the alumni association, many buying a lifetime membership at $100 or $150 for a two-alumni household.

But one graduate of the class of 1924 wrote that she thinks paying the $10 a year membership will prove cheaper for her.

School treasurer Jo Irvine, who is handling association memberships as well as reservations for the reunion, and school secretary Helen Hagan, who also serves as association secretary, are currently swamped with membership lists, telephone calls and reservations.

Reservations for more than 500 are in, and a total of 1,000 to 1,500 are expected. "We expect a deluge after July 1," Irvine says. Postcards reminding folks of the July 15 reservation deadline are being mailed.

Large numbers of alumni living in California and Arizona are coming ("I think the cheap air fares helped a lot," says Irvine) and others are coming from all across the country, as well as Canada.

Marvin Ayers, who lives in Australia, wrote to ask if he should bring a tuxedo.

It won't be that formal, says Richard Greene, Peoria High School principal. At the Saturday night banquet in the Civic Center exhibit hall, "we'd like to hold speeches to a minimum; we're here to have people enjoy themselves."

Bruce Saurs, alumni association president, owner of the Peoria Rivermen hockey team, and a former baseball and basketball coach at Peoria High School, agrees.

The banquet program will include a film strip and music by the school's swing choir and band.

An opening "mixer" Friday night, Aug. 7, from 6:30 to 10 p.m. at the Civic Center is expected to give everyone a chance to renew friendships with classmates and meet alumni from other classes in an informal setting.

On Saturday morning, Aug. 8, Peoria High School will have an open house for all alumni between 9 and 11 a.m. Instead of formal tours, principal Greene plans to have students and faculty available on each floor to answer questions and be informal guides.

One of the most visible graduates on the national scene, U.S. Rep. Robert Michel, class of 1940, along with his wife, Corinne, as well as two of their children, Laurie (class of 1971) and Robin, (class of 1972), have sent in their reservations.

Also returning is Joseph Miles Chamberlain, a 1940 graduate who was president and director of the Adler Planetarium in Chicago until his recent retirement.

The logistics of reaching the school's far-flung alumni was solved by putting class reunion lists in the computer. Hagan now has a computerized mailing list for 14,000 Peoria High School alumni.

One of the side benefits is being able to provide an accurate address to alumni seeking information.

An all-school directory of alumni is also in the works, said Greene, with arrangements being made through a White Plains, NY, publishing firm. The reunion is expected to help in obtaining up-to-date information.

"This all-school reunion has really helped us pick up the names of people we didn't have before," says Hagan.

CONGRATULATIONS TO BERT GAECHTER

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. TORRICELLI. Mr. Speaker, it is with great respect and admiration that I address my colleagues in the House today, for I rise to extend my heartiest congratulations and warmest best wishes to Bert Gaechter on the occasion of his retirement.

Born in Holy Name Hospital, Teaneck, NJ in 1926, Bert is the son of Jacob Gaechter who was a member of the Ironworkers' International Union from 1904 to 1958.

Bert attended Midland School in Rochelle Park and Hackensack High School, and enlisted in the Navy in 1944, serving aboard the U.S.S. *Fall River* and the aircraft carrier U.S.S. *Lexington*. Honorably discharged and returning home to Rochelle Park in 1946, Bert joined Ironworkers' Local 483 of Hackensack, NJ, as an apprentice ironworker, and gained journeymen's status in 1949.

Working as a full-time ironworker on various construction sites in northern New Jersey and serving the local union in various elected position starting with sergeant at arms in 1950, delegate to the Bergen County Building Trades Council in 1951, as member of the executive board in 1952, as trustee to the pension members assistance fund in 1958, member of the examining committee in 1961, Bert has also served as business agent from 1968 to the present.

During his tenure as business agent, Bert held the following positions: president of Bergen County Building Trades Council, member of the New Jersey State Building and Construction Trades Council Executive Board, member of the board of agents Morris-Sussex Building Trades Council, president of the board of agents Bergen County Building Trade Council of northern New Jersey, and trustee of the Ironworkers' District Council Pension and Welfare Fund.

He is married to Evelyn Kramer, daughter of Joseph Kramer, a member of Pipefitters Local 274 in Jersey City, NJ until 1970. They reside in Rochelle Park, NJ and have three children, Glenn, past president and now assistant business agent of Ironworkers' Local 483, Steven, an attorney, Nancy Kester who risides in California, and three grandsons, Marc, Karl, and Jacob, as well as one great-grandson, Zach.

Mr. Speaker, I am proud to join in paying tribute to Bert Gaechter. I am sure he will continue to provide invaluable service to his community and truly make a difference in society.

REMEMBERING CIVIL RIGHTS PIONEER JUANITA MITCHELL

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. CONYERS. Mr. Speaker, last week we lost Juanita Mitchell, a civil rights leader of great talent and boundless energy. We will all miss her optimism and guidance in the fight for full equality and justice in America.

In every civil rights battle for the last 50 years, Juanita fought side-by-side with her husband, Clarence, of the NAACP. Clarence and his other partner in these fights, Joe Rauh of the Leadership Conference on Civil Rights, were named the "gold dust twins" by one architect of the South's massive resistance to desegregation.

The following is Joe's eloquent tribute to Juanita. All Americans should remember this great woman.

Eight years ago, in this same beautiful church, I spoke of my civil rights partner and gold dust twin, Clarence Mitchell. Today I come to celebrate the life of his beloved, dedicated, and supportive wife, Juanita.

Juanita was my friend for over four decades, not just as the wife of my partner, but as one of the great civil rights fighters of all time. She broke so many color lines and added so many firsts to her string of accomplishments that I shall always think of her as America's advanced echelon of decency and justice.

In victory she was always generous with credit, never caring that credit went to white or black, Jew or Gentile. In defeat, which occurred all too often in the beginnings of the civil rights legal revolution, she never lost faith in our cause. She was strong, she was brilliant, she was eloquent. Her optimism was the sunlight through the clouds in the civil rights mist. Her mind was always clear because her heart was always filled with compassion and hope.

Juanita's entire life was our hymn of hope in these words:

> What is the memory that's valued so highly
> That we keep alive in our flame
> What's the commitment to those who have died
> When we cry out "they've not died in vain"
> We have come this far always believing
> That justice will somehow prevail
> This is the verdict, this is the promise
> And this is why we will not fail.

In a life as blessed with inspiring associations as good fortune has showered on me, the Mitchell family will remain most dear to me forever. Clarence, Michael, Kiefer, George: Carry on the struggle in the memory of your incomparable parents.

MOST-FAVORED-NATION STATUS TO CHINA SHOULD BE DENIED

HON. FRANK McCLOSKEY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. McCLOSKEY. Mr. Speaker, unfortunately I was not in Washington, DC on July 21, 1992, and was unable to vote on House Joint Resolution 502, disapproving the extension of nondiscriminatory treatment—most-favored-nation treatment—to products of the People's Republic of China and H.R. 5318, regarding the extension of most-favored-nation treatment to the products of the People's Republic of China, and for other purposes. Had I been present, I would have voted in favor of both the House Joint Resolution 502 and H.R. 5318.

Despite administration claims, China's record on human rights remains deplorable and has not significantly improved over the last year. We still have little knowledge about the massive numbers of prodemocracy demonstrators and religious leaders imprisoned in China and Tibet. In addition, China's trade surplus with the United States rose by more than 50 percent fueled through its reprehensible use of prison labor. The United States trade deficit with China is expected to be $20 billion in 1992, second only to Japan. U.S. workers should not be forced to compete with products made by forced labor.

Despite China's pledges to the contrary, it continues to promote the proliferation of nuclear weapons and advanced missile technology to countries such as Syria and Iran. In fact, last May, the Chinese Government exploded a 1,000 kiloton nuclear warhead, the largest in Chinese history. Even during the cold war, the United States and the Soviet Union agreed to limit their nuclear tests to 150 kilotons.

I strongly support overturning the President's extension of MFN status to China for 1992 and establishing conditions that China must meet for MFN benefits in 1993. China should not be given most-favored-nation status unless they change their ways.

INTRODUCTION OF THE PRESCRIPTION DRUG RECORDS PRIVACY PROTECTION ACT OF 1992

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. STARK. Mr. Speaker, today I am introducing legislation, the Prescription Drug Records Privacy Protection Act. The measure is intended to ensure basic fundamental privacy guarantees to every American who benefits from prescription medications by protecting the sanctity of individual patient prescription records currently kept in computer systems by doctors, pharmacists, and insurance companies.

This legislation is modeled after an existing statute in the criminal code dealing with the privacy of individual's video rental information. The Federal Government regulates the disclosure of consumer's video rental information in 18 U.S.C. 2710. This legislation was passed after the case of Judge Robert Bork's personal video history came to light in a July 1989, story in the City Paper, a Washington, DC, weekly. Soon thereafter, Congress included a prohibition on the sharing of video rental information in that year's crime bill.

In my view, if we can ban the disclosure of video rental information, then we certainly ought to ban the disclosure of personal prescription records.

This issue first came to my attention from certain individuals in the pharmaceutical manufacturing industry who were concerned about the computerization of prescription drug records by pharmacists. These New Jersey based drug company executives raised the notion that the increasing computerization of medical records will lead to potential privacy violations.

A further look into the matter did lead to additional evidence showing that insufficient privacy protections existed, and the establishment of a strict Federal standard seems necessary. Indeed, it appears the biggest potential violators of privacy rights are the pharmaceutical industry themselves as they seek to acquire physician prescribing data for the sole purpose of marketing their products.

A February 27, 1992, Wall Street Journal article by Mike Miller, "Data Tap: Patients' Records Are Treasure Trove for Budding Industry," outlines the alarming practices of some information data service companies and a few select pharmaceutical companies.

Writes reporter Miller:

> In fact certain data-collectors that pledge total confidentiality sell drug companies the age, sex—and an ID number—for individual patients. Fears about the sale of medical records are causing some physicians and pharmacists to resist the collectors' surveillance efforts. Others are pushing for legislation, noting that privacy law covers videotape rental and cable-TV selections, but not most medical records.

The reference to the sale of individual's ID numbers ought to make every consumer sit up straight. Since almost all State governments are now in the business of selling computerized lists of driver's licenses and voter registration, if the ID numbers also happen to be Social Security numbers—as is the case in many insurance company information data processing systems—all a clever data purchaser would have to do is match the list of ID numbers with motor vehicle lists to create a data base matching individual names and prescription history. In other words, the sophisticated drug company could then have a list to send out coupons or persuasion mail direct to consumer. The potential for abuse is obvious.

Continuing from the Journal article:

> Companies bent on cutting medical expenses are reviewing their employees' medical records more closely than ever.
>
> Such trends particularly alarm patients with AIDS, mental illness and other conditions in which a breach of privacy can have far-reaching consequences. "It worries the hell out of me," says Frank Burgmann, a director of Florida's mental health services agency, who has tried unsuccessfully to keep pharmacies from selling their prescription files. "Data is like a whore. It gets passed around from hand to hand, in spite of rules."
>
> Last month, an Ohio jury found that a hospital employee didn't violate any law when she allegedly discovered a friend's AIDS diagnosis in the hospital computer and shared the news with other hospital workers. Douglas A. Sargent, a Detroit psychiatrist and lawyer, tells of a clinically depressed patient who he says was fired after his employer learned of his condition from an insurance company.

The article goes on to reference my pending proposal to encourage the establishment of State-based electronic data transfer programs to identify existing fraud, addiction, and illegal drug trafficking of certain prescription drugs. I should note that these programs, funded largely by Bush administration Justice Department funds, have in place strict privacy protections, require standard data encryption standards [DES] or scrambling of the data, and limit access to the data information systems to qualified State government personnel. My legislation mandates the strictest privacy protections, and I will support every effort to establish strong privacy protections in health care recordkeeping in the private and public sector.

Another recent story of how far drug companies will go to influence consumer prescription drug behavior is revealing. Over the past few months, thousands of potential patients currently suffering from allergies received a slick, expensive mailing advocating the use of a new version of Seldane, a very successful allergy relief medication.

The mailing encouraged patients to contact their physician to ask to try the new Seldane-D, a daily dosage version of the nonsedating antihistamine/decongestant combination. "So, if you suffer from severe nasal congestion as well as sneezing, runny nose, and itchy, watery eyes, you may want to consult your doctor," reads the letter.

But how did this drug company find which patients suffered from allergies, and where they lived? At first glance, one would have suspected the doctor was the source of the patient's prescription data. Or could it have been the pharmacy? Or perhaps the source was the insurance company?

It turned out to be none of the above. According to Seldane's manufacturer, the source for the data on the individual's history with

Seldane and/or allergy problems was a Carol Wright mailing, the coupon mailing company, which sent out a consumer poll last fall in the regular envelope of coupons, and used the information collected from the survey to build a complex data base of allergy sufferers and likely Seldane prescribers. In short, Carol Wright's discount coupons led to "contact your doctor" 6 months later. In my opinion, while perfectly legal, this case symbolizes the great lengths drug companies will go to in trying to influence the prescribing habits of physician and consumer behavior.

In closing, USA Today has also editorialized on the need to implement privacy protection standards. Their March 27, 1992, editorial puts it all in perspective:

> There are legitimate uses of medical records that must be balanced against the right to privacy. Researchers need to track epidemics, police need hospital workers to say if they've treated a bullet wound, and family members need hospitals to tell them a relative's status.
>
> Balancing these conflicts is difficult, but necessary. Easier, but just as critical, is protecting new types of data. Now is the time to begin restricting the use of genetic-testing results before testing becomes widespread.
>
> Some medical-privacy problems may be alleviated if cost pressures are eased by health-care reform. Meanwhile, we need the safety only a federal law offers.

I couldn't have said it any better.

[From USA Today, Mar. 27, 1992]

ACT TO SHIELD THE PRIVACY OF OUR MEDICAL RECORDS

Your medical secrets aren't safe.

Federal privacy laws protect videotape-rental lists, bank records, telephone calls and cable-TV subscriber lists. Yet only a handful of state laws and a fragile system of ethics prevent outsiders from peeking at your private medical files.

Lost amid calls for health-care reform is an urgent need for a federal law to ease mounting strains on confidentiality:

As employers move to "managed care" to control health costs, insurers use more outsiders to check up on medical treatments. That means more prying eyes poring over your records.

More companies "self-insure"—they pay workers' medical bills, and insurers do the paper work. Many think that means they own the records.

More computerization means selling secrets is simpler. Marketers tap into willing physicians' records to sell to drug companies curious about who's prescribing what. They promise to screen out names, but no one checks.

Horror stories abound: A South Carolina doctor sold his files to an auto leasing and salvage executive who tried to sell photocopies back to the patients. A company fired a depressed employee after hearing of his condition from an insurer. An employer asked his insurer for a list of HIV-infected employees so he could fire them.

More frantic competition among insurers, more pressure to hold down medical costs, and easier access to medical data will only make things worse.

There are legitimate uses of medical records that must be balanced against the right to privacy. Researchers need to track epidemics, police need hospital workers to say if they've treated a bullet wound, and family members need hospitals to tell them a relative's status.

Balancing these conflicts is difficult, but necessary. Easier, but just as critical, is protecting new types of data. Now is the time to begin restricting the use of genetic-testing results before testing becomes widespread.

Some medical-privacy problems may be alleviated if cost pressures are eased by health-care reform. Meanwhile, we need the safety only a federal law offers.

INTRODUCTION OF LEGISLATION TO PROVIDE FEDERAL GRANTS FOR STATE AND LOCAL 'GI BILLS' FOR CHILDREN

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. GRADISON. Mr. Speaker, the President, through the Secretary of Education, Lamar Alexander, and the Department of Education, has proposed legislation based on the same principles used in the original GI bill which enabled returning servicemen to exercise choice in where they obtained post-secondary education. The competition which resulted between both public and private colleges and universities contributed to a system of higher education which is widely regarded as the finest in the world. Mr. Speaker, I believe the introduction of competition and choice to our school system will have a similar effect and, in the process, deliver to our children the standard of education to which they are entitled. Today I, along with 22 original cosponsors, am proud to be introducing legislation which I believe will have a dramatic and positive effect on the elementary and secondary school system of our country.

Our schools have received increasing attention over the last decade. Serious criticism of our schools from a wide variety of sources has led to concentrated efforts to identify the underlying problems and, more importantly, endeavor to solve them. Decreasing levels of academic performance, particularly in the sciences, increasing drop out rates, drugs and violence in schools have all generated proposals for educational reform. These programs have had varying levels of success. This legislation, in contrast, directs emphasis towards reform in the institutions by which our schools have traditionally been governed. Much political and bureaucratic control over schools will be eliminated and will be replaced with the competition fostered by parental choice.

The GI bill for children is directed towards five major goals: First, it will provide educational choices for lower- and middle-income families which have traditionally been available only to wealthier families; second, it will lead to schools which will be more responsive to the needs of their students and their parents; third, it will engage parents more in the education of their children and related areas; fourth, it will encourage schools to be more flexible in the application of their resources, particularly in providing supplementary facilities and activities outside traditional school hours; and finally, as a large-scale demonstration exercise, our experience with the program will allow us to tailor an expanded program to best fit the educational needs of our children.

This legislation would authorize $500 million in 1993, and additional amounts in later years, to help States and communities give $1,000 scholarships to low- and middle-income families. Families will be able to apply these scholarships to any school which is operating lawfully, public or private. From the perspective of the schools, the new funds will be available to principals, teachers, and school administrators to use in order to help develop the programs needed to achieve our national education goals. Any State or locality will be able to apply for Federal funds to give its children in a low- or middle-income family a $1000 scholarship. The State or locality would determine the maximum family income for eligibility, but it would not be permitted to exceed the higher of the State or national median income, indexed to family size. The scholarships would then be distributed, until funds were exhausted, from lowest to highest family income. A government body would have to fulfill three criteria in order for it to apply. First, it would have to demonstrate a choice of schools for families in its area. Second, families would have to be permitted to spend the scholarships at a wide variety of public and private schools. Finally, it would have to allow all lawfully operating schools in their area to participate in the program if they chose to do so.

Applications for the scholarships would be reviewed by the Secretary of Education who would select States and communities for funding based on the following criteria: the number and variety of educational choices available to families in their area; the availability of educational choices to all families, including those ineligible for the scholarships; the proportion of children from low-income families who would receive the scholarships; financial support for the program by the applicant, including support from the private sector. Children receiving the scholarships would do so over a 4-year period unless they left the school, moved out of the area, or no longer met the income criteria. The funds from the childrens' scholarships are to be used by the schools to develop academic programs. However, up to $500 of each scholarship can be used for other programs, including those for children before and after school, during weekends or over school vacations.

Although the scholarships are for families, not schools, participating schools must comply with all Federal antidiscrimination statutes. Clearly, they must comply with section 601 of Title VI or the Civil Rights Act of 1964 (race), section 901 of Title IX of the Education Amendments of 1972 (gender), and section 504 of the Rehabilitation Act of 1973 (disability).

Mr. Speaker, this legislation, once enacted, will give parents the opportunity to choose one elementary or secondary school over another and will put powerful competitive forces in play. It will introduce sorely needed competition to our primary and secondary schools. For the first time, it will enable middle- and low-income families to make choices about the education they wish to provide for their children. It will make schools more responsive. It will actively engage more parents in the education of their children. Most importantly, it will motivate schools to succeed because, for the first time, they will know that if they do not, they will suffer the consequences.

TRIBUTE TO JOSEPH STEENLAND

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. BONIOR. Mr. Speaker, on the evening of July 24, 1992, Joseph Steenland will be honored with a special retirement party. I am very pleased to join the Roseville Police Department in paying tribute to a remarkable individual for his devotion and outstanding contributions to our community.

Over the years, Joseph Steenland has come to symbolize the Roseville Police Department's vow to maintain law and order. The battle to keep our neighborhoods and streets safe is a responsibility we all share. Mr. Steenland's long record of distinguished service has proven him to be an effective public servant. His personal involvement, professional integrity, and, above all, deep sense of justice have made him a respected policeman.

Joseph Steenland has unfailingly pledged himself to take an active role in our community. While a dedicated officer of the law for 35 years, Mr. Steenland has also been affiliated with many local organizations. For the past 16 years he has been a member of the Roseville Board of Education, and he is the past president of the Macomb County School Boards Association.

Mr. Speaker through his commitment and hard work as a public servant, Joseph Steenland has touched countless lives. I expect he will no doubt continue to do so in retirement.

On this special occasion, I ask that my colleagues join me in saluting Joseph Steenland for his fine record of accomplishment and service to our community.

A TRIBUTE TO IMAM W. DEEN MOHAMMED

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. STOKES. Mr. Speaker, I am pleased to rise today to recognize Imam W. Deen Mohammed. Because of his outstanding leadership, Mr. Mohammed will be honored by the Masjid Bilal of Cleveland on the occasion of its thirteenth annual testimonial dinner. The dinner will be held on August 8, 1992, at Swingo's Restaurant in Cleveland, OH.

Imam W. Deen Mohammed is certainly deserving of this special recognition. The son of Nation of Islam leader, Elijah Mohammed, he is a man of impeccable talent and ability. Imam W. Deen Mohammed has been instrumental in working with leaders in communities throughout America to address the social problems facing our Nation. He effectively utilizes his keen insight into the Bible, Torah, and Quran to apply scriptural interpretation to social issues.

Mr. Speaker, Imam Deen Mohammed was selected to serve as a member of the National Black Leadership Forum where he has extended his influence to the realm of Government, working with the administration on issues affecting minorities and exchanging ideas toward solving problems affecting all Americans. He has also traveled extensively, effectively promoting a greater understanding of race and culture.

Imam W. Deen Mohammed has received numerous awards for his efforts. He is the recipient of the Four Freedoms Award, an award previously bestowed upon such illustrious leaders as President John F. Kennedy, Mrs. Eleanor Roosevelt, and Dr. Ralph Bunche. In addition, he has received the Walter Reuther Humanitarian Award, as well as awards from mayors and Government officials recognizing his leadership and commitment.

Mr. Speaker, I urge my colleagues to join me in recognizing the numerous accomplishments of Imam W. Deen Mohammed as he is honored by the Masjid Bilal. I am confident that he will continue to make outstanding contributions on behalf of the Nation of Islam and that he will continue to serve as an instrumental force in articulating the concerns of mankind throughout the world.

A CONGRESSIONAL SALUTE TO COUNCIL MEMBER ROBERT G. CORMACK

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. ANDERSON. Mr. Speaker, on Friday, July 24, 1992, the city of Downey will honor retiring Council Member Robert G. Cormack. Mr. Cormack will leave the council after 12 years of dedicated and distinguished service. It is with great pride and pleasure that I rise today to pay tribute to this exceptional gentleman.

Robert G. Cormack, a recent widower, and his family have been residents of Downey for many years. It was in Downey that Bob, always an enthusiastic participant in community activities, began his career in public service. He served with the board of education for the Downey Unified School District for 9 years. This position led to his appointment to the U.S. Department of Agriculture's Council on Child Nutrition. Following this post, Bob ran and was elected to Downey's City Council. During his impressive tenure with the city council, Bob served as mayor twice, from 1983–84 and from 1988–89.

In addition to this exemplary service, Bob has worked on the Southern California Association of Government's Energy and Environment Committee, the League of California Cities' Environmental Quality Committee, and was director for the Commerce Refuse-to-Energy Joint Powers Authority. Mr. Cormack also serves on several multicity consortiums; the Southeast Water Coalition, the I-5 Freeway Consortium, and the Los Angeles County Drainage Area Alliance. As a representative to the Second Century Foundation, an organization that recognizes and celebrates important events in Downey's past and present, Bob ensures that the city of Downey preserves its rightful place in California's rich and unique history.

These duties and his responsibilities as president of Delta Systems, Inc., keep Bob extremely busy. In what little free time he has, Bob enjoys working on his 100-acre ranch in Roseville, CA and serving as a member of the Rotary Club of Downey.

Mr. Speaker, the Downey City Council will miss this vital personality and leader. Bob has devoted his time and considerable talents to the betterment of life in Downey. My wife, Lee, joins me in extending this congressional salute to Mr. Robert G. Cormack. We wish, Bob, and his three sons, Robert, Jr., Stephen, and Harold, all the best in the years to come.

QUALITY—A WORD TO LIVE BY

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. HUGHES. Mr. Speaker, I would like to share with my colleagues the words of my constituent Mr. Frank Longo, on the subject of quality. Mr. Longo has simply and eloquently captured its essence, and cautions against neglecting its importance. For it is quality upon which our great Nation is built, and it is only by maintaining that quality that we will go forth.

Frank Longo has been the recipient of the 1985 Grant National Silver Cup Award for craftsmanship in the shoe service industry and the 1991 National Retail Merchant of the Year:

QUALITY—A WORD TO LIVE BY

(By Frank Longo)

Quality is what built this country. Quality is a never ending word to live by; it's a thirst and hunger and the incentive for doing the very best for others. In doing and achieving quality in our work and our daily lives, the inner spirit of being what America was truly built on prevails and rekindles itself.

As Americans, we don't need lessons from anyone on anything at any time in applying our talents, abilities and efforts in the basics of giving and performing our very best.

American traditional values have slipped somewhat over the years. What once was commonplace, is an exception rather than the rule. We somehow want the other guy to do it especially when we believe that we ourselves are shortchanged in quality, whether in manufactured products or services rendered.

We didn't just all of a sudden arrive at the present state of our economy or the welfare of our people. We allowed it to happen. You just can't sidestep, shortchange and pull the wool over people's eyes forever. People want quality; no matter whether it's in a foreign or American made product. Quality work, products and services rendered, are this nation's key to prosperity and meaningful employment.

Warranties today, for the most part, are not worth the paper they are printed on or the worthless amounts of small print used in many litigations. A man's word was once his bond. Today, you'll find this to be secondary in American values.

The desire for quality has to come from the heart. The heart of the matter lies in all of us to do our best for one another. Treating people with kindness, self respect, and dignity, combined with being honest and trustworthy, are really what living is all about.

Whether it be quality of life or services rendered, walking the "extra mile" is truly American Quality at its best.

The phrase "Pride in Profession" should stand out in everyone's mind who cares about what he or she is doing for a living. Without pride, we have discontent and shoddy workmanship. Lack of pride in American Quality is the breeding pot for discontent. Let us Americans take the P out of the word POOR and put the P back into Professional where it benefits us all.

Born of immigrant, hard working Italian parents, I am proud of my heritage as most others would be of theirs. Most of all, I am proud to be called an American. So, here's to you America, God Bless you and your people and the land that we love. God Bless America!!

JOEL COOK: A GENUINE AMERICAN PATRIOT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. GILMAN. Mr. Speaker, I regret to inform our colleagues that the stellar, dedicated services provided by a truly outstanding American patriot are coming to an end. Due to consideration of health, Joel Cook has found it necessary to resign as national chairman of the Human Rights Committee for POW's and MIA's. Subsequent to his resignation, the executive board of this organization voted to disband out of respect for this truly unique leader.

Mr. Speaker, some of our colleagues can well remember the mood of the Nation back in 1977, when Joel Cook founded this organization. Most Americans did not know or care what the initials "POW" and "MIA" stood for. Several White House administrations were perceived to be willing to sweep the POW/MIA issue under the rug and proceed on as if it didn't exist. The pleas of the families of missing American heroes fell upon deaf ears.

It was in this atmosphere that Joel Cook began his organization, intended to raise American consciousness on this issue, and to offer a ray of hope of those who did care about the fates of our MIA's and POW's.

Mr. Speaker, I insert at this point in the RECORD Joel Cook's recent farewell letter to his organization, which articulates some of what the organization was faced with the those days, and some of the accomplishments they achieved:

NATIONAL HUMAN RIGHTS,
COMMITTEE FOR POW/MIA'S,
Walden, NY, June 1992.

DEAR FRIENDS: On July 7, 1977, our committee was formed to bring public awareness to the POW/MIA issue. We had over 2550 Americans still unaccounted for from the war in Vietnam. Not too many people knew what the letters POW/MIA meant. Not too many people even cared.

We thought we would start a local group to work on this issue, but that first night we went national. Today the public awareness is out there, thanks to our committee and organizations like ours.

Over the years we have met and worked with many fine and dedicated people. These people care about their loved ones and there are the people that cared about their followed Americans.

With the good there is also the bad. We have met and seen people that have made money on this issue by exploiting the families and the public by lying to them to accomplish this.

During the past few weeks I have reviewed some old fund raising letters from these people, and reviewed some video tapes about them. Sick! Sick! Sick! How many times has Red McDainel said he knew somebody was coming out soon . . . he just needed more money to get them out? Who can forget Jack Bailey, who was almost able to . . . see the whites of their eyes? He is also just needed more money. We remember Bo Gritz who keeps planning secret rescue missions and getting as much money from families and friends of our MIAs as possible. Then we have these so-called "missions" fail. I will never forget how Gritz suckered George Brooks, MIA father, out of $30,000. The list goes on and on.

Speaking of scams, how about every time the Vietnamese want something? They wave a few sets of remains in front of us. Back in 1978–79, when they wanted to be admitted to the United Nations, we were told to let it happen, don't protest it, and the issue will be resolved. It is now 1992, and we are still looking for our answers.

Now the Vietnamese want to normalize relations with our country and big business in the U.S. is pushing for it. Just like during the war . . . big business had their hand in it and they said to hell with the people. Well, it's time to say to hell with big business. There are to many answers needed before we can have normalization.

Russia now needs aid from the United States. When Russian President Boris Yeltsin spoke before the U.S. Congress, he told them to U.S. servicemen that were taken to Russia and may still alive today in Russian prisons.

Before our government gives anything to Russia, they should have Mr. Yeltsin prove where he got his information. If anyone is alive, he should get them released now!

Again the families and concerned people are getting their hopes up. I hope what he said is true, but let's get the answers before we give them anything.

Many of the radical groups pushed and pushed to get a Senate Select Committee formed. They finally succeeded and many are now angry with the decisions and statements put out by Senator John Kerry and his members.

These same radical groups are now pushing to get H. Ross Perot elected president. This is the same Ross Perot that knows of Americans being held. This is the same Perot who won't testify before the Senate Committee to provide his proof until AFTER the election in November. What a weasel. If anyone is alive, do we tell them that Perot wants to wait four more months before he has anything to say?

Speaking about the upcoming election, I haven't heard anything from Bill Clinton on this issue. George Bush is still the best man we have in Washington for this issue. He has kept the issue alive and because of him many of the families have gotten answers. Unfortunately, no one has come out alive, but it's not because of George Bush.

I am sorry to say that this will be my last newsletter. On June 13, 1992, we held an executive board meeting. Due to illness, I have to resign. The executive board voted to accept my resignation. Since I have been chairman since the committee was formed, it was voted on and unanimously passed to close the committee with a "good name".

I am proud to say that no one in the committee has ever been paid for nor accepted money for their own personal use. I have never made any promises to anyone, told any lies, or given any misinformation. We have always done our best to help all the families and people concerned with this issue. Like all of you, one of my biggest disappointments was to never see anyone come home alive.

We are requesting and urging all who are truly concerned to stay in touch with the National League of Families and to work with them.

I don't want anyone to think I am quitting. Hopefully, I can work on this issue (on a smaller scale) again soon.

As previously stated, I am requesting that you continue to work on this issue through the League. Their address is on the second page, under the postcard. Ask for proof of information when you are approached by any groups for your assistance on the issue. Write to the government and tell them it is too soon to normalize relations with the Vietnamese. I am also asking you (on my own) to reelect George Bush. Let him finish what he is trying to do for our POW/MIAs. Most importantly * * * keep the faith!

For our POW/MIAs,

JOEL H. COOK,
National Chairman.

Mr. Speaker, the illness which has caused Joel Cook to abandon his 15 years of effort—an illness which may well have been caused or exacerbated by exposure to agent orange during his own service in Vietnam—may have stilled the voice of this outstanding individual, but it does not silence the interest of the American people in this issue. The concern of Americans in great part was due to the educational efforts of Joel Cook and his organization, and the fruits of their work will continue long after all of us are gone.

Mr. Speaker, on Veterans Day, Wednesday, November 11, 1992, the town of Newburgh (NY) Republican Committee plans to honor Joel Cook as an outstanding American—an individual who made a difference and who proved that one good intentioned person can indeed create an impact.

In conclusion, I request that a tribute published recently in the Wallkill Valley Times, one of many journalistic tributes to appear recently in honor of Mr. Joel Cook and his National Human Rights Committee for POW/MIA's be inserted at this point in the RECORD.

[From the Wallkill Valley Times, June 17, 1992]

COOK FORCED TO QUIT POW-MIA QUEST

(By Kathleen Aris)

Joel Cook sat at his kitchen table Monday morning to reflect over the past 15 years of his life. Between working a full-time job and raising two children with his wife, Linda, Cook took a stand and dedicated himself to fighting for the 2,266 American soldiers listed as missing in action or as prisoners of war in Vietnam. His dream of bringing one of those soldiers home ended last weekend, as he retired as head of the National Human Rights Committee for POW-MIAs and asked that the organization be disbanded.

The Executive Board of the National Human Rights Committee for POW-MIA's voted unanimously to disband Saturday, at Cook's request. Unable to keep up with the demanding schedule of spreading public awareness and speaking engagements because of his health, Cook asked the committee to end its efforts and liquidate the remainder of the committee's fundraising merchandise within the next two months. By September 1, the committee of 3,200 will be completely disbanded.

The National Human Rights Committee for POW-MIA's was formed on July 7, 1977, with Cook's intentions focusing on a local organization in Walden that would make the public aware of those missing in action or held as prisoners of war. More than just a veterans group, the committee was more of a public awareness organization reminding the public "If you don't care, who will?"

Information learned through Cook's persistence and diligence has been turned over to the federal government and the National League of Families, an organization similar to the Human Rights Committee, and has led to a national network of citizens spreading the words "Lest We Forget" through bumper stickers and flags.

Cook's interest in Americans still in Vietnam was sparked by the lack of support shown by citizens as he attended a rally in Washington DC. Less than 50 people attended the rally to show their concern for American military in Vietnam, and his outrage led to a 15-year fight for those Americans' rights and lives.

"We're not going to let it die," said Cook to the person he attended the rally with, a mother of a missing soldier. "I'm going to do something, even if it's small."

After a small amount of publicity, the first meeting was held, with more than 50 people attending. They came from all over the area, all over New York state, and some from as far as Pennsylvania with one purpose in mind. Cook was on his way in forming a local group to spread the word about POW-MIAs. People attending the meeting weren't happy that it was just going to be local effort. They wanted something more, a national work force.

"At first I thought I would bite off more than I could chew, but I figured we might as well go all the way," said Cook. "We wanted to do it in a professional way, and we did it."

After the first materials citing the group's purpose were circulated all over the country, responses came pouring in. People couldn't believe Americans were still over there, Cook said. Politicians, journalists began calling and writing to Cook and the committee seeking information and wishing to assist in the fight.

"We were anti-government when we first started, right up to when Reagan was elected because the government was covering up the issue," said Cook. "We pushed for Carter to be elected since we were discouraged with the Republicans. When he came into office, Carter just about killed the whole issue, saying there was no proof there were any Americans there. Reagan worked with POW's who came home in 1973, and our hopes were up. He met with families and said how embarrassed he was about past administrations and how the issue was handled. He promised it would be one of his top priorities, and while he didn't get anyone home, he did find out where people were. Bush has followed in Reagan's footsteps."

In his tenure as President of the committee, Cook saw that public awareness was spread regarding the issue, and said people know what POW-MIA means. The POW-MIA flag flies throughout the country and in Canada, and is even displayed in the Capitol rotunda in Washington, DC. Rallies of support have been held, and Cook believes work to bring more information out of Vietnam regarding POW-MIAs is surfacing at a faster pace now. The federal government currently has a temporary office in Vietnam, something that wasn't always there that is keeping relations and work with that country's officials moving forward. The work of the committee and organizations like it have aided in the fight to bring Americans home.

"Citizens now know we still have people unaccounted for," said Cook. "Because of our work and other organizations' efforts, everyone who went to Desert Storm has been accounted for. The government is not covering this up. What people don't understand is the reports that come in are five to six years old, and there are more coming in, some as young as a month old, but no one sees them. This is the stuff we're up against."

Cook served in Vietnam from January 1970 to March 1971. Serving "in country," Cook was exposed to Agent Orange, a chemical used by the United States military as a defoliant during the war. Earlier this year, the man who has worked for the return of the many in Vietnam, brought a part of that place home with him, which has now taken the form of Soft Tissue Sarcomas. Cook has a long and large battle ahead of him, filled with radiation treatments and surgery. Taking a break from stressing the importance of POW-MIAs, Cook now stresses to veterans that they should be administered an Agent Orange test.

"I thought I was invincible," said Cook. "If it can hit me, it can hit others. It's a little late for me, but not for them."

While he said he's not sorry about any of his actions over the 15 years, Cook does believe more time should have been given to his wife and their two children, Steven, 20, and Rachel, 17.

Cook does have one regret though. Tearfully, he wished he could have seen one come out.

"If it's only one, we owe it to him or her to get them back alive," he said, "and if not, we owe it to their families to get their remains so that they know."

THE TERCENTENARY OF THE FOUNDING OF THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. BATEMAN. Mr. Speaker, I rise today to introduce House Resolution 524 to commend and congratulate the College of William and Mary in Virginia as it prepares to observe the 300th anniversary of its founding on February 8, 1993. It is only appropriate to recognize this exceptional institution of higher learning which has such a distinctive place in our country's educational and national heritage.

Chartered in 1693, the College of William and Mary in Colonial Williamsburg is the second oldest institution of higher learning in the United States. Known as the "Alma Mater of a Nation," William and Mary nurtured the minds of those who led the American Revolution and later created its system of government.

William and Mary's Thomas Jefferson authored and, along with the other alumni, signed the Declaration of Independence in 1776. George Wythe, an eminent legal scholar and law professor at the college, participated in the Constitutional Convention in 1787, which produced our current form of government—the world's first and oldest existing republic. Three of the college's graduates, Thomas Jefferson, James Monroe, and John Tyler, went on to head this republic as President of the United States.

Fellow William and Mary alumnus John Marshall guided the early development of the Supreme Court and the judicial branch of Government during his tenure as Chief Justice. Another of our Nation's Founding Fathers, George Washington, was serving as the college's first American chancellor when he was elected our country's first President. Today, the college's chancellor is retired Chief Justice of the Supreme Court Warren E. Burger.

William and Mary also is known for establishing one of the first honor systems in the country and for founding Phi Beta Kappa, America's first and foremost scholastic fraternity. Three years later, Thomas Jefferson united the college's faculties of medicine, law and the arts, making William and Mary America's first true university. These traditions established at William and Mary have helped set educational standards for quality and excellence at colleges and universities across America.

The history of the College of William and Mary constitutes a significant part of the history of the United States. Indeed, the college has played a leading role not only in cultivating the minds of some of America's most respected leaders, but in fostering the ideals and system by which this country has sought to educate its citizenry.

The 300th anniversary of the chartering of William and Mary is an occasion in which all Americans can take pride and great satisfaction. This occasion affords us with a rare opportunity both to reflect upon our Nation's heritage and to commend one of this country's most distinguished public institutions of higher learning.

LIFE INSURANCE TO BE REDEFINED UNDER THE PHOENIX

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mrs. JOHNSON of Connecticut. Mr. Speaker, Phoenix Mutual Life Insurance Co., founded in Hartford in 1851, and Home Life Insurance Co., founded in New York City in 1860, have long and proud histories of accomplishments in the life insurance industry, and have earned envied reputations as industry pioneers.

Now, these two strong mutual life insurance companies have merged to form Phoenix Home Life Mutual Insurance Co., the 12th largest mutual life insurance company in the country.

The reasons for this merger, the largest in the history of the mutual life insurance industry, are enlightening. Here were two companies that were fully able to compete on their own. However, to provide even better value to the true owners of the companies—their policyholders—management of both companies set out to become even stronger and more competitive by joining forces.

Together the merged company will be a formidable competitor in the industry, with assets under management in excess of $16 billion. Phoenix Home Life is more efficient and better able to deliver its products and services at less cost than either of the two companies could separately.

I commend the leaders of Phoenix Home Life and am proud to represent so many of their employees in the House of Representatives.

AMERICAN IS BEAUTIFUL

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. JACOBS. Mr. Speaker, the following is a description of America the Beautiful written by Chuck Klein of Patriot, IN. It is excellent and deserves to be seen by a very wide readership.

AMERICAN IS BEAUTIFUL

(By Chuck Klein)

"Oh Beautiful for Spacious Skies": This canopy, so immense, it expands as high as the heavens and as broad as needed, not unlike a blanket of freedom, to cover Americans wherever they might be. The courageous blue makes up the bed for the stars of our flag and the blood red sunsets remind us, daily, of lives surrendered to protect the men, women and children of this vast beauty.

"For Amber Waves of Grain": Gold nuggets of life sustaining sustenance on whose shoulders all of those who seek the protection of the spacious skies depend.

"For Purple Mountain Majesties": Forging straight up from the great plains of gilded grain, like a church spire paying homage to the heavens, these rugged resplendent pinnacles symbolize the strength and tenacity of the spacious sky people.

"Above the Fruited Plain": Scattered among the violet mountains and meadows of wheat are the bounteous production yards of the fruits of American ingenuity and manufacturing. In the history of the world these plains and majestic plateaus have yielded the highest standards of excellence and an excellent people.

"America, America": Saying it once isn't enough. To be an American is to be strong and fair, and honest and wise, and humanistic and realistic, and all the other virtuous attributes of those under the protection of the spacious skies.

"God Shed His Grace on Thee": The Lord truly has blessed us with his benevolence, a covenant with all Americans, to do right by thee and thou and you and me.

"And Crown Thy Good With Brotherhood": As we keep the compact with God so shall he continue to bestow the munificence that comes from loving and understanding, and helping our brothers and sisters.

"From Sea to Shining Sea": Not just from Maine to Hawaii or Alaska to Florida, but to wherever those whose roots stem from the fruited plains, the fields of grain or the majestic mountains. For it is the duty of all Americans, an obligation that evolves from a pact with God, to stay the course and expand the spacious skies of brotherhood and freedom.

INDIVIDUAL INVESTMENT ACCOUNT ACT OF 1992

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. SCHULZE. Mr. Speaker, we are today introducing a bill to dramatically stimulate taxpayer saving and investment. This bill will not only improve the taxpayers' return on saving and investment, it will increase government tax revenues and dramatically increase our Nation's wealth.

This act establishes individual IRA-type accounts—unlimited IRA's—that enjoy the following attributes:

Unlimited tax deduction for IRA saving.

Tax deductible premiums for life insurance are an acceptable investment, providing the proceeds are payable into the IRA account.

Tax-free investment growth until a withdrawal.

No penalty tax on any withdrawal.

No forced distribution at any age.

No income tax at death. Beneficiary can maintain the IRA account with benefactor's basis.

No estate tax at death.

IRA/Principal Residence Rollovers:

Up to $15,000—indexed for inflation—of taxable distributions can be rolled-over from the IRA without tax for first purchase of principal residence. Tax basis of residence is reduced by like amount.

Tax-free rollover into the IRA of proceeds from sale of principal residence. Tax basis of the IRA reflects the basis of former residence, including the existing law's $125,000 tax-free gain after age 55.

WHO RECEIVES THE VALUE FROM TAX DEDUCTIBLE IRA'S

It is important to recognize that tax deductible IRA contributions can always be divided into two parts:

Part 1: The tax avoided due to the IRA contribution. For example, a $100 tax deductible contribution by a taxpayer in the 15 percent tax bracket avoids a $15 tax.

Part 2: The balance of the contribution. This balance equals the taxpayer's net-after-tax income if the taxpayer had not made the tax deductible contribution. In the part 1 example above, the balance is $85.

The full amount of the tax deductible contribution—that is, the $100 above—is invested within the IRA until a taxable IRA withdrawal is made.

Upon a withdrawal, the Government not only recovers the tax avoided when the contribution was made—part 1—the Government also receives the entire tax free, private enterprise investment growth thereon. Obviously, all such taxes avoided are really deferred, and during the deferral period, they are fully invested at free enterprise rates of return.

Similarly, upon an IRA withdrawal, the then existing value of the taxpayer's after-tax contribution—part 2 above—is received by the taxpayer without further tax. This is so because IRA after tax saving—$85 in the example above—is only taxed once, and properly so.

Note that the taxpayer never receives the tax avoided and deferred by the tax deduction, nor does the taxpayer receive any of the tax free investment growth thereon. All of this inures to the Government.

AN ILLUSTRATION OF IRA VALUES

Tax bracket	Original investment		Withdrawal values (after assets have doubled over some period of time)	
	15 percent	31 percent	15 percent	31 percent
Deducted IRA contribution	$100.00	$100.00	$200.00	$200.00
Tax avoided by deduction (part 1 above)	15.00	31.00	[1] 30.00	[1] 62.00
Contribution balance [2] (part 2 above)	85.00	69.00	170.00	138.00

[1] IRA Value ($200.00) times tax bracket. Thus, the government recaptures the "tax avoided" ($15 and $31) and the entire investment growth thereon.

[2] The "balance" of the total IRA contribution equals the taxpayer's net-after-tax income if the taxpayer had not made the tax deductible IRA contribution. As illustrated, this also doubles in value without further tax to the taxpayer.

Note that the Government enjoys the entire tax-free investment growth on IRA taxes avoided and deferred. This investment growth that is paid to the Government reflects private enterprise rates of return. These governmental values, that grow at free-market rates, more than offset the Government's directly related debt increase arising from the tax avoided and deferred. The Government's borrowing costs—that is, T-bill rates—are less than the free-market rates accruing for the Government—and the taxpayers—within the IRA. Thus, the Government, our taxpayers and our Nation enjoy very valuable financial gains from IRA's, and these gains increase with the IRA's duration.

Every Government official and economist will agree that private enterprise free-market rates of return over time will exceed the Government's cost of money.

TAX BRACKETS COMPARISON

The higher the tax bracket, the bigger the tax deduction. Thus, the higher the tax bracket, the bigger the Government's financial gains, because the Government recaptures all IRA taxes avoided and deferred, as well as all of the investment growth thereon. Thus, unlimited, tax deductible IRA's are not a tax loophole for the rich; the higher the tax bracket, the more the Government gets, and makes, via free-market investment returns.

It can also be pointed out that every taxpayer will enjoy the same after-tax investment growth per $100 of after-tax saving under IRA's regardless of their tax bracket. For example, in the illustration above, both taxpayers—15 and 31 percent tax brackets—had their aftertax saving double in value. Thus, if both taxpayers in the illustration above had after tax saving of $100—instead of the $15 and $31 illustrated, each one would have a value upon the withdrawal of $200.

There is no valid reason for a limit on IRA deductions such as $2,000. All taxable income, from whatever source, can and should be tax deferred if the taxpayer desires to save it rather than spend it. Uncle Sam makes a bundle from the tax deduction. And, all taxpayers are well served, because their aftertax saving is only taxed once.

Unlimited, tax deductible IRA's will be most productive for the Government, as well as for the taxpayer and our Nation.

OUR NATION'S WEALTH

Our Nation's capital base and its liquidity is greatly enhanced by unlimited, tax deductible IRA's. These factors will induce a reduction in interest rates, and increases in values, productivity and jobs. Our Nation's private credit base is similarly increased. An expanded capital and credit base will induce economic growth that will, in turn, create even more capital and economic growth. Rather than an economic malaise that spirals downward—such as induced by the income tax on saving—our Nation's economic growth will spiral upward. America will lead the world in capital formation for internal and external use—both public and private. Over time, Government debt will decrease in absolute and relative terms.

It is important to recognize that unlimited, tax deductible IRA assets represent money—deferred spending—that's made available in an auction market for use by others. These others naturally expect to earn more money than their costs to pay for it. This ongoing, constant auction market represents free markets at their best. In due course, this deferred spending will create more money for increased spending later—at each voter/taxpayer's option.

All of this great expansion of IRA assets can be traded without the timing inhibitions of a capital gains tax. Transaction taxes, such as a tax on realized gains, create undesirable, and costly marketplace inefficiencies. With unlimited, tax deductible IRA's, there is no need for such transaction taxes, because all values will ultimately be taxed upon withdrawals at ordinary income tax rates.

SCHULZE-JENKINS REMOVES ALL PENALTY TAXES AND ALL FORCED DISTRIBUTIONS

Penalty taxes most severely deter saving at younger ages and lower tax brackets. For example, a 10-percent penalty tax is a 67-percent tax increase on a 15-percent tax bracket. Ordinary income taxes upon withdrawals are a sufficient, proper deterrent to an IRA withdrawal.

Forced distributions at age 70½ needlessly deter the ongoing accumulation of values for the taxpayer and the Government.

From the Government's perspective, the Government should: First, make it as easy as possible for every taxpayer to save as much as possible; second, let assets accumulate in the unlimited IRA for as long as the taxpayer desires; and third, let taxpayers have the freedom to save, or dissave via taxable withdrawals, via unlimited, tax deductible IRA's. Money is fungible. For example, mortgage money offered by an inner-city bank for inner-city homeowners can come from an IRA in Beverly Hills. Who knows? And, who cares? Thus, starting to save as early as possible in life is most important; and keeping those savings invested for as long as possible is equally important. This helps everyone: the IRA saver and the unknown user thereof.

NO INCOME TAX, NOR ESTATE TAX, AT DEATH

From the Government's perspective, letting this money continue to accumulate after death—with no change in basis—makes sense, because, from the Government's perspective, taxpayers are fungible, too. People live and die, but Governments continue. Letting the taxpayer keep his money invested in free-markets without tax until consumed—via IRA withdrawals—means ever growing tax dollars—and related tax receivable assets—for the Government.

There is no stepped-up basis at death under Schulze-Jenkins. All of its IRA investment values will ultimately be taxed at ordinary income tax rates upon a withdrawal at any time.

Estate taxes produce relatively little in dollar amounts for the Government. They are merely the tax manifestation of a life cycle notion that supposedly rich people cannot leave this world without a tax. Contrary to this view, every person should be able to pass on his or her unlimited IRA assets without such a tax, so that the investment portfolio can continue to grow without tax. These assets will always be taxed eventually at ordinary income tax rates as IRA withdrawals are made.

With unlimited, tax deductible IRA's, Americans from all walks of life will have the unfettered opportunity to become much richer by saving; and they can pass these IRA assets on to family, et cetera. Such saving will help them improve their standard of living, while helping others to do likewise. Uncle Sam will get his full tax as these values are withdrawn and spent. Until then, they must be permitted to grow without tax. The Government, taxpayers, and our Nation gain tremendously when compared to the existing ordinary income tax system of taxation.

LIFE INSURANCE AS AN IRA INVESTMENT

This is a legitimate investment for unlimited, tax deductible IRA's, provided the proceeds are paid into the IRA—or policy cash value—for eventual taxable distribution(s). In effect, the life insurance provides important completion insurance that completes the deceased's financial plan, thereby providing enhanced financial assets for his or her family upon death. These assets will ultimately be taxed at ordinary income tax rates as they are withdrawn from the unlimited IRA.

IRA/PRINCIPAL RESIDENCE ROLLOVER

The unlimited, tax deductible IRA residence rollover provision that permits up to $15,000—indexed for inflation—to be withdrawn without tax by a firsttime home buyer, greatly increases everyone's ability to save for home ownership. The home's cost basis is reduced by the rollover amount.

Without question, home ownership helps create and maintain family stability.

Consider how this provision, and the other important elements of unlimited, tax deductible IRA's could have helped the south-central Los Angeles people start up the economic ladder to home ownership and to self-sufficiency. Additionally, withdrawals without penalty taxes enhances the use of personal saving to start small businesses, et cetera. This is most important in the inner cities, as well as elsewhere.

Further, the rollover provision helps older, empty nesters exchange, without tax, their biggest, but unproductive, investment—their home—into productive financial assets. This can improve their living standards in retirement and facilitate the passing on to family—or others—the financial assets that they have accumulated. The unlimited IRA's tax basis is adjusted to reflect the prior residence's basis, including the $125,000 tax-free distribution after age 55.

These principal residence rollover provisions provide a sound, effective shot in the arm to all sectors of the housing industry: home builders and suppliers; agents and agencies; banks, thrifts, and insurers, et cetera. They cost the Government nothing due to the various basis adjustments. Probably, the Government will gain tax revenue.

ENTREPRENEURSHIP AND SMALL BUSINESS

Small businesses and entrepreneurship are the keystones of American economic growth. Unlimited, tax deductible IRA's greatly assist individuals to accumulate the money to start small businesses be they mom and pop or garage type high tech start ups that grow to immense size.

Appropriately too, as start up enterprises grow through public offerings and traded securities, the entrepreneurs can, via unlimited, tax deductible IRAs, diversify their investments so that they don't have all of their eggs in one basket. All of this adds immense value to the market place and spurs economic risk taking and the creation of more and better jobs.

OLD AND NEW SAVING

It is important to recognize the IRA results that flow from existing saving that is shifted to an IRA. New saving, that is, saving from taxable income that would otherwise have been spent, would create an even more favorable picture for the Government and our Nation, because when taxable income is spent, the Government will never have any investment growth thereon to tax thereafter.

Unquestionably, unlimited, tax deductible IRA's that have no penalty taxes nor forced distributions, and that has the principal residence rollover provisions, will create an upsurge in new taxpayer saving. This is exactly what our nation needs for longer term, sound economic growth with more and better jobs. Let us not forget, too, that this economic growth will lead to more spending in the future based on our taxpayers' ever-improving personal wealth.

REVENUE ESTIMATES

Unquestionably, staff estimates of revenues lost under Schulze/Jenkins will be high. Unquestionably too, these estimates will reflect the unreality of tax expenditures, as applied to IRA-type saving, in that such estimates assume that the tax deduction amounts, and the free-market returns thereon, are revenues lost, when in reality, they are tax revenues deferred and as such, are a tax receivable asset of the Government. Further, these staff estimates are static in nature, that gives little, if any, proper weight to the dynamic attributes of removing the existing ordinary income tax treatment impediments to saving.

This staff error in tax revenue analysis cannot be permitted to continue to thwart sound tax legislation on such an important element of our Nation's saving and economic growth.

Grossly erroneous tax revenue estimates in regards to tax deferred saving have frustrated our Nation's economic growth for far too long, and with most serious economic consequences. Such errors must not be permitted to continue.

Common sense, sound economics and demonstrable fact proves the soundness of Schulze/Jenkins.

Unlimited, tax deductible IRA legislation is bold, sound, simple and long overdue. Not only is it economically sound, it is politically sound from the perspectives of all voter/taxpayers.

Above all else, America needs unlimited, tax deductible IRA's to help its citizens regain an ever growing standard of living, including enhanced resources to pay for improved medical care, housing, schooling, retirement and out Nation's infrastructure.

A most important corollary gain is the greatly enhanced private and governmental fiscal soundness that will lead the United States and the world to a far brighter economic future.

The rewards from unlimited, tax deductible IRAs are limitless for our Government, for our voter/taxpayers and for our Nation. A failure to act promptly to enact this enabling legislation would reflect an unconscionable governmental failure, as well as a voter/taxpayer failure to insist upon this sensible, compelling legislation.

Set forth below are the real life financial gains to the Government, the taxpayer and our Nation from IRA's versus the ordinary income tax treatment of saving:

GOVERNMENT, TAXPAYER AND NATION'S GAINS OR (LOSSES) FROM IRA TAX TREATMENT VS ORDINARY INCOME TAX TREATMENT WHEN $100 OF EXISTING, AFTER-TAX SAVINGS ARE SHIFTED TO A TAX DEDUCTIBLE IRA

[Investment made in an actual, typical mutual fund on Jan. 1, 19 and maintained for years duration until withdrawn on Dec. 31, 1991]

Gain or (loss) from IRA's	Tax bracket (percent)	1991 1 yr.	1989 3 yrs.	1987 5 yrs.	1982 10 yrs.	1962 30 yrs.	1926 66 yrs.
(A) Government's gain or (loss)	15	$15.78	$18.15	$19.38	$32.10	$75.24	$1,098.21
	31	22.42	25.70	27.50	51.76	195.45	27,270.23
(B) Taxpayer's gain or (loss)	15	(10.86)	(8.69)	(5.46)	16.53	333.59	58,933.57
	31	(9.89	(1.92)	6.76	64.31	700.49	89,223.44
(C) Nation's gain or (loss) (A+B)	15	4.92	9.46	13.91	48.64	408.84	60,031.78
	31	12.53	23.78	34.26	116.07	895.95	116,493.68

Note.—The above assumes that IRAs were available during all of the durations illustrated. Note that the government gains far more from IRAs than taxpayers for at least 10 years! (A vs B)! And, the government claims that IRAs lose revenue! The taxpayers' losses above arise from the existing 10 percent penalty tax on withdrawals; a 67 percent tax increase at the 15 percent tax bracket. No penalty taxes are assumed at the 66 years duration. Penalty taxes keep people from using IRAs; they must be eliminated. This will greatly increase new IRA saving, thereby creating even more tax revenue that more than offsets lost penalty taxes. With or without penalty taxes, the Nation always gains the same amount with IRAs (A plus B). To measure the government's gain or loss, the taxes that would have been collected under the ordinary income tax are carried forward as government debt to Dec. 31, 1991 at the government's actual cost of money (T-Bill rates) for each year of the duration periods.

Source: Savers & Investors League.

These gains or losses are from a single $100 saving that's invested in an actual, typical mutual fund at the start of the period shown.

Multiply the above figures by $10 million—($100 times $10 million equals $1 billion—to portray the enormous gains that would have been available to the government, the taxpayers and our Nation from each $1 billion of existing savings shifted to tax deductible IRA's if IRAs had been available during the durations illustrated. For example, the Government's gains from IRA's versus the ordinary income tax per each $1 billion of saving in 1962 would have been between $75 billion and $195 billion. The Nation's gains would have been between $400 and $900 billion. It is clear that the Nation's gains from each $1 billion of saving every year from 1962 and carried forward to December 31, 1991 would have been in the trillions of dollars.

Remember: The past 66 years illustrated above are the prologue to the next 66 and beyond. The financial and economic growth portrayed above has been literally wasted in the past due to the ordinary income tax bias against saving and the failure to provide unlimited, tax deductible IRA's. Schulze/Jenkins must be enacted immediately.

COMMANDANT GENERAL TOM MAGUIRE, T.D.

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 22, 1992

Mr. GILMAN. Mr. Speaker, I rise to take this opportunity to recognize an extraordinary man on the occasion of his 100th birthday. On March 28, 1992, Commandant Gen. Maguire, the sole surviving member of the 2d Dail Eireann—the first Irish Parliament, elected after the 1919 Irish declaration of independence—began his second century. This is an event of great significance among the Irish Diaspora as well as the people of Ireland.

In Ireland the President recognizes such events with a personal message and a check. When the individual who reaches the century mark is also a national hero, a former combat leader, and a former national legislator, the occasion should attract the attention of every legislative body.

Tom Maguire is respected by Irish people throughout the world, and in particular by those with connections to County Mayo, as a man who sought peace with justice and honor for all of Ireland. Commandant Gen. Maguire, T.D., a soldier and patriot, symbolizes those whose sacrifices and steadfast devotion led to the creation of the modern Irish State.

In recognition of the 100th birthday of Commandant Gen. Tom Maguire, sole surviving member of the 2d Dail Eireann, I invite my colleagues to pause in its deliberations to congratulate Commandant General Maguire, T.D., for a life of steadfast devotion to the cause of liberty and justice for all, and for peace with justice and honor for all Ireland. May he be remembered with the company of those brave men and women who served in the defense of the Irish republic proclaimed during Easter Week, 1916.

The printed program book of the 1991 New York Saint Patrick's Day parade, the largest parade in the world, contained a retrospective article on Commandant Gen. Tom Maguire, T.D., written by an Irish immigrant from County Mayo, whose grandfather, Richard Cawley, native of Shrule, County Mayo, had served under Tom Maguire in the Irish war for independence (1919–1921) and who still vividly remembers Maguire's qualities of leadership. Gerald O'Hara, the author, is a native of Charlestown, County Mayo, and is also active in the Irish immigration reform movement. Additionally, he serves as a corporal in the 9th Regiment of the New York Guard. He now lives in New York with his wife Catherine.

Mr. Speaker, I request that the full text of the article entitled "Remember 1916" appear at this point in the CONGRESSIONAL RECORD.

REMEMBERING 1916

TOM MAGUIRE, COMMANDANT GENERAL, I.R.A. (SECOND DIVISION)

Born in Cross, South Mayo in 1892, Tom Maguire was the fourth child of eleven in a large nationalist family. His ancestors fought against the Williamites at Aughrim in 1691, with Humbert in 1798 and were active in the Fenian movement in the 1800's.

Considering this lineage, it was no surprise that the young Maguire was politically aware and had a keen interest in military history. In 1913 he was a member of the Irish Volunteers and took the anti-Redmond side in the split of 1914.

Events beyond their control precluded the Mayo Volunteers from taking any active part in the Rising of 1916. This monumental event in Irish history left an indelible mark on Tom Maguire. He has this to say:

"The Easter insurrection came to me like a bolt from the blue. I will never forget my exhilaration; it was a turning point in my life to think that Irish men were fighting England on the streets of Dublin. I thank God for seeing such a day."[1]

Prominent in organizing the first company of the I.R.A. in South Mayo, Tom Maguire's leadership turned untrained and unarmed volunteers into an effective fighting force that engaged and defeated the British in several actions, notably the Kilfall ambush and the Tourmakeady ambush.

Tournmakeady, with its subsequent rear guard fighting and retreat across the Partry Mountains, made Tom Maguire a legend in his own lifetime. Wounded six times, and his adjudant, Michael O'Brien, fatally wounded after rendering him aid, he was carried by his own men where they broke through an encirclement of hundreds of British troops.

The tragic Civil War period found him imprisoned under threat of execution and his younger brother, John, was executed in Tuam.

Commandant General Tom Maguire, soldier and patriot, the last surviving member of the Second Dail, and one of the brave few who gained Ireland its first measure of freedom in six hundred years.

The people of Ireland and of County Mayo will forever be in their debt.

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[1] From Survivors by Uinseann MacEoin, Argenta Publications, Dublin.

Commandant General Tom Maguire lives with his son, Dr. Sean Maguire, in Castlebar, County Mayo.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, July 23, 1992, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 24

9:00 a.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

9:30 a.m.

Governmental Affairs

To hold hearings to examine the role of contractors in the Department of Defense's star wars program.

SD-342

10:30 a.m.

Environment and Public Works

Environmental Protection Subcommittee

To hold hearings on S. 1491, to provide for the establishment of a fish and wildlife conservation partnership program between the United States Fish and Wildlife Service, the States, and private organizations and individuals.

SD-406

2:00 p.m.

Armed Services

Closed business meeting to continue mark up of S. 2629, to authorize funds for fiscal year 1993 for military functions of the Department of Defense, and to prescribe military personnel levels for fiscal year 1993.

SR-222

JULY 27

2:00 p.m.

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To hold hearings on S. 2907, to revise and improve the National Flood Insurance Program of the Federal Emergency Management Agency.

SD-538

Governmental Affairs

Oversight of Government Management Subcommittee

To hold hearings on proposed legislation authorizing funds for activities of the Independent Counsel Law of the Ethics in Government Act of 1978.

SD-342

2:30 p.m.

Joint Economic

Technology and National Security Subcommittee

To hold hearings to examine China's recent economic performance and prospects, the status of economic reforms, and China's trade policies.

SD-628

3:00 p.m.

Foreign Relations

To hold hearings to examine U.S. plans and programs regarding weapons dismantlement in the former Soviet Union.

SD-419

JULY 28

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Armed Services

To hold hearings on the military implications of the START Treaty and the June 17, 1992 United States/Russian Joint Understanding on Further Reductions in Strategic Offensive Arms.

SH-216

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.

SR-253

Energy and Natural Resources

To hold hearings on the nominations of Hugo Pomrehn, of California, to be Under Secretary of Energy, and John J. Easton Jr., of Vermont, to be an Assistant Secretary of Energy (Domestic and International Energy Policy).

SD-366

10:00 a.m.

Environment and Public Works

Environmental Protection Subcommittee

To hold hearings on proposed legislation to conserve exotic, wild birds, including S. 1218, to provide financial assistance for projects for research, conservation, management, or protection of exotic birds, and S. 1219, to direct the Secretary of the Interior to issue regulations requiring the marking of exotic birds and to prohibit a person from importing exotic birds without a license.

SD-406

Judiciary

Patents, Copyrights and Trademarks Subcommittee

To hold hearings on S. 1581, to revise the Stevenson-Wydler Technology Innovation Act of 1980 to allow Federal agencies to secure copyright in computer software prepared by U.S. employees under a cooperative research and development agreement, and to grant licenses or assignments for the copyrights.

SD-226

2:00 p.m.

Budget

To hold hearings to examine the Administration's mid-session review of the Federal budget.

SD-608

2:30 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To resume hearings on S. 1156, Federal Land and Families Protection Act of 1991, focusing on the health of the eastside forests in Oregon and Washington.

SD-366

JULY 29

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.

SD-192

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings to examine the uses of telecommunication technologies in education.

SR-253

Governmental Affairs

Permanent Subcommittee on Investigations

To resume hearings to examine efforts to combat fraud and abuse in the insurance industry.

SD-342

10:00 a.m.

Finance

To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.

SD-215

Judiciary

Juvenile Justice Subcommittee

To hold hearings on S. 1002, to make it a Federal criminal offense to leave or remain outside a State for the purpose of avoiding payment of arrearages in child support

SD-226

1:30 p.m.

Judiciary

Courts and Administrative Practice Subcommittee

Business meeting, to mark up S. 287, for the relief of Clayton Timothy Boyle and Clayton Louis Boyle, son and father, S. 1103, for the relief of the estate of Dr. Beatrice Braude, S. 1181, for the relief of Christy Carl Hallien, of Arlington, Texas, S. 1652, for the relief of land grantors in Henderson, Union, and Webster Counties, Kentucky, and their heirs, S. 1859, for the relief of Patricia A. McNamara, S. 1947 and H.R. 238, for the relief of Craig A. Klein, S. Res. 170, to refer S. 1652 to the Chief Judge of the U.S. Claims Court for a report thereon, H.R. 454, for the relief of Bruce C. Veit, and H.R. 478, for the relief of Norman R. Ricks.

SD-562

2:00 p.m.
Finance
Medicare and Long-Term Care Subcommittee
To hold hearings to examine how Medicare payment policies affect physicians' choice of medical specialties.
SD-215

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

JULY 30

9:30 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to examine cosmetic standards and pesticide use on fruits and vegetables.
SR-332

Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1993 for the Departments of Labor, Health and Human Services, and Education, and related agencies.
SD-192

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings to examine issues relating to telemarketing fraud.
SR-253

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to examine efforts to combat fraud and abuse in the insurance industry.
SD-342

2:00 p.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:30 p.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on rail highway grade crossing safety, and on S. 2644, to require the Secretary of Transportation to require passenger and freight trains to install and use certain lights for safety purposes.
SR-253

Select on Indian Affairs
To hold hearings on S. 2481, authorizing funds for Indian health programs.
SR-485

AUGUST 4

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 2617, to provide for the maintenance of dams located on Indian lands in New Mexico by the Bureau of Indian Affairs or through contracts with Indian tribes.
SR-485

2:30 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 2577, to provide for the exchange of certain Federal lands within the State of Utah, between the State of Utah and the Secretary of the Interior.
SD-366

AUGUST 5

10:00 a.m.
Finance
To resume hearings to examine the state of U.S. trade policy, focusing on proposed legislation to open foreign markets to U.S. exporters and to modernize the operations of the U.S. Customs Service.
SD-215

Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

Veterans' Affairs
Business meeting, to resume markup of S. 2575, to revise certain pay authorities that apply to nurses and other health care professionals, and other pending calendar business.
SR-418

AUGUST 6

9:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on high-speed ground transportation.
SR-253

AUGUST 7

9:30 a.m.
Governmental Affairs
To hold hearings to examine the health risks posed to police officers who use radar guns.
SD-342

AUGUST 12

9:30 a.m.
Select on Indian Affairs
To hold oversight hearings on Indian trust fund management.
SR-485

CANCELLATIONS

JULY 23

9:30 a.m.
Governmental Affairs
To hold oversight hearings on the implementation of the Chief Financial Officers Act (P.L. 101-576), and to review the Army audit.
SD-342

2:30 p.m.
Governmental Affairs
General Services, Federalism, and the District of Columbia Subcommittee
To hold hearings on S. 2080, to clarify the application of Federal preemption of State and local laws.
SD-342

POSTPONEMENTS

JULY 23

9:30 a.m.
Small Business
To hold hearings on H.R. 5191, to encourage private equity capital to small business concerns.
SR-428A